
31761 08091826 1

UNIV. OF
TORONTO
LIBRARY

The Statist,

A JOURNAL OF

PRACTICAL FINANCE AND TRADE.

UNIVERSITY OF TORONTO LIBRARY

VOLUME XCIII.

BEING

FROM JANUARY 4 TO JUNE 28, 1919

INCLUSIVE.

208573
27.1.27.

LONDON:

PUBLISHED AT "THE STATIST" OFFICE, 51 CANNON STREET, E.C.

MDCCCCXIX.

HG
11
S8
V.93

INDEX TO VOLUME XCIII.

INDEX.

Note.—Companies are indexed in divisions: viz., Banking, Commercial, Insurance, Mining, ailways, and Rubber.

A

PAGE

Aerated Water Industry 1045
Africa and Australia 1164
Agricultural Education in Ireland 788
Agricultural Finance 556
Agricultural Implements and Labour-saving Appliances 751
Agricultural Wages 889
Agriculture, British and Irish ... 55
Agriculture, Irish 551
Alkali Industry, The 641-690
Appreciation of Values 636

America (United States of):—

An Undoubted Check 735
Coal Production 424
Cotton 496-544
Cotton Spindles (Number of) 454
Crops 24-558-943
Europe's Fiscal Debt 849
Export Trade 598
Industrial Statistics 424
Live Stock Resources 91
Loans to Britain 98
National Bank Assets, Expansion in ... 278
Pigs, Number of 1152
Presidential Prospects 1089
President Wilson's Scheme 495
Railroads under Government Control ... 1049
Railway Position 64
Revenue Bill 473
Rubber, Industry 281
Shipping 637-1167
Silver, Maximum Price Removed 829
Taxation 932
Trade (Foreign) 372-895-987
Wheat (Winter) Condition 1102

Argentina:—

Cattle in 844
Live Stock Resources 91
No Need for Alarm 739
Position in 89-131-233-457-501-787-1155-1208
Quebracho 422
Trade 1096

"Argentine Standard Directory of Merchants and Manufacturers" 697
Army Estimates 411

Australia:—

Fodder in 800
New South Wales Official Year-Book (1917) 771
Produce Sales to Imperial Government 468
Railway Development 890
Victoria (Government of) Loan 952*
Victoria (State of) Financial Position 890
Wool 515

Austrian Treaty, The 1038

B

"Banking Almanac" 423

Banks and Banking (*see also* The Money Market, *Weekly*, and Special Section, May 31) :—

PAGE

Banks and Banking—(*cont.*):—

Amalgamated Banks ..... May 31
Assets of U.K. Banks 225-May 31
Bank Rates (*see* Tabular Appendix and The Money Market, *Weekly*)
Bank Returns (*see* Tabular Appendix and The Money Market, *Weekly*)
Bankers' Clearings (*see also* Tabular Appendix, *Weekly*) 881
Banking in the North of England ... 880-978
Banks Absorbed by Amalgamation 2
Banks Amalgamated 229
Condition of our Banks 225-324
Currency Note Issue (*see* Tabular Appendix, *Weekly*)
Deposits of U.K. Banks ..... May 31-225
Dividends and Share Yields (U.K. Banks) ..... May 31
Irish Banking 133-169
Liabilities of U.K. Banks 225-May 31
New Banking Capital 21-93-139-179-234-372-1105
Profits of U.K. Banks ..... May 31
Progress of Banking ..... May 31
Rate on Foreign Balances 41
Savings Banks Deposits 143

Individual Banks:—

African Banking Corporation 139
Alexanders Discount Co. ..... (p. xix) May 31
Anglo-Egyptian Bank 139
Baker, Duncombe & Co. ..... (p. xx) May 31
Banca Italiano di Sconto 454
Banco de Espana 317-943
Banco Nacional Ultramarino 584
Bank of Bombay 282
Bank of England ..... 403-(p. xvii) May 31
Bank of Ireland ..... (p. xx) May 31
Bank of Liverpool & Martin's Bank 881-(p. xxii) May 31
Bank of Montreal 62
Bank of Scotland ..... (p. xxvi) May 31
Bankers' Trust Co. (New York) 21
Banque Belge pour L'Etranger 403-471
Banque de France 360
Barclays Bank ..... 139 (p. xxviii) May 31
Baring Bros. ..... (p. xxxi) May 31
Beckett's Bank ..... (p. xxii) May 31
Belfast Banking Co. ..... (p. xxiii) May 31
Blydenstein and Co. (B. W.) (p. xxiv) May 31
British Linen Bank ..... (p. xxxvi) May 31
British Mutual Banking Co. (p. xxxviii) May 31
British Overseas Bank 367-403-1048
British Trade Corporation 179
Chartered Bank of India, Australia and China 139
Child and Co. ..... (p. xxxix) May 31
Clydesdale Bank ..... (p. xxxix) May 31
Cocks, Biddulph and Co. ..... (p. xii) May 31
Commercial Banking Co. of Sydney ... 179
Commercial Bank of Scotland (p. xlii) May 31-1105
Co-operative Wholesale Society (p. xliv) May 31
Coutts and Co. ..... (p. xlv) May 31
Cox and Co. ..... 139-(p. xlvi May 31
Equitable Bank ..... 139-(p. xlviii) May 31
Farrow's Bank ..... (p. xlix) May 31
Glynn, Mills, Currie and Co. (p. l) May 31
Guernsey Banking ..... (p. lii) May 31
Halifax Commercial ..... (p. lii) May 31
Hibernian Bank ..... (p. liv) May 31
Hoare and Co. ..... (p. lv) May 31
Isle of Man ..... (p. lvi) May 31
Java Bank 466
Lancashire and Yorkshire 881-(p. lviii) May 31
Lloyds Bank ..... (p. lviii) May 31
Lloyds Bank (France) and National Provincial Bank (France) (p. lxiii) May 31
London and Liverpool Bank of Commerce ..... (p. lxiii) May 31
London Bank of Australia 234
London County Westminster and Parr's Bank ..... 139-(p. lxv) May 31

PAGE

Banks and Banking—(*cont.*):—

London Joint City and Midland 139-(p. lxx) May 31
London Merchant Bank ..... (p. lxvi) May 31
Manchester and County Bank 979-(p. lxvii) May 31
Manchester and Liverpool District 881-(p. lxviii) May 31-1107
Mercantile Bank of India 139
Mercantile Bank of Scotland (p. lxxxi) May 31
Munster and Leinster Bank (p. lxxxiii) May 31
National Bank, Ltd. (p. lxxxiv) May 31-1078
National Bank of India ..... 21-139-644†
National Bank of New Zealand 372
National Bank of Scotland (p. lxxxvi) May 31
National Bank of South Africa 473
National Discount Co. ..... (p. xc) May 31
National Provincial and Union 139-(p. xcii) May 31
Northamptonshire Union ... (p. xcv) May 31
Northern Banking Co. (Ireland) (p. xcvii) May 31
North of Scotland Town and Country (p. xcviii) May 31
Palatine ..... 139-(p. c) May 31
Provincial Bank of Ireland (p. cii) May 31
Royal Bank of Australia 139
Royal Bank of Canada 139
Royal Bank of Ireland ..... (p. ciii) May 31
Royal Bank of Scotland ..... (p. cv) May 31
Sheffield Banking ..... (p. cvii) May 31
Skandinaviska Kreditaktiebolaget 229
Société Générale de Belgique (Brussels) ..... 688†-711†
Standard Bank of South Africa 3-72-473-991
Swiss Bank Corporation 463
Ulster Bank ..... (p. cix) May 31
Union Bank of Australia 139
Union Bank of Manchester 139-888-(p. cx) May 31
Union Bank of Scotland (p. cxiii) May 31
Union Discount Co. ... 372-(p. cxvi) May 31
West Yorkshire Bank ... (p. cxvii) May 31
Williams Deacon's Bank 139-979-(p. cxix) May 31
Yorkshire Penny Bank ... (p. cxxi) May 31

Belfast Strike, The 231

Belgium:—

Credit Granted to 213
Debt 506
Loans 470-506
Pope and, The 1091

Birkenhead 689
Biscuit Industry 991
Boot and Shoe Trade 707

Brazil:—

Controlling Trade 366
Development of 172-414
Economic 416
Economic Mission 1210
New President 841
Northern States 892
Our Brazilian Guests 1091
President's Death 89
Produce 311
Sound Position, A 691
Trade 650-699-755-1212

British and American Export Trade 599
British and American Shipping ... 637
British Credit 264-284
British Dye Industry ... 549-597-1156-1204
Budget, The 781

* New Issues

† Annual Reports or Articles dealing with Annual Reports.

INDEX

C

PAGE

Canadian Government Advances ... 376
Capital, Issues of (*see* New Issues, *Weekly*)
Carpets ... 69
Cattle of the World ... 423-869-948
Cement Manufacture in Ireland ... 1216
Cereal Yields of Various Countries ... 462

Chili:—
Need for Development ... 640
Nitrate Industry ... 61-178-273
Transition Period ... 550
Unrest, A Measure of ... 884

China:—
Meat from ... 325

Civil Service Estimates ... 349
Civil Service, The ... 790
Cleveland Iron Trade ... 52-1095
Coal Commission ... 501
Coal Export Trade (Lancashire) 787
Coal Production and Consumption 418
Coal Production in U.K. and U.S.A. ... 424
"Cobden, Richard: The International Man" ... 210
Cocoa ... 900
Coffee ... 275

Commercial Affairs and Companies:—
Aerated Water Industry ... 1045
Alkali Industry ... 641-690
Biscuit Industry ... 991
Boot and Shoe Trade ... 707
British Dyestuffs Corporation ... 985
Carpets ... 69
Cheese (Irish) ... 1091
Coal Industry Commission Report ... 1201
Coal Production and Consumption ... 418-786
Cocoa ... 900
Coffee ... 275
Commodity Prices ... 63-274-466-645-846-1100
Cotton ... 241-284-496-508-544-739-782-1098
Dye Industry ... 549-597
Dyewares ... 1156-1204
Edible Oils Trade ... 1214
Fertiliser Industry, The ... 376-420
Flax ... 143-184
Hosiery Trade ... 707-802
Iron and Steel Trades ... 467
Iron Trade ... 62-467-1095
Iron Trade (Cleveland) ... 52
Jute ... 30-105-324-475
Lace and Allied Industries ... 427
Leather ... 144-186-474-745-1139-1222
Linen Industry ... 143
Live-stock of the World ... 423-460-949
Meat ... 655
Nitrate ... 61-178-273
Paper Pulp ... 939
Pipe Industry, The ... 1079
Shipbuilding (Merchant) ... 52-945
Shipbuilding (Time Occupied) ... 231
Shoddy Trade ... 1039
Silk ... 517-563-1054-1111-1173
Steel Outlook ... 129
Sugar-Beet Industry ... 743
Tea ... 950
Tinplate Trade ... 692-737
Tobacco Industry ... 888-942
Wool ... 515-756-937-982-1042-1202
Woolcombing ... 1041-1165
Wool Prices ... 1154
Individual Companies:—
Aberthaw and Bristol Channel Portland Cement ... 187*
Abyssinian Corporation ... 993*
African Association ... 29†-1110
All Seas Marine and Salvage Co., Ltd. 803*
Amalgamated Industrials ... 1057*-1193
American International Corp. ... 760†-796†
Anglo-American Oil Co. ... 1221†
Anglo-Persian Oil ... 559†
Angus (George) and Co. ... 211†
Armstrong, Whitworth and Co. ... 1193
Austin Motor Co. ... 184†
Ayrton, Saunders and Co. ... 903*
Babcock and Wilcox ... 1058†
Baku Russian Petroleum ... 988
Barker (John) and Co. ... 904†
Barrow Hæmatite Steel ... 102-759†
Barry, Ostlere and Shepherd ... 657
Bell's United Asbestos ... 1053†
Bihi Eibat Oil Co. ... 988
Bleachers' Association ... 1113†
Borax Consolidated ... 477†
Boston and Sons, Henry ... 858
Bovril, Ltd. ... 254†-658*
Bradley's (Chepstow Place) ... 614
British Aluminium ... 565†
British-American Tobacco ... 210†
British and Argentine Meat Co. ... 759†
British Central Africa Corporation ... 44
British Cocoa and Chocolate Co. ... 945
British Cotton and Wool Dyers ... 903†
British East Africa Corporation ... 161†
British Industrial Corporation ... 709*
British Insulated and Helsby Cables ... 519†
Briton Motor Co. ... 1178*
British Motor Trading ... 857*
British Westinghouse Manufacturers ... 904†
Brunner, Mond and Co. ... 1175†
Bryant and May ... 1028
Burgone, Ltd. ... 858*
Burmah Oil Co. ... 1167†

PAGE

Commercial Affairs and Companies (*cont.*) —
Cadbury Brothers ... 945
Cairn Line of Steamships ... 710†
Cammell, Laird and Co. ... 615†
Canada Steamship Lines ... 750†
Canadian Car and Foundry ... 103†
Canadian General Electric ... 702†
Cities Service Company ... 797†-762†-944
City General Trust ... 952*
City of London Brewrey ... 286†
Clayton and Shuttleworth ... 710†
Clyde Valley Ship Welders ... 1177*
Cooper (John) and Sons (Beehive), Ltd. 1057*
Cornwall Slate Quarries ... 472*
Cory (Wm.) ... 1175
Court Line ... 859†
Courtaulds Ltd. ... 428†
Crocker, Sons and Co. ... 709*
Crompton and Co. ... 1193
Crosfield (Joseph) and Sons, Ltd. ... 512*-565
Crossley Motors ... 657*
Cuban American Sugar ... 179†
Cubitts' Engineering ... 993*
Darracq (A.) and Co. ... 28†-472*
Davis (D.) and Sons ... 426†
Davis Gas Stove, Ltd. ... 1107
De Trey and Co. ... 1226†
Debenham's Ltd. ... 564*
Denny, Mott and Dickson ... 859
Dick, Kerr and Co. ... 29
Dunlop Rubber ... 281†-564*
Durward (Kenneth), Ltd. ... 952
Eagle Oil Transport ... 1176†
East African Flax Lands ... 770*
Edible Oils Trade ... 1214
Edison Swan Electric Co. ... 29†
Electric Works ... 709*
Electrolytic Zinc Co. or Australasia ... 589
English Electric Co. ... 29
European Oilfields Corporation ... 988
Fairbairn Lawson Coombe Barbour ... 805†
Fellows' Magneto Co. ... 1225*
Fine Cotton Spinners' & Doublers' Assoc. 949†
Freeman, Hardy and Willis ... 211†
Frost Brothers ... 858*-903
Fry (J. S.) and Sons ... 945
Fuller's United Electric Works ... 709*
Gamage (A. W.) ... 901*
General Electric Company (U.S.A.) 850†-860†
Glover (W. T.) and Co. ... 776
Gossage and Sons (Wm.) ... 952*-994
Gramophone Co. ... 106
Greenlees and Sons (Easiephit Footwear), Ltd. ... 614
Greenwich Inlaid Linoleum ... 858*
Griffiths (Wm.) and Co. ... 520†
Guy Motors, Ltd. ... 239
Hadfields, Ltd. ... 616
Handley Page, Ltd. ... 709*
Harrisons and Crosfield ... 140-1175*-1226
Harrod's Stores ... 1102
Henley's (W. and T.) Telegraph Works 758
Home and Colonial Steam Fishing ... 1057*
Hope Bros. ... 805†
Howard and Bullough ... 1226†
Howell (John) and Co. ... 135†
International Harvester ... 987†-996†
International Light and Power ... 345*
International Mercantile Marine ... 1167
James Patent Tractor Plough ... 994*
Johnson and Phillips ... 953
Jurgens Ltd. ... 902*
King Line, Ltd. ... 710
Lanarkshire Steel ... 477†
Laycock (W. S.) Ltd. ... 994*
Lennards, Ltd. ... 282†
Levant Co. ... 1224*
Lever Bros. ... 565†-803*-851
Liversedge (Alan), Ltd. ... 709*
London Nitrate Co. ... 703†
Lotus, Ltd. ... 1057*
Loveys (John) and Co. ... 180
Lyons (J.) and Co., Ltd. ... 1113†-1224*
Magadi Soda Co. ... 614*
Maidenhead Brick and Tile Co. ... 1177*
Major and Co., Ltd. ... 658
Mandleberg (J.) and Co. ... 954†
Manganese Bronze and Brass Co. ... 770*
Mappin and Webb ... 801†
Marsden (Charles) and Sons ... 804*
Maypole Dairy ... 1058†
Mazawattee Tea Co. ... 657
Metropolitan Carriage and Wagon ... 518
Metropolitan Railway Country Estates Co. ... 1225*
Mexican Eagle Oil ... 238†-904
Midland Electric Corporation for Power Distribution ... 614*
Monte Video Water Works ... 758
Morris and Jones, Ltd. ... 1057*
Morris (Herbert), Ltd. ... 1110*
Morton (C. and E.) ... 477†
Morum's Oriental Stores ... 1225*
M.P. Concrete Construction Ltd. ... 804*
Napier (D.) and Sons ... 68-954†
Nathan and Co. (Joseph) ... 1177*
Oceanic Steam Navigation ... 805†
Oriental Telephone ... 854
Otis Steel ... 587-759-896†-991
Palmers Shipbuilding and Iron Co. 656†-709*
Parry (Owen), Ltd. ... 953*
Pascall (James), Ltd. ... 994*
Pease and Partners ... 1112†
Peck Brothers and Winch ... 75†
Pencisely Steamship Co. ... 994*
Phillips (Godfrey), Ltd. ... 902
Picture Playhouses ... 1177*
Provincial Cinematograph Theatres ... 1225*
Radiation, Ltd. ... 1107
Reville, Ltd. ... 1177*
Richmond Gas Stove and Meter Co. ... 1107
Rosario Nitrate ... 476†
Rover Company ... 1105
Rowntree and Co. ... 805*
Royal Mail Steam Packet Co. ... 995
Royal Sovereign Steamship ... 902*

PAGE

Commercial Affairs and Companies (*cont.*)—
Russian Petroleum Co. ... 988
Salt Union, Ltd. ... 615†
Selfridge and Co. ... 327†-1174
Selincourt and Sons ... 1224*
Shannon (John) and Son ... 286†
"Shell" Transport and Trading Co. 1220†
Shelton Iron and Steel ... 477†
Slough Gas and Coke Co. ... 805*
Smith (S.) and Sons ... 506
South African Cotton and Tobacco Co. 1224*
South American Stores (Gath and Chaves) ... 180†
South Fleetwood Fishing ... 658*
Spillers and Bakers, Ltd. ... 903†
Star Engineering Co. ... 1224*
Stewarts and Lloyds ... 616†
Straker-Squire, Ltd. ... 1056*
Sunbeam Motor Co. ... 103-858*
Travers and Sons (Joseph) ... 859
Trust Houses, Ltd. ... 615*
Tyler and Sons (J.) ... 657*
Tyre Investment Trust ... 1225*
United Premier Oil and Cake Co. ... 993*
United States Steel Corp. ... 236-279-795†
Vickers, Ltd. ... 518-776
Victory Oil and Cake Mills ... 658*
Vulcan Foundry ... 187†
Wellesley Brown Aircraft ... 658*
Whiteaway, Laidlaw ... 1224*
Whiteley (Wm.) ... 565†
Wiggins, Teape and Co. ... 512*
Woolcombers, Ltd. ... 519†
Wright (John) and Eagle Range, Ltd. 1107
Wrigley and Co. (E. G.) ... 1178*
Yorkshire Electric Power ... 327†

Commercial Intelligence ... 983
Commodities, Prices of (*see also*) Tabular Appendix, *Weekly*) 63-274-466-645-846-1100
Company Meetings Reports (see separate Index)
Congested Districts in Ireland ... 458
Co-operation in Ireland ... 456-513-557
Correspondence ... 324-508
Cost of the War (*see also* Tabular Appendix and The Money Market, *Weekly*) ... 2-20-78-159-300-317
Cotton ... 241-276-284-782-1098
Cotton (British and American Industries) ... 544
Cotton Consumption ... 737
Cotton (Lancashire Trade Profits) 106
Cotton (Raw Production) ... 496
Cotton Spindles (Number in Various Countries) ... 454-508
Cotton Trade and Foreign Competition ... 454
County Palatine ... 452
Credit Difficulties ... 609
Credit Scheme for International Financing ... 746
Cuba ... 364
Currency Note Issue (*see* Tabular Appendix, *Weekly*)

D

Debt, The National ... 79-159-300-317-594
Debt (The National) Competition 593
Decline in Indian Agriculture ... 326
Derbyshire Petroleum Drilling ... 895
"Directory of Directors" ... 991
Discount Rates (*see* The Business Week *and* Tabular Appendix, *Weekly*)
Distribution of Waste and Production ... 503
"Dod's Parliamentary Companion" ... 506
Dye Industry (British) ... 549-597
Dyewares, British ... 1156

E

Eclipse of Europe, The ... 221
Ecuador ... 598
Edible Oils Trade ... 1214
Egypt ... 506
Election, The ... 6
Empire Flax ... 143-184
Empire Jute ... 30-105
Europe and an Economic Vacuum 783
Europe's Fiscal Debt (to America) 849
European Prospects ... 1033
Exchanges (*see* Tabular Appendix, The Money Market, and Financial Notes, *Weekly*)
Expenditure, National [*see also* Tabular Appendix, *Weekly*) 2-20-594
Exports (*see* Trade)

* New Issues. † Annual Reports or Articles dealing with Annual Reports.

INDEX

PAGE

F

Fertiliser Industry, The 376-420
Finance Accounts 114
Financing the Exchequer (*see* The Money Market, *Weekly*)
First Six Weeks of the War, The 309
Flax 143-184
Fodder in Australia 800
Foreign Bank Rates of Discount (*see* Tabular Appendix, *Weekly*)
Foreign Bank Returns (*see* Tabular Appendix and The Money Market, *Weekly*)
Foreign Competition in Wool Manufacture 982-1042
Foreign Exchanges (*see* Tabular Appendix and The Money Market, *Weekly*)
Forestry in Ireland 469-520
"Forty Days in 1914" 309

France :—

Bank of France 360
Developing Trade 984
Exchange Position 505
Taxation 974
Trade of Paris and the War 1094
Treasury Bills 42-78

Funding Loan, The 1081-1109*

G

Gas Stove Combine 1107

Germany :—

Food Production 135
Position and Prospects ... 127-835-836-1090-1199

Gold (*see* The Money Market and Tabular Appendix, *Weekly*)
Gold Committee's Report 4
Gold Production 12
Gold Reserves 169
Gold Shipments Resumed 1030
Government Borrowings (*see* The Money Market, *Weekly*)

Greece :—

Greek Debt Service 466

Guatemala 230-1040

H

"Hazell's Annual and Almanack" 510
Holden, Sir E., Speech of 168

Home Affairs :—

Aërated Water Industry 1045
Agricultural Education in Ireland 788
Agricultural Finance 556
Agricultural Wages 889
Agriculture, British and Irish 55
Army Estimates 411
Belfast Strike 231
Birkenhead 689
Boot and Shoe Trade 706
Borrowing in United States 98
British Credit 264
Budget, The 781
Cement Manufacture in Ireland 1216
Civil Service, The 790
Cleveland Iron Trade 52-1095
Coal Commission 501-1201
Coal Production in U.K. and U.S.A. 424
Commodities, Prices of ... 63-274-466-645-846
Congested Districts in Ireland 458
Co-operation in Ireland 456-513-557
Cotton Spindles 454-508
Cotton Trade 106-241-276-284-451-496-545-738-782-1098
Debt (National) 79-159-300-317-594
Debt (National) Competition) 593
Distribution of Waste and Production 503
Dye Industry 549-597
Dyewares 1157-1204
Elections, The 6
Expenditure, National 2-20-158-159-594
Export Trade 598
Fertiliser Industry 377-420
Finance Accounts 114
Financing the Exchequer (*see* The Money Market, *Weekly*)
Food Control 985
Foreign Competition in Wool Manufacture 982-1042
Forestry in Ireland 469-520
Hosiery Trade 706-802
Imports, A New Policy with Respect to 92
Income Tax Commission 552
Industries of the West Riding 975
Ireland and Ways and Communications 740
Ireland, Economic Condition of 17
Ireland, Position in 167

PAGE

Home Affairs (*cont.*) :—

Ireland, Reconstruction in 56
Ireland's External Trade 12
Ireland's Housing Needs 170
Irish Agriculture 55-551
Irish Banking 133-169-171
Irish Cheese Industry 1091
Irish Copper-ore Deposits 693
Irish Dead Meat Industry 90-270
Irish Education 416
Irish Farming 272
Irish Linen Industry 316-365
Irish Minerals, Working of 129
Irish Pig Trade 1101
Irish Poplin Industry 944
Irish Sheep Industry 1160
Irish Soap Industry 516
Irish Tilling Prospects 130
Irish Transport 18
Iron and Steel Trades 467
Iron Ore in Ireland 276
Iron Trade (Cleveland) 52
Labour Question, The 357-409
Lancashire 452
Lancashire Coal and Iron Ore 738
Lancashire Coal Export Trade 786
Lancashire Cotton Trade Profits 106
Lancashire Engineering Industry 639
Land Purchase in Ireland 606-642-695
Leather Industry in Ireland *745
Leather Trade 144-186-474-1139-1222
Lignite Deposits in Ireland 1043
Linen Industry 143
Liverpool and the Transport Bill 937
Liverpool Cotton Market 782-842
Liverpool's Post-War Shipping Development 455
Macpherson (Mr.) in and on Ireland 358-1202
Mercantile Marine Tonnage, Replacing the 547
Mineral Production of U.K. 529
Molybdenite Deposits in Ireland 1157
Navy Estimates 411
New Administration, The 49
New Banking Capital 21
Paper Manufacture in Ireland 697
Peat Resources of Ireland ... 854-887-934-981
Petroleum Drilling in Derbyshire 885
Pipe Industry 1079
Port of Hull 1153-1206
Ports of London and Liverpool 596
Revenue from Customs Duty 42
Revenue Returns, The 2-20-594
Road Repairs (Grant by Treasury) 795
Savings Bank Returns 64-143-326-486-744
Shipbuilding 52
Shipbuilding in Belfast 313-363-415
Shipbuilding Outlook 945
Shipbuilding (Time Occupied) 231
Shoddy Trade 1039
Silk Industry 1173
Sugar 856
Sugar-Beet Industry 743
Textile Machinery 500-546
Textile Trades (Production in) 1055
Tinplate Trade 692
Tobacco Industry 888-942
Trade, Our Foreign 95-645-845-1097
Transportation Bill, The 498
Unemployed, The 974
War, Cost of (*see also* Tabular Appendix *and* The Money Market, *Weekly*) 2-20-79-159-300-317-594
Water Power in Ireland 268-310-361
When the War Ends 10-50-88-127-169-223-264-308-359-412
Wool 937-982-1042-1203
Woolcombing Industry 1041-1165

Hosiery Trade 707-802
Hotels and the Government 647
Hull, Port of 1153-1206

Illustration :—

Course of Wool Prices 1203

I

Imports (*see* Trade)
Imports and Exports 600
Imports, A New Policy with Respect to 92
Income (National) (*see* Tabular Appendix, *Weekly*)
"Income Tax Act, 1918" 851
Income Tax Commission 552
Index-Numbers of Commodity Prices 63-274-466-645-846-1100
Index to STATIST, Volume xcii. (July to December, 1918), Jan. 11

India :—

and the Motor 546
Budget, The 409
Cotton 652
Council Drafts (Sales) 829-904
Decline in Agriculture 326
Indigo Crops 211-441
Monsoon 1192
Position in 648-687-736-880
Rice Crop 562
Sugar Crop 726
Sugar Industry 1221
Sugar Factories 97
Trade (Effect of War) 725-756-1099
Wheat Acreage and Yield 900
Wheat Crop 1046

PAGE

Industries of the West Riding ... 975
Industry and Religion in Ireland... 412
Institute of Patentees 1214

Insurance (*see also* Insurance Notes, *Weekly*, and Special Section, December 14) :—

Accident Insurance in 1918 241
Fire 183
Institute of Actuaries, Presidential Address 27
Life Assurance in British Colonies 101
Life Assurance Valuations in 1918 and 1919 66
Marine 882-883
Marine Insurance in 1918 42-142
Miscellaneous Insurance in 1918 241

Individual Companies :—

Abstainers and General 67
Alliance 67
British and Foreign Marine ..... 513†
British Equitable 67
British General ..... 1171†
Caledonian 66
Century 66
Clergy Mutual 1108
Commercial Union 66-67
Employers' Liability ..... 853†-854
Equitable 990
Excess Insurance Co. ..... 1171†
Friends' Provident 67
General Accident ..... 899†
General Life 67
General Re-Insurance Co. 901*-953*
Indemnity Mutual ..... 473†
Legal and General ..... 60-755†
Licenses and General 654
Liverpool and London and Globe 67-229
London and Lancashire Fire ..... 323†-426
London and Lancashire Life 67-1110*
London Assurance ..... 947†
London Life 1108
Maritime Insurance Co. ..... 562†
Merchants' Marine ..... 472†-854
National Mutual ..... 67-375†
National Provident ..... 67-611†
Northern 28
Pearl Assurance Co. 612
Phœnix ..... 1219†
Profits and Income ..... 513†
Provident Mutual Life ..... 67-799†
Prudential ..... 705†
Refuge ..... 799†
Scottish Amicable ..... 138-283-1052†
Scottish Equitable 67
Scottish Insurance 283
Scottish Life ..... 561†
Scottish Provident 67
Scottish Temperance 67-425
Scottish Widows 67
Sea Insurance ..... 283†
Sun Life ..... 323†
University Life 990
West of Scotland ..... 899†
World Marine ..... 654†

Ireland :—

Agricultural Education 788
and Ways and Communications 740
Belfast Strike, The 231
Cement Manufacture in 1216
Congested Districts 458
Co-operation in 456-514-557
Dead Meat Industry in 90-270
Economic Condition of 16
Fertiliser Industry 377
Forestry in 469-520-605
Housing Needs 170
Industry and Religion in 412
Iron Ore in 277
Land Purchase in 603-642-695
Leather Industry 745
Live Stock Resources 91
Molybdenite Deposits 1157
Mr. Macpherson 358-1201
Paint-making Materials 1167
Paper Manufacture in 697
Peat Resources 854-887-934-981
Position in 167
Reconstruction in 57
Shipbuilding in Belfast 313-363-415
Tilling Prospects 130
Trade 12
Water Power in 268-310-361

Irish Agriculture, Effect of the War On 551
Irish and British Agriculture ... 55
Irish Banking 133-169
Irish Cheese Industry 1091
Irish Copper Ore Deposits 693
Irish Education 416
Irish Farming, Present Position... 272
Irish Linen Industry 315-365
Irish Minerals, Working of ... 129
Irish Pig Industry 1101
Irish Poplin Industry 944
Irish Soap Industry 516
Iron and Steel Trades 52-467-1095
Is War Ended? 931

Italy :—

and Fiume 792
Financial Situation 50
Rice-field Workers' Wages 920
War Cost and Loans 825

INDEX

J

PAGE

Japan :—
and Lancashire ... 498
Cotton Trade (External) ... 498
Paper Industry's Development ... 896
Trade and Finance ... 57-278-404-706-845-1168
Jute Industry ... 324-475

K

Korea (Chosen) ... 700

L

Labour Question, The ... 357-409
Lace and Allied Industries ... 427
Lancashire ... 452
Lancashire and Japan ... 498
Lancashire Coal and Iron Ore ... 738
Lancashire Coal Export Trade ... 786
Lancashire Cotton Industry ... 276-1098
Lancashire Cotton, Trade Profits 106-895
Lancashire Engineering Industry... 639
Land Purchase in Ireland ... 605-642-695
Laurier, Sir Wilfred ... 307
Lead Industries, Women in the ... 1211
Leather Industry in Ireland ... 745
Leather Trade, The 144-186-475-1139-1222
Life Assurance Offices (*see* Insurance)
Lignite Deposits in Ireland ... 1043
"Limits of State Industrial Control" ... 856
Linen Industry ... 143
Liverpool and the Transport Bill ... 837
Liverpool Corporation Bills ... 952*-994
Liverpool Cotton Market ... 782-842
Liverpool, Port of ... 596
Liverpool Steamship Owners' Report ... 368
Liverpool's Post-war Shipping ... 455
Live Stock of the World 423-460-869-948
Loan, The New ... 1037-1151
London, Port of ... 596

M

Macpherson, Mr. ... 1201
"Manual of Electrical Undertakings and Directory of Officials" ... 76
Meat ... 655
Meat from China ... 325
Meat Industry in Ireland ... 90-270
Meetings, Company (*see* separate Index)
Mercantile Marine Tonnage, Replenishing ... 547
Metric System, The ... 463
Mexico ... 14-54-935-977-1093
Mineral Production of U.K. ... 129

Mines and Mining :—
Broken Hill Labour ... 1194
Copper Mining Outlook ... 216
Gold Committee's Report ... 4
Rand Gold Output ... 122†-398-876-1118
Rand Low-Grade Mines ... 1194
Rand Mining Dividends ... 5-1194
S. African Mint Bill ... 1221
Individual Companies :—
Anglo-Continental Mines ... 1034†
Anglo-French Exploration ... 875†
Aramayo Francke Mines ... 731
Arizona Copper ... 352†
Aurora West ... 155-626-1223
Balaghat ... 76 114-296-1195
Brakpan ... 259-302-398-626-777†-1223
British Broken Hill ... 5†-1085†
British Central Africa Corporation ... 44‡
Burma Corporation ... 120-489
Burma Queensland Corporation ... 804*
Cam and Motor ... 121†
Central Mining and Investment Corp. 1084†
Champion Reef ... 81†-114-296
Charterland and General ... 163†
Chicago-Gaika Development ... 490†
City and Suburban ... 399-1174
City Deep ... 218-351-626-874†-926†-1080-1174
Colombian Mining and Exploration ... 259
Consolidated Langlaagte ... 626-1080-1174
Consolidated Mines Selection Co. ... 969†
Crown Mines ... 399-448-533-626-920-1052†-1245
Daggafontein G. M. ... 539-778-927†
Dolcoath Tin Mine ... 590
Durban Deep ... 406†
East Pool and Agar ... 683†
East Rand Proprietary ... 533 1080 1245
Electrolytic Zinc Co. of Australasia ... 589
Esperanza ... 218
Exploration Co. ... 447†
Falcon ... 405†
Ferreira Deep ... 304
Geduld Proprietary ... 631†-830-1246
Geldenhuis Deep ... 533-631†
Goch (New) ... 399

Mines and Mining (*cont.*):—
Government Areas (Modderfontein) G. M. ... 217-491-850†-1141
Hampden Cloncurry Copper ... 405†
Houtpoort, Ltd. ... 968
Johannesburg Consolidated Investment 217
Knights Deep ... 6†
Langlaagte Estate ... 1033†-1246
Lena Goldfields ... 1085†
Lonely Reef ... 491-970†
Mashonaland Consolidated ... 6
Mason and Barry ... 832†
Messina (Transvaal) Development ... 303†
Mexico Mines of El Oro ... 404†
Modder B ... 302-398-1246
Modder Deep ... 682†-830-1246
Modderfontein East ... 216-491-539
Modderfontein (New) ... 115-216-398-440-1246
Mongu Tin ... 1147
Mount Lyell Mining and Railway ... 80†
Mount Morgan ... 447†
Mysore ... 114-296
Naraguta Tin ... 45†
Natal Navigation Collieries ... 302†
Nechi Mines, Colombia ... 45†-1195†
New State Areas G. M. ... 217
North Broken Hill ... 489†
Nourse ... 399
Nundydroog ... 114-296-684
Ooregum ... 115-296-651
Oroville Dredging ... 45†-1195†
Pahang Consolidated ... 121†
Pato Mines (Colombia) ... 45†-1195†
Premier Diamond ... 351†
Rand Mines, Ltd. ... 1146†
Rand Selection ... 588-730†
Randfontein Central ... 217-875†-1246
Rhodesia Broken Hill ... 589-969
Rio Tinto ... 589
Rose Deep ... 588†
Santa Gertrudis ... 539
Shamva ... 489
Simmer and Jack ... 490†
South African Gold Trust ... 447†
South Crofty G. M. ... 1086†
Springs Mines ... 259-489-776†-870
Sub Nigel ... 533
Tehidy Minerals, Ltd. ... 258
Transvaal & Delagoa Bay Investment 162*
Union Corporation ... 969†
Utah Copper ... 490†
Van Ryn Deep ... 217-533-831†
Van Ryn G.M. ... 1217
Village Deep ... 491-926†
West Rand Consolidated ... 1194†
Witbank Colliery ... 152†
Wolhuter G.M. ... 406†
Zinc Corporation ... 1147†
Molybdenite Deposits in Ireland— 1157
Money Market (*see* first page *Weekly*)

N

National Debt ... 79-159-300-317-594
National Debt (STATIST Competition) ... 593
Navy Estimates ... 411
Nearing the End ... 635
New Administration, The ... 49
New Era in Medicine, The ... 232
New Europe, The ... 86
New Industries Committee ... 235
New Issues of Capital Order ... 588

New Issues of Capital : (*see also* New Issues *Weekly*)—
Aberthaw and Bristol Channel Portland Cement ... 187
Abyssinian Corporation ... 993
Amalgamated Industrials ... 1057
Ayrton, Saunders and Co. ... 903
Bekoh Rubber Estates ... 853
Boston and Sons (Henry) ... 858
Bradley's (Chepstow Place) ... 614
British Industrial Corporation ... 709
British Motor Trading ... 857
Briton Motor Co. ... 1178
Burgons, Ltd. ... 858
City General Trust ... 952
Clyde Valley Ship Welders ... 1177
Cooper (John) and Sons (Beehive), Ltd. 1057
Cornwall Slate Quarries) ... 472
Crocker, Sons and Co. ... 709
Crosfield (Joseph) and Sons, Ltd. ... 512-565
Crossley Motors ... 657
Cubitts' Engineering Co. ... 993
Darraeq (A.) ... 472
Debenham's, Ltd. ... 564
Dunlop Rubber ... 564
Durward (Kenneth), Ltd. ... 952
East African Flax Lands ... 770
Fellows' Magneto Co. ... 1225
Frost Brothers ... 858 903
Fuller's United Electric Works ... 709
Funding Loan ... 1109
Gamage (A. W.), Ltd. ... 901
General Re-Insurance Co. ... 901-955
Gossage (Wm.) and Sons ... 952
Greenlees and Sons (Easiephit Footwear), Ltd. ... 614
Greenwich Inlaid Linoleum ... 858
Handley-Page, Ltd. ... 709
Harrisons and Crosfield ... 1176* 1226
Home and Colonial Steam Fishing ... 1057
International Light and Paper ... 949
James Patent Traction Plough ... 994
Johnson and Phillips, Ltd. ... 952
Jurgens, Ltd ... 902
Laycock (W. S.), Ltd. ... 994

New Issues of Capital (*cont.*) :—
Levant Co. ... 1224
Lever Brothers ... 803-851
Liverpool Corporation Bills ... 952-994
Liversedge (Allan), Ltd. ... 709
London and Lancashire Life and General Assurance ... 1110
Lotus, Ltd. ... 1057
Lyons (J.) and Co. ... 1224
Magadi Soda Co. ... 614
Maidenhead Brick and Tile Co. ... 1177
Major and Co. ... 658
Manganese Bronze and Brass Co. ... 770
Marsden (Charles) and Sons ... 804
Metropolitan Railway Country Estates 1225
Midland Electric Corporation for Power Distribution ... 614
Morris and Jones, Ltd. ... 1057*
Morris (Herbert), Ltd. ... 1110
Morum's Oriental Stores ... 1225
M.P. Concrete Construction, Ltd. ... 804
Nathan (Joseph) and Co. ... 1177
New South Wales Government Loan 187 215
Palmers Shipbuilding and Iron Co. ... 709
Parry (Owen), Ltd. ... 953
Pascall (James), Ltd. ... 994
Pencisely Steamship Co. ... 994
Phillips (Godfrey), Ltd. ... 902
Picture Playhouses ... 1177
Provincial Cinematograph Theatres ... 1225
Reville, Ltd. ... 1176
Rowntree and Co., Ltd. ... 805
Royal Sovereign Steamship ... 902
Selincourt and Sons ... 1224
Slough Gas and Coke Co. ... 805
South African Cotton and Tobacco Co. 1224
South Fleetwood Fishing Co. ... 658
Star Engineering Co. ... 1224
Straker-Squire, Ltd. ... 1056
Sunbeam Motor ... 858
Trust Houses, Ltd. ... 615
Tyler (J.) and Sons ... 657
Tyre Investment Trust ... 1225
United Premier Oil and Cake Co. ... 993
Victoria (Government) Loan ... 952
Victory Bonds ... 1109
Victory Oil and Cake Mills ... 658
Wellesley-Brown Aircraft ... 658
Wiggins, Teape and Co. ... 512
Wrigley (E. G.) and Co. ... 1178
New Zealand Official Year-Book ... 851
Nicaragua ... 230
Nicaragua Loan ... 854
Nitrate ... 61-178-273
No Real Control ... 543

O

"Oil and Petroleum Manual" ... 1210
Oil Imports ... 887
Oil Share Prices ... 830
Oils (Edible) Trade ... 1214
Omnibus Traffic Receipts (*see* Tabular Appendix, *Weekly*)
Our Trade with British West Africa ... 784

P

Paint-making Materials in Ireland 1166
Paper Manufacture in Ireland ... 697
Paper Pulp ... 939
Partisanship in the Conference ... 85
Peace Conference, The 125-167-222-307-357-543-782-973
Peace, The Coming ... 495
Peace Treaty, Foreign Opinion on 883
Peat Resources of Ireland 854-887-934-981
Peru :—
Economic Conditions ... 460
Petroleum Drilling in Derbyshire... 885
Petroleum Production ... 886
Pigs ... 31-869
Pipe Industry ... 1079
Population Question, The ... 15-451
Port Elizabeth ... 174
Port of Hull ... 1153-1206
Ports of London and Liverpool ... 596
Portugal ... 505
Premier's Speech, The ... 213
President Wilson's Position ... 932
President Wilson's Scheme ... 495
Prevention of Disease ... 266
Prices of Commodities (*see* Tabular Appendix, *Weekly*, and Index-Numbers)
Production and Luxury ... 643
Production of Potatoes and Grain 467
Progress in Paris ... 595

Q

Quebracho ... 422

* New Issues. † Annual Reports or Articles dealing with Annual Reports.

INDEX

PAGE

R

Railway Traffic Receipts (*see* Tabular Appendix, *Weekly*)

Railways :—

American Railway Position ... 64
American Railway Problem, The ... 1104
British Railway Dividends ... 210
British Railways ... 321
British Railways (Cost of Working During the War) ... 894
Railway Reorganisation ... 755
Railways of the U.K. ... 176
Rea, President, Address of ... 1104

Individual Companies :—

Antofagasta and Bolivia Railway ... 60-968
Atchison, Topeka and Santa Fe ... 1104†
Baltimore and Ohio ... 97-139
Bengal Nagpur ... 945
Canadian Pacific ... 488-651†-659†-851
Central of Chubut ... 938
Chicago and N.W. ... 1049†
Chicago, Milwaukee and St. Paul ... 1049†
Demerara Railway ... 979
Grand Trunk ... 98-510
Grand Trunk Pacific ... 467
Guayaquil and Quito ... 104-630
Mexican Railway Co. ... 1172
National of Mexico ... 320
New York Central ... 1215†
Norfolk and Western ... 849
St. Louis and San Francisco ... 39
Southern ... 279
Underground ... 241-296-376†
Union Pacific ... 1215†
Wabash Railway ... 1050†

Revenue from Customs Duties ... 42
Revenue, The National ... 2-20-595
Road Repair (Treasury Grant) 794
Roosevelt, the Late Mr. ... 49
Roumania ... 940

Rubber and Rubber Companies :—

American Motor Trade ... 240
American Rubber Industry ... 280
Analysis of Results and Prospects of Companies ... 65-141
Excess Profits Tax Reduction ... 797
"High" Level of Share Prices, The ... 470
Long-Distance Motor Transport ... 703
Motor Trade Prospects ... 181
Outlook, The ... 239
Production (Plantation Rubber) ... 142
Relative Merits of High- and Low-Priced Shares ... 141
R.G.A. Report (The) ... 752
Rubber Industry's Growing Importance ... 1106
Rubber Share Prospects ... 851
Some Promising Estates ... 65
Straits Settlements War Tax ... 652
Yield and Rainfall in Malay ... 652

Individual Companies :—

Aboyne Clyde ... 374†
Allagar ... 140
Ampat ... 140
Anglo-Dutch Plantations ... 988†
Anglo-Java ... 374†
Anglo-Johore ... 140
Anglo-Malay ... 897†
Asahan ... 65-280†
Ayer Kuning ... 1170†
Bagan Serai ... 65-852†
Bajoe Kidoel ... 25†
Bandar Sumatra ... 471†
Bangawan ... 140
Bantam Java ... 66
Banteng ... 65
Batak Rabit ... 26†
Batu Caves ... 1051†
Batu Rata ... 25†
Bekoh ... 853*
Bernam Perak ... 140
Bertam Extended ... 946
Bila (Sumatra) ... 1028
Braunston ... 182†
Brooklands (Selangor) ... 100†
Broome (Selangor) ... 26†
Carey United ... 471†
Castlefield ... 65-511†
Ceylon Para ... 1170†
Changkat Salak ... 65 1107†
Chemlong ... 104
Cheras ... 1218†
Chersonese ... 1169
Cheviot ... 65-704
Chimpul ... 140-141†
Chota ... 140
Damansara ... 753†
Devon Estates ... 322
Dumbula Valley ... 798†
Dyasinga Rubber ... 611
Dusun Durian ... 65-947†
Edinburgh ... 897†
Emerald ... 140
Federated Malay States Rubber ... 754†
Gan Kee ... 512†
Garing (Malacca) ... 655†
Gedong ... 511†
Glendon ... 512†
Glenshiel ... 65-1218†
Golden Hope ... 655†
Grand Central ... 1218†
Gula Kalumpong ... 610†
Harpenden ... 560
Highlands and Lowlands ... 1052
Jasin ... 140
Jeram ... 65
Johore (Para) ... 140-322†

PAGE

Rubber and Rubber Companies (*cont.*) :—

Jong Landor ... 65
Jugra Land and Rubber ... 65
Kajang ... 1010-1107†
Kamuning ... 26†
Kasintoe (Java) ... 140
Killinghall ... 182†
Kinta Kellas ... 140
K. M. S. ... 140-141†
Kombok ... 989†
Krubong (Malacca) Rubber ... 322
Kuala Klang ... 425†
Kuala Selangor ... 898†
Kurau (Perak) ... 1179
Labu ... 610†-655
Lanadron ... 140-1169†
Langen Java ... 897†
Langkapoera ... 322†
Langkat Sumatra ... 947†
Linggi ... 651
London Asiatic ... 1051†
Lubok ... 25-140
Lumut ... 65-99†
Malay Rubber Planters ... 704†
Malaysia ... 1219†
Manchester N. Borneo ... 140
Membakut ... 373†
Merchiston ... 140
Merlimau ... 65-1218†
Narborough ... 140
New Crocodile River ... 753†
Nordanal ... 989†
North Hummock ... 65
Orient Trust ... 373†
Padang Jawa ... 140
Pataling ... 704
Pegoh ... 65-374†
Pelepah Valley ... 101
Pelmadulla ... 1107†
Ratanui ... 560
Rembia ... 65-182†
Rim (Malacca) ... 925
Riverside Selangor ... 898†
Rubber Estates of Johore ... 798†
Rubber Estates of Krian ... 140
Sagga ... 241†
St. George ... 1219†
Scottish Malay ... 798†
Seafield ... 753
Selaba ... 652†
Selangor River ... 65-1217†
Selangor Rubber ... 1107†
Selangor United ... 140
Sembilan ... 65-100
Sendayan ... 65-240†
Sengat ... 375†
Sennah ... 181
Shelford ... 653†
Sialang ... 65
Singapore Para ... 100†
Singapore United ... 240†
Straits ... 946†
Straits Bertam ... 65
Strathmore ... 1169†
Sumatra Consolidated ... 65
Sumatra Para ... 182†
Sumatra Proprietary ... 140
Sungei Batu ... 853†
Sungei Buaya ... 65
Sungei Buloh ... 1051†
Sungei Kapar ... 1052†
Sungei Kruit ... 65-1051†
Sungei Way ... 898†
Taiping ... 321†
Tali Ayer ... 65
Taminang ... 65-560†
Tandjong ... 65
Toerangie (Sumatra) ... 653
Trolak Plantations ... 322†
United Malaysian Rubber ... 560
United Serdang ... 65-424
United Sua Betong ... 65-989†
United Sumatra ... 65-989
Val d'Or ... 512†
Windsor ... 853†
Yam Seng ... 511

Russia :—

Situation in ... 224
South Russia Scheme, The ... 1207

S

Salvador ... 230
Savings Banks Return 64-143-326-486-744
Sheep Flocks of the World ... 460
Sheep Industry, Irish ... 1159
Shipbuilding in Belfast ... 313-363-415
Shipbuilding (Merchant) ... 52
Shipbuilding Outlook ... 945
Shipbuilding (Time Occupied) ... 232
Shipping (British and American) 637
Shoddy Trade ... 1039
Silk ... 517-563-1054-1111-1173
Silver (*see also* The Money Market, *Weekly*) ... 873-894
Soap Industry (Irish) ... 516

South and Central America :—

Are we Nearing the Limit of Production 1044
Argentina ... 89-91-131-233-422-457-501-644-739-787-1096-1155-1208
Argentine Trade ... 60
Balata ... 23
Brazil ... 89-172-311-366-414-416-650-691-699-755-841-892-1091-1210-1212
Canal Zone ... 314
Cattle in Argentina ... 844
Central Railway of Chubut ... 938

PAGE

South and Central America (*cont.*) :—

Chilian Nitrate ... 61-791
Colombia ... 177
Contrast with the Old World ... 96
Corn ... 316
Costa Rica ... 230
De Bunsen Mission, The ... 980
Demerara Railway and British Guiana 979
Five Republics, The ... 230-742
Guatemala ... 230-1040
Honduras ... 230
Meat Exports ... 421
Meat for the Freezing Houses ... 1158
Mobility of Capital and the Immobility of Man ... 554
Need of Roads ... 21
Nicaragua ... 230
Northern Brazil ... 892
Plant Life (The Study of) ... 461
Plate Countries, The ... 371
Population ... 646
Quinta Normal ... 137
Salvador ... 230
Sao Paulo, Trade of ... 602
Ten Republics, The ... 1205
Trade Openings ... 271
Uruguay ... 504

South African Mint Bill ... 1221
Spanish Budget ... 398
Steel Outlook ... 129
Stock Exchange, The ... 839
Sugar ... 856
Sugar-Beet Industry, The ... 743
Sugar Cultivation in India ... 1221
Summer Time ... 1161
Supplements and Special Sections :
Index to Vol. xcii. of THE STATIST (July to December 1918), January 11.
London Joint City and Midland Bank Meeting (Sir E. Holden's Speech), February 1.
British Banking Section, May 31.
"Swift's Year-Book" ... 558

T

Taking Stock ... 687
Tea (British) ... 950
Ten Republics, The ... 1205
Tenants' Emergency Charter under the Rents Restriction Acts ... 758
Textile Machinery ... 500-546-796
Textile Trades (Production in) ... 1055
Time of Trial, A ... 879
Tinplate Trade ... 692-737
Tobacco Industry, The 888-942
Trade (British) in 1918 ... 91
Trade of Paris and The War ... 1094
Trade, Our Foreign ... 95-645-845-1097
Traffic Receipts : Railway, Tramway and Omnibus (*see* Tabular Appendix, *Weekly*)
Tramway Traffic Receipts (*see* Tabular Appendix, *Weekly*)
Transportation Bill, The ... 498
Turkish 4% Guaranteed Loan ... 1100

U

Uneasy Europe ... 838
Unemployed, The ... 974
Urgent Need, An ... 450

Uruguay :—

Live Stock Resources ... 91
Trade ... 504

V

Victoria (Government of) Loan ... 952*
Victory Bonds ... 1081-1109
Victory Bond Insurance ... 1174
Vital Question, A ... 451

W

War, Cost of the (*see also* Tabular Appendix and The Money Market, Weekly) ... 2-20-78-159-300-317-594
Waste and Production, Distribution of ... 503
Water Power in Ireland ... 268-310-361
Wealth and Income of the Chief Powers ... 940
West Africa (Trade with) ... 784-840
When the War Ends 10-50-88-127-169-223-264-308-359-412
"Whitaker's Almanack" ... 399
Women in the Lead Industries ... 1211
Wool (Australian) ... 515
Wool Industry ... 937-982-1042-1203
Wool Prices ... 1154
Woolcombing Industry ... 1041-1165
Woollens ... 613

* New Issues.

† Annual Reports or Articles dealing with Annual Reports.

INDEX

COMPANIES' REPORTS, ETC. ADVERTISED.

	Date of Issue
American International Corp. (p. 760)	Apl. 26
Anglo-American Oil Co.	June 28
Atchison, Topeka and Santa Fe Railway ....(pp. 1114-1116)	June 14
Baker, Duncombe and Co.	May 31
Banco Italiano	May 31
Bank of Taiwan	Feb. 8
Banking and Currency Reform (p. 662)	Apl. 12
Banque Belge pour l'Etranger	Mar. 8
Barclays Bank	Feb. 1
Beckett's Bank	May 31
Brakpan Mines	Apl. 26
Britannic Assurance Co., Ltd.	Mar. 15
Canada Steamship Lines	Apl. 26
Canadian Bank of Commerce	Feb. 22
Canadian General Electric Co.	Apl. 19
Canadian Pacific Railway Co. (p. 659)	Apl. 12
Chartered Bank of India, Australia, and China	Apl. 12
Cities Service Co. (p. 762) Apl. 26, (p. 955)	May 24
City Deep G.M.	May 17
Commercial Banking Co. of Sydney	Apl. 12
Commercial Bank of London May 3,	May 31
Commonwealth Bank	May 31
Consolidated Mines Selection Co.	May 24
Crédit Lyonnais	May 31
Crown Mines, Ltd.	May 31
Cuban-American Sugar (p. 146)	Jan. 25
Daggafontein Mines	May 3
Durban Roodepoort Deep G. M.	May 17
Farmers' Loan and Trust Co.	May 31
Ferreira Deep	Mar. 1
Geduld Proprietary G. M.	Apl. 5
Geldenhuis Deep	Apl. 19
General Electric Co. (U.S.A.) (pp. 860-861)	May 10
Glyn, Mills, Currie and Co. Feb. 8,	May 31
Government G. M. Areas Co.	May 3
Guaranty Trust Company of New York	May 31
Hampden Cloncurry Copper Mines	Mar. 1
Hibernian Bank	Feb. 8
Hongkong and Shanghai Banking Corporation (p.584)	Mar. 29
International Banking Corporation	Apl. 12
International Harvester Corporation ....(pp. 996-999)	May 31
Lancashire and Yorkshire Bank	Feb. 1
Langlaagte Estate G. M.	May 3
London Joint City and Midland Bank (p. 166)	Feb. 1
Manchester and Salford Savings Bank	Jan. 18
Mellon National Bank	May 31
Mexican Eagle Oil	Feb. 1
Meyer and Charlton G. M.	May 17
Modderfontein B G. M.	May 3
Modderfontein Deep Levels G. M.	Apl. 5
Molson's Bank	May 31
National Bank	May 31
National Bank of India	Apl. 12
National City Bank	May 31
National Discount Co.	p. 156
National Provincial and Union Bank	Feb. 1
New York Central Railroad Co. (pp. 1227-1231)	June 28
Pearl Assurance Co.	Mar. 8
Provincial Bank of Ireland	May 31
Prudential Assurance Co.	Mar. 8
Rand Mines, Ltd.	June 14
Refuge Assurance Co.	Mar. 15
Rose Deep G.M.	Apl. 19
Royal Bank of Canada	Jan. 11
Shannon (John) and Son, Ltd.	Feb. 15
Société Générale de Belgique (p. 711)	Apl. 19
Springs Mines	Apl. 26
Swiss Banking Corporation	Mar. 15
Union Bank of Canada	May 31
Union Corporation	May 24
Union Discount Co.	Feb. 1
Van Ryn Deep G. M.	May 3
Village Deep G. M.	May 17
Wesleyan and General Assurance Society	Apl. 5
Williams Deacon's Bank	Feb. 1
Witbank Colliery	Jan. 25
Witwatersrand G. M.	May 3
Wolhuter G. M.	Mar. 1
Zinc Corporation	June 21

COMPANY MEETINGS.

Abaco (Selangor) Rubber, 37
Achille Serre, Ltd., 673
Adelaide Electric Supply, 248
African and European Investment Co., 38
African Association, 1182
African Banking Corporation, 338
Albion Motor Co., 1019
Alexanders Discount Co., 107
All Seas Marine and Salvage Co., 1070
Alliance Assurance Co., 1008
Allsopp (Samuel), 35
Anglo-American Debenture Corporation, 962
Anglo-Continental Mines Co., 1025
Anglo-French Exploration Co., 866
Anglo-French Pacific Corporation, 250
Anglo-Malay Rubber Co., 964
Anglo-Persian Oil Co., 574
Anglo South American Bank, 1061
Antofagasta (Chili) and Bolivia Railway, 1232
Aramayo Francke Mines, 724
Argentine Navigation (Nicolas Mihanovich) 395
Argentine Tobacco Co., 823
Arizona Copper Co., 436
Army and Navy Auxiliary Co-operative Supply, Ltd., 1027
Army and Navy Co-operative Society, 207-912-1070
Asahan Rubber, 393
Atlas Assurance, 809
Austin Motor, 202
Australian Pastoral, 205
Automatic Telephone Co., 579

Bagan Serai Rubber, 865
Baldwins, Ltd., 208
Bangawan Rubber, 963
Bank of Montreal, 70
Bank of New South Wales, 328
Bank of Roumania, 1232
Barclays Bank, 188
Barry, Ostlere and Shepherd, 672
Batak Rubber Rubber, 36
Batang Malaka Rubber, 1022
Beardmore (Wm.) and Co., 1018
Bell's United Asbestos, 1070
Bengal Doonrs Railway, 577
Bilbao River and Cantabrian Ry., 524
Birmingham Small Arms, 203
Bisichi Tin Co., 1134
Bleachers' Association, 1187
Bon Marché, 531
Boots Cash Chemists, 108
Borax Consolidated, 524
Bovril, 340
Bradford District Bank, 32
Bradford Dyers' Association, 381
Bradley's (Chepstow Place), 530
Brazilian Warrant Co., 1016
Brinsmead and Sons (John), 673
Britannic Assurance Co., 522
British Aluminium Corporation, 584
British American Tobacco, 203-956
British and Argentine Meat Co., 767
British and South African Insurance Corporation, 1028
British Bank of Northern Commerce, 1179
British Broken Hill Proprietary Co., 1137-1241
British Burmah Petroleum, 344
British Columbia Electric Railway, 622
British Cyanides Co., 1189
British East Africa Corporation, 247
British Electric Transformer Co., 963
British Equitable Assurance, 1004
British Foreign and Colonial Corporation, 1130
British General Insurance, 617
British Insulated and Helsby Cables, 579
British L.M. Ericsson, 481
British Tabulating Machine Co., 1014
British Trade Corporation, 248
Brush Electrical Engineering, 962
Bryant and May, 913
Bukit Panjong Rubber, 1131
Bukit Sembawang Rubber, 1023
Burlington Hotels, 820
Burmah Oil Co., 1236

Caamano Tenguel Estate, 865
Calcutta Tramways, 1180
Caledonian Insurance, 818
Calgary and Edmonton Land Co., 1075
Canadian Bank of Commerce, 328
Canadian Pacific Railway, 1000
Carey United Rubber, 482
Carreras, Ltd., 206
Castlefield (Klang) Rubber, 532
Central London Railway, 336
Central Mining and Investment, 1184
Cerebos, Ltd., 480
Champion and Slee, 113
Champion Reef G.M., 113
Channel Tunnel Co., 1245
Chartered Bank of India, Australia and China, 669
Cheras Rubber, 1235
City and South London Railway, 336
City Equitable Fire Insurance, 906
City Offices Co., 386
City of London Electric Lighting, 538
City of Santos Improvements, 913
Coliseum Syndicate, 619
Commercial Bank of London, 806
Consolidated Mines Selection Co., 1024
Consolidated Signal Co., 154
Consolidated Water Works, 822
Cook (J. W.) and Co., 619
Cory (Wm.) and Co., 1180
County of London Electric Supply, 580
Crocker, Sons, and Co., 439

Darracq (A.), 34
Davis (D.) and Sons, 479-1068
Day and Martin, 766
De Beers Consolidated Mines, 149
De Trey and Co., 1138
Devon Estates (Malacca), Ltd., 342
Dickins and Jones, 581
Doo Galla (Ceylon) Rubber, 1070
Dunlop (James) and Co., 1?
Dunlop Rubber, 29?

Eagle Oil Transport, 1067
Eagle Star and British Dominions, 816
East India Distilleries, 282
Eastern Bank, 670
Eastmans, Ltd., 580
Edinburgh Rubber, 916

INDEX

Edison Swan Electric, 35
Egyptian and Foreign Trust, 395
Elder, Dempster and Co., 1233
Employers' Liability Assurance Corporation, 566
Equitable Life Assurance Society, 1007
Essex Union Insurance Co., 330
Evans (D. H.), 623
Evans Sons Lescher and Webb, 529
Excess Insurance Co., 435
Ex-Lands (Nigeria), Ltd., 1183
Exploration Co., 481
Exploring Land and Minerals Co., 1241

Fairbairn Lawson Combe Barbour, 768
Fairfield Shipbuilding, 440-581
Faudels, Ltd., 340
Fenwick (Wm. France), 395
Ferreira Deep, 964
Field (J. C. and J.), Ltd., 1128
Fine Cotton Spinners' and Doublers' Association, 1010
Forestal Land, Timber and Railways, 1126
Freeman, Hardy and Willis, 206
Friends' Provident Institution, 862

Gamage (A. W.), Ltd., 820
Gankee Rubber, 582
Gas Light and Coke Co., 251
Geduld Proprietary G. M., 1136
General Ceylon Rubber, 1023
General Investors and Trustees, 725
Glenshiel Rubber, 1236
Globe and Phœnix G. M., 918
Golden Hope Rubber, 723
Goldsmiths and Silversmiths Company, 822
Grand Central Ceylon Rubber, 1022
Grand Trunk Railway Co., 526 808
Great Boulder Proprietary, 1241
Great Indian Peninsular Railway 153-1243
Great Southern of Spain Railway, 763
Greenwich Inland Linoleum, 720
Gresham Fire and Accident, 1179
Griffiths (Wm.) and Co., 483
Gula Kalumpong Rubber, 675

Harrod's Stores, 438-1245
Henley's (W. T.) Telegraph Works, 768
Hill (R. and J.), Ltd., 1072
Holborn and Frascati, 396
Home and Colonial Stores, Ltd., 295
Hongkong and Shanghai Banking Corporation, 717
Hope Bros., 822
Houtpoort, Ltd., 439

Illustrated London News and Sketch, 531
Imperial Bank of Persia, 667
Imperial Tobacco Co., 339
India General Navigation, 1021
Indian Electric Supply and Traction Co., 864
Indo-European Telegraph, 821
Insulinde (Sumatra) Rubber, 1077
International Paint and Compositions Co., 387
International Sponge Importers, 396
Investment Trust Corporation, 1074
Ionian Bank, Ltd., 1059
Irvine's Shipbuilding and Dry Docks, 723
Isle of Wight Railway, 385
Ivanhoe G. M., 919

Java Amalgamated Rubber, 769
Java Rubber Plantations, 1076
Johannesburg Consolidated Investment, 152
Johnson and Phillips, 914
Jos Tin Area (Nigeria), 766

Kaduna Syndicate, 864
Kah Glagah (Java) Rubber and Produce, 441
Kasuntoe Rubber, 1132
Kawie Rubber, 868
Kepong (Malay) Rubber, 1190
Kidinghall Rubber, 209
Kimberley Water Works, 720
Klanang Produce Co., 918
Knight (John), Ltd., 344-568
Kuala Selangor Rubber, 917

La Guaira Harbour Corporation, 1016
Lahat Rubber, 675
Lambert and Holt, 523
Langen (Java) Rubber, 916
Langkapoera (Sumatra) Rubber, 294
Lanchat (Sumatra) Rubber, 917
Law Union and Rock Insurance, 764
Legal and General Life Assurance, 578
Lena Goldfields, 1154
Lennards, Ltd., 249
Leopoldina Railway Co., 1018
Lever Brothers, 75-571
Levinstein, Ltd., 73
Linggi Plantations, 963
Lister and Co., 291
Liverpool and London and Globe Insurance, 905
Lothian Coal Co., 1064
Lloyd (Edward), Ltd., 1187
Lloyds Bank, 287
Lobitos Oilfields, 721
London and Lancashire Fire, 719-814
London and Lancashire Life Assurance, 956
London and Liverpool Bank of Commerce, 246
London and Thames Haven Oil Wharves, 721
London Asiatic Rubber, 1132
London Assurance Corporation, 566
London Bank of Australia, 905
London, Brighton and South Coast Railway, 330
London, Chatham and Dover Railway, 334
London Electric Railway, 334
London General Omnibus, 337
London Merchant Bank, 246
London Trust Co., 766
London United Tramways, Ltd., 957
Lonely Reef G. M., 1078
Louise and Co., 1126
Lowrie (W. P.) and Co., 962
Lyons and Co. (J.), 1123

Madras Electric Supply Co., 1069
Mahawala Rubber and Tea, 1133
Malay Rubber Planters, 674
Manaos Harbour, Ltd., 1014
Manchester and Liverpool District Banking Co., 194
Mandleberg (J.) and Co., 958
Maple and Co., 389
Mappin and Webb, 819
Marconi International Marine Communication, 1188
Marshalls, Ltd., 1181
Mather and Platt, 436
Maypole Dairy Co., 1075
Mazawattee Tea Co., 765
Melbourne Electric Supply, 248
Mercantile Bank of India, 624
Messina Transvaal Development, 343
Metropolitan Carriage, Wagon and Finance Co., 568
Metropolitan District Railway, 335
Metropolitan Electric Supply, 478
Metropolitan Life Assurance Society, 567
Metropolitan Trust, 200
Midland Electric Corporation for Power Distribution, 530
Modder Deep Levels, 1136
Mongu (Nigeria) Tin, 1182
Monte Video Water Works, 674
Morris (B.) and Sons, 480
Mortgage and Debenture Co., 1234
Mortgage Co. of the River Plate, 209
Moss' Empires, 533
Mysore G. M., 677

Naraguta Tin, 38
National Bank, Ltd., 195
National Bank of Egypt, 666
National Bank of India, 147-669
National Discount, 148
National Mutual Life Assurance, 200
National Provident Institution, 397
National Provincial and Union Bank, 107-191
Neath and Brecon Railway, 396
New Albion Transvaal G. M., 622
New Modderfontein G. M., 293
New Transvaal Chemical Co., 1130
Newcastle-upon-Tyne Electric, 577
Nitrate Producers' Steamship, 1020
Nordanal Rubber, 1023
North British Railway, 380
North Caucasian Oilfields, 825
North Western Railway of Peru, 671
Northern Assurance Co., 862
Northern Exploration, 1242
Norwich Union Fire Insurance, 1063
Norwich Union Life Insurance, 1008
Nundydroog G. M., 676

Ocean Accident and Guarantee Corp., 815
Ooregum, 676
Orient Trust, 388
Oriental Telephone and Electric Co., 1026
Oroville Dredging, 1242
Oxford Electric Co., 440

Pacific Loan and Investment, 824
Palatine Bank, 199
Pan de Azucar Nitrate, 249
Para Electric Railways, 528
Pataling Rubber, 824
Pense and Partners, 1117
Pegoh Rubber, 397
Pelmadulla Rubber, 1131
People's Refreshment House Assoc., 913
Perrett (Arnold) and Co., 35
Phillips (Godfrey), 863
Phœnix Assurance, 814
Port Talbot Railway and Docks Co., 337
Porto Alegre and New Hamburg (Brazilian) Railway, 337
Potteries Electric Traction, 912
Provincial Bank of Ireland, 147
Prudential Assurance Co., 429

Railway Debenture and General Trust, 338
Railway Share Trust and Agency, 338
Randall (H. E.), Ltd., 391
Rangoon Electric Tramway and Supply Co., 1233
Ratanui Rubber, 583
Rembia Rubber, 250
Removal of Residual Fibres from Cotton Seed, 244
Rhodesia Exploration, 207
Rhodesia G. M. and Investment, 1078
Richardsons, Westgarth and Co., Ltd., 1069
Rio de Janeiro City Improvements, 912
Rio de Janeiro Flour Mills, 155
Rio Tinto Co., 677
River Plate Trust, 525
Rogers (R. H. and S.), Ltd., 111
Rotherham (Jeremiah) and Co., 387
Royal Exchange Assurance, 812
Royal Insurance, 1002
Royal London Mutual Insurance, 818
Royal Mail Steam Packet Co., 1062

Sage (Frederick), 392
Salar Del Carmen Nitrate Syndicate, 1021
Salt Union, Ltd., 618
Sanitas Co., Ltd., 1181
Schill Bros., 580
Schweppes, 1139
Scottish Equitable Life Assurance Society, 1009
Scottish Life Assurance Co., 329
Scottish Provident Institution, 1006
Scottish Union and National Insurance, 863
Scottish Widows Fund, 1005
Selaba Rubber, 721
Selfridge and Co., 340
Sembilan Estates, 113
Sennah Rubber, 37
Shanghai Electric Construction, 1072
Shaw (John) and Sons, 961
Shelford Rubber, 769
Shelton Iron and Steel, 478
Singapore United Rubber, 294
Smith (S.) and Sons (Motor Accessories), 391
South African Diamond Corporation, 676
South African Gold Trust, 479
South American Stores (Gath and Chaves), 209
South Eastern and Chatham Railway, 334
South Eastern Railway, 334
South Metropolitan Gas, 290
South Suburban Gas, 386
South-West Africa Co., 1234
Spencer, Turner and Boldero, 395
Spillers and Bakers, 959
Standard Bank of South Africa, 806
Star Assurance, 720
Stead and Simpson, 205
Sterling Trust, 289
Stewart and M'Donald, 620
Straits Rubber, 915
Straker-Squire, Ltd., 1026
Sudan G. M., 677
Sunbeam Motor Car Co., 112
Sun Life Assurance, 379
Sungei Batu Rubber, 866
Sungei Kruit Rubber, 1076
Sungei Purun Rubber, 1235
Suvoroff Taman Oilfields, 621

Taiping Rubber, 396
Tarping Rubber, 396
Tarry (E. W.) and Co., 340
Tharsis Copper and Sulphur, 824
Thornycroft (J. I.), 1129
Tilling (Thos.), 620
Tin Areas of Nigeria, 294
Tramways et Electricity de Constantinople, 960
Transvaal and Delagoa Bay Investment, 343
Travers (Joseph), 823
Trinidad Leaseholds, 392-1027
Trust and Loan Co. of Canada, 1234

Underground Electric Railways Co., 440
Union and Rhodesian Trust, 868
Union Bank of Australia, 289
Union Bank of Manchester, 195
Union Discount, 199
United Alkali Co., 722
United Egyptian Lands, 618
United Serdang (Sumatra) Rubber Co., 581
United States Debenture Corporation, 392
United Sua Betong Rubber, 1022
Ural Caspian Oil Corporation, 767

Vera Cruz Electric Light, Power and Traction, 293
Vickers, Ltd., 571
Vyse, Sons and Co., 388

Waihi Grand Junction G.M., 1242
Walker and Homfrays, Ltd., 390
Wallis (Thos.) and Co., Ltd., 394
Walton (Isaac) and Co., 482
Watford Manufacturing Co., 914
Wesleyan and General Assurance, 670
West Yorkshire Bank, 197
Western Australian Bank, 72
White (J. G.), 481-1244
White (R.) and Sons, 673
Whiteaway, Laidlaw and Co., 1068
Whiteley (Wm.), Ltd., 582
Wilson and Clyde Coal Co., 1066
Windsor Rubber, 866
World Marine and General Insurance, 557

Yorkshire Electric Power Co., 340
Yorkshire Insurance Co., 901

G. M. = Gold Mine, Mining or Mines.

Printed by SPOTTISWOODE, BALLANTYNE & CO. LTD., at 1 New Street Square, E.C. 4, and Published by the Proprietors of "The Statist" at their Offices, 51 Cannon Street, in the City of London, England.—*July* 5, 1919.

THE LONDON ASSURANCE.

Incorporated by Royal Charter, A.D. 1720.

7 ROYAL EXCHANGE, LONDON, E.C. 3.

INCOME £3,147,482

FIRE. MARINE.

Applications for Agencies Invited.



ASSETS £7,393,667

LIFE. ACCIDENT

All classes of Insurance.

The Corporation has granted Fire, Life and Marine Insurances for nearly Two Hundred Years.

BRITANNIC

ASSURANCE CO., LTD.

One Special Ordinary Branch feature is the **CHILD'S OPTION POLICY (Table 11a)**, under which a premium of £10 assures £1,091 on certain conditions.

FUNDS - - - £4,800,000.

Chief Offices: BROAD STREET CORNER, BIRMINGHAM.

LONDON & MANCHESTER ASSURANCE COMPANY, LIMITED.

Chief Office - 50 FINSBURY SQUARE, LONDON, E.C. 2.

Allied with National Amalgamated Approved Society for National (Health) Insurance.

PREMIUM INCOME exceeds ... £900,000
FUNDS exceed £2,000,000

ROYAL LONDON

INSURANCE OFFICES.

ROYAL LONDON MUTUAL INSURANCE SOCIETY, LTD.
ROYAL LONDON AUXILIARY INSURANCE COMPANY, LTD.

LIFE, FIRE, ACCIDENT.

Head Office:
ROYAL LONDON HOUSE, FINSBURY SQUARE, LONDON, E.C. 2.
JOHN PRICE, HORACE DUFFELL, *Managing Directors.*

NOTICE.

The "STATIST" will renew the supply of a half-yearly Index, commencing with the issue of the 11th. inst.

SUBSCRIPTION TO "THE STATIST."

TO INCLUDE ALL SUPPLEMENTS.

Payable in Advance.

Inland.

ONE YEAR, £1 10 0 | HALF-YEAR, £0 15 0

(Post Free.)

For Colonies and Abroad (within Postal Union).

ONE YEAR, £1 17 4 | HALF-YEAR, £0 18 8

(Post Free.)

OFFICE: 51 Cannon Street, E.C. 4.

CONTENTS.

	PAGE
Leading Articles—	
The Elections	9
When the War Ends. XLIX	10
Gold Production	12
Ireland's External Trade	12
Mexico	14
The Population Question	15
The Economic Condition of Ireland	16
Financial Notes	18
The Revenue Returns	20
New Banking Capital	21
South and Central America	21
Commercial—	
Empire Jute	30
Pigs	31
Industrials—	
Darnell and Co.	28
Edison and Swan Electric	29
African Association	29
Dick Kerr and Co. and the English Electric Co.	29
American Topics—	
U.S. Crops in 1918	24
Insurance Notes—	
Presidential Address at the Institute of Actuaries	27
Northern Assurance Company	27
Mining Topics—	
Gold Committee's Report	4
Rand Mutual Dividends	5
British-broken Hill	5
Knight's Deep	6
Money Market	1
Rubber Topics	25
Batu Kajoh	25
Batu Raka (Sumatra)	25
Kamunting (Perak)	26
Batoh (Perak)	26
Broome (Selangor)	26
Stock Exchange	3
Tabular Appendix	6
Meetings	32 33

GET INTO TOUCH

WITH THE

WESTERN AUSTRALIAN INSURANCE

COMPANY, LIMITED,

for All Classes of Insurance Quotations.

SPECIAL AGENTS required in unrepresented districts at HOME and ABROAD.

Communicate with Chief Office:—

47 CORNHILL, E.C. 3.

FUNDS AND ASSETS EXCEED ... ... £700,000.

N. P. I.

PEACE LEAFLETS.

1. Peace Savings Certificates.
2. Paterfamilias and the Peace Problem.

Copies of these Leaflets will be sent post free on application to the

NATIONAL PROVIDENT INSTITUTION

48 GRACECHURCH STREET, LONDON, E.C. 3.

ABSTAINERS AND GENERAL INSURANCE COMPANY LTD.

Head Offices:—BIRMINGHAM.

LIFE ASSURANCE.

Reduced Rates for Abstainers.

Fire, Burglary, Plate Glass, Personal Accident.

Forward postcard for Company's popular booklets, "Total Abstinence an Asset in Life Assurance" and "Homes and How to Own Them"

REFUGE ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds - £4,400,000.
Funds Exceed - - - - £14,500,000
Claims Paid Exceed - - - £25,000,000

The Statist.

LONDON, SATURDAY, JANUARY 4, 1919.

The Money Market.

Friday, January 3, 1919.

	Current Rate	Previous Rate
	% Fixed	% Fixed
Bank of England Rate	5 (Apr. 5,'17)	5½ Jan. 18,'17
Bank of England Rate to Clearing Banks: 3 days' notice	3 (Feb. 14,'18)	4 June 19,'17
Bank of England Rate for Foreign Money	4½ (Nov. 15,'17)	extended Jan. 2,'18
Deposit Rates:—		
Banks & Discnt. Ho. (Call)	3* (Feb. 14,'18)	3½ Jan. 2,'18
Discount Houses (Notice)	3 (June 6,'18)	3¼ Feb. 14,'18
Do., to Bankers and Merchant Bankers (Notice)	3½ (Feb. 14,'18)	3¾ Jan. 2,'18

Discount Rates:—	60 Days	3 Months	4 Months	6 Months
	%	%	%	%
Tr'sury Bills (Fixed Feb. 14,'18)—		3½	—	3½
Bank Bills	3⅝	3⅝	3⅝	3⅝
Trade Bills	—	4-4½	4¼-4⅝	4⅝-4¾

* Foreign and Colonial banks give Special Rates only upon deposits for a year.

THE close of the year and the end of the quarter passed off comfortably, no demands having been made by the market on the central institution. There has, of course, been the usual window dressing on the part

of the banks, but this appears to have taken the form of allowing Treasury bills to run off, thus furnishing the banks with credit which they loaned to the Bank and in respect of which Ways and Means Advances were temporarily created. Such movements are indicated in this week's Exchequer returns, as well as in the Bank statement, and with the beginning of the New Year this position will quickly be rectified. Indeed, the banks are reported to have been buyers of short bills yesterday and, particularly, to-day. The French Sterling Treasury bills due on Tuesday next, renewed and originally placed here by the Messrs. Rothschild, are expected to be renewed for a further period. The Exchange market has been quiet, with but few changes in rates. On balance for the week neutral rates are a shade higher, while the Montreal rate has risen to 4 84¼. A feature among South Americans has been an improvement of almost 1*d.* in the Valparaiso rate, now quoted 10 21/32*d.*

It is not surprising that after the Christmas Holidays there should be some diminution in the Currency Note Circulation, but taking into account the total notes in circulation the decrease is but trifling, having been no more than £403,000, due to a reduction of £1,453,000 in notes, having been accompanied by an addition of £1,050,000 to the Certificates. The belief seems to be growing that the recent large expansion in the note circulation has been due to some extent to the imposition of an additional duty on cheques, and the hope is fairly generally entertained that the day may not be far distant when the duty will be reduced to one penny as formerly. The present circulation, taking notes only and ignoring Certificates, is £285,641,000, an increase of £46,337,000, in the eighteen weeks since the end of August. That this increase has been largely in excess of increases in previous periods of eighteen weeks will be apparent from the appended statement:—

	Currency Notes		Certificates	+ or − in B. of Eng. circulation	+ or − in B. of Eng. circulation in same period
	£		£	£	£
Dec. 31, '18	285,641,000	Aug. 28, '18	239,304,000	+46,337,000	+12,577,000
Jan. 2, '18	190,401,000	Aug. 29, '17	158,391,000	+32,010,000	+ 6,184,000
Jan. 3, '19	133,970,000	Aug. 30, '16	119,529,000	+14,441,000	+ 3,743,000
Jan. 5. '16	97,440,000	Sept. 1, '15	57,747,000	+39,693,000	+ 2,869,000
Dec, 30, '14	38,478,000	Aug. 26, '14	21,535,000	+16,943,000	+ 568,000

We publish on a subsequent page a review of the Exchequer accounts for the current financial year, and to supplement the data there given we show below in a form not usually published the expenditure, revenue, etc., for the past four calendar years:—

Year to Dec. 31	1918	1917	1916	1915
Expenditure:	£	£	£	£
Interest	259,060,000	129,790,000	126,885,000	53,697,000
Miscellaneous ...	11,247,000	11,754,000	12,365,000	12,996,000
Supply	2,446,473,000	2,477,085,000	1,885,910,000	1,273,804,000
Total expenditure	2,716,780,000	2,661,629,000	2,025,160,000	1,340,497,000
Revenue	815,750,000	680,938,000	462,651,000	274,446,000
Deficit ...	1,901,030,000	1,980,691,000	1,562,509,000	1,066,051,000
Floating Debt Dec. 31	1,549,785,000	1,360,517,000	1,319,129,000	465,611,000

During the past twelve months or so numerous bank amalgamations have taken place, and in order to show which institutions have been absorbed we give the following statement:—

Present Title	Formerly
London Joint City and Midland ...	London City and Midland, London Joint Stock.
Lloyds	Lloyds, Capital and Counties, *National of Scotland, *London and River Plate.
London County Westminster and Parr's	London County and Westminster, Parr's, Nottingham and Nottinghamshire.
Barclays	Barclays, London and South Western, London and Provincial.
National Provincial and Union Bank of England	National Provincial, Union of London and Smiths, W. and J. Biggerstaff, Bradford District Bank.
Bank of Liverpool and Martin's ...	Bank of Liverpool, Martins.
Union of Manchester...	Union of Manchester, East Morley and Bradford Deposit Bank.

* Controlling interest acquired by Lloyds.

FINANCING THE EXCHEQUER.

DURING the last ten days of December £64,517,000 of expenditure passed through the Exchequer accounts, £4,078,000 having been for interest and £60,257,000 for Supply. Of the latter total, so far as can be calculated, war expenditure represented £57,600,000, an average of £5,760,000 a day, making the average £6,336,000 since April 1 and £5,683,000 since the signing of the Armistice. On the other hand, £14,951,000 of revenue was received, £1,800,000 having been in the form of scrip. Excess profits duty, &c., yielded £7,050,000, income tax £4,183,000, Customs and Excise £2,291,000, and other sources of revenue £1,427,000. After payment of £250,000 of miscellaneous capital expenditure the deficit for the ten days was £49,816,000. This was met as to £680,000 by drawing upon the cash balance and as to the remainder by loans. From National War Bonds £29,926,000 was received, from "other" debt £19,270,000, and from War Savings Certificates £1,000,000, while £1,800,000 of debt was cancelled as indicated above. As usual at the end of the quarter a large amount of Ways and Means Advances were retired, such repayments on this occasion having been £257,337,000; but as maturities of £81,426,000 of Treasury bills were accompanied by sales of only £57,313,000 of new bills, £282,405,000 of fresh Ways and Means Advances were created, thereby raising the total to £455,180,000, an increase during the past month of no less than £81,500,000. The balance of £216,000 of War Expenditure Certificates was paid off, so that the net addition to the floating debt was £739,000, raising the total to almost £1,550,000,000, or £361,000,000 more than on March 31 last. That is to say, satisfactory as have been the sales of National War Bonds, about £1,500,000 of each day's expenditure has had to be met by raising floating debt.

STANDARD BANK OF SOUTH AFRICA, LTD.

Bankers to the Government of the Union of South Africa in Cape Province; to the Imperial Government in South Africa, and to the Administration of Rhodesia.

Subscribed Capital ...	£6,194,100	Reserve Fund	£2,000,000
Paid-up Capital	£1,548,525	Uncalled Capital... ...	£4,645,575

BOARD OF DIRECTORS.

WM. REIERSON ARBUTHNOT, Esq. | ROBERT E. DICKINSON, Esq. | WILLIAM SMART, Esq.
SIR DAVID M. BARBOUR, K.C.S.I., K.C.M.G. | JAMES FAIRBAIRN FINLAY, Esq., C.S.I. | RT. HON. LORD SYDENHAM, G.C.S.I., G.C.M.G., G.C.I.E., G.B.E.
EDWARD CLIFTON BROWN, Esq. | HORACE PEEL, Esq.

Head Office: 10 CLEMENTS LANE, LOMBARD STREET, LONDON, E.C. 4.

West-End Branch: 17 NORTHUMBERLAND AVENUE, W.C.2 (Adjoining the Royal Colonial Institute).

New York Agency:—68 WALL STREET.
Rotterdam Agency:—15 COOLSINGEL.

Over 250 Branches and Agencies in South and East Africa.

BANKING BUSINESS OF EVERY DESCRIPTION transacted at all Branches and Agencies.
CURRENT ACCOUNTS opened on the usual terms, and **DEPOSITS RECEIVED** for fixed periods at rates which may be ascertained on application.
SAVINGS BANK ACCOUNTS opened on terms, particulars of which may be obtained at Branches.
BILLS NEGOTIATED and **COLLECTED.**
DRAFTS issued, **MAIL** and **TELEGRAPHIC REMITTANCES** made.
LETTERS OF CREDIT and **COMMERCIAL CREDITS** established.
TRAVELLERS' LETTERS OF CREDIT issued available in all parts of the world.
PURCHASE and **SALE** of Stocks and Shares effected.
DIVIDENDS, ANNUITIES, &c., received and **COUPONS COLLECTED.**
STRONG ROOMS provided for the safe custody of Securities and Valuables of Customers.
ASSAY DEPARTMENT.—Gold, &c., and all Mineral Ores assayed and realised.
EXECUTOR AND TRUSTEE business undertaken.

The Officers of the Bank are bound not to disclose the transactions of its customers. FRANCIS SHIPTON, *London Manager.*

[000's omitted.]	War Borrowings Apr. 1– Dec. 31, '18	War Borrowings Apr. 1,'17–Aug.1,'14– Mar. 31,'18	National Debt Approx. Dec.31,'18	National Debt Actual Mar 31.'18
4 & 5% Natl. War Bds.	£806,485	£614,215	£1,420,700	£1,455,895a 649,410b
4% & 5% War Loans	—	168,083	948,460	2,023,929 2,099,317c
War Savings Certs. ...	70,400	62,200	206,600	208,150c 137,750
"Other" Debt (*d*) ...	356,378	620,435	1,349,922	1,351,852 995,474
Treasury Bills ...	121,795	508,885	1,078,877	1,094,605 973,444
Ways & Means Advances	262,909	Cr.25,254	458,181	458,181 192,271
5% Exch. Bonds due:				
Oct. 1919 or Apr. '22	4	82,270	82,274	70,657 70,653
Oct. 1921 (1916 issue)	—	—	62,496	75,539 75,539
Dec. 1920 ,, ...	—	68	237,877	49,744 49,744
Oct. 1919 ,, ...	—	—	34,263	16,924 16 924
6% Ex. Bds., Feb. '20	1	—	160,956	141,278 141,277
3% Ex. Bds., Mar. '20	—	—	21,831	21,660 21,660
Do. do. Mar. '30	804	12,021	13,825	16,444 15,840
War Expenditure Certs.	Cr.22,931	Cr.629	—	216 22,929
3½% War Ln. 1925–28	—	—	331,798	62,746 62,746
4½% War Ln. 1925–45	—	—	592,345	16,139 16,139
2½% & 2¾% "Consols"	—	—	—	304,084 304,084
Debts to Bks. of E.&I.	—	—	—	13,646 13,646
Terminable Annuities	—	—	—	21,903 21,903
Total	1,595,945	2,042,274	6,996,406	7,401,672 5,871,850
Less Misc. repayments	66,388	57,495	288,682	—
Debt Aug. 1, 1914	—	—	—	652,270 652,270
Inc. since war began	1,529,157	1,984,779	6,707,724	6,749,402 5,219 580

(*a*) Sales reported to Dec. 28, 1918, £1,436,551,000. (*b*) 4% Oct. 1927, £119,541,000; 5% (Oct. 1922), £237,824,000; 5% (Oct. 1944), £28,759,000; 5% (Oct. 1927), £263,206,000. (*c*) 4% Tax compounded, £52,372,000; 5%, £2,037,945,000. (*d*) Including British portion of Anglo-French (U.S.) Loan. (*e*) Number sold to Dec. 21, 1918, 276,496,434.

BANK OF ENGLAND.

Exceptionally large movements are shown in this week's Bank statement, probably to some extent connected with the end-of-the-year financing by the Exchequer, for, as will be seen from our remarks on "Financing the Exchequer," £24,113,000 of Treasury bills were paid off on balance in the ten days to December 31, and at the same time £25,068,000 net of Ways and Means Advances were created. These movements, so far as can be seen, were largely for window-dressing purposes by the banks, who by allowing their Treasury bills to run off thereby reduced the bills discounted item in their balance sheets and temporarily increased their cash holding at the central institution, which under arrangement allows them 3% on balances subject to three days' notice. For the first time for five months a decline is recorded in the circulation, but it is no more than £117,000, due to the usual return flow after a holiday season, and still leaves the circulation at almost £70,200,000. The stock of bullion continues to expand, the latest addition of £866,000 in continuation of increases recorded without intermission since April 10 last having raised the total to almost £80,000,000. There was thus an addition of £982,000 to the reserve. Other movements shown in the return were increases of £53,198,000 and of £14,333,000 in Government and "other" securities respectively, and as public deposits were £2,664,000 larger the increase in "other" deposits was as much as £65,857,000. The present total of £214,894,000 has been exceeded only once before—on February 7, 1917—when "other" deposits stood at £226,470,000, a position that was due to the banks having then held a large amount of War Loan subscription money, which when paid over to the Government a few days later immediately brought down "other" deposits to a normal figure. Naturally the effect of this week's large expansion in deposits has been to reduce the ratio, which, as compared with 15.78% a week ago, is now unusually low at 11.71%.

MONEY IN NEW YORK.

At the close of the year money was in demand in New York in consequence of the interior banks having called in loans, and for the first time for several weeks past the Money Pool was asked to provide accommodation. For the most part call loans have been transacted at 6%, though the rate has occasionally been 5¾%. A change has at length been notified in the rate for prime mercantile paper, which, after having long been quoted at 6%, is now 5½ to 5¾%.

POSITION IN INDIA.

During the week to December 15 a further substantial decline occurred in the silver holding of the Indian Currency Department. On December 7 the total stood at 3,599 lacs, compared with 1,044 lacs on April 7 last; but in the week to December 15 there was a decline of 56 lacs, and in the following week a further diminution of 196 lacs, reducing the total to 3,347 lacs. A large amount of the metal arrived from the United States, the stock in that country or *en route* therefrom having in the week to December 22 declined by 732 lacs, while that in India rose by 536 lacs. The note circulation continues to expand, the latest recorded gain of 104 lacs having raised the total to 14,577 lacs. This movement, coming as it did in a week when the silver holding declined and no change occurred in the stock of gold, was made possible by a further increase of 300 lacs in the fiduciary reserve, which now totals 9,250 lacs. Early in the past month, it will be remembered, the fiduciary reserve was authorised to be increased from 8,600 lacs to 10,000 lacs, so that 750 lacs are still available for further issue.

1918	Note Circulation	Silver In India	Silver Elsewhere	Silver Total	Gold In India	Gold Elsewhere	Government Securities Indian	Government Securities British
	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs
Dec. 22...	14,577*	2,391	956	3,347	1,968	12	1,000	8,250*
Dec. 15...	14,473	1,855	1,688	3,543	1,968	12	1,000	7,950
Dec. 7...	14,255	1,986	1,613	3,599*	2,044	12	1,000	7,600
Nov. 30 ..	14,076	2,096	1,323	3,419	2,045	12	1,000	7,600
Nov. 22 ..	13,876	1,906	1,314	3,220	2,044	12	1,000	7,600
Nov. 15 ..	13,867	1,764	1,447	3,211	2,044	12	1,000	7,600
Nov. 7 ..	13,761	1,876	1,233	3,109	2,010	12	1,000	7,600
Oct. 31...	13,643	1,958	1,033	2,991	2,040	12	1,000	7,600
Oct. 22 ..	13,573	1,964	961	2,925	2,037	12	1,000	7,599
Oct. 15 ..	13,470	2,085	736	2,821	2,037	12	1,000	7,600
Oct. 7 ..	13,439	2,207	586	2,793	2,055	12	1,000	7,560
Sept. 30 ..	13,438	1,992	796	2,788	2,048	12	1,000	7,599
April 7...	9,745	1,044	—	1,044	2,486	67	1,000	5,147
Dec. '17	10 831	1,905	—	1,905	2,673*	100	1,000	5,147
Oct. '17...	11 477	2,847	—	2,947	2,190	193	1,000	5,147
July '14...	7,350	3,230	—	3,230	1,820	900	1,000	400

* Highest since war began.

SILVER.

The Silver market remains quiet and featureless with the quotation still at 48⅞*d.* per oz., the official maximum price fixed on December 6 last. The highest and lowest and the average prices of the last few years are shown below:—

	1918	1917	1916	1915	1914
Highest quotation	49⅛*d.*	58*d.*	37⅛ *d.*	27½*d.*	27⅛*d.*
Lowest ,, ...	42⅛*d.*	35½*d.*	26 13/16*d.*	22 13/16*d.*	22⅛*d.*
Average price	47 13/16*d.*	40⅛ *d.*	31 13/16*d*	23 15/16*d.*	25 1/16*d.*

The stock in Shanghai on December 21 consisted of about 21,040,000 ounces in sycee and 11,800,000 dollars as compared with about 21,470,000 ounces in sycee and 11,700,000 dollars a week earlier.

Stock Exchange.

Holiday influences have again been apparent on the Stock Exchange during the past week, and business has been relatively slack. The firmness of tone, however, and the good inquiry for attractive stocks seem to warrant the cheerfulness which prevails as to the prospects of the year which has just commenced. There is still uncertainty regarding the effect on markets of the gradual lifting of restrictive regulations. A small start in this respect has been made this week by the Treasury announcing permission for the sale abroad of securities other than those included in any Order issued under the Defence of the Realm Regulations. This is not considered to be of much moment, but it is a step in the right direction. Professionals are much more concerned to know what will happen

NATIONAL WAR BONDS
MAY BE PURCHASED
ON THE INSTALMENT PLAN.
The Instalments can be spread over
5, 7, or 10 Years,
and cease if the purchaser dies previously.
No Medical Examination of approved lives.
Write for full particulars (stating age next birthday) to:—
The National Mutual Life Assurance Society
39 KING STREET, CHEAPSIDE, E.C. 2.

when the restrictions on the sales of securities by foreign holders commence to be removed. When the War broke out certain groups of securities were held to an appreciable extent by French and Belgian investors, and the inference is that following on their losses during the War many of these investors will require to liquidate their resources. The French, as is well known, have been heavily hit in consequence of their exceptionally large commitments in Russian Government and industrial securities. Much, of course, will depend upon the course of events between now and the removal of the regulations. But at present uncertainty on the subject and the knowledge that certain securities are held largely on the Continent have a restrictive effect on the market for such securities. Nitrate shares are a case in point, and also Rio Tinto, which enjoyed a very free market both here and in Paris before the War, but are now difficult to sell in any large amount.

A good deal of clearing up remains to be done in other directions, too, before operators will feel quite happy in regard to the situation. There is still a residue of the pre-War carry-over position to be liquidated, especially in connection with some foreign stocks and foreign and home railway securities. The regulations give twelve months' grace after the declaration of peace, and there is, therefore, plenty of time still, but it is well to remember that a good deal of stock is waiting to come out at pre-War making-up prices, especially in the case of securities of international character, which have not during the War recovered the heavy slump experienced as the result of the outbreak of hostilities.

The result of the General Election was considered favourable for Home Railways in connection with nationalisation prospects, and prices have further appreciated a point or less. North-Western have risen to par. Irregular movements have occurred in foreign and Colonial rails, and on balance changes are not material, though slightly lower for choice, with the exception of Mexican issues. These have risen substantially, especially the Second Preference, which close at 46, against 38 on December 24. Argentine descriptions were adversely affected by the deterioration reported in the crop prospects, and Brazilian rails continue depressed in consequence of the poor outlook for the coffee trade. A better tendency developed in Grand Trunk junior stocks on the increase of £65,000 in the net revenue of November. The new 5% notes for £1,250,000 of the Canadian Northern which were placed last week at 98⅜ have risen to over par, being considered attractive in view of the Government guarantee.

Chief interest among industrials has centred in breweries and iron and steel shares. In the former group Watney Combe Deferred have been the feature, rising 10 points to 133. City of London, Allsopps, and Meux Preference have all been good. Numerous rises have occurred among engineering descriptions, Cammell Laird being the most prominent, and advancing from 6¼ to 7. Dick Kerr, too, have been in demand on the statements at the meeting and the consolidation with other undertakings in the English Electric Company. Interest in oil shares has been well maintained, Burmah, Shell, and Trinidad Leasehold all showing further considerable appreciation. There have also been a respectable number of movements in favour of holders of textile and general industrial securities. Associated Cement 5½% Preference have risen to 9¼ and Callender's Cable Ordinary to 11. On the other hand, Apollinaris are weaker at 2½. The rise in Harrods (Buenos Aires) has continued, the Ordinary being quoted about 3*s.* up on the week at 28*s.*

PLAYER'S
NAVY MIXTURE.

The Manufacturers regret that under present conditions it is impossible for the output to correspond with the greatly increased demand.

Terms and particulars with regard to this Mixture at Duty Free Rates when required for gratuitous distribution to wounded Soldiers and Sailors in Hospital may be obtained from

JOHN PLAYER & SONS, Nottingham.
Branch of the Imperial Tobacco Co. (of Great Britain and Ireland), Ltd.

Leaders of the World's Filing and Card Index Systems

THE Shannon LIMITED

and Modern Office Furniture

ROPEMAKER STREET, E.C.2.

Ring up London Wall 1533.

Mining Topics.

Disappointment on the part of holders of low-grade gold mine shares at the decision of the Committee has been reflected in the market for Rand shares of such description. The very poor dividend announcements of the Witwatersrand mines as a whole naturally added to the gloom. To a fair extent, however, the higher declarations of the majority of the Eastern Rand companies relieved the situation, and in some quarters there is a disposition to consider the worst as having been experienced and to look for improvement in conditions now that the War is over. On the one hand, Crown Mines and City Deep have been prominent on the dull side, but Modderfontein and Rand Selection have been bright features among the Eastern Rand descriptions on the good dividends. Consolidated Mines Selection, too, have hardened in sympathy with Rand Selection and on the expectation of a similarly good dividend declaration. It has to be remembered, however, that the 30% payment on account of 1917 was largely made out of profits on share dealings, and that the Brakpan dividend reduction will offset the Springs Mines initial cash dividend. Then, too, the C.M.S. Company is under agreement to finance the Brakpan by taking up shares at £5, whereas the present price of the shares is 3¾. On the other hand, some extra profit may have been made out of Springs West financing. Apart from demand for Chartered and a few African land shares, all the other sections of the market present a dull appearance, tin shares especially. Amalgamated Zinc exceptionally have now risen to 27*s.* 6*d.*, on buying apparently connected with the success of the new electrolytic zinc works.

GOLD COMMITTEE'S REPORT.

We deal elsewhere with the question of gold production from low-grade ores. Those of our readers who closely studied the articles we published on April 13 and July 6 will not have been surprised at the conclusions of the Special Committee whose

report was issued last week, and will probably be interested in the following table comparing some of the figures we gave six and nine months ago with those contained in the Committee's report and the appendices accompanying it:—

Gold Production.

(In Millions of Pounds Sterling.)

	World			British Empire			
	"Statist," April 13, 1918†	Gold Producers' Figures	Mr. Frecheville's Figures*	"Statist," April 30, 1918	Committee's Figures	Producers' Figures	Mr. Frecheville's Figures
1913 ...	94·5	94·7	95·2	—	57·0	58·4	59·1
1914 ...	90·2	92·6	93·7	56·0	55·2	56·0	57·4
1915 ...	96·5	96·3	98·0	60·4	58·7	60·4	61·0
1916 ...	94·5	93·9	96·0	59·5	59·5	60·2	—
1917 ...	88·0	89·4	—	55·1	56·1	56·1	—
1918 ...	—	83·0	—	—	—	51·5	—

* Taken from "Mineral Industry" of America.
† Based on U.S. Mint and official figures where available.

	"Statist," July 6, 1918, 17 Low-grade Mines		Committee's Report, 18 Low-grade Mines		
	1914	1917	1914	1917	1918
Tons Milled ...	10,594,605	9,978,714	8,491,978	8,291,515	7,585,299
Gold Value ...	£12,463,211	£10,551,580	£9,828,954	£8,590,270	£7,949,007
Yield per ton	23/6	21/1	22/7*	21/1*	21/11*
Costs per ton	17/5	18/6	17/11	19/1	21/1

* These yields do not work out correct. The real difference between 1914 and 1917 should apparently be 2/6 instead of 1/6 per ton.

On November 2 we showed that the gold holdings of the world's great banks, excluding Russia and Austria-Hungary, had increased in the four years of war from £765,600,000 to £1,367,600,000, or by no less than £602,000,000, this being about £230,000,000 more than the total of the world's output of the metal for the period.

RAND MINING DIVIDENDS.

	1915 Total	1916 Total	1917 1st Half	1917 2nd Half	1917 Total	1918 1st Half	1918 2nd Half	1918 Total
	%	%	%	%	%	%	%	%
Apex	15	10	5	7½	12½	5	5	10
Brakpan	40	45	22½	25	47½	20	12½	32½
Central Mining ...	—	5	2½	2½	5	2½	2½	5
City and Suburban, £4 Shares	13¾	12½	6¼	3¾	10	1⅝	Nil	1⅝
City Deep	33½	45	22½	22½	45	20	7½	27½
Consolidated Langlaagte	25	22½	10	7½	17½	Nil	5	5
Consolidated Main Reef	12½	11¼	5	5	10	3¾	2½	6¼
Consol. Mines Selection	15	22½	—	30	30	—	—	—
Crown Mines ...	65	50	20	20	40	15	5	20
Durban Roodepoort Deep	7½	2½	2½	2½	5	2½	Nil	2½
Geduld	10	10	5	5	10	5	6¼	11¼
Geldenhuis Deep ...	20	25	12½	7½	20	5	2½	7½
Ginsberg	15	15	5	5	10	Nil	Nil	Nil
Goch	10	10	5	2½	7½	Nil	—	—
Govt. Areas ...	—	—	—	12½	12½	12½	15	27½
Heriot	75	75	30	25	55	Nil	—	—
Johannesburg Con. Inv.	5	5	5	—	5	5	—	5
Jupiter	—	8¾	3¾	3¾	7½	Nil	1¼	1¼
Kleinfontein ...	10	5	Nil	5	5	—	—	—
Knights Deep	15	17½	5	—	5	—	—	—
Langlaagte Estate ...	15	5	5	5	10	5	7½	12½
Meyer and Charlton ...	130	100	50	60	110	50	60	110
Modderfontein, £4 sh....	32½	32½	16¼	18¾	35	21⅝	30	51⅝
Modderfontein B ...	67½	77½	40	45	85	42½	40	82½
Modderfontein Deep ...	35	67½	40	45	85	47½	50	97½
Nourse	10	11¼	6¼	6¼	12½	3¾	Nil	3¾
Primrose	17½	10	Nil	5	5	Nil	—	—
Rand Mines, 5s. sh. ...	160	150	75	70	145	55	30	85
Rand Selection ...	21½	27½	12½	17½	30	12½	22½	35
Robinson G.M., £5 sh.	14	8	3½	4	7½	1½	1	2½
Rose Deep	32½	26½	12½	17½	30	10	7½	17½
Simmer and Jack ...	10	7½	3¾	2½	6¼	1¼	Nil	1¼
Springs Mines ...	—	—	—	—	—	Scrip	12½*	12½*
Sub Nigel	5	10	7½	7½	15	6¾	5	11¾
Unified Main Reef ...	20	20	7½	7½	15	5	5	10
Van Ryn	40	35	17½	12½	30	5	5	10
Van Ryn Deep ...	32½	40	20	22½	42½	22½	22½	45
Village Deep	21¼	18¾	7½	8¾	16¼	3¾	Nil	3¾
Village Main Reef ...	20	25	10	10	20	10	Nil	10
Witwatersrand Deep ...	28½	22½	5	Nil	5	—	—	—
Witwatersrand (Knights)	50	50	20	15	35	10	5	15
Wolhuter	12½	15	6¼	5	11¼	3¾	2½	6¼

* Cash dividends.

BRITISH BROKEN HILL.

On account of the time taken to get rid of the incubus of pre-War contracts with German smelters this British-registered Broken Hill Company's mine was idle for about 2½ years to the end of 1916. Then, fresh contracts having been fixed up for disposal of lead concentrate production through the medium of the new Broken Hill Associated Smelters, and the zinc through the Zinc Producers' Association, operations were resumed two years ago. Owing to labour and other difficulties, however, full production was only reached in the half-year ended June 30 last, and since then the mills have been running continuously and well. Output has increased as follows:—

Half-Year ended	Crude ore Treated Tons	Concentrates Tons Produced	Concentrates Lead %	Concentrates Oz. Silver per Ton	Zinc Concentrates Tons Produced	Zinc Concentrates Zinc %
June 30, 1917...	75,349	11,056	64·7	26·3	12,020	44
Dec. 31, 1917...	70,357	11,439	63·4	26·5	9,590	45·3
June 30, 1918 ...	111,290	17,127	61·0	27·1	14,080	45·7

Though by its contracts the Company is assured of disposal of all its production, a portion of the output, especially zinc concentrates, remains unrealised pending shipping facilities. The quantities of ore and concentrate despatched are given below, and it will be noticed that a considerable balance remains when the figures are constrasted with the productions shown above:—

Ore Despatches.

	Half-Years to June 30, '18 Tons	Dec. 31, '17 Tons	June 30, '18 Tons
Carbonate Ore	2,552	1,715	4,638
Lead Concentrate*	16,739	11,744	19,119
Zinc Concentrate	2,740	675	2,939

* Including slimes.

As the contracted for but unrealised products are taken into the accounts at cost, a substantial profit is receivable on final realisation. The amount of this profit at June 30, for which credit has not been taken was approximately £90,000. This has to be remembered in noting the expansion that has occurred in actual earnings. The net profit of the half-year to June 30 is shown by the accounts to be £114,782 against £93,687. Apparently metal prices were somewhat lower and larger expenses were charged against revenue, otherwise, in face of the increase in production and despatches, a larger expansion in profit would have been shown. However, in the absence of necessity to provide for taxation, against £39,155 set aside in respect of the second half of 1917, dividends free of income tax aggregating 30% have been paid on account of the first half of 1918, as against 15% for the preceding six months, the balance forward being raised to £44,569:—

	Half-Years ended June 30, 1918	Dec. 31, 1917	June 30, 1917	June 30, 1914	Dec. 31, 1913	June 30, 1913
Crude ore treated (Tons)	111,290	70,357	75,349	109,438	100,284	95,090
Revenue	£	£	£	£	£	£
Lead Mill ...	321,693	227,967	186,093	146,175	147,405	139,553
Zinc Plant ...				30,603a	1,989	10,832
Tailings and slimes				7,310	18,067	15,175
Sundry	858	1,155	789	2,088	2,422	3,681
Total revenue ...	322,191	229,122	186,882	186,175	169,885	169,241
Expenses						
Working account ...	198,685	125,670	136,649	110,292†	109,778a	108,114
Office and general ...	1,563	5,166	2,910	2,134	8,654	5,305
Debentures					842	725
Depreciation ...	4,660	4,608	5,760	5,455	4,131	4,131
Total expenses ...	207,708	135,444	146,319	155,181	123,405	118,273
Net profit	114,782	93,678	40,553	30,994†	46,478a	50,968
Brought forward ...	42,287	44,014	22,211	34,500	33,022	34,955
Total available ...	157,069	137,692	62,764	65,494	79,500	85,923
Taxes	—	39,155	—	—	—	—
Balance	157,069	98,537	62,764	65,494	79,500	85,923
Dividends paid ...	112,500 (30%)	56,250 (15%)	18,750 (5%)	18,000 (5%)	45,000 (12½%)	52,901 (15%)
Carry-forward ...	44,569	42,287	44,014	47,494	34,500	33,022

† Development expenditure charged to working costs.
(a) Development expenditure charged to capital account.

Allowing for the dividends paid, but excluding value of products on hand and profit thereon, amounting in all to about £107,000, the balance sheet at June 30 shows liquid assets to exceed current liabilities by £52,191. The mining position, too, is strong, inasmuch as the ore reserves at the end of 1917 were estimated at 1,054,100 tons, or, say, 11 years' supply for the full rate of milling. While this is so, however, it cannot be said for certain that the future is secure, for earnings must depend upon the widely fluctuating prices of the metals produced, especially lead and zinc. In regard to the latter, the British Government has contracted to take Australia's surplus production for 10 years, but the terms have not been disclosed. No doubt they depend upon the

market quotations ruling. The ore in the Company's mine is lower in average metal contents than is the case with other principal Broken Hill mines, and in the past the Company has not been able to work profitably in periods of depressed metal prices. Since then plant of more economical working capabilities has been added; but, on the other hand, wages and operating costs generally have risen substantially. The capital is £339,000, in 375,000 shares, all ranking as £1 shares for dividend. The present price is 2¾.

KNIGHTS DEEP.

The report for the year ended July 31 makes a very poor showing. The ore milled was 55,800 tons less than in the preceding twelve months, and through a small decline in the gold yield and a relatively large increase in costs the working profit dropped to only £21,000, against £93,214 in respect of 1916-17. After providing for miners' phthisis levies, special war expenditure, interest, depreciation and taxation, and including £6,143 of sundry revenue, the net profit comes out at only £3,211. Towards the latter end of the financial year some improvement in results was obtained by selective mining, but since then has occurred the influenza epidemic and a severe diminution in the labour supply. As regards the mining position, the Consulting Engineer reports that large blocks of ore have had to be excluded from the reserves as no longer payable on account of the rise in costs, and considerable deletions have also had to be made in consequence of caving ground. Hence the fully developed pay ore in reserve at July 31 was estimated at 1,671,000 tons, value only 4.43 dwt., as against 2,301,000 tons, value 4.4 dwt., a year previously. The quantity in reserve was equal to only 1½ years' supply for the mill. However, the intact claim area at July 31 was estimated to be 332 claims out of the total of 506.3 claims originally intact. Further, a considerable tonnage of ore is expected to be available from reclamation work in stoped-out areas.

Mashonaland Consolidated.—For the fourth time since its original formation 20 years ago this undeveloped land-and-mining-claim holding concern is to be reconstructed. Shareholders are asked to sanction the division of the issued capital of £185,472, in 741,888 5s. shares, as to:—

741,888 Ordinary shares of 1s. each	£37,094
741,888 Deferred shares of 4s. each	148,378
Leaving the issued capital at	£185,472

The subscription of 400,000 shares is to be guaranteed by Mr. S. S. Kennedy for £2,000 and certain option rights as well. In view of the record of the past 20 years we should imagine that only shareholders with a good deal of courage, as well as surplus cash, will want to add to their interest in the concern.

NATIONAL BANK OF SOUTH AFRICA LTD.

Registered in the Transvaal.

(With which are incorporated the Bank of Africa, Ltd., the Natal Bank, Ltd., and the National Bank of the Orange River Colony, Ltd.)

Bankers to the Government of the Union of South Africa in the Transvaal, Natal and Orange Free State. Bankers to the Imperial Government in South Africa.

Capital Subscribed and Paid up £2,865,000
With power to increase to £4,000,000
Capital and Reserve £3,715,000

Head Office ... PRETORIA.

London Offices ... CIRCUS PLACE, LONDON WALL, E.C.2.
1 & ST SWITHIN'S LANE, E.C 4.
25 COCKSPUR STREET, S.W.1.

New York Agency ... ... 16 WALL STREET.

The Bank has over 300 Branches in South, East, and South-West Africa. Further Branches have recently been established at Mozambique, Quelimane and Inhambane in Portuguese East Africa, and Mwanza (Victoria Nyanza).

Agents in Amsterdam, Paris, Petrograd and Rome.

The Bank is prepared to grant Drafts, issue Letters of Credit, to make Mail and Telegraphic Remittances, to buy and collect Bills, and to undertake every description of Banking Business.

D. CUNNINGHAM, London Manager.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, January 1, 1919.

Issue Department.

Notes Issued	£97,809,325	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	79,359,325
	£97,809,325		£97,809,325

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£124,303,744
Rest	3,249,267	Other Securities	108,472,930
Public Deposits	26,306,290	Notes	27,619,075
Other Deposits	214,894,016	Gold and Silver Coin	617,112
Seven-day and other Bills	10,288		
	£259,012,861		£259,012,861

Comparison with Previous Four Weeks [00,000's omitted].

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities': Govt.	Securities': Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
1918-19.	£	£	£	£	£	£	£	%	%	%
Jan. 1	70.2	80.0	23.3	214.9	124.3	106.5	28.2	11·71	5	3½
Dec. 25	70.3	79.1	23.6	149.0	71.1	92.1	27.3	15·78	5	3½
Dec. 18	69.0	78.6	28.9	143.9	69.3	93.2	26.1	16·28	5	3½
Dec. 11	67.5	77.7	27.4	153.0	73.7	95.9	28.7	15·89	5	3½
Dec. 4	67.0	76.0	26.5	154.2	73.5	97.8	27.4	15·17	5	3½-⅝
J'y 23, '14	29.3	40.2	13.7	42.2	11.0	33.8	28.3	52·40	3	2⅛

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%: July 13, 1916, 6%; Jan. 18, 1917, 5½%: April, 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Jan. 1, 1919	Jan. 2, 1918	Jan. 3, 1917	Jan. 5, 1916	Dec. 30, 1908
Circulation	70·2	£46.6	£39.9	£35.2	£29.7
Public Deposits	26.3	32.1	53.1	58.1	7.9
Other Deposits	214.9	168.4	116.4	105.8	53.6
Government Securities	124.3	70.8	62.2	32.8	14.7
Other Securities	106.5	106.5	91.8	114.7	45.1
Reserve	28.2	31.1	33.5	34.3	19.4
Ratio to Liabilities	11·71%	16·30%	19·76%	20·95%	31·60%
Coin and Bullion	80·0	69·2	55·0	51·1	30·7
Money					
Bank of England Rate	5%	5%	6%	5%	2½%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	5⅜%	4%	5%	5-5⅛%	2⅝%
Exchanges:					
Paris Cheque	25 97	27 22½	27 79	27 83	25 12½
New York 60 days	4 73	4 72	4 72	4 75	4 85½
Bombay Telegraphic Transfers	1/5⅛	1/4⅛	1/4 5/32	1/4 7/32	1/3⅛
Prices:					
Consols 2½% Cash	59	55½	55½	59	84-⅛
French Rentes 3% Money	61 55	58·50	61·75	63·75	96·80
Silver, London spot os.	48 3/16d.	44½d.	36½d.	26½d.	23 3/16d.
Wheat, *Gazette* average qr.	72/3	71/1	75/10	54/9	32/2
Cotton, Mid Upland* lb.	21·32d.	23 00d.	10·88d.	8·35d.	4·99d.
Iron, Scotch pig ton	101/0	101/0	—	84/1½	55/1½

* Good Middling American, Official Value.

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	% of Gold to Notes %
Dec. 31, 1918 ...	5,379,913	5,783,812	323,240,501	28,500,000	8 8
Dec. 24, 1918 ...	11,622,411	2,623,004	323,644,400	28,500,000	8 8
Jan. 2, 1918 ...	6,789,445	7,120,790	212,450,950	28,500,000	13·4
Jan. 3, 1917 ...	4,428,135	5,801,872	148,770,440	28,500,000	19·2
Jan. 5, 1916 ...	4,838,487	4,923,235	103,040,351	28,500,000	27·6
Jan. 6, 1915 ...	1,409,500	1,916,551	37,971,113	19,500,000	51·4

Balance Sheet, Dec 31, 1918

Notes outstanding—	£	Advances—	£
One Pound	238,050,598	Trustee Savings Banks	570,000
Ten Shilling &c	47,589,903	Currency Note Redemption A/c—	
Certificates outstanding	37,600,000	Gold Coin and Bullion...	28,500,000
		Government Securities...	305,133,409
Total	323,240,501	Balance at Bank of England	4,566,368
Investments Reserve A/c	15,529,276		
Total	338,769,777	Total	338,769,777

PUBLIC INCOME & EXPENDITURE [000's omitted.]

1918. Week to	Revenue	Expenditures	Excess of Expenditure	—Loans and Advances— Raised	Repaid	Net. Inc.	Cash Balance
Dec. 31¶	£14,951	£64,517	£49,566	£389 914	£341,028	£48,886	£7,925
Dec. 21	10,996	53,003	42,007	121,645	79,405	42,240	8,604
275 dys. '18	509,166	2,049,994	1,540,828	5,408,555	3,880,832	1,527,723	—13,105
275 dys. '17	400,650	2,029,435	1,628,785	3,905,664	2,287,721	1,617,943	—10,842
1,613 dys. to Dec. 31, '18	2,298,353	9,001,844	6,703,491	—	—	6,706,356	+2,865
*Yr. '18-19**	*842,050*	*2,976,402*	*2,134,352*	—	—	*2,134,352*	—
Yr. '17-18	707,234	2,696,221	1,988,987	5,499,604	3,516,023	1,983,581	21,030

§ **Principal Items of Revenue and Expenditure.**

1918. Week to	Revenue: Customs & Excise	Income Tax	Excess Profits	Other Revenue	Expenditure: Int., &c., on Debt,	Misc Expend.	Supply Services.
Dec. 31¶	£2,291	£4,183	£7,050	£1,427	£4,078	£182	£60,257
Dec. 21	5,016	1,720	3,142	1,118	1,341	92	51,570
275 dys. '18	116,741	83,385	204,318	104,722	228,452	7,634	1,813,908
275 dys. '17	81,314	67,907	148,945	102,484	159,243	7,788	1,862,404
*Yr. '18-19**	*147,700*	*290,450*	*360,000*	*103,900*	*315,000*	*11,414*	*2,649,988*
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,969

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	War Expenditure Certificates	Total
Dec. 31, 1918 (Highest)	£1,094,605	£455,180	All retired	£1,549,785
Dec. 21, 1918 ...	1,118,718	430,112	£216	1,549,046
Dec. 14, 1918 ...	1,120,281	422,112	285	1,542,878
Mar. 31, 1918 ...	973,678	192,271	22,929	1,188,878
Dec. 31, 1917 ...	1,058,175	278,781	23,561	1,360,517

TOTAL DEBT...Dec 31, '18, about £7,401,672,000: Aug. 1, '14, about £852,270,000

COST OF WAR TO GT. BRITAIN to Dec. 31, 1918, about £8,100,500,000

GT. BRITAIN'S WAR LOANS TO ALLIES AND DOMINIONS.

[000,000's omitted.]	1914-15	1915-16	1916-17	1917-18	18-19†	Total‡
Allies Included in Supply Expenditure	£18.0	£262.0	£491.0	£437.0	£111.5	£1,319.5
Dominions Included in Supply Expenditure	34.0	64.0	54.0	52.0	28.5	220.5
Add Accrued Int., discount, &c	—	8.0	44.0	67.0	24.5	143.5
Total	52.0	324.0	589.0	556.0	162.5	1,683.5
"Other" Debt: Sum Raised	—	58.8	313.3	320.4	356.4†	1,349.9†

* Budget and Supplementary estimates. † To Oct. 19, 1918. ‡ To Dec. 31, 1918

FOREIGN BANKS. [In £s sterling—000's omitted.]

AUSTRIA-HUNGARY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Advances.	Note Circltn.	Above — or beneath + legal max.	Bills Discounted, &c.
July 23, '14	£51,578	£12,141	£63,719	£7,772	£88,740	+ £2,479	£31,983
Dec. 7, '17	11,000	2,300	13,300	692,990	739,300	—	117,600

DENMARK.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts.	Balance Abroad.	Circulation.	Deposits.
July 31, 1914	£4,100	£341	£4,441	£6,197	£788	£8,893	£47
Oct. 31, 1918	10,465	136	10,601	3,650	3,587	23,564	679
Nov. 30, 1918	10,424	144	10,568	3,826	4,338	24,456	736
Nov. 30, 1917	9,922	147	10,069	3,110	2,551	18,093	1,052
Nov. 30, 1916	8,076	107	8,183	4,987	2,297	15,422	811

FRANCE.	Gold. In Bank	Gold. Abroad.	Total Cash incl'g Silver	Bills.	Circulation.	Deposits. Public.	Deposits. Private
July 30, 1914	£165,654		£190,667	£97,788	£287,327	£15,302	£37,903
Dec. 26, 1918	137,618	81,484	231,836	41,851	1,209,984	4,487	94,648
Jan. 2, 1919	137,959	81,484	232,170	54,477	1,242,201	1,371	95,668
Jan. 3, 1918	132,736	81,484	224,093	41,930	911,585	13,464	111,089
Jan. 4, 1917	135,708	67,724	215,073	29,823	680,054	1,701	92,555

GERMANY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Treasury & Other Notes.	Loans & Discounts	Circulation.	Deposits.
July 23, '14	£87,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,138
Dec. 14, '18	115,224	1,015	116,239	224,251	1,213,901	1,500,290	570,296
Dec. 21, '18	113,131	1,007	114,138	244,990	1,223,418	1,056,218	574,194
Dec. 22, '17	120,250	8,219	128,469	58,061	631,222	551,302	331,753
Dec. 23, '16	125,954	815	126,789	8,759	413,331	376,746	189,614

HOLLAND.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts.	Advances.	Circulation.	Deposits.
Aug. 1, 1914	£13,498	£249	£13,745	£13,422	£10,339	£35,880	£1,437
Dec. 14, 1918	57,493	699	58,192	20,376	10,760	88,258	7,824
Dec. 28, 1918		58,164		30,483		89,249	7,373
Dec. 29, 1917	58,186	586	58,772	7,488	8,954	74,487	4,469
Dec. 30, 1916	48,967	582	49,549	6,226	7,125	63,198	4,548

ITALY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Other Cash.	Loans & Disc'nts.	Circulation.	Deposits
July 31, '14	—	—	£48,456		£25,017	£89,204	£8,887
Sept. 20, '18	£32,724	£3,071	35,794	4,487	53,596	333,121	54,698
Sept. 30, '18	32,722	3,072	35,795	5,845	59,283	342,182	54,883
Sept. 30, '17	33,344	2,584	35,928	3,689	39,453	199,396	40,293
Sept. 30, '16	37,080	3,108	40,188	2,192	29,153	144,848	29,624

JAPAN.	Gold.	Discounts.	Advances.	Notes.	Deposits. Public.	Deposits. Private.
Aug. 1, '14	£21,887	£1,829	£7,883	£32,722	£13,819	£1,591
Nov. 16, '18	68,110	1,520	40,745	82,648	99,781	4,039
Nov. 23, '18	68,057	1,976	41,792	84,137	99,141	4,348
Nov. 24, '17	62,582	1,106	20,435	62,498	59,107	5,230
Nov. 25, '16	32,774	1,288	12,588	45,591	37,936	1,943

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve.	Loans, Discounts, Invest.,&c.	Net Deposits. Demand.	Net Deposits. Time.	Net Deposits. Total.	Excess Reserve
Aug. 1, '14	—	£89,888	£411,238	—	—	£387,165	£1,720
Dec. 21, '18	£21,584†	116,954	932,110	£782,446	£27,942	846,650	13,504
Dec. 28, '18	22,082†	109,478	932,522	780,284	28,838	850,638	6,320
Dec. 29, '17	21,848†	110,580	825,746	702,458	38,547	809,550	16,846
Dec. 30, '16	85,469*	132,116	666,784	659,868	31,826	691,694	18,468

* Counted as reserve. † Not reserve.

NORWAY.	Gold.	Balance Abroad.	F'r'gn Gov. Securities.	Discounts & Loans.	Circulation.	Deposits
July 31, 1914	£2,980	£1,678	£493	£4,868	£6,752	£783
Dec. 15, 1918	6,724	3,665	750	20,390	23,492	4,368
Dec. 22, 1918	6,722	3,682	750	21,922	24,819	4,467
Dec. 22, 1917	6,274	4,816	717	21,095	18,330	11,069
Dec. 22, 1916	6,840	4,780	787	6,572	14,054	2,292

RUSSIA.	Gold. In Bank.	Gold. Abroad.	Total Cash incl'g Silver	Loans & Disc'nts.	Circulation.	Notes in Reserve	Total Deposits
July 31, '14	£160,114	£14,395	£181,892	£76,081	£163,411	£8,589	£109,811
Oct. 31, '17	129,584	230,882	377,099	1,781,647	1,785,890	10,310	344,907
Oct. 28, '17	129,523	230,885	378,205	1,869,559	1,836,217	15,783	345,550
Oct. 29, '16	155,877	205,496	372,072	614,687	784,488	10,512	223,731
Oct. 29, '15	159,825	3,560	165,844	443,307	501,083	8,417	143,419

SPAIN.	Cash. Gold	Cash. Silver.	Cash. Total.	Loans, &c.	Spanish 4%	Circulation.	Deposits &c.
Aug. 1, '14	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,956
Dec. 14, '18	89,135	25,809	114,944	68,601	13,777	130,702	46,888
Dec. 21, '18	89,133	25,864	114,997	68,324	13,777	131,250	46,214
Dec. 22, '17	78,870	28,589	107,259	47,851	13,777	110,217	37,274
Dec. 23, '16	49,249	29,729	78,978	41,156	13,777	93,354	28,803

SWEDEN.	Gold.	Balance Abroad.	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation.	Deposits
Aug. 1, '14	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Dec. 7, '18	15,780	7,235	6,972	25,544	43,219	13,936
Dec. 14, '18	15,850	7,057	5,861	26,889	43,892	12,504
Dec. 15, '17	12,831	6,934	4,440	14,200	29,584	9,582
Dec. 16, '16	10,152	8,049	3,531	7,483	21,478	7,132

SWITZERLAND.	Cash. Gold	Cash. Silver.	Cash. Total	Discounts & Advances.	Circulation.	Deposits.
July 23 1914	£7,202	£758	£7,960	£4,917	£10,716	£2,028
Dec. 14, 1918	15,116	2,295	17,411	21,811	35,626	5,483
Dec. 23, 1918	15,855	2,318	18,173	23,384	36,862	5,152
Dec. 21, 1917	14,224	2,121	16,345	12,485	25,541	3,782
Dec. 23, 1916	13,785	2,130	15,895	7,480	19,533	4,340

U. STATES FED. RES. BANKS	Gold — Held by Banks.	Gold — With Agents.	Total Cash	Bills Discount'd.	Acceptances.	Deposits. Govt.	Deposits. Total, Net.	Circulation.
Dec. 20, '18	£160,468	£65,330	£26,726	£21,260	£8,154	£7,738	£309,950	£32,740
Dec. 27, 18	143,590	274,464	429,244	340,588	60,734	12,674	310,573	537,048
Dec. 28, '17	173,987	180,239	344,153	138,141	55,073	21,842	231,598	249,297

II.—FOREIGN BANK RATES OF DISCOUNT.

	Current Rates %	Current Rates Date Fixed		Current Rates %	Current Rates Date Fixed
Paris	5	Aug. 20, '14	Copenhagen ...	5	July 10, '18
Berlin	5	Dec. 23, '14	Christiania ...	6	Dec. 13, '17
Amsterdam ...	4½	July 1, '15	Berne	5½	Oct. 3, '18
Brussels	5	Aug. 20, '14	Rome	5½	Nov. 7, '17
Vienna	5	Apr. 10, 15	Madrid	4½	Oct 26, '14
Petrograd ...	6	July 29, '14	Stockholm ...	7	Mar. 21, 18

III.—FOREIGN EXCHANGES.

LONDON ON—		Jan. 3, '19	Dec. 27, '18	Dec. 20, '18	Dec. 13, '18
Brussels	Cheques	27fr. 50c.	—	—	—
Denmark	Cable	17kr. 70½	17kr. 65½	17kr. 62½	17kr. 67½
Holland	Cable	11d. 15c.	11d. 12c.	11d. 18c.	11d. 20c.
Italy	Cable	30lr. 31½c.	30lr. 31½c.	30lr. 31½c.	30lr. 31½c.
Lisbon & Oporto	do.	34⅜l.	34⅜d.	33⅜d.	34d.
New York	do.	$4 76½	$4 76½	$4 76½	$4 76½
—	Cheques	$4 77½	$4 77½	$4 77½	$4 77½
Norway	Cable	16kr. 87½	16kr. 84½	16kr. 87½	16kr. 99½
Paris	3 mos.	26fr. 42½c.	26fr. 42½	26fr. 42½c.	26fr. 42½c.
—	Cable	25fr. 97½c.	25fr. 97c.	25fr. 97c.	25fr. 97½c.
Spain (Bank places)	3 mos.	47¼d.	47¼d.	47½d.	47½d.
—	Cable	23p. 70½	23p. 72½	23p. 78½	23p. 70
Sweden	do.	16kr. 29½	16kr. 25½	16kr. 11½	16kr. 39½
Switzerland	3 mos.	23f. 40½c	23f. 12½c.	23f. 42½c.	23f. 77½c.
—	Cable	22f. 95½c.	22f. 70½c.	22f. 92½c.	23f. 34½c.

ON LONDON—		Jan. 3, '19	Dec. 27, '18	Dec. 20, '18	Par
Alexandria	Sight	97⅛pi.	97⅛pi.	97⅛pi.	97⅛pi.
Amsterdam	Cheques	11d. 15c.	11d. 11½c.	11d. 19c.	12·107 fl.
Bombay	Transfers	1s. 5⅛d.	1s. 5⅛d.	1s. 5⅛d.	1s. 6d.
Brussels	Cheques	27f. 60c.	27f. 62½c.	—	25f. 22½c.
Buenos Ayres	Transfers	51⅛d.	51⅜l.	51⅝d.	47.58d.
Calcutta	Transfers	1s. 5⅛d.	1s. 5⅛d.	1s. 5⅛d.	1s. 6d.
Christiania	Sight	16kr 84	16kr 83½	16kr. 86½	18.159kr.
Copenhagen	Sight	17kr. 68½	17kr. 64	17kr. 62½	18.159kr.
Hong Kong	Transfers	3s. 4d.	3s. 4¼d.	3s. 4d.	—
Italy	Sight	30lr. 31½c.	30lr. 31½c.	30lr. 31½c.	25lr. 22½c.
Lisbon	Sight	34⅛l.	34⅛l.	34⅛l.	53½d.
Madras	Sight	1s. 6⅛d.	1s. 6⅛d.	1s. 6⅛d.	1s. 6d.
Madrid	Sight	23p. 70	23p. 72½	23p. 73½	25p. 22½
Montevideo	Transfers	—	60⅛	—	51d.
Montreal	Cable	$4 84⅝	$4 83¾	$4 83⅞	$4 86⅝
New York	Sight	$4 75⅞	$4 75⅛	$4 75⅝	—
—	60 days	$4 73	$4 73	$4 73⅛	—
—	Cable	$4 76⅜	$4 76⅜	$4 76⅜	$4 86⅜
Paris	Cheques	26f. 97½c	25f. 97c.	25f. 97½c.	25f.22½
Peru	Sight	7⅛% Dis	7⅛% Dis	7⅛% Dis.	—
Rio de Janeiro	90 days	13⅛d.	13⅛d.	13⅛d.	18d.
Shanghai	Transfers	5s. 1d	5s. 2⅛	5s. 1⅛d.	—
Singapore	Sight	2s. 4⅛-16d.	2s. 4⅛-16d.	2s. 4⅛-16d.	2s. 4d.
Stockholm	Sight	16kr 29½	16kr. 24½	16kr 10	18·159kr.
Switzerland	Sight	22½. 96c	22f. 65c	22f. 93c	25f. 22½c.
Valparaiso	90 days	10⅜d.	9⅝d.	10⅜d.	18d.
Yokohama	Sight	2s. 2d.	2s. 2⅛d.	2s. 2⅛d.	2s. 0.581.

NEW YORK ON—	Rate Current Dec. 24, '18	Rate Current Dec. 18, '18	Par as usually Quoted	Rate July 3, '14
London, sight ...	$4.7580	$4.7580	4·8665 dollars for £1	$4 87
,, cables ...	$4.7655	$4.7655		$4 88⅛
,, 60 days ...	$4.72⅛	$4.72⅛		$4 85
Amsterdam, sight ...	42·50c.	42·c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	35·85c.	35·75c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	45·15c.	45·05c.		
Christiania, cheques ...	28·10c.	28·25c.	26·80c. for 1 kroner	26·85c.
Copenhagen, cheques ...	27·00c.	27·00c.	26·80c. for 1 kroner	
Greece, cheques	19·40c.	19·40c.	19·295c. for 1 drachma	
Hongkong, cheques ...	81·50c.	80·00c.	74·59c. for Mex. $1	46·40c.
Italy, sight	6·36f.	6·36½f.	5·18¼ lire for $1	5·17f.
Lima, cheques	5·10c.	5·10c.	4·8665 $ for 1 libra	
Manila, cheques	49½c.	49½c.	50c. for 1 peso	49·90c.
Montreal	1½% disc.	1½% disc.	Premium per $100	Par
Paris, sight	5·45¼fr.	5·45¼fr.	5·18¼ francs for $1	5·18fr.
Petrograd, sight	13nom.	12nom.	51·43c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	27·00c.	27·00c.	32·42c. for 1 milreis	
Shanghai, cheques ...	125·00c.	126·00c.	52·93c. for 1 tael	63·00c.
Singapore, cheques ...	56·50c.	56·25c.	56·77c. for $1	57·12c.
Spain, cheques	20·05c.	19·95c.	19·30c for 1 pesata	
Stockholm, cheques ...	29·30c.	29·35c.	28·80c. for 1 kroner	
Switzerland, cheques ...	4·82fr.	4·85¼fr.	5·18¼ francs for $1	5·16¼fr.
Valparaiso, cheques ...	26·90c.	27·95c.	20·31c. for 1 peso	
Yokohama, cheques ...	52·75c.	53·00c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Co. of New York.

IV.—INDIA COUNCIL SALES.

Amount —	This Week — Offered	This Week — Applications	This Week — Allotted	Next Week. To be Offered
	Nil	Nil.	Nil	Nil

Allotments to Tuesday, December 31, 1918.

Applications...	Bills Nil	Deferred T. C. Nil	Immediate T.T. Nil
Drafts on —	Rs. / Rate	Rs. / Rate	Rs. / Rate
Calcutta ...	— —	— —	— —
Bombay ...	— —	— —	— —
Madras ...	— —	— —	— —
Total ...	— —	— —	— —
% Allotted...	—	—	Nil

Sales for week to Tuesday, Dec. 31, 1918 ... Nil

Sales from April 1, 1918, to Dec. 31, 1918 ... Rs.15,51,01,000 realising £11,516,754

Sales from April 1, 1917, to Jan. 1, 1918 ... Rs.37,80,00,000 £25,892,000

V.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1918 Aggr.	Inc. or Dec.*
	1918.	[In £'s sterling 000's omitted.]			
BIRMINGHAM ...	Dec. 28	£1,856 +	£481	£128,019 +	£15,932 + 14·4
BRISTOL ...	,, 28	759 —	139	55,501 +	6,139 + 12·4
DUBLIN ...	,, 28	5,486 +	2,132	305,871 +	55,050 + 21·8
LEEDS ...	,, 28	913 +	234	54,497 +	10,933 + 25·1
LEICESTER ...	,, 28	814 +	206	39,988 +	10,155 + 34·1
LIVERPOOL ...	,, 28	7,544 +	2,639	494,742 +	71,813 + 17·3
MANCHESTER ...	,, 28	10,395 +	60	787,619 +	205,838 + 26·8
NEWCASTLE ...	,, 28	1,280 —	449	86,718 —	1,470 — 1·7
NOTTINGHAM ...	,, 28	370 —	34	32,119 +	8,313 + 24·4
SHEFFIELD ...	,, 28	716 —	29	56,490 —	7,376 + 15·0
LONDON—	1919.				
TOWN ...	Jan. 1	239,888 —	98,653	17,031,628 +	1,332,100 + 8·5
METROPOLITAN ...	,, 1	18,082 —	4,579	1,429,611 +	252,133 + 21·4
COUNTRY ...	,, 1	36,818 —	4,654	2,736,273 +	492,083 + 21·9
TOTAL ...	,, 1	294,768 —	105,886	21,197,512 +	2,078,316 + 10·9

* Compared with a year ago.

VI.—WHOLESALE PRICES OF COMMODITIES.

	1918-19 JAN. 3.	1917-18 JAN. 4.	1914 JUNE 30.
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	101/0	101/0	57/0
— Middlesbro' warrants ...ton	95/0	95/0	51/0
— Hematite warrants ...ton	122/6	122/6	61/0
— Staffordshire bars, London ton	£17	£15 10	£8 10
— Common bars ...ton	£14 15	£13 15	£8 10
Steel Rails ...ton	£10 17/6	£10 17/8	£6 2/6
Galvanised Sheets ...ton'	£29	£28	£16 17/6
Copper—Standard ...ton	£111 10–£112 10	£110–£110 10	£61
Tin—English Ingots ...ton	£233–£234	£282–£283	£142 10
— Straits ...ton	£236 £236 10	£230 10	£139 15
Tinplates, I.C. cooke, S. Wales...box	32/6	31/6	11/10½–12/0
Lead—Soft Foreign ...ton	£35–£40	£28 10–£29 10	£19
Spelter—Ord. Foreign ...ton	£48–£56	£50–£54	£21 7/9
Quicksilver—(75lb.) ...bottle	£20	£20	£7
Aluminum ...ton	nom.	nom.	£82
Antimony—Regulus ...ton	nom	nom.	£27 10
Coal—(best) Yorkshire ...ton	23/6–24/6	23/0	17/6
— Steam (best) Newcastle ...ton	40/0–45/0	30/0	14/6
CHEMICALS, OILS, &c.			
Nit. of Soda—f.o.b. Chile, per quintal	nom.	12/0	7/4
Soda—Crystals ex ship ...ton	87/6	72/6	42/6–45/0
Copra—Malay & Straits ...ton	£45 10	£45 10	£23 15–£24 7/6
Gambier—Good marks...cwt.	45/0	63/6	16/10½
Indigo—Bengal good to fine ...lb.	9/0—10/6	8/6—12/6	3/2—3/8
Linseed Oil—Raw ...ton	£75	£58	£25 5
Linseed—Calcutta, spot ...ton	£37 10	£29 15	£13 16/9
— **Cakes**, U.K. made, ex mill ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish ...tun	nom.		£49 10
Palm Oil—Lagos ...ton	£45	£44	£31 10
Petroleum—American ...gallon	1/4½	1/7½	-/7½
Rape Oil—Refined English ...ton	£71	£71	£32
Soya Oil—Refined ...ton	£75	£75	£24 10
Tallow—Imported ...cwt.	68/0	68/0	29/3—33/3
Turpentine—French ...cwt.	105/0	126/9	33/7½
Rape Seed—Toria ...ton	£29 15	£29 15	£13 5
Rubber—Para, spot ...lb.	2/7½	2/10	2/9½
— Fine plantation (stnd. crepe)lb.	2/3	2/5½	2/2
— World's Production* Nov. ton	18,701	20,780	8,467
Shellac—T.N. Orange, fair ...cwt.	295/0—300/0	360/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland† ...lb.	-/21·32	-/23·52	-/7·53
— Egyptian good fair ...lb.	-/27 05	-/26·75	-/8·75
— Pernambuco, fair ...lb.	-/27 55	-/25·20	-/7·73
— Mid. Upl. New York ...lb.	32·40c.	32·70c.	13·25c.
— Stock, Liverpool, Dec. 30 bales	376,220	418,830	—
Flax—Petrograd, Yarapol ...ton	nom.	£120nom.	£28
Hemp—N. Zealand ...ton	£96	£93	£25 10
— Manila, Fair strips ...ton	£100	£85	£26 10
Jute—First Marks ...ton	—	—	£26 15
— Red SOO ...ton	—	—	£24 15
Silk—Blue Elephant ...lb.	22/6	24/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	nom.	nom.	-/11½—1/0
— Lincoln Half Hogs...lb.	1/7½nom.	1/6 nom.	1/0½
Hides—Eng.Ox, best. 85lb. up. lb.	-/9½—-/10½	-/10	-/7½
Leather—Dressing Hides ...lb.	2/5—3/1	nom.	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S....bus.	183,233,000	77,721,000	34,640,000
— Red, price, N.Y. 60lb. bushel	237½c.	226c.	87½c.
—English *Gazette*, aver. 480lb. qr.	72/3	71/1	34/3
Flour—G.R. ...280lb.	44/3	44/0	28/6
Barley—Eng. *Gaz.*, aver. 400lb. qr.	62/3	57/7	25/4
Oats—Eng. *Gaz.*, aver. 312lb. qr.	50/6	44/10	20/0
Maize—N Y. (new bushel) ...56lb.	nom.	nom.	76½c.
— Amer. mixed, Liverpool 100lb.	nom	—	4/9
— La Plata ...480lb.qr.	90/0	78/0	25/9
Potatoes—Good English ...ton	175/0	130/0—150/0	70/0—75/0
Rice—Bassein ...cwt.	28/3	28/3	7/0—7/3
Tapioca—Pearl, medium ...cwt.	58/0	65/0	14/0—17/8
Hay—Best ...2,016lb. load	160/0	152/9	82/6
Hops—English ...cwt.	—	£5 10—£10	£6 5—£7
ANIMAL FOOD.			
Beef Argen. chilled bndqrs....8lb.	9/2—9/6	7/8	3/8—3/10
— Scotch sides ...8lb.	9/6	8/4	4/8—5/0
English ...8lb.	9/6	8/4	4/2—4/5
Mutton—Scotch wethers ...8lb.	10/0	8/8	5/8—6/0
— English wethers ...8lb.	10/0	8/8	4/6—5/4
New Zealand frozen ...8lb.	10/0	—	2/4—3/2
Pork—English and Irish ...8lb.	10/8	9/6	3/6—4/0
Bacon—Irish, ex Factory ...cwt.	188/0	172/0	60/0—74/0
— Danish, ex Port ...cwt.	—	172/0	58/0—68/0
— American, delivered ...cwt.	176/6	172/0	72/0—74/0
Hams—Amer.long cut,delivrd.cwt.	170/0	165/0	75/0—79/0
— — short cut, delivered ...cwt.	170/0	162/0	71/0—74/0
Lard—Amer. boxes, delivered cwt.	158/0	136/3	51/9—52/9
Butter—Danish ...cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
— French ...cwt.			96/0—108/0
— Australian ...cwt.			98/0—110/0
— New Zealand ...cwt.			108/0—114/0
Cheese—Canadian ...cwt.	Controlled 163/4	nom.	66/0—68/0
— United States ...cwt.		nom.	—
— Dutch ...cwt.		154/0—156/0	53/0—84/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Price, Java, 96° Pol. cwt.	36/0	34/0	10/3
— — Yellow crystals ...cwt.	57/9	46/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	64/9	53/9	18/0
Coffee—In Bond Nov. 30 ...cwt.	706,000	1,180,000	484,000
— Price,Costa Rica gd. to fine cwt.	150/0—160/0	105/0—113/0	80/0—93/0
— — Brazil (Santos) ...cwt.	65/9	62/6	41/6
Tea—In Bond Nov. 30 ...lbs.	138,012,000	37,745,000	78,292,000
— Price,Indian,Pek.Soug,good lb.	1/4	—	-/8½
— — Ceylon, Pek. Soug. Ord.lb.	1/4	—	-/9½
— — Common Congou ...lb.	1/4	2/6	-/5½
Cocoa—In Bond Nov. 30...cwt.	367,000	382,000	309,000
— **Grenada**, good to fine ...cwt.	85/0	93/0—96/0	52/6—56/0

* Estimated. † G.M. American Official Value.

VII.—CANADIAN, &c., RAILWAY REVENUE STATEMENTS.

	Period	Gross Receipts	+ or — on 1917	Net Receipts	+ or — on 1917
Canadian Northern ...	Nov.	$4,679,500	+ 629,300	$660,700	— $94,000
	5 *mos. to* Nov.	*21,778,100*	*+2,904,500*	*2,198,400*	*— 1,077,400*
Canadian Pacific	Nov.	15,230,000	+ 39 000	3 399,000	— 1,859,000
	11 *mos. to* Nov.	*141,994,000*	*+2,676,000*	*31,692,000*	*— 10,943,000*
Cuba Railroad	Sept.	875,549	+ 186,425	180,153	+ 104,258
	3 *mos. to* Sept.	*2,968,678*	*+ 694,965*	*831,657*	*+ 249,347*
Grand Trunk Rlwy. ...	Nov.	£1,267,650	+ £439,300	£185,150	+ £65,400
	11 *mos. to* Nov.	*11,690,656*	*+2,149,050*	*1,402,800*	*— 589,250*
Int. Rys. of C. Amer.	Oct.	$33,164	— $2,386	$6,222	— $4,059
	10 *mos. to* Oct.	*461,916*	*— $1,968*	*203,708*	*— 24 417*
United RR. of Yucatan	Aug.	Mex. $799,053	+ 137,022	282,282	+ 131,435
	8 *mos. to* Aug.	*5,868,654*	*+1,264,092*	*1,512,721*	*+ 291,221*

VIII.—RAILWAY AND TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britainunder warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week ended	Miles.	+ or — in Yr.	Gross Receipts.	+ or — on Year Ago.	No. Wks.	Aggregate Receipts.	+ or — on Year ago.
Assam Bengal	Oct. 19	892·66	—	R1,27,998	— 8,294	3	3,72,304	+ 13,036
Barsi (2 wks.)	Oct. 26	118	—	18,100	+ 2,800	30	4,66,800	— 25,700
Bengal&N.W.	Oct. 19	8,049	+ 1	3,81,080	+ 58,136	3	11,22,180	+ 2,83,786
Beng. Dooars	Oct. 26	168	+	48,047	+ 16,011	4	1,71,192	+ 50,379
Beng. Nagpur	Oct. 12	2,898	+	10,56,000	+ 47,000	28	3,39,18,946	+33,52,499
Bomb.Baroda	Dec. 21	2,872	—	19,60,000	+ 3,32,000	12	1,81,78,000	+10,54,000
Burma	Oct. 19	1,342	—	4,63,849	+ 93,120	29	1,33,13,017	+22,05,386
Cal.Um.Kalk.	Dec. 21	239	—	72 800	— 29,312	12	10,37,500	— 1,46,937
East Indian	Dec. 21	2,767	— 40	24,50,000	— 1,14,000	12	3,20,22,000	+35,70,000
Gt.Indian Pen	Dec. 21	3,112½	—	26,80,500	+ 4,63,400	12	2,54,22,500	+ 2,52,574
Madras & S.M.	Oct. 26	3,152	— 1	9,40,000	— 15,626	4	35,15,000	— 19,625
Nizam'sGuar.	Oct. 26	900	—	1,87,503	+ 13,453	4	7,41,390	+ 30,782
Rob.&Kumn.	Oct. 12	546	—	1,63,616	+ 4,846	2	1,68,616	— 4,846
South Indian	Oct. 26	1,829·63	+37·91	6,40,257	— 1,793	30	2,08,57,282	+ 3,26,961
South Punjab	M. of July	716	—	11,44,996	— 1,12,429	4m	42,38,358	+11,22,886
COLONIAL.								
Can. Northern	Dec. 14	9,487	+ 53	$1,087,000	+ 313,200	23	23,778,200	+ 3,524,600
Can. Pacific	Dec. 21	13,388	+ 395	3,731,000	+ 680,000	50	152,985,000	+ 4,419,000
Gd.Trunk Pac.	Dec. 21	916	—	£33,566	+ 10,248	24	705 375	— 16,839
Grand Trunk	Dec. 21	3,816	—	307,070	+ 103,390	50	12,566,069	+ 2,440,650
Mashonaland	M. of Aug.	810	—	71,511	+ 16,098	11m	617,879	— 8,013
Mid W. Aust.	M. of Oct.	277	—	10,536	+ 2,727	4m	32,666	+ 7,310
New Cape Cent.	Nov. 16	205	—	1,832	— 239	46	102,521	+ 17,147
Rhodesia Rlys.	M.of Aug.	1,387	—	112,083	+ 16,475	11m	994,982	+ 28,050
W. Pass & Yuk.	M.of Sept.	122	—	$293,088	— 25,328	9m	1,124,400	— 588,913
FOREIGN.								
Argentine.								
Arg. N. East ...	Dec. 28	752	—	$ 8,006	— 2,200	26	247,175	+ 43,575
Arg. Transand.	Dec. 28	111	—	$ 4,220	+ 1,500	26	87,030	+ 13,790
B.A.& Pacific...	Dec. 28	3,536	—	$ 106,000	+ 1,000	26	2,956,000	+ 1,123,000
B.A.Gt.Southn.	Dec. 22	3,782	—	$ 156,000	+ 11,000	25	3,336,000	+ 1,049,000
Do.	Do.	Net	—	$ 48,000	— 10,000	25	589,000	+ 143,000
B.A. Western...	Dec. 29	1,882	+ 12	$ 70,000	+ 12,000	26	1,798,000	+ 758,000
Do.	Do	Net	—	$ 14,000	— 3,000	26	448,000	+ 209,000
B.A. Central ...	M.of Nov.	190	—	$ 40,159	+ 12,834	5m	206,529	+ 91,422
Cent. Argentine	Dec. 28	3,305	—	$ 134,900	+ 8,000	26	3,392,900	+ 1,140,600
Do.	Do.	Net	—	$ 10,900	— 33,700	26	572,100	+ 81,796
Cord. Central...	Dec. 28	1,205	—	$ 35,000	— 510	26	1,196,680	+ 430,250
Entre Rios ...	Dec. 28	831	—	£ 20,500	+ 900	26	521,600	+ 185,200
Brazilian.								
Brazil Gt.South.	M.of Mar.	110	—	M 43,800	+ 1,400	3m	140,100	+ 14·780
Brazil Railway	M.of Sept.	3,530	+ 12	M 4,914,000	+ 483,333	9m	44,298,300	+ 8,058,176
Gt. W. Brazil...	Dec. 28	1,010	—	$ 17,000	— 800	52	821,100	+ 81,700
Leopoldina ...	Dec. 28	1,831	—	$ 40,115	+ 3,932	52	1,644,243	+ 73,738
Mogyana	M.of Sept.	1,180	—	M 2,183,000	— 230,957	9m	17,624,000	+ 52,915
Paulista	M.of Sept.	766	—	M 3,811,000	+ 381,097	9m	24,505,000	+ 1,283,691
San Paulo	Dec. 29	163½	—	$ 27,426	— 13,996	52	1,581,970	— 44,359
Sorocabana ...	M.of Sept.	1,003	+ 12	M 1,798,000	— 124,378	9m	17,265,000	+ 2,384,370
S.of Bahia S.W.	M.of Nov.	62	—	M 95,000	+ 10,000	11m	967,000	— 64,000
Chilean and Peruvian.								
Antofagasta ...	Dec. 29	638	—	$ 30,635	— 13,860	52	2,360,285	+ 123,360
Arauco	M. of Nov.	84½	—	$ 11,500	— 3,500	11m	143,000	+ 15,500
Nitrate (2 wks)	Dec. 31	390	—	$ 32,854	— 4,542	52	826,049	+ 50,844
Peruvian Corp.	M.of Nov.	1,140	—	S 897,093	— 137,700	5m	4,962,725	— 24,455
Taltal	M.of Nov.	181	—	$ 16,718	— 12,502	5m	99,168	— 22,162
Cuban.								
Cuban Central	Dec. 28	382	—	$ 17,809	+ 3,566	26	365,999	+ 54,707
Havana Central	Dec. 28	70	—	$ 9,419	— 988	26	221,902	+ 22,703
U. of Havana...	Dec. 28	681	—	$ 60,338	+ 5,373	26	1,160,588	+ 131,973
W. of Havana...	Dec. 28	155	—	$ 7,289	— 1,022	26	182,141	— 1 166
Uruguayan.								
Cent. Uruguay	Dec. 28	272	+ 1	$ 22,766	+ 5,873	26	524,107	+ 63,902
" (E. Ext.)	Dec. 28	311	—	$ 7,476	+ 1,452	26	120,663	— 2,006
" (N. Ext.)	Dec. 28	185	—	$ 4,005	+ 874	26	92,437	+ 14,366
" (W. Ext.)	Dec. 28	211	—	$ 3,109	+ 857	26	66,332	+ 13,986
Mid. Uruguay...	M.of Nov.	319	—	$ 15,313	— 685	5m	77,673	+ 8,538
N. W. Uruguay	M.of Nov.	113	—	$ 28,000	— 4,025	5m	143,500	+ 13,909
Urug Northern	M.of Nov.	73	—	$ 1,851	— 548	5m	9,393	+ 772
Miscellaneous.								
Alcoy & Gandia	Dec. 28	33	—	Pt. 10,500	+ 2,000	52	448,700	— 111,970
Bilbao	M.of Nov.	16	—	$ 3,144	— 2,468	11m	47,859	+ 6,186
Bolivar	M.of Nov.	138	—	$ 2,250	— 10,354	5m	32,819	— 22,917
Colomb. Natnl.	M.of Nov.	86	—	$ 10,740	+ 440	11m	133,880	+ 6,570
Colomb.Northn.	M.of Feb.	30	—	$ 6,389	+ 544	8m	59,165	+ 7,453
Costa Rica.....	M.of Sept.	189	—	$ 21,888	+ 9,124	3m	67,608	+ 27,736
Dorada Ext. ...	M.of Nov.	71	—	$ 7,900	— 100	11m	91,600	— 7,100
Egyptian Delta	Nov. 30	559·521	—	$ 13,653	+ 2,657	34	239,380	+ 64,991
Gt S. of Spain	Dec. 21	104	—	Pt. 144,647	+ 110,551	51	3,102,207	—1,076,865
La Guaira & Ca.	M. of Nov.	22½	—	£ 4,750	— 1,750	11m	63,250	— 17,250
Paraguay Cent.	Dec. 28	255	—	$ 4,390	+ 2,070	26	94,120	+ 19,471
Puerto Cabello	M.of Nov.	24	—	$ 2,800	— 1,100	11m	41,300	— 3,144
Salvador	Dec. 21	100	—	$ 2,470	+ 726	25	40,032	+ 6,424
Santa Fe Prov. French Rwys.	M.of Nov.	1,191	—	$ 166,056	+ 32,179	11m	1,670,332	+ 535,426
S'mana&S'tiago	M.of Nov.	80	—	$ 7,650	+ 2,199	11m	99,680	— 12,830
Zafra & Huelva	M.of Nov.	119	—	$ 14,049	+ 3,511	11m	140,967	+ 17,147
TRAMWAYS.		Miles						
Anglo-Argentine ...	Dec. 23	400		$ 61,898	+ 6,796	51	2,867,279	+ 210,851
Auckland (4 weeks)	Nov. 22	27		$ 15,597	— 6,395	20	104,271	— 5,794
Bombay Electric ...	M. of Sept.	39·3		R. 5,98,707	+ 69,713	9m	52,00,426	+ 7,24,211
Brazilian Traction...	M. of Oct.	378½		M. 8,052,000	+ 46,000	10m	85,782,000	+ 9,346,000
Brisbane Electric...	M. of Nov.	40½		$ 39,245	+ 6,345	11m	401,879	+ 40,559
British Columbia ...	M. of Oct.	334		$ 580,354	+ 88,390	4m	2,114,137	+ 271,661
B. Ayres Lacroze ...	M. of Nov.	51		$ 42,952	+ 3,274	5m	208,764	+ 19,189
Calcutta	Dec. 21	35½		R 84,177	+ 14,608	51	38,53,911	+ 3,65,047
Cape Electric	M. of Nov.	42·43		$ 21,883	+ 1,554	5m	104,628	+ 5,883
Carth. & Herr.	M. of Dec.	9		$ 2,950	— 1,474	12m	46,864	— 2,702
Chatham	Dec. 14	14·98		$ 1,259	+ 224	51	64,770	+ $ 323
Havana Electric ...	M. of Oct.	86		$ 733,443	+ 97,621	10m	6,775,949	+ 1,103,541
Isle of Thanet	Dec. 28	21		£ 398	+ 194	13	4,049	+ 1,897
Kalgoorlie	M. of July	20½		£ 2,798	+ 85	7m	18,783	+ 629
Lanarkshire	Dec. 19	28·43		£ 3,491	+ 753	51	180,915	+ 39,319
Lima Lgt. & Trms.	M. of Sept.	85		$ 42,861	+ 7,225	9m	389 668	+ 67,475
London C.C.	Jan. 1	141·87		£ 69,720	+ 17,246	39	2,607 537	+ 430,565
Madras Electric.....	Dec. 15	16½		R 37,278	+ 2,160	49	899 086	+ 98,112
Manila Electric	M. of July	55		$ 189,800	+ 42,800	7m	1,240,446	+ 244,082
Pernambuco	Dec. 29	59		$ 5,961	+ 588	52	231,454	+ 26,947
Provincial	Dec. 14	21½		$ 2,589	+ 337	11	27,482	+ 1,885
Rangoon Electric ...	M. of Nov.	25		$ 6,611	+ 1,253	11m	65,804	+ 10,424
Shanghai Electric ...	Oct. 16	28·825		$ 28,170	+ 289	41	1,039,482	+ 52,853
Singapore Elect.....	Nov. 2	38½		$ 13,385	+ 868	44	611,062	+ 43,164
U. of Montevideo ...	M. of Nov.	60½		$ 31,898	+ 638	1m	31,898	+ 638

INSURANCE ECONOMY

Many people pay higher rates than necessary. The Policies of others cover less than advisable. Before renewing old or taking out new Policies write for latest rates. We may be able to effect considerable economies for you.

EAGLE STAR & BRITISH DOMINIONS INSURANCE COMPANY LTD

Head Office: British Dominions House, Royal Exchange Avenue, London, E.C.3.

ASSETS EXCEED £13,000,000.

"Pay what you owe—Employ the Disabled."

NOTICE.

The "STATIST" will renew the supply of a half-yearly Index, commencing with the issue of the 11th inst.

The Statist.

LONDON, SATURDAY, JANUARY 4, 1919.

THE ELECTIONS.

The elections have resulted very much as was anticipated by careful observers. Mr. Lloyd George has received a vote of confidence from the country which, at first sight, seems to send him to the Peace Conference with the full authority of the British people. But a moment's consideration will show that this would be an entirely false view to take of the matter. His majority is unquestionably very great. And if it was animated by a uniform sentiment it undoubtedly would confer upon him great influence in the coming negotiations. But his majority is a complex thing made up of three separate parties, possibly also to some extent of members who belong to no party. The bulk of his Parliamentary supporters are Conservatives. They will not quite number half the House of Commons. But as their opponents are split up into a number of very small bodies, their vote will unquestionably carry exceptional weight. There is, it is true, a considerable number among those elected to support him who are styled Liberals. But they have broken away from their old party, and until we have experience it will be impossible to judge whether they can be relied upon if an emergency arises. Apparently, then, speaking before any trial can take place, the Conservatives will have a commanding position in the new House of Commons. They are not far short of half the House, and all the other parties put together are so disjointed that it is difficult to understand how a united Conservative party can be opposed successfully or even made subservient to the views of the Prime Minister. There are, to begin with, 73 Sinn Feiners. And at present it is impossible to say whether the Sinn Feiners will take their seats in the House of Commons. Then there is a shattered relic of the great party heretofore led by Mr. Asquith. Mr. Asquith himself and his chief lieutenants have been defeated, and the rump of his party have nobody, therefore, with authority to look up to. Thirdly, there is a considerably increased Labour party. But the increase is less than was generally anticipated. It looks, consequently, as if the Conservative party, if it chooses, can either compel Mr. Lloyd George to carry out its policy, or else can reduce him to absolute impotence. It is not a pleasant situation for the Prime Minister. And it remains to be seen whether, the facts being so, he will be able to exercise that influence in the coming Peace Conference which was generally expected. As for his influence at home when the Peace Conference ends, it will depend entirely upon whether the solid Conservative vote proves to be moderate or not. They can reduce the Prime Minister to impotence if they please, or they can make him one of the most powerful Ministers we have had for a long time past, supposing him to be amenable to their evident wishes.

Turning from home to foreign affairs, it looks as if the voice of the British Empire will not carry the weight in the Peace Conference which was anticipated. The United States is not directly interested in most of the questions which will have to be decided. It wishes to end war as far as that is possible. It wishes, also, for such a trading policy to be generally adopted as will promote the commerce of all countries. But, except from those large standpoints, the interest of the United States is not great in the main questions that will be raised. Naturally the United States will desire that nothing shall be done to Germany which is not absolutely necessary to maintain peace. There is a very large German element in the United States. And for that reason alone it is clearly the interest of the United States Government to see that nothing harsh is done to Germany. On the other hand, it is only necessary to read the speeches of Messrs. Clemenceau and Pichon to see that France is by no means convinced that militarism is killed in Germany; or, indeed, can be killed by the defeat which she has suffered. France has felt the results of German militarism for four and a-half years. She desires naturally, indeed properly, to protect herself against that enemy in future. And she will put forward demands which it will be difficult for her immediate neighbours and allies to oppose. On the other hand, it will be odd if the United States does not, we will not say resist those proposals, but endeavour to modify and reduce them considerably. Consequently, it would have been advantageous if the British plenipotentiaries could speak with no uncertain voice, and could point out that while they and their country had no direct interest either in assisting or in opposing France, yet for four and a quarter years they had been witnesses of the great efforts made by France and the intense sufferings she had to undergo, and, therefore, that they were compelled by good neighbourliness as well as by treaty engagements to support France. Unless, then, the American plenipotentiaries are animated by an extraordinary moderation and desire to carry every measure through with the consent of all parties, the prospects of the Conference are not bright. There are a multitude of other questions which will try the statesmanship of the various plenipotentiaries. For example, Is German Austria to be annexed by Prussia? And if so, will not Prussia, even though she loses Poland and Silesia, be an exceedingly formidable military Power, assuming, of course, that she retains control of the smaller German States? It is of the greatest moment that the four great Entente Powers should be united upon these various points. And yet the elections are very likely to convince all parties that the English plenipotentiaries come as a reactionary element instead of being one making for democracy. Another question which will try the foresight and the statesmanship of the Conference is Russia. We have no intention in this article to discuss the Russian question at any length. But look at the speeches of Messrs. Clemenceau and Pichon, and then look at the attitude, first, of Germany, and next of Bolshevik Russia, and you will see at once how thorny a question is presented to the Conference. Without entering more minutely into the grave questions which have to be decided, it is very plain that the elections, the results of which have just been announced, make it extremely problematical whether the decisions of the Conference will be one single whit more democratic than those of the Congress of Vienna. A natural desire to give Mr. Lloyd George an opportunity to show his ability to turn our victory to the best account explains largely the result of the voting. But

the result is also largely due to Mr. Lloyd George's own mistakes; and not less is it due to an hysterical feeling. Everything may turn out for the best. But the overhaste to get a mandate from the country while the real country—the men who have fought our battles and secured our success, who are subject to military law, and are without means of informing themselves respecting the real needs of the country—are absent explains more fully than everything else put together the unfortunate condition in which we now find ourselves.

WHEN THE WAR ENDS.—XLIX.

THERE was published last week a report on Pauperism in England and Wales for the year ended with September last, and, at the same time, there is given a table showing the pauperism at the same period of the year for every year from 1878 to last September. We hope our readers who may have missed the report, or who contented themselves with the mere notice given of it by our morning contemporaries, will study this document most carefully. There was issued, at the same time, a Report on the Transfer of Functions of the Poor-Law Authorities in England and Wales. It is of the usual kind. Men who have had no real training in regard to the causes of national prosperity or the reverse have been invited to advise Ministers how to deal with pauperism. And they have performed their functions just as might be expected. They show their ignorance and their incapacity to appreciate the gravity of the questions with which they deal; and by-and-by some sort of hotchpotch Bill will be presented to Parliament and will be recommended upon the strength of the report of these gentlemen. We do not urge our readers to waste their time over that report. They have for a long time past had experience of the uselessness of all such reports; and we admit that if they have thrown it aside and carefully attended to their own businesses they have shown their sound good sense. But, putting aside reports which have no value, we would urge our readers carefully to read over and over again the figures of pauperism beginning with 1878 and coming down to the end of last September, and to try to draw for themselves from those figures conclusions which will enable them to understand by-and-by how hopelessly, and how inadequately, Parliament deals with such vital questions. We would, to begin with, ask them to confine their attention to the effect of the War upon pauperism. They will find the study most engrossing; and if they have a true conception of the bearing of the figures upon our administrative and legislative systems they will begin to recognise how utterly incompetent these are. The War has taught all of us an immense number of lessons. But the greatest of all its lessons—the one that will make us a greater, a happier, and a more powerful people than we ever have been in the past if we turn it to its true uses—is that man-power is as indispensable in the works of peace as in the successful carrying on of war. Man-power is the one thing that is indispensable; the one thing that is capable of overcoming everything else if it is rightly used, and backed up by proper training of the intellectual and physical powers of the human being. It will be found, if our readers will give the necessary study, that this very short and unpretending report upon the pauperism of last year teaches us a wonderful amount in regard to our own condition.

It will be seen, then, if the reader will take the trouble to deduct the total pauperism of England and Wales for the year ended with September last from the figures for the year ended with September 1914, that in the four years there was a reduction in the number of persons receiving relief from the rates of no less than 194,463, or 30.3%. Practically, that is to say, in four short years the pauperism of England and Wales alone was reduced by very nearly 200,000 persons, or not far short of one-third of the total pauperism of barely four years previously. These figures are well calculated to make us pause. And they make us pause still more gravely when we come to ask ourselves, What do they really mean? They mean, in plain language, that, absurd as the statement sounds, England and Wales were over-populated when the War broke out. It seems utter nonsense to say so. But the report to which we are asking our readers to give their attention sets out the total pauperism of England and Wales at the end of September of each year beginning with 1878; in other words, the total pauperism for 41 years. It is not, then, a document made up to serve a particular purpose. It gives you the history of pauperism in England and Wales for more than a generation; and there is no getting away from the fact that while peace endured there was an immensely larger number of paupers than during the four years that war lasted. At first sight this view of the matter seems to be in flat contradiction of all our beliefs. It seems to show that the country actually prospered by war, whereas, from President Wilson down, we are all declaring loudly that war is the greatest of all earthly evils. Now we must not allow ourselves to be carried away by the first shock of a great surprise. We must remember that scientific argument means full exhaustive examination of all the facts, and clear and calm deduction from those facts. When we bring scientific argument to bear upon the figures we see that it is quite misleading to say that war benefited the country. What the figures really do prove is, taking more than a generation together, that our legislative and administrative systems are so bad that in the country which is everywhere recognised to be the richest and most prosperous in Europe a very large portion of the population had to depend upon relief from the rates either for part of their maintenance or for the whole of it.

Partly because of the misuse of our resources; partly because we allow so large a proportion of our people to grow up without proper training; partly because of the unsanitary state in which so many live; and, lastly, partly because of the way in which persons who are not capable of properly bringing up families are allowed to marry and to beget children, there is a minimum which is incapable of providing for those children, and so giving them such a start in life as will enable them to maintain themselves afterwards. The War suddenly broke out. Mr. Balfour persuaded Parliament that, in spite of the extraordinary efforts Germany was making to build up the greatest army and navy in the world, it was not necessary to prepare against her. And Mr. Asquith was only too glad to have an excuse to do nothing. Consequently, when Germany thought the favourable time had come, and forced war upon a reluctant world, Mr. Asquith's Government completely lost its head. It called in to advise it the man who at the time was supposed to be our most capable soldier, but who in reality proved himself to be unequal to the occasion. And, without consulting either Parliament or the constituencies, call after call was issued for men to join the Colours, until in the end we learn from no less a person than Mr. Asquith himself that altogether about seven millions of men had been called up for the Army and the Navy. It is unnecessary to remind readers of THE STATIST how seriously those calls told upon every industry in the country; how every employer of labour saw some of his very best men called up; how we were stinted in everything; how we had to reduce not merely our expenditure, but even our food and our clothing; how, in the end, even in midwinter, we were stinted of the means of warming and lighting our houses. Consequently, a great demand sprang up for labour. And there responded to it many who previously had been paupers; while it is unnecessary to remind our readers of the splendid manner in which women came forward to take the places of husbands and brothers who had to fight the enemy. Thus we see that even the restricted industry of the four years of the War was in danger of collapsing until women

and paupers came to our relief; or, in plain language, the surplus working population had ceased to exist, and we were driven to resort to every plan we could think of to get through even the very restricted business we were able to do. Every one of us, from the highest to the lowest, has felt the pinch. Even journalists saw their printing establishments drawn upon, their clerks taken away in large numbers, their supplies of paper cut down again and again. And yet, greatly as the employment of the country was narrowed, there actually was a reduction of over 30% compared with the year ended September 1914 in the number of paupers in England and Wales; that is to say, in the richest country in Europe at the time. It will be noted how, as the War proceeded, the scarcity of labour became keener and keener, until in the end we had a reduction in the pauperism of England and Wales alone of very nearly 200,000 persons in four short years. It hardly needs to be stated that the new persons called up cannot have been as efficient as those they replaced. If they were the gravity of the lesson would be increased. But we have the clear evidence, supplied by the Government itself, that in four short years the pauperism of England and Wales was reduced by nearly one-third, while millions of women who had never done the kind of work which they did during the War were, likewise, pressed into the service of production. It is greatly to be desired that the Government should publish a full report of the number of women who so patriotically came forward to assist the country in its difficulties; and the value of the publication would be immensely increased if not only the numbers of women were given, but likewise their occupations. And if their mode of life previously could be made known the information for improving the condition of the people would be immensely augmented. Women, we know, actually undertook agricultural work. One would think that it was the kind of work which women would last choose. But we know cases in which the daughters of professional men, gently nurtured, actually worked upon the fields. And, of course, everybody knows of various other employments which women volunteered for, and which certainly were not suited to them.

Those who are quick to revolt against every assertion that the Government of England is not the wisest, the best, and the most faultless in the world, will, of course, denounce us for stating that before the War there were at least 200,000 persons who could not get employment though they were willing to work; that, in short, the ratepayers were supporting about 200,000 paupers every year who were willing and capable of working, and yet could not get employment. Anybody who chooses to amuse himself by denying that black is black, and endeavouring to prove that it is a beautiful white, may, of course, amuse himself in that way, as well as in possibly a more mischievous manner. But we are drawing not upon our own imagination, nor upon information furnished by wicked people who wish to make out that England is not a terrestrial Paradise. We are, in fact, deriving our information from the Government itself. But it will be said, if these paupers were willing to work, why did they not work before the War. Clearly, because they could not get employment. Sometimes, probably, they were persons of not very regular habits. Every employer of labour—and, indeed, persons of much higher than labourers, in their pretensions at all events—knows that they are by no means easy to manage. They work diligently for a week or two, or more, and then, well—they fail their employers on some critical occasion. It is no part of either our business or our desire to make out that working men are all saints, and that Governments are all drawn from the nether regions. What we want to do is to inform our readers of the real *bona-fide* condition of the country, and to remind them that we are in for a period of much difficulty, of great struggle, and of fierce competition. If we are wise we shall avail ourselves of every tittle of right information we can find, and we shall ask ourselves anxiously, How can we change this state of things for the better? Such being our object in this article, we would remind our readers that there are very difficult people to manage in every class in life, and that employers ought to put pressure upon the Government so to reconstruct the education of the country that attention should be given not merely to the three R's, but to the education of the members of the body, and more particularly to the eye and the hand; and, likewise, that habits of application should be inculcated. How often does every employer find that men, otherwise valued, break off when they are most needed, and perhaps indulge either in a trip which could easily be postponed, or in a drinking bout which probably leaves a man unfit for work for weeks afterwards.

Our education is bad from top to bottom. And it needs to be remodelled absolutely. We want to recognise that education is one thing and religion is another, and that parsons and priests are the last persons in the world qualified to teach. Christianity has been preached throughout Europe, Western Asia, and Northern Africa for very nearly two thousand years, and look at the armies, the navies, the police forces, and the law machinery we have to keep at heavy expense to preserve even internal order, not to talk of external attack. We want, then, a complete reform of our educational system. We want, secondly, a complete alteration of the land laws, giving much more occupation to our own people; we want, thirdly, a total abolition of the slums, and most careful attention to the health of the people; and, lastly, we want some regulation which will prevent improper persons from marrying. All this is very difficult. It can only be obtained by constant dwelling upon it. But if we are to retain our position in the world it has to be done. Particularly, interference with marriage will be resented, we are well aware, by the women voters. Even before they had votes women were resolute in their opposition to all State interference with marriage. And now that they have the vote their opposition must be reasonably expected to be stronger. Yet there is no question that improper marriages are responsible for a great deal of the mental incapacity which exists amongst us, and a great deal of the disease as well. We do not wish to conceal in the least from our readers that this is an exceedingly difficult question, one that will be met with feverish animosity, and one that can be carried only by resolute effort, but which will have to be done if we are to hold our place in the world. We are situated on a very restricted piece of ground, and we are called upon to maintain and defend an Empire stretching all over the world. To perform all our functions a great many of our men have to be employed either as garrisons, or as navies, or on board merchant vessels. There will, therefore, be a great demand upon our manhood, and it will grow as the years advance. It will especially grow as other nations become more prosperous. And it will exceptionally grow if and when there are new inventions. It depends upon ourselves, then, whether we are to retain our position or not. Our knowledge is very restricted. But we know enough to be fully aware that man-power is an indispensable thing; that health is equally indispensable; and that careful training, mental and physical, multiplies manifold the efficiency of workers. With all that knowledge, it depends upon ourselves whether or not we are able to maintain our position in the world. But [illegible] we must remember that, valuable as the foreign trade is, it is petty compared with the home trade. That is the real trade which gives employment to the home population, and it is the home population, when everything is said, that maintains the Empire when it is attacked; that provides the garrisons, the armies, and the navies for keeping it together, and that enables us in the end

to provide ourselves with everything we need, from the houses in which we live down to the boots and shoes which enable us to walk safely and comfortably.

GOLD PRODUCTION.

Gold mining companies which have invested in mines containing much low-grade ore are complaining that they cannot carry on their business at a profit; that, therefore, unless they get assistance they will have to close down; and that the whole community will suffer in consequence of the decrease of the gold production. It would take us too far out of our way to examine this demand, which we are bound to say is not a little cool. The mine-owners argue, of course, that they cannot recoup themselves because the gold contained in the legal-tender gold pieces of all civilised countries is fixed by law; and, consequently, they cannot raise their prices. They urge, furthermore, that their difficulties are increased by the scarcity of native labour. Now we are by no means satisfied that the world would suffer if the gold production was decreased. We believe that to be a superstition, like the theory so strongly preached by the orthodox economists of last century regarding the indispensability of capital. But it would require an article to itself to state fully our reasons for our doubts. It is enough to say that money in our present state of civilisation is no longer indispensable; that, in fact, money very seldom is employed in transactions upon a great scale; and that if the necessity arises there are many ways of dispensing altogether with gold. Gold and silver were of great use when they were first coined, and for a long time after. But remember that those were times before civilisation had made much way. Now gold and silver come into play in international transactions, for example, exceedingly seldom. However, passing from that, we would point out to our readers, first, that a great many causes besides those mentioned have combined to bring about a strained state of things in the gold-mining districts. One of them was clearly the submarine. The Germans employed the submarine in ways that nobody had anticipated. And they blew up so many ships that it became plain that to send gold, let us say, from South Africa to Europe was a very hazardous transaction. Secondly, it will be recollected that about half the shipping of the whole world sailed under the British flag, and Britain, when once she called out six or seven millions of men, and made alliances with great nations, was obliged to withdraw much of her shipping from trade purposes, and so South Africa, as well as the rest of the world, was hit. Thirdly, the British Government attempted to keep up the notion that it maintained specie payments. To do so it prevented people from paying in specie at home. It forbade people without its own permission to send gold abroad; and it practically confined gold payments to New York. It was rather a whimsical way of maintaining gold payments. But, then, there is a class of Englishmen who are persuaded that they are licensed to say the thing which is not, and the world is bound to believe them.

The final result of all the blunders of the Government, so far as the gold industry is concerned, is that the companies which are working mines containing much low-grade ore are in difficulties. It is to be regretted. But we think before the public will add to all its other expenditure compensation for the mine-owners, they will require proof that they will get a reward that will pay them fully for what they lay out. Why should you and I, reader, who, we will assume, do not own a share in any gold-mining company, pay for the losses of those companies which have embarked in mines containing much low-grade ore? For four and a-half years we have been paying exceedingly heavy taxation. There is no immediate prospect of a great reduction. The disbandment of the Army has hardly begun. Even in the Navy demobilisation is talked of, but we do not find it reaching a great extent. Therefore, our debt continues to mount up, and if we have to undertake operations in Russia, and at the same time to furnish a garrison for Germany, when will the growth of the debt cease? Then we would ask our friends who are working low-grade ore mines how we are to be compensated, suppose we undertake to give them some assistance which will enable them to go on working? Really, we venture to think, the British public is taxed heavily enough. And yet we all know that the taxation is much more likely to increase than to decrease. When demobilisation begins in earnest how much shall we have to undertake in the way of pensions to the widows and orphans of men who fell while defending us? What shall we have to allow to the men who for four years, and in some cases more, have been fighting our battles, and who have lost, perhaps an eye, perhaps an arm, perhaps a leg? And, in short, what will be the total bill for all these purposes? We do not believe that the British people will grudge anything rational to the men who have enabled us to live in comfort and safety during the past four and a-half years. But we would ask our mining friends, Do they think that we have only to put our hands into our pockets and find money there for every occasion? Again, when the claims of our soldiers and our sailors are satisfied—and we freely agree that they ought to be liberally satisfied—we have to get rid of the Poor-law. Elsewhere we show that this country is, from the labour point of view, over-populated; and yet think of what an immense force we had to raise, and how it took us four and a quarter years to beat the enemy. Are we really to be asked to play the fool once more, to keep up no army, no matter how we may be threatened, and to give our profits to gentlemen who, no doubt, are performing a very useful work, but a work which we fail to see benefits ourselves very materially? There will be, then, when we are free to attend to our own affairs, a mountain of debt to deal with, the Poor-law to be abolished, a national system of popular education to be established, and the land laws to be swept away. Is not that a pretty formidable prospect without enabling gentlemen in South Africa and elsewhere to mine low-grade ores?

IRELAND'S EXTERNAL TRADE.

If the politico-economic ideal for a country is to be self-contained, it cannot be said that Ireland approaches at all near to it. The latest figures available, those for 1916, show that in many classes of goods there was a large volume of both imports and exports. Even in regard to food and drink, which are Ireland's staple products, imports amounted to £39 million, or 37% of the total imports. Manufactured goods were imported to the value of over £48¼ million and exported to the value of £40 million, while raw materials imported and exported amounted respectively to £17¾ million and £4½ million. These broad classifications of imports into food, raw materials, and manufactured articles undoubtedly embrace a wealth of detail, and when we examine the details we see that the goods exported and imported, though falling under the same general heading, are often essentially different. Thus the exported foodstuffs are largely cattle, sheep, pigs, and various kinds of dead meat, while imported foodstuffs are largely tea, coffee, sugar, and tobacco, which are not or cannot be produced within the country. Again, in the raw materials section hides and skins and wool are the chief exports, while hemp, jute, flax, and coal, which are not native to the country or are not raised there in sufficient quantities, are imported. Even with these reservations there is much unnecessary duplication. Meat of all kinds is exported and imported, and similarly with butter, oats, barley, tallow, and other commodities. It may be urged that this brings about a growth in trade, and that, as the total value of Irish trade has increased from £141,121,000 in 1912 to £212,376,000 in 1916, the

country must be prospering. If we allow, however, for the rise in prices in the interval, we find that the trade has actually declined in volume. Moreover, the amount of the external trade is no indication of general prosperity in a country. In Ireland foreign trade has increased mainly because cattle-raising has come to be one of the chief industries, and this has led to the export of cattle which could not all be consumed within the country, and to a corresponding import of foreign goods which under a more sensible economic regime would be produced at home. While this process has been going on the population, which is the source of all wealth, has been diminishing, the members of Ireland's productive classes, agricultural and industrial, has been decreasing, and its non-productive classes increasing. To talk of growing prosperity in these circumstances is to misrepresent facts.

The total value of the raw materials sent out of the country is substantially understated. The horns and hoofs of the cattle that are exported do not figure in the declarations of value, being insignificant in proportion to the total value of each beast. In the aggregate, however, they amount to a substantial sum, since the export of cattle falls little short of a million head per annum. Further, up to the outbreak of the War hides were reckoned of little value on the individual cattle, apart from the meat, but the hides and bones, together with the horns and hoofs and other animal products like lard or tallow, form the raw material for a large number of industries, such as tanning, leather manufacture, the making of boots and shoes, of artificial manures, of glycerine, and of combs. The offals also represent a considerable sum lost to the country. It is evident, therefore, that the new gospel of self-sufficiency, which is being preached to-day throughout the United Kingdom mainly by political zealots, and which has received a fresh impetus because of the weaknesses in our economic armour revealed during the War, has as yet scarcely touched Ireland. The ardour of our evangelists will probably cool as the passions called forth by the War subside. The new dispensation may be defensible on political grounds, but in only a limited number of cases can it be justified economically. It is significant that List, the true progenitor of this system of "national economy" that has of late been rediscovered, was himself a Professor of Politics at Tübingen. A number of the principles advocated by List could, however, be applied with benefit in Ireland. He did not postulate economic independence as an end in itself, but he thought that an undeveloped country would naturally tend to remain in the agricultural stage of production if surrounded by, and unprotected from, developed countries with flourishing manufactures. He argued, and rightly too, that the industrial system was, from the economic point of view, preferable to the agricultural, since it was more remunerative, and therefore made the community wealthier and politically more powerful. These arguments of List, which had been arrived at from first principles, and therefore more or less deductively, received confirmation in a curious manner from the Census of Production of 1908. If we take the gross agricultural output in that year, including that part of it used for further agricultural production, such as seed, we find that the product per head for each person employed on the land in Great Britain was approximately £90. For the same year in industry the net output was £102. If the net figure for agriculture were estimated it would display a still poorer return as compared with industry. Industry, in fact, yields a higher rate of interest to the capitalist, a higher rate of profit to the entrepreneur, and a higher rate of wages to the workman, and, contrasted with it, agriculture is rather a poverty-stricken occupation.

A great advance could be made in Ireland by following List's principles in so far as the development of industries dependent on agriculture either for their raw materials or their market, or for both, is concerned. List was not the rabid protectionist which he was made out to be in the controversy that raged around Tariff Reform in England, but there is no doubt that the development of industry at which he aimed is from every point of view desirable in the Ireland of to-day. Self-sufficiency need not be the desideratum, for it cannot be attained, and a protectionist policy would defeat its own end, since it is an economic truism that small countries which desire to increase in wealth must abandon all thought of being self-contained. All small countries of necessity have a large foreign trade since they embrace within their borders a minimum diversity of soil and climate, and are therefore naturally dependent on such trade for the produce of other climes and the raw materials of other countries more favourably situated than themselves. Natural development along lines best suited to the resources of Ireland and best adapted to its requirements is alone likely to be permanent.

It is unfortunate that figures for Irish trade are not available for any year later than 1916, as some knowledge of its course up to the conclusion of hostilities would be intensely interesting. The figures for Ireland are of course not given separately in the Board of Trade returns, which refer to the United Kingdom as a whole. From 1913 to 1916 the value of Irish exports increased by over £33,250,000, or 41%, and the value of Irish imports by £30,750,000, or 42%. For the same years the figures for the United Kingdom were: Increase in gross imports £179,750,000, or 23%, and decrease in exports, including both British and foreign and Colonial merchandise, £31,000,000, or 5%. In two ways, however, the value of this comparison is vitiated. In the first place the upward tendency in prices has been very marked, and figures of value have accordingly become an unreliable index to the volume of trade. Secondly, in a comparison between the exports and imports of different countries the different methods employed in collecting data gives room for error. Declarations of quantity are, on the whole, liable to be less misleading than declarations of value, but in both cases we are at the mercy of those making the returns, and the ignorance of the exporter, the importer, or the port official will lead to mistakes which outsiders will be unable to suspect, much less correct. Accuracy is the first essential, and next to it comes detail. Detail is necessary when comparing the position of the same industrial groups, such as textiles, in different countries. Unfortunately, the trade returns in Ireland are neither as accurate nor as detailed as might be desired. Thus the extent of Ireland's direct foreign trade can be gleaned only from the particulars given for the principal Irish ports in the annual statement of the trade of the United Kingdom, and though these are satisfactory as far as they go, a large proportion of Irish goods, for example, linen, porter, and whisky, is sent abroad *via* Great Britain. In the circumstances it is impossible to tell what percentage of the Irish trade is carried on with Great Britain and what percentage with foreign countries. As regards the direct foreign and colonial trade, it might be observed that while the exports from Ireland in 1916 were valued at only £418,000, the imports were valued at £19,845,000. For the indirect trade the country of origin of the imports and the final destination of the exports are chiefly a matter of guesswork, eked out by meagre information from certain countries which of late years endeavoured to give Ireland a separate place on their trade list. The importance of securing an accurate idea of the markets where Irish goods are ultimately sold, and of the countries whence Irish imports are primarily drawn, is all the greater because the external trade of the country is large compared with the internal, as is the case in most small countries. In big and more or less self-contained countries the foreign trade is relatively unimportant. Thus in the United States the external trade in 1913 was £9 per head, compared with £93 in Holland and £42 in Bel

gium. Ireland had a foreign trade of £32 per head, compared with £26 for the United Kingdom. In these figures it has been impossible to exclude all the produce which merely passed through one or other of the countries or was re-exported after a time. The different character of the trades of different countries renders it at times necessary to modify any conclusions that may be drawn from their trade statistics, and in the case of Ireland the surface appearance of prosperity displayed in the figures is particularly liable to mislead.

MEXICO.—I.

Ex-President Roosevelt in a vigorous article, mainly intended to denounce the League of Nations policy of the present Administration in the United States, described Mexico as the Balkan Peninsula of the continent of North America. Mr. Roosevelt was advocating a strong American Navy, and he went so far as to say that while it was above all essential to England to possess and maintain the greatest fleet in the world, the United States of North America should be satisfied with nothing less than the second most powerful fleet. Even stronger than this, Mr. Roosevelt said, if England were so foolish as to allow herself to be persuaded to break up her Navy, it would be all the more important for the United States to still further increase her fleet, and in that case would fall to her the duty of having the greatest navy in the world. Mexico, said Mr. Roosevelt, is our Balkan Peninsula, and sooner or later it will have to be dealt with. There can be no reasonable doubt that the continued state of unrest in Mexico is a menace to the peace of the North American continent. It is equally certain that any responsible Government in the United States will interfere with reluctance in the affairs of Mexico. Because, although Mexico forms an integral part of the continent of North America, it is nevertheless the oldest of all the Spanish acquisitions on the continent of the two Americas. It was to Mexico that Cortez first went to establish Spanish rule, after America had been discovered by Columbus, and it was in the suite of Cortez that the elder Pizarro learned the arts which ultimately enabled him to make himself master of the great Inca Empire of Peru for the Spanish Crown. From the very beginning, therefore, Mexico has been regarded as forming an essential and integral part of Spanish America, although in fact it does not in any sense form part of the South American continent.

It will be with the greatest reluctance that the United States Government, however it may be composed, will interfere in the affairs of Mexico. Ex-President Roosevelt has truly said, Mexico at present is a disturbing factor, comparable only to the state of South-eastern Europe during the past two generations in our own midst. Mexico is "the sick man" of North America, and, unless her Government can see their way to put her house in order within a reasonable time, there can be no doubt in the mind of the careful observer that sooner or later the United States of North America will assuredly interfere in the affairs of Mexico. One wants to look at these subjects from the point of view, as far as it is possible, of the Spanish American Republics; but in order to do so it is first essential that one should take a reasonable view of what it is possible for the United States to submit to. What, for example, would a reasonable Englishman do if he found himself in the position of the President of the United States, with a warlike Mexico just on its southern borders always in a state of seething anarchy, and apparently never capable of appreciating the importance of maintaining law and order? In all the conflicting views of various political principles, the only question on which they are uniformly agreed is that it is essential for any Government to maintain law and order. Mexico has signally failed in this important function of government—indeed, the one function which, in the minds of many people, makes it tolerable to submit to the authority of government at all.

Now the Government of the United States of North America has made itself responsible in the eyes of its own citizens, and in the face of the whole world, for the protection and maintenance and well-being of the Panama Canal. In order to fulfil these obligations, deliberately entered into in the face of the whole world, the United States Government has found it necessary more and more to increase its influence in the various Governments of the five Republics of the Isthmus of Panama. Now, between the United States and the Panama Canal lies that immense stretch of country, always in a seething state of anarchy, which we call the Republic of Mexico. There is in these days no real border between the territory of the United States of North America and that of the Republic of Mexico, and as the Mexican Government is either unable or unwilling to maintain order, Americans never know when some citizen of the United States may not get himself into some kind of trouble with the bad characters who naturally flourish in a country whose Government is not itself able to maintain its own authority. Mr. Roosevelt, in the article we have referred to, is an advocate of the maintenance of the Monroe Doctrine in its sternest principles. In some form there is, of course, amongst all thinking men of the United States of North America an opinion favourable more or less to the maintenance of the doctrine, but a great diversity of opinion as to how far and to what extent that doctrine should be maintained. There is a wide difference of opinion as to the interpretation which should be placed upon that doctrine in general, and still more when applied to particular cases. Whether in the sequel the interpretation placed upon the Monroe doctrine by Mr. Roosevelt, as generally accepted in the United States, or some more modified view ultimately takes its place, it is very certain that the responsibilities of the United States in connection with the Panama Canal and in connection with Central America will certainly grow greater year by year, decade by decade, and generation by generation. It is as reasonably certain as anything can be that, however moderate and well-intentioned succeeding Presidents of the United States may be, they will not indefinitely permit Mexico to interfere with their policy of development in their own district of the Panama Canal zone, or in the five Republics of the Isthmus. The United States Government is in no way likely to hurry things in Mexico or to put undue pressure upon the Mexican Government. It realises the extraordinary difficulties with which the Mexican Government is faced. It may be counted upon up to a point, perhaps for many years, possibly for a whole generation or longer, to stay its hand; but Mexico will be well advised to remember that she cannot indefinitely hope to play the part of the Balkan Peninsula in North America. If she will conform to the ideas of the more progressive States of Spanish America, well and good, and she may reasonably count upon cordial support and loyal co-operation from the United States of North America; but if she will persist in the course she has followed now for so long, sooner or later she may reasonably expect to have a serious account to settle with the great northern Republic.

We will conclude now with a short description of what Mexico is actually like, and why it is so difficult for her Government to turn the country into anything like an orderly State. Why she has remained ever since the Spaniards were driven out either in a state of anarchy or under the rule of a military despot. The reasons are plain enough and simple enough, as we shall endeavour to show in a concluding paragraph. We hope to give an article on the economic potentialities of Mexico. This will show that it is very unlikely that such a country will be allowed indefinitely to be turned into a desert because she forms

so large a part of the earth's surface capable of being turned into one of the most fertile regions of the globe.

Mexico is more than three-quarters of a million square miles in extent, and according to the census of 1910 has a population slightly exceeding 15 millions. In other words, Mexico is as big as France and the two Central Empires against which we were lately at war, and she has a population only between half and a third of that of the least populous of any of these three States. Mexico is one of the most difficult countries in the world to rule, because it claims to be a Republic while its population is composed of a small oligarchy and a vast number of people the bulk of whom are little better than slaves. In order to appreciate the condition of the bulk of Mexicans it is essential to remember that for 300 years—indeed, for 400 years in April next—the Mexican people have been entirely in the hands of Spanish taskmasters, who first broke their political institutions by wholesale massacres and then reduced them to slavery. Before that their native rulers conscripted the Mexican's whole life; every act of his life was virtually dictated to him by the authorities, and with the breakdown of the Governmental system Spain had nothing more to contend with. To such a people a Republic has no real meaning. Except a few foreigners engaged in trade and in the development of the oilfields there is no middle class in Mexico. Virtually the population is divided into a small oligarchy of landowners, without whose support no Government is possible, and the peon, who is a slave, not in the sense of the old North American plantations—that is, he cannot be bought and sold; but he exists very much in the same condition in which the serf lived in medieval Europe. If we are to judge from the records of the old monkish chronicler upon whom, in fact, our knowledge of feudal Europe mainly depends the serf of the twelfth century was better off than the Mexican peon is to-day. The serf was probably better housed, better fed, and, on the whole, better treated than the Mexican peon of the present time. The word peon is used extensively for a peasant and labourer throughout South America, but it has a different meaning on the southern continent to that which it signifies when applied to a labourer on a Mexican estate.

As space is pressing we will defer till later a description of Mexican economic conditions, and particularly the vast estates which are characteristic of Mexico. It is truly said that the various countries of South America are nations of large estates; but the estancia of Argentina and the hacienda of Chili are merely small holdings compared with the vast domains of a Mexican landowner; while the estates even of our greatest nobles in England, which are now being so rapidly dispersed under the hammer, are mere allotments in comparison. The estates in Mexico are counted by leagues, not by acres, or even by hectares of two and a half acres. Readers unacquainted with Mexico will hardly credit it, but, in fact, there are single estates of greater extent than would be covered by a line drawn from the Thames estuary to Bristol, including in that area the whole extent of southern, or the broadest, part of England. Naturally estates so vast, owned by single individuals and generally inherited, could not be expected to have the immense capital necessary for the development of properties of such extraordinary size. As a fact they are badly cultivated; a very large part of the estate is not cultivated at all. The estate owner never has the means of developing his property, and he is sensible enough to know that it ought to be developed, that he is not able to do justice to his peons or workpeople, sometimes through sheer avarice, but more often because of the difficulty of his position.

The Dominion Bank of Canada has appointed Mr. S. L. Jones as manager of the London office, in succession to the late Mr. J. Haydn Horsey. Mr. Jones has been assistant manager for the past six years.

THE POPULATION QUESTION.

The War has been the cause of retarding influences favourable to the growth of population and of introducing other unfavourable influences, the effect of which will not be exhausted for many years. The new factors have not yet been the subject of close statistical examination, and until political conditions on the Continent improve it is not likely that time can be spared for the investigation. It is possible, indeed, that with the disintegration of the old political system, and the disappearance of former frontiers, the extent of the changes wrought by the War on population will never be exactly told. Besides, the well-equipped statistical bureaux of the Central Empires and also of Russia have been cast into the melting-pot; and in the numerous petty States, which it seems will be the chief political outcome of the recent War, the task of reorganisation will be slow and difficult, and perhaps imperfectly carried out. The gravity of war in its effect upon population arises from the fact that it kills or permanently maims the most important section of males, since the fighting forces are recruited mainly from the physically fit. This War, moreover, led to the withdrawal of even married women from the household to the field or factory, and thus discouraged child-bearing, while the sense of freedom and economic independence of the many unmarried women on remunerative war work did not on the whole tend to the promotion of marriage. Over-work, family bereavements, nervous strain and epidemics associated with the War also brought about a number of untimely deaths, and tended to discourage births. Other factors of opposite tendency came into play, but the general result may be seen in small compass from the latest report of the Registrar-General for Ireland. During 1917 the birth-rate, 19.9 per 1,000, was the lowest on record; the marriage rate, 4.86 per 1,000, was the lowest recorded since 1900, and the death-rate from all causes, 16.8 per 1,000, was .3 per 1,000 above that for the preceding year. In England and Wales, according to the first quarterly return of this year, the birth and death rates per 1,000 for 1917 were 17.8 and 14.4. Births and marriages were very low, and deaths were high compared with the pre-War period. As an instance of the increased incidence of certain epidemic diseases due in part at any rate to the War, we might quote the figures for ordinary and German measles in England and Wales during 1917. The number of cases notified was 534,000 compared with 348,000 in 1916, an increase of 53%. It is only right to add that the total number of cases of infectious diseases notified last year was considerably less than in 1917 and the preceding year. War epidemics have, however, become much more common and more destructive this year all over Europe, and the toll of lives for which they were responsible will add substantially to the direct military losses.

In many civilised countries for a long period before the War the declining birth-rate was a phenomenon that caused trouble to statesmen and to soldiers alike. Had it not been accompanied by a corresponding fall in the death-rate, populations would have substantially declined. As it was, Ireland and France were the only two civilised countries in the world which suffered from a decreasing population. For the whole of the United Kingdom the birth-rate per 1,000 fell from 28.0 in 1902 to 24.1 in 1913, but the death-rate was lowered in the same period from 16.5 to 14.3 per 1,000, and the population, which was of course affected by other additional influences, such as emigration and immigration, increased from 41,893,000 to 45,713,000. In the German Empire the birth-rate before the War was high, 29.8, but the death-rate, 16.2, was in excess of our own. It is noticeable that the more backward of the European countries enjoyed high birth-rates, as the following figures show: Russia, 46.9 per 1,000, Rumania 43.1, and Serbia 39.0 In all these cases, however, the death-rates were somewhat excessive, and the net gain in popula-

tion, as measured by the surplus of births over deaths, was not as large as might be expected.

The cause of the falling birth-rate amongst highly civilised communities is very complex. Where such communities are favoured with a large annual stream of immigration, the high birth-rate amongst the immigrants tends to keep up the population. This has hitherto been the case in the United States where, though the birth-rate amongst native-born Americans, especially in the Eastern States, is very low, the general rate is raised to a substantial level by the higher average of births amongst the immigrants. The extent of the decline was very substantial in Europe. Thus between 1850 and 1913 the rate per 1,000 fell in England from 33 to 24.1, in France from 27 to 19, and in the German Empire from 38 to 30. From the political and military standpoint France was threatened with most serious consequences as a result of the falling-off in population, and her economic position, though sound, would, as time went on, become one of growing weakness. From 1880 onwards the expansion in the trade of France was very small compared with that in other leading countries of both the Old and New Worlds, and this lack of commercial vitality was due to the stationary condition of the French population. Since the days of Malthus the problem has, indeed, completely changed. His primary concern was that population tended to grow too rapidly, and to press on the means of subsistence. Now most nations are concerned at the slow rate of growth and devise methods of encouraging an increase in births by taxation, exemption, maternity benefits and otherwise. Malthus did not foresee the tremendous extension in man's power over nature, and the effect which the great intensity in agricultural production in European countries, the opening up of the virgin lands of the West, and the development of transit would have in increasing the means of livelihood for mankind. At the time of his death in 1834 the possibilities which lay ahead were slowly beginning to unveil themselves. Corresponding, however, with this great increase in the means of subsistence, which has been materially aided by invention, manifold checks have operated against such a rise in the birth-rate as Malthus dreaded in times of comparative well-being. The checks are voluntarily applied, and do not arise from the fear of starvation which he considered would always act as a deterrent to parenthood. It has been thought in many quarters that the increased strain of modern life has lessened procreative powers, and that as the strain is greater in more civilised communities, so will the birth-rate be less. This does not, however, explain the case of France, which had many Continental neighbours, equally civilised but with substantially higher rates. Others have sought to demonstrate a cyclical movement in the birth-rate, corresponding more or less with cyclical movements in trade. Their argument appears to be generally that though the long period effects of a continual increase in wealth and education may be a reduction in the birth-rate, in the short period the birth-rate is largely determined by the volume of employment and the current level of wages. While there are some reasons for conceding a certain amount of truth to this view, no clear statistical evidence has been advanced in its support. Broadly speaking, the most convincing explanation is that increased education has brought about increased foresight amongst parents, and so led to the limiting of families, while with a growth in means has come a more than corresponding growth in wants. In families with average incomes or less, that is to say, in the majority of families, such wants can be satisfied only in inverse proportion to the number of mouths to be fed, and hence the reduction in the number of the average family, and a consequent decline in the general birth-rate.

The influences which check the growth of population are of great importance to Europe at the moment. The best means of repairing the loss in man-power due to the War will surely be canvassed when peace is signed and each nation turns to the healing of its own scars. In our case the killed to the number of 659,000 are a definite loss; of the wounded numbering over 2,000.000, and of the missing and prisoners, who total 360,000, a certain proportion is seriously maimed and will be unproductive. This casualty list of over 3,000,000 will cause in one way or another a gap in our population and its reproductive power that will not easily be filled. Our case is, however, not so bad as that of Continental countries, especially in actual theatres of operation. The civilian population there suffered terribly in numbers, while our civilian population was sheltered from all violence. Particularly on the Eastern front where enormous tracts of territory changed hands from time to time, the population of many districts has been reduced to an appalling extent. Russian Poland probably furnishes the most striking case in point. On the outbreak of the War many men were called to the Tsar's forces and more left the country for war-work in Russia. Alternate Russian and German sweeps through Poland caused much suffering and loss of life, and many able-bodied men were carried off by both sides, either voluntarily or against their will. In addition the soldier Poles, who for the greater part of the War fought with both the opposing forces, had a heavy percentage of losses. It is calculated that the population of the whole Kingdom of Poland, which was 13½ millions on the outbreak of the War, has now sunk to between 9 and 10 millions, and that one-fourth of the male population has been destroyed. The manhood of the country has been more than decimated, and the prospects of repairing the loss are made none the brighter by conditions at present obtaining in the East.

THE ECONOMIC CONDITION OF IRELAND.

The general level of material well-being in a nation is indicated mainly by the number and extent of its producing classes. A vicious system of distribution may, of course, distort matters so far as to reduce many, even of the producing class, to a position of poverty; but, generally speaking, the most prosperous and progressive nations of to-day are those where production is greatest. In such countries the income per head is high, and accordingly the necessaries and comforts of life at the disposal of the average citizen are more ample and more varied. The fixing of a figure for the average income is, of course, surrounded with difficulties. What we need to arrive at is really the position of greatest density, and not the arithmetical average of income, which is determined by dividing the estimated national income by the population. Returns of capital wealth would be still more misleading, since the income from such capital would first of all have to be determined, while incomes in respect of which no visible capital exists in the United Kingdom would have to be capitalised. Though we arrive at a figure for the national wealth and then divide it by the number of citizens, the result is obviously incorrect, since there is no equality of division. Railways, ships, and other capital goods representing large outlay are not divisible in this summary fashion for statistical purposes, much less for socialistic purposes. Besides, the owning of property does not necessarily bear a direct relation to income. It might be urged that the best way of determining income is the direct way—to turn to the tables published by the Commissioners of Inland Revenue. These tables have, however, not been drawn up to meet statistical needs. They are the outcome of what is deemed an objectionable inquisition on the part of officials, and undoubtedly contain, even for the class with which they purport to deal, large possibilities of error. Moreover, these returns do not, except in rare cases, include the wage-

earners, who form such a large proportion of the population. Thus from 1907-8 onwards the gross amount of the income which came under the notice of the Inland Revenue Department was over 1,000 million pounds, while statistical estimates as to total income in the years before the War placed it at varying sums from 1,700 and 2,000 million pounds upwards. The income tax returns are, therefore, very incomplete, and we are compelled to fall back on the statistics of the number of the producing classes as giving an accurate though general idea of the level of well-being. For this purpose the Census classification of occupations is most useful. In regard to Ireland it is particularly helpful, since the main pursuits followed in that country are not very numerous. There are in all six classes, of which only two, the agricultural and the industrial, can be said from the economic point of view to be definitely productive. The other four, the professional, the domestic, the commercial, and the miscellaneous classes, do not contribute to the wealth of the country in the sense in which the first two classes do. The agricultural class may be given priority as being the most important. The number of persons engaged in this staple industry in 1911 was 780,867, compared with 876,062 in 1901, a decrease of nearly 100,000. The industrial class, which comes next in point of numbers, totalled 613,397, a decline of over 26,000 compared with 1901. It should be observed that this class includes, besides certain rural labourers, who should more properly come under the heading of agriculture, those who work and deal in food and lodgings and spirituous drinks, to the number of 61,747, and those who work and deal in general or unspecified commodities, 197,943. The industrial class, as returned in the Census, suffers throughout from the same defect, since the dealers as well as the workers are included, and the former are not economically on a par with the latter. They are not producers in the real sense. Thus librarians and booksellers cannot be placed in the same industrial category as printers, nor can chemists be included with chemical workers, or warehousemen with spinners and weavers. In each instance the first-named body belongs, from the economist's standpoint, to the commercial and therefore non-productive class.

In every country a large non-productive class is of course inevitable. All children and most women will, for instance, fall into this category, and they are, in the majority of censal returns, returned under the heading "indefinite and non-productive class." The number so returned in Ireland in 1911 was 2,572,929, or 58.6% of the population, as compared with 2,494,958, or 55.96%, in 1901. The increase totalled nearly 78,000, and was distributed over a variety of people, including retired business folk, inmates of almshouses, lunatics, and others. The other classes, which for reasons above mentioned must be set down as non-productive, were of considerable importance, as the following figures show:—Professional, 141,134, an increase of 10,099; and commercial, 111,143, an increase of 13,254.

In addition to these the domestic class, which is composed chiefly of servants and therefore mainly female, numbered 170,749, or 10% of those with specified occupations. This total is less, indeed, than in England and Wales, where in 1911 it accounted for 13% of the persons with occupations. The tendency throughout the United Kingdom and in other countries is to show, as regards domestics and other non-producers, a more rapid rate of increase than in producers. This is due largely to the greater productivity of those engaged in industry. A higher standard of comfort has been made possible, and with it has come a rise in the number of those doing household work or rendering purely personal services. Further, the extension of the spheres of local and central government has brought about a great rise in the number of civil servants, and the establishment of a widespread public health administration has increased the number of doctors, nurses, and others attached to the medical profession. In Ireland, however, conditions are rather different from those in all other countries. With the exception of France, the population of all European nations has increased in recent years, and naturally the increase has distributed itself over all occupations. In Ireland, between 1901 and 1911, the population decreased by 1.6%, from 4,458,775 to 4,390,219, but the number of retired or unoccupied increased by 6%, from 1,615,576 to 1,711,182, while those engaged in occupations fell by 8%, from 1,949,607 to 1,805,470. The fall in the "occupied" people occurred mainly amongst the agricultural and industrial classes. The other classes, which increased in numbers, do not contribute directly to the wealth of the community, and they must be supported by those engaged in productive occupations. They perform valuable and, in some cases, indispensable services, but they are none the less, through their increase, responsible for an inversion of the proper economic order. The producing portion of the nation is the root of all national prosperity. The other portions are mere embellishment, which can to a large extent be done without. The three features in Ireland's position, a declining general population, a decreasing productive class, and an increasing non-productive class, are sufficiently well marked to give cause for alarm. If we take the commercial class and contrast the changes in its numbers with that in the general population for recent censal years we get the following results:—

Year	Commercial Class	Increase	Population	Decrease
1881	72,245	—	5,174,836	-
1891	83,178	10,928	4,704,750	470,086
1901	97,889	14,716	4,458,775	245 975
1911	111,143	13,254	4,390,219	68.556

The tendency shown by these figures is most disquieting. After the War it is probable that emigration will be resumed from Ireland on a large scale. The exodus in the past has been in the main from the country-side, and will be so in future. The increase in the non-producing classes has, as might be anticipated, synchronised with a growth in the population of towns. In the last inter-censal decade the number of inhabited houses in rural districts decreased by 16,218, or 2.6%, and in civic areas—that is, in all towns of not less than 2,000—it increased by 19,935, or 8.6%. Outside the North there was in the interval little if any growth in the industries carried on in towns. Hence the increased population must have found employment mainly as traders. While traders are becoming more numerous the general public whom they serve is declining. If the tendency continues unchecked, Ireland runs the danger of becoming in literal truth a nation of shopkeepers.

The announcement is made that the name of the firm of Messrs. Alexanders and Co., Limited, the discount brokers, of 24 Lombard Street, has been altered to Alexanders' Discount Company, Limited. The business was originally established in 1810, and was converted into a private limited Company in 1891.

The Union Bank of Canada and the National Park Bank of New York have formed a subsidiary banking Company representing both institutions, and are establishing agencies of the new Corporation in Yokohama, San Francisco, and Seattle, thus enabling both banks to offer additional facilities to exporters and importers conducting trade on the Pacific Coast and in the Far East. The Union Bank of Canada, whose headquarters are at Winnipeg, was established in 1865, and has 200 branches throughout the Dominion. The National Park Bank of New York, organised in 1856, is one of the leading banks of New York, and among its directorate are Mr. Cornelius Vanderbilt, Mr. Stuyvesant Fish, Mr. Richard Delafield, and Mr. Robert P. Perkins.

THE BANK OF TAIWAN,
LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.
Head Office - - TAIPEH, FORMOSA.
BRANCHES :—Amoy, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, New York, Osaka, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, and every important city in Formosa (Taiwan), &c.
The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.
London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

WE now know on the authority of the Government that altogether some 10 millions of people were called up for service in connection with the War. Of these 6½ millions were actually drafted into some departments of the Army, Navy, and the Air Force, the balance being employed in various civil departments, including that of the Ministry of Munitions. This means that between one-fifth and one-fourth of the total population of the United Kingdom, as returned at the last Census, was withdrawn from the tax-earning part of the population to the tax-spending. And that it resulted in the most serious extravagance we have the authority of the Committee appointed by the Government itself to inquire into the matter. It has been officially stated that the clerical staff of the Ministry of Munitions and the War Office combined exceeded 32,000 people, or considerably more than the population, according to the last Census, of one of our large South Coast towns. The Government urge that demobilisation must be very gradual because so far, while they have demobilised, partly from the Army and partly from civil employment, some three-quarters of a million people, 270,000 of these are in receipt of unemployment relief.

It is said that the proportion of people drawing out-of-work benefit has risen from nothing during the War to 5% in the course of a few weeks' demobilisation. This, as we pointed out at the time, was inevitable from the policy pursued by the Government. While the spendthrift can obtain ample credit there are no cheesparing economies in his establishment. But the day of reckoning must come; and it is precisely the same with a nation, which is, after all, merely an aggregate of individuals. We have been living for the past four years on the accumulated resources of the saving classes of the past two generations, and also mortgaging the future, and while that continued there was bound to be a large measure of apparent prosperity, such as it has been.

The authorities urge that they can only demobilise in accordance with the demands of the civil labour market. There is force in their plea; but it would be more important if they would release from control raw materials and give the various trades something to work upon. Of course, we are not urging that millions of men should be thrown on the labour market without any prospect of getting work for an indefinite period. But we do urge that those who have definite employment awaiting them should be released with the least possible delay. It will be difficult enough to deal with the immense number of cases of people for whom there is no adequate employment, and particularly the large class who have been enjoying extravagant wages for comparatively modest services rendered, who can never hope to obtain such advantages in civil employment run upon economic lines.

A Select Committee was appointed some time back for the purpose of considering what steps, if any, it is desirable to take to develop and improve the internal facilities for transport within the United Kingdom, to secure effective supervision and co-ordination, and to ensure that such developments and improvements shall be adequate and suitable to meet the national requirements, and to make recommendations. The Committee was empowered to appoint various Sub-Committees; and, amongst others, it appointed a Sub-Committee to investigate and report upon the facilities for transport offered by the ports and canals of Ireland, to make suggestions for their equipment and development, and to visit such places as it may consider necessary for this purpose. This Sub-Committee was composed of Mr. Field, Mr. Keating, Colonel Gretton, Mr. Walter Hudson, Mr. Lindsay, and Mr. P. J. Hannon, with Sir Arthur Shirley Benn as Chairman.

It is a remarkable fact that stationary, or agricultural, man has lost the major part of the mobility which nomadic, or pastoral, man formerly enjoyed. And, from the point of view of the economist, there is no country in the world at the present time which enjoys adequate transportation facilities either sufficient to ensure the health and well-being of the population, or for the economic necessities of the country. The United Kingdom, taken as a whole, has an enormous coast line, and owing to the fact that it is split up into two islands, the small one of Ireland, and the larger one of Great Britain, no part of it is very far from the sea. Consequently, where we have harbour facilities, such as their natural adaptability to would admit of their being, and where they are provided with roads suitable for rapid motor transport, it ought to be possible in an island like Great Britain, so densely populated, to get rapidly from point to point. But every traveller knows that this is not the case. It is, in fact, often cheaper and more convenient to travel to south coast places *via* London than to take the cross-country journey necessary to arrive at one place from the other. We will, however, defer dealing with the transportation facilities of England and Wales till we have the report before us; and, further, will take the island of Great Britain when we receive the information. Meanwhile, the report actually to hand deals only with the facilities offered by the ports and canals of Ireland; and, as might be expected, the report deals rather with the deficiencies than with the facilities.

In order to carry out the object for which they were appointed, the Irish Sub-Committee made a tour of inspection of most of the larger ports around the Irish coast, held 23 public sittings at 20 different centres, and examined 171 witnesses relative to the existing conditions of Irish harbours and inland navigations, and the proposals for their better equipment and development, in addition to receiving suggestions for the creation of a Transatlantic port on the western coast of Ireland for facilitating the inland transport of passengers, mails, and express consignments of merchandise conveyed between the United Kingdom and North America.

Unfortunately the Sub-Committee did not concern itself with railways and road transport. Speaking generally, the roads of Ireland, where they have been kept in repair, are good; but the railway facilities are generally very deficient. The Sub-Committee reports that it was greatly impressed by the immense potential advantages for the development of inland transport in Ireland, due to the country being endowed with many magnificent natural harbours and great natural and artificial interior waterways, on which public and private money seems to have been freely spent in large amounts formerly. It expressed the opinion, which is shared in by the full Committee, that Ireland ought to occupy a high place in the possession of water transport facilities if these means of communication were improved and fully developed, and worked in unison with

The WAR BOND OPTIONS

What they are and what their impending withdrawal means

"Worth an additional ½ per cent"

THE present issue of National War Bonds will be discontinued on Saturday, January 18th, and the conversion rights attached to these Bonds will never be renewed. If you have not yet realised how valuable these rights are, read the following independent statement from the Financial columns of "The Times."

> **"It may be useful to emphasize, for the benefit of the general public, the subsidiary point in the Treasury announcement, to which great importance is naturally attached in financial circles. This is the further statement that, even if other bonds of similar character are subsequently issued—because obviously the Exchequer will not then have ceased to need to borrow in some shape—they will not be given the right of conversion into the Five per Cent. (or Four per Cent.) War Loan, or the other conversion rights attached to the present issue. We have probably said before, but it is as well to repeat it now, that the view taken by the most expert bankers is that these 'options' are worth *at least an additional half per cent.* to the investor in War Bonds. At the moment their value may not be so well appreciated by the public, but among professional financiers who are accustomed to weigh the value of options of this sort, it has always been held that the right to a 'call' on Five per Cent. War Loan at 95 for five, seven or ten years as the case may be, cannot be worth less than that. There are now to be no more of these options in future, and anybody who wants to secure that advantage had better *take it while he can.*"**

NATIONAL WAR BONDS

Write to your Banker or Stockbroker by to-day's post and instruct him to invest the whole of your available capital—in 5 per cent. War Bonds redeemable in 1928. No future Government issue will give you *all* the advantages which are combined in War Bonds.

the railway system of the country. The defects discovered at the harbours were mainly insufficiency of discharging berths, a lack of efficient and up-to-date equipment for handling cargoes with economy and despatch, inadequate linking up of harbours and piers with railways and inland waterways, and insufficiency of depth of water to accommodate vessels of the larger size now commonly used. This has been partly caused by the failure or inability of port authorities to keep channels and berths properly dredged. An instance came under the observation of the Sub-Committee where a dock was available for vessels drawing 23 feet of water, while the depth of water in the channel leading to it was only 17 feet.

In relation to waterways, says the report, the whole system throughout the country will require careful consideration. The canals were mainly constructed in pre-railway days, when delays in transit were comparatively unimportant. If they are now to be maintained, and worked in conjunction with the railway system so as to admit of the fullest use being made of them for post-War development, much modern constructive work will have to be undertaken. With respect to one of the waterways in particular, the Committee recommend that in view of the development of the coal and other mineral resources of the Arigna district, in which the Government is at present constructing a short connecting railway as a war measure in order to facilitate the distribution of much-needed fuel, steps ought to be taken at once to obtain an expert report and an estimate for the reconstruction of the Lough Allen Canal, and the deepening of the waterway from Killaloe to Limerick, enlarging the locks, and the making of a connection with the Limerick Docks. The waterway as at present constructed is quite inadequate as a connecting-link between the sea on the west coast and the Shannon and the Grand Canal, the two most important waterways in Ireland. These improvements would enable the Shannon navigation to be used for the conveyance of Arigna coal and other products to the south-west of Ireland.

In the past these various harbours, canals, and so on, have been under the jurisdiction of several different authorities, with the result that it was nobody's business to do anything, and naturally each one shrank from taking responsibility for work which it might regard as properly belonging to some other Department. The Committee rightly recommend that there should be established as soon as possible a Government Harbour Department, to whom would be entrusted all duties connected with Irish harbours, and who should investigate the requirements of each harbour, consult with the local authorities as to necessary improvements, and, if a plan be agreed upon, then recommend the required loan.

In these days of hydro-electricity Ireland is favourably situated for the development of water power. The Government is at present engaged, and has been engaged for some months now, in making experiments as to the working of certain collieries in the west of Ireland. It is to be hoped that these experiments will prove successful. But in any case water affords an extraordinarily cheap source of power. Here in England we have been, up to the present, almost wholly dependent upon coal, because, speaking generally, the levels throughout the country, although very far from uniform, are comparatively so gradual that they do not give a great force of water at any particular locality which can be used for the generating of power. Where, however, running water is available for the generating of power it will be evident that there is only the cost of constructing and maintaining a generating station. With us on this side of the Irish Channel, in addition to the cost of constructing and maintaining a generating station, there is also the waste of coal, which has laboriously to be obtained from the mines, and is destroyed in the generating station, whereas water runs on day after day, and week after week, and year after year, at no expense.

REVENUE RETURNS.

The Exchequer returns for the past nine months show that expenditure continues at a high rate, though the average for the December quarter works out at £7,540,000 a day, against £7,624,000 a day in the corresponding period of 1917. Naturally as the debt has increased interest charges have grown, thus largely offsetting the reduction in the rate of Supply expenditure, which has been a noteworthy feature of recent accounts. Outlays upon Supply cover all war expenditure, including purchases of foodstuffs for ultimate resale, and loans and advances to Allies and Dominions, but exclude interest, &c., on War Debt. The March quarter of 1918 was the heaviest for Supply expenditure, the average then working out at £7,028,000 a day. Reductions have occurred in each of the past three quarters, the daily outgoing in the past three months having averaged just under £6,300,000.

[000's omitted.]		Supply		Expenditure	
	Interest	Misc.	Total	Per Day	Total	Per Day
Quarter	£	£	£	£	£	£
December 1918 ...	110,843	3,625	579,284	6,297	693,652	7,540
September 1918 ...	25,010	2,636	599,720	6,519	627,366	6,917
June 1918	92,599	1,473	634,904	6,977	728,976	8,011
March 1918 ...	30,608	3,613	632,565	7,028	666,786	7,409
December 1917 ...	79,191	3,549	618,644	6,724	701,384	7,624
September 1917 ...	21,219	2,783	632,764	6,878	656,766	7,139
June 1917	58,833	1,456	610,997	6,714	671,286	7,376
March 1917... ...	13,548	3,965	614,680	6,755	632,193	6,947
December 1916 ...	45,046	3,475	612,597	6,731	661,118	7,265
September 1916 ...	26,475	2,982	430,785	4,682	460,242	5,003
June 1916	42,182	1,447	400,931	4,406	444,560	4,885
March 1916 ...	13,182	4,461	441,597	4,853	459,240	5,046
December 1915 ...	29,748	3,578	392,095	4,262	425,421	4,624
September 1915 ...	9,306	3,357	403,361	4,384	416,024	4,522
June 1915	8,013	1,844	248,616	2,731	258,473	2,840
March 1915 ...	6,630	4,217	229,732	2,552	240,579	2,673
December 1914 ...	5,932	3,459	176,707	1,921	186,098	2,021
September 1914* ...	1,246	2,146	68,292	1,119	71,684	1,193

* Period from August 1 to September 30.

For the past nine months the total expenditure amounted to £2,050,000,000, or about £20,500,000 more than in 1917. Interest payments compared with a year ago were £69,200,000 heavier, but, on the other hand, Supply outlays were £48,500,000 lower at £1,813,900,000. The Budget and Supplementary estimates of expenditure for 1918-19 were for a total outlay of £2,650,000,000, or £7,260,000 a day, upon Supply. Had Supply expenditure been at this rate in the past nine months such outlays would have been £1,996,500,000, so that the actual amount paid out for Supply has been £182,600,000 below the estimate.

	9 Mos. to Dec. 31		Budget Estimate	
	1918	+ or — '18 on '17	1918-19	+ or — on '17-'18
	£	£	£	£
Perm. charge of Debt	13,012,000	— 1,622,000	12,150,000	— 678,000
Int., &c. on war debt	215,440,000	+ 70,831,000	295,850,000	+125,827,000
Total interest, &c...	228,452,000	+ 69,209,000	315,000,000	+125,149,000
Do. per day ...	(831,000)	+ (252,000)	(863,000)	+ (342,000)
Miscellaneous ...	7,634,000	— 154,000	11,414,000	+ 13,000
Total Consolidated Fund services ...	236,086,000	+ 69,055,000	326,414,000	+125,162,000
Supply Services ...	1,813,908,000	— 48,496,000	2,649,988,000	+154,914,000
Do. per day ...	(6,596,000)	— (176,000)	(7,260,000)	+ (424,000)
Total expenditure...	2,049,994,000	+ 20,559,000	2,976,402,000	+ 280,181,000
Do. per day ...	(7,455,000)	+ (75,000)	(8,154,000)	+ (767,000)

Usually 50% of the year's revenue is collected in the nine months to December, but in 1917 the proportion was 56.6%, while in the past nine months it has been 60% of the amount Budgeted for and about 58% of the probable revenue. The Budget estimate of revenue for this year was £842,050,000, or £134,816,000 more than in 1917-18. It has, however, to be borne in mind that no account was taken in the Budget for the inclusion in "miscellaneous" of proceeds of the Second Indian War Loan, understood to have yielded about £35,000,000. If allowance be made for this, and if the Budget estimate is realised, the total revenue for 1918-19 should be about £877,000,000, or nearly £170,000,000 more than in 1917-18. During the past nine months the revenue was £509,166,000

or £108,516,000 more than in 1916. Practically the whole of the increase was under the four main heads, excess profits duty, &c., having brought in an additional £55,373,000, income tax £15,478,000, Customs £20,534,000, and Excise £14,893,000. Assuming revenue for the full year is £877,000,000, £61,300,000 more will need to be collected in the current quarter than in the March quarter of 1918; and if Budget estimates are to be realised nearly £208,000,000 will need to be gathered in from income tax and about £96,000,000 from excess profits duty before the end of March next.

[000's omitted.]	9 Mos. to Dec. 31 1918	+or—'18 on '17	Budget Estimate 1918-19	+or— '18 on '17	+or— 3 Mos. to Mar. 31, '19
	£	£	£	£	£
Customs	73,644	+ 20,534	94,500	+ 23,239	+ 2,705
Excise	43,097	+ 14,893	53,200	+ 14,428	— 465
Estate, &c., Duties ...	21,692	— 1,501	31,500	— 174	+ 1,327
Stamps	8,292	+ 2,658	9,250	+ 950	— 1,708
Land tax	50	— 10	650	— 15	— 5
House duty	300	— 70	1,950	— 10	+ 60
Income & Super Tax...	83,385	+ 15,478	290,450	+ 50,941	+ 35,463
Excess profits duty, &c.	204,318	+ 55,373	300,000	+ 79,786	+ 24,413
Land value duties ...	322	+ 14	700	+ 15	+ 1
Receipts from taxes	435,101	+ 107,369	782,200	+ 169,160	+ 61,791
Postal service... ...	20,200	+ 3,400	28,000	+ 2,800	— 600
Telegraph service ...	2,850	+ 250	3,500	—	— 250
Telephone service ...	4,850	+ 150	6,500	— 100	— 250
Crown lands	600	+ 140	650	— 40	— 180
Receipts from sundry loans, &c.	2,836	+ 1,117	6,000	— 56	— 1,173
Miscellaneous ...	42,729	— 3,910	50,200*	— 1,948*	+ 1,962*
Non-tax Revenue ...	74,065	+ 1,147	59,850	+ 656	— 491
Total revenue ...	509,166	+ 108,516	877,050*	+ 169,816*	+ 61,300*

* Allowing for £35,000,000 from Second Indian War Loan, not included in Budget estimate.

The excess of expenditure over revenue in the past nine months was about £1,541,000,000, of which £1,529,500,000 was provided by loans and £13,100,000 was taken from the cash balance. In view of the Armistice and the new conditions that have arisen it is somewhat difficult to say what will be the expenditure for the whole year. It would, however, appear that for various reasons the interest payments will be about £45,000,000 below the Budget estimate, leaving about £41,500,000 still to be paid out under that heading in the present quarter. Should Supply expenditure average about £6,300,000 a day, as for the past quarter, £540,000,000 would be spent therefor, and the total expenditure for the quarter would work out at about £585,000,000. After deducting £268,000,000 of probable revenue, £330,000,000 would need to be raised by loan to cover the deficit and to restore the cash balance to the position on April 1 last. Some portion of this amount may be expected to be raised in the United States, but the bulk would need to be provided at home. At least £15,000,000 may be looked for from War Savings Certificates, a further £16,000,000 is due from War Bond subscriptions received before the end of December, and apparently £50,000,000 has still to be received in respect of a special credit from the United States in connection with this country's expenditure on behalf of the American Expeditionary Forces. It is possible, of course, that loan requirements may be larger than here indicated, for it is not known to what extent payers of excess profits duty, &c., have purchased War Bonds, &c. These are available for payment of taxes in lieu of cash, and to the extent to which such scrip payments are made the accounts will show merely a transfer from loan to revenue account and no additional money will accrue to the Exchequer. In the March quarter of 1918, £16,083,000 of debt was retired through revenue payments in scrip, and in the past nine months £42,447,000 was similarly dealt with.

[000's omitted.]	Probable for 3 Mos. to Mar. 31, '19	Actual, 9 Mos. to Dec. '18	Probable for Year 1918-19	Budget and Supplm'try. Estimates
Expenditure:	£	£	£	£
Interest	41,500	238,452	270,000	315,000
Miscellaneous ...	3,800	7,634	11,414	11,414
Supply	540,000	1,813,908	2,354,000	2,649,988
Total	585,000	2,049,994	2,636,000	2,976,402
Revenue	268,000	509,166	877,000	842,050
Deficit	317,000	1,540,828	1,759,000	2,134,352
Loans	330,000	1,529,157	1,759,000	2,134,000
Taken from Cash Balance	—	13,105	—	

The National Debt at the end of December amounted to about £7,400,000,000, and the interest charge to approximately £335,000,000. Since war began the Debt has increased by, roughly, £6,750,000,000, and the addition to the interest charge has been about £310,000,000, so that the average rate now being paid on money borrowed for the War is about 4.6%.

NEW BANKING CAPITAL.

Following upon the decision of several of the purely British banks and of two of the Anglo-Indian banks comes the announcement that the National Bank of India is about to increase its capital, the directors feeling it necessary to strengthen the Bank's position in view of the anticipated expansion of Indian trade and commerce when peace is concluded. At present the capital consists of £80,000 shares of £25 each, on which £12 10s. per share has been paid up, leaving a callable liability of £12 10s. per share. The subscribed capital is thus £2,000,000, and the paid-up capital £1,000,000. When the Bank was first registered here in the 'sixties the paid-up capital was £466,500, and the increase of £533,500 that has since taken place has resulted entirely from bonus distributions to shareholders from accumulated profits. Even so the reserve fund now stands at no less than £1,350,000. At a special meeting called for January 21 it is proposed to obtain the shareholders' sanction to double the subscribed capital to £4,000,000 by creating 80,000 new shares of £25 each, and issue 40,000 of the new shares to existing shareholders at the rate of one new share for every two held; Treasury consent has already been obtained. The price of issue is to be £20 per share, of which £7 10s. will represent premium. The paid-up capital, therefore, will be increased to £1,500,000, and the reserve fund to £1,650,000, without taking into account any allocations thereto from the past year's profit. The price of the existing shares is 71, so that the bonus to shareholders is about £17 per share. For the five years to 1917 tax-free dividends of 16% were paid, and in addition a tax-free bonus of 4% was paid for 1917, making 20% for that year. The interim dividend for 1918 was at the rate of 20% tax free. We dealt fully with the position of the Bank in our International Banking Number of November 2 last, page 779.

Financial institutions in the United States are also in many cases adding to their capital. One of the latest announcements of this kind to hand from that country concerns the Bankers' Trust Company of New York, which is raising its capital from $11,250,000 to $15,000,000. From the point of view of capital this will place the institution second in the list of American trust companies. The reserve and undivided profit aggregated $16,283,000 on November 1 last. Regular dividends of 20% have been paid since 1913. The $100 shares were recently quoted in New York at about 480.

The new shares, it is stated, are being offered to stockholders at par at the rate of one new share for every three now held. The reason for the addition to the capital is said to be to make it correspond more accurately with the Company's deposits, now amounting to about $300,000,000.

SOUTH AND CENTRAL AMERICA.

NEED OF ROADS.

According to the South American papers just to hand, a daring aviator has accomplished in just over three hours the journey from the coastlands of Peru to the rich pastures on the eastern side of the Andes, which usually takes more than three weeks when accomplished by pack mules. It is pointed out that with a ten-ton machine the work of many mules might readily be accomplished in a few hours instead of occu-

pying, as at present, weeks and even months to attain. That the aeroplane will assist the opening up of this part of tropical America need not be doubted. But in any reasonable time it cannot be counted upon to solve the problem.

It is not a question of travelling at great speed from point to point in a country already highly developed, with an immense population, and having a large number of passengers and valuable articles of merchandise to convey which can bear a heavy and expensive rate of freight. The real problem to be solved is the opening up of a territory perhaps potentially the richest in the world, but which at present is almost wholly unoccupied except for a few tribes of more or less wild Indians; a country covered with vast tropical forests, interspersed here and there with grasses and pasture lands more generally associated with the conditions which prevail in the temperate zone. Between the 10th parallel north of the Equator and the 10th parallel south of that line, and stretching between the 50th and the 75th degrees of longitude, there is this vast area we have attempted inadequately to describe as one naturally the richest in the world. It is largely covered with timber, much of which is of the most valuable kind, at a time when the forests of the more thickly peopled parts of the world have been denuded to an exceptional extent. Moreover, it affords pasture for cattle at a time when cattle, hides, and, indeed, all meat products are required by the world at large to an extent that has not been equalled for very many generations. But the difficulty is that adequate means of transportation are almost wholly lacking. It will at once be evident to any reader who will carefully consider the matter that the opening up of such a country cannot be accomplished under existing conditions by the aeroplane alone. Drainage of at least half the area and the building of roads and railways are essential if this rich land is to be made available for the common services of man.

There is, of course, existing at present in this area the most remarkable system of waterways known in any equal space upon the globe. But these waterways admit only of obtaining access to a limited part of the area, and for the most part situated immediately on, or at least adjacent to, the river banks and such creeks or rivulets as form tributaries to the greater streams. The total water mileage of this area is roughly estimated—and it should be borne in mind that it is only an estimate—at over 30,000 miles in extent; and were the country opened up by other means it would—as, of course, the aeroplane itself will—assist materially in the general purpose of making the country accessible in an economic sense. No one method of opening up would in itself be adequate. But a combine of road building, railway building, the development of the existing waterways, and, above all, the drainage of the inundated area during each rainy season, would make this vast territory available for use by man, instead of lying as a potential source of wealth almost wholly inaccessible, as it is at present.

Quite recently we wrote an article showing the possibilities of this area as a vast pasture. But we showed, also, that at least half of it is subject to inundation from the creeks and rivers twice every season, and that even in the forest during certain parts of the year boats travel over areas which in the dry season are forest lands, but which in the wet season, or rather at the end of the wet season, are commonly covered by water to a depth of about 12 feet. While such a condition of things is allowed to remain it is evident that cattle would be drowned if they were pastured on lands subject to such inundations. Moreover, even the timber by which a large part of this area is covered is inaccessible during a very large part of the year, and, moreover, to some extent is injured by constant inundations.

To give some idea of what the country is like, it should be understood that from the high range of mountains which separate the Northern Guianas from what is commonly called Brazilian Guiana, there is a steady slope down to the basin of the Amazon; and on the southern side, from the great plateau rising to the north-west of the Tapajoz River, there is also a steady slope converging likewise on the Amazon. The first essential should be to find some method of draining this vast area. And, apparently, the only Power capable of undertaking so great an engineering enterprise is the Brazilian Government, in whose territory the greater part of this area is situated. To deepen the bed of the Amazon and use the mud raised for fertilising the rough grass-lands of the interior offers one possible method of solving the problem. But it has to be remembered that the Amazon is more like a great sea than what we commonly understand in Europe as a river. In addition, it would be necessary to solve the problem arising from the constant inundations of the lesser streams, themselves, in reality, mighty rivers. Possibly it might be found more expedient to deepen the beds of the smaller streams, which would have the effect of relieving from constant inundations a large area now subject to overflow of water, and make available extensive areas for raising stock, which would itself furnish the means of developing a conservancy system which would ultimately enable the Government to increase its drainage operations out of revenues obtained locally, without becoming a burdensome charge upon the national exchequer. Where the lands already admit of road building, which is the case with more than half of the area, road building upon an extensive scale would, of course, tend to solve the problem. This whole area, with very rare exceptions, is exceedingly fertile, and suitable for the growth of sugar, cocoa, cotton, and, indeed, most tropical products, as well as, where the elevation admits, which is the case in many localities, of cereals and other products more commonly associated with the temperate zone. It has, of course, to be remembered that even the most modest road building costs anything from £20 to £30 per mile. But, as we have endeavoured to indicate, each mile of road opened up makes available a correspondingly large area, either for pasture or for the growing of such crops as we have mentioned above. Precisely as a railway company endeavours to settle the lands as it progresses along its course, each mile of road built would be available for settlers. And as the settlers succeed in raising a crop season by season, or stocking the lands with cattle, they would be in a position to bear a small tax, which would enable a further mile of road to be constructed. As things are, even the dry lands which are available either for growing crops or for stocking cattle are practically useless owing to the impossibility of conveying the produce from the district in which it is raised to any consuming market. In the Guianas, for example, there are considerable herds of cattle. Exactly what these herds amount to it is by no means easy to estimate. Moreover, even if we were in a position to estimate their numbers—and, of course, knowledge is always desirable—it has to be admitted that such an estimate, even if approximately accurate, would not be of the value that it might appear, because the cattle are what are known as criollo, or short, shaggy beasts, wandering over vast pastures, inadequately fed and totally unfit for the freezing-houses, and therefore not really available for food for the international markets of the world. Now, if the track that nobody has ever been able to trace, but is commonly said to exist, between British Guiana and the City of Manaos were developed into a real country road, even no better than the type of roads one meets with in the more remote parts of Europe, and this track connected by railway with some port of shipment, these criollo cattle, which are by no means confined to the Guianas, but roam over vast areas

of the territory we are describing, could be improved in two or three seasons by importing cattle from Europe or elsewhere of an improved strain. But without means of transportation the owners of these cattle, however much they might spend on improving the breed, and however fine the herd might be that they developed, would have no means of outlet and no market for their produce. Consequently, although the owners of these comparatively wild cattle know that there is an urgent need for supplies in the great consuming markets of the world, and are well aware that it would pay them to improve their breeds, they are met by the insurmountable barrier of inadequate means of transporting such produce to any consuming market. And so far as they are concerned the problem remains wholly insoluble.

BALATA.

With the present exceeding shortage of leather there is an opening for the development of the balata trade that has not existed for a very long time past. During the War, while freights were not merely extravagantly high, but were often wholly unobtainable, it was hopeless to attempt to develop any industry which depended for its prosperity upon overseas trade unless, of course, it was actively supported by the Allied Governments. Sooner or later freights will be exceedingly cheap and abundant. Almost every country in the world that pretends to possess a mercantile marine of any sort is building more or less to its utmost capacity, and sooner or later we shall be in this country producing at least 2 million, and probably 2½ million tons of shipping every year. An American writer estimated quite recently that freights will be below pre-War level within 18 months. Whether this prediction is right or wrong remains to be seen, but it is evident that sooner or later freights will be very cheap and plentiful. Now, the balata industry was considerably developed before the War, and balata goods, particularly for belting, were very much used during the War. Nevertheless, the industry has not developed, and is not developing, to the extent that might reasonably have been expected. A well-known firm offers boots with balata soles, and very good they are, but there is a serious difficulty in the repairing question. It seems highly probable that there is a fortune for the man who can solve the question of repairing balata-sole boots with the same efficiency that leather-sole boots were repaired in the past. This, no doubt, would right itself if the balata trade were properly developed.

Now, there is no use in attempting to develop any trade unless there is a reasonable probability that the demand for the particular produce under discussion will continue, and will, moreover, continue to expand, because every trade that has life and vitality behind it must either grow or ultimately decay. The demand for balata satisfies these conditions. The only point at issue is—Are the people interested in the production of balata able and willing to produce an adequate supply? As things are they do not do so, and the price of the article is in consequence extravagantly high, and never could hope to take the place of leather while existing conditions continue. Balata is one-third the weight of leather, and is of equal durability if used under conditions favourable to its existence. It ought to be a cheap and highly efficient substitute for leather; but as a matter of fact it is so dear—that is to say, the price is so high—that it can only hope to displace leather where for some peculiar reasons its qualifications are superior for the particular purposes required than those of leather itself.

Now it has to be remembered that the shortage of leather is not a question of freights. The question of freights, of course, accentuated to an extravagant degree during the great War a shortage which, however, was inevitable, and would have occurred had the War been postponed for a whole generation. Owing to the development, particularly in the United States of North America, of industrialism, as distinct from production of the prime necessaries of our existence, there has been a great growth during the past generation in the consumers of cattle, hides, and the products of the cattle trade. This growth in the consumption of meat and in the demand for leather has not been accompanied by a corresponding increase in the growth of production. In other words, a larger proportion of the population of the world, and particularly in the meat-eating countries, has devoted its energies more and more to the manipulation of primaries, or what we call town industries, as distinct from the production of food and raw materials.

It is, of course, to be hoped, and we think it probable—at any rate we hope it will prove to be the case—that there will be a great increase in the production of cattle in the early future, but in the nature of the case this must take time. You cannot produce a herd of first-class cattle in a single season, or for that matter in a season or two. You have first to get the rough cattle on some more or less virgin lands, import a certain number of bulls and a proportion of cows of an approved breed, and then it would take several seasons before a herd of cattle is fit for the consuming markets. Meanwhile great countries like the United States, having adopted vast industries like the steel trade, the boot and shoe trade, and various other industries, are hardly likely to give them up and return to farming. As a matter of fact, most of the best land in the United States is already occupied, and the great hope for farming and increased production of North America in the future lies in what is called intensive farming. Farming in the United States up to the present has been carried on in a very easy-going manner, due to the fact that it has always been possible until lately to abandon a farm and take up another in any locality which the farmer might think more favourable to his enterprise. This, however, is becoming now practically impossible, and there are very few areas in the United States capable of being farmed which would not require expensive irrigation. Moreover, intensive farming means expenditure, adding to the cost, to a very great extent, and consequently for a great increase in the supply of cattle mere intensive farming is hardly to be looked for with any very confident hope. In brief, it may be said that for at least a generation those who could produce leather substitutes in adequate quantity and at a reasonable price, provided of course they are good ones, need have no fear of finding a market. Now balata is one of the most excellent in its way of all the leather substitutes, but the supply is not adequate and the price is exceedingly dear. Balata comes mainly from the Guianas and from Venezuela; and the bulk comes from Venezuela, because at present the Guianas are largely inaccessible, owing to the fact that the approach from the sea into the forests of the interior is obstructed by rapids, and these countries have not so far been opened up by means of railways. Venezuela seems, under existing conditions, the most promising field of development; but it is a remarkable thing that Venezuelans show enterprise, and many of them have done so anywhere except in Venezuela. At present neither the Guianas nor Venezuela—and as we have said Venezuela appears to be the more promising source of supply—are doing anything, or at least anything worth talking about, to produce balata as a plantation industry, and experience has clearly shown that wild products cannot compete successfully with those grown under economic industrial conditions the cost of rubber from the wilds of the Tapajoz River being out of all proportion to that of producing rubber in the Far East. It cannot be said that the cost of plantation balata is less than that of the wild variety, because so very little plantation balata has ever appeared on any known market of the world.

American Topics.

U.S. CROPS IN 1918.

SINCE war began the income of the United States has expanded in many directions. One of the principal sources of this additional contribution to the country's spending and saving power in the past few years has naturally been the agricultural industry, where, mainly owing to higher prices, the value of the crops produced has enormously expanded. In fact it has considerably more than doubled, for whereas for 1913 the value of the crops produced for the first time exceeded $6,000,000,000, the value in 1917 had risen to over $13,610,000,000. Full figures for 1918 are not yet available; still from the data that are to hand it would appear that the value of last year's crops exceeded $14,000,000,000. This is indicated in the preliminary return for 1918 recently issued by the Department of Agriculture, which showed that the value of the crops referred to in the return rose from $11,658,000,000 for 1917 to $12,272,412,000 for last year. If, however, one takes the thirteen principal crops—corn, wheat, oats, barley, rye, buckwheat, flaxseed, rice, potatoes, sweet potatoes, tame hay, tobacco, and cotton—comparative figures are obtainable for several years past. Last year the value of these crops, based upon farm values as at December 1, amounted to $11,126,000,000, compared with $10,692,000,000 for 1917, $7,055,000,000 for 1916, $5,333,000,000 for 1915, $4,918,000,000 for 1914, and $4,933,000,000 for 1913. The latter was the highest figure ever touched before the war and was regarded as exceptionally large. We have not the space to devote to details of all the crops, and therefore must confine our attention to the most important products. Particulars concerning these are set out in the appended statement, from which it will be seen that in the case of the five principal cereals the value in 1918 was roughly double that of 1915, while as regards cotton and tobacco the rate of growth has been still greater.

Farm Value, December 1.

(000's omitted)	1918 $	1917 $	1916 $	1915 $	1914 $	1913 $
Wheat:						
Spring ...	720,423	440,875	238,062	304,154	203,057	176,127
Winter ...	1,154,200	837,237	781,906	638,149	675,423	433,995
Total ...	1,874,623	1,278,112	1,019,968	942,303	878,680	610,122
Corn ...	3,528,313	3,920,228	2,280,729	1722,680	1,722,070	1692,092
Oats... ...	1,092,423	1,061,474	655,928	559,506	499,431	439,596
Barley ...	235,269	240,758	160,646	118,172	105,903	95,731
Rye ...	134,947	104,447	59,676	45,083	37,018	26,220
5 crops ...	6,865,575	6,605,019	4,176,947	3387,744	3,242,902	2863,761
Potatoes ...	475,731	539,598	419,333	221,992	199.460	227,903
,, sweet	116,867	92,916	60,141	46,980	41,294	42,884
Hay, tame ...	1,522,473	1,423,766	1,042,930	913,644	779,068	797,077
,, wild ...	219,185	204,086	156,503	142,358	—	—
Tobacco ...	374,318	300,539	169,672	96,281	101,411	122,481
Cotton ...	1,616,207	1,566,198	1,122,295	604,210	519,616	825,395

That the value of the crops has risen so appreciably in the past few years has been almost entirely due to higher prices, for it will be apparent from the following statement, which sets out the productions of the last six years, that the yield of the several crops last year was roughly the same as in 1915, and not much larger than in 1914:—

Production of Principal Crops.

(000's omitted)	1918 Bushels	1917 Bushels	1916 Bushels	1915 Bushels	1914 Bushels	1913 Bushels
Wheat:						
Spring ...	358,651	223,754	155,765	351,854	206,027	23 ,819
Winter ...	558,449	412,901	480,353	673,947	684,990	523, 61
Total ...	917,100	636,655	636,318	1,025,801	891,017	763,3
Corn	2,582,814	3,065,233	2,566,927	2,994,793	2,672,804	2,446,988
Oats	1,538,359	1,592,740	1,251,837	1,549,030	1,141,060	1,121,768
Barley ...	256,375	211,759	182,309	228,851	194,953	178,189
Rye	89,103	62,933	48,862	54,050	42,779	41,381
Potatoes ...	397,676	438,618	286,953	359,721	409,921	331,525
,, sweet	86,334	83,822	70,955	75,639	56,574	59,057
Hay, tame *a* ...	75,459	83,308	91,192	85,920	70,071	64,116
,, wild *a* ...	14,374	15,131	19,800	21,343	—	—
Tobacco *b* ...	1,340,019	1,249,608	1,153,278	1,062,237	1,034,679	953,731
Cotton *c* ...	11,700	11,302	11,450	11,192	16,135	14,156

(*a*) tons. (*b*) lb. (*c*) bales.

The extent to which prices have risen since war began is indicated in the following table. This shows that, whereas five years ago the price of wheat was about 80c. a bushel, it had increased to about 204½c. on December 1 last. Other cereals had not risen in value to anything like the same extent, but it will be noted that, after the temporary decline in the prices of tobacco and cotton in 1914, those products advanced in value in a marked manner. To take cotton, of which the farm value on December 1, 1914, was 6.8c. a lb., the crop of 16,135,000 bales for that year was estimated to have been worth about $520,000,000, but last year's crop of 11,700,000 bales, based upon a price of 27.6c. a lb.

December 1918, was considered to be of the value of no less than $1,616,000,000:—

Farm Value per Bushel, December 1.

	1918 Cents	1917 Cents	1916 Cents	1915 Cents	1914 Cents	1913 Cents
Wheat:						
Spring	200·9	197·0	152·8	86·4	98·6	73·4
Winter	206·7	202·8	162·7	94·7	98·6	82·9
Total	204·4	200·8	160·3	91·9	98·6	79·9
Corn...	136·6	137·9	88·9	57·5	64·4	69·1
Oats...	71·0	66·6	52·4	36·1	43·8	39·2
Barley	91·8	113·7	88·1	51·6	54·3	53·7
Rye	151·5	166·0	122·1	83·4	86·5	63·4
Potatoes	119·6	123·0	146·1	61·7	48·7	68·7
,, sweet ...	135·4	110·8	84·8	62·1	73·0	72·6
Hay, tame (*a*) ...	$20·18	$17·09	$11·22	$10·63	$11·12	$12·43
,, wild (*a*) ...	$15·25	$13·49	$7·90	$6·67	—	—
Tobacco (*b*)... ...	27·9	24·1	14·7	9·1	9·8	12·8
Cotton (*b*)	27·6	27·7	19·6	11·3	6·8	12·2

(*a*) Price per ton. (*b*) Price per lb.

To complete the information here given we present two further statements, the first showing the acreage devoted in recent years to the principal crops, and the second setting out the average yields obtained per acre.

Area Harvested.

(000's omitted)	1918 Acres	1917 Acres	1916 Acres	1915 Acres	1914 Acres	1913 Acres
Wheat:						
Spring	22,406	17,832	17,607	19,161	17,533	18,485
Winter	36,704	27,257	34,709	41,308	36,008	31,699
Total	59,110	45,089	52,316	60,469	53,541	50,184
Corn	107,494	116,730	105,296	106,197	103,435	105,820
Oats	44,400	43,553	41,527	40,996	38,442	38,399
Barley	9,679	8,933	7,757	7,148	7,565	7,499
Rye	6,185	4,317	3,213	3,129	2,541	2,557
Potatoes	4,201	4,374	3,565	3,734	3,711	3,668
,, sweet ...	922	919	774	731	603	625
Hay, tame	55,971	55,203	55,721	51,108	49,145	48,954
,, wild	15,283	16,212	16,635	16,796	—	—
Tobacco	1,549	1,518	1,413	1,370	1,224	1,216
Cotton	35,890	33,841	34,985	31,412	36,832	37,089
Total (inc. misc.)	355,896	345,162				

Average Yield per Acre.

	1918 Bushels	1917 Bushels	1916 Bushels	1915 Bushels	1914 Bushels	1913 Bushels
Wheat:						
Spring	16·0	12·5	8·8	18·4	11·8	13·0
Winter	15·2	15·1	13·8	16·3	19·0	16·5
Total	15·5	14·1	12·2	17·0	16·6	15·2
Corn...	24·0	26·3	24·4	28·2	25·8	23·1
Oats...	34·6	36·6	30·1	37·8	29·7	29·2
Barley	26·5	23·7	23·5	32·0	25·8	23·8
Rye	14·4	14·6	15·2	17·3	16·8	16·2
Potatoes	94·7	100·3	80·5	96·3	110·5	90·4
,, sweet ...	93·6	91·2	91·7	103·5	93·8	94·5
Hay, tame (*a*) ...	1·35	1·51	1·64	1·68	1·43	1·31
,, wild (*a*) ...	·94	·93	1·19	1·27	—	—
Tobacco (*b*)... ...	865·1	823·2	816·0	775·4	845·7	784·3
Cotton (*b*)	155·9	159·7	156·6	170·3	209·2	182·0

(*a*) Tons. (*b*) lb.

According to the official report the area sown to winter wheat on December 1 last was 49,027,000 acres, or about 16% more than sown a year ago, when the acreage was 42,170,000, of which 5,778,000 acres were winter killed owing to unfavourable weather. The area harvested in the coming year is, of course, expected to be much less than sown—to what extent remains to be seen. But, on the assumption that 10% is winter killed, the area left would still be 44,125,000 acres and, given an average of sixteen bushels an acre, the total yield of winter wheat in 1919 would be upwards of 700,000,000 bushels. The condition of 98.5% on December 1 was one of the highest ever reported.

CHEMICAL NATIONAL BANK.—Mr. John Clausen, previously Vice-President of the Crocker National Bank of San Francisco, has been elected a Vice-President of the Chemical National Bank of New York, and will be head of the foreign department of that institution.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue. Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

CONSIDERING the influence of the holidays and the uncertainty of the immediate outlook for the commodity, the Rubber-share market displays remarkable firmness. Holders, believing apparently that the poor reports being issued indicate that the worst has been passed, are disinclined to part with shares, and, buyers being fairly numerous, movements in quotations are generally upward. There is nothing like activity, of course, but the trend undoubtedly indicates confidence. Tandjong have been a feature of strength, being bid for at 5⅛. This represents a market capitalisation of £130 per acre for the 5,886 acres planted; but this year the cultivated area will be raised to 6,216 acres and in 1920 to 6,377 acres. The shares of Sialang, another modern Sumatra concern, which may be described as the twin of Tandjong in the good opinions of the Harrisons and Crosfield management, are quoted at 79*s*., representing a valuation of £120 per acre of the estate of 6,600 acres. The reserve area in this case is small.

Lubok Rubber. — This Company's business is in process of expansion, and it looks as if its progress may be worth watching. Shareholders are to be asked on January 9 to sanction an agreement to purchase an adjoining estate comprising 442 acres planted and 720 acres of reserve land, which will increase the Company's total holding to 1,253 planted acres and 1,150 acres of reserve land situated in the State of Kedah, F.M.S. The purchase price is £21,000 in fully paid shares, which will raise the issued capital to £56,000. The Company is in the early stage of development as yet, and at about 3*s*. 9*d*. the market valuation will work out at approximately £80 per acre on the enlarged capital and area planted.

BAJOE KIDOEL.

THE report of this Harrisons and Crosfield Company for the year ended March 31 was a disappointment for shareholders, but the reasons for the poor results are easily explained and of temporary effect. The soil of the extensive estates owned being of very rich character, coffee and rubber cultivation is combined. Of 5,131 acres planted at March 31 only 1,500 acres were set prior to 1911, and, pending the coming into large-scale bearing of the rubber on the younger planted areas, reliance has had to be placed for revenue on the earlier-maturing coffee. Owing to war conditions preventing the shipment of coffee to the Continental markets it was possible to sell only 7,610 piculs out of 18,647 piculs harvested, and then at an average price of only £1-10*s*. 10*d*. per picul, against £3 17*s*. 6*d*. obtained in the preceding year. Cost of production was a little higher, and altogether, in place of a profit of £46,839 from coffee, a loss of £9,711 was incurred. Owing to the rubber coming later into bearing through the interplanting of coffee, production, though showing considerable increase, has so far not reached dimensions commensurate with the area planted, and with a low price having to be accepted in abnormally depressed markets the profit from rubber for the year was little more than sufficient to balance the loss on coffee. Hence the accounts show a net profit of only £5,166, against £65,666, and of course shareholders received no dividend. The following is a contrast of three years' results:—

	1918		1917		1916	
	Rubber	Coffee	Rubber	Coffee	Rubber	Coffee
Planted acres	5,131	*	4,795	*	4,540	*
	Lb.	Piculs	Lb.	Piculs	Lb.	Piculs
Output ...	473,093	18,647	264,521	23,048	139,962	13,348
	Per Lb.	Per Picul	Per Lb.	Per Picul	Per Lb.	Per Picul
Aver. price realised 1/8(*a*)	£1 10 10		2/5·63	£3 17 6	2/10·44	£4 1 3
Cost of production 1/0·4(*b*)	£2 0 4		1/6·81	1 16 11	1/8·85	2 0 9
Profit ... 1,7½	—		1/2·82	2 0 7	1/1·59	2 0 6
	£	£	£	£	£	£
Output value	44,207	29,972	35,363	89,384	18,688	54,271
Cost of production	30,458	39,686	18,669	42,545	10,398	27,225
Gross profit	13,749	9,714	16,694	46,839	8,290	27,046
	£		£		£	
	4,035		63,533		35,336	
Sundry revenue ...	2,418		3,811		1,670	
Total	6,453		67,344		37,006	
London charges ...	1,287		1,678		1,681	
Net profit ...	5,166†		65,666		35,325	
Brought forward ...	26,983		14,356		8,246	
Total available ...	32,149†		80,022		43,570	
Allocations:—						
Dividend	—		23,066 (13⅛%)		22,768 (13¼%)	
Excess profits tax	—		29,973		6,446	
Carry-forward ...	32,149		26,983		14,356†	
	32,149		80,022		43,570	
Net capital expenditure	9,263		6,635		5,328	
Issued capital ...	218,160‡		218,160		218,160	
Surplus liquid assets	—		19,889§		13,443	

* Rubber area interplanted with coffee.
† Excluding claim for refund of excess profits tax.
‡ Paid-up capital, £181,945, in 182,379 £1 shares 17*s*. 6*d*. paid and 35,782 shares 12*s*. 6*d*. paid.
§ Excluding uncalled capital (£36,200 at 31/3/17).
(*a*) Net price; (*b*) F.o.b. cost.

Probably some refund on account of excess profits duty will be obtained, but not a large amount in view of the Company's standard of calculation being 10% on the capital employed. In respect of the year which ended March 31 next little better results can be anticipated unless the resumption of normal shipping conditions is more rapid than at present looks probable. But in the ensuing financial year, with rubber production unrestricted, and coming from a considerably increased bearing area, high profits should again be shown. Dividends will depend largely upon the course adopted by the Government in regard to excess profits duty, but it is hardly to be supposed that the present basis of computation can be continued. The prices realised, also, will have much to do with earnings, and in this connection the very serious and widespread damage to the Brazilian plantations recently reported has to be remembered. Besides large areas of young trees which will add to production of both rubber and coffee during the next few years, the Company owns about 10,000 acres of reserve land, which is officially considered to be of such rich character as to enable the two cultures to be grown together without disadvantage. It is not very surprising, therefore, that notwithstanding the set-back to earnings in the past year the market values the £1 shares—17*s*. 6*d*. paid up now, but upon which the final call of 2*s*. 6*d*. is shortly to be made—at 60*s*., which represents a valuation of £135 per acre without allowing for reserve land.

ANNUAL REPORTS ANALYSED.

BATU RATA (SUMATRA).

Issued Capital: £119,617 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Results for Years to June 30— Rubber Output lb	Av. Yield per Bearing Acre lb.	Price Realised per lb	"All-in" Cost per lb	Net Profit £	Dividend Amt. £	Dividend %
1915–16	1,470	1,112	368,755	331	2/10½	1/1·6	32,971	21,939	20
1916–17	1,602	1,112	496,917	446	2/10	1/0·6	46,189	26,914	22½
1917–18	1,862	—	466,000	—	2/2·4	1/4	21,874	14,951	12½

Price of Shares, 46/0 c.d. Market Capitalisation per planted acre, £148.

THE past year's crop was purposely reduced to 466,000 lb. from the original estimate of 560,000 lb.,

and in the circumstances the all-in cost figure of 1*s.* 4*d.* per lb. can be considered quite satisfactory. the average sale price, too, of 2*s.* 2.4*d.* compares favourably with other concerns whose year ended June 30; and the profit, though less than half the 1916-17 total, was, nevertheless, equal to nearly 20% on the issued capital. Excess profits duty, however, requires £4,000, against £20,000 and £13,238 provided respectively in the two preceding years, and shareholders receive only 12½% dividends. But seeing that the year was one of the very worst in the experience of the industry, and shipping and marketing conditions were entirely upset by war circumstances, there is reason for satisfaction at the outcome. In connection with the programme of extending the plantations, rather heavy capital expenditure was again incurred, the outlay exceeding the depreciation allowance by £6,332, but half this is covered by an increase in the carry-forward. Hence the financial position remains sound, with the balance sheet at June 30 showing £9,600 of surplus cash resources after allowing for dividends and taxation. By now the planted area is expected to have been increased to 2,072 acres, and by the end of this year should cover 2,212 acres. Consequently, although the market valuation on the basis of the area planted at the date of the report works out at £148, this will shortly be reduced to £124, assuming the price of the shares remains at 46*s.*

KAMUNING (PERAK).

Issued Capital: £182,500 in 2/0 Shares.

	Results for Years to June 30							
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend Amt. %
1915-16	2,251	1,647	733,776	445½	2/7½	1/1½	57,768	36,500	20
1916-17	2,302	2,014	921,575	457½	2/7.9	1/1½	73,598	36,500	20
1917-18	2,404	—	778,418	—	2/1½	1/5	29,799	10,950	6

Price of Shares, 4/6. Market Capitalisation per planted acre, £170.

Restriction of tapping in accordance with the Rubber Growers' Association scheme, and the consequently higher costs, account for a large proportion of the severe contraction reported by this Company in its profits for the year ended June 30 last. The reduction in the average price realised from 2*s.* 8*d.* to 2*s.* 1½*d.* per lb. also contributed to the falling off in earnings; and in this respect, too, it will be realised that lack of shipping and the restriction of imports into America in consequence of the War were the governing factors. Hence the results can be viewed as abnormal and devoid of cause for anxiety. The profit, despite the adverse circumstances, was equal to 15% on the issued capital, and only small liability for excess profits duty was incurred. But a balance liability of £14,000 remains in dispute in respect of previous years, and the directors deemed it prudent to pay shareholders only 6%, against 20% for each of the two preceding periods. Income tax unrecovered from dividends called for £2,115, and after paying the dividend the carry-forward is raised from £1,126 to £17,859, subject to excess profits duty. Capital expenditure for the year, including outlay on new plantings, was nearly covered by the depreciation allowance, and, consequently, with the conservative profit allocation, the balance sheet shows a strong financial position. Normal tapping is to be resumed forthwith, and shortly, therefore, production at the rate of 1,000,000 lb. per annum will be witnessed, costs should come down appreciably, and, given a reasonable level of value for the product, shareholders should not have long to wait for a return to a higher degree of prosperity. The current financial year will not probably reflect the whole of the improvement to be expected, as six months have already elapsed, but the later outlook appears to be quite good. The shares seem pretty fully valued, however, at their present price.

BATAK RABIT (PERAK).

Issued Capital: £75,000 in £1 Shares.

	Results for Years to June 30							
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend Amt. %
1915-16	1,255	700*	259,177	370*	2/4·37	1/2·6	15,278	9,375	12½
1916-17	1,255	1,050*	379,579	360*	2/6·6	1/1·6	28,253	11,250	15
1917-18	1,389	—	346,043	—	2/1·9	1/6	12,231	5,625	7½

* Estimated.

Price of Shares, 40/0. Market Capitalisation per planted acre, £120.

When an estate still a good way off full bearing restricts output, and yet charges practically the whole of the year's expenditure against revenue, one naturally expects costs to rise considerably. The Batak Rabit was exactly in that position in the past year, and therefore there is nothing disconcerting in the all-in cost working out at 1*s.* 6*d.*, against 1*s.* 1½*d.* per lb. in respect of 1916-17. Of course, with lower prices ruling for the product a sharp slump in profit is reported, but the brunt of the set-back falls upon the Exchequer, excess profits duty amounting to £2,500, against £14,925 for 1916-1917. Hence, though the total profit of £12,231 compares with £28,253, the profit available for distribution comes out at only £3,600 less. However, to enable £2,500 to be added to reserve and £3,600 to the carry-forward, the dividend to shareholders is reduced from 15% to 7½%. As capital expenditure exceeded the depreciation allowance by a small amount only, the financial position has been strengthened, so that the balance sheet at June 30 shows £9,000 of surplus cash resources after allowing for dividends and taxation. Tapping restrictions have now ended, and for the year to June 30 next the output is expected to be 370,000 lb. Next year over 400,000 lb. should be harvested, and later on not far short of 500,000 lb. With costs likely to be reduced to something like their former level substantially better results are in prospect, and if the excess profits duty is drastically modified, or dropped, the dividends should sufficiently compensate for the lengthening of the waiting period.

BROOME (SELANGOR).

Issued Capital: £128,600 in £1 Shares.

	Results for Years to June 30							
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend Amt. %
1915-16	1,404	761	252,804	332	2/5·3	1/4½	13,561	10,931	8½
1916-17	1,657	1,100*	383,579	348*	2/8·6	1/5½	24,827	19,290	15
1917-18	1,657	1,350*	417,544	310*	2/3	1/8·88	10,949		

* Estimated.

Price of Shares, 30/0. Market Capitalisation per planted acre, £116.

This Company has failed in the past to show ability to work really economically, and for a Selangor estate with 80% of its plantations in bearing and tapping unrestricted, the past year's all-in figure of nearly 1*s.* 9*d.* per lb. is much too high for comfort, especially seeing that though only 20 additional acres were planted, as much as £6,804 of development and upkeep expenditure, including a proportion of general charges, has been debited to capital account. The f.o.b. cost alone works out at 1*s.* 1½*d.*, and sale charges account for nearly 5*d.* per lb. In dealing with the 1916-17 report we pointed out that after paying the declared dividends the balance sheet then issued showed an excess of current liabilities, and to put the position straight now involves the passing of the dividend. Even so surplus liquid assets at June 30 last only stand at £5,886, with an almost complete denudation of stores and materials. Luckily no excess profits duty has to be paid. The current year's production is estimated at 450,000 lb., but until costs are drastically revised shareholders can scarcely expect to receive a large return.

SCOTTISH UNION & NATIONAL
INSURANCE COMPANY.
ESTABLISHED 1824.
ASSETS Exceed £11,000,000.
FIRE, INCLUDING LOSS OF PROFITS, LIFE, ACCIDENT, ILLNESS, ANNUITIES, PENSIONS, LEASEHOLD, BURGLARY, GLASS BREAKAGE, TRANSIT OF SECURITIES, FIDELITY, PROPERTY OWNERS' RISKS, MOTOR-CAR RISKS, HORSE DRIVING ACCIDENTS, THIRD PARTY, EMPLOYERS' LIABILITY and MARINE INSURANCES effected on the most favourable terms.
Edinburgh: 35 St. Andrew Square.
London: 5 Walbrook, E.C. 4, & 4 St. James's St., S.W. 1.

BRITISH EQUITABLE
Assurance Company, Limited.
ACCUMULATED FUNDS exceed - - - £1,600,000
SUBSCRIBED CAPITAL - - - - - £300,000
PAID-UP CAPITAL - - - - - - £34,500
The Company transacts the following classes of business:
LIFE, FIRE, ACCIDENT, BURGLARY, EMPLOYERS' LIABILITY AND THIRD PARTY.
Write for particulars of the New Monthly Premium Policy Without Medical Examination
To the Manager—1, 2, & 3 QUEEN STREET PLACE, LONDON, E.C. 4.

The **DISTINCTIVE SYSTEM** of the
Scottish Provident Institution
secures the advantage of **Non-Profit Premiums** with the right to share in Surplus.
It is **the ideal system** for the present time.
Accumulated Funds £16,000,000.
London: 3 LOMBARD ST., E.C. 3. West End: 17 PALL MALL, S.W. 1.
HEAD OFFICE:
6 ST. ANDREW SQUARE, EDINBURGH.

The Effects of the War
ON
Life Assurance Business
Pamphlet on application to the General Manager,
SUN LIFE OFFICE (Estd. 1810),
63 Threadneedle Street, London, E.C. 2.

Insurance Notes.

PRESIDENTIAL ADDRESS AT THE INSTITUTE OF ACTUARIES.

Mr. Geoffrey Marks, O.B.E., the new President of the Institute of Actuaries, delivered his Inaugural Address at Staple Inn on December 16. As the actuary and manager of the National Mutual Life Assurance Society he has for many years had much experience of the particular business with which the Institute is most directly concerned, whilst he has given much attention to various national and social problems, in the solution of which actuaries are being called on to play an increasingly important part. As he pointed out in his address, actuarial knowledge and training are "either indispensable or advantageous" in connection with the administration of many Government Departments, such as the National Health Insurance Commission, the General Register, the Ministry of Pensions, the Register of Friendly Societies, the National Debt Office, the War Office, the Admiralty, the Board of Trade, and the Board of Inland Revenue, as well as of other Departments which deal with pensions. Actuarial questions also arise in the Treasury, the India Office, the Colonial Office, the Local Government Board, and in other Governmental sections, while a new and enlarged sphere of actuarial activity will come into operation should the proposed Ministry of Health eventuate. In order that these matters may be better dealt with, Mr. Marks discusses the desirability of the establishment of a separate controlling actuarial and statistical department for co-ordinating and other purposes, and his remarks on this head will be found interesting and instructive.

Increasing demands are being made on the Exchequer every day in order to provide benefits and pensions for vast numbers of the inhabitants of these islands. Whilst most of these cases are worthy of the most sympathetic consideration, the ultimate cost is certainly a matter that ought to be calculated in the light of the most approved scientific experience. This is a feature often left out of account by rival political parties bidding for electoral votes, and Mr. Marks' remarks on this point are worthy the attention of our legislators. Regular reports by an efficient Government Actuarial Department on these matters would, indeed, be of invaluable aid to the custodians of the public purse as a constant factor.

A part of this Presidential Address relates to the great desire which many actuaries have expressed for a permanent census office, "consistently examining and rearranging in different lights the results of each examination. Mr. Marks seems to plead for quinquennial instead of decennial censuses. But why, one might ask, once appropriate machinery is set up, should there not be a numbering of the people every year? There is a yearly register of voters which now embraces nearly half the population. The people were numbered last year in connection with the food-rationing scheme. So that the difficulties do not seem insuperable, and the results would certainly be most advantageous. In this quickly moving age there are constant changes in the local incidence of the population. The big industrial towns of rapid growth are specially attractive to young people, whereas the more stationary residential centres are apt to find increasing favour with persons of riper years. The deductions drawn by rival cities who wish to advertise superior salubrity are, however, altogether misleading if the element of the comparative average age of the inhabitants is left out. Some of our most healthy towns, specially favoured by elderly folk, will appear undesirable places of residence, in view of the annual rate of mortality, as compared with insanitary places where youth predominates, unless the factor referred to is made to carry its proper weight. This is, of course, only a minor instance of the desirability of the application of scientific methods to the treatment of questions affecting the social and economic welfare of the population, in regard to which an Actuarial Government Department might be found most serviceable.

In the Insurance Supplement of The Statist published on the 14th ult. reference was made to the system of "group insurance" of the lives in a mass of large bodies of workmen or other employees which has found recent favour in America, and in which it was suggested that some of our own life offices might find an opportunity of vastly extending their business. Some particulars of this American experience are given in the Address under review. It seems that the system was initiated in 1911, and has led to enor-

mous transactions. According to Mr. Marks, the central idea is that employers should provide, out of their profits if possible, death benefits for their employees, accumulated through payments of an annual premium which is calculated to provide for all the deaths during one year, only one policy being issued to cover the whole risk. It is a renewable term policy, and the soundness of the American system depends upon whether the number and age distribution of employees remains fairly constant. It seems doubtful to us whether this particular method will find favour in this country, and it is quite likely that a system providing insurance at appropriate rates to each age, or group of ages, will appear preferable to British life offices. It would have to be arranged in that case that an employee, on leaving his firm, should receive an appropriate surrender value, or should be allowed thereafter to maintain his policy at the old rate on his own account. It is clear also that in this country the consent, or at all events the non-opposition, of trade unions would frequently be found to be necessary. One great merit of any scheme of the kind is that it could be worked at a low expense ratio, the cost of collection being borne by the employer. Nor are any initial expenses relating to medical examination necessary, for the business may be assumed to average itself out as regards longevity, as compared with statistics of vitality affecting the class as a whole from which each group of assured lives is drawn. A low expense ratio is, of course, a desideratum, and from a life assurance point of view would be of immense advantage to the industrial population. Mr. Marks is informed that the Union Pacific Railroad has insured 35,000 employees under this scheme to the extent of one year's salary, the total insurances under this single policy amounting to $30,000,000; but this is small in comparison with what the Standard Oil Company must have paid, for they are said to have insured 500,000 employees. If the Standard Oil Company's wages were at about the same rates as the Union Pacific's, the assurance by a single policy would in their case amount to about $430,000,000, or to, say, £86,000,000, which is not far short of twice the total amount of the new ordinary life assurance policies issued in 1917 by British life offices. An enormous extension of business is, therefore, possible in this country if group insurance is extensively catered for by our life assurance institutions and is found generally acceptable by large employers of labour.

The extension of sickness insurance to embrace persons such as the majority of the members of our professional and a large proportion of our salary-earning classes whose incomes are dependent on their continued good health, and who are outside the National Health Insurance scheme, is advocated in the Presidential Address. No doubt this is a widely felt insurance want, and the collected experience now available, if actuarially tested, should provide a fair basis for our more enterprising life offices to begin to extend their spheres of usefulness in this direction.

Mr. Marks' Address relates to a wide variety of subjects of public interest which we have not referred to on account of limitation of space. Another portion, referring to the educational work of the Institute and the character and range of the examinations for its degrees, is largely of a domestic character. But it ought to be recorded that the President is in sympathy with proposals for the extension of facilities to women, in order that they may qualify themselves for entering the actuarial profession. We see no reason against such a development; indeed, we highly favour it. The number of women employed by life assurance offices for clerical work has become very great, and is likely to remain so. Mr. Marks says, and says well: "I do not see, therefore, why the Institute should affect to be deaf or should bar its doors when women begin to knock at them. It is unlikely that any but women of high intelligence will seek admission here, and for intellect, whether it resides in men or women, there is always room in every profession. For these reasons my personal opinion is that women should be admitted to the Institute on equal terms with men, and that, if the members decide that this should be done, it should be done completely at the appointed time." It would be difficult to dispute the wisdom of this pronouncement.

NORTHERN ASSURANCE COMPANY.

Our attention has been drawn to the fact that on page xxiv. of our recent Insurance Supplement the amount of Male Life Policies without Profits obtainable for an annual premium of £10 were understated. They should be as follows:—

Age of Entry			
25	30	35	40
£	£	£	£
642	558	478	403

We are further infrmed that, under the terms of a prospectus recently issued, immediate annuities are now granted as follows:—

	Age—50			55			60			65		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Male ...	7	9	10	8	7	9	9	12	2	11	5	5
Female ...	7	0	5	7	13	8	8	12	7	10	0	2

A DARRACQ AND CO. (1905).

This Company is now a building concern interested in undertakings manufacturing Darracq motor cars in this country and France. During the War the profits largely expanded, with the result that whereas for 1912-13 and 1913-14 no dividend was paid on the Ordinary and for both 1914-15 and 1915-16 the dividend was 9½%, for the past two years 20% has been paid. The net trading profit for 1917-18 amounted to £152,000, of which about £42,700 represented profit on realisation of investments. From surplus profit £25,000 was transferred to reserve fund, now standing at £225,000. The growth of profit in recent years is indicated below:—

Yr. to Sept. 30	Trading Profit, &c.	Div. on Pref.	Ord.	Profit for Ord.	Div on Ord.		Balance	Special Allctns.
	£	%	£	£	%	£	£	£
1918...Int. on Debs.	151,956*	10	37,500	114,456	20	55,000	59,456	25,000
1917...Now paid off	123,388	10	37,500	85,888	20	55,000	30,888	30,000
1916...	15,000	84,137	7	26,250	57,887	9½	26,125	31,762	32,219
1915...	15,000	117,122*	7	26,250	90,872	9½	26,125	64,747	70,000
1914...	15,000	49,462	10½	39,375	10,087	nil	—	10,087	—
1913...	15,000	20,014	3½	13,125	6,889	nil	—	6,889	—
1912 ..	15,000	Dr.15,733	7	26,250	Dr.41,983	3½	10,312	Dr.52,295	Dr.30,000
1911...	15,000	97,969	7	26,250	71,719	8¾†	24,062	47,657	50,000
1910...	15,000	105,305	7	26,250	79,055	8¾†	24,062	54,993	56,000
1909...	15,000	86,368	7	26,250	60,118	7½†	20,625	39,493	50,000
1908...	15,000	120,305	10	37,500	112,805	20†	55,000	57,805	50,000

* Includes profit on realisation of investments: 1917-18, £42,719; 1914-15, £25,496.
† Tax Free. ‡ Subject to Directors' Commission.

In view of expenditure incurred in the past year in acquiring a predominant interest in the firm of Heenan and Froude, constructional engineers, and of the opportunity of extending and developing the operations of the subsidiary companies, it is necessary to increase the capital, which at present amounts to £650,000, consisting of 275,000 of £1 Ordinary shares and of 375,000 of £1 Preferred Ordinary shares, entitled to 7% cumulative and to a further 3% in any year after the Ordinary shares have received 10%. Dividends on the Preferred shares for the past two years have been at the rate of 10%. At the meeting held this week a further 225,000 of Preferred and 275,000 of Ordinary shares were authorised by the shareholders, and, subject to Treasury consent, the whole of the additional Ordinary and 125,000 of the Preferred are to be issued. The new capital is to be underwritten and will apparently be offered to the public. The Preferred shares are to be offered at £1 1s. a share, compared with the present market price of £1⅜, and the Ordinary at 30s., compared with the current quotation of 2½ for the old Ordinary shares. When the issue has been made the capital will amount to £1,050,000—£500,000 in Preferred and £550,000 in Ordinary—and the premiums received, if carried to reserve, will raise that fund to £368,750, besides which the Company has a capital reserve account of £59,237 and an investment depreciation account of £20,000. Current assets, consisting of cash, sundry debtors, and investments other than in subsidiaries, were shown in the last balance sheet at £458,589, against which were current liabilities of £250,129.

AFRICAN ASSOCIATION.

The African Association, Ltd., is a Liverpool undertaking of merchants, shipowners, etc., carrying on business in Southern Nigeria, the Gold Coast, and Canary Islands, and is largely interested in the Niger Company, with whose position we dealt a week ago. At the end of 1916, besides £200,000 of Preference capital, it had in issue 334,024 of £1 Ordinary shares and £6,768 of £1 Founders' shares, entitled to half the profit after 12% on the Ordinary. Early in 1918 the Founders' shares were extinguished by exchange of 14 Ordinary shares for each Founders' share, so that the present Ordinary capital is £428,776. At the same time it was decided to distribute among Ordinary and Founders' shares the balances of their respective undistributed dividend funds as at the end of 1916, and in this way 3*s.* 2*d.* per share net, calling for £32,270, was distributed to the Ordinary shareholders and £8 1*s.* 5*d.* net, calling for £54,630, was paid to the Founders' shareholders. In order that these funds should not be withdrawn from the business, shareholders were invited to place the bonus money on loan with the Company for five years, or until such time as Treasury consent could be obtained to issue fresh capital, and were given an option subsequently to take up new Ordinary shares at the price of 45*s.* per share in satisfaction of the loan. Sanction has now been received by the Treasury to issue to the shareholders 100,000 of 6% Preference shares similar to those already in issue and 150,000 new Ordinary shares. In respect of £98,037 of bonus money loaned to the Company, 43,572 of the new Ordinary shares will be required to fulfil the Company's obligation. The residue of the Ordinary shares are offered to existing holders at the price of 45*s.* per share, and the whole of the new 100,000 Preference shares at par. The shares in question are offered approximately at the rate of 2½ Ordinary and 2½ Preference shares for every 10 Ordinary shares held as at December 20 last, subject to the provision that no Ordinary shares may be taken up without subscribing for a corresponding proportion of Preference shares. The Ordinary shares are quoted in Liverpool at 65*s.* 3*d.* and the Preference at 20*s.* 6*d.* For 1917 the profit for the Ordinary was £121,049, out of which 20%, less tax, dividend was paid; £20,000 was added to reserve fund, now standing at £142,000, and £15,294 was carried forward. Profits in recent years have been as follows:—

Yr. to Dec. 31	Net Trading Profit	Div. on 6% Prefce.	Profit Balance	Div. on Ordinary %	Div. on Ordinary £	Div. on Founders' Shares %	Div. on Founders' Shares £
	£	£	£				
1917	133,049†	12,000	121,049	20	85,755	—	—
1916	234,869†	12,000	222,869	20*a*	68,804	280*a*	18,950
1915	105,938†	12,000	93,938	15	43,423	200	11,731
1914	64,292	12,000	52,292	12½*	41,753	100*	6,768
1913	82,414	12,000	70,414	12½*	41,753	200*	13,536
1912	62,101	5,799	56,302	12½*	41,753	125*	8,460
1911	68,470	—	68,470	12½*	41,753	200*	13,536
1910	104,064	—	104,064	12½*	41,753	425*	28,764

* Tax free. † After reserve for excess profits duty. (*a*) Also bonus equal to 3*s.* 2*d.* net per Ordinary share and £8 1*s.* 5*d* net per Founders' share.

EDISON SWAN ELECTRIC COMPANY.

This Company contemplates the issue of additional Ordinary capital for developing its existing business, and particularly with a view to participating in the demand for electrical apparatus likely to arise in consequence of the reconstruction work that needs to be taken in hand. Before carrying out its scheme of issuing further capital it would, however, appear that once more some arrangement of the capital account will have to be made. Only comparatively recently a readjustment of the capital was made, while early in 1917 Ordinary shareholders were invited to subscribe for £100,000 of Preference capital. Partly through the use of this extra money and partly through increased business the profit for the year to June 1918 showed considerable expansion, the net profit, after providing for Debenture interest and sinking funds, having amounted to £86,775. A dividend of 10% was paid on the Preference capital, entitled first to 7% cumulative and, after provision for reserve fund, to an additional 3%. Further, for the first time since 1907 the "A" shares received 7½%. Dividends on the £383,478 of "A" Ordinary capital are cumulative, arrears at the end of June 1917 having been £430,552. Before new Ordinary shares can be issued it will be necessary to obtain consent of the "A" shareholders to relinquish their claims for arrears, otherwise the new shares to be issued could never receive more than 7% while arrears remain unpaid. From last year's surplus profit £10,000 was transferred to reserve fund, now standing at £50,000, and £4,222 was written off expenses of First Preference issue, leaving £5,000 to be similarly treated in future. The balance forward has been raised from £13,266 to £50,265, out of which provision will have to be made for excess profits duty. The First Debenture stock, entitled to 5% interest since mid 1917, against 4% formerly, is quoted at 74½ and yields £6 14*s.* 3*d.*, and the Second Debenture stock, upon which the interest was raised in 1917 from 5% to 5½%, stands at 73½, the yield being 7⅝%. The price of the £1 Preference shares is about 1¼, and, allowing for accrued dividend, the return from the 10% dividend is about 8⅛%. The £1 "A" shares are at par, making the yield from the past year's dividend about 8%. Recent results compare as follows:—

Yr to June 30	Trading Profit, &c.	Depreciation	Expenses, &c.	Deb. Int., &c.	Net Profit	Div. on 7% Cum. Partcptg. 1st Prefce.	Div. on "A" Shares		Special Allctns.	Carr'd Frwd.
	£	£	£	£	£	£	%	£	£	£
1918	169,751	20,122	34,148	28,706	86,775	6,793	7½	28,761	14,222	50,265
1917	62,549	8,428	26,734	15,987	11,400	—	Nil	—	2,159	13,266
1916	65,742	8,731	17,162	15,702	24,147	—	Nil	—	25,000	4,025
1915	56,962	7,424	19,689	15,702	14,147	—	Nil	—	15,000	4,878
1914	51,244	6,868	23,979	15,702	4,695	—	Nil	—	—	5,731
1913	—	5,200	—	15,702	Dr.4,725	—	Nil	—	3,014	1,036

DICK KERR AND CO. AND THE ENGLISH ELECTRIC COMPANY.

The plans for amalgamating electrical undertakings with a view to increasing their capacity to participate in future large schemes, such as the electrification of railways, the construction of central power stations, and the development of hydro-electric installations, have now been completed. That such a proposal was afoot was indicated by the Chairman of Dick Kerr and Co. at the meeting held in November, since when the English Electric Company has been formed with an authorised share capital of £5,000,000, £3,500,000 in £1 Ordinary shares and £1,500,000 in £1 6% Cumulative Preference shares. The new undertaking is to acquire the whole of the shares of the Coventry Ordnance Works, Limited, which has in issue £700,000 of Ordinary capital and £100,007 of 5% Cumulative Preference capital, and of the Phœnix Dynamo Manufacturing Company, Limited, and is now asking shareholders of Dick Kerr and Co. to exchange their holdings. Dick Kerr and Co. in 1916 obtained acquired controlling interest in Willans and Robinson, and beyond having recently entered into an arrangement with Siemens Bros. and Co. regarding selling organisations and co-ordination of designs and products, has established subsidiary companies in France and Japan. The share capital of Dick Kerr consists of 300,000 of £1 Ordinary and 350,000 of £1 6% Cumulative Preference shares, and holders are asked to exchange share for share into the English Electric Company. Shareholders of Dick Kerr agreeing to the exchange will be given the right to subscribe at par for one new Ordinary share of the English Electric Company for each complete three shares (Preference or Ordinary) exchanged. The Preference shares of Dick Kerr are now quoted at par, and the Ordinary, which have received 10% dividends for the past two years, stand at 1½. If the offer of the English Electric Company is accepted by the shareholders of the three companies whose shareholders are invited to exchange their holdings the issued capital of the new undertaking will be approximately £442,000 in Preference shares and £1,430,000 in Ordinary shares.

Life Assurance at Minimum Rates.

A
PLAN of ASSURANCE
SPECIALLY ADAPTED
for PRESENT TIMES.

For particulars address the

GRESHAM LIFE ASSURANCE
SOCIETY, LIMITED,
ST. MILDRED'S HOUSE, POULTRY, E.C. 2
Founded 1848. Funds £10,500,000.

THE GRESHAM FIRE & ACCIDENT INSURANCE SOCIETY, LIMITED.
Transacts all classes of Fire and Accident Business.
Chief Office: St. Mildred's House, Poultry, London, E.C. 2.

HEAD OFFICES: LIVERPOOL AND LONDON
ROYAL
INSURANCE COMPANY, LIMITED
ALL CLASSES OF INSURANCE EFFECTED

COMMERCIAL UNION
ASSURANCE COMPANY, LIMITED.

Head Office: 24/5/6 CORNHILL, LONDON, E.C. 3.

Total Assets (Including Life Funds)—£31,801,986.

Commercial.

EMPIRE JUTE.

According to a recently published Blue Book the world's supply of jute varies between 7¼ million bales and 10 millions, while the acreage from which the fibre is derived varies from 2¼ to 3 millions. Jute is essentially a British Empire product, being in fact grown practically entirely in our Dependency of India. For its successful production it requires certain conditions of rainfall, of temperature and of soil, but, above all, the total cost of production must not exceed a certain figure. India apparently of all the countries of the world is able to fulfil these conditions. In certain districts of Bengal and Assam which are favourable to the cultivation of jute the supply of rain appears to be fairly reliable; and of course in these two provinces of the Indian Empire there is an abundant supply of labour, exceeded only in a few specified districts of China, than in any part of the world. These districts are exceedingly warm, and the actual cost of living, consequently, to the native labourers is relatively small when compared with what it is in other countries, particularly those of the colder regions, where the cost of food, raiment and housing is comparatively high. The result is that the jute trade for the actual production of raw material probably pays less per unit than any other of the great textile industries known to the world.

Jute is known all over the world. It is a basic substance for the manufacture of certain articles to which we will refer later; but it can be appreciated and can be generally used in the great exporting markets of the world, particularly those which supply food and raw material upon an immense scale, owing to the fact that it is the cheapest and most efficient packing sack that could be found. Cotton, of course, would do equally well if cost of production were a matter of no consideration; but in this mundane world economic considerations always play an important and usually a determining rôle in the choice of any particular material to be employed for any specific purpose. It is in the form of gunny cloth for making gunny bags that jute became famous throughout the world's great markets. It is durable, efficient and will stand the rough treatment to which packages are submitted during course of transit by the great steamship lines of the world. Above all, as we have said, there is no similar fabric capable of giving such efficient service as jute, which can be produced at anything like the price.

The total value of the jute exports and of manufactured jute goods in the years that preceded the late War mounted to, roughly, 20 millions sterling, representing between one-half and two-thirds of the total export of articles wholly or mainly manufactured in India. This does not of course include the exports of more or less raw fibre. India employs in the jute industry a quarter of a million people, using between 800,000 and 900,000 spindles. There are 70 mills with 38,000 looms. The great demand for jute comes from countries producing food and raw materials, and these countries consume a far greater proportion of the total output than other countries of the world. Consequently, the War had a comparatively small effect upon the jute trade of India. The closing of the countries with which the Entente Powers were at war had comparatively trifling influence. It is generally estimated that India retains more than a third of her jute manufactures for carrying on her own merchandise and exports, and sells to the rest of the world very nearly two-thirds of her jute products.

Jute, as we have said, is produced to a serious extent only within the confines of the British Empire. Its cultivation is mainly in Bengal, Assam, Nepaul and Cooch Behar. Attempts have been made to cultivate jute in various places, particularly in China and Egypt, and more recently in Africa, but in no single instance have these attempts met with any considerable measure of success. Jute, as we have already said, is the cheapest of all textile materials; and for the purposes for which it is principally used is the most efficient known, at anything like the price at which jute can be produced. Owing to its cheapness and durability it is in constant and general use all over the world for the manufacture of sacks, or gunny bags, as they are commonly called, wrappers and packages for all sorts of raw and manufactured articles of commerce. It is also, as we indicated above, a basic material in the manufacture of linoleum and floor-cloth, and it is used in very many other ways. Owing to its low price it enjoys a virtual monopoly, because the only materials capable of taking its place for packing articles of commerce, whether for domestic use or for the export trade, are cotton and wooden packages, and practically to use either would at once double the packing cost of the article.

The cheapness of jute is an essential condition of its general use. There can be no reasonable doubt that the influences of the trade both in India and Dundee, in Scotland, which is the principal scene of jute manufacture of these islands, favour what is called cheap jute. They argue, and with apparent reason, that cheap jute means an active demand. Any cause, such as an unfavourable monsoon restricting the area under cultivation, always or nearly always acts as an adverse influence upon the trade both of India and Dundee. We have just said above that jute, in addition to its use for packing purposes, which of course is the predominant cause of its great demand and was the original source of its great popularity, is exceedingly useful for very many purposes besides those of packing. Jute matting is of course well known here, and is used in the halls and entrance-places of very many houses in England, but those whose knowledge of England only extends to England will be surprised to learn how very largely jute carpets are used for a very extensive area of the British Empire. It happens that in certain undeveloped areas, where the drainage is defective and malaria and mosquito-haunted swamps are at no great distance from

a human habitation, woollen carpets are impossible, as they attract insects of various kinds which breed in these death-producing swamps. Now jute carpets will resist the attack of all these insects, as no doubt grown in the warm parts of Bengal and Assam only that plant can survive which is capable of resisting the insect growth which naturally haunts sub-tropical lands. For a long time jute carpets found great difficulty in making their way even in tropical countries, because they were very unsightly and did not take a good dye, but in recent years a really well-made and well-dyed jute carpet is exceedingly difficult to distinguish from a handsomely made woollen carpet produced by any house of repute throughout any part of the world.

We have before us a Blue Book giving the Indian crop of jute in the season before the outbreak of the late War. The crop amounted, according to this official authority, to 2 million tons. India itself absorbs 50% of the whole of the crop. The United Kingdom was the next important buyer. We will give them in tabulated form:—

	Tons
India	1,100,000
United Kingdom	300,000
France	120,000
Italy	50,000
Russia	50,000
Belgium	20,000
Germany	160,000
Austria	60,000
United States	120,000
Other countries	20,000

It will be seen that more than half the jute crop is consumed in India itself, chiefly by the jute mills, which in recent years have been established in Calcutta. We in these islands are the next best customers, where the manufacture of jute is carried out principally in the district of Dundee, in Scotland. India is by far the most important jute-manufacturing country, the industry having made extraordinary strides during the past 15 or 20 years. In the year before the War India exported 117¾ million yards of gunny cloth, that is, cloth suitable for the making of sacking, to various parts of the British Empire, and of this total the United Kingdom took 50½ million yards. France, Italy, Russia, and Belgium between them took only 80 million yards, the recent enemy countries 7½ million, the United States more than 700 millions, and other countries outside the British Empire, mainly those producing food and raw materials, 200 million yards. In the same way just before the War India exported gunny bags themselves to various parts of the British Empire to the extent of 35 million, and of these nearly 30 millions were consigned to the British Empire, but again the United States and certain other countries mainly engaged in the production of food and raw materials absorbed between them more than 260 million bags. India's export of jute yarn to the whole world only slightly exceeded 5¼ million pounds, and after the United Kingdom had absorbed more than 5 million pounds there was not quite 30 thousand pounds left for the rest of the British Empire.

PIGS.

It is only within the last few months that British readers have as a body realised from Government circulars as to control that the U.S.A. is the chief pig-rearing region in the world, and that we can draw upon them for, say, five million pigs without the native or home demand being at all dangerously trenched upon. The following are the estimated numbers of pigs kept in leading countries when war broke out and now:—

	July 1914	October 1918
U.S.A.	58,160,000	63,976,000
Germany	26,000,000	10,000,000
Russia	16,000,000	12,000,000
Austria Hungary	14,000,000	7,000,000
France	6,500,000	5,000,000
United Kingdom	3,500,000	2,500,000

The American increase is put by some at much more than 10%, but the American Press takes that as a safe figure. The extra consumption of maize points to nearer 20 than 10% increase, but we must not assume that all the missing maize has gone to the stye. The increased keeping of fowls is most remarkable, and the use of maize for cakes and human food generally has been much extended owing to President Wilson's appeal to send wheat to Europe. Germany admitted as long ago as January 1917 that pigs were down to 13 millions, and there has undoubtedly been a further decline since then. In Austria-Hungary the decline is probably not quite so rapid, as the peasant millions of Sclavic peoples cling to their swine-woods and pastures with a desperate tenacity. The same reason will induce us to put Russia's herds at a comparatively high figure. France has found it very difficult to feed her pigs, apart from war losses, and the United Kingdom has been steadily reducing its pig population ever since the War began. It is the one side on which our agriculture has conspicuously failed, the Government control of fodder and corn being very prejudicial to this industry, one of "small" men, very individualist, hostile to, or afraid of, the official.

There is a wonderful divergence of opinion in America over pig-keeping, the farmers of Iowa owning 7,250,000, while those of the three great Pacific States hardly keep them at all. In Europe the pig population is equally puzzling, Portugal keeping twice as many to the square mile as Spain, North Italy twice as many as the South.

Canada, however, is the country of the most startling contrasts, and as pigs well fed are great cold resisters, while very susceptible to damp, close, and muggy weather, there should be a great future for breeding them in a region where the summer air is crisp and dry and the winter cold is not made dangerous to the genus *Porcus* by reason of being moisture-laden. Canada at present owns pigs as follows:—

Ontario	1,700,000 pigs	to millions of acres	167
Quebec	800,000	„ „	225
Saskatchewan ...	250,000	„ „	161
Alberta	215,000	„ „	163
Manitoba	185,000	„ „	47

There is room for a vast increase here, and as Canada is already self-supporting as a pig-owning country the exports to the United Kingdom after the War ought to be very considerable. Quebec, Saskatchewan and Alberta should be able, each of them, to send us a million pigs, which with half-a-million well within the possibilities of Manitoba will make 3½ millions. The Canadian farmer will find it pay him to grind up all his No. 4, No. 5 and No. 6 wheat into "middlings," and send us the resulting pig-flesh as bacon, ham and pork. The comparatively short voyage as sea-traffic goes should help to build up this trade.

HARRISONS & CROSFIELD LTD.

ISSUED CAPITAL £1,075,000

EASTERN AND GENERAL MERCHANTS.
Shipping, Banking and Insurance Agents.
Agents and Secretaries for Rubber, Tea, and Produce Companies.

Head Office - 1/4 Great Tower Street, London.

Branches.

Colombo.	Quilon.	Calicut.	Cochin.
Calcutta.	Kuala Lumpur.	Medan.	Batavia.
Bandoeng.	Kobe.	Montreal.	Tangier.

Affiliated Companies.

Singapore.	Penang.	Sandakan.	Jesselton.
Shanghai.	Foochow.	Hankow.	New York.
Philadelphia.	San Francisco.	Cape Town.	Melbourne.
Sydney.	Brisbane.	Auckland.	Dunedin.
Adelaide.	Wellington.	Christchurch.	

MEETINGS
OF PUBLIC COMPANIES.

THE BRADFORD DISTRICT BANK, LIMITED.

FUSION WITH THE NATIONAL PROVINCIAL.

TERMS ACCEPTED BY SHAREHOLDERS.

An extraordinary general meeting of the shareholders of The Bradford District Bank, Ltd., was held at the Midland Hotel, Bradford, on Monday, December 23, 1918. The Chairman (Sir Prince Smith, Bart.) presided, and the other directors present were Mr. Grosvenor Talbot, Mr. James Bairstow, Mr. Dudley H. Illingworth, Mr. William Watson, and Mr. A. E. Lewis.

At the outset the Chairman referred with feeling to the part played in the great war by members of the staff of the bank. After stating that a number of men had received decorations for gallantry, he spoke of those who had laid down their lives in the service of their country, and he tendered deep sympathy to the relatives and friends of the fallen. At the Chairman's request those present rose in their places as a last mark of respect to their memory.

The Chairman on the Proposal.

Sir Prince Smith's address to the shareholders, which was read by the secretary of the bank, was as follows: We have called you together to-day to submit for your approval the proposal for the amalgamation of the Bradford District Bank, Ltd., with the National Provincial and Union Bank of England, Ltd. Now before I dwell on the reasons which have prompted your directors to enter into the provisional agreement it may not be inappropriate if I make some slight reference to the early history of the bank and its growth to its present position. The bank was established in 1862, being promoted by many gentlemen who became very prominent in the industrial life of the West Riding, and some of these gentlemen, or their descendants, have served the bank since the day of its establishment. In the year 1872 the bank's deposits amounted to £480,000; in 1882 they were £940,000; in 1892 £1,220,000; in 1902 £1,730,000. In 1904 the business of the Bradford Commercial Joint Stock Bank having been acquired, the deposits of the bank at the close of that year reached £2,950,000. At the end of 1910 they amounted to £4,580,000; in 1913 to £5,470,000; and on June 30 last to £9,600,000. The increase in the last period, which is the war period, is largely accounted for by the great inflation in values, which is reflected in the deposits of all banks.

It has always been the policy of your directors to strengthen the bank as far as possible with additions to reserves, which policy, if allowances be made for the bonus distributed in 1899 by way of addition to the paid-up capital, has enabled the bank not only to maintain its dividend during a period of thirty-six years, but gradually to increase its distribution during that period from 8% to 13¾%. Since the day of its establishment it has been the one aim of the directors who have held office to build up and preserve for this important and growing community and the neighbouring towns in the West Riding a strong institution which, whilst proving of advantage in fostering the development of trade, would also prove remunerative as an investment to its proprietors. I feel that, as the successors of the founders and others who have followed them in the direction of the bank, we can justly claim in their name and our own that the work has been done with no small measure of success. For this success no little debt is due to the confidence reposed in the board by the shareholders and customers of the bank and to the support it has always received from them.

Gentlemen, let me say without reservation that this confidence has been greatly valued. To me personally the bank has been second only in my thoughts to my own business, and I am sure the same could be said by all my colleagues. I have felt during all the years that I have been associated with the bank that it has been a source of real service to the West Riding, and I am sure I am not overstating the case when I say that no small amount of the prosperity of an important section of the West Riding has been, in one way or another, intimately associated with the District Bank. Having these convictions, and remembering its history, it is not surprising that on many occasions, speaking on my own behalf and on behalf of my colleagues, I have strongly advocated the continuance of the bank as a local institution. A distinguished banker, however, said shortly after the outbreak of war that things would never be the same again. We to-day see how true this is, for, in taking a general view, we see something of the great changes that have taken place and are taking place in our economic life, the importance of which in their bearing on the usefulness of this bank has become very real to your directors, particularly during recent days.

Banking Developments.

I should tell you that, prior to this, your board had watched with the closest attention the developments that were taking place in the banking world. The discussions as to the future of this bank had been frequent and lengthy, but your directors considered that, notwithstanding the reduction that was taking place in the number of purely provincial banking institutions, there was no conclusive evidence as to the necessity or the desirability for amalgamating, and so long as such was the case they felt that it was in the interests of all concerned that the independence of the bank should be preserved. It is, however, generally known that, shortly before the cessation of hostilities, there were serious discussions in trading circles as to the financial support that would be necessary, on the present basis of prices, in the event of the trade entering into arrangements for relieving the Government of its share in financing the industry, as a preliminary measure in regaining the control of the trade. It should be remembered that in the last pre-war season (1913) the total importation of foreign and colonial wool into the United Kingdom was valued at over £36,000,000, and home-grown wool was valued at £6,900,000. Probably, on the basis of to-day's values, these combined would reach in value considerably over £80,000,000 sterling, and it is interesting to note that the recent announcement of the Government places the cost of its purchases of wool for the season 1918-19 at a sum approaching £90,000,000.

From the foregoing facts it became apparent to your directors that the trade would require exceptionally large facilities from the banks as soon as normal conditions were resumed. Of course, in estimating the probable requirements of the trade, we have to allow for purchases from the Government to be on a cash basis, added to which provision has to be made for greatly increased costs in the form of wages and of mill materials, which are necessary for the conversion of the wool into tops. The capital found by the topmaker for this purpose does not return to him under a period of at least three months, but at the expiration of such time he may be asked to take a bill having four months to run, in payment for his tops. In other words, he may have to find the necessary capital, in one way or another, for a period of seven months. After the topmaker has done his part, it takes a few months longer before the tops are converted into yarn, and then into the finished material, and before the whole of the money spent on the wool in its various stages returns to the West Riding. As indicative of the great increase in prices, I might mention that 40's prepared tops, which were selling at 1*s.* 4*d.* per lb. before the war, are to-day fetching 3*s.* 1*d.* per lb.; 64's tops, which were selling at 2*s.* 7*d.* per lb. in 1914, are to-day fetching 6*s.* 6*d.* per lb. Two-fold 60's botany yarns, which were selling at 3*s.* 6*d.* per lb., are to-day fetching over 12*s.* per lb., and wool serge cloths, which were selling at 3*s.* 4*d.* per yard, are now selling at over 12*s.* per yard. These figures are very illustrative of the very great increase in values which has taken place in our staple industry.

I am not unmindful of the fact that Bradford exports in normal times a large quantity of wool more or less in the raw state, but, notwithstanding this, I think it will be seen that, under the most favourable circumstances, a very large amount of capital will have to be available if the trade is to be conducted freely and without anxiety. I think it can be claimed for the textile trade of the West Riding that no trade in the country is more highly specialised, and, along with this specialisation important organisations have grown up for buying purposes, which have played no inconsiderable part in enabling a much larger business to be developed than would otherwise have been possible. With the advent of Government control and the system enforced on the trade, our buying associations, to whom we cannot pay too high a testimony for the services rendered for over half a century, have practically suspended operations, and the normal methods of finance have been entirely disorganised. The capital of wool importers and topmakers has ceased to play its usual functions, and to some extent it has found other employment, in part temporary, but, I am afraid, in no small degree permanent. Along with other sections of the community, the wool merchants and topmakers have responded to the various appeals of the Chancellor, and made large investments in War Loans and Bonds.

Bearing the foregoing facts in mind, it is readily seen that the means by which the trade may regain its control are of the greatest concern to this bank. Your directors look with justifiable pride to the part it played during the critical days immediately preceding the outbreak of war and since. I may be permitted to remind you of what I said in my annual address to the shareholders in January, 1915—viz., that during the greatest crisis known in history the bank continued, in the height of the wool season—that

is, the period of the year when there is the greatest financial pressure in Bradford—to grant credit facilities and to discount bills as under normal conditions. It is now contemplated that during the next six months the trade may begin to regain a measure of control, and immediately there will arise a demand for capital on a very high basis of values, but I fear a considerable time will elapse before the pre-war system of finance will be fully established, for it must be remembered that once you interfere with systems of credit and finance it may take years to re-establish them in their full strength and usefulness.

Industrial Amalgamations.

It might truly be said that these are days of big institutions, not only in banking but in trade. It is, however, a matter of opinion as to whether the interests of a trade which is so highly specialised, and which owes its success in so large a measure to the individual attention of men trained in all positions, from the humblest to the highest, can be advanced by amalgamation to the same extent as in other of our national industries. At the same time, the fact remains that the contagion of amalgamation is not entirely unfelt in the textile trade. Some of us regret it; we do not like to see old firms passing out of the control of old associations. But the facts are irresistible, and it is seen that with these changes in the ownership of businesses large withdrawals of capital are frequently made, which, in many cases, find investment in Government and other securities. In a large bank having branches and interests covering a wide area throughout the country, these withdrawals have a habit of adjusting themselves in such a manner as not to affect the general position of the bank, but in a bank confined to a limited area the contrary may be the case.

Furthermore, it is quite obvious that a bank of the size of the District, having a paid-up capital and reserves of about £700,000, cannot carry a risk on any one account of the same size as a bank having ten or twenty times the amount of paid-up capital and reserves. This question of size of individual risks is manifesting itself in a very striking manner throughout all the branches of our national industries. It is as well that I should speak quite frankly to you on this subject, and let me say that often the decision of a bank to decline one important account, on the ground of size, leads to the loss of a number of other accounts. It will readily be seen that unless a bank is prepared to grant credits—sometimes of large proportions—business which it has taken years to cultivate may be lost, and pass to other banking institutions.

Foreign Business.

As you are aware, we established some years ago a foreign department, with correspondents in many of the principal cities of the world. We were one of the first provincial banks to organise a special department for this business, and we claim that we have been able to render services which have proved highly advantageous to our customers. Further extensions are, however, absolutely necessary if we are going to preserve and develop our foreign business, and much greater resources and more intimate and extensive association and working arrangements will be necessary if we are going to place at the disposal of our customers the information and support which it is foreshadowed will be required under the changed conditions of the future.

I have referred to three important subjects—increase in values, the spirit of amalgamation, and the future development of our export trade. Your directors, recognising the bearing of these on the future usefulness of the Bank, and having the desire that the reputation which the Bank had earned throughout its whole history should be fully maintained, decided that whatever their own sentiments might be—and these, I can assure you, have not easily been laid aside—circumstances had arisen which made it desirable, in the interests not only of the shareholders and customers but also of the whole community, that such resources should be provided which a Bank of our size could not possibly be expected to command under the most favourable conditions. Your directors accordingly decided that it was their duty, provided that the terms were favourable, to consider a scheme of amalgamation with one of the large banks. We decided that if an amalgamation were to prove advantageous it must be with a bank having a London office, with a seat in the Bankers' Clearing, possessing large resources and an extensive system of branches and foreign agencies, and with a bank whose knowledge of the textile trade and sympathy with its requirements were such as to afford your directors the fullest confidence that the tradition of the District Bank for generous treatment would be fully maintained. Now these requirements are happily fully provided by our old friends the National Provincial and Union Bank of England Limited, whose Lombard Street offices have been the London agents of this Bank since its establishment over 56 years ago, and having regard to the very favourable terms offered, your directors had not the slightest hesitation in deciding that an amalgamation with that Bank was desirable in the interests of all parties concerned.

The Terms.

Under the scheme which is now being submitted to you the amalgamation is to take place as and from December 31, 1917. The shareholders of this Bank are to receive two shares of the National Provincial of £60 each, with £12 paid, in exchange for five shares of this Bank of £10 each, with £4 paid. The value of the shares of the National Provincial was taken on the basis of the approximate price ruling prior to their recent notification of increase in capital. The price was approximately £34 10*s*., and the market price of this Bank's shares was £9 5*s*. Accordingly shares having a market value of £69 are to be received for shares having a market value of £46 5*s*. In other words, for every five shares of this Bank we are to get what is regarded to be equivalent in value to £69, or £13 16*s*. per share. There will be a few fractions, for the purchase of which arrangements have been made on the basis of £14 per share. With respect to dividend, £23,650 (less tax), being 13⅓% per annum, or 5*s*. 6*d*. per share (less tax), was paid to the shareholders of this Bank for the half-year ended June 30 last. It has been arranged that for the half-year ending December 31, 1918, a sum of £42,398 (less tax) shall be paid, making, with the amount paid for the first half-year, a total sum of £66,048 (less tax) to be distributed for the whole year. This is equal to a total dividend for the year of 19⅛%, or 15*s*. 4*d*. per share, less

THE
ANGLO-SOUTH AMERICAN BANK
LIMITED.
OLD BROAD STREET, LONDON, E.C. 2.
CAPITAL & RESERVES:
£6,472,714.
WITH WHICH IS AFFILIATED THE
COMMERCIAL BANK OF SPANISH AMERICA
LIMITED.

tax. For the year 1917 a sum of £47,300 (less tax) was distributed, being equal to 13¾%, or 11*s.* per share (less tax).

The dividends paid by the National Provincial during recent years have been at the rate of 16% per annum (less tax). So long as this rate of dividend is maintained, the return to the shareholders of this Bank will be equal to a dividend of 19⅕% (less tax), based on their present holdings in this Bank's capital. It will accordingly be seen that both in regard to capital and dividend the proposals are highly satisfactory to the shareholders of this Bank. The National Provincial was established in 1833 and has been one of the pioneer banks in this country in establishing branches on an extensive scale, and until comparatively recent days had relied almost entirely on the ordinary methods of development, rather than on amalgamation, for the growth of its business and connections. In January last, however, it carried through the important amalgamation with our old friends the Union of London and Smiths Bank, and it has now over 700 branches in England and Wales, with extensive agencies in other parts of the United Kingdom and in the principal cities of the world. When the new issue of capital which the National Provincial has recently announced has been carried through the paid-up capital of the Bank will amount to £7,050,000, and its reserve fund to about £6,000,000. The deposits of the Bank exceed £180,000,000.

Directorate and Management.

Your directors have consented to act as a local district bank board, and Mr. Lewis becomes one of the Joint General Managers of the National Provincial, and will attend in Bradford the meetings of the local board, and be present at other times as may be needed, having regard to the requirements of the business. Our Secretary, Mr. Whitehurst, is to be appointed district manager. Mr. Payton (the manager of our Market Street office), Mr. Aked, and Mr. Favell (at the Commercial Bank) and the other managers and officials continue in their present appointments. The directors of the National Provincial have met us very generously in the arrangements as regards the staff. They have agreed that our staff shall enjoy similar privileges to their own in the matter of pensions, past service in this Bank being regarded as equivalent to service in the National Provincial. It will be seen that the fullest arrangements have been made for the continuity of the business under the most favourable conditions. It is also the earnest desire of your directors to continue to be of service to the customers of the District Bank as may from time to time be required.

A great deal has recently been said with reference to banks supporting beginners and people in a comparatively small way of business. The reputation of this Bank in this direction is well known, and I have the strongest evidence that the policy of supporting beginners and the smallest firms is one with which the directors of the National Provincial are in strong sympathy. There is, therefore, not the slightest need for misgivings as to the future policy of the Bank in this direction.

It will be quite understood that in the consideration given to so important a proposal as we are now submitting, your directors would not be unmindful of the report of the Treasury Committee on Bank Amalgamations. After very careful examination of that report, your directors had the most ample evidence that there were no elements in the proposals which came within the line of criticism or objections of that Committee. Indeed, in every respect the amalgamation was one which, according to the findings of that Committee, should be regarded favourably and in the interests of the trading community. I am pleased to say that His Majesty's Treasury Committee have given their consent to the directors' proposals, and it now only remains for the shareholders of this Bank to approve of the agreement which has been provisionally signed.

Whilst in some ways it must be a source of regret to many—like your directors—that, subject to your confirmation, the old Distirct Bank will cease to continue as a separate institution, I am sure we are all to be congratulated on the excellent terms secured for the shareholders of the Bank, and generally, in respect to the arrangements made for the continuity of the Bank's business. Indeed, I am satisfied as to the advantages which the trade will enjoy, and I have the utmost confidence that the business will continue to expand and become a profitable investment to our new friends. Whilst we have obtained very favourable terms, the National Provincial are securing a splendid business, which, with their extensive organisation and large resources, they will be able to direct to good purpose, and for the benefit of the whole community.

The resolution giving effect to the proposals of the board for amalgamation was proposed by the Chairman (Sir Prince Smith, Bart.) and seconded by Mr. Grosvenor Talbot, and was carried unanimously.

A vote of thanks to the Chairman for presiding was proposed by Sir Harry Smith, and seconded by Mr. Albert H. Illingworth, and was carried with acclamation.

A. DARRACQ AND COMPANY (1905) LIMITED.

The thirteenth annual ordinary general meeting was held on December 30, at Salisbury House, London Wall, E.C., Lieut.-Commander Norman Craig, K.C., M.P., R.N.V.R., chairman of the company, presiding.

The Secretary (Mr. A. A. Yeatman, F.C.A., having read the notice convening the meeting, and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: The position of the company as a holding company has been maintained, and even confirmed. Up to the present year the company possessed a beneficial interest in certain of the freehold buildings and premises at Suresnes, in which the Société Anonyme Darracq carries on its business. These have now been sold to the latter company, and the immense appreciation of the value of land in the Valley of the Seine has enabled this company to ask and obtain a price exceeding by £52,237 that at which these assets stood in our books. This price has been paid in fully paid-up shares in the capital of the Société Anonyme Darracq, and, as there has, since the formation of that company been a steady annual return of 20% upon its capital, the transaction cannot fail to gratify you. It has also the additional advantage of making the whole of the interest of this company in the undertaking of the French company represented by share capital, and thus perfecting its quality as a holding as distinguished from a trading company in its relation to the Société Anonyme Darracq. The share interests of the company have been extended by the acquisition of a large majority of the shares in the capital of the well-known engineering company, Heenan and Froude, Ltd., of Worcester and Newton Heath, Manchester, with an option upon practically the whole of the remainder of the capital of this company.

New Capital Proposals.

Doubtless the point of paramount interest to shareholders at this meeting is the proposal to increase the capital of the company.

The imposition of a tariff upon imported motor cars made it necessary as a measure of precaution that works should be acquired in this country within the tariff wall for the manufacture, assembling and repair of motor cars and motor car parts as the resumption of normal trading may make possible and as prudence may dictate. An opportunity occurred of acquiring substantially the whole of the share capital in Heenan and Froude, Ltd., an undertaking of good reputation and old standing. This was achieved at a cost of £77,937, and additional land in the neighbourhood of the Worcester works of that company was acquired at a cost of £3,106 to enable extensions to be made and development to proceed without embarrassment. A second, and even more urgent reason for increasing the capital of the company lies in the immense increase in the works, the number of employees, and the output of the French company. This company has to the extent of its ability made advances on loan to the French company, but in addition that company has perforce worked upon large bank overdrafts, far less, however, I should add, than the moneys due and accruing due to the company from the French Government alone. To meet these new conditions and to enable the French company to take full advantage of its great development, it is imperative from the point of view of sound trading that further capital should be at its disposal.

Profit and Dividend.

The net profit for the past financial year amounted to £151,956 13*s.* 3*d.*, and with the sum of £12,904 0*s.* 3*d.* brought forward from the previous account, amounts to £164,860 13*s.* 6*d.* Of this net profit a sum of £13,125 has been applied in paying the dividend on the Preferred Ordinary shares at the rate of 7% per annum for the half-year to the 31st March, 1918, and a sum of £13,750 has been applied in paying an interim dividend of 5% upon the Ordinary shares. A sum of £137,985 13*s.* 6*d.* remains for treatment. Under the powers conferred upon them, your directors have deemed it wise to carry a further sum of £25,000 to general reserve, which now amounts to a total of £225,000 over and above the special reserve and the capital reserve already mentioned by me. Out of the balance of £112,985 13*s.* 6*d.* your directors propose, subject to your approval, to declare a further dividend at the rate of 10% upon the Ordinary shares, which will absorb £27,500 and make a dividend of 15% for the year, and to distribute a bonus of 5%, amounting to £13,750, on the Ordinary shares. If this course be approved a further dividend at the rate of 3% per annum on the Preferred Ordinary shares, amounting to £11,250, will be payable under the articles of association of the company. There will then remain, after providing for these payments, a sum of £47,360 13*s.* 6*d.* to be carried forward to next year's account. The proposed increase of capital involves the creation of 225,000 Preferred Ordinary shares of £1 each, ranking in all respects *pari passu* with and carrying the same privileges as the existing 375,000 Preferred Ordinary shares, and of 275,000 Ordinary shares of £1 each, ranking in all respects *pari passu* with the 275,000

existing Ordinary shares of the company. The new capital will thus consist of 600,000 Preferred Ordinary shares of £1 each and 550,000 Ordinary shares of £1 each, making together a total nominal share capital of £1,150,000. It is right that I should remind you that under the war restrictions still in force new capital cannot be issued without the consent of His Majesty's Treasury. The issue price has been fixed at 30s. in the case of the Ordinary shares and 21s. in the case of the Preferred Ordinary shares.

The Rt. Hon. Lord Queenborough seconded the motion, which was carried unanimously.

SAMUEL ALLSOPP AND SONS, LIMITED.

The thirteenth ordinary annual general meeting was held on December 30 at the Cannon Street Hotel, E.C., Sir William B. Peat (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said our sales have decreased through Government regulations, and we have also reduced the credit allowed to our customers, so that we sell less stuff and get in the money quicker. Stocks of barley, malt, hops, etc., amounted to £92,000 in 1917; they are now £78,000. Unfortunately that item again shows a decrease; we should wish to see it greater, but the difficulty is to get materials. The item stocks of casks, movable plant, stores, etc., is substantially the same as last year. The total of the gross profit is £307,267, compared with £239,713 in the previous year, or an increase of £68,000. In 1916 the gross profits were £161,000, in 1917 £239,000, and in 1918 £307,000. I will not venture to prophesy what the future results of brewing may be, and I do not think that anyone in this room is able to do so either. But I can say that, whatever the fortune of brewers may be, Allsopps are in a position to take advantage of any improvement, any benefit or any profit which any other brewing concern can realise. Our fortunes are on the knees of the gods, if you can so describe Parliament.

I said a moment ago that the net profit was £181,065. We brought in £20,900, which gave us a total of £201,990 to deal with. From this sum the half-year's interest to June 30, 1918, on the 4½% Debenture stock has been paid, leaving a balance of £175,000. We propose the payment of the balance of the interest on the 4½% Debenture stock, the redemption of the outstanding certificates of rights, which amount to £42,795, a dividend of 4½% on the 5% Participating Preference stock, amounting to £33,926, to place to reserve £50,000, and to carry forward the balance of £21,000. Some of you may ask why we did not jump from 4½% to 5% on the Preference stock. Well, to anyone who takes that view I would like to call attention to the fact that you have £1,500,000 in brewery enterprise in your balance sheet and £700,000 of goodwill. Now, I think that the first duty of a Board of Directors is to conserve the capital of the company—to make that good so that everybody having £1 of stock in this concern can be assured that there is £1 of capital there to represent it. Subject to that, our duty, of course, is to pay out profits if we can, and we have felt that the present time is one which requires extreme caution on the part of anybody who is interested in brewery enterprise. I know perfectly well that we could have paid 5%—it would have meant only £3,000 or £4,000 more out of our pockets—but the result would have been that you would have expected next year 5% and the year after that 5%. No member of the Board and no one in this room knows what the future of the brewing trade is going to be. You cannot tell whether we might go back again to profits which would not with safety yield you your Preference dividend, and the moment that became cumulative under those conditions you would be in the slough of despond which you were in when this company was reconstructed. Therefore it seemed to the Board, after fully and fairly considering the matter, that a policy of prudence and caution was desirable in your interests and in the interests of the company itself. We carry £50,000 to reserve account, which will make the reserve £80,000, and as a member of the Board I hope that annually that reserve will creep up until at some time we may be able to take a very substantial slice off the goodwill and bring the balance-sheet of the company into an even better condition than it appears to-day. It cannot be said that £80,000 of a reserve is adequate for a great concern like Allsopps, with its responsibilities and its capital investments, which I have said amount to £1,500,000 in properties and £700,000 in goodwill. I said that I have nothing to say with regard to the future of the trade, nor have I, but we have had Committee after Committee which have sat upon us. I say advisedly "sat upon us," or attempted to sit upon us. They have prescribed for our ailments; they have even tried to have a post-mortem inquiry into us: they have sat upon us as a coroner's jury might sit, but old John Barleycorn is not dead yet; it survives very comfortably, I hope, and with reasonable legislation in the future will continue to survive still. We may have many Committees still to sit upon our affairs. I believe we are promised one now for the regulation of our trade, and it has occurred to me that perhaps the regulation of our trade might be undertaken by ourselves if there was a reasonable measure of co-operation between the brewers. It remains to be seen whether co-operation could take the form of co-operation in buying, in transport, in agencies, or in the variety of other means where co-operation would come in useful—not for Allsopps alone but for the brewing trade as a whole, because whatever happens it seems to me that economies must be the order of the day and economies can be best undertaken if we work in co-operation rather than if we work individually.

Mr. John J. Calder (managing director) seconded the resolution, which was carried.

ARNOLD PERRETT AND COMPANY, LIMITED.

The thirty-third annual ordinary general meeting was held on December 23 at the Brewery, Wickwar, under the presidency of Mr. F. C. im Thurn (Chairman of the Company).

The Chairman, in moving the adoption of the report and accounts, referred to the profit and loss account. He said that the balance carried to net revenue account was £50,983, or £1,826 in excess of last year. Adding to this profit the interest on investments and transfer fees, and deducting from the total the interest paid, they got a balance of £40,576 as the net result of the year's operations. After making due provision for the dividends paid and proposed to be paid and the appropriations to the reserve funds, they would carry forward to next year £8,065, as against £6,888 brought in from last year, and that was a very satisfactory record. In regard to mortgages and loans, for several years some portion of the amount, which originally stood at over £48,000, had been paid off, so that the amount outstanding at September 30 was £26,521 4s. He mentioned that they had since discharged the whole of the mortgages, and liberated deeds of properties to the aggregate value of over £80,000, which had for so many years been held under mortgage. The licences insurance fund, which stood at £5,000, was to be increased by £1,000 out of this year's profits, and they would continue to add to it as necessary. The reserve for contingencies stood at £5,000, and it was not thought necessary at the moment to make any addition to it. The general reserve fund, now £15,000, would by the appropriation proposed in the report be increased to £25,000. As to the dividend, the Ordinary shareholders had to bear the brunt of the very drastic reduction of capital which was made a few years ago, and the directors thought it right that they should be, to some extent, recompensed now that abnormal profits had been made, largely through the realisation of stocks which were brewed or purchased at or near pre-War prices. Though they did not hold out hope that such distribution could be maintained, they had every reason to believe that even after a return to a state of things more nearly approaching normal conditions a regular and substantial dividend might be looked for. Alluding to the existing restrictions, he said they had always recognised that so long as the situation in regard to food and munitions demanded it there must be restrictions upon, among other things, the production of beer and spirits. Equally they expected that as soon as possible such restrictions would be relaxed, and in the end abolished. He expressed the directors' high appreciation of the devotion of the whole of the staff from the highest to the lowest.

Mr. A. S. Cavell seconded the resolution, which was carried.

EDISON SWAN ELECTRIC COMPANY, LIMITED.

The thirty-fifth ordinary general meeting was held on December 30 at Winchester House, Old Broad Street, E.C., Mr. C. Jermyn Ford (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: I will now deal with the accounts. Unfortunately, the order of the Court, cancelling the liability of £2 per share upon the 99,000 partly-paid shares, was not made in time to incorporate its effect in the balance sheet, as this was accomplished in August last. All the Ordinary shares

BARCLAYS BANK LIMITED.

Head Office:

54 LOMBARD STREET, LONDON, E.C. 3.

The Bank issues Drafts and Letters of Credit on all the principal towns of the World: makes Mail and Telegraphic Transfers: effects Foreign Collections: establishes Documentary Credits and generally undertakes every description of

FOREIGN BANKING BUSINESS.

Special attention is given to the financing of produce in transit.

Foreign Branch:

168 FENCHURCH STREET, E.C. 3.

have subsequently, as you are aware, been split into the denomination of £1 each. Upon plant and machinery we have spent an additional sum of £15,176, and written off this item £15,196. Included in this is an item of £11,739, which represents plant specially provided for the purpose of carrying out Government orders, the Ministry of Munitions making it a condition that such a sum as they allowed us as a charge against excess profits should be written off, and no part of it capitalised, but still, we retain the plant, and it will, we hope, be useful to us for the ordinary purposes of our manufacture. Stocks, including work in progress, are increased by over £30,000. This is partly due to the enhanced price of all raw materials. Sundry debtors are also about £30,000 higher, which is caused by the increased turnover of the business. Turning to the profit and loss account, you will note that the gross profit brought in from the trading account is over a hundred thousand pounds in excess of that of last year. The net profit, after allowing for the usual charges, is in excess of that earned for many years past, and amounts to the sum of £130,000. (Applause.) It may safely be said that unless the additional capital provided by the issue of Preference shares had been available, the result now shown would not have been possible. This achievement has been augmented by the gradual improvement of the Company's plant and organisation.

General Policy of Expansion.

The board have in view a general policy of expansion, as it feels that in the near future a concern such as yours, if it intends to hold its own, must be in the position to supply direct from its own factories practically every class of electrical goods from the smallest to the largest. This will necessitate the employment of a considerably larger working capital than we have at present at our disposal, and we propose therefore at an early date to make an issue of further capital. This, we suggest, should be in Ordinary shares, and I am afraid that before we can do this it will be necessary for us to call an extraordinary general meeting of the shareholders in order to make a slight alteration in our articles of association. You are aware that the existing "A" shares are cumulative to the extent of 7%, and that there are considerable arrears. Before we can issue additional Ordinary shares it will be necessary for the holders of the "A" shares to agree to relinquish their claims for arrears. Otherwise the new shares to be issued could never receive more than 7% until the whole of the arrears on the existing shares had been paid; and you will readily agree, I think, that under these circumstances it would not be possible for us to obtain the new money. I cannot see that this will prejudicially affect the existing holders, as apart from the fact that the new money will greatly strengthen the position of the Company, and should increase its earning capacity, as matters stand to-day the shareholders cannot get more than the profits available for dividend, whether it be paid to them as arrears or as dividend for any current year, and I do not suppose it interests any of you to know that the dividend which we are proposing to declare to-day is in respect of arrears of dividend due some few years back. I have only alluded to this matter in order that you may be prepared when you receive the notices for an extra-ordinary general meeting in due course.

New Works and Extensions.

In connection with our schemes for expansion, it will interest you to hear that we have practically concluded negotiations for obtaining a large interest in a well-known and old-established firm of cable and electrical wire manufacturers, and in view of the more than probability of the nationalisation of the railways of this country, and the further probability that if this comes about, great impetus will be given to the electrification of many of the existing lines, we are hoping that, apart from the participation in what is already a profitable business, our association with the firm in question will prove beneficial to this Company. We are also carrying on negotiations, the outcome of which, if successful, would give us an important interest in the manufacture of all classes of heavy electrical machinery. Our colleague, Mr. Gimingham, is shortly proceeding to the United States for the purpose of negotiating terms of manufacture and sale by us of a well-known electrical contrivance, for which we hope to obtain a large sale. Since the date of the balance sheet we have acquired a freehold property in the North of London, which we have been for some months past operating as a factory for the production of all classes of dry cells and batteries, we having found that the existing shops at our Ponders End works were inadequate for fulfilling the orders which we had on hand, and we had no available space there for immediate extensions. We have also purchased about ten acres of land adjoining our works at Ponders End, which we shall undoubtedly find exceedingly valuable as a means for general extension. You will see the report recommends that a dividend of 7½% shall be paid on the Ordinary shares. I wish to offer my congratulations to the shareholders on the satisfactory result of the past year's trading, and the pleasure it gives your directors to be able to make this distribution.

Mr. E. B. Ellice-Clark seconded the resolution, which was carried unanimously.

THE BATAK RABIT RUBBER ESTATE, LIMITED.

The ninth annual general meeting of the Batak Rabit Rubber Estate, Ltd., was held at Winchester House, Old Broad Street, E.C., on December 31, Mr. E. L. Hamilton (the chairman) presiding.

The Acting Secretary (Mr. F. E. Maguire) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen, I presume it is your wish that I take the report and accounts as read. (Agreed.) The profit earned for the year ended June 30 last was £12,231, against £28,253 earned during the previous twelve months, a decrease of over £16,000, and you will no doubt expect me to say a few words in explanation of this falling off. It is due (1) to a smaller crop harvested, (2) to increased cost of production, and (3) to a decrease in the price realised for our crop.

Restriction of Output and Increase in Costs.

In my address to you a year ago I said that the crop for the period we are now reviewing was estimated at 440,000 lb. From the beginning of 1918, *i.e.*, for the last six months of our financial year, we adopted restrictive methods of production in accordance with the scheme of the Rubber Growers' Association, to which we gave our adherence, with the result that we harvested a crop of only 346,043 lb. rubber, being a deficiency of 93,957 lb. on the estimate, and 33,536 lb. less than the crop of 1916-17. The "cost all in" was 1*s.* 5.97*d.* against 1*s.* 1.64*d.*, an increase of 4.33*d.* per lb. This increase is due to the fact that, for certain reasons entirely justified, measures were adopted for the benefit of the estate, which tended to increase costs. The price realised for the crop was 2*s.* 1.89*d.*, and although it will, I think, compare favourably with the price realised by other concerns with a similar accounting period, due to our satisfactory forward sales, it is 4.76*d.* per lb. less than the price we got for the crop in 1916-17, when we realised 2*s.* 6.65*d.* per lb. London landed terms. The comparison briefly is that in 1916-17 we had a crop of 379,579 lb., on which we earned a profit of 1*s.* 5*d.* per lb., whereas for the period we are reviewing we have a crop of 346,043 lb. with a profit of only 7.92*d.* per lb.

Profit and Dividend.

The profit earned in 1916-17 was £28,253, equivalent to 37½% on the paid-up capital of the company, out of which, you will see from the accounts, we had to pay £14,925, or 20% for excess profits duty, leaving a balance of £13,328, or 17½%, for the shareholders. In 1917-18 the profit earned was £12,231, or 16⅓%, out of which, it is estimated, we shall have to pay £2,500, or 3⅓%, for excess profits duty, leaving a balance of £9,731, or 13%, for the shareholders. You will observe, therefore, that while the actual profits have decreased by £16,000, the amount left for the shareholders, owing to the incidence of the excess profits tax, is only £3,597 less than a year ago. In 1916-17 we distributed a dividend of 15% and placed £2,000 to reserve for development. On this occasion we recommend a dividend of 7½%, the placing of £2,500 to development reserve, and that the balance, £7,250, be carried forward. Out of this balance we should have to pay excess profits duty estimated, as I have said, at £2,500, leaving a net carry forward of £4,750, against £3,144 brought into the accounts. I am sure you will agree that under present conditions it is a wise policy to conserve our financial resources by making the allocations to which I have referred. (Hear, hear.) The cultivated area at June 30 last, as you will see from the report, was 1,389 acres, which includes 134 acres planted during the early months of this year. A further 158 acres are cleared, and our present programme is to plant up this area, making a total of 1,547 acres. The amount we are setting aside to-day will provide all capital expenditure up to June, 1920, and a further £2,500 is estimated to be sufficient to bring to maturity the whole 1,547 acres, which will then stand in our books at a capital cost of £48 10*s.* per acre. (Hear, hear.)

Full Tapping Resumed.

The scheme of the Rubber Growers' Association for the restriction of output comes to an end to-day, and from this date normal production will be resumed. The current financial year will, therefore, comprise six months of restricted output and six months of normal production. In our report we estimated the crop for the year ending June 30 next at 335,000 lb., which, without information from the other side, we considered a safe estimate, but since the issue of the report, I am glad to say, we have received a cable giving 370,000 lb. as the crop they expect to harvest for the twelve months. We have sold a considerable portion of the crop at remunerative prices, and with the resumption of normal conditions I have every confidence in the future prosperity of the company. Mr. William Duncan, our general manager, reports that during the year the improvement in the general appearance of the oldest trees has been very satisfactory, and the bark conditions on these trees have improved almost beyond expectation. The general appearance of the younger areas remains good except on some of the fields which suffered considerably from windstorms. The new clearings have been well planted, and

as there is practically no timber remaining on them they should be fairly immune from pest and disease attacks and cost little to upkeep. A great deal of care was bestowed on the locating and treating of trees attacked by pests and diseases, and out of 15,166 trees treated only 279 were lost. In common with other estates, "brown bast" is prevalent, and it is to be hoped the mycologists who are studying remedial measures will solve the problem before long. Our manager, Mr. Tobutt, and his assistants, have carried out their duties satisfactorily. Their services are much appreciated by the directors, and, I am sure, also by the shareholders. If before we close our meeting some one will propose a vote of thanks to these gentlemen, it will give me great pleasure to convey it to them. I now propose: "That the statement of accounts and balance-sheet at June 30, 1918, and the reports of the directors and auditors, be received and adopted."

Mr. Murison Allan seconded the resolution, which was carried unanimously.

The Chairman next proposed: "That a dividend of 7½%, less tax, be, and it is hereby declared payable on the 31st day of December, 1918, to the shareholders on the books of the company on the 18th day of December, 1918."

This was seconded by Mr. Murison Allan and unanimously agreed to.

The Chairman also moved the re-election of Mr. Arthur Young, the retiring director, and the motion was seconded by Mr. Murison Allan, and passed unanimously.

The auditors (Messrs. McAuliffe, Davis, and Hope) were reappointed, on the motion of Captain L. C. Treweeke, seconded by Mr. Robert Derry.

Captain Treweeke proposed a vote of thanks to the staff in the East, which was unanimously accorded, and the Chairman stated that it would give him great pleasure to convey the vote to the staff, who thoroughly deserved it.

An extraordinary general meeting followed, at which the resolution with regard to the directors' fees, of which notice had been given, was carried unanimously.

SENNAH RUBBER COMPANY.

THE annual meeting of the Sennah Rubber Company, Limited, was held on December 31 at the Cannon Street Hotel, London, E.C., Mr. Frank Copeman, in the absence of the Hon. Everard Feilding (Chairman of the Company), presiding.

The Secretary (Mr. W. Hector Thomson, C.A.) having read the notice convening the meeting and the report of the auditors.

The Chairman moved the adoption of the report and accounts. In doing so he said that the Company's revenue in the way of proceeds from the sale of rubber had amounted during the year to £123,267. The crop had been 1,567,273 lb., against a published estimate of 1,700,000 lb., and a crop for the previous year of 1,555,449 lb. The decrease on the estimate was to be accounted for by the scheme for the restriction of output promulgated by the Rubber Growers' Association, to which this Company had been a party. The number of trees being tapped at the end of the year had been 487,344, against 461,340. The yield per acre had been 214 lb., against a yield for the previous year of 335 lb. That figure indicated the effect of the restriction, and also of the more careful tapping that had been practised during the year. The yield per tree had been 3.21 lb., against 3.41 lb. The average gross price realised for rubber sold in London had been 2*s.* 1.64*d.* per lb., but the greater part of the crop had been sold in the East owing to the lack of shipping facilities to this country, where it had realised only 1*s.* 5.6*d.* per lb. For the first half of the current financial period the Company had continued under the scheme of restriction to which he had referred, but instructions had now been given to the estate to proceed with normal tapping. While it had been in operation the scheme of restriction had released a certain amount of labour, and this had been devoted to general upkeep work. He thought the crop for the current financial period would be round about 1,500,000 lb. With regard to the capital position of the Company, including general reserve, they had a total of £552,500. The total capital cost per acre of the estate worked out at £61 16*s.* 2*d.*, which he thought they would regard as a satisfactory figure. With regard to excess profits duty, the balance sheet showed a payment last year of a sum of £16,688. The Company was now claiming repayment in respect of the much-reduced profit for 1917-18, and, although this matter had not yet been adjusted, there was reason to believe that a substantial portion if not the whole of the amount that had been paid to the Government would be restored. With regard to the Netherlands Indies war profits tax, a claim had been received amounting to £6,122; but exception had been taken to this on the ground that the sterling prices received for the Company's crops had been converted into Dutch currency at the artificial rate of 12f. 10c. per £. He was not without hope that the Dutch Government would recognise the justice of this claim; and, further, there was a claim for repayment based upon the selling price of the crop for 1917-18.

Mr. M. S. Parry seconded the resolution, and it was carried.

The retiring directors and auditors were then re-elected, and a vote of thanks to the Chairman, directors, and staff ended the meeting.

ABACO (SELANGOR) RUBBER, LIMITED.

THE fifth annual general meeting was held on December 30 at the registered offices, 7 Martin's Lane, Cannon Street, E.C., Mr. W. Arthur Addinsell, Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, said: As it was my pleasure when I last met you to recommend the payment of a maiden dividend, it is naturally a disappointment not to be in a position to make a similar recommendation this year. As, however, the available balance on profit and loss account is only £120 less than last year, it is reassuring to know that the absence of a dividend is not due to any reduction in the net profit. In common with all other rubber estates, this Company has been faced with abnormal difficulties during the past year, and the delays attending the shipment of our produce and its realisation in the various world markets have rendered it necessary to conserve cash resources to the utmost. Happily there is now every prospect of improvement in this respect, but it will naturally take some little time for conditions to adjust themselves, and it is not, therefore, possible yet to distribute the profits which have been earned. You will appreciate the fact that this Company is still in the development stage, and the cost of production is inevitably comparatively high during the early years; but apart from the natural disappointment at the absence of a dividend, I think the results attained during the year may be considered eminently satisfactory, having regard to the special difficulties with which the industry has had to contend. Our output showed an increase of over 80% as compared with the previous year, while the "all-in" cost of production was reduced by about one penny per pound. During the current financial year the output has been voluntarily restricted in accordance with the recommendations of the Rubber Growers' Association; and, although we have instructed our Manager to revert gradually to normal conditions from January 1 next, the estimated crop of dry rubber for the year ending March 31, 1919, is substantially less than the quantity secured during the year under review. However, we can look forward with confidence to a speedy return to normal conditions, and with this assured the prosperity of this Company is hardly open to question. The capital cost and yield per acre when in full bearing should compare favourably with the best of the plantation companies in Malay, and in the comparatively near

London and Brazilian Bank, Limited.

THE ONLY BRITISH BANK ESTABLISHED IN

PORTUGAL

Branches:

LISBON and OPORTO

and Agents at all the Principal Towns and Villages in the Country.

The Bank offers special facilities for the financing of

EXPORTS and IMPORTS

Issues Travellers' and Commercial Credits, Drafts, Telegraphic Transfers; negotiates approved Bills of Exchange, receives and advances against Bills for Collection, and transacts general Banking Business connected with the **Peninsula.**

BRANCHES AND AGENTS throughout U.S.A., FRANCE, SPAIN, BRAZIL, ARGENTINA, and URUGUAY.

Head Office:

7 Tokenhouse Yard, London, E.C. 2.

future, therefore, I anticipate that this Company will be able to distribute dividends such as will amply reward the patience which it is necessary for shareholders to exercise for a short time longer.

Mr. Edward F. Slade seconded the motion, which was unanimously adopted.

AFRICAN AND EUROPEAN INVESTMENT CO., LTD.

The fourteenth ordinary general meeting of the African and European Investment Company, Ltd., was held on December 31 at Threadneedle House, E.C., Mr. C. F. Rowsell presiding.

The Chairman, in moving the adoption of the report and accounts, said: Before dealing with the general prospects of our undertaking I will first turn to the accounts. Your total receipts for the year amount to £23,890, against £19,942, which last year included return of income-tax recovered amounting to £1,142. Turning now to the debtor side of the account, our administration expenses for the year amounted to £5,258, as against £4,225. The result of the year is that we carried forward a profit to the balance-sheet of £9,235, as against the profit last year of £1,202.

Appreciation of Investments.

I shall refer in detail later on to the interests which we have acquired in the holdings of shares and Debentures in other companies. Instead of the depreciation mentioned in the note on the balance-sheet of June 30, 1917, of £106,928 on the book cost, there is to-day an appreciation of no less than £56,640. I am sure you will consider this is a very satisfactory improvement in the condition of our assets. As you are aware, we are one of the greatest landowning companies in South Africa, and as a greater part of the land which you now own was selected by two of the pioneers of South Africa, Mr. Isaac Lewis and Senator Marks, you can rest assured that your land is second to none in that country. It is, I think, a natural comment on this statement that our accounts do not reflect either large sales of land or great income from that land, but in reply to this natural comment I would point out, as I have already done, that after all by comparison modern South Africa is a very new country, and it is only within quite recent times that conditions have arisen in South Africa which have given to land anything like the values which those who had the foresight to purchase it in earlier times consider it is bound to be worth. In fact, both my colleagues, Mr. Isaac Lewis and Mr. Marks, who are second to none in their knowledge of South Africa and its land, are still of opinion that land values will rise very substantially. Nevertheless, a programme is being considered to commence selling our land on terms which are likely to be satisfactory both to this company and to farmers. This will naturally entail expenditure by the company of considerable sums of money, and this we have decided to face. In fact, already considerable amounts have been set aside and applied for this purpose. The consideration of these facts leads one directly to the question of emigration, and from many points of view I think the time has arrived when an energetic policy in this direction is required.

Industrial Expansion.

I think that the development which has taken place in South Africa during the past ten years, both in agriculture and industry, is so remarkable as to more than justify a very large influx of suitable emigrants. But an even more interesting development has been the remarkable increase in the industrial development of South Africa. For instance, you have the Union Steel Corporation, in which your company has a considerable interest. During the war this company has been largely responsible for supplying to the railways and the mines their requirements of steel products; and, as a natural result of the development of that industry, we have now already established in South Africa two blast furnaces for the production of pig-iron, one of which is situated on the Vereeniging estates, adjoining the works of the Union Steel Corporation, and is already producing pig-iron of a satisfactory type. I think I should draw your attention to the fact—and it is a fact—that the Vereeniging estates, in which, as you know, you have so large an interest, has become the greatest centre of industrial activity. I would refer to your holding in the Vereeniging estates, in which you have 133,200 shares. You are all no doubt aware that it is one of the most important coal producers of South Africa, that in its township it has an asset of very great and increasing value, that it has developed a large area by plantation of trees, and that its forests are now of great and increasing value and will now begin to form an important part of the company's revenue-producing assets. It is also practically the owner of the Vereeniging Brick and Tile Works, and has some of the finest agricultural land in South Africa, which by irrigation can be rendered of enormous value. Its proximity to the Vaal River makes this a much simpler problem than is the case with land generally in South Africa. You have also very considerable interests in mining in various parts of South Africa, and no doubt the great possibilities of the East Rand Mining Estates, in which you own about 50,000 shares, will be well known to you. In Rhodesia we have a large holding in the Rhodesia Gold Mining and Investment Company, whose principal assets consist of large holdings in the Lonely Reef, Cam and Motor, Sabi Gold Mining, and other valuable mining assets; while in the Lonely Reef itself you own nearly 10,000 shares. The Lonely mine is an extremely rich proposition, the lowest levels having developed extremely well. That company, as you are no doubt aware, has paid dividends at the rate of 25% per annum and continues to make fine profits.

Mr. J. B. Hilliard seconded the motion, which was adopted.

NARAGUTA (NIGERIA) TIN MINES, LIMITED.

The eighth ordinary general meeting was held on December 30 at Winchester House, Old Broad Street, E.C., Mr. Frank N. Best (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: The extra heavy costs are largely due to the war, as explained at our last meeting; this is now happily over, and we must turn our attention to bringing these back to as near as possible the pre-war standard. Insurance, which has been quite a large item during the last few years, will, of course, drop to the normal. There are other increased charges, such as travelling, cost of native labour, and the increased cost of freight and passages, which are more difficult problems, and some considerable time must elapse before they can be brought down. There is, however, one question which may be in the minds of some of you, and that is, considering the high price of tin, why an effort was not made to increase the output. With the shortage of white staff and native labour, this could only have been done by paying high prices for tribute labour, and picking the eyes out of the property, which would have meant absolute ruin to the property as a mine, and would have brought us face to face with the prospect of liquidation as soon as the price of tin fell to anything like its normal level. Some are, no doubt, adopting that suicidal policy, and it is, I regret to say, not an unnatural consequence of the policy of the Colonial Administration, which is endangering the healthy growth of a huge industry by refusal of a little sympathetic treatment, and sacrificing a large potential revenue for the sake of a really insignificant present gain. You will doubtless remember a few years ago our General Manager reported that, in his opinion, our Naraguta property was a fairly low-grade proposition, but if worked in a miner-like way we had 20 years' life before us, and he recommended a policy which was endorsed by your board, and we propose to continue on those lines, which I have no hesitation in saying will ensure us a life of at least twenty years, and I feel confident, when we come to have a full knowledge of our property, it will be a great deal longer. Our best policy to counteract



The blend is perfectly adjusted—there is practically no waste . . .

"King's Head" is similar but stronger
Both are sold everywhere at 11½d per oz

Cigarettes
(Medium)
5½d for 10 : 11d for 20
Boxes of 50 2/2½—100 4/3

616

any increased cost of native labour or possible fall in the price of the metal, is to produce more tin by sending out extra pipes so as to utilise to the utmost the water-power during the wet season, as that is the cheaper method of producing tin. We can hardly do otherwise than continue to work on these lines, which I venture to think is the only sound policy for a good commercial enterprise, and as long as the present abnormal prices are ruling good profits will certainly be made; but if the present form of Government administration is allowed to go on, I foresee grave danger to the industry as soon as the price of the metal again becomes normal.

Mr. John Waddington, J.P., seconded the resolution, which was carried unanimously.

Further particulars are to hand regarding the St. Louis and San Francisco Railway. It appears that the bankers purchased $10,598,000 of 6% Series "C" Prior Lien Gold bonds of the St. Louis and San Francisco Railway Company, which they are offering at 96 and interest to yield over 6.55%. The issue, which is dated July 1, 1918, and matures 1928, is callable at 102½ and interest upon sixty days' notice. The proceeds of the bonds, it is stated, are to be devoted to repayment of the floating debt of $5,210,000, so that the increase in annual fixed charges will not much exceed $323,000. The remaining $5,388,000 is to be used for capital purposes.

The Swiss Bank Corporation are taking over the Banque du Locle at Le Locle, Switzerland, one of the oldest banks in the country. Le Locle is an important centre for the manufacture of watches and for the refining of the gold and silver necessary for that industry.

ROSE DEEP, LIMITED.
(Incorporated in the Transvaal.)

DECLARATION OF DIVIDEND NO. 35.

NOTICE IS HEREBY GIVEN that a Dividend of 7½ per cent. (one shilling and sixpence per Share) has been declared by the Board for the period ending 31st December, 1918, payable to Shareholders registered in the Books of the Company at the close of business on 31st of December, 1918, and to holders of Coupon No. 35 attached to Share Warrants.

The Transfer Books will be closed from the 1st to the 7th of January, 1919, both days inclusive.

Owing to the irregularity of the mail service with South Africa it is not possible to state definitely the date of posting the Dividend Warrants, but it is hoped they will be despatched during the early part of February. Those despatched from the London Office to persons resident in the United Kingdom will be subject to a deduction of English Income Tax, and those despatched to persons resident in France will be subject to a deduction on account of French Transfer Duty and Income Tax.

Coupon No. 35 attached to Share Warrants will be payable on or after 4th of February, 1919, at the London Office of the Company and at the Crédit Mobilier Français, 30 and 32 Rue Taitbout, Paris. Coupons must be deposited Four Clear Days before being paid.

Coupons paid by the London Office, unless accompanied by Inland Revenue Declarations, will be subject to a deduction of English Income Tax. Coupons paid by the London Office to or on account of persons resident in France and those paid by the Crédit Mobilier Français will be subject to a deduction on account of French Transfer Duty and Income Tax.

By Order of the Board,
A. MOIR AND CO.,
London Secretaries.

London Office,
No. 1 London Wall Buildings, E.C. 2.
27th December, 1918.

CITY DEEP, LIMITED.
(Incorporated in the Transvaal.)

DECLARATION OF DIVIDEND NO. 13.

NOTICE IS HEREBY GIVEN that a Dividend of 7½ per cent. (one shilling and sixpence per Share) has been declared by the Board for the period ending 31st of December, 1918, payable to Shareholders registered in the Books of the Company at the close of business on 31st of December, 1918, and to Holders of Coupon No. 13 attached to Share Warrants.

The Transfer Books will be closed from the 1st to the 7th of January, 1919, both days inclusive.

Owing to the irregularity of the mail service with South Africa it is not possible to state definitely the date of posting the Dividend Warrants, but it is hoped they will be despatched during the early part of February. Those despatched from the London Office to persons resident in the United Kingdom will be subject to a deduction of English Income Tax, and those despatched to persons resident in France will be subject to a deduction on account of French Transfer Duty and Income Tax.

Coupon No. 13 attached to Share Warrants will be payable on or after 4th of February, 1919, at the London Office of the Company and at the Crédit Mobilier Français, 30 and 32 Rue Taitbout, Paris. Coupons must be deposited Four Clear Days before being paid.

Coupons paid by the London Office, unless accompanied by Inland Revenue Declarations, will be subject to a deduction of English Income Tax. Coupons paid by the London Office to or on account of persons resident in France and those paid by the Crédit Mobilier Français will be subject to a deduction on account of French Transfer Duty and Income Tax.

By Order of the Board,
A. MOIR AND CO.,
London Secretaries.

London Office,
No. 1 London Wall Buildings, E.C. 2.
27th December, 1918.

CROWN MINES, LIMITED.
(Incorporated in the Transvaal.)

DECLARATION OF DIVIDEND NO. 35.

NOTICE IS HEREBY GIVEN that a Dividend of 5 per cent. (sixpence per 10s. Share) has been declared by the Board for the period ending 31st of December, 1918, payable to Shareholders registered in the Books of the Company at the close of business on 31st of December, 1918, and to holders of Coupon No. 35 attached to Share Warrants.

The Transfer Books will be closed from the 1st to the 7th of January, 1919, both days inclusive.

Owing to the irregularity of the mail service with South Africa it is not possible to state definitely the date of posting the Dividend Warrants, but it is hoped they will be despatched during the early part of February. Those despatched from the London Office to persons resident in the United Kingdom will be subject to a deduction of English Income Tax, and those despatched to persons resident in France will be subject to a deduction on account of French Transfer Duty and Income Tax.

Coupon No. 35 attached to Share Warrants will be payable on or after the 4th of February, 1919, at the London Office of the Company and at the Crédit Mobilier Français, 30 and 32 Rue Taitbout, Paris. Coupons must be deposited Four Clear Days before being paid.

Coupons paid by the London Office, unless accompanied by Inland Revenue Declarations, will be subject to a deduction of English Income Tax. Coupons paid by the London Office to or on account of persons resident in France and those paid by the Crédit Mobilier Français will be subject to a deduction on account of French Transfer Duty and Income Tax.

By Order of the Board,
A. MOIR AND CO.,
London Secretaries.

London Office,
No. 1 London Wall Buildings, E.C. 2.
27th December, 1918.

WE HAVE FED THE GUNS . . . WE MUST NOW

FEED THE PEACE

If you wish the Peace to be more than a cessation of hostilities, if you wish to see and to help a great Reconstruction, you must continue to **BUY NATIONAL WAR BONDS.** You may best do this by means of the **PEARL ASSURANCE COMPANY'S SCHEMES of INSTALMENT PURCHASE.** Full particulars may be obtained from any representative, or from

PEARL ASSURANCE COMPANY, Ltd.
HIGH HOLBORN, LONDON, W.C. 1.
ANNUAL INCOME EXCEEDS £4,500,000.

A GREAT NATIONAL DISTRIBUTION

THE PRUDENTIAL

Paid to its Policyholders in 1917 over
£9,700,000
or over £31,000 for each Working Day.

THE NATIONAL BANK OF SCOTLAND LIMITED

INCORPORATED BY ROYAL CHARTER AND ACT OF PARLIAMENT.

ESTABLISHED 1825.

Capital Subscribed, £5,000,000. Paid up, £1,000,000. Uncalled, £4,000,000.
RESERVE FUND, £900,000.

Head Office—EDINBURGH.

J. S. COCKBURN, General Manager. GEORGE A. HUNTER, Secretary.

London Office—37 NICHOLAS LANE, LOMBARD ST., E.C. 4.

SIR JOHN FERGUSON, K.B.E., Manager. DUGALD SMITH, Assistant Manager.

Every description of Banking Business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.; the collection of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of Remittances to all parts.

The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.

The Officers of the Bank are bound to secrecy as regards the transactions of its Customers.

BANK OF MONTREAL

Established in 1817.
Capital Paid up, $16,000,000.
Reserve Fund, $16,000,000.
Undivided Profits, $1,901,613.

BOARD OF DIRECTORS.

Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. R. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., Lt.-Col. Herbert Molson, M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq.
Head Office: Montreal.
General Manager: Sir Frederick Williams-Taylor, LL.D. Assistant General Managers: F. J. Cockburn, H. P. Mackenzie, G. C. Cassels, D. R. Clarke.

LONDON OFFICES:
47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1, and
24 Cockspur Street, S.W. 1.
London Committee: Sir Thomas Skinner, Bart. A. Macnider, Esq., Lieut.-Col. F. R. S. Balfour.
Manager: George Cyril Cassels.

Financial Agents of the Government of the Dominion of Canada.

Branches and Agencies throughout Canada and Newfoundland; also at New York, Chicago and Spokane in the United States, and at Mexico City.

The Bank undertakes monetary business with all Allied and neutral countries, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, and Mexico.

THE ROYAL BANK OF CANADA.

Capital Paid up $14,000,000
Reserve Fund and Undivided Profits $15,000,000
Total Assets $360,000,000

Head Office—MONTREAL.

Sir HERBERT S. HOLT, *President.* E. L. PEASE, *Vice-President & Managing Director.*
O. E. NEILL, *General Manager.*

462 Branches in Canada and Newfoundland.
39 Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela.

BRANCHES IN BRITISH WEST INDIES.
ANTIGUA—St. John's; BAHAMAS—Nassau; BARBADOS—Bridgetown; DOMINICA—Roseau; GRENADA—St. George's; JAMAICA—Kingston; ST. KITTS—Basseterre; TRINIDAD—Port of Spain, San Fernando; BRITISH GUIANA—Georgetown, New Amsterdam, Rose Hall; BRITISH HONDURAS—Belize; SPAIN—Barcelona.

New York Agency, Corner William & Cedar Streets

LONDON OFFICE:
Bank Buildings, Princes Street, E.C. 2.
T. R. WHITLEY, *Manager.* JAMES MACKIE, *Joint Manager.*

THE CANADIAN BANK OF COMMERCE.

HEAD OFFICE ... ... TORONTO.

Paid-up Capital ... $15,000,000 (£3,082,192)
Reserve Fund $15,000,000 (£3,082,192)
President: SIR EDMUND WALKER, C.V.O., LL.D., *General Manager*: SIR JOHN AIRD, D.C.L.
Assistant General Manager: H. V. F. JONES.

Over 870 Branches throughout CANADA, and in NEWFOUNDLAND, THE UNITED STATES and MEXICO.

LONDON OFFICE: 2 LOMBARD STREET, E.C.
A general Banking Business conducted with ALL POINTS IN NORTH AMERICA.

C. CAMBIE, Manager.

THE WESTERN AUSTRALIAN BANK.

Established 1841.

Paid-up Capital £250,000 0 0
(25,000 Shares of £10 each)
Reserve Fund £700,000 0 0
Reserved Profits ... £19,339 0 0
Reserve Liability of Shareholders, £250,000.

Drafts issued, Remittances cabled, Bills negotiated or collected. Deposits received for fixed periods at rates to be ascertained on application, and all Banking and Exchange Business connected with Western Australia conducted through the London Agents.

The Bank of Adelaide, 11 Leadenhall Street, E.C.

BANK OF NEW SOUTH WALES.

Established 1817.
LONDON OFFICE: 29 Threadneedle Street, E.C. 2.

Paid-up Capital £3,904,860
Reserve Fund 3,025000
Reserve Liability of Proprietors ... 3,904,860
£10,834,720

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business.

H. MELDRUM, Assistant Manager.

THE MECHANICS AND METALS NATIONAL BANK
OF THE
CITY OF NEW YORK.

ESTABLISHED 1810.

CAPITAL (FULLY PAID) $6,000,000
SURPLUS AND UNDIVIDED PROFITS ... $9,000,000

THIS BANK RECEIVES ACCOUNTS OF BANKS, BANKERS, CORPORATIONS, FIRMS, AND INDIVIDUALS ON FAVOURABLE TERMS, AND GRANTS TO ITS DEPOSITORS EVERY FACILITY CONSISTENT WITH PRUDENT AND CONSERVATIVE BANKING METHODS. CORRESPONDENCE INVITED.

FOREIGN DEPARTMENT.

Finances Exports and Imports, buys and sells Foreign Exchange, Telegraphic Transfers, &c., and makes Collections on all parts of the world.

LONDON BANKERS:
LONDON JOINT CITY AND MIDLAND BANK, LIMITED.

THE LONDON AND RIVER PLATE BANK (Limited).

Established 1862.

Authorised Capital £4,000,000
Paid-up Capital 1,800,000
Reserve Fund 2,100,000

BRANCHES.

ARGENTINE.—Buenos Aires, Rosario, Mendoza, Concordia, Bahia Blanca, Cordoba, Tucuman, Parana, Barracas (Buenos Aires), Once (Buenos Aires), Boca (Buenos Aires), Calle Santa Fé (Buenos Aires), Calle B de Irigoyen (Buenos Aires).

URUGUAY.—Montevideo, Montevideo Agency (Calle Rio Negro), Paysandu (Agency), Salto (Agency).

BRAZIL. Rio de Janeiro, Sao Paulo, Santos, Pernambuco, Para, Bahia, Victoria, Curityba, Manaos (Agency).

CHILI.—Valparaiso, Santiago.

FRANCE.—Paris (16 Rue Halévy).

Agency in New York and Agents throughout the World.

Letters of Credit, Drafts and Cable Transfers issued.

Bills negotiated, advanced upon, or sent for collection.

7 Princes Street, E.C.2.

IMPERIAL BANK OF CANADA.

Head Office—TORONTO.

Capital Paid up - - - $7,000,000
Reserve Fund - - - $7,000,000

126 BRANCHES THROUGHOUT CANADA.

Make Drafts upon and Remittances to any point in Canada through our Agents listed below. Information furnished regarding Canadian Business and Securities.

Agents in Great Britain:

ENGLAND—Lloyds Bank Limited, London, and Branches.
SCOTLAND—The Commercial Bank of Scotland, Limited, Edinburgh, and Branches.
IRELAND—Bank of Ireland, Dublin, and Branches.

Agents in France:

Crédit Lyonnais. Lloyds Bank (France) and National Provincial Bank (France) Limited.

UNION BANK OF CANADA.

Incorporated 1865. Head Office, WINNIPEG.

Paid-up Capital $5,000,000
Rest and Undivided Profits ... $3,600,000
Total Assets exceed $143,000,000

The Bank has over 300 Branches in CANADA and Agents in the principal Cities in AMERICA.

Deposits received at favourable rates, which may be ascertained on application to:—

LONDON OFFICES { 6 PRINCES STREET, E.C.2. 26 HAYMARKET, S.W.1.

New York Agency: 49 Wall Street.

THE ANGLO-EGYPTIAN BANK, LIMITED.

SUBSCRIBED CAPITAL ... £1,800,000.
PAID UP, £600,000. RESERVE FUND, £710,000

BRANCHES: Alexandria, Cairo, Beni-Souef Mansourah, Port Said, Tantah, Zagazig, Khartoum, Jaffa, Jerusalem, Malta, Gibraltar.

BANKERS: The Bank of England. The London Joint City and Midland Bank, Limited.

The Bank transacts every description of Banking business in Egypt, grants Letters of Credit, and affords facilities to travellers proceeding to Egypt and elsewhere.

Deposits received for fixed periods at rates to be obtained on application. Interest payable February 28th and August 31st.

On current accounts, interest at the rate of 2 per cent. per annum allowed on minimum monthly balances provided they do not fall below the sum of £200.

27 Clement's Lane, Lombard Street, E.C. 4.

THE FOURTH STREET NATIONAL BANK, PHILADELPHIA.

CAPITAL FULLY PAID ... $3,000,000.00
SHAREHOLDERS' LIABILITY $3,000,000.00
SURPLUS AND PROFIT ... $7,000,000.00

Bills of Exchange
Telegraphic Transfers
Letters of Credit
Travellers' Checks
available throughout the World.

Collections made everywhere. Acts as Agent for Foreign Banks to draw on the United States. Correspondence solicited.

LONDON AGENTS—
SAMUEL MONTAGU & CO.
LONDON CITY AND MIDLAND BANK LTD.
LLOYDS BANK LTD.

Cable Address—"FOURBANK."

NATIONAL BANK OF INDIA,
LIMITED.

Bankers to the Government in British East Africa and Uganda.

HEAD OFFICE.
26 BISHOPSGATE, LONDON, E.C. 2.

BRANCHES:

Calcutta	Cochin (S. India)	Zanzibar	
Bombay	Chittagong	Mombasa	British East Africa
Madras	Rangoon	Nairobi	
Karachi	Mandalay	Nakuru	
Cawnpore	Aden and	Kisumu	
Lahore	Aden Point	Entebbe	Uganda
Amritsar	Colombo	Kampala	
Delhi	Kandy	Jinja	
Tuticorin	Newera Eliya		

Dar-es-Salaam, Tanga } Occupied Territory, German East Africa.

SUBSCRIBED CAPITAL ... £2,000,000
PAID-UP CAPITAL £1,000,000
RESERVE FUND £1,350,000

LONDON BANKERS—Bank of England; National Provincial Bank of England, Limited; National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balances at the rate of 2 per cent. per annum.

THE EASTERN BANK,
LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C.

Subscribed Capital £1,500,000
Called up £600,000
Reserve Fund £90,000
Reserve Liability of Shareholders £900,000

BOARD OF DIRECTORS.

The Right Hon. LORD BALFOUR OF BURLEIGH, K.T (Chairman).

SIR EDWARD SASSOON, Bart. EMILE FRANCQUI, Esq J. C. GEORGES BOUILLAT, Esq. J. S. HASELL, Esq. G. BROMLEY-MARTIN, Esq. LT.-COL. J. LEIGH *Branches*: [WOOD, C.B., C.M.G.

BOMBAY, CALCUTTA, BAGDAD, BASRA, AMARA.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, Negotiates and Collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.

Deposits are received for fixed periods at rates to be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager.*

Ernesto TORNQUIST & Co.

LIMITADA,
BUENOS AIRES.
Established 1830.

Oldest Business Establishment in the River Plate.

CAPITAL FULLY PAID UP AND RESERVES
£2,679,785.

GENERAL FINANCIAL, BANKING AND COMMERCIAL BUSINESS.

Printed by SPOTTISWOODE, BALLANTYNE & CO. LTD., at 1 New Street Square, E.C. 4, and Published by the Proprietors of "The Statist" at their Offices, 51 Cannon Street, E.C. 4, in the City of London, England.—*January* 4, 1919.

NATIONAL BENEFIT

ASSURANCE COMPANY, LTD.

All classes of INSURANCE including LIFE, FIRE, MARINE ACCIDENT, PROPERTY INVESTMENT, WAR RISKS, EMPLOYERS' LIABILITY, &c., at very favourable rates. PROSPECTUS ON APPLICATION.

ASSETS EXCEED £1,500,000.

MANAGING DIRECTOR: J. FRANCIS, J.P., F.S.S.

Head Offices: NATIONAL HOUSE, NEWGATE STREET, LONDON, E.C. 1.
Marine Underwriting Rooms: 74 CORNHILL, LONDON, E.C.3.

REFUGE
ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds	**£4,400,000**
Funds Exceed	**£14,500,000**
Claims Paid Exceed	**£25,000,000**

SUBSCRIPTION TO "THE STATIST."

TO INCLUDE ALL SUPPLEMENTS.

Payable in Advance.

Inland.

ONE YEAR £1 10 0 | HALF-YEAR, £0 15 0

(Post Free.)

For Colonies and Abroad (within Postal Union).

ONE YEAR, £1 17 4 | HALF-YEAR, £0 18 8

(Post Free.)

OFFICE : 51 Cannon Street, E.C. 4.

IMPORTANT NOTICE.

All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager, THE STATIST,

51 Cannon Street, London, E.C. 4

Telegrams: "Statist Cent. London." Telephone: City 5258-5259.

CONTENTS.

Leading Articles— PAGE
MR. ROOSEVELT 49
THE NEW ADMINISTRATION ... 49
ITALY 50
WHEN THE WAR ENDS.—I. ... 50
SHIPBUILDING 52
CLEVELAND IRON TRADE 52
MEXICO.—II. 54
BRITISH AND IRISH AGRICULTURE 55
RECONSTRUCTION IN IRELAND 56
FINANCIAL NOTES 58
SOUTH AND CENTRAL AMERICA 60
BANK OF MONTREAL 62
PRICES OF COMMODITIES 63
SAVINGS BANKS DEPOSITS ... 64

American Topics—
The Railway Position 64

Commercial—
Carpets 68

Industrials—
D. Napier and Sons 68
Peek Bros. and Winch 75

Insurance Notes— PAGE
Life Assurance Valuations in 1918 and 1919 66
Commercial Union Share Bonus 68
Legal and General 60

Mining Topics—
British Central Africa Company 44
Naraguta Tin 45
Oroville, Nechi and Pato ... 45

Money Market 41

Rubber Topics 65
Some Promising Estates ... 65
Bantam (Java) 65

Stock Exchange 43

Tabular Appendix 46

Meetings 70-75

THE DIRECTORS OF

LLOYDS BANK LIMITED

desire to call the attention of their customers and others to the advisability of investing all available moneys in

NATIONAL WAR BONDS,

the present issue of which will be withdrawn on the 18th January, 1919.

The Statist.

LONDON, SATURDAY, JANUARY 11, 1919.

The Money Market.

Friday, January 10, 1919.

	Current Rate — %	Fixed	Previous Rate — %	Fixed
Bank of England Rate...	5	(Apr. 5,'17)	5½	Jan. 18,'17
Bank of England Rate — to Clearing Banks: 3 days' notice ...	3	(Feb. 14,'18)	4	June 19,'17
— for Foreign Money	*4½	(Nov. 15,'17)	extended	Jan. 2,'18
Deposit Rates :—				
Banks & Discnt. Ho. (Call)	3†	(Feb. 14,'18)	3½	Jan. 2,'18
Discount Houses (Notice)...	3	(June 6,'18)	3¼	Feb. 14,'18
Do., to Bankers and Merchant Bankers (Notice)	3½	(Feb. 14,'18)	3¾	Jan. 2,'18

Discount Rates :—	60 Days %	3 Months %	4 Months %	6 Months %
Tr'sury Bills (Fixed Feb. 14,'18)—		3½	—	3½
Bank Bills	3½	3½	3½	3½
Trade Bills	—	4–4½	4¼–4½	4½–4¾

* Announcement made Jan. 8, 1919, that this rate would no longer apply to French, Belgian and Italian balances. † Foreign and Colonial banks give Special Rates only upon deposits for a year.

THE RATE ON FOREIGN BALANCES

PRACTICALLY the only feature in the Money market this week has been the announcement by the Bank of England that in future the special rate of 4½% that has been given for just over a year on foreign balances will no longer apply to French, Belgian and Italian moneys deposited with the Bank. The announcement did not come altogether as a surprise, especially in view of the exchange position of those countries, but it has resulted, however, in some discussion as to whether it may not lead to an expansion in the supply of floating credit in the market. Even if it does have this effect it is probable that such expansion may prove merely temporary. Sales of War Bonds reported for last week were rather better, having slightly exceeded the £25,000,000 mark, taking into account sales through the Post Office. Still, the amount sold recently has not been at all satisfactory, and it remains to be seen whether anything better can be shown for this week. It is to be expected, however, that in the usual manner of people here there may be a big demand for the bonds before the advantages attaching to the bonds now in issue are withdrawn on Saturday of next week. It has been plainly stated that various conversion privileges possessed by the first, second, and third series of War Bonds will not be forthcoming after

January 18, but as yet, at any rate, no statement has been made as to the manner in which it is proposed to finance our continued heavy expenditure after next week. Unless bonds of another type are issued it is evident that, large as will be the revenue in the next two and a half months, the floating debt must be further added to. And already it is at a figure of almost £1,550,000,000, a total that should never have been reached and that every effort should be made to reduce. On the whole, exchanges in neutral countries have moved in our favour during the past week, while the value of the mark in the same countries has depreciated, which is not to be wondered at in view of the trend of events in Germany.

FRENCH TREASURY BILLS.

The £2,000,000 of French Treasury Bills which matured on January 7 were renewed at the end of last week for another six months at 4% discount. A further £7,843,000 of another series of French Treasury Bills will fall due on January 15, and chiefly in replacement of these it is proposed to issue £8,000,000 of new bills, for which tenders will be received at the Bank of England not later than one o'clock on Monday next. The new bills will be yearlings, and interest is entertained as to the rate at which they will be placed. The view of the market is that they may be done at 4½%, though a slightly higher rate may not come altogether as a surprise.

BANK OF ENGLAND.

This week's return indicates a reversal to more normal figures, as was generally anticipated. A week ago the return published apparently showed the position at the close of business on December 31, New Year's Day having been a Bank Holiday, and therefore the effect of the window-dressing arrangements of the banks, whereby they were able to increase their cash balances at the Bank of England, was more plainly evident than would have been the case had last week's return been made up a day or two later. The only movement in this week's return favourable to the market was an expansion of £593,000 in the reserve. On the other side, last week's increase of £53,198,000 in Government securities, and of £14,333,000 in "other" securities, has been followed this week by shrinkages of £52,426,000 and of £20,900,000 respectively. Public deposits are again a shade higher, and in place of the expansion of £65,857,000 in "other" deposits that occurred in the week to January 1, there has been a diminution of £74,706,000 in the past week. A decline of £49,000 is recorded in the note circulation; but in connection with this it should be remembered that in the normal way many notes are returned from circulation at this time of year, and that the present net movement in that direction so far indicated has been infinitesimal. The net addition to the bullion item in the past week was £544,000, thereby raising the stock for the first time to over 80 millions—£80,520,547, to be exact. With regard to bullion movements it is interesting to note that without intermission increases have been shown weekly since April 10, 1918, and that in the preceding three months declines were reported on only three occasions. The diminution in deposits and the further expansion in the reserve resulted in the proportion being raised during the week from the low level of 11.71% to 17.12%, the highest point touched since the end of October last.

FINANCING THE EXCHEQUER.

In the first four days of 1919, £11,866,000 of revenue was collected by the Exchequer, practically the whole amount having been in cash. Customs and Excise revenue was relatively small, but, on the other hand, income tax yielded £6,327,000, or considerably more than half the total revenue, doubtless owing to tax received in respect of a portion of the large amount paid out in interest, dividends, &c., at the beginning of the year. Expenditure was comparatively light, interest, &c., having called for £2,254,000 and Supply Services for £22,600,000, of which net outlays from Votes of Credit represented about £21,500,000, or roughly £5,375,000 a day. The deficit for the four days, therefore, was quite small compared with that for earlier weeks, having been just under £13,000,000. Loans brought in £13,076,000, so that the cash balance was slightly raised. The sum received from sale of National War Bonds was £16,998,000, and that from War Savings Certificates £1,000,000, while "other" debt was raised to the extent of £229,000, and £85,000 of War Loans, Exchequer Bonds, &c., was cancelled through revenue payments in scrip. The lightness of the expenditure and a net addition of about £2,935,000 to receipts from Treasury bill sales enabled £8,000,000 of Ways and Means Advances to be retired. The net reduction in the floating Debt in the four days to Saturday last was thus £5,066,000, which still leaves a total of no less than £1,545,084,000, not taking into account £180,000,000 of Exchequer Bonds due just over a year hence, and the 5% Bonds due in October next. All these might almost now be regarded as coming within the range of short-term debt.

Since the War began the total expenditure of Great Britain has amounted to £9,026,718,000, of which £2,310,219,000 has been met out of revenue and the balance of £6,716,500,000 from loans, as shown in the appended statement. Including interest, &c., on War Debt and deducting normal outlays on the Army and Navy, Great Britain's War Bill on Saturday last stood at about £8,122,000,000, and the National Debt at roughly £7,415,000,000.

[000's omitted.]	War Borrowings—Apr. 1–Jan. 4, '19	War Borrowings—Apr. 1, '17–Aug. 1, '14–Mar. 31, '18	National Debt—Approx. Jan. 4, '19	National Debt—Actual Mar 31, '18
4 & 5% Natl. War Bds.	£823,483	£614,216	£1,437,698	£1,472,893(a)
4% & 5% War Loans	—	168,083	948,460	2,023,844
War Savings Certs. ...	71,400	62,200	207,600	209,150c
"Other" Debt (d) ...	356,607	620,435	1,350,151	1,352,081
Treasury Bills ...	124,730	508,885	1,081,812	1,097,904
Ways & Means Advances	254,909	Cr.25,254	450,181	450,181
5% Exch. Bonds due :				
Oct. 1919 or Apr. '23	4	82,270	82,274	70,657
Oct. 1921 (1916 issue)	—	—	62,496	75,839
Dec. 1920 ,, ...	—	48	237,877	49,744
Oct. 1919 ,, ...	—	—	34,263	16,924
6% Ex. Bds., Feb. '20	1	—	160,956	141,278
3% Ex. Bds., Mar. '20	—	—	21,831	21,660
Do. do. Mar. '30	804	12,021	12,825	16,444
War Expenditure Certs.	Cr.22,932	Cr.629	—	—
3½% War Ln. 1925–28	—	—	331,798	62,746
4½% War Ln. 1925–45	—	—	592,345	16,139
2½% & 2¾% "Consols"	—	—	—	304,084
Debts to Bks. of E.&I.	—	—	—	13,646
Terminable Annuities	—	—	—	21,903
Total	1,609,006	2,042,274	7,009,567	7,414,883
Less Misc. repayments	66,743	57,495	288,767	—
Debt Aug. 1, 1914	—	—	—	652,270
Inc. since war began	1,542,523	1,984,779	6,720,800	6,762,613

(a) Sales reported to Jan. 4, 1919, £1,461,945,597. (b) 4% (Oct. 1927) £119,541,000; 5% (Oct. 1922), £237,924,000; 5% (Oct. 1924), £28,739,000 5% (Oct. 1947), £263,206,000. (c) 4% Tax compounded, £52,372,000; 5% £2,037,945,000. (d) Including British portion of Anglo-French (U.S.) Loan (e) Number sold to Dec. 28, 1918, 378,091,186.

REVENUE FROM CUSTOMS DUTIES.

The furnishing of details of the Customs revenue of this country has again been resumed in the Board of Trade returns for December. The figures there given relate to the calendar year, and as affording an idea of the growth of revenue from customs are of interest, more particularly as details for the present fiscal year to March 31 next may not be available for many months. We need not go into detail regarding the Customs revenue for the past five calendar years, leaving the figures to speak for themselves.

ROYAL EXCHANGE
ASSURANCE.
Incorporated A.D. 1720. Governor: VIVIAN HUGH SMITH, Esq.
FIRE, LIFE, SEA, ACCIDENT, and GENERAL INSURANCES.
The Corporation is prepared to act as TRUSTEE and EXECUTOR.
Apply for full particulars of all classes of Insurance to the Secretary—
Head Office: ROYAL EXCHANGE, LONDON, E.C. 3.
West End Branch: 44 PALL MALL, S.W. 1.

CALENDAR YEAR—1918*	1917]	1916	1915	1914
	£	£	£	£
Chicory	72,106	77,129	100,273	69,220	49,388
‖Cinematograph Films	169,402	184,918	291,513	100,878	—
‖Clocks, Watches, &c.	677,048	441,223	469,725	106,887	-
Cocoa, &c.	2,651,563	2,274,581	1,430,542	609,544	364,031
Coffee	958,331	885,586	476,063	241,525	188,748
Fruit, Dried, or otherwise preserved without Sugar:					
Currants	29,051	38,439	124,634	130,201	122,741
Figs, Plums, and Prunes	31,111	117,354	185,838	127,322	115,107
Raisins	99,212	179,299	314,153	259,048	220,301
†Matches and Mechanical Lighters...	159,996	69,296	328,839	—	—
‖Motor Cars, Cycles, &c.	271,469	288,347	475,200	343,492	—
Motor Spirit... ...	2,424,437	2,256,721	2,482,672	1,667,118	1,068,606
‖Musical Instruments	61,929	62,795	87,777	37,563	—
Spirits:					
Brandy	1,966,690	1,161,142	1,232,109	1,170,541	1,123,252
Rum (including imitation rum) ...	2,677,612	2,708,254	2,757,922	3,548,403	2,707,393
Geneva and all other Sorts	291,996	411,618	572,607	499,607	556,046
Sugar:					
Refined and Unrefined	19,964,281	13,981,311	16,770,482	5,924,182	2,973,449
Glucose and Molasses	1,711,954	1,234,785	859,096	271,795	123,027
Saccharin, and Articles containing Sugar ...	1,561,749	534,559	498,634	237,407	115,598
‡Table Waters, Cider and Perry ...	5,263	11,583	9,525	-	—
Tea	15,568,747	13,901,750	15,137,749	11,931,413	7,028,813
Tobacco:					
Manufactured and Snuff	1,035,475	475,132	553,024	532,377	502,624
Unmanufactured...	50,446,461	41,522,488	35,455,177	25,726,511	20,868,634
Wine	1,181,527	735,410	975,981	992,612	1,064,361
Other Articles, &c. ...	350,209	59,766	71,723	189,922	77,668
Total ... £	104,370,599	83,613,486	81,649,258	54,717,568	39,269,697
Less Drawbacks, &c.	11,567,105	10,864,762	9,705,569	3,886,548	2,974,394
Net total ...	92,803,494	72,784,724	71,943,689	50,831,020	36,295,303

* The figures for 1918 are subject to correction.
† Matches subject to duty from April 5, 1916, and Mechanical Lighters from July 20, 1916.
‡ Subject to duty from May 1, 1916.
‖ Subject to duty from September 29, 1915.

MONEY IN NEW YORK.

On account of the return of money from the interior the supply of credit in New York has become more abundant, and as a natural consequence the easing of money rates, which was temporarily suspended at the end of December, has been resumed. The rate for call loans stood at 6% for a long time, it will be remembered. Now, however, business is being done at 5% and even less; indeed, on one day this week the rate was as low as 3½%. A further decline has also occurred in the rate for prime commercial paper. During the greater part of 1918 the rate was firm at 6%, but a week ago came over at 5½-5¾%, and now is reported at 5¼-5¾%. An indication of the return flow of money to New York is afforded in last week's statement showing the position of the banks and trust companies associated with the Clearing House. Loans, &c., increased last week by about £7,500,000 and the aggregate reserve by £6,500,000. The expansion in demand deposits was roughly £10,500,000, and although the legal reserve was slightly raised, the excess reserve was increased by over £5,000,000 to £11,404,000. The view held in New York is that easier money rates may continue for some time, partly on account of the return of funds from the interior, but mainly in consequence of slackening trade resulting in the release of funds. Further, the country's circulating currency is stated to be showing a slight contraction, the amount in circulation *per capita* now being about $55¾ against $56¼ a month ago. If the cabled reports are correct, the note circulation of the Federal Reserve Banks of the country last week declined about £7,300,000 to £529,722,000, which compares with £250,241,000 a year ago, and under £100,000,000 prior to June 1917. The belief is now entertained that the next Liberty Loan may be issued later than was originally intended, and that the amount will be about $5,000,000,000 with interest at probably 4¼%.

POSITION IN INDIA.

The demand for rupees in India is growing apace, the currency return made up to December 31 showing a further decline of 134 lacs in the silver reserve, which now stands at 3,213 lacs, compared with 3,599 lacs as recently as December 7. The silver reserve held in India in the closing ten days of last month declined by 52 lacs to 2,339 lacs, and that in the United States or *en route* therefrom fell by 82 lacs to 874 lacs. At the same time the note issue continues to expand, the increase of 132 lacs recorded in the last return having raised the present total to a new high level of 14,709 lacs, which is nearly 5,000 lacs higher than on April 7 last, and just about double the pre-War circulation, when the stock of silver was a little larger than at present. No change was shown in the last return in the gold reserve, which remains at 1,980 lacs, compared with 2,720 lacs just before the War. One feature of the latest return is the increase in the fiduciary reserve. About a month ago the authorised amount was raised to 10,000 lacs, of which it was understood rupee securities would still represent 1,000 lacs. Apparently, however, this was not in accordance with facts, as the latest statement shows the amount of Indian Government securities held in the reserve against the paper currency has been increased by 266 lacs to 1,266 lacs. In the weekly circular of Messrs. Samuel Montagu and Co., this is stated to be the first occasion since 1915 that the item has exceeded 1,000 lacs. Our records, however, which go back to the beginning of 1913, show that throughout the past five years at least the figure has been 1,000 lacs.

SILVER.

No change has occurred in the price of silver, which thus remains at 48⅞*d.* per oz., and seems likely to be at this level until freight rates upon the metal are reduced as upon other commodities, in which event it is anticipated the quotation here will be brought into line with that ruling in New York, where the price for commercial bars is 101⅛c. per oz. The trade demand in London this week has been rather larger than witnessed of late, the release of munition workers having apparently enabled silver manufacturers to deal with larger quantities. Other kinds of business are, however, still restricted by Government regulations. Though the China exchange remains firm at above parity no purchases are heard of for that quarter.

Stock Exchange.

Another quiet week has been experienced on the Stock Exchange, and the small volume of business has disappointed the hopes entertained in some quarters of improvement with the commencement of the New Year. Uncertainty has been deepened by the course of events. In the first place the renewal of internal strife in Germany has naturally aroused fears lest Bolshevism, the withering effects of which have been seen in Russia, should spread into Germany and perhaps further afield. Secondly, anxiety has been caused by the evidences of unrest among sections of the troops at home, and the Prime Minister's warning as to the possibility of harm to national interests. Some good appears to have been done, however, in speeding up the process of demobilisation of men not essential to Army requirements, but urgently required for the reorganisation of industry.

BARCLAYS BANK
LIMITED
(with which is amalgamated the LONDON PROVINCIAL & SOUTH WESTERN BANK Ltd.).

Business with Spain.

By means of arrangements concluded with many of the principal Spanish Banks, increased banking facilities for business with Spain are now available.

INQUIRIES FROM INTERESTED PARTIES ARE INVITED.

Address:
The Foreign Manager, 168 Fenchurch St., E.C.3.

On the quickness of the transition from peace to war work the welfare of the business community depends, and until uncertainty is removed the confidence required to stimulate investment business can hardly be looked for. The preliminary conference of the Allies on peace terms commences next week, and thereafter it may be possible to speak with more assurance as to the prospects of settling without further trouble the many and serious questions arising out of the War. But even then there will remain the possibility of a slip twixt the cup and the lip, which will not finally vanish until peace is actually signed. From now until then there will either be aggravation of the uncertainties and difficulties of the situation, or gradual settlement of the outstanding questions and the relaxation of war conditions, such as the removal of the blockade and the withdrawal of other restrictions on trade and commerce. Upon the outcome depends the course of the stock markets.

At present the tone continues remarkably firm, and, while irregularity of price is to be noticed here and there, the gilt-edged section on the whole closes the week with quotations a little harder, particularly the 4½% and 4% war loans at 99⅜ and 101¾ respectively. Among Colonials, Nigerian 5%, redeemable June 30, 1920, have risen to par. In the foreign section the feature has been the continued buying of French 5% and 4% loans. Three months' interest is payable on the latter next week. While Mexican 5% Stock has held its improved price, Russians have again been flat, falling two to five points on the week. Chinese Gold Bonds, 1898, have been bought up to 95, but Japanese 4% 1899 have weakened fractionally to 72.

Quotations of home descriptions were decidedly weak on Monday and Tuesday, and close up to two points down. Metropolitan and Underground stocks have provided an exception, and command higher prices. The reaction in foreign railway issues has continued, with effect particularly noticeable in Argentine descriptions and Brazil Common. Mexicans have not altogether held last week's gains.

In the industrial and general sections interest has again been confined to specialities. There have been fewer active features. Breweries have been well supported, particularly Allsopps, City of London, and Watney Combe. In the iron and steel group a fairly long list of changes has to be noted, but for the most part of unimportant character, excepting Armstrongs, Bengal Iron, Bolckow Vaughan, Wm. Cory, and Dorman Long, all of which have moved in favour of holders. Textiles continue quiet, and, among commercial industries, there has been little movement. Oil shares generally have maintained their higher level, and sharp advances have occurred in Eagle Oil Transport and Mexican Eagle Ordinary and Preference. The latter Company's dividend has been substantially increased, and the report is expected to show a big rise in profits. Trinidad Central has also been strong, and close a further 4s. 6d. up on the week at 37s. 6d.

THE CHANCE OF A LIFETIME.

Now you have an opportunity to invest in the finest security in the World on terms which are not likely to long continue.

By purchasing National War Bonds by instalments you ensure favourable investment of your savings for years to come, and at the same time render some real assistance to your country and your family.

Send for full particulars to the

Legal & General Life Assurance Society,

10 Fleet Street, London, E.C. 4.

Assets £12,000,000. Established 1836.

Mining Topics.

Practically all sections of the Mining markets have been dull, with quotations for the most part lower where altered. Consolidated Mines Selection and Daggafontein have been exceptions, the latter rising to 29*s.* 3*d.* on talk of good developments, while the parent concern partly in sympathy, but more on account of reports of a pending distribution of large enemy shareholdings among non-enemy shareholders in the proportion of one for three, at 25*s.* each, appreciated to 29*s.*; but later dropped back to 28*s.* 3*d.* A little interest has been taken in diamond shares, De Beers Deferred rising to 16¾, and Jagersfontein to 4⅛. Base metal descriptions continued to droop further, excepting Siberian issues favourably affected by the victory of the Siberian Government troops over the Bolshevist forces. Camp Birds have receded on a disappointing cable reporting that only 20 feet of rich ore has been encountered in 1,830 feet of driving below the old mine.

BRITISH CENTRAL AFRICA COMPANY.

Intermittently since this Company was formed 16 years ago its shares have been prominent on speculation due to optimistic anticipations, sometimes based on the extent of the mining rights, sometimes on progress of the trading business, and, more recently, on the landholdings, and the development of cotton and other plantations. Each time in the past, as excitement has died down and reports have shown insufficient profit to pay dividends, the shares have relapsed into quietude, and it remains to be seen whether the impetus given to the trade of the country by the military campaign against German East Africa will be sufficiently lasting, and so reflected in results as to prevent similar evanescence of interest in the future. The following is a contrast of highest and lowest share prices of the last seven years:—

Highest and Lowest Prices of Shares.

	1918	1917	1916	1915	1914	1913	1912
Highest ...	15/1	8/7	5/3	4/0	6/6	7/9	12/9
Lowest ...	7/0	3/6	2/0	2/0	3/0	5/0	5/3

The Company controls the Shire Highlands and Central Africa Railways, together measuring 174 miles, and running from Blantyre in the south of Nyasaland, and 150 miles distant from Lake Nyasa, southwards to Chindio on the navigable Zambesi River, roughly 100 miles from the sea. The first of these railways was opened in 1909 and the second in 1916. The parent concern took shares and Debentures in payment of construction cost, but has not received any return therefrom. In 1916 its own Debentures were exchanged for Debentures of the Shire Highlands Railway, plus some of its own shares, and at the present time its issued capital is £1,468,000. The Company owns £4,750 of First and £122,500 of Second Debentures, as well as 20,000 £5 shares, of the Shire Highlands Railway: also 70,000 Ordinary 5*s.* shares and 49,782 4% £1 Cumulative Participating Preference shares of the Central Africa Railway, representing the whole of the capital. In addition it has 372,000 acres of land, extensive mineral rights, plantations under various cultures, including tea, tobacco and fibre, and a flotilla of steamers working in conjunction with the railways. Furthermore a general store and trading business is carried on. It is apparently this side of the undertaking, and the produce from the plantations, as well as the purchase and sale of native products, which enabled the Company to show substantial improvement in earnings during the past three years. In 1916 and 1917, for which accounts are available, the military expedition to German East Africa was in progress, and Nyasaland was largely used for the passage of troops and equipment for the cam-

paign. This, of course, brought considerable grist to the Company's mill, and at the same time prices of all produce ruled extremely high. The accounts for 1918 may show a set-back owing to an exceptionally wet season being experienced, compulsory cultivation of foodstuffs, and scarcity of labour:—

	Year Ended December 31		
	1917	1916	1915
	£	£	£
Departmental and other Profits	90,528	56,290	20,006
Interest on sundry Revenue	5,139	5,087	1,040
Interest on Shire Highlands Railway Debentures		20,330*	26,837*
	95,667	81,707	50,883
Office expenses, directors' fees, etc. ...	6,617	6,785	4,886
Land and income tax	1,930	2,046	1,372
	8,547	8,831	6,258
Net Profit	87,120	72,876	44,625
Brought forward	13,774	12,116	179,796†
	100,894	84,992	224,421
Allocations:			
Debenture interest	-	12,468	-
Reserve for contingencies	10,000		
Depreciation of assets written off	64,945	58,750	212,305
Total Allocation	74,945	71,218	212,305
Balance carried forward	25,949	13,774	12,116

* Interest due but not paid.
† Including £161,025 of Debenture Interest due but not paid.

Balance Sheet Figures at December 31.

Cr.	1917	1916	1915
	£	£	£
African Estates mining rights, concessions, etc	855,924	860,280	865,148
Plantations buildings, machinery, &c. ...	97,992	97,295	99,185
Stocks debtors and cash in Africa	149,996	101,143	55,447
Produce in stock and transit	95,126	58,123	33,616
Debtors and Bills Receivable	6,753	7,906	8,790
Nyasaland Government	15,800	15,800	15,800
Cash, Treasury Bills and Government Securities	101,983	91,894	80,384
Investments	222,337	645,282	704,032
Furniture, &c.	587	624	600
Interest on Shire Highlands Debentures ...		189,902	187,863
	1,546,798	2,068,249	2,051,838
Dr.			
Issued share capital	1,456,750	1,000,000	1,000,000
Issued debentures and interest	11,250*	1,012,468	1,000,000
Creditors and bills	42,849	42,007	39,721
Reserve for contingencies	10,000		
Profit and Loss account	25,949	13,774	12,117
	1,546,798	2,068,249	2,051,838

* To be exchanged into shares.

It will be understood from the above that, though the Company has made considerable progress and strengthened its financial position, it has not yet reached the stage when good and regular dividends can be relied upon, and with the uncompleted state of railway transportation it looks as if shareholders will have to exercise a good deal of patience yet before they are adequately rewarded. Still, there is no denying the potentialities—that intangible promise of ungaugable possibilities so dear to the optimistic speculator. The extensive landholdings are known to be extremely fertile, and the climatic conditions favourable to the production of raw materials in great demand in commerce and industry, while the practically unprospected mining rights may cover mineral wealth. But it is well to bear in mind that development has not progressed very far, that the future of the country is a transport problem, and that there are bound to be ups and downs coincident with the fluctuations in world trade and the prices of commodities.

NARAGUTA TIN.

The Naraguta Company reports a profit for the year ended March 31 last larger than in any previous year since its formation in 1910, but the improvement is entirely due to the big rise in the price of tin, which very much more than offset the effect of slight reduction in output and a further heavy increase in costs. The total expenditure for the year was equal to over £98 per ton of tin concentrates produced, and this figure, it is to be noted, is above the average prices realised for the product in the three years prior to 1916-17. The net profit is equal to 23½%, on the issued capital of £175,000, but no liability has been incurred for excess profits duty owing to the statutory deficiencies in the earlier war years. Dividends, however, are paid free of income tax, and in distributing 15% to shareholders, calling for £26,250, against 10%, absorbing £17,500 in respect of the previous year, the directors have acted cautiously but wisely:—

Year to March 31	Tin Output* Tons	Value per Ton £	Total Cost† per Ton £	Working Profit £	Net Profit‡ £	Dividends— £	%
1914 ...	887	88	56½	23,053	10,659	8,750	5
1915 ...	651	86½	79½	4,624	(Loss)	—	—
1916 ...	580	92½	62½	17,292	14,327	17,500	10
1917 ...	520¾	122½	86½	18,772	14,721	17,500	10
1918 ...	517	186½	98¾	44,016	42,034	26,250	15

* Tin concentrates. † Including depreciation and administration.
‡ After deduction of income tax and special depreciation in 1914 and 1915.

Credit is taken in the accounts for £9,012 written off pipe-line in 1914 and 1915, "now recovered," but £20,000 is set aside to reserve, so that the carry-forward is raised from £6,604 to £11,400, subject to income tax. The balance sheet shows a strong financial position, as, after allowing for the dividend payments, cash resources exceed current liabilities by £32,000. The tin-bearing areas owned are extensive, but in the case of alluvial properties, particularly in Nigeria, the rate of exhaustion is rapid. This factor, taken in conjunction with the uncertainty as to the price of the metal and the very high cost of production and realisation, marks the enterprise as an extremely speculative one, the future of which cannot be gauged with any degree of exactness. The price of the £1 shares is 17*s*.

OROVILLE, NECHI, AND PATO.

When the liquidation of the American Oroville Dredging Company, now being carried out, is completed and the assets are transferred to the English-registered Oroville Company, shareholders will be able much more easily than heretofore to follow the progress of their interests. At the present time the position is complicated. The original property in California has been denuded of its payable gold contents, and reliance for revenue has to be placed upon the results of two Colombian dredging undertakings—the Nechi and Pato—owning adjoining properties worked by dredging, controlled and managed by the Oroville. The parent Company's capital is £686,538. Its principal assets, directly and indirectly held, consist of 98% of the Ordinary share capital of the Nechi Mines and 70% interest in the Pato Mines, excluding that Company's shareholding in the Nechi, already allowed for. The Nechi Mines capital is £140,000, as to £70,000 in 25% Preference shares of 10*s*. each and £70,000 in Ordinary shares of 10*s*. each. The Pato's capital is £100,000 in £1 shares. Up to the end of 1917 the Oroville Company received practically all the distributable profits of the Pato Mines on account of its holding of Income Notes, now paid off, but it received nothing from its Nechi interest owing to the profits of that undertaking having to be distributed to the Preference shareholders until they received 100%. From last year inclusive onwards the Oroville is entitled practically to 98% of the distributable profits of the Nechi after the 25% Preference dividend is paid, and to 70% of the profits directly earned by the Pato. The results of the two dredging companies to September 30, 1917, are compared below:—

Nechi Mines (Colombia).

	Ground Dredged Cubic Yards	Value of Gold— £	Yield per Cubic Yard	Total Working Cost per Cub. Yard	Working Profit— £	Per Cubic Yard	Net Profit £
13 months to Sept. 30, 1916	1,617,975	165,669	2,0½	,8	111,527	1/4½	115,112
Year to Sept. 30, 1917	1,883,659	120,815	1 0¾	8¼	55,949	/7	62,107

Pato Mines (Colombia).

Year to Sept. 30	Ground Dredged Cubic Yards	Value of Gold— £	Yield per Cubic Yard	Total Working Cost per Cub. Yard	Working Profit— £	Per Cubic Yard	Net Profit* £
1915 ...	1,377,194	127,342	1,10	8¾	71,666	1 1	77,606
1916 ...	1,454,721	148,044	1/11¾	- 9¼	90,690	1/4	104,547
1917 ...	1,181,945	133,852	2 3¼	1 0¼	1,334	1 0¾	87,015

* Including sundry revenue.

Detailed information as to the results since September 1917 is not available, but there are one or two points to be noted. In the first place, owing to the heaviness of the excess profits duty and the uncertainty of both the dredging companies as to their standards for assessment, gold production has been purposely

curtailed and profits limited. The properties have only short lives at the rapid rate of exhaustion with the dredges working to full capacity. Hence the policy has been adopted, especially in respect of the Nechi, while the excess profits tax is in force, of dredging low-grade areas and redredging ground previously covered. Nevertheless, earnings have sufficed to enable the Nechi Company to satisfy the 100% dividend on the Preference shares, to which holders have a prior right, and subsequently their 25% annual dividend; while the Pato Company has nearly, if not quite, paid off its Income Notes, the revenue from this source sufficing to pay Oroville shareholders dividends at the rate of 10% per annum. It is estimated that of the Nechi's original tested area, calculated to contain 6,850,000 cubic yards of dredgable ground, something less than two-thirds remains to be dealt with, though nearly 5,000,000 cubic yards of ground have been treated—largely, of course, from outside the calculated reserves. The dredge is capable of dealing with 1,800,000 to 2,400,000 cubic yards per annum, and if the tested reserves of ground are treated at this rate the life will be very short, and profits, on the basis of official estimates, high—averaging, say, from £250,000 to £300,000 per annum. The period of operation can, and almost certainly will, be prolonged by treating ground outside the small tested area. The 25% Preference dividend requires £17,250 per annum, and practically the whole balance of distributable profits belongs to the Oroville. With Nechi Preference shares quoted at 11*s.* 6*d.* a life of over 4½ years from now is required to return the capital without interest.

As to the Pato, in the two years ended September 30, 1917, it worked out 50 acres of ground, leaving intact 448 acres, so that, assuming the rate of exhaustion continued at the same rate, the life now remaining would be, say, 16 years. In this case the period of actual working may be extended also by treating ground outside the estimated pay area.

The indications, so far as they can be gauged, seem to point to Oroville shareholders receiving a small increase in dividend shortly, and a substantial augmentation in consequence of better results from the Nechi as soon as the excess profits duty is removed, but probably not for more than four or five years. Thereafter the outlook is for considerably reduced returns until the larger, but less rich, property of the Pato is exhausted—say 16 years hence. In the circumstances it does not look as if the present price of 20*s.* 6*d.* for Oroville £1 shares is unduly low. However, shareholders have just been informed that a promising new property of low-grade character, but capable of being developed into a fairly big proposition, is being tested in Colombia. Should this venture turn out well, the future of the Oroville will be better than it appears at present, with earnings dependent upon two short-lived dredging undertakings subject to heavy income tax, and possibly heavy excess profits duty too.

NATIONAL BANK OF SOUTH AFRICA LTD.

Registered in the Transvaal.

(With which are incorporated the Bank of Africa, Ltd., the Natal Bank, Ltd., and the National Bank of the Orange River Colony, Ltd.)

Bankers to the Government of the Union of South Africa in the Transvaal, Natal and Orange Free State. Bankers to the Imperial Government in South Africa.

Capital Subscribed and Paid up £2,865,000
With power to increase to £4,000,000
Capital and Reserve £3,715,000

Head Office ... PRETORIA.

London Offices ... CIRCUS PLACE, LONDON WALL, E.C.2.
18 ST SWITHIN'S LANE, E.C 4.
25 COCKSPUR STREET, S.W.1.

New York Agency ... ... 16 WALL STREET.

The Bank has over 300 Branches in South, East, and South-West Africa Further Branches have recently been established at Mozambique, Quelimane and Inhambane in Portuguese East Africa, and Mwanza (Victoria Nyanza).

Agents in Amsterdam, Paris, Petrograd and Rome.

The Bank is prepared to grant Drafts, issue Letters of Credit, to make Mail and Telegraphic Remittances, to buy and collect Bills, and to undertake every description of Banking Business.

D. CUNNINGHAM, London Manager.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, January 8, 1919.

Issue Department.

Notes Issued	£98,295,065	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	79,845,065
	£98,295,065		£98,295,065

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£71,877,244
Rest	3,265,761	Other Securities	85,493,318
Public Deposits	28,163,856	Notes	28,154,045
Other Deposits	140,187,612	Gold and Silver Coin	675,482
Seven-day and other Bills	29,860		
	£186,200,089		£186,200,089

Comparison with Previous Four Weeks [00,000's omitted].

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1918-19.	£	£	£	£	£	£	£	%	%	%
Jan. 8	70.1	80.5	28.2	140.2	71.9	85.5	28.8	17·12	5	3½
Jan. 1	70.2	80.0	26.3	214.9	124.3	106.5	28.2	11·71	5	3½
Dec. 25	70.3	79.1	23.6	149.0	71.1	92.1	27.3	15·78	5	3½
Dec. 18	69.0	78.6	28.9	143.9	69.3	93.2	28.1	16·26	5	3½
Dec. 11	67.5	77.7	27.4	153.0	73.7	95.9	28.7	15·89	5	3½
J'y22,'14	29.3	40.2	13.7	42.2	11.0	33.8	28.3	52·40	3	2⅛

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 8, 6%; Aug. 8, 5%: July 13, 1916, 6%; Jan. 18, 1917, 5½%: April, 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Jan. 8,	Jan. 9,	Jan. 10,	Jan. 12,	Jan. 6,
Bank of England (in £'s sterling 00,000's omitted):	1919	1918	1917	1916	1909
Circulation	70.1	£45.7	£39.0	£34.3	£29.6
Public Deposits	23.2	37.9	49.5	53.5	7.5
Other Deposits	140.2	123.5	130.2	104.1	47.3
Government Securities	71.9	56.9	120.3	32.8	17.6
Other Securities	85.5	90.7	42.6	107.4	35.2
Reserve	28.8	31.8	34.9	35.4	20.0
Ratio to Liabilities	17·12%	19·71%	19·41%	22·46%	36·42%
Coin and Bullion	80·5	59·1	55·5	51·3	31·2
Money					
Bank of England Rate	5%	5%	6%	5%	2½%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3½%	4-1⅛%	4⅛%	5½%	2⅛-2½%
Exchanges:					
Paris Cheque	25 97	27 21	27 80	27 85	25 10½
New York 60 days	4 73	4 72½	4 72½	4 74	4 85
Bombay Telegraphic Transfers	1/5⅜	1/4⅜	1/4	1/4⅛	1/3½
Prices:					
Consols 2½% Cash	59	55½	53	58½	83⅜
French Rentes 3% Money	61·55	58·25	62·50	63·40	96·60
Silver, London spot oz.	48⅞d.	45½d.	36d.	27-5/16d.	23½d.
Wheat, *Gazette* average qr.	72/2	71/2	76/0	55/8	32/0
Cotton, Mid Upland* lb.	20·90d.	23·49d.	11·21d.	8·20d.	5·04d.
Iron, Scotch pig ton	101/0	101/0	—	84/1½	54/10½

* Good Middling American, Official Value.

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	% of Gold to Notes %
Jan. 8, 1919 ...	4,994,091	10,304,064	317,930,528	28,500,000	9 0
Dec. 31, 1918 ...	5,379,913	5,783,812	323,240,501	28,500,000	8 8
Jan. 9, 1918 ...	3,996,705	4,617,577	211,830,078	28,500,000	13·5
Jan. 10, 1917 ...	3,407,687	6,192,866	145,985,261	28,500,000	19·5
Jan. 12, 1916 ...	3,659,474	5,891,533	100,808,293	28,500,000	28 2
Jan. 13, 1915 ...	1,266,000	2,032,033	37,205,080	20,500,000	55·1

Balance Sheet, Jan. 8, 1919.

Notes outstanding—	£	Advances—	£
One Pound	236,709,013	Trustee Savings Banks	555,000
Ten Shilling	47,071,515	Currency Note Redemption A/c—	
Certificates outstanding ...	34,150,000	Gold Coin and Bullion...	28,500,000
		Government Securities...	300,134,346
Total	317,930,528	Balance at Bank of England	4,349,020
Investments Reserve A/c	15,607,838		
Total	333,538,366	Total	333,538,366

PUBLIC INCOME & EXPENDITURE [000's omitted.]

1918. Week to	Revenue	Expenditure	Excess of Expenditure	Loans and Advances: Raised	Repaid	Net. Inc.	Cash Balance
Jan. 4‖	£11,866	£24,874	£13,008	£98,928	£85,802	£13,126	£8,043
Dec. 31¶	14,951	64,517	49,566	389 914	341,028	48,886	7,925
279dys.'18-9	521,032	2,074,868	1,553,836	5,507,483	3,966,634	1,540,849	−12,987
280dys.'17-8	416,641	2,074,049	1,657,408	4,012,248	2,364,892	1,647,356	−10,052
1,617 dys. to Jan. 4,'19	2,310,219	9,026,718	6,716,499	—	—	6,719,482	+2,983
*Yr.'18-19**	*842,050*	*2,976,402*	*2,134,352*	—	—	*2,134,352*	—
Yr.'17-18	707,234	2,696,221	1,988,987	5,499,804	3,516,023	1,983,581	21,030

§ **Principal Items of Revenue and Expenditure.**

1918. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services.
Jan. 4‖	£1,613	£6,327	£2,561	£1,365	£2,254	£20	£22,600
Dec. 31¶	2,291	4,183	7,050	1,427	4,078	182	60,257
279dys.'18-9	116,354	89,712	206,879	106,087	230,706	7,654	1,836,508
280dys.'17-8	82,533	75,398	153,652	105,058	163,187	6,798	1,903 064
*Yr.'18-19**	*147,700*	*290,450*	*300,000*	*103,900*	*315,000*	*11,414*	*2,649,988*
Yr.'17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,969

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	War Expenditure Certificates	Total
Jan. 4, 1919 ...	£1,097,904	£447,180	All	£1,545,084
Dec. 31, 1918 (Highest)	1,094,740	455,180	retired	1,549,920
Dec. 21, 1918 ...	1,118,718	430,112	£216	1,549,046
Mar. 31, 1918 ...	973,678	192,271	22,929	1,188,878
Jan. 5, 1918 ...	1,073,899	270,781	23,561	1,368,241

TOTAL DEBT...Jan 4, '19, about £7,415,108,000: Aug. 1,'14, about £852,270,000

COST OF WAR TO GT. BRITAIN to Jan. 4, 1919, about £8,122,000,000

GT. BRITAIN'S WAR LOANS TO AND FROM ALLIES, DOMINIONS, ETC.

[00,000's omitted.]		1914-15	1915-16	1916-17	1917-18	18-19*	Total†
Allies	Included in Supply Expenditure	£18.0	£282.0	£491.0	£437.0	£111.5	£1,319.5
Dominions		34.0	54.0	54.0	52.0	26.5	220.5
Add Accrued int., discount, &c.		—	8.0	44.0	67.0	24.5	143.5
Total Loans to Gt. Britain ...		52.0	324.0	589.0	558.0	162.5	1,683.5
"OTHER" DEBT: Sum Raised		—	68.8	313.3	820.4	356.6‡	1,350.2‡

* Budget and Supplementary estimates. † To Oct. 18, 1918. ‡ To Jan. 4, 1919.
„ Four days. ¶ Ten days.

FOREIGN BANKS. [In £'s sterling—000's omitted.]

AUSTRIA-HUNGARY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Advances.	Note Circltn.	Above — or beneath + legal max.	Bills Discounted, &c.
July 23, '14	£51,578	£12,141	£63,719	£7,772	£88,740	+ £2,479	£31,983
Dec. 7, '17	11,000	2,300	13,300	592,990	739,300	—	117,800

DENMARK.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts.	Balance Abroad.	Circulation.	Deposits.
July 31, 1914	£4,100	£341	£4,441	£6,197	£786	£8,893	£47
Oct. 31, 1918	10,465	136	10,601	3,650	3,587	23,564	679
Nov. 30, 1918	10,424	144	10,568	3,826	4,338	24,456	736
Nov. 30, 1917	9,922	147	10,069	3,110	2,551	18,093	1,052
Nov. 30, 1916	8,076	107	8,183	4,967	2,297	15,422	811

FRANCE.	Gold. In Bank	Gold. Abroad.	Total Cash incl'g Silver	Bills.	Circulation.	Deposits. Public.	Deposits. Private
July 30, 1914	—£185,654—		£190,667	£97,768	£267,327	£15,302	£37,903
Dec. 26, 1918	137,618	81,484	231,836	41,851	1,209,984	4,487	94,648
Jan. 2, 1919	137,959	81,484	232,170	54,477	1,242,201	1,371	95,668
Jan. 3, 1918	132,736	81,484	224,093	41,930	911,565	13,484	111,069
Jan. 4, 1917	135,708	67,724	215,073	29,823	680,054	1,701	92,555

GERMANY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Treasury & Other Notes	Loans & Discounts	Circulation.	Deposits.
July 23, '14	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,138
Dec. 14, '18	115,224	1,015	116,239	224,251	1,213,901	1,000,290	570,296
Dec. 21, '18	113,131	1,007	114,138	244,990	1,223,418	1,056,218	574,194
Dec. 22, '17	120,250	8,219	128,469	58,061	631,222	551,302	331,753
Dec. 23, '16	125,984	815	126,789	8,759	413,331	376,746	189,614

HOLLAND.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts.	Advances.	Circulation.	Deposits.
Aug. 1, 1914...	£13,498	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Dec. 28, 1918...		58,164		30,483		89,249	7,373
Jan. 4, 1919...		58,335		35,540		91,905	7,476
Jan. 5, 1918...	58,098	577	58,677	6,727	8,603	74,825	3,603
Jan. 6, 1917...	49,216	553	49,774	6,618	6,634	62,647	5,492

ITALY.	Cash. Go'd.	Cash. Silver.	Cash. Total.	Other Cash.	Loans & Disc'nts.	Circulation.	Deposits
July 31, '14 ...	—	—	—£48,456—		£25,017	£89,204	£8,887
Oct. 31, '18 ...	£32 697	£3,078	35,775	5,283	62,386	359,445	56,877
Nov. 10, '18 ...	32,706	3,078	35,784	4,287	60 745	364,212	55,742
Nov. 10, '17 ...	33,355	3,134	36,489	8,915	57,238	249,420	53,339
Nov. 10, '16 ...	36,294	2,806	39,200	5,104	27,987	148,368	32,280

JAPAN.	Gold.	Discounts.	Advances	Notes.	Deposits. Public.	Deposits. Private.
Aug. 1, '14 ...	£21,987	£1,829	£7,883	£32,722	£13,818	£1,621
Nov. 16, '18 ...	68,110	1,520	40,745	82,648	99,781	4,039
Nov. 23, '18 ...	68,057	1,976	41,792	84,137	99,141	4,348
Nov. 24, '17 ...	62,582	1,106	20,435	62,493	59,107	5,230
Nov. 25, '16 ...	32,774	1,288	12,586	45,591	37,936	1,943

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve.	Loans, Discounts, Invest. &c.	Net Deposits. Demand.	Net Deposits. Time.	Net Deposits. Total.	Excess Reserve
Aug. 1, '14	—	£89,888	£411,238	—	—	£387,165	£1,720
Dec. 28, '18	£22,082†	109,473	932,522	£780,284	£26,838	850,633	6,320
Jan. 4, '19	22,294†	115,948	910,014	790,763	26,552	853,578	11,404
Jan. 5, '18	22,468†	110,383	825,999	720,241	38,585	815,483	14,324
Jan. 6, '17	92,054*	139,764	668,806	670,686	32,404	703,090	24,132

* Counted as reserve. † Not reserve.

NORWAY.	Gold.	Balance Abroad.	F'r'gn Gov. Securities.	Discounts & Loans.	Circulation.	Deposits
July 31, 1914...	£2,980	£1,878	£493	£4,869	£8,752	£793
Dec. 15, 1918...	6,724	3,665	750	20,390	23,492	4,368
Dec. 22, 1918...	6,722	3,682	750	21,922	24,819	4,467
Dec. 22, 1917...	6,274	4,816	717	21,095	18,330	11,069
Dec. 22, 1916...	6,840	4,780	767	6,572	14,054	2,292

RUSSIA.	Gold. In Bank.	Gold. Abroad.	Total Cash incl'g Silver	Loans & Disc'nts.	Circulation.	Notes in Reserve	Total Deposits
July 31, '14	£160,114	£14,395	£181,892	£78,081	£183,411	£8,569	£109,911
Oct. 31, '17	129,484	230,892	377,099	1,781,647	1,785,890	10,310	344,907
Oct. 29, '17	129,623	230,885	378,205	1,889,559	1,836,217	15,783	345,560
Oct. 29, '16	155,877	205,498	372,072	814,687	784,488	10,512	223,731
Oct. 29, '15	159,825	3,560	185,844	443,307	501,083	8,417	143,413

SPAIN.	Cash. Gold.	Cash. Silver.	Cash. Total.	Loans, &c.	Spanish 4%	Circulation.	Deposits &c.
Aug. 1, '14	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Dec. 21, '18	89,133	25 884	114,997	68,324	13,777	131,250	46,214
Dec. 28, '18	89,134	25 698	114,820	66,860	13,777	132,649	46,148
Dec. 29, '17	78,672	28,421	107,093	47,348	13,777	111,313	37,751
Dec. 30, '16	50,036	29,641	79,677	41,562	13,777	94,403	29,928

SWEDEN.	Gold.	Balance Abroad.	Swed. & For. Govt. Secs.	Discounts & Loans.	Circulation.	Deposits
Aug. 1, '14 ...	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
Dec. 14, '18 ...	15,850	7,057	5,861	28,689	43,692	12,504
Dec. 21, '18 ...	15,873	6,904	3,093	28 649	45,645	9,585
Dec. 22, '17 ...	13,014	6,973	4,440	16,143	31,037	10,282
Dec. 23, '16 ...	10,148	8,454	3,525	9,008	22,133	7,731

SWITZERLAND.	Cash. Gold	Cash. Silver.	Cash. Total	Discounts & Advances.	Circulation.	Deposits.
July 23, 1914...	£7,202	£753	£7,990	£4,917	£10,716	£2,028
Dec. 23, 1918...	15,855	3,319	18,173	23,334	36,862	8,152
Dec. 31, 1918...	16 539	3,338	19,925	25,357	39,023	7,348
Dec. 21, 1917...	14,308	2,073	16,379	16,775	28,092	5,492
Dec. 30, 1916...	13,800	2,098	15 899	9,796	21,480	5,156

U. STATES FED. RES. BANKS	Gold — Held by Banks.	Gold — With Agents.	Total Cash	Bills Discount'd	Acceptances.	Deposits. Govt.	Deposits. Total. Net.	Circulation.
Dec. 27, '18	£143,590	£274,484	£429,244	£40,589	£9 734	£12,874	£310,573	£537,048
Jan. 3, '19	148,709	269,830	430,730	385,972	58,054	13,284	311,758	529,722
Jan. 4, '18	174,352	183,292	348,608	125,182	54,267	26,201	289,215	250,241
Jan. 5, '17	91,834	58,578	151,648	5,243	24,381	5,113	130,295	54 575

II.—FOREIGN BANK RATES OF DISCOUNT.

	Current Rates %	Date Fixed		Current Rates %	Date Fixed
Paris	5	Aug. 20, '14	Copenhagen ...	5½	Jan. 2, '19
Berlin	5	Dec. 23, '14	Christiania ...	6	Dec. 13, '17
Amsterdam ...	4½	July 1, '15	Berne	5½	Oct. 3, '18
Brussels	5	Aug. 27, '14	Rome	5½	Nov. 7, '17
Vienna	5	Apr. 12, 15	Madrid	4½	Oct 28, '14
Petrograd ...	8	July 29, '14	Stockholm ...	7	Mar. 21, 18

III.—FOREIGN EXCHANGES.

LONDON ON—		Jan. 10, '19	Jan. 3, '19	Dec. 27, '18	Dec. 20, '18
Brussels	Cheques	27fr. 15c.	27fr. 50c.	—	—
Denmark	Cable	17kr. 80½	17kr. 70½	17kr. 65½	17kr. 62½
Holland	Cable	11d. 22c	11d. 15c.	11d. 12⅝c.	11d. 18⅛c.
Italy	Cable	30lr. 31½c.	30lr. 31½c.	30lr. 31½c.	30lr. 31½c.
Lisbon & Oporto	do.	34½d.	34⅜d.	34⅜d.	33⅜d.
New York	do.	$4 76½	$4 76½	$4 76½	$4 76½
—	Cheques	$4 77½	$4 77½	$4 77½	$4 77½
Norway	Cable	17kr. 00	16kr. 87½	16kr. 84½	16kr. 87½
Paris	3 mos.	26fr. 42½c.	26fr. 42½c.	26fr. 42½c.	26fr. 42½c.
—	Cable	25fr. 97c.	25fr. 97½c	25fr. 97c.	25fr. 97c.
Spain (Bank places)	3 mos.	48d.	47½d.	47½d.	47½d.
—	Cable	23p. 66	23p. 70½	23p. 72½	23p. 78½
Sweden	do.	16kr. 33½	16kr. 29½	16kr. 25½	16kr. 11½
Switzerland	3 mos.	23f. 45½c.	23f. 40½c	23f. 12½c	23f. 42½c
—	Cable	23f. 00½c.	22f 95½c	22f. 70½c	22f. 92½c.

ON LONDON—		Jan. 10, '19	Jan. 3, '19	Dec. 27, '18	Par
Alexandria	Sight	97½pi.	97½	97½ni.	97½pi.
Amsterdam	Cheques	11d. 22½c.	11d. 15c.	11d. 11½c.	12·107 fl.
Bombay	Transfers	1s. 5 5/16d	1s. 5 5/16d	1s. 5 5/16d.	1s. 6d.
Brussels	Cheques	27f. 25c.	27f. 63c.	27f. 62½c.	25f. 22½c.
Buenos Ayres	Transfers	—	51½d.	51⅜d.	47.58d.
Calcutta	Transfers	1s. 5 5/16d.	1s. 5 5/16d	1s. 5 5/16d.	1s. 6d.
Christiania	Sight	16 cr. 93½	16kr. 81	16 cr. 83½	18.159kr.
Copenhagen	Sight	17kr. 82	17kr. 68½	17kr. 61	18.159kr.
Hong Kong	Transfers	3s. 3⅜d.	3s. 4⅛	3s. 4⅛d	—
Italy	Sight	30lr. 31½c.	30lr. 31½c	30lr. 31½c	25lr. 22½c.
Lisbon	Sight	34½d.	34⅛	34⅛	53½d.
Madras	Sight	1s. 6 3/16d.	1s. 6 3/16d.	1s. 6 3/16d	1s. 6d.
Madrid	Sight	23p. 65	23p. 70	23p 72½	25p. 22½
Montevideo	Transfers	53½d.	—	60⅛	51d.
Montreal	Cable	$4 85½	$4 84⅝	$4 83½	$4 86⅔
New York	Sight	$4 75⅞	$4 75½	$4 75⅞	—
—	60 days	$4 73	$4 73	$4 73	—
—	Cable	$4 76⅜	$4 76⅜	$4 76⅜	$4 86⅔
Paris	Cheques	25f. 97c.	26f. 97½c	25f. 97c.	25f.22½
Peru	Sight	7½% Dis.	7½% Dis	7½% Dis	—
Rio de Janeiro	90 days	13 5/16d.	13 3/16d.	13 5/16d.	18d.
Shanghai	Transfers	5s 1d.	5s 1d	5s 2d.	—
Singapore	Sight	2s. 4 3/16d.	2s. 4 3/16d.	2s. 4 3/16d.	2s. 4d.
Stockholm	Sight	16kr. 33½	16kr. 29½	16kr. 24½	18.159kr.
Switzerland	Sight	23f. 01½c	22f. 95c	22f. 65c	25f. 22½c.
Valparaiso	90 days	—	10 15/16d	9 15/16d.	18d.
Yokohama	Sight	2s. 1 7/16d.	2s. 2 1/16d.	2s. 2½d.	2s. 0.68d

NEW YORK ON—		Rate Current* Jan. 8, '19	Rate Current* Dec. 24, '18	Par as usually Quoted	Rate July 3, '14
London, sight	...	$4.7685	$4.7580	4·8665 dollars for £1	$4 87
,, 60 cables	...	$4.7655	$4.7655		$4 86½
,, 60 days	...	$4.72½	$4.75⅛		$4 85
Amsterdam, sight	...	42·25c.	42·50c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques	...	35·75c.	35·85c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques	...	44·70c.	45·15c.		
Christiania, cheques	...	27·90c.	28·10c.	26·80c. for 1 kroner	
Copenhagen, cheques	...	26·75c.	27·00c.	26·80c. for 1 kroner	26·85c.
Greece, cheques	...	19·35c.	19·40c.	19·295c. for 1 drachma	
Hongkong, cheques	...	79·75c.	81·50c.	74·59c. for Mex. $1	46·40c.
Italy, sight	...	6·37½	6·38½	5·18½ lire for $1	5·17½
Lima, cheques	...	5·05c.	5·10c.	4·8665 $ for 1 libra	
Manila, cheques	...	49½c.	49½c.	50c. for 1 peso	49·90c.
Montreal	...	2% disc.	1½ % disc.	Premium per $100	Par
Paris, sight	...	5·45¾fr.	5·45¾fr.	5·18¼ francs for $1	5·18fr.
Petrograd, sight	...	13nom.	13nom.	51·43c. for 1 rouble	51·37c.
Rio de Janeiro, cheques		28·00c.	27·00c.	32·42c. for 1 milreis	
Shanghai, cheques	...	121½c.	125·00c.	52·93c. for 1 tael	63·00c.
Singapore, cheques	...	56·25c.	56·50c.	56·77c. for $1	57·12c.
Spain, cheques	...	20·05c.	20·05c.	19·30c. for 1 peseta	
Stockholm, cheques	...	28·90c.	29·30c.	26·80c. for 1 kroner	
Switzerland, cheques	...	4·87½fr.	4·82fr.	5·18¼ francs for $1	5·18¼fr.
Valparaiso, cheques	...	24·35c.	26·90c.	20·61c. for 1 peso	
Yokohama, cheques	...	52·50c.	52·75c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1919 Agz.	Inc. or Dec.*
	1919.	[In £'s sterling 000's omitted.]			
BIRMINGHAM ...	Jan. 4	£3,075 —	£201	£3.075 —	£201 — 6·1
BRISTOL ...	,, 4	1,200 +	304	1.200 +	304 + 33·9
DUBLIN ...	,, 4	6,406 +	1,443	6.406 +	1,443 + 29·1
LEEDS ...	,, 4	1,512 +	94	1.512 +	91 + 6·6
LEICESTER ...	,, 4	858 +	55	858 +	55 + 6·8
LIVERPOOL ...	,, 4	7,183 +	240	7.183 +	240 + 3·4
MANCHESTER ...	,, 4	13,856 —	375	13.856 —	375 — 2·6
NEWCASTLE ...	,, 4	1,778 —	1,473	1.778 —	1,473 — 45·3
NOTTINGHAM ...	,, 4	652 —	51	652 —	51 — 7·2
SHEFFIELD ...	,, 4	1,724 —	67	1,724 —	67 — 3·7
LONDON—	1919.				
TOWN ...	Jan. 8	453,572 +	95,942	453.572 +	95.942 + 26·8
METROPOLITAN	,, 8	42,023 +	7,938	42.023 +	7,938 + 23·8
COUNTRY ...	,, 8	71,212 +	7,871	71.212 +	7,871 + 12·4
TOTAL ...	,, 8	596,807 +	111,751	563 807 +	111.751 + 24·5

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould and Co. the following are the quotations for representative steam freights:—

HOMEWARDS.	1919	1913
Alexandria to Lond or Hull	nom.	9/6
Australia to U.K. or Cont.	100/0	42/9
Azoff to L.H.A.R. (new seas.)	—	12/9
Bombay to p.p. ... d.w.	nom.	21/6
Burmah o.c.	nom.	33/0
Calcutta to p.p. (jute) d.w	250/0	28 9
Danube to A.R.	—	—
Odessa to L.H.A.R. ...	—	11 9
R. Plate to U.K. Cont.	nom.	62/6 24 6

Homewards.—*Continued.*	1919	1913
U.S. Atl. Ports to Lvrpl. (cotton, 100lb.) ..	$4 50	50/0
U.S. to U.K. Cont. (grain)	17 6	3/6
Gulf Ports to U.K. Cont. (cotton & grain) ...nom	65/0	22/6

OUTWARDS.—Cardiff to

	Bom-bay	Col-ombo	Port Said	River Plate	St. Vin-cent
Year					
1919...	—	—	100/0	45/0	45/0
1913 ...	—	13/6	12 0	17/0	—

VI.—WHOLESALE PRICES OF COMMODITIES.

	1918-19 JAN. 10, 19	1917-18 JAN. 11.	1914 JUNE 30.
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	101/0	101/0	57/0
— Middlesbro' warrants ...ton	95/0	95/0	51/0
— Hematite warrants ...ton	122/6	122/6	61/0
— Staffordshire bars, London ton	£17	£15 10	£8 10
— Common bars ...ton	£14 15	£13 15	£6 10
Steel Rails ...ton	£10 17/6	£10 17/8	£6 2/6
Galvanised Sheets ...ton	£29	£28	£18 17/6
Copper—Standard ...ton	£93 10—£94	£110—£110 10	£61
Tin—English Ingots ...ton	£251	£298—£300	£142 10
— Straits ...ton	£252 10	£296—£297	£139 15
Tinplates, I.C. coke, S. Wales...box	32/6	31/6	11/10½—12/0
Lead—Soft Foreign ...ton	£32 10—£40	£28 10—£29 10	£19
Spelter—Ord. Foreign ...ton	£45—£56	£50—£54	£21 7/9
Quicksilver—(75lb.) ...bottle	£20	£20	£7
Aluminum ...ton	nom.	nom.	£82
Antimony—Regulus ...ton	nom	nom.	£27 10
Coal—(best) Yorkshire ...ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle ...ton	40/0—45/0	30/0	14/6
CHEMICALS, OILS, &c.			
Nit. of Soda—f.o.b. Chile, per quintal	nom.	11/9	7/4
Soda—Crystals ex ship ...ton	87/6	72/6	42/6—45/0
Copra—Malay & Straits ...ton	£45 10	£45 10	£23 15—£24 7/6
Gambier—Good marks...cwt.	45/0	63/6	16/10½
Indigo—Bengal good to fine ...lb.	9/0—10/6	9/0—12/0	3/2—3/8
Linseed Oil—Raw ...ton	£75	£58	£25 5
Linseed—Calcutta, spot ...ton	£37 10	£29 15	£13 16/9
— **Cakes**, U.K. made, ex mill ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish ...tun	nom.	—	£49 10
Palm Oil—Lagos ...ton	£45	£44	£31 10
Petroleum—American ...gallon	1/4½	1/7½	-/7½
Rape Oil—Refined English ...ton	£71	£71	£32
Soya Oil—Refined ...ton	£75	£75	£24 10
Tallow—Imported...cwt.	68/0	68/0	29/3—33/3
Turpentine—French ...cwt.	105/0	124/3	33/7½
Rape Seed—Toria ...ton	£29 15	£28 15	£13 5
Rubber—Para, spot ...lb.	2/7	2/9	2/9½
— Fine plantation (stnd. crepe)lb.	2/1½	2/4½	2/2
— World's Production* Nov. ton	18,701	20,781	8,467
Shellac—T.N. Orange, fair ...cwt.	290/0	370/0	63/0—64/0
TEXTILES.			
Cotton—Middling Uplandt ...lb.	-/20·90	-/24·01	-/7·53
— Egyptian good fair ...lb.	-/27·05	-/30·55	-/8·75
— Pernambuco, fair ...lb.	-/24·63	-/25·85	-/7·73
— Mid. Upl. New York ...lb.	31·85c.	33·25c.	13·25c.
— Stock, Liverpool, Jan. 6 bales	451,970	453,670	—
Flax—Petrograd, Yarapol ...ton	nom.	£120nom.	£28
Hemp—N. Zealand ...ton	£96	£93	£25 10
— Manila, Fair strips ...ton	£100	£85	£26 10
Jute—First Marks ...ton	—	—	£28 15
— Red SCO ...ton	—	—	£24 15
Silk—Blue Elephant ...lb.	22/0	24/6	11/3—11/8
Wool—Pt. Philip unwashed av. lb.	nom.	nom.	-/11½—1/0
— Lincoln Half Hogs...lb.	1/7½nom.	1/8 nom	1/0½
Hides—Eng.Ox, best, 65lb. up. lb.	-/9½—/10½	-/10	-/7½
Leather—Dressing Hides ...lb.	2/5...3/1	nom.	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S....bus.	—	77,721,000	34,640,000
— Red, price, N.Y. 60lb. bushel	237½c.	226c.	87½c.
—English *Gazette*, aver. 480lb. qr.	72/2	71/2	34/3
Flour—G.B. ...280lb.	44/3	44/0	28/6
Barley—Eng. *Gaz.*, aver. 400lb. qr.	62/3	58/0	25/4
Oats—Eng. *Gaz.*, aver. 312lb. qr.	43/8	45/5	20/0
Maize—N.Y. (new bushel) ...56lb.	nom.	nom.	76½c.
— Amer. mixed, Liverpool 100lb.	nom	—	4/9
— La Plata ...480lb.qr.	70/0	76/0	25/9
Potatoes—Good English ...ton	187/6	120/0—150/0	70/0—75/0
Rice—Bassein ...cwt.	28/3	28/3	7/0—7/3
Tapioca—Pearl, medium ...cwt.	42/6	67/6	14/0—17/8
Hay—Best ...2,016lb. load	160/0	152/9	82/6
Hops—English ...cwt.	—	£5 10—£10	£6 5—£7
ANIMAL FOOD.			
Beef Argen. chilled hndqrs...8lb.	9/2—9/6	7/8	3/8—3/10
— Scotch sides ...8lb.	9/6	8/4	4/8—5/0
English ...8lb.	9/6	8/4	4/2—4/5
Mutton—Scotch wethers ...8lb.	10/0	8/3	5/8—6/0
— English wethers ...8lb.	10/0	8/8	4/6—5/4
New Zealand frozen ...8lb.	10/0	—	2/4—3/2
Pork—English and Irish ...8lb.	10/8	9/6	3/6—4/0
Bacon—Irish, ex Factory ...cwt.	183/0	172/0	80/0—74/0
— Danish, ex Port ...cwt.	—	172/0	58/0—68/0
— American, delivered ...cwt.	176/6	172/0	72/0—74/0
Hams—Amer.long cut,delivrd.cwt.	170/6	185/0	75/0—79/0
— — short cut, delivered ...cwt.	170/0	162/0	71/0—74/0
Lard—Amer. boxes,delivered cwt.	153/0	136/3	51/9—52/9
Butter—Danish ...cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
— French ...cwt.			96/0—108/0
— Australian ...cwt.			98/0—110/0
— New Zealand ...cwt.			103/0—114/0
Cheese—Canadian ...cwt.	Controlled 163/4	nom.	66/0—68/0
— United States ...cwt.		nom	—
— Dutch ...cwt.		154/0—156/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Price, Java, 96° Pol. cwt.	36/0	34/0	10/3
— — Yellow crystals ...cwt.	57/9	46/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	64/9	53/9	18/0
Coffee—In Bond Dec. 31 ...cwt.	612,000	1,142,000	484,000
— Price,Costa Rica gd.to finecwt.	140/0—150/0	105/0—116/0	80/0—93/0
— — Brazil (Santos) ...cwt.	65/9	61/9	41/6
Tea—In Bond Dec. 31 ...lbs.	144,671,000	37,400,000	78,292,000
— Price,Indian,Pek.Soug,good lb	1/4	—	-/8½
— — Ceylon, Pek. Soug. Ord.lb.	1/4	—	-/8½
— — Common Congou ...lb.	1/4	—	-/5½
Cocoa—In Bond Dec. 31...cwt.	434,000	830,000	309,000
— Grenada, good to fine ...cwt.	85/0	92/0—98/0	52/6—56/0

* Estimated. † C.M. American Official Value.

VII.—CANADIAN, &c., RAILWAY REVENUE STATEMENTS.

	Period	Gross Receipts	+ or — on 1917	Net Receipts	+ or — on 1917
Canadian Northern ...	Nov.	$4,679,500	+ 629,300	$860,700	— $94,000
	5 *mos. to* Nov.	*21,578,100*	*+2,994,500*	*2,198,100*	*— 1,071,400*
Canadian Pacific	Nov.	15,230,000	+ 39,000	3,399,000	— 1,859,000
	11 *mos. to* Nov.	*141,994,000*	*+2,676,000*	*31,692,000*	*— 10,943,000*
Cuba Railroad	Oct.	753,182	+ 165,292	97,569	+ 8,104
	4 *mos. to* Oct.	*3,721,860*	*+ 860,256*	*929,226*	*+ 237,951*
Grand Trunk Rlwy. ...	Nov.	£1,267,850	+ £439,300	£185,150	+ £65,400
	11 *mos. to* Nov.	*11,600,650*	*+2,110,050*	*1,402,800*	*— 589,250*
Int. Rys. of C. Amer.	Oct.	$33,184	— $2,386	$6,222	— $4,059
	10 *mos. to* Oct.	*461,916*	*— 21,968*	*203,708*	*— 24 417*
United RR. of Yucatan	Sept. Mex.	$779,995	+ 138,533	147,322	+ 13,868
	9 *mos. to* Sept.	*6,618,449*	*+1,651,254*	*1,101,417*	*+ 277,355*

VIII.—RAILWAY AND TRAMWAY TRAFFIC RECEIPTS.

** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britainunder warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

	Week ended	Miles.	+or— in Yr.	Gross Receipts.	+ or — on Year Ago.	No. Wks.	Aggregate Receipts.	+ or — Year ago
INDIAN.								
Assam Bengal	Nov. 30	993·10	+12·85	R1,53,069	— 47	9	14,19,991	+ 1,41,0
Barsi (2 wks.)	Dec. 7	118	—	34,300	— 4,600	36	5,60,700	— 16,3
Bengal&N.W.	Nov. 30	2,052	+ 4	4,82,830	+ 43 538	9	38,97,790	+ 8,57,6
Beng. Dooars	Oct. 26	158	+ 5	48,047	+ 16,011	4	1,71,192	+ 50,3
Beng. Nagpur	Nov. 23	3,895	—	11,47,000	+ 1,35,000	34	3,79,30,946	+31,89,1
Bomb.Baroda	Dec. 28	2,872	—	17,98,000	+ 1,71,000	13	1,99,76,000	+12,25,0
Burma	Oct. 19	1,342	—	4,63,849	+ 93,120	29	1,33,13,017	+22,05,3
Cal.Um.Kalk.	Dec. 28	239	—	75 300	— 18,052	13	11,12,800	— 1,64,9
East Indian	Dec. 28	4,767	— 40	24,76,000	+ 1,11,000	13	3,44,98,000	+36,81,0
Gt.IndianPen	Dec. 28	3,112½	—	25,75,900	+ 5,71,700	13	2,79,98 400	+ 7,93,8
Madras &S.M.	Dec. 6	3,152	— 1	10,60,000	— 88,575	10	94,25,000	— 1,22,8
Nizam'sGuar.	Oct. 26	900	—	1,87,503	+ 13 453	4	7,41,390	+ 30,7
Roh.&Kumn.	Nov. 2	548	—	1,04,785	+ 17,251	5	4,86,279	+ 28,6
South Indian	Oct. 26	1,829·63	+37·91	6,40,257	— 1,793	30	2,08,57,282	+ 3,26,9
South Punjab	M. of Aug.	716	—	19,03,682	+ 3,80,292	5*m*	52,40,040	+15,03,1
COLONIAL.								
Can. Northern	Dec. 31	9,497	+ 53	$1,566,200	+ 701,100	26	26,621 400	+ 4,764,8
Can. Pacific	Dec. 31	13,388	+ 395	4,613,000	+ 934,000	52	157,742,000	+ 5,353,0
Gd.Trunk Pac.	Dec. 31	918	—	$32,627	— 7,335	26	738 092	— 24,1
Grand Trunk	Dec. 31	3,616	—	383,425	+ 72,885	52	12,949,494	+ 2,513,5
Mashonaland	M. of Aug.	810	—	71,511	+ 16,098	11*m*	617,879	— 8,0
Mid. W. Aust.	M. of Oct.	277	—	10,536	— 2,727	4*m*	32,666	— 7,3
NewCape Cent.	Nov. 16	205	—	1,832	— 239	46	102,521	+ 17,1
Rhodesia Rlys.	M.of Aug.	1,397	—	112,083	+ 16,475	11*m*	994,982	+ 28,0
W. Pass & Yuk.	M.of Sept.	122	—	$293,088	— 25,328	9*m*	1,124,400	— 588,9
FOREIGN.								
Argentine.								
Arg. N. East	Dec. 28	703	—	$ 8,000	— 2,200	26	247,175	+ 43,5
Arg. Transand.	Jan. 4	111	—	$ 4,080	+ 570	27	91,110	+ 14,3
B.A.& Pacific	Jan. 4	3,536	—	$ 103,000	— 3,000	27	3,059,000	+1,120,0
B.A.Gt.Southn.	Jan. 5	3,792	—	$ 143,000	+ 8,000	27	3,621,000	+1,074,0
Do.	Do.	Net	—	$ 37,000	— 3,000	27	663,000	+ 138,0
B.A. Western	Jan. 5	1,882	+ 12	$ 89,000	+ 15,000	27	1,867,000	+ 773,0
Do.	Do	Net	—	$ 14,000	— 1,000	27	462,000	+ 208,0
B.A. Central	M.of Nov.	190	—	$ 40,159	+ 12,834	5*m*	206,529	+ 91,42
Cent. Argentine	Jan. 4	3,305	—	$ 133,700	+ 4,700	27	3,626,600	+1,145,3
Do.	Do.	Net	—	$ 9,800	— 33,800	27	581,900	+ 47,9
Cord. Central	Jan. 4	1,205	—	$ 36,100	— 340	27	1,232,780	+ 430,6
Entre Rios	Dec. 28	831	—	£ 20,500	+ 900	26	521,600	+ 185,2
Brazilian.								
Brazil Gt.South.	M.of Sept.	110	—	M 41,264	+ 1,076	9*m*	450,733	+ 82,4
Brazil Railway	M.of Sept.	3,530	+ 12	M 4,914,000	+ 483,333	9*m*	44,298,000	+ 8,058,1
Gt. W. Brazil	Jan. 4	1,010	—	$ 18,100	— 500	1	—	—
Leopoldina	Dec. 28	1,831	—	$ 40,115	+ 3,932	52	1,644,243	+ 73,7
Mogyana	M.of Sept.	1,180	—	M 2,183,000	— 230,957	9*m*	17,624,000	+ 52,9
Paulista	M.of Sept.	766	—	M 3,811,000	+ 381,097	9*m*	24,505,000	+ 1,283,6
San Paulo	Jan. 5	153½	—	$ 25,009	— 11,751	1	—	—
Sorocabana	M.of Sept.	1,003	+ 12	M 1,798,000	— 124,378	9*m*	17,285,000	+ 2,384,3
S.of Bahia S.W.	M.of Nov.	52	—	M 95,000	+ 10,000	11*m*	987,000	— 54,0
Chilean and Peruvian.								
Antofagasta	Dec. 29	838	—	$ 30,835	— 13,860	52	2,360,285	+ 123,3
Arauco	M. of Nov.	64½	—	$ 11,500	— 3,500	12*m*	143,000	+ 15,5
Nitrate (2 wks)	Dec. 31	390	—	$ 32,854	— 4,542	52	826,049	+ 50,8
Peruvian Corp.	M.of Dec.	1,140	—	$ 1,057,990	— 43,100	6*m*	6,020,715	— 67,5
Taltal	M.of Nov.	181	—	$ 16,718	— 12,502	5*m*	99,168	— 22,1
Cuban.								
Cuban Central	Jan. 4	362	—	$ 19,209	+ 1,303	27	385,208	+ 56,0
Havana Central	Dec. 28	70	—	$ 9,419	— 988	26	221,902	+ 22,7
U. of Havana	Jan. 4	691	—	$ 60,210	+ 3,794	27	1,220,798	+ 135,7
W. of Havana	Jan. 4	155	—	$ 8,496	+ 417	27	190,637	— 1,1
Uruguayan.								
Cent. Uruguay	Jan. 4	272	+ 1	$ 21,846	+ 6,053	27	545,953	+ 69,9
" (E. Ext.)	Jan. 4	311	—	$ 5,875	+ 1,047	27	126,538	— 9
" (N. Ext.)	Jan. 4	185	—	$ 3,438	+ 756	27	95,875	+ 15,1
" (W. Ext.)	Jan. 4	211	—	$ 2,873	+ 311	27	69,205	+ 14,2
Mid. Uruguay	M.of Nov.	319	—	$ 15,213	— 685	5*m*	77,673	+ 8,5
N. W. Uruguay	M.of Nov.	113	—	$ 28,000	— 4,025	5*m*	143,500	+ 13,9
Urug Northern	M.of Nov.	73	—	$ 1,851	— 548	5*m*	9,393	+ 7
Miscellaneous.								
Alcoy & Gandia	Dec. 31	33	—	—	—	52	Fr 451,700	— 110,9
Bilbao	M. of Dec.	15	—	$ 3,982	+ 450	12*m*	51,881	+ 6,8
Bolivar	M.of Nov.	136	—	$ 2,250	— 10,354	5*m*	32,819	— 22,9
Jolomb. Natnl.	M.of Nov.	66	—	$ 10,740	+ 440	11*m*	133,820	+ 6,5
Jolomb.Northn.	M.of Feb.	30	—	$ 6,388	+ 544	8*m*	59,165	+ 7,4
Costa Rica	M. of Oct.	189	—	$ 21,892	+ 6,518	4*m*	89,500	+ 34,2
Dorada Ext.	M.of Nov.	71	—	$ 7,900	— 100	11*m*	91,600	— 7,1
Egyptian Delta	Dec. 20	559·521	—	$ 12,932	+ 1,337	26	264,636	+ 58,5
Gt. S. of Spain	Dec. 28	104	—	Ps. 139,482	+ 113,755	52	3,241,869	— 963,1
La Guaira & Ca.	M. of Nov.	22½	—	$ 4,750	— 1,750	11*m*	63,250	— 17,2
Paraguay Cent.	Dec. 28	255	—	$ 4,390	+ 2,070	27	94,120	+ 19,4
Puerto Cabello	M.of Nov.	34	—	$ 2,800	— 1,100	11*m*	41,300	— 3,1
Salvador	Jan. 4	100	—	$ 3,130	+ 1,332	27	45,612	+ 8,7
Santa Fe Prov.								
French Rwys.	M.of Nov.	1,181	—	$ 166,056	+ 32,179	11*m*	1,870,332	+ 535,4
S'mana&S'tiago	M.of Nov.	80	—	$ 7 660	+ 2,199	11*m*	89,680	— 12,8
Zafra & Huelva	M.of Nov.	119	—	$ 14,049	+ 3,511	11*m*	140,967	+ 17,1
TRAMWAYS.								
			Miles					
Anglo-Argentine	Dec. 31		400	$ 68,864	+ 4,868	52	2,935,943	+ 215,3
Auckland (4 weeks)	Nov. 23		27	£ 15,597	— 6,395	20	104,271	— 5,7
Bombay Electric	M. of Oct.		39·3	R. 5,87,081	+ 45,988	10*m*	57,87,507	+ 7,70,1
Brazilian Traction	M. of Oct.		378½	M. 8,052,000	+ 46 000	10*m*	85,782,000	+ 9,346,0
Brisbane Electric	M. of Dec.		40½	£ 38,135	+ 3,116	12*m*	440,014	+ 43,6
British Columbia	M. of Nov.		334	$ 612,893	+ 87,284	5*m*	2,727,030	+ 3
B. Ayres Lacroze	M. of Dec.		51	$ 50,460	+ 9,569	6*m*	259,224	+ 58,7
Calcutta	Dec. 21		35½	R 84,177	+ 14,608	51	38,53,911	+ 3,65,0
Cape Electric	M. of Nov.		42·43	$ 21,883	+ 1,554	5*m*	104,628	+ 5,8
Carth. & Herr.	M. of Dec.		9	$ 2,950	— 1,474	12*m*	46,864	— 2,7
Chatham	Dec. 26		14·36	$ 1,150	— 17	52	65,920	+ 3
Havana Electric	M. of Oct.		86	$ 733,443	+ 97,621	10*m*	6,775,949	+ 1,103,5
Isle of Thanet	Jan. 4		21	£ 371	+ 207	14	4,420	+ 2,1
Kalgoorlie	M. of Aug.		20½	$ 3,340	+ 429	8*m*	22,123	+ 1,0
Lanarkshire	Dec. 26		28·43	£ 3,474	+ 615	52	184,390	+ 39,9
Lima Lgt. & Trns.	M. of Sept.		86	$ 42,881	+ 7,225	9*m*	389,688	+ 67,4
London O.C.	Jan. 8		141·87	$ 71,013	+ 20,542	40	2,678,554	+ 441,1
Madras Electric	Dec. 31		18½	R 43,146	— 3,500	52	942,232	+ 94,8
Manila Electric	M. of July		55	$ 189,800	+ 42,800	7*m*	1,240,446	+ 244,0
Pernambuco	Jan. 5		58	$ 5,734	+ 267	1	—	—
Provincial	Dec. 21		21½	$ 2,617	+ 223	12	30,099	+ 2,0
Rangoon Electric	M. of Nov.		25	$ 6,811	+ 1,253	11*m*	65,804	+ 10,4
Shanghai Electric	Oct. 16		26·225	$ 28,170	+ 283	41	1,039,482	+ 52,8
Singapore Elect.	Nov. 2		26½	$ 13,385	+ 898	44	611,062	+ 43,1
U. of Montevideo	M. of Dec.		80½	$ 38,441	+ 4,416	2*m*	70,139	+ 5

Shopping at
Lipton's
means SAVING MONEY.

The largest Tea Distributors, Manufacturers and Retailers of Food Products in the World.
Tea Merchants by Special Appointment to H.M. King George V.
LIPTON LTD., CITY ROAD, LONDON, E.C. 1.
Branches and Agencies throughout the United Kingdom.

The Statist.

LONDON, SATURDAY, JANUARY 11, 1919.

MR. ROOSEVELT.

It is with profound regret that we have to record the death on Monday of ex-President Roosevelt, who held in succession for two terms the highest office in the United States, and was put forward as the candidate of his party for a third, but was defeated owing to the strong prejudice which exists in the United States against giving three terms to any individual, however distinguished, a prejudice which had its origin in the recommendation of General Washington. Nevertheless, it is very generally believed that the deceased ex-President would have been put forward next year as the Republican candidate; and whatever the results might have been if tried, he would undoubtedly have received a very large support. Mr. Roosevelt was one of the most distinguished men of his time. He was an ardent patriot, and held sound Democratic opinions. Unfortunately, his health was affected by his visit to South America; and being a man of incessant activity, both mental and physical, he appears to have given himself no chance of a complete recovery. His death is a serious loss to his country. However each person may rank the claims to national respect of Mr. Roosevelt and of President Wilson, there can be no serious doubt that in the present changing circumstances of the whole world, including the United States, his loss is a general calamity. At the same time we entertain no doubt that adequate candidates for the Presidency will be found next year, for it would be difficult to match the series of statesmen who have filled the highest office in the United States, taking them altogether. The American Constitution is enviable in this respect: that it gives exceptional opportunity to really capable men to show what is in them. What we in this country regard as local administrations are even more numerous and more important in the United States than in England. And over these come the States. Every State in the great American Republic is, in theory, a sovereign commonwealth; and though each of them has parted with a considerable portion of its power to the Federal Government, yet the States more nearly and more powerfully affect the lives of American citizens than does either Congress or the Presidential Administration. In the United States, therefore, there is a series of great schools where ambitious citizens can obtain training in the management of public affairs, with the result that, as already said, it would be difficult to match up to the present from any other country the series of Presidents of the United States. In that distinguished list ex-President Roosevelt will hold an eminent place.

THE NEW ADMINISTRATION.

At Carnarvon last week the Prime Minister made a statement which shows that the elections have not a little disappointed him, and have revealed to him that he did not understand either the real feeling of the people, or his own true policy. He said, amongst other things, that if he found his own Administration seriously embarrassed there would at an early date be another election. The statement will surprise nobody who has carefully followed the course of events. But we admit that for ourselves we are somewhat surprised that the Prime Minister either did not earlier discover the mistake he had made, or did not persist in his mistake for a longer time. Possibly the explanation is to be found in the fact, if it be a fact, that already hotheads of the Conservative Party are making him feel that he will not be able to carry out his own policy. It is useless, however, to discuss that notion: it prevails very generally. But evidence will soon be given as to whether it is well- or ill-founded. In any case, we of The Statist are not fond of predictions. We are content, therefore, to wait upon events. This much, however, is clear already, and may be said without fear of contradiction, namely, that the influence of Mr. Lloyd George in the coming Peace Conference has been weakened by the result of the elections. If those elections had given him personally a majority which would follow him, no matter what was his policy, he would inevitably speak with great influence in the Conference. He and President Wilson would clearly be the two most powerful members. But the body which is pledged to support him in his policy is not pledged to follow him in whatever he proposes. The Conservative Party is a distinct thing. It has had the great advantage of his name in the elections, but it is not his party, and Mr. Lloyd George distinctly stated at Carnarvon that he always has been, and continues to be, an advanced Liberal; that he is true to all his past professions; and that he will attempt to realise them during his Administration. But before the War broke out he was considered by Conservatives of all classes and of all ranks one of the most dangerous men in the whole community, inasmuch as they considered him to be sincere in his professions and courageous enough to exercise all his ability in carrying out his acknowledged ideas. No doubt the War has changed, or at all events modified, the opinions of Conservatives of all ranks. But there is nothing to show, or even to suggest, that Conservatives have ceased to be conservative; and therefore it is difficult to see how a Conservative majority can aid the Premier in carrying out the professions which he made before the War broke out.

No doubt the Opposition Parties are very much broken up, which gives the Prime Minister a great advantage. Furthermore, it is still doubtful whether the Sinn Feiners will, or will not, regularly attend Parliament. And, lastly, the Asquith Liberals are without leaders, and can hardly be called therefore a compact party. The Opposition, then, it must be clearly recognised, is very weak. On the other hand, there is a large body of men elected for the express purpose of supporting Mr. Lloyd George. But against this it is to be noted that the Conservatives are only a little short of forming half of the whole House. It seems doubtful, therefore, whether the Premier, assuming that he endeavours to carry out the policy which he was believed to desire before the War, can succeed. The mere doubt will weaken him in the Conference. It may be objected that neither Mr. Balfour nor Mr. Bonar Law is likely to show any disposition to oppose their chief in the Conference. That, however, matters little. What is important is that it is well known that there is a broad gulf between the policies desired by the Premier and those of the two gentlemen just named. That fact will lessen the authority

of all three, or rather, perhaps, it would be more correct to say will encourage cabals in the Conference to get up minor parties, and so introduce dissension in the Conference. It is to be recollected that there are many very serious questions with regard to which there is great feeling. Everybody knows that France is not satisfied that Germany has been sufficiently defeated in the War, and therefore is desirous of practically undoing the work of the Congress of Vienna in regard to the boundaries between France and Germany. It would be easy to point out other serious questions in regard to which there is sure to be strong feeling. Therefore, it would have been of great advantage if the Premier had obtained a compact majority, so that nobody could doubt in the Conference that he really had the people of the United Kingdom behind him.

ITALY.

We are somewhat surprised to find that there is a widespread doubt respecting Italian finance. It is said, firstly, that Italy is naturally a poor country, which is true beyond all doubt; secondly, that she has grave dangers from both Germany and Austria; and, thirdly, that her debt is enormous. Now, the national poverty of Italy is unquestionable. But those who lay so much stress upon it forget that natural advantages, as they are called, have scarcely any effect in politics. Man-power, using the phrase in its very widest acceptation, is the determining influence both in war and in peace. And hitherto Italy has never for any great length of time shown deficiency in man-power. The phrase "man-power" is generally used as a short way of expressing superiority in numbers of a population. But that use of the combination of words, though natural enough in war time, is only a small part of what really constitutes man-power. France, from the outbreak of the great Revolution until Waterloo, or at all events until the first abdication of the Great Napoleon, beyond all possibility of quibbling, had the greatest man-power in Europe. For, to begin with, she had the greatest population, whether we regard its numbers or its capabilities. And, in the second place, she had such an extraordinary conjunction of great men that, although the whole of Europe had been combined against her, it was beaten, and it needed the Great Napoleon's own mistake in marching upon Moscow in winter without providing himself with any place on which to fall back in case of disaster to ruin the man-power of France. If we use the phrase "man-power," then, in its proper sense, as implying not merely numbers, but also capacity, we doubt if any country in Europe can boast of a greater man-power than Italy. However that may be, look at the situation of Italy, and you can hardly fail to see that with a highly gifted people she must turn that situation to good account.

It is perfectly true that situation, or any other of what are called natural advantages, counts for little in the history of nations. But he would be strangely incapable of truly reading history who would honestly maintain that natural advantages and man-power do not confer advantages upon peoples. Italy has a highly-gifted population, which implies very high man-power, and she is well situated to play the part of an entrepôt between the Far East and Europe, especially Eastern and Southern Europe. Her position in the Mediterranean almost cuts that sea in two. And it gives her an extraordinary advantage as regards the Suez Canal, and, consequently, the trade between the Far East and Europe. It will be odd if a people so gifted as the Italians do not turn that advantage to good account. Beyond that, the Italians are, except the Irish, perhaps more given to emigration than any other people in Europe. One has but to study the opinion of the United States to see what an influence Ireland exercises on that country, and will continue to exercise in the future. The Italian population in the United States is nothing like as large as the Irish; but it is considerable. And, moreover, there is a vast Italian population in Argentina—generally speaking, indeed, all over America, as well as in France, in North Africa, and so on. Like the Irish emigrants, the Italian emigrants save money in very large amounts and remit it home, with the result that Italy owes a very considerable part of her wealth to the money sent back by her emigrants. Lastly, Italy, partly because of the glories of her past, and partly because of the beauty of the country, is visited every year by immense numbers of tourists, bringing with them large sums to be spent in that country. Anybody who bears all that in mind will be strangely constituted if he continues to insist that the financial future of Italy is dark. Italy, like our own country, and so many other countries, has an exceedingly difficult time before her. But it will be odd if a people so gifted do not emerge from all their difficulties with increased strength.

There is another side to the question undoubtedly, and where people rest their doubts mainly upon that he would be dishonest who would deny the gravity of the matter. The War which was intended by the two Central European Empires to make militarism supreme in the world has resulted in, for the time being, at all events, destroying militarism and upsetting despotic power. Never, not even in the nineties of the eighteenth century, was revolution so widespread. And these revolutions are raising questions which we greatly fear those who will exercise the greatest influence in the coming Peace Conference do not understand. Take, for example, the position of Italy. Her territory runs out a very long way into the Mediterranean; and from East to West her territory is very narrow, while the leg of the boot is very long. She is a country, therefore, exceptionally exposed to danger from the sea. Upon the Western side she has several good harbours, and she has developed these. But on the Eastern side she is strangely poor in good harbours; and, consequently, she is anxious to obtain good harbours. This, to put it mildly, brings her into controversy with Slav populations. There is a great deal to be said for Italy. On the other hand, there is likewise a great deal to be said for the Slav States. The difficulties of the former will introduce a thorny question into the Conference, and will be apt to raise strong differences of opinion. It would be out of place to discuss the questions themselves in this article. But everybody who knows the seriousness of the questions is well aware that they are likely, or at all events that they are calculated, to create strong differences of opinion. Undoubtedly, the Adriatic question, as we may style it, is a very ugly question, to put it mildly, and threatens to embroil Italy with important neighbours. Unless the Conference is exceptionally incompetent Italy is free from the danger that the Hapsburg Monarchy always was to her. But there is the risk just now that other dangers, possibly as great, are being introduced. Still, the Italian people are an exceedingly capable people. They have held the highest place in the world. They have quite recently escaped from the injurious state of things the Congress of Vienna imposed upon them. And their well-wishers hope that they will have prudence and foresight enough to settle their present difficulties with their Slav neighbours in a manner that will keep good feeling between both.

WHEN THE WAR ENDS.—L.

Last week we called the attention of our readers to a report which showed that during the four years of war ended with last September there was a decrease in the pauperism of England and Wales of roughly very close upon one-third; in other words the report, which it is to be recollected, is official, and, therefore, cannot have been meant to create either alarm or discontent with our existing Governmental system,

tells us in plain, unmistakable language, that while peace existed there were, in round figures, nearly 200,000 people who could not get employment except of a very casual kind, and, therefore, were dependent more or less upon the rates; but that when war broke out, and the men of fighting age were withdrawn from production in such large numbers, these people were gladly employed and, in September last, were so well off as to be no longer dependent upon charity. The report is of the very highest informative value, and it touches the future of the United Kingdom, and therefore of the Empire, so closely that we return to it this week in the hope of inducing our readers to give their minds seriously to the question, and see how so grave a disease as pauperism can be altogether cured. All our pundits are telling us in various tones that it is incumbent upon us to work harder and work longer with the firm resolution to win back the trade we lost to Germany and other countries, and so to place the Empire upon a safer and a more permanent basis than formerly. The advice is excellent in intention. But not seldom it is silly, or actually mischievous, in what it wishes to promote. Let us, then, put aside all merely class and selfish interests, and look at the matter in the broadest possible way so as to answer the question, How best can we really and truly make the country, and necessarily, therefore, the Empire, more prosperous, more pleasant to live in, and more congenial to all its inhabitants? It will be denied by no one who is regarded as a fairly reasonable and sensible man that pauperism is a disgrace to the State and a loathsome thing for those tainted by it. During the past four and a half years we have had the clearest possible proof that our people are as patriotic as any in the world. They did not seriously fear invasion, as so many Continental countries were forced to fear. Yet, when they found unprovoked aggression entered upon, they came forward in immense numbers to repel that aggression, and to give freedom to Europe. Mr. Asquith not long ago told us that, in round figures, about seven millions of our men were called up for the Army and the Navy. And remember how vast a proportion seven millions make to the whole population. Consequently we who stayed at home, who were rendered safe in our lives and our properties, are bound as firmly as men ever were bound by any duty to compensate those seven millions of gallant men in whatsoever way we possibly can do it. The true way is to adopt a method which, while benefiting the men, will, likewise, render it as difficult as we can make it to levy war against us in the future. And putting aside beautiful dreams of an impossible excellence there is only one safe way of doing that, and it is to render the country, in the first place, as rich as it can be made; and, in the second place, to provide the country with a military and naval organisation which will warn all greedy would-be aggressors to avoid arousing our hostility.

Let us put aside naval and military preparation for the present and look to our financial and commercial conditions. Two hundred thousand persons, or very nearly, who were paupers at the end of September 1914 were found to be self-supporting and, consequently, self-respecting citizens of the State at the end of September 1918. Four short years of actual war had enabled these people to become self-supporting. At first sight this seems to be a contradiction of all our affected horror of war, and to show that the very poor really have cause to welcome war instead of dreading it. Of course, that is an absurdity, and, as we said last week, it really means that our political and economic organisation was so bad before the War broke out that there were practically 200,000 people in England and Wales alone, now self-supporting, then incapable of earning their bread. The fault is entirely due to our system of government. Or, perhaps, it would be more correct to say to our system of education. After all, our Government is practically selected by the people, or, to speak more correctly, the people have it in their power to select those who are to administer their affairs. But the people are so ignorant that they are befooled by persons who find it to their interest in one way or another to get hold of the political machine which really selects our Parliament and our Government. The first thing, then, that is essential is a good system of education. We have dwelt upon that statement often in the past. But we never before have had such unquestionable authority for our statement. Heretofore, we had reason and truth on our side; but now we have, in addition, the most striking piece of experience that ever, perhaps, was laid before a people. Actually, we find that war, and such a war, was of benefit to nearly 200,000 people who four and a quarter short years ago were paupers. If our governing classes had even a glimmering of common-sense, they would see what a dangerous teaching this report is. Bring about war and you will be able to get employment superficially seems to be the sum and substance of it. And suppose mischief-makers were to act upon that doctrine, where should we all be, and what would be the consequences, especially to the well-to-do? Is it not sheer mid-summer madness to continue the system which preaches so loudly such a dangerous doctrine?

Education, then, is the first necessity. But it must be a real education, not a mock. Firstly, the members of the body and, more particularly, the eye and the hand, must be trained to actual, strict, correct, accuracy. Secondly, the whole people must be taught that everything else is little better than a pretence if the people have not health. Consequently, the assurance of health, as far as it can be accomplished, is our first necessity and our first duty. An eminent medical man who has had experience in many countries, and, during the War, has had experience in the Army, writes to us concerning the importance of attention to the soundness of the teeth. He points out that bad teeth are at the root of a very large number of the diseases that are plaguing all nations, and pledges his professional reputation for the statement that care of the teeth would reduce enormously the amount of illness in the country. He adds that if mothers and nurses were properly taught, children would avoid the bad teeth that are now so common; and, consequently, the healthiness of the population would be enormously increased. It is quite clear, therefore, that we have, in the first place, to begin at the very beginning to train our women in particular. It is they that bear and give birth to the whole population. And it is they who are entrusted with infant bringing up. What children are taught in their early childhood clings to them throughout life, and, therefore, if mothers and nurses were properly trained, we should get rid of a multitude of our present diseases. Furthermore, if mothers and nurses were properly trained, children would be encouraged to observe, to ask questions, to inquire, to look into everything that interests or astonishes them. And so they would be brought up with a strong desire to learn and to master difficulties. We have, then, to reconstitute our education from the very foundation; and we have especially to give attention to the training of women. When children pass from the home to the school they ought to be taught what is useful in after-life. Every one of them has, in some way or other, to contribute to the welfare of the country. The men, speaking generally, have to produce what makes the country rich; and the women, again speaking generally, have to train the very young children and to manage the household—in other words, to avoid waste, extravagance, and ill-feeding, to put the money earned by the men to the very best use, and, in addition, to prepare the children to perform adequately their duties in life.

But education cannot do everything. It unquestionably can do a great deal, especially if classicism is confined to those who have a special faculty for

learning languages; and if the education of the great majority is directed to the preparation of that majority for their duties in life there are especially two things which have been utterly neglected heretofore. This country is the centre of a vast Empire stretching over the globe. There are hundreds of millions of people influenced for good or for evil by what we determine in our Parliament, or by the persons we send out to hold the highest offices abroad. Yet young persons in this country are never taught a single word of the duty owing to the subject peoples. In India there was found by the last census a population of 315 millions. The monsoons have, upon the whole, been favourable in the interval, and therefore it is safe to say that the population has grown very considerably since. Furthermore, there are smaller dependencies which are less able to assert their desires than India; and then there are the great Dominions which, it is true, of course, can assert their claims, but which, for all that, may be very seriously compromised by what we decide in these little islands. It is an astonishing thing, or rather it would be if we were not all blinded by habit and custom to the folly of our governmental system. But we are blinded. We take for granted that what is decided in London by a lot of people who are inconceivably ignorant must in the nature of things be right; and that every opposition to it must be instigated by evil motives. The wonder is that our system of government, and our method of acting being so bad, we are not constantly in difficulties. But, in truth, the very ignorance of the people at home and abroad blinds them to the inefficiency of the systems under which they live, It is dangerous, however, to trust to mere ignorance. We ourselves, firstly, want to be educated. We want to know something of the desires and the needs and the deficiencies of the various subject populations, and, when we acquire that knowledge, we want to be taught what it is our duty to do towards the people whose government we have taken upon ourselves. We need not discuss very much the case of the Dominions, for they, happily, are powerful enough and wide awake enough to see that they get what they require. But the vast Empire that is not wide awake may some day become a serious trouble if we do not waken up and at least honestly try to govern to the very best of our ability. Space prevents us from continuing the discussion. We have said nothing, or next to nothing, respecting our duties to the very poor amongst us. We hope to deal with that matter more fully next week.

SHIPBUILDING.

We wonder whether our Government is giving serious thought to the grave question of shipbuilding. The prosperity of this country depends, firstly, of course, upon its manpower, using the word to include, not mere numbers alone, but capacity as well. And we are afraid that our man-power is not quite as satisfactory as we should like. We have a very large number, of course, of capable men, both employers and employed, and we have great works specially intended for the turning out of the best shipping. But the War has taught the whole world, more efficiently than it has ever hitherto been taught, the immense influence exercised by command of the sea. Without entering into an inquiry as to whether our Navy did, or did not, as much as it might have done, there can be no reasonable doubt that the blockade of the two Central European Powers, and especially of Germany, by our Navy contributed powerfully to our success. In two ways it did so. Firstly, it tempted the Germans to enter upon that submarine warfare which made the United States their active enemy; and, secondly, it cut off so many sources of supply as led to the break-down of the two Empires. There is no question, then, that the value of sea-power is better and more widely understood at present than it ever has been before, and that we are about to be confronted by a competition to which we have hitherto been totally unaccustomed, even bearing in mind the extraordinary maritime advance made by Germany since 1870. As a matter of course, our most formidable competitor will be the United States. An American statesman announced to Congress the other day that the belief of the American Government in the necessity of a League of Nations to prevent war in the future is so profound that if such a League is not concluded the United States will take care of its own interests by creating the greatest navy in the world. That is only one indication of what is likely to happen. Every country that desires to rise will lay itself out to create a large navy. And when we say navy we mean a commercial as well as a military navy, for the one is of little real value unless it is supported by the other, as the last four-and-a-half years have abundantly demonstrated. We are, then, in for a very great competition. Are we giving the matter the attention which it deserves, and making the preparations which are absolutely essential? We confess we are not by any means sure that we are. It seems to us that most valuable time is being wasted in preparations for the peace negotiations. Now we must acknowledge that we are so old-fashioned and, perhaps, so behind the times that we set very little store upon the peace negotiations. If, to put forward an impossible and undesirable notion, we were entrusted with temporary power for the moment, we should cut the negotiations as short as possible. To every nation in the world that desires to set up for itself we should grant independence. And we should try very little to prevent war in the future, being absolutely confident that the more we meddle with the future the more certain we are to do mischief. The Congress of Vienna was as desirous as men could be to constitute the Holy Alliance and make it binding upon all the great Powers. Everybody knows that the past century is most remarkable, taking everything into consideration, for the tearing to pieces of what the Congress of Vienna did then for carrying out any of its resolutions. And we feel convinced that it will be the same with the Paris Conference, or whatever it is to be called in the future. Whatever decisions are come to will last as long as there is a superior force to keep them in existence, and will come to the ground when that force disappears. The less we meddle, then, with the free action of free peoples the better, it seems to us, while every interest we have in the world is crying aloud to us by day and by night, "Give your whole mind to your own interests, and try to do for everybody who is in any way dependent upon you the very best that human beings can do." We can build a great commercial and military navy if we set about it in the right way. We greatly fear that no serious thought is being given to the right way.

CLEVELAND IRON TRADE.

The progress of the War demonstrated with vigour and clearance how far the industrial strength of a country might be measured in terms of its resources in coal and iron. These were the foundations upon which the vast munitions industry was reared, and out of them was wrought the mechanism of victory. Naturally, the traffic in these important materials came under meticulous administrative care. Many familiar channels were blocked, and the course of business was guided into strange paths. Military, political, and industrial needs called into being unforeseen commercial relations, and created methods and systems which are still with us.

Of the legacies of the War, some are permanent and others are in a sense transitory. The former are of greater ultimate importance, while the latter will probably prove more immediately powerful. The permanent influences are the actual concrete changes

in the circumstances of the iron trade. New resources have become available, the means of production have been modified, and there has been a great change in the character of the outlets for consumption. The temporary factors spring partly from causes of a general character arising out of the strain of war, and partly from the opportunist commercial and industrial arrangements and regulations. Both are susceptible of more or less rapid removal or adaptation. Outlets for English iron are the steelworks, foundries, and forges either at home or abroad. The output of iron in 1913 was about 10.5 million tons. About 6.2 million tons were used in steelworks, 2.5 millions in forges and foundries, and about 1.8 million tons were exported. In 1917 the production of iron was 9.4 million tons, of which Cleveland made 3.25 million tons. Although the production of ingot steel rose from 7.76 million tons in 1913 to 9.3 million tons in 1917, the relative balance of consumption was not very greatly altered. A lavish use of scrap which was available in fairly large quantities from stocks and from the manufacture of war material made up what would otherwise have been a shortage of steel-making iron. The steel-producing capacity of the country has, however, increased steadily, and to-day is probably not far short of 11 million tons per annum. Even allowing for a much more generous use of scrap than in pre-War days, it is none the less patent that one factor of demand will in the future be considerably expanded. Industrial progress tends more and more to the concentration under one control of as great a range of processes as possible, and in the Tees-side area the tendency is particularly marked. Several blast-furnace plants which formerly were making for the market have passed into the control of steelmakers; while the extension of steelworks has limited the available supply from firms whose blast-furnace power was formerly in excess of their requirements for steelworks purposes. The same tendency extends to the control of the supply of Cleveland ironstone. The output of native ore in Cleveland is not capable of any significant expansion; and thus the increased steelworks demand will probably permanently limit the tonnage of Cleveland iron available for the market. Moreover, temporary conditions reinforce the effect of this, and supplies of iron are likely to be very much curtailed.

This shortage is not likely to apply to hematite. The import of hematite ore has been a matter of extreme difficulty during the latter years of the War. Ore stocks have been reduced almost to vanishing point, although the position became somewhat less acute during the latter months of 1918. The demand for hematite tested acutely the capacity of the furnaces, but by reason of the more extended use of the basic process of steelmaking the demand was more successfully met than in 1917. To the acid steelmaker, however, the use of the basic process is a *pis aller*, and it is not likely that he will continue to use that process if he can return to that for which his works were designed. The output of hematite is capable, however, of fairly quick expansion. Sea-passages can in peacetime be more quickly made, and although freights will doubtless continue to be high, the steelworks demand is not likely to cause such acute shortage of supplies as in the case of non-hematite irons. During the past year production of iron in the Cleveland district has diminished considerably. The number of furnaces in blast is less, and the prospects of other furnaces being put in are not great. Furnaces have worked most irregularly. Transport difficulties have interfered seriously with the supply of mineral and fuel, with consequent ill effects on the output and future capacity of the furnaces. Two epidemics of influenza played havoc with the supply of ironstone, with the result that improperly calcined stone had to be put into the furnaces to keep them going. Coke, too, was short, and none too good in quality, owing to the shortage of coal, and imperfect screening and drying. Furnaces have been driven to the utmost of their capacity consonant with the difficulties of material and labour. Repairs have been neglected, and probably in the near future will have to be undertaken on a large scale through sheer force of necessity.

The difficulties of the iron trade are not lessened by the swaddling-clothes of every kind in which controls of various kinds have enwrapped the industry. In 1915 a system of price-control was instituted, which, with the passage of time, grew in elaboration and complexity. Finally the system achieved a degree of complication such that no component could be altered without the necessity of reconstructing the whole. The cost of production steadily outstripped the fixed prices, and in 1918 the Ministry of Munitions adopted the policy of stabilising prices and avoiding changes except of a minor character. The elaborate price system was bolstered up by an ingenious scheme of subventions, direct and indirect. The determination of the real cost of a ton of iron is to-day little short of impossible. Export prices are some guide to the effect of direct subsidies, but even they do not reflect the influence of indirect subsidies in the shape of coke supplied at less than cost, or coal at a restricted and regulated price. The next three months will witness an endeavour to effect the withdrawal of subsidies entirely, but some scepticism may be forgiven as to practicability of reducing to order within three months the confusion which the introduction of subsidies has wrought. The export of No. 3 for the next quarter has been fixed at 145*s*. On this, however, the maker must pay a drawback equal to the excess over the maximum home price, less the cost of handling and putting on board ship. In consideration he continues to receive the subsidies arranged, and, therefore, receives a rigidly controlled price for his material, whether the export price be ultimately freed or not. The transition to an economic basis is, therefore, very little advanced.

The real key of the situation is, of course, coal. It was the Coal Controller's War Wages Award of 1917 which brought about the sudden expansion in the price of fuel, and the consequent cumulative increase in iron and steel costs.

The Coal Controller's Award was given quite legitimately, no doubt, to the miners as some compensation for the increased cost of living. The increased cost of coal-winning was recouped by increasing the price of coal. Coke in consequence rose. Ironstone miners were included in the award; so were limestone quarrymen. The cost of iron-making was increased by about 11*s*. or 11*s*. 6*d*. per ton. Pig-iron makers, of course, had no alternative but to seek some means of "passing it on." Wages in the Cleveland iron trade are regulated by a sliding-scale based upon the ascertained selling price of No. 3 pig-iron. An increase in the price of iron, therefore, involved a correspondent increase in wages, and therefore in cost. The system of subsidies was therefore devised to attempt to assert a distinction between a rise in prices which indicates an increased profit and an increase in the cost of manufacture. Not unnaturally, the procedure was regarded as at least sophistical; and the men rightly insisted that the scale agreement referred only to prices, whatever might be the underlying assumptions. Direct subsidies have therefore been included in the ascertainments; and some idea of their movement can be obtained from the quarterly ascertainments made under the scale agreement. These were, for the first quarter of 1918, 108*s*. 3.59*d*., for the second 107*s*. 10.68*d*., for the third 118*s*. 10.86*d*., and for the fourth work out at 118*s*. 6*d*. per ton.

The origin of most of the difficulties arising out of price control is the coal problem, and the solution of the difficulties must therefore depend on it.

The limitation of prices of pig-iron is obviously unfair unless the materials out of which it is made are also limited. A sudden release of all the mechanism

of price control would doubtless result in much speculation and inflation. The disturbance would, however, probably be more apparent than real. The bogey of merchant speculation has been successfully flaunted more than once by officials whose conception of commerce was that the consumer was always a sheep before the shearer. Under the influence of this conception measures have been designed which have resulted in graver and much more deep-seated confusion than a temporary upheaval of market prices would cause.

There is, we think, not much prospect of any release of the iron trade from leading-strings until the coal trade of the country is placed upon an economic footing. For practical purposes all the coal and iron produced in England to-day are not really bought and sold at all. The machinery of production is rented from its owners at rates varying within fairly narrow limits. Commerce, in the proper sense of the term, is dead, and it is very doubtful whether it will in its future transmigrations present anything like the old form and fashion.

The future of a trade like that in Cleveland iron, one of the few for which an open market once existed, is therefore very obscure. Most authorities agree that the Warrant Store is not likely to be revived. Its existence depended on the floating margin of comparatively regular production over irregular use. In essence it was a peculiar form of financing an industry in which production was relatively inelastic, and the machinery of distribution rather imperfect. During the War the producer of pig-iron has become much more accustomed to co-operation in every direction, and it is not unlikely that on the north-east coast the commercial side of the iron trade will find itself much more concentrated than before. Markets will be more restricted in range, because the expanded production in other parts of England and of foreign countries will probably replace Cleveland iron in many of its former markets. Italy and France have, during the War, drawn large supplies of iron from America. During the years immediately succeeding the War there will be a lively traffic between Europe and America, and many vessels will be in need of return freights from the other side to France, from which so much American property will have to be removed. The shortage of iron will in all probability be filled from America, whose production has increased phenomenally during the last three years.

The conclusion to which a review of the situation leads is generally that the activities of the iron trade will, in the next few months, be confined to a struggle to free itself from the financial handicaps which administrative interference has laid upon it. These handicaps prevent any estimate of the comparative chances of Cleveland iron in the world market. Its place in this market it cannot resume until the powers that be realise that industrial prosperity is not indicative of successful crime, but evidence of a contribution to the well-being of the country.

MEXICO.—II.

We went at some length in an article on Mexico into the political constitution of that country, which threatened to give trouble more or less both to North and to South America. We said that, for various reasons, it is perfectly evident that Mexico will not indefinitely be allowed to continue to obstruct the economic advancement of North America or of South America. In order to understand why Mexico has come to be in the disastrous condition in which we find her it is necessary to consider the composition of her population, with a very few lines regarding its history. In order to make it equally clear that the handful of people who now virtually run Mexico for their own benefit will not be allowed to do so, it will be necessary to show what a highly potentially rich State Mexico is; what an immense amount of produce she is capable of giving the world; and of what assistance she could be as a field of immigration from the the overcrowded areas of Europe and Asia.

The Aztec civilisation of Mexico differed in many material points from that which the elder Pizarro discovered when he landed in Peru. They resembled each other, however, to a remarkable extent in one characteristic feature—which was, that both Governments had a passion, which appears to be growing in the modern world amongst ourselves, to conscript every form of human activity to the utmost extent possible. In Peru, for example, marriage itself was conscripted. Every Peruvian who arrived at the age of 25 was compelled to marry, just as every able-bodied young man under 45 was compelled to join our Army during the recent War. The only possible method of escaping from marriage in ancient Peru was to join one of the monkish orders, that is, of course, the pre-Christian orders, and immure oneself in one of the monasteries; and this, of course, was done to a very large extent. Almost every act of the Inca's life was controlled. They had hardly any money, and required hardly any because prices and distribution of nearly all commodities were controlled and allocated according to a fixed system. In Mexico in some directions the control was less severe than in Peru. But in other directions it was even more extensive. Practically the result in both countries was that neither the Mexican nor the Peruvian of pre-Spanish times had any opportunity for the development of individual initiative. The result was that the whole system depending upon Government, with the overthrow of Government all serious resistance came to an end. The system was very much as though the great centres of food, say, like Smithfield for meat and the Baltic and the Liverpool Exchanges for wheat with us, the whole of the transportation facilities, the whole of the food and clothing trades, and the Army and Navy were entirely directed from Whitehall. And once destroy the Government offices in Whitehall there was no one who could have handled the distribution of any great commodity in the country. To a people trained under such a system came the Spanish anxious to use them for obtaining gold. The one thing that the Spaniard valued on the material side was to get as much gold as possible from Mexico and Peru; and, on the ethical side, he was anxious to convert the Mexican from the native religion to that of the Roman Catholic Church. In order to obtain the gold he virtually turned the Mexican people into slaves. Even agriculture was only pursued because in those days it was not convenient to import bread and meat and sugar and butter from Spain. But every interest was subordinated to getting as much gold as possible, one-fifth of which went to the Spanish Crown, and the remaining four-fifths were absorbed by the various adventurers who ran these two great viceroyalties. In April next this system will have lasted in Mexico for four hundred years.

When Europe adopted Liberalism at the end of the eighteenth century, and when Spanish America decided to throw off Spain, Mexico, of course, did likewise, and Mexico adopted a republic. But from what we have said it will be evident that there were not enough people in the whole country who had sufficient individualism to adapt themselves to any individualistic institutions. The result has been that from the very first the Republic has been a failure. This brings us to the configuration of the country, its landed estates, and the great potential resources of Mexico.

Mexico exceeds in area three-quarters of a million square miles; that is to say, it is as big as France and those two Great Powers of Central Europe which we used to call the Central Empires. Mexico is as big as France and the greater part of Central Europe. But it has only one-tenth of the population of those great countries. Mexico is bounded by two ranges of mountains which are characteristic both of North and South

America, a range of mountains on the west and a range of mountains on the east, and these converge in the case of Mexico on the Isthmus of Tehuantepec. Mexico is very like South America in some ways. It has a large belt of low-lying coast land, which is tropically hot and subject to both yellow fever and malaria owing to the fact that the swamps have never been properly drained, and with such a Government as Mexico has always enjoyed it is not surprising that they have always been neglected. Rising rapidly, in some cases quite abruptly, from the low-lying flats of the seaboard region is an immense elevated plateau, which varies in altitude from two to eight thousand feet above sea level, and constitutes more than two-thirds of the total area of the Republic. It is said that within an area of 400 square miles it is possible to grow the richest fruits of the tropical regions, the products in places, say, in the range of the 25th parallel, and then a little higher up, owing to the rapid change of elevation, you can grow the products of the temperate zone, as, for example, Northern France and this country. Mexico lies between the 15th and the 32nd parallel north of the Equator, that is to say, it is practically six degrees within the tropics, or, to put it differently, Mexico would be an exceedingly hot country were it not for the fact of the great altitude of the major part of her immense plains.

Mexico, ever since the Spaniards were driven out, has either been in a state of anarchy or ruled by a despot. Roughly, about half the population are descended from the ancient Aztecs; three-fourths of the balance are a mixture between Indians and Spaniards. Now there is no finer race on earth than a good mixture of Spanish and American Indian. But he has to have some opportunity to develop his natural individuality, and that is entirely lacking in Mexico. Finally, there is a small class which, for convenience, we may call an aristocracy, of more or less pure Spanish descent. Mexico was in colonial times parcelled out in vast estates of thousands of square miles each. A few of the owners are rich, but most of them are impoverished. And, in spite of its enormous extent, roughly a quarter of the whole area of Europe, the really cultivated part of Mexico does not much exceed the cultivable area of England and Wales, which, of course, is cultivated. These landowners have not the capital, the training, or the resources to cultivate their own estates, and they cannot be induced to sell a portion even to enable the remainder to be cultivated. The result is that although Mexico would be a delightful country for settlement from any part of Europe, from the north of Scotland to the south of Spain, there is really no land available to settle on. Equally difficult would be the position of a farmer. Practically there are no tenant-farmers in Mexico. Lastly, the condition of the agricultural labourer, who forms about one-third of the whole population of Mexico, is deplorable in the extreme. We do not mean to say that the condition of agricultural labourers in most parts of Europe is all that could be desired; but it is altogether better than the condition of what is known as the peon in Mexico. Now the word "peon" is used all over South America, but there it means simply a peasant. In Mexico the peon is a serf pure and simple. He is not quite a slave in the sense of "Uncle Tom's Cabin," but if we rightly understand the condition of the serfs in mediæval Europe he is considerably worse off than they were. The system of administration is by a major-domo or overseer, and the labourers are throughout their lives under his direction. They are advanced an outfit to enable them to start in life. Their marriage fees are paid for them. Their marriage outfit is provided, and all through their lives they are paying off debt. The result is that, except in the great towns where foreigners work mines or engage in some kind of trade, there is absolutely no field for emigration in a country covering in extent equal to a quarter of a whole of Europe and having a population of some 15 millions.

BRITISH AND IRISH AGRICULTURE.

Although the general trend of our agricultural policy for the next few years has been definitely settled under the Corn Production Acts, many outstanding problems still await solution. Over the question of food prices urban and rural interests are strongly divergent, and it will rest with Ministers to adjust the conflicting demands of industries which can all truthfully claim to be of importance from the national standpoint. It is certain, however, that agricultural prices cannot be allowed to sink again to the ruinous level which prevailed for a long period before the War. The declining state of the industry was evidenced by the fact that capital and labour, where they were mobile, abandoned it for more profitable occupations. Capital, when not already fixed, naturally directs itself into the most paying channels. That agriculture was not a lucrative medium for its employment is shown by an estimate included in the report of the Royal Commission on Agriculture of 1893. According to this estimate, which was prepared by the Chairman of Inland Revenue, there was a decline between the years 1875 and 1894 of £834 million, or 50%, in the capital value of agricultural land. Though exception may be taken to an estimate based on such figures as were available to the Chairman, there can be no doubt of the enormous capital depreciation in land during the period. That labour left the industry is shown by the Censal returns. Between 1871 and 1891 the number of people engaged in agriculture in the United Kingdom fell from 2,762,000 to 2,313,000, a decline of 449,000, or 16%.

The downward movement in agriculture continued into the present century. The price of British wheat, which between 1870 and 1880 had been 50*s.* per quarter, fell in the closing years of the century to 30*s.*, and did not rise above that level until 1907. Other agricultural produce was similarly depressed in price. As regards the number of people engaged in agriculture, the following tables show in detail the variation in the different agricultural classes of England and Wales, Scotland and Ireland, between 1901 and 1911:—

TABLE I.

1901	England and Wales	Scotland	Ireland	United Kingdom
Farmers and graziers	224,299	53,595	399,387	677,081
Farmers' and graziers' sons or other male relatives assisting in the work of the farm	89,165	17,550	214,261	320,976
Farm bailiffs and foremen ...	22,662	4,655	1,892	29,209
Shepherds	25,366	9,656	5,629	40,651
Agricultural labourers and farm servants	595,702	93,590	226,242	915,534
Total	957,194	178,846	847,411	1,983,451

TABLE II.

1911	England and Wales	Scotland	Ireland	United Kingdom
Farmers and graziers	228,788	50,678	383,167	662,633
Farmers' and graziers' sons and other male relatives assisting in the work of the farm	97,689	16,627	169,246	283,562
Farm bailiffs and foremen ...	22,166	7,279	1,519	30,964
Shepherds	20,844	9,052	3,811	33,707
Agricultural labourers and farm servants	635,493	86,538	196,089	918,120
Total	1,004,980	170,184	753,832	1,928,986

To arrive at a correct estimate of the volume of labour actually engaged in working the land for the food supply of the nation all gardeners, nurserymen, seedsmen, and florists have been excluded, as well as farmers' wives and daughters and domestic servants. It will be seen that the decline in the agricultural labour force above adverted to was still in evidence at the last Census, but was proceeding at a less rapid rate. Between 1901 and 1911 there was a falling off of 54,465, or 2.8%; for the United Kingdom. The decline in Ireland was much greater, 93,579, or 11%, but its effect on the figure for the United Kingdom was offset by an increase in England and Wales. The proportion of female labour in the Censal figures is higher for Ireland than for Great Britain, and hence the average efficiency is naturally lower for the former country. Again, on the date on which the 1911

Census was taken—April 3—many Irish agricultural labourers, who ordinarily spend the busiest part of the year in England, were included with the Irish figures, though their labour is chiefly expended on British soil. Moreover, the Irish agricultural labourer is not usually employed all the year round, owing to the lack of tillage and the practical cessation of all immediately remunerative work during the winter time.

If the agriculture of the future is to be more intensive there must be a large extension of the area under tillage and an increase in the amount of labour and capital invested in the industry. The ease with which this change can be effected varies with the conditions that obtain in different parts of the United Kingdom. Thus, in Ireland a peasant proprietary has been set up and the percentage of landed agriculturists is naturally higher than elsewhere in the United Kingdom. From Table 2 above it may be seen that the percentage of farmers and graziers in Ireland in 1911 was 50.8; in Scotland, 29.8; and in England and Wales, 22.7. As might be expected, under the Irish system the average farm is small. The following table shows the number and percentage of holdings of different sizes:—

TABLE III.—*Year* 1915.

Size of Holdings	England and Wales—No.	%	Scotland—No.	%	Ireland—No.	%
Above 1 and not exceeding 5 acres ...	90,643	20·92	18,235	23·6	48,906	10
Above 5 and not exceeding 50 acres ...	199,046	46·0	33,105	43·1	324,459	69
Above 50 and not exceeding 100 acres ...	59,657	13·70	10,096	13·1	57,470	12
Above 100 acres ...	84,007	19·38	15,672	20·2	33,785	9
Total	433,353	100·0	77,108	100·0	464,421	100·0

Owing to the lack of uniformity in the presentation of agricultural statistics, which, as we pointed out before, is absurd for such a small area as the United Kingdom, strictly comparable figures are unfortunately not obtainable for farms of varying sizes above 100 acres. Farms of between 5 and 50 acres comprise seven-tenths of the agricultural holdings in Ireland, while holdings of more than 100 acres comprise only one-tenth, as compared with one-fifth in Great Britain. Since the farms are small there is a tendency to employ either no labour or discontinuous labour. Thus from the figures given in the second table it can be seen that farm servants and labourers accounted for fully one-half of those engaged in agriculture in Great Britain in 1911, but only for one-fourth of those so engaged in Ireland. An increased use of labour is necessary on Irish land, and it must be accompanied by a more lavish outlay of capital. Granted the applicability of the law of diminishing returns, the stage at which it would come into operation is still far off on most Irish farms. With a large profitable margin left for working, farmers as well as labourers in Ireland should realise that improved methods would mean in the one case higher profits and in the other higher wages, and would ensure a general uplift in the standard of comfort throughout the country. That Irish soil is fertile and will repay working is shown by the following table, taken from the reports of the various Boards of Agriculture:—

TABLE IV.—*Average Yield per Acre*, 1916.

	Great Britain Bushels	Ireland Bushels
Wheat	28·83	36·98
Barley and bere	31·05	41·82
Oats...	38·86	47·74
Beans	30·32	46·08
Peas...	24·40	30·31
	Tons	Tons
Potatoes	5·44	4·15
Turnips and swedes	14·02	16·88
Mangolds	19·46	20·24
Hay from permanent pasture	1·25	2·28
Other kinds of hay	1·68	2·10

The methods of collecting the statistics are very different in the two countries, and the possibilities of error in Ireland are perhaps greater. However, the general trend of the figures is indisputable. The average yield in the case of all crops, except potatoes, is higher for Ireland. It is all the more lamentable accordingly to see the use made of Irish land as revealed in the following calculations:—

TABLE V.—*Year* 1916.

	Great Britain Acres	Percentage of Cultivated Area	Ireland Acres	Percentage of Cultivated Area
Cultivated area ...	31,850,000		14,714,000	- -
Corn crops	6,867,000	20	1,306,000	8
Green crops	2,775,000*	8	987,000	6
Other crops, grass, &c....	4,071,000	12	2,650,000	11
Permanent hay and pasture	17,495,000	55	9,664,000	66

Orchards and similar lands, which cannot be classed either as grazing or tillage, though included in the "cultivated area," have not been taken into account.

A system of peasant proprietors has its advantages, but it makes in many cases for rigidity of method and for conservatism in the application of new ideas. Fear of being dispossessed in the event of uneconomic working no longer operates, provided the rent and rates are met, and the handing down through generations of a single farm tends to elevate traditional rules of agriculture into undesirable prominence. A prejudice exists in Ireland against the breaking up of land, since it is argued that Irish grazing is the best in the world. It is forgotten, however, that land under grazing is much less productive of foodstuffs for the nation. Some admit this, but contend that grazing is more profitable to the farmer. In face of the relative value of the output from tilled and untilled land, it is safe to say that this contention cannot be mathematically proved. Land that can produce good grass can produce good crops, and as the turnover of corn, roots, and meat is higher for the cropped area, the profits must accordingly be greater.

RECONSTRUCTION IN IRELAND.

VERY little has been done towards setting up a representative body competent to deal with the question of Irish reconstruction on business lines. Unless some action is immediately taken the agricultural and commercial future of the country will be compromised. In the recent election the Chief Secretary was very lavish in his promises about the steps to be taken in regard to trade development in Ireland, but we fear that his tongue was quickened by the existence of a large Irish vote in Newcastle. His doings in office have betrayed none of the interest in Irish industrial problems which he propagated to his Northumberland constituents. The coming Parliament, though it may be short-lived, will be entrusted with one task of cardinal importance. It may not survive to carry through a complete scheme of reconstruction, but it will probably determine its broad lines. Before it can proceed to business a preliminary expert survey of the whole field of economic activity is necessary. This survey is nearly completed for Great Britain, but it has not begun in Ireland. An authoritative presentation of Ireland's claims in regard to raw materials, both for industry and agriculture, is the first necessity. Otherwise her activities will be hampered or altogether stopped for lack of the primary requisites. In regard to schemes of internal reform the essential change required is in the system of primary and secondary education. The present system of university education is, if we exclude Trinity College, not unpromising of good, but the other branches require radical overhauling. The need is urgent, since education lies at the root of every problem which will call for solution in the post-War period. It is a department on which outlay cannot be stinted except with disastrous results. Yet when certain suggestions involving some extra expenditure were outlined last year by the Commissioners of National Education in Ireland, the Treasury insisted on reducing the grants-in-aid to one-half the amount applied for. The application was made by the body of Government nominees responsible for primary education in Ireland, and the money applied for represented only the Irish equivalent of the educational grant given at the same time to England and Scotland. This legitimate demand was refused.

The housing question in Ireland is also acute. Mr. Lloyd George, in one of his letters to the Irish Convention, stated that when recommendations were received from that body the Government would be prepared to consider the inclusion in the scheme of settlement of a substantial provision for this vital problem. Though the Government neglected to enforce the majority findings of the Convention, economic apart from political reasons compel attention to the urgency of the housing problem in Ireland. A special Housing Committee appointed by the Convention found that there was, on a very conservative estimate, a shortage of 16,500 houses in Dublin, 7,500 in Belfast, and 4,950 in the other Irish county boroughs. The total number of new working-class houses required in urban areas in Ireland was put at 67,500, and the cost was estimated at £27,000,000. Government assistance was declared to be absolutely necessary, since the problem had reached dimensions altogether beyond the resources of the local authorities. Despite the promises given by Mr. Shortt and his two predecessors at the Irish Office to the effect that Ireland would participate in Government housing grants after the War, no attempt has been made by the Irish Local Government Board or other responsible body to formulate a detailed statement of Ireland's wants and a considered scheme for supplying them. The urgency of the question is undoubted. Good education, housing, and public health are the three prerequisites of agricultural and industrial efficiency. Private enterprise will not supply the houses, since the high cost of building materials and high rates of interest, combined with the low rentals obtainable, make building an unattractive proposition from the purely commercial standpoint. Public utility societies in Ireland are few in number and the extent of their operations is negligible. In the circumstances the duty of supplying the country's needs falls on the local authorities and the Government. Without some indication from the Government as to the financial assistance which they are willing to afford, the local authorities are held up. Here, clearly, is room for action on the part of a properly organised Reconstruction Department set up for Ireland. The functions of the proposed Ministry of Health and its relations to existing Irish public services are also matters which might engage the attention of such a department.

In regard to agriculture, the steps taken to tide it over the transition period are not at all commensurate with those taken in England and Scotland, though the industry is the first and most essential factor in Ireland's prosperity. The commercial side of agriculture in particular has been neglected. Fanning methods require to be improved, and all will agree that a large increase in the amount of invested capital and a much greater degree of skill are necessary if a permanently higher level of production is to be attained. Moreover, to secure their co-operation in this new development it must be brought home to farm labourers that increased agricultural productivity means higher wages and better conditions, and accordingly that their interests are at one with those of the farmer. But here we are trenching on what is really an educational matter. Rural transport must be developed. Light railways have been used abroad, especially in Belgium, with considerable effect in promoting agriculture. They act as feeders to the broad-gauge lines, and bring farmers in remote districts in touch with good markets. These light railways are in turn fed by motor services. At the coming disposal of Government stores it would be the duty of the body entrusted with reconstruction in Ireland to see that that country has its share of the rails, sleepers, and rolling-stock, which will be brought back from the Continent. Hundreds of miles of narrow-gauge lines were laid in France, and as they served only military purposes they will undoubtedly be taken up and returned home for dispersal, together with trucks and locomotives. Ireland's claim to a portion of this material needs to be advanced by a weighty and competent authority, which will also make out her requirements in regard to motor vehicles, of which a large number, at present on Government War service, will soon be available for peace purposes. These vehicles would be invaluable for rapid deliveries of rural produce to the trunk lines and their feeders. To facilitate the organisation of an effective service the roads should be thoroughly overhauled, and since there is an increasing tendency to regard main roads as in part an Imperial burden, a Road Board for the whole of Ireland should be set up. The status, functions, and finances of such a Board should properly be considered in the first instance by a Reconstruction Department, which would probably find it advisable to devolve some of the powers of such a Board, if set up, to Provincial Councils.

The development of other means of internal and external communication would also form part of the reconstruction work to be carried on in Ireland. The potentialities of the Irish lakes, rivers, and canals have been neglected. We have repeatedly called attention to them, and in confirmation of our claims we might quote from the recent report of the Select Committee on Transport. Its Sub-Committee "was impressed by the immense potential advantages for the development of inland transport in Ireland, due to the country being endowed with many magnificent natural harbours and great natural and artificial interior waterways." The report goes on to state that "Ireland ought to occupy a high place in the possession of water transport facilities if these means of communication were improved and fully developed and worked in unison with the railway system of the country." Money was freely spent on transport development in olden days, according to the Committee, and a much stronger case exists now for such expenditure. The proposed linking up with the railway system we have already advocated, and though we have not urged the nationalisation of the Irish railways, we have emphasised the necessity for unification of control. With the announcement of the Government's intentions in regard to nationalisation, intentions which will probably be translated into action when the new Parliament meets, the problem enters on a new phase, and here again the manner in which Irish agricultural and industrial interests can best be promoted by nationalisation can be attended to only by a representative and responsible Reconstruction Committee in Ireland.

JAPAN.—We have now received the figures of the total foreign trade of Japan for the past year. These show that the exports for the twelve months reached the sum of 195½ millions sterling, an increase compared with the preceding year of 35¼ millions. The imports amounted to 166¼ millions, an increase of 62¾ millions. The total foreign trade of Japan during 1918 thus amounted to 361¾ millions, showing an increase of 98 millions. A feature of trade conditions in the closing month of the year was the depreciation in the value of the various commodities, especially steel, chemicals, and dyestuffs, owing to the conclusion of the Armistice, and the hesitancy of traders on account of the uncertain future. Bankers became cautious, and showed a desire to increase their reserves. For this reason they fixed the deposit rate at 5½%. The settlement at the end of the year induced a heavy demand for cash. Thus the note circulation and the advances of the Bank of Japan amounted at the close to 114½ millions and 56¾ millions respectively. Call money went to 7.6%, and discounts to 6.9%. Stock markets remained quiet. In anticipation of a shortage of supplies, there was an advance in the quotations for rice, futures reaching 38.59 yen. Permission has been given by the Japanese Government for the delivery of foreign and Formosan rice as a substitute in settlement of term transactions. The raw silk market was dull, with accumulated stocks, but the price was kept at £152 by the silk-reelers. Cotton yarn advanced to £34, owing to price movements abroad.

THE BANK OF TAIWAN,
LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.
Head Office - - TAIPEH, FORMOSA.
BRANCHES :—Amoy, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, New York, Osaka, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, and every important city in Formosa (Taiwan), &c.
The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.
London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

PAYING the bill is never an agreeable process, but it has to be faced both by individuals and nations. Departing from the policy consistently pursued by this country ever since the time of the Plantagenets, we called up nearly one-third of our total population in the late War. Moreover, we called up from productive purposes to destructive purposes the most active and energetic part of our population, and we have to take the consequences. The Government, like a timid bather on a cold morning shivering at the edge of a lake, is exceedingly nervous in attacking the difficult problem of demobilisation. It pleads that already it has an undue proportion of the people discharged from munition works and of soldiers released from active service who require out-of-work assistance. The only way to get rid of this unsatisfactory state of things is to hasten as rapidly as possible the increase of production. We want an enormously enhanced supply of food at a very much cheaper rate than we are able to obtain at present, and we want an equally increased supply of raw materials as rapidly as these also can be obtained.

The Government is, of course, as well aware as we are that there is an immense amount of work to be done provided the means are available for accomplishing it. Unless food can be supplied in very much greater volume than at present, and at very much less cost, extravagantly high wages will be inevitable, which means that the cost of production must be high. Moreover, without immense quantities of raw material it is not possible to resume many of our trades. It is notorious that practically the whole railway rolling-stock of this country requires to be renewed. There is hardly a main road of the 21,000 miles of main roads existing in England and Wales which does not require at least to be repaired, and in many cases to be relaid throughout their whole length. Anyone, even of the comparatively well-to-do classes, who has to visit his tailor at the present time is struck by the extravagant prices demanded even for the plainest articles of wearing apparel; and, of course, it is notorious that nearly everybody, even amongst the classes who are able to afford a measure of luxury, has refrained from replenishing his wardrobe throughout the War. The stocks of haberdashery, shirts, and underclothing in the hands of private persons have likewise fallen to a very low ebb. And consequently the demand for cotton, linen, and woollen goods is probably on a greater scale than it has ever been in the lifetime of the present generation.

Shipping we need not refer to, because every paper considers it its duty to warn us day by day and week by week of the exceeding shortage of freights. Consequently the demand for anyone capable of working in a shipyard is keener than it has ever been within living memory. There is hardly an article of general consumption, whether it be of food, products, or raw material, for which there is not an exceptional demand at the present time. And as none of these articles are usable by man in their raw state they all require a measure of labour, which could be furnished by the ten millions of men and women lately employed by the Government for purposes connected with the War.

Owing to the policy pursued above referred to we are, as a nation, in a very peculiar position at the end of the late War, not perhaps unique in our history, but certainly a remarkable position, and one which, when it has occurred in the past, has usually been accompanied by very grave consequences. At the end of the Napoleonic Wars we came out very much as the United States of North America is coming out of this War. By means of subsidies, and employing Prussian, Austrian, and Russian troops, we fought the war against revolutionary France for a period of 23 years, but without drawing unduly upon our man-power. In fact, during the war we succeeded in capturing practically the whole of the Asiatic as well as the Western trade of the world. It is only fair to point out that the present condition of Russia is largely due to our action in withdrawing an undue proportion of our population from productive employment, and thereby lessening our power to subsidise Russia for the purpose of actively fighting the War. Russia rendered a real service in the early days of the War, and her breakdown was largely due to the fact that she attempted to mobilise a section of her population out of all proportion to her economic resources. That we could have brought troops from Russia to the Western Front is now evidenced by the ease with which we brought American troops at the end of the War. The final result, however, has been that we have had to accept subsidies from the United States, instead of continuing to pay them throughout the War as we did a hundred years ago.

This is, of course, by no means the first time in our history when we have accepted subsidies. Charles the Second accepted subsidies from King Louis of France; and, of course, it is notorious that shortly after what was called the Revolution in King William's time we raised loans in Holland through the Bank of Amsterdam. The apparent prosperity we have been witnessing in the remarkable level to which wages rose and the total disappearance of unemployment is fictitious, because it was brought about by expending the savings accumulated during the past two generations, and mortgaging our future revenues. While, however, it is desirable to point out not merely the mistakes which have been committed, but the actual position in which we stand, and while there is every reason to expect that there is a period of anxiety before us, it need not be unduly prolonged.

It should be remembered that the British Empire, taken as a composite whole, possesses probably the greatest assets in the world. In the first place, the British Empire is of greater extent than any other. On the whole it is eminently fertile, and a large part of it is wholly undeveloped. Consequently the possibilities for work and enterprise during the life of the rising generation should be, under wise guidance, greater than in any period of our history. Moreover, we had at the beginning of the War the most efficient plant for shipbuilding existing in the world, in addition to the greatest Navy and the greatest mercantile marine. It is, of course, true that the mercantile marine in particular has been considerably depleted as a result of the War. But this is due not to our inability to construct ships as they were destroyed by the enemy submarines during the War, but to the fact that our constructing yards were employed in naval work; and there seems no reasonable doubt that the rate of production for naval purposes was maintained at a very high figure, although as yet we have not the actual returns of work done. Experience showed besides that we were able to construct ships on a

NEXT WEEK is the LAST

The Lords Commissioners of His Majesty's Treasury have given notice that the present issue of National War Bonds will be discontinued on Saturday the 18th of January, 1919. Buy War Bonds before it is too late.



"Can't we manage another £10,000?"

BUSINESS men have realised that no more War Bonds on the present terms will be issued after Saturday the 18th of this month. Directors and Partners—the controlling heads of great Companies and Firms—the men whose signatures on a cheque are worth millions of pounds—are meeting to decide the urgent question: ***"How much more can we put into War Bonds before January 18th?"***

o o o

They know that the issue of War Bonds is an opportunity which will not recur. A net yield of $5\frac{1}{4}$ to $5\frac{3}{8}$ per cent. on a British Government Security—safe as Consols and bearing about twice as much interest, saleable at any time, and carrying unique conversion rights and privileges in respect of taxation—these are terms which, in their entirety, no Government would be justified in offering in time of Peace.

That is why the business men of great industrial and commercial centres like Liverpool, Glasgow, Manchester, Edinburgh, Birmingham, Newcastle, Bradford, Leeds, Bristol, Cardiff, Sheffield—cities every one of which has already invested from ten to more than fifty million pounds in War Bonds—are now considering how much more they can invest by the 18th of this month.

o o o

Put ***your*** capital where the shrewdest judges of investment values in the Kingdom are putting ***theirs.*** Buy War Bonds while you have the chance.

Send a letter by to-day's post, instructing your Banker or Stockbroker to invest as much as you can afford; or call at the Bank or Money Order Post Office and

Buy the BIGGEST BOND you can!

cheaper basis per ton than any other country; and although many other countries are now entering into the shipping business, it is by no means proved as yet that any of them will be able to construct ships on as cheap a basis per unit as we should be able to do when the whole of our shipping staffs are demobilised for purposes of the mercantile marine as distinct from those of war.

Those interested in the Antofagasta and Bolivia Railway will probably have noticed during recent weeks with a certain measure of anxiety the growing fall in the traffic receipts. They need, however, not be unduly alarmed. Of course, the fall in the receipts is to be regretted, and it will probably take some considerable time before the Company is able to make up the leeway. What has actually happened is that, up to the time of the signing of the Armistice, our Government, acting for itself, as well as on account of the other Allied Governments, purchased the whole of the Chilian nitrate output; and, as the reader is aware, nitrate is by far the most important export of Chili, and is of especial importance to the Antofagasta Railway. Indeed, from the carriage of nitrate the Company earned enormous receipts. With the signing of the Armistice our Government decided that, for the time being, they had sufficient nitrate on hand; and, in addition, as shipping was required for other purposes, they were not prepared to grant facilities for the shipment of Chilian nitrate to Europe. In other words, the Government declined itself to purchase the nitrate, nor would it give facilities for shipment to England. Practically, that meant that the English nitrate companies, in particular, had for the time being to close down. Chilian and other nitrate companies able to obtain shipping facilities other than British have succeeded in doing a certain amount of business—a restricted amount, it is true, but they have not been hit to the same extent as have the English companies. Meanwhile, the Antofagasta Company is a wealthy and well-managed corporation, and has done exceedingly good business during the past four years. Nitrate will remain a valuable fertiliser even though it has ceased to be in active demand for the purpose of making explosives. Consequently, it seems reasonable to hope that whenever the British Government sees its way to grant a reasonable measure of shipping facilities to the ports dependent upon the nitrate industry the receipts of the Antofagasta Railway will once more begin to expand.

LEGAL AND GENERAL ASSURANCE SOCIETY.

The announcement is made that the Legal and General Life Assurance office has deposited a Bill in Parliament to repeal the existing deed of settlement in order to extend the Society's objects and business. Though the Bill fixes the capital at the present amount of £1,000,000 in 20,000 £50 shares, with £8 paid up, it provides, however, that the capital may be increased, and any new capital may be issued as preferential "and generally upon any special terms whatever." Hereafter it is proposed the word "Life" shall be dropped from the title, which will thus be "The Legal and General Assurance Society."

"Company Secretaries' Diary and Reference Book for 1919." Prices 4*s.* and 6*s.*, according to diary space and binding. (London: Waterlow Bros. and Layton, Limited, Birchin Lane, E.C.)

"English Clubs," a list of over 4,000 clubs frequented by the English in all parts of the world, for 1919, has been published by Messrs. Spottiswoode, Ballantyne and Company, Limited, and is edited by Mr. E. C. Austen-Leigh, M.A. The book, which has been thoroughly revised this year, is handsomely bound in red cloth, and printed in tabular form. The price of the work is 5*s.*; post free, 5*s.* 3*d.*

SOUTH AND CENTRAL AMERICA.

ARGENTINE TRADE.

We are glad to notice that, as is becoming the custom with so many banks, the London and River Plate Bank, Limited, has adopted the practice of issuing a monthly review dealing with the trade of the countries in which it is interested. Owing to the difficulties in which Argentina was placed as a result of the War, it appears from the report before us that there is a serious deficit in the revenue. There is much opposition in the Argentine to the proposed income tax, and, according to the latest reports from Buenos Ayres, it is not believed that this impost will be proceeded with. It is stated, however, that twelve million paper dollars must be found at an early date to meet the pressing liabilities of the Government. And, although there has been an improvement in the imports recently, they have not of course expanded to an extent that would restore equilibrium. Moreover, although the export tax is yielding very satisfactory results—in fact, is showing an increase of about 33%, compared with last year—it is not sufficient to meet the pressing demands. It is generally believed that, as a temporary solution, the Government will ask Congress to pass a Vote of Credit. The real solution, however, should come naturally when it is possible for the ordinary balance of trade to be resumed. It has to be remembered that only part of the time during the War did Argentina profit to any large extent from the demand for food and raw materials on the part of the Allied Governments. In the very early stages of the late War Argentina was visited by one of the most severe droughts ever known in her history, extending even to the fertile Metropolitan Province of Buenos Ayres. And it will be remembered that even as late as 1917 the export of wheat was forbidden by order of the Federal Government. This period of drought was followed by two bountiful harvests. But although the good harvests appeared to have solved the problem, actual experience showed that a most formidable obstacle had arisen. It is perfectly true that we in this country and the Entente Allies in general were clamouring for food and raw materials, but how to pay for these commodities in Argentina was the problem. In the natural order of things Argentina, finding an active demand for her products, would have purchased goods in Europe, or in the United States, or, failing these, would have obtained gold on balance in settlement of her account. As the reader is aware, for the purpose of protecting the gold reserve none of the Allied countries engaged in the late War would permit of the export of gold; and, moreover, as there was a shortage of freights, Argentina could not buy commodities either in Europe or in the United States, even if she desired to do so. The result is that her trade throughout the War has been largely crippled, and only upon those occasions when she has had a bountiful harvest has she been able to sell a proportion of her produce. Moreover, it has only been a proportion that she has been able to sell because, anxious as were the Allies to obtain supplies, the Governments of the various countries, and particularly of this country, felt themselves only in a position to allot a certain portion of shipping space. Finally, and possibly the more important consideration, Argentina has been accustomed for a generation to rely upon the London Money market for developing her transportation facilities and placing herself in an efficient condition for meeting the ever-growing demands of Europe for food and raw materials. These advantages have been wholly denied her throughout the duration of the War. And, consequently, the country has been called upon to adjust itself to a new condition of things which arose suddenly owing to the fact that her principal customers were engaged in war, and had suddenly, and without giving her any kind of notice, to depart

from the practice which had become established for more than a generation.

Owing to the causes enumerated above, there is not found that demand for goods which the restricted facilities have admitted of being imported. And it seems not improbable that some time must elapse before Argentina is in a position to take large quantities of imported goods. Meanwhile the fundamental conditions of the country are sound. The strong demand for animals, both for freezing and canning, is maintained, says the report before us, prices for cattle of all descriptions being very firm, 30 cents paper per pound being paid for dressed beef—freezing company's quotation—and the price of cattle per head runs from 170 to 300 paper dollars for fine quality steers, according to condition, the figures for native or criollo cattle suitable for the canneries and jerked or zarque beef being about 150 dollars, though prices for cattle on the hoof have a very wide range and must only be regarded as a general indication of the trend of markets. The demand for frozen mutton continues constant, and a new freezing works is under construction for the Armour interests in the Santa Cruz territory, in the Patagonia area. The carcases will presumably be shipped direct from the southern ports to the consuming markets of Europe. It is also reported that one of the largest cold-storage interests in France proposes shortly to open a cold-storage depôt of its own with freezing plant in Argentina. Meat shipments from the Argentine for the month of September were carcases of mutton, 161,569; carcases of lamb 12,615; and beef, quarters 735,508. With regard to wheat it is stated that prices on the whole remain firm, with a slightly weaker tone. Abundant rains have been general throughout the wheat-growing area of the country, and it is estimated that at least 85% of the agricultural area has been benefited by the rains. Thanks to the copious rainfall, the prospects for the linseed crop have improved in so far as the crop yield is concerned. Prices, however, have given way somewhat. Future prospects, says the report, are uncertain, and it may be added that they are very much so. What we commonly call linseed oil is obtained from flax. But the conditions under which it is grown for the purpose of producing the linseed have so far made it impossible to obtain linen from the flax by any known process. Before the War the demand for linseed was for the purpose of making cakes for the feeding of livestock. During the War the import of linseed for this purpose has been forbidden by various belligerent countries, notably our own, and linseed oil has been used largely in the making of margarine. It is one of the reasons that the margarine which we have had to consume as a butter substitute during recent years is so very much inferior to the margarine made from nuts, and particularly coconuts, which made this butter substitute appear so agreeable in taste when it was first introduced upon the London market several years ago. Owing to the existing state of things in Russia, which was the principal source of supply for flax, there is a great shortage of flax for making linen all over the world. Of course it is not true to say that no flax is coming from Russia at present, because, as a matter of fact, a very considerable supply of flax has been obtained from Russia even in recent months. Nevertheless, the supplies are very small when compared with those that we were accustomed to obtain before the outbreak of the recent War. Now it is evident that if the flax grown in places like the Argentine Republic were devoted to the production of the fibre from which linen is made the deficiency in the Russian supply would quickly be filled up. On the other hand, the flax as it is grown at present is not very suitable for making linen. It was, in fact, particularly selected because of its valuable properties in producing the oil from which cattle-feeding cakes are made. It will not be necessary to remind the reader that there is at present, and is likely to be to a still greater extent in the early future, an extraordinary demand for linseed oil for the purpose of cattle feeding; and, consequently, it may be just as profitable to produce linseed for cattle-feeding purposes as to produce flax for making linen. If it is found possible by experiment to produce a flax that, in addition to being used for making linen fibres, can also be used as a cattle feeder, it is evident that the area under linseed would have to be very materially increased. Meat, linseed, and wool are amongst the primary products of the Argentine Republic, and the stocks of wool are now only about half what they were in August last. The demand for coarse and second-clip wool still predominates, but the prices for these wools have not been fully maintained, whereas for fine counts the prices are as high as, or higher than, ever. From October 1, 1917, to the middle of September last 230,000 bales out of a total of 350,000 bales were exported, and have been consigned to the United States of North America.

CHILIAN NITRATES.

We have received a report from Messrs. Montgomery and Co. giving a very interesting view of the nitrate industry during the period of the late War. It will be remembered that owing to the breakdown of the exchanges at the outbreak of the late War there was almost complete paralysis of trade between this country and distant parts of the world. Amongst others naturally affected was the trade between this country and Chili. This trade consisted to a large extent of the import of nitrate of soda. Messrs. Montgomery say that, in the light of after events, it is strange to find that for some weeks nitrate of soda fell to 7*s*. 9*d*. and 8*s*. per cwt., cost and freight being accepted for one or two cargoes in September 1914, as compared with 9*s*. in July, or the month before the outbreak of the War. Freights were still to be found at the end of October at the unremunerative pre-war price of 20*s*. per ton. Late in the autumn, however, it became evident that nitrate was wanted, and was likely to be wanted in large quantities, revealing to importers the fact that the Government were giving large orders to makers of explosives; and with this indication alone to guide them, importers for more than twelve months met all demands made upon them. Naturally the Government itself, recognising the fact that under the circumstances of war it was unsafe to rely wholly upon an unknown quantity, resolved to import on its own account, and created large reserves of nitrate in this country.

In Chili itself in 1915 the prices of nitrate had risen to about 7*s*. 1*d*. per quintal f.o.b., while the price for arrived or due cargoes was 11*s*. 6*d*. per quintal. Freights meanwhile had risen to 65*s*. and 80*s*. for sail and steam respectively per ton nominal. With ever-increasing demands from the United States and our other Allies prices continued to advance, and in December 1915 cargoes arriving commanded 13*s*. 9*d*. per cwt., while tonnage was sought at 80*s*. for sail and 120*s*. for steamers, a further advance of 15*s*. to 20*s*. per ton in the six months. During the succeeding six months to the end of June 1916 only a small advance took place in Chili of about 6*d*. per quintal for both quantities, leaving prices at that date from 7*s*. 6*d*. to 8*s*. for ordinary and refined qualities respectively. In the same period an improvement of about 25*s*. per ton took place in the price of arrived and due cargoes, which at the end of June were still at 15*s*. to 15*s*. 6*d*. per ton, as against 13*s*. 9*d*. to 14*s*. 3*d*. in the preceding January. A continued large demand and restricted supplies in Europe, independent of high offers, particularly accounted for this advance. Freights continued to rise both for sailing vessels and steamers, bringing prices to about 145*s*. and 150*s*. respectively. Production of the caliche in Chili for the first six months of 1916 increased from 12,000,000 quintals to

32,000,000 quintals as compared with the same period of 1915, while shipments to Europe were 261,000 tons greater, at 643,000 tons, against 382,000 tons. From this time onward steady advances were made in production, which for the 12 months ending 1916 reached 63,300,000 quintals, as against 38 millions for the preceding year. Nor was even this quantity found too much to meet the ever-growing demands. Prices had likewise advanced in Chili to the extent of 1*s.* 9*d.* per quintal, so that the fine quality which in June was obtainable at 7*s.* 6*d.* then commanded 9*s.* 6*d.* per quintal. From January down to June 1917 th supply for agriculture was not by any means plentiful, owing to the inability of the Board of Agriculture to arrange tonnage for that which they had to ship. Sulphate of ammonia was however available, and to some extent filled the gap. Early in July 1917 an upward movement began to take place in the market in Chili—a movement which gained momentum at a rapid pace, showing an advance of 6*s.* per ton by the middle of September. The price in July was roughly 10*s.* per quintal, while at the end of September it had risen to 16*s.* At this time producers saw no limit to the amount they might obtain; but the announcement that the Government had through the medium of the United States purchased the German stocks lying in Chili brought about a reaction, and by the middle of October 1*s.* 6*d.* per quintal of this extravagant price had been shed. A further factor then came into play. A licensing order came into operation restricting the freights available, with the result that Chili had practically no customer for its nitrate. Consequently, bearing in mind the cost of production, the Allied Governments were practically in a position to dictate terms. Eventually the Allied Governments arranged to pay 12*s.* 6½*d.* and 13*s.* 0½*d.* per quintal respectively for ordinary and refined qualities. This did not satisfy the producers, who urged that in Chili, as elsewhere, the rise in the cost of living had risen with the cost of production and it was arranged that 13*s.* 0½*d.* should be paid for ordinary caliche and 13*s.* 6½*d.* for the refined quality. In considering the phases of this after-the-war position it is important to remember that, without the aid of 9 million quintals (400,000 tons) from German oficinas, production has exceeded by about 2 million quintals the maximum pre-War figure, which in those days showed a tendency for the production slightly to exceed the demand. Assuming that the German oficinas will be reopened, it is possible that the production in the early future may amount to as much as 73 million quintals.

It has to be borne in mind that during the past four years nitrate has been almost wholly consumed for purposes connected with the War. We assume that, as we are now some two months since the signing of the armistice, the position might be frankly discussed; but we will observe the conditions imposed upon us during the War. We hope at no distant date to be in a position to discuss the purposes for which nitrate was used during the War in the development of industry in consequence of the hostilities now happily ended. From this the demand should be for purposes of agriculture. As all the world is short of food and raw material we take it that the demand for nitrate of soda will be as great for agricultural purposes as it has lately been for those of war. Of course it is evident that the price paid during the past four years would be impossible if the fertiliser is to be used upon an extensive scale, as it has been for the period of war, for enriching the fields of Europe and North America. But this will not be necessary. For one thing the cost of production in Chili should be materially reduced, as it is to be hoped the cost of production of various commodities all over the world will be, and above all freights should from this tend steadily to decrease.

An interesting table, which unfortunately we have not space to publish, has been forwarded to us by Messrs. Thomson and Aikman in their annual report, which shows that shipments of nitrate increased from 40 million quintals in 1914 to 65,600,000 quintals in the past year.

BANK OF MONTREAL.

Elsewhere we publish a report of the recent meeting of the Bank of Montreal. This institution is the leading bank of Canada and acts as the financial agents for the Dominion Government. At all times the speeches of its President and General Manager afford an excellent indication of the trend of economic events in Canada and the present transition period makes a study of the speeches all the more interesting. So far as the figures of the Bank are concerned, the latest balance shows for the past year an expansion of about $155,000,000 in the assets, which at the end of last October stood at $558,413,000. This large increase was due as to about $78,000,000 to the inclusion of the figures of the Bank of British North America, whose business was taken over as from October 12. The capital, &c., is unchanged in the last balance sheet, as it is not yet known to what extent shareholders of the absorbed Bank will elect to take up Bank of Montreal shares or be paid out in cash. Deposits of the combined institutions at the end of October last amounted to $477,000,000, of which about $60,000,000 represented Bank of British North America deposits, against $335,000,000 in 1917. Comparison of the position of the Bank of Montreal during the War with that just before the War is made below. The distribution upon the stock in 1917-18 was again 12%, made up of a dividend of 10% and a bonus of 2%. In future the bonus is to be converted into a dividend, which will thus be placed on a 12% basis. During last year the Bank began business in San Francisco, where it is represented by the British American Bank, and during the current year intends to open an agency in Paris.

Bank of Montreal.

LIABILITIES.	Oct. 31 1918	1917	1916	1915	April 30, 1914
	$	$	$	$	$
Capital	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Reserve ...	16,000,000	16,000,000	16,000,000	16,000,000	16000000
Undivided profit	2,468,284	2,228,533	1,977,857	1,854,025	1.659,395
Liabs. to stockholders ...	34,468,284	34,228,533	33,977,857	33,854,025	33,659,595
Note circulation	42,082,209	29,308,086	21,779,174	17,276,782	13,438,814
Deposits:					
Non-int.-bearing ...	131,577,136	89,397,708	94,975,691	85,703,057	53,709,010
Interest-bearing ...	345,552,765	246,041,787	210,439,032	160,277,084	157,722,513
Bills payable ...	311,894	1,024,347	1,225,936	1,283,836	944,520
Liabs. to public	519,524,004	365,771,918	328,419,713	264,580,709	211,814,845
Acceptances, &c.	3,674,865	3,335,500	2,179,360	3,675,559	1,710,828
Miscellaneous ...	746,393	644,276	638,532	910,212	1,771,331
ASSETS.					
Gold & silver coin	25,492,841	20,592,892	21,040,803	15,808,701	10,134,978
Dominion notes	68,531,256	30,760,233	20,273,216	24,461,103	13,831,591
Notes of other banks	2,767,397	1,494,676	1,749,441	1,532,471	1,234,036
Cheques on banks	21,424,139	17,111,090	14,832,868	9,893,506	4,053,549
Deposit in Cent. Gold Reserve	27,700,000	14,500,000	7,500,000	1,500,000	—
Call loans ...	99,400,937	100,610,215	113,602,097	70,957,528	86,456,204
Due by other banks ...	14,703,461	16,629,090	31,631,237	26,793,416	10,760,379
Investments:					
Dom. & Prov. Govt. ...	46,870,586	28,573,322	419,737	463,281	522,937
Other Govts. and Can. Municipal ...	52,085,835	33,455,255	21,796,159	4,475,487	499,968
Railways ...	11,375,199	12,571,625	13,947,121	13,332,074	11,305,916
Total "quick" assets, ...	370,351,651	276,298,398	246,192,680	169,217,508	138,789,558
% to public liabilities ...	71.34%	75·53%	74.96%	63.97%	61.46%
Loans and advances	177,132,213	119,440,230	111,813,855	121,770,641	117,493,528
Dep. against notes	1,038,167	790,000	790,000	790,000	70,000
Liab. for accept-	3,674,865	3,335,500	2,179,360	3,675,559	1,710,828
Miscellaneous ...	216,650	116,109	239,647	3,526,787	172,495
Bank premises, &c.	6,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total assets and liab. ...	558,413,546	403,980,237	365,215,542	302,980,035	262,956,419

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

THE wholesale prices of commodities, as gauged by the average quotations of the 45 articles we take for our purpose, last year reached an unprecedentedly high level. In connection with our index-numbers, which are a continuation of the figures compiled for many years by Mr. Augustus Sauerbeck, the average prices for the eleven years 1867-77 are regarded as =100. Commencing with 1908 prices were on the up grade, and rose from 73 for the earlier year to 85 for both 1912 and 1913. A downward tendency was displayed in the early months of 1914; but of course with the outbreak of war prices commenced to rise, although at first the increase was relatively slight as compared with that which has since occurred, for reasons upon which we need not dwell here. Last year the index-number of the 45 commodities worked out at 193, compared with 175 for 1917. The rise in the average prices during 1918 was therefore about 10.2%, while compared with the year 1913 the rise was about 127%. Moreover, last year's number was fully 150% more than the average number for the ten years 1904-13. The percentage increase in foodstuffs and in materials has been practically the same compared with 1913, the number for the former having risen by 130% and for the latter by 125%; but whereas materials rose by nearly 14% in the past year the number for foodstuffs increased by under 5%. And here the increase was due mainly to the high price of tea during the early part of the year and to the rise in the price of coffee as the year progressed. The large percentage rise in textiles last year was mainly due to higher quotations for cotton and flax, and that in sundries to increased prices for olive oil, seeds, petroleum, tallow, nitrate, and timber. If our index-numbers may be taken as a guide to the increase in the cost of living they signify that during 1918 the purchasing value of the sovereign was about 8.81*s.*, compared with 20*s.* in the pre-War year; in other words, 20*s.* had to be paid in 1918 for what could be purchased for 8*s.* 10*d.* in 1913.

Comparison of War and Pre-War Monthly Index-Nos.

	Monthly Index-Nos.				+ or −	% Dec. 1918 on	
	Dec. 31	Nov. 30	Dec. 31	June 30	Nov.	Dec.	June
	1918	1918	1917	1914	1918	1917	1914
Veg. Food...	178·3	178·3	160·8	66·5	...	+10·8	+ 167
Animal Food	229·6	229·6	196·7	97·5	...	+16·7	+ 134
Sugar, Coffee & Tea ...	126·4	126·7	135·1	51·8	− ·2	− 6·4	+ 59
Foodstuffs ...	**186·2**	**186·3**	**168·6**	**74·8**	...	**+10·4**	**+ 148**
Minerals ...	177·3	183·9	173·9	96·7	− 3·6	+ 1·8	+ 83
Textiles ...	217·3	215·6	216·5	80·6	+ 0·8	+ 0·4	+ 169
Sundries ...	209·2	203·3	197·8	82·5	+ 2·9	+ 5·7	+ 154
Materials ...	**203·1**	**201·8**	**197·1**	**85·7**	**+ 0·6**	**+ 3·3**	**+ 137**
Total ...	**196·0**	**195·3**	**185·1**	**81·2**	**+ 0·4**	**+ 5·9**	**+ 141**

The nearest approach to last year's index-number was 189 recorded for 1809, according to Jevons' numbers adjusted as far as possible in order to bring them into line with Sauerbeck's figures. For the purpose of showing our index-numbers in the war years and as far back as Mr. Sauerbeck compiled the data we present the following statement:—

"The Statist's" Annual Index Numbers

Year	Aver. No.	Year	Aver. No.	Year	Aver. No.	Year	Aver. No.	Year	Aver. No.
1918	193†	1903	69	1888	70	1873	111	[illegible]	61
1917	175‡	1902	69	1887	66	1872	109	1857	1
1916	136	1901	70	1886	69	1871	100	1856	101
1915	108	1900	75	1885	72	1870	96	1855	101
1914	85	1899	68	1884	76	1869	92	1854	110
1913	85	1898	64	1883	82	1868	99	1853	95
1912	85	1897	62	1882	84	1867	100	1852	78
1911	80	1896	61	1881	85	1866	102	1851	75
1910	78	1895	62	1880	82	1865	101	1850	77
1909	74	1894	61	1879	83	1864	105	1849	74
1908	73	1893	66	1878	87	1863	103	1848	78
1907	80	1892	65	1877	94	1862	101	1847	95
1906	77	1891	72	1876	95	1861	98	1846	89
1905	72	1890	72	1875	96	1860	99	1818*	159
1904	70	1889	72	1874	102	1859	94	1810*	171
								1809*	189

* Jevons' numbers adjusted. † Subject to revision. ‡ Revised number.

Our monthly index-numbers are compiled on a slightly different basis from the annual numbers, and so far as these are concerned the highest point since war began was touched at the end of October, when the number was 197.8, as compared with 81.2 at the end of June 1914. After having declined to 195.3 at the end of November the number rose to 196 by the end of December. This was .4% higher for the month, entirely in materials, for, despite lower quotations for several metals, owing to the removal of control prices, the numbers for textiles and sundries were higher, the import prices of timber having substantially risen during the month. During the past year—that is, comparing the position at the end of 1918 with that at the close of 1917—our index-number has risen by almost 6%, mainly due to higher prices for vegetable and animal foods. The rise in prices since war began has been higher than that indicated by comparing the average number for the year 1918 with the number for 1913, the percentage increase during the four and a half years having been no less than 141%, thus indicating that against 20*s.* just before the outbreak of war the purchasing value of the sovereign had declined to 8*s.* 4*d.* at the end of 1918.

Comparison of War and Pre-War Annual Index-Nos.

	Annual Index-Nos.						10-Yr. Aver.	+ % 1918 on	
	1918*	1917	1916	1915	1914	1913	'01-'13	1917	1913
Vegetable food ...	171	177†	133	108	75	69	63	+3·3	+147
Animal food ...	207	192	152	126	100	99	91	+7·5	+108
Sugar, coffee & tea	138	113	86	70	58	54	53	+22·2	+159
Foodstuffs ...	**177**	**169†**	**130**	**107**	**81**	**77**	**73**	**+4·8**	**+130**
Minerals	187	172	158	126	99	111	95	+8·8	+ 69
Textiles	222	192	129	92	81	84	74	+15·4	+165
Sundries	202	174	136	109	87	83	76	+15·7	+142
Materials ...	**204**	**179**	**140**	**108**	**88**	**91**	**81**	**+13·8**	**+125**
Total ...	**193**	**175†**	**136**	**108**	**85**	**85**	**77**	**+10·2**	**+127**

* Figures for 1918 subject to slight revision. † Revised.

In order to supplement the above we present herewith a statement showing the course of our index-number month by month since war began, together with the numbers for the various groups into which the 45 commodities are divided:—

No. of Articles	8	7	4	19	7	8	11	26	45
Month 1914	Veg. Food (Corn, &c.)	Animal Food (Meat & Butter)	Sugar, Coffee & Tea	Food	Minerals	Textiles	Sundries.	Materials	Total
June ...	**66·5**	**97·5**	**51·8**	**74·8**	**96·7**	**80·6**	**82·5**	**85·7**	**81·2**
July ...	71·9	101·5	50·0	*73·2*	94·0	83·1	81·7	*85·5*	**82·4**
Aug. ...	81·9	103·6	67·7	*86·9*	98·4	83·0	86·4	*88·6*	**87·9**
Sept. ...	87·1	101·0	66·9	*88·0*	96·1	80·9	93·2	*90·2*	**88·3**
Oct. ...	86·7	100·1	65·9	*87·0*	94·2	82·5	96·8	*91·7*	**89·8**
Nov. ...	90·6	98·4	63·8	*87·8*	97·6	72·2	97·1	*89·6*	**88·8**
Dec. ...	**93·2**	**104·3**	**63·0**	**90·9**	**99·8**	**77·8**	**97·7**	**92·1**	**91·6**
1915									
Jan. ...	102·3	107·0	64·1	*96·3*	105·3	82·4	101·1	*96·5*	**96·4**
Feb. ...	109·3	112·1	66·4	*101·3*	109·1	86·5	105·4	*100·6*	**100·9**
Mar. ...	105·6	123·7	69·7	*104·7*	115·7	87·3	106·3	*103·0*	**103·7**
April ...	109·0	125·0	71·9	*107·1*	118·6	88·4	108·4	*105·0*	**105·9**
May ...	110·1	134·5	72·0	*111·1*	119·6	86·5	107·5	*104·3*	**107·2**
June ...	103·0	127·5	73·4	*105·8*	126·6	90·6	106·2	*106·9*	**106·4**
July ...	105·4	130·3	72·9	*107·7*	121·2	89·6	107·1	*105·5*	**106·4**
Aug. ...	105·6	131·8	71·4	*108·1*	119·6	92·6	107·7	*106·3*	**107·0**
Sept. ...	101·1	129·3	71·5	*105·2*	121·6	98·3	110·2	*109·6*	**107·8**
Oct. ...	110·3	123·4	67·7	*106·2*	123·9	100·2	114·7	*112·7*	**110·0**
Nov. ...	113·3	120·4	68·5	*106·5*	130·9	104·7	119·2	*117·9*	**113·1**
Dec. ...	**117·6**	**128·1**	**69·8**	**111·4**	**136·0**	**111·7**	**123·9**	**123·4**	**118·4**
1916									
Jan. ...	125·7	127·8	72·8	*115·3*	143·1	119·2	128·8	*129·7*	**123·6**
Feb. ...	127·2	137·5	79·0	*120·8*	149·2	116·9	131·1	*131·6*	**127·0**
Mar. ...	122·5	147·2	81·8	*123·7*	157·9	118·1	133·5	*135·3*	**130·4**
April ...	133·2	153·1	87·1	*130·8*	159·5	119·0	135·2	*136·7*	**134·2**
May ...	128·4	165·6	89·3	*133·9*	167·0	119·8	135·9	*136·6*	**135·4**
June ...	120·0	152·4	88·2	*125·4*	152·2	122·6	133·7	*135·3*	**131·0**
July ...	120·4	150·4	86·3	*124·3*	151·9	123·8	132·6	*135·1*	**130·5**
Aug. ...	129·4	154·7	85·6	*129·7*	154·8	128·9	133·8	*137·9*	**134·5**
Sept. ...	133·6	146·1	86·0	*128·1*	155·7	130·9	134·1	*138·9*	**134·6**
Oct. ...	152·3	154·1	90·1	*139·9*	157·6	137·0	137·5	*142·8*	**141·5**
Nov. ...	164·0	156·6	91·6	*146·0*	163·8	151·0	150·5	*149·3*	**150·8**
Dec. ...	**173·1**	**168·7**	**95·0**	**155·0**	**158·9**	**150·4**	**152·9**	**153·8**	**154·3**
1917									
Jan. ...	179·1	175·8	96·6	*160·5*	161·1	157·8	156·9	*158·3*	**159·3**
Feb. ...	177·4	184·3	100·3	*163·7*	163·0	167·7	162·5	*164·3*	**164·0**
Mar. ...	187·1	187·6	104·8	*170·0*	165·8	174·4	165·2	*168·2*	**169·0**
April ...	189·9	190·1	104·5	*172·0*	165·6	172·7	179·7	*173·8*	**173·0**
May ...	186·9	197·5	105·8	*173·7*	171·4	180·6	175·4	*176·0*	**175·0**
June ...	189·6	206·0	110·7	*179·0*	170·0	200·1	175·3	*181·5*	**180·4**
July ...	174·1	201·6	107·9	*170·3*	169·9	201·2	175·2	*181·8*	**176·9**
Aug. ...	168·0	193·7	116·5	*166·6*	168·9	198·7	179·1	*182·4*	**175·7**
Sept. ...	162·5	187·7	120·5	*163·0*	167·2	204·1	185·4	*186·2*	**176·4**
Oct. ...	162·9	189·7	131·8	*166·2*	169·6	213·4	188·7	*191·1*	**180·1**
Nov. ...	161·5	191·6	132·5	*166·5*	174·5	216·9	191·9	*194·9*	**182·9**
Dec. ...	**160·8**	**196·7**	**135·1**	**168·6**	**173·8**	**216·5**	**197·8**	**197·1**	**185·1**
1918									
Jan. ...	168·7	199·6	134·0	*172·8*	176·2	222·1	189·8	*196·1*	**186·2**
Feb. ...	170·0	199·6	136·2	*173·8*	178·9	221·8	190·8	*197·1*	**187·3**
Mar. ...	166·0	199·5	138·4	*172·5*	178·8	225·7	193·3	*199·4*	**188·0**
Apr. ...	167·1	202·6	123·7	*171·0*	184·1	222·2	202·3	*203·5*	**189·8**
May ...	167·8	202·6	123·9	*171·4*	182·7	221·4	208·5	*205·5*	**191·1**
June ...	168·0	200·5	124·1	*170·7*	180·5	225·7	212·9	*208·1*	**192·3**
July ...	173·0	209·5	124·2	*172·8*	193·3	219·1	208·4	*207·6*	**192·9**
Aug. ...	178·0	200·5	123·4	*174·8*	191·6	233·6	207·8	*211·4*	**195·9**
Sept. ...	173·8	218·8	124·1	*180·0*	190·6	231·9	206·7	*209·7*	**197·1**
Oct. ...	176·2	229·6	125·2	*185·1*	191·5	228·5	208·1	*207·1*	**197·8**
Nov. ...	178·3	229·6	126·7	*186·3*	188·9	215·6	203·3	*201·8*	**195·3**
Dec. ...	**178·3**	**229·3**	**126·4**	**186·2**	**177·3**	**217·3**	**209·2**	**203·1**	**196·0**

American Topics.

THE RAILWAY POSITION.

While control of many industries, assumed by the Government as a war measure, is rapidly being removed in the United States, that of the transportation industry continues; indeed, discussion is now going on as to whether it may not be continued for a longer period than originally contemplated, if not for all time through the nationalisation of the railways of the country. It was essentially as a war measure that at the beginning of 1918 the railways of the United States passed under Federal control for a period to last not longer than 21 months after the signing of peace between the United States and Germany. This prolonged period of control after the end of the War was doubtless decided upon in order that the railways, which are being operated really as one huge system, could extricate themselves from the position in which they are now placed. The taking over of the railways by the Government was a measure which greatly helped the whole situation, for without the Government's influence the position at the present time would have greatly differed from what it is, for it is doubtful if rates would have been so readily raised, and at the same time the companies were handicapped by many laws, among them the Sherman Act, which, it would appear, has temporarily been thrown overboard. In studying the present position it is essential to carry one's mind back only a few years in order to obtain some idea of how the railways stood at the close of 1917 and the measures that were then necessary. It used to be said that the volume of traffic of the American railways doubled every ten years, but, although the expansion in the ten years before the War was not as great as this, it was nevertheless of large extent. Naturally to provide for this constantly growing traffic enormous expenditures on capital account were essential. Some portion of the money needed for this purpose was provided from surplus profits. The bulk, however, had to be provided by issues of new capital. Despite improvements in the economical handling of the traffic, expenses year by year rose appreciably, and it seemed that only with the greatest reluctance did the Interstate Commerce Commission grant increased rates to compensate the companies for their rising costs. Indeed, the higher rates granted were only a portion of those required, and were given frequently months after the companies had had to bear the heavier expenses in respect of which they asked for compensation. At the same time the companies were subject not only to Federal laws, but also to State laws, many of the latter appearing to the outsider to be serving no other purpose than adding to the difficulties of the companies.

The upshot was that railway investments were somewhat out of favour, and in many instances it was possible to raise new money only by the issue of short-term Notes, or, if bonds were sold, then higher rates of interest had to be paid; while the diminution in profit and other factors in the situation tended to bring down the prices of the Common stocks of several companies, so that issues of capital stock were impracticable. In the spring of 1915, when trade in the United States began to display activity on account of war work, railway earnings and profits commenced to expand, and for the two and a half years or so to the end of 1917 unprecedentedly good results were obtained. Then, however, in view of the higher cost of living, railway wages began to rise, with the result that net earnings and profits once more declined.

Some idea of the effect of the heavier expenses due to wages, materials, &c., is obtained from statistics recently published showing that, whereas in the three years to June 1918 the gross receipts of American railways rose from $2,978,000,000 to $4,360,000,000, an increase of nearly 50%, the net operating income after payment of taxes declined from $737,000,000 to $701,000,000. The agreement between the Government and the companies was that the latter during the control period should be guaranteed net railway operating income (net earnings, after taxes, plus or less rentals, equipment, hire, &c.) on the basis of the average for the three years to June 1917. Since the beginning of the past year, with the Government in control, wages were further raised substantially and rates also were increased. Mr. McAdoo, the former Secretary of the Treasury and Director-General of Railways, recently estimated that the Government's loss by operating the railroads in 1918 was about $138,000,000, while if the higher rates had been in force for the entire year the Government would have made a profit of $100,000,000.

One of the legacies left by Mr. McAdoo upon his recent retirement was an appeal that the control by the Government should be extended for a period of five years from the signing of peace, his main contention apparently being that within the longer period Congress would be better able to estimate at their real value the reforms he has introduced and be in a better position permanently to solve the railway question. This suggestion of Mr. McAdoo is looked upon as the thin end of the wedge for the nationalisation of the railways of the country, and, beyond appearing generally to be regarded with great misgiving, is receiving widespread opposition. Everyone in the States who considers the subject recognises that the railway problems needing to be solved are manifold, but the view is widely held that, given a fair opportunity, the best way out of the present situation is that, at the latest by the date originally decided upon, the railways should be returned to their former ownership, with Federal control exercised over new issues and with the transfer of State control of various kinds to a uniform control on the part of the Government.

SAVINGS BANKS DEPOSITS.

While considerable interest attaches to the growth of deposits of our joint-stock and private banks, particularly since war began, the expansion that is taking place in the Savings Banks deposits should not be overlooked, as it very frequently is. In the 10 calendar years preceding the War the deposits of the Post Office and Trustee Savings Banks of this country rose from £198,675,000 to £241,507,000, an increase of almost £43,000,000. When war broke out the total was between £240,000,000 and £250,000,000. and even at the close of 1916 was under the latter figure. During the past twelve months, however, the growth has been almost as great as that which occurred in the 10 years to December 1913, the total having risen by not far short of £40,000,000 from £255,076,000 to £294,450,000; while in the past two years the expansion has been over £45,000,000, and in the last three years nearly £57,000,000, during which time War Savings Certificates, the 5% War Loan, Exchequer Bonds and National War Bonds have been available for the small as well as the large investor. An idea of the recent expansion in Savings Banks deposits will be obtained from the appended statement. What is somewhat surprising is that depositors are allowing the increasing sums due to them to remain on deposit at 2½% when more than double that return can be obtained by purchase of National War Bonds (shortly to be withdrawn from sale) or of War Savings Certificates, the issue of which is to be continued for some time to come.

	Post Office	Trustee	Total
	£	£	£
Dec. 21, 1918	233,076,713	61,373,712	294,450,426
Nov. 23, 1918	230,472,784	59,777,428	290,250,213
Oct. 26, 1918	228,393,276	58,750,025	287,073,301
Sept. 28, 1918	224,521,779	57,761,052	282,282,831
Dec. 22, 1917	203,298,687	51,777,164	255,075,851
Dec. 1916	196,458,436	52,758,938	249,216,674
Dec. 31, 1915	186,327,584	51,412,370	237,739,954
Dec. 31, 1914	190,533,208	53,943,271	244,476,479
Aug. 1914	191,516,822	52,979,463	244,496,285
Dec. 31, 1913	187,248,167	54,258,861	241,507,028
Dec. 31, 1903	146,135,147	52,540,339	198,675,486

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue.

Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

THE firmness which has characterised the Rubber-share market for some time past developed during the past week into partial activity, buyers being more numerous, and sellers disinclined to part with shares except at their own figures. Stock in the circumstances has been difficult to acquire, and quotations in a good many instances have moved upward. The outstanding feature has been provided by United Sua Betong with a rise to 80*s*. The Company has a large reserve area, and, beyond the plantations shown in the table given below, intended to plant up 1,100 acres in 1918. Perhaps information is to hand that this extension has actually been completed.

SOME PROMISING ESTATES.

WE furnish below an analysis of the recent results and full maturity prospects of 30 good and well-managed estates which investors who believe in the resumption shortly of normal shipping and industrial conditions will find, we think, of considerable interest. The undertakings selected belong to the younger and more modern group of plantation rubber companies, which during the past two or three years have been subject to heavy excess profits duty, and have had to curtail their dividends for that reason and also through agreement to restrict production to cope with conditions brought about by the War. Crops have been thus temporarily reduced; and results, in consequence, adversely affected; but advantage has been taken of the slackening of work on the estates to clean them up generally, and by resting older trees, postponing the tapping of young ones, and extending planted areas, &c., preparation has been made for larger-scale and more economical working in the future. The benefit should be apparent at a later date in costs as well as in the rubber yield per acre. A couple of years makes a great difference to a rubber plantation, and while productive work has been slackened in that period just passed the trees, carefully tended, have continued to grow, so that with the resumption of unrestricted tapping this year many trees previously immature are now ready to yield. If, then, there should be ability to market production at a reasonable level of price, and if, after the declaration of peace, the excess profits tax should be removed from the industry, or greatly modified, the position of shareholders will be very different to what it has been in the recent past.

The table we give shows the proportion of profit which the last reports of the companies indicated as distributed to shareholders and the proportion absorbed by excess profits duty. The dividends, it will be observed, were for the most part poor in relation to the price of the shares, especially of companies whose years ended in 1918; but when the full maturity prospect is calculated on the basis of past indications as to yield per acre and cost of production, it becomes apparent that considerable scope exists for increase in dividends, provided, as we have said, special war taxation is removed and a fair price is obtained for the product. We have taken in the calculations an average price of 1*s*. 9*d*. per lb., which seems a reasonable figure. There may be years when the estates are able to sell on a better basis than this, and at times, quite possibly, the value may be less. Much depends upon the volume of the world's trade and the further development of motor transportation, as well as upon whether producers learn the advantage of co-operation for the stabilisation of the market. The indications following the conclusion of the War appear to be good, though it must be remembered that the 1918 and 1918-19 reports still to be published will reflect the unsatisfactory market and shipping conditions now in course of transition.

The last column of the table is, to our mind, as interesting as any, showing as the figures in it do the percentage ratio which prices of the shares bear to the estimated full maturity profit per cent. of capital. Individual shareholders may consider that this or that undertaking in the list should have been

	Area Planted		Last Report					Estimate at Full Maturity				Percentage Ratio
	Total Acres	5 Years Old Acres	Year Ended	Crop Lb.	Profit £	Est. E.P. Tax	Dividend £	Dividend %	Crop	All-in Cost per Lb.	Profit On Capital £	Present Price of Shares	
Asahan	2,464	2,424	31 7 17	432,922	31,151	?	19,103	17½	1,1 0,000	– 11	15,000	40	25 (b) 16
Bagan Serai	1,168	1,085	31/12/17	411,726	27,523	16,000	10,000	20	470,000	1 –	17,500	35	60 0 11½
Bantenc	1,685	1,200	30/4/18	407,196	17,974	10,000	6,000	10	675,000	1/–	25,300	42	57 – 11½
Castlefield	2,722	1,987	30 6 17	571,342	43,359	12,500	29,250	65	1,090,000	1'–	41,000	91	7½ 12½
Changkat Salak ...	2,732	2,532	31/12/17	1,016,000	67,556	45,000	17,224	(25Pref. 15Def.	1,200,000	– 10	55 000	(56Pref. 46Def.	85/– 65 – 13 14
Cheviot	2,727	2,527	31/12/17	610,450	29,813	13,000	8 84(	10	1 090,000	1/–	40,800	46	7 3(a) 13
Dusun Durian	2,544	2,544	31/12/17	790,643	48,734	17,000	31,250	12½	1,020,000	1 –	38,200	15	31'– 10
Glenshiel	1,638	1,223	31/12/17	477,872	27,974	11,000	9,625	27½	655,000	1 –	24,500	70	5½ 13½
Jeram	1,791	1,041	31/3/18	261,509	8,667	–	5,717	10	800,000	1/–	30,000	52	3 14
Jone Laudor	2,000	1,700	30 6 18	613,197	23,552	9,000	11,550	15	900,000	1 –	34,000	44	3 14½
Jugra Land	5,367‡	4,900	30/4/18	1,166,563	55,380	10,000	30,934	15	2,150,000	– 10	98,500	10	64'– 12½
Lumut	3,347	3,083	30 9/17	1,075,830	100.993	55,000	42,296	20	1.500,0 0	– 10	68.7 0	52	46'– 11
Merbinan	5,443	5,445	31 12 17	1,408,989	87,349	52,500	38,136	16½	2,180,0 0	– 10	100,000	44	(a) 14
North Hummock ...	2,957	2,820	30/6/18	637,621	28,764	5,000	12,000	15	1,200, 00	– 11	50,000	62	4½ 11½
Pegoh	3,717	3,521	30/9/17	706,765	45,092	13,000	26,000	20	1,400,000	1 1	0 000	36	62/– 11½
Rembia	1,558	1,500	30/9/17	400,384	24,523	14,500	8,000	10	630,000	1 1	21,000	26	44'– 11½
Selangor River... ...	2,554	2,251	31/12/17	695,824	49,081	24,000	7,392	15	1,150,000	– 9	57,500	117	5½ 18
Sendalan	2,000	1,500	31/7/18	471,080	17,078	–	10,560	12	900,000	1/–	33,700	58	68 – 11½(c)
Sendiyan	1,503	1,500	30/9/17	416,707	27,025	16,000	10,482	17½	670,000	1–	25,100	42	58 14½
Sialang	6,292	5,967	31/1/18	1,587,000	110 86	42,000	32,000	16	2,830,000	–/9	141,500	70	81/– 17½
Straits Bertam ...	6,461	4,406	31/3/18	1,174,237	69,263	large	10,000	–	2,800,000	–/10	120,000	60	7 3(a) 17
Sumatra Cons. ...	2,150	2,150	30/4/18	701,190	36,000	large	5,000	–	900,000	– 10	36,100	36	54 – 13½
Sungei Buaya	2,281	2,054	30 6 18	518,071	1 ,656	large		–	920,000	1/–	34,500	40	60 0 16½
Sungei Krait	1,466	1,316	31/12/17	442,264	27,754	12,500	11,375	15½	650,000	1/–	24,400	57	52 0 14½
Tali Ayer	4,215	3,730	30/4/18	960,560	18 741	8,000	37,500	12	1,900,000	– 10	87,000	29	38 0 15½
Tamiang	3,228	2,724	30/9/17	782,063	44.154	9,173	24,970	17½	1,300,000	1–	45,500	33	46 – 14½
Tandiong	5,886	5,000	30/6/18	1,223,435	49,882	13,500	30,000	15	2,650,000	–/9	120,000	88	5½ 17½
United Sua Betong ...	4,208(d)	2,793	31/12/17	933,349	50.340	20,000	19,584	17½	1,850,000	– 10	85,000	56	80/– 14 (d)
United Sedang ...	10,531	9,600	30/8/17	3,269,210	216,765	95,000	100,000	40	4,750,000	– 9	256,000	94	12 66(a) 15
United Sumatra ...	5,562	3,137	31/12/17	997,105	62,589	22,000	32,083	20	1,600,000	– 10	75,000	66	8 26(a) 13½

* Exclusive results prior to restriction of tapping and with allowance for reduction through increase of outturn. † Reckoning rubber at 1*s*. 9*d*. per lb.
‡ Excluding 2,631 acres of coconuts. (*a*) 2*s*. shares. (*b*) 10*s*. shares. (*c*) Portion of plantations sold; large cash resources; extra 400 acres just planted.
(*d*) Large extension of plantations planned for 1918.

given a better maturity allowance. They can alter the figures to suit their opinions. We have worked out the calculations on the basis of our own views and knowledge. The market valuations of the estates for the most part are considerably under £150 per planted acre. If the older companies, not subject to excess profits duty, were treated in the same way as the 30 estates included in our table, it would be found that the ratio as given in the last column would be very low. For example, the Anglo-Malay with 4,452 acres planted and practically all in bearing. Full maturity production may reach 2,000,000 lb., which, if sold at 1*s.* 9*d.* per lb. and produced at 11*d.* all-in cost, would bring in a profit of £83,300, or 55% on the issued capital. As the price of the 2*s.* shares is about 14*s.* 6*d.*, the percentage ratio is only 7½%. It would appear that in respect of companies such as this, owning old estates, and not subject to excess profits duty now, a higher price for rubber than 1*s.* 9*d.* is expected, though the product of the younger estates is just as good as that of the older ones. One further point will not escape notice. We have assumed in our calculations that the companies are equally liable for income tax, and we have made no allowance, of course, for capital expenditure. For a time there will be variations in the experience of different concerns in this respect, just as there will be in regard to the average prices realised for full maturity productions. But then all calculations of future prospects, whatever kind of industrial or commercial enterprise is concerned, are subject to such variations.

BANTAM (JAVA).

Issued Capital: £150,000 in £1 Shares.

	Results for Years to June 30							
	Total Area Planted	Area in Bearing	Rubber Output	Yield per Acre	Price Realised	"All-in" Cost†	Net Profit	Dividend Amt.
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£ %
1915-16	2,242½	2,223½	706,318	318	2/7½	1/2·65	52,542	30,000 20
1916-17	2,272½	2,223½	860,429	387	2/7½	1/2·71	46,919	22,500 15
1917-18	2,310	2,261	965,374	427	—*	1/0	17 806	15,000 10

* See Letterpress. † Including loss on Exchange

Price of Shares, 36/6. Market Capitalisation per planted acre, £117.

On the whole it is a good report with which shareholders of this Company have been furnished. Production was not curtailed, and a good season being experienced, a high yield was obtained. Only 298,600 lb., or less than a third of the output, was sold at the date of the report, however, and the average price realised for this portion was 2*s.* 1¼*d.* per lb., the balance of 666,772 lb. being taken into the accounts at cost, namely, 7½*d.* per lb. Nevertheless, and notwithstanding a loss of £3,567 on exchange, the profit and loss statement shows a net profit of £17,806. This includes £12,604 of extra profit made on 173,000 lb. of the 1916-17 output unrealised at the end of that year, taken in at 8½*d.* per lb. and sold for 2*s.* 2*d.* per lb. Most of the unsold rubber of the past year has since been realised at about 2*s.* per lb. The financial position is quite sound. This becomes clearer when it is noted that the balance-sheet figures at June 30 show that the stock of rubber (valued at 7½*d.* per lb.), cash, debtors' and Government securities exceeded current liabilities and the dividend payment by £35,733. Out of this the Company's liability for excess profits duty for two years will have to be provided. The payment on account of 1915-16 was £16,000, and the assessment of the last two years depends upon the result of the decision in the Merlimau appeal case. A good feature is the low cost of production, including loss on exchange, liberal depreciation allowance, and freight, insurance and selling charges, altogether equivalent to 3¼*d.* per lb.

The dividend for the past year was only 10%, and, in relation to the price of 36*s.* 6*d.* for the £1 shares, makes a rather poor showing. But the plantations are capable of producing 1,000,000 lb. of rubber at a low cost in good seasons, and although in actual practice the crops may, and probably will, be subject to considerable fluctuation, still there is a large margin for improvement in the return to shareholders.

NORWICH UNION
LIFE INSURANCE SOCIETY.
Combination of
AGE, MAGNITUDE, RESERVE BASIS,
and PROFIT-EARNING CAPACITY
THE STRONGEST IN THE WORLD.
Perusal of recently published War-time Prospectus makes that fact very clear.
Write or telephone to Head Office, Norwich, or to any Branch or Agency.

Insurance Notes.

LIFE ASSURANCE VALUATIONS IN 1918 AND 1919.

Detailed reference has already been made in The Statist to the quinquennial valuations of life offices which were published in 1918, in the course of the various references to the accounts of the respective companies. As these valuation records are now completed a synopsis of these results may be interesting. Companies making annual valuations are not included. It will be seen that every company which reported a quinquennial valuation in 1918 carried forward any ascertained surplus to the next quinquennium, no general distribution of bonus being made, although in most cases arrangements were announced providing interim bonuses in cases of policies becoming claims either by death or survivance during the new quinquennium, subject in some cases to annual revision. This is probably the first time in British insurance history since quinquennial valuations of life offices were usual, and that is going back a very long way, in which the bonuses have been unanimously passed. In the former years of the War this was not the case, a good many companies having declared bonuses, some at their previous standards, in 1915, 1916 and 1917. But the effect of the war strain has, of course, been cumulative, depreciation in values of securities has increased, and the companies as a whole have exercised a wise discretion in adopting the policy of "safety first," and postponing the consideration of bonus, apart from provision for early claims, to the next quinquennial occasion, when the fates may be more propitious. It may be anticipated that somewhat similar results will be announced in 1919 by the companies whose valuations fall to be published this year, and to which reference is made later on in this article.

Caledonian Insurance Company.—Quinquennial valuation December 31, 1917. Former bonus standards were adopted, viz.: O^{M} Table for assurances, net premiums, and 3% interest. After applying £308,405 to writing down securities a surplus of £61,774 was carried forward. Interim bonuses announced at rates varying from 10*s.* to 15*s.* per cent. in cases of claims on participating policies whereunder three years' premiums have been paid during the past quinquennium, subject to annual modification if thought advisable.

Century.—Q.v. December 31, 1917. Basis as formerly: O^{M} Table, net premiums, and 3%. Surplus, £90,207, carried forward. Interim bonus on claims falling due in 1918 announced at rate of 25*s.* per cent., compound. The capital of this Company has been acquired by the Friends' Provident Institution, but it will continue to issue policies in its own name.

Commercial Union.—Q.v. December 31, 1918. Basis as before: O^{M} Table, net premiums, and 3%. After writing off £419,594 for depreciation, surplus of £217,576 carried forward. Provisional arrangement for interim bonuses on policies becoming claims at various rates made, subject to alteration or withdrawal.

Friends' Provident Institution.—Q.v. November 20, 1918. Basis employed: $O^{M(5)}$ Table with interest at 3%. Difference between net and office premiums reserved in case of participating policies, and 10% of premiums reserved in case of non-participating policies. After providing £331,875 for depreciation and losses on realisation of securities a surplus of £57,831 was carried forward. Provision for interim bonuses on policies becoming claims made for year ending November 20, 1918.

General Life.—Q.v. December 31, 1917. Basis: O^M and H^M Tables of Mortality, net premiums, and 3½%. After provision for depreciation, an undivided surplus of £33,823 was carried forward.

London and Lancashire Life.—Q.v. December 31, 1917. Basis: H^M Table, net premiums, and 3½%. After provision for depreciation, £18,471 carried forward.

National Provident.—Q.v. November 20, 1917. Basis as before: O^M Table, net premiums, and 3%. After writing off £628,730 for depreciation, an undivided surplus of £374,876 was carried forward. Interim bonuses in case of claims ranging from 17*s.* to 23*s.* 6*d.* per cent. have been provided for new quinquennium in respect of each premium paid since November 20, 1912, these rates being equivalent to half those declared in 1913.

Provident Mutual.—Q.v. December 31, 1917. Basis as before: O^M Table, net premiums, and 3%. After provision for depreciation surplus of £86,088 carried forward. Interim bonuses announced at rate of 10*s.* per cent. in respect of each full year's premium paid since December 31, 1912, in case of claims becoming due in financial year ended December 31, 1918.

Scottish Equitable.—Q.v. March 1, 1918. Basis as before: O^M Table, net premiums, and 3%. After giving effect to depreciation amounting to £444,116, surplus of £64,189 carried forward. Interim bonuses, 20*s.* per cent. per annum in the case of claims until otherwise resolved.

Scottish Temperance.—Q.v. December 31, 1917. Basis as before: O^M Table, net premiums, and 3%. After providing for depreciation of £130,000, surplus of £98,258 carried forward, subject to payment of interim bonuses in case of claims arising during new quinquennium at rate of 10*s.* per cent. for each annual premium since December 31, 1912.

Excluding life offices which make annual valuations, the following offices fall to report the results of their periodical investigations in the course of the next few months:—Abstainers and General, Alliance, British Equitable, London and Liverpool and Globe, National Mutual, Scottish Provident, and Scottish Widows' Fund.

Abstainers and General.—Triennial valuation falls due December 31, 1918. The valuation on December 31, 1915, was made by the O^M and H^M Tables and net premiums, part at 3% and part at 3½%. No general distribution of bonus was then made. £42,647 was carried forward as undivided surplus.

Alliance.—Quinquennial valuation due December 31, 1918. On last quinquennial occasion valuation was made by the O^M Table, net premiums, and 3% interest. Reversionary bonuses on each of the last four preceding occasions (1898, 1903, 1908, and 1913) were at the compound rate of 30*s.* per cent. per annum.

British Equitable.—Quinquennial valuation due January 31, 1919. The last (1914) was made by the O^M Table, net premiums, and 3% interest. Reversionary bonuses on that occasion per cent. per annum, 21*s.* in ordinary section and 24*s.* in abstainers' section. No bonus was declared in 1909.

Liverpool and London and Globe.—Quinquennial valuation due December 31, 1918. On last preceding occasion the valuation was made by the O^M and $O^{M(5)}$ Table at 2¾%, net 3% premiums (increasing valuation reserves) being employed. Since the opening of the participating life section in this Company (in 1875) up to December 31, 1913, the reversionary bonuses at each investigation have been at the rate of 35*s.* per cent. per annum, simple. £278,778 was carried forward from December 31, 1913, as undivided surplus.

National Mutual.—Quinquennial valuation due December 31, 1918. On last occasion (in 1913) the basis employed was the O^M Table, net premiums, and 3%. Reversionary bonuses were then declared at rate of 36*s.* per cent. per annum, compound, and an undivided surplus of £102,164 was carried forward.

Scottish Provident.—Quinquennial valuation due December 31, 1918. Last valuation (1913) was made by the O^M Table, net premiums, and 3%, excepting for the oldest class of participating assurances, which were valued at 3½%. Large additional reserves were set aside. In the whole-of-life section (the premiums being below those usually charged) the bonuses do not vest until the premiums accumulated at 4% equal the sum assured. In these cases in the past history of the Society the contingent bonuses have been at a high standard. In the endowment assurance section the reversionary bonuses arising from the 1913 valuation were at the compound rate of 35*s.* per cent. per annum. An unappropriated balance of £304,204 was carried forward from 1913.

Scottish Widows' Fund.—Quinquennial valuation due December 31, 1918. The 1913 valuation was made by the O^M and $O^{M(5)}$ Tables, net premiums, and 3% interest. Reversionary bonuses at each valuation for 40 years ending in 1913 have been at the compound rate of 34*s.* per cent. per annum. An undivided surplus of £54,996 was carried forward from 1913.

COMMERCIAL UNION'S SHARE BONUS.

Commercial Union shares have shown considerable appreciation of late, and as compared with the pre-War making up price of 29½, the present quotation is 53. The reason for this is now apparent, the Com-

Business Firms

will find it to their advantage to utilise Life Assurance to protect the interests of Partners, extend their Credit and create a Fund for emergencies.

Apply for full particulars to the

SCOTTISH WIDOWS FUND

Founded 1815.

The largest British Mutual Life Assurance Office.

FUNDS: 22 MILLIONS. CLAIMS PAID: 47 MILLIONS.

Head Office: 9 St. Andrew Square, Edinburgh.
(G. J. LIDSTONE, Manager and Actuary.)

London Offices:
28 Cornhill, E.C., and 17 Waterloo Place, S.W.

pany having just announced a scheme to capitalise a portion of its accumulated profits. The authorised and issued capital is £2,950,000 in £10 shares, of which there has been called up £295,000, or £1 per share, leaving a further liability of £9 per share. After the general meeting in May next, sanction is to be sought first to increase the paid-up capital by £590,000 to £885,000 by taking from the accumulated profits £2 per share, and adding this sum to the amount paid up per share, which will thus stand at £3, thereby reducing the liability to £7 per share. Secondly, it is intended to split the £10 shares that will then be £3 paid into two shares of £5 each with £1 10s. paid. In this way the marketability of the shares will be greatly increased. At the end of 1917 the balance sheet showed an investment reserve and contingency fund of £1,050,000, while the undivided profit and loss balance was £266,072. Dividends have risen from 80% for 1911 to 140% for 1917. The final dividend of 70% for 1917, and the interim dividend of 70% for 1918, were paid tax free, whereas between the beginning of 1911 and mid 1917 they were paid subject to tax.

D. NAPIER AND SON, LIMITED.

ANOTHER motor-car Company that proposes at an early date to raise further capital is D. Napier and Company, whose shareholders have recently sanctioned an increase in the authorised Ordinary capital from £350,000 to £550,000. The present issued capital is £630,000, £300,000 being in Ordinary shares. There is in addition, £100,000 of 5½% Debenture stock to be repaid at par in mid-1934. Treasury consent to the new issue has yet to be obtained, and how much additional capital is shortly to be offered and upon what terms have still to be decided. During recent years the Company has been entirely engaged on war work, in connexion both with motor cars and with aëro-engines, and has practically sacrificed its ordinary trade to which it is now again turning its attention, at the same time participating in the aircraft industry. The latest accounts published are those for the year to September 1917, which showed a net profit for the Ordinary of £99,182, out of which a dividend of 10% less tax and a bonus of 7½% tax free were paid. The accounts for the past year are not yet ready. Meantime a dividend of 10% has been declared for 1917-18, to be followed probably by an additional distribution when the actual results for the year are known. The £1 Ordinary shares are quoted at 1 1/16, and the 7½% £1 Preference shares stand at 1 1/32. The Company as at present constituted was formed only in July 1913, since when results have been reported as follows:—

Yr. to Sept. 30	Trading Profit	Sundry Ex penses	Int. on Deb. Stock	Net Profit	Div. on 7% Pref.	Profit for Ord.	Div. on Ord. Earned	Div. on Ord. Subject to Tax †	Div. on Ord. Paid	Tax Allocations	Special Allocations	Carried Forward
	£	£	£	£	£	£	%	%	£	£	£	£
1917	129,493	12,317	5,500	121,682	22,500	99,182	28·34	20†	70,000	20,000		18,739
1916	76,857	8,139	5,500	63,218	22,500	40,718	11·63	6	21,000	20,000		9,557
1915	70,173	6,601	5,500	58,072	22,500	35,572	10·16	5	17,500	20,000		9 839
1914*	56,632	9,637	5,874	41,121	13,854	22,267	6·39	3	10,500	Nil		11,767

* Period from June 4, 1913, to September 30, 1914.
† 10% subject to tax and 7½% tax free = 20% less tax.

HARRISONS & CROSFIELD LTD.

ISSUED CAPITAL £1,075,000

EASTERN AND GENERAL MERCHANTS.
Shipping, Banking and Insurance Agents.
Agents and Secretaries for Rubber, Tea, and Produce Companies.

Head Office - 1/4 Great Tower Street, London.

Branches.

Colombo.	Quilon.	Calicut.	Cochin.
Calcutta.	Kuala Lumpur.	Medan.	Batavia.
Bandoeng.	Kobe.	Montreal.	Tangier.

Affiliated Companies.

Singapore.	Penang.	Sandakan.	Jesselton.
Shanghai.	Foochow.	Hankow.	New York.
Philadelphia.	San Francisco.	Cape Town.	Melbourne.
Sydney.	Brisbane.	Auckland.	Dunedin.
Adelaide.	Wellington.	Christchurch.	

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Subscribed Capital £543,666
Paid-up Capital £120,000

FOR REINSURANCE BUSINESS.

Fire, Marine and General Department.
ST. SWITHIN'S HOUSE,
ST. SWITHIN'S LANE,
LONDON, E.C. 4.
Manager J. HERBERT E. LANE.

Registered Office and Life Department.
9 FLEET STREET,
LONDON, E.C. 4.
Actuary and Secretary:
CHAS. WIKDETT.

Commercial.

CARPETS.

WE have before us an official report published recently by the Government in connection with the conservation of wool and woollen materials in connection with the recent War. The report shows the various subdivisions into which the woollen trade is divided, and a large number of important industries which, for their well-being if not for their actual existence, depend entirely upon this trade. Carpets are one of them. Of course, it is well known that carpets are made from various fibres. Everyone who has lived in a tropical country, or a sub-tropical country like India, and particularly in those parts where the drainage of the neighbourhood leaves a great deal to be desired, and stagnant pools are constantly in evidence over widespread areas of the country for the active breeding of parasite life, no such thing as a woollen carpet is possible, and the custom is to use carpets made from various fibres, and particularly from jute fibre. Jute carpets were at one time but little appreciated owing to the difficulty of finding a satisfactory dye which the fibre would take, but for several years now jute carpets are made so effective that only the expert would readily detect them from a woollen carpet of quite fine texture. With these carpets, however, we are not at the moment here concerned. The industry with which we are dealing in this article is the woollen carpet industry of the United Kingdom. This is centred practically in the West Riding of Yorkshire and the West of Scotland. The trade is, for the most part, carried on by very large firms. It is, in fact, in comparatively few hands. The general conditions of the industry are in favour of production upon a small scale. There are many reasons for this, as we shall show shortly. The size of the trade itself is not large, nor does it lend itself readily to subdivision of the various activities in connection with the production of carpets. There is no possibility of a subdivision such as prevails in the cotton industry or in other departments of the wool industry. Manufacturers, for example, do not as a rule spin their own yarns; but, on the other hand, they do their own dyeing, and what is technically known as their own printing. There are, moreover, constant changes in the carpet trade requiring the manufacturers to be in possession of large capital to adapt themselves readily to the sudden demands of the trade. The richest carpets are made with very expensive machinery, the machines required for printing, or stamping, or weaving carpets being generally very costly. It is a trade, moreover, in which the middleman is very largely eliminated. It consists, for the most part, of the actual manufacture of carpets and dealing directly between the distributor or retail dealer and the consumer. As an example of the difficulties under which the trade is carried on it may be mentioned that public taste in this country in carpets has changed completely during the past few years. Formerly carpets were made in long strips cut up and made to suit the requirements of various rooms. The

demand now is almost wholly for woven square carpets, very much what was formerly known as the Turkey pattern.

The output in this country in the years immediately preceding the War were valued roughly at 4½ millions sterling, and of this amount roughly two-thirds were absorbed by the home trade and one-third by the export trade.

The following table will give the actual figures:—

	£	£
Estimated production value		4,500,000
Home trade		2,979,000
Export trade		1,537,000
Of this latter amount British Possessions took		£992,176
Allies: France, Japan, Italy, and Belgium ...	£52,006	
Germany and Turkey	...35,575	
United States	£60,688	
Netherlands	72,556	
Argentina	71,937	
Egypt	49,893	
Chili	50,938	
Other countries	151,216	
Total neutrals	£457,263	
Total, Allied, enemy, and neutral		544,844
		£1,537,020

It will be seen that the British Empire is the principal market for British carpets. Before the War our exports to Canada alone amounted in value to £450,000 and to Australia £335,000. The largest foreign markets are the Netherlands, North America, the Argentine Republic, and Chili. The trade with Germany was almost wholly in high-class goods, the cheaper counts of carpets manufactured in Germany itself being imported from Germany to this country. In South America it was a duplex trade. It will be remembered that South America stretches from ten points north of the Equator right down to the 56th parallel south of the line, and, consequently, the demand for carpets is of a totally different character. In the various districts where they are affected by the tropical conditions to which we have referred above, in the Northern States, for example, particularly in the undrained areas, it would be impossible to use woollen carpets at all. Even in Rio de Janeiro, although actually outside the Tropics, there was very little demand for woollen carpets at one time; but since that city has been thoroughly sanitated and drained, as we have described so often in these columns, it is as easy to fit up a large establishment with the most costly carpets common in Europe as it is in Europe itself. Of course, with regard to countries like the Argentine Republic, Chili, except places like the Chaco, the conditions are for the most part those to which we are accustomed here in Europe.

We have said above that the total value of the carpet production of this country was roughly, in the years immediately preceding the War, 4½ millions sterling. Of this amount, roughly, 3 millions were consumed by the home trade, and a million and a half exported. Now, in addition to this, we import very nearly three-quarters of a million sterling worth, some of which are very fine, as, for example, Turkish and Persian carpets, but, speaking generally, carpets of comparatively low-grade material which can be made up into the coarser counts and sold at a moderate price on our markets. These were mainly obtained before the War from Germany, the Netherlands, and from France and various countries, mainly of the south of Europe. We have omitted from this calculation carpets coming from India, which of themselves are of two kinds, some of them being made of various fibres and others rich Indian carpets of costly make.

From these figures it would appear that the total consumption of carpets in this country amounts, in rough figures, to 3¾ millions sterling, valued at the manufacturers' prices. The actual consumer only has to pay the cost of distribution in addition to these figures. Even these figures are not wholly accurate, because of the carpets imported, particularly from the East, a proportion which is variously estimated at a quarter of a million and three hundred thousand pounds, is re-exported. The raw material for British-made carpets, as in the case of wool, is practically entirely obtained from places within the British Empire, and the same of course applies to jute carpets.

A very large part of the plant used in the manufacture of carpets is British machinery, but a smaller part is of American origin. The change of fashion, to which we have referred above, to made-up carpets in squares necessitated the wholesale scrapping of machinery. The broad looms then installed were very costly and ranged in price up to as much as £3,000 each. The largest looms in ordinary use in the United Kingdom are each about 12 feet wide. For larger sizes than these American machinery is generally used, as in the United States they are accustomed to looms as much as 22 feet wide.

The total number of people employed in the actual manufacture of carpets was estimated in the years immediately preceding the War at about 20,000. Of these roughly 11,000 were women. The total wages per annum amounted to about 1½ millions sterling, or about £31,000 per week. It will be seen that the industry, for its magnitude, is an important one.

We have received a copy of the 120th annual issue of the "Post Office London Directory with County Suburbs"—the edition for 1919. The production of the work has naturally been attended by the greatest possible difficulties owing to the continuance of the War. As is well known, the Directory has for many years been published in two volumes, one dealing with London only, and the other with the London Suburbs. The publishers have found it impracticable to continue doing so with the new edition, which consists of three volumes, the first dealing with the "Streets" section, the Banking, Official, and Court Directories, &c. &c.; the second with the Commercial and Trades Directories; and the third with the London County Suburbs. The change has been necessitated by the inability of the binders to deal with volumes extending to so many thousands of pages. The publishers are to be congratulated, however, upon their promptness in bringing such a huge work out on the same day each year.

PLAYER'S
NAVY CUT TOBACCO.

THE MANUFACTURERS REGRET THAT UNDER PRESENT CONDITIONS IT IS IMPOSSIBLE FOR THE OUTPUT TO CORRESPOND WITH THE GREATLY INCREASED DEMAND.

Terms and particulars with regard to this Tobacco at Duty Free Rates when required for gratuitous distribution to wounded Soldiers and Sailors in Hospital may be obtained from

JOHN PLAYER & SONS, Nottingham.

P 734

BRANCH OF THE IMPERIAL TOBACCO CO (OF GREAT BRITAIN & IRELAND), LIMITED

MEETINGS
OF PUBLIC COMPANIES.

BANK OF MONTREAL.

THE 101st annual general meeting of the shareholders of the Bank of Montreal was held on December 2, 1918, in the Board Room at the Bank's headquarters, Montreal.

On the motion of Mr. R. B. Angus, Sir Vincent Meredith was requested to take the chair.

The Chairman then called upon the General Manager, Sir Frederick Williams-Taylor, to read the annual report of the directors to the shareholders.

The President's Address.

Sir Vincent Meredith, in moving the adoption of the report of the directors to the shareholders, said :—

At a special meeting of the shareholders of this Bank, held on September 10, your permission was obtained to purchase the assets and assume the liabilities of the Bank of British North America. At that time the nature of the transaction and the terms of purchase were explained; these, I believe, are equitable as well as advantageous to both Banks.

The amalgamation was completed on October 12, 1918, but the combined balance sheet showing the new capital and rest and undivided profits cannot be prepared until after the expiration of four months from the date of taking over, as the agreement stipulated the shareholders of the Bank of British North America should have that period in which to elect whether they would accept cash or our shares in exchange for their holdings.

Another matter that has engaged the attention of your directors has been the distribution of profits. It was thought the term "bonus" was out of harmony with existing conditions. After giving the matter careful consideration, and having in view the fact that the earnings of the Bank for some years past have warranted the payment of the usual 10% dividend, with an additional 2%, it has been decided that the stock should be placed on a 12% basis, effective at the next dividend period.

A sum of $46,000 was donated to patriotic and Red Cross funds, and I know the action of your directors in this connection has your approval.

Business Well Maintained.

The business of the Bank has been well maintained during the year. In view of possible Government financing and the somewhat uncertain outlook at home and abroad, we have consistently set our faces against over-expansion, which is to be deprecated under existing conditions. While giving our customers all reasonable accommodation required, and taking up many new desirable accounts, we have maintained a strong liquid position, continuing a well-considered policy of the Bank; a policy which, in the past as now, has added materially to the stability as well as the credit of the Bank at home and abroad and of Canadian finance generally.

Turning to British finance, two outstanding features during the year were : First, the success of the system of continuous borrowing by means of the 5% National War Bonds, which were made available to investors at all times on application. This plan yielded the huge sum of £1,200,000,000 from daily subscriptions and avoided the unsettling of the money market which invariably attended the placing of great War Loans. Notwithstanding this remarkable response of the investing public, deposits held by the banks in England are actually larger than a year ago.

The second feature is the amalgamation of some of the more important banks in Great Britain, resulting in a closer co-operation between the Imperial Treasury and the banks in meeting and solving the financial problems with which the country was faced.

The methods adopted by the United States Government in connection with war finance are so well known that it is unnecessary for me to make reference to them here, or to dwell upon the success which has attended the loans of that country.

Success of Victory Loan.

The overwhelming success of Canada's Victory Loan, 1918, again evidences the loyal and patriotic spirit of our people and enables the Minister of Finance to extend material assistance, should it be required, to the Imperial or Allied Governments, in the interests of Canada's trade. The over-subscription of the loan is an index of the sound financial condition of the country and of the ability of the people to cope with whatever situation may occur.

During the year under review the foreign trade of Canada has been on a descending scale. That trade amounted to $2,082,494,000 in the ten calendar months of last year to October 31, while this year the value is, for the same period, $1,762,785,000. The decrease has occurred principally in the value of agricultural products and manufactures exported; in the case of the former, because of a less bountiful harvest, and of the latter, because of the completion of munition orders. The figures, however, reflect a trade immensely greater in value than in the pre-War period and indicate the source of the commercial prosperity the country has had. Taking the ten months' period, there was in 1917 an excess of exports over imports of $341,000,000, and in the corresponding period this year the excess is $242,360,000, a decline of a hundred million dollars, but the balance remained large, and while the export of munitions will shortly cease, that of agricultural products should be at least maintained and probably increased in the future. In the ten months' period, imports were $870,789,000 and exports $1,211,702,000 in 1917, as against imports of $760,212,000 and exports of $1,002,572,000 in the corresponding period this year.

Business generally has been active and profitable, as banking accounts abundantly attest, note circulation, deposits and loans being unprecedentedly large. As an adequate supply of raw materials again becomes available, it is reasonable to expect an extension of manufacturing operations, and in the necessarily small stocks in merchants' hands there is assurance of a good demand for mill products, even though the expectation of a recession in prices may prompt caution in purchasing.

Well-Established Agency in Paris.

Business generally has been active and profitable, as participate in the business that may arise in connection with reconstruction requirements abroad is one that has received considerable attention from your directors. Following the policy of many English banks, we have deemed it prudent to refrain from establishing branches at points far afield where Canadian capital would be required in local and possibly competitive industries, preferring rather to strengthen and extend our relations with foreign banking houses and to retain their good-will, thereby conserving our resources for the assistance and encouragement of home trade. In this connection it may be well to mention that we propose presently to establish an agency of the Bank in Paris, not for the purpose of loaning Canadian funds, but to supply necessary banking facilities to Canadians travelling abroad and to further the interests of Canada generally in France.

The harvest in Canada, while not as bountiful as we have reaped in past years, has on the whole been satisfactory. Estimates from authoritative sources place the yield of wheat from the three prairie provinces at 160,000,000 bushels, and from the whole of Canada at approximately 200,000,000 bushels, a large proportion of which is high grade. Saskatchewan, and more particularly Alberta, suffered somewhat through damage by drought and frost, but in Manitoba a full average has been reaped, with an exceptionally good barley crop.

Immigration, upon which the future prosperity of this country so largely depends, has been of a somewhat negligible quantity since the outbreak of the War, although a number of experienced farmers, with cash capital, have come into the West from the United States.

The total number of immigrants from foreign countries of necessity has not been large. The immigrants entering Canada during 1916-17 numbered 87,000, of whom 78,000 came from the United States. In 1917-18 the total immigration was 55,000, of whom 46,000 came from the United States. The reduction in 1917-18 is no doubt in a large measure due to the entry of the United States into the War and the subsequent draft regulations.

It is confidently expected that we shall receive a large influx from that country to our Western Provinces with the return of peace conditions, as the superior fertility of these lands is becoming more widely recognised; but I am not so sanguine in regard to settlers from Great Britain and foreign countries, where the difficulties of transportation will be an adverse factor, although probably less serious than anticipated. There is also the possibility that some restraint may be placed on intending emigrants by their home Governments for some time to come. Notwithstanding this, however, I feel Canada will attract and receive a very considerable immigration in the not distant future.

The debt of Canada after the War is likely to reach a total of possibly $1,800,000,000 and, with other capital obligations, may exceed that amount. How the interest on this vast sum is to be met is one of the most important of the many and complex after-the-war problems we shall have to solve. Increased production will relieve us of a portion of our burden, and this, with strict economy and growing population, will in time adjust our difficulties.

Policy of Taxation.

Taxation cannot easily be lessened and may be increased. A levy on capital, advocated in some quarters, must only result in the stifling of individual incentive and enterprise, and the penalising of industry, self-denial and thrift. Taxing capital to the point of unemployment in industrial

enterprise would involve unemployment of labour and produce serious consequences. If placed principally on consumption, the burden of taxation is distributed. In this connection, it may be pointed out that comparison, frequently made, of our taxation with that of Great Britain ignores the incidence of customs duties, restricted in Great Britain, but supplying a large part of the public revenue of Canada.

The War which has convulsed the world for over four years has now happily ended in a glorious victory for Great Britain and her Allies. During that long period of conflict, we have experienced anxieties, but we are now assured of a peace such as we have so confidently anticipated and for which our gallant men have so valorously and successfully striven.

With the cessation of hostilities, the cancellation of munitions contracts has begun and the adaptation of war industries to peace conditions will doubtless bring about a check, with possible dislocation of business and displacement of labour, but these adverse factors, I believe, will prove transitory.

Manufacturers who have conserved their resources during war-time prosperity and have taken advantage of this prosperity to become efficiently equipped, should be in a position promptly to adapt their organisations to peace requirements, and to take advantage of an onrush of business during the reconstruction period.

Preparing for Post-bellum Period

Already much preparatory work of practical value to meet post-bellum requirements has been undertaken by other countries, and with wise foresight, the organisation of strong central bodies, equipped with large powers, has been encouraged, to link up the great manufacturing industries, the promotion of scientific and industrial research, and the employment of a competent Intelligence Staff to seek out new markets abroad.

We in Canada have embarked on a shipbuilding programme of considerable magnitude, a first important step in preparedness. If operated on business lines, as I feel sure it will be, the capital expenditure will be amply justified. The action taken by our Government in appointing a Trade Commission to provide employment for the increased tonnage that will soon be available, and to secure for Canada a full share of the large and urgent demands of the devastated countries for reconstruction and replacement purposes, as well as for food stuffs, is a further step in preparedness, and is to be commended.

Owing to the financial straits of these countries in consequence of war's devastation, requisite credits to meet the unusual demands, estimated for France alone at Fcs. 50,000,000,000, must be provided. If Canada is to share in the business opportunities, and in order that our present prosperity may be continued, the banks must stand ready to arrange liberal and probably long-term lines of credit, providing the necessary funds from their own resources, or availing themselves of the privilege of rediscount with the Dominion Government.

Should these facilities prove unequal to the demands which may be made upon them, I feel sure the Minister of Finance, with the sound judgment he has displayed in financial affairs, to the advantage of the country during the War, will not hesitate to supply adequate financial assistance, in the same manner in which Imperial Government credits for purchasing in this country were established during the War. In doing so he will be fully justified.

As the War ends, all signs point to a great demand for capital for reconstruction, refunding and replacement purposes, and interest rates, in consequence, will in all probability rule high for some time to come. A temporary shortage of all kinds of merchandise, owing to labour having been diverted from domestic to war purposes, also seems probable.

But sooner or later we in this country will, without doubt, have to meet foreign trade competition of cheap and skilled labour, together with advantageous transportation facilities, to a more pronounced extent than Canada has yet experienced. If this competition is to be effectively coped with, the increased efficiency, co-operation and co-ordination to which I have referred are essential. Our best energies must be directed to greatly increased production of our basic, agricultural and other great natural resources. In this way, and by strict economy in Government, Municipal and personal expenditures, a solution can be found of our difficulties of exchanges, the maintenance of our favourable trade balance and the payment of our war debt. Otherwise, we must look for a shrinkage in business, to be followed by a readjustment of the scale of wages for labour and of the prices of all commodities.

We shall undoubtedly for some years have to pay in relatively high taxation the price of our devotion and patriotism, but I am confident this will be done uncomplainingly, in the belief that all present and prospective difficulties can and will be overcome.

The General Manager's Address.

Sir Frederick Williams Taylor, the General Manager of the Bank, then made his annual address, as follows:

Mr. Chairman and Gentlemen,—The annual balance sheet presented to-day for your approval is the fifth issued during war conditions and the first in the second century of this Bank's history.

The increase in our resources, and also our responsibilities, through the purchase of the Bank of British North America, referred to by the President, is reflected in our statement. The number of our branches has been increased by seventy-nine. Also we have taken over excellent material in a staff that will serve us as loyally and efficiently as they did the fine old institution whose honourable career of more than eighty years is now ended.

As we all know, bankers throughout the world have had to cope with abnormal conditions since the outbreak of war. This statement applies fully to Canada. During the year under review Canadian banks have encountered their share of problems. We have become accustomed to problems. In consequence, we have faced difficulties of unusual character with increasing equanimity. It is well to have reached this stage; otherwise the strain would have been unsettling.

Canada's Adequate Banking System.

The ease with which financial Canada has met the stress of war conditions has been favourably commented upon abroad. At home one hears no expression of surprise at the stable financial conditions in the Dominion.

The real basis of that stability is a banking system that has proved most efficient in peace times and, with the facilities accorded by the Minister of Finance, has withstood the severe test of war times. The system as it stands is without doubt adequate to meet any possible demands arising during the reconstruction period and for years thereafter.

The public, long accustomed to banking stability, now accept it as a matter of course. The strong liquid position of your own bank has been an important factor in the situation.

It is quite possible that the economic and financial problems of the next few years will be more difficult to surmount than those we have faced of late.

The anticipated disturbance in bank deposits resulting from domestic Government War loans has subsided, as was to be expected. Seeing that the proceeds of such loans remain in the country, the money, of necessity, finds its ultimate way back to the banks through one channel or another; and therefore the loanable capital of the banks is, in the long run, undiminished. On the other hand, the strength of a banker's position lies largely in his command of numerous small deposits. The volume of deposits has increased by many millions, but the number has not grown proportionately. Our own deposits are now $469,727,811.96 as compared with $330,795,390.72 a year ago. This sum includes $58,950,000 Bank of British North America money. As usual, we have certain large deposits of special character. The increase in our savings deposits is reasonably satisfactory.

As regards profits, an impression exists that these war years have been unusually fruitful for the banks. The reply is that when adequate provision has been made for unknown future rates of taxation in Canada and elsewhere, for the increased cost of administration, for heavy depreciation in even the most gilt-edged securities, it may be stated without reservation that the net results are none too ample for safety. I would emphasise another point, viz., that while the cost of everything else has risen, the public have paid no higher rate of interest for banking accommodation than before the War.

So far as this Bank is concerned, the dividend has been comfortably earned, and, as usual, we have made proper allowance for depreciation and for business hazards.

Now that the War is won, the foremost thought in every serious Canadian mind to-day is directed towards the future. Every business in the country, large and small, from our great railways to the small shops, is concerned and involved. As the business of our banks is with the whole community, we are specially and vitally interested. War prices have brought great prosperity to land and water transportation companies, to merchants, to manufacturers, to farmers, and to the labouring class. Only the salaried class and those whose incomes are fixed have suffered. Not only are prices of all commodities unprecedentedly high, with a liberal margin of profit, but the demand for the staples of life and many luxuries is unlimited.

Provision for Period of Readjustment.

Two contingencies in which we are vitally concerned are the respective rates of speed with which prices and demand will decline. It is not for me to assume the rôle of a prophet, but I can at least go the length of stating that the policy of this Bank has been and is to conduct its business on the probability that both may decline rapidly, that values are certain to fall away presently, and that there may at the same time be a diminution in demand. Either of these conditions would be serious. A combination of the two would be disastrous to unprepared merchants and manufacturers carrying heavy stocks. Our great industrial companies are practically all in an immensely stronger financial position than before the War. In some cases the improvement seems almost magical. In general terms, my belief is that the trading and manufacturing community of Canada is prepared for the slump as it comes. Meanwhile, public pronounce-

ments are made by those who have given the subject special study that food prices, particularly for meat, will remain extremely high for many months to come.

After passing through the inevitable period of economic confusion which all countries must endure, that country of boundless wealth and virility, the United States—the only great Power, by the way, to emerge from the War better off financially—may probably enter upon an era of unprecedented expansion and development. Canada must share in such prosperity independently of the part we hope to take in supplying Europe's reconstruction and regular demands. Meanwhile, there never was a time when our country was more in need of sound economic thinking and sane financial policy.

The Bank's current loans in Canada are now $146,028,861.28, an increase of $48,421,456.30 during the year. Bank of British North America business accounts for $30,900,000 of the increase.

Our loans to municipalities are $15,598,069.21, as compared with $11,415,383.61 a year ago. Practically the whole of this is advanced against taxes and none on capital account.

With the appropriations set aside for possible losses, we believe at present these current loans worth par. From long experience we also know that the ability to collect eventually 100% of this great mass of commercial paper depends on the economic course of events in Canada. That is another reason why banks should make reasonable provision for undisclosed losses, losses that will accrue in the future as surely as they have done in the past.

During the War, this Bank has done its full share in financing the Dominion Government, also Imperial Government purchases of wheat, flour, etc., in Canada.

The banks of Canada as a whole have out on loan to the merchants, manufacturers and private individuals of this country, secured and unsecured, on business paper and by way of accommodation $1,003,593,000. This great sum represents the extent to which the banks may be described as financing Canada's domestic and foreign trade. The amount is apart from $73,685,136 loaned by the banks on call to brokers.

Helping Expansion of Canada.

With the acquisition of the Bank of British North America we are now the custodians of $558,413,546.12, of which $34,468,283.72 belongs to you as shareholders and $523,945,262.40 is entrusted to our care by the public. It is worthy of note that this Bank's total assets are now as great as were the combined total assets of all the Canadian Chartered Banks seventeen years ago. Thirty-four banks were in operation then, as compared with nineteen at this date. You may be confident that we have a proper appreciation of the responsibility involved in using this great sum of money. We keep ever before us our duty to our depositors and to the shareholders. At the same time the Bank has a further duty, national in nature, in financing established business and, in fostering the young industries of the Dominion; in loaning capital for all legitimate enterprise, from the small farmer and live-stock breeder to the great packing and milling industries; from the small trader to the great merchant and manufacturer. Governments, cities, railways, and public bodies look to us for temporary financial aid. For these various purposes our power is greater than ever before, and the Bank has never been in a stronger, more elastic position.

There have been fewer commercial failures in Canada than for many years. The number in 1918 was 905, as compared with 1,172 in 1917 and 1,669 in 1913.

Our note circulation has risen to the great height of $42,082,209.08, or $12,774,123 more than last year. Present figures naturally include Bank of British North America circulation. The total bank circulation in Canada for the same periods were $227,597,808 and $189,852,907 respectively. We look for a rapid *post bellum* reduction from the abnormal heights caused by high prices and business activity largely of a war nature.

Our New York and London offices have been invaluable channels for international transactions during the War.

In London, the important banking events of the year have been a series of bank amalgamations regarded by those competent to judge as wise preparation for foreign trade competition after the War.

The final judgment favourable to your Bank in the Banbury case, given by the House of Lords in London last June, was a source of gratification to us and to banks generally, as the principle of good faith involved has been vindicated.

The price of money and rate of discount in London have both been under control during the year, the former at 3¼% and the latter at about 3⅜%.

The volume of Canadian loans representing fresh money floated in either London or New York during the last twelve months has been relatively small. Certain maturing loans have, however, been refunded successfully at both centres. The excellent reception which such loans have met in London is significant. With one minor exception, all interest payments on Canadian public loans domiciled in London and New York have been met at maturity.

In New York, the value of call money in 1918 averaged 5.11% as compared with 3.24% the previous year.

We learn with pleasure that our Waterloo Place and Trafalgar Square offices in London have proved increasingly useful to Canadian soldiers, their relatives and friends.

Problem of Exchange.

The Dominion has been penalised during the past year by a heavy premium on New York funds. This new condition is a matter of widespread interest. All Allied countries have been at a similar disadvantage in their dealings with the United States during war conditions. Our dollar is worth at present only ninety-eight and a half cents in the United States. In other words, it costs one dollar and fifty cents to send one hundred dollars across the line. The one and a half per cent. in question is lost to us. Canada receives no counter value. In simple language, the obvious explanation is that more money is going out of than coming into the Dominion. The prime factors are our imports, our exports, and our interest payments. Our exports in fact exceed our imports, but Great Britain, by arrangement, has not been paying in cash for munitions manufactured here on Imperial Government account. On the other hand, it is pertinent to mention that Canada is not paying in cash the cost of maintaining our overseas forces.

In theory, there are four ways in which this onerous penalty can be removed; by increased exports; by reduced imports, by paying in gold; or, by borrowing in outside markets. None of these remedies is at hand, but with the return of peace Canada should at least be able to float public loans in New York. Then also we can hope for better things so far as imports and exports are concerned. Also there is on balance a large amount owing our Government by the Imperial Government and $200,000,000 is owing the Banks of Canada by the Imperial Government, representing wheat and munition purchases. In due course these combined amounts will aid the exchange situation. The premium in question should, therefore, diminish sooner or later to a point that will be immaterial. Meantime it discourages the importation of non-essentials from the United States, and the investment of Canadian funds in American and foreign securities.

In conclusion, it will bear repeating that Canada possesses all the attributes of a great nation, excepting population. The crying necessity of the hour is for increased production. This cannot be fully achieved without immigration. We have room and opportunity for many millions of farmers and for a good class of labour to develop our mineral wealth and our fisheries and to convert our great forests into lumber and into pulp and paper. One sure way of attracting such immigration is to make living in Canada cheap. To attain this object there must be an end to the public and private extravagance of the past.

The General Manager then gave in detail the reports on the conditions of trade, etc., in the various provinces as supplied by the superintendents.

This report having been adopted, and certain necessary alterations in the Bye-laws agreed to, votes of thanks to the President, Vice-President, directors, and staff were passed.

The votes of thanks having been responded to by the President and General Manager, the ballot for the appointment of auditors and the election of directors was duly proceeded with, and the meeting terminated.

WESTERN AUSTRALIAN BANK.

The one hundred and fifty-fourth half-yearly meeting was held on November 6, 1918, at the Banking House, St. George's Terrace, Perth. The Hon. Sir E. H. Wittenoom (Chairman of Directors) presided.

The Chairman, in moving the adoption of the report and balance sheet, said he thought that they would all agree with him that it was satisfactory, considering the abnormal times, that the profits had been so well maintained as to enable them to pay the usual dividend and to carry a substantial amount forward. It would be seen that from their profits of £29,121 and the carry-over from the previous half-year they had £48,460 to deal with, against £44,339 for the previous period and £41,085 in September 1917. After paying the dividend out of this they carried forward on this occasion £23,460, as compared with £19,339 in March last. In spite of all the calls on money for war loans and charitable purposes, taxation, &c., deposits had actually increased by £112,000. He desired to make a few remarks with reference to some of the industries of the State. He would first of all refer to the pastoral industry, and it was gratifying to find that this was still flourishing and had experienced a most satisfactory year. The arrangement with the Imperial Government for the purchase of wool on the appraisement system assured a certain market at remunerative rates. While hitherto prices for fat stock had been satisfactory, some anxiety was felt for the future, as the supply for the local markets had for the present overtaken the demand. The wheat industry must continue to be unsatisfactory until shipping was available to supply foreign markets. The present position was that the balance of wheat in hand in this State for the last three harvests was about 300,000 tons. The Federal and State Governments guaranteed 4*s.* 4½*d.* per bushel for the 1918-19 harvest delivered at ports, and the yield was expected to be in the vicinity of 10,000,000 bushels.

Mr. J. MacCallum Smith seconded the resolution, which was carried.

LEVINSTEIN, LIMITED.

The annual meeting of the shareholders of Messrs. Levinstein, Limited, was held on Monday, December 23, Lord Armaghdale presiding.

The Chairman said: The amalgamation between British Dyes, Limited, and our own Company is now practically an accomplished fact.

On November 29 circulars were sent out to the Ordinary shareholders asking them to sign a form of assent and authority to myself and my colleagues, Sir H. D. McGowan, K.B.E., and Dr. Herbert Levinstein, agreeing to the proposed exchange of your Ordinary shares in Levinstein, Limited, for fully paid shares in the new Company to be called the British Dyestuffs Corporation, Limited, and enabling us on your behalf to exercise the transfer as soon as the new Company comes into existence.

A similar circular was sent out on the same date to the Ordinary shareholders of British Dyes, Limited.

As regards our own Preference shareholders, the new Company is willing either to buy their holding for cash or to exchange for each £10 Preference share ten 7% Non-cumulative £1 Preference shares in the British Dyestuffs Corporation, Limited.

All classes of shareholders in both companies were asked to sign their forms of assent and to return them to us not later than December 16.

I am glad to be able to inform you that an overwhelming majority of the holders of Ordinary and Preference shares in our Company and of the Ordinary shareholders in British Dyes, Limited, have returned their assents. Only an insignificant minority have failed to return their forms. I would ask these few shareholders kindly to lose no further time in filling up and returning them to me, as the offer to exchange is still open, but cannot be kept open indefinitely.

A United Front against German Dye Monopoly.

It is gratifying to me to know that you have approved of our scheme and that the country will at last have the advantage of presenting a more united front in the great commercial struggle with the German dye industry which is about to begin. Make no mistake about it, the future success of the textile trades of this country depends largely on the successful outcome of this struggle.

Prior to the War the Germans had acquired a control over the textile trades of all countries in the world. It was one of their most potent forms of peaceful penetration, the political importance of which in India, China, Russia, Persia, and the Near East has never received proper recognition.

In our own country the danger of being dependent upon Germany for a supply of dyestuffs is now clear to everybody, but prior to the War this was not the case. This lack of recognition is, in my opinion, chiefly due to the fact that the German plans were not completed. A process was going on in Germany by which in a very short space of time it was proposed to absorb all dangerous rivals in the dye industry, crushing out in the process, if they could, all those who, like ourselves, recognised the German menace and had the courage to stand out against it. The moment that this scheme was completed, and it was very near completion, consumers in this country would have realised their danger and would have been ready to fight against it, but it would have been too late to take effective measures to protect themselves.

The Germans are, we know, specious and plausible while acquiring domination, but entirely arbitrary and unscrupulous when they are in the ascendant.

An independent aniline dye industry is therefore vital to the national security.

From national reasons you will regret as much as I do the great and unnecessary delay which has restricted, to an extent of which the people are not aware, the developments of the industry in this country.

The country in general and the textile trades in particular owe a great debt to the President of the Board of Trade and to the Dyes Commissioner for their initiative in this matter and for the very valuable assistance which they have consistently given to the industry.

It is a matter of regret to me that with the formation of the British Dyestuffs Corporation I propose to sever my active connection with the aniline dye industry. After twenty-three years as Chairman of your Company I feel entitled to enjoy a little more leisure. I am glad to think that under my chairmanship the Company has achieved such a great position both in the industrial and scientific world. Our successors, the British Dyestuffs Corporation, have a most important task before them, in which I heartily hope and believe they will have every success.

Adequate Financial Support Essential.

Very considerable extensions are necessary before the Company can complete the production programme which has been mapped out. Adequate funds will no doubt be forthcoming, and I would like to emphasise, as I did last year, and, I believe, in the previous year, that adequate financial support is the one thing essential to our carrying out the desire of the Government and rendering this country independent of German dyestuffs. On the scientific side success is certain.

There is a far greater amount of chemical talent in the country than is generally realised. A great deal of it was never previously enlisted in the public service, but during the War purely academic chemists have rendered considerable service to the State in investigating new substances and devising new processes for offensive and defensive warfare. This has brought many university professors for the first time in touch with manufacturing requirements. Their experience will, I trust, prove of advantage both to pure science and also to industry, particularly to our industry, which is based on science and lives by scientific research.

The old academic tradition that research work which would lead to immediate practical results was beneath the dignity of science is dying out. Nobody desires universities to neglect research on subjects of abstract and purely theoretical interest, but nobody rejoices more than the leaders of our industry at the closer feeling of unity which has been established between the leaders of pure science and the leaders in the application of science to industry. Brilliant men who formerly stood apart are now anxious to help, and we who know how to use their assistance welcome them most cordially, and require their aid. I for one will never believe that we in this country, roused at last to battle in the domain of science, will prove unequal to our task.

We stood in the organisation of scientific industries as far behind the Germans as we did in the organisation of great armies. We have succeeded by a great national effort in surpassing the German military achievement. A similar national effort is now required on the part of our scientific industries.

Review of Past Twelve Months.

During the past twelve months, owing to the restrictions imposed upon us by the Government, our Ellesmere Port factory was compelled to go on to short time for over two months, thereby creating for a period a shortage of synthetic indigo in this country, from which we have not fully recovered. I am glad to say the factory for some time past has been operating to its fullest extent. Now that the War is over we are looking forward to large developments.

In addition to the manufacture of indigo great developments have taken place in the manufacture of dyestuffs akin to indigo, and a considerable number of such products previously only manufactured in Germany have been put on the market during the last twelve months. They are known to consumers as vat dyestuffs, and were previously not manufactured in this country. If any of you is interested in a further description of these dyestuffs I would refer him to a chapter called "Indigo and its Family" in a little pamphlet which we have issued under the title "Four Years' Work."

The Company has acquired at Ellesmere Port two options to purchase land in close proximity to the existing works. The site possesses a two-mile frontage to the Manchester Ship Canal. An unlimited supply of water is available from the underlying sandstone, and the effluent can be disposed of under the Ship Canal into the River Mersey by means of a syphon pipe already in existence.

The land is level, suitable for building, and close to the North Wales coalfields.

In its geographical position and other advantages this land compares favourably not only with the site of any chemical works in the kingdom, but, what is more important, with that of the German aniline dye factories situated on the banks of the Rhine.

As soon as the light railway Order authorising us to connect this land with the London and North-Western and Great Western joint system has been completed we propose to exercise the first of the options in question.

Our constructional programme, both at Blackley and Ellesmere Port, has been practically stopped during the past twelve months owing to the impossibility of acquiring priority, and

therefore the production of dyes in these factories has not increased to the extent desired. At the same time our range of dyes has been strengthened, and above all a large amount of highly important research work has been carried out, the benefits of which we shall feel as soon as we are able to construct the factories.

Manufacture of Most Dangerous War Product.

It will be known to most of you that the Company has taken an important share in the development of the gas warfare during the past twelve months, a branch in which no building restrictions were imposed. I cannot yet enter into details of this work, but you will be glad to know that our record is in some respects unique. We undertook on our own initiative the manufacture of probably the most dangerous product used in the War, the production of which had caused very great difficulties to the Allied belligerents and a large number of casualties to those who had undertaken its manufacture.

By the close co-operation of our research and manufacturing resources we solved the technical difficulties, erected the plant, and delivered this material by a process which was safe, simple, cheap, and practical. It was not the kind of thing which most people would undertake to make voluntarily.

The results of our investigation and the drawings of our plant were placed freely and without charge at the disposal not only of our own Government, but of all the Governments associated with us in the war.

It will gratify you to know that the information received from us proved of the greatest value, and that in the opinion of competent authorities our deliveries played an important part on the field of battle.

Had the armistice come a few weeks later certain developments in our manufacture of gas would have had time to become effective in France.

The enemy chose for surrender the moment when the gas warfare of the Allies was about to overwhelm him, although he had a long start in this particular method of frightfulness.

I call your special attention to this point because gas warfare had become most scientific before the War ended. Our success in beating the German in this branch is significant to those who, like myself, believe that we can also surpass his very considerable achievements in the aniline dye industry.

The Accounts.

I regret to inform you that, as was the case last year, we are unable to present to you our accounts owing to the delay in coming to a settlement with the Inland Revenue with regard to the payment of the excess profits tax. For this reason, too, it is impossible for me, and I greatly regret this, to inform you of the number of shares in the British Dyestuffs Corporation which you will receive in exchange for your present holding in Levinstein, Limited. I am sure that you will find the accounts, when they can be finally settled, and also the holding which you will have in the British Dyestuffs Corporation, entirely satisfactory.

Increase of Production.

Our production of dyes in the year ending June 30, 1918, is 7½ times the production of the former year. This increase represents our expansion only very inadequately. The expansion in the production of intermediate products is even more important.

In 1914 we made 1,403,490 lb. of intermediate products.

In 1918 our production of intermediate products was 15,169,122 lb., nearly eleven times the production of 1914.

This figure comprises over 150 products.

In 1914 most of the intermediate products we used in our works were made in Germany.

In 1918 we made 7½ times as much dyestuff, and made it from intermediates manufactured entirely by ourselves. This is not all. We could not buy all the nitric acid and oleum required for the manufacture of intermediate products; we had to make them ourselves. In 1918 we made 22,619,363 lb. of these products, of which we made none in 1914.

We have not spent a penny in the erection of plant for the manufacture of substances which we could buy from outside sources. If we have made ourselves independent in the supply of intermediate products it was because there was nobody else in this country who was either able or willing to supply us.

Now let me make a comparison of profits. During the five years immediately preceding the war, years of very bitter competition with the Germans, our average profit amounted to a sum equal to 17 per cent. on our share capital. In those years the Germans supplied most of the aniline dyes used in this country, and our production was limited by the amount which we could sell. The prices we obtained were on the whole less than those obtained by the Germans, because we were always endeavouring to cut in and oust the man in possession.

Our overhead charges for research and for the selling organisation were unduly high in comparison with those of the Germans owing to our small output.

Had we produced in 1914 the quantity of dyes we produced in 1918 our profits would have approached those made, say, by one of the more important German companies. Owing to the reduction in the ratio of overhead charges they could not fail to have been far more than seven times our profits in 1914, always provided that we had sold these quantities at the same prices as the Germans were obtaining in that year.

Growth of Production and Profits.

Although in 1918 our production of dyes has gone up 7½ times and our production of intermediate products is nearly eleven times greater, I estimate that our net profits on dyestuffs will only prove to be 6.15 times our profit for 1914. In making this estimate I am deducting the profit on the intermediate products.

I think it important that you should fully understand the significance of these figures which I have given you.

Prominence has been given in the Press to the high prices of dyestuffs, chiefly those dyestuffs which come into the hands of dealers. The high cost of raw materials is very generally overlooked, and also the effect of the present war taxation, which presses so heavily on what is practically a new industry in this country.

Had we been able to manufacture and sell in 1914 the same quantity of dyes and intermediate products we now make our profits would have been far larger than they are to-day.

The annual profits made by the Germans over a long period of years in this country are very much greater than the profits which we have made in 1918, as far as we can estimate them. The German profits were largely invested in their business. The German plants are for the most part intact, and whilst they have been enormously extended for the purpose of making poison gas and other munitions of war, the dye plant which remains is more than sufficient to supply her internal requirements.

We have yet to erect at a high cost a large amount of plant. The German plants were erected at a much lower cost and have already been written off.

It is clear, therefore, that in the meantime we must have assistance from the State, for we must have breathing-time in which to complete our factories, organise our staffs, and devote to purposes of peace the energies which have been devoted to the State for the purposes of war.

I hope to have made clear to you that our profits, which have been substantial, are entirely due to the enormous increase in our output. They will prove to be much less than those which consumers so cheerfully enabled the Germans to make for many years before the outbreak of war.

In the case of the new Company the Board of Trade has very properly decided that the dividend shall be limited to 8%, and has taken powers to interfere should, in their opinion, prices be too high or should the distribution of its products be unfair. I do not believe that the Board of Trade will ever have cause to exercise these powers, but we very gladly agreed to these provisions, which make it certain that consumers will never have any reason to regret giving the British Dyestuffs Corporation their whole-hearted support.

Mr. Claus.

You will have seen by the notice convening this meeting that Mr. Claus has resigned his seat on our Board, and I wish to tell you how much we regret that he is retiring from business, and that we shall no longer have the benefit of his experience and ability at the Clayton Works.

Mr. Claus is leaving the North of England, and I am sure that he will carry with him a warm feeling in his heart for those with whom he has been so long associated in business.

Staff.

In the strenuous year's work which I have outlined to you we have received the most loyal and whole-hearted co-operation from the staff. Work has been very heavy and

the hours long, but all have risen to the occasion, in the knowledge that by their efforts they were doing their duty in the great struggle.

Our relations with our workpeople have also been of the happiest, and it is my earnest hope that the new Corporation will be served with the same faithfulness and goodwill as the old firm.

I wish to offer my own personal thanks and those of my colleagues on the Board to the staff and the workpeople for the devoted service which they have given to your business.

The retiring director, Lord Armaghdale, was re-elected. Mr. Edward Patterson, of Ashworth, Mosley and Co., was re-elected auditor of this Company.

LEVER BROTHERS, LIMITED.

MEETINGS of shareholders of various classes in Lever Brothers, Limited, held at Port Sunlight yesterday, adopted resolutions increasing the authorised capital of the Company from £40,000,000 to £60,000,000. The joint effect of the decisions arrived at is to create 10,000,000 new Cumulative "C" Preference shares of £1 each, 5,000,000 additional 15% Cumulative Preferred Ordinary shares of £1 each, and 5,000,000 additional 20% Cumulative Preferred Ordinary shares of £1 each. All the new capital when issued will rank after the existing first, "A" and "B" Preference share capital, and before the existing A preferred ordinary and the Ordinary share capital. In all there were four meetings. Lord Leverhulme (Chairman of the Company) presided at the meetings of the 15% Cumulative Preferred Ordinary, the 20% Cumulative Preferred Ordinary, and the Ordinary shareholders, and Mr. John Gray occupied the chair at the meeting of the 5% A preferred ordinary shareholders. The necessary resolutions were carried unanimously without discussion in every instance.

Lord Leverhulme, at the outset of the first of the series of meetings, said he would like to refer to criticisms in Press notices and from shareholders in correspondence. The first of these was: "Why make this additional increase of £20,000,000 new capital when there is a considerable amount of capital already unissued?" It was necessary, in order to explain that, to go back to the formation of the Company, when they only had Preference shares and Ordinary shares. After the Preference shares had been increased to an amount of 2,000,000, they converted them into First Preference shares, and created what they called "A" Preference shares underneath them, an unusual way of capitalisation, but one which had tended to safeguard the interests of the Preference shareholders who had previously joined the Company and taken Preference shares. Therefore, when a series of shares was becoming exhausted, they had, during the years past, created other shares underneath them. As far as his knowledge went, the customary practice had been, when increased capital had been required by a company, for such company to issue Debentures, having prior rights to the existing shareholders. They had adopted the policy of issuing other Preference shares or Preferred Ordinary shares underneath the existing Preference shareholders or Preferred Ordinary shareholders.

Increased Security of Preference Shareholders.

When they floated the Company, the First Preference shares were covered just three times over, the First Preference shares were covered to-day eight and a half times over. The "A" Preference shares, after deducting the amount required for dividend on the First Preference shares, were covered four and a half times over. The already-issued "B" Preference shares, after providing for the dividend on the first Preference shares and the "A" Preference shares, were covered eight and a half times over. Now they were proposing to create some "C" Preference shares underneath these. It was the intention of the board that these "C" shares would not be offered until the "B" Preference shares had been exhausted. He did not know of any circumstance that could vary that intention. In any case they were created, ranking after the "B" Preference shares; so, whenever they were issued, the security of the "B" Preference shares could not help but be improved. With regard to the 15% Preferred Ordinary shares, these shares they had used for the purpose of amalgamation with other businesses in the same or somewhat similar line of manufacture to themselves. They were becoming exhausted, and it was considered advisable to increase them by 5,000,000. They were similarly proposing to increase the 20%, which ranked after the 15% Preferred Ordinary shares, to £10,000,000.

Consent of Ordinary Shareholders.

A second question was "Why should these shares so created be offered in the first case at par to the existing Ordinary shareholders? Why should they not be offered to other shareholders?" It was obvious they could not give the advantages of security to the Preference shareholders and Preferred Ordinary shareholders without first obtaining the consent of the Ordinary shareholders. The Ordinary shareholders would not consent if the Ordinary shares were scattered and in the hands of the public—not on any terms whatever. That form of capitalisation that had given the security to existing Preference and Preferred Ordinary shareholders had only been practicable because the Ordinary shares were held in practically one hand. He did not imagine for one moment, in the case of an industrial company with its Ordinary shares scattered all through the world and held by thousands of people (in their case they had a total number of shareholders of 55,000, and it was conceivable that the majority of them would have wished to have had some Ordnary shares), that the consent of the Ordinary shareholders could ever have been obtained for the prior rights of other capital put in front of them. It had been obtained in this case, and the condition on which it had been obtained was that the shares now proposed to be created, before being offered elsewhere, should be first offered to the Ordinary shareholders at par. It was quite obvious that this condition was required in equity as well as to obtain the Ordinary shareholders' consent. Every one of these shares was a claim for both capital and dividend in priority to the Ordinary shareholders, and it was only right and fair that the person holding or the persons who hold the Ordinary shares should first give their consent to the issue, at the time the issue was made, before a general issue could be made elsewhere. The consent of the Ordinary shareholders had only been obtained each time that shares with prior rights had been created on these terms. The directors had viewed it as a reasonable and proper request and had acceded to it. The dividend on the existing issue of 15% Preferred Ordinary shares, after providing for dividend on the first, "A," and "B" Preference shares, was covered three times over, and the dividend on the 20% Preferred Ordinary shares, including an amount issued during 1918, after providing all prior dividends, was covered four-and-a-half times over. Whatever they had done was in the best interests of the shareholders, and they had acted only with a desire to give the business ample capital at its disposal on terms equitable to all classes of shareholders.

PEEK BROS. AND WINCH.

COMPARED with 1916-17 the trading profit of this wholesale firm of tea, coffee, spice, and fruit merchants was about £6,300 larger at £89,287, but on this occasion the profit is subject to excess profits duty, whereas prior to the past year the Company was not liable to this tax. The feature of the latest accounts is the indication that dividends on the Ordinary shares may soon be resumed after a lapse of 15 years. A year ago the position was that owing to poor results in previous years the dividend on the 5½% Cumulative Preference shares was 27½% in arrears, and early in 1918 a scheme was adopted for paying them off. At the same time the holder of each former £5 Preference share received three £1 5½% Cumulative "A" shares and two Non-cumulative 6½% £1 "B" shares. Further, for the former £5 Ordinary shares were given four £1 Ordinary shares and one "B" share. Thus the paid-up capital was unchanged at £600,000, but whereas previously it consisted half of Cumulative Preference and half of Ordinary capital, it is now made up of £180,000 of Cumulative Preference, an equal amount of Non-cumulative Preference and £240,000 of Ordinary. After payment of Debenture interest the past year's net profit was £82,287, out of which full dividends on the "A" and "B" Preference shares have been paid, leaving a balance of £60,687, equal to about 25¼% upon the Ordinary capital. A year ago the Chairman pointed out no dividend on the Ordinary capital would be paid until a substantial reserve had been created. The allocation of £30,000 thereto made from the profits of 1917-18, to quote the report, "fulfils that under-

The SUPER PIPE TOBACCO
Spinet
Smoking Mixture
Fine Natural Flavour
1/11 for 2 oz
R&J. HILL LTD. LONDON

taking," and now that a sum equal to three years' dividends on the "A" shares is in hand, it would appear that some return upon the Ordinary capital may be looked for a year hence if profits permit. Recent results compare as follows:—

Peek Bros. and Winch, Limited.

Year to June 30	Trading Profit £	Deb. Int. £	Net Profit £	Div. on 5½% Prefce. Sh. %	£	Div. on Ord. Sh. %	Special Allcns. £	Carried Forward £
1918 ...	89,287	7,000	82,287	A 5½ / B 6½	9,900 / 11,700	Nil	30,000	30,881
1917 ...	82,982	7,000	75,982	*	62,700	Nil	24,556	194
1916 ...	26,609	7,000	19,609	5½	16,500	Nil	—	11,467
1915 ...	43,213	7,000	36,213	5½	16,500	Nil	14,098	8,358
1914 ...	20,335	7,000	13,335	1½	3,750	Nil	12,000	2,743
1913 ...	10,597	7,000	3,597	Nil	—	Nil	2,500	5,158
1912 ...	13,821	7,000	6,821	Nil	—	Nil	3,000	4,061
1911 ...	14,304	7,000	7,304	2½	7,500	Nil	—	240
1910 ...	24,491	7,000	17,491	5⅝	17,250	Nil	—	436
1909 ...	26,977	7,000	19,977	4¼	12,750	Nil	—	195
1908 ...	7,644	7,000	644	2¾	8,750	Nil	Cr. 574	Dr.7,032
1907 ...	31,562	7,000	24,562	7⅝	23,250	Nil	1,445	—

* £62,700, after deducting income tax, devoted to repayment of arrears of Preference dividend.

The book value of the assets has risen in the past year from £1,087,780 to £1,409,175, nearly £100,000 being in sundry debtors, about £61,000 due to 3½% Debenture stock acquired at an average of about 68% of par value, £129,000 in investments, and £21,000 in cash. Doubtless the increase in investments arose mainly through the acquisition of some of the share capital of an old-established wholesale provision and general produce firm, whose trading is reported to be progressing satisfactorily. The business of Peek Bros. and Winch is stated to have shown further increase in turnover last year. With amelioration of the exceptional conditions and restrictions that have recently prevailed it is anticipated the excessive amount of capital required for dealing in commodities at the high prices lately current may be sensibly reduced. Some idea of the additional money which the business has needed in the past year is evident from the advance in temporary loans from about £47,500 to almost £327,000. Including about £170,000 of stocks and taking the Company's holding of its 3½% Debenture stock at current market price, liquid assets according to last balance sheet were valued at, roughly, £671,000, while current liabilities were £500,000. The 3½% Debenture stock is quoted at 62½, and yields 5⅝%. The price of the 5½% "A" shares is 14*s.* 4½*d.*, at which the yield is 7⅞%, while the return upon the 6½% "B" shares, quoted at 13s. 9d., is 9¾%. The Ordinary shares stand at about 14*s.*

"Manual of Electrical Undertakings and Directory of Officials, 1918-19." Price 22*s.* 6*d.* (London: Electrical Press, Limited.)—A reliable detailed record, embracing all the facts of the past year's happenings, and omitting all unessentials, methodically arranged within the covers of one volume, the "Manual of Electrical Undertakings" is of immense value for reference. All the leading features of past issues have been maintained in this, the twenty-second annual volume.

BALAGHAT.— Capital, £212,600 in Ordinary and £95,400 in Ten per Cent. Preference shares of £1 each. The Preference shares after first receiving 10 per cent. entitled to participate *pro rata* with Ordinary for further dividend, but are non-cumulative.

Yr. ends Dec. 31	Ore Milled Tons	Total Gold Yield Value £	Total Gold Yield Per Ton	Total Working Costs per Ton	Working Profit* £	Working Profit* Per Ton	Price of Ordinary Shares end of Period
1916 ...	28,476	75,176†	53/0	51/6	2,066	1/6	3/6
1917 ...	28,525	84,437†	59/4	53/4	8,534	6/0	3/3
1918.							
March qr.	6,550	19,895†	60/8	—	—	—	4/3
June qr....	6,520	21,760†	66/8	—	—	—	4/6
Sept. qr....	6,750	25,351†	75/1	—	—	—	4/3
Dec. qr....	6,925	27,0[illegible]	78 2	—	—	—	5/6
12 mos. ...	26,745†	94,074	70 4	—	—	—	5/6

* Before deduction of royalty. † Estimated at £4 5*s* per fine oz.

Dividends—1907, March, 10% on Pref. Nil since.

RMSP

SOUTH AMERICA
WEST INDIES
SPAIN PORTUGAL PANAMA BERMUDA
CENTRAL AMERICA GIBRALTAR
MOROCCO EGYPT STRAITS CHINA JAPAN &
THE ROYAL MAIL STEAM PACKET Co
18 MOORGATE STREET, LONDON EC

Under Contract with H.M. Government.
P&O & British India Mail & Passenger Services
Sailings from LONDON, MARSEILLES, &c.
Tickets Interchangeable.
MEDITERRANEAN, EGYPT, INDIA, BURMA, STRAITS, CHINA, JAPAN, AUSTRALASIA, MAURITIUS, E. & S. AFRICA, NEW ZEALAND (via PANAMA CANAL)
P. & O. Australian Tickets interchangeable one way by New Zealand Shipping Company (via Panama) or by Orient Line.
For particulars of Sailing apply P. & O. & BRITISH INDIA Passenger Dept., 122, Leadenhall Street, London, E.C. 3.
BRITISH INDIA COMPANY.—For general information apply GRAY, DAWES & Co., 122, Leadenhall Street, London, E.C. 3.

PERRY'S
TRADE PROTECTION OFFICES
(Established 1776)
12 COLEMAN STREET, E.C. 2.
Status enquiries made as to the position and standing of Traders and others.
PERRY'S GAZETTE & LIST OF CREDITORS are published Weekly, and are valuable to everyone in business.
Debts recovered and paid over promptly.
Particular attention is called to the fact that this is the only Trade Protection Society that possesses at its offices in London Registers containing full Bankruptcy and other Registered Information, together with Status information FOR THE WHOLE OF THE THREE KINGDOMS.

NATIONAL WAR BONDS
With their present valuable conversion rights, WILL NOT BE ISSUED
after January 18th. Under our Instalment Purchase Scheme you can now secure a large holding by a small present payment. Full particulars may be obtained from any representative or from
PEARL ASSURANCE COMPANY, Ltd.
HIGH HOLBORN, LONDON, W.C. 1.
ANNUAL INCOME EXCEEDS £4,500,000.

P A
A PEACE RISK.
Who is carrying your death Risk?
Is it your Family,
or
a Life Assurance Office?
WHY NOT LET THE PRUDENTIAL CARRY IT?
C Ld

THE LONDON ASSURANCE.

Incorporated by Royal Charter, A.D. 1720.

7 ROYAL EXCHANGE, LONDON, E.C. 3.

INCOME £3,147,482 FIRE. MARINE.



ASSETS £7,393,667 LIFE. ACCIDENT

Applications for Agencies Invited.

All classes of Insurance

The Corporation has granted Fire, Life and Marine Insurances for nearly Two Hundred Years

THE **OCEAN** Accident and Guarantee Corporation, Limited.

Assets - - £5,000,000
Claims paid - £17,500,000

Accident Insurance of all kinds.
Employers' Liability. Fidelity Guarantees.
Fire and Burglary. Public Liability.
Motor Cars. Excess Bad Debt and Credit.
Boiler and Lift Insurance.
Executorships and Trusteeships.

Head Office: MOORGATE STREET, LONDON, E.C. 2.
T. M. H. ARMSTRONG, *Manager and Secretary.*

BRITANNIC

ASSURANCE CO., LTD.

One Special Ordinary Branch feature is the **CHILD'S OPTION POLICY (Table 11a)**, under which a premium of £10 assures £1,091 on certain conditions.

FUNDS - - - £4,800,000.

Chief Offices: BROAD STREET CORNER, BIRMINGHAM.

LONDON & MANCHESTER ASSURANCE COMPANY, LIMITED.

Chief Office - 50 FINSBURY SQUARE, LONDON, E.C. 2.

Allied with National Amalgamated Approved Society for National (Health) Insurance.

PREMIUM INCOME exceeds ... £900,000
FUNDS exceed £2,000,000

SUBSCRIPTION TO "THE STATIST."

TO INCLUDE ALL SUPPLEMENTS.

Payable in Advance.

Inland.

ONE YEAR, £1 10 0 | HALF-YEAR, £0 15 0

(Post Free.)

For Colonies and Abroad (within Postal Union).

ONE YEAR, £1 17 4 | HALF-YEAR, £0 18 8

(Post Free.)

OFFICE : 51 Cannon Street, E.C. 4.

CONTENTS.

Leading Articles— PAGE
PARTNERSHIP IN THE CONFERENCE ... 85
THE NEW EUROPE ... 86
WHEN THE WAR ENDS.—LI. ... 88
DEATH OF THE BRAZILIAN PRESIDENT ... 89
ARGENTINA ... 89
THE DEAD MEAT INDUSTRY IN IRELAND ... 90
BRITISH TRADE IN 1918 ... 91
A NEW POLICY WITH RESPECT TO IMPORTS ... 92
NEW BANKING CAPITAL ... 93
FINANCIAL NOTES ... 94
FOREIGN TRADE RETURNS ... 95
SOUTH AND CENTRAL AMERICA ... 96

American Topics—
Baltimore and Ohio Dividend ... 97
U.K. Borrowings in U.S.A. ... 98
Grand Trunk's Results in 1918 ... 98

Commercial— PAGE
Empire Jute.—II ... 104
Lancashire Cotton Trade Profits ... 106

Industrials—
Barrow Hematite Steel Co. 102
Sunbeam Motor Car Bonus 103
Canadian Car and Foundry Co ... 103
The Gramophone Record ... 106

Insurance Notes—
Life Assurance in British Colonies ... 101

Mining Topics—
Mount Lyell ... 80
Champion Reef ... 91

Money Market ... 77
Rubber Topics ... 99
Stock Exchange ... 79
Tabular Appendix ... 82

Meetings ... 107-1

GET INTO TOUCH

WITH THE

WESTERN AUSTRALIAN INSURANCE

COMPANY, LIMITED,

for All Classes of Insurance Quotations.

SPECIAL AGENTS required in unrepresented districts at HOME and ABROAD.

Communicate with Chief Office :—

47 CORNHILL, E.C. 3.

FUNDS AND ASSETS EXCEED ... ... £700,000.

REFUGE ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds - £4,400,000.
Funds Exceed - - - - £14,500,000
Claims Paid Exceed - - - £25,000,000

The Statist.

LONDON, SATURDAY, JANUARY 18, 1919.

The Money Market.

Friday, January 17, 1919.

	CURRENT RATE — %	FIXED	PREVIOUS RATE — %	FIXED
Bank of England Rate ...	5	(Apr. 5,'17)	5½	Jan. 18,'17
Bank of England Rate — to Clearing Banks: 3 days' notice ...	3	(Feb. 14,'18)	4	June 19,'17
Bank of England Rate — for Foreign Money	*4½	(Nov. 15,'17)	extended	Jan. 2,'18
Deposit Rates :—				
Banks & Discnt. Ho. (Call)	3†	(Feb. 14,'18)	3½	Jan. 2,'18
Discount Houses (Notice)...	3	(June 6,'18)	3¾	Feb. 14,'18
Do., to Bankers and Merchant Bankers (Notice)	3½	(Feb. 14,'18)	3⅝	Jan. 2,'18

Discount Rates :—	60 DAYS %	3 MONTHS %	4 MONTHS %	6 MONTHS %
Tr'sury Bills (Fixed Feb. 14,'18)—		3½	—	3½
Bank Bills	3½	3½	3½	3½
Trade Bills	—	4–4½	4¼–4½	4½–4¾

* Since Jan. 11, 1919, this rate does not apply to French, Belgian and Italian balances. † Foreign and Colonial banks give Special Rates only upon deposits for a year.

To-morrow National War Bonds will be withdrawn from sale, or at any rate, in the absence of information as to what form new Government borrowings will take, the option now possessed by holders of the first, second, and third series to convert into the 4% tax-compounded or the 5% War Loans will not apply to any new series. The War bonds have been on sale without intermission since October 1, 1917, and in the interval a vast amount of money has been raised by the Government with relatively little disturbance to the Money market, such as would have been caused had a spectacular loan been issued for a much smaller total. Early this week the total of the bonds sold had reached £1,500,000,000, and in view of the demand that is taking place as the week closes it is probable the total may not be far short of £1,600,000,000. While these results may be regarded as satisfactory, it has to be noted that they have been accompanied by an expansion of £332,200,000 in the floating debt, which now reaches £1,525,712,000.

Whether it is proposed to raise the additional loan money required by the Government by selling nine and twelve months' Treasury bills, in addition to those for three and six months already in issue, or whether sales of War bonds or some other security not carrying conversion rights will be made from now on, is still unknown. The period of the year has not been

entered when revenue payments will be heavy; indeed, against a probable £533,000,000 of expenditure, to be met in the 79 days to March 31 next, it is likely that £334,000,000 of revenue may be collected, and, in order to restore the cash balance to the level at which it stood on March 31 last, net loans for the 79 days will need to be about £209,000,000. About £100,000,000 of this will have been provided by to-morrow from sales of War bonds, the proceeds of which have yet to be handed over to the Exchequer,, and beyond this has to be reckoned about £20,000,000 to come in from sale of War Savings Certificates. It is quite possible, therefore, that for a time net borrowings will need to be relatively light; but this will not diminish the need in any way for continuous borrowing, to which policy the country has now become accustomed, and from which even a temporary departure might lead to unsatisfactory results, such as causing investment money to be diverted to other channels. For it will be clearly realised that the floating debt, though about £24,000,000 below high-water mark at the end of December 31 last, is still at a figure that should be greatly reduced without delay, and this can be done only if bonds of some kind or other continue to be issued. The time has not yet arrived when the floating debt can be entirely reduced by a funding loan, but it is probable that within the next few months preliminary measures may be taken for the issue of such a loan, and it is quite on the cards that in the coming Budget taxation may be framed on such lines as to render the funding line attractive to investors. Our estimate of this year's revenue and expenditure is as follows:—

[000's omitted]	Probable for 79 days to Mar. 31,'19	286 days to Jan. 11, 1919	Probable for Year 1918-19	Budget and Supplmtry. Estimates
Expenditure:	£	£	£	£
Interest ...	37,274	232,726	270,000	315,000
Miscellaneous ...	3,627	7,787	11,414	11,414
Supply	491,3[illegible]1	1,862,649	2,354,000	2,649,988
Total	533,000	2,103,162	2,636,000	2,976,402
Revenue	[illegible]34,000	542,597	877,000	842,050
Deficit	199,000	1,560,565	1,759,000	2,134,352
Loans	[illegible]9,000	1,550,013	1,759,000	2,134,000
Taken from Cash Balance	—	8,763	—	

Since Saturday last the special rate of 4½% has no longer applied to French, Belgian, and Italian balances. Announcement that this would be so had created discussion in the Money market as to the manner in which these balances should be treated in future. Whether they should still receive some special consideration, or whether they should be placed in the same category as other moneys deposited with the banks and bearing the agreed deposit rate of 3%. After meetings of clearing bankers it was decided to rule that the allowance on the released Allied deposits should not exceed 3½%. This agreement was said to be without prejudice to the arrangement as to rates entered into by request of the Treasury in May last, whereby domestic balances cannot claim more than 3%, while neutral and American balances can continue to receive up to 4½%.

The increased supply of floating credit noticeable early this week proved only temporary, for owing to the large applications for War Bonds, more particularly to-day, when it would seem the banks were taken somewhat by surprise, considerable tightness has been experienced. Indeed, the market only narrowly escaped going to the Bank. This, however, is a condition that will pass away within a few days, when once more it is probable there may be found to be a plentiful supply of credit. Business in the Discount market is quiet; in fact, to-day there was little or no inquiry for bills.

Tenders for the £8,000,000 of twelve months' French Government Sterling Treasury bills received on Monday last amounted to £11,963,000. Applicants at £95 6s. 3*d*. per cent. received 51%; above in full. The average price at which the bills were sold was £95 8s. 10.02*d*., equal to an average rate of discount of £4 11s. 1.98*d*. per cent. Business in the bills has since been transacted at 4½%.

Taking the week as a whole the Exchange market has been quiet, and rates have not moved much on balance. As compared with a month ago, the value of the sovereign in neutral centres has shown little change, and in some instances is a little more unfavourable to this country than just after the signing of the armistice. At the same time the value of the mark has fallen away, as shown below:—

On London	Par	Jan. 17	Dec. 19	Dec. 5	Nov. 15	Nov. 8	Sept. 27
Amsterdam	12.107	11.25½	11.23	11.24	11.38	11.38½	9.88
Christiania	18.159	16.97½	16.90½	17.07	17.31½	17.48	15.44
Copenhagen	18.159	17 84	17.61	17.77½	17.76	17.78½	15.92½
Stockholm	18.159	18.44	18.14½	16.57	16·98½	17.01	14.16
Madrid	25.22½	23.64½	23 85	23.93½	24.10	23.76½	20.82
Switzerland	25.22½	£2 9½	23.04	23.32½	23.53	23.81½	21.01½

On Berlin	Par	Jan. 15	Dec. 17	Dec. 3	Nov. 13	Nov. 7	Sept. 27
Amsterdam	59.26	29.25	28.65	29.75	30.80	33.42	31.25
Christiania	88.88	42.00	42.00	42.75	50.00	51.00	50.25
Copenhagen	88.88	46.30	47.50	45.80	49.00	51.50	50.50
Stockholm	88.88	43.25	41.35	43.00	46.00	48.30	45.25
Switzerland	12[illegible].45	59.25	57.25	61.70	69.15	70.00	68.80

The Secretary to the Treasury announces that the London Clearing Banks (including Barclays Bank, who are the agents in London of the Conversion Office of the Northern Russian Provisional Government), are prepared to collect rouble notes issued by the Conversion Office of Northern Russia at the rate of 40 roubles to the pound sterling.

FINANCING THE EXCHEQUER.

That the period of the year has now been reached when revenue payments will be heavy is evidenced by the latest return of the Exchequer, which shows that for the week to Saturday last the receipts amounted to £21,565,000, which sum is the largest collected for any week of the current fiscal year. It includes £1,135,000 paid in scrip, and was derived as to £10,320,000 from income tax, £6,314,000 from excess profits duties, £2,619,000 from Customs and Excise, and £2,312,000 from other sources. Leaving out "miscellaneous" receipts, which are already far in excess of the Budget estimate through the inclusion of about £35,000,000 of proceeds of the Second Indian War Loan, not taken into account in the Budget, the revenue in the remaining 79 days to the end of March next should average about £29,000,000 a week, of which about £16,000,000 should come in from income tax and £7,700,000 from excess profits duties if Budget estimates are to be realised. Expenditure last week was the smallest for any week since mid-December 1916, having been £28,295,000, of which net outlays from Votes of Credit were about £24,300,000, or £3,471,000 a day. Whether this lower rate of expenditure is likely to continue for some time to come it is impossible to say. For one thing, even while the War was in active progress it sometimes happened that weekly Vote of Credit outlays averaged less than £4,000,000 a day. At the same time, however, unless payments by the Government for contracts, &c., are greatly in arrear, the offsetting influence of sales of foodstuffs, &c., and the receipt of various recoverable expenditures, should begin to be shown, as the Supply expenditure given weekly in the Exchequer returns includes only the net outlays from Votes of Credit. Moreover, it would seem that advances to Allies should now be at a much lower rate than only a few weeks ago. Doubtless some information upon this point will be furnished by the new Chancellor when before the end of March he asks for a further Vote of Credit to cover the early months of 1919-20. Last week's deficit was also the smallest since December 1916, having been only £6,730,000. Allowing for a small net payment on capital account the deficit was £7,080,000, and as loans brought in £7,650,000 net, £570,000 was added to the cash balance. An interesting feature of last week's loan operations was the reduction of £30,000,000 in Ways and Means Advances, which to some extent may have been due to the withdrawal as from January 11 of the 4½% interest allowed by the Bank of England on French,

Belgian and Italian balances. At any rate, it is highly probable the change in those rates accounted for an increase of £10,913,000 in Treasury bills. The sum received from the sale of War Bonds was £26,862,000, and that from War Savings Certificates £2,300,000. On the other hand, £290,000 net of "other" debt was paid off, £1,135,000 of debt was cancelled through revenue payments in scrip, and £1,000,000 was allocated to the 5% War Loan Depreciation Fund. These operations, combined with the smallness of the deficit, it will be realised, enabled Ways and Means Advances to be reduced. Still, the floating debt stands as high as £1,525,712,000, compared with £1,360,070,000 on January 12, 1917. Proceeds of War borrowings to date and the approximate position of the National Debt are given below:

[000's omitted.]	War Borrowings: Apr 1- Jan. 11, '19	War Borrowings: Apr. 1,'17-Aug.1,'14- Mar. 31,'18	War Borrowings: Jan.11,'19	National Debt: Approx. Jan,11,'19	National Debt: Actual Mar 31.'18
4 & 5% Natl. War Bds.	£850,345	£614,215	£1,464,560	£1,499,755c	649,410b
4% & 5% War Loans	—	168,083	948,460	2,021,709	2,090,317c
War Savings Certs. ...	73,700	62,200	209,900	211,450c	137,750
"Other" Debt (d) ...	356,317	620,435	1,349,861	1,361,791	995,474
Treasury Bills ...	135,643	508,885	1,002,725	1,108,532	973,441
Ways & Means Advances	224,909	Cr.25,254	420,181	420,181	193,271
5% Exch. Bonds due:					
Oct. 1919 or Apr. '22	4	82,270	82,274	70,657	70,653
Oct 1921 (1916 issue)	—	—	62,496	75,839	75,839
Dec. 1920 ,, ...	—	48	237,877	49,744	49,744
Oct. 1919 ,, ...	—	—	34,263	16,924	16,924
6% Ex. Bds., Feb. '20	1	—	160,956	141,278	141,27
3% Ex. Bds., Mar. '20	—	—	21,831	21,660	21,660
Do. do. Mar. '30	804	12,021	12,825	16,444	15,640
War Expenditure Certs.	Cr.22,932	Cr.629	—	—	22,929
3½% War Ln. 1925-28	—	—	331,798	62,746	62,746
4½% War Ln. 1925-45	—	—	592,345	16,139	16,139
2½% & 2¾% "Consols"	—	—	—	304,084	304,084
Debts to Bks. of E.&I.	—	—	—	13,646	13,646
Terminable Annuities	—	—	—	21,903	21,903
Total	1,618,791	2,042,274	7,019,352	7,422,248	5,871,850
Less Misc. repayments	68,608	57,495	290,902	—	—
Debt Aug. 1, 1914	—	—	—	652,270	652,270
Inc. since war began	1,550,193	1,984,779	6,728,450	6,769,978	5,219,580

(a) Sales reported to Jan. 11, 1919, £1,496,437,853. (b) 4% (Oct. 1927) £119,541,000; 5% (Oct. 1922), £237,924,000; 5% (Oct 1944) £28,759,000; 5% (Oct. 1927), £263,206,000. (c) 4% Tax compounded, £52,372,000. 5% £2,037,945,000. (d) Including British portion of Anglo-French (U.S.) Loan (e) Number sold to Jan. 4, 1919, 280,852,135.

BANK OF ENGLAND.

APPARENTLY in connection with the withdrawal of the special rate on Allied balances and the reduction in Ways and Means Advances, this week's return shows a further diminution in the market's balances. Government securities were reduced in the past week by £9,211,000 and "other" securities by £6,607,000. On the other hand, the reserve was £466,000 larger, a further addition of £24,000 to the stock of bullion having been accompanied by a reduction of £442,000 in the note circulation. The net result of the various movements of the past week was a reduction of £15,390,000 in "other" deposits, and an increase in the ratio from 17.12% to 19.15%, which is the highest point touched since January 30, 1918.

POSITION IN INDIA.

THE demand for rupees still continues, and whereas on December 7 the silver reserve of the Currency Department amounted to 3,599 lacs, on January 7 it had declined to 3,177 lacs. The reduction during the first week of January was 36 lacs, and as the note circulation showed a further expansion of 115 lacs, thereby raising the circulation to the unprecedented total of 14,824 lacs, a further 152 lacs had to be added to the fiduciary reserve. The latter now stands at 9,668 lacs, Indian Government securities accounting for 1,418 lacs. For many years to December 22 last this latter item had been unchanged at 1,000 lacs. Some light upon the increase that has since occurred is obtainable from the latest particulars available regarding sales of Indian Treasury bills for three, six nine and twelve months, now being offered in anticipation of the third Indian War Loan, which it is anticipated will provide the balance of the money needed to complete India's war contribution of £100,000,000. On January 5 it appears 300 lacs of Indian Treasury bills were held in the Paper Currency Reserve.

Since December 14, when last we referred to the matter, sales of new Treasury bills in India have amounted to 461.2 lacs, and as 31.8 lacs have been discharged, there has been a net addition of 429.4 lacs, which raised the total in issue on January 5 to 32,262¾ lacs. The statement of the gold standard reserve shows that on December 31 the balance, all held in England, amounted to £35,595,195, compared with £35,456,674 on November 30. Cash placed at short notice was about £25,000 lower at £6,000,637, while investments increased about £164,000 to £29,594,558. Apparently the decline in securities held on September 30 last, and the increased holding of securities since acquired, are accounted for by maturities and purchases of British Treasury bills.

SILVER.

APART from the continued fairly active demand for the industries nothing of special interest has occurred in the Silver market this week, and with conditions thus quiet and uninteresting, the price is unchanged at 48⅞*d*. The Shanghai exchange rate remains unchanged. The stock of silver in that centre, which had been fairly steady of late, has now risen, for on January 11 there were 23 million oz. in sycee and 12,200,000 dollars, against 20,700,000 oz. in sycee and 12,100,000 dollars on December 28. On January 12, 1918, the stock of sycee was 25,500,000 oz., and that of dollars 13,000,000. The Indian currency returns of the last four weeks have shown a decline of 422 lacs in the silver holding.

Stock Exchange.

DESPITE it being the last week for the acquisition of what may prove to be the most attractive Government security ever offered, and special efforts being made to obtain as large an amount of subscriptions as possible, the Stock markets, contrary to what might have been expected, have not been neglected, but rather have enjoyed more business. Quotations, generally speaking, have moved favourably. The subsidence of the active agitation amongst the troops for demobilisation had some good effect, and the commencement of the preliminary conferences on Peace terms is looked upon as likely to remove many of the uncertainties now acting as a deterrent to business. There have, too, been other beneficial influences tending to clear the air, notably the apparent collapse of the Bolshevist attempt to gain control of the Berlin Government, the increasing ascendancy of the Siberian Government's forces, the resumption of coupon payments by the Finland Government, the termination of Turkish power in Arabia with the capitulation of Medina, and the strong measures taken by the Argentine authorities to suppress the disorderly outbreak at Buenos Ayres.

The tone of the Gilt-edged market has been almost strong, the prices of both Consols and the 5% War Loan being well up on the week. In the foreign section French loans have again been the feature, it being appreciated that the withdrawal of so attractive

NATIONAL WAR BONDS
MAY BE PURCHASED
ON THE INSTALMENT PLAN.
The Instalments can be spread over
5, 7, or 10 Years,
and cease if the purchaser dies previously.
No Medical Examination of approved lives.
Write for full particulars (stating age next birthday) to:—
The National Mutual Life Assurance Society
39 KING STREET, CHEAPSIDE, E.C. 2.
B

a competitor for investment money as the 5% War Bonds enhances the good points of the French issues. The 5%s have now risen to 87$\frac{7}{8}$ and the new 4%s are quoted 69$\frac{1}{4}$ ex dividend. Russian 4$\frac{1}{2}$% and 5% loans have recovered a little of their severe fall of the previous two weeks. Brazil 5% Funding 1914 have gained a further point at 85$\frac{1}{2}$, but Mexican Fives show two points decline at 74.

Selling has predominated in the Home Railway market, and though there has been no marked pressure, the majority of quotations have moved downward. The Underground group, however, has again been an exception. Metropolitan District have risen from 27 to 29$\frac{1}{4}$, Underground Income bonds from 94 to 96, and the 1*s.* "A" shares from 9*s.* 9*d.* to 10*s.* 9*d.* In the foreign section, recovery set in sharply in Argentine issues on the better news from Buenos Ayres, but Brazilians are quoted a little lower and the decline in Mexicans has continued. Guayaquil and Quito have been a prominent feature, the Prior Lien advancing to 87 and the 5% bonds to 46. These have been under the influence of the receipt of a further remittance from Ecuador for the payment of interest arrears. Among Colonials, Canadian Northern 4% Guaranteed have advanced another two points to 85, but Grand Trunk issues have continued to slide back.

There appears to have been no slackening of interest in the industrial and general sections, and a fair amount of business is reported to have been transacted. Breweries have been less active, but quotations are well maintained considering the extent of the recent rise. Gordon Hotel shares were a feature of strength early in the week, but profit-taking later caused some reaction in the quotation. Aerated Bread, too, were at one time freely bought up to 3$\frac{5}{8}$, but declined subsequently. There is an idea prevalent that further expansion by means of amalgamation or acquisition of existing concerns is contemplated, and Mr. Solly Joel is said to have acquired a substantial interest in the Company. On renewed support Marconi issues have appreciated again, and features in other sections include the strength of Sudan Plantations and English Sewing Cotton, which have now risen to 76*s.* The interim dividend was recently increased from 4% to 5%, and hopes are entertained of a bonus from capitalisation of reserves. United Steels have been an active spot in a generally very firm Iron and Steel share market. It is understood that shareholders are to be offered next week 1,250,000 of new £1 shares at 25*s.*, in the proportion of one new share for every five at present held. The general public will be more interested in the opportunity to subscribe to the Barrow Hematite new issue of £600,000 of 5% tax-free Debentures in stock of £1 denomination.

Some shares which have enjoyed sharp appreciation of late have been subjected to profit-taking this week. Thus Harrods Buenos Ayres Ordinary are lower at 25*s.*, and Trinidad Central in the Oil section have moved no higher. Shell Transport, too, have dropped back, though business in the market generally has been fairly well maintained. Mexican Eagles have again been the strongest spot, advancing to 95*s.* Rumours have been put about on this side, which were current in New York a month ago, to the effect that the biggest of the company's oil wells has been lost through an influx of salt water. The *Wall Street Journal* of December 17 contains the following cable from Lord Cowdray in reply to an inquiry: "Your cables just received. Potrero No. 4 may not be lost as water is fresh not salt, pointing to damaged casing. But if it be lost probably the field will continue to give production for some time. Our capped wells elsewhere can immediately replace production lost through Potrero No. 4. Dislocation in business will be momentary only. Our production is largely in excess of our demands."

PLAYER'S
NAVY MIXTURE.

The Manufacturers regret that under present conditions it is impossible for the output to correspond with the greatly increased demand.

Terms and particulars with regard to this Mixture at Duty Free Rates when required for gratuitous distribution to wounded Soldiers and Sailors in Hospital may be obtained from

JOHN PLAYER & SONS, Nottingham.
Branch of the Imperial Tobacco Co. (of Great Britain and Ireland), Ltd.

Leaders of the World's Filing and Card Index Systems
THE Shannon LIMITED
and Modern Office Furniture
ROPEMAKER STREET, E.C.2.
Ring up London Wall 1535.

Mining Topics.

THOUGH the Rand gold output and labour figures for December make another very poor showing—production being less than in any month since February 1914, and the number of native labourers on the gold mines 30,000 under the total of April last—a more cheerful tone has prevailed in the Share market. Buying orders for certain shares have come to hand from Johannesburg. Several of the more fortunate mines, too, report improvement in profits for December, and the East Rand directors cable intention to expand development work shortly. Price movements have not been widespread or of much account with the exception of a rise in Modders to 27$\frac{1}{4}$ *cum* dividend, Daggafonteins at 33*s.*, and C.M.S. at 29*s.* 3*d.* Among Diamonds, De Beers have advanced further to £17$\frac{1}{8}$, which is a higher price than recorded during the War. Base-metal shares have moved irregularly with no decided tendency. Exceptionally, Burma Corporations, which have provided the outstanding feature of the whole market, have risen sharply to 5$\frac{3}{8}$, and the two holding concerns—Bawdwin Syndicate and Lake View—have advanced in sympathy. The strong position and prospects of Corporation were fully dealt with in our issue of November 16.

MOUNT LYELL.

A CONSPICUOUS feature of the Mount Lyell's report for the year ended September 30 is the further rise in the cost of producing copper. There was no labour strike as in the preceding year, but the 44-hour week awarded in 1917 by the Arbitration Court, and shortage of labour, restricted operations, so that the quantity of ore treated, though greater than in 1916-17, fell far short of the full capacity of the plants as worked in the first two war years. The blister copper output was less than turned out for many years excepting the period 1912-13, affected by the fire in the North Mount Lyell mine. We compare four years' working results below:—

Six Months :	Ore Treated Tons	Blister Copper Produced Tons	Blister Copper Yield %	Cost per Ton‡	Working Profit* £
March 31, 1915 ...	173,189	3.984	2·3	18/7	136,768
Sept. 30, 1915 ...	176,368	4.053	2·3	18/7	204,040
Year:					
Sept. 30, 1916 ...	318,000†	6.576	2 07	21/6	510,305
Sept. 30, 1917 ...	250,000†	5,832	2 33	25/7	553,418
Sept. 30, 1918 ...	260,000†	5,705	2·23	29/2	455,899

* Including revenue from railway and superphosphate works.
† Including ore first concentrated.
‡ Cost of producing blister copper per ton of ore treated.

In the last two reports information as to the amount of copper realised and the prices obtained has been omitted, and as the results from the principal operation of copper production are not separated from the subsidiary business of sulphur and chemical production, it is not possible to explain with assurance the recent falling off in profits. It is obvious that the substantial upward movement in costs has been a very considerable factor. Indeed, it is probable that this is the main reason for the decline in earnings, for copper prices did not fall much up to September 30 last, and production would be covered by contracts. Fortunately for shareholders, taxation called for a much smaller amount than in 1916-17, namely, £64,403 against £180,634, and it is probably on this account that the total dividend for the year was raised again to 16¼%, after being reduced to 12½% in 1916-17. In respect of the profit of that period, however, £87,405 was written off for depreciation and £107,470 was added to the carry-forward, whereas on account of the past financial year's profit depreciation provision, including £60,000 specially set aside for new plant, amounted to £128,430 and the increase in the carry-forward to £37,735.

	Years ended Sept. 30— 1918	1917	1916	Half-Years to— Sept. 30, 1915	Mar. 31, 1915
Copper (refined) sold and settled for (tons)*	—	—	5,772	3,366	4,962
Average price realised (per ton)...	—	—	£121	£87 5/0	£60 0/7
	£	£	£	£	£
Total revenue	922,286	1,012,768	943,706	418,199	346,202
Mine, &c., expenses	460,187	454,350	433,401	214,159	209,434
Working profit	462,099	558,418	510,305	204,040	136,768
Balance brought forward ...	236,697	129,235	670,035	597,644	501,643
Total	699,796	687,653	1,180,340	801,684	638,411
Allocations :					
Office and general charges ...	22,047	21,768	21,345	11,790	11,779
Mine prospecting	18,023	22,435	36,835	14,656	4,622
Taxes	64,163	180,634	167,767	18,400	3,900
Depreciation	50,597	54,970	15,295	20,123	18,246
Written off	60,000	—	570,308	—	—
Dividends paid†	209,494 (16¼%)	161,149 (12½%)	209,495 (16¼%)	64,460 (5%)	—
Insurance fund	—	—	—	2,200	—
Carry-forward	274,432	236,697	129,235	672,035	597,644
Total	699,796	687,653	1,180,340	801,684	638,411

* Part of the product sold in one half-year is produced in the preceding period.
† The dividends, though paid in the half-year shown, are declared in respect of the profits of the preceding period.

The figures of profit appropriations above shown convey an impression of financial strength, and this is confirmed by the balance sheet at September 30, which shows liquid assets, including £175,395 of blister copper and £471,529 of stocks in hand, to exceed current liabilities by £623,854. The mining position also is strong. For many years now the Mount Lyell and North Mount Lyell mines have been worked, and still discoveries of fresh ore continue and the tonnage of the reserves is well maintained. The figures for five years compare as follows:—

Ore Reserves.

At Sept. 30	Mount Lyell Mine— Tons	Assay Value— Copper %	Silver Oz.	Gold Dwt.	North Mount Lyell— Tons	Assay Value— Copper %	Silver Oz.	Gold Dwt.	Total Tons
1913...	2,202,355	·63	1·96	·55	1,086,112	6·0	1·33	·10	3,288,117
1914...	1,991,789	·53	1·96	·55	959,832	6·0	1·33	·10	2,951,621
1916...	1,726,485	·53	1·96	·8	1,083,211	6·0	1·33	·10	3,260,257
	450,561*	·4	·2	·8	—	—	—	—	—
1917...	2,013,439	·5	1·6	·8	997,904	6·0	1·33	·10	3,011,343
1918...	2,028,717†	·49	1·18	·8	1,036,500	6·0	1·33	·10	3,065,047

* South Mount Lyell Mine. ‡ Including South Mount Lyell.

With considerably over ten years' ore supply for the recent rate of production in sight in the mines there is no need to push development work, but it is satisfactory to note that diamond drilling and driving in both properties have of late given encouraging indications. If one could rely upon the recent level of price of copper continuing, the outlook as regards profits and dividend could be viewed with equanimity; but since the Armistice was signed the value has fallen from £123 to £90 per ton, and though in many quarters the view is held that the future industrial requirements of copper for shipbuilding, &c., will be large, it has also to be born in mind that great quantities of scrap metal must be available for use. If, then, with the big increase of copper production in America and in the Congo—apart altogether from the possibilities connected with the opening up of extensive porphyry and other deposits in Siberia—the demand does not keep pace with supply, and the value of the metal falls to anything like pre-War levels, the effect on the revenue of the Mount Lyell and other Australasian producers working short time and at high cost, on account of labour, can be imagined. Of course, labour may modify its requirements under peace conditions; and there is also the possibility that new and more economical methods of ore treatment will be introduced—such as the leaching process, at present being tested. Moreover, the Mount Lyell Company has a large interest in the Mount Read and Roseberry Mines, which have been reopened and are intended to be equipped for large-scale production of zinc, lead, and silver by means of the most up-to-date treatment plant, run by hydro-electric power, which is to emanate from the Tasmanian Government's great scheme, embracing the use of the King River. Diamond drilling and development work so far done have resulted in satisfactory disclosures, the ore encountered being in particular high in zinc contents, and altogether there is good prospect of a big and successful enterprise eventuating.

The Mount Lyell's £1 shares, of which 1,289,195 comprise the issued capital, are now priced at 24*s.* 6*d.*

CHAMPION REEF.

SHAREHOLDERS were warned a year ago that unless favourable developments occurred quickly it would be necessary to reduce the rate of milling at this mine in order to eke out the existing ore reserves to give time to open up further in depth. There were indications of improvement in the deeper levels, but unfortunately these proved unreliable. Hence during the year ended September 30 only 138,000 tons of ore were put through the mill, and the gold contents were lower than in the preceding year. Costs, partly on account of the reduced scale of operations, but mainly owing to the higher prices of all materials and increased wages, rose to 41*s.* 5*d.* per ton. This is nearly 10*s.* per ton above the figure for 1915-16, and is undoubtedly abnormally high in view of the use of native labour. The working profit before payment of royalty to the Mysore Government is shown by the accounts to have been £114,955, or 16*s.* 4*d.* per ton, against £167,975, or 22*s.* 6*d.* per ton, in respect of the previous year. The Company has produced gold uninterruptedly for 26 years, and, of course, in the nature of things, results have fluctuated widely, but earnings have not since the early years dropped to so low a level as now recorded:

Year to Sept. 30	Ore Milled Tons (2,000 lb.)	Gold Produced £	Total Gold Yield* per Ton s.	d.	Working Expenses per Ton s.	d.	Working Profit† £	s.	d.
1901 ...	126,045	603,792	95	10	38	6	360,975	57	4
1905 ...	240,987	825,263	68	5	26	9	502,420	41	8
1910 ...	209,082	411,255	42	2	28	1	147,411	14	1
1915 ...	211,368	546,020	51	7	29	4	255,269	22	5
1916 ...	194,311	499,512	51	2	31	6	191,640	19	8
1917 ...	149,612	435,111	58	2	35	8	167,975	22	6
1918 ...	138,080	399,505	57	9	41	5	114,955	16	4

* Includes yield from accumulated tailings and slimes treated.
† Before payment of royalty.

From the working profits shown above the Government royalty, based on the gold yield, has to be deducted, and with the addition of sundry revenue the net profit is arrived at. For the past year the amount of the net profit comes out at £99,962, which compares with £155,572 in 1916-17 and £210,108 in the first completed war year. Since 1914 divi-

dends have been paid less income tax, but heavy assessments have had to be met on account of the large profits reserved for depreciation, &c. Thus for the past year, despite the smallness of the profit, income tax calls for £25,290, and though writings off for depreciation are reduced to £6,748 in comparison with £29,389, the carry-forward has to be slightly encroached upon to pay the year's dividends, totalling 26⅔%, against 40% for 1915-16 and 1916-17. As the following table shows, eight years ago the Company paid a smaller dividend than for the past year, and this was followed by substantial recovery in prosperity in consequence of improved development disclosures:—

Year to Sept. 30	Net Profit†	Amounts Written Off	Divs. Amt.	Divs. %	Ore Reserves Tons (2,000 lb.)	Tons (2,000 lb.) Milled	Lowest Level Feet.*	Price of Shares end of Year s.	Price of Shares end of Year d.
	£	£	£						
1902...	288,292	14,824	248,325	105	245,000	150,179	2,050	31	3
1905...	467,583	25,740	416,000	160	378,916	240,987	2,640	32	6
1910...	130,040	64,091	60,667	23⅓	322,513	209,082	3,940	7	9
1915...	210,108	34,010	147,333	56⅔	495,015	211,368	5,040	11	0
1916...	172,400	29,583	104,000	40	375,991	194,311	5,240	6	9
1917...	155,573	29,389	104,000	40	351,255	149,612	5,500	6	0
1918...	99,962	6,748	79,333	26⅔	335,949	138,030	6,000	5	9

* Incline depth: lowest level now about 5,500 feet vertical depth.
† Excluding receipts from dividends on shares of Kolar Mines Power Station (£1,617).

The ore reserves now have declined to about the level of eight years ago, and represent little more than two years' supply for the reduced rate of milling. But in the eight years the depth of the mine has increased greatly, the lowest level now being at about 6,000 feet incline depth, as against 4,000 feet at the end of 1910. Hence while it is still quite possible that a zone of better grade ore will be encountered again, in accordance with past experience and the more recent happenings in the deeper Ooregum mine, working on the same line of reef, it is obvious that with the depth so great as it now is the scope is becoming more and more restricted. Even the Kolar mines, despite their longevity, must come to an end.

In the circumstances it seems doubtful whether the return of about 15½% afforded by the 2*s.* 6*d.* shares at the present price of 4*s.* 6*d.* is sufficiently high. It is to be noted, however, that against the issued capital of £260,000 the balance sheet shows £65,500 of surplus liquid assets after allowing for the dividends, but excluding £75,337 worth of stores and £9,900 £1 shares of the Kolar Mines Power Station.

ROYAL STATISTICAL SOCIETY.—At the Meeting to be held at 5.15 P.M. on Tuesday, January 21, at the Surveyors' Institution, 12 Great George Street, S.W.1, the President, the Right Hon. Herbert Samuel, will deliver his Presidential Address on "The Taxation of the various Classes of the People."



Colonial Trade

THE National Bank of South Africa, Ltd., offers every facility to Merchants and Shippers to develop their TRADE with SOUTH AFRICA.

THE Bank is represented in over 300 Towns throughout the Union of South Africa, Rhodesia, South West Protectorate, British East Africa, Portuguese East Africa and the East African Protectorate.

LONDON OFFICES
CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office—
25, COCKSPUR STREET, S.W.—1

Agency at—
10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, January 15, 1919.

Issue Department.

Notes Issued	£98,247,090	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	79,797,090
	£98,247,090		£98,247,090

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£62,666,244
Rest	3,308,235	Other Securities	78,886,493
Public Deposits	28,168,380	Notes	28,548,260
Other Deposits	124,787,382	Gold and Silver Coin	747,126
Seven-day and other Bills	21,116		
	£170,848,113		£170,848,113

Comparison with Previous Four Weeks [00,000's omitted].

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities': Govt.	Securities': Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1918-19.	£	£	£	£	£	£	£	%	%	%
Jan. 15	69.7	80.5	28.2	124.8	62.7	78.9	29.3	19 15	5	3½
Jan. 8	70.1	80.5	28.2	240.2	71.9	85.5	28.8	17·12	5	3½
Jan. 1	70.2	80.0	26.3	114.9	124.3	106.5	28.2	11·71	5	3½
Dec. 25	70.3	79.1	23.6	149.0	71.1	92.1	27.3	15·78	5	3½
Dec. 18	69.0	78.8	28.9	143.9	69.3	93.2	26.1	16·28	5	3½
J'y'22,'14	28.3	40.2	13.7	42.8	11.0	33.8	28.3	52·40	3	2½

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%: July 13, 1916, 6%; Jan. 18, 1917, 5½%: April, 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00.000's omitted):	Jan. 15, 1919	Jan. 16, 1918	Jan. 17, 1917	Jan. 19, 1916	Jan. 13 1909
Circulation	69.7	£45.3	£38.8	£33.9	£29.1
Public Deposits	28.2	41.4	51.3	59.5	5.7
Other Deposits	124.8	121.6	137.7	100.8	42.9
Government Securities	62.6	56.8	133.9	32.8	15.3
Other Securities	78.9	92.3	37.4	109.7	30.2
Reserve	29.2	31.9	35.7	35.7	21.0
Ratio to Liabilities	19·15%	19·56%	18·91%	22·28%	43·26%
Coin and Bullion	80·5	58·8	56·1	61·2	31·8
Money					
Bank of England Rate	5%	5%	5½%	5%	3%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3⅛%	4-1⅛%	4⅞-⅝%	5⅛%	2⅛%
Exchanges:					
Paris Cheque	25 97½	27 07½	27 80	27 93½	26 12
New York 60 days	4 73	4 72½	4 72½	4 73½	4 84½
Bombay Telegraphic Transfers	1/5⅜	1/4⅜	1/4⅛	1/4⅝	1/3⅛
Prices:					
Consols 2½% Cash	59	55	53⅛	59⅛	83⅞
French Rentes 3% Money	62 30	58·25	62·50	62·60	96·60
Silver, London spot oz.	48⅞d.	44⅛d.	36⅝d.	27d.	24⅛ d.
Wheat, *Gazette* average qr.	72/6	71/2	75/8	56/7	32/9
Cotton, Mid Upland* lb.	20·15d.	23·44d.	10·83d.	8·12d.	5·18d.
Iron, Scotch pig ton	101/0	101/0	—	86/4½	54/6

* Good Middling American, Official Value.

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	% of Gold to Notes %
Jan. 15, 1919 ...	3,793,611	9,708,629	312,015,510	28,500,000	9·1
Jan. 8, 1919 ...	4,994,091	10,304,054	317,930,528	28,500,000	9·0
Jan. 16, 1918 ...	4,780,604	5,369,283	210,741,394	28,500,000	13·5
Jan. 17, 1917 ...	3,644,824	4,319,689	145,310,396	28,500,000	19·6
Jan. 19, 1916 ...	3,608,031	4,774,853	99,641,471	28,500,000	28·6
Jan. 20, 1915 ...	940,005	2,118,244	36,026,842	21,500,000	59·6

Balance Sheet, Jan 15, 1919.

Notes outstanding—	£	Advances—	£
One Pound	232,947,238	Trustee Savings Banks	555,000
Ten Shilling	46,238,272	Currency Note Redemption A/c—	
Certificates outstanding ...	32,830,000	Gold Coin and Bullion...	28,500,000
		Government Securities...	293,845,044
Total	312,015,510	Balance at Bank of England	4,736,484
Investments Reserve A/c	15,321,018		
Total	327,636,528	Total	327,636,528

PUBLIC INCOME & EXPENDITURE [000's omitted.]

1919. Week to	Revenue	Expenditure	Excess of Expenditure	Loans and Advances—Raised	Loans and Advances—Repaid	Loans and Advances—Net, Inc.	Cash Balance
Jan. 11	£21,565	£28,295	£6,730	£115,745	£108,445	£7,300	£8,613
Jan. 4‖	11,866	24,974	13,008	98,928	85,802	13,126	8,043
288dys.'18-9	542,597	2,103,163	1,560,566	5,623,228	4,075,079	1,548,149	−12,417
287dys.'17-8	437,012	2,109,212	1,672,200	4,101,838	2,438,401	1,663,437	− 8,763
1,624 dys. to Jan. 11,'19	2,331,784	9,055,013	6,723,229	—	—	6,726,782	+3,553
*Yr.'18-19**	*842,050*	*2,976,402*	*2,134,352*	—	—	*2,134,352*	—
Yr.'17-18	707,234	2,696,221	1,988,987	5,499,604	3,516,023	1,983,581	21,030

‡ Principal Items of Revenue and Expenditure.

1919. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Supply Services.
Jan. 11	£2,619	£10,320	£8,314	£2,312	£2,021	£133	£26,141
Jan. 4‖	1,613	6,327	2,561	1,365	2,254	20	22,600
286dys.'18-9	120,973	100,032	213,193	108,399	232,727	7,767	1,883,649
287dys.'17-8	84,460	88,034	157,295	107,223	163,990	8,082	1,937,160
*Yr.'18-19**	*147,700*	*290,450*	*300,000*	*103,900*	*315,000*	*11,414*	*2,849,988*
Yr.'17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,969

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	War Expenditure Certificates	Total
Jan. 11, 1919 ...	£1,108,532	£417,180	All retired	£1,525,712
Jan. 4, 1919 ...	1,097,904	447,180		1,545,084
Dec. 31, 1918 (Highest)	1,094,740	455,180		1,549,920
Mar. 31, 1918 ...	973,678	192,271	22,929	1,188,878
Jan. 12, 1918 ...	1,090,228	246,281	23,561	1,360,070

TOTAL DEBT...Jan 11, '19, about £7,422,248,000; Aug. 1, '14, about £852,270,000
COST OF WAR TO GT. BRITAIN to Jan 11, 1919, about £8,146,000,000

GT. BRITAIN'S WAR LOANS TO AND FROM ALLIES, DOMINIONS, ETC.

[00,000's omitted.]		1914-15	1915-16	1916-17	1917-18	18-19‡	Total†
Allies	Included in	£18·0	£262·0	£491·0	£437·0	£111·5	£1,319·5
Dominions	Supply Expenditure	34·0	54·0	54·0	52·0	26·5	220·5
Add Accrued int., discount, &c		—	8·0	44·0	67·0	24·5	143·5
Total Loans by Gt. Britain		52·0	324·0	589·0	556·0	162·5	1,683·5
"OTHER" DEBT: Sum Raised		—	69·8	313·3	980·4	356·3‡	1,349·9‡

*Budget and Supplementary estimates. † To Oct. 19, 1918. ‡ To Jan. 11, 1919.
‖ Four days.

FOREIGN BANKS. [In £'s sterling—000's omitted.]

AUSTRIA-HUNGARY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Advances.	Note Circltn.	Above — or beneath + legal max.	Bills Discounted, &c.
July 23, '14	£51,579	£12,141	£63,719	£7,772	£88,740	+ £2,479	£31,883
Dec. 7, '17	11,000	2,300	13,300	892,990	739,300	—	117,800

DENMARK.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts.	Balance Abroad.	Circulation.	Deposits.
July 31, 1914	£4,100	£341	£4,441	£8,197	£788	£8,893	447
Nov. 30, 1918	10,424	144	10,563	3,826	4,333	24,456	738
Dec. 31, 1918	10,812	135	10,947	4,473	4,976	25,002	809
Dec. 31, 1917	9,622	137	9,759	3,081	2,495	18,770	2,417
Dec. 30, 1916	8,882	93	8,975	5,120	2,331	15,826	1,585

FRANCE.	Gold. In Bank	Gold. Abroad.	Total Cash incl'g Silver	Bills.	Circulation.	Deposits. Public	Deposits. Private
July 30, 1914	—£185,854—		£190,887	£97,788	£287,327	£15,302	£37,863
Jan. 9, 1919	139,203	81,494	232,338	60,924	1,262,674	1,825	97,042
Jan. 16, 1919	133,361	81,484	232,523	53,374	1,237,996	865	101,325
Jan. 17, 1918	132,881	81,494	224,200	35,531	922,500	1,923	114,283
Jan. 18, 1917	130,645	71,985	216,029	27,442	637,163	3,391	90,582

GERMANY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Treasury & Other Notes	Loans & Discounts	Circulation.	Deposits.
July 23, '14	£67,843	£16,727	£84,570	£5,279	£40,055	£94,54[illegible]	£47,198
Dec. 23, '18	113,131	1,007	114,138	244,990	1,223,419	1,056,213	574,1[illegible]
Dec. 31, '18	113,100	999	114,099	263,500	1,371,100	1,109,400	634,000
Dec. 31, '17	120,280	9,117	129,397	65,273	730,061	573,397	402,514
Dec. 30, '16	126,024	815	126,839	21,174	430,973	402,733	228,210

HOLLAND.	Cash. Gold.	Cash. Silver	Cash. Total.	Discounts.	Advances	Circulation.	Deposits.
Aug. 1, 1914	£13,498	£249	£13,745	£13,422	£10,330	£35,880	£1,437
Dec. 28, 1918	57,453	712	58,165	21,052	11,826	89,249	7,373
Jan. 4, 1919	57,620	715	58,335	21,804	12,492	91,905	7,476
Jan. 5, 1918	58,098	579	58,677	6,727	8,803	74,825	3,603
Jan. 6, 1917	49,216	558	49,774	6,618	6,634	62,617	5,492

ITALY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Other Cash.	Loans & Disc'nts.	Circulation.	Deposits
July 31, '14	—	—	—£48,456—		£25,017	£89,204	£8,887
Oct. 31, '18	£32,697	£3,078	35,775	5,283	82,396	353,445	56,877
Nov. 10, '18	32,709	3,078	35,784	4,237	60,745	361,212	65,742
Nov. 10, '17	33,355	3,134	33,499	8,915	57,239	249,430	53,339
Nov. 10, '16	36,294	2,906	39,200	5,104	27,987	149,363	32,280

JAPAN.	Gold.	Discounts.	Advances	Notes.	Deposits. Public.	Deposits. Private.
Aug. 1, '14	£21,887	£1,829	£7,883	£32,722	£13,819	£1,591
Nov. 23, '18	68,057	1,976	41,792	84,137	99,141	4,349
Nov. 30, '18	72,051	4,315	45,639	93,793	93,199	4,703
Dec. 1, '17	62,256	2,441	22,284	68,702	53,614	2,815
Dec. 2, '16	33,461	1,959	14,592	43,977	38,343	2,511

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve.	Loans, Discounts. Invest.,&c	Net Deposits. Demand.	Net Deposits. Time.	Net Deposits. Total.	Excess Reserve
Aug. 1, '14	—	£89,899	£411,239	—	—	£387,165	£1,790
Jan. 4, '19	£22,294†	115,948	910,014	£790,769	£28,552	853,578	11,404
Jan. 11, '19	22,664†	115,578	950,349	785,916	28,583	854,428	11,604
Jan. 12, '18	22,334†	112,970	819,169	737,933	39,587	811,816	13,852
Jan. 13, '17	102,906*	150,780	672,926	694,693	32,309	717,002	32,524

* Counted as reserve. † Not reserve.

NORWAY.	Gold.	Balance Abroad.	F'r'gn Gov. Securities.	Discounts & Loans.	Circulation.	Deposits
July 31, 1914	£2,980	£1,878	£493	£4,988	£6,752	£763
Dec. 31, 1918	6,721	3,878	750	23,613	24,039	6,734
Jan. 7, 1919	6,720	3,893	750	22,241	23,631	5,692
Jan. 7, 1918	6,413	4,763	717	21,503	17,394	11,938
Jan. 8, 1917	6,051	4,575	737	8,378	13,272	4,230

RUSSIA.	Gold. In Bank.	Gold. Abroad.	Total Cash incl'g Silver	Loans & Disc'nts.	Circulation	Notes in Reserve	Total Deposits
July 31, '14	£160,114	£14,395	£181,892	£76,081	£183,411	£8,589	£109,811
Oct. 31, '17	129,684	230,892	377,099	1,781,647	1,785,890	10,310	344,807
Oct. 29, '17	129,523	230,885	378,205	1,869,559	1,836,217	15,793	345,560
Oct. 29, '16	155,877	205,496	372,072	614,897	784,488	10,512	223,731
Oct. 29, '15	189,825	3,560	185,844	443,307	501,083	8,417	143,413

SPAIN.	Cash. Gold	Cash. Silver.	Cash. Total.	Loans &c.	Spanish 4%	Circulation.	Deposits &c.
Aug. 1, '14	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,856
Dec. 28, '18	89,134	25,636	114,820	63,960	13,777	132,949	46,148
Jan. 4, '19	89,133	25,629	114,762	63,073	13,777	134,184	46,542
Jan. 5, '18	78,880	28,294	108,974	47,940	13,777	112,543	38,385
Jan. 5, '17	50,468	29,575	80,043	42,564	13,777	95,217	30,067

SWEDEN.	Gold.	Balance Abroad.	Swed. & For. Govt. Secs.	Discounts & Loans.	Circulation.	Deposits
Aug. 1, '14	£5,717	£6,160	£1,555	£7,495	£13,432	£3,903
Dec. 28, '18	15,832	6,974	3,035	21,970	43,933	7,036
Jan. 4, '19	15,863	6,424	3,034	23,487	43,516	5,870
Jan. 5, '18	13,718	7,259	2,881	14,753	30,182	8,742
Jan. 5, '17	10,193	8,495	3,470	8,141	21,789	7,331

SWITZERLAND.	Cash. Gold	Cash. Silver.	Cash. Total.	Discounts & Advances.	Circulation.	Deposits.
July 23 1914	£7,202	£758	£7,960	£4,917	£10,718	£2,026
Dec. 31, 1918	16,593	2,333	18,925	25,357	39,023	7,348
Jan. 7, 1919	16,582	2,333	18,928	23,873	38,434	7,993
Jan. 7, 1918	14,331	2,102	16,433	15,289	28,339	5,780
Jan. 6, 1917	13,798	2,117	15,913	9,492	20,259	5,680

U. STATES FED. RES BANKS	Gold Held by Banks.	Gold With Agents.	Total Cash	Bills Discount'd	Acceptances	Deposits. Govt.	Deposits. Total. Net.	Circulation.
Jan. 3, '19	£149,709	289,830	130,730	385,972	53,054	18,294	311,758	529,723
Jan. 10, '18	154,222	264,592	432,380	351,816	55,660	7,458	315,193	518,133
Jan. 11, '18	179,233	160,273	349,571	115,148	52,538	12,104	290,502	248,856
Jan. 12, '17	99,874	55,259	159,486	4,871	23,198	5,552	137,521	53,831

II.—FOREIGN BANK RATES OF DISCOUNT.

	Current Rates %	Current Rates Date Fixed		Current Rates %	Current Rates Date Fixed
Paris	5	Aug. 20, '14	Copenhagen ...	7	Jan. 2, '19
Berlin	5	Dec. 23, '14	Christiania ...	6	Dec. 13, '17
Amsterdam ...	4½	July 1, '15	Berne	5½	Oct. 3, '18
Brussels	5	Aug. 27, '14	Rome	5½	Nov. 7, '17
Vienna	5	Apr. 12, 15	Madrid	4½	Oct 9R, '14
Petrograd ...	8	July 29, '14	Stockholm ...	7	Mar. 21, '18

III.—FOREIGN EXCHANGES.

LONDON ON—		Jan 17, '19	Jan. 10, '19	Jan. 3, '19	Dec. 27, '18
Brussels	Cheques	27fr. 10c.	27fr. 15c.	27fr. 50c.	—
Denmark	Cable	17kr. 83½	17kr. 83½	17kr. 70½	17kr. 65½
Holland	Cable	11d. 25	11d. 22	11d. 15	11d. 12½
Italy	Cable	30lr. 30½c	30lr. 31½c.	30lr. 31½c.	30lr. 31½c.
Lisbon & Oporto	do.	34½d.	34½d.	34½d.	34½d.
New York	do.	$4 76½	$4 76½	$4 76½	$4 76½
—	Cheques	$4 77½	$4 77½	$4 77½	$4 77½
Norway	Cable	16kr. 97½	17kr. 00	16kr. 87½	16kr. 84½
Paris	3 mos.	26fr. 42½c.	26fr. 42½c.	26fr. 42½c.	26fr. 42½c.
—	Cable	25fr. 93c.	25fr. 97c.	25fr. 97½c.	25fr. 97c.
Spain (Bank places)	3 mos.	43½d.	43d.	47½d.	47½d.
—	Cable	23p. 65	23p. 65	23p. 70½	23p. 72½
Sweden	do.	16kr. 44½	16kr. 33½	16kr. 23½	16kr. 25½
Switzerland	3 mos.	23f. 42½c.	23f. 45½c.	23f. 40½c.	23f. 12½c.
—	Cable	22f. 94½c.	23f. 00½c.	22f. 95½c.	22f. 70½c.
ON LONDON—		Jan 17, '19	Jan. 10, '19	Jan. 3, 19	Par
Alexandria	Sight	97½pl.	97½pl.	97½	97½pl.
Amsterdam	Cheques	11d. 25½c.	11d. 22½c.	11d. 15c.	12·107 fl.
Bombay	Transfers	1s. 5[illegible]	1s. 5[illegible]	1s. 5[illegible]	1s. 6d.
Brussels	Cheques	27f. 17½c.	27f. 25c.	27f. 63c.	25f. 22½c.
Buenos Ayres	Transfers	51¼d.	—	51¼d.	47.58d.
Calcutta	Transfers	1s. 5[illegible]d.	1s. 5[illegible]d.	1s. 5½d.	1s. 6d.
Christiania	Sight	16kr. 97½	16 kr. 93½	16kr. 81	18.159kr.
Copenhagen	Sight	17kr. 84	17kr. 82	17kr. 68½	18.159kr.
Hong Kong	Transfers	3s. 3[illegible]d	3s. 3[illegible]d.	3s. 4[illegible]	—
Italy	Sight	30lr. 31½c.	30lr. 31½c.	30lr. 31½	25lr. 22½c.
Lisbon	Sight	34½d.	34½d.	34½	53½d.
Madras	Sight	1s. 6[illegible]d.	1s. 6[illegible]d.	1s. 6[illegible]d.	1s. 6d.
Madrid	Sight	23p. 64½	23p. 65	23p. 70	25p. 22½
Montevideo	Transfers	—	59[illegible].	—	51d.
Montreal	Cable	$4 86[illegible]	$4 85½	$4 84[illegible]	$4 86[illegible]
New York	Sight	$4 75[illegible]	$4 75[illegible]	$4 75½	—
—	60 days	$4 73	$4 73	$4 73	—
—	Cable	$4 76[illegible]	$4 76[illegible]	$4 76[illegible]	$4 86[illegible]
Paris	Cheques	25f. 93c.	25f. 97c.	26f. 97½c.	25f.22½
Peru	Sight	—	71[illegible]% lis.	71[illegible]% Dis	—
Rio de Janeiro	90 days	12[illegible].	13[illegible]d.	13[illegible]d.	18d.
Shanghai	Transfers	5[illegible] 1[illegible].	5[illegible] 1[illegible]	5[illegible] 1d	—
Singapore	Sight	2s. 4[illegible]d.	2s. 4[illegible]d.	2s. 4[illegible]d.	2s. 4d.
Stockholm	Sight	16kr. 44	16kr. 33½	16kr. 29½	19·159 kr.
Switzerland	Sight	22f. 94½c	23f. 01[illegible]c.	22f. 93c	25f. 22½c.
Valparaiso	90 days	—	—	10[illegible]d	18d.
Yokohama	Sight	2s. 1[illegible]d.	2s. 1[illegible]d.	2s. 2[illegible]	2s. 0.58d.

NEW YORK ON—		Rate Current* Jan. 15, '19	Rate Current* Jan. 8, '19	Par as usually Quoted	Rate July 3, '14
London, sight	...	$4.7680	$4.7585	4·8665 dollars for £1	$4 87
,, cables	...	$4.7655	$4.7655		$4 88½
,, 60 days	...	$4.72[illegible]	$4.7[illegible]		$4 85
Amsterdam, sight	...	42 2c.	42·25c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques	...	35·75c.	35·75c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques	...	44·70c.	44·70c.		
Christiania, cheques	...	27·91c.	27·93c.	26·80c. for 1 kroner	26·85c.
Copenhagen, cheques	...	26·75c.	26·75c.	26·80c. for 1 kroner	
Greece, cheques	...	19·40c.	19·35c.	19·295c. for 1 drachma	
Hongkong, cheques	...	79·50c.	79·75c.	74·59c. for Mex. $1	46·40c.
Italy, sight	...	6·36[illegible]	6·37[illegible]	5·18½ lire for $1	5·17[illegible]
Lima, cheques	...	5·05c.	5·05c.	4·9635 $ for 1 Libra	
Manila, cheques	...	49½c.	49[illegible]c.	50c. for 1 peso	49·90c.
Montreal	...	2% disc.	2 3/32 disc.	Premium per $100	Par
Paris, sight	...	5·49fr.	5·45[illegible]fr.	5·19¼ francs for $1	5·18fr.
Petrograd, sight	...	13nom.	13 nom.	51·43c. for 1 rouble	51·37c.
Rio de Janeiro, cheques		25·25c.	25·00c.	32·42c. for 1 milreis	
Shanghai, cheques	...	126½c.	124½c.	52·93c. for 1 tael	63·00c.
Singapore, cheques	...	56·25c.	56·25c.	55·77c. for $1	57·12c.
Spain, cheques	...	20·12c.	20·05c.	19·30c. for 1 peseta	
Stockholm, cheques	...	28·95c.	28·90c.	26·80c. for 1 kroner	
Switzerland, cheques	...	4·81fr.	4·87½fr.	5·19¼ francs for $1	5·16½fr.
Valparaiso, cheques	...	23·20c.	24·35c.	20·81c. for 1 peso	
Yokohama, cheques	...	52·25c.	52·50c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1913 Amt.	Inc. or Dec.*
	1919.	[In £'s sterling 000's omitted.]			
BIRMINGHAM	Jan. 11	£2,247 —	£741	£5,322 —	£945 — 15·9
BRISTOL	,, 11	1,099 +	101	2,239 +	405 + 21·4
DUBLIN	,, 11	7,253 +	1,299	13,651 +	2,731 + 25·0
LEEDS	,, 11	925 +	192	2,417 +	288 + 13·3
LEICESTER	,, 11	824 +	93	1,632 +	153 + 10·0
LIVERPOOL	,, 11	10,775 +	1,713	17,959 +	1,953 + 12·2
MANCHESTER	,, 11	14,599 +	1,072	23,455 +	697 + 2·5
NEWCASTLE	,, 11	1,857 +	27	3,833 —	1,448 — 28·4
NOTTINGHAM	,, 11	770 +	87	1,422 +	36 + 2·6
SHEFFIELD	,, 11	1,029 +	148	2,753 +	81 + 3·0
LONDON—	1919.				
TOWN	Jan. 15	386,447 +	43,848	820,019 +	139,790 + 20·5
METROPOLITAN	,, 15	33,925 +	6,909	75,948 +	14,847 + 24·3
COUNTRY	,, 15	53,310 +	7,289	129,532 +	15,160 + 13·2
TOTAL	,, 15	459,632 +	59,048	1,025,493 +	169,797 + 19·8

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould and Co. the following are the quotations for representative steam freights:—

HOMEWARDS.	1919	1913
Alexandria to Lond.or Hull	nom.	£/8
Australia to U.K. or Cont.	100/0	42/6
Azoff to L.H.A.R.(new seas)	—	—
Bombay t p.p. ... d.w.	75/0	22/0
Burmah o.c.	75/0	33/0
Calcutta to p.p. (jute) d.w.	200/0	30/0
Danube to A.R.	—	—
Odessa to L.H.A.R. ...	—	11/9
R. Plate to U.K. Cont.	nom. 62/3	23/0

Homewards—Continued.	1919	1913
U.S. Atl. Ports to Lvrpl. (cotton, 100lb.)	$4 50	—
U.S. to U.K. Cont. (grain)	17/8	3/3
Gulf Ports to U.K. Cont. (cotton & grain)	...nom 85/0	—

OUTWARDS.—Cardiff to	Bom-bay	Col-ombo	Port Said	River Plate	St. Vincent
Year					
1919	—	—	47/8	70/0	50/0
1913	—	13/8	11/0	17/0	10/0

VI.—WHOLESALE PRICES OF COMMODITIES.

	1918-19 JAN. 17	1917-18 JAN. 18.	1914 JUNE 30.
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	101/0	101/0	57/0
— Middlesbro' warrants ...ton	95/0	95/0	51/0
— Hematite warrants ...ton	122/6	122/6	61/0
— Staffordshire bars, London ton	£17	£15 10	£8 10
— Common bars ...ton	£14 15	£13 15	£8 10
Steel Rails ...ton	£10 17/6	£10 17/6	£8 2/6
Galvanised Sheets...ton	£29	£28	£16 17/6
Copper—Standard...ton	£92—£93	£110—£110 10	£61
Tin—English ingots ...ton	£247—£243	£297—£298	£142 10
— Straits ...ton	£250 10	£293 10-297 10	£139 15
Tinplates, I.C. Coke, S. Wales...box	32/6	31/6	11/10½—12/0
Lead—Soft Foreign ...ton	£35—£30	£28 10—£29 10	£19
Spelter—Ord. Foreign ...ton	£56—£45	£50—£54	£21 7/9
Quicksilver—(75lb.) ...bottle	£20	£20	£7
Aluminium ...ton	nom.	nom.	£82
Antimony—Regulus ...ton	nom	nom	£27 10
Coal—(best) Yorkshire...ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle...ton	40/0—45/0	30/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	nom	11/9	7/4
Soda—Crystals ex ship ...ton	87/6	72/6	42/6—45/0
Copra—Malay and Straits ...ton	£39 10	£45 10	£23 15-£24 7/6
Gambier—Cool marks ...cwt	45/0	63/6	16/10½
Indigo—Bengal good to fine...lb.	9/0—10/6	8/6—12/0	3/2—3/8
Linseed Oil—Raw ...ton	£75	£62	£25 5
Linseed—Calcutta, spot ...ton	£37 10	£29 15	£13 16/9
— **Cakes**, U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish ...ton	nom	—	£49 10
Palm Oil—Lagos ...ton	£45	£44	£31 10
Petroleum—American...gal on	1/4½	1/7½	-/7½
Rape Oil—Refined English ...ton	£71	£71	£32
Soya Oil—Refined...ton	£75	£75	£24 10
Tallow—Imported ...cwt.	68/0	72/0	29/3—33/3
Turpentine—French ...cwt.	105/0	127/3	33/7½
Rape Seed—Toria...ton	£29 15	£29 15	£13 5
Rubber—Para, spot ...lb.	2/7	2/8	2/9½
— Fine plantation (stnd. crepe) lb.	2 0½	2/4½	2/2
— World's Production* Nov. tons	18,701	20,783	8,467
Shellac—T.N. Orange, fair...cwt.	280 0	370/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb	-/20·15	-/24·01	-/7·53
— Egyptian, good fair ...lb	-/27 05	-/30·55	-/8·75
— Pernambuco fair ...lb	-/22 12	-/25·85	-/7·73
— Mid. Upl. New York... ...lb	29·85	31·80	13·25
— Stock, Liverpool, Jan. 10...bales	452,990	470,630	—
Flax—Petrograd, Yarapol ...ton	nom.	£120nom	£28
Hemp—New Zealand ...ton	£96	£98	£25 10
— Manila, Fair strips ...ton	£100	£85	£26 10
Jute—First Marks ...ton	—	—	£26 15
— Rejected ...ton	—	—	£24 15
Silk—Blue Elephant ...lb	22/0	25/0	11/3—11/8
Wool—Pt. Philip unwashed av. lb	nom.	nom	-/11½—1/0
— Lincoln Half Hogs ...lb.	1/7½nom.	1/6 nom	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	-/9½—/10½	-/10	-/7½
Leather—Dressing Hides ...lb	2/5...3/1	nom	1/4—1/8
VEG. FOOD. CORN, &c.			
Wheat—Visible supply U.S. ...bus.	187,192,000	72,134,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	238c.	226c.	87½c.
— English *Gazette*, aver. 480lb qr.	72/6	71/2	34/3
Flour—G.R. ...280lb.	44/3	44/0	28/6
Barley—Eng. *Gaz.*, aver. 400 b. qr.	82/5	58/2	25/4
Oats—Eng. *Gaz.*, aver. 312 b. ...qr.	49/8	46 9	20/0
Maize—N. Y. (new bushel) ...56lb.	155½	nom	78½c.
— Amer. mixed, Liverpool...480 lb	76/0	77/0	32/4
— La Plata ...480lb. qr.	70/0	76/0	25/9
Potatoes—Good English ...ton	190/0	120/0—150/0	70/0—75/0
Rice—Bassein ...cwt.	28/3	28/3	7/0—7/3
Tapioca—Pearl, medium...cwt.	40/0	69/0	14/0—17/8
Hay—Best ...2,018lb....load	160/0	125/0—150/0	82/6
Hops—English...cwt	—	£5 10—£10	£8 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hinds...8lb.	9/0—9/6	7/0	3/8—3/10
— Scotch sides...8lb.	9/6	8/4	4/6—5/0
— English...8lb.	9/6	8/4	4/2—4/5
Mutton—Scotch wethers...8lb.	10/0	9/2	5/8—6/0
— English wethers...8lb.	10/0	9/2	4/6—5/4
— New Zealand frozen ...8lb.	10/0	7/3	2/4—3/2
Pork—English and Irish...8 lb.	10/8	9/6	3/6—4/0
Bacon—Irish, ex Factory ...cwt.	188/0	172/0	60/0—74/0
— Danish, ex Port ...cwt.	—	172/0	58/0—68/0
— American, delivered ...cwt.	176/6	172/0	72/3—74/0
Hams—Amer. long cut, delvrd. cwt.	170/0	165/0	75/0—79/0
— — short cut, delivered ...cwt.	170/0	162/0	71/0—74/0
Lard—Amer. boxes, delivered cwt.	158/0	136/3	51/9—52/9
Butter—Danish ...cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
— French ...cwt.			96/0—108/0
— Australian ...cwt.			98/0—110/0
— New Zealand ...cwt.			108/0—114/0
Cheese—Canadian ...cwt	Controlled 163/4	nom.	66/0—68/0
— United States...cwt.		nom	—
— Dutch ...cwt		154/0—156/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Price, Java, 96° Pol ...cwt.	30/0	34/0	10/3
— — Yellow crystals ...cwt.	57/9	46/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	64/9	53/9	18/0
Coffee—In Bond Dec. 31 ...cwt.	612,000	1,142,000	484,000
— Price, Costa Rica good to fine cwt	140/0—150/0	106/0—117/8	80/0—93/0
— — Brazil (Santos)...cwt	65/9	62/0	41/6
Tea—In Bond Dec. 31 ...lbs.	144,674,000	37,400,000	78,292,000
— Price, Indian Pek. Soug. good lb	1/4	—	-/8½
— — Ceylon, Pek. Soug. Ord. lb	1/4	—	-/8½
— — Common Congou ...lb.	1/4	—	-/5½
Cocoa—In Bond Dec. 31 ...cwt	484,000	830,000	309,000
— Grenada, good to fine ...cwt.	85/0	92/0—96/0	52/8—58 0

* Estimated. † G.M. American official value.

VII.—CANADIAN, &c., RAILWAY REVENUE STATEMENTS.

	Period	Gross Receipts	+ or − on 1917	Net Receipts	+ or − on 1917
Canadian Northern	Nov.	$4,679,500	+ 829,300	$660,700	− $94,000
	5 *mos. to* Nov.	*21,573,100*	*+2,994,500*	*2,198,400*	*− 1,071,400*
Canadian Pacific	Nov.	15,230,000	+ 39,000	3 399,000	− 1,859,000
	11 *mos. to* Nov.	*141,994,000*	*+2,676,000*	*31,692,000*	*−10,943,000*
Cuba Railroad	Oct.	753,182	+ 165,292	97,569	+ 8,104
	4 *mos. to* Oct.	*3,721,860*	*+ 860,256*	*929,226*	*+ 257,951*
Grand Trunk Rlwy.	Nov.	£1,267,650	+ £433,300	£185,150	+ £65,400
	11 *mos. to* Nov.	*11,690,650*	*+2,149,050*	*1,402,800*	*+ 589,350*
Int. Rys. of C. Amer.	Oct.	£33,161	− £2,386	£8,222	− £4,059
	10 *mos. to* Oct.	*461,916*	*− $1,968*	*203,708*	*− 24,417*
United RR. of Yucatan	Sept. Mex.	$779,995	+ 138,533	147,322	+ 13,868
	9 *mos. to* Sept.	*6,648,649*	*+1,651,254*	*1,401,413*	*+ 277,353*

VIII.—RAILWAY AND TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week ended	Miles.	+ or − in Yr.	Gross Receipts.	+ or − on Year Ago.	No. Wks.	Aggregate Receipts.	+ or − on Year ago.
Assam Bengal	Nov. 30	993·10	+12·85	R1,53,069	− 47	9	14,19,991	+ 1,41,001
Barsi (2 wks.)	Dec. 7	118	—	34,300	− 4,800	36	5,60,700	− 16,300
Bengal & N.W.	Nov. 30	2,052	+ 4	4,82,880	+ 43,538	9	38,97,790	+ 8,57,837
Beng. Doors	Nov. 23	168	+ 5	47,127	+ 9,500	8	3,42,645	+ 47,019
Beng. Nagpur	Nov. 30	2,695	—	10,78,000	− 28,000	35	3,94,20,316	+35,52,813
Bomb. Baroda	Jan. 4	2,872	—	17,78,000	+ 89,000	14	2,17,54,000	+13,13,000
Burma	Nov. 23	1,342	—	4,99,272	+ 77,844	34	1,69,22,581	+28,02,183
Dst. Um. Kalk.	Jan. 4	239	—	84 700	+ 18,722	14	11,97,500	− 1,46,267
East Indian ..	Jan. 4	2,767	− 40	28,18,000	+ 2,90,000	14	3,71,16,000	+39,71,000
Gt Indian Pen.	Jan. 4	3,112½	—	25,62,600	+ 4,81,500	14	3,04,34,460	+10,07,406
Madras & S.M.	Dec. 6	3,152	− 1	10,60,000	− 88,575	10	94,25,000	− 1,22,847
Nizam's Guar.	Oct. 28	900	—	1,87,503	+ 13,453	4	7,41,390	+ 30,782
Rob. & Kamp.	Nov. 16	648	—	94,586	+ 24,226	7	6,70,529	+ 63,051
South Indian	Dec. 7	1,829·63	+37·91	5,82,798	− 94,926	36	2,44,79,802	− 6,854
South Punjab	M. of Aug.	716	—	10,03,682	+ 3,80,292	5m	52,40,040	+15,03,176
COLONIAL.								
Can. Northern	Jan. 7	9,487	+ 51	$779,400	+ 213,600	27	27,400,800	+ 4,978,200
Can. Pacific ...	Jan. 7	13,388	+ 395	2,856,000	+ 513,000	1	—	—
Gt. Trunk Pac.	Jan. 7	918	—	£19,311	− 3,503	1	—	—
Grand Trunk	Jan. 7	3,816	—	206,226	+ 48,948	1	—	—
Mashonaland...	M. of Aug.	810	—	71,511	+ 16,098	11m	617,879	− 8,013
Mid W. Aust.	M. of Nov.	277	—	9,488	+ 1,282	5m	42,154	+ 8,592
New Cape Cent.	Nov. 16	205	—	1,832	− 239	46	102,521	+ 17,147
Rhodesia Rlys.	M. of Aug.	1,397	—	112,083	+ 16,475	11m	994,982	+ 28,050
W. Pass. & Yuk.	M. of Sept.	122	—	$293,088	− 25,328	9m	1,124,400	− 588,913
FOREIGN.								
Argentine.								
Arg. N. East	Jan. 4	752	—	$ 8,300	− 1,100	27	255,475	+ 42,478
Arg. Transand	Jan. 11	111	—	$ 3,970	+ 420	28	95,080	+ 14,780
B. A. & Pacific	Jan. 11	3,538	—	$ 102,000	+ 8,000	28	3,181,000	+1,112,000
B. A. Gt. S'uthn.	Jan. 5	3,792	—	$ 143,000	+ 8,000	27	3,621,000	+1,074,000
Do.	Do.	Net	—	$ 37,000	− 3,000	27	653,000	+ 138,000
B. A. Western...	Jan. 5	1,882	+ 12	$ 69,000	+ 15,000	27	1,867,000	+ 773,000
Do.	Do	Net	—	$ 14,000	− 1,000	27	462,000	+ 208,000
B. A. Central ..	M. of Nov.	190	—	$ 40,159	+ 12,834	5m	206 629	+ 91,422
Cent. Argentine	Jan. 4	3,305	—	$ 133,700	+ 4,700	27	3,526,600	+1,145,300
Do.	Do.	Net	—	$ 9,800	− 33,800	27	581,900	+ 47,996
Cord. Central ...	Jan. 4	1,205	—	$ 36,100	− 340	27	1,232,780	+ 430,590
Entre Rios	Jan. 4	831	—	£ 19,300	+ 3,400	27	540,900	+ 188,800
Brazilian.								
Brazil Gt. South.	M. of Sept.	110	—	M 41,264	+ 1,076	9m	450,733	+ 82,456
Brazil Railway	M. of Oct.	3,530	+ 12	M 5,395,000	+ 1,206,447	10m	49,693,000	+ 9,264,623
Gt. W. Brazil ..	Jan. 4	1,010	—	$ 18,100	− 500	1	—	—
Leopoldina	Jan. 4	1,831	—	$ 28,265	− 4,827	1	—	—
Mogyana	M. of Oct.	1,180	—	M 1,700,000	− 655,738	10m	19,324,000	− 602,823
Paulista	M. of Oct.	755	—	M 3,139,000	− 339 980	10m	27,644,000	+ 944,411
San Paulo	Jan. 12	153½	—	£ 27,562	− 9,553	2	52,571	− 21,304
Sorocabana	M. of Oct.	1,003	+ 12	M 1,811,000	− 296,362	10m	19,076,000	+ 2,088,000
S. of Bahia S.W.	M. of Dec.	52	—	M 94,000	− 8,000	12m	1,061,000	− 62,000
Chilean and Peruvian.								
Antofagasta	Jan. 5	938	—	$ 32,485	− 840	1	—	—
Arauco	M. of Nov.	84½	—	$ 11,500	− 3,500	12m	143,000	+ 15,500
Nitrate (2 wks.)	Dec. 31	390	—	$ 39,854	− 4,542	52	828,049	+ 50,846
Peruvian Corp.	M. of Dec.	1,140	—	S 1,057,993	− 43,100	6m	6,020,715	− 67 555
Taltal	M. of Dec.	181	—	$ 14,558	− 14,550	6m	113,724	− 36,712
Cuban.								
Cuban Central ..	Jan. 11	382	—	$ 23,081	− 477	28	408,289	+ 55,533
Havana Central	Jan. 11	70	—	$ 9,861	+ 464	28	241,386	+ 23,287
U. of Havana ...	Jan. 11	881	—	$ 79,303	+ 5,997	28	1,293,101	+ 141,764
W. of Havana	Jan. 11	155	—	$ 7,916	− 776	28	198,553	− 1,925
Uruguayan.								
Cent. Uruguay	Jan. 4	272	+ 1	$ 21,846	+ 6,053	27	545,953	+ 69,956
,, (E. Ext.)	Jan. 4	311	—	$ 5,875	+ 1,047	27	126,538	− 961
,, (N. Ext.)	Jan. 4	185	—	$ 3,438	+ 756	27	95,875	+ 15,122
,, (W.Ext.)	Jan. 4	211	—	$ 2,873	+ 311	27	69,205	+ 14,297
Mid. Uruguay ..	M. of Dec.	319	—	$ 18,723	+ 3,582	6m	98,402	+ 14,120
N. W. Uruguay	M. of Dec.	113	—	$ 33,500	− 42	3m	179,230	+ 16,096
Urug. Northern	M. of Dec.	73	—	$ 2,128	− 262	6m	11,674	+ 663
Miscellaneous.								
Aleoy & Gandia	Jan. 11	93	—	Ps. 6,500	− 2,500	2	10,500	− 4,500
Bilbao	M. of Dec.	15	—	£ 3,982	+ 450	12m	51,881	+ 6,846
Bolivar	M. of Dec.	138	—	$ 14,000	+ 2,236	6m	46,829	− 20,671
Colomb. Natnl.	M. of Dec.	68	—	$ 13,440	+ 240	12m	147,320	+ 6,810
Colomb. Northn.	M. of Feb.	30	—	$ 8,388	+ 544	8m	50,165	+ 7,453
Costa Rica	M. of Oct.	188	—	$ 21,892	+ 6,518	4m	89,500	+ 34,254
Dorada Ext. ...	M. of Nov.	71	—	$ 7,900	− 100	11m	91,600	− 7,100
Egyptian Delta	Dec. 20	559·521	—	$ 12,932	+ 1,337	36	264,636	+ 68,508
Gt. S. of Spain	Jan. 4	104	—	Ps. 105,222	+ 81,365	1	—	—
La Guaira & Ca.	M. of Dec.	22½	—	$ 6,000	− 500	12m	69,250	− 17,750
Paraguay Cent.	Jan. 4	255	—	$ 4,820	+ 2,160	27	98,940	+ 21,631
Puerto Cabello	M. of Dec.	24	—	$ 3,200	− 1,300	12m	44,500	− 4,444
Salvador	Jan. 11	100	—	$ 2,855	+ 652	28	48,467	+ 9,401
Santa Fe Prov. French Rwys.	M. of Nov.	1,181	—	$ 166,058	+ 32,179	11m	1,870,332	+ 535,428
S'mana & S'tiago	M. of Dec.	80	—	$ 7,035	− 769	12m	106,715	− 13,595
Zafra & Huelva	M. of Nov.	119	—	$ 14,049	+ 3,511	11m	140,967	+ 17,147
TRAMWAYS.		Miles						
Anglo Argentine ...	Jan. 7	400		$ 60,087	+ 7,059	1	—	—
Auckland (4 weeks)	Dec. 20	27		$ 19,585	− 3,079	24	123,858	− 8,873
Bombay Electric	M. of Oct.	39·3		R. 5,87,081	+ 45,888	10m	57,87,507	+ 7,70,199
Brazilian Traction...	M. of Oct.	378½		M. 8,052,000	+ 46,000	10m	85,782,000	+ 9,346,000
Brisbane Electric ...	M. of Dec.	40½		£ 38,135	+ 3,116	12m	440,014	+ 43,675
British Columbia ..	M. of Nov.	334		$ 612,893	+ 87,284	5m	2,727,030	+ 358,915
B. Ayres Lacroze .	M. of Dec.	51		$ 50,460	+ 9,569	6m	259,224	+ 28,746
Calcutta	Jan. 11	35½		R 88,190	+ 14,146	2	175,250	+ 24,618
Cape Electric	M. of Nov.	42·43		$ 21,883	+ 1,554	5m	104,628	+ 5,981
Carth & Herr.	M. of Dec.	9		$ 2,950	− 1,474	12m	46,864	− 2,702
Chatham	Dec. 31	14·98		$ 899	+ 321	52	66,819	+ 681
Havana Electric	M. of Oct.	88		$ 733,443	+ 97,621	10m	6,776,949	+ 1,103,541
Isle of Thanet	Jan. 11	21		$ 304	+ 140	15	4,724	+ 2,244
Kalgoorlie	M. of Aug.	20½		$ 3,340	+ 429	8m	22,123	+ 1,058
Lanarkshire...	Dec. 31	28·43		$ 2,962	+ 953	52	187,352	+ 40,858
Lima Light & Trams.	M. of Oct.	85		$ 45,336	+ 7,724	10m	435,004	+ 75,196
London O.C.	Jan. 15	141·87		$ 69,410	+ 16,800	41	2,748,022	+ 457,868
Madras Electric	Dec. 31	18½		R 43,146	− 3,500	52	942,232	+ 94,912
Manila Electric	M. of July	55		$ 189,800	+ 42,800	7m	1,240,446	+ 244,089
Pernambuco	Jan. 5	59		$ 5,734	+ 267	1	—	—
Provincial	Jan. 4	21½		$ 2,566	+ 180	14	35,228	+ 2,364
Rangoon Electric ...	M. of Nov.	25		$ 8,611	+ 1,263	11m	65,804	+ 10,424
Shanghai Electric	Nov. 13	28·825		$ 28,088	+ 411	45	1,148,020	+ 57,842
Singapore Elect.....	Nov. 30	28½		$ 12,983	+ 810	48	668 704	+ 48,887
U. of Montevideo ...	M. of Dec.	90½		$ 38,441	+ 4,418	2m	70,139	+ 5,954

INSURANCE ECONOMY

Many people pay higher rates than necessary. The Policies of others cover less than advisable. Before renewing old or taking out new Policies write for latest rates. We may be able to effect considerable economies for you.

EAGLE STAR & BRITISH DOMINIONS INSURANCE COMPANY LTD

Head Office: British Dominions House, Royal Exchange Avenue, London, E.C.3.

ASSETS EXCEED £13,000,000.

"Pay what you owe. Employ the Disabled."

The Statist.

LONDON, SATURDAY, JANUARY 18, 1919.

PARTISANSHIP IN THE CONFERENCE.

We called attention last week to the probable effect of the British elections in lowering the influence of Mr. Lloyd George and his colleagues during the Peace negotiations. To-day we would invite our readers to consider the effect of the modifications in the United States Congress resulting from the elections of last November and their possible bearing upon the position occupied by President Wilson. We have no intention to criticise in any way either the policy or the proceedings of the President. He is, for the time being, the head of the Government of an Allied people who are near akin to ourselves. He is responsible to those people for his conduct while in office. And we have not the slightest intention or desire to meddle in a matter which does not concern us. But it is of great moment to the people of this country that the delegates of the two great English-speaking peoples should carry with them the respect and the consideration of the other members of the Conference, and it is desirable that we at home should as early as possible realise whether, as a matter of fact, they do possess as much weight in the opinions of the world at present as they did a month or two ago. Last week we stated our reasons for fearing that the elections have lowered the prestige of our own Premier. This week we proceed to give the grounds upon which we entertain a fear that President Wilson, likewise, will not, now that the actual meetings of the Conference are beginning, dispose of the great prestige that he possessed a little time ago.

The President will have been the Chief Magistrate of the United States for seven years on the 4th of March next—that is to say, in five or six weeks. The President, it is hardly necessary to remind our readers, is elected for four years. But the members of the House of Representatives are elected only for two years, while the members of the Senate retire one-third every two years. Thus, every two years there is, or there may be, at all events, a considerable change in the composition of Congress. Our readers will remember that the President was re-elected at the end of his first term for a second four years, and the Congress which was elected at the same time expires at midday on the 4th of March next, and will be succeeded by a new Congress, the elections for which were held at the beginning of November, and at those elections the Republicans won materially, while the Democrats, who are the supporters of President Wilson, lost considerably. The Democrats still have control of the House of Representatives. But they have lost control of the Senate; and it will be recollected that every treaty entered into by the United States must be approved by the Senate, or else it fails to be an effective treaty, however strongly the President may desire it, and however actively he may have exerted himself to carry it through. From and after the 4th of March next, therefore, the majority of the Senate will be Republican; that is to say, will consist of a party which is not the President's party. It is quite true that no people in the world are more patriotic than the American, and therefore it is in the highest degree unlikely that the Republican majority in the Senate will reject a treaty merely to discredit the President. If they reject it, or if they desire to modify it, they will be actuated by an honest belief that in some respects it needs alteration. They will not allow party feeling to affect a great world measure. Still the fact remains that from the 4th of March forward until a new election takes place there will be a hostile majority in the Senate. It may astonish British readers who have not made themselves familiar with the history of the United States to discover that even the President himself, though he assists in the Peace Conference, is liable to be overruled by the American Senate to the extent that a treaty advocated by him may possibly be rejected. But those who are familiar with the history of the United States hardly need to be reminded that the Thirteen Original English Colonies established in what is now the United States were each of them established as a separate settlement, with its own constitution, its own laws, and its own organisation. Each one was subject to the English King, and was ruled over by a Governor appointed by the English King. But when the War of Independence resulted in a victory for the United States, and, consequently, George the Third signed the treaty which acknowledged the independence of the revolutionary colonies, he in fact recognised each one of the Thirteen Original Colonies as an independent and self-existing commonwealth. The various colonies had been united in the War of Independence only as allies. When peace came each one of them was perfectly free to withdraw from the alliance; and in that way there was a possibility at least that thirteen entirely distinct and independent Republics might be established. The people of those colonies, however, were well aware that they won the war partly because they had been firmly united, and partly because they had been assisted by allies, and more particularly by France. Therefore, after a time it was deemed advisable to enter into a federation which, it is true, bound the several States together as one great Commonwealth, but at the same time each one of the States was recognised to be an independent commonwealth. It will be seen that the provision of the new Constitution of the United States which conferred upon the President the right to negotiate treaties, but added that those treaties did not become valid unless they were approved by the Senate, was a necessary consequence of the conditions which led up to the establishment of the new great Republic. Each one of the States had to be induced by adequate motives to part with any single one of its rights as a State, and the Senate, being the representative of the States, was naturally chosen as the body which was to guard State rights in the matter of treaties with foreign Powers.

The reason of the provision constituting the Senate the ultimate decider as to whether treaties are, or are not, to be binding on the United States being thus shown to be a natural result of the conditions under which the Original Thirteen Colonies entered into federation, we would ask our readers to realise for themselves how seriously the Senate is bound to look into whatever treaties may be concluded, and to express its opinion in regard to them. The United States has hitherto been very unwilling to meddle in European affairs. General Washington, when retiring from office, warned his people against undue meddling in European affairs, and, at the same time, advised the people not to look with approval upon the interference of European States in America. The

General's is still the one great name that stirs every American breast, and his advice carries a weight with it which it would be difficult to exaggerate. As long as the United States was weak it was evidently desirable to have as little as possible to do with Europe. After the great Revolutionary Wars, for example, the Holy Alliance swayed Russia, Austria, and Prussia; and the Holy Alliance was against almost every principle that was venerated by the people of the United States. The fear of being involved in European quarrels and the dislike of European interference in the United States have lasted to this day. But the War from which we have just emerged has drawn the people of the United States, against their will, into a struggle which has made it incumbent upon the American Government to meddle with the settlement of Europe. Anyone who knows America well will understand the general dislike of this state of things, and the honest desire of most Americans to have as little to do as possible with Europe. But for good or for evil the United States is committed to a policy which involves her to some extent in European politics. To make matters worse, President Wilson has come to Europe and in person is taking part in the negotiations. The American people are, as we have said already, as patriotic as any people in the world. And they dislike intensely to say or to do anything which would appear to present their Chief Magistrate in a light in which they would not like him to figure before the peoples of Europe. Even the American Press and American speakers at home are careful how they criticise their President. Yet nobody who reads the American newspapers can doubt that almost over the whole great Republic there is regret and something stronger that the President has come to Europe and committed himself in person to negotiations, the character and consequences of which no man can foresee, not even the President himself. Those of us who are fortunate enough to have influential and intelligent friends in the United States are exceptionally well placed to know that the dislike is greater than the ordinary Englishman supposes. We of this Journal have had from friends whose high character and patriotism are beyond all possibility of doubt, letters which impress us with the depth of the dislike entertained by a large party of men of the highest standing throughout the United States at the position which their President is in at present. We are most unwilling to say, even at second-hand, anything that might appear to be disrespectful to President Wilson. But we are bound to say that our private letters do impress us strongly that the President has made a very great mistake, and that he has heightened his difficulties enormously.

We have entered at some length into the history of the events which have brought about the present state of things, so as to make it clear to our readers, firstly, that the situation is a natural and inevitable one; and, secondly, that the President's coming in person to take part in the negotiations has heightened his difficulties enormously, and has created a feeling in the United States which only the unquestioned strength of American patriotism can keep in restraint. Whatever treaties may be concluded, as already said, must be passed in review by the Senate and either approved or rejected. It is almost inconceivable that the Senate will bother itself much with treaties which do not seriously engage the United States, and deal almost entirely with European affairs. But where a treaty is concluded, or we should rather say a proposed treaty is provisionally accepted, which binds the United States to do this, that, or the other thing, in Europe, under circumstances which may involve the employment of armies and navies, the temptation will be exceedingly strong to reject that treaty. Why should Americans, it will be asked, bind themselves to fight in Europe under conditions that cannot now be foreseen, and for purposes it is impossible to guess? Under any circumstances the negotiations would be extremely difficult. And the position of the United States members would not be pleasant bearing in mind the prejudice since the days of Washington of all unnecessary interference in European affairs. But when it is added that the President himself, contrary to what has been hitherto supposed to be his duty, descends from his high station and acts as his own negotiator, unquestionably the difficulties are magnified immensely. We pointed out last week that Mr. Lloyd George, without necessity of any kind, has hampered himself by his unnecessary alliance with a party which is not his, and which does not sympathise with his professed policy. Now we find that the President of the United States has added to his very great difficulties by voluntarily descending from the great station of First Minister of the most powerful State now existing in the world to become a mere negotiator in Paris. We trust sincerely that matters may turn out better than they look at present. But the President will have to show himself a wonderfully clever negotiator if he can overcome the prejudices that have been aroused and can win the willing approval of his political opponents. It is true, of course, that Americans will hesitate many times before they do anything that would lower either the prestige or the power of the Government of the United States. Therefore, we hope that matters may not prove to be as difficult as they seem. Unquestionably, however, the President has unnecessarily added to his difficulties. Furthermore, it is to be borne in mind that he has a considerable portion of his Presidency still to live through; that he has a hostile majority in the Senate; and that multitudes of people who were applauding the self-control with which he refrained so long from war with Germany, but which enabled him to act with the greater vigour when hostilities were deemed imperative, have now, if not changed their opinion, at all events, lost very much of the friendly feeling they previously entertained towards him.

THE NEW EUROPE.

Elsewhere we deal this week with what used to be called the Central European Empires. We need not, therefore, take up further space with the subject, although it may be very necessary from time to time by and by to recur to it. But in the article referred to we have said nothing of the Europe outside of the two Central European Empires as they were styled previous to the outbreak of the War. It may be well before any decisions are taken by the Peace Conference to consider what are the prospects before the new European States? Europe, the reader will clearly bear fully in mind, while we are dealing with the matter, is being completely and entirely revolutionised. It is one of the puzzles which perplex thinking men how certain phrases in the mouths of those who are in high places are supposed to be of the greatest possible gravity, and how the very same phrases are accepted as little better than inspirations of the devil when they are banned by the people in high places. Now one of these phrases is "Revolution." The representatives of the various European States, as well as those of the United States and Japan, are met together to settle the affairs of Europe. Every man who thinks is as well aware as he is of his own existence that they are much more likely to unsettle than to settle Europe. However, that is observed only in passing. They are about to shuffle the cards. And a great deal will depend upon the way in which the shuffling is effected. One thing is clear, that the world will be completely revolutionised by these high and mighty representatives of great Governments who pride themselves, above all things, upon their avoidance of revolution. They are going to revolutionise the world,

and to call it a settlement. Well, we are quite willing to fall in with their wishes, and to name it a settlement also. Whether we believe in the phrase or not we need not particularise.

Before the War, the country in Europe that had the greatest man-power and which, therefore, potentially, at least, was the greatest of all, was Russia. How are we to rank Russia now? Is she the greatest of European Powers? Is she even likely to become the greatest of European Powers in any short time? And how has she been brought to her present state of degradation? Clearly by misgovernment. It is dinned into our ears day and night by all sorts of people that obedience to Government is the highest virtue. We turn to Russia, and we find that the greatest population in Europe has been dragooned into revolution by its own Government. There has been no greater example, no more striking example, than has been furnished by Russia of the patience and long-suffering of ill-governed peoples driven almost out of their wits by misgovernment. A hundred years ago far-seeing men were expressing doubt as to the continuance of the Russian system of government for long. And yet it has continued until the other day. Everything was done by the Government to drive men to desperation. Men refused to be driven, except in small numbers. But, at last, the heaping up of misgovernment upon misgovernment has brought about the result which far-seeing men recognised was inevitable sooner or later. It has been much later than most far-seeing people fancied it could go on. We shall not venture to follow the example of the far-seeing observers to whom we have just been referring. Russia is beyond us. The people seem to be fascinated by misgovernment, and to submit until human nature at last breaks down under the strain. The Romanoffs went on for hundreds of years. The crash came at last. And now the Bolshevists are exhibiting to the world another example of gross, almost incredible, folly and misgovernment. How long will they be allowed to play such pranks? And when at last they are got rid of, who will succeed them? We do not dare even to guess. But we ask helplessly: Are the Russians, after suffering the misgovernment of the Romanoffs, and now the misgovernment of the Bolshevists, going to set up some other government equally bad and equally to end in revolution?

Passing from Russia, which, we confess, is so hopeless an enigma that we do not even dare to speculate concerning it, we ask: Have the people of this country attempted to understand how complete has been the revolution which the Governments that specially claim to be anti-Revolutionists have effected during the past few years. The ex-Kaiser was never tired of declaiming to his recruits when newly called up that they were bound to obey every order of his, no matter how outrageous, even to the shooting of their own fathers. And now where is the Kaiser, and what is the discipline amongst the German broken up armies? It is one of the most instructive lessons that ever has been afforded to Europe. And it is earnestly to be desired that readers of every kind, every opinion, and every class, should study it with unbroken attention. Germany, the model of militarism, is now apparently the favourite ground of revolution. To-morrow, there may be an anti-revolution. The day after there may be some other change. We do not in the least profess to be able even to guess what is likely to follow. But we would ask our readers to note clearly, for future meditation and instruction, what militarism and despotism have brought Germany to. If we turn from Germany to what the other day we were accustomed to regard as the Dual Monarchy, what is it now? How many monarchies does it consist of? Or is there a monarchy at all within it? Is there a man amongst our readers who would confidently answer either question? Austria-Hungary, the Dual Monarchy, the congeries of States ruled over by the Hapsburgs, call it what you like, is, with the exception of France alone the oldest settled State in Europe. It was established by Charlemagne long before the Normans conquered England and established the English monarchy. It is even older than France, as we know France, though it was really the French people, induced by the Papacy, who enabled Charlemagne to conquer Germany, and so to erect the Holy Roman Empire. That Empire, if it has ever deserved the name, is now extinct. And the lands which composed it are at the present moment weltering in revolution. Why? Simply because the Hapsburgs were incapable of learning by experience. They were not descendants of Charlemagne. They have very little real claim to succeed to his Empire. And most certainly they were as ill-qualified to succeed as any family well could be. But they did succeed. And the result we see to-day. Look at ruined Serbia, at outraged Croatia, at wildly hostile Bohemia, even at Hungary that the other day imposed its will upon Vienna, and see what "strong government," which our Orange friends are so fond of recommending to us, has done for the Hapsburgs, and the great Empire that might have been theirs for centuries to come if they had had even the glimmerings of what rulers ought to be.

Passing from the Empires that have been happily struck down, and will never again, we trust, be in a position to torment Europe, what are the prospects of the new States? Much, no doubt, will depend upon the decisions of the Peace Conference. We wish to Heaven the Conference was composed less of the idle rich, and more of the practical men who conduct the business of life. But we have to take things as they are. And what are we to expect from new States? Upon the whole, we are inclined to take a favourable view. Bulgaria unquestionably is rather a puzzle. The people have many fine qualities. But they have other desperately bad qualities. And they are in a position to do mischief. It is not to be wished that they should be completely submerged. And yet it clearly is not desirable that they should exercise much power. From the Roumanians we hope much. They have a great prospect before them. Their King, himself a Hohenzollern, has had the statesmanship to see that the practical head of his house was steering for shipwreck. And the policy he adopted and pursued leads us to hope for much. We trust that every Rouman-speaking person of what were once the Empires of Austria and Russia will be united together under his rule. The Czechs, again, we hope much from. They have been wonderfully patient under the gravest provocation. They have seized the right moment; and we trust that all branches of the Czechs will unite together and form a State which will be of advantage to Europe. The Croats and the Serbians happily have united, and accepted a common king. We trust that the new kingdom will be an example of intestine true democracy, and an influence for good abroad. Poland, again, ought to be a power for good in the Europe of the future. She has suffered much for very nearly two hundred years. She has been taught the folly of putting much power in the hands of the idle rich. She has had every reason to learn that union and patriotism are needed, for her position is a critical one. What is to happen to the Lithuanians, the Finns, and the small States which together make up what the world has been accustomed to call the Baltic Provinces it is less easy to form an opinion. The Conference may do good to help them forward. Unquestionably, it may do great evil if there does not happen to be amongst the members a real statesman with influence enough to enforce his opinions upon the rest. Upon the whole, however, we venture to take a hopeful view respecting the small States. But, of course, much will depend, firstly, upon the ruling influence in the councils; secondly upon whether Germany develops an evil activity very soon; and, thirdly, upon the course of events in Russia.

WHEN THE WAR ENDS.—LI.

HAVE our readers tried to make an imaginary picture of Europe as it is likely to be when the terms of peace are adopted and enforced? If they have not, it is worth the while of each one to endeavour to form the picture, for it is a very long time since so revolutionary a war has been waged, by which we mean a war which has completely revolutionised the greater part of Europe. The United States has not been much affected, because it entered only a couple of years ago into the War, and had not actually landed a really great army in France when the enemy surrendered. Japan, again, has not suffered very much. She entered the War, not because the enemy actually attacked her, but because she was the Ally of England, and scrupulously acted up to what she considered her duty when England was involved in a great conflict. Putting aside these two leading countries, let us try to picture to ourselves what Europe will be like when the peace terms are carried out. Of course, the actual negotiations are only just beginning; and, therefore, none of us knows the terms that will be imposed in their nicety. But it is not necessary to know whether we approach very near to the truth. What seems to be desirable is that we should have in our own minds a clear picture of what Europe will look like to an observer coming, say, from the planet Mars, who is able to take in at a glance the whole prospect. It seems to us exceedingly desirable that the great public should attempt to form such a picture, for instructive as the War has been, and terribly as it has brought home to fathers and mothers in great numbers its character of destructiveness, we doubt if many persons realise how vast is the change that is actually taking place. To begin, then, with the author of the whole mischief, that is to say, Germany. When she took her last census in 1910 she had a total population of very nearly 65 millions. Four years elapsed before the War broke out; and, therefore, there was a considerable increase in the population. But we may leave that out of account, and say that Germany had a population about half-way between, or nearly half-way between, 65 and 67 millions. She then had admittedly the most perfect army in Europe. Large contingents had been embodied in the army every year; had undergone training for two whole years; and, when a year's contingents were sent home, they were liable to be called up at any time so that they should not forget what they had learnt during their two years with the colours. The officers were drawn from the Junkers, or, as we should say, from the Squireens, and it was supposed that they were conscientious in their study of everything relating to war, so as to make themselves as perfect as possible whenever they were called upon to carry out the policy of the Empire. In addition, an entirely new fleet had been built in fourteen or fifteen years, which was, to all outward appearance, as perfect as could be expected. It had in Heligoland as desirable a training place and a retreat as could be wished for; and thus it had what was very nearly command of the Baltic. The sovereign devoted a very large part of his time to military affairs. He was surrounded always by military men, and it was believed that the German officers were as completely qualified for their work, to say the least, as any in the world. Therefore, upon the Continent Germany was feared intensely. Her population had grown at a most unusual rate during the preceding hundred years. Her wealth had augmented beyond all expectations. And her word was always law to her weaker neighbours. So entirely besotted were her ruling classes by the fear she inspired in all around her that a word from her was practically enough to obtain anything she desired to have.

Recalling thus what Germany was four and a half short years ago, just look at her now. And try to realise the extent of the metamorphosis. She clearly has lost Alsace-Lorraine. In all reasonable probability, unless the Entente Governments are false to all their promises, she has lost Posen. How much more she will lose nobody knows until the peace negotiations are ended. So far we have spoken only of the losses of Prussia. What will there be within Germany? Alsace-Lorraine, until 1871, had been for two centuries a portion of France. The return of those two provinces to France is not in itself a very revolutionary measure. It is merely a carrying out of the democratic idea, that a people should be governed as it desires itself. Again, the loss of Posen is only a just recognition of the claims of the people of Posen to live their own lives in their own way. But what about other places? Will the provinces forced from Denmark in 1864 be restored to her? Will Silesia, inherently a Slav State, be allowed to choose for herself whether she shall remain German or attach herself to some State more akin, and more accordant with her own wishes? Passing from the recent conquests of Germany, will the two Prussias, East and West, still be forced to remain under foreign yoke? Or will they be given a free option to decide what their nationality is to be? Within Germany itself what will be the future? In 1866 the smaller states of Germany were so opposed to Prussia and all her ways that they joined Austria in the conflict of that year. Nobody who has followed events in Germany since the surrender can doubt that the smaller States desire eagerly relief from the overbearing government of Prussia. Will they be allowed to decide their own future? Or will they be left by those who ask us to believe that suddenly they have all become democrats to the tender mercies of Prussia? One would think that a coalition between the small southern States of Germany and Austria would be more congenial than the existing connection. However, we are not now putting forward our own views of what ought to be done. We are inviting our readers to realise the magnitude of the revolutionary change which has been worked even in Germany by the War. War is always a terrible experience. But it is very rarely indeed that it makes such an entire overturnment as the War from which we are being delivered has effected. At the present time, if the Entente Powers are agreed upon the terms to be imposed, there is no possibility anywhere to resist them. And, therefore, practically Germany may be turned inside out, or the Hohenzollerns may be restored, and in twenty years' time there will be another war to determine whether Germany is, or is not, to rule Europe. It is not only in the organisation of the several States within Germany that the great change has taken place. We see republics proclaimed in many of the States which the other day were supposed to be most loyal to their particular dynasties. We see Bavaria, for example, anxious to throw off all connection with Prussia. We hear of fighting in Berlin itself. We are told that there is the utmost dislike of the late Government and all its works throughout the smaller States. We are not very ready to believe all the reports that are served up to us every morning at breakfast. But it is perfectly clear that there is, north and south, east and west, a very serious revolutionary spirit in Germany, where we used to be told that contentment with the existing order of things was practically universal, and that revolution was out of the question.

If we turn from Germany to Austria-Hungary, we find a state of things just as extraordinary. The Hapsburgs, who have ruled for so many centuries, have disappeared, and apparently there is not a single population, however small, that desires their return. It was notorious, of course, that the Slav States were all hostile to the Hapsburg rule, and were most anxious that their Slav neighbours and kinsmen should invade the Monarchy. But that the Monarchy itself should have fallen without so much as a single shot being fired in its defence few people were prepared to find. That under given circumstances Serbia would be welcomed by the Croats, and Roumania by Transylvania, and

other enemies of the Hapsburgs by Bohemia and Moravia has been common knowledge for a generation and more. But the revolution does not end there. The Magyars, who largely guided the policy of the Hapsburgs, are just as anxious to get rid of that family as either the Croats or the Czechs; and the Magyars, with all their aristocratic tendencies, are crying out for a republican form of government. The only portion of the Empire that seems in the least inclined to look kindly upon the Hapsburgs is German Austria, the provinces which used to be called the hereditary territory of the Hapsburgs. Thus, in Central Europe, which at the beginning of the War had a population of roughly 120 millions, there does not seem one single man regretful of the downfall of their rulers, nor, apparently, is there a desire to maintain the monarchical form of government. All the training has come to this: that everything it inculcated is looked upon with horror. The Kaiser used to tell recruits that they were bound, if he ordered it, to shoot down their own fathers. We wonder could there be a hundred recruits collected to-day who would obey any order of his, however rightful in itself. And, remember, this is the result of despotic and military rule. All experience teaches us that irresponsible government is the seed and the root of every political evil. And yet men go on misgoverning as if they took a personal delight in irritating and injuring fellow men, nominally fellow citizens. We have confined ourselves so far to the two Central European Empires because the lesson there is far more instructive than anywhere else. But the lesson is equally taught if we extend our survey. We have only, for example, to look to the feeling in Ireland to-day to see what misgovernment produces in our own islands. However, we do not wish just now to raise a question which few intelligent Englishmen care to frankly confront. We confine ourselves to the two Central European Empires. And there we see what government without consultation with the people results in. Germany, we do not in the least mean to deny, did in certain respects very really consult the material interests of the people of the Empire. She placed the services of her whole Foreign Department at the bidding of trade. She introduced and maintained the best system of education that exists in Europe. And she studied in every way the advantages of trade in the management of her railways. But while material prosperity is of immense value, it does not make up for disregard of feelings. And we have only to look at the Hohenzollerns and the Hapsburgs to see them everywhere refugees from their native homes because they insisted upon governing contrary to the wishes of their people.

DEATH OF THE BRAZILIAN PRESIDENT.

We record with sincere regret the death of Dr. Rodriguez Alves, the late President of Brazil. He was only inaugurated into office on November 15 last. Brazil owes in particular, and the world in general, a debt of gratitude to the late Dr. Alves, for it was under his administration, when he was formerly President of Brazil, that measures were taken to stamp out both malaria and yellow fever from the principal cities of the Republic. The regrettable incident will mean a General Election for Brazil.

ARGENTINA.

Although the revolutionary movements which have taken place in Buenos Ayres and certain other cities of the Argentine Republic are exceedingly disquieting incidents, investors in securities in the Argentine Republic will be well advised not to attach undue importance to what has so recently occurred. It will be remembered that during recent months we have called attention to the growing state of unrest which has been more or less apparent throughout the Republic, and we have endeavoured to the best of our ability to explain the cause without exciting any unnecessary alarm.

Unless a Government completely loses the sympathy of those who, more or less, control public opinion in any country, and are, therefore, unable to rely upon the armed forces upon which the maintenance of law and order ultimately rests, there can be no reasonable doubt that a Government can maintain itself in authority provided it is determined to use sufficient force. There is no reason to doubt that the Argentine Government, although far from being popular with many of the most important interests in the Republic, is sufficiently in touch with public opinion to be able to rely upon the support of the Army and Navy for putting down any attempt at overturning the Republic.

But while it would be inadvisable to attach undue importance to the revolutionary movements which have recently occurred in various parts of Argentina and which, according to the latest reports, have caused serious loss of life in Buenos Ayres itself, it is important that we should consider carefully the causes which have led to the present large measure of unrest. They are, for the most part, causes over which the Argentine people and the Argentine Government have had exceedingly little control. They are, of course, particularly inherent in the Constitution; but that applies to all forms of government similar to that of the Argentine Republic, and more especially to these peculiar forms of government when they have endeavoured to adapt themselves to the requirements of the Spanish Republics of South America.

We will confine ourselves to those causes over which the Government have had no control. They are not in themselves sufficient to account for the present large measure of unrest agitating the peoples of all Republics, as well as, indeed, the peoples of other States in South America and elsewhere. Argentina, as we have often pointed out, is almost exactly ten times the size of the United Kingdom in area. It has a population all told of very little in excess of that of Greater London. It is engaged, for the most part, in raising produce of various kinds, principally food and raw materials, for consumption particularly in the United States of North America, but mainly in Europe.

It owes its present economic condition very largely to the peculiar needs of the United Kingdom. It was from the United Kingdom that the bulk of the money was found which in the past two generations has developed the peculiar kind of economic conditions which prevail in the Southern Republic. In Spanish colonial times, what we now call the Argentine Republic was hardly valued at all by the Spanish Government, because the produce which that Republic is so eminently capable of supplying in large quantities could, in those days, find no market outside. Then, as now, there was no adequate population to consume the immense quantity of produce Argentina was capable of raising. The present economic condition in Argentina is mainly due to the equally peculiar conditions under which our economic development has taken place. These islands are very small, are entirely surrounded by water, and situated between the 50th and 60th parallels north of the Equator. Consequently, owing partly to our restricted area, and still more to the nature of our climate, it is exceedingly difficult to raise any large supply of food in these islands at an economic price which would render them valuable for the consumption of the bulk of our people. As a result England has sought her economic development rather as a manufacturing, mining, and maritime State than in attempting to develop her agricultural resources. In consequence, some 80% of our population are engaged in what for convenience we call town industries; hence we require enormous quantities of food and raw materials, the latter to be worked

up in our factories, and the former to sustain our population. When the population of the United States of North America grew beyond a certain figure towards the final quarter of the last century it became evident that, if we were to obtain supplies of food and raw materials at the prices which the bountiful supplies from the Northern Republic had accustomed our people to expect, it was necessary to develop fresh sources of supply. As a result of this discovery bankers, financiers, and the great trading interests of this country resolved upon the development of the Argentine Republic very much upon the lines which we now know it to have developed.

Argentina, in a sense which is not true of the other nine Republics of the Southern continent, offers facilities for rapid development to a very remarkable extent. The country is a vast plain, extending over some hundreds of thousands of square miles, open to and accessible from the sea to a degree which is not found elsewhere in South America. The La Plata delta, in particular, invites enterprise, in the sense that that term was understood by those who proposed the opening up of Argentina two generations ago, to an extent which it would be difficult to parallel in any other locality. The city of Buenos Ayres itself is built upon a plain very little more than 30 feet above sea-level, and the immense province of Buenos Ayres is one vast alluvial plain of extraordinary fertility, and, as we have said, of vast extent. Geologists say that in the remote past deposits were brought down by an immense river, greater than, but occupying somewhat the position now filled by, the Uruguay Parana. However this may be, the fact remains that the province of Buenos Ayres exhibits every indication of alluvial deposits in its extraordinary richness, and one of the most remarkable features that the traveller, riding over the pampas, encounters is a complete absence of stones, to which he is accustomed if coming from the various countries of Europe.

As the immediate neighbourhood of Buenos Ayres became more and more devoted to tillage and intensive forms of agriculture it became necessary to find in the outlying camps pasturage for cattle, and gradually even to open up fresh wheatfields. This process needed the building of railways, because it was useless to raise produce unless transportation facilities were available, which would make it possible to despatch, with the rapidity which the exigencies of the conditions required, produce raised in one part of the Republic to the port of shipment for conveying the food or raw materials, as the case may be, to the consuming markets in Europe. As England urgently needed these products no difficulty was experienced in finding the money, and as new railways were required capital was readily found by our merchants, bankers and financial houses. This process went on without interruption until the outbreak of the recent European war in the summer of 1914.

Two striking features have resulted from this peculiar type of economic development. There are really two principal industries which have required to be steadily developed in order to suit the economic needs of the country. The first and primary is, of course, the production of the actual food and raw materials to meet the demands of the consuming markets in Europe. The second is the development of transportation facilities, including storage houses to enable the produce to be effectively handled as it is raised. The former and primary industries have only been indirectly injured as a result of the recent War. But the stoppage later, as a result of that War, has had a most injurious effect upon the economic development of the Republic. It is the people engaged in this latter industry who, to a large extent, found their occupation gone when it was no longer possible to obtain from Europe in general, and England in particular, the means of increasing the urgently needed transportation facilities which such a special type of economic development so urgently requires. Indirectly this stoppage in the growth of railways and other means of transportation for more than four whole years has had a baneful effect upon the agricultural interest. It is perfectly true to say, in a sense, that there are some 700 million acres capable of supplying Europe with food and raw materials. It is only true in a sense, because, without increased transportation facilities the produce raised on these lands would not be accessible to any consuming market except at a prohibitive cost.

It will be seen that while certain classes of the agricultural community have benefited by the urgent need of Europe for food and raw materials, and the high prices which, in consequence, Europe has been willing to pay for these supplies, the impossibility of extending agricultural operations has affected an important proportion of the agricultural community who had been accustomed, during the past two generations, to rely upon increased facilities for opening up new lines whenever they might be required.

Space is pressing, and we will defer to a future occasion the consideration of the effect which the new Credit, which may be confidently relied upon to be arranged between the Argentine and British Governments for the present season, to enable the agricultural community in Argentina to dispose of the produce which it is now raising and which is so urgently needed by the consuming markets throughout Europe.

THE DEAD MEAT INDUSTRY IN IRELAND.

THE trade of the United Kingdom in fresh and refrigerated meat has grown apace since the commencement of the century. Methods of chilling and freezing have shown great improvement, though it is but a short time since Australasian experimenters, at a loss for a device for keeping meat untainted on its long journey to Europe, were employing such methods as asphyxiating the sheep and cattle by means of carbon dioxide. The introduction of the chilling and the freezing processes and the construction of refrigerating steamers solved the difficulty which once seemed insurmountable. An idea of the extent of our present-day trade in imported meat may be gathered from the following tables:—

TABLE I.—*Imports of Beef into the United Kingdom in* 1917.

	£
Fresh beef	10,872
Chilled beef	7,226,700
Frozen beef	16,791,758
Total	24,029,330

TABLE II.—*Imports of Mutton, Pork, and other Meat into the United Kingdom in* 1917.

	£
Fresh mutton	152,509
Frozen mutton	10,295,433
Frozen pork	781,530
Unenumerated—fresh	17,766
" frozen	2,536,810
Total	13,744,048

An attempt is now being made in Ireland to secure that a portion at least of this enormous demand shall be filled from home sources. The market within the United Kingdom is for practical purposes illimitable, the total imports of meat in 1917 being 19,574,000 cwt., of an estimated value of £101,617,000. Imports were even greater before the War, amounting in 1913 to 23,278,000 cwt., but the value was much less, £55,309,000. It is hoped in Ireland that the output of cattle, sheep, and pigs can be largely increased, and that foreign supplies can, to some extent at any rate, be supplanted in the British market. To secure this end a reform is necessary in the livestock trade of the country on lines which we have previously pointed out more than once. By the sale and export of unfinished stock the minimum profit is made by the Irish farmers, and the maximum loss is incurred by the country.

Moreover, the export of cattle on foot involves the sending away of the raw materials for many industries, including hides, horns, hooves, offal, and bones. The cargo space taken up by livestock is large, and freight charges are accordingly high, while, owing to their detention in lairages on both sides of the Channel and to the effect of the sea passage, they deteriorate heavily in weight and general condition. The extent of this deterioration runs into hundreds of thousands of pounds annually. By killing the animals in Ireland, and exporting the dressed carcases, various substantial savings could be effected, and the working up of the numerous by-products from the abattoirs would be encouraged.

The prospects of an Irish dead meat industry should be improved by the fact that the expense of the process of refrigeration—that is, of freezing or chilling—would be almost wholly avoided, since the markets are in most cases sufficiently near to ensure short and rapid transit. Before the War such fresh meat as was imported into the United Kingdom came principally from France, Belgium, and the Netherlands, and Ireland is, generally speaking, more favourably situated for the purposes of the fresh-meat trade than any of these countries. At present the trade in dead meat from Ireland is confined principally to bacon and hams, of which £6,660,000 worth was exported in 1916. The value of the beef, mutton, and pork sent out in the same year amounted to a little more than half-a-million, compared with a total importation into the United Kingdom of 38 millions; but the exports of fat and store cattle, milch cows, and other live cattle were valued at over 20 millions sterling, and of live pigs and sheep and lambs at 2 and 2½ millions respectively. The dead meat trade has this great advantage, that it would be subject to none of the annoying interruptions to which the live-stock trade is liable on outbreaks of disease in the country. The occurrence of a few cases of foot-and-mouth disease in Ireland before the War threatened disaster to its cattle trade, and the effect of a repetition of the scare would be very injurious.

In addition to a trade in dead meat it might be possible to establish in Ireland a meat-packing industry. The export of preserved meat from that country is very small, amounting in 1916 to only £14,000, and consisting in the main probably of pig products. In the same year the imports of preserved meat into the United Kingdom were valued at 10¾ million pounds, while in 1917 they rose to 14 million pounds. They consist chiefly of beef, and come principally from Argentina and Uruguay, and from North America. Australia and New Zealand, our chief centres for the supply of frozen mutton, send us practically no preserved meat, and hence meat packing in Ireland would not compete with existing Imperial industries. Of course, the herds at the disposal of the would-be Irish packers would be small compared with those on which the American packers can draw, and the prime cost of the animals on foot would be much higher in Ireland than elsewhere. As against this a saving would be effected in the charges for transport, while the needs of the home market could be studied more closely and catered for more promptly from Ireland. Moreover, as the populations of North and South America increase the exportable surplus of food will contract, and the severity of existing competition may be lessened. A comparison of the live-stock resources of the various countries which have been mentioned is made in the following table:—

TABLE III.

Country	Cattle	Sheep	Pigs
Ireland	4,712,000	3,907,000	1,415,000
U.S.A.	60,500,000	53,633,000	65,620,000
Argentina	28,786,000	80,401,000	2,900,000
Uruguay	9,200,000	26,700,000	195,000

The figures have been made up on the basis of the pre-War estimates, and for the sake of uniformity the year 1911 has, except in the case of Uruguay, been selected. The table shows that packing enterprise in Ireland could not be carried out on the large scale common in the New World with its vast herds. Multitudinous economies in production have been effected by the specialisation and integration possible in the strongly capitalised concerns which have become identified with the American meat industry. Even though meat packing in Ireland did not make rapid progress in face of this competition, substantial benefits would accrue to the country if the present system of exporting unfinished or immature live-stock were replaced by the more economical and the more profitable trade in dressed meat.

BRITISH TRADE IN 1918.

THE returns for December have been issued with commendable speed, and it is now possible to compare the course of our trade during 1918 with previous years. A slight allowance must be made for the fact that last year comprised almost two months in which there was no fighting, but the effect of the cessation of hostilities on trade has not been very noticeable up to the end of December. The trade totals given for 1918 are only provisional and are subject to alteration in the final report. They are, however, sufficiently accurate for comparative purposes. With this proviso we show in the following table the course of our trade from 1913 onwards:—

Re-export Trade in Raw Materials and Articles mainly Unmanufactured.

(£00's omitted.)

Year—	1913	1914	1915	1916	1917	1918
	£	£	£	£	£	£
Imports ...	768,735	696,635	851,893	948,508	1,064,165	1,319,339
Less re-exports ...	103,575	95,474	99,032	97,565	69,677	30,956
Net imports ...	659,160	601,161	762,831	850,940	994,488	1,288,382
Exports	525,245	430,721	384,868	506,280	527,080	498,473
Excess of Imports	133,915	170,440	367,963	344,660	467,408	789,910

The excess of imports, generally referred to as the adverse balance of trade, has risen steadily since the outbreak of the War, and, comparing the last pre-War year, 1913, with 1918, has increased by nearly 500% from £133,915,000 to £789,910,000. Compared with 1917 it has risen by £322,502,000, or 70%. The excess of imports over exports since the War commenced reaches the tremendous total of £2,340,957,000. In this calculation only five-twelfths of the excess of 1914 have been taken into account, as hostilities covered only the last five months of that year. If we allow for a normal excess of imports of 134 millions, the 1913 figure, the total excess due to the War may be put down at £1,748,000,000. It is clear, however, from a moment's consideration that we are not in a position at present to bear an excess of imports with anything approaching the ease of the pre-War period. Before the War not only were we paying the deficiency in visible exports by invisible exports, but, on the full trading for each year, a substantial sum was due to us, which we usually invested abroad. Some figures may be quoted in illustration. The annual interest accruing to us from loans made abroad has been variously estimated, but we can safely put it at 200 millions sterling. This was a return for our previously exported capital. In respect of the services of our merchant ships, which can also be placed in the category of invisible exports, we received from abroad between 90 and 100 million pounds per annum. For banking, insurance, and other services we could claim about 36 million pounds per annum from foreign clients. Thus on balance in the exchange of goods and services with other countries there was a large annual sum in our favour, part of which we added to our already extensive foreign investments. Now, however, the position has changed in two respects. In the first place, the excess of visible imports has altogether outgrown the sum that can be paid for by our exports, whether visible or invisible. Secondly, to meet our trade obligations we have been obliged to raise loans and credits abroad, and so to liquidate a portion of our holding of foreign investments. While our adverse trade balance has grown enormously, our means for

meeting it have contracted. The interest on the money which we had invested abroad has diminished because a portion of the capital, as represented by securities, has passed into other hands. Our merchant tonnage has been considerably reduced, and the ships left to us include the less efficient of our pre-War marine. Partly as a result of the foregoing causes, partly for independent reasons, we have lost that financial pre-eminence which we could once claim as a clearing-house for the world, and accordingly the various commissions which we received for banking, insurance, and other services have now grown much smaller.

When considering the extent of our debts abroad as a result of the unfavourable course taken by our trade during the War it is well to bear in mind that our capital investments in foreign countries were, on the pre-War basis, valued at £4,000,000,000, and that we could accordingly pay a much larger trading debt than what we have incurred, and have money still owed to us. As against this it might be urged that the best of our securities have been sold or pledged and that only the less desirable remain with us. This contention is true to a certain degree, but it does not alter the fact that our trading account would eventually be found to be on the right side.

The note of warning which we sounded some time ago in regard to the re-export trade is fully justified by the report which now lies before us. For 1918 the value of the re-exports was only £30,956,000, compared with £69,677,000 in the preceding year, a falling-off of 56%. This decline, serious as it is, conceals a more than corresponding decline in quantities, since the value of practically every item on the re-export list appreciated during 1918. We cannot quote particular figures, but it is sufficient to point out that THE STATIST index-number for 1918 worked out at 193 (unrevised), compared with 175 for 1917, an increase of 10.2%. It is rather noticeable that while our imports have rapidly risen, our re-exports have rapidly declined. This is due in part to a change in the nature of our imports. Commercial requirements have been subordinated to military, and accordingly we have come to import our bare needs of articles which we normally bought on a large scale for re-exports. Again, large markets on the Continent have been closed to us during the War; while, furthermore, our trade with Far Eastern countries, and indeed with all distant portions of the world, has been curtailed owing to the necessity of making the most economical use of our restricted tonnage. Over and above these transient causes for a decline in the re-export trade must be set a more permanent cause, the increase in direct trading between countries for which we formerly acted as intermediaries. The result is seen more particularly in regard to raw materials, especially for the textile industries. Raw cotton, wool, and various textile materials are no longer brought first to the United Kingdom and then reshipped. They are carried direct from the producing to the consuming country. The following table illustrates the falling away in this trade even in the last two years:—

	1917	1918
	£	£
Cotton	7,683 000	224,000
Oil seeds, nuts, oils, fats and gums	4,945,000	943 000
Hides and undressed skins	3.793.000	2,035,000
Wool	3,600,000	2,410.000
Other textile materials	3.061.000	2 033,000
Miscellaneous	19,490,000	6,106,000

Taking all classes of raw material and of mainly manufactured articles the diminution in re-exports has been from £43,374,000 to £14,325,000, or 67%. In regard to food, drink, and tobacco, re-exports for 1917 and 1918 were respectively £7,439,000 and £4,030,000, a decline of 46% in the latter year; while for articles wholly or mainly manufactured the figures have fallen by 33% from £18,794,000 to £12,585,000.

It is very consoling to note that our imports of raw material have shown such an appreciation in value that they must have also materially improved in volume. For 1918 the c.i.f. values are given as £458,859,000, compared with £384,798,000 in the preceding year, an increase of 19%. The increase was especially marked in the later months of the year, and in December our total imports in this section were £45,286,000, as against £31,172,000 in the corresponding month of 1917. This indicates that a rapid improvement is likely to set in in our trade position. According as men are demobilised they will find raw materials ready to hand, and the result should be an increase in our export of manufactures, and accordingly a redressing, if only partial, of our adverse trade balance.

A NEW POLICY WITH RESPECT TO IMPORTS.

THE hurried visit of Mr. Roberts, the new Food Controller, to his offices on January 11, two or three days ahead of his colleagues taking up the reins of power, may have been not unconnected with the determination of the Government to fix the price of imported flour at the same level, irrespective of sort or quality, as British. The Order was issued instantly, probably to bring large supplies just being landed within its scope. The passage of this new ukase, dealing with an article on which the nation is spending an enormous sum yearly, may be regarded as marking the definite establishment of a policy which, in the case of articles like tea and some other purely tropical products, could not be very clearly discussed. A price of 2*s.* 8*d.* per lb. alike for Chinese and Burma tea spoke a good deal, and if China had been a first-class Power, with a strong navy, might have met with an awkward rejoinder. But there is no English tea. The Free Trade position, in its perfection, or, if the reader prefers, its crudity, is that an English industry must be abandoned if it cannot undersell imports. The Tariff Reformer before the War demanded that home industries should be ensured a living wage, however uneconomically they might be carried on. The new policy over which Mr. Lloyd George, Mr. Winston Churchill, Colonel Seely, and other Liberals have been able to unite with Mr. Austen Chamberlain, Mr. Bonar Law, and other Conservatives takes refuge in a parity. The price of 46*s.* 3*d.* per sack (which is 370*s.* per ton) has been chosen, and for this price the English miller should, it is believed, be able (with the aid of the Government subsidy) to buy his wheat, grind it, pay his men, and hold his own against imported flour. He is not to be handicapped with the cost of sacks on delivery; these are to be separately returned on the invoice.

Coming to the famous mills of the U.S.A. and Canada, these are (with the aid of the same subsidy) to buy their wheat, grind it, send it by rail to the coast and by sea to England, and then get it to the warehouse, out of which it is to be sold for 46*s.* 3*d.* per sack cash. The ten leading sorts of American and Canadian flour are left to compete among themselves. Herein is the obvious difficulty. The Canadian trade used to divide its flour up into two main sorts, patents and bakers', with an "export grade" representing fair average quality between these types. The price of 46*s.* 3*d.* being now legal for the bakers' grade, there is seemingly no gain in shipping any better quality. The effect of this on Canadian wheat-growing seems bound to be most disastrous; the twenty years' improvement in wheat types is seen to be abandoned at a blow. In the United States the two chief sorts are spring and winter wheat, and here, the winter wheat being priced as high as the spring, there seems an absence of incentive for millers to buy the latter, which in America is often 2*s.* to 2*s.* 6*d.* per qr. dearer than the winter type. The twenty States producing winter wheat also have very different climates, and Gulf States hitherto have had to take 2*s.* to 3*s.* per qr. less for their wheat than the best Central States, such as Indiana, Ohio, and Pennsylvania. The new English flat rate apparently means a high premium offered to the old Confederacy, and should operate as a British preference in American State affairs.

It is noteworthy that meetings of the Labour party, of trades unions, and of "advanced thinkers" have been called together since the New Year to demand continued food control after the War, and Mr. Roberts takes office as the Consumers' Friend, it being taken for granted that the poor get better quality under a flat rate. The poor man, however, does not always see it in this light. Thus agricultural labourers, who drink enormous quantities of weak tea, would gladly buy an inferior sort at two shillings and leave the gentry their softer and more delicate sorts at three shillings or over. The poor are not enamoured of the bacon that comes from America, and here the level price has already driven English bacon out of the field. Cheese may be bought from Somerset or Cheshire at 164*s.* per cwt., the price of New Zealand, Canadian, and American, but the extremely small supply irritates the "son of toil," who, if he takes cheese, takes it in quantity. We fancy that the Government is mistaken over the tastes of the people, and that the latter like to be able to secure a high-quality article for high days and holidays, the well-to-do classes meanwhile keeping the industry in the fine sorts going. There are in all these decisions under the Defence of the Realm Act matters of principle involved, which, since the decisions themselves are no longer spoken of as temporary, become subjects of such grave importance for commerce and home production alike.

NEW BANKING CAPITAL.

Still further announcements are to hand concerning new issues of capital by banking institutions, no less than five instances having occurred in the past week. The companies concerned are the African Banking Corporation, the Equitable, the London County Westminster and Parr's, the Royal of Canada, and the Union of Australia. We refer below to the various issues in alphabetical order.

Shareholders of the African Banking Corporation have received notification of an issue of 80,000 new shares of £10 each (£5 paid), ranking *pari passu* with the existing shares, and carrying dividend as from the end of September 1918. The present authorised capital is £2,000,000, of which £1,200,000 has been issued and £600,000 paid up. The new shares are being offered at £5 10*s.* (including 10*s.* premium) to shareholders at the rate of two new shares for every three held on January 2 last. No fractional shares are being issued to shareholders, arrangements having been made with Messrs. Barnato Bros. to apply for them on the same terms as the shareholders and to be allotted the aggregate of fractions of shares not allotted to shareholders in consideration for underwriting the entire issue free of commission. Before the announcement was made the shares were quoted at 7, so that there was a bonus of about 12*s.* per share; the present price is about 6¼ ex rights. The balance sheet and accounts for the year to September 30 are not yet available, but the dividend for 1917-18 has, however, been raised to 8%, compared with 7½% for 1916-17, 6½% for 1915-16, and 6% for the two previous years. Applications from shareholders on this side must be received before the end of January, though in respect of 24,500 shares, reserved for South African shareholders, and not marketable here during the continuance of existing Treasury restrictions, the list closes March 27. By the new issue the subscribed capital is raised to £2,000,000, the paid-up capital to £1,000,000, and from the premium received the reserve fund will be increased to £290,000, apart from allocations thereto from last year's surplus profit.

The Equitable Bank, of Halifax, is increasing its nominal capital from £50,000 to £200,000, its subscribed capital from £36,000 to £89,000, and its issued capital from £13,500 to £40,000. It is proposed to issue 26,500 shares of £2 each, with £1 paid up, at the price of £2½ per share, thus giving a yield of almost 7⅛% from the present dividend of 16%, subject to tax. In allotting shares priority is to be given to present shareholders in proportion to the business they transact with the Bank, to present customers who have not had an opportunity to acquire shares, and to prospective customers. By means of the premium that will be received the reserve fund will be raised to £49,700. Deposits and current accounts on December 31 last stood at £558,842.

The plan of the London County Westminster and Parr's Bank, which has just raised its dividend from 18% to 20%, is to increase its capital by issuing £1 fully-paid shares ranking with existing shares *pari passu* for dividend up to 12½%, but not beyond. These shares it is proposed to issue to shareholders of record January 31 next, at the rate of one new share for each existing £20 share (£5 paid), at the price of 35*s.* a share; the yield from the full dividend will thus be about 7⅛%. The present paid-up capital is £6,803,855, in 1,360,771 shares (£5 paid), so that a similar number of £1 shares will need to be issued. Further, it is proposed to give to every member of the staff, permanent and temporary, who had on December 31 last been in the Bank's employ for twelve months one share of the new denomination for each complete £20 of annual salary. Sanction of the Treasury has now been obtained for the amalgamation with the Nottingham and Notts Bank, which will mean the issue of £240,000 of further capital in £20 shares (£5 paid). If the various proposals are carried out the paid-up capital will be raised to £8,474,626 and the reserve fund to approximately £8,750,000.

The Royal Bank of Canada, whose balance sheet, showing deposits of $333,000,000 on November 30 last, we published a week ago, has an authorised capital of $25,000,000, an issued capital of $14,000,000, and a reserve fund of $15,000,000. The existing shares, which for some years have been receiving 12% dividends, are quoted in Montreal at about 212½. It is now proposed to issue 20,000 new $100 shares at $150 per share to shareholders at the rate of one new share for each seven existing shares. In this way the capital and reserve fund will each stand at $16,000,000.

The Union of Australia, beyond seeking powers, as did the Bank of Australasia and the Colonial Bank, to operate in any part of the world, is about to ask permission to raise the authorised capital from £6,000,000 to £7,500,000 by creating an additional 20,000 Ordinary shares of £75 each, and, subject to Treasury sanction, to issue these shares at £50 per share, of which £25 shall represent capital and £25 premium. These shares will rank *pari passu* with existing shares, which carry a reserve liability of £50 per share. The paid-up capital will thus be raised from £2,000,000 to £2,500,000 and the reserve fund from £2,050,000 to £2,550,000. The existing shares are quoted about 67 *cum* 1¾ of dividend, and if, as appears probable, the new shares are issued at the rate of one new for each four old shares the bonus will be about £3 a share. The last increase in capital was made in July 1913, when 20,000 shares were offered at £20 a share premium. The dividend paid for several years past has been 14%, tax free, now equal to 20% subject to tax. Deposits on August 31 last amounted to £24,265,330.

Manchester and Salford Savings Bank.—We publish in another column a statement showing the position of this Bank as at November 20 last. Of total liabilities of £7,173,708, £3,811,000 represented the deposits of 137,951 customers.

Institute of Bankers.—The Council of the Institute is arranging a short series of papers on Peace Problems, to be followed in each case by a discussion. The first of the series, a paper by Mr. Alfred Hoare, on "Taxation Prospects," will be read in the Theatre of the School of Oriental Studies, Finsbury Circus, E.C. 2, at 5 o'clock on Wednesday next, January 22.

For over a Century the Claims paid under Whole-life Policies have, on the average, been more than

Doubled

in amount by addition of Bonuses.

EQUITABLE Life Assurance Society,
Mansion House Street, E.C. 2.

THE BANK OF TAIWAN,
LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.
Head Office - - TAIPEH, FORMOSA.

BRANCHES:—Amoy, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, New York, Osaka, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, and every important city in Formosa (Taiwan), &c.
The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.

London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

WHEN the peace treaty shall have fulfilled whatever purpose it is destined to fulfil, the real work of reconstructing the British Empire if it is to continue to last as a composite whole will require to be seriously approached. Mr. Lloyd George and his Government will have before them an opportunity such as has presented itself to few statesmen at any period in the world's history. It has been said, and with truth, that when at the end of the Tudor period it became evident that the forces against her were too strong to enable England to establish herself as a Great Power upon the European continent, English statesmen, English sailors, and English enterprise turned their eyes across the sea, and in that period was laid the foundation of what is now known as the British Empire.

From the days of Drake and Hawkins the British Empire has continued to grow year by year, decade by decade, and generation by generation. But it has never at any time been organised in the sense that a private man of moderate ability would consider it absolutely essential to organise his own business. The result is that we are never ready, and never have been ready, to do anything. And the cost in life and treasure when a serious crisis arises is out of all proportion to the work accomplished. It happens that during the whole period the British Empire has been growing Parliament first interested itself in the long period of the Puritan Wars, and for more than a century now in the wars that resulted in the spread of democracy, and has taken very little interest in anything else.

In spite of our losses in this War, at the actual signing of the Armistice on November 11 last we possessed the greatest individual asset that any people existing as a composite nation possess upon the face of the globe. The area of the British Empire exceeds 13 million square miles, and we have on that area a population estimated, as near as it is possible to get the figures, at between 440 and 450 millions of people. Out of that population nearly 390 millions are coloured people. Consequently, it will be seen that the whites are little more than what we may call for convenience sake an aristocracy or a leading class. If the British Empire is to continue to last for any considerable time two problems of primary importance must be faced; one, and we think it the most important, Are our coloured fellow-subjects, forming some three-fourths of the total population of the Empire, to be regarded as members of the British Empire, enjoying the rights of ingress and egress throughout the whole of its extent? The second problem, and we would submit it as a corollary, at first, is, How it is proposed to defend the vast outlying wastes, practically unoccupied, which we are pleased to call our colonies.

Now, no more striking example exists than that of the island or continent of Australia. The Australian Commonwealth is not quite, but nearly, three-fourths the size of all Europe, and it has a population barely exceeding that of the Administrative County of London. The population is so small that it occupies only a fringe of the coast, with one exception. The population of Australia has been likened to what the condition of England would be if it were unoccupied with the exception of the two towns of Margate and Brighton respectively on the east and south coasts, with a mining outpost in the Rhondda Valley. Nothing can be more reasonably certain than that, in the event of any serious disaster, even a temporary disaster, to the British Navy, Australia, standing isolated in the Southern Pacific, would be unable to defend herself. The very existence of the British Navy depends, as things are, upon the economic prosperity of England. And it has to be remembered that a very small class in England pay practically the whole of the taxes. The bravery of our sailors has been proved so often that it may be taken for granted. But the bravest of men cannot build ships without resources, or even defend them unless they are supplied with sufficient quantities of artillery. Cæsar tells us that the bravery of the Belgians in his day was attributed to their daily battles with the barbarous tribes who inhabited the then inundated regions we now call Northern Germany. The recent War showed that the bravery of the Belgians has not deteriorated since Cæsar's time; but it did not prevent Belgium from being overrun by the armed hordes of Germany.

Whatever the Peace Conference may do for small States, the position will remain exceedingly unstable while economic conditions make the existence of great States possible. We know too little of what happened in the past to speak with any confidence, but we do find, as a fact, traces of great civilisations in places which are now occupied by nomadic tribes. We know, of course, that after the great industrial civilisations of Asia and Europe in classical and pre-classical times a period of feudalism followed, and, apparently, the breakdown of economic conditions would in any case bring to an end the particular form of civilisation depending upon it. It may not be desirable—certainly not in the interests of the individuals concerned—that the population of Australia should ever be as congested as that of the home countries. But it is manifestly no advantage to leave the greater part of a vast continent, nearly sixteen times as big as the United Kingdom, practically empty; and, moreover, it is inviting attack whenever the Empire is once more involved in war. To say that war is improbable in the early future is beside the point. If Europe proves utterly exhausted as a result of the recent War there will, of course, necessarily be a period of recuperation. But the causes of war are too deep-seated for any political alliances to make any material difference for any considerable time.

The futilities in which Parliament was engaged from 1906 until the outbreak of the War proved conclusively that Parliament has as little conception of what is likely to happen in the immediate future as a

child in the cradle. Australia, owing to its remoteness from the rest of the Empire and its exceptionally small population compared with its enormous area, attracts special attention. To a modified degree it would be perfectly possible to go through all the outlying parts of the Empire and show that either the population which exists is economically undeveloped, or that the country itself is left in a condition which renders it, for all practical purposes, very little better than a desert. All these outlying parts of the Empire which are practically empty naturally invite attack, and can never hope to be safe until they have at least an adequate population which would give them a reasonable chance of defending themselves. Of course it is very easy to say what ought to be done. The difficulty is to apply the theory to the practical conditions existing at any particular time and in any particular place. That is, of course, true. But it is first necessary to point out the defects before it is possible to find a remedy.

When it became evident towards the end of the War that we were unable to purchase from our various customers in different parts of the world goods, raw materials, and food, as well as munitions of war, which were urgently needed by this country, bankers, financiers, and politicians put their heads together to see if some means could not be devised whereby produce in one part of the world which its owners were anxious to dispose of could not be sent to Europe, which, on its part, was anxious to acquire the produce. At last, after many difficulties, a scheme which has come to be known as granting international credits was devised; and, in fact, it has worked exceedingly well, and has enabled us to obtain immense quantities of food and raw material, although, of course, nothing like as much as we should have desired to obtain, but still very large supplies from various parts of the world, which we could not have obtained under the old system of the balance of trade, and for which, moreover, we were not in a position to make gold shipments. Now, would it not be possible to assist colonies like Australia—and we merely take Australia for the purpose of illustration, and because it is a particularly bad example of our colonial system of having practically no population occupying a huge area which has to be defended—to devise some system of inter-Imperial credits whereby emigrants desirous of leaving congested parts of the Empire to settle in those which are at present empty would be assisted to obtain their object?

FOREIGN TRADE RETURNS.

With the publication of the December statement, which showed an increase of £31,422,000, or 37%, in the value of imports, and an expansion of only £1,141,000, or 3%, in exports, particulars of our overseas trade for the past year are now complete. A portion of the increase in imports during the past month was due to larger quantities of goods brought into the country, but mainly it was attributable to higher prices, while if the rise in prices be taken into accounts as regards the exports it will be apparent that in the past month their volume was much smaller than in December 1917. For the year 1918 the imports retained in this country were valued at £1,288,000,000, an addition of £294,000,000, or about 30%, compared with 1917. It has to be noted that apart from foodstuffs imports of Government stores were not included in the returns prior to July 1917, and, allowing for this, the expansion in the past year was about £200,000,000, or under 20%. On the other hand, exports of the produce and manufactures of the United Kingdom declined in value by about £28,600,000, or 5.4%, with the result that the adverse trade balance was no less than £790,000,000 for 1918 against £467,000,000 for 1917 —probably nearer £560,000,000 if account be taken of Government imports—and under £150,000,000 for the few years preceding the War. The values of our imports and exports in the past decade are set out below:—

External Trade of the U.K. Last 11 Years. (000's omitted).

Year	Imports	Re-Exports	Net Imports	Exports	Net Imports
	£	£	£	£	£
1918	1 319,339	30,956	1,288,383	498,473	789,910
1917	1,064,164	69,677	994,487	527,080	467,407
1916	948,506	97,566	850,940	506,280	344,660
1915	851,983	99,062	752,921	384,868	368,053
1914	696,635	95,474	601,161	430,721	170,440
1913	768,735	109,575	659,160	525,245	133,915
1912	744,641	111,738	632,903	487,223	145,680
1911	680,158	102,759	577,399	454,119	123,280
1910	678,257	103,761	574,496	430,385	144,111
1909	624,705	91,345	533,360	378,180	155,180
1908	592,953	79,624	513,329	377,104	136,225

We should add that the latest trade returns for the first time give particulars of imports and exports of Government stores, other than foodstuffs, that have been included in the monthly returns only since July 1917. Foodstuffs imported on Government account, it is understood, have been included throughout. The information now given shows that in the past year the net imports of Government stores were valued at £228,400,000, of which £132,100,000 was in respect of the past half-year. This latter figure was about £35,300,000 more than in the December half of 1917. No particulars of Government imports, etc., have been published for the period prior to July 1917, though the data ought certainly to have been taken out by the Board of Trade. It is believed, however, that for 1915 imports of Government stores were valued at about £120,000,000, and at under £200,000,000 for both 1916 and 1917. In presenting below the summaries concerning Government stores imports and exports we would state that details of the various commodities to which these figures apply are published in supplementary accounts given in the December returns:—

Imports and Exports on Government Account (other than Foodstuffs).

	Imports.	Re-Exports	Re-Exports	Exports	Net Imports
1917	£	£	£	£	£
July ...	5,751	7	5,744	250	5,494
Aug. ...	16,972	—	16,972	1,387	15,585
Sept. ...	16,461	36	16,425	1,615	14,810
Oct. ...	20,056	14	20,042	3,400	16,642
Nov. ...	27,667	216	27,451	1,794	25,657
Dec. ...	19,775	55	19,720	1,043	18,677
6 mos. ...	106,682	328	106,354	9,489	96,865
1918					
Jan. ...	18,256	157	18,099	599	17,500
Feb. ...	14,098	68	14,030	1,674	12,356
March ...	19,646	242	19,404	955	18,449
April ...	21,517	185	21,332	1,259	20,073
May ...	19,047	509	18,538	2,637	15,901
June ...	14,032	193	13,839	1,797	12,042
6 mos. ...	106,596	1,354	105,242	8,921	96,321
July ...	20,693	388	20,305	2,110	18,195
Aug. ...	22,834	280	22,554	1,277	21,277
Sept. ...	21,857	112	21,745	2,379	19,366
Oct. ...	28,027	197	27,830	1,367	26,463
Nov. ...	25,419	336	25,083	1,411	23,672
Dec. ...	24,539	292	24,247	1,102	23,145
6 mos. ...	143,369	1,605	141,764	9,646	132,118
Year ...	249,965	2,959	247,006	18,567	228,439

To give an idea of the course of the adverse trade balance month by month since war began, we present the following statement, which shows that the balance for December was at the rate of almost £900,000,000 a year, a figure that it is hoped will never be reached. Indeed, the prospects are that the balance of not far short of £800,000,000 recorded for the year 1918 may prove to be the highest that will be touched, if, in company with a diminution of Government imports, exertions are made to bring about a recovery in the export trade.

Excess of Imports into United Kingdom.

Month	1918	1917	1916	1915	1914
	£	£	£	£	£
Jan. ...	54,202,000	35,301,000	29,348,000	32,103,000	10,602,000
Feb. ...	57,214,000	24,668,000	22,470,000	32,213,000	10,563,000
Mar. ...	68,042,000	29,465,000	39,707,000	37,219,000	12,892,000
April ...	77,621,000	40,244,000	20,805,000	31,512,000	10,891,000
May ...	77,516,000	37,852,000	25,786,000	27,739,000	6,676,000
June ...	64,176,000	35,999,000	30,780,000	33,425,000	9,656,000
July ...	63,525,000	35,703,000	22,515,000	31,693,000	7,145,000
Aug. ...	64,435,000	46,220,000	20,332,000	29,638,000	23,712,000
Sept. ...	56,094,000	39,870,000	26,842,000	30,414,000	13,059,000
Oct. ...	72,768,000	39,405,000	28,781,000	28,684,000	15,597,000
Nov. ...	70,732,000	62,621,000	39,310,000	27,670,000	25,275,000
Dec. ...	74,797,000	44,450,000	29,431,000	28,677,000	35,167,000

The value of the total turnover of our overseas trade (imports and exports) in 1918 was £1,818,000,000, against £1,591,000,000 shown for 1917 and £1,294,000,000 for 1913. The increase during the past year, therefore, was 14.2%, and that in the past five years 40.5%. Gauged by our index number, prices of wholesale commodities in 1918 were 10.2% higher than in 1917, and 126.8% above those in 1913. If our numbers may be taken as a rough guide to the movement of prices generally, it would appear that, compared with the quantity imported and exported in 1913, the volume of our overseas trade showed a decline of 38%. This is indicated below in a statement that does not pretend to do more than show the position only approximately:—

Month of Dec.:	1918	1913	Approx. + or − 1918 on 1913 £	Approx. + or − 1918 on 1913 %
Declared value of total imp. & British exp.	£ 154,474,000	£ 114,442,000	+ 40,032,000	+ 34·9
STATIST'S Index-No.	196.0	86.8	+ 112.2	+ 133.9
Value of trade on 1913 prices	66,045,000	114,442,000	− 48,397,000	− 42.3
12 Mos. to Dec.:				
Declared value of total imp. & British exp.	1,817,812,000	1,293,980,000	+523,832,000	+ 40·5
STATIST'S Index-No.	192.8	85.0	+ 107.8	+ 126·8
Value of trade on 1913 prices	801,421,000	1,293,980,000	−492,559,000	− 38·1

SOUTH AND CENTRAL AMERICA.

A CONTRAST WITH THE OLD WORLD.

THOSE who have never visited South America can have no conception of the remarkable contrast it presents to the conditions which prevail in any of the continents of the Old World. Even many of those who have taken a sea trip during the winter months before the outbreak of the recent War to visit places in the West Indies, or the beautiful city of Rio de Janeiro, the capital of Brazil, have no real conception of the vast contrasts which the conditions of South America present to what we are accustomed in Europe, Asia, and Africa. In Europe we have a dense, congested population, struggling for existence, and liable at any moment to be cast into an abyss of difficulty. Still more is this the case in Asia, the comparatively small fertile part of which is already densely peopled. And to the Asiatic nothing short of disaster is inevitable if he gets into any kind of serious difficulty. Even in Africa, although the population of Africa is comparatively small, when viewed in the light of the dense masses of Europe and Asia—in fact, the whole population of Africa, is considerably less than that of half of Europe. Nevertheless, so much of Africa is desert, and the economic development of that part of Africa which is not desert is in nearly every case so backward, that the contrast is almost as great, although not, of course, quite, between Africa and South America as between Europe, or Asia, and South America.

Imagine, then, the rich continent of South America. Or, to be still more complete, take the whole of Spanish America, including in that term the five Republics of Central America and the rich, or potentially rich, Republic of Mexico. We showed recently that from a political point of view Mexico is a perfectly hopeless place at the present time, but that sooner or later she must put her house in order, or count upon pressure being exercised upon her by her great northern neighbour to bring her to a sense of the fitness of things. Take, then, the great area of Spanish America from the Rio Grande, down through the beautiful Isthmus of Panama, the tropical areas of the Guianas, down to the fertile valley of the Amazon, the most remarkable and the greatest of all the rivers of the world, and rising to its steep and flat-topped banks to the rich plateau which forms the greater part of the Republic of Brazil. Proceeding onward we have the alluvial plains of Buenos Ayres in the north of the Argentine Republic, and extending further to the rich sheep-raising plains of Patagonia, making altogether an area of more than half a million square miles. In this vast area, from the Rio Grande to far away Patagonia, the total population is under 80 millions of people. To appreciate what this means one has to imagine an area extending almost exactly to double the size of Europe, and one of the most fertile—in fact, the most fertile—continents known in the world, with a population considerably less than double that which occupies the two little islands which we call the United Kingdom.

Even if we include both North and South America we have an area not quite as big as the whole of Asia, but three and a-half times the size of Europe. In this vast extent of land, although North America is by no means as fertile as South America, still North America is an exceedingly fertile continent, and, in fact, compares favourably with any other continent on the face of the globe with the exception of South America. We have in this area a population of just under 190 millions of souls, or a figure between one-third and one-half the population of Europe. Consequently, when one talks of the conditions prevailing even in the comparatively crowded areas of the United States, and still more when one talks of North and South America, they are not comparable to the conditions of existence to which we have to submit in the crowded countries of the Old World. Even the United States itself, which, as we have said, is comparatively crowded, has, after all, only a population twice the size of that of the United Kingdom, while its area is sixteen times as great. Moreover, it is at least as fertile in every sense of the word. It has vast agricultural possibilities and enormously rich mineral resources, just as we had in the early stages excellent agricultural possibilities upon a limited scale, and rich mineral resources, also upon a limited scale, but which, nevertheless, up to the outbreak of the recent War, enabled us to maintain our position as the richest single unit in the world. Of course, it may truly be said that even the extraordinary advantages which North and South America enjoy do not make a millennium, as the present state of things in Buenos Ayres amply demonstrates. Those who are old enough will recall the agitation of the Debbses and the Coxeyites in Chicago some 20 years ago, when the United States was passing from a purely agricultural community and laying the foundation for its development as the great industrial community it now is. All human societies have their defects; and even the bountiful advantages which these two rich continents enjoy have not succeeded in solving the problem of providing man with such a condition of existence as would satisfy his ambitions. But, at the same time, the advantages of these two continents are remarkable when contrasted with the conditions which prevail in either Europe, Asia, or Africa.

Of course it has to be remembered that no place, however potentially rich, provided it is undeveloped, offers a haven of refuge to the destitute. Both the Americas, and particularly South America, are lands of great capitalists, and without capital and accumulated resources it is perfectly hopeless for any community, or any number of individuals, to hope to exist. In order to absorb a large immigrant population it is essential that those already there should have ample resources to employ the incoming immigrants, and employ them to their mutual advantage, if any good purpose is to be permanently served. We are, of course, not writing here to show that South America is an El Dorado, where anybody recently demobilised from the European armies and finding it difficult to get work can go out by the next steamer and secure every luxury he may desire. What we really do want to show is that for those who have the resources, and have the knowledge of how to open up trade, colonising, cattle companies, sugar estates, cocoa plantations, not coffee, because the coffee drinkers of the world

appear to be very fully catered for. There may be an opening in Central America, but, speaking generally, a man should be very well assured of his market before he starts growing coffee in any part of South America. But for cattle and all the products of the cattle trade, for cereals of every kind—and nearly the whole of Central and South America is suitable for the growth of cereals—for cocoa—rich, fattening food for man and beast, nutritious and delightful, whether in liquid or in solid form—there are millions of acres awaiting cultivation and millions of eager pennies on this side waiting to buy the product. Sheep farming, whether in North or in South America, is, of course, very largely a question for the great companies. Excellent work is being done by two Anglo-Chilian companies, largely financed here in London, on the Chilian side of Patagonia and down in Tierra del Fuego. But anyone who has capital and enterprise, and who is willing to engage in sheep farming in South America, is well assured of a fortune provided he has some reasonable knowledge of sheep breeding and of the conditions which prevail in South America. Fortunes, no doubt, have been realised by extraordinarily ignorant men. But the wise settler will not engage in a business he knows nothing about. Of course there are hundreds of stories current in Punta Arenas of a clerk going out in the service of one of the shipping companies who could not distinguish the native sheep of the Andean region from a Leicester, engaging in the sheep business and realising a fortune. These experiments, however, are exceedingly risky; although, of course, in the west of the Argentine, say from the neighbourhood of Lake Buenos Ayres, far away from the capital, down to the Straits of Magellan, there are possibilities which admit of the making of a great many mistakes without any serious consequences. But, all the same, the sheep breeder, even in South America, should have some knowledge of his business.

Perhaps there is nothing like agriculture as a sound basis of prosperity for any country. But in the Andean region the competent mineralogist will find that there are potentialities of making a fortune that it would be difficult for the agriculturist to realise in the same space of time. Nearly every mineral valuable to man is found in that vast region of mountains which are called the Rocky Mountains in North America and the Andes as one proceeds south. Gold, silver, copper, lead, tin, coal, and iron are found in abundance wherever a competent expert examines this range of mountains, either on the Pacific or on the inland side. In addition, these great mountains, which rise in some places to over 23,000 feet, are volcanic in origin, and as a result the mining engineer in search of petroleum has discovered traces of mineral oil over the immense areas covered by these great mountains.

Inquiries were recently undertaken by the Department of Statistics, India, regarding the sugar-producing capacity of the sugar factories in India. Of the 46 factories to which inquiries were addressed, returns from 30 were received. Of the remaining 16, six did not give any reply, six others were either closed or were not in working order, business was not started by two, one was opened only in August, and one was omitted as it produced only molasses. The results of the census showed that the 30 factories turn out per day of 22 hours 4,875 maunds, say 179¼ tons, of sugar from cane (first sugars), 2,084 maunds, or 76½ tons, from cane (second sugars), and 7,233 maunds, or 266 tons, from raw sugar. They further produced 3,600 maunds, or 127 tons, of molasses from cane, and 3,715 maunds, or 136½ tons, from raw sugar. The factories employed, on an average, 8,600 persons daily. The maximum amount of sugar that can be produced by these factories is, according to the returns furnished, 14,500 maunds, or 533 tons, per day. A suggestion to hold the inquiry periodically as a guide to the progress of India is under consideration.

THE FIRST NATIONAL BANK OF BOSTON, U.S.A.,

Transacts Foreign Exchange Business of every Description.

Commercial Credits.
Collections. Cable Transfers.
Purchase and Sale of Bills of Exchange.

Special Rates of Interest on Deposits — held for a Specified Time. —

Capital	**$7,500,000**
Surplus and Profits	**$19,000,000**
Resources	**$200,000,000**

Branch at Buenos Aires, A. R.

American Topics.

BALTIMORE AND OHIO DIVIDEND.

The first dividend announced by this Company for twelve months is to be paid on February 1 to shareholders of record December 28 last, "provided the necessary funds are received from the Government on account of compensation on or before that date." Delay in announcing this dividend, which is 2% actual, and in the ordinary way would have been declared in June 1918, payable September last, has occurred on account of negotiations with the Government regarding the compensation receivable under the arrangement whereby, during the control period, net railway operating income is guaranteed on the basis of the average for the three years to June 1917. Even as recently as the end of December the contract with the Government had not been signed nor had the amount of net railway operating income to be guaranteed been definitely decided upon. Negotiations had, however, sufficiently progressed to enable tentative figures for 1918 to be arrived at, and, according to a recent official announcement, the net profit for 1918, after payment of Preferred dividend and say $1,100,000 for special income or war tax payable by the Company, has been approximately $7,746,000, compared with $5,675,000 for 1917, $10,740,000 for 1916, and $13,165,000 for 1915. For several half-years, up to and including the June half of 1914, the dividend was on a 6% basis, but in view of a setback in earnings it was then reduced to a 5% basis, at which it remained until the end of 1917. According to the official announcement we have already quoted it was deemed advisable, in order to meet the war taxes payable by the Company and to maintain a reasonable surplus, to confine the dividend on the Common stock at this time to 2%. Whether the stock may now be regarded as on a 4% basis is not clear, nor is any indication given as to whether a further distribution will be made from the profit of 1918. The price of the Common stock, which only a few years ago was quoted at over par, is now 48½xd in New York, at which the yield, if the stock is on a 4% basis, is just over 8%. A comparison of the profit available for the Common and dividends earned and paid thereon in recent years is appended:—

Year to Dec. 31	Profit for Common	Dividend Earned June Half	Dividend Earned Dec. Half	Dividend Earned Year	Dividend on Common $	Surplus $
	$	%	%	%		
1918 ...	7,746,000	5·09	2	—	2	3,039,000	4,707,000
1917 ...	5,675,000	3·72	2½	2½	5	7,597,000	Dr.1,922,000
1916 ...	10,740,000	7·05	2½	2½	5	7,597,000	3,144,000
1915 ...	13,165,000	8·64	2½	2½	5	7,597,000	5,568,000
1914 ...	5,425,000	3·57	3	2½	5½	8,358,000	Dr.2,933,000
1913 ...	8,350,000	5·49	3	3	6	9,121,000	Dr. 771,000
1912 ...	12,664,000	8·33	3	3	6	9,122,000	3,542,000

U.K. BORROWINGS IN U.S.A.

APART from the advances made by the United States since that country became a belligerent, which advances, by the way, have been made upon the security of demand certificates of indebtedness of the lending nations, there are still in issue four blocks of short-term notes for which this country is responsible. These aggregate $690,000,000, of which $140,000,000 of the $150,000,000 5½% notes, issued at 99.07%, will fall due on February 1 next. The issue of these notes was made two years ago, at which time $100,000,000 of one-year notes were also sold at 99.52%. The $250,000,000 of notes then sold on behalf of this country was secured upon deposit of $300,000,000 of collateral, half consisting of stocks, bonds, and other securities of American municipalities and corporations, Canadian Pacific Railway securities and bonds, and securities of the Dominion of Canada, aggregating in all $150,000,000. The other $150,000,000 collateral consisted of bonds and obligations of other British Colonies, Argentina, Chili, Cuba, Japan, bonds of Argentine and British railways, and of the Grand Trunk Railway Company.

The greater part of the notes due a year ago, it is understood, was paid off from fresh advances made by the American Government, and it is possible a good many of the notes shortly maturing may be dealt with similarly, thus releasing a considerable amount of collateral. Indeed, only this week notice has been given by the Treasury that various securities, mainly Canadian Government and Canadian and Argentine Railway stocks, are to be returned in the coming months. Holders of the one- and two-year notes of January 1917, however, had the option to convert into British 20-year 5½% bonds due February 1, 1937, and already $8,970,000 has been converted and admitted to the list of the New York Stock Exchange. The application to list was for $143,587,000, the balance of about $134,500,000 being available for trading from time to time as the notes are converted, the expectation being that advantage will be taken to convert on a large scale. A further $150,000,000 of 5½% Notes, sold at 99¼ in October 1916, will fall due on October 31, 1919. These likewise were secured upon collateral, but are not convertible. A year later—October 15, 1920—the Anglo-French Five-Year 5% External Loan of $500,000,000 will mature. The British portion is $250,000,000, and the whole loan, which was not secured against deposit of collateral, is convertible at the option of the holder into 15-25-year joint and several 4½% bonds of the British and French Governments. The remaining $150,000,000 of 5½% Collateral Notes sold in October 1916 at 98½, and not bearing conversion privileges, will mature October 31, 1921. The rate of interest paid by the British Government in respect of the collateral loans was higher than indicated by the interest rate based upon the issue price, for it has to be remembered that to depositors of securities the Treasury paid ½ of 1% more than was due on the stocks handed over. Advances to Great Britain since the United States entered the War have amounted to about $4,195,000,000 (£839,000,000), and bear interest equivalent to the rate of 5% per annum upon the entire amount advanced. This rate is based upon consideration of the rate of interest paid by the United States on Liberty Bonds and Certificates of Indebtedness, the loss of revenue resulting from the tax exemptions accorded to those issues and other expenses.

GRAND TRUNK'S RESULTS IN 1918.

So far as can be seen the holders of the Guaranteed and Preference stocks of the Grand Trunk Railway of Canada may again have to forgo dividends in respect of 1918 as they did for 1917. That this is so is due to the great increase that has occurred in expenses, particularly in the wage bill. It is true that as compensation for heavier expenditure the Grand Trunk and other Canadian railways were granted increased freight rates last year—15% on March 15 and a further 25% on August 12. The volume of traffic of the Grand Trunk proper seems to have been well maintained in recent months, far better, indeed, than in the case of the Canadian Pacific and the Canadian Northern. For in the 20 weeks to the end of December, when freight rates were 40% higher than in the corresponding period of 1917, the Grand Trunk's gross receipts (including freight, passenger, mail, express, &c., revenue) from 3,616 miles operated expanded £1,033,500, or no less than 45.4%. During the same period the gross receipts of the Canadian Pacific (13,388 miles) increased $5,222,000, or 8.4%, while those of the Canadian Northern (9,487 miles) expanded $4,012,000, or just under 26%. The result of this growth of revenue was to raise the Grand Trunk's gross receipts to the unprecedented total of £12,950,000, or £2,140,050 more than in 1917, and fully £3,330,000 more than in the pre-War year 1913, when full dividends were paid on the 4% Guaranteed and the 5% First and Second Preference stocks and also 2½% on the 4% Third Preference stock. Meantime, however, expenses have been showing large increase as compared with those of 1917, and although the 11 months' decline in net earnings was less than was recorded in the first half of last year, when the results were affected to some extent by the severe weather of a year ago, there was still the substantial decline of £589,000 in net receipts for the eleven months to November, as indicated below:—

	+or—1918 on 1917			+or—1917 on 1916		
	Gross Receipts	Oper. Exp. and Taxes	Net Receipts	Gross Receipts	Oper. Exp. and Taxes	Net Receipts
	£	£	£	£	£	£
Jan. ...	—113,400	+ 196,750	—310,150	+ 92,300	+ 64,350	+ 27,950
Feb. ...	— 53,100	+ 238,100	—291,400	— 12,550	+ 50,200	— 62,750
Mar. ...	+ 57,300	+ 250,800	—193,500	+ 93,900	+ 81,150	+ 12,750
Apr. ...	+248,700	+ 300,250	— 51,550	+ 39,800	+ 98,600	— 58,800
May ...	+133,700	+ 167,400	— 33,700	+209,250	+ 265,200	— 55,950
June ...	+136,050	+ 211,000	— 74,950	+215,400	+ 224,050	— 8,650
6 mos....	+409,250	+1,364,500	—955,250	+698,100	+ 783,550	—145,450
July ...	+187,900	+ 143,800	+ 44,100	+138,300	+ 150,900	— 12,600
Aug. ...	+313,000	+ 178,150	+134,850	+ 55,350	+ 144,300	— 88,950
Sept. ...	+387,100	+ 331,550	+ 55,500	+ 27,300	+ 159,600	—132,300
Oct. ...	+403,500	+ 337,400	+ 66,100	+ 17,600	+ 137,600	—120,000
Nov. ...	+439,300	+ 373,900	+ 65,400	+ 10,250	+ 138,850	—128,600
11 mos....	+2,140,050	+2,729,300	—589,250	+886,900	+1,514,800	—627,900
Dec. ...	+373,485	?	?	+ 18,800	+ 254,500	—235,700
Year ...	+2,513,535	?	?	+905,700	+1,769,300	—863,600

For December particulars of gross receipts only are available, and no data regarding expenses and net

Income Statement of the Grand Trunk Railway System.

Yr. to Dec. 31	Gross Receipts	Oper. Exp. and Taxes	Ratio	Net Receipts	Net Int. and Other Charges(a)	G.T. Western Bal. c Dr.	Det. Gd. Hav. Deficit	Net Profit	4% Guar.		5% 1st Pref.		5% 2nd Pref.		4% 3rd Pref.		Balance	Carried Forw'd
	£	£	%	£	£	£	£	£	£	%	£	%	£	%	£	%	£	£
1918†	12,950,000	11,382,000	87·90	1,588,000	1,550,000	Dr.25,000	12,000	—	Nil	—	Nil	—	Nil	—	Nil	—	—	46,000
1917	10,725,500	9,070,900	84.54	1,790,600	1,525,500*	Dr.95,200	143,600	26,300	Nil	—	Nil	—	Nil	—	Nil	—	26,300	46,300
1916	9,819,740	7,165,613	72·97	2,654,127	1,531,815	Cr.119,208	40,239	1,202,281	4	500,000	5	170,842	5	126,420	Nil	—	405,019(b)	20,026
1915	8,292,698	6,138,035	74·02	2,154,653	1,519,912	Dr.122,177	1,880	510,684	4	500,000	Nil	—	Nil	—	Nil	—	10,684	15,007
1914	8,596,767	6,514,875	75·78	2,081,892	1,417,687	Dr.135,348	103,742	425,115	3¾	437,500	Nil	—	Nil	—	Nil	—	Dr. 12,385	4,323
1913	9,620,176	7,357,613	76·37	2,262,563	1,201,570	—	83,870	977,123	4	496,823	5	170,842	5	126,420	2½	179,116	3,922	16,708
1912	8,931,913	6,715,463	75·19	2,216,450	1,153,532	—	87,482	965,436	4	483,103	5	170,842	5	126,420	2½	179,116	5,955	12,786
1911	8,131,920	6,082,468	74·80	2,049,452	1,173,237	—	46,327	829,887	4	427,430	5	170,842	5	126,420	1½	107,470	Dr. 2,274	6,831
1910	7,412,751	5,490,427	74·07	1,922,324	1,168,514	—	30,685	733,125	4	402,774	5	170,842	5	126,420	¾	35,823	2,734	9,105
1909	6,888,548	5,061,715	73·48	1,826,833	1,122,674	—	13,682	690,475	4	393,600	5	170,842	5	126,420	Nil	—	Dr. 387	11,839
1908	6,550,096	4,794,730	73·20	1,755,266	1,089,885	—	43,435	621,946	4	382,422	5	170,842	2½	63,210	Nil	—	5,472	12,226

* Deficit for 18 months to December 31, 1918. † Previous credit and debits relate to year to June 30. † Estimated.

(a) Includes deficit of Toledo, Saginaw and Muskegon for calendar years as follows: 1917, £28,800; 1916, £16,155; 1915, £20,563; 1914, £26,147; 1913, £20,496; 1912, £10,353; 1911, £8,901; 1910, £23,390, for three years 1908-9-10. (b) Of this £400,000 was transferred to reserve fund.

earnings for that month will be published to enable the full year's results to be known in anticipation of the annual report. Gross receipts for last month were, however, practically identical with those for November, and should expenses be the same as for that month the net earnings for December will have been about £177,000, compared with a deficit of about £117,000 for December 1917, and net receipts for the past twelve months will work out at, roughly, £1,588,000, which would still be some £200,000 less than for 1917, when the net income barely covered interest and other charges. Even should net earnings for 1918 be about £200,000 less than for 1917, it would appear that all interest and other charges will have been covered; and it is not impossible there may be some margin, though possibly not sufficient to enable a dividend to be paid on the Guaranteed, 4% on which calls for £500,000 a year. That the Company appears to have been able to cover all charges, despite a further reduction of some £200,000 in net earnings compared with 1917, is due to the considerable decline expected to be shown in the amount payable under guarantee to the Grand Trunk Western and the Detroit, Grand Haven and Milwaukee Railways—two subsidiaries operating south of the border, and now controlled by the United States Government on the basis of the average net railway operating income for the three years to June 1917. So far as we can estimate, and as we showed in our issue of September 14 last, in place of £239,000 paid out by the Grand Trunk in 1917 under its guarantee on the subsidiary companies' bonds it will have had to pay out only about £37,000 in the past year. Our estimate of the results for 1918, compared with the actual results of previous calendar years, is given herewith.

As to the future of the undertaking it is difficult to say, for the matter of paramount importance is whether or not the Canadian Government is pursuing its intentions of a short time ago to acquire the road. Apart from the fact that negotiations to this end were going on some time ago, no announcement has been made regarding this point. Possibly the matter will receive public attention during the next few months, for, according to reports from the other side, the Company has given formal notice that it will apply during the coming session of the Canadian Parliament for authority to create and issue a further £2,500,000 of 4% Consolidated Debenture stock. The amount of the present 4% Debenture stock, authorised and issued, is £24,624,455, of which £8,300,000 has been deposited as collateral for short-term notes aggregating £6,500,000 and maturing as follows: £2,500,000 July 1, 1920; £1,000,000 January 14, 1921; and £3,000,000 on October 1, 1921. As regards the more immediate future, it has to be remembered that with the cessation of war work in Canada there may be some temporary set-back in the volume of railway traffic; but, on the other hand, comparison is now being made with a period of 1918 when earnings and expenses were affected by bad weather, and, further, the Company then benefited from the higher freight rates for less than five months. The prices of the junior securities are now: 4% Guaranteed, 54; 5% First Preference, 60; 5% Second Preference, 50; 4% Third Preference, 24; Ordinary, 11⅛.

Imperial Bank of Canada.—Dividend at the rate of 12% per annum for the quarter to January 1919.

The December number of the *Compendium* devotes its editorial pages to a comprehensive survey of the British trade position at the end of the War and a review of the course of price movements during the war period. Highest and lowest prices of coal, freights, iron and steel, and metals during the five years of the War are set out in carefully compiled tables. As a record this survey and these prices have a value all their own.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue. Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY Ltd.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

The Share market has again made a good showing during the past week, and though high-class shares continue to be in short supply, a fair all-round business has been transacted at prices favourable to sellers. Provincial investors are reported to be once more taking an interest in the investment prospects of the industry, basing calculations on the removal of import and blockade restrictions, resumption of pleasure motoring, the likelihood of industrial activity, and the possibility of the excess profits duty being removed or drastically modified. Java shares, especially of companies growing coffee as well as rubber, have again come into demand. The majority of the larger concerns had to accumulate stocks recently, but it looks as if the widespread damage to Brazilian plantations will enable unsold produce as well as current crops to be disposed of at enhanced prices.

LUMUT.

Following on the inclusion of this Company in the list of 30 promising enterprises which we gave last week the annual report is issued to shareholders. It shows, as was to be expected from the low price ruling for rubber owing to war conditions, that the net profit earned in the year ended September 30 fell far short of the previous year's figure—in fact was less than half as much. The greater part of the contraction, however, falls on the National Exchequer. The amount of the net profit, namely, £44,870, was sufficient to maintain the dividend at the previous year's level of 20%, but the actual distribution is reduced to 12½%, including 7½% final now declared; £2,000 is added to income-tax reserve, increasing same to £20,399, and the carry-forward is raised from £7,304 to £25,739, subject to excess profits tax, "if any." The standard for calculating excess profits appears to be between £25,000 and £30,000, and the amount of the duty for the past year between £7,000 and £11,000. Hence the addition to the carry-forward and the increase in the surplus liquid assets, as shown by the balance sheet, from £17,000 to £28,513. For 1916-17 the Company had to pay £52,091 by way of special taxation, and to September 30 last its total outgoings in this connection will probably reach £105,000, out of profits for four years aggregating £271,181. In the same period shareholders have received in dividends £142,749, or a total of 67½%. There is one comforting consideration. The sum required for the past year's distribution is about equal to, or possibly less than, the standard for tax calculation, and in view of the repayment clause of the Act there appears to be little chance of shareholders receiving a smaller dividend in the current year.

The undertaking is very economically conducted. In the latest period, despite the difficulties due to war conditions, the all-in cost of production was little more than 1*s.* per lb. with tapping restricted, a considerable area of immature trees to upkeep, and only a small amount of expenditure debited to capital account.

Moreover, the plantations have afforded proof of ability to give a high yield per acre. We show below a comparison of five years' results:—

	Years ended Sept. 30—				
	1918	1917	1916	1915	1914
Total area	Acres 4,018	Acres 4,024	Acres 4,037	Acres 4,518	Acres 4,518
Planted area	3,462	3,347	3,256	3,251	3,080
Aver. acreage tapped	—	2,544	2,035½	1,842	1,469
	Lb.	Lb.	Lb.	Lb.	Lb.
Rubber output	974,500	1,075,830	897,900	696,653	535,273
Yield per acre tapped	—	422	441	378	364
Gross price realised per lb.	1/10⅜	2/7·54	2/8·38	2/2·82	2/2·26
"All-in" cost per lb.	1/0·4	–/11·54	–/10·5	–/11·37	1/1·2
Profit per lb.	–/10‡	1/8	1/9·88	1/3·45	1/1·06
	£	£	£	£	£
Value of rubber	74,553§	148,816‡	116,651	74,957	56,511
Total rev. expenditure	32,689	51,720	38,536	30,105	27,373
Profit	41,864	97,096	78,115	44,852	29,138
Sundry receipts	3,006	3,897	1,420	932	905
Brought forward	7,304	2,698	17,364	6,676	10,424
Total available	52,174	103,691	96,899	52,459	40,468
Allocations—					
Estate development	—	—	10,000	—	10,000
Income tax	2,000	2,000	2,115	—	—
Excess profits tax	—	52,091	39,790	3,373	—
Dividend paid	26,435 (12½%)	42,296 (20%)	42,296 (20%)	31,722 (15%)	23,792 (11¼%)
Carry-forward	25,739†	7,304	2,698	17,364	6,676
	52,174	103,691	96,899	52,459	40,468
Net capital expenditure	4,701	7,168	3,225	6,755	11,410*
Issued capital (£1 shares)	211,482	211,482	211,482	211,482	211,482
Surplus liquid assets	28,513†	17,044	19,512	31,081	21,570

* Of which £10,000 written off out of profit.
† Subject to excess profits duty, if any.
‡ Including £7,434 realised in excess of value of 1915–16 crop.
§ Net proceeds, including £4,655, realised in excess of value of 1916-17 stock.

At full maturity, calculating on a yield of 450 lb. per acre—in 1915-16, 441 lb. was obtained with a considerable proportion of young rubber in bearing—the annual output would reach 1,550,000 lb., at a cost probably not exceeding 10*d.* per lb., against 10½*d.* in 1915-16. An average price of 1*s.* 6*d.* per lb. for the rubber would, on these estimated bases, bring in sufficient profit to provide dividends yielding 10% on the present price of 48*s. cum* dividend for the £1 shares. In the circumstances the current market valuation is relatively low at £141 per acre planted.

ANNUAL REPORTS ANALYSED.

SINGAPORE PARA.

Issued Capital: £130,900 in 2/0 Shares.

Results for Years to June 30—								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend Amt. %
1915-16	1,799	1,387	509,982	396	2/7·6	1/2	38,420	29,452	22½
1916-17	1,784	1,573	635,814	404	2/7	1/2·1	39,863	26,180	20
1917-18	1,912	1,380	561,915	407	1/11·8	1/3·4	22,936	16,362	12½

Price of Shares, 4/5. Market Capitalisation per planted acre, £150.

Though shareholders were doubtless disappointed to receive only 12½% in dividends from their interests in this Company for the past year, certain compensating considerations emerge from a scrutiny of the report and accounts. In the first place, the yield per acre for the second year in succession averaged over 400 lb., albeit tapping was so restricted that the actual output was 110,000 lb. under the original estimate. In the circumstances, and having regard to increase in wages and cost of materials, the rise in the all-in cost to 1*s.* 3.4*d.* per lb. is not extravagant. About 85% of the year's production was sold, largely in the East, at prices averaging 1*s.* 11.8*d.* per lb. The unsold portion of 83,640 lb. has been taken into the accounts at only about 1*s.* per lb.; but, on the other hand, an excess of £5,100 was realised over the estimated value of the unsold rubber at the end of 1916-1917. The net outcome is a profit, after deducting depreciation, of £22,936, of which the dividends totalling 12½% absorb £16,362, leaving £6,573 to be added to the carry-forward. The amount of that item now stands at £31,980, but it is subject to the payment of excess profits duty for three years. The extent of this liability depends upon the decision in the Merlimau appeal case, but at the worst it is not expected to exceed £35,000. If that much should be needed the Company's cash resources will be reduced to small dimensions, as the balance sheet at June 30 shows, after allowing for dividends, but before payment of taxation, £37,423 of surplus cash resources. However, the current half-year is half through, and the final dividend for the past year has only just been paid. The next report can hardly be expected to show improvement in results. Restriction of tapping has been removed as from January 1, but only six months of the current financial period will derive benefit from this, and probably the output will not exceed the past year's figure. Then, too, rubber prices in the first half of the period ruled very low and forward contracts cover 76,000 lb. at only 1*s.* 4¾*d.* per lb. delivered Singapore. The market has improved of late, and though the resumption of normal shipping and other conditions may not be in time to enable the results of the current year to compare favourably with the past year's figures, the more distant outlook appears to be good. In full bearing the estate should be capable of producing 850,000 lb. of rubber at a considerably lower cost than so far shown, and in the absence of heavy excess profits duty dividends seem likely to be high. This prospect is, of course, discounted to a considerable extent by the price of 4*s.* 3*d.* for the 2*s.* shares.

SEMBILAN.

Issued Capital: £88.000 in £1 Shares.

Results for Years to July 31—								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend Amt. %
1915-16	2,500	1,020	457,603	450	2/8¼	1/1·1	35,328	15,600	18
1916-17	2,700	1,153	501,782	435	2/8¼	1/1¼	35,623	15,840	18
1917-18	2,400	1,180	471,080	400	1/5½*	1/1.9†	13,077	10,560	12

* Net Price. † Excluding selling, &c., charges.

Price of Shares, 68/0. Market Capitalisation per planted acre, £120xd.

Shareholders in this Company do not lose so very much from the reduction in prosperity in the past financial year; the Exchequer bears the brunt of the fall in profit. Dividends in respect of 1916-17 absorbed £15,840 of the net profit of £35,623, and excess profits duty called for £15,944, whereas on account of the past year shareholders receive £10,560 out of £13,077 earned, and excess profits duty is a minus quantity. During the year 700 acres of the planted area were sold for £75,000, and an additional 400 acres have just been completed on the Company's large reserve area of over 7,000 acres. The disposal of so considerable an acreage of the cultivated estates, including a fairly large proportion of mature trees, detracts from the immediate future earning power, but the substantial additional funds obtained will be sufficient to carry out a further large-scale development programme, if that is thought desirable, or else a cash bonus distribution could be made. This is evident from the balance sheet at July 31, which shows £91,000 of surplus cash resources, or £3,000 more than the amount of the issued capital. The shares at 68*s.* have attractions as a lock-up pending further expansion of the business.

BROOKLANDS SELANGOR.

Issued Capital: £125,124 in 2/- Shares.

Loan: £20,000, convertible into shares at 4/- per Share.

Results for Years to June 30—							
	Rubber Planted Acres	Rubber Output lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amount £	Dividend Amount %
1915-16	2,707	397,007	2/4·8	1/1¼	23,580	16,734	15
1916-17	2,887	611,310	2/7.7	1/2½	41,409	25,027	20
1917-18	3,000	634,551	1/11⅞	1/5·17	14,523	12,521	10

Price of Shares, 6/0. Market Capitalisation per planted acre, £135.

This Company distributes the profit earned for the past financial year almost up to the hilt, an addition of £8,000 made to reserve being provided as to £6,000 by appropriation from the amount brought forward. In this way the carry-forward is reduced to £4,619, so apparently the directors anticipate no liability for excess profits duty. The drop in profit from £41,409

to £14,523 is a big one, seeing that a larger output was harvested and that the average price realised was nearly 2*s.* per lb. Costs, however, rose to over 1*s.* 5*d.* per lb., all-in, notwithstanding the debiting to capital account of £11,000 of expenditure incurred mainly on upkeep, and this in conjunction with the drop in the sale price explains the poor profit. It is satisfactory to note that the financial position is sound—the balance sheet shows £21,164 of surplus liquid assets—and no doubt when full tapping is in force again and freight and other charges normal costs will come down and the Company will again be able to report much better results. Still it is obvious that the price of 6*s.* for the 2*s.* shares discounts future prospects to a considerable extent.

PELEPAH VALLEY (JOHORE).

Issued Capital: £97,726 in 2/- Shares.

	Results for Years to April 30								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16	1,522	609	174,100	250	2/9¼	1/5¼	10,021	7,249	10
1916-17	1,522	1,000	300,000	300	2/5¾	1/2½	18,077	9,603	15
1917-18	1,522	1,175	368,760	314	1/9½	1/4⅓	7,918	3,201	5

Price of Shares, 4/0. Market Capitalisation per planted acre, £128.

In analysing reports of rubber companies one has very often to delve deeply into the figures to arrive at the true position, and it is therefore a pleasure to come across a statement so clearly arranged for shareholders as that of the Pelepah Valley. In addition to the directors' report and the accounts, in which details are set out and well summarised, the Visiting Agent's report is printed in full, so that the progress of the estates from year to year and the work done can be followed closely. Not a few rubber plantations in the East have proved when surveyed to be much under the areas estimated for them, and it is to be hoped that this Company will not be among the number. A detailed survey, which is termed "long needed," is now in hand. The fields comprising the property, which have now practically all been brought to a clean-weeded condition, are to be renumbered and regrouped, the Visiting Agent remarking that "many former boundaries have disappeared or are useless owing to the many vicissitudes the fields underwent in the past, and there are few that do not carry rubber of varying ages." Floods and deer have caused considerable damage in the past, and though a good deal has been done in the way of drainage and fence erection, the point of immunity has apparently not yet been reached. However, the property has, in the Visiting Agent's view, been brought to a higher state of cultivation than at any time previously, and this despite the disadvantageous weather, war, and staff conditions. He thinks the high-water mark of costs has been reached, but adds that at no time is it an easy property to manage. As to the accounts, it will be seen above that the crop of the past year realised a poor price, and this despite a high percentage of first latex being produced and favourable forward contracts having been entered into. The dividend had to be reduced from 15% to 5%, and after providing small charges for Debenture interest and directors' participation the carry-forward is raised by £3,922 to £5,052, or by not quite enough to cover the outlay of £4,191 on capital account. The financial position is sound, for, assuming the rather large amount of sundry debtors shown in the balance sheet to be good, liquid assets at April 30 exceeded current liabilities by £17,331. There is no liability for excess profits duty. Considerable crop expansion should be witnessed in the future, but before prospects can be properly estimated the outcome of the detailed survey of the estate area will have to be known.

SCOTTISH UNION & NATIONAL
INSURANCE COMPANY.
ESTABLISHED 1824.
ASSETS Exceed £11,000,000.
FIRE, INCLUDING LOSS OF PROFITS, LIFE, ACCIDENT, ILLNESS, ANNUITIES, PENSIONS, LEASEHOLD, BURGLARY, GLASS BREAKAGE, TRANSIT OF SECURITIES, FIDELITY, PROPERTY OWNERS' RISKS, MOTOR-CAR RISKS, HORSE DRIVING ACCIDENTS, THIRD PARTY, EMPLOYERS' LIABILITY and MARINE
INSURANCES effected on the most favourable terms.
Edinburgh: 35 St. Andrew Square.
London: 5 Walbrook, E.C. 4, & 4 St. James's St., S.W. 1.

THE ARMISTICE.
The CLERICAL, MEDICAL & GENERAL LIFE ASSURANCE SOCIETY
has resumed its pre-war practice of granting
WHOLE WORLD AND UNCONDITIONAL POLICIES.
15 St. James's Square, S.W. 1. *Tele.: Regent 1135.*

The Effects of the War
ON
Life Assurance Business
Pamphlet on application to the General Manager,
SUN LIFE OFFICE (Estd. 1810),
63 Threadneedle Street, London, E.C. 2.

Insurance Notes.

LIFE ASSURANCE IN BRITISH COLONIES.

Although life assurance, both in a scientific and commercial sense, originated in the United Kingdom, it seems to be clear that proportionately to population it is being more energetically and successfully developed in British Colonies than in our own tight little islands. This reflection is forced upon us by a summary of the last report of the Superintendent of Insurance of the Dominion of Canada, from which it appears that new life policies for about £35,000,000 (taking the dollar at 4*s.*) were issued by Canadian companies in Canada in 1917. Now the corresponding figure for British offices in the United Kingdom for that year was about £56,000,000, and this is a very poor comparative total for the population of the United Kingdom, which according to recent records is about five times larger than that of the Dominion. If our offices in this country did as well in the matter of new life business as Canadian life offices do in Canada their record for 1917 would have been more than three times as large as it actually was. Perhaps it may be objected that Canadian offices draw a considerable proportion of their business from other countries than Canada—but some of our own companies do so also, and this is open to all of them if they like to cultivate such business as assiduously as these Canadian contemporaries. And if it were possible to get the figures of the exclusively home business in each country it would

undoubtedly be found that there was a vast superiority, proportionately speaking, in the magnitude of the Canadian over the British life business. This is not as it should be, and it emphasises the fact that, given more enterprise and intelligence in propaganda work, a large increase of life assurance business in the United Kingdom is obtainable.

Moreover, as against the amount of new life business written by Canadian companies in other countries than Canada has to be set the remarkable fact that companies not of Canadian origin issued life policies in Canada in 1917 to the extent of about £22,000,000. This may be taken to be practically all Canadian business, and the amount is in itself two-fifths of that of the whole British life business in the year under review. Out of this £22,000,000, only about £1,000,000 fell to British companies, of which eight were licensed to transact this class of business in that country—these being the Commercial Union, the Gresham, the Liverpool and London and Globe, the London and Lancashire Life and General, the North British and Mercantile, the Norwich Union Life, the Phœnix, and the Royal. The remaining £21,000,000 is described as having been transacted by foreign companies, most of which may be assumed to have their headquarters in the United States.

Thus the total new life business written in Canada by companies of all nationalities in 1917 amounted to about £56,000,000, which by a curious coincidence equals the approximate amount which we have previously referred to as having been transacted by British life offices in that year in the United Kingdom. The comparison is none too flattering to ourselves.

Unlike the experience in this country, the amount of new life business effected in Canada has steadily increased during the War. In 1914 the total issue was about £42,000,000; in 1915, about £45,000,000; in 1916, about £46,000,000; and in 1917 (showing much the largest increase), £56,000,000. The portion of the business relating to purely Canadian offices showed a decrease in 1915 and an increase in 1916 and 1917, the figures being approximately: in 1914, £25,000,000; in 1915, £24,000,000; in 1916, £28,000,000; and in 1917, £35,000,000.

The amount of war claims paid under policies issued in Canada, although naturally small in comparison with British experience, has been considerable, and testifies to the gallant part played by the Dominion in the great struggle. In 1917 these claims amounted to about £1,100,000, as compared with about £2,500,000 paid in claims of a normal character. The war claims paid in 1917 were nearly as heavy as those paid in the three preceding war years. It is unfortunately to be feared that when the figures for 1918 are available they will show an even heavier war-toll.

Four Canadian life offices have branches in the United Kingdom, and their returns of new business are therefore readily available. The office amongst these which reported the largest new life business for 1917 was the Sun Life Assurance Company of Canada, which issued policies for nearly £10,000,000 in that year. This is a much larger amount than any British life office has ever reported in a single year. Even the gigantic Prudential Company, with its wonderful agency organisation as an industrial office, transacted only about £7,000,000 in 1917 in its ordinary life section, and only one other British company exceeded the three million limit. The three other Canadian companies operating in this country have their head offices in Toronto, these being the Canada Life, the Confederation, and the Manufacturers. The amounts of the new life business transacted by these companies in 1917 were approximately: Canada Life, £4,000,000; Confederation, £3,000,000; Manufacturers, £3,400,000.

As far as bonus prospects go, Canadian offices are not so attractive on the whole as the best British life offices. Their expense ratio is usually considerably higher than is the case in this country. On the other hand, their interest earnings are higher; and possibly this feature will be more marked in future, owing to the heavy taxation in this country. The higher rate of interest obtainable has made Canadian companies very formidable and successful competitors for annuity business in this country of late years.

There are a number of excellent life offices in other British colonies, but, apart from the Canadian companies, the only institutions of the kind which operate here have their head offices in Australia. Of these the Australian Mutual Provident Society, with headquarters at Sydney, is the oldest and largest. It was founded about 60 years ago, and it has a bonus record which is one of the best and most consistent in the world. Its new ordinary life business in 1917 amounted to over £6,000,000, and its life funds to over £36,000,000. Its magnitude is greater than that of any other life company in the British Empire, with the single exception of the Prudential. The National Mutual Life Association of Australia (of Melbourne) was founded in 1869. In its financial year ended September 30, 1917, it issued new policies for about £3,500,000, and its funds at the close of that year amounted to about £11,000,000. Its bonuses have been at an excellent standard. The Colonial Mutual Life Assurance Society (also of Melbourne) was established in 1873. Its new business in 1917 amounted to nearly £2,000,000, and its funds to about £4,400,000. The Mutual Life and Citizens' Assurance Company (of Sydney) transacts both ordinary life and industrial life business, but only ordinary life business in this country. In 1917 it issued new life policies for about £1,500,000, and at the close of that year its ordinary life funds amounted to about £9,000,000. It has a good bonus record.

It must be conceded that in the matter of life assurance we treat our colonies better than they treat us. This is in conformity with our system of Free Trade as compared with theirs of Protection. No difficulty is placed in the way of a colonial life office opening up business in this country. It has only to make the statutory deposit of £20,000 and the ordinary simple returns to the Board of Trade like a company of purely British origin. On the other hand, in all our colonies there are highly inquisitorial State Insurance Departments, whose very stringent regulations in regard to deposits, valuations, and other matters as applied to any interlopers have prevented the majority of our own institutions from setting up branches in these places.

BARROW HÆMATITE STEEL CO.

During this week it is understood £600,000 of this Company's Debenture stock has been underwritten. The new stock forms part of £1,000,000 authorised, and a portion is to take care of the £314,050 of 5½% Debenture stock now in issue, which itself is an extension of 5% Debenture stock repayable in the middle of 1915. The Company has in hand a reconstruction programme, and at the end of 1917 had spent thereon upwards of £200,000. During 1918 a further £120,000 was so laid out; and the Company was committed to further expenditure of about £130,000, according to the last report for 1917, issued only a few weeks ago. Additional improvements were recently under consideration, with which the directors now intend to proceed, and as a result of the whole scheme it is anticipated that not only will output be increased, but considerable economies effected in the cost of production. The new Debenture stock is to be issued at par, is to bear 5% interest, tax free, and will be redeemed by an annual sinking fund. The gross yield to the investor will therefore be 7⅐%, with tax at 6*s.* in the £. From the proceeds of the issue the existing Debentures are to be paid off unless holders desire to convert into the new Debenture stock. Although the fluctuations in past profits may be no criterion of future results, the expansion in profits indicated below is, however, not

without interest. The profit shown for 1917, after all taxes but before depreciation, &c., was £294,815. Allowing for the usual cumulative dividend of 13⅓% on the First Preference capital, there was a balance of £275,191, from which the Second Preference capital received 9⅛% (6⅔% cumulative, together with 2½% non-cumulative), and, for the first time since 1907, the Ordinary stock received 5%. From the surplus profit £125,000 was transferred to special reserve created in absence of depreciation allowances. This reserve now stands at £200,000, beyond which is a general reserve of £75,000. Further, the undivided profit was increased in 1917 by £95,816 to £221,336. The balance sheet made up to December 31, 1917, disclosed a strong position. Excluding a temporary loan of £148,000 from bankers for purchase of shares of the Ullcoats Mining Company, current liabilities were £457,000, and on the other side of the accounts, leaving out £215,000 of trade investments, in which are included the Ullcoats shares, current assets were shown at £1,118,000. The new stock, which may be applied for in multiples of £1, will be redeemable at 102½% between 1920 and 1940.

Yr. to Dec 31	Trading Profit	Deb. Int.*b*	Net Profits	Div. on 2nd Pref.*c*		Profit for Ord.	Div on Ord.	Spec'al Alltns.*f*	Carried Forw'rd
	£	£	£	%	£	£	£	£	£
1917	294,815*a*	17,362	277,453	9⅛	20,625	254,566	33,750*d*	125,000	221,336
1916	218,098*a*	17,471	200,627	6⅔	15,000	183,365	—	75,000	125,520
1915	119,377*a*	16,695	102,692	13⅓	30,000	70,420	—	68,000	17,155
1914	51,518	15,896	35,622	Nil	—	33,360	—	34,000	14,735
1913	104,665	15,890	88,775	13⅓	30,000	56,613	—	53,140	15,375
1912	91,817	15,881	75,936	13⅓	30,000	43,674	—	42,000	12,033
1911	64,711	15,784	48,922	6⅔	15,000	31,660	—	31,500	10,320
1910	54,595	15,724	38,871	6⅔	15,000	21,709	—	20,500	10,169
1909	46,3 0	15,703	30,607	6⅔	15,000	13,345	—	12,669	9,060
1908	36,634	15,651	20,983	Nil	—	18,721	—	17 700	8,384
1907	75,636	14,938	60,698	7⅓	17,250	41,186	13,500*e*	26,248	7,363

(*a*) After war taxes. (*b*) 5% to mid.1915, subsequent y 5½%. (*c*) From this regular divs. of 13⅓% (£2,262 per annum) have been paid on 1st Pref (*d*) 5% subject to tax. (*e*) 2% tax free. (*f*) Transfers o reserve funds, 1917, £125,000; 1916, £75,000; 1915, £25,000. All other a locations for depreciati n, &c.

SUNBEAM MOTOR CAR BONUS.

The accounts for the year to August 31 last showed a net profit of £89,265 or about £21,000 less than in 1916-17. It has to be borne in mind, however, that the profit was shown after payment of income tax and excess profits duty, and, if allowance be made for the fact that income tax in 1917-18 was 5*s.* 5*d.* in the £ against 5*s.* in the former year, and that the excess profits duty paid by the Company was 80%, against about 72%, it would appear that the net trading profit was practically the same for the two periods. The profit of £87,465 shown to be available for the Ordinary in respect of 1917-18 was equal to a tax-free dividend of 36.44%. The dividend paid was again 20% tax free, equal to 27.43% subject to tax, compared with 26⅔% for 1916-17. A sum of £50,000 was transferred to reserve fund and £87,000 was carried forward. The course of profits in recent years is indicated below:—

Year to Aug. 31	Net Profit	Div. on. 6% Cum Pref.	Profit for Ord.	Div. & Bonus on Ord. Earned	Free of Tax. Paid-	Surplus	Special Alltns.	Carried Fward
	£	£	£	%	%	£	£	£
1918	89,265*	1,800	87,465	36.44	20	48,000	39,465	50,000	87,168
1917	110,110*	1,800	108,310	45.13	20	48,000	70,310	—	97,703
1916	45,025†	1,800	43,225	18.01	30	72,000	Dr.28,775	5,000	37,393
1915	236,857	1,800	235,057	97.94	25	60,000	175,057	124,000	71,168
1914	68,064	1,800	66,264	27.61	15	36,000	30,264	23,821	20,111
1913	92,909	1,800	91,109	75.92	33⅓	40,000	51,109	44,000	13,668
1912	59,390	1,800	57,590	66.42	25	21,667	35 923	38,033	6,559
1911	39,998	1,570	38,428	65.13	20	11,859	26,569	20,000	8,669
1910	20,700	1,200	19,500	48.75	20	8,000	11,500	9,400	2,100
1909	90	1,200	Dr.1,110	Nil	Nil	—	Dr.1,110	Cr.205	—
1908	5,790	1,200	4,590	11.47	7½	3,000	1,590	1,700	905
1907	7,656	657	6,999	17.94	10	3,916	3,083	4,300	1,315

*† After deduction of (*) one year's, (†) two years' excess profits duty, &c.

Further particulars are now available as to the scheme to capitalise the reserve fund that has been under consideration during the past few weeks. At the end of August 1913 the Ordinary capital stood at £120,000 and the reserve fund at £140,000. Early in 1914 the Ordinary capital was doubled by the issue of shares at par. At the same time 10*s.* a share was distributed from the reserve fund, so that shareholders, by taking up the new shares at a net cost of 10*s.* a share, were afforded a substantial bonus. The present authorised capital is £320,000, of which 30,000 £1 6% Cumulative Preference shares and 240,000 £1 Ordinary shares are in issue. Further, from appropriations thereto in 1913-14, 1914-15, and 1917-18, the reserve fund has been raised to £270,000. The latest proposal is that, as this money needs to be retained in order to ensure the Company being in a position to develop its business, the reserve fund shall be capitalised. To this end power is sought to increase the authorised share capital by £380,000 to £700,000, and to issue as a bonus 250,000 £1 Ordinary shares at par. In this way the reserve fund will be reduced to £20,000, the issued Preference and Ordinary capital will be raised to £520,000, and 180,000 shares will remain for future issue. The transaction, it will be realised, will not bring any new money to the Company's coffers, and therefore it does not follow that the present 20% tax-free dividend will be maintained upon the enlarged capital. The price of the existing £1 Ordinary shares is about 4$\frac{3}{16}$, equal to about 2$\frac{3}{32}$ after the distribution of the bonus shares.

During 1917-18 the book value of the assets increased from £1,043,000 to about £1,530,000, in which no account is taken for goodwill. The greater part of the increase of almost £500,000 was in stock, materials, &c., the book value of which, in the year to August last, was raised from £316,000 to £970,000. Including this latter figure current assets stood at £1,318,000, against which were current liabilities of £901,000.

CANADIAN CAR AND FOUNDRY CO.

Dividends upon the Preference capital of this Company have recently been resumed. In September last 3½% was paid, and at the end of December a further 1¾% was distributed, from which it would appear the Preference capital is again on a 7% dividend basis. At the same time, however, it has to be remembered that the Preference capital bears 7% cumulative dividends, and also participates in profits when the Ordinary capital has received 7% in any year. The day seems far distant when more than 7% may be looked for, but it is hoped that arrears of dividend may now begin to be paid off. Up to the middle of 1914 the full rate of dividend was paid on the Preference and 4% was distributed on the Ordinary capital. During the four years to September 1913 profits were showing expansion, and the dividends were more than earned. Owing, however, to the set-back in trade in Canada in 1913-14 the additional works that had been brought into operation failed to yield a profit, and even interest charges were not fully earned, so that dividends on the Preference and Ordinary had to be paid from accumulated profit. Unsatisfactory as were the results for 1913-14, they were even worse in 1914-15, when the trading profit was less than depreciation, &c. charges. Since then, however, there has been great recovery, some of which has been due to munition work. For 1917-18, for instance, the net profit rose to $3,252,609, equal to 26% upon the total capital stock.

The Canadian Car and Foundry Company, Limited, was formed in 1909, and controls through stock ownership the Canadian Steel Foundries, Limited, the Pratt and Letchworth Company, Limited, and Rhodes, Curry Company, Limited. The combined output of these associated companies for 1913 was $27,000,000, for 1914 $11,100,000, for 1915 $5,500,000, for 1916 (exclusive of Russian shell contracts) $14,300,000, and for 1917 $25,000,000. In the latter year the output for domestic purposes was comparatively light, but it is understood that, of an aggregate output of $45,233,000 for the past year, about 75% was car and foundry business in the Company's regular lines and about 25% munition work. All munition work has, of course, now been stopped; still, according to the report dated December 19 last, combined orders on hand aggregated $20,000,000, and adding to this shipments made since October 1 and new business in sight, the directors are hopeful the output for the year 1919 will be as large as for 1918.

The dividend of 1¾% recently paid on the Preference capital means that at the present time there are arrears of 26¼%, calling for a total payment of $1,968,000. Last year's profit, equal to 43¾% on the Preference capital, would have been sufficient to pay off all arrears had it not been necessary, first, to conserve cash resources, and, secondly, to provide for war-tax payments, the liability for which has not been disclosed. Nevertheless, it is expected that if the current year's profits are anything like those for 1917-18 a portion of the arrears may be paid off. Profits and dividends since incorporation are shown below:—

Yr. to Sept. 30	Trading Profit	Depreciation	Interest Charges	Net Profit	Div. on 7% Cum & Part. Pref. %	Div. on 7% Cum & Part. Pref. $	Profit for Com.	Div. on Ord. %	Div. on Ord. $
	$	$	$	$		$	$		
1918	4,617,390a	711,563	653,218	3,252,609	3½	262,500	2,990,109	Nil	—
1917	2,572,884	467,610	692,265	1,413,009	Nil	—	1,413,009	Nil	—
1916	1,292,105	350,000	588,849	353,256	Nil	—	353,256	Nil	—
1915	321,840	425,000	555,312	Dr.558,472	Nil	—	Dr. 558,472	Nil	—
1914	673,036	278,076	460,768	Dr.65,808	5¼	367,500	Dr. 433,308	2	79,500
1913	2,351,325	349,166	280,506	1,721,653	7	458,500	1,263,153	4	159,000
1912	—	—	212,800	1,039,932	7	423,500	616,432	4	157,000
1911	—	—	210,000	1,007,137	7	385,000	622,137	4	155,000
1910*	—	—	175,000	832,520	5	320,833	511,697	2	77,500

* Eleven months to Sept. 30. (*a*) $2,917,004 secured in 7 months to Apr 1.

The cash position at the end of September in recent years has been as stated below. Current assets, we would add, include the amounts set out in the bottom line of the statement:—

Sept. 30—	1918	1917	1916	1915	1914	1913
	$	$	$	$	$	$
Current assets	18,148,601	15,019,079	10,029,332	10,653,172	5,920,748	7,596,342
Current liabilities	9,128,638	9,116,231	4,769,469	7,195,312	1,695,187	3,541,098
Surplus assets	9,019,963	5,932,848	5,259,863	3,457,860	4,325,561	4,055,244
Party manufactured products & materials & supplies	12,016,773	7,760,663	3,819,019	3,395,605	3,245,710	4,154,333

The loan capital amounts to $8,299,523 in 6% bonds, of which $5,222,593 of First Mortgage 30-year 6% Sinking-fund bonds are quoted in London at £92½ per cent., at which the yield is 6½%, without allowing for redemption. The Preference stock is quoted here at 106, and deducting 18 in respect of accrued dividend and 3 for exchange the yield at the net price of about 85 is almost 8¼%. The Ordinary stock is at 59.

GUAYAQUIL AND QUITO RAILWAY.

A FEATURE in the Foreign Railway market this week has been the rise to 46 in Guayaquil and Quito Railway 5% First Mortgage bonds. The line, which runs from the seaport of Guayaquil to Quito, the capital of Ecuador, has a bonded debt consisting of $1,953,000 of 6% Prior Lien bonds, the interest on which calls for about £23,406 a year, and $10,732,000 of 5% First Mortgage bonds, the service for which calls for £107,320 annually. The service of these bonds is a first charge on Ecuador's Customs revenue. After a period in which coupons were not promptly paid the prosperity of the country enabled regular remittances to be made, so that when war broke out coupons on the First Mortgage bonds had been paid up to and including that due July 1912. Naturally, the outbreak of the War and the disturbance to shipping affected the Customs revenue, so that remittances were not forthcoming and interest on the bonds got into arrears; indeed, arrears to date on the Prior Lien bonds amount to 15%, and those on the 5% bonds aggregate 32½%. Now, however, that shipping facilities are improving it is anticipated remittances will be made more freely. Already this month the Council of Foreign Bondholders has reported the remittance of £35,000 on account of the service of the Bonds, and in addition announces that daily deposits of funds have been raised from 1,000 sueres to 3,000 sueres (£300) a day. The view of the market is that not only may 5% again soon be forthcoming on the 5% bonds, but that arrears may eventually be fully met if the trade of Ecuador is restored to its former level. Deducting 6*s.* in the £ for income tax and 4*s.* in the £ for the "present" value of deferred payment on arrears, the present net value of the unpaid dividends on the 5% bonds is calculated to be about £16¼, which, deducted from the present quotation, leaves a net price of about 30. The 6% Prior Lien bonds are at 87½ *cum* arrears valued at about £10.

Life Assurance at Minimum Rates.
A
PLAN *of* ASSURANCE
SPECIALLY ADAPTED
for PRESENT TIMES.
For particulars address the
GRESHAM LIFE ASSURANCE
SOCIETY, LIMITED,
ST. MILDRED'S HOUSE, POULTRY, E.C. 2
Founded 1848. Funds £10,500,000.
THE GRESHAM FIRE & ACCIDENT INSURANCE SOCIETY, LIMITED.
Transacts all classes of Fire and Accident Business.
Chief Office: St. Mildred's House, Poultry, London, E.C. 2.

HEAD OFFICES: LIVERPOOL AND LONDON
ROYAL
INSURANCE COMPANY, LIMITED
ALL CLASSES OF INSURANCE EFFECTED

COMMERCIAL UNION
ASSURANCE COMPANY, LIMITED.
Head Office: 24/5/6 CORNHILL, LONDON, E.C. 3.
Total Assets (including Life Funds)—£31,801,986.

Commercial.

EMPIRE JUTE.—II.

IN our first article on Empire jute we showed that jute is almost purely a British Empire product. It is produced practically only in British India, its cultivation being mainly confined to Bengal, Eastern Bengal, Assam, Cooch Behar and Nepaul. Attempts to cultivate jute elsewhere—for example, in China, Egypt and East Africa—have so far been attended with a very small measure of success. This is mainly due to the fact that where the experiments were tried there was an absence of cheap labour; neither the rainfall nor the climatic conditions were as favourable as those experienced in Bengal; and, finally, the transportation facilities for conveying the jute from the place of growth to any probable market of consumption were inadequate.

It must not be assumed, however, that because jute is at present, and has been for a long time past, a virtual British monopoly, of immense value to the trade of India as well as to that of Dundee in Scotland, there is no possibility of its position being challenged. No more serious mistake can be made than to assume that the world cannot get on without it. There are many potential fibres which might be manufactured to fill the same purposes as jute. None of them have so far been tried, mainly because they are found in places where there is neither the labour, the machinery, nor the transportation facilities which would induce such an experiment being made with any prospect of success. It has to be remembered, however, that it was the difficulty of obtaining raw rubber from the region of the Amazon, due to the money panic in New York in 1907, which led to the establishment of rubber plantations in the Far East upon the great scale which subsequently took place. If India means to retain the advantages she now enjoys as a practical monopolist in the supply of the world's jute, there seems no reasonable doubt that the sooner she sets about seriously increasing her production the better. Jute owe its present position in the world's markets

to the fact that it is, for the purposes for which it is intended, principally as packing, the cheapest textile at present offering to those who have large quantities of food and raw material to export. A permanent rise in the price of jute, resulting from a reduction in supply, with a growing demand for the product, would inevitably, sooner or later, lead to attempts in different parts of the world to discover some substitute.

An inquiry was wisely ordered by the Government into the sources of supply of this valuable raw material, and the result of this inquiry has been published in a Blue Book. In addition to giving valuable information as to where jute was obtained, the area of cultivation, and the amount actually grown, the Committee discovered in the course of their inquiries that there was not only a shortage of jute during the late War, but that for some years before the supply had rarely been equal to the demand; and, in addition, the evidence they collected, and which they published, undoubtedly tends to show that there is likely to be a still more serious shortage whenever the world resumes an active peace trade. Arriving at this conclusion, based upon an immense mass of evidence, which they publish, and which, as we say, seems to justify the conclusions, the Committee proceeded to recommend a duty on jute exported from India. We have no quarrel with an export duty if India requires it as a purely fiscal measure; but the Committee goes very much further. The Committee recommend, not as a fiscal measure, but as a method of getting over the difficulty of a probable shortage, that the export duty on jute should be subject to rebate when the jute is re-exported to places in the British Empire, subject to a partial rebate when the jute is re-exported to countries with which Great Britain has recently been in alliance; that little or no rebate should be allowed in the case of neutral countries; while in the case of the countries with which the British Empire has lately been at war, not only should the full export duty be charged, but, in addition, if there was any shortage, they should be rationed to a small percentage of their requirements.

It has to be remembered that the inquiry was held during the war period. Such recommendations during a period of war may be all very well; but it has to be remembered that the jute trade exists for the cultivation and disposal of a particular fibre, and not for the purpose of engaging in war measures. Whatever conditions the Peace Conference may find it expedient to impose upon the enemy Powers is a political question and has no reference to the jute trade. The only possible way to keep the jute trade in a healthy condition is for those engaged in the production of the raw material to see to it that there is a sufficient supply to meet all reasonable demands. It is a common expression of opinion on the part of those engaged in the trade, both in Dundee and in India, that cheap jute is always favourable to the true economic interests of the industry. This is, of course, true more or less of every trade; but it is essentially true of a trade which depends for its existence upon the cheapest article known at any specified time capable of fulfilling the demands required from it.

It may be of interest to note that, so far as India is concerned, the mere value of her jute exports which have already been manufactured exceeds 19 millions sterling, or more than 56% of the total exports of Indian manufactured goods. But the important point to consider is India as a producer of raw material, as distinct from the manufactured article. In order to show what we mean, and before concluding the article with figures as to the area under cultivation and to what extent that area might be increased, we will quote some of the remarkable figures from the Blue Book to which we have already referred. Assuming the machinery now available for jute manufacture to be working at its full capacity, with the demand very much as it was at the outbreak of the War, or just before, the following quantities would be needed:—

	Bales
British Empire	6,720,000
Allied Countries	1,270,000
United States	650,000
Neutral countries	382,000
Countries lately at war with Great Britain and her Allies	1,252,000
	10,278,000

Bearing in mind the amount of machinery available, taking on this basis the maximum possible consumption as 10¼ million bales, and deducting a quarter million bales used by the workers in India themselves, and not available for the machinery under consideration, the total production of the three years ending 1916 amounted to—

Season	Bales
1913-14	9,336,675
1914-15	8,599,473
1915-16	8,262,416

It will be evident from the production of the first of these seasons—which, by the way, ended on June 30, and consequently did not include any period of the War, which did not begin until the end of July 1914—that the maximum consumption possible with the machinery now available, even in a normal year, is barely sufficient to keep the machinery running full time, and that, in the event of the failure or partial failure of the crop over any particular area, there might be a very considerable deficiency. Bearing in mind that there is a shortage of food and raw materials in all the great consuming centres, both of Europe and the United States, and particularly in Europe, it is not unreasonable to assume that the demand for jute bags, jute sacks, and gunny cloth for many years to come will be at least equal to what it was in the season immediately preceding the outbreak of the War in the summer of 1914. From the figures before us the Committee to whose report we have referred arrived at the not unreasonable conclusion that what they call the boom in jute is likely to continue for a considerable time after the conclusion of peace. They add that it is important that the British and Indian Governments should be well supplied with stocks for six months to come, and that, if possible, the production of raw jute should be increased. We quite agree. Before we consider the important question of how that production is to be increased we will deal with the importance of the industry to India in particular and to the British Empire in general. Raw jute, says the report, is exclusively grown in British India, and being one of the cheapest textiles for the purpose for which it is used, it has come to be an almost indispensable article of commerce.

India has attained her predominant position as a producer of raw jute owing to the Bengal climate and the abundance of native labour. It seems desirable that, as far as possible, the Indian Government should take steps to improve the methods of cultivation, and to extend that cultivation as far as may be practicable.

HARRISONS & CROSFIELD LTD.

ISSUED CAPITAL £1,075,000

EASTERN AND GENERAL MERCHANTS.

Shipping, Banking and Insurance Agents.

Agents and Secretaries for Rubber, Tea, and Produce Companies.

Head Office - 1/4 Great Tower Street, London.

Branches.

Colombo.	Quilon.	Calicut.	Cochin.
Calcutta.	Kuala Lumpur.	Medan.	Batavia.
Bandoeng.	Kobe.	Montreal.	Tangier.

Affiliated Companies.

Singapore.	Penang.	Sandakan.	Jesselton.
Shanghai.	Foochow.	Hankow.	New York.
Philadelphia.	San Francisco.	Cape Town.	Melbourne.
Sydney.	Brisbane.	Auckland.	Dunedin.
Adelaide.	Wellington.	Christchurch.	

About 80% of the raw material is manufactured within the confines of the British Empire, 12% in enemy countries, and 8% in neutral countries, a small part of the 80% being manufactured in countries with which the British Empire is allied. Calcutta exports 60% of her production, which production constitutes about 52½% of the world's output of jute. Dundee exports 40% of the output of the United Kingdom, equivalent to 12½% of the world's output. It is manifestly desirable to ensure the continuity of this export trade. There is some prospect that for several years there will be a shortage of raw jute, compared with the capacity of the world's machinery. This shortage should be particularly acute during the early months of peace, when it is to be reasonably expected that those countries which were lately at war will be endeavouring to the utmost to replenish their stocks of food and raw materials, of which they have been so seriously depleted during the continuance of hostilities. This shortage would, of course, be further accentuated if Russia and those countries with which we were lately at war succeeded in obtaining some settled form of government, which would enable them likewise to endeavour to replenish their depleted stocks of various raw materials.

Now we come to the important question of whether India is capable of increasing the supplies of jute. There is reason for believing that the increased acreage under jute in the last few years has produced a larger crop than the Indian cultivator, or ryot, has been able properly to handle, and there are grounds for fearing that the quality of raw jute has to some extent deteriorated. As a result, the attention of the Department of Agriculture of the Indian Government has been called to this important matter, and steps are being taken to educate the ryot to a more scientific and efficient method of cultivation, a more careful selection of seed, and generally to afford assistance for the further development of this important industry. This is one of the difficulties of Indian cultivation. India is, in fact, perhaps the largest grower of cane sugar in the world, and the acreage under cane is enormous, out of all proportion to the quantity of sugar actually produced. There can be no reasonable doubt that if some efficient method of cultivation obtained—such, for example, as obtains in Louisiana in the United States or in Queensland in Australia—India not only could supply all her own needs for sugar, but should be an important contributor to the cane-sugar supply of the world, instead of having, as at present, to largely depend on outside sources of supply.

In a recent article on jute we said that the acreage in India ranged between 2¼ and 3 million acres. Recently it has been nearer the latter than the former figure; but from the statement above made, which we take from official sources, it will be seen that the mere increase of the area under cultivation is not a solution of the problem. Improved methods of cultivation are first necessary; then it would be practicable to increase the acreage. The increased area has been due mainly to the rise in the price of jute. But for the reasons we have explained, both in a former article and in this one, such a serious increase in the price of raw jute is not desirable in the true economic interests of the jute trade. What is required is to produce on a given area, for a given amount of capital and expenditure of labour, a better return per unit of really good jute. There is no difficulty whatever in increasing the area provided that a better method of cultivation becomes generally established in Bengal, and that the native cultivator, or ryot, is taught a more efficient method of handling the crop. There is already available in Bengal and Assam, actually under cultivation, some 60 million acres, and the three millions now under jute can be readily added to provided that a better return per unit can be obtained.

LANCASHIRE COTTON TRADE PROFITS

ALTHOUGH demand for cotton yarn began to slacken about three months ago, the stocktaking results of Lancashire spinning companies for the half-year ended December 31 have been very encouraging, and, on the whole, rather better than for the six months ended June last. The following is a comparative table, giving particulars of the experience of 12 large concerns for the half-year just ended and for the first six months of 1918, together with comparative share quotations:

	Share Quotations— July 24, 1918	Jan. 9, 1919	Profit 6 Months ended— June 30, 1918	Dec. 31, 1918
	s. d.	s. d.	£	£
Astley	80 6	89 6	5,837	5,758
Butler Green ...	287 6	440 0	10,228	17,302
Castle	£0 6	86 9	12,825	25,414
Dowry	£0 6	60 6	15,205	10,664
Hollinwood	35 6	39 0	6,776	8,761
Honeywell	44 6	61 6	7,020	13,661
Moorfield	83 6	101 0	8,114	8,056
Newton Moor	83 6	92 0	7,225	8,300
New York	10 0	69 6	3,243	14,902
Parkside	£0 0	100 0	10,844	15,161
West End	85 6	85 6	11,492	7,283
Whitelands Twist ...	61 0	84 6	15,436	10,550

The total profit made by the 12 companies in the half-year ended June 30, 1918, was £114,245, whilst in the second half of 1918 the total profit was £145,242.

THE GRAMOPHONE RECORD.

THE list of companies that are capitalising a portion of their reserve funds grows apace. One of the latest to follow this practice is the Gramophone Company, which before the War was earning substantial profits. Although at first the ordinary business was affected by the War, a good deal of work was performed for the Ministry of Munitions. Eventually the normal class of business recovered; indeed, the sales in the United Kingdom in 1917-18 were unprecedented, and since June last are understood to have reached new high levels. With only one exception—1914-15—dividends have been paid regularly, and at the same time not only has a large reserve fund been built up, but the financial position has been greatly strengthened. Patents, goodwill and trade marks appear in the balance sheet at the nominal figure of £1, while the whole of the capital and trading assets in enemy countries and Russia, together with certain trade investments, have been written off. Including £516,011 of stock-in-trade and work in progress, £750,141 of sundry debtors, &c., and £297,375 of cash, current assets on June 30 last were valued at £1,623,500, against which were current liabilities of £530,474. Beyond £300,000 of 5% Debenture stock, the present capital consists of £100,000 authorised and issued in £1 5% Preference shares, and £500,000 authorised and issued in £1 Ordinary shares. The Ordinary dividend for 1917-18 was 15%, whereas 28¼% was earned. Of the surplus profit £50,000 was transferred to a dividend equalisation fund.

It is now proposed to increase the capital to £850,000 and to capitalise £250,000 of the £267,611 of reserve fund by giving one additional Ordinary share for every two held. Last year's profit, we would state, was equal to about 19% upon the Ordinary capital shortly to be ranking for dividend. The 5% Cumulative Preference share stands at 16*s.* 3*d.*, the yield thus being about 6½%. The Ordinary shares are quoted 2⅛.

Yr. to June 30	Trading Profit	Income Tax	Int. & Sinking Funds	Net Profit	Div. on Pref.	Profit for Ord.	Div on Ord. Subject to Tax— %	£	Special Allctns. £
	£	£	£	£	£	£			
1918..	215,750*	46,651	22,800	146,299	5,000	141,299	15	75,000	50,000
1917	178,491*	31,151	45,600	267,446	15,000	252,446	10	50,000	144,189
1916	165,706*						10	50,000	
1915..	14,310	8 771	22,800	Dr.17,261	Nil	Dr.17,261	Nil	—	7,917
1914	135 686	4,960	21,992	108,734	5,000	103,734	10	50 000	44,380
1913..	98,354	4,155	—	94,199	5,000	89 199	10	50,000	9,126
1912	154,968	1 398	—	152,570	5 000	147,570	20	100 000	1,613
911...	182,249	2,000	—	180,249	5,000	175,249	20	100,000	485,648
1910...	153,128	5,745	—	147,383	5,000	142,383	15	75,000	1,644
1909	55,628	6,173		50 455	5 000	45,455	15	75 00	1,267
1908...	141,625	2,451	—	139,174	5,000	134,174	25	125,000	—

* After excess profits duty, &c.

MEETINGS
OF PUBLIC COMPANIES.

THE NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED.

An extraordinary general meeting of the shareholders of the National Provincial and Union Bank of England, Limited, was held at 15 Bishopsgate, E.C., on January 15, the Right Hon. Lord Inchcape, G.C.M.G., K.C.S.I., K.C.I.E., presiding, "for the purpose of considering and, if thought fit, passing, with or without amendment, the following resolutions, with a view to the second of such resolutions being subsequently confirmed as a special resolution :—

"1. That the capital of the Company be increased to £51,000,000, divided into 40,000 shares of £75 each and 800,000 shares of £60 each, by the creation of 250,000 shares of £60 each ranking in all respects *pari passu* with the existing shares of the Company.

"2. That of the capital uncalled upon the 250,000 new shares of the Company of £60 each created by the foregoing resolution the sum of £40 a share be not capable of being called up except in the event and for the purpose of the Company being wound up."

Mr. F. Eley (Joint General Manager) having read the notice convening the meeting,

The Chairman said : Gentlemen,—Our business has grown to such an extent that the directors have felt it incumbent on them to increase the capital of the Bank. If the resolution which I am about to propose and of which you have had notice is carried to-day, as no doubt it will be, after it is confirmed at the extraordinary general meeting to be held on the 30th inst. the shareholders of the Bank, in proportion to their holdings, will be given the opportunity of subscribing for 130,402 shares of £60 each, £12 paid, at an issue price of £24 per share, part of a total of 131,093 shares now being issued. The market price of the £60 shares, £12 paid, is at present in the neighbourhood of £34 or £35, and there is no doubt, I think, that the new issue will be fully applied for. The difference between £12 per share paid up and the issue price of £24—namely, £12 per share, or £1,573,116, will be placed to the published reserve of the Bank. When the whole transaction has been completed the nominal capital of the Bank will be £51,000,000, with £7,050,000 paid up, and the published reserve will be £6,423,116, giving a total of paid-up capital and reserve of £13,473,116. Twenty-eight years ago the deposits were £40,000,000, with a capital and reserve of £3,670,000; at the present time the deposits are, roughly, £200,000,000—(applause)—with a capital and reserve of £10,326,884; and you will therefore appreciate why the board feel it necessary, in the interests of their depositors and customers and of the Bank, to increase both the capital and reserve by something like £3,000,000. The proposed increase will at the same time enable us still further to meet the demands of our customers for accommodation as well as to help the industry of the country, which in the next few years will require assistance to enable it to recover. I now beg to propose the resolutions which are in your hands and which have been read, and which, with your permission, to save time, I think I need not read again. (Hear, hear.) I will now ask Sir Felix Schuster to second the resolutions.

Sir Felix Schuster, Bart. : I have much pleasure in seconding the resolutions.

The motion was carried unanimously.

Mr. J. S. Adams : Gentlemen,—Before we part I am sure we should like to pass a hearty vote of thanks to Lord Inchcape for the able way in which he has presided to-day, and I am also sure that most of us would like to express the hope that he will be at the helm of this good old ship for many years to come. (Hear, hear.)

Mr. Cecil Braithwaite : I beg to second that. An enormous amount of work has fallen on our Chairman, and he has had a great deal to think about, especially during the last few months, and various meetings to hold in connection with the expansion of the Bank, and therefore I think we must all feel that a special debt of gratitude is due to him for the able way in which he has carried everything through.

The vote was unanimously accorded.

The Chairman : I am very much obliged to you, gentlemen, for the kind way in which you have expressed your feelings, and on behalf of my colleagues and myself I can assure you that we are extremely obliged to you.

The proceedings then terminated.

ALEXANDERS DISCOUNT COMPANY, LIMITED.

The fifty-first ordinary general meeting of shareholders of Alexanders Discount Company, Limited, was held on January 16 at the offices of the Company, 24 Lombard Street, London, E.C. Mr. Colin Frederick Campbell (the Chairman of the Company) presided.

The Secretary (Mr. A. K. Bruce) having read the notice convening the meeting and the auditors' report, and also the minutes of the last ordinary general meeting of January 17, 1918, and of the extraordinary general meeting of December 30, 1918,

The Chairman : With your permission I will take the report as read. It is again my good fortune to lay before you a balance sheet which I have every confidence in thinking you will consider satisfactory. From our own immediate point of view the year 1918 has not been marked by any particular incident, though it will stand out for all time as the year which saw the conclusion of the world-wide War which has devastated a large part of Europe and other countries during the past four years.

End of Government Borrowing Hoped for this Year.

It is not my province here to discuss with you the many and amazing successes of the War, but I can say that one of the greatest has been the manner in which the financial burden assumed by this country has been borne. During the year under review the National War Bonds were steadily absorbed to such an extent that it was not found necessary to issue a further War Loan, and we may reasonably hope that the year 1919 will bring us in sight of an end of Government borrowing and a first step taken towards placing the finances of the country on that sound and permanent basis we all desire by the institution of some arrangement for a steady reduction in our national indebtedness.

Bank Amalgamations.

In the banking world generally the past year has been a notable one in consequence of the huge amalgamations among the clearing and other banks, with the result that there are now only five great joint-stock banks, with deposits varying from 200 millions to 250 millions. These amalgamations have provoked criticism in certain quarters, but we believe that they are for the good of the community at large, and that both private individuals as well as the great commercial and financial institutions of this country will alike benefit by the increased strength and scope of these great banks. At first sight it may be thought that our interests will be prejudiced owing to our having had accounts with practically all the banks before these amalgamations; but I am sanguine enough to believe that this will not prove to be the case, and that discount houses such as ours, with ample resources and in good credit, will continue to receive the same liberal treatment that we have always had from our banking friends in the past. It must also be remembered that, in addition to the clearing banks, we obtain large sums of money from the provincial, Scotch and Colonial banks, besides from merchant houses and others. In my opinion we are not likely to suffer in the future so much from a lack of deposits as from a keen competition for commercial bills, and with this probability in view we have been steadily strengthening the resources of the Company during recent years. At present we are practically relying upon Treasury bills, but when these come to an end their place will have to be taken by commercial paper, and I venture to think the demand will be so keen that the margin of profit may be reduced to a fine point.

Scarcity of Commercial Papers Balanced by Abundance of Treasury Notes.

As conditions become more normal an important function which it will fall to discount houses to perform will be the scrutiny of the acceptances that are offered in the London market, so that British trade may be kept in British hands, and it will be incumbent on us to see that we are not lending ourselves, even indirectly, to encourage trade with what I may still call enemy countries at the expense of this country and the countries of our Allies. We have experienced the same scarcity of commercial paper as in 1917, but as we were able to apply for Treasury bills whenever we wished to do so we could make full use of all the money at our disposal. The Bank rate has remained at 5 % during the whole year. The average rate of discount has been slightly over 3⅛%, and the average rate for money has been £3 5*s.* 6*d.*, showing a margin of profit of 5*s.* 9*d.*, compared with 8*s.* 4*d.* last year; but in spite of this reduction I am pleased to say the profits are quite satisfactory as the result of our having done a larger business, and we also carried more short investments, such as National War Bonds.

Change of Names.

You will notice from the balance sheet placed before you to-day the change from the old name of Alexanders and Co., Limited, to Alexanders Discount Company, Limited. It was not without much hesitation that your directors decided to recommend the shareholders to make this change, and the necessary extraordinary meetings were held for the purpose last month. We believe that it will be to our advantage to let it be known clearly what we stand for, and that we are a discount company and not a bank. In the City of London this is, of course, well known, but we hope in the future to secure an increased supply of bills from the great industrial centres of the country, and it was with this in mind that we recommended the change to you.

The Balance Sheet.

If you will turn now to the balance sheet for a moment you will notice that the figures again show a general increase. The reserve account now stands at £200,000, against £170,000 a year ago, and the amount carried forward is also increased from £23,000 to £25,000. The directors recommend a final dividend of 6%, making a total dividend of 12% for the year, and also the distribution of a bonus of 1*s.* a share, tax free. We have again given those of our staff who have remained with us a bonus of 20% on their salaries, in addition to a war bonus in consequence of the high cost of living, and it is with very great pleasure that I am able to testify to the loyal way in which the staff has responded to every call that has been made upon it throughout the year.

I now beg to propose: "That the report and accounts be received, adopted and entered on the minutes." If anybody has any questions to ask I shall be pleased to answer them.

Mr. Robert Ernest Alexander: I will second that resolution.

The resolution was carried unanimously.

The Chairman: I have now to move: "That dividends for the half-year ending December 31 last be declared at the rate of 6% per annum on the £100,000 Preference capital, and at the rate of 12% per annum on the £400,000 Ordinary capital, both less income tax, and a bonus of 1*s.* per share on the Ordinary shares free of tax, payable on and after the 17th instant, and that the balance of £25,020 19*s.* be carried forward to next account."

Mr. George C. Alexander: I second that resolution.

The resolution was carried unanimously.

The Chairman: I have now to move: "That Mr. George Cleverly Alexander be re-elected a director of the Company."

Mr. A. E. Harris: I should like to second that.

The resolution was agreed to unanimously.

Mr. Robert Alexander proposed that Messrs. Price, Waterhouse and Co. be re-appointed auditors of the Company at an increased fee of one hundred and fifty guineas for the year.

Mr. Baggallay: I second it.

The resolution was carried unanimously.

A vote of thanks to the Chairman, management and staff having been proposed and seconded, the proceedings came to an end.

BOOTS CASH CHEMISTS (EASTERN), LIMITED.

A RECORD OF CONTINUED SUCCESS.

STABILITY OF SHARES—VALUABLE WAR SERVICE—ANTI-GAS WARFARE: A PREGNANT CHAPTER IN HISTORY—FINANCIAL FALLACIES CORRECTED—EXCESS PROFITS ARE *NOT* EXCESSIVE PROFITS—NATIONAL WORK DONE WITHOUT REMUNERATION—EXTENSION OF CHEMICAL MANUFACTURES A NATIONAL ASSET—TRIBUTE TO EMPLOYEES—OUTLOOK EXCELLENT.

The twenty-sixth ordinary general meeting of the shareholders of Boots Cash Chemists (Eastern), Limited, was held at the Midland Grand Hotel, St. Pancras, on January 15, Sir Jesse Boot, Bart., J.P. (Chairman and Managing Director), presiding.

The Secretary (Mr. Alex. L. Milne) read the notice convening the meeting, and Mr. G. C. T. Parsons, of Messrs. Sharp, Parsons and Co., read the report of the auditors.

The Chairman said: Ladies and Gentlemen,—To-day is the twenty-sixth annual meeting of our Company, and I am thankful to Providence that I have been able to attend them all. (Hear, hear.) Last year our meeting was necessarily delayed; this year circumstances have made an even longer postponement unavoidable. You are familiar with some of our difficulties. On the one hand military requirements have continued to reduce our *personnel*, so that a ments have continued to reduce our personnel, so that a total of 4,000 men have now been taken for active service from our various Companies, and on the other hand the depleted staff at headquarters has had to cope with increasingly heavy Government demands for various important supplies and services. Pressure has also been added by the serious epidemic of influenza, so that the past year has indeed been one of unparalleled strain, and in some of the less essential matters it has not been possible to follow our regular course. We have, in these circumstances, felt it wise to attend to first things first, and to defer for a time reports and meetings as of less immediate importance. The delay in this connection is not a serious matter at all, for our ample reserves permit the timely distribution of dividends without waiting for the annual meeting. I had felt, too, that affairs in general might perhaps become more settled, and that possibly a number of our staff might have returned from military service to assist us in the activities we have in prospect. This hope, however, has not yet been realised, and consequently I cannot speak so definitely as I would have liked of our future policy.

Steady Trading Progress, Stability of the Shares.

I am, though, privileged to lay before you accounts which show steady progress in trading, and a balance sheet which must be satisfactory to all our shareholders. As always in the history of our Company, we have aimed at making our shares stable for investment purposes rather than a medium for speculation—to preserve an even keel, so to say - and I congratulate our shareholders on the steadiness their shares have shown. It is true that in common with all other securities they were for a time affected by the large amount of Government bonds placed on the market, but on the whole they have maintained their equilibrium splendidly. A glance at the report discloses a very adequate reason for this stability. As a result of past successful trading and prudent management through a long series of years, we have in hand large reserves of every description; and one point observed in the report worthy of special emphasis is that the carry over alone (£21,048 19*s.* 6*d.*) is adequate to meet a full year's dividends upon all shares, for which, including 12½% upon the ordinary shares, a sum of £21,000 is needed. This is indeed a gratifying state of affairs, as showing in most conclusive fashion the extraordinary financial strength of the Company.

Moreover, while I am able to speak so favourably of the past year, I look forward with confidence to our future business. Our service is well established and of proved utility, and with the return of our old assistants various developments and extensions will be carried out such as to confirm us more than ever in popular favour, and to strengthen still more the position of the Company.

Record of Prosperity remains uninterrupted.

The Eastern is the eldest of Boots Companies, and its territory is more fully covered than the districts served by the other Companies. Still, as I have remarked on previous occasions, most of our shareholders in the Eastern have holdings in these other Companies, and they will therefore be glad of a general survey of policy and progress. Happily in every case the record is one of uninterrupted prosperity. New branches have been opened at Portsmouth and Plymouth, which are already meeting with warm public appreciation; and throughout the whole country the accomplishments and prospects of our branches are highly encouraging.

WORTHY RECORD OF WAR SERVICE.

I wish to make special reference to the war work performed by our parent Company—Boots Pure Drug Company, Limited. It is a class of work which by God's grace we shall never again be called upon to undertake, but I think what we have done well worthy of record. (Hear, hear.) Not only am I proud of the help we were able to give to the medical man and the pharmacist, whose services, both on the field and at home, it would be impossible to rate too highly; I reflect with deep feeling upon the part we have played in protecting our men from the most atrocious of all the enemy's weapons -poison gas. You have all heard of Col. E. F. Harrison, Controller of the Chemical Warfare Department, for on his recent death some part of his work was made public. But for his knowledge and skill, and his unremitting devotion to duty, the courage and mettle of our youth might have been in vain when the inhuman use of poison gases was made. He gave his life to his country, and I humbly add my tribute leaf to his wreath of laurel.

In its early stages the use of poison gas was met by the simple respirator of cotton wool and crêpe chemically treated. As it developed, however, a better protection became necessary, and the flannel helmet was evolved. This in turn proved useless against the more horrible ingenuities perpetrated by the perverted scientists of the enemy; indeed, it was worse than useless, it was a positive danger, for our gallant fellows "carried on," trusting to it in circumstances in which it was totally inefficient. Something further had to be done; science was pitted against diabolism, and science won through Col. Harrison and his devoted colleagues, who produced in the box respirator a sure defence against the poison gases of our foes.

British Science Beats the German Poison Gases.

It is a thrilling and pregnant chapter in the history of the War. Col. Harrison visited us at Nottingham, and I need hardly say that our resources and assistance were freely placed at his service. For some months he collaborated with our research staff, and the fruit of this co-operation was a chemical product which seemed likely to defy the most evil possibilities of our opponents. Then came the crucial test - the only sure test; a trial not under laboratory

conditions, but on the actual field; and with a confidence tempered by natural anxiety this test was made. It was successful—completely so: the box respirator furnished with this product beat the poison gases. Within a short time it was in use by the million.

We were requested to undertake without delay the manufacture of this new respirator on a large scale. Our scientific staff had given their best endeavours during the preliminary period of research, and their assistance was continued in improving and perfecting the processes involved. Now our manufacturing organisation engaged diligently in giving wide practical effect to the life-saving discovery. Our best chemists, engineers, and organisers united in planning a factory with the most efficient equipment for continuous manufacture under the most skilful direction.

Work of the Utmost Nicety and Precision.

The preparation of the respirators may be divided into two parts: the making of the necessary chemicals, and the filling and assembling of the respirators. The work throughout calls for the utmost nicety and precision, for the product must withstand the severest tests, and must be as carefully finished as the soldier's rifle. It was found essential to have the chemicals in such form as to be entirely free from dust or powder, otherwise minute particles getting into the respirator valves would leave an orifice—a very tiny orifice indeed, but yet enough to permit the entrance of sufficient gas to prove fatal. To meet this requirement we prepared the chemicals as granules of an exact specified uniformity. The granule making was originally done by hand, but our experts speedily evolved mechanical devices which performed the work much more expeditiously.

For several months we were the sole manufacturers of the box respirator, but finally the demand developed so enormously that we had to seek relief to prevent a serious dislocation of our general business. This was the situation. We have 600 branches throughout the country. They are perfectly equipped, and are one and all engaged in a medical service highly necessary to the public. Even all this must inevitably have been sacrificed had no other plan been possible, but other firms had workers who had been engaged upon the manufacture of the flannel helmet which the new respirator had superseded. Consequently we asked the authorities to supply some of our chemical granules to these firms, so that they might assist in the filling and assembling. At the same time we helped these auxiliaries in every possible way to establish the system and methods which were such an acknowledged success at our own factory. It is well at this point to note that, in proportion to the number of people we engaged upon it, our output of work was consistently superior to that of any other firm. You will all hear with pride, I feel sure, that we manufactured almost the whole of the chemicals for the twenty million box respirators made, and actually delivered seven-and-three-quarter millions of the respirators complete for the use of the British, American, and Italian Forces. (Hear, hear.) You will agree with me that ours was no mean achievement, but one which our shareholders and our Companies may view with satisfaction. (Hear, hear.)

FINANCIAL FALLACIES CORRECTED.

Now, I mean to refer to financial matters, and I hope to correct some popular misapprehensions about profiteering. It is quite a general opinion that what the tax authorities style "excess profits" are really excessive profits, but I think that people of liberal ideas will be surprised to learn the percentages we have received upon our labours. We have, of course, been busy in maintaining our general business, which is of such a nature that in the public interest it cannot be neglected. Everything beyond this became subject to excess profits taxation. Our additional activities naturally increased our returns, just as everyone would expect. There was, consequently, increased profit, and, though it was in no sense abnormal or excessive in percentage, it was treated as "excess profits."

We offered, indeed, to carry out war work for a profit of 2½%, free of excess profits tax. What we actually received—there can be no harm in mentioning it—was 8% in some cases and 10% in others, both subject to the tax. Now I want the workers to realise clearly the net result for us. Eighty-five pounds out of every hundred was returned to the State in taxes, so that we retained for ourselves profits of only 1⅛% and 1½% respectively, or—to illustrate the case more pointedly—we got 3*d.* or 3½*d.* in the pound. That is to say, we managed important business, working with care and anxiety night and day, and paid out 19*s.* 8½*d.* or 19*s.* 9*d.* on labour, materials, and other charges, before we received each sovereign in return.

Big Gross Profits: Small Net Benefits.

Sometimes gross profits may seem large: they must be when it is necessary to provide for the excess profits tax. For instance, on one occasion when we were invited to undertake a special manufacture, I asked an expert in these matters how we could make a profit on it. You may find his reply illuminating. "For every shilling of profit you need," said he, "you must charge the department five shillings: then the Government will get four shillings and more back from you in taxation." (Laughter.) In these circumstances we have become virtually tax collectors for the Government.

We do not grumble at all, for we have felt it a privilege to be of assistance to our country, but it is only fair to show clearly that we have received nothing in the way of excessive

MERCHANTS
MANUFACTURERS
SHIPPERS

Trading with the South American Continent are invited to apply for information regarding Markets to the



ANGLO-SOUTH AMERICAN BANK LTD.
OLD BROAD STREET, LONDON, E.C. 2.

29 Branches in Argentina, Chile and Uruguay, Spain, France and U.S.A.

Capital and Reserves - - £6,472,714

By the affiliation of the
COMMERCIAL BANK OF SPANISH AMERICA, LD.
directly represented in
COLOMBIA, ECUADOR, GUATEMALA, NICARAGUA, PERU, SALVADOR and VENEZUELA.

profits. I am not so foolish as to say that no firms have profiteered during the War. Some, it seems, have received special benefits, such as exemption from excess profits taxation, and some have taken advantage of the country's needs. I am sure, though, that we are not the only people who have not made profits the sole consideration. We did the work with a good will, and with a sense of pride, but, thousands of our regular helpers being absent on active service, we carried it through only at the expense in many directions of the business at our 600 branches throughout the country. Valued customers of long standing have had to go short. We ask their indulgence, assured that they will excuse the inconvenience in view of this explanation; and we beg them to bear with us a little longer until a more complete return to former conditions enables us to give them our old-time service more fully.

Free Service of National Work.

I am reluctant to leave this subject without explaining that during the last nine months of the War we actually carried out the work of respirator filling at cost price, without a penny of profit. Our shareholders will commend this, I know, and they will join in my gratification at the receipt of a handsome letter of acknowledgment from the Chemical Warfare Department. (Hear, hear.)

The Home Industry in Fine Chemicals.

As you were advised at the last annual meeting, our building programme was in arrears at the outbreak of war, for our business had far outgrown our accommodation. Necessity then arose for the production at home of fine chemicals which were previously manufactured only in Germany. Apart from the special saccharin department, to which subsequent reference will be made, these new needs called for the speedy erection of five additional blocks of buildings and a power house also, as the Nottingham Corporation were unable to meet our power requirements. The idea is prevalent in some quarters that these were paid for by the Government. It is a totally erroneous idea, for the one single advantage we enjoyed was that we were allowed to purchase building materials at a time when these were controlled by the Government and when only building work of national importance was permitted. We paid for these materials ourselves, of course, at the inflated market price then current.

Last year I explained in considerable detail the value of our chemical manufactures to Boots Companies and to the country. We can now congratulate ourselves on the extensive developments of the past twelve months. Our equipment is being gradually perfected, and our experts are so employing it, and their own skill, as to enable us to supply increasing quantities of valuable products which the pharmacist has hitherto found difficulty in obtaining. Our independence of Germany grows more fully manifest: and one feature of particular advantage is the reduction in prices which we may with confidence anticipate when normal conditions return.

You heard a year ago of our large output of aspirin, phenacetin, atropine, &c., as well as of such marvellous sanative agents as the chloramine antiseptics, and proflavine and acriflavine. You will now be interested to learn that during the War campaign we provided 155,000,000 sterilising tablets to save our troops from the dread danger of poisoned drinking water. I fear that a full list of all our new products would prove tedious to you, but I may mention that in the market and at trade and technical exhibitions their excellence has won for them an eminent reputation. Truly our manufacture of drugs and synthetic chemicals constitutes a valuable addition to the therapeutic resources of the country and a notable national asset.

THE PRODUCTION OF SACCHARIN.

I now propose to deal with the production of saccharin; and at the outset I may mention that during the shortage of sugar our contribution to national needs was a quantity of saccharin equivalent to no less than 1,785 million tablets, through which—even apart from the timely convenience—the country's finances benefited to the extent of nearly half a million pounds sterling in revenue charges. It should be borne in mind that prior to the War all the saccharin used in this country was of foreign production, and that the foreign producer had the advantage over us of thirty years' experience. Originally our intention was to set up plant for this manufacture on a comparatively modest scale, but when we made application for supplies of toluene—a controlled substance necessary in the manufacture—the Government urged us to undertake production on a much more extensive plan. We did this amid difficulties almost incredible. Proper plant was unobtainable, and so our own chemical and engineering staffs had to co-operate in designing and making special equipment. Those socialists who advocate the complete immediate nationalisation of trade and industry may have our assurance of the need for private and individual energy when the uncorrelated functions of various Government departments are frequently overlapping and sometimes mutually obstructive. On the one hand, the Sugar Commission urged the work upon us and endeavoured to afford us every facility, while we for our part were most anxious to comply with their wishes. At the same time the action of another department was holding us back under the threat of heavy penalties. Skilled engineers left us for other national work, and for many weeks we were not permitted to replace them. Only after personal interviews and the most urgent entreaties and telegrams were we allowed to engage a few of the necessary helpers: the official embargo, indeed, was never removed. However, we attained our end finally, and after the heavy initial difficulties, under which we did much work, we have established the manufacture of saccharin of the highest quality on a large scale.

I ought to explain that the whole of our production of saccharin has gone to the Government, who have distributed it to tablet makers throughout the country, and that we, the producers, have as retailers received an allocation of only a small portion of the saccharin we manufactured. This has affected us in the following way. Although our production was very large, we could not supply the total quantity needed, and the output of other producers at home was small, so that supplementary supplies had to be imported. The saccharin manufactured at home was under Government control, affording only a comparatively small profit. That from abroad was not so controlled; consequently it brought huge prices and profits. Our allocation each week was snapped up by our customers within an hour, and we felt ourselves morally obliged to refrain from buying and selling saccharin of foreign production, so that no one could possibly imagine that we were selling, as high-priced foreign saccharin, that made at home and subject to the controlled price.

Post-War Prospects of Saccharin Manufacture.

A few remarks as to the prospects of saccharin manufacture after the War will be appropriate. Strong endeavours have been made to create a prejudice against the use of this product; they have been traced to interested parties, such as sugar cultivators and manufacturers. It is true that saccharin is without nutritive value, and so it is not recommended as a substitute for sugar in feeding children. The highest medical authorities are, however, fully agreed that it is perfectly innocuous and has no effect whatever on metabolism. It is therefore useful for general sweetening purposes, and has a special value in the case of those subject to adiposity. With the removal of the rationing orders, moreover, many quite healthy people receiving sufficient nourishment from other foods, and conscious that they are benefited by abstinence from sugar, will take advantage of the sweetening properties of saccharin.

I do not wish the following remarks to be misunderstood: I am personally a convinced free trader, and my remarks will have no bearing on the principle of tariffs. Manufacturers were strongly urged by the Government to undertake the production of saccharin to assist the country. Great time and thought were devoted by highly skilled men to the manufacture, and much money was also invested in it. Before the processes were fully established, and the manufacturers reimbursed, the circumstances became less urgent—and very happily so. Now the foreign stocks, which accumulated under the impetus given to foreign manufacture through unrestricted prices, threaten to swamp the market; and the home producer, who as yet has had no time to overcome all the difficulties of new work under extraordinarily adverse conditions, will have to compete in a market where saccharin will be offered at unremunerative prices. It does seem to me that in these circumstances the Government might reasonably give some encouragement to a business largely undertaken to assist them, until its infancy is past, and until business conditions generally resume their normal course. (Hear, hear.) This is the more necessary in view of the fact that in connection with the home manufacture of saccharin certain conditions have to be imposed for revenue purposes, and these involve an extra cost to which the imported product is not subjected.

Excellent Employees, Excellent Prospects.

I rejoice that our organisation, our resources, and our experience were of national service during the War; and it is a satisfaction to know that they are such as to be of no less value to the country and the people in reconstruction and in peace. I am aware of how much all this is due to the services of my fellow-directors and the loyal co-operation of our employees in general, and in particular to the chemist managers at our branches. To each and all I tender sincere thanks. No workers could have been more severely tested than ours were during the prolonged epidemic of influenza. The strain was without precedent. I may mention, for example, that at the request of the medical officer of health five of our Edinburgh branches remained open until midnight. Long queues of people waited with prescriptions. Everywhere our assistants rendered both the public and the firm a most devoted service, and did so regardless of their own comfort or even of their own health. Whenever an overworked member of the staff was absent through indisposition, the rest unmurmuringly shouldered an extra burden. We have been able to make material acknowledgment of this devotion, but the only adequate compensation is the knowledge each member has of work well done. Such a spirit among the employees at our branches has been one of the factors of our past success, and will contribute to the still wider utility which lies before us; and, believe me, we shall not be found wanting in the phase of reconstruction and development upon which the country is now entering.

Ladies and gentlemen, I have pleasure in moving that the accounts and appropriation of the profits, as recommended

by the directors, be hereby approved and adopted. (Applause.)

Mr. J. T. Hilder seconded the resolution, which was carried unanimously.

The Chairman next moved the re-election of the retiring director, Captain John C. Boot, remarking that his son was at present on active service, and expressing the hope that he would soon be with his colleagues again.

The motion was seconded by Mr. T. S. Ratcliffe and unanimously agreed to.

The auditors (Messrs. Sharp, Parsons and Company) were reappointed on the proposition of Mr. A. N. Bromley, seconded by Mr. E. S. Waring.

Mr. G. C. T. Parsons, in acknowledging the re-election of his firm, said: Sir Jesse, it has been quite an education to listen to your address. One hardly realises that your Company has been doing such important national work, and yet at the same time has been carrying on its ordinary business. I think you, Sir, and the directors and all the members of the staff are entitled to very warm congratulations that you have been able through this trying time to carry on the business so effectively and so efficiently to help the country in its time of need. It has been usual for me when I have acknowledged the re-election of my firm in previous years to go into questions of finance to some extent, but we have such a monotony of prosperity in this Company that there is nothing new to say. I feel that my position is very much the same as that of a man who is trying to prove the value of Consols. Among gilt-edged securities Consols are readily accepted without any further explanation, and I have come to regard this Company as occupying very much the same position in regard to industrials. You have a Company which goes on with a good record year by year, and during times which might have upset many less strong companies this Company has been able to carry on and make even a greater success than last year. I do not think that the financial part of the business requires further consideration—it is self-evident—but I do want to refer to a personal matter if I may. There has been nothing said about it at the meeting, but I notice that while last year the directors were yourself, Sir, Captain Boot, and Mr. Waring, now we have another director, Lady Boot—(hear, hear)—and I hope the shareholders will give Lady Boot a very warm welcome to this board. The fact of Lady Boot having joined the board reminds me of a romance that happened many years ago—a romance which it is always pleasant to me to remember; in fact, I regard it as one of the tit-bits of my professional life. Out of that romance our Chairman found what the good old Book calls a "helpmete" for him. Now, it would be impossible for those who are not acquainted with the inner working of the business to know how great Lady Boot's help has been to our Chairman in all the work which he has undertaken. I make bold to say that but for Lady Boot's fostering care I do not think our Chairman could have faced and carried on as successfully as he has done through the very strenuous and difficult times he has had to meet, and here we have the pleasure of having Sir Jesse still with us with great vigour, a perpetual cheerfulness, and a great part of it due, in my judgment, to the great help which Lady Boot has given him. Therefore I feel it should be no empty compliment asking Lady Boot to come on this board. She is really of great help to the Company, and I hope that her reception as a director, though I understand she is not to come up for re-election, will be very warm. (Hear, hear.) Before I sit down I should also like to acknowledge what comes to my notice in the course of our audit—that is, the excellent way in which the secretarial work is carried through by our old friend, Mr. Milne; the skill that he puts into it and the literary power, and also the great excellence with which the books are kept under the presidency of Mr. Ratcliffe and Mr. Gillespie, the resident accountant. Our audit must at all times be one of great responsibility, but the books are presented to us in such a complete and correct way that it reduces our responsibility to a minimum, and I feel personally very greatly indebted to those three gentlemen for the admirable way in which the books and records are laid before us. (Applause.)

Mr. James Aspden said he had great pleasure in proposing a very hearty and sincere vote of thanks to the Chairman for presiding at this meeting. He also wished to say on behalf of the shareholders how fully they endorsed Sir Jesse's remarks in the latter part of his speech when he thanked his co-directors and all the employees of the Company for their services during the past strenuous year. There was one little addition, however, he would like to make as a shareholder, and that was that they should add Sir Jesse's name to the list of persons who had worked so strenuously on behalf of the Company during the past year and who deserved their hearty thanks. (Applause.) With those few remarks he begged to move a hearty vote of thanks to the Chairman, his co-directors, and the staff.

The vote was unanimously accorded.

The Chairman in acknowledging the compliment, said he was exceedingly obliged to Mr. Parsons for the kind remarks he had made about Lady Boot. But for her help and encouragement on many occasions when he had been heavily afflicted he must have given up, and he begged to make this public acknowledgment.

The proceedings then terminated.

R. H. AND S. ROGERS, LIMITED.

THE twenty-first annual meeting of R. H. and S. Rogers, Limited, was held on January 15 at Salisbury House, Finsbury Circus, Sir Robert Hargreaves Rogers (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—Before we commence our business I would remind you that last year we asked you to excuse the attendance of Mr. Matthew Given, our director of the Irish factory, Coleraine, owing to ill-health, and on October 31 last, owing to inability to carry on, he formally resigned the office of director of the Company, and we are very sorry to say has since died. For nearly forty years he was associated with the firm, and was mainly responsible for the great success of the Coleraine branch. The firm loses a faithful servant and I a lifelong friend. Your directors have elected Mr. Octavius Pullum to fill the vacancy, a gentleman who has held a most responsible position in the Company for the past seventeen years.

Result of the Yeer's Working.

Turning to the accounts, you will notice the stock is much increased—from £75,618 to £127,835, an increase of £52,217, as also are the sundry creditors, being £70,116, as against £33,956, an increase of £36,160. Both are attributable to the enhanced value of materials, for I may say there is not a piece more stuff or a dozen more goods in our possession. The turnover, owing to Government contracts and general high prices, has been immensely increased, and, although the percentage of profit is not large, the net result is entirely satisfactory. After providing for directors' remuneration and making full provision for depreciation of buildings, plant, and machinery, the net profit is £24,816, as against £9,733 last year, making an increase of £15,083, to which must be added the carry-forward from last year of £2,657, making a total available for distribution of £27,473, out of which an interim dividend of 5% has been paid on Preference shares, leaving a balance of £25,598, as against £10,532 last year.

Dividends and Bonus.

The directors recommend the payment of six months' dividend on the 5% per annum Preference shares to October 31, and 5% for twelve months on the Ordinary shares, with a bonus of 6*d*. per share, altogether absorbing £8,625, placing £3,500 to reserve fund, bringing that up to £16,000—very near to what it was before the fire; and also placing to a war contingency fund £3,500, and additional remuneration to the directors as per articles of association, £2,386, leaving a carry-forward of £7,587, as against £2,657 last year. We think we may justly congratulate you on the result of the year's working, which reveals a sound and satisfactory position, and we must now apply ourselves to the problem of adjusting our activities and energies to the new and hitherto unprecedented conditions of returning peace, and with the various reserves we have made we feel we can with confidence face any future contingency likely to arise. I need hardly remind you that some ninety gallant members of our staff have borne their share in the Great War and ultimate victory; some fourteen will never return, and some will come back maimed and broken.

Claim against the Government.

In view of the promise given by the Prime Minister in the name of the Cabinet, we still feel justified in retaining our claim of £30,320 against the Government, which figure you will observe is shown on the balance sheet as "in suspense." During the past twelve months the Committee on War Damage has not relaxed its activities, and has had several interviews with the Treasury on the matter, who treat the Prime Minister's promise in the light that "they cannot afford it," having to protect Mr. Lloyd George against himself when he makes "such promises," &c. As you are aware, the direct results of the efforts of the Committee on War Damage are that the Government now guarantee immunity up to £500, but that is not retrospective. Now there are several immense funds from which it might ultimately be paid, such as the gigantic profit on the Government's aircraft insurance scheme, sequestration of German property in this country, and collection of "debts due by this country to Germany," all of which are now in the hands of the Official Trustee; the amounts of each will no doubt be revealed when questions are allowed to be asked and discussed in Parliament, all such matters having been suppressed up to now. Furthermore, the "condition" imposed by President Wilson, in addition to his well-known fourteen points, and "accepted by Germany" as "part of the armistice conditions," was that "all civilians" were to be recompensed for damage by aircraft, bombardment, and submarine. I have devoted a great deal of time and labour in this matter during the past three years, and now the claim is incorporated in the "terms of the armistice" and "accepted by Germany," we think we are justified under all these circumstances in the expectation that something must come of it eventually, and I hope I may be here to make the joyful announcement to Messrs. R. H. and S. Rogers, Limited, shareholders when it comes.

Mr. Frank L. Lees seconded the motion, which was carried unanimously.

THE SUNBEAM MOTOR CAR COMPANY, LIMITED.

THE adjourned fourteenth ordinary general meeting of the shareholders was held at the Victoria Hotel, Wolverhampton, on January 16, Mr. Thomas Cureton (Chairman) presiding. The report of the directors set forth that the profit for the year ending August 31, 1918, after paying all expenses of management and allowing for depreciation and income tax, and after making provision for the estimated amount payable for excess profits duty for the year (but before providing for directors' remuneration), amounted to £94,264 17*s.* 4*d.*

The notice convening the meeting was taken as read, and the Secretary read the auditors' report.

The Chairman, moving the adoption of the report and balance sheet, said: When we last met a hope was expressed that we should present the shareholders early this year with the balance sheet for the year ending August 31, 1918, and I am pleased to say we have been able to do so This is the last of our balance sheets which represents a period devoted wholly to war work, and we trust that it is the last balance sheet that will be presented to you at relatively so long an interval after the completion of our financial year. Though we are still working under war conditions, we hope to be able to emerge from them in the course of a few months, and to be wholly employed on peace work before the current financial year is concluded. In future I think we may reasonably look to return to pre-War conditions in regard to the promptitude with which we may be able to render an account to you of the working of each financial year.

Extensions in View—Larger Capital Required.

With regard to the business of this meeting, it is practically only a formality. You have already sanctioned the dividends which your directors suggested, and they have been paid. You will see that the retainable profits are slightly above our pre-War earnings, but this small financial reward is by no means indicative of the services we have rendered to the State. It may be noticed that the total amount of the stock appears high when compared with previous years, but I can assure you it represents all up-to-date material. It has been acquired for war purposes, and as your contracts are completed or cancelled, as the case may be, will be realised. If the latter, the Government are responsible for the stock. May I remind you that our subscribed capital is only £270,000? I think you will all agree with me that there is a great future for the aeroplane, not only for war purposes, but for various needs where the saving of time is important. We have supplied hundreds of aeroplane engines to the Government, and if other countries buy from us, as I have reason to believe they will, it seems to me that we shall require a larger capital than £270,000. Further, as the directors have certain extensions in view, you will agree that our present capital is totally insufficient. It may also be noticed that the item investments is only £350 now. The money was used to help to pay excess profits tax, which has reduced the amount to £350. With these remarks, I formally move that the report and balance sheet as published be approved and adopted, and also that the sum of £50,000 be placed to reserve, bringing this account up to £270,000, and that the balance of £87,000 odd be carried forward.

Getting on to Peace Work.

Mr. W. M. Iliff (Joint Managing Director), in seconding, said it was customary for one of the managing directors to second this resolution. Mr. Coatelen had done it for the last year or two, but he was away on business. They were looking forward to the day when they should be able to complete all their War contracts and get altogether on to peace work, though they hoped that the Government would be able to supply them with contracts for aeroplane engines in addition to the orders for cars which, of course, they hoped to get from the Government, as well as private work. Although the Government control had been stringent, sometimes appearing unnecessarily tight, yet now that it was coming to an end he could say the Company had always had very good relations with the Government. Although they were glad in a way that they were coming to an end of Government control, yet there had never been any trouble, nor had the Government ever expressed dissatisfaction with what the Company had been doing. They had still got a good deal of work to get through on War contracts. The meeting would like to know that immediately the men returned after the holiday following the declaration of the Armistice they commenced on peace work, although he must confess they had not been able to do very much since. Still they made a commencement, and they hoped very shortly to get on to the manufacture of motor cars, and of course they would be making aeroplane engines as well in the future. From inquiries and indications generally, he had not the least doubt but that they would have a big demand for their cars.

The Chairman invited questions from the shareholders, but none being forthcoming he put the resolution to the meeting and declared it carried unanimously.

Increase of Capital.

An extraordinary general meeting of the Company was then held to confirm the three special resolutions passed at the meeting held on December 20. The first gave power to convert the undivided profits of the Company available for dividends on the ordinary shares (whether standing to the credit of any reserve fund, or the profit and loss account, or otherwise) into capital by appropriating the same among the Ordinary shareholders in proportion to the amounts paid up on the Ordinary shares held by them; the second provided for the issue of fractional certificates in the case of fractions; and the third gave the directors power to employ any reserve fund, not affected by the above resolutions, in the business of the Company, or to invest it in such investments, other than shares in the Company, as they may select.

The Chairman said a full explanation in regard to the resolutions was furnished on the occasion of the meeting last month. The present meeting was, therefore, a purely formal one, rendered necessary on legal grounds. In the circumstances he need not trouble them by going over familiar ground afresh, particularly as the printed verbatim report of the proceedings of the last meeting had been circulated. He moved that the three special resolutions now before them be and are hereby confirmed.

Mr. Charles N. Wright formally seconded, and the resolution, on being put to the meeting by the Chairman, was carried unanimously.

Following upon this a second extraordinary general meeting was held in order to sanction an increase in the capital of the Company to £700,000 by the creation of 380,000 additional shares of £1 each.

Capitalisation of Reserve

The Chairman explained that this concluding business was rendered necessary in order to carry into effect the decision of the shareholders to capitalise part of the present reserve fund of the Company, in order to let such financial resources remain permanently in the business and to render it impossible hereafter to distribute any such sum of money as was here concerned. The present scale of the business necessitated the continual employment of a much larger capital than had sufficed hitherto. The matter was summarised in the extraordinary resolutions before them. They had been over all the ground before, and the shareholders had made their views known on the subject. He had, therefore, pleasure in proposing the extraordinary resolutions.

Treasury Consent to be Obtained.

Mr. C. N. Wright, in seconding, explained the procedure which would follow the passing of the resolution. Application would be made at once to the Treasury for consent to the issue of these new shares. As soon as that consent had been given, and subject, of course, to any alterations and procedure which might be rendered necessary by any conditions imposed by the Treasury, a circular letter would be sent to the shareholders informing them of the number of new shares to which they were entitled, and enclosing a form of acceptance for their signature. It was proposed to send them also a form of renunciation for use in case they desired to have their new shares registered in the name of a nominee or to dispose of them in the way of sale. As soon as these forms had been returned new certificates would be sealed and issued, and application made to the Stock Exchange for a quotation for the new shares

The Chairman put the resolution to the meeting, and declared it carried unanimously.

This concluded the business, and the Chairman thanked the shareholders for their attendance.

CHAMPION AND SLEE, LIMITED.

THE eleventh annual general meeting of Champion and Slee, Limited, was held on January 13 at the Cannon Street Hotel, E.C., Mr. Herbert H. Slee (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: The trading profit for the year, as you will have perceived, amounts to £32,065, being £4,623 in excess of last year's figure. This constitutes a record, and is a gratifying result. In spite of many Government restrictions, our home trade has been satisfactory. These restrictions are now, happily, being gradually withdrawn. Our colonial and foreign business has been handicapped still further by the continued rise in the rates of freight and insurance consequent upon war conditions. These, however, are now likely to improve, and, although it is improbable that we shall ever return to pre-War rates, yet we can only hope that matters will in time settle down and become normal. I desire to draw your attention to the assets as set out in the balance sheet. The freeholds have increased in value by £2,600. This represents the purchase of a small property adjoining the brewery which for some years past has been rented, but an opportunity offered during the year to purchase same and your directors considered it wise to acquire the freehold with a view to further extensions. Secondly, I am pleased to call your attention to the sum of £15,000 which during the year has been invested in War Bonds. Thirdly, the stock-in-trade this year is lower than at the date of the last balance sheet. This is chiefly due to the restricted allowance of malted barley. Fourthly and lastly, the debtors are considerably less than they were last year; this is due to the more prompt payment of accounts generally. I have already alluded to the increased amount of profit. There is nothing calling for special comment in respect of same, except to mention that depreciation is £810 larger than last year; this increase is, of course, warranted by increased costs. You will further observe from the report that the directors have carried the sum of £5,000 to reserve. This is the first time that your directors have been in a position to place a sum of money to reserve account. They sincerely hope that year by year they will be able to add to this account until a substantial reserve has been built up. I think, gentlemen, that is all I need say regarding the accounts. I feel sure that the year's trading will meet with your full approval, and you may rest assured that, whatever the present or future years may have in store for us, your directors will continue to do their best in the interests of the shareholders. I now beg to move: "That the report and accounts for the year ended September 30 last be adopted, and that a final dividend at the rate of 5%, also a bonus at the rate of 5%, be paid on the Ordinary shares, making, with the 2½% interim dividend, a total of 12½% for the year." I will ask Mr. Browne-Martin to second the resolution, but before putting it to the meeting I shall be happy to answer to the best of my ability any questions that may be asked.

Mr. J. Browne-Martin (Vice-Chairman) secoended the motion, which was carried unanimously.

SEMBILAN ESTATES COMPANY, LIMITED.

THE thirteenth annual general meeting was held on January 16 at 7 Crosby Square, E.C., Mr. C. R. Gilliat (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts and the declaration of the dividend recommended, said that the past year had been a very trying and difficult one for rubber companies. With so much to contend against, it was not surprising that the Company's net profit should have declined from £35,623 to £13,077. They had, however, some compensation in the fact that whereas they paid nearly £16,000 in excess profits duty for 1916-17, they would have nothing at all to pay for 1917-18—in fact, they had good hopes of getting a little back from the Government. The balance sheet required more explanation than usual by reason of the fact that the proceeds of the sale of the Ulu Kanchong division had been brought into the account, though the sale was not actually completed and the balance of the purchase price paid until November 30. Since the date of the balance sheet they had invested £60,000 of the purchase money for Ulu Kanchong in National War Bonds, and the directors felt sure the shareholders would approve this temporary employment of the money. Adding to the net profit the balance of £5,312 brought forward, they had £18,389 to deal with. The directors recommended the payment of a dividend of 12%, less income tax, on both classes of shares, and a provision of £600 for depreciation of investments, leaving £7,229 to be carried forward. The crop amounted to 471,080 lb., of which 217,810 lb. were shipped to London, and realised an average price of just under 2*s.* 3*d.* per lb., and 253,270 lb. were sold in the East at an average of 1*s.* 6.84*d.* The f.o.b. cost was just under 1*s.* 2*d.* and the "all in" cost of the London shipments 1*s.* 6¾*d.*, which compared with 1*s.* 4¼*d.* for 1916-17. The planting programme had been somewhat delayed pending the completion of the Ulu Kanchong sale. It was intended to plant up 500 acres during the present calendar year. If the total of the capital reserve fund were deducted from the expenditure upon property and buildings, &c., and £3,000 was added for additional capital expenditure to date, it would be seen that the 2,400 acres of planted rubber would stand at about £13 per acre, and if they allowed for the valuation of the large area of reserve land—some 5,000 acres—the £13 would be reduced to almost nothing. They were therefore in a very strong position financially. With regard to the future, they did not expect very great things from the current year, seeing that the crop would be a moderate one and prices so far had not been very profitable. For 1919-20, however, the Company's prospects were, he thought, exceedingly good, as they should have some 1,600 acres in tapping, most of it old rubber, some of which should have benefited greatly from the rest it had been given this year. The excess profits duty, he hoped, would cease to worry them, unless it was continued in some form or anothe rbeyond their financial year 1918-19. Though the total world's output for 1919 was estimated as high as 250,000 tons, he had no fear that it would not be easily absorbed, for there seemed to him to be no limit to the present demand for rubber, and he believed the difficulty of transport would be overcome much sooner than most people thought. He was therefore quite optimistic as to the future of the rubber industry generally, and of the Sembilan Estates Company in particular.

Mr. A. E. Gilliat seconded the motion, which was carried unanimously.

CHAMPION REEF GOLD MINING COMPANY OF INDIA, LIMITED.

THE adjourned thirtieth ordinary general meeting was held on January 15 at the Cannon Street Hotel, E.C., Mr. John Taylor, M.Inst.C.E. (the Chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said: Our report and the accounts have been in your hands for some days, and as usual, with your permission, we will take them as read. The total production of gold for the twelve months which ended on September 30 last amounted to 94,238 oz. of fine gold. Compared with the previous twelve months, the average value of the ore milled was over 10½ grains lower, but the net yield was only 7 grains lower, showing an improvement in the extraction of over 3½ grains to the ton. The revenue derived from the sale of gold amounted to £399,505, and from interest, rents, and other receipts £7,755. Royalty to the Mysore Government amounted to £21,848, and the costs, as detailed in the income and expenditure account, totalled £285,450. In the previous year the costs amounted to £267,136, and an increase is thus shown of £18,314, notwithstanding the lesser quantity of rock milled of 11,582 tons, which in the ordinary way would have led to decreased costs. As stated in our report, this is attributable in a very large measure to adverse conditions



To smoke it once is to smoke it always . . .

"King's Head" is similar but stronger
Both are sold everywhere at 11½d per oz

Cigarettes
(Medium)
5½d. for 10; 11d. for 20;
Boxes of 50, 2/2½—100, 4/3
STEPHEN MITCHELL AND SON
(Branch of the Imperial Tobacco Co. Ltd.)
36 St. Andrew Square, Glasgow.

617

arising out of the war. Already we are relieved of the heavy War risk insurances, and we may anticipate that freights and prices of materials will gradually decline from the high level to which they have risen. The mine is not yet showing the improvement which we so much wish to see, but, in view of recent developments, the fact that our ore reserves have not diminished by more than 15,306 tons, and amount to 335,949 tons, may be looked upon as very satisfactory. With regard to the immediate future, the returns for the first three months of the Company's financial year amount to 20,970 oz. of fine gold, a decrease of 2,617 oz. as compared with the corresponding months of the previous year, and the present aspect of the developments points to a continuance of the lower scale of returns until the mine takes a more favourable turn. In the meantime our financial position is good.

The Right Hon. Lord Glenconner seconded the resolution.

Mr. Edgar Taylor said: During the past year 9,079 ft. of underground development work has been accomplished. Carmichael's shaft, our deepest point, has now reached the 59th level, which is just about 5,500 ft. vertically below surface. The crosscut west from the shaft is mentioned in the superintendent's report as having intersected reef 1½ ft. wide, assaying 6 dwt. per ton, and the level south had been started and driven a few feet on this. The 55th level south was continued in exploration of the new ore body mentioned last year as lying about midway between Carmichael's and Glen shafts. From the 51st level, where it was first discovered, down to the 55th, a depth of about 400 ft., the superintendent remarks that this shoot "makes a very useful addition to the ore reserves." Unfortunately, below this "for the last 400 ft. (of sinking) in this section no profitable ore ground has been developed"; at the 57th and 59th levels, so far as explored, only low grade having been found. At Glen shaft, at the time of the last annual meeting, another good shoot of ore had been explored down to the 54th level. This had averaged about 250 ft. in length. The 55th level was started during the past year, and was advanced 353 ft. in ore. At this new level there have been some signs of deterioration in value, the crosscourse having disturbed the lode and for a considerable distance rendered the drivage unproductive. Beneath this point some improvement has occurred, as in a winze below the 55th level quartz has been discovered of a value of 2 oz. over a width of 3 ft., and at the 56th level north we appear to have entered the shoot, as the lode has a width of 1 ft., assaying 1 oz. per ton. In Garland's section, on the new ore body dipping in from the south, to which I have already alluded, although the lode has regularly carried a good width of quartz, it has as yet proved of too low a grade to be brought into the reserves, and further exploration here will be looked to with great interest. The 53rd level south from Glen shaft is being driven under these workings. Here we have had reef 3¼ ft. wide assaying 4 dwt., and it is obvious that any further improvement here would have a most important bearing on the future of the mine, as we are in a position to open up this part of the mine very rapidly. The programme of work to be carried out during the current year is a vigorous one, and resulting from it we shall hope to see the development of payable shoots of ore both in depth and by the lateral extension of the deeper levels, particularly in the southern part of the mine.

The motion was carried unanimously.

FINANCE ACCOUNTS.

It will be seen on page 79 that we give, as for the three previous weeks, the actual details of the National Debt as it stood on March 31, 1918. This information is derived from the Finance Accounts published recently. The Finance Accounts, of course, give the data much more fully, and show, for instance, to what extent increases or decreases in the various loans were due last year to conversion and to new issues. It is interesting to note that from the £34,580,290 set aside to 5% War Loan Depreciation Fund in the year to March 31 last £33,955,000 of stock was purchased, which should have left about £3,000,000 in hand for purchase of stock this year, during the first nine months of which a further £24,000,000 has been set aside. One item in the National Debt statement contained in the Finance Accounts seems rather curious, namely, that the whole of the Ways and Means Advances are shown under unfunded debt, on which interest is *included* in the permanent or fixed annual charge. One would have thought that interest upon these Advances would have been given in interest, &c., on War Debt. It is interesting to note from the accounts that the debt of £649,410,000, in respect of National War Bonds on March 31 last, included £18,000,000 of conversions from 4½% War Loan and 5% and 6% Exchequer Bonds, and was after nearly £10,000,000 had been tendered as scrip for tax payments. Of the total of £649,410,000, the 4% tax-compounded War Bonds due 1927 represented £119,540,000; the 5% Bonds due 1922, £237,924,000; the 5%'s due 1924 £28,739,000, and the 5%'s due 1927 £263,206,000. Full particulars of last year's revenue and expenditure (other than from Votes of Credit) are also given in the Finance Accounts.

INDIAN MINES.

BALAGHAT.—Capital, £212,600 in Ordinary and £95,400 in Ten per Cent. Preference shares of £1 each. The Preference shares after first receiving 10 per cent. entitled to participate *pro rata* with Ordinary for further dividend, but are non-cumulative.

Yr. ends Dec. 31	Ore Milled Tons	Total Gold Value £	Yield Per Ton	Total Working Costs per Ton	Working Profit* £	Working Profit* Per Ton	Price of Ordinar Shares end of Period
1916 ...	28,476	75,176†	53/0	51/6	2,066	1/6	3/6
1917 ...	28,525	84,437†	59/4	53/4	8,534	6/0	3/3
1918.							
March qr.	6,550	19,895†	60/8	—	—	—	4/3
June qr. ..	6,520	21,760†	66/8	—	—	—	4/6
Sept. qr....	6,750	25,351†	75/1	—	—	—	4/3
Dec. qr....	6,925	27,068	78/2	—	—	—	5/6
12 mos. ...	26,745†	94,074	70/4	—	—	—	5/6

* Before deduction of royalty. † Estimated at £4 5s per fine oz.

Dividends—1907, March, 10% on Pref. Nil since.

CHAMPION REEF.—Capital £260,000, in shares of 2s. 6d.

Year ends Sept. 30	Ore Milled Tons	Total Gold Yield* £	Yield* Per Ton	Working Costs per Ton	Total Profit* £	Total Profit* Per Ton	Price of Shares end of Period
1916-17 ...	149,612	437,387†	57/11	35/8	146,814	22/6	6/0
1917-18.							
Dec. qr. ...	34,759	100,244†	57/7	—	—	—	5/6
March qr....	32,761	102,879†	62/10	—	—	—	5/6
June qr. ...	35,475	101,982†	57/6	—	—	—	5/3
Sept. qr. ...	35,035	94,982†	54/2	—	—	—	5/9
12 mos. ...	138,030	400,087†	58/-	—	—	—	5/9
1918-19.							
Dec. qr. ...	35,268	89,123	50/6	—	—	—	5/6

* Includes yield from accumulated slimes.
† Estimated at £4 5s. per fine oz.

Dividends—Account 1916-17, March, 10%; July, 10%; Dec., 20%=40%. Account 1917-18, July, 13⅓%. Dec., 13⅓%=26⅔%.

MYSORE.—Capital £305,000, in 610,000 10s. shares.

Year to Dec. 31	Ore Crushed Tons (2,000 lb.)	Total Value of Gold Secured* £	Gold Secured* Per Ton	Total(a) Working Expenses Per Ton	Working Profit £	Working Profit Per Ton	Price end of Period
1917 ...	307,126	842,056†	5 4/6	26/0	442,621	28/6	3/0
1918.							
March qr.	78,263	195,504†	50/0	—	—	—	2 1/16
June qr ...	74,097	196,992†	53/1	—	—	—	2 1/16
Sept. qr....	69,697	179,043†	51/4	—	—	—	2 1/16
Dec. qr. ...	71,129	176,678	49/8	—	—	—	2 1/16
12 mos. ...	292,186	748,217	51/2	—	—	—	2 1/16

* Estimated at £4 5s. per fine oz. † Includes yield from slimes.
(a) Exclusive of royalty.

Dividends—Account 1917, June, 30%; Nov., 30%; Mar., 25%=85%. Account 1918, Oct., 25%.

NUNDYDROOG.—Capital £283,000, in 10s. shares.

Year ends Dec. 31	Ore Milled Tons	Total(a) Gold Yield Value £	Yield Per Ton	Total Working Costs Per Ton	Working Profit* £	Working Profit* Per Ton	Price o Shares end o Period
1916 ...	98,000	340,786	69/5	34/1	173,548	35/4	25/6
1917 ...	99,382	337,348	67/10	35/7	160,296	32/3	24/3
1918.							
March qr.	25,024	80,732†	64/6	—	—	—	23/9xd
June qr.	25,542	84,175†	65/11	—	—	—	22/6
Sept. qr.	25,969	84,239†	64/10	—	—	—	23/3xd
Dec. qr.	26,196	85,549	65/4	—	—	—	21/0
12 mos.	102,731	334,695	65/1	—	—	—	21/0

* Before deduction of royalty (£21,686 in 1916).
† Estimated at £4 5s. per fine oz.
(a) Including slimes, &c.

Dividends—Account 1917, June, 10%; Oct., 11⅓%; Feb., 11⅓%. Account 1918, Sept. 10%.

OOREGUM.—Capital issued, 481,544 Ordinary and 240,000 Ten per Cent. Preference shares; all shares of 10s. each. Preference shares first get 10 per cent., and, beyond, same dividend as paid on Ordinary.

Yr. ends Dec. 31	Ore Milled Tons	Total Gold Yield £	Per Ton	Total Working Costs Per Ton	Working Profit* £	Per Ton	Price of Ord. Shares end of Period
1917 ...	155,080	388,698	50/1	25/8	185,465	23/11	18/3
1918.							
March qr....	38,780	95,310†	49/1	—	—	—	18/3
June qr. ...	38,750	94,404†	48/8	—	—	—	18/3
Sept. qr. ...	38,950	94,064†	48/7	—	—	—	19/6
Dec. qr. ...	36,500	96,533	53/3	—	—	—	18/0
12 mos....	152,780	380,911	49/10	—	—	—	18/0

* Before deduction of royalty (£21,622 in 1917).
† Estimated at £4 5s. per fine oz.

Dividends—Account 1917, 40% on Pref. and 30% on Ord. Account 1918, Nov., 20% on Pref. and 10% on Ord.

Modderfontein.—Capital, £1,400,000, in £4 shares. Seven tube mills in use. Present capacity of plant, 55,000 tons per month. Additional plant of capacity of 40,000 tons monthly arranged for, to raise total capacity to about 1,100,000 tons a year.

Quarter ended	Tons Milled	Yield per ton	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
June 30	Stps.	%							
1916-17	180,656	14	1,423,560	43/4	638,483	19/5	785,017	23/11	20½
1917-18	195av.	684,100	8	1,559,177	45/7	725,913	21/3	833,263	24/4	24
1918-19.									
Sept.qr.	236	217,000	11½	491,561	45/3	220,873	20/4	270,623	24/11	26½
Oct. ...	—	73,000	—	161,496	45/1	74,013	20/4	90,485	24/9	26½
Nov. ...	—	73,000	—	164,155	44/11	73,837	20/2	90,318	24/9	26½

Returns include profit from accumulated slimes.

Dividends—1916, June, 16½; Dec., 16½ per cent.
1917, June, 16½; Dec., 18¾ percent.
1918, June, 21½; Dec. 30 per cent.

Large Earnings of Banks

mean more than mere good management. They mean GOOD SERVICE — service that has held old patrons and attracted new ones.

With this thought in mind we present some figures as a basis for soliciting your account:

Original Capital, 1844 - -	**-$ 300,000**
Increase of capital from earnings	**2,700,000**
Present Surplus and Profits	**- 10,000,000**
Dividends paid, 1844-1918	**- 24,500,000**

The Chemical National Bank of New York

PERRY'S
TRADE PROTECTION OFFICES
(Established 1776)
12 COLEMAN STREET, E.C. 2.
Status enquiries made as to the position and standing of Traders and others.
PERRY'S GAZETTE & LIST OF CREDITORS are published Weekly, and are valuable to everyone in business.
Debts recovered and paid over promptly.
Particular attention is called to the fact that this is the only Trade Protection Society that possesses at its offices in London Registers containing full Bankruptcy and other Registered Information together with Status information FOR THE WHOLE OF THE THREE KINGDOMS.
TERMS from £1 1s. upwards, according to requirements. PROSPECTUS and further particulars on application.

FAIRMOUNT COAL & COKE COMPANY (DEFAULTED)
4% Bonds due December 1, 1919.
We will pay 30% of par for the above Bonds, with June 1, 1909, and all subsequent Coupons attached. Bonds, attached to drafts, may be forwarded through usual banking channels without first corresponding with us.
GLOVER & MacGREGOR,
Pittsburgh, Pa.,
U.S.A.

NATIONAL TRUST COMPANY, LTD.
HEAD OFFICE: TORONTO, CANADA.
BRANCHES:
Montreal, Winnipeg, Regina, Saskatoon, Edmonton.
Executor and Trustee.
Paid-up Capital - £308,219 3 7
Reserve Fund - £308,219 3 7
Assets under Administration £15,764,925
Acts as Agent for clients and corporations and has exceptional facilities for investing British and Foreign Funds in carefully selected First Mortgages on Farms and improved City properties in Canada.
Guaranteed Trust Investments.
Correspondence invited
38 Bishopsgate, London, E.C. 2. A. L. NUNNS, London Representative.
Bankers:—
Bank of Scotland. Canadian Bank of Commerce.

NATIONAL WAR BONDS
With their present valuable conversion rights, WILL NOT BE ISSUED
after January 18th. Under our Instalment Purchase Scheme you can now secure a large holding by a small present payment. Full particulars may be obtained from any representative or from
PEARL ASSURANCE COMPANY, Ltd.
HIGH HOLBORN, LONDON, W.C. 1.
ANNUAL INCOME EXCEEDS £4,500,000.

P A
A PEACE RISK.
Who is carrying your death Risk?
Is it your Family,
or
a Life Assurance Office?
WHY NOT LET THE PRUDENTIAL CARRY IT?
C Ld

BANK OF MONTREAL

Established in 1817.
Capital Paid up, $16,000,000.
Reserve Fund, $16,000,000.
Undivided Profits, $1,991,613.

BOARD OF DIRECTORS.

Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. R. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., Lt.-Col Herbert Molson, M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq.

Head Office: Montreal.

General Manager: Sir Frederick Williams-Taylor, LL.D., Assistant General Managers: E. F. Hebden, H. P. Mackenzie, G. C. Cassels, D. R. Clarke.

LONDON OFFICES:
47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1, and
24 Cockspur Street, S.W. 1.

London Committee: Sir Thomas Skinner, Bart. A. Macnider, Esq., Lieut.-Col. F. R. S. Balfour.
Manager: George Cyril Cassels.

Financial Agents of the Government of the Dominion of Canada.

Branches and Agencies throughout Canada and Newfoundland; also at New York, Chicago and Spokane in the United States, and at Mexico City.

The Bank undertakes monetary business with all Allied and neutral countries, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, and Mexico.

THE ROYAL BANK OF CANADA.

Capital Authorised	$25,000,000
Capital Paid up	$14,000,000
Reserve Fund and Undivided Profits	$15,500,000
Total Assets	$427,500,000

Head Office—MONTREAL.

Sir HERBERT S HOLT, E. L. PEASE,
President. Vice-President & Managing Director.
C. E. NEILL, *General Manager.*

462 Branches in Canada and Newfoundland.
39 Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela.

BRANCHES IN BRITISH WEST INDIES.
ANTIGUA—St. John's; BAHAMAS—Nassau; BARBADOS—Bridgetown; DOMINICA—Roseau; GRENADA—St. George's; JAMAICA—Kingston; ST. KITTS—Basseterre; TRINIDAD—Port of Spain, San Fernando; BRITISH GUIANA—Georgetown, New Amsterdam, Rose Hall; BRITISH HONDURAS—Belize; SPAIN—Barcelona.

New York Agency, Corner William & Cedar Streets
LONDON OFFICE:
Bank Buildings, Princes Street, E.C. 2.
T. R. WHITLEY, *Manager.* JAMES MACKIE, *Joint Manager.*

IMPERIAL BANK OF CANADA.

Head Office—TORONTO.

Capital Paid up - - -	**7,000,000**
Reserve Fund - - -	**$7,000,000**

The Branches of the Bank in Ontario, Quebec, Manitoba, Saskatchewan, Alberta, and British Columbia provide exceptional Banking facilities for Settlers.

Agents in Great Britain:
ENGLAND—Lloyds Bank Limited, London, and Branches.
SCOTLAND—The Commercial Bank of Scotland, Limited, Edinburgh, and Branches.
IRELAND—Bank of Ireland, Dublin, and Branches.

Agents in France
Crédit Lyonnais. Lloyds Bank (France) and National Provincial Bank (France) Limited.

THE EASTERN BANK,
LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C.

Subscribed Capital	£1,500,000
Called up	£600,000
Reserve Fund	£90,000
Reserve Liability of Shareholders	£900,000

BOARD OF DIRECTORS.

The Right Hon. LORD BALFOUR OF BURLEIGH, K.T (Chairman).
SIR EDWARD SASSOON, Bart. EMILE FRANCQUI, Esq
J. O. GEORGES BOUILLAT, Esq. J. S. HASKELL, Esq.
G. BROMLEY-MARTIN, Esq. Lt.-Col. J. LEIGH
Branches: [WOOD, C.B., C.M.G

BOMBAY, CALCUTTA, BAGDAD, BASRA, AMARA.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, Negotiates and Collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.

Deposits are received for fixed periods at rates to be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager.*

THE MECHANICS AND METALS NATIONAL BANK
OF THE
CITY OF NEW YORK.

ESTABLISHED 1810.

CAPITAL (FULLY PAID)	$6,000,000
SURPLUS AND UNDIVIDED PROFITS ...	$11,000,000

THIS BANK RECEIVES ACCOUNTS OF BANKS, BANKERS, CORPORATIONS, FIRMS, AND INDIVIDUALS ON FAVOURABLE TERMS, AND GRANTS TO ITS DEPOSITORS EVERY FACILITY CONSISTENT WITH PRUDENT AND CONSERVATIVE BANKING METHODS. CORRESPONDENCE INVITED.

FOREIGN DEPARTMENT.

Finances Exports and Imports, buys and sells Foreign Exchange, Telegraphic Transfers, &c., and makes Collections on all parts of the world.

LONDON BANKERS:
LONDON JOINT CITY AND MIDLAND BANK, LIMITED.
LONDON COUNTY, WESTMINSTER & PARR'S BANK, LIMITED.

THE LONDON AND RIVER PLATE BANK (Limited).

Established 1862.

Authorised Capital	£4,000,000
Paid-up Capital	1,800,000
Reserve Fund	2,100,000

BRANCHES.

ARGENTINE.—Buenos Aires, Rosario, Mendoza, Concordia, Bahia Blanca, Cordoba, Tucuman, Parana, Barracas (Buenos Aires), Once (Buenos Aires), Boca (Buenos Aires), Calle Santa Fé (Buenos Aires), Calle B de Irigoyen (Buenos Aires).

URUGUAY.—Montevideo, Montevideo Agency (Calle Rio Negro), Paysandu (Agency), Salto (Agency).

BRAZIL. Rio de Janeiro, Sao Paulo, Santos, Pernambuco, Para, Bahia, Victoria, Curityba, Manaos (Agency).

CHILE.—Valparaiso, Santiago.

FRANCE.—Paris (16 Rue Halévy).

Agency in New York and Agents throughout the World.

Letters of Credit, Drafts and Cable Transfers issued.

Bills negotiated, advanced upon, or sent for collection.

7 Princes Street, E.C.2.

CHARTERED BANK OF INDIA
AUSTRALIA AND CHINA.

38 Bishopsgate, London, E.C. 2.
Incorporated by Royal Charter.

Capital, £1,200,000. Reserve Fund, £2,000,000.

Court of Directors.
Sir Montagu Cornish Turner, Chairman.
Sir Duncan Carmichael.
Thomas Cuthbertson, Esq.
Sir Alfred Dent, K.C.M.G.
William Henry Neville Goschen, Esq.
The Rt. Hon. Lord George Hamilton, G.C.S.I.
William Foot Mitchell, Esq.
Lewis Alexander Wallace, Esq.
Managers, T. H. Whitehead and W. E. Preston.
Sub Manager, J. S. Bruce.

BANKERS.—The Bank of England; The London Joint City and Midland Bank, Limited; The London County Westminster and Parrs Bank, Limited; The National Provincial and Union Bank of England, Limited; National Bank of Scotland, Limited.

The Corporation buy and receive for collection Bills of Exchange, grant Drafts, and transact General Banking business connected with the East.

Deposits of money are received for fixed periods on terms which may be ascertained on application; interest payable half-yearly, 30th June and 31st December.

THE ANGLO-EGYPTIAN BANK, LIMITED.

SUBSCRIBED CAPITAL ... £1,800,000.
PAID UP, £600,000. RESERVE FUND, £710,000

BRANCHES: Alexandria, Cairo, Beni-Souef, Mansourah, Port Said, Tantah, Zagazig, Khartoum, Jaffa, Jerusalem, Malta, Gibraltar, Haifa,

BANKERS: The Bank of England. The London Joint City and Midland Bank, Limited.

The Bank transacts every description of Banking business in Egypt, grants Letters of Credit, and affords facilities to travellers proceeding to Egypt and elsewhere.

Deposits received for fixed periods at rates to be obtained on application. Interest payable February 28th and August 31st.

On current accounts, interest at the rate of 2 per cent per annum allowed on minimum monthly balances provided they do not fall below the sum of £200.

27 Clement's Lane, Lombard Street, E.C. 4.

UNION BANK OF CANADA.

Incorporated 1865. Head Office, WINNIPEG.

Paid-up Capital	$5,000,000
Rest and Undivided Profits ...	$3,600,000
Total Assets exceed	$143,000,000

The Bank has over 300 Branches in CANADA and Agents in the principal Cities in AMERICA.

Deposits received at favourable rates, which may be ascertained on application to:—

LONDON OFFICES { 6 PRINCES STREET, E.C.2. 26 HAYMARKET, S.W.1.

New York Agency: 49 Wall Street.

THE FOURTH STREET NATIONAL BANK, PHILADELPHIA.

CAPITAL FULLY PAID ...	$3,000,000.00
STAREHOLDERS' LIABILITY	$3,000,000.00
SURPLUS AND PROFIT ...	$7,000,000.00

Bills of Exchange
Telegraphic Transfers
Letters of Credit
Travellers' Checks
available throughout the World.

Collections made everywhere. Acts as Agent for Foreign Banks to draw on the United States. Correspondence solicited.

LONDON AGENTS—
SAMUEL MONTAGU & CO.
LONDON CITY AND MIDLAND BANK LTD.
LLOYDS BANK LTD.

Cable Address—"FOURBANK."

NATIONAL BANK OF INDIA,
LIMITED.

Bankers to the Government in British East Africa and Uganda.

HEAD OFFICE.
26 BISHOPSGATE, LONDON, E.C. 2.

BRANCHES:

Calcutta	Cochin (S. India)	Zanzibar	
Bombay	Chittagong	Mombasa	British East Africa
Madras	Rangoon	Nairobi	
Karachi	Mandalay	Nakuru	
Cawnpore	Aden and	Kisumu	
Lahore	Aden Point	Entebbe	Uganda
Amritsar	Colombo	Kampala	
Delhi	Kandy	Jinja	
Tuticorin	Newera Eliya		

Dar-es-Salaam, Tanga } Occupied Territory, German East Africa.

SUBSCRIBED CAPITAL ...	£2,000,000
PAID-UP CAPITAL	£1,000,000
RESERVE FUND	£1,350,000

LONDON BANKERS—Bank of England; National Provincial Bank of England, Limited; National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balances at the rate of 2 per cent. per annum.

THE WESTERN AUSTRALIAN BANK.

Established 1841.

Paid-up Capital ... ... (25,000 Shares of £10 each)	**£250,000 0 0**
Reserve Fund	**£700,000 0 0**
Reserved Profits ...	**£23,460 0 0**
Reserve Liability of Shareholders,	**£250,000.**

Drafts issued, Remittances cabled, Bills negotiated or collected. Deposits received for fixed periods at rates to be ascertained on application, and all Banking and Exchange Business connected with Western Australia conducted through the London Agents.

The Bank of Adelaide, 11 Leadenhall Street, E.C.

BANK OF NEW SOUTH WALES.

Established 1817.

LONDON OFFICE: 29 Threadneedle Street, E.C. 2.

Paid-up Capital	£3,904,860
Reserve Fund	3,025,000
Reserve Liability of Proprietors ...	3,904,860
	£10,834,720

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business.

H. MELDRUM, Assistant Manager.

Ernesto TORNQUIST & Co.

LIMITADA,
BUENOS AIRES.
Established 1830.

Oldest Business Establishment in the River Plate.

CAPITAL FULLY PAID UP AND RESERVES
£2,679,785.

GENERAL FINANCIAL, BANKING AND COMMERCIAL BUSINESS.

Printed by SPOTTISWOODE, BALLANTYNE & CO. LTD., at 1 New Street Square, E.C. 4, and Published by the Proprietors of "The Statist" at their Offices, 51 Cannon Street, E.C. 4, in the City of London, England.—*January* 18, 1919.

PROVIDENT ACCIDENT AND GUARANTEE COMPANY, LIMITED
Formerly known as the
Provident Clerks' & General Guarantee & Accident Co., Ltd.
Head Office, - **61 Coleman Street, London, E.C.**
Temporary Offices, **52/5 Coleman Street, E.C.**
West End Office, **199 Piccadilly, W.**
Established 1865.

GUARANTEES FOR FIDELITY.
The Company ISSUES BONDS for TRUSTEES in BANKRUPTCY, RECEIVERS and LIQUIDATORS in CHANCERY, and for all GOVERNMENT or Commercial Appointments in which security is required.
ACCIDENT INSURANCE OF EVERY KIND.
LANDLORD AND PROPERTY OWNERS' INDEMNITIES.
WORKMEN'S COMPENSATION, FIRE, BURGLARY, MOTOR CAR, DRIVERS' INDEMNITY, CONTINGENCY, PLATE GLASS, LIVE STOCK.
C. A. FREEMAN, Manager & Secretary.
Telephone: LONDON WALL 5306 (4 Lines).

REFUGE ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds - £4,400,000.
Funds Exceed - - - - £14,500,000
Claims Paid Exceed - - - £25,000,000

SUBSCRIPTION TO "THE STATIST."

TO INCLUDE ALL SUPPLEMENTS.

Payable in Advance.

Inland.

ONE YEAR £1 10 0 | HALF-YEAR, £0 15 0

(Post Free.)

For Colonies and Abroad (within Postal Union).

ONE [illegible], £1 17 4 | HALF-YEAR, £0 18 8

(Post Free.)

OFFICE : 51 Cannon Street, E.C. 4.

IMPORTANT NOTICE.

All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager, THE STATIST,

51 Cannon Street, London, E.C. 4

Telegrams: "Statist Cent. London." Telephone: City 5258-5259.

CONTENTS.

Leading Articles— PAGE
THE CONFERENCE 125
GERMANY 126
WHEN THE WAR ENDS—LII. 127
THE STEEL OUTLOOK ... 128
THE WORKING OF IRISH MINERALS 129
TILLAGE PROSPECTS IN IRELAND 130
ARGENTINA.—II. 131
THE IRISH BANKING HALF-YEAR 133
GERMANY'S FOOD PRODUCTION 134
FINANCIAL NOTES ... 136
SOUTH AND CENTRAL AMERICA 137
NEW BANKING CAPITAL ... 139
SAVINGS BANK DEPOSITS ... 140
American Topics—
B. & O.'s Further Dividend 139
Commercial—
Empire Flax 141
The Leather Trade 141

Industrials— PAGE
John Howell and Co 145
Insurance Notes—
Marine Insurance in 1918 142
Scottish Amicable and Scottish Insurance Co 178
Mining Topics—
Burma Corporation 120
Pahang Corporation ... 121
Oil and Motor 141
Money Market ... 117
Rubber Topics ... 140
Relative Merits of High and Low-priced Shares 140
Chimpul (Negri Sembilan) 141
K.M.S. (Malay States) 141
Stock Exchange ... 119
Tabular Appendix ... 122

Report: The Cuban American Sugar Company 146
Meetings ... 147-55

THE
BRITISH GENERAL
INSURANCE COMPANY, LIMITED,
CAN GIVE YOU
SOME ADVANTAGES
In connection with your Insurances. Ask for Particulars.
Head Office - 66 CHEAPSIDE, LONDON, E.C.

Foreign Exchange Arbitrager

WANTED by a London Clearing Bank. Applicants must have the highest standard of qualification and experience in all exchanges. Application by letter, with full statement of qualifications, to "O. D.," c/o Streets, 30 Cornhill, E.C.3. Replies will be treated as confidential.

The Statist.

LONDON, SATURDAY, JANUARY 25, 1919.

The Money Market.

Friday, January 24, 1919.

	CURRENT RATE — % FIXED	PREVIOUS RATE — % FIXED
Bank of England Rate...	**5** (Apr. 5,'17)	**5½** Jan. 18,'17
Bank of England Rate — to Clearing Banks: 3 days' notice ...	**3** (Feb. 14,'18)	**4** June 19,'17
Bank of England Rate — for Foreign Money	**4½** (Nov.15,'17)	extended Jan.2,'18
Deposit Rates :—		
Banks & Discnt. Ho. (Call)	**3** (Feb. 14,'18)	**3½** Jan. 2,'18
Discount Houses (Notice)...	**3** (June 6,'18)	**3¼** Feb. 14,'18
Do., to Bankers and Merchant Bankers (Notice)	**3¼** (Feb. 14,'18)	**3¾** Jan. 2,'19

ONE of the main topics of discussion in the Money market as elsewhere this week has been the action of the Treasury with regard to the issue of National War Bonds. Fully a month's notice was given to the public that after January 18 the investor would be unable to lend his money on such advantageous terms to the Government as has recently been given, and specific mention was made that as from that date Bonds would no longer be issued carrying the conversion rights possessed by the three series of National War Bonds sold between October 1, 1917, and Saturday last. While not one word was officially put out as to the methods that would be adopted for financing the Government's heavy expenses in the coming months, the advertisements of the War Savings Committee were so framed as to convey the impression that in future the Government would borrow on less favourable terms to the investor than hitherto. Indeed, all sorts of ideas gained currency as to the new borrowing scheme of the Government, but at the same time the general belief was that a reduction would be effected in the rate of interest upon borrowings. Indeed, it was thought in some quarters a change would have taken place in October last, and doubtless would then have been adopted had not an early termination of hostilities been foreseen by the powers that be, and the decision come to to "carry on" during the subsequent few months on the same terms as previously. In these circumstances great efforts were made in the last two or three weeks to purchase War Bonds. However, on Monday it appeared that the Treasury had adopted what it doubtless considered a clever ruse, but one for which it will surely have to make retribution at some time or other. Beyond the idea current that the Treasury would follow the policy of the French Government, which since the signing of the Armistice has reduced the rate of interest on its Bonds de Défense, was the belief in certain quarters that, in view of the relatively small excess of expenditure over revenue in the remaining few weeks to the end of March, the Treasury might decide for a time to issue

nine and twelve months' bills in addition to the three and six months' bills offered daily. While it would seem that the Treasury has missed an opportunity to reduce the rate of interest, for which practically everyone had been prepared, it is well it has not decided to confine borrowings during the coming few weeks to Treasury bills, in view of the fact that the floating debt —by which we mean Treasury bills due in, say, three months' time and Ways and Means advances due in three days and do not include the large amount of Exchequer Bonds maturing within about twelve months— even now exceeds £1,494,000,000. What is to be desired is that the volume of this floating debt should be reduced as speedily as possible.

When the lists closed on Saturday last sales of about £1,601,000,000 of War Bonds had been recorded for the 68 weeks since October 1, 1917. This is an average of just under £25,000,000 a week, or approximately the weekly total asked for by the War Savings Committee, which it is believed exceeded the sum that the Treasury asked the Committee to make efforts to collect. But as we have frequently pointed out, the sum that was needed to be raised by sale of War Bonds was at least £300,000,000 more than was obtained, and the average should have been somewhere about £29,000,000 a week. This additional sum of £300,000,000 represents the addition to the floating debt that has occurred in the 68 weeks since September 30, 1917, on which date the floating debt of £1,193,487,000 was considered to be unduly high. A good deal has been said about the total of £1,601,000,000 derived from sale of War Bonds as being the largest sum ever raised by a single loan, and comparison is made with other war issues which have yielded considerable sums of money. While the statements are true as regards the amount raised, it seems absurd not to realise at the same time that no other loan has been on offer for so prolonged a period.

The only change made in the Government's borrowing policy for the time being is that after a fortnight's interval National War Bonds are again to be offered for continuous sale on the same terms as heretofore, except that seven-year Bonds, which have not proved popular, will no longer be issued, and new Bonds will not be convertible into the War Loan of 1917. The only other modification is that, to meet the wishes of the investors, more particularly trustees, it is proposed to issue a registered coupon Bond, on which dividends will be paid by means of Coupons attached to the registered certificate, from which income tax will be deducted in the ordinary course.

Revenue is now flowing into the Exchequer freely and is likely to be still greater in the coming weeks. If the Budget estimate is to be realised, and reckoning £35,000,000 as having been received from the second Indian War Loan, the weekly revenue to the end of March will average almost £30,000,000, of which about £17,250,000 will be derived from income tax and about £7,800,000 from excess profits duty. We have recently published an estimate of expenditure for the current year. This, however, seems to have placed the outgoings at somewhat too high a figure if expenditure from the Votes of Credit in the 72 days to March 31 is to be at the same rate as during the 70 days between November 9 and January 18, when the average daily outlay was approximately £5,391,000. Assuming the same rate of outlay in the last 72 days of the financial year, it would appear that about £446,650,000 of expenditure has still to be met, and that if the revenue reaches £307,100,000, as appears probable, the net sum to be borrowed in the period will be roughly £145,500,000, as indicated below:

£000's omitted	Probable for 72 Days to Mar h 31, 1919	293 Days to January 18, 1919	Probable for Year 1918-19	Budget and supple-mentary Estimates
Revenue—	£	£	£	£
Income tax	177,285	113,165	290,450	290,450
Per week	(17,236)	—	—	—
Excess profits	80,129	219,871	300,000	300,000
Per week	(7,791)	—	—	—
Other	49,708	236,892	286,600	251,600
Per week	(4,833)	—	—	—
Total	307,122	569,928	877,050	842,050
Per week	(29,860)	—	—	—
Expenditure—				
Interest	36,600	233,416	270,000	315,000
Miscellaneous	3,356	8,058	11,414	11,414
Supply	406,692	1,900,649	2,307,341	2,649,988
Total	496,648	2,142,123	2,588,755	2,976,402
Deficit	134,500	1,572,195	1,706,700	2,976,402
Loans	145,000	1,561,455	1,706,700	—
Taken from cash balance	—	8,148	—	—
Floating debt, Jan. 18, 1919	—	1,494,346	—	—

Sales of War Bonds to Saturday last had brought in £1,601,000,000, of which the Exchequer had received £1,506,706,000, so that within the next fortnight about £94,000,000 will be received, which will meet the greater part of the sum of £145,000,000 referred to above. At the same time War Savings Certificates continue to be sold, and though they may bring in upwards of £20,000,000 this amount will be largely counterbalanced by retirement of debt through revenue payments in scrip and allocations to depreciation fund, which but for the action of the Treasury this week would have needed little or no replenishing in future. How much will be received in February and March from the fourth series of War Bonds can scarcely be estimated, but so far as can be seen at present the extent to which the Exchequer receipts therefrom exceed £50,000,000 will represent another reduction in the floating debt. The floating debt is, however, expected to show further increase early in April, when the half-yearly dividend, calling for about £28,000,000, will fall to be paid on the 4% and 5% National War Bonds, Series I. and II.

On account of the recent large applications for the War Bonds and the payments that have to be made by the banks to the Bank of England, the supply of floating credit has greatly diminished. Indeed, money has been called in from the market, which to-day had to go to the Bank for a small amount. The rates charged to the market for this accommodation, it is understood, are 4% for a fortnight and 5% for a week. It is not surprising in existing circumstances that business in the Discount market continues on a very small scale, the banks having bought bills this week quite sparingly.

FINANCING THE EXCHEQUER.

Further evidence of the high rate at which revenue is flowing into the Exchequer at present is afforded by the latest statement, showing that in the week to Saturday last the total receipts, including £2,240,000 of scrip payments, were £27,331,000, of which income tax accounted for £13,133,000, excess profits duty £6,678,000, and Customs and Excise £4,484,000. Expenditure, on the other hand, amounted to £38,960,000, of which £38,000,000 was for Supply. As compared with an average of about £3,471,000 a day for the week to January 11, last week's approximate outlay from Votes of Credit averaged

ROYAL EXCHANGE
ASSURANCE.
Incorporated A.D. 1720. Governor: VIVIAN HUGH SMITH, Esq.
FIRE, LIFE, SEA, ACCIDENT,
and GENERAL INSURANCES.
The Corporation is prepared to act as TRUSTEE and EXECUTOR.
Apply for full particulars of all classes of Insurance to the Secretary—
Head Office: ROYAL EXCHANGE, LONDON, E.C. 3.
West End Branch: 44 PALL MALL, S.W. 1.

£5,157,000, while, as compared with the Budget estimate of £6,896,000 a day, the average to date has been £6,226,000, and since November 9, two days before the signing of the Armistice, £5,391,000. Allowing for a small net outlay on capital account, the deficit for the week was £11,737,000; and as loans brought in £11,272,000 net, £465,000 was taken from the cash balance, which is now £12,882,000 less than on April 1 last. From sales of National War Bonds £42,146,000 was received, from War Savings Certificates £2,200,000, and from "other debt" £2,099,000. On the other hand, £2,240,000 of debt was retired as indicated above, and a further £1,662,000 was allocated to Depreciation Fund. The larger receipts from War Bonds, and the big demand for the Bonds last week in the belief that 4% and 5% Bonds as previously issued would not be offered in the future, doubtless accounted for a net decline of £13,773,000 in the Treasury Bill receipts. Nevertheless it was possible further to reduce the Ways and Means Advances by £17,500,000.

[000's omitted.]	War Borrowings		National Debt	
	Apr. 1–Jan. 18, '19	Apr. 1, '17–Mar. 31, '18	Aug. 1, '14–Jan. 18, '19	Approx. Jan. 18, '19	Actual Mar. 31, '18
4 & 5% Natl. War Bds.	£892,491	£614,215	£1,506,706	£1,511,901a	£649,410b
4% & 5% War Loans	—	168,083	948,460	2,017,809	2,090,317c
War Savings Certs. ...	75,000	62,200	212,100	213,650c	137,750
"Other" Debt (d) ...	378,416	620,435	1,551,960	1,353,890	995,474
Treasury Bills ...	121,870	508,885	1,078,952	1,091,666	973,444
Ways & Means Advances	207,109	Cr.25,254	399,860	399,680	193,271
5% Exch. Bonds due:					
Oct. 1919 or Apr. '22	4	82,270	82,274	70,657	70,653
Oct. 1921 (1916 issue)	—	—	62,496	75,839	75,839
Dec. 1920 ,, ...	—	48	237,877	49,744	49,744
Oct. 1919 ,, ...	—	—	34,263	16,924	16,924
6% Ex. Bds., Feb. '20	1	—	160,956	141,278	141,277
3% Ex. Bds., Mar. '20	—	—	21,831	21,660	21,660
Do. do. Mar. '30	804	12,021	12,825	16,444	15,640
War Expenditure Certs.	Cr.22,932	Cr.629	—	—	22,929
3½% War Ln. 1925–28	—	—	331,708	62,746	62,746
4½% War Ln. 1925–45	—	—	592,345	16,139	16,139
2½% & 2¾% "Consols"	—	—	—	304,084	304,084
Debts to Bks. of E. & I.	—	—	—	13,646	13,646
Terminable Annuities	—	—	—	21,903	21,903
Total	1,633,963	2,042,274	7,034,523	7,432,657	5,871,850
Less Misc. repayments	72,508	57,495	294,802	—	—
Debt Aug. 1, 1914	—	—	—	652,270	652,270
Inc. since war began	1,561,455	1,984,779	6,739,722	6,780,387	5,219,580

(a) Sales reported to Jan. 18, 1919, £1,600,591,055. (b) 4% (Oct. 1927; £119,541,000; 5% (Oct. 1922), £237,921,000; 5% (Oct. 1924), £28,739,000; 5% (Oct. 1927), £263,206,000. (c) 4% Tax compounded, £52,372,000; 5% £2,037,945,000. (d) Including British portion of Anglo-French (U.S.) Loan (e) Number sold to Jan. 11, 1919, 283,602,009.

BANK OF ENGLAND.

MOVEMENTS recorded in this week's return were of much smaller extent than for a long time past. Government securities were £267,000 larger and "other" securities increased £155,000. Further, the reserve was £421,000 larger, and as public deposits declined £951,000 the gain in market balances, so far as they are indicated by fluctuations in "other" deposits, amounted to £1,776,000. For the fourth consecutive week the circulation has declined, this time by £677,000, which has reduced the total to 69,022,000, or about £1,100,000 less than was outstanding on December 24. An interesting movement occurred in the bullion item, which for the first time since April 10 last has declined. This week's reduction of £256,000 leaves the stock of bullion at £80,288,000. The addition to the reserve and the relative absence of change in deposit liabilities caused the proportion to be raised from 19.15% to 19.32%.

POSITION IN INDIA.

As frequently occurs at this time of the year, a reduction is announced to have been effected in the note circulation of the Indian Currency Department in the eight days to January 15. Whether this fall will prove merely temporary, or whether it is likely to continue over the next three months or so, it is impossible to say. At any rate, the movement would seem to be in the right direction. Compared with 7,350 lacs just before war began the circulation on January 7 had reached the unprecedented total of 14,824 lacs. The reduction in the following week of 104 lacs leaves the total at 14,720 lacs. On the other hand, the stock of silver continues to run down, the decline shown in the last return having been 27 lacs, thus leaving the silver reserve at 3,150 lacs. The gold reserve held in India against the note issue declined from 1,967 lacs to 1,890 lacs. No change occurred in the fiduciary reserve, which stands at 9,368 lacs. Of this 1,418 lacs represents Indian securities, 440 lacs being Treasury bills.

SILVER.

So far no change in the price of silver has taken place in London, the quotation therefore remaining at 48 7/16*d.* per oz. fixed on December 7. It is, however, generally expected that a reduction in the charge of freight on silver from America, which is still at War rate, will shortly take place, which should have an effect upon the price here. No alteration has to be reported in the tone of the market, which remains quiet and featureless. A further decline is reported in the Indian Currency Department's holding of silver, as indicated in the statement given above. Though up to December 7 the ratio of the metallic reserves to the Indian note issue had steadily increased, in each return since then the ratio, as well as the total silver holding, has shown contraction. The close approach of the Chinese New Year, which on this occasion will fall on February 1, has caused the Shanghai exchange to recede to 5*s.* The stock of silver in Shanghai is increasing, that held in sycee having risen in the week to January 18 from 23,000,000 oz. to 26,160,000 oz., but that of dollars declined from 12,200,000 to 12,100,000.

Stock Exchange.

THE Stock Markets opened this week well, following the active conditions which developed at the close of last week and in the belief that the last had been seen of Government borrowing at 5⅜%. The signs seemed so unmistakably to point to security values rising, and the general rate of interest declining, if the tap remained turned off for a short while, that few intelligent observers who understood conditions thought that the Government would fail to grasp the opportunity of saving the country many millions in interest on further borrowings. The official advertisements undoubtedly supported this view, though one would hardly suppose this to have been intentional. Still, the announcements on Saturday, showing the clock hands pointing to five minutes past 12 and bearing the words "Don't be too late. This is your last chance to subscribe for National War Bonds," were highly misleading in view of what followed. Great and practically universal surprise was caused by the announcement on Tuesday of the placing on tap, as from February 1, of a new series of National War Bonds minus only the right of conversion into War Loan. Criticism of the Treasury has been severe.

On Tuesday the Market, finding it had been mistaken—not a few trenchant critics say misled—had to make a rapid re-adjustment of ideas and values. Consequently almost all price alterations in stocks were downward, except the 4½% War Loan, to which

BARCLAYS BANK
LIMITED
(with which is amalgamated the LONDON PROVINCIAL & SOUTH WESTERN BANK Ltd.).
Trade with the U.S.A.
Increased Banking Facilities are available to Traders and Manufacturers, doing business with the U.S.A., by means of a reciprocal arrangement with the Irving National Bank, New York City.
INQUIRIES FROM INTERESTED PARTIES ARE INVITED.
Address:
The Foreign Manager, 168 Fenchurch St., E.C. 3.

the previous marking down of 8 points was added on account of the right of conversion into the new Bonds. Until Thursday markets continued under the same influence, aggravated by the evidences of labour unrest and threatened strikes, but on Friday the news of the settlement of the colliery dispute and the engineers' trouble caused a better feeling to develop. Consols, after dropping to 59¼, close at 59½, and the 5% War Loan has recovered to 95.

Colonial stocks, as usual, have moved very little, Canada 4½% 1920-25 exceptionally rising a point on Thursday and South Australia 5% 1921-23 half a point to 99½. A New South Wales new issue is understood to be imminent. Foreign bonds for the most part have kept steady. French bonds, however, were under the same influence as dominated the gilt-edged market, the 5% Loan closing at 87, against 87⅜, and the 4% at 69¾, against 70. The bright feature has been an appreciation in Russian loans on hopes of settlement of internal strife through the medium of the Peace Conference. In well-informed quarters the feeling is growing that the power of the Bolsheviks is now waning rapidly, the argument being based on the knowledge that their forces are now being hemmed in all round, and because of the belief that the bulk of their adherents, being in that position through terrorism, are breaking away and will continue to do so as they gain assurance of protection of their lives, their families and their goods. Mr. Leslie Urquhart—than whom few British subjects know the country better—pointed out recently in an interesting address that there is in Russia, as her whole history shows, an immense power of resilience. After all, he said, "you cannot permanently destroy a nation that rests on the solid, the perpetually self-renewing basis of agriculture. . . . When, therefore, we know that four-fifths of the people of Russia live on the land, and that food production alone before the War furnished some 70% of the country's exports, we know that Russia is indestructible and that, while she may bend before the storms that assail her, she can never be broken." After the Bolshevik power has broken, or otherwise ends, the straightening out of affairs will take time, but with a stable Government in being, as apparently already is the case in Siberia, there is little doubt that the much needed financial and material help would be afforded by the Allies. Hence it is not surprising—events shortly should show whether they are right or wrong—that close observers of Russian affairs should be considering the merits of Russian Government Bonds at their present depreciated prices. The 5% 1906 Bonds with interest paid to November 1917 are now quoted at 59, the 4½% 1909 at 49, and the 4% (interest paid to date) at 45.

For the most part the general sections of the market, including commercial and industrial descriptions, have been dull. Nitrate shares provide one exception, with quotations all round well up on the week and Oil shares have continued buoyant. Among the latter, Mexican Eagles, Shells, Burmahs and Anglo-Egyptian all show substantial rises.

NOTICE TO BANKERS.

Advances upon STOCKS AND SHARES will be entertained upon favourable terms by the

LEGAL & GENERAL LIFE ASSURANCE SOCIETY.

The transactions can be carried out expeditiously and cheaply, and full particulars will be sent upon application to

No. 10 Fleet Street, London, E.C. 4.

Mining Topics.

DESPITE the damping effect of the new War Bond announcement on the Stock Exchange generally, the Mining markets have again shown to advantage, brighter views being taken as to the prospects of the Rand mines and support being forthcoming for specialities in other departments. Quite a number of rises are recorded in Kaffirs, Modder B and Geduld being prominent. Union and Rhodesia Trust shares have been pushed up further in connection with the proposed amalgamation of the Kirkland Lake ventures, in which the concern is largely interested. Tanganyika and Zambesias have again developed weakness on news of the intention of the Belgian Government to tax excess profits, and in consideration of the fact that the Union Minière is one of the comparatively few Belgian concerns which have done well during the war. Among diamonds, Jagersfonteins advanced on attention being drawn to the shares by the exceptionally fine stone found in the workings, but De Beers shed a fraction of an early further rise. Tin and base-metal shares generally have been irregular and lower for choice, though Russians have improved on hopes of order being restored as a result of the Peace Conference. Elsewhere, Camp Bird provided a minor feature, with a rise to 17*s.* on news of the intersection of a second fairly rich vein.

BURMA CORPORATION.

WITH the publication of the December output return it is possible to compare the production results of the past year with the previous two years' figures. Only the initial small smelter plant with augmented refinery capacity is so far at work, but operations in the first half of 1918 were so well conducted that the rate of production showed large increase. This was not maintained in the second six months, however, owing to cholera and influenza outbreaks, and consequently the output of the whole year does not show so great an expansion as at one time seemed probable. However, the showing is sufficiently good in the circumstances, the net lead produced amounting to 24,930 tons, against 19,651 tons in 1917. Not quite so large a proportion of the hard lead was put through the refinery; but still the refinery production was well up at 19,641 tons of soft lead and 1,970,503 oz. of fine silver, against 16,957 tons and 1,525,844 oz. respectively in 1917. The progress made is shown below:—

	Lead-bearing Material Treated Tons	Net Lead Production—Tons	Net Lead Production—Silver Contents Oz.	Refinery Output—Lead Tons	Refinery Output—Silver Oz.	Working Profit £
1916	29,168	14,233	977,121	11,088	105,603	165,185
1917	47,000	19,651	1,788,281	16,957	1,525,844	276,397
1918.						
6 mos. to June 30	23,033	13,482*	—	10,387	1,128,240	—
July	5,311	2,803*	—	1,735	173,171	—
August† ...	2,643	1,300*	—	1,059	94,731	—
September† ...	2,647	1,185*	—	† 863	82,433	—
October† ...	3,159	1,550*	—	1,118	127,431	—
November ...	4,756	2,235*	—	1,641	162,488	—
December ...	4,830	2,375*	—	1,838	202,000	—
6 mos. to Dec. 31	23,346	11,448*	—	8,254	842,254	—
Year 1917 ...	46,379	24,930*	—	19,641	1,970,503	—

* Hard lead. † Operations curtailed by influenza and cholera epidemic.

Considering the high prices ruling during the year for both lead and silver—especially for silver, which throughout 1918 commanded an average price of over 4*s.* per oz. for standard metal, against 3*s.* 5*d.* per oz. in 1917—it seems certain that the larger production of 1918 will result in a substantial augmentation of the profit earned. Profits, as shareholders have been informed, are being put back into the business for the purpose of fitting the enterprise for large-scale production by means of a new milling equipment, the first unit of which, to treat about 250,000 tons a year, is expected to be completed about the end of this year. Then, instead of being direct smelted as at present, the ore will be first concentrated, the lead concentrates

produced being smelted in the existing furnaces and the zinc concentrates shipped for smelting in India when the works that are to be erected at Sakchi, with the financial assistance of the Indian Government, are ready.

PAHANG CONSOLIDATED.

From the five producing mines of this Company 187,300 tons of ore were milled in the year ended July 31 last, against 156,700 tons in the preceding twelve months, but as the tin yield declined from 1.7% to 1.06% the output was considerably lower, namely, 1,993 tons of black tin, in comparison with 2,656¾ tons in the previous year. It is not advisable to attach too much importance to this falling off, for the Company is subject to heavy excess profits duty, and with unprecedented prices ruling for the metal there is every inducement to treat low-grade ore, of which plenty is available, and to leave the richer material until it can be dealt with to greater advantage. As it is, though production was so much lower and expenses rose from 24*s.* 9*d.* to 26*s.* 10*d.* per ton of ore milled, the mine profit for the year comes out at £161,113, against £134,922. This is entirely attributable to the fact that the smaller black tin production fetched £183 per ton as against £124 per ton in 1916-17. In addition to the profit from mining, the Company receives considerable revenue from interest, and also from extensive rubber plantations, on the development of which substantial sums out of profits have been expended. In the past financial year, owing to unfavourable marketing and shipping conditions, due to the War, production was curtailed, and with low prices realised the net profit from rubber amounted to only £4,437, or over £20,000 less than in 1916-17. On this account the total profit shows an increase of only £2,500 for the year. However, following on heavy depreciation allowances and reserve allocations of recent years, it is now found possible to reduce the deductions under these heads. The amount written off for depreciation is £12,000 against £18,890, and the addition to reserve £10,000 against £20,000. There remains an available profit of £139,167, in comparison with £119,787 for 1916-17. In respect of that year excess profits duty amounted to £37,637, less amount overpaid on account of 1914-15, and on account of the past year, with an 80% rate in force, the liability is apparently considerably larger. Hence no increase is made in the dividends. The Preference shareholders again receive 15% and the Ordinary 20%, while the carry-forward, subject to excess profits duty for the year, is raised to £54,321.

Tin-Mining Results.

Year to July 31	Ore Crushed Tons (2,240lb.)	Output of Tin Oxide—Tons (2,240lb.)	Output of Tin Oxide—Yield %	Value—£	Value—Per Ton £	Working Costs*—Per Ton Crush.	Working Costs*—Per Ton Blk. Tin £	Mine Profit* £	Av. Price of Metall. Tin £	Shs. End of Year
1912...	102,797	1,125	1·09	144,333	140¾	22/0	100⅞	37,754	196¼	9/9
1913...	127,543	1,366	1·07	197,481*a*	147	21/11	101¼	66,689	228	8/9
1914...	137,055	2,015	1·47	216,162*a*	106¾	25/7	84¼	45,816	170¼	8/1½
1915...	160,000	2,538	1·58	260,312*a*	103¼	20/1	63½	102,160	—	6/6
1916...	162,200	2,535½	1·56	282,786*a*	113	23/1	73⅞	96,851	173¾	11/0
1917...	156,700	2,656¾	1·69	327,428*a*	124	24/9	72⅞	134,922	202¾	11/3
1918...	187,300	1,993	1·06	366,854*a*	183	26 10	105½	161,113	301½	13 3

* Profit includes sundry receipts and revenues from alluvial tin won by tributers. Costs include transport and sale charges, royalties, shaft sinking and total development redemption allowance.
(*a*) Value of output after deduction of tribute and other charges.

Year to July 31	Rubber Results—Output Lb.	Rubber Results—Profit £	Total Profit £	Depreciation Written Off £	Allocated to Reserve £	Dividends Paid—£	Dividends Paid—Pref. %	Dividends Paid—Ord. %	Carried Forward £
1912..	—	—	30,780	5,000	—	—	—	—	18,879
1913...	—	—	58,731	10,000	10,000	52,483	9½	12½	6,122
1914...	—	—	40,624	12,000	20,000	5,358	7	—	7367
1915...	75,410	—	99,222	15,403	15,000	63,156	12	15	8,030
1916..	207,244	-	95,187	15,247	10,000	68,255	12	15	9,815
1917...	389 101	24,857	158,677	18,890	20,000	89,873	15	20	39,727•
1918...	412 251†	4,437	161,167	12,000	10,000	89,943	15	20	54,321‡

* Subject to excess profits duty (£34,631). † Tapping restricted.
‡ Subject to excess profits duty.

When the balance sheet is inspected the effect of the conservative allocations is revealed. The capital is £475,000, in 100,000 £1 7% Cumulative Participating Preference shares and 1,500,000 5*s.* Ordinary shares. Cash, debtors, investments and stocks of tin and rubber, since sold, aggregate £233,742, against sundry creditors and the year's dividends totalling £141,528. The surplus of £92,000 even though it is subject to the payment of perhaps £50,000 of excess profits duty, indicates a strong financial position, inasmuch as stores valued at £62,265 are not included, and dividends only now being paid are deducted. The physical condition, also, is quite strong. In the Willink's mine, which is the chief producer, the stopes in levels from 400 feet to 800 feet are either nearly full of broken ore or the lode remains intact and ready for stoping. From the 700-foot downwards the rich ore shoot in what is termed the Nicholson's lode has not been exposed, and none of the lodes have been cut at the 900-foot or deeper levels. The scope for opening up further supplies of ore is therefore considerable. The same can be said of some of the other mines, particularly the Semeliang and Gunong. The Superintendent estimates the ore reserves conservatively at 600,000 tons, obtainable subject to tin being at a fair average price and to expenses being normal.

The rubber estate, valued in the balance sheet at £117,809, consists of 7,400 acres, including 3,806 acres planted, of which 2,752 are over five years old. Production in the past financial year was 412,251 lb. from 1,414 acres of trees in bearing, the average yield per acre being 291 lb. The Superintendent considers that 700,000 lb. could be obtained now, and, considering that many trees have been rested and tapping of others deferred, it looks as if when full maturity arrives the plantations will be capable of producing up to 1,500,000 lb. A profit of 1*s.* per lb. on this would bring in £75,000, whereas the past year's dividends, much more than covered by revenue from tin, required no more than £89,943. Moreover, the Company has about 3,000 acres of reserve land available for further planting.

At 11*s.* 6*d.* the Ordinary shares afford a yield of about 7%. If the value of tin falls to the level current in the two years prior to the War, profits from rubber will scarcely offset the contraction in tin revenue, but if good prices obtain in both departments, then the Company seems likely to do very well indeed. It has also to be remembered that a substantial margin of profit over and above dividend payments is at present absorbed by excess profits duty, and that shareholders stand to gain considerably from the removal or reduction of this burden.

CAM AND MOTOR.

This Rhodesian Company's latest report is a doleful document. It shows no signs of the possible attainment in future of even a slight degree of the great success anticipated for the venture a few years ago. Ever since production commenced in 1913 the annual accounts have shown deficiency in cash resources. In 1914-15 an endeavour was made to partially rectify the very weak financial position then existing by the sale of a 50% interest in the Cam-Good Shepherd group of properties to the controlling finance Company—London and Rhodesian Mining and Land—for £50,000 cash, of which £40,862 was deducted from the value of mining claims in the balance sheet and £9,138 from mine development. The financial position by this transaction was much improved, but not made secure, and in the past two financial years it has again become bad owing to losses on working and necessity to add to and modify the ore treatment plant. By arrangement with the controlling [illegible] £1,543 £1 reserve shares were issued during the past year, apparently at par; but, *per contra*, the 50% interest in the Cam-Good Shepherd group, sold a

1914-15 for £50,000 cash, was bought back for £76,536, of which £62,659 has been credited to mining claims in the balance sheet and £13,876 to development. Obviously the fresh cash brought in by the increase in the capital was very small, and as expenditure on plant and stores amounting to £35,778 had to be provided for, in addition to a net loss of £11,878 for the year (excluding depreciation written off out of "reserve"), the financial position at June 30 last was very far from rosy. The balance sheet shows £86,522 excess of current liabilities over liquid assets, excluding stores valued at £52,680. We said a year ago that the circumstances suggested the possibility of a reconstruction, and shareholders were officially informed that negotiations were pending which would have a very considerable effect on the financial position of the Company. In the year that has elapsed since the share capital has been raised from £517,000 to £599,822; and it has to be noted also that £50,000 of Debentures fall due for redemption on December 23 next. In the current financial year production has been curtailed by the influenza epidemic and shortage of labour, and with heavier losses incurred the situation grows worse. The ore milled exceeded the ore developed by 40,000 tons, and at June 30 the ore reserves in the mines, including 117,400 tons in the Cam-Good Shepherd group, aggregated 502,100 tons averaging 37*s.* 6*d.* per ton. The ore is of refractory character, the extraction of metal is poor—though it may be improved by the recent modification of and additions to the milling equipment—and expenses are high. Four years' working results are contrasted below:—

Year ends June 30	Ore Treated Tons	Revenue £	Revenue Per Ton	Working Costs £	Working Costs Per Ton	Working Profit £	Working Profit Per Ton
1914-15	142,702	222,176	31/2	176,931	24/10	45 195	6/4
1915-16	162,992	217,849	27/9	202,842	25/10	15 007	1/11
1916-17	149,639	208,418	27 7	210,555	28 2 (Loss)	4,137	7
1917-18	142,766	207,716	29 1	210,670	29 6 (Loss)	2,954	5

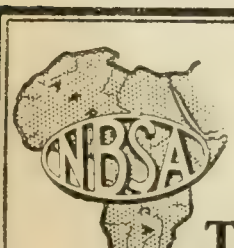
RAND GOLD OUTPUT.

	Tons Milled and Yield —per Ton— Tons	Yield	Value £	Working Costs† per Ton	Working —Profit— £	Per Ton	Dividends Paid £	Native Labour Rolls*
1915	28,314,539	26/4	37,264,992	17/5	11,931,062	8/5	7,619,416	209,438
1916.								
1st hlf.	14,171,862	26/9	18,990,338	18/2	5,771,855	8/2	3,634,776	192,809
2nd hlf.	14,353,390	26/7	19,117,571	18 0	5,858,146	8/2	3,460 296	—
Year	28,525,252	26/3	38,107,909	18/1	11,630,001	8/2	7,095,066	191,547
1917.								
1st hlf.	13,891,731	26/11	18,767,732	18/11	5,275,006	7/7	3,272,034	175,727
2nd hlf.	13,360,229	27/2	18,249,901	19/4	4,950,632	7/5	3,284,154	—
Year	27,251,960	27/1	37,017,633	19/2	10,225,638	7/6	6,556,188	172,742
1918.								
1st half	12,764,768	27/6	17 558,400	20/11	4,001,698‡	6/3	2,732,215	179 028
July	2,167,869	27/10	3,041,419	21/2	702,360	6/6	—	178 402
Aug.	2,168,431	28/1	3 057,723	21/7	676,146	6/3	—	179,390
Sept.	2,070,635	28/2	2,918,032	22/0	600,330	5 10	—	179,399
Oct.	2,015,144	28 0	2,837,234	22 5	531,774	5/3	—	173,153
Nov.	—	—	2,721,932	—	—	—	—	160,275
Dec.	—	—	2,678,217	—	—	—	—	152,606
Total, year	—	—	34,823,017	—	—	—	—	—

* Number of natives employed at end of period.

† Excluding expenditure on capital account, taxation and certain other expense items.

‡ Adjusted total.



Colonial Trade

THE National Bank of South Africa, Ltd., offers every facility to Merchants and Shippers to develop their TRADE with SOUTH AFRICA.

THE Bank is represented in over 300 Towns throughout the Union of South Africa, Rhodesia, South West Protectorate, British East Africa, Portuguese East Africa and the East African Protectorate.

LONDON OFFICES

CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office—
25, COCKSPUR STREET, S.W.—1

Agency at—
10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, January 22, 1919.

Issue Department.

Notes Issued	£97,925,895	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	79,475,895
	£97,925,985		£97,925,895

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£62,933,744
Rest	3,328,897	Other Securities	79,041,349
Public Deposits	27,217,384	Notes	28,904,390
Other Deposits	126,573,381	Gold and Silver Coin	811,707
Seven-day and other Bills	18,528		
	£171,691,190		£171,691,190

Comparison with Previous Four Weeks [00,000's omitted].

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1918-19.	£	£	£	£	£	£	£	%	%	%
Jan. 22	69.0	80.3	27.2	126.6	62.9	79.0	29.7	19·32	5	3½
Jan. 15	69.7	80.5	28.2	124.8	62.7	78.9	29.3	19·15	5	3½
Jan. 8	70.1	80.5	28.2	240.2	71.9	85.5	28.8	17·12	5	3½
Jan. 1	70.2	80.0	26.3	114.9	124.3	106.5	28.2	11·71	5	3½
Dec. 25	70.3	79.1	23.6	149.0	71.1	92.1	27.3	15·78	5	3½
1917-18.	28.3	40.2	13.7	42.2	11.0	33.8	29.3	52·40	3	2½

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 8, 6%; Aug. 8, 5%: July 13, 1916, 6%; Jan. 18, 1917, 5½%: April, 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Jan. 22, 1919	Jan. 23, 1918	Jan. 24, 1917	Jan. 26, 1916	Jan. 2 1909
Circulation	69.0	£45.2	£38.8	£33.8	£29.1
Public Deposits	27.2	41.8	50.7	62.9	7.6
Other Deposits	128.6	124.4	139.2	101.0	41.1
Government Securities	62.9	56.8	133.9	32.8	14.8
Other Securities	79.0	95.2	37.8	112.2	29.5
Reserve	29.7	32.1	36.3	36.8	22.4
Ratio to Liabilities	19·32%	19·33%	19·10%	22·49%	45·97%
Coin and Bullion	80·3	58·9	56·6	62·2	33·0
Money					
Bank of England Rate	5%	5%	5½%	5%	3%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3½%	4⅛%	5%	5½%	2½-⅛%
Exchanges:					
Paris Cheque	25 98½	27 15	27 80	27 98	25 13
New York 60 days	4 73	4 72½	4 72½	4 73	4 84¼
Bombay Telegraphic Transfers	1/5⅜	1/4⅜	1/4½	1/4⅛	1/3⅛
Prices:					
Consols 2½% Cash	59½	54¾	56⅛	59⅛	83⅞
French Rentes 3% Money	63 25	58	62·25	61	96·42
Silver, London spot	48⅞d.	43⅜ d.	37 7/16d.	27½d.	23⅝d.
Wheat, *Gazette* average qr.	72/7	71/3	75/8	57/2	32/8
Cotton, Mid Upland* lb.	19·76d.	23·31d.	10·74d.	8·08d.	5·27d.
Iron, Scotch pig ton	101/0	101/0	88/6	87/6	54/6

* Good Middling American, Official Value.

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	% of Gold to Notes %
Jan. 22, 1919 ...	4,482,283	8,279,193	308,218,627	28,500,000	9·2
Jan. 15, 1919 ...	3,793,611	9,708,629	312,015,510	28,500,000	9·1
Jan. 23, 1918 ...	4,386,255	4,984,668	210,142,981	28,500,000	13·6
Jan. 24, 1917 ...	4,170,443	5,820,311	143,660,728	28,500,000	19 8
Jan. 26, 1916 ...	3,849,641	5 732,962	97,758,149	28,500,000	29 1
Jan. 27, 1915 ...	1 478,260	2,095,349	35,409,143	22,500,000	63·5

Balance Sheet, Jan. 22, 1919.

	£		£
Notes outstanding—		Advances—	
One Pound	230,927,778	Trustee Savings Banks	555,000
Ten Shilling	45,380,850	Currency Note Redemption A/c—	
Certificates outstanding ...	31,810,000	Gold Coin and Bullion...	28,500,000
		Government Securities...	283,845,045
Total	308,218,628	Balance at Bank of England	5,039,601
Investments Reserve A/c	14,721,018		
Total	322,939,646	Total	322,939,646

PUBLIC INCOME & EXPENDITURE [000's omitted.]

1919. Week to	Revenue	Expenditure	Excess of Expenditure	—Loans and Advances— Raised	Repaid	Net. Inc.	Cash Balance
Jan. 18	£27.331	£38.960	£11,629	£108,071	£96.907	£11,164	£8,148
Jan. 11	21,565	28,295	6,730	115.745	108,445	7,300	8.613
293dys.'18-9	569 928	2.142.123	1,572.195	5,731.299	4.171.986	1,559.313	—12.882
294 dys.'17-8	460.974	2,167.581	1,706.607	4,205,634	2,508.821	1,696.813	— 9.794
1,631 dys. to Jan. 18,'19	2,359,115	9,093.973	6,734,859	—	—	6,737.946	+3.087
*Yr.'18-19**	*842,050*	*2,976.402*	*2,134,352*	—	—	*2,134,352*	—
Yr.'17-18	707,234	2,696,221	1,988,987	5,499,604	3,516,023	1,983,581	21,030

* Principal Items of Revenue and Expenditure.

1919. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services.
Jan. 18	£4.484	£13.133	£6.678	£3.036	£699	£271	£38.000
Jan. 11	2.619	10.320	6.314	2.312	2.021	133	26.141
293 dys.'18-9	125.457	113.165	219.971	111.435	233.416	8.056	1.909.649
294 dys.'17-8	87.627	101.010	163.122	109.115	164.757	8.141	1.994.683

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	War Expend. Certs.	Total	Nat. War Bd. Rents.
Jan. 18, 1919 ...	£1,094,666	£399.680	All retired	£1,494,346	£1,506,705
Jan. 11, 1919 ...	1.108.532	417.180		1,525,712	1.464.560
Jan. 4, 1919 ...	1.097.904	447.180		1.545.084	1.437.698
Dec. 31, 1918 ...	1.094.740	455.180		1.549.920	1.420.700
Mar. 31, 1918 ...	973.678	192.271	22,929	1.188 878	614.215
Jan. 19, 1918 ...	1.085.081	244.781	23.561	1.353 423	282.393
Sept. 30, 1917 ...	949.112	220.814	23.561	1.193.487	—

TOTAL DEBT...Jan 18, '19, about £7,432,657,000; Aug. 1,'14, about £652,270,000

COST OF WAR TO GT. BRITAIN to Jan 18, 1919, about £8,181,000,000

GT. BRITAIN'S WAR LOANS TO AND FROM ALLIES, DOMINIONS, ETC.

[000,000's omitted.]		1914-15	1915-16	1916-17	1917-18	18-19	Total†
Allies	Included in	£18.0	£262.0	£491.0	£437.0	£111.5	£1,319.5
Dominions	Supply Expenditure	34.0	54.0	64.0	52.0	26.5	220.5
Add Accrued int., discount, &c.		—	8.0	44.0	67.0	24.5	143.5
Total Loans by Gt. Britain		52.0	324.0	599.0	556.0	162.5	1,683.5
"OTHER" DEBT: Sum Raised		—	58.8	313.3	620.4	368.4‡	1,352.0‡

* Budget & Supplementary estimates. ‡ Highest. † To Oct. 19,'18. ‡ To Jan. 18,'19

FOREIGN BANKS. [In £s sterling—000's omitted.]

AUSTRIA-HUNGARY.	Gold.	Silver.	Total.	Advances.	Note Circltn.	Above — or beneath + legal max.	Bills Discounted, &c.
July 23, '14	£51,573	£12,141	£63,719	£7,772	£88,740	+ £2,478	£31,983
Dec. 7, '17	11,000	2,300	13,300	692,990	739,300	—	117,600

DENMARK.	Gold.	Silver.	Total.	Discounts.	Balance Abroad.	Circulation.	Deposits.
July 31, 1914	£4,100	£341	£4,441	£8,197	£786	£8,693	£47
Nov. 30, 1918	10,424	141	10,565	3,829	4,333	24,456	736
Dec. 31, 1918	10,812	135	10,947	4,473	4,976	25,002	809
Dec. 31, 1917	9,632	137	9,751	3,081	2,495	18,770	2,417
Dec. 30, 1918	8,838	93	8,975	5,120	2,331	16,826	1,595

FRANCE.	Gold. In Bank	Gold. Abroad.	Total Cash incl'g Silver	Bills.	Circulation.	Deposits. Public.	Deposits. Private
July 30, 1914	£185,654		£190,667	£97,768	£267,327	£15,302	£37,863
Jan. 16, 1919	138,361	81,494	232,523	53,374	1,237,935	865	101,325
Jan. 23, 1919	138,498	81,494	232,631	49,895	1,271,750	2,910	110,755
Jan. 24, 1918	132,942	81,494	224,343	35,754	928,505	2,401	113,497
Jan. 25, 1917	133,076	71,765	216,120	27,775	893,128	1,972	93,183

GERMANY.	Gold.	Silver.	Total.	Treasury & Other Notes	Loans & Discounts	Circulation.	Deposits.
July 23, '14	£67,843	£16,727	£84,570	£5,279	£40,055	£94,546	£47,198
Dec. 31, '18	113,100	999	114,099	263,500	1,371,100	1,109,400	634,000
Jan. 7, '19	113,009	969	113,978	265,919	1,293,114	1,113,342	593,434
Jan. 7, '18	120,290	5,588	125,878	67,211	659,658	567,163	341,521
Jan. 6, '17	126,045	826	126,871	14,046	437,833	399,294	183,453

HOLLAND.	Gold.	Silver.	Total.	Discounts.	Advances.	Circulation.	Deposits.
Aug. 1, 1914...	£13,498	£249	£13,746	£13,422	£10,339	£35,880	£1,437
Jan. 4, 1919...	57,620	715	58,335	21,304	12,492	91,905	7,476
Jan. 11, 1919...	57,535	723	58,258	21,140	12,112	90,163	8,148
Jan. 12, 1918...	58,121	578	58,699	6,924	7,802	73,933	3,533
Jan. 13, 1917...	49,131	562	49,693	7,244	6,023	62,123	5,630

ITALY.	Gold.	Silver	Total.	Other Cash.	Loans & Disc'nts.	Circulation.	Deposits
July 31, '14 ...	—	—	£49,456		£25,017	£89,204	£8,887
Nov. 20, '18 ...	£32,693	£3,053	35,754	7,210	53,747	361,238	58,185
Nov. 30, '18 ...	32,699	3,076	35,775	9,448	63,565	384,412	57,142
Nov. 30, '17 ...	33,409	3,431	33,840	9,490	57,017	253,530	54,004
Nov. 30, '16 ...	35,973	2,903	38,876	3,864	27,477	150,096	30,772

JAPAN.	Gold.	Discounts.	Advances	Notes.	Deposits. Public.	Deposits. Private.
Aug. 1, '14 ...	£21,887	£1,829	£7,883	£32,722	£13,819	£1,621
Nov. 30, '18 ...	72,051	4,315	45,619	93,799	93,199	4,703
Dec. 7, '18 ...	72,003	2,584	41,973	87,495	100,152	4,269
Dec. 8, '17 ...	62,844	987	22,618	61,759	62,031	5,059
Dec. 9, '16 ...	33,415	570	15,878	46,518	37,513	3,516

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve.	Loans, Discounts, Invest., &c	Net Deposits. Demand.	Net Deposits. Time.	Net Deposits. Total.	Excess Reserve
Aug. 1, '14	—	£89,888	£411,939	—	—	£387,165	£1,720
Jan. 11, '19	£22,664†	115,578	950,340	£785,916	£28,582	854,428	11,604
Jan. 18, '19	21,446†	114,764	951,192	791,454	28,430	865,354	10,052
Jan. 19, '18	20,706†	112,758	814,310	746,290	39,493	811,835	13,264
Jan. 20, '17	109,278*	159,394	695,434	705,241	32,783	739,009	37,392

* Counted as reserve. † Not reserve.

NORWAY.	Gold.	Balance Abroad.	For'gn Gov. Securities.	Discounts & Loans.	Circulation.	Deposits
July 31, 1914...	£2,980	£1,879	£493	£4,989	£6,752	£793
Dec. 31, 1918...	6,721	3,879	750	23,613	24,039	6,784
Jan. 7, 1919...	6,720	3,893	750	22,241	23,631	5,682
Jan. 7, 1918...	6,413	4,783	717	21,503	17,394	11,938
Jan. 8, 1917...	6,051	4,575	787	8,378	13,272	4,230

RUSSIA.	Gold. In Bank.	Gold. Abroad.	Total Cash incl'g Silver	Loans & Disc'nts.	Circulation.	Notes in Reserve	Total Deposits
July 21, '14	£180,114	£14,395	£181,892	£78,081	£183,411	£6,589	£109,911
Oct. 21, '17	129,584	230,832	377,099	1,781,647	1,795,890	10,310	344,907
Oct. 28, '17	129,523	230,385	378,205	1,869,559	1,836,217	15,783	345,550
Oct. 29, '16	155,877	205,498	372,072	814,687	784,488	10,512	223,731
Oct. 29, '15	159,825	3,580	185,844	443,307	591,083	8,417	143,413

SPAIN.	Gold.	Silver.	Total.	Loans, &c.	Spanish 4%	Circulation.	Deposits &c.
Aug. 1, '14	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Jan. 4, '19	89,133	25,629	114,762	69,073	13,777	134,184	46,512
Jan. 11, '19	89,140	25,583	114,723	67,993	13,777	135,012	45,219
Jan. 12, '18	78,690	28,293	106,986	47,972	13,777	112,747	37,882
Jan. 13, '17	50,876	29,637	80,513	42,374	13,777	95,259	30,139

SWEDEN.	Gold.	Balance Abroad.	Swed. & For. Govt. Secs.	Discounts & Loans.	Circulation.	Deposits.
Aug. 1, '14 ...	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Jan. 4, '19 ...	15,883	6,424	3,431	23,497	43,513	5,871
Jan. 11, '19 ...	15,853	6,311	3,034	21,597	41,983	6,332
Jan. 12, '18 ...	13,711	7,239	2,830	13,516	28,902	8,681
Jan. 13, '17 ...	10,583	8,313	3,495	6,431	21,032	6,836

SWITZERLAND.	Gold	Silver.	Total.	Discounts & Advances.	Circulation.	Deposits.
July 23, 1914...	£7,202	£759	£7,930	£4,917	£10,718	£2,026
Dec. 31, 1918 ..	16,593	2,333	18,925	¶ 25,357	39,023	7,348
Jan. 7, 1919 ..	16,592	2,336	18,928	23,873	38,431	7,903
Jan. 7, 1918...	14,331	2,102	16,433	15,280	28,313	5,780
Jan. 6, 1917...	13,798	2,117	15,913	9,492	20,259	5,880

U. STATES FED. RES. BANKS	Gold — Held by Banks.	Gold — With Agents.	Total Cash.	Bills Discounted	Acceptances.	Deposits. Govt.	Deposits. Total. Net.	Circulation.
Jan. 10, '19	£154,222	264,592	432,380	351,616	55,520	7,458	315,433	518,138
Jan. 17, '19	145,818	274,946	434,030	320,233	54,728	9,374	319,758	502,594
Jan. 18, '18	182,808	183,287	369,881	120,897	61,590	47,993	299,271	247,759
Jan. 18, '17	99,712	54,934	153,761	3,414	21,899	5,882	134,109	52,593

II.—FOREIGN BANK RATES OF DISCOUNT.

	Current Rates %	Date Fixed		Current Rates %	Date Fixed
Paris	5	Aug. 20, '14	Copenhagen ...	5½	Jan. 2, '19
Berlin	5	Dec. 23, '14	Christiania ...	6	Dec. 13, '17
Amsterdam ...	4½	July 1, '15	Berne	5½	Oct. 3, '18
Brussels	5	Aug. 27, '14	Rome	5	Jan. 11, '18
Vienna	5	Apr. 12, 15	Madrid	4½	Oct 9th, '14
Petrograd ...	8	July 29, '14	Stockholm ...	7	Mar. 21, '18

III.—FOREIGN EXCHANGES.

LONDON ON—		Jan. 24, '19	Jan. 17, '19	Jan. 10, '19	Jan. 3, '19
Brussels	Cheques	27fr.	27fr. 10c.	27fr. 15c.	27fr. 50c.
Denmark	Cable	18kr. 00½	17kr. 83½	17kr. 89½	17kr. 70½
Holland	Cable	11d. 44⅛c.	11d. 25c.	11d. 22½c.	11d. 15c.
Italy	Cable	30lr. 31½c.	30lr. 30½c.	30lr. 31½c.	30lr. 31½c.
Lisbon & Oporto	do.	35½d.	34½d.	34½d.	34½d.
New York	do.	$4 76½	$4 76½	$4 76½	$4 76½
—	Cheques	$4 77⅜	$4 77⅜	$4 77½	$4 77½
Norway	Cable	17kr. 08½	16kr. 97½	17kr. 00	16kr. 87½
Paris	3 mos.	26fr. 42½c.	26fr. 42½c.	26fr. 42½c.	25fr. 42½c.
—	Cable	25fr. 98½c.	25fr. 93c.	25fr. 97c.	25fr. 97½c.
Spain (Bank places)	3 mos.	43d.	43½d.	43d.	47½d.
—	Cable	23p. 64	23p. 65	23p. 63	23p. 70½
Sweden	do.	16kr. 59½	16kr. 44½	16kr. 39½	16kr. 29½
Switzerland	3 mos.	23f. 72½c.	23f. 42½c.	23f. 45½c.	23f. 40c.
—	Cable	23f. 30c.	22f. 91½c.	23f. 00½c.	22f. 95½c.

ON LONDON—		Jan. 24, '19	Jan. 17, '19	Jan. 10, '19	Par
Alexandria	Sight	97⅛pi.	97⅛pi.	97⅛pi.	97¼pi.
Amsterdam	Cheques	11d. 46c.	11d. 25½c.	11d. 22½c.	12·107 d.
Bombay	Transfers	1s. 5⅛d.	1s. 5⅛d.	1s. 5⅛d.	1s. 6d.
Brussels	Cheques	27f. 02½c.	27f. 17½c.	27f. 25c.	25f. 22½c.
Buenos Ayres	Transfers	51d.	51d.	—	47·38d.
Calcutta	Transfers	1s. 5½d.	1s. 5½d.	1s. 5½d.	1s. 6d.
Christiania	Sight	17kr. 08½	16kr. 97½	16kr. 93½	18.15kr.
Copenhagen	Sight	17kr. 50½	17kr. 84	17kr. 82	18.15kr.
Hong Kong	Transfers	3s. 3d.	3s. 3⅛d.	3s. 3⅜d.	—
Italy	Sight	30lr. 31½c.	30lr. 31½c.	30lr. 31½c.	25lr. 22½c.
Lisbon	Sight	35½d.	34½d.	34½d.	53½d.
Madras	Sight	1s. 6⅛d.	1s. 6⅛d.	1s. 6⅛d.	1s. 6d.
Madrid	Sight	23p. 64	23p. 64½	23p. 65	25p. 22½
Montevideo	Transfers	—	—	53½d.	51d.
Montreal	Cable	$4 86½	$4 86½	$4 85½	$4 86⅔
New York	Sight	$4 75⅞	$4 75⅞	$4 75⅞	—
—	60 days	$4 73	$4 73	$4 73	—
—	Cable	$4 76⅜	$4 76⅜	$4 76⅜	$4 86⅔
Paris	Cheques	25f. 98½c.	25f. 93c.	25f. 97c.	25f. 22½c.
Peru	Sight	—	—	7½% Dis.	—
Rio de Janeiro	90 days	12⅛d.	12⅞d.	13⅛d.	18d.
Shanghai	Transfers	5s. 0⅛d.	5s. 1⅛d.	5s. 1⅛d.	—
Singapore	Sight	2s. 4⅛d.	2s. 4½d.	2s. 4½d.	2s. 4d.
Stockholm	Sight	16kr. 59½	16kr. 44	16kr. 33½	18·15kr.
Switzerland	Sight	23f. 27c.	22f. 94½c.	23f. 01½c.	25f. 22½c.
Valparaiso	90 days	10⅞d.	—	—	18d.
Yokohama	Sight	2s. 2d.	2s. 1⅝d.	2s. 1⅞d.	2s. 0.583d.

NEW YORK ON—	Rate Current* Jan. 22, '19	Rate Current* Jan. 15, '19	Par as usually Quoted	Rate July 3, '14
London, sight	$4.7580	$4.7580	4·8685 dollars for £1	$4 87
,, cables ...	$4.78⅜	$4.7855		$4 88½
,, 60 days ...	$4.72½	$4.72½		$4 85
Amsterdam, sight ...	41⅛c.	42⅛c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	35·75c.	35·75c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	44·80c.	44·70c.		
Christiania, cheques ...	27·75c.	27·90c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	26·50c.	26·75c.	26·80c. for 1 kroner	26·85c.
Greece, cheques	19·32c.	19·40c.	19·295c. for 1 drachma	
Hongkong, cheques ...	79c.	79·50c.	74·59c. for Mex. $1	46·40c.
Italy, sight	6·37½	6·38½	5·18½ lire for $1	5·17½
Lima, cheques	5·05c.	5·05c.	4·8665 $ for 1 libra	
Manila, cheques	49½c.	49½c.	50c. for 1 peso	49·90c.
Montreal	2⅛% disc.	2% disc.	Premium oer $100	Par
Paris, sight	5·45½fr.	5·43fr.	5·19¼ francs for $1	5·18fr.
Petrograd, sight	12nom.	13nom.	51·43c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	25·20c.	25·25c.	32·42c. for 1 milreis	
Shanghai, cheques ...	124c.	126½c.	62·93c. for 1 tael	63·00c.
Singapore, cheques ...	56·25c.	56·25c.	55·77c. for $1	57·12c.
Spain, cheques	20·10c.	20·14c.	19·30c. for 1 peseta	
Stockholm, cheques ...	28·50c.	28·95c.	26·80c. for 1 kroner	
Switzerland, cheques ...	4·83½fr.	4·81fr.	5·18¼ francs for $1	5·18½fr.
Valparaiso, cheques ...	22·50c.	23·20c.	20·81c. for 1 peso	
Yokohama, cheques ...	51·75c.	52·25c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week. 1919.	Amount.	Inc or Dec.*	1919 Aggr.	Inc. or Dec.*
		[In £'s sterling 000's omitted.]			
BIRMINGHAM ...	Jan. 18	£2,520	+ £553	£7,842	— £392 — 4·8
BRISTOL	,, 18	1,229	+ 153	3,528	+ 558 + 18·8
DUBLIN	,, 18	7,338	+ 2,054	21,047	+ 4,787 + 29·4
LEEDS	,, 18	1,095	+ 276	3,532	+ 562 + 18·9
LEICESTER	,, 18	978	+ 242	2,630	+ 395 + 17·5
LIVERPOOL	,, 18	12,507	+ 4,218	30,465	+ 6,171 + 25·4
MANCHESTER ...	,, 18	15,619	+ 3,491	44,074	+ 4,188 + 10·5
NEWCASTLE ...	,, 18	1,853	+ 411	5,488	— 1,035 — 15·8
NOTTINGHAM ...	,, 18	643	+ 153	2,085	+ 189 + 10·1
SHEFFIELD	,, 18	855	+ 90	3,603	+ 171 + 5·0
LONDON—	**1919.**				
TOWN	Jan. 22	380,500	+ 49,818	1,200,519	+ 189,638 + 18·7
METROPOLITAN	,, 22	33,327	— 7,020	109,275	+ 21,867 + 25·0
COUNTRY	,, 22	59,711	— 12,918	189,233	+ 28,078 + 17·4
TOTAL	,, 22	473,539	+ 69,756	1,499,027	+ 239,553 + 19·0

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould and Co. the following are the quotations for representative steam freights:

HOMEWARDS.	1919	1913
Alexandria to Lond.or Hull	—	5/6
Australia to U.K. or Cont.	100/0	43/9
Azoff to L.H.A.R.(new seas.)	—	—
Bombay to p.p. (nom.) d.w.	75/0	28/3
Burmah o.c. (nom.) ..	75/0	33/0
Calcutta to p.p. (jute) d.w.	200/0	30/0
Dumbe to A.R	—	—
Odessa to L.H.A.R. ...	—	11 0
R. Plate to U.K. Cont. ...	82/6	28 0

Homewards—*Continued.* (U.S. Atl. Ports to Liverpl.	1919	1913
(cotton, 100lb.)	$1 25	50.0
U.S. to U.K. Cont. (grain)	17/6	3/3
Gulf Ports to U.K. Cont. (cotton & grain) ...	60/0	—

OUTWARDS.—Outward to	Bom-bay	Col-ombo	Port Said	River Plate	St. Vin-cent
Year					
1919...	—	—	47/6	61/0	47/6
1913 ...	13/6	10/9	16/6	16/0	10/0

VI.—WHOLESALE PRICES OF COMMODITIES.

	1918-19 JAN. 24.	1917-18 JAN. 25.	1914 JUNE 30.
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	101/0	101/0	57/0
— Middlesbro' warrants ....ton	95/0	95/0	51/0
— Hematite warrants ....ton	122/6	122/6	61/0
— Staffordshire bars, London ton	£17	£15 10	£8 10
— Common bars ....ton	£14 15	£13 15	£8 10
Steel Rails ....ton	£10 17/6	£10 17/6	£8 2/6
Galvanised Sheets ....ton	£29	£28	£18 17/6
Copper—Standard ....ton	£89—£90	£110—£110 10	£61
Tin—English ingots ....ton	£246—£247	£302—£305	£142 10
— Straits ....ton	£249	£300—£301	£139 15
Tinplates, I.C. Coke, s. Wales...box	32/6	31/6 ... 11/10½	—12/0
Lead—Soft Foreign ....ton	£35—£30	£28 10—£29 10	£19
Spelter—Ord. Foreign ....ton	£56—£45	£50—£54	£21 7/9
Quicksilver—75lb.) ....bottle	£20	£20	£7
Aluminium ....ton	nom.	nom.	£82
Antimony—Regulus ....ton	nom.	nom.	£27 10
Coal—(best) Yorkshire....ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle....ton	40/0—45/0	30/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda f.o.b. Chile, per quintal	nom.	11/6	7/4
Soda—Crystals ex ship ....ton	87/6	72/6	42/6—45/0
Copra—Malay and Straits ....ton	£39 10	£45 10	£23 15—£24 7/6
Gambier—Good marks ....cwt	43/0	63/6	16/10½
Indigo—Bengal good to fine....lb.	9/0—10/6	10/0—12/0	3/2—3/8
Linseed Oil—Raw ....ton	£75	£58	£25 5
Linseed—Calcutta, spot ....ton	£29 15	£29 15	£13 16/9
— **Cakes**, U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish ....tun	nom.	—	£49 10
Palm Oil—Lagos ....ton	£45	£44	£31 10
Petroleum—American....gallon	1/4½	1/7½	-/7½
Rape Oil—Refined English ....ton	£71	£71	£32
Soya Oil—Refined....ton	£75	£75	£24 10
Tallow—Imported ....cwt.	68/0	72/0	29/3—33/3
Turpentine—French ....cwt.	105/0	127/3	33/7½
Rape Seed—Toria....ton	£26 15	£29 15	£13 5
Rubber—Para, spot ....lb.	2/6	2/7½	2/9½
— Fine plantation (stnd. crepe) lb.	2/0½	2/3½	2/2
— World's Production* Nov. tons	18,701	20,780	8,467
Shellac—T.N. Orange, fair....cwt.	280/0	375/0	63/0—64/0
TEXTILES.			
Cotton—Middling Uplandt ....lb	-/19 76	-/23·84	-/7·53
— Egyptian, good fair ....lb.	-/27·05	-/29·45	-/8·75
— Pernambuco fair ....lb	-/21 78	-/25·95	-/7·73
— Mid. Upl. New York.. ....lb.	25·60c.	31·95c.	13·25c.
— Stock, Liverpool, Jan. 17...bales	446,870	440,890	—
Flax—Petrograd, Yarapol ....ton	nom.	£120nom.	£23
Hemp—New Zealand ....ton	£96	£93	£25 10
— Manila, Fair strips ....ton	£100	£85	£28 10
Jute—First Marks ....ton	—	—	£28 15
— Red SOO ....ton	—	—	£24 15
Silk—Blue Elephant ....lb	21/6	25/0	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	nom.	nom.	-/11½—1/0
— Lincoln Half Hogs ....lb.	1/7½nom.	1/8 nom.	1/0½
Hides—Eng. Ox, best, 65lb. up. lb.	-/9½—/10½	-/10	-/7½
Leather—Dressing Hides ....lb.	2/5...3/1	nom.	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	126,358,000	16,262,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	238c.	226c.	87½c.
— English *Gazette*, aver. 480lb. qr.	72/7	71/3	34/3
Flour—G.R. ....280lb.	44/3	44/0	28/8
Barley—Eng. *Gaz.*, aver. 400lb. qr.	62/3	53/1	25/4
Oats—Eng. *Gaz.*, aver. 312lb. ...qr.	50 0	47/9	20/0
Maize—N. Y. (new bushel) ...56lb.	152c.	nom.	78½c.
— Amer. mixed, Liverpool...480lb.	76/0	77/0	32/4
— La Plata ....480lb. qr.	70'0	76/0	25/9
Potatoes—Good English ....ton	190/0	120/0—150/0	70/0—75/0
Rice—Bassein ....cwt.	28/3	28/3	7/0—7/3
Tapioca—Pearl, medium....cwt.	40 0	69/0	14/0—17/8
Hay—Best ....2,018lb....load	160/0	125/0—150/0	82/6
Hops—English....cwt	—	£5 10—£10	£8 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs....8lb.	9/0—9/6	7/8	3/8—3/10
— Scotch sides....8lb.	9/6	8/4	4/8—5/0
— English....8lb.	9/6	8/4	4/2—4/5
Mutton—Scotch wethers....8lb.	10/0	9/2	5/8—6/0
— English wethers....8lb.	10/0	9/2	4/8—5/4
— New Zealand frozen ....8lb.	10/0	—	2/4—3/2
Pork—English and Irish....8lb.	10/8	9/6	3/6—4/0
Bacon—Irish, ex Factory ....cwt.	188/0	172/0	60'0—74/0
— Danish, ex Port ....cwt.	—	172/0	58/0—68/0
— American, delivered ....cwt.	176/6	172/0	72/0—74/0
Hams—Amer. long cut, delvrd. cwt.	170'0	165/0	75/0—79/0
— — short cut, delivered ....cwt.	170/0	162/0	71/0—74/0
Lard—Amer. boxes, delivered cwt.	158/0	135/0	51/9—52/9
Butter—Danish ....cwt.	Controlled 252'0	Controlled 252'0	117'0—120/0
— French ....cwt.			96/0—108/0
— Australian ....cwt.			98/0—110/0
— New Zealand ....cwt.			108/0—114/0
Cheese—Canadian ....cwt.	Controlled 163/4	nom.	66/0—68/0
— United States....cwt.		nom.	—
— Dutch ....cwt.		154/0—156/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Price, Java, 96° Po ....cwt.	30/0	34/0	10/3
— — Yellow crystals ....cwt.	57/9	46/9	12/6—14/0
— — Tate's Cubes, No. 1 ....cwt.	64/9	53/9	18/0
Coffee—In Bond Dec. 31 ....cwt.	612,000	1,142,000	484,000
— Price, Costa Rica gd.to fine cwt.	140/0—150/0	110/0—121/6	80/0—93/0
— — Brazil (Santos)....cwt.	65/9	62'0	41/6
Tea—In Bond Dec. 31 ....lbs.	144,674,000	37,400,000	78,292,000
— Price, Indian, Pek. Soug. good lb.	1/4	—	-/8½
— — Ceylon, Pek. Soug. Ord. lb.	1/4	—	-/8½
— — Common Congou ....lb.	1/4	—	-/8½
Cocoa—In Bond Dec. 31 ....cwt.	484,000	830,000	309,000
— Grenada, good to fine ....cwt.	85/0	92/0—96/0	62/6—58/0

* Estimated. † G.M. American Official Value.

VII.—CANADIAN, &c., RAILWAY REVENUE STATEMENTS.

	Period	Gross Receipts	+ or — on 1917	Net Receipts	+ or — on 1917
Canadian Northern ...	Nov.	$4,679,500	+ 629,300	$630,700	— $94,000
	5 *mos. to* Nov.	*21,573,100*	*+2,994,700*	*2,198,400*	*— 1,071,400*
Canadian Pacific	Nov.	15,230,000	+ 39,000	3,399,000	— 1,859,000
	11 *mos. to* Nov.	*141,994,000*	*+2,870,000*	*31,692,000*	*—10,943,000*
Cuba Railroad	Oct.	753,182	+ 165,292	97,569	+ 8,104
	4 *mos. to* Oct.	*3,721,860*	*+ 869,256*	*929,226*	*+ 257,951*
Grand Trunk Rlwy. ...	Nov.	£1,267,850	+ £439,300	£185,150	+ £65,400
	11 *mos. to* Nov.	*11,690,650*	*+2,140,050*	*1,402,800*	*+ 582,250*
Int. Rys. of C. Amer.	Oct.	$33,164	— $2,386	$6,222	— $4,059
	10 *mos. to* Oct.	*461,916*	*— 21,963*	*203,703*	*— 24 417*
United RR. of Yucatan	Sept. Mex.	$779,995	+ 138,533	147,322	+ 13,868
	9 *mos. to* Sept.	*6,818,649*	*+1,651,254*	*1,401,413*	*+ 277,353*

VIII.—RAILWAY AND TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week ended	Miles.	+or— in Yr.	Gross Receipts.	+ or — on Year Ago.	No. Wks.	Aggregate Receipts.	+ or — on Year ago.
Assam Bengal	Dec. 14	993·10	+12·85	R1,57,508	+ 18,382	11	17,95,142	+ 2,33,775
Barsi Light ...	Dec. 14	118	—	20,900	+ 2,400	37	5,81,600	— 13,900
Bengal & N.W.	Dec. 14	3,052	+ 4	4,65,430	+ 30,099	11	49,26,782	+ 9,79,873
Beng. Dooars	Nov. 23	158	+ 5	47,127	+ 9,500	8	3,42,645	+ 47,019
Beng. Nagpur	Dec. 14	3,895	—	11,48,000	— 1,01,000	37	4,17,35,316	+34,10,552
Bomb. Baroda	Jan. 11	2,872	— 1	18,95,000	+ 1,57,000	15	2,36,49,000	+14,70,000
Burma	Nov. 23	1,342	—	4,99,272	+ 77,844	34	1,59,22,581	+28,02,193
Del. Um. Kalk.	Jan. 11	239	—	87,300	+ 23,113	15	12,84,800	— 1,23,154
East Indian ..	Jan. 11	2,767	— 40	27,25,000	+ 3,07,000	15	3,98,41,000	+42,78,000
Gt. Indian Pen.	Jan. 11	3,112½	—	25,21,100	+ 28,400	15	3,29,55,560	+10,94,606
Madras & S.M.	Dec. 6	3,152	— 1	10,60,000	— 88,575	10	94,25,000	— 1,22,647
Nizam's Guar.	Nov. 30	800	—	2,31,423	— 5,375	9	17,75,708	— 20,011
Rob. & Kamu.	Dec. 14	548	—	99,767	+ 9,261	11	11,68,976	+ 1,82,025
South Indian	Dec. 7	1,829·63	+37·91	5,83,793	— 94,926	38	2,44,79,602	— 6,854
South Punjab	M.of Sept.	716	—	10,51,980	+ 2,89,310	6m	62,92,020	+17,92,488
COLONIAL								
Can. Northern	Jan. 14	9,487	+ 53	$804,400	+ 210,900	28	28,205,200	+ 5,189,100
Can. Pacific ...	Jan. 14	13,388	+ 395	2,891,000	+ 523,000	2	5,747,000	+ 1,036,000
Gd. Trunk Pac.	Jan. 14	918	—	$20,321	+ 1,547	2	39,632	— 1,966
Grand Trunk	Jan. 14	3,616	—	211,557	+ 80,807	2	417,783	+ 129,553
Mashonaland...	M. of Aug.	810	—	71,511	+ 16,098	11m	617,879	— 8,013
Mid. W. Aust.	M. of Nov.	277	—	9,488	+ 1,282	5m	42,154	+ 8,592
New Cape Cent.	Dec. 14	205	—	2,844	— 371	50	112,891	+ 17,882
Rhodesia Rlys.	M. of Aug.	1,397	—	112,083	+ 16,475	11m	994,982	+ 28,050
W. Pass. & Yuk.	M. of Sept.	122	—	$293,088	— 25,328	9m	1,124,400	— 588,913
FOREIGN.								
Argentine.								
Arg. N. East	Jan. 11	752	—	£ 6,900	— 3,500	28	262,375	+ 38,575
Arz. Transand.	Jan. 11	111	—	£ 3,970	+ 420	28	95,080	+ 14,780
B. A. & Pacific	Jan. 18	3,538	—	£ 106,000	— 7,000	29	3,287,000	+1,105,000
B. A. Gt. Southn.	Jan. 12	3,792	—	£ 122,000	— 2,000	28	3,743,000	+1,072,000
Do.	Jan. 12	Net	—	£ 18,000	— 8,000	28	681,000	+ 130,000
B. A. Western...	Jan. 12	1,882	+ 12	£ 51,000	— 4,000	28	1,918,000	+ 767,000
Do.	Jan. 12	Net	—	—	— 15,000	28	482,000	+ 193,000
B. A. Central ..	M. of Nov.	190	—	£ 40,159	+ 12,834	5m	206,529	+ 91,422
Cent. Argentine	Jan. 11	3,305	—	£ 123,000	— 16,900	28	3,649,000	+1,128,400
Do.	Jan. 11	Net	—	£ 3,000	— 44,800	28	584,900	+ 3,196
Cord. Central ...	Jan. 11	1,205	—	£ 38,000	+ 1,470	28	1,270,780	+ 432,060
Entre Rios	Jan. 11	821	—	£ 18,600	+ 800	28	569,500	+ 189,400
Brazilian.								
Brazil Gt. South.	M. of Sept.	110	—	M 41,264	+ 1,076	9m	450,733	+ 82,454
Brazil Railway	M. of Oct.	3,530	+ 12	M 5,395,000	+ 1,206,447	10m	49,693,000	+ 9,264,623
Gt. W. Brazil .	Jan. 11	1,010	—	£ 17,700	— 2,100	2	35,800	— 2,600
Leopoldina	Jan. 11	1,831	—	£ 30,170	— 5,661	2	58,435	— 10,486
Mogyana	M. of Oct.	1,180	—	M 1,700,000	— 655,738	10m	19,324,000	— 602,823
Paulista	M. of Oct.	768	—	M 3,139,000	— 339,280	10m	27,644,000	+ 944,411
San Paulo	Jan. 12	153½	—	£ 27,562	— 9,553	2	52,571	— 21,304
Sorocabana	M. of Oct.	1,003	+ 12	M 1,811,000	— 296,362	10m	19,076,000	+ 2,088,008
S. of Bahia S.W.	M. of Dec.	52	—	M 94,000	— 8,000	12m	1,061,000	— 62,000
Chilean and Peruvian.								
Antofagasta	Jan. 12	638	—	£ 38,405	— 755	2	70,890	— 1,595
Arauco	M. of Nov.	841	—	£ 11,500	— 3,500	12m	143,000	+ 15,500
Nitrate (2 wks.)	Jan. 15	390	—	£ 25,305	— 9,503	2	—	—
Peruvian Corp.	M. of Dec.	1,140	—	S 1,057,993	— 43,100	6m	6,020,715	— 67,555
Taltal	M. of Dec.	181	—	£ 14,558	— 14,550	6m	113,724	— 36,712
Cuban.								
Cuban Central ..	Jan. 18	382	—	£ 25,063	— 3,057	29	433,352	+ 52,476
Havana Central	Jan. 11	70	—	£ 9,861	+ 464	38	241,386	+ 23,267
U. of Havana ...	Jan. 18	681	—	£ 45,898	— 31,505	29	1,338,997	+ 110,259
W. of Havana	Jan. 18	155	—	£ 5,763	— 4,181	29	204,316	— 6,106
Uruguayan.								
Cent. Uruguay	Jan. 11	272	+ 1	£ 21,403	+ 5,610	28	567,356	+ 75,565
,, (E. Ext.)	Jan. 11	311	—	£ 5,484	+ 1,112	28	122,022	+ 251
,, (N. Ext.)	Jan. 11	185	—	£ 3,322	+ 348	28	99,197	+ 15,470
,, (W. Ext.)	Jan. 11	211	—	£ 2,577	+ 55	28	71,782	+ 14,352
Mid. Uruguay ..	M. of Dec.	319	—	£ 18,723	+ 3,582	6m	98,402	+ 14,120
N. W. Uruguay	M. of Dec.	113	—	$ 33,500	— 42	3m	179,230	+ 16,096
Urug. Northern	M. of Dec.	73	—	£ 2,128	— 262	6m	11,674	+ 663
Miscellaneous.								
Alcoy & Gandia	Jan. 11	33	—	Ps. 6,500	— 2,500	2	10,500	— 4,500
Bilbao	M. of Dec.	15	—	£ 3,982	+ 450	12m	51,881	+ 6,646
Bolivar.....	M. of Dec.	136	—	£ 14,000	+ 2,236	6m	46,829	— 20,671
Colomb. Natnl.	M. of Dec.	66	—	£ 13,440	+ 240	12m	147,320	+ 6,810
Colomb. Northn.	M. of Feb.	90	—	£ 6,388	+ 544	8m	50,165	+ 7,493
Costa Rica	M. of Oct.	189	—	£ 21,892	+ 6,518	4m	89,500	+ 34,254
Dorada Ext. ...	M. of Nov.	71	—	£ 7,900	— 100	11m	91,600	— 7,100
Egyptian Delta	Dec. 31	559·521	—	£ 14,552	+ 2,665	39	279,188	+ 71,193
Gt. S. of Spain	Jan. 11	104	—	Ps. 108,775	+ 78,421	2	213,997	+ 159,786
La Guaira & Ca.	M. of Dec.	22½	—	£ 6,000	— 500	12m	69,250	— 17,750
Paraguay Cent.	Jan. 11	255	—	£ 4,380	+ 2,160	28	103,320	+ 23,781
Puerto Cabello	M. of Dec.	24	—	£ 3,200	— 1,300	12m	44,500	— 4,444
Salvador	Jan. 18	100	—	£ 3,217	+ 401	29	51,684	+ 9,802
Santa Fe Prov. French Rwys.	M. of Nov.	1,181	—	£ 166,058	+ 32,179	11m	1,670,332	+ 535,426
S'mana & St'iago	M. of Dec.	80	—	£ 7,035	— 769	12m	106,715	— 13,599
Zafra & Huelva	M. of Nov.	119	—	£ 14,049	+ 3,511	11m	140,967	+ 17,147

TRAMWAYS.

		Miles						
Anglo Argentine ...	Jan. 14	100	$	24,160	— 30,246	2	84,227	— 23,287
Auckland (4 weeks)	Dec. 20	27	$	19,585	— 3,079	24	123,856	— 8,873
Bombay Electric	M. of Oct.	39·3	R.	5,87,081	+ 45,988	10m	57,87,507	+ 7,70,199
Brazilian Traction ...	M. of Nov.	378½	M.	7,581,000	— 114,000	11m	93,363,000	+ 9,232,000
Brisbane Electric ...	M. of Dec.	40½	£	38,135	+ 3,116	12m	440,014	+ 43,675
British Columbia .	M. of Nov.	334	$	612,893	+ 87,264	5m	2,727,030	+ 356,925
B. Ayres Lacroze .	M. of Dec.	51	$	50,460	+ 9,559	6m	259,294	+ 28,748
Calcutta	Jan. 18	38½	R	88,807	+ 13,423	3	264,058	+ 38,046
Cape Electric	M. of Dec.	42·43	£	28,445	+ 3,722	6m	133,073	+ 9,585
Carth & Herr.	M. of Dec.	9	£	2,950	— 1,474	12m	46,864	— 2,702
Chatham	Dec. 31	14·98	$	899	+ 321	52	46,819	+ 661
Havana Electric	M. of Oct.	86	$	733,443	+ 97,621	10m	6,775,949	+ 1,103,541
Isle of Thanet	Jan. 18	21	£	318	+ 139	16	5,942	+ 2,383
Kalgoorlie..... ..	M. of Sept.	20½	$	2,947	— 116	9m	25,070	+ 842
Lanarkshire...	Jan. 9	28·43	£	5,888	+ 902	1	—	—
Lima Light & Trams.	M. of Oct.	85	£	45,336	+ 7,724	10m	435,004	+ 75,199
London O.C.	Jan. 22	141·87	£	69,004	+ 15,456	42	2,817,027	+ 473,427
Madras Elec. (2 wks.)	Jan. 15	15½	R	42,582	+ 4,846	2	—	—
Manila Electric	M. of July	55	$	189,800	+ 42,800	7m	1,240,446	+ 244,082
Pernambuco.....	Jan. 12	59	$	5,117	+ 466	2	10,851	+ 235
Provincial	Jan. 11	21½	$	2,547	+ 309	15	37,775	+ 2,673
Rangoon Electric ...	M. of Nov.	25	£	6,611	+ 1,253	11m	85,804	+ 10,424
Shanghai Electric	Nov. 20	28·825	Mex. $	28,253	+ 158	48	1,174,273	+ 57,861
Singapore Elect.....	Dec. 7	26½	$	14,398	+ 1,358	49	681,102	+ 50,245
U. of Montevideo ...	M. of Dec.	80½	£	38,441	+ 4,416	2m	70,139	+ 5,054

Shopping at
Lipton's
means SAVING MONEY.
The largest Tea Distributors, Manufacurers and Retailers of Food Products in the World.
Tea Merchants by Special Appointment to H.M. King George V.
LIPTON LTD., CITY ROAD, LONDON, E.C. 1.
Branches and Agencies throughout the United Kingdom.

SUPERIOR
WINES AND SPIRITS
Owing to great demand only a limited number of the well-known "PINK LIST" quoting large and unique assortment of Superior Wines and Spirits at Market Prices is being issued.
Apply to EHRMANNS,
Wine and Spirit Shippers and Merchants,
43, 44 and 47 Finsbury Square, London, E.C. 2.
(*Please quote "S."*)

The Statist.

LONDON, SATURDAY, JANUARY 25, 1919.

THE CONFERENCE.

The Conference is at last sitting, and we greatly fear that a perusal of the names of those comprising it will not fill the public with very sanguine hopes respecting its results. Since the breakdown of the Western Roman Empire there has not been such a complete overturn of Europe as at present. The Germans may at all events boast of one thing, namely, that since the time referred to there have not been so many thrones, principalities, and commonalties turned topsy-turvy. Furthermore, there is being assembled in Paris now to reconstitute Europe and the parts of the world dependent upon Europe a number of gentlemen whose names we greatly fear are not calculated to inspire ardent hopes. Let us confine ourselves to our own representatives. It would be perhaps unfitting to criticise too minutely foreign members of the Conference. But the British public is bound in duty to the Empire to scan very closely the names of those who are about to deal with the interests of the Empire and to criticise their past very closely, for what they do will not merely bind us—it may have disastrous effects upon our whole future. To begin with, then, there is the Prime Minister. He has gained the reputation that of all our public men he is the only one who can get things done. Therefore he has gained popularity, and we should all look forward with higher expectations if it were not that in reforming his Ministry he has made what seems to not a few a disastrous mistake, which, in the nature of things, must weaken his authority in the Conference. There comes next, looking at his position in the past, unquestionably Mr. Balfour. Mr. Balfour, it will be recollected, was the Leader of the House of Commons when his uncle practically made a present of Heligoland to Germany, and he thereby constituted her mistress of the Baltic so completely that when German ships were sent across to Reval, and a public demand that British ships should be sent to drive them back was made, we were assured that the possession of Heligoland made it impossible for our Navy to act in the Baltic. That is not the only black mark that stands against the name of the quondam Leader of the Conservatives. When he was Prime Minister, and therefore Chairman of the Imperial Defence Committee, he instituted an inquiry as to whether earnest efforts should be made to prepare for war against Germany; and he assured the House of Commons, and through it the whole people, that we had nothing to prepare for but the defence of India. Now, making every possible excuse for Mr. Balfour, we would ask our readers, Is there one of them who thinks that a man who made on so critical an occasion so disastrous a mistake is a person to be deputed to the Conference to judge what measures ought to be taken to secure peace in the future? When Germany was breathlessly preparing armies and navies to attack us he told us we need not bother about Germany. We had only to prepare for the defence of India! Next comes Mr. Bonar Law, the present official Leader of the Conservative party. When Sir E. Carson was rousing Ulster just before the War, Mr. Bonar Law used the whole influence of the Conservative party to protect not only Sir Edward, but the Ulstermen; and so effective was his conduct that the Ulstermen were allowed to land arms and ammunition under the very noses of the British Fleet, and not a single man from that day to this has been punished or even prosecuted! We would again ask, Is a public man with such a record a proper person to represent us at a Conference which professes to do its best to preserve universal peace for ever and ever? These three names are the most influential, and they leave only two vacancies. The fourth name inspires little confidence, leaving one representative for the Colonies. The Dominions contributed their quota to the War with a public spirit and a liberality beyond all praise. In return, while three places are given to gentlemen with such a record as has just been stated, only a single place is reserved for all the Dominions. True there is a promise that when any questions specially affecting the Dominions come up for discussion the Dominions will be adequately represented. But if we understand the feeling of the Dominions that is not what they look for. They are self-governing communities. And they desire to have a voice in determining whether they are in any particular instance to be bound to go to war. It is a most natural desire. And by way of gratifying it the Dominions are offered one seat out of five at the Conference. We hope they will be satisfied. But we confess it does not impress ourselves as either a statesmanlike or a businesslike arrangement.

The questions that will have to be decided, to use a complimentary word, are grave. It would require men of the widest political knowledge and the soundest judgment to settle those questions. We wonder how many members of the Conference really and truly can be described as men of the widest knowledge and the soundest judgment. To begin with, France is bound to feel most anxious respecting the terms of peace. True, her claim to the recovery of Alsace-Lorraine has been so universally recognised that she has got it back already. But what will be her position *vis-à-vis* of Germany in the future? Marshal Foch tells the world that the Rhine is the true defence against Germany. And he must be strangely constituted who does not agree with him. No doubt the future constitution of Germany has yet to be settled; and Germany will presumably make a stout fight to retain almost all that she possessed when, without provocation, she attacked her neighbours. She proclaims that she will fight for Posen and for Silesia. Therefore it will be well to remember the constitution of the Conference and the determination of Germany. France begins the negotiations with, roughly speaking, 40 millions of men, according to the last Census, while Germany had almost 65 millions. The disparity in numbers is very great; and allowing for the possibility that Germany may lose Posen, Silesia, and the Danish Duchies, still she will remain much more populous than France, while there is the possibility that German Austria may join her. We have thus the falling population of France, the resolute determination of Germany to keep,

or, if that is impossible, to recover Posen and Silesia, and, lastly, we have the possibility of German Austria joining Germany, a combination of circumstances which requires the most careful consideration of the very best of living statesmen. Now, just run over the list of names of those who constitute the Conference and ask yourself, Have we such statesmen to do our business as is calculated to reassure us? We do not wish, however, to create apprehension. Our real object is to impress upon our readers the absolute need there is for watching the proceedings of the Conference most closely and most critically, so that nothing shall be done to involve us soon again in another great war.

Without dwelling upon the Rhine question longer let us turn to another, not a bit less thorny, namely, that of the Adriatic. Italy is, from the naval point of view, one of the most exposed countries in Europe. The long peninsula runs far out—if we remember rightly, five hundred miles—towards Africa. And it is exceedingly narrow. On the Western side there are several good harbours, which Italy has wisely turned to the best account. But on the Eastern side there is a strange paucity of harbours. During the recent War Italy felt the great disadvantage of this. But, fortunately for her, the Austrian naval commanders were either overruled by their Government or personally too timid. At all events, they did not use Austria's great advantage in harbours and fleets as they ought to have done. In fact, though she was at a marked disadvantage, Italy distinguished herself more than Austria. Now Italy demands that she shall have some of the harbours which, if not formed, at all events were improved by Venice, and Venetian colonies were placed around them to protect them. Her argument thus is twofold. Venice owned these harbours, if she did not actually found them, and the population immediately round about is Italian. Consequently, they are practically Italian, like Venice itself. Furthermore, Italy, as already said, is so exposed at sea that she needs Adriatic harbours, and these are the only ones available. He would be unfair who did not recognise the strength of the argument. On the other hand, the Slavs retort that, granting that the immediate citizens around these harbours speak Italian, the whole population of the Adriatic coast is Slav, always has been Slav, and ought, according to every principle of the Entente Powers, to remain Slav. Here again no fair-minded man will dispute the strength of the argument. We are not championing either Italy or Serbia, or, in fact, any other party. We are anxious that the world should be saved as long as possible from future great wars, and we are calling attention to the fact that both Italy and the Slavs have an exceedingly strong case. Italy presumably could build a harbour somewhere in the Adriatic. But how are we to answer the case of the Slavs, who say, We have heretofore been shut out from the sea by Austria? In fact, a great deal of Austria's difficulties and of the absurd policy which has ultimately ruined her originated in the need she persuaded herself she had for retaining all these various harbours, and so shutting out Serbia from the sea. Is the Conference going to encourage Italy to play over again the dog-in-the-manger policy of Austria? And if it is, what will be the consequence? Again we disclaim any intention to advocate the interests of one side or the other. But we earnestly desire to bring before the minds of our readers the gravity of some of the questions that will have to be settled one way or another, and which in all reasonable probability will involve war sooner or later. We are sending to the Conference a number of men who, granting that they have been in the past thoroughly healthy-minded and well-meaning, are so incapable of forming a sound and clear judgment that Mr. Balfour told us, while Germany was arming to the teeth, we need not bother about preparing for war; and that Mr. Bonar Law was so confident that home politics were more important than foreign politics that he actually encouraged resistance to Home Rule in Ulster which might have ended in civil war.

GERMANY.

At present we do not, any of us, know in the least how Germany will come out of the Conference. While we are assured, as usual, that the public will be kept acquainted through the Press with what is going on, no Pressman will be allowed to attend the Conference, and only just so much will be told as suits its members. How wonderfully good our representatives at the Conference are! They actually recognise that the people who gave them all their little brief authority have the right to know something, even if it be only a particle, of what is going on, while the high mightinesses who constitute the Conference are to be left in all their ease and dignity to dispose of our fortunes, ay, and by-and-by of our lives also! It is surely preposterous. What goes on at the Conference will have to be told, or the members of the Conference will find their position anything but enviable. There are questions to be settled somehow or other—either actually settled or put off with a vague statement—and the public ought to know the attitude taken by the different Powers represented, while each particular people ought to know the line pursued by their own representatives. Take the example of Germany. Germany has increased in population, really and effectually, more than any other European State during the past hundred years. She lay under the heel of the Great Napoleon in 1806, and in, roughly, 100 years she had grown in numbers, in wealth, and in organisation to such an extent that she flattered herself that, with the assistance of Austria, Turkey, and Bulgaria, she could practically dominate Europe and Asia. As a matter of fact, she has revolutionised all the countries just named, and she has revolutionised Russia as well. We do not exaggerate, then, when we say elsewhere that since the fall of the Roman Western Empire there has not been so complete an overthrow witnessed in Europe. Well, we are sending four representatives of the United Kingdom to the Conference. And they are condescending enough to promise that members of the Press will be told as much as the members of the Conference think desirable. How very good of them! Is it not wonderful that such high and mighty personages should deign to tell us anything at all—should recognise that we have a right to some information? The thing is preposterous. We must know what is going on. And we shall find means to know it. The members of the Conference may depend upon that, and the sooner they realise it, and accommodate themselves to the circumstances, the better it will be for all parties. We have learned since Germany began to build a great fleet, now about twenty years ago, and especially during the course of the War, what it is to allow incompetent persons to get more authority than they are competent to use, and to tell nothing except what suits them. We do not believe in the least in the wonderful genius of the members of the Conference. On the contrary, we think the Conference is made up of very commonplace individuals. And we think that the more advice they get from the public the better it will be.

Take the case of Germany. Germany is called, like so many other things and persons, by an entirely wrong name; Prussia has made up hitherto about two-thirds of what the world called Germany. And Prussia is composed, firstly, of the two Polish provinces of East and West Prussia, secondly of Silesia, thirdly of Posen, and fourthly of Brandenburg, which was also a Polish province conquered by ecclesiastical knights and Christianised. Now it follows from all this that while two-thirds of nominal

Germany is Prussian, and Prussia is about one-half or rather more Slav, the real Germany will be a very much shrunken province if everything Slav is lopped off her. Then, again, if the Danish provinces are returned to Denmark, and if Luxembourg is given to France, the Germany that will remain will be much shrunken. On the other hand, she will be increased if German Austria joins her by, roughly, ten or twelve millions of people. For all practical purposes, then, it may be said that if Germany is to be reduced to strictly German limits, and Austria is included, she will have a very large population—probably about as large as she had just before the War. But she will have around her an immense number of new States which may be unfriendly, and possibly even may be aggressive. For example, what will be what we used to call formerly the Baltic Provinces. Secondly, will Poland include everything that really is Polish, not merely East and West Prussia and Posen, but Silesia as well? And will she include every inch of Austrian Poland and every inch of Russian Poland? Furthermore, where is the line to be drawn to distinguish the Little Russians, let us say, from the Poles or the Great Russians? The various ethnographical problems that have to be judged are exceedingly grave and exceedingly difficult. And as if our sage representatives at the Conference were not satisfied with that, they are proposing to pledge the countries they represent to a League of Nations to fight, probably ten years hence, when all these warring nationalities are trying to find out how much they can win and how much they are able to retain.

Now, if we were to stop here we venture to think that our readers would agree with us that the problems before the Conference are ugly and by no means easy of friendly and lasting settlement. But unfortunately the questions do not end there. What is to be done with the Rhine? As we point out elsewhere, the Rhine Provinces belong to France, and the Congress of Vienna took them from her. France now desires a restoration of at least as much as will make her safe against invasion across the Rhine. The claim is in itself a reasonable one. But there arises the question, What do the people of the Rhine Provinces think of it? Are they willing to become French? They were not very willing to be torn from France by the Congress of Vienna. But have they now become thoroughly German? And if they have, are we going to pledge ourselves to fight to keep them French? Furthermore, how are we going to levy requisitions from Germany that will make up for all the damage she did to her neighbours? Where is the question to stop, and who is disinterested enough to judge? Will anybody coolly look us in the face, and say that we, Germany's enemies, are disinterested enough to judge? And if we are not, who is? Is anybody? But suppose that the Conference throws away the pretence to disinterestedness, and says, simply and plainly, Germany invaded all these various countries, robbed them without mercy, imposed all sorts of taxes, requisitions, and demands, compelled them even to lend money to them, ay, and compelled many of the men to work for her. We are, therefore, simply returning in kind what Germany did. Well. War is war, and we are not going to set up for being entirely above all human weaknesses. But we would simply ask if we are going to cast off all pretence to disinterestedness, and to say that it will be time enough to establish democracy when all the questions of the War are liquidated? Very well, then; are we going still to carry out the spirit of war? We are apparently going to get back from Germany every penny that can be got back that she exacted from France, Belgium, and so on. Then what is likely to be the spirit of Germany in the future? She will have, by-and-by, a population of sixty or seventy millions, and before long it will rise to seventy or eighty millions probably. And when that comes about, is it certain that the nations will rise to make war upon Germany if she disclaims all intention to conquest, and only proposes to put herself in a position in which she can live comfortably? Instead of dreaming about impossible Leagues, would it not be more human and more practical to do what we really can do to exact what an honest examination tells us Germany can pay, and then to trust to the memory of her present humiliations to avoid war for many a long day.

WHEN THE WAR ENDS.—LII.

As has been pointed out more than once already, the first requisite in making a people efficient and prosperous is education of the right sort, not, of course, verbal or languistic education, which is worth very little, but education of all man's faculties with a view to preparing him for the work he has to do in this world. At the present time our education is the reverse of reasonable. It is irrational, improper, and calculated to make prigs rather than men of action and of capacity. The first thing, then, is to establish a *bona-fide*, really genuine education, and to make it felt everywhere by every class that the man who does not work is shirking his duty, and must be compelled to work. Whether it ought to be allowed that men who make much wealth during their lifetime should leave superabundant fortunes to their children is a very grave question, which deserves the most careful attention, and which should not be decided one way or other lightly. In the first place, man lives by the fruits of his own labours. Consequently, production is an absolute necessity. Great famines occur in many countries, sometimes in consequenec of excessive rains continued over a long period, and sometimes from the absence of rain and the burning up of the soil through the unshielded heat of the sun. We have evidence, then, in those countries which are subject to famine of the dire consequences which follow from want of proper industry and the knowledge of making up either for too much rain or too little. Production, then, is absolutely essential. And it clearly would be injurious to enforce any law which should discourage production. It is the theory of the wealthy, which has now almost come to be regarded as an axiom, that industry is encouraged by allowing men to amass great fortunes, and that although the children and other descendants of those who amass the fortunes may waste it in the most reckless manner, yet the knowledge of all the producing classes that they are free to make as much money as they can does encourage industry, and so increases wealth. Against this we have the experience of almost every country of the past. Rome rose to form the greatest empire of which we have any knowledge. And yet she fell utterly helpless. Her Government was unable to raise the necessary funds to protect the empire. In fact the people themselves became so indifferent that they made no serious resistance to the barbarians. Again, there was no country in the world that possessed greater means of amassing wealth than Spain when Charles the Fifth abdicated and his son Philip succeeded. Yet look at Spain to-day. She has lost every one of her American possessions, and she was thought so little of during the recent War that the Germans used her harbours to conceal their submarines, and yet did not think it worth while to compel Spain to join them. She had become so despised that even the Germans did not ask for her help.

We have, then, a vast body of evidence to prove that it does not always follow, to say the least, that permission to leave fortunes to children encourages thrift. Wherever we look we see great nations coming to grief. And even amongst ourselves we see that we have not the control of wealth we had a little while ago. Look, for example, how we had to borrow from our own people in order to borrow in New York. And look now at the fact that as the four years ended

with September last there was a reduction in the pauperism of England and Wales alone of over 30%. Very nearly one-third of the whole of the paupers, that is to say, in four short years of war escaped from pauperism and became self-supporting. Is it possible to find a more instructive piece of evidence or a fact more condemnatory of our present distribution of wealth? When a war breaks out of such magnitude that nearly seven millions of men have to be called up to protect the interests of the Empire there arises such a demand for labour that nearly one-third of the paupers in England and Wales immediately are employed. Clearly, it cannot be that these men were left idle because they were incapable. In the four years referred to they were found capable, sufficiently, at all events, to escape from pauperism. Our whole system of production is bad from beginning to end, and yet the new electorate in its ignorance and its inexperience returns nearly half of the whole members of the House of Commons from the Conservative party—the party that is resolved to maintain, as far as it can, existing abuses, and, consequently, is against every true reform. In every direction, then, we find at home and abroad waste, extravagance, and, consequently, pauperism. At the present moment the working classes are making extravagant demands for wages. If they were to succeed they would injure more particularly the very poor. They would raise prices so high that the very poor would be unable to buy, and, consequently, poverty would be increased. The system is wrong, and the leaders of the trade unions who are putting forward these claims are altogether wrong. At the same time, the condition of the working classes is not what it ought to be. And the duty of the whole community, and of the Government, is to search carefully for the proper remedy. There is a remedy. But it is not by making the necessaries of life too dear, and so depressing the very poor.

There is needed a complete overhauling of our economic system. We want the whole land of the country to be used economically, not to be kept for the delectation of exceptionally rich persons, but to be employed for the production of as much food as is possible. In addition, we want every person capable of working to work. No man, no matter what his position may be, ought to be allowed to live in idleness, unless, indeed, he is in a state of health which forbids his working. But if he is able to work he ought to be compelled to work, and if he tries to escape by emigrating, then the sources of his wealth in this country ought to be seized. Every man ought to contribute to the welfare of the country. And the first and most certain way of doing so is to work. Then the relations between the employing classes and the working classes need to be improved. Employers are apt to think that in the long run they must win because they have the greater wealth and, therefore, can hold out the longest. But that is not the way to argue, for employers should remember what has happened in so many countries—that laws can be changed and means can be adopted for bringing even the most powerful to do their duty. We want every man to feel pretty much as he felt during the War—that is to say, that every man is a citizen of the United Kingdom, and that his first duty is to see the United Kingdom safely through chance what may. If such a spirit is generated the quarrels between employers and employed will be easily and speedily settled, and a reasonable system will be adopted. At the present time only a small proportion of those who were called up for the War has come back into civil life. When the great majority come back, we hope they will bring with them a more sensible sentiment, and, while they will do nothing revolutionary, they will seek their own welfare so as not to injure any other class in the community. The working classes are very powerful, and a great strike would cause so much distress and trouble that they naturally think their claims will be yielded. But they should remember that there is a degree of distress affecting other classes which may arouse very strong feeling, and that no class in the community, however numerous, and powerful, will in the long run benefit if it defies the reasoned judgment of the whole population. The sum and substance of all true politics is that we are all, for good and for evil, bound together, and that no class, whether it be numerous or whether it be merely wealthy, can really flourish if all other classes are depressed. The employing class has an immense advantage. It is the class that can establish work. Consequently, it has the enormous pre-eminence over others that it is offering what the others are seeking. Therefore, it is for the employing class to look with patriotism, such as it showed in the War, upon all questions of employment. On the other hand, the working classes must remember—or must suffer—that they, however numerous, are only a part of the people, and that they can inflict injury upon the rest of the people merely to benefit themselves. The duty of all of us is to put the country first, and then to try and make the very best bargain we can, each for himself.

THE STEEL OUTLOOK.

If there is one trade more than any other which can look into the immediate future with confidence it is the steel trade in all its branches. Iron or steel will enter more or less into almost every process of material reconstruction. The demand for rails, bridges, ships, tools of every description, steel-fortified buildings, agricultural implements, &c., will be very great, and should last for three or four years at least. Before the War Germany exported more steel than any other country. In order to pay war indemnities she must continue to export much produce and her steelworks will have to contribute. But her loss of Alsace-Lorraine will take an output of from 5 to 6 million tons from her. By this France will benefit, and for some time France will be able to absorb all her output of steel. The feeding of the outside world with steel will, therefore, devolve mainly on the United States and Great Britain. Let us see how they are equipped for the purpose.

The chief factors involved are capacity of output, cost of production, accessibility of raw material, proximity of coal, and facilities of transport. The outputs of steel before the War were—United Kingdom, 7,800,000 tons; United States, 31,000,000 tons. During the War the developments on both sides were considerable. The British steel output in 1917 was 9¾ million tons. The 1918 figures, on account of many adverse circumstances—scarcity of fuel and of men and the ravages of influenza—will not probably be up to expectation, which was put at 10½ million tons, but the progress in capacity of output has been most encouraging. Steel capacity is now put at 12 million tons, and it should, when the developments and extensions now in progress are completed, reach 14 million tons in the near future. The Americans on their side have not been standing still. They claim an output of 40 million tons and a capacity of 48 million tons. The question therefore arises: Will the United States be able in the near future to take a lead in the export trade corresponding to her lead in output? Will not only Germany, but Great Britain, be pushed aside? The factors of this problem are too large to permit of any dogmatic declaration. All that one can say is that within the limit of British output there will be a brisk trade for some years to come. Export we must, as well as Germany, to maintain our import trade and to pay off our debts, but for a considerable time home demands will have the preference, and the surplus for foreign trade will not be large. Here the United States will have an initial advantage. With an estimated capacity of 48,000,000 tons of steel the Americans should have from 8,000,000 to 10,000,000 tons avail-

able for exportation; their arrears of work being not nearly so great as the British arrears.

Here, however, enters our second factor—cost of production, with which may be associated shipping facilities. The War has not greatly affected these. The relative competing power of the steel manufacturers in both countries remains unchanged. American coal is as far from the chief iron deposits as ever it was, and the spurt supplied by war has been turned to about equal advantage by both countries. It is possible that taxation may be heavier in Great Britain and that labour troubles at the first may also be greater; but the British steel trade has a record in the adjustment of disputes and it may be found that the troubles of America in this respect are to come. Some districts, especially the Scottish iron district, are particularly affected by the decline in the supply of home ores. In 1913, 591,800 tons of ore were secured in Scotland and 1,820,000 tons imported. In the same year the total consumption of iron ore throughout Great Britain was 21,000,000 tons, of which about 14,000,000 tons were produced at home and 7,000,000 imported. But the home ore is so much less productive that the yield of iron from the seven millions may be regarded as almost equal to that of the fourteen. The disadvantage from which Scotland suffers may thus be readily estimated. However, this is not a very serious handicap. There is known to be a large supply of iron ore in Newfoundland yielding 50% of iron. Glasgow should be able to get this ore at as low a price as Middlesbrough pays for Spanish ore. The recent developments in Scotland point also to the production of finer classes of steel, which will be the paying trade in the near future.

It must not be assumed that the iron ore deposits of Great Britain are nearly exhausted. The available Scottish supply may not be large and the better classes of Cleveland have disappeared, but there are large supplies of ore suitable for treatment by the basic process in Northamptonshire and Kent, the deposits in Northamptonshire alone being estimated at 5,000 million tons; and one result of the pressure of war has been the improvement of the basic process to such an extent that the steel so produced can be regarded as equal to that of any steel on the market. From a hundred to two hundred million pounds have been spent in the development of steelworks throughout the country; the number of electric furnaces was 140 at the beginning of the year, and they are steadily increasing—there were only 23 in 1915; by continuous processes, leading from iron ore to the finest steel, waste has been reduced. The Commission which inquired into the iron trade recently recommended greater combination among ironmasters for three specific purposes: the obtaining of adequate supplies of iron ore, the marketing of produce, and the laying down of new units of cheap production. Through natural trade combinations and development in Scotland, Cleveland, the Midlands and the West Coast these recommendations are being carried out in ways that have been tested by experience, although they may not be wholly in accordance with the Committee's suggestions.

The position at the opening of the years of peace may be briefly summed up as follows: Assuming that Alsace-Lorraine passes to France, we shall have the following productive capacities: Germany, 13 million tons (19 millions minus 6); France, 11½ millions (5½ millions plus 6); Great Britain, 13 millions; the United States, 45 millions. For some months yet these capacities will be curtailed by the shortage of workers and fuel which greatly obstructed output in this country during the latter part of last year; but before the middle of the year these difficulties ought to have disappeared. There will, perhaps, be some hesitation among buyers because of the high prices that will prevail and the advances in prices which are anticipated when the Government subsidies for home consumption, amounting to about 25%, are completely withdrawn three months hence—a withdrawal which will put the foreign buyer nominally on a footing with the home buyer; but the effects of this disturbance ought to be quickly removed. The sooner Governmental restrictions and props are taken away, the sooner will a healthy, expanding trade be visible. The Americans have wisely resolved to acquire freedom at once; but the conditions are such that they have retained a higher price for export—a feature which will probably be visible in this country for some time, even after the withdrawal of the Government subsidy.

Before the War Germany exported 5½ million tons of iron and steel products, and the United Kingdom a little more than 5 millions; while the exports of the United States were under 2 millions. The War will certainly shift the relationship. A part of the German export trade will be absorbed by the United States and France, but nothing has yet happened to show that British trade will be seriously affected by American competition. There was at the very end of the War a little too much cracking up of American productivity and adaptability. Calm statistical examination shows that a good deal of what was promised in shipbuilding and in steel producing did not materialise. Of one thing we may be sure—money and men will flow to the regions where there are to be found workable material, brains, and combining power. In the British steel trade these exist, and the future can be contemplated with confidence provided political extremists at either end can be kept from mischief.

THE WORKING OF IRISH MINERALS.

THE report of the Chief Inspector of Mines as to the mineral output of the United Kingdom in 1917 was issued somewhat tardily in the first week of the New Year. We transcribe some of the figures, which, despite their belatedness, have still an interest for us:—

Name of Mineral	1916 Tons	1917 Tons
Coal	256,375,000	248,499,000
Iron ore	13,495,000	14,846,000
Limestone...	10,542,000	10,455,000
Clay and shale	6,500,000	5,843,000
Igneous rocks	4,843,000	4,239,000
Oil shale	3,009,000	3,118,000
Salt	1,960,000	2,013,000
Slate	177,000	122,000
Lead ore	17,100	15,300
Tin ore	7,900	6,600

It will be seen that in almost every instance the figures show a slight decline, which is most marked in the case of coal, amounting to nearly eight million tons. Quotations for the different minerals, however, rose materially during 1917, and for this reason the aggregate value of the output has increased. Thus the value of the coal raised improved by 7½ million pounds, as compared with 1916. In 1913, when the output reached record level, 287½ million tons, the value was only 145½ million pounds, compared with 207¾ millions in 1917. It is unfortunate that the statistics of coal output from Ireland register no progress. In pre-War days coal formed a most important item amongst our exports. Ninety eight million tons, or 34% of the output, was shipped in 1917. Up to that time the proportion of our coal exported, as measured by statistics for the quinquennial periods since 1873, had been steadily growing, and had increased by nearly 10 % since the commencement of the century. At present there is a great demand for coal cargoes amongst outward-bound ships, many of which have had to leave our shores in ballast. About one-fifth of our coal exports was normally required for the use of British and foreign steamers engaged in foreign trade, and though we may for the moment dispense with the export of coal, coke, and manufactured fuel, which are intended to meet less urgent wants, our overseas trade must not be crippled through the dearness or inadequacy of steam coal. Coal for this essential purpose can best be obtained by

relieving the pressure on the home market, and this in turn can be effected by making Ireland, always a drain on our supplies, more self-supporting than it has hitherto been. Bituminous coal is rather scarce in the country, but promising deposits of anthracite exist, and their development is hindered in the main by lack of proper transport facilities. In Arigna and Wolfhill, where two of the anthracite collieries are situated, partial rail communication has been provided and a promise of early rail communication with Castlecomer has been made. In official quarters, however, the urgency of the need for coal is supposed to have disappeared with the conclusion of hostilities, but for reconstruction purposes coal, a raw material for every industry, is a vital necessity. Before the War Ireland contributed less than one-third of 1% to the coal output of the United Kingdom, and the average price per ton at pit mouth worked out at about 12*s.* 3*d.*, compared with 10*s.* 1*d.* for the United Kingdom. The price of the Irish product should have been, if anything, cheaper, as some of the mines in Ireland are worked like quarries. They contain only open workings and have no shafts. The quantity of material raised per person employed under and above ground in Ireland was 112 tons, as against 239 tons in Wales, 260 tons in England, and 308 tons in Scotland. This figure, however, includes ironstone and fireclay, of which little is won in Ireland. The details given serve to indicate the backward condition of Irish coal-mining on the outbreak of the War. Recent figures do not show much improvement, but certain preliminaries which are essential to development have been undertaken as a result of the War, and we may in the near future expect to see more favourable returns.

In regard to other minerals mentioned in the above table, the mining of coal and iron ore together is not common in Ireland, as the coal formations are mostly anthracite. All the Irish iron ore comes, accordingly, from iron mines, and before the War it averaged about 60,000 tons out of a total output for the United Kingdom of nearly 16 million tons. During the War it was anticipated in Ireland that the fitful outbursts of energy displayed by the Department that had been set up for the development of the mineral resources of the United Kingdom would eventually result in some forward steps. Experts were sent to report, but no action was taken on their reports. Development in iron-ore production in Ireland would necessitate the establishment of blast-furnaces, of which there are several hundred in operation in Great Britain. Unless the ore mined was of a high grade, such as the Spanish and Scandinavian ores, it would not pay to ship it across the Channel and turn it into pig iron at British furnaces.

The Department above mentioned also sent engineers to Ireland to inspect 17 properties where copper ore was found and other properties where lead-silver, lead-zinc, and antimony were either known or suspected to be present. In some cases very encouraging indications were discovered, such as would appear to justify an attempt at exploitation; but whether from official indifference, from difficulty in securing the necessary wayleaves, or in reaching an agreement with the owners of the mineral rights, no material progress was made. The copper deposits in particular held out commercial possibilities, and the investigations should have been pushed further, since the production of copper ore and copper precipitates has fallen tremendously in the United Kingdom. In 1863 the joint production was 210,000 tons, valued at over one million pounds; in 1913 it was only 2,700 tons, valued at twenty-seven thousand pounds. With the high prices obtainable during the War it might have been possible to revive the output from the old workings and to open up new veins of the ore, especially in Ireland, where minerals have up to the present been so little exploited. Recent events have, however, tended to knock the bottom out of the Copper market and have, indeed, affected all the Metal markets. In the case of copper the quotation before the Armistice was £122 per ton. In the middle of December copper, in common with other metals, was released from official control, and the price dropped immediately to £95 and as low as £90 per ton. This quotation was not much above that for 1913, when the price of standard copper, allowing for trade discounts, was £68 per ton. After the first moment of reaction, however, prices recovered, and standard copper will probably maintain for some time a substantial margin over the pre-War level. The price should, therefore, be still sufficient to encourage the development of promising copper properties in Ireland.

The prices of the other metals included in the above table have also received a set-back owing to the conclusion of the War; but in many instances the fall was simply a mechanical reaction from the preceding high level, and to that extent it was premature and not warranted by actual market conditions. In the circumstances it is not yet too late to undertake schemes of development in Ireland. The country does not, indeed, possess reserves of all the minerals mentioned above. Tin mining in the United Kingdom is, of course, restricted practically to Cornwall, but in Ireland ores of lead and of zinc occur over a wide area, chiefly in Wicklow, Clare, Sligo, and Wexford. An opportunity of development which may not readily recur has arisen, and it would be unwise for Irishmen to let it pass. If they fail to exploit the natural resources of their country, outsiders will assuredly do it for them, and all the credit and most of the profits attaching to the enterprise will inevitably fall to others.

TILLAGE PROSPECTS IN IRELAND.

A DISTINCT halt has been noticeable on Irish farms in regard to ploughing programmes since the news of the Armistice arrived. The principal cause of this slackening of agricultural effort is the conviction that when the seas are again free, and shipping is released from war work, the enormous amount of grain awaiting transportation in Australia and South America will be dumped on the British markets, to the detriment of the home producer. The urgent need that existed during the War of maximising production is now regarded as having passed, and when the spur of necessity is withdrawn the natural tendency, after four years of agricultural work under the most trying conditions, is to seek a breathing-space. Further, and perhaps more substantial, reasons have inspired the Irish farmer's decision. There has been a shortage of labour owing to the out-of-work benefit, and for causes best known to the Government the number of pivotal agricultural men released before Christmas was negligible. The labour difficulty is not, however, so marked in Ireland as in Great Britain, since the unit farm is smaller and the peasant proprietor with the help of his family performs most of the work, except at harvest time and one or two other occasions throughout the year. In districts such as the rich grazing counties of the Midlands, where tillage was before the War, practically unknown, and where large farms predominate, the need for labour is very great, and unless the release of agricultural men is speeded up the spring ploughing season will have passed with but a small quantity of the ground turned. The weather, especially during November, has also militated against ploughing operations. There was, indeed, but little frost or snow, but it took longer than usual to get the old crops removed. Certain areas in Ireland in the neighbourhood of Lough Neagh and along the course of the Shannon and Barrow rivers are peculiarly liable to flooding, and though the problem is a century old one, and has been the subject of Governmental inquiries for generations, no remedial measures have been taken. Heavy rains in November and early

in December caused flooding in the low-lying valleys somewhat earlier than usual, and this brought about the untimely suspension of operations for the 1919 season.

As if to emphasise the shortage of labour came the refusal of the Department of Agriculture to allow the importation of Army horses into Ireland. This refusal was based on the ground that such horses might transmit, in various ways, disease to Irish live stock. The fears entertained may not be without foundation, but on an extension of the same policy it would seem advisable also to exclude returned soldiers. When the precaution of medical examination is taken with a soldier, and deemed sufficient, surely the precaution of veterinary examination, combined, if necessary, with a period of detention in quarantine, should satisfy ordinary requirements. Of course, the incubation period of many animal diseases, such as epizootic lymphangitis, is extremely long, but apparently the English Department of Agriculture is willing to take this risk. As matters now stand the price of horses has fallen in England, but it remains at an artificially higher level in Ireland, and prevents farmers from purchasing an extra yoke or two for ploughing.

In former times the doings of politicians had little interest for agriculturists; but the State has loomed large in the industry in the past four and a half years, and the farmer is inclined to withhold his hand until he sees clearly ahead of him for at least a single harvest. Pronouncements of the Government on matters of policy have thus come to be of material concern to agriculturists, and disappointment is general that the liberal promises of Mr. Lloyd George during the election have not yet found concrete embodiment. Some may think that the Corn Production Act with its guaranteed prices for wheat and oats solves the difficulty, and to the urban dweller the farmer is often a profiteer, with the additional advantage, not possessed by other profiteers, that his profits are guaranteed by the nation. The case might be put succinctly for the farmer by saying that though the Government guaranteed a price, they did not guarantee a market. Moreover, the prices fixed in the Act are minima, and they were determined at a time when the cost of production was much less than it is at present. In Ireland a large amount of oats, and in Great Britain a large amount of wheat, has thus been held up. The chance of moving the Irish oat crop is, however, brighter than that of selling the last of the English wheat crop. Millers are in receipt of liberal shipments of foreign wheat and are not inclined to seek the home product; but Russian oats, which was the chief competitor of Irish feeding oats, is not coming to the United Kingdom in any quantity. The Irish farmer may therefore reckon with confidence on an early market.

In many quarters a demand is heard for the revision of the minimum prices fixed in the Corn Production Acts, and it certainly seems not unreasonable in view of the great changes in farming conditions since the passing of the original Act. A point frequently overlooked by the urban consumer is that yields vary tremendously in agriculture, and that a price which is fixed on the basis of an average yield may be very unfair when the yield is considerably over the average. A succession of bad harvests is not uncommon, and owing to light produce the "fair" price, which is calculated on a heavier produce, may prove unremunerative and even ruinous. In Ireland the harvest weather both in 1918 and 1917 was very unfavourable. Many fields of grain were so battered by wind and rain that they would not repay cutting and the cattle were simply turned loose on them. The proportion of marketable produce was, generally speaking, smaller than in previous years, and for this the farmer suffered. This necessary passivity in face of the continued destruction of crops by weather is one of the chief trials in a farmer's life, and is often not allowed for by their critics, who think that figures of poor yields betoken bad farming. Fear of a repetition this year of the harvest weather of the last two seasons seems to have been an additional discouragement to ploughing.

In order to measure accurately the effect of the foregoing causes on the Irish tilled areas it would be necessary to have figures of the amount of land prepared for crops both this year and at the corresponding time last year. Such statistics are not, however, available, but the information which has come to hand indicates that, despite the various disadvantages, ploughing is not very backward, though there is a possibility of a diminution in the ploughed area in the current year. It must be remembered, however, that spring ploughing largely predominates in Ireland. During the winter, because of the rich, heavy soil, the damp climate, and, in many instances, the defective drainage, the land is often waterlogged and not fit for turning. The weather usually improves towards spring, the floods abate, and the farmer then gets through most of his ploughing. He is heartened by the knowledge that work is not likely to be spoiled by further flooding. Hence the popularity of spring-sown crops in Ireland, a popularity which is frequently misunderstood in England, and which is more often than not attributed to laziness, and to a desire to postpone all field work to the last moment.

Where winter cereals have been sown they are, of course, by this time well above ground. Winter oats make a small crop in Ireland, being confined chiefly to County Wexford. Wheat shows an inclination to be irregular and patchy, but it is on the whole more promising than oats. Braids of the latter have come up in disappointing fashion. But oats is a crop very much suited to the soil and climate, and the effect of an initial set-back has often worn away before harvest time comes round. In any case, there is still a long interval left for sowing both oats and wheat. Unfortunately, the knowledge that the Government had a rather substantial stock of nitrates for disposal came too late to affect winter sowings, which might otherwise have been heavier. In the ensuing ten weeks, however, if an adequate portion of the supply is set aside for Ireland, the possibility of securing this excellent top-dressing should encourage farmers to extend their cereal areas. The price, £20 per ton, is rather high, especially for small holders, but through the medium of the agricultural co-operative societies it should be possible for the small holder to secure such quantity as he needs at prices not far removed from the wholesale.

ARGENTINA.—II.

In considering the causes of the grave unrest which has existed for some time in Argentina, and which was brought pre-eminently before the notice of the public in the recent troubles in Buenos Ayres and elsewhere, we showed that two great classes were prominently employed in the modern economic development of the Republic: those engaged in actual production and those engaged in affording transportation facilities for the purpose of making that production available for the purposes for which it was raised. We showed also that while a large body of the actual producers had done exceedingly well during the long period of the late European War the other, and, in a sense, equally important, of the classes of the population had suffered severely from causes over which neither the individuals nor the Argentine Government, or the people taken as a composite whole, had any control.

Argentina, as we pointed out last week, is engaged in the production of food and raw materials upon an enormous scale. It is, in fact, upon such a scale as to be out of all proportion to the actual requirements of the present population. The Republic of Argentina is a country ten times the size of the

United Kingdom and having a population not much greater than that of Greater London. With such an enormous extent and such a modest population its products of various kinds were estimated in the years immediately preceding the War to be of the value of between 220 and 250 millions sterling. It would not be possible for the present Argentine population to consume these immense quantities of produce, nor is it intended that they should. Argentina has during at least the past two generations been deliberately developed, mainly by British and generally by European finance, with the active consent and co-operation of the Argentine Government and people, for the purpose of supplying distant markets of Europe. It followed as a corollary that Argentine prosperity must receive a very severe shock in the event of circumstances arising which would prevent one party to what we may call in a sense the contract, carrying out its stipulations. In the nature of the case there could not be anything that could properly be called a contract, because circumstances might arise, as in fact they did, which would prevent the European financiers, and particularly the British merchant bankers and traders, from finding the money for the development of Argentina in order to obtain food and raw materials for these countries. Nevertheless, although no contract in the proper sense of the term could exist, the fact that Europe in general—England in particular, and even the United States to some extent, were known to require season after season and year by year the products which Argentina was so eminently well placed to supply, and that for over a long period of years Western Europe in general, and England in particular—had continuously furnished the means for developing the transportation facilities which made these products urgently needed in various distant markets, constituted an implied contract. Another aspect of the case, which we have not previously referred to, but which is of great importance, was the fact that for several years a great emigration from the congested areas of Southern Europe, and particularly Italy, had been steadily taking place to furnish a working population to assist in the development of the prairie lands of the Republic. With the outbreak of war all these conditions suddenly ceased through no fault of any of what we may call for convenience the contracting parties. The Argentine farmer and agriculturist were as anxious as ever to raise the produce they had been accustomed to grow for the purpose of supplying the European markets. Europe in general and England in particular were, if possible, more in need of supplies as a result of the War than they had been previously, as the severe *régimen* to which we were reduced by the Food Controller amply demonstrated. Nevertheless, being engaged in war, the Government did not see its way to allow money to be raised in England for the purpose of extending railway facilities in the Argentine Republic, money which the Government maintained was urgently needed for carrying on the War which was in progress against the Central European Powers.

Argentina raised in the metropolitan provinces of Buenos Ayres alone nearly two million tons of wheat, and in the Cordoba district roughly about 1¼ millions. A considerable amount of wheat was grown outside these provinces, but these were the two great sources of supply, particularly for export. The value of her live stock is estimated at 60 millions sterling; and it may be of interest here to note that although, under the device of the various Credits which have been granted, it has been possible to export a large quantity of wheat from Argentina to Europe, comparatively a small number of cattle has been exported; in fact we are informed, on authority which we cannot doubt, that there are immense numbers of beasts in Argentina not merely waiting consignment to the freezing-houses, but are in fact well beyond the years when it is customary to kill them for feeding the European populations. We are informed that beasts of nearly eight years of age, which were raised for the European markets, are still awaiting the period when they will be consigned to the freezing-houses to feed the European populations.

There seems to be no reasonable doubt, if we are rightly informed, that there are exceptionally large supplies of meat in Argentina for export as soon as shipping facilities can be withdrawn from the various services connected with the recent War and transferred across the Southern Atlantic for the purpose of bringing food to our market.

The total value of the agricultural products, as distinct from live stock, was estimated in the years before the War at something like 120 millions a year. The principal productions are wheat, flax for conversion into linseed, oats, maize, seeds of various kinds, barley, vegetables, wine (which is mostly consumed locally), and sugar from the provinces of Tucuman and Mendoza.

As things are less than 70 million acres are under cultivation, or, say, considerably more than twice the cultivatable area of the United Kingdom, which is roughly one tenth of the possible cultivatable area of the Republic, assuming that immigration could bring practically the whole area under some form of cultivation, including, of course, the raising of stock. The whole of the provinces and the greater part of the territories produce wheat, maize, oats, and particularly alfalfa. Alfalfa is of the clover family, and it is commonly said that upon alfalfa the prosperity of the Argentine Republic has been built up. There can be no reasonable doubt that this succulent grass has converted, with the assistance of the imports of good strains of breeding stocks, the wiry old criollo cattle of former days into the fine beasts whose pictures appear so frequently in the Argentine agricultural and popular Press.

With few exceptions all the provinces produce flax, Argentina being by far the greatest producer of linseed in the world. Nine of the provinces are capable of growing various seeds, and in seven of the provinces rye is grown upon an extensive scale. Five provinces and two territories produce sugar, and wine is grown in nearly all the provinces, but of course not in the territories of the far south.

According to a census of live stock taken shortly before the outbreak of the recent European War, there were 31 million head of cattle in the Republic, 71 million head of sheep, 9 million horses, over 800,000 mules, and a million and three-quarters of pigs. It is commonly estimated in the Republic itself that more than 300 million acres are already available for cultivation provided proper transportation facilities could be afforded, and, in certain cases, irrigation works supplied. In order to supply these irrigation works, already river facilities are available. So far as these estimates are concerned, it would be a comparatively easy operation, both from the engineering point of view, and from the financial aspect. If ever, of course, the whole of the Republic is to be properly irrigated, that would be a very much bigger question; but, restricting ourselves to the figures just quoted, a modest measure of irrigation, assisted by ample transportation facilities, would increase the cultivatable area say, roughly, five times over. Even taking the area actually cultivated at present, and the enormous amount of produce which we have quoted above, the transportation facilities as they exist at present are wholly insufficient. It may be remembered that we quoted some months ago a statement of one of the Argentine railway authorities, that stocks at Rosario had accumulated to such an extent that it was necessary to store under tarpaulins in the open streets, as the sheds and grain elevators were already stocked to their utmost capacity. Of course, the strain upon the railways and other transportation facilities during the recent War has increased enormously, as was natural in the course of four

years, accentuated as it was by the War itself. Had things remained as they were, for example, in 1913 several millions every year would have been invested by this country for the purpose of opening up the Argentina; but instead of that hardly any money of any kind was sent out, and Argentina, while getting practically nothing to increase her means of transportation, was required to supply more and ever-increasing quantities of produce under conditions which tended to accentuate the strain existing upon the railways.

A country which develops slowly and exports little produce tends to consume locally, and only gradually are the means of transportation facilities required for transferring the produce from the scene of production to consuming markets elsewhere. In Argentina a totally different state of things exist. The very object of increasing the production as much as possible, say in the year 1912 or 1913, was to furnish supplies for Europe, notwithstanding the fact that the growers in any particular locality were working at high pressure to supply these needs and the quantities supplied were out of all proportion to any local consumption. It follows, therefore, that in order to give this immense amount of produce an economic value transportation facilities upon a great scale were as essential as the great produce itself. The finest field of wheat, say in the western provinces of Buenos Ayres, far from railway communications and having no means of getting to the La Plata delta, has little or no economic value, because there may not be, and probably will not be, sufficient people to consume it locally, and it is grown simply and solely to be transferred with the utmost despatch to Rosario or Buenos Ayres itself, to be shipped to Europe with as little delay as possible. Now the whole of the Republic, although it is ten times the size of the United Kingdom, has only 22,000 miles of railway, or considérably less than the railway mileage of a small country like our own.

It may be argued that the Argentine Republic has only a small population; but we have already explained that Argentine prosperity depends upon the co-ordination and close working of the producer and the transport man. Unless transport is available to convey the produce from the scene of production to its consuming destination it has practically no economic value of any kind.

As space is pressing we will conclude with two short paragraphs, one showing that in a country deliberately developed for the purpose of raising produce beyond the needs of local consumption, to be rapidly transported to the port of shipment for consumption at a great distance, it was inevitable that strenuous efforts would be made to create a great population, highly trained in the working of transport, and who were more or less experts in offering transportation facilities and were very little used to any other kind of business. Consequently, we will point out the economic effect of the system of finding money in Europe for the purpose of supplying food and raw materials in immense quantities to Europe, and to increasing transportation facilities whenever and wherever they were likely to be demanded.

To sum up briefly, then, it would suffice to say that an immense number of people—from the engineer who designs the railways, storage facilities, and what not, to the humblest labourer who hoists a sack of meal into one of the trucks, considering the total population of the Republic—were engaged in this kind of business; and the demand upon their services has never been adequate to the amount of service they were able and willing to supply throughout the whole period of the War, and consequently these people, according to their class of life, have suffered more or less from the fact that there was a temporary lack of demand for their services.

To come to the economic effect, the constant flow of foreign, and mainly English, capital into Argentina in the past two generations had much the same effect as what we used to call our invisible imports had upon English economic life.

It has to be remembered that when capital is sunk in the building of a railway, in the making of docks, or in the deepening of the estuary at La Plata, this capital is definitely sunk, and cannot really be transferred. It is money sent to Argentina for the permanent improvement of the country, and this improvement remains as long as Argentina continues in a position to keep these works in repair. Consequently the steady flow of these investments in itself create a large class, whose business it was to continuously improve the transportation facilities of the Republic, and suddenly, when the European War diverted the money which had been sent to build railways, docks, or what not in the Argentine Republic, into making shells to explode in Flanders and on the German frontier immense numbers of people, who had devoted either their labour or their brains in perfecting themselves in rendering certain services for which this money was furnished, found those services, for the moment, no longer required.

THE IRISH BANKING HALF-YEAR.

Such reports of the Irish banks as have come to hand indicate that up to the end of last year the progress in banking prosperity chronicled so frequently during the War continues unabated. The deposits have risen substantially, the holdings of cash have increased, and the accommodation afforded to the trading community, as judged by the figures of loans and advances, bills discounted and acceptances, has shown material expansion. For the greater portion of the period covered by the half-yearly reports the War was being actively prosecuted, and the somewhat abnormal banking conditions arising out of it remained unchanged. As a result, the various credits given to the Government and the proceeds of all bills discounted in their behalf speedily found their way into the coffers of the banks as deposits, and these again became available for the making of fresh loans. This process was repeated time and again; and it might have gone on for ever were it not for the fact that every pound borrowed by the Government creates a debt in respect of which interest and sinking-fund provision must be made. An indefinite multiplication of our debts would, therefore, be obviously imprudent.

That there has been on the whole greater activity in British and Irish industries since the War started is quite apparent, and agriculture in both countries has benefited largely by the high level of prices. It has always been a moot point as to the extent to which a rise in a country's banking deposits is symptomatic of increased prosperity, and the question has become further complicated owing to the War. It is well known, however, that rural bankers suffer in times of general agricultural depression or of particular bad harvests. The Southern Irish banks drive mostly a country trade, and since their prosperity is undoubted we may argue a corresponding prosperity on the part of their clients, the farming community. Other considerations bear out this conclusion. Tillage has expanded, the turnover from land has increased in quantity and risen very much in value, and accordingly the net profits of the banks as compared with the pre-War period show a great expansion.

An outstanding feature of difference between Irish and English banking reports is the appearance in the former of large items in respect of loans [illegible]

tion. The following is a table showing the average circulation in the four weeks ended July 13, 1918:—

Name of Bank	Note Circulation
Bank of Ireland	£14,182,000
Ulster Bank	4,439,000
National Bank...	3,125,000
Belfast Bank	2,303,000
Northe n Banking Company	2,080,000
Provincial Bank	1,946,000
Total	£28,075,000

The figures have increased since then. Thus the National Bank's circulation at the end of 1918 was £3,238,000, and similar increases were shown elsewhere. The note circulation of the Irish banks is, of course, limited by law, and the limitation dates from 1845, the year after the passing of Peel's Act in England. The result of the Irish Act was that the privileged position of the Bank of Ireland, which was somewhat similar to that held here by the Bank of England, was lost to it, and that freedom of banking development was secured. The note issues of the banks were fixed as follows:—

Name of Bank	Authorised Circulation
Bank of Ireland	£3,738,400
Provincial Bank	927,700
National Bank	852,300
Ulster Bank	311,000
Belfast Bank	281,600
Northern Banking Company	243,400
Total	£6,354,000

None of the issues were declared legal tender, but the notes of the Bank of Ireland could be tendered in payment of revenue. It was forbidden to issue notes in excess of the authorised amounts unless backed by gold and silver. The amount of fiduciary paper was thus as rigidly fixed in Ireland as in England, but with this difference, that in the latter country the issue of the chief bank was declared to be legal tender. There was no material change in the position of Irish banks, as affected by law, until the outbreak of war. With the passing of the Currency and Bank Notes Act of 1914 three distinct changes were made. In the first place, Irish bank-notes were declared to be legal tender in Ireland for the payment of any amount. Secondly, the obligation of a bank to pay its notes was restricted. Such notes were made payable only at the head office of the bank, and there they could be redeemed in currency notes instead of gold. Thirdly, the Irish banks, together with the Bank of England and the Scottish banks, were empowered to issue notes in excess of the legal limit provided authorisation was received from the Treasury. In Ireland the effect of this arrangement, as can be gathered from the above tables, was that the banks increased the issue of their own notes and used the currency notes as cover. Largely increased reserves of bullion were also held, and in July last the estimated amount of gold and silver in the reserve was £22,700,000. Deducting this sum from the actual circulation we see that the amount of uncovered notes out from the bank is less than the authorised total, and hence the position of the note issue is on the surface strong.

The earning power of the Irish banks still further increased during the half-year, and in practically all cases an expansion in profits may be noted. How far these profits should be utilised in increasing the dividend, and how far in strengthening the position of the bank, is a question that must frequently perplex the banking director. On this point the claims of shareholders and of depositors come acutely into conflict. In Ireland, it would appear on the whole wiser to follow a conservative policy, increase the security of the depositors, and so strengthen public confidence in the banks. This is all the more necessary since the paid-up capital of the individual Irish bank is rather small; though, as shown some time ago in these columns, the total of banking capital bears a greater proportion to the total of liabilities on deposit and current accounts than in the case of Great Britain. Since then, however, many of the British institutions have made substantial additions to their capital and no similar step has been taken in Ireland. In the circumstances the building up of adequate reserves in respect of currency and banking liabilities is all the more necessary in Ireland. Irish bankers have not escaped in the general indictment preferred by the business community of the United Kingdom against their bankers, and if they have erred it has been on the side of conservatism and over-caution. This attitude was taken up largely because the resources of the banks consisted almost entirely of customers' money, which could be withdrawn on little or no notice. The banks will be emboldened to adopt a new line of policy only if their resources are strengthened, and, next to increasing the paid-up capital, the setting aside of undivided profits ensures growth in banking strength. We do not expect that the banks will embark on any adventurous schemes or foster any wild cat speculations, but, on the other hand, there is a danger that bankers may be too conservative and unimaginative. While the liabilities to customers must be kept in mind, the savings of the community, it should be remembered, are entrusted to bankers, and they should be used to promote the welfare of the community. In modern banking the deposits provide the sinews of war for the banker, and his profits are almost wholly derived from a wide use of the money of the public. In the uncertain times that lie ahead, with the possibility of a short-lived boom, succeeded by depression, the banker will be expected to play well his part, and this he can only do if his financial position is sufficiently secure to allow of accommodation to be given to all sound industrial and commercial projects. The natural ties that unite producer and trader with banker must be knit more closely in Ireland and whole-hearted co-operation between all three must be ensured. Irish banks are considered to be somewhat exacting in the matter of security, and though the question must always be left to the discretion of the banker, yet a demand for excessive security is unduly discouraging to borowers. When playing for safety the bankers only too often lose the fruits of intelligent risk-taking.

GERMANY'S FOOD PRODUCTION.

It is inevitable that the close of active hostilities should set up inquiries as to Germany's needs as an import country in 1919. The idea of deliberately starving a non-belligerent being unthinkable, frontiers for food imports must apparently be opened, and then there arises the question as to how much food the German population is to be allowed to buy. Is that population to be allowed to store grain against future contingencies, or is it to be restricted to actual wants from season to season. In the latter case, what are its ascertainable needs?

The main facts appear to be that just before the War Germany was importing largely of wheat, barley, and maize, and was also buying oilseeds and oats to an extent not very generally noticed. On the other hand, the German was exporting large quantities of beet sugar, also of prepared meat, ham, sausages, and the like. Germany was not fully self-supporting before the War, but it is thought that since 1915 the position may have been altered. The country is rich in fertilisers for cereal crops, and has been supplied with large imports of nitrogenous manures from Scandinavia; the great beds of potash have probably been freely used to increase the potato yield. It must be remembered that an increased arable and diminished pasture area means a net increase in the nation's food supply.

Germany is a more fertile land than Great Britain, 94% of its area being productive, against 84% with us. The most productive region in Europe is Hungary, 96.2%, the least being Norway, 28.7%. Up to the end of 1918 the highly productive region of Alsace-Lorraine was in Germany's hands, but this is not now

the case, and the German agriculturist in 1919 will lack the services of the three million Russian prisoners, whose labours must have greatly improved the tillage of the country, and probably enabled large forest areas to be first cut for fuel and then sown with food-producing crops.

A survey of Germany's position, as set forth in the last pre-War information obtainable (July 1, 1914), may repay notice. We set out the returns in the following condensed form:—

Population	67,812,000	persons
Productive area	123,840,000	acres
Arable area	62,400,000	,,
Grasslands	20,888,000	,,
Woodlands	33,600,000	,,
Arable under corn	35,280,000	,,
Roots and vegetables	9,120,000	,,
Potatoes	7,920,000	,,
Sugar-beet	1,200,000	,,
Vineyards	271,000	,,
Horses	4,523,000	head
Cattle	20,182,000	,,
Sheep	5,803,000	,,
Pigs	21,923,000	,,
Poultry	82,702,000	,,

With respect to yields we have one war year's official figures:—

GERMAN RETURNS.

Unit—One Million	Pre-War	War
Wheat, metric quintals	41	38 (1915)
Rye, metric quintals	108	91 (1915)
Barley, metric quintals	31	24 (1915)
Oats, metric quintals	82	50 (1915)
AUSTRO-HUNGARIAN ESTIMATE.		
Potatoes, metric quintals	542	—
LICHT'S CIRCULAR.		
Beet-root sugar, metric quintals	27	—

The strain of war in 1915 had been material if we are to believe the official estimate; but these results would be for wheat and rye upon the areas sown in the autumn of 1914, when no lengthy campaign was anticipated. The eight principal divisions of the German Empire in 1914 had each a separate crop estimate, and these figures are now a useful revelation of where the grain of the country is chiefly grown.

Complaints of scarcity come rather oddly from Prussia, which seems to be better provisioned than most districts:—

(*Yields in Metric Quintals* (*Unit*, 1,000).

	Wheat	Rye	Barley	Oats	Potatoes
Prussia	29,426	93,451	21,071	65,599	392,152
Bavaria	4,925	9,380	7,016	9,384	46,603
Saxony	1,921	4,903	572	4,879	19,463
Mecklenburg	1,510	4,800	700	2,690	14,100
Brunswick	987	820	155	1,004	3,374
Baden	903	900	1,096	1,439	11,125
Wurtemburg	895	578	1,734	2,610	10,800
Alsace-Lorraine	2,381	491	1,057	2,100	12,654

Prussia and Bavaria are evidently the wheat countries; Prussia preponderates enormously in rye and potatoes. Beer-drinking Bavaria naturally is a large grower of barley, and seems also to grow plenty of oats. Alsace-Lorraine will take back to France a goodly wheat and potato area, but was not a region growing either rye or oats.

Pre-War trade in food gave the following average figures:—

(*Millions of Metric Quintals.*)

	Imports	Exports
Wheat	25	5
Flour	—	2
Rye	4	9
Barley	33	—
Oats	5	6
Maize	9	—
Rice	2	—
Potatoes	4	3
Linseed	5	—

The barley imports were largely for beer-making. It is surprising that an enormous crop of potatoes left nothing net for exportation; but the tubers were used to a remarkable extent for making motor-alcohol; and there were other uses; chemical, &c. The 22 million pigs were to a great extent fed upon potatoes.

In 1919 Germany, even on pre-War figures, could feed herself if she gave up beer-drinking and used all her potatoes for human food, though in the latter case she would have to part with a good many of her pigs. If we assume that five million acres of pasture have been placed under the plough, and have produced an average of eight metric quintals of cereal produce, this would add 40 millions in all. Now pre-War net imports were 62 millions, but 33 of this was barley. The conclusion seems to be that the Germans can tide over 1919 in the matter of food in any one of four ways—namely, by receiving permission and facilities to import about 22 million metric quintals (43,650,000 cwt.), about two hundred average cargoes, by giving up the use of beer, by reducing the cattle by about half and using the land for corn, or, finally, by going on reduced rations by about 20% of dry foods. The trade crisis, however, threatens to come in the matter of supplies to tide over May, June, and July.

A strictly blockaded country would be reduced to a slaughter of perhaps most of its live-stock for food pending the new crops becoming available. No cereals are ready for the mill before August, and the main-crop potatoes are an October harvest. A sound economy points to the Allies tiding Germany over these critical three months with such dry foods as Germans may wish to buy and the Allies have on spot for sale. But the payment for such advances of food should have to be made in the same form within a certain specified period of the new crops being harvested. It would be a very short-sighted policy which made a money profit out of the crisis, and allowed Germany to accumulate three months' extra stores of food over and beyond her new home crops. The argument that Germany cannot practise in May, June and July the thriftness over food that might be possible if spread over a twelvemonth is just, but by the autumn the Germans will have new crops which quite possibly may represent a year's normal needs, and in any event are capable of keeping for that period a people practising any one of the three economies which we have indicated.

JOHN HOWELL AND COMPANY.

THIS firm of warehousemen, carrying on business in St. Paul's Churchyard, is calling up the unpaid balance of £1 per share, thus making the shares of £5 each fully paid. Ten shillings per share is to be paid on April 1 and the balance three months later. The paid-up capital will thus be raised from £240,000 to £300,000, all in Ordinary shares. No Debenture stock is outstanding. The report for 1918 indicates a substantial increase in the shown net profit, which, from £45,262 for 1917, rose to £96,177. After providing for excess profits duty the net profit, which for 1917 was £22,006, was for last year £34,177, equal to about 14¼% on the present paid-up capital, and to almost 11½% upon the paid-up capital that will be in issue six months hence. For the fourth consecutive year the distribution on the Ordinary has been raised, the dividend and bonus for 1918 having been 8¾%. The present price of the Ordinary shares—£4 paid—is about 61*s.* 3*d.* *cum* dividend and bonus, and, if allowance be made for accrued dividend, &c., the yield from the 8¾% dividend is about 12%. Results in recent years compare as follows:—

Yr to Dec. 31	Net Trading Profit	Excess Profit Duty	Net Profit	Div. on Ord. Subject to Tax		Balance	Special Allotns.	Carried Forw'rd
	£	£	£	%	£	£	£	£
1918	96,177	62,000*	34,177	8¾	21,000	13,177	13,307	22,040
1917	45,762	23,256	22,006	8	19,200	2,806	1,985	22,170
1916	42,158	16,427	25,731	7¼	17,400	8,331	9,745	21,349
1915	24,937	3,295	21,642	6	14,400	7,242	500	22,762
1914	10,067	—	10,067	3¾	9,000	1,067	26,000	16,020
1913	10,580	—	10,580	3¾	9,000	1,580	—	40,953
1912	4,838	—	4,838	3¾	9,000	Dr. 4,162	—	39,373
1911	7,489	—	7,489	3¾†	9,000	Dr. 1,511	—	43,535
1910	6,262	—	6,262	5†	12,000	Dr. 5,738	—	45,047

* Approximate. † Tax free.

From last year's surplus profit £10,000 was transferred to general reserve fund, at present stands at £40,000. Full provision has now been made from surplus profits for various special capital expenditures, and at the same time a reserve has been created out of the past two years' profits fully equal to the amounts outstanding on Russian accounts and to the amount of roubles deposited in Russian banks. Whatever sum may be received eventually in payment of these items will, as to 80%, be subject to excess profits duty. Current assets on December 31 last were valued at £521,078, against which were current liabilities of £267,381.

THE BANK OF TAIWAN,
LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.
Head Office - - TAIPEH, FORMOSA.
BRANCHES:—Amoy, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, New York, Osaka, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, and every important city in Formosa (Taiwan), &c.
The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.
London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

DOCTOR VAUGHAN CORNISH read a paper recently before the Royal Colonial Institute on "The Geographical Safeguards of the British Empire." At the outset of his paper Dr. Cornish pointed out that the island of Great Britain, with 41 millions of inhabitants, contains two-thirds of the white population of the British Empire and is the chief seat of the mining and the manufacturing industries. Of all the territories which make up the Empire, it is the chief recruiting-ground of white troops and the main base for the manufacture of munitions. Close to the great deposits of coal and iron ore are excellent harbours, and the situation of the country is more central than that of any other island of equal size for access to the world's coasts, so that the geographical conditions are singularly favourable to the accumulation of mercantile tonnage. Closely flanking the best maritime entrance to the largest land area in the world, its position is also singularly favourable to the exercise of naval power. Thus the island of Great Britain, the geographical origin of the British Empire, is the main shipyard and naval base. From all these circumstances it follows that this island is the citadel of the British Empire, that is to say, the place of final defence. Naturally, therefore, added the Doctor, the highest military ambition of our enemies at all times is the invasion and, if possible, the conquest of Great Britain.

The object of Dr. Cornish's paper was to urge the necessity for maintaining a great Navy, whether we agree to the principle of a League of Nations or not. The Doctor raised a great many other points, but to these we will refer later. Of all the nations in the world, the British only inhabits a number of homelands situated on different oceans, some of which are very far apart. For our existence safe and well-assured communications are, therefore, essential; and the British nation can only rely upon these if the supremacy of the Navy is maintained. Without a supreme Navy we cannot hope to reinforce an Army in any part of the Empire which may be threatened. There are in the British Empire some 60 millions of British whites. The Doctor estimates the population of India at 300 millions, and the total population of the Empire at the very low figure of 400 millions. We will not stop to correct these figures because they do not affect the basis of his argument. The rest of the world's population the Doctor estimates at 1,200 millions, so that for every British subject in the world there are only three other persons.

Now, suppose we agree to the principle of a League of Nations, the naval and military forces at the disposal of such a League would be those of the Great Powers. Before the War there were eight such Powers. These have now been reduced to five. The ordinary functions of such a League would presumably be quite easy, namely, the prevention of war between the minor States. But suppose one or two Powers were to quarrel, or two Powers to coalesce for the purpose of enforcing their will on some point which the other three disputed. The primary purpose, says the Doctor, for which presumably the League is to be established is to prevent the Great Powers from going to war. Now, how is this to be done? It frequently happens in international affairs that two Great Powers are interested in the attainment of an object common to both, but which is not by any means of interest to the other members of the League. Now, would it be possible for the three to coerce the two? The number of pairings possible among the five Great Powers is 10, and of these there are at least four combinations too strong for assured coercion by the rest of the League. These combinations are the British Empire and the United States of North America, the British Empire and France, the British Empire and Japan, and the United States and Japan. Now, assuming any of these combinations, how is it proposed that the three remaining Powers are to offer any serious resistance which would not, in effect, mean a world-wide war?

The case for the maintenance of the supremacy of the British Navy seems to be here very clearly and satisfactorily stated. In the course of his argument, it will have been noted, Dr. Cornish raised a point the relevance to the subject under consideration the Doctor does not appear to have noticed. He stated, what is quite true, that the white population of the British Empire consists roughly of about one-fourth, or rather between one-fourth and one-third, of the total population of the Empire. The Doctor saw—and, indeed, stated quite plainly—that as things are the real strain of the defence of the British Empire rests on the single island of Great Britain, which is responsible for the maintenance of the Navy and for raising the greater number of white troops that are needed. We saw in the recent War how great that strain was, until at last it became necessary to obtain financial assistance from the United States of North America. Although at the beginning of the War nearly every country in the world owed large sums of money to this country, we had, in addition to the services rendered by our bankers, our insurance companies, and the carrying trade, sums estimated at between 4,000 and 5,000 millions sterling invested in various parts of the world.

The possibility of maintaining the supremacy of the British Navy depends upon our being able to retain a strong economic position. We must have, if the Navy is to be maintained, a large surplus after we have met all the charges incidental to the cost of living, for carrying on our ordinary business, and debiting ourselves with the cost of renewal of plant and suchlike charges; otherwise the strain will ultimately prove too great. We pointed out quite recently that the bulk of our colonies are very little more than empty wastes, and we illustrated in this column the case of Australia, which, although bigger than India, has a population not much more than that of the Administrative County of London. Canada has a much larger population than Australia, but it is in a very unsatisfactory position assuming that a combination of circumstances were to arise in the future which would necessitate its defence. In fact, no single one of our colonies is in a position to defend itself without calling upon the Mother Country to make very serious sacrifices.

Now, it is evident that if the British Empire is to be maintained its people must be regarded as a composite whole. All subjects of the King within the Empire should be equally entitled to travel wherever they like and to settle wherever they like in any part of the Empire. More than two-thirds of the people of the British Empire are coloured, and yet we know that over large areas which are practically empty there is a strong prejudice against the settlement of any but white settlers. Even if the white population were growing rapidly, this would in itself constitute a

dangerous symptom, because it is a common matter of observation, even in the same family, whose members cannot agree with one another, that the period of separation cannot be far distant. Consequently, an Empire which professes to be united, and which at the same time refuses ingress to two-thirds of its population to large areas within that Empire, is not making for unity. Added to this, it has to be remembered that, far from the white population growing rapidly, the white populations of our Dominions grow, in fact, very slowly. Before the War the growth of population in these islands had fallen to under 1% per annum. At the last Census in Australia it was found that, notwithstanding the enormous extent of the island continent and the paucity of its numbers of inhabitants, the growth of whites in Australia was almost exactly the same as that in Great Britain. Consequently, if the Australasian colonies are to wait for population for the natural growth of whites, it will be an enormous length of time before, if ever, these vast territories are populated to an extent that would give them a reasonable chance of furnishing such an army as would be of material assistance to the Mother Country in the event of circumstances arising which would call for their active defence.

Moreover, a large part of the British colonial possessions are situated in semi-tropical areas, which are better suited on the whole, particularly in the early stages of their development, for coloured than for white settlers. Now we do not want to be misunderstood on this question. We have pointed out again and again recently that altogether too much attention has been paid to climate in the past—that climate, in fact, is not the determining factor in the suitability of any area for human habitation. Before the drainage of the Bedford Level, now more than a century ago, ague or low fever seemed to be as endemic in that area as malaria in the low-lying, undrained swamps of the sub-tropical regions of our own colonies. Sanitation is far more important than climate, and there seems no reasonable doubt that white men, as well as coloured man, can live and work in tropical as well as sub-tropical regions provided that reasonable attention is paid to the sanitary conditions under which the people are called to live in the particular area affected.

SOUTH AND CENTRAL AMERICA.

QUINTA NORMAL.

In 1842 was founded the Quinta Normal de Agricultura of Chili. This great school of agriculture has been of inestimable advantage in developing the knowledge of agriculture in the Republic of Chili. The course of study provides for general subjects connected with agriculture, engineering, agricultural botany, agricultural chemistry, the pathology of vegetables, and agricultural book-keeping. Students must be under eighteen years of age and have passed satisfactorily through one of the normal schools. The course usually takes two years, after which the student is generally assumed to be capable of conducting the management of a *hacienda*. In practice he usually serves, more or less in a subordinate capacity, under a still more accomplished expert whose long experience fits him for the management of the great estates which are the rule rather than the exception throughout Chili. Agricultural operations in the Republic are mainly confined to the central zone, which comprises roughly 26 million acres. The object of the Quinta Normal is to train young men to carry on agriculture as a scientific business, very much as young men are trained in other countries for the conduct of mercantile, manufacturing, mining, and other industrial pursuits. The early fathers of the Republic wisely considered that agriculture is a business and requires a thorough business training, with a technical knowledge of the earth in which the agriculturist works, and of the products which it is proposed to grow in a specified area. In too many countries of the world, and in our own to a very large extent, the study of agriculture as a business is wholly neglected, and our farmers and agriculturists generally are too prone to follow the rule-of-thumb method which has been practised by English agriculturists for a long time past. It was not always so with us. In the eighteenth century, at about the time of the formation of the Royal Agricultural Society, whose cattle shows were famous in the period which preceded the outbreak of the recent war, there was a real effort made to study agriculture upon scientific lines. In certain branches this has been continued, as, for example, in cattle breeding, and of course, in horse breeding, and to a certain extent in the development of agriculture generally, as the large increase in the production both of cereals and of other foodstuffs amply proves. Speaking generally, however, the endeavour which was made towards the end of the eighteenth century to study agriculture, as industrial subjects have been studied, was interrupted by the great war against revolutionary France, and has never been resumed upon the same scale since. In urging an improved system it is always desirable to guard against exaggeration, for many excellent causes are rather damaged than improved by overstating the case. Any reader who has in his library the excellent work by the late Professor Thorold Rogers, giving the prices of various commodities for six centuries, and showing the conditions under which agriculture was carried on at varying periods from the twelfth century down to his own time in the middle of last century, will see that in a sense extraordinary progress has in fact been made. It is our desire here to urge improvement rather than minimise what has actually been accomplished.

Every reader acquainted with the facts will readily admit that we have nothing in this country comparable to the Quinto Normal in Chili. Before urging the establishment of such a great school we should consider that what we seek to attain is the study of our soils, what plant growth requires for its general well-being, and what particular seeds would be most likely to grow satisfactorily in any particular area of this country, having regard to the nature of our climate, the fact that we are situated between the 50th and 60th parallels north of the Equator, and that we are a small island surrounded entirely by the sea, and, consequently, subject, not only to great variations of temperature, but to constant and recurring periods of humidity, which have a great influence upon the well-being of the various seeds selected. Before urging the importance of this we will briefly recall what has been actually accomplished in agriculture, say, from the accession of Queen Elizabeth throughout the whole of the Middle Ages in this country. There was no knowledge of what we call "winter keep," *i.e.*, our farmers were wholly unacquainted with the methods of preserving stock during the long winter. From poor feeding both our cattle and our sheep were quite small compared with the magnificent beasts which until quite recently—indeed, until the outbreak of the recent War—we annually exhibited at the Cattle Show at Islington, besides other shows held in various parts of the country. The use of manures seems to have been known from a very remote period, but it was confined to farmyard products. No one had a knowledge of the actual constituents of plant life or of the nourishment any particular plant required. We now know that nitrogen is one of the most important food constituents for plant life; and we know, moreover, how this constituent can be obtained and applied to the nourishment of growing plants. In the past 300 years, for example, we have increased the yield per unit of cereals and other food plants by more than 200%. In those days, moreover, our sheep and cattle, for the reasons we have explained, were exceedingly small, and the

flesh was hard and not readily assimilated owing to the coarse food the beasts were obliged to consume.

The cattle of the Middle Ages, if we can rely upon the reports which have come down to us from the monkish chroniclers, would appear to have been very like what are known as criollo cattle at the present time in the more remote districts of South America, beasts which wander over the wild pampas and receive little or no attention. During the past three centuries it will be seen, therefore, that we have improved these wild cattle to an extent that has produced some of the finest beasts in the world. Of course, we are not alone in having done so. The practice has been very largely followed all over Europe, and particularly Western Europe; but the fact remains that English bulls and English cows of certain well-approved breeds command enormous prices in the markets of the New World, where they are imported for improving the breed of the comparatively wild cattle we have above referred to. Chili herself has spent immense sums of money in the import of European, and particularly English, cattle for the purpose of improving the native breed originally taken out to Peru by the Spanish conquerors in the early years of the sixteenth century.

From the very earliest times the growth and sale of wool has been one of our principal industries. From the time at least of our first Edward we played in this country to the woollen mills of Flanders very much the part Australia in our own day has played to the woollen mills of Yorkshire. But the wool obtained from England in those days for the Flemish weaving trade was a coarse wool. The sheep itself, taking our information from the source to which we have referred above, was in size about one-third of the sheep as we now know it; and, moreover, the wool, instead of being of a thick fleshy texture over the whole body of the sheep, was patchy to a degree. This, of course, was due to the coarse herbage on which it was pastured and the impossibility of obtaining winter keep.

In those days the finest wool in Europe was obtained from Spain. The merino, which has now become very little more than a name, was originally simply the Spanish word for wool, and woollen textures made from merino were regarded as of special excellence. This, of course, was due to the fact that Spain, being situated in a much warmer latitude than England, had not the same need of winter keep.

It is now well known that the sheep of this country command some of the highest prices in those new countries which are anxious to improve their breed and to increase their product for the purpose of supplying the international markets in general, and this market in particular.

Of course, Chili is not England, and the methods of farming in Chili are entirely different from those practised here at home. In the first place, less than a third of the country is devoted to agriculture, and a large part of the most fertile portions of Chili is even yet uncultivated. Moreover, the *hacienda* of Chili is an immense farm; extending from anything between 5,000 and 30,000 or 40,000 acres. It is often owned by the descendants of some of the great Spanish families who settled in Chili in early times. But it must not be imagined that the Chilian magnate, although usually a great landowner, allows his properties to go to rack and ruin. Probably there is no better farming practised anywhere than in the central valley of Chili. In many cases, as in the case, for example, of the illustrious family associated with the immense Lota Colliery property, the agricultural estate only forms part of a vast business conducted by the family on, in a sense, patriarchal lines, but on sound business principles, and with the best and most up-to-date machinery that can be obtained. Most of the home parks in the central valley resemble very much the pleasure grounds of the wealthiest people in England.

Chili is essentially industrial, and its agriculture is carried on upon essentially industrial lines. At the head of the establishment is a major-domo, whether it be for the purpose of raising cattle and sheep, or growing wine, or producing raisins—for Chili is one of the few countries of the world that do produce raisins—or carrying on the dairying industry for the purpose of supplying milk and butter to Santiago or Valparaiso, which latter industry is practically in the hands of two great estates. The business is carried on on strictly commercial lines. At the head of each important property is a major-domo, and under him are competent assistants, usually young men, who have been trained at the Quinta Normal, and who have for purposes of agriculture what is equivalent to a university degree for anyone proposing to follow one of the learned professions. Of course, this system is an expensive one, although in Chili it has been found to work quite satisfactorily and yield, in fact, very large revenues to the owners of several estates. In a country like ours it might not be found possible to find employment for young men of the attainments of those who have been trained at a school like the Quinta Normal, because they are young men of good education to start with; and, in addition, their parents or guardians have been at considerable expense for their training during the period they have remained at this great national agricultural college, and, having spent some valuable years of their early manhood in the acquisition of exceedingly valuable knowledge, they naturally expect to receive in the end a compensation commensurate with the expense and labour incurred.

Whether it be possible, or not, to find openings in this country for men of the attainments of those who have been trained at the Quinta Normal, few will deny that it is of real importance that our farmers, and those engaged in agriculture in this country, should have a practical and scientific training in the business from which they obtain their livelihood. Record events have shown that it is most important that we should increase the productivity of the land, especially where this can be done through a thorough knowledge of how to cultivate it, and without the necessity of extending the area under cultivation of any particular crop, and without necessarily increasing the expenditure per acre.

If it be admitted that a man deserves well of his day and generation who shall make two blades of grass grow where only one grew before, he would surely deserve well of his country who would train young men intended for an agricultural career in some school modelled, if necessary, upon the pattern of this great school of agriculture in Chili.

SCOTTISH AMICABLE AND SCOTTISH INSURANCE COMPANY.

The Manager and Secretary of the Scottish Insurance Corporation have issued a circular to the shareholders of that Institution, stating that a provisional offer has been made by the Scottish Amicable Life Assurance Society for the purchase of the Scottish Insurance shares. The terms are not stated, but it is announced that a provisional agreement is in the course of adjustment, and that on completion thereof particulars will be published.

"The Greek Army and the Recent Balkan Offensive." Price 1*s.* 6*d.* (London: George Allen and Unwin, Ltd.) This little work gives an interesting account of the doings of the Greek Army during the Balkan offensive which ended in the capitulation of Bulgaria. The method of exposition puts before the reader the relevant official *communiqués*, speeches, &c., with practically no editorial revision or comment, the purpose being to supply the public with a handy *résumé* of the work of the Greek Army.

HEAD OFFICE:
1 Dale Street,
LIVERPOOL.

LONDON:
Chief Office,
1 Cornhill, E.C. 3.

THE LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY LIMITED
1836

TOTAL ASSETS exceed - £16,000,000
TOTAL CLAIMS PAID over £89,000,000

FIRE. LIFE. ACCIDENT. MARINE.

Annuities, Leasehold Redemption, Burglary, Fidelity Guarantee, Motor Car, Plate Glass, Personal Accident, Workmen's Compensation, Sickness, Live Stock, Loss of Profits, &c.

OFFICES IN ALL THE CHIEF COMMERCIAL CENTRES.

American Topics.

B. AND O.'S FURTHER DIVIDEND.

Only a week ago we referred to the announcement by the Baltimore and Ohio Railroad Company of a dividend of 2% (actual), payable February 1 next. This dividend was in respect of the June half of 1918, the delay in its declaration having arisen owing to prolonged negotiations between the Company and the Government as to the amount of compensation payable under the Railroad Control Act. This week comes the statement from New York that a further dividend of 2% (actual) has been declared for the December half of 1918, so that it would appear the Common stock is now on a 4% dividend basis. Moreover, so long as Government control continues as at present arranged, this rate of dividend seems likely to be continued. For the three and a-half years to the end of 1917 the dividend was on a 5% basis, against 6% previously. It has to be realised that the profit for 1918, from which the dividend of 4% is payable, does not represent the profit actually *earned* in that year, but is due to the compensation receivable from the Government. Some rough idea of the income for 1918 may be gathered from the revenue statement for the eleven months to November, in which period an expansion of nearly $36,000,000, or about 30%, in gross receipts was accompanied by a decline of $14,480,000, or nearly 70%, in the net railway operating income, after taxes, rentals, &c. Inasmuch as for 1917 the net profit before payment of Preferred dividend was only $8,030,000, it will be seen that the Company did not *earn* its interest charges last year, and was enabled to show a profit and to pay Common stock dividends only by reason of the control arrangement with the Government. The Baltimore and Ohio Railroad, it must be understood, does not stand alone in this respect, for the majority of other American railroads have had a similar experience, and it is a position, too, that would be shown by the railways of this country were the data relating to their receipts, expenses, &c., to be published separately from the rental payable by the Government. After payment of the 4% dividend for 1918, the surplus of the Baltimore and Ohio will be about $1,668,000, thus practically restoring the profit and loss account to the level at which it stood at the end of 1916, for to pay the dividend of 5% for 1917 $1,922,000 had to be drawn from this account. A week ago Baltimore and Ohio was quoted 48½ in New York, and though at one time this week it was down to 43¾, the announcement of the further dividend of 2% has led to a recovery to 48¼. Allowing for 2% accrued dividend, the yield from the 4% dividend is about 8¼%.

Year to Dec. 31	Profit for Common	Dividend Earned	Dividend on Common — June Half	Dec. Half	Year		Surplus
	$	%	%	%	%	$	$
1918 (est.)	7,746,000	5·09	2	2	4	6,078,000	1,668,000
1917 ...	5,675,000	3·72	2½	2½	5	7,597,000	Dr 1,922,000
1916 ...	10,740,000	7·05	2½	2½	5	7,597,000	3,144,000
1915 ...	13,165,000	8·64	2½	2½	5	7,597,000	5,568,000
1914 ...	5,425,000	3·57	3	2½	5½	8,358,000	Dr 2,933,000
1913 ...	8,350,000	5·49	3	3	6	9,121,000	Dr. 771,000
1912 ...	12,664,000	8·33	3	3	6	9,122,000	3,542,000

NEW BANKING CAPITAL.

Within the last few months issues of new capital have been announced by 15 banks in which we are interested here, nine of the banks operating in this country and the remaining six conducting business in our overseas possessions. We have referred in these columns to each of these announcements as they have been made, but hitherto no summary of the various issues has been presented. In order to furnish this information in a concrete form we now submit the appended statement, which shows that about £6,480,000 of new capital has been, or is on the point of being, issued by purely British banks, and that from the premiums received from the sale of the new shares about £6,375,000 will have been added to the reserve funds of the various undertakings. At the end of 1917 the capital of the banks of the United Kingdom, exclusive of the Bank of England, amounted to £72,002,000, and the reserve funds to £46,764,000. The total of capital and reserve, amounting to £118,766,000, represented about 6.8% of the deposits, which just over a year ago stood at £1,743,000,000. Leaving out of account the changes in capital and in reserve funds due to amalgamations, it would appear that the existing paid-up capital of the banks is £78,480,000 and the reserve funds about £53,140,000, a total of, roughly, £131,620,000. If deposits, &c., at the present time stand at about £2,000,000,000, the existing proportion of capital and reserve to deposits is approximately 6.6%. At the end of 1913 the deposits of £1,071,000,000 bore a proportion of 11% to combined capital and reserve of £117,823,000.

Particulars are also shown below of the various increases in capital announced by Anglo-Indian and Anglo-Colonial banks during the past few months:—

	Recent Issues — No. of Shares	Per Share — Nom. Value	Paid Up	Issue Price	Addition to — Capital	Reserve	Position after Issue of New Capital — Capital	Reserve	Total
		£	£	£	£	£	£	£	£
Barclays	364,472	4	4	6½	1,457,888	911,180	8,747,332	6,911,180	15,658,512
Cox and Company	2,000	100	100	272½	200,000	345,000	650,000	425,000	1,075,000
Equitable	26,500	½	1	2½	26,500	39,750	40,000	49,700	89,700
London County Westminster and Parr's ...	1,360,771	1	1	1½	1,360,771	2,431,354	8,474,626	8,750,000	17,224,626
London Joint City and Midland	409,868	2½	2½	2½	1,024,670	1,024,670	8,197,368	8,197,368	16,394,736
National Provincial and Union	131,093	60	12	24	1,573,116	1,573,116	7,050,000	6,273,116	13,323,116
Palatine	25,000	20	5	10 0*	12,500	—	125,000	11,000	136,000
Union of Manchester	50,000	—	—	1½†	75,000	75,000	750,000	525,000	1,275,000
	50,000	5	2½	5	125,000	125,000			
Williams Deacon's	312,500	1	1	2	312,500	312,500	1,875,000	850,000	2,725,000
	156,250	—	—	2†	312,500	312,500			
To'al, 9 banks					6,480,445	6,375,070			
African	80,000	10	5	5½	400,000	40,000	1,000,000	290,000	1,290,000
Anglo-Egyptian	20,000	15	5	1	100,000	—	600,000	710,000	1,310,000
Chartered of India	40,000	20	20	40	800,000	800,000	2,000,000	2,800,000	4,800,000
Mercantile of India	15,000	25	12½	12½	187,500	—	750,000	650,000	1,400,000
National of India	40,000	25	12½	20	500,000	500,000	1,500,000	1,850,000	3,350,000
Royal of Australia	200,000	4	1	1	200,000	—	500,000	280,000	780,000
Royal of Canada	20,000	$100	$100	$150	$2,000,000	$1,000,000	$16,000,000	$16,000,000	$32,000,000
Union of Australia	20,000	75	25	25	500,000	500,000	2,500,000	2,550,000	5,050,000

* Amount paid up per share raised from £4 10s. to £5. † Capitalisation of reserves. ‡ Capitalisation of profit.

ESTABLISHED 1887.

Telephones: 456, 4084, 2662 Avenue. Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

THERE has again been a fair amount of business transacted in the Share market during the past week, but a tendency to ease developed towards the close. On balance quotations are not much changed.

Harrisons and Crosfield.—A further step is being taken in the expansion of this well-known firm's business. An issue of 150,000 10% Preferred Ordinary shares of £1 each is offered to holders of Preference and Preferred Ordinary shares registered on January 11, in the proportion of one new share for every six shares of either or both classes held, and at a price of 27*s.* 6*d.* each.

RELATIVE MERITS OF HIGH- AND LOW-PRICED SHARES.

WITH signs of activity developing in the Share-market on expectations of resumption of normal shipping conditions, anticipations of a big peace demand for the commodity, and the possibility of some modification in the excess profits duty, there is a good deal of discussion just now of the relative merits of various rubber shares as lock-up investments. It is recognised that the past year was a very bad one for the industry; but the prospect of reports being issued shortly showing poor results does not enter into calculations which are based on outlook. Unfortunately, many investors, firmly believing in the good time to follow the bad period just experienced, take little else into account, excepting the price of the shares. They know little about the conditions, financial and physical, of the companies, and quite overlook the fact that "cheap" is as often as not synonymous with "nasty." Their quest is for shares "near to par," and the "2*s.* variety preferred." This class of speculator is common to every market of the Stock Exchange; but the extraordinary thing is he apparently cannot see what is so obvious in regard to rubber plantations, viz., that, other factors being equal, the areas of the plantations in relation to the issued capital govern the market price. Put simply, a company with a capital of £100,000, owning 2,000 acres of plantations, must have its shares more highly valued than a company with the same capital owning an equally good and mature plantation of 1,500 acres. In one case the issued capital per acre planted would be £50, and in the other £75. Recognising this, but having insufficient knowledge or experience to gauge the difference between the various companies and their estates, another class of investor calculates by the rule-of-thumb method comprised in multiplying the issued capital per acre by the price of the shares, and thus arriving at the market valuation per planted acre. That, of course, is a quite sound method of comparing estate valuations if at the same time such factors as quality and yielding power of the different plantations, and the varying cost of production, are taken into consideration; but too much emphasis cannot be laid upon the advisability of not relying upon comparisons of market valuations alone. The reader may not have had the pleasure of seeing the vast rubber plantations of the East, but if he will think of the difference between one plot and another on the allotments that have sprung up everywhere during the War, he will be able to picture in some degree the difference there *can* be between one rubber plantation and another. The majority of the estates, it is true, are well cultivated and managed, but they are by no means equal in quality or management. It is calculated that the whole of the Eastern plantations, when fully mature, will produce 400 lb. per acre per annum as an average. Some may produce 250 lb. and some up to 500 lb. That alone, it will be realised, is a difference of considerable magnitude, and when it is borne in mind that high yields tend towards low cost the difference becomes accentuated. If there is one point upon which everyone who has studied the subject is agreed, it is that cost of production may in the future be the crucial test of the fitness of an estate to survive a severe trade depression. To emphasise this it is only necessary to give the follow-

	Area Planted		Last Report					Estimate at Full Maturity				Percentage Ratio
	Total Acres	5 Years Old Acres	Year Ended	Crop Lb.	Profit £	Est. E. P. Tax	Dividend £	%	Crop Lb.	"All-in" Cost† per Lb.	Profit† on Capital £	%	Present Price of Shares	
Allagar	1,124	1,124	31/12/17	338,100	11,022	—	10,402	10	500,000	1/2	15,000	14	3 2(a)	8
Ampat	1,044	814	30/9/17	214,970	13,167	nil	8,125	25	400,000	1/0	15,000	46	7 6(a)	15
Anglo-Johore	1,280	920	31/3/18	302,500	12,968	nil	—	—	510,000	1/0	19,000	31	4 0(a)	15½
Bangawan	1,544	1,362	31/12/17	225,000	6,682	nil		—	600,000	1/0	22,500	15½	27/0	11
Bernam-Perak ...	1,075	1,000	30/6/18	264,041	1,760	nil*	—		450,000	1/1	15,000	27	42/0	13
Chimpul	1,138	1,138	30/6/18	266,854	2,564	—	—		460,000	1/1	16,000	22	3 2(a)	13¼
Chota	1,000	665	31/12/17	229,144	13,741	4,500	5,000	10	450,000	1/1	15,000	29	4 3(a)	13¼
Emerald	2,264	1,630	31/1/18	569,188	28,935	?	nil	—	900,000	1/1	37,500	28	37/0	15
Jasin	1,165	1,158	31/12/17	239,154	8,350	—	nil		408,000	1/2	12,000	21	4 3(a)	10
Johore Para	822	822	30/6/17	195,424	13,625	—	8,449	13	320,000	1/2	9,400	14	24/0	11½
K.M.S.	1,345	1,012	30/6/18	235,512	9,462	—	4,250	5	530,000	1/0	19,500	25	33/0	14
Kajang	1,576	1,316	31/12/17	390,706	20,992	—	8,437	15	630,000	1/0	23,600	31	47/0	13¼
Kasintoe	2,000	1,600	31/12/17	592,385	26,720	nil	5,500	5	700,000	1/1	23,500	22	36/0	12½
Kinta Kellas	2,137	1,869	31/3/18	554,380	14,795	—	5,696	5	800,000	1/0	30,000	25	5 3(a)	9½
Lanadron	5,205	5,187	31/12/17	1,401,373	44,809	nil	14,750	5	2,000,000	1/0	75,000	21½	38/0	11
Lubok	1,253	300	31/12/17	96,000	4,574	nil	1,750	5	450,000	1/0	16,800	30	4 2	14½
Manchester N.E. ...	3,000	2,983	31/3/18	548,923	13,690	?	6,600	4	1,200,000	1/0	45,000	27	33/0	16½
Merchiston	841	502	31/3/18	152,912	4,972	—	—	—	330,000	1/1	11,000	27	36/0	15
Narborough	1,000	800	30/6/17	281,745	18,872	10,000	11,113	15	400,000	1/1	13,300	18	3 5(a)	11
Padang Jawa	832	790	31/3/18	246,826	14,324	3,400	4,062	6¼	330,000	1/0	12,400	19	3 8(a)	10½
R.E. of Krian	1,717	1,607	31/12/17	462,500	25,562	7,200	12,000	10	690,000	1/1	23,000	19	3 10(a)	10
Selangor United ...	1,449	1,182	31/3/18	234,000	9,592	—	4,000	5	580,000	1/1	19,300	24	3 8(a)	14
Sumatra Prop.... ...	1,386	1,372	30/4/18	245,134	7,354	—	—	—	620,000	1/0	23,000	23½	33/0	14
Sialang	6,292	5,967	31/1/18	1,387,000	84,086	42,000	32,000	16	2,830,000	1/0	141,500	70	81/0	17½

* Based on results prior to restriction of tapping and with allowance for reduction through increase of output. † Reckoning rubber at 1*s.* 3*d.* per lb. After allowing for Debenture and loan charges or conversion into shares. (a) 2*s.* shares.

ing figures of the estimated production of plantation rubber in the next few years as estimated by the Chairman of Messrs. Harrisons and Crosfield:—

	Tons
1918	230,000
1919	314,000
1920	354,000
1921	381,000
1922	403,000
1923	430,000
Later	446,000

It will be noted that while production is in hundreds of thousands of *tons* the price of the commodity at present is quoted in shillings. Two shillings per lb. is equal to £224 per ton, and 1*s*. per lb., of course, is £112 per ton. This latter figure is considered likely to be the average cost of producing plantation rubber under normal conditions. It is conceivable that there may be periods when it will make a vital difference whether the cost is over or under the average, for a company which can produce at 9*d*. per lb. all-in will earn 9*d*. per lb. profit with rubber at 1*s*. 6*d*. per lb. (say £168 10*s*. per ton), whereas a producer of rubber at 1*s*. 3*d*. per lb. would net only 3*d*. per lb. profit. Situation and surrounding conditions generally play a large part in costs, but the size of the operating unit and the financing and general lay-out of the plantations also exercise considerable influence. The larger estates, too, generally belong to the strongest companies, soundly financed from the start and planned for economical production by application of large surplus profits and capital provisions. The small estates are more often less well provided with the best that money can buy, and though their capitals may have been kept down, this can only have been accomplished by not providing that extra outlay required for superlative condition. The modern, fairly large to large plantations—say over 1,500 acres—situated in the best rubber-growing States of Malaya, such as Perak and Selangor, or in Sumatra, where the United States Rubber Company and the Dunlop Rubber Company have elected to plant their huge estates, seem likely to prove the best investments under all conditions. The shares of most of such concerns, though appearing to be highly priced in relation to par value, are more often than not much cheaper than the majority of the co-called cheap shares "near to par." Moreover, as a rule, they are subject to less fluctuation in price, being held largely as investments, and not so favoured with the attention of the speculator.

Between the oldest group of companies, which, through owning estates producing largely before the War, are subject to little or no excess profits duty, and the younger plantation companies there is, at the present time, a wide difference in market valuations; but where the quality of the estates is equal, or approximately equal, there is bound to be a movement towards equalisation, the rapidity of which will depend upon the course adopted in regard to the excess profits duty. But apart from that, the oldest estates, investors will do well to bear in mind, have had many of their trees in bearing in times gone by, when little was known on the scientific side of tapping methods and general culture. Consequently, whereas on well-attended, large modern plantations the tapping bark is relatively smooth and will continue so after renewal, it is often otherwise with many trees on the oldest plantations. It has also to be remembered that, as the F.M.S. Director of Agriculture recently pointed out, a large proportion of the oldest trees have root disease and will require to be replaced.

Regarding the industry from all points of view, and even taking into account the predilection of many investors for so-called cheap shares, we think it will be found extremely difficult to improve, for the purpose of real investment, upon the list of promising estates the prospects of which we analysed a fortnight ago. But to satisfy the thirst for information of readers who think otherwise we present below a similar tabular analysis of about 20 concerns with lower share prices. The estates are a mixed lot and with a few exceptions do not rank in the same class as those in our first list, or, for that matter, with other undertakings not included in either list. To afford a comparison between the quality of some of the estates in the present analysis and of the enterprises previously given we append particulars of the Sialang, as representative of the large modern plantations of which we have spoken:—

K.M.S. (MALAY STATES).

Issued Capital: £85,000 in £1 Shares.

	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Acre	Price Realised	"All-in" Cost	Net Profit	Dividend Amt.	Dividend %
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1915-16	1,296	—	99,289	—	2/7·83	1/4·83	6,447	—	—
1916-17	1,306	750*	196,295	260*	2/9·83	1/3·43	15,049	8,500	10
1917-18	1,345	—	235,512†	—	2/2¼	1/5	9,462	4,250	5

* Estimated. † Tapping restricted.

Price of Shares, 33/0. Market Capitalisation per planted acre, £105.

CONSIDERING the degree of immaturity of this Company's estate and the restriction of tapping to a comparatively small figure, the results reported for the past financial year can be considered satisfactory in view of the generally abnormal circumstances. Seeing that less than half the acreage planted was fully producing and expenditure charged to capital account exceeded the depreciation allowance by only £923, the all-in figure of 1*s*. 5*d*. is a low one and points to the prospect of fairly economical working later on. Shareholders had to be content with only 5% dividend, against 10%, but the balance sheet shows a sound financial condition, with £8,700 of surplus cash resources. Not much increase of production is to be looked for in respect of the current financial year, as full tapping is only just being resumed, but substantial expansion is likely to be witnessed next year and thereafter. At 33*s*. the shares appear to be quite moderately valued.

CHIMPUL (NEGRI SEMBILAN).

Issued Capital: £71,950 in 2/0 Shares.
Government Loan, £8,000.

	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Acre	Price Realised	"All-in" Cost	Net Profit	Dividend Amt.	Dividend %
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1915-16*	1,207	—	165,200	—	2/7·67	1/8·8	7,140	3,579	6
1916-17	1,138	—	246,437	—	2/7·3	1/6·9	12,927	8,994	12½
1917-18	1,138	625	266,854	427	1/10	1/8	2,564	—	—

* 13 months.

Price of Shares, 3/3. Market Capitalisation per planted acre, £103.

This Company fared badly in the past financial year, cost of production leaving a very small margin of profit, notwithstanding the high yield obtained from the acreage in bearing and the charging to capital account of as much as £8,647 net expenditure upon upkeep of immature area, buildings, &c. As a result shareholders received no dividend, and the balance sheet shows surplus cash resources reduced to only £4,000 irrespective of £8,000 loan from the F.M.S. Government, half repayable in June 1920 and half a year later.

HARRISONS & CROSFIELD LTD.

ISSUED CAPITAL £1,075,000

EASTERN AND GENERAL MERCHANTS.
Shipping, Banking and Insurance Agents.
Agents and Secretaries for Rubber, Tea, and Produce Companies.

Head Office - 1/4 Great Tower Street, London.

Branches.

Colombo.	Quilon.	Calicut.	Cochin.
Calcutta.	Kuala Lumpur.	Medan.	Batavia.
Bandoeng.	Kobe.	Montreal.	Tangier.

Affiliated Companies.

Singapore.	Penang.	Sandakan.	Jesselton.
Shanghai.	Foochow.	Hankow.	New York.
Philadelphia.	San Francisco.	Cape Town.	Melbourne.
Sydney.	Brisbane.	Auckland.	Dunedin.
Adelaide.	Wellington.	Christchurch.	

CALEDONIAN
INSURANCE COMPANY.
FIRE. LIFE. EMPLOYERS' LIABILITY.
PERSONAL ACCIDENT AND ILLNESS. BURGLARY.
HEAD OFFICE—19 GEORGE STREET, EDINBURGH.
LONDON OFFICES { 82 KING WILLIAM STREET, E.C.
14 WATERLOO PLACE, PALL MALL, S.W.

Insurance Notes.

MARINE INSURANCE IN 1918.

DURING the War there have, no doubt, been many days of great anxiety to those who have transacted marine insurance business on a large scale, whether as representing joint companies or Lloyd's underwriters. New hazards have had to be undertaken under conditions that were unprecedented in the history of this section of commercial enterprise. It may now be safely estimated that the business as a whole has been profitable over this difficult period; but it might easily have turned out otherwise, and the underwriters are entitled to any compensation they have received in return for the risks incurred by them in supplying a protection of inestimable importance to the trade of the country. The biggest profits have doubtless been made by those who are specially skilled in such matters; but their success has tempted others to enter this field, and almost everybody engaged in the business seems to have done fairly well out of marine insurance in these extraordinary years. It will doubtless be found that marine insurance in the future, as in the past, will have its "ups and downs," for any student of the statistics of the business is aware that cycles of prosperity and adversity alternate, and it may well be that the cleverest underwriters will find it difficult to make slender profits, whilst the plungers are certain to have an unfortunate experience some time or other. Sound insurance underwriting over a prolonged period is a question of average, and the best way to prepare for bad times is to carry forward large reserves, and in good years to add to them by carrying forward a certain proportion of the estimated trading profits in the form of unappropriated surplus.

The accounts of the joint-stock companies engaged in marine insurance published in 1918 only, as a rule, took into consideration as profit their interest earnings and the surplus arising from the winding up of the 1916 underwriting account on December 31 1917. The general system employed in this section of the business for the computation of profits treats each year's underwriting account, as it were, as a separate compartment. Thus the premiums received in 1916 appear in the 1916 account, together with the claims settled in that year on the year's account, and the balance, after deduction of expenses, is carried forward to 1917. From this balance at the close of 1917 the further claims settled in that year on the 1916 underwriting account are deducted, an estimate, usually hitherto approximating to about 10% of the premium income, but variable according to the actual circumstances and dependent on the judgment of the underwriter, is made to cover the claims that may still arise (in 1918 and future years) on the 1916 account, and the balance is treated as the available surplus on that year's underwriting. The accounts of the big marine companies, so far as the 1916 account are concerned, and as published in 1918, were as a whole, so far as this system is a correct guide, highly satisfactory. Some of these companies showed an underwriting surplus of from £100,000 to £200,000 in that account, and these large amounts, together with the interest earnings, were transferred to profit and loss. It would be a mistake to regard the whole of this surplus, however, as actual profit, for in many cases large provisions were made in the companies' general profit and loss accounts for excess profits duty, for which the marine accounts were mainly responsible, and it may well turn out to be the case, as is pointed out hereafter, that the estimates for further claims have been exceeded by actual results. As regards the experience of the 1917 account, it will probably be found so far to be satisfactory also, when all the reports to be published in the spring of 1919 are available. The year 1918 seems to have been comparatively uneventful in this section. The income from war-risk premiums in that year will show some diminution, because, while the Government war risk stood at £5 5*s.* per cent. up to March 1918, after that date it was placed on a differential basis, which brought down many of the market rates for risks to various parts of the world. Nevertheless, it will probably be found that in this exceptionally hazardous class marine underwriters have done well, while by their enterprise they have rendered a service both to the nation and to traders.

The Government war risk prior to March 1918 militated against business being placed with the Government Department for the less hazardous kind of risks. Naturally, traders preferred to pay the lower rates (sometimes as low as £1, compared with £5 5*s.* per cent.) which were offered to them by underwriters, and thus the Government missed many insurances involving light hazards, and secured a monopoly, or the greater part, of those covers where the risk was heavy.

The expansion of the business of British underwriters in America was considerable in 1918. A number of new companies came into being in the year in London, and several other companies which had previously confined their operations to other descriptions of insurance entered the marine sphere. A very large influx of membership took place contemporaneously at Lloyd's, so that altogether the number of underwriters, both private and public, has been largely increased. This of course increases the capabilities of the London market for this section; but it should be borne in mind that there is now enhanced competition from the United States, and it remains to be seen how all these competitors will fare when values fall. Indeed, the number of those now engaged in the business will accentuate the difficulties of individual underwriters in their endeavour to make profits when the pendulum swings heavily round, as may before long be almost automatically expected.

The market for the insurance of steamers for time is believed to be working satisfactorily at present, but a contingency which has to be reckoned with is the delay in repairs (which tend to become much more costly) and in the putting forward of claims owing to the congested state of the business. Under these circumstances it will probably take longer to wind up a year's underwriting account than formerly. The present experience of underwriters tends to show that fourth-year's settlements are now nearly as large as third-year's settlements were formerly. Under these circumstances it is questionable whether in some cases sufficient allowance has been made in the estimate of further settlements made in the marine accounts of recent years wound up at the close of the second year in the way above described.

Several novel problems engage the attention of the marine insurance market. Many of the best steamers have been sunk, and have been replaced by tramps, which should carry higher rates of premium, though this does not seem to have been generally provided for. Another feature arises from the addition of wooden steamers and other auxiliary vessels to the mercantile marine. Underwriters have had but little, if any, practical experience of this class of risk, and insurance upon this description is more or less of

an experimental character. With the addition of war risks it was possible to get, as it were, some improvement of the rate, comparatively, to the total hazard underwritten; but as these risks will have now to be insured independently the position is somewhat altered, to the decided disadvantage of the insurer.

One of the most serious features of the 1918 marine insurance experience was the large number of vessels totally lost or damaged by collisions. One reason given for this result was the convoy system, so that it may be hoped that the conditions may soon become normal again in this respect, supposing this hypothesis to be correct.

On the whole, it must be admitted that while a chapter in marine insurance which offered at its opening a very doubtful and uncertain prospect appears to be nearing an end in a more satisfactory way than the most sanguine anticipator could have thought likely, yet there is by no means an end to the anxieties of those engaged in the business with the cessation of the great War, and prudence and caution seem called for as much as ever before in the history of this section.

SAVINGS BANK DEPOSITS.

THE particulars we gave recently regarding the growth of the deposits of the Savings Banks have attracted a good deal of attention. The figures we then presented were made up on December 21 last. Further data are now available showing the position as at January 18, on which day the combined deposits of Post Office and Trustee Savings Banks stood at £299,495,536. The growth during the past four weeks has been somewhat heavier than usual, having been about £5,045,000; and has occurred, too, at a time when sales of War Savings Certificates have improved and sales of National War Bonds through the Post Office have been on a fairly large scale. A year ago the deposits amounted to £257,652,095, so that during the past twelve months the expansion has been no less than £41,843,441, or not far short of the expansion of nearly £43,000,000 in the ten years preceding the outbreak of war. Since war began the net increase in the amount of the Trustee and Post Office Savings Banks deposits has been almost exactly £55,000,000, and this during a period in which many demands have been made upon the small investor to purchase Government securities. As we have previously mentioned, it is somewhat surprising that depositors have not to a larger extent withdrawn their deposits carrying only 2½% interest, and purchased, let us say, War Savings Certificates yielding more than double that return if held to maturity. It is possible the Savings Bank depositor is desirous of having his money in such a form that it can be easily withdrawn, but apparently he has not realised that War Savings Certificates may equally easily be turned into cash at any time, and that the credit behind them is exactly the same as that behind the deposits in the Savings Banks. During the past year or two the National War Savings Committee has performed a good deal of useful work, but apparently it has not yet sufficiently educated the savings bank depositor to obtain the best return he can upon his savings. We append a statement showing the course of Savings Bank deposits since war began:

Date	Post Office £	Trustee £	Total £	Inc. in 4 Weeks £
Jan. 18, 1919 ...	237,644,611	61,850,925	299,495,536	+5,045,000
Dec. 21, 1918 ...	233,076,713	61,373,712	294,450,425	+4,240,000
Nov. 23, 1918 ...	230,472,784	59,777,428	290,250,213	+3,177,000
Oct. 26, 1918 ...	228,323,276	58,750,025	287,073,301	+4,791,000
Sept. 28, 1918 ...	224,521,779	57,761,052	282,282,831	
Jan. 19, 1918 ...	205,928,310	51,723,785	257,652,095	+2,576,000
Dec. 22, 1917 ...	203,298,687	51,777,164	255,075,851	—
Dec. 1916 ...	196,458,436	52,758,438	249,216,874	—
Dec. 31, 1915 ...	186,327,584	51,412,370	237,739,954	—
Dec. 31, 1914 ...	190,533,208	53,943,271	244,476,479	—
Aug. 1914 ...	191,516,822	52,979,463	244,496,285	—
Dec. 31, 1913 ...	187,248,167	54,258,561	241,507,028	
Dec. 31, 1903 ...	146,155,147	52,540,339	198,675,486	—
Dec. 31, 1893 ...	80,598,641	42,243,600	122,842,241	—

THE CONSOLIDATED

Assurance Company, Limited.

ESTABLISHED 1903.

Subscribed Capital £543,666
Paid-up Capital £120,000

FOR REINSURANCE BUSINESS.

Fire, Marine and General Department.
St. Swithin's House,
St. Swithin's Lane,
London, E.C. 4.
Manager J. Herbert E. Lane.

Registered Office and Life Department.
9 Fleet Street,
London, E.C. 4.
Actuary and Secretary:
Chas. Wiseman.

Commercial.

EMPIRE FLAX.

THE LINEN INDUSTRY.

RECENT events have shown that there are many uses to which linen may be put besides that of making shirt fronts and linen collars. The demands of the aeroplane factories during the recent War have depleted our supplies of linen at a time when the principal source of supply became closed to the markets of the world, and shows little signs of being re-opened in the immediate future. In the years that immediately preceded the outbreak of the recent War the total production of flax was estimated at some 700,000 tons. Of this more than 600,000 tons was produced in Russia, of which she consumed very nearly one-third locally, exporting in normal years about 400,000 tons. In addition, we obtained from various countries, principally France and Belgium, Holland, Germany, and Austria, some 90,000 tons. Finally, Ireland produced about 10,000 tons of the raw material, while the district round Belfast and certain places in Scotland are the principal scenes of manufacture, not merely for this country, but for a large export trade which this country enjoys. It will be evident, from what has been said already, that while we are important manufacturers, indeed, perhaps, the largest manufacturers in the world, of what are technically known as the finer counts, we are almost wholly dependent upon outside sources of supply for the raw material. Flax is of course a small trade when compared with the great cotton industry with which the County Palatine is associated, but there is this remarkable resemblance between the two industries, that both are dependent upon outside sources of supply for their raw material. Lancashire, while she lives very largely upon the manufacture of various kinds of cotton goods, is dependent to an extent of more than 80% for her supplies of raw cotton upon the United States of North America, while those districts of Ireland and Scotland are dependent for their principal industry—the manufacture of linen from the flax plant—have been, up to the present, mainly dependent upon Russia for the flax which enables them to carry on their industry. Doubtless Ireland is, and will continue to, increase her growth of flax to some extent, and even England and Scotland may endeavour, are, in fact, endeavouring, to grow a small amount, but it seems reasonably certain that it would be in the highest degree impolitic for the great industries of Belfast, and those of Scotland, to depend for their sources of supply of flax upon what it is possible to grow within the confines of the United Kingdom. Of course, all through the War, and even through the present dark period through which Russia is passing, due to her revolutionary troubles, a considerable supply of flax has come over the recently built railway in Northern Russia for the consuming markets of the rest of Europe. The supply, however, has been totally inadequate to meet the demand, and threatens to be still more so in the early future.

The importance of the trade as a manufacturing industry is not merely of value to the districts in which it is carried on, but to the United Kingdom taken as a whole. More than £20,000,000 sterling of capital is actually embarked in the linen industry in the two parts of the United Kingdom in which it is carried on, and the annual value of the trade is estimated at between 15 and 16 millions sterling. That is exclusive of freights, charges, and commissions for its distribution.

We have just said that the value of the total is estimated at 15 or 16 millions sterling per annum. It is a curious coincidence that, taking the middle figure, say 15½ million, we export over nine million of the highest class linen goods to the various countries of the world, particularly to our own colonies and the U.S.A. Against this we import, particularly from Belgium and from those countries with which we were recently engaged in war, about 7½ millions sterling, but nothing like the same quality of goods, cheap fabrics, and the cheaper kinds of laces.

It has to be remembered that the various products of the linen industry are very varied, ranging from heavy sail cloth to yarns and laces of the lightest texture and gossamer delicacy. The general trend has been to specialisation, and even to localisation; that is to say, that certain goods came to be made more and more in certain districts. In this way Belfast has become the centre for a fine linen industry, owing to the suitability of Irish flax for its manufacture, and, no doubt, to the character of the Irish climate. This enables Irish manufacturers to produce the finest and most beautiful fabrics in the world. Dunfermline, in Scotland, has become the centre of the damask trade, and Forfarshire of the manufacture of yarns and cloth from flax of continental origin. A few of the larger concerns combine all the processes of linen manufacture from raw material to the marketing of the finished product, but the tendency has been for English firms to limit their activities to certain kinds of operations. The best flax comes from Belgium, which, together with Russia, furnishes the bulk of the supplies. The flax merchants deal exclusively in raw material, which they obtain through their connections or organisations from Belgium, Russia, Holland, or even in Ireland itself, as the case may be. Such merchants supply spinners, and, in some instances, assist to finance them.

The best flax grown, as we have said, comes from Belgium, but without the Russian supplies the quantity is so modest that it would be of very little service to the industry. The following table will show the number of spindles and looms at work, which were nearly all of British manufacture, at the outbreak of the War:—

	Spindles	Looms
Ireland	951,942	37,335
England	49,941	4,424
Scotland	160,085	17,185
United Kingdom, total	1,161,968	58,944

It should be borne in mind that in the case of Scotland the spindles are also used for the spinning of jute.

As already stated, the linen manufacture and yarns exported from the United Kingdom in the year before the War amounted to 9½ millions sterling.

	£
Yarns	1,215,700
Thread	350,200
Piece goods	5,166,300
Printed goods	553,000
Sail cloth	249,300
Other manufactured goods	1,929,000
Total	9,463,500

As said above, the best flax comes from Belgium, and commands between £80 and £100 a ton. Irish flax commands between £60 and £70 a ton, and Russian flax about £40 to £50 a ton. These are all, of course, pre-war figures. It would be exceedingly difficult now, even with the issue of the new rouble note in the North of Russia, to say what we are paying for Russian flax. What we are endeavouring to show is the importance of the flax industry, and that we are wholly dependent upon outside sources for supplies. This is eminently unsatisfactory, as recent events show, and moreover no real necessity for it exists. For its proper growth there is no need of great humidity, as the flax grown in the Low Countries goes to show. Two sources of supply within the British Empire itself are available, and these are Ontario, in Canada, and several of the hill States in India. As things are, a small amount of flax is grown in Canada, but only on a very small scale. There can be no reasonable doubt that the flax industry could be developed in Canada, in particular, and in other parts of the British Empire. Of course, the labour difficulty is great, but not insuperable, but in the case of India the growth of flax should offer no serious obstacle to be surmounted.

THE LEATHER TRADE.

The past year has undoubtedly been the most interesting period of any during the war, for many reasons, some of which being the great number of Official Orders introducing or cancelling instructions. The maintenance of production and consumption of leather under all kinds of adverse conditions, and lastly the termination of hostilities on November 11 and the satisfactory progress that has already been made in the return of the industry to normal conditions as the happy result of the armistice. Whilst all staple industries have assuredly passed through very trying times, it is fairly safe to assume that, in view of the fact that the leather trade is so greatly dependent on imports of raw material, this industry has had to face enormous practical difficulties of all kinds. That it has also successfully overcome them, and has, in addition, built up a most excellent record of attainment, is clear testimony to the immense amount of mental and physical energy that both employers and workpeople have spent so loyally in their endeavours.

Raw Materials.

Throughout the past year official control has been in force in connection with market and imported hides, and, on the whole, has worked to advantage. Restriction of import of light, common, dry hides was imposed in February and cancelled at the end of the year. The object of this order was to economise shipping freights which could be used in bringing prime, heavy, South American hides. Further, the prohibition of tanning light, common hides enabled the labour and material thus saved to be employed in the production of leather suitable for Government work. Sheep pelts were the next kind of raw material to be brought under control (March 15) in order to augment the supply of skins suitable for soldiers' jerkins, and were freed on December 13. The "Control" price of pelts, compared with that in force directly the goods were free, affords a good illustration of the monetary value of the former.

Calf skins were officially taken over on June 17 at varying prices, ranging from 17*d.* downwards. Previously the market prices ranged from 30*d.* downwards.

Tanning materials, owing to the import difficulties, proved very scarce, and tremendously high in price, gambier reaching 71*s.* per cwt., which was the official maximum. Extracts, solid and liquid, were more plentiful, as these were largely received from France, but prices were very stiff. This, by the way, is one of the tanner's grievances, that, whilst the price of extracts were uncontrolled, those for their leathers were strictly kept down. A noteworthy fact came into effect on January 1, which was the removal of the prohibition to tan imported light, dry hides. This points to the fact that there is now not such urgent need for the best grade leather, and therefore to the weakening of control over the same. There is no doubt that the unofficial step taken by the American hide trade in removing restrictions on imported raw hides has accelerated the movement on this side on

certain lines. Whilst "control" is decidedly unpleasant, and restrictive on output for ordinary purposes, the feeling is fairly unanimous that its removal would prove the signal for much higher values, and possibly irregular distribution.

The value of our imports of raw hides, skins, &c. for the years ending 1916-17-18—less re-exports—were:—

1916 ... £8,638,971 1917 ... £14,589,435 1918 ... £16,809,108

The substantial increase in receipts of wet-salted hides needed for the production of Government and best grade sole leathers, also the big drop in receipts of dry and dry-salted (which were not suitable for these purposes), is shown in the following figures:—

Wet Salted.

1916 ... £691,073 1917 ... £876 053 1918 ... £1,047,862

Dry and Dry Salted.

1916 ... £419,869 1917 ... £689,049 1918 ... £553,853

Our exports for the same period were:—

1916 ... £1,328,470 1917 ... £1,317,376 1918 ... £1,101,842

With an unprecedentedly heavy world demand for raw material, the great proposition before British leather producers is to ensure themselves that they secure their full share of every description. This note of advice should be regarded rather as one of warning, in view of the fact that our very alert competitors, America, are already at work in all our overseas markets, especially in India and China, securing supplies as much as possible. American representatives are known to be, in both markets, purchasing hides, and goat and sheep skins, whilst Japan is also thoroughly awake to the growing necessities of her leather-producing needs. British interests are at present not so keen and alert in this important direction, but they should lose no time or opportunity, otherwise they may find themselves a bad third.

Leather.

The supply of sole and upper leathers during the first half was not nearly sufficient for the demand from the home and export trade, and tanners were greatly pressed for deliveries. The repairing section experienced considerable inconvenience, and had recourse to the various substitutes that were promptly put upon the market. Fortunately, the Government's supplies of "Service" boots were sufficient to warrant a drop of 50% in production, which permitted the labour and material thus saved to be used in the manufacture of war-time boots. The great need of the civilian boot trade has been light, common sole leather, which was practically unobtainable, owing to the restriction of tanning of that class of hide. But, now that the restrictions are removed, there should soon be an improving supply at its disposal. Chrome tannages were taken more freely during the period of the scarcity of vegetable tanned leathers, but as soon as any of the latter were available the former were neglected. This has proved somewhat disappointing to tanners, who were asked to produce chrome sole leather in order to economise on tanning materials, and now find that they have considerable quantities on hand.

The situation as regards supplies materially improved from July onwards, the raw materials department releasing moderately from time to time. Boot repairers consequently secured better quality stuff and larger deliveries, and were soon able to adopt a more normal course of purchasing. Dressing leathers have been relieved of their main restrictions and may now be used for civilian purposes under certain conditions.

Freight shortage has been a serious deterrent all through the year, and has accounted for the restriction of leather imports to Government needs only. As, however, the shipping problem is fast righting itself we may soon hope to receive consignments of Colonial and American leather for ordinary trade purposes. Already American tanners and exporters are paving the way for an important trade in sole and upper leathers, and in several instances good business has been arranged. In upper leathers glazed kid has proved the most popular line, and, in view of the fact that supplies in the States of good grade stuff are at present on the "short" side, has been readily taken. Seeing the wide call there is for this leather, the encouragement of importation of raw goat and sheep skins from Indian and other leading markets to this country should be made without delay before our American and neutral competitors get in first. Our imports of "leather and manufactures thereof" for the twelve months ending December 1916-17-18—less re-exports—were:—

1916 ... £13,237,455 1917 ... £9,417,237 1918 ... £10,219,604

Our exports for the same period were:—

1916 ... £4,897,503 1917 ... £4,968,007 1918 ... £1,545,714

Given the removal of restrictions on our overseas trade, there is every reason to anticipate important increases in bulk and values of both branches.

East Indian tanned hides (kips) have been produced in record quantities, practically all of which have been shipped to British ports on Government account as usual. The hides have been sorted for Army and war-time upper leathers, and the rejects sold through the public sales. Curriers have been very liberally supplied with this leather, and have been kept busily employed right through the year. Under Government auspices the Indian tanning industry has been greatly extended, and has provided no mean quantity of harness and accoutrement leathers in addition to kips—as above—for upper leathers. Prior to the War the great bulk of this raw material was largely exported to Germany and Austria. The extension and improvement of local tanneries should therefore prove the most practical preventive of this important supply of raw material being shipped to its former destinations.

PLAYER'S
NAVY CUT TOBACCO.

THE MANUFACTURERS REGRET THAT UNDER PRESENT CONDITIONS IT IS IMPOSSIBLE FOR THE OUTPUT TO CORRESPOND WITH THE GREATLY INCREASED DEMAND.

Terms and particulars with regard to this Tobacco at Duty Free Rates when required for gratuitous distribution to wounded Soldiers and Sailors in Hospital may be obtained from

JOHN PLAYER & SONS, Nottingham.

P 734

BRANCH OF THE IMPERIAL TOBACCO CO (OF GREAT BRITAIN & IRELAND), LIMITED

THE CUBAN-AMERICAN SUGAR CO.

ANNUAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1918

New York, December 16, 1918.

To the Stockholders of The Cuban American Sugar Company.

Your Board of Directors submit the following report for the fiscal year ending September 30, 1918 :—

The total output of raw sugar for the year was 275,960 tons (of 2,000 lb.), as compared with 298,208 tons for the year ending September 30, 1917. The sucrose in the cane and the yield of sugar from a ton of cane were approximately the same as last year, but there was a sharp decline in the yield of cane at some of our smaller estates, with the result that the tonnage of cane ground and the quantity of sugar produced were 7½% less than in the previous crop.

The following table presents a comparison of the tons of cane ground and the year's output of raw and refined sugar for the past two years :—

	1917-18.	1916-17.
Cane Ground	2,734,617 Tons	2,925,491 Tons
Raw Sugar Produced	(Bags 320 lb.)	(Bags 320 lb.)
Chaparra	541,774 Bags	612,055 Bags
Delicias	624,975 ,,	552,158 ,,
Tinguaro	264,585 ,,	267,346 ,,
United	63,720 ,,	108,607 ,,
Mercedita	110,707 ,,	153,282 ,,
Constancia	138,989 ,,	169,074 ,,
Total	1,724,750 Bags or 275,960 Tons	1,863,802 Bags or 298,208 Tons
Refined Sugar Produced		
Cardenas Refinery, Cuba	50,277,888 lb.	50,612,907 lb.
Gramercy Refinery, La	151,025,592 lb.	145,321,142 lb.

The net profit of the Company for the fiscal year amounted to $4,227,202.45, after deducting $3,500,000 an estimated amount toward such war profit, war and income taxes as may be finally determined; $715,229.47 has been set aside as a special reserve to meet the difference between the necessary cost of the past year's additions to the buildings, machinery and equipment as compared with the cost of similar capital outlays during the pre-War period. The usual provision has been made for depreciation, for doubtful accounts and for the year's proportion of the cost of cane plantings.

During the fiscal year the rehabilitation of the Cardenas refinery was practically completed, raising it to a daily capacity of 1,000 barrels of refined sugar.

In your Western Estates no further extensions of importance are contemplated, but on the Eastern Estates at Chaparra, where 65% of your business is concentrated, our agricultural plans are being projected on a comprehensive scale for the campaign of 1920.

There has been expended approximately $550,000 on the acquisition of additional cane lands in Cuba, including about 50,000 acres of virgin lands in the Tanamo Bay section of Oriente Province. The total acreage now owned in fee simple or leased by your Company is as follows :—

	Acres	In Cane	Per Cent.
Owned	504,391	157,000	·31
Leased	16,713	7,825	·47
	521,104	164,825	·32

The regular quarterly dividends of 1¾% were paid on the Preferred stock and quarterly dividends of 2½% were paid on the Common stock.

In January of this year the Company refunded $6,000,000 of its outstanding 6% Collateral Trust Gold bonds by the issue of $6,000,000 6% Serial Gold Notes, in three series of the aggregate principal amount of $2,000,000 each, known as Series A, which will mature January 1, 1919; Series B, which will mature January 1, 1920, and Series C, which will mature January 1, 1921, respectively.

The outstanding Collateral Trust Gold bonds not exchanged for this new issue of Serial Gold Notes and amounting to $2,211,000 were paid on or before maturity April 1, 1918.

The First Lien 6% Serial Gold Notes (Series A), maturing January 1, 1919, together with coupons thereon, will be paid by the National City Bank of New York, when presented, on or after January 2, 1919.

The immediate outlook for the season on which we are entering is for a further increase in the cost of production, due to the high wages of agricultural labour in Cuba, but, on the other hand, the entire crop has been sold at a price higher than that of last year. There is every indication of an output larger than in any previous season and the net result of the coming year's work should prove satisfactory.

Respectfully submitted by order of the board.

R. B. HAWLEY, *President.*

CERTIFICATE OF ACCOUNTANTS

To the President and Directors of The Cuban-American Sugar Company :

We have examined the books and accounts of The Cuban-American Sugar Company and its subsidiary companies for the year ended September 30, 1918, and hereby certify that the annexed Consolidated Balance Sheet has been correctly prepared therefrom and, in our opinion, sets forth the true financial position of the companies as at that date, and that the relative Profit and Loss Account correctly shows the results of the operations for the period.

The stock of raw sugar on hand has been valued at the selling price fixed by the Sugar Commission, after deduction therefrom of all estimated shipping and selling expenses. There remain in Cuba 5,998 bags still undelivered but contracted for. Refined sugars have been valued at market or cost, whichever was lower.

LOVEJOY, MATHER, HOUGH AND STACY,
Public Accountants and Auditors.

55 Liberty Street, New York City, December 16, 1918.

THE CUBAN-AMERICAN SUGAR COMPANY AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET, September 30 1918.

ASSETS.			
Capital Assets :			
Lands	$9,387,372 55		
Buildings, Machinery, Railroad Tracks, Rolling Stock, etc.	20,605,754 99		
			$29,993,127 54
Good-will			3,923,340 28
Work Animals, Live Stock and Equipment			1,288,108 57
Current Assets and Growing Cane :			
Planted and Growing Cane	$2,592,223 27		
Advances to Colonos and Contractors (after deducting Reserve for Bad and Doubtful Accounts)	3,334,173 57		
Raw Materials, Supplies and Merchandise in Stores	1,501,685 90		
Raw and Refined Sugar	2,327,850 74		
Accounts and Bills Receivable (after deducting Reserve for Bad and Doubtful Accounts)	1,530,860 86		
Liberty Loan Bonds	2,300,000 00		
Cash in Banks, with Fiscal Agents and on hand	1,606,365 62		
			18,192,163 05
Deferred Charges to Operations :			
Advances in connection with Contracts for Future Delivery of Supplies	$379,100 00		
Discount on Serial Gold Notes	162,500 00		
Prepaid Insurance, Taxes, etc.	176,194 13		
			718,094 13
			$54,120,833 57
LIABILITIES.			
Capital Stock :			
Common (Authorised $10,000,000), 99,995 shares of £100 each	$9,999,500 00		
Seven Per Cent Cumulative Preferred Stock (Authorised $10,000,000), 78,938 shares of $100 each	7,893,800 00		
			$17,893,300 00
First Lien 6% Serial Gold Notes Outstanding : (Due : $2,000,000 on January 1 1919, $2,000,000 on January 1 1920, and $2,000,000 on January 1 1921			6,000,000 00
Real Estate Mortgages and Censos			462,192 76
Current Liabilities :			
Bills Payable	$1,052,356 94		
Bankers' Loans	858,035 99		
Accounts Payable	1,722,632 99		
Salaries and Wages Accrued	73,211 58		
Interest Accrued	109,451 49		
			3,815,686 79
Reserve for such Income and War Excess Profits Taxes as may be finally determined			3,743,201 72
Reserve for Depreciation :			
General Reserve	$4,663,054 36		
Reserve to reduce Capital Expenditure during the year to approximate Pre-War Cost	715,229 47		
			5,378,283 83
Surplus, per annexed statement			16,828,168 47
			$54,120,833 57

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the Year Ended September 30 1918.

Raw and Refined Sugars Produced, Commissions, etc.	$38,251,539 39	
Molasses Produced	651,352 94	
Interest Received	234,958 62	
Profit on Stores, Cattle, etc.	952,465 24	
		$40,089,316 19
Less : Expenses of Producing, Manufacturing, Selling, etc., of Raw and Refined Sugars		29,840,042 88
		$10,249,273 31
Deduct : Reserve for such Income and War Excess Profits Taxes as may be finally determined	$3,500,000 00	
Provision for Depreciation	1,016,794 15	
Discount on Serial Gold Notes	137,500 00	
Interest on Serial Gold Notes	256,443 00	
Interest on Bonds due and paid on April 1 1918	197,694 53	
Interest on Bills Payable, Current Accts., etc.	105,009 38	
Reserve to reduce Capital Expenditures during the year to approximate Pre-War Cost	715,229 47	
		6,022,670 86
Net Profit for the Year		$4,227,202 45

CONSOLIDATED SURPLUS ACCOUNT for the Year Ended September 30 1918.

Balance, October 1 1917		$13,809,610 10
Add : Collateral Trust Bonds cancelled through the Sinking Fund	$440,000 00	
Profit for the year ended September 30 1918, per annexed Account	4,227,202 45	
		4,667,202 45
		$18,476,812 55
Deduct : Dividends on 7% Preferred Stock :		
Paid Jan. 2 1918 for 3 months to Jan. 1 1918 1¾%	$138,141 50	
Paid April 1 1918 for 3 months to April 1 1918 – 1¾%	138,141 50	
Paid July 1 1918 for 3 months to July 1 1918 – 1¾%	138,141 50	
Paid Sept. 30 1918 for 3 months to Oct. 1 1918—1¾%	138,141 50	
	$552,566 00	
Dividends on Common Stock :		
Paid Jan. 2 1918 for 3 months to Jan. 1 1918 2½%	$249,987 50	
Paid April 1 1918 for 3 months to April 1 1918 2½%	249,987 50	
Paid July 1 1918 for 3 months to July 1 1918 2½%	249,987 50	
Paid Sept. 30 1918 for 3 months to Oct. 1 1918 2½%	249,987 50	
	999,950 00	
Sinking Fund Provisions for the cancellation of Collateral Trust Bonds	96,128 08	
		1,648,644 08
Surplus at September 30 1918		$16,828,168 47

MEETINGS
OF PUBLIC COMPANIES.

NATIONAL BANK OF INDIA, LIMITED.

An extraordinary general meeting of the National Bank of India, Ltd., was held on January 21 at the Wesleyan Centenary Hall, Bishopsgate, E.C., to consider resolutions authorising an increase in the capital of the Company to £4,000,000. Mr. Robert Campbell (the Chairman) presided.

The General Manager (Mr. H. Chalmers) having read the notice convening the meeting,

The Chairman said: Ladies and Gentlemen, We have called you together to-day for a special purpose—a purpose of which I hope you will all approve—the object being to strengthen the Bank's position by an increase of capital in view of the great expansion of business which is confidently expected as soon as peace has been finally assured. In addition to this very excellent motive for enlarging our capital we have another good reason of our own, namely, the rapid and important growth of our business during recent years. It was in 1911 that we increased our paid-up capital to £1,000,000, the amount at which it now stands, but while our capital still remains at that figure it will interest you to compare some of the other principal items of our balance sheet as at 1911 and at the present time. At June 30, 1911, our deposits amounted to £13,031,000, which we then considered a very respectable total, while at June 30, 1918, the date of our last balance sheet, they totalled £25,719,000, or more than double. Bills of exchange and advances aggregated £11,180,000 in 1911 and £22,990,000 in 1918, or again more than double; our investments were £1,006,000 as compared with £2,440,000; and the totals of our balance sheets were £16,243,000 against £31,714,000. These are remarkable figures, and they fully justify the call for an increase of our capital in order to bring it more into harmony with our increased liabilities, and to add to the security we offer to our depositors and the public. If we add the other consideration I have mentioned, the need to provide for larger trade requirements, I am sure you will agree that the step we are now taking is abundantly justified and is a step in the right direction.

The New Capital Issue.

Our present authorised capital is £2,000,000, fully subscribed, namely 80,000 shares of £25 each, on which £12 10*s.* per share has been called up. In applying to the Treasury for permission to increase the capital we thought it advisable to ask for power to create a further 80,000 shares of £25 each, although we only propose to issue half, or 40,000 of these new shares, on which £12 10*s.* per share will be called up, raising the subscribed capital to £3,000,000 and the paid-up capital to £1,500,000. We considered it advisable to have something in hand in case of possible future developments, and, as we have already informed you, the Treasury have signified their assent to our proposals. The terms on which we propose to offer these 40,000 new shares to existing shareholders are set forth in our circular of January 2, namely, £12 10*s.* per share to be called up, the same as in the case of our present shares, together with a premium of £7 10*s.* per share, making £20 in all, thus making an addition of £500,000 to the paid-up capital and £300,000 to the reserve fund. These terms amount to a very handsome bonus to the shareholders, and it may be asked, Why not have charged £25 per share and thereby added £500,000 to the reserve fund, still leaving a large bonus to shareholders? On this point I can assure you that the directors are fully alive to the importance of building up a strong reserve fund, and I think I may say that the only reason why another £5 per share was not added to the price for the benefit of the reserve fund is that we are fortunately able to accomplish the same thing in another way. As you will have seen from our half-yearly report to June 30 last, after providing for the interim dividend we carried forward £217,000 of undivided profits. The cabled advices we have received from our branches of the results for the past half-year are such as to assure us that when the accounts are made up to December 31, after providing for dividend and other usual appropriations, this carry-forward will be largely added to. We propose then to transfer £200,000 of the amount to the reserve fund, making a total addition to the fund of £500,000, as well as £500,000 to the capital. We have the money in hand and could make the transfer now if it were considered advisable, but we think it better to do so as at December 31, when we expect after the transfer to still carry forward a very substantial balance.

When all this has been carried through the result will be authorised capital, £4,000,000; subscribed capital, £3,000,000; paid up, £1,500,000; reserve fund, £1,850,000. Taking it altogether I think this represents a very strong and healthy position.

As our annual general meeting will in the usual course be held in about a couple of months' time, I shall not detain you with any remarks in anticipation of what may fall to be said on that occasion. I shall only repeat what I have already indicated—that when that time comes we hope to have the pleasure of placing before you a very satisfactory balance sheet.

I now move the first resolution, which I shall ask Mr. Williamson to second, and before it is put to the meeting there will be an opportunity for questions or remarks.

The first resolution is, "That the capital of the National Bank of India, Ltd., be increased to £4,000,000 by the creation of 80,000 new shares of £25 each."

Mr. Robert Williamson (the Deputy-Chairman) seconded the resolution, which was carried unanimously.

The Chairman: The second resolution which I also beg to propose is, "That 40,000 of such shares be now offered to the existing members rateably in proportion to their respective holdings at a premium of £7 10*s.* per share, on the terms that the said premium and the sum of £2 10*s.* per share be made payable on application, and the further sum of £10 per share on May 31, 1919, and that interest be paid on such payments as and from the dates thereof to June 30, 1919, at the rate of 5% per annum, and that such shares shall participate *pari passu* with the existing shares in the final (but not the interim) dividend to be declared in respect of the Bank's operations for the 12 months ending December 31, 1919, and that the directors be and they are hereby authorised to make such arrangements with respect to fractions, to enable the shareholders to renounce their rights in favour of other persons, for extending the time for application, and otherwise in regard to the offer and issue of the said shares, as they shall deem expedient."

Mr. Williamson also seconded this resolution, and it was unanimously adopted.

The Chairman: That, ladies and gentlemen, is the business of the meeting, and I have to thank you for attending. I may mention, now that these resolutions have been passed, that we have applied to the Stock Exchange for permission to allow dealings in the new shares, and that, subject to these resolutions being passed, our application has been granted, so that the dealings in the shares may now take place, with the exception of shares in the hands of foreign shareholders, which the Treasury have at present barred.

Sir Arthur Sloggett, K.C.B.: I beg to propose a vote of thanks to the Chairman.

Mr. J. R. Hatherly: I have much pleasure in seconding that vote of thanks. I think we owe a very great debt of gratitude to our Chairman and our directors, and also to the staff, for the magnificent manner in which they have carried out their work and brought this Bank to such a high state of prosperity.

The vote was unanimously accorded.

The Chairman: I beg to thank you for the vote you have just passed.

The proceedings then terminated.

PROVINCIAL BANK OF IRELAND, LIMITED.

The ninety-fourth annual general meeting of this Bank was held on January 22 at the head office, 8 Throgmorton Avenue, E.C., the Hon. Sir William H. Goschen, K.B.E., presiding.

The Secretary (Mr. Hume Robertson) having read the notice convening the meeting,

The Chairman said: My first pleasure must be to express our gratification at the improved circumstances and the brighter outlook in which we meet on this occasion, as compared with the position when our meeting was held here twelve months ago. I would express the hope that the peace negotiations now in progress may be successfully continued till we reach the basis of a permanent peace with results proportionate to the sacrifices of Great Britain and our Allies. The difficulties through which we have passed victoriously may now be succeeded by others no less urgent and important, but we are glad to believe that not only has the general business of the Bank been expanded in recent years, and all sections of it kept in a sound and healthy condition, but our increased resources leave us still better prepared to meet the larger demands for accommodation which we have reason to hope may follow upon the development of enterprise in many parts of Ireland. With these efforts to promote co-operation and industrial activity we are heartily in sympathy, and we will do what we can to encourage and assist them upon legitimate lines.

The Accounts

On a comparison of the present balance-sheet with that of a year ago, you will see that our reserve, with the addition of £15,000 now made, is higher by £40,000, and our notes in circulation have risen by £547,000, having

reached a total of just over 2¼ millions sterling. Our deposits show improvement by £2,757,742, an increase of £1,500,000 having taken place since last June, following upon the continued prosperity in agriculture and in many industries in Ireland. Although the heavy rains of the late autumn seriously interfered with harvesting work, the net result of the harvest, and the prices obtained generally for cattle and produce, have greatly benefited farmers, and they are fortunately able to record another satisfactory year. Looking to our increased obligations to the public, we have, for the time, strengthened our cash resources by about £1,000,000: and our investments, following the course of the larger funds at our disposal, show a large increase on the year of about £3,260,000, these operations giving us a proportion of about 62% of liquid assets immediately available against our liabilities. The item of bills discounted and advances to customers is lower by about one million, as compared with December 1917, but at that date we had recorded an increase of £1,900,000. The total is now £6,121,281, but, as I have already mentioned, we may, I think, expect that new conditions and new activities, both industrial and agricultural, may in the near future, if conditions are encouraging, lead to demands for banking credits to promote developments. The sum of £2,000 written off Bank premises, as shown in the report, makes a total of £10,000 thus applied in the last twelve months. The various new offices which we have opened in recent times have, of course, necessitated large outlays for premises, and our prospective expenditure upon these buildings must still be considerable. The gross profit, as compared with the figures at December 1917, shows an increase of about £5,000, but the net profits are lower by about £1,500, following upon a general increase in the expenses of management, in addition to which you will see that a further bonus has been paid to the Bank's officers, making the total so distributed in 1918 of £24,400 5s. 9d. From the observations made by the proprietors at these meetings from time to time we have felt assured that these payments of bonus to assist our loyal and efficient staff to meet the exceptional and pressing difficulties of the time would have your full and cordial approval. We may hope that as time goes by we may reach a return to more normal conditions in regard to the expenses of living, but while the dearness of necessaries continues our object must be to give our staff the full assistance and encouragement that may be requisite. At the same time, I think it may be well to invite your attention to the fact that the effect upon profits must be obvious, and the balance available must be seriously affected by these bonus payments, as we cannot in these days of increased working expenses expect that the profit and loss account can respond fully to the additional payments which salaries and bonuses must entail in the future. Happily for the time being no necessity arises for any provision against depreciation of securities.

The position in the linen trade shows no particular change since we referred in July last to the prevailing conditions. With the termination of Government contracts, production for the civil trade will no doubt duly follow; but during the period of transition it may be necessary for mills and factories to go on shorter time. The estimated area in Ireland under flax last year was 141,500 acres, and, though yield and quality were below average, the guaranteed prices probably saved growers from loss.

The Staff.

We look forward to the early return of many members of the staff on their release from His Majesty's Forces, and we have learned with regret since our meeting last summer that a still further number of those who left us have died in the service of their country. We desire to renew the expression of our sympathy and condolence with the relatives of those who have fallen.

You will see from the report that we have lost the services of Mr. Richard Mashiter, who had been a member of this board for many years. You will be asked later on to confirm the election of Mr. H. S. H. Guinness to a seat on the board—a position to which we have had much pleasure in welcoming him. I do not think I need remark further upon the business or on our position generally. We believe the prospect in many directions for Irish industries and farming operations to be very promising, and we must hope that nothing will occur to interrupt the successful record of recent years, not only of the Bank, but also, as we believe, of its supporters. I have to move that the report and statement of accounts be adopted, and I will be happy to answer any inquiries any shareholder may desire to make.

Mr. William T. Brand seconded the motion, remarking that he was sure the shareholders would agree that the report was most satisfactory.

The motion was carried unanimously.

The Chairman next proposed the confirmation of the election of Mr. Henry S. H. Guinness as a director.

This was seconded by Mr. Walter S. M. Burns and unanimously agreed to.

The Chairman further moved the re-election of the retiring directors, Mr. William T. Brand and Mr. Robert Ashhurst Gradwell.

Mr. Burns also seconded this resolution, and it was unanimously adopted.

Mr. John Gilmer proposed that the auditors (Mr. Ernest Cooper and Sir Robert Gardner) be reappointed. He said that the shareholders had perfect confidence in the business capacity, truthfulness, and integrity of those gentlemen.

The motion, which was seconded by Mr. A. J. Waley, was carried unanimously.

Mr. Waley said he thought the shareholders would not like to separate without passing a vote of thanks to the Chairman and his co-directors for the excellent report they had been able to present. If he might be allowed to do so, he wished to include the members of the staff in the vote. He was quite sure that all the shareholders would agree with the Chairman in the remarks he had made as to the generous treatment of the staff in the matter of War bonuses, because it was most desirable that those who worked so loyally for the Bank should be relieved of all anxiety in the trying times through which we were passing.

The vote was seconded by Mr. Sebag Montefiore, and unanimously accorded.

The Chairman, in returning thanks on behalf of his colleagues and himself, said that they all felt that in these times business did not become easier from any point of view. The anxieties of everybody connected with any form of business were not likely to be decreased; but, to help through with the business of the Bank and to carry out all the details, they had a very loyal and devoted staff. The directors felt a deep sense of gratitude towards Mr. Christie in Ireland, as well as to the Secretary in London (Mr. Robertson) and all the managers and members of the staff. While so many of the staff had been away those who had remained had worked extremely hard and with every loyalty towards the Bank.

The Secretary said that on behalf of Mr. Christie, the staff, and himself, he desired to acknowledge the kind words of the Chairman and the vote of thanks which had been so cordially passed. He might add that they were particularly grateful for the generous bonuses which had been distributed, having regard to the pressing circumstances of the times.

The proceedings then terminated.

NATIONAL DISCOUNT COMPANY, LIMITED.

THE ordinary annual general meeting of this Company was held on January 22 at the Cannon Street Hotel.

Sir Sigismund F. Mendl, K.B.E., who presided, said we had won the War, and it was now our business to win the Peace. The transition from war to peace and the reconstruction of industry on a peace basis was a difficult and complicated matter, but it was not impossible of achievement. It had to be achieved before the normal development of civilisation could be resumed.

Bureaucratic Interference in Trade.

The most important thing for the restoration of industrial activity and for the repair of the financial and other ravages of the War was to maintain the utmost efficiency and economy in production, and also to secure the greatest harmony and co-operation between capital and labour and between employers and employed. In his opinion, one of the most important things for the restoration of our normal life upon a healthy basis was to set free British trade from Government control with the utmost possible despatch. During the War Government control was inevitable and was acquiesced in gladly. Possibly for some little time yet some sort of control would be required, but he was firmly convinced that the trade of Britain and of the British Empire, based as it was upon self-reliance and individual effort, must be set free from the shackles, the swaddling-clothes, and the blinkers of bureaucratic interference. With a fair field and no favour he believed we could hold our own under all conditions. During the period of the War the banks and financial houses readily assented to any course that the Government judged desirable. To promote the sale of National War Bonds the rate of interest on deposits was automatically reduced to the customers of those institutions. Measures of that kind, however, ought not to continue under normal conditions; they should be left free to pay interest at economic rates and to discount bills of the trading community at a fair and reasonable margin of profit. The

Spinet
The SUPER
CIGARETTE.
1/4 for 20
Also in boxes of 50 and 100
Spinet MIXTURE for the pipe 1/11 per 2 oz.

new issue of War Bonds had been made on similar terms to the old ones (except as to conversion rights), which some people thought were unnecessarily liberal to the public, and therefore unnecessarily onerous to the taxpayer. One of the greatest assets of this country was that it should be the cheapest money market in the world. The way in which this could be effected was not by artificially restricting the flow of capital nor by artificially limiting the rates of interest or of discount, and he ventured to think that the new issue of War Bonds did not help towards the re-establishment of this market as the cheapest money market in the world.

The Indemnity Question.

In connection with the reconstruction there was a very natural and justifiable expectation that the enemy should indemnify us as far as possible for the outlay caused by his aggression. Whatever might be the amount of that indemnity or the method in which we should receive it, one thing, he was afraid, was certain, and that was that it would not relieve this generation from the obligation to bear a very considerable burden. It was wise to remember the warning of the Prime Minister that the indemnity must be limited to the point where no unfair competition to British industry came in. That was a very large and very difficult limitation. Clearly, if we had to choose between a vast sum involving permission to the enemy to trade here in the way in which he was trading before the War, or, on the other hand, a smaller sum not involving such permission, the interest of this country in the long run was to choose the smaller sum. The pre-War trade of Germany was largely an unhealthy trade, and there would be something sinister and unnatural in the full resumption of pre-War commerce with a nation whose conduct only entitled them to be treated as outcasts and pariahs. But we could not have it both ways, and if we thought we ought to refuse to resume normal trade in the pre-War way we had to look to the alternative, which was to work very hard and exercise the strictest economy in order to meet the obligations which the War had put upon us. Even if it were possible—which it was clearly not—to insist upon the introduction of forced labour into Germany in order to pay a huge indemnity, such a course might have a disastrous reaction upon our own commercial and industrial interests.

The strictly financial history of 1918 was dominated by the artificial restrictions to which he had already referred. The Bank rate remained constant at 5%, the average deposit rate was £3 1*s.* 2*d.* at call and £3 3*s.* 4*d.* on notice, while the average discount rate for three months' fine trade bills was £3 11*s.* 7*d.*, giving a fair margin between the rate of money and the rate of discount, though not as large as in 1917. The general business of the Company had been on a smaller scale than in the year 1917, and therefore the gross profits were smaller, but the increase in the reserve of £50,000, replacing all but £5,000 of the sum they were obliged to take from it two years ago to meet depreciation on securities, the increase of the carry-over and the increase in the dividend indicated that the net profits of the National Discount and the prosperity of its business were not on the decline.

The report and accounts were unanimously adopted.

DE BEERS CONSOLIDATED MINES, LIMITED (KIMBERLEY).

STABILITY OF THE DIAMOND MARKET.

The thirtieth annual general meeting of shareholders of De Beers Consolidated Mines, Limited, was held at the offices of the Company in Stockdale Street, Kimberley, on December 13 last.

Colonel Sir David Harris, K.C.M.G., V.D., M.L.A., who presided, said: At the last annual meeting the Chairman referred in sympathetic and touching terms to the deaths of four directors of this Company, and the loss thus sustained by the removal of gentlemen who had been long and honourably associated with us in the conduct of its affairs. To-day it is my sad duty to mention yet another great loss in the death of Mr. Francis Oats, who was a director of this Company for 28 years, and occupied the responsible position of Chairman since 1908. Mr. Oats was a self-made man, who overcame the disadvantages he laboured under in early life, and by dint of hard study, indomitable persistency, and determination laid the foundation of the distinguished and remarkable career which came to an honourable close in his 70th year. His devotion to the interests of this Company was unbounded, and his solicitude for the welfare of its employees was uppermost in his thoughts. His whole soul was wrapped up in De Beers Company, and his activities on its behalf knew no limitation, though even then he found time to take up an active interest in the affairs of South Africa generally, and to render valuable services in many ways. On behalf of the board, I express our deep regret at the loss of a capable and indefatigable colleague. (Hear, hear.)

The Balance Sheet.

In dealing with the finances of the Company, I will firstly direct your attention to the debit side of the balance sheet. The items capital account and liability in respect of Debentures remain the same as the previous year. Last year our general and Debenture redemption fund stood at £2,122,968, which has been increased to £2,208,992 by the addition of £86,034. From this big figure must be deducted £104,362, the cost of increasing our blue ground stocks from 8,291,722 loads to 9,077,267 loads, which leaves a balance of £2,104,630. Against this amount we have £1,500,000 invested in British War Loan, £250,000 in British National War Bonds, £100,000 in French National Loan, £25,000 in French Treasury bills, and the balance in British Treasury bills. I may mention that our total holding in loans raised for carrying on the War is £3,203,000. (Cheers.) I feel confident that our shareholders will approve of the action of the board in subscribing such large sums to assist in maintaining the integrity of the Empire, and in all probability the security of our own property—(cheers)—for which the enemy would have shown scant regard if he had been the victor in this great conflict. (Hear, hear.) The value of blue ground stocks has since last year increased by £104,362, and now stands at £1,295,433.

Reserve for Stabiliment of the Diamond Trade.

A sum of £1,576,526 has been set aside as a reserve for the stabiliment of the diamond trade. This figure represents amounts which have been used from time to time for the purchase of shares in other diamond mining companies and kindred interests with the object of consolidating the diamond industry, and to prevent diamonds being put on the market in excess of the demand. The greater part of this amount appeared in our balance sheet last year under the heading "Amount transferred from appropriation account." The balance has been taken from this year's profits.

On the assets side of the balance sheet, £2,626,526 is shown as "invested in other diamond companies and kindred interests." The £1,576,526 which I have already mentioned is included in this, leaving a balance of £1,050,000, which appears as a liability in the balance sheet. As this £1,050,000 is reduced, so the reserve will increase, and when the liability is wiped out the reserve on the liability side and the investment figure on the assets side will equal each other.

Our reserves have reached a fairly substantial figure, but are not in excess of the amount that may be required in an emergency to meet our obligations and responsibilities. When war was declared between England and Germany on August 4, 1914, there was a financial deadlock in London. I can speak of this with some authority, as I happened to be in England at the time. Bank of England notes could not be exchanged for gold, credit was at a standstill, and it was quite out of the question for a mining company to borrow large sums of money. The state of affairs was so serious that we felt compelled to close our mines, but at the same time we rendered every assistance to our employees. The decision of the board to stop work was fully justified, because we did not sell a solitary diamond for eleven months after hostilities commenced. The recent influenza epidemic is a painful object-lesson of the great risks attending our operations, as the bulk of the natives working for the Company insisted on leaving for their homes; consequently our mines have been shut down since October 4, though in spite of this we have not dismissed any of our white employees. (Cheers.) Realising the necessity for having an adequate reserve, we have succeeded in setting aside an amount which should be sufficient to keep our mines working during an emergency, as we are most anxious to keep our people employed, and not to cease work, as we were forced to do at the commencement of the War. (Hear, hear.)

Regulation of Sales.

The policy of regulating the sale of diamonds to the demand has benefited the small concerns, and also the alluvial diggers, who continually produce as much as possible, and reap the advantage of the control by securing greatly enhanced prices for their finds.

The Company's cash reserve at June 30, 1918, amounted to £2,104,000—a very big sum, but not too large to enable the Company to tide over any temporary lull in the demand and to ensure the withholding of diamonds that the world for a time would not be prepared to purchase. To maintain prices it is imperative that we should have adequate resources, so that the mines may continue working without being compelled to force sales on an unwilling market, which would inevitably result in a fall in prices, and in shaking the confidence of the trade which it has taken many years to establish, and which relies on the big producers to protect its interests. (Cheers.) The power to maintain prices by regulating the supply to the demand is no longer a theory, but an established fact, which years of actual experience have positively demonstrated. Last year £4,979,436 stood to the credit of property account. This has been reduced by £71,331 by deducting £70,117 from the previous year's figure of suspense liability, and £3 700 sale of sundry machinery, and adding £7,486 for farms purchased.

Investments.

In last year's balance sheet investments in stocks and shares figured at £5,121,385, of which £[illegible] representing investments in other diamond companies, has been transferred to our investments under that heading. Through the drawing of Debentures, &c., we realised £37,884, leaving a balance of £698,723 in this year's accounts. The figure of £2,626,526 16*s.* 6*d.*, under the heading investments in other

diamond mining companies and kindred interests, is made up of the aforementioned £2,385,278 and the outright purchases during the year, the latter amounting to £241,249, as per the appropriation account. This year timber, fuel, and other mining stores appear in the statement of accounts at £510,830. Last year the amount was £412,839, showing an increase of £97,991. This difference represents the enhanced value of the stores at to-day's prices rather than an increase in quantity.

Profit and Loss Account.

We have spent £67,000 more this year than during last year in productive mining expenditure, and for this additional sum we treated approximately 430,000 more loads. The cost of production is fully set forth in the General Manager's report. On non-productive expenditure we spent last year £139,099, against £82,330 during the present year, a reduction of £56,769. This difference is due to the fact that, whereas during last year hauling operations at Dutoitspan Mine were only carried on for two months, hauling operations at that mine continued throughout the year under review.

There is a decrease of £10,000 in charges account. The amount paid in interest on capital of leased companies and Debentures, and set aside in the sinking fund providing for repayment of Debentures, is practically the same as last year. In regard to the item "Expenditure consequent on the War," I may state for your information that the war bonus has been increased, and the amount paid to employees on active service has also increased. Up to the end of June last the total expenditure owing to the War, in the shape of half-pay to employees on active service, war bonus, and donations to various funds, amounted to £451,955. (Cheers.)

Diamond Sales.

In our financial year ended June 30, 1917, the sales of diamonds amounted to £4,606,750, against £4,030,723 for the following twelve months, a decrease of £576,027. In consequence of this falling-off in sales, our stocks this year have been increased by £269,554, as against last year's increase of £23,021, which represents an additional credit in the diamond account in respect of stocks of £246,533. The figure shown in our diamond account this year is therefore £329,494 less than last year. The Company's participation in South-West Africa diamonds yielded £27,371, making a total difference of £302,123, being the net difference between this and last year's figure in the diamond account. The actual increase in interest and dividends on investments was £70,453, the figure this year being £308,699, against £238,246 last year. The actual fall in value of our reserves and special investments for the year ended June 30, 1917, was £21,064; this year it is £12,666—that is to say, we lost £8,398 less than last year by following our usual practice of taking in our securities at current market value. This account shows a yield of £296,033, as against £217,182 last year, an improvement of £78,851.

Appropriation Account.

Although the shortfall in the diamond account was £302,000 compared with the previous year, our balance carried to appropriation account is only £200,000 less than last year's figure, owing to the difference in other items of revenue and expenditure. The £2,771,000 carried forward in this year's account has been dealt with as follows:—Income tax, £267,000; investments for stabiliment of the diamond trade, £441,000; dividends, £1,990,000; increased suspense profit account, £31,000; and undistributed profits carried forward, £42,000.

Taxation.

During the year under review we will have to pay the Union Treasury in normal and dividend taxes £267,500, which, together with £201,500 for diamond export duty, makes a total of £469,000. Deduct from this figure £60,000 dividend tax due on Preference shares, and it leaves a balance of £409,000 contributed by Deferred shareholders, or equal to about 8*s.* per share. For the twelve months the Company declared 25*s.* per share, and it will therefore be seen that the Deferred shareholders contributed in taxation 33% on the dividends declared during the year.

Legislatures, like other bodies and individuals, when seeking to impose additional taxation, or to make increased demands upon the mining industry, invariably base their claims on the profits made as disclosed in the annual published accounts, and strengthen their arguments by selecting the most prosperous year in which the maximum profit was made, ignoring entirely the lean years when no return was received by the shareholders. This, you will agree, is most unreasonable and unfair. (Hear, hear.) They do not consider for one moment the great risks connected with mining, and the precarious position of an industry producing a commodity of pure luxury, subject to the world's conditions politically, commercially and financially. Instead of averaging the return to shareholders over a period of years, they select the very best year, and on this they establish their contentions, which are consequently one-sided, as the following facts will emphasise: Since 1907, covering a period of 11 years, owing to the American financial crisis, and latterly the terrible War now happily ended, this Company paid dividends for seven years only, and for four years the Ordinary shareholders received no return whatever on their holdings. I feel constrained, in fairness to our shareholders, to mention these matters, as it would appear that they are purposely avoided by many occupying responsible public positions. (Hear, hear.)

The Diamond Market.

During the year under review the diamond market was firm, and prices have advanced. The total number of carats produced by the three largest concerns—De Beers, Premier, and Jagersfontein Companies—did not total in the aggregate the average annual quantity put on the market by these companies during the three years preceding the War, for the reason that the world was not prepared to purchase the quantity exported in normal times. I may say it is a source of great satisfaction, if not surprise, that the market absorbed the large amount it did, considering the devastation of Belgium and Northern France, the condition of Russia and other States, and the demoralisation of the cutting and polishing industry in Antwerp, which was the seat of an enormous diamond trade, and which centre will, I feel confident, in the near future, resume its great industrial activities.

America, as usual, has been our best customer, and we are not only grateful to this great Republic for putting the finishing touches to the ghastly War, but for her continued large purchases of gems, the production of which provides employment for many thousands of human beings, and gives an impetus to an industry of great importance to the Union of South Africa. (Hear, hear.) The stability of the diamond market is attributable to one circumstance, and to one circumstance only—namely, the policy of regulating sales to the demand, and to this fact we owe the present gratifying condition and position of the industry and the confidence established throughout the whole trade. (Hear, hear.)

Explosives.

The Cape Explosives Works, as you are aware, are exclusively owned by De Beers, and they have continued in operation without intermission during the whole period of the War. Despite the great difficulty experienced in obtaining raw materials, the requirements of the gold and diamond mines of South Africa and Rhodesia, and of the mines in Australia, have been fully met, which reflects great credit on the management of the Explosives Factory. The bulk of the raw materials used in the manufacture of our explosives consists of nitre, sulphur, and glycerine. The price of the last-named commodity has risen from £60 to £120, sulphur from £6 to £15 per ton, and nitre from £11 to £22 per ton since the War began. But our present selling price of the manufactured explosives has only risen about 15½% owing to our having laid in large stocks of these essential ingredients at low rates. This necessitated a large outlay of cash, but subsequent events have fully justified that step. It is a source of great satisfaction that we were able to supply our clients with explosives at such reasonable rates. Although the profits of the factory were not increased, consumers have received the full benefit of our large purchases of raw materials before the big rise in prices took place. (Cheers.)

War Casualties.

The terrible War that raged in the greater part of Europe, Africa, and Asia for four and a quarter years has ended in a glorious victory for the Allies. (Cheers.) Right and justice have triumphed over ambition, frightfulness, and arrogance. The British Empire's sacrifices in blood and treasure are appalling. Of our employees alone up to the end of June last 77 were killed or died, and 147 were wounded, prisoners of war, and missing, making a total of 224 casualties. Our accounts and the General Manager's report will show that we offered every possible encouragement to our workers to proceed on active service, and to their credit I can say that nearly all those physically fit and of military age, including a fair proportion of Dutch Africanders, took up arms in defence of the Empire. (Cheers.) This spirit of patriotism was not confined exclusively to employees, as all directors' sons, without exception, of military age and fit for service, went to the Front, of whom five were killed, one died, and several were wounded. In common parlance, I can say that all ranks of the Company "did their bit." (Hear, hear.) My colleagues on the board desire to join with me in expressing the deepest sympathy with the relatives of those gallant men who have made the great sacrifice.

Insurance.

The South African Marine, Fire, and General Insurance Company, Limited, which was registered in August 1917, and in which De Beers holds a 50% interest, has since its establishment insured diamonds in transit to the value of £7,962,315. I doubt if we could have secured insurance during this period for one-third of that amount through the medium of other existing companies, as underwriters were only prepared to accept very limited risks in one bottom owing to the menace from enemy submarines. It was not from choice, but through compulsion, that we had to co-operate with the Premier and Jagersfontein Companies and the Diamond Syndicate in the formation of this insurance company, otherwise mining operations must have been restricted, as purchasers of the output were not willing to undertake the enormous marine risks. The insurance company was unquestionably a very necessary adjunct of the diamond industry, although technically a separate entity. Up to now

the operations of this concern have been very satisfactory and profitable, but, as there were always big floating risks, which averaged £733,900 daily up to the end of June 1918—and at one period the risks afloat reached £1,384,750—these were very anxious times. But all is well that ends well, though we cannot be certain of results until peace is finally declared. I may mention that when the Royal Mail steamer *Kenilworth Castle* was nearly wrecked in June last our insurance company stood to lose over half a million sterling, having insured diamonds to this amount which were carried in that boat. We had a very narrow escape of losing more than the whole of the paid-up capital and accrued profits, and it would have been necessary to have called up a portion of the subscribed capital if the mails had been lost. As you may imagine, it was a great relief when we heard that the diamonds referred to were safely delivered in London. (Hear, hear.)

Influenza Epidemic.

Gentlemen, you all know, only too sadly, how the epidemic designated Spanish influenza attacked Kimberley. During the month of October about two-thirds of the entire population—European, native, and coloured—became affected, and about 9% of the inhabitants were carried off by the dread malady. The native and coloured sections of the community were more susceptible to the disease than the white people, though the toll among the latter reached 550, a tragic testimony to the havoc wrought by the devastating disease.

Kimberley Hospital, which has accommodation for 320 patients, could not cope with the number of stricken people for whom admission was sought, and emergency hospitals were organised, including the Hotel Belgrave, the property of this Company (with accommodation for 105 beds), the Beaconsfield Central Schools (with 50 beds), and the Teachers' Training College, which had 92 beds. All these annexes to the Central Hospital were quickly filled with patients, the majority of whom would no doubt have succumbed without the medical attention, skilled nursing, and nourishment they received at those institutions. During the first week of the epidemic we were dependent upon the services of the resident doctors, but as several of these gentlemen were themselvs attacked by the disease, the work of those who escaped, and were able to attend upon the sick, was enormously increased. This Company spared no effort and expense in combating the appalling visitation. Our staff and various organisations were placed at the disposal of the town and districts, and there is reason to believe that the help thus afforded saved many lives. (Hear, hear.) The services rendered by our General Manager, Mr. Alpheus Williams, ably assisted by many willing workers from the employees of the Company, are beyond praise. (Hear, hear.) Neither fatigue nor danger deterred them from carrying out their self-imposed duties, even though many had those near and dear to them lying stricken in their homes at the same time.

The number of deaths in our compounds was appalling; 22.40% of our native labourers succumbed as a result of the epidemic, despite medical attention, nourishment, and every possible nursing and care. The ordinary compounds staff could not adequately deal with the number of cases, and many of our white employees volunteered their services in doing the utmost to combat the scourge and nurse the natives who fell sick. I regret to say that a large number of these brave men contracted the influenza, and many of them died, but others immediately came forward to take their places; in fact, there was no lack of workers willing to face the risk of disease, and even death, in order that help and succour should be rendered to the mine natives. (Cheers.)

Conditions of the Mine Compounds.

Our mine compounds were considered excellent, so far as their construction, sanitary provisions, and general organisation were concerned. A hospital with an adequate staff was provided at each, and the general health of the natives was most satisfactory, the death-rate for nine months ended September 30, 1918, being 6.184 per thousand, while during the epidemic, out of a total population of 11,445 in our compounds, 2,564 died. The terrible time experienced during last October has given food for thought on the part of the directors, general manager, and staff, and after due consideration we have decided to erect one large general hospital, maintaining only a dressing-station at each compound. Some of the existing compounds will be improved, others demolished, and new ones erected. Water sewerage will be installed throughout, and no expense will be spared to make the compounds, if possible, more comfortable and healthy for the natives than those occupied previous to the epidemic. (Hear, hear.)

So far as the town was concerned, a large number of men, women, and even girls of tender age volunteered their services for the nursing of the sick. Others undertook relief work and visiting sufferers in their homes. They knew the risk connected with such work, but the dangers did not deter these noble souls from joining in the efforts made to succour the sick and attend to the dying and the dead. Alas! a large number of these self-sacrificing volunteers paid for their devotion with their lives, still others came forward quickly and unhesitatingly to fill the gaps. The heroism displayed during the epidemic by these workers will live in the memory of Kimberley for all time. Kimberley may, indeed, feel proud that in periods of war and pestilence its daughters and sons have played a noble part, and the names of its heroes and heroines will be indelibly inscribed on the Roll of Honour. (Cheers.)

Company's Future Operations.

The reports and accounts submitted at this meeting only cover the twelve months ended June 30 last, but I cannot refrain from referring to events that have happened subsequently which materially affect the operations of the Company. Let me state at once that it is difficult even to estimate when we will be in a position to resume normal working. This, as you are aware, depends on our procuring sufficient native labour and replacing the 197 white employees who succumbed during the recent epidemic, and the additional losses of employees who fell while on active service.

On September 25 there were in our compounds 11,445 natives (including convicts), but, consequent upon the large number of deaths and the great exodus of boys who left for their kraals, only 3,283 natives were left in the compounds on November 6. We had stopped work entirely on October 4, but on the 24th of that month we recommenced washing at Bultfontein, and at Wesselton four days later. This is all the mining work being carried on to-day. For the last ten weeks the mines have not been working, and it is doubtful if we will be in a position to haul blue or wash Dutoitspan ground until February next, when we expect the natives will return after the end of the ploughing season. The large reserve of blue on the floors will enable us to continue washing operations for another three months, and to have sufficient pulverised blue available to maintain a continuous output of diamonds, if hauling work is resumed in February, as expected. As I have already mentioned, in spite of productive work having been so greatly diminished, we have not discharged any of our employees.

Employees' General Eight-hour Shift.

In every movement in this country for improving the conditions of the working classes and providing for their recreation and the welfare of their families this Company has been the pioneer. As far back as 1892, following the advice of Mr. Gardner Williams, than whom the miners have never had a better friend—(hear, hear)—we inaugurated an eight-hour shift in our mines without decrease of pay. Five years ago we granted our employees 14 days' leave per annum on full pay, and we have now decided to extend the eight-hour shift to all surface hands. This system is therefore general throughout the Company's mining works. The compensation awarded by the Company has always been far in excess of the provisions of the Workmen's Compensation Act. In these and other matters of a similar character we have acted voluntarily, without pressure or intervention. (Cheers.) Our men feel they can look with confidence to the board and the General Manager for fair consideration and sympathetic treatment if they have any grievance or temporary difficulty. (Hear, hear.) The relations existing between the Company and its employees have been and are of the most cordial character. I think I can safely say there is a feeling of mutual confidence and reliance. This desirable state of affairs we are most anxious to perpetuate, and hope that nothing will be allowed to happen to disturb the existing good feeling which is so beneficial to all concerned. (Cheers.)

Reduced Pay Made Up: £160,000 for Employees.

The operations and finances of the Company were so seriously affected during the American financial crisis in

NOW READY.

ALL INVESTORS

should read the introductory article to the January 1919 Quarterly Supplement (price 4d. post free) of

"THE 100 BEST INVESTMENTS"

ENTITLED,

"INVESTMENT UNDER PRESENT-DAY CONDITIONS."

which deals fully and frankly with the present position and outlook of affairs from the point of view of the investor, large or small. The Quarterly Supplements contain up-to-date details of 100 specially selected securities, covering the whole available field of investment, from Government Loans to Ordinary Shares in Industrial Companies—particulars of further investments considered worthy of attention, a number of useful tables and hints of value to everyone concerned with the remunerative employment of capital.

The Annual Volume* - - - *Price 1s.
(Published in July.)

Quarterly Supplements* - - *Price 4d.
(Published January, April, [illegible])

Post free on receipt of remittance.

The British, Foreign and Colonial Corporation, Limited, Investment Bankers,

57 BISHOPSGATE, LONDON, E.C. 2.

1907-8 that we were compelled to decrease mining work for a very considerable period. Our diamond sales were reduced to such an extent that the Ordinary shareholders received no dividends for nearly two years. From January 1 to September 30, 1908, Saturday work ceased, so that for nine months we only did mining and washing on five days per week. At the same time the staff and a large number of other employees, owing to the special nature of their duties, put in full time, but, through the depression in the diamond industry, they voluntarily agreed to forgo one-sixth of their salaries or wages. When the Company had recovered its financial position three years later it made up to all concerned, towards the end of 1911, the difference between the salaries and wages they received and full pay, which amounted in the aggregate to £24,000. Although mining work during this period was very restricted, it was to a great extent productive, and we considered it only fair ultimately to pay those who had worked full time their full salaries

In the first two years of the War this Company had a very rough time indeed. We did little or no productive work, which will be apparent when I tell you that from September 1, 1914, to the end of June 1916, covering a period of 22 months, we hauled only 107,722 loads, contrasted with 14,956,869 for a like period from September 1, 1912, to June 30, 1914, the 22 months anterior to the War. During the former period we did everything possible to keep the old hands and married men employed. (Hear, hear.) Many agreed to remain on half and some on three-quarter pay, a small percentage of whom worked full time in running the power station, trams, pumping, guarding, &c.; but we could have considerably decreased our expenditure by retaining on full pay only those actually required for the duties I have just mentioned, and dispensing with the services of the large majority of men who were redundant. As, however, this policy would have resulted in hardships, and probably suffering, to a large number of families, we decided to provide some sort of employment to prevent the distress which would have inevitably followed if we had adoped the other course.

Repayment of War-time Reductions.

During the 22 months that reduced pay was in operation, owing to war conditions, we did no remunerative mining work, as the figures I have just given you regarding hauling prove. We faced what we knew would be a serious loss to the Company in the interest of our employees at the expense of the shareholders, who have never complained or expressed the slightest objection. (Hear, hear.) Following the precedent established in 1911, when, after an interval of three years, we made up the difference between full salaries and the amount received by those who worked full time at reduced pay, we should, now that the Company has recovered its financial position, and has declared dividends, make up to those who worked full time during the 22 months the difference between the pay they agreed to take and what they would have been entitled to in normal times, although during this and a longer period the shareholders received no dividends. The directors have also taken into consideration the cases of those employees who received reduced pay but did not work full time (these constituting the unskilled and lower-paid workers), and who must have undergone the same or perhaps greater hardships than those earning higher wages. The board has given this matter earnest thought, and decided not to differentiate, but to act generously and treat all alike, by making up to those engaged in mining work for the 22 months ended June 30, 1916, the difference between the amounts they received and full pay, regardless of the number of hours they worked. (Cheers.) The sum required to meet these payments exceeds £160,000, and the distribution of this, we feel sure, will assist our employees and their families to spend a happy Christmas, make more bright their New Year, and strengthen the good feeling and cordial relations which have always existed between the Company and its employees. (Loud cheers.)

Since the beginning of the War the difficulties encountered in running this big concern have enormously increased from year to year. The scarcity of mining supplies, &c., has sorely tried us at times; however, we struggled through owing to the foresight and ability of the General Manager and staff, and the loyal co-operation of heads of departments and their assistants, and of our employees generally, to whom we have given practical and substantial proof of our appreciation.

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED.

The annual general meeting of the Johannesburg Consolidated Investment Company, Limited, was held in Johannesburg on Tuesday, November 26, 1918.

The Chairman (Mr. John Munro), in moving the adoption of the report and accounts for the year ended June 30, 1918, said: Gentlemen,—In examining the accounts and the position and progress of the Company, I must ask you to remember that they cover the fourth year during which we have been working under war conditions. Bearing this factor in mind, gentlemen, I am of opinion that we have every right to congratulate ourselves on the facts and figures submitted for your approval to-day and to be well satisfied with the financial position of the Company.

The Balance Sheet: Further Appreciation in Value of Investments.

I shall now proceed to review, as briefly as possible, the principal figures of our accounts. On the liability side you will note that there has been no change during the financial year in the capital of your Company, which stands at £3,950,000. Your reserve fund of £250,000 remains intact.

On the asset side of the balance sheet the first item is: Investments in stocks and shares, 3,317,058. The "book value" of our holdings in stocks and shares shows a decrease of £223,000 as compared with the figures at June 30, 1917. This decrease represents the value of shares realised, plus the amount written off for depreciation, less the cost of new shares acquired during the financial year. As in previous years, the "book values" of our shareholdings have been written down to their absolute "market value." At to-day's market prices the value of our shareholdings reflects a very large appreciation over the amount at which they appear in the balance-sheet, but no credit is taken for this in our accounts. The total "book value" of our assets at June 30 last amounted to £4,928,894. This amount is exclusive of the very large appreciation in the value of our shareholdings. This total reflects a decrease as compared with the figures at June 30, 1917, of £225,000, which mainly represents the balance of the provision made for any possible depreciation on our shareholdings to which I have already referred. Our liabilities to the public at the same date (exclusive of the dividend of 5% declared on June 24 and paid on September 26 last and our "contingent liabilities") amounted to £369,599. Our assets at their "book value," therefore, reflect a surplus over our liabilities of £4,559,295, practically the same as last year. Our absolutely liquid assets are approximately equal to the total of our liabilities to the public and our contingent liabilities. I venture to think, gentlemen, that very few financial corporations operating within our sphere of influence can show such a strong financial position.

Profit and Loss Account.

I now invite you to turn to the profit and loss account, from which you will observe that the gross profit for the year under review amounted to £225,739, a small increase of £1,700 on last year's figures. Our working expenses, including income tax, War donations, staff bonus, &c., amounted to £25,000, a decrease of £4,380 as compared with the previous year. This gives us a net profit for the year of £200,739, about £6,000 more than for the previous twelve months. To this net profit we must add the sum of £158,556 brought forward from the previous year, making a total of £359,296. After deducting from this total the sum of £197,500, the amount of the dividend, we are left with £161,796 to carry forward, an increase of approximately £3,000. You will note with satisfaction from the directors' report that the arrangement made by your permanent Chairman (Mr. S. B. Joel) for the control and disposal of the diamond output continues to work to the benefit of all concerned. Gold-mining Companies.—I will now refer to the gold-mining companies of our group, in which you hold large interests. As foreshadowed by the Chairman at our last annual meeting, the gold production of our group of mines reflects a very considerable increase from £4,500,000 to £7,760,000, or nearly 75%. Although the cost of production has increased enormously, the selling price of the standard ounce of gold remains at the pre-War figure.

Consolidated Langlaagte.

The year started off badly with the heavy rains which occurred in January and February. The consequent flooding of the mine interfered considerably with the progress of underground operations, and unfortunately very little shaft sinking has been possible. The development of the mine has been kept going regularly, and the ore reserves have been maintained. Good values were encountered in the lower levels at both the west and eastern shafts, which, although somewhat patchy, showed a percentage of payability of slightly over 50%.

Government Areas.

Profits on this mine have shown a steady and gratifying improvement for some months, and but for the epidemic even better results would have been obtained. There has been a marked increase in the fathoms mined, combined with an increase in the mill grade, and we have fortunately been able to maintain our scale of development with only some little sacrifice of the tonnage milled. The directors' policy has always been to place this property in a thoroughly sound position, and we feel sure this policy will commend itself to shareholders. The reefs exposed by the development work are of excellent widths and values, and there is no doubt that the ore reserve position at the end of the year will show a further substantial improvement on that for the previous year. The enlarged reduction plant is now in operation, although by reason of the native labour shortage it is not at present being worked to its full capacity. Increased War charges are a heavy item on this mine, and, including the increased cost of stores, War bonuses and increased wages, active service allowances, increased gold charges, &c., amounted in August to £25,812, or 4.355*s.* per ton milled. For the month of August the charge to working costs on account of development was 3*s.* per ton, and the total work-

ing costs were 19.78s. per ton. In one respect only—that of native labour—can the position be said to be anything but satisfactory. The average number employed underground for September was 5,368 the highest in the history of the Company. This figure fell to 5,106 for October, and at the middle of the present month to 4,720. The provisional agreement with the Government for the alteration of the sliding scale, which was mentioned at our last meeting, has, I am pleased to state, been ratified by Parliament, and I am satisfied will prove advantageous to both parties. Since last we met this Company has entered the list of dividend-payers, having declared two dividends of 12½% in December and June respectively, and you may confidently look forward to improved dividends in future.

Langlaagte Estate.

Satisfactory progress has been made at this mine during the year. The heavy rains which occurred in January and February had a serious effect on underground operations, but once this difficulty was overcome the monthly profits have shown a steady improvement, and the outlook to-day is promising. The grade of the ore milled has improved, and, notwithstanding the increased cost of stores and white labour, working costs have been kept in the neighbourhood of last year's average. Development work was considerably retarded by the flooding of the mine, but recently there has been a notable increase in the footage accomplished, and the average value of the reef exposed has been quite satisfactory.

Randfontein Central.

The present year has been one of almost continued difficulty. There have been strikes and floods, and at the present time we are suffering from a very serious native labour shortage. The floods were extremely serious. Practically all sections were more or less flooded for some weeks, and in the case of Block A and Mynpacht sections the increased inflow of water has even now scarcely diminished to any extent. The pumps have been working to their utmost capacity, and there have been constant breakdowns and hindrances to this work in consequence. Furthermore, the hoisting of ore from these sections has frequently been entirely interrupted for days on end owing to the bad conditions of some of the shafts, and these causes have had a detrimental effect on the profits. There are employed underground in the mine at the present time only 12,750 natives, against an average of 15,034 for 1917 and 17,000 in the early part of that year. Every effort is being made to meet the position by the installation of machine drills, but there is an economical and practical limit to this, and the tonnage milled must necessarily be a good deal short of the capacity of the reduction plant until labour becomes more plentiful. No sinking has been possible in the Mynpacht incline shaft during the year by reason of the floods. The ore reserves in this section have been depleted and at present only amount to 285,400 tons, while at the same time the tonnage milled had dropped to 10,300 tons in September. In face of this position, and as this mine is capable of producing from 20,000 to 25,000 tons under normal conditions, it has been decided to stop mining operations and confine the work to shaft sinking and development. Good progress has been made with the two new vertical shafts, which when completed will replace the shafts on the Porges, South, North, Robinson, and Block A sections. At the end of October the north shaft had attained a depth of 1,756 feet and the south shaft a depth of 1,894 feet. The redeeming feature on this property has been the continued excellent development results throughout the year, which for the first nine months averaged 7.2 dwt. over 53 inches stoping width over a payable footage of 26,255 feet. The increased cost due to the War on account of increased prices of stores and other War charges amounted to £19,396 for the month of August, being equivalent to 2.83s. per ton. From what I have said you will agree that the disappointing results obtained were due to abnormal conditions which prevailed during the period; yet, with regard to the future, in view of the excellent development results in the lower levels and the good progress accomplished in sinking the new deep level shafts, I am confident that when these shafts come into operation the difficulties enumerated above will disappear and the patience of shareholders will be duly rewarded.

Van Ryn Deep.

The additions to the reduction plant, bringing the capacity up to 54,000 tons per month, were completed and brought into operation early in July. The tonnage thereafter increased somewhat, though not to the extent anticipated. Costs were also higher, and in consequence profits, although well maintained, were somewhat lower than was hoped for. The effect of the influenza epidemic was not felt so seriously on this mine as on some others, and with an adequate supply of native labour it is hoped that an improvement in results will soon be shown. Development throughout the year has continued to expose reef of excellent width and value, as you will doubtless have noticed from the quarterly reports published. The amount of footage developed on reef is somewhat small for a mine of this size, but this is due to the fact that the lowest drives are being driven in footwall well under the reef. There are, however, ample stope faces available for single-shift working—in fact, some to spare—and the ore reserves position is very satisfactory. Although the War is now practically over, there are still large quantities of stores, amounting to six months' supply, on the mine, which stands in the books at high prices, and these stocks must be consumed before much improvement can be looked for under this head. When, however, the heavy burden due to the War has been relieved there must necessarily result a very considerable reduction in costs on this property.

Witwatersrand Mine.

Recent results from this mine have not been too satisfactory. Development work since the beginning of the year has given about 50% payability, having a value of 400 inch-dwt. over the payable footage driven. These results are fairly satisfactory for this district, and when more normal conditions prevail, and especially if a better supply of labour can be secured, this mine should show improved results.

New State Areas.

Preliminary operations were commenced in March last, and since then considerable progress has been made with the erection of buildings and plant. The permanent sinking equipment is nearing completion, and a start has been made in sinking the two shafts, which had reached a depth of 105 feet and 103 feet respectively at October 31. It is expected that the reef will be intersected at a depth of from 3,600 feet to 3,800 feet, and sinking will be carried out as expeditiously as possible. The excellent results obtained by the mines immediately adjoining this property indicate that this area will prove a highly valuable mining proposition. Ginsberg, New Unified Main Reef, and New Primrose Gold Mining Companies—These smaller mines continued to work throughout the year under the adverse conditions prevailing, which had a marked effect on their profits. It is hoped that they will continue to earn profits for some time to come. Glencairn Main Reef—Shareholders have been advised that it has become necessary, owing to the exhaustion of payable ore, to cease mining and milling operations. A large quantity of accumulated slime remains to be treated, from which it is hoped to secure a fair profit.

Mr. G. Imroth seconded the adoption of the report and accounts, and the resolution was carried unanimously.

GREAT INDIAN PENINSULA RAILWAY COMPANY.

The one hundred and thirty-eighth half-yearly general meeting of the stockholders was held on January 24 at the offices, 48 Copthall Avenue, E.C.

Sir Charles H. Armstrong, who presided, first referred with great regret to the resignation from the board, owing to advancing years, of Mr. H. C. E. Wenden, who had been connected with the Company for 50 years. The vacant seat, he said, had been offered to and accepted by Mr. A. Muirhead, who was general traffic manager of the railway for

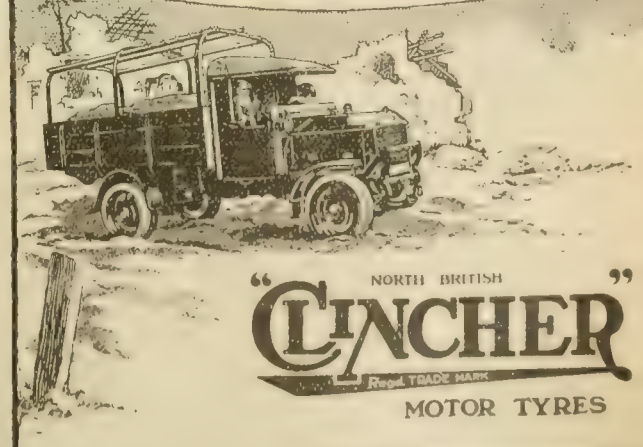
When Roads are Bad

The Test of a Tyre is the Road.

The rough, battle-scarred roads of France have tested tyres to the full, and no tyre has stood the test better than the "Clincher."

What "Clinchers" have done for Britain in the war zone they can do for you on your Commercial Vehicles at home. They will give you efficiency with economy in your delivery service. They will save time and reduce running costs. And "Clinchers" are British to the backbone.

The North British Rubber Co. Ltd., Edinburgh, London, and branches.



"NORTH BRITISH" CLINCHER Royal TRADE MARK MOTOR TYRES

many years, and was now the agent in India of the South Indian Railway. During the half-year ended September 30 last the gross receipts of the Company amounted to over 6¼ crores of rupees, which was a record figure, and, compared with the corresponding six months in 1917, the increase in gross receipts was just over one crore. Their expenditure, on the other hand, increased by 68 lacs of rupees, and amounted to very nearly 3½ crores, as compared with a little over 2¾ crores in the corresponding period of the previous year. The net revenue was 2 crores 85 lacs, against 2 crores 50 lacs—an increase of 13.94%.

Large Increase in Passenger and Goods Traffic.

The passenger traffic during the six months, notwithstanding the increased fares which were introduced from June 1, 1917, was heavy, and they also carried a very large number of troops. In coaching they increased 17.92% and in goods 19.78%. So far as goods were concerned, the Company gained a good deal by conditions brought about by the war, which resulted in a considerable amount of traffic having been sent to Bombay for shipment instead of to Calcutta and Madras, where it would have gone if times had been normal. It was hardly likely that they would retain all this additional traffic, but they hoped, nevertheless, that some of it would continue to come to Bombay. In the year which preceded the War their earnings from coaching were 2¾ crores of rupees against 4¼ crores in the twelve months ended last September, and from goods 6 crores against 7.90 crores. Their total earnings had increased from 8.93 crores to 12.39 crores, the percentage increases being 56.21 in coaching, 30.11 in goods, and 38.59 in the total earnings. These figures were illustrative of the effort made by the Company to cope with the new conditions brought about by the War, and he thought they might fairly congratulate themselves on the satisfactory results. Coal now gave the highest receipts of any commodity carried by the Company, but it filled a very large number of waggons which could often be more profitably employed in other ways. So far as their own consumption was concerned, this was a matter they kept very carefully before them, and now that the War was over he hoped it might not be long before they were able to import oil in some quantity from the Anglo-Persian oil-field. The question of electrification was still also before them, and they were hoping to receive before very long the report of their expert advisers on the whole subject.

Rise in Expenses

The ratio of expenditure to gross earnings was 55.08%, compared with 52.92% in the corresponding period of last year. This rise was due to a great extent to increased wages, which had become necessary owing to the enhanced cost of living in India, which he was afraid was likely to continue for some time. Before the War the ratio of expenditure was over 62%, and if they had only been able to spend, during the half-year under review, on repairs and renewals, the amount necessary to keep the line up to their usual high standard of maintenance, the percentage for the six months under review would have been in excess of the 55% he had just mentioned. Now that the War was over, they were placing large orders for necessary supplies, but the cost of these would be far in excess of the prices current in pre-War days. There were still considerable restrictions in connection with the output of steel and other materials required by railways, and he agreed with Lord Inchcape that the sooner the bulk of these restrictions were withdrawn the better for all concerned. Their expenditure on capital account had been only 18¼ lacs of rupees, but some useful work had been done nevertheless, and the directors were now hoping that it would not be long before they were able to complete the doubling to Nagpur. In their workshops they had manufactured large supplies for the Forces in Mesopotamia, East Africa, Egypt, and Palestine, and without that help it might have been difficult to carry on. They had supplied shells in large quantities and pontoons for bridging rivers. They had also equipped hospitals and hospital trains, and had fitted up many steamers for the transport of horses and mules. Engines had been overhauled for work in Mesopotamia and East Africa, and they had also made large quantities of many other very necessary articles. According to their latest information, 148 men from their Indian staff had been fighting in the different theatres of the War. He concluded by moving the adoption of the report and accounts.

The managing director (Mr. J. E. Dallas) seconded the resolution, which was carried unanimously.

On the motion of the Chairman a cordial vote of thanks was passed to Major Sir Lawless Hepper (the Company's agent in India), the heads of departments and members of the staff in India, and to the home staff; and a similar compliment to the Chairman and the directors terminated the proceedings.

CONSOLIDATED SIGNAL COMPANY, LIMITED.

THE adjourned seventeenth ordinary annual general meeting was held on January 21 at 53 Victoria Street, S.W., Mr. Sidney Prescott Wood (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: As the financial year of the allied companies from whom we derive our income ended on June 30 last, the accounts before you are essentially war-time accounts. We may, I think, congratulate all concerned upon the results attained in view of the arbitrary cutting down of sale prices by the Government, which has been going on throughout the year, as the results have been attained by the greater proficiency of the shop worker and efficiency of the office workers, made possible by mutual good understanding and confidence. The net profits of the subsidiary companies amount to £40,857. Notwithstanding increased taxation and additional depreciation, the net profits for the year show an increase of approximately £2,000 as compared with last year. The subsidiary companies are distributing £22,816 in dividends, and the balance of their year's profits, £11,991, will be carried forward. This Company received £21,037 of the dividends distributed by the subsidiary companies. The dividends which this Company receives from its investments and the profit we have realised on the redemption of part of our investments are more than sufficient to pay our expenses, making our total profit for the year £22,116. To this we must add the balance of £7,570 brought forward from last year, making a total of £29,687 available for distribution. The interim dividend paid on the Preference shares absorbed £4,819, and the final Preference dividend and the dividend of 2*s.* per share, or 10%, on the Ordinary shares now recommended, will absorb £15,587, leaving £9,280, which we propose to carry forward. It is usual to give some idea as to the outlook for the current year. In normal times one is able to form a general idea of the probable results, but this year, owing to the stoppage of the War and the consequent cancelling or suspension of orders in hand which will have disorganised our trading for many months, any figures available are quite useless upon which to base a forecast. Of course, it is clear that these happenings, together with delayed orders in consequence of uncertainty as to the control of the railways and the companies' relationship to the Government, must have a marked effect upon the current year's balance sheet. Nevertheless, whatever that may be, I must say that I enter upon the post-War period with far greater confidence than I entered upon the War period, as at that time our companies were left but lightly provided with "high-grade" machinery and staff capable of undertaking munition work, whereas at the present moment the position is almost completely changed, and we shall be in a position, when the new machinery, where possible, has been adapted to our purposes, not only to undertake our ordinary standard signalling work to better advantage, but also to seek for and accept orders for many classes of fine engineering work which would heretofore have been beyond our capabilities.

The motion was seconded by Mr. Walter Holland and unanimously agreed to.

A1 No. 3 (Misc.)

FARES PLEASE

Have the exact sum ready.

Issued by the
London General Omnibus Company Ltd.
Electric Railway House, Broadway,
Westminster, S.W.1.

RIO DE JANEIRO FLOUR MILLS AND GRANARIES, LIMITED.

THE thirty-third ordinary general meeting was held on January 21 at Salisbury House, E.C., Mr. Richard Foster (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said he thought the directors might claim that the balance sheet showed the Company to be in a strong position. The year's accounts of the flour and cotton mills were a distinct improvement on those of the previous year, the former by some £56,000 and the latter by some £2,000. There was also a further amount of £4,800 for interest on investments and War securities. The directors proposed to carry a further £20,000 to wheat reserve account, in view of the continued high prices of wheat and the advisability of providing against a fall in prices during this season. The total amount of Debentures outstanding was paid off on the 1st instant, hence the whole of the property now belonged entirely to the shareholders. The reserve fund had been increased from £132,000 to £150,000. Investments had increased to £1,239,000. This meant that money usually employed in the business had, owing to the smaller amount of trade that had been possible during the last years of the War, been invested in British Government War securities or Treasury bills. These amounts, when normal times returned, would quickly be reabsorbed in the business. The grist of the flour mills had been the smallest for some years past. This was caused by the great difficulties in providing tonnage for the company's requirements. The cotton mill had produced practically the same amount of cloth as last year, in spite of it having been stopped for over eight weeks on account of strikes. The produce had met with so good a demand and so ready a sale that the stocks at the end of the financial year were remarkably small; in fact, so good had the demand been that the Board were seriously considering the further enlargement of this subsidiary factory. The 1917-18 wheat crop in the Argentine Republic was, he thought, the largest on record, it being estimated at about 6,000,000 tons, of which some 1,800,000 tons were required for home use. Of the balance, 2,928,000 tons were exported during the calendar year of 1918, which left rather over 1,000,000 tons to be brought forward into this year's crop. The latest official figures for the 1918-19 season were that a total crop of about 5,105,000 tons was expected, which would leave about 3,305,000 tons for export. Adding the surplus of last year's crop of, say, 1,000,000 tons, there would probably be a total of about 4,300,000 tons available for shipment during 1919. It therefore looked as if there would be ample supplies for all requirements, and, given cheaper prices and more tonnage, a marked improvement was expected in the Company's grindings during this year.

Mr. S. C. Sheppard seconded the motion, which was unanimously adopted, the dividend and bonus recommended in the report being approved.

Aurora West United.—Authorised capital £300,000, in 600,000 10s. shares; issued, 212,705 shares.

Year ends Dec. 31	Stps	Tons Milled	Sort ing %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1916 ...	80	179,600	13½	216,970	24/3	166,287	18/7	50,683	5/8	13/3
1917 ...	80	177,250	13	212,739	24/0	168,165	19 0	44,574	5/0	12,3
1918.										
Mar. qr.	80	39,300	12⅜	46,305	23 6	42,401	21/6	3.904	2/0	10/9
June qr.	80	42,000	7½	47,905	22/9	45,382	21/7	2,523	1/2	⅝
Sept. qr.	80	42,050	—	47,433	22/6	45,492	21/7	1.941	-/11	11/0
Dec. qr.	73av.	35,200	—	36,819	20/11	42.778	24/4	5.95*	3/5	10/6
12 mos....	78av.	158,550	—	178,462	22/6	176,053	22/2	2,409	-/4	10/6

* Loss.

FAIRMOUNT COAL & COKE COMPANY (DEFAULTED)

4% Bonds due December 1, 1919.

We will pay 30% of par for the above Bonds, with June 1, 1909, and all subsequent Coupons attached. Bonds, attached to drafts, may be forwarded through usual banking channels without first corresponding with us.

GLOVER & MacGREGOR,
Pittsburgh, Pa.,
U.S.A.

Under Contract with H.M. Government.

P&O & British India Mail & Passenger Services

Sailings from LONDON, MARSEILLES, &c.
Tickets Interchangeable.

MEDITERRANEAN, EGYPT, INDIA, BURMA, STRAITS, CHINA, JAPAN, AUSTRALASIA, MAURITIUS, E. & S. AFRICA, NEW ZEALAND (via PANAMA CANAL)

P. & O. Australian Tickets interchangeable one way by New Zealand Shipping Company (via Panama) or by Orient Line.

For particulars of Sailings apply P. & O. & BRITISH INDIA Passenger Dept., 122, Leadenhall Street, London, E.C. 3.

BRITISH INDIA COMPANY.—For general information apply GRAY, DAWES & Co., 122, Leadenhall Street, London, E.C. 3.

UNION-CASTLE LINE.

South and East Africa
ROYAL MAIL ROUTE.

The Cape, Natal, Transvaal, Rhodesia, East African Ports, Mauritius, etc.

For sailings and other information apply to the Head Office, 3 and 4 Fenchurch St., E.C.3. West-end Agency: Thos. Cook & Son, 125 Pall Mall, S.W.1

A Comprehensive Life and Accident Assurance Policy

THE PEARL ASSURANCE Co.

grants a very attractive Policy combining Life or Endowment Assurance with Accident Benefits.
The Policy conditions are liberal and the rates of premium low.
Full particulars may be obtained from any representative or

PEARL ASSURANCE CO., LTD., HIGH HOLBORN, LONDON, W.C. 1.

FUNDS EXCEED £12,700,000.

Wesleyan & General Assurance Society.

Accumulated Funds exceed... ... £3,000,000.
Claims Paid exceed ... ... £9,000,000.

All classes of Life Assurance and Annuity Business transacted.
UNDER THE LATEST FORM OF POLICY AN ANNUAL BONUS OF £3 PER CENT. IS GUARANTEED
Prospectus and quotations to meet individual requirements may be obtained on application.
A. L. HUNT, General Manager.
Principal Office: BIRMINGHAM.

THE NATIONAL BANK OF SCOTLAND LIMITED

INCORPORATED BY ROYAL CHARTER AND ACT OF PARLIAMENT.

ESTABLISHED 1825.

Capital Subscribed, £5,000,000. Paid up, £1,000,000. Uncalled, £4,000,000
RESERVE FUND, £900,000.

Head Office—EDINBURGH.

J. S. COCKBURN, GENERAL MANAGER. GEORGE A. HUNTER, SECRETARY.

London Office—37 NICHOLAS LANE, LOMBARD ST., E.C. 4.

SIR JOHN FERGUSON, K.B.E., Manager. DUGALD SMITH, Assistant Manager.

Every description of Banking Business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.; the collection of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of Remittances to all parts.

The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.

The Officers of the Bank are bound to secrecy as regards the transactions of its Customers.

NATIONAL DISCOUNT COMPANY, LIMITED.

35 CORNHILL, LONDON, E.C. 3.

(ESTABLISHED 1856.)

Telegraphic Address: "NATDIS, STOCK, LONDON." Telephones: AVENUE 1484 (2 Lines); CENTRAL 11948.

Subscribed Capital, £4,233,325. **Paid-up Capital, £846,665.**

Reserve Fund, £500,000.

Directors.

Sir SIGISMUND F. MENDL, K.B.E., Chairman.

LAWRENCE E. CHALMERS, Deputy-Chairman. WALTER J. HERIOT. FREDERICK W. GREEN. Col. The Hon SIDNEY PEEL, D.S.O., M.P. CHARLES D. SELIGMAN PHILIP H. WADE.

Manager. PHILIP H. WADE

Sub-Manager. FRANCIS GOLDSMITH.

Secretary. CHARLES H. GOUGH.

Auditors.

FRANCIS W. PIXLEY (Jackson, Pixley and Co.). Sir ALBERT W. WYON, K.B.E. (Price, Waterhouse and Co.).

Bankers.

BANK OF ENGLAND. NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED.

ONE HUNDRED & NINETEENTH REPORT,

Submitted to the Shareholders at the Ordinary Annual General Meeting on Wednesday, the 22nd January, 1919, at Cannon Street Hotel.

The Directors have to report that, after making provision for bad and doubtful debts, the Gross Profits for the year ending 31st December last, as shown by the annexed statements, amount to **£475,681 2s. 1d.**, which, with the balance of **£45,735 5s. 11d.** brought forward from the previous account, gives a total of **£521,416 8s. 0d.**

After providing for all charges, and reserving **£323,783 7s. 7d.** for Rebate of Interest on Bills not matured, there remains the sum of **£166,640 17s. 4d.** The Interim Dividend for the half-year to 30th June last of Five Shillings and Sixpence per Share, less Income Tax, absorbed **£33,760 15s. 4d.**, leaving **£132,880 2s. 0d.** for appropriation.

From this the Directors have transferred **£50,000 0s. 0d.** to the Reserve Fund, raising that fund to **£500,000 0s. 0d.** Of the balance it is proposed to apply **£35,559 18s. 7d.** to the payment of a Final Dividend of Six Shillings per Share, less Income Tax, making Eleven and a-Half per Cent. for the year, carrying forward **£47,320 3s. 5d.** to next account.

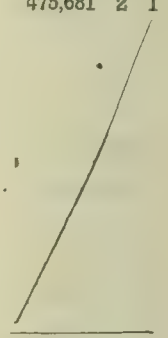
The Directors who retire by rotation on this occasion, in accordance with the Articles of Association, are Mr. WALTER J. HERIOT and Col. The Hon. SIDNEY PEEL, D.S.O., M.P., who being eligible, offer themselves for re-election.

The retiring Auditors, Mr. FRANCIS W. PIXLEY and Sir ALBERT W. WYON, K.B.E., offer themselves to the Shareholders for reappointment.

*** The Dividend will be payable on and after the 24th January instant.

DR. PROFIT AND LOSS ACCOUNT for the Year ending 31st December, 1918. CR.

		£ s. d.		£ s. d.
To Current Expenses, including Directors' and Auditors' Remuneration, Salaries, and all other charges		30,992 3 1	By Balance brought forward from 31st December, 1917	45,735 5 11
Rebate of Interest on Bills not due, carried to New Account		323,783 7 7	Gross Profits for the Year	475,681 2 1
Interim Dividend of Five Shillings and Sixpence per Share, less Income Tax	£33,760 15 4			
Reserve Fund	50,000 0 0			
Final Dividend of Six Shillings per Share, less Income Tax (making Eleven and a-Half per Cent. for the Year) ...	35,559 18 7			
Balance carried forward to next account	47,320 3 5			
		166,640 17 4		
		£521,416 8 0		£521,416 8 0



DR. BALANCE SHEET, 31st December, 1918. CR.

		£ s. d.		£ s. d.
To Subscribed Capital—	£4,233,325		By Cash at Bankers	515,645 19 3
viz. 169,333 Shares of £25 each.			Investments—	
Capital paid up, viz. £5 per Share ...		846,665 0 0	British Government and Trustee Securities	£2,314,645 14 3
Reserve Fund		500,000 0 0	Other Securities, including short-dated Colonial Bonds ...	54,340 16 6
Deposits and Sundry Balances		17,973,135 16 0		2,368,986 10 9
Bills Re-discounted		8,388,686 16 2	Loans	1,446,295 8 8
Rebate		323,783 7 7	Bills Discounted	23,491,363 0 3
Amount at Credit of Profit and Loss Account—			Interest due on Investments and Loans, and Sundry Balances	192,860 2 10
Final Dividend ...	£35,559 18 7		Freehold Premises	100,000 0 0
Balance	47,320 3 5			
		82,880 2 0		
		£28,115,151 1 9		£28,115,151 1 9

On behalf of the Board, S. F. MENDL, Chairman. F. W. GREEN, Director. C. H. GOUGH Secretary.

We report that we have obtained all the information and explanations which we have required. We have examined the Securities representing Investments of the Company, those held against Loans, and all Bills discounted in hand. We have also proved the Cash Balances and verified the Securities and Bills in the hands of Depositors. In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by the Books of the Company, except that it does not state the amount of Investments and Bills placed as security against Deposits.

35 Cornhill, 7th January, 1919.

FRANCIS W. PIXLEY, F.C.A., ALBERT W. WYON, F.C.A., } Auditors.

Printed by SPOTTISWOODE, BALLANTYNE & CO. LTD., at 1 New Street Square, E.C. 4, and Published by the Proprietors of "The Statist" at their Offices, 51 Cannon Street, E.C. 4, in the City of London, England.—*January* 25, 1919.

THE LONDON ASSURANCE.

Incorporated by Royal Charter, A.D. 1720.

7 ROYAL EXCHANGE, LONDON, E.C. 3.

INCOME £3,147,482 FIRE. MARINE.

Applications for Agencies Invited.



ASSETS £7,393,667 LIFE. ACCIDENT

All classes of Insurance.

The Corporation has granted Fire, Life and Marine Insurances for nearly Two Hundred Years

BRITANNIC
ASSURANCE CO., LTD.

One Special Ordinary Branch feature is the CHILD'S OPTION POLICY (Table 11a), under which a premium of £10 assures £1,091 on certain conditions.

FUNDS - - - £4,800,000.

Chief Offices: BROAD STREET CORNER, BIRMINGHAM.

LONDON & MANCHESTER ASSURANCE COMPANY, LIMITED.

Chief Office - 50 FINSBURY SQUARE, LONDON, E.C. 2.

Allied with National Amalgamated Approved Society for National (Health) Insurance.

PREMIUM INCOME exceeds ... £900,000
FUNDS exceed £2,000,000

ROYAL LONDON
INSURANCE OFFICES.

ROYAL LONDON MUTUAL INSURANCE SOCIETY, LTD.
ROYAL LONDON AUXILIARY INSURANCE COMPANY, LTD.

LIFE, FIRE, ACCIDENT.

Head Office:
ROYAL LONDON HOUSE, FINSBURY SQUARE, LONDON, E.C. 2.
JOHN PRICE, HORACE DUFFELL, *Managing Directors.*

GET INTO TOUCH
WITH THE
WESTERN AUSTRALIAN INSURANCE
COMPANY, LIMITED,
for All Classes of Insurance Quotations.
SPECIAL AGENTS required in unrepresented districts at HOME and ABROAD.
Communicate with Chief Office:—
47 CORNHILL, E.C.3.
FUNDS AND ASSETS EXCEED ... ... £700,000.

N. P. I.
PEACE LEAFLETS.

1. Peace Savings Certificates.
2. Paterfamilias and the Peace Problem.

Copies of these Leaflets will be sent post free on application to the

NATIONAL PROVIDENT INSTITUTION
48 GRACECHURCH STREET, LONDON, E.C. 3.

ABSTAINERS AND GENERAL
INSURANCE COMPANY LTD.
Head Offices:—BIRMINGHAM.

LIFE ASSURANCE.
Reduced Rates for Abstainers.
Fire, Burglary, Plate Glass, Personal Accident.
Forward postcard for Company's popular booklets "Total Abstinence an Asset in Life Assurance" and "Home and How to buy Them."

REFUGE
ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds - £4,400,000.
Funds Exceed - - - - £14,500,000
Claims Paid Exceed - - - £25,000,000

SUBSCRIPTION TO "THE STATIST."
TO INCLUDE ALL SUPPLEMENTS.
Payable in Advance.

Inland.
ONE YEAR, £1 10 0 | HALF-YEAR, £0 15 0
(Post Free.)

For Colonies and Abroad (within Postal Union).
ONE YEAR, £1 17 4 | HALF-YEAR, £0 18 8
(Post Free.)

OFFICE: 51 Cannon Street, E.C. 4.

CONTENTS.

	PAGE
Leading Articles—	
The Conference	167
Ireland	167
Sir E. Holden's Speech	168
Irish Banking	169
Gold Reserves	169
When the War Ends.—LIII.	169
Ireland's Housing Needs	170
The Banking Position in Ireland	171
Brazil	172
Financial Notes	174
The Railways of the U.K.	176
South and Central America	177
Chilian Nitrate.—I.	178
New Banking Capital	179
Home Railway Dividends	210
Industrials—	
South American Stores	180
Austin Motor Company	184
Vulcan Foundry Company	187
British-American Tobacco Co.	210
Leather and Allied Companies.—I.	211
Insurance Notes—	
Fire Insurance in 1918	183
American Topics—	
The Cuban-American Sugar Co.	179
Commercial—	
Empire Flax.—II.	184
The Leather Trade.—II.	186
Mining Topics—	
British East Africa Corporation	161
Transvaal and Delagoa Bay Investment	162
Witbank Colliery	162
Charterland and General Exploration	163
New Issues	187
Money Market	157
Rubber Topics	181
Sennah Rubber	181
Sungei Para	181
Bembia (Malacca)	182
Braunston (Selangor)	182
Killinghall (Selangor)	182
Stock Exchange	160
Tabular Appendix	163
Meetings	188-210

The Statist.

LONDON, SATURDAY, FEBRUARY 1, 1919.

The Money Market.

Friday, January 31, 1919.

	CURRENT RATE %	CURRENT RATE FIXED	PREVIOUS RATE %	PREVIOUS RATE FIXED
Bank of England Rate...	5	(Apr. 5,'17)	5½	Jan. 18,'17
Bank of England Rate — to Clearing Banks: 3 days' notice ...	3	(Feb. 14,'18)	4	June 19,'17
for Foreign Money	4½	(Nov. 15,'17)	extended	Jan. 2,'18
Deposit Rates :—				
Banks & Disct. Ho. (Call)	3	(Feb. 14,'18)	3½	Jan. 2,'18
Discount Houses (Notice)...	3	(June 6,'18)	3½	Feb. 14,'18
Do., to Bankers and Merchant Bankers (Notice)	3¼	(Feb. 14,'18)	3¾	Jan. 2,'19

Discount Rates :—

	%	%	%	%
Tr'sury Bills (Fixed Feb. 14,'18)—		3½		3½
Bank Bills	3½	3½	3½	3½
Trade Bills	—	4-4½	4½-4⅝	4½ 4⅞

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances. † Foreign and Colonial banks give Special Rates only upon deposits for a year.

CONDITIONS in the Money market this week have been somewhat patchy. On Friday of last week, it will be remembered, the market had to borrow a small amount at the Bank of England in consequence of the heavy

payments that had to be made in respect of War Bonds. No further assistance was required from the Central institution until Wednesday, when similar rates were charged, namely, 5% for a week and 4% for a fortnight. Again on Thursday the market went to the bank for a small amount for a fortnight at 4%. To-day, however, though payments for War Bonds continue heavy, as they are likely to be for the next few days, there has been a fair amount of credit available and no further assistance has had to be obtained from the Bank. It has, of course, to be recognised that the whole of the War Bond applications do not represent new money, for in many cases purchasers of the Bonds are allowing their Treasury bills to run off, and are merely converting their short loans to the Government into longer-dated securities. Further, it is believed that to some extent the change in the tone of the market to-day has been due to special arrangements made to cover the next few days until the balance of the subscriptions to the third series of War Bonds has all been handed over to the Bank of England. Business in the Discount market continues to be restricted. A great deal of interest in financial and trade circles has been centred in the speeches made in the past week by bank chairmen. Reports of the more important of these speeches are published in subsequent columns.

Since we wrote a week ago announcement has been made of the sale of a further £45,000,000 of National War Bonds, the lists for which closed on January 18. Total sales of the Bonds recorded to date therefore amount to £1,645,338,000, or an average of about £24,200,000 a week for the 68 weeks they were on offer. This total excludes conversions from War Loan and Exchequer Bonds. Exchequer receipts to Saturday last from sale of the War Bonds had amounted to £1,540,437,000, so that within the next week or two about £105,000,000 more will be received by the Exchequer on that account. So far as can be estimated net borrowings in the 65 days to March 31 will amount to £143,644,000 if the cash balance is to be restored to the level at which it stood on March 31 last. The amount that will need to be borrowed in the coming 65 days would therefore appear to be about £39,000,000, exclusive of any increase in "other" debt. But in actual fact the borrowings between last Saturday and the end of March will need to be very much larger than here indicated, for, in the first place, against the large applications for War Bonds has to be set diminished sales of Treasury bills; and, secondly, account has to be taken of a considerable reduction in Ways and Means Advances expected to be shown in the Exchequer return for the current week, and possibly next week also. About £414,000,000 of expenditure, it is estimated, will have to be met in the 65 days to end of March, against which, roughly, £278,000,000, or almost £30,000,000 a week, of revenue will be received if the Budget estimates of income tax and excess profits duty are to be realised. This is indicated in the appended statement:—

[000's omitted]	Probable for 65 Days to Mar h 31, 1919	300 Days to January 25, 1919	Probable for Year 1918-19	Budget and Supplementary Estimates
Revenue—	£	£	£	£
Income tax	163,355	127,085	290,450	290,450
Per week ...	(17,591)	—	—	—
Excess profits	70,033	229,367	300,000	300,000
Pe. week ...	(7,609)	—	—	—
Other	44,406	242,194	286,600	251,600
Per week ...	(4,781)	—	—	—
Total	278,394	598,656	877,050	842,050
Per week ...	(29,981)	—	—	—
Expenditure—				
Interest	36,011	233,989	270,000	315,000
Miscellaneous ...	3,356	8,058	11,414	11,414
Supply, ordinary	21,692	78,296	99,988	99,988
Votes of credit ...	353,153	1,854,200	2,207,353	2,550,000
Total	414,212	2,174,543	2,588,755	2,976,402
Deficit	130,813	1,575,887	1,706,700	2,976,402
Loans	143,644	1,563,056	1,706,700	2,976,402
Taken from cash balance	—	12,831	—	—
Floating debt, Jan. 25, 1919	—	1,463,528	—	—

Though the floating debt of £1,463,500,000 is about £86,400,000 less than on December 31 last, it is still £275,000,000 larger than on March 31, 1918, and possibly by the end of March next may be about £240,000,000 higher on balance for the year at between £1,420,000,000 and £1,440,000,000.

The total of the floating debt is now £1,463,528,000, against £1,488,121,000 on November 30. Since then Treasury bills have been reduced by £9,801,000 to £1,084,865,000, but Ways and Means Advances have been raised from £373,613,000 to £384,680,000. On December 31 they amounted to the unprecedented total of £455,180,000. This large increase in December was largely accounted for by the Bank of England having advanced the sum needed to pay the half-yearly dividend on the 5% War Loan, due December 1, and to the fact that at the turn of the year bankers allowed their maturing Treasury bills to run off, and thus increased their cash balances at the Bank of England. By means of the recent proceeds of War Bond sales it would appear the Government has now repaid these advances from the Bank of England.

The currency note circulation for the fifth consecutive week has shown a decline, and, compared with a total of £323,644,000 on December 24, the total on Wednesday last had been reduced to £307,480,000. This movement synchronises with a decline in the Ways and Means Advances, which since December 21 has been reduced by about £45,400,000. It is interesting to note that, generally speaking, there is a close relation between the movements in the note circulation and in the Ways and Means Advances. At the same

STANDARD BANK OF SOUTH AFRICA, LTD.

Bankers to the Government of the Union of South Africa in Cape Province; to the Imperial Government in South Africa, and to the Administration of Rhodesia.

Subscribed Capital ... £6,194,100 | Reserve Fund £2,000,000
Paid-up Capital ... ... £1,548,525 | Uncalled Capital... ... £4,645,575

BOARD OF DIRECTORS.

WM. REIERSON ARBUTHNOT, Esq. | ROBERT E. DICKINSON, Esq. | WILLIAM SMART, Esq.
SIR DAVID M. BARBOUR, K.C.S.I., K.C.M.G. | JAMES FAIRBAIRN FINLAY, Esq., C.S.I. | Rt. Hon. LORD SYDENHAM, G.C.S.I., G.C.M.G., G.C.I.E., G.B.E.
EDWARD CLIFTON BROWN, Esq. | HORACE PEEL, Esq.

Head Office: 10 CLEMENTS LANE, LOMBARD STREET, LONDON, E.C. 4.

West-End Branch: 17 NORTHUMBERLAND AVENUE, W.C. 2 (Adjoining the Royal Colonial Institute).

New York Agency:—68 WALL STREET.
Rotterdam Agency:—15 COOLSINGEL.

Over 250 Branches and Agencies in South and East Africa.

BANKING BUSINESS OF EVERY DESCRIPTION transacted at all Branches and Agencies.
CURRENT ACCOUNTS opened on the usual terms, and DEPOSITS RECEIVED for fixed periods at rates which may be ascertained on application.
SAVINGS BANK ACCOUNTS opened on terms, particulars of which may be obtained at Branches.
BILLS NEGOTIATED and COLLECTED.
DRAFTS issued, MAIL and TELEGRAPHIC REMITTANCES made.

LETTERS OF CREDIT and COMMERCIAL CREDITS established.
TRAVELLERS' LETTERS OF CREDIT issued available in all parts of the world.
PURCHASE and SALE of Stocks and Shares effected.
DIVIDENDS, ANNUITIES, &c., received and COUPONS COLLECTED.
STRONG ROOMS provided for the safe custody of Securities and Valuables of Customers.
ASSAY DEPARTMENT.—Gold, &c., and all Mineral Ores assayed and realised.
EXECUTOR AND TRUSTEE business undertaken.

The Officers of the Bank are bound not to disclose the transactions of its customers.

FRANCIS SHIPTON, *London Manager.*

time it has to be borne in mind, and as will be apparent from the following statement, a decline in the currency note circulation usually occurs in the four weeks succeeding Christmas. On this occasion, however, a decline is reported for one week longer than usual. It should prove interesting to watch weekly movements in future.

Movements in Currency Note Circulation.

1918-19		1917-18		1916-17		1915-16	
	£		£		£		£
Dec. 24	323,644,400	Dec. 26	212,782,295	Dec. 27	150,144,177	Dec. 29	103,125,699
Week to		Week to		Week to		Week to	
Jan. 1	— 403,899	Jan. 2	— 331,345	Jan. 3	—1,373,737	Jan. 5	— 84,748
Jan. 8	—5,309 973	Jan. 9	— 620,872	Jan. 10	—2,485,179	Jan. 12	—2,232,059
Jan. 15	—5,915,018	Jan. 16	—1,088 684	Jan. 17	— 674,865	Jan. 19	—1,166 t22
Jan. 22	—3,796,913	Jan. 23	— 598,413	Jan. 24	—1,649,668	Jan. 26	—1,883,321
Jan. 29	— 738,747	Jan. 30	+1,842,315	Jan. 31	— 109,000	Feb. 2	+1,081,006
Position		Position		Position		Position	
Jan. 29	307,479,880	Jan. 30	211,985,296	Jan. 31	143,551,728	Feb. 2	98,839,155

BANK OF ENGLAND.

THIS week's return shows a further shrinkage in the market's position, for whereas, on the one hand, Government securities declined £7,041,000, on the other hand, "other" securities were £1,395,000 larger, the reserve was £131,000 higher, and public deposits declined £605,000. The reduction in "other" deposits, therefore, was £4,971,000, leaving them at the lowest level for twelve months, with the exception of the week to October 23 last. The addition to the reserve was due to an expansion of £318,000 in the note circulation, after four weeks in which declines have been reported, having been accompanied by an increase of £449,000 in the stock of bullion. This latter now reaches the unprecedented total of £80,737,000. Last week's substantial reduction in deposits and the addition to the reserve resulted in the proportion being raised from 19.32% to 20.13%, the highest point touched since the end of June 1917.

FINANCING THE EXCHEQUER.

REVENUE is now flowing freely into the Exchequer. Indeed, last week's receipts of £28,728,000 have been exceeded in amount on only one occasion, namely, in the week to February 16, 1918, and if Budget estimates of revenue from income tax and excess profits duty are to be realised something like £30,000,000 a week will be gathered in on the average before the end of March next. Of last week's total of £28,728,000, of which £3,030,000 was paid in scrip, income tax brought in £13,930,000, excess profits duty £9,496,000, and Customs and Excise £3,281,000. Expenditure, on the other hand, was relatively light, total outgoings have been no more than £32,420,000, of which Supply outlays from Votes of Credit accounted for about £30,000,000, or approximately £4,286,000 a day. The average net outlay from the Votes since April 1 last has been £6,181,000 a day, and since November 9, £5,291,000. In consequence of the largeness of the revenue and the low rate of expenditure the deficit was exceptionally small, having been only £3,598,000, after allowing for a small net receipt on capital account. On balance loans brought in £3,649,000, so that £51,000 was added to the cash holdings in the Banks of England and Ireland. As regards loan operations, £33,731,000 was received from National War Bonds and £3,800,000 from War Savings Certificates. Probably on account of the recent large subscriptions for War Bonds, sales of new Treasury bills were £15,852,000 less than maturities, while from the proceeds of War Bond sales it was possible to effect a net reduction of £15,000,000 in Ways and Means Advances. The total reduction in the floating debt for the week, therefore, was £30,852,000, leaving £1,463,528,000 still outstanding.

Up to Saturday last outlays from Votes of Credit since war began had amounted to £8,043,000,000. Adding £528,000,000 of interest, &c., on War Debt, and deducting £361,000,000 of normal outlays on the Army and Navy, the gross cost of the War to this country has been about £8,210,000,000. Of this total £1,475,000,000 has been met out of revenue, and the balance has been provided by the loans indicated below, in which statement we also show the growth of the National Debt since August 1914. By the end of March next, so far as can now be estimated, the gross Debt will stand at about £7,580,000,000.

[000's omitted.]	War Borrowings Apr. 1– Jan. 25, '19	Apr. 1, '17–Aug. 1, '14– Mar. 31, '18	Jan. 25, '19	National Debt Approx. Jan. 25, '19	Actual Mar. 31, '18
4 & 5% Natl. War Bds.	£926,222	£614,216	£1,540,437	£1,575,632	£649,416b
4% & 5% War Loans	—	168,083	948,160	2,014,779	2,090,317c
War Savings Certs. ...	79,700	62,200	215 900	217,450d	137,750
"Other" Debt (c) ...	358.416	620,435	1,351,960	1,363,890	995,474
Treasury Bills ...	106,018	508,885	1,063,100	1,074.848	973,444
Ways & Means Advances	192,409	Cr.25,264	384,680	384,680	192,271
5% Exch. Bonds due:					
Oct. 1919 or Apr. '22	4	82,270	82,274	70,657	70,653
Oct. 1921 (1916 issue)	—	—	62,496	75,339	75,839
Dec. 1920 ,, ...	—	48	237,877	49,744	49,744
Oct. 1919 ,, ...	—	—	34,263	16,924	16,924
6% Ex. Bds., Feb. '20	1	—	160,956	141,278	141,277
3% Ex. Bds., Mar. '20	—	—	21,831	21,660	21,660
Do. do. Mar. '30	804	12,021	12,825	16,444	15,640
War Expenditure Certs.	Cr.22,932	Cr.629	—	—	22,929
3½% War Ln. 1925–28	—	—	331,798	62,746	62,746
4½% War Ln. 1925–45	—	—	592,345	16,139	16,139
2½% & 2½% "Consols"	—	—	—	304,084	304,084
Debts to Bks. of E.&I.	—	—	—	13,646	13,646
Terminable Annuities	—	—	—	21,903	21,903
Total	1,640,642	2,042,274	7,041,202	7,436,340	5,871,850
Less Misc. repayments	75,538	57,495	297,832	—	—
Debt Aug. 1, 1914	—	—	—	652,270	652,270
Inc. since war began	1,565,104	1,984,779	6,743,370	6,784,070	5,219,580

(*a*) Sales reported to Jan. 25, 1919, £1,645,337,734. (*b*) 4% (Oct. 1927, £119,541,000; 5% (Oct. 1922), £237 924,000; 5% (Oct. 1929), £28,739,000; 5% (Oct. 1927), £263,206,000. (*c*) 4% Tax compounded, £52,372,000; 5% £2,037,945,000. (*d*) Number sold to Jan. 18, 1919, 287,030,209. (*e*) Including British portion of Anglo-French (U.S.) Loan.

MONEY IN NEW YORK.

ON Saturday last the Money Committee appointed to establish conditions in the Money market during the War period was dissolved, so that this market is once more free and open. Taking the past week as a whole the market has been easy, the demand for accommodation being limited to some extent owing to the uncertainties of the course of trade in the early future, although when things have settled down an era of trade activity is looked for. The rate for call loans thoughout the week has been under 5%; indeed, on Thursday the closing rate was 4%. Prime commercial paper is now quoted at 5-5¼%, the same as a week ago. Last week's statement of the New York clearing banks and trust companies was less favourable than for some time past, loans having shown an increase of £7,574,000 with a reduction of £5,036,000 in the aggregate reserve. Total deposits were about £1,200,000 larger, but while, on the one hand, Government deposits rose by £7,674,000 net, demand deposits were £6,128,000 lower. The decline in the legal reserve was £788,000 so that the excess reserve fell from £10,052,000 to £5,804,000, an exceptionally low figure. The note circulation of the Federal Reserve Banks last week declined by £9,282,000 to £493,312,000 compared with the high level of £537,048,000 touched on December 27, and £247,000,000 twelve months ago.

POSITION IN INDIA.

THE demand for banking accommodation in India is increasing, with the result that both the Banks of Bombay and Bengal have this week raised their official rate of discount from 6%, fixed on November 7 last, to 7%. So high a rate has not been in force since March 1917.

The demand for rupees in India continues, and at the same time the note circulation has again expanded, the increase of 169 lacs announced for the week to January 22 having raised the total circulation to a new high level of 14,889 lacs. The stock of silver, by reason of the further decline of 21 lacs, is now down to 3,129 lacs, or 170 lacs less than on December 7 last. Up to that date the proportion of the metallic reserve to the note issue had been slowly rising, until on December 7 it stood at 39.6%. Since then, however, the proportion has steadily fallen, and on January 22 stood at under 34%. Recent

movements in the currency note return are indicated below. To this statement we have added the ratio of metallic reserve to the notes in circulation:—

Recent movements in the currency returns are shown below:—

1919	Note Circulation	Silver In India	Silver Elsewhere	Silver Total	Gold In India	Gold Elsewhere	% of Metallic Res. to Notes	Government Securities Indian	Government Securities British
		Lacs	Lacs	Lacs	Lacs	Lacs		Lacs	Lacs
Jan. 22 ..	14,889*	2,028	1,101	3,129	1,890	12	33·8	1,608	8,250
Jan. 15 ..	14,720	2,118	1,032	3,150	1,890	12	34·3	1,418	8,250*
Jan. 7...	14,824	2,295	882	3,177	1,937	12	34·7	1,418*	8,250*
1918									
Dec. 31...	14,709	2,339	874	3,213	1,968	12	35.3	1,266	8,250
Dec. 22...	14.577	2,391	956	3,347	1,968	12	36·5	1,000	8,250
Dec. 15...	14,473	1,855	1,688	3.543	1,968	12	38·1	1,000	7,950
Dec. 7...	14 255	1,986	1,613	3,599*	2,044	12	39·6	1,000	7,600
Nov. 30 ..	14,076	2,096	1,323	3,419	2,045	12	38·8	1,000	7,600
Nov. 22...	13,876	1 906	1,314	3,220	2,044	12	38·0	1.000	7,600
Nov. 15...	13,867	1.764	1,447	3,211	2,044	12	38·0	1.000	7,600
Nov. 7 ..	13,761	1,876	1.233	3,109	2,040	12	37·5	1.000	7,680
Oct. 31...	13,643	1 953	1,033	2,991	2,040	12	3·0	1,000	7,600
Oct. 22 ..	13,573	1,964	961	2,925	2 037	12	36·6	1,000	7,599
Oct. 15...	13,470	2,085	736	2.821	2,0 7	12	36·1	1,000	7,600
Oct. 7...	13,439	2,207	586	2,793	2,035	12	36·0	1,0 0	7,590
Sept. 30...	13,438	1.992	796	2,788	2,058	12	36·0	1,000	7,599
April 7...	9,745	1,044	—	1.044	2,486	67	36·2	1.000	5,147
Dec. '17 ..	10.831	1,905	—	1,905	2,673*	100	43·2	1.000	5,147
July '14...	7,360	3,230	—	3,230	1,820	900	80·9	1,000	400

* Highest since war began.

SILVER.

The reduction in freight rates that has been expected for some time past has at length taken place, but so far no alteration in the price of silver has been announced, the quotation therefore remaining at 48⅞*d.* fixed on December 7 last. Naturally, in view of uncertainty as to future price, business in the Silver market this week has been very quiet. The demand for the industries has, however, been reported as having been fairly large, and there are signs of greater trade activity. Another shipment of $1,800,000 of silver for India has been announced in the United States this week. Under the Pittman Act the equivalent of the $350,000,000 of silver authorised to be sold is 270,000,000 fine ounces. According to recent Press reports in New York, the contract between the United States Treasury and the British Government is for 200,000,000 fine ounces. The China exchange remains steady, Shanghai being quoted at 5*s.* The stock of silver in that city on January 25 consisted of 27,250,000 ounces in sycee and 12,200,000 dollars, against 26,160,000 ounces in sycee and 12,100,000 dollars on January 18.

Stock Exchange.

For some time past the possibility of serious labour trouble developing as an after-effect of the War has caused uneasiness in financial circles and exerted a restraining influence on stock exchange business. The subject has been so freely discussed that the unmistakable evidence this week of widespread unrest, especially in the industrial areas, with indications of determination on the part of strikers apparently uncontrolled by the labour unions, can scarcely be said to have caused surprise. Though it is hoped that extreme counsels will be successfully combated by the spirit of mutual goodwill between capital and labour which seems to have developed in many directions during the War, there must in the nature of things be fears and doubts entertained; and moreover it is very well known that industry is in process of re-organisation, and that the restoration of peace trading on a large and efficient scale depends upon the smoothness and rapidity with which the reconstruction period is got over. Even under the best circumstances it may take some months for such conditions to be re-established as will enable full employment of civilian workers and the demobilised portion of the armies.

From the point of view of trade and the country's interests the position appears serious enough. Here, however, we are concerned with the effect on the Stock Exchange, and it has to be borne in mind that labour unrest and unemployment, reacting on production, must cause slackness in industry and trade, and lead to unemployment of capital. In this particular connection—and apart altogether from labour troubles—we may note what Mr. Goodenough said at the meeting of Barclay's Bank meeting this week, *i.e.* "We cannot suppose that industry and trade will absorb the whole of the existing volume of credit, even though these should be active beyond our expectations. This probably will create a demand for investments and afford the opportunity of consolidating the various issues of our National Debt as they mature on economical terms." Put in other words, this anticipates a rise in the value of investments and reduction of the rate of interest. Of course, the application is more particularly to fixed interest-bearing securities and shares, the return on which is not affected by industrial and trade slackness, for manifestly securities the return from which is dependent upon commercial and trade profits come within a different category.

Dullness, with little alteration of prices, has characterised the market for British funds, but one or two Colonial securities show appreciation. In Foreign stocks business has been slack. French 5% have receded to 86⅜, and the 4% are quoted lower at 68¾. Russian issues have lost a portion of the previous two weeks' rises.

The Home Railway market, besides being adversely influenced by the labour situation, lost support on the statement that consideration of the nationalisation question is to be postponed. The dividend declarations for the second half of 1918 failed to arouse interest, with the exception of the Metropolitan's payment of ¾%, against ½%. The American market, as usual in these days, received very little attention. International Mercantile Marine, however, provided an outstanding feature, dropping sharply on the cut in freight rates, but subsequently recovering part of the earlier loss. In Foreign rails movements have been irregular, but for the most part quotations, where altered, are lower on the week. Grand Trunk issues have continued to decline, the First Preference and the 4% Guaranteed in particular have displayed weakness.

In the general and industrial sections speculation has been rife again, but affections have been transferred for the time being from breweries, shipping, iron and steel, and motor companies' shares—in which substantial profit-taking has developed, as evidenced by falling quotations—to oil and catering shares, while nitrates also have received renewed support. Oil shares, in particular, blazed up almost wildly in the early part of the week under the lead of Mexican Eagles, and, though the activity was not maintained to the end, quotations in most cases show substantial further jumps. Besides the solid favourites, such as Shells, Burmahs, Anglo-Persian, Mexican Eagles, and the Trinidads, the demand for the speculative, not to say gambling, counters has been marked.

5%
NATIONAL WAR BONDS.
Although the issue of September Bonds is discontinued, they are still purchasable for a limited period by instalments from
The National Mutual Life Assurance Society
39 KING STREET, CHEAPSIDE, LONDON, E.C. 2.
under the Society's Special Scheme.
INSTALMENTS CEASE AT DEATH.
NO MEDICAL EXAMINATION OF APPROVED LIVES.
Write for particulars.

PLAYER'S
NAVY MIXTURE
"Pipe Perfect"
IN THREE STRENGTHS
White Label 9½d. PER OZ.
Mild and Medium. 10½d. PER OZ.
This Tobacco is also supplied at Duty Free Rates for the purpose of gratuitous distribution to wounded Soldiers and Sailors in Hospital.
Terms and particulars on application to
JOHN PLAYER & SONS, Nottingham.
Branch of the Imperial Tobacco Co. (of Great Britain and Ireland), Ltd.

Leaders of the World's Filing and Card Index Systems
Shannon
and Modern Office Furniture
ROPEMAKER STREET, E.C. 2.
Ring up London Wall 1533.

Mining Topics.

During the first three days of the week the Mining markets, and especially the South African section, bore quite an active appearance, and numerous rises were recorded—some of quite substantial character—Modders, Government Areas, Geduld, Johannesburg Consolidated, and Randfontein Centrals being particularly bright spots. On Thursday and Friday the threatening labour situation exerted a very obvious damping effect on the spirits of speculators, and profit-taking became general. Rhodesians have continued more or less neglected, and Tanganyika, after recovering, dropped back again to under 5. Tin shares have responded to demand partly based on belief that the prospects are good for the maintenance of a high level of price for the metal, but more likely on the speculative proclivities of provincial investors with well-lined pockets.

BRITISH EAST AFRICA CORPORATION.

Keen speculative interest has been displayed of late in the shares of African land-owning and development companies. On January 11 we dealt with the British Central Africa Company, and now take the opportunity provided by the issue of the annual report of reviewing the position of the British East Africa Corporation, whose shares also are dealt in in the Mining Market. Before the War, and during the first year of the conflict, the majority of undertakings of this description, which rely upon the European market for the sale of products which they either raise themselves or acquire for cash or by barter, fared none too well. Thus, in the case of the British East Africa Corporation, the profits earned in the seven years to May 31, 1918, averaged only £9,500. In the last three years, however, progressive and substantial augmentation of earnings has been reported, but even if every allowance is made for the development of the business and the country's increasing cotton production, with which the Corporation largely deals, it seems, nevertheless, clear enough that the hugely inflated level of values has been principally responsible for the Corporation's greater prosperity. We show below a contrast of the figures in recent profit and loss accounts and balance sheets:—

	Years ended May 31				
	1918	1917	1916	1915	1914
	£	£	£	£	£
Trading Profit* ...	55,527	43,812	27,684	5,672	20,114
Sundry Expenses less Sundry Receipts	3,807	3,946	1,850	1,279	5,046
Net Profit	51,720	39,866	21,834	4,393†	15,068
Taken from Reserve				5,592	
	51,720	39,866	21,834	511	15,068
Allocation—					
Depreciation	7,000	5,000	6,000	4,478	4,000
Gen. Reserve	15,000	15,000	- -		
Tax Reserve ...	6,500	3,500	-		
Dividend (Pref.)	1,600 (8%)	1,200 (6%)	1,200 (6%)	1,200 (6%)	960 (6%)
,, (Ord)	22,400 (12%)	14,400 (8%)	10,800 (6%)		
	52,500	39,100	18,000	5,678	15,550
Balance Profit	780†	766	3,834	5,137†	1,518
Brought Forward	5,184	4,818	984	6,121	1,603
Carried Forward	4,404	5,184	4,818	984	6,121

† Deficit. * Including arrears.

BALANCE SHEET FIGURES AT MAY 31.

ASSETS:	1918	1917	1916	1915
	£	£	£	£
Properties, Estates, Rights, Buildings and Machinery ...	122,508	123,784	133,809	127,104
Stores, Furniture, Equipment	14,700	21,751	22,593	25,823
Stock on hand and in transit ...	233,008	262,228	129,921	121,042
Debtors and Bills	147,884	92,905	65,246	57,317
Interests in other cos. at cost ...	5,873	5,818	5,514	11,553
War Bonds	10,000	4,750	—	
Cash	10,394	19,655	8,672	2,948
	544,367	530,891	365,961	346,747
LIABILITIES:				
Pref. Capital (£1)*	20,000	20,000	20,000	20,000
Ord. Capital (10s.)	180,000	180,000	180,000	180,000
Depreciation Fund	18,000	20,000	14,000	9,522
General Reserve	15,000	-		5,382
Tax Reserve	-	—	-	-
Staff Fund	520	535	287	313
Creditors	258,443	265,671	128,855	130,250
Dividends to be paid†	16,000	16,000	12,000	1,200
P. & L. Account Balance ...	32,904	28,685	12,818	70
Total	544,367	530,891	365,961	346,747

* 6 per cent. Cumulative Participating.
† Final Dividends declared and payable long after the end of the year.

The land interests of the Corporation are extensive, its own and associated companies' holdings being understood to cover something like 400,000 acres. Plantations of sisal fibre, coffee, and wattle are being developed, but cannot be said yet to have reached large proportions in relation to the capital, and earnings for the most part depend upon the general trading and cotton-ginning business, in which connection the Company has several mills. The War, bringing with it continually rising prices, has greatly benefited the business, but shareholders will do well to remember that trading of such character is a very different affair on a falling market to what it is on a rising one. Experience demonstrated this in the year following the outbreak of the War, and after the tremendous rise in values since witnessed it would be well to consider the effect of a reversal of the movement. Seemingly the directors have this in mind, as well as provision for expansion of the business, in bringing forward proposals for increasing the capital. Last year the Chairman explained at the meeting that the great rise in the value of stocks was not due to quantity, but to values, and the balance-sheet figures given above indicate that financing is done largely by borrowing. Shareholders are to be asked to sanction an increase of 50% in the capital by the creation of 200,000 additional Ordinary shares of 10s. each, of which it is proposed to issue 100,000 shares to shareholders, in the proportion of one new share for every four existing Ordinary and one new share for every two existing Preference shares held. The price of issue is fixed at 12s. 6d., and as the market quotation has recently risen to 20s. there is a bonus in the rights. Though interest charges on borrowings will

be saved forthwith it will probably take some time for the employment of this additional capital to become completely effective, and altogether the rise in the shares seems to have discounted prospects pretty fully, even taking into account the potentialities attaching to the undeveloped lands.

TRANSVAAL AND DELAGOA BAY INVESTMENT.

THIS South African Colliery-owning Company's report for the year ended August 31 shows a further substantial increase in prosperity. Owing to a better supply of railway trucks—the shortage of which in recent years has been the subject of constant complaint by colliery undertakings in the Transvaal—it was possible to work under conditions of greater efficiency than for some time past. While this tribute can be paid to the improvement in the quality of the railway service, the hampering effect of high charges for transportation continues a serious factor. The rate for coal from the Transvaal Colliery to Delagoa Bay, a distance of 277 miles, has been raised during the war from 6*s.* 1*d.* per ton to 16*s.* 7*d.* per ton. To Capetown the net rate was 14*s.* before the War. It was raised to 20*s.* in 1916, to 24*s.* in 1917, and to 24*s.* 6*d.* in 1918, while it was recently proposed to still further increase the figure to 27*s.* per ton. Despite these drawbacks to trade expansion the country's coal industry has made considerable headway; and it is interesting to note that the Transvaal Coal Owners' Association in the year ended June 30, 1918, disposed of 6,082,105 tons, against 5,902,158 tons in the previous twelve months, the mining industry taking 1,876,584 tons, the Government railways 1,067,766 tons, shipping at Delagoa Bay and Cape Town 1,175,464 tons, and various industries and consumers in South Africa 1,962,291 tons.

The coal output of the Company's colliery in the Middelburg district in the year to August 31 reached 757,709 tons, against 674,367 tons in 1916-17 and 573,867 tons in 1915-16. Mainly on this account, but partly also in consequence of profits made on investments, the net profit for the year shows an increase of over £20,000, from £61,872 to £81,936. This latter figure equals 44% on the issued capital of £185,000; but the dividend is only increased from 22½% to 25%, calling for £46,250, and leaving a balance profit of £35,000 to be added to the carry-forward, which is accordingly raised to £60,958. Three years' results compare as follows:—

	Year to August 31— 1918	1917	1916
	Tons	Tons	Tons
Coal output	757,709	674,367	573,867
Realised profit (less taxes), rents, Johannesburg and Delagoa Bay, interest, &c.	£ 99,654	£ 74,704	£ 57,054
	£	£	£
Licences, taxes, and expenses of farms	4,091	2,419	2,034
Administration, &c.	4,716	2,687	2,017
Depreciation	8,911	7,726	8,462
	17,718	14,832	12,513
Balance available	81,936	61 872	44,541
Brought forward	25,272	105,625	93,059
	107,208	167,497	138,600
Appropriations—			
Dividends	46 250	41,625	32,975
Per cent.	(25%)	(22½%)	(17½%)
Directors' extra	—	800	
Placed to reserve	—	100,000	—
	46,250	142,225	32,975
Balance carried forward ...	60,958	25,272	105,625

The balance sheet shows the Company to be in a strong financial position. Cash, investments, and debtors at August 31 exceeded current liabilities and the year's dividend by £171,456, excluding £14,719 value of stores. This conservation of resources has been for the purpose of further expanding the business of the Company. A participation has been obtained in starting a new undertaking for the production of pig iron from ore found close to Pretoria. The Pretoria Iron Mines, Limited, has been formed, and, it is hoped, will ultimately manufacture various iron and steel products. So far the pig iron produced has proved of satisfactory quality. In addition, mining rights over 2,677 acres of coal area in the Middelburg district have been purchased. The exploitation of this will provide an alternative or addition to the producing capacity of the present colliery. The Company has, besides extensive mineral rights, 61,000 acres of freehold and 7,356 acres of leasehold farms, and a half interest in 96,000 acres of freehold farms, and having regard to the smallness of the capital in relation to the assets and earning power, the present price of 3⅛ does not appear an overvaluation, assuming that the improved demand for South African coal during the war is not lost through railway rates preventing successful competition with oversea supplies under normal conditions.

WITBANK COLLIERY.

THE remarks of a general character which we make in reference to the Transvaal and Delagoa Bay Investment apply as well in considering the results of the Witbank Colliery, also for the year ended August 31. The output was 907,738 tons of coal, or 20,407 tons more than in the preceding year; and, apparently, higher prices were obtained, for the working profit amounted to £99,371, against £84,492. The net profit, after paying all taxes and writing off capital expenditure, comes out at £90,235, or 43% on the issued capital of £210,000. The dividend is raised from 25% to 27½%, and £32,485 is added to the carry-forward. In this way the financial position is strengthened, so that the balance sheet at August 31 shows £77,454 of surplus cash resources, exclusive of stores valued at £15,053:—

	Years ended August 31— 1918	1917	1916	1915	1914
	Tons	Tons	Tons	Tons	Tons
Coal despatched	907,738	887,331	850,843	791,323	775,903
	£	£	£	£	£
Working profit	99,371	84,492	66,912	67,134	78,663
Sundry revenue	—	—	2,079	1,428	1,747
Total	99,371	84,492	68,991	68,562	80,410
Allocations—					
Capital expenditure written off	1,247	40,620*	2,827	2,482	4,36
Taxes	7,889	11.329	6,326	5,640	2,74
Directors' extra	—	—	1,500	1,500	1,50
Penalty *re* tar contract ...	—	—	—	10,000	—
Dividends	57,750 (27½%)	52,500 (25%)	52,500 (25%)	42,000 (20%)	52,500 (25%)
Total	66,886	104,449	63,153	53,974	61,110
Balance, profit...	32,485	Def. *19,957*	5,838	7,040	19,300
Brought forward	69,579	89,536	83,698	76,658	57,358
Carried forward	102,064	69,579	89,536	83,698	76,658

* Special provision for writing down value of colliery equipment.

Besides owning the township of Witbank, the Company has freehold property covering 3,665 morgen and mineral rights over 504 morgen—together 8,824 acres, on which two collieries have been opened up. At both pits in the past year development was maintained well in advance of mining requirements, and the Consulting Engineer states that the coal disclosures continue of the usual high standard quality and of good thickness.

The price of the £1 shares is 59*s.*

Government Areas. — The ore reserves at this mine on December 31 amounted to 9,445,000 tons, averaging 8 dwt. per ton over 78 inches stoping width, in comparison with 7,016,000 tons, value 7.5 dwt., over a stoping width of 79 inches at end of 1917.

CANADA'S GRAND TRUNK RAILWAY
IS
10,127 MILES of
INTERNATIONAL GOODWILL,
COURTESY,
EFFICIENCY and
SAFETY.
CONSULT US ON **Travel, Exports and Imports.**
EUROPEAN TRAFFIC OFFICES
LONDON, S.W.—17-19 Cockspur Street. LIVERPOOL.—20 Water Street.
LONDON, E.C.—44-46 Leadenhall Street. GLASGOW.—75 Union Street.
F. C. SALTER, *European Traffic Manager.*

CHARTERLAND AND GENERAL EXPLORATION.

We concluded a review of this Company's position on November 9 by remarking that the 5*s.* shares at the then price of 8*s.* 6*d.* "certainly appear to have more to recommend them than is generally the case with low-priced shares favoured with speculative attention." That view is confirmed by the report just issued and the Chairman's remarks at the meeting. The capital is £163,813, and the accounts for the year to August 31 show a net profit of £29,235. This compares with £55,053 for 1916-17; but the comparison is misleading, as in the earlier year a large exceptional profit was realised from the sale of asbestos-bearing claims to a new Company—the Rhodesian and General Asbestos Company. *Per contra*, in the period for which accounts have just been issued reliance had to be placed almost solely on dividend receipts, which in respect of the Asbestos Company did not commence until May, when a first interim dividend of 5% was paid on account of the year ended March 31, 1918. A further distribution of 5% in respect of the same period is expected to be made shortly. The Asbestos Company, in which the Charterland is understood to have its largest individual investment, has developed reserves of asbestos several years ahead of its mill, and the demand is greater than the supply. Contracts for sale of fibre have been arranged for three years ahead. Apparently it was this satisfactory position and the knowledge that the past year's revenue was less than normal because of the lateness of the Asbestos Company's dividend payments which led the directors to maintain the distribution of the parent Company at 20% for the past year, to pay which the carry-forward had to be encroached upon to the extent of £3,528. There is little room for criticism, as the balance sheet shows a strong investment and cash position. Unfortunately, no details of investment holdings are given, but besides the asbestos the Charterland Company is interested in a variety of dividend and non-dividend-paying mining and industrial undertakings, mainly in South Africa, and has also considerable funds in Government securities. At the meeting on January 28 the Chairman said that, taking the asbestos holding at par (£1 per share), which he considered conservative, the value of the investment was £392,654, and including land and other assets, now practically all sold, together with debtors and cash, less creditors and the year's dividend, the net valuation of the assets was £406,727, or, roughly, 12*s.* 5*d.* per 5*s.* share now priced at 9*s.* 9*d.*



Colonial Trade

THE National Bank of South Africa, Ltd., offers every facility to Merchants and Shippers to develop their TRADE with SOUTH AFRICA.

THE Bank is represented in over 300 Towns throughout the Union of South Africa, Rhodesia, South West Protectorate, British East Africa, Portuguese East Africa and the East African Protectorate.

LONDON OFFICES

CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office—
25, COCKSPUR STREET, S.W.—1.

Agency at—
10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, January 29, 1919.

Issue Department.

Notes Issued	£98,282,850	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	79,832,850
	£98,282,850		£98,282,850

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£55,892,744
Rest	3,392,552	Other Securities	80,436,946
Public Deposits	26,812,804	Notes	28,942,715
Other Deposits	121,602,442	Gold and Silver Coin	904,563
Seven-day and other Bills	16,170		
	£166,176,968		£166,176,968

Comparison with Previous Four Weeks [00,000's omitted].

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities': Govt.	Securities': Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919.	£	£	£	£	£	£	£	%	%	%
Jan. 29	69.3	80.7	26.6	121.6	55.9	80.4	29.8	20·13	5	3½
Jan. 22	69.0	80.3	27.2	126.6	62.9	79.0	29.7	19·32	5	3½
Jan. 15	69.7	80.5	28.2	124.8	62.7	78.9	29.3	19·15	5	3½
Jan. 8	70.1	80.5	28.2	240.2	71.9	85.5	28.8	17·12	5	3½
Jan. 1	70.2	80.0	28.3	114.9	124.3	106.5	28.2	11·71	5	3½
J'y 22,'14	29.3	40.2	13.7	42.3	11.0	33.8	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 6%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April, 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Jan. 29, 1919	Jan. 30, 1918	Jan. 31, 1917	Feb. 2, 1916	Jan. 27, 1909
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	£69.3	£45.9	£39.6	£34 2	£28.7
Public Deposits	26.8	38.2	44.8	58.2	6.8
Other Deposits	121.6	122.8	168.8	98.8	43.2
Government Securities	55.9	55.9	160.4	32.8	14.6
Other Securities	80.4	91.9	35.7	105.1	29.2
Reserve	29.8	31.2	35.5	36.9	24.0
Ratio to Liabilities	20·13%	19·37%	18·63%	23·55%	48·04%
Coin and Bullion	80.7	58.6	56.4	62.7	34.3
Money					
Bank of England Rate	5%	5%	5½%	5%	3%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3½%	4⅛%	5%	5½%	2½-⅛%
Exchanges:					
Paris Cheque	25 98½	27 14½	27 80½	27 95	25 17
New York 60 days	4 73½	4 72½	4 72½	4 73	4 84½
Bombay Telegraphic Transfers	1/5⅛	1/4⅛	1/4 7/16	1/4⅛	1/3⅛
Prices:					
Consols 2½% Cash	59	54⅛	51⅞	58⅛	83⅝
French Rentes 3% Money	63 75	57·75	62·25	61	96·80
Silver, London spot oz.	48 7/16d.	43½d.	37 5/8d.	27 1/16d.	23½d.
Wheat, *Gazette* average qr.	72/7	71/1	75/10	58/0	33/2
Cotton, Mid Upland* lb.	19·35d.	23·15d.	11·08d.	7·79d.	5·29d.
Iron, Scotch pig ton	101/0	101/0	88/6	93/7½	54/4½

* Good Middling American, Official Value.

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	% of Gold to Notes %
Jan. 29, 1919	5,831,011	6,569,758	307,479,880	28,500,000	9·2
Jan. 22, 1919	4,482,283	8,279,196	308,218,627	28,500,000	9·2
Jan. 30, 1918	6,273,134	4,430,819	211,985,296	28,500,000	13·4
Jan. 31, 1917	4,930,366	5,039,366	143,551,728	28,500,000	19·8
Feb. 2, 1916	5,330,854	4,249,848	98,839,155	28,500,000	28·8
Feb. 3, 1915	2,191,600	1,770,947	35,829,696	23,500,000	60·5

Balance Sheet, Jan. 29, 1919.

	£		£
Notes outstanding—		Advances—	
One Pound	230,953,979	Trustee Savings Banks	555,000
Ten Shilling	44,975,901	Currency Note Redemption A/c—	
Certificates outstanding	31,550,000	Gold Coin and Bullion	28,500,000
		Government Securities	283,212,767
Total	307,479,880	* Balance at Bank of England	5,034,989
Investments Reserve A/c	14,822,876		
Total	322,302,756	Total	322,302,756

PUBLIC INCOME & EXPENDITURE [000's omitted.]

1918-19. Week to	Revenue [See § Below]	Expenditure [See § Below]	Excess of Expenditure	Loans Advances, &c.—Raised	Loans Advances, &c.—Repaid	Loans Advances, &c.—Net. Inc.	Cash Balance
Jan. 25	£28,728	£32,420	£3,692	£83,543	£79,800	£3,743	£8,199
Jan. 18	£7,331	38,960	11,629	108,071	96,907	11,164	8,148
300 dys.'18-9	598,656	2,174,543	1,575,887	5,814,842	4,251,786	1,563,056	—12,831
301 dys.'17-8	482,421	2,205,066	1,722,645	4,323,124	2,610,397	1,712,727	— 9,918
1,638 dys.b	2,387,843	9,126,395	6,738,552	—	—	6,741,690	— 3,138
*Yr.'18-19**	*842,050*	*2,976,402*	*2,134,352*	—	—	*2,134,352*	—
Yr.'17-18	707,234	2,696,221	1,988,987	5,499,604	3,516,023	1,983,581	21,030

§ **Principal Items of Revenue and Expenditure.**

1918-19. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Int., &c., on Debt	Expenditure: Misc. Expend.	Supply Services.
Jan. 25	£3,281	£13,930	£9,496	£2,021	£573	—	£31,847
Jan. 18	4,484	13,133	6,878	3,036	699	£271	38,000
300 dys.'18-9	128,738	127,095	229,367	113,456	233,889	8,058	1,932,496
301 dys.'17-8	89,456	113,162	168,388	111,437	165,813	8,631	2,030,712
1,638 days b	533,087	743,490	720,005	357,535	614,575	64,388	9,029,587
*Yr.'18-19**	*147,700*	*290,450*	*300,000*	*103,900*	*315,000*	*11,414*	*2,649,938*
Yr.'17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,989

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	War Expend. Certs.	Total	Nat. War Bd. Rcpts.
Jan. 25, 1919	£1,078,848	£384,680	All	£1,463,528	£1,540,439
Jan. 18, 1919	1,094,686	399,680	re-	1,494,346	a1,506,706
Dec. 31, 1918	1,094,740	455,180	tired	1,549,920	1,420,700
Mar. 31, 1918	973,678	192,271	£22,929	1,188,878	814,215
Jan. 26, 1918	1,084,865	222,781	23 561	1,331,207	823,830
Sept. 30, 1917	949,112	220,814	23,561	1,193,487	—

TOTAL DEBT...Jan. 25, '19, about £7,436,000,000; Aug. 1,'14, about £852,270,000
GROSS COST OF WAR TO GT. BRITAIN to Jan. 25, 1919, about £8,210,000,000
* Budget & supplementary estimates. † Highest. (a) Sales reported to Jan. 25, 1919, £1,645,337,734. (b) 1,638 days to Jan. 25, 1919.

FOREIGN BANKS. [In £s sterling—000's omitted.]

AUSTRIA-HUNGARY.	Gold.	Silver.	Total.	Advances.	Note Circltn.	Above — or beneath + legal max.	Bills Discounted, &c.
July 23, '14	£51,578	£13,141	£63 719	£7,772	£88,740	+ £2,479	£31,893
Dec. 7, '17	11.000	2,300	13.300	692,980	739,300	—	117,800

DENMARK.	Gold.	Silver.	Total.	Discounts.	Balance Abroad.	Circulation.	Deposits.
July 31, 1914	£4.100	£341	£4.441	£8.197	£788	£8.893	£47
Nov. 30, 1918	10.424	144	10.568	3.828	4.338	24.456	736
Dec. 31, 1918	10.812	135	10.947	4.473	4.976	25.002	909
Dec. 31, 1917	9.622	137	9.759	3.081	2.495	18.770	2.417
Dec. 30, 1916	8.882	93	8.975	5.120	2.331	15.826	1.585

FRANCE.	Gold. In Bank	Gold. Abroad.	Total Cash incl'g Silver	Bills	Circulation.	Deposits. Public.	Deposits. Private
July 30, 1914	-£185.654-		£190.667	£97.788	£267.327	£15.302	£37.903
Jan. 23, 1919	139.498	81.484	232.664	49.998	1.271.753	2.810	110.755
Jan. 30, 1919	138.715	81.484	232.845	50.092	1.279.321	2.240	104.616
Jan. 31, 1918	133.004	81.494	224.428	40 827	941.374	942	118.075
Feb. 1, 1917	133.440	71.806	216.417	28.393	700.573	2.104	93.602

GERMANY.	Gold.	Silver.	Total.	Treasury & Other Notes.	Loans & Discounts.	Circulation.	Deposits.
July 23, '14	£67.843	£16.727	£84.570	£6.279	£40.055	£94.645	£47 198
Jan. 7, '19	113.009	999	113.978	265.819	1.299 114	1.113.943	593.434
Jan. 15, '19	112.859	982	113.831	267.750	1.377.452	1.126.318	681.046
Jan. 15, '18	120.297	5.692	125.999	63.217	641.017	552.197	329 954
Jan. 15, '17	126.113	866	126.979	13.980	431.195	385.342	195.875

HOLLAND.	Gold.	Silver	Total.	Discounts.	Advances	Circulation.	Deposits.
Aug. 1, 1914...	£13.498	£249	£13,745	£13,422	£10.339	£35.880	£1.437
Jan. 11, 1919...	57.535	723	58.258	21.140	12.112	90.186	8.148
Jan. 18, 1919..	57.032	728	57.760	19.330	11.559	88,750	6.778
Jan. 19, 1918...	58.999	586	59.585	6.713	7.599	73.842	4.747
Jan. 20, 1917...	49.131	567	49.698	7.019	5.775	61.369	6.289

ITALY.	Gold.	Silver	Total.	Other Cash.	Loans & Disc'nts.	Circulation.	Deposits
July 31, '14 ...	—	—	—£49,456—	£25.017	£89.204	£9.897	
Nov. 20, '18 ...	£32 693	£3.053	35.754	7.210	59 747	361.238	56.185
Nov. 30, '18 ...	32.599	3.076	35.775	9.448	63 565	364.412	57.142
Nov. 30, '17 ...	33.409	3.431	36.840	9.490	57.017	253.530	54 004
Nov. 30, '16 ...	35.973	2.903	38.876	3.884	27.277	150.096	30.772

JAPAN.	Gold.	Discounts.	Advances	Notes.	Deposits. Public.	Deposits. Private.
Aug. 1, '14 ...	£21.887	£1.829	£7.883	£32.722	£13.919	£1.591
Nov. 30, '18 ...	72.051	4.315	45.629	93.793	99.199	4.703
Dec. 7, '18 ...	72.003	2.584	41.979	87.495	100.152	4.268
Dec. 8, '17 ...	62.844	987	22.618	64.758	62.031	5.058
Dec. 9, '16 ...	33.415	570	15.678	46.518	37.513	3.516

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve.	Loans, Discounts, Invest., &c.	Net Deposits. Demand.	Net Deposits. Time.	Net Deposits. Total.	Excess Reserve
Aug. 1, '14	—	£89.899	£411.938	—	—	£387.165	£1.720
Jan. 18, '19	£21.446†	114.784	951.192	£791.454	£28.430	885.354	10.052
Jan. 25, '19	20.268†	109.728	958.786	785.326	28.050	888.520	5.804
Jan. 26, '18	21.690†	113.114	815.104	729.308	40.150	810.438	15.988
Jan. 27, '17	110.784*	162.056	894.478	717.259	33.034	750.293	38.142

* Counted as reserve. † Not reserve.

NORWAY.	Gold.	Balance Abroad.	F'r'gn Gov. Securities.	Discounts & Loans.	Circulation.	Deposits
July 31, 1914...	£2.980	£1,678	£493	£4,988	£8.752	£793
Jan. 7, 1919 ..	6.720	3.893	750	22.241	23.681	5.682
Jan. 15, 1919...	6.718	3.900	749	21.864	22,872	6.034
Jan. 15, 1918...	6.413	4.540	749	21,154	17.093	11.920
Jan. 15, 1917...	6.904	4.453	767	8.320	12,985	4.398

RUSSIA.	Gold. In Bank.	Gold. Abroad.	Total Cash incl'g Silver	Loans & Disc'nts.	Circulation.	Notes in Reserve	Total Deposits
July 31, '14	£180,114	£14.395	£181,892	£78,081	£163,411	£8,589	£108,911
Oct. 31, '17	129.684	230.882	377.099	1,781.647	1,785,890	10.310	344.907
Oct. 88, '17	128.523	230.885	378.205	1,889.559	1,836.217	15.783	345.550
Oct. 29, '16	155.877	205.498	372.072	814,687	784,488	10.512	223.731
Oct. 29, '15	159.825	3.560	185,844	443,307	501,083	8,417	143.413

SPAIN.	Gold.	Silver.	Total.	Loans &c.	Spanish 4%	Circulation.	Deposits &c.
Aug. 1, '14	£21.804	£29.187	£50.991	£40.572	£13.778	£77.557	£18.955
Jan. 11, '19	89.140	25.589	114.728	67.993	13.777	135.012	45.219
Jan. 18, '19	89.140	25.666	114.806	67.541	13.777	135.216	45.028
Jan. 19, '18	78.711	28.358	107.037	47.770	13,777	112.672	37.576
Jan. 20, '17	50,980	29.754	80.734	42.357	13.777	94.934	29.936

SWEDEN.	Gold.	Balance Abroad.	Swed. & For. Govt. Secs.	Discounts & Loans.	Circulation.	Deposits
Aug. 1, '14 ...	£5.717	£8.150	£1.555	£7.495	£13.432	£3.903
Jan. 11, '19 ...	15.853	6.311	3.034	21.507	41.093	6.332
Jan. 18, '19 ...	15.552	6.588	3.034	19.984	39.632	6.141
Jan. 19, '18 ...	13.130	7.402	3.436	12.686	28.595	8.005
Jan. 20, '17 ...	10.364	8.401	3.574	5,522	20.412	6,598

SWITZERLAND.	Gold.	Silver.	Total.	Discounts & Advances.	Circulation.	Deposits.
July 23, 1914...	£7.202	£758	£7.960	£4.817	£10.716	£2.026
Jan. 7, 1919 ..	16.562	2.366	18.928	23.873	36.434	7.903
Jan 15, 1919...	16.542	2.429	18.971	19.775	34.144	7,536
Jan. 15, 1918...	14.393	2.183	16.557	12.582	25.117	4.446
Jan. 15, 1917...	13.776	2.179	15.945	8.708	19.181	6.548

U. STATES FED. RES. BANKS.	Gold — Held by Banks.	Gold — With Agents.	Total Cash.	Bills Discount'd	Acceptances.	Deposits. Govt.	Deposits. Total. Net.	Circulation.
Jan. 17, '19	£145,616	274,898	434.030	320,237	54,726	9.874	319.758	502,594
Jan. 24, '19	151,444	269.820	433,678	352,406	56,908	29.276	337.196	433,312
Jan. 25, '18	182.544	182.767	358,552	125.532	54,782	27.138	293.576	248.986
Jan. 26, '17	103.222	55.026	181.765	3 142	19 539	5.121	138.052	51,954

II.—FOREIGN BANK RATES OF DISCOUNT.

	Current Rates %	Date Fixed		Current Rates %	Date Fixed
Paris	5	Aug. 20, '14	Copenhagen ...	5½	Jan. 2, '19
Berlin	5	Dec. 23, '14	Christiania ...	6	Dec. 13, '17
Amsterdam ...	4½	July 1, '15	Berne	5½	Oct. 3, '18
Brussels	5	Aug. 27, '14	Rome	5	Jan. 11, '18
Vienna	5	Apr. 12, 15	Madrid	4½	Oct 26, 14
Petrograd ...	6	July 28, '14	Stockholm ...	7	Mar. 21, '18

III.—FOREIGN EXCHANGES.

LONDON ON—		Jan. 31, '19	Jan. 24, '19	Jan. 17, '19	Jan. 10, '19
Brussels	Cheques	27fr.	27fr.	27fr. 10c.	27fr. 15c.
Denmark	Cable	18kr 30	18kr. 00½	17kr. 83½	17kr. 80½
Holland	Cable	11fl. 52⅛c.	11fl 44⅛c	11fl. 25	11fl. 22c.
Italy	Cable	30lr. 31½c.	30lr. 31½c.	30lr. 30½c.	30lr. 31½c.
Lisbon & Oporto	do.	35⅛	35⅛d.	34⅛d.	34⅛d.
New York	do.	$4 76½	$4 76½	$4 76½	$4 76½
—	Cheques	$4 77⅜	$4 77⅜	$4 77⅜	$4 77½
Norway	Cable	17kr. 40	17kr. 08½	16kr 97½	17kr. 00
Paris	3 mos.	26fr. 42½c.	26fr. 42½c.	26fr. 42½	26fr. 42½c.
—	Cable	25fr. 93	25fr. 98½c	25fr. 93c	25fr. 97c.
Spain (Bank places)	3 mos.	49¼	49¼.	48¾	48d.
—	Cable	23p 64½	23p 64	23p. 65	23p. 66
Sweden	do.	17kr	16kr. 59½	16kr. 44½	16kr. 39½
Switzerland	3 mos.	23f 87½c	23f 72½c	23f. 42½c.	23f. 45½c
—	Cable	23f. 45	23f. 30c.	22f. 91½c.	23f. 00½c.

ON LONDON—		Jan. 31, '19	Jan. 24, '19	Jan 17, '19	Par
Alexandria	Sight	97⅛pi.	97⅛	97⅛ pi.	97⅛pi.
Amsterdam	Cheques	11fl. 50½c.	11fl. 46c.	11fl. 25½c.	12·107 fl.
Bombay	Transfers	1s. 5⅞	1s. 5	1s. 5	1s. 6d.
Brussels	Cheques	26f. 96c.	27f. 02½c.	27f. 17½c.	25f. 22½c.
Buenos Ayres	Transfers	51⅛d.	51¼d.	51¼d.	47.58d.
Calcutta	Transfers	1s. 5 1/16d	1s. 5 1/16d	1s. 5 1/16d	1s. 6d.
Christiania	Sight	17kr 38½	17kr 08½	16kr 97½	18.159kr.
Copenhagen	Sight	18kr 32	17kr. 50½	17kr 84	18.159kr.
Hong Kong	Transfers	3s 3⅛	3s. 3⅛	3s 3⅛	—
Italy	Sight	30lr. 31½c.	30lr. 31½c	30lr 31½c	25lr. 22½c
Lisbon	Sight	35⅛	35⅛	34⅛d	53⅛d.
Madras	Sight	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/16d	1s. 6d.
Madrid	Sight	23p. 64	23p. 64	23p. 64½	25p. 22½
Montevideo	Transfers	—	—	—	51d.
Montreal	Cable	$4 86⅛	$4 86⅛	$4 86⅛	$4 86⅔
New York	Sight	$4 75⅞	$4 75⅞	$4 75⅞	—
—	60 days	$4 73½	$4 73	$4 73	—
—	Cable	$4 76⅜	$4 76⅜	$4 76⅜	$4 86⅓
Paris	Cheques	25f 98½c.	25f 98½c	25f. 93c.	25f.22½
Rio de Janeiro	90 days	13 5/16d.	12 11/16d.	12 7/16d.	18d.
Shanghai	Transfers	5s 0⅛	5s 0⅛	5 1d.	—
Singapore	Sight	2s. 4 5/16d.	2s. 4 5/16d.	2s. 4 3/16d.	2s. 4d.
Stockholm	Sight	18kr 97½	16kr 59	16kr. 44	18·159kr.
Switzerland	Sight	23f 43c	23f. 27c	22f. 94½c	25f. 22½c.
Valparaiso	90 days	10d.	10 1/16d	—	18d.
Yokohama	Sight	2s. 2d.	2s. 2d.	2s. 1 5/16d.	2s. 0.58d.

NEW YORK ON—	Rate Current* Jan. 29, '19	Rate Current* Jan. 22, '19	Par as usually Quoted	Rate July 3, '14
London, sight	$4.7580	$4.7580	4·8665 dollars for £1	$4 87
,, cables	$4.78⅛	$4.78⅜		$4 88⅛
,, 60 days	$4.72⅛	$4.72⅛		$4 85
Amsterdam, sight	40⅛c.	41⅛c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques	35·75c.	35·75c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques	44·90c.	44·90c.		
Christiania, cheques	27c.	27 75c.	26·80c. for 1 kroner	
Copenhagen, cheques	25·80c.	26 50c.	26·80c. for 1 kroner	26·85c.
Greece, cheques	19·35c.	19·32c.	19·295c. for 1 drachma	
Hongkong, cheques	78·05c.	79c	74·59c. for Mex. $1	48·40c.
Italy, sight	6·36½.	6·37½	5·19½ lire for $1	5·17½.
Lima, cheques	5·05c.	5·05c.	4·8665 $ for 1 libra	
Manila, cheques	49⅛c.	49⅛c.	50c for 1 peso	49·80c.
Montreal	2 ⅛% disc.	2 ⅛% disc.	Premium oer $100	Par
Paris, sight	5·45½fr.	5·45½fr.	5·19½ francs for $1	5·16fr.
Petrograd, sight	13nom.	12nom.	51·49c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	25c	25·20c.	32·43c. for 1 milreis	
Shanghai, cheques	122½c.	124c.	62·93c. for 1 tael	63·00c.
Singapore, cheques	56·25c.	56·25c.	56·77c. for $1	57·12c.
Spain, cheques	20·10c.	20·10c.	19·30c. for 1 peseta	
Stockholm, cheques	27 85c.	28·50c.	26·80c. for 1 kroner	
Switzerland, cheques	4·95fr.	4·88½fr.	5·18½ francs for $1	5·16½fr.
Valparaiso, cheques	22·25c.	22·50c.	80·81c. for 1 peso	
Yokohama, cheques	51·50c.	51·75c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1919 Agg.	Inc. or Dec.*
	1919.	[In £'s sterling 000's omitted.]			
BIRMINGHAM	Jan. 25	£2,202	+ £33	£10.044	— £359 — 3·4
BRISTOL	,, 25	1.155	+ 181	4.893	+ 739 + 18·9
DUBLIN	,, 25	6.986	+ 2.083	28.013	+ 6.871 + 32·5
LEEDS	,, 25	990	+ 169	4.522	+ 731 + 19·2
LEICESTER	,, 25	661	— 42	3.321	+ 353 + 11·7
LIVERPOOL	,, 25	12,170	+ 4.289	42.635	+ 10.440 + 32·5
MANCHESTER	,, 25	14.734	+ 2.164	59.808	+ 6.352 + 12·1
NEWCASTLE	,, 25	1.705	— 103	7.191	— 1.138 — 13·7
NOTTINGHAM	,, 25	608	— 132	2.673	+ 57 + 2·2
SHEFFIELD	,, 25	743	+ 18	4.351	+ 189 + 4·5
LONDON—	1919.				
TOWN	Jan. 29	385,352	+ 21.037	1,565.871	+ 210.645 + 15·5
METROPOLITAN	,, 29	32.397	+ 7.494	141.672	+ 29.361 + 26·2
COUNTRY	,, 29	54.755	+ 10,875	243,988	+ 38.953 + 19·0
TOTAL	,, 29	452,504	+ 39.406	1.951.531	+ 278.959 + 16·7

* Compared with a year ago.

V.—FREIGHTS.

According to Messrs. J. C. Gould and Co. the following are the quotations for representative steam freights:—

HOMEWARDS.	1919 Jan. 31	1919 Jan. 24	1913 Jan. 31
Alex. to Lond. or Hull	—	—	9/6
Aust. to U.K. or Cont.	100/0	100/0	41/0
Azoff to L.H.A.R.	—	—	12/9
Bombay to p.p. (nom.)	75/0	75/0 d.w.	35/0
Burmah o.c. (nom.)	75/0	75/0	33/0
Calcutta to p.p. (jute)	200/0	200/0 d.w.	—
Danube to A.R.	—	—	—
Odessa to L.H.A.R.	—	—	11/9
R. Plate to U.K. Cont.	62/6	62/6	25/0

Homewards.—*Contd.*	1919 Jan. 31	1919 Jan. 24	1913 Jan. 31
U.S. Atl. Ports to Lvrpl. (cotton, 100lb.)	$1.25	$4.25	—
U.S. to U.K. Cont. (gr.)	17/6	17/6	3/1½
Gulf Ports to U.K. Cont. (cotton & grain)	60/0	60/0	—

OUTWARDS.—Cardiff to	Bombay	Colombo	Port Said	Plate	River Plate	St. Vincent
J. 31, '19	—	—	47/6	60/0	60/0	50/0
J. 24, '19	—	—	47/6	60/0	60/0	47/6
J. 31, '13	—	13/6	10/6	16/9	16/9	10/6

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	1918-19 JAN. 31	1917-18 FEB. 1.	1914 JUNE 30.
Iron—Scotch pig warrants ...ton	101/0	101/0	67/0
— Middlesbro' warrants ...ton	95/0	95/0	51/0
— Hematite warrants ...ton	122/6	122/6	61/0
— Staffordshire bars, London ton	£17	£15 10	£8 10
— Common bars ...ton	£14 15	£13 15	£8 10
Steel Rails ...ton	£10 17/6	£10 17/6	£6 2/6
Galvanised Sheets...ton	£29	£28	£18 17/6
Copper—Standard...ton	£87—£88	£110—£110 10	£61
Tin—English ingots ...ton	£243—£244	£293—£299	£142 10
— Straits ...ton	£246/5	£297 10-298 10	£139 15
Tinplates, I.C. Coke, S. Wales...box	33/3	31/6	11/10½—12/0
Lead—Soft Foreign ...ton	£32/10—£29/10	£29	£19
Spelter—Ord. Foreign ...to	£56—£45	£250—£54	£21 7/9
Quicksilver —(75lb.) ...bott e	£20	£20	£7
Aluminium ...ton	nom.	nom.	£82
Antimony—Regulus ...ton	nom.	nom.	£27 10
Coal—(best) Yorkshire...ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle...ton	40/0—45/0	30/0	14/6
CHEMICALS, OILS, &c.			
Nit. of Soda —f.o.b. Chile, per quintal	nom.	11/6	7/4
Soda—Crystals ex ship ...ton	87/6	72/6	42/6—45/0
Copra—Malay and Straits ...ton	£39 10	£45 10	£23 15-£24 7/6
Gambier—Good marks ...cwt	40/0	63/6	16/10½
Indigo—Bengal good to fine...lb.	9/0—10/8	10/0—12/0	3/2—3/8
Linseed Oil—Raw...ton	£75	£58	£25 5
Linseed —Calcutta, spot ...ton	£26 15	£29 15	£13 18/9
— Cakes, U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil —Spanish ...tun	nom.	—	£49 10
Palm Oil—Lagos ...ton	£45	nom.	£31 10
Petroleum —American...gal on	1/4½	1/7½	-/7½
Rape Oil —Refined English ...ton	£71	£71	£32
Soya Oil—Refined...ton	£75	£75	£24 10
Tallow—Imported ...cwt.	72/0	72/0	29/3—33/3
Turpentine—French ...cwt	106/0	127/3	33/7½
Rape Seed—Toria...ton	£25 15	£29 15	£13 5
Rubber —Para, spot ...lb.	2/6	2/7½	2/9½
— Fine plantation (stnd. crepe) lb	2/0†	2/3	2/2
— World's Production* Nov. tons	18,701	20,780	8,467
Shellac—T.N. Orange, fair...cwt.	250/0—280/0	385/0	63/0—64/0
TEXTILES.			
Cotton—Middling Uplandt ...lb	-/19 35	-/23 63	-/7 53
— Egyptian, good fair ...lb.	-/27 05	-/28 30	-/8 75
— Pernambuco fair ...lb	-/21 17	-/26 08	-/7 73
— Mid. Upl. New York.. ...lb.	26·70c.	31 65c.	13·25c.
— Stock, Liverpool, Jan. 24...bales	415,680	415,680	—
Flax—Petrograd, Yarapol ...ton	nom.	£120nom.	£28
Hemp —New Zealand ...ton	£70	£93	£25 10
— Manila, Fair strips ...ton	£80	£85	£26 10
Jute—First Marks ...ton	—	—	£28 15
— Red SCO ...ton	—	—	£24 15
Silk—Blue Elephant ...lb	20/0	25/0	11/3—11/8
Wool—Pt. Philip unwashed av. lb	nom.	nom.	-/11½—1/0
— Lincoln Half Hogs ...lb.	1/7½nom.	1/6 nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	-/9½—/10½	-/10	-/7½
Leather—Dressing Hides ...lb	2/5...3/1	nom.	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	128,671,000	15,127,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	238c.	226c.	87½c.
— English *Gazette*, aver. 480lb qr.	72/7	71/1	34/3
Flour—G.R. ...280lb.	44/3	44/0	28/6
Barley —Eng. *Gaz.*, aver. 400lb. qr.	61/10	58/7	25/4
Oats —Eng. *Gaz.*, aver. 312 lb. ...qr.	49/6	48/2	20/0
Maize—N. Y. (new bushel) ...56lb.	148c.	nom.	76½c.
— Amer. mixed, Liverpool...480 lb	79/9	80/9	32/4
— La Plata ...480lb. qr.	72/0	76/0	25/9
Potatoes—Good English ...ton	190/0	120/0—150/0	70/0—75/0
Rice—Bassein ...cwt.	25/0	28/3	7/0—7/3
Tapioca —Pearl, medium...cwt	39/0	69/0	14/0—17/8
Hay —Best ...2,018lb....load	178/0	125/0—150/3	82/6
Hops—English...cwt	—	£5 10—£10	£6 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs....8lb.	9/0—9/6	7/8	3/8—3/10
— Scotch sides...8lb.	9/8	8/4	4/6—5/0
— English...8lb.	9/6	8/4	4/2—4/6
Mutton —Scotch wethers...8lb.	10/0	9/2	5/8—6/0
— English wethers...8lb.	10/0	9/2	4/6—5/4
— New Zealand frozen ...8lb.	10/0	—	2/4—3/2
Pork—English and Irish...8lb.	10/8	9/6	3/6—4/0
Bacon —Irish, ex Factory ...cwt.	188/0	172/0	60/0—74/0
— Danish, ex Port ...cwt.	—	172/0	58/0—68/0
— American, delivered ...cwt.	176/6	172/0	72/0—74/0
Hams—Amer. long cut, delvrd. cwt.	170/0	165/0	75/0—79/0
— short cut, delivered ...cwt.	170/0	162/0	71/0—74/0
Lard—Amer. boxes, delivered cwt.	158/0	135/0	51/9—52/9
Butter —Danish ...cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
— French ...cwt.			98/0—108/0
— Australian ...cwt.			98/0—110/0
— New Zealand ...cwt.			108/0—114/0
Cheese—Canadian ...cwt.	Controlled 163/4	nom.	66/0—68/0
— United States...cwt.		nom.	—
— Dutch ...cwt.		154/0—156/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Dec. 31 cwts.	26,146,204	27,750,194	19,777,254
— Home consumpt'n to Dec.31 cwts.	18,824,568	21,983,807	17,272,000
— In Bond Dec 31 ...cwts.	7,837,000	3,935,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	30/0	34/0	10/3
— — Yellow crystals ...cwt	57/9	46/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	64/9	53/9	18/0
Coffee—Imports to Dec 31 ...cwts.	182,307	547,455	720,360
— Home consumpt'n to Dec. 31 cwts.	456,279	421,869	141,410
— Exports to Dec. 31 ...cwts	30,181	113,544	340,250
— In Bond Dec. 31 ...cwt.	612,000	1,142,000	484,000
— Price, Costa Rica gd. to fine cwt.	140/0—150/0	110/0—121/8	80/0—93/0
— — Brazil (Santos)...cwt.	66/9	62/0	41/8
Tea—Imports to Dec. 31 ...lbs.	475,879,540	241,262,304	123,230,277
— Home consumpt'n to Dec. 31 lbs.	311 151,407	277,808,766	155,447,972
— Exports to Dec. 31 ...lbs.	2,195,328	14,307,173	28,561,765
— In Bond Dec. 31 ...lbs.	144,674,000	37,400,000	78,282,000
— Price, Indian Pek. Soug. good lb.	1/4	—	-/8½
— — Ceylon, Pek. Soug. Ord. lb.	1/4	—	-/8½
— — Common Congou ...lb.	1/4	—	-/6½
Cocoa—In Bond Dec. 31 ...cwt.	484,000	830,000	309,000
— Grenada, good to fine ...cwt.	85/0	nom.	52/6—56/0

* Estimated. † G.M. American Official Value.

VII.—CANADIAN RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Northern ...	Dec.	$5,013,300	+1,770,100	$ 3,810,200	+ $544,900
	6 *mos. to* Dec.	*26,621,100*	*+4,761,600*	*2,808,500*	*— 526,500*
Canadian Pacific ...	Dec.	15,751,000	+2,880,000	2 8,1,000	— 1,100,000
	12 *mos. to* Dec.	*157,538,000*	*+5,419,000*	*34,592,000*	*— 12,041,000*

VIII.—RAILWAY AND TRAMWAY TRAFFIC RECEIPTS.

*** No trafic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britainunder warrant, renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week ended		Miles.	+or— in Yr.	Gross Receipts.	+ or — on Year Ago.	No. Wks.	Aggregate Receipts.	+ or — on Year ago.
Assam Bengal	Dec.	14	993	+ 13	₹1,57,508	+ 18,382	11	17,95,142	+ 2,33,775
Barsi Light ...	Dec.	14	118	—	20,900	+ 2,400	37	5,81,600	— 13,900
Bengal & N.W.	Dec.	14	3,052	+ 4	4,65,430	+ 30 099	11	49,26,782	+ 9,79,873
Beng. Dooars	Nov.	23	158	+ 5	47,127	+ 9,500	8	3,42,645	+ 47,019
Beng Nagpur	Dec.	14	3,895	—	11,48,000	— 1,01,000	37	4,17,35,316	+34,10,653
Bomb. Baroda	Jan.	18	3,872	— 1	19,10,000	+ 1,72,000	16	2,55,59,000	+16,42,000
Burma ...	Dec.	14	1,342	—	4,84,555	+ 22,872	37	1,74,28,293	+29,74,143
Del. Um. Kalk.	Jan.	18	139	—	83 100	+ 17,467	16	13,09,004	— 1,84,590
East Indian	Jan.	18	2,767	— 40	27,35,000	+ 3,86,000	16	4,25,76,000	+46,64,000
Gt. Indian Pen.	Jan.	18	3,112½	—	25,34,000	— 17,900	16	3,51,89,560	+10,85,163
Madras & S M.	Dec.	14	3,162	— 1	10,80,000	— 85,350	11	1,05,05,000	— 2,07,397
Nizam's Guar.	Nov.	30	900	—	2,31,423	— 5,375	9	17,75,708	— 20,011
Roh. & Kumo.	Dec.	14	648	—	99,767	+ 9,261	11	11,68,976	+ 1,82,025
South Indian	Dec.	14	1,830	+ 38	6,23,721	— 39 083	37	2,51,03,323	— 45,937
South Punjab	M. of	Sept.	716	—	10,51,980	+ 2,89,310	6m	62,92,020	+17,92,488
COLONIAL.									
Can. Northern	Jan.	21	9,487	+ 53	$976,200	+ 368,400	29	29 181,400	+ 5,557,500
Can. Pacific ...	Jan.	21	13,388	+ 395	2,949,000	+ 625.000	3	8,698,000	+ 1,661,000
Gd. Trunk Pac.	Jan.	21	918	—	£18,985	— 1,078	3	58,617	— 3,034
Grand Trunk	Jan.	21	3,816	—	183,341	+ 72,079	3	611,124	+ 201,832
Mashonaland...	M. of	Sept.	810	—	86,538	+ 18,385	12m	683,417	+ 10,372
Mid. W. Aust.	M. of	Nov.	277	—	9,488	+ 1,282	5m	42 154	+ 8,692
New Cape Cent.	Dec.	21	305	—	3,487	+ 308	51	116,178	+ 18,190
Rhodesia Rlys.	M. of	Sept.	1,397	—	99,811	+ 18,147	12m	1,094,793	+ 46,197
W. Pass. & Yuk.	M. of	Sept.	122	—	$293,088	— 25,328	9m	1,124,400	— 588,913
FOREIGN.									
Argentine.									
Arg. N. East	Jan.	18	752	—	£ 6,200	— 3,900	29	268,575	+ 35,075
Arg. Transand.	Jan.	25	111	—	£ 4,420	— 180	30	102,830	+ 13,520
B. A. & Pacific	Jan.	26	3,536	—	£ 103,000	— 12,000	30	3,370,000	+1,093,000
B. A. Gt. South.	Jan.	19	3,792	—	£ 127,000	— 13,000	29	3,870,000	+1,059,000
Do.	Jan.	18	Net	—	£ 24,000	— 18,000	29	705,000	+ 112,000
B. A. Western...	Jan.	28	1,882	+ 12	£ 69,000	+ 1,000	30	2,038,000	+ 769,000
Do.	Jan.	26	Net	—	£ 16,000	— 2,000	30	478,000	+ 170,000
B. A. Central ..	M. of	Dec.	190	—	£ 40,857	+ 9,778	6m	246 094	+ 99,907
Cent. Argentine	Jan.	18	3,305	—	£ 60,000	— 93,000	29	3,709,000	+1,035,400
Do.	Jan.	18	Net	—	£ —	— 30,000	29	584,900	+ 26,804
Cord. Central ...	Jan.	18	1,205	—	£ 23,500	— 10,990	29	1,294,280	+ 421,070
Entre Rios	Jan.	18	831	—	£ 12,400	— 6,800	29	571,900	+ 182,600
Brazilian.									
Brazil Gt. South.	M. of	Sept.	110	—	M 41,264	+ 1,076	9m	450,733	+ 82,454
Brazil Railway	M. of	Nov.	3,530	—	M 3,220,000	— 1,504,109	11m	52,913,000	+ 2,760,514
Gt. W. Brazil .	Jan.	18	1,010	—	£ 26,400	+ 6,130	3	82,200	— 3,500
Leopoldina	Jan.	11	1,831	—	£ 30,170	— 5,661	2	58,435	— 10,488
Mogyana	M. of	Nov.	1,180	—	M 1,382,000	— 915 338	11m	20,706,000	— 1,518,161
Paulista	M. of	Nov.	766	—	M 2,185,000	— 1,264 965	11m	29,899,000	— 319,554
San Paulo	Jan.	26	153½	—	£ 23,890	— 13,836	4	101,791	— 42,392
Sorocabana	M. of	Nov.	1,003	—	M 1,128,000	— 865,148	11m	20,204,000	+ 1,222,860
S. of Bahia S.W.	M. of	Dec.	52	—	M 94,000	— 8,000	12m	1,061,000	— 62,000
Chilean and Peruvian.									
Antofagasta	Jan.	19	838	—	£ 32,435	— 5,075	3	103,325	— 6,670
Arauco	M. of	Nov.	64½	—	£ 11,500	— 3,500	12m	143,000	+ 15,500
Nitrate (2 wks.)	Jan.	15	390	—	£ 25,305	— 9,503	2	—	—
Peruvian Corp.	M. of	Dec.	1,140	—	$ 1,057,993	— 43.100	6m	6,020,715	— 67 555
Taltal	M. of	Dec.	181	—	£ 14,558	— 14,550	6m	113,724	— 36,712
Cuban.									
Cuban Central ..	Jan.	25	362	—	£ 29,256	+ 1,856	30	462,628	+ 54,152
Havana Central	Jan.	18	70	—	£ 8,336	— 727	29	249,722	+ 22,540
U. of Havana ..	Jan.	25	961	—	£ 40,331	— 41,087	30	1,379,328	+ 69,172
W. of Havana	Jan.	25	155	—	£ 4,297	— 6,622	30	202,613	— 12,728
Uruguayan.									
Cent. Uruguay	Jan.	18	272	+ 1	£ 23,535	+ 5,263	29	590,891	+ 80,828
,, (E. Ext.)	Jan.	18	311	—	£ 6,206	+ 1,439	29	128,228	+ 1,690
,, (N. Ext.)	Jan.	18	185	—	£ 4,579	+ 961	29	103,776	+ 16,430
,, (W.Ext.)	Jan.	18	211	—	£ 2,959	+ 237	29	74,741	+ 14,489
Mid. Uruguay ..	M. of	Dec.	319	—	£ 18,723	+ 3,582	6m	98,402	+ 14,320
N. W. Uruguay	M. of	Dec.	113	—	$ 33,500	— 42	3m	179,230	+ 16,096
Urug. Northern	M. of	Dec.	73	—	£ 2,128	— 262	6m	11,674	+ 663
Miscllaneous.									
Alcoy & Gandia	Jan.	25	83	—	Ps. 10,000	+ 2,500	4	31,500	—
Bilbao	M. of	Dec.	15	—	£ 3,982	+ 450	12m	51,831	+ 6,646
Bolivar.....	M. of	Dec.	136	—	£ 14 000	+ 2,236	6m	46,829	— 20,671
Colomb. Natnl.	M. of	Dec.	86	—	£ 13,440	+ 240	12m	147,320	+ 6,810
Colomb. Northn.	M. of	Feb.	30	—	£ 6,388	+ 544	8m	59,165	+ 7,453
Costa Rica	M. of	Oct.	189	—	£ 21,892	+ 6,518	4m	89,500	+ 34,254
Dorada Ext. ...	M. of	Nov.	71	—	£ 7,900	— 100	11m	91,800	— 7,100
Egyptian Delta	Jan.	10	559½	—	£ 13,214	+ 2,062	39	292,402	+ 73,255
Gt. S. of Spain	Jan.	18	104	—	Ps. 138,625	+ 108,475	3	352,822	+ 236,261
La Guaira & Ca.	M. of	Dec.	22½	—	£ 6,000	— 500	12m	69,250	— 17,750
Paraguay Cent.	Jan.	18	255	—	£ 5 680	+ 2,900	29	109,000	+ 28,891
Puerto Cabello	M. of	Dec.	24	—	£ 3,200	— 1,300	12m	44,500	— 4,444
Salvador	Jan.	25	100	—	£ 4,728	+ 1,268	30	58,412	+ 11,070
Santa Fe Prov. French Rwys.	M. of	Dec.	1,181	—	£ 177,232	+ 22,752	12m	1,847,561	+ 558 178
S'mana & S'tiago	M. of	Dec.	80	—	£ 7,035	— 769	12m	103,715	— 13,599
Zafra & Huelva	M. of	Dec.	118	—	£ 12,821	+ 1,150	12m	153,788	+ 18,29 ?
TRAMWAYS.			Miles						
Anglo Argentine ...	Jan.	21	400	$	54,003	+ 1,153	3	139,230	— 22 034
Auckland (4 weeks)	Dec.	29	27	£	19,585	— 3,079	24	123,856	— 8,873
Bombay Electric ..	M. of	Nov.	39·3	R.	6,24,213	+ 60,708	11m	64,11,270	+ 8,30,455
Brazilian Traction...	M. of	Nov.	378½	M.	7,581,000	— 124,000	11m	93,363,000	+ 9,232,000
Brisbane Electric ...	M. of	Dec.	40½	£	38,135	+ 3,116	12m	440,014	+ 43,675
British Columbia ...	M. of	Nov.	334	$	612,893	+ 87,284	5m	2,727,030	+ 359,925
B. Ayres Lacroze ...	M. of	Dec.	51	$	50,460	+ 9,559	6m	259,224	+ 28,748
Calcutta	Jan.	25	35½	R	82,787	+ 11,381	4	346,845	+ 49,427
Cape Electric	M. of	Dec.	49·43	$	28,445	+ 3,722	6m	133,073	+ 9,545
Carth & Herr.	M. of	Dec.	8	$	2,950	— 1,474	12m	46,884	— 2,702
Chatham & District	Jan.	23	14·98	$	1,228	+ 52	3	3,930	+ 224
Havana Electric	M. of	Oct.	86	$	733,443	+ 97,621	10m	6,775,949	+ 1,103,541
Isle of Thanet	Jan.	25	21	£	282	+ 85	17	5,324	+ 2,468
Kalgoorlie	M. of	Sept.	20½	£	2,947	— 116	9m	25,070	+ 942
Lanarkshire... ...	Jan.	23	28·43	$	3,539	+ 1,110	3	12,984	+ 3,149
Lima Light & Trams.	M. of	Oct.	85	$	45,336	+ 7,724	10m	435,004	+ 75,199
London O.C.	Jan.	29	141·67	$	66,653	+ 12,835	43	2,883,594	+ 486,276
Madras Elec. (2 wks.)	Jan.	15	16½	R	42,582	+ 4,846	2	—	—
Manila Electric	M. of	July	55	$	189,900	+ 42,900	7m	1,240,446	+ 244,082
Pernambuco	Jan.	19	69	$	6,275	+ 394	3	18,128	+ 1,127
Provincial	Jan.	18	31½	$	2,595	+ 3,000	16	40,370	+ 3,003
Rangoon Electric ...	M. of	Nov.	25	$	6,811	+ 1,263	11m	65,804	+ 10,424
Shanghai Electric .	Nov.	27	26·825	Mex. $	32,002	+ 6,772	47	1,206,275	+ 64,343
Singapore Elect.....	Dec.	7	36½	$	14,398	+ 1,358	49	681,102	+ 50,245
U. of Montevideo ...	M. of	Dec.	90½	£	36,441	+ 4,416	2m	70,138	+ 5,054

LONDON JOINT CITY & MIDLAND BANK

LIMITED.

ESTABLISHED 1836.

Authorised Capital - - -	**£41,450,000 0 0**
Subscribed Capital - - -	**£34,428,948 0 0**
Paid-up Capital - - - -	**£7,172,697 10 0**
Reserve Fund - - - - -	**£7,172,697 10 0**

DIRECTORS.

SIR EDWARD H. HOLDEN, Bart., Chairman and Managing Director.

WILLIAM GRAHAM BRADSHAW, Esq., London, ALEXANDER H. GOSCHEN, Esq., London, Deputy-Chairmen.

THE RIGHT HON. LORD AIREDALE, Leeds.
SIR PERCY ELLY BA ES Bart., Liverpool.
ROBERT CLOVER BEAZLEY, Esq., Liverpool.
WILLIAM BENNETT, Esq., London.
WILLIAM T. BRAND, Esq., London.
WALTER S. M. BURNS, Esq., London.
THE RT. HON. LORD CARNOCK, G.C.B., London.
STANLEY CHRISTOPHERSON, Esq., London.
DAVID DAVIES, Esq., M.P., Llandinam.
THE RIGHT HON. THE EARL OF DENBIGH, C.V.O., London.
FRANK DUDLEY DOCKER, Esq., C.B., Birmingham.
FREDERICK HYNE FOX, Esq., Liverpool.
H. SIMPSON GEE, Esq., Leicester.
JOHN GLASBROOK, Esq., Swansea.
CHARLES GOW, Esq., London.
JOHN RICHARD HILL, Esq., York.
CHARLES E. JOHNSTON, Esq., London.
THE RIGHT HON. REGINALD MCKENNA, London.
CHARLES THOMAS MILBURN, Esq., London.
FREDERICK WILLIAM NASH, Esq., Birmingham.
THE RIGHT HON. LORD PIRRIE, K.P., London.
EMMANUEL MICHEL RODOCANACHI, Esq., London.
SIR THOMAS ROYDEN, Bart., M.P., Liverpool.
SIR EDWARD D. STERN, D.L., London.
EDMUND R. TURTON, Esq., M.P., Thirsk.
LEWIS H. WALTERS, Esq., London.
THE RIGHT HON. SIR GUY FLEETWOOD WILSON, K.C.B., K.C.M.G., G.C.I.E., London
WILLIAM FITZTHOMAS WYLEY, Esq., Coventry.
SIR DAVID YULE, London.

Head Office: 5 THREADNEEDLE STREET, LONDON, E.C. 2.

Joint General Managers: S. B. MURRAY, F. HYDE, J. F. DARLING, E. W. WOOLLEY, R. RICHARDS.

DR. LIABILITIES AND ASSETS, 31st December, 1918. CR.

To	£ s. d.	By	£ s. d.
Capital Paid up, viz.:—		Cash in hand (including Gold Coin, £8,000,000) and Cash at Bank of England	£33,756,371 2 5
£2 10s. 0d. per Share on 2,869,079 Shares of £12 each	£7,172,697 10 0	Cheques on other Banks *in transitu*	2,001,486 12 7
Reserve Fund	7,172,697 10 0	Money at Call and at Short Notice	65,809,169 12 4
Dividend payable on 1st February, 1919	451,879 18 10	Investments:—	
Balance of Profit & Loss Account, as below	675,097 14 7	War Loans at cost (of which £432,979 15s. is lodged for Public and other Accounts) and other British Government Securities	57,463,594 19 3
	£15,472,372 13 5	Stocks Guaranteed by the British Government and Indian Railway Debentures	468,383 12 0
Current, Deposit and other Accounts	334,898,435 12 6	British Railway Debenture and Preference Stocks, British Corporation Stocks	1,112,725 19 8
Acceptances on account of Customers	13,145,849 2 11	Colonial and Foreign Government Stocks and Bonds	1,410,465 18 10
		Sundry Investments	1,145,481 1 6
		Bills of Exchange	39,249,296 3 2
			£232,416,975 1 9
		Advances on Current and other Accounts	99,213,614 15 5
		Advances on War Loans	14,218,201 2 1
		Liabilities of Customers for Acceptances	13,145,849 2 11
		Bank Premises at Head Office and Branches	3,762,327 6 7
		Belfast Bank Shares:—	
		50,000 £12 10 Old Shares £2 10 paid	
		150,000 £12 10 New Shares £2 10 paid	
		Cost £1,237,500 0 0	
		Less part Premium on Shares issued 477,810 0 0	759,690 0 0
	£363,516,657 8 10		£363,516,657 8 10

DR. PROFIT AND LOSS ACCOUNT for the Year ending 31st December, 1918. CR.

To	£ s. d.	By	£ s. d.
Dividend at 18 per cent. per annum for the Year ending 31st December, 1918, less Income Tax	919,885 10 5	Balance from last Account	733,785 5 8
Reserve Fund for future Contingencies	600,000 0 0	Net profits for the year ending 31st December, 1918, after providing for all Bad and Doubtful Debts	2,700,330 13 11
Salaries and Bonus to Staff serving with H.M. Forces and Bonus to other Members of the Staff	489,132 14 7		
Bank Premises Redemption Fund	100,000 0 0		
Officers' Pension Fund	100,000 0 0		
Staff Widows' Fund	50,000 0 0		
Reserve Fund	500,000 0 0		
Balance Carried forward to next account	675,097 14 7		
	£3,434,115 19 7		£3,434,115 19 7

EDWARD H. HOLDEN, CHAIRMAN AND MANAGING DIRECTOR.
W. G. BRADSHAW, A. H. GOSCHEN, DEPUTY-CHAIRMEN.
R. MCKENNA, W. S. M. BURNS, DIRECTORS.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE LONDON JOINT CITY & MIDLAND BANK LIMITED.

In accordance with the provisions of Sub-section 2 of Section 113 of the Companies (Consolidation) Act, 1908, we report as follows:—

We have examined the above Balance Sheet in detail with the Books at Head Office and with the certified Returns from the Branches. We have satisfied ourselves as to the correctness of the Cash Balances, Cheques on other Banks *in transitu*, and the Bills of Exchange, and have verified the correctness of the Money at Call and Short Notice. We have also verified the Securities representing the Investments of the Bank, and, having obtained all the information and explanations we have required, we are of opinion that such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company.

WHINNEY, SMITH & WHINNEY, Chartered Accountants.

LONDON, 14*th January*, 1919. *Auditors.*

THIS BANK IS THE PROPRIETOR OF THE BELFAST BANKING COMPANY, LIMITED.

INSURANCE ECONOMY

Many people pay higher rates than necessary. The Policies of others cover less than advisable. Before renewing old or taking out new Policies write for latest rates. We may be able to effect considerable economies for you.

EAGLE STAR & BRITISH DOMINIONS INSURANCE COMPANY LTD

Head Office: British Dominions House, Royal Exchange Avenue, London, E.C.3.

ASSETS EXCEED £13,000,000.

"Pay what you owe—Employ the Disabled."

SUPERIOR

WINES AND SPIRITS

Owing to great demand only a limited number of the well-known "PINK LIST" quoting large and unique assortment of Superior Wines and Spirits at Market Prices is being issued.

Apply to EHRMANNS,

Wine and Spirit Shippers and Merchants,

43, 44 and 47 Finsbury Square, London, E.C. 2.

(*Please quote "S."*)

The Statist.

LONDON, SATURDAY, FEBRUARY 1, 1919.

THE CONFERENCE.

The Conference has adopted President Wilson's suggestion to form a League of Nations for the purpose, or at all events, with the idea that it will maintain everlasting peace. We wonder how long the League, supposing it is formed, will be regarded as anything but a sham by any Great Power. The Conference is only at the begining of its *labours*, to use a complimentary word, and, therefore, nobody can yet say how soon Germany will be in a position to tear to pieces the resolutions which are being adopted. Judging from past experience we seem warranted in saying that Germany will not recognise the League of Nations one moment longer than she feels she must do so. Furthermore, if we cast our eyes over Europe and a large part of Asia we see everywhere warnings that the peace now being pitched up will be a very delicate plant. To begin with, Russia is as unsettled as she has been since the deposition of the Tsar; and so far as anybody can judge, she is not likely soon to settle down. Turkey is broken up. But the Turks are a permanent settlement, and they are in the minds of large numbers of Mussulmans the recognised guardians of Mohammedanism. Mesopotamia, Arabia, and Egypt are in the making, and nobody knows what the wiseacres sitting in Paris will do with Constantinople, with Armenia, and with Asia Minor.

Coming to Europe, we have the turmoil of the Balkans now extended to what lately we used to call the Hapsburg Empire, and the more we examine that the more difficult it seems to be to judge its future. Then there is in France a declining population, while there is in Germany a growing population. All this may alter. For the sake of France we sincerely hope it will change very quickly. But we are not prophets and we are talking only of what is. It is to be noted that if we can trust the figures purporting to show the loss of life and of health due to the War, which have as yet been published, the Germans have suffered much less than the Entente Powers. Of course, we are not guaranteeing the correctness of these figures. We are merely calling attention to them, and if they are correct they show that Germany did not suffer in life and limb anything like as seriously as her adversaries. It seems difficult to doubt, always assuming that the facts and figures published so far are correct, that Germany was in a position, so far as numbers went, to continue the War for a considerable time longer, but that in plain language the soldiers themselves lost heart because of the immense increase in the American Army in France. It now appears from American publications that when Germany collapsed there was a considerably larger American Army in France than the British Army in that country, including with the British the Portuguese. The Germans had compelled the British Army to retreat as far as the sea allowed them to retreat. Then it attacked the French. And it will be in the recollection of our readers that Mr. Lloyd George telegraphed hysterically to the American Government to hurry up sending American troops. The success with which American troops were landed while the French so admirably defeated their assailants at the Marne broke down the morale of the invader and there was a complete collapse. The Kaiser ran away. The great General Staff disappeared. The troops refused to fight. But—and this is the point to which all that has just been said leads up—Germany escaped hostile invasion. If, then, we can trust the reports hitherto made Germany suffered less than we were led to believe while the fighting lasted; and, what is still more important, she completely escaped invasion. If the facts are really so, a few years ought to see a remarkable recovery in Germany.

If the War has not taught her people the dangers of an unprovoked but carefully planned attack at one and the same time upon a number of Great Powers, in ten, or at the outside twenty, years Germany will probably be in a position to fight once more, and then is it likely that the League of Nations will last? It may do so. But we doubt it greatly. There is another point to bear in mind. The present Congress of the United States will shortly expire. In the new Senate there will be a Republican majority. In the dying Congress President Wilson was supported by a majority in both Houses. In the coming Congress he will have against him a majority in the Senate. Will that majority sanction a League of Peace? Will it, that is to say, actually bind the United States, firstly, to meddle so intimately in all European broils as to be ready at all moments to engage in a European war if necessary? And if the United States will not accept such a treaty, what becomes of the League of Peace? Recollect that with his dying breath Washington warned the people of the United States not to engage in European broils. Recollect, further, that President Monroe adopted, with the approval of this country, the Monroe Doctrine. The two things are complementary. If America is not to interfere in European quarrels, then it is perfectly clear that the United States is acting consistently and even reasonably in refusing to allow European Powers to interfere in the American Continent. On the other hand, if America is free to meddle in European quarrels, what ground is there for denying to Europe the right to interfere in American conflicts? It will be exceedingly interesting, then, to watch the course of things in the United States and to learn how the new Senate deals with the Treaty for the establishment of a League of Peace.

IRELAND.

Events in Ireland are moving. The [illegible] between the Ulster Orangemen and their *confrères* in the south, east, and west, is breaking up. It was always an unnatural compact, for it practically surrendered three of the provinces of Ireland, [illegible] to the Orangemen of the fourth. The irreconcilables in the three Catholic provinces [illegible] their folly, and they have formed a league amongst themselves which is to fight Home Rule to the very

death. It is a brave decision in appearance. But everybody knows that it is mere noise and nothing more. The Orangemen of the east, south, and west have no following; have no real root in Ireland; are as foreign to the country as their ancestors were in the days of Cromwell or Elizabeth. But it really helps the Orangemen. They have thrown over the Protestants elsewhere. They are free from all reminders of the meanness of such conduct. And they can resolutely hold their own, come what may. Meanwhile, the world is looking on at this new movement, some with curious interest to see how long such folly will last, others with a feeling almost of desperation. A great war has just come to an end. And England insists that she shall remain the only Power that claims to be civilised which is to be persecuting, despotic, militarist, and utterly disregardful of the feelings and the interests of its subjects. A few years ago it would not have mattered much. But now, just look at the Continent. The Turks are gone. Even they can no longer massacre Armenians. The Bulgarians have broken down. Even they recognise they cannot rule the Balkans. Austria-Hungary, which could trace its descent from Charlemagne, the oldest unbroken Empire the other day existing in Europe, is gone as completely as the snows of last year. Germany, with all her bravado, has had herself to surrender her own ships, and her own arms, and to admit armies of occupation into the Fatherland. There remains to countenance England in her isolation only Russia. Russia is called Bolshevist, and by ever so many other names. But Russia in essence is a military State, shooting the Tsar and his whole family, invading her neighbours, massacring those unable to resist; and we are presenting ourselves before the world as the mates of Russia, and the sole great ancient and civilised State that keeps its provinces by sheer force, depending only upon armies and navies and terrorism to keep even the United Kingdom itself together. It is a sorry spectacle. How long are we going to present ourselves in such a light?

SIR E. HOLDEN'S SPEECH.

ELSEWHERE will be found a full report of Sir E. Holden's speech to his shareholders delivered on Wednesday. And we make no doubt that it will be carefully and profoundly studied by all our readers who wish clearly to understand the present financial condition of this country, of Germany, and of the United States. We do not propose to go over the ground covered by Sir Edward. It would be both supererogatory and impertinent. What is worth saying is said. We confine ourselves, therefore, to calling the attention of our readers to a few points which seem to us to merit special notice, and to contrast the condition in which the three great countries named emerge from the struggle. We think everybody will agree that Germany comes out of the conflict less injured than could have been anticipated when it was found in August 1914 that her audacious and unprovoked attack upon her neighbours had brought down upon her such an immense superiority in man-power. We confess that in those days we hoped that our own country would have found leaders more adequate for the work than it, in fact, found, and that the daring aggressor would be punished more severely and more quickly than has been the case. Of course, it is to be borne in mind that Germany had been preparing for practically a century. Her first main object was to drive Austria out of Germany and practically to annex the smaller German States to her yoke. Her second was to bear down France. When she had accomplished those two achievements she determined to make herself supreme in Europe and in Western Asia, if not also throughout the world. Nobody could have expected that she would have fought for four and a-quarter years and yet should have come out of the struggle so little injured. Of course, we are speaking before the full decisions of the Peace Conference are known, and, therefore, we may be making a very grave mistake. But allowing for that, we think that no careful and thoughtful man, who studies the whole question properly, will dispute that Germany has up to the present come out of the contest much more safely than seemed likely when the challenge was so recklessly thrown down.

As already said, we do not mean to go over the field covered so admirably by Sir E. Holden. But we cannot refrain from quoting his estimates of the indebtedness of this country and of Germany and the United States. In August 1914 the old National Debt of this country amounted to £650 millions. Up to the end of December 1918 there was borrowed £6,750 millions, raising the total to £7,400 millions. Further borrowings to defray the cost of demobilisation and other charges he puts down at £700 millions, bringing the total debt to £8,100 millions. He goes on to deduct the various loans made by this country to the Dominions and the Allies, after which he states our debt will amount to £6,418 millions. But how much shall we get back, and when? For example, how much is to be expected from Russia? And many other States might be singled out which certainly will not be in a position to clear off their debts for many a long day. The real position is that we are in sight of a debt of £8,000 millions, with all the expenditure that will have to be incurred for the refitting of the Empire after the struggle, while there are debts of various kinds which may some day or other reduce the above total to £6,418 millions. Now let us turn to Germany. Before the War her National Debt amounted to £240 millions. Borrowings during the War have added about £7,320 millions, making the Imperial debt on the last day of December 1918 £7,560 millions. She lent to her allies as we did to ours. It is very improbable that those loans will be repaid. The point of real interest to us is that Germany, to carry on war against every Great Power in the world except Austria, actually had to borrow no more than £7,320 millions. What will happen to Germany in the Peace Conference remains to be seen. But we think that no careful man, who turns away with disgust from mere braggadocio, will fail to conclude that Germany carried on her war against such enormous odds with wonderful financial ability.

Coming now to the United States, we find that that country has already issued four great loans amounting in the aggregate to £3,395 millions, and a fifth loan is in preparation. A very large part of the moneys raised was obtained for the purpose of lending to the Allies. By far the largest amount has been lent to our own country, the aggregate being as much as £835,196,000. France comes next with £487,285,000. Italy comes third with £262,000,000. Then follow smaller amounts. Of these smaller amounts the largest is as much as £65,000,000 to Russia. The National Debt of the United States before the War was no more than £204 millions. When demobilisation is completed, Sir Edward Holden estimates that it will have been raised to £5,000 millions. By that time he further estimates that the loans to allies will probably amount to £2,000 millions, and, consequently, that the net debt of the United States will be about £3,000 millions. There is this difference between the loans to allies made by the United States and our own country: the loans made by the United States are a little over £1,717 millions, and of this total over £835 millions are to Great Britain, over £487½ millions to France, and £262 millions to Italy. There can be no doubt, therefore, that the danger of a loss to the United States upon loans to allies may be disregarded, while our own case is entirely different.

Sir Edward having thus laid before his shareholders a very clear statement of the financial position of the three greatest countries in the world, passes on naturally to the affairs of the Company over which he presides with so much advantage to his shareholders. Everybody knows that Sir Edward is an advocate of the new policy of banking amalgamations, and that he supports that policy with rare ability. We do not stand in his opinion on that point. But we have no intention to waste the time of our readers in fighting a battle which has been decided. For good or for ill the practice of amalgamation has been carried so far now that he would be a strangely constituted individual who would deliberately propose that all that has been done should be undone, and that we should go back to the state of things that existed several years ago. We certainly are not bold enough to advocate such a policy as that. We therefore readily admit that the line of conduct which Sir Edward approves has been carried so far that the undoing of it is out of the question. Therefore, without wasting the time of our readers, we would recommend them to study very carefully the statement of Sir Edward respecting his own Company, and its prospects. Most certainly it is a gratifying statement. We congratulate his shareholders upon that happy fortune. But then, nobody who has the pleasure of knowing Sir Edward doubted from the first that the policy would be successful in his hands. Whether it will always be successful will depend when littler men have the charge of immense resources. For the present Sir Edward's shareholders are to be warmly congratulated. Their position is as satisfactory as, in the existing condition of the country and the Empire, it could be. And there is no reason to doubt that it will continue to be a desirable one while his shareholders have the advantage of the admirable administration which he conducts.

GOLD RESERVES.

The Chairman of Barclays Bank had upon the whole a very pleasant and satisfactory statement to lay before his shareholders on Monday last. We are inclined to think that he would have been wise if he had confined himself to that statement. He was not content to do so. He is apparently very anxious that the Government should undertake legislation in the interest of the banks. It is a very bold proposal to make, we submit, and we cannot help thinking that Mr. Goodenough has forgotten banking history before the War, and is so absorbed in his anxieties during the conflict that the financial history from 1890 down to the middle of 1914 has entirely escaped his memory. We think it well to remind him, for we cannot but believe that if he clearly remembered the years just mentioned he would have taken a different course. The banking crisis occurred in 1890, and it gave a shock to the City that no man who lived through it is likely to have ever forgotten. After that grave crisis an agitation was got up to induce the joint-stock banks to undertake to keep in future large gold reserves. It was pointed out that the Bank of England was practically the banker of the Government and of the banks, and that in such a situation it could not be expected to increase as much as was requisite its gold reserve without material assistance from the other banks. Now we feel it our duty to state that Sir E. Holden recognised at once the duty of the banks, that he did his utmost to induce the banks to do what was requested of them, and that the other banks obstinately refused to move one single step. The result was that very soon before the War it was found that while Sir E. Holden and his co-directors had actually amassed a gold reserve of eight millions sterling, and were prepared largely to increase it, all the other banks taken together had done so little that they were ashamed to publish to the world what their gold reserves were. Now, the facts being so, we would ask Mr. Goodenough in all friendly feeling, Does he think that the banks have any claim upon the taxpayers? When the War broke out the banks, the acceptors of bills, the Stock Exchange, all in fact who are regarded as capitalists by pre-eminence, found themselves in such danger that the Chancellor of the Exchequer had to hurry into the City and to give a pledge from the Government that banks, acceptors, insurance companies, the Stock Exchange, and all should be seen through their difficulties by—who? By the perfectly innocent taxpayers. We recognise the importance of the banks, and it gives us pleasure to aid the banks in all reasonable demands. But in this case we say advisedly, and we say distinctly, the banks are bound to alter their policy, to undertake to keep large gold reserves, and to compensate the taxpayers for the losses incurred because specie payments could not be maintained in their integrity when the War broke out.

IRISH BANKING.

The annual meeting of the National Bank was held on Thursday of last week, and a very interesting speech was made by the Chairman. We are glad, and we must frankly add somewhat surprised, to find that according to Sir John Purcell the past year has been economically favourable to Ireland. He admits that the weather was not quite what it might have been, and that farmers suffered to some extent. But upon the whole he says that his information is encouraging. We are delighted to hear it, for we frankly confess that the information which has reached us from other quarters is not so very encouraging. Belfast is the leading commercial centre in Ireland. It is a great manufacturing centre and a great shipbuilding centre, and the present news from Belfast may, of course, mean that Belfast has been doing so wonderfully well that employers and employed think a little "kick-up" advisable. But to ordinary people the information wears a graver aspect. Then there are loud complaints that both landowners and farmers are looking to the future with apprehension. And, lastly, there is not that increase in production which we should gladly see and which we think possible if the right spirit prevails. However, we do not wish in the least to throw cold water upon the good statement which Sir John Purcell put forward. We hope sincerely that his forecast will be justified, that Ireland is entering upon a new and a more prosperous time, and that she is about to present us with a development of enterprise to which we have not been accustomed.

WHEN THE WAR ENDS.—LIII.

As has been expected almost from the beginning of the War, no sooner is the struggle ended than the conflict between employers and employed has begun again, and we find ourselves in a position which may easily have the most serious consequences. To begin with, we have piled up an enormous debt. Of course, those who would deceive the public remind us that the debt is largely misleading, because we have lent upon a great scale to the Dominions and to Allies and that sooner or later we shall be repaid. Possibly. It is not our business to question the statement. But we may point out, firstly, that amongst the Allies there ranks Russia. And we would ask, What lender really expects early repayment from Russia? Secondly, we have lent largely to such States as Belgium. That Belgium will honourably meet her engagements we do not for a moment doubt. But Belgium has been harried and plundered most wantonly. And Belgium has to reconstitute her finances, to re-erect her houses, to reconstruct her trade, and

how long will it take her to do all this and to begin paying interest upon the moneys borrowed by her? The countries we have lent to are, speaking generally, perfectly honest, and in time will discharge their engagements. But it will take much time. In the meanwhile, how are we to go on? Already, although demobilisation has been going on, not so much as a million of men have been restored to civil life. A vast military force has been kept up all over the world, even in Ireland, to show how appeasing and winning is our Government. Where is the money to come from? By borrowing, we shall be told. Very well. By all means let it be borrowed. But if we go on borrowing until we finally can settle with Germany, and make sure that we shall be safe in withdrawing our Army of occupation, what will be the amount of our debt? Think of the sums that must be paid to the armies which are to prevent our losing the whole fruits of our victory! Think of the improvements that must be made in the condition of our people! Think of the prices that are likely to rule! And then figure to yourself what our condition will be during the next few years, while we continue piling up debt and, at the same time, wringing from the few solvent people almost impossible taxes.

A little while ago we of this Journal endeavoured to ascertain the number of inhabitants of the United Kingdom who pay income tax. We do not expect many of our readers to believe us when we tell them that no one in the Government knows the number. It seems absolutely incredible. And yet it is a fact. Roughly speaking, it is estimated that the number of persons liable to income tax at the scale adopted since the War began is 2,200,000. When the last Census was taken, in 1911, the population of the United Kingdom was found to be a little under 45½ millions. In other words, the number of persons liable to income tax is about 4¾ persons out of every hundred, or 19 out of every 400. Now strike out all the women, who are considerably more than half; strike out next all the children, who are, likewise, a very large proportion; and strike out, thirdly, all the incompetent persons of every kind—the paupers, the idiots, the mentally deficient, the criminal, and so on—and bear in mind that there are not five persons in a hundred who are liable to income tax. When the War broke out the lower limit was greatly extended, so that there appears to be in the whole United Kingdom only something between four and five persons in a hundred who can be made out by any jugglery to be in possession of incomes of more than £130 a year. Our education of all ranks is so disgracefully deficient that we doubt if one man in a thousand realises the actual facts. We have tried in a small way amongst our friends, saying that the number of persons earning £130 a year in any way was less than five in a hundred, and our statement was scouted as inspired by all sorts of vicious motives. Yet the statement is based upon official information. And here we are, after a great War—not the greatest War, as Mr. Asquith loved in his pompous way to style it, but a very serious war—and we have employers and employed ready to fly at one another's throats. It would be difficult to say which is most in fault. The Government looks on absolutely helpless. Of course it is helpless. What else could it be? It is composed, in all its essential authoritative elements, of idle rich men of the controlling class, that is to say, in the whole community. By the way, it hopes to induce working men to believe it is perfectly honest. Meanwhile, we have Ireland held down by a great army and a very considerable police force, while no man without official authority is allowed arms, and people are actually punished for marching in military array. Then we are told that this is a free country, and that the world will be wise to adopt British institutions. They do not seem to flourish very well at the other side of St. George's Channel.

Now we would appeal to both sides to remember that the nation is greater than its parts, and that everything possessed by the parts is possessed with the permission of the nation. However great the capital disposed of by the employers, that capital is theirs simply because the law says it is, and is prepared to put the Army, the Navy, the police, and the law courts into motion to guarantee them in its use. Consequently, the employers, when everything is said, are simply exercising a trust. They are making use of capital which is guaranteed to them by the State. And they owe an explanation to the State of the way in which they employ it. Secondly, we would appeal to the workpeople to remember that there are ways of bettering themselves without endangering the safety of the kingdom. If they drive matters to extremities the poor, the very poor, will be the worst sufferers. And even if they succeed in the end, they will find that the whole house of cards they have erected will break down because they have ruined the very poor. We are all bound to one another, and if we would remember that now, as we recognised it while the War was going on, we could come to an agreement. We are not arguing either in favour of one class or the other. Frankly, we admit that we should like to see the poor of all grades and conditions very much better off than they are at present. But we do not believe that the poor can be benefited by really unreasonable proposals. For that matter we are by no means assured that the feelings of the whole of the working classes are represented properly at present. Less than a million men have yet been demobilised. And until the demobilisation proceeds very much farther we doubt whether the present course will be approved. But we would urge both sides to seek an agreement, not to search for means of differing. There are ways in which both sides can be benefited if there is the real desire to settle.

IRELAND'S HOUSING NEEDS.

The housing question lies at the bottom of many of our social and industrial problems. Home surroundings have an intimate bearing on the physical and moral health of the family and vitally affect the breadwinner's efficiency, which in turn determines his earning capacity. Asylums, jails, reformatories, and police courts bear witness to the degrading influences of insanitary or insufficient housing accommodation. It brings drunkenness and all other forms of intemperance in its train, and though in a way it eliminates the unfit and provides for the survival of the more robust, yet it taints even the survivors. The various problems that confront us in connection with public health and kindred subjects, such as infant mortality, can never be satisfactorily tackled until the housing difficulty is solved. The difficulty arises principally in urban communities, since they suffer, in the first place, from congestion of population, and since, secondly, the scarcity and dearness of building sites tend to aggravate the naturally intricate question of housing in a crowded area. In rural districts land is cheap, and to maintain a supply of the necessary labour farmers are willing to erect cottages for their employees. In many small towns and villages scattered through the country housing accommodation has been at times very limited, but on the whole the problem did not at all approach in gravity that which confronted the town worker. Before the War housing conditions in urban districts were drifting rapidly into a more unsatisfactory and more hopeless state, and the impossibility of securing decent accommodation for their wives and families was without doubt responsible for much of the prevailing unrest amongst the working classes. The War intensified fourfold the difficulty of finding an adequate

solution along the old lines for the housing question, and accordingly the Government have declared that as it is one affecting the interest of the nation it must be treated on national lines. In anticipation of this pronouncement the English Local Government Board had made extensive preparations in regard to plans and estimates of cost of the proposed dwellings, and had sounded local authorities as to the extent of their requirements. In Ireland, however, no similar action was taken, and now, when the extent of State aid has become definitely known, the Irish Government are still loth to move. The importance of the question in Ireland is undeniable. A representative of the United States Labour Department on a recent visit to England declared herself appalled by housing conditions in many districts, but conditions in Irish cities and towns are, generally speaking, no better, and, if statistics of mortality can be taken as an index, are undoubtedly much worse.

The action of the Government in England is tantamount to an admission that proper working-class houses cannot now be built at a price which allows of an adequate return on the capital expended. If this is true of England, it is still more true of Ireland, where capital is dearer and less plentiful. In England an assurance has been given to the local authorities that the Treasury will bear three-fourths of any deficit that may be incurred in connection with approved housing schemes, and that in no case will the burden falling on the local rates exceed the produce of a rate of one penny in the pound. In Ireland the local authorities have simply been informed that the ban on housing loans which was imposed during the War has now been raised and that applications for loans in respect of approved schemes will be entertained. If local bodies in England, with their ample revenues and large borrowing powers, are not expected to bear unaided the financial burden of house-building, it is surely unfair to expect the poorer bodies in Ireland to do so. Even if the latter wished, they are precluded in many cases by statute from doing so, as their borrowing powers have been heavily trenched upon and are in many cases nearly exhausted. The treatment is all the more unfair as Mr. Lloyd George in one of his letters to the Convention held out hopes of assistance being given to Ireland in the matter of housing if her needs were definitely formulated. His words were, indeed, rather ambiguous and seemed to make agreement on the political issue a condition precedent to dealing with the housing question. There is not the slightest connection between the two, and it is obvious that mere covenants amongst politicians would leave the housing problem exactly where it was, neither better nor worse. If it seemed to call for treatment at the time of the Convention it is all the more urgent now. A Housing Committee appointed by the Convention presented a report which was adopted by the main body, and which contains the most up-to-date statement of Ireland's requirements. The number of new working-class houses urgently needed in urban districts was estimated by this Committee as 67,500, and, reckoning the average cost per house at £400, the total outlay involved would be £27,000,000. This sum takes into account the cost of acquiring the land, developing the site, and erecting the buildings. The Committee point out that in Ireland in the days before the War the housing problem was already so serious that local authorities found themselves unable to grapple with it, and suggest accordingly that it would not be sufficient to reduce the cost of building to Irish local authorities to the pre-War level, making up the deficit out of State funds as was suggested at the time in England. The degree of Government assistance required in Ireland was, it urged, greater, and should amount at least to 50% of the total capital cost during the years immediately following the War. The course followed by the Government since the report was presented is instructive as showing the deliberate insouciance of the official mind where Ireland is concerned. The grant-in-aid in England, which was at first fixed at 75% of the loan charges, was altered in favour of the local authorities by throwing all deficits in excess of the produce of a penny rate upon the Exchequer; but not even the minor of the two concessions was made to Ireland, where housing conditions are admittedly inferior and the means of improving them are admittedly less adequate.

During the years of war few new houses were built in Ireland owing to the ban on loans by the Irish Local Government Board and the difficulty of securing permits for building materials from the Ministry of Munitions. In the meantime old houses were deteriorating because of the high cost of repairs. At the same time the increase in the Irish urban population, shown in all recent censuses, continues almost unchecked, and hence the gravity of the problem steadily increases. It is unnecessary to recite the causes which have made impossible the building of substantial houses that can be let at economic rents to working men. Builders usually work with borrowed money, and the rate of interest has substantially risen. Loans to local authorities, made at 3½% before the War, cannot now be made at less than 5½%. Wages and materials have gone up and the speed or efficiency of tradesmen has not increased. The pre-War cost of house construction has thus grown by 80% to 100%. Yet in Ireland, if a State housing scheme, carried out through the local boards, were put into operation, it might confidently be anticipated that the cost of building would be reduced, since the country contains building materials of great variety and uniform excellence. The building of cottages in rural areas was practically at a standstill until the Labourers' Acts inaugurated a system by which local authorities erected cottages with moneys provided by the Government, guaranteeing at the same time that a certain proportion of the charges for interest and sinking fund would be met out of local rates. The success of the system was instantaneous, and the admirable manner in which it met the needs of the rural population is best shown by the following table, which gives the approximate number of cottages erected up to last year:—

Munster	19,100
Leinster	17,300
Ulster	9,000
Connaught	2,500
Total	47,900

The needs of the Irish urban population are, if anything, more pressing than those of the rural labourers ever were, and accordingly State assistance should be forthcoming in the same generous measure. Moreover, Irish citizens bear a share in Imperial taxation, equal to that of British, and they may claim that equal burdens should at least entitle them to equal benefits.

THE BANKING POSITION IN IRELAND.

We have frequently derided the fears, entertained in many quarters in Ireland, that the advent of the English banks, through amalgamation with two of the Northern institutions, would lead to the overwhelming of the native bankers. In effect the reasons urged against the so-called banking invasion were that the new arrivals with their large paid-up capital, many times in excess of the paid-up capital of all the Irish banks, and their large banking resources as measured by deposits, would easily crush out the Irish institutions and establish a kind of money trust in Ireland. They would then be able, it was argued, to dictate their own terms as to accommodation and as to the interest payable on deposits. It is scarcely conceivable that the English bankers, even if they could obtain this power in Ireland, would be so blind to their own interests as to exercise it in so ruthless a fashion. Up to the present such fears have proved entirely groundless, as is indicated in the following table, which shows the amount of the deposit and

current accounts of the different banks operating in Ireland, and the variations that have taken place since the end of 1917, a period in which the effect of the amalgamations would have come to be felt to some extent:—

Deposit and Current Accounts.

Name of Bank	1913 £	1917 £	1918 £	Percentage Increase— 1917 over 1913	1918 over 1913
Bank of Ireland	12,597,475	15,129,274	20,030,184	22	59
National Bank...	14,455,593	21,335,322	28,270,257	47	95
Munster and Leinster Bank	6,766,711	11,714,416	15,916,897	73	135
Hibernian Bank	4,172,677	6,883,117	9,048,846	65	116
Provincial Bank	6,427,172	9,168,958	11,816,700	42	85
Royal Bank	1,998,522	2,196,159	3,056,361	10	52
Belfast Banking Co. ...	6,663,635	10,186,000	11,947,054	62	79
Northern Banking Co. ...	5,811,803	7,610,176	10,361,604	30	78
Ulster Bank	9,970,823	14,914,652	17,892,,04	49	79

The fear was also expressed that if English banks got a grip on the country there would be a transmission of Irish deposits to the industrial centres of Great Britain, and that schemes for Irish development would perish through want of capital. Even if the incoming banks did pursue such a policy, it would but parallel the time-honoured policy of the Irish banks. There has been in the past a lack of enterprise on the part of bankers in Ireland—they have not given proper support and encouragement to Irish industry. In Great Britain the banks have been anxious not only to attract deposits but to help trade expansion in many ways, and introduction of such methods into Irish banking cannot fail to be beneficial to the country. Enterprising men, able and willing to develop Irish resources, have in times gone by been hampered for want of funds, though it is clearly to the banker's interest to promote industry and commerce in all its forms, since his own business will thereby expand and his profits increase. This lesson has not been taken to heart sufficiently in Ireland, and the result is that the net earnings of the Irish banks are comparatively small. Their dividends are accordingly low compared with those in England. The subjoined table shows the dividends of representative English and Irish institutions, calculated in the case of the latter on the basis of the last half-yearly report. Dividends do not of course correspond to net earnings, since the amount set aside out of profits for reserve, superannuation and contingency funds will claim a varying proportion in each bank and will diminish the sum available for distribution. Dividends therefore depend largely on the views of directors; but on the whole there is an inclination to disburse only a more or less fixed proportion of earnings to the shareholders:—

Name of Bank.	Dividend for 1918. %
Bank of Ireland	12
National Bank	12
Munster and Leinster Bank ..	18
Hibernian Bank	7
Provincial Bank	13½
Royal Bank	10
Belfast Banking Co. (exclusive of bonus) .	20 (old shares)
	8 (new shares)
	14 (A shares)
Northern Banking Company	7½ (B shares)
Ulster Bank	21½
Lloyds Bank	20
Union Bank of Manchester	20
London County Westminster and Parr's Bank ..	20
London Joint City and Midland Bank	18
Lancashire and Yorkshire Bank	18
Sheffield Banking Company	16
National Provincial and Union Bank of England	16
West Yorkshire Bank	15
Barclay's Bank	10 (A shares)
	20 (B shares)
Halifax Commercial Bank	10

The lowest dividend paid by any of the five leading English banks is 16%, and the average is much above that figure. The earnings indicate the active use that they make of the money entrusted to them, while at the same time the interests of depositors are carefully safeguarded.

A more vigorous banking policy is called for in Ireland if an increase in banking profits is desired. Such a policy will facilitate the present task of restoration and of economic expansion. During the War Irish trade, if we make allowance for the extraordinary upward movement in prices, has declined in common with the trade of the United Kingdom. The decline is all the more serious when we remember that in the decade prior to the War the annual rise in value of United Kingdom exports averaged nearly twenty-three and a half millions. Part of this increase was, of course, itself due to rising prices, but if we make the necessary deduction, there was on balance an annual addition to our exports of approximately eighteen and a half millions sterling. At the moment our export trade has in fact, on the basis of the 1913 values, shrunk to two-thirds of its pre-war dimensions. It will be difficult to recover markets which we have been forced to relinquish during hostilities; but the difficulty must be faced in Ireland as well as in Great Britain. Irish ships, linen, woollens, lace, poplin, stout, whisky, bacon, and other products commanded a large sale abroad, and it will require the closest co-operation between banker and trader to re-establish and increase this trade. Wages and the cost of raw material have risen substantially, and long-term credits will be necessary for any system of intensive exportation. Banking accommodation will therefore be needed on a much larger scale than heretofore, and the figures of deposits above given, though they do not necessarily represent an equivalent increase in banking resources, show that Irish bankers have substantial moneys at their disposal for promoting the economic welfare of the country and providing financial assistance to traders and manufacturers on the large scale demanded by modern industry. Taxes will indeed weigh heavily on all citizens and all banking companies, and will in general have a somewhat crippling effect on trade, especially when the large war borrowings and disbursements of the Government come to an end. In the present financial year national income will fall little short of 900 millions, compared with 200 millions before the War. In Ireland this increase has been felt the more heavily because war expenditure throughout the country was, outside Ulster, on an extremely small scale. Despite this taxation, however, the free margin of income is still great, and, if it is wisely employed by Irishmen and Irish bankers, no chance should be allowed to pass of developing enterprise at home and of seeking out both old and new markets abroad.

BRAZIL.

On Tuesday of last week a Requiem Mass was said in London for the late President of Brazil, Dr. Rodrigues Alves. Although Dr. Alves had only been in office for a few weeks, and therefore did not live to accomplish anything of importance in his late Presidency, his political career, taken as a whole, particularly his Presidency between 1902 and 1906, marks an epoch in the history of the United States of Brazil.

Before the beginning of the present century Brazil has been in a sense potentially one of the richest countries in the world. Her soil was known to be fertile to a degree. Her area, greater than that of the United States of North America, comprised more than half the area of the Southern Continent. The beauty of her tropical vegetation was renowned throughout the world, and the enthusiast might picture a future limited only by the wealth of his own imagination. Against this brilliant imagery were solid hard facts. The highlands of the interior were healthy enough, but the coast land of Brazil was a deadly unhealthy place. Even the capital, although actually outside the tropics, was liable to visits both of malaria and yellow fever every season and every year.

Santos, the great coffee port, which it was absolutely essential for a proportion of the world's shipping to visit, and situated well out of the zone of the tropics, being nearly two degrees south of Rio de Janeiro, was one of the deadliest and one of the most unhealthy cities that the trader was compelled to visit. Nevertheless, Brazil was then, as she still is,

the world's greatest coffee producer, and it was essential for a large fleet to assemble each year at the great coffee port. Traders and business men, day by day, had to go down to Santos, but only the very poor coloured people lived there, owing to the apparent hopelessness of making this great port healthy. It is a curious fact, illustrating how long a custom will last until it becomes a prejudice, which originally grew up from the stern necessity of avoiding yellow fever. Even to-day Santos is very largely deserted after nightfall, although it is so crowded during the busy hours of the day, and particularly during the busy coffee season. The same menace to health presented itself, more or less, at all the important ports of Brazil, right up as far north as Para, and even to that remarkable inland city situated almost on the banks of the Amazon, and a thousand miles from its mouth, Manaos.

Now, the late Dr. Alves did not pretend to have invented a cure for malaria and yellow fever; he was not even the discoverer of the causes which led to the spread of these terrible visitations which for generations have been mainly associated with the various forms of tropical diseases. To a very large extent, when we talked of the deadly nature of the diseases of the tropics, it was to yellow fever and malaria that we referred.

Each one of us can only perform a certain specified work during the brief period of our existence, and it was to the late Doctor's credit that he had the acumen to see the importance of making the great coast towns of Brazil healthy and habitable, fit for human beings to live in, and to build up a great national trade. He did more, not merely in solving the important problem of making Rio and the other cities healthy, but he had the courage to face the fierce opposition and the enormous expense which the operation entailed. Having selected the late Dr. Oswaldo Cruz to carry out the work, the late President vigorously and without flinching supported him until the work was completed. He had to face opposition from his opponents and ridicule from those who could not appreciate the importance of the work the Doctor was undertaking, or the magnitude of the task on which the President was engaged. But the good work is not completed. All the late President did was to point the way. Tropical South America is very far from being a sanatorium. There is no reason why it should not be one. It is notorious that diseases which are associated with the temperate zone, such as the pulmonary troubles, and those that breed rheumatism and sciatica, disappear in the tropics, and we now know that gastric troubles can be equally successfully dealt with. It is subject of complaint that no man is indispensable. It is very certain, since none of us are immortal, he would be of little value if he was. It is for future Presidents and future Brazilian Governments to carry out the great work that the late Dr. Alves begun, and to pass on the torch which Dr. Alves carried, to illuminate the dark places where yellow fever and malaria breed. In the vast extent of Brazil, and the immense number of swamps and breeding-places for diseases that have yet to be dealt with, there is ample work for very many Presidents and for very many Brazilian Governments, and it will be a strain on the resources of that great Republic for many years to come to do for the whole country what the late President did for the capital.

Brazil is the largest of the Southern States; in fact, the United States of Brazil comprise more than half the great continent of South America, and what she does, and does satisfactorily, cannot fail to have a beneficial influence upon the fortunes of the whole continent. But if South America is to be developed as she ought to be developed, and to accomplish the great destiny which she appears destined to achieve, there will be a great deal more to be done besides fighting two particular species of mosquito. These terrible pests carry death and devastation to the human population wherever they go, and it is natural that as human beings we should look upon these two pests with horror and loathing; but even if a succession of Brazilian Presidents succeeded in destroying every breeding-place for the two species of mosquito responsible for the propagation and spread of malaria and yellow fever, the good work would be very far from accomplished. In the north of the Argentine Republic, Argentina being one of the countries which adjoin the enormous territory of Brazil, there is a country known as the Gran Chaco. Now the Gran Chaco is very extensive in the Argentine Republic, but it is still more extensive if we follow it beyond the political boundaries into Bolivia, Paraguay, and the Southern Brazilian forests, on the low-lying lands near the banks of the Paraguay River. If we take as meaning the Gran Chaco territory all the country of that particular type where it is situated in one or other of the three political divisions which we call by the names of the various Republics above quoted, we should find that the Gran Chaco territory covers an area not far short of half a million square miles. In this territory lie the breeding-places of almost as deadly an enemy, although not so loathsome as our implacable foe, the propagator of yellow fever. This enemy is no less a creature than the locust. Those who know what the locust means to the rich southern lands of Argentina would have no doubt of what an important work is before the Governments of the various Republics in which the Gran Chaco territory is situated to extirpate and drain and clear out the breeding-places of this abominable insect. Apparently he does not leave his breeding-places in the Gran Chaco until driven to do so by hunger, and it would appear that it is only in exceptionally dry seasons that he makes his devastating visits to the south. Fortunately, he does not realise the gravity of the approaching drought until the linseed harvest has been secured, and until the wheat harvest is practically free from his depredations; but his havoc amongst the corn crops and vegetables, and other forms of plant growth, have proved little short of ruin again and again to the farmers in countries south of the Gran Chaco.

The Gran Chaco is, perhaps, not excepting the Amzon Valley—indeed, it would be difficult to except any place—the most unhealthy situation in the whole of the great continent of South America. Very few, indeed, unless it was a scientific expedition out to perform some great work, such as that accomplished by Dr. Cruz under the late Brazilian President, would enter the Gran Chaco on any pretence whatever, unless he was compelled to, were it not for the fact that in the Gran Chaco grows not only some of the finest timber in the world, but timber containing one of the most valuable essences required by the tanning trade. For generations the quebracho tree was cut down simply to make sleepers for railways, buildings, piers, docks, water-gates, and breakwaters, and similar undertakings, until it was at last discovered that this magnificent tree contained a tanning extract which was superior to anything which the world had hitherto obtained in the past centuries from the bark of the oak and other similar forest trees of the temperate zone. It then became evident that the quebracho tree was too valuable to be used for piers and dock gates, or for railway sleepers, and from that time attention has been mainly directed to preserving the tree for its tanning properties.

Now, in acquiring this valuable extract many lives are lost every year in the Gran Chaco, owing to the diseases which the various forms of insect life breed. There is, however, no reasonable doubt that if the various Governments owning territory in the Gran Chaco were to combine, this country could be made as healthy as the late President showed the various districts of Brazil could be made when he expelled from them malaria and yellow fever.

NORWICH UNION
FIRE INSURANCE SOCIETY LTD.
FOUNDED 1797.
FIRE. ACCIDENT. MARINE.
EMPLOYERS' LIABILITY.
Head Offices { NORWICH and 50 FLEET STREET, LONDON, E.C.

MORE TOBACCO.
We regret that Customers have so often been unable to secure their usual supplies of our
"EARL GREY" and RHODESIAN Cigarettes,
But we hope within a few weeks to be able to meet all requirements.
JOHN WOOD & SON (CIGAR AND TOBACCO IMPORTERS), Ltd.
23 & 25 Queen Victoria Street, E.C. 4.

THE BANK OF TAIWAN,
LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.
Head Office - - TAIPEH, FORMOSA.
BRANCHES:—Amoy, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, New York, Osaka, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, and every important city in Formosa (Taiwan), &c.
The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.
London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

It is satisfactory to learn that arrangements have now been made to demobilise as large a part of the Army as the military authorities deem safe. Of course, it is evident that until matters are finally adjusted with our late enemies it will be necessary to retain a considerable proportion of men with the Colours. Whether the plan actually adopted is the best under the circumstances we will not stop here to consider. The most important point is that as large a proportion as possible should be demobilised with as little delay as may be. The mere cost of retaining a larger army than is necessary with the Colours is trifling when compared with the economic injury inflicted on the nation as a whole by their absence from productive employment. The main cause of the difficulties we have experienced during the progress of the War, and since the conclusion of the Armistice, has not been so much the cost of the War, serious as that is, but the fact that such an immense proportion of our able-bodied men, at a time when they are able to render the most efficient services of their lives, were withdrawn from productive employment. It is to this cause that chiefly is due the shortage of everything that we have experienced during recent years, as well as the dislocation of our trade and the general state of disrepair into which the ordinary machinery of civilian economy has fallen.

It appears that at the signing of the Armistice on November 11 there were embodied of British Imperial troops three and a half millions of men. It is proposed to retain as an army of occupation about 900,000 men. This will leave something over two and a half millions to be demobilised. But we are informed that three-quarters of a million men have already been returned to civil life, and consequently a little over a million and three-quarters have still to be discharged from the Colours. The method to be adopted for the army of occupation is to retain a proportion of men whose ages do not exceed thirty-seven. And if this method is found to produce, as is expected, a larger force than is required, it is hoped to reduce the age by one or two years. As, of course, this army is not a voluntary one, and some measure of hardship may be experienced, it is proposed to grant what is called a bonus to all ranks, which it is estimated will absorb about 29 millions sterling.

We have received a copy of "The Trade and Commerce of Port Elizabeth," published by the Electricity and Industries Department of the Port Elizabeth City Council. We welcome this publication as an indication of enterprise on the part of the local authorities. If the Empire as a whole is to recover within the lifetime of this generation from the effects of the recent devastating War, no greater service can be rendered to the Empire than a serious endeavour to develop its outlying parts. Whatever may be our views—and we are all more or less apt to differ as to the actual application—there can be little doubt that we are agreed upon the principle that it is desirable to increase production to the utmost extent possible. There is a shortage of food and raw materials to which from long use we have been accustomed, not merely amongst the countries recently engaged in war, but almost to an equal extent, and in some cases to a greater extent, in neutral countries and in those countries which, although they rendered valuable service during the War, were only engaged in actual military operations to a very small extent.

South Africa is of enormous extent, but it is subject to very serious disadvantages, which can only be overcome by the expenditure of much capital and the encouragement of immigration as far as possible. Speaking generally, the wide area of what we now call the Union of South Africa is a great elevated plain; and the soil, for the most part, is far from being as fertile as could be desired. Above all, the Union suffers from a defect which is common to most parts of the world where the country consists for the most part of a great plain at a high altitude. There is almost everywhere a deficiency of water. South Africa, as we know it, extends roughly between the 15th and the 31st parallels south of the Equator, and between the 15th and the 31st degrees of longitude. The area covered by the Union of South Africa and the East and West Protectorates, says the pamphlet before us, stretches over such huge distances east to west and north to south, and contains so much land at high altitudes, that almost every kind of climate, from tropical heat to snow and ice, is to be found within its borders at different seasons of the year.

Port Elizabeth, being on the coast-line midway between Cape Town to the west and Durban to the north-east, avoids, on the one hand, the rains and cold winds of the Peninsula, and, on the other hand, the semi-tropical heat of the east coast, and has, therefore, the most remarkably even climate as regards temperature and rainfall of any town in the Union of South Africa. The mean barometric reading is just under 30° Fahrenheit, the highest readings being in the month of July, and they are also high in June and August and September. January and February constitute, as the reader is aware, in these latitudes the mid-summer months, when fine days and cool evenings are generally experienced, with maximum

temperatures which occur at about two o'clock in the afternoon, the minimum naturally being in the night time. The maximum temperature in the shade at Port Elizabeth in January is, roughly, 86° Fahrenheit, comparing with a minimum temperature of 56°. This is succeeded in February by a maximum of 82° and a fall in the night to 57°. In July the lowest temperature is obtained, the maximum being 68.3° and in the night 41½°.

The weak point of the situation is disclosed in the rainfall, which averages about 20¾ inches to the whole year, even in so favourably situated a place as Port Elizabeth. Rain usually falls during about 80 days of the year. From March to July may be said to be the most enjoyable period of the year, having a minimum of rainfall and a lower average temperature than the two preceding months, when the night temperature falls, as stated above, to between 40° and 44°. Actual freezing is quite unknown either in the city or in the district covered by the pamphlet from which we are quoting. Between August and November may be said to constitute the spring months, and from November onwards there are clear indications of the approaching summer. Port Elizabeth, as the reader knows, is on the sea coast, and is one of the distributing centres for South African produce to other parts of the world. We have already said that this extreme south of Africa is situated just below the 30th parallel south of the Line. That is to say, comparing south with north, it is nearer the tropics than any part of Europe. And it will be evident to the reader who is acquainted with the conditions which prevail in hot countries what the conditions must be in the interior when a city so favourably situated as Port Elizabeth has an average rainfall of less than 21 inches. In the driest parts of England the average is very nearly 25 inches; and it will be appreciated that, situated as we are between the 50th and the 53rd parallels, and being a small island entirely surrounded by the sea, the evaporation here is trifling compared with what it is in South Africa.

Readers who are not acquainted personally with tropical countries do not always appreciate what the force of evaporation means to a soil situated under a more or less vertical sun. In the tropics we are accustomed to read of an average rainfall exceding 100 inches. But those who have lived in tropical conditions know that, owing to the great heat of the sun, and the consequent evaporation which takes place towards the end of the dry season, even when the rains are fairly regular, the land becomes barren and arid, and vegetation, if the ordinary season of rainfall is delayed, becomes utterly exhausted from the inability to absorb the constituents which it obtains from the soil through rain.

For generations Port Elizabeth has been noted as the great exporting centre for wool and mohair. The bales and clips are brought by rail from every part of the country, and are sold to European firms with local buyers, or despatched to the markets of the world—England, the United States of North America, and Japan. The wool exports for the whole of this region exceeded in value, in 1917, 8¾ millions sterling, the major portion being despatched through the ports of Port Elizabeth and East London. The recent War has had a very serious effect upon the mohair trade, as, while wool was in urgent demand and the Home Government afforded a certain measure of freight space for the export of wool from South Africa, it was not equally willing to afford space in the case of mohair, which was not regarded as indispensable for the conduct of the War. Consequently, the total exports of mohair for the whole of the Union in 1917 were valued only at £280,000, comparing with more than a million sterling in the preceding year. More than three-quarters of a million sterling worth of mohair was lying at the single port of Port Elizabeth awaiting shipment at the time the pamphlet we are referring to went to press.

For many years Port Elizabeth has been the centre of the trade for ostrich feathers. In fact, the Port is the only great shipping centre in the world which has a building entirely devoted to the marketing of ostrich feathers. Naturally, the War had a disastrous effect upon this trade. The exports of ostrich feathers fell in value from a million and a half in the clear year before the War to only a little over £100,000 in 1917. It is to be hoped, now that peace is happily restored, the trade will once more revive. Even the trade in hides, for which there has been so keen a demand in the European markets, has passed through a period of severe vicissitudes during the War, although so recently as 1916 the exports were considerably in excess of those of pre-War years—largely, however, due to an increase in price. The total value of the exports from Port Elizabeth in the year 1917 amounted to very nearly 4¼ millions sterling.

The total value of the mineral output of the district covered by the pamphlet we are quoting from amounted in the year ended December 31, 1917, to over 51 millions sterling, and included gold, silver, diamonds, coal, copper, tin, antimony, asbestos, graphite, iron, lead, manganese, tungsten, mica, and talc. Of course, the big figures are gold, diamonds, and coal, in the order given. A feature to which this pamphlet calls attention should be borne in mind, not merely with regard to the district served by Port Elizabeth, but to various other parts of the world. It is now so well known that it is hardly necessary to call readers' attention to the fact that during the late War not only was shipping exceedingly scarce all over the world, but great discrimination was used by the various shipping controllers as to what place, or places, should be served either at all, or to what extent, and what articles could, or could not, be carried. The reason has never been satisfactorily explained, but it is a fact that where it was deemed necessary to grant facilities for importing into this country products of some other country, a corresponding amount of space was not granted to admit of exports from this country to the other country affected. The result has been that colonial and foreign markets have had to seek their supplies from elsewhere. In some cases they had, of course, to do without the goods altogether. This will naturally right itself when peace is finally restored and shipping facilities are again sufficient. In many cases, however, it was found that facilities existed locally for supplying, to some extent, the shortage of imported goods.

On this question the report we are calling attention to says "'tis an ill-wind that blows nobody good." Owing to the shortage of freights an impetus has been given to the manufacture of clothing, blankets, &c., which commands attention because of the excellent results. The humid atmosphere of Port Elizabeth and cheap labour available, added to the enormous quantities of scoured wool always being produced locally, merits the serious consideration of South African or overseas firms interested in textiles. The fact that such good quality cloth can be made in South Africa affords sufficient evidence that there is no need to export raw material and import the finished goods. It is evident that this kind of argument does not apply merely to Port Elizabeth and the district, and unless our manufacturers are able in the near future to produce goods very much cheaper, and at least as satisfactory in quality, as those produced locally, many of the markets which were open to us in 1913 will supply their own local needs as a result of the late War.

THE RAILWAYS OF THE U.K.

An important declaration of Government policy was made after the announcement of the constitution of the new Ministry. The Premier declared that it was the intention of the Government to deal from the national point of view with the railways and the electric supply services both for transport and power purposes. The nature of the new proposals was not disclosed, but it is understood that the Government hope to effect a revolution in the means of internal transport in the United Kingdom. Performance not infrequently falls short of hopes, especially where officialdom is concerned, and it would be unwise not to discount the sanguine expectations of a confessed optimist such as Mr. Lloyd George. Besides, Parliamentary sanction will probably be necessary to such financial proposals as may be involved in the Government programme for dealing with transport. The powers of the Executive in regard to railways are considerable, and this is a point often overlooked in discussions on the possibilities of State control. Under the Railways Act of 1871 a Secretary of State can by Warrant assume not only control, but possession, of any or all the railways of the United Kingdom, leaving the question of compensation to a later date. It was by the exercise of its powers under this Act that the Government, after the outbreak of war, took upon itself the direction of the railway system of Great Britain and subsequently of Ireland. The Railway Executive Committee discharged the functions of supreme management which were delegated to it by the President of the Board of Trade. Thus was unification of control secured; but there was no unification of ownership, and, consequently, no attempt at unity of administration. Each line retained its own board of directors and its own technical staff. The individual interest of the shareholders in the different lines was maintained by the arrangement under which the Government, broadly speaking, guaranteed to the railways the equivalent of their net earnings in 1913 in return for accepting all Government traffic free.

The exact intentions of the Coalition in regard to railways will not be definitely revealed until the new Parliament assembles and the proposals are embodied in a Bill. Assuming, however, that nationalisation in the sense of the acquisition by the State of the ownership of the railways is intended, the unification of control at present obtaining will be transformed into unification of ownership accompanied by unification of management. We need not ask whether all the lines would be brought within the purview of the new scheme is uncertain; but it is not likely that distinction will be made, especially if the shareholders consider that their holdings would improve financially with the security of the State behind them. It is not generally known that in Great Britain alone 46 railway companies received no intimation from the War Office that they had been taken over. The most important of these were the London electric railways, the others being mainly light railways or small rural lines. We presume that the beneficial revolution in transport hinted at by the Premier will include, in the first place, extension of suburban services, so as to enable urban workers to live at a distance from the scene of their work, and, accordingly, to simplify housing and other urban problems. The revolution might be supposed to embrace, secondly, increased railway facilities in rural areas, for this is a necessary part of any real programme of agricultural reform. Nationalisation, when it does come, will probably extend, therefore, to all classes of lines.

Railway interests have always been powerfully represented in both Houses, and in the new Parliament they carry appreciable weight. Despite this the Prime Minister, with the large majority at his command, should be able to carry through any legislation which his Cabinet submits. We do not expect, indeed, that he will be unfair to the interests concerned, but there will be great difficulty in determining the proper basis of valuation of the railways. Before the War the net earnings of the railways were affected principally by the cost of labour and the price of stores, especially coal and steel, since these were the three largest items in the working expenses. Serious movements in these items usually caused some change in the quoted securities. Early in 1914 there were disquieting signs of impending labour trouble in the railway world. Agitation for increased wages, shorter hours, and generally improved conditions was coming to a head. Concessions would inevitably have been made, as railway employees had on the whole a very sound case. The cost of these concessions might have been defrayed in part by increasing the rates for passengers and goods, and by effecting economy in various departments of the service. The major portion of the burden would, however, have fallen very probably on profits, and hence the outlook was, from the shareholders' standpoint, not at all bright. In view of the extravagant demands at present being put forward on behalf of some of the holders of railway stocks it is well to bear these facts in mind.

The War has reacted in different ways on the prosperity of the railways. The financial arrangements between the Government and the companies, outlined above, were of such a nature as to obscure the effects which hostilities have had on the absolute earning powers of the different systems. Transportation for Government goods and for persons employed on Government service has been provided free, and this has tended to reduce the actual receipts. On the other hand, rates and fares have increased, and this has tended to swell earnings. Other factors require to be taken into account, the chief of which is the large increase in working expenses, due to the wage advances granted to railway workers and to the higher cost of all kinds of railway material. How far the different increases in passenger and goods charges will be made permanent is still a matter of doubt, but some means must be devised for raising the revenue. All except the most necessary repairs to the permanent way and to rolling-stock were held up during the War, and large outlay must now be incurred under this head. Further, the construction of new locomotives and passenger cars has been practically at a standstill for some years, and here again there is much leeway to be made up. It is probable that the lines which were taken up for service on the French and other fronts will be replaced, and heavy expenditure may be anticipated thereon. The construction of branches in rural areas at present lacking in railway facilities will no doubt be seen to be desirable, and will entail large capital expenditure, with little prospect of an adequate return, at any rate for a long period. These various demands may be met to some extent by a recrudescence of travelling amongst a public which has been practically denied that luxury for the last four years. The restoration of the full services and of excursion fares should serve to enhance earning power and to offset the increased outgoings which seem inevitable in the near future. With regard to goods, it will be possible, when all our railways are worked as a unified system, to increase the advantages already offered by through bookings and so add materially to the receipts. Various economies in respect of directorates, technical staffs, repairing shops, and construction of waggons, engines, and passenger-cars can also be effected, but a wise co-ordination under a properly constituted Ministry of Transport will probably be necessary before the public can reap the benefits which should accrue from the unification of our present somewhat chaotic railway system.

SOUTH AND CENTRAL AMERICA.

COLOMBIA.

Now that it has been clearly demonstrated that tropical diseases are not due to, although they are affected by, climate, but are primarily caused by unsanitary conditions, it is time that the investing, trading, and maritime nations of the world turned their attention to Colombia. As we said in an article dealing with this Republic some months ago, it is sincerely to be regretted that the project of Simon Bolivar, largely through his own fault of uniting Venezuela, Colombia, and Ecuador in one great composite Republic, was never carried out. But we are not here dealing with the political institutions of the country, but rather regarding Colombia as offering the world great opportunities to recover from the disastrous economic effects of the recent European War.

Roughly, Colombia is about two-and-a-half times the size of France, and she has a population of barely five millions of souls. The upper classes consist of a comparatively small number of people of Spanish descent, with a large admixture of people of Spanish and Indian descent. The great mass of the people are either Indians or negroes, or a mixture of the two, and practically three-fourths of the whole population are unable either to read or write. Potentially one of the richest countries in the world, Colombia is, in a sense, one of the least developed. Owing to the fact that Colombia, next to Ecuador, is one of the most important cocoa-producers in the world, that she produces emeralds to a greater extent than any other country known, and now that Russia is in a state of anarchy she is the only country where important supplies of platinum can be obtained, she does, considering the small amount of her population, a considerable foreign trade. And it is satisfactory to be able to add that, small as her railway mileage is—being less than 600 all told—some 60% has been built by British capital and is owned by British companies. But considering her extraordinary natural advantages, it would be quite true to describe Colombia as one of the economic backwaters of the world. It was not always so, as we shall show immediately; and of course there are many reasons which account for the condition of things which have prevailed for so long, quite apart from the fact that Colombia has indulged in a great many revolutions since the time of Bolivar.

Colombia is an exceedingly difficult country to open up. There are the coastlands on the Caribbean, hot and unhealthy; there are the coastlands of the Pacific, hot and unhealthy; there are the gigantic mountain ranges of the Andes to be traversed a few miles from the coast on both shores in order to attain the great central plateaus which appear to have been more or less civilised from a very remote period in history. We have just said that there are coastlands on both coasts, hot and unhealthy. So they are. But there is no reason why they should remain so. It is a question simply of draining the swamps. Of course the Colombian Government is quite as well aware of that fact as we are. But they naturally ask, Where is the money to come from that would enable us to make the coastlands either on the Caribbean or on the Pacific really healthy? It would be an exceedingly expensive proceeding, as the experience of British Guiana—not a very distant neighbour—has amply demonstrated. But the experience of British Guiana has also amply demonstrated that it can be done. That it is worth doing there can be no reasonable doubt, because until it is done the coastlands on neither the Caribbean nor the Pacific can be developed as they ought to be developed. Nor will it be practicable to open up the vast extent of country on the banks of the Magdalena. When we mention the Magdalena River, another difficulty at once presents itself in connection with the opening up of Colombia. Practically the Magdalena is the only port of entry to the Republic. We have not forgotten Buenaventura, but we will refer to that later. The Magdalena River is so choked with mud and sandbanks that it is constantly changing its mouths. The Magdelena is one of the great rivers of South America. And were it not for the close proximity of the Orinoco and of the mighty Amazon it would be regarded as one of the great rivers of the world. It is at least 1,500 miles in extent. And were it kept in any sort of order with a Board of Conservancy, it would be navigable for ocean-going steamers for hundreds of miles up from the Caribbean Sea. Probably the bulk of Colombia's traffic, both passenger and mercantile, passes over the Magdalena River, and is carried to avoid the difficulties at the mouths to which we have just referred, over a short British-owned railway connecting the port with the sea.

We have said that it was not always so. There seems no reasonable doubt that long before the Spanish conquest of Peru, and, indeed, long before the Inca conquest of Peru, if it was a conquest, as is generally believed, there was a great civilised race inhabiting the plain more than 8,000 feet above sea-level, on which the Colombian capital—Bogota—now stands. This plain was, and is, the most populous part of Colombia. The coastlands are probably more thickly inhabited now than they were in ancient times, because some effort, although quite an inadequate one, has been made to deal with the unsanitary conditions which produce malaria and yellow fever. There is no evidence that we have been able to trace that the ancient people had any knowledge that would enable them to deal with what we commonly call tropical diseases. But there is ample evidence that they suffered from them. All we really know is that at the time of the Spanish conquest these coastlands were very sparsely inhabited, as, of course, they are to-day; but, if possible, to a still greater extent then than now.

On the other hand, there seems no reasonable doubt that the great plain on which Bogota stands was far more densely peopled in ancient times than in modern. The ancient people grew cocoa in the coastlands just as moderns do, and, in addition, there seems no room for doubt that they grew cotton. On the plains they grew cereals, or rather manufactured flour from root crops, because the cereals that grow now, and which are of European origin, did not exist, and appear to have been quite unknown at the period of the Spanish conquest. But the manufacturing industry of this great plain was far greater in pre-Spanish times than it has ever been since, or than it is now. These people worked metals with extraordinary skill. And at the time of the conquest their cotton, and particularly their woollen, manufactures were superior to anything at that time known in Europe. If we are able—and it is by no means certain that we are—to make woollen textures of the extreme fineness that was common amongst these peoples in pre-Spanish days, it would, of course, be done by machinery. These people, however, did all their work with a hand-loom. They obtained their wool, of course, from the llama and the vicuna. The latter has come to be used as a technical term in the woollen trade of the international markets to signify a wool of particularly fine texture, and that has come about through the skill of these ancient people.

In the above paragraph we have given a brief sketch of the trade and industry of the peoples that preceded the Spanish conquest. But within the memory of people still living, though of advanced age, Colombia was the greatest source of supply for gold. It has to be remembered that the world's supply of gold in these days was about one-fifth of what it is now. But as a source of supply in the first half of the nineteenth century Colombia took very much the place which the Transvaal takes in our own day. Many competent authorities believe that with modern mining machinery, and under the direction of skilled mining engineers, the Colombian gold mines are capable once more of taking a prominent part in supplying the world's

demand for this valuable metal, notwithstanding the fact that in the interval the gold production of the world has multiplied five times over. Gold-mining in Colombia, although still carried on, fell upon evil days towards the beginning of the second half of the nineteenth century. First came the great gold discoveries in California, and the people of the United States of North America were quick to see what an advantage the discovery of gold was to the United States. They hastened to build a trans-continental line, and to afford transportation facilities from California to the great consuming markets of Europe and the rest of the world. Colombia, although she had held such an important place in the supply of the world's needs of this valuable metal, made little or no effort to improve her transportation facilities. Consequently, ounce for ounce, it cost more to obtain gold in Colombia than it did in California. The Californian discoveries were followed in the early 'fifties by the great gold rush to New South Wales and Victoria, in what is now the Commonwealth of Australia. Naturally the British Government saw to it that what transportation facilities were required were provided; and Colombia, as a source of the world's supply of gold, almost for a time disappeared altogether from the knowledge of the world's market.

CHILIAN NITRATE.—I.

Now that the demand for nitrate for making explosives and other requirements in connection with the War is at an end, it is of the utmost importance to urge the value of nitrate in connection with agricultural interests. It is, of course, important to the nitrate interest itself; but it is of still more importance, in order to increase the supply of food in various countries of the world, that nitrate should be used by farmers and those having charge of agricultural operations upon an extensive scale, to the utmost extent possible. It is unfortunate that at the moment the Government does not see its way to grant shipping facilities for bringing large quantities to Europe. If we are rightly informed, however, there are very large supplies of nitrate in the hands of the Government, which were imported for the purposes of war, and which are now available for those of peace. In the present condition of world shortage for all classes of food, and the extravagant prices we are charged for every article, it is essential—if the people, not merely of this country, but of all the countries lately engaged in war, are to maintain themselves in any state of efficiency—that every effort should be made to increase foodstuffs to the utmost extent possible.

We fear that many farmers, and those connected with the various branches of the agricultural industry, do not appreciate the importance of consuming nitrate to a larger extent than has been the case in the past. In the years before the War, when immense tracts of new countries, with practically virgin soil, had only recently been opened up, and when freights were low, and it was desirable that our shipping should be continuously employed, it was a comparatively small matter that we obtained our food from places where the yield per acre for the amount of labour and capital employed was small, provided that we obtained, as we practically did, large supplies of food at comparatively low prices. The situation is completely altered now, when we neither obtain a sufficient supply of food nor do we obtain such quantities as are vouchsafed to us at reasonable prices. The term price is simply a convenient economic expression; but what we really mean is, that men and women all over the world are required in the present state of food shortage to devote a wholly unreasonable part of their time and energy for the mere purpose of obtaining enough to eat and drink in order to keep body and soul together. This is economically unsound in the highest degree. It is injurious to the health and well-being of the populations of Europe, as well as to a large proportion of those of North and South America. It leads to strikes and general unrest, and to a demand for a rise in wages, and adds so enormously to the cost of production as to threaten the very existence of many of the industries upon which a manufacturing country like our own so largely depends for its well-being.

Although from the very beginning man has been deeply concerned in the study of agriculture, even yet we are but imperfectly acquainted with the processes of germination, or what actually takes place in the earth during the growth of plant life. We do know, however, that plant life requires an immense quantity of nitrogen in order to feed it and aid in its development. Plants, like ourselves, obtain a proportion of nitrogen from the air; but, in addition, we consume large quantities of water and other liquids for the purpose of obtaining nitrogenous foods. It might be assumed that plants, requiring such an abnormal supply of nitrogen, would thrive best when grown in swamps, but with very few exceptions this is not the case. Now it happens that nitrate of soda, as it is found in the great fields of Northern Chili, after certain treatment to which it is subjected furnishes nitrogen in a particular form for those plants which are most useful to man, particularly cereals and leguminous plants.

Any competent agriculturist, or farmer, can readily make the experiment for himself, and he will find that in a given field of reasonable fertility, by using the usual manures, and adding a certain number of bags of nitrate of soda, he will increase his yield per acre to the extent of practically double; and if, in addition, he will use certain phosphates he will increase the yield per acre between two and three times what would be obtained from the same seed sown in the same area without the addition of these mineral fertilisers. We have not, unfortunately, the figures before us as to the actual number of bags which should be consumed per acre, but, speaking from memory, we believe it varies between 125 and 150, according to the nature of the soil; but this the farmer would be able to ascertain for himself from the source from which he obtains his nitrate, or probably some local representative of the Board of Agriculture would be glad to furnish him with the necessary information. Now, in these figures we were thinking more particularly of wheat-growing lands; but it is equally true, although we will not assert positively to the same extent, of other cereals, for example, oats and barley. It is true again, as we have said already, of the leguminous plants—potatoes, turnips, swedes, and the like, and it is also true to a greater or lesser extent—we are again speaking from memory—in the case of what are commonly called vegetables. There seems no reasonable doubt that with the use of tractors, the use of the most efficient agricultural machinery, and the application of fertilisers as above described, the yield per acre in this country of cereals, as well as, indeed, of all food products, could be very largely increased. In the years that preceded the outbreak of the recent war Germany was in certain parts of the country producing six or seven bushels more wheat per given unit than farmers were doing in this country. In some parts of Southern Germany, no doubt, the soil is very rich, but so it is in certain parts of England; although, of course, England is a very small country. But taking the whole area of the German Empire as it existed, say, in the early summer of 1914, and comparing it with the small extent of a country like England, the soil of Germany, taken as a whole, was certainly not richer than that of England. Within the memory of people still living, although of advanced age, a great part of the north of Germany was very little better than a sandy waste, and it was due to the application of fertilisers and the industry of her agriculturists that the large yields per acre from her land were attained.

Dr. Bertrand, who was formerly Director of

Public Works in Chili, made an estimate several years ago of the probable life of the nitrate fields. The actual extent of the nitrate fields is not known, as even the known nitrate-bearing area has never been fully explored. The nitrate fields are situated on a high plateau in Northern Chili extending from about 50 to 100 miles from the coast, and at an elevation varying between 2,000 and 4,000 feet above sea-level. At the time Dr. Bertrand made his estimate the total output of this valuable fertiliser was only about 2,000,000 tons per annum. The Doctor estimated that the amount of nitrate actually in sight, and known to exist, and available for the known methods of working, amounted roughly to 250,000,000 tons, and, consequently, the supply was then regarded as practically inexhaustible. Since this estimate was made further deposits have been discovered, and it is not yet ascertained how far the lode—to use a mining phrase—may extend, as it is covered to a depth of some 20 feet by sand and débris which is so hard that it can only be raised by means of blasting with explosives (obtained from the nitrate itself), so rendering it impossible to ascertain with any degree of certainty where nitrate may exist in any given area without actually exploring the fields. As space is pressing we propose to leave to some future occasion a description of what the actual nitrate fields are like, the conditions under which they are worked, and the protection which Nature has afforded for the preservation of this valuable fertiliser.

NEW BANKING CAPITAL.

Meetings of the shareholders of the Commercial Banking Company of Sydney are to be held shortly for the purpose of sanctioning an increase in the capital. This Bank confines its activities entirely to New South Wales and Queensland, except that it has a London office. In 1913 its authorised and issued capital was raised to £4,000,000, in £25 shares, of which the paid-up capital is £2,000,000, or £12 10*s.* per share. The reserve fund at present amounts to £2,080,000. It is now proposed to increase the paid-up capital by £500,000, thus raising the total to £2,500,000, by issuing additional shares at par. Dividends paid since 1900 have been at the rate of 10% per annum. The latest quotation we have for the shares (£12 10*s.* paid) is 22¾. Deposits on June 30 last amounted to £27,110,000.

British Trade Corporation.—An initial dividend of 2½% has been declared for 1918, when the net profit was equal to just over 3½% on the £2,000,000 of paid-up capital. About £1,000,000 was added to the deposits in 1918, and during the year the assets of the undertaking were raised from £2,642,000 to £3,950,000, of which £2,258,000 was in cash, Treasury bills and Government securities. Bills discounted, loans, advances, &c., accounted for £1,090,000 and capital in subsidiary companies for only £367,000. The report states that owing to the War the commercial conditions existing during the greater part of last year were unfavourable to the development of the Corporation's activities in connection with the financing of overseas trade, but that arrangements have been made in various directions which it is anticipated will shortly bear fruit. The price of the £10 fully-paid shares has risen in the past week by about 15*s.* to 10*l. cum* 5*s.* of dividend.

American Topics.

CUBAN-AMERICAN SUGAR COMPANY.

From the point of view of gross receipts the year to September 30 last was almost as satisfactory for this Company as was the preceding year, which had yielded unprecedentedly good results. Though the sugar crop for the island of Cuba was larger than ever before the Company's production of cane sugar was about 7½% less than in 1916-17. The sucrose in the cane and the yield of sugar from a ton of cane were approximately the same, but on some of the smaller estates there was a sharp decline in the yield of cane. Hence the decline in the tonnage of cane ground and in the quantity of sugar produced. On the other hand, the production of refined sugar has considerably expanded, that at the Cardenas Refinery, in Cuba, having risen from 30,613,000 lb. to 50,278,000 lb. In the case of the Gramercy Refinery at Louisiana the quantity produced increased by about 5,700,000 lb. to 151,026,000 lb. The tonnage of cane ground and the output of raw and refined sugar in the past six years are summarised below:—

	Cane Ground	Raw Sugar—Production		Refined Sugar—Produced—	
		Tons	% of Cane	Cardenas Refinery, Cuba	Gramercy Refinery, Louisiana
	Tons			Lb.	Lb.
1917–18 ...	2,334,617	275,960	11.82	50,277,888	151,025,592
1916–17 ...	2,525,491	298,208	11.81	30,613,000	145,321,000
1915–16 ...	2,188,047	268,310	12.26	24,907,000	117,513,000
1914–15 ...	2,218,168	236,401	10.65	14,713,000	154,954,000
1913–14 ...	2,213,723	264,745	11.96	13,043,000	134,405,000
1912–13 ...	1,956,723	218,127	11.15	7,746,000	123,058,000

Expenses, &c., showed little change last year, but war taxes called for an additional $1,000,000, and as depreciation allowances and interest charges were higher the net profit for the Common stock declined from $6,425,000 to $4,527,000. The dividend paid on the Common stock for the past year was 10%, against 20% for 1916-17, and $3,527,000 was available for capital purposes.

During the past year further improvements and extensions have been made. For instance, the work of rehabilitating the Cardenas refinery has been completed, thereby raising that refinery's daily capacity to 1,000 barrels of refined sugar. No further extensions are contemplated on the Western Estates, but on the Eastern Estates at Chaparra, where 65% of the Company's business is concentrated, agricultural plans are being projected on a comprehensive scale for the campaign of 1920.

For the current year it is estimated the Cuban sugar crop will total 3,600,000 tons, which will be the largest out-turn in the history of the island and will compare with 3,446,000 tons produced in 1917-18. The immediate outlook is for a further increase in the cost of production, due to the high wages of agricultural labour in Cuba; but on the other hand, the Company's entire crop has been sold at a price higher than that of last year and there is every indication of an output larger than in any previous season. The net result of the current year's work so far as this Company is concerned should therefore prove satisfactory.

A year ago the Company refunded $6,000,000 of 6% Collateral Trust Gold bonds by the issue of a similar amount of 6% Gold notes in three series. The "A" notes, due January 1, 1919, have been repaid, leaving series "B," maturing January 1 next, and series "C" due a year later. In April last $2,221,000

Income Statement of the Cuban-American Sugar Company.

Year to Sept. 30	Gross Receipts	Expenses of Manufacturing, &c.	Depreciation, &c.	Net Income	Interest	Net Profit	Dividend on 7% Cum. Pref.	Balance for Common	Div. on Common Rate	Div. on Common Paid	Surplus
	$	$	$	$	$	$	%	$	%	$	$
1918 ...	59,851,357	29,810,043	4,409,071*	5,606,240	524,588	5,030,652	7	552,566	4,527,086	40.28	10	900,000	3,627,086
1917 ...	40,136,704	29,523,594	3,262,030*	7,351,080	373,091	6,977,989	7	552,566	6,425,423	57.16	20	1,800,000	4,625,423
1916 ...	27,344,128	17,718,657	729,339	8,896,132	599,154	8,296,978	7	552,566	7,744,412	103.26	60	5,400,000	2,344,412
1915 ...	23,566,625	16,156,102	788,197	6,422,026	765,626	5,656,400	14	1,105,132	4,551,268	63.07	Nil		4,551,268
1914 ...	15,660,098	11,113,386	764,015	3,682,697	913,466	2,769,231	7	552,566	2,216,665	31.00	Nil		2,216,665
1913 ...	16,141,213	14,129,103	707,173	1,334,037	907,962	426,075	7	552,566	Dr 126,491	—	Nil		Dr. 126,491
1912 ...	17,242,191	14,851,470	579,149	1,811,272	877,385	935,887	7	552,566	383,321	5.54	Nil	—	383,321
1911 ...	15,597,645	13,854,820	502,563	1,039,262	707,786	331,476	7	524,587	Dr.193,111	—	Nil	—	Dr.193,111
1910 ...	15,817,687	12,971,236	469,309	2,377,123	549,940	1,827,183	8½	550,812	1,276,371	19.64	Nil	—	1,276,371
1909 ...	11,600,169	9,172,669	212,666	2,014,843	584,881	1,429,962	1½	110,162	1,319,800	20.30	Nil	—	1,319,800

* Includes war taxes: 1917-18, $3,590,000; 1916-17, $2,600,000.

of the 6% bonds not exchanged into notes was paid off. The latest balance sheet shows the Company continues to enjoy a strong financial position, for at the end of September last, against current liabilities of $3,816,000 the Company held current assets of as much as $18,192,000.

The 7% Preferred stock is quoted in New York at 109, at which the yield is £6½ allowing for accrued dividend. The Common stock stands at 145, and the return of 7% from the 10% dividend would seem to indicate that some increase in the distribution is looked for in the current year.

We present herewith a statement showing the receipts, profits, and dividends for the past ten years.

SOUTH AMERICAN STORES (GATH & CHAVES), LIMITED.

STILL further expansion is reported by this Company in its net trading profit during the year to June 30, 1918, doubtless largely owing to the increased purchasing power of Argentina from the sales of its foodstuffs at high prices. The growth of business during the past five years has been considerable, and, in the expectation of further increase in the future, the directors some time ago secured additional land and properties in Buenos Ayres, on which a large store of modern type is to be erected with a view to enabling the business to be carried on and developed under the best conditions. In order to provide the funds required for this building and for additional working capital necessitated by continued growth of business, it is proposed to obtain authority to increase the Company's borrowing powers from £1,000,000 to £2,500,000 and, when Treasury sanction has been obtained, to issue a further £1,000,000 of Debentures. Of the £1,000,000 of 5½% Debentures issued previously, £750,000 was sold at 94½ and £250,000 at 92. The Debentures bear tax-free interest and are redeemable by 1937 at 105% by annual drawings which have already reduced the amount in issue to about £840,000. The present price of the 5½% Debentures is 106, equal to 103¼ xd. What form the new Debentures will take, whether they will be of a similar type to those now in issue, and at what price they will be sold, remain to be seen. The new properties cost about £330,000, of which just over £200,000 was paid in cash and about £130,000 by a mortgage in favour of the vendors.

For the year 1917-18 the net profit amounted to £313,854, against £248,299 for 1916-17: but, as previously, the directors have distributed profits conservatively, total dividend payments calling for £170,438, and have set aside £31,695 to reserve fund, now standing at £217,732, and appropriated £100,000 to an account covering contingencies and excess profits duty. The authorised and issued share capital is £1,952,500, of which £400,000 consists of Participating Preference shares entitled to 6% cumulative dividends, after which £1,500,000 of Ordinary capital ranks for a non-cumulative dividend of 6%. Of remaining profits 15% belongs to the Preference, 65% to the Ordinary, and the balance of 20% belongs to the £52,500 of Deferred share capital. After allowing for compulsory allocations to reserve, &c., but before deduction of £115,000 transferred to reserve and contingencies account, the profit earned last year was equal to 12⅓% on the Preference, to 13⅓% on the Ordinary, and to 58% on the Deferred shares. The dividend actually paid was again 8% on the Preference, but the Ordinary received 8½%, against 8% for 1916-17, and the Deferred 20⅝%, in comparison with 16⅛%. The course of profits and dividends since incorporation of the present Company is shown below:—

	Year to July 31					13 mos. to July 31,
	1918	1917	1916	1915	1914	1913
	£	£	£	£	£	£
Trading profit ...	430,541	350,000	295,377	203,844	181,248	416,657
Misc. income ...	22	7,383	22,993	3,702	2,397	11,497
Total income ...	430,563	357,383	318,370	207,546	183,645	428,154
Sundry expenses ...	54,897	51,966	52,401	29,592	30,990	71,530
Net income ...	375,466	305,417	265,969	178,154	152,655	356,624
Depreciation and sinking fund	27,689	26,309	25,000	23,812	22,575	16,695
Int. on Debentures ...	48,285	49,701	51,045	47,707	50,097	43,365
Net profit ...	299,492	229,407	189,924	106,635	79,983	296,564
Div. on Preference ...	52,000	32,000	32,000	24,000	24,000	42,910
do. % per annum	(8%)	(8%)	(8%)	(6%)	(6%)	(10%)
Div. on Ordinary ...	127,500	120,000	120,000	75,000	—	157,207
do. % per annum ...	(8½%)	(8%)	(8%)	(6%)	Nil	(11⅓%)
Div. on Deferred ...	10,937	8,750	8,750	—	—	26,250
do. % per annum ...	(20⅝%)	(16½%)	(16½%)	Nil	Nil	(50%)
Surplus	129,054	68,657	29,174	7,635	54,983	70,197
Special Allocations						
Reserve fund ...	31,695	43,145	11,172	6,272	12,555	47,445
Extra reserve fund ...				1,363	33,736	
Disc. on capital issues written off ...					35,642	
Contingency fund ...	100,000	25,000	—			
Int. charged to capital account		—			Cr.23,950	
Balance	Dr.2,641	10,512	Dr.11,998	—	—	22,752
Carried forward ...	8,275	10,916	10,754	22,752	22,752	22,752

(a) After providing for statutory allocation to reserve fund the shown net profit for 1917-18 was equal on Preference to 12.33%, on Ordinary to 13.31% and on Deferred to 53.89%.

In the balance sheet made up to June 30, 1918, the book value of the assets is given at £4,319,690. Of this £1,338,000 represents fixed assets, £135,000 goodwill, and £298,190 the cost price of share capital of the Chilian subsidiary. Including stocks valued at £1,786,000 (£2,113,000 in June 1917), current assets were valued at £2,549,000, against which were current liabilities of £1,276,000.

The £1 Preference shares are quoted at 1⅝, at which the yield from the 8% dividend is about 6%. The £1 Ordinary shares stand at the same price, the yield from the 8½% dividend thus being about 6⅛%. The 1s. Deferred shares are quoted at 3s. 9d., and the return from the last dividend—20⅝%—is thus 5¾%. With income tax at 6s. in the £, the gross rate of interest paid on the Debentures is 7⅚%, and in the case of the bonds held to full maturity the gross yield afforded is about 7%.

JOHN LOVEYS AND CO.

FURTHER expansion occurred last year in the net trading profit of this London firm of boot and shoe manufacturers and merchants, the report for 1918 having shown a profit for the Ordinary shares of £14,785, or almost double that recorded for 1917. For the past three years the dividend paid has been 10%, but whereas for 1917 there was also a bonus of 2%, last year this was raised to 2½%, thus making 12½% for last year. For the first time for many years £5,000 has been transferred to the reserve fund, which now stands at £25,000. Dividends on Ordinary shares may not exceed 10% if the reserve fund falls below £20,000. The dividend earned in 1918 was equal to about 24½% on the Ordinary capital. No Debentures are outstanding. The share capital consists of £60,000 in £1 6% Cumulative Preference shares and £60,000 in £1 Ordinary shares. Total assets on December 31 last were shown at £207,894, of which current assets represented £141,894, consisting of £141,825 of stocks and sundry debtors. Current liabilities on the same date amounted to £56,525. The price of the Preference shares is 1⅜, and the return works out at £7 11s. 6d. The yield on the Ordinary shares, quoted at 1⅜, is about 9¾%.

Yr. to Dec. 31	Net Trading Profit	Inc. Tax & Exc. Profits	Net Profit	Div. on 6% Cum. Pref.	Profit for Ord.	Div. on Ord. %	Div. on Ord. £	Special Allctns.	Carried Forward
	£	£	£	£	£	%	£	£	£
1918...	41,610	23,225	18,385	3,600	14,785	12½	7,500	5,000	6,369
1917...	33,956	22,800	11,156	3,600	7,556	12½	7,200	—	4,084
1916...	20,956	12,500	8,456	3,600	4,856	10	6,000	—	3,748
1915...	16,815	8,000	8,815	3,600	5,215	7	4,200	—	4,912
1914...	10,756	—	10,756	3,600	7,156	7	4,200	—	3,897
1913...	6,620	—	6,620	3,600	3,020	5	3,000		940
1912...	4,252	—	4,252	3,600	652	Nil	—		921
1911...	6,047	—	6,047	3,600	2,447	5	3,000		269
1910...	7,495	—	7,195	3,600	3,895	6	3,600		822

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue.
Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

After showing such well-maintained strength as witnessed in recent weeks, despite very poor dividend declarations, it is not surprising that a disposition to take profits should have become manifest this week. Much of the buying has undoubtedly been on account of speculative anticipation of restoration of normal conditions and a good peace demand for the commodity, and, pending definite signs of actual realisation of expectations, there is nothing tangible to go for. There is uncertainty, moreover, as to how far labour troubles will prevent the rapid building up of peace manufacturing capacity in the industrial world. On the other hand, the sharp reductions announced in freight rates, and the indications of competition for cargoes between American and British shipping companies, are decidedly an important factor, seeing that the abnormal freight rates recently ruling added up to 3*d.* per lb. to all-in costs. Then, too, America, which consumes 70% of the world's output of rubber, has enormously added to her wealth during the War, her people have suffered less, and labour there appears to be inclined to fall in more willingly with plans for peace manufacturing. Another matter of considerable moment—the excess profits duty—should shortly come up for reconsideration, and it is to be noted that an influential body of industrialists, in the shape of the Federation of British Industries, is seeking to lay its views on the subject before the Chancellor.

Motor Trade Prospects.

Anticipations of a great extension of the use of motor cars for pleasure and commercial purposes, the fulfilment or non-fulfilment of which may be said to govern the question of the future consumption of rubber, appear to be warranted by the experience of the motor manufacturing companies. Not only has their output capacity in the aggregate been hugely augmented as a result of the War, but money has been lavished without stint upon plant improvements and efficiency-producing innovations. An idea of the state of affairs generally is conveyed by the information given to shareholders of the Austin Motor Company at the meeting held last week, a report of which appears on another page. Realising what the definite advent of peace meant to the Company with its greatly expanded facilities for production, a scheme was drawn up and put into operation which resulted in orders being booked, two months after the Armistice, for nearly £4,000,000 of cars, lorries, tractors, and lighting sets for account of buyers for home, colonial, and foreign markets, while further orders continue to arrive by every post. The Chairman said that at no time in the history of automobile manufacture in this country had such enthusiasm been shown by buyers or such orders placed, and the resources of the whole works will be taxed to the utmost. But he added—and herein lies food for thought in regard to the prospects of the commodity market during the next few months—that unfortunately it will take about four months to change over the shops and rearrange the plant for the new manufacture.

SENNAH RUBBER.

The Sennah Company, which owns one of the largest of the modern Sumatra plantations, covering 7,321 acres, nearly all planted in the last 10 years, experienced, in common with most rubber-producing companies, a very bad season in the twelve months ended June 30. The crop was not restricted much, it is true, and in fact slightly exceeded the previous year's total; but the average sale price worked out at only 1*s.* 8½*d.* per lb., and as the all-in cost rose from 1*s.* 4.61*d.* to 1*s.* 6*d.* per lb., the profit on rubber was only 2½*d.* per lb., against 1*s.* 3¼*d.* in respect of 1915-1916. No liability for excess profits duty was incurred, and it is anticipated that the bulk, if not the whole, of the previous years' payment of £16,688 will be recovered. But, on the other hand, in consequence of income tax being calculated on the three years' average and dividends in the past having been paid free of tax, heavy provision had to be made under this head. Consequently the whole of the past year's profit and part of the carry-forward were allocated to income-tax reserve and no dividend was paid. The following table contrasts the results of the last five years:—

	Years ended June 30—				
	1918	1917	1916	1915	1914
Total area	Acres 10,500	Acres 10,500	Acres 10,500	Acres 10,500	Acres 10,500
Planted area	7,321	7,198	7,198	7,183	7,183
Average acreage tapped ...		4,692	3,500‡	2,462	—
	Lb.	Lb.	Lb.	Lb.	Lb.
Rubber output	1,567,213	1,555,449	1,377,600	980,253	692,845
Yield per acre tapped ...		331	394	402	—
Gross price realised per lb.	1 8½	2 8·13	2 9·6	2 2·8	2 2·97
"All-in" cost per lb. ...	1 6	1/4·6	1/3·26	1/2·37	1/3·46
Profit per lb.	2½	1/3·53	1/6·34	1/0·43	1/11·51
	£	£	£	£	£
Value of rubber	123,267	208,218	192,959	109,321	78,058
Total revenue expenditure*	107,100	107,568	87,642	58,550	45,822
Net profit from rubber ...	16,167	100,644	105,317	50,670	32,236
Sundry receipts	3,621	3,551	1,669	1,441	2,750
Brought forward	30,084	21,515	12,404	25,543	10,571
Total available	49,872	125,710	119,390	77,654	45,557
Allocations—					
Transferred to reserve ...	—	30,000	30,000	20,000	20,000
Income tax reserve ...	30,000	15,000	—	—	—
Dividend paid	—	33,938 (7½%)	67,875 (15%)	45,250 (10%)	—
Excess profits duty ...	—	16,688	—	—	—
Carry-forward	19,872	30,084	21,515	12,404	25,543
Issued capital†	452,500	452,500	452,500	452,500	452,500

* Including directors' extra remuneration of 5% of the profits.
† 22,857 shares to be issued later to repay loan of £40,000.
‡ Estimated.

Price of £1 shares, 35/0. Market Capitalisation per planted acre, £113, allowing for issue of 23,000 reserve shares.

It is to be hoped that with the return of more normal conditions costs will be substantially reduced, for the figure of 1*s.* 6*d.* per lb. is absurdly high for a Sumatra estate producing 1,567,000 lb. of rubber. It would appear that heavy expenditure was purposely incurred on improvements and charged against revenue. Thus the outlay on capital account is shown in the balance sheet as only £5,712, against £39,365 for 1916-17, and the depreciation allowance at £12,932, or 2d. per lb. on the crop, against £7,891, or 1¼*d.* per lb., in respect of 1916-17. The Company, in view of the large area it has now planted, should in future do very well indeed. That prospect accounts for the shares standing at 35*s.* despite the poorness of the past year's results. Nearly the whole of the area under rubber is now five to twelve years old.

ANNUAL REPORTS ANALYSED.

SUMATRA PARA.

Issued Capital: £125,000 in 2/0 Shares.

Results for Years to June 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16	3,817	2,418	665,449	275	2/8.4	1/1·36	56,004	£2,083	41⅔
1916-17	4,067*	2,418	727,727	300	2/9½	1/3.23	57,847	52,083	41⅔
1917-18	4,067	2,563	854,525	337	1/10½	1/3.56	28,167	26,042	2⅜

* Including 450 acres expected to be planted by the end of December.

Price of Shares, 8/9. Market Capitalisation per planted acre, £132.

From the point of view of profit earned and dividends paid this Company's report for the year ended June 30 makes a poor comparison with the corresponding results of the two previous years, during which production was on a considerably smaller scale. The explanation lies almost entirely in the drop in the value of the product. Tapping was restricted, but nevertheless the crop exceeded the estimate by 24,500 lb., and the all-in cost was only a trifle higher. The net profit comes out at £28,167, or half that shown for 1916-17, and, consequently, the dividend to shareholders is also halved. Excess profits duty in respect of 1916-17 amounted to £6,477, and as the past year's net profit was considerably under the datum line return of a good proportion, if not the whole, of the past payment can be claimed. An additional 450 acres of land were planted up in the year and there remain about 1,500 acres available for further extensions. In 1916-17 £11,700 was spent on development and betterments, and in the past year £14,995 was laid out in upkeeping immature area, extending the plantations, roading and general preparation for further planting. The Company has sufficient resources for financing purposes, for, apart from return of excess profits duty, the balance sheet shows investments and cash assets exceeding current liabilities by £26,000. Bearing in mind the degree of immaturity of the estates, it is apparent that the past year's results, with a low price ruling for the product, are no criterion of future earnings. The market valuation of £132, taken in conjunction with other material factors, indicates the probability of shareholders being well recompensed later on for the present absence of adequate return.

REMBIA (MALACCA).

Issued Capital: £80,000 in £1 Shares.

Results for Years to September 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Acre lb.	Price Realised per lb.	"All in" Cost per lb.	Net Profit‡ £	Dividend Amt. £	Dividend %
1915-16	1,601	976	379,667	389	2/4½†	1/1½	25,369	20,000	25(a)
1916-17	1,558½	1,394*	402,384	288	2/3½†	1/3½	24,523	8,000	10(a)
1917-18	1,560	1,452*	338,607	—	1/6·5†	1/4†	6,259	4,800	6(a)

* Considerable area in partial bearing. † Excluding selling charges, freight, &c. ‡ Before deduction of income tax. (a) Free of income tax.

Price of Shares, 40/0. Market Capitalisation per planted acre, £102.

Though all but 108 acres of this Company's plantations were in bearing in the past financial year, production was on a small scale owing to the restriction of tapping. Costs for the same reason ruled high, and with a very low average price obtaining the net profit comes out at only £6,259, in comparison with £24,523. Excess profits duty almost vanished as a liability for the year, and the Company's balance liability on account of previous periods will be very largely reduced if the decision in the Merlimau case is upheld. This explains why shareholders get so much larger a proportion of the profits by way of dividends. The balance sheet shows a sound financial position, and as, under normal conditions, the Visiting Agent considers that the estates should show cheap working costs, a very much better return to shareholders is to be expected in the future. The current year's production is estimated to reach 440,000 lb., and when fully mature the plantations will probably yield near to 630,000 lb. per annum.

BRAUNSTON (SELANGOR).

Issued Capital: £84,500 in £1 Shares.

Results for Years to September 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916	1,433	1,278	369,000	289	2/5.2	-/11½	29,040	16,900	20
1917	1,438	1,278	456,374	357	2/4	-/11.8	31,386	12,675	15
1918	1,438	1,278	423,000	331	1/11½	-/11½	22,505	10,562	12½

Price of Shares, 44/0. Market Capitalisation per planted acre, £129.

Notwithstanding drastic thinning out of weak and surplus trees on this Company's estate during the past two years until an average of 75 per acre remain, and the fact that tapping was restricted in the latest financial period, production was equivalent to 331 lb. per bearing acre and the all-in cost was only 11¼*d.* per lb. The lowness of this cost figure becomes still more apparent when it is noted that the f.o.b. charges totalled only 8.45*d.* per lb., and that, though 156 acres of rubber were not in bearing, the depreciation allowance considerably more than covered the expenditure on capital account. Financially the Company's position is a strong one, inasmuch as liquid assets at September 30 exceeded current liabilities and the dividend payment by £19,788, subject to excess profits tax. The fall shown in the profit, due entirely to restriction of tapping and the low average sale price, mainly affects the contribution to excess profits duty and the shareholders' participation is only slightly lower. In respect of 1916-17 the excess profits tax called for £15,945, and out of the past year's profit £13,527 is added to the carry-forward. Production for the current year was originally estimated at 450,000 lb., but owing to influenza, shortage of labour and bad weather this has been revised to 365,000 lb. Consequently, no improvement in dividend is to be looked for just yet, and, indeed, some reduction may be witnessed unless the excess profits duty is modified or higher values rule for the commodity. Later on, however, the careful attention paid to the conditioning of the plantations should bear fruit and enable an output of between 500,000 and 600,000 lb. to be obtained at a low cost. In these circumstances the valuation of £129 per planted acre, which the market places upon the undertaking, can be considered moderate.

KILLINGHALL (SELANGOR).

Issued Capital: £35,000 in £1 Shares.

Results for Years to June 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Acre lb.	Price Realised per lb.	"All-in" Cost† per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16	1,025	790*	220,879	280*	2/6.6	1/0†	17,177	6,250	20
1916-17	1,165	900*	220,313	355*	2/5.1	-/10½†	24,875	8,281	25
1917-18	1,141	—	282,840	—	2/1†	1/2†	13,126	3,500	10

* Estimated. † Excluding selling charges.

Price of Shares, 78/0. Market Capitalisation per planted acre, £120.

The factors which contributed to the poor showing made by this Company's report are clearly apparent from the above comparison, except in regard to the reduction of dividend from 25% to 10%, which most shareholders will trace to excess profits duty, inasmuch as the net profit was equal to 37% on the issued capital. Excess profits duty called for £11,854 on account of 1916-17, and although manifestly the liability for the most recent period will be very much less, it will still, apparently, be substantial; and, in addition, capital expenditure, which exceeded the depreciation allowance by £3,920, has to be covered in the absence of large surplus resources for financing. Hence the allocation of £5,000 of the year's profit to reserve and the addition of £4,626 to the carry-forward. Even so, before payment of excess profits duty the balance sheet shows no more than £4,443 of surplus liquid assets. No expansion of production is looked for in respect of the current year, and unless the value of the commodity appreciates considerably, or the excess profits duty is modified, shareholders will do well not to look for any augmentation of their dividend. The more distant prospect, under normal conditions, can be judged from the experience of 1916-17.

SCOTTISH UNION & NATIONAL
INSURANCE COMPANY.
ESTABLISHED 1824.
ASSETS Exceed £11,000,000.
FIRE, INCLUDING LOSS OF PROFITS, LIFE, ACCIDENT, ILLNESS, ANNUITIES, PENSIONS, LEASEHOLD, BURGLARY, GLASS BREAKAGE, TRANSIT OF SECURITIES, FIDELITY, PROPERTY OWNERS' RISKS, MOTOR-CAR RISKS, HORSE DRIVING ACCIDENTS, THIRD PARTY, EMPLOYERS' LIABILITY and MARINE
INSURANCES effected on the most favourable terms.
Edinburgh: 35 St. Andrew Square.
London: 5 Walbrook, E.C. 4, & 4 St. James's St., S.W. 1.

BRITISH EQUITABLE
Assurance Company, Limited.
ACCUMULATED FUNDS exceed - - - £1,600,000
SUBSCRIBED CAPITAL - - - - - £300,000
PAID-UP CAPITAL - - - - - - £34,500
The Company transacts the following classes of business:
LIFE, FIRE, ACCIDENT, BURGLARY, EMPLOYERS' LIABILITY AND THIRD PARTY.
Write for particulars of the New Monthly Premium Policy Without Medical Examination
To the Manager—1, 2, & 3 QUEEN STREET PLACE, LONDON, E.C. 4.

The Effects of the War
ON
Life Assurance Business
Pamphlet on application to the General Manager,
SUN LIFE OFFICE (Estd. 1810).
63 Threadneedle Street, London, E.C. 2.

Insurance Notes.

FIRE INSURANCE IN 1918.

The accounts of the more important British companies engaged in fire insurance which were presented last year, dealing with the year 1917, showed on the whole fairly satisfactory results as regards that section of their activities. There were two or three exceptions, for a few companies were heavily hit by the Salonica conflagration, and the consequence was in these cases an adverse balance on the year's working for the first year since the epoch-making San Francisco disaster in 1906. But the chief sufferers were very strong concerns, which had no difficulty in financing the situation through the help of their fire or general reserves, and in these cases the result did not lead to any diminution in the dividend distribution. When the annual accounts for 1918 are submitted, in the course of the next two or three months, it will probably be found that fire business has again resulted in a moderate profit. Claims will certainly be much higher, and so will expenses, but, on the other hand, premium incomes are expected to show considerable expansion. This is not due, in any marked degree at least, to increase in premium rates, except, perhaps, in the American field, but to the enlarged amount of cover, for during the War production has been greatly stimulated in many commercial undertakings, and as regards property of all kinds enhanced prices have led to increase in insurance. It is clear that, taking the present cost of replacement, there is still an enormous amount of under-insurance, and the tendency to ask for extended insurance protection is likely to be continued.

The reported fire losses in the United Kingdom in 1918, excluding those under £1,000 in value, amount to nearly £5,500,000, as compared with about £4,000,000 in the immediately preceding year. The losses for 1914, 1915, and 1916 averaged slightly under the latter amount. Some of the heaviest of last year's losses occurred in railway property, tanneries, bleaching and print works, chemical works, country mansions, and the textile industry. The following is a list of reported losses of £50,000 and over:—

Month	Risk	Locality	Estimated Loss
January ...	Calico Printers	Manchester	£80,000
February ...	Bleach Works	County Antrim	60,000
,, ...	Tobacco Factory	Brixton	60,000
April ...	Engineering	Twickenham	120,000
,, ...	Pottery	Wolverhampton	60,000
July ...	Tannery	Widnes	220,000
,, ...	Woollen Mill	Rochdale	74,000
August ...	Railway Sheds	Newcastle	100,000
,, ...	Chemical Works	Falkirk	60,000
September ...	Theatre	Glasgow	50,000
,, ...	Railway Warehouse	Bolton	225,000
,, ...	Mansion	Cumberland	50,000
October ...	Warehouse	Glasgow	70,000
,, ...	Tannery	Leeds	50,000
,, ...	Tea Warehouse	Southwark	100,000
November ...	Woolcombers	Leeds	75,000
,, ...	Tannery	Leeds	80,000
,, ...	Clothing Factory	Whitechapel	100,000
,, ...	Warehouse	Manchester	50,000
,, ...	Worsted Spinners and Cotton Doublers	Halifax	170,000
December ...	Warehouse	Old Bailey	70,000

Many British fire companies draw a large, in some cases the greater, part of their business from the North American continent, where fire losses in 1918 were much heavier than in any year since the San Francisco conflagration. Those recorded in the United States and Canada for the first eleven months of the year reached the enormous total of £60,000,000. This was despite comparative freedom from the great conflagrations which have proved the most disturbing factors in that part of the world in some years. The only serious event of this description in the course of last year was a series of disastrous forest fires in Minnesota in October, which played havoc with a number of towns, the total loss being estimated at about £7,000,000. But there were several very large fires. One at Morgan Station, New Jersey, in October caused a loss of £4,000,000. The only other fire where the damage ran into seven figures (pounds, not dollars) was at Trenton, Ontario, in the same month, the amount involved being approximately a million sterling. Undernoted is a list of other losses of £200,000 and upwards:—

Month	Risk	Locality	Estimated Loss
January ...	Business Buildings	Indianapolis	£200,000
March ...	Business District	Johnstown, Pa.	200,000
,, ...	Warehouse, &c.	Jersey City	400,000
April ...	Manufacturing District	Kansas City	500,000
,, ...	Chocolate Factory	Burlington, Vt.	200,000
May ...	Packing Plant, &c.	North St. Louis	400,000
June ...	Government Warehouse	St. Louis	600,000
,, ...	Tanning Plant	Noxen, Pa.	450,000
,, ...	Union Stockyards	Chicago	200,000
,, ...	Business Section	Pembroke, Ont.	200,000
July ...	Steamer and Oil Cargo	New York Harbour	600,000
,, ...	Chemical Works	Jacksonville	250,000
August ...	Whisky Distillery and Warehouses	Owensbro, Ky.	800,000
,, ...	Business Block	Canton, Ohio	200,000
October ...	Oil and Railroad Docks	Seattle	260,000
November ...	Piers, Ships, and Gasoline Tanks	Baltimore	200,000

Elsewhere in the Western Hemisphere losses were moderate. The improvement of political conditions in Mexico and South America exercised a favourable influence on fire business. There were a number of fires in Chili, but in none of these cases did the loss exceed £40,000. The development of the meat-freezing industry led to a considerable increase in the premium income on business in the Argentine. The only fire of importance in Brazil, causing a loss of about £50,000, was at Maceio, Pernambuco. Cardenas, in Cuba, was the scene of a big warehouse fire in September. Owing to the scarcity of shipping there was a great accumulation of stock in that port, and this outbreak destroyed sugar of an estimated value of £400,000.

The locations of the most notable fires in the Far East, and the estimated losses arising therefrom, appear to have been as follows: A tobacco store in Manilla in February, £120,000; a rice mill at Penang

in February, £60,000; a sugar factory at Samarang in March, £80,000; rice mills in Burma in April and May, two fires, respectively £75,000 and £52,000; a series of fires at Dairen, Southern Manchuria, in railway warehouses, during May, June and July, £200,000; Bombay Docks in November, £300,000; a godown containing wood oil at Hong Kong in July, £50,000; conflagration at Mito, Japan, in March, £200,000. In Australasia there is no remarkable feature to chronicle, except some fires causing destruction to copra, which led to higher rates being charged for the storage of that commoditiy, and a fire in George Street, Sydney, in the last month of the year, involving £250,000.

In South Africa losses were comparatively light. The most destructive fire in the Dark Continent was at Fez, in Morocco, where a conflagration, the outbreak of which is rightly or wrongly attributed to enemy action, caused losses estimated at two millions sterling.

In the Allied and Neutral countries of Europe the loss experience is believed to have been fairly satisfactory, and few fires involving large sums are reported. An exception is Sweden, where the industrial fire experience was unfavourable, leading to increase in rates. Russia, however, remains up to the present an unknown factor. One big fire is known to have taken place in Moscow in May, a goods station being destroyed, and the loss in this case is estimated to have exceeded seven million roubles.

Apart from fire losses, the question of increase in taxation in many parts of the world is a serious one. But British companies are not engaged in fire foreign business for the mere fun of the thing, and in countries where the fiscal conditions permit continuance of their operations the insuring community will doubtless eventually be made to bear the increased burden through an adequate adjustment of rates.

AUSTIN MOTOR COMPANY.

This Company is about to issue £1,000,000 of additional capital for the purpose of extending its works, *inter alia* by exercising an option to purchase workshops, power plant, &c., erected by order of the Government during the War, when the Company was busily engaged upon munition work. When the present programme has been completed the works, it is stated, will form the largest and most complete automobile plant in this country. The present issued capital consists of £400,000, in £1 Ordinary shares receiving 10% dividends and quoted at 30s., and £250,000 of 7% Cumulative Preference shares. No accounts have been published since those for the year to November 30, 1915, for which year a profit of about £64,000 was shown. For 1916, it has been reported, the profit before deducting excess profits duty was £227,000, and that for 1918 £262,000. During last year the total output of the Company is officially stated to have been £9,276,000. With the signing of the Armistice the Company commenced to rearrange its plant for peace work, and in the past two months has secured orders for £4,000,000 worth of motors, lorries, tractors, and lighting sets. The Preference shares shortly to be issued, it is understood, will bear 6% cumulative dividends tax free up to 6s. in the £, and will be issued at par, so that the gross return upon the shares will be 8⅘%. Holders of the new Preference shares will on January 1, 1922, have the option to convert one-third of these shares into Ordinary shares.

In their annual bullion letter Messrs. Samuel Montagu and Company consider that, although output may be accelerated, the needs of China, the obligation of the United States Government to repurchase under the Pittman Act, the accumulated demand for the trade, and the fact that many millions of silver medals will need to be struck, will ensure a high level of prices for some time to come.

Life Assurance at Minimum Rates.

A
PLAN of ASSURANCE
SPECIALLY ADAPTED
for PRESENT TIMES.

For particulars address the

GRESHAM LIFE ASSURANCE
SOCIETY, LIMITED,
ST. MILDRED'S HOUSE, POULTRY, E.C. 2
Founded 1848. Funds £10,500,000.

THE GRESHAM FIRE & ACCIDENT INSURANCE SOCIETY, LIMITED.
Transacts all classes of Fire and Accident Business.
Chief Office: St. Mildred's House, Poultry, London, E.C. 2.

The **DISTINCTIVE SYSTEM** of the

Scottish Provident Institution

secures the advantage of **Non-Profit Premiums** with the right to share in Surplus.

It is **the ideal system** for the present time.

Accumulated Funds £16,000,000.

London: 3 LOMBARD ST., E.C. 3. West End: 17 PALL MALL, S.W. 1.
HEAD OFFICE:
6 ST. ANDREW SQUARE, EDINBURGH.

COUNTY FIRE OFFICE,
LIMITED.

50 REGENT ST., W.,
and
4 LOMBARD ST., E.C.,
LONDON.

THE BUSINESS OF THIS OFFICE IS CONFINED TO THE UNITED KINGDOM.

Full Particulars on application to the Head Office, Branches, and Agents of the Company.

APPLICATIONS FOR AGENCIES INVITED.

JOSEPH A. ROONEY *Secretary.*

**Fire,
Consequential Loss following Fire,
Personal Accident & Disease,
Workmen's Compensation,
Domestic Servants,
Third Party & Drivers' Risks,
Burglary, Plate Glass,
Fidelity Guarantee, and
other classes of Insurance.**

HEAD OFFICES: LIVERPOOL AND LONDON
ROYAL
INSURANCE COMPANY, LIMITED
ALL CLASSES OF INSURANCE EFFECTED

COMMERCIAL UNION
ASSURANCE COMPANY, LIMITED.

Head Office: 24/5/6 CORNHILL, LONDON, E.C. 3.

Total Assets (including Life Funds)—£31,801,986.

Commercial.

EMPIRE FLAX.—II.

Although we have recently dealt with the subject at the request of various correspondents we return to-day to a consideration of the question of how the

supply of flax can be increased, particularly from places within the confines of the British Empire.

We showed recently that the world's supply of flax is, roughly, some three-quarters of a million tons, but not more than half a million tons was available for the supply of the international markets, say, at the outbreak of the late European War. Since then the supply has fallen off so materially as to cause a large measure of alarm to those engaged in the manipulation of this textile. The reason for this serious decrease in the quantity of flax available is, as the reader is aware, the falling off of supplies from Russia, due to the present disturbed condition of that country. The principal manufacturing countries of the finer counts which are known to the international markets are Ireland, Scotland and Belgium. France manufactures a certain amount of flax, but her exports are quite small; and although a considerable amount of flax is manufactured in Russia, or was up to the time of the outbreak of the Revolution, this was almost wholly for local consumption. It may be said that the United Kingdom, with a modest supply from Belgium, is the principal manufacturing country for flax. On the other hand, the sources of supply are far removed from the scene of manufacture. Practically 80% of the world's flax comes from Russia; France and Belgium between them come next as sources of supply. Then come Germany and Austria, and finally Ireland and Holland. It will be seen, that without the Russian supply it would have been practically impossible in the past to have continued the industry. Of course, it must not be assumed, because there has been a serious falling off in the supply from Russia, that no flax has been obtained from that country. On the contrary, very considerable supplies have been obtained over the railway in the north of Russia completed at the commencement of the late War. But they are quite inadequate to supply the demands of the market, which have, in fact, been accentuated by the needs of the War, and threaten to be still more accentuated in connnection with aircraft development, which, it is hoped, will be stimulated by the experiments which have been made during the late War. If this proves to be the case—indeed, it may be said in any event—new sources for supply of flax require to be diligently sought. The first condition to ascertain is what soils and climate are best suited for the growing of flax upon a scale that would have a reasonable prospect of supplying this textile in such amounts as it was formerly obtainable from Russia.

Although the flax world has been so largely dependent upon Russia as a source of supply for the raw material, Russian flax has never been regarded as the ideal product; in fact it has commanded considerably less favour in the markets, judging by the price obtainable, than has been the case of flax grown elsewhere. As far as we are aware, there is no distinction made in the market between French and Belgian flax, the highest price being paid for flax grown in either of these countries. Holland comes next, although its supplies are small; but Dutch flax has so far failed to command as high a price as that paid by the market for flax either of French or Belgian origin. Next to these the highest price obtainable is for flax grown in Ireland. And lastly, as we have said, Russian flax commanded in the years before the War less than half what buyers were willing to pay for flax grown either in Belgium or France. Of course, it has to be borne in mind that Russia was, and is, not merely very backward as a political organisation, but has so far failed to develop any of her great natural resources in the sense in which such resources have been developed, say, in the countries of Western Europe or in the United States of North America. Consequently, the modest favour with which Russian flax is regarded, notwithstanding the fact that the world has been almost wholly dependent upon Russia as a source of supply for the raw material, may be due to the unsatisfactory conditions under which flax is cultivated in that country. We know that Russians do not use fertilisers in their agricultural operations to the extent which is common in more industrially developed countries. It is commonly said that they are exceedingly lax in their selection of seeds, and go on growing crops season after season without paying such attention to their selection as is common in more advanced agricultural communities elsewhere. We call attention to these facts because it would evidently be unwise to draw a definite conclusion from the fact that Russian flax has so far failed to command a high price in markets. Bearing in mind the conditions under which Russian agriculture was carried on in the years—indeed the decades—that preceded the outbreak of the recent War, and knowing that, in spite of these drawbacks, Russia was able to supply more than 80% of the world's requirements for flax, one should hesitate, without the most careful investigation, to jump to the conclusion that Russia is not favourably situated for the growth of flax. The inference, as far as we are able to understand the facts, and in the absence of careful inquiry—which could, of course, only be undertaken by the Russian Government itself—is that Russia has certain natural conditions which should enable her to grow flax upon an extensive scale. It does not, of course, follow that there are not other countries equally favourably situated. We know, for example, that a plant like cocoa grows better in the neighbourhood of the sea, but not so near to the sea that it is exposed to sea breezes to any serious extent. Moreover, we know that in the early stages of its growth cocoa requires to be protected from the direct rays of the sun in the warm countries in which alone that plant flourishes. Returning to flax, we are faced by the fact that the most esteemed specimens of this textile are produced in France and Belgium, both of them situated on the European continent, and subject, therefore, to a Continental climate, but, on the other hand, both of them situated on a narrow part of the European continent—in fact the extreme western end of that continent, and affected, therefore, to an appreciable extent by influences derived from their proximity to a great ocean.

Irish flax, we find again, although highly esteemed in the market, does not command as high a price as that of French or Belgian origin. According to expert opinion, Ireland enjoys special advantages for the manufacture of flax, owing to the fact that her climate is exceedingly mild and generally very damp. The same opinion, the reader is aware, is held by experts with regard to the cotton manufacture in Lancashire.

It may be that the very advantages which Ireland enjoys as the seat of the flax manufacture militate to some extent against the growth of the raw material upon an extensive scale in that country. Certain it is that although Ireland is one of the most important seats of flax manufacture, her growth of flax, in recent years, at any rate, has been exceedingly small. Of

HARRISONS & CROSFIELD LTD.

ISSUED CAPITAL £1,075,000

EASTERN AND GENERAL MERCHANTS.

Shipping, Banking and Insurance Agents.

Agents and Secretaries for Rubber, Tea, and Produce Companies.

Head Office - 1/4 Great Tower Street, London.

Branches.

Colombo.	Quilon.	Calicut.	Cochin.
Calcutta.	Kuala Lumpur.	Medan.	Batavia.
Bandoeng.	Kobe.	Montreal.	Tangier.

Affiliated Companies.

Singapore.	Penang.	Sandakan.	Jesselton.
Shanghai.	Foochow.	Hankow.	New York.
Philadelphia.	San Francisco.	Cape Town.	Melbourne.
Sydney.	Brisbane.	Auckland.	Dunedin.
Adelaide.	Wellington.	Christchurch.	

course, it has to be borne in mind that formerly Ireland was a much larger grower of flax than it has been during the past generation.

In addition to the countries named, the flax plant will grow in almost any country outside the tropical or sub-tropical regions of the earth; and, in fact, it is grown, and grown extensively, in Canada and the United States of North America, and in the southern part of South America. In addition, of course, it would grow on the high lands of various parts of South America, and is, in fact, found there in various places. In addition, flax is grown in India in the Northern hill States; and, for some reason which is not very clearly explained, expert opinion appears to favour the view that if it is seriously contemplated to increase the supply of flax upon a great scale within the confines of the British Empire, the two great sources of supply which should be developed are Canada and the Great Dependency of India. In the various countries we have just named, particularly South America, where flax is grown for the purpose of producing linseed for medicinal purposes, but mainly for a cattle food. All expert opinion appears to be agreed that if it is decided to grow flax for the purpose of producing linseed there is at present no known method which would enable the flax to be used for the purpose of the linen industry.

The grower has to make up his mind—Do you want to grow flax for the Linen market, or is your object to produce seed? The grower will, of course, answer, Which crop is going to pay me best? While Russia under the conditions which prevailed in the years that preceded the outbreak of the recent War was able to grow more than 600,000 tons every year, and to offer some 400,000 tons to the international markets of the world at less than half the price which flax grown in Belgium or in France can be sold, the flax grower in other parts of the world did not see any great temptation to compete in such a market. But if Russia is either unable or unwilling to supply the world's demand for flax there are, as we have already said, many millions of acres available for the growth of this plant in various parts of the world, and doubtless many of those who grow flax to make oilseed cake would be equally willing to produce for the linen mills.

We have written this article at the request of various correspondents, some of whom tell us they are interested in the flax industry. Having said so much, it is for them to follow up the question as the needs of their particular industry demands. We would suggest that they put themselves into communication with the agricultural authorities in Canada, and particularly in the province of Ontario, and also with the authorities of the Board of Agriculture at Calcutta.

THE LEATHER TRADE.—II.

Boot and Shoe Section.

The boot and shoe industry has been busily engaged throughout the year despite all sorts of difficulties. Shortage of labour was very manifest after June, when the Man-power Bill claiming operatives and others up to fifty-one years of age came into force. Shortage of material has also been a very serious hindrance in more than one section, for not only has the civilian trade been severely restricted on both counts, but even the war-time production of boots was considerably delayed during the first half for want of sole leather of suitable grades. Home and export caterers were compelled to divert their attention to the war-time boot simply for want of labour and leather for their regular requirements. Army contracts were reduced by 50% in order to help the production of war-time footwear. Taken altogether, boot manufacturers have been well employed, as there has still been the greatly curtailed output of home and export goods, which, by the way, have commanded very fair prices. In addition to the production on a large and increasing scale of the war-time boot, there have been important requisitions for the landworkers—W.A.A.C.s and similar organisations—and also the Italian demand. Further, there have been inquiries concerning the supply of about four million pairs of boots for the poorer folk of Belgium and Northern France; so, together with the increased export demand, our boot manufacturers have no lack of orders on hand. One of the pleasing features of the home trade is the demand for high-grade goods that has been experienced through the past year. Manufacturers have a great belief that this demand will continue, and are arranging to satisfy it to their utmost.

As regards the present conditions of manufacture, these are distinctly better, as labour is returning from the Army and leather is becoming more plentiful, so that users can now revert to their old-time manner of buying what they require rather than being compelled to take what is obtainable. Cost of production is high, and will remain so, as there is no possibility of labour being cheaper, and the price of leather for that reason alone will be on a higher scale than before the War. It is estimated that boot-trade operatives have already been in receipt of increases of wages ranging from 50 to 150% above pre-War rates. By a recent joint decision of manufacturers and operatives a five-day week, at present rates of wage and bonus, has been agreed to.

Our exports of footwear for the twelve months ending December 1916-17-18 were:—

1916		1917		1918	
1,622,135 doz.	£6,696,252	1,152,504 doz.	£6,871,829	546,169 doz.	£2,491,916

Our imports for the same periods, less re-exports, were:—

1916		1917		1918	
527,836 doz.	£1,584,363	247,585 doz.	£736,714	74,910 doz.	£513,907

The Outlook.

Whilst at this moment the outlook cannot be clearly defined owing to the uncertainty of official movements in the all-important matter of control, practically all the essential facts point to increased activity in every department on good and remunerative conditions. The raw materials problem will prove very difficult in view of the fact that the world supply—enormous as it is—will certainly prove inadequate for the far greater world demand for every description of leather. This highly important matter was fully appreciated by the Government (through the Raw Materials Department), for it is well known that, prior to the Armistice, an International Purchasing Committee, consisting of Great Britain, America, France, and Italy, was formed to purchase and distribute raw material in the following order: Allies, neutrals, and enemy countries. The precipitate action unofficially taken by the American hide and skin trade in removing all restrictions on imports of raw material has temporarily suspended the Committee's functions, but it seems reasonable to presume that some such arrangement will have to be made if the world supply is to be equitably distributed. Outside our own growing requirements and those of our Allies it is a well-known fact that neutrals and enemy countries are in dire need of hides and skins, and if given uncontrolled licence will pay any fancy figures in order to get all they possibly can. This is where the practical safeguard of a strong Allied control will be so necessary. Failing such an official scheme it behoves British leather producers to be in every overseas market at once for supplies before more alert competitors succeed in obtaining the lion's share.

The outlook for leather is distinctly bright owing to the great and growing demand for home export. Given ample labour, tanning material, and hide and skin supplies, the resultant leather is assured of satisfactory prices. Imports of American and Colonial leathers will undoubtedly be very considerable, but in view of the high cost of production selling prices in all probability will remain on an equitable basis.

As regards footwear, the outlook certainly is full of promise, especially from the standpoint of world demand for same. Home trade is extremely active, and prices are on a sound footing. Factory organisation is now based on much broader lines, due to the

immense production for Government requirements, and with full supply of labour the output should be far in excess of pre-War conditions. The Leather market also should soon be quite free, and with the return of individual initiative and freedom of action in production the cost should prove reasonable and results on present selling prices quite satisfactory. It is to be hoped that in view of the whole-hearted loyalty of the trade in giving to its full of men, money, and energy, the return to normal conditions will be a speedy one, so that manufacturers may devote all their efforts to the solidifying and extending of our much neglected export trade. Provided also that both employers and work-people can appreciate their mutual rights, the workers to improved conditions, and the employer to a just and equitable return for the increased wage, there is every reason to anticipate a long period of prosperity for every section of the leather trade.

NOTE.—Our position and the high state of production of which our factories are capable by comparison with those of most Continental countries give us an immense advantage over our competitors—America not excepted. The markets of Northern France, Belgium, Holland, and Russia provide a tremendous field for our activities, with unlimited possibilities of future trade.

New Issues.

NEW SOUTH WALES GOVERNMENT 5½% LOAN.

APPLICATIONS have been received this week for an issue of £3,000,000 of Debentures of the New South Wales Government. The Debentures bear 5½% interest, and have been offered at 99½. They are convertible into 5½% Inscribed stock up to May 13 next, and will rank *pari passu* with the existing 5½% stock issued in May 1917. That is to say, the principal is repayable at par on June 1, 1927, the Government having the option of redemption, in whole or in part, at par on or after June 1, 1922, on giving three months' notice. The loan is raised for public works and services, and for other purposes. New South Wales Debentures and stock domiciled in London are not, and will not be, subject to income tax in New South Wales or to death duties in that State. This week's issue is the eleventh appeal to the British public made by New South Wales since the beginning of 1914. Some of the issues of the past five years have been for conversion purposes, but the greater number have been for public works. New South Wales, so far as public financing is concerned, it will be remembered, did not join the Commonwealth. A satisfactory feature of the present issue from the point of view of New South Wales is that the State is now borrowing at a shade over 5½%, whereas the previous three issues were made on a 5½% basis. A statement of the issues made in London on behalf of New South Wales since the beginning of 1914 is appended:—

New South Wales Government Loans.

	Amount Offered	Rate of Interest	Issue Price	Left with Under-writers	Present Price
	£	%	£	%	£
Jan. 2, 1914	3,000,000	4	96	90	84
May 20, 1914	3,000,000	4	99	82	84
Feb. 3, 1915 (conversion) ...	2,000,000	4½	99½	—	94
June 10, 1915	5,000,000	4½	99½	62	9[illegible]
Jan. 4, 1916	2,000,000	5	99	75	98
Aug. 10, 1916	2,500,000	5½	Par	80	99
May 10, 1917	3,000,000	5½	98	60	100½
Nov. 23, 1917	3,000,000	5½	99½	7	102½
Feb. 5, 1918 (conversion) ...	12,648,477	5½	100	14	103
June 28, 1918 (conversion) ...	3,000,000	5½	100	—	103
Jan. 27, 1919	3,000,000	5½	99½	—	—

ABERTHAW AND BRISTOL CHANNEL PORTLAND CEMENT COMPANY.

This Company proposes to issue £100,000 of 7½% Preference capital in £1 shares, part of an authorised issue of £150,000. The Company has accepted an offer for the 100,000 Preference shares at par, with the stipulation that such shares must first be offered at 21s. per share to shareholders on the register at the date of Treasury sanction. Subject also to Treasury approval, the authorised Ordinary capital is to be increased by £50,000 to £150,000, making the total authorised capital £300,000. These additional capital powers are being obtained to enable the Company to acquire the whole of the Ordinary share capital of the Aberthaw and Rhoose Portland Cement Company, working on adjacent property, with a view to producing unity and economy in management and eliminating competition. The Aberthaw and Bristol Company was formed in June 1912 and started operating its plant in April 1914. Shortly after, the works were rendered idle by a fire, and had hardly been restarted when war broke out, necessitating further closing down. Just over a year ago the capital consisted of £95,000 in £1 10% Cumulative Preference shares on which no dividend had been paid, and £5,000 in £1 Ordinary shares. In November 1917 the Preference shares were exchanged par for par into £1 Ordinary shares, making the Ordinary capital £100,000, and at the same time Ordinary shareholders received a cash payment of £1 per share. Further, £100,000 in 5% Debentures of £100 each, issued at £92, were converted into £92,000 in 6% Debentures of £100 each. The last accounts published, for the 14 months to December 31, 1917, showed a net profit of £35,892, out of which 15%, tax free, was distributed on the Ordinary capital. Results so far announced have been as follows:—

Aberthaw and Bristol Channel Portland Cement Company.

Year to	Net Trading Profit	Deb. Int.	Net Profit	Div. on Ord.	Tax Free	Balance	Special Allocations	Carried Forward
	£	£	£	%	£	£	£	£
1917, Dec. 31, 14 mos.	41,725	5,833	35,892	15	15,000	20,892	20,000	12,707
1916, Oct. 31 ...	20,701	5,000	15,701	Nil	—	15,701	4,947	11,815
1915, Oct. 31 ...	10,993	4,920	6 073	Nil	—	6,073	3,203	1,061
1914, Oct. 31 ...	Dr.1,809	—	Dr.1,809	Nil	—	Dr.1,809	—	Dr 1,809

VULCAN FOUNDRY COMPANY.

WITH a view to extending its works in order to be prepared to meet the anticipated large demand for locomotives, the production of which has been greatly reduced during the war and at a time when engines already in service have been kept in active use far too long, the Vulcan Foundry Company of Newton-le-Willows, Lancashire, is seeking powers to raise its capital from £600,000 to £1,000,000. The existing capital in issue consists of £100,000 in 5% Cumulative £1 Preference shares and £448,756 in £1 Ordinary shares. The latter total has been built up as to about £196,000 by capitalisation of a portion of the surplus profits of the past six years, a policy that has been particularly favoured by many undertakings in the last two or three years. The result is that apart from £50,000 of reserve for maintenance renewals, &c., no other reserve fund is shown. At the same time, however, the undivided profit has always been large for a company of this size, and at present amounts to £173,834, which is, however, subject to any liability in respect of excess profits duty. The scrip bonuses of recent years have been at the rate of 10%, and it is quite possible that further announcements of this kind may be made in the future. That the issue of new capital contemplated will yield a bonus to the shareholders is apparent from the rise in the market price of the £1 Ordinary shares to 61s., at which the yield from the dividend of 15% is only just over 5%. During the War the Company has been engaged upon munition work, and that this has proved highly profitable is apparent from the subjoined summary of results for the past nine years:—

Yr. to June 30	Gross Profit	Rep. Ren. & Depreen.	Income Tax	Net Profit	Profit for Ord.	Div. on Ord.	Surplus	Special Allocations	Carried Forward
	£	£	£	£	£	% £	£	£	£
1918	224,113	42,593	12,248	169,302	164,302	15 67,345	10,796	—	175,8[illegible]
1917	156,994	37,795	17,966	101,233	96,233	15 61,192	27,086	—	117,611
1916	119,318	26,307	11,796	81,215	76,215	15 55,628	25,711	—	119,686
1915	142,343	27,150	2,827	112,066	107,066	15 50,360	30,045	15,000	122,851
1914	146,219	27,424	179	118,616	113,616	15 45,971	27,861	17,000	121,204
1913	110,121	21,815	433	85,173	80,173	10 25,815	25,286	18,000	99,186
1912	61,527	18,437	1,193	41,597	36,597	10 25,267			90,108
1911	45,450	19,526	2,139	24,096	19,096	10 [illegible]24		[illegible]7,000	78,[illegible]
1910	50,775	18,650	1,457	30,648	25,648	10 20,724			78,[illegible]

* After dividend of £5,000 per annum on [illegible]

† Subject to any liability to excess profits duty.

The financial position of the undertaking is quite strong. On June 30 last of total assets of £1,068,266, current assets represented £661,375. At the same date current liabilities amounted to only £195,675, leaving surplus liquid assets of over £465,000.

MEETINGS
OF PUBLIC COMPANIES.

BARCLAYS BANK LIMITED.

THE twenty-fourth ordinary general meeting of the shareholders of Barclays Bank Limited was held on January 27 at the Cannon Street Hotel, E.C., Mr. Frederick Craufurd Goodenough (the Chairman) presiding.

Mr. W. N. Seeley (one of the Secretaries) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—The balance sheet and profit and loss account and the report of the directors have been in the hands of the shareholders since January 18, and I therefore invite you to take these as read. (Agreed.)

Before dealing with the figures contained in the statement of accounts, I wish to refer to the retirement from the board of Mr. J. Herbert Tritton, which is mentioned in the report, and to express the very sincere regret that we all feel at Mr. Tritton's resignation. (Hear, hear.) His career in banking has been a long one, both as a partner in the private firm of Barclay, Bevan and Company, and subsequently Barclay, Bevan, Tritton, Ransom, Bouverie and Company, and as a director of Barclays Bank. He has always been recognised as possessing a wide knowledge and experience of banking matters and principles, and has at all times placed this knowledge and experience at the service of the Bank, from which we have derived material benefit and assistance. We shall all miss Mr. Tritton and his remarkable personality, and we wish him a long period of rest after fifty years spent in the City of London, during perhaps the most active and interesting period in the history of banking development. (Hear, hear.)

We also wish to report with regret the retirement from the board of Mr. T. Robins Bolitho, who feels that, living as he does in Cornwall, he should now resign his seat on the board owing to advancing years, but we are glad indeed to say that Mr. Bolitho will remain a local director in Cornwall, where his extensive personal connection with the county will prove invaluable. (Hear, hear.)

The Year's Results.

In dealing with the accounts, of which you have detailed statements in your hands, you will bear in mind that the amalgamation between ourselves and the London Provincial and South Western Bank, which took place in October, actually dated back to January 1, 1918, so that in the figures before you, you have the full profits of both banks as from that date. The profits for the year of £1,788,697 5*s.* 7*d.* represents the joint profits of both concerns, and is arrived at after making provision for contingencies, and also after payment of the costs of the amalgamation to date. The profit is a good one. It is not due to high rates, but to the expansion of credit through Government borrowing and the disbursement of the proceeds which increased our employable balances. We must not expect this growth in our balances to be maintained when the continuous borrowing by the Government ceases. Our profits in the future will also be affected by the higher salaries which we are paying to our staff. We were very glad to be able to increase the salaries very substantially, and the adjustment was needed because of the higher cost of living. Our staff also have given us the most loyal, ungrudging service during the whole period of the War (hear, hear) -and in times of heavy pressure, and the shareholders will, we feel sure, endorse our policy that good work deserves good pay. (Hear, hear.)

We have given to our staff an increase of 20% (with a maximum of £200) to their salaries up to and including those in receipt of £2,000 per annum, and in addition a War Bonus of 30% (with a limit of £100). This is, in fact, a total increase of 50% on the smaller salaries, and we feel confident that the shareholders will approve. (Hear, hear.)

The Bank's Turnover.

The turnover of the Bank as a whole during the period under review amounts to £3,600,000,000 sterling on one side of the account only, which figure represents only a small part of the services that we have rendered to our customers in carrying on their business and ours. Out of the profit which I have mentioned, Barclays Bank paid away in interim dividend the sum of £264,242 5*s.* 5*d.* in August last, and the London Provincial and South Western Bank disbursed £146,359 7*s.* 6*d.* in a similar manner. We now, after making the appropriations to which I shall refer immediately, propose to pay a final dividend which will absorb a further £445,780 10*s.* 10*d.*, thus making a total distribution for the year of 10% on the "A" capital and 20% on the "B" capital of the Bank, less income tax. You will bear in mind that since June our paid-up capital has been increased by £2,695,000 in consequence of the amalgamation. Of this sum £2,125,000 represents the capital of the London Provincial and South Western Bank, while the balance of £570,000 was taken from the special reserves of both Banks in the proportions in which the added amounts were allotted to the respective shareholders of the two concerns.

The Recent New Issue of Capital

Whilst touching upon the subject of capital, I will also refer to our recent issue of "A" capital. The issue of 364,472 shares at £6 10*s.* per share has been readily taken up, and we regard the issue as having met with great success. With the exception of a small block of shares arising from fractions, which we are offering to the members of our staff if they like to take them, at the issue price, and with the further exception of a small number of shares which are under option to shareholders who are serving their country abroad, and to whom, therefore, we are giving sufficient time to exercise their option, the whole of the new issue has been absorbed. The first dividend on these shares will be paid in August next, so that the amount which we are now distributing is not affected by this new capital issue. Our policy in making this increase in our capital is not only that of making a broader basis for the business of the Bank, which we are confident will continue to increase, but also to enlarge the number of our shareholders. We feel that the more widely our capital is spread, and the greater the number of our shareholders, the better will it be for the business and also for the public generally. (Hear, hear.) We should like to see all our customers holding a small portion of the share capital, thus co-operating with the Bank in all its undertakings. As the result of the issue, when it is completed, our reserve fund will be increased to £7,000,000. (Hear, hear.) At present it stands at £6,000,000, being increased to that figure by the addition of £3,000,000 from the reserve fund of the London Provincial and South Western Bank, Limited, and by an appropriation of £800,000 from the profits of the year. Part of this latter amount, viz., £300,000, was added in July last to the then published reserve fund of Barclays Bank, and the balance we add to-day. We further appropriate £50,000 to reserve for staff pensions and £100,000 to payment for buildings and reduction of premises account.

New Branches.

Our premises account stands at £3,818,913 17*s.* 6*d.* in the balance sheet. This is a large figure, but it is well within the value of the premises which we own or occupy at other than rack rentals. We have at present 1,357 branches and agencies. We have recently opened offices in the important centres of Manchester, Chester, and Carlisle, and we are adding considerably to our branches now by acquiring new premises in many principal towns where we are not represented. We are building in Pall Mall, Liverpool and elsewhere. Besides improving our business and the facilities which we can afford to our customers by opening these branches, we also hope, by the extensions which they involve, to offer opportunities for advancement to our staff, and to obviate as far as is possible the reduction in the number of the temporary staff, who have helped us so well during the War. There must, of course, be reductions as those who are on service return, but we do not, at all events at present, intend dismissing any really satisfactory clerks. (Hear, hear.) Naturally, we hope that the growth of the business will justify the retention of as many of the temporary staff as possible.

The Staff.

Whilst alluding to the staff, you will be interested to hear that we employ, including the absentees, 11,340 persons in the Bank, and those away on service number 3,281. I refer to both Banks, or rather, to all three Banks, viz., Barclays, London and Provincial, and London and South Western. These Banks have lost 538 men, who have died in the War, and the memory of these men is held in honour (Hear, hear.) It gives me much pleasure to tell the shareholders, and I feel sure they will like to know, that 128 members of our staff have received decorations for distinguished service and devotion to duty in the Field. (Applause.) These include no less than 5 Distinguished Service Orders, 76 Military Crosses and 23 Military Medals, besides other awards.

Balance Sheet: Resources in Liquid Condition.

Turning now to the balance sheet, the money lodged with the Bank on December 31 last was £259,660,040. This money is derived from a very numerous *clientèle*, and although we have, of course, many cases of large deposits by important trading and other concerns—no doubt awaiting business developments—the average amount of money per head is moderate, and this, perhaps, indicates that the money disbursed through the War has been widely spread, and that

there is an increase in the number of banking accounts. The number of cheques cleared since the higher duty came into force shows little or no diminution, but the amount of currency notes has, on the other hand, greatly increased. Whether, but for the additional duty, there would have been an increase in cheques and a reduction in currency notes must be a matter of speculation, but the extension of banking and the expeditious settlement of debt by cheque relieve the demand for currency, which, through the world increase in prices, has outgrown the world's resources in gold and silver available for currency purposes. Banking extension, therefore, makes for economy in metallic reserves so far as they are required for purposes of domestic exchange. The balance sheet shows on the other side of the account the manner in which the money lodged with the Bank on December 31 last was employed, viz.: Cash £43,922,370, money at call and with other banks £29,222,674, and these two items taken together make up a total equal to 30.5 of our deposits; bills discounted, £47,442,254 (which includes a large amount of Treasury bills); investments (of which a large proportion fall due for repayment at early dates), £50,559,987; and advances to customers £78,854,583. From these figures you will see that our resources are kept in a very liquid condition, so as to be readily available whatever may be the course of events.

The Financial Burden of the War.

When we look at the position we see that the National Debt will, by the time peace is signed, have reached a total of not less than eight thousand million pounds, which is equal to about £160 per head of our population, as compared with less than £20 per head at the commencement of the War. Against this we can set off the sums which we have lent to our Allies, and the value of stocks and buildings acquired for the purposes of the War, always providing that under peace conditions we can turn these to profitable account. We have been given to understand that we may have an indemnity from Germany, and although this will probably not involve the receipt of any large sum in cash, we may at least be able to receive from her and her allies either territories or securities carrying a charge upon their assets. The statements with regard to the debt of Germany and that of Austria-Hungary differ considerably, the figures given ranging between seven and eight thousand millions and four-and-a-half and six thousand millions respectively. Approximately, however, the amount may be taken to represent £120 and £90 per head of the respective populations of those countries. It is fair, therefore, to assume that the difference between the indebtedness per head of their population and ours will be adjusted in order that, so long as Germany is in a position to trade, we shall not be unfairly handicapped by a heavier War debt per head than hers. Whatever may be the value of the assets which we can thus set off against our National Debt, the balance must be a large one, and the amount required for interest and to provide for redemption makes us realise that the Chancellor of the Exchequer will have a hard task to make the revenue go round.

Vital Necessities of the Moment.

Turning again to our balance sheet, we are prepared to meet contraction of credit should the occasion arise. On the other hand, we have ample funds to meet the requirements of manufacturers and traders as soon as they can get to work and produce the goods for which the world is waiting, and so by the profits of industry make good the wastage of the War. (Hear, hear.) Prompt return to peace production with a far greater output and an extension of foreign trade are the vital necessities of the moment. For this we must create conditions favourable to an increased output coincident with a reduced cost of production, and we must by energy and commercial insight and ability develop existing and create new markets. Whatever may be the changes to be brought about by the War and there must be many we still must recollect that this country does not produce all that it requires for the maintenance of the population, but must buy from abroad; and although through the War the component parts of the British Empire have been drawn together more closely and there is a growing tendency to consolidation and to mutual support for purposes of exchange of raw materials and of production, as well as for the financial handling of industry and trade, still Great Britain remains the centre and bears the greatest proportion of the burden of the debt arising out of the War. Our export trade, both foreign and colonial, is, therefore, and will always be a vital necessity, so that we may purchase all that we are unable to produce ourselves, and especially raw materials. We must also have such profits from our industry and trade, so that, besides buying what we require, we may have a margin for ourselves, and profits will provide, through taxation, the interest and sinking fund on our National Debt.

Fundamental Fact for Labour: "We can only Consume to the Value of What we Produce."

It is in order to organise the resources of the country for cheap production and facilities for trade, so as to reduce costs without reduction of real wages or of profits, that the combinations in industrial and financial institutions are now taking place. Apart from the profits of the soil, the profits which, more than any other, benefit the community as a whole, are derived from foreign trade. Although we individually grow richer or poorer through our internal or domestic transactions, or by shifting the burden of debt from one to another according to his or her ability to pay, the balance of the external indebtedness of the community as a whole can only be reduced by profitable sales in foreign markets. (Hear, hear.)

It is also essential that conditions both as regards cost of production and labour should be such as to enable profit to be made, because if wages reach the point where they eat up all profits, the funds available for direct taxation on its present basis will disappear, and with it the trade on which the profits are earned, and in consequence the livelihood of the people employed in that trade. In other words, production will be prejudiced, and it cannot be too strongly emphasised that the greater the volume of production, the larger will be the proportion of actual commodities which will fall to each individual. On the other hand, any reduction in production, whether caused by inability to sell profitably or by the wilful limitation of output, affects alike the poor and the rich, the employer and the employee. (Hear, hear.) The problem is, therefore, one which the wage-earner should study and understand. He should endeavour to realise the fundamental fact that as a nation we can only consume to the value of what we produce, and if production falls away then there will be less to go round, with the consequence that each individual will not only live on a lower scale, but he will have to pay more for the things that he does obtain. (Hear, hear.) Profits are, therefore, essential, for, apart from the important considerations mentioned, they afford the basis of direct taxation, and it is only by maintaining profits at a reasonable level that the wage-earner can be largely exempt.

Plans for Helping Productive Industry.

In the matter of production the banks can help, without necessarily following the German plan, of which we have heard a great deal; that is to say, of investing the money lodged with them in the capital undertakings of industry, so that the whole of that country's resources were locked up. Both Germany and Austria were over-trading, and neither, therefore, had reserves to enable them to tide over bad times, or to give them staying power. But with ever increasing expenses and higher cost of living and taxation their insatiable greed and unbridled ambition induced them continually to expand their industry, and ultimately to attempt further expansion by force. Our organisation will enable us to give ample credit to sound industry and trade, both at home and abroad, upon cheap and favourable terms. Our customers and shareholders will also be glad to know that we have made arrangements with other banks in all parts of the world for financing exports in the most economical manner, working with them on joint account, or on terms which will give to our customers the fullest advantages, both as regards rates and credit information. (Hear, hear.) We are also prepared to assist our customers with regard to the translation of their proposals for business with firms abroad into the language of the country with which they have dealings, and with regard to transforming their quotations into the currency of any country with which they wish to enter into contracts.

The Removal of Restrictions.

Many people wish to know when we shall be free from all restrictions, and particularly when there will be a free market in the necessaries of life as in pre-War times. (Hear, hear.) So far as prices of commodities are concerned, this must to a great extent depend upon currency conditions. Before the introduction of currency notes, the amount of currency available from time to time was dependent upon the favourable or unfavourable balance of trade of this country, including the value of capital exported, interest on foreign investments, and charges accruing for shipping and other services. Any balance due to us was paid in gold, which became available for currency purposes. Prices were measured by the amount of gold available, and so our industry governed our purchasing power and fixed the price of commodities, subject to the law of supply and demand. Now, in place of gold actually in our possession, we have currency notes which are promises to pay based upon the credit of the country, and the power to issue these is unlimited, so that a vicious circle is set up in which, as credit expands, the demand for currency increases, together with an increase in prices, and thus currency and prices act and react upon each other in an ascending scale. Maximum prices were imposed, and these possibly served to check the upward rise, which was largely the result of a shortage of supplies and a continued creation of more currency for payment of wages for labour devoted to the production of munitions of war and not of peace commodities. It is a question whether we might not again be faced with a rise in prices should restrictions be removed before our currency system is once more placed on a basis reflecting a decent relation between the currency of the country and actual values in sight. The currency must in time be limited if we wish to keep prices down and reduce the cost of living. Reduced prices and lower cost of living are essential for the production of goods to secure foreign markets.

The Currency Question.

The currency note issue at the present time stands at £508,218,628, and against this we have a sum of £28,500,000 in gold, the balance being covered by Government securities which are added to from time to time as the issue of notes is increased. The further issue of currency notes should now be stopped, so that the amount already issued will have a definite ratio to the gold held in reserve, and this ratio may be gradually improved. If there is still need for further currency it would be preferable, in order that the desirable step of limiting the present issue of notes may be taken, for the banks to be authorised again to issue their own notes within prescribed limits. These notes would have behind them real values in the shape of legal tender and approved negotiable bills, besides other ordinary assets. This method would act as a bridge between the present unsatisfactory system and the time when we can once more establish our currency on a permanent footing, the basis of which has yet to be decided. Naturally, the right of issuing notes given to the Bank of England would require to be dealt with in a just manner, as also would the profits arising from any issues made by the banks. (Hear, hear.)

Need to Deal with Floating Indebtedness.

In order that we may return as soon as possible to a gold standard, we have also to deal with so much of our debt as is immediately pressing for settlement in the shape of floating indebtedness both at home and abroad, and this must be promptly fixed in order that we may have time to turn round. With the fixing of our foreign debt, we shall be free from immediate pressure except on account of ordinary exchange considerations. We cannot suppose that industry and trade will absorb the whole of the existing volume of credit, even though these should be active beyond our expectations. This will probably create a demand for investments and afford the opportunity of consolidating the various issues of our National Debt as they mature on economical terms. We have wasted many millions, especially during the earlier years of the War, through our policy as regards interest rates, without helping the exchanges as that policy was intended and expected to do. Trade will benefit if Government control of rates is discontinued, and this should be possible with an early cessation of continuous borrowing and the placing of our floating debt upon a long-term basis. We must also hope that we shall see the Treasury resuming control over expenditure—(hear, hear)—which has become a forgotten function of the Government not wholly owing to the exigencies of the War.

Peace Difficulties.

We cannot say that our country's difficulties have terminated with the War. To many it may appear as though the problems of the future are even greater than those which have been successfully passed and overcome. As a community we have mistakes to remedy and principles to restore, and until they are remedied and restored we cannot feel we are on firm ground, so that we may build up again all, and more than all, that has been lost. We have learnt much from the War, and we have seen the whole people of the country, both those in the fighting line and those at home, in time of imminent danger full of the finest spirit that ever breathed in man, because they understood the issues that were involved and therefore were prepared to make all the sacrifices that might be required. Unfortunately, there is little understanding among the general population of this country of the principles upon which finance is based. One would like to see amongst the present educational reforms an organised movement for the benefit of everybody, especially the wage-earning classes, having for its object the provision of such full information as would enable them to grasp the underlying forces governing the currency question, and particularly its relation to real wages as measured in commodities. (Hear, hear.) If such an opportunity were offered we may be sure it would be readily seized upon. In this matter also the banks may help, and we may be sure that with understanding we shall regain all that we may appear to have lost, but which will in reality be the foundation of a greatness such as we have never known before. (Applause.)

Ladies and gentlemen, I now beg to move "That the report of the directors produced, together with the annexed statement of the Company's accounts as at December 31, 1918, duly audited, be received, approved, and adopted, and that a final dividend at the rate of 10% per annum on the 'A' shares and 20% per annum on the 'B' shares, less income tax, making, with the interim dividend paid on August 1 last, 10% for the year on the 'A' shares and 20% for the year on the 'B' shares, be declared, payable on the 1st proximo to the shareholders registered in the books of the Company on December 31 last." I will call on Sir Herbert Hambling to second the resolution. (Applause.)

Sir Herbert Hambling's Views.

Sir Herbert Hambling (Deputy Chairman): Ladies and gentlemen, Before seconding the motion, I should like to compliment the Chairman on the very able speech which he has delivered to you to-day. (Hear, hear.) I should like also to compliment the shareholders in Barclays Bank on the position of the accounts as shown in the balance sheet. When I had the pleasure some time last year of addressing the old shareholders of the London Provincial and South Western Bank I ventured to suggest that the amalgamation which you passed at that time would result in added prosperity to the institution, and if we may judge from the figures presented to you, I think that in any case we are on the road to better things. (Hear, hear.) There is a marked increase in all the figures, and there is a remarkable state of liquidity exhibited in those figures. I do not think you wish to hear an extra speech from me, but I should like to refer to one point in our Chairman's address which I think is of very great importance. He alluded to production and to labour. To my way of thinking, the rock ahead is industrial unrest—(hear, hear)—and I venture to think that if we all pursue the same tactics we adopted in the early stages of the War, when it was very necessary for this country to raise huge sums of money—sums which no one five or six years ago would have dreamt it possible for England to raise—if we pursue a system of publicity, of advertising, and take the people entirely into our confidence, it will be the best course to adopt. We told them what it was necessary to do in order to win the War. They understood that position, and they supplied us week by week with the sinews of war, and gave us the money which enabled us to carry it to a successful conclusion, and I venture to think that if we pursue the same policy now if we endeavour to come to a frank understanding with the public, it will be the wisest policy that can be pursued. We should take labour into our confidence. (Hear, hear.) It has much of my sympathy. Probably in the past labour was not treated properly, but now is the time to let labour understand and to let capital understand that they must work together—(hear, hear)—they must run in double harness. It should be explained that any serious conflict between labour and capital, anything that tends towards reducing production, means the punishment of both parties—it must mean that—and it also means that it will seriously affect the nation's wealth. I did not intend to inflict a speech on you (cries of "Go on!")—but I do feel that we should all do the utmost we can to make everyone who is interested in trade, every employer and every employee, understand that they must work together—(hear, hear)—and that if the employees destroy any industry by unreasonable demands they will not only hit the employer, but they will hit themselves and injure their country. (Hear, hear.) I should like to mention one other matter which is also, perhaps, of some interest. We are receiving a large number of letters—I am receiving them every day—from disappointed or so-called disappointed commercial men, who write and tell me that all chairmen at their meetings make it a point that the amalgamation of banks means greater facilities for the trading community; and, on the strength of that statement, we receive many applications from people who hardly understand the difference between banking capital and capital that is necessary to run their businesses. They do not quite understand that, although a bank is quite willing and anxious to finance trade, and quite willing to give to its customers temporary accommodation to help them in their trade, it is not the province of a bank to employ its money in providing the commercial community with fixed capital. There is a big distinction. A trader writes that he has an opportunity of buying some neighbouring business for so much money and will we please lend him the money to do so. If he is successful he will pay you back after a period of many years, but if he is unsuccessful you will lose your money. (Laughter.) That is not a security, and that is not the method in which a bank should employ its money. In trading, in the export and import of goods, in temporary accommodation to their customers, you will find that the big banks which are in existence at the present time will give every case the most sympathetic consideration, and I think they will give them help, but they will not supply them—nor should they expect it—with fixed capital for their business. (Hear, hear.) I now beg to second the resolution proposed by the Chairman. (Applause.)

Mr. G. L. Moore complimented the Chairman upon the practical speech which he had delivered, and, referring to the figures appearing in the balance sheet, said that, although the reserve fund now amounted to a very substantial figure, he would not be satisfied until it amounted to a sum equal to the paid-up capital of the Company. That position, no doubt, would be attained very soon.

Mr. C. Heath Clark expressed appreciation of the labours of the directors during the past year and of the splendid results which had been achieved. The profits were eminently satisfactory, as was also the dividend recommended by the directors, especially having regard to the magnificent sum which had been appropriated to the reserve of the Bank. They all recognised the extremely loyal services rendered by the staff, and were quite in favour of the larger provision which had been made out of the profits on their behalf. The two features of the balance sheet which specially struck him were the wonderful position and strength of the resources now at the command of the Bank and the very liquid condition in which those resources were held, thus enabling the Bank to take a great and proud part in the reconstruction with which the country was now faced. (Applause.)

Mr. Millar Wilkinson offered his hearty congratulations

to the Chairman upon his masterly address, and remarked that his statement as to what the Bank was prepared to do for the advancement of industry and trade effectively disposed of the suggestions which had been made from time to time that big bank amalgamations would prove detrimental to the trade of the country.

The Chairman, in reply, said that the directors were quite in agreement with Mr. Moore as to the advisability of increasing the reserve fund, and no doubt the wish expressed by that gentleman would be realised in course of time, but it was impossible to do everything at once, and in these matters it was necessary to exercise patience. He desired to thank Mr. Heath Clark and Mr. Millar Wilkinson for their appreciative remarks.

The resolution was carried unanimously.

The Chairman next moved the re-election of the retiring directors—Mr. Hugh Gurney Barclay, Mr. Henry Birkbeck, Mr. Seymour Pleydell Bouverie, Sir Gilbert Henry Claughton, Bt., Mr. Edwin Henry Galsworthy, Lt.-Col. Alfred Gilbey, Sir John Cousin Horsfall, Bt., Mr. George Macpherson, and Sir James Smith.

Mr. E. H. Parker (Vice-Chairman) seconded the motion, which was unanimously agreed to.

The auditors (Messrs. Price, Waterhouse and Company and Messrs. Kemp, Sons, Sendell and Company) were reappointed, on the motion of Mr. E. T. Hargraves, seconded by Mr. Joseph Spencer.

The Chairman then proposed: "That the cordial appreciation and thanks of the shareholders be given to the General Managers, the Assistant General Managers, the Secretaries, and the whole of the staff of the Bank for their excellent services during the past year."

This was seconded by Sir Herbert Hambling and cordially adopted.

Mr. W. Carruthers (one of the General Managers), in returning thanks, said that the duties of bank officials during the past four years had been very onerous indeed, and the staff were glad to have it recognised that they had performed their duties in a manner which had met with the approbation of the shareholders.

A hearty vote of thanks to the Chairman and directors, proposed by Mr. Millar Wilkinson, and seconded by Sir Rowland Blades, concluded the proceedings.

THE NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED.

THE annual general meeting of the National Provincial and Union Bank of England, Limited, was held at the head office of the Bank, 15 Bishopsgate, London, E.C., on January 30, the Rt. Hon. Lord Inchcape, G.C.M.G., K.C.S.I., K.C.I.E., presiding.

Mr. D. J. H. Cunnick (Joint General Manager) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and gentlemen, I presume it will be your pleasure, as usual, to take the report and accounts as read. (Agreed.)

My first duty is to express our great regret at having lost a colleague whose face must have been familiar to all the shareholders of the National Provincial Bank—Mr. Robert Wigram. He passed away some few weeks ago at a ripe old age, and after having been for 40 years a director of the National Provincial Bank, Mr. Wigram retired from the Executive Board about a year ago and became an extraordinary director. I am sure you will all join me in expressing to his family our deep regret at having lost him. (Hear, hear.)

Germany's Clock Set Back a Hundred Years.

In 1914 the trade of this and every other country was prosperous and progressing. The military party in Germany unfortunately broke loose and thought they would by force subjugate the world. It has taken the Allies four and a half years to prove that Germany was wrong, and now she is a stricken State with internal dissension, her militarism broken, her navy non-existent, and her finances in chaos. She has been the means of the sacrifice of millions of lives, the destruction of thousands of millions worth of property. She has set back the clock of Europe for a generation and her own for a hundred years. Now that the War is over we have to put our house in order, start to a great extent afresh, and by dint of hard work and economy we shall win back to where we were in 1914. Hear, hear.) It will be a struggle, but with prudence and determination we shall get there.

National Bonds.

At our annual meeting twelve months ago I referred to the policy of the Chancellor of the Exchequer in deciding to meet the country's requirements for the prosecution of the War by the issue of National War Bonds instead of raising a loan, and I mentioned that it had proved a singular success, as from October 1917 to January 26, 1918, bonds for no less than £700,000,000 had been applied for. The policy was continued all through 1918, and up to the 14th of this month the total applications amounted to the gigantic sum of over £1,600,000,000. As the war requirements have now slackened off, the issue of these National War Bonds on the old terms has ceased, but they are to be revived on February 1 on less advantageous terms. I don't propose to anticipate what the next step will be, but this is no doubt engaging the attention of the Treasury. The remarkable success of Mr. Bonar Law's policy in adopting the plan of bonds on "tap" to finance the War is a fitting crown to him on his laying down the arduous burden which he has borne for the last few years. (Applause.) It is a marvellous achievement, and there is probably no greater safeguard for the country than the fact that from the highest to the lowest everyone with a pound to spare has lent it to the Government, and has poured his savings or accumulations into the Treasury to provide the necessary funds to conquer Germany. (Hear, hear.) We have become for the first time in our history a nation of rentiers. If I may venture to say so, solvency after all is the first line of defence. (Hear, hear.)

You will be interested to know that this Bank's applications for these National War Bonds on behalf of their customers amounted to something over 7½ of the total, or £115,000,000. (Applause.)

Amalgamation with the Union.

At an extraordinary general meeting of the shareholders which was held on March 11, 1918, it was decided to amalgamate with the Union of London and Smiths Bank, and this decision was duly confirmed at a subsequent extraordinary general meeting held on March 27, 1918, and the amalgamation accordingly took place as from January 1, 1918. Particulars of the terms of fusion have already been furnished to the shareholders, and it is therefore not necessary for me to refer to them to-day.

We have now had nine months' experience of the amalgamation, and it may be sufficient to say that we have no occasion to regret it. (Hear, hear.) Everything is working perfectly smoothly, the board and the staff are completely united, and we have long ceased to consider ourselves as separate institutions.

I mentioned last year that when the contemplated amalgamation took place our deposits would be £175,000,000. To-day they exceed £200,000,000, including the deposits of the Bank referred to later on.

I also mentioned a year ago that if the amalgamation took place our reserve fund would be £4,000,000. To-day it stands at £4,850,000.

Increase of Capital and Reserves.

In view of our increased deposits the directors have felt it necessary to take power to increase the nominal capital of the Bank from £36,000,000 to £51,000,000 in 250,000 shares of £60 each.

It is now proposed to issue 131,093 of these shares of the nominal value of £60 with £12 paid, and the necessary Treasury sanction has been obtained for the issue. An extraordinary general meeting of the shareholders was called on January 15 to consider this proposal, and it was unanimously adopted. Another extraordinary general meeting is required to confirm the resolution, and this will be held immediately after the present general meeting. If the resolution is confirmed, 130,402 shares will be offered to the existing shareholders in proportion to their holdings at the price of £24 per share for the £60 share with £12 paid up. As the shares at present are worth £34 to £35 in the market I have no doubt they will all be applied for. (Hear, hear.) You will observe there is a difference of 691 shares between the number we shall offer to the shareholders and the number we propose at present to issue. These 691 shares are the balance which are not divisible amongst the shareholders without going into complicated fractions. They will be dealt with as the directors may hereafter determine in the best interests of the Bank. The £12 premium which we shall obtain on these 131,093 shares will amount to £1,573,116, and it will be immediately added to the Bank's published reserve fund, and the paid-up capital of the Bank will then be £7,050,000, the reserve fund £6,423,116, or a total of £13,473,116.

Amalgamation with Bradford District Bank.

Within the last few weeks the directors have had the opportunity of acquiring the business of the Bradford District Bank, which has a valuable connection in the West Riding of Yorkshire. The terms have already been mentioned in the Press, but I think I may with advantage state what they are. We have taken over the liabilities and assets of the Bradford District Bank, paying for them by an issue to the shareholders of that Bank of 34,400 shares in this Bank of £60 each, £12 paid. The business is a sound one; we have long contemplated extending to the West Riding, and the disposition of the Bradford Bank to amalgamate with the National Provincial Bank gave us an opportunity to open in that district with a staff and connection of great value. The directors of the Bradford Bank have agreed to assume the position of local directors of the National Provincial and Union Banks for the Bradford district, and Mr. A. E. Lewis, the general manager and a director of the Bradford Bank, comes to London as one of our joint general managers, and his experience of the Bradford district and his intimate acquaintance with all the business community there will be of considerable service. We are glad to welcome him here to-day. (Hear, hear.)

During the past year we had the opportunity of acquiring the premises of Messrs. W. and J. Biggerstaff, in Smithfield, and we have opened a branch of the Bank there and have secured the services of Mr. D'Arcy Lever, who has a complete knowledge of the requirements of the Smithfield trade, and we confidently anticipate that the branch will not only do well for the Bank, but be useful to the business community of that locality.

Bank Amalgamations and Money Trust.

Some time ago there was an outcry against bank amalgamations, and fears were expressed that a great money trust might be formed with the object of squeezing the public. I am safe in saying that such an idea never entered the mind of any bank director or bank manager. (Hear, hear.) The Government, however, with the object of allaying public uneasiness, decided to appoint a Committee to consider all amalgamation proposals. I have the honour to be a member of that Committee, and I naturally feel myself precluded from making any public statement on the policy of bank amalgamations. Each case under the Government ruling has to be considered on its merits. (Hear, hear.) But this I think I may say, that where amalgamations take place it would be positively suicidal for the amalgamated institutions to curtail the assistance they have hitherto as separate concerns rendered to the public, and as far as my judgment goes this is not likely to occur. If it does the business of the banks will be curtailed, dividends will not be maintained, and these are the last things that either directors or managers, or I might say shareholders, desire. (Hear, hear.) The public may therefore feel satisfied that though an amalgamation is sanctioned there is nothing in the shape of a money trust contemplated, and that none is possible so long as freedom of the subject exists in this country, which I hope will be the case for many generations to come.

The end of the world is not yet, neither has the last word been said in banking. Energetic young men with ideas and with support will come to the front in the future as they have done in the past. New banks will spring up, fresh minds will come to the fore, capital will be forthcoming, and if the great joint-stock banks become too conservative they will find themselves out in the cold. (Hear, hear.)

Risks in Banking.

In these extensions of our business we aim at accommodating the public, but I will be perfectly candid. We also hope that the shareholders of the Bank will benefit by the alliances. Shareholders have entrusted their capital to us, and it is our duty to do our best for them. In the manipulation of the millions which have been placed at our disposal our effort is to earn a reasonable return. This can only be done in banking, as in every other commercial pursuit, by securing a goodwill, by being civil and accommodating to our customers, and by these means extending our business. Prudence is essential in banking business, perhaps more than in any other business. Our ramifications are far-reaching, the personal element comes in. We stand to be shot at by unscrupulous and designing people. Sometimes we are taken in and we incur a bad debt, a forged cheque is presented and it may be paid, and the staff of a Bank is daily and hourly face to face with difficulties. It is marvellous to think that the transactions of the National Provincial and Union Bank over the counter, running as they do into thousands of millions every year, are carried through with a minimum of error or loss. (Applause.)

Accommodation to Customers.

You sometimes see statements to the effect that the joint-stock banks are not sufficiently liberal in their advances to customers. The statements are made on imperfect information. I say it here and now that we have never declined to assist any constituent of the Bank whose record was good in embarking on a legitimate enterprise. There is no shortage of credit facilities in this country for men with sound propositions. We are not, however, disposed to finance wild-cat schemes of adventurers who have nothing behind them. If we did so we should be betraying our trust not only to our shareholders but to our depositors. In all our advances moderation invariably marks our terms.

German Banks versus English.

A year or two ago it was fashionable to shower praises upon the German banks. We were all called upon to stand and admire their size and driving power, their air of massive efficiency, the closeness of their alliance with industry, their successes in pushing German trade abroad. And we were all made familiar with the facile counterpart picture of British banks as aloof and lumbering institutions by comparison with their bustling rivals of Berlin. There are just two comments I should like to make on that. In the first place, the German bank was a clearing bank, an accepting house, an issuing house, a discount company, and a promoting syndicate rolled into one. But all these functions are performed in London by separate concerns and institutions, each specialising in its own peculiar sphere. To compare the German banks with the British joint-stock banks is, therefore, to contrast the whole of Germany's system with only a part of ours. Not only is our system better adapted to our more varied needs and our world-wide and far-spread responsibilities and interests, but it is a more scientific and more highly developed system than the German. In the second place, the German banker was almost as much a trader as he was a banker. He involved himself directly in the success or failure of the particular concerns that he undertook to finance. He became a partner in the business; he was represented on the board, he controlled and often directed its management. A year or two before the War the three leading banking groups in Germany had their representatives on nearly 400 trading-company directorates. But this way of doing things entailed enormous risks and liabilities; it led to the erection of a huge superstructure on a very shaky foundation; it meant trading on the narrowest of narrow margins; and it implicated industry and finance in national and international politics to such an extent that those may not be far wrong who believe that the War was partly determined upon to save a top-heavy edifice from crashing to the ground. I certainly do not see the least reason why British banks should be tempted by Germany's example or by her present fate to abandon their sounder, more prudent, and in the long run far more effective policy, methods, and conceptions.

Some people may still think the German banking system is better than ours. I don't agree with them. All the banks in this country have come through the ordeal of the last four and a half years unscathed, their credit undiminished, their assets liquid, and the public confidence in their management unimpaired. (Applause.)

Pension Fund.

You will observe a new item in the accounts of the Bank this year. The pensions which are paid to the retired members of the staff now run into a considerable figure. Hitherto we have had no pension fund, but in view of the Bank getting older and its staff increasing in numbers with the extension of its business, we have decided to establish a pension fund, and to build it up as circumstances permit till an amount has been reached which will be the actuarial equivalent of our pension liability. The present time is fitting to begin the establishment of this fund; it is a recognition of the splendid work which the officials and staff of the Bank have performed during the last four trying years, and it will be the Bank's memorial to the conquest of Germany and the restoration of Peace. We have begun the fund by an appropriation to its credit of £250,000, and I am satisfied this will have the entire approval of the shareholders. (Hear, hear.)

Addition to Reserves.

You will notice a satisfactory feature in the accounts of the last year, in the shape of a further addition to the reserve fund of £500,000, and an addition to the contingency fund of £100,000. In making these appropriations we are again building up the reserves which had been depleted in former years to provide for the heavy depreciation which had taken place in our securities. With the increasing amount of our deposits the board consider it is essential to strengthen our reserves, and in this matter too I have no doubt the shareholders will concur.

Prospects of the Future.

Looking into the future of the trade and financial position of this country, it is extremely difficult to make any reliable forecast. Prices of all commodities are high, and there is a reluctance to manufacture at the present level for stock, but the demands from abroad must be heavy for some time to come to replenish the scarcity which exists all over the world, and while we may expect eventually to see a lower level of values it must be some time before immediate requirements are satisfied.

Government Control of Trade.

The work of demobilisation is proceeding, industry is gradually—perhaps too slowly—being freed from control, but this I hope will now be speeded up, as until all control is abolished and we are freed from the irritating restrictions of red tape the trade of the country cannot make headway. (Applause.) A case came before me the other day where a firm applied for permission to import ten bales of carpets from India. Their application was replied to in a letter which is interesting, and which I will venture to read. It is dated January 8, and is as follows:—

"With reference to your letter of November 28 respecting the importation of carpets from India, I write to ask for a Statutory Declaration duly sworn before a Commissioner for Oaths, giving the shipping tonnage (*i.e.*, 40 cubic feet to the ton) of carpets imported by you from India during 1912, 1913, and 1914, a separate total in respect of each year. It should be noted that the statutory declaration must be stamped, the duty being 2*s.* 6*d.*" (Laughter.)

"The 'actual importer' is regarded by this department as the individual who owns the bill of lading or other shipping documents at the time of import, and affidavit should include only such consignments as were cleared through the Customs during the years named."

Almost by the same post, ladies and gentlemen, all the shipping lines received a letter from another department strongly urging them to use every effort to get the import

and export trade of the country going. (Laughter.) This is the sort of thing we must expect so long as we have 14 different departments interfering with, or as they fondly think, managing the business of the country. (Hear, hear.) I brought the matter to the notice of the President of the Board of Trade, who assures me that "every effort is being made to get rid of these hampering restrictions on trade," and as Sir Albert Stanley has taken the matter in hand I have no doubt things will very shortly be improved. (Hear, hear.)

Excess Profits Duty

There cannot, however, be any real improvement so long as the excess profits duty remains on its present level. Getting rid of permits and licences and certificates and affidavits amounts after all to no more than untying the hands of the business man. But the excess profits duty is a veritable millstone round his neck: and no man with a millstone round his neck can meet unencumbered competitors on equal terms. I express no opinion as to whether it is financially possible to repeal it at once. But unless this crushing handicap on efficient production is quickly and materially reduced and speedily abandoned altogether it is useless to expect British trade to bound forward or indeed to make any progress at all. (Hear, hear.) Cabinet Ministers who know something of business, like Mr. Bonar Law, have admitted this already. Two Government committees within the last few days have suggested plans for modifying the tax. It is to be hoped, therefore, that Parliament and the Treasury will take the matter into their earliest consideration. No single measure, in my judgment, is more urgently vital to our industrial recovery than the removal or the speedy scaling down of the excess profits duty.

Financial Outlook.

As regards the financial future of these islands, the outlook is not promising. It is difficult to say what revenue will be required when things are squared up to meet the expenditure, together with the interest and sinking fund on the public debt, but a moderate estimate must be in the neighbourhood of 600 or 700 millions annually. The position can only be met by the most rigid economy, and I am afraid even with this we shall be under a heavy burden of taxation for many years to come. In the meantime in some quarters there seems to be a complete absence of any sense of proportion, and an idea exists that as we have been able to finance the War by borrowing we can go on financing all sorts of uneconomic schemes in the same way.

Almost every other week seems to bring forth the report of some committee recommending some gigantic enterprise. One day we are to buy out the liquor trade, the next we are to nationalise railways or the mines, on the third we are to embark on a vast housing scheme without bothering our heads about economic laws, and on a fourth we are invited to plunge into an electric lighting and power undertaking that will cover the whole country. Nobody stops to ask where the money is to come from. Indeed, people are almost astonished at their moderation when they put forward a scheme that will cost no more than was spent in a week or a month of the War. Ladies and gentlemen, that habit of regulating our peace expenditure by our expenditure during the War is one we have got to outgrow. (Hear, hear.) I often hear it said that the War has taught us as a nation to think in hundreds of millions. I fear, however, that is just what it has not done. Thought ceases in the presence of sums so immense as to be well-nigh meaningless. We have been juggling in hundreds of millions, if you like. We have been drifting and splashing in them. But unhappily we have not been thinking in them; and I know of nothing more urgent that that we should recover our money-sense and begin cutting our coat according to our cloth. (Hear, hear.) If we don't we shall find ourselves on the slippery side of a rake's progress which, if persisted in, can only have one end.

If the British Government is to meet its obligations in the future as it has done in the past, if the country's credit is to be maintained, we must live within our income and not on our capital. (Hear, hear.)

It is the same with a Government as with an individual, a private firm, or a company. The wealth of the country can only be built up by spending less than its income. The Government has no income outside that of the people. This, I am afraid, in many quarters is scarcely realised.

Staff of the Bank.

During the War 2,596 members of our staff have served with the colours. (Applause.) Many of them have been decorated; no less than 388 have laid down their lives for their country, while over 1,000 have been wounded. Demobilisation is in progress, but has as yet made little headway so far as our staff is concerned.

We have been fortunate enough to secure the assistance of 2,918 lady clerks. We are also much indebted to many retired officers who voluntarily resumed work, and to many of our staff who, notwithstanding that they were due for retirement, continue to give us their valuable services.

A memorial service was held at St. Helen's Church on December 14 in memory of the men in the service of the Bank who have fallen in the war. This was largely attended by their relatives and friends as well as by members of the staff.

All Doubtful Accounts Provided for.

In the gigantic business carried on by the Bank there are naturally some operations which do not turn out as well as we expected. In our desire to assist our constituents, and to help trade, we occasionally get involved in an unsatisfactory account, sometimes owing to mismanagement on the part of a customer or to his being unsuccessful in his enterprise. Despite every precaution and prudence on the part of the Bank, losses are occasionally sustained, or accounts have to be nursed for years. I am glad to be able to say, however, that there is not a single doubtful account in the books of the Bank at the present moment, for which ample provision has not been made, and we have no cause for anxiety in any direction. (Applause.)

Thanks to the Staff.

In conclusion, ladies and gentlemen, I would like to offer to our general managers, our managers, our officials, and our staff our grateful thanks for what they have done for the Bank during the past year. The work at the head office in connection with all the arrangements for the amalgamations with the Union and Bradford Bank has been extremely heavy; a great deal of thought has had to be devoted to the many intricate problems connected with the amalgamations, in addition to the ordinary administration of the Bank, and I am sure you will join with me in expressing our gratitude to those who have carried through to a successful issue the important details in connection with the Banks with which we have joined up. I am glad to say that everything has been arranged without a hitch or the slightest disagreement. We all want a bit of rest now to consolidate our business, and I hope whoever occupies the chair at our general meeting next year (we are a republic without a permanent chairman), may be able to submit to you a statement as satisfactory as that which we place before you to-day. (Hear, hear.) Of one thing you may rest assured—ing will be wanting on the part of the board, the management, the officials, and the staff to keep the flag flying of this institution, which, though it is getting old, is not yet suffering from senile decay. (Applause.) I beg to propose that the report and accounts be adopted.

Mr. Maurice O. FitzGerald seconded the resolution, which was carried unanimously.

Mr. F. C. Le Marchant proposed the re-election of the Rt. Hon. Lord Inchcape, Col. Sir Claude Laurie, Bt., Mr. E. A. Smith, and Mr. H. G. Devas as directors of the Bank.

Sir Felix Schuster, Bt., seconded the motion, which was unanimously agreed to.

Mr. Charles Gipps Hamilton was re-elected a director to fill the vacancy caused by the death of the Earl of Lichfield.

On the motion of Mr. L. F. Harrison, seconded by Mr. J. S. Adams, Sir William Barclay Peat (of Messrs. W. B. Peat and Co.) and Mr. Nicholas Edwin Waterhouse (of Messrs. Price, Waterhouse and Co.) were reappointed auditors for the current year.

Mr. H. C. Drury moved that the thanks of the shareholders be given to the directors, general managers, branch managers, and other officers of the Bank for their efficient management and services.

Mr. John Hedges seconded the vote, which was unanimously accorded.

The Chairman briefly acknowledged the compliment, and stated that the staff of the amalgamated banks now numbered 6,500.

An extraordinary general meeting was then held for the purpose of submitting for confirmation a resolution passed at the extraordinary general meeting held on January 15 last.

The Chairman said that at the meeting held on the 15th inst. the following resolution was passed:—"That the capital of the Company be increased to £51,000,000, divided into 40,000 shares of £75 each and 800,000 shares of £60 each, by the creation of 250,000 shares of £60 each, ranking in all respects *pari passu* with the existing shares of the Company." That resolution did not require confirmation, but it was necessary to confirm the further resolution which was passed on that occasion, namely:—"That of the capital uncalled upon the 250,000 new shares of the Company of £60 each created by the foregoing resolution the sum of £40 a share be not capable of being called up except in the event and for the purpose of the Company being wound up." He now begged formally to move the confirmation of that resolution.

Mr. FitzGerald seconded the motion, which was carried unanimously.

Mr. J. A. Stringer, in proposing a hearty vote of thanks to Lord Inchcape for his able conduct in the chair, said he was sure that all the shareholders had listened with very great interest to the speech which his lordship had made, bearing, as it did on so many points of the utmost importance for the progress and success of the nation at large, with which must be intimately bound up the welfare of this great institution. They all knew the very important national engagements of Lord Inchcape, amongst whom the Chairmanship of this great Bank was by

no means the least, and he thought they could not only thank him for his conduct in the chair, but also congratulate him very heartily upon being associated with the very great success which the Bank has achieved. (Applause.)

Mr. Millar Wilkinson seconded the motion, and congratulated the Chairman and directors, and particularly the shareholders, upon the conclusion of this mammoth amalgamation, which he was quite sure would be for the benefit of the shareholders of both of the great financial institutions concerned, and would give universal satisfaction. (Hear, hear.)

The motion was passed with acclamation, and the proceedings then terminated.

THE MANCHESTER AND LIVERPOOL DISTRICT BANKING COMPANY, LIMITED.

THE annual meeting of the shareholders of the Bank was held at the Head Office, Spring Gardens, Manchester, on Friday, January 17, 1919. Sir Edward Donner, Bart., Chairman of the Bank, presided. The other directors present were Messrs. George Barbour, R. Noton Barclay, Richard H. Hodgson, George L. McKelvie, P. J. Ramsay, and the managing directors, Messrs. A. A. G. Tulloch and D. Drummond Fraser.

Mr. Easterby, the manager, read the notice convening the meeting.

The Chairman, in moving the adoption of the report, said: I regret that my first duty is to refer to the loss we have suffered by the recent death of Sir John Parks, the senior director of the Bank. Elected to the Board in 1874 he most regularly attended its meetings until laid aside by illness, and he always took a lively and useful interest in our affairs. He has passed away honoured and lamented in his native town and deeply regretted by his colleagues on the Board of the District Bank. Sir Edward Tootal Broadhurst is attending a board meeting of the London and North Western Railway in London. Mr. Kennedy is absent on Government business, and others are away through ill-health. Mr. C. T. Needham, whose health broke down largely owing to his self-sacrificing services to his fellow-citizens—services which many of us regret to say were entirely forgotten at the General Election—is, I am glad to say, restored to his usual health and will shortly be with us again.

The Accounts.

You will observe from the report that after payment of all expenses and making provision for bad and doubtful debts the net profit for the year is £468,834, an increase of £27,193 over the figures for 1917. From the balance of £169,914 brought forward we have deducted the bonus to staff £42,659, to which I referred in my speech a year ago. The amount of the bonus for the previous year amounted to £22,067, which we also deducted from the balance brought forward. During the latter part of the year, owing to the continued rise in prices, the managing directors and a specially appointed committee of the staff made a full investigation into the salaries of the staff, with the result that it was found necessary to make a permanent increase in the salaries and a temporary increase in the form of a bonus. When I speak of the staff I do not, of course, refer to the managing directors. The Board have, therefore, added 20% to the salaries as from October 1 last; and they are in addition giving a bonus amounting to 30% on the augmented salaries. This bonus will be reconsidered at the end of this year. Both the permanent and the temporary increases are limited on the higher salaries and so arranged that men with the lower salaries receive the larger proportion of benefit. The shareholders will, I am sure, realise the justice of meeting the increased cost of living with an adequate increase in the remuneration of those who during the whole period of the War have served them with a loyalty and self-sacrifice of which on behalf of the Board I desire to make this public acknowledgment. And in so doing I refer also to our women clerks, many of whom will, we anticipate, remain in the employment of the Bank. The balance available amounts to £566,089, as against £521,714 a year ago. The interim dividend paid in July for the half-year ending June 30, 1918, at the rate of 5*s.* 3*d.* a share, subject to the deduction of income tax, absorbed £165,900. This was equivalent to 17½% per annum, and it is recommended by the directors that a final dividend of 5*s.* 6*d.* a share, subject to the deduction of income tax, be now paid, which is at the rate of 18⅓% per annum for the half year ending December 31 last, and will take £173,800. The return for the whole year amounts to 10*s.* 9*d.* per share, or 17%. A year ago we transferred out of our disposable balance £50,000 to our reserve fund and carried forward £139,914. This year we propose to transfer to investments account £100,000 and to carry forward £126,389. As stated in our report, the appropriation of £100,000 to investments account enables the directors to re-transfer to the reserve fund the £300,000 previously held in our balance sheet for the depreciation of investments.

Capital and Reserve Fund.

The report of the Treasury Committee on Bank Amalgamations has drawn attention to the small proportion of paid-up capital and reserve funds to deposits of the English joint-stock banks. The ratio in our own case is considerably higher than the average of the English joint-stock banks, and we hope to maintain or even increase this ratio by steadily adding to our reserve fund as our deposits increase. You will notice on turning to the balance sheet that the capital remains the same, namely, £1,896,000, which, with the increased reserve fund of £1,550,000 to which I have referred, makes a total of £3,446,000. The reserve fund, together with the paid-up capital, represents the fund upon which the shareholders' dividend is earned. I mention this specially, because criticism with regard to the high dividends paid by banks seldom takes any account of the reserve funds. Current, deposit, and other accounts, £44,530,512, show an increase of £4,000,000. This increase has been gained while we have been offering every facility and urging our customers to invest in National War Bonds. By so doing they aid in preventing any unnecessary inflation of bank deposits. For 12 years successively our deposits have shown a steady yearly increase. A large part of this is due to the opening of branches in the suburban and agricultural districts served by the Bank, and this increase enables us to grant all legitimate accommodation to our commercial customers, large and small. While the increased facilities required for after-the-War demands will have to be met by increased capital and increased deposits, the issue to the public by banks of bonds repayable in 5, 7, or 10 years has also been suggested. This would no doubt enable in some cases the granting of additional credit facilities, and we shall be ready to extend our operations in that direction should it, after mature consideration, be thought desirable. It is better for all concerned that we should be in a position to stimulate Lancashire trade by granting liberal accommodation than it would be to lock up our resources by permanent investment in industrial concerns, on the German system. The immense success of the National War Bonds of 5, 7 and 10 years has proved that it is a form of investment acceptable to the public at large, which on the one hand causes the least disturbance to the money market while meeting the needs of the Exchequer, and, on the other hand, provides a continuous flow of money to the money market by the Government disbursements. Perhaps the best proof of the success of this bond system is shown in the national accounts for the nine months ending December 31, 1918: two-thirds of the expenditure was during that period raised direct from the people by taxation and by the sale of National War Bonds and War Savings Certificates, leaving only one-third to be raised otherwise: whereas in the nine months ending December 31, 1917, these proportions were almost exactly reversed. To-day the outstanding Government liability on Treasury Bills is approximately the same as a year ago; and investments generally have appreciated instead of depreciating. Acceptances, £1,567,079, are less than half the amount they stood at a year ago. This is mainly due to the acceptance of bills for cotton imported. At the end of last year, owing to transport difficulties, the bills which were drawn upon us were delayed. But the reduction in our figures from this cause has already been made up by our cotton acceptances in the past fortnight. The remainder of the reduction is due to the maturing of the acceptances which were undertaken for credits in connection with the War.

Cash and Investments.

On the other side of the balance sheet our assets are: Cash in hand and in the Bank of England £7,192,478—an increase in round figures of just over one million pounds. Money with London brokers and others at call and short notice, including Stock Exchange loans £3,562,409, is an increase in round figures of half a million pounds. As I have mentioned on previous occasions the pre-moratorium Stock Exchange Loans have been greatly reduced and only a small balance remains. The money with London brokers and others fluctuates in the course of the year, and the amount standing in our balance sheet is higher than the weekly average for the year. Bills of Exchange amount to £14,705,232, an increase of £3,630,000; in this figure we have included our Treasury Bills of £12,000,000. These are three and a half million pounds more than the amount held a year ago. We are pleased to be able to discount bills for our customers at the very lowest market rates. We regard such bills as an excellent asset, replenishing our liquid resources automatically as they fall due. Investments—£8,903,718 are approximately the same as a year ago. We again state our investment in War Loan at cost price. If realised at the market value to-day there would be a minute loss, for which, I need scarcely say, we have ample provision. The Loan may be repaid at par on or after June 1, 1929, and not later than 1947. This redemption means eventually a handsome appreciation over the figure at which the Loan stands in our balance sheet. We consider that the promise of early redemption justifies our keeping the Loan in the balance sheet at the cost price; this has been the practice generally adopted by the banks during the War. You will notice that the Exchequer and National War Bonds have been increased and that the other investments have been reduced by three-quarters of a

million pounds. The reduction in the other investments is due to further sales. During the War, with the exception of last year, we have had to meet a very heavy depreciation in the gilt-edged investments which we held prior to the War, but of which we now have only £691,581 left. The depreciation has been continuous for many years and has been partly provided for out of our profits, though we have also had to draw upon our reserve fund. Advances in current accounts £15,412,862, show a decrease of £1,195,258. This is more than accounted for by a decrease of nearly two million pounds in the advances we made to customers in connection with the last War Loan in the early part of 1917. The commercial advances apart from the War Loan advances show an increase of nearly three-quarters of a million pounds, and we are ready to meet all legitimate post-war demands of our customers. I have no hesitation in saying that the advances made by the District Bank play an important part in the commercial prosperity of Lancashire and the adjacent counties. Our Bank, while maintaining a steady dividend for its shareholders, has always upheld the tradition for a high duty towards the community it serves. Bank property remains at the same figure, £500,000. As regards our property you will be pleased to hear that we have opened a branch at Carlisle in excellent new premises; that is, of course, following up our acquisition of the Whitehaven Bank, and we have in contemplation the opening of other offices in the North and elsewhere to link up our branches in different districts. The total resources, £49,843,781, are the highest we have ever shown. The strength of our resources lies in the very large number of our small accounts. I refrain from any criticism of the bank amalgamations which have lately taken place. As for ourselves I need only say that we rely on the local confidence, support, and goodwill which we enjoy. As you are aware, a resolution will be moved appointing, in accordance with present usage, professional auditors. Those so appointed we shall cordially welcome, yet I may say we part with our old auditors with regret and with grateful acknowledgment of the services they have rendered.

Foreign, Trustee, and Income-Tax Department.

During the past few months we have issued new separate booklets explaining the features of our foreign, trustee, and income-tax departments. I recommend any of you who are interested to obtain copies of them. With regard to our foreign department, it is perhaps not sufficiently known, except by those who have made use of the department, that we have specialised in the financial facilities required by exporters and importers. The growth of this class of business has been so great in recent years that for some time past we have been anxious to open separate premises, and this we were able to do during the past year. The premises adjoin the Head Office in Spring Gardens. We have working arrangements with numerous foreign, colonial, and other banks, and an expert staff. The head of the department and other members of our Head Office staff hold the B.Com. degree of the Manchester University. I should like to take this opportunity of recognising the value of the Faculty of Commerce at the University. More and more scientific training in banking is becoming necessary. As a Bank we have given every encouragement to our staff to utilise the lectures at the University and the Bankers' Institute, and we have held special lectures at our own Bank for the benefit of the women clerks. With regard to the trustee department, we are in every way satisfied with the steady progress made, and you will find it well worth your while to consider the recently issued booklet in connection with this department, which was established over 10 years ago. The income tax department has been to some extent forced upon us in view of the present high and varying rates and the general lack of knowledge by the public of the involved nature of the assessments, reliefs, &c. I think most of us suffer from trouble in this way. We have for some time rendered assistance to customers on questions arising from assessments and will continue to do so. Just as, in dealing with trustee matters, we are anxious not in any way to interfere with the family solicitors for trusts undertaken by the Bank, so we are anxious not to interfere with the accountants where already employed by our customers.

During the past year we have promised two subscriptions which I wish to mention, one of £200 to the Manchester Grammar School War Memorial Fund, and the other of £100 per annum for three years to the Manchester Warehousemen and Clerks' Orphan Schools. We felt justified in doing this because, apart from the excellence of the objects, the one institution the Grammar School supplies us with many valuable recruits for our staff, and the other if the staff avail themselves of it may be of incalculable benefit to their children. I mention this because pressure is frequently put upon us to subscribe to various objects, and as a rule we decline to part with the shareholders' money in this way, leaving it for shareholders themselves to subscribe as they wish.

May I in conclusion remind you that while we rejoice in the victory won by our gallant sailors, soldiers, and airmen, and in the present armistice leading, we hope, to a permanent peace, yet it is sufficiently obvious that a period of many difficulties lies before us and we think it behoves all banks to maintain a cautious policy?

Since the beginning of the War 560 of our men have joined his Majesty's Forces. Of this number I deeply regret that 77 have lost their lives. We know of over 60 who have been wounded. Fourteen of our men have been the recipients of military honours. A number have already returned discharged from the Army and have been placed in suitable posts, and we feel sure that the shareholders will wish us to deal with the cases of men who return to us more or less disabled and there will be such—in a generous spirit. We propose to commemorate in some special manner those who have made the supreme sacrifice, and we shall record their names conspicuously to be held always in honour and as a treasured memory.

The Chairman then formally moved the adoption of the report.

Mr. Barclay in seconding the resolution said: Sir Edward Donner has already dealt very fully with the figures in the balance sheet, and there is practically nothing which I need add to his remarks. Perhaps the most satisfactory feature shown in the report is the re-transfer to reserve fund of the £300,000 from the reserve for depreciation of investments. It is very gratifying to see that we have been able to add the £300,000 again to our reserve fund. The cessation of hostilities has brought about a cessation of business for the time being, but I am convinced it is only a very temporary state of affairs and that we shall see a great revival in trade before long. The saneness of the attitude of the community towards the present depression will largely affect the speed with which trade will revive, and I am sure that a more or less optimistic attitude under present difficulties will do something to bring about the revival in trade we look for.

The resolution was passed unanimously.

The re-election of the retiring directors was moved by the Chairman, seconded by Mr. Barbour and passed unanimously.

The appointment of Messrs. Halliday, Pearson & Co., chartered accountants, Manchester, as auditors, was moved by Mr. Robert Innes, solicitor, Manchester, seconded by Mr. Freston, one of the retiring auditors, heartily supported by Mr. W. H. Cumming, another retiring auditor, and passed unanimously.

Sir Charles Behrens moved the vote of thanks to the Chairman, directors, and staff, for their services during the past year, and it was seconded by Mr. J. C. Wilson and passed unanimously.

Mr. Tulloch briefly responded.

THE NATIONAL BANK, LIMITED.

The annual general meeting was held at 13 Old Broad Street, London, on January 23.

Sir John Purcell, K.C.B. (Chairman of the Bank) presided, and, in moving the adoption of the report and statement of accounts, said: Ladies and Gentlemen,—When we met in this room twelve months ago it was under the shadow of a devastating and terrible war—now happily ended. My colleagues and I are to-day in the gratifying position of being able to place before you facts and figures which—for the past half-year—go to show a record of healthy progress and continuing prosperity that must, I submit, be justly regarded with considerable satisfaction by our copartners.

Appreciation in Value of Investments.

When I addressed the shareholders in Dublin in July last I was able to point to the fact that the sum of £220,000, at that time appearing on the face of the balance sheet as being held by way of special reserve for depreciation in our non-terminable securities, was more than sufficient to cover any deficiency then existing. On the same occasion I mentioned that I was confident that when hostilities came to a conclusion there would be a substantial appreciation in the values of all the high-class stocks which we held in that category. Well, ladies and gentlemen, my anticipations in this connection have proved to be correct, and the deficiency found on the valuations as taken on December 31 shows that the depreciation is fully covered by the sum of £180,000. In these circumstances we have, in the balance sheet before you, reduced the item of special reserve from £220,000 to £180,000, and transferred the balance of £40,000 to the rest. This, with £70,000 carried thereto out of the net profits of the half-year, will raise that fund the backbone of the Bank to the sum of £735,000. As regards our terminable securities, these, as is our practice, have been valued at the prices at which they stand in our books, and, on that basis, they show, at maturity, a very considerable surplus. On every head of the balance sheet I can point to a notable improvement; and, as last half-year, it again discloses a position of increasing strength and vitality. There is no change in our paid-up capital. It remains at £1,500,000. The next two items are the rest and the special reserve. I have already explained to you the position in relation to these heads, the net result being, as you will have understood, that, having carried £70,000 to the former out of the past half-year's earnings and reduced the latter by £40,000 as preceding

indicating an obvious element of strength—we, as a matter of fact, bring our rest up from £550,000—its figure twelve months ago—to £735,000, the highest amount which this fund has ever reached in the history of the Bank.

Evidence of Ireland's Prosperity.

Compared with twelve months ago "Notes in Circulation" exhibit an expansion of some £460,000. The large figure of nearly £3,250,000 which appears under this head (pointing, as it does, to increased activity in business), must, I think, be regarded as further evidence of Ireland's prosperity. The actual expansion referred to is, in some measure, likely to be due to the fact that gold coin being no longer available—loose cash, in the form of paper, is more freely carried for daily wants, and the additional stamp duty on cheques must not be forgotten as inducing towards this. Last January, in this room, I was able to point to a record expansion of nearly £4,000,000 in our deposits and current accounts. This year a new record is established, the increase being no less than £6,900,000. Of this large amount over £5,000,000 comes from our Irish customers. On the assets side of the account the first item, "Cash in hand," is increased by £325,000, but it is to the "Money at call and short notice" that I would direct your special attention. The figures under this head are larger by £5,800,000, and this very substantial increase in the liquid assets of the Bank—immediately realisable—will indicate to you that the policy of the directors remains based, as I explained twelve months ago, upon caution, and with a view to maintaining the fullest provision for all possible requirements in connection with the greater development of business which we anticipate will fall to us upon the conclusion of peace. It will be seen that the increase in this total is in handsome proportion to the increase of £6,900,000 in our liabilities on deposits, current accounts, &c., to which I have already made reference. Government securities and Corporation stocks show an increase of £350,000. This amount is represented by additions to our holdings in Exchequer and National War Bonds. Advances on securities have gone up by £670,000, and there is an increase of £245,000 in bills discounted. Bank premises account shows an increase of £104,000, due to a great extent to the completion of the purchase of the freehold of this building—13 Old Broad Street. Our aggregate means stand at over £34,000,000, showing an expansion of considerably more than £7,000,000 on the year, whilst our liquid assets exhibit a proportion of 70¼% as against our liabilities to the public payable on demand. From the profit and loss account it will be seen that we propose to pay a dividend of 12%, and to transfer £70,000 to the "rest," bringing that fund, as already explained, up to £735,000. We carry forward £24,113. Full provision has been made for bad and doubtful debts.

Farming and Trade Conditions in Ireland.

The material interests of this Bank, ladies and gentlemen, are so closely associated with the prosperity of the farming industry and kindred businesses in Ireland that, as each year comes round, the harvest is naturally watched with no little concern by your directors. Broadly speaking, the reports which I have this year received from the districts in which our various branches are located point to a very favourable state of affairs. I am advised that, whilst trade generally continues excellent, farming has been most remunerative, notwithstanding a recent set-back in prices of store cattle and an inclement autumn which much hampered harvesting. Tillage showed a further expansion in 1918, particularly as regards the wheat, oats, and flax crop, but the promise of a superabundant harvest was unhappily not realised owing to the inclement weather in September and October. A great deal of damage was done to the oat and flax crops, particularly in the north and north-west, where harvesting is two or three weeks later than in the other provinces. In regard to potatoes, I am informed that the area under cultivation was slightly reduced, but the yield and quality was good. Dairying has proved most remunerative, the prices realised for butter and milk showing a further advance on the high prices prevailing twelve months ago. The position of the licensed trade, notwithstanding the difficulty in obtaining supplies, has much improved, and with the removal of Government restrictions a similar improvement may now be looked for in the building trade. Labour prospects in Ireland are good. Indeed, I am assured that there is practically no unemployment, save in the case of discharged munition workers.

The Staff: Scale of Remuneration again Raised.

Ladies and gentlemen, when we met here twelve months ago I told you that, recognising the hardships under which our staff laboured by reason of the increased cost of living due to the War, we had decided upon the payment to them of a bonus which in the aggregate would form a considerable additional charge upon the Bank's revenue for the year 1918. In November we supplemented that bonus by a further special one. Further, on the same occasion I announced to you that we had decided upon giving our staff a new scale of salaries, to take effect as from January 1, 1918. This was in advance of any previous scale. After careful consideration, we have recently come to the conclusion that something more might fairly be done in this direction, and we have settled upon a new and largely improved scale, the particulars of which have recently gone out to the service. Finally, I am bound to tell you that the increased bonus to the members of the staff—active and retired—the additional money benefits to pensioners by way of increased pensions and otherwise, and the increased salaries as now settled, will, I calculate, form a total additional charge on the Bank's profits for the year 1919 of more than £70,000, or £25,000 more than was paid on similar heads for the year 1918.

The report and accounts were formally adopted.

THE UNION BANK OF MANCHESTER, LIMITED.

THE eighty-third annual general meeting of the shareholders of the Union Bank of Manchester, Limited, was held at the Head Office of the Bank, York Street, Manchester, on Friday, January 24, 1919.

The chair was occupied by the Right Hon. Lord Rochdale.

Mr. Peter Forrester read the notice convening the meeting; also the auditors' certificate.

The Chairman then moved that the report of the directors and the balance sheet, &c., be taken as read. This having been unanimously agreed to, he said: Before proceeding to deal with the actual business matters before them, he would like to congratulate those present on the fact that they were able to meet under conditions which were so very much more favourable than existed when they last met together. It was a great relief to them all that the enormous destruction of life and property which had gone on for the last four and a-half years had been brought to a cessation; and, although the military operations had not entirely ceased, they were comparatively unimportant. There seemed every prospect of the terms of peace being arrived at without a renewal of hostilities between the principal belligerents. There was also the stupendous task of reconstruction in front of them, which on the whole appeared to be receiving vigorous attention. He then moved the following resolution: "That the report of the directors and the balance sheet of the Bank as at December 31, 1918, and the report of the auditors thereupon, be received and adopted, and entered in the Book of Proceedings."

This was the fifth meeting of shareholders held within a period of twelve months, so they would not be surprised if his remarks were as brief as possible.

Cotton Trade Position.

The cotton trade was at present in a position which was somewhat difficult to define, and about which opinions varied considerably; one thing was certain, that the large profits which had been made during 1918 by spinners, manufacturers, and others, were not likely to be repeated this year. Perhaps the chief cause of that was the uncertainty as to the outlook in the immediate future, rather than any definite knowledge that the outlook was less satisfactory than at present. In view of the facts that most of the markets abroad were practically without stocks, and that as the result of the War certain other markets would be freely developed which had been handled with difficulty in the past, there seemed good reason to believe that a very strong demand would set in before very long, especially from those countries which had been able to sell their products of the soil at high prices during recent years. As against these considerations, our costs of production had greatly increased; and our competitors, especially in the Far East, had been able to steal a march upon us. The demand for cotton goods arising out of the War had been greatly diminished by the suspension of active operations, but it was not unreasonable to hope that results would be fairly satisfactory to all concerned, if the political situation were not disturbed, and if demands of an excessive nature were not made by any considerable section of the community.

Government Control of Woollen Trade.

With regard to the woollen trade, Government control still remained, but one could look forward, perhaps, with rather greater confidence as regards the present year than was felt with regard to the cotton trade. The sources of demand for woollen goods were perhaps better understood by the producers here than were the sources of demand for cotton goods, the consumers being, as a rule, in closer touch and communication with ourselves. The military demand for woollen goods was of a different character than that for cotton goods, and would continue for some time yet, especially in view of the necessity for providing "civil" clothing for the men who were discharged from the various

armies. At the same time, he thought that the woollen and worsted trades were a source of great anxiety to those engaged in them, because of the great uncertainty of the future of raw material. No doubt they were all aware that the Government had purchased the Australasian supplies up to June 1920, and having purchased those supplies made it difficult to know how soon the trade would be able to resume free acquisition of the articles. The English crop for the next season would not be subject to Government control.

Engineering and Building Trades.

Agriculture was still prosperous, and it appeared unlikely that prices of food would fall to such an extent in the near future as to render farming operations unsatisfactory. The position with regard to shipowners was much the same as when he addressed them in July last, namely, that the bulk of the shipping was still under Government control; but vessels were to be released on an extensive scale soon. With regard to colliery proprietors, the same might be said, but it was difficult to say when the output of coal would return to normal. In the engineering trade great changes had taken place. Most concerns were engaged on the production of war material, but this had generally been discontinued; and many important works were reverting to their ordinary trade and supplementing them with new lines which they felt to be necessary to keep employed the largely extended plant which they had erected in order to increase their war production. The very extensive requirements of the world in general for machinery and allied productions was giving great confidence to this trade; and there was no doubt that the important part which it had played in the past would be enhanced in the future. The building trades were looking forward to a very active time. It was difficult to see how speculative building of small house property could be revived in the near future, owing to the very great cost, but houses would have to be erected by somebody, and this would provide a great deal of work for those engaged in the trade. With regard to the food trades, the position was not very materially changed since July last, and the conditions caused by the unavoidable Government control, and by the shortage of supplies, were still very much in evidence.

The Future.

On the whole the impressions formed as to the future were not unfavourable. Probably none of them would live to see the sorrows and losses caused by the War completely pass away; but they had great confidence that there was a general desire to do all that was possible in the direction desired; and that they might go forward with some amount of hope.

Substantial Increase in Net Profit.

Turning to the affairs of the Bank, in particular, the directors thought that the alteration of the date of the annual general meeting from July to January would prove a great convenience to all concerned. His Lordship, continuing, said that nothing need be said about the increase of capital mentioned in the supplement to the report. The step had received justification from the fact that although, as they believed, this Bank was the first to obtain the consent of His Majesty's Treasury to an increase of capital, nearly all the important banks had since adopted a similar course. With regard to the absorption of the "East Morley and Bradford Deposit Bank, Limited," it was not necessary to say anything, except that all that had happened with regard to that transaction had been entirely satisfactory. The shareholders would observe that the net profit, £117,566, showed a substantial increase over the last half year, which in itself was a "record"; and he could assure them that this item had been arrived at after making every provision that could justifiably be made, from the most cautious point of view. (Hear, hear.) The present market value of the 6s. new share—added from profits—plus the advantage given to the shareholders on the issue of the new shares, was equal to about 35s. per share on the basis of the present market value of the shares.

Liquid Assets.

Coming to the balance sheet, the total "liquid" assets amounted to £19,699,832, and were nearly double the amount of the overdrafts; and represented about two-thirds of the Bank's liabilities to its depositors and others. The strength of this position was so obvious that it needed no comment from him. The turnover of the Manchester Bankers' Clearing House was a frequent subject of remark, in view of its enormous increase, and the shareholders would be pleased to know that the Bank's share of the Clearing House turnover showed a larger percentage of increase than did the total of the whole of the Clearing House. (Applause.) In conclusion, his Lordship said they had passed through a very difficult time, and the directors felt that they owed a very great deal to Mr. Forrester, the managing director (the subject of another resolution later on), and he wished to say, then and there, that they were very greatly indebted to his great ability and clear-mindedness in dealing with the situations as they arose.

Mr. A. H. Bright and Mr. G. C. Haworth were re-elected directors; and votes of thanks were given to the directors, managing director, and staff.

WEST YORKSHIRE BANK, LIMITED.

The report of the directors of the West Yorkshire Bank, Limited, was presented to the shareholders at the 89th annual meeting which was held at the Literary and Philosophical Society's Rooms, Halifax, on January 29. Mr. J. H. L. Baldwin took the chair, and was supported by co-directors in Mr. J. H. Kaye, Mr. R. Whitworth, Mr. F. D. Moore, and Mr. E. J. Crossley, with the general manager (Mr. V. W. Wanklyn), and the secretary (Mr. G. W. H. Bennett).

The Chairman, in his opening remarks, referred to the absence from the meeting of Mr. G. Sutcliffe and Mr. W. Foster, directors. The latter, he said, was seriously ill, while Mr. Sutcliffe was detained by the illness of Mrs. Sutcliffe. In each case he was sure the shareholders would wish him to express their deep sympathy.

Proceeding, the Chairman said:

The Chairman's Speech.

Gentlemen,—Before I pass to the business of the meeting there is a matter that I feel everyone here would wish to be referred to, first, and that is the loss this bank has sustained by the death of its late Chairman, Mr. Howarth. Mr. Howarth had been general manager of this bank for eighteen years and for the last three years he had carried the dual responsibility of general manager and Chairman. By his death a great personality has been removed from this bank and town. He was not a man who talked for talking's sake, but he always impressed his audience when he did make a speech and there was always strong sense in what he said. On the board we greatly miss his wise guiding hand and his infallible gift for getting to the root of the matter. In the town he is missed in many directions, as his interests were wide and his sympathy great. He died in harness and at the zenith of his influence, which it is not given to every man to do. He served this bank well and faithfully and the shareholders owe him a deep debt of gratitude. The board have appointed Mr. Wanklyn as general manager and have every confidence that the traditions of the bank will be upheld by him. During the year the board have also suffered further loss by the death of their colleague Mr. Joseph Blamires and the retirement of Mr. Richard Moore. Both these gentlemen had wide knowledge of the trade in their districts and great business acumen, and the board is greatly the poorer by their removal. We have been fortunate, however, in persuading Mr. Fred Denby Moore to join the board in his father's place, and I can congratulate the shareholders on the acquisition of a member of the board who has already proved himself an asset of great value to the bank. We have also been able to secure the service of Mr. E. J. Crossley as a member of the board and I am sure that the shareholders who have had the opportunity at previous meetings of hearing his speeches and capable criticism will join in thinking that the board is strengthened by his inclusion.

War Service of the Staff.

I am sure that you would like to have some particulars of the extent that this bank has been called upon to furnish recruits to the Army. A total of 105 have joined the forces during this War, and of this number nine have been killed, one is missing, believed killed, four have been taken prisoners (now happily repatriated), and 25 have been wounded. The names of those who have made the supreme sacrifice for this country are:—J. T. Carter, T. K. Spencer, J. Crowther, J. W. Holt, T. Ostler, J. H. Greenwood, F. W. Davison, W. R. Oliver, and W. H. Stocks, and the missing man, whom unhappily we must believe to be killed, is E. M. Denham. With the relatives of all these I am sure you would wish our deep sympathy to be expressed. There is the brighter side to this war story, and that is the distinctions that have been gained. These are: Keith Sykes, M.C. and bar, Croix de Guerre with palm; H. Radcliffe, M.C.; R. S. Haddon, M.C.; H. J. Greenwood, M.C.; J. H. Sykes, M.M.; F. W. Davison, M.M.; H. Wadsworth and G. T. Darwent, Certificate of Gallantry. Thus, I think you will agree, is no mean percentage of the number serving. To replace those serving in the Army sufficiently to allow of the business being carried on we have had to employ 102 lady clerks, typists, etc. And now I have say a word of thanks to the staff generally. The whole staff, men and women alike, have worked splendidly in the service of the bank, that is, your service, and they have carried on business in such a way that I do not think any customer of the bank has had any cause for complaint.

An Eventful Year

It now becomes my duty to move the adoption of the report and balance sheet, and I think the shareholders will agree with me that I can fairly congratulate them upon it. For some time the board have contemplated the possibility of increasing the dividend, and they consider that the time has arrived when, without prejudicing the position of the bank, they can fairly recommend an increase of the dividend to 15% per annum. The year that we have passed through has been a most eventful one. It has seen the break up of the enemy countries, followed by the conclusion of an armistice, after we had experienced many severe qualms at the time of the great German offensive in the spring and summer of the year. Happily the time of those difficulties is over and we hope that the Peace Conference now sitting in Paris will be able to arrive at a peace which, whilst absolutely just, shall at the same time assure that the peace of the world shall not again be broken to satisfy the swollen ambitions of a small clique of men.

Pernicious Effect of Excess Profits Duty

There is one thing that it behoves us to remember, however, and that is that, though we may have won the War, we have very many difficulties ahead of us before we can see this country again on anything approaching pre-War conditions. It is impossible to break up all the intricate system of trade and finance throughout the world and to set it going again at a moment's notice. The years to come will bring many and great difficulties to surmount, which can only be successfully overcome if every one recognises that it is his bounden duty to economise and, as far as in him lies, to help to increase the production of the country. There is no other road to a happy future of this country. Unfortunately the war conditions have not tended altogether to teach the nation economy. Some sections of the people have got money easily, and have seen no reason why they should not spend it freely. Business men have been tempted not to scrutinise expenditure as they did before the war, on account of the pernicious tendency of the Excess Profits Duty to make them say "Oh, we shall only have to pay 20% of this, the Government pays the rest." For this reason, as also because the excess profits duty strangles all attempts at expansion, I hope that the Government may see their way to remove this duty, or, at all events, greatly diminish it, at the earliest possible moment. I am quite aware that it is asking a Chancellor of the Exchequer a great deal to ask him to give up a duty that has been the means of bringing hundreds of millions into the national coffers, but it would be in the real interests of the nation to do so. A Government Committee has recently reported on the risks that traders will run in holding stocks after the War in view of the probable fall in values, and, as you may have seen, they reported that the excess profits duty would be mainly responsible for such losses by having taken away the means of creating reserves which prudent traders would have been sure to have set aside against such a drop. They recommended that the Government at the earliest opportunity should modify the duty on one of two alternative lines suggested by them. It is to be hoped that the Government will see their way to at all events give the suggestion of the committee as a minimum. But there are many other rocks ahead in the path of the trader in this period of reconstruction after the War, and by no means the least is the possibility of serious labour troubles unless there is reason shown on both sides. It may be that for the next year or two we shall have trade so good that we can carry any load on business, but later on, when the empty shelves of the merchants and the retailers' stock rooms are filled and we have once more to compete with the full competition of the world (much intensified as it will be by the imperative desire to increase production), then we may feel with redoubled force the burdens of higher costs of wages, coal, and every other item of expenditure.

The Balance Sheet

Now to turn to the balance-sheet. On the front page you will notice that the net profits have risen from £91,702 11*s.* 11*d.* to £96,400 3*s.* 4*d.* This, the directors consider, now justifies them in increasing the dividend, as I stated before, to 15%. They propose that a sum of £20,000 should be added to the reserve, bringing that fund up again to £400,000. Also that £10,000 should be written off the bank premises account. Not that they consider that the bank's various premises are not fully worth the sum at which they stand. They certainly are. But it is a sound and desirable policy to write them down when we can afford the luxury of doing so. After these various items have been provided for we have a balance to carry forward of £25,153 12*s.* 9*d.*, or about £6,400 more than last year. I don't propose to go through the various items of the balance-sheet, as you have your copies before you and can see where there are any differences. Those differences are only due to the ordinary course of business of the bank, and do not call for any comment. To conclude, I congratulate the shareholders on the results of the year and on the increased earning power of the bank. And I formally move the adoption of the report and balance sheet.

Future Anxieties

Mr. Kaye, in seconding the adoption, associated himself with the Chairman's sympathetic remarks in reference to the loss of Mr. J. H. Howarth and Mr. J. Blamires. Mr. Howarth was a man well known to all. By his patient and able managership he was able to work the bank up to its present proud position. All joined in the expression of sympathy to Mrs. Wanklyn. After a reference to the collapse of the War and the peace negotiations, he said that at home we were faced with serious anxieties through the industrial strife which had broken out with greater intensity than had been known before in the history of the country. No sooner was one section appeased by larger wages or shorter hours, than they at once began to agitate again, and so the game went on in what had been rightly termed a vicious circle. A pessimist might draw a lurid word picture of the situation, but he did not think there was any great danger of Bolshevism in this country, because the majority of the men and women took sane and moderate views. These recurrent strikes ought not to be possible, especially in those industries like gas and trams, which catered for the common weal, but he believed the present phase would pass away. In conclusion, he congratulated the new Chairman and manager on their maiden report and balance sheet, which established record progress.

The motion was carried without further comment.

The Element of Force

The Mayor of Halifax (Alderman H. Clay) moved a vote of thanks to the directors. Speaking of future problems, he said it was something of a paradox that while representatives of the Allied nations were met in Paris with the principal object of making regulations to prevent force dominating international relationships, on the other hand it did seem as though the element of force was being used in the settlement of our internecine troubles. If it was desirable that international matters should be reasoned out, it was of equal importance that the troubles at home, many of them small troubles, should be settled without recourse to force. ("Hear, hear.") If we were to be subjected to these constant interruptions, it would be impossible to carry into effect the desires of employers and employed. Of course a man could not be compelled to work, but if the general body of the public made up their minds that when disturbances arose through any unreasonable action on the part of employers or employed, the dispute shall be settled by arbitration, it could easily be done.

An Unknown Country

Mr. Prior Allen seconded the motion, which was carried unanimously, and in response Mr. R. Whitworth said it was not often a board had suffered such severe losses in personnel as they had done in the past year. However the new Chairman seemed to be working very well (laughter)—and he was pleased with the two new directors. From a financial point of view, bankers in the next two years were going to wander into an unknown country. The directors knew they would have to face matters for which there was no precedent, and therefore they were prepared for any uncertainties which might arise. (Hear, hear.)

Appointments

On the motion of Councillor Mackintosh, seconded by Mr. J. Whitaker, the latter recalling that Mr. Moore's grandfather was a Chairman of the bank, the appointment of Mr. F. D. Moore and Mr. E. J. Crossley as directors was confirmed. Mr. J. H. Kaye and Mr. R. Whitworth were re-elected to the board on the motion of Mr. F. Holroyd, seconded by Mr. H. H. Stocks.

The auditors, Messrs. B. and E. Musgrave, were re-appointed, on the motion of Mr. J. W. Horsfall, seconded by Mr. Oates Webster.

Thanks to Staff

A vote of thanks to the officers, moved by Mr. F. Sykes, and seconded by Mr. J. W. Aked, was responded to by Mr. Wanklyn, who recognised the difficult position he had to fill in following Mr. Howarth, but it would always be his endeavour, he said, to follow the example he set. The vote would be conveyed to the staff, and he must say that the shareholders were to be congratulated upon the work, good feeling, and willingness displayed during the past year. They had had troubles, as everyone had, making the work hard at times, and during the latter part of the year they were handicapped very seriously by the influenza. However, there was no grumbling, and those left on duty filled the gaps. (Applause.)

Mr. J. E. Brearley moved and Mr. Roberts seconded, a vote of thanks to the Chairman, the carrying of which ended the harmonious proceedings.

THE PALATINE BANK, LIMITED.

The nineteenth annual ordinary meeting of the Palatine Bank, Limited, was held at the Head Office of the Bank, 22 Brown Street, Manchester, on Thursday, January 23, 1919, Mr. Walter Lees, Chairman of directors, presiding.

The Chairman, in moving the adoption of the report and accounts, said: After passing through a period fraught with such grave national danger and anxiety, it gives me very great pleasure to address you to-day under the happier conditions which now exist. I now wish to refer to the balance sheet. In comparing the figures of each item with those of a year ago, you will find a considerable increase in every direction. The paid-up capital shows a small increase, the directors being of opinion that it was to the best interests of the Bank that the amount paid up per share of the issued capital should stand at the even amount of £5. The reserve fund, with the present appropriation of £3,500, now appears at over five figures. The further increase in the current and deposit accounts to over one million is most gratifying, being at the same time an indication of the established confidence of the public no less than of the growth of business during the past twelve months. As stated in the report, the deposits have increased to their present dimensions from £603,000 a year ago, and from £283,000 prior to the outbreak of the War. They have in effect considerably more than trebled during this period. Turning to the items of the assets side. Cash, at £309,794, compares with £201,548 of a year ago, and amounts to over 30% of liabilities to depositors. You will next observe that the amount of Treasury Bills is almost doubled, while bills of Exchange at £70,183 show an increase of £31,555. The next item, investments, at £216,932, has grown out of all recognition from last year at £55,428, and now consists almost entirely of British Government war securities. The increase is wholly due to the Bank's subscription for War Bonds. The liquid assets at £741,909 are nearly 74% of the Bank's total liabilities to its depositors. This position, I venture to think, will compare favourably with that of any banking institution in the kingdom. Current accounts at £398,692 show an increase of about £50,000, whilst acceptances at £34,826 are some £8,000 higher. It will interest you to note that the full total of assets and liabilities, £1,185,486, compares with £755,085 a year ago. Turning to the profit and loss account, the net profit for the Bank—*i.e.* after providing for all expenses, bad and doubtful debts, bonuses and income tax—amounts to £11,381, as compared with £10,556. I mentioned our reserve fund earlier; now it stands at £11,000, as compared with £2,500 two years ago. We paid in July an interim dividend of 2*s.* 9*d.* per share, and we now propose, subject to your approval, to pay a further dividend of 3*s.* per share.

Mr. C. A. Byrom seconded the resolution, which was unanimously carried.

THE UNION DISCOUNT COMPANY OF LONDON, LTD.

The sixty-first ordinary general meeting of the shareholders of this Company was held at the Cannon Street Hotel, London, E.C., on January 23, 1919, Mr. Arthur Louis Allen presiding.

The Secretary having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—I presume you will allow me to take the report as read. (Agreed.) Since your board had the pleasure of meeting you twelve months ago great and far-reaching changes have taken place. In November last, the Germans confessed a defeat by asking for an Armistice, in the knowledge that they had lost the War in which they had started out to subdue the whole world. The first effect, for which all of us are more than thankful, was the stoppage of the awful carnage that had been going on for nearly four years and a half, and the cessation of hostilities, pending the ultimate Peace deliberations. The issues involved are so far-reaching and vital that even now, some three months since the Armistice, we are not yet in sight of the signing of a Peace which the Allies are determined shall secure to the rest of the world a lasting freedom from a similar or more overwhelming catastrophe in the future. What the final terms may be it is not for me to forecast, but they must be so drastic as to render it impossible for any one nation to impose its will by force of arms on the rest of humanity.

The Effects of Peace.

The cessation of fighting has been an incalculable relief to the world, but it has found it a little difficult to at once start putting its house in order out of the chaos and havoc resulting from nearly four years and a half of the most pitiless and bestial warfare on the part of its enemies that has ever been experienced in history. There can be no return to the old methods: barriers on all sides have been broken down, and radical changes in every direction are the order of the day. The effect of the workings on the Money market is that with which we are most concerned. London has borne the brunt of the burden of financing the huge requirements of the War, and there seems no reason for doubting our ability to continue to carry the burden that Peace will impose. Exactly how we shall be affected it is a little difficult at present to say with any degree of certainty. One, if not the most important, factor, is the amount and the form the restitution from Germany will take, as the Allies are all determined that they shall be made to pay in hard cash or kind for the wholesale destruction they have caused. (Hear, hear.) Naturally, they will be unable to pay down a lump sum that would be in any way adequate, but there is no reason why they should not pay a yearly tax on all their trade, and also, what would be a very substantial amount, a levy on the nation at large, collected on the same lines as those that were imposed by the ex-Emperor when he made his special requisition for his navy in 1913. Such a levy would run into very large figures, and would also have the beneficial effect of bringing it home to the whole German nation that they have been totally defeated, and that war is not a paying investment. Since preparing my speech I have had a very great example of this. In South America a friend of mine has just reported to me that the Germans there are giving it out in the States that they have not been defeated, but have only surrendered conditionally. We here know what that means amongst various nationalities who do not realise the position at all; and, as I say, the effect of a levy would bring it home to everybody very much more than anything else.

Review of the Money Market.

In reviewing the year to which our balance sheet refers the course of the Money market has been on the whole fairly smooth, without any very violent or abnormal fluctuations, and the figures of the report are, I think you will agree, very satisfactory, and reflect great credit on the care that has been exercised by the management in the working of the business. We opened with a Bank rate of 5%, but owing to the easier conditions of the Money market, on January 2 the Clearing Bankers and Discount Houses respectively reduced their deposit rates to 3½% and 3¾%, for "Call" and "Notice," while three months' bills were obtainable at 4%. On this level the market worked until about the middle of February. On the 14th of that month the rate on Treasury bills was lowered to 3½% both for three and six months, and the rate of allowance for money by the Bank of England to the Clearing Banks was reduced to 3% discount on three months' bills falling to 3⅝%. During March special endeavours were made by the visit of "Tanks" to the City to attract the savings of the public and banks and other financial institutions, and at the end of the month the market felt the effect in a considerable shortening of the supply of available cash. April and May were more normal from a Lombard Street point of view, but early in June a noteworthy event occurred in the controlling by the Bank of England of the rates of allowance on deposits. These were fixed at the rate of 3½% as between banker and broker, and 3% to other customers, at which figures they still remain. At the end of the half-year a strong demand for money arose, and necessitated large applications to the Bank of England, which on this occasion departed from the usual course and gave accommodation at 4% for a few days. Throughout the autumn ease and tightness alternated, as the purchase of Treasury bills and War Bonds declined or increased, until the end of October, when the "Feed the Guns" campaign was started, and large sums were invested by the public and others in National War Bonds, causing a temporary lock-up of market funds. In November, when the Armistice was arranged, the situation financially eased very materially, and the market entered the New Year without any indebtedness to the Bank, in itself a most unusual circumstance. An adequate supply of money has been forthcoming since, with the exception of the last few days, when the supply has been largely reduced owing to the very heavy applications for the current issues of War Bonds, which were withdrawn on the 18th. The Bank of England rate remained at 5% for the whole year, and the average rate on three months' bills was £3 11*s.* 9*d.*, as against £3 5*s.* 6*d.*, the average value for short [illegible]

The Balance Sheet.

Turning now to the figures of the balance sheet, you will notice that they show large expansions in nearly all directions. Deposits have increased materially, and bills discounted are also much larger. Securities, too, are higher at slightly over £4,000,000, but while your directors felt it incumbent on them to lend all available support to the financing of the War, they have purposely confined themselves to a great extent to the earlier maturities of the various kinds of bonds that were from time to time offered, so that thereby any loss of capital by falling prices would be greatly minimised, not to say eliminated. Expenses, too, show an increase, two rather substantial reasons being, firstly, allowances made to members of the staff on active service, and, secondly, the employment of a temporary staff to replace those who are absent. While your board of management have exercised the greatest care and scrutiny in that direction, it has been impossible to avoid the figures working out somewhat larger than last year, owing to the universally higher standard of values that has obtained all round, and which has been recognised by increased salaries to the staff. The increase in the item for buildings, &c., is the result of the purchase of the corner block, No. 42 Cornhill, which came into the market during the summer, and which we were able

to obtain at a very satisfactory figure, thereby rounding off your property and materially enhancing the value of it as a whole. Rebate is down from last year owing to the shorter average currency of our holding of bills, which seemed desirable when it is remembered that the rates for both three and six months' Treasury bills were identical for the greater part of the year. With these few remarks and explanations I will now move the following resolution :—

"That the report of the directors and statement of accounts for the year ending December 31, 1918, be received and adopted, and that a dividend at the rate of 13% for the final half-year, less income tax, with a bonus of 1s. per share, free of income tax, be declared payable on and after the 25th inst."

The Chairman, in reply to an inquiry by Mr. Chalmers, stated that the market value of the Company's securities exceeded the amount at which they stood in the books.

After some comments by Mr. Millar Wilkinson, Mr. Tomkinson, and Mr. Goode, the Chairman put the resolution, and it was carried unanimously.

The Hon. Sir W. H. Goschen, K.B.E. : "I beg to propose that Mr. Arthur Louis Allen and Mr. Christopher Robert Nugent be re-elected directors of the Company."

Mr. Fraser : I beg to second that.

The motion was put and carried unanimously.

Mr. Millar Wilkinson : "I beg to propose that Mr. A. Turquand Young and Sir William Plender be reappointed auditors of the Company at a remuneration of 200 guineas each per annum."

This was seconded by Mr. C. St. John Crampton and carried unanimously.

The Chairman : I have now very much pleasure in moving a vote of thanks to the managers and the staff for the able manner in which they have conducted the business during the past twelve months.

Sir Robert Balfour, Bart., M.P. : I beg to second that.

The resolution was put and carried unanimously.

Mr. Nugent replied, and the proceedings terminated with a vote of thanks to the Chairman, proposed by Mr. Chalmers and seconded by Mr. Millar Wilkinson.

NATIONAL MUTUAL LIFE ASSURANCE SOCIETY.

The eighty-ninth annual general meeting was held on January 29 at 39 King Street, E.C., the Hon. Mark F. Napier (the Chairman) presiding.

The Actuary and Manager (Mr. Geoffrey Marks, O.B.E., F.I.A.) read the notice and the auditors' report.

The Chairman, in moving the adoption of the report and accounts, said : Dealing first with the new business, it is gratifying to note that in life business it is nearly equal to the last pre-War year, and is more than double the total for 1917. This satisfactory showing is largely due to the success of our War Bond scheme, which has not only been a valuable means of extending the Society's connections, but has rendered good service to the State. We are still in a position to continue the issue of these policies, and can offer, not bonds of the new series, but those of the old, which are better, as they carry the option to convert into 5% War Loan. We have only a limited amount which we can thus use, and judging from the number of applications which we have received within the last few days early application by those who want them will be necessary, as the supply is being rapidly absorbed. The claims by death show remarkably favourable results. After deducting War casualties, amounting in the year to £27,300, they are by far the lowest of any year since 1895. Even if War casualties be included, they are higher by only £7,000 than those of 1910, which is the lowest year on record. A united effort is being made by the life offices to obtain compensation from Germany in respect not only of those lives which were lost owing to illegal enemy action exercised by means of submarines and air raids, but also of those who, owing to the War forced upon the country, have served either as volunteers or conscripts. In one other respect the lightness of the claims is remarkable, because we have passed through the severest epidemic of influenza yet known in the world, to which cause £5,800 of our claims are to be attributed.

The Society's Funds.

The funds show a gratifying increase of nearly £190,000, while the proportion invested in British Government securities has risen from £430,000 to £883,000. All our available surplus revenue has been placed at the disposal of the State, and in addition we have sold an important City freehold on very advantageous terms and invested the proceeds in War Bonds. It is satisfactory to note that 28% of our assets are invested in those bonds, which, having regard to the date and terms of redemption, can hardly be affected by depreciation. The gross interest revenue shows a small decrease of £1,500 for the year. This is due to the non-payment of about £2,800 of interest on Russian Government and Municipal bonds. This unpaid interest may be recovered in time, but no credit has been taken for it, nor for any enemy interest which has been unpaid during the War. Owing to the causes just mentioned there is a slight fall in the gross interest yield, while they and the heavy increase in taxation have caused a fall of 9s. 10d. per cent. in the net yield. Nevertheless this net yield will compare favourably with that of other offices, and the drop is more than compensated by the very considerable profits which have been made on our reversions. The income tax which we have paid during this quinquennium exceeds by nearly £76,000 the sum paid during the quinquennium 1909-13. But for this increased taxation we should have been able to maintain a 36s. compound bonus and to carry forward a substantial sum, notwithstanding the heavy depreciation in our securities and the large amount which we have paid away in War claims. The life annual premium income has made substantial progress, largely on account of our War Bond scheme. It exceeds that of 1917 by £21,000, and that of 1914, the previous best year, by £8,200.

Valuation Report.

I do not think that I can add much to Mr. Marks' detailed report. It gives a straightforward statement of the position. All our assets stand at selling prices. There is no juggling with the values of "redeemable" securities, and at present a considerable portion of our National War Bonds stand below par. The surplus shown is, therefore, a genuine one, obtained on a perfectly sound valuation of our assets and without the slightest relaxation of stringency in the actuarial basis on which our liabilities are valued. We are invariably the first office to publish both its annual and quinquennial results, and we cannot, therefore, compare our position with that of other offices which value at the end of 1918. If we go back to the end of 1917 we find that the surplus disclosed in the case of the ten offices, many of them of the first rank, then making a quinquennial valuation, was on the average 3% of their liabilities. Our surplus is 6.7% of our liabilities, although the offices referred to brought into their account one more year of peace results than we. In the years 1916-1917, out of 31 offices making their periodical valuations no less than 26 made no general bonus declaration. The board have felt it right to protect as far as possible the interests of the older policyholders whose policies may not be in existence in 1923 by declaring a liberal interim bonus which will date back to 1914. A general distribution might have been made, and a bonus declared which, compared with that of other offices, would have been liberal, but the uncertain financial outlook and the present unsettled state of Europe decided them not to incur this responsibility until the horizon becomes clearer. I would remind you that we have not passed a bonus, but have only deferred it. When the bonus is declared it will date back to 1914, including the whole War period. In the meantime we are carrying forward an undivided surplus of nearly £185,000.

Mr. A. K. Tharp (Deputy-Chairman) seconded the motion, which was carried unanimously.

METROPOLITAN TRUST COMPANY, LIMITED.

The twenty-first ordinary general meeting of this Company was held on January 28 at Gresham House, Old Broad Street, Mr. Robert Fleming, the Chairman, presiding.

The Secretary (Mr. H. Carlisle) having read the notice convening the meeting and the auditors' report,

The Chairman said : Gentlemen, at last, after more than four terrible years of world-struggle, we meet with an assured confidence that the world-bane of Prussian militarism has been destroyed, and that soon, for a time at least, men will be forced to beat their swords into ploughshares. Let us hope further, with Isaiah, that "Nation shall not lift up sword against nation, neither shall they learn war any more"; or, if this may seem still impossible of accomplishment, that the Allies may stand together for permanent peace. Backed by their united moral and economic force, few troubles would fail of peaceful adjustment.

The end of the War opens out a new vista of difficult problems dealing with the restoration of pre-War conditions and that further expansion of trade which we must achieve if we are to carry the burdens which the War has imposed upon us.

Turning from West to East.

Without seeking to detain you by dwelling on the larger and more important aspects of the problem, such as the relations between labour and capital, taxation, the present universally high costs, the nationalisation of railways, &c., elsewhere repeatedly discussed, there is one angle of it really germane to an investment company like our own to which I might appropriately refer. If you look at the report you will see the "Classification according to Countries" of your investments. Our largest holding is still in the United States, and of this holding the bulk is lent to our own Government. The United States, owing to the War, has become a creditor country. It has more—much more—owing to it by other countries than it owes to them. For the past 46 years it has been my work to visit the States annually and to invest British money there. The probability now is that that business in its larger aspect has come to an end, and the greater likelihood is that America, if it is to collect the interest on the debt Europe owes to it, must invest money on this side. The rolling years bring wondrous changes. Having helped to build the

railways and cultivate the wide spaces of the New World, we may have to turn our faces eastward and redelve the Garden of Eden. Mesopotamia is a land that Western effort may cause to overflow with wheat and oil, if not with milk and honey. Africa is a continent as large as the United States of America, Mexico, Australia, and Europe put together, or, say, three times the size of the United States, and with only 30,000 miles of railway against their 260,000 miles. Further East Asia's teeming millions have scarcely begun to be reached by iron highways. Our little island has always been in the van of enterprise abroad.

The Adventurous Spirit.

Passing through the Royal Exchange the other day I noticed a brilliant fresco, "Philip the Good presenting the Charter to the Merchant Adventurers." More than 400 years have passed since then, but we have shown no falling-off in the adventurous spirit. In the century which closed 19 years ago each decade saw new fields explored, new railways, harbours, tramways built, ocean cables laid, gas, water, and light provided, new mineral regions discovered and developed. Even since the opening of the 20th century what enormous amounts of the savings of our people have gone into two industries essentially new but now important in the highest degree—Eastern rubber and oil: probably not less than £250,000,000. A continuance of this adventure of capital into an extension of the civilising agencies of the world is essential to our continued prosperity. It is not enough that we sell coal and manufactured goods to buy food and raw materals. It is necessary that our home manufacturers should equip themselves with plant in all respects up to date and strengthen themselves financially for the peaceful struggle that must follow the War, and I am glad that they are doing so, and our own and other trust companies are helping substantially; but we must do more and continue to export British capital and also the skilled British men who everywhere are placed in charge of British enterprises and help to raise our prestige throughout the world.

The Burden of Taxation.

It is depressing to think that the taxation which the War will entail must have an evil effect on the continuance of our country as the favoured home of capital and of international enterprises, and no stone should be left unturned to reduce, if it be possible by appropriate legislation, this evil effect. I doubt if manufacturers or the public generally fully understand the importance of this matter. I noticed in the report of Mr. W. S. Barclay, who accompanied the recent Bunsen Mission to South America, this sentence under the section dealing with the Argentine: "Few realise how large a proportion of British imports to Argentina is due to the requirements of British-owned railways and kindred enterprises." The Chairman of one of the British Argentine railways told me the other day that his Company alone bought annually in peaceful times 350,000 tons of British coal. Without a continuance of the export of capital—and this really means mainly an export of manufactured goods and the employment of our ships—to sustain and extend these enterprises throughout the world, British trade cannot advance as it has done in the past. I do not suggest that we can immediately encourage investments abroad in the absolutely free and unrestricted manner of pre-War days. Then we financed not only our own trade, but that of our competitors. Finance and industry should go hand in hand, and manufacturers should so strengthen themselves, as they are doing, that they can bear their part in these overseas contracts. I am glad to see combinations among manufacturers resulting in the ability to supply complete installations of electric enterprises. If this were followed up by the formation of a company to take the securities resulting from such new projects—just as the General Electric Company of America (which has a capital of over £20,000,000) formed the Electric Bond and Share Company, having a capital of over £3,000,000—a further advance would be made in the direction of practical results. The British Trade Corporation will doubtless fill a useful *rôle* in this direction, but it cannot be expected to be wet nurse for all the babies manufacturers will produce. If we fail to continue expanding our overseas industrial possessions, America will take our place and industry at home will languish. Gentlemen, it has not been customary to go over the report in detail. It has been in your hands for some time, and, as you know, it shows progress both in revenue and in capital market value.

We are in a period of transition, but that will end, I hope, within a reasonable time, and when we meet next year I trust we may be able to report still further progress.

With these remarks I beg to move:—"That the report and accounts, as presented, be, and they are hereby received, approved and adopted, and that a dividend of £2 5*s.* per cent. on the Preferred stock, less income tax, making with the interim dividend £4 10*s.* per cent. for the year, and a dividend of £6 10*s.* per cent. on the Ordinary stock, less income tax, making with the interim dividend £12 per cent. for the year ended January 2, 1919, be and the same are hereby declared."

Mr. Henry A. Vernet briefly expressed his pleasure at seconding the resolution, which was carried unanimously.

On the motion of the Chairman, seconded by the Right Hon. Viscount St. Davids, the retiring director, Mr. H. A. Vernet, was re-elected; and the auditors, Messrs. Deloitte, Plender, Griffiths and Company, were re-appointed for the ensuing year, on the motion of Mr. Russell B. Reid, seconded by Mr. John Dick.

The proceedings terminated with a cordial vote of thanks to the Chairman and directors.

Extract from "The British Trade Journal" January 1 1919

BANKS AND FOREIGN AND COLONIAL TRADE.

A QUESTION now frequently asked is, What preparations are being made by the banking institutions of the United Kingdom for the development of its trade with the British oversea possessions, and with foreign countries? The banks must not wait until the peace treaty is signed and ratified, for even at present the war shackles imposed on trade and industry are being gradually taken off. The country must lose no time in resuming the highly profitable business of foreign and colonial trade, and the banks must be ready to assist. All wh...



THE

ANGLO-SOUTH AMERICAN BANK, LTD.

is organised for Overseas Trade.

29 Offices in the principal cities of Argentina, Chile, Uruguay, U.S.A., France and Spain.

Manchester Agency : WILLIAMS DEACON'S BANK, LIMITED, MOSLEY STREET, where our own Representatives are in daily attendance for the greater convenience of Traders.

Yorkshire Agency : WEST YORKSHIRE BANK, LIMITED.

Belfast Agency : NORTHERN BANKING COMPANY, LIMITED.

Correspondents throughout the World.

Head Office: OLD BROAD STREET, LONDON, E.C. 2.

AUSTIN MOTOR COMPANY, LIMITED.

Report of Shareholders' Meeting.

An extraordinary general meeting of the Austin Motor Company, Limited, was held at the registered offices of the Company, Longbridge Works, Northfield, on Monday, January 20, 1919.

The object of the meeting was to pass a resolution increasing the capital of the Company by the issue of £1,000,000 6 per cent. "B" Preference shares. This was carried unanimously.

The Chairman and Managing Director, Sir Herbert Austin, K.B.E., M.P., in introducing the resolution made the following remarks:

Gentlemen,—As you will see from the notice calling this meeting, it is proposed by the directors of the Company that the capital should be increased by the creation of 1,000,000 Preference shares of £1 each, and no doubt the shareholders would like to know a little about the work done, and proposed to be done, by the Company to warrant such a big increase in the share capital.

As it will be remembered by most of those present, the Company had, at the outbreak of war in 1914, just commenced to increase its operations and benefit by the £250,000 new capital received in the early part of that year.

Naturally the outbreak of war interfered very much with progress, and many of the contracts on hand were cancelled or reduced, but demands from our own Government and from Russia soon taxed to the utmost the resources of the works, and in a few months necessitated big increases in the buildings and plant.

Shell Manufacturing.

Early in 1915 the urgent demand for shells developed into a national emergency, and your Company stepped into the breach, with other firms, and commenced the manufacture of 18- and 15-pounder shells in large quantities.

The arrangements made at Longbridge were so successful that almost every shellmaking firm in the country was glad to inspect the methods employed, and we were instructed by the War Office to produce and circulate full details of the tools and operations we used to other contractors for their guidance.

The result of the manufacture of those 18-pounder shells gave such satisfaction to the Government that your Company was instructed to lay down and equip large workshops for the forging and machining of 9.2-inch shells. Here again the success attained by improved methods and special equipment soon drew attention from all quarters.

Outputs per man-hour were obtained far in advance of anything that had been previously accomplished either in this country or elsewhere. When further and larger quantities of 8-inch and 18-pounder shells were required in 1916 and 1917, instructions were again received to lay down two very large works, which are now called the North and West Works, to deal with outputs of considerable magnitude.

Output Increased by Leaps and Bounds.

In the contracts for these works your Company stipulated, owing to their being laid down on the Company's land, that the Company should have an option to purchase both the workshops and the power plant at a valuation at the end of the War.

While these large and important operations were being carried on for shell manufacture, demands were made to increase the facilities for the manufacture of aeroplanes and aeroplane engines, armoured cars, lorries, and electric-lighting sets at the South Works. Big shops were laid down for this work, and the output went up by leaps and bounds.

The difficulty of obtaining labour warranted your Company in providing accommodation for its growing personnel by purchasing some 123 acres close to the works and erecting thereon about 250 houses, and also in constructing about 35 omnibuses to carry the workers in outlying districts. Two railway stations have also been laid down adjoining the works, and special train services installed to deal with the passenger and goods traffic.

During the past year the total number of persons employed exceeded 20,000, and the output reached the very large sum of £9,276,717.

Post-War Work. Orders Booked for £4,000,000.

Realising that the facilities at the disposal of your Company for post-war operations would be on such a large scale as to make it necessary to provide a definite policy in advance of the cessation of hostilities, a scheme was drawn up and put into operation which has resulted in our having orders in our books, two months after the Armistice was signed, for nearly £4,000,000 of cars, lorries, tractors, and lighting sets. These orders have been given by the keenest and most important firms in the home country, in the Colonies, and in foreign markets. Many thousands of trials have been given of the new models to the complete satisfaction of everyone, and orders continue to stream in by every post. Most of the foreign and colonial orders are for periods of three years, at increasing figures. At no time in the history of automobile manufacture in this country has such enthusiasm been shown by buyers, or such orders placed, and the resources of the whole workshops and plant at Longbridge will be taxed to the utmost.

Unfortunately it will take about four months to change over the shops and rearrange the plant for the new manufacture, but this is in full swing, and I confidently expect the works will soon be as busy on munitions of peace as they were a few months ago on munitions of war.

Largest and Most Complete Automobile Plant in the British Empire.

Feeling certain that the new capital would be willingly subscribed, your directors have arranged for the options to be exercised for the purchase of the North and West Works—the terms arranged, in the estimation of your board, being quite satisfactory.

It is considered that when the works are in full swing again they will form the largest and most complete automobile plant in the British Empire. The new capital is being taken up by the Beecham Trust, Limited, of 218 Strand, London, W.C., on terms agreed by your directors on behalf of the Company, and it is proposed by the Beecham Trust, Limited, to issue the offer for sale to the public in a few days' time.

BIRMINGHAM SMALL ARMS COMPANY.

Important Announcement.

Owing to the suspension of hostilities, Government contracts for the manufacture of war material have, to a large extent, come to a sudden termination, and many people have been wondering how the present conditions will affect industry, especially in those cases where the building and plant have been increased to enable manufacturers to arrive at the enormous output which the carrying on of the War demanded.

Interviewed on this subject, Sir Hallewell Rogers, M.P., Chairman of the Birmingham Small Arms Company, stated that the call of the Government on his Company for increased output in rifles, Lewis guns, aeroplane parts, and other war material had been simply enormous and persistent, and that in response to that call the Company had increased their buildings and plant to such a huge extent that he was not surprised that he had received many inquiries as to the prospects of successful utilisation of these increased facilities at the present time.

B.S.A. Cycles.

Now that Government contracts were about to terminate the board were fully alive to the possibilities of the situation. Fully recognising the necessity of finding work for its employees, and of keeping up the supply of such guns and small arms as the Government thought requisite, as well as increasing their private trade in small arms, they were adapting their enormous surplus factory space and plant to the construction of cycles, motor cycles, cycle fittings, and specialities on a scale hitherto undreamt of, and they would be able to do this with comparative ease and celerity, and, at the same time, ensure the Company's usual high standard and excellence of workmanship, because they had kept their eye on peace conditions when these enormous extensions were being carried out.

Sir Hallewell emphasised the fact it was quite certain that the requirements of the public and the trade in the particular departments he was now discussing would be most adequately met at the earliest possible time and at a proper price, and that in order to ensure and facilitate management the cycle and motor-cycle, cycle fittings, and specialities department was about to be arranged as a separate Company, under the name of "B.S.A. Cycles Limited," with Mr. C. A. Hyde as managing director, the whole of the shares in such Company being held by the Birmingham Small Arms Company Limited.

Mr. Hyde has been well known in the trade for 30 years, and is the inventor of the Hyde free-wheel. Among the positions he occupies may be mentioned those of president of the Cycle and Motor-Cycle Manufacturers' and Traders' Union, Limited, chairman of the Executive Committee of the Engineering and National Employers' Federation, Birmingham and district; and a member of the Council of Federation of British Industries, of the Executive Committee of the Association of All-British Motor and Allied Manufacturers, and of the Local Advisory Committee to the Ministry of Labour.

BRITISH-AMERICAN TOBACCO COMPANY, LIMITED.

The Sixteenth annual meeting of this Company was held on January 28 at the Central Hall, Westminster, under the presidency of Mr. Joseph Hood, M.P. (one of the Deputy Chairmen), who was, on the motion of Sir Arthur Charles Churchman, Bart., seconded by Mr. S. J. Gillchrest voted to the Chair, Mr. Duke (the Chairman) being absent.

The Secretary having read the certificate of Sir William Plender, G.B.E. (of the firm of Messrs. Deloitte, Plender, Griffiths and Co.), Chartered Accountants, appended to the accounts.

The Chairman said: The factories in England have during the year continued to be largely employed on supplies for the troops abroad and the American factories have also been fully employed. We have continued to make large supplies to the War Office, Navy and Army Canteen Board and other organisations, and to our own depôts for the troops abroad, and the output reaching the Army and Navy, which we estimated a year ago at about 80 of our English manufactures, has been maintained. We have also been making some supplies from our American factories in addition to our ordinary business. Naturally the output for the general export trade has been relegated to the background in some respects, although, taking into account the increased output from our American factories, we have more than maintained our pre-war supplies, apart from the supplies to the troops, which we made every effort to meet. Since the close of our financial year the Armistice has been concluded, and the demobilisation of the troops is now being actively carried out. That means, of course, that our supplies to the troops will materially diminish, and we shall have to endeavour to resume to the best of our ability the normal relations of export trade and extend our sales to make up the loss of supplies to the troops. It will not be easy, especially as shipping facilities are not yet of the best, and the period of transition must necessarily be an anxious time.

During the War the personnel of our English and American factories has been increased to a very large extent, and it will be necessary materially to increase the output of our general trade in order to maintain or even approach the existing volume of manufactured goods. The restrictions on export have not yet been finally removed, although, as you have no doubt seen in the newspapers, the Tobacco Control Board, which, during its existence of nearly a year and three-quarters, has done good work, has ceased to exist. That, I take it, is the first step towards freedom from the restrictions upon the trade, but those restrictions have not been entirely removed, and freights are still very high; in fact, on leaf tobacco they are still 15 to 20 times the pre-war rate. It is, however, expected that at an early date freights will be the subject of competition, and we may hope that within a reasonable time more normal relations will be established. As peace is expected to be declared within the next few months, we hope to be able to resume the complete occupation of our offices at Westminster House, some floors of which, as you know, we placed at the disposal of the Government of Canada and the Ministry of Pensions, rent free for the period of the War and four months thereafter. As our staff returns we shall require more accommodation.

During the year we have continued the payments we were making to the officials and employees in this country who had joined the Colours of certain allowances to supplement the Army or Navy pay allowances, and we have also been making similar payments to our American employees who joined the American Forces. I mentioned last year that our death-roll had reached the large total of 233, and I regret the number now is 338, including 8 missing, out of a total of between three and four thousand employees who have served. We can congratulate ourselves upon the fact that the decorations which our employees and those of the Associated Companies have received now number 133, and include 1 Victoria Cross, 2 Distinguished Service Order, 40 Military Cross, 4 Officer British Empire, 14 Distinguished Conduct Medal, 45 Military Medal, 2 Bar to Military Medal, 7 Meritorious Service Medal, 8 Croix de Guerre, 1 Chevalier Legion d'Honneur, 1 Chevalier Crown of Italy, 2 Greek Order of the Redeemer, 1 Serbian Gold Medal and 1 Belgian Military Medal, as well as 34 mentioned in despatches. We have recognised in a tangible way their gallantry and courage. Seventy-eight of our staff and employees were also prisoners of war, and to them we have regularly sent parcels of food and tobacco. I am glad to say that 62 of them have now returned but, unfortunately, 2 have died in captivity and 14 are unaccounted for.

The Balance Sheet.

In accordance with our practice at the annual meeting, I propose to go through the various items in the balance sheet and make some comments. Taking the assets side first, the item of real estate and buildings, at cost, less provision for amortisation of leaseholds, £674,814, shows an increase of £19,896, principally due to additional expenditure at the American factories and at a warehouse in Liverpool. Plant, machinery, furniture and fittings at cost or under, £491,675, shows a small decrease. There is no change in the item of goodwill, trade marks and patents, which still stand at £879,064. Loans to and current accounts with Associated Companies, £5,277,913, shows an increase of £822,411. This is, to a large extent, due to the increased supplies to the Associated Companies, and to some extent to the additional advances made to them in consequence of the increased cost of leaf tobacco and other materials. Investments in Associated Companies, £5,255,630, shows an increase of £174,452, largely due to additional investments in two of the Associated Companies. Other investments, £107,055, show an increase of £93,826. This is almost entirely due to an investment of £100,000 in War Bonds. Stocks of leaf, manufactured goods and materials at cost or under, £8,654,041, is again the principal item on the assets side of the account and shows the very large increase of £3,092,554. This again is principally due to the large advance in the cost of leaf tobacco, wrapping material, &c. Whilst, in view of a possible reduction of the cost of the future, it is not desirable to increase stocks of leaf tobacco beyond a point which is necessary to keep up supplies, yet it is essential to keep them up to a point to ensure the necessary provision for adequately carrying on manufacturing operations. A proportion of the amount is attributable to the increased value of the manufactured stocks at our factories and depôts. Sundry debtors (less provision for doubtful debts) and debit balances £3,228,895, is up by £505,778, due to the increased prices of goods sold to our customers and also to some extent to increased sales. The last item on the assets side, cash at bankers and in transit, £2,164,301

is up by £475,561. It is, perhaps, well to point out with regard to this item that the item of creditors and credit balances, to which I will refer in a moment, is very largely increased, but taking the whole of the items on the assets side, you will see that they amount to £26,733,400, being an increase of £5,180,886 upon last year, which in itself indicates the large increase in capital which it has been found necessary to employ in the business during the last year.

Turning to the liabilities side of the balance sheet, the issued capital of £4,500,000 Preference shares and £6,254,320 Ordinary shares remains the same as last year. The item of creditors and credit balances, £9,218,293, has again increased as compared with the previous year to the extent of £3,752,636. Some part of this is for indebtedness in respect of leaf purchases, some of it is due to increased amounts owing for supplies, whilst a considerable portion of it is in respect of provisions for liabilities in respect of additional taxation not only in this country but in the United States. Reserves for buildings, machinery and materials, £432,357, is up by £74,037, and the increase in this item from time to time strengthens the balance sheet. Premium on Ordinary shares issued, £226,664, shows an increase of £1,800. The explanation of this increase is that one of the directors who had shares allotted to him in 1912 died before the completion of his five years' agreement, and his executrix had, under that agreement, to pay that amount as the additional price for the purchase of part of the shares allotted to him.

Large Addition to Special Reserve.

Special reserve, £1,157,739, shows the large increase of £871,404. Last year I explained that, in consequence of our inability to obtain permission for the distribution of a number of Ordinary shares of the Imperial Tobacco Company of Canada, Limited, which had been recommended by the directors, but withdrawn at the previous annual meeting, it had been decided to sell, and we had in fact sold, part of the shares to provide us with funds towards the increased cost of leaf and other materials. I further explained that it was our intention to carry the difference between the amount realised and the value at which those shares stood in the books to the credit of the special reserve when the accounts, which are now under review, came to be prepared. That has been done, and will, I think you will agree, materially strengthen the financial position of the Company. The item is larger than the £1,000,000 which I foreshadowed in my remarks last year, because it not only includes the difference arising from the sale of the Imperial Tobacco Company of Canada Ordinary shares, but also a sum arising from the sale of shares in another Company to the extent of about £50,000 which we thought it unnecessary to hold any longer.

Excess Profits Duty.

The general reserve of £1,500,000 to provide against possible losses arising from the War stands at the same figure as last year. Happily the War has now virtually come to an end, although peace has not yet been declared, but so soon as it is, dates for payment of the amounts due to us in respect of our German assets will automatically also be fixed under the agreement made on the sale of those assets. The item in the balance sheet this year has had the words "subject to excess profits duty upon any sums which may be recovered in respect of losses in enemy countries" added, and it would perhaps be as well if I explained that this has been done upon the advice of our auditor, because, whilst we have been assessed in the early years of the War to excess profits duty, the Government allow as a deduction from the profits assessable to excess profits duty certain losses in enemy countries, and only in the event of such losses being recovered, and to that extent, will such deduction have to be written back and become liable to excess profits duty, and it may be that when we have received the proceeds from the sale of our German assets there will be some excess profits duty payable by us. I said last year that it was impossible to say until after the end of the War what our losses would be and to what extent there would be an inroad upon this item. I, however, said that I had no further reason to believe that our estimate of the loss would be greater than that which I had previously mentioned—namely, something approaching half the amount reserved. If, however, we have to make provision out of this item for payment of excess profits duty under the circumstances I have mentioned, it may be that the loss will be somewhat in excess of half the amount previously indicated; but it is impossible, of course, until we know the actual position after the War, to say what the amount will be or to give any reasoned estimate.

The Year's Profit.

There only remains one item—namely, profit and loss account balance of £3,380,837. The profits for the year amount to £3,140,174, after making provision for excess profits duty for the year—which is, I may say, in itself quite a substantial amount—as compared with £3,105,002 for the year ended September 30, 1917, before making provision for excess profits duty for that year. You will see that in the report our estimate of the excess profits duty for the year 1916-17 is £560,000. It would probably have been more accurate to say "the balance of estimated excess profits duty," as we had already provided in that year on account of any possible liability the sum of £200,000, thus making a total of £760,000 as the present estimated liability for that year. It will, however, I think, be quite clear to you that our profits for the year under review are considerably in excess of those of the previous year, because of the provision which has been made this year for the estimated total liability to excess profits duty for the year, whereas in the previous year we only had provided the £200,000 against a liability which is now estimated, as I have just mentioned, at £760,000.

Dividend.

The available balance standing to the credit is now £3,380,837, out of which the directors recommend the distribution on the 31st inst. of a final dividend (free of British Income Tax) upon the Ordinary shares of 6%, amounting to £375,259, making 30% for the year, as compared with the same last year, and leaving £3,005,578 to be carried forward. In effect, by reason of the increase in the rate of income tax by 1s. in the £, this is equal to a distribution upon the Ordinary shares of nearly 3% in excess of last year. We seriously considered the question as to whether we ought to recommend an increased distribution upon the Ordinary shares as the earnings would have warranted it, but we felt that we could not do so at present owing to the impossibility of foreshadowing what capital it would be necessary to employ during the coming year. The whole of the surplus of over three millions is invested in the business of the Company, with the exception of £100,000 in War Bonds, and, whilst we were indebted to our bankers on September 30 last in a considerable amount, which has been increased by further loans since, the cost of leaf this season has been materially increased even as compared with that last year, and other materials show no reduction—in fact, the contrary. At present it is obvious that the whole of the money we have in the surplus carried forward and the additional capital raised by loans from our bankers since the close of our financial year are still required in the business, and, in fact, the capital employed may have to be further enlarged. It would not, therefore, be prudent on our part to recommend a larger distribution in the way of dividend. Whilst we have had no difficulty in borrowing whatever sums are required for the business, the directors will, if they think it desirable and necessary to do so, have recourse to other methods open to them by increasing the capital of the Company, but they must be largely guided in coming to the conclusion when they know whether the higher cost of leaf and materials is substantially maintained or not. Again, as I pointed out last year, this Company, in common with others, may be left with stocks bought at high prices at the close of the War, and prudence has, therefore, to be exercised more at this time, when that consideration must largely influence the minds of the directors in forming a conclusion as to the dividends to be paid.

Our output during the year was largely in excess of that of any previous year, and for the first three months of the present financial year—viz. October to December last—it is slightly up even on those record figures. It is, however, impossible to say what effect the changed circumstances will have upon the output for the remaining months of the year, or whether we shall be able at the end of it to present as good a balance sheet as the one now before you. I now formally beg to move the adoption of the report and balance sheet for the year ended September 30, 1918, including the payment on January 31 instant of a final dividend of 6% upon the issued Ordinary shares, free of British income tax. As you are aware, the directors have declared for the year 1918-19 an interim dividend of 6%, free of British income tax, also payable on the 31st inst., so that you will receive upon that date 12%.

Mr. Lawrence Hignett seconded the motion, which, after some congratulatory remarks, was carried unanimously, and the retiring directors and auditor were re-elected.

Mr. G. W. Reynolds, in proposing a vote of thanks to the Chairman for his lucid statement and able conduct of the meeting, and to the directors and the staff for their efficient management of the affairs of the Company during the past year, said he was sure those present would agree with him that Mr. Hood had been very successful in making quite clear the significance of the huge figures contained in the accounts presented—a really difficult task well performed. He desired to congratulate Mr. Hood—and, indeed, the Company—on his election to Parliament, and would only add that he wished the whole House of Commons consisted of business men of the calibre of that gentleman. (Hear, hear.)

The vote was seconded by Mr. Hartmann and carried amid applause.

The Chairman made a brief acknowledgment, and the proceedings terminated.

AUSTRALIAN PASTORAL COMPANY, LIMITED.

THE thirtieth annual general meeting was held on January 27 at Cannon Street Hotel, E.C., Mr. Francis A. Keating (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the results of the past year had been on the whole satisfactory. The net profit of £133,000 was £6,000 higher than that of the previous year, the Company's flocks and herds were more numerous than they were a year ago, and although the rate of dividend had not been increased, they were paying the final dividend of 5% free of income tax. The weather conditions, speaking generally, had been favourable, and the rainfall, although considerably less than that of the previous year at all the stations except Warnambool Downs, had been sufficient to maintain the properties in good condition. A great deal of time had been occupied during the past year in dealing with the grave problems of legislation and taxation which beset them on every side. The Company's properties were situated in Queensland, and to a small extent in New South Wales, so that they had to deal not only with the Federal Government of the Commonwealth, but also with the State Governments of Queensland and New South Wales. Last year he mentioned that the Queensland Government was endeavouring to pass a Bill with a retrospective effect which would enable the Land Court to increase indefinitely the rents of pastoral leaseholds, in spite of the fact that the terms under which the pastoral tenants held their leases from the Crown were that these rents should not be increased at any reappraisement period by more than 50%. What those concerned thought of this attempt was expressed in the following resolution passed in June of last year at a thoroughly representative meeting in London: "A meeting of leading Anglo-Australian banks, pastoral and finance companies again records its emphatic opinion that any legislation having for its object to deprive pastoral lessees of the contractual limitation of increase of rent of pastoral leases and grazing selections would constitute a grave breach of the Government's covenant with Crown tenants and render possible the practical confiscation of leases and tend to destroy the confidence of British investors in the good faith of the Queensland Government."

This Bill, which he (the speaker) could not describe otherwise than as sheer confiscation, was passed by the Labour majority which Mr. Ryan, the present Premier of Queensland, commanded in the Lower House, but it was rejected by the Legislative Council, and in consequence Mr. Ryan now wished to abolish the Council altogether, and was, the directors understood, taking steps to submit the question at issue to a Referendum, for which the constitution of Queensland provided. They did not dispute the right of the Queensland Government to pass such land laws as they considered to be to the interest of their State, but against the repudiation of the terms of existing Crown leases, on the faith of which millions had been spent in improvements, they did most emphatically protest; and if such a measure received the assent of the Crown it would be without precedent in the British Dominions, and would, in the opinion of the directors, make it quite unsuitable that Queensland stocks should remain in the list of British Trustee securities. The general financial position of the Company was stronger and sounder than it had ever been before. This position of strength had been gradually built up, and was due to the fact that for many years past they had been accumulating a substantial part of the yearly profits in the shape of reserves, and had practised considerable self-denial in not yielding to the temptation of paying high dividends.

Mr. Cosmo Bevan seconded the resolution, which was carried unanimously.

STEAD AND SIMPSON, LIMITED.

THE annual meeting of the shareholders of Stead and Simpson, Limited, was held at Leicester, on Tuesday, January 28. Mr. H. Simpson Gee, the Chairman of the Company, presided, and, in presenting the thirtieth annual report and balance sheet, said: The profit and loss account is as follows: Profit for the year after payment of interest on Debentures and loans, expenses of management, and a provision for excess profits duty, £88,316 16*s.* 7*d.*, amount brought forward from last year £55,976 3*s.* 10*d.*, making a total of £144,293 0*s.* 5*d.*; after deducting the dividend on Preference shares to June 30, 1918, amounting to £4,576 10*s.*, this leaves to be now dealt with £139,716 10*s.* 6*d.*

The Balance Sheet: Stocks and the Excess Profits Tax

Turning to the balance sheet you will find that the capital and Debenture issues are the same as last year. Other items requiring explanation are: The creditors, which stand at £144,930, a much larger amount than last year, the difference being accounted for by the provision for excess profits duty, which is included in this amount, and which, as you know, is a considerable sum. The item appearing for "Employees War Loan" is an account for the benefit of the employees of the Company, whereby facilities are given to acquire War Loan and War Savings Certificates on easy terms. The amount has been obtained from the bank to the extent mentioned, for which National War Bonds and certificates are held. The reserve fund stands at £30,000 and the contingency account £20,000. On the assets side of the balance sheet the factories and warehouses stand at about the same as last year. Freehold and leasehold shop property £93,096, against £81,860, has been increased by the purchase of shop properties during the past year. The machinery and plant item £8,959, and shop fixtures £15,842, are very low figures for the assets they represent. The debtors £25,522, are £5,000 lower than last year, due to less owing by the Government. The stocks at retail shops are £225,506 in 1918, against £189,721 in 1917; at warehouses £131,769, against £105,385; at factories £221,156, against £203,617; making a total of £578,432, against £498,725 in 1917. The most important item in the balance sheet is the stock, which, as already mentioned, amounts to £578,432. In January 1914 the stock amounted to £298,842, there being an increase since that date of £279,590. This increase is entirely due to higher prices. We have, in fact, less goods. A time must come when prices will fall. If the fall be gradual and spread over an extended period we shall be able to realise without much loss, but by adding our extra profits to reserve we make ourselves financially strong enough for all possible contingencies, our reserves now being £120,000, against £20,000 before the War. We have to pay 80% of our excess profits to the Government in cash, and are left with our 20% in stock. The Government's 80% takes away all our cash, but we have £279,590 more stock in value than we had before the War. We can at any rate say that we have put our extra profits to reserves to strengthen the financial position of the business. The directors now recommend that a dividend be paid on the Preference shares at the rate of 6% per annum, and on the Ordinary shares at 10% per annum, that the sum of £7,000, against £5,000 last year, be set aside as a bonus to the staff, that £20,000 be placed to a superannuation fund for managers and staff, and that £20,000 be placed to the reserve, making that fund £100,000. After this and the payment of directors' remuneration there will remain £73,047 0*s.* 5*d.* to be carried forward. I now move that the report and balance sheet be approved and confirmed.

Business in Sound and Healthy Condition.

Mr. H. Percy Gee (Managing Director), in seconding the motion, said: The Chairman has touched fully upon the points of the balance sheet, and I am not called upon to say anything further upon the subject. The business is in a sound and healthy condition. During the past year we have made a very large increase in our turnover; in fact, the increase recorded is larger than in any previous year of the Company's existence. I should like to take this oppor-



To smoke it once is to smoke it always . . .

"King's Head" is similar but stronger
Both are sold everywhere at 11½d per oz

Cigarettes
(Medium)
5½d. for 10; 11d. for 20;
Boxes of 50, 2/2½—100, 4/3
STEPHEN MITCHELL AND SON
(Branch of the Imperial Tobacco Co. Ltd.)
36 St. Andrew Square, Glasgow.

617

tunity of saying how much the directors appreciate the assistance of the staff in bringing about the satisfactory results shown. However sound the policy of a business may be, however good the organisation, without the co-operation of its staff good results would not be achieved. To show that the appreciation of the directors is no empty form of words they are recommending to you that you vote the sum of £7,000 as a bonus to the staff. I should like also to call attention to one innovation in our balance sheet—the further recommendation of the directors, that the sum of £10,000 be set aside as a superannuation fund for the staff. It is a substantial amount, and makes a very good nucleus for a fund of this description. I hope the prosperity of the Company will allow this fund to be added to in future years. We have an excellent staff. Most of them have been with us practically all their working lives, and the object in starting such a fund is to show the directors' appreciation of the life-work of the members of the staff at a time when declining years no longer permit them to continue to work. (Hear, hear.)

The report and balance sheet were adopted.

On the proposition of Mr. W. Minchen, seconded by Mr. W. Walters, Captain G. Cecil Gee was re-elected a director of the Company.

FREEMAN HARDY AND WILLIS, LIMITED.

The annual meeting was held on January 27 at the offices, Rutland Street, Leicester. Alderman J. North (Chairman of Directors) presided over a good attendance.

In moving the adoption of the annual report and accounts, the Chairman said they met that morning under more propitious circumstances. The great European War had been brought to a successful termination, but it had left the world in a state of unparalleled confusion. It would need very wise generalship, not only on the part of the Government, but also on the part of all who had the responsibility of controlling the great commercial undertakings of this country, if the weight of this burden was to be carried without disastrous consequences. With regard to their own business, it was gratifying to note that they had had another highly successful year's trading. The turnover was considerably larger than that of any previous year of the existence of the business, and the profits had been well maintained. On the asset side it would be seen that land, buildings, etc., at Leicester stood at £70,000; freehold factory at Leicester, £4,852; freehold factory at Kettering, £9,600; freehold shop properties, £184,184; leases and leasehold properties, £36,723, all of which had been depreciated in the usual way. The fittings and fixtures at branch establishments stood at £74,064; trade and other debtors, £47,452; cash in hand and at bankers, £101,591; stock in hand at warehouses and retail branches, £587,640; investments, 5% War Stock and other Government securities, £246,398, the grand total of the assets reaching £1,360,623. The net profit for the year amounted to £137,427, making with the amount carried forward from last year a total of £198,000 available balance at the disposal of the Company that day. The usual 6% dividend on Preference shares had been paid, amounting to £8,550, and they proposed to pay 12½% dividend on the Ordinary shares for the year, which would absorb £20,039, together with a bonus of 5% on the Ordinary shares, which would require £11,250. The remainder would be dealt with as follows:—Reserve for contingencies, £5,000; directors and staff, £10,000; managers' superannuation fund, £5,403; bonus to employees, £5,625; income tax, £38,706; local and other charities, £2,000; balance to next year, £91,558.

The Division of Profits.

The policy adopted by the directors for many years past had been a conservative one, but now, after due consideration, they had been led to the conclusion that, having safeguarded the capital of the shareholders by the provision of substantial reserves, including one of £50,000 to meet any contingency which might arise, they felt themselves fully justified in recommending the utilisation of the savings of past years by the proposed distribution of £150,000 to be divided pro rata among the holders of Ordinary stock at the rate of two new shares to every three held by shareholders at the time of allotment. This recommendation had been approved at an extraordinary general meeting of shareholders held in December last and, further, had received the sanction of His Majesty's Treasury. By this action the amount of the Ordinary stock will be increased from £225,000 to £375,000. To effect this alteration it was proposed to take £85,000 from the savings referred to and £65,000 from the £91,000 which appeared in the present accounts as "Balance carried forward to next year." This would of course reduce the carry-forward to £26,558. In the division of the profits the claims of the employees had not been overlooked, as the various items apportioned for division among those in the service of the Company amounted to some £20,000. (Hear, hear.) In addition to this, special needs had been met in the usual generous spirit—for instance, to the dependents of those men who had been serving with the Colours a sum of nearly £4,000 had been paid during the year to supplement their separation allowances; £1,100 had also been contributed to the relatives of men in the Company's service who had died during the year, including those brave fellows on their staff who had made the supreme sacrifice, and who had left behind families more or less unprovided for.

The Future Outlook.

Turning to the future, the Chairman said there seemed every indication that the present volume of trade would be maintained for some time to come. The stocks on hand, estimated in terms of pairs father than value, were not heavy and, further, the Government was likely to continue to make large demands upon the output. In addition to this their Continental Allies were more than likely to look to the English markets for considerable supplies of footwear until such time as they were able to meet the needs of their own people by their own production. He ventured the opinion that the present high price of materials would in all probability rule for some time to come—certainly until there was a more adequate supply and the wholesome effect of competition could have its legitimate influence. It might safely be predicted that American manufacturers would make a more determined bid for a larger share of the boot and shoe business of this country. Already there were indications of much active preparation, and it must be confessed that there was distinct evidence that they had a better understanding of the requirements of the English market than formerly. The English producers, however, should have no difficulty in holding their own, providing the cordial relationships which now existed between employers and employed were maintained.

Mr. H. Simpson Gee seconded, and the motion was agreed to.

CARRERAS, LIMITED.

The fifteenth annual general meeting was held on January 27 at Salisbury House, London Wall, E.C., Mr. Bernhard Baron (Chairman and managing director) presiding.

The Secretary (Mr. H. W. Danbury) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: We are thankful that our hopes of victory have been realised, and we trust that a just and lasting peace will soon be accomplished. Turning to the business which has brought us together, the result of our fifteenth year's trading is, I think, also a matter upon which I may congratulate you. Last year I refused to prophesy as to what might happen, as there were great difficulties before us due to war conditions, but I am pleased to say that we faced each difficulty as it met us, and, I think, have dealt with them quite successfully. You will see that we have an available balance of £134,000, and, after providing for dividends at the same rate as in previous years, we are able to place an additional £35,000 to reserve, leaving a balance of £67,000 to provide for excess profits duty and income-tax and the carry-forward to next year. You will note that our reserve fund now amounts to the very substantial sum of £175,000—all of which has been built up during the last nine years, in addition to the payment of a 10 per cent. dividend in most of the years since the Company was formed. I can repeat to you to-day, with increasing confidence, what I have told you at several of our annual meetings, that we have a very sound and solid business. It has been my aim, since I first took over the management of the Company, to build on such a sure and solid foundation that, no matter what might happen, the business would be safe and able to hold its own, and I think we may claim to-day that that policy has been fully justified. The future, I feel sure, holds tremendous possibilities for this concern, and our prospects are brighter than ever before.

The Boguslavsky Business.

I have not mentioned to you before that about six years ago we acquired the well-known business of Alexander Boguslavsky, who held a very high reputation for producing the finest cigarettes in this country. We have developed the business, and to-day our brands of the finest Turkish cigarettes—also the Turf, Turf Derby, and Piccadilly Cigarettes—are standard brands and known from one end of the land to the other. I may say to you that nobody could buy the goodwill of this Boguslavsky business for £100,000. It is very gratifying to me to be able to tell you of the success of this venture, and I think you will be pleased to know about it. It has all been done in the last six years, during a big part of which period we have been under trade restrictions. Now that we have freedom once again, I think there will be more scope for going ahead, and if I am alive to meet you next year I hope to be able to report to you that this branch of our business as well as the other has achieved still greater prosperity. During the past year we have continued to make gifts of cigarettes to our brave troops, and especially to the gallant fellows who have been in hospitals, suffering from wounds and sickness. I am sure that all the shareholders will heartily approve our action in this respect.

Company's Staff.

Over a hundred of our own men have been serving with the Colours, and we have continued to pay them a part of their wages for the whole time they have been on active service; their positions have been kept open for them, and we have already had the pleasure of welcoming some of them back.

We propose to celebrate the general home-coming of our men by presenting each of them with a watch, suitably inscribed, as a slight expression of our appreciation of their noble sacrifices; we also intend to arrange a festive gathering for the whole staff when the men have returned, so as to give them a real hearty welcome home. I am pleased to say that we have a very loyal body of work-people; from January 1, without any reduction of wages and without any demand or request, we have reduced the hours of work to 47 per week, so as to give our workers a little more leisure and time for recreation. This is much appreciated by our people, and I am glad to say that our output has not suffered by the change. It has always been my aim to see that my people are happy and to interest myself in seeing that they are properly looked after. I have always regarded it as a duty to make sure that the men and women whom I employ are paid well enough to ensure their having comfortable homes. This has kept them contented and in a proper spirit to carry out their work efficiently. Good feeling has always existed in our factory, and it is simply because the people felt that an interest was taken in their welfare. I do not think you wish to be detained at any great length to-day, and I will conclude by saying that the present financial year has started very satisfactorily and we are looking for even greater prosperity. Our reputation has been made on the solid value of our productions, and we shall continue to give the smoking public goods of the highest quality at the lowest possible prices.

Mr. William J. Yapp seconded the motion, which was carried unanimously.

ARMY AND NAVY CO-OPERATIVE SOCIETY, LIMITED.

An extraordinary general meeting was held on January 27 at Caxton Hall, Westminster, for the purpose of receiving the report of the Committee appointed to look into the Society's accounts for the year 1917-18, together with the director's reply thereto. Rear-Admiral J. De C. Hamilton, M.V.O. (Chairman of the Society), presided.

The Chairman said that the Committee had given up a great deal of valuable time to their work, and it was most gratifying to find that their report practically disposed of all misunderstandings—("No, no")—and that the anticipated amalgamation would meet most of the remaining points. ("No, no.") He hoped that the report would have allayed any feeling of anxiety which might have arisen, but in view of the fact that renewed efforts had been made by Sir Anthony Cope's Committee to continue the agitation, and to carry out their full programme, whatever that might be, to the final issue, he thought it was only right to say that the five gentlemen (including Sir Anthony Cope) who composed the Executive Sub-Committee carrying on the agitation held in all only 55 1s. shares—(laughter)—three of those gentlemen only became shareholders during the past year, two of them purchasing their shares since the date of the last annual general meeting. (Renewed laughter.) Since the meeting had been called proposals had been received for resolutions to be put for the election of new directors in place of existing directors, and for a special Committee to be appointed to negotiate and submit a scheme for amalgamation. Those proposals were out of order. A certain amount of criticism had been raised on account of the board consisting only of naval and military officers—surely not a disqualification in a business which had been started for the Services, and which under such control had produced results comparing favourably with those of any other establishments, though at the same time the board recognised that, as the shares could now be held by anyone, it should be no disqualification in the case of candidates that they had not held his Majesty's commission. As regarded the proposal that a Special Committee should be appointed to submit a scheme of amalgamation, the board were preparing a scheme and would take such independent and expert advice as was required. Paragraph 6 of the Committee's report, dealing with the books, accounts, and balance sheets, disposed of the main question for which the Committee had been appointed. He moved:—"That the report of the Committee of Inquiry appointed on June 25 last be received and the reply of the board of directors accepted."

Commander L. A. De Sausmarez, A.M., R.N. (Vice-Chairman), seconded the motion.

Mr. P. C. C. Francis moved as an amendment:—"That the report of the Committee of Inquiry, having been received, be adopted, and that a copy thereof as issued by the Committee, and without the directors' comments thereon, be entered *in extenso* on the minutes of the meeting."

Brigadier-General Dalziel seconded the amendment.

The amendment was put to the meeting and declared lost; the original motion having been put and carried by a large majority. A vote of thanks to the Committee and Chairman terminated the proceedings.

RHODESIA EXPLORATION COMPANY, LIMITED.

The adjourned first ordinary general meeting of Rhodesia Exploration Company, Limited, was held on January 28 at River Plate House, Finsbury Circus, E.C., Mr. H. G. Latilla (the Chairman) presiding.

The Secretary (Mr. W. M. Campbell) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: Ladies and gentlemen, You will have gathered from the directors' report that the position of the Company has shown a great improvement since the close of the accounts. We have received nearly £50,000 from the liquidator of the old Company, and between £40,000 and £50,000 in respect of sales. To-day we can say that, after making ample provision for the cost of the appeal to the House of Lords in the Globe and Phœnix case, the financial position is thoroughly sound and satisfactory. (Applause.) Coming now to our assets, we own over 1,100,000 acres in Rhodesia. The land, of course, varies in value, but, generally speaking, it has been well selected, and is in some of the best districts. There is already a tendency for land values to improve, and I think we have received during the last few months almost as many offers, firm and tentative, as we previously did in the same number of years. Our mining interests include, as you know, a lawsuit against the Globe and Phœnix Company, about which I could say a great deal. We were instructed by the shareholders to carry the appeal to the House of Lords, and we have done so to the best of our ability. The case is expected to be heard within a few days, and I will only tell you that we shall not believe we have lost it until an adverse decision is actually given.

Interest in the Far Eastern Rand.

And now a word or two about Maraisdrift. We have issued a rough sketch-map showing the position of this property relatively to others in the same district. It has been compiled from the best data available to us, but we do not take responsibility for its exact accuracy, especially for the lines which indicate the course of the Van Ryn and Nigel reefs. That cannot well be mapped out exactly, but we have taken it from existing maps, and we believe it to be as nearly correct as possible on the available evidence to date. I would advise shareholders to keep these maps, because they are likely to find them of great interest during the next twelve months. The Far East Rand is to-day the most interesting goldfield in the world. Not long since it was only believed in by a handful of enthusiasts; to-day nearly every one of the great South African houses hold interests in it. During the last few weeks fresh evidence of its value has been forthcoming. I do not want to excite anyone's optimism unduly, but there are two points you should keep in mind—one is that in Maraisdrift there is an element of practically assured value, as well as an element of speculation. You will see by the map that we are almost next door to the Sub Nigel property. Now, you may take it as nearly certain as anything of this kind can be that the reef which the Sub Nigel is working—whatever its name may be—underlies a great part of Maraisdrift. That is the element of certainty. Then it is believed that the Van Ryn reef, which, as you know, is enormously valuable, also runs through Maraisdrift. I will not go into the details of the evidence of this, but I may say that it is growing greater every day. That is the element of speculation I referred to, but I need not tell you that it opens up very great possibilities. The other point I want you to keep in mind is this—whenever you hear the Far East Rand spoken about (and you will very often in the near future) you will realise that this Company occupies a most important position, practically in the middle of it. (Hear, hear.) As you know, others hold a one-third interest in

BARCLAYS BANK LIMITED.

Head Office:

54 LOMBARD STREET, LONDON, E.C. 3.

This Bank is in close touch with leading Bankers in all parts of the world, and provides facilities for the financing of every description of Overseas business.

Traders interested in the Foreign Markets are invited to correspond with

THE FOREIGN MANAGER.

Foreign Branch:

168 FENCHURCH STREET, E.C 3.

Maraisdrift. Negotiations have been going on for a long time past with regard to that. I am glad to say they are now completed. The result is that we are assured of the entire co-operation of the owners of that interest. The same remark applies to the neighbouring block—Klippoortje—owned by the H. E. Proprietary Company. This is important for many reasons, particularly because Klippoortje is situated in the immediate dip of Tulip Vale, where exploratory workings have recently given very encouraging results.

Reason for Congratulation.

And now, gentlemen, I wish to say one or two words of a general character. Speaking on behalf of the whole board, I want to tell you that both you and we have good reason to congratulate ourselves. We have come through a period of great difficulty, and we have come through it well. Eighteen months ago, when the Court of Appeal gave judgment against us in the Globe and Phœnix action, we had to find over £80,000 to satisfy the costs of the other side, and certain other debts of the old Company which the Globe and Phœnix had paid off. We applied for a stay of execution, but could not obtain it. That money had to be found, and found promptly, otherwise every one of your interests would have been sacrificed. I succeeded in obtaining the money, but, of course, one of the terms of obtaining it was that the Company should be reconstructed. The terms were agreed; thousands of shareholders joined the scheme and gave us definite instructions to prosecute the Globe and Phœnix appeal to the House of Lords. We applied to the Treasury Committee for permission to make the new issue of shares, and we pointed out that the application was urgent. For eleven weeks we could obtain no definite reply whatever. Gentlemen, we made the issue, not because we desired to defy the Committee, but because we had no option in the matter. The only alternative was that we should sacrifice the whole of your property and undertaking, and that, in duty to you, we could not do. We did not doubt, however, that we should eventually obtain permission for the issue. We were not proposing to send a penny of money out of the country. The money was imperatively needed to pay our liabilities. Nevertheless, the Treasury Committee continued to refuse permission to this end, and have twice refused it since.

An Injustice.

Now I know that one seldom gets much satisfaction from an argument with officials, but I want to say one thing very emphatically. The Treasury Committee is a temporary and apparently uncontrolled administrative body. Its decision in this case meant, in effect, that 12,000 British shareholders were to be deprived of their right of appeal to the highest legal tribunal against what they believed to be an injustice. (Hear, hear.) I do not know whether this is unconstitutional, but I do know that it was a tremendous responsibility for the gentlemen constituting that Committee to assume, and some day we may possibly be made acquainted with a proper reason for their action in this matter. Well, we made our issue, but the effect of that refusal was that we could not obtain a settlement for our shares on the Stock Exchange; and please remember the old shares had a settlement. We were, as I have shown, forced to act exactly as we did act in order to protect your interests and property, and in order to preserve our constitutional rights to carry our case to the House of Lords, but nevertheless we were thus penalised. It did not stop there. Certain newspapers, when the Committee refused consent, strongly advised shareholders to withdraw their sbscriptions. I countered that in what seemed to me to be the best way. I issued a circular strongly advising shareholders to follow up their holdings, but offering to buy the shares of any who were discontented for the amount of calls paid and payable. I had to buy about 100,000 shares, and for the sake of the sellers I regret it. ("Hear, hear," and laughter.) I want to keep my language moderate in tone, but I submit to you that this is a case of a clear and very great grievance. We await the hearing of our appeal in the House of Lords, and, if the Treasury Committee then still exists, we shall make another application to it. I hope and believe, in the light of the facts I have stated, that such application will be successful. After what I have said you can, I think, form a true picture of the Company's position for yourselves. We have very large landed interests in Rhodesia and the Transvaal. These will require nursing for a longer or shorter time, according to the development of these countries. We have great ranching interests, which are increasing in value every year. We have an action against the Globe and Phœnix Company, in which hundreds of thousands of pounds form the stake we are endeavouring to secure for you. We have an enormously important position in the Far Eastern Rand, and every month that passes seems to add to its value.

Liquid Resources.

Finally, we have come through our troubles, and occupy a thoroughly sound position from the standpoint of liquid resources. I think, gentlemen, that is a position which you will agree with me in regarding as eminently satisfactory. I should like to say that the liquid position to-day, after paying all our own costs in the Globe and Phœnix action, is over £125,000. (Applause.) After Mr. Bonnard has seconded the resolution which I am about to propose, I shall ask Mr. Hamilton, who is the Chairman of the H. E. Proprietary Company, owning the adjoining property to Maraisdrift, to give you a few facts regarding recent developments. Before I sit down it may save some questions if I deal with a letter which I have received from Mr. Rodwell. He asks if the 998,275 shares taken up since June 30 were shares forfeited by the old holders. The answer is that they were shares not taken up by the old holders. Then he asks whether we will give him a list of the principal shareholders. We have considered the matter, and the answer is in the negative. He also asks whether the board will give the shareholders a promise that the Maraisdrift property will not be disposed of to Sir Abe Bailey or Dr. Hans Sauer or any other company or firm without a meeting of the shareholders. The answer to that is that Sir Abe Bailey did control the remaining one-third interest of Maraisdrift, but I now control it by right of purchase—(applause)—and we feel that we should not give you a promise that we will not deal either with Sir Abe Bailey or Dr. Hans Sauer, or with anybody else. I mean we have not any fear of being able to look after ourselves, and I think you must trust us. (Hear, hear.) Mr. Rodwell also asked whether the outstanding dispute with Sir Abe Bailey has been disposed of. The answer is, "Yes," and your board is unanimously of opinion that the terms were highly satisfactory to the Company.

Mr. G. R. Bonnard, in seconding the resolution, dealt with the Company's land interests, and reviewed the position in regard to the litigation.

Mr. F. H. Hamilton explained at length the mining development of the Far Eastern Rand.

A resolution protesting against the action of the Treasury in refusing to sanction the Company's issue of shares was carried unanimously, and the report and accounts were adopted.

BALDWINS, LIMITED.

The sixteenth annual general meeting of Baldwins, Limited, was held at the registered offices of the Company, at Swansea, on January 30. The Chairman (Colonel J. Roper Wright) presided, and was supported by Mr. G. V. Hazelton, Secretary.

The interim report of the directors was taken as read.

The Chairman, in moving the adoption of the report, explained that two of the directors were hard at work on the Company's behalf and the other directors were in London. He regretted that, contrary to expectations, the valuations of the Company's properties were not completed in time to allow the Company's accounts to be submitted that day. The Companies Consolidation Act requiring that the general meeting should be held within a period of fifteen months, it was necessary that that meeting should be called, but as its business was comparatively formal they were holding it at the Company's registered offices, instead of at Birmingham, as usual. As explained in the directors' report, it was intended that at the close of the business indicated in the notice the meeting would stand adjourned to Birmingham on a date to be fixed by the board. That meeting would be convened at the earliest opportunity after the accounts were ready, and fresh notices would be sent to the shareholders. It would be neither convenient to the directors nor fair to the shareholders that he should anticipate such adjourned meeting at which the accounts would be presented, or forecast the report on the Company's affairs which they then hoped to present.

The Directorate.

The business to be transacted that day, as appeared by the report and notice, was of a simple character, and only one part of it needed any comment from him, and that was the paragraph which related to the re-election of Sir Henry Robertson and Mr. Tilden Smith as directors of the Company. The election of Sir Henry Robertson to the board indicated to the shareholders that the absorption of the Brymbo Company by this Company had been carried through. There were still a few formalities to be transacted, but they might take it that the Brymbo undertaking was now part of their (Baldwins) Company. Mr. R. Tilden Smith's appointment to the board was connected with recent developments of the Company. He (the Chairman) was satisfied that the election of Sir Henry Robertson and Mr. Tilden Smith to the board would prove to be fully justified, and he would submit their names for re-election with every confidence. (Hear, hear.)

The Chairman next moved that the meeting stand adreport be entered on the minutes, and that the same, together with the payment of the Preference dividend for the period ended June 30, 1918, and the dividends on the Ordinary share capital for that year, as set forth in the Company's circular of October 21, 1918, be approved."

The Secretary seconded, and the motion was agreed to.

Mr. E. L. Evan Thomas, Sir H. B. Robertson, and Mr. R. Tilden Smith were then re-elected directors on the board.

On the motion of the Chairman, seconded by Mr. W. W. Llewellin, Messrs. Turquand and Youngs were re-elected auditors of the Company for the current year at a fee of 1,000 guineas, which the board recommended.

The Chairman next moved that the meeting stand adjourned to a date to be subsequently fixed by the board, when the further report and accounts would be presented in the usual way.

Mr. S. Jones seconded, and the motion was agreed to.

This concluded the business.

MORTGAGE COMPANY OF THE RIVER PLATE, LTD

THE thirty-second ordinary general meeting of the Mortgage Company of the River Plate, Limited, was held on January 30 at 52 Moorgate Street, Mr. James Anderson presiding.

The Chairman, in moving the adoption of the report and accounts, said that, in the opinion of the directors, the reserve fund had reached a figure which enabled the capitalisation of part of it to be carried out without any departure from the conservative and prudent policy which had hitherto actuated them in the conduct of the business. The fund, with the proposed allocation from last year's profits, would amount to £480,000. Taking £100,000 from this figure, there would remain £380,000 of general reserve irrespective of the special Debenture stock reserve of £25,000 and £55,000 of undivided profits which would remain after payment of the dividend and bonus now recommended. These three items made an aggregate of £460,000—a sum which the board thought ample provision for all the Company's liabilities. The present recommendation was made, not because the business was extending or the profits increasing, but simply because the board did not feel justified in going on piling up the reserve fund to a point beyond the reasonable requirements of the business. The adoption of the course proposed would diminish the liability on the Ordinary shares by £1, raising the amount paid up on each share from £2 to £3, and in future the dividends would be payable on £3 instead of £2 per share. It would naturally occur to shareholders to ask what were the prospects of dividends on the increased capitalisation, which brought no new money into the business and would raise by 50% the amount on which dividends would have to be paid. He would say at once that there was not the least probability of their maintaining the present dividend and bonus—together 20%—on the increased capital. The Company's income was at present being adversely affected by the reduction in the volume of their mortgage business and by the reduced rates of interest now obtainable. This year the net earnings amounted to £57,800, out of which they were paying in dividends and bonus £40,000. Next year, in view of reduced income from mortgages, the profits would be less, but he saw no reason to think that the diminution would result in their having to pay a smaller income on the shares than the holders were receiving now, only it would be spread over £3 per share instead of £2, as at present. They might be able to do a little better than this, but it would not be safe to count on it.

SOUTH AMERICAN STORES (GATH & CHAVES), LTD

THE sixth ordinary general meeting of this Company was held on January 30 at Winchester House, E.C.

Baron F. A. d'Erlanger presided, and, dealing first with the accounts, said that the general reserve now stood at £217,000, having been increased by £31,000 out of the profits of the past year and by £35,000 which had hitherto appeared as an extraordinary reserve. Stocks showed a decrease of £327,000 as compared with a year ago. As long as war conditions prevailed the first duty of the directors was to keep the Company's customers provided at all costs, even at the risk of having too large a stock. When normal conditions returned and regular shipping services could be relied upon, it must, and would be, their aim to time their shipments to a nicety so as to reduce the amount of stocks in hand and in transit to the minimum compatible with the safety of their trade. In this connection he wished again to acknowledge the debt of gratitude they owed to the Navy and Mercantile Marine for having enabled them to carry their exports to Argentina without interruption. In recognition of their invaluable services the board proposed, with the permission of the shareholders, to present on behalf of the Company 1,000 guineas to King George's Fund for Sailors. Investments in British Government securities showed an increase of nearly £40,000, and the cash was higher by £29,000. In addition to the amounts already referred to as having been put to reserve, £100,000 had been set aside as a reserve for contingencies, including excess-profits duty. Two years ago he had the satisfaction of informing the shareholders that the Company had acquired a large and valuable site adjoining their present central stores (which were freehold) and only separated from them by a narrow street. They had since been fortunate enough to acquire a further plot adjoining the one previously purchased. It was their intention to erect a large store of the most modern type on this freehold land and to concentrate therein the departments which had been carried on hitherto in premises rented by the Company at a very high figure, and which, besides the disadvantage of not being immediately in the vinicity of their central stores, had that of not being in any way up to date. They would also be able in these new premises to increase their field of operations by the addition of new and valuable departments which it had been impossible for them to tackle up to the present owing to the lack of space, but they could not proceed without raising funds, and their applications to the Treasury for permission to do so had met with a negative reply. Now that hostilities were at an end, that peace was in sight, and that we could look forward to the gradual re-establishment of normal business conditions, it was sincerely to be hoped that the Treasury restrictions, the necessity for which had been so obvious, would be removed, for it would be a very serious matter for the Company were they not able to take steps which were urgently needed for properly carrying on and further developing their business in a normal way. It must not be forgotten that in trade whoever did not gain ground lost ground, and it would be a sad thing if foreign competition were given a chance to step in and reap the benefit of our being handicapped in the race for supremacy. He thought they were justified in not viewing this question purely from a selfish point of view, but also from the broader one of extending British trade, including British exports, the part played by the South American Stores in regard to the latter being no inconsiderable one. They intended to renew their application to the Treasury for permission to issue £1,000,000 Debentures, and it was with this object in view that the board proposed that the borrowing powers be increased to £2,500,000.

The report was unanimously adopted, the dividends recommended were declared, and a resolution increasing the borrowing powers of the Company to £2,500,000 was passed.

KILLINGHALL (RUBBER) DEVELOPMENT SYNDICATE.

THE ninth annual general meeting was held on January 31 at 7 Martin's Lane, E.C., Mr. W. Arthur Addinsell (Chairman of the Company) presiding.

The Chairman: Gentlemen,—I move "that the directors' report and accounts for the year ended June 30, 1918, as submitted to this meeting be approved and adopted, and that a dividend of 10% on the Ordinary shares, together with an additional dividend at the rate of 3% per annum on the participating Preference shares, making a total dividend of 10% on each class of share for the year, be declared and paid." The vicissitudes through which the rubber-producing industry has passed during the year are well known to you. I am sure we all hope that the anxious times will not recur, and, although we are still in a state of transition from war to peace and the immediate outlook is by no means certain, I think we are justified in anticipating the future

How best to meet the DEATH DUTIES.

All interested in this question should obtain a copy of a booklet entitled "**Big Burdens,**" issued by the

SCOTTISH WIDOWS FUND

Founded 1815.

The largest British Mutual Life Assurance Office.

FUNDS: 22 MILLIONS. CLAIMS PAID: 47 MILLIONS.

Head Office: 9 St. Andrew Square, Edinburgh.
(G. J. LIDSTONE, Manager and Actuary.)

London Offices:
28 Cornhill, E.C., and 17 Waterloo Place, S.W.

with equanimity. The shipping position is rapidly improving, and so soon as manufacturers of rubber goods all over the world are in a position to resume their full working capacity a renewed and largely increased demand for rubber will be created. One item which I have no doubt arrested the attention of every shareholder is the amount deducted from last year's carry-forward for excess profits duty, viz., £11,854. Adding the duty paid for 1916 and the approximate amount which it is estimated the Company will be called upon to pay in respect of 1918, a total of £20,491 will have been contributed to the National Exchequer. This total is equivalent to approximately 59% on our issued share capital. I cannot conceive that when the proposals for levying a duty on excess profits were first contemplated it was intended that a rubber-planting syndicate such as Killinghall would be called upon to contribute so heavily, especially when some of the older companies who have distributed large dividends to shareholders have not been called upon to pay one farthing towards the cost of the War through the medium of this duty. The Chancellor of the Exchequer will have an early opportunity of reviewing the situation, and it is to be hoped that he will see his way to fulfil the promises of his predecessor and remove this hindrance to enterprise. With regard to this Company's property, we continue to receive excellent reports from Mr. Murray, the visiting agent. The report states that the output for this year is provisionally estimated at 278,000 lb. For the first six months 128,000 lb. were harvested, and although the output restrictions removed as from January 1 last it would appear that the estimate will turn out to be approximately correct.

Mr. Edward F. Slade seconded the motion, which was unanimously adopted.

HOME RAILWAY DIVIDENDS.

THE first of the Home Railway dividends for the past half year have been announced this week. That of the Great Eastern makes the total dividend for 1918 2½%, as for the previous five years. The profit shown by this Company has risen and is even greater than for 1913, due mainly to interest received on deferred maintenance and other reserves. The Lancashire and Yorkshire's shown profit changes but slightly, and the dividend is again 4½%. Doubtless in connection with larger receipts in respect of interest on new capital expenditures the shown profit of the Metropolitan was last year about £103,700, against £86,261 for 1917, and the dividend has been raised to 1¼%, compared with 1% for each of the three preceding years, 1¼% for 1914, and 1⅜% for 1913. The dividend on the old Undivided Ordinary stock of the Great Northern is 4⅜% for the year, compared with 4¼% for 1917, equal to 2¾%, against 2½% on the Deferred and "A" stocks. The declaration of dividends, as was to be expected in view of existing circumstances, has not led to any revival of interest in the railway market. A summary of the results for the past six years of the four English railways that have this week announced their dividends is appended:—

	1918	1917	1916	1915	1914	1913
	£	£	£	£	£	£
Gt. Eastern						
Net Profit ...	424,657	409,215	376,761	374,113	391,836	397,718
Div. Earned ...	(2.76%)	(2.66%)	2.45%	2.43%	2.55%	2.59%
Div. Paid ...	2½%	2½%	2½%	2½%	2½%	2½%
Reserved ...	30,000	25,000	Nil	Cr.10,000	10,000	10,000
Carried Forward ...	112,366	101,781	101,638	108,949	108,909	111,146
Gt. Northern:						
Net Profit	868,933	828,111	821,538	786,499	811,718	851,917
Div. Earned ...	4.87%	4.64%	4.60%	4.40%	4.55%	4.86%
Div. Paid	4¾%	4½%	4½%	4½%	4¾%	4¾%
Reserved	87,000	70,000	50,000	Nil	60,000	60,000
Carried Forward ...	140,039	139,615	140,683	128,325	101,006	130,797
Lanc. & York						
Net Profit	848,515	846,694	848,299	842,220	872,185	869,033
Div. Earned ...	4.50%	4.49%	4.50%	4.47%	4.63%	4.62%
Div. Paid	4¼%	4¼%	4¼%	4¼%	4¼%	4¼%
Reserved	Nil	Nil	Nil	Nil	20,000	20,000
Carried Forward ...	40,347	39,677	40,828	40,374	45,999	40,780
Metropolitan:						
Net Profit	103,700	86,261	86,104	81,235	96,516	111,296
Div. Earned ...	1.60%	1.33%	1.33%	1.25%	1.49%	1.75%
Div. Paid	1¼%	1%	1%	1%	1¼%	1⅝%
Reserved	20,000	20,000	20,000	15,000	12,500	7,500
Carried Forward ...	19,000	16,101	14,492	13,041	11,458	8,258

BRITISH-AMERICAN TOBACCO.

NOTWITHSTANDING the heavier rate of excess profits duty, the net profit, after payment of such duty last year, amounted to £3,140,174. The shown net profit for the year to September 1917 was £3,105,002, after deducting excess profits duty for 1915-16 and £200,000 for this duty for 1916-17. For the third consecutive year the dividend on the Ordinary shares was 30% tax free, equal for last year to 41.38% gross, against 40% for 1916-17 and 37.50% for 1915-16. The latest accounts show that an additional £560,000 was charged against 1916-17 for excess profits duty, making £760,000 in all for that year. If income tax on Ordinary dividends be included with Ordinary dividends, the profit for the Ordinary—that is after payment of Preference dividends—was £3,626,874 last year, against £2,945,434 for 1916-17, when two years' excess profits duty was paid. The shown profit of £2,915,174 for the Ordinary for 1917-18 was equal to 46½% tax free, so that, roughly speaking, two-thirds of the profit was paid in dividend and one-third added to the undivided balance, which now amounts to £3,005,578. So large a balance, it will be seen by reference to the Chairman's speech at this meeting, published elsewhere, is necessary in order to finance stocks bought at high prices. At the same meeting it was also foreshadowed that some scheme for capitalising undistributed profits may be put forward later on.

The Company is purely an export manufacturing concern serving all parts of the world other than this country and the United States. During last year the English factories continued to be largely employed on supplies for the troops, and the American factories are also stated to have been fully employed.

The funds necessary to conduct the large business at existing high prices, beyond having in part been furnished by increased undivided profit, were also enlarged by the employment of a special reserve of £1,157,739, representing the sum realised in excess of previous book value from the sale of shares in the Imperial Tobacco Company of Canada. Against possible losses arising from the War in respect of assets in enemy countries is a reserve of £1,500,000. It is believed about half of this sum will be recovered, but whatever amount is got back will, however, be subject to excess profits duty. The capital consists of £4,500,000 authorised and issued in £1 5% Cumulative Preference shares, quoted at 19*s.*, at which the yield is 5⅜%. The £1 Ordinary capital is £6,254,320 issued, out of £10,000,000 authorised, and the £1 shares are quoted at 6⅛xd. The net yield from the 30% tax free dividend is £4 18*s.*, equal to 7% gross. Accounts have been published only since 1911, and have shown the following results:—

Yr. to Sept. 30	Net Profit(*a*)	Div. on 5% Cum. Pref.	Profit for Ord.	Div. on Ord. —Tax Free— %	Div. on Ord. —Tax Free— £	Special Allctns.	Carried Forward
	£	£	£		£	£	£
1918...3,140,174(*b*)		225,000	2,915,174	30	1,876,296	Nil	3,005,578
1917 2,545,002(*c*)		225,000	2,320,002	30	1,876296	Nil	1,966,700
1916...2,733,362		225,000	2,508,362	30	1,876,296	257,229	1,522,994
1915...1,850,059		225,000	1,625,059	22½	1,407,221	Nil	1,148,157
1914...2,177,022		188,297	1,988,725	24½	1,532,308	1,500,000	930,319
1913...2,151,836		116,681	2,035,155	27½	1,719,938	Nil	1,973,992
1912...1,981,159		105,000	1,876,159	26½	1,385,580	Nil	1,658,685

(*a*) After income tax.
(*b*) After excess profits duty for 1917-18.
(*c*) After excess profits duty for 1915-16 and 1916-17.

"Richard Cobden: The International Man." By J. A. Hobson. With a photogravure and other illustrations. Price 21*s.* net. London: T. Fisher Unwin, Limited. This volume will be welcomed by the numberless admirers of the great statesman. Mr. Hobson's design in compiling this work was to rescue the memory of Cobden from the narrow misinterpretations to which it has of late been subjected, by giving stronger emphasis to his international work. Cobden's international doctrines and activities are set forth in letters, speeches, and extracts from his pamphlets arranged with brief introductory notes, while in an introductory and a concluding chapter the author attempts some appraisal and interpretation of Cobden's internationalism in the light of subsequent events.

Bulletin of the Imperial Institute. July-September, 1918. Price 2*s.* 6*d.* net. London: John Murray, Albemarle Street, W.

LEATHER & ALLIED COMPANIES.—I.

FREEMAN, HARDY AND WILLIS, LIMITED.

THOUGH the trading profit of this Leicester boot and shoe Company last year showed little change compared with that for 1917, the profit for the Ordinary before payment of income tax on dividends was quite unprecedented, having been £90,172, equal to about 40% on the Ordinary capital. For many years the dividend has been 12½%, subject to tax, but for each of the past four years a bonus of 5% has also been distributed. This bonus has been paid tax free, so that the dividend subject to tax received by Ordinary shareholders has risen as the rate of income tax has increased. Thus, whereas 18¼% gross was paid for 1915, about 19½% was paid last year. A further £5,000 was reserved for contingencies, which fund is thereby raised to £50,000, in addition to which the Company has a general reserve fund of £100,000 and a reserve of a similar amount for freehold and leasehold premises. The undivided profit was increased last year by about £24,000 to £91,559, equal to 40% on the Ordinary capital. Results for recent years compare as follows:—

Yr. to Dec. 31	Trading Profit	Sundry Exp. & Deb. Int. *b*	Net Profit	Profit for Ord. *c*	Div. on Ord. subject to Tax %	Div. on Ord. subject to Tax £	Div. as Announced %	Special Allcns.	Carried Forward
	£	£	£	£				£	£
1918...	137,427	35,255	102,172	90,172	19·52	43,915	17½	22,404	91,559
1917...	135,699	47,241	88,458	76,458	19·16	43,125	17½	22,921	67,706
1916...	125,006	39,196	86,410	74,410	18·95	42,640	17½	27,000	57,294
1915 *a*	110,104	20,126	89·978	77,978	18·27	41,106	17½	33,000	52,324
1914...	104,338	24,457	79,881	67,881	15·21	34,220	15	27,000	48,652
1913...	97,329	21,026	76,303	64,303	15·15	34,098	15	23,668	41,991
1912...	80,310	15,304	65,006	53,006	12·50	28,125	12½	13,000	35,454
1911...	72,098	13,533	58,565	46,565	12·50	28,125	12½	12,262	23,573
1910...	69,396	13,006	56,390	44,390	12·50	28,125	12½	11,600	17,395

(*a*) After setting aside £51,000 against excess profits duty, &c.
(*b*) Includes Deb. int. (£7,000 per ann.) and income tax other than on divs.
(*c*) After payment of 6% div. on Preference shares (£12,000 per annum).

The last balance sheet shows the book value of the assets to be £1,360,623. Current assets, including £587,640 for stock, represent £986,957, against which are current liabilities of £374,968. Beyond £175,000 of 4% Debenture stock, the Company has in issue £200,000 in £1 6% Cumulative Preference shares and £225,000 in £1 Ordinary shares. Reference is made in the last report to an allotment of new Ordinary shares to be made in February. This relates to a scheme for capitalising £85,000 of reserve and £65,000 of undivided profit, and the issue to shareholders of record on December 31 last of two additional Ordinary shares for every three Ordinary shares then held. The Ordinary capital will thus be increased to £375,000, upon which last year's profit was equal to 24% subject to tax. The Preference shares, whose dividend was earned more than eight times over last year, are quoted at 20*s*., at which the yield afforded is 6%. The £1 Ordinary shares have risen since war began from 48*s*. to 65*s*., and the yield from the gross dividend of 19.52% paid for last year is 6%. The equivalent price of the Ordinary shares after the bonus issue is about 39*s*.

GEORGE ANGUS AND CO., LIMITED.

THIS Newcastle firm of leather manufacturers, though showing slightly smaller profits for 1918 than for 1917, nevertheless earned 37¾% on its Ordinary capital, and was therefore well able to maintain its dividend at 17½%, including a bonus of 7½%. From surplus profits of the past year £30,000 was added to reserve fund, which now stands at £105,000, beyond which is a special reserve of £35,000 for trade development. The undivided balance at the end of the year was £63,870. Apparently the trading profit indicated in the appended statement of recent profits is shown after payment of excess profits duty:—

Yr. to Dec. 31	Trading Profit, &c.	Depreciation	Int. on 4% Debs.	Net Profit	Profit for Ord. *	Div. on Ord. subject to Tax %	Div. on Ord. subject to Tax £	Special Allcns.	Carried Forward
	£	£	£	£	£		£	£	£
1918...	71,316	994	4,800	65,522	59,522	17½	27,563	30,000	63,870
1917...	75,740	1,083	4,800	69,857	63,857	17½	27,563	35,000	61,911
1916...	65,777	1,192	4,800	59,785	53,785	15	23,625	20,000	60,617
1915...	55,737	1,276	4,800	49,662	43,662	15	23,625	20,000	50,457
1914...	44,908	1,334	4,800	38,774	32,774	12½	19,688	—	50,420
1913...	33,464	1,341	4,800	27,323	21,323	10	15,750	5,000	37,334
1912...	37,759	1,304	4,800	31,655	25,655	12½	19,687	6,000	36,761
1911...	28,446	1,412	4,800	22,234	16,234	10	15,750	—	36,793
1910...	28,022	1,463	4,800	21,759	15,759	10	15,750	—	36,309

* After £6,000 a year for dividend on 5% Cum. Pref.

The Company has outstanding £120,000 of 4% Mortgage Debenture stock and a share capital of £277,500, consisting of £120,000 in fully-paid £10 5% Cumulative Preference shares and £157,000 of Ordinary capital. The nominal value of the Ordinary shares is £10, but so far only £7 10*s*. has been paid up. Including £378,515 of stocks, current assets on December 31 last were valued at £777,140, while on the other hand current liabilities amounted to £393,656.

"Can we Compete?" Definite details of German pre-War methods in finance, trade, education, consular training, &c., adapted to British needs. By Godfrey E. Mappin. Price 4*s*. 6*d*. net. London: Skeffington and Son, Ltd., 34 Southampton Street, Strand. An interesting little volume in which the author gives an account of Germany's system of commercial and scientific education, consular training, &c., with statistics and tables of results. He endeavours to prove the absolute necessity of reforms in England if this country is to retain its trade in the future; and he makes valuable and highly interesting suggestions as to how to avert disaster and to checkmate successfully the economic dangers confronting the British Empire.

We have received the final memorandum on the Indian indigo crop of 1918-19. The figures are based upon the reports from provinces containing practically the whole area under indigo in British India, and relate to the crop which has now been marketed. The total area under the crop is estimated at 300,700 acres, which is 58% below the final revised figures of acreage last year, the figure given for last year having been 710,600 acres. The total yield of dye in the closing season is estimated at 44,100 cwt., against 88,300 cwt. in the preceding year, a decrease of over 50%. The season on the whole, owing mainly to the deficient rainfall, has not been favourable to the crop, while the production of the artificial dye in the United Kingdom has not been without its effect on the Indian industry. In Madras, which cultivated 53·7% of the total area under indigo in British India, the area sown was 54% below that of last year. The decrease in area was general, and was due to the poor season, as well as to the low prices obtained for the previous crop. Conditions improved towards the close, and good second crops were reported. Much of the crop, however, was not actually manufactured, but was used for the green manuring of paddy, in the place of ground-nut cake, which at present is very expensive.

NATIONAL WAR BONDS
may still be obtained under our
INSTALMENT PURCHASE SCHEME.
If you are interested in an investment yielding 4½% net (equivalent to £6 8s. 0d. gross when taxed at 6/- in the £) inquire of any of our Representatives or of
PEARL ASSURANCE COMPANY, Limited,
FUNDS EXCEED £12,700,000. HIGH HOLBORN, W.C.1.

A PEACE RISK.
Who is carrying your death Risk?
Is it your Family,
or
a Life Assurance Office?
WHY NOT LET THE PRUDENTIAL CARRY IT?

THE LANCASHIRE & YORKSHIRE BANK, LTD.

ESTABLISHED 1872.

Capital: Authorised, £4,000,000, in 200,000 Shares of £20 each.

Subscribed, £1,725,320. Paid up (£10 per Share), £862,660.

Reserve Fund, £600,000.

Head Office = = 43 Spring Gardens, Manchester.

BALANCE SHEET, 31st December, 1918.

LIABILITIES.			ASSETS.	
Capital paid up ...	£862,660 0 0		Cash in hand and money at call and short notice ...	£6,762,991 0 1
Reserve Fund ...	580,000 0 0		Investments: British War Securities and other British, Indian and Colonial Government, Railway, Corporation, &c., Securities at or under market prices of 31st December, 1918* ...	4,618,799 7 7
Rebate Account ...	40,305 0 0		Bills of Exchange (including £3,900,000 Treasury Bills) ...	5,208,784 16 2
Profit and Loss Account ... £262,156 18 8				£16,590,575 3 10
Less Interim Dividend paid July 1918 69,012 16 0	193,144 2 8		Advances on Current, War Loan, and other Accounts, Loans, &c.	6,363,808 10 7
	£1,676,109 2 8		Acceptances, Endorsements, and Contingent Liabilities, as *per contra* ...	491,118 9 11
Current, Deposit, and other Accounts ...	21,650,310 11 9		Bank Property ...	385,000 0 0
Acceptances, Endorsements, and other Contingent Liabilities ..	491,118 9 11		*Including £44,000 Indian Government Securities lodged against Note Circulation in the Isle of Man.	£23,830,502 4 4
Notes in Circulation in the Isle of Man ...	12,964 0 0			
	£23,830,502 4 4			

REPORT OF THE AUDITOR TO THE SHAREHOLDERS OF THE LANCASHIRE AND YORKSHIRE BANK, LIMITED.

I have audited the above Balance Sheet and Profit and Loss Account, and compared them with the books and vouchers at the Head Office and with the Certified Returns from the Branches. I have obtained all the information and explanations I have required. In my opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of my information and the explanations given to me and as shown by the books of the Company. I have also examined the securities representing the Investments of the Bank, and have found them in order.

On behalf of the Board, THOS. B. MOXON, JOSEPH WHEATLEY, GEORGE COMBER, } Directors.

JNO. P. GARNETT, F.C.A., Auditor.
(David Smith, Garnett and Co., Chartered Accountants, Manchester.)

6th January, 1919.

Under Contract with H.M. Government.

P&O & British India Mail & Passenger Services

Sailings from LONDON, MARSEILLES, &c.
Tickets Interchangeable.

MEDITERRANEAN, EGYPT, INDIA, BURMA, STRAITS, CHINA, JAPAN, AUSTRALASIA, MAURITIUS, E. & S. AFRICA, NEW ZEALAND (via PANAMA CANAL)

P. & O. Australian Tickets interchangeable one way by New Zealand Shipping Company (via Panama) or by Orient Line.

For particulars of Sailing apply P. & O. & BRITISH INDIA Passenger Dept., 122, Leadenhall Street, London, E.C. 3.

BRITISH INDIA COMPANY.—For general information apply GRAY, DAWES & Co., 122, Leadenhall Street, London, E.C. 3.

FAIRMOUNT COAL & COKE COMPANY (DEFAULTED)

4% Bonds due December 1, 1919.

We will pay 30% of par for the above Bonds, with June 1, 1909, and all subsequent Coupons attached. Bonds, attached to drafts, may be forwarded through usual banking channels without first corresponding with us.

GLOVER & MacGREGOR,
Pittsburgh, Pa.,
U.S.A.

NATIONAL TRUST COMPANY, LTD.

HEAD OFFICE: TORONTO, CANADA.
BRANCHES:
Montreal, Winnipeg, Regina, Saskatoon, Edmonton.

Executor and Trustee.

Paid-up Capital - £308,219 3 7
Reserve Fund - £308,219 3 7
Assets under Administration £15,764,925

Acts as Agent for clients and corporations and has exceptional facilities for investing British and Foreign Funds in carefully selected First Mortgages on Farms and improved City properties in Canada.

Guaranteed Trust Investments.

Correspondence Invited.
28 Bishopsgate, London, E.C. 2. A. L. NENNS, London Representative.
Bankers:—
Bank of Scotland. Canadian Bank of Commerce.

NEW ZEALAND.

A Wealthy Country, Splendid Climate, Fertile Soil, Plenty of Water.

An Ideal country for the farmer, the percentage of grain and lambs being phenomenally high.

New Zealand, a country as large as the United Kingdom, with but a million population, has an annual export of raw products exceeding Twenty Million Pounds sterling.

NEW ZEALAND is rich in COAL, IRON, TIMBER, GUM, GOLD & SILVER. Total yield of Minerals, over One Hundred and Twenty Million Pounds.

Over Eighteen Million Pounds have been advanced by Government to Farmers and Workers for Improvements and Buildings at a low rate of Interest.

The Railways, 3,000 miles, Telegraphs and Telephones, 124,000 miles, are owned and operated by the State.

New Zealand has the highest wealth-rate and the lowest death-rate in the World.

To those desirous of making a home in a new country New Zealand offers solid advantages.

Excellent Steamship Services are run direct to New Zealand by the Shaw, Savill and Albion Company, Limited, New Zealand Shipping Company, Limited, and the Federal and Shire Lines.

Full information is supplied free by
THE HIGH COMMISSIONER FOR NEW ZEALAND, 413-416 Strand, W.C.

THE
MAURITIUS COMMERCIAL BANK.

PORT LOUIS, MAURITIUS.
(Incorporated by Royal Charter and continued under Local Authority.)

ESTABLISHED 1838.

Capital ... ... Rps. 2,000,000
Reserve Fund ... 1,500,000
Undivided Profits 611,153

London Agents—LLOYDS BANK LTD., 17 Cornhill, E.C. 3.
Paris ,, LLOYDS BANK (France) and THE NATIONAL PROVINCIAL BANK (France) LTD.
Agents in India—NATIONAL BANK OF INDIA LTD.
Agents in South Africa—THE NATIONAL BANK OF SOUTH AFRICA LTD.
Also Agencies in New York, the Straits Settlements, Japan, Australia, Madagascar, Reunion.
Telegraphic Address, "EGO."

NATIONAL BENEFIT
ASSURANCE COMPANY, LTD.
All classes of INSURANCE, including LIFE, FIRE, MARINE, ACCIDENT, PROPERTY INVESTMENT, WAR RISKS, EMPLOYERS' LIABILITY, &c., at very favourable rates.
PROSPECTUS ON APPLICATION.
ASSETS EXCEED £1,500,000.
MANAGING DIRECTOR: J. FRANCIS, J.P., F.S.S
Head Offices: NATIONAL HOUSE, NEWGATE STREET, LONDON, E.C. 1.
Marine Underwriting Rooms: 74 CORNHILL, LONDON, E.C.3.

REFUGE
ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.
Annual Income Exceeds - £4,400,000.
Funds Exceed - - - - £14,500,000
Claims Paid Exceed - - - £25,000,000

SUBSCRIPTION TO "THE STATIST."
TO INCLUDE ALL SUPPLEMENTS.
Payable in Advance.

Inland.
ONE YEAR £1 10 0 | HALF-YEAR, £0 15 0
(Post Free.)
For Colonies and Abroad (within Postal Union).
ONE YEAR, £1 17 4 | HALF-YEAR, £0 18 8
(Post Free.)
OFFICE: 51 Cannon Street, E.C. 4.

CONTENTS.

Leading Articles— PAGE
THE ECLIPSE OF EUROPE ... 221
THE CONFERENCE ... 222
WHEN THE WAR ENDS. LIV. 223
RUSSIA ... 224
CONDITION OF OUR BANKS 225
THE FIVE REPUBLICS ... 230
THE BELFAST STRIKE ... 231
NEW ERA IN MEDICINE ... 232
SOUTH AND CENTRAL AMERICA 235
NEW BANKING CAPITAL ... 234
FINANCIAL NOTES ... 235
UNDERGROUND DIVIDENDS 241

American Topics—
U.S. Steel's Position ... 236
Mexican Eagle Oil Co. ... 238

Commercial—
Cotton ... 243

Industrials—
Guy Motors, Limited ... 239
Bovril, Ltd. ... 254

Insurance Notes— PAGE
Accident and Miscellaneous Insurance in 1918 ... 241

Mining Topics—
New Modderfontein ... 216
Johannesburg Consolidated Group ... 217
Modderfontein East ... 217

Money Market ... 213

Rubber Topics ... 239
The Outlook ... 239
Sendayan (Negri Sembilan) 240
Singapore United ... 240

Stock Exchange ... 215

Tabular Appendix ... 218

Meetings ... 244-254

The Statist.
LONDON, SATURDAY, FEBRUARY 8, 1919.

	Current Rate %	Current Rate Fixed	Previous Rate %	Previous Rate Fixed
Bank of England Rate	5	(Apr. 5,'17)	5½	Jan. 18,'17
Bank of England Rate to Clearing Banks: 3 days' notice	3	(Feb. 14,'18)	4	June 19,'17
Bank of England Rate for Foreign Money*	4½	(Nov.15,'17)	extended	Jan.2,'18
Deposit Rates:—				
Banks & Discnt. Ho. (Call)	3†	(Feb. 14,'18)	3½	Jan. 2,'18
Discount Houses (Notice)	3	(June 6,'18)	3¼	Feb. 14,'18
Do., to Bankers and Merchant Bankers (Notice)	3½	(Feb. 14,'18)	3¾	Jan. 2,'19

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Tr'sury Bills (Fixed Feb. 14,'18)—		3½	- -	3½
Bank Bills	3½	3¾	3¾	3¾
Trade Bills	—	4-4½	4¼-4½	4½ 4¾

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances. † Foreign and Colonial banks give Special Rates only upon deposits for a year

The Money Market.

Friday, February 7, 1919.

THE conclusion of the payments by the banks of subscriptions for the War Bonds has led to more normal conditions in the Money market. With the exception of the first few days, when, before special arrangements had been made, the market had to apply to the central institution, the payments for the War Bonds passed off with ease. Subscriptions for the fourth series of Bonds commenced last Saturday, and, under the old arrangement between the banks and the Bank of England, the banks will not, until the week after next, be under the obligation to hand over the money they have taken for Bonds sold this week, and therefore during the coming week there is likely to be continuance of relatively easy conditions. Tax payments are now on a large scale, and, as we show below, are likely to become increasingly heavy in the next few weeks. On the other hand, however, this should present no difficulties, given prompt disbursements by the Exchequer. During the period when War Bond applications were so large in anticipation of the complete withdrawal from sale of War Bonds, bankers held aloof from the Discount market, which thereby became sadly neglected. In view, however, of the resumption of ordinary conditions this week, bankers have again become buyers of bills.

Two features of interest discussed in the City this week have been the granting of a credit for £4,000,000 or so to Belgium, and the establishment of a new banking institution primarily to transact foreign exchange and acceptance business. So far as the latter is concerned, it is understood the financing and control will be in the hands of important banks of this country and the Dominions. With regard to the Belgian credit, it is anticipated the course taken will be similar to that in the case of the French and Italian credits, and that the bills will be for three months, with power to renew three times, thus making the credit available for a year at least. A somewhat similar arrangement on behalf of Belgium is understood to be in the course of completion in the United States, though for a larger amount.

Since Saturday last the fourth series of National War Bonds has been on offer daily. These bonds are practically identical with series one, two, and three, except that the new bonds carry no conversion rights into the 4% and 5% loan of 1917, and that the seven-year Bonds are no longer being offered. These seven-year bonds, during the 18 months they were available, were not sought after to any great extent; indeed, out of a total of £649,410,000 of bonds (including conversions from Exchequer bonds) outstanding at the end of March, 1918, only £28,739,000 represented seven-year bonds. No supplementary particulars have been published this week as to the sale of the first three series of War bonds, the latest recorded total of sales standing at £1,645,337,734. Of this the Exchequer had up to Saturday last received £1,632,417,000, leaving at least £13,000,000 still to come in. The progress of the sales of the fourth series of the War bonds will be followed with close interest, for, apart altogether from the recent Treasury action which received such general condemnation in financial circles, the bonds are almost as attractive as their predecessors. It is unlikely, however, that sales of the new War bonds will be large during the next few weeks, for tax payments will have to be made on a considerable scale. Already for the past three weeks they have been large, having averaged nearly £27,000,000 a week, but the average for the remaining weeks to March 31 is likely to work out at about £30,000,000, for £17,711,000 a week from income tax, £8,073,000 a week from excess

profit duty, and £4,813,000 a week from other sources will need to be collected unless the revenue for the year is to fall short of the Budget estimate plus the proceeds of the Second Indian War Loan not taken into account in the Budget. As closely as can be calculated, the revenue remaining to be paid into the Exchequer before the close of March and the expenditure to be met during the same period are set out in the appended statement:—

[000's omitted]	Probable for 58 Days to March 31, 1919	307 Days to February 1, 1919	Probable for Year 1918-19	Budget and Supplementary Estimates
Revenue—	£	£	£	£
Income tax ...	146,790	143,660	290,450	290,450
Per week*...	(17,711)	—	—	—
Excess profits ...	66,883	233,117	300,000	300,000
Per week*...	(8,073)	—	—	—
Other	39,869	246,731	286,600	251,600
Per week*...	(4,813)	—	—	—
Total ...	253,542	623,508	877,050	842,050
Per week*...	(30,597)	—	—	—
Expenditure—				
Interest	35,223	234,777	270,000	315,000
Miscellaneous ...	2,906	8,508	11,414	11,414
Supply, ordinary ...	19,877	80,111	99,988	99,588
Votes of credit ...	305,053	1,902,300	2,207,353	2,550,000
Total	363,059	2,225,696	2,588,755	2,976,402
Deficit	109,517	1,602,188	1,706,700	2,976,402
Loans	122,348	1,591,510	1,706,700	2,976,402
Taken from cash balance	—	12,831	—	—

* Corresponding period of 1918:—Income tax, £13,552,000; excess profits duty, £5,750,000; other, £5,383,000—total, £24,685,000.

FINANCING THE EXCHEQUER.

THE revenue for last week was below that for the seven days to January 25, and also beneath the average amount that needs to be collected in the few weeks to the end of March if the Budget estimate of income tax and excess profits duty revenue is to be realised. The receipts from income tax last week were not far below the average needed, having amounted to £16,565,000; but excess profits duty brought in only £3,750,000 and customs and excise £2,613,000. Including £1,924,000 from other sources, the total revenue for the week amounted to £24,852,000. Expenditure, on the other hand, was heavy, for, of the £51,153,000 paid out, no less than about £48,100,000 net, or approximately £6,871,000 a day, was required for outlays from Votes of Credit. It would seem that the greater part of last week's expenditure from the Votes was incurred at home, and that it was much larger than in previous weeks may be attributable to some extent to the paying-off of arrears, for, owing to staff changes in many spending departments since the signing of the armistice, it is believed payments for contracts have recently not been made as promptly as previously. After allowing for a small credit on capital account, the deficit for last week was £26,151,000, and, as loans brought in £26,406,000 net, £255,000 was added to the cash balance, which is, however, £12,576,000 less than at the beginning of the financial year.

Loans operations last week were most interesting, for in the period no less than £91,981,000 was received from the sale of National War Bonds. The effect of these heavy payments for Bonds was, as anticipated, to reduce the demand for new Treasury Bills, holders of maturing bills having allowed their bills to run off, and from the proceeds having subscribed for War Bonds. Indeed, it is possible that to some extent Treasury Bills were tendered as subscription to the War Bonds. At any rate, against £68,829,000 of bills retired, only £32,107,000 of new bills was sold, making a net reduction of £36,722,000, in addition to which the Government was able to repay the Bank of England a net sum of £30,500,000 on account of Ways and Means Advances. By this means the Treasury Bills in issue have been brought down to £1,042,158,000 and the Ways and Means Advances to £354,180,000 making the total floating debt £1,396,338,000, irrespective of Exchequer Bonds. A year ago the floating debt was £1,334,093,000, and by the end of March 1918 had been reduced by nearly £149,000,000 to £1,188,878,000. But at that time, it has to be remembered, the second series of War Bonds was in issue, and between February 2 and March 31 the Exchequer therefrom received about £291,000,000. Nothing like this amount will be received from War Bond sales in the period to March 31 next, and as far as can be gauged the floating debt at the end of the financial year will vary only slightly in amount from the present total, and as a natural consequence must tend to rise in the early months of 1919-20, when the revenue will be flowing in slowly, unless, of course, sales of the fourth series of War Bonds become substantial.

The total expenditure of the Exchequer since August 1, 1914, has amounted to £9,177,548,000, of which £2,412,695,000 has been met out of revenue, income tax having yielded £778,985,000 and excess profits duty £733,251,000. The balance has been met from loans, which have brought in £6,769,777,000 net, including £1,352,075,000 of "other" debt raised abroad. The gross War bill of this country on Saturday last stood at £8,257,000,000, of which revenue had contributed £1,496,406,000. The addition to the National Debt since War began has been about £6,810,000,000, making the gross debt £7,462,000,000. In addition to the loan and debt statement printed below we would refer readers to the summary of the Exchequer returns presented at foot of column one of our Tabular Appendix.

[000's omitted.]	War Borrowings— Apr. 1- Feb. 1, '19	Apr. 1, '17 Mar. 31, '18	Aug. 1, '14- Feb. 1, '19	National Debt— Approx Feb. 1 '19	Actual Mar 31 '18
4 & 5% Natl War Bds.	£1,018,202	£614,215	£1,632,417	£1,667,612(a)	£649,406
4% & 5% War Loans	—	168,083	948,460	2,014,711	2,099,317(c)
War Savings Certs. ...	81,300	62,200	217,500	219,050(d)	137,750
"Other" Debt(e) ...	3,858,531	620,435	1,352,075	1,354,005	995,474
Treasury Bills ...	69,296	508,885	1,021,378	1,042,158	978,444
Ways & Means Advances	161,909	Cr.25,264	354,180	354,180	192,271
5% Exch. Bonds due:					
Oct. 1919 or Apr. '22	4	82,270	82,274	70,657	70,653
Oct. 1921 (1916 issue)	—	—	62,496	75,839	75,839
Dec. 1920 ,, ...	—	48	237,877	49,744	49,744
Oct. 1919 ,, ...	—	—	34,263	16,924	16,924
6% Ex. Bds., Feb. '20	1	—	160,956	141,278	141,277
3% Ex. Bds., Mar. '20	—	—	21,831	21,660	21,660
Do. do. Mar. '30	804	12,021	12,825	16,444	15,540
War Expenditure Certs.	Cr.22,932	Cr.629	—	—	22,929
3½% War Ln. 1925-28	—	—	331,798	62,746	62,746
4½% War Ln. 1925-45	—	—	592,345	16,139	16,139
2½% & 2¾% "Consols"	—	—	—	304,084	304,084
Debts to Bks. of E. & I.	—	—	—	13,646	13,646
Terminable Annuities	—	—	—	21,903	21,903
Total	1,667,115	2,042,274	7,067,675	7,462,778	5,871,850
Less Misc. repayments	75,605	57,495	297,899	—	—
Debt Aug. 1, 1914	—	—	—	652,270	652,270
Inc. since war began	1,591,510	1,984,779	6,769,776	6,810,508	5,219,580

(a) Sales reported to Jan. 5, 1919, £1,645,337,734. (b) 4% (Oct. 1927 £119,541,000; 5% (Oct. 1922), £237,924,000; 5% (Oct. 1929), £8,759,000; 5% (Oct. 1927), £283,200,000. (c) 4% Tax compounded, £52,375,000. 5% £2,017,945,000. (d) Number sold to Jan. 25, 1919, 289,849,367. (e) Including British portion of Anglo-French (U.S.) Loan.

BANK OF ENGLAND.

THE transactions for the week past or two in connection with War Bond payments is to some extent reflected in this week's Bank return, which shows a further decline of £6,121,000 in "other" deposits. This was due as to an addition of £3,033,000 to "other" securities having been offset by a shrinkage of £5,054,000 in Government securities and a rise of £4,108,000 to public deposits. "Other" securities have now been reduced to £115,481,000, which is the lowest level touched since the latter part of 1916. The addition to the reserve was £60,000, which was thereby raised to £29,907,000, equal to 20.45% of deposits, against a ratio of 20.13% on January 29. The circulation again shows expansion, this week's increase of £646,000 having raised the active circulation to almost £70,000,000. At the same time, the stock of bullion continues to increase; indeed, during the past twelve

ROYAL EXCHANGE
ASSURANCE.
Incorporated A.D. 1720. Governor: VIVIAN HUGH SMITH, Esq.
FIRE, LIFE, SEA, ACCIDENT, and GENERAL INSURANCES.
The Corporation is prepared to act as TRUSTEE and EXECUTOR.
Apply for full particulars of all classes of Insurance to the Secretary—
Head Office: ROYAL EXCHANGE, LONDON, E.C. 3.
West End Branch: 44 PALL MALL, S.W. 1.

months there have been only two occasions when a decline has been reported. This week's net receipt of £706,000 places the stock of bullion at a new high level of £81,443,000, compared with £58,600,000 a year ago, and under £40,000,000 just before the commencement of the War.

MONEY IN NEW YORK.

MONEY continues in fairly plentiful supply in New York, and for the greater part of the week the rate for call loans has been in the neighbourhood of 4½%. At the same time, the quotation for prime commercial paper is unchanged at 5%—5¼%. Further shipments of silver to India have been reported, and in addition the engagement of $1,150,000 of gold for South America has been announced. At the present time a good deal of interest is being centred in Allied financial operations. Within the past week or so a block of United Kingdom short-term Notes matured, and it is understood that, with the exception of about $30,000,000, the whole of the $200,000,000 of Notes maturing has been converted into British Government 20-Year 5% Bonds. The return of the New York clearing banks and trust companies made up on Saturday last showed an improvement in the average position, for, whereas the aggregate reserve increased £1,528,000, the legal reserve was £478,000 lower on account of shrinkage in net demand deposits. The result, therefore, was an addition of just over £2,000,000 to the excess reserve, which now stands at £7,810,000. The stock of gold held by the twelve Federal Reserve Banks reached a new high level on February 3, the increase of £2,252,000 for last week having raised the total to £453,930,000, of which about £269,000,000 was with agents. Bills discounted were £32,180,000 lower, while total net deposits declined by £5,304,000. As regards the circulation a further decline of £3,166,000 occurred, thereby reducing the total to £490,146,000, compared with over £537,000,000 on December 27 last and £247,000,000 a year ago.

SILVER.

ANOTHER week has passed without the price of silver having been changed from the quotation of 48⅞*d.* per oz. fixed on December 7 last. In view, however, of the reduction in freights recently announced it is confidently anticipated not much delay will occur before the price here is brought more into line with the New York quotation, plus charges for shipping, insurance, &c. The demand for the metal for industrial purposes during the past weeks is reported to have been fair, but all exports continue to be restricted. Shanghai has been closed for the New Year holidays, and the rate remains nominally at 5*s.* It is, however, expected that upon resumption of business in Shanghai exchange may tend to become somewhat easier.

POSITION IN INDIA.

THE return of the Indian Currency Department for January 31 shows a further expansion of 85 lacs in the note circulation, which has now risen to 14,974 lacs. At the same time the demand for rupees continues, the stock of silver in India again having declined, on this occasion by 35 lacs to 1,995 lacs. On the other hand, however, owing to additional shipments from America the stock of silver out of India was larger, with the result that the proportion of the metallic reserve to the circulation, which between December 7 and January 22 ran down week by week from 39.6 to 33.8, was raised by the end of January to 34.2. In the week to January 25 a further 225.15 lacs of new Treasury bills were sold in India, or substantially more than for some weeks past. On the other hand, only 37½ lacs of bills were discharged, so that the net addition was 187.40 lacs, raising the total bills outstanding to 3,554.70 lacs, to be retired out of subscriptions for the Third Indian War Loan expected to be offered in India later in the year for the purpose of completing the £100,000,000 which India undertook to raise as a contribution towards the home country's war bill. According to statements published this week the trade returns of British India for December show an increase of £1,238,000 in the value of the imports and an expansion of £561,000 in exports compared with the corresponding period of 1917.

1919	Note Circulation	Silver: In India	Silver: Elsewhere	Silver: Total	Gold: In India	Gold: Elsewhere	% of Metallic Res. to Notes	Government Securities: Indian	Government Securities: British
		Lacs	Lacs	Lacs	Lacs	Lacs		Lacs	Lacs
Jan. 31...	14,974*	1,995	1 217	3,212	1 892	12	34.2	1,603	8,250
Jan. 22 ..	14,889	2,028	1,101	3,129	1 890	12	33 8	1,603	8.250
Jan. 15 ..	14,720	2.118	1.032	3.150	1,890	12	34·3	1 418*	8.25?*
Jan. 7 ...	14,824	2,295	882	3,177	1,9s7	12	34·7	1,418*	8,250*
1918									
Dec. 31...	14.709	2,339	874	3.213	1,968	12	35.3	1,2?6	8,550
D c. 22...	14.577	2,391	9?6	3,347	1,968	12	36 5	1.000	8,250
Dec. 15...	14,473	1.855	1.688	3.543	1,968	12	38·1	1.000	7,950
Dec. 7...	14 255	1,986	1,613	3.599*	2.044	12	39·6	1,0 0	7.600
Nov. 30 ..	14.076	2.096	1,323	3,419	2.045	12	38·8	1,000	7 600
Nov. 22...	13.876	1 906	1,314	3.220	2.044	12	38·0	1 000	7 6 0
Nov. 15 ..	13,867	1.764	1,447	3.211	2.044	12	38·0	1 000	7,600
Nov. 7 ..	13,761	1,876	1 233	3.109	2.030	12	37·5	1 0 0	7.600
Oct. 31...	13,643	1 953	1,033	2.991	2.040	12	3 ·0	1,0 0	7,600
Oct. 22 ..	13.573	1.964	961	2,925	2 037	12	36 6	1,000	7,599
Oct. 15...	13,470	2,085	736	2 821	2,0 7	12	36·1	1,000	7,600
Oct. 7...	13.439	2,207	586	2.793	2.035	12	36·0	1,0 0	7,5·0
Sept. 30...	13.438	1.992	796	2,788	2,038	12	36·0	1,000	7,599
April 7...	9,745	1,044	—	1.044	2,4·6	67	26 2	1 0 0	5,147
Dec. '17 ..	10.831	1.905	—	1.905	2.673*	100	43·2	1,000	5,147
July '14...	7,360	3,230	—	3,230	1.820	900	80·9	1,000	400

* Highest since war began.

Stock Exchange.

THE spread of the strike fever to London, with the discontinuance of one railway service after another, causing dislocation of business and unmistakably indicating the discontented frame of mind of labour, naturally had its reflex on the Stock markets. In consequence, for the major part of the week, dullness prevailed, with evidence of uneasiness here and there, but without any pronounced selling pressure.

Consols, after being an eighth down, closed unchanged on the week at 59⅛, and 5% War Loan has remained firm throughout at round 95. Colonials, as usual, have held their ground, with little business transacted, the feature being the placing of a discount of ½% on the new New South Wales Loan, of which the underwriters had to take up 63%. Among foreigners, French bonds found favour again, and the 5% close the week ½ up at 87. Russians have fallen flat again, but with few transactions recorded, and Mexican issues also are quoted lower on the week.

The Home Railway market started the week slightly under the influence of the labour troubles, but on Wednesday, Thursday, and Friday confidence developed, and strength was imparted to the whole market by the large number of increases in dividends. Prices of some of the principal junior stocks have moved as follows during the week:

	Jan. 31	Feb. 4	Feb. 7
Caledonian Ord. ...	54½	54	54½
Glasgow & S.W. Def.	32	31½	32½
Gt. Central Def. ...	9¼	9¼	9⅝
Gt. Eastern	37½	37	38
Gt. Northern Def. ...	41	41	42½
Gt. Western Ord. ...	88	87½	90
Hull & Barnsley ...	51	51	55
L. & N.W. Ord. ...	96	95½	98½
L.B. & S.C.R. Ord. ...	63	63	65

	Jan. 31	Feb. 5	Feb. 7
L. & S.W. Deferred ...	28	28	30½
Metropolitan	30	29½	30
,, District. ...	27½	27½	28
Midland Def.	59½	59	61½
N. Eastern	99½	99	100
Sth. Eastern Def. ...	36½	36½	38
Underground "A" ...	10,6	9 9	10, 9
,, Income	93	91½	97

BARCLAYS BANK
LIMITED
(with which is amalgamated the LONDON PROVINCIAL & SOUTH WESTERN BANK Ltd.)

Business with France.

Barclays Bank Limited, by means of its subsidiary French Banking House, with offices at Paris and the principal centres, offers exceptional Banking Facilities to traders with France.

INQUIRIES ARE INVITED.

Address:
The Foreign Manager, 168 Fenchurch St., E.C.3.

Not much interest has been taken in foreign rails, and with a few minor improvements in the Argentine group, following the settlement of the Buenos Ayres dock strike, quotations have found lower levels where altered. Mexican issues particularly have been weak. Guayaquil and Quito bonds responded to demand following the announcement of the receipt of a further remittance for bond service, making to date £80,000 received on account of arrears of interest on the 6% Prior Lien bonds. Grand Trunk stocks have at last shown signs of recovery, the Ordinary rising late in the week to 11 and the Second Preference to 47.

In the Industrial and General sections of the market conditions cannot be described as otherwise than quiet on the whole. There have been prominently good features in almost every section, however, and *per contra* recessions in prices for the most part have been few and of unimportant character. Among banks, National Provincial new shares attracted attention, while the upward movement in Insurance shares, which has been steadily proceeding for the past year or so, became so pronounced during the week as to receive general notice. Marine companies, of course, have done exceedingly well in the past year, and in regard to the life offices they now know the extent of their war losses; business prospects are bettered by the demobilisation of a great part of the military and naval forces; and there are also possibilities connected with the future course of investment values. Though one or two brewery issues again shed fractions as a result of further profit-taking following their recent substantial rises, other issues—notably Watney, Combe and City of London—have responded to renewed support, the forthcoming mitigation of the acute shortage of beer and the lowering of price not apparently being regarded with concern. In other sections Associated Cements and British Cement shares have been good, as have Sudan Plantations, which close at 4⅜. Among textiles English Sewing Cotton and Bradford Dyers, and, among furnishing and general stores, Maples have risen, the latter on an increase in the dividend. Marconis, on the other hand, have declined slightly on the absence of improvement in the distribution to shareholders. Iron and steel descriptions have not moved much, though Guest Keen enjoyed a sharp spurt on Thursday. Elsewhere Pekin Syndicates have been prominent, with a sharp rise to 41s. The continuance of very high Eastern exchanges is a factor making for the maintenance of large profits.

The activity in oil shares has continued, business again being large, and buying orders of certain shares difficult to execute except at advancing prices. In mid-week hesitancy was noticeable for a time. Since the beginning of the year the leading shares have risen, as shown below:—

	Jan. 1	Feb. 6	Rise
Anglo-Egyptian B	2 1/16	3 1/4	+ 1 1/16
Burmah ...	7 1/4	8 1/4	+ 1
Kern River ...	15/-	19/-	+ 4/-
Lobitos ...	2 1/16	3 1/16	+ 1/8
Mexican Eagle, Com. ...	84 3x	5 1/16	+ 30 6
Mexican Eagle, Pref. ...	84/6x	5 1/4	+ 30/3

	Jan. 1	Feb. 6	Rise
Shell Transport	6 1/2	7 1/4	+ 1 1/4
Trinidad Central	33/0	2 3/4	+ 22 0
Trinidad Leaseholds ...	46/0	52 6	+ 6 6
Venezuelan Concessions ...	3 1/16	3 1/16	+ 1/2

NOTICE TO BANKERS.

Advances upon STOCKS AND SHARES will be entertained upon favourable terms by the

LEGAL & GENERAL LIFE ASSURANCE SOCIETY.

The transactions can be carried out expeditiously and cheaply, and full particulars will be sent upon application to

No. 10 Fleet Street, London, E.C. 4.

Mining Topics.

DESPITE the unsettled labour conditions, fresh evidence has been afforded this week of the growing activity of speculators. South African and Rhodesian descriptions received a modicum of support. Among Mexicans, Esperanza, in anticipation of the official statements referred to below, Camp Bird and San Francisco del Oro rose sharply on Thursday but reacted later. To-day (Friday) a spectacular jump occurred in Burma Corporations to 5⅛.

Copper Mining Outlook.—Cables from New York report that representatives of Labour in the copper industry, following a conference with the Secretary of Labour, have issued a statement on the conditions which have compelled reductions in wages. Less than 5% of the output, it is said, has been sold since the Armistice, and the present surplus is 500,000 short tons produced at a high cost. Producers have, through the decline in prices, to face a loss of £16,000,000, and have reached the limit of their ability to carry stocks of the metal. The principal European Allies are now overstocked, and a revival of demand cannot be exepected before the spring. Congress is being asked to afford protection to the market by extending long-term credits to foreign countries, and in addition the demand is made that the military and naval departments should withhold their stocks of copper from the market.

NEW MODDERFONTEIN.

IN dealing with the New Modderfontein mine in November last we surmised from the ore reserve tonnage and the extent of the stoped-out area indicated on the plan issued with the report, that the life of the mine was about 20 years, exclusive of ore from upper leader reefs, not up to then considered of much importance. From interesting details given in the Chairman's speech at the annual meeting on December 19 a close estimate can be made of the life, and it is satisfactory to find that the initial rough idea was approximately correct. The total claim area is 1,301 claims, not 1,901 as erroneously reported in the South African Press and reproduced on this side. This figure includes 36½ claims north of the reef. The worked-out area at June 30 was 241 claims, leaving approximately 1,024 claims intact, of which approximately 289 claims are represented by the ore reserves of 9,000,000 tons. The accumulated unpayable area developed covered 96 claims, or 15¼% of the ground explored. We notice the Johannesburg correspondent of our contemporary, the *Financial Times*, works out the percentage of unpayable claims to explored area by taking 530 claims as explored, but clearly the explored area is 626 claims, *i.e.*, 241 claims exhausted, plus 289 claims of ore reserves, plus 96 claims unpayable. Obviously the unpayable claims must have been explored, or their lack of payability could not have been ascertained. The undeveloped area stood at 639 claims. Hence we get the following calculation as to the life:—

241 exhausted claims yielded 6,792,480 tons = 28,185 mill tons per claim.

639 undeveloped claims, less 15¼% unpayable = 541½ payable intact claims.

541½ intact payable claims at 28,185 mill tons per claim contain 15,262,000 mill tons.

9,000,000 mine tons of ore reserves, less 8% for sorting, equal 8,280,000 mill tons.

Total of 23,542,000 mill tons, with milling at full rate of 1,200,000 tons per annum, would last 19¾ years from June 30 last.

It has to be remembered that the running of the plant to full capacity depends upon a sufficient supply of native labour, which is not the case at present; and there may be substantial prolongation of profitable existence in consequence of continued good disclosures in working the upper leader reefs.

JOHANNESBURG CONSOLIDATED GROUP.

THE speech of Mr. Munro, who presided at the recent annual meeting of the Johannesburg Consolidated Company, and the quarterly reports of the principal subsidiary concerns, give a good idea of the further progress of the parent institution in replacing investments in fast dying mines with holdings in concerns having live assets, improving earning power and potentialities. Probably no finance house has now a larger interest in diamond mining, and it is largely due to the efforts of the Chairman that this luxury industry finds itself in such a satisfactory state as to have production fully under control the while the chief buying country—America—is unprecedentedly prosperous. The book value of the Company's total investments—not confined to gold or diamond mining, but including a good proportion of industrial ventures—at June 30 last was £3,317,058, showing a reduction of £223,000 in the year. This decrease represented the value of shares realised plus the amount of depreciation written off less the cost of new shares acquired during the financial year. The market value of the shareholdings, it was stated at the meeting, "reflects a very large appreciation over the amount at which they appear in the balance sheet." Since that was said further substantial appreciation has occurred in the prices of the principal subsidiary companies' shares, notably diamond companies, Randfontein issues, and Government Areas. Also considerable possibilities of profit attach to the opening up of the New State Areas mine. In regard to the Company's interest in this, it was stated at the meeting that the increase of £477,072 in contingent liabilities represented the balance of the partially paid interest acquired. The extent of the outstanding calls was 18s. per share, so that the total interest would appear to be 530,080 shares plus, perhaps a portion of the 166,000 fully-paid shares not offered to the public. The capital is £1,500,000, in 316,000 fully-paid and 1,184,000 2s. paid £1 shares.

New State Areas.—Permanent headgears, hoists and accessories to sinking, having been either made of local materials, or erected by the installation of locally acquired plant from the Simmer Deep, Roodepoort United, Randfontein Deep and Vogel Deep mines; rapid progress in shaft-sinking is likely to be witnessed from now onward. The North shaft at December 31 was down to 145 feet depth, and the South shaft to 103 feet. Reef is expected to be intersected at a depth of from 3,600 to 3,800 feet.

Government Areas.— The excellent nature of the development disclosures which resulted in the pay ore reserves being increased last year by no less than 2,429,000 tons will be seen from the following:—

	Development Work					Pay Ore Reserves			
	Payable Footage		Channel Width		Shilling		Value per	Stoping Width	Shilling
	Ft.	%	In.	Value	In.	Tons	Ton	In.	In.
1915...	9,880	69·0	48	71/4	3,424	3,665,000	29/4	68	1,994
1916...	9,910	67·8	47	55/3	2,597	4,930,000	30/7	75	2,295
1917...	17,220	75·0	51	53/6	2,728	7,016,000	31/10	79	2,512
1918.									
Mar. qr.	3,820	70·3	47	61/0	2,867	7,390,000	—	—	—
June qr.	4,080	75·0	42	72/3	3,030	7,630,000	—	—	—
Sept. qr.	4,240	73·8	42	68/3	2,760	7,930,000	—	—	—
Dec. qr.	5,090	75	41	73.0	2,990	9,445,000	34/0	78	2,650

Randfontein Central.—It is apparent from the quarterly reports that the annual statement for 1918 will not make a good showing from the point of view of profits earned. In the last three months of the year there was a working loss, after deducting sundry revenue, of £14,146. Besides shortage of native labour on account of the influenza epidemic, a strike of white miners on Block A, which is one of the best sections of the property, seriously affected both the ore milled and the costs. The redeeming feature is the continuously good character of the development disclosures in the mine as a whole, and upon this, of course, depends the whole future of the undertaking. For the first nine months of the year the average of 26,255 feet of work was 31s. dwt. value over 53 inches stoping width. The whole year's results compare with 1917 disclosures as follows:—

Period 1917	Sampled on Reef Feet	Payable Feet	%	Assay Value	Width Inches	Shilling-Inches
March qr. ...	16 820	14,030	85	74/6	23	1.713
June qr. ...	15,075	12.215	81	83,0	20	1,6 0
Sept. qr. ...	16,340	13.305	81	85/10	20·2	1,720
Dec. qr. ...	18,985	14,695	77	91/5	19	1,738
1918.						
Mar. qr....	11.868	9.383	79	99/0	17	1,683
June qr....	10,146	7,813	77	71/8	21	1,640
Sept. qr. ...	10 490	8,998	86	92/3	17	1,568
Dec. qr. ...	7,376	8,910	96	99/0	16	1,584

Reorganisation is proceeding, but has been hampered by labour conditions, and apparently, also, to some unavoidable friction consequent on the introduction of new and more businesslike methods by the Barnato management. Two new vertical shafts are being sunk to replace five existing inefficient shafts, and, although the latest quarterly return does not give their depth at December 31, we know that in November that in the north section was down to 1,756 feet and the South Shaft to 1,894 feet. They are designed to reach 5,000 feet depth in each case. At the Johannesburg Consolidated meeting, the Chairman, speaking in regard to the future, said that, in view of the excellent results in the lower levels and the good progress accomplished in sinking the new shafts, he was confident that when these shafts come into operation the difficulties of working now experienced will disappear and that the patience of shareholders will be duly rewarded.

Van Ryn Deep.—This mine has not yet been able to work to the full capacity of its mill, recently raised to 54,000 tons a month; but the physical condition of the property indicates that it is only a question of sufficient labour. The reef developed last year was less than normal through the lowest drives being driven under the reef; but, as there are more than sufficient stope faces available for single-shift working, it is obvious that the position is quite satisfactory. This is confirmed by the ore reserves at December 31 showing an increase of 187,000 tons in the twelve months. Development results have varied as under:—

	Payable Footage Feet	%	Width Inches	Value	Shilling-inches	Tons	Value per Ton	Stoping Width Inches	Shilling-inches
1916 ...	5,687	83	21·1	124/7	2,630	2,168,851	36/11	68	2,500
1917 ...	6.524	86	25·9	108 11	2,830	2,258,598	37/10	67	2,530
1918.									
Mar. qr.	1,045	—	24	134/3	3,200	—	—	—	—
June qr.	610	71·3	34	100·8	3 430	-	—	—	—
Sept. qr.	695	83·3	50	68/6	2,925	—	—	—	—
Dec. ...	845	91·9	43	83/0	3,529	2,445,759	38/3	70	2,677

MODDERFONTEIN EAST.

AT the meeting of shareholders held in Johannesburg on December 19 detailed information was given in regard to development disclosures, of which the following is a summary:—

No. 1 Shaft Section.

	Feet Sampled on Reef	Reef Width Inches	Value Dwt.
19th Level main haulage north...	30	50	2·0
19th Level drive north	70	20	4·5
20th ,, ,, ,, ...	695	20	7·7
20th ,, ,, south	585	19	43·4
21st ,, ,, north	380	17	4·2
21st ,, ,, south	410	13	30·2
21st ,, intermediate drive	30	9	16·6
No 2 winze, 22nd level	235	18	24·3
Winzes, raises, cross-cuts, &c.	4,139	—	—
Total	6,554	17	16·9
Drive from Modder B	1,155	24	5·9

So far the best results have been obtained between No. 1 incline shaft and the Geduld boundary. Shaft sinking is proceeding with a view to the rapid opening up of the Cloverfield section of the property and the ground west thereof leased from the Government.

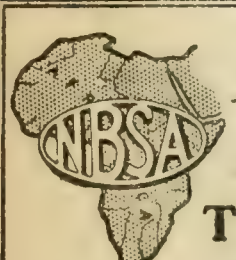
This ground adjoins the north-east boundary of the Modder B mine. The No. 2 shaft is designed to tap the reef about the centre of it, and at the end of 1918 had reached a depth of 900 feet. The type of ground encountered prevented rapid sinking, and water troubles hung up progress for a time, but sinking is now proceeding again. No. 3 shaft, in the north of the leased area, had reached a depth of 818 feet, where reef should have been encountered. It met with a dyke instead, and driving and diamond drilling had to be done to find the position of the ore body. On December 18 the reef was located, and required only 55 feet to expose it. The plan of operations is to connect the three shafts as soon as possible, and to put out two main drives from the No. 1, or Cloverfield, shaft, one drive westward towards the Modder B, and the other through the centre of the Cloverfield area. From these main arteries rapid lateral development will be conducted. A recent estimate of ore brought into sight indicates 350,450 tons, averaging 7.3 dwt., over a stoping width of 57 inches. This is the result of opening up a small section of the property only. The Chairman announced at the meeting that expenditure to the end of November had amounted to £348,533, and that the working capital of £350,000 had been practically exhausted. The future rate of outlay is estimated at £27,000 per month, and, consequently, the question of raising further funds is under consideration. Loans have been obtained pending the expiry of options on reserve shares on July 2 next year. By then development work should have progressed sufficiently to enable prospects to be gauged with some assurance.

Esperanza.—It is officially announced that an option has been obtained on a considerable mineral and agricultural area on the west coast of Mexico, with a view to the examination of the mines and agricultural land embraced in the district. It is added that no opinion can yet be formed as to value, though it is considered that the reports submitted justify the expenditure incurred and to be incurred on the examination.

City Deep.—Capital £1,250,000, in £1 shares. 200 stamps and tube-mill accessories.

Year to Dec. 31	Stps.	Tons Milled	Sort-ing %	Revenue* Amt. £	Revenue* Per ton £	Expenses Amt. £	Expenses Per ton £	Profit* Amt. £	Profit* Per ton £	Price end of Period
1916	154	av. 725,700	12½	1,437,328	39/7	739,937	20/2	704,390	19/5	4⅝
1917	154	744,100	14½	1,469,953	39/6	795,137	21/5	665,569	17/11	3⅜
1918.										
Mar. qr.	154	179,500	10½	344,246	38/4	200,523	22/4	143,723	16/0	2⅞
June qr.	154	181,300	10	353,622	39/0	208,661	23/0	144,961	16/0	3
Sept. qr.	—	168,300	—	310,825	36/11	205,758	24/5	105,069	12/6	2⅝
Dec. qr.	—	141,000	—	266,277	37/9	206,826	29/4	59,451	8/5	2⅞
12 mos.	—	674,100	—	1,274,970	38/0	821,768	24/6	453,202	13/6	2⅞

Dividends—1916, June, 22½; Dec., 22½ per cent.
1917, June, 22½; Dec., 22½ per cent.
1918, June, 20; Dec., 7½ per cent



Colonial Trade

THE National Bank of South Africa, Ltd., offers every facility to Merchants and Shippers to develop their TRADE with SOUTH AFRICA.

THE Bank is represented in over 300 Towns throughout the Union of South Africa, Rhodesia, South West Protectorate, British East Africa, Portuguese East Africa and the East African Protectorate.

LONDON OFFICES.

CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office—
26, COCKSPUR STREET, S.W.—1.

Agency at—
10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, February 5, 1919.

Issue Department.

Notes Issued	£98,910,890	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	80,460,890
	£98,910,890		£98,910,890

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£50,838,744
Rest	3,447,010	Other Securities	83,469,813
Public Deposits	30,721,201	Notes	28,924,195
Other Deposits	115,481,209	Gold and Silver Coin	982,777
Seven-day and other Bills	13,109		
	£164,215,528		£164,215,528

Comparison with Previous Four Weeks [00,000's omitted].

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919.	£	£	£	£	£	£	£	%	%	%
Feb. 5	70.0	81.4	30.7	115.5	50.8	83.5	29.9	20·45	5	3½
Jan. 29	69.3	80.7	26.6	121.6	55.9	80.4	29.8	20 13	5	3½
Jan. 22	69.0	80.3	27.2	126.6	62.9	79.0	29.7	19 32	5	3½
Jan. 15	69.7	80.5	28.2	124.8	62.7	78.9	29.3	19 15	5	3½
Jan. 8	70.1	80.5	28.2	140.2	71.9	85.5	28.8	17·12	5	3½
J'y 23, '14	29.3	40.2	13.7	42.2	11.0	33.8	28.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 8, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April, 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Feb. 5, 1919	Feb. 6, 1918	Feb 7, 1917	Feb. 9, 1916	Feb. 3, 1909
Circulation	£70·0	£46.1	£39.5	£32 9	£29.1
Public Deposits	30.7	41.1	42 3	62 8	7 4
Other Deposits	115.5	125 5	226.5	100·5	43 3
Government Securities	50.8	56.9	212 4	32 8	14 8
Other Securities	83.5	96 9	38.6	108.5	29 9
Reserve	29·9	30 9	36.8	39 9	24 0
Ratio to Liabilities	20·45%	18 56%	13·33%	24 43%	47·36%
Coin and Bullion	81.4	58.8	56.9	64.3	34.7
Money					
Bank of England Rate	5%	5%	5½%	5%	3%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3½%	4-4⅛%	5%	5⅛%	2⅝-1%
Exchanges:					
Paris Cheque	25 97½	27 18¼	27 80½	28 07	25 18¼
New York 60 days	4 73½	4 72½	4 72½	4 71	4 85½
Bombay Telegraphic Transfers	1/5⅞	1/4⅛	1/4⅛	1/4⅛	1 3⅜
Prices:					
Consols 2½% Cash	59	54½	51¼	59¼	83¼
French Rentes 3% Money	64·75	57·50	62·25	61	97·02
Silver, London spot oz.	48⅞d.	43d.	37½d	27½	24
Wheat, *Gazette* average qr.	72/8	71/2	75/10	58/3	33/0
Cotton, Mid Upland* lb.	19 22d.	23 22d.	10·53d.	8 05d.	5·17-1.
Iron, Scotch pig ton	101/0	101/0	88/6	99/3	54/4½

* Good Middling American, Official Value.

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	% of Gold to Notes
	£	£	£	£	%
Feb. 5, 1919	7,092,209	75 090 305	309,481,784	28,500,000	9 2
Jan. 29, 1919	5,831,011	6,569,758	307,479,880	28,500,000	9·2
Feb. 6, 1918	6,109,590	4,515,114	213,579,772	28,500,000	13·3
Feb. 7, 1917	5,941 804	3,841,427	150,178 360	28,500,000	19 6
Feb. 9, 1916	4,539 649	5,322 141	98 056,663	28,500 000	29 0
Feb. 10, 1915	1,766,260	1,493,087	36,102,869	24,500,000	67 8

Balance Sheet, Feb. 5, 1919.

Notes outstanding—	£	Advances—	£
One Pound	233,268 023	Trustee Savings Banks	545,000
Ten Shilling	44 913 761	Currency Note Redemption A/c—	
Certificates outstanding	31,300,000	Gold Coin and Bullion	28,500,000
		Government Securities	289 247 019
Total	309,481,784	Balance at Bank of England	6,056,382
Investments Reserve A/c	14 866 608		
Total	324 348,392	Total	324 348 392

PUBLIC INCOME & EXPENDITURE [000's omitted.]

1918-19. Week to	Revenue Expenditure [See § Below]	Excess of Expenditure	Loans Advances, &c.— Raised	Repaid	Net. Inc.	Cash Balance
Feb. 1	£24 852	£51,153	£26,301	£130,286	£103.730	£26,556	£8.454
Jan. 25	28.728	32.420	3.692	83 643	79,800	3.743	8.189
307 dys. '18-9	623 508	2 225 896	1 602.188	5.944.728	4.355-516	1.589.612	−12 576
308 dys '17-8	506.238	2.258.382	1.752.146	4.453.149	2,712.243	1.740.906	−11 240
1.645 dys. (a)	2,412.695	9.177.548	6.764.853	—	—	6.768.246	− 3.393
*Fr. '18-19**	*842.050*	*2,976.402*	*2,134.352*	—	—	*2,134,352*	—
Yr. '17-18	707.234	2.896.221	1.988.987	5.499.804	3.516.023	1.983.581	21.030

§ Principal Items of Revenue and Expenditure.

1918-19 Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc Expend.	Supply Services.
Feb. 1	£2 613	£16.585	£3.750	£1.924	£788	£450	£49.915
Jan. 25	3.281	13.930	9.498	2.021	573	—	31.847
307 dys. '18-9	131.361	143.660	233.117	115.380	234.777	8.508	1.982 411
308 dys. '17-8	90 897	129.169	173.390	112.760	166.525	8.591	2.083 286
1.645 days	536.981	778.985	733.251	361.480	615.936	64.838	8.496.774
*Fr. '18-19**	*147,700*	*290,450*	*300,000*	*103,000*	*315,300*	*11,414*	*2,849.988*
Yr. '17-18	110.033	239.509	220.214	137.478	189.851	11.401	2.494.969

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	War Expend. Certs.	Total	Nat. War Bd. Rcpts.
Feb. 1, 1919	£1,042,158	£354,180	All	£1,396,338	§£1,632,812
Jan. 25, 1919	1 078.848	384.680	re-	1,463,528	1,540,439
Dec. 31, 1918	1,094.740	455.180	tired	§1,549,920	1,420,709
Mar. 31, 1918	973.678	192.271	22.999	1.188 878	8.4.215
Feb. 2, 1918	1,072.751	237 781	23 561	1.334 093	343.182
Sept. 30, 1917	949.112	220.814	23.561	1,193.487	—

TOTAL DEBT, Feb. 1, '19, about £7,463,000,000; Aug. 1, '14, about £652,370,000
GROSS COST OF WAR TO GT. BRITAIN to Feb. 1, 1919, about £8,257,000,000

* Budget & Supplementary estimates. § Highest. (a) 1,645 days to Feb. 1, 1919.
(b) Sales reported to date, £1,645,337,734.

FOREIGN BANKS. [In £s sterling—000's omitted.]

AUSTRIA-HUNGARY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Advances.	Note Circltn.	Above — or beneath + legal max.	Bills Discounted, &c.
July 23, '14	£51,579	£12,141	£63 719	£7.772	£88,740	+ £2,479	£31.893
Dec. 7, '17	11,000	2,300	13,300	692,990	739.300	—	117,600

DENMARK	Gold.	Silver.	Total.	Discounts.	Balances Abroad.	Circulation	Deposits.
July 31, 1914	£4,100	£341	£4.441	£8.197	£798	£8.693	£47
Nov. 30 1918	10.424	141	10.593	3.926	4.339	24.456	736
Dec. 31, 1918	10.812	135	10.947	4.473	4.976	25,002	809
Dec. 31 1917	9.622	137	9.759	3.031	2.495	18.770	2.417
Dec. 30, 1916	8,882	93	8.975	5.130	2.331	15.828	1,585

FRANCE.	Gold. In Bank	Gold. Abroad	Total Cash incl'g Silver	Bills	Circulation.	Deposits. Public	Deposits. Private
July 30 1914	—£185,654—		£190.687	£697.788	£987.327	£15.302	£37.903
Jan. 30, 1919	139.715	91.494	232.945	50.992	1.273.321	2.240	104.816
Feb. 6 1919	139.845	61.484	232.949	48.117	1.294.830	2.151	103.389
Feb. 7, 1918	133.070	91.494	224.577	53.831	915 605	10.924	103.256
Feb. 8, 1917	131,386	73.782	216.220	25.133	707,930	2,212	93,653

GERMANY	Cash. Gold.	Cash. Silver.	Cash. Total.	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits.
July 23. '14	£87.843	£18.727	£84.570	£5.279	£40.055	£94.54	£47 198
Jan. 15. '19	112 859	892	113.931	267.750	1.377.452	1.126.319	891.048
Jan. 23, '19	112.770	1.002	113.772	281.943	1.328 613	1.189.631	618.122
Jan. 23. '18	120.302	5.727	126.029	60.119	621.189	545 942	312.531
Jan. 23, '17	128.159	856	127.015	16.453	409.142	333.529	182.401

HOLLAND.	Cash. Gold.	Cash. Silver	Cash. Total.	Discounts.	Advances.	Circulation.	Deposits.
Aug 1. 1914...	£13.498	£249	£13.745	£13.422	£10.330	£35.880	£1.437
Jan. 18, 1919...	57.032	723	58.780	19.330	11.559	83.750	6.778
Jan. 25. 1919	57.031	732	57.763	19.210	11.255	87.924	7.425
Jan. 26. 1918 ..	58.917	599	59 515	7.031	7.534	72.910	6 250
Jan. 27. 1917...	49.130	568	49.698	7.193	5.710	61.083	6.832

ITALY.	Cash. Gold.	Cash. Silver	Cash. Total.	Other Cash.	Loans & Disc'nts.	Circulation.	Deposits
July 31, '14 ...	—	—	—£49.458—		£25.017	£89.204	23.837
Nov. 30. '18 ...	£33 839	£3.076	35.775	9.448	83 595	361.412	57 142
Dec. 10. '18 ...	32.899	3.080	35.779	7.275	80.532	365.310	58.743
Dec. 10, '17 ...	33 419	3.509	36.928	6.917	53.073	259 696	57 245
Dec. 10, '16 ...	35.978	2.806	38.884	3.164	27.127	151.349	32.472

JAPAN.	Gold.	Discounts.	Advances.	Notes.	Deposits Public.	Deposits Private.
Aug. 1. '14 ...	£21.887	£1.829	£7.893	£31.722	£13.819	£1,591
Dec. 21. '18 ...	72.800	3.914	44.371	91 478	93 072	5 416
Dec. 28. '18 ...	72.582	9.919	49.139	103.091	95.612	5.373
Dec. 29. '17 ...	65 593	6.096	28.000	82.411	59.191	3.391
Dec. 30, '16 ...	41.370	7.424	20.417	61.054	39.095	2.922

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve.	Loans, Discounts, Invest. &c.	Net Deposits. Demand.	Net Deposits. Time.	Net Deposits. Total.	Excess Reserve
Aug. 1, '14	—	£89.898	£411.938	—	—	£387.185	£1,790
Jan. 25, '19	£20.968†	109.728	959.786	£795.338	£28.050	866.520	5.804
Feb. 1, '19	19.634†	111.256	954.932	781.844	28.064	857.008	7.810
Feb. 2, '18	20.558†	113.993	834.280	730.976	40.618	829.776	18.518
Feb. 3, '17	108.068*	157.836	703.218	720.697	33.431	754.109	33.326

* Counted as reserve. † Not reserve.

NORWAY.	Gold.	Balance Abroad.	Bills Discounted	Gov. Securities.	Discounts & Loans.	Circulation.	Deposits
July 31, 1914...	£2,986	£1,879	£493		£4,999	£9,752	£793
Jan. 15, 1919...	6.718	3.900	749		21.864	23,972	6.034
Jan. 22, 1919...	6,716	3.813	749		21,187	22,630	5,596
Jan. 23. 1918...	6 413	4.598	630		20.709	19.820	11,523
Jan. 22, 1917...	8,900	4.403	767		8,623	12,243	4.691

RUSSIA.	Gold. In Bank.	Gold. Abroad.	Total Cash incl'g Silver	Loans & Disc'nts.	Circulation.	Notes in Reserve	Total Deposits
July 21, '14	£180,114	£14,395	£191,892	£76,091	£183,411	£6,689	£109,911
Oct. 21, '17	129,584	230,882	377,099	1,781,647	1,795,890	10,310	344,907
Oct. 29. '17	129,523	230,885	373,205	1,869,559	1,936,217	15,783	345,560
Oct. 29, '16	155,877	205,498	372,072	814,697	784,488	10,512	223,731
Oct. 29, '15	159,825	3,580	186,844	443,307	501,083	8,417	143,413

SPAIN.	Cash. Gold.	Cash. Silver.	Cash. Total.	Loans, &c.	Spanish 4%	Circulation.	Deposits &c.
Aug. 1, '14	£21,804	£29,187	£50.991	£40,572	£13,778	£77.557	£18,858
Jan. 18, '19	89.140	25 669	114 806	67.541	13,777	135.218	45.028
Jan. 25, '19	89,140	25 804	114,944	67,578	13,777	135,092	43.204
Jan. 26. '18	79.018	28.518	107.536	47.651	13,777	112.436	38 424
Jan. 27, '17	51.390	29 900	81.290	42.489	13,777	94.800	30,494

SWEDEN.	Gold.	Balance Abroad.	Swed. & For. Govt. Secs.	Discounts & Loans.	Circulation.	Deposits.
Aug. 1, '14 ...	£5.717	£8.150	£1.555	£7.495	£13.432	£3.903
Jan. 18, '19 ...	15.552	8 598	3.034	19.994	39.832	8.141
Jan. 25, '19 ...	15.577	7.107	3.034	18.971	39.285	6.139
Jan. 26, '18 ...	13.125	7.198	3.434	11.939	27.869	8.143
Jan. 27, '17 ...	10.584	8.400	3.549	5.283	19.955	6.892

SWITZERLAND.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts & Advances.	Circulation.	Deposits.
July 23. 1914...	£7.232	£758	£7.980	£6.917	£10.716	£2.038
Jan. 15. 1919 ..	16.542	2.429	18.971	19.775	34.444	7.586
Jan 23. 1919...	16 523	2.518	19.041	18.320	33.739	6.823
Jan. 23. 1918...	14.422	2.229	16.651	12.059	24.356	4.854
Jan. 23. 1917...	13.785	2.149	15.914	8.752	19.293	4.332

U. STATES FED. RES BANKS	Gold — Held by Banks.	Gold — With Agents.	Total Cash.	Bills Discount'd	Acceptances.	Deposits — Govt.	Deposits — Total, Net.	Circulation.
Jan. 24. '19	£151.441	£83.939	133.678	152.406	58 908	29.276	317.193	493.312
Jan. 31. 19	153.488	282.036	435.830	320.228	56.253	12 988	331.892	490.146
Feb. 1, '18	103.178	160.228	355.091	121.358	57.981	26.558	297.807	247.220
Feb. 2, '17	104.352	65.182	181.804	2 941	18.822	4 868	135.029	52.008

II.—FOREIGN BANK RATES OF DISCOUNT.

	Current Rates %	Date Fixed		Current Rates %	Date Fixed
Paris	5	Aug. 20, '14	Copenhagen ...	6½	Jan. 8, '19
Berlin	5	Dec. 23, '14	Christiania ...	6	Dec 13, '17
Amsterdam ...	4½	July 1, '15	Berne	5½	Oct. 3 '18
Brussels	5	Aug. 27, '14	Rome	5	Jan 11, '18
Vienna	5	Apr. 13, 15	Madrid	4½	Oct 9th. 14
Petrograd ...	6	July 29, '14	Stockholm ...	7	Mar. 21, 18

III.—FOREIGN EXCHANGES.

LONDON ON—		Feb 7, '19	Jan. 31, '19	Jan. 24, '19	Jan 17. '19
Brussels	Cheques	26fr. 80c.	27fr.	27fr.	27fr. 10c.
Denmark	Cable	18· 22½	18kr 30	18kr. 00½	17kr. 83½
Holland	Cable	11d. 52½c.	11d. 52·c.	11d. 44½c.	11d. 25 .
Italy	Cable	30lr. 31½c.	30lr. 31½c.	30lr. 31½c.	30lr. 30½c.
Lisbon & Oporto	do.	35½d.	35½	35½d.	34½d.
New York	do.	$4 76½	$4 76½	$4 76½	$4 76½
—	Cheques	$4 77¾	$4 77¾	$4 77¾	$4 77½
Norway	Cable	17kr. 32½	17kr. 40	17kr. 08½	16kr 97½
Paris	3 mos.	26fr. 42½c.	26fr. 42½c.	26fr. 42½c.	26fr. 42½c.
—	Cable	25fr. 93c.	95fr. 93	25fr. 98½c	25fr. 93c.
Spain (Bank places)	3 mos.	49¼	49¼	49¼	48¾d.
—	Cable	23p. 6½	23p 6½	23o 64	23o. 65
Sweden	do.	16kr. 82½	17kr	16kr. 59½	16kr. 44½
Switzerland	3 mos.	23f. 6½c	23f 87½c	23f 72½c	23f. 42½c
—	Cable	23f. 25c	23f 45	23f. 30c	22f. 94½c.

ON LONDON—		Feb 7, '19	Jan. 31, '19	Jan. 24, 19	Jan 17. '19
Alexandria	Sight	97¼pi.	97¼pi.	97¼	Par
Amsterdam	Cheques	11d. 51½c.	11d. 50½c.	11d. 46c.	97¼pi.
Bombay	Transfers	1s. 5	1s. 5	Is. 5	12·107 8.
Brussels	Cheques	26f. 88c.	23f. 96c.	27f. 02½c.	1s 6d.
Buenos Ayres	Transfers	51¾d.	51¾d	51d.	25f. 22½c.
Calcutta	Transfers	1s. 5½d	1s. 5½d.	1s. 5½d	47.38d.
Christiania	Sight	17kr. 32½	17kr. 38½	17kr 08½	1s 6d.
Copenhagen	Sight	18kr 22½	18kr 32	17kr 50½	18.159kr.
Hong Kong	Transfers	3s. 2¾d.	3s. 3l	3s. 3l.	18.159kr.
Italy	Sight	30lr. 31½c.	30lr. 31½c.	30lr. 31½	—
Lisbon	Sight	35½ nom.	35½ l.	35½ l	251r. 22½c
Madras	Sight	1s. 6	1s. 6¼d.	1s. 6¼d.	53½d.
Madrid	Sight	23p 66½	23p. 64	23p. 64	1s. 6d.
Montevideo	Transfers	—	—	—	25 . 22½
Montreal	Cable	$4 86½	$4 86½	$4 86½	61d.
New York	Sight	$4 75	$4 75⅝	$4 75⅝	$4 86⅝
—	60 days	$4 73½	$4 73½	$4 73	—
—	Cable	$4 76⅝	$4 76⅝	$4 76⅝	$4 88½
Paris	Cheques	25f. 97½c.	25f 98½c.	25f 98½c	25f 22½
Rio de Janeiro	90 days	13¾ l.	13¾d.	12¾d.	18d.
Shanghai	Transfers	5· 01	5· 01	5· 01.	—
Singapore	Sight	2s. 4¾d.	2s. 4¾d.	2s. 4¾d.	2s. 4d.
Stockholm	Sight	16kr 84	16kr 97½	16kr 59	18·159kr.
Switzerland	Sight	23f 26c	23f 43c	23f. 27c	25f. 22½c.
Valparaiso	90 days	10¼d.	10·d.	10¾ l.	18d
Yokohama	Sight	2s. 1½d.	2s. 2l.	2s. 2d.	2s. 0.58d.

NEW YORK ON—	Rate Current* Feb. 5, '19	Rate Current* Jan 25,'19	Par as usually Quoted	Rate July 3, '14
London, sight	$4.7580	$4.7580	4·8665 dollars for £1	$4 87
,, cables	$4.7855	$4.7815		$4 88½
,, 60 days	$4.72⅝	$4.72⅝		$4 85
Amsterdam, sight	41 3c.	40 9c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques	35·89c.	35·75c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques	99 30c.	—		
Christiania, cheques	27 30c.	27c	26·80c. for 1 kroner	
Copenhagen, cheques	26c.	25·80c.	26·80c. for 1 kroner	26·86c.
Greece, cheques	19·30c.	19·35c.	19·245c. for 1 drachma	
Hongkong, cheques	78c	74·25c.	74·59c. for Mex. $1	48·40c.
Italy, sight	6·36½l.	6·36½l.	5·19½ lire for $1	5·17½.
Lima, cheques	5·05c.	5·15c.	4·8665 $ for 1 libra	
Manila, cheques	49¾c.	49¾c.	50c for 1 peso	49·80c.
Montreal	2% disc.	2 1-32% disc.	Premium per $100	Par
Paris, sight	5·45¾fr.	5·45¾fr.	5·13¾ francs for $1	5·16fr.
Petrograd, sight	13nom.	13nom.	51·13c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	23c.	25c.	32·42c. for 1 milreis	
Shanghai, cheques	122c.	122½c.	82·93c. for 1 tael	83·00c.
Singapore, cheques	56c.	56·25c.	56·77c. for $1	57·12c.
Spain, cheques	20·15c.	20·10c.	19·30c. for 1 peseta	
Stockholm, cheques	28 10c.	27·85c.	26·80c. for 1 kroner	
Switzerland, cheques	4·93fr.	4·93fr.	5·18¾ francs for $1	5·18¾fr.
Valparaiso, cheques	23·50c.	22·25c.	20·31c. for 1 peso	
Yokohama, cheques	51·50c.	51·50c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week. 1919.	Amount. [In £'s sterling 000's omitted.]	Increase*	1919 Aver.	Inc. or Dec.*
BIRMINGHAM	Feb. 1	£2,337 —	£730	£12 331 —	£1.119 — 8·3
BRISTOL	,, 1	1,134 —	7	5.817 +	732 + 14·4
DUBLIN	,, 1	8,218 +	1,123	34.230 +	8.000 + 30·5
LEEDS	,, 1	1.146 —	121	5.663 +	607 + 12·0
LEICESTER	,, 1	643 +	68	4.013 +	419 + 11·7
LIVERPOOL	,, 1	13.040 +	3.285	55.715 +	13.705 + 32·6
MANCHESTER	,, 1	15.399 —	42	74.177 +	6 310 + 9·3
NEWCASTLE	,, 1	1,088 —	769	8.279 —	1.907 — 18·7
NOTTINGHAM	,, 1	653 —	87	3.126 —	30 — ·9
SHEFFIELD	,, 1	1,278 -	579	5.629 -	380 — 6·0
LONDON—	1919.				
TOWN	Feb. 5	471.214 +	110.842	2.037.095 +	321.497 + 19 3
METROPOLITAN	,, 5	32.946 +	5.634	174.518 +	34 995 + 25·1
COUNTRY	,, 5	59.569 +	6.890	303.657 +	45.043 + 17 7
TOTAL	,, 5	563.729 +	123 186	2.515.360 +	402 125 + 19·0

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould and Co. the following are the quotations for representative steam freights:—

HOMEWARDS.	1919 Feb. 7	1919 Jan. 31	1913 Feb. 7
Alex. to Lond.or Hull	—	—	9/8
Aust. to U.K. or Cont.	100/0	100/0	—
Azoff to L.H.A.R.	—	—	12/9
Bombay to p.p. (nom.)	100/0	75/0	24/6
Barmah o.c. (nom.)	75/0	75/0	31/3
Calcutta to p.p.(jute)	180/0	200/0	—
Danube to L.H.A.R.	—	—	—
Odessa to L.H.A.R.	—	—	10/6
R. Plate to U.K. Cont.	62/6	62/6	26/3

Homewards. Contd	1919	1919	1913
(coarse, 100lb.)	$1.25	$1.25	—
U.S.Atl.Ports to U.K. Cont.	17/6	17/6	3/1½
Gulf Ports to U.K. Cont. (cotton & grain)	50/0	60/0	—

OUTWARDS.—Cardiff to	Bombay	Colombo	Port Said	River Plate	Vin. cont
7/19	—	—	47/6	50/0	42/6
J.31/19	—	—	47/6	60/0	50/0
F. 7/13	1 /8	13/6	11/10	18/3	10/0

VI.—WHOLESALE PRICES OF COMMODITIES.

	1918-19 FEB. 7	1917-18 FEB. 8.	1914 JUNE 30.
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	101/0	101/0	57/0
— Middlesbro' warrants ...ton	95/0	95/0	51/0
— Hematite warrants ...ton	122/6	122/6	81/0
— Staffordshire bars, London ton	£17	£15 10	£8 10
— Common bars ...ton	£14 15	£13 15	£8 10
Steel Rails ...ton	£10 17/6	£10 17/6	£6 2/6
Galvanised Sheets...ton	£29	£28	£16 17/6
Copper—Standard...ton	£82—£84	£110—£110 10	£81
Tin—English ingots ...ton	£233 nom.	£310—£315	£142 10
— Straits ...ton	£233 17/6	£307—£308	£139 15
Tinplates, I.C. Coke, S. Wales...box	33/3	31/6	11/10½—12/0
Lead Soft Foreign ...ton	£26—£29 10	£28 10—£29 10	£19
Spelter—Ord. Foreign ...ton	£40—£48	£50—£54	£21 7/9
Quicksilver—(75lb.) ...bottle	£20	£20	£7
Aluminium ...ton	nom.	nom.	£62
Antimony—Regulus ...ton	nom.	nom.	£27 10
Coal—(best) Yorkshire...ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle...ton	40/0—45/0	30/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda -f.o.b. Chile, per quintal	nom.	11/6	7/4
Soda—Crystals ex ship ...ton	87/6	72/6	42/6—45/0
Copra—Malay and Straits ...ton	£33 10	£45 10	£23 15—£24 7/6
Gambier—Good marks ...cwt	40/0	63/6	16/10½
Indigo—Bengal good to fine.....lb.	9/0—10/6	10/0—12/0	3/2—3/8
Linseed Oil—Raw ...ton	‡	£58	£25 5
Linseed—Calcutta, spot ...ton	£26 15	£29 15	£13 16/9
— **Cakes**, U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish ...ton	nom.	—	£49 10
Palm Oil—Lagos ...ton	£45	nom.	£31 10
Petroleum—American...gal on	1/4½	1/7½	-/7½
Rape Oil—Refined English ...ton	£71	£71	£32
Soya Oil—Refined...ton	£75	£75	£24 10
Tallow—Imported ...cwt.	‡	72/0	29/3—33/3
Turpentine—French ...cwt.	101/0	124 6	33/7½
Rape Seed—Toria...ton	£25 15	£29 15	£13 5
Rubber—Para, spot ...lb.	2/6	2/7½	2/9½
— Fine plantation (stand. crepe) lb.	2/0½	2/3½	2/2
— World's Production* Dec. tons	20,580	22,948	8,487
Shellac—T.N. Orange, fair.....cwt.	250/0—280/0	420/0—430/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland† ...lb.	-/19 22	-/23·74	-/7·53
— Egyptian, good fair ...lb.	-/27·05	-/28·31	-/8·75
— Pernambuco fair ...lb.	-/20 45	-/25·86	-/7·73
— Mid. Upl. New York... ...lb.	25·90c.	31 70c.	13·25c.
— Stock, Liverpool, Jan. 31...bales	405,710	426,090	—
Flax—Petrograd, Yarapol ...ton	nom.	£120nom.	£28
Hemp—New Zealand ...ton	£70	£93	£25 10
— Manila, Fair ...ton	£80	£85	£26 10
Jute—First Marks ...ton	—	—	£28 15
— Red SJO ...ton	—	—	£24 15
Silk—Blue Eleohant ...lb	20/0	25/0	11/3—11/6
Wool—Pt. Philip unwashed av. lb	nom.	nom.	-/11½—1/0
— Lincoln Half Hogs ...lb	1/7½nom.	1/6 nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	-/9½—/10½	-/10	-/7½
Leather—Dressing Hides ...lb	2/5 ..3/1	nom.	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	206,692,000	62,809,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	237½	226c.	87½c.
— English *Gazette*, aver. 480lb qr.	72/8	71/2	34/3
Flour—G.R. ... ...280lb.	44/3	44/0	28/8
Barley—Eng. *Gaz.*, aver. 400lb. qr.	62/4	58/10	25/4
Oats Eng. *Gaz.*, aver. 312 b. ...qr.	49/7	50/2	20/0
Maize—N. Y. (new bushel) ...56lb.	148c.	nom.	78½c.
— Amer. mixed, Liverpool...480 b.	79/9	80/9	32/4
— La Plata ...480lb. qr.	72/0	76/0	25/9
Potatoes—Good English ...ton	175/0	120/0—150/0	70/0—75/0
Rice—Bassein ...cwt.	25·0	28/3	7/0—7/3
Tapioca—Pearl, medium ...cwt.	37/0	68'0	14/0—17/8
Hay Best ...2,016lb...load	176/0	125/0—150/0	82/6
Hops—English...cwt	—	£5 10—£10	£6 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs....8lb.	10/7	7/8	3/8—3/10
— Scotch sides...8lb.	9/6	8/4	4/8—5/0
— English...8lb.	9/6	8/4	4/8—4/5
Mutton—Scotch wethers...8lb.	10/0	9/2	5/8—6/0
— English wethers...8lb.	10/0	9/2	4/6—5/4
— New Zealand frozen ...8lb.	10/0	—	2/4—3/2
Pork—English and Irish...8 b.	10/8	9/6	3/6—4/0
Bacon—Irish, ex Factory ...cwt.	188/0	172/0	60'0—74'0
— Danish, ex Port ...cwt.	—	172/0	58/0—68/0
— American, delivered ...cwt.	176/6	172/0	72/0—74'0
Hams—Amer. long cut, delvrd. cwt.	170'6	165/0	75/0—79'0
— — short cut, delivered ...cwt.	170/0	162/0	71/0—74'0
Lard—Amer. boxes, delivered cwt.	158/0	135/0	51/9—52/6
Butter—Danish ...cwt.	Controlled 252/0	Controlled 252/0	117'0—120/0
— French ...cwt.			98/0—108/0
— Australian ...cwt.			98/0—110/0
— New Zealand ...cwt.			108/0—114/0
Cheese—Canadian ...cwt.	Controlled 163/4	nom.	68/0—68/0
— United States...cwt.		nom	—
— Dutch ...cwt.		154/0—156/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Dec. 31 cwts.	26,146,204	27,750,194	19,777,254
— Home consump'n to Dec. 31 cwts.	18,824,588	21,983,807	17,272,000
— In Bond Dec 31 ...cwts.	7,637 000	3,935,000	6,306,000
— Price, Java, 96° Pol. ... cwt.	30/0	34/0	10/3
— — Yellow crystals ...cwt	57/9	48/9	12/8—14/0
— — Tate's Cubes, No. 1 ... cwt.	64'9	53/9	18/0
Coffee—Imports to Dec. 31 ...cwts.	162,307	547,455	720,360
— Home consump'n to Dec. 31 cwts.	456,279	421,869	141,410
— Exports to Dec. 31 ...cwts.	30,181	113,544	340,250
— In Bond Dec. 31 ...cwt.	612,000	1,142,000	484,000
— Price, Costa Rica gd. to fine cwt.	140/6—150/0	115/0—128'0	80/0—93/0
— — Brazil (Santos)...cwt.	65/9	62'8	41/6
Tea—Imports to Dec. 31 ...lbs.	473,879,540	241,262,304	123,230,227
— Home consump'n to Dec. 31 lbs.	311 151,407	277,808,766	155,447,972
— Exports to Dec. 31 ...lbs.	2,195,326	14,307,173	26,561,765
— In Bond Dec. 31 ...lbs.	144,674,000	37,490,000	78,292,000
— Price, Indian Pek. Soug. good lb.	1/4	—	-/8½
— — Ceylon, Pek. Soug. Ord. lb.	1/4	—	-/8½
— — Common Congou ...lb.	1/4	—	-/6½
Cocoa—In Bond Dec. 31 ...cwt.	484,000	830,000	309,000
— Grenada, good to fine ...cwt.	85/0	92/6 -96/0	62/6—66/0

* Estimated. † G.M. American Official Value. ‡ By Agreement.

VII. RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Cuba Railroad	Nov.	$472,392	— $174,434	Def. $32,654	— $134,935
5 *mos*	*to* Nov.	*4,194,252*	+ *685,822*	*896,572*	+ *123,015*
Int. Rys. of C. America	Dec.	£14,547	— £2,336	£14,784	— £9,917
12 *mos.*	*to* Dec.	*641,759*	— *25,416*	*227,509*	— *37,390*

VIII.—RAILWAY AND TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week ended		Miles.	+or— in Yr.	Gross Receipts.	+ or — on Year Ago.	No. Wks.	Aggregate Receipts.	+ or — Year ago.
Assam Bengal	Dec.	28	993	+ 13	R1,44.157	+ 7,433	13	20.89.158	+ 2,46.88
Barsi Light ...	Jan.	4	118	(3 wks.)	75.600	+ 31.000	40	6.57.200	+ 17.10
Bengal & N.W.	Dec.	28	3,052	+ 4	4,50.570	+ 28 574	13	58.44.342	+ 10.46.47
Beng. Dooars	Dec.	14	168	+ 5	29.951	— 9.015	11	4.44.511	+ 28.38
Beng. Nagpur	Dec.	21	3,695	—	12,14.000	— 87.000	38	4.28.41.896	+ 33.89.72
Bomb. Baroda	Jan.	18	3,872	— 1	19.10.000	+ 1,72.000	16	2.55.59.000	+ 16.42.00
Burma	Dec.	14	1,342	—	4.84.555	+ 22.872	37	1.74.28.293	+ 29.74.14
Del. Um. Kalk.	Jan.	25	239	—	83 200	+ 16.841	17	13.82.204	— 1.47.74
East Indian ..	Jan.	25	2,767	— 40	27.88.000	+ 3,58.000	17	4,53.62.000	+ 50.22.00
Gt. Indian Pen.	Jan.	25	3,112½	—	27,11.800	+ 1,46.100	17	3,82.01.360	+ 12,33.23
Madras & S.M.	Jan.	4	3,152	— 1	10,50.000	— 48.385	14	1,40.38.082	— 97.35
Nizam's Guar.	Dec.	14	900	—	2,77.576	+ 30.465	11	23.11.395	+ 31.23
Rob. & Kumn.	Dec.	14	648	—	99.767	+ 9.281	11	11.68.976	+ 1,92.02
South Indian	Dec.	14	1,830	+ 38	6,23.721	— 39 083	37	2,51.03.323	— 45.93
South Punjab	M. of	Sept.	716	—	10,51,980	+ 2,89.313	6*m*	62,92.020	+ 17,92,48
COLONIAL.									
Can. Northern	Jan.	31	9,487	+ 53	$1,466.000	+ 517.800	30	30 647.400	+ 6.075.30
Can. Pacific ...	Jan.	31	13,388	+ 395	4,101.000	+ 586 000	4	12.797.000	+ 2,007.00
Gd. Trunk Pac.	Jan.	31	918	—	$26.085	— 2.656	4	84.702	— 5.89
Grand Trunk	Jan.	31	3,816	—	293,444	+ 90.119	4	904,568	+ 291.76
Mashonaland...	M. of	Sept.	810	—	66.538	+ 18.385	12*m*	683.417	+ 10.37
Mid. W. Aust.	M. of	Nov.	277	—	9.488	+ 1.282	5*m*	42 154	+ 8.68
New Cape Cent.	Dec.	28	205	—	2.917	+ 748	52	119.095	+ 18.93
Rhodesia Rlys.	M. of	Sept.	1,397	—	99.811	+ 18.147	12*m*	1,094.793	+ 46.19
W. Pass. & Yuk.	M. of	Dec.	122	—	—	—	12*m*	$1,244,080	— 604.34
FOREIGN.									
Argentine.									
Arg. N. East	Jan.	25	752	—	£ 9.400	— 1.500	30	275.575	+ 31.17
Arg. Transand.	Feb.	1	111	—	£ 4.580	+ 60	31	107.410	+ 13.58
B. A. & Pacific	Feb.	1	3,536	—	£ 105.000	— 10.000	31	3.475.000	+ 1,083.00
B. A. Gt. Southn.	Jan.	26	3,792	—	£ 139.000	— 9.000	30	4.008.000	+ 1,060.00
Do.	Jan.	26	Net	—	£ 38.000	— 11.000	30	743.000	+ 101.00
B. A. Western...	Feb.	2	1,882	+ 12	£ 70.000	+ 6.000	31	2.108.000	+ 766.00
Do.	Feb.	2	Net	—	£ 16.000	— 1,000	31	494.000	+ 175.00
B. A. Central ...	M. of	Dec.	190	—	£ 40.857	+ 9.778	6*m*	246 094	+ 99.90
Cent. Argentine	Jan.	25	3,305	—	£ 116 000	— 15.000	30	3,824.600	+ 1,020.40
Do.	Jan.	25	Net	—	£ Dr. 8.000	— 34.800	30	548.900	— 95.47
Cord. Central ...	Jan.	25	1,205	—	£ 40.100	+ 14.380	30	1,334.380	+ 435 43
Entre Rios ...	Jan.	25	831	—	£ 20.700	+ 700	30	592.800	+ 183.30
Brazilian.									
Brazil Gt. South.	M. of	Sept.	110	—	M 41.264	+ 1.076	9*m*	450,733	+ 82.45
Brazil Railway	M. of	Nov.	3,530	—	M 3.220.000	— 1,504.109	11*m*	52.913.000	+ 7,760.51
Gt. W. Brazil .	Jan.	18	1,010	—	£ 26.400	+ 6.100	3	82.200	— 3.50
Leopoldina	Jan.	25	1,831	—	£ 21.777	— 15.379	4	108.311	— 33.14
Mogyana	M. of	Nov.	1,180	—	M 1.382.000	— 916 338	11*m*	20.706.000	— 1,518.16
Paulista	M. of	Nov.	766	—	M 2.185.000	— 1,264 985	11*m*	29.899.000	— 319 85
San Paulo	Feb.	2	163½	—	£ 23.352	— 12.073	5	125.143	— 54.48
Sorocabana	M. of	Nov.	1,003	—	M 1.128.000	— 865,148	11*m*	20.204.000	+ 1.222.86
S. of Bahia S.W.	M. of	Dec.	52	—	M 94.000	— 8.000	12*m*	1.061.000	— 62.00
Chilean and Peruvian.									
Antofagasta ...	Jan.	26	838	—	£ 31.015	— 11,435	4	134.340	— 18.10
Arauco	M. of	Nov.	641	—	£ 11 500	— 3.500	12*m*	143.000	+ 15.50
Nitrate (2 wks.)	Jan.	31	390	—	£ 30.231	— 8.657	4	55.536	— 19.18
Peruvian Corp	M. of	Dec.	1,140	—	$ 1.057.993	— 43.100	6*m*	6.020.715	— 67 55
Taltal	M. of	Dec.	101	—	£ 14.558	— 14.550	6*m*	113.724	— 36.71
Cuban.									
Cuban Central ..	Jan.	25	382	—	£ 29.256	+ 1.656	30	462.628	+ 54.15
Havana Central	Jan.	25	70	—	£ 6.807	— 3.185	30	256.529	+ 19.37
U. of Havana .	Feb.	1	681	—	£ 86.081	+ 2.064	31	1.465.409	+ 71.23
W. of Havana	Feb.	1	155	—	£ 12.138	+ 425	31	220.751	— 12.30
Uruguayan.									
Cent. Uruguay	Jan.	25	272	+ 1	£ 25.147	+ 4,142	30	616.038	+ 84.97
" (E. Ext.)	Jan.	25	311	—	£ 6.734	+ 885	30	134.982	+ 2.68
" (N. Ext.)	Jan.	25	185	—	£ 4.333	+ 392	30	108.109	+ 16.82
" (W. Ext.)	Jan.	25	211	—	£ 2.578	— 89	30	77.319	+ 14.50
Mid. Uruguay ..	M. of	Dec.	318	—	£ 18.723	+ 3,582	6*m*	98.402	+ 14.12
N. W. Uruguay	M. of	Dec.	113	—	$ 33,500	— 42	3*m*	179,230	+ 16.08
Urug. Northern	M. of	Dec.	73	—	£ 2.128	— 262	6*m*	11.674	+ 66
Miscellaneous.									
Alcoy & Gandia	Feb.	1	33	—	Ps. 11.500	+ 1,000	5	43.000	+ 1.00
Bilbao	M. of	Dec.	15	—	£ 3.982	+ 450	12*m*	51.881	+ 5.84
Bolivar... ...	M. of	Dec.	136	—	£ 14 000	+ 2.238	6*m*	46.829	— 20.67
Colomb. Natnl.	M. of	Dec.	86	—	£ 13 440	+ 240	12*m*	147 320	+ 6.81
Colomb. Northn.	M. of	Feb.	30	—	£ 6.388	+ 544	8*m*	50.165	+ 7.45
Costa Rica	M. of	Nov.	189	—	£ 21.115	+ 11.003	5*m*	110.615	+ 45.25
Dorada Ext. ...	M. of	Nov.	71	—	£ 7.900	— 100	11*m*	91.800	— 7.10
Egyptian Delta	Jan.	10	559½	—	£ 13.214	— 8.657	39	292.402	+ 73.25
Gt. S. of Spain	Jan.	25	104	—	Ps. 134.163	+ 102.706	4	486.785	+ 368.96
La Guaira & Ca.	M. of	Dec.	22½	—	£ 6.000	— 500	12*m*	69.250	— 17.76
Paraguay Cent.	Jan.	25	255	—	£ 5 330	+ 2.690	30	114.330	+ 29.38
Puerto Cabello	M. of	Dec.	24	—	£ 3.200	— 1,300	12*m*	44.500	— 4.44
Salvador	Jan.	25	100	—	£ 4.728	+ 1.268	30	56.412	+ 11.07
Santa Fe Prov. French Rwys.	M. of	Dec.	1,181	—	£ 177.232	+ 22,752	12*m*	1.847.584	+ 558.17
S'mana & S'tiago	M. of	Dec.	80	—	£ 7,035	— 769	12*m*	106.715	— 13.59
Zafra & Huelva	M. of	Dec.	112	—	£ 12.821	+ 1,150	12*m*	153.788	+ 18.28

TRAMWAYS.			Miles						
Anglo Argentine ...	Jan.	28	400		$ 54.769	+ 5.618	4	192.999	— 16 41
Auckland (4 weeks)	Dec.	26	27		£ 19.585	— 3.079	24	123.858	— 8.87
Bombay Electric .	M. of	Nov.	39·3		R. 6,24.213	+ 60.706	11*m*	64.11.270	+ 8.30.45
Brazilian Traction...	M. of	Nov.	378½		M. 7,581.000	— 114.000	11*m*	93.363.000	+ 9.232.00
Brisbane Electric ...	M. of	Dec.	40¼		£ 38.135	+ 3,116	12*m*	440.014	+ 43.87
British Columbia ...	M. of	Nov.	334		$ 612.893	+ 87.284	5*m*	2,727.030	+ 356.98
B. Ayres Lacroze ..	M. of	Dec.	51		$ 50.460	+ 9.559	6*m*	259.294	+ 28.74
Calcutta	Jan.	25	36½		R 82.787	+ 11,381	4	346.845	+ 49.42
Cape Electric	M. of	Dec.	42·43		$ 28.445	+ 3,722	6*m*	133.073	+ 9.56
Carth & Herr.	M. of	Jan.	8		$ 3.655	— 358	1*m*	—	—
Chatham & District	Jan.	30	14·98		$ 1.175	+ 61	4	5.106	+ 28
Havana Electric	M. of	Nov.	86		$ 690.704	+ 47.301	11*m*	7,466.853	+ 1,150 84
Isle of Thanet	Feb.	1	21		£ 257	+ 57	18	5.581	+ 2.52
Kalgoorlie	M. of	Sept.	20½		$ 2.947	— 116	9*m*	25.070	+ 94
Lanarkshire...	Jan.	30	28·43		$ 3.595	+ 643	4	16.579	+ 3.79
Lima Light & Trams.	M. of	Oct.	85		$ 45.336	+ 7.724	10*m*	435.004	+ 75.19
London O.C.	Feb.	5	141·67		£ 68 271	+ 13.491	44	2,949.876	+ 498.77
Madras Elec. (2 wks.)	Jan.	15	15½		R 42.582	+ 4,846	2	—	—
Manila Electric	M. of	Nov.	65		$ 214.292	+ 55.292	11*m*	2,090.630	+ 486.89
Pernambuco.....	Jan.	26	59		£ 5.146	+ 651	4	21.272	+ 1.77
Provincial	Jan.	25	21½		£ 2.451	— 28	17	42.821	+ 2.97
Rangoon Electric ...	M. of	Nov	25		$ 6.611	+ 1.253	11*m*	65.804	+ 10.42
Shanghai Electric	Nov.	27	26·825		Mex. $ 32.002	+ 6.772	47	1,206.275	+ 64.34
Singapore Elect.....	Dec.	28	28½		$ 13.838	+ 637	52	723 661	+ 54.85
U. of Montevideo ...	M. of	Dec.	30½		£ 38.441	+ 4,416	2*m*	70.139	+ 5.05

Shopping at

Lipton's

means SAVING MONEY.

The largest Tea Distributors, Manufacurers and Retailers of Food Products in the World.
Tea Merchants by Special Appointment to H.M. King George V.
LIPTON LTD., CITY ROAD, LONDON, E.C. 1.
Branches and Agencies throughout the United Kingdom.

SUPERIOR

WINES AND SPIRITS

Owing to great demand only a limited number of the well-known "PINK LIST" quoting large and unique assortment of Superior Wines and Spirits at Market Prices is being issued.

Apply to **EHRMANNS,**
Wine and Spirit Shippers and Merchants,
43, 44 and 47 Finsbury Square, London, E.C. 2.
(Please quote "S.")

The Statist.

LONDON, SATURDAY, FEBRUARY 8, 1919.

THE ECLIPSE OF EUROPE.

There is much to suggest that the pre-eminent place held by Europe, at least since the defeat of the Persians by the Greeks, is passing away, and is passing across the Atlantic. There was a time before the Persian conquest of Egypt and Mesopotamia when Western Asia and North-Eastern Africa held the highest place amongst the nations. Since the defeat of the Persians by the Greeks, Europe has been the leading part of the world. But the lead has been held by many widely differing peoples. It looks as if practically they had worn themselves out, and that America is going to take the primal place. The Statist has no taste for prediction. And, therefore, we will not attempt to estimate how the change will take place, or how long it will be before it is universally recognised. Before the War, Sir Edward Grey, as he then was, was bold enough to say that if we could safely toddle along for about twenty years the Dominions would become so populous and powerful that England would remain, if not the greatest, at all events, one of the greatest Powers upon Earth. The twenty years are running out, and it certainly does not look at present as if we were preparing to maintain a very high place. We have an enormous debt, and if life in these little islands is to be made tolerable, that debt must be considerably increased by numerous reforms. But Mr. Lloyd George, when he knew that he had the confidence of the public, allied himself with the reactionary party, and now how many people believe in thorough-going reforms? At the same time, we must remember that Viscount Grey, when he made the prediction just referred to, held a very high place, not only in the Government, but in the esteem of the best people at home and abroad, and we see how far we are now from the realisation of Viscount Grey's prediction. That being so, prudent men will steer clear of prediction and will content themselves with pointing to the unpleasant appearances of the present time.

The first of these is that the British Government has insisted upon being represented at the Peace Conference by four Ministers, while it allotted to the Dominions only one, promising, it is true, that when questions especially affecting the Dominions arise, the Dominions will be properly represented. We have thus a clear recognition that the Dominions are not adequately represented. And yet a little time ago we were told that the greatness of the Empire depended upon the growth of the Dominions. Next we were found to number, all told, in the United Kingdom, a little over 45 millions in 1911, when the last Census was taken. Since then there has been a great War, the withdrawal of millions of men from productive work, and the absence of husbands from their wives. Consequently, there cannot have been, or, at all events, it is not probable that there has been, a large increase of population. And if not, how do we stand? We are undertaking a large addition to the Empire. We are told that it is assumed that we shall need in the future 900,000 regular troops to defend the whole Empire. We are to garrison Heaven only knows how much of Europe and Asia, and Africa. And what are we to get in return? We are to take 900,000 men out of productive work away from their wives, and what return are we to receive? We fail to see any. But we see a great probability of the growth of militarism and a military spirit which will check all real enterprise.

If we turn from our own affairs, we see the United States capable of feeding in comfort at least 500 millions of people. And we see a strong probability that there will be vast immigration into the United States in the next very few years, so that it is reasonable to count upon a doubling of the population of the United States in half a century at the outside. Suppose the United States has a population of 200 millions. It is largely, we will not say, composed, but affected by the dislike of England amongst Germans, Irish, and so on. And, furthermore, if we assume that Mexico becomes intolerable, and that a less patient President than Mr. Wilson comes into power, we may see an immense addition to the United States of lands which yield to few as homes for mankind. There is every ground for anticipating, then, an extraordinary increase both of population and of territory in the United States. And the Peace Conference, by exacting from the Dominions a kind of responsibility to the proposed League of Peace, is almost ensuring that when the United States becomes infinitely greater than any European State, it will feel itself bound to look after the interests of all subject peoples. The people of the United States are very democratic and are very much opposed to militarism in all its forms. As they become the dominant State in the civilised world, they will feel their responsibility more and more; and it is to be presumed that some public men who are aiming at greater power than up to the time they have attained will point out that this country and that country are not given that freedom of action which ought to belong to them, and, consequently, there will be a danger, not to use a stronger word, that the people of the United States may be urged to undertake an interference in the affairs of Europe, which will be somewhat galling to European Governments and may bring about not a little bad feeling. The people of the United States are, at the same time, not prone to interference. On the contrary, they have been long-suffering in their dealings with such countries as Spain and Mexico. Still, it is well to recognise that, mainly through the mad ambition of the German Government, they have been dragged into the War from which we have so lately emerged; and it will be cause for gratifying surprise if the United States people do not, in consequence, bear in mind that once they have been forced against their will into War, therefore, it will be wise on their part to keep a very watchful eye upon what is taking place in Europe.

THE CONFERENCE.

THE Conference apparently has not approached its real business as yet. It has, it is true, sanctioned a League of Peace; but the Conference is without power of any kind, and its sanction is worth no more than the paper upon which the resolution is written. At mid-day on March 4—that is, in a few days less than four weeks from the present time—the existing Congress of the United States will come to an end. In the new Congress the Senate will be very different from what it is now. Our readers should remember that the President is elected for four years certain, but that he may be impeached by the House of Representatives and tried by the Senate, or that he may be given a second four years. On the other hand, there are elections every two years, both for the Senate and for the House of Representatives. For the House of Representatives the elections are in all essential respects similar to the elections to which we are accustomed here at home. The chosen member is elected for two years certain, and all the members cease to be members at the end of the two years. But the elections to the Senate are different, and often puzzle those who are not very familiar with American political arrangements. The Senate was not intended to be what the House of Lords is in this country. It was to be the representative of the States which seceded from Great Britain and set up an independent Government for themselves. There was, therefore, very great care taken, firstly, that the Senate should always be in existence to champion the cause of the States; and, secondly, that for that purpose the whole Senate should not retire from office at one and the same time. Consequently, every Senator is elected for six years certain. Every two years one-third of the Senate retires, and either the retiring members are re-elected, or some persons are appointed in their place. The composition of the Senate, therefore, is usually altered to some extent, at all events, every two years. Now up to the present President Wilson has been lucky enough to be able to count upon the support of the Senate. From and after mid-day on the 4th of next month he will have to face a Republican majority. The American people are all highly patriotic. They do not willingly oppose their President if any great question of international moment is at stake. Therefore it is quite possible that the Senate may approve of the establishment of a League of Peace.

The Senate, as already said, represents the States, and is, in fact, chosen by the States. Consequently, it may be that feeling in the States is strong enough to prevent anything that would look like lessening the authority of the United States abroad. On the other hand, it is to be recollected that the States possess very great political power. In fact, nearly all the legislation that intimately affects the lives of men and women is in the hands of the States, and not of the Confederation. The State Governments, therefore, are highly respected and very influential. And they may conceivably believe that it would lower the United States if the Senate refused to accept a Treaty which was carried mainly in the Conference through the influence of President Wilson. There are, however, very strong reasons which urge the rejection of the proposal. The first of these is that nobody can foresee when a question may arise which will demand prompt action by the League of Peace. Let us, for illustration's sake, assume that in ten or twenty years Germany conceives that she was ill-treated in being obliged to pay enormous indemnities to France, Belgium, Serbia, Roumania, and so on; and that she deliberately refuses to pay the interest on the loans raised to meet those indemnities. The thing may never be done. We are not here suggesting that it will be done. But we are taking a case which is conceivably possible at all events. And we ask, What will be the action of the great members of the League of Peace supposing such a circumstance arose? Would they all put their armies and navies in motion to compel Germany to fulfil her engagements to her creditors? If they did, suppose the War lasted for a year or two, would they continue it? Is it not conceivable that Germany would be able to make such resistance that some of the members of the League would tire of the conflict? It would be easy to suggest many other causes. Germany, if she decided upon such a course, might have made friends with some of those who are now hostile to her, and might be able, therefore, to make a very stout resistance. In any event, think of the strength of those who would dislike a new war and who would use every effort to prevent the compulsion of Germany. That is one reason which the Senate of the United States is sure to take into consideration; and nobody at present is in a position to judge what its decision will be. Suppose, again, some small State objects strongly to some order given by the League of Peace, and appeals for support and protection, let us say, to the United States. And let us further suppose that the President of that day is hostile to interference with the internal affairs of independent States; and that he gives his vote against compulsion. However, it is not necessary to drag out the discussion. Our object here is rather to show that there are very strong reasons why a considerable body of American Senators should object strongly to a League of Peace. Here is a purely American case which will most certainly raise great doubts in the minds of Republican Senators. The League of Peace, if it is fully adopted, will make it incumbent upon every member of the League to enforce its orders, whether they seem just or unjust. That is one thing that every Government ought very seriously to consider. But there is another circumstance which much more nearly touches the United States. Washington advised his countrymen to keep out of all European broils. And until the War which has just ended America has religiously observed his injunction. Many years afterwards, President Monroe, with the support of Mr. Canning, proclaimed the Monroe Doctrine, which practically forbids any European State to interfere in American quarrels. Up to now America thus had two great rules which her people looked upon as peculiarly sacred and binding—one, to avoid mixing themselves up in European broils; the other, to resist at any cost European interference in the affairs of American States. Can America, consistently with its known principles, insist that the Monroe Doctrine shall continue to be binding upon Europe, and yet claim for herself the right to meddle in every European quarrel that arises?

We are quite aware that very large numbers of American citizens think that the two principles—that of Washington, and that of President Monroe—hang together, and that if one is dropped the other ought to be dropped likewise. On the other hand, there is exceedingly strong feeling in the United States against European interference in America. The feeling has been so well recognised in England, that England has kept out of all American broils for more than a generation. Although it encouraged Napoleon the Third to send an army to Mexico it withdrew from his assistance when it found that the United States would resent intervention in Mexico. Much more lately, we had a still more striking recognition by our own country of the Monroe Doctrine when President Cleveland practically threatened this country with war if it persevered in its claims against Venezuela. The Monroe Doctrine, then, has come to be regarded in the United States as something essential to their safety and their dignity, and as demanding, even at great risk, resistance to all European intervention in the United States. It is possible, as has been said already, that nevertheless the Senate may hesitate to reject the Treaty because of the very active part President Wilson took in carrying it through the Peace Conference. But no man who respects his reputation for common sense will commit himself to any very definite opinion, inasmuch as no one at

present can possibly judge what the United States will do when the question comes before it for final regulation. All that can be said up to the present is that the whole affair is much less popular in the United States than it was some months ago; and that, in fact, the visit of President Wilson to Paris apparently for the purpose of assuring the adoption of the League of Peace, has stirred up a strong feeling against the League. Upon the whole, then, the Peace Conference, so far as it has gone, is anything but a success. We feel that we have given way on many points which we did not really like, and the Americans feel that their authority and desires have been used to influence European opinion unduly. France, again, is by no means satisfied with the present disposition regarding the Rhine. It may be that France is over-susceptible. It may be, of course, that now that the constant dread of war with Germany is removed, the population of France will begin to increase and in ten or twenty years the birth-rate may grow so materially that the fear of Germany will disappear, and that France will feel herself quite equal to maintaining her own interests. On the other hand, it is certain that at the present time the population of France is very much smaller than the population of Germany, and, consequently, that France does not occupy now the position she once held. Futhermore, it is not to be forgotten that France held a good deal of territory which was taken from her by the Congress of Vienna; and, therefore, it is not surprising that she should be disappointed and even pained that her own Allies are so suspicious of her that they will not undo what the Congress of Vienna did, and instead will uphold the claims of Germany. Over and above this, there is very strong feeling both amongst the Serbs and the Croats on the one side, and the Poles on the other. For the time being, they are kept in control. But at any moment they may break bounds. Lastly, the exaction at the instance of President Wilson of a kind of suzerainty from the League of Peace over those who are granted the German colonies is arousing a good deal of irritation. It may all pass off. But as far as we can judge the Conference up to the present has pleased nobody.

WHEN THE WAR ENDS.—LIV.

Mr. Lloyd George, we apprehend, must be convinced by this time that he made a fatal mistake in allying himself so closely with the reactionary party. We hope that he will now recognise his mistake and return to London without delay. The place just now for the Prime Minister is the capital of the United Kingdom, where he can put himself in communication with the leaders of every movement, and where, by personal communication, he can make himself master of the motives that are bringing about a serious state of things. We will not enter minutely into a consideration of the formidable strikes with which we are threatened. We will content ourselves with pointing out that the exhibition of formidable artillery in the streets of Glasgow was a thing that ought not to have been allowed—which, in fact, proclaimed its authors unfit for exercising any public office. We have all in our degree been profuse in our acknowledgments of the gallantry, as well as of the public spirit, with which millions of our fellow-citizens came forward to defend the Empire when it was audaciously threatened. Is it a right means of acknowledging and rewarding that gallantry and that patriotism to openly produce in the streets of a great city the newest and most formidable artillery? That is not the way in which a free country can be governed, and the sooner it ceases the better it will be for all parties. However, we have very little confidence in the present Ministers. We look, therefore, to the body of thinking men to insist that the government of the country shall be carried on in a manner befitting a free people. No doubt the strikers, or at least a fringe of youngsters who generally hang about every great popular movement, did many things which they ought not to have done, and should have been properly punished if punishment could be inflicted without exciting a great popular disturbance. It is not part either of our object or of our desire to paint the strikers as exceptionally good, worthy people. Probably they consisted, like all crowds, of many classes and of varying characters. But, when everything is said, the condition of the country is most unsatisfactory, and they are performing a public service who compel those who have been endowed for the present with the government of the country to set things right.

We showed last week that the Government itself is so grossly ignorant of its own business that it actually does not know the exact number of persons who pay income tax. It is worth while to make this point clear, for we are convinced that the wealthy classes are so entirely separated from the poor that they have no clear conception of the extremely unsatisfactory condition of the vast majority of the people. We showed that the estimate of the Government is—they have no exact knowledge, remember—that since the lower level of the tax was reduced to £130 a year the number liable is about 2,200,000. Now, £130 a year is exactly £2 10*s.* per week. And it follows that out of a gross population of nearly 45½ millions of people, according to the last Census, only between four and five persons out of every hundred are rich enough to be called upon to pay income tax for any fortune not less than £130 a year. We would ask our readers to consider with themselves the number of school teachers, of clergymen of all denominations, having no benefice, of clerks, of foremen, and so on, and then add up all who are called the well-to-do classes, and the whole put together do not make 2¼ millions of people. In other words, out of every 20 or 21 persons only about one is liable to income tax even at the low rate of income of £2 10*s.* per week. How many members of the trades unions earn £2 10*s.* per week? It would be a very interesting piece of information to arrive at the facts. But it is perfectly certain that below the trades unions there is not a man or a woman earning £2 10*s.* a week by honest and reputable means.

We would appeal to the men of light and learning throughout the country to consider this state of things very carefully, and to ask themselves whether it is at all unreasonable that there should be a demand now for impossible wages and impossible leisure. Remember that when Germany made an aggression upon us in the middle of 1914 no class in the community was more ready to risk their lives in defence of the Empire than the workers. Is it not, therefore, becoming—we will not use a stronger word—to hear at least respectfully what the workers have to say for themselves, and to point out to them all the serious objections there are to certain of those demands? Put in broad and general terms, we assume that there is no man of ordinary good feeling who does not agree that it is desirable, as far as is possible, for the workers to obtain more comfort in their homes, and more leisure for improving their minds. It is quite possible, of course, that leisure would be abused by many. But then that is true of every class in the community without exception. There are drinkers and blackguards in every class. And he would be a fool who would pretend to believe that any particular class, whether high or low, is entirely without them. But while both leisure and comfort would be abused by some, it would be turned to good account by others, and leisure and comfort are essential if the great body of the people are to acquire some knowledge to become more expert in their own peculiar businesses, and, where they happen to have genius, if they are to develop that genius and benefit the whole of mankind. It is a rather sad thing to see the present disquiet amongst the working classes regarded by almost every other class as something altogether wicked. The feeling is by no means confined to the employers, nor even to the idle rich. It is shared in by people who are

not very much above the workers themselves, but who dislike the possibility of being deprived of all the conveniences of the time, in railway travelling, in electric lighting, and so on. We are all so selfish that we hate to submit to a little inconvenience even though that inconvenience may be the saving of the nation.

Turning from the great public to the employers of labour, we would ask them to look into the matter carefully for themselves, not to listen either to self-interest or to mere prepossession, but to think carefully, and to think long, whether there is not some way of meeting partially, at least, the demands of the workers without risking really serious troubles. The whole of Europe is distracted. It looked just before the War to the thoughtless that we were progressing most satisfactorily and that everything was for the best in this best of all possible worlds. Those who were not carried away by the general feeling, but who took careful note of the unrest amongst the working classes, were well aware that the hopes entertained were built upon sand, and that there was a rude awakening before us. When the War came all classes agreed to put off their differences until the enemy was defeated. And now we are beginning to learn that the controversy which was postponed in 1914 is upon us. We have, to begin with, only four or five persons in a hundred who earn as much as £2 10s. a week. And we have, in addition, an enormous debt which will necessitate crushing taxation. If we are to have crushing taxation, and if the rich are to be exempt from special efforts and the real burden is to fall upon the poor, what will be the result? We are hopeful that this country is exempt from revolution. There may be revolutionary movements; but, upon the whole, the people are too patriotic, we venture to think, to go in for a real revolution. If that be so, then we are about to witness an extraordinary emigration from the United Kingdom. The United States, as we show elsewhere, is far and away the most prosperous country in the world. She can boast of having practically protected Europe, and put down the Germans. And she has boundless room for any number of immigrants. We anticipate, therefore, a very large exodus to the United States. Then the Dominions are to be greatly enlarged by the gift of the German colonies. The proposed League of Nations is, it is true, to exercise supervision. But we will not stop here to inquire into what supervision means in this case. We have Dominions of enormous extent about to be enlarged indefinitely; and if those Dominions are to take their proper position in the world they need immigration upon a great scale. Just think of it. Think of the urgent need for immigration, and, therefore, for all the railway building and all the irrigation works requisite to prepare for an immense inflow of immigrants. Where shall we be if there is such an outflow from the United Kingdom? And remember that if we are to enlarge the British Empire by extending protection over not only Egypt, but Palestine and Mesopotamia as well, what an enormous immigration is required in those countries also. How are we to meet all the demands of these various kinds upon us? And, if we do not meet them, what will be the consequences to not only the Empire but even to the United Kingdom itself? We have been pointing out how intensely poor are the great body of the people. We might go on to show how worthless are the idle rich. But we need not deal with that. We would invite the attention of our readers of the commercial classes, the men who have invested their savings in great businesses, who see opportunities for extending, ay, and often for multiplying, their works, and who see, on the other hand, the threat of an emigration that will make wages higher than ever. Is there not enough of statesmanship amongst the great employing class to see how intimately their interests are concerned? They can come to an agreement with their workpeople, and they can develop the Empire and all its parts; but they must act boldly and act thoughtfully. If they do, we shall soon get a Government capable of dealing with our troubles, and we shall emerge from all our difficulties.

RUSSIA.

The relations between the victorious Powers and Russia seem to be growing worse, and operations just now are exceedingly inadvisable. The weather for some months yet will be extremely cold, and may cause great trials to troops employed. When Japan first offered to operate in Russia it would probably have been easy to do so with success, for Japan has an exceedingly well-organised and well-trained army. She needed only cordial encouragement, and she would probably have convinced the Bolshevists that it would be wiser upon the whole to make terms with the Entente Powers than to continue to be their enemies. But no encouragement was given to Japan. On the contrary, she was induced to believe that her enthusiasm was misunderstood, and that she would serve her own purposes better by simply doing nothing. The result is that we are not an inch nearer to an agreement with Russia than we have been at any time since the Tsar was deposed. It is simply impossible to understand Russia, mainly because the people are split up into factions which are so bitterly disposed towards one another that they cannot believe that there can be anything good in enemies they hate so cordially. On the other hand, the European journalists who have recently visited Russia are either singularly incapable or extremely untrustworthy. We do not wish to make charges against men upon points of which we know little, and, moreover, as old men of the world, we have learned something from experience in different countries, and we know how easily passion and prejudice are generated, and how some people come to look upon it as a point of honour to abuse those whom they regard as enemies and to misrepresent everything they do. At the present time, therefore, we are utterly incapable of judging the condition of Russia. We do not believe everything that is told us by the established authorities, and equally little do we believe what is told by European correspondents who make assertions upon subjects that it is perfectly evident they can know nothing about. The condition of Russia, then, is an enigma; and the future of Russia, as a consequence, is extremely uncertain. Whenever the Russian people arrange their difficulties by some plan or other they will make a powerful State. Sooner or later a man will come to the top who knows how to exact obedience; and when a great army obedient to orders is organised Russia will be a formidable Power. Recent events have tended to make people doubt whether Russia was ever so dangerous as she was supposed to be. But doubts of that kind are most misleading. Everything in regard to a country's power depends, when everything is said and done, upon the Government. A Government that is willingly obeyed is always a formidable Government. A Government which cannot depend upon obedience is usually a worthless Government. But even these dicta are not to be taken as always and everywhere true. A man may be a really good soldier, and yet it may take him some time first to organise and then to discipline an utterly disorganised horde. Consequently, it would be a great mistake to underrate the power of Russia; for if she finds a really capable general she will become a formidable State. On the other hand, if she fails to find a general whose troops will obey him she will count for little. Unfortunately at the present time we know nothing. We cannot depend upon any of the information that reaches us. That being so, we are in the dark as to the probabilities regarding Russia.

CONDITION OF OUR BANKS.

We publish to-day statistics showing the condition of the banks of the United Kingdom on the last day of the Old Year. The number so dealt with is 42, and our readers will understand that the Bank of England is not included, for the Bank of England is essentially the Bank of the Government and the Bank of the banks, whereas our purpose in publishing these statistics is to present our readers with the statements issued by the banks themselves of the condition of those banks which lay themselves out specially for accommodating the whole community. The figures, then, are of the very greatest value and interest. They are so at all times and under all circumstances. But they are exceptionally interesting and important just now, when a very great War has just come to an end, and when we are faced by difficulties greater than for the most part have had to be encountered at any time in the past. We conceive, therefore, that we are rendering a service to our readers in presenting them as early as possible with a tabulated statement calculated to be of so much help to them in their own operations. We do not doubt that our readers will give to all the figures their most careful attention. Without more preface, then, we proceed to call their attention to some of the facts which will especially attract them, and which in many respects are exceptionally deserving of the most careful note.

To begin with, they will observe that the cash in hand and at the Bank of England, together with the money at call and at short notice, amounted on the last day of the Old Year to £604,072,879, being 28.0% of all the assets. We do not doubt that, at first sight, it will strike many youthful students as astonishing that nearly one-third of all the assets held by our 42 banks were actually idle on the last day of the Old Year. The public is taught by foolish instructors to believe that the trade of the country is mainly carried on with the assistance of the banks. If that statement were correct it would in reality be an alarming one. It would tell us that the whole trade of the United Kingdom is practically being conducted by borrowed money, or, to put the matter in the bluntest way, that all our traders are in debt, and practically are trading with other people's money. We gladly, therefore, seize this occasion to show to our readers that our banks, while they perform a most useful purpose, yet are not essential to our trade. On the last day of the Old Year not far short of one-third of all the available moneys of the banks—or credit, to use a more correct expression—was actually unemployed. Many readers, jumping from one extreme to another, may be tempted to think that this is scarcely a less discomposing statement than the former. If these gentlemen will think a little they will see that such a view is entirely unsound—that, as a matter of fact, it is a most reassuring circumstance that on the last day of the Old Year the country was in so sound a state that the banks had in their own possession not much short of one-third of all their available resources. To make the matter clear to young men who are only now directing really careful thought to the problems of trade, it may be well to point out that there are special reasons why loans from the banks should be unusually small at the very end of the year. In the first place, the banks desire to show as good a condition as they possibly can without doing injury to their customers. And, in the second place, the customers like to have as good a financial showing as they can bring about truthfully. Both bankers and customers, therefore, like to console themselves with the reflection that at the end of the year they are in a fairly sound state. In addition to this, it will be recollected that the end of the War was only attained in November; that immense numbers of men were still with the Colours; and that, consequently, except in the employment of the Government, there was a great scarcity of man-power. It would be easy, if it were necessary, to go on adducing other explanations. But we hope we have said enough to enable the young reader to understand the figures better than, left to himself, he easily could, and, therefore, to begin his preparations for an anxious year in a more hopeful state of mind.

The investments, still on the last day of the Old Year, amounted to £466,272,979, or 21.6%. The young student who is especially thoughtful will probably be more startled by these latter figures than by the former. A little thought will enable him to understand what we have been saying respecting the unemployed resources of the banks. But he might well be pardoned if he failed to comprehend why more than one-fifth of the total resources of the 42 banks are invested. Foolish toadies of the banks are constantly claiming for them credit for services which, as a matter of fact, no good banker could be induced to render. The banks obtain deposits from all and sundry. And they very reasonably employ those deposits in lending and discounting. But while it is a very proper, a very judicious, and a very creditable thing for the banks to use profitably for themselves and for the country moneys that probably would lie unused if they did not act so, they would be proclaiming themselves reckless if they did not take very good care that they should run no properly avoidable risks. A bank ought to give an example of judicious conduct of business, more particularly even than other traders, firstly, because it occupies so prominent a position that it attracts to itself the notice and even the criticism of the whole community; and, secondly, because a bank is essentially a credit institution. It is working on credit always. And the first and most essential of its duties is so to conduct itself that its credit shall always be unassailable. Therefore, it is very right that a bank should so employ its assets that even hostile critics are forced to admit that it is safe. We have seen that the banks on the last day of the Old Year held 28% of their available resources unused. Now we find that at the same date they had investments amounting to a trifle over 21½%, which nobody will doubt were made prudently and judiciously. Consequently, they had over 49½% of all their available resources either at the Bank of England, or in their own hands, or else invested as judiciously as our bankers must be supposed to invest. It will be seen that the banks, humanly speaking, are quite safe. Indeed, young and enterprising persons probably will be tempted to say are too safe. But the banks, at all events, are carefully managed according to those figures, and are not rushing into wild adventure.

In the third place, we find that the bills discounted amounted to £374,659,618, and the loans to £623,039,581. The loans and the discounts together, therefore, amounted to £997,699,199, or 46.4%. Perhaps the young reader, and older readers who do not carefully follow the working of the Money market, may be surprised to find that 42 banks on the last day of the Old Year had employed in lending and discounting less than half of their total resources. It is so continuously drummed into the ears of people that the banks are essential to trade that we are prepared to find not a little astonishment that the banks of the whole United Kingdom, taken together, had on the last day of the Old Year accommodated trade to the extent of less than half of their resources. We are dwelling upon these facts, which, of course, are familiar to the Money market, and those who carefully follow the movements of the Money market, for two special reasons. The first is to bring out clearly that the trade of the country is not dependent upon credit to anything like the extent that is commonly supposed; secondly, that the banks are not as essential to the maintenance of our trade as is commonly supposed; and, thirdly, that we are at the present time in a very exceptional position. War had been concluded only a few weeks before the figures we are commenting upon had been made up. And the War had been so badly

Analysis of Liabilities of 42 Banks of the United Kingdom, December 31, 1918.

No.		Date of Balance Sheet	Capital £	Reserve £	Total Capital & Reserve £	%	Notes in Circulation £	%	Acceptances £	%	Deposit & Current Accounts £	%	Profit Balance £	%	Total Liabilities and Assets £	No.
1	Bank of Ireland	Dec. 31	2,769,231	920,000	3,689,231	8·5	16,290,339	37·5	—	—	23,299,555	53·6	157,055	·4	43,436,780	1
2	Bank of Liverpool & Martin's	,, 31	1,733,890	900,000	2,633,890	3·9	—	—	2,335,956	3·4	63,243,460	92·4	191,299	·3	68,404,595	2
3	Barclays Bank	,, 31	8,160,743*	6,000,000	14,160,743	5·5	—	—	4,211,796	1·6	239,381,613	92·8	278,428	·1	258,032,580	3
4	Baring Bros.	,, 31	1,025,000	100,000	1,125,000	4·8	—	—	3,064,047	13·1	19,245,252	82·1	12,658	—	23,446,957	4
5	Beckett's Banks	,, 31	600,000	—	600,000	5·3	2,253,720	14·6	309,603	2·8	10,194,883	90·8	—	—	11,247,416	5
6	Belfast Banking	July 31	500,000	500,000	1,000,000	6·5	122,930	1·1	—	—	12,073,014	78·3	86,255	·6	15,412,989	6
7	British Mutual	Dec. 31	70,603	48,500	119,103	17·5	—	—	—	—	557,180	81·7	5,390	·8	681,673	7
8	Child & Co.	July 10	500,000	80,082	580,082	19·4	—	—	—	—	2,413,564	80·6	—	—	2,993,646	8
9	Clydesdale Bank	Dec. 31	1,000,000	1,170,000	2,170,000	6·0	3,092,333	8·6	251,110	·7	30,254,001	84·2	172,094	·5	35,939,538	9
10	Cocks, Biddulph & Co.	Jan. 11,'19	200,000	—	200,000	15·1	—	—	—	—	1,124,911	84·9	—	—	1,324,911	10
11	Commercial Bank of Scotland	Oct. 31	1,000,000	850,000	1,850,000	4·9	3,307,838	8·8	1,023,858	2·7	31,511,198	83·3	112,390	·3	37,805,284	11
12	Coutts & Co.	Dec. 31	800,000	700,000	1,500,000	7·4	—	—	385,243	1·9	18,426,805	90·7	—	—	20,312,148	12
13	Cox & Co.	Oct. 5	650,000	425,000	1,075,000	5·2	—	—	447,641	2·1	19,265,409	92·7	—	—	20,788,050	13
14	Equitable Bank	Dec. 31	13,500	15,575	29,075	4·9	—	—	—	—	558,842	94·4	4,296	·7	592,213	14
15	Glyn, Mills, Currie & Co.	,, 31	1,000,000	500,000	1,500,000	5·2	—	—	982,739	3·4	26,484,610	91·4	—	—	28,967,349	15
16	Halifax Commercial Banking Co.	,, 31	200,000	120,000	320,000	8·9	3,515	·1	62,772	1·7	3,193,246	88·3	16,854	·5	3,596,387	16
17	Hibernian Bank	,, 31	500,000	140,000	640,000	6·5	—	—	—	—	9,099,342	93·2	27,192	·3	9,766,534	17
18	Hoare	July 6	485,000	—	485,000	15·3	—	—	—	—	2,688,627	84·7	—	—	3,173,627	18
19	Isle of Man Banking	Dec. 31	30,000	78,000	108,000	7·6	84,174	5·6	—	—	1,306,869	86·8	7,029	·5	1,506,072	19
20	Lancashire & Yorkshire Bank	,, 31	862,660	580,000	1,442,660	6·0	12,964	·1	491,118	2·0	21,690,616	91·0	193,144	·9	23,830,502	20
21	Lloyds	,, 31	8,954,056	9,000,000	17,954,056	6·0	—	—	14,764,992	4·9	266,808,139	88·7	1,158,300	·4	300,685,487	21
22	London County West. & Parr's	,, 31	6,830,990	7,430,086	14,261,076	5·0	17,263	—	9,276,488	3·2	263,129,887	91·5	855,720	·3	287,540,444	22
23	London Joint City and Midland	,, 31	7,172,697	7,172,698	14,345,395	4·0	—	—	13,145,849	3·6	335,350,315	92·2	675,098	·2	363,516,657	23
24	Manchester and County Bank	,, 31	1,092,040	850,000	1,942,040	9·5	—	—	506,126	2·5	17,679,775	87·1	189,129	·9	20,317,070	24
25	Manchester & Liverpool District	,, 31	1,896,000	1,550,000	3,446,000	6·9	—	—	1,567,079	3·2	44,550,713	89·3	300,989	·6	49,843,781	25
26	Munster & Leinster	,, 31	200,000	400,000	600,000	3·6	—	—	—	—	15,916,897	96·2	30,000	·2	16,546,897	26
27	National Bank	,, 31	1,500,000	845,000	2,345,000	6·8	3,238,154	9·4	277,600	·9	28,270,257	82·4	157,113	·5	34,288,124	27
28	National Bank of Scotland	Nov. 1	1,000,000	900,000	1,900,000	5·2	3,167,678	8·5	1,127,175	3·0	30,748,370	82·8	187,828	·5	37,131,051	28
29	Nat. Prov. & Union B. of Eng.	Dec. 31	5,476,884	4,850,000	10,326,884	4·8	—	—	3,891,343	1·8	200,864,039	93·2	487,318	·2	215,570,184	29
30	N. of Scot. & Town & Co. Bk.	Sept. 30	652,000	500,000	1,152,000	5·5	2,114,062	10·0	—	—	17,527,339	83·1	254,624	1·2	21,048,025	30
31	Northamp'ton & Ire'land Union Bank	Dec. 31	396,000	469,000	865,000	13·3	1,820	—	—	—	5,607,334	85·9	54,057	·8	6,528,211	31
32	Northern Banking	Aug. 31	500,000	485,000	985,000	7·3	2,043,004	15·1	—	—	10,441,076	77·4	27,369	·2	13,497,049	32
33	Palatine Bank	Dec. 31	125,000	11,000	136,000	11·5	—	—	34,826	2·9	1,009,168	85·1	5,493	·5	1,185,487	33
34	Provincial Bank of Ireland	,, 31	540,000	415,000	955,000	6·3	2,264,951	15·0	—	—	11,816,700	78·4	43,242	·3	15,079,893	34
35	Royal Bank of Ireland	Aug. 31	300,000	122,500	422,500	12·0	—	—	—	—	3,076,893	87·1	33,467	·9	3,532,860	35
36	Royal Bank of Scotland	Oct. 12	2,000,000	1,030,471	3,030,471	8·4	3,276,556	9·0	193,925	·5	29,738,769	81·9	70,000	·2	36,299,721	36
37	Sheffield Banking Co.	Dec. 31	404,075	315,925	720,000	9·3	—	—	—	—	6,930,385	89·3	26,537	·4	7,676,922	37
38	Ulster Bank	Nov. 30	500,000	700,000	1,200,000	5·0	4,804,918	19·9	—	—	18,063,976	74·7	108,734	·4	24,177,628	38
39	Union Bank of Manchester	Dec. 31	750,000	525,000	1,275,000	7·2	—	—	1,150,084	6·5	15,212,143	85·9	71,170	·4	17,708,447	39
40	West Yorkshire Bank	,, 31	400,000	400,000	800,000	7·1	2,245	—	28,705	·2	10,413,812	92·1	64,175	·6	11,308,937	40
41	Williams Deacon's Bank	,, 31	1,250,000	850,000	2,100,000	6·0	—	—	941,030	2·7	31,837,419	91·0	129,319	·3	35,007,768	41
42	Yorkshire Penny Bank	,, 31	750,000	750,000	1,500,000	6·1	—	—	—	—	23,014,201	93·9	—	—	24,514,201	42
			64,790,369	52,698,837	117,489,206	5·4	46,089,064	2·1	60,471,105	2·8	1,924,001,144	89·4	6,193,576	·3	2,154,244,095	

* Includes £871,299, instalments in respect of new issue of "A" shares.

conducted that something like seven millions of men in the flower of their manhood had been withdrawn from productive enterprise, and were either fighting our enemies or holding down Ireland—which with reasonably good government could have been assisting in fighting the enemy—or, lastly, in protecting England and Scotland themselves from invasion. Seven millions of men in the flower of their manhood withdrawn from a population of 45 or 46 millions of people was an enormous draft. And remember that it was only part of the draft. The Government had so disgracefully neglected all its duties that it had neither guns, nor gunpowder, nor explosives of any kind fit for the great emergency into which it rushed in absolute ignorance and absolutely unprepared. Therefore, men and women in vast numbers had to be hired by the Government. And thus the trade of the country was reduced to an extent that nobody would have believed possible in the middle of 1914. If, when war was declared, people had been able to foresee that it would last for considerably over four years; that it would withdraw from productive enterprise so many men and so many women; that it would have made the Government take into its own hands the management of the trade of the country; and that, finally, we, the grown men and women of the country, the fathers and the mothers of the whole population, should be treated as children and rationed as if we were fools, incapable of managing our own affairs. Heaven only knows what the result would have been in regard to the enlistments that followed. One thing, at all events, is perfectly certain: that the whole trade of the country was thrown out of gear; that the health of the country was seriously damaged; and that, putting out of account the grievous loss of life and the deplorable injury to health immediately traceable to the War, there has been a breakdown of productive energy which, if foreseen, could not fail to have had serious consequences so far as the conduct of the War was concerned. However, we are concerned here with the experience of the banks during the War, and we are specially calling the attention of our readers to some of the effects of the War upon the banks. We have already pointed out the large proportion of the investments. But it is to be recollected that we have raised in national loans while the War has lasted about £8,000,000,000, and therefore it is not surprising that the investments should be large. Secondly, many thoughtful readers will doubtless ask themselves how the amount of the loans and discounts is to be accounted for. Well, if they will think a little, we venture to say that they will discover the reasons for themselves. Eight thousand millions, in round figures, raised in, let us say, four and a half years is an enormous proportion to borrow from the population. True, we borrowed a very large amount from the United States; a smaller amount from portions of the British Empire, India for example; and small amounts, likewise, from foreign countries, such, for example, as Argentina. But, when everything is said, the great bulk of the money must have come from the people of the United Kingdom, and the ordinary people must have been assisted in making the loans by the banks. Therefore, we have been at some pains to bring out clearly the results of last year's working of the 42 banks for the purpose of making manifest to our readers the influence exerted by the War.

Turning now from the assets to the liabilities, we would point out that the aggregate capital of the 42 banks amounted to £64,790,369, and the aggregate reserves to £52,698,837, making a grand total of £117,489,206, being 5.4% of all the liabilities. The liabilities of all kinds aggregate a total of £2,154,244,095. Thus we have aggregate capitals and reserves amounting to nearly 117½ millions, with total liabilities of every kind of nearly 2,154¼ millions. The capital and the reserves together, it will be observed, were not quite 5½% of the liabilities, which seems

Analysis of Assets of 42 Banks of the United Kingdom, December 31, 1918.

No.	Cash in Hand and at Bank of England	Money at Call and at Short Notice (*a*)	Total Cash in Hand and Money at Call, &c. Amount	%	Investments Amount	%	Bills Discounted and Advances: Bills Discounted (*a*)	Advances	Total Amount	%	Liabilities for Acceptances, &c.	%	Bank Premises, &c.	%	No.
	£	£	£		£		£	£	£		£		£		
1	14,059,998	1,994,800	16,054,798	36·9	14,943,495	34·5	—	12,051,640	12,051,640	27·7	—	—	386,847	·9	1
2	10,230,206	8,955,002	19,185,208	28·1	21,555,602†	31·5	2,740,201	21,683,283	24,423,484	35·7	2,335,956	3·4	904,345	1·3	2
3	51,819,891	21,325,154	73,145,045	28·3	50,559,987	19·6	47,442,264	78,854,584	126,296,838	49·0	4,211,796	1·6	3,818,914	1·5	3
4	5,385,994	—	5,385,994	23·0	1,607,306	6·9	11,317,959	1,944,651	13,262,610	56·3	3,064,047	13·1	127,000	·5	4
5	2,096,491	—	2,096,491	18·7	3,098,516	27·6	—	5,529,903	5,529,903	49·2	309,603	2·8	192,903	1·7	5
6	6,205,843	—	6,205,843	40·3	2,875,984	18·7	—	6,259,624	6,259,624	40·6	—	—	71,538	·4	6
7	112,697	—	112,697	16·5	142,166	20·9	29,760	392,560	422,320	62·0	—	—	4,400	·6	7
8	546,648	525,000	1,071,648	35·8	1,083,007	36·2	—	754,791	754,791	25·2	—	—	84,200	2·8	8
9	5,561,418	—	5,561,418	15·5	16,585,495	46·1	5,712,525	7,405,337	13,117,862	36·5	251,110	·7	423,653	1·2	9
10	588,493	—	588,493	44·4	398,139	30·0	—	288,279	288,279	21·8	—	—	50,000	3·8	10
11	6,545,787	3,430,347	9,976,134	26·4	10,216,612	27·0	11,268,826	4,793,435	16,062,261	42·5	1,023,858	2·7	526,419	1·4	11
12	3,616,010	3,912,011	7,528,021	37·1	4,057,905	20·0	1,999,762	6,000,917	8,000,679	39·4	385,243	1·9	340,300	1·6	12
13	5,394,198	4,583,334	9,967,532	47·9	4,002,743	19·3	2,017,013	4,038,003	6,055,016	29·1	447,641	2·2	315,118	1·5	13
14	179,283	—	179,283	30·3	234,705	39·7	—	178,225	178,225	30·0	—	—	—	—	14
15	4,800,548	6,605,000	11,405,548	39·4	10,747,764	37·1	—	5,461,298	5,461,298	18·8	982,739	3·4	370,000	1·3	15
16	713,801	—	713,801	19·1	783,915	21·8	—	1,995,310	1,995,310	55·5	62,772	1·7	40,589	1·1	16
17	1,120,497	—	1,120,497	11·5	4,507,880	46·2	1,577,438	2,418,645	3,996,083	40·8	—	—	142,074	1·5	17
18	461,586	110,000	571,586	18·0	715,286	22·6	—	1,786,755	1,786,755	56·3	—	—	100,000	3·1	18
19	283,328	—	283,328	18·8	830,297	55·1	—	361,447	361,447	24·0	—	—	31,000	2·1	19
20	6,762,991	—	6,762,991	28·4	4,618,799	19·4	5,208,785	6,363,809	11,572,594	48·6	491,118	2·0	385,000	1·6	20
21	48,767,706	15,570,978	64,338,684	21·4	62,522,683	20·8	74,340,196	81,072,135	155,412,331	51·7	14,764,992	4·9	3,646,797	1·2	21
22	47,476,604	36,970,158	84,446,762	29·6	49,384,942	17·1	60,528,722	80,973,192	141,501,914	49·1	9,276,488	3·2	2,930,338	1·0	22
23	65,757,858	65,809,170	131,567,028	36·2	61,600,651	17·0	39,249,296	114,191,506	153,440,802	42·2	13,146,849	3·6	3,762,327	1·0	23
24	5,434,490	—	5,434,490	26·7	3,810,278	18·8	4,439,006	5,852,170	10,291,176	50·6	506,126	2·5	275,000	1·4	24
25	7,192,479	3,562,409	10,754,888	21·5	8,903,719	17·9	14,705,232	13,412,863	28,118,095	56·4	1,567,079	3·2	500,000	1·0	25
26	2,349,073	1,000,000	3,349,073	20·2	6,047,732	36·6	3,380,445	3,684,775	7,065,220	42·7	—	—	84,872	·5	26
27	4,794,897	12,441,504	17,236,401	50·3	4,902,230	14·2	3,087,337	8,377,388	11,464,725	33·4	277,600	·8	407,168	1·2	27
28	4,095,277	5,355,690	9,450,967	25·4	8,923,913	24·0	9,044,846	7,961,900	17,006,746	45·9	1,127,175	3·0	622,250	1·7	28
29	33,576,002	13,221,591	46,797,593	21·7	44,925,251	20·9	39,060,649	78,298,859	117,359,508	54·4	3,891,343	1·8	2,596,489	1·2	29
30	3,400,181	—	3,400,181	16·1	8,261,543	39·3	5,000,000	4,121,479	9,121,479	43·3	—	—	264,822	1·3	30
31	658,954	—	658,954	10·1	3,209,409	49·2	176,335	2,447,135	2,623,470	40·2	—	—	36,378	·5	31
32	3,039,796	—	3,039,796	22·6	4,620,493	34·2	1,500,000	4,216,760	5,716,760	42·3	—	—	120,000	·8	32
33	309,795	—	309,795	26·1	216,932	18·3	215,183	398,692	613,875	51·8	34,826	2·9	10,059	·9	33
34	2,120,873	945,270	3,066,143	20·3	5,790,235	38·4	—	6,121,281	6,121,281	40·6	—	—	102,234	·7	34
35	517,893	—	517,893	14·7	1,235,444	34·9	504,179	1,242,604	1,746,783	49·5	—	—	32,740	·9	35
36	4,849,075	4,360,800	9,209,875	25·4	7,766,285	21·4	12,566,316	5,971,123	18,537,439	51·0	193,925	·5	592,197	1·7	36
37	2,966,029	—	2,966,029	38·6	1,164,500	15·2	1,387,797	2,083,596	3,471,393	45·2	—	—	75,000	1·0	37
38	6,222,771	—	6,222,771	25·7	9,533,541	39·4	—	8,421,316	8,421,316	34·9	—	—	—	—	38
39	2,393,458	—	2,393,458	13·5	4,212,890	23·8	4,093,485	5,508,530	9,602,015	54·2	1,170,084	6·5	350,000	2·0	39
40	2,216,914	—	2,216,914	19·6	1,831,621	16·2	1,721,211	5,402,441	7,123,652	63·0	28,705	·2	103,145	1·0	40
41	5,641,141	5,909,730	11,550,871	33·0	6,586,806	18·8	5,549,519	9,943,798	15,493,317	44·2	941,050	2·7	425,744	1·3	41
42	7,237,957	—	7,237,957	29·5	7,256,279	29·6	4,795,341	4,773,542	9,568,883	39·1	—	—	451,082	1·8	42
	387,494,931	216,587,948	604,072,879	29·0	466,272,979	21·6	374,659,618	623,039,581	997,699,199	46·4	60,471,105	2·8	25,717,933	1·2	

† Including Treasury bills. (*a*) Where shown separately.

at first sight a very small available capital against such a mass of liabilities. But it is to be recollected, in the first place, that there is uncalled capital which would be available if the occasion arose. That, however, we admit is a small thing. The capital ranks for little in banking. It is necessary, firstly, to enable a new bank to make a start; and, secondly, to give assurance to the world that a bank is in a position to meet liabilities. But, of course, the real security of the banks consists of the investments, the loans, and the discounts. A critical reader may here observe, "Yes, but all these, recollect, are liabilities likewise." Quite correct. They are. But we have been at some pains to make clear to our readers how the grave dangers arising out of the War were guarded against, and how very large a proportion of all available funds was ready if an emergency arose. It is quite true that human skill and human prudence are not sufficient guard if the war had gone against this country. We have only to look at the enemy countries to see irrefutable proof of that. Turkey, Austria-Hungary, and Germany all owe large debts. So do the banks of those countries. And so do the trading communities. How will all those debts be met? Take Austria, for example. She is utterly broken up. What is to become of her debt? And where are those who lent the money to look for a return of even a portion of what they lent? Again, look at Germany. The Peace Conference is only beginning its consultations. It would be sheer folly to attempt to predict what its ultimate decisions will be. But is there a banker in Germany at present who can be quite calm, bearing in mind what the existing debt of Germany is, and still more taking into consideration what have been the injuries done to the occupied provinces of France, to Belgium, to Serbia, and so on? Suppose the uttermost farthing is demanded in compensation, what will be the financial result to Germany? However, we are not dealing now, except indirectly, with the War. But it seemed advisable to remind the reader what we have gone through, and what we have risked. Therefore, we would remind our readers that the War is now happily over. At least we all are persuaded that even Germany cannot be mad enough to renew it. Therefore, the war dangers are past. And we have no hesitation in dwelling upon them in calling attention to the measures taken to guard against them, and in showing how satisfactory is the condition of the banks just now. But we should fail in our duty to our readers if we did not lay special stress upon the fact that our present financial condition is due to our success in the War, which is traceable, firstly, to the splendid valour of the French, and to the happy possession of such fine generals as Marshal Joffre, Marshal Petain, and, above all, Marshal Foch. Secondly, our good luck is due to the vigour and energy with which the United States threw itself into the struggle once it engaged in it. We now have proof that when the Germans surrendered they surrendered largely because so rapidly were the Americans landing in France that the American Army in that country was actually larger than the British and the Portuguese armies added together. We have escaped from the War, and now we have the task before us to remedy all the evils of the War.

We have commented elsewhere upon the failure of our banks during the quarter of a century that elapsed between the Baring Crisis and the outbreak of the War to accumulate a great gold reserve, which would have enabled us to avoid much of the borrowing, and especially of the humiliations we underwent when we had actually to lodge American and South American securities in New York to persuade the New York lenders that England and France together were rich enough to pay the interest upon and repay the capital of a trifling 100 millions sterling. That is a humiliation we ought never to expose ourselves to again. And it ought to be one of the first requirements put upon the banks to begin without delay to accumulate an adequate gold reserve. We will not expatiate upon the subject, for the man who refuses to learn from the War

is blind to every argument of reason. It ought to be sufficient to say that the banks should accumulate a great gold reserve, and that that reserve should be adequate to enable us to take whatever steps may be necessary should another audacious military gang threaten us as we were threatened in the mid-summer of 1914.

The note circulation of the few banks which still have the right to issue notes amounted on the last day of last year to £46,089,064, or 2.1% of the liabilities, while the acceptances amounted to £60,471,105, or 2.8% of the liabilities. These are small matters. But we are now coming to the figures which are out of all proportion the most instructive as well as the most interesting that we are laying before our readers this week. We mean, of course, the deposits and current accounts.

They amounted on the last day of the Old Year to £1,924,001,144, or 89.4% of all the liabilities. Practically, it will be seen that the deposits and current accounts constituted on the last day of the Old Year nine-tenths of all the liabilities of the 42 banks. In other words, the deposits and current accounts are the material with which the 42 banks work. The so-called capital is only a trifle thrown in. But nine-tenths of the actual working resources are lent to the banks by the public, and in return are lent by the banks to the commercial community. The figures enable us to understand much which is as unintelligible to the general public as Hebrew, or, for that matter, the language of the Ogibiwees. It shows us, in the first place, that the banks are not lending their own money when they advance to you, reader, or to me, except in the sense that they have made themselves responsible to those who lent the money to them for its repayment. The banks receive what are called deposits, which, in plain English, are loans, from the general public, which is either very doubtful of its own capacity safely to invest its savings, or else is waiting for an opportunity to invest in some particular thing that is fancied, and in the meantime desires to earn an interest upon the money by trusting it to their bank. To all intents and purposes, then, the banks trade in borrowed money. The fact is fruitful, for it shows that all the talk about capital, and thrift, and savings, and all the other nonsense which is preached *ad nauseam*, is talk and very little more. Business, trade, commerce, whichever word you like, is carried on upon credit. The capitalist who either manufactures, or exports, or imports, or, for that matter, even sells over the counter, goes to his banker whenever he is short of the means of buying, and gets what he requires. The banker, in turn, offers interest to the thrifty people who doubt their own capacity to invest safely, and by offering a moderate interest gets deposits. Having obtained the deposits he lends to Tom, Dick, and Harry, always, of course, taking care to receive ample security. Thus the ship, or the cannon, or the cloth, or whatever it may be, is manufactured. Then it is sold to merchants of various kinds, who sell it either at home or abroad. And ultimately it is bought by the consumer. In real literal truth the consumer is the only actual capitalist. It is he that pays for everything that is sold in this country, whether it is made at home or made abroad. Hands will be held up in horror at this statement. But then, we are used to that kind of treatment, and we attach to it just as little importance as it deserves. The capitalist may, or may not, have capital. There are, of course, many really rich capitalists. But there are very large numbers also who have exceedingly little capital they can honestly call their own. But they have credit. Therefore, on their credit they are able either to manufacture, or to import, or to buy. And, if luck favours them, and they are careful, enterprising, and intelligent, they make a capital in the course of time, and may be able ultimately to retire as really rich men. Meanwhile the whole world is trading upon credit—sheerly upon credit. We sell abroad usually for some time. But we were not ready to give the long credit which Germany did before the War, and therefore Germany got an ascendancy in the trade of the really poor countries. For instance, what was it that enabled Germany to get control of the trade of Russia? Simply that Germany gave immensely long credit, which suited those in Russia with whom Germany dealt. Our short credit practically drove us out of the market. Everywhere, if people will but use their own eyes and their own ears, and will not listen to ingenious inventions of designing persons, they will find that the whole business of the world is carried on upon credit. The British Government used to be considered the richest in the world. Before the War we all used to brag that the English sovereign was respected the world over and that English credit would enable us to borrow any sums we liked. We found when the War broke out that we could not borrow in New York a petty 50 millions sterling without lodging American or South American securities, so absolutely low had our credit fallen. And in the course of time we had to borrow hundreds of millions for the very purpose of lending it again to our Allies. The public, then, should give attention to what is going on all around it and should not listen to the nonsense of ingenious self-advancers. All trade is carried on upon credit, and the only *bona-fide* payment that is made is made by the consumers, who have to reward with a profit every man who helps to bring it to his door, whether he be the grower, or the manufacturer, or the middleman, or the shipmaster who carries it across the sea, or the railway which brings it to the neighbouring town. Every one of these middlemen has to be paid, and has to be paid by the consumer. The cost of consumption consists only to a small extent of the real value of the commodities consumed. Mainly it consists of the various operations that go on and of the locomotion by land and sea necessary to bring it within the reach of the consumer.

In conclusion, we will only add that new banking legislation ought to be undertaken without delay. The existing laws were passed, for the most part, by Sir Robert Peel in the middle of the forties of last century. That is three-quarters of a century ago. Sir Robert was a great public servant, and was earnestly patriotic. But he was narrow-minded and wonderfully ignorant. He had been brought up more or less under the patronage of Lord Eldon, and he had been taught to believe that a reactionary policy must be supported. But he was a thoroughly honest man. He became persuaded by the active agitation that went on, firstly, that the persecution of the Catholics could not be continued; and he, who had been one of the arch-defenders of that persecution, came forward to propose its abolition. Furthermore, he had been persuaded that the Corn Laws were good. And yet he felt constrained by his patriotism to present himself as the agent to repeal the Corn Laws. Lastly, he was sufficiently amenable to public feeling to recognise that the organisation of the banks was faulty, and he came forward to reform that organisation. It is a curious illustration of the conscious ignorance of the idle rich, who since the days of Sir Robert Peel have been allowed to mismanage our national affairs, that the banking laws introduced by him have never been seriously revised. It is essential that they should be altogether remodelled without a moment's delay. Even the ex-Governor of the Bank of England, who presided over that institution during the greater part of the War, admits that a complete reform is essential in the interests of the country; and a complete revision of the laws affecting the other banks is still more necessary, for they are now possessed of such enormous financial resources that in the interest of the depositors as well as of the shareholders, and of the commercial community, it is urgently requisite that there should be a thorough overhauling of our banking system and a bold intro-

duction of the changes requisite. We have already reminded our readers of the refusal of the banks to accumulate gold reserves even while Germany was openly proclaiming that she was preparing for war. Is any further proof necessary that the constitution of our banks should be thoroughly overhauled?

Deposits, &c., of the Principal Banks of the United Kingdom at end of 1918.

		£	Deposits and Current Accounts £
1	London Joint City & Midland	335,350,315	347,423,329
	Belfast (July 31, 1918)	12,073,014	
2	Lloyds	266,808,139	328,071,844
	National of Scotland, Nov. 1, 1918	30,748,370	
	L. & River Plate Bank, Sept. 30, 1918	30,515,335	
	London County Westminster & Parr's	263,129,887	281,193,863
	Ulster	18,063,976	
4	Barclays		239,581,613
5	National Provincial & Union		200,864,639
6	Bank of England (Dec. 19, 1918)		172,753,000
7	Bank of Liverpool & Martins		63,213,150
8	Manchester and Liverpool District		14,530,513
9	Williams Deacon's		31,837,419
10	Commercial of Scotland (Oct. 31, 1918)		31,511,198
11	Clydesdale		30,251,001
12	Royal of Scotland (Oct. 12, 1918)		29,738,769
13	Bank of Scotland (Feb. 28, 1918)		28,691,679
14	National (Ireland)		28,270,257
15	Glyn, Mills, Currie & Co.		26,484,610

Deposits, &c., of English Banks affected by Recent Amalgamations.*

	Dec. 31, 1918 £	June 30, 1918 £	Dec. 31, 1917 £
1. London City and Midland	336,025,413	236,230,322	221,635,800
2. London Joint Stock		58,567,128	58,456,304
(1) London Joint City & Mid. (a)	336,025,413	294,797,450	280,092,104
3. Lloyds	267,966,439	186,238,994	174,697,945
4. Capital & Counties		58,924,370	58,850,522
(2) Lloyds (b)	267,966,439	245,163,364	233,548,467
5. Lond. Co. & Westminster	263,985,617	230,425,745	147,433,697
6 Parr's			69,227,819
7 Nottingham & Notts.		5,723,389	5,723,389
(3) London County Westminster & Parr's (c)	263,985,617	236,149,132	222,384,905
8 Barclays	239,660,041	130,762,904	129,067,901
9 London & S. Western			38,795,039
10 London & Provincial		82,517,592	36,307,726
(4) Barclays	239,660,041	213,280,496	204,170,666
11 National Provincial	201,351,957	175,876,579	112,780,401
12 Union of London		9,605,785	64,833,218
13 Bradford District			9,317,982
(5) Nat. Prov. & Union	201,351,957	185,482,364	186,931,601
Total for the 5 (formerly 13) Banks	1,308,989,467	1,176,148,436	1,067,127,943
Total for 62 banks of U.K. other than Bank of England	—	—	1,750,000,000
Total for 42 banks of U.K.	1,930,000,000	—	1,666,000,000

* Includes profit balance, which majority of banks did not show separately in their mid-year statements.

(a) Controls Belfast Bank: Deposits, &c., July 31, 1918, £12,159,269.

(b) Controls National Bank of Scotland. Deposits, &c. November 1, 1918, £30,936,198. London and River Plate Bank. Deposits, &c., September 30, 1918, £30,515,335.

(c) Controls Ulster Bank. Deposits, &c., December 31, 1918, £18,172,710.

Position of 42 Banks of the United Kingdom at Dec. 31, 1918, in contrast with Dec. 31, 1917.

LIABILITIES.	Dec. 31, 1918. £	% of Total	—Dec. 31, 1917.— £	% of Total	Inc. or Dec. in One Year. £
Capital paid up	64,790,369	3·0	63,825,360	3·4 +	965,009
Reserve funds	52,698,837	2·4	43,418,587	2·3 +	9,280,250
Total	117,489,206	5·4	107,243,947	5·7 +	10,245,259
Notes in circulation	46,089,064	2·1	34,309,192	1·9 +	11,779,872
Acceptances	60,471,105	2·8	66,289,542	3·5	5,818,437
Deposits, &c.	1,924,001,144	89·4	1,658,926,052	88 5 +	265,075,092
Profit balance	6,193,576	·3	6,889,230	·4 —	695,654
Total Liabilities	2,154,244,095	100·0	1,873,657,963	100·0 +	280,586,132
ASSETS.					
Cash in hand, &c.	387,494,931	18·0	336,323,784	17·9 +	51,171,147
Money at call, &c. (a)	216,587,948	10·0	180,871,389	9·7 +	35,716,559
Total	604,082,879	28·0	517,195,173	27·6 +	86,887,706
Investments	466,272,979	21·6	404,238,586	21·6	62,034,393
Bills discounted (a)	374,659,618	17·4	259,988,545	13·9 +	114,671,073
Advances	623,039,581	29·0	600,070,806	32·0 +	22,968,775
Total bills & adv.	997,699,199	46·4	860,059,351	45·9 +	137,639,848
Liab. for acceptances	60,471,105	2·8	66,289,542	3·5 —	5,818,437
Bank premises, &c.	25,717,933	1·2	25,875,311	1·4 —	157,378
Total Assets	2,154,244,095	100·0	1,873,657,963	100·0 +	280,586,132

Position of 42 Banks of the United Kingdom at Dec. 31, 1918, in contrast with Dec. 31, 1913.

LIABILITIES.	Dec. 31, 1918 £	% of Total	—Dec. 31, 1913— £	% of Total	Inc. or Dec. in 5 Years. £
Capital paid up	64,790,369	3·0	63,845,566	5·3 +	944,803
Reserve funds	52,698,837	2·4	42,530,441	3·6 +	10,168,396
Total	117,489,206	5·4	106,376,007	8·9 +	11,113,199
Notes in circulation	46,089,064	2·1	13,276,644	1·1 +	32,812,420
Acceptances	60,471,105	2·8	59,237,735	4·9 +	1,233,370
Deposits, &c.	1,924,001,144	89·4	1,012,683,162	84·6 +	911,317,982
Profit balance	6,193,576	·3	5,535,776	·5 +	657,800
Total Liabilities	2,154,244,095	100·0	1,197,109,324	100·0 +	957,134,771
ASSETS.					
Cash in hand, &c.	387,494,931	18·0	165,652,993	13·8 +	221,841,938
Money at call, &c. (a)	216,587,948	10·0	121,681,849	10·2 +	94,906,099
Total	604,082,879	28·0	287,334,842	24·0 +	316,748,027
Investments	466,272,979	21·6	184,358,002	15·4 +	281,914,977
Bills discounted (a)	374,659,618	17·4	118,187,769	9·9 +	256,471,849
Advances	623,039,581	29·0	523,086,200	43·7 +	99,953,381
Total bills & adv.	997,699,199	46·4	641,273,969	53·6 +	355,425,230
Liab. for acceptances	60,471,105	2·8	59,237,735	4·9 +	1,233,370
Bank premises, &c.	25,717,933	1·2	24,904,776	2·1 +	813,157
Total Assets	2,154,244,095	100·0	1,197,109,324	100·0 +	957,134,771

LIVERPOOL AND LONDON AND GLOBE INSURANCE.

Subject to the approval of the shareholders, this Company is proposing to capitalise £265,525 of its profits. Of an authorised capital of £3,000,000 in £10 shares, there has been issued £2,655,250, the amount paid up being £265,525, or £1 per share. There is thus a liability (callable) of £9 per share, which, if the recommendations of the directors are approved, will be reduced to £8 per share. It is also proposed to subdivide the existing shares so that when the scheme has been carried through the paid-up capital will be £531,050, in £5 shares with £1 paid. For the purpose of accomplishing what is intended extraordinary general meetings are to be held to make the necessary alterations in the Articles of Association. The price of the existing shares is £30½, so that the equivalent value of the new shares should work out at about 7½, which should thus render them more marketable. Dividends paid in recent years have shown considerable expansion. For several years to 1912 the dividend was 110%, but for the four years to 1916 it was 120%, from which it was raised to 130% for 1917. The interim dividend for 1918 was 75% (actual), against 65% (actual) for 1917.

SKANDINAVISKA KREDITAKTIEBOLAGET.—The effect of increased turnover, due partly to absorption of other banks, has been to raise the profits of this institution, which is the largest bank operating in Sweden. As yet the particulars of the balance sheet as at the end of last year are not available, but according to the preliminary profit statement it appears that, compared with Kr.16,070,894 for 1917, the net profit in 1918 rose to Kr.20,494,190. The capital ranking for dividend was Kr.73,840,000, in shares of Kr.142 each, against Kr.70,432,000 in 1917. No change was made in the dividend, which was again Kr.25 per share, equal to 17.61%, but against smaller special allocations from profits the balance carried forward was substantially increased. The present capital is Kr.88,040,000 in 620,000 shares, the increase having arisen from the recent amalgamation with the Skanska Handelsbanken. Profits and dividends in the past few years have been as shown below:—

Year ended Dec. 31	Net Profit. Kr.	Dividend. Amount. Kr.	Rate. %	Special Allocations Kr.	Balance Forward Kr.
1918	20,494,190	13,000,000	17.6	4,000,000	2,494,190
1917	16,070,894	12,400,000	17.6	1,000,000	1,670,894
1916	10,749,859	7,588,000	16.2	1,300,000	2,861,859
1915	7,883,015	6,718,530	14.8	1,144,275	20,210
1914	7,218,740	6,718,530	14.8	680,555	180,306
1913	7,246,906	6,718,530	14.8	250,000	278,376

THE FIVE REPUBLICS.

Taken as a whole South America, and indeed all of what is commonly called Spanish America, has in a sense prospered as a result of the economic conditions brought about by the recent war. There are, however, exceptions. Amongst these exceptions, probably none is more striking than the serious economic effect which the War has had upon Central America, or the Five Republics.

It is natural that they should be exceedingly disappointed in the delay which the War has brought about in the opening up of the Isthmus of Panama. The building of the Panama Canal, and its successful working, mark the end of a period in the history of the Five Republics, and should lead, and no doubt will lead, to a period of great prosperity for this narrow neck of land, which connects the continents of North and South America. During the Colonial period the Isthmus of Panama was the road selected by the Spaniards for the conduct of trade between its possessions in the southern continent and the Mother Country; and although, owing to the presence of yellow fever and malaria, the death-rate was very high, at the same time the countries which we now call the Five Republics enjoyed a certain measure of prosperity.

With the passing of the Colonial period, and the throwing off of the Spanish yoke by one district after another in Spanish America, both south and north, Central America passed through a period of considerable depression. Unlike tropical South America, where elevation over so large a part of its surface counteracts the effect of latitude, very little of the Isthmian country is sufficiently high to be really healthy, in the absence of some kind of drainage. Every reader is acquainted with the experiences which were largely responsible for preventing the French Company, whose rights the United States Government afterwards acquired, from completing the building of the Panama Canal.

From the experience the United States medical authorities obtained in Cuba during the Spanish American War, in following up the discoveries that both malaria and yellow fever were carried by two distinct species of mosquito, evidence was accumulated which enabled that Government's medical officers to deal with the insanitary conditions which prevailed in what we now call the Canal Zone. Everyone now knows with what success Surgeon-General Gorgas tackled that problem, and reduced the death-rate from one of the highest in any of the inhabited parts of the globe to figures no greater than those which prevail in the industrial centres of Europe and of the United States of North America.

When the United States Government decided itself to build the Panama Canal it took over absolutely what is now known as the Canal Zone, with the beneficial sanitary results to which we have already referred. In order to safeguard its own lately acquired territory in the neighbourhood of the Canal it became imperative that the Government of the great Northern Republic should take a benevolent interest in the affairs of the countries in immediate proximity to the Canal. It was evident that if the Canal Zone itself was to be kept healthy it was clearly essential that the sanitary conditions of the neighbouring Republics should be the same. The form that assistance from the United States was given to these Republics was partly direct, but more often by the indirect, means of assisting in opening up the territory of the Five Republics and in improving their harbours, increasing their coffee, cocoa, and banana plantations, and, where necessary, making advances for the building of railways to bring the produce of the plantations down to the nearest port of shipment.

Naturally, the approaching opening of the Canal led to hopes that the prosperity of Central America would grow in various ways. It had been proved that the health of those who lived there was a question rather of sanitation than of climate. Consequently, as the actual conditions in the Canal Zone had shown, white men under healthy sanitary conditions can live for long periods of time in these regions, and work at any rate in the higher branches of industrial employment, even if it be necessary to delegate actual manual labour to the coloured races.

In the building of the Canal there was a large white staff of engineers, supervisors, and other directors of industry employed, as well as the large medical staff, under the direction of Surgeon-General Gorgas. In addition, there was a large clerical staff. The actual digging, however, was done mainly by a quarter of a million of black labourers, recruited from the various West India Islands, and particularly from Barbados. In order that the Canal authorities should not be wholly dependent upon this source of labour, and for the purpose of demonstrating whether or no people of European origin could actually engage in manual labour under tropical conditions, protected by proper sanitary precautions, a force between 15,000 and 20,000 strong, recruited mainly from the Southern European races, was engaged and kept constantly employed. They were throughout the period of construction kept under careful medical inspection, as indeed were the black labourers also, and the experiment with the Europeans, so far as it went, was a complete success. It appears to have been demonstrated, therefore, that if sanitary conditions are observed there is no real reason why Europeans could not live and work in any of the Isthmian States.

The Canal, however, was not completed and open for traffic for nearly a year after the outbreak of the European War, and consequently the favourable expectations entertained regarding the economic prosperity of the Central American States has not so far been realised. The principal products of these States are cocoa, coffee, and bananas. For a considerable time after the outbreak of the European War the United States of North America continued to draw supplies of these commodities from Central America.

As shipping, however, became more and more wanted for purposes connected with the War, and it was found that the commodities these countries were able to supply could be more conveniently obtained elsewhere, the improvement in the trade of these countries did not materialise to the extent expected.

Although the United States of North America has been for some time past, and is likely to be in the future, the dominant factor in the trade of these regions, the United Kingdom right up to the outbreak of the War did a very large business with Central America. Moreover, in the figures we are about to give are included imports from the United States of foodstuffs and certain raw materials, like derivatives of petroleum, which we are not in a position to supply. In the clear year before the War the imports from the United Kingdom amounted in value to £1,359,050 sterling, while those from the United States of North America amounted in value to £3,077,900 sterling.

	United Kingdom £	United States £
Guatemala	217,000	405,000
Salvador	260,000	272,000
Honduras	62,700	372,900
Nicaragua	145,200	310,800
Costa Rica	288,550	696,000
Panama	384,000	1,020,000
Total	1,359,050	3,077,900

If we turn to the figures of imports of manufactured goods, we shall find that the disparity is not so great, for while the share of the United Kingdom was £1,150,000, that of the United States did not exceed £1,750,000 sterling.

	United Kingdom £	United States £
Guatemala	195,000	205,000
Salvador	235,000	190,000
Honduras	55,000	235,000
Nicaragua	130,000	180,000
Costa Rica	230,000	365,000
Panama	305,000	550,000
Total	1,150,000	1,715,000

THE BELFAST STRIKE.

On more than one occasion in its history Belfast has proved a city of surprises. The present strike took the general public unawares, and sent most of the special correspondents who had been expecting trouble in Dublin in connection with the Dail Eireann hot foot to the North. In its broadest aspect the strike is a virtual declaration of political independence by the workers. Hitherto employers and employed in the north-eastern corner have been so closely bound together by religious and political ties that disunion amongst them seemed impossible. Their unity was cemented by the seeming dangers that assailed them from without, Nationalism and Home Rule. Now all the workers in Belfast have come to realise that commonalty of interest which is likely in the future to ensure co-operation between them, at least in all movements designed to benefit their class. Whether the practical unanimity now prevailing amongst all ranks of Belfast labour will ultimately extend to other spheres, and whether the truce now called to political and religious feuds of long standing will be permanent, are matters for speculation. Complete reconciliation between the warring elements hitherto artificially sundered by a too violent partisanship cannot be effected at once, but the step now taken is in the right direction, and, from a national and Irish standpoint, one of happy augury for the future.

As to the causes of the strike, the position in Belfast has not been properly understood. Though the local employers and employees are attached to associations and unions which have their headquarters in England, they have always claimed and always exercised a certain amount of local autonomy. As a result of this the Belfast yards during the War were not affected by the periodical strikes in the shipbuilding centres in Great Britain. Awards granted by the Committee of Production applied in Belfast only after separate request had been made for their application. This local autonomy is of importance, as it accounts for the separate demand made in Belfast for a forty-four hour week, though the Clyde and other British centres were in favour of forty. It also takes away largely from the unofficial character of the strike which has been so much stressed by the employers. It is a matter of history now that a ballot on the forty-seven hour week was taken in the various unions comprised in the Shipbuilding and Engineering Federation. The Irish branches, confined principally to Belfast, also took a ballot, and the result was a big majority against the acceptance of forty-seven hours. This majority was, however, swamped by the large number of "ayes" on this side. Such an outcome was disappointing to the Belfast workers, and, as they had raised the question of the 44-hour week as early as the beginning of last September, they downed tools. The immediate motive of the strike was thus economic. The men used the traditional weapon of their class simply for the betterment of their conditions. It was, however, the first instance in all the recent history of Belfast labour where Orangemen and Nationalists, Protestants and Catholics, have been called out on a common issue, and where all parties and creeds of workers have combined to forward a common cause. This combination does not certainly make them irresistible, but it gives a cohesion to their ranks, and adds a dignity and force to their demands, which would be lacking were their house divided against itself. Whatever may be the outcome of the strike, a return to the old hostilities between the two leading religions is almost impossible. Carsonism, which was the triumph of reaction, will flourish no more. The workers who returned so many Unionists at the recent elections will not, indeed, lightly shed their Unionism, but the first and most difficult barrier between them and their Catholic fellow-workmen has been broken down. They will no longer be swayed by the political outpourings of a Saunderson, a Carson, or a Craig. If they have taken the present lesson to heart, they are likely to discount the jeremiads of the Die Hards and the croakings of the prophets of evil when the urgent question of settling Ireland's political claims comes up for its long-deferred solution.

Though the Orange drum may not be too speedily silenced, especially if the employers seek to revive its discords, yet the failure of their chosen members of Parliament to come to their assistance in the hour of need has disillusioned many sincere Orangemen. Alone amongst the nine Belfast members Mr. Joseph Devlin has spoken out for the workers. In addition, the Orangeman sees Catholic workers fighting by his side, while from the south, especially from the all-powerful Irish Transport and General Workers' Union, he has had offers of unstinted support. Truly the moment is an auspicious one in the political history of the country, though the occasion, involving as it does a schism in the ranks of industry, is not too happy. Out of evil at times there cometh good, and we cannot but regard the result as desirable though flowing from an undesirable source.

The cause of the trouble in Belfast we have diagnosed as economic, but the remedy cannot be so easily prescribed. The dispute is one between employers and employed. The interests of the community have been hurt by interference with municipal utilities. The Government have refused to intervene, since the War is over and strikes are no longer strictly illegal, and have failed to come up to the minimum *laisser-faire* requirement of keeping the ring. The masters have shown an unbending front. In the circumstances it would be presumption on our part to advocate a cure. We will only observe that the settlement when come to must be a national one. A uniform working week is necessary in all the yards in the United Kingdom so as to ensure equality of competition. It has been a recent practice in the Liverpool yards and engineering shops to work shorter hours than elsewhere, but, generally speaking, up to the time of the present trouble the working week all over the United Kingdom was 54 hours. This 54-hour week was worked the year round in Belfast, but on the Clyde it was shortened in the winter months. To standardise the time may be, of course, prejudicial in Belfast, since it is not ideally situated for shipbuilding or repair work. All the materials required, coal, iron, steel and timber, must be imported, and the Lagan and the Lough do not provide the best of fairways. The Belfast workers, however, maintain that they are entitled to special consideration, since their output exceeds that of other yards. This claim can be substantiated from the shipbuilding records kept during the later period of the War. We will take as a specimen month the month of August 1918, and as a specimen vessel the B type of standard ship, and compare the records of different yards in respect of vessels of that type completed during the month. The comparison may be set out as follows:—

Yard Where Built	Time taken from Laying of Keel to Launching. Weeks	Time taken from Laying of Keel to Completion. Weeks
Belfast	23	24
Stockton	31	41
Sunderland	33	42
South Shields	37	44
Hull	37	44
Sunderland	34	47
Sunderland	35	48
Glasgow	45	54
Glasgow	46	55
Glasgow	47	55

From the above table it can be gathered that the construction of the shell and the engining and fitting of the hull are performed more rapidly in Belfast than elsewhere. The type of steamer selected is a fair sample of the requirements of the modern tramp trade in ocean-going vessels, and is, therefore, not one more suited to Belfast than to other yards. The specification of B standard ships is 5,100 tons gross, or 8,100 tons deadweight, 400 feet long, 52 feet broad, 31 feet deep, 25 feet draught, and 2,500 horse-power, giving an average speed of 11 knots. It may be, indeed, that the

equipment of building berths, of engineering shops and fitting-out piers, is more complete in Belfast than elsewhere. If such is the case—and, though unversed in technical matters, we are inclined to say it is—the margin in favour of Belfast is likely to be reduced when the equipment of other yards, which could not in most cases be improved during the War, is brought up to date. No doubt the Belfast workers display much application and devote to their work a considerable portion of the energy spent elsewhere on revolutionary and anarchical propaganda. This social quietism is probably due to the strong religious beliefs of the workers. The religious constitution of the Belfast shipyard population is difficult to determine with accuracy. During the War a maximum of 30,000 and a minimum of 20,000 men found employment in the yards. If we take the lower figure as representing the average over the past decade, we may say that not more than 5,000 and not less than 3,000 were Roman Catholics. During the War the influx of members of the latter faith into the yards has become distinctly noticeable. Previous to 1914 it was not usual to find Catholic apprentices in these Irish yards. The skilled men were overwhelmingly Protestant, and they retained the vacancy generally for their own sons or relations, and certainly for some Protestant. To enter the yards a Catholic usually found it necessary to serve his time in Dublin or on the other side of the Channel, and when he was a fully-fledged worker and trade union member he could then return to the Belfast yards, where, in virtue of his union membership, he could not be denied admission. On the outbreak of war the anti-Catholic feeling gradually subsided in face of the united national effort required to meet the new foe that had arisen on the Continent. This feeling has always come to the surface at times when Home Rule is being actively discussed or when processionists of the rival parties have chanced to come in conflict. The fault has usually lain on both sides. The change at present observable in the relations between members of the two denominations is, therefore, all the more desirable and may, perhaps, be the harbinger of a coming reunion between the long-sundered divisions of North and South.

THE NEW ERA IN MEDICINE.

By A Physician.

England, reborn in August 1914, has realised that every child is entitled to a first-class education. The right man is at the head of this all-important Ministry, and the hopes of the nation are high. But, after all, modern education is an entirely unnatural process and throws a great strain on the scholar. It therefore becomes more than ever necessary to study the health of the community. In 1913, the last year of peace, was the health of the people satisfactory? Were the dental and medical professions being used to best advantage in the interest of the country? The answer to the first question is that the community was riddled with *preventable* disease. The answer to the second is a most emphatic negative. In making these statements, be it understood, no attack whatever is made on either the dental or medical profession; a splendid body of highly trained, intellectual, and conscientious citizens were the victims of circumstances. The large majority of the medical profession were working impossibly long hours, principally in the treatment of *advanced* disease. The dental surgeon was *treating disease;* he was not consulted as to the prevention of its onset. For the most part each individual was working by himself. There was but little real combination. The country doctor, often a man of the highest ability, could not possibly bring the most recent methods of diagnosis and treatment to the aid of his patients. For that large body of people in our cities, between the well-to-do and the very poor, no proper provision for the treatment of serious disease, other than infectious, had ever been made. A serious illness in the house, or the advent of the surgeon for an operation, often spelt financial ruin. Through lack of knowledge, and still more often want of means, disease was allowed to progress too far before medical advice was sought. This was a scandalous state of affairs and must cease. Every citizen, no matter what his condition in life is entitled to, and must receive, the same medical attention, and that the best possible. How is this absolutely necessary and ideal object to be attained?

The *first essential* is that every citizen should at once become interested in health. Each individual must realise that the health of every other citizen is a matter of direct concern to him. The healthy citizen has to work for and pay for the unhealthy. The next essential is the immediate formation of a Ministry of Health. No man could possibly have a greater chance than the coming Minister of Health. He will start with the knowledge that the medical service to the public, through no fault of the profession, has been deplorable. It could not well have been worse. For the first time in history the individual members of the dental and medical professions will be united under one generalissimo. Given that the leader be well chosen, the country knows by recent experience what that means. Let there be no mistake: the public must concentrate their attention on this leader, and follow his every effort. He will be opposed at every step by vested interests. The public must see to it that these, if harmful, are swept away. There must be one State medical degree, *and one only*, for the whole of Great Britain and Ireland. No good man ever requires an extra degree to bolster him up. His colleagues know him for what he is. On the other hand, the multiplication of extra degrees places a halo around many an indifferent physician or surgeon. Many a man has the knack of passing examinations, but is not so good as a practical physician or surgeon. The extra degrees give a most unfair advantage to the student of means. He can afford the time to get ploughed over and over again, and eventually secure the misleading and mysterious letters which confuse and deceive the public. The student with small means cannot afford to wait. This is of the utmost importance to every citizen who contemplates sending his son or daughter to medicine. In the U.S.A., Dr. Harvey Cushing, possibly the first brain surgeon in the world, requires no mysterious degree in order to become a member of his hospital staff, while the Mayo brothers need no extra degree to emphasise their pre-eminence. Every young doctor in the U.S.A. starts with an equal chance. The doctor of the future here must be known by the work he does for the community, and not by the examinations he passed as a student. The Minister must proceed to the formation a State medical service; nothing short of this can possibly meet the situation. By no other means can those in moderate or humble circumstances ever receive first-class medical treatment.

The supply of medical treatment as a charity must cease. The countryside of England is particularly well fitted for a State service. Everywhere one finds the market town which in old days supplied the surrounding villages with all their needs. On the outskirts of this town should be the central hospital, with all its modern equipment, its surgeon, bacteriologist, and *x*-ray plant. Let there be no mistake about it, most of the moderate sized towns in England in 1913 had every bit as capable physicians and operating surgeons as the average of those who reside in the Harley Street

district of London. There are very few supermen in medicine, and, of the few who exist, by no means all reside in London. Many of the finest brains in the profession reside in the country districts. Give them the opportunity of doing first-class work and they will very soon prove it. Nothing will astonish the people more than the number of doctors up and down the countryside who will spring into prominence once they have the chance of doing group work, backed by the necessary equipment which should, if possible, be handed over to them from the army hospitals as they are closed down. Possibly a part of the workhouse infirmary could be made into the local hospital! The hospital should contain wards and separate rooms to suit each individual pocket. The telephone will radiate to all the villages. The present telephone service, of course, is beneath contempt. The young doctors and nurses will visit the villages, the former diagnosing the cases, sending for the motor ambulance to take a case of serious disease to the hospital for treatment or operation, etc. Possibly the countryside could be stocked with army ambulances as soon as they are no longer needed! The profession exists for the publnc, not the public many quarters. Some of the objections made are as follows: 1. It is said that the right kind of man would no longer enter medicine because the prizes would be too small. 2. It is said that on a fixed salary no one would do his best. 3. That a part-time service might go all right. 4. That the plums of the new service would go to the men with the multiple and mysterious degrees who pull the strings of the profession to-day. With regard to 1. The State service, properly conducted, would offer a career of absorbing interest. The practice of his profession would no longer break the heart of the keen young doctor coming fresh from the hospital. He would be serving under experienced men doing first-class work wherever he went. He would find his bent, and be able to specialise in it in due course. In answer to 2. The present members of the Public Health Service work on a salary, and are doing splendid work under great difficulties. As to 3—a part-time service. The public should look on this with the gravest suspicion. The tendency would probably be for the doctor to hurry over his State work in order to satisfy the imperious demands of his rich private patients. The State should have the whole of the doctor's time or none. With regard to 4. No State service could be started unless fair treatment were accorded to the profession as a whole. The general body of the profession would have to be properly represented on the council called together to develop the scheme.

A cry has been raised by a portion of the public, and also of the profession, that free choice of doctor must be retained. This sounds well, but a large number of the public to-day have but little choice, and they are sold and bought with the practices like so many sheep. The people should understand that the so-called consultant rarely makes a diagnosis to-day. The diagnosis is the result of group work, partly done by the bacteriologist, the chemist, the *x*-ray operator, etc. This group work, so terribly expensive to-day, would in a State service be brought within the reach of every one, rich or poor, no matter where he lived. If the great group of so-called consultants in the Harley Street district of London, and the corresponding districts of the other great cities, are in reality the leaders of the profession, what a waste it is to keep them all huddled up together in one quarter. Many of them spend the best years of their life hoping that they may eventually get a practice. During the War, taking them as the first-class men of the profession, which some of them really are, the Government distributed them all over the world, so that, as far as possible, each medical unit should supply to the sick or wounded soldier the same treatment, *i.e.* the best possible. The casualties of the war are not equal to the casualties amongst the population of England in peace. Why should not the sick in the country districts of Cornwall, or the north of Scotland, be just as skilfully tended as the wealthy in the West End of London or the very poor in the London hospitals? The general and the private soldier have had for the most part the same attention, whether casualties in France, Malta, or Cairo. The medical profession must realise that, just as in the recent years of war they were called up for the benefit of officer and private alike and sent where they were needed most, so now they will be called up to fight disease on the home front amongst rich and poor alike. The profession exists for the public, not the public for the profession.

SOUTH AND CENTRAL AMERICA.

ARGENTINA.

We dealt recently with Argentina very fully, but we have now to welcome the Monthly Review of Trade and Economic Conditions generally in that country sent us by the London and River Plate Bank. We are very glad to see that most of the English banks trading with foreign countries are adopting the practice of regularly issuing these monthly reports dealing with economic conditions in the countries in which they are interested. Further, it is highly gratifying to see that those of our great banks at home whose interests are mainly associated with the trade of this country are also adopting the same practice. Banks have especial facilities for giving economic information of this kind because, from the nature of their business, they come into contact with an immense number of different trades. They are themselves interested in *one aspect of financing trade*, and they assist to a very large extent those who engage in financing in a more permanent form than is possible to bankers proper. Ordinary traders are expert to a degree, no doubt, in their particular businesses. But, naturally, the very fact that they specialise in any particular direction does not enable them to obtain a wide range of information of the various trades in different parts of the country. The banker, on his side, comes in contact with almost every class, down to the most modest, engaged in any kind of trade or business. Even the Press, careful as most of us are to obtain information from as wide sources as possible, cannot, in the nature of the case, have correspondents in every market of the world, and particularly in small centres, the produce from which in the aggregate makes up the enormous supplies which are collected at great centres. A bank, on the other hand, will have branches in quite small towns, and, in some cases, almost mere villages. And if English banks and their agents trading in foreign parts, as well as those doing business here at home, continue for any length of time to compile monthly reports of the trading and economic—and some of them include weather and health—conditions in the various districts in which they carry on their operations, they will in the course of time accumulate a mass of information which will be exceedingly valuable to the economist sufficiently able to know how to handle it properly.

Meanwhile, we learn from the report before us on the weather conditions during the past month in the North-western Provinces of the Argentine Republic—that is, Buenos Ayres, Santa Fe, Cordoba, and Entre Rios—that rain has been abundant, and the reports from up-country—that is, the places where cattle are raised—agree in stating that the camps, both for cattle and for pasturage, are in an excellent state. An official report emanating from the Ministry of Agriculture gives the following details regarding the area sown to new crops: In the Provinces named, as well as in the Pampa, 6,870,000 hectares, or, say, 17¼ million acres, to wheat; 1,384,000 hectares, or 3,460,000 acres, to

linseed; and 1,206,000 hectares, or 3,015,000 acres, to oats. The area under wheat shows a reduction of 364,000 hectares, or 910,000 acres; oats, 29,000 hectares, or 72,000 acres; and linseed an increase of 75,000 hectares, or 187,000 acres. Mention is made of the fact that during the past year there has been a marked tendency to go in for mixed farming to a greater extent than was the case before. It is to be hoped—and we heartily agree with the report—that this tendency will grow, thereby counteracting the evil effects of reliance upon one crop, and at the same time aiding in the intensive settlement that is so marked a necessity of the Argentine camps. This is exceedingly important. For many years Argentina lived on exporting hides, and then on exporting beef. As the City of Buenos Ayres itself grew, and the Provinces we have just named became gradually opened up, largely owing to the enterprise of the Buenos Ayres Great Southern and the Buenos Ayres Western railway companies, there was a tendency to shift what are called "the camps"—that is, the places where the cattle are reared—further west to Rosario, which is, of course, a great cattle centre, and further south and about Buenos Ayres itself, meaning the city. The tendency has been for a long time to devote land more and more to agriculture and tillage, and latterly, of course, to market gardening, as distinct from pasturage, which was formerly practically the only industry of importance in the Plate estuary. It is, of course, still by far the greatest industry. But the tendency has been more and more to devote greater attention to tillage. This has, of course, led to the splitting up of farms. Formerly the estancias, as they are called, of the Argentine Republic were enormous, extending to anything from 10,000 up to 40,000 or 50,000 acres. They were badly cultivated, and until recently the cattle, particularly on the more distant camps, left a very great deal to be desired. In recent years this has to a large extent righted itself, and the growth of alfalfa on a great scale has undoubtedly tended to improve the breed of Argentine cattle. The important point that the report before us makes should not be ignored, for the tendency to split up these gigantic farms is very much to be welcomed. Owing to the peculiar way in which Argentina has been developed, which we explained very fully in the article above referred to, an abnormal proportion of the Argentine population is engaged in occupations other than those of the production of primaries, which one would think, and in fact is, the basis of prosperity in a country of the enormous extent of the Argentine Republic, with such a small population as that Republic has at present. Now, one of the most striking features of Argentine economics is the enormous population of the capital itself, which contains, roughly, one-sixth of the whole population of the Republic. That is to say, practically, the population of Buenos Ayres bears very much the same proportion to the total population of the Argentine Republic that the population of Greater London bears to the population of England and Wales. Now, one of the standing complaints against existing economic conditions in these congested old countries is the abnormal number of people who are crowded into the cities, and necessarily into the poorer quarters of the cities, where the population is at all large compared with the small number who still inhabit the country. Now we find precisely the same conditions transferred across the South Atlantic into a country 7,000 miles away, ten times the size of our own country, and having a population not very much in excess of that of Greater London, meaning by Greater London the Metropolitan Police area.

For some time past there has been considerable difficulty in the shipment of meat from the Republic. It will be remembered that about this time last year an arrangement was come to between our Government and that of the Argentine Republic whereby a Credit of forty millions sterling was granted by the Argentine authorities for the purpose of disposing of the immense surplus of food and raw materials which had accumulated in the Republic, and which were urgently needed in Europe, as it will be remembered at that time the Allied Governments were engaged in war against Germany. Owing to the fact of the extravagant rise in prices the Credit of forty millions did not go as far as might have been expected. And in the sequel we obtained very little more than certain shipments of wheat, which were absolutely essential to maintain the quota of wheat allotted to the different Allied countries by the various Food Controllers. The result has been that, in spite of the great shortage of meat and cattle in Allied countries, cattle have tended rather to accumulate in Argentina because so few shipping facilities were given by the Allied Governments. The heavy and welcome fall which has just taken place in freights is a clear indication that before long shipping facilities will be very much greater than they have been in the recent past. Argentina is, of course, aware of the urgent need for meat in Europe, and prices, says the report before us, are exceedingly well maintained. Cattle from the freezing-houses continue "firmer," as the technical term is, than ever, at an advance of nearly 33 cents paper per pound. That is for dressed beef. Shipments up to and inclusive of the end of October were: carcases of mutton, 102,000; carcases of lamb, 6,885; and quarters of beef, 409,000. Prices for cattle on the hoof were also good, the demand for stocking and slaughter being brisk, the former thanks to improved pasture, and the latter owing to contracts still awaiting completion for canned beef. Even criollo cattle are commanding 150 paper dollars. It is, of course, notorious that, owing to the difficulty of shipping cattle, beasts have accumulated in Argentina, and cattle considerably above the age usually sent to the freezing-houses are now being prepared for sale in Europe. As meat has been so scarce for so long, and there is no immediate sign of abundant supplies, doubtless this meat, even though it is somewhat tough, will find a ready market on this side. As space is pressing we will only say that the new linseed crop promises exceedingly well. But, of course, it has to be remembered that it will not be gathered for several months yet, and there are possibilities of frost or even of excessive moisture.

NEW BANKING CAPITAL.

The list of banks that are increasing their capital is growing apace, for almost without exception each week that passes brings an announcement of this kind. The latest proposal is that of the London Bank of Australia, Limited, whose head office is in this city. Just before War broke out it was decided to issue the balance of the authorised Ordinary capital, but, in the light of subsequent events and the practical impossibility of raising additional capital, the scheme had to be dropped. Now the proposal has been revived, and Treasury permission is being sought to issue 12,500 Ordinary shares. The present authorised capital is £2,886,067—£1,500,000 in £10 Preference and £1,386,067 in £22½ Ordinary shares, both ranking *pari passu* for dividends. The paid up capital is £669,685, including £171,930 in fully-paid Preference shares and £490,930 in Ordinary shares, on which £10 per share has been paid up, leaving £12 10*s.* per share payable only in the event of liquidation. It is now proposed, when Treasury sanction has been obtained, to offer 12,275 of the additional Ordinary shares at £10 per share to existing shareholders at the rate of one new share for every four now held. By this means the paid-up capital will be raised to £785,710. The accounts are made up to December 31, and, according to the report for 1917, the reserve fund stands at £385,000. The price of the Ordinary shares is about £12, so that the bonus to applicants for the new shares works out at about 7*s.* 6*d.* per share. Dividends in recent years had been at the rate of 7%.

THE BANK OF TAIWAN,
LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.
Head Office - - TAIPEH, FORMOSA.
BRANCHES :—Amoy, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, New York, Osaka, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, and every important city in Formosa (Taiwan), &c.
The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.
London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

A COMMITTEE was recently appointed, of which the Right Hon. H. D. Maclaren, M.P., was Chairman, of which the terms of reference were to compile a list of the articles suitable for manufacture by those with engineering trade experience or plant which were either not made in the United Kingdom before the War, but were imported, or were made in the United Kingdom in small or insufficient quantities, and for which there is likely to be a considerable demand after the War, as well as to set out the industries to which such new manufactures would most suitably be attached. An immense number of firms dealing with agricultural machinery, sheet metal, electrical machinery, machine tools, scientific apparatus, calico-printing machinery, woollen machinery, lace-making and hosiery machinery, and various other mechanical trades were consulted. The object of the Committee, as stated, was to ascertain what proportion of the metal trades were formerly imported. Various articles from abroad might conveniently be made in this country.

The report before us contains a long list of articles which the Committee think might be made in this country. But before compiling such a list the Committee, in accordance with their terms of reference, think it desirable to make certain general observations with regard to the conditions under which new industries should be set up, and as to certain steps which appear to be necessary before such industries could be expected to develop successfully.

It should be stated that under the term "new industries" the Committee refers also to such development of existing industries as is contemplated by the wording of their terms of reference. The very first question that confronted the Committee was that regarding financial conditions. It is evident that many branches of the engineering trades offer openings for British enterprise. But the Committee were agreed, as a result of their inquiries, that questions of finance will have an important bearing on the ability of engineering firms after the War to embark on these new industries, or to develop those already existing. It is common knowledge, as the reader will appreciate, that during the period of the recent War a large number of engineering firms of various kinds were virtually taken over by the Government, and were engaged wholly, or practically wholly, upon performing war contracts. Many of them, partly with the assistance of the Government, and partly at their own expense, put down plant and extended their works, often at great cost, owing to the high prices of materials which then prevailed and the great shortage of labour consequent upon the calling up of so many men for active service. In addition, there has been a large amount of money locked up in work in progress and in stocks, which money has increased owing to the advances both in the price of raw materials and in the cost of labour. It is, moreover, by no means certain that the extensions which have been made to the various plants will be suitable when the firms once more are converted for the purposes of resuming civilian work. The extensions to their plant above referred to have in very many cases exhausted the working capital of such firms, and have, in addition, absorbed a large proportion of the excess profits.

The Committee are of opinion that many engineering firms in this country are threatened with serious financial trouble unless steps are taken, and promptly taken, to finance payments due by engineering firms to the Inland Revenue in respect of Munitions Levy and excess profits taxation. The difficulty is, to some extent, accentuated in the case of firms which, by reason of having been established either a few years before the War or during the War, have a low or artificial "profit standard," and also in the case of firms which have for other reasons a "profit standard" inadequate to their present turnover. Indications appear to point to difficulties of raising capital by means of new issues. No firm that finds itself in the position indicated above is able to lay a good case before a possible investor or underwriter in regard to any new issue of capital that it may wish to make. The questions immediately asked by the investor are: How does the firm propose to deal with payments due for excess profits? Are these excess profits not a first charge, ranking as a Crown tax on its assets? What prospect is there of success for the undertaking, having regard to the uncertainties of the post. War position and the possibilities of acute foreign competition and the difficulties as regards materials, continuation of Government control, and so on?

To some extent this difficulty has been met. It is generally understood that certain Government departments make arrangements for loans to firms which have contracts with them to enable such firms to meet the urgent demands made upon them by the Inland Revenue. Against this, however, it should be pointed out that a loan, from its very nature, has to be repaid; and, consequently, this relief, important as it is at the moment, is necessarily of a temporary nature. The terms of reference did not authorise the Committee to consider the actual nature of the financial facilities which might be provided by the Minister of Reconstruction, or some other authority to be appointed by the Treasury, which should enable such firms to resume operations for civilian work. Generally the Committee believe that financial facilities should be given, first, so as not to disturb the existing charges on the assets of the firm or unduly to restrict the opportunities for raising fresh capital in the future; and, secondly, for a definite period of years. In making this recommendation the Committee assume that the excess profits tax will be removed as soon as possible. In the event of it not being so removed, they are of opinion that there is small likelihood of any firms seriously considering the undertaking of new industries, having regard to the risks inseparable from such an enterprise.

Passing from the gravity of the financial situation, and turning to a consideration of the actual work it is proposed the engineering firms should do, the Committee come to the conclusion that the engineering trades as a whole did not, in the period that preceded the outbreak of the recent War, keep pace with the up-to-date requirements of their customers, and British users of machinery were in many cases driven to purchase more modern machinery from abroad. To overcome this difficulty the Committee seek a remedy in specialisation and in standardisation. Specialisation, up to a point, is all to the good. But although

standardisation has many advantages, it cannot be denied that it also has corresponding drawbacks. In commenting upon the British engineering trades some time ago, we showed that the large number of separate firms working on independent lines had tended on the whole to work out different, and what in many cases have proved to be improved, methods of operation as well as improved machines. In fact, it would appear from the report we were then considering that the English engineering trades had to a large extent supplied the world with new and diversified types of machinery.

The almost inevitable result of a standardisation system, if carried far, would mean the amalgamation of most of the small companies into one great combine, and the construction of one specified type of machinery for each particular industry. Would this, or would this not, make for the improvement of inventions? The reasonable inference appears to be that it is exceedingly doubtful if it would make for improved methods of construction. The probable aim of such a combine would be to turn out as many machines as possible at as low rate of cost per unit as could be obtained. For a time this would manifestly be what we should term, for want of a better phrase, very profitable. But would it in the sequel work for the permanent well-being of the engineering trades of this country taken as a whole?

At Wednesday at the Society of Arts an interesting paper on a matter of prime industrial importance was read by Mr. de C. Segundo. He dealt with the defibration of cotton seed preparatory to crushing for oil extraction with special reference to the substantial improvement which the lecturer and other experts consider likely to result from the extensive use of new machinery which Mr. de Segundo has invented. An extensive report of Mr. de Segundo's remarks, and of the expert discussion which followed, appears in our meetings columns.

American Topics.

U.S. STEEL'S POSITION.

THE sudden termination of hostilities and the cessation of work upon war material have had a marked effect upon the recent output of the United States Steel Corporation. And, in addition, the Company has had to bear heavier war taxes, with the result that for the December quarter of 1918 the profit available for dividend on the Common was lower than for any quarter since the middle of 1915. In view of this latter circumstance the usual quarterly dividend at the rate of 5%, which has been regularly paid since the end of 1915, has on this occasion been accompanied by a bonus of only 1¼%, making the total distribution for the past three months 2¼%, against 3¼% for the September quarter of 1918 and 4¼% for each of the preceding six quarters. The course of dividends paid in recent years is shown below:—

	Dividend Paid					Div. Earned for Year
	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	Year	
	%	%	%	%	%	%
1918	4½	4½	3½	2½	14	21·9
1917	4½	4½	4½	4½	17	38·8
1916	1½	2½	2½	3	8½	48 4
1915	Nil	Nil	Nil	1½	1½	9·8
1914	1½	1½	½	Nil	3	Dr 0·4
1913	1½	1½	1½	1½	5	11·2
1912	1½	1½	1½	1½	5	5·7
1911	1½	1½	1½	1½	5	5·9
1910	1½	1½	1½	1½	5	12·3
1909	1	1	1	1	4	10·5
1908	½	½	½	½	2	4·0
1907	½	½	½	½	2	15·7
1906	½	½	½	½	2	14·4

What amount has had to be set aside for Federal taxes in the past quarter has not been cabled over, but probably it has been about $76,000,000. Taxes for the September quarter amounted to about $102,000,000, owing to the inclusion of $45,000,000 of additional taxes expected to be payable for the nine months to September 30, 1918. At any rate, the net earnings after taxes for the December quarter of last year were $36,354,000, those for October having been $13,660,000, for November $11,859,000, and for December $10,835,000, or the lowest since May 1915, whereas in March 1918 the recorded net earnings were nearly $26,500,000, as indicated below:—

Recent Monthly Net Earnings, after all Taxes, United States Steel Corporation.

Month	1918	1917	1916	1915
	$	$	$	$
January	13,176,000	24,438,000	18,795,000	1,687,000
February	17,313,000	22,870,000	19,196,000	3,639,000
March	26,472,000	29,448,000	22,722,000	7,132,000
April	20,645,000	27,834,000	25,424,000	7,286,000
May	21,494,000	30,020,000	27,555,000	9,321,000
June	20,[illegible]8,000	30,5[illegible]9,000	28,147,000	11,343,000
July	15,261,000	23,601,000	25,[illegible]50,000	12,048,000
August	14,087,000	21,440,000	29,747,000	12,869,000
September	13,613,000	22,749,000	30,420,000	13,793,000
October	13,660,000	21,836,000	35,177,000	16,564,000
November	11,859,000	19,903,000	36,444,000	16,991,000
December	10,835,000	17,646,000	34,297,000	17,723,000
Year	198,834,000	295,294,000	355,574,000	130,396,000

The net result of the past quarter's operations was a profit of only $13,791,000 for the Common, equal to 2.71% (actual), and after paying dividend and bonus of 2¼% (actual), calling for $11,437,000, the surplus was $2,354,000, but increased by adjustments to $2,997,000. The results for the past five years, quarter by quarter, have been as follows:—

Quarterly Results of United States Steel Corporation.

[000's omitted.]

Qr. ended	Net Earnings.*	Interest.	Sinking Fund & Depreciation.	Net Profit.	Profit for Comm.†	Div. on Common.—Rate p.a. Earn.	Paid.	Amt.	Balance.
	$	$	$	$	$	%	%	$	$
Dec. '18	36,354	5,341	10,917	20,096	13,791	11·8	9	11,437	2,354
Oct. '18	42,962	5,406	10,893	26,663	20,[illegible]58	16·0	13	16,520	3,838
June '18	62,557	5,474	10,158	46,925	40,620	32·0	17	21,604	19,016
Mar. '18	56,961	5,510	8,511	42,940	36,635	28·8	17	21,604	15,031
Dec. '17	59,385	4,954	12,126	42,305	36,000	28·3	17	21,604	14,996
Sept. '17	70,789	5,513	12,998	52,278	45,973	36·2	17	21,604	24,369
June '17	88,362	5,551	16,154	66,657	60,355	47·5	17	21,604	38,751
Mar. '17	76,756	5,585	9,791	61,380	55,075	43·3	17	21,604	33,471
Dec. '16	105,917	4,623	10,708	90,586	84,281	66·3	12	15,249	69,032
Sept. '16	85,817	5,600	10,614	69,601	63,297	49·8	9	11,437	51,860
June '16	81,126	5,674	9,746	65,706	59,401	46·7	9	11,437	47,964
Mar. '16	60,714	5,706	9,495	45,513	39,208	30·8	5	6,354	32,854
Dec. '15	51,278	5,688	10,352	35,238	28,933	22,7	5	6,354	22,579
Sept. '15	38,711	5,704	8,665	24,342	18,037	14.2	Nil	—	18,037
June '15	27,350	5,739	7,633	14,573	8,268	6.5	Nil	—	8,268
Mar. '15	12,458	5,770	5,714	915	Dr.5,39[illegible]	Dr.4·2	Nil	—	Dr. 5,590
Dec. '14	10,936	5,646	4,721	567	Dr.5,7[illegible]3	D..4,5	Nil	—	Dr. 5,738
Sept. '14	22,2[illegible]6	5,746	7,594	8,936	2,631	2.1	2	2,542	89
June '14	20,458	5,799	7,160	7,499	1,194	0.9	5	6,354	Dr. 5,160
Mar. '14	17,994	5,827	5,798	6,369	64	Nil	5	6,354	Dr. 6,290

* After taxes. † After div. on 7% Pref. ($6,305,000 quarterly).

Taking the past year as a whole the net earnings after taxes were about $100,000,000 less than for 1917, while the profit for the Common declined from $197,400,000, equal to 38.8%, to $111,400,000, equal to 21.9%. The surplus, after payment of dividends and bonuses aggregating 14%, was just over $40,000,000, as shown in the appended statement:—

($000's omitted.)	1918 March Qr.	1918 June Qr.	1918 Sept. Qr.	1918 Dec. Qr.	1918	Year 1917
	$	$	$	$	$	$
Federal income and excess profits tax	31,585	90,716	101,987	76,000*	300,000*	233,465
Net earnings ...	56,961	62,557	42,952	36,354	198,834	295,292
Interest	5,510	5,474	5,406	5,341	21,731	21,603
Sinking fund and depreciation ...	8,511	10,158	10,893	10,917	40,479	51,069
Net profit	42,940	46,925	26,663	20,096	136,624	222,620
Div. on Preferred...	6,305	6,305	6,305	6,305	25,220	25,220
Profit for Common	36,635	40,620	20,358	13,791	111,404	197,400
= % on Common	(28·8%)	(32·0%)	(16·02%)	(11·8%)	(21·9%)	(38·8%)
Div. on Common...	21,604	21,604	16,520	11,437	71,165	86,416
Do. % per an. ...	(17%)	(17%)	(13%)	(9%)	(14%)	(17%)
Surplus	15,031	19,016	3,838	2,354	40,239	110,984

* Estimated.

One factor to be taken into consideration in reviewing the past year's results is that prices of iron and steel products were on a much lower level than ruled up to the time they were fixed by the Government, and that to show the results that have been secured the gross output must have been considerably higher than ever before, especially bearing in mind the increase in manufacturing costs, particularly in the wage bill. For data upon these and other points one must,

Are the NEW BONDS too good?

BY investing in the new War Bonds you can get 5 per cent. interest on your money for a period of either 5 or 10 years. The capital invested will then be repaid, *plus* a premium of 40/- per cent. in the first case and 100/- per cent. in the second.

Now on Sale
at Banks and Money Order Post Offices
NATIONAL WAR BONDS

£5 per cent. Bonds repayable Feb. 1st, 1924, at £102 per cent.
£5 per cent. Bonds repayable Feb. 1st, 1929, at £105 per cent.
£4 per cent. Bonds (Income Tax Compounded) issued at £101. 10/- and repayable Feb. 1st, 1929, at £100 per cent.

Bonds of this series are not convertible into stock of the 5 per cent. War Loan (1929-47).

The issue of 7 year Bonds redeemable at £103 per cent. has been discontinued.

Trustees should investigate the new Registered Coupon Bonds.

The terms of issue have been modified in accordance with the public notice issued by His Majesty's Treasury on the 11th December, 1918.

It has been suggested that these err on the side of generosity to the investor. But we are still at war; reconstruction must involve large expenditure; the country still needs money. If that money is to be raised by voluntary borrowing, the conditions upon which it is raised must be made sufficiently attractive to ensure success.

Although important changes have been made in the terms of the present issue,

NATIONAL WAR BONDS

are still the

best investment you can make.

however, await the annual report; but one thing can, however, be said in anticipation of the report, namely, that though profits in the past three years or so have been large they have been distributed conservatively, with the result that the Corporation has not only been in a position largely to add to and improve its plant and various facilities without raising additional capital, but has been enabled to maintain a strong liquid cash position that should fortify it against any dull period through which it may have to pass, and should permit of the regular payment of the 5% dividend on the Common. It is patent that a dull period has already been reached, for, following upon the cessation of war work, there has so far failed to be any noticeable demand for the Corporation's products, either from the American railway companies or for export purposes. Hesitation to place orders on any large scale is not surprising, especially as until the last few days freights had not been reduced, which must have affected inquiries for export, and prices of iron and steel may fall further. The Corporation has of course a certain amount of orders on hand, but according to the end-of-the-month statements the volume of these is running down. Indeed, unfilled orders on hand at the end of December last were for only 7,379,000 tons, or less than for any month since November 1915, and in some quarters it is expected that the statement to be published on Monday next will show further falling off. That needs exist for vast quantities of iron and steel products for reconstruction work and for making up arrears of work that have had to be delayed owing to war requirements is generally admitted, but the best opinion in New York is that the position of business, so far as the Corporation is concerned, will not show any improvement before the spring. Net earnings for the December quarter were at the rate of about $130,000,000 per annum, which should permit of profits equal to about 8% on the Common. Steel Common in New York is quoted at 90, and the 7% Preferred at 114.

MEXICAN EAGLE OIL COMPANY.

THE great demand that has existed for petroleum and the high prices obtained therefor have led to further expansion in the earnings and profits of the Mexican Eagle Oil Company, which operates independently of the Standard and Sheel groups. The disturbed conditions in Mexico appear to have hindered but little the development of the Company's property, though it is possible that had the country been in a more normal state the extension work might have been carried on still more rapidly. As compared with $20,522,000 for 1916-17, the trading profit for 1917-18 rose to $28,857,000, including $2,472,000 of profit from special marine insurance receipts. We should mention that all figures contained in the Company's report are stated in Mexican gold pesos with a par value of 24½*d.* sterling, or 49.75c. U.S. gold. The results shown, therefore, have not been affected by fluctuations in the value of Mexican paper currency. The net profit for last year, after payment of all interest and other charges, including allocations to fields redemption fund and depreciation reserve, amounted to $20,832,000, equal to about 41% upon the combined Preference and Ordinary capital. The share capital was slightly increased during the year by the issue of Ordinary shares for the acquisition of certain interests, and now amounts to $50,755,000, of which $8,500,000 represents Preference and $42,255,190 Ordinary capital. The Preference shares are entitled to 8% non-cumulative dividends, and participate *pari passu* with the Ordinary in profit after the latter has received 8%. Up to the middle of 1915 the Preference received only 8%, but in the following year both the Preference and Ordinary received 16%. A year later the dividend on both classes of capital was 20%, and for last year each has received a 25% dividend. The expansion in profits since incorporation is indicated below.

The policy throughout has been a conservative one, designed to build up a strong financial position for the undertaking. Though on the liabilities side of the balance sheet reserves are shown at only $9,353,000, the total reserves to date are actually $60,156,000, the difference of over $50,000,000 having been deducted from various items on the assets side of the accounts. The book value of the assets is now shown at $98,914,000, against $87,794,000 for 1917, and of the additional $11,100,000, $7,500,000 is in cash and sundry debtors, $2,700,000 in stocks of oil, &c., and $2,500,000 in investments in and advances to allied companies. So far as liabilities are concerned, it has to be noted that loans from bankers have been repaid. Comparison of the principal items of the balance sheets is made below :—

LIABILITIES.	June 30— 1917	1917	1916	1915	1914
	Mex.$	Mex.$	Mex.$	Mex.$	Mex.$
Paid-up capital ...	50,755,890	50,000,000	50,000,000	50,000,000	50,000,000
Conv. Mort. bonds ...	14,693,878	14,693,877	14,693,877	14,691,877	14,693,877
Reserves	10,461,302	3,020,947	1,830,062	1,300,481	1,269,669
Loans ...	—	2,419,078	4,408,261	6,934,640	5,764,772
Sundry creditors ...	4,945,000	3,078,017	3,094,454	2,067,571	1,531,712
Profit balance ...	18,058,989	14,552,022	12,578,053	10,302,600	8,747,185
ASSETS.					
Buildings, plant, &c.	a30,613,333	28,613,738	26,896,975	26,160,323	25,244,529
Subsoil rights, land, &c. (b)	11,896,469	16,266,387	21,086,065	22,964,705	23,915,927
Exploraion & field expenditure (b) ...			1	3,718,801	5,728,485
Loose plant & equp.	1,539,007	1,346,262	1,140,446	1,106,279	1,582,165
Steamers, &c. (a) ...	2,093,599	1,512,006	1,540,287	1,684,591	1,846,392
Sundry debtors&cashc	20,224,391	12,722,905	11,536,764	7,147,483	7,940,334
Stocks of oil, &c. ...	13,954,077	11,266,227	8,979,380	10,692,424	8,111,269
Investments ...	18,593,483	16,066,416	15,424,789	11,824,563	7,639,914
	98,914,359	87,793,941	86,604,707	85,299,169	82,0 8 015

(a) Less depreciation. (b) Less subsoil rights and field redemption accounts. (c) Less reserve for doubtful items.

As to last year's operations, it appears that although only 225 vessels were loaded at the Company's deep-sea station at Tuxpam, against 237 in the previous year, the tonnage of oil shipped at that port was 766,322 barrels larger, and that, in addition to local sales in Mexico, over 15,000,000 barrels of oil were last year shipped from the ports of Tuxpam and Tampico. The Company's pipeline capacities, it is stated, are being increased by a further 20,000 barrels daily throughout, and when this programme is completed the pipeline capacity to the ports mentioned will be 100,000 barrels a day. Further extensions, however, are under consideration. Just recently temporary interruption to regular production was caused by the sudden appearance of water in Potrero Well No. 4, but this was promptly remedied by opening up flowing wells in other fields. So far as the future is concerned, there is expected to be a demand for all the oil the Company can produce and ship. After years of litigation between the Mexican Eagle and the Mexican Petroleum Company, an agreement has been entered into for joint ownership of the properties in dispute, which are stated to consist of valuable producing oil lands. The Company has been somewhat hampered during the War by the requisition by the British Government of the vessels of the Eagle Oil Transport Company, owned jointly by the Mexican Eagle Company and Messrs. S. Pearson and Son, Ltd. The Government, however, is now releasing the

Year to June 30	Trading Profit (a)	Interest, Disct. &c.	Balance	Depreciation Fund, &c. (b)	Net Profit	Earned on Total	Dividends on Share Capital —($8,500,000 Pref. and $42,255,190 Ord.) Paid— Pref. %	Pref. Mex.$	Ord. %	Ord. Mex.$	Surplus	Special Allocations	Carried Forward
	Mex.$	Mex.$	Mex.$	Mex.$	Mex.$	%	%		%		Mex.$	Mex.$	Mex.$
1918...	28,857,122	621,681	28,235,441	7,403,239	20,832,202	41.04	25	2,125,000	25	10,563,797	8,143,404	12,427,769	2,219,054
1917...	20,521,647	650,999	19,870,648	6,922,250	12,903 393	25.88	20	1,700,000	20	8,300,000	2,948,398	2,072,420	6,503,419
1916...	18,082,411	1,018,025	17,084,386	6,795,740	10,268,606	20.52	16	1,360,000	16	6.640,000	2,268,646	1,463,432	5.627,441
1915...	12,959,090	1,743,521	11,215,499	5,261,122	5.951,377	11.90	8	680 000	8	3,320 000	1,951,377	1,297,569	4,822,227
1914...	11,189,084	1,600,109	9,688,975	4,602.786	5,086,189	10.17	8	680,000	8	3.320,000	1,0 6,189	1,254,309	4,168,419
1913...	8,508,291	341,774	8,166,517	3.551.008	4,615,509	9.23	8	680,000	Nil	—	3,935,509	230,775	4,336.539
1912...	4,066.288	Cr. 198 655	4,264.943	2,866,749	1,398,194	2.80	8	680.000	Nil	-	718,204	128,347	631,805
1911...	727,600	Cr. 146,571	874,171	125,000	749.171	2.50	8	680,000	Nil	—	69,171	56,008	41,958

NOTE. All figures given above are in Mexican gold pesos, which have a par value of 24½*d.* or 49.75 U.S. gold.
(a) After payment of administration, maintenance, and general expenses. (b) Fields redemption fund and depreciation reserve.

vessels, and their return should greatly increase the Company's shipping facilities.

The Company has in issue £1,500,000 of Sterling 6% First Mortgage bonds, part of £3,000,000 authorised. Originally holders of the bonds were given an option up to June 30, 1918, to convert into Ordinary capital, after which date the bonds became subject to annual drawings at 105%. In view of the difficulty the holders of the bonds would have experienced in converting before the expiration of the option, the conversion rights were extended for another two years to June 30, 1920. With the rise in the price of the $10 Ordinary shares to £5⅝, the quotation of the bonds has also appreciated, the existing price being about 172½ per £100 bond. The basis of conversion is that for every £3 nominal of bonds holders shall receive one fully paid $10 Ordinary share. In other words, for every £300 of bonds giving £18 of interest annually, holders may exchange into 100 Ordinary shares of practically equal market value, giving £25 of dividend annually on the basis of the distribution for 1917-8. Holders of the bonds, therefore, have to consider whether they shall dispose of their holding at present market price, or convert into Ordinary shares. Delay to do either may lead to the discovery that they hold some bonds redeemable at 105%. After June 30 of next year, it will be realised, the price of the bonds, if any are still in issue, will decline substantially, for the Company will then have the right, now suspended, of paying off all bonds at 110%. Both the Preference and Ordinary shares are quoted at £5⅝, at which the yield from the 25% dividend is about 4¾%, from which it would seem that a further increase in dividends has been largely discounted.

GUY MOTORS, LIMITED.

This Wolverhampton firm is about to add to its issued capital. The Company was formed in October 1914 with a small amount of Ordinary capital and £5,000 of Deferred capital entitled to rank for dividend *pari passu* with the Ordinary after the Ordinary has received 5%. About twelve months ago, by the issue of 45,000 £1 Ordinary shares at par, the issued capital was raised to £95,000 of Ordinary and £5,000 of Deferred. It is now proposed to consolidate the Ordinary and Deferred capital of £100,000, and from an additional £200,000 of Ordinary capital just authorised to issue to shareholders at par 100,000 shares, for which Treasury sanction has been obtained. The new money is required for extension of works rendered necessary by the fact that, with present facilities, the output for this year has already been largely over-applied for, without allowing for any motor vehicles for export. Further, the Company has prepared plans for opening up a new line of business which the directors anticipate will lead to large developments. No profit and loss statement is available for years prior to 1917-18, but balance sheets for the past three years compare as follows:—

LIABILITIES. Sept. 30	Capital Issued	Loan from Bankers	Sundry Creditors and Reserves	Profit Balance	Total	Div. for Year
	£	£	£	£	£	%
1918 ...	100,000	—	140,104	32,058	272,162	10
1917 ...	55,000	8,407	83,173	6,493	153,073	7½
1916 ...	24,351	17,240	12,557	2,279	56,427	7½

ASSETS.	Plant, &c.	Stocks	Goodwill	Sundry Debtors	Cash	Total
	£	£	£	£	£	£
1918 ...	126,686	64,534	—	50,928	30,014	272,162
1917 ...	78,295	38,502	5,000	31,001	195	153,073
1916 ...	21,796	13,273	2,216	19,079	63	56,427

The balance of profit available for dividend last year, after allowing for excess profits duty, but apparently including a small sum brought forward from 1916-17, was £32,058, from which a dividend of 10%, calling for £5,200, has been paid on the Ordinary, while the small amount of Deferred capital received 5%. From the balance £10,000 has been set aside to form the nucleus of a reserve fund and £16,677 has been carried forward. The price of the Ordinary shares is about 35*s.* ex dividend but *cum* rights.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue. Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

The quieter conditions following on the previous active demand for rubber shares have been accentuated during the past week, business being to some extent restricted on account of the travelling disorganisation caused by the strikes, but to a greater extent, probably, by the inference that the prevailing labour unrest must tend to lengthen the period of industrial reconstruction. The shipping position is rapidly improving, and a better demand for rubber is reflected in a hardening of the London quotation of the commodity to 2*s.* 2*d.* per lb. for standard crepe.

THE OUTLOOK.

Rubber producers are experiencing very much less difficulty now in disposing of output than was the case a few months ago, and signs are not wanting of a probable improvement in demand until, with the restoration of normal conditions in industry, the requirements of rubber for all purposes will again reach to unprecedented proportions. Already a good many forward contracts have been entered into for the first half of 1920 at remunerative prices—round about 1*s.* 10*d.* f.o.b. Eastern ports; and the demand has not been, as might have been thought, on behalf of American buyers so much as for the large home manufacturers. The inference is that such purchasers do not expect to obtain the commodity more cheaply by waiting twelve months. A good many producers argue from this that it is better policy to wait and see; but if those responsible for the disposal of very large outputs, as well as the multiplicity of small producers, did so there might again arise such a condition of affairs as recently caused a panic among the "hand-to-mouth" brigade. From the point of view of the large well-managed groups and the genuine investor, reasonable selling forward when an immense production is expected, and the period of industrial reconstruction is an unknown factor, is obviously sound. If there were any prospect of real organisation of the multitude of producers so as to control production, or any semblance of co-operation in marketing produce, there would not be the same need for such caution as selling forward twelve to eighteen months before delivery. But the chance of real co-operation has once more become remote, and the lesson of last year's experience has been lost on the majority of producers. The Dutch Government, it is true, has drawn up a scheme which makes it compulsory for Java rubber growers to join a Producers' Society if they wish to export rubber; but by itself this measure can have little effect, and, moreover, the British interests owning Java plantations, who were not consulted—and also some of the large Dutch concerns too, we believe—have requested postponement of the measure for three months pending their consideration of it. Hence the two old alternatives of disposing of the produce of the Eastern rubber plantations remain—*i.e.*, selling forward and from hand to mouth; and although selling

forward is a sound precautionary policy, no one can predict with certainty which will prove the best in the interests of shareholders. The latter cannot be said to have bestirred themselves to bring about more modern industrial practice, and it is not surprising that those responsible for the large groups consider it more essential now to proceed with the heavy work or reorganising the Eastern managements and the staffing of the estates disorganised by the War.

American Motor Trade.—According to data published in the *Wall Street Journal* last month, American manufacturers are preparing for a big peace demand for cars, and have already reduced prices in many directions since the Armistice. The current level of quotations, of course, is considerably higher than before the War; but the difference is not so great as might have been supposed, and, considering the rise in wages and the great prosperity of the country, the values placed upon new cars remain extremely reasonable and as easily within the reach of the masses as in the past. The following are a few interesting quotations of the smaller and unpretentious cars, and it will be noted that prices range from the equivalent of about £105 to £360—cheap enough, surely, to the war-prosperous citizens of the United States:—

	Price at—		
	Beginning of War	End of War	Jan. 1919
	$	$	$
Buick (7-pass. touring)	1,385	1,835	1,785
Chevrolet (5-pass. touring)	490	865	735
Dodge (touring)	785	1,085	1,085
Ford (touring)	360	525	525
Nash (5-pass. touring)	1,295	1,490	1,490
Oldsmobile (5-pass. touring)	—	1,670	1,295
Overland (5-pass. touring)	695	1,095	985
Studebaker (5 pass. touring)	995	1,125	1,125

In this country also there is undoubtedly going to be effort directed towards quantity production in motor manufacturing as a result of the great expansion of works during the War. Standardisation, as in America, with the most up-to-date equipment, will be very much more in evidence than before the War. If prices to the public come down in consequence to anything like the same level as in the United States—where labour is more expensive—there seems likely to be a boom in motoring and the use of cars by the multitude, as is the case on the other side of the Atlantic.

ANNUAL REPORTS ANALYSED.

SENDAYAN (NEGRI SEMBILAN.)

Issued Capital: £59,895 in £1 Shares.

Results for Years to September 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Acre Bearing lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916	1,505	1,003	406,327	405	2/6½	1/0½	30,569	13,476	22½
1917	1,502	1,044	416,707	400	2/5·3	1/1.6	27,625	10,481	17½
1918	1,432	—	363,562	—	1/11·4	1/5·8	8,923	4,492	7½

Price of Shares, 56/0. Market Capitalisation per acre, £118.

SEEING that tapping was drastically restricted on this Company's estate in the year ended September 30 and that costs were high in consequence, the financial results are not unsatisfactory. The crop fetched nearly 2*s.* per lb. gross and the net profit, at not quite 6*d.* per lb., brought in almost sufficient to pay 15% in dividends. Shareholders receive 7½%, against 17½% for 1916-17. Excess profits duty called for £18,000 on account of the two years ended September 1917, but in respect of the past year's earnings probably little or no duty will have to be paid if the decision in the Merlimau case is upheld. The Exchequer, therefore, suffers more from the reduction in prosperity than do shareholders. During the time of stress the financial position has been maintained, all but £2,834 of the expenditure on capital account in the year under review having been provided by a depreciation allowance equivalent to 1.15*d.* per lb. of the output. The whole of the planted area is now mature, and production is estimated to reach 534,000 lb. in the current financial period, and thereafter 570,000 to 600,000 lb. at a low cost seems, judging by past experience, to be a reasonable anticipation. Hence while from the point of view of yield afforded by the restricted dividend on the present price of 56*s.* for the £1 shares there is no attraction, a different conclusion emerges when it is considered that on the basis of rubber at 1*s.* 9*d.* per lb. and costs all-in at 1*s.* per lb., the full maturity rate of profit earning would work out at about 15% on the present share price.

SINGAPORE UNITED.

Issued Capital: £214,960 in 2/- Shares.

Results for Years to June 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Acre Bearing lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16	3,676	2,658*	463,174	175*	2/8¼	1/4	32,163	27,714†	15
1916-17	3,652	—	428,063	—	2/8	1/5¾	23,738	24,888†	15
1917-18	3,652	—	483,837		2 0·9	1/6·34	13 004	—	—

* Estimated. † After deduction of income tax.

There is no means of judging whether the increase in output obtained by this concern last year was due to a larger area of rubber being in bearing or to improvement in the yield of the trees following the policy adopted for some time past of careful cultivation and light tapping. Shareholders were frankly told at the last annual meeting that as in the case of all Singapore estates the ground is not virgin, but has been cultivated for centuries, and cannot, therefore, be expected to give anything like the same high yield without stimulation as obtained in Malaya proper and other Eastern producing countries. With a low yield of rubber the tappers, when paid on the contract system, have to have their wages augmented, and overhead charges, too, bear heavy ratio to production. Hence it shows good management that the Company's costs, amid the difficulties of the last financial period, were not raised to a greater extent than from 1*s.* 5¾*d.* to 1*s.* 6½*d.* per lb. In respect of 1916-17 the working profit, with production sold at 2*s.* 8*d.* per lb., did not suffice to pay the dividend of 15%, and though for the past year a profit of £13,004, or about 5% on the capital, is reported, this is subject to £3,330 income tax, and the balance sheet shows necessity to provide £4,031 excess of capital expenditure over depreciation allowance. As at the same time the financial position required strengthening, it is obvious that in the interests of shareholders the directors pursued the best course in passing the dividend and carrying forward the balance profit of £9,674. With this done, the balance sheet at June 30 shows current liabilities £1,906 in excess of liquid assets, excluding £6,415 of "sundry assets, Singapore." At 3*s.* 3*d.* the 2*s.* shares are quite sufficiently valued.

SAGGA (NEGRI SEMBILAN).

Issued Capital: £23,000 in £1 Shares.

Results for Years to July 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Acre Bearing lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16	1,485	1,178	416,190	352	2/6¼*	1/2·8	27,107	17,250	75
1916-17	1,506	1,481	508,071	343	2/6*	1/3¾	30,629	17,250	75
1917-18	1,556	—	482,700	—	1/6*	1/6	3,645	5,750	25

* Net Price.

Price of Shares, £7¼. Market Capitalisation per planted acre, £110.

The serious character of the depression through which the rubber-producing industry has just passed is emphasised by this Company's experience. In respect of the year 1916-17 the output fetched an average of 2*s.* 6*d.* per lb. and was produced at 1*s.* 3¼*d.* cost, the profit earned being equal to 130% on the issued capital. In the year ended July 31 tapping was restricted, and the smaller output was sold at very little more than the increased cost of production, so that the net profit declined to small dimensions. Excess profits tax absorbed £15,543 in the two years ended July 31, 1917, and as the Company's standard is a relatively high one, about £11,000 or £12,000 of the past payments appear

to be returnable on account of the reduction in the profit of the latest financial period. This has to be borne in mind in noting that the dividend payments of the year exceeded the profit earned. Irrespective of the return of tax, the balance sheet at July 31 shows a sound financial position with surplus liquid assets exceeding current liabilities by £7,354, after allowing for the final dividend of 15%. The Company should do very much better in the current year, and subsequently big dividends appear likely to be forthcoming again in view of the high yielding power of the plantations with tapping unrestricted. The current price of the shares gives the estate a relatively low market valuation.

UNDERGROUND DIVIDENDS.

With the exception of the Metropolitan District, the various companies controlled by the Underground Electric Railways Company of London are not being worked by the Government as are the other railways of the country. The subsidiary companies therefore have had to bear increased expenses, but at the same time they have benefited from the higher fares that have been introduced, with the result that in each case the dividends of the subsidiary companies for the December half and for the whole of last year are higher than in the corresponding periods of 1917. We need not here go into detail regarding subsidiary companies' dividends, for they are set out clearly in the appended statement, but we would state that the larger income from investments in the junior stocks of the controlled lines has enabled the Underground Company to restore the dividend on its Income Debenture stock to its full rate of 6%, against a dividend at the rate of 4% paid for the two years to June 1918. The dividend of 4% for last year on Central London Ordinary has relieved the Underground Company of a payment of £13,466 made under its guarantee in 1917. The parent company's income from investments last year was about £100,000 larger than in 1917, for to pay 5% for the year against 4% on the Income Bonds and to provide for income tax on those Bonds and on the 4½% Bonds of 1933 called for an additional £112,000. Apparently the directors anticipate further increase in income in the current year, for it is unlikely they would have restored the Income Bond dividend to the 6% basis had they not seen their way to maintain it at that level. With income tax at 6*s*. in the £ an additional income of £100,000 will be needed this year to pay the full 6% on the Income Bonds with tax thereon and on the Bonds of 1933. Should the additional revenue exceed this figure there is the possibility that in respect of 1919 some profit may be available for the Ordinary and "A" shares, though whether any dividend will be forthcoming on those stocks for this year it is too early to say. The Income Bonds are now quoted at 97 *cum* dividend, the net yield being £6 3*s*. per cent.

	Cent. London Ord. %	City & S. London Ord. %	London Electric Ord. %	Met. Dist. 2nd Pref. %	London Gen. 'Bus Ord. %	Undgrounr Income. Bonds %
1913: 1st half ...	3	¼	1	2½	16	6
2nd half	3	Nil	1	2½	20	6
Year ...	6	¼	2	5	36	12
1914: 1st half ...	3	Nil	1	3	16	6
2nd half	2¼	Nil	¼	1	16	6
Year ...	5¼	Nil	1¼	4	32	12
1915: 1st half ...	3	Nil	1	3	12	6
2nd half	3	Nil	1½	3	12	6
Year ...	6	Nil	2½	6	24	12
1916: 1st half ...	3½	1½	1½	3	10	6
2nd half	3½	1½	1½	3	6	4
Year ...	7	3	3	6	16	10
1917: 1st half ...	3½	1½	1½	3	8	4
2nd half	3½	1½	1½	3	6	4
Year ...	7	3	3	6	14	8
1918: 1st half ...	3½	1½	1½	3	8	4
2nd half	4½	2½	2½	7	8	6
Year ...	8	4	4	10	16	10

THE ARMISTICE.

The CLERICAL, MEDICAL & GENERAL LIFE ASSURANCE SOCIETY

has resumed its pre-war practice of granting

WHOLE WORLD AND UNCONDITIONAL POLICIES.

15 St. James's Square, S.W. 1. *Tele.: Regent 1135.*

NORWICH UNION
LIFE INSURANCE SOCIETY.

Combination of
AGE, MAGNITUDE, RESERVE BASIS, and PROFIT-EARNING CAPACITY

THE STRONGEST IN THE WORLD.

Perusal of recently published War-time Prospectus makes that fact very clear.

Write or telephone to Head Office, Norwich, or to any Branch or Agency.

Insurance Notes.

ACCIDENT AND MISCELLANEOUS INSURANCE IN 1918.

Accident insurance used to be the Cinderella of the underwriting business, but has long since come into her fortune. During the last quarter of a century this section has shown enormous development. It started with insurance against railway and transit risks, and later it was extended to personal hazards apart from those directly due to occupation, but only a few specialising institutions met the public demands for protection of this kind. The series of enactments, not only in the United Kingdom, but in most of the big countries of the world with a white population, imposing liability on employers for injuries or fatalities to workmen, immensely increased the importance and scope of this department, and nowadays nearly every company that transacts fire insurance business possesses an active organisation dealing with workmen's compensation risks. Moreover, in the accident section of a composite insurance company's business miscellaneous insurances of many kinds, which were formerly left to Lloyd's or only handled in small quantity, now find a place, and are eagerly competed for. Burglary insurance is getting to be looked on as a necessity, and the range of miscellaneous operations includes burglary, fidelity, plate-glass, live stock, third party, and other hazards.

Personal hazard business, nevertheless, remains very attractive to underwriters. It is usually considered the gilt-edged article of the department, for it has always shown a high proportionate profit as compared with premium income. The quality is undeniably good, but the difficulty is to obtain it in quantity. This difficulty has, of course, been increased during the War through so many policies lapsing on their holders entering into military service. Premium incomes in this branch of business undoubtedly showed a shrinkage in 1918, but the prospects of recovery under peace conditions are now most hopeful. The personal accident field is likely to be gradually enlarged through the entrance of so many women workers into the commercial field. A number of companies in the course

of last year issued special prospectuses for women dealing with this description of risk. There remains a promising field also in the development of sickness insurance, for a very large class of people whose earnings depend on their health are excluded from the National Health Insurance scheme, and only two or three offices up to the present have seriously given attention to their requirements in this respect.

Air-raids led to a great increase in the course of last year in the number of applicants for pecuniary protection against personal injury from enemy action. Many underwriters at Lloyd's and joint-stock insurance companies took full advantage of this demand. In doing so they ran considerable risk, for whether the premium rates charged would prove sufficient or not was a very open question. Undoubtedly the outcome was highly profitable to those who issued these much-sought-after policies. The premium rates of most companies for such hazards were increased in 1918, but there were comparatively few losses, and it is to be hoped that such policies will not be required again for a long time to come. Another experimental field, however, which is likely to lead to much business in times of peace as well as of war, will be found in connection with risks arising from aviation, and the question of premium rates for this hazard is having the careful attention of many offices at the present time.

Employers' liability business will probably be found to have resulted in considerable additions to premium incomes in 1918, owing to the higher standard of wages. The accounts of accident companies published last year dealing with 1917 showed on the whole a very satisfactory margin of profit, and a similar result is apparently expected from the operations in 1918. The companies generally entered into satisfactory arrangements with employers to meet the conditions imposed by the Workmen's Compensation (War Additions) Act, 1917, on the basis of a 10% addition to existing premiums. There has naturally been a great reduction in the amount of domestic servants' insurance owing to the diminished number of persons engaged in that employment. So far as disabled soldiers and sailors are concerned, the Government are arranging a scheme to relieve the employer and the insurance companies of any additional liability in respect of the employment of those persons, so that no hardship to these men may arise and that difficulties in the way of their getting employment may be removed.

The year 1918 has undoubtedly been a good one generally in respect of accident and cognate business, but exceptions to this rule have to be noted in the burglary and plate-glass sections. Burglary losses, in London and generally throughout the country, have been both numerous and heavy. This does not so much apply to private houses as to certain descriptions of shops and warehouses. Among particular classes of burglary risk which show bad results are cloth and silk merchants, tailors, and costumiers, which are now regarded in the light of last year's experience as specially hazardous, along with jewellers, pawnbrokers, and furriers. Underwriters are now charging, and they find no difficulty in getting, say from 15*s.* to 20*s.* per cent. for a risk of this kind, which a few years ago would have been covered at 2*s.* or 2*s.* 6*d.* per cent. One company during last year went so far as to cancel the whole of the business on its books in these trades. The disorganisation caused by strikes has been a sinister feature, and one of the most regrettable incidents was the two days' strike of the Metropolitan and City Police forces, of which the enterprising burglar took quick and great advantage.

Thefts from vans have been also on the increase, and companies issuing policies against such hazards are understood to have found them highly unprofitable last year. One trouble in this case is the frequent cutting of rates. Directly the rating is put on a profitable footing, it is complained that some company or association with no previous experience is prepared to underout, and the business shows a tendency to be transferred from strong to weak hands. Darkened streets have, of course, been a disturbing factor, but it is to be hoped that with the removal of lighting restrictions and an increase in the available police force the burglary insurance business will regain to some degree its attraction to underwriters. This is, of course, to be greatly desired, not alone in their interests, but also as regards those of the commercial community.

Plate-glass insurance does not amount to a great deal so far as the premium incomes of companies are concerned, and such as can be got outside the limits of some specialising institutions has never proved very profitable. It seems to have been less so than ever last year, and premium rates have not improved in proportion to the price of glass. War restrictions have adversely affected this section. Much of the plate-glass used in this country formerly came from Germany and other Continental markets, and manufacturers at home have been in many cases unable to meet the demands for this commodity, especially seeing that they have been increased owing to damage caused by enemy air-raids.

Live-stock insurance is another minor department. The general experience in this case during last year seems to have been satisfactory. Some anxiety was at one time felt in regard to the effect of the rationing restrictions to which dumb animals as well as human beings have been subjected in this country. But the effect does not seem to have been as bad as was feared. Indeed, there seems to have been a marked reduction in the number of some of the more familiar illnesses affecting cattle and horses. The racing restrictions have, of course, adversely influenced the volume of business in this section, but with their removal there must be a considerable revival in this respect. Driving accident business is said to have benefited through the use of horses where motors would have been employed in the ordinary way. This is, of course, merely a temporary incident, and the motor will doubtless regain general use unless the price of petrol makes the use of horse traction more economical.

"Beautifully Cool and Sweet Smoking."

PLAYER'S
NAVY CUT
TOBACCO

Packed in varying degrees of strength to suit every class of smoker.

PER OZ.
Player's Gold Leaf Navy Cut
Player's Medium Navy Cut
Player's "Tawny" Navy Cut
10½D.

Per Oz.
Player's "White Label" Navy Cut
9½D.

Also PLAYER'S NAVY CUT DE LUXE a development of Player's Navy Cut packed in 2-oz. and 4-oz. airtight tins at 2/1 and 4/2 respectively.

This Tobacco is also supplied at Duty Free Rates for the purpose of gratuitous distribution to wounded Soldiers and Sailors in Hospital. Terms and particulars on application to

John Player & Sons,
Nottingham.

Branch of the Imperial Tobacco Co. (of Great Britain and Ireland) Ltd.

PS74



THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Subscribed Capital £543,666
Paid-up Capital £120,000
FOR REINSURANCE BUSINESS.

Fire, Marine and General Department.
St. Swithin's House, St. Swithin's Lane, London, E.C. 4.
Manager J. Herbert E. Lane.

Registered Office and Life Department.
9 Fleet Street, London, E.C. 4.
Actuary and Secretary: Chas. Wheeler.

Commercial.

COTTON.

It is not exactly easy to estimate with any degree of accuracy the total cotton trade of this country, because the various authorities upon whose data we have to base our calculations differ widely. Roughly, the calculation we have arrived at is that we import in normal years between 5 and 6 million bales of cotton, by far the major part from the United States of North America, about 15% from Egypt, and the balance from the British Colonies and from South America. It has to be remembered that the Egyptian cotton bale is, roughly, 50% larger than the well-recognised 500-lb. bale commonly shipped from the port of New Orleans. The total value of the manufactured cotton in this country—we are speaking again, it will be understood, on an estimate—is in round figures about 500 millions sterling, of which, roughly, were exported in each of the two years immediately preceding the outbreak of the recent War about 400 millions sterling, retaining 100 millions of cotton goods for home consumption. It will be seen, therefore, that the value of our exports was practically 80% of the total product of our mills.

The salient feature which strikes the student who endeavours to study the position of the cotton industry, both from the point of view of the producer of the raw material and the manufacture of the finished product, is the predominant position which the United States of North America takes as a producer of raw cotton, and the very high position which Great Britain holds as a manufacturer of the finished product.

Now the question arises, **Is it desirable that new** sources of supply for cotton should be developed? Does the trade require new sources of supply? Is there room for such a supply? Is it reasonably certain that the United States of North America will continue to grow such large supplies as to satisfy the growing needs of the populations of the world? And is the position of the cotton industry in Lancashire in England safe, bearing in mind that it draws some 80% of its supplies from sources over which neither the British Government nor the British trade has any kind of control.

We shall endeavour to show how the long War through which the world has just passed has had a remarkable influence upon the cotton trade, as on many other industries, and it may have a far-reaching influence which it is quite impossible for us to appreciate at present. But first we will consider the cotton industry as it existed in the early summer of 1914, before the world was plunged into the recent War. For practically 10 years before the outbreak of the recent War the price of raw cotton in the United States had been steadily rising, and although there was an increased production, both as regards yield per acre and the actual acreage under cultivation, it certainly had not kept pace with the growing demands of the world for this, perhaps the most important, or at least one of the most important, of our textiles.

It does not follow that the Southern States of North America were not, and are not, capable of growing very much larger supplies than they have hitherto done, but the fact remains that for the 10 years preceding the outbreak of the great European War they had only done so to a moderate extent, notwithstanding the fact that a steady advance in the price of cotton had conclusively proved an increasing and growing demand.

Cotton is one of the oldest known fabrics. It was known in China at a very remote period and in India. Although Indian cotton is valued at so low a price in the markets of the world to-day, India produced in ancient times a fabric so fine that it is doubtful if anything like it could be produced in modern times. The cotton industry, however, as we know it, with millions of spindles, millions of acres growing cotton in North and South America, and in the East, and supplying the international markets of the world, is a growth of practically the past 70 years. If it could be shown, or even if there was reason for thinking, that the cotton fields of the Southern States of North America were likely to be in a position to supply the demands of the world for many years to come upon such an economic scale as that world demands, it would not be economy to attempt to develop the cotton-growing industries in other parts of the world. But we have already shown that for 10 years preceding the outbreak of the recent War evidence went to show that the United States was not increasing its supply of cotton at the rate which the consuming markets seemed to demand.

In the years that preceded the outbreak of the War the position of the cotton industry in Lancashire was sound in a sense that may not prove to be the case in the years to come. We enjoyed in this country a very peculiar position with regard to drawing supplies from the United States, owing to the fact that most of the inventions which made possible the development of cotton manufacture upon such a scale as actually took place in Lancashire were British inventions. The climate of Lancashire, the immense population, the enormous amount of machinery which had been accumulated, and the financial facilities for dealing with the cotton trade which had grown up in Liverpool and Manchester, gave us extraordinary advantages, which of course it is to be hoped we shall still be able to maintain.

In addition we had between 50% and 60% of the carrying trade. As the late Colonel Roosevelt once said, we had performed our function of carriers "so thoroughly and so cheaply, that it was not worth the while of the rest of the world to enter into competition with us."

Finally, with regard to a reasonably assured source of supply from the United States, we had an extraordinary hold upon that country from the financial side owing to the rapidity with which its economic resources had been developed. The United States could not have grown with the rapidity which she did grow during the last century without the assistance of overseas capital, and that overseas capital had been mainly supplied from Great Britain.

HARRISONS & CROSFIELD LTD.
ISSUED CAPITAL £1,075,000
EASTERN AND GENERAL MERCHANTS.
Shipping, Banking and Insurance Agents.
Agents and Secretaries for Rubber, Tea, and Produce Companies.
Head Office - 1/4 Great Tower Street, London.
Branches.

Colombo.	Quilon.	Calicut.	Cochin.
Calcutta.	Kuala Lumpur.	Medan.	Batavia.
Bandoeng.	Kobe.	Montreal.	Tangier.

Affiliated Companies.

Singapore.	Penang.	Sandakan.	Jesselton.
Shanghai.	Foochow.	Hankow.	New York.
Philadelphia.	San Francisco.	Cape Town.	Melbourne.
Sydney.	Brisbane.	Auckland.	Dunedin.
Adelaide.	Wellington.	Christchurch.	

MEETINGS
OF PUBLIC COMPANIES.

THE REMOVAL OF THE RESIDUAL FIBRES FROM COTTONSEED AND THEIR VALUE FOR NON-TEXTILE PURPOSES."

UNDER the above title a lecture of unusual interest was given by Mr. Ed. C. de Segundo, A.M.Inst.C.E., M.Inst.Mech.E., M.I.E.E., on Wednesday, the 5th inst., at the Royal Society of Arts.

The Right Hon. the Lord Lamington, G.C.M.G., G.C.I.E., presided, and in opening the proceedings said that while everyone could only deplore the unfortunate weather to-day, which no doubt had greatly restricted the number of those present, it was a subject for congratulation that many of those who had come were experts on this highly technical subject, and that their views upon this new system would therefore be of great interest and value. He would like to say that he was particularly interested in this subject, because, when he was Governor of Bombay, the question of improving the quality of cotton was before the Government, and many experiments had been made with the result, he understood, that a longer fibre of cotton had since been successfully cultivated in India.

It was particularly happy that this subject should be discussed under the auspices of the Royal Society of Arts, because as long ago as 1783 this Society, being convinced that cottonseed contained a valuable oil and that the residue of the seed constituted an excellent food for cattle, had offered a gold medal for the successful extraction of the oil from cottonseed. It was, therefore, fitting that this paper should be read at a meeting of the Society which had showed its progressive interest in the subject so long ago as 1783. He had had the privilege of reading the full text of the paper, and had found it extremely interesting.

He then called upon Mr. de Segundo to address the meeting.

Mr. Ed. C. de Segundo, in the course of his address, remarked that the chief interest in his paper centred in the fact that owing to the recent introduction of mechanical devices for removing, in a clean condition, the residual fibres on cottonseed which escape the action of the gin or other subsequent saw-linting machinery, one of the world's largest hitherto neglected natural products had now been rendered available for the manufacture of explosives, paper, artificial silk, vulcanised fibre, cellulose acetate and other cellulose derivatives for which purposes many thousand tons had already been successfully employed.

A Difficult Mechanical Problem.

About 95% of the world's crop of some 11,000,000 tons of cottonseed retained a considerable quantity of these residual fibres. Their removal free from adherent pieces of the shell in which they are rooted presented an exceedingly difficult mechanical problem. The first successful residual fibre plant was established in the year 1912 in the United States by the Memphis Cotton Hull and Fibre Company, Limited, a British company which owns the United States patent rights for a machine and process for separating the decorticated hulls of cottonseed (of which very large quantities are annually produced on the system of milling cottonseed practised in America) into their component parts of cotton fibre and shell. Some 2,000 tons of this "hull fibre" had been supplied to British paper-makers up to the outbreak of the War, and over 8,000 tons had been furnished to the Dupont de Nemours Powder Company of America for the manufacture of explosives.

Another type of machine had been worked out during the War, the world's rights for which had been acquired by Cotton By-Products, Limited. This machine removes from the seed such residual fibres as escape the legitimate range of action of saw-linting machines. The product of this machine is called "seed-lint," to distinguish it from the "hull-fibre" just refered to. Seed-lint had recently been examined into by the Director of Propellent Supplies (Ministry of Munitions of War) and pronounced suitable for the production of nitro-cellulose powders. It had also been employed for the production of artificial silk on a manufacturing scale by Messrs. Courtaulds of Coventry, who had found it in every way suited for their special purposes. Mr. C. F. Cross, F.R.S., the well-known authority upon cellulose and its derivatives, had exhaustively investigated seed-lint for the production of cellulose acetate, and had stated that it fulfils the most exacting requirements in this respect.

In pre-War days Egyptian cottonseed (which retains very little residual fibre) was sold in the market at about 40s. more per ton than the woolly varieties. By means of this machine woolly seed can be brought to a condition resembling Egyptian, and thus be made worth within a little of the price of Egyptian seed, provided, of course, that there is an equivalent in oil which is practically the case in all the more important varieties of woolly seed.

Thus the defibration of cottonseed by this machine results in a twofold advantage. Not only is the value of the seed increased, but the material removed in improving the seed is itself a commodity the industrial value of which has already been amply established commercially.

Benefits of Efficient Defibration.

Mr. de Segundo went on to show that the benefits arising from efficient defibration, as accomplished by this machine, are not confined to the oil-mill. All the cottonseed crushed in Great Britain has to be carried a long distance by sea. The residual fibre renders the seed liable to heat which may result in fire. Even a low degree of heating is very prejudicial to the seed, as it induces the liberation of free fatty acid in the kernels. These risks are minimised by proper defibration before shipment, and therefore defibrated cottonseed should command lower insurance rates.

Further, a greater weight of defibrated seed is contained in a given space as compared with undefibrated seed, and thus a saving can be effected in the cost of ocean freight (which is charged by cubic measurement). This saving may be from 2s. 6d. to 6s. in the £, according to the variety of seed. Nor is this the last of the benefits of defibration. Well-known experts in London have stated that defibrated woolly seed will command, in British markets, according to variety, a premium of from 12s. to 25s. or 30s. per ton over the price ruling for undefibrated under normal trading conditions. To-day the premium would be much higher. Mr. de Segundo cited an instance of a parcel of very woolly seed which came forward a year or so ago, and for which no buyer could be found in England on account of its very woolly character. After treatment in this machine the seed was readily sold for £18 per ton.

Logically, of course, the defibration of the seed should be carried out in the country of origin.

India's Great Annual Loss through Lack of Modern Seed-crushing Machinery.

Attention was directed to the unrealised value of the Indian cottonseed crop. So far as the scientific utilisation of its cottonseed was concerned India had been described in a recent bulletin issued by the United States Department of Commerce, November 4, 1918, as being to-day where the United States were 40 years ago. It was further stated in this bulletin that the annual loss to India owing to the absence of a modern seed-crushing industry had been estimated at 315,000,000 rupees, or about £21,000,000. Mr. de Segundo thought that perhaps this estimate was based upon present-day prices for the oil and cake which cannot be expected to maintain their present level. He had arrived at £12,000,000 to £13,000,000 as the value of an average Indian cottonseed crop under pre-war trading conditions assuming that the residual fibres were properly turned to account.

Mr. de Segundo then showed the seed-defibrating machine in action defibrating Bombay seed, and pointed out that this constituted a very severe test of the powers of the machine owing to the inconsiderable quantity of residual fibre (probably under 2%) retained by this seed. He then summarised his argument under the following heads:—

The successful removal of these residual fibres affords a means

(1) Of producing large quantities of raw material for the manufacture of commodities of which we stand in daily increasing need.

(2) Of bringing certain varieties of cottonseed which the British crusher cannot at present use into a condition suitable for his purposes, thus increasing his available supplies.

(3) Of minimising the risks now incurred in the transport of such seed by sea, and of effecting important economies connected therewith.

(4) Of facilitating the establishment of the seed-crushing industry in India, thus laying the foundation for the realisation of the vast potential wealth inhering in the hitherto neglected cottonseed crop in that country.

(5) Of encouraging the cultivation of the American variety of cotton within the Empire to the end that the Lancashire spinning industry, the value of which is about £114,000,000 per annum (or one-fourth of that of our total exports), be enabled to draw a portion of its supplies of raw material from sources other than the United States, where the quantity of cotton taken by American spinning mills is increasing steadily, and has already reached a figure which involves a grave menace to the industry in Lancashire.

Interesting Discussion.

In the course of the discussion which ensued,

Mr. D. T. Chadwick (Indian Trade Commissioner) stated that Mr. de Segundo's process promised to be of the greatest interest to India.

He would not follow Mr. de Segundo into his estimates of the total quantity of cotton-seed in India which might be treated and the advantages of using such seed for extracting oil, because the practice of feeding cotton-seed whole to cattle was deeply ingrained in the farming practices in India, and it would take many years to accustom them to using cake instead. At the same time considerable quantities of seed were used for oil-crushing, and when prices were favourable large quantities had been exported from India in the past. The liability of such seed to heat in transit owing to the existence of these short hairs had always been a difficulty, and hitherto the suggestions to overcome this difficulty had taken the form of removing the hairs by abrasion or burning.

Mr. de Segundo's invention opened up the possibility of giving a market value to what was hitherto a waste and deleterious article. Apart from the advantages which would result from closer packing, following on the adoption of this invention, was the fact that these short hairs would prove useful to the paper manufactories of India, which hitherto had been continually searching for satisfactory supplies of raw material. An additional reason why this invention should interest India is that, obviously, the correct position of such machines is at the ginneries, so that seed might be treated immediately after the spinnable fibre had been removed, and, therefore, full advantage be obtained from the closer packing which would necessarily follow by the use of this invention.

It was a very stimulating paper. The process possessed great possibilities of commercial success, and was one which was eminently suited to Indian conditions.

Mr. C. F. Cross, F.R.S., said that nowadays the length of the fibre was a secondary consideration to the chemist in the production of cellulose, and that the essential features in the recovery of the short fibres on the shell of the cotton-seed was the absence of pieces of seed-débris, or other impurities in the product, which was achieved with a high degree of success by these machines. His analysis of seed-lint had yielded over 85% of pure cellulose, approximating, therefore, to that given by raw long cotton. Europe could absorb another 50,000 tons per annum of any such raw material, and Mr. de Segundo's new product would constitute a very valuable addition to our Imperial assets.

Professor John A. Todd (member of the Empire Cotton Growing Committee, Board of Trade) referred to the great waste of natural products which was evidenced on all sides, and said that Mr. de Segundo had taken in hand a matter of great economic importance to the Empire in labouring for the successful utilisation of the residual fibres on cotton-seed for industrial purposes, and dwelt at considerable length upon the many important directions in which the development of commerce and industry should be stimulated by Mr. de Segundo's work in this sphere of activity.

British Seed Crushers' Views.

Mr. J. W. Pearson, Chairman of the British Oil and Cake Mills, Limited, criticised some points from the aspect of the British seed crusher, particularly dealing with the differences in practice between American and British methods of crushing. He pointed out that the British method was the more suitable for British conditions, where, owing to climatic influences, an undecorticated cottonseed cake, containing both kernel and hull all in one mass together, had a peculiar value for feeding on the soft luscious grass produced under British climatic conditions. The American method turned out an oil of rather higher quality and a cake of an entirely different description and of a much more highly concentrated character. The hulls were, however, almost refuse, and were disposed of at a low price. The net result was that under the British method a higher price was obtained for the undecorticated cake than would in the aggregate be obtainable in England for a cake made from kernels only and for the hulls separately. In actual practice the British crusher found that a rather better profit was obtainable in England by following their present method.

He then dealt with the probable effect of the introduction of the Segundo defibrator, and entirely agreed with the lecturer's contention that by producing a cleaner seed a slightly improved cake would result and a substantial saving would be made in transit costs owing to the seed bulking better for freight purposes. He fully agreed with the suggestion thrown out by Mr. Chadwick that the proper place for the installation of this machine was in the original ginning factory. He was still sceptical as to whether the improvement in the seed would result in a more profitable oil yield, and thought that that would require commercial demonstration. He added that the British Oil and Cake Mills, Limited, had placed at the disposal of Mr. de Segundo an up-to-date oil mill in which the new machinery could be installed and a thoroughly practical test made on a commercial scale. He was confident that when such a test proved satisfactory results, there would be no lack of initiative and support in developing the invention. He, however, pointed out that an almost certain profit lay in the fact that the removal of the lint fibre by this machine made it saleable at the price of at least £18 per ton, whereas if left on the seed and manufactured into cake it only realised £5 per ton. Mr. Pearson concluded by remarking that the development of the cottonseed industry during the last hundred years had been one of the most beautiful romances in commercial history, and he ventured to express the opinion that Mr. de Segundo, with his new discovery, had added a page of lustre to the volume.

Low-Priced Seed Increased in Value.

Mr. W. H. Pinnock (of Messrs. Pinnock Bros.), who was unable to be present, wrote that he thought Mr. Segundo had rendered a great service to the cottonseed-oil industry, particularly the British industry, not only by his labours in producing a machine which successfully removes the residual fibre from cottonseed, but for having presented several important aspects of the utilisation of these residual fibres in so interesting a manner.

The value of cottonseed to the seed-crusher is primarily dependent upon the percentage weight of oil that can economically be squeezed out in the hydraulic presses (or "expressed," as it is technically termed), and also upon the character of the cake produced—*i.e.*, the residue after the oil has been expressed. The cake is almost exclusively marketed as a foodstuff for cattle. The presence of much cotton fibre on the seed was prejudicial to the value of the seed, because, firstly, it absorbs a certain amount of oil expressed from the seed, and, secondly, it detracts not only from the appearance, but also from the nutritive value of the cake on account of the lint being non-digestible and possessing practically no nutritive properties. In normal times the average difference in the market price of Egyptian seed (which is a nearly bald seed) and Uganda seed (which is a very woolly seed) was about 35*s.* to 40*s.* per ton in favour of Egyptian. Egyptian cake also commands a higher price than that obtained from woolly varieties of seed. At the present time, owing to conditions brought about by the War, Egyptian seed is selling at a much higher difference in price above Uganda and other woolly varieties.

Mr. Segundo had given him several opportunities of inspecting Uganda seed defibrated in his machine. The defibrated seed had very little fibre left on it, and showed no signs of maltreatment. In his (Mr. Pinnock's) opinion, it should certainly command the price of Egyptian seed within, say, 5*s.* or 10*s.* per ton, provided, of course, that there is the equivalent in oil. He thought it might safely be assumed that such defibrated Uganda seed would sell for 20*s.* per ton more than the undefibrated as now shipped.

He agreed with everything Mr. Segundo has said in his paper in regard to the dangers and risks attaching to the presence of lint upon cottonseed which has to be shipped from long distances to British ports, and he also agreed with Mr. Pearson and with Mr. Chadwick, that, logically, the defibration of woolly cottonseed should be carried out in the country of origin before the seed is shipped.

The figures given by Mr. Segundo in his paper relating to the closer bulking of defibrated seed as compared with undefibrated, and the consequent saving in ocean freight, &c., thereby effected, were very interesting, and served to emphasise the importance of defibrating woolly cottonseed in the country of origin.

American Expert's Opinion.

Mr. Erwin W. Thompson (an American expert in cotton-seed products, who was commissioned some years ago by the United States Government to study the cotton-seed industry in Europe) wrote that Mr. de Segundo had described in his paper a new and rational system for obtaining all the residual fibres in a good clean merchantable condition; and if this system were applied in practice—and he saw nothing difficult in that, now that the War had ended—it would be epoch-making in American oil-milling.

If, as would appear probable, the extension of the cultivation of American type cotton in India is to be one of the events of the immediate future, the two machines described by Mr. de Segundo should play a very important part in turning to profitable account the concomitant seed, not only in the production of oil and cake, but in improving the condition of the seed for export. The treatment of the seed could now be started in India under favourable conditions based upon American experience in decorticating, and in combination with these latest inventions for the recovery of residual fibres.

The world's demand for oils and fats, which was growing rapidly before the War, and has been greatly intensified as a consequence thereof, was not likely to be very seriously affected by the termination of hostilities, and this should be an additional factor in speeding up the development of the cottonseed-oil industry in India, particularly in view of the unquestionably large unrealised value of the Indian seed crop, as to which he thought Mr. de Segundo's estimate appeared to err on the safe side.

Mr. de Segundo, in reply to the discussion, said it had seldom fallen to his lot to find his audience in so large a measure in agreement with him. In fact, all he appeared to have to deal with was a slight misapprehension on the part of Mr. Pearson, who seemed to have gathered that he (Mr. de Segundo) wished to suggest that British seed crushers were non-progressive because they had not adopted the American system of decorticating the seed. As a matter of fact, he was entirely with Mr. Pearson as to the position of the seed-crusher in Great Britain, and had intended to

make this clear in the text of his paper. His (Mr. de Segundo's) argument was that in a country like India, for example, in which woolly cotton-seed was grown in such large quantities, and in which the seed-crushing industry was as yet undeveloped, the American system possessed advantages over that employed in Great Britain. British seed-crushers continued to crush the seed whole chiefly for the reason that the cotton-seed hitherto obtainable by them was of a variety which could not efficiently be decorticated by any method practised at present.

The Chairman, in his concluding remarks, said that one outstanding feature of the proceedings had been the extremely clear way in which Mr. de Segundo had stated his case, and the very lucid and concise manner in which the speakers had dealt with the points they raised, and that the paper had met with the general approval of those who are acknowledged experts in the matter. He hoped that this process would prove of value to the welfare and in the development of our Indian Empire. He had been very pleased to preside at a paper of such interest and practical value contributed by a very old friend of his. He moved a hearty vote of thanks to Mr. de Segundo for his most interesting lecture.

On the motion of Mr. de Segundo, a cordial vote of thanks to Lord Lamington for presiding at the meeting was carried with acclamation.

LONDON AND LIVERPOOL BANK OF COMMERCE, LTD.

THE fortieth ordinary general meeting of this Bank was held on February 4 at the offices, 34 Old Broad Street, E.C., the Lord Ritchie of Dundee (the Chairman) presiding.

The Chairman said: In moving the adoption of the report I naturally desire first of all to give expression to the feeling of profound thankfulness in the hearts of all of us that since we last met the War has come to an end, so far, at any rate, as fighting is concerned, and that it now remains only for the Conference sitting at Paris to make sure that the objects with which we entered into the War—namely, the preservation of liberty and the vindication of justice—are secured in the terms of peace. Any sense of triumph at the victory which has been won is chastened by the recollection of the long four years of agony through which we have passed, and of the loss in the young life of the country which that victory has cost. We here, in our comparatively small community, have not escaped, and I wish to put on record our deep sense of gratitude to those who have laid down their lives for their country, and our sympathy for those who have suffered bereavement. We have been more fortunate with our colleagues on the board, and we are thankful that both Captain Bonn and Captain Schuster have come through safely, though the former was wounded twice. I am glad to say that we have Captain Bonn with us here to-day, and we hope that before very long Captain Schuster will also have returned. I am sure, too, you will wish to join with us in congratulating Captain Bonn on his two distinctions, the D.S.O. and the M.C., and you will be interested to hear that Captain Schuster was recently mentioned in despatches.

Unsettled Conditions.

Business for us has not been easy during the period of the War. We have not had any share in the fictitious prosperity of the country. The movement of commodities has been financed by abnormal methods, and our business has gradually diminished, as has been evident from our published accounts year after year, and as is shown once more in the figures we have before us to-day. While, too, the tendency in most branches of trade has been towards larger profits and higher commissions for services rendered, that has certainly not been the case with such institutions as ours, which perhaps is not surprising, seeing that there has not been enough business to go round. At the same time, I do not know that it is an unmixed disadvantage that our commitments are small at the moment. Conditions in almost every quarter of the globe are, to say the least of it, unsettled, and I should feel rather uneasy if our acceptances to-day stood at anything like the figure we were accustomed to in pre-War days. It is difficult to believe that the trade of the world can settle down to normal conditions without serious trouble in one form or another. The price of almost every commodity is abnormal, partly owing to the scarcity of the article itself, and partly owing to the rates of freight, which nowadays are reckoned in pounds instead of shillings. Freights have begun to fall, and, according to the President of the Board of Trade, we are to see a slump before very long. Merchants and shippers who have paid the higher rates of freight on their goods are already complaining, and are threatened with serious losses. It is unlikely that we shall see a return to the pre-War level of prices for a long time to come, if ever, but there will certainly be a substantial decline in many articles. Let us hope that it may not take the form of a collapse, with all its unpleasant accompaniments to trading and financial circles.

The Accounts.

As to our prospects here, I can only repeat what I said last year. We have been at pains to conserve our connections all over the world, except, of course, in enemy countries, and our services will be available for old customers and new whenever anything like normal conditions return. Turning to the accounts, you will see that our acceptances, including advances under the Government scheme, amount to £1,211,000, and show a reduction of £500,000 compared with the previous year. I have already referred to that circumstance in my earlier remarks. On the other side we show liquid assets in the form of cash, money at call and short notice, and British Treasury bills, amounting to £374,000, against £477,000 last year, but the difference is fully accounted for by our holding of National War Bonds, which are included amongst our investments. Taking War Loans at cost, our investments stand in our books at £452,000 odd, against £318,000 at the end of the previous year. Some of you may have noticed that the next item among our assets—accounts current and miscellaneous securities—bears a slightly different designation from that of former years, bills receivable and bills discounted having dropped out for the simple reason that we had none at the close of the year. Trade bills, as you are aware, are scarce, and their place in the Discount market has been taken, to a large extent, by British Treasury bills. The profits for the year enable us to recommend the payment of a dividend of 4%, as has been the case throughout the War, and to carry forward the substantial sum of £16,576, against £15,358 brought in.

The report and accounts were unanimously adopted, and the dividend recommended was declared. The retiring directors and auditors were re-elected, and votes of thanks were passed to the Chairman, directors, and staff of the Bank.

LONDON MERCHANT BANK, LIMITED

THE forty-seventh ordinary general meeting of this Bank was held on February 6 at the offices, 38 Lombard Street.

Mr. Frederic Lubbock, who presided, said: We may congratulate ourselves that we are come together to-day under very different conditions from those existing when we met here a year ago. I think we have all felt ourselves hardly able to realise that the horrors of war are at last at an end, culminating in so complete a victory, and few, if any, of us would a few months ago have thought it possible that peace was so near at hand. At the same time, we must all realise that the many difficulties and anxieties that have been attendant on the carrying on of any description of business since 1914 are by no means at an end, and the settlement of the terms of peace by the Conference now sitting must directly or indirectly affect to an important extent the course of trade and industry in every direction, to say nothing of the many serious questions of political and social economy which will tax the wisdom of our Government and Legislature. My object in making these general remarks is to remind you that—as I am sure you all realise—it would be taking too sanguine a view to expect that, after the great dislocation that has taken place, the current of business can or will at once revert into its accustomed pre-War channel, but that it must be a more or less prolonged and gradual process of recovery. Coming to our own affairs, as regards the result of the past year, I think we have no reason to be dissatisfied that we have been able to carry on our business on moderate and conservative lines with a reasonable measure of success, to which both our export and import departments have contributed in a satisfactory degree, although we have again, like everyone else, been much hampered by the great scarcity of tonnage and the difficulties in connection with Government permits and other regulations, which have by no means as yet been removed, and which I saw described the other day as "an effectual barrage to British trade." As far as our business for the year under review is concerned, we had every hope that the improved activity which we reported for the year 1917 would continue. For the first few months of the year this hope was justified, but as time went on the restrictions to which I have just referred interfered more and more seriously with our operations. You will bear in mind that we are actually what we call ourselves, "merchant bankers," and it is to the extension and development of the commercial side of our business in the future to which we look forward with much confidence. The balance sheet shows no striking differences when compared with that of the previous year. The acceptances on account of customers and advances under the Government scheme of September 5, 1914, are reduced by £220,103, which reflects principally a further reduction in pre-War outstandings. Current and other accounts, &c., show only a small variation—an increase of £21,428. The pension fund is increased by the interest with which we credit it as usual. On the assets side, cash at bankers and loans at call and short notice are almost the same—a decrease of £5,780. Advances, including Stock Exchange loans, are reduced by £8,915, due to further repayments of pre-War loans. In the securities there is a reduction of £61,953. We have continued to take advantage of opportunities that have presented themselves for realisation, and are glad to say that, owing to the favourable turn matters have taken for the Allies, these opportunities have been more numerous. Bills receivable is a fluctuating item, which does not call for special comment; there is a small increase of £16,137. Current and other accounts, &c., which is the big item on the assets side of the account, show a reduction of £114,648. This item includes our outstandings in enemy and enemy-occupied countries. I am glad to say that since the liberation of Belgium and the Baltic Provinces of Russia

we have heard from most of our customers in those countries, and from some of them we have already received substantial amounts in reduction of their pre-War indebtedness. I believe it is generally expected that our Government will have prepared a scheme to provide for the full repayment of all debts owing by enemy firms and individuals at the outbreak of the War, and that it will not be many months after the conclusion of such a scheme that this question—which, of course, affects us and has now been in suspense for four and a half years—will be finally and satisfactorily disposed of. In the meantime I would repeat that we have made what we consider adequate provision for any losses that may occur in the final liquidation of these accounts, which, however, as I have said, we hope will be settled in full. The net profit shows a small improvement on last year's of £897, and, after payment of the dividend of 5% for the year, we carry forward £35,811—an increase of £3,727.

The report was unanimously adopted.

BRITISH EAST AFRICA CORPORATION, LIMITED.

The eleventh annual general meeting was held at Winchester House, E.C., on February 4, Mr. George H. Raw (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, reviewed the figures appearing in the balance sheet, and stated that the directors believed the assets truly reflected value on conservative lines; in fact, the properties held by the Corporation would, if sold, fetch very much more than the cost at which they stood in the books. Dealing with the profit and loss account, he stated that the profit on trading, after charging all expenses, was £55,000, as against £43,812—a result which was most satisfactory to the board and, he hoped, also to the shareholders. The directors recommended a dividend and bonus (including the interim dividend already paid) of 12% for the year; the appropriation of £7,000 to the depreciation fund (making that fund £25,000); the addition of £15,000 to the general reserve (making that fund £30,000); and the provision of £6,500 against income tax and excess profits duty, leaving £4,400 to be carried forward.

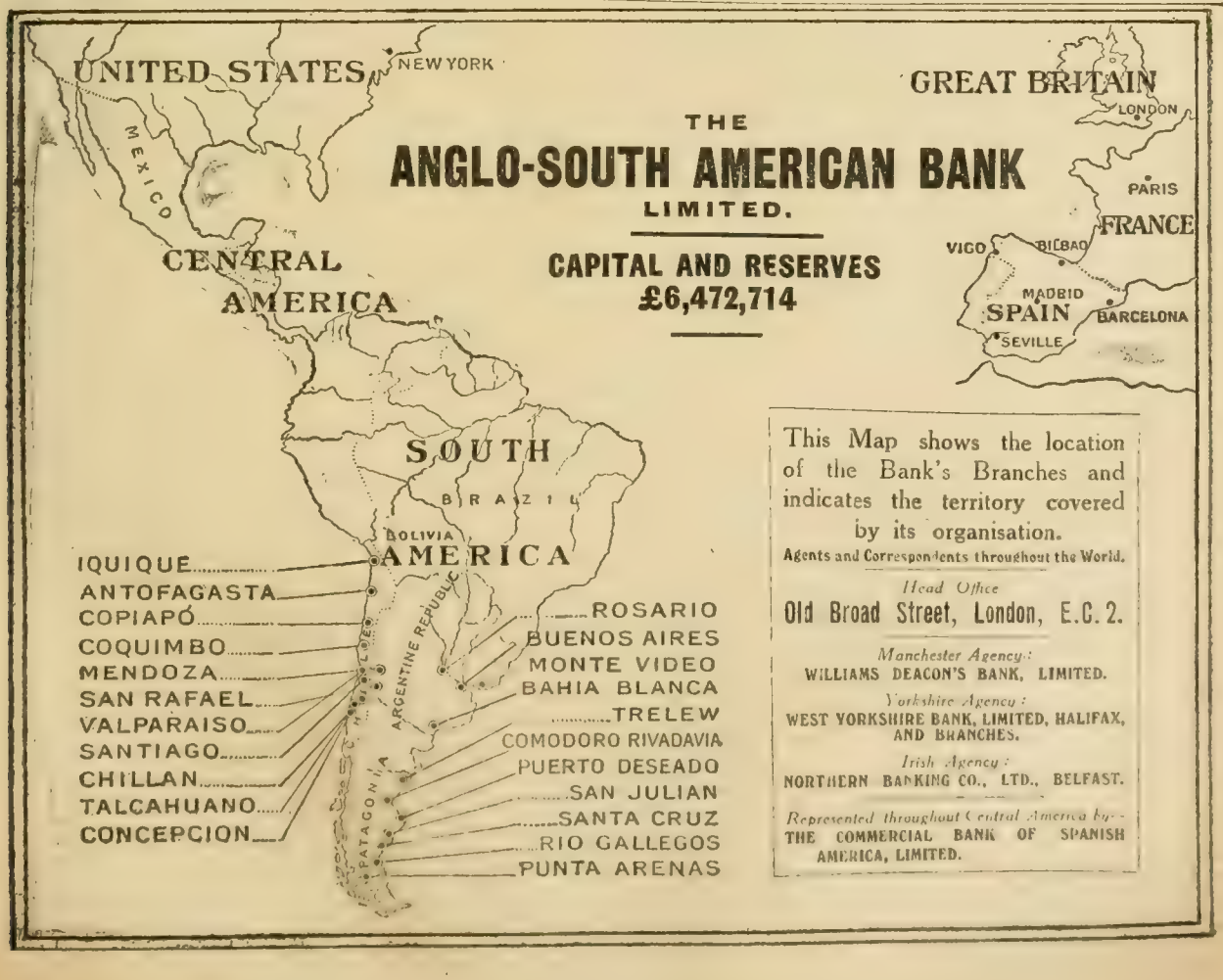
Current Year's Prospects.

As to the prospects for the current financial year, the shipping and staffing problems became more acute month by month right up to the Armistice, and they were still far from being ended. The buying power of the natives had been temporarily affected by the reluctance of the East African produce-dealing houses to buy at all largely until they could see prospects of being able to ship homewards such things as hides, cotton, &c. In the reverse direction, such cotton as they had got home was still slow of sale, as spinners would not buy readily until they saw export trade resuming. The stocks of the Corporation were good and were mainly purchased at prices at which they could not procure them even to-day, so that they did not expect to be adversely affected in the final result of realisation. Against this dulness in what he might call their ordinary turnover trade, which they regarded as likely to resume its activities in proportion as shipping and other restrictions were removed, they had had opportunity for trade in some special lines, and he could predict that this year would be a satisfactory one for the business as a whole. He believed he was voicing a very general opinion in looking to an important future for East Africa. He was glad to take this opportunity of welcoming the new Governor of British East Africa, General Sir Edward Northey. They expected much from his sympathetic administration.

Increase of Capital.

The board decided some time ago that it would be wise to increase the capital of the Company, and apply to the Treasury for consent to issue £100,000. Permission was granted for only half of this amount. At the extraordinary general meeting to be held subsequently the shareholders would be asked to approve of the increase of the capital by £100,000 and of the issue at once of £50,000 on the terms set out in the notice convening the meeting. The issue of this capital to existing shareholders at the low price of 12*s.* 6*d.* per 10*s.* share was looked upon by the directors as a good bonus. For those who did not wish to increase their holding he expected a ready market would be found for their rights. The increase of capital would enable the Corporation to take advantage of opportunities which might arise in the development of the country captured from our enemies, and in the further development of the Corporation's branches and estates in British East Africa itself, which it was thought would be a very popular colony for settlement after peace was proclaimed, for in the opinion of the directors no better prospects of success, with comfort and sport and freedom from taxation, were to be obtained in any other part of the world.

Major E. H. M. Leggett, D.S.O. (Deputy-Chairman), seconded the resolution, and referred at some length to the important part which the Corporation and its staff had played in bringing the hostilities in British East Africa and Uganda to a successful conclusion. Every man, he said, volunteered for service, and 95% had been employed in various military capacities at different times. The Company itself had created organisation and provided facilities for the Belgian Colonial Army, the transport of their ammunition, stores, and all kinds of equipment. The Eastern Congo found its natural outlet through British East Africa at the Port of Mombasa. The import and export trade which was bound to develop must pass through British East Africa, to the great advantage of all concerned. In connection with reconstruction, roads, harbours, and railways would have to be made. Roads were being pushed on, and he wished strongly to urge the Colonial Office to give the widest possible scope to the Governor and



to place funds at his disposal for the purchase of military transport, equipment, railways, and carts. They did not ask the Government to favour industries, but only to find the facilities for handling them, and to leave the development to private initiative. Money spent by the Government in making communications and developing the country would come back to the masses of this country, not cent. per cent., but many times cent. per cent. The Corporation was engaged in what he had always believed to be a proved Imperial enterprise. (Applause.)

The resolution was carried unanimously.

An extraordinary general meeting was afterwards held, at which the resolutions providing for the increase of the capital were submitted and carried unanimously.

BRITISH TRADE CORPORATION.

The second ordinary general meeting was held on February 6 at the Institute of Chartered Accountants, Lord Faringdon (the Governor) presiding.

The Secretary (Mr. George Brounlie) read the notice convening the meeting.

The Governor, in moving the adoption of the report and accounts, first dealt with the balance sheet, stating that current and deposit accounts had grown from £632,636 a year ago to £1,673,440, while acceptances on account of customers were £212,181. The liquid assets amounted to £3,560,458, or fully 90% of the whole liabilities of the Corporation. With regard to the item of capital in subsidiary companies, the Trade Indemnity Company had been formed with a capital of £100,000, the whole of which was held by the Corporation. Another undertaking in which they had made an investment of £100,000 was the Portuguese Trade Corporation, which was specially started to compete with German interests, which in pre-war periods were particularly active in Portugal. From its revenue figures, made up to November 30 last, that Corporation would appear to be doing a good and lucrative business. Then the Anglo-Brazilian Commercial and Agency Company, Limited, was formed jointly by the London and Brazilian Bank and themselves to meet cases that were brought to their notice of businesses which were in want of financial support and might cease to exist if new capital and new blood were not introduced, and also cases where German commercial firms were monopolising the field of activities. The Levant Company, Limited—another subsidiary—would aim at reviving the commercial side of the activities of the old Levant Company, famous during the sixteenth and seventeenth centuries as the representative of British influence in the Near East. It started with the acquisition of a considerable interest in the Constantinople and Salonika firm of J. W. Whittall and Co., and it was making arrangements to launch out in other parts of the Mediterranean where hitherto Austrian and German interests had predominated. The capital of the Company, which amounted to £1,000,000, was not yet ripe for public issue. In the meantime this Corporation had subscribed for £200,000. As a corollary to their "fathering" of the Levant Company, they had acquired the whole share capital of the National Bank of Turkey. Another concern in which they had taken a small share interest was the Inter-Allied Trade and Banking Corporation, Limited. This Company, which had a share capital of £1,000,000, sought to promote trade between this country, Belgium, the North of France and elsewhere. Out of the profits of the year the directors recommended a dividend of 5*s.* per share, leaving £14,252 to be carried forward.

Mr. F. Dudley Docker, C.B., seconded the motion, which was unanimously adopted.

MELBOURNE ELECTRIC SUPPLY COMPANY, LTD.

The annual meeting of the Melbourne Electric Supply Company, Limited, was held on February 3, 1919, at Finsbury Pavement House, E.C., Mr. J. B. Braithwaite, M.I.E.E., presiding.

The Secretary (Mr. W. E. Lane, M.I.E.E., F.C.I.S.), having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said he had to congratulate the shareholders on the fact that in spite of the very difficult conditions of the year the results were so satisfactory. There was not only the War conditions but a strike from August to November dislocated business very considerably, and there was an increase in the cost of coal, accompanied by serious deterioration in quality, which made operations at the power-house more difficult. Added to that there were delays in the delivery and erection of plant, so that they had to work on a very small margin, and they experienced great difficulty in maintaining a continuity of the supply. It was only by the loyalty and co-operation of the staff that the business was carried on with the success which it was. Turning to the actual progress of the Company, they had in Melbourne added 24 miles of streets to those in which they were giving a supply, making a total of 623. They had added 4,728 new customers, bringing the total up to 37,000, and had added 3,600 horse-power to the power connection, bringing it up to 25,000 horse-power. Altogether they sold 32,840,000 units, an increase of 8.65%; of those units, 14,000,000 were for power, 9,000,000 for tramways, and 10,000,000 for lighting and other domestic appliances. At Geelong they had added 308 new consumers, making 3,150; sold 1,671,470 units, an increase of 11.4%; and the Geelong tramways had shown steady improvement. In Melbourne the coal cost £27,464 more, a rise of 52%, whilst the revenue only increased 16.5%. They had made a capital expenditure of £107,756 at Melbourne and £26,000 at Geelong, so that their total capital expenditure was now a little over 1½ million. The total profits were £165,070. They were paying the Preference dividend, 10% on the Ordinary shares free of British income-tax, and writing off the whole of the balance of the cost of the gold bond issue, reserving £20,000 for income-tax and excessive profits duty, and adding £15,000 to the reserve. In view of the fact that the War was now over, and that they might expect things gradually to settle down to pre-War conditions, they have thought it wise to make rather an important change in the balance sheet, for which they asked approval. In view of the fact that the gold bonds placed in the United States would fall due for payment in five years time, they thought it wise to commence a gold bond redemption account, and they proposed to transfer £50,000 to that account, made up by taking £40,000 from the carry-forward and extinguishing the small dividend equalisation account which we formed some years ago before the Company had reached its present degree of prosperity. In their opinion there was no need whatever for maintaining that dividend equalisation account, and they therefore proposed to add it to the £40,000 from the carry-forward and start the gold bond redemption account with £50,000. That would still leave them with a substantial carry-forward of £34,849 7*s.* 5*d.*, which was equal to 7% on the whole of the Consolidated Ordinary stock, so that it was quite a sound position to be in. Then, to provide for future capital requirements, they had applied to the Treasury for permission to issue a further £20,000 of the 7% Cumulative Preference shares of £5 each, and also the small outstanding balance of £11,319 Consolidated Ordinary stock which was due to some of their British holders, and which the Treasury would not allow them to issue at the time the rest of it was subscribed in Australia. If Treasury consent was given that would give them approximately £107,000 of additional capital, which would be sufficient for their immediate requirements.

Major Wm. Parker, D.S.O., seconded the resolution, and it was carried unanimously.

ADELAIDE ELECTRIC SUPPLY.

The fourteenth annual general meeting of The Adelaide Electric Supply Company, Limited, was held on Tuesday, February 4, 1919, at Finsbury Pavement House, E.C., Mr. J. B. Braithwaite, M.I.E.E., Chairman of the Company, presiding.

The Secretary (Mr. W. E. Lane, M.I.E.E., F.C.I.S.), having read the notice convening the meeting and the report of the auditors,

The Chairman said: In rising to move the adoption of the report and accounts it will not be necessary for me to detain you very many minutes. We have had great difficulties to contend with in Australia in consequence of the War, and also because of a prolonged strike in the autumn of 1917, but in spite of all that, owing to the efforts of our local board and our staff there the year has not turned out unsatisfactory upon the whole. We have continued to make fair progress; we have put 18 miles of streets on to our supply area, making our total 478 miles. There is a gross increase in revenue from £154,072 to £174,454, an increase of £20,382, or 13.22%, which is, I think, on the whole, satisfactory. We have taken on what, under the circumstances, is the really remarkable number of additional consumers, 2,327, compared with 1,858 in the previous year, raising the total to 21,917. Then in k.w. there is an increase of 2,565 k.w., or 24%, which again shows an increase on the previous year, when we had 1,994 k.w. Of this lighting accounts for 668 k.w. and power 1,130 k.w. The units sold for all purposes increased from 9,330,495 to 10,775,934, an increase of 1,445,439, or 15.48%, as compared with an increase of nearly one million, or about 11% last year, so that under the three heads we have done appreciably better than in 1917.

We have had to meet increased costs owing to the strike and the rise in price of coal, but owing to the improved plant that we have been fitting up, especially in the matter of boilers, we have been able, although we sold nearly 1½ million additional units, to use about 450 tons less coal, so that the improved plant we have sent out is beginning to show itself in the increased economy of our generation. After paying the dividends on the same basis as heretofore—12% free of income tax on the Ordinary shares—there remains an available balance of £6,141, to which must be added £10,800 brought from the previous year, making a total credit balance of £16,941 to be carried forward to next year. We have appropriated £3,679 from the amount of £25,425 standing to the credit of premium account and applied it to writing off sundry items of capital expenditure, and you will see by the report that we propose entirely to extinguish that premium account in the following manner: We apply to writing down cost of investments £1,746 4*s.* 8*d.* and we transfer to general reserve, raising it to £80,000, the balance of £20,000. We retain our dividend equalisation fund at the figure of £25,000, at which it has stood for

several years past, and it constitutes an additional guarantee for the Preference and Ordinary shareholders that their dividend will be maintained.

The report was unanimously adopted and the usual formal business transacted.

LENNARDS, LIMITED.

BOOTS AND SHOES.

The twenty-second annual meeting was held on February 3 at the Grand Hotel, Leicester. The directors present were Messrs. T. J. Lennard, J.P. (Chairman), J. W. Goddard, J. G. Chattaway, T. Singlehurst, and John Lennard, with the Secretary, Mr. J. E. Hazzledine.

The Chairman, in proposing the adoption of the accounts as printed and circulated, said he wished first to express thankfulness at the prospect of a victorious peace. Permanence was the main feature desired, which could not be satisfactory unless Germany paid to the utmost of her capacity in reparation for wrongs and damage done.

Raw Materials.

Equal in importance to "Reparation" is attainment of organic unity by the British Empire, and reservation of the raw materials within the Empire, to benefit our own people.

The net profit for 1918 was £86,724. The turnover for 1918 was not only a record in amount, it was a record in smallness of percentage of gross profit. It was 1½% less than 1917, and 3% less than 1916. That statement was made to emphasise the fact that there had been no "profiteering."

The shareholders of Lennards Limited were very patriotic, but they viewed the proportion of the profit taken by the Government with alarm. Unless "excess profits duty," which had been so unequal in its application, is withdrawn in the next Budget, any commercial "after the war expansion" is doomed.

Out of the net profit of £86,724, no less a sum than £52,197 goes to the Government for income tax and excess profits duty. Then, of course, from the same source Schedule A is collected, and super-tax is collected from those who are liable to pay.

The business of Lennards Limited was healthy in every sense of the word, but during the last four years the reserve fund had remained at practically the same total of £40,000, owing to the excess profits duty.

Mr. Lloyd George had stated that "there had been no industrial conscription, but MUCH conscription of wealth." It is only fair to capital to make this widely known. For every £1 paid by wealth in 1913-14, £8 is now being paid. The excess profits tax had produced more revenue than income-tax and super-tax combined, and in many cases it had pressed most unevenly and even unjustly upon the industrial classes.

Labour Troubles.

The newspapers are anticipating trouble with labour because large profits are being earned. But why should trouble be anticipated in this direction? Labour had shared in the prosperity; wages had been increased, the amount of gross profit had decreased. When would the lesson be learnt that Capital and Labour must work together? There was a time coming when the consideration of the employer and the loyalty of the employee would be greatly tested. Personally he held strong views upon the question. Until public opinion accepted and legally adopted "compulsory arbitration," disputes and strikes would continue to inflict grave losses upon both capital and labour. "Territorial Boards" or "Directors of Commerce" ought to be established by Parliament, consisting of three representatives, from the State, the employers, and the employees, with power to enforce decisions respecting disputes and levy cumulative fines against capital deposits of association or union funds when the award was disobeyed, either by masters or men.

Export Trade.

The home trade was very important, but the nation cannot afford the loss through suicidal strikes and stoppages, which tend to kill the export trade altogether.

When considering the profits of one prosperous year the years of preparation, waiting and foundation work must be taken into account.

The directors had increased the Ordinary dividend to 15% for the half year, making 12½% for the year. This would not have been done without a good prospect of retaining the dividend at that rate.

The carry forward had been increased by £8,608 to £35,675.

With regard to the new capital, the directors were waiting the sanction of the Treasury to allot. The shareholders had applied for it in full.

Trade creditors were, as usual, nil, and stocks were heavier by £13,524, at a total of £235,342.

Freehold property had been considerably increased during the year, the amount added being £24,376.

After depreciation the shop fittings and fixtures stood at less than the previous year because no new branches had been opened owing to the War.

Wages.

The largest increase under any heading of expenses was wages, which he was pleased to see. If the employees had not been willing and loyal the company could not have "carried on" with so many men serving with the Colours. It is essential that the employees be well paid to ensure comfortable homes and satisfied workers.

The Chairman said he hoped to offer a substantial gift to those who volunteered in the Great War, to those who have been on the fighting front, and to the relatives of those who have made the supreme sacrifice. Probably in six months' time it will be possible to formulate a proposal and celebrate the home-coming of the men in an effective and festive manner.

The report and accounts, as printed, were adopted.

Messrs. Tribe, Clarke and Co., the auditors, were re-elected, and a vote of thanks to the Chairman and the staff closed the proceedings.

THE PAN DE AZUCAR NITRATE.

The seventeenth annual general meeting of this Company was held at Winchester House, Old Broad Street, E.C., on February 6, the Hon. Herbert C. Gibbs (the Chairman) presiding.

The Chairman said: I regret that the report and accounts for the year which ended June 30, 1918, have been so long delayed, but as everyone is by now only too familiar with the difficulties of conducting business in war-time, I will only say that our bookkeeper had an attack of typhoid at a critical moment, and that we were unable to replace him, and I hope that in the future the report and accounts may be presented to the shareholders in proper time. You may remember that I indicated to you at our last meeting that the amounts which we have to set aside for exhaustion of grounds would be sufficient by June 1918 to repay the advances which enabled us to pay for our new grounds. This forecast proved correct, and I may add that our cash position is for the time being quite satisfactory. It is true that we have now, as we say in the report, closed the oficina pending developments in the nitrate market, and this, of course, will be a source of considerable expense; but, so far as we can see, the profits from the production from July to October of the current financial year, which we have been able to sell, will comfortably meet all the stoppage expenses up to the end of June next at least, and we shall have in hand besides a certain amount of cash from such amount as we may set aside for depreciation. So far as the profits of the Company are concerned, you will remember that we paid an interim dividend of 8% in May 1914, and that though

London and Brazilian Bank, Limited.

THE ONLY BRITISH BANK ESTABLISHED IN

PORTUGAL

Branches:

LISBON and OPORTO

and Agents at all the Principal Towns and Villages in the Country.

The Bank offers special facilities for the financing of

EXPORTS and IMPORTS

Issues Travellers' and Commercial Credits, Drafts, Telegraphic Transfers; negotiates approved Bills of Exchange, receives and advances against Bills for Collection, and transacts general Banking Business connected with the **Peninsula.**

BRANCHES AND AGENTS throughout U.S.A., FRANCE, SPAIN, BRAZIL, ARGENTINA, and URUGUAY.

Head Office:

7 Tokenhouse Yard, London, E.C. 2.

we have made some small profits since then, which brought the credit balance of profit and loss account up to £13,265 in June 1917, we did not distribute any dividend, as we wanted the money to pay for our new grounds. We are the more pleased, therefore, after leaving the shareholders for so long without any dividend, to be able to recommend the present distribution of 30%. The only point in the accounts to which I wish to call attention is the large sum which appears in the revenue account under the heading of "Income tax reserve." The amount which would have appeared in the ordinary course to the debit of this account was only £887, as the tax is based on the average profits of the three preceding years. Now, however, that income tax is so high it becomes necessary to make provision for the estimated amount of the tax which the statutory profits of the year will throw on succeeding years: for it we acted otherwise we might find that in those years we should have to pay a heavy income tax without any profits from which to meet it. Of course, the provision is only an estimate, as no one can say what the rate of income tax will be during the period when the statutory profits for this year will be taken into account, but the £21,000 which we have provided under this heading will be sufficient if the tax is no higher than it was in the year under review. So far as the future is concerned, I fear that I can throw but little light. It is possible, and indeed probable, that there will be a great demand for fertilisers all over the world when normal conditions return, and it seems likely that even with the increase which has taken place in the manufacture of synthetic nitrogen in various forms there will be an outlet for all the nitrate of soda which may be produced; but at the present moment the blockade is still in force, shipping is still scarce, and the Allied Governments are taking advantage of such outlets as there may be to sell their surplus stocks. Thus, as it is impossible for us to sell, and as our production has been accumulating since the end of October, it would soon have become a physical impossibility to store our production, and in view of the uncertainty of the future and of the fact that our contract for fuel oil expired on January 31 we decided to close the oficina on that date. The nitrate producers have given a great deal of thought to a scheme for organising the industry and fixing the price of nitrate, and it would no doubt have already become operative but that it is impossible to sell at present. The Chilian Government are also engaged in debating a scheme of their own which has the same object in view, so we cannot tell exactly what the future arrangements will be until the fate of the Government scheme is settled. In the present unsettled conditions it would be unwise to make any forecast as to the period during which our works will remain closed, but I hope that in the next month or so the nitrate situation will have at least become sufficiently clear to enable us to form a definite policy. The Chairman concluded by moving the adoption of the report and accounts.

Mr. T. V. Anthony seconded the motion, which was carried unanimously.

ANGLO-FRENCH PACIFIC CORPORATION, LIMITED

The adjourned ordinary general meeting was held on February 4 at Salisbury House, London Wall, E.C., Major T. Todd (the Chairman) presiding.

The Secretary (Mr. J. O. Cave) having read the notice convening the meeting and the report of the auditors,

The Chairman said: In moving the adoption of the report and accounts I take it that it is your wish that, in order to save time, these be taken as read. You will remember that on the last occasion when we met in September we were unable to place before you the accounts owing to their having been lost at sea, but as duplicates have now come to hand they are available. An inspection of these reveals that steady progress has been made, and that the expenditure, which is the principal item therein, is such as would be expected in connection with the opening up of such an enterprise as we have in hand. There is really little in these accounts which calls for further comment at the present juncture, but I would draw your attention to the fact that we have quite a good round sum of cash at the bank and at call, which should suffice to bring further areas of land into work, and also complete the final arrangements which are now being made in regard to production.

Restriction of Exports.

No doubt you are aware that last year the Government issued an Ordinance forbidding the exportation of all products of a raw description. This Act was probably put into force, firstly, because of the danger to shipping, and, secondly, it may have been in preparation for the great demand that was anticipated for all raw materials at the termination of the War. Ladies and gentlemen, I am pleased to state that since we last met this Ordinance has been withdrawn, and that it is only a question of adequate shipping facilities to enable these products once more to be exported. In consequence of the Act referred to, it was, I venture to think, a wise action on the part of our management to discontinue tapping operations for the time being, and to devote its attention to clearance work. It certainly would have been quite useless to have added to the large stock of rubber which was accumulating in the ports, besides which at that time it would virtually have been unsaleable. Another reason why tapping was temporarily discontinued was in common with the action of other rubber companies to restrict the output of rubber in view of the freight difficulties, as well as the American import restrictions which existed at that time. It would seem that there is no reason now to restrict the output of rubber, and as there is no doubt that the requirements of peace for rubber all over the world will be enormous, we may look forward to the future with the greatest confidence. At our last meeting I referred to the fact that our estates had been examined and reported upon by Mr. H. Van Ghent, the administrator of the Government experimental botanical gardens adjoining our estates. This report has now come to hand, and I need hardly say that it has been received by your board with the greatest satisfaction, as it confirms in every respect all the statements in regard to the property which have been made by your managers and other experts who have visited our plantations from time to time. I have an item of news which I can give you. It is that in our last letter from Mr. Kingston, dated December 4, he stated that he had made negotiations at Batavia and Singapore for the disposal of our produce, and that he intended at an early date to visit Batavia and Singapore in connection with the Company's business; further, that he would cable us as soon as he felt that matters at the estates were in such an advanced condition that he could return home for a short while. Ladies and gentlemen, we have received a cable to the effect that he has started on his journey, and I feel sure you will join with me in wishing him a safe passage.

A Personal Statement.

Before I sit down I should like to refer to a personal matter. You may remember that in September I said: "I venture to predict that at no distant date we shall be reaping hundredfold the result of our enterprise and patience, and I personally am looking forward with confidence to the time when we shall be earning substantial dividends. May I therefore at this juncture make so bold as to tender you a word of advice? It is this: Do not allow yourselves to be so discouraged as to throw your shares away at the present price which is now ruling for them. I do not pretend to understand share market operations or fluctuations, and I must say I am mystified that our 5*s.* fully-paid shares should be obtainable at anything like their present price of 3*s.* each when shares of other companies are quoted at such enormous premiums, even in present conditions. The day must inevitably come, I think, when we shall rank alongside of the principal dividend-payers." Well, I am happy to see how timely was my advice. Our shares now stand at 4*s.* 9*d.* a share, and still I feel I must repeat that, in my opinion, you should not lightly part with your shares. I think that 4*s.* 9*d.* no more represents their value than I considered that 3*s.* did when we last met. Permit me to remind you again that this Company possesses a property of not less than 5,000 odd acres, that we are closer to the market than the majority of Sumatran companies, and, furthermore, that we have an ample supply of labour controlled by an excellent manager imbued with only one idea—that of a great success, such a success as is being obtained by the older and fully established properties in the immediate neighbourhood.

Mr. T. McClure seconded the motion, which was carried unanimously.

REMBIA RUBBER ESTATES, LIMITED.

The tenth ordinary general meeting was held on February 3 at the offices of the Company, 4 Lloyd's Avenue, Fenchurch Street, E.C., Mr. T. C. Owen (the Chairman) presiding.

The Chairmain, in moving the adoption of the report and accounts, said: The profit and loss account, after the usual London expenses, shows a balance of £6,258, against £22,525 for the previous season. This is taken into the appropriation account, which shows a final dividend for last year of 2½% on both classes of shares and the payment of directors' commission for the previous season; and on the other side we have £5,000 placed to income-tax reserve, with a small allowance for excess profits duty, and a proposed dividend of 6%, free of tax, as against 10% for the previous season, on both classes of shares. This leaves us a carry forward of £11,286, against £15,054 brought forward from the previous season. During the past season we have rested about 368 acres of rubber, which are now being taken into tapping again. The most important point on which I can give some information is the excess profits duty. When the excess profits duty was instituted in cases of companies whose pre-war standard is a capital standard as against a profits standard, the authorities decided that the pre-war capital should be reduced by the amount of the recurring charges in the pre-war years, and the consequence of this was that in our case our original pre-war standard was only £4,643 per annum, as you have been informed on a previous occasion. Recently the Merlimau Company have appealed against this and have won their case. The income-tax authorities have carried the matter to a higher Court, but until the recent decision is reversed the Merlimau decision, as it is called, stands. By that the recurring charges are not to be deducted from the pre-war capital standard. The result of this is that our pre-war standard is £8,261 instead of £4,643. To it has

to be added the 13% on all new capital in the business, which amounts for the past season to £3,550, making our standard £11,811, which is approximately equivalent to 15%, and it is only sums earned above that amount which are now subject to the excess profits duty. The actual affect of the Merlimau decision is that whereas our liability up till September 1917 was £21,758, the amount has been reduced to £11,904. Of the amount due we have paid £7,188 on account, leaving a balance of £4,716 due. The accounts before you, of course, fall far short of our standard, and the amount which we can claim back from the Government in respect of them is £5,031. As we owed £4,716, there is a balance due to us by Government of £315 as on September 30, 1918, and we are still able, if during the present season our returns should fall short of the pre-war standard, to recover up to £6,873.

Mr. J. Crowther seconded the motion, which was carried unanimously.

THE GAS LIGHT AND COKE COMPANY.

The 212th ordinary general meeting of this Company was held on February 7 at the Chief Office, Horseferry Road, Westminster, S.W., Mr. David Milne Watson (the Governor) presiding.

The Secretary (Mr. W. L. Galbraith) having read the notice convening the meeting,

The Governor said: Ladies and Gentlemen,—With your permission I propose to take the report and accounts as read. Before proceeding to deal with them, I wish to refer to the retirement of Mr. John Miles from the governorship of the Company. Towards the end of last year, to the general regret of the Court of Directors, Mr. Miles announced that he felt that the time had come for him to seek relief from the responsible duties of Governor—a position which he had occupied since the death of Sir Corbet Woodall in 1916. The directors are glad to say, however, that Mr. Miles has consented to remain on the Board, of which he has been a member for upwards of 21 years, and that his ripe knowledge, therefore, of the affairs of the Company will still be available. It is difficult to say all one feels about a colleague who is present, but Mr. Miles has earned a very high place in our regard by his sound business ability, level-headedness, geniality, and optimism. It was a pleasure to work under him. The Board have done me the honour of electing me in his place, and I need hardly say how much I appreciate the honour.

The year that has passed has been a memorable one in the history of the nation. The great war which afflicted the whole world has been brought to an end, and the nations are preparing for peace. The cessation of hostilities came as a great relief to those responsible for the conduct of the business of this Company. We realise that this does not mean we have got into calm waters; but we feel that the uncertainty of the conflict is past, and that we can face the future with the knowledge that the great task of winning the War is behind us.

The Accounts: Capital Expenditure and Depreciation Allowance

Dealing now with the accounts, we come first of all to the capital account. If you look at the expenditure shown in this account, you will find that it only amounts to a sum of £14,700. This is a low figure, because it has been found impossible to carry out any new work. All that was possible has been done to keep the existing plant in good condition. This has been a matter of great difficulty, owing to the shortage of material and labour. To the credit of the account, we have written-off plant to the extent of £108,000. This amount includes payments received in respect of lost ships. There is a credit also of £7,000 owing to mains being thrown out of use, and £130,000 in respect of depreciation of meters and stoves. Added to these there are two items which I am glad to say seldom occur as a credit in this account—viz., meters and stoves returned from hire. This, so far as stoves are concerned, is due to the fact that, owing to the rationing of gas, consumers have returned a certain number of fires and cookers, and instead of an expenditure in this direction, which we usually look for on account of an increase of business, we have a credit in respect of the number which have been returned by the consumers. The reduction in meters, entirely automatic, is due to the difficulty of getting defective meters repaired or replaced. There are some 40,000 awaiting repair. The result of all these factors has been to increase the balance of the capital account, which at the beginning of the year was £509,000, to £767,000.

The Higher Cost of Raw Materials and Wages.

Now if you will turn to the revenue account, you will see some very startling figures. The expenditure has gone up from £6,000,000 to £6,691,000, and this notwithstanding the fact that there has been, as the report shows, a shrinkage in the output of gas of 7%. The chief direction in which the expenditure has increased is, as might be expected, in the cost of raw materials and labour. Although we have used about 240,000 less tons of coal, the cost has been £3,155,000, as against £2,968,000 representing an increase of 5s. 7d. per ton. Notwithstanding a large increase in the price of gas oil per gallon, there has been a decrease in cost under this heading, owing to the much smaller quantity of oil used than in the corresponding period. On the debit side of the account you will find that item after item shows an increase, although, as I have already stated, business has fallen off. These increases—which appear under various headings, such as purification, repairs and maintenance of works, distribution, &c.—are due partly to cost of materials and partly to wages; and if you will look at the bottom of the page, you will see a note which shows that the total wages paid by the Company have increased during the year, notwithstanding the reduction of 7% in business, from £1,525,000 to £1,862,000—an increase of £337,000, which is almost half the total increase of £690,000 in the expenditure of the Company. This shows what a tremendous effect the question of wages has on the cost of gas. It should also be pointed out that, notwithstanding this extra outlay, the Company has by no means been able to keep up with the work which ought to have been done. Had we been able, for instance, to repair meters and stoves on the district as we ought to have done, the increase of cost in respect of these two items would have been greatly exceeded. The result of this rise in the cost of raw materials and wages was that it became necessary to increase the price of gas at midsummer to 4s. 4d. The rental of meters and stoves yielded slightly higher revenue. The rental of automatic fittings, on the contrary, shows a decrease of £53,000. This is owing to the difficulty of changing the wheels in the automatic meters when the price of gas was raised—in other words, the Company's automatic meter consumers, who are made up chiefly of the working classes, have benefited to the extent of £53,000.

Effect of Controlled Prices for By-products.

With regard to by-products, we find there has been a decrease of £74,000 in the receipts. This was due to the reduction in the quantity of coal carbonised. It is interesting to note, for the benefit of those who contend that gas companies should be able to live, so to speak, on their residuals, that even in these times, when residuals stand at higher prices than they have ever stood at before, they only contribute 61% to the cost of the coal to the Company, whereas in 1913—before the War—they contributed 79%. This is due to the fact that the Government have controlled the prices of our residual products more severely than they have controlled the price of our principal raw material—coal. It will, no doubt, interest the shareholders to know that during the war the country has been very largely dependent on the by-products of gas manufacture for the supply of explosives. Lord Moulton, the Director of Explosives Supply, has said that, had it not been for the gas industry, the country would not have been able to carry on the War for any length of time. The Company's by-products department has taken a leading part in the supply of raw materials for explosives manufacture; and the plants which have been erected to the designs of the Company's staff have turned out very large amounts of material, especially during the early months of the War. The quantity of raw materials supplied, when turned into "T.N.T.," lyddite, and other explosives, would have been sufficient to fill no less than 150 million 18-pounder shells. For fuel purposes, for use of the navies and munitions works of Great Britain and her Allies, 17 million gallons of oils have been supplied, and, in addition, 13,000 tons of disinfectants have been delivered. The hundreds of miles of roads constructed in France for use of the armies have been almost exclusively made with road tar supplied by this Company—a quantity of over 5 million gallons having been delivered to the various Government departments.

Earnings and Dividends.

The result of the Company's working for the year, after paying the half-yearly statutory dividend last June, and providing for all fixed charges, is that there remains a balance of £625,000, out of which the directors recommend the payment of a dividend at the rate of 3% per annum for the December half-year on the Ordinary stock of the Company. This will take £244,000, and leave £381,000 to be carried forward to the credit of the current half-year, as against £251,000 at this time last year. The dividend paid for the year will, therefore, be an average of £2 19s. 4d. per cent., which compares with £3 14s. 8d. per cent. for 1917. It will be seen, therefore that, although the total expenditure for the year has in-



creased by nearly £700,000, which is largely due to wages, the rate of dividend paid to the Ordinary shareholders has suffered a drop of 15*s.* 4*d.*, or just over 20%. The amount paid to our workmen for the year has increased by £337,000, while the dividend paid to the Ordinary shareholders has decreased by £125,000.

The Proposed Modification of the Sliding Scale of Dividends.

At last year's general meeting the shareholders were informed that steps were being taken to promote a Bill for the purpose of obtaining a modification of the sliding scale of dividend—a scale which was originally introduced, so far as this Company was concerned, in 1876, and modified thereafter on two or three occasions. The scale as it at present stands was based on pre-War conditions—conditions which were entirely different with regard to the value of money and the price of raw materials. The Company's Bill, in common with some twenty or so other Bills which had been promoted for a similar purpose, was held up owing to the appointment by the Government of a Select Committee to consider and report upon the whole question. Evidence was laid before that Committee showing the great hardship that was being inflicted upon the gas industry by being bound by pre-War sliding-scales, which had been arranged under totally different circumstances from those at present existing; and it was proved that it was impossible for the gas industry to maintain the financial stability which is necessary to the successful conduct of public-utility undertakings. The Committee in their finding admitted that the Companies had made out a good case, and that, unless Parliament modified the restrictions as to dividends, the financial stability of the undertakings would be seriously jeopardised. But, unfortunately, the Committee's ideas as to what would secure financial stability were very different from what is deemed necessary in business. They proposed that the companies should be permitted to pay a dividend of either half their standard rate of dividend, or of half their pre-War dividend, whichever might be the smaller. In the case of this Company, it meant that we should be unable to pay a dividend of more than 2%. Now this would have been a very severe blow to the Company, and would certainly have had the effect of making the public very reluctant in future to invest in gas stocks. The view that 2% was a sufficient return from capital invested in public-utility companies, while the State was paying 5% or more, was very difficult to understand. The Board of Trade, however, felt that they had no alternative but to introduce a Bill embodying the finding of the Committee. Agitation was immediately started, in and out of Parliament, to obtain a revision of the decision of the Committee. The President of the Board of Trade very fairly left the matter to the House of Commons to determine, and, after discussion, the House decided, by a large majority, that the relief proposed by the Committee was insufficient, and ultimately substituted three-quarters for one-half, thus enabling this Company to pay 3% per annum as a dividend on its ordinary stock.

Sir Albert Stanley's Views.

When the matter was before the House of Commons, it is interesting to record that Sir Albert Stanley remarked that: "I think it is quite clear that, whatever relief is given to these undertakings, after the War it will be necessary for the Government to very seriously consider the whole situation, not only with respect to the undertakings now under discussion, but also with regard to all statutory undertakings which are limited in their charges by Acts of Parliament, in some instances passed many years ago. After the War it is very likely that we shall be living under entirely different conditions, and therefore it will be necessary to consider whether the basis upon which statutory limitations have been established are, under the altered circumstances, reasonable and fair.' This matter is now being followed up in order that the gas industry may in the future be put upon a sounder financial basis than at present.

The Company's Bill.

Owing to the action which the Government took in the matter, it was not necessary for the Company to retain the clauses relating to financial relief in its own Bill. They were accordingly withdrawn, and the Bill which was subsequently put forward confined itself to the question of the issue of loan capital. This Bill, after being slightly amended, became law in due course; and the Company has now the power to issue its unraised 3% Debenture stock, amounting to £750,000, as redeemable Debenture stock at such rates of interest as will enable the Company to realise a sum of money equivalent to the nominal amount. Although the capital so raised will be permanent, subsequent issues may be made at lower rates of interest for the purpose of redeeming stock previously issued at a higher rate. Furthermore, should the necessity arise at any time for the floating capital of the Company to be temporarily increased—which, of course, means that the Company for the time being would be in want of cash—the Act gives power for borrowing, by mortgage or debentures, providing that the aggregate amount raised by this means or by the issue of Debenture stock under the Act does not exceed the £750,000. You will see, therefore, that the Company has not obtained any further capital powers, but has been given the authority to issue its unraised capital in more than one way, and this may prove of very great assistance to the Company in the future. The Company's unissued capital may now be said to be worth its nominal value in cash at any time, which otherwise would certainly not have been the case. You will notice from the report that the directors recommend a dividend of £2 13*s.* 4*d.* per cent. per annum on the 3½% maximum stock for the half year ended December last. The maximum stock is a stock which only slides one way, and that downwards, the holders of this stock being entitled to a dividend of 3½% per annum until the price of gas goes above 3*s.* 11*d.* per 1000 cubic feet. This is, I believe, the first time in the history of this stock that the holders have not received the full dividend, and we can only hope that it will not be long before the maximum dividend is resumed.

The Gas Rationing Orders.

With regard to the 7% decrease in the Company's business to which I have referred, this is, of course, a very serious matter for the Company. Some part of the decrease was due to milder weather, but the larger part was owing to the interference in our business by the Gas Rationing Orders. With regard to this I feel I must say a word or two. The gas industry has much resented the last Gas Rationing Order. We were prepared to make sacrifices, naturally, for the good of the country and for the conservation of coal; but we did object to the injustice done to gas under the second Rationing Order. In this Order 15,000 cubic feet (with a small additional lighting allowance) was fixed as the equivalent for a ton of coal, and very little credit was therefore given for the half-ton of coke which was left over in the production of this gas. Due allowance for this should have been made in calculating the gas allowance. The Order has done enormous damage to the industry. It led to many inhabitants of large houses being practically unable to use gas as fuel, and having to use their ration of coal to its fullest extent. There will be a long period of hard work on the part of the outdoor and canvassing staff before this lost business can be recovered. No doubt it will be, because, as a heating agency, gas stands supreme. In view of the fact that the public had been asked during the War to use gas instead of coal, and that at the behest of the authorities large sums of money had been spent in the previous year by the public and by the Company in the installation of gas apparatus, it certainly is difficult to understand a policy that practically made its use impossible in many cases. It says much for the popularity of gas, however, that, notwithstanding the drop in the number of consumers, and in face of the restrictions imposed under "D.O.R.A.," there was an increase of nearly 5,000 in the number of gas-stoves sold and let on hire.

Shipping Losses.

Since the War began we have unfortunately lost by enemy action and otherwise twelve steamers, involving the loss, I am sorry to say, of 22 men. Now that there is no longer any need for secrecy, I know you will be pleased to hear, as a set-off to what I have just told you, that our boats on three occasions had successful encounters with enemy submarines. (Applause.) We had good grounds for assuming that the submarines were severely damaged, if not totally destroyed, and this was confirmed by two of our seamen captains receiving the D.S.C. at the hands of His Majesty the King, two gunners being awarded the D.S.M., and substantial grants being made to officers and crews in recognition of services rendered. (Applause.) While we acknowledge our indebtedness to the Ministry of Shipping for their action in controlling rates of freight during the War, it is difficult to see why they should still maintain the same maximum rate, seeing that since the armistice the cost of insurance has come down very materially. I understand freights from North French ports have been reduced by about 5*s.* per ton in consequence of the lower rates of insurance. It is hoped, therefore, that the Ministry of Shipping will immediately give this question their serious consideration, as lower freights are a matter of great moment to the gas industry, and would, of course, materially help to cheapen gas. Our fleet now numbers six ships, two of which are absolutely up-to-date colliers, and the others are useful boats which have more than paid for themselves during the last two or three years. One of the directors' first duties as soon as market conditions settle down will be to enlarge the Company's fleet of steamers, so as to make us more independent of outside tonnage than previously.

As you will see from the report, almost 5,000 of the Company's men have been serving with the Colours. I regret to say nearly 500 have lost their lives, and I feel sure that you will join with us in sincere sympathy with their sorrowing relatives. Our men have done exceedingly well at the Front. Up to the present, as far as we have heard, 74 have obtained commissions, and 57 have been awarded various distinctions. The directors think a suitable memorial should in due course be erected to commemorate the men who have so gallantly fought and so nobly died for their country.

The Uncertain Outlook.

With regard to the future, it is impossible to prophesy. The present ferment in the labour world has made it im-

possible to say what the Company may have to pay for raw materials, and, therefore, what may be the maximum price of gas. We had been looking forward confidently, with the prospect before us of a reduction in freights and a promised reduction in the price of future oil supplies, to be able to reduce the price of gas. Unfortunately, since then new factors have arisen which render it impossible to do so at present. The rise in the price of gas, however, is moderate when compared with the rises in other commodities. The Company before the War was charging 2*s.* 6*d.* for its gas—equal to the lowest price on record for the Company. It is now 4*s.* 4*d.*—a rise of 73%, which, however, is much less than the rise in the price of the raw materials we use. I think this is most important to bear in mind, because we are always hearing about the rise in the price of gas, but nothing is said about the rise in the price of raw materials. For example, the price of coal, our principal raw material, has gone up 100%; gas oil, 500%; fire-bricks, 118%; timber, 224%; lubricating oil, 293%; shovels, 233%; and paper, 300%. The public and the shareholders alike, however, may rest assured that no effort will be spared to reduce the price of gas at the earliest possible date. With regard to the future of our by-products, the situation is somewhat obscure. The manufacture of certain products which were used as war material has, of course, ceased, and we are using the plant for other purposes. To a large extent the future depends upon what action the Government may take. If the home production of many articles is to continue, the country must not be made a dumping-ground for the surplus stock of other nations. Without some form of encouragement, new chemical industries cannot arise, as no company will spend large sums of money on plant unless there is a reasonable prospect of a profit. (Hear, hear.) This is especially the case with public-utility undertakings. Gas undertakings as a whole are, I am sure, quite ready to help in the production of the materials necessary to the dye and other industries for the building up of a new business in the country; but, being public-utility undertakings, they cannot risk their money without good assurance of success. It is more and more necessary that industry should become more scientific in its methods. We have always employed a certain number of scientific men at our various works; but this is not enough: it is necessary, with the rapid development of science, to keep in touch with scientific bodies whose experts are able to gain knowledge from all sources. An alliance between industrial companies and scientific institutions is needed to keep the interests of the companies in touch with the most recent developments in science. For instance, we have in this Company recently arranged with one of the leading London Hospitals that, while we shall do research work on the production of various substances at our laboratories, the Hospital will study the value of these substances and their effect on bacteria. It is hoped by such co-operation discoveries of real importance to the community, and of commercial value to the Company, may be made. Sulphate of ammonia, one of our principal by-products, is under control until May 31 next. The present prices average about £17 per ton, which, considering the cost of coal and the cost of the labour in its production, is a very low figure. It is hoped that when the control is removed a considerably higher price will be obtained.

Full Supply of Gas Maintained.

With regard to the supply and quality of gas. Since the days of the air raids in the early part of 1918 the Company, I am glad to say, has been able to maintain a full supply of gas, which, considering war conditions, cannot be said to be unsatisfactory. The gas sent out has averaged 486 B.T.U.s per cubic foot of gas, or only about 7% below pre-war quality. This small reduction in calorific power was made with the authority of the Government, who issued an Order in June last enabling the Company to supply gas of 450 B.T.U.s. During the whole of the past twelve months the Government have limited the quantity of gas oil that might be used, and the Coal Controller has cut down the supplies of coal to the Company. We do not complain of this as it was in the interest of the nation at large. It should also be remembered that the quality of the coal has been much inferior to that supplied in pre-war days. Some of the coal we have been getting has contained no less than 35% of ash. The question of a satisfactory supply of gas is largely a question of good pressure, together with the suitability of the apparatus in the consumer's premises. The Government has indicated that owing to the shortage of coal the companies must continue to exercise the greatest economy in the use of coal. The Fuel Research Board appointed by the Government, under the chairmanship of Sir George Beilby, is carrying on an investigation into the question of the quality of gas to be supplied in the future, and it is believed that the Board will shortly be issuing a report, which, it is hoped, will help to settle this vexed question. There appears to be a tendency on the part of local authorities who do not own gasworks to think that the companies have no regard for the interests of the consumers. Nothing, I may say, is further from the truth. Gas companies are more interested than the local authorities can be, because the success of their business entirely depends upon the good-will and satisfaction of the public who buy the gas. This is one of the first rudiments of business. We are in close competition with electricity and coal, and it is impossible for us to supply an article which would compare unfavourably with electricity in efficiency or price, and therefore local authorities and the public may rest assured that it is entirely to a gas company's interest to supply a suitable gas at the lowest possible price.

Exaggerated Claims for Electricity.

With regard to electricity. During the War various Government Committees have reported on the unsatisfactory state of the electricity supply in this country, and have made certain recommendations for improving it. These proposals include the erection of super-stations, financial support from the Government, and the appointment of a body of electricity commissioners. It is understood that the Government is about to give effect to certain of these proposals by introducing a Bill in the House of Commons. Naturally the gas industry wishes to raise no objection to the sister industry improving its position, but the situation requires careful watching. Exaggerated claims are being put forward for electricity, and the gas industry is taking steps to lay before the Government the case for gas as the best means of preserving the nation's coal supplies and securing cheap fuel for the public. With regard to the proposed financial support from the Government, we would object strongly if facilities were given to electricity which were not given to the gas industry. We ask no favours, but only fair treatment. (Hear, hear.) A few words on the general question may not be amiss. The uses of gas in manufacturing processes are too numerous to catalogue here, but it may be said generally that there are few finished articles of commerce in the manufacture of which gas does not at some stage play a useful part. Moreover, at the gasworks we preserve for the community all the valuable chemical by-products—the fuel oils, the motor spirit, the raw material for high explosives, dyes, drugs, disinfectants, and other important articles of commerce, as well as the fertilisers so necessary to agriculture.

An Uneconomical Method of Using Coal.

This is not the place to enter into a general discussion of the promised economies of the suggested super-stations for generating electric energy and delivering it by great lengths of cables through rural as well as urban districts. But there is one thing that needs to be said at once, and which the public would be well advised to note and to insist should be considered by the authorities, and that is that the use of electricity as a source of heat—for cooking, water-heating, house-warming, and a great number of industrial processes—is a hopelessly uneconomical way of using our coal supplies. As Professor Cobb has recently pointed out in the *Edinburgh Review*, only some 12% of the heat of the coal burnt in the very best electric generating station to-day reaches the consumer in the form of electric energy (not quite 7% on the average throughout the country). On the contrary, when coal is carbonised at a gasworks, no less than 70% to 80% of the heat is delivered to the consumer in the shape of gas and coke. In other words, there is a wastage of 88% to 93% of the heat in the coal in the electric process, and only some 20% to 30% lost in gas-making. At the electric generating station, moreover, all the chemical by-products are destroyed. Where light and power are concerned, gas and electricity have their joint and several fields, in some of which one or the other is easily first, while in others they are in close competition, and win or lose on local conditions, individual preference, or comparative costs. But where heat is required, the case for gas is overwhelming, alike in cost to the consumer and in economy of coal to the nation. (Applause.)

Need for Greater Unity in the Gas Industry.

Having regard to the many important questions now facing us, it has been felt that the time had come for greater unity in the gas industry. It has been organised on national lines to a certain extent during the past two years. The organisation was, however, not sufficiently representative, and there has now been formed a reorganised National Gas Council, which, it is hoped, will embrace the whole of the industry, both company and municipal. Its object will be to keep careful watch over the interests of the industry as a whole and fight its battles, whether great or small. There is every reason to hope that the new body will justify its existence and be able to render good service. Running on parallel lines, and organised by the National Gas Council, there has been formed a separate Committee of Employers, who have authority to represent the industry on national and district industrial councils on the lines laid down by the Whitley Committee. It is felt that this is a most important development, as in these times it is desirable that Capital and Labour should work together as closely as possible, not only in individual concerns, but also nationally. (Applause.) It is hoped by this means that disputes may be amicably settled, and, better still, to a great extent avoided.

New Co-partnership Scheme.

As reported at the last general meeting, it was proposed to introduce a new basis for our scheme of Co-partnership,

the idea being that the Co-partnership bonus should be calculated at the same rate as the dividend paid on the Ordinary stock of the Company. This seemed to the Board to be a rational and proper principle to apply, and certainly it has the advantage at the present time of bringing Co-partnership again into active existence. I am pleased to say that the alteration has been received enthusiastically by the whole of our employees, and the scheme is now in full working order. You will see that under the item of Co-partnership in the accounts there has been an expenditure of £40,000 for the year. Recent events have made it quite clear that the only hope for future peaceful working is that there should be a closer drawing together of employers and employed, whether in the form of Whitley Councils or in the form of works committees, or possibly in a combination of both. The men, at the meetings we have held in this company, have made it quite clear that they welcome being taken into the confidence of the management, and are most anxious to help; and we certainly have hopes that the result of this closer alliance between employers and employed which it is intended shall take place under our revised co-partnership scheme will have most beneficial results to the Company in general (hear, hear).

Appreciation of the Staff.

I cannot close without expressing the appreciation of the Board of the way in which the much depleted staff has carried out its work during the past twelve months, and indeed during the whole period of the War. There have been great difficulties to surmount, owing to the calling to the Colours of so many of our most valued men and owing to the difficulties of obtaining others to fill their places. Heads of departments and the officers generally have worked with good-will and energy, and the Board is glad to take this opportunity of acknowledging its indebtedness to them. In conclusion, now the War is over and peace is within sight, we hope that the difficulties at present surrounding us in the industrial world may soon be cleared away, and that this Company will resume a successful and progressive career. (Applause). I have pleasure in moving: "That this meeting do agree with and confirm the report of the directors and the auditors' report and statement of the accounts of the Company as transmitted to the proprietors on the 30th ultimo," but before putting the resolution to the meeting I shall be happy to hear any remarks which proprietors may wish to make and to endeavour to answer any questions they may ask.

The Deputy-Governor (Mr. Herbert J. Waterlow) seconded the motion, which was carried unanimously, and the dividends recommended were duly declared.

The retiring directors (Mr. Joseph L. Godlee and Mr. Henry Woodall, M.Inst. C.E.) were re-elected, and the auditors (Mr. J. A. Stoneham and Mr. P. H. Ashworth) were reappointed.

Votes of thanks to the Governor and other directors and to the staff of the Company concluded the proceedings.

"The Law of Contract During and After the War." With leading cases, statutes, and proclamations. By William Finlayson Trotter, M.A., LL.D. Third edition. Price 42*s.* net. (London and Edinburgh: William Hodge and Co.) This revision of Mr. Trotter's well-known book is very welcome. The author has divided his work into three parts. The first is devoted to a revised and greatly enlarged statement of law brought up to date, which he has made as concise, exhaustive, and practical as possible; the second consists of the leading American and British cases. New cases have been substituted for some that appeared in earlier editions. Part III. contains the principal English proclamations and statutes, with occasional annotations.

BOVRIL, LIMITED.

Another satisfactory year's results are announced by this Company. What last year's gross trading profit amounted to cannot be stated until the report is available; but upon this point it has to be borne in mind that while, exclusive of Red Cross orders and Government contracts, sales were again at a high level, the percentage of profit has been considerably reduced. For, on the one hand, Bovril is one of the few commodities of which the price has remained unchanged since war began, and, on the other hand, there has been an all-round increase in the cost of manufacture, freights, &c. After payment of dividends on the 5½% Cumulative Preference and on the 7% Cumulative Ordinary shares—which are really of the nature of Second Preference shares—there was available a sum of £77,406, equal to 10.32% upon the Deferred, in comparison with 9.64% earned in 1917 and 9.04% in 1916. These improved results enabled the dividend on the Deferred shares to be further maintained at 4%, against 3% for 1916, 2½% for 1914, and 2% for 1913. Dividends upon these shares are, however, paid free of tax, and upon a subject-to-tax basis compare as follows:

Bovril, Limited.

Yr. to Dec. 31	Trading Profit	Total Income	Net Profit	Profit for Ordinary	Profit for Deferred	Div. on Deferred — Subject to Tax — Earned	Paid	— Paid —	Special Allocations
	£	£	£	£	£	%	%	£	£
1918*	?	?	157,406	129,906	77,406	10·32	5·61	42,103	9,178
1917	349,164	419,522	152,298	124,798	72,298	9·64	5·33	40,000	35,000
1916	341,405	326,336	147,809	120,309	67,809	9·04	4·84	36,290	35,000
1915	371,468	404,629	146,297	118,797	66,297	8·84	3·46	25,962	22,500
1914	304 186	331,854	115,084	87,584	35,084	4·68	2·71	20,314	17,500
1913	284,230	319 486	97,313	69,813	17,313	2·31	2·00	15,000	10,000
1912	354,905	359,565	135,791	108,291	55,791	7·61	3·70	27,781	27,500
1911	343,455	345,734	125,823	98,323	45,823	6·11	3·00	22,500	22,500
1910	296,555	299,643	102,245	74,745	22,245	2·97	2·00	15.000	7,500

* Approximate.

Out of last year's surplus profit £35,000, as in 1917, was transferred to reserve fund, which now stands at £395,000. Though a large sum, this cannot be considered too large having regard to the fact that the issued share and loan capital is £2,500,000.

The last balance sheet published, that to December 31, 1917, showed that stocks rose last year from £369,908 to £470,017, while advances made for cattle purchases, &c., for the past season amounted to £104,269, against £237,380 reported two years ago. Total assets were shown of the value of £3,311,800, the principal item being £2,486,963 for "goodwill, trade marks, freehold and leasehold properties and interests in associated companies, &c." We note that the Company still refrains from setting out separately interests in associated companies, from which source about one-sixth of the total income is derived.

The 4½% Debenture stock is quoted at 75, and yields about 6%. The £1 5½% Preference shares are at 18*s.*, at which the return is about 6¼%. The yield on the 7% £1 Ordinary shares, quoted at £1 3/32, is about 6⅝%; and that upon the £1 Deferred shares, quoted at 16*s.* 6*d.*, is nearly 7% gross.

THE NATIONAL BANK OF SCOTLAND LIMITED

INCORPORATED BY ROYAL CHARTER AND ACT OF PARLIAMENT.

ESTABLISHED 1825.

Capital Subscribed, £5,000,000. Paid up, £1,000,000. Uncalled, £4,000,000.

RESERVE FUND, £900,000.

Head Office—EDINBURGH.

J. S. COCKBURN, General Manager. GEORGE A. HUNTER, Secretary.

London Office—37 NICHOLAS LANE, LOMBARD ST., E.C. 4.

SIR JOHN FERGUSON, K.B.E., Manager. DUGALD SMITH, Assistant Manager.

Every description of Banking Business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.; the collection of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts, Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of Remittances to all parts.

The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.

The Officers of the Bank are bound to secrecy as regards the transactions of its Customers.

THE LONDON ASSURANCE.

Incorporated by Royal Charter, A.D. 1720.

7 ROYAL EXCHANGE, LONDON, E.C. 3.

INCOME £3,147,482 FIRE. MARINE.

Applications for Agencies Invited.



ASSETS £7,393,667 LIFE. ACCIDENT

All classes of Insurance.

The Corporation has granted Fire, Life and Marine Insurances for nearly Two Hundred Years.

THE OCEAN Accident and Guarantee Corporation, Limited.

Assets - - £5,000,000
Claims paid - £17,500,000

Accident Insurance of all kinds.
Employers' Liability. Fidelity Guarantees.
Fire and Burglary. Public Liability.
Motor Cars. Excess Bad Debt and Credit.
Boiler and Lift Insurance.
Executorships and Trusteeships.

Head Office: MOORGATE STREET, LONDON, E.C. 2.
T. M. R. ARMSTRONG, *Manager and Secretary.*

BRITANNIC ASSURANCE CO., LTD.

One Special Ordinary Branch feature is the **CHILD'S OPTION POLICY (Table 11a)**, under which a premium of £10 assures £1,091 on certain conditions.

FUNDS - - - £4,800,000.

Chief Offices: BROAD STREET CORNER, BIRMINGHAM.

LONDON & MANCHESTER ASSURANCE COMPANY, LIMITED.

Chief Office - 50 FINSBURY SQUARE, LONDON, E.C. 2.

Allied with National Amalgamated Approved Society for National (Health) Insurance.

PREMIUM INCOME exceeds ... £900,000
FUNDS exceed £2,000,000

SUBSCRIPTION TO "THE STATIST."

TO INCLUDE ALL SUPPLEMENTS.

Payable in Advance.

Inland.

ONE YEAR £1 10 0 | HALF-YEAR, £0 15 0

(Post Free.)

OFFICE : 51 Cannon Street, E.C. 4.

CONTENTS.

Leading Articles—	PAGE
The Premier's Speech	263
British Credit	264
When the War Ends.—IV.	265
Prevention of Disease	266
Water Power in Ireland. I.	268
Argentina	269
The Dead Meat Industry. —II.	270
South and Central America	271
The Present Position of Irish Farming	272
Chilian Nitrate.—II.	273
Prices of Commodities	274
Financial Notes	275
Iron Ore in Ireland	276
Underground Company's Subsidiaries	295
American Topics—	
Expansion in U.S. National Bank Assets	279
U.S. Steel Orders	279
Southern Railway Notes	279
Commercial—	
Cotton.—II.	284

Industrials—	PAGE
Dunlop Rubber Company	281
Lennards, Limited	282
City of London Brewery	286
John Shannon & Son	286
Insurance Notes—	
Sea Insurance	283
Proposed Amalgamation: Scottish Amicable Life Assurance Society and Scottish Insurance Corporation	283
Mining Topics—	
Colombian Mining and Exploration	259
Money Market	255
Rubber Topics	280
Asahan (Sumatra)	280
The American Rubber Industry	282
Stock Exchange	257
Tabular Appendix	290
Meetings	287-295

GET INTO TOUCH WITH THE WESTERN AUSTRALIAN INSURANCE COMPANY, LIMITED,

for All Classes of Insurance Quotations.

SPECIAL AGENTS required in unrepresented districts at HOME and ABROAD.

Communicate with Chief Office:—

47 CORNHILL, E.C.3.

FUNDS AND ASSETS EXCEED ... ... £700,000.

LLOYDS BANK LIMITED,

with which is amalgamated

THE CAPITAL & COUNTIES BANK LTD.

HEAD OFFICE: 71, LOMBARD STREET, E.C. 3.

CAPITAL SUBSCRIBED	£55,962,850
CAPITAL PAID UP -	8,954,056
RESERVE FUND - -	9,000,000
DEPOSITS, &c. - -	267,966,438
ADVANCES, &c. -	81,072,134

FRENCH AUXILIARY:

LLOYDS BANK (FRANCE) AND NATIONAL PROVINCIAL BANK (FRANCE) LTD.

REFUGE ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds - £4,400,000.
Funds Exceed - - - - £14,500,000
Claims Paid Exceed - - - £25,000,000

The Statist.

LONDON, SATURDAY, FEBRUARY 15, 1919.

The Money Market.

Friday, February 14, 1919.

	Current Rate %	Current Rate Fixed	Previous Rate %	Previous Rate Fixed
Bank of England Rate...	5	(Apr. 5,'17)	5½	Jan. 18,'17
Bank of England Rate — to Clearing Banks: 3 days' notice ...	5	(Feb. 14,'18)	4	June 19,'17
for Foreign Money*	4½	(Nov. 15,'17)	extended	Jan. 2,'18
Deposit Rates :—				
Banks & Discnt. Ho. (Call)	3†	(Feb. 14,'18)	3½	Jan. 2,'18
Discount Houses (Notice)...	3	(June 6,'18)	3½	Feb. 14,'18
Do., to Bankers and Merchant Bankers (Notice)	3½	(Feb. 14,'18)	3¾	Jan. 2,'18

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Tr'sury Bills (Fixed Feb. 14,'18)—		3⅝		3½
Bank Bills	3½	3⅝	3⅝	3⅝
Trade Bills	—	4 4½	4¼ 4½	4½ 4¾

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances. † Foreign and Colonial banks give Special Rates only upon deposits for a year.

APPARENTLY the disturbance to the Money market arising from the big demand for War bonds in the closing week or two that the third series was on offer

is taking longer to become straightened out than had been anticipated. Supplies of credit have been none too plentiful in the past week, while to-day the market has been in the throes of stringency, with the result that application had to be made to the Bank of England for a moderate amount for a week at 5%. The rate charged, we understand, was again 5%.

The statement has been made this week that there will be no further Votes of Credit. It would seem that this applies only to the current year, and, if so, is nothing new, for on the last occasion when the House of Commons was asked to grant a Vote of Credit it was made clear that full provision had been made for the remainder of the present financial year. That a new Vote of Credit will have to be taken before the end of March is fully anticipated, for provision will need to be made for outgoings from the Votes in the coming financial year. Gross outlays next year will be ascertainable only from the Budget. Nevertheless, before the new financial year commences it will, as we say, be essential to provide for outlays from the Votes in the early weeks or months of 1919-20. For although in respect of 1918-19 the Exchequer statement will show expenditures from Votes of Credit to have been considerably below the Budget estimate, this year's Votes will automatically expire on March 31, and no balance unexpended can be carried forward.

As was not surprising, receipts from the fourth series of War Bonds, the sale of which commenced on February 1, were very small in the eight working days to Saturday last, for, so far as the Bank of England issue is concerned, the 3,158 applications received were for a total of only £2,819,788. Further, what are practically final figures for the third series of War Bonds have been announced this week, the Post Office issue in the week to January 18, when the third series was withdrawn from sale, having been £8,056,000. Up to date, therefore, sales of £1,656,213,522 of Bonds have been reported and of this sum the Exchequer has received £1,651,758,000, so that in the remaining 51 days of the current financial year the Exchequer will receive the balance of about £3,500,000 plus what will probably prove to be small amounts from sales in the next seven weeks. In some quarters last week's small sale of Bonds and the anticipated small sales in the coming weeks may be regarded as confirming the recent action of the Treasury in refraining from taking advantage of an opportunity which, while probably not of Treasury seeking, nevertheless seemed an opportunity too good to be missed, to issue War Bonds or some other form of security on a lower interest basis than ruled during the 15½ months to January 18 last. Moreover, the argument is put forward that, poor as were last week's results, they would undoubtedly have been worse had less attractive terms been offered to the investor. Be this as it may, it is, however, probable that sales in the coming weeks may show improvement over last week's results, which were doubtless affected by the recent enhanced sales, which must have exhausted supplies of investment money for several weeks. It is true that revenue is being collected on a large scale, and that for this reason sales of Bonds are affected to some extent; but at the same time it has to be borne in mind that in the period from February 9 to March 31, 1918, when revenue collections were also heavy, though not so large as they will be this year, £270,000,000 was received from War Bonds.

About this time of year the general statement is frequently made that the condition of the Money market is affected by large tax payments, but rarely is this remark accompanied by any data indicating the extent of the revenue payments. In this connection the calculation we have presented during the past two or three weeks, and which we have again brought up to date this week, is enlightening as now showing that in the 51 days to March 31 the receipts of the Exchequer will need to average about £30,611,000 a week. Of this sum £17,326,000 is to come from income tax and £8,526,000 from excess profit duty if Budget estimates are to be realised. There is an impression in some quarters that it may turn out that the year's revenue from both these sources may even exceed the Budget estimate, though whether this will prove to be so we cannot say. It is, however, apparent that the total revenue for the year will largely exceed the Budget estimate, for in this estimate no account was taken of the proceeds from India's second War Loan, designed to furnish a further contribution towards India's war gift of £100,000,000. So far as can be estimated, the total revenue will amount to £877,000,000, including about £35,000,000 from the Indian Loan, and the expenditure is likely to work out at about £2,588,000,000, so that, against £223,000,000 of revenue still likely to be received, outgoings may amount to some £320,000,000.

To restore the cash balance to the level on April 1 last it would appear, therefore, that about £110,000,000, or £16,000,000 a week, will have to be borrowed between now and the end of March. How much will be raised in the form of "other" debt and from sale of War Bonds is unknown; but, so far as can be judged at present, receipts from these sources will not amount to anything like this sum, while the proceeds of sales of War Savings Certificates will be practically offset by retirement of debt through revenue payments in scrip. A factor that should not be ignored, however, is that the £110,000,000 referred to above is only a net figure, and that the actual amount to be borrowed in the coming weeks will largely exceed this figure. For it has to be realised that a good deal of the revenue now being collected is not new money in the strict sense of the word, but merely a transfer from loan account represented by Treasury Bills to revenue account under the heading of income tax and excess profits duty, and that to the extent to which revenue is thus received the loans must exceed £110,000,000 before the end of March. If operations of this character take place on a large scale—and in view of the sum still payable for income and excess profit taxes they seem likely to be considerable—it would now seem obvious that instead of the floating debt being lower on March 31 than at present, in line with similar movements in previous years, the total may much exceed the present figure.

[000's omitted]	Probable for 51 Days to March 31, 1919	314 Days to February 1, 1919	Probable for Year 1918-19	Budget and Supplementary Estimates
	£	£	£	£
Revenue—				
Income tax ...	126,232	164,218	290,450	290,450
Per week*...	(17,326)	—	—	—
Excess profits ...	62,102	237,898	300,000	300,000
Per week*...	(8,526)	—	—	—
Other	34,668	251,932	286,600	251,600
Per week*...	(4,759)	—	—	—
Total ...	223,002	654,048	877,050	842,050
Per week*...	(30,611)	—	—	—
Expenditure—				
Interest	34,125	235,875	270,000	315,000
Miscellaneous ...	2,896	8,518	11,414	11,414
Supply, ordinary ...	18,052	81,936	99,988	99,988
Votes of credit ...	265,253	1,942,100	2,207,353	2,560,000
Total	320,326	2,268,429	2,588,755	2,976,402
Deficit	97,324	1,614,381	1,706,700	2,134,362
Loans	110,407	1,603,081	1,706,700	2,134,362
Taken from cash balance	—	13,083	—	—

* Corresponding period of 1918:—Income tax, £12,619,000; excess profits duty, £5,971,000; other, £5,543,000—Total, £24,133,000.

FINANCING THE EXCHEQUER.

An unprecedentedly large amount of revenue was collected by the Exchequer in the week to February 8, total receipts having been no less than £30,540,000, or approximately the average sum that should be received weekly between February 1 and March 31 if, as we have previously pointed out, the Budget estimate of income tax and excess profits duty revenue is to be realised. Of last week's receipts the exceptionally

large sum of £20,558,000, or much above the average, was collected from income tax, while from excess profit duty £4,781,000 was received, and Customs and Excise yielded £2,781,000. As regards expenditure, though the high level for the week to February 1 was not maintained, no less than £42,733,000 was paid away, and of this net outlays from the Votes of Credit accounted for about £39,800,000, or, roughly, £5,657,000 a day, still a high figure to be recorded three months after cessation of hostilities. The deficit, allowing for a net credit of £115,000 on capital account, was £12,078,000, and as £11,571,000 net was received from loans, £507,000 had to be taken from the cash balance. Loan operations were again interesting, for the greater part of the balance due from the third series of War Bonds, withdrawn from sale on January 18, was received. Indeed, the £19,341,000 that came in in this way raised the total Exchequer receipts from War Bonds to £1,651,758,000 out of the £1,653,394,000 sold to January 18. Sales of War Savings Certificates yielded only £600,000, while £2,221,000 was raised in the form of "other" debt. On the other hand, £721,000 of debt was cancelled through revenue payments in scrip. Treasury bills declined by £33,870,000 on balance for, against £77,422,000 of maturing bills, only £43,552,000 of new bills was sold. Hence, to cover the deficiency recourse had once again to be made to the Bank of England, net borrowings on Ways and Means having been £24,000,000. Therefore, while on the one hand outstanding Treasury bills were reduced to £1,008,253,000, the total of Ways and Means Advances was raised to £378,680,000, leaving the floating debt on Saturday last at £1,386,433,000, against £1,320,789,000 a year ago.

[000's omitted.]	War Borrowings			National Debt	
	Apr. 1–Feb. 8, '19	Apr. 1, '17–Mar. 31, '18	Aug. 1, '14–Feb. 8, '19	Approx. Feb. 8, '19	Actual Mar. 31, '18
4 & 5% Natl. War Bds.	£1,037,543	£614,215	£1,651,758	£1,686,953a	£649,410b
4% & 5% War Loans	—	168,083	948,460	2,013,990	2,090,317c
War Savings Certs. ...	81,900	62,200	218,700	219,650d	137,750
"Other" Debt(e) ...	360,752	620,435	1,354,296	1,366,226	995,474
Treasury Bills ...	35,426	508,885	902,508	1,008,253	973,444
Ways & Means Advances	185,909	Cr.25,254	378,180	378,180	192,271
5% Exch. Bonds due:					
Oct. 1919 or Apr. '23	4	82,270	82,274	70,657	70,653
Oct. 1921 (1916 issue)	—	—	62,496	75,839	75,839
Dec. 1920 ,, ...	—	48	237,877	49,744	49,744
Oct. 1919 ,, ...	—	—	34,263	16,924	16,924
6% Ex. Bds., Feb. '20	1	—	160,956	141,278	141,277
3% Ex. Bds., Mar. '20	—	—	21,831	21,660	21,660
Do. do. Mar. '30	804	12,021	12,825	16,444	15,640
War Expenditure Certs.	Cr.22,933	Cr.629	—	—	22,929
3½% War Ln. 1925–28	—	—	331,798	62,746	62,746
4½% War Ln. 1925–45	—	—	592,345	16,139	16,139
2½% & 2¾% "Consols"	—	—	—	304,084	304,084
Debts to Bks. of E. & I.	—	—	—	13,646	13,646
Terminable Annuities	—	—	—	21,903	21,903
Total	1,679,407	2,042,274	7,079,967	7,474,384	5,871,850
Less Misc. repayments	76,326	57,495	298,620	—	—
Debt Aug. 1, 1914	—	—	—	652,270	652,270
Inc. since war began	1,603,081	1,984,779	6,781,347	6,822,114	5,219,580

(a) Sales reported to Feb. 8, 1919, £1,656,213,5[illegible]2. (b) 4% (Oct. 1927 £119,541,000; 5% (Oct. 1922), £237,924,000; 5% (Oct. 1924) £28,709,000; 5% (Oct. 1927), £263,206,000. (c) 4% Tax compounded, £52,372,000; 5% £2,037,945,000. (d) Number sold to Feb. 1, 1919, 292,158,177. (e) Including British portion of Anglo-French (U.S.) Loan.

BANK OF ENGLAND.

From the market's point of view, this week's Bank return is an improvement upon the returns of the previous two weeks, in that it shows an expansion of £4,564,000 in "other" deposits, due mainly to an increase of £1,841,000 in Government securities, accompanied by a diminution of £2,563,000 in public deposits. So far as the circulation is concerned, there has this week been the small diminution of £154,000; but, on the other hand, the stock of bullion is £175,000 higher on balance, and now stands at a new high level of £81,619,000, against under £59,000,000 a year ago, and less than £30,000,000 when war began. The addition to the reserve, therefore, was £329,000, but owing to the expansion in total deposits the ratio was a shade lower.

MONEY IN NEW YORK.

Money has been more wanted this week, with the result that the rate for call loans has occasionally been up to 6%. The quotation for prime commercial paper is unchanged at 5-5¼%. Further improvement was reported last week in the position of the Associated banks and Trust companies of New York. Loans, discounts, investments, &c., declined by about £8,300,000, while the total deposits fell by £3,300,000. This latter small movement was due to the large net transfer of about £13,600,000 to Government account having been accompanied by a diminution of £17,100,000 in net demand deposits. The aggregate reserve held was only about £300,000 lower, but inasmuch as it is the amount of the net demand deposits that affects the legal reserve, and this reserve last week was only £2,200,000 lower, the excess reserve showed an expansion of over £1,900,000, having averaged last week £9,740,000. Announcement has been made this week of the proposal of the Secretary of the Treasury to seek authority to raise a further $10,000,000,000 of Liberty Bonds and a corresponding amount of Certificates of Indebtedness convertible into the long-term loan. A syndicate of bankers has been disposing of the unconverted portion of the British Government Notes that matured on February 1.

POSITION IN INDIA.

According to official advices, 66.55 lacs of Treasury bills were sold at the Presidency banks in the week to February 1, while 29.20 lacs of bills were discharged or discounted, so that the net addition for the week was 37.35 lacs, which thereby raised the total outstanding at the beginning of this month to 3,592.05 lacs. According to the statement of the position of the Gold Standard Reserve published this week, the balance of £35,607,513 (against £35,595,195 on December 31) consists of £6,016,044 of cash placed in the London market at short notice, £18,857,102 of British and Colonial Government securities at values current on September 30, 1918, and £10,734,367 of British Government securities acquired during the past four months. We note that in the report of the Indian Currency Department for 1917-18, just to hand, particulars are given concerning the securities held on behalf of the Gold Standard Reserve at March 31 last. Of the balance of the reserve of £34,453,442 then held, £6,000,499 represented cash placed at short notice in London, and the balance of £28,452,943 consisted of the following securities of the nominal value of £29,389,824: Local Loans £200,000, Guaranteed 2¾% £438,720, Transvaal 3% £1,092,023, 6% Exchequer Bonds £4,982,800, 5% Exchequer Bonds (1922) £2,008,300, (1921) £139,800, 3% Exchequer Bonds £2,998,000, Canada 3¾ £161,000, New South Wales 3½% £113,000, British Treasury bills £13,494,000, and 5% National War Loan £3,762,181.

Stock Exchange.

The settlement of the London railway strikes barely had time to produce a better feeling and a little recovery in Stock markets than it became known that the coal miners had decided to refuse the Government's offer and to ballot for a strike. Thus we move from one uncertainty to another the while Peace is still

5%
NATIONAL WAR BONDS.
Although the issue of September Bonds is discontinued, they are still purchasable for a limited period by instalments from
The National Mutual Life Assurance Society
39 KING STREET, CHEAPSIDE, LONDON, E.C. 2.
under the Society's Special Scheme.
INSTALMENTS CEASE AT DEATH.
NO MEDICAL EXAMINATION OF APPROVED LIVES.
Write for particulars.

under discussion and the country's industries are in process of transition from war to peace work. At the same time there is talk of a possible resumption of the War. All these circumstances are enough to stifle any disposition to active investment business, and the complete absence of any pronounced weakness in prices, which to the superficial observer might appear remarkable, is really a reflection of the soundness of the fundamental conditions. In the first place there is a great inflation of credit, and a prospect of trade and commerce being insufficiently active to employ fully the available capital. The Government is still borrowing all it can obtain by the issue of 5% War Bonds, but clearly with the rapid demobilisation of the Army, and the diminution of munition manufacturing, surplus expenditure must soon show great diminution in comparison with the recent past. At present payments on account of war contracts are understood to be greatly in arrear, but on the other hand huge quantities of surplus material and food remain to be realised. Then, too, the prospect of alteration in the excess profits duty, which is being specially considered by the Chancellor of the Exchequer, is a supporting influence in the case of certain industrial shares. Mr. Bonar Law's statement in regard to claiming an indemnity from Germany for the cost of the War as well as for damage done would be an additional "buff" point if it were considered likely to lead to diminution of the burden of taxation, but the general opinion does not favour this idea.

On the week the funds show practically no change, and one or two Colonial stocks are quoted a trifle higher. In the Foreign section the French 5% Loan, after further appreciating to 87½ early in the week, declined to 87 at the close. The chief feature has been the strength of Brazilian and Japanese bonds in connection with sinking fund purchases. Brazil 4% Rescission, which commanded 64 a week ago, have now risen to 65½, the 4% 1889 are a point up at 63. Japan 4% 1899 and 1910 have improved to 73, and the 5% 1907 to 92.

Profit-taking ensued in Home railways following the general rise last week on the good dividend announcements. Exceptionally, Great Western Ordinary rose sharply on Wednesday, when the increase in the dividend to a 7½ rate was announced, though in this case also there was profit-taking, and a recession in price towards the end of the week. The movements in some of the principal stocks are shown below:—

	Jan. 31	Feb. 7	Feb. 14
Caledonian Ord.	54½	54½	54
Glasgow & S.W Def.	32	32½	32
Gt. Central Def.	9½	9⅞	9⅝
Gt. Eastern	37½	38	37¼
Gt. Northern Def.	41	42¼	41⅝
Gt. Western Ord.	88	90	91½
Hull & Barnsley	51	55	52¼xd
L. & N.W. Ord.	96	98½	97
L.B.&S.C.R. Ord.	63	65	63¼

	Jan. 31	Feb. 7	Feb. 13
L. & S.W. Defrrd.	28	30½	29
Metropolitan	30	30	29¼
,, District	27¼	28	27
Midland Def.	59½	61⅛	60½
N. Eastern	99½	100	100
Sth. Eastern Def.	36½	38	36⅝
Underground "A"	10/6	10 9	10 3
,, Income	93	97	95¼

In the Foreign Railway section business has been far from brisk, and with sellers again predominating, a continuance of the previous downward trend is recorded. The chief feature of the market has been the recovery in Grand Trunk stocks, which for some weeks past have been falling lower and lower, and seemingly had few friends left to support them. Prices now, a week ago, at the beginning of the year and last year, compare as follows:—

	1918. Highest	Lowest	Jan. 1	Feb. 7	Feb. 13
Grand Trunk Ord.	12½	8⅛	11⅛	11	11¼
,, ,, 1st Pref.	65½	19	61	56½	59
,, ,, 2nd ,,	51½	37⅛	52	46	48
,, ,, 3rd ,,	27⅛	18½	25¼	23	24½
,, ,, 4% guaranteed	57⅛	42¼	55¼	52	54

The commercial, industrial, and general sections have been characterised by sharp jumps in a few brewery issues, renewal of buying of iron and steel shares. Oil shares suffered their first distinct set-back since the commencement of the "boom." To-day (Friday) the market turned good again, Shells closing at 8.

PLAYER'S
NAVY MIXTURE
"Pipe Perfect"
IN THREE STRENGTHS
White Label
Mild and Medium.
9½d. PER OZ.
This Tobacco is also supplied at Duty Free Rates for the purpose of gratuitous distribution to wounded Soldiers and Sailors in Hospital.
10½d. PER OZ.
Terms and particulars on application to
JOHN PLAYER & SONS, Nottingham.
Branch of the Imperial Tobacco Co. (of Great Britain and Ireland), Ltd.

Leaders of the World's Filing and Card Index Systems
Shannon
and Modern Office Furniture
ROPEMAKER STREET, E.C. 2.
Ring up London Wall 1533.

Mining Topics.

SPECIALITIES have again been the principal features of interest in the Mining markets of the past week. Johannesburg Consolidated enjoyed a sharp rise on rumours of pending capital reorganisation. An official denial of this led to a little profit-taking, but a portion of the improvement in price has been maintained. Consolidated Mines Selection are harder on dividend anticipations and the improved profit and development indications of the Brakpan. Randfontein issues have hardened and Diamond share prices are appreciably up again. In the Rhodesian section there was little doing until Friday, when Goldfields Developments and Falcon came into demand, the latter jumping 2*s.* 6*d.* on dividend anticipations, the poor outlook for copper apparently being ignored. Tin shares have moved irregularly, and Broken Hills relapsed after early strength. Burma Corporations have well held their higher price of 5½, and Lake View have firmed up in consequence. The gamble in Colombian minings became frantic at one time, but after touching 53*s.* the shares closed at 50*s.* On profit-taking Esperanza dropped 12*s.* 6*d.* on Tuesday, but later recovered to 15*s.*

Tehidy Minerals, Limited.—A year ago the Dolcoath and East Pool Companies purchased the mineral rights of the Tehidy estate, embracing about 8,000 acres of intact ground surrounding the Dolcoath and East Pool mines in Cornwall, and believed to be the most highly mineralised zone left untouched in England. Preparations are now being made to prospect for minerals with a view to the development of a mine or mines. The Tehidy Minerals Limited, formed last year with a capital of £100,000 in £1 shares, acquired the properties as from June 30 for 60,000 shares, the Dolcoath receiving 40,000 shares, and the East Pool 20,000 shares. To provide working capital the remaining 40,000 shares are now being offered at par to the shareholders of the two

parent concerns. The board consists of well known mining directors and the management is in the joint hands of Messrs. Bewick, Moreing and Company and Mr. C. V. Thomas.

Springs Mines.—A smaller amount of development work was again done in the December quarter, and the percentage of payable reef disclosed was lower. Values taken in conjunction with width, however, were again very satisfactory.

	Footage on Reef	Payable Foot age	%	Width In.	Assay Value	Shilling-Inches
1916						
Total to end yr.	32,775	18,019	50	24	108/6	2,685
1917.						
Mar. qr. ...	2,950	1,725	58½	21½	118/2	2,568
June qr. ...	3,505	1,675	47¾	24¼	95/8	2,344
Sept. qr. ...	2,830	1,320	46½	28¼	86,8	2,447
Dec. qr. ...	3,305	1,720	52	26·2	91/4	2,382
1918.						
Mar. qr. ...	3,820	2,165	56·7	30·6	74/0	2,276
June qr. ...	3,170	2,220	70	32	104 0	2,328
Sept. qr. ...	3,245	1,855	57·2	30	80 0	2,400
Dec. qr. ...	2,710	1,460	53·9	27·78	97,9	2,700

At June 30 last the ore reserves were estimated at 2,320,000 tons, averaging 40*s.* 4*d.* over 61 inches, which is equivalent to 2,458 shilling-inches.

Brakpan.—Lately at this mine a large amount of development work has been off the reef, doubtless in preparation for future operations. In the September quarter of 1918 the total development footage was 4,099 feet, of which 1,614 feet, or nearly 40%, was not on reef, and in the December quarter 1,777 feet out of a total of 3,977 feet was dead work. The footage on reef and the payable showings are compared below, and it will be seen that the recent improvement in values is maintained:—

	Total Footage on Reef	Payable Footage on Reef	Per-centage of Total	Payable Showings—Average Width Inches	Payable Showings—Average Value *s.* *d.*	Payable Showings—Shilling-Inches
1914 ...	17,515	6,940	40	41·5	55 8	2,302
1915 ...	17,500	8,540	49	32·1	96 5	3,097
1916 ...	15,300	8,255	54	38·0	84 2	3,190
1917 ...	13,565	7,155	53	47·7	58 2	2,770
1918.						
Mar. qr. ...	2,980	1,710	57·4	44·5	59 6	2,647
June qr. ...	2,220	1,200	54·1	42·3	56 0	2,368
Sept. qr. ...	2,485	1,050	42·3	35·9	71 0	2,549
Dec. qr. ...	2,200	1,105	50·2	38·9	65 0	2,528

The payable ore reserves at June 30 last were estimated at 2,964,000 tons, aevraging 37*s.* 9*d.* per ton over 68 inches, equivalent to 2,567 shilling-inches.

COLOMBIAN MINING & EXPLORATION.

The Mining-share market has been the scene of more wild speculations than any other section of the Stock Exchange, and too often quotations have been pushed up with dazzling rapidity amid vague talk, specious tips, and whisperings of fabulous wealth, but withal unbacked by substantial facts. In such cases the upward flight usually terminates in a flash, and "collapse" describes the velocity of the fall. Now we know well enough that anything *may* happen in mining, and it does not by any means follow, of course, that past experience will be repeated in the case of the Colombian Mining and Exploration £1 shares, which after rising from 1*s.* 3*d.* to 28*s.* in the course of last year have been further pushed up in the past six weeks to over 50*s.* But seeing that the market valuation of the undertaking is now £1,000,000 it seems high time to call a pause for light to be thrown upon the circumstances.

The Company is not a new venture. Indeed, it was formed 11 years ago and its shares were introduced to the market in March 1908. The issued capital was at first £300,000 in £1 shares, of which 280,000 shares were purchase consideration for acquiring: (1) the freehold in perpetuity of one-fifth of a mountain called Marmato Hill, belonging to the Government of the Colombian Republic, estimated as extending to 5,000 acres, and also certain mines; (2) a lease for 40 years from May 1908 at a rental of £3,200 per annum of the mines belonging to the Government, and situated in specified mining districts and municipalities, estimated to extend to 900 square miles. The lease did not include coal, shale, asphalte, emeralds, platinum or radio-active ores. Mr. C. Olden, who for a while subsequently acted as Manager, estimated that with an expenditure of £50,000 ore could be developed which would leave a profit of over £700,000, and with a battery of 500 stamps crushing 5 tons per stamp per day he calculated an annual profit of £400,000. Reports and accounts were issued up to and including March 31, 1913. This latter was published May 17, 1914. No profit was shown and no profit and loss account furnished. Certainly gold and silver bullion was recovered and purchased, but to March 31, 1913, development and general expenses exceeded receipts by £108,603. The balance sheet showed cash, debtors and bullion in transit to exceed creditors and bills payable by £13,000, while stores were valued at £12,174. The issued share capital had by then been raised to £450,000. Just before this balance sheet was issued a market slip was circulated giving details of the undertaking "from particulars supplied by the Company." Therein it was set out that the ore actually developed to March 31, 1914, amounted to 131,000 tons, of an average value of 56*s.* 4*d.* per ton, and the total cost of working, excluding development, it was said, "is estimated at 19*s.* per ton." A new milling plant of 40 stamps had been delivered, and as soon as this was in full operation "a monthly profit of at least £12,000 to £13,000, or, say, £150,000 per annum, is expected." According to a report read at the annual meeting of the Company on May 27, 1914, the quantity of ore dealt with by the various old plants working during the year to March 31, 1914, amounted to 25,494 tons, which yielded bullion worth £37,241, or 29*s.* 2*d.* per ton. To finance the Company an issue of £50,000 of Debentures was made in November 1913.

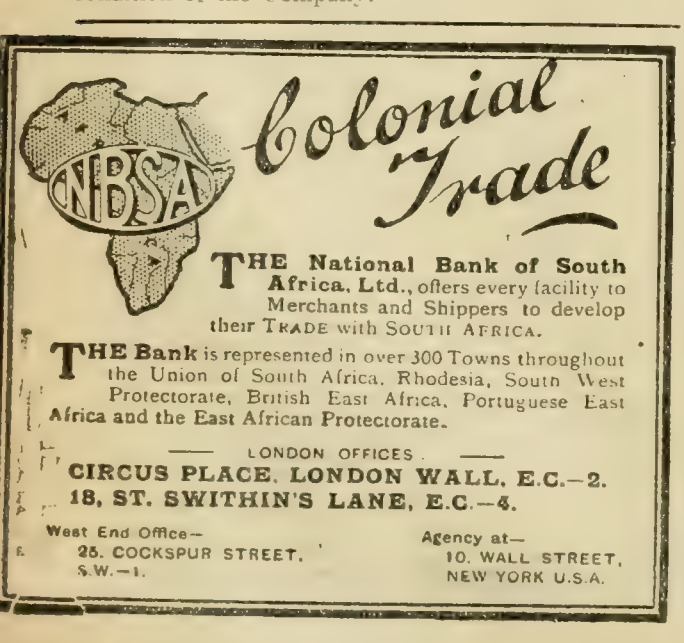
Now, so far as our own file shows, no information was published in regard to the Company for nearly four years, the first break in the long silence apparently being the speech of the Chairman at a meeting of shareholders held on March 22 last year. The 5-year-old 1913 report of the Company's Consulting Engineer was brought up again, and it was stated that in the interval since the ore reserves had been increased from 131,000 tons to 250,000 tons, despite the fact that 150,000 tons of ore had been treated, yielding approximately £270,000 of bullion. In view of that, and the mention at the May 1914 annual meeting of loans made to the Company of £174,259, it seems extraordinary that no accounts have been issued since those for the year to March 31, 1913. Inspection of Somerset House file, however, shows this to be correct. Furthermore, a Receiver for the Debenture-holders was appointed in May 1915. The Registrar of Joint Stock Companies apparently wrote to the Receiver in August 1917 proposing to remove the name of the Company from the Register, for there is a letter filed from the Receiver referring to this proposal, and saying that although he, as Receiver, was not in possession of funds, "the property is still being worked and the

CANADA'S GRAND TRUNK RAILWAY
IS
10,127 MILES of
INTERNATIONAL GOODWILL
COURTESY,
EFFICIENCY and
SAFETY.
CONSULT US ON Travel, Exports and Imports.
EUROPEAN TRAFFIC OFFICES
LONDON, S.W.—17-19 Cockspur Street. LIVERPOOL.—9 Water Street.
LONDON, E.C.—44-46 Leadenhall Street. GLASGOW.—75 Union Street.
F. C. SALTER, European Traffic Manager
B

produce of the mines used to pay local expenses." He referred the Registrar to the Secretary of the Company. In July last the Secretary wrote apologising for the delays in filing returns, which he attributed to shortage of staff and pressure of work owing to considerable dealings having taken place in the shares. The most recent return on the file on Monday last was that showing the capital position as at December 31, 1917, the shareholders at that date numbering about 520. Attached to this return, which was filed in December 1918—two months ago—was a typewritten copy of the March 1913 balance sheet, and the file showed that three copies of the same balance sheet had previously been filed at intervals.

The latest official information in regard to the Company, so far as we know, was contained in the speech of the Chairman at an extraordinary meeting on October 16 last, to authorise an increase of the nominal capital by 100,000 shares to £550,000, 50,000 shares being held for conversion of outstanding Debentures at par when required, and the other 50,000 shares to be in reserve. The information given to shareholders at the meeting was largely a repetition of previously published data and of particulars contained in a circular sent to shareholders on July 12, 1918. In that circular it was stated that the ore reserves had been increased to 325,000 tons, value 36*s.* per ton, and that current development work was proving ore of an average value of £3 per ton. Additional concentration plant was being shipped to the property, and would enable the present output of 3,000 tons a month to be increased considerably, and with a further expenditure of £10,000 for plant the milling capacity could be raised to 10,000 tons a month. It was added, however, that "transport and erection charges will, of course, have to be added to the price of this plant." Shareholders were told that the mining and mill costs, "exclusive of overhead charges," had been reduced to 11*s.* 3*d.* per ton, and that the Manager anticipated a further reduction of 20 per cent." The circular concluded: "The gross returns for the first five months of this year amounted to £30,100, and all expenses of management in Colombia and expenditure upon development and maintenance have been charged to and met out of the revenue obtained from bullion sold."

Now we trust we have dealt with the matter fairly. The properties owned and leased are claimed to be extensive and rich, and we presume that the titles have been safeguarded. But in the absence of engineers' reports of recent date and with the last balance sheet nearly six years old it is impossible to judge what is the physical state of the mines and fixed assets (for instance, whether depreciation has been adequately provided for) or to gauge the financial condition of the Company.



TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, February 12, 1919.

Issue Department.

Notes Issued	£99,020,795	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	80,570,795
	£99,020,795		£99,020,795

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£52,679,744
Rest	3,444,198	Other Securities	83,297,994
Public Deposits	28,158,294	Notes	29,187,560
Other Deposits	120,645,536	Gold and Silver Coin	1,048,322
Seven-day and other Bills	12,994		
	£166,214,020		£166,214,020

Comparison with Previous Four Weeks [000's omitted].

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919.	£	£	£	£	£	£	£	%	%	%
Feb. 12	69,8	81.6	28,2	120,0	52,7	83,3	30,2	20·40	5	3 7/16-1/2
Feb. 5	70,0	81,4	30,7	115,5	50,8	83,5	29,9	20·45	5	3½
Jan. 29	69,3	80,7	26,6	121,6	55,9	80,4	29,8	20·13	5	3½
Jan. 22	69,0	80,3	27,2	126,6	62,9	79,0	29,7	19·32	5	3½
Jan. 15	69,7	80,5	28,2	124,8	62,7	78,9	29,3	19·15	5	3½
1918.	99,3	40,2	13,7	42,2	11,0	33,8	29,3	52·40	3	2½

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 6%; July 13, 1916, 8%; Jan. 18, 1917, 5½%; April, 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Feb. 12, 1919	Feb. 13, 1918	Feb. 14, 1917	Feb. 16, 1916	Feb. 10, 1909
Circulation	£69.8	£46.1	£39.5	£32.6	£28.9
Public Deposits	28.2	39.0	51.9	51.5	10.5
Other Deposits	120.0	126.3	145.2	99.1	41.3
Government Securities	52.7	66.3	135.0	32.8	14.8
Other Securities	83.3	95.7	44.0	95.1	29.3
Reserve	30.2	31.3	36.1	40.7	25.8
Ratio to Liabilities	20·40%	18·96%	18·34%	27·01%	49·72%
Coin and Bullion	81.6	68.9	57.1	54.8	36.2
Money					
Bank of England Rate	5%	5%	5½%	5%	3%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3½%	3½%	5½%	5⅛%	2⅛%
Exchanges:					
Paris Cheque	25 98½	27 16½	27 81½	28 03½	25 20½
New York 60 days	4 73½	4 72½	4 72½	4 73½	4 85½
Bombay Telegraphic Transfers	1/5½	1/4½	1/4½	1/4½	1/3⅝
Prices:					
Consols 2½% Cash	59	54½	52	58½	84⅝
French Rentes 3% Money	65·00	57·50	62	61	97·67
Silver, London spot oz.	47¾d	42½d.	38½d.	26½d.	23⅝d.
Wheat, *Gazette* average qr.	72/7	72/0	76/0	57/6	33/4
Cotton, Mid Upland* lb.	18·35d.	23·03d.	10·38d.	7·89d.	5·11d.
Iron, Scotch pig ton	101/0	101/0	86/6	102/7½	54/3

* Good Middling American, Official Value.

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	% of Gold to Notes
	£	£	£	£	%
Feb. 12, 1919 ...	6,782,943	5,360,185	310,904,542	28,500,000	9·1
Feb. 5, 1919 ...	7,092,209	5,090,305	309,481,784	28,500,000	9 2
Feb. 13, 1918 ...	6,133,837	4,549,783	215,163,856	28,500,000	13·2
Feb. 14, 1917 ...	5,209,305	4,731,212	146,130,198	28,500,000	19 5
Feb. 16, 1916 ...	4,360,575	3,599,921	98,817,317	28,500,000	28·8
Feb. 17, 1915 ...	1,530,950	1,570,887	36,062,922	25,500,000	70·7

Balance Sheet, Feb. 12, 1919.

Notes outstanding—	£	Advances—	£
One Pound	234,551,142	Trustee Savings Banks	545,000
Ten Shilling	45,153,400	Currency Note Redemption A/c—	
Certificates outstanding ...	31,200,000	Gold Coin and Bullion...	28,500,000
		Government Securities...	292,249,538
Total	310,904,542	Balance at Bank of England	4,171,796
Investments Reserve A/c	14,561,792		
Total	325,466,334	Total	325,466,334

PUBLIC INCOME & EXPENDITURE [000's omitted.]

1918-19. Week to	Revenue (See § Below)	Expenditure	Excess of Expenditure	Loans Advances, &c.—Raised	Repaid	Net Inc.	Cash Balance
Feb. 8	£30,540	£42,733	£12,193	£92,929	£81,243	£11,686	£7,947
Feb. 1	24,852	51,153	26,301	130,286	103,730	26,556	8,454
314 dys.'18-9	654,048	2,268,429	1,614,381	6,038,057	4,436,759	1,601,298	—13,083
315 dys.'17-8	534,854	2,300,312	1,765,458	4,577,656	2,822,842	1,754,814	—10,644
1,652 dys.a	2,443,235	9,220,281	6,777,046	—	—	6,779,932	— 2,886
*Yr.'18-19**	*842,050*	*2,976,402*	*2,134,352*	—	—	*2,134,352*	—
Yr.'17-18	707,234	2,696,221	1,988,987	5,499,604	3,516,023	1,983,581	21,030

§ Principal Items of Revenue and Expenditure.

1918-19. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits	Other Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services.
Feb. 8	£2,781	£20,558	£4,781	£2,420	£1,098	£10	£41,625	
Feb. 1	2,613	16,565	3,750	1,924	788	450	49,915	
314 dys.'18-9	134,132	164,218	237,893	117,800	235,875	8,518	2,024,036	
315 dys.'17-8	93,149	149,376	177,562	114,767	172,154	8,602	2,119,558	
1,652 days	541,762	799,543	738,032	363,898	617,034	64,848	8,538,399	
*Yr.'18-19**	*147,700*	*290,450*	*300,000*	*103,900*	*315,000*	*11,414*	*2,649,938*	
Yr.'17-18	119,033	239,509	220,214	137,478	189,851	11,401	2,494,969	

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	War Expend. Certs.	Total	Nat. War Bd. Repts.
Feb. 8, 1919 ...	£1,009,253	£378,180	All	£1,386,433	£1,651,758
Feb. 1, 1919 ...	1,042,158	354,180	re-	1,396,338	1,634,612
Dec. 31, 1918 ...	1,094,740	455,180	tired	1,549,920	1,420,700
Mar. 31, 1918 ...	973,678	192,271	22,999	1,188,878	644,215
Feb. 9, 1918 ...	1,065,447	231,781	23,561	1,320,789	344,861
Sept. 30, 1917 ...	949,112	220,814	23,561	1,193,487	—

TOTAL DEBT...Feb. 8, '19, about £7,474,000,000; Aug. 1, '14, about £652,270,000
GROSS COST OF WAR TO GT. BRITAIN to Feb. 8, 1919, about £8,297,000,000

* Budget & Supplementary estimates. † Highest. (a) 1,652 dys to Feb. 8, 1919.
(b) Sales reported to late, £1,656,213,522.

FOREIGN BANKS. [In £'s sterling—000's omitted]

AUSTRIA-HUNGARY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Advances.	Note Circltn.	Above — or beneath + legal max.	Bills Discounted, &c.
July 23, '14	£51,578	£12,141	£63,719	£7,772	£68,740	+ £2,479	£31,893
Dec. 7, '17	11,000	2,300	13,300	692,990	739,300	—	117,600

DENMARK.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts.	Balance Abroad.	Circulation.	Deposits.
July 31, 1914	£4,100	£341	£4,441	£8,197	£788	£8,693	£47
Dec. 31, 1918	10,812	135	10,947	4,473	4,976	25,092	809
Jan. 31, 1919	10,405	135	10,540	4,110	5,563	23,936	1,016
Jan. 31, 1918	9,650	135	9,785	3,402	2,446	18,282	3,338
Jan. 31, 1917	9,019	113	9,132	4,731	2,343	14,798	2,139

FRANCE.	Gold. In Bank	Gold. Abroad.	Total Cash incl'g Silver	Bills.	Circulation.	Deposits. Public	Deposits. Private
July 30, 1914	—£185,654—		£190,887	£97,788	£287,327	£15,302	£37,903
Feb. 6, 1919	138,845	81,484	232,949	48,117	1,294,690	2,151	103,398
Feb. 13, 1919	138,945	81,484	233,022	46,150	1,300,266	3,505	106,572
Feb. 14, 1918	133,130	81,484	224,701	53,394	952,847	1,677	105,377
Feb. 15, 1917	127,585	77,824	216,369	24,841	709,883	1,351	93,858

GERMANY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Treasury & Other Notes.	Loans & Discounts.	Circulation.	Deposits.
July 23, '14	£87,843	£18,727	£84,570	£5,279	£40,055	£94,54[illegible]	£47,198
Jan. 23, '19	112,770	1,002	113,772	283,948	1,328,613	1,189,661	618,122
Jan. 31, '19	112,686	997	113,683	287,633	1,355,378	1,182,392	626,137
Jan. 31, '18	120,305	5,746	126,051	62,778	655,712	556,947	333,811
Jan. 31, '17	126,221	851	127,072	14,107	409,500	392,924	172,621

HOLLAND.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts.	Advances.	Circulation.	Deposits.
Aug. 1, 1914	£13,498	£249	£13,745	£13,422	£10,339	£35,660	£1,437
Feb. 1, 1919	57,029	744	57,773	20,312	11,414	89,602	7,202
Feb. 8, 1919	57,029	746	57,775	20,001	18,068	86,392	16,116
Feb. 9, 1918	59,703	606	60,309	3,197	12,153	72,259	7,712
Feb. 10, 1917	49,129	556	49,685	4,980	7,605	61,944	4,982

ITALY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Other Cash.	Loans & Disc'nts.	Circulation	Deposits
July 31, '14	—	—	—£48,458—		£25,017	£89,204	£8,887
Nov. 30, '18	£32,699	£3,076	35,775	9,446	63,585	364,412	57,142
Dec. 10, '18	32,699	3,080	35,779	7,275	60,532	365,310	56,743
Dec. 10, '17	33,419	3,509	36,928	6,847	53,073	259,896	57,246
Dec. 10, '16	35,978	2,906	38,884	3,164	27,227	151,349	32,472

JAPAN.	Gold.	Discounts.	Advances.	Notes.	Deposits. Public.	Deposits. Private.
Aug. 1, '14	£21,887	£1,829	£7,883	£32,722	£13,919	£1,691
Dec. 21, '18	72,600	3,914	44,371	94,409	93,072	5,416
Dec. 28, '18	72,582	9,919	49,138	109,091	95,632	5,373
Dec. 29, '17	65,593	6,036	29,000	82,411	59,181	3,394
Dec. 30, '16	41,370	7,424	20,417	61,054	36,095	2,922

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve.	Loans, Discounts, Invest. &c.	Net Deposits. Demand.	Net Deposits. Time.	Net Deposits. Total.	Excess Reserve
Aug. 1, '14	—	£89,898	£411,239	—	—	£387,185	£1,750
Feb. 1, '19	£19,634†	111,256	951,982	£781,641	£28,064	857,006	7,810
Feb. 8, '19	19,128†	110,980	946,634	764,516	28,288	853,704	9,740
Feb. 9, '18	19,634†	117,302	839,054	735,830	40,398	839,225	19,182
Feb. 10, '17	104,000*	153,880	694,142	—	—	741,366	31,704

*Counted as reserve. † Not reserve.

NORWAY.	Gold.	Balance Abroad.	Foreign Gov Securities.	Discounts & Loans.	Circulation.	Deposits
July 31, 1914	£2,980	£1,678	£493	£4,988	£8,752	£793
Jan. 22, 1919	6,716	3,813	749	21,187	23,630	5,596
Jan. 31, 1919	6,715	3,750	749	21,463	22,952	5,602
Jan. 31, 1918	6,414	3,839	720	20,545	16,972	11,025
Jan. 31, 1917	8,677	4,234	787	8,741	12,893	4,619

RUSSIA.	Gold. In Bank.	Gold. Abroad.	Total Cash incl'g Silver	Loans & Disc'nts.	Circulation.	Notes in Reserve	Total Deposits
July 21, '14	£180,114	£14,395	£181,892	£76,081	£183,411	£8,688	£109,911
Oct. 31, '17	129,564	230,882	377,099	1,781,647	1,785,890	10,310	344,907
Oct. 28, '17	129,523	230,885	378,205	1,869,559	1,838,217	15,793	345,550
Oct. 29, '16	155,877	205,496	372,072	614,697	784,488	10,512	223,731
Oct. 29, '16	159,825	3,560	185,844	443,307	601,083	8,417	143,413

SPAIN.	Cash. Gold.	Cash. Silver.	Cash. Total.	Loans, &c.	Spanish 4%	Circulation.	Deposits &c.
Aug. 1, '14	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Feb. 1, '19	89,140	25 823	115,003	69,890	13,778	135,932	46,403
Feb. 8, '19	89,144	25 615	114,759	70,554	13,778	137,883	46,589
Feb. 9, '18	79,138	28,265	107,403	47,398	13,777	114,037	38 461
Feb. 10, '17	52,363	29,685	82,028	42,356	13,777	98,129	29,908

SWEDEN.	Gold.	Balance Abroad.	Swed. & For. Govt. Secs.	Discounts & Loans.	Circulation.	Deposits.
Aug. 1, '14	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
Jan. 25, '19	15,577	7,107	3,034	18,971	33,235	6,139
Feb. 1, '19	15,543	7,993	3,034	19,847	40,578	5,258
Feb. 2, '18	13,105	7,416	2,981	12,169	29,109	6 640
Feb. 3, '17	10,597	8,484	3,545	4,463	20 736	5,070

SWITZERLAND.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts & Advances.	Circulation.	Deposits.
July 23, 1914	£7,202	£759	£7,980	£4,317	£10,716	£2,026
Jan. 23, 1919	16,523	2,518	19,041	18,320	33,739	8,823
Jan 31, 1919	16,595	2,514	19,018	17,957	35,295	5,063
Jan. 31, 1918	14,477	2,217	16,694	13,017	25,324	5,526
Jan. 31, 1917	13,781	2,113	15 874	7,416	20,788	4,375

U. STATES FED. RES. BANKS.	Gold— Held by Banks.	Gold— With Agents.	Total Cash.	Bills Discount'd	Acceptances.	Deposits.— Govt.	Deposits.— Total. Net.	Circulation.
Jan. 31, '19	2153,498	289,938	135,930	320,226	58 253	12,998	331,992	490,146
Feb. 7, '19	154,698	286,940	435,122	338,880	58,540	19,362	322,832	490,834
Feb. 8, '18	178,290	171,844	382,618	105,024	58,141	11,897	300,570	253,244
Feb. 9, '17	87,431	58,091	157,648	3,240	22,418	3,105	131,284	55,704

II.—FOREIGN BANK RATES OF DISCOUNT.

	Current Rates %	Date Fixed		Current Rates %	Date Fixed
Paris	5	Aug. 20, '14	Copenhagen ...	5½	Jan. 2, '19
Berlin	5	Dec. 23, '14	Christiania ...	6	Dec 13, '17
Amsterdam ...	4½	July 1, '15	Berne	5½	Oct. 3, '18
Brussels	5	Aug. 27, '14	Rome	5	Jan 11, '18
Vienna	5	Apr. 12, 15	Madrid	4½	Oct 9[illegible], '1[illegible]
Petrograd ...	6	July 29, '14	Stockholm ...	7	Mar. 21, '18

III.—FOREIGN EXCHANGES.

LONDON ON—		Feb. 14, '19	Feb. 7, '19	Jan. 31, '19	Jan. 24, '19
Brussels	Cheques	26fr. 78c.	26fr. 80c.	27fr.	27fr.
Denmark	Cable	18kr. 25½	18kr 22½	18kr. 30	18kr. 00½
Holland	Cable	11d. 5[illegible]c	11d. 52½c.	11d. 52½c.	11d. 44½c.
Italy	Cable	30lr. 31½c	30lr 31½c.	30lr. 31½c.	30lr. 31½c.
Lisbon & Oporto	do	35½d.	35½d.	35½d.	35½d.
New York	do.	$4 76⅜	$4 76½	$4 76½	$4 76½
—	Cheques	$4 77½	$4 77⅝	$4 77⅝	$4 77⅝
Norway	Cable	17 cr. 37½	17kr. 32½	17kr. 40	17kr. 08½
Paris	3 mos.	26fr. 42½c.	26fr. 42½c.	26fr. 42½c.	26fr. 42½c.
—	Cable	25fr. 98c	25fr. 93c.	25fr. 93	25fr. 98½c.
Spain (Bank places)	3 mos.	49[illegible].	49[illegible].	49[illegible].	49[illegible].
—	Cable	23p. 64½	23p. 61½	23p. 61½	23p 64
Sweden	do.	16kr. 90	16kr. 82½	17kr.	16kr. 59½
Switzerland	3 mos.	23f. 65½c	23f. 62½c	23f 87½c	23f. 72½c.
—	Cable	23f. 20½c	23f. 25c	23f 45	23f. 30c.

ON LONDON—		Feb. 14, '19	Feb 7, '19	Jan. 31, '19	Par
Alexandria	Sight	97⅛	97⅛ni.	97⅛pl.	97⅛pl.
Amsterdam	Cheques	11d. 52½	11d. 51½c.	11d. 50½c.	12·107 fl.
Bombay	Transfers	1s. 5[illegible]	1s. 5[illegible]d	1s 5[illegible]	1s 6[illegible]
Brussels	Cheques	26f. 78½c.	26f. 83c.	23f. 96c.	25f. 22½c.
Buenos Ayres	Transfers	57⅝d.	51⅝d.	51⅛d	47.56d.
Calcutta	Transfers	1s. 5[illegible]d	1s. 5[illegible]d	1s. 5[illegible]d	1s 6d.
Christiania	Sight	17kr 36½	17kr. 32½	17kr. 38½	18.159kr.
Copenhagen	Sight	18 cr. 25½	18 cr. 22½	18kr 32	18.159kr
Hong Kong	Transfers	3s. 1[illegible]d.	3s. 2[illegible]d	3s. 3[illegible]	–
Italy	Sight	30lr. 31½	30lr. 31½c	30lr. 31½c	25lr. 22½c
Lisbon	Sight	35½d nom.	35½d nom.	35½ t.	53½d.
Madras	Sight	1s. 6[illegible]d.	1s. 6[illegible]d	1s. 6[illegible]d	1s. 6d.
Madrid	Sight	23p. 64	23p. 66½	23p. 64	25p 22½
Montevideo	Transfers	—	—	—	51d.
Montreal	Cable	$4 85½	$4 86½	$4 86½	$4 86⅝
New York	Sight	$4 75⅝	$4 75[illegible]	$4 75⅝	—
—	60 days	$4 73½	$4 73½	$4 73½	—
—	Cable	$4 76⅞	$4 76[illegible]	$4 76[illegible]	$4 86⅜
Paris	Cheques	25f. 98½c	25f. 97½c.	25f. 98½c.	25f 22½
Rio de Janeiro	90 days	13[illegible]d xd	13[illegible]d.	13[illegible]d.	18d.
Shanghai	Transfers	4[illegible] 9½d	5[illegible]. 01.	5[illegible] 01	—
Singapore	Sight	2s. 4[illegible]d.	2s. 4[illegible]d.	2s. 4[illegible]d.	2s. 4d.
Stockholm	Sight	16kr 92½	16kr. 84	16kr 97½	18·159kr.
Switzerland	Sight	23f. 22½c.	23f. 26c	23f 43c	25f. 22½c.
Valparaiso	90 days	10[illegible]d	10[illegible]d.	10[illegible]d.	18d
Yokohama	Sight	2s. 1[illegible]d.	2s. 1[illegible]d	2s. 2[illegible].	2s. 0.58d.

NEW YORK ON—	Rate Current* Feb. 5, '19	Rate Current* Jan. 29, '19	Par as usually Quoted	Rate July 3, '14
London, sight	$4.7580	$4.7580	4·8665 dollars for £1	$4 87
,, cables	$4.7855	$4.78[illegible]		$4 88½
,, 60 days	$4.72[illegible]	$4.72[illegible]		$4 85
Amsterdam, sight	41·[illegible]c.	40·[illegible]c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques	35·60c.	35·75c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques	99·30c.	—		
Christiania, cheques	27·30c.	27c	26·80c. for 1 kroner	
Copenhagen, cheques	26c.	25·80c.	26·80c. for 1 kroner	26·85c.
Greece, cheques	19·30c.	19·25c.	19·295c. for 1 drachma	
Hongkong, cheques	78c.	78·25c.	74·59c. for Mex. $1	46·40c.
Italy, sight	6·36½l.	6·38½l.	5·19l lire for $1	5·17l.
Lima, cheques	5·05c.	5·05c.	4·8665 $ for 1 libra	
Manila, cheques	49½c.	49½c.	50c for 1 peso	49·80c.
Montreal	2% disc.	2 5/16% disc.	Premium per $100	Par
Paris, sight	5·45[illegible]fr.	5·45[illegible]fr.	5·19l francs for $1	5·16fr.
Petrograd, sight	13nom.	13nom.	51·43c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	28c.	25c.	32·42c. for 1 milreis	
Shanghai, cheques	122c.	122½c.	52·93c. for 1 tael	63·00c.
Singapore, cheques	56c.	56·25c.	55·77c. for $1	57·12c.
Spain, cheques	20·15c.	20·10c.	19·30c. for 1 peseta	
Stockholm, cheques	23·10c.	27·85c.	23·93c. for 1 kroner	
Switzerland, cheques	4·93fr.	4·93fr.	5·18l francs for $1	5·18l fr.
Valparaiso, cheques	22·50c.	22·25c.	20·81c. for 1 peso	
Yokohama, cheques	51·50c.	51·50c.	49·81c. for 1 yen	49·90c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1919 Aggr.	Inc. or Dec.*
	1919.	[In £'s sterling 000's omitted.]			
BIRMINGHAM	Feb. 8	£3,035	+ £413	£15,346	— £706 — 4·6
BRISTOL	,, 8	1,188	+ 86	6,995	+ 818 + 13·2
DUBLIN	,, 8	7,318	+ 1,309	41,548	+ 9,308 + 29·9
LEEDS	,, 8	1,024	+ 178	6,692	+ 783 + 13·3
LEICESTER	,, 8	982	+ 241	4,995	+ 680 + 15·3
LIVERPOOL	,, 8	11,805	+ 2,453	67,320	+ 16,158 + 31·8
MANCHESTER	,, 8	17,577	+ 2,594	91,754	+ 8,904 + 10·8
NEWCASTLE	,, 8	1,971	+ 532	10,250	— 1,375 — 11·9
NOTTINGHAM	,, 8	835	+ 130	4,182	+ 100 + 2·4
SHEFFIELD	,, 8	1,739	+ 402	7,388	+ 12 + 0·1
LONDON—	1919.				
TOWN	Feb. 12	374,237	+ 64,570	2,411,392	+ 386,057 + 19·1
METROPOLITAN	,, 12	30,378	+ 4,757	204,896	+ 39 752 + 24·1
COUNTRY	,, 12	59,312	+ 10,806	382,969	+ 56,449 + 18·4
TOTAL	,, 12	463,927	+ 80,133	2,979,187	+ 482 258 + 19·

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould and Co. the following are the quotations for representative steam freights:—

HOMEWARDS.	1919 Feb. 14	1919 Feb. 7	1913 Feb. 14
Alex. to Lond.or Hull	—	—	9/6
Aust. to U.K. or Cont.	90/0	100/0	38/9
Azoff to L.H.A.R.	—	—	12/9
Bombay to p.p. (nom.)	100/0	100/0	34/0
Burmah o.c. (nom.)	75/0	75/0	32/0
Calcutta to p.p.(jute)	180/0	180/0	30 6
Danube to A.R	—	—	—
Odessa to L.H.A.R.	—	—	10'0
R. Plate to U.K. Cont.	62/6	62/6	28·0

Homewards.—Contd.	1919	1919	1913
U.S.Atl.Ports to Liverpl. (cotton, 100lb.)	Feb 14 $1·25	Feb.7 $1·25	Feb.16 —
U.S.toU.K Cont. (grain)	16/0	17/6	3/1½
Gulf Ports to U.K.Cont. (cotton & grain)	60/0	60/0	18/0

OUTWARDS.—Cardiff to	Bombay	Colombo	Port Said	River Plate	St. Vincent
F.14.'19	—	—	47/8	50/0	42/6
F. 7.'19	—	—	47/8	50/0	42/6
F.14.'13	14/6	13/6	11/7½	16/3	10/6

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	1919 FEB 14	1918 FEB. 15.	1914 JUNE 30.
Iron—Scotch pig warrants ...ton	101/0	101/0	57/0
— Middlesbro' warrants ...ton	95/0	95/0	51/0
— Hematite warrants ...ton	122/6	122/6	61/3
— Staffordshire bars, London ton	£17	£15 10	£8 10
— Common bars ...ton	£14 15	£13 15	£8 10
Steel Rails ...ton	£10 17/6	£10 17/6	£6 2/6
Galvanised Sheets ...ton	£29	£28	£18 17/6
Copper—Standard ...ton	£77—£78	£110—£110 10	£61
Tin—English ingots ...ton	£224	£325—£330	£142 10
— Straits ...ton	£225 10	£322—£325	£139 15
Tinplates, I.C. Coke, S. Wales...box	33/3	31/6	11/10½—12/0
Lead—Soft Foreign ...ton	£25—£29	£28 10—£29 10	£19
Spelter—Ord. Foreign ...ton	£40—£48	£50—£54	£21 7/9
Quicksilver—(75lb.) ...bottle	£20	£20	£7
Aluminium ...ton	nom.	nom	£82
Antimony—Regulus ...ton	nom	nom	£27 10
Coal—(best) Yorkshire ...ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle...ton	40/0—45/0	30/0	14/6
CHEMICALS, OILS, &c.			
Nit. of Soda—f.o.b. Chile, per quintal	nom	11/3	7/4
Soda—Crystals ex ship ...ton	87/6	72/6	42/6—45/0
Copra—Malay and Straits ...ton	£33 10	£45 10	£23 15—£24 7/6
Gambier—Good marks ...cwt.	38/0	63/6	16/10½
Indigo—Bengal good to fine...lb.	9/0—10/6	10/0—12/0	3/2—3/8
Linseed Oil—Raw ...ton	‡	£59	£25 5
Linseed—Calcutta, spot ...ton	£26 15	£29 15	£13 16/9
— Cakes, U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish ...ton	nom.	—	£49 10
Palm Oil—Lagos ...ton	£45	nom.	£31 10
Petroleum—American ...gal on	1/4½	1/7½	-/7½
Rape Oil—Refined English ...ton	£71	£71	£32
Soya Oil—Refined ...ton	£75	£75	£24 10
Tallow—Imported ...cwt.	‡	72/0	29/3—33/3
Turpentine—French ...cwt	101/0	124/6	33/7½
Rape Seed—Toria ...ton	£25 15	£29 15	£13 5
Rubber—Para, spot ...lb.	2/6	2/8½	2/9½
— Fine plantation (stnd. crepe) lb.	1/11½	2/4	2/2
— World's Production* Dec. tons	20,580	22,948	8,487
Shellac—T.N. Orange, fair.....cwt.	250/0—280/0	420/0—430/0	63/0—64/0
TEXTILES.			
Cotton—Middling Uplands ...lb	-/18 35	-/23 55	-/7·53
— Egyptian, good fair ...lb.	-/26·85	-/28 63	-/8·75
— Pernambuco fair ...lb	-/19 94	-/25·70	-/7·73
— Mid. Upl. New York... ...lb	25·65c.	31 20c	13·25c.
— Stock, Liverpool, Feb. 7 ...bales	496,330	482,130	—
Flax—Petrograd, Yarapol ...ton	nom.	£120nom	£28
Hemp—New Zealand ...ton	£70	£93	£25 10
— Manila, Fair ...ton	£80	£85	£26 10
Jute—First Marks ...ton	—	—	£26 15
— Red SOO ...ton	—	—	£24 15
Silk—Blue Elephant ...lb	20/0	25/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb	nom.	nom.	-/11½—1/0
— Lincoln Half Hogs ...lb.	1/7½nom.	1/8 nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb	-/9½—/10½	-/10	-/7½
Leather—Dressing Hides ...lb	2/5—3/1	nom.	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	203,436,000	61,073,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	237c.	226c.	87c.
— English *Gazette*, aver. 480lb qr.	72/7	72/0	34/3
Flour—G.R. ...280lb.	44/3	44/3	28/6
Barley—Eng. *Gaz.*, aver. 400lb. qr.	62/3	59/0	25/4
Oats—Eng. *Gaz.*, aver. 312 b. ...qr.	49/2	50/6	20/0
Maize—N. Y. (new bushel) ...56lb.	145½c.	nom.	78½c.
— Amer. mixed, Liverpool...480lb	79/9	76/0	32/4
— La Plata ...480lb. qr.	72/0	78/0	25/9
Potatoes—Good English ...ton	175/0	120/0—150/0	70/0—75/0
Rice—Bassein ...cwt.	25/0	30/3	7/0—7/3
Tapioca—Pearl, medium...cwt.	47/6	63/0	14/0—17/8
Hay—Best ...2,018lb...load	178/0	125/0—150/0	82/6
Hops—English ...cwt	—	£5 10—£10	£6 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs....8lb.	9/0—9/6	7/8	3/8—3/10
— Scotch sides ...8lb.	9/6	8/4	4/8—5/0
— English ...8lb.	9/6	8/4	4/2—4/5
Mutton—Scotch wethers ...8lb.	10/0	9/2	5/8—6/0
— English wethers ...8lb.	10/0	8/2	4/6—5/4
— New Zealand frozen ...8lb.	10/0	—	2/4—3/2
Pork—English and Irish ...8lb.	10/8	9/6	3/6—4/0
Bacon—Irish, ex Factory ...cwt.	188/0	172/0	60/0—74/0
— Danish, ex Port ...cwt.	—	172/0	58/0—68/0
— American, delivered ...cwt.	176/6	171/0—172/0	72/0—74/0
Hams—Amer. long cut, delvrd. cwt.	170/0	165/0	75/0—79/0
— — short cut, delivered ...cwt.	170/0	162/0	71/0—74/0
Lard—Amer. boxes, delivered cwt.	158/0	152/0	51/9—52/9
Butter—Danish ...cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
— French ...cwt.			96/0—108/0
— Australian ...cwt.			98/0—110/0
— New Zealand ...cwt.			108/0—114/0
Cheese—Canadian ...cwt.	Controlled 163/4	nom.	66/0—68/0
— United States ...cwt.		nom.	—
— Dutch ...cwt.		160/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Jan. 31 cwts.	1,638,479	1,598,693	19,777,254
— Home consump'n to Jan. 31 cwts.	1,784,914	1,882,787	17,272,000
— In Bond Jan 31 ...cwts.	7,271,000	3,417,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	30/0	34/0	10/3
— — Yellow crystals ...cwt	57/9	46/9	12/8—14/0
— — Tate's Cubes, No. 1 ...cwt.	64/9	53/9	18/0
Coffee—Imports to Jan. 31 ...cwts.	26,303	5,609	720,360
— Home consump'n to Jan. 31 cwts.	31,053	63,005	141,410
— Exports to Jan. 31 ...cwts.	10,781	3,213	340,250
— In Bond Jan. 31 ...cwt.	538,000	1,069,000	484,000
— Price, Costa Rica gd. to fine cwt.	140/0—150/0	118/0—134/0	80/0—93/0
— — Brazil (Santos) ...cwt.	85/9	63/9	41/6
Tea—Imports to Jan. 31 ...lbs	24,810,846	52,030,743	123,230,277
— Home consump'n to Jan. 31 lbs.	23,458,822	19,403,946	155,447,972
— Exports to Jan. 31 ...lbs.	113,857	45,811	26,581,785
— In Bond Jan. 31 ...lbs.	141,087,000	63,427,000	78,292,000
— Price, Indian, Pek. Soug. good lb.	1/4	—	-/8½
— — Ceylon, Pek. Soug. Ord. lb.	1/4	—	-/8½
— — Common Congou ...lb.	1/4	nom.	-/5½
Cocoa—In Bond Jan. 31 ...cwt.	629,000	840,000	309,000
— Grenada, good to fine ...cwt.	85/0	nom.	52/6—58/0

* Estimated. † G.M. American Official Value. ‡ By Agreement.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Cuba Railroad ...	Nov.	$472,392	— $174,434	Def. $32,654	— $134,935
	5 *mos. to* Nov.	*4,194,252*	+ *685,822*	*896,572*	+ *123,015*
Int. Rys. of C. America	Dec.	£14,547	— £2,336	£14,784	— £3,917
	12 *mos. to* Dec.	*141,759*	— *25,436*	*227,569*	— *37,390*

VIII.—RAILWAY AND TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant (renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week ended		Miles.	+or— in Yr.	Gross Receipts.	+ or — on Year Ago.	No. Wks.	Aggregate Receipts.	+ or — on Year ago.
Assam Bengal	Jan.	4	993	+ 13	R1,43,630	+ 10,427	14	22,32,788	+ 2,57,315
Barsi Light ...	Jan.	11	118	—	27,000	+ 7,200	41	6,84,200	+ 24,300
Bengal & N.W.	Dec.	28	8,052	+ 4	4,50,570	+ 28,574	13	58,44,342	+ 10,46,478
Beng. Dooars	Dec.	14	168	+ 5	29,951	— 9,015	11	4,44,511	+ 28,386
Beng. Nagpur	Jan.	4	2,695	—	9,84,000	— 1,21,000	40	4,48,46,896	+ 32,61,548
Bomb. Baroda	Feb.	1	2,871	— 2	22,44,000	+ 5,10,000	18	2,98,36,000	+ 24,44,000
Burma	Dec.	28	1,342	—	5,21,327	+ 49,879	39	1,84,83,267	+ 31,15,921
Del. Um. Kalk.	Feb.	1	239	—	74,500	+ 5,086	18	14,66,704	— 1,42,663
East Indian ..	Feb.	1	2,767	— 40	26,20,000	+ 3,28,000	18	4,79,82,000	+ 53,50,000
Gt. Indian Pen.	Jan.	25	3,112½	—	27,11,800	+ 1,46,100	17	3,82,01,360	+ 12,33,234
Madras & S.M.	Jan.	11	3,152	— 1	10,50,000	— 34,335	15	1,50,98,082	— 1,31,689
Nizam's Guar.	Dec.	14	800	—	2,77,576	+ 30,465	11	33,11,395	+ 31,231
Rohi. & Kumn.	Dec.	21	648	—	1,07,324	+ 13,958	12	12,76,300	+ 2,05,883
South Indian	Jan.	4	1,830	+ 38	5,94,038	— 49,807	38	2,71,26,941	— 63,231
South Punjab	M. of	Sept.	716	—	10,51,980	+ 2,89,310	6m	62,92,020	+ 17,92,488
COLONIAL									
Can. Northern	Jan.	31	9,487	+ 53	$1,486,000	+ 517,800	30	30,647,400	+ 6,075,300
Can. Pacific ...	Feb.	7	13,388	+ 395	2,579,000	+ 483,000	5	15,376,000	+ 2,490,000
Gd. Trunk Pac.	Feb.	7	916	—	£17,615	— 8,124	5	102,317	— 13,874
Grand Trunk	Feb.	7	3,816	—	188,015	+ 88,515	5	1,090,619	+ 380,263
Mashonaland...	M. of	Sept.	810	—	65,538	+ 18,885	12m	683,417	+ 10,372
Mid. W. Aust.	M. of	Nov.	277	—	9,488	+ 1,282	5m	42,154	+ 8,532
New Cape Cent.	Dec.	28	205	—	2,917	+ 748	52	119,095	+ 18,938
Rhodesia Rlys.	M. of	Sept.	1,397	—	99,811	+ 18,147	12m	1,094,793	+ 48,197
W. Pass. & Yuk.	M. of	Dec.	122	—		—	12m	$1,244,080	— 604,349
FOREIGN.									
Argentine.									
Arg. N. East. ..	Feb.	1	752	—	£ 9,800	+ 400	31	287,775	+ 33,975
Arg. Transand	Feb.	1	111	—	£ 4,580	+ 60	31	107,410	+ 13,580
B. A. & Pacific	Feb.	8	3,536	—	£ 110,000	— 9,000	32	3,585,000	+ 1,074,000
B. A. Gt. South.	Feb.	2	3,792	—	£ 151,000	+ 8,000	31	4,159,000	+ 1,058,000
Do.	Feb.	2	Net	—	£ 47,000	+ 4,000	31	790,000	+ 105,000
B. A. Western...	Feb.	2	1,882	+ 12	£ 70,000	+ 6,000	31	2,106,000	+ 765,000
Do.	Feb.	2	Net	—	£ 16,000	— 1,000	31	494,000	+ 175,000
B. A. Central ...	M. of	Dec.	190	—	£ 40,857	+ 9,778	6m	246,094	+ 99,907
Cent. Argentine	Feb.	8	3,305	—	£ 114,100	+ 13,100	32	4,064,900	+ 1,063,700
Do.	Feb.	8	Net	—	£ Dr. 10,200	— 24,400	32	540,900	— 135,073
Cord. Central ...	Feb.	1	1,205	—	£ 42,500	—	31	1,376,880	+ 435,430
Entre Rios	Feb.	1	831	—	£ 20,500	+ 2,400	31	613,100	+ 185,700
Brazilian.									
Brazil Gt. South.	M. of	Sept.	110	—	M 41,264	+ 1,076	9m	450,733	+ 82,454
Brazil Railway	M. of	Nov.	3,530	—	M 3,220,000	— 1,504,109	11m	52,913,300	+ 7,760,514
Gt. W. Brazil .	Feb.	1	1,010	—	£ 21,600	+ 1,800	5	103,700	— 3,100
Leopoldina	Feb.	1	1,831	—	£ 27,824	— 8,030	5	136,135	— 41,170
Mogyana	M. of	Nov.	1,180	—	M 1,382,000	— 915,338	11m	20,706,000	— 1,518,181
Paulista	M. of	Nov.	766	—	M 2,185,000	— 1,264,985	11m	29,679,000	— 319,854
San Paulo	Feb.	9	153½	—	£ 11,374	— 27,661	6	136,517	— 82,026
Sorocabana	M. of	Nov.	1,003	—	M 1,128,000	— 865,148	11m	20,204,000	+ 1,222,860
S. of Bahia S.W.	M. of	Dec.	52	—	M 94,000	— 8,000	12m	1,061,000	— 62,000
Chilean and Peruvian.									
Antofagasta	Feb.	2	838	—	£ 26,310	— 12,340	5	160,650	— 30,445
Arauco	M. of	Nov.	84½	—	£ 11,500	— 3,500	12m	143,000	+ 15,500
Nitrate (2 wks.)	Jan.	31	390	—	$ 30,231	— 8,657	4	55,538	— 18,160
Peruvian Corp	M. of	Jan.	1,140	—	$ 1,009,650	— 179,700	7m	7,030,365	— 247,255
Taltal	M. of	Jan.	181	—	£ 11,123	— 20,429	7m	124,847	— 57,147
Cuban.									
Cuban Central ..	Feb.	8	382	—	£ 35,042	+ 1,425	32	530,090	+ 54,360
Havana Central	Feb.	8	70	—	£ 11,948	+ 384	32	278,944	+ 21,010
U. of Havana ..	Feb.	8	881	—	£ 75,531	+ 7,806	32	1,540,940	+ 63,430
W. of Havana ..	Feb.	8	165	—	£ 12,162	+ 1,372	32	232,913	— 10,930
Uruguayan.									
Cent. Uruguay	Feb.	1	272	+ 1	£ 23,611	+ 4,528	31	639,649	+ 89,491
" (E. Ext.)	Feb.	1	311	—	£ 6,815	+ 1,776	31	141,777	+ 4,461
" (N. Ext.)	Feb.	1	185	—	£ 4,366	+ 506	31	112,475	+ 17,325
" (W. Ext.)	Feb.	1	211	—	£ 3,945	+ 452	32	80,564	+ 14,950
Mid. Uruguay ..	M. of	Jan.	319	—	£ 17,447	+ 6,431	7m	116,206	+ 20,900
N. W. Uruguay	M. of	Jan.	113	—	$ 27,500	+ 1,564	7m	208,218	+ 16,020
Urug. Northern	M. of	Jan.	73	—	£ 2,181	— 77	7m	13,987	+ 71
Miscellaneous.									
Alcoy & Gandia	Feb.	1	33	—	Ps. 11,500	+ 1,000	5	43,000	+ 1,000
Bilbao	M. of	Jan.	16	—	£ 2,751	— 2,357	1m	—	—
Bolivar.....	M. of	Dec.	136	—	£ 14,000	+ 2,236	6m	46,829	— 20,674
Colomb. Natnl.	M. of	Dec.	86	—	£ 13,440	+ 240	12m	147,320	+ 8,220
Colomb. Northn.	M. of	Feb.	30	—	£ 6,388	+ 544	8m	50,165	+ 7,465
Costa Rica	M. of	Nov.	189	—	£ 21,115	+ 11,003	5m	110,615	+ 45,250
Dorada Ext.	M. of	Jan.	71	—	£ 7,800	— 500	1m	—	—
Egyptian Delta	Jan.	20	559½	—	£ 10,492	+ 203	41	302,894	+ 73,465
Gt. S. of Spain	Feb.	1	104	—	Ps. 153,584	+ 122,937	5	640,369	+ 491,900
La Guaira & Ca.	M. of	Jan.	22½	—	£ 77,110	— 11,990	1m	—	—
Paraguay Cent.	Feb.	1	265	—	£ 4,170	+ 1,250	32	118,500	+ 30,630
Puerto Cabello	M. of	Dec.	24	—	£ 3,200	— 1,300	12m	44,500	— 4,440
Salvador	Feb.	8	100	—	£ 4,597	+ 1,283	32	65,736	+ 14,300
Santa Fe Prov. French Rwys.	M. of	Dec.	1,181	—	£ 177,232	+ 22,752	12m	1,847,564	+ 558,170
S'mana & S'tiago	M. of	Jan.	80	—	£ 6,880	— 1,969	1m	—	—
Zafra & Huelva	M. of	Dec.	119	—	£ 12,821	+ 1,150	12m	153,788	+ 18,630

TRAMWAYS.

			Miles						
Anglo Argentine ...	Feb.	4	400	£	58,942	+ 8,322	5	251,941	— 8,098
Auckland (4 weeks)	Dec.	20	27	£	19,585	— 3,079	24	123,856	— 5,87
Bombay Electric .	M. of	Nov.	39·3	R.	6,24,213	+ 60,706	11m	64,11,270	+ 8,30,45
Brazilian Traction...	M. of	Nov.	378½	M.	7,581,000	— 124,000	11m	93,363,000	+ 9,232,00
Brisbane Electric ...	M. of	Jan.	40½	£	38,575	+ 4,075	1m	—	—
British Columbia ...	M. of	Dec.	334	$	691,061	+ 135,510	6m	3,418,095	+ 494,43
B. Ayres Lacroze ..	M. of	Jan.	51	£	41,656	+ 2,854	7m	300,780	+ 31,40
Calcutta	Feb.	1	36½	R	82,762	+ 11,429	5	429,607	+ 60,85
Cape Electric	M. of	Dec.	42·43	£	28,445	+ 3,722	6m	133,073	+ 9,58
Carth & Herr.	M. of	Jan.	—	£	3,655	— 356	1m	—	—
Chatham & District	Jan.	30	14·98	$	1,175	+ 61	4	5,106	+ 28
Havana Electric	M. of	Nov.	86	$	690,704	+ 47,301	11m	7,466,653	+ 1,150,84
Isle of Thanet	Feb.	8	21	£	258	+ 58	19	5,755	+ 2,52
Kalgoorlie	M. of	Sept.	20½	£	2,947	— 116	9m	25,070	+ 94
Lanarkshire...	Jan.	30	28·43	£	3,595	+ 643	4	16,579	+ 3,78
Lima Light & Trams.	M. of	Oct.	85	$	45,336	+ 7,724	10m	435,004	+ 75,19
London O.C.	Feb.	12	141·87	£	67,317	+ 11,110	45	3,017,200	+ 510,90
Madras Elec. (2 wks.)	Jan.	31	15½	R	45,474	+ 4,932	4	88,056	+ 9,72
Manila Electric	M. of	Nov.	55	$	214,292	+ 55,292	11m	2,090,630	+ 466,89
Pernambuco.....	Feb.	2	58	$	5,497	+ 738	5	26,768	+ 2,51
Provincial	Feb.	1	21½	$	2,446	+ 9	18	45,267	+ 2,98
Rangoon Electric ...	M. of	Nov.	25	$	8,611	+ 1,253	11m	65,804	+ 10,42
Shanghai Electric	Nov.	27	28·825	Mex. $	32,002	+ 6,772	47	1,206,275	+ 64,34
Singapore Elect.....	Jan.	4	26½	$	14,909	+ 1,790	1	—	—
U. of Montevideo ...	M. of	Jan.	80½	£	40,910	+ 4,894	3m	111,049	+ 9,94

SUPERIOR
WINES AND SPIRITS
Owing to great demand only a limited number of the well-known "PINK LIST" quoting large and unique assortment of Superior Wines and Spirits at Market Prices is being issued.
Apply to EHRMANNS,
Wine and Spirit Shippers and Merchants,
43, 44 and 47 Finsbury Square, London, E.C. 2.
(*Please quote "S."*)

INSURANCE ECONOMY
Many people pay higher rates than necessary. The Policies of others cover less than advisable. Before renewing old or taking out new Policies write for latest rates. We may be able to effect considerable economies for you.
EAGLE STAR & BRITISH DOMINIONS INSURANCE COMPANY LTD
Head Office: British Dominions House, Royal Exchange Avenue, London, E.C. 3.
ASSETS EXCEED £13,000,000.
"Pay what you owe. Employ the Disabled."

The Statist.
LONDON, SATURDAY, FEBRUARY 15, 1919.

THE PREMIER'S SPEECH.

Mr. Lloyd George's speech on Tuesday may, without caricature or exaggeration, be described as a series of threats tempered by promises. He seems to have come back from the Peace Conference full of German militarism, and ready to deal out punishment to all and sundry who offend him. In all friendliness we would remark that that is not the spirit in which the United Kingdom can be wisely and judiciously administered, and the sooner it is cast away the better it will be for all of us. Bad company corrupts good morals is an old adage, which apparently we are about to see exemplified here at home. We do not mean that the bad company was that in which he mixed in Paris. What we frankly do mean is that, having taken to himself the reactionary party, he has to a considerable extent imbibed reaction. It won't do. And the Premier will find the truth of the statement before long. Neither will the partisanship answer which he exemplified. We have not a word to say against the nominal leaders of the various trade unions. They may be men of the greatest wisdom, patriotism, and foresight, for anything we know. But we fail to see what justification the Prime Minister has for interfering between the members of the trade unions and those who are their leaders only because they have been elected as such by the members of the trade unions. We presume that the members of the trade unions have the same right as all the rest of us to change their opinions. If they consider that their present leaders are not leading them aright, we fail to see on what grounds the Prime Minister is justified in interfering between the elected and the electors. And we equally fail to see how it comes about that he has persuaded himself that he is doing a service to the trade union leaders by showing that, while they have lost the confidence of those who elected them, they have won the confidence of the head of the Executive Government. It does not seem to plain people who do not exercise great power and have not been pitchforked into powerful positions either judicious or calculated to effect its presumable object. However, that is a matter which concerns the Prime Minister, the trade union leaders, and the members of the trade unions. We have nothing to do with it, we admit, and the less we say about it the better. But the whole speech seems to us a string of inconsistencies, want of judgment, and, if we may say so without offence, impertinence. There is a deep feeling of discontent throughout the working classes that is recognised by everybody. And we should have thought that the man who for the moment holds the place of First Minister of the Crown would feel persuaded that it would be injudicious on his part to say or do anything calculated to increase the discontent and irritated feeling, as well as deep anxiety, which exist. Mr. Lloyd George affects to think that the present feeling of the working classes in this country is only a form of Bolshevism. At least that is the impression his speech is calculated to make, for he recurs again and again to what is going on, and has for some years been going on, in Russia. Now we greatly fear that these constant references to Russia and the threats, expressed and implied, are either evidence that Mr. Lloyd George is overworked, and that he would do well to take a holiday where he could thoroughly refresh himself, or else that his mind has been poisoned while he has been in Paris by false reports sent to him from this side.

The existing state of things has been anticipated by every careful observer. In this Journal we have ourselves prepared our readers again and again for what is now taking place. And we have felt assured that every really good observer shared the apprehensions which we experienced ourselves. Germany for half a century had been preparing for war. Her whole militarist class had been warning the entire world that Germany was confident that she could subdue Europe, and that she meant to do it. The Conservative party in the teeth of that yielded to her Heligoland; and later Mr. Balfour, as Prime Minister, declared in his place in the House of Commons that he was supported by the best naval opinion in declaring that England had no occasion to prepare for anything but the defence of India. As a matter of course, therefore, we were taken quite unprepared when the War broke out; and without taking a vote either of the people themselves, or even of Parliament, the whole military system of the country was thrown overboard, and universal liability to military service was adopted. It need hardly be said that there was nothing ready—absolutely nothing. The recognised military authorities were persuaded that it was absolutely unnecessary to improve our artillery—we had as good guns as any country in the world. Equally they were persuaded that we had all the munitions that were required. Nearly two years passed before it was thoroughly admitted that we were utterly deficient in every kind of ammunition; and in the middle of a great war we had to set to work to provide ourselves with the means of fighting. Furthermore, the Conservative party deliberately, and in cold blood, protected Sir E. Carson while he was rousing Ulster into a dangerous state of mind. And, to cap all, when the late Mr. Redmond and Mr. Dillon promised to raise a large military force in Ireland, and found that they could do so if plentiful commissions were given to Irish Catholic gentlemen, the commissions were point-blank refused. The result everybody knows. The War was conducted in a manner which, say what we like now, has lowered our credit. We had the experiences before Constantinople and at Kut. And we had the experiences last March in France. Ultimately, we had to acknowledge, in effect, though we were not honest enough to do so in words, that we had not a single officer fit for the work of commanding a great army. And we had to agree to nominate a French General as Generalissimo of the Allied forces in Europe. Now, recalling all

these facts, we would ask any honest-minded reader whether there is the least cause for surprise that the British public is sore, almost beyond the point of bearing; that Ireland is in as bad a condition as she was in the days of Fenianism; and that England is itself so out of temper that the Prime Minister thinks it his duty to threaten the whole body of the British working men. When it was announced that Mr. Lloyd George had thrown in his lot with the reactionary party we did not hesitate in this Journal to point out that his action would dangerously increase all his difficulties, because it would make a most regrettable impression upon the vast body of the people. He persisted in his course, possibly because he had committed more than one false step which rendered it difficult for him to adopt a wiser policy. And now he is adding to all his mistakes by threatening the whole body of the working classes. It is quite possible that he may be able to carry out his threats. But suppose he cannot. Suppose something happens which makes it impossible to carry out threats. Where will he be, and who is to succeed him?

Mr. Lloyd George has, somehow or other, so managed as to make himself almost indispensable. Mr. Asquith committed such a series of blunders that even he himself feels he is no longer possible. And in what used to be called the Liberal party there seems at present to be not a single man capable of leading the House of Commons. While the party that is led by Mr. Lloyd George—pardon us, the congeries, for it is not a party—is without real influence of any kind, except with the reactionaries. If Mr. Lloyd George thinks that he can inaugurate and maintain a policy of reaction we believe him to be utterly mistaken. At the same time, we do not doubt that he has the courage to attempt what he thinks to be practicable. If our view is correct, then we greatly fear we are entering upon a very disturbed, even a disastrous, period. We have thrown our whole industry out of gear. And the Prime Minister now tells the working classes that if they are not good boys they will be compelled to be good boys; and apparently he thinks that that kind of policy is likely to succeed. If we were desirous to break up the British Empire, either for the benefit, let us say, of the United States, or for the purpose of calling into existence a number of new independent Republics in the case of the Dominions, we should rejoice over the speech delivered on Tuesday by the Prime Minister. As it is, we are filled with serious anxiety. We see nobody to whom we can turn. There is not a public man in existence at the moment who possesses the confidence of the people. And the best our Prime Minister has to say is, "If you are good boys, and do not disturb us, we will do what we think is necessary for your benefit. If you are not good boys, then we shall compel you to submit to our will." It is a pretty state to have arrived at after the patriotism shown by the great body of the people since the beginning of August 1914. If it was merely a political question we should not regard it so very seriously, for there have been reactionaries in the past, and reaction has always soon come to an end. What makes us so exceedingly anxious is that we have not one single moment to lose in endeavouring to recover from the direful blunders made by the Governments of Mr. Asquith and Mr. Lloyd George during the last four and a half or five years. Our trade is in the gravest danger. Our working classes are in a state of mind which, to say the least, is not reassuring. Our employing classes take an entirely wrong view, both of their own indispensability and of what the country really requires. If, therefore, we had a statesman, and not a mere talker, at the head of the Government, he would be exceedingly penurious in his talk, but he would be almost restless in his practical activity. We want assurance given to the people that everything that can in reason be granted to them shall be granted. And we want examples set by the Government that it is prepared to do what is necessary. At this point it is only fair to admit that Mr. Lloyd George makes copious promises. But then he has from time to time given us indications of what those promises mean; and we greatly fear they will add to the disappointment when they are brought before Parliament.

BRITISH CREDIT.

OBJECTION has been taken by a highly valued friend, for whose opinion we hold the highest possible respect, to two statements made by us last week in our article upon the "Condition of Our Banks." In the first case, we spoke of "the humiliations we underwent when we had actually to lodge American and South American securities in New York to persuade the New York lenders that England and France together were rich enough to pay the interest upon and repay the capital of a trifling 100 millions sterling." In the second we wrote: "We found when the War broke out that we could not borrow in New York a petty 50 millions sterling without lodging American or South American securities, so absolutely low had our credit fallen." Now we are free to admit that those two passages are loosely worded, and may very easily be understood by a reader as affirming that, as a matter of fact, we and the French borrowers lodged collateral security to obtain a petty 50 millions sterling in New York. That was not our actual meaning. But we apologise to our readers and to our friend for writing in such a slipshod manner that we left ourselves open to a misunderstanding. The real facts were as follows: The British Government, when the War broke out, and it was discovered that the banks had failed in their duty to keep adequate gold reserves, while the Government itself had still more egregiously failed to make any preparation, either military or financial, against the danger of a great War, so that our credit began to fall very alarmingly, felt it necessary to guarantee the acceptors of bills, the Stock Exchange, the bill brokers, and so on against their own failure to do their duty. Secondly, the Government found that while it was ashamed to suspend specie payments, it in practice had to allow specie payments to come to an end, for it had to issue Government paper notes; and, in addition, it had to forbid the export of gold from this country except to New York. Lastly, it had to appeal to investors at home of all classes and conditions to lend to it the securities in which they had invested, and particularly their American and Argentine securities. The result of all this was so damaging to our credit that American investors, while they were ready to lend, demanded that collateral securities, with which they were themselves personally acquainted, such as American and Argentine, should be lodged in addition to the security implied in the credit of both England and France. So strong was the demand for these collateral securities that one of the partners in the great New York banking house of Messrs. Morgan and Company in a public speech laboured to convince his hearers that not only was the credit of England and France sufficient for the loans demanded, but that, in fact, it was insulting to those two great countries to ask for collateral security. Nevertheless, it was doubtful whether so small a sum as 100 millions sterling for England and France together could be raised in the open market in New York without lodging collateral security. The British Government at last saw how serious the matter had become, and it selected Sir Edward Holden and the Lord Chief Justice of England to go over to New York to raise the money. These two eminent gentlemen succeeded in obtaining the loan without actually lodging collateral security. But that there was so strong a public demand in New York for collateral security that a member of the issuing house felt it necessary to argue against the proposal, and show how objectionable it was, politically and financially, is

beyond all possibility of denial. Last week we were writing mainly upon the reports issued by our banks for the past year, and we did not deem it expedient in such a connection to enter into a long story as to the demands made by the lenders in New York, and the means by which those demands were parried. We are afraid that in our desire to be brief, and trusting to the popular recollection of facts which are only a few years old, we laid ourselves open to misunderstanding. We hope the explanation we have now given will satisfy all parties. The eminent gentlemen who were sent out to negotiate the loan were successful in obtaining what they wanted and yet avoiding the indignity of having to lodge collateral security, while the great body of lenders in New York were educated by the long discussion that took place and came to see that England and France together were more than good for so small a loan as 100 millions.

WHEN THE WAR ENDS.—LV.

The condition of the working classes in the United Kingdom is so very shamefully unsatisfactory that we offer no apology to our readers for dwelling upon it again. On the contrary, we think it to be the duty of every person who values his country to give to it his most serious thoughts. We have explained that it is estimated by the financial authorities of the Government that the total number of persons in this country who are liable to pay income tax is about 2,200,000, or, roughly, between 4% and 5% of the whole community. We have in recent articles endeavoured to impress upon the less thoughtful of our readers the extremely disturbing significance of these figures. But from communications which reach us we are, unfortunately, convinced that very large numbers still fail to understand their real meaning. We hope, therefore, that those who are impressed by the gravity of the case will pardon us if we devote another article to-day to making clearer the disquieting meaning of the figures we have quoted. Before doing so we would remind every reader, whatever may be his position or his opinions, that every class in the community is profoundly interested, and that, in fact, if we fail in bringing about a satisfactory agreement between employers and employed we are entering upon a slow decay of not merely the British Empire, but of the United Kingdom itself. As we pointed out last week, the lowest level of income tax is £130 a year, or £2 10*s.* or 50*s.* per week; and that 2,200,000 persons are believed to be liable to income tax under the law as changed during the War implies that only between 4% and 5% of the whole population of the United Kingdom is in a position to contribute to the income tax, which is a most alarming fact. Remember that the War has imposed upon us a mountain of debt, and that between the necessary expenditure of the country and the interest and sinking fund necessary for the debt, the taxation will be exceedingly heavy. For the very poor it will be almost crushing; and for people with modest incomes and considerable families it will be exceedingly heavy. The average family of the United Kingdom is generally taken at 4½ persons. If we adopt those figures, then the families of the persons liable to income tax under the existing law make up together, roughly, 10 millions of individuals. But the last Census showed that there were nearly 45½ millions of people in the United Kingdom. Consequently, when we deduct all the families of those liable to income tax we have a surplus of over 35 millions, or say roughly in these little islands there is an aggregate of persons very nearly equal to the whole population of the kingdom of Italy—not, of course, including what it may gain through the War—which secures an income so insufficient as to be exempt from liability to the income tax. We have in the foregoing statement assumed, for convenience sake, that every payer of income tax is the head of a family. We are quite aware that the facts are not exactly so. But we do not wish to appear to be making out the condition of the country more unfavourable than it really is. Many sons of wealthy persons are in possession of incomes of their own; while sometimes sons of special ability leave their fathers' houses early, and soon acquire incomes for themselves larger than those possessed by their fathers. If, therefore, we wished to exaggerate it would not be difficult to make out that the condition of the country is even more unfavourable than we have represented it to be in the foregoing statement. Still we leave the statement as it is, and invite to it the most careful attention of every person who honestly desires to do the best in his power for the welfare of the United Kingdom.

We would invite our friends amongst employers to consider the figures just given very carefully, and to ask themselves in all seriousness, What do they imply, and what duty do they impose upon good citizens of the United Kingdom? The first thing they imply clearly is that the condition of the country is in the highest degree unsatisfactory. We have a population, roughly, about equal to that which fought the Austrians during the War so gallantly, in a state of poverty so great that not one of them earns in any way 50*s.* a week, while the majority earn considerably less than £1 per week, and it is extremely doubtful whether a large number are, week in and week out, throughout their lives, able to earn even as much as 10*s.* per week. We have amongst the 35 millions all the paupers, to begin with, all the criminals, all who live by prostitution and the like; then we have widows with young children left to struggle as best they can by the early death of their husbands; and, in addition, we have the multitude of women who, foolishly, have not been brought up to any kind of profitable occupation, and, for one reason or another, are now dependent more or less upon male relatives. These people, taking them altogether, must amount to several millions, and they are a dead weight round the necks of the really producing classes. Above these there are the workers who never can secure steady, permanent employment. It is beside the point to argue that the fault is their own. That is a statement very easy to make, but impossible to prove. Even if it could be proved—if a man of the highest genius were suddenly to appear amongst us and to convince the most sceptical that it is their own fault—it would not improve the condition of the country by a single iota. On the contrary, it would make the case worse than we wish to present it, for, if a great number of persons are so constituted that they either will not, or cannot, permanently support themselves, then England is a much weaker country than any of us have hitherto supposed. We have amongst us a lot of people who are worth nothing, and never will be. Personally we do not believe that the facts are so, and we will satisfy ourselves by quoting in support of our own view the figures which we reproduced the other day from the statement showing the condition of pauperism in England and Wales at the end of last September. There it was clearly shown that a surprisingly large proportion of the paupers have, during the War, been able to rise out of pauperism and to become self-supporting. The facts being so, we do not ourselves doubt that a great deal both of the pauperism and of the semi-pauperism of the United Kingdom is curable, and is due, not so much to the faults of the persons affected as to the improper organisation of the United Kingdom. In any case, whether we are right or wrong, there are reasonable grounds for believing that much of the poverty, the ignorance, and the crime all around us could be cured if the right measures were taken, and we would ask the employing class to accompany us a little farther and to consider with us what the result of our present policy is upon the production of the United Kingdom.

When last week examining the reports of our banks for the past year we called the attention of our

readers to the unquestionable fact that the only real capitalists in the community are the consumers, and that everything which is produced, whether at home or abroad, and consumed in this country, from the very first moment at which, let us say, cultivation of the ground is begun, or an animal is brought into the world, down to the moment when the article is bought from the last shopkeeper and is consumed by the whole family, has to be paid for by the consumers. This is the most fruitful fact in the whole range of economics; and it is the one fact which nearly every writer upon economics tries to conceal as if there was a general conspiracy to ruin the world. Every human being who is brought into the world has to consume. Day and night he consumes in one way or another. He eats, drinks, wears out clothing, and so on during the day. In the evening, in cold weather like the present, he burns much coal. When he goes to bed he needs warm clothing, comfortable rooms, and a soft bed to lie upon. Always he is consuming. Consumption is the work that we are all engaged in, even the most worthless of us: even those of us who never did a stroke of honest work in their lives are always consuming. And those who pay for all the consumption, the real capitalists of the world, are treated as if they were not worth consideration. Now we would ask our producing friends to accompany us a little farther, and to see how we are combining to injure the only capitalists in the world, while we flatter ourselves we are helping capitalists who are not capitalists. We have, as has been pointed out above, a population in these little islands roughly about equal to the population of the Kingdom of Italy—one of the Great Powers—which is so poor that it is not liable to income tax. We brag—we never tire of bragging—of the wealth of England, and the ease with which she can do this, that, and the other thing, and the certainty with which she will work her way through all sorts of difficulties. And yet we have about 35 millions of our own people who could be consumers, doubled, trebled, quadrupled consumers compared with what they are, and we deliberately refuse to benefit ourselves by helping them to consume more largely. Is it possible to imagine anything more short-sighted, more idiotic, than our conduct? We had—our Prime Minister, rather, had—last spring to telegraph in terms which were not very complimentary to our military leaders to America to hurry up sending troops to France. And we had all the time 35 millions of people at home who are not able to earn 50*s.* a week.

Mr. Asquith, amongst his other idiotic practices while Prime Minister, urged the public to prepare to win back some part at least of the trade won from us by the Germans. The urgency of such a course has been preached over and over again by others since. And one can hardly take up a morning paper without finding some silly article repeating the recommendation, as if any amount of mere talk and mere writing will succeed in bringing back trade which we lost because of our own incompetence. Talk is of just as little use as the wind that whistles through the key-hole. We have to make ourselves competent, and if we do we need not fear losing our trade. But before attempting to recover trade lost to the Germans would it not be wise, as well as patriotic, to enable the 35 millions of people who at present are unable to earn 50*s.* a week to earn at least that sum, and if possible twice as much, and so to make it practicable for them to buy double and treble what they can buy now? We would ask our employing traders to consider in their own minds carefully and thoughtfully whether it is not better to see wages rise, even from their point of view, than to see wages go down. Suppose wages could be reduced materially, is it not certain that the poverty of the 35 millions would be increased, and that, consequently, the whole consumption would be reduced? You would increase pauperism; you would increase crime; in all reasonable probability you would increase disaffection. Most certainly you would give an impetus to emigration. And what would you gain? You have a chance of recovering some of the trade lost by Germany. Precisely so. But so has the United States, and Argentina, and France, and Spain, and Italy, and Japan. So has every economic country in the world just as good a chance as we, and they will try for it. Whereas who has such a good chance of enjoying a great trade at home, suppose we make it possible for the 35 millions of half-starved people to buy more largely in the future? We are not pleading for charity. Frankly, we think charity of very questionable benefit. We are inclined to look upon charity as dishonouring and debasing to those who receive it. Therefore, we are not in the least pleading for charity. Nor are we in the least pleading for any kind of moral perfection. We do not believe in moral perfection. And we do not pretend to advocate what we disbelieve in. But we do thoroughly believe in the desire of every man and woman of common-sense to benefit themselves when they can. Make it possible for men and women to benefit themselves. The majority of them will seize the opportunity; consumption will increase; and the instant consumption increases production will be multiplied manifold, and a state of activity and prosperity never before experienced will gradually be created. We are not asking for anything impossible from our employing friends. They go into business to make money. That is their professed object, and a very respectable and deserving object it is. It would be folly to ask of them as a body to give up their real purpose and turn themselves into goody-goodies. We do not expect it, and we do not ask it. But we do ask them to do what is common-sense. They have the trade of the country in their hands now. They can make the trade of the country infinitely more prosperous. Will they do it? It is to their advantage to do it as well as to the advantage of the whole community. If they do it they will strengthen themselves immensely, and they will strengthen the United Kingdom and the Empire. If they do not—well, then other means will be employed.

PREVENTION OF DISEASE.

By A Physician.

The Ministry of Health must teach the public by constant propaganda how to keep well. Prevention must begin with the expecting mother. She must be under medical and general supervision. The country must see to it that every baby possible is breast fed. The children must be watched continuously, and their parents instructed. There is one disease above all others on which the public are urged to concentrate their attention, and that is decay of the teeth. It affects almost every member of the community. It begins in childhood. It lowers the health of the child, and consequently it predisposes it to tubercle and disease generally. It is impossible to exaggerate the suffering and economic loss caused to the community by this apparently trivial, but really terrible, disease. It is estimated that at least 20% of all chronic disease in this country is due, directly or indirectly, to the state of the teeth. The cost to the country through the consequent inefficiency of its citizens amounts to an enormous sum every year. The disease affects especially the British Empire and the U.S.A. For instance, *The Times* correspondent at Wellington, N.Z., sends the following message, July 16, 1918:—"The President of the Dental Association was the spokesman of a deputation which urged the Government to establish dental bursaries. He said that the examination of thousands of schoolchildren in N.Z. showed the percentage of those suffering from dental caries to be 95. *If cows were similarly affected*

they would not be tolerated for one month." (Italics mine.) The sting lies, as usual in the tail. If the cows could neither crop the grass nor chew the cud it would spell ruin; and no one would rest until *the cause* was discovered. It must be obvious to any sane individual that the first essential to health is a clean wholesome mouth with two rows of sound teeth. Yet this necessary condition is rarely seen in our midst. The tooth, the hardest part of the body, rots while the child is in the nursery and the schoolroom. What is the object of spending huge sums on sanatoria and other schemes while this disease is allowed to exist from childhood?

Just consider how many diseases affect some part of the alimentary canal, and it will be at once obvious how necessary it is to begin with the care of the mouth. Diphtheria, tonsillitis, the sore throat of measles and scarlet fever, dyspepsia, ulcer of the stomach, appendicitis, forms of rheumatism and cancer, are examples. One of the best-known surgeons in the world actually removes *several feet* of the large intestine because the food taken into the mouth does not pass satisfactorily through the canal. Many surgeons are performing grave operations because of the ulcers existing in the stomach or the portion of the tube next below it. The public should remember that the care of the mouth is *presumed* to be in the hands of the dentist. As a matter of fact his advice is only sought after the disease is already present. The dentist is still regarded by many of the public and of the medical profession as holding an inferior position to the latter. In reality the dentist is a medical specialist, a dental surgeon, and of far greater importance to the community than the throat specialist. Dr. Sim Wallace, the dental surgeon, has pointed out for many years that dental disease is caused by faulty food and feeding. He claims that he is bringing up children with sound teeth to-day; that it is easy to do so; and that the feeding necessary is *actually cheaper*. The medical profession, for the most part, does not appreciate the fact; and, therefore, this appeal is made to the thinking public. The writer is convinced that Dr. Sim Wallace is right, and that his work will confer upon the community a greater boon than the work of any other living man. The people themselves cannot possibly decide the matter; and therefore they are urged to recognise the overwhelming importance of the subject and to demand a Government inquiry into the cause of this widespread disease. Dr. Sim Wallace claims that the chief cause of the disease is the adhesive and easily fermentable nature of the modern diet; also meals between meals, and especially the bread-and-milk at bed-time. The last-named leaves a poultice over the crevices of, and between, the teeth during the night; nascent lactic acid arises on the tooth through the fermentation of the carbohydrate by means of bacilli; and the special affinity of this acid for the carbonates of the enamel starts the disease.

Take the principal foods of children in this country—*i.e.*, cow's milk, manufactured sugar and sweets, soft white bread, and finely milled flour in biscuits. Cow's milk belongs to the calf; and milk is the natural food for the toothless young only. In small quantities and well diluted, no doubt, cow's milk is useful in the difficult stage between the weaning of the child and the completion of its first teeth. It, or some other animal's milk, is necessary where the mother cannot nurse her baby. It is not the food for healthy children with teeth. Manufactured sugar, in the enormous quantities consumed in this country in 1913, was a modern article of diet. Never grown here, the consumption of refined sugar per head of population had gone up from 9.91 lb. in 1883 to 52.23 lb. in 1900. This takes no account of the syrup in tinned fruits (Sim Wallace). There is all the difference in the world between the native sucking and chewing the *fibrous* cane and the concentrated article in the sugar-basin. Prior to this invasion of sugar and sweets our children made their own sugar out of the starch in such foods as bread and potatoes. A small dose of strychnine well diluted is an excellent tonic for a convalescent; a sufficiently large dose and the undertaker is sent for. The soft white bread and fine-flour biscuits are a curse to children. It is most important to note that children for some time now have got on quite well without any white bread or fine-flour biscuits, very little sugar or sweets, and much less milk. If the diet taken by children has the effect of destroying the hardest part of the body, like rust eats into iron, it is surely permissible to suggest that the same diet may be the cause of much of the disease of the rest of the alimentary canal, and, indeed, of the body generally. Dental disease is rampant in the U.S.A.; the very fact of the number and eminence of their dental surgeons is sufficient proof. But in spite of their patching up the teeth as soon as they are diseased, appendicitis, dyspepsia, and other diseases of the alimentary canal are notoriously rife amongst them. They are simply treating the disease; they are not practising *prevention*.

Let us, *at a cost of less than nothing to the Exchequer*, start a race of children fed on rational grounds, with sound teeth and healthy mouths, and then see what happens to them. It is the writer's firm belief that appendicitis and gastric ulcer will become rarities. The writer of this article, prior to August 1914, was in charge of a hospital for poor country Arabs. As a whole, the country Arab, as opposed to the town Arab, had very good teeth. His diet was composed of a coarse, hard, wholemeal bread, his staple food, eggs, fish, meat when he could afford it, butter, and a large amount of fresh fruit, and dried in the shape of dates. He took no sugar beyond what was in the fruits. In several years not one case of appendicitis was seen; not one case of gastric ulcer, no tonsils or adenoids, cancer almost unknown, not one case of cancer affecting any part of the alimentary canal. The writer then returned to England, where appendicitis is a scourge, dyspepsia and gastric ulcer rife, tonsils and adenoids the same, where cancer is all too prevalent, in order to look after the *picked* young men of the race. In an examination of the mouths of thousands of soldiers *one* perfectly sound set of teeth was discovered. On the other hand, tooth-plates were quite common in lads of nineteen and upwards, decayed teeth and missing teeth the absolute rule. Thousands were rejected from the Army because of their teeth, or because of disease due to them. The condition of the young women is known to be as bad, if not worse, In conclusion: (1) Reform the diet at once. Give the children three meals a day and nothing between meals. Give them coarse wholemeal bread. No sweets at all. Finish each meal with something cleansing, such as dry toast and butter, crust of bread and butter or margarine, celery or fruit. Give children a piece of apple after the last meal to cleanse their mouth for the night. Spoil them with fruit and toys, but never with sweets. Grow more apples in the country. (2) Develop the carriage, cold-storage and distribution by motor to every cottage in the country of our wonderful fish supply, eating, and paying for far less inferior imported butchers' meat. Meat was almost unknown to the poor of England prior to the recent cold-storage invasion. Each cottager killed his pig and tasted no beef or mutton. Far too much meat was being consumed here in 1913 by those who could afford it. (3) Destroy at once the rats which consume our food and spread disease, including plague, amongst us. (4) Muzzle all dogs throughout the country for twelve months, and stamp out the rabies which has broken out in Devon and Cornwall before it is too late.

WATER POWER IN IRELAND.—I.

Some time ago a Committee was appointed to investigate our long-neglected resources in water power. The Irish aspect of the subject was ignored, though in these columns we had repeatedly drawn attention to the value of water power in a country somewhat deficient in other sources of energy. At last the Board of Trade was induced to move, and, somewhat tardily, in December last came the announcement of the appointment of a Sub-Committee to the main Committee to inquire into and report upon the question as it affected Ireland. The constitution of the Committee is generally satisfactory, but it is thought that stronger representation might have been given to the Irish Institute of Civil Engineers.

An obvious advantage lies with power derived from water compared with that from fuel, since, in the former case, the supply upon which we are drawing is practically inexhaustible. There may be a seasonal variation in the flow of bodies of running water, great or small, but the processes of evaporation, cloud formation, condensation and rain constitute an evenly distributed cycle, which, to us, seems capable of indefinite repetition. Fuel deposits, whether taking the solid form of coal, lignite, and peat, or the liquid form of mineral oils, are clearly finite, and as they increase in scarcity they rise in price. Water, on the other hand, can, unless in exceptional cases, be had for nothing. Of course it may be necessary to compensate the various interests which are often affected through interference with a watercourse. By impounding water in reservoirs or holding it back with dams agricultural lands may be flooded, fishing rights may be infringed, and other riparian interests, often very assertive, and usually very grasping, will clamour for compensation. Hence, though the water itself costs nothing, being part of Nature's bounty, many regard themselves as having a vested interest in its non-commercial use, and their attitude is usually supported by the law. It is permissible to hope that amongst the recommendations of the two bodies now dealing with the subject of water power in the United Kingdom will be one advising an extension of Governmental control in regard to the utilisation for commercial purposes of any watercourse that may appear suitable. It is intolerable that projects of industrial development which are plainly in the national interest should be held up by the perversity or rapacity of the owners of real or imaginary riparian rights. Such a reform in the existing law is called for more imperatively in Ireland than elsewhere, for there are no abundant Irish supplies of solid or liquid fuel. Hence the absence of machine development. The power used per workman in the country is small, and the net output per head—that is, the selling price of the individual worker's output, less the value of the raw material—is accordingly low compared with Great Britain and Continental countries, and much lower compared with the United States. The efficiency of the worker, as measured by his output, being relatively small wages are not high. This has recently been illustrated in a curious manner. The granting of the out-of-work benefit after the signing of the Armistice was followed in many districts in Ireland by a wholesale stoppage of work. When the weekly allowance for male workers was increased to 29s. further stoppages took place. In most cases the stoppage was due, not to laziness, but to the fact that existing wages were either less than the amount allowed or so little above it as to make the work not worth while. In effect this was, of course, an abuse of the benefit and defeated the only object which it could have had—assistance to people genuinely disemployed owing to the cessation of hostilities. However that may be, the fact that Ireland, outside the North, is not industrialised, and has not properly developed even such industries as are incident to agriculture—for example, the making of agricultural machinery, of fertilisers, of bacon and preserved foods, of woollen fabrics or of leather—leads to a low level of wages, and unless proper remedies are applied the drain from emigration will be resumed. The problem of production and the problem of wages are inseparably linked, and on that account the wages of the poorer workers can be increased only by increasing the amount of productive or profitable employment. Moreover, discontent, if not so assertive, is much more widespread in badly paid trades, and there is only one method of allaying it. If no attempt is made to increase the output per head of every worker in Ireland, whether industrial or agricultural, it will be impossible to secure any general advance in wages, unless by raising the selling price of all the goods turned out. While this might be of advantage to the workers as producers, it would hit them as consumers, and usually our consumption is of a much wider and more varied character than our production. Further, it would lessen Ireland's ability to compete in external markets, and would even invite competition in the home market from outside sources. The only other method of effecting a permanent increase in wages is to increase production, and this is impossible without a more extended use of power. The worker is naturally distrustful of all power-driven machines and of all labour-saving devices, but that this distrust is not well-founded is proved by every page of industrial history since the time of the Luddite outbreaks. Trade unionism is now becoming a great force in Ireland, and if it definitely ranges itself with those who desire all-round efficiency and maximum production it will confer a benefit on labour and on the country which trade disputes or strikes can never bring. The employers, on their side, must give willing co-operation and share the increased gains in a generous spirit. In the general move forward that would follow, workshyness would be forgotten and real prosperity, which comes only from the smooth working of the whole industrial organisation, would ensue.

The chief centres where water power might advantageously be utilised in Ireland lie on the West coast, as the principal rivers have their outlet on that side. Scattered throughout the country there are, however, small streams which could be used locally for public purposes, such as lighting and heating. They could also provide the power necessary to drive flour mills, grain-threshing mills, or any other factory or mill in need of a prime mover. Such streams might, at first sight, seem inadequate in volume, but the efficiency of the modern water turbine is efficiency of the other engines is in the case of internal gas engines. Upwards of four-fifths of the energy supplied to it is transformed into work. The efficiency of the other engines is, in the case of internal combustion engines, only one-half as much, and in the case of steam engines between one-fourth and one-third as much. In a steam-raising plant of large capacity, where proper stoking arrangements are made, and superheater and economiser are used, a much higher efficiency is, of course, obtainable, but in the small power-houses found in Ireland the economies possible in steam production on a big scale are inadmissible. The gain resulting from the use of water power would on this account be all the greater. Further, it must be borne in mind that, pending the full development of its native fuel deposits, the coal used in Ireland, which has almost all to be imported, is naturally dear, and in remote districts the price is such as to put any attempt at industrial development out of the question.

The great disadvantage attending the use of water power is that it may be located at some distance from both the raw materials and the market. This factor of situation does not operate very decisively in the case of coal, which, once it is moved, can with little additional expense be carried to any distance or any locality desired, and can be always so

disposed as to suit markets or raw material requirements. Owing to this defect a water-power site, if unfavourable to long-distance transmission, must be endowed with many advantages before it can be availed of for industrial purposes. A consideration of the possible sites in Ireland and the advantages which they offer will occupy our next article.

ARGENTINA.

PRODUCE IN HAND.

It is now more than three months since the signing of the Armistice, and according to advices received from various parts of the world, from which we ordinarily bought our principal supplies of foodstuffs and raw materials, the conviction is growing that the extravagant prices to which we too long have been accustomed cannot be indefinitely maintained. Newspapers received by last mail from various parts of the world are already arguing that it is high time for producers and traders to seize every opportunity which offers to secure sales on the basis of prevailing prices, as they argue that at no distant date a decline from present levels is to be expected. Freights are still to some extent, as they were during the War, a present difficulty, but to a diminishing extent. There seems no reasonable doubt, moreover, that the amount of freight available is much more considerable than was expected to be the case, say, three months ago. There has already been a slight decline in certain directions, even during the short time that shipping has been partially freed from the very stringent control. At the moment the policy of the Allied Governments appears to be to favour shipments from the ports of North America, as well as certain British colonial ports, and particularly those of Australia, where freightage facilities were almost wholly denied during the later months of the recent War. Stocks of produce in consequence have accumulated upon an immense scale at the various ports of Australia, and from thence we may expect at an early date large shipments of wheat, of meat, as well as of wool, and other raw materials.

Naturally, as the result of the difficulty of obtaining freights, stocks have accumulated not merely at the ports of the Argentine Republic, but at various centres of production throughout Argentina. It will be remembered that something more than a year ago now, a credit for £40,000,000 sterling was arranged between the Argentine and Allied Governments, whereby certain quantities of produce, at that time urgently needed by the Allies, could be obtained from Argentina, which had hitherto been unavailable owing to the extravagant rate of exchange; in fact, until the credit was arranged, no ready means of paying for goods between the Allies and Argentina really existed. In the sequel it was found so urgent was the demand for wheat on account of the Allies, that very little was shipped except wheat, and so difficult did the Allied Governments in general, and the British Government in particular, find it to allot shipping facilities that, in spite of the keen demand, only a proportion of the wheat offering was actually shipped from the ports of Buenos Ayres and Bahia Blanca. The result is that it is generally estimated by wheat statisticians in the Argentine Republic that there is altogether awaiting shipment something like a million and a quarter tons of wheat, which has been held over from various seasons during the recent past. Adding to this a new season's crop estimated at three and three-quarter million tons, it will be seen that Argentina has on hand altogether something like 5,000,000 tons of wheat. The wheat harvest, which was in full swing when the last mail left, had been somewhat damaged by the rains when the crop was beginning to be gathered in December, but the figures above quoted may be taken as approximately accurate. It is not expected, however, according to advices received in London, that the present season's crop will be equal in quality to that of the old wheat grown. Of maize there was at the beginning of the present harvest some 3,000,000 tons held over from previous crops gathered. It is estimated that the present crop may be as large as 5,000,000 tons, which would, of course, if this estimate prove correct, give a total of 8,000,000 tons of maize. We are not, however, interested in this country in the Argentine maize crop to anything like the extent to which we rely upon Argentine wheat, even in the years that preceded the outbreak of the recent War. In fact, before the War maize was chiefly used as a cattle food when imported into this country from Argentina. The Argentine newspapers to hand argue that the large crop of maize held over from a former harvest, together with the bountiful crop which it is expected will be gathered this season, will be upon such a scale that it will not be possible to find ships to export it to enable it to be sold in the consuming countries at a remunerative rate. They argue, consequently, that it will be necessary to use a large proportion of the crop in Argentina itself for feeding cattle. The rains which were unfavourable to the wheat harvest were wholly beneficial to the then growing maize, and, consequently, it is expected that the maize crop will at least equal, and probably will exceed, that of last year. Oats are, of coarse, a later product. There were from last season's harvest over something between 300,000 or 400,000 tons, and it is estimated that the new season's crop may equal half a million tons, or may even exceed that figure. Estimates of the total crop available consequently vary between 800,000 and 900,000 tons. From the figures before us, and from advices received in London recently, we can only attempt an estimate of the linseed crop, which may or may not be accurate. Argentina, as the reader will recollect, is the greatest producer of linseed in the world. Linseed, as it is grown in Argentina, is produced mainly for the purpose of cattle feeding, and it is exported in enormous quantities to various parts of the world—indeed, to almost all countries that feed cattle which are intended for human food. It is believed to be one of the most nourishing and fattening foods for cattle yet known to the cattle breeder. Even the most unsatisfactory beasts, after a period of feeding with linseed oilcake, can usually be prepared for the freezing houses.

Linseed is a product of flax, and it will be seen, from what we have said, that Argentina is one of the great flax-growing countries of the world. There is, however, this difference. Flax grown for the purpose of making linen requires to be harvested before the seeds are ripe, while if it is intended to use the product for the purpose of extracting oil or making linseed cakes for feeding cattle the ripened seeds themselves are gathered. As a result it is not possible to grow flax to produce both the fibre from which linen is made and what is technically known as linseed. Owing to the keen demand for linseed in the recent past the stock of linseed over from previous harvests is not believed to exceed, and some do not admit that it equals, 300,000 tons. It is known that a very large area has been sown with linseed for the present season's crop, and estimates of the growing crop vary as widely as 600,000 tons and 900,000 tons. One estimate we have seen quite recently goes so far as to estimate the present crop at 1,000,000 tons. Bearing in mind that it is merely an estimate, and comparing opinions received from highly reliable sources, we venture to think that the actual crop available, including old linseed held over from past harvests and the present crop, will not be less than 800,000 tons, and may considerably exceed 1,000,000 tons. Various grains, like barley and other exportable

cereals, including stocks held over, are estimated to give a total of between 300,000 and 400,000 tons.

It will be seen from the figures above given, assuming that the various estimates are approximately realised, that there are between 15,000,000 and 16,000,000 tons of cereals, nearly one-third of which is wheat, available for shipment. This would mean that in grain alone the existing Argentine railways, and the ships which are available at the various Argentine ports, would be required to afford facilities for something between 200,000 and 250,000 tons of cereals every week during the export season.

This seems an exceedingly difficult proposition to negotiate, bearing in mind the comparatively restricted transportation facilities existing at present in the Southern Republic. The Argentine papers to hand ridicule the idea of the possibility of their existing transportation facilities being able to handle crops of such magnitude, without taking into account the probability, or otherwise, that the Allied Governments, which still control such a large proportion of the world's shipping, will be in a position to afford freightage accommodation.

According to latest advices, some 20,000,000 fleeces still remain in first hands from last season's clip. Altogether, including those that have been exported, some 40,000,000 fleeces have passed through the hands of dealers in the Republic during the past season, which compares with about 39,000,000 fleeces twelve months ago, but is about 5,000,000 less than the corresponding figures for the preceding season. According to latest advices we have been able to obtain there is very little active business in the Argentine wool market. This is partly due to the difficulty of obtaining freights, and to the fact, as already stated, that the transportation facilities of the Republic are already taxed to their utmost capacity. As soon, however, as freightage accommodation can be found there can be no reasonable doubt that there will be an active demand for Argentine wool, as, indeed, wool of good quality from any part of the world where it is obtainable. The price of woollen fabrics in the European markets at the present time is utterly extravagant. The stocks of clothing have been allowed to run very low in all the countries recently engaged in war, and there can be no reasonable doubt that we would all willingly, at any rate in Europe, replenish our wardrobes if we could obtain woollen clothing at any reasonable price.

THE DEAD MEAT INDUSTRY IN IRELAND.—II.

In the last article it was shown that, owing to the invention of the process of refrigeration and the improvement in means of transport, the demand for meat in the British Isles had come to be satisfied largely from foreign sources. The old national market disappeared, and the change coincided with a general decline in the farming industry throughout the United Kingdom. Our livestock population has, however, shown a tendency to increase, in part because of the preference of agriculturists for the safer, though less profitable, dairy and dry stock farming. It is abstractly true that on a given area containing tillage more meat and corn can be raised than on the same area containing no tillage, but in practice the farmer, who lacks the perfection of method and of equipment presupposed by the theorist, often finds that the encroachment of tillage on pasture leads to a reduction in the number of livestock which he can carry on his holding. The decline in tillage has thus in many cases coincided with an expansion in livestock. As is well known, the falling away from arable has been greatest in Ireland, and hence it is not surprising that a country which is only two-thirds the size of England should carry nearly as much cattle. The following table gives the figures for both countries in 1915:—

	Area in Acres	Number of Cattle
Ireland	20,371,000	4,844,000
England	32,387,000	5,281,000

Last year the Irish figure had risen to 4,863,000. The discrepancy in Ireland's favour is explained to some extent by the popularity of sheep-rearing in England and the consequent inability of the land to carry more horned cattle. The improvement in the figures for the United Kingdom beef herd has gone on practically without interruption during the last half-century. In 1877 the cattle numbered less than 10 millions; in 1915 they had risen to over 12 millions. This increase was caused by the growth during the intervening period in numbers and individual requirements of the meat-consuming population, and was effected despite the great expansion of urban communities and the conversion of land from agricultural to industrial purposes. It was made possible, of course, by the improvement of pastures as well as by their extension, and still further advances in the former direction may be expected in future. These advances should have a more beneficial result in Ireland, with its rich grass lands, than in other parts of the United Kingdom, and they should help materially in securing that increase in livestock so necessary to the establishment and maintenance on a large scale of the dead meat industry.

It has been well said that prophecy is the most gratuitous form of error, and in the absence of any settled Government policy in regard to foreign livestock it would be inviting disaster to forecast the future of cattle-farming in these countries. Prophecies are the more disastrous as one descends to detail. In the present instance, however, even the general trend of future development is obscure, and it is obviously impossible therefore to enter into questions of detail. A study of the relevant statistics may help to a true appreciation of the present position, and then each can prophesy unto himself as to the future. Between 1902 and 1916 the number of cattle in the United Kingdom increased from 11.4 millions to 12.5 millions, an increase of over one million. In the same period the total number of livestock decreased from 47.1 millions to 46.7 millions, a decrease of 400,000. Horses, pigs, and sheep showed a decline, which was particularly marked in the last-named class. Whether cattle will continue to find favour with the farmer is a matter for speculation. With the increasing demand for preference within the Empire it is possible that the ban on Canadian livestock, which were hitherto excluded from British ports in order to prevent contamination of our herds, may be removed. No doubt the advice of competent veterinary authorities will be sought as to the risk, or absence of risk, attending the unrestricted importation of Canadian cattle. Since that country seems, so far as our information goes, to be fairly free from disease, a clean bill of health may be given after investigation of the case. In 1915 the number of horned cattle in Canada was 7.6 millions, or more than one-half the number in the United Kingdom. While the cost of rearing and fattening would be comparatively small owing to the cheapness of agricultural land and the low price of feedingstuffs, transport charges will necessarily be high, especially for some years to come. Live cattle are ever uneconomical to transport, particularly on shipboard, owing to their bulk and owing to the large cubic space which they require for breathing. Besides, fodder and other bulky articles necessary to maintain their condition must be carried, as well as a number of stockmen to minister to their wants. In the shipping of dead meat many of these items of expense are avoided, cargo space is economised, and the costs of transport are reduced. The sending of live cattle from Canada does not at present, therefore, seem a sound business proposition. The future may, of course, hold surprises in store for the farmer, and if it does he must only accept them with resignation.

Whether the fear is well- or ill-founded, Irish stock-owners anticipate a revival in the transatlantic trade in live cattle. We speak of a revival, since this trade

was in fairly recent times of considerable dimensions. In the 'nineties of last century it was at its height, and during that decade the imports of cattle in a single year were over 562,000, and of sheep over 1,065,000. Since the opening of the present century the trade has rapidly declined, and it fell with dramatic suddenness in the years immediately preceding the War, as the following table shows:—

Year	Cattle	Sheep
1909	321,340	8,131
1910	219,561	427
1911	200,398	47,673
1912	48,912	15,430
1913	14,703	501
1914	2,234	1,707

This almost complete eclipse arose from circumstances quite unconnected with the War. It was due to outbreaks of disease, to the competition of American and Canadian packing factories for stock, and to the more lucrative prices obtainable with less trouble for cattle at home. Considerations of freight had also much to do with the change, but freights fluctuate so rapidly that the trade may spring up again at comparatively short notice.

SOUTH AND CENTRAL AMERICA.

TRADE OPENINGS.

WHENEVER the effect of the recent War passes away, and traders and manufacturers are once more at liberty to resume their peace campaign, a fruitful field for British trade expansion should be found in South America. It is not necessary in this Journal to elaborate the point of the importance of increasing our trade to the utmost extent possible if we are to recover in the markets of the world the position we held in the period that preceded the outbreak of the recent War.

Now the first essential in the prosecution of such an enterprise is to ascertain what the customer wants. It will be readily understood that travellers, and those sent to approach commercial markets in South America, must be acquainted either with Portuguese or Spanish, according as it is desired to push trade either in Brazil or in the Spanish-speaking parts of South America; and it will also be readily understood by the reader that catalogues and information generally should be printed in the language of the countries to which this kind of literature is addressed. Even before catalogues are prepared, however, or travellers sent out, it is necessary to appreciate the conditions prevailing throughout the continent; what the people of that vast area are able to supply; and what commodities they are in need of to enable them to carry on their businesses.

Broadly speaking, South America is very nearly, although not quite, twice the size of Europe, and it has a population generally estimated at about 50 millions of people. It has altogether a little more than twice the railway mileage of the United Kingdom, and, in addition, perhaps the most remarkable river system in existence on the face of the globe, and extending over 30,000 miles. In the natural wealth of its resources, both agricultural and mineral, it is probably—one may say, almost certainly—the richest of all the continents. For while in Asia and in Africa and in certain favoured districts of Europe there are equally rich areas in specified parts, they are nowhere so widely extended as is the case with the continent of South America, taking it as a composite whole. It will be appreciated from the conditions above described that South America, in its present state of economic development, is primarily a producer of food and raw materials; while it is not merely an importer of manufactured goods, but is in urgent need of most manufactured articles necessary for the production of food and raw materials upon a great scale. The great need of the continent, even in the case of comparatively populous countries like Brazil and the Argentine Republic, is immigration and transportation facilities; in addition, agricultural machinery, and, indeed, most manufactured articles which facilitate the production of food and raw materials with the minimum of human labour expended. The river system, in particular, offers excellent facilities for the development of the motor-boat industry, and, in fact, during recent years the use of motor-boats on the great rivers of South America has been steadily growing. With the exception of the Amazon, which is navigable for something like 80% of its total course for steam vessels of comparatively deep draught, a large proportion of the river system throughout the whole of South America is obstructed by rapids. And in many instances, where a comparatively light vessel with a powerful motor engine can travel at great speed, there are facilities for going up a river 700 or 800 miles, and sometimes a thousand miles. And with a boat capable of being raised above the rapids it is in a large number of cases possible to travel for 5,000 or 6,000 miles further into the interior. The present practice, where the goods are of sufficient value, is to carry them in a steamer of comparatively deep draught as far as the rapids and tranship to a boat of lighter draught for the remainder of the journey. The expense and delay of such a system will be readily appreciated, and it will be at once seen what advantages a good system of motor-boat transit would offer. No more forcible illustration of the present need of South America for transportation facilities could well be afforded than the present condition of the wild-rubber industry in the north-west of Brazil. Rubber was not only discovered in South America, but the rubber trees in its vast forests grow perhaps better in their native conditions than anywhere else in the world, and yet the rubber industry in these regions is being gradually under-sold by the recently developed plantation industry in other parts of the world. It is estimated that there are something like three million rubber trees in Brazil alone which are virtually inaccessible owing to the lack of proper transportation facilities, and the latex of these trees is what is technically known in the trade as black rubber, perhaps the finest product known to the international markets. There is at present neither labour, machinery, nor transportation facilities which would enable this vast amount of potential wealth to be conveyed from the scene of production to the consuming markets in the outside world, great as is the need for rubber at the present time. We do not wish to concentrate attention to the rubber industry, but rather to direct attention on the general prospects of trade throughout the whole of the continent.

Excepting the neighbourhood of the great ports of shipment, lack of transportation facilities is one of the principal obstacles which face any kind of enterprise undertaken in South America outside these specified districts. Not one-tenth of the available area of the Argentine Republic is under cultivation. Partly this is, no doubt, due to the fact that many of the regions capable of being opened up would require irrigation to ensure their fertility. Even if the Argentine Government could secure the necessary funds for carrying out great irrigation works, say, for example in the west of the Republic, they would, in the present state of the facilities offered for transport be of comparatively little use owing to the enormous cost of conveying produce from the region of the foothills of the Andes, say, to Rosario, Buenos Ayres, or Bahia Blanca. Argentina, as it happens, is an especially easy country to open up. It was due to this fact that Argentina was selected by British capitalists as a great field for railway building. In fact, we have invested very nearly 250 millions sterling in railway building in the Argentine Republic; and the Argentine Republic contains the most important railway system of any of the 10 Republics into which that great continent is divided. Now the very causes which made railway building so comparatively easy in Argentina offer facilities for other means of transportation. Unfortunately, there are as yet very few roads in Argentina, except, of course, in the

neighbourhood of the great cities. Nearly the whole of the Republic, however, until the great lakes at the foothills of the Andes are reached, is one vast flat plain, and for more than two-thirds of its extent there is a very deficient rainfall. Consequently, during the greater part of the year the land is generally dry. Over such a surface, as experience has shown over and over again, it would be perfectly feasible to employ motor transport. Of course, the car suitable for the roads of Europe, or for the roads of Argentina herself, say, from Buenos Ayres out to the racecourse at Palermo, would not be suitable. But a type of vehicle adapted to local conditions—say, something of the motor-lorry kind, which has proved so useful during the recent War—should find active and constant employment. As things are at present meat and wool, and even grain and linseed in some cases, are conveyed for immense distances in ox-waggons or on pack mules, or sometimes on horseback, to the nearest point where there is a railway. But it will be appreciated that such a system is exceedingly expensive and involves an immense expenditure of time.

Consider another aspect of the demand of South America—the importance of employing agricultural machinery to assist the inadequate supply of labour. For reasons into which we have not space to enter here, sparse as the population of South America is, taken as a whole, an abnormal proportion is concentrated in the great cities. Outside these centres of population labour is exceedingly scarce everywhere. As we have already said, the two great needs of the continent, which strike every visitor who studies its economic conditions, are immigration and transportation facilities. Consequently, every form of machinery which will assist production to the greatest extent per unit for the amount of human labour available is naturally welcome. It only remains for the trader to convince the owners of the large estates that the particular article he desires to sell will, in fact, facilitate operations on the estates. There are, of course, exceptions, but, speaking generally, South America, both on the Atlantic and on the Pacific coasts, is a continent of immense estates. They are not of the enormous extent which we described recently in the case of Mexico; but whether we take the coffee plantations of Brazil, the sugar plantations of Peru, the estancias of Argentina, or the haciendas of Chili, there are in nearly every instance large areas under cultivation. Consequently, the trader having any particular article of agricultural machinery which he is desirous of offering for sale, is in nearly every instance dealing with a prospective buyer, who, if he can be convinced of the advisability of purchasing the particular article recommended, has ample means to purchase it. As a rule, the South American buyer likes a good article, and he is quite willing to pay a good price for it. But it does not follow that he would be willing to accept any article which may find favour with an English buyer. Probably there is a greater demand in South America for agricultural machinery coming from the United States of North America than for agricultural machinery coming from Europe. But this may be due to the fact that the makers of such machinery in the United States have carefully studied the requirements of their customers in the southern continent. The South American buyer usually likes an article of good appearance, but not necessarily of undue durability. There is an impression in the United States that there is always room for improvement in any particular kind of machinery; it is not desirable to make an article which is intended to last indefinitely. It might well be worth the while of our manufacturers, before entering the South American markets, to ascertain the feeling of South American buyers on this question. We have left out of account designedly, because we wished to attract attention to the great primary necessities of the continent, all articles of luxury and the common articles of commerce. But those traders who have such products for sale will find that there is an exceptionally large market in South America for their products, bearing in mind the small number of the population.

THE PRESENT POSITION OF IRISH FARMING.

The frequently advertised sale of Army remounts in Great Britain continue to make Irish agricultural and business interests more and more desirous of securing the removal of restrictions on the importation of these animals. The attitude of the Irish Department of Agriculture has, indeed, received partial justification from recent outbreaks of disease on this side. It is estimated in official quarters that some thousands of farms in France are infected with the dreaded foot-and-mouth disease. Men, however, as well as animals may transmit it, and hence to make the ban effective from the Irish point of view all soldiers and stablemen in contact with horses from the infected area should be excluded as well as the horses. Moreover, the straw and fodder now being returned in large quantities from France, can also carry infection, and precautions to be fully adequate should extend to these. In the circumstances it would seem that the avenues through which the disease might enter Ireland are so numerous that it is not worth while to close up one and leave the others open. If the increased ploughing undertaken during the War is to be made permanent, the strain on labour must be relieved by the employment of more horses. Yet the number of horses in the country on the 1st of June last was only 618,800, compared with 616,300 in 1911. In the same years the areas under tillage, exclusive of fruit, were respectively 3,222,000 acres and 2,344,000 acres, showing an increase of 878,000 acres. There is no doubt that at one time a much greater extent of land was cultivated in Ireland with fewer horses. Thus, in 1867 the tillage covered 3,801,000 acres though the number of horses was only 524,200. It must be remembered, however, that half a century ago the population was nearly one and a-half times greater than it is at present, and thus agricultural labour was more plentiful. In the second place, the number of horses used for amusement, racing, road traffic and other purposes unconnected with agriculture has grown considerably, while the breeding of horses is now undertaken on a big scale in Ireland. Hence there is great need of a large supply of cheap horses to give a fillip to spring ploughing.

The outlook for the present agricultural year in Ireland would be much improved by a definite announcement of the Government's intentions in regard to the 1919 harvest. A short time ago the Wheat Commission ordered practically all its buyers to cease purchasing oats, with the result that a large portion of the exportable surplus of the 1918 Irish crop was left on the farmers' hands. Even those who managed to sell their stock had to complain of the tedious wait for payment and the annoying requirements that had to be complied with. Parliament ought certainly to be consulted in such important matters as the fixing of prices for a whole harvest, since the question is one of national, and even of international, interest. The responsibility of the Minister of Agriculture to Parliament is not sufficient to ensure fair treatment to either producer or consumer. The fixing of flat rates tends to discourage quality; and quality is the distinctive mark of the agricultural produce of the United Kingdom as compared with that of other countries. Both the Upper and Lower Houses contain some competent agriculturists among their numbers, and these should be the national champions of the farmers. If ample Parliamentary guarantees are given of remunerative prices for the coming harvest the tillage area in Ireland will be enormously expanded during the next

seven weeks. Only an Act of Parliament will suffice to reassure either Irish or British farmers, as their confidence in Governmental promises is completely shattered. In Ireland a promise of £7 per ton was made for last season's potatoes, but when supplies were offered they were refused in all districts outside Ulster, on the ground that in the three other Provinces the potatoes grown were insufficient for home requirements. This may be true, but it does not alter the injury done to the individual farmer, who on the strength of the Government's offer had sown potatoes in excess of his requirements and then found himself denied a market. He could not feed them to stock, since in many cases there were no stock to hand, and such a use would at any rate be unprofitable for first-class eating potatoes. Thus there was disappointment in regard to both oats and potatoes, and the farmers could not legally enforce compliance by the Government with its undertakings. On the other hand, the wages of all who labour on the land are legally enforceable, and thus the farmer lost without equivalent gain.

In the coming season there will be, it is hoped, a guaranteed price for barley as in 1918. Barley does not come within the purview of the Corn Production Acts. The prices of wheat and rye and oats have also been the subject of promises, and it is anticipated that the maxima for the 1918 crop will be the minima for 1919. The minimum prices embodied in the original Corn Production Act of 1917 were on a descending scale. Thus the guaranteed price of wheat per quarter, fixed at 60*s.* for 1917, was to fall subsequently to 55*s.*, and towards the end of the six years covered by the guarantee was to be 45*s.* There was a similar decline in the price of oats, which, starting at 38*s.* 6*d.*, was to fall to 32*s.* and 24*s.*. It might be noticed that, small as they are, these prices were in excess of the recommendations of the Sub-Committee on Agricultural Policy. The Sub-Committee in its report advised a minimum of 42*s.* for wheat and of 23*s.* for oats. Under the proposed arrangements, which ought to receive Parliamentary sanction, the maximum prices for the 1918 harvest are to become the minimum for 1919. Such a scheme would be very favourable to farmers, as the following table shows:—

Table of Minimum Prices.

	Wheat & Rye Per qr. (504lb.)	Oats Per qr. (336lb.)	Barley Per qr. (448lb.)
Minima now proposed	76/0	49/9	67/0
Minima proposed by Agricultural Policy Sub-Committee	42/0	23/0	—
Minima for 1919 proposed by Corn Production Act	55/0	32/0	—

The proposed minima in the first line are simply an average, since, with the exception of barley, these prices are graded from the commencement of the threshing season in October up to the following June. In the case of wheat the gradient is small, but in the case of oats it is sharp, rising from 47*s.* 6*d.* per quarter to 52*s.* If these prices are absolutely guaranteed for all corn that comes to the market the area under wheat, oats and barley should show a marked improvement in Ireland this year, despite the scarcity of labour. Wheat can be sown during February, and oats and barley beyond the end of the following month, and thus a long interval is still left for ploughing the land and preparing the seed beds.

The recent action of Mr. Roberts in decreeing a flat selling rate of 46*s.* 3*d.* per sack for all flour does not, however, betoken any great sincerity in the Government's professions of sympathy with agriculture. It causes on all sides a legitimate suspicion of jugglery with the prices of home produce. The effect of the decree is to penalise the high-quality grain of the United Kingdom. The miller and his employees have been the subject of tender consideration by the Food Controller, but it is time now that the producer got a chance. Moreover, as a feeder the latter misses the milling offals which were so plentiful in the days prior to the wholesale importations of foreign flour to Government order, and thus he suffers a twofold loss.

A problem which, though at present not calling for much attention, may give trouble in the future is the provision of land for soldiers. The Government have, as usual, been extravagant in promises, but it is difficult to see whence the land can be provided. The abnormally high price of agricultural land in these islands testifies to its great scarcity, and if the Government enter the market as purchasers upon a large scale for soldiers desirous of a farming life prices will be forced up still further. The obvious disadvantage of this policy leads agriculturists to feel that some form of more or less compulsory dispossession is being planned, and a declaration of the Government's intentions upon this point would be very welcome.

CHILIAN NITRATE.—II.

We concluded our previous article on this subject by urging the importance of the use of nitrate and phosphates as mineral fertilisers for the purpose of increasing the yield per unit of the crops and food plants grown in this and other countries. It is not necessary to remind the reader of the importance of urging all those engaged in agricultural operations to increase to the utmost extent within their power the supply of foodstuffs. We showed that by the use of mineral fertilisers crops grown in any given soil would yield between two and three times the amount per unit obtainable from such an area without the use of these fertilisers. This, of course, does not eliminate the necessity for the use of ordinary farmyard manure. The real object for which nitrates are required is to give the crops an opportunity of obtaining the large supply of nitrogen which they require for their sustenance, and which can be most readily assimilated in the form of the powder supplied by the great nitrate companies of Northern Chili. We concluded with a promise to give a description of the Chilian nitrate fields as they actually exist.

Leaving the Pacific Ocean, and advancing inland in Northern Chili, we arrive, at a distance varying between 50 and 100 miles from the coast, upon what appears to be a sandy desert. The nitrate beds are, for the most part, about two miles from the Peruvian frontier down towards Central Chili. The exact area is not known, because the deposits now being worked supply an ample quantity for present or prospective needs for something like 100 years to come upon the present basis of consumption. There seems no reasonable doubt, however, that as time passes, and as the use of this valuable fertiliser extends, further deposits are available, and will, no doubt, in due course be opened up.

There are, in addition to the deposits which have been opened, immense dumps of waste which we may describe, by borrowing the word from the Southern mining fields, as "tailings." These dumps contain considerable quantities of nitrate which might be used, and, indeed, can be used whenever the necessity arises. Recently it has been found cheaper to work the deposits as they are, as, of course, the dumps contain only a comparatively small proportion of nitrate, and the expense of winning the fertiliser from what we may call the rough would be very much the same as in the richer article. The deposits are found between 10 and 20 feet below the surface. It is generally assumed, in the absence of any more satisfactory explanation, that the deposits are originally of marine origin. In the remote geological past it is believed that the great nitrate fields of Chili were thrown up from the bed of the ocean at a period when earthquakes of titanic force occurred in that region of South America. The reason for the belief that the deposits are of marine origin is that skeletons of fish and other marine objects are found embedded in these deposits; and it seems difficult to account for the presence of

these objects unless at some period in the past the nitrate fields were themselves under the sea. However that may be, in the long period that has elapsed since the deposits were formed, accretions of débris have formed over these deposits to a depth, as we have already said, of between 10 and 20 feet. Whether by pressure or owing to the natural dryness of the atmosphere, the fact remains that the débris covering these deposits acts almost as effectively as a protection, or as if they were covered by a great wall. The débris is so caked together, and has become in the course of ages so intensely hard, that it is necessary to use blasting powder, manufactured from the nitrate itself, in order to raise this protective cake which has accumulated during the course of ages, and to expose the deposits which lie below. It will be seen, therefore, what an effective protection this covering affords. The region in which these deposits are found is almost entirely rainless. For years together not a drop of rain falls. Such fertility as the various oases obtain in this arid region comes from the dews which are blown in from the Pacific Ocean during the night. Certain of these oases are, of course, also furnished by irrigation obtained from the few rivers which cross this region; but, speaking generally, the whole district is waterless, the water required at Antofagasta and the other towns dependent for their existence upon the nitrate industry being obtained from the lakes and rivers in the distant Andean mountains to the east of this desert, where the nitrate deposits are situated. Occasionally there is a fall of rain, and this creates the most widespread alarm whenever it occurs, as it is popularly held—and no doubt with a great degree of reason—that rain, if it were to fall in any great quantity, would be fatal to the existence of the nitrate beds, inasmuch as this desert has been known now for more than 350—indeed, very little short of 400—years, and no appreciable fall of rain has ever been recorded over the whole of this lengthy period. There seems little cause for alarm on this subject. However, it happened in the year 1912 that there were hurricanes, snow-showers, and deluges of rain in the Andean region, and upon one occasion there was a whole day's rain extending over the whole of the desert region, the result of which was, in a single night, to produce grasses where grasses had never before been witnessed, at any rate since the period of the Spanish conquest in or about the year 1537. This rain, it will readily be understood from what we have said, caused great alarm amongst those interested in the nitrate industry. Its effect, however, was quite trifling. It will be evident from what we have said that, with such a protection as exists over the nitrate deposits, rain would have to continue for an immense length of time before it could soften 10 or 20 feet of hard, caked gravel substance, which, as we have already explained, requires blasting powder to remove it for the purpose of obtaining the deposits. As a matter of fact, heavy as the rain was upon this single occasion upon which it fell, it had no effect upon the nitrate deposits, except where they were exposed to the full force of the storm, those parts which had not been opened and were caked with the great depth of hardened gravel and sand and rocky substance which we have endeavoured to describe, being wholly unaffected.

We will conclude with a brief description of the process of making the nitrate available for the purposes of agriculture; and of course, as in the case of the recent War, for the purpose of making explosives. When the hard débris described above has been raised by means of gunpowder and blown into the air a whity-grey rocky substance is disclosed. This is raised from the earth in the quantity required in blocks, not unlike in appearance grey sandstone. These are placed in trollies and sent down to the crushing works. After being crushed, the resulting powder is subjected to boiling. The liquid is then allowed gradually to cool and evaporate until only a small proportion remains in a liquid form. This is drawn off and forms the material from which the valuable medicinal iodine is obtained. The residue, after further treatment, forms the famous fertiliser above described. This is placed in bags or sacks of about 2 cwt. each, and is then ready to be despatched to the port of shipment for consumption in the United States, Europe, or elsewhere.

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

THE following are our recent index-numbers of wholesale prices of 45 commodities, compiled in continuation of Sauerbeck's figures (average for 11 years 1867-77 being regarded as = 100):—

Annual Numbers— Year		*End-of-Month Numbers*—			
1809 [Jevons'...	189	June '14...	**81.2**	Dec. '16...	154.3	Jan.'18...	**183.2**
1810 adjusted...	171	Dec. „ ...	118.4	Jan. '17 ...	**159.3**	Feb. „ ...	187.3
1818 Figures]	159	Jan. '16 ...	**123.6**	Feb. „ ...	164.0	Mar. „ ...	188.0
1873	111	Feb. „ ...	127.0	Mar. „ ...	169.0	Apr. „ ...	189.8
1880	88	Mar. „ ...	130.4	April „ ...	173.0	May „ ...	191.1
1896	61	April „ ...	134.2	May „ ...	175.0	June „ ...	192.5
1911	80	May „ ...	135.4	June „ ...	180.1	July „ ...	192.9
1912-13-14 ...	**85**	June „ ...	131.0	July „ ...	176.9	Aug. „ ...	195.9
1915	108	July „ ...	130.5	Aug. „ ...	175.7	Sept. „ ...	197.1
1916	136	Aug. „ ...	134.5	Sept. „	7 6·4	Oct. „ ...	**197.8**
1917	175	Sept. „ ...	134.3	Oct. „ ...	180.6	Nov. „ ...	195.3
1918	**193**	Oct. „ ...	141.5	Nov.' „ ...	182.9	Dec. „ ...	196.0
		Nov. „ ...	150 8	Dec. „ ...	185.1	Jan.'19...	**190.7**

It will be seen from the above that the prices of the 45 commodities we take for our purpose declined last month by 5.3 points, or by 2.7%, and that the index-number at the end of January had been reduced to 190.7. This compares with 197.8 at the end of October, when the number touched was higher than ever before, and with 81.2 just before the War began. During the past twelve months the index-number of the 45 commodities has risen by 2.4%, but since the end of June 1914 the rise has been no less than 135%. In each of the five groups into which we divide the 45 commodities the number last month was lower than in December 1918. Among vegetable foods, English wheat and potatoes were both somewhat dearer on balance for the past month, but, on the other hand, barley, oats and maize were cheaper, with the result that the number for this section declined by 2.8% to 173.3. The only change among animal foods, where the number of 225.2 was 1.8% lower for the month, was in the control price of pork, which was reduced from 144*s*. to 128*s*. per cwt. As regards sugar, coffee and tea, quotations for the first-named at a lower level resulted in the number for this section being reduced by 6.4% to 118.3. Therefore, for the 19 articles of food the number declined last month by 2.9% to 180.8, which is 141.5% above the pre-War level. Among minerals, tin and coal were dearer, but against this copper was cheaper, so that the number fell by .7% to 176. For textiles, the number fell by 5% to 206.4, owing to easier quotations for cotton, hemp and silk, while in "Sundries," due mainly to a decrease in the import value of hewn timber, the number fell by 1.7% to 205.6.

Comparison of War and Pre-War Monthly Index-Nos.

	Monthly Index-Nos.— Jan. 31 1919	Dec. 31 1918	Jan. 31 1918	June 30 1914	+ or − % on 1919 on— Dec. 1918	Jan. 1918	June 1914
Veg. Food...	173·3	178·3	168·7	66·5	− 2·8	+ 2·7	+160·1
Animal Food	225·2	229·6	199·6	97·5	− 1·8	+12·8	+130.9
Sugar, Coffee & Tea ...	118·3	126·4	134·0	51·8	− 6·4	−11·7	+128.2
Foodstuffs ...	**180·8**	**186·2**	**172·3**	**74·3**	**− 2·9**	**+ 4·7**	**+141·5**
Minerals ...	176·0	177·3	176·2	96·7	− 0·7	− 0·1	+ 82.0
Textiles ...	206·4	217·3	222·1	80·6	− 5·0	− 7·1	+156.0
Sundries ...	205·6	209·2	189·8	82·5	+ 1·7	+ 8·3	+149.1
Materials ...	**197·9**	**203·1**	**196·1**	**85·7**	**− 2·6**	**+ 0·9**	**+130.8**
Total ...	**190·7**	**196·0**	**186·2**	**81·2**	**− 2·7**	**+ 2·4**	**+135·9**

The British Chamber of Commerce Journal for November 1918. The official organ of the British Chamber of Commerce of Sao Paulo.

"Forty Days in 1914." By Major-General Sir F. Maurice, K.C.M.G., C.B. With four maps. Price 9*s*. net. (London: Constable and Company, Limited.)

MORE TOBACCO.

We regret that Customers have so often been unable to secure their usual supplies of our

"EARL GREY" and RHODESIAN Cigarettes,

But we hope within a few weeks to be able to meet all requirements.

JOHN WOOD & SON (CIGAR AND TOBACCO IMPORTERS), Ltd.
23 & 25 Queen Victoria Street, E.C. 4.

THE BANK OF TAIWAN, LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.
Head Office - - TAIPEH, FORMOSA.

BRANCHES :—Amoy, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, New York, Osaka, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, and every important city in Formosa (Taiwan), &c.
The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.

London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

An interesting event of the week has been the formal opening of an Iron and Steel Exchange in London. The need for such an institution has been sorely felt by the iron and steel interests, for, unlike many provincial and Continental towns, there has hitherto been no central establishment where dealers could meet to transact business. The opening ceremony was performed by Mr. W. C. Bridgeman, M.P., Parliamentary Secretary of the Board of Trade. Every possible arrangement appears to have been made to facilitate communication between buyer and seller. The Exchange has been divided into eight sections, each devoted to a special branch of the trade. Over 600 members have already been enrolled. Membership is restricted to the principals of firms, but admission cards have been issued to 100 authorised clerks, the fee being two guineas, the entrance fee for members being three guineas. The Committee have appointed Mr. J. W. Whitby, of Messrs. John Summers and Co., to be Chairman of the Exchange. For the present the Exchange is to be held at the Cannon Street Hotel each Tuesday from 1.30 to 4 P.M., but it is hoped that before long London will have a building worthy of this important branch of its commerce.

It is a fact to be noted that, quite recently, imported leather goods from the Argentine Republic have been on sale in several of the large shops of London. The quality of these goods is reported to be quite satisfactory; and with the present shortage of leather it is needless to say the prices obtained were very good.

Owing to the difficulty of obtaining freights, not merely for South America, but for our own colonies and for other parts of the world, local industries have been stimulated for the purpose of supplying demands for manufactured articles which before the War were obtained from this country, as well, of course, as from other parts of Europe. Manufacturers and exporters will be well advised to ascertain what has been done in the particular markets in which they are interested during the past two or three years, as they will find in very many cases that conditions for the goods they previously supplied have been very much modified in the recent past. From what we have been able to ascertain, in a large number of instances local demands are being more or less efficiently supplied from local sources. And unless our traders are able to offer either a very superior article, or something considerably below the prices now locally charged, many articles until recently supplied from the United Kingdom will have a difficulty in finding a market.

According to a circular issued from time to time by the British Bank of South America, the stocks of coffee at Rio de Janeiro at the end of October amounted to 292,026 bags, and at Santos just under 7½ million bags, including 2,949,454 bags in the hands of the State Government of Sao Paulo and 1,150,000 bags in those of the French Government. Clearances for foreign ports from Rio and Santos for the crop to October 31 last were 1,759,154 bags, of the value of £4,681,109. For the corresponding period of the previous year the clearances were 3,502,752 bags, valued at £6,780,376. It will be remembered that the growing crop suffered a very severe frost in June last, and although the first reports of the effect of the frost were doubtless to some extent exaggerated, the general estimate is that the crop will be between 33% and 50% below expectation.

According to the report before us, it is feared that the Santos crop will be only about six million bags, and it seems doubtful if even this amount will come down to the port for shipment. The growing crop has been so badly damaged that not only is there a deficiency in quantity, but it is feared that the quality has suffered to some extent, and that it will be necessary to retain an exceptionally large proportion for sowing in the coming season. Owing to these causes planters do not expect that the crop next year will be anything like an average one. It has to be remembered that Brazil, as a whole, supplies the Western markets with about 75% of the coffee consumed in those markets. And of this 75% the major portion comes from the State of Sao Paulo.

Mr. A. S. Judge, lately Chief Collector of Customs in Burma, contributes an article to the current number of the *Bulletin* of the Imperial Institute on the "Development of the Trade of Burma." Burma is of importance not only as an actual and potential source of supply of many industrial raw materials, but also as a market for British goods; and Mr. Judge points out that the total trade of the country already amounts to about £3 13*s*. 4*d*. per head of the population, which puts it almost on a level with Spain and Portugal, with a trade of £4 and £4 3*s*. per head of the population respectively. Burma is the largest producer of rice, and occupies an important position as an exporter of timber, especially teak, oil-seeds, grain and pulses, cotton, tobacco, rubber, hides and skins. Burma is also a considerable exporter of petroleum, the exports of which have risen in value from 1½ millions in 1903 to 4½ millions in the season ended 1916-17.

Another article in the *Bulletin* to which attention may usefully be drawn is "The Future of the Trade in Cinchona Bark." Cinchona bark is the raw material from which quinine is manufactured. The reader will probably recollect that cinchona bark was originally discovered on the eastern slopes of the Andes in South America, and was introduced several years ago into India and Ceylon as an experiment very much as rubber was some 20 years ago. Not only did the tree flourish both in Ceylon and in India proper, but a large export trade was gradually developed in this important medicine for combating malarial fever. Recently, however, India and Ceylon have almost entirely fallen out of the market. The Dutch in Java, with commendable enterprise, took up the cultivation of cinchona bark, and with such excellent results that they have

completely distanced our fellow-subjects in India in its growth. The result has been that the trade has passed almost entirely into Dutch hands, Amsterdam now being the principal centre in Europe for the distribution of this commodity, which formerly was almost wholly in the hands of London merchants. The *Bulletin* urges that as the British Empire is one of the greatest tropical Powers in the world, and quinine is so largely consumed by our fellow-subjects, surely it would be desirable to make an effort to increase the production of cinchona bark both in India and in Ceylon.

Messrs. Hampton and Sons, in a review of the Estate market for 1918, report that there has been a good demand for residential and agricultural estates throughout the year, properties of all descriptions, more particularly those of moderate size, having been greatly in demand all over the kingdom, particularly for residences in the south and south-west of England. Business has been most active during the latter part of the year. With regard to town houses in London there has been an excellent demand for those of moderate size. As in previous years the country-house type of place, such as is found in certain parts of Kensington, is in very great demand, and houses on and around Hampstead Heath are difficult to procure. Flats of all descriptions have been in demand, and there were few available, while service flats are snapped up directly they come into the market. With regard to investment properties, the firm adds that in the environs of practically every large town there is a great demand for houses, for though building must of necessity be exceedingly expensive, compared with pre-War standards, for some time to come, yet the demand for houses is such that there is unquestionably a profitable field for the builder of residential properties when he can start operations afresh.

According to Messrs. Frederick W. Tattersall's Cotton Circular for the past year, the Lancashire cotton industry during 1918 has experienced the most prosperous period in its history, and although numerous difficulties have been encountered, more money has been made, especially in spinning, than in any previous twelve months. Owing to the scarcity of raw cotton, a large amount of machinery has had to stand idle under the curtailment of production scheme of the Control Board. Prices in yarn and cloth have been inflated as a result of the abnormal conditions arising out of the War. A very active trade was done during the summer, and in certain sections demands considerably exceeded supplies. The signing of the Armistice, however, brought a distinct change in the situation in the autumn, and since then business has been almost at a standstill and a definite slump in the value of manufactured articles has occurred.

With regard to raw cotton, says the circular, prices opened at the beginning of January at 23.31*d.* per lb. They steadily hardened until on April 8 they touched 25.49*d.* The highest price reached was in August last year—25.94*d.* From that time prices steadily declined until the signing of the Armistice, with the result above mentioned. The crop in America for the season ended July 31 last amounted to 11,912,000 bales, as compared with 12,976,000 bales in the previous year. The growth for this season began very well, but during the summer less favourable advices were received as to the progress of the plants. Since then, however, reports have improved again. It is now generally expected that the yield will be rather more than 13 million bales. Owing to the end of the War it is estimated that exports from the United States this season will be about two million bales more than last.

LONDON JOINT CITY & MIDLAND BANK LTD.

HEAD OFFICE: 5 THREADNEEDLE ST., LONDON, E.C. 2.

Subscribed Capital -	£34,428,948
Uncalled Capital - -	27,256,250
Paid-up Capital and Reserve Fund - -	14,345,395
Deposits - - - -	£334,898,435
Cash in hand and at Bank of England -	63,756,371
Money at Call and at Short Notice - -	65,809,169
Investments - - -	61,600,651
Bills of Exchange -	39,249,296
Advances on Current and other Accounts	99,213,614
Advances on War Loans - - - -	14,218,201

OVERSEAS BRANCH: 65 & 66 OLD BROAD STREET, E.C. 2.

IRON ORE IN IRELAND.

The production of iron ore in Ireland in 1917 amounted to 54,500 tons. It represented an increase on the 1915 figure, which was 39,300 tons, but, despite the favourable impetus given to the working of native ores by the high metal prices ruling during the War, it showed a fall compared with the earlier years of the century. Thus in 1910 the production was 65,000 tons, and in 1900 99,600 tons. Less than 40 years ago production ran to over 200,000 tons per annum. This great falling-off was peculiar to Ireland, though in Great Britain the production of ore slackened for a time, and of late years did not display an expansion commensurate with the growth of production in foreign countries. When it was customary to use wood in the smelting process all the ore mined in Ireland was treated in the country. After coal came to be used the ore was carried to Great Britain for treatment. The discovery and development of large ore beds of great richness in Spain and in Scandinavia gradually drove Irish ore from the market. At present the only mining carried out in Ireland is in County Antrim, and even there the output has for some time been on a decreasing scale. Iron ore and lignite were at one time extensively mined within the county, and at present many ferriferous deposits are known to occur, but owing to the lack of exhaustive prospecting exact particulars are not available. It was not until recently that attention was drawn to the existence along the northern coast of Antrim of several beds of black-band ironstone. This ore is an impure carbonate of iron, and is mined extensively in the North of England and in Scotland. Probably the field belongs to the same geological formation as the Scottish field. The total reserves in sight are difficult to estimate in the absence of adequate borings, but competent observers place them at not less than 10 million tons. As to the possibility of working the deposit, the prospects would appear bright, as it contains over 60% of iron, while the phosphorus present in such specimens as have been tested is very small. The iron content is high, though the metal is, of course, not found in the native condition in the ore. The amount of ore in sight is extensive for a single deposit, and the potential reserves are no doubt much greater. In the circumstances, the question of development seems worthy of closer attention than has hitherto been paid to it. Of course, it is difficult to imagine that the keen business men of the North have been neglectful of opportunities which lie at their door, but knowledge concerning Irish minerals has up to lately, as far as the public are concerned, been very scanty.

Till Conditions are more settled

AT present many business men find a real difficulty in weighing the respective merits of ordinary investments, and estimating their value in the near future. But it is always sound policy to buy 5 per cent. War Bonds. They are the investor's sheet-anchor.

A purchase of the new Bonds would relieve you of many financial anxieties. It would bring you in a safe and substantial income for the next 5 or 10 years. Long before then the critical period of Reconstruction will be over; and the trade of the country will have begun to flow once more in normal channels.

You would also secure this further advantage: that every holder of War Bonds is guaranteed repayment of a definite sum on a definite date—£105 on February 1st, 1929, for every £100 invested now in 5 per cent. Bonds of the 10 year issue. The capital employed in buying these Bonds not only remains intact; it is returned with a Premium added.

NATIONAL
War Bonds

Capital and Interest guaranteed by the State

On sale at all Banks and Money Order Post Offices. You have the choice between 5 per cent. Bonds issued at £100 and repayable in 1924 at £102; or 5 per cent. Bonds issued at £100 and repayable in 1929 at £105; or 4 per cent. (Income Tax Compounded) Bonds issued at £101 : 10 : 0 and repayable in 1929 at £100.

Besides, linen, shipbuilding and other accessory, and perhaps more profitable, trades have monopolised the attention of business interests in Ulster, to the exclusion of mining, which is at best a rather hazardous venture. The War has, however, directed public attention to the question of mineral development within the United Kingdom, and the instructive records of the Irish Geological Survey are coming to be explored with a new interest. Ireland imports a large amount of iron and steel, some of which it might be possible to manufacture at home. Into the port of Belfast alone the following materials were brought last year:—

Imports in 1918.

	Tons
Wrought iron and steel	75,479
Iron and steel sheets and plates	55,217
Iron and steel castings	10,236
Iron and steel hoop	519
Iron and steel scrap	262

Iron and steel imports for the whole of Ireland are of course much greater. In 1915 the value of the wrought iron and bar-iron and of the plates and sheets landed in the country was estimated at £895,000. Iron and steel are needed for ships, and for all kinds of machinery, whether used in the factory or the field. In conjunction with coal, iron and steel form the basis of national prosperity, and if the development of her coal and iron-ore deposits could be undertaken in Ireland the prosperity of the country would seem assured. Many difficulties must be overcome, and perhaps failure will attend the initial efforts, but perseverance should in time be rewarded. The development of all the resources of the United Kingdom in iron ore is very desirable. We had become to a great extent dependent on foreign ores in the days before the War. The dependence was slightly lessened during the War, but so late as 1917 we imported 6,190,000 tons of ore, chiefly from Spain, while our total production from native mines and quarries was 14,345,000. In 1880 our output was over 18 million tons, and our imports only 3 millions. British and Irish ores are not so suitable for producing certain of the better classes of steel, and hence foreign importations were inevitable; while the increased demand for high-grade steels and the opening up of rich ore deposits abroad have made the working of the lean British ores less profitable. There is a limit, however, beyond which we cannot go in our dependence on foreign ores, and that limit had clearly been reached before the War, though we were unaware of it. It was shown unmistakably during hostilities. Swedish pig iron, £5 10s. per ton in 1914, increased in price to £45 in 1918, and Swedish bar-iron rose from £12 to £17. Irish industries, particularly in the North, and British industries were seriously embarrassed by the scarcity and dearness of iron made from foreign ores. Now is the time to set matters right by developing all promising ore occurrences in the United Kingdom. In Antrim alone there are many deposits of ore other than that mentioned above. The ore mined by the Antrim Iron Ore Company at Clonetrace is of excellent quality, and the average thickness is well over 1 foot. The same Company has mined ore at Parkmore, and deposits occur also at Island Magee, at Glenarm, at Glenravel, at Carnlough, and in Rathlin Island. Some of these deposits have been worked for varying periods and abandoned after a time, mainly because of transit difficulties. Long and expensive road cartage was in most cases responsible for the cessation of work, but with more expeditious and more economical methods of transport the cost of carrying the ore to the place of treatment should be reduced, if it were not found possible to treat it on the spot. Similar difficulties confront enterprise in Wicklow, where at Woodenbridge, Glendalough, and other places encouraging ore indications have been found. In scattered places in the Midlands, as well as in Cork, Clare and Londonderry, iron ore has been found, and mining operations were in some localities extensively carried out at one time. At present the extraction of iron from its ores has made such progress that a genuine effort at development should be profitable. A start should be made with the deposits where open or surface workings would alone be required. With underground workings the cost of mining the ore is usually between 50% and 100% greater than in other cases. The disappearance of war-risk insurance and the release of shipping have already helped to lower freights to a considerable extent, and this will render the shipping of iron ore to Great Britain for treatment more economical than heretofore. It would also have the effect, of course, of facilitating imports from Spain and other countries, but competition from these sources is inevitable. Pending the development of such coal as Ireland possesses and the establishment of blast furnaces, treatment of the ore in Great Britain will be a necessity. The cost of labour militated to some extent against development during the War, despite the high prices for iron, but as demobilisation proceeds labour costs should fall.

Iron ores in the United Kingdom are not so abundant or of such widespread occurrence that we can afford to let some of them remain undeveloped. According to the report presented to the International Geographical Conference at Stockholm in 1910, the actual reserves of iron contained in ore in the United Kingdom were only 455 million tons. The figures for other countries are set out in the following table:—

Estimated Reserves of Metallic Iron.

	Tons
Sweden	740 000.000
West Indies	857 000.000
France	1,140.0 0.000
Germany	1,270,000.000
Newfoundland	1,961,000,000
United States	2,305,000,000

Besides actual reserves we have, of course, potential reserves, the extent of which is very uncertain, but as compared with other countries our position is not even one of equality, much less of supremacy. It behoves us, therefore, to make the maximum use of all our available deposits of iron ore, and not the least promising of these are to be found in Ireland.

JAPAN.—The depreciation which took place in the last two months of the Old Year in various war-time commodities in Japan was, to some extent, checked last month, and traders who had suffered heavily from their speculative buying have experienced a change for the better in their condition. This has been due mainly to co-operative action amongst themselves. Traders and bankers throughout January continued their cautious attitude, and the stock markets experienced slackness, Tokio Stock Exchange shares closing at Yen 191. The Money market exhibited temporary tightness towards the end of the month, on account of the yearly settlement according to the lunar calendar in the provinces, the rate for call money being 7.6%. The notes issued and the advances of the Bank of Japan amounted to £102,500,000 and £52,100,000 respectively. The raw-silk market was somewhat easier, and foreign inquiries were almost non-existent in the Habutai market. The price of raw silk, consequently, declined to £135, as against £152 in December. There is some prospect of the importation of sufficient foreign rice to meet the anticipated shortage of Japanese rice this year. This, coupled with the recent increase of stocks, and also with the decision to deliver foreign and Formosan rice as a substitute in the settlement of "term" transactions, has checked further advance in the price of rice. Cotton yarn has declined to Yen 326 owing to the lower price of American cotton. Exports and imports in January amounted to £12,200,000 and £13,700,000 respectively, as against £10,600,00 and £11,400,000 in the corresponding month of last year.

THE FIRST NATIONAL BANK OF BOSTON, U.S.A.,

Transacts Foreign Exchange Business of every Description.

Commercial Credits.
Collections. Cable Transfers.
Purchase and Sale of Bills of Exchange.

Special Rates of Interest on Deposits — held for a Specified Time. —

Capital	**$7,500,000**
Surplus and Profits	**$19,000,000**
Resources	**$200,000,000**

Branch at Buenos Aires, A. R.

American Topics.

EXPANSION IN U.S. NATIONAL BANK ASSETS.

Following upon the data we presented last week, showing in a form so far not published in any other quarter the growth that has occurred in the assets of British banks, come figures relating to the National Banks of the United States. The last call statement made by the Comptroller of the Currency related to the position of the 7,700 odd National Banks as at the end of December last. Up to the present detailed information relating to the assets and liabilities are not available on this side, but according to cable advices received this week the total resources of the banks amounted at the close of last year to no less than $20,042,000,000 or over £4,000,000,000. This is the highest level ever touched, and is about £400,000,000 more than at the call on August 31 last. We need not enter here into the reasons that have been responsible for bringing about this large expansion, which has meant that the resources of the National Banks of America are now about double what they were only seven years ago, and therefore leave the following statement to speak for itself:—

Resources of U.S. National Banks.

	$		$
Dec. 31, 1918	20,042,224,000	May 1, 1917	16,144,403,000
Aug. 31, 1918	18,043,605,000	Mar. 5, 1917	15,979,122,000
June 29, 1918	17,819,502,000	Dec. 27, 1916	15,333,552,000
May 10 1918	18,249,905,000	Dec. 31, 1915	13,467,887,000
Mar. 4, 1918	18,014,911,000	Dec. 31, 1914	11,357,086,000
Dec. 31. 1917	18,073,308,000	Jan. 13, 1914	11,298,355,000
Nov. 20, 1917	18,553,197,000	Nov. 26, 1912	10,965,789,000
Sept. 11, 1917	16 545,499,000	Dec. 5, 1911	10,443,467,000
June 30, 1917	16,151,040,009	Jan. 7, 1911	9,820,484,000

U.S. STEEL ORDERS.

The statement of the Steel Corporation published this week shows, as we indicated a week ago would probably be the case, that a marked diminution has occurred in the unfilled orders on hand. The total of 6,684,000 tons reported as at the end of January is the lowest since October 1915, at which time it has to be remembered the capacity of the Corporation's mills was appreciably less than at present. That so substantial a decline in new orders is taking place may be attributed to uncertanties of the future not from the point of view of demands likely to be made upon producers for iron and steel products, for the need for these both in the States and elsewhere is very great, but from that of labour and prices. These aspects of the matter are dealt with in this week's *Iron Age*, which states that the cutting of prices is now admitted by producers as necessary to kindle interest among buyers. This conclusion has been reached through the lack of important inquiry during the past nine weeks, partly due to producers maintaining prices at too high a level to encourage barter. How to get labour to recognise its part in the adjustment is the great problem. The total present inflow of emergency orders, our contemporary considers, points to shut-downs here and there within the next two or three months. Unfilled orders of the Steel Corporation compare as follows:—

End of	Tons	End of	Tons	End of	Tons
Jan. '19	6,684,000	Nov. '17	8,897,103	Sept. '16	9,622,584
Dec. '18	7,379,152	Oct. '17	9,009,675	Aug. '16	9,660,357
Nov. '18	8,124,663	Sept. '17	9,833,477	July '16	9,593,592
Oct. '18	8,353,298	Aug. '17	10,407,049	June '16	9,640,458
Sept. '18	8,297,905	July '17	10,844,164	May '16	9,937,798
Aug. 18	8,759,042	June '17	11,383,287	April '16	9,829,551
July '18	8,883,801	May '17	11,886,591	Mar. '16	9 331,001
June '18	8,918,866	April '17	12,183,083	Feb. '16	8,568,966
May '18	8,337,623	Mar. '17	11,711,644	Jan. '16	7,922,767
April '18	8,741,882	Feb. '17	11,576,697	Dec. '15	7,806,220
Mar. '18	9,056,404	Jan. '17	11,474,054	Nov. '15	7,189,489
Feb. '18	9,288,453	Dec. '16	11,547,286	Oct. '15	6,165,452
Jan. '18	9,477,853	Nov. '16	11,058,542		
Dec. '17	9,381,718	Oct. '16	10,015,260		

SOUTHERN RAILWAY NOTES.

At the end of January the announcement was made that the Southern Railway of the United States had disposed of $25,000,000 of short-term Notes to a syndicate of Chicago bankers. The new Notes are to replace a similar amount falling due on March 2, but whereas the maturing issue was placed at 5% and ran for two years, the new Notes will bear 6% interest and will have a currency of three years, though doubtless they will carry the usual right to the Company to retire the whole amount at any time during the three years at a small premium. Hitherto the financing of the Southern Railway has been performed by the Company's fiscal agents in New York, but on this occasion it will be noted the transaction was conducted through Chicago, as, according to published statements, the low commission allowed by the Railroad Administration on such class of business made the usual agents somewhat disinclined to accept other offers, for the issue. The interest charges of the Southern will thus be increased by $250,000, but this should not in any way affect the dividend on the Preferred stock, now restored to the full 5% basis.

SILVER.

The anticipated change in the price of silver occurred on Tuesday last, February 11, when the quotation declined to 47⅞*d.* per oz., a drop of ⅛*d.* compared with that ruling for the previous 54 consecutive working days. This reduction in price, it will be realised, is entirely in sympathy with the reduced rates of freight and insurance from the United States, and cannot be taken as an indication of a more plentiful supply of the metal. It is now anticipated the new rate will rule for some time. The market is steady, and a good demand is reported for industrial purposes. A feature of this week has been the weakness in Eastern exchanges, for whereas after the Chinese New Year Shanghai opened at 5*s.*, the rate has now fallen to 4*s.* 9*d.*, while Hong Kong is 1*d.* lower at 3*s.* 1½*d.* Already advices have been received in London of a shipment of Mexican coin on Saturday last from San Francisco to China, and in view of the fall in exchange further shipments appear probable. We have received from Mr. S. R. Wagel, of New York, a review of the Bullion market for 1918, in which he points out that, so far as silver is concerned, the South American countries are developing silver properties, and that outputs there are expected to show material advances on past totals. He considers that the prospects are, that though the world's production in 1919 will exceed that for the past three or four years, a considerable time will elapse before the total of 225 million oz. recorded for 1913 is again reached. Mr. Wagel concludes his review of the Silver market by stating that now that direct exports from the United States to the Far East are increasing, New York bids fair to become the principal Silver market of the world.

ESTABLISHED 1887.

Telephones: 455, 4084, 2663 Avenue. Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

QUIETUDE has characterised the Share market, but though business has been slack there has been a noticeable firmness of quotations, implying indisposition of holders to part with their shares. On Friday a stronger tone developed, and prices here and there responded, the announcement that the Chancellor of the Exchequer is to specially consider the excess-profits-tax question being considered pregnant with possibilities for the near future.

In their interesting annual review of the rubber position Messrs. Sanderson and Co. lay emphasis on the uncertainty of the immediate future, which we have referred to more than once in these columns. They say: "We have now to bridge over a period during which we shall have very ample supplies from all producing quarters, and the time when manufacturers can get freely into their stride unfettered by restrictions, and able to do a world trade. During this period, the length of which will largely depend upon when peace is signed, we would preach caution. Once this is over we look forward to the future with the greatest confidence, provided the natural expansion of the trade is not impaired by any attempt to interfere with economic laws."

ASAHAN (SUMATRA).

Issued Capital: £114,901 in 10/- Shares.

	Results for Years to July 31								
	Total Planted Acres	Area in Bearing Acres	Av. Yield per Bearing Output lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16	2,464½	1,122	257,496	229	2/8	1/3·4	18,084	10,916	10
1916-17	2,464½	1,495	432,922	289½	2/8½	1/3½	31,151	19,103	17½
1917-18	2,464½	1,772	520,105	290	2/0½	1/2⅛	22,332	17,235	15

Price of Shares, 27/0c.d. Market Capitalisation per planted acre, £121xd.

THE market was surprised at the good showing made by this Company's report, and promptly put up the price of the shares. Prior to the results being published it was generally thought that restriction of production and the low price ruling for rubber would affect the Company's earnings as seriously as in the case of the majority of concerns which have lately issued reports. But, though the crop was 30,000 lb. short of the estimate, it still amounted to 520,000 lb., or 87,000 lb. more than in 1916-17. Moreover, thanks partly to favourable forward contracts, the average sale price was fairly good at 2*s*. 0½*d*. per lb., while the cost of production all-in was lower at 1*s*. 2⅛*d*.—a very creditable performance in view of the degree of immaturity of the plantations and the difficult circumstances. The net profit was quite sufficient to enable the dividend for 1916-17 to be repeated, but the directors adopt a more conservative course, place £5,000 to reserve, and declare 15% dividend. In 1916-17 the margin of profit over the dividend of 17½% was £12,000, against £5,000 now, but then in the earlier year capital expenditure was £8,163 more than the depreciation allowance, whereas for the year under review the excess amounts to £4,188, which is more than covered by the allocation of £5,000 of the profit to reserve. The balance sheet shows a sound financial position, as cash resources exceed current liabilities, including £5,892 of income tax reserve, by £10,000. No liability has yet been incurred for excess profits duty, and the Company is well situated in this connection for the future. Owing to the capital having been scaled down some years ago from £172,500, the percentage standard is relatively high, and there is still a balance of statutory deficits to set against excess profits. Furthermore, in the past year a portion of the capital expenditure covered by the allocation to reserve was for the purpose of clearing 500 acres of unplanted land. The planting of this will increase the cultivated area to nearly 3,000 acres, and the Company will then still have 5,377 acres of land available for future development. Practically all the acreage at present cultivated has reached the bearing age, and with normal tapping rapid and substantial increase in production is in prospect, though not for the current year, as the output limitation scheme only terminated on December 31. The estate ranks in quality on a par with the best in Sumatra, and ultimately near to 1,000,000 lb. of rubber should be produced. The present yield on the shares is low for obvious reasons, but the market valuation per planted acre works out at only £120, and, with 500 acres of new clearings added, this will be reduced to £100.

THE AMERICAN RUBBER INDUSTRY.

THE United States is far ahead of this country in the manufacture of rubber goods, even as it is in the making of steel. Every year sees a further strengthening of its position, and preparation by the great manufacturers to improve still further not only their producing capacity, but also quality and costs, so as to compete successfully the world over. The motor manufacturing industry of the country is reckoned to be one of the largest. It could never have reached such eminence without rubber, and the great and increasing supplies of that commodity have been forthcoming at a low price only because of the venturing of British capital and the pioneering qualities of the British race. Naturally we look upon this circumstance with pride; but it is worth while also considering the point of view of the greatest consuming country. As each year passes a keener and more general interest is taken in the subject in the States. There is not there the inducement to follow affairs in connection with rubber-share investments as there is here. The interest is almost purely for industrial reasons, and it is a sign of the times that one of the leading New York banks—the National Bank of Commerce—should consider it worth while to compile for the benefit of its clients in typewritten form a most exhaustive review, not only of the manufacturing side of the rubber industry, but of the history of rubber and its cultivation in the Middle East. That part of the review devoted to the plantations and their production contains little that is new to our readers—indeed, many of the figures and facts are taken from and attributed to THE STATIST and other sources of information readily available on this side; but the section dealing with the consumption and manufacture of rubber in America includes much that is instructive. The quantities of rubber imported into the United States from various countries and the amounts retained in the five fiscal years ended June 30 last have shown great increase. That fact, of course, is well known, but the actual figures convey more than the mere statement. We give them herewith.

Rubber Imported into the United States.

From	Years Ended June 30.— 1913 Tons	1914 Tons	1915 Tons	1916 Tons	1917 Tons	1918 Tons
England	15,252	21,553	33,556	32,347	55,153	9,789
Brit. E. Ind.	5,394	7,200	10,603	46,919	60,334	115,289
Dut. E. Ind.	36	207	1,802	9,058	20,102	23,957
Brazil	19,128	18,100	21,764	24,538	25,366	18,428
Belgium	2,642	4,913	849	...	—	—
France	1,325	1,174	306	228	275	227
Germany	3,478	3,149	330	—	—	—
Elsewhere	3,013	2,631	7,606	6,452	7,598	6,239
Total imported ...	50,618	58,927	76,816	119,542	148,828	173,929
Rubber retained in U.S.	48,264	57,254	73,967	117,461	143,312	170,264

It will be seen that, owing to the War, this country lost a great proportion of its entrepôt trade in rubber, and that America in 1917-18 obtained the bulk of her requirements direct from the producing countries. At the same time her exports of rubber goods to us and to other European countries have expanded very appreciably. The following official figures show this:—

Value of Exports of Rubber Manufactures.

	Years Ended June 30— 1914 $	1915 $	1916 $	1917 $	1918 $
Belting, hose & packing	2,372,887	1,807,848	2,986,953	3,532,384	4,578,394
Boots and shoe ...	1,113,495	2,780,325	2,665,362	3,199,604	5,774,343
Motor Tyres ...	3,505,267	4,963,270	17,936,227	12,330,201	13,977,671
Other Tyres ...	563,372	576,602	3,003,077	2,547,652	1,130,623
Scrap and reclaimed	1,432,727	1,113,982	1,291,410	1,229,725	803,099
Other manufactures	3,453,472	3,525,486	7,290,345	8,265,509	7,079,061
Total	12,441,220	14,767,513	35,153,374	31,105,075	33,343,181

The War has no doubt been responsible for much of the increase in exports of manufactured rubber goods (mostly motor tyres and belting), which manufacturers here and on the Continent, through shortage of labour and excess of work, have not been able to turn out in sufficient quantity. Under normal conditions the high level of exports to European countries may not be maintained. However, America's exports of rubber goods represent only a small proportion of her total manufactures. Thus the latest census of manufactures, that for 1914, shows that in that year the value of the products of the rubber industry in the United States was $300,994,000, while in the fiscal year ended June 30, 1915, the value of the country's exports of rubber manufactures was $14,767,000—say 5% of the products. The great quantity of rubber retained in the United States is manufactured into a wide variety of articles. Last March the War Service Committee sent out inquiries to 503 manufacturers as to the purposes for which rubber was used in 1917. Some 448 replies were received, giving information of which the following is a summary:—

Distribution of Consumption of Crude Rubber by 448 out of a Total of 503 Manufacturers—Year 1917.

	Amount of Crude Rubber Used. Tons	Per Cent. of Total
Automobile pneumatic casings	71,664	45·5
Automobile pneumatic tubes	14,422	9·1
Solid tyres	11,685	7·4
Motor and bicycle tyres and tyre sundries ...	2,815	1·8
Casings and tubes combined...	8,782	5·6
Casings, tyres, and tubes combined	902	·6
Total tyres and tubes	110,270	70·0
Mechanical rubber goods (belting, hose, packing, &c.)	21,323	13·5
Boots and shoes	12,688	8·0
Druggists' and stationers' sundries and surgical rubber goods	3,732	2·3
Insulated wire and insulating compounds ...	2,756	1·8
Waterproof clothing, cloth and sheeting	2,175	1·4
Rubber cement	1,462	1·0
Hard rubber goods	1,165	·8
Miscellaneous	1,798	1·2
	157,369	100·0

Rubber used in the manufacture of pneumatic tyres and tubes, it will be seen, absorbed 98,595 tons out of 157,369 tons, or about 60%, while solid tyres required 11,685 tons, or 7½%. The smallness of this latter figure, when viewed in relation to the probable big development of motor transportation in the future, indicates one of the directions in which large further expansion in consumption may be looked for. This will be more clearly brought home to the mind of the reader if we point out that whereas in 1914 there were 1,736,790 passenger cars and trucks—mostly cars—registered in the United States, the number had increased by June 1918 to 5,461,791.

The amount of rubber retained by the United States in the year 1917 was 177,088 tons, and probably the 48 manufacturers who did not send in returns of their consumption for 1917, were small firms. If that was the case a substantial quantity of rubber must have been added to the country's stock. This inference seems to be confirmed by the fact that reports made to the Rubber Growers' Association of America by 192 out of 194 importers, and 512 out of 529 manufacturers, indicated that the stocks of crude rubber in the country or afloat thereto aggregated about 80,000 tons on June 30, 1918. During the ensuing six months drastic restriction of imports was enforced, and it is probable that stocks were, in consequence, considerably lower at the end of 1918.

American manufacturers fully recognise that they are indebted to the War for a large part of the big expansion in the demand for rubber goods, and it may be taken for granted that they intend to exert every effort to reap permanent benefit from the wider field obtained for their exports. Briefly, the view held on the other side is that while raw rubber is largely produced in British territory, geographically the United States is well situated from the standpoint of transportation. There the manufacturing skill and organisation necessary have been built up, the European countries during four years of war have been shocked out of their conservative habits, and their need for rubber is expected to develop just as America's has already developed. In all quarters competent to express an opinion on this side of the Atlantic the same view is held of a big demand for rubber goods in the near future, and it is recognised also that competition will be severe.

DUNLOP RUBBER COMPANY.

THE year to August 31 last was an exceptionally profitable period for this undertaking. What the trading profit actually amounted to is not indicated in the report, comparison with previous years' results having been interfered with by alterations in the form of the accounts. We have, however, summarised in a statement presented herewith the results of the past few years on a uniform basis so far as can be done. This statement shows that, after payment of management expenses, commissions, and depreciation, the net income for 1917-18 amounted to £680,782, against £490,748 for 1916-17. The figure given for the earlier year was after payment of £300,000 of exceptional outlays not expected to recur, while that for 1917-18 was arrived at after applying approximately £310,000 to special depreciation upon plant and buildings and excess profit duty for 1914, 1915, and 1916. No excess profit duty, it is anticipated, will be payable in respect of 1917, and the liability in respect of 1917-18 has not yet been ascertained. Furthermore, about £164,000 of profit earned by the rubber estates and subsidiary companies was retained as additional working capital for development, and, therefore, was apparently not brought into the shown profits. If this be so, last year's net income, before excess profit duty, was about £1,155,000, against about £956,000 for 1916-17. Against the maximum 10% of interest paid on French Dunlop Income stock, compared with 5% for 1916-17, was a saving of £40,000 in respect of the royalty formerly payable to the Parent Tyre Co. The issue of additional Preference capital last year raised Preference dividend payments from about £100,000 to £196,450, with the result that the shown profit for the Ordinary amounted to £453,053, equal to 37·7% of dividend, against £335,176, equal to 33·52% on the smaller amount of capital ranking for dividend in 1916-17. For the five years to 1916-17 the Ordinary received 15% per annum, but last year the dividend was raised to 23¾%, after the payment of

£121,250 was applied to writing off expenses of new capital issues made last year, and the balance carried forward was raised by about £19,000 to £122,760. Comparison of the results for the past seven years is made below:—

Year to Aug. 31	Net Income	Int. on Inc. Stock, &c.	Royalty to Parent Tyre Co.	Net Profit	Profit for Ord.†	Div. on Ord. Subject to Tax Earned	Div. on Ord. Subject to Tax Pd.	Special Allocations	Carried Forward
	£	£	£	£	£	%	%	£	£
1918 ...	680,782	31,279	—	649,503	453,053	37·07	23¾	121,250	122,760
1917 ...	490,748	15,639	40,000	435,109	335,176	33·52	15	164,649	103,457
1916 ...	476,084*	19,107	24,539	432 438	384,438	38·44	15	227,037	82,930
1915 ...	458,652	23,601	23,411	411,640	366,766	36·82	15	175,000	75,529
1914 ...	431,873*	27,248	22,706	381,919	355,719	35·86	15	211,055	33,241
1913 ..	399,126	27,863	20,907	350,356	338,356	34·87	15	171,214	37,679
1912 ...	525,707*	27,863	18,411	479,433	467,433	48·17	12½	361,404	16,091

* Includes premiums on shares.

† After payment of Preference dividends as follows:—1918, £196,450; 1917, £99,933; 1916, £48,000; 1915, £44,874; 1914, £26,200; 1913, £12,000; 1912, £12,000

So far as the general trade of the Company is concerned, there was last year a great expansion of foreign business, both the sales and profits therefrom being unprecedentedly large. It is also stated that an important increase occurred in the home trade, and that a satisfactory feature was the great advance in solid-tyre sales both at home and abroad. According to the report further large extensions of the Fort Dunlop works are in progress, and, in view of the steadily increasing productive capacity, the directors hope all demands will be fully met. So far as the current year is concerned, the trading for the first five months is said to have shown a substantial increase.

A feature of the Dunlop assets is its large interest in rubber estates, which during last year increased by about 8,000 acres to, roughly, 34,000 acres. Only two years ago these estates were said to comprise 16,000 planted acres, while at the end of 1915 they were 10,547 acres, and a year earlier only 8,660 acres. It will be seen, therefore, that as yet the parent Company is deriving but a tithe of the advantage that will accrue to it in future as its rubber estates become more productive. Altogether the Company owns about 65,000 acres of rubber-growing lands in the East. The balance sheet at the end of August 1917 showed the book value of investments in rubber estates at £633,000. However, taking into account the profits earned by the rubber companies but used for capital purposes, the cost of the rubber estates in August 1917 was just £940,000. It would appear that during last year the rubber companies' profits thus treated were capitalised, for at the end of August last rubber investments were given at £977,000, which, with a planted acreage of 34,000 acres, still works out at only £29 per acre. This, it will be appreciated, is far below the actual value.

The growth of the undertaking and the increasing financial strength are obtainable by comparing recent balance sheets. The capital paid up has been increased from £1,585,000 on August 31, 1914, to £4,687,500, of which £500,000 represents capitalisation of reserve fund. After making adjustments in the balance sheet through eliminating book entries, the book value of the assets in the past four years has risen from £3,514,643 to £6,311,604. The book value of the plant, it will be seen, is now even less than when war broke out. Comparison of recent adjusted balance sheets is made below:—

August 31—	1918	1917	1916	1915	1914
	£	£	£	£	£
Capital	4,687,500	3,000,000	1,800,000	1,796,250	1,585,908
Income stock	312,786	312,786	312,786	312,786	312,786
Debentures	—	—	—	126,500	244,100
Reserve	300,000	800,000	800,000	800,000	800,000
Sundry creditors, &c. ...	868,558	1,645,284	1,139,003	356,312	538,608
Profit balance	122,760	103,457	82,930	75,529	33,241
	6,311,604	5,761,527	4,134,719	3,467,647	3,514,643
Plant, &c.	435,944	471,407	359,382	282,029	458,958
Goodwill, royalties, &c.	340,000	—	—	—	—
Stock, &c.	2,341,980	2,670,282	1,640,992	781,354	824,153
Investments:—					
Rubber	977,075	633,225	597,100	571,000	489,139
Associated companies	267,602	255,327	237,528	232,219	317,936
General	49,935	105,255	102,648	562,553	100,746
Cash, &c.	287,565	127,056	130,900	147,674	210,791
Sundry debtors ...	1,611,603	1,498,975	1,066,169	890,818	1,112,920
	6,311,604	5,761,527	4,134,719	3,467,647	3,514,643

Of the paid-up capital at the end of August last £1,000,000 consisted of 6% Cumulative "A" £1 Preference shares quoted at 21*s.* and yielding 5¾%, £1,000,000 of 6½% Cumulative "B" £1 Preference shares quoted at 21*s.* 6*d.* and yielding 6⅛%, £1,187,500 of 7% Cumulative £1 (15*s.* 10*d.* paid) "C" Preference shares owned by the Parent Tyre Co., which has the option to buy a further £1,500,000 of similar "C" Preference capital, and £1,500,000 of £1 Ordinary shares. The latter are quoted at 4½, at which the yield from last year's dividend of 23¾% is about 5⅜%, which, though a low return on past dividends, cannot be so regarded when taking into consideration what the future holds in store for the undertaking. The Income stock of the French company is quoted at 21*s.* per £1, and the yield from the 10% interest paid for 1918 is 10%.

LENNARDS, LIMITED.

The gross trading profit of this Bristol firm of leather factors and boot and shoe manufacturers in 1918 was more than 50% greater than in 1917, and even after allowance for excess profits duty and reserves for deferred repairs, &c., the profit for the Ordinary capital was substantially larger than in previous years, having amounted to £45,224. After having stood at 10% for five years, last year's dividend was raised to 12½%. The sum allocated as per articles of association, and accruing to the Chairman, who is entitled to two-thirds of the profit after 10% has been earned on the Ordinary capital, was £23,816, against £15,906 for 1917, and the balance carried forward was raised from £27,266 to £35,674. The Company has outstanding £30,000 of 4% Mortgage Debentures, a mortgage of £30,000 on headquarters, and loans of £35,500. Doubtless these two latter items will disappear when Treasury consent has been received for allotment of new capital applied for last year. The balance sheet shows a share capital of £200,000, half in £1 Preference shares and half in £1 Ordinary shares. A further £25,000 of each class was offered last year, the Preference shares at par and the Ordinary at 4*s.* premium. When the transaction has been carried through the share capital will stand at £250,000, and the reserve fund will be raised from £41,340 to £46,340. The profit for last year, after deducting the Chairman's remuneration, was equal to about 45¾% on the Ordinary capital then in issue, and to about 36⅛% upon the increased amount of Ordinary capital. A feature of this Company's balance sheet for the past 22 years has been that trade creditors have been shown at nil. Of total assets of the book value of £492,309 on December 28 last stocks represented £283,343, and including the latter current assets were valued at £310,503. Current liabilities stood at £150,662, which includes the loans that are likely to disappear when allotment of the new capital is made. The Preference shares are quoted at 17*s.*, at which the yield is £7 1/16%, and the Ordinary at 28*s.*, which makes the return about £8 15/16%.

Yr. to Dec. 31	Gross Trading Profit	Misc. Expenses & Int.	Reserved for Exc. Profits, Deferred Repairs, &c.	Net Profit	Profit for Ord.*	Div. on Ord.	Chairman's Remuneration	Special Allcns.	Carried Forward
	£	£	£	£	£	%	£	£	£
1918	97,220	10,996	35,000	51,724	45,224	12½	12,500	23,816	500	35,674
1917	61,411	7,852	14,000	39,559	33,559	10	10,000	15,906	500	27,266
1916	55,993	7,821	10,000	38,172	32,172	10	10,000	14,980	250	20,113
1915	47,675	6,874	7,000	33,801	27,801	10	10,000	12,200	500	13,173
1914	41,779	7,772	—	34,007	28,007	10	6,875	14,421	4,203	8,072
1913	37,788	8,181	—	29,607	23,607	10	5,000	12,738	3,637	5,565
1912	29,824	8,027	—	21,797	15,797	8	4,000	7,398	2,500	5,333
1911	25,629	7,884	—	17,745	11,745	7	3,500	4,696	3,500	3,386
1910	24,769	7,422	—	17,347	11,347	7	3,500	3,764	2,500	1,804

* After div. on 6% Cumulative Pref., calling for £6,000 per annum.

The Bank of Bombay has recently announced a dividend and bonus of 9½% (actual), against 9% a year ago, 7½% for the December halves of the three previous years, and 6½% for the second half of 1913. For the year 1918 the dividend and bonus aggregate 18½%, compared with 17½% for 1917 and 15% for the three earlier years.

SCOTTISH UNION & NATIONAL
INSURANCE COMPANY.
ESTABLISHED 1824.
ASSETS Exceed £11,000,000.
FIRE, INCLUDING LOSS OF PROFITS, LIFE, ACCIDENT, ILLNESS, ANNUITIES, PENSIONS LEASEHOLD, BURGLARY, GLASS BREAKAGE, TRANSIT OF SECURITIES, FIDELITY, PROPERTY OWNERS' RISKS, MOTOR CAR RISKS, HORSE DRIVING ACCIDENTS, THIRD PARTY, EMPLOYERS' LIABILITY and MARINE
INSURANCES effected on the most favourable terms
Edinburgh: 35 St. Andrew Square.
London: 5 Walbrook, E.C. 4, & 4 St. James's St., S.W. 1.

The Effects of the War
ON
Life Assurance Business
Pamphlet on application to the General Manager,
SUN LIFE OFFICE (Estd. 1810),
63 Threadneedle Street, London, E.C. 2.

Insurance Notes.

SEA INSURANCE COMPANY, LIMITED.

QUITE a good report for 1918 is presented by the directors of the Sea Insurance Company. The profit from the closing of the underwriting account for 1917, after transfer of £150,000 to suspense account as the estimated provision for third year's and later settlements, amounts to the fine total of £191,534. The premium income in 1917 reached £2,285,626, which was nearly double that of 1916, and nearly four times that of 1915; but, on the other hand, the first year's settlements amounted to 57.6% of the premiums, which was much higher than usual. At the close of 1917 it was impossible to foresee how the year's account would turn out. Under ordinary circumstances the high ratio of the first year's settlements would have appeared most unpromising. But, as was pointed out in a review of the figures in these columns on March 9, 1918, war business differs greatly from peace business, and whether the closing of the account would show a profit or a loss was uncertain. The result now shown, therefore, must be regarded as very satisfactory to shareholders. In addition to the underwriting profit from the 1917 account, interest earnings and fees credited to the 1918 profit and loss account amounted to £66,596, as against income tax of £18,661, leaving a net surplus from interest earnings of £47,935. The underwriting profit for the 1917 account represented nearly 9% ot the premium income in that year.

The total profit brought into account at the close of 1918 was £239,455, after deduction of income tax. This is dealt with as shown in the following paragraph.

The share capital amounts to £500,000, now represented by 50,000 fully-paid shares of £10 each. A dividend is declared in respect of the position shown in the annual report for 1918 at the rate of 20*s.* per share, this being the same rate as had been declared for several years previously; but, in addition, a bonus of 4*s.* per share is announced, making the total distribution 24*s.* per share, of which 10*s.* was paid on July 1, 1918, as interim dividend, and 14*s.* on January 29, 1919. The distribution is subject to income tax, and thereafter amounts to £42,750, which is less than the net income from interest alone in 1918, as above shown. Thus more than the whole of the trading profit from the 1917 underwriting account has been used to strengthen the reserves. The balance carried forward to the 1919 profit and loss account, after deducting dividends and bonus, is £101,361, which is less by £8,295 than the corresponding balance which had been brought forward to 1918. On the other hand, the reserve fund is increased by £205,000, and now stands at £410,000. The paid-up capital, reserve fund, and profit and loss balance together now amount to £1,011,361, which is equivalent to more than £20 per share, or double the paid-up capital, without taking into account any profit which may be anticipated from the closing of the 1918 underwriting account. That account shows a premium income of £1,234,060, which is not much more than half the premium income in 1917; but this account looks satisfactory so far, as the first year's settlements absorbed only about 30.6%, or not much more than half the corresponding proportion in the 1917 account. After deduction of these settlements and expenses a balance of £815,844 is carried forward in this account to 1919.

The financial position appears to be remarkably strong. Total assets, December 31, 1918, £2,171,073.

At the annual meeting, held at Liverpool on 28th ult., the Chairman of the Company gave some interesting information as to the value of the assets. It seems that in former years the Company's Stock Exchange securities had been written down by about £200,000, in order to provide for depreciation in value. No such provision was necessary, however, at the close of last year, seeing that the book values were at that date slightly in excess of the market quotations. He stated, on the same occasion, that the directors had been considering the question of subdividing the 50,000 shares into 500,000 shares of £1 each, fully paid, and that they were inclined to recommend this alteration. As the suggestion was favourably received by the meeting, it seems probable that it will be given effect to, with the view of increasing the popularity and marketability of the shares.

PROPOSED AMALGAMATION. SCOTTISH AMICABLE LIFE ASSURANCE SOCIETY AND SCOTTISH INSURANCE CORP., LTD.

As already stated in this Journal, a circular was issued a few weeks ago by the Manager of the Scottish Insurance Corporation to the Company's shareholders, stating that his directors had received an offer from the Scottish Amicable Life Assurance Society for the purchase of the Corporation's shares. In a further circular, dated 7th inst., particulars of the proposed transaction were given, the main points of which may be summarised as follows:—

The price offered is £9 per Scottish Insurance share. This is to bear interest at 5% from March 30, 1919, until completion of purchase. The Scottish Insurance shareholders are to be entitled to dividends on their shares up to December 31, 1918. The dividend for the financial year ending on that date has been fixed at the rate of 5*s.* per share, of which 2*s.* per share has already been paid as an interim distribution. They are, therefore, to receive a further 3*s.* per share if the arrangement eventuates. The purchase is, however, conditional (1) on the Scottish Amicable obtaining in this way 24,000 Scottish Insurance shares (or 80% of the existing number), or such less number as it elects to accept, on or before the 17th inst., and (2) on the Scottish Amicable Society obtaining, not later than February 28, 1920, the Parliamentary powers necessary to enable them to complete the purchase.

The Scottish Amicable Life Assurance Society is one of the most deservedly popular and successful of mutual life offices. It was founded in Glasgow, which has always remained its headquarters, in 1826. Its

bonus record has been exceptionally good and consistent. At the last four quinquennial valuations (at end of 1900, 1905, 1910, and 1915 respectively) they have been at the very high standard of 35*s.* per cent. per annum in compound reversionary form. Never in the Society's history have they been at a lower standard than 30*s.* per cent. per annum compound. The Society's net life premium income in 1917 was £433,912. Its funds at the close of that year amounted to £6,273,551.

The Scottish Insurance Corporation, an Edinburgh office, was founded in 1877. It was originally known as the Scottish Accident Insurance Company, its business having been at first restricted to personal accident business, in which for a number of years it successfully specialised. The name was changed to the present designation in 1911. On December 31, 1918, the paid-up capital amounted to £30,000, in 30,000 shares of £5 with £1 paid on each. The dividend for 1917 was 25%, or 5*s.* per share, less tax. Premium income in 1917 was as follows:—Accident and general section, £66,956; employers' liability section, £51,702; fire section, £43,966; life section, £51,293; marine section, £54,392. Total assets December 31, 1917, £663,738.

The offer seems attractive to the Scottish Insurance shareholders, for an investment at 5% of the amount proposed to be given for each of their shares would yield 9*s.* (as compared with the present distribution of 5*s.*) per share per annum.

As far as the Scottish Amicable Society is concerned, as they are the proposed purchasers its directors may be assumed to have satisfied themselves that the terms are remunerative. If that Society secures all the Scottish Insurance shares the price paid will amount to £270,000, and this will presumably appear as an asset in their balance sheet. At the present rate of the Scottish Insurance dividend the net yield to the Scottish Amicable on this asset would be under 2% per annum after deduction of the current rate of income tax. As the valuation basis in the Scottish Amicable is 3%, this would not be sufficiently attractive in itself, but it may be reasonably expected that, with the aid of the Scottish Amicable connections, the profits of the Scottish Insurance Section will increase.

This is the second case within the last year (the other is the purchase of the Century Insurance Company by the Friends' Provident) in which a mutual life office has sought to acquire an indirect interest in other forms of insurance. The movement shows that purely life offices are keenly feeling the competition of composite insurance companies. It cannot be denied, however, that to some extent it alters the character of the purchasing societies, as they thereby subject their members in consequence in some degree to other descriptions of insurance hazards.

The announcement has been made that, subject to the assent of the shareholders, a preliminary understanding has been arrived at by which the London and Lancashire Fire Insurance Company is to acquire the shares and undertaking of the Law Union and Rock Insurance Company. We hope to refer to the matter fully in our next issue.

With regard to the Belgian credit to which we referred a week ago, we now understand that arrangements have been completed whereby a Syndicate has been formed in London composed of some of the principal banks and acceptance houses, and a credit for £4,000,000 is being granted to a group of Belgian banks and bankers, including the Banque Nationale de Belgique. The credit will be availed of by three months' bills, renewable three times, making one year in all, drawn by the Belgian group on the British Syndicate. The credit thus obtained will be utilised for the import into Belgium of goods from Great Britain and her colonies. By this means a service is rendered not only to our Belgian Allies, but to British and Colonial merchants and manufacturers.

Life Assurance at Minimum Rates.

A
PLAN of ASSURANCE
SPECIALLY ADAPTED
for PRESENT TIMES.

For particulars address the
GRESHAM LIFE ASSURANCE SOCIETY, LIMITED,
ST. MILDRED'S HOUSE, POULTRY, E.C. 2
Founded 1848. Funds £10,500,000.

THE GRESHAM FIRE & ACCIDENT INSURANCE SOCIETY, LIMITED.
Transacts all classes of Fire and Accident Business.
Chief Office: St. Mildred's House, Poultry, London, E.C. 2.

THE **PIONEER LIFE**
Assurance Company Limited.

RECORD OF PROGRESS.

Life Premium Income.		Life Assurance Funds.		Total Claims Paid to Date.
1901—£22,308	...	£9,175	...	£39,900
1909—£72,680	...	£47,623	...	£172,000
1918 £111,163	...	£169,154	...	£484,000

Head Office .. .. 67 DALE STREET, LIVERPOOL
J. REDMAN ORMEROD, *Manager.*

HEAD OFFICES: LIVERPOOL AND LONDON
ROYAL
INSURANCE COMPANY, LIMITED
ALL CLASSES OF INSURANCE EFFECTED

COMMERCIAL UNION
ASSURANCE COMPANY, LIMITED.
Head Office: 24/5/6 CORNHILL, LONDON, E.C. 3.
Total Assets (including Life Funds)—£31,801,986.

Commercial.

COTTON.—II.

The United States right up to the outbreak of the War, as the collapse in the exchange amply testified when the War broke out, owed this country immense sums of money. Now, when one country owes another large sums of money, it is not possible in the satisfaction of the exchanges to send gold, nor would it be useful to do so. What we required in this country was not gold, but produce to feed our manufacturers and to feed our consuming markets. To some extent the United States satisfied this demand by sending foodstuffs, but a very large part of the produce by which she was accustomed to liquidate her annual debts in Europe, and particularly in this country, was the export of cotton and the export of tobacco. Foodstuffs had been showing a steady decline in quantity. It is interesting to note at the moment, as we showed in a recent article on prices, that although the United States supplied such immense quantities of foodstuffs during the recent War, the increase in volume was comparatively small when measured by the enormous increase which took place in what for convenience we call prices; *i.e.*, we had to give a far larger measure of services for the same quantity of produce than we had done formerly.

In tobacco and cotton the United States found ready means of liquidating its liabilities. In cotton, however, the increased ratio was not as great as might be desired, as we have already pointed out.

As a result of the War the United States is no longer under the necessity of remitting large amounts of produce in order annually to meet her liabilities, as was the case before the War. We have still, as we

had then, immense sums invested in the United States; but whereas we formerly owned the major portion of the railway system of the United States and financed a large part of the cotton and tobacco crops, we have during the War ourselves incurred enormous liabilities in that country, and consequently it is no longer necessary, to the extent that was the case before 1914, for the United States to raise large crops in order to pay the annual recurring charges upon her loans. While this condition of things lasted we were in a singularly strong position. The United States had, as we have said, to meet certain liabilities each year, which could most conveniently be met by sending us 3 or 4 million bales of cotton. We on our part were compelled to export largely, because some 80% of our population then, as now, were employed in the manipulation, as distinct from the production, of primaries; but we were materially assisted in paying for our imports in food and raw materials not merely by our exports, but by the services we rendered as the world's shippers to the large extent we have already mentioned, as the world's exchange bankers to an even greater extent, and as the largest marine insurance agents, as well as fulfilling other functions in connection with the insurance business. Finally, when we had rendered all these services we were entitled, owing to the large savings of our fathers, to an annual return of something between 200 and 250 millions sterling every year for services which had been rendered by a preceding generation.

Unfortunately this condition of things, if not actually changed, has been very materially modified as a result of the recent War. We have incurred debts upon a colossal scale both at home and abroad. We have largely had to spend the savings of our forefathers, and to some extent we have mortgaged the income of the future. It would be neither good policy nor good sense to take too gloomy a view of our prospects, more particularly because a very large part of the world, to use a localism, is in the same boat as ourselves. Nevertheless, every sensible man likes to look facts in the face, and it cannot be denied that every reasonable effort should be made to increase our power of production, and if possible the aggregate amount which we are able to export in the future.

Now with regard to the cotton trade. It appears to us that the case is clear that, if new fields can be found for the increased production of cotton, it is eminently desirable that such fields should be sought, and if they are to be sought, why not seek them within the confines of the British Empire. Now the British Empire is the largest single entity at present existing in the world. We have a population of more than 450 million souls. We have an area of 13 million square miles. A large part of that area is situated in latitudes which are capable of being developed into what our friends on the other side of the Atlantic would call a cotton belt. Cotton, like nearly all other plants, requires certain specified conditions in order to grow it under favourable conditions. The hot arid lands of the tropics are highly unfavourable. It grows well, as the conditions of the United States of North America show, in a land subject at certain seasons of the year to frost, but that frost must take place at a period when it does not affect the cotton crop, because frost is fatal to cotton. The conditions must be such that from sowing to picking the belt where the cotton is grown is absolutely secure from frost. It can be grown under suitable conditions as to rain, as is shown in the United States of North America, or with irrigation, as the magnificent success of the Egyptian crop proves. The finest cotton known to the international markets is at present grown in Egypt, and in certain of the West India Islands. The Egyptian bale already spoken of is 50% larger than the common cotton bale of the United States. The Egyptian crop, however, only furnishes some 15% of our total consumption, but being used exclusively in what are known as the finer counts it keeps employed more than a quarter of the total number of our spindles. It is by no means certain that it would be economically a sound policy to materially increase the growth of cotton in Egypt. It has to be remembered that Egypt is a rainless country, and is dependent for its water supplies from the Nile. Consequently, although it is perfectly true that there is a very large area available for cotton cultivation in the Soudan, it can only be successfully carried on by absorbing water which is equally needed in Egypt. Moreover, it has come to be commonly accepted among economists that it is not a sound policy for any country to be unduly dependent upon any single crop. With regard to the development of cotton cultivation upon any large scale in the African colonies, it would be necessary to increase the means of transportation to a very much greater extent than exists at present.

India seems the most promising field. As we have already said, there was a period in the remote past when India appears to have produced some of the finest cotton known in the world. Rates of wages are exceedingly low in India. There is a teeming population, so poor that it is anxious to emigrate to various parts of the world. There are enormous areas in India suitable for the growth of cotton, and, consequently, it would seem that it is simply a question of collecting competent agriculturists acquainted with the conditions under which cotton can be grown suitable for the spindles of Lancashire, and training the native labourers to perform the work more efficiently than is done at the present time.

No more urgent task follows upon the demobilisation of the Forces than the re-instatement in civil life of the soldiers and sailors. Though the number of men to be dealt with in this country alone makes the labour gigantic, the machinery exists for performing it, and it only remains for intending employers and employees to avail themselves of their opportunity. Indeed, the Employment Exchanges, assisted by the Local Advisory Committees, which represent equally the interests of both parties in every neighbourhood, have the organisation ready for use. The staffs of the Exchanges have been considerably strengthened in order to meet the extra strain thrown upon them. It is not generally known that branches have been set up to deal with discharged men only, and in a great number of cases special sections for disabled men have been established. As far as possible, the work in these new additions to the Exchange system is carried on by men in the same position as those whom they are helping back to civil employment. Discharged men, with no small proportion of disabled among them, superintend the placing of discharged and disabled men. It has been found that the loss of an arm, of a leg, of two legs, and even of eyesight is no insurmountable obstacle to the performance of efficient work, given employers who will take on the men; and the Exchanges which make use of such men are patent examples of the fact that war, even when it has dealt serious bodily injurious, does not render the fighter unfit for successful life as a civilian.

HARRISONS and CROSFIELD,
LIMITED.

Eastern and General Merchants.

Agents and Secretaries for
RUBBER, TEA AND PRODUCE COMPANIES.

ESTATES FINANCED.

Head Office : 1-4 Great Tower Street, London.

CITY OF LONDON BREWERY.

THOUGH it is impossible to say to what extent last year's gross profit from brewing exceeded that for 1917, owing to a change in the form of presenting the accounts, it would appear the addition was fairly substantial. The gross profit from brewing in 1918 is shown at £225,907, but upon what output this was secured is not stated. In addition £76,047 was received from dividend and interest on investments and from rents, and £2,272 came in from other sources. The report for 1917 showed £231,342 from brewing and rents, £11,967 from investments and £3,004 from miscellaneous. The total gross income for last year, therefore, amounted to £304,681, against £246,314 for 1917, and was almost double that for 1915 and 1914. After payment of sundry expenses, repairs, depreciation, interest charges, and the dividend on the 5% Cumulative Preference stock, the profit for Ordinary was no less than £184,495 before deduction of income tax on dividends paid on the Ordinary capital. This was equal to as much as 58.2% on the average amount of Ordinary capital ranking for dividend, and compares with £131,414, equal to 43.4%, earned in 1917, which was regarded as an exceptionally profitable period. From the profit for 1918 the Ordinary capital receives a 10% dividend and a 25% bonus, both tax free, equal to 49⅛% gross, while for 1917 the dividend paid was 10%, subject to tax, which, with a 20% tax-free bonus, made together 36⅔% gross. A further £20,000 has been added to reserve fund, thereby raised to £131,295, and the balance forward has been increased by nearly £9,000 to £67,269. The dividend of 49⅛%, it has to be remembered, is paid on about 70% less Ordinary capital than was in issue at the end of 1913, and, were the capital now the same as five years ago, would have been equal to about 21%. The course of profits and dividends in recent years is shown below:—

Year to Dec. 31	Total Income	Sundry Exp. and Depreciation	Net Profit*	Preference Dividends	Profit for Ord.†	Div. on Ord. Subject to Tax		Special Allocations	Carried Forward
	£	£	£	£	£	%	£	£	£
1918	304,681	74,024	109,495	25,000	184,495	49⅛	155,653	20,000	67,269
1917	246,314	66,615	157,414	25,000	131,414	36⅔	110,929	20,000	58,425
1916	183,022	87,890	72,054	25,000	47,054	5	15,020	15,000	58,910
1915	157,067	84,404	47,110	25,000	22,110	Nil	—	10,000	41,876
1914	154,745	76,512	49,809	25,000	24,809	Nil	—	10,000	29,766
1913	138,475	92,834	16,920	Nil	16,920	Nil	—	20,000	14,957
1912	131,511	98,906	3,804	Nil	3,804	Nil	—	Nil	18,037
1911	102,643	62,162	11,760	5,000	6,760	Nil	—	Nil	14,234
1910	83,211	58,724	Dr.4,234	Nil	Dr.4,234	Nil	—	Nil	7,473
1909	119,454	57,204	33,444	25,000	8,444	Nil	—	Nil	11,707
1908	116,515	52,558	34,982	25,000	9,982	1	10,006	Nil	3,263
1907	133,857	51,719	53,163	25,000	28,163	2¾	27,517	Nil	3,287

(*a*) Dividend of 10%, tax free, and bonus of 25% tax free = 49·12% less tax.
(*b*) Dividend of 10%, less tax, and bonus of 20% free of tax = 36⅔%, less tax.
* After paying interest charges as follows:—1918, £21,062; 1917, £22,285; 1916, £23,078; 1915, £25,653; 1914, £28,424; 1910-13, £28,721; 1909, £28,806; 1907-08, £28,975.
† Dividends earned on Ordinary capital:—1918, 58·2%; 1917, 43·4%; 1916, 15·6%; 1915, 7%; 1914 8·2%; 1909-14, nil; 1908, ·9%; 1907, 2·81%.

The capital, &c., consists of £487,565 of 4% Debenture stock, £291,384 of 3½% Debenture stock, £500,000 of Preference stock, £265,570 of Ordinary stock, and 74,778 £3 12*s.* Ordinary shares, on which 12*s.* has been paid up. The Debenture and other stockholders have approved of a scheme, which awaits the sanction of the Court, for cancelling the outstanding call of £3 per Ordinary share on which the balance of £3 had not been paid in advance of calls by December 19 last. At the same time the dividend on the Preference capital is to be raised to 5½% as from January 1 immediately preceding the confirmation of the Court, and, in addition, it is proposed to transform the 4% Debenture stock into First Debenture stock and the 3½% Debenture stock into Second Debenture stock. Subject to the Court's approval of the scheme for extinguishing the £3 per Ordinary share, the Company will pay annually 1% of the nominal amount of each of the Debentures outstanding, together with the equivalent of the net interest on the amount redeemed by way of addition to the funds for redemption, which will take place at par. Any surplus remaining in the First Debenture fund after that issue has been redeemed will pass to the Second Debenture fund. It was stated in the notice convening the meeting of Debenture holders in December last that the security for the Debentures will be increased by £250,000 worth of freehold and leasehold properties. Apparently it is to this matter that the report recently issued refers, for it is stated therein that the capital improvement in the assets of the Company, especially those acquired since the reduction of capital in 1914, is considerable, and it may be desirable for the directors to place before shareholders a valuation which will accurately represent the capital now employed in the business. If such action is taken, the reserve fund will doubtless be correspondingly increased, but whether this will lead to any capitalisation of reserve fund, as was done in the case of Nalder and Collyer's, remains to be seen. As compared with £1,453,733 on December 31, 1914, fixed assets were valued at £1,441,180 at the end of 1918. Current assets now amount to £652,974, and surplus liquid assets to £408,526, against £241,846 four years ago.

The price of the Preference stock is 72 *cum* a half-year's dividend, and the yield from the prospective dividend of 5½% is 7⅝%. The Ordinary stock is at 162½, and, allowing for accrued dividend and bonus, the yield from the 10% tax-free dividend is 8⅛% gross. The 12*s.* Ordinary shares stand at 20*s.* *cum* dividend and bonus, and the return from the tax-free dividend of 10% in this case is about 7⅞%.

JOHN SHANNON AND SON.

THE turnover of this Walsall firm of wholesale clothing manufacturers, it would appear, appreciably expanded last year, with the result that the net trading profit reached the unprecedented total of £55,266—which, though not a large total in itself, is certainly so for this Company. The corresponding figure for 1917 was £36,886, but inasmuch as from last year's profit £30,000 had to be set aside for excess profits duty, against £16,000 in 1917, the net profit rose from £20,886 in the earlier year to £25,266. After payment of dividend on the 5% Cumulative Preference capital the net profit available for the Ordinary last year amounted to £19,766, equal to about 18% upon the capital outstanding. In view of these results the Directors have once more increased the Ordinary dividend, that for last year being 12½%, compared with 10% for 1917, 8% for 1916, 7½% for 1915, and 5% for 1914. Moreover, £5,000 of surplus profit has been transferred to reserve fund, thereby raised to £40,000.

An indication of the expansion in profit in recent years is obtainable from the appended statement:—

Year to Dec. 31	Trading Profit	Excess Profits Duty	Net Profit	Div. on 5% Cum. Pref.	Profit for Ord.	Div. on Ord.		Special Allocations	Carried forward
	£	£	£	£	£	%	£	£	£
1918	55,266	30,000	25,266	5,500	19,766	12½	13,750	5,000	12,052
1917	36,886	16,000	20,886	5,500	15,386	10	11,000	5,000	11,036
1916	30,163	8,000	22,163	5,500	16,663	8	8,800	5,000	11,659
1915	32,036	10,000	22,036	5,500	16,536	7½	8,250	7,500	8,787
1914	14,272	—	14,272	5,500	8,772	5	5,500	2,500	8,001
1913	17,366	—	17,366	5,500	11,866	6	6,600	6,775	7,229
1912	16,150	—	16,150	5,500	10,650	5	5,500	6,500	8,738
1911	9,039	—	9,039	5,500	3,539	2½	2,750	7,500	10,088
1910	7,548	—	7,548	5,500	2,043	2½	2,750	—	16,799

The capital has been unchanged for many years, the amount authorised being £300,000, half in Preference and half in Ordinary. The issued capital is £220,000, equally divided between Preference and Ordinary capital. Since war began the book value of the assets has very considerably increased, stocks on hand at the end of December last having stood at £228,080, against between £50,000 and £60,000 before the War. Including the book value of stocks, current assets on December 31 last amounted to £297,000, while, on the other hand, current liabilities, including dividend payable, stood at £111,307. The shares are quoted on the Birmingham Stock Exchange, the £1 Preference at 15*s.* 6*d.* and the £1 Ordinary at 28*s.* 6*d.* *cum* last year's dividend of 12½% subject to tax. The yield upon the Preference is thus about 6½%, and that upon the Ordinary roughly 9⅜%.

MEETINGS
OF PUBLIC COMPANIES.

LLOYDS BANK LIMITED.

The sixty-first ordinary general meeting of the shareholders was held on February 11 at the Grand Hotel, Birmingham. Sir Richard V. Vassar-Smith, Bart. (Chairman of the Bank), presided.

The Chairman said: At this, the first meeting of the shareholders of Lloyds Bank since the cessation of hostilities, I think that, with the feeling of gratitude and admiration we must have towards all members and classes of His Majesty's Forces who have brought about the glorious victory, we would desire to place upon the minutes of our proceedings to-day our recognition and appreciation of the services, freely offered, of those connected with this Bank. Many—more than 600—have lost their lives, many have been grievously maimed and wounded, many are invalided. A permanent record of all will be placed in the Bank, so that future generations may know what was done in the defence of the country at this critical time. I am proud to report to you that the following military honours have been awarded to members of our board and staff, viz., 6 Distinguished Service Orders, 1 Distinguished Service Cross (with bar), 75 Military Crosses (including 8 bars), 2 Distinguished Flying Crosses, 1 Air Force Cross, 5 Distinguished Conduct Medals, 31 Military Medals (including 1 bar), 3 Meritorious Service Medals, 1 Bronze Medal of the Royal Humane Society, 29 Mentions in Despatches, 2 O.B.E.'s, 1 M.B.E., and 10 foreign decorations.

You may be interested to know that on the evening of February 26 a service will be held in St. Paul's Cathedral in memory of those who have lost their lives, at which their relatives will be specially invited to be present.

At the same time I should like, on your behalf, also to express recognition and appreciation of the services of those members of the staff who, many unwillingly, were kept at home. They did a great work ungrudgingly and without complaint, in times of intense difficulty and stress. The administration of this great Bank was not only maintained efficiently, but assistance was given to Government departments and the Bank of England.

I must also mention the services of the temporary staff, men and women, who came to our assistance. All were good, and but for them, with all their willingness, our depleted permanent staff could not have carried on the work.

The Report.

I will now ask your attention for the consideration of the report and accounts for the past year. The first paragraphs deal with the distribution of the available balance of profit, which, with the amount brought forward from 1917, makes a total of £2,647,846. This amount includes a half year's profit of the Capital and Counties Bank, which was taken over on July 1, 1918.

We must now deduct, for the interim dividend, £329,085; for writing down the Premises Account, £200,000, a larger sum than usual, but I think you will agree prudent in the present circumstances. £100,000 has been set aside to establish a fund for the benefit of the widows and children of deceased members of the staff. For a long time we have felt the desirability of such a fund to provide an annuity or money grant, as the circumstances may demand, in addition to the Staff Provident Fund, which provides a sum of money at death, and which is contributed to by the Bank and the members of the staff. Consideration has been given to an extension of the benefits of this fund, but it has been thought better to have a separate fund.

£200,000 has been set aside for a Special Contingency Account, and £660,460 has been added to the Reserve Fund, which now amounts to £9,000,000.

There is now £1,158,300 to be dealt with. We submit that you sanction a further dividend at the rate of 18½ per cent. per annum, which, less income tax, will absorb £568,023, and a bonus of 3s. per share for the same period, which, less income tax, will take £117,522, leaving a balance of £472,755 to be carried forward. The dividend and bonus together represent a distribution for the whole year of 20 %, less income tax.

The report also gives the amount of stock and shares acquired in the National Bank of Scotland and the London and River Plate Bank, how this been met, and how the valuation of the stock and shares given in the balance sheet has been arrived at.

Particulars are given of the additions to, and the retirements from, the Board. In the place of Mr. Hind the directors have appointed Mr. Dickie to be a member of the Liverpool Committee.

Owing to the increased clerical work in the Secretary's office, on account of the large number of additional shareholders and the shortness of staff, our meeting is being held a week later than usual. It is therefore proposed, subject to your sanction, to make the dividend payable to-morrow. Last year it was paid on February 9.

The Balance Sheet.

We will turn now, if you please, to the balance sheet.

On the liabilities side:—The current, deposit and other accounts amount to £266,808,138, an increase over 1917 of £92,740,091; profit and loss balance £1,158,300, an increase of £528,413; acceptances, &c. £14,764,992, an increase of £4,389,456; capital £8,954,056, an increase of £3,945,384; reserve fund £9,000,000, an increase of £5,000,000.

On the assets side:—Cash in hand and with the Bank of England £48,767,705, an increase of £14,082,869; cash at call and short notice £15,570,977, an increase of £8,379,086; bills of exchange £74,340,196, an increase of £34,438,837; War Loan and British Government securities £53,630,322, an increase of £19,402,481; Indian, Colonial, railway and other securities £1,380,324, a decrease of £1,911,909; the total of these assets being £193,689,525, an increase of £74,391,364.

The succeeding figures deal with the value of the stock and shares in the National Bank of Scotland and the London and River Plate Bank, written down as I have already explained, and Lloyds Bank (France) and National Provincial Bank (France), £240,000, the same figure as last year.

Advances, &c. are £81,072,134, an increase of £19,605,426; bank premises £3,646,797, an increase of £945,051.

Lloyds Bank (France) and National Provincial Bank, (France), Limited.

The management of our Auxiliary Bank in France gave some anxiety during the early part of the year. In March last, owing to the serious military situation, we were forced to remove securities, &c., for safety to our premises at Biarritz, and to make arrangements to carry on the Head Office away from Paris if necessary. Fortunately the danger was averted. The difficulty of the supply of staff has also been great. The expansion of business has, however, been satisfactory. We have opened a new branch at Marseilles, and are contemplating others as soon as premises and men can be found. In addition we have commenced business in Belgium, offices having been opened at Brussels and Antwerp. You will also be interested to know that, by request, the banking business in connection with the Peace Conference is being carried out by this Bank at the Hôtel Majestic.

Affiliated Banks.

Our affiliated Banks, the National Bank of Scotland and the London and River Plate Bank, have shown wonderful progress during the year, both in expansion of business and increased profit. We have every reason to be satisfied with our alliance with them, and to feel justified that our policy of giving wider banking facilities to our customers is right. In this connection I should mention that the London and River Plate Bank is making several extensions in South America, and a branch is about to be opened in Lisbon, as there is a large business connection between Portugal and South America. An agency of Lloyds Bank will also be established in the same building.

Staff Training.

Owing to these wider activities of banking, men with a knowledge of foreign languages are greatly needed. The Institute of Bankers has for many years recognised this want; classes have been held and diplomas given for proficiency in languages. This has been in addition to the general course, and good results have followed. Much consideration has recently been given to the subject of training for banking administration, and a revised examination syllabus has recently come into operation. I am glad to mention that women are now admitted to these examinations, and can compete for all the Institute's prizes. I hope before long they may be admitted to the full membership of the Institute. The University of London, recognising the need for advanced teaching for commercial and financial work, is now about to grant degrees in commerce. A committee was formed to determine the conditions of this degree, and has made its report. The University of Birmingham has already recognised this necessity. Your board have decided to offer scholarships to newly entered clerks who appear suitable for a course of training abroad, for the purpose of learning foreign methods of business and acquiring a greater proficiency in languages.

After making an exhaustive report upon the business and trade conditions of the country during 1918, the Chairman said:

Overseas Trade.

It is impossible to give, for purposes of comparison, any figures with regard to our overseas trade. Values have varied greatly, and Government importations have disturbed the usual statistics. But it is evident that our export trade has been seriously diminished, and the adverse balance of trade for the period of the War amounts to over £2,000,000,000. We must bear in mind this most dangerous position when we consider the future financial outlook of this country.

The Financial Outlook

It is estimated that by the time Peace conditions are signed the National Debt will have reached a total of £8,000,000,000, but that perhaps some £1,500,000,000 will be recovered by the repayment of loans made to our Allies. There is also the question of an indemnity from Germany. There are only two ways of meeting this responsibility, greater industry and strict economy. It is only the saving from the profits of our production that can replace the lost capital and meet the amount required for interest and the redemption of debt. In his very interesting speech at the meeting of the National Provincial and Union Bank of England Lord Inchcape said: "If the British Government is to meet its obligations as it has done in the past, if the country's credit is to be maintained, we must live within our income, and not on our capital. It is the same with a Government as with an individual, a private firm, or a company. The wealth of a country can only be built up by spending less than its income. The Government has no income outside that of the people. This, I am afraid, in many quarters is scarcely realised."

To enable the agriculturist to increase the food production of the country—and much can be done—and the manufacturer to expand his trade, we want as soon as possible the abolition of State restrictions and control. The duty on excess profits must be materially reduced. The future fiscal policy of the Government should be announced, adequate banking facilities must be given, and there must be harmonious working between capital and labour.

Labour Difficulties.

With regard to labour, the recent events must have caused considerable anxiety and dismay, but, however deplorable I am not inclined to think that they can be construed as an expression of the views of the general body of labour. I believe the unions to be patriotic and anxious to meet the requirements of the country.

From its commencement I have been connected with the National Alliance of Employers and Employed, formed to promote the common interests of capital and labour, and much good work has been done. Our belief has been that by conference differences of opinion may be adjusted and a basis made for mutual understanding. It is only by an interchange of thoughts that we can appreciate divergent points of reasoning. On the general question of the relationship between capital and labour, some straight talking is necessary on both sides. It is obviously impossible for the country to go on if organised labour is to put in claims that have no possible relationship to economic conditions, and often have no relationship to the question of wealth production. On the other hand, the country will not progress if the rather bloodthirsty expressions of the narrow type of employer ultimately result in definite action.

The Alliance has long desired that there should be an all-round national conference, called jointly by the Nation Alliance, the Federation of British Industries, and the Parliamentary Committee of the Trades Union Congress, to which representative trade unionists and capitalists could be invited and thresh the whole matter out. Often in English industrial history has the country arrived at the edge of a precipice, and after looking over, turned back again. I have no doubt now that, if it can be shown the danger of proceeding on the present lines, common-sense will come to the rescue.

I now have the pleasure to move: "That the report just taken as read be received and adopted, and that, in accordance with the recommendation of the directors therein, a dividend for the half-year ended December 31 last of 14*s.* 6*d.* per share, being at the rate of 18½ per cent. per annum on the paid-up capital of the Company, be declared, together with a bonus of 3*s.* per share for the same period, such dividend and bonus to be payable on and after February 12, less income tax."

The Deputy-Chairman said: The year 1918, the period covered by our report, will ever be memorable in the history of the world. It saw the conclusion of hostilities in the greatest war of all time. This triumphant result of the unparalleled efforts of the Allies is the one outstanding feature beyond all others. We are too close to it all to see it in detail or in any true perspective, but this much I think we can say, that the clearer-visioned historian of the future will never find a time when this country was so single-hearted in any enterprise, or when it was so determined to throw everything into the scale, counting nothing as lost, and regretting no sacrifice if by so doing the desired end could be attained. Never was there a unanimity so apparent or a strength of purpose so determined. Men, women and children, in the spirit almost of a crusade, worked together for a common cause, content to sacrifice their own life and health, pleasure and comfort, wealth and labour, if these blessings might be thereby preserved to the State. I believe that with few exceptions, remarkable only for their scarcity, this was the prevailing impulse throughout the country, and I feel confident the verdict of the future will be that never was England greater, or her people more deserving of their heritage.

How is the curtain ringing down on this proud spectacle? Men are beginning to ask themselves whether, having finished hostilities abroad, we are going to commence them at home. Whether, after rising to certain heights of patriotism, we are going to relax into the lower levels of ancient sectional selfishness. Whether the high inspiration and common purpose of the past are to be forgotten in a period of lower ideals and selfish strife.

These are disturbing questions, but I am not a pessimist in these matters. Doubtless there are disquieting signs, feverish symptoms, and appearances of unhealthy sores in our body corporate, but I fancy they will be amenable to treatment. As in other diseases, more light and more air are what we want. I hold the proud opinion that we are not going to be spoilt by success. We are the same people that we were four years ago. Give us as clear an issue as we had in 1914, and we will follow as one man in like manner as we did then. Show us as indisputably where right lies, and we will defend the right as we defended it when called upon before. If we in every class fought for justice in 1914, victory shall not prevent us from continuing the same fight in other fields in 1919. If Liberty was so dear a name to us four years ago, we shall not cast it away now, having spent so great a wealth to attain it. I do not believe that the old spirit is dead or that the capacity for sacrifice has gone, but we want to know the rights and wrongs of the case.

Demands amongst the workers accompanied by strikes and some violence are springing up in every direction. I do not altogether wonder at it. It is partly due to a natural reaction after the tension of the last four years has been removed. It is partly due to a belief that men have only to ask with sufficient determination to get whatever they demand—a belief largely justified by what has taken place in the past. It may be due to real grievances and a legitimate desire to have them remedied. Perhaps to a certain extent it may be due to an ignorant belief that the resources of the State or of commerce are inexhaustible, or there may be some sinister element in the fermentation that is manifest at present. But my point is that, whatever is the cause of the trouble, light and air will go a long way to cure it. I believe on the whole we are a reasonable people taken as individuals. I am certain that we are. If the workmen are asking for something that is reasonable, and something that it is possible to give, the people of this country will support them in their demands. If, on the other hand, it can be shown that they are asking, ignorantly may be, for something more than there actually is to give, or, still more, if they are consciously making impossible demands with no expectation of obtaining them, but in the hope of creating a situation of confusion, anarchy and bloodshed, as exists for instance in unhappy Russia, then the country will be ever more emphatic in its verdict. After all the country consists of the general community, and it is the general community which chiefly suffers from these disturbances, and which has the final decision in regard to them. In any country which professes to aim at a government of the people for the people by the people, it is the welfare of the people as a whole which must be considered, and not that of any one section; but it is equally in the interests of the people as a whole that no section should be treated unjustly? My contention is that, to enable the people to form a right judgment and to see that both they and the different classes of which they are themselves composed obtain justice, a full knowledge of the facts is necessary. This is essential in the case of any individual dispute. But something more general is required, some knowledge of the principles of political economy and of the laws by which it is governed. No progress is gained, for instance, by proposing the nationalisation of an industry as a cure for its difficulties if the transgression of fundamental economic laws is to be continued under the new *régime*. As the Chairman has already pointed out, a State, a company and an individual are all governed by similar economic laws, and it is highly important that we should be able to apply our own personal knowledge and experience in these matters to the larger economics affecting the State. If we do so, we will see how essential it is at the present time that the production of the country should be increased in order that it may pay for its requirements and for all that it has borrowed.

For all these reasons, in order to cure our ills I ask for more light and air from every quarter. The Press is helpful in giving publicity to grievances and weighing arguments. There are societies in existence whose object it is to bring employers and employed together for the round-table discussion of matters concerning them both. The practice is adopted in many companies. There are arrange-

ments for lectures and public discussion on economic subjects, and associations for the better education of the people in these questions; but I feel that more could be done in all these directions, and that authoritative statements might in addition often be made most helpfully by the Treasury or the Board of Trade on economic and commercial questions appropriate to the needs of the hour. As I have stated, I still hold most of the high hopes raised by the inspiration and emotions of the War, and I believe there is a genuine desire on all sides and in all classes that the fruits of victory, gathered at so immense a cost, shall not be wasted, but it will require all our sanity, all our forbearance, much of the old sacrifice, and an earnest endeavour all round if our hopes are to be fulfilled. I would beg of one and all that, wherever and in whatever class these qualities are found to be absent, there your support should be withheld.

In our own comparatively small way and in our own particular functions this Bank, while weathering the storms of the past, has endeavoured to prepare itself for the tasks of the future. We are able to present to you to-day figures such as you have never yet seen, and if the year 1918 has been a memorable one in the history of the world, it has been equally marked in the history of the Bank, and it has left us better equipped for dealing with the great necessities of this country, both at home and in its commerce overseas, than we have ever been before. I can assure you that our efforts to that end will be continued.

I have much pleasure in seconding the resolution.

The resolution was carried unanimously.

A resolution dealing with the allocation of £100,000 for the purpose of establishing a fund for the benefit of widows and children of deceased members of the staff having been passed, the retiring directors, Messrs. J. H. Clayton, W. S. de Winton, and A. F. Pease, were re-elected, and Messrs. Price, Waterhouse and Co., were reappointed auditors for the year 1919.

A vote of thanks to the Chairman for presiding and to the directors for their services during the past year was carried unanimously. The Chairman, in acknowledging the resolution, again referred to the way in which the staff had carried on the work of the Bank under conditions of great stress and difficulty, and asked that a vote of thanks to them and to the general managers might be passed.

This was cordially agreed to, and was acknowledged on behalf of the staff by Mr. Henry Bell (director and General Manager).

The proceedings then terminated.

An extraordinary general meeting was then held for the purpose of considering and, if thought fit, of adopting new articles of association.

The following resolution was proposed by the Chairman and seconded by the Deputy-Chairman:

"That the regulations contained in the printed document submitted to the meeting, and for the purpose of identification subscribed by the Chairman thereof, be and the same are hereby approved, and that such regulations be and they are hereby adopted as the articles of association of the Bank, to the exclusion of and in substitution for all the existing regulations thereof."

It was carried unanimously, and will be submitted for confirmation at an extraordinary general meeting which will be held at the Head Office of the Bank, 71 Lombard Street, E.C. 3, on Friday, the 28th inst.

UNION BANK OF AUSTRALIA, LIMITED.

The half-yearly general meeting was held on February 11, at 71 Cornhill, E.C., Mr. Henry P. Sturgis presiding.

The Chairman first referred with regret to the death of Mr. Charles Galton, and said that the directors had been fortunate in securing the services of Lord Carmichael to fill the vacancy on the board. Lord Carmichael had filled many important Government positions, including the Governorship of Victoria from 1908 to 1911, and the posts of Governor of Madras and Bengal from 1911 to 1917. Proceeding to move the adoption of the report and accounts, the Chairman said that the balance sheet figures showed an increase of £1,088,000, as compared with those at August 31, 1917. The chief increases on the liabilities side were: reserve fund, £50,000; circulation, £190,000; bills payable, £174,000; and deposits, £668,000. The last amount was chiefly due to favourable seasons and to high prices ruling for produce. On the assets side reductions were seen in money at call and short notice in London of £102,000, and in remittances and drafts in transit of £1,050,000: offset by increases in specie on hand of £264,000, and in advances of £3,270,000, the latter being almost entirely due to increased financial assistance to wheat pools and accommodation to clients to enable them to participate in the Commonwealth and Dominion War Loans. The liquid assets amounted to 7*s.* 6*d.* in the £ of the bank's total liabilities to the public. General trade had been active, merchants appeared to have been importing large stocks in anticipation of the shipping position becoming worse—while trade with the East and America had been increasing rapidly. For the six months under review weather conditions generally in Australia and New Zealand were favourable, e.g. Queensland, more especially the Darling Downs, had been suffering for want of good rains. Dry conditions in the northern half of New South Wales gave cause for much anxiety in the early months of the half-year, adversely affecting the lambing and the crops, but in August the position was relieved by bounteous rains. A telegram received from the general manager on January 21 said: "Owing largely to dry conditions wheat harvest estimated total yield under 80 million bushels. Wool clip average, price and quantity turning out satisfactorily. In New Zealand prospects good." A further telegram dated February 7 said: "Good rains this week north and central Queensland, affording much relief; patchy falls in New South Wales."

Sir Westby B. Perceval, K.C.M.G., seconded the motion, which was carried unanimously.

At an extraordinary general meeting a resolution was passed increasing the capital of the bank to £7,500,000 by the creation of 20,000 additional ordinary shares of £75 each, and the directors were authorised to issue these shares at the price of £50 per share, £25 representing capital and £25 premium, there being a reserve liability of £50 per share. The Chairman said that allotment letters would be posted on the 15th inst. to all shareholders on the register on the 10th inst.

Resolutions were also passed removing existing restrictions which at present prevent the bank operating outside certain geographical limits, substituting one general meeting in place of two now held, and increasing the amount divisible among the directors.

STERLING TRUST, LIMITED.

The second ordinary general meeting of this company was held at Winchester House, Old Broad Street, E.C., on February 11, Baron Emile B. d'Erlanger (Chairman of the Company) presiding.

The Secretary (Mr. B. R. Tomlinson) having read the notice convening the meeting and the report of the auditors,

The Chairman, reviewing the accounts, said that the investments were £4,050,000, an increase of £169,000 in the year. The total revenue was £172,000, a reduction of £20,000, which arose from a windfall in the preceding year and the increase in income tax. The balance of profit and loss account was £71,000, a reduction of £17,000, and with the balance brought forward there was £77,000 for appropriation. They placed £20,000 to reserve and a dividend of 6% left £4,000 to carry forward. At the date of the accounts they still held £2,155,000 of 6% Exchequer Bonds. It would have been contrary to the spirit of the agreement with the Treasury if a large amount of these Bonds had been sold before the end of the War, but a beginning had now been made with their sale and reinvestment. The Bonds matured on February 16, 1920, and the directors would do everything possible to reinvest the proceeds with due regard to security, yield, and the possibility of appreciation in capital value. Assuming the complete restoration of peace in Europe, and allowing for the cost of demobilisation, the public debt of the United Kingdom, which was £710,000,000 before the war, would be increased by some £5,500,000,000 after deducting advances to Allies and Dominions, making liberal allowance for bad debts, and deducting realisable assets accumulated during the War. This sum might be reduced if the indemnity received from Germany exceeded the amount to be paid for damages to civilians for acts of vandalism contrary to the law of nations; but it was only prudent to take the conservative course of assuming that this country might have to shoulder a debt of £5,500,000,000 and the yearly sums required for pensions. It would take the united effort of the whole nation, rich and poor, bourgeoisie and proletariat, to cope successfully with this burden and maintain the United Kingdom in the forefront of peaceful, commercial, and industrial Empires.

Reinvestment Prospects.

The financial situation created by war would directly affect the finances of the nation, and consequently would affect units like the Sterling Trust, for years to come. When income tax was unknown or was small, investors were content with a yield of 3 to 5% on securities: now they expected 5 to 7% on the same class of securities with income tax at 30%, and as long as taxation remained on the same level all new money would be able to command this yield. It ought, therefore, not to be difficult for the Trust to reinvest its £2,155,000 in good securities giving a good yield. For several years to come trade would be very brisk and active, for all European countries had been living upon accumulated stocks now depleted, and therefore foodstuffs would have to be brought to Europe for half starved populations and raw materials for half-starved factories. The whole fabric of our commercial and industrial activity had been upset, and it was necessary to set to work to get the machinery running again, to reconstruct and to build: and the thought in every man's mind, the word in every man's mouth, and the ideal in every man's hand ought to be "Export, export, and export." It was only by export that exchanges could be put on a natural and stable basis and

the repayment of large sums borrowed abroad effected. Every facility ought therefore to be given by the Government to enterprises having for their object the distribution of goods in foreign countries, and for the development of the Imperial resources which had been practically at a standstill ever since the beginning of the War. Every mile of railway built in our Dominions brought work to our factories; thereby the Empire was rendered more self-supporting in the way of foodstuffs and raw material, and new markets were created for goods manufactured in the United Kingdom. He hoped, therefore, that the Treasury would relax the restrictions upon the issue of new capital for such enterprises.

The Labour Unrest.

The disagreements between capital and labour and restrictions on trade and finance were a sickness infecting the very life-blood of the nation; but when one looked back upon the last five years, when one reflected how near Germany had come to the achievement of her nefarious aims, when one thought how close we had been at several times to an unsatisfactory if not a disastrous peace, he thought it would be very ungrateful to lack confidence in the future, or to look otherwise than with confidence to the solution of those great problems with which the passing from war to peace was beset. He moved the adoption of the report and accounts.

Sir George A. Touche seconded the motion.

The report and accounts were unanimously adopted, and a dividend declared as recommended. Mr. Robert Fleming was re-elected a director; Messrs. Price, Waterhouse and Co. were reappointed auditors, and the proceedings concluded with a vote of thanks to the directors.

SOUTH METROPOLITAN GAS COMPANY.

The ordinary half-yearly general meeting of the South Metropolitan Gas Company was held on February 12 at the Cannon Street Hotel, E.C., Dr. Charles Carpenter (the Chairman) presiding.

The Secretary (Mr. F. McLeod) read the notice convening the meeting.

The Chairman, in moving the adoption of the report and accounts, said that during a period of suspense and anxiety to the whole nation they had never hesitated to sacrifice the interests of the Company when those of the country were at stake. It was not very long after the War commenced that one of its immediate results began to be felt in a shortage of products required in the dye industry. These had their origin in gas-works residuals, and they lost no time in getting the Company's chemical staff at work upon their manufacture. They were fortunate in obtaining an agreement with the firm which afterwards formed the nucleus of British Dyes, Ltd., to manufacture for them intermediate products, but they had not proceeded far when a greater and more imperative national need arose. This was for high explosives, the most important of which originated in the by-products from gas works. They were asked to give their attention to the production of materials required for their manufacture, and in two months they had a plant running turning out a first instalment of what was required. He proceeded to refer to the production of toluene, which formed the basis of the well-known T.N.T. explosive, and stated that a serious shortage of this material arose in 1916. With the invaluable help of the Company's tar products works the directors submitted a scheme for the rapid utilisation of the whole of the gasworks of the country for its production. Within a very short time the gas industry had completely organised itself for this purpose with but little external aid, and one of the debts owed by the nation was to the gas industry for the magnificent response it made to the appeal.

War Losses.

As regarded injury to the Company's plant by attacks of enemy aircraft, only one of their six gas-making works was struck by a bomb. The damage was repaired within 24 hours. The worst disaster which befell them was the wrecking of their largest gas-holder and the loss thereby of 8,000,000 cubic feet of gas. This happened as the result of the Silvertown explosion, which at the same time injured another holder and a good deal of their chemical plant. Thanks to the presence of mind of a valveman, no one was injured, nor was any gas consumer inconvenienced by the mishap. It was expected that the repaired holder would be at work again within a couple of months, and the staff deserved the greatest praise for their success in always maintaining a full pressure and supply without it. Ten of the Company's ships had gone to the bottom, with the loss of 32 lives, as the result of enemy action. No praise was too great for their captains and their crews, who had so bravely carried on throughout, despite the horrors added by the enemy to the perils of the sea. Although some of them had their ships twice torpedoed under them, they were still sailing under the Company's flag. Only four ships of their fine fleet remained. Four new vessels were in course of construction for the Company, and they would place other orders as opportunity offered.

Effect of Reduced Output.

Dealing with the more ordinary features of the report, the Chairman said that the Company did not make both ends meet during the last six months, although their price for gas was double its pre-war figure. They could not expect to run such a business of theirs economically with a 12% reduction in output. This would no doubt correct itself as the gas-using restrictions were removed, but the cost of coal and labour had risen to a figure alarming in the extreme. The reduction of output in its industries was the most serious post-war problem with which the country was faced. The directors' hopes for their own particular one were based upon the fact that a general solution must be found by the Government, or the nation as a whole would undoubtedly go under before the competition of other countries which it would have to meet. This Company had always looked with favour upon proposals for reasonable reductions in working hours, and he would be the last to regard unsympathetically the attitude of the worker who, commencing at, say, eight in the morning, thought that about five at night he might be commencing his homeward journey.

New Basis of Charge Suggested.

In speaking of the gas industry, he must refer to a subject in which it was deeply interested—namely, the picturing of a land overflowing with electric energy produced from a few super-stations. Gas had struggled on unaided by the State for more than a century, and if the Government seriously considered devoting public money to the improvement of the supply of electric energy, it was not less necessary that it should equally foster and encourage the manufacture and distribution of gas, which utilised the coal resources of the country to better advantage than could be even promised by the advocates of the electric super-station. It must not be overlooked that the electric train or tram would carry ill-equipped workers to their labours if they were not first fortified by the punctual breakfast the gas cooker ensured. But for the purpose of maintaining this position it was necessary for the gas industry to put its house in order. Parliament must prescribe a new basis of gas charge—namely, of heat instead of volume. The consumer would then know exactly what energy he was paying for. He would buy so many heat units instead of so many feet of gas, and he would then be in a position to make true comparisons as regarded cost. It would be necessary at the same time to devise machinery by which he would be assured of getting the units he paid for and as many as he needed. A Government which carried out a programme



Bell's THREE NUNS Tobacco

An empty pipe—what is it? A pipe charged with this delectable smoking-mixture—what is it not?

"King's Head" is similar but stronger
Both are sold everywhere
1-oz packets 11½d. Tins: 2-oz 1/11—4-oz 3/10

Cigarettes
(Medium)
5½d for 10:11d for 20
Boxes of 50 2/2½—100 4/3

Stephen Mitchell & Son, Branch of the Imperial Tobacco Co (of Great Britain and Ireland) Ltd, 36 St Andrew Square, Glasgow 623

of this character would deserve not less gratitude from the nation than it could ever hope to get for electric superstations, and gas undertakings would obtain an incentive to improve results by the application of science to their industry, the possibilities of which were exceedingly great. In conclusion, the Chairman referred to the remuneration of capital employed in gas undertakings, stating that no one could suggest that for post-war conditions the payment of a 3% dividend upon capital employed in industry was other than unfair and inequitable. He was not without hope of being able to submit to the proprietors before long a new basis of working which, while safeguarding the interests of the consumers, would at the same time take count of the fact that the labourer and the shareholder, the other partners in the business of gas supply, had claims for substantial incentives to give their best by way of efficient and economical production.

Mr. Frank H. Jones (Deputy-Chairman) seconded the motion, which was unanimously adopted.

LISTER AND COMPANY, LIMITED, BRADFORD.

THE thirtieth ordinary general meeting of the shareholders in Lister and Company, Limited, Manningham Mills, Bradford, was held in the Mechanics' Institute, Bradford, on February 11, Mr. William Watson, Chairman of the Board of Directors, presiding, and there were also on the platform Colonel G. J. J. Hoffmann, Mr. Harold Copperthwaite, and Mr. W. H. Watson, directors; Mr. Gilbert Thompson, of Messrs. Mumford Johnson and Company, solicitors; and Mr. John Lee, Secretary.

The Secretary having read the notice convening the meeting, the minutes of the annual general meeting of ordinary shareholders held on February 5, 1918, were read and adopted.

It was agreed to take the report and balance sheet, which had been published, as read, and the Secretary read the report of the auditors.

The Chairman then said: Ladies and gentlemen, before beginning our business I must refer to one or two personal matters. I am sure you would be sorry that our old friend Mr. Reixach was not spared to longer enjoy his well-earned leisure—as you probably know, his death took place last August. We have also to deplore the loss of our able and zealous colleague Mr. Hornshaw, who was ill at the time I last addressed you. He recovered apparently later and was able to attend to business for some time, but unfortunately the improvement in his health did not continue long, and his death took place just a month after Mr. Reixach. We shall hold both these men in affectionate memory.

The Accounts.

You have all received a copy of the report and balance sheet and the profit and loss account, so I presume I may take them as read. After providing for income tax and excess profits duty the profit for the year ending November 30, 1918, was £255,766 14*s.* 4*d.*, which compares with £238,344 6*s.* 1*d.* made the year before. These satisfactory results are not altogether due to the continuous demand for our productions, but also to some extent to the steady rise in prices of raw and semi-manufactured materials, which was unabated until the date of the Armistice. Since November 11 buyers in all trades have shown some hesitation in contracting ahead, and prices generally are no longer at the highest point. Fortunately we have for some time past pursued a cautious policy in buying, and our commitments at the end of the year under review—that is to say, materials bought but not received—were considerably less in weight than on November 30, 1917. The same can be said about our stocks. The £1,007,245 8*s.* 10*d.* at which they stand in the balance sheet represents a smaller weight than that held a year ago. I can tell you besides that during the year the percentage increase of the value of our stocks has been less than that of our cash turnover, and when I add that we have often been on the point of having machinery standing on account of late delivery of purchases you will understand that we could not have managed with smaller stocks. What we have has been valued on our usual principle, but the fact remains that the total is a big figure and is based on a price level which may not continue. We have therefore to face the possibility of further depreciation during the current year, and are making some provision for this by recommending the allocation of £50,000 out of last year's profits to reserve account, which will then stand at £430,000. After doing this we feel justified in recommending a distribution to Ordinary shareholders of 12½ per cent. for the past year. The proposed addition of £15,000 to our Employees' Benefit Fund is required to enable the board to put to work a pension scheme for our staff which they are now considering, and which will have adequate funds behind it. For some years we have hoped to be able to inaugurate a scheme of this kind, and it is a great satisfaction to the board that our finances now permit of the launching of such a scheme.

Difficulties Still to be Met.

The figures put before you do not seem to require further explanation, and I will not weary you by describing the difficulties with which the management had to contend during the last year, which were very much the same as those of previous war years. I wish I could tell you that they had all disappeared after the cessation of hostilities, but that is not the case. One of the many difficulties is the supply of coal, which is far from satisfactory. It is not altogether the quantity, but also the extremely poor quality we have been obliged to take, and we are often not able to maintain full pressure of steam. This, of course, means serious inconvenience and disorganisation. We still have much machinery standing, and demobilisation has not yet brought about the return of many of our former employees. A number of these are urgently required for the execution of repairs which could not be carried out during the war. I may again, as on previous occasions, draw your attention to the fact that the total cost of putting our plant into the first-class condition we formerly prided ourselves on maintaining will be a heavy item, and I am not sure that the amounts set aside during the war years will be sufficient. New methods, new ideas, new thoughts, and, last but not least, new machinery—textile plant has perhaps deteriorated more than any other class of machinery during the war, not only on account of the pressure of business, but from neglected repairs and renewals, and it will be some time before the damage done in this direction in the past few years can be overtaken.

The Current Year.

We started at the present year with more orders on our books than we had at the beginning of last year, but so far there has been a falling off of new business. We hope this is only temporary, as markets all over the world are bare, and that it will be some time before we again have to meet any serious competition in our products from foreign countries. The effect of any serious reduction in the hours of labour will be far-reaching, and I will not attempt to speculate on what may be the net result to us, although we have the promise of the workpeople that they will do everything in their power towards increasing production and efficiency. It will be quite obvious to all our shareholders that if our chief competitors, the Germans, are not equally restricted as to working hours we shall be at a very great disadvantage. A large conference of federations in the textile trade have, however, drawn the attention of the British representatives at the Peace Conference to the necessity of an equal working week for all countries.

War Service of Employees.

You will be interested to learn that 1,139 of our employees have been serving in His Majesty's Forces—many of them, unfortunately, will not return, but those who can will be welcome, and those who are incapacitated and require financial assistance beyond that to which they are entitled from the Government will be considered under our employees' Benefit Scheme. I must place on record the honour done to us by the visit of Their Majesties, the King and Queen, to Manningham Mills in May last, where they saw part of the machinery running and also an exhibit of finished goods. Fourteen years had elapsed since their previous visit, and they expressed surprise at the difference in our productions, which are now very comprehensive.

Developing the Export Trade.

Every year brings us to a broader basis and a bigger variety of articles, and I am glad to think that many of our leading qualities have gained considerably in popularity in the last few years, not only in this market but largely also in overseas markets. There is no doubt that the producers in this country have not given sufficient attention to the export trade, and it is more than ever necessary now with a view to increasing national wealth that the export trade should be increased and fostered by every possible means. The War has cost the nation much, but it has taught us much, and we must not be slow to benefit by what we have learnt. Some of our departments which were engaged on supplies for the Government are now entirely on civilian trade, and with the termination of Government contracts came very appreciative thanks from the departments concerned for the help we have given them from the beginning of the War.

The Directorate

The board has felt for some time that we should elect one or two new directors, and I have to inform you that we propose to elect at this meeting to the directorate Mr. John Lee, who has been our secretary for many years, also Mr. Frank Johnson, of Messrs. Mumford and Johnson, who have been solicitors to the Company since its formation.

Having had another satisfactory year the directors wish to recommend the distribution of various sums to charitable funds and institutions, and suggest the following sums be given:—Lord Mayor's Fund, £1,500; Joint Hospital Fund, £500; Sir Arthur Pearson's Home for Blinded Soldiers, £500; Lord Roberts' Workshop Memorial Fund, £500; Children's Hospital, £250; Institution for the Blind, £100; Smaller Charities, £150.

I must not let this opportunity pass of very fully acknowledging our appreciation of the loyalty and earnestness of our staff during the past twelve months.

The chairman concluded by moving that "the report and balance sheet be approved and adopted, and that a dividend of five per cent. and a bonus of five per cent. for the past half-year, less income tax, be paid to the ordinary shareholders on the 12th instant."

Mr. J. Ledingham seconded the resolution. He said the chairman and the directors were to be congratulated on the result of the working during the past year.

The chairman invited questions, but none were asked, and the resolution was unanimously adopted.

The chairman moved the re-election of Colonel G. J. J Hoffmann as a director of the Company for the period set forth in the Articles of Association.

Mr. Wright Howarth seconded the resolution, which was passed.

The chairman moved that Mr. John Lee and Mr. Frank Johnson be elected directors of the Company for the period set forth in the Articles of Association.

Mr. Charles Atkinson seconded the resolution, and it was passed.

Messrs. Beevers and Adgie were re-elected auditors, on the proposition of the chairman, seconded by Mr. J. W Firth.

A vote of thanks to the chairman, the directors, and the staff was adopted on the proposition of Mr. S. Vos, seconded by Mr. F. Calvert.

The chairman, in reply, said they had done their best. He hoped they would be able to meet again in similar or better conditions.

THE DUNLOP RUBBER COMPANY, LIMITED.

THE twentieth ordinary general meeting of this Company was held at 14 Regent Street, S.W., on February 11, Sir Arthur du Cros, Bart., M.P. (Chairman and Managing Director), presiding.

The Chairman, in the course of his remarks, said: The profits for the past year were easily the largest ever earned by the Company. The net figure of profit brought in of, approximately, £650,000, compares with £435,000 last year, or an advance of £215,000. This takes no account, however, of a sum of, approximately, £325,000, which has been retained for development and as additional working capital in the Rubber Estates and subsidiary companies, and for the special plant and buildings depreciations, allowed by the Inland Revenue authorities, over and above the normal peace-time allocations made under these heads. The whole of this £325,000 remains in the business in one form or another, and, taken together with the net profit shown of £650,000, brings the actual earnings for the year to, approximately, £975,000, and that after the payment of a heavy retrospective charge for excess profits duty, covering the years 1914, 1915, and 1916. I have seen it suggested that in order to make up our profits the accumulations of previous years have been drawn upon, but that has not been done. On the other hand, the whole of the Rubber Estates' profits, and a portion of the profits of the other subsidiary companies, amounting to £164,000 in all, are not included.

Allocation of Profits.

The profits of £975,000 arrived at in this way compare with £670,000 for last year and £564,000 for the previous year, being an advance of £305,000, or 45%, over last year, and of 72% over the previous year. On the other hand, it is right to point out that during the past two years the capital of the Company has been increased by nearly £2,400,000; although, even after taking this fact into consideration, it will be seen that the progress being made by the Company is in every way satisfactory. The directors feel justified in distributing a more generous proportion of the profits, in view of the additional working capital which has in recent years been retained in the business out of profits, the additional working capital subscribed, the capital still remaining on call and the conservative figures to which the assets have now been reduced. To these considerations I would wish to add now the vast prospects which appear to lie before the rubber-manufacturing industry, and the very favourable position in which this Company has placed itself to take advantage of these developments. The increase in profits was due mainly to the great expansion which took place in our foreign business, and the very substantial increase in our home trade as well. The increase of sales abroad amounted to 46% and the increase at home to 40%, so that the advance in profits has been more or less in ratio to the increased trading, the selling prices of the Company having only been raised in actual sympathy with the rise in the cost of production. The prices charged to the Government were, as they always have been, far below the market prices, and the profits made on this part of the Company's trading have therefore been correspondingly lower, and would probably have been greater under peace-time conditions. The profit retained in the trading section of the subsidiary companies during the past three years amounted to £110,000, and in the Rubber Estates to £358,000, and for this sum of £468,000 no credit has been taken in the books of this Company, and no appreciation of assets has been made.

Progress at Home and Abroad.

The most important feature of the progress made both at home and abroad has been a great advance in our solid tyre business. It amounted to an average of nearly 60% during the year. Our solid tyre production has vastly increased, and the Dunlop solid tyre for reputation occupies the premier position in the market. Further very comprehensive developments in the manufacture of cotton cloth are in contemplation by the board. Certain of these have already been made. Mills suited to the nature of the Company's requirements, and situated within a few miles of our existing mills, have been purchased at a cost of £422,000, and are now in operation by this Company, or on the point of coming into operation by us. Generally, I may state that the Company was unable to deal with the volume of trade tendered to it during the year, but great efforts were successfully made, and are still being made, to materially increase the Company's production. The new works at Fort Dunlop are assuming vast proportions. Large extensions, which we hope will be completed and at work in twelve months' time, will double the output of the Company in pneumatic tyres, and increase its solid tyre production by 50%. In the eight months which have already elapsed up to December 31, we estimate that we have made more profit in the Rubber Estates than we earned in the full twelve months of the financial year to which I am referring. Our estates are worth far more than the figure at which they appear in the balance sheet, they are in excellent condition, and the policy of the Company in this direction is working out to the complete satisfaction of the board.

The report and accounts were unanimously adopted.

EAST INDIA DISTILLERIES AND SUGAR FACTORIES LIMITED.

A MEETING of shareholders was held on February 11 at 54 Old Broad Street, E.C., Mr. E. S. Ormerod (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: The accounts, on comparison, show that the trading profit is better by £3,313. The interest charges are less by £6,297 than they were last year. Sundry creditors and credit balances are more by £44,556, but, on the other hand, loans in Madras and London are less by £91,371, and at the same time the stocks in India, less reserve, are only down by about £7,800, so that practically the Company's stocks are the same as last year, although the loans are very much less, which, of course, shows that the Company's cash position is very much better. You will notice that in the accounts this year the figure of goodwill now stands at £85,000 only, as against £98,507 last year. That, of course, is due to the appropriation made at September 30, 1917, when we passed £13,507 on to the credit of goodwill account. The amount of our disposal this year is reduced considerably owing to the fact that last year we only reserved a matter of £21,000 in our war contingencies fund, to meet chiefly an item of excess profits duty. Unfortunately, the Revenue authorities decided that certain reserves which had been made in Madras—quite legitimately, of course, from the Company's point of view—had to be taken into profit and loss, and therefore our reserve of £21,000 was about £14,000 too little. That has had to be allocated from this year's profits, and an increased reserve for the same purpose has been made this year. Instead of £21,000 being set aside to War contingencies fund, as last year, we have had to reserve £35,000, which our auditors tell us will be quite ample for the purpose. I do not know that there are any other items to which I need specially refer. Our main factories at Kulasekharapatnam and Nellikuppam and the distillery at the latter have worked well and shown good profits. In disposing of our sugar we have not adopted the policy of holding up for high prices, but have met the market fairly and squarely. By doing this we may in some cases have obtained slightly smaller profits, but we have popularised our sugars and given confidence to the dealers, which should stand us in good stead in the future. Our cane cultivation progresses satisfactorily, and now that the War is over we should be able to push on further with it, as we shall be able to enlarge our outstations, and thereby relieve the strain on our main factory. Our subsidiary enterprises have all worked at a profit, though in two of these—our light railways and our distillery in the Central Provinces—the profits do not satisfy us. In both of these cases the falling off is caused by economic conditions resulting from the War, which we hope will be amended now that the War has come to an end. In our other three—confectionery, chemicals, and carbonic acid gas—the results have been very good indeed; in fact, they have exceeded our expectations. Our latest enterprise—confectionery—heads the list of these in profits. When we see that these three between them have shown a profit of 5 lacs—rather over £33,000—a profit which in previous years we should have considered satisfactory as the whole trading profit of the Company—we have every reason for satisfaction. I do not think that we need have any anxiety as to the future of the Company. I can confidently say that the position of the Company, both financial and commercial, is stronger than it was in 1914.

Mr. A. J. Yorke seconded the motion, which was carried unanimously.

NEW MODDERFONTEIN GOLD MINING CO., LTD.

(Incorporated in the Transvaal.)

The twenty-first ordinary general meeting of shareholders was held in Johannesburg on Thursday, December 19, 1918.

The Chairman (Sir Evelyn Wallers, K.B.E.) said :—Gentlemen,—The facts and figures relating to the past year's work, which are fully recorded in the reports and accounts before you, speak for themselves. You will have observed that, notwithstanding the many disabilities of the times, marked progress all round is shown, and shareholders, I think, are to be congratulated upon the results obtained. The year's working operations resulted in a profit of £833,264 from 684,100 tons milled, these figures showing increases of £48,247 and 27,400 tons over the corresponding results for the previous year. The profit averaged 24*s.* 4*d.* per ton milled, the yield being 45*s.* 7*d.* and working costs 21*s.* 3*d.* After delays, over which we had no control, the new reduction plant was completed in April of 1918, but as the drums for the new winder at the circular shaft had not then arrived it was decided to commence milling operations on as large a scale as possible with the limited hoisting appliances which had up to that time served for the development of the circular shaft section of the mine. In this way it was possible during the last three months of the financial year to add appreciably to the profits and at the same time to condition and test the efficiency of the new reduction plant. Looking at the figures for 1916 and comparing them with last year's, it will be seen that the yield has increased by 4*s.* 9*d.* and working costs by 4*s.* per ton as at June 30 last. The increase in costs calls for no particular remark, being common to all mines on these fields during the war period. The yield, however, was again higher than could be expected from the average value of our ore reserves. There are two reasons for this; the first is that on account of the constantly increasing working costs—caused mainly by prevailing conditions—it was considered expedient as well as legitimate, in view of the very strong ore reserve position, to continue the practice adopted last year of taking ore from the mine of somewhat higher value than the average value of the ore reserves, thereby counteracting the adverse circumstances and maintaining the level of profits; the second reason for the high yield is that—as was the case last year and the year before—the actual working results, particularly in the richest section of the mine, gave values considerably in excess of the block values as they appear in the ore reserve estimates. It may be noted that the second reason had a greater influence on the yield than the first, and it should be borne in mind also that shortage of native labour naturally necessitated a greater concentration of the force available than would otherwise have been the case. With an adequate supply the labour available would, of course, be more widely distributed in the mine, and mining operations would be conducted more in accord with the average value of the ore reserves. At all events it will be clear to you not only that we are in an enviable position in being able to combat disabilities by raising our grade at will without straining our position in the least, but also that our ore reserve estimates have continued to be framed on very conservative lines. As bearing upon this latter feature, you will have noticed that the average grade of the ore developed during the year under review was lower than the grade mined, due mainly to the fact that practically no development was done in our richest areas; nevertheless it was possible to show a slight improvement in the average value of the ore reserves at the annual revision of the position at June 30 last. This requires a little explanation; *i.e.*, that although the rather abnormal richness of certain large blocks of ground, particularly between the 8th and 10th levels east of No. 12 shaft, has compelled our officials to be very cautious in their estimates, this section of the mine in particular has continued to yield ore of a value considerably above our legitimate expectations. We need not, however, complain about that.

Ore Reserve Position : Data for Life Calculation.

The development footage for the year under review is little, if anything, below the footage required to maintain our ore reserve position. In fact, as you will see from the reports before you, the tonnage of payable ore developed during the last year amounted to 823,500 tons, while the tonnage mined from the ore reserves amounted to 658,723 tons. Our position, therefore, was more than maintained on that year's work; and even on the basis of crushing, say, 100,000 tons a month, which our plants are now capable of doing and the mine capable of producing, the mine is in such a condition that it would not require a very much larger development footage than that accomplished last year to replace all the ore taken from reserves. The ore reserve as at June 30, 1918, consisted of 9,000,000 tons of a value of 8.6 dwt. per ton. This reserve can be seen from a reference to the map accompanying the annual report to be fully developed and conveniently situated to either of the reduction plants, the underground arrangements being very elastic. The following information relating to the claim property as at June 30 last may be of interest to you. The total claim area of the property is 1,301 claims, of which the barren area north of the outcrop amounts to 36½ claims and the worked-out area at June 30 amounted to 241 claims, leaving approximately 1,024 claims. Of this balance approximately 289 claims are represented by the ore reserve. The accumulated unpayable area developed to date covers 96 claims, whilst the undeveloped area stands at approximately 639 claims. It is interesting and gratifying to note that the area equivalent to the ore reserve is greater than the total area worked out since the commencement of operations in 1895.

Turning now to the financial results for the year, the working profit, £833,264, after adding the income from interest, exchange, freehold and sundry revenue, and deducting amounts expended under the headings of Miners' Phthisis Compensation Fund and various donations, was increased to £850,878. Adding to this the unappropriated balance from the preceding year, viz., £354,906, and a small sum representing forfeited dividends, the funds at the Company's disposal totalled £1,205,965. This was dealt with as follows : Two dividends of 15*s.* and 17*s.* 6*d.* per £4 share absorbed £568,750; taxes, including adjustments for the preceding year, amounted to £110,706, and the net sum expended on capital account, after deducting £62,538 received under the Bewaarplaats Moneys Application Act, was £219,765. The unappropriated balance carried forward at £306,744 consisted of stores and materials valued at £154,297, cash £72,667—of which £19,000 is invested in British War Loans—and certain other items scheduled in the directors' report. Since the close of the financial year results have been achieved above anything hitherto shown in the past. By the end of September the erection of the new circular shaft winder had been completed, the change over took place in the first fortnight of October, and since that date the machine has been in operation and the whole equipment has given every satisfaction. For the first five months of the current year the tonnage milled averaged 72,600 tons a month, and the profit £90,285, or 24*s.* 10.5*d.* per ton milled. Working costs at 20*s.* 3.7*d.* are about 1*s.* per ton lower than for the past financial year, and will no doubt show a substantial further decrease as the tonnage output increases and general conditions become more normal. Until native labour becomes more plentiful we shall not be able to operate the two reduction plants to their full capacity, and while the shortage, due, as you are aware, to the influenza epidemic continues it is our intention to work the new plant to its full limit, *i.e.*, about 45,000 tons a month, leaving the spare capacity in the old plant. The object here is twofold—first, fully to test the possibilities of the new plant, and, second, to put the major portion of our tonnage through a more up-to-date and efficient plant; by this means we hope to secure lower reduction costs. From now onwards commitments on capital account should be reduced to very small proportions.

Mr. S. C. Black seconded the motion, which was carried unanimously.

VERA CRUZ ELECTRIC LIGHT POWER AND TRACTION, LIMITED.

The ordinary general meeting was held on February 12 at the registered office of the Company, 47 Parliament Street, S.W., Mr. Vincent W. Yorke (the Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said : At our last general meeting I ventured to hold out hopes to you that we might be able to resume payment of dividends for the then current year, 1917, and I am glad to be able to point out to-day that not only have my hopes been realised, but that we are able to recommend the payment of the highest dividend in the history of the Company. In view of the highly disturbed conditions which prevailed in Mexico all through the year 1917, and which still unfortunately prevail to-day, we can only congratulate ourselves and you on the really remarkable results achieved. I do not think that I need go into any details either of the report or accounts. I think you must have found them both perfectly simple and straightforward, but as regards the balance sheet I may say that we have taken special care, in view of the large profits earned, to write off all debts that are in any way doubtful of recovery. I should also point out to you that after payment of the dividend of 7½% and placing £10,000 to reserve, which will now stand at the satisfactory figure of £35,000, we shall carry forward more than £15,000, or £2,000 more than the figure which we brought into the accounts. Now with regard to the causes which have led to these happy results, we have to thank, in the first place, the steadiness of the exchange all through the year under review. Then there were no disturbances or breaches of the peace in Vera Cruz itself, and, what is perhaps more remarkable, the transmission line from Tuxpango, some 70 miles long, through which we obtain the greater part of the current which we consume and sell, suffered no serious damage. Turning now to the year 1918, the profits of the business, though satisfactory, have not been quite so good. Trade in Vera Cruz has not been so good as in the preceding year. Our net earnings for the ten months to the end of October last show a decrease of some 80,000 pesos as compared with the same period of the preceding year. During the year 1913 we authorised the extension of our tramway system for some four kilometres to Balnearios, where a resort for sea bathing is being established. Construction work was commenced in

August last, but has now had to be suspended for want of the necessary rails. I may say that I have every reason to believe that this extension will prove to be a profitable one for the Company. Now as regards the future, though conditions in Mexico show little, if any, improvement at the moment, there can be no doubt that the termination of hostilities in Europe must have brought the date of the permanent settlement of the country appreciably nearer.

The resolution was seconded by Lieut.-Colonel the Hon. A. B. Bathurst and carried unanimously.

LANGKAPOERA (SUMATRA) RUBBER ESTATE, LTD.

The adjourned general meeting of the Langkapoera(Sumatra) Rubber Estate, Ltd., was held on February 12 at Winchester House, Old Broad Street, E.C., Mr. W. O. Burt (Chairman and Managing Director of the company) presiding.

In moving the adoption of the report and accounts,

The Chairman said: I presume I may take the report and accounts as read, since you have had them in your hands for some days. I must, however, draw your attention to a clerical error in the balance sheet. You will see on the debtor side "Bank overdraft and unclaimed dividends." The amounts opposite these items have been transposed, and the bank overdraft is only £2,616 17*s.* 6*d.* You will be interested to hear that the enemy holdings in the company have now been eliminated. There were about 20,000 shares owned by enemies which were vested in the Public Trustee, and these have now been sold. Taking the accounts first, you will see that we only show a small profit of £1,316. This small result is accounted for by the fact that the complete cessation of shipping opportunities led to a rapid fall in the prices of both rubber and coffee, while the cost of all materials rose enormously; but even at the low prices ruling it was only possible to realise a portion of our produce, so that we carried forward considerable were so small we had a substantial carry-forward from the profit and loss account, we have taken these stocks at cost, so that there will be a considerable profit on these items to come into next year's accounts. Though our profits were so small we had a substantial carry-forward from the previous year, which has enabled your board to propose the distribution of a dividend of 5% and to carry forward £7,178 to the next year's working. You will see that we have 1,392 acres of Hovea, which, taking the Convertible Debentures as capital, works out at a cost of £56 per acre. By the time these Debentures are converted we shall no doubt have a further increase in our acreage. There are still 451 acres of virgin land available for planting, and by converting a portion of the ficus as well we can bring our planted area up to 2,000 acres. I hope that by July next the position will be such that we shall see our way to making a considerable clearing with a view to planting up during the next wet season. I think that, on the whole, therefore, though we have suffered a set-back owing to the war, we have every reason to be satisfied with the present position. I am a thorough believer in the future of the rubber-growing industry, and though a little time may still elapse before we see normal conditions ruling, we may now look forward to a prosperous and successful future. You have a good estate in excellent condition and well managed, and I see nothing to prevent satisfactory and ever-increasing profits in the coming years.

Mr. A. H. Dunsmure seconded the motion, which was carried unanimously.

SINGAPORE UNITED RUBBER PLANTATIONS, LTD.

The seventh annual general meeting was held on February 12 at Winchester House, E.C., Sir Ivor Philipps, K.C.B., M.P. (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: Our issued capital remains unaltered, but you will notice that the cost of our estates and buildings and machinery exceeds the capital we have issued by over £23,000, and we have still some capital expenditure to face before the whole of our trees are in bearing and the estates are fully equipped. In the meantime our over-expenditure on capital account naturally leaves us short of current financial resources and forces upon us a conservative policy in dealing with the distribution of our profits. Our balance sheet shows a balance of profit on hand, after providing for income tax, of nearly £28,000. The greater part of this—namely, £23,000—has, as I have explained, been expended upon capital account, and the balance is included in the value of rubber on hand. The rubber on hand has, of course, since been realised, but there must always in a business of this kind be a certain amount of money expended in the production of a crop which is awaiting realisation. During the year under review we produced nearly 56,000 lb. of rubber more than in the previous year, and in the period since July 1 last our output has been 255,800 lb., against 244,894 lb. in the corresponding period of last year, so that, in spite of difficulties about labour and so on, we have actually been producing more this year than last. We are going through a period when poor prices rule for our product and when profits have to bear a heavy burden of taxation, and we conceive it to be our duty to pay especial attention at this time to the future productivity of our property, for the sake both of our shareholders and of the country. We earned a profit of £13,000 in the past year, apart from income tax, which was provided for in the amount we carried forward in the previous year. Had funds been available, we could have distributed a fair rate of dividend, and without doubt we could have obtained the funds, but in the present conditions we decided that it was prudent to recommend no distribution of profits, and we have no doubt you will approve that decision. Circumstances may, and we have little doubt will, shortly make us take a different view of the situation, which is already improving. Finally, as to the condition of our property, I would like to read to you an extract from a letter I have just received from our visiting agent. He writes: "The gradually increasing returns from the fields are encouraging, and I am confident that if the present light system of tapping is continued we shall always have plenty of bark renewal to work over, especially now that the basal portions of the trees show a marked improvement in this respect."

Mr. E. H. Parry seconded the resolution.

TIN AREAS OF NIGERIA, LIMITED

The eighth ordinary general meeting of this Company was held at Winchester House, Old Broad Street, E.C., on February 14, Mr. H. T. Miller (managing director) presiding.

The Chairman, in moving the adoption of the report and accounts, said that from the available balance of £32,000 they were placing £7,000 to reserve, writing £1,200 off mining redemption, paying a dividend of 10% for the year, together with a bonus of 2½%, and carrying forward £12,682, subject to income tax and excess profits duty. The issue of 440,000 shares of 5*s.* each, for which they had recently obtained the permission of the Treasury, had been successfully completed.

Expansion of Trading Business.

The trading side of the business had expanded in a satisfactory manner since the Company was formed some eight years ago, and there was every hope of a continuation of this progress. The possibilities of general trading on the West Coast of Africa were great. In connection with their trading business, they had stores established at many of the principal commercial centres in Nigeria, and would continue to extend to other promising trading localities as circumstances permitted. They sold almost every article required for both European and native, and, in turn, purchased from the natives the produce of the country.

Progress of the Nigerian Tin Field.

As to the mining position, the progress, on the whole, since the Nigerian tin-mining field was first seriously opened up in 1911-12 had been remarkable. In more recent years valuable additional discoveries of tin ore had been made in various parts of the field. In the old days it had been thought that most of the tin was contained in the running streams, and that the flats alongside the streams were of small extent and of comparatively little value. Many mining engineers had thought that the stream beds were likely to be worked out in a comparatively short space of time, and that the field would consequently have a very short life. Actual work on the more important properties had often shown that the early idea was largely a fallacy. Much of the wealth of the Nigerian plateau in regard to tin ore was to be found in old river-beds, the existence of which had hardly been suspected in the earlier days of the field. These were channels through which streams had run perhaps centuries ago, but had subsequently been diverted by some accident. Alluvial ore had perhaps been deposited in the old beds for many years, and those beds were frequently hidden under many feet of overburden, which obviously had to be removed before the payable ground could be worked. They were often found by chance, and not infrequently gave highly paying wash. They constituted a considerable feature in the reserves of tin ore on the Nigerian field, and happy was the mining engineer who found one of those rich channels on his property. The large detrital deposits which occurred in quite a number of places on the plateau, and often where they were in the early days of the field least expected, also constituted a considerable source of wealth.

Subsidiary Companies.

The Jos Tin Areas, which was floated by their Company, had been and should remain a regular and steady dividend-paying concern.

The Kano Tin Areas was also an offshoot of their Company. In regard to this Company's properties, they had had many difficult problems, the worst of all being a shortage of water. By means of dams they had managed to conserve a considerable volume of water, and had reason hope that that difficulty would be overcome in the near future. The interesting thing on the Kano property was the lode there. He did not desire to strike a note of undue optimism, for they had a long way to go before they could prove it to be a payable proposition with sufficient

ore reserves to warrant putting up a big plant, but they had a lode there which outcropped along one mile of the property. A shaft had been sunk to a depth of 100 feet, and the lode when driven on showed itself promising and highly mineralised. It well warranted further exploration and development. It certainly looked as if they might reasonably hope to have a big proposition there. As to the Lower Bicichi Tin Mines, also one of their children, so far as at present ascertained last year's results of that Company were entirely satisfactory.

Change of Name.

The board proposed to alter the name of the Company from Tin Areas of Nigeria, Limited, to the "British West Africa Corporation, Limited." Doing, as they were, a large trading and general business, the present title had become somewhat of a misnomer. The new name was more suited to the widening sphere of the Company's activities. An extraordinary meeting would be called shortly in order to pass the necessary resolution, and also to pass one or two other resolutions, of which due notice would be given. Prospects so far as the world's trade was concerned were rather difficult to gauge, but they might with complete confidence anticipate the continued expansion of their business and satisfactory returns to the shareholders.

Mr. L. N. Way seconded the motion, and it was carried unanimously.

HOME AND COLONIAL STORES, LIMITED.

The twenty-fourth ordinary general meeting was held on February 14 at 2 and 4 Paul Street, Finsbury, E.C.

Sir Charles E. G. Philipps, Bt., who presided, said that, although hostilities had ceased, war conditions still remained and were likely to continue for some time. The difficulties and anxiety to which he referred a year ago were in no way diminished during the year under review. On the contrary, they were increased by the still further extension of registration and rationing. The experience gained during recent trying years, however, coupled with the continued loyal, efficient, and harmonious co-operation of the staff, had enabled the directors to cope with the additional problems as they arose. The net profits for the year amounted to £235,650, and with £53,687 brought forward there was a total of £289,337. After payment of the dividends recommended (including one of 4s. per share on the "A" Ordinary shares, making 6s. per share for the year), and adding £25,000 to reserve, the directors recommended that £2,000 be voted to the Company's sick fund and £30,000 as a special bonus for the branch staff, that £12,000 be provided for income tax, and that £66,737 be carried forward. The reserve funds now stood at £450,000, all of which was invested outside the business. Although he had said that war conditions were likely to continue for some time, there were already indications of food control being relaxed in one direction or another. The removal of food control generally, however, must of necessity be a gradual process, governed as it was by the supplies of the different commodities available. Just recently rations of several foods had been increased, thus indicating that supplies were becoming more plentiful; but to increase rations was not going to benefit the poor if prices were not reduced at the same time. It was true that control of food in war time, when supplies were short, prevented prices from rising; but, unfortunately, when supplies became plentiful prices were prevented from falling, whereas with a free market they undoubtedly would fall. The view had been expressed in some quarters that the longer the Government retained control of food the better it would be for the consumer. The directors did not share that view, believing as they did that only by the elimination of food control and the restoration of competitive conditions, both in buying and selling, old prices come down to the lower level, which, in view of the large stocks in the country and the increased shipping facilities, was justified. It had been announced in the *Times* that the whole question of food prices was now under consideration by the War Council, and it was to be hoped that, as a result of that consideration, there would soon be a substantial reduction in the price of food. He could not but think that reduced prices for food would go a long way towards allaying the prevailing industrial unrest, for, although it was quite true that many sections of the working classes were getting high wages, there were a very large number who were not, and who must find it very difficult to live with the present high prices.

The report was unanimously adopted.

CROMPTON AND COMPANY, LIMITED.

The adjourned annual meeting of Crompton and Company, Limited, was held on February 17 at Salisbury House, E.C., Mr. A. A. C. Swinton, F.R.S., presiding.

The Chairman said that the last time the directors presented accounts was in July 1916. Meetings were held in July 1917 and 1918, and dividends paid in respect of those years, but no accounts were presented. Although the Company's liability for excess profits duty had not yet been definitely ascertained for the years ended March 1916, 1917 and 1918, certain progress had been made and other questions settled, and the directors were now able to present accounts to March 31 last. For the three years to that date the net profit was £114,268, or an average of £38,089, and showed a steady increase. Dealing with the balance-sheet, he said that the stock in trade had risen from £80,000 to £155,000, which, after allowing for increased costs, gave some indication of the growth of their business. After deducting dividends for the year ended March last they had £76,549 in hand. They proposed to place £15,000 to general reserve fund, bringing it up to £30,500, and to carry forward the balance of £61,549 subject to excess profits duty and munitions levy for the three years ended March last. In a company such as theirs, whose pre-war profits were not large, the special war taxation was a heavy drain on their resources, and moneys that would otherwise have been used to improve their works and generally to increase their cash resources had been taken by the Government. It was sincerely to be hoped, in the interest of industry generally, that the excess profits duty would soon be abolished, or at all events greatly reduced. The Company's financial year ended in March, and the profits so far as ascertained were good, and the board looked forward to being able to submit satisfactory figures at the next general meeting in July.

The board felt it essential to increase the Company's capital so as to enable them to cope with the business now offering, which was very large. The directors' proposal involved the creation of £24,000 additional Preference shares and 254,993 Ordinary shares. The Preference shares would be reserved for issue to the Company's employees, and it was proposed to issue them on the terms that no employee was to hold more than 100 of such shares, and that the holder of such shares while in the Company's employment should be entitled, in addition to such dividend as might be declared on the Preference shares from time to time, to a bonus to be paid out of the profits of the Company equivalent to 3% per annum on the amount paid up on such shares. He pointed out that the amount a company such as theirs distributed in the way of dividends to its shareholders was only a very small percentage on what it paid to its workmen as wages. With regard to the issue of Ordinary shares, he said the board hoped shortly to make an announcement to the shareholders, who would, of course, be given an opportunity of subscribing. In conclusion, he moved the adoption of the report and accounts.

Mr. Carleton F. Tufnell seconded the motion, which was unanimously carried, and the resolution with regard to the increase of capital was also passed.

UNDERGROUND CO.'S SUBSIDIARIES.

Each year the profits of the five London transportation companies controlled by the Underground Company show expansion, but in no year has the growth been as large as in 1918, when the aggregate net profit amounted to £965,000, compared with £874,000 for 1917. Of the five companies the District is the only one controlled by the Government, and therefore the other companies have had to meet heavier expenses arising from higher bills for wages, fuel and materials. But, on the other hand, in addition to the growth in the number of passengers that occurred last year, when it is estimated no less than 901 million passengers were carried exclusive of transfers from the District line to the Tubes, and the absence of new capital expenditures calling for larger interest charges, was the increase in fares. From last year's shown net profit, apart from £100,000, as in 1917, set aside by the London General Omnibus Company to Expenditure Contingency accounts and included in expenses, £333,000 was allocated to various reserve funds, compared with £353,000 in 1917, with the result that a balance remained of £631,690, against £570,337. The aggregate amount each of the five companies places in the pool, after having paid all interest and other charges and Preference dividends (excluding in the case of the District Railway the dividend on the Second Preference stock), made transfer to reserve fund, &c., and made good any deficiency in earning the Preference dividends of any of the five companies, is known as the Common Fund. What contributions are made by each individual company to the Fund is not stated, but the manner in which the Fund has been divided among the subsidiaries in each of the past four years that the pooling arrangement has been in operation is shown herewith. We add the corresponding figures for the two years prior to the pooling scheme being introduced in order to show that apparently the four railway companies draw from the Common Fund very much more than they put

in, and that the London General Omnibus Company's share has thus been reduced.

		Under New Agreement. Share of Common Fund Received in				Before New Agreement. Net Profit after Allocations to Reserve Funds, &c.	
	1918	1917	1916	1915		1914	1913
	%	£	£	£	%	£	£
Met. Dist.	12	75,802	62,440	60,836	12	54,164	30,629	40,880
L. Elect....	30	189,507	156,101	152,090	26	117,355	68,760	91,258
C. London	20	126,338	104,068	101,394	20	90,273	73,285	83,660
C. & S. L.	6	37,902	31,220	30,418	2	9,027	Dr. 18,871	Dr. 6,386
L. G. 'Bus	32	202,141	166,508	162,229	40	180,547	286,427	230,223
Total ...	100	631,690	520,337	506,967	100	451,366	440,230	439,635

The reports of each of the five subsidiaries purport to show the results of each company, but in actual fact they do nothing of the kind. The only figures of any practical value are the aggregate earnings, expenses, profits, &c., of the five companies and these are not all given. Indeed, the only aggregate figures published in the reports are those relating to gross receipts and the "Common Fund." We have, however, supplied the deficiency in the statement presented below. From this it will be seen that, over and above the allocations to reserve funds made before arriving at the Common Fund, further contributions aggregating £25,000 were made and that dividend payments of nearly £590,000 were almost £130,000 larger than in 1917. Inasmuch as the Underground Company holds, if not the whole, at any rate the greater part, of the junior securities upon which these dividends are paid, that Company has been able to raise the dividend on its Income Bonds to the full rate of 6% for the past half-year.

Income Statement of the 5 Transportation Cos. Controlled by Underground Electric Railways Co. of London.

	1918	1917	1916	1915	1914	1913
	£	£	£	£	£	£
Gross Receipts...	7,344,364	6,272,852	5,675,533	5,170,555	5,138,103	5,164,618
Oper. Expenses	5,643,615	4,654,123	4,119,872	3,643,050	3,679,941	3,740,883
Net earnings	1,700,749	1,618,729	1,555,661	1,527,505	1,458,162	1,423,735
Misc. Income ...	398,802	389,009	362,995	310,589	259,397	259,093
Net income ...	2,099,551	2,007,738	1,918,656	1,838,094	1,717,559	1,682,828
Prior charges & Pref. div. (inc. Dist. 1st Pref.)	1,134,996	1,133,935	1,100,342	1,089,049*1	052,954*1	029,747
Net profit ...	964,555	873,803	818,314	749,045	664,605	653,081
Reserve funds, &c.	332,865	353,465	311,347	297,680	224,375	213,446
Balance ("Common Fund") ...	631,690	520,337	506,967	451,365	440,230	439,635
Dividends ...	589,417	460,597	475,268	472,555	422,528	428,965
Further Crs. or Drs.	Dr. 25,000	Dr. 25,000	Dr. 10,000	Dr. 10,000	Cr. 18,133	Cr. 6,386
Brought forward	130,644	95,903	74,204	105,394	69,559	52,503
Carried forward	147,917	130,644	95,903	74,204	105,394	69,559

* Includes £18,133 in 1914 and £6,386 in 1913 for interest on City and South London Preference stocks charged to capital account.

The first of a series of National Economy booklets has just been issued by the National War Savings Committee, which aims at providing for the use of War Savings workers and the general public, literature of a somewhat more substantial character than that issued for the ordinary purposes of propaganda. This first little work is written by Mr. Hartley Withers, and consists of extracts, only altered to meet the needs of abbreviation, from a book called "Poverty and Waste" published in 1914.

"The Problem of a National Budget." By W. F. Willoughby, Director of the Institute for Government Research, U.S.A. Price 12*s.* 6*d.* net. (New York and London: D. Appleton.) Mr. Willoughby in this work makes a study of the problem of Government Budget making, with a view to the adoption of a Budget system by the American Government. He cites the systems of Budget making in England and other countries, and suggests methods of applying the principles evolved from the procedure of other countries to the administration of the United States.

We welcome the first number of *Unity*, which has just appeared as an organ to advance industrial and social progress through harmonious action by capital and labour. The object of the proprietors is a very creditable one, especially at the present time, when strikes and lockouts are the order of the day. We note in the list of contributors to the first number the names of the Right Hon. Huth Jackson, J. R. Clynes, C. W. Bowerman, Sir Albert Stanley, John Hodge, and Sir Vincent Caillard.

INDIAN MINES.

BALAGHAT.—Capital, £212,600 in Ordinary and £95,400 in Ten per Cent. Preference shares of £1 each. The Preference shares after first receiving 10 per cent. entitled to participate *pro rata* with Ordinary for further dividend, but are non-cumulative.

Yr. ends Dec. 31	Ore Milled Tons	Total Gold Yield Value	Total Gold Yield Per Ton	Total Working Costs per Ton	Working Profit* £	Working Profit* Per Ton	Price of Ordinary Shares end of Period
		£					
1916 ...	28,476	75,176†	53/0	51/6	2,066	1/6	3/6
1917 ...	28,525	84,437†	59/4	53/4	8,534	6/0	3/3
1918.							
March qr.	6,550	19,895†	60/8	—	—	—	4/3
June qr....	6,520	21,760†	66/8	—	—	—	4/6
Sept. qr....	6,750	25,351†	75/1	—	—	—	4/3
Dec. qr....	6,925	27,068†	78/2	—	—	—	5/6
12 mos.	26,745	94,074†	70/4	—	—	—	5/6
1919.							
Jan. ...	2,400	8,513†	70/11	—	—	—	5/0

* Before deduction of royalty. † Estimated at £4 5*s.* per fine oz.

Dividends—1907, March, 10% on Pref. Nil since.

CHAMPION REEF.—Capital £260,000, in shares of 2*s.* 6*d.*

Year ends Sept. 30	Ore Milled Tons	Total Gold Yield* £	Total Gold Yield* Per Ton	Working Costs per Ton	Total Profit £	Total Profit Per Ton	Price of Shares end of Period
1916-17 ...	149,612	437,387†	57/11	35/8	146,814	22/6	6/0
1917-18 ...	138,030	400,087†	58/–	—	—	—	5/9
1918-19.							
Dec. qr. ...	35,268	89,122†	50/6	—	—	—	5/6
Jan. ...	11,962	29,699†	49/7	—	—	—	4/3

* Includes yield from accumulated slimes.
† Estimated at £4 5*s.* per fine oz.

Dividends—Account 1916-17, March, 10%; July, 10%; Dec., 20%=40%. Account 1917-18, July, 13⅓%. Dec., 13⅓%=26⅔%.

MYSORE.—Capital £305,000, in 610,000 10*s.* shares.

Year to Dec. 31	Ore Crushed Tons (2,000 lb.)	Total Value of Gold Secured* £	Total Value of Gold Secured* Per Ton	Total(a) Working Expenses Per Ton	Working Profit £	Working Profit Per Ton	Price end of Period
1917 ...	307,126	842,056†	5 4/6	26/0	442,621	28/6	3/0
1918.							
March qr.	78,263	195,504†	50/0	—	—	—	2 13/16
June qr ...	74,097	196,892†	53/1	—	—	—	2 13/32
Sept. qr....	69,697	179,043†	51/4	—	—	—	2 5/16
Dec. qr. ...	71,129	176,678	49/8	—	—	—	2 1/32
12 mos. ...	292,186	748,217	51/2	—	—	—	2 3/32

* Estimated at £4 5*s.* per fine oz. † Includes yield from slimes.
(a) Exclusive of royalty.

Dividends—Account 1917, June, 30%; Nov., 30%; Mar., 25%=85%. Account 1918, Oct., 25%.

NUNDYDROOG.—Capital £283,000, in 10*s.* shares.

Year ends Dec. 31	Ore Milled Tons	Total(a) Gold Yield Value £	Total(a) Gold Yield Per Ton	Total Working Costs Per Ton	Working Profit* £	Working Profit* Per Ton	Price o Shares end of Period
1916 ...	98,000	340,786	69/5	34/1	173,548	35/4	25/6
1917 ...	99,382	337,348	67/10	35/7	160,296	32/3	24/3
1918 ...	102,731	334,695†	65/1	—	—	—	21/0
1919.							
Jan. ...	8,564	27,982†	65/4	—	—	—	21/0

* Before deduction of royalty (£21,686 in 1916).
† Estimated at £4 5*s.* per fine oz.
(a) Including slimes, &c.

Dividends — Account 1917, June, 10%; Oct., 11⅔%; Feb., 11⅔%. Account 1918, Sept. 10%.

OOREGUM.—Capital issued, 481,544 Ordinary and 240,000 Ten per Cent. Preference shares; all shares of 10*s.* each. Preference shares first get 10 per cent., and, beyond, same dividend as paid on Ordinary.

Yr. ends Dec. 31	Ore Milled Tons	Total Gold Yield £	Total Gold Yield Per Ton	Total Working Costs Per Ton	Working Profit* £	Working Profit* Per Ton	Price o Ord. Shares end of Period
1917 ...	155,080	388,698	50/1	25/8	185,465	23/11	18/3
1918 ...	152,780	380,911†	49/10	—	—	—	18/0
1919.							
Jan. ...	12,800	31,760	49/7	—	—	—	17/6

* Before deduction of royalty (£21,622 in 1917).
† Estimated at £4 5*s.* per fine oz.

Dividends—Account 1917, 40% on Pref. and 30% on Ord. Account 1918, Nov., 20% on Pref. and 10% on Ord.

Launched on January 6, the concrete-built S.S. *Armistice* has already been completely fitted out, and sailed on Thursday (February 6) on her trial trip from Barrow to Belfast, where she will pick up her first cargo. Designed on the well-known Mouchel-Hennebique system, this vessel of about 1,200 tons dead-weight capacity was built in the yard of the Ferro-Concrete Ship Construction Company, Limited, at Barrow-in-Furness, a firm in which Messrs. Vickers, Limited, are largely interested.

"An Introduction to Statistical Methods." A text-book for college students. A manual for statisticians and business executives. By H. Secrist, Ph.D. Price, 10*s.* 6*d.* net. (London and New York: Macmillan.) This work should be of great value and interest to economic students. It is an attempt to work out an introductory, though comprehensive, text on statistical methods for the use of college students and students in colleges of business administration. The author avoids mathematical treatment, for the reason that there seems to be an urgent need for a fundamental discussion of the non-mathematical processes in statistical investigation and analysis.

"Where Capital and Labour Meet"

at the Employment Exchange

In the case of both Master and Man—the road to mutual satisfaction is the Employment Exchange. There is an Employment Exchange for every important district in the country, supervised by a joint committee of employers and workpeople.

Both Employers and Men are urged to realise—

1. That the nearest Employment Exchange is the nearest way to a good job for a man.
2. It is the nearest way to getting a good workman that any employer can take.
3. The Employment Exchange can supply the employer with a man who has fought for him. It is only fair that he should be given the chance to work for you. He helped to forge victory. His now the just claim to enjoy its fruits.

The Employment Exchange is the common meeting ground for master and man. The Government bring the twain together.

If you want a good man—if you want a good job—go to your nearest Employment Exchange and get one!

Works on Finance by HARTLEY WITHERS,

Editor of "The Economist."

"Numerous instances of the Wisdom of Withers, culled from a ripe experience and put into literary shape by a trenchant, and occasionally caustic, pen." *THE FINANCIAL NEWS.*

THE BUSINESS OF FINANCE.
Second Impression. **6s.** net.

OUR MONEY AND THE STATE.
Second Impression. **3s. 6d.** net.

STOCKS AND SHARES.
Fifth Impression. **6s.** net.

THE MEANING OF MONEY.
Eighteenth Impression. **6s.** net.

MONEY CHANGING: an Introduction to Foreign Exchange. **6s.** net.

INTERNATIONAL FINANCE.
Third Impression. **6s.** net.

POVERTY AND WASTE.
Third Impression. **6s.** net.

WAR AND LOMBARD STREET.
Fourth Impression. **6s.** net.

LOMBARD STREET: a Description of the Money Market. By WALTER BAGEHOT Edited with a new Preface by HARTLEY WITHERS **6s.** net.

LONDON: JOHN MURRAY.

NATIONAL WAR BONDS

may still be obtained under our
INSTALMENT PURCHASE SCHEME.
If you are interested in an investment yielding 4½% net (equivalent to £6 8s. 0d. gross when taxed at 6/- in the £) inquire of any of our Representatives or of

PEARL ASSURANCE COMPANY, Limited,

FUNDS EXCEED £14,000,000. HIGH HOLBORN, W.C.1.

P A

A PEACE RISK.

Who is carrying your death Risk?
Is it your Family,
or
a Life Assurance Office?
WHY NOT LET THE PRUDENTIAL CARRY IT?

C Ld

THE NATIONAL BANK OF SCOTLAND LIMITED

INCORPORATED BY ROYAL CHARTER AND ACT OF PARLIAMENT.

ESTABLISHED 1825.

Capital Subscribed, £5,000,000. Paid up, £1,000,000. Uncalled, £4,000,000.
RESERVE FUND, £900,000.

Head Office—EDINBURGH.

J. S. COCKBURN, General Manager. GEORGE A. HUNTER, Secretary.

London Office—37 NICHOLAS LANE, LOMBARD ST., E.C. 4.

SIR JOHN FERGUSON, K.B.E., Manager. DUGALD SMITH, Assistant Manager.

Every description of Banking Business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.; the collection of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts, Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of Remittances to all parts.

The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.

The Officers of the Bank are bound to secrecy as regards the transactions of its Customers.

BANK OF MONTREAL

Established in 1817.
Capital Paid up, $16,000,000.
Reserve Fund, $16,000,000.
Undivided Profits, $1,901,613.

BOARD OF DIRECTORS.

Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. R. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., Lt.-Col. Herbert Molson, M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq.

Head Office: Montreal.

General Manager: Sir Frederick Williams-Taylor, LL.D. Assistant General Managers: F. J. Cockburn, H. P. Mackenzie, G. C. Cassels, D. R. Clarke.

LONDON OFFICES:
47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1, and
24 Cockspur Street S.W. 1.

London Committee: Sir Thomas Skinner, Bart., Lieut.-Col. F. R. S. Balfour.
Manager: George Cyril Cassels.

Financial Agents of the Government of the Dominion of Canada.

Branches and Agencies throughout Canada and Newfoundland; also at New York, Chicago and Spokane in the United States, and at Mexico City.

The Bank undertakes monetary business with all Allied and Neutral countries, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, and Mexico.

THE ROYAL BANK OF CANADA.

Capital Paid up	$14,000,00
Reserve Fund and Undivided Profits	$15,000,000
Total Assets	$427,500,000

Head Office—MONTREAL.

Sir HERBERT S. HOLT, *President.* E. L. PEASE, *Vice-President & Managing Director.*
C. E. NEILL, *General Manager.*

462 Branches in Canada and Newfoundland.
39 Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela.

BRANCHES IN BRITISH WEST INDIES.
ANTIGUA—St. John's; BAHAMAS—Nassau; BARBADOS—Bridgetown; DOMINICA—Roseau; GRENADA—St. George's; JAMAICA—Kingston; ST. KITTS—Basseterre; TRINIDAD—Port of Spain, San Fernando; BRITISH GUIANA—Georgetown, New Amsterdam, Rose Hall; BRITISH HONDURAS—Belize; SPAIN—Barcelona.

New York Agency, Corner William & Cedar Streets.

LONDON OFFICE:
Bank Buildings, Princes Street, E.C.2.
T. R. WHITLEY, *Manager.* JAMES MACKIE, *Joint Manager.*

IMPERIAL BANK OF CANADA,

Head Office—TORONTO.

Capital Paid up - - -	**$7,000,000**
Reserve Fund - - -	**$7,000,000**

126 BRANCHES THROUGHOUT CANADA.

Inquiries regarding Canadian Business and Securities will be given every attention.

Agents in Great Britain:
ENGLAND—Lloyds Bank Limited, London, and Branches.
SCOTLAND—The Commercial Bank of Scotland, Limited, Edinburgh, and Branches.
IRELAND—Bank of Ireland, Dublin, and Branches.

Agents in France
Crédit Lyonnais. Lloyds Bank (France) and National Provincial Bank (France) Limited.

THE EASTERN BANK,

LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C

Subscribed Capital	**£1,500,00**
Called up	**£600,00**
Reserve Fund	**£90,00**
Reserve Liability of Shareholders	**£600,00**

BOARD OF DIRECTORS.

The Right Hon. LORD BALFOUR OF BURLEIGH, K.T. (Chairman).

SIR EDWARD SASSOON, Bart. EMILE FRANCQUI, Esq. J. C. GEORGES BOUILLAT, Esq. J. S. HASKELL, Esq. G. BROMLEY-MARTIN, Esq. LT.-COL. J. LEIGH-WOOD, C.B., C.M.G

Branches:
BOMBAY, CALCUTTA, BAGDAD, BASRA-AMARA, HILLAH.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit. Negotiates and Collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.

Deposits are received for fixed periods at rates to be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager.*

THE MECHANICS AND METALS NATIONAL BANK

OF THE

CITY OF NEW YORK.

ESTABLISHED 1810.

CAPITAL (FULLY PAID)	$6,000,000
SURPLUS AND UNDIVIDED PROFITS ...	$11,000,000

THIS BANK RECEIVES ACCOUNTS OF BANKS, BANKERS, CORPORATIONS, FIRMS, AND INDIVIDUALS ON FAVOURABLE TERMS, AND GRANTS TO ITS DEPOSITORS EVERY FACILITY CONSISTENT WITH PRUDENT AND CONSERVATIVE BANKING METHODS. CORRESPONDENCE INVITED.

FOREIGN DEPARTMENT.

Finances Exports and Imports, buys and sells Foreign Exchange, Telegraphic Transfers, &c., and makes Collections on all parts of the world.

LONDON BANKERS:
LONDON JOINT CITY AND MIDLAND BANK LIMITED.
LONDON COUNTY WESTMINSTER & PARR'S BANK LIMITED.

THE LONDON AND RIVER PLATE BANK (Limited).

Established 1862.

Authorised Capital	£4,000,000
Paid-up Capital	1,800,000
Reserve Fund	2,100,000

BRANCHES.

ARGENTINE.—Buenos Aires, Rosario, Mendoza, Concordia, Bahia Blanca, Cordoba, Tucuman, Parana, Barracas (Buenos Aires), Once (Buenos Aires), Boca (Buenos Aires), Calle Santa Fé (Buenos Aires), Calle B. de Irigoyen (Buenos Aires).

URUGUAY.—Montevideo, Calle Rio Negro (Montevideo), Paysandu (Agency), Salto (Agency).

BRAZIL.—Rio de Janeiro, Sao Paulo, Santos, Pernambuco, Para, Bahia, Victoria, Curityba, Manaos (Agency).

CHILI.—Valparaiso, Santiago.

FRANCE.—Paris (16 Rue Halévy).

BELGIUM.—Antwerp (72 Place de Meir).

Agency in New York and Agents throughout the World.

Letters of Credit, Drafts and Cable Transfers issued.

Bills negotiated, advanced upon, or sent for collection.

7 Princes Street, E.C. 2.

CHARTERED BANK OF INDIA,

AUSTRALIA AND CHINA.
38 Bishopsgate, London, E.C.2.
Incorporated by Royal Charter.

Capital, £1,200,000. Reserve Fund, £2,000,000.

Court of Directors.
Sir Montagu Cornish Turner, Chairman.
Sir Duncan Carmichael.
Thomas Cuthbertson, Esq.
Sir Alfred Dent, K.C.M.G.
William Henry Neville Goschen, Esq.
The Rt. Hon. Lord George Hamilton, G.C.S.I.
William Foot Mitchell, Esq.
Lewis Alexander Wallace, Esq.

Managers, T. H. Whitehead and W. E. Preston.
Sub-Manager, J. S. Bruce.

BANKERS.—The Bank of England; The London Joint City and Midland Bank, Limited; The London County Westminster and Parr's Bank Limited; The National Provincial and Union Bank of England, Limited; National Bank of Scotland, Limited.

The Corporation buy and receive for collection Bills of Exchange, grant Drafts, and transact General Banking business connected with the East.

Deposits of money are received for fixed periods on terms which may be ascertained on application; interest payable half-yearly, 30th June and 31st December.

THE ANGLO-EGYPTIAN BANK, LIMITED.

SUBSCRIBED CAPITAL ... £1,800,000.
PAID UP, £600,000. RESERVE FUND, £710,000

BRANCHES: Alexandria, Cairo, Beni-Souef, Mansourah, Port Said, Tantah, Zagazig, Khartoum, Jaffa, Jerusalem, Malta, Gibraltar, Haifa.

BANKERS: The Bank of England, The London Joint City and Midland Bank, Limited.

The Bank transacts every description of Banking business in Egypt, grants Letters of Credit, and affords facilities to travellers proceeding to Egypt and elsewhere.

Deposits received for fixed periods at rates to be obtained on application. Interest payable February 28th and August 31st.

On current accounts, interest at the rate of 2 per cent. per annum allowed on minimum monthly balances provided they do not fall below the sum of £200.

27 Clements Lane, Lombard Street, E.C. 4.

UNION BANK OF CANADA.

Incorporated 1865. Head Office, WINNIPEG.

Paid-up Capital	$5,000,000
Rest and Undivided Profits ...	$3,600,000
Total Assets exceed	£143,000,000

The Bank has over 300 Branches in CANADA and Agents in the principal Cities in AMERICA.

Deposits received at favourable rates, which may be ascertained on application to:—

LONDON OFFICES { 6 PRINCES STREET, E.C. 2. 26 HAYMARKET, S.W. 1.

New York Agency: 49 Wall Street.

THE FOURTH STREET NATIONAL BANK, PHILADELPHIA.

CAPITAL FULLY PAID ...	**$3,000,000.00**
SHAREHOLDERS' LIABILITY	**$3,000,000.00**
SURPLUS AND PROFIT ...	**$7,000,000.00**

Bills of Exchange
Telegraphic Transfers
Letters of Credit
Travellers' Checks
available throughout the World.

Collections made everywhere. Acts as Agent for Foreign Banks to draw on the United States. Correspondence solicited.

LONDON AGENTS—
SAMUEL MONTAGU & CO.
LONDON CITY AND MIDLAND BANK LTD.
LLOYDS BANK LTD.

Cable Address—"FOURBANK."

NATIONAL BANK OF INDIA, LIMITED.

Bankers to the Government in British East Africa and Uganda.

HEAD OFFICE:
26 BISHOPSGATE, LONDON, E.C. 2.

BRANCHES:

Calcutta	Cochin (S. India)	Zanzibar	
Bombay	Chittagong	Mombasa	British East Africa
Madras	Rangoon	Nairobi	
Karachi	Mandalay	Nakuru	
Cawnpore	Aden and	Kisumu	
Lahore	Aden Point	Entebbe	Uganda
Amritsar	Colombo	Kampala	
Delhi	Kandy	Jinja	
Tuticorin	Newera Eliya		
	Dar-es-Salaam	Occupied Territory, German East Africa.	
	Tanga		

SUBSCRIBED CAPITAL ...	£2,000,000
PAID UP CAPITAL	£1,000,000
RESERVE FUND	£1,350,000

LONDON BANKERS.—Bank of England: National Provincial Bank of England, Limited; National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balances at the rate of 2 per cent. per annum.

THE WESTERN AUSTRALIAN BANK.

Established 1841.

Paid-up Capital	**£250,000 0**
(25,000 Shares of £10 each)	
Reserve Fund	**£700,000 0 0**
Reserved Profits ...	**£23,460 0 0**
Reserve Liability of Shareholders,	**£250,000.**

Drafts issued, Remittances cabled, Bills negotiated or collected. Deposits received for fixed periods at rates to be ascertained on application, and all Banking and Exchange Business connected with Western Australia conducted through the London Agents,

The Bank of Adelaide, 11 Leadenhall Street, E.C. 3

BANK OF NEW SOUTH WALES.

Established 1817.

LONDON OFFICE: 29 Threadneedle Street, E.C 2.

Paid-up Capital	**£3,904,860**
Reserve Fund	**3,025,000**
Reserve Liability of Proprietors ...	**3,904,860**
	£10,834,720
Aggregate Assets, 30th Sept., 1918	**£62,115,135**

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business.

H. MELDRUM, Assistant Manager.

Ernesto TORNQUIST & Co.

LIMITADA,
BUENOS AIRES.
Established 1830.

Oldest Business Establishment in the River Plate.

CAPITAL FULLY PAID UP AND RESERVES
£2,679,785.

GENERAL FINANCIAL, BANKING AND COMMERCIAL BUSINESS.

Printed by SPOTTISWOODE, BALLANTYNE & CO., LTD., at 1 New Street Square, E.C. 4, and Published by the Proprietors of "The Statist" at their Offices, 51 Cannon Street, E.C 4, in the City of London, England.—*February* 15, 1919.

PROVIDENT ACCIDENT AND GUARANTEE COMPANY, LIMITED
Formerly known as the
Provident Clerks' & General Guarantee & Accident Co., Ltd.
Head Office, - **61 Coleman Street, London, E.C.**
Temporary Offices, **52/5 Coleman Street, E.C.**
West End Office, **199 Piccadilly, W.**
Established 1865.

GUARANTEES FOR FIDELITY.
The Company ISSUES BONDS for TRUSTEES in BANKRUPTCY, RECEIVERS and LIQUIDATORS in CHANCERY, and for all GOVERNMENT or Commercial Appointments in which security is required.
ACCIDENT INSURANCE OF EVERY KIND.
LANDLORD AND PROPERTY OWNERS' INDEMNITIES.
WORKMEN'S COMPENSATION, FIRE, BURGLARY, MOTOR CAR, DRIVERS' INDEMNITY, CONTINGENCY, PLATE GLASS, LIVE STOCK. C. A. FREEMAN, Manager & Secretary.
Telephone: LONDON WALL 5306 (4 Lines).

REFUGE ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds - £4,700,000
Assets Exceed - - - - £15,900,000
Claims Paid Exceed - - - £28,000,000

SUBSCRIPTION TO "THE STATIST."
TO INCLUDE ALL SUPPLEMENTS.
Payable in Advance.

Inland.
ONE YEAR, £1 10 0 | HALF-YEAR, £0 15 0
(Post Free.)

For Colonies and Abroad (within Postal Union).
ONE YEAR, £1 17 4 | HALF-YEAR, £0 18 8
(Post Free.)

OFFICE : 51 Cannon Street, E.C. 4.

CONTENTS.

Leading Articles— PAGE
SIR WILFRED LAURIER 307
THE CONFERENCE 307
WHEN THE WAR ENDS.—LVI. 308
THE FIRST SIX WEEKS OF THE WAR 309
WATER POWER IN IRELAND.—II. 310
BRAZIL 311
SHIPBUILDING IN BELFAST.—I. 313
THE CANAL ZONE 314
THE IRISH LINEN INDUSTRY. I. 315
SOUTH AND CENTRAL AMERICA 316
THE NATIONAL DEBT 317
FINANCIAL NOTES 318
SAVINGS BANK DEPOSITS 326

American Topics—
National Railways of Mexico 320

Commercial—
The Jute Industry.—I. 324
Meat from China 325
The Decline in Indian Agriculture.—I. 326

Industrials— PAGE
Selfridge and Co., Ltd. 327
Yorkshire Electric Power ... 327

Insurance Notes—
Sun Life Assurance Society 323
London and Lancashire Fire and Law Union and Rock Insurance Companies 323

Mining Topics—
Natal Navigation Collieries 302
Messina Transvaal Development 303
Ferreira Deep 304

Money Market 299
Rubber Topics 321
Taiping (Perak) 321
Trolak Plantations (Perak) 322
Krubong (Malacca) 322
Johore Para 322
Devon Estates (Malacca) ... 322
Langkapoera (Sumatra) ... 322
Stock Exchange 301
Tabular Appendix 304

Meetings 328-344

	CURRENT RATE %	FIXED	PREVIOUS RATE %	FIXED
Bank of England Rate...	**5**	**(Apr. 5,'17)**	**5½**	**Jan. 18,'17**
Bank of England Rate { to Clearing Banks: 3 days' notice ...	**3**	**(Feb. 14,'18)**	**4**	**June 19,'17**
for Foreign Money*	**4½**	**(Nov. 15,'17)**	**extended**	**Jan. 2,'18**
Deposit Rates :—				
Banks & Discnt. Ho. (Call)	**3†**	**(Feb. 14,'18)**	**3½**	**Jan. 2,'18**
Discount Houses (Notice)...	**3**	**(June 6,'18)**	**3¼**	**Feb. 14,'18**
Do., to Bankers and Merchant Bankers (Notice)	**3½**	**(Feb. 14,'18)**	**3¾**	**Jan. 2,'18**

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Tr'sury Bills (Fixed Feb. 14,'18)—		3½	—	3½
Bank Bills	3½	3¾	3¾	3¾
Trade Bills	—	4-4½	4¼-4½	4¼-4¾

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances. † Foreign and Colonial banks give Special Rates only upon deposits for a year.

THE **BRITISH GENERAL INSURANCE COMPANY, LIMITED,**
CAN GIVE YOU
SOME ADVANTAGES
In connection with your Insurances. Ask for Particulars.
Head Office - 66 CHEAPSIDE, LONDON, E.C.

The Statist.
LONDON, SATURDAY, FEBRUARY 22, 1919.

The Money Market.

Friday, February 21, 1919.

AFTER having been in relatively small supply, the amount of floating credit became more abundant to-day. Indeed, this is the only feature of interest at the moment, and indicates that a position is now being reached similar to that prior to the recent big push for War Bonds. Conditions in the Discount market remained practically unchanged. At the moment there is no rush for bills; indeed, bankers are reported to be buying very sparingly, but at an early date it is anticipated the demand for bills is likely to become keener.

Revenue collections continue to be made on a large scale, last week's total having been quite unprecedented. It now looks as if the average revenue for the remaining 44 days to March 31 will average about £30,063,000 a week. For the Budget estimates to be realised income tax will have to bring in an average of £17,059,000 a week, and from excess profits duty £9,029,000 should be received. In some quarters it is believed the sum that will be collected from income tax may even exceed the Budget estimate, but that, on the other hand, excess profits duty may not be quite as productive as had been anticipated. Still, as closely as can be calculated, revenue in the coming weeks should exceed £30,000,000 a week. According to calculations we have made, the expenditure to be met before the end of March is, roughly, £283,000,000, and, if revenue amounting to £189,000,000 is received, about £107,000,000 will need to be borrowed on balance if the cash position is to be the same as at the end of March 1918. War Bond sales, it is true, are showing some improvement, but they cannot be expected fully to make good the deficiency, and therefore it would appear that the greater part of the loans must be provided by adding to the floating debt.

BANK OF ENGLAND.

MOVEMENTS shown in this week's Bank return were by no means large, and the net result was a shrinkage of £1,712,000 in "other" deposits. This was due to an expansion of £849,000 in "other" securities, and to an improvement of £416,000 in the reserve having been offset by an increase of £2,522,000 in public deposits and a shrinkage of £445,000 in Government securities. The addition to the reserve arose through a diminution of £266,000 in the note circulation having been accompanied by a further addition of £150,000 to the stock of bullion, thereby raising the total of that item to the unprecedented figure of £81,769,000. The present reserve of £30,652,000 is the highest since the end of May last, and represents 20.57% of the deposit liabilities, as compared with 20.10% a week ago.

LIVERPOOL CORPORATION BILLS.

TENDERS will be received at the Chief Cashier's office, at the Bank of England, London, on Wednesday next, February 26, at 1 o'clock, for Liverpool Corporation bills to the amount of £1,000,000 in replacement of bills falling due on March 4. The bills will be dated March 4, 1919, and will be payable at twelve months after date.

FINANCING THE EXCHEQUER.

THE revenue of the Exchequer was heavier last week than in any previous week of this country's history, having amounted to no less than £34,034,000. This sum is about £4,000,000 above the average that should be collected in the remaining weeks of the current financial year, if Budget estimates, plus £35,000,000 additional from the Second Indian War Loan, are to be realised. It seems highly probable, therefore, that for a few of the next six weeks the revenue collections may not be as heavy as they were last week, when income tax yielded £19,065,000, excess profits duty £5,346,000, receipts from sundry loans, &c., £3,327,000, and Customs and Excise £3,049,000. On the other hand expenditure was exceptionally light, the total having been no more than £37,451,000, of which approximately £35,000,000, or £5,000,000 a day, represented net outlays from the Votes of Credit. In these circumstances the deficit for last week, after allowing for a small net outlay on capital account, was only £3,553,000. From loans a net sum of £3,541,000 was realised, leaving £12,000 to be taken from the cash balance, which now stands at £13,095,000 below the level on March 31 last. Loan operations were again particularly interesting, for once more sales of new Treasury bills were much below maturities. Indeed, against £62,163,000 of bills retired, **new bills sold** realised £47,293,000, thus making a net decline of £14,870,000, which may be due to two causes. In the first place, it may be due to arrangements made in connection with the recent large push for National War Bonds; and, secondly, it may be attributable to the heavy tax payments now being made. From National War Bonds £4,480,000 was received, £1,400,000 was brought in from sale of the 15*s* 6*d*. War Savings Certificates, and £1,151,000 of "other" debt was raised. Furthermore, £1,120,000 of debt was cancelled through revenue payments in scrip. In these circumstances the Government was again compelled to borrow on Ways and Means Advances, the net sum thus obtained having been £12,500,000. For the first time since May 25, 1918, the total of Treasury bills outstanding has been brought below the £1,000,000,000 level, the amount in issue on Saturday last having been £993,412,000, compared with £1,042,158,000 at the beginning of this month. On the other hand, Ways and Means Advances—the aggregate amount of which for some reason not apparent is never set out in the weekly Exchequer statements, as is the total of Treasury bills—now stand at £390,680,000, against £354,180,000 on February 1. The present total of the floating debt is thus £1,384,092,000.

Up to Saturday last the total war bill of Great Britain, including loans and advances to Allies and Dominions and "recoverable" expenditure from the sale of foodstuffs, stores, ships, &c., amounted to about £8,331,000,000. This sum is arrived at by adding £8,166,000,000 of Supply expenditure from Votes of Credit and £531,000,000 of interest, &c., on War Debt, and making allowance for £366,000,000 of normal expenditure upon the Army and Navy, based upon the original Budget estimates for 1914-15. Of the total of £8,331,000,000, revenue contributed £1,154,000,000, of which £743,378,000 has come in from excess profits duty, munitions levy, &c. Against the balance, loans have yielded £6,785,000,000.

MONEY IN NEW YORK.

THE chief matter, among many, of interest discussed in New York this week has been the revision of the Government's intention with regard to the next large loan. It had been proposed to issue in April next a further long-term Liberty Loan; but now it is intended to issue instead short-term obligations running for anything from one to five years. Money has been in greater demand, and call-loan rates have at times been quoted up to 6%. Prime commercial paper, however, remains at 5¾% to 5¼%. Last week's average statement of the New York banks and trust companies associated with the clearing house showed an increase of £2,200,000 in loans. The aggregate reserve declined by £3,468,000, but inasmuch as net demand deposits were £8,338,000 lower, the legal reserve was down to the extent of £1,074,000. In these circumstances the excess reserve was last week £7,346,000, against £9,740,000 in the week to February 8. The statement of the Federal Reserve Board shows that in the week to February 15 the gold holding of the banks expanded by about £3,500,000, while bills discounted increased by £28,500,000. Deposits were about £26,000,000 larger, and the note circulation again increased, the addition of £2,842,000 last week having raised the total to £493,678,000.

POSITION IN INDIA.

SINCE last we wrote upon the subject two returns have been issued by the Indian Currency Department, both showing further expansion in the currency note circulation, which on February 15 had risen to a new high level of 15,068 lacs. The silver reserve, it is interesting to note, is becoming stronger, now being 3,384 lacs, against only 3,129 lacs on January 22 last. On the other hand, the gold reserve is gradually diminishing, the present total standing at 1,826 lacs, against 1,980 lacs at the close of 1918. The ratio of metallic reserve to notes in circulation, it is to be noted, shows further improvement, now being 34.5%, as compared with 33.8% on January 22. Recent fluctuations in the position as disclosed by the Currency Return are shown in the appended statement, to which we have added the metallic ratio not reported in the return itself:—

1919.	Note Circulation	Silver			Gold		% of Metallic Res. to Notes	Government Securities	
		In India	Elsewhere	Total	In India	Elsewhere		Indian	British
		Lacs	Lacs	Lacs	Lacs	Lacs		Lacs	Lacs
Feb. 15...	15,068*	2,486	898	3,384	1,814	12	34.5	1,608	8,250
Feb. 7..	15,055	1,878	1,417	3,295	1,890	12	34.5	1,608	8,250
Jan. 31...	14,974	1,995	1,217	3,212	1,892	12	34.2	1,608	8,250
Jan. 22...	14,889	2,028	1,101	3,129	1,890	12	33·8	1,608	8,250
Jan. 15...	14,720	2,118	1,032	3,150	1,890	12	34·3	1,418	8,250
Jan. 7...	14,824	2,295	882	3,177	1,967	12	34·7	1,418	8,250
1918.									
Dec. 31...	14,709	2,339	874	3,213	1,968	12	35.3	1,266	8,250
Dec. 22...	14,577	2,391	956	3,347	1,968	12	36·5	1,000	8,250
Dec. 15...	14,473	1,855	1,688	3,543	1,968	12	38·1	1,000	7,950
Dec. 7...	14,255	1,986	1,613	3,599*	2,044	12	39·6	1,000	7,600
Nov. 30...	14,076	2,096	1,323	3,419	2,045	12	38·8	1,000	7,600
Nov. 22...	13,876	1,906	1,314	3,220	2,044	12	38·0	1,000	7,600
Nov. 15...	13,867	1,764	1,447	3,211	2,044	12	38·0	1,000	7,600
Nov. 7...	13,761	1,876	1,233	3,109	2,040	12	37·5	1,000	7,600
Oct. 31...	13,643	1,958	1,033	2,991	2,040	12	3 ·0	1,000	7,600
Oct. 22...	13,573	1,964	961	2,925	2,037	12	36·6	1,000	7,599
Oct. 15...	13,470	2,085	736	2,821	2,037	12	36·1	1,000	7,600
Oct. 7...	13,439	2,207	586	2,793	2,035	12	36·0	1,000	7,590
Sept. 30...	13,438	1,992	796	2,788	2,038	12	36·0	1,000	7,599
April 7...	9,745	1,044	—	1,044	2,486	67	36·2	1,000	5,147
Dec. '17...	10,831	1,905	—	1,905	2,673*	100	43·2	1,000	5,147
July '14...	7,350	3,230	—	3,230	1,820	900	80·9	1,000	400

* Highest since war began.

In the week to February 8 sales of Treasury Bills at the Presidency Banks amounted to 299.35 lacs,

ROYAL EXCHANGE
ASSURANCE.
Incorporated A.D. 1720. Governor: VIVIAN HUGH SMITH, Esq.
FIRE, LIFE, SEA, ACCIDENT, and GENERAL INSURANCES.
The Corporation is prepared to act as TRUSTEE and EXECUTOR.
Apply for full particulars of all classes of Insurance to the Secretary—
Head Office: ROYAL EXCHANGE, LONDON, E.C. 3.
West End Branch: 44 PALL MALL, S.W. 1.

and as 98.60 lacs were paid off at maturity, the increase in the amount outstanding was 200¾ lacs, raising the total to 3,792.8 lacs.

SILVER.

In order further to adjust the London price to the parity ruling in the United States, now that freight charges, &c., have been again revised, the London quotation for silver was on Thursday, February 20, reduced by ⅛*d.* to 47⅜*d.* per oz. The price of 47½*d.*, it will be remembered, was fixed on February 11. We would again remind the reader that the recent price movements are due entirely to lower freights, &c., and cannot be attributed in any way to an increase in the supply of the metal. No change has occurred in the tone of the market, which remains featureless, though the demand for trade purposes is still reported as being fairly active. The Shanghai exchange is steady at 4*s.* 9*d.* per tael. The stock of silver at that centre continues to expand, for on February 15 there were about 28,550,000 oz. in sycee and 13,300,000 dollars, against about 27,800,000 oz. in sycee and 13,100,000 dollars a week earlier.

Stock Exchange.

The continuance of labour unrest, and the feeling of pessimism thereby produced, has had a more noticeable effect on the Stock markets of the past week. Business dwindled to smaller dimensions than experienced since the commencement of the year; even provincial investors, who have been much in evidence of late, showing a disposition to hold aloof pending a more certain outlook. It is argued, however, that as soon as there are signs of betterment the desire to invest surplus resources will be all the keener for the temporary slackening. The miners' strong vote in favour of a strike did not help matters, but, on the Premier's conference becoming known, there ensued a disposition to view the prospects less seriously. Consequently towards the close of the week the tone of markets improved.

Another topic, not of such general interest as the labour unrest, but still one which has a bearing on Stock Exchange business, is being a good deal discussed by brokers. They allege that the maintenance of the regulations prohibiting time bargains and contangoing is a serious hardship to them now, and will, if continued, very detrimentally affect the resumption of their normal business. They did not object—or at any rate not seriously—to the regulations during the War, when it was understood that the banks would not lend to clients for Stock Exchange purposes, but they say that the banks now are commencing to lend to approved clients and against approved securities purchased. Before the War, when there was ability to carry over stock fortnightly, the majority of investors who wished to take advantage of such facilities, and not to settle for their transactions, made their arrangements with their brokers, and the latter, if of good standing, were able, did they so desire, to obtain advances from their bankers against securities. The German banks in London laid themselves out to shoulder the additional risk involved by financing Stock Exchange transactions direct for private operators. If, as is alleged, the banks now, with carry-over facilities barred on the Stock Exchange, are commencing to make advances to private clients against securities purchased, the concern of brokers as to their ability to recover their contango business, which in the old days represented a large section of the whole, is understandable. From the point of view of the future course of markets, the new attitude attributed to the banks indicates their confidence—which is in accord with the belief, now widely prevailing, that, in the words of the chairman of one of the leading banks: "We cannot suppose that industry and trade will absorb the whole of the existing volume of credit, even though these should be active beyond our expectations. This probably will create a demand for investments and afford the opportunity of consolidating the various issues of our National Debt as they mature on economical terms."

The committee which advises the Treasury in regard to new issues of capital has, from the time of its first decisions, been criticised more severely than any other, and the hope has been widespread that its remaining life would be very short. The Reconstruction Committees on Currency and Financial Facilities, however, has advised that it is not possible under existing conditions to dispense altogether with the control of capital issues, and the Chancellor of the Exchequer has come to the conclusion that it is necessary, at any rate for the present, to continue this control in a modified form. Accordingly a regulation under the Defence of the Realm Act is to be made forthwith prohibiting fresh issues except under licence, and the Chancellor has decided to reconstitute and to extend the Capital Issues Committee. The new terms of reference are as follows:—

> To consider and advise upon applications received by the Treasury for licenses under the Defence of the Realm Regulation for fresh issues of capital, with a view to preserving capital during the reconstruction period for essential undertakings in the United Kingdom and to preventing any avoidable drain upon foreign exchanges by the export of capital, except where it is shown to the satisfaction of the Treasury that special circumstances exist.

Lord Cunliffe has consented to act as the new Committee's Chairman.

During the week prices of gilt-edged securities have, on the whole, been steady. There was a slight inclination to ease noticeable up to Thursday, but a firmer tone developed at the end. Consols close at 59, and the 5% War Loan at 95. In the Foreign section more changes have occurred in favour of holders than for some while past. Early dulness in French Loans gave place to appreciation later in the week. The 5%, with the coupon deducted, finish at 86xd, and the 4% have appreciated to 70½. Japanese issues have again been in demand, and the 4%s of 1899, 1905, and 1910 show rises of two points on the week. Brazilian stocks, too, have again found favour, especially the 4% Rescission, which have risen to 69, against 65½ last week. Other South and Central American issues have been firm, and confidence is expressed as to the future course of their prices. The argument is that the United States, having become possessed of great surplus wealth, will need to employ much more of it in investments, and the South and Central American Republics are the natural outlet. As tending to confirm this we have had during the week the announcement that negotiations are taking place between American bankers and the Under-Secretary of the Mexican Government with a view to the resumption of interest payments upon Mexico's External Debt. As a result of that, Mexican stocks have risen several points on the week

BARCLAYS BANK
LIMITED
(with which is amalgamated the LONDON PROVINCIAL & SOUTH WESTERN BANK Ltd.).

Business with Italy.

Barclays Bank Limited have pleasure in drawing attention to the increased banking facilities provided by an arrangement with the BANCA ITALIANA DI SCONTO, ROME, and the principal towns in Italy.

INQUIRIES ARE INVITED.

Address:
The Foreign Manager, 168 Fenchurch St., E.C.3.

The possibility of serious labour trouble has continued to overshadow the Home Railway market, but the trend has not by any means been all one way, and in fact on the week the drop in quotations is not very appreciable. Probably this is attributable to the reassuring statements at some of the annual meetings. For instance, in addressing the Brighton Company's shareholders, the Chairman mentioned that definite and reiterated assurances had been received that the present arrangement whereby the Government guarantees the net receipts of the controlled railways will remain in force for at least two years after Peace is signed. Even if, then, the railways were shut down on account of labour troubles, it would be the interests of the public and of industry generally, and not shareholders' dividends, that would suffer most.

In the industrial and general sections there have been a good many individual features of strength, but no sustained activity, excepting of course Oil shares. Insurance issues, following the sustained rise in them, have shown a disposition to quieten down. Possibly the remarks of the Chairman of the Scottish Life Assurance Company at the meeting on February 17 had some influence. He said, referring to the increase in the price of their shares, that the directors regarded this as unwarranted in extent, and he thought it well, in case the public should be tempted by unfounded rumours of amalgamation which were floating round, to make the definite statement that the directors would not countenance any such proposals in regard to their Company.

Railway rolling-stock manufacturing companies' shares have been in good demand of late, and, though this week the general run of such securities have been quieter, Metropolitan Wagon stood out at one time with a sharp rise on rumours of amalgamation with Vickers. In iron and steel descriptions Dorman Long are higher at 30*s.* 6*d.* In regard to the volume of work awaiting such concerns as these, there are good grounds for optimism. For instance, it has been officially said this week that the Brighton Railway Company has not built an engine or a carriage for over four years, and doubtless this describes the general position in regard to the arrears of work in practically every branch of enterprise.

Talk of further bonuses to shareholders of various undertakings has again been a feature of markets. Cunard provided a prominent example on Thursday and Friday. P. and O. stock have also enjoyed a good jump. Good annual reports issued by several of the leading drapery and furnishing companies have served to maintain the firmness of the shares. Dunlop Rubbers provided an outstanding feature in the early part of the week. It is said that the syndicate in the shares will shortly be dissolved.

The Oil-share market, after displaying signs of ability to recover from the set-back suffered last week, boiled over again. However, on Thursday and Friday another turn for the better was taken, with Shells leading and closing at 8, the same as a week ago.

NOTICE TO BANKERS.

Advances upon STOCKS AND SHARES will be entertained upon favourable terms by the

LEGAL & GENERAL LIFE ASSURANCE SOCIETY.

The transactions can be carried out expeditiously and cheaply, and full particulars will be sent upon application to

No. 10 Fleet Street, London, E.C. 4.

Mining Topics.

THERE has been no sustained activity in any section of the Mining markets, unless one can so term the obviously manipulated gamble in things West African. Central Minings have been a strong spot among South Africans, the "shop" being credited with a belief that they are moderately valued. De Beers have been another feature, with a further rise to 19, Daggafontein are better at 32*s.*, Modders at £28, and Geduld at 2⅞. Gold Fields Rhodesian shares, puffed by a market circular, were rushed up at one time 12*s.* 3*d.*, but reacted. There has been some fluctuation in Chartered, but nothing like sustained support, and Rezende, after jumping on a development cable from 4½ to 5, have eased to 4¾. Among Mexicans, Santa Gertrudis show a sharp appreciation, partly in sympathy with the generally better feeling in regard to that country, and partly on a satisfactory quarterly report. Elsewhere Nundydroogs, which as a rule scarcely vary from week to week, have enjoyed a respectable rise on report of better developments. The continued slump in tin early in the week proved too much for the boomers of Nigerians.

Brakpan.—In 1918, of 9,885 feet of development work on reef 5,065 feet, or 51%, was in payable ore, and the quantity of pay ore developed was 460,000 tons. The ore reserves reckoned on 68 inches width declined 550,000 tons. Results of three years compare as follows:—

	Development					Ore Mined	Ore Reserves	
	Payable Reef	Per Cent.	Value Shilling-Inches	Ore Tons	Value Shilling-Inches	Tons	Tons	Value Shilling-Inches
1916 ...	8,255	54	3,190	—	—	709,300	3,054,000	2,420
1917 ...	7,155	53	2,770	—	—	677,500	3,268,000	2,650
1918 ...	5,065	51½	2,550	460,000	3,000	709,000	2,718,000	2,480

It would appear that 300,000 tons of ore have been temporarily excluded from the reserve on account of the rise in working costs. The position gives no cause for worry. With labour more plentiful the rate of development can be raised, and when the new circular shafts are completed the extensive deep-level ground can be attacked.

Modder B.—It has been decided to sink a new circular shaft, 20 feet diameter, to 1,800 feet depth, to deal in good time with the development programme for the southern section of the property. Hitherto the whole output and development have been based on one comparatively shallow shaft, and not only have the workings become extensive, but the distances to the outlet are very great. With a view to obtaining some knowledge of the reef conditions in the extreme south-eastern corner of the property, adjoining the Geduld, arrangements have been made with the latter Company to do some driving work. At the end of the year 30 feet had been driven, which disclosed reef of satisfactory width and value. As regards the main development work, the percentage of payable reef opened up in the December quarter was low, but the value showed appreciable improvement:—

	Total Footage on Reef	Payable Footage		Reef Showings Width		Shilling-Inches Assay
		Feet	%	Inches	Assay	*s.*
Year 1916	11,384	6,196	54.4	25	119 6	2,985
Year 1917	6,195	4,107	66.3	25	108/0	2,700
1918.						
March qr.	779	504	65	22	91/0	2,002
June qr.	1,091	926	85	20	147/0	2,940
Sept. qr.	1,912	1,256	65	17	97/6	1,650
Dec. qr.	2,050	938	46	16	157/3	2,516

NATAL NAVIGATION COLLIERIES.

CONDITIONS arising out of the War have greatly benefited South African colliery undertakings, which have been called upon to supply shipping with coal, largely obtained in pre-War days from Europe. The Natal collieries are particularly well-placed for this trade. They have for many years been noted for the quality of their steam coal, and their relative near-

ness to the sea gives them a considerable advantage over the Transvaal collieries, which suffer much more on account of the high railway rates. The scarcity of shipping notwithstanding, the bunkering and export coal trade of Natal expanded up to the end of 1917 as shown below:—

Year	Total Sales Tons	Sold for Bunkers Tons	Sold for Export by Sea Tons
1913	2,603,408	1,080 564	643,898
1914	2,314,568	1,066,378	371 444
1915	2.071,331	802 501	334,430
1916	2,757,6 8	1.366.036	154,053
1917	2,578.918	1,205 840	155,916
1918 (9 months to Sept.30) ...	1,300,000	450,061	434,497

The set-back shown for the first nine months of 1918 in respect of bunkering is, of course, attributable to the shipping shortage, and may be looked upon as temporary. Coal prices have been exceedingly high, and with coloured labour available the cost has risen only slightly in comparison with experience in Europe. It looks, therefore, as if the Natal collieries, mining good steam coal very cheaply, will be able to compete on much better terms for the bunkering and export trades than was the case before the War.

Considered in conjunction with this prospect, the report just to hand of the Natal Navigation Collieries for the year ended June 30 is interesting. The Company, which has an issued capital of £419,000, in £1 shares, has been producing coal for 20 years. Recent results with three pits working compare as under:—

	Years ended June 30— 1918	1917	1916	1915	1914
Coal production (tons) ...	285,476	344,667	352,432	282,283	310,479
	£	£	£	£	£
Profit on coal and coke ...	114 276	111,304	88 076	50,902	52,961
Sundry revenue	9,438	7,640	5,837	6,631	6,192
Total	123,714	118,944	93 933	57,533	59 153
Office, &c., expenses	10,822	12,276	13 978	9,945	13,551
Net profit	112,892	106,668	79,955	47,588	45,602
Allocations—					
Depreciation	22.840	17.795	15,528	16,553	13.396
Taxes	10,000	30,125*	7,461	4,318	1,149
Dividend	31,425 (7½%)	31,425 (7½%)	31.250 (7½%)	2[illegible],8.2 (6½%)	30,975 (7½%)
	64 265	79,345	54,239	46,683	45,520
Balance profit	48,6[illegible]7	27.323	25,716	905	82
Brought forward	125,874	98,551	72.835	71,930	71,848
Carried forward	174,501	125,874	98.551	72,835	71,930

* Including excess profits tax estimated and contingent as at June 30, 1917.

It will be seen that notwithstanding an increase in the net profit from £45,612 in 1913-14 to £112,892 in the past year the dividend has been maintained at 7½%, absorbing a little over £30,000. Substantial annual depreciation allowances have been made—in the last two years considerably in excess of capital expenditure—heavy taxation has been provided for, and yet the margin of profit above the dividend has been sufficient to raise the carry-forward from £72,000 to £174,500. As a result not only has a strong financial position been built up, but, in addition, the Company has acquired extensive accessions to its coal-bearing areas with a view to opening up new collieries. One such at Paulpietersburg, vested in the Northern Natal Navigation Collieries, commenced to produce a year ago, and is expected to increase considerably its rate of output in the current year if the railway administration is better supplied with rolling-stock. This new mine is developing well and the quality of the coal is excellent. Shareholders were told in October 1916 that a programme of boring on the parent Company's working and undeveloped areas had given results which placed the future of the Company "on a basis of continued assured success for many years to come." As to finances, the September 1918 balance sheet of the Natal Company shows cash and gilt-edged investments £82,564 in excess of current liabilities, in addition to about £66,000 interest in the new Colliery Company and £27,243 value of stores.

In these circumstances, having regard to the margin of profit in excess of the dividend payments, and taking into account the much better prospect for the Natal coal trade under post-War conditions, with high labour costs and prices in Europe, the £1 shares at 21*s.* 6*d.* appear attractive.

MESSINA TRANSVAAL DEVELOPMENT

In reviewing last March this Company's report for the year to June 30, 1917, which showed a record working profit earned of £266,388, we concluded that the outlook was not encouraging in view of the low grade of the ore developed in depth and the stoppage of shipments of copper concentrates from South Africa. The report now issued for the year ended June 30, 1918, justifies that view. Labour shortage and other difficulties necessitated reduction in the quantity of ore milled to 127,434 tons, against 147,783 tons in the preceding 12 months, and a further fall in grade, coupled with a decrease in the percentage recovery, caused the copper contents of the concentrates produced to decline to 3,537 tons in comparison with 5,111 tons for 1916-17, the yield per ton of ore being 2.77% against 3.46%. Much of the product had to be despatched to America, where lower prices ruled than in this country, and the average price upon which the copper was sold came out at £125¾ per ton, against about £143 per ton in respect of 1916-17. Realisation charges were higher and expenses of operating appreciably more. In fact the total cost of production, including realisation charges, amounted to over £120 per ton of copper produced, in comparison with about £90 in the preceding 12 months. Of course, in the circumstances, the accounts show a very small profit on working—considerably less, indeed, than the sum required to cover Debenture interest and redemption, as will be seen from the following tables.

Year to June 30	Ore Sorted & Milled Long Tons (Dry)	Average Grade Copper %	Total Extraction Obtained %	Total Shipping Product (Concentrates,&c.) Tons	Average Assay Copper	Total Copper Contents Tons	Copper Yield per Cent.
1914 ...	65,000	—	—	9,564	41·9	4,007½	6·0
1915 ...	91,033	7·31	81·2	12,989	41·0	5,330½	5·85
1916 ...	112,043	5·43	88·8	12,794	44·8	5,732	5·1
1917 ...	147,783	3·87	89·5	10,223	50·0	5,111	3·46
1918 ...	127,434	3·4	83·0	6,4[illegible]8	54·4	3,537	2·77

Year to June 30	Value of Output £	Price* Copper &c. per Ton £	Total Working —Costs†— Per Ton of Ore Treated s. d.	Per Ton of Copper £	—Working Profit— £	Per Ton of Copper Output £ s. d.
1914 ...	219,752	68¼	—	—	60,690	15 3 6
1915 ...	329,282	73½	43 9	37½	129,948	24 7 7
1916 ...	559,202	109	56 7	55½	242,324[b]	42 2 0
1917 ...	653,106	143½	52 4	75½	266,388[c]	52 2 4
1918 ...	387,576	125¾	58 8	105¾	13,655[d]	3 17 1

* Average price on basis of which output was realised.

† Including all expenditure except realisation charges, profits tax and Debenture charges and special writings off.

(*b*) After payment of £30,646 railway guarantee.

(*c*) " " " £35,664 " "

(*d*) After provision of £36,496 railway guarantee.

	Years ended June 30— 1918	1917	1916	1915
	£	£	£	£
Working profit	13,655	266,388	242,324	129,948
Sundry revenue	11,540	11,773	6,451	578
Received on account of surrender of Canadian Agency Debentures	—	—	21,657	—
Total net revenue	25,195	278,161	270,432	130,526
Deduct—				
Amounts written off	—	—	—	81,304
Directors' extra remuneration ...	—	1,700	2,980	—
South African taxes	—	40,071	42,600	25,468
Excess profits tax,1915 and 1916	—	*	140,000	—
Debenture interest, &c. ...	13,113	15,000	15,000	15,000
Debenture redemption... ...	35,000	35,000	—	—
Total	48,113	91,771	200,580	121,772
Balance profit	Dr.22,917	186,090	69,852	8,754
Dividends paid	—	36,357 (20%)	72,715 (40%)	—
Surplus profit	Dr.22,917	150,032*	Def.2,863	8,754
Brought forward	156,687	6,654	9,517	863
Carried forward	133,770*	156,687*	6,654	9,617

* Subject to balance of excess profits duty, in respect of which negotiations are pending.

The expenses shown above include £36,496 required to meet the Company's guarantee of the working loss of a portion of the Messina railway. A provisional arrangement has been made with the Government providing for the temporary suspension of payment in this connection.

From the mining point of view the outlook does not appear alluring. The General Manager speaks of the exhaustion of the high-grade stopes, and though the ore reserves during the year were slightly increased

to 297,803 tons, the average copper contents further declined to 3.45%. This grade of ore scarcely pays to work with copper at the level of about £125, as in the past year, and certainly could only be mined and treated at a big loss with values on a more normal basis. Shareholders can only hope that a turn for the better will take place in development disclosures, as to which the latest developments seem to be hopeful. Meantime the balance sheet shows a strong financial position with surplus cash resources amounting to about £260,000, excluding stores. Further, a considerable proportion of the current losses stand to be offset by rebates on account of excess profits tax payments of the earlier war years. There are £173,964 of Debentures outstanding, but the issued share capital is comparatively small at £181,789, in 5*s*. shares now priced at about par.

FERREIRA DEEP.

THE steady decline for some years past noticeable in the prosperity of the Ferreira Deep gained fresh impetus in the financial year ended September 30 as the result of labour shortage and continuance of earth tremors, necessitating constant attention to shaft support and entailing hoisting delays. Floods in January and February last also contributed. Luckily for shareholders a windfall was received in the shape of £40,000 from the Bewaarplaats Moneys Application Act. But for this they would have received a smaller dividend for the year than 22½%. The ore milled was nearly 80,000 tons less than in 1916-17, and the grade of the ore dealt with was slightly lower and expenses appreciably higher—

Yr. to Sept. 30	Ore Milled Tons	Gold Revenue per Ton	Expenses per Ton	Working Profit	Per Ton	Net Profit*	—Dividends—	
				£		£	£	%
1916	625,100	34/3	19,8	455,933	14/7	402,217	416,500	42½
1916	643,460	35/2	20/ 1	458,695	14/3	390,298	379,750	38
1917	646,320	32/8	21/3	331,000	11/5	299,764	281,750	28¾
1918	593,200	31/9	23/5	211,750	8/4	228,508†	220,500	22½

* After payment of taxes, &c.
† After payment of taxes and including £40,505 received under Bewaarplaats Moneys Act.

A year ago the Consulting Engineer's report stated that development of the claim area was nearly complete, and it is to be noted that the footage of reef disclosed in the December quarter was only 35. The estimated ore reserves during the financial year decreased by 373,000 tons to 932,400 tons averaging 34*s*. per ton. This tonnage, which includes a considerable amount of ore in shaft and boundary pillars, is barely equal to two years' supply for the reduced rate of milling. Clearing up work will produce some amount of additional ore, but presumably not sufficient to materially prolong the profitable life.



Colonial Trade

THE National Bank of South Africa, Ltd., offers every facility to Merchants and Shippers to develop their TRADE with SOUTH AFRICA.

THE Bank is represented in over 300 Towns throughout the Union of South Africa, Rhodesia, South West Protectorate, British East Africa, Portuguese East Africa and the East African Protectorate.

LONDON OFFICES.
CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office—
25, COCKSPUR STREET, S.W.—1.

Agency at—
10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, February 19, 1919.

Issue Department.

Notes Issued	£99,105,040	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	80,655,040
	£99,105,040		£99,105,040

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£52,234,744
Rest	3,454,114	Other Securities	84,147,414
Public Deposits	30,680,323	Notes	29,537,805
Other Deposits	118,333,046	Gold and Silver Coin	1,114,344
Seven-day and other Bills	13,824		
	£167,034,307		£167,034,307

Comparison with Previous Four Weeks [00,000's omitted].

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919.	£	£	£	£	£	£	£	%	%	%
Feb. 19	69.6	81.8	30.7	118.3	52.2	84.1	30.6	20·57	5	3½–5/16
Feb. 12	69.8	81.6	28.2	120.0	52.7	83.3	30.2	20·40	5	3 5/16–¼
Feb. 5	70.0	81.4	30.7	115.5	50.8	83.5	29.9	20·45	5	3½
Jan. 29	69.3	80.7	26.6	121.6	55.9	80.4	29.8	20·13	5	3½
Jan. 22	69.0	80.3	27.2	126.6	62.9	79.0	29.7	19·32	5	3½
J'y'22,'14	29.3	40.2	13.7	42.8	11.0	33.8	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 8, 8%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April, 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Feb. 19, 1919	Feb. 20, 1918	Feb. 21, 1917	Feb. 23, 1916	Feb. 17, 1909
Circulation	£69.6	£46.2	£38.6	£32 5	£28.5
Public Deposits	30.7	38.6	48.9	52.6	12.1
Other Deposits	118.3	131.9	146.8	96.4	41.2
Government Securities	52.2	56.3	84.9	32.8	14.7
Other Securities	84.1	101.4	93.2	93.3	29.6
Reserve	30.8	30.7	35.6	40.9	26.9
Ratio to Liabilities	20·57%	18·02%	18·19%	27·47%	50·59%
Coin and Bullion	81.8	68.6	55.7	55.0	37.0
Money					
Bank of England Rate	5%	5%	5½%	5%	3%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3½%	3½%	5½%	5 7/16%	2½%
Exchanges:					
Paris Cheque	25 97½	27 18	27 82½	27 99½	25 23
New York 60 days	4 73½	4 72½	4 72½	4 73½	4 84½
Bombay Telegraphic Transfers	1/5 3/16	1/4 3/16	1/4 3/16	1/4½	1 3½
Prices:					
Consols 2½% Cash	59	54½	52½	58½	84 4
French Rentes 3% Money	54·80	57·50	61·85	61·40	97·02
Silver, London spot oz.	47 3/16d.	42 3/16d.	37 3/16d.	27 7/16d.	23½d.
Wheat, *Gazette* average qr.	72/8	72/3	76/3	56/11	33.8
Cotton, Mid Upland* lb.	18 76d.	23 45d.	11·34d.	7·81d.	5·12d.
Iron, Scotch pig ton	101/0	101/0	88/8	94/0	53/10½

* Good Middling American, Official Value.

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	% of Gold to Notes %
Feb. 19, 1919 ...	7,333,829	5,457,886	312,780,484	28,500,000	9·1
Feb. 12, 1919 ...	6,782,943	5,360,185	310,904,542	28,500,000	9·2
Feb. 20, 1918 ...	5,259,122	4,288,085	216,134,893	28,500,000	13·2
Feb. 21, 1917 ...	3,858,586	4,882,883	145,105,901	28,500,000	19·6
Feb. 23, 1916 ...	4,359,058	3,831,048	99,345,328	28,500,000	28·6
Feb. 24, 1915 ...	1,711,420	1,113,079	36,681,262	26,500,000	72·3

Balance Sheet, Feb. 19, 1919.

Notes outstanding—	£	Advances—	£
One Pound	236,817,020	Trustee Savings Banks	500,000
Ten Shilling	45,093,465	Currency Note Redemption A/c—	
Certificates outstanding ...	31,870,000	Gold Coin and Bullion...	28,500,000
		Government Securities...	293,649,541
Total	312,780,485	Balance at Bank of England	4,839,400
Investments Reserve A/c	14,708,456		
Total	327,488,941	Total	327,488 94

PUBLIC INCOME & EXPENDITURE [000's omitted.]

1918-19. Week to	Revenue [See § Below]	Expenditure	Excess of Expenditure	—Loans Advances, &c.— Raised	Repaid	Net. Inc.	Cash Balance
Feb. 15	£34 034	£37.451	£3.417	£67.974	£64.569	£3.405	£7.935
Feb. 8	30.540	42.733	12.193	92.929	81.243	11.686	7.947
321dys.'18-9	698 082	2.305.880	1 617.798	6.106 031	4.501.328	1.604.703	—13.095
322 dys '17-8	563.813	2.346 330	1.782.519	4.653.188	2.881.046	1.772.142	—10 377
1,659 dys.*a*	2,477.289	9,257.732	6.780.462	—	—	6,783.337	— 2,874
*Yr.'18-19**	*842.050*	*2,976.402*	*2,134,352*	—	—	*2,134,352*	—
Yr.'17-18	707,234	2,696,221	1,988,987	5,499,604	3,516,023	1,983,581	21,039

§ Principal Items of Revenue and Expenditure.

1918-19. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services.
Feb. 15	£3.049	£19.065	£5.346	£6.574	£592	£98	£36.781
Feb. 8	2,781	20,558	4,781	2,420	1,038	10	41,625
321dys.'18-9	137.181	183.283	243.244	124.374	236.467	8.616	2,060.797
322dys.'17-8	95.388	166.996	183.952	117.475	175.896	8.628	2.161 808
1,659 days*a*	644.811	818.608	743.378	370.472	617.626	64.948	8.575.160
*Yr.'18-19**	*147,700*	*290,450*	*300,000*	*103,900*	*315,000*	*11,414*	*2,649,988*
Yr.'17-18	110.033	239.509	220.214	137.478	189.851	11.401	2.494.909

FLOATING DEBT. [000's omitted]	Treasury Bills	Ways & Means Advances	War Expend. Certs.	Total	Natnl. War Bond Rcpts.
Feb. 15, 1919 ...	£993.412	£390.680	All	£1.384,092	b£1.691.433
Feb. 8, 1919 ...	1.008.253	378.180	re-	1,386.433	1.651.758
Dec. 31, 1918 ...	1,094.740	455.180	tired	‖1.549.920	1.420.700
Mar. 31, 1918 ...	973.678	192.271	22.929	1.188.878	6.4.215
Feb. 16, 1918 ...	1.054.985	237.781	23 511	1.316 277	363.964
Sept. 30, 1917 ...	949.112	220.814	23.561	1.193.487	—

TOTAL DEBT...Feb. 15, '19, about £7,478,000,000; Aug. 1, '14, about £652,270,000
* Budget & Supplementary estimates. ‖ Highest. (*a*) 1,659 days to Feb. 15, 1919. (*b*) Sales reported to date, £1,667,329,946.

FOREIGN BANKS. [In £'s sterling—000's omitted.]

AUSTRIA-HUNGARY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Advances.	Note Circltn.	Above — or beneath + legal max.	Bills Discounted, &c.
July 23, '14	£51,578	£12,141	£63,719	£7,772	£88,740	+ £2,479	£31,993
Dec. 7, '17	11,000	2,300	13,300	692,990	739,300	—	117,600

DENMARK.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts.	Balance Abroad.	Circulation.	Deposits.
July 31, 1914	£4,100	£341	£4,441	£6,197	£736	£8,893	£47
Dec. 31, 1918	10,812	135	10,947	4,473	4,976	25,002	809
Jan. 31, 1919	10,405	135	10,540	4,110	5,533	23,936	1,016
Jan. 31, 1918	9,650	135	9,785	3,402	2,446	18,282	3,338
Jan. 31, 1917	9,019	113	9,132	4,731	2,343	14,798	2,139

FRANCE.	Gold. In Bank	Gold. Abroad.	Total Cash incl'g Silver	Bills.	Circulation.	Deposits. Public	Deposits. Private.
July 30, 1914	—£165,654—		£190,667	£97,768	£287,327	£15,302	£37,903
Feb. 13, 1919	139,945	81,484	233,022	46,150	1,300,268	3,505	106,572
Feb. 20, 1919	141,854	79,132	233,561	44,044	1,299,697	1,503	105,929
Feb. 21, 1918	133,185	81,434	224,906	50,115	959,451	772	104,324
Feb. 22, 1917	127,377	77,824	216,613	20,506	715,542	2,231	98,034

GERMANY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Treasury & Other Notes	Loans & Discounts	Circulation.	Deposits
July 23, '14	£87,843	£16,727	£84,570	£5,279	£40,055	£94,515	£47,198
Jan. 31, '19	112,698	997	113,693	287,833	1,355,378	1,182,332	826,137
Feb, 7, '19	112,607	1,000	113,607	289,073	1,301,903	1,183,283	569,490
Feb. 7, '18	120,317	5,720	126,037	62,170	630,832	553,084	315,167
Feb. 7, '17	126,274	840	127,114	14,379	410,037	394,615	176,252

HOLLAND.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts.	Advances.	Circulation.	Deposits.
Aug. 1, 1914	£13,496	£249	£13,745	£13,422	£10,339	£35,660	£1,437
Feb. 1, 1919	57,029	744	57,773	20,312	11,414	89,802	7,202
Feb. 8, 1919	57,029	746	57,775	20,001	18,068	88,392	16,116
Feb. 9, 1918	59,703	606	60,309	3,197	12,153	72,259	7,712
Feb. 10, 1917	49,129	556	49,685	4,930	7,805	61,941	4,932

ITALY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Other Cash.	Loans & Disc'nts.	Circulation.	Deposits
July 31, '14	—	—	—£48,456—		£25,017	£89,204	£8,887
Dec. 20, '18	£32,702	£3,082	35,784	7,375	61,477	367,871	60,950
Dec. 31, '18	32,710	3,086	35,796	15,239	65,934	369,934	63,863
Dec. 31, '17	33,434	3,498	36,930	8,443	47,745	261,563	57,941
Dec. 31, '16	35,987	2,906	38,893	6,728	38,976	155,069	34,636

JAPAN.	Gold.	Discounts.	Advances.	Notes.	Deposits. Public.	Deposits. Private.
Aug. 1, '14	£21,887	£1,829	£7,833	£32,722	£13,818	£1,521
Jan. 4, '19	71,873	9,830	53,103	197,633	93,173	8,619
Jan. 11, '19	71,478	3,337	43,103	90,217	100,721	6,745
Jan. 12, '18	65,815	779	20,052	67,412	59,918	3,510
Jan. 13, '17	40,676	2,116	18,309	48,952	33,217	3,034

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve.	Loans, Discounts, Invest. &c	Net Deposits. Demand.	Net Deposits. Time.	Net Deposits. Total.	Excess Reserve
Aug. 1, '14	—	£89,888	£411,239	—	—	£387,185	£1,720
Feb. 8, '19	£19,128†	110,930	946,634	£761,516	£29,283	853,704	9,740
Feb. 15 '19	19,446†	107,512	948,818	756,173	28,122	833,283	7,210
Feb. 16, '18	19,818†	103,240	839,634	730,153	40,225	833,038	10,896
Feb. 17, '17	103,216*	152,415	633,643	701,894	33,036	731,930	31,392

* Counted as reserve. † Not reserve.

NORWAY.	Gold.	Balance Abroad.	F'r'gn Gov. Securities.	Discounts & Loans.	Circulation.	Deposits
July 31, 1914	£2,980	£1,678	£493	£4,888	£8,752	£793
Jan. 31, 1919	6,715	3,750	749	21,463	23,952	5,802
Feb. 7, 1919	6,714	3,623	727	21,514	22,720	5,762
Feb. 7, 1918	6,523	3,774	718	19,930	17,133	10,312
Feb. 7, 1917	6,673	4,031	710	8,350	13,263	4,118

RUSSIA.	Gold. In Bank.	Gold. Abroad.	Total Cash incl'g Silver	Loans & Disc'nts.	Circulation.	Notes in Reserve	Total Deposits
July 31, '14	£180,114	£14,395	£181,892	£76,081	£183,411	£8,689	£109,911
Oct. 31, '17	129,564	230,892	377,099	1,781,647	1,795,890	10,310	344,907
Oct. 28, '17	129,523	230,885	378,205	1,889,559	1,936,217	15,783	345,560
Oct. 29, '16	155,877	205,493	372,072	614,897	784,488	10,512	223,731
Oct. 29, '15	159,825	3,560	165,844	443,307	591,083	8,417	143,413

SPAIN.	Cash. Gold.	Cash. Silver.	Cash. Total.	Loans &c.	Spanish 4%	Circulation.	Deposits &c.
Aug. 1, '14	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,956
Feb. 1, '19	89,140	25 863	115,008	69,800	13,778	135,933	46 406
Feb. 8, '19	89,144	25 615	114,759	70,554	13,778	137,893	46,589
Feb. 9, '18	79,138	28,265	107,403	47,389	13,777	114,037	38,461
Feb. 10, '17	52,363	29,665	82,028	42,356	13,777	96,129	29,908

SWEDEN.	Gold.	Balance Abroad.	Swed. & For. Govt. Secs.	Discounts & Loans.	Circulation.	Deposits.
Aug. 1, '14	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Feb. 1, '19	15,513	7,993	3,034	19 917	40,573	5,258
Feb. 8, '19	15,532	8,101	3,034	18,949	33,852	4,735
Feb. 9, '18	13,100	7,476	2,981	12,247	29,105	6,693
Feb. 10, '17	10,539	8,794	3,315	4,436	20 831	5,332

SWITZERLAND.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts & Advances	Circulation.	Deposits.
July 23, 1914	£7,212	£753	£7,930	£1,317	£10,718	£2,026
Jan. 31, 1919	16,505	2,514	19,018	17,957	35,295	5,033
Feb. 7, 1919	16 481	2,518	18,981	17,520	34,541	5,047
Feb. 7, 1918	14,493	2,237	19,723	12,603	24,912	5,470
Feb. 7, 1917	13,757	2,104	15 831	7,247	20,003	3,918

U. STATES FED. RES. BANKS.	Gold Held by Banks.	Gold Held by Agents.	Total Cash.	Bills Discount'd	Bills Accept-ances.	Deposits. Govt.	Deposits. Total. Net.	Circulation.
Feb. 7, '19	£154,898	£83,940	£435,122	£18,930	£6,549	£9,382	£322,833	£20 834
Feb. 15, '19	158,174	£85,648	137,094	367,380	55,014	38,591	348,932	493,678
Feb. 15, '18	177,189	174,539	383 747	100,383	67,452	17,528	230,727	258,209
Feb. 16, '17	93,117	59,915	159 454	3,910	25,211	2,170	133,714	59,337

II.—FOREIGN BANK RATES OF DISCOUNT.

	Current Rates %	Date Fixed		Current Rates %	Date Fixed
Paris	5	Aug. 20, '14	Copenhagen ...	5½	Jan. 2, '19
Berlin	5	Dec. 23, '14	Christiania ...	6	Dec. 13, '17
Amsterdam ...	4½	July 1, '15	Berne	5½	Oct. 3, '18
Brussels	5	Aug. 27, '14	Rome	5	Jan. 11, '18
Vienna	5	Apr. 22, 15	Madrid	4½	Oct. 26, '14
Petrograd ...	6	July 28, '14	Stockholm ...	7	Mar. 21, '18

III.—FOREIGN EXCHANGES.

LONDON ON—		Feb. 21, '19	Feb. 14, '19	Feb. 7, '19	Jan. 31, '19
Brussels	Cheques	26fr. 75c.	26fr. 78c.	26fr. 80c.	27fr.
Denmark	Cable	18kr. 25½	18 kr. 25½	18 kr. 22½	18kr. 30
Holland	Cable	11d. 53⅛c.	11d. 51c.	11d. 52½c.	11d. 52¼c.
Italy	Cable	30lr. 31½c.	30lr. 31½c.	30lr. 31½c.	30lr. 31½c.
Lisbon & Oporto	do.	35½d.	35½d.	35½d.	35½.
New York	do.	$4 76⅜	$4 76⅜	$4 76⅛	$4 76⅛
—	Cheques	$4 77⅛	$4 77⅛	$4 77⅜	$4 77⅜
Norway	Cable	17kr. 40½	17kr. 37½	17kr. 32½	17kr. 40
Paris	3 mos.	26fr. 42¼c.	26fr. 42½c.	26fr. 42½c.	26fr. 42½c.
—	Cable	25fr. 98c.	25fr. 93c	25fr. 93c.	25fr. 93c
Spain (Bank places)	3 mos.	nom.	49 l.	49 l.	49 l.
—	Cable	22c. 65nom	23p. 64½	23p. 64½	23p. 64½
Sweden	do.	16kr. 91	16kr. 90	16kr. 82½	17kr.
Switzerland	3 mos.	23f. 67½c.	23f. 65½c.	23f. 62½c	23f. 87½c.
—	Cable	23f. 22c	23f. 20½c.	23f. 25c.	23f. 45c.

ON LONDON—		Feb. 21, '19	Feb. 14, '19	Feb. 7, '19	Par
Alexandria	Sight	97½pi.	97½pi.	97½pi.	97½pi.
Amsterdam	Cheques	11d. 53½c.	11d. 52c.	11d. 51½c.	12·107 F.
Bombay	Transfers	1s. 5 1/16d	1s. 5 1/16d.	1s. 5 1/16d	1s. 6d.
Brussels	Cheques	23f. 76c.	26f. 78½c.	26f. 85c.	25f. 22½c.
Buenos Ayres	Transfers	51 1/16d.	57½d.	51 5/8d.	47.58d.
Calcutta	Transfers	1s. 5 1/16d.	1s. 5 1/16d	1s. 5 1/16d	1s. 6d.
Christiania	Sight	17kr. 39½	17kr. 36½	17kr. 32½	18.159kr.
Copenhagen	Sight	17kr. 26	18 kr. 25½	18 kr. 22½	18.159kr
Hong Kong	Transfers	3s. 1 1/16d.	3s. 1 1/16d.	3s. 2⅛d.	—
Italy	Sight	30lr. 31½c.	30lr. 31½c	30lr. 31½c	25lr. 22½c
Lisbon	Sight	35½ l.	35½ l nom.	35½d nom.	53½d.
Madras	Sight	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6d.
Madrid	Sight	22c. 65	23p. 64	23p. 66½	25c. 22½
Montevideo	Transfers	—	—	—	51d.
Montreal	Cable	$4 85⅞	$4 85⅞	$4 86⅛	$4 86 3/32
New York	Sight	$4 75⅞	$4 75⅞	$4 75 ⅞	—
—	60 days	$4 73½	$4 73½	$4 73½	—
—	Cable	$4 76 7/32	$4 76 7/32	$4 76 9/32	$4 86⅜
Paris	Cheques	25f. 97½c.	25f. 93½c.	25f. 97½c.	25f.22½
Rio de Janeiro	90 days	13 1/16d.	13 1/16d.	13⅜ l.	18d.
Shanghai	Transfers	4s. 91.	4s. 9⅛d.	5s. 0 l.	—
Singapore	Sight	2s. 4 1/16d.	2s. 4 1/16d.	2s. 4 3/16 l.	2s. 4d.
Stockholm	Sight	16kr. 97½	16kr. 92½	16kr. 84	18·159kr.
Switzerland	Sight	23f. 22c	23f. 22½c.	23f. 26c.	25f. 22½c.
Valparaiso	90 days	9 11/16d.	10 1/16d.	10⅛d.	18d.
Yokohama	Sight	2s. 1 9/16 l.	2s. 1 9/16 l.	2s. 1 11/16 l	2s. 0.583.

NEW YORK ON—		Rate Current* Feb. 19, '19	Rate Current* Jan. 5, '19	Par as usually Quoted	Rate July 3, '14
London, sight	...	$4.7575	$4.7580	4·8665 dollars for £1	$4 87
,, cables	...	$4.76 7/32	$4.7855		$4 88⅛
,, 60 days	...	$4.72⅛	$4.72⅛		$4 86
Amsterdam, sight	...	41 3/32c.	41 3/32c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques	...	35·55c.	35·60c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques	...	99·40c.	99·30c.		
Christiania, cheques	...	27·15c.	27·30c.	26·80c. for 1 kroner	
Copenhagen, cheques	...	26c.	23c.	26·80c. for 1 kroner	26·85c.
Greece, cheques	...	19·30c.	19·30c.	19·295c. for 1 drachma	
Hongkong, cheques	...	75·25c	78c.	71·59c. for Mex. $1	48·40c.
Italy, sight	...	6·36½l.	6·36½l.	5·18½ lire for $1	5·17½.
Lima, cheques	...	5·05c.	5·05c.	4·8685 $ for 1 libra	
Manila, cheques	...	50c.	49½c.	50c. for 1 peso	49·90c.
Montreal	...	1⅛% disc.	2 3/8 disc.	Premium per $100	Par
Paris, sight	...	5·45⅛fr.	5·45⅛fr.	5·19⅛ francs for $1	5·16fr.
Petrograd, sight	...	13nom.	13nom.	51·43c. for 1 rouble	51·37c.
Rio de Janeiro, cheques		25·30c.	23c.	32·42c. for 1 milreis	
Shanghai, cheques	...	125½c.	122c.	52·93c. for 1 tael	63·00c.
Singapore, cheques	...	56·25c.	58c.	55·77c. for $1	57·12c.
Spain, cheques	...	20·14c.	20·15c.	19·30c. for 1 peseta	
Stockholm, cheques	...	23·05c.	23·10c.	23·80c. for 1 kroner	
Switzerland, cheques	...	4·90fr.	4·93fr.	5·18½ francs for $1	5·16½fr.
Valparaiso, cheques	...	22·45c.	22·50c.	20·61c. for 1 peso	
Yokohama, cheques	...	51·20c.	51·50c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1919 Aggr.	Inc. or Dec.*
	1919.	[In £'s sterling 000's omitted.]			
BIRMINGHAM	Feb. 15	£2,317	— £140	£17,703	— £836 — 4·6
BRISTOL	,, 15	1,180	+ 173	8,145	+ 991 + 13·8
DUBLIN	,, 15	6,517	+ 1,094	43,085	+ 10 402 + 27·7
LEEDS	,, 15	1,034	+ 197	7,726	+ 930 + 14·6
LEICESTER	,, 15	1,048	+ 160	6,031	+ 820 + 15·8
LIVERPOOL	,, 15	11,935	+ 3,804	79,255	+ 19,962 + 33·6
MANCHESTER	,, 15	16,324	+ 1,591	108,078	+ 10,495 + 10·7
NEWCASTLE	,, 15	1,811	+ 184	12,081	— 1,191 — 8·9
NOTTINGHAM	,, 15	603	+ 32	4,770	+ 132 + 2·9
SHEFFIELD	,, 15	1,045	+ 176	8,413	+ 188 + 2·3
LONDON—	1919.				
TOWN	Feb. 19	384,430	+ 46,219	2,775,752	+ 432,276 + 18·4
METROPOLITAN	,, 19	31,942	+ 8,246	236,828	+ 45,993 + 24·1
COUNTRY	,, 19	53,779	+ 5,131	419,748	+ 61,590 + 17·2
TOTAL	,, 19	453,141	+ 57,598	3,432,328	+ 539,851 + 18·7

* Compared with a year ago.

V.—FREIGHTS.

According to Messrs. J. C. Gould and Co. the following are the quotations for representative steam freights:—

HOMEWARDS.	1919 Feb. 21	1919 Feb. 14	1913 Feb. 21
Alex. to Lond.or Hull	—	—	£/8
Aust. to U.K. or Cont.	90/0	90/0	38/9
Azoff to L.H.A.R.	—	—	22/3
Bombay to p.p. (nom.)	100/0	100/0	24/0
Burmah oce. (nom.)	75/0	75/0	32/0
Calcutta to p.p.(jute)	180/0	180/0	30/6
Danube to A.R.	—	—	—
Odessa to L.H.A.R.	—	—	10/0
R. Plate to U.K. Cont.	70/0	62/8	28/0

Homewards—Cont'd.	1919 Feb. 21	1919 Feb. 14	1913 Feb. 21
U.S. Atl. Ports (Liverpl. (cotton, 100lb.)	$1.25	$1.25	—
U.S. to U.K. Cont. (cer.)	16/0	16/0	3/1½
Gulf Ports to U.K. Cont. (cotton & grain)	60/0	60/0	19/6
OUTWARDS Cardiff to			
Bombay	—	—	14/0
Colombo	—	—	14/3
Port Said	47/6	47/6	11/3
River Plate	50/0	50/0	16/9
St. Vincent	42/6	42/6	10/0

C

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	1919 FEB. 21.	1918 FEB. 22.	1914 JUNE 30.
Iron—Scotch pig warrants ...ton	101/0	101/0	57/0
— Middlesbro' warrants ...ton	95/0	95/0	51/0
— Hematite warrants ...ton	122/6	122/6	61/0
— Staffordshire bars, London ton	£17	£15 10	£8 10
— Common bars ...ton	£14 15	£13 15	£6 10
Steel Rails ...ton	£10 17/6	£10 17/6	£8 2/6
Galvanised Sheets...ton	£29	£28	£18 17/6
Copper—Standard...ton	£74—£75	£110—£110 10	£61
Tin—English ingots ...ton	£215	£318—£322	£142 10
— Straits ...ton	£215 10	£314—£316	£139 15
Tinplates, I.C. Coke, S. Wales...box	33/3	31/6	11/10½—12/0
Lead—Soft Foreign ... ...ton	£24—£27 10	£28 10—£29 10	£19
Spelter—Ord. Foreign ...to	£38—£40	£50—£54	£21 7/9
Quicksilver—(75lb.) ...bottle	£20	£20	£7
Aluminium ...ton	nom.	nom.	£82
Antimony—Regulus ...ton	nom	nom	£27 10
Coal—(best) Yorkshire...ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle...ton	40/0—45/0	30/0	14/6
CHEMICALS, OILS, &c.			
Sal. of Soda —f.o.b. Clyde, per quintal	nom	11/3	7/4
Soda—Crystals ex ship ...ton	87/6	72/6	42/6—45/0
Copra—Malay and Straits ...ton	£33 10	£45 10	£23 15—£24 7/6
Gambier—Good marks ...cwt.	38/0	63/6	16/10½
Indigo—Bengal good to fine.....lb	9/0—10/6	9/0—11/0	3/2—3/8
Linseed Oil—Raw ...ton	‡	£58	£25 5
Linseed—Calcutta, spot ...ton	£26 15	£29 15	£13 16/9
— Cakes, U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish ...ton	nom.	—	£49 10
Palm Oil—Lagos ...ton	£45	nom.	£31 10
Petroleum—American...gallon	1/4½	1/7½	-/7½
Rape Oil—Refined English ...ton	£71	£71	£32
Soya Oil—Refined...ton	£75	£75	£24 10
Tallow—Imported ...cwt.	‡	—	29/3—33/3
Turpentine—French ...cwt	100/0	124/0	33/7½
Rape Seed—Toria...ton	£22 15	£29 15	£13 5
Rubber—Para, spot ...lb	2/6	2/7	2/9½
— Fine plantation (stnd. crepe) lb.	2/0½	2/3½	2/2
— World's Production* Dec. tons	20,580	22,948	8,467
Shellac—T.N. Orange, fair...cwt.	250/0—260/0	450/0	83/0—64/0
TEXTILES.			
Cotton—Middling Uplands ...lb	-/18 76	-/23·97	-/7·53
— Egyptian, good fair ...lb.	-/26·84	-/28·31	-/8·75
— Pernambuco fair ...lb	-/20 70	-/26·25	-/7·73
— Mid. Upl. New York...lb	26·65c.	32·15c.	13·25c.
— Stock, Liverpool, Feb. 14...bales	491,640	486,630	—
Flax—Petrograd, Yarapol ...ton	nom.	£120nom.	£28
Hemp—New Zealand ...ton	£55	£93	£25 10
— Manila, Fair ...ton	£80	£85	£26 10
Jute—First Marks ...ton	—	—	£28 15
— Red SOO ...ton	—	—	£24 15
Silk—Blue Elephant ...lb	20/0	25/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb	nom.	nom.	-/11½—1/0
— Lincoln Half Hogs ...lb.	1/7½nom.	1/6 nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	-/9½—/10½	-/10	-/7½
Leather—Dressing Hides ...lb	2/5—3/1	nom.	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	197,185,000	54,768,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	237½c.	226c.	87½c.
— English *Gazette*, aver. 480lb. qr.	72/8	72/3	34/3
Flour—G.R. ...280lb.	44/3	44/3	28/6
Barley—Eng. *Gaz.*, aver. 400lb. qr.	62/5	58/11	25/4
Oats—Eng. *Gaz.*, aver. 312lb. ...qr.	49/0	52/0	20/0
Maize—N. Y. (new bushel) ...56lb	150	nom.	76½c.
— Amer. mixed, Liverpool...480lb. qr.	79/9	80/9	32/4
— La Plata ...480lb. qr.	72/0	76/0	25/9
Potatoes—Good English ...ton	178/0	120/0—150/0	70/0—75/0
Rice—Bassein ...cwt.	25/0	28/3	7/0—7/3
Tapioca—Pearl, medium...cwt	35/0	68/0	14/0—17/8
Hay—Best ...2,016lb...load	176/0	125/0—150/0	82/6
Hops—English...cwt	—	£5 10—£10	£8 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs....8lb.	9/0—9/6	7/8	3/8—3/10
— Scotch sides...8lb.	9/6	8/4	4/6—5/0
— English...8lb.	9/6	8/4	4/2—4/5
Mutton—Scotch wethers...8lb.	10/0	9/2	5/8—6/0
— English wethers...8lb.	10/0	9/2	4/6—5/4
— New Zealand frozen ...8lb.	10/0	—	2/4—3/2
Pork—English and Irish...8lb.	10/8	9/6	3/6—4/0
Bacon—Irish, ex Factory ...cwt.	188/0	172/0	60/0—74/0
— Danish, ex Port ...cwt.	—	172/0	58/0—68/0
— American, delivered ...cwt.	176/8	171/0—172/0	72/0—74/0
Hams—Amer. long cut, delvrd. cwt.	170/0	165/0	75/0—79/0
— — short cut, delivered ...cwt.	170/0	162/0	71/0—74/0
Lard—Amer. bxes, delivered ...cwt.	158/0	152/0	51/9—52/9
Butter—Danish ...cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
— French ...cwt.			96/0—108/0
— Australian ...cwt.			98/0—110/0
— New Zealand ...cwt.			108/0—114/0
Cheese—Canadian ...cwt.	Controlled 163/4	nom.	66/0—68/0
— United States...cwt.		nom.	—
— Dutch ...cwt.		160/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Jan. 31 ...cwts.	1,638,479	1,598,698	19,777,254
— Home consump'n to Jan. 31 cwts.	1,784,914	1,882,787	17,272,000
— In Bond Jan 31 ...cwts.	7,271,000	3,417,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	30/0	34/0	10/3
— — Yellow crystals ...cwt	57/9	46/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	64/9	53/9	18/0
Coffee—Imports to Jan. 31 ...cwts.	26,303	5,609	720,360
— Home consump'n to Jan. 31 cwts.	31,053	63,005	141,410
— Exports to Jan. 31 ...cwts.	10,781	3,213	340,250
— In Bond Jan. 31 ...cwt.	536,000	1,069,000	484,000
— Price, Costa Rica gd. to fine cwt.	140/0—150/0	120/0—135/0	80/0—93/0
— — Brazil (Santos)...cwt.	65/9	64/9	41/6
Tea—Imports to Jan. 31...lbs.	24,810,846	52,090,748	123,230,277
— Home consump'n to Jan. 31 lbs.	23,456,822	19,403,946	155,447,972
— Exports to Jan. 31 ...lbs.	113,857	45,811	26,561,765
— In Bond Jan. 31 ...lbs.	141,087,000	63,427,000	78,292,000
— Price, Indian. Pek. Soug. good lb.	1/4	—	-/8½
— — Ceylon, Pek. Soug. Ord. lb.	1/4	—	-/8½
— — Common Congou ...lb.	1/4	—	-/6½
Cocoa—In Bond Jan. 31 ...cwt.	629,000	840,000	309,000
— Grenada, good to fine ...cwt.	85/0	92/0—96/0	52/6—58/0

* Estimated. † G.M. American Official Value. ‡ By Agreement.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or −	Net	+ or −
Grand Trunk ...	Nov.	$472,392	− $174,434	Def. $32,654	− $134,935
	5 *mos. to* Nov.	*4,191,252*	+ *685,822*	*896,572*	+ *123,015*
Int. Rys. of C. America	Dec.	£14,547	− £2,338	£14,784	− £3,917
	12 *mos. to* Dec.	*541,759*	− *25,416*	*227,509*	− *37,390*

VIII.—RAILWAY AND TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week ended		Miles.	+or− in Yr.	Gross Receipts.	+ or − on Year Ago.	No. Wks.	Aggregate Receipts.	+ or − on Year ago.
Assam Bengal	Jan.	11	993	+ 13	₹1,77,532	+ 25,876	15	24,10,320	+ 2,83,191
Barsi Light ...	Jan.	18	118	—	34,400	+ 19,500	42	7,18,600	+ 43,800
Bengal & N.W.	Jan.	11	2,052	+ 4	4,88,080	+ 51,092	15	68,18,812	+11,38,196
Beng. Dooars	Dec.	14	168	+ 5	29,951	− 9,015	11	4,44,511	+ 28,386
Beng. Nagpur	Jan.	11	3,695	—	10,93,000	+ 54,000	41	4,59,39,896	+33,16,022
Bomb. Baroda	Feb.	8	3,871	− 2	20,30,000	+ 3,11,000	19	3,18,66,000	+27,55,000
Burma	Dec.	28	1,342	—	5,21,327	+ 49,879	39	1,84,83,267	+31,15,921
Del. Um. Kalk.	Feb.	8	239	—	75,100	− 9,671	19	15,41,804	− 1,52,334
East Indian ...	Feb.	8	2,767	− 40	26,93,000	+ 1,98,000	19	5,06,75,000	+55,48,000
Gt. Indian Pen.	Feb.	8	3,112½	—	24,77,300	+ 4,06,900	19	4,37,91,366	+18,17,793
Madras & S.M.	Jan.	18	3,152	− 1	10,10,000	− 6,495	16	1,66,71,624	− 1,64,643
Nizam's Guar.	Jan.	4	900	—	2,61,531	+ 29,278	14	31,64,592	+ 2,29,541
Rob. & Kumu.	Dec.	28	664	+ 2	1,08,231	− 6,527	13	13,84,531	+ 1,99,456
South Indian	Jan.	11	1,830	—	6,53,605	+ 23,947	4	2,77,80,546	− 39,284
South Punjab	M. of	Oct.	716	—	7,37,619	+ 15,124	1*m*	—	—
COLONIAL									
Can. Northern	Feb.	14	9,487	+ 53	$884,900	+ 196,900	31	5,752,800	+ 1,714,900
Can. Pacific ...	Feb.	14	13,388	+ 395	2,883,000	+ 577,000	6	18,259,000	+ 3,087,000
Gd. Trunk Pac.	Feb.	14	816	—	$19,518	− 8,576	6	121,835	− 22,48
Grand Trunk	Feb.	14	3,616	—	194,772	+ 85,598	6	1,285,391	+ 485,86
Mashonaland...	M. of	Sept.	810	—	66,538	+ 18,885	12*m*	883,417	+ 10,37
Mid. W. Aust.	M. of	Dec.	277	—	11,044	+ 2,386	6*m*	53,198	+ 9,97
New Cape Cent.	Dec.	28	205	—	2,917	+ 748	52	119,095	+ [illegible]
Rhodesia Rlys.	M. of	Sept.	1,387	—	99,811	+ 18,147	12*m*	1,094,793	+ 46,19
W. Pass. & Yuk.	M. of	Dec.	122	—		—	12*m*	$1,244,060	− 604,34
FOREIGN.									
Argentine.									
Arg. N. East.	Feb.	15	752	—	£ 9,500	− 200	33	305,075	+ 31,47
Arg. Transand.	Feb.	1	111	—	£ 4,580	+ 60	31	107,410	+ 13,58
B. A. & Pacific	Feb.	15	3,636	—	£ 115,000	− 7,000	33	3,700,000	+1,067,00
B. A. Gt. Southn.	Feb.	9	3,782	—	£ 148,000	—	32	4,307,000	+1,058,00
Do.	Feb.	9	Net	—	£ 44,000	—	32	834,000	+ 105,00
B. A. Western...	Feb.	16	1,882	+ 12	£ 76,000	+ 14,000	33	2,252,000	+ 783,00
Do.	Feb.	16	Net	—	£ 18,000	+ 3,000	33	529,000	+ 177,00
B. A. Central ...	M. of	Dec.	190	—	£ 40,857	+ 9,778	6*m*	246,094	+ 89,90
Cent. Argentine	Feb.	15	3,305	—	£ 143,500	+ 56,500	33	4,208,400	+1,119,20
Do.	Feb.	15	Net	—	£ 24,500	− 14,100	33	565,400	− 120,87
Cord. Central ...	Feb.	15	1,205	—	£ 43,400	+ 18,940	33	1,462,480	+ 454,37
Entre Rios ...	Feb.	15	831	—	£ 22,500	+ 3,500	33	656,000	+ 189,40
Brazilian.									
Brazil Gt. South.	M. of	Sept.	110	—	M 41,264	+ 1,076	9*m*	450,733	+ 82,45
Brazil Railway	M. of	Nov.	3,530	—	M 3,220,000	− 1,504,109	11*m*	52,913,000	+7,760,51
Gt. W. Brazil ...	Feb.	15	1,010	—	£ 21,700	+ 3,200	7	145,500	+ 1,30
Leopoldina ...	Feb.	8	1,831	—	£ 27,991	− 8,797	6	164,126	− 49,96
Mogyana	M. of	Nov.	1,180	—	M 1,382,000	− 915,338	11*m*	20,706,000	− 1,518,16
Paulista	M. of	Nov.	766	—	M 2,185,000	− 1,264,285	11*m*	29,629,000	− 319,85
San Paulo	Feb.	16	153½	—	£ 19,764	− 19,728	7	156,281	− 101,75
Sorocabana ...	M. of	Nov.	1,003	—	M 1,128,000	− 865,148	11*m*	20,204,000	+ 1,222,86
S. of Bahia S.W.	M. of	Dec.	52	—	M 94,000	− 8,000	12*m*	1,061,000	− 68,00
Chilean and Peruvian.									
Antofagasta...	Feb.	16	638	—	£ 32,070	− 6,025	7	224,830	− 42,91
Arauco	M. of	Nov.	341	—	£ 11,500	− 3,500	12*m*	143,000	+ 15,90
Nitrate (2 wks.)	Feb.	15	380	—	£ 24,212	− 9,885	6	79,748	− 28,04
Peruvian Corp.	M. of	Jan.	1,140	—	$ 1,009,650	− 179,700	7*m*	7,030,365	− 247,25
Taltal	M. of	Jan.	181	—	£ 11,123	− 20,429	7*m*	124,847	− 57,14
Cuban.									
Cuban Central ..	Feb.	15	362	—	£ 37,011	− 1,161	33	667,101	+ 53,20
Havana Central	Feb.	8	70	—	£ 11,248	+ 364	32	278,944	+ 21,01
U. of Havana ...	Feb.	15	681	—	£ 84,346	− 6,118	33	1,625,286	+ 57,31
W. of Havana ..	Feb.	15	165	—	£ 11,161	− 1,459	33	244,074	− 12,39
Uruguayan.									
Cent. Uruguay	Feb.	8	272	+ 1	£ 25,551	+ 4,975	32	665,200	+ 94,47
,, (E. Ext.)	Feb.	8	311	—	£ 5,714	+ 17	32	147,491	+ 4,47
,, (N. Ext.)	Feb.	8	186	—	£ 4,604	+ 589	32	117,079	+ 17,91
,, (W. Ext.)	Feb.	8	211	—	£ 3,023	+ 118	32	83,587	+ 15,07
Mid. Uruguay ...	M. of	Jan.	318	—	£ 17,447	+ 6,431	7*m*	116,206	+ 20,90
N. W. Uruguay	M. of	Jan.	113	—	$ 27,500	− 1,564	7*m*	208,218	+ 16,09
Urug. Northern	M. of	Jan.	73	—	£ 2,181	− 77	7*m*	13,987	+ 77
Miscellaneous.									
Alcoy & Gandia	Feb.	15	33	—	Ps. 10,000	—	7	66,000	+ 4,50
Bilbao	M. of	Jan.	15	—	£ 2,751	− 2,357	1*m*	—	—
Bolivar... ...	M. of	Dec.	136	—	£ 14,000	+ 2,236	6*m*	46,829	− 20,67
Colomb. Natnl.	M. of	Dec.	86	—	£ 13,440	+ 240	12*m*	147,320	+ 1,97
Colomb. Northn.	M. of	Feb.	30	—	£ 6,388	+ 544	8*m*	59,165	+ 7,48
Costa Rica	M. of	Dec.	189	—	£ 20,976	+ 11,927	6*m*	131,591	+ 67,18
Dorada Ext. ...	M. of	Jan.	71	—	£ 7,800	− 500	1*m*	—	—
Egyptian Delta	Jan.	20	559½	—	£ 10,492	+ 203	41	302,894	+ 73,45
Gt. S. of Spain	Feb.	8	104	—	Ps. 142,360	+ 111,944	6	782,729	+ 603,83
La Guaira & Ca.	M. of	Jan.	22½	—	£ 8,105	− 410	12*m*	77,110	− 11,89
Paraguay Cent.	Feb.	8	255	—	£ 5,130	+ 2,050	33	123,630	+ 32,68
Puerto Cabello	M. of	Dec.	24	—	£ 3,200	− 1,300	12*m*	44,500	− 4,44
Salvador	Feb.	8	100	—	£ 4,597	+ 1,283	32	85,736	+ 14,30
Santa Fe Prov. French Rwys.	M. of	Dec.	1,181	—	£ 177,232	+ 22,752	12*m*	1,847,564	+ 558,17
S'mana & S'tiago	M. of	Jan.	60	—	£ 6,860	− 1,969	1*m*	—	—
Zafra & Huelva	M. of	Dec.	119	—	£ 12,821	+ 1,150	12*m*	153,788	+ 18,28

TRAMWAYS.			Miles						
Anglo-Argentine ...	Feb.	11	400	$	60,269	+ 4,841	6	312,210	− 3,28
Auckland (4 weeks)	Jan.	17	27	£	23,201	− 856	28	147,057	− 3,78
Bombay Electric ...	M. of	Dec.	39	R.	6,12,165	+ 48,535	12*m*	70,23,985	+ 8,79,44
Brazilian Traction...	M. of	Nov.	378½	M.	7,581,000	− 114,000	11*m*	93,363,000	+ 9,232,00
Brisbane Electric ...	M. of	Jan.	40½	£	38,575	+ 4,075	1*m*	—	—
British Columbia ...	M. of	Dec.	334	$	691,065	+ 135,510	6*m*	3,418,095	+ 494,43
B. Ayres Lacroze ...	M. of	Jan.	51	£	41,556	+ 2,854	7*m*	300,780	+ 31,40
Calcutta	Feb.	8	35½	R	85,090	+ 12,950	6	5,14,697	+ 73,80
Cape Electric	M. of	Dec.	42½	£	28,445	+ 3,722	6*m*	133,073	+ 9,58
Carth. & Herr.	M. of	Jan.	9	£	3,655	− 356	1*m*	—	—
Chatham & District	Feb.	6	15	£	1,086	− 77	5	6,148	+ 2,70
Havana Electric	M. of	Nov.	26	$	690,704	+ 47,301	11*m*	7,466,653	+ 1,150,84
Isle of Thanet	Feb.	15	21	£	309	+ 122	20	6,084	+ 2,68
Kalgoorlie...	M. of	Oct.	20½	£	2,835	+ 40	10*m*	27,905	+ [illegible]
Lanarkshire...	Feb.	6	28½	£	3,480	+ 343	5	20,059	+ 4,13
Lima Light & Trams.	M. of	Oct.	85	$	45,338	+ 7,724	10*m*	435,004	+ 75,19
London O.C.	Feb.	19	141½	£	64,025	+ 12,107	46	3,081,229	+ 523,01
Madras Elec. (2 wks.)	Feb.	15	15½	R	43,299	+ 5,936	6	131,355	+ 15,71
Manila Electric	M. of	Nov.	55	$	214,292	+ 55,292	11*m*	2,090,630	+ 488,88
Pernambuco...	Feb.	16	58	£	5,098	+ 171	6	37,264	+ 3,31
Provincial	Feb.	8	21½	$	2,484	+ 68	19	47,751	+ 2,11
Rangoon Electric ...	M. of	Jan.	20	$	8,373	+ 1,012	1*m*	—	—
Shanghai Electric ..	Dec.	11	26½	Mex. $	24,823	+ 1,490	49	1,258,546	+ 67,29
Singapore Elect... ...	Jan.	4	38½	$	14,909	+ 1,790	1	—	—
U. of Montevideo ...	M. of	Jan.	90½	£	40,910	+ 4,894	3*m*	111,049	+ 9,94

Shopping at
Lipton's
means SAVING MONEY.

The largest Tea Distributors, Manufacurers and Retailers of Food Products in the World.
Tea Merchants by Special Appointment to H.M. King George V.
LIPTON LTD., CITY ROAD, LONDON, E.C. 1.
Branches and Agencies throughout the United Kingdom.

SUPERIOR
WINES AND SPIRITS
Owing to great demand only a limited number of the well-known "PINK LIST" quoting large and unique assortment of Superior Wines and Spirits at Market Prices is being issued.
Apply to EHRMANNS,
Wine and Spirit Shippers and Merchants,
43, 44 and 47 Finsbury Square, London, E.C. 2.
(*Please quote "S."*)

The Statist.

LONDON, SATURDAY, FEBRUARY 22, 1919.

SIR WILFRED LAURIER.

It is with deep regret we record the death of Sir Wilfred Laurier, who for so long has led the Liberal party in Canada and whose policy was both enlightened and far-seeing. Sir Wilfred was a French-Canadian, and naturally a Catholic. But his Liberal views made him looked upon with some suspicion by the Catholic clergy. He was, moreover, not a wealthy man. In spite of these drawbacks he became leader of the Liberal party. He presided over a Liberal Government with great ability and great advantage to Canada, and he showed himself a broad-minded statesman, anxious, on the one side, to maintain the relations with the United Kingdom, and, on the other, to observe and improve the most cordial relations with the United States.

THE CONFERENCE.

The League of Peace has been settled, so far as the Conference in Paris can settle it, and President Wilson has returned home. Presumably, therefore, the Conference will now begin to settle the terms of peace in earnest. Months have passed away. Great armies are kept up at enormous expense. And young men who were preparing themselves for all sorts of occupations in life were called up sometimes from the university, sometimes from a scientific school where young men were preparing for the really serious work of life, and sometimes from little businesses which they had just started, and which were already promising to turn out well. But they are kept from all these because, forsooth, there was a fancy for creating a League of Peace, which in all reasonable probability will never do anything of any value to man, woman, or child. But the really important business, the demobilisation of the Army, the restoration of peace habits and modes of life, and the preparation for building up again the vast destruction of the past four and a half years—all these things have been neglected because Paris is a pleasant place, and some of the great diplomatic personages heartily enjoy playing at a League of Peace. However, after four and a half years of human slaughter on a great scale we can suffer even the follies of the past three or four months provided the Conference sets to work now in downright earnest, and turns out a result which will not break down for at least a quarter of a century. We do not expect much, and we do not ask much. But something, however little, ought to be done, especially as the enormous debts are growing and Europe is sinking more and more. Assuming, as we are bound to do, that now that the pleasure-time is over some serious work will be done, it will repay us to try and form an opinion of what the world will be like when the Conference breaks up and its resolutions are put into actual practice. We used to reckon seven Great Powers. There will be no more than five now. Apparently, then, the Great Powers are reduced by two. Austria-Hungary has disappeared absolutely, and Russia is a cauldron which may turn out to be anything. For the present it seems most advisable to put Russia altogether aside. Nobody can say what will be the outcome there. And we of The Statist are not fond of guessing. Putting Russia, then, aside, and regarding Austria-Hungary as dead, never to come to life again, there remain only five great Powers. But what are those five? We may say with perfect certainty, or at least with as perfect certainty as human beings can speak of anything which is still in the womb of Time, that of the Great Powers the United States is immensely superior to any one, is probably a match for two or three of the others. Japan is a Great Power. But she is not likely to play a conspicuous part for some time yet, unless, indeed, events in Russia should take a turn which would compel her to act with real vigour. Japan ought to have a great future. Her people are second to none in natural ability and in patriotism; and she won from China and from Russia so much territory that if she is not assailed for, let us say, a quarter of a century she ought by the middle of this century to be a very great Power. The Island Empire, which is the kernel of the whole, is growing steadily. The population of the great island of Hokkaido is augmenting in a very satisfactory manner, and bearing in mind the moderation, the statesmanship, and the knowledge of the world of the public men of Japan, it would be real cause for surprise if Manchuria and Korea do not become thoroughly won over to Japan. If that happens, Japan will be a very populous and, consequently, a very powerful State.

Japan, however, is not likely to mix much in current European affairs. Her true policy is to develop to the utmost the new territories she won from China and Russia, and so to be prepared for whatever is in store for her. Besides, she is an immense way from Europe, and it is not easy to see at present how the politics of Europe proper need disturb Japan. Furthermore, the immediate future of Europe is infinitely more interesting than that of any other part of the world, for, if we read the signs of the times aright, Europe is sinking and America is becoming the dominant State of the world. In that case Europe will have to keep an eye upon America, while she will not be as free as she used to be to settle her own affairs in her own way. It is worth while to pause here and endeavour to picture to ourselves how Europe will look to a careful visitor, let us say, from Japan 10 or 20 years hence. As far as can be seen at present, Germany will come out of the Great War which she provoked much less weakened than anybody would heretofore have anticipated. She fought her enemies so successfully that they never were able to reach her frontiers until, of course, she accepted the Armistice. Therefore, no enemy's foot has soiled the Fatherland. And although the English blockade plunged the country in poverty, there is no sign that we can see of anything even approaching to starvation, while the courage of German manhood does not seem to be much reduced. Germany is talking with a confidence in herself and her future which is not a little impressive. So far as can be seen, her enemies are afraid to attempt

to take much territory from her. Posen was an integral part of Poland until Frederick the Great induced Russia and Austria to join with him in partitioning the neighbouring Kingdom. He took Posen for his own share. He did not attempt, like Russia, to swallow the greater part of the Kingdom. He was content with the territory which would round off Prussia. And anybody who has watched German politics, say for 50 or 60 years, must admit that he acted with extraordinary foresight as well as with extraordinary disregard of common honesty. One would have thought that if there is a piece of land anywhere that ought to be freed from the conqueror, Posen is one such. And yet the Conference is actually debating with the Germans what is to be done with Posen. It seems incredible that the Poles will be refused Posen. But even if Posen is taken it looks as if the two Prussias will be left, and also Silesia. Consequently, Prussia will remain an immensely powerful State even though she loses Posen and Alsace-Lorraine, and keeps the left bank of the Rhine, the two Prussias, and Silesia. She will have probably, also, German-Austria. For it is reasonably certain that what used to be called the Hereditary States of the Hapsburgs—that is to say, the German-speaking provinces of Austria—will apply for admission into Germany. Of course, the Entente Powers, if backed up by the United States, may refuse to admit Austria. They may say that Germany is already large enough. But suppose they do, will the prohibition be maintained? Is it reasonable to expect that if a population of, let us say, 12 millions of souls ask to be admitted into partnership with Germany that a League of Peace—well, for no other reason except that an addition of 12 millions of German speakers would make Germany too strong—refuse to allow Germans to enter into the German State? And if German-Austria is added to Germany, while only Posen and Alsace-Lorraine are taken away, Germany will have a population considerably exceeding 70 millions. Therefore, leaving Russia out of account, she will be far and away the most powerful State in Europe. And if she plays her cards well she has among her neighbours peoples who are kindred to Germany, while she has a very large German element in the United States. The position of Germany, then, in Europe when the Conference breaks up and the Germans are free to take their own course promises to be exceedingly full of interest. We are told that the League of Peace is formed for the express purpose of maintaining peace. And yet, so far as we see at present, Germany will have a population nearly twice as large as some of the great European States, and she will have time before her to play her cards, whether skilfully or the reverse. The population of France may, of course, begin to grow rapidly. We of this Journal expect that it will. But that is all in the future, and we profess to have no opinion. We have expectations. We know how enthusiastically patriotic the French are, and how weak France must be if her population does not grow. Therefore it is possible the population may begin to grow rapidly. If it does not Germany will be head and shoulders above all European States, and she will have to fear, therefore, assuming that she plays her cards skilfully, only the League of Peace. It is not worth while discussing the value of the League of Peace. We shall learn that by experience by-and-by.

WHEN THE WAR ENDS.—LVI.

We have, as we expected, received a great many communications since we published the statement showing that, according to the estimate of the Government authorities, only about 2,200,000 persons in the whole United Kingdom are now, even at the reduced lower level of liability, required to pay income tax. It is impossible for us to notice all the communications we have received. But we pick out two as showing the want of knowledge possessed by those who maintain that they know better than the branch of the Government which is specially interested in the collection of the income tax. These gentlemen, as might be anticipated, maintain that since the War broke out wages have risen very much, and that now any really skilled workman who is willing to work hard and to work long can earn a great deal more than £2 10*s.* per week. Now the article which they assail is headed "When the War Ends," and is one of a series which has been appearing for a considerable time past under the same heading. It would seem no great stretch upon the good faith and the intelligence of critics to take for granted that the writer of the article was expressing his opinions, apprehensions, and conceptions, not as regards the short period when the mismanagement of the War ran up prices of every kind so extravagantly, but that he was specially dealing with a view to the time when the War will have ended, and prices, wages, salaries, and so on will all be tending down towards what they stood at in times of peace. To illustrate the force of what we are about to say, we may remind the reader that the Government estimates that at the present time, although the lower level of liability to income tax has been reduced to £130 per year, only about 2,200,000 people actually are liable. We did not say that 2,200,000 people actually pay, for we had no authority for making such a statement. What we did say was that, even at the reduced scale, only 2,200,000 people are actually liable at present. If our correspondents are better informed than the Government officials they must have taken extraordinary pains to get at the facts, and they must have been assisted by extraordinary luck. Our own experience is that it is almost impossible for a private person to ascertain anything really worthy of publication respecting the liability to income tax. However, these gentlemen assert that at the present time it is possible for men who really are skilled and hardworking, no matter what branch of business they work in, to earn much more than £2 10*s.* per week, and figures are even flung at our heads which we do not care to fling back again because we have no wish to show the extravagance of the contradictions that are made to what we say. The real fact of the case is, when all contention of every kind spends itself, that the Government Department specially interested estimates—and no doubt its estimates are very carefully made—that only 2,200,000 persons are now liable to income tax. Perhaps without flinging figures at one another the most satisfactory way of disposing of the statements of our correspondents is to aver, upon the authority of The Statist, that some time ago a member of The Statist staff who was earning, if we remember rightly, £700 or £800 a year, resigned his situation, stating that he had been offered another, which he anticipated would bring him in £3,000 a year. Not very long afterwards the gentleman in question came back again, and asked to be reinstated in his old place at the old salary, for the £3,000 a year had proved to be a will o' the wisp. Now that is an actual fact, which could be proved in a court of law if there was need for doing so. And the figures that are flung at our heads are figures which our correspondents say are being earned. But they give us no evidence of any kind. And while we are quite prepared to accept their word if they pledge themselves that they have taken pains to ascertain the facts, and that upon their honour they are satisfied that many ordinary working men are at the present time earning sums ranging from £5 to £10 a week, we entirely decline to accept statements of the kind made quite as loosely as that which induced a servant of The Statist to throw up his employment in the hope that he would receive £3,000 a year.

We have entered into these details to satisfy our readers that we have taken some pains and given some thought to the articles which we have written under the heading "When the War Ends," and to show

them that a great deal of the loose talk which induces gentlemen to sit down and write long letters contradicting careful and even anxious conclusions are not worth the breath with which they are uttered. We have facing us at the present time an exceedingly grave state of things. Demobilisation has little more than begun. It will be continued for a long time. And it will, as it proceeds, increase our difficulties; and we greatly fear the disturbed feeling in the country. That being our convinced opinion, we have endeavoured to the best of our poor ability to induce our readers to look the facts calmly but earnestly in the face, and to ask themselves in all sincerity what is the best thing to do considering the interest not only of the United Kingdom, but of the British Empire, and, we may add, of the whole world? It is easy to defy and to show bravery. It is difficult to think out a policy and to cling to it steadily. What we are inviting our readers to do is to very seriously think out a policy, and act courageously upon it. According to the estimate of the Department specially interested, there are only between four and five persons out of every hundred in a financial position at the present time which makes them liable to pay income tax. We do not base this statement on our own authority, for though we have given much attention both to economics and to statistics, we do not claim that certainty of knowledge which would justify us in putting forward such a statement upon our own unsupported word. We place it before our readers on the authority of a Government Department. And while we are aware, as no doubt our readers are likewise, that there were wonderful variations during war-time, and that, while the tendency is now downward, yet there are instances even now when men are earning wages which would have been considered impossible a little time ago, we do not pretend to be absolutely right in everything we say. Still less do we pretend to universal knowledge. But this is a case of the gravest significance, and we should be guilty of great negligence if we made rash statements without taking every care in our power to verify them. Putting aside, then, all statements of private persons, we have this broad fact, that only about four or five persons in a hundred earn as much as £2 10*s.* a week at present, though, of course, there may be individuals who are lucky enough for the moment to be earning much more. But these are such exceptional cases that they escape altogether the notice of the income-tax collectors. Coming, then, to the broad fact that the number of persons who have a wage that may be styled adequate to keep them above actual poverty, or leisure to improve their minds and so fit themselves for greater productivity in the future, is exceedingly small—so small as to be alarming in a country that used to be considered the richest in the world—we would ask our readers, Is it even in the interest of the wage-paying class that such a state of things should continue? We have in recent articles been endeavouring to explode the mass of false representations that has been collected around capitalism and labour. And we have endeavoured to show, firstly, that labour is, excepting the very cream of the working classes, exceedingly badly paid. And now we proceed to draw the inference that this poverty of the great mass of the people, while it sinks the mass in poverty, ignorance, and weak health, is really injurious to the wage-paying classes; that if they could rise above the prejudices that have grown out of the false theories propounded by the so-called orthodox economists of last century they would find that their incomes and the position of the country would be enormously increased as the prosperity of the working classes rose in the scale of comfort. In a recent article we pointed out that everything which is consumed, not only in this country, but in every country throughout the globe, is paid for ultimately by the consumers; that the consumers are mainly composed of the working classes; that the really capitalistic class is a mere fraction; and that its consumption counts for so little that, except for those who lay themselves out—such, for example, as the dealers in precious stones—to cater for the very rich alone, the custom of the very rich is of comparatively small importance. The custom that is really important is the custom of the great multitude. And the great multitude throughout the whole world is poor.

At first sight it seems a rash thing to say that the custom of the rich is hardly worth having. Of course it would be a rash thing to say if the phrase meant that it is hardly worth having for any individual. It may be well worth having to a few, to those who deal in special things which are dealt in mainly by the rich. But for the great body of commercial men the rich hardly count. It is the poor that really count. Our readers no doubt often see references to the importance of the Lancashire cotton trade, and occasionally they must have met with statements somewhat to this effect: that so large a proportion of English cotton is exported to the Far East that it is hardly too much to say that the prosperity of Lancashire rests upon the continued trade with the Far East. Now everybody knows that the people of the Far East are intensely poor. Anybody who doubts the statement has only to take up a Government book published annually dealing with the condition of India every year, and he will see that there are parts of India in which the rate of wages is actually as low as a penny a day, or 2*s.* 6*d.* a month. Yet the population of India, and of the Far East in general, is so enormous that the minute purchases of each individual make up a figure that helps largely to give Lancashire its position in the world. A penny a day seems a wage to English people so minute that it is utterly impossible that a family can live upon it. Yet the statement that there are districts of India in which the rate of wages is a penny a day is given on the authority of the Indian Government itself. Consequently, we have to bear in mind that the vast export of cotton to India is, to a large extent, for people who are so poor that many of them are content to work for a penny a day. Now it would be out of place to descant largely upon these figures. We have introduced them only to convince the reader that in reality everything that is dealt in in the markets of the world is paid for in the long run by the consuming classes, and that the consuming classes are, for the most part, exceedingly poor people. If we could lift by some extraordinary new invention our working classes even so much that not merely 2,200,000 persons are liable to income tax, but that the number was raised to actually three millions, the benefit to the manufacturing classes would be enormous. And if, at the same time, something would enable wages to be raised in India, let us say, from a penny to three half-pence a day, it would be a rise of 50%, and just conceive what an increase in India's consumption of Lancashire cotton manufactures would mean to Lancashire if it was augmented 50% or even 25%. These statements are easy of verification or refutation. Anybody can ascertain whether they are right or wrong. And if they are right, then can anybody seriously dispute that the prosperity of the world is kept very low mainly because the bulk of the consuming classes are sunk in miserable poverty?

THE FIRST SIX WEEKS OF THE WAR.

We suppose most persons would agree with us that it would be scarcely possible for a military man who had had some experience in writing to produce a history of the campaign of the British Expeditionary Force in France during the first six weeks of the War which would be absolutely lacking in clearness and even in interest. And yet General Maurice has achieved the feat. We have read his book very care-

* *Forty Days in 1914.* By Major-General Sir F. Maurice, K.C.M.G, C.B. With four maps. Price 9*s.* London: Constable and Co.

fully, and we are bound to say that it surprised us by its utter want of interest and by the little fresh information that it gave us. It is, of course, to be borne in mind, in judging the General's narrative, that he wrote before any full information had been published by any Government. He was dependent, then, upon what had come out in this country and what he knew from his own experience. On the other hand, it is not to be forgotten that the Expeditionary Force was an exception to all the military bodies into whose neighbourhood it was thrown. It consisted, it will be recollected, of men who had been enlisted for seven years, and doubtless the majority of the men had actually served their full term. There was no other body of military men who had had so long a training and so many opportunities of learning what modern war is like. Consequently, it would be of the highest interest to hear what a military man of experience has to say of the way in which the Expeditionary Force conducted itself. We have abundant phrases, all intended to be complimentary. We are told of the gallantry, the courage, the persistency, and so on, with which the Force performed its duties. But anyone can use those phrases. A young journalist who for the first time in his life was put to write about the Expeditionary Force would find it easy to trot out eulogistic phrases. But what the public wants now is not eulogy, any more than unnecessary harshness, but the real plain, straight truth. Was the Expeditionary Force in actual fact greatly superior to the Germans which it had to fight, and the French by whose side it took its place? The Germans, it will be recollected, keep their men with the Colours only for two years. The French keep theirs for three years. The French, therefore, have a longer training. What is the difference, to the eye of an experienced soldier, between the British Expeditionary Force and the best French force—let us say, the men who stopped the Germans in their rush upon Paris at the Marne in 1914; and again, what is the difference between the British Expeditionary Force, the best of Foch's men at the Marne, and, let us say, the best of the Germans who attacked our Expeditionary Force at Mons. We do not hear a word on those points. In fact, the seasoned journalist finds himself asking, as he turns over the pages, "What on earth was General Maurice's object in writing such a book as this?" Again, we perhaps have no right to expect from General Maurice a serious, thoroughly honest, criticism of the British officers of the Expeditionary Force. It would be a delicate thing to do we admit. But if it were really well done—done, that is to say, not only well from the literary point of view, but well because it was truthful and because it was searching—it would be invaluable. We have to form an army. That is perfectly clear. The old Army is gone. And unless we are intent upon ruining the Empire we shall not call it to life again without a very great many changes. But what are the changes that specially ought to be made? General Maurice had an excellent opportunity to give his own opinion for whatever it may be worth. But he leaves us as absolutely in the dark as if he had no earthly interest in the British Army, either present or future. In the past it was impossible for any honest man to expect British officers to be—well, what German officers were expected to be. British officers entered the Army and found that their pay was hardly sufficient to pay for their dinners, not to talk of keeping them altogether. It used to be estimated that an infantry officer required a private income, derived somehow or other, of from £150 to £300 a year to live comfortably in the British Army; while a cavalry officer required at least twice as much, and, if he happened to enter a really crack regiment, £700 or £800 a year was not too much. Consequently, our officers in the old Army had to keep themselves. And human nature being what it is we had no right to expect really hard work from men who were not paid for it. All these facts are known. They were so well established before the War that a mere reference to them would have been sufficient. But we should like to hear the opinion of an experienced officer like General Maurice, and we do not get it.

WATER POWER IN IRELAND.—II.

The geographical configuration of Ireland is responsible for the character of her great rivers. The centre of the country is flat and situated at no great height above sea-level, and the rivers which rise in this central plateau are mostly slow-moving owing to the short distance through which they fall along their course. Approaching the sea, however, the natural decline is frequently steeper, and thus the combined advantages of volume and head present themselves to the engineer. Generally speaking, the rivers with a rapid current are not regarded with great favour as a source of power, since any heavy rainfall within the catchment area is liable to be run off in great floods, whereas a slowly-flowing river of large volume preserves throughout all the seasons a more equable size, and the discharge does not vary too suddenly. Thus, the Shannon is Ireland's largest river, and in the 20 miles of its course from Lough Derg to Limerick it falls 108 feet. In the preceding 75 miles, that is, roughly from Lough Allen to Lough Derg, the total fall is less than 62 feet. In utilising the power below Lough Derg a difficulty would arise if it were found necessary to raise the level of the lough. It is surrounded almost completely by agricultural land which, if in some cases not very valuable, is at any rate highly prized by its owners. Compensation on a liberal or even adequate scale would burden a hydro-electric or any kind of power enterprise on the Shannon with an initial outlay on which a return might not easily be forthcoming. In this respect the river Corrib offers more advantages than the Shannon, though it suffers from the disadvantage that in the short distance between its exit from the lough and its entry into the sea at Galway the river does not dip very rapidly. Its source as it leaves the lake is not at all high above Ordnance datum. The Corrib has, however, a large catchment area, 1,200 square miles, and forms on its course two big natural reservoirs, Lough Mask, 35 square miles, and Lough Corrib, 68 square miles. Similarly, the course of the Erne, which flows into the sea at Ballyshannon between Fermanagh and Donegal, is marked by two large lakes, Upper and Lower Lough Erne, the latter being situated at a greater distance from the mouth of the river than is the case with Lough Corrib. The presence of lakes is a feature which distinguishes Irish rivers from English, and which enables the former to be used more readily to serve industrial purposes. Provided the land on the margin of the lakes can be secured at low cost it is easy to impound large volumes of water, and the necessary conduits can generally be constructed without much expense.

In the North of Ireland an excellent opportunity for the creation of power on a large scale presents itself on the Bann. The area drained by this river is nearly 2,400 square miles, and the water is first collected into Lough Neagh. Thence it flows on to the northern coast, and if certain local difficulties, into which we need not enter, can be overcome a welcome source of power would be offered to the industrialists of Ulster. Across the narrow North Channel a lesson might be learnt by Ulster business men. Above the Firth of Forth scarcely any coal is found, and this natural deficiency is made up by the use of water power on a large scale. Thus at Kinlochleven the British Aluminium Company's plant develops thousands of horse-power for metallurgical work, and throughout the Highlands the once wasted resources in water have been and are being turned to good use. The same Company has put forward a still more ambitious scheme for harnessing the power of Lochaber by converting Loch Treig into a huge reservoir for storing the waters of Lochs Ossian and Laggan and other feeders of the Upper

Spean. The suggested scheme proceeds on exactly the same lines as it would be necessary to adopt in Ireland. After all, what is wanted principally in that country is men and employment for men. People are prone to exaggerate the value of capital in development, and though a certain portion of it is required for every purpose, man-power, supplying as it does both the labour of the hand and the labour of the head, is the primary need. All others are secondary. Where the opportunity for suitable development presents itself and the requisite energy and brains are to hand, capital will be forthcoming unless those who control it have decided on a general boycott of Irish enterprise. Ireland should be able to make up for the lack of coal within her own borders by harnessing the energy that at present runs to waste in her many rivers. France, engrossed as she was for the last four years in the War, found time to exploit her resources in water power in order to supply the deficiency caused by the seizure of her principal coal-bearing areas by the Germans. Ireland, though free from the devastation of war, still depends on imported coal.

It often happens that a number of small mountain streams can be conveniently brought together into a single channel, and that the large head and substantial volume thus obtained can create a very useful power. In the Donegal Highlands in the neighbourhood of the river Gweedore there is a promising opening for development along these lines. A useful hydro-electric scheme could be started and the resulting power transmitted to Londonderry, which is not far distant, and to the towns and villages scattered over Donegal and the neighbouring portion of County Tyrone. Power developed in this way has the great advantage of not leading to a concentration of population. It is remarkable that all over the world population presses most thickly round the coal districts, and that even in countries with a progressive agriculture any increases registered in the number of inhabitants take place usually in industrial centres. This urbanisation is unfavourable to the physique, the *morale*, and the general efficiency of the nation, and where an alternative source of power, the use of which will not be attended by such evil results, is available, the opportunity should not be let pass. In the Canadian provinces of Ontario and Quebec the absence of coal has proved a blessing in disguise, because it has led men to develop the power that was next to hand in the Niagara Falls, the St. Lawrence Rapids, the Ottawa River, and other rivers within the provinces. The result has been not only the expansion of old industries but the development of new, especially those concerned with electro-chemical and electro-metallurgical work. This portion of Canada has forged ahead of other parts, such as British Columbia and Nova Scotia, where coal resources are abundant. The presence of natural reservoirs in the form of lakes was found to facilitate greatly the work of development. Here, again, we have a similarity with Irish conditions which is very striking. It is, indeed, hardly to be expected that anything like a commensurate development is possible in a country which is only one-hundredth part the size of Canada; but if her area is small, so in proportion are her requirements. The production of electrical energy at low rates from water would be beneficial not only to users of power, but also to users of light and heat.

Water is a source of energy older than coal. If monumentary evidence is to be believed, the ancient Egyptians had, long before the Christian era, harnessed the Nile to grind their corn. With the discovery of coal water fell into disrepute for power purposes. It was a long time neglected, but now it is coming into its own again. The efficiency of the water turbine, which may be reckoned on to return at least 75% of the power supplied to it, is responsible for this change. Unfortunately, in Ireland a complete hydrographic survey of the rivers has not been undertaken, and engineering estimates as to the power available differ very widely. In many cases the same basis is not taken for the calculation, and hence the difference in results. Thus, if the constant power available from a river is being calculated, it is obviously necessary to take into account only the minimum flow, though the average power would certainly be much greater, especially if the winter and summer volume of the river showed a large variation. On the lower reaches of the Shannon the discharge is estimated by some authorities at one million cubic feet per minute, and by others at little short of two million. It is impossible to determine with accuracy the potentialities of the river until the mean discharge is brought within narrower limits. If we take the minimum figure of one million cubic feet per minute as correct, the only other figure necessary to determine what power can be generated is the head. As remarked earlier in the article, there is a fall of 108 feet between the point where the Shannon leaves Lough Derg and reaches sea-level at Limerick. All this head cannot be used for obvious reasons, but if 40 feet of it were available a horse-power of over 75,000 would theoretically be possible. In turbines with 80% efficiency 60,000 horse-power at least ought to be returned. This is an enormous power, and its development should be sufficient to attract to the West of Ireland those industries in which it is sadly lacking and to cause expansion in existing industries, such as woollen and hosiery manufacture.

BRAZIL.

PRODUCE.

In resuming our inquiries as to the various articles of produce which we may hope to obtain from the principal countries of South America as the freightage difficulty becomes less acute, we will consider this week the position in Brazil. Brazil, although it comprises very nearly half the total area of the great continent of South America, was until recently a source of supply to the outside world for very few commodities. Brazil nuts have been, of course, exported from time immemorial, and are still exported, and certain other fruits, like pineapples, have always been, and still are, obtainable in large quantities and at a very cheap rate. Practically, the cost of pineapples from Brazil in the London market has been really the cost of conveying them from the port of shipping to the consuming centre. Right up to the outbreak of the recent War in Europe they were obtainable in the markets of Rio itself for a few pence, and these pines of a quality which commanded high prices in the great consuming centres of Europe.

Apart from these small articles of commerce Brazil was dependent for more than a generation upon the export of two principal commodities, coffee and rubber. Rubber in Brazil means raw rubber from the great plateau of the south-west of the Amazon basin. Owing to the absence of population, and even still more to the lack of transportation facilities, Brazilian raw rubber, which formerly commanded the premier position in the consuming markets, both of the United States of North America and of Europe, is being rapidly supplanted by rubber grown as a plantation industry in the East. In coffee, however, Brazil in general, and the State of Sao Paulo in particular, still commands first place as a dominating factor as a source of supply for the international markets of the world. It was estimated some years ago that the total world's production of coffee amounted in round figures to about 2,000,000,000 lb. Of this immense quantity it was also estimated that Brazil was responsible for some 1,500,000,000 lb. in weight. Assuming these figures to be approximately accurate, it will be seen that Brazil has for long occupied a commanding position in the world's Coffee market, and she does so still. In more amount of growth Brazil has for some time past produced coffee in such large quantities, and been such a predominant factor

in the world's markets, that it might be thought the comparatively small amount exported from other countries would not have influenced prices on the market. This, however, was very far from being the case. It is a common axiom in all markets that the mere prospect of having a little more than the market is able to dispose of will often lead to a ruinous fall in prices, while the fact that wholesale buyers will be unable to fulfil their contracts, even though the amount involved is small, will constantly lead to an equally extravagant rise. The fact that nearly all the South American countries, as well as many others in tropical and sub-tropical regions suitable for growing coffee, have grown the crop as a by-product led to a severe fall in the price of coffee. In the sequel, as we shall show later, this has been wholly beneficial to Brazil, as it has led to development of various other industries. Brazil until recently was accustomed to export some 12,000,000 bags of coffee from Rio de Janeiro and Santos, but, of course, mainly from Santos. Owing to the frosts in June last, it is calculated that for the next two seasons her exporters will not consider it prudent to export more than about 6,000,000 bags. This does not, of course, mean that half the coffee crop was destroyed by the June frost, but it does mean that a serious proportion of that crop was destroyed, and an equally serious amount damaged, and that the planters will find it necessary to retain an abnormally large amount for seed in the coming season.

Although Pernambuco is potentially a great source of supply of cane sugar for the markets of the world, so far her output has been somewhat disappointing. It was hoped that with the present world's scarcity, and the larger area which has undoubtedly been sown this season, the crop would at least equal 7,000,000 lb. in weight, and some optimists predicted, upon what appeared to be substantial grounds of evidence, that the crop might exceed 8,000,000 lb. in weight. The latest advices we have been able to obtain do not put the crop much higher than 5,000,000 lb., and it is probable that not more than 40% will be available for export. Although Pernambuco cotton commands a very high price, and is highly prized on the Liverpool market, the quantity which arrives in any year is small, and this season the quantities arriving have been exceptionally small. Owing to the favour with which Pernambuco cotton is regarded by the European market, it seems a pity that the planters of that State do not increase the area of the crop.

One of the most important results of the efforts which Brazil has made in recent years to improve the position of the country, by increasing the total number of its products, is the growth in the meat industry. A coffee planter himself, the late President of the Republic, Dr. Rodrigues Alves, saw the disadvantages which Brazil laboured under by being dependent upon few sources for its existence. Being a man of great influence and large means he determined to remedy this state of things.

It will be recollected that a trial shipment of 1,000 tons of frozen meat was made in 1914, the first year of the recent European War. This was followed, in 1915, by a regular shipment exceeding 8,000 tons, which in its turn increased in 1916 to 33,000 tons, while in 1917 66,000 tons of frozen meat arrived on these shores from Brazil. Last year the shipments fell to a little under 60,000 tons; but there seems no reasonable doubt that we may rely upon an average shipment of about 60,000 tons of meat every year from the Southern States of Brazil; and no doubt these shipments will be increased if the efforts being made in the Southern States of Brazil are duly appreciated by the European markets, as there seems no reasonable doubt that they will be. The shortage of meat to which we have long been accustomed was, of course, largely due to war conditions, but not wholly so. It is estimated that there were something between 20,000,000 and 30,000,000 men mobilised in connection with the late War. Now of course it is evident that men serving in the field, under war conditions, in the very prime of life, require to be fed in a way that very few civilians either require, or, indeed, can afford to feed themselves. Consequently the consumption of meat during the last four years was upon quite an exceptional scale. Meat usually imported for the purposes of feeding the civilian populations of Europe was, in fact, diverted to the military camps. In addition, the supplies available for the civil population were further reduced owing to the shortage of freight. It follows, therefore, that with the demobilisation of the vast armies recently bearing arms, and the return of the various units to civil life, the demand recently experienced cannot be maintained. Moreover, as shipping is gradually released from purposes connected with the War, freights must necessarily fall, and consequently the extravagant level to which prices have risen must decline.

While the excessive demand occasioned by war must with the end of the War likewise be brought to an end, the demand for meat, hides, and various meat products, should continue active. It was evident for some years before the outbreak of the recent War that the world was about to witness a shortage of meat, a shortage of hides, and of all products connected with the live stock industry, taken as a composite whole. Meat steadily rose in price, hides steadily rose in price, skins of all kinds steadily rose in price, and, in spite of the largely increased sheep farms in various parts of the world, and particularly in Patagonia and other parts of South America, wool steadily rose. The War simply accentuated to an extravagant degree a rise in prices which was inevitable in any case, and was due to a shortage of supplies derivable from the products of the live stock industry. As said above, we may count on some 60,000 tons of various kinds of meat each year from Brazil, but the supply at present comes very largely from the State of Sao Paulo, and is not in itself enough. We want increased supplies, either from Sao Paulo itself, or, if this is impracticable, from the Southern States running down towards the borders of Uruguay.

An industry which has been developed in Brazil, to a great extent as a result from the recent War, is that of the mining of manganese ore. Manganese ore is required for the purpose of hardening steel. In the year that preceded the outbreak of the War Brazil had developed her manganese ore deposits to a very considerable extent, and she had, moreover, constructed a railway for the purpose of shipping the ore from the mine to a port on the Atlantic. Before the War she was accustomed to export sometimes as much as 200,000 tons in a single year. Manganese deposits are found over very extensive areas of different parts of the continent of South America, but they have nowhere been developed as they have been in Brazil; and, moreover, the mines are nowhere, with the exception of Brazil, linked up with the port of shipment. As a result, when the demand for War industries came the Brazilian mines were able to turn out 500,000 tons of ore each year. At the moment there is a great falling-off in the demand for manganese ore, but this does not seem likely to continue. Steel goods are required in almost all kinds of reconstruction work, from house building upwards. During the past four years the railways of nearly every important State in the world have been allowed to fall more or less into a state of disrepair, while the demand for steel, and therefore for manganese ore, for renewing the world's supply, should be upon a quite unprecedented scale, and to supply this demand the mines of Minas Geraes have already developed ample facilities.

SHIPBUILDING IN BELFAST.—I.

The termination of hostilities has been followed by the partial release from Government control of shipbuilding and repairing yards throughout the United Kingdom. Shipbuilders have not, however, recovered the absolute freedom of pre-War days, since the Government still exercises a discretionary power as to the ships to be put on the stocks. This is in accordance with the pledges given during the War that the filling up of depleted ranks of our mercantile marine should be the first care of our builders, and that the many orders for tonnage at tempting prices which foreign shipping interests have placed in the United Kingdom during the last three years, should not receive prior execution. The Belfast yards, are, of course, subject to such limitations as exist; but since it is in the national interests it is gladly borne.

In 1918 Messrs. Harland and Wolff headed the list of world's builders with an output of fifteen vessels of 119,000 tons, and Messrs. Workman and Clarke were third with nineteen vessels of 69,000 tons. The character of the Belfast output has somewhat changed during the War. Large passenger liners were their pre-War speciality; but when the submarine campaign reached an unexpected pitch of intensity in the second year of the War, the folly of placing too many eggs in one basket was made apparent and ships of medium size came more into favour. The building of naval craft was another change which, if not quite an innovation, was at any rate undertaken on a large scale in Belfast only since the War. The heavier type of craft was not built, and those with thick armoured protection were especially avoided, but light cruisers were commonly turned out. The reasons for this are obvious, since it was, generally speaking, more economical to build armoured ships on the Clyde or Tyne, where the raw material for the heavy steel plate was locally produced. In yet a third direction did the War bring changes to Belfast. The construction of the various kinds of standard ships was an innovation of undoubted value, and Belfast showed peculiar aptitude for turning out the larger types. "B" ships of 5,100 tons gross were completed in Belfast in less than six months, while in other yards the time varied from eight to twelve months. Of course, there were exceptions, but on the whole the work was more speedily turned out across the Channel. This is accounted for in part by the very complete equipment of the yards, and in part by the fact that both masters and workmen took the War most seriously, and that such disputes as arose were tided over without cessation of work. Platers, riveters, drillers, boilermakers, shipwrights, and caulkers worked long and hard to accelerate output, and on all occasions where wage difficulties arose these were met in an accommodating spirit by the employers. The various awards granted by the Committee of Production during the War have been made applicable in Belfast, and the result is that wages are at present substantially on the same level in all the yards of the United Kingdom. On the basis of a 54-hour week, tradesmen in Belfast earned, on a rough calculation, 78*s*. and workmen about 57*s*. Practically all the shipbuilding in these islands is done, however, on a piece basis, and it is impossible to strike an average of the weekly earnings. Thus, plating and riveting squads on a new construction work are paid certain rates according to the thickness, size, and position of the plate and the dimensions of the hole and rivet. On repair work an extra agreed percentage is paid to them, while the helpers, or unskilled men, get a bonus, known generally as "dirty money." The "gangs" are constantly being moved about to different parts of the ship, and hence the earnings vary within fairly wide limits.

The number of building slips in Belfast and the outfitting facilities have also increased as a direct result of the War, while the capacity of the engineering shops has materially improved. These latter shops have long been the peculiar pride of the city, and the development of the steam turbine for marine purposes is intimately associated with them. Their output has not, however, increased proportionately to the increased construction of hulls and in 1918 the imports of machinery and machines, amongst which are included marine engines, amounted to 13,368 tons, compared with 10,076 tons in 1917. The imports of steel boilers showed a small decrease from 665 to 652 tons. The Belfast shops also turn out work for export, and this trade must be taken into account if we wish to get a proper idea of their capacity. In 1918 the export of machinery and machines and of steam boilers amounted to 9,777 tons, a slight increase over the 1917 figure of 9,561 tons. The imports have, therefore, shown a much more substantial rise than the exports; but, with the demobilisation of skilled mechanics, it is expected that the engineering establishments in Belfast will be able to fill all the requirements of the local yards, besides producing a large surplus for export.

Keen competition from the National shipyards was fearfully anticipated by shipping interests on this side, but it occasioned little trouble of mind to the Belfast builders, who are naturally inclined to set a low value on the efficiency of a Government-owned yard. The recent announcement of the Shipping Controller that these yards, the construction of which was undertaken as a War emergency measure, would not be finished off on the elaborate scale originally intended came, however, as a relief. We frequently urged the establishment of these yards in Ireland, and suggested various suitable sites. It is regrettable from the Irish shipbuilders' point of view that this advice was not taken. In the first place, it would mean that ultimately a larger reserve of skilled labour would be available for all the yards. Secondly, the Government are prepared to hand over the National yards if a suitable offer for their acquisition and operation is received, but the chance of extending their business in this way in Ireland is obviously not open to the Irish shipbuilders. The denial of such an opportunity for expansion is, indeed, keenly felt; but, as against this, the employing interests are somewhat chary of launching out on new enterprises until the full effect is felt of the reduction in the working week from the fifty-four hours which formerly obtained in shipbuilding and engineering establishments. Wages have risen progressively during the War, and the latter-day method of a quarterly resettlement adopted by the Committee of Production has not stemmed the increase. The reduced working week will not entail any reduction in the wages bill. In shipbuilding wages are by far the most important single item of the outlay, since the amount of skilled labour required is high, and if piece-work rates, which obtain in the greater part of the industry, are advanced so as to ensure an equal, perhaps greater, remuneration than previously to the worker for a similar output the cost of production will rise. Belfast builders are afraid that this may bring about a change in the position of the United Kingdom as the cheapest and best shipbuilder in the world, since one of our chief advantages over the United States in regard to wages will then be lost. The pay of skilled men in the States in pre-war days was on an average about twice greater than in the British Isles. Now, however, the gap between the two is being rapidly bridged, and the latest concession will bring about an even nearer approach to uniformity, since wages in the American yards have not advanced at all commensurately with ours since the outbreak of war. The latest information available shows that the merchant ships under construction in the United States, including the Pacific, Atlantic and Gulf Ports, as well as the Great Lakes, was, at the opening of the present year, nearly 3,650,000 tons gross. According to *Lloyd's Register of Shipping*, the

gross tonnage of all the wood and steel vessels of over 100 tons under construction in the United Kingdom was at the same time only 980,000 tons. Some allowance must be made for the fact that the American figures include, and the British figures exclude, ferro-concrete ships, but these are not now being built in any great numbers. The American total is thus almost four times greater than ours.

In the North of Ireland it is pointed out that any international arrangement by which the United States is relieved of the necessity of constructing a large fleet of war vessels would enable all the more energy to be put into merchant shipbuilding. Moreover, rumours of a forthcoming attempt at assimilation of the rates of pay of British and American seamen would remove a barrier which has long been said to operate against the revival of the American mercantile marine. Belfast, however, hopes, through the traditional skill and energy of its workers and the genius of its naval architects, engineers, and draughtsmen, to uphold the place it has already won in the shipbuilding world. It is recognised that the struggle will be hard, since America will make a great bid to capture the large foreign orders for the tonnage hitherto placed in the United Kingdom. Furthermore, the capacity of American yards is ever increasing. For the twelve months ended in November last the output of wood and steel vessels in the United States was 2,561,000 tons gross. Fully two-thirds of these vessels were sea-going steel steamers, and if Transatlantic designers prove as efficient as our own, it is anticipated in Belfast that the American-built vessel of the future may attain the same rank in regard to seaworthiness, stability, and ease of handling that the British has hitherto held.

THE CANAL ZONE.

Owing to the incidence of the late War, and the consequent diversion of shipping to purposes connected therewith, the opening of the Panama Canal in 1914 has, so far, had hardly any influence upon the commerce of the world. It had, of course, enabled ships to travel rapidly across the Atlantic, go through the Canal, and obtain from the Chilian and other West Coast ports supplies that were urgently needed by the Allied Governments for purposes, more or less, connected with the War. But its real value to the trade of the world in opening up a great waterway connecting the two greatest oceans of the world has yet to be tested. That it will in course of time have a remarkable effect in stimulating trade, and helping to open up the countries west of the Andean chain of mountains, there can be no reasonable doubt. Lima, the capital of Peru, is now as near to New York for purposes of transit as Liverpool was in the early years of the present century. Even Valparaiso is only three days' further sail, and if, as no doubt will be done, steamers of great carrying capacity, and fitted with powerful engines like those used on the great trade routes of the world are run, it will greatly reduce the time occupied in carrying cargoes, say, between Valparaiso and New Orleans, New York itself, and the ports of the New England States. It will equally assist the method of transit between Europe and the West Coast ports of both South and North America, and will bring the Western ports of Canada very much nearer to this country than they were before the outbreak of the recent War. Of course it has been for the past generation possible to send goods across Canada, or the United States of North America, by rail for shipment, either from the St. Lawrence or from the Port of New York.

There were, however, and there still are, many articles of commerce for which there is a steady demand in Europe which cannot well bear, even in normal times, the freight charges incidental to both a railroad and a sea-passage which could bear a low rate of freight in comparatively slow steamers travelling through the Panama Canal. Before the opening of this great link connecting the Pacific with the Atlantic Ocean it was necessary for all goods carried by water, either from the ports of North or South America, to travel through the Straits of Magellan, or to sail round Cape Horn, which meant, in nearly all cases, double the distance.

The Straits of Magellan are always exceedingly dangerous. Although Magellan himself succeeded in effecting a passage with a sailing vessel, they have proved in modern times almost useless for sailing ships. The winds, where there is a wind, seem to be almost always contrary to the way the ship wants to go; and over the greater part of its course, through the narrow gorges and steep banks on the Chilian side, the rocky-coast narrow channel, swift currents and absence of wind render them wholly impossible for cargo-carrying ships to sail. A journey round Cape Horn is proverbially one of the most dangerous to which the life of a seafaring man is exposed. Moreover, owing to the immense distance from the ports of shipment to consuming markets, it has been found in practice that it does not pay to use steamers for cargoes travelling by the Cape Horn route. The result has been that cargo-boats that use this route had to be of the nature of grain or some commodity that would keep indefinitely, and where the length of the voyage was of little or no account. Whenever shipping once more becomes easy for the purposes of trade as distinct from those of war the opening of the Panama Canal will be found to have changed all this.

Some of the most important scientific and engineering problems were solved by the actual opening for the transit of ships of the Panama Canal. The Panama Canal is only about half the length of the Suez Canal, but totally different problems had to be solved to those which presented themselves when a sea route was sought between the Mediterranean and the Indian Ocean. The Suez Canal runs through a perfectly flat sandy country where it never rains, and which has been more or less in occupation ever since the time of the Pharaohs, and probably for long before. The engineer encountered no tropical rains, had no gradients to surmount, nor was work interrupted by the running of great rivers across the course of the canal which he was aiming to construct. Above all, although the Suez Canal was running through a very hot country, it was quite healthy, in contradistinction to the region in which the Panama Canal has been built, which was one of the most unhealthy places for the human species known to man. Although the Panama Canal is less than 50 miles in length, compared with some 90 miles of the Suez Canal, the engineers had to cross a portion of the Andean chain of mountains, which in this part of the Isthmus of Panama is 85 feet above sea-level. It was necessary therefore to build great locks to raise ships 85 feet above the ocean from which they were proceeding and lower them by means of further locks to the same depth, to enable them to reach the ocean over which they proposed to sail. In the very centre of the work the engineers found a river which in the dry season was a mere brook, but in the rainy season became a raging torrent. Through the whole of the Canal, moreover, during certain seasons of the year the country was, and of course is, liable to deluging tropical rain, although at other seasons of the year it enjoyed an exceedingly beautiful climate. The difficulties of the river were overcome by building an immense concrete and earth dam, which diverted the river into a deep basin adjacent to its banks that formed what is now known as the Gatun Lake.

Finally, what is now known as the Canal Zone was, when the Canal was first projected, covered with

vast swamps and pools of stagnant water as a result of the tropical rains during the rainy season, and contrasting with the sandy conditions which prevail, and that prevailed even before the Canal was constructed, on the banks of the Suez waterway. These swamps and stagnant pools bred the deadly mosquito which is responsible for the spread of yellow fever and malaria. It is one of the glories of the United States Government that under the able administration of Surgeon-General Gorgas these swamps and stagnant pools were first covered with a preparation of petroleum and were finally completely drained. The result has been that the death-rate in the Canal Zone has been reduced from alarming to quite trifling proportions—indeed, to figures which are common in the industrial cities of Europe and of the United States of North America. The French Company which originally attempted the construction of the Canal had no knowledge of the causes or the origin of malaria and yellow fever, and hence they were faced with an almost impossible task in their attempt to construct the Canal. The labours of two great scientists had shown in the closing years of the last century the causes of malaria and yellow fever, and the United States Government wisely decided that before they attempted to construct the Canal the first essential was to make the Canal Zone a suitable habitation for human beings. The experience of that Government and of Surgeon-General Gorgas has furnished the world with the actual cost per square mile of the drainage of swamps impregnated with mosquitos responsible for the spread of yellow fever and malaria.

Although the cost of drainage be almost prohibitive to an individual, however wealthy, and would be a heavy drain even on the resources of a great corporation, it has been found much smaller than was at first anticipated. The total cost to the United States Government of the purchase of the land, of compensation to the French Company, of draining the zone under Surgeon-General Gorgas, and of constructing and completing the Canal only slightly exceeded £80,000,000 sterling.

THE IRISH LINEN INDUSTRY.—I.

Despite the increased shortage of raw materials and the increased difficulty of keeping in repair all textile machinery, the linen industry in Ireland can look back on 1918 as a year of great prosperity. The supply of practically all classes of yarn was deficient, and in many branches of the trade short time was worked. The Yarn market was rigidly controlled by the Government, and the industry may be said to have passed under complete State control from the commencement of the year. The Government were the sole purchasers and importers of flax; they allocated the material and took practically all the output for military purposes, especially for aircraft manufacture, fixing the prices at each stage, for the flax, the yarn, and the cloth. So great did the Allied requirements of aeroplane linen become that damask looms were almost at a standstill, and this occasioned some disturbance, since the damask trade has all along been a staple of Ulster production. However, the State was a large buyer and a sure payer, and when the looms were accommodated to aeroplane fabric all went smoothly. A good test of conditions in a particular industry is the movement of its quoted securities on the Stock Exchange. The linen trade is indeed largely in the hands of private companies and there is no free market in the shares. Some representative companies are, however, on the lists of one or more of the Exchanges, and the quotations in the case of such large concerns as the York Street Spinning Co. and the Bloomfield Linen Co. showed an increase on the year. The advances in some instances were merely fractional, but in others they exceeded a point, and the trend of the movement exhibits the confidence of the investing public in this section of industrials.

The coming of the Armistice, unexpected in all but well-informed quarters, had a most unsettling effect on the linen trade, and, fearing untoward consequences, the Flax Control Committee, aided by representatives of the trade, fixed prices for warp and weft yarns to hold good for the first six month of the current year. This move was generally welcomed amongst spinners, weavers, and salesmen, since it ensured that certainty of prices so requisite to continuous and successful training. These prices varied but little from those obtained under the system of complete Government control. Merchants who had allowed their stocks to run to a very low ebb in the hope that with the cessation of hostilities they could be replenished at reduced prices have been disappointed and are accordingly inclined to grumble. They have, undoubtedly, some ground for complaint, since the Linen Export Order has been withdrawn, while Government contracts for aeroplane linens, canvas, and ducks have in part been cancelled. It must be remembered, however, that the Government prices were fixed after extensive and careful inquiry by Government accountants into the question of manufacturing costs, and that, furthermore, the outlook for raw material is still very uncertain. Hopes are entertained that in a short time a supply of Courtrai flax will be available, but these hopes have a rather slender foundation. Practically all stocks of flax were requisitioned by the German Government, and many of the linen mills were wrecked by bombardment or deliberately dismantled. They must be rebuilt and fresh machinery installed before the fibre can be handled again, and in the meantime Irish spinners may get some small shipments of Courtrai flax. A very limited quantity of Russian flax was coming over the Northern line to Archangel, but shipments have practically ceased during the winter. By the time communication is again free it is expected that a large amount of flax will have been stored in Archangel; but present conditions in the Baltic Provinces, the chief flax-growing area in Russia, do not provide fair warranty for such hopes. The failure of Russian and other Continental sources of supply during the War can be seen clearly from the following tables:—

Table I.—*Imports of Dressed and Undressed Flax.*

Country	1913 Tons	1914 Tons	1915 Tons	1916 Tons	1917 Tons	1918 Tons
Russia ...	68,161	53,248	51,999	68,647	63,891	21,790
Germany ...	236	74	—	—	—	—
Netherlands ...	1,442	4,145	5,710	1,878	2,868	597
Belgium ...	14,194	13,987	11,105	62	—	—
France ...	5	1,091	3,199	3,491	3,221	563*

Table II.—*Imports of Flax, Tow, and Codilla.*

Country	1913 Tons	1914 Tons	1915 Tons	1916 Tons	1917 Tons	1918 Tons
Russia ...	13,416	10,921	19,857	11,760	13,390	1,906
Germany ...	283	211	—	—	—	—
Netherlands ...	226	364	684	54	—	179 *
Belgium ...	3,812	2,363	66	—	—	—
France ...	179	213	220	138	280	—

* All other countries.

The total arrivals of flax in the United Kingdom in 1918 were 22,950 tons, compared with 70,346 tons in 1917 and 84,270 tons in 1913, a decline of 68% and 73% respectively.

The increase in values has also been without precedent in the history of the flax trade; but the high level of prices is in itself a danger to the industry, as it tends to turn the consumer towards the cheaper cotton fabrics. There is a perpetual struggle between the two textiles, and high prices for one always increase the demand for the other. Since the War, however, raw cotton has appreciated in value to a far greater extent than flax. In 1914 average quality cotton was from 4½*d.* to 7*d.* per lb.; in 1918 it ranged from 27*d.* to 30*d.* As regards the value of flax in 1914 the total imports were 72,943 tons, valued at £3,663,604, or £50 per ton. The 1918 imports of only 22,950 tons were valued at little less, £3,660,368, or £159 per ton. Thus the advance in cotton was

395%, and in flax 218%. An advantage rests with flax; but to the consumer linen goods are still much dearer than cotton, and hence in the interests of the former trade an early and rapid reduction in prices would be advisable. Any approach to the pre-War level would hardly be possible on account of the tremendous increase in the cost of raw material and of labour. Wages have risen between 70% and 100%; the output of spinning and weaving machinery has been limited, and permits for repair work have been hard to get. The flax shortage may be gauged from the fact that last year the imports into Belfast totalled only 6,457 tons compared with 28,535 tons in 1917. Orders restricting the consumption of flax have, however, been revoked or amended, and the result should be a diversion of the raw material from military needs into ordinary trade channels. In proof of this it is sufficient to mention that the production of aeroplane cloth in Ireland ran to between one and two million yards per week, and this at a time when the mills were compelled by Government to work short hours, usually 40 per week. In the closing stages of the War practically all looms were on aeroplane cloth, and the transition now to peace conditions is, therefore, all the more abrupt and all the more difficult.

The Irish farmer has been guaranteed a high price for last year's crop—45*s*. a stone for first quality and less for the lower grades—and the Government, being, up to recently, the sole importers of flax, are in possession of practically all the existing supplies, and will probably not part with them except on terms sufficiently adequate to cover their gross outlay. As these supplies were purchased mainly under War conditions, when freights were excessive and money cost counted but little provided the material was forthcoming, the necessity of continuing for a further period the system of fixed prices in various branches of the trade is undoubted.

SOUTH AND CENTRAL AMERICA.

CORN.

Owing to our imperfect economic development we are constantly falling into difficulties which lead to political unrest and economic disorganisation. When Western Europe in general, and England in particular, decided to become, as far as they were able, the world's workshop she did what in her lay to increase the production of food and raw materials in other parts of the world. In a very real sense it may be said that the railway system of the United States of North America, a large part of the railway system of Mexico, and a still larger part of the railway system of the great continent of South America, were built by British engineers, sustained by British capital, for the express purpose of providing food and raw materials to feed the people and the mills of England. For a very long time—indeed for more than the life of a generation—this process went on with profit and advantage both to the countries of North and South America, as well as to Western Europe in general, and England in particular. We were able to sell our manufactured goods, such as cottons and woollens for clothing, to peoples of other lands, and to supply railway materials, trucks, and rolling-stock for the new railways we were building on such a great scale in various parts of the two Americas. Unfortunately, we did not know when to stop. Nor is it easy to see with our present knowledge upon what basis we could have calculated which would have enabled us to know when to stop. Certain it is that from the period of about the Baring Crisis to the outbreak of the South African War we enjoyed in this country the advantages of obtaining food and raw materials for less expenditure of time and human energy than in any period since the breakdown of the feudal system. Money in this country was phenomenally cheap; wages, though by no means high, were abundant for the purpose of purchasing the actual necessaries of life, and, indeed, except for the poorest classes, left a small margin for the purchase of some of the luxuries. Wheat fell in the London market at one period as low as under 18*s*. a quarter of 480 lb., and so far as we were concerned there was probably a longer period of general contentment than had been experienced in this island for centuries. Meanwhile, mainly with British capital, very nearly 200,000 miles of railway track had been laid in North America, while the Argentine Republic secured some 60% of her present railway mileage. The result, so satisfactory from this side, was almost disastrous on the other side of the Atlantic. In other words, the supply of food and raw materials had become so great that it was not possible for the growers, either in North or in South America, and particularly in North America, to secure an economic return from their labours. The result was the prolonged economic crisis which affected the well-being of the United States right up to the end of last century and the troubles with which Argentina was assailed. Argentina, being but a thinly peopled country, recovered her prosperity, owing to our demand for supplies during the South African War. But so serious had the economic ills of the United States of North America become that she felt it incumbent upon herself in the opening years of the present century to divert a large proportion of her population from the production of food and raw materials to the manipulation of primaries. In other words, the United States became, as we had done before her, a great manufacturing, and threatens to become a great maritime, State. When the economic world on this side of the Atlantic realised what they had done in opening up so rapidly these vast sources of supply, both in North and in South America, they did everything they could to encourage consumption upon a great scale, and the era of extravagance, which was so much deprecated in the years that preceded the opening of the recently concluded European War, dates from the period when it was felt incumbent to assist the newer countries of the world by consuming their products upon a lavish scale. The investing countries feared, and with justice, that if some rapid means of consumption were not discovered the newer countries of the world would be forced to devote their energies to other than the production of food and raw materials, and the manufacturing countries of Western Europe would suffer—as in fact they have suffered—from a depletion of supplies. Even before the outbreak of the recent War prices of food and raw materials, as we have shown over and over again in a series of articles during the past few months, were steadily rising, showing that the demand both for food and for raw materials was increasing at a greater rate than was the supply.

Cotton and wool were steadily rising in price, and a shortage of leather was predicted in the trade so long before the War as the year 1911. Meat, which had been procurable from the newer countries at about 4*d*. or 5*d*. a pound, rose to nearly twice that figure, and it was evident that unless we could induce the newer countries to resume the production of food and raw materials upon a great scale a shortage, up to a point, was inevitable. Wages rose, but they did not rise to anything like the extent that did the prices of commodities. This was largely due to the fact that the countries which had formerly been the greatest consumers of our manufactured goods were already becoming our competitors in their supply instead of being willing to accept our manufactures on any terms which we were able and willing to offer them. War is destructive in all ages. But the recent War, extravagant as it has been, only accentuated a difficulty which in a modified form would have arisen in any case. The great need of the present time, therefore, is to increase food and raw materials to the utmost extent possible.

With the exception of Canada, corn is one of the great basic foodstuffs throughout the whole continent of North America, very much, indeed, as mandioca is of the Southern continent. Owing to the fact that mandioca is not suited to our methods of feeding in Europe, which South Americans say are too dry, it was not found practicable, although the Government, to its credit, tried the experiment, to import mandioca flour during the prolonged period of food shortage through which we have been passing, and which it is to be hoped is shortly coming to an end. If it continues we shall seriously reduce the vitality of our people, and particularly of the young and growing children, who, on the basis of the present prices, cannot be fed as the children who grew up in the nineties of last century were. As it was found impracticable to import mandioca flour upon any considerable scale, we turned to North America, and in corn, or maize as it is generally called in this country, we found a substitute for the wheat shortage. Our people, who are not accustomed to feed on maize, did not take altogether kindly to the substitute, but on the principle that half a loaf is better than no bread a very large quantity of maize was, in fact, consumed. The result has been that the supplies of maize have been severely depleted, and corn, as it is commonly called in the United States, is one of the commodities in which there is a shortage. The United States of North America is to a very large extent filled up from an agricultural point of view, and in order to greatly increase its products it seems inevitable that the North American farmer will have to resort more and more to what is known as intensive farming, as the area available for fresh cultivation is rapidly decreasing. The United States has under corn more than 100 million acres, or, roughly, four times the cultivated area of this country, and it produces—again in rough figures—2,800 million bushels. But to export any appreciable portion means, naturally, reducing the home supplies. The reader may have noted that in a recent article dealing with the Prices of Commodities we showed that there had been an enormous increase in the supplies of food and raw materials from the United States as compared with those of recent years, and particularly the years that immediately preceded the War. But the growth in values of the United States exports of these commodities was out of all proportion to the growth in quantities, apparently indicating that with her present methods of production the United States is very nearly raising produce to capacity.

Mexico is more than half the size of continental United States, and she has a population only some 15% of that of her great northern neighbour. Mexico, whose soil, like that of South America, is exceptionally fertile, could, if she would devote herself to economic development as distinct from political experiments, produce food and raw materials upon a great scale. She does, it is true, grow a large quantity of corn, or maize; and, in fact, as said already, it is the basis of the food of her people. But she does not grow it in quantities that would admit of export; and recently she has actually had to import maize. The form in which it is consumed in Mexico is not unlike our oat-cakes, although somewhat thinner and a good deal larger. These are known throughout Mexico as *tortillas*, and it is estimated that the value of corn used in making *tortillas* throughout the Republic is 160 million dollars. It is also estimated that a million women are employed in the making of these little cakes—or, rather, large cakes, having regard to the area of their surface. These women are not very highly paid; but even so their wages, added to the value of the corn used in production, brings up the total value of the corn and labour in the production of *tortillas* to at least 400 million dollars.

It is complained that the scarcity of corn is one of the causes of the recent prolonged disturbances throughout Mexico. But it is equally certain that these disturbances were themselves one of the principal causes of the scarcity of corn, as it cannot be complained that either the climate or the soil of Mexico is responsible for this deficiency. It is surely high time that the Mexican Government saw to it that the Mexican people found a remedy.

THE NATIONAL DEBT.

At the end of last week, in reply to a question, the Financial Secretary of the Treasury stated that the deadweight National Debt (including floating debt) outstanding on February 1 was approximately £7,334,000,000. This total is about £128,000,000 below the figure we published in our issue of February 8, when we endeavoured to show, roughly, the amount of the National Debt at the beginning of the current month, and it would be interesting to learn how the total of £7,334,000,000 is arrived at. Our figure was based upon the best information available, but was probably somewhat in excess of the true total, for in respect of the current financial year it is impossible from the weekly Exchequer returns to obtain any idea of the nominal amount of War Bonds sold, inasmuch as for the past few months the 4% tax-compounded bonds have been offered at a premium of 1½%. On March 31 last, when about £650,000,000 of bonds was outstanding, only just over £50,000,000 represented 4%s sold at par, and although in the absence of exact data it is impossible to say what is the present amount of the 4%s, it seems unlikely that the premium received on recent sales of 4% Bonds would affect our total to the extent of more than a few hundred thousand pounds. According to the Finance Accounts issued towards the end of 1918, and again according to the National Debt return issued last week, the total of the deadweight debt on March 31, 1918, was £5,871,850,637. Between April 1, 1918, and February 1, 1919, net receipts from loans of various kinds were £1,591,510,000, and by adding this sum to the Debt at the end of March last it would appear that the Debt on February 1 was, approximately, £7,462,000,000. So far as we are able to calculate from the data available the present position of the Debt is, roughly, as indicated in the appended statement, which also includes the sums borrowed by the Government for war purposes:—

[000's omitted.]	War Borrowings— Apr. 1– Feb.15, '19	Apr. 1.'17–Aug.1,'14– Mar. 31,'18	Feb. 15,'19	National Debt— Approx. Feb.15.'19	Actual Mar.31,'18
4 & 5% Natl. War Bds.	£1,042,023	£614,215	£1,656,248	£1,647,433a	£649,410b
4% & 5% War Loans	—	168,083	948,460	2,012,870	2,090,317c
War Savings Certs. ...	83,300	62,200	219,500	221,050d	137,750
"Other" Debt(e) ...	361,903	620,435	1,355,447	1,357,377	995,474
Treasury Bills ...	20,556	508,885	987,638	993,412	973,444
Ways & Means Advances	198,409	Cr.25,254	390,680	390,680	192,271
5% Exch. Bonds due:					
Oct. 1919 or Apr.'23	4	82,270	82,274	70,657	70,652
Oct. 1921 (1916 issue)	—	—	62,496	75,839	75,839
Dec. 1920 ,, ...	—	48	237,877	49,744	49,744
Oct. 1919 ,, ...	—	—	34,263	16,924	16,924
6% Ex. Bds., Feb. '20	1	—	160,956	141,278	141,277
3% Ex. Bds., Mar. '20	—	—	21,831	21,660	21,660
Do. do. Mar. '30	804	12,021	12,825	16,444	15,640
War Expenditure Certs.	Cr.22,932	Cr.629	—	—	22,929
3½% War Ln. 1925–28	—	—	331,798	62,746	62,746
4½% War Ln. 1925–45	—	—	592,345	16,139	16,139
2½% & 2¾% "Consols"	—	—	—	304,084	304,084
Debts to Bks. of E.&I.	—	—	—	13,646	13,646
Terminable Annuities	—	—	—	21,903	21,903
Total	1,684,068	2,042,274	7,084,628	7,477,974	5,871,850
Less Misc. repayments	77,446	57,495	299,740	—	—
Debt Aug. 1, 1914	—	—	—	652,270	652,270
Inc. since war began	1,606,622	1,984,779	6,784,888	6,825,704	5,219,580

(a) Sales reported to Feb. 15, 1919, £1,661,329,946. (b) 4% (Oct. 1927) £119,541,000; 5% (Oct. 1922), £237,924,000; 5% (Oct. 1924), £28,739,000; 5% (Oct. 1927), £263,206,000. (c) 4% Tax compounded, £52,372,000; 5% £2,037,945,000. (d) Number sold to Feb. 8, 1919, 294,411,315. (e) Including British portion of Anglo-French (U.S.) Loan.

A recent Decree of the Spanish Government has authorised an increase in the fiduciary note issue of the Bank of Spain to four milliards of pesetas, say, roughly, 160 millions sterling. The reasons given for the increase are to afford facilities for carrying into effect the projected financial Convention with Italy, and also to augment the credit granted to France by the acquisition of certain products.



Sir F. H. Cowen, Mus. Doc., writes:—"I have tried 'De Reszke' American Cigarettes and find them excellent—mild, and at the same time with a most pleasant flavour. For a Virginia cigarette I could desire nothing better."

Miss Victoria Cross writes:—"I find your 'De Reszke' American Cigarettes exquisite. The blend seems to be absolutely perfect."

JUDGE a man by the company he keeps—a cigarette by those who smoke it. By this test "De Reszke" are easily best. Try a box—their quality will win your admiration.

"De Reszke"
The Aristocrat of CIGARETTES

Sold at all Military Canteens at Home and Overseas, also Tobacconists' and Stores.

THE BANK OF TAIWAN,
LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.
Head Office - - TAIPEH, FORMOSA.

BRANCHES:—Amoy, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, New York, Osaka, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, and every important city in Formosa (Taiwan), &c.
The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.

London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

WE are indebted to a valued correspondent who has become interested in what we have said during recent months on various subjects connected with South America for a copy of the *Mexican Review*. This *Review*, for reasons which the reader will readily appreciate, has arrived in the recent past during long and sometimes varied intervals. It contains an exceedingly interesting article on the growth of coffee in Mexico. Mexico in our day is not a great producer of coffee, although it appears that the coffee berry was originally introduced into Mexico by the Spaniards. It does not appear that coffee was known to the ancient Mexicans of pre-Spanish times; although, of course, as the reader no doubt is aware, it is disputed whether the coffee berry was not indigenous to South America. The evidence for or against is by no means conclusive. The general opinion is that coffee came originally from Arabia. Against this, it is argued that the coffee shrub is found growing wild in various parts of South America where there are not, and never have been in the memory of living man, coffee plantations in the neighbourhood. This evidence, however, is wholly unreliable in the case of South America—indeed, particularly so so far as that continent is concerned.

It is well known that the Spaniards, savage as they were, had a real desire, so far as the home Government at least was concerned, to Christianise and civilise the native heathen. Consequently, many missionaries, particularly the Jesuits, many of them very distinguished men—some of them, like Las Casas, performed really great services—penetrated various parts of the country and established mission stations. These stations were in many cases destroyed, some by the Indians, and some at a later date by the local Governments when the Jesuits were expelled. Consequently, it is quite common to find, even in remote parts of South America, traces of the growth of plants of clearly European origin. In the territory of Missiones, for example, in the Argentine Republic, there are traces of gardens which were originally planted by the missionaries, and which have long since been abandoned, but in which plants are found that are not either indigenous to the soil or grown in any other part of the territory.

The coffee shrub is a big evergreen, growing anything from 10 to 20 feet in height. The fruit is a fleshy berry; as it ripens it assumes a dark red colour, and contains one, two, or three seeds. A coffee plantation is not unlike a vast garden planted with hollies, with berries in full bearing, only that it is in a hot climate instead of a cold one. The soil best suited to the growth of coffee is a sandy, clayey loam, fairly deep, but a soil that has been thoroughly well drained, because water is exceedingly injurious to the plant. The shrub has the faculty of penetrating with its tentacles some 3 feet into the ground, and draws from thence quite as much nourishment as it requires. The coffee shrub requires lime in small quantities, but it should not be planted in soil where lime is too prevalent. The method of planting is to make a small hole and drop two or three seedlings into it. These should be covered with earth. It is desirable to jerk the plants to some extent to make sure, as far as possible, that the roots will not be bent. The hole is then filled to the top and banked up, so that the trunk of the seedlings settles down and there is no space where water can settle, if it can possibly be prevented, for the reasons just explained.

Coffee planting is by no means easy. In a sense the coffee shrub is a hardy plant, and will, of course, face a certain measure of frost. But if that frost is at all intense, as the experience last June in Sao Paulo showed, the result is disastrous to the crop. Owing to the desirability of having a fairly dry soil, some authorities argue that coffee should do best when planted on the slopes of hills. But experience seems to show that coffee planted on slopes, being more or less exposed to strong winds, loses a large part of its aroma; and, consequently, the best coffee should be grown on high lands. The coffee shrub, however, will not stand strong winds, and has to be carefully protected from them. On the other hand, a humid climate is fatal. The coffee plant should never be grown near the sea unless there is a protecting plantation to shelter it from the sea breezes. The proximity of the sea is in no sense injurious, as experience in South America has shown over and over again. Of course, the same is true of the cocoa plant. But the cocoa plant is a far more delicate proposition to handle than the coffee plant.

The experience of Sao Paulo, which is the greatest coffee-producing State known to the international markets, seems to argue that for growth upon a very extensive scale coffee requires somewhat peculiar conditions. The great plantations of Sao Paulo stand at an elevation of some 2,000 feet above the sea; and, consequently, they enjoy for practical purposes the rarity of atmosphere associated with a far greater distance from the Equator than the latitude of this State. On the other hand, the ripening of the berries requires a powerful sun. The State of Sao Paulo, being just outside the tropics, affords to the plant the benefit of the sun's rays only slightly diverted from the vertical. But, as the present season has shown, there are ever-present dangers to a crop grown at such an altitude.

An industry which might be cultivated in Mexico to an almost unlimited extent is the cultivation of the palm tree that produces the cocoanut. Already the cocoanut palm does, in fact, grow in great abundance in Mexico, although that country is not a factor in the world's markets to the extent which it should be. In these times of

An Income you can count on

YOU know to a penny what your income will be when you buy the new 5 per cent. Bonds. The money arrives every six months with unfailing regularity. There is no "passing of dividends"; no reduction in interest when trade falls off.

Changes in industrial conditions may cut down the returns from other investments; they do not affect either the yield from War Bonds or the ultimate increase in capital value.

That is one of the considerations which carry weight with those responsible for the investment of trust funds and company reserves. So long as War Bonds can be purchased the problem of finding a suitable investment solves itself.

For the premium at which these Bonds must be repaid makes it certain that every £1,000 invested in 5 per cent. War Bonds now will be worth £1,050 in ten years' time; and meanwhile the interest at 5 per cent. will provide a substantial income without risk.

NATIONAL

War Bonds

Repayment and Interest guaranteed by the State.

On sale at all Banks and Money Order Post Offices. You have the choice between 5 per cent. Bonds issued at £100 and repayable in 1924 at £102; or 5 per cent. Bonds issued at £100 and repayable in 1929 at £105; or 4 per cent. (Income Tax Compounded) Bonds issued at £101 : 10 : 0 and repayable in 1929 at £100.

shortage of all feeding-stuffs there is hardly any limit to the demand for the products of the cocoanut, except the price at which it is sold. It is from the prepared oil of the cocoanut that we get margarine. Cocoanuts at present come mainly from Panama, Honduras, and the West India Islands; while copra, the crushed fruit of the cocoanut is obtained mainly from the Philippine Islands, from Australia, and from the Dutch East Indies.

It is an extraordinary fact that Brazil has never taken the position in the supply either of copra or of the cocoanut which one would expect her to occupy. Sailing down from Para to far south Pernambuco, one would imagine that Brazil produced nothing but cocoanuts. But whether it is due to the swampy nature of the soil on the Atlantic seaboard of Brazil, or whatever the cause may be, the fact remains that while there must be many millions of cocoanuts to be had for the gathering along this coast, very few of them appear upon the markets of the world. Copra, as we have said above, is the dried product of the cocoanut. The National City Bank of New York recently compiled some interesting figures on this subject, from which it appears that the quantity of copra imported into the United States of North America last year amounted to 550,000,000 lb. Before the War it had been under 60,000,000 lb.

According to the same authority it would be very difficult to estimate the world's total supply of cocoanut products. But the returns for the United States of North America show that the United States alone apparently consumed last year the product of 2,000,000,000 cocoanuts. Authorities seem generally to fairly well agree that one pound of copra represents the product of three averaged-sized cocoanuts. Consequently, as the United States imported 550,000,000 lb. of copra and 250,000,000 lb. of oil, the total number of nuts should be about 2,400,000,000. The value of the cocoanut products thus imported is estimated at about £12,000,000 sterling. Owing to the shortage of meat, fat, and dairy produce, the reader will appreciate the keen demand for vegetable oils, and especially that palatable product obtained from the cocoanut. Part of this oil is utilised in the manufacture of margarine and for cooking fats. The present price, and, no doubt, the demand for cocoanuts even before the War, appear to indicate that cocoanut planting offers a profitable field to the producer and a valuable article of food to the consumer if increased upon a great scale in various tropical areas of the world.

The British Industries Fair, organised by the Board of Trade, will be opened on Monday next at the London Dock, Pennington Street Warehouse, E. 1, and will remain open till Friday, March 7. The Fair will again be restricted to the same four trades as last year, but the number of exhibitors has increased, about 150 more firms exhibiting this year than last. The four trades mentioned are the paper, printing, and stationery; the glass and pottery; the fancy goods; and toys. The Fair is a strictly trade event, and admission is confined to trade buyers. Firms which have not yet received invitations and are anxious to visit the Fair should apply to the Director, British Industries Fair, 10 Basinghall Street, E.C. 2.

"Co-operation for Farmers." By Lionel Smith-Gordon, M.A. Price 6s. net. (London: Williams and Norgate.) Mr. Smith-Gordon, who is Assistant-Secretary of the Irish Agricultural Organisation Society, and who has written several works on this subject, urges strongly in his latest work the benefits which would accrue to English agriculturists from closer co-operation in their undertakings, and the means of increasing those benefits. A very serviceable work, which should be earnestly and thoughtfully digested.

HEAD OFFICE: 1 Dale Street, LIVERPOOL.

1836 THE LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY LIMITED

LONDON: Chief Office, 1 Cornhill, E.C. 3.

TOTAL ASSETS exceed - £16,000,000
TOTAL CLAIMS PAID over £89,000,000

FIRE. LIFE. ACCIDENT. MARINE.

Annuities, Leasehold Redemption, Burglary, Fidelity Guarantee, Motor Car, Plate Glass, Personal Accident, Workmen's Compensation, Sickness, Live Stock, Loss of Profits, &c.

OFFICES IN ALL THE CHIEF COMMERCIAL CENTRES.

American Topics.

NATIONAL RAILWAYS OF MEXICO.

After several years of disturbing conditions, covering a period longer than that which has elapsed since war began, it now seems that a better state of things may be looked for in Mexico, judging from the news recently to hand from New York. According to a statement received by the Consul for Mexico in London, the Under-Secretary of Finance for the Mexican Government is at present in New York, with the object of discussing with American bankers arrangements for the conversion of the foreign debt. Among other things, the Under-Secretary is endeavouring to arrange payment of the debt contracted by the Mexican Government to the National Railways of Mexico, and the devolution of the road to the owners. Naturally this news has had a beneficial effect upon the market for Mexican securities, and especially for those of the National Railways Company. That the day is drawing nearer when Mexico will be able to meet all her obligations, and when the railways will be resuming interest payments, is obvious, but it should be recognised that negotiations are still only in a preliminary stage. Indeed, according to reports to hand from New York, there is still some uncertainty as to the attitude of bankers in affording assistance to Mexico, and it is only by their co-operation the situation can be fully rectified. So far, it is believed, the discussions have had negative results, and the feeling prevails on the other side that unless the American Government proffers assistance the outlook is somewhat unfavourable for an early settlement of Mexico's financial difficulties. In view of the discussions now taking place, some idea of the bonded indebtedness of the National Railways Company and the arrears of interest obtainable from the appended statement may be of interest:—

	Amount Outstanding U.S. $.	Date of Redemption.	Rate of Int. %	Int. Charge per annum. U.S. $.	Last Int. payment
Nat. Rys. Prior Lien ...	84,803,466	July, 1957	4½	3,816,000	Jan., '14.
General Mort.	50,747,925	Oct., 1977	4*	2,030,000	Apr., '14
Nat. R.R. Prior Lien ...	23,000,000	Oct., 1926	4½	1,035,000	Jan., '14
1st Cons. Mort.	24,740,000	Oct., 1951	4	990,000	Apr., '14
Mex'Int. Prior Lien ...	5,850,000	Sept., 1947	4½	263,000	Mar.1, '14
,, 1st Cons. Mort. ...	4,206,500	Sept., 1977	4	168,000	Mar.1, '14
Vera Cruz & Pac. 1st Mort.	7,000,000	July, 1934	4½	315,000	Jan.1, '14
Pan. Amer. 1st Mort. ...	2,003,000	Jan., 1934	5	100,000	—
,, General Mort. ...	1,484,000	Jan., 1937	5	75,000	—
	203,834,891				

* Principal and interest guaranteed by Mex. Govt.

In addition, the following notes are outstanding, and, beyond the sum due from the Government for damage to property that has resulted from the revolution and the settlement of arrears of interest on the

bonded debt indicated above, provision will need to be made for satisfying the noteholders:—

Notes Payable—

Trust Agreement.		Trustee	When due	Amount U.S. $
June 2, 1913		Cent. Tr. of N.Y.	June 1, '15	26,730,000
Dec. 1, 1913, and Extension Agreement of June 1, 1914 ...		Guar. Tr. of N.Y.	June 1, '15	746,000
Dec. 31, 1913		,, ,,	Jan. 1, '17	2,460,325
April 1, 1914		,, ,,	Jan. 1, '17	1,509,752
June 1, 1914		,, ,,	Jan. 1, '17	813,054
July 1, 1914		—	July 1, '16	1,103,000

The share capital of the National Railways Company is as follows. For some time prior to the revolution the First Preferred was receiving its full 4%, but no dividend has been paid during the past six years:—

	Outstanding U.S. $	Mex. Gov. Owns U.S. $
National Rys. 4% Non-Cum. 1st Preferred ...	28,831,000	10,000,000
National Rys. 5% Non-Cum. 2nd Preferred	120,379,341	30,278,300
National Ry. Common	71,803,166	71,778,066

The recent record of prices of the National Railways Company principal securities dealt in in London has been as follows:—

		1911.	1912.	1913.	1914.	1915.	1916.	1917.	1918.	Present Price
Nat. Rys. Pr. Ln. ...	H.	97⅛	95⅛	91	70	48½	41⅛	40¼	52½	50
	L.	92¾	91	58½	54¼	25½	23½	20¼	27½	
,, Gnar. Gen. Mt.	H.	92	90¼	84	65	45	31⅝	36⅛	45⅜	42½
	L.	84	80	56¼	51	27	19¼	20	28⅛	
Nat. RR. Pr. Ln. ...	H.	105⅜	104½	102⅛	84⅛	50¼	45	52½	61⅛	61
	L.	102⅛	101¼	77	70	35	40	22	32	
,, 1st Cons. Int.	H.	88⅛	85	81	58	36⅛	32	34	46	41
	L.	81¼	78⅛	50	46	30	23	19½	27	
Nat. Rys. 1st Pref....	H.	75⅛	72⅛	67½	36¾	27¼	25½	19⅜	24½	25
	L.	61¼	62	26½	26¼	15	15⅛	12	13	
,, 2nd Pref. ...	H.	39 1/16	37½	29⅛	14⅜	10 3/16	9 7/16	7⅜	10	10¼
	L.	26 1/16	26¼	9	7⅛	4¼	5	4⅜	5½	

BRITISH RAILWAYS.

In view of the discussion that has recently been going on as to the possibility of the Government taking over the railways, the reports of the meetings of the principal railway companies are of considerable interest, particularly that made by the Chairman of the Brighton Company this week, and reported in subsequent columns. Just prior to the war the form of railway accounts had been much improved, and additional information had been provided to shareholders and to the public. But with the outbreak of war and the assumption of control by the Government the reports became completely uninformative, and, except for a spark here and there, the speeches of the various Chairmen were almost equally unenlightening. It may be said that under war conditions it was unwise to furnish shareholders with any data regarding the volume of traffic that each railway was handling, but this argument scarcely carries weight when it is remembered that the French railways gave such particulars. However, the veil is now being lifted to some extent, and some idea of the traffic dealt with by the Brighton Company may be obtained from the Earl of Bessborough's speech, in which he sketches the growth of the Brighton Railway decade by decade, and deals particularly with the War services rendered by his Company. The Brighton Chairman's statement is also interesting as showing the present arrangement between the Government and the companies, whereby State control is to continue as at present until two years after the official declaration of peace. In these circumstances, therefore, it would appear that railway shareholders may look for a continuance of dividends roughly on their present basis until at least the middle of 1921, though at the same time it must be recognised that, with labour and materials available, the companies will shortly begin expending large sums of money upon renewals, &c. During the War, when it has been impossible to obtain labour and materials, the companies have been allowed to set aside from gross receipts money that would ordinarily have been expended for renewals, repairs, &c., and meantime are receiving in the aggregate a considerable sum as interest upon these accumulated balances.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue. Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

Business has again been quiet in the Share market, but after a drooping tendency at the start the tone became firm again in sympathy with a slightly hardening tendency in the price of the commodity. Holders remain indisposed to part with shares, keeping their eyes on the prospect of improvement in the market when industrial activity develops following the transition period now current. Meantime, there is not much to stimulate activity, and quietude seems likely to continue for a time, with possibly a slight sagging of quotations. If, however, the value of the commodity was raised by a demand for rubber on account of America, which, as is well known, takes 70% of the world's production, the reflection would no doubt be immediately witnessed in the Share market. So, too, if a favourable announcement should be made as to the excess profits tax.

ANNUAL REPORTS ANALYSED.

TAIPING (PERAK).

Issued Capital: £208,890 in 2/0 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16	2,390	1,990*	627,430	315	2/9½	1/1½†	52,134	33,416(a)	20
1916-17	2,590	1,990*	675,197	340	2/8·83	1/1¾†	52,363	35,835 a)	20
1917-18	2,790	—	590,615	—	1/7·9	1/1¼‡	15,451	7,572 a)	5

(a) After deduction of income tax. * 6 years old and over.
† Including selling charges. ‡ Excluding selling charges.

Price of Shares, 4/1. Market Capitalisation per planted acre, £151.

It is a poor report which this Company issues for the year ended September 30. Restriction of tapping involved a reduction of 84,000 lb. in the output and nearly 70%, or 391,626 lb., had to be sold in the East at prices averaging only 1s. 6.6d. per lb. gross. The sale of 124,611 lb. in London at about 2s. 2d. brought up the average for 516,237 lb. sold to not quite 1s. 8d. per lb. gross, and the unsold portion of 74,378 lb. being taken into account at little over cost the average of the whole production appears in the profit and loss statement at the equivalent of 1s. 6¼d. per lb., exclusive of selling charges. The corresponding figure for 1916-17 was 2s. 5.6d. in respect of the larger output. These factors, in conjunction with an increase in the f.o.b. cost from 8.76d. to 10.66d. per lb., explain the uncomfortably big fall in the net profit from £52,363 to £15,451. Of this, income tax, apparently assessed on three years' average, requires £9,151, and to pay the 5% dividend the carry-forward has to be reduced from £58,435 to £57,163. The major portion of this carry-forward is either employed in the business—capital expenditure for the past year exceeded the depreciation allowance by £11,447—or is represented by £11,300 of excess profits duty paid but not agreed. Treating this latter item as an asset, as is done in the balance sheet, current liabilities and the dividend exceed liquid resources by £4,211. Rectification of

this position in the current year will tend to curtail dividends, but later on, with more normal marketing conditions, a much better prospect should emerge. The shares, however, are quite high enough for the present.

TROLAK PLANTATIONS (PERAK).

Issued Capital: £25,000 in £1 Shares.

Results for Years to September 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16...	600	600	263,525	439	2/11	1/3	22,174	5,000	20
1916-17...	600	600	332,040	553	2/6	1/0¾	20,613	5,000	20
1917-18...	600	600	303,890	506	1/5½	-/11¼	8,509	5,000	20

This little Perak estate came remarkably well out of the trying period ended September 30, 1918, and though the average price realised was no more than 1*s.* 5½*d.* per lb. net, costs amounted to less than 1*s.* per lb., including depreciation but excluding selling charges. The net profit comes out at £8,509 against £20,613; but this is good enough in the circumstances, and as the bulk of the reduction falls on the excess profits duty, the dividend is maintained at 20%. The quality of the plantation and good management have proved a sufficient offset in this case to the disadvantage of smallness. The financial condition is sound, and, given improvement in the market for the product, there is no doubt that the Company will do very much better for its shareholders provided the excess profits duty is modified.

KRUBONG (MALACCA).

Issued Capital: £24,458 in £1 Shares.

Results for Years to September 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Net Price Realised per lb.	"F.o.b." Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16...	566	336	114,258	340	2/3·4	-/10·9	7,783	4,891	20
1916-17...	566	336	109,771	326	2/2	1/1·6	3,912	1,223	5
1917-18...	566	491	98,381	—	1/8	1/7·66	521*	—	—

* Loss.

The above results illustrate what we recently pointed out in these columns, viz., that temporary adverse conditions bear much more heavily upon small estates, unless they are of exceptional quality, than upon large ones. Certainly the Krubong is much too small an undertaking of its kind to stand by itself in these days. Amalgamation would be the best policy in the shareholders' interests, and they will do well to insist upon this when a better showing is made. It is fortunate that the refund that can be claimed from past excess profits tax payments offsets to some extent the effects of lack of prosperity, but the amount will not be sufficient to obviate the issue of Debentures to replace an outstanding loan of £5,000.

JOHORE PARA.

Issued Capital: £65,000 in £1 Shares.

Results for Years to June 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16	822	—	178,080	—	2/9½	1/2·14	13,243	9,749	15
1916-17	822	800*	195,124	243*	2/8·6	1/4·7	13,625	8,449	13
1917-18	822	820	214,711	261	2/1	1/1†	10,493	6,500	10

* Estimated. † F.o.b. cost.

Price of Shares, £108. Market Capitalisation per planted acre, 27/6.

Shareholders in this Company have to thank the fortuitous existence of a very favourable forward contract—now terminated—for the dividend they received on account of the past year. Tapping was not restricted, but the crop was a poor one in relation to the area in bearing, and the cost of production remained high. A balance profit of £4,000 is added to the carry-forward, but this is subject to excess profits duty, which amounted to £3,125 in respect of 1916-17. Prospects for the current year are uncertain. Only a small increase in output is estimated for, and unless the average price realised is well above 2*s.* per lb. little or no increase in dividend can be looked for.

DEVON ESTATES (MALACCA).

Issued Capital: £130,950 in £1 Shares.
Debentures: £2,100.

Results for Years to June 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16...	4,700	—	35,922	—	—	—	—	—	—
1916-17...	4,700	—	257,977	—	2/6	—	6,245	—	—
1917-18...	4,700	2,500*	540,000	236	1/9·3	1/5	2,348	6,360	5

* Estimated.

Price of Shares, 62/6. Market Capitalisation per planted acre, £91.

It has been an unfortunate circumstance for this Company that disorganisation of shipping and low prices for rubber have coincided with the arrival of half its plantations at the stage of comparatively large production. Shareholders have lost a good deal in consequence; but the reward for their patience during the long period of development is merely deferred, and it may not be altogether a misfortune in view of the incidence of the excess profits duty. As it is, substantial pre-War and during-War deficits are claimable as abatement in assessing excess profits duty, and consequently, if profits now rise to a high level, they will accrue to shareholders. As 3,000 acres were planted over six years ago, production with full tapping in force should forthwith increase to near 1,000,000 lb., and ultimately 1,500,000 lb. seems likely to be a normal harvest. Obviously, then, the Company is at present at the beginning of its career. It is proposed, as soon as possible, to increase the capital to £138,000 by the issue of 7,050 shares to shareholders at £3 per share, for the purpose of providing funds for improvements and for extending the planted area to 5,000 acres. Allowing for this the market valuation per acre now planted works out at the relatively low figure of £91. A full report of the meeting appears on another page.

LANGKAPOERA (SUMATRA.)

Issued Capital: £64,490 in £1 Shares.
Convertible Debentures: £14,010.

Results for Years to June 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16	1,202*	—	122,062	—	2/8½	1/11	15,362†	6,350	10
1916-17	1,378*	827	198,211	240	2/6¾	1/9½	16,984‡	12,770	20
1917-18	1,392*	—	249,474	—	1/4	1/2	1,316	—	—

* Partly interplanted with coffee. † Including £12,367 from 5,000 cwt. of coffee. ‡ Including £11,309 from 8,000 cwt. of coffee.

Price of Shares, 33/0. Market Capitalisation per planted acre, £94.

Coffee, from which this Company derived the bulk of the revenue enabling it to pay dividends in the past, brought in no profit in the year ended June 30 last, and the net receipts from rubber being very small no dividend is forthcoming for shareholders. As the rubber grows interplanted coffee is reduced. Partly as a consequence of this in the past year only 3,100 cwt. of coffee were produced, against 8,000 cwt. in 1916-17, while the rubber crop increased by 50,000 lb. This in itself was a poor result, having regard to the comparatively large acreage of about 1,000 acres in bearing. Moreover, 141,854 lb., or 56% of the total, remained unsold at the end of the year, and, being taken into accounts at cost price of 11.62*d.* per lb., reduced the average all-over value to only 1*s.* 4*d.* per lb., against 2*s.* 6¾*d.* per lb. in respect of the 1916-17 production. The carrying forward of this rubber and the realisation of same at higher prices than the book value will probably make an appreciable addition to the current year's revenue, and coffee is certain to sell at a higher figure in view of the recent improvement in marketing conditions. Apart from that, however, the prospect of the current year does not appear to be particularly good, and the same remark applies to the more distant future unless there should be ability to sell rubber at a much better price. The majority of Sumatra Estates stand high in order of merit, but they are situated on the east coast, which is quite a different matter to the south of Sumatra, where the Langkapoera Company's estate is located.

CALEDONIAN

INSURANCE COMPANY.

FIRE. LIFE. EMPLOYERS' LIABILITY.

PERSONAL ACCIDENT AND ILLNESS. BURGLARY.

HEAD OFFICE—19 GEORGE STREET, EDINBURGH.

LONDON OFFICES { 82 KING WILLIAM STREET, E.C. / 14 WATERLOO PLACE, PALL MALL, S.W.

Insurance Notes.

SUN LIFE ASSURANCE SOCIETY.

THE Sun Life Assurance Society is closely associated for business purposes with the Sun Insurance Office, whose main activities are connected with fire insurance business. Though the life office is younger by just a century than its namesake, it has been in existence since the days of George the Third. Despite its antiquity it is a very vigorous and up-to-date institution. Its business is restricted to the United Kingdom, and it is a typical British Company with influential connections all over the country, and particularly in the Metropolitan district, where it has 10 branch offices. Some of its life assurance schemes are distinctive and attractive.

The Society's new business for 1918 shows a considerable increase. New policies were issued by it for £1,772,093, of which £99,000 was reassured. The net amount which was last year retained at its sole risk, £1,673,093, exceeds the corresponding figure for 1917 by £300,951. The development during 1918 in the Society's business is further shown by an increase of £12,057 in the total net life premium income of the year, bringing it up to £1,063,721. An analysis of the figures in the revenue account of the life section shows that expenses, commission, and a transfer of £7,500 to the superannuation fund together absorbed about 15.3% of the premiums, which is well within the margin actually reserved for costs and contingencies. Claims amounting to £754,858 were paid and provided for during the year, of which £537,014 arose by death and £217,844 through survivance; whilst surrenders, bonuses and reduction to total abstainers involved a further outgo of £61,239. After adjustment of £19,864 for loss on exchange and on realisation of assets, the life assurance fund was increased through the year's operations by £450,598 to £10,429,307. The gross interest earnings on the life fund amounted to £496,750, and after deduction of income tax of £106,308, the net income from interest was £390,442, the average net yield on the fund during the year being reported as £3 18*s*. 1*d*. per cent. The last quinquennial valuation in this Society was made on December 31, 1916, when it was assumed for actuarial purposes that the yield would be 3%, so a fair profit has accrued from this source.

Consideration received in 1918 for annuities produced £31,006; annuities of £124,957, less income tax, were paid; and the annuity fund at the close of the year amounted to £1,468,149. The sinking fund and capital redemption account shows a premium income of £94,257, and a relative fund of £1,652,689 at the close of 1918. Accident insurance premiums amounted to £3,983, and the accident fund to £16,384.

The balance sheet as at December 31, 1918, shows total assets of £13,905,517 in the life assurance, annuity, sinking fund and capital redemption, and accident insurance accounts. A note thereto states that the investments made before December 31, 1916 (the date of the last quinquennial valuation) were taken at the same values as on that date, and that investments subsequently made stand at their cost prices, less in each case ordinary or special sinking funds brought into account. £5,704,732 of the assets in this section related to British Government securities.

The paid-up capital amounts to £480,000, in 48,000 shares of £10 each fully paid. The proprietors' assets, inclusive of capital, amounted on December 31 last to £498,713, of which £229,800, or nearly half, represented investments in British Government securities. The dividends paid in 1918 (by half-yearly instalments) amounted to 7*s*. 6*d*. per share, free of income tax.

The special Sun Life schemes, to which allusion is above made, include (1) one dispensing, of course under suitable safeguards, with medical examination in the case of new entrants, (2) payment of premiums if desired by monthly instalments, and (3) reductions of premiums to total abstainers.

LONDON AND LANCASHIRE FIRE AND LAW UNION AND ROCK INSURANCE COMPANIES.

Allusion was made in these columns last week to the announcement that a preliminary understanding had been arrived at between the Boards of the above-named companies whereby, subject to assent of the respective shareholders, it is proposed that the London and Lancashire Fire Insurance Company, Limited, should acquire the shares of the Law Union and Rock Insurance Company, Limited. If this arrangement is carried through it will result in a very important and powerful combination.

The London and Lancashire Fire (which is quite a distinct institution from the Life Company bearing a similar name) has for many years been one of the leading British fire offices. It has been most successfully conducted, has paid handsome and steadily increasing dividends to its shareholders, and its reserves are very strong. It acquired in 1907 the Law Accident Insurance Company and the Standard Marine Insurance Company, and in 1917 the Marine Insurance Company. Consequently it is largely engaged in accident, miscellaneous, and marine, as well as fire, business. In 1912 it secured powers to transact life assurance, but has not as yet exercised them. On December 31, 1918, its subscribed capital amounted to £3,132,825, of which £313,282 10*s*. was paid up, in 125:313 shares of £25 each with £2 10*s*. paid. The dividend for 1917 amounted to 33*s*. per share, less income tax. The interim dividend for 1918 was 18*s*. per share (as compared with 16*s*. per share for 1917). Consequently, full dividend for 1918 is not likely, in the absence of abnormal circumstances, to be less than 36*s*. per share. There is also an issue of £983,266 "Marine" Debenture stock. The total assets of the Company on December 31, 1917, amounted to £9,016,116.

The Law Union and Rock Insurance Company represents fusions entered into at various dates of the "Law Union," "Crown," and "Rock" Companies, and it transacts life, fire, accident, and miscellaneous business. In 1917 its fire premium income amounted to £320,011, the employers' liability premium income to £38,145, the accident premium income to £17,601, and other miscellaneous premium income (apart from life business) to £51,309. All these departments have shown satisfactory results in the past. The chief attraction, however, to the purchasing Company is doubtless the large and high-class life business of the Law Union and Rock. That Company's life premium income amounted in 1917 to £579,892, and its life funds at the close of the year to £8,555,596. The bonuses on the active series of this life business have been at a high standard in the past. The total assets as at December 31, 1917, amounted to £10,340,390.

The Law Union and Rock share capital is as follows:—Subscribed, £1,575,000; paid up £165,000, in 150,000 shares of £10 each on which 12*s*. is paid, and 75,000 fully-paid shares of £1. There is also an issue of 4% Debenture stock, of which £247,477 was

outstanding on December 31, 1917. The dividends for several years past have been at the rate of 8s. per share, less income tax.

It is understood that the prices to be given for the Law Union and Rock shares will be about £10 each for those partly paid and £10 10s. each for those fully paid, either in cash or an equivalent in Debenture stock. These seem attractive from the point of view of the Law Union and Rock shareholders.

Should this fusion eventuate the London and Lancashire Fire Company will take rank as one of the great universal providers of every description of insurance, and will enter into possession of a fine life business and organisation, while it will greatly extend its influence and connections (particularly in legal circles) in fire and accident insurance. It is apparently intended that the Law Union and Rock Insurance Company shall continue its identity under its existing directorate. This seems a natural and desirable arrangement. The inference is that the life business of the combined organisation will be written by the acquired Company, and if this should be so there is no reason why the arrangement should not work well, looking to the success of the Law Union and Rock Company's extensive operations in this sphere. Altogether the proposed fusion seems to have much to commend it to the favourable consideration of the shareholders in both companies. Centralisation and concentration of efforts should lead to increased volume of business and to enhancement of profits in the able hands of the purchasing Company, whose career has been uniformly successful. It will be seen that the combined funds of the two Companies will approximate to £20,000,000.

CORRESPONDENCE.

CONDITION OF OUR BANKS.

To the Editor of THE STATIST.

SIR,—"*Failure of our banks during the quarter of a century that elapsed between the Baring crisis and the outbreak of the War to accumulate a great gold reserve.*"—*Feb.* 8, 1919, *p.* 227.

Allow me, with your usual courtesy, to take exception to the implication in the above extract as to the gold reserves of the banks of this country. What may be meant by "a great gold reserve" I do not know, but the facts are on record in the Annual Reports of the Deputy-Master of the Mint. These show that the gold coin held by the banks on the night of June 30 increased steadily from £33,000,000 in 1907 to £110,000,000 in 1915. This may seem to you, Sir, inadequate, but I submit that it hardly justifies the severity of your remarks on this, and on more than one other occasion, when writing on the subject. EX-BANKER.

Feb. 11, 1919.

[We have pleasure in allowing "Ex-Banker" to put his case for the banks. But we would remark upon it, firstly, that he refers us not to the accounts of the banks themselves as they are made up and published every year, but to a publication which is not under the authority of the banks and is not authorised to speak for them. Furthermore, the figures he quotes relate to 1915, and we are now in the year 1919. The best comment upon the subject is afforded by the fact that an agitation was conducted for a quarter of a century before the War to induce the banks to keep adequate gold reserves, and that with the exception of the London Joint City and Midland Bank they all refused to do so; the result being that when the War broke out the Chancellor of the Exchequer had to hurry into the City and pledge the innocent taxpayers to protect the bankers if things came to the worst. There is no getting over that fact, or the fact that the banks have not the courage themselves to publish in their annual reports the actual gold they hold.—ED. "STATIST."]

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Subscribed Capital £543,666
Paid-up Capital £120,000
FOR REINSURANCE BUSINESS.

Fire, Marine and General Department.
ST. SWITHIN'S HOUSE, ST. SWITHIN'S LANE, LONDON, E.C. 4.
Manager J. HERBERT E. LANE.

Registered Office and Life Department.
9 FLEET STREET, LONDON, E.C. 4.
Actuary and Secretary: CHAS. WISBERT.

Commercial.

THE JUTE INDUSTRY.—I.

JUTE spinning and weaving, as a purely British industry, dates only from the early part of the nineteenth century. Between 1830 and 1835 jute manufactures were first established upon a considerable scale in Dundee and the neighbouring district of Forfarshire. Jute fibre, and even jute fabrics, were known in this country as early as the last quarter of the eighteenth century, when the old East India Company introduced jute for the first time upon the English market. In India itself jute had been grown and used by the natives from time immemorial. It was made, of course, by hand-looms, as distinct from machinery, but it was used very much as we use it now, although, of course, in those days in India there was comparatively little demand for jute sacking. The principal uses for jute in India in the distant past were for cordage and the making of jute mats. These mats, however, were quite distinct from the jute carpets with which the people of this country, and still more of the tropical countries of the world, are now so familiar. As said above, it was in the early thirties of last century that jute manufacture was established upon a great scale in the neighbourhood of Dundee, and for nearly 30 years Dundee continued to import the raw material from India upon an ever-increasing scale, and for supplying the finished product commanded the markets of the world for very nearly a generation. So late as 1860 the export of raw jute from India did not much exceed 400,000 bales, and of this total 350,000 bales were absorbed by the Dundee mills. This state of ever-growing prosperity continued for about another decade. Since then the Dundee industry has grown but slowly, having to face competition, principally in the manufacture of the coarser kinds from India and various parts of the European continent, but particularly from Germany, Austria, France, Belgium and Russia.

The following shows the growth of the industry:—

	1884 Bales of 400 lbs.	1914 Bales of 400 lbs.
Total crop	3,750,000	10,000,000
India	900,000	5,000 000
Dundee	1,200,000	1,295 000
Continent	650,000	2,610,000

It will be seen that in 1884 the total crop amounted to 3¾ million bales of 400 lb. to the bale, and that while India absorbed some 900,000 bales, Dundee took 1,200,000, leaving only 650,000 for the Continent. By 1914 India herself was able to absorb in her own mills practically half of the total crop of jute grown in the Dependency, while the Dundee mills only absorbed some 95,000 bales more than they had done 30 years earlier, and the growth in the manufacturing industry in the European continent had multiplied considerably more than four times over.

India, as a manufacturer of jute by machinery, and upon the enormous scale which the figures above show, as distinct from the hand-loom business, to which we have already referred, dates only from the early sixties

of the last century. A small factory was first started in Calcutta, and these factories have gone on multiplying year by year. The conditions for the development of the jute-manufacturing industry in India itself were naturally highly favourable. All India required, as she requires still, for the development of so many of her potential industries, of which she either actually supplies, or is capable of supplying, the raw material, was trained experts, machinery, and capital. In the case of the jute industry, which we are now considering, the capital, machinery, and trained managers, were supplied direct from Dundee. Raw material was supplied in abundance almost at the doors of the factory. Wages, low in India still, were even lower half a century ago. Labour was not only cheaper, but practically as abundant, and as readily obtainable as the raw material itself. General charges, such as the cost of erecting the factories, rent, and office expenses, were also low compared with the figures obtaining in Dundee. The only heavy charge in fact which the management had to face was the cost of the highly trained expert European staff, who were appointed to direct the operations of the factory. This staff, however, was composed of comparatively few individuals. Another factor which assisted India in the development of the jute industry was her geographical position. There is a large demand for jute goods of certain counts, and at certain prices, in the Far Eastern markets, and India was exceedingly well placed for supplying these markets, as owing to her proximity to them, the freightage on the goods was exceedingly low. The result has been an enormous expansion in the industry, and there are now in the neighbourhood of Calcutta 72 mills, 38,000 looms, and some 800,000 spindles, employed in the fabrication of raw jute. The export of jute fabrics amounted in value in the year that preceded the outbreak of the recent European War to practically £19,000,000 sterling, and it may truly be said that the Calcutta jute mills dominate the markets of the world in gunny bags of coarser texture, coarse jute yarns and rough Hessians.

For more than a generation after the jute industry had become firmly established in Dundee that city had a practical monopoly of distribution of the trade with the European continent. The centre of distribution was the city of Hamburg. In some cases Dundee houses were represented in Hamburg itself by Hamburg merchants. As the trade grew it became more usual for important German houses established in Hamburg to have their own agents in Dundee, instead of themselves acting as representatives of Dundee firms. This practice gave them a larger selection amongst the Dundee houses, as they were not tied to any particular firm. Gradually the Hamburg merchants conceived the idea of manufacturing jute goods suitable for the Continental trade in works established by themselves, either in Hamburg or in its neighbourhood. Towards the end of the sixties of the last century a jute factory was accordingly set up quite close to Hamburg. British machines were imported, and British managers and supervisors taken over from Dundee, for the purpose of training factory hands in the methods of jute manufacture. To a very large extent British machinery is still, or was, at any rate, up to the beginning of the War, imported by the jute factories established in various parts of the Continent; but the result has been that the Continental trade for jute goods, particularly in the coarser counts, has been wholly lost to Dundee. The method adopted has been to impose high tariffs on all goods coming from Dundee, with the exception of those which are technically known as the finer counts. Gunny bags were first excluded by this method, and finally jute yarns, which for several years had been allowed to be imported duty free. Various Continental countries have adopted this method, but so far they have confined themselves to the supply of jute cloth and gunny bags for their own local market. Shortly before the outbreak of the recent War Germany in particular, and Austria-Hungary to some extent, were threatening to establish an export trade in the coarser counts of jute fabrics. The War intervened, and so far nothing has been done. Having lost to India—which was natural, owing to the fact that India produces the raw material—practically the whole of the trade in the coarser counts for gunny bags and various jute fabrics, and the major portion of the trade in a similar class of goods with the European continent, the Dundee trade has now for many years remained practically stationary. It is almost exclusively a high-class trade for the supply of various fabrics of the finest counts for the continent of Europe, for the East, and for South America. Dundee goods, or rather goods made in Dundee, have a high reputation for quality throughout the international markets. The trade is now largely confined to the manufacture of fine yarns, various types of goods that can be only made by special machinery and by expert skilled workmen under expert direction, as well as jute carpets and certain other specialities for which there is a demand in the different markets of the world. The carpet branch of the industry has been very much developed in recent years, as well as a type of particularly wide floor cloth. This latter branch now represents between a quarter and a third of the industry.

MEAT FROM CHINA.

The arrival of the first consignment of beef from China at Tilbury recently gives colour to the suggestion that China may take a big part in the feeding of Europe during the next two or three years.

Owing possibly to carelessness in handling or shipping, some of the earliest consignments of Chinese pork to this country had to be condemned on arrival, and this was sufficient to prejudice the meat in a country where the insanitary conditions of the Far East are an accepted fact. It is probable that vested interests made skilful use of the incident to discourage the new venture. Since that time British and other cold-storage companies have erected establishments in various parts of China to deal with the products under sanitary condition. The demand, moreover, has increased, and China is doing a steadily increasing export trade in frozen beef, pork and mutton, bacon and hams, lard, poultry and game (wild ducks, geese, pheasants, snipe and quail), as well as eggs and egg products, the total value of which in 1917 was about £4,250,000.

As regards beef, the province of Shantung possesses about 600,000 head of cattle, Manchuria 400,000, whilst Szechuan, Fukien, and other provinces, also have large herds. Mutton of excellent quality and in large quantities comes from Northern China, whilst pigs are raised everywhere; but the best pork comes from the Hunan, Kianysi, Yunnan, and Honan provinces. Yunnan hams are reputed to be of the best quality, but the big market for the distribution of hams is Shanghai. In 1917 some 3,000,000 lb. of hams, valued at about £110,000, were exported, most of which came to this country. The United Kingdom

HARRISONS and CROSFIELD,
LIMITED.

Eastern and General Merchants.

Agents and Secretaries for
RUBBER, TEA AND PRODUCE COMPANIES.
ESTATES FINANCED.

Head Office : 1-4 Great Tower Street, London.

also took a large portion of the 10,000 tons of lard exported in 1917, the chief ports of shipment being Shanghai and Hankow.

The egg trade of China has grown in recent years, and annually some 350,000,000 preserved and fresh eggs are shipped abroad, as well as 30 million lb. of frozen eggs and 55 million lb. of egg yolk and albumen. The principal ports are Shanghai, Hankow, Nanking, and Tientsin, and the total value of egg products shipped from China in 1917 was nearly £3,000,000

The extent to which this country is a customer for Chinese meat and egg products can be judged from the following figures, showing our imports from China in 1917:—

	£
Eggs (38½ millions)	255,000
Egg yolk and albumen	1,433,000
Lard (74,427 cwt.)	387,000
Pork, bacon, and hams (54,565 cwt.)	385,000
Poultry	205,000
Total	2,665,000

THE DECLINE IN INDIAN AGRICULTURE.—I.

Returns that filtered through in 1917 are not altogether reassuring with respect to Indian agriculture. The War in 1915 had given a great stimulus to wheat growing, or so it was said; but the impetus was not very well sustained in 1916. The pulse crops, which for 1910 to 1914 had been in steadily increasing demand for export to the United Kingdom, were now refused tonnage on the ground of their inferior importance. Barley ceased to be exported, and the great demand for fibre was not said to be resulting in the increase of cultivated area anticipated. As 1918 passed the reports deepened in gravity, and we are now, with the second month of 1919, in a position to discern that the cultivation of Indian soil in general, whether for food or fibre, appears to have entered upon a period of decline. It is evident that the Indian Government has not appreciated the position. At present the opinion in the United Kingdom appears to be that, with an increasing population to feed, there are not only large areas going out of cultivation, but there is a great neglect to provide good seed and take other steps to increase the yield per acre. Irrigation has raised yields in the Punjab by 50% in some instances, but is not capable of indefinite extension.

The wheat yields of India are thus given on semi-official authority for Calcutta.

	Quarters		Quarters
1911	46,300,000	1914	39,300,000
1912	45,800,000	1915	47,900,000
1913	45,300,000	1916	39,700,000

The quarter is 480 lb. in these estimates, but the Indian gram weighs from 492 to 496 lb. as a rule. The 1917 and 1918 crops have not been the subject of any really definitive official returns, but the trade has put them at 46 and 42 million quarters respectively, and the exportable surpluses at 9 and 3 millions, or 12,000,000 quarters for the two years during which the Government has largely withheld tonnage.

In endeavouring to ascertain Indian cereal production we are confronted with the difficulty that only the publication of full particulars with respect to wheat is permitted. There has also been released the interesting fact that there are 2,400,000 acres devoted to arachis, the only earth-nut, and that the average yield is 1,200,000 tons.

Indian Cereal, Rice, Sugar and Oilseed Areas (Unit, a Million Acres).

	1901 for 1902 Crops	1913 for 1914 Crops	1916 for 1917 Crops	1917 for 1918 Crops	1918 for 1919 Crops
Wheat	23·4	32·4	30·0	31·0	24·0
Rice	48·5	77·7	79·7	78·0	74·3
Barley	6·2	No returns available			
Maize	6·2				
Pulse	75·0				
Sugar	2·4	2·4	2·5	2·5	2·5
Oilseeds	12·3	No returns available			

The pulse crops include gram, jowri, raje, bajra, dholl, dari, and minor sorts of *Lathyrus* and *Vicia*. The oilseeds are linseed, cottonseed, rapeseed, sesame and hempseed. Cottonseed, when grown for the fibre, of course does not count as an oilseed crop. The difficult matter of the vast undifferentiated 75 million acres of "pulse" is a little eased by a separate return for millet, which means the botanical genus *Panicum*. The area is 41 million acres.

SAVINGS BANK DEPOSITS.

The increase in the deposits of the Savings Banks, to which we have drawn attention in the past few months, continues to be most marked. It is true the addition during the four weeks to February 15 was not quite as large as in the previous four weeks. Still, the increase was no less than £4,244,000. This is especially noteworthy in view of the cessation of payment of extraordinarily high wages to munition workers that followed upon the signing of the Armistice. Indeed, in the short period of 16 weeks since October 26 the expansion in the deposits has been no less than £16,650,000, or just over a million a week. The present rate of expansion is fully double that recorded just over a year ago, and raises the total for the first time to over £300,000,000, the amount on February 15 having been no less than £303,740,000. A year ago the total stood at £259,176,000, so that during the past twelve months the growth has been not far short of £45,000,000. It is significant, too, that the greater part of the expansion in Savings Bank deposits since war began has occurred in the past year, for between the outbreak of war and twelve months ago the total increased from only £244,500,000 to about £259,200,000. The expansion during the past year has been in face of the considerable sale of War Savings Certificates, as well as of the small denominations of National War Bonds, by the classes who

"Beautifully Cool and Sweet Smoking."

PLAYER'S
NAVY CUT
TOBACCO

Packed in varying degrees of strength to suit every class of smoker.

PER OZ.
Player's Gold Leaf Navy Cut
Player's Medium Navy Cut
Player's "Tawny" Navy Cut
10½D.

Per Oz.
Player's "White Label" Navy Cut
9½D.

Also PLAYER'S NAVY CUT DE LUXE a development of Player's Navy Cut packed in 2-oz. and 4-oz. airtight tins at 2/1 and 4/2 respectively.

This Tobacco is also supplied at Duty Free Rates for the purpose of gratuitous distribution to wounded Soldiers and Sailors in Hospital. Terms and particulars on application to

John Player & Sons,
Nottingham.

Branch of the Imperial Tobacco Co. (of Great Britain and Ireland) Ltd.

PLAYER'S NAVY CUT

P574

patronise the Post Office Savings Bank. Moreover, the figures we have quoted above relate only to the Post Office and Trustee Savings Banks, and leave out of account the deposits in the savings banks departments of the joint-stock banks, some of which have taken up this class of business in recent years. Another interesting feature of the past year's growth is that it exceeds the expansion that took place in the 10 years that immediately preceded the outbreak of war. But the matter that furnishes the greatest surprise is that Savings Bank depositors, month after month, are willing to continue to receive only 2½% upon their money when they could obtain War Savings Certificates that would yield them more than double that return. If it is that the depositors feel that by allowing their money to remain as at present they can easily withdraw it, should the necessity to do so arise, it would seem that the National War Savings Committee, or whatever organisation is now responsible for the matter, still has plenty of scope for pointing out that War Savings Certificates may be converted into cash as easily as can the deposits in the Savings Banks, and that the credit behind the deposits and the Certificates is identical.

Date	Post Office	Trustee	Total	Inc. in 4 Weeks
	£	£	£	£
Feb. 15, 1919 ...	241,615,365	62,124,584	303,739,949	+4,244,000
Jan. 18, 1919 ...	237,644,611	61,850,925	299,495,536	+5,045,000
Dec. 21, 1918 ...	233,076,713	61,373,712	294,450,426	+4,240,000
Nov. 23, 1918 ...	230,472,784	59,777,428	290,250,213	+3,177,000
Oct. 26, 1918 ...	228 323,276	58,750,025	287,073,301	+4,791,000
Sept. 28, 1918 ...	224,521,779	57,761,052	282,282,831	—
Feb. 16, 1918 ...	207,341,781	51,834,624	259,176,406	+1,524,000
Jan. 19, 1918 ...	205.928,310	51,723,785	257,652,095	+2,576,000
Dec. 22, 1917 ...	203,298,687	51,777,164	255,075,851	—
Dec. 1916 ...	196.458.436	52,758,438	249.216,674	—
Dec. 31, 1915 ...	186,327,584	51,412,370	237,739,954	—
Dec. 31, 1914 ...	190,533,208	53,943,271	244,476,479	—
Aug. 1914 ...	191,516,822	52,979,463	244,496.285	—
Dec. 31, 1913 ...	187,248,167	54,258,861	241,507,028	—
Dec. 31, 1903 ...	146,135,147	52,540.339	198,676,486	—
Dec. 31, 1893 ...	80,598,641	42,243,600	122,842,241	—

SELFRIDGE AND CO., LIMITED.

NOTWITHSTANDING the hindrances to its development occasioned by the War the business of this comparatively young undertaking has made its usual progress in returns during the past year. So far as gross profit is concerned the return per cent. is reported to have been smaller than in 1917, while, on the other hand, expenses were unprecedentedly large. In these circumstances it would appear from the profits announced that the turnover must have very considerably expanded. The net trading profit, which as recently as 1912 was no more than £50,247, and for 1917 had risen to nearly £259,000, was last year almost £323,000. A good deal of this was, of course, absorbed in excess profits duty. Nevertheless, after the payment of the Preference dividend the profit for Ordinary for 1918 was just over £103,000, as in 1917, and for the third consecutive year the Ordinary received 7% tax free. The whole of the Ordinary capital is held privately, and therefore does not concern the general investor, whose interests, apart from the financial strength and the development of the Company, are confined to the Debentures and to the Preference capital. The latter amounts to £700,000, in £1 shares entitled to a 6% cumulative dividend subject to tax. For the past three years, however, the Preference shareholders have derived advantage from the greater prosperity of the Company, in that the Preference dividend has been paid tax free up to 5s. in the £, so that at present the gross dividend on the Preference capital is 8%. How long this policy is to be continued is a matter entirely in the discretion of the directors; but that its continuance is anticipated to extend over a somewhat lengthy period appears evident from the market price of about 22s. 6d., at which the gross yield from the 8% dividend is 7⅛%. During last year some additional businesses outside London were acquired, and it is understood these are likely to become a source of profit at no distant date. Some five years ago plans were prepared for considerably developing the Company's business, and now that the obstacles arising from the War no longer stand in the way it is to be expected the extension programme will soon be taken in hand. Including stocks valued at £424,207, but excluding trade investments, current assets on January 31 last stood at £787,827, while, on the other hand, irrespective of mortgages of £192,552, current liabilities on the same date amounted to £554,000. The rapid expansion in profits will be apparent from the following statement:—

Yr. to Jan. 31	Net Trading Profit	Depre-ciation	Excess Profits Duty	Deb. Int.	Pref. Div.	Profit for Ord.	Div. on Ord. %	Div. on Ord. £	Special Allctns.	Carried Frwrd.
	£	£	£	£	£	£		£	£	£
1919...	322 825	10,000	140,000	17,130	52,500	103,195	7	35,000	50,000	173,720
1918...	258,764	10,000	75,000	17,932	52,500	103.332	7	35.000	40,000	155,525
1917...	225,138	10,000	35,000	18,176	52,500	109,462	7	35.000	26,000	127,193
1916...	150,223	10.000	—	18,627	42,000	79,596	6	30,000	11,755	78,731
1915...	134,791	8,000	—	18,960	32,337	75,494	5	25,000	26,000	40,890
1914...	131,547	5,000	—	19,151	24,000	83,396	5	25,000	50,000	16,396
1913...	104,029	3,557	—	19,668	24,000	56,804	Nil	—	56,804	8,000
1912...	50,247	—	—	19,810	23,998	6,439	Nil	—	5,779	8,000

YORKSHIRE ELECTRIC POWER CO.

FURTHER progress is being made by this undertaking, which was formed primarily to generate electricity in large central stations for distribution throughout the West Riding of Yorkshire. The Company began operations about 14 years ago, and for some time made only slow progress. In the past few years, however, the growth has been more rapid, and at length the shareholders are receiving a return which enables the Company to raise new Ordinary capital. The paid-up capital on December 31, 1918, consisted of £271,550 in 6% £5 Cumulative Preference shares and £309,040 in £10 Ordinary shares. At the same time £1,421,120 of Ordinary capital remained unissued. For purposes which are referred to in the speech of the Chairman, reported on another page, it is proposed shortly to issue at least £100,000 of fresh capital in the form of Ordinary shares, which in the first place are to be offered to existing shareholders. As regards the past year's operations, while no statement is made of the number of units sold, it is apparent that the quantity was considerably in excess of that for 1917, judging by the increase from £142,742 to £188,183 in the receipts from sale of energy. Before deduction of tax on Ordinary dividend the profit for the Ordinary in 1918 amounted to £52,419, equal to about 14⅛%, compared with £26,107, equal to 9⅝%, for 1917, when the dividend paid was 5%. Last year's dividend of 7% compares with 5% for 1917, 3% for 1916, and 1% for each of the two earlier years. Further, from last year's surplus profit £15,000 was transferred to reserve fund, now standing at £59,000, and the balance carried forward has been raised from £4,391 to £10,224.

On December 31 last the total capital expenditure amounted to £931,763, which had been provided by the Preference and Ordinary capital referred to above, by £145,000 of mortgages, and by £134,302 of loans and advances repayable over a period of years. The debit balance on capital account, therefore, was £71,871.

The development of the Company's business is well indicated in the appended statement of earnings and profits:—

Yr. to Dec. 31	Receipts	Ex-penses	Net Re-ceipts	Net Profits	Profit for Ord.(b)	Div. on Ord. Subject to Tax Earned %	Div. on Ord. Subject to Tax Paid %	Div. on Ord. Subject to Tax Paid £	Special Alloca-tions	Carried For-ward
	£	£	£	£	£	%	%	£	£	£
1918...	192,785	126,426	66,299	52,419	41,295	14·13	7	20,462	15,000	10,224
1917...	146,271	101,145	45,126	36,501	26,107	9·61	5	13,5[illegible]	12,000	4,391
1916...	116,523	78,968	37,555	30,945	21,537	7·93	3	8,149	18,000	3,866
1915...	93,276	66,542	26,734	21,569	11,553	4·25	1	2,716	9,408	2,478
1914...	71,305	45,653	25,652	20,399	11,337	4·17	1	2,716	9,750	3,049
1913...	61,579	39,439	22,140	15,101	8,543	3·14	Nil	—	5,000	4,188
1912...	46,232	33,522	12,710	7,361	2,235	0·82	Nil	—	1,421	644
1911...	36,829	24,257	12,572	7,784	4,962	1·80	Nil	—	14,047	330
1910...	37,544	26,236	11,308	6,503	6,068	2·25	Nil	—	—	9,460
1909...	25,783	19,676	6,087	2,665	2,665	1·00	Nil	—	—	3,282
1908...	18,643	15,824	2,819	717	717	0·27	Nil	—	—	717

(a) After Debenture interest. (b) After Preference dividend.

The Preference shares are quoted in Leeds at 17, at which the yield is nearly 6½%, while the return from the 7% dividend on the Ordinary, quoted at 9½, is £7 1s. 9d.%

MEETINGS
OF PUBLIC COMPANIES.

THE CANADIAN BANK OF COMMERCE.

Record Year's Operations.

THE fifty-second annual meeting of the shareholders of the Canadian Bank of Commerce took place on January 14, 1919, at Toronto. The report submitted, which has recently been made public, was of an unusually satisfactory character. The President, Sir Edmund Walker, took the chair, and after the report had been read he requested the General Manager, Sir John Aird, to address the shareholders.

General Manager's Address.

The General Manager, in the course of his address, said: For the first time since January 1914 we meet without the sinister shadow of the great War upon us. Difficult as is the outlook before many of the warring nations, and perplexing as are the problems for which a solution has to be found before a satisfactory peace can be concluded, hostilities have ceased, and cannot be renewed on the same colossal scale. We have many reasons for a feeling of jubilation on this occasion, and this is added to by the excellence of the statement which we have pleasure in presenting to you. The earnings of the Bank have been good, and the profits have again reached a new high level, amounting to $2,850,000, or $212,000 more than a year ago. An unusual item in our profit and loss account this year, which affords us much gratification, is the recovery of the appropriation of $1,000,000 set aside in the year 1915 to provide for the depreciation of securities. We have set aside $100,000 to defray the cost of a memorial we propose to raise in honour of the officers of the Bank who have served in the great War and for the cost of the history of the Bank. We have been able to transfer $1,500,000 to rest account, which thus becomes equal to the paid-up capital. We carry forward into the new financial year an undivided balance of profits amounting to $1,444,842, or $112,000 more than a year ago. The increase in our total deposits is $76,733,000, or 27.7%, and the greater part of this is under the heading of deposits not bearing interest, which account for $64,552,000. Deposits bearing interest show an increase of $12,181,000.

Total Assets, $440,310,000.

Cash on hand, consisting of gold and silver coin and Dominion notes, amounts to $61,971,000, as compared with $54,652,000 a year ago, an increase of $7,319,000. Call and short loans show an increase of $8,324,000, of which the greater part is in loans outside Canada, and immediately available assets are $35,682,000 greater. Commercial loans show an increase of $52,621,000, nearly all of which is lent in Canada. Total assets have increased $95,935,000, and now amount to the very large sum of $440,310,000. This increase is 27.8% over the figures of last year.

The Victory Loan of 1918 was over-subscribed many times, and without the use of any compulsion, save the mere breath of public opinion. Our efforts to assist the Minister of Finance in obtaining subscriptions to the Loan have resulted in our securing through this Bank the large sum of $104,543,000, represented by 150,773 individual subscriptions. In addition, we participated in a loan of $100,000,000 to the Imperial Government against Treasury bills, and renewed the advances made against similar security to the Imperial Munitions Board.

With regard to the staff, it is our desire to reinstate all officers who wish to come back to our service from military duty, and at the same time to avoid any hardship which might be created by dispensing with the services of the members of the temporary staff who have filled the breach so acceptably during the past four years. With sorrow we record the death in action of 85 additional members of our staff during the past year, making a total of 226 who have been killed in action or have died of wounds since the outbreak of the War.

President's Address.—Cost of the War to Canada.

Sir Edmund Walker, C.V.O., the President, in the course of his address, said: Only yesterday we were bending every faculty as a nation and as individuals to the thousand different kinds of effort necessary to win the War. We had completely disrupted the co-operation of individuals in the various pursuits of life which are necessary to the happiness of society in times of peace, and men and women were drawn either into military and munitions work, or into the production of food, almost to the limit of our powers.

The cost of the War to Canada as at November 30, with all outstanding items carefully computed, was about $1,125,000,000, as compared with $685,000,000 up to the corresponding date a year ago. The balance due to Canada by Great Britain, in the open accounts between the two countries, is about $170,000,000. If we desire to consider the extent to which Great Britain's debt to Canada on war account may help our finances by its liquidation at a future time we have to add to this $200,000,000 due to the Canadian banks by the Imperial Government.

In November 1917 the first Victory Loan (the fourth Canadian War Loan) was offered. The sum asked was $150,000,000, and 875,000 people subscribed $421,000,000. This issue was made at 98.67. When the second Victory Loan came out in October last the Finance Minister was able to make the issue price par, with accrued interest. The latest figures for this loan show that while $300,000,000 was asked, 1,080,000 people have subscribed for $690,000,000.

Loans to Imperial Government.

We have increased the deposits by the public in our banks from July 1914 to November 1918 by $587,000,000, of which $268,000,000 is of the interest-bearing or savings class. We have purchased securities issued by the Dominion Government and others amounting roughly to one billion four hundred millions, having regard to the securities issued in Canada, but since sold abroad, and securities bought back from foreign holders. The Dominion Government and the banks have lent to the Imperial Government at least $370,000,000. We are also carrying on behalf of the Imperial Government a large part of the wheat crop of 1918. If we are to secure the increased production necessary to pay our debts and to prosper we must recognise certain main points as essential to success. We must be able to lend money to many of the purchasing countries, a condition never present in our export trade before the War. We can readily sell at good prices the products of our farms and pastoral areas and of our forests and mines. We can find good markets for the manufactured goods which appeared in our exports before the War: agricultural, traction and electrical machinery, paper, pulp, and other articles. For the time being, and we hope permanently, we can build ships, railroad cars, and engines for other countries as well as for ourselves. But we can only keep export trade permanently by a superiority over other manufacturing nations in at least some respects.

We have at least one asset of great significance. We are possibly better supplied with water powers of great future possibilities than any other country in the world. Except in the Maritime Provinces and in one Prarie Province, we can provide almost every important industrial centre with hydro-electric power.

We can now start afresh with the problems of peace, conscious that greater effort is necessary for the future, but that we are able to do many things thought impossible before the War; that our war burden, heavy as it is, is lighter than that of several of the leading nations; and that, with our small population and vast country, we should be able to attract immigration more successfully than ever in the past.

The report was adopted unanimously. After the retiring auditors were re-elected, and the usual votes of thanks to the directors and staff were passed, the meeting terminated.

BANK OF NEW SOUTH WALES.

THE half-yearly general meeting of the Bank of New South Wales was held at the Chief Banking House, Sydney, on Friday, November 29, 1918, the Chairman, the Hon. Sir Charles K. Mackellar, K.C.M.G., M.L.C., President of the Bank, presiding.

The Chairman, in moving the adoption of the report, said: Gentlemen,—Before moving the adoption of the report and balance sheet I will give some explanation of the figures, which have this half-year shown more fluctuation than usual. Circulation has increased by upwards of £600,000, entirely in New Zealand. This arises from our participation there in financing wool and other products sent oversea or held in store awaiting shipment, all under Government control. The facilities afforded the banks by the Government in the way of a banks' note circulation, which is the only paper currency in the Dominion, has very much contributed to smoothing over difficulties which a less elastic system could not so effectually meet.

The Balance Sheet.

Deposits.—These we always show in the balance sheet by themselves. They are only about £600,000 higher than last year. War Loans account for the small progress, and the wonder is that the effect of these has not been greater. There is also a disposition on the part of the community to spend money more freely, which tends to dissipate savings which would usually go to swell the deposits. Bills payable and other liabilities shows the large increase of £3,000,000, which is spread over most of the larger items included in the list. Current bills payable are considerably higher on the year, a temporary fluctuation of no special significance

so far as we can judge. The investment fluctuation account for Government securities is also higher, as we have deemed it to be wise to make substantial reservations, which, however, in view of the improved war outlook, we hope will not be ultimately needed. Other items in the group have also been temporarily inflated owing to war conditions.

Assets.—The first line is £1,885,000 less than at September 1917, which arises out of the activity of the business in certain directions. However, after deducting maturing liabilities and special items included in the immediately preceding group, there is still about 10s. in the £ for the ordinary liabilities to the public, which is a substantial reserve.

War Loan Advances.

By arrangement with the Federal Government all banks here have co-operated specially in the flotation of the Sixth and Seventh War Loans by financing clients to 90% of their subscriptions at 4% per annum repayment spread over 18 months, and similar arrangements have been made in New Zealand. Meanwhile we hold the bonds with the customers' liability behind them, and the advances will gradually work off. The amount at present is about £2,700,000 including New Zealand.

Wheat Advances.

I have explained this item on previous occasions. We have Federal and State guarantees, and as the wheat is sold the account will be liquidated. But owing to shipping and other difficulties the process of liquidation may not be as rapid as we hoped at the outset. Now that peace is in sight it may proceed more rapidly, but the operation is one which the Australian banks have viewed as a proper one to undertake in connection with the national finance. The outstanding balance is £1,919,772.

Advances.

The ordinary advances show an increase of some £2,300,000. This partly arises from increased activity in the negotiation of bills in London on Australasia, and partly from the requirements of our customers on the mercantile side owing to War interference with transport and supply, and, furthermore, the same causes have affected meat clearances. All these things, including the War Loan and wheat advances, have arisen entirely from the War, and they represent the part this Bank has taken with the other banks in carrying on the necessary financial operations of the country. To do so all the banks have had to strain their resources to the fullest extent possible. We must expect to go on participating in these national undertakings for some time longer, for it cannot reasonably be expected that we shall reach the normal again without some considerable delay in the process.

Difficult Economic Problems Ahead.

Seasonal conditions have not been too good lately in Australia. Dry weather has prevailed in many parts, and though recently some mitigating showers have fallen, much more rain is wanted to place matters on a satisfactory footing for the summer. The wheat harvest will no doubt be short, but our wool has again been purchased by the British Government at a good price, and this will bring in some money to our people. The Armistice which has just been signed will at no distant date lead, we hope, to a permanent and satisfactory peace. The utterances from this chair have always been hopeful of the final issue. We congratulate the statesmen of the Empire and those of the Allies on their steadfastness all through the trying period, and we appreciate to the fullest extent possible the work achieved by our sea, land and air forces. We realise what our own men from this continent and New Zealand have done to help in bringing about the successful issue of the great struggle; and to come nearer home still, those who have volunteered from the Bank have also discharged their duty to the fullest extent. Many have received distinction or been mentioned in despatches. Many, I am sorry to say, have made the supreme sacrifice by giving their lives for their country. The return to the normal will, I have ventured to forecast, take some time; meanwhile, the policy of this country should be to increase its production in every possible way, so that money may flow in to enable it to meet the heavy financial demands the future will without doubt make upon our resources. And in this connection once more do I put in a word for a reasonable and sane economy all round as being a very important factor in solving the difficult economic problems ahead of us.

I referred just now to the staff and the part they have taken in connection with the War. Now that the fighting is, we believe, over, and enlistment has ceased, it will interest shareholders to know that from first to last 750 of our officers have enlisted out of a staff of about 1,800. The number of deaths from various causes has been 121—a large proportion of the enlisted men. I am sure you will join with the board in renewing our expression of the deepest sympathy with all the relatives of the deceased.

THE SCOTTISH LIFE ASSURANCE COMPANY, LTD.

Sir Andrew H. L. Fraser, K.C.S.I., presiding at the annual meeting held on February 17 in Edinburgh, said that in 1918 they had excelled the figures of all previous years in the amount of new business, the increase in the premium income, the addition to the life funds, and the lowness of the ratio of expenses; while the death claims had been remarkably small in amount. New assurances amounted to £636,000, of which £20,000 was reassured, leaving a net new business of £616,000, being an increase over 1917 of £200,000, and a much larger amount than they had ever transacted in time of peace. The increase might have been doubled if they had not had objections to granting assurances payable in War Bonds. The excellent nature of the business was shown by the fact that 91% consisted of whole-life and endowment assurances, 7% of children's investment assurances, and only 2% of other classes. The net premium income rose to £263,000, showing an increase of £23,000, which was much larger than had hitherto been made. The claims by death were £78,000, including war claims of £24,000. In a year when some of the fiercest fighting of the War had been experienced, and when they also had had an epidemic of influenza, it would have been no wonder if the claims had been very heavy. The ratio of actual to expected claims, however, was only 68%, and if it had not been for the war claims the ratio would have been under 50%. This was due to careful selection of lives, an important factor in life assurance, and one likely to reach its highest development in a company devoting itself to life assurance. The ratio of expenses to premium income was 14.7%, being the lowest ratio yet reached. The interest on their funds had yielded £5 4*s.* per cent., and after deduction of tax the net rate was £4 2*s.* 7*d.* To their life funds they had added £204,000, which was £40,000 in excess of their last record addition. The life funds now amounted to £2,671,000. The income of the Company from all sources was £431,000, and the outgo was £228,000.

In British war securities they had invested every available penny, so as to aid the prosecution of the War, and in these securities they now held £1,100,000, giving the high ratio of about 40% of their invested funds. On almost the whole of that there was receivable a premium of from £2 to £5 per cent., and owing to their decision to refrain from issuing War Bond policies, this premium would form a profit available for the Company generally, and was not reserved for the benefit of privileged individual policyholders.

Unfounded Amalgamation Rumours.

The dividend recommended was 10%, and, being free of tax, was equivalent to a gross dividend of 14%. There had in the past few weeks been an increase in the Stock Exchange price of their shares, which the directors regarded as unwarranted in extent. He wished, therefore, to give a word of caution to the public contemplating the purchase of their shares, and to advise those who wished to speculate to turn their attention elsewhere. In the last year or two there had been amalgamations and rumours of amalgamations among insurance companies. In not all of those actual amalgamations did there seem to be adequate reason for the offices losing their independence. It was unnecessary for him to say that the directors would not countenance any such proposals in regard to their Company, but he thought it well to make that definite statement in case any of the public should be tempted to buy shares at inflated prices on account of unfounded rumours.

The respective merits and future of proprietary, mutual, and composite offices had been a subject of recent discussion in the financial Press; but such discussions did not end in any definite conclusion. Their Company had always claimed to give to their policyholders the profits of a mutual with the security of a proprietary company—a claim vindicated by the fact that 95% of the profits went to policyholders, and only 5% to shareholders. At last quinquennial valuation the shareholders received the modest sum of about £10,000, representing £2,000 per annum—a sum that the Company could save annually by careful selection of risks. As regards their other friends, the composite companies, he said that with them too they feared neither comparison nor competition, because this was the age of the specialist, and he considered that the best results were to be obtained by those companies which devoted themselves entirely to life assurance. He did not seek to engage in any controversy, for it seemed to him that the matter had been well disposed of some years ago by a very able insurance critic in attributing the superiority of any particular company to the skill and wisdom of its management rather than to any matter in connection with its constitution. As regards their own management, he congratulated the Company heartily on the maintenance of its traditions, and on the great success that had attended the work of the first year under the new management. It was the greatest pleasure to them all, and to none more than to their old manager, Sir David Paulin, to see how splendidly Mr. Orr and Mr. Fraser were carrying on the work of the Company, of which they were all so proud, and how loyally and effectively they were supported by the whole staff at head office and the branches, in whom they had always placed their fullest confidence.

The record was adopted.

ESSEX UNION INSURANCE COMPANY, LIMITED.

THE annual ordinary general meeting of the Essex Union Insurance Company, Limited, was held on February 18 at the registered offices of the Company, 9-10 George Yard, Lombard Street, E.C. 3.

The Chairman (Sir Harold Elverston, J.P.), in moving the adoption of the report and accounts, said: It is with some considerable pleasure that your directors meet you at this, the annual meeting, for the purpose of submitting to you the report and accounts for the year ended December 31, 1918. Such accounts are so lucidly drawn that they call for few comments from me. The net premium income has now reached the figure of £130,631 12*s.* 6*d.*, as compared with £52,606 16*s.* for the previous year, whereas the losses paid and outstanding absorbed £65,711 1*s.* 7*d.*, showing a loss ratio of 50.32%, which I am of the opinion will be considered as eminently satisfactory. The expenses amounted to £28,582 6*s.* 1*d.*, being 21.88% of the premium income; interest, dividends, and transfer fees were £2,464 14*s.* 8*d.*, thus giving a credit balance to the general revenue account (including £25,666 6*s.* 11*d.* brought forward) of £64,469 6*s.* 5*d.*, being 49.35% of the premiums. Our assets have increased to £195,178 1*s.* 9*d.*, and of this amount £78,898 4*s.* 9*d.* is invested in Government securities, and £72,018 12*s.* in cash on deposit and on current account and in hand. The most critical person must admit that our assets are about as liquid and safe as it is possible for assets to be; in fact, we have sacrificed interest yield in order that we may always be in a position to meet any possible demand on our resources with the minimum of delay. The support accorded the Company has been most encouraging, and we hope it is an indication of general recognition that the Essex Union, by its conservative policy, has made a start on safe lines. We have entered the year 1919 under the most favourable conditions, and we are satisfied that a still further measure of support will be readily extended to us. A special word of thanks is due to the manager and staff for their loyalty and zeal. War strain probably accounts for many of the unfortunate misunderstandings which have arisen in business circles during the last few months, but, so far as the Essex Union is concerned, the War seems to have created bonds of union, which have done much to bring out the good results now submitted to the shareholders, and it is a pleasure to put this on record.

Major Evan Hayward, M.P., seconded the proposition, which was carried unanimously.

The retiring director and the auditors were re-elected, and a vote of thanks to the Chairman, directors and staff terminated the proceedings.

LONDON, BRIGHTON AND SOUTH COAST RAILWAY COMPANY.

A MEETING of the proprietors of the London, Brighton and South Coast Railway Company was held on February 19 at the London Bridge Terminus, under the presidency of the Right Hon. the Earl of Bessborough, K.P., the Chairman of the Company.

The Secretary (Mr. J. J. Brewer) having read the notice convening the meeting,

The Chairman said: Gentlemen,—It is a matter of deep thankfulness for all of us that the hostilities, in which the Empire was engaged when I last addressed you, have ceased, and I am sure you will join with me in the hope that the labours of the Congress now sitting in Paris will result in securing a real peace amongst the nations, with reparation, so far as reparation is possible, for the losses occasioned to our Allies and ourselves by the terrible conflict from which we have emerged. (Hear, hear.)

Staff Returning from the War.

So we pass from mobilisation to demobilisation—and I am glad to say many of our men have already returned (just over 500)—from a period of destruction and of work attendant upon it to a time of construction which will require the pulling together of all sections of the community, each recognising its responsibilities and duties, in endeavouring to make a "better Britain," which we are invited to do in the gracious Speech from the Throne. I need hardly say that those engaged in administering the affairs of this Company will loyally respond to that invitation and will cordially endeavour to carry out any changes which the Legislature in its wisdom may impose upon us. It may interest you if I bring up to date the particulars I have given you at our meetings during the war relating to those of our staff who left us to join H.M. Forces. The total number is 5,265, being 32.3% of those in the Company's service at August 4, 1914, and it is very gratifying to us to know that that percentage compares very favourably with the record of other railway companies. Up to the present there are upon the Roll of Honour the names of 473 who have fallen, and we have had notice of 882 who are either wounded or missing or had been made prisoners. The prisoners who so far have personally reported their release to us all tell a story of hardship and ill treatment, but it was some consolation to hear that the food and comforts the General Manager's Fund enabled us to send to them were of real assistance. There are now 79 names on the Decoration Roll, 39 having been added during the year. The distinctions it records include the Distinguished Service Order, the Military Cross, Distinguished Conduct Medals, Military Medals, Distinguished Conduct and Distinguished Service Medals, Meritorious Service Medals, five Foreign Decorations, and a Medal of the Order of the British Empire. (Applause.)

It is our intention to erect at Victoria Station a handsome memorial to the men who so nobly gave their lives to their country, and to place replicas at other stations in the principal districts of the Company's system. I am sure you will cordially agree with this proposal. (Hear, hear.)

You will remember my telling you last year that several members of the staff who remained with us and were especially engaged in war work had been decorated by His Majesty, and to that list has been added the names of Mr. James Petrie, the Northern District Engineer, and Engineer-Commander Graham, R.N.R., of the Marine Department, Newhaven, who have been created Officers of the Order of the British Empire. Mr. Edward Tanner, the station-master at Littlehampton, has been made a member of the same Order.

I told you also that Colonel Billinton, our Locomotive Engineer, had gone to Roumania and Russia as member of a War Office Mission in connection with railway work in those countries. Colonel Billinton returned to his duties with us in June last, but at the urgent request of the War Office, to which we felt bound to assent, he has gone again to Roumania, where the reorganisation of railways and their services requires technical advice and assistance that can be afforded most advantageously by English engineers, and he is now in Bucharest engaged upon that work.

The Railway's Share in the Prosecution of the War.

I will now tell you something of the part your railway has played in the prosecution of the War, now that the veil we were obliged to draw during its continuance can be lifted. You may know that some time before the outbreak of hostilities the railway companies, in consultation with the military authorities, had formulated plans for putting the railways of the country to the best use in the event of war, and that these plans were brought into operation immediately war was declared. It is impossible for me to lay the plans before you in anything like detail, but I may say they comprised the organisation and establishment of elaborate train services designed to operate at short notice by day or night at whatever time, and to be available at whatever points military exigencies might require; to provide the necessary rolling-stock and staff; to make and keep the stations and other premises ready to meet whatever demands might be made upon them, and to do all this as an addition to the maintenance of the ordinary civilian services, which were to be disturbed as little as possible. The immediate selection of Newhaven, and, some months later, of Littlehampton as ports of embarkation for munitions and war stores not only threw upon our officers a very large share of the responsibility for making the plans as perfect as possible, but brought a concentrated and continuous traffic from all parts of the country over the railway. All kinds of munitions, military stores, and foodstuffs, coming for the most part direct from the places of production, were carried over the railway as goods traffic, and up to the present time the quantity conveyed to the two ports amounts to 6,805,810 tons, whilst a substantial tonnage passed to other places on the railway, and, although the transport of munitions has now ceased, there is still a considerable quantity of stores being conveyed to the armies abroad. The number of special trains which were run in connection with this traffic was 53,376. The largest number of loaded special trains dealt with in any one day was 64. The number of loaded waggons handled at Newhaven and Littlehampton was close on one million. In addition to these trains it would be fair to include a proportion of the ordinary goods trains, as a considerable quantity of war traffic was conveyed by them.

Day and Night Work.

The goods consigned to the ports were transhipped from railway waggons to ship by male and female labourers engaged specially for the purpose, who carried out the work in a satisfactory manner. The male labourers were organised in three shifts of eight hours in each 24-hour period, and their work proceeded without cessation by day and night on week-days and Sundays. The women worked only in day shifts. The number of transports entered at the ports was 9,061 at Newhaven and 2,098 at Littlehampton, and the ships were drawn from various sources. During the course of the work at Newhaven as many as 37 transports have been in the port at one time, as well as a number of tugs, destroyers, and other vessels, and the quay space has accommodated 14 ships alongside at once. This rendered it possible to tranship goods and material up to 10,000 tons per day. When the great risk attending the voyage across the Channel during the War is taken into account, I am glad to say the casualty list is light in comparison with the total number of voyages, as only five ships were lost. (Applause.)

I take the opportunity in dealing with this branch of my subject to express appreciation of our cordial relations with the naval and military authorities attached to the railway in connection with these works

How the Enormous Traffic was Handled.

To enable the enormous traffic I have mentioned to be handled it was necessary to provide a considerable mileage of additional siding accommodation not only at Newhaven and Littlehampton, but elsewhere on the Company's system as shunting and standing places. Extensive warehouses and other buildings, as well as cranes, electric power, and other appliances, were also provided at the ports and other places. The wages bill for the casual labour at the ports up to the end of 1918 amounted to £1,127,648, and in addition to that cash payment the workers at Newhaven were provided with free meals, whilst those not living there, of whom the large majority came from Brighton and the neighbourhood of that town, were also given free railway transit to and from their homes. Refreshment and recreation huts for male and female labourers were established at Newhaven by the Y.M.C.A. as well as by the Company, and proved to be of great benefit. The labourers, and more especially the men, were of all ages and drawn from all ranks. They could not be subjected to any sort of medical examination before being taken into employment, as is the general rule with railway servants, so that the number of cases in which compensation for injury had to be paid was considerable. The traffic by passenger train, although it did not equal the goods traffic in volume, was very considerable, and comprised the conveyance of troops on their way to camps or to join the armies abroad or returning on leave, as well as horses, guns, and stores. The number of trains specially employed in this class of service was 27,366, and in addition a substantial part of the business was dealt with by ordinary trains in the civilian services. This makes an aggregate number of 80,742 special passenger and goods trains used for the purpose of the War, and if the running had been constant there would have been a train running every half-hour from the day war broke out until the day the Armistice was signed. There were also ambulance trains coming from other railways to various hospital depôts on the Company's system, more particularly to Brighton, where, as no doubt you know, a large number of wounded men was treated in the Pavilion buildings and elsewhere in the town. In this connection I should like you to know that the Company's staff, some of whom are highly graded first-aid experts, contributed very materially to the safe and comfortable transfer of the wounded men from the rail to the road vehicles at the various stations. (Applause.) You will remember that we built two ambulance trains at our Lancing works for use in France, of which one is known as "Queen Mary's train," and other war work at Lancing included the construction of a number of general service waggons for use at the Front, and a quantity of ambulance stretchers. A considerable amount of munitions work was done in the locomotive shops at Brighton, comprising the manufacture of hand grenades, shell parts, and other items of similar character.

Cross-Channel Passenger Service.

The fleet of passenger and cargo ships owned jointly by this Company and the French State Railway Administration was requisitioned at the outbreak of war, some by the English and some by the French Government, and it may interest you to know in what manner those ships have been employed. The steamships *Arundel* and *Brighton* before entering upon Government service were employed in a passenger service established at the outbreak of war between Folkestone and Dieppe, and when that service was discontinued the *Arundel* was fitted out as a troopship, for which purpose she has been used ever since, working mainly between Southampton and Havre and Rouen, between Folkestone and Boulogne, and between Dover and Calais. During that time she has carried 657,860 officers and men in the course of 969 voyages across the Channel, and in addition to that she has performed special services, including the conveyance of the Prime Minister and other notable persons. The *Brighton*, having first worked for a short time as a troopship, became a hospital and ambulance ship, and in that service she has made 973 voyages, mainly to Calais, Boulogne, and Dieppe, in the course of which she conveyed 122,636 sick and wounded men. She also made some special trips, one at the latter part of 1914, when she conveyed His Majesty from Newhaven to Dieppe. At the end of last year she conveyed the President of the United States and Mrs. Wilson between Dover and Calais both ways on the occasion of their visit to this country. The *Dieppe* was engaged in the first place as a transport, and ran from Newhaven to Rouen, Havre, Boulogne, Calais, Dunkirk, Ostend, Zeebrugge, and Bruges, in which service she carried stores, ammunition and occasionally troops. She was afterwards fitted out as a hospital ship and subsequently converted into a troopship, and in that capacity she conveyed 459,636 troops across the Channel.

She is now running between Weymouth and Havre in demobilisation services. The *France* became a troopship between Southampton, Dover, and Folkestone on the one side and Havre, Rouen, Cherbourg, Calais, and Dunkirk on the other side. In the course of these services she conveyed 207,319 troops. The *Newhaven* was employed by the French Admiralty during the early part of the War, but was afterwards transferred to the English Admiralty, by whom she was fitted out as a hospital ship, in which service she was engaged until last autumn, when she was converted into a troopship. In these capacities she made 1,066 voyages. The *Rouen* was mobilised as an auxiliary scout, in which capacity she assisted French submarines and had engagements with enemy submarines in the Channel, including one of 25 minutes' duration, at the end of which the submarine was presumed to be sunk or badly damaged. In December, 1916, she was torpedoed when returning from an expedition against an enemy submarine in the Bay of St. Malo, and not only was she badly damaged, but five of her company were killed and several severely wounded. She drifted towards Dieppe, but was taken in tow to Cherbourg, where she was repaired, and then she was employed for some time on the transport of troops between Corfu and Taranto and Itea. On one occasion, in the course of her service, she was in the Adriatic Sea, in the company of the French cruiser *Chateaurenault*, and was only a short distance away when that ship was torpedoed and sunk. The steamship *Sussex* was first employed as a troopship between Dieppe and Havre, and afterwards in the Folkestone-Dieppe passenger service. She was torpedoed when crossing the Channel in March, 1916, but was not a total loss, and after repair she was requisitioned by the French Marine at Havre.

The Company's Cargo Boats.

Of the six cargo boats, three—namely, the *Cherbourg*, the *Portsmouth*, and the *Brest*—were employed in cargo services we established, first from Dieppe to Folkestone, then to Southampton, then to Littlehampton, and finally to the London Docks.

As that service became restricted the ships, together with the three others—namely, the *Maine*, the *Anjou*, and the *Bordeaux*—were requisitioned for various war purposes, including mine-sweeping, patrol, and transport work, in the course of which the *Cherbourg* struck a mine, and was so badly damaged that she had to be broken up, whilst the *Maine* and *Anjou* were totally lost by torpedo and mine, with regrettable loss of life. Our London and Dieppe cargo service is still maintained, and the *Portsmouth* and *Brest* are again employed in it.

Mine-Laying.

Those ships which ran between Dover, Folkestone, Boulogne, and Calais were especially exposed to attacks from the air, particularly in the spring and summer of last year, and some of them had narrow escapes. For example, the *Newhaven* had 34 bombs dropped near to her at one time or another, some from 'planes flying in relays covering a period of six hours, and the *Dieppe* on one occasion in a Belgian port, and on another at Calais, had bombs dropped within a few feet of her, the latter occurrence causing damage to some of her gear. Lastly, there is the *Paris*. You will remember the *Paris* was the last addition to our passenger fleet, having been placed upon the service only a short time before the outbreak of War, and she was one of the best examples of Messrs. Denny's skill as constructors of fast and convenient ships of her class. After a few voyages from Dieppe to Newhaven she was transferred to the Folkestone and Dieppe service, and then was taken over by the British Admiralty as a commissioned ship in His Majesty's Navy for special service. I can now tell you that that special service was mine-laying in the North Sea, more particularly off the Flanders coast and Emden, and her record is most interesting. Naturally she had to undergo considerable internal alteration, all the passenger fittings being taken out and the space devoted to war purposes. Four guns were mounted on her upper deck, and a higher bridge with range-finder was built. The mines were carried on the main deck, and a full load may have weighed nearly 200 tons. Notwithstanding these changes in her trim and the strain of fast steaming in heavy seas, carrying weights in a manner for which she was not constructed, she has in no way suffered structurally, and when she is returned to us and refitted I believe she will be once more able to break the cross-Channel records. Her engines are as perfect as ever, and I may mention that on one occasion in the course of her voyages she maintained a speed of 24 knots per hour for six or seven hours. We heartily congratulate the brave men who sailed in her on having emerged from their dangerous work without any serious mishap. (Hear, hear.) His Majesty has granted the Distinguished Service Order to Engineer-Commander Scott, R.N.R., who served as Chief Engineer of the ship throughout this service, and has awarded the Distinguished Service Medal to Chief Petty Officer Longley. Commander Scott holds also the Royal Naval Reserve Officers' Decoration and the 1914-15 Ribbon, and Petty Officer Longley has the Italian Bronze Medal for Valour. From what I have said you will come to the conclusion that the Company has taken its full share in the great task of winning the War. (Applause.)

The Success of the Railway Executive Committee.

The whole of the work on the railways of the Kingdom, whether war work or any other, has been regulated and managed by a Committee consisting of some twelve railway general managers sitting in two or three rooms of a West-

minster building with a staff of some twenty or thirty persons, and I think I am entitled to say that from every point of view it could not have been better done. It so happens that, owing to the fact of my having been Chairman of the Railway Association during the past two years, and having in that capacity been in close communication with the Committee through Sir Herbert Walker, its Chairman, I can speak from personal experience. I do not forget that the staffs of the Companies have been at the service of the Committee, and that their expert aid, always freely given, combined with their knowledge of local conditions, has been of the greatest assistance and value. (Applause.) I am convinced that the success which the Committee and those working with it have attained is due to the fact that the business has been allowed to remain in the hands of men who know it—(hear, hear)—as having handled it all their working lives, and have been able and willing to work together for the common good of everyone concerned. I am equally convinced that the same result could not have been attained by any other system. I hope that, whatever the future may have in store for us, the training and association which has led to such success will be maintained.

The Year's Results.

I will now turn to the accounts for last year. If you take Account No. 8 you will see the net receipts in respect of railway working show a slight decrease as compared with 1917, but against that there is an increase of £17,366 in rents, which more than offsets the adverse balance on working, and there is an increase also in the balance brought forward from 1917, so that, after taking account of differences in certain interest charges, there is a net increase in the amount available for dividend on the Ordinary stock of £18,318. We have had an extraordinary increase in our passenger traffic. On comparison with 1917 there was an increase in 1918 of £650,658 in the receipts from passengers carried, including season-ticket holders and workmen, and an increase of no less than £1,300,000, equivalent to nearly 60%, in comparison with 1913. Admittedly, this increase is partly due to the increase of fares which was brought into operation at the instance of the Government in January, 1917, but on taking out the number of passengers I find that, whereas in 1913 we carried just over 80 million passengers, last year the number was over 95 millions, an increase of 15 million passengers, or about 18%. About one-fifth of these additional passengers were naval and military men and other Government workers, but the large majority, numbering nearly 12 mililon passengers, were civilians travelling over our railway, and I hope this is an encouraging feature for the future. (Hear, hear.) It must be borne in mind that our railway is essentially a pleasure travel railway, and during the whole of last year no excursion or cheap-ticket facilities were in force. In 1913 we carried just about five million people at excursion fares—a traffic for which, of course, we could not cater in 1918.

We issued 14 million workmen's tickets in 1918, as compared with 9½ millions in 1913, or an increase of nearly 50%.

The whole of the additional passenger traffic has been handled with our services reduced by nearly 40% and our staff depleted by 33%. It was inevitable, therefore, that congestion and overcrowding of our trains should have occurred, and I should like to say how deeply sensible the directors are of the loyal support and cheerful recognition the public have given to the efforts of the executive to deal effectively with an unavoidable situation.

Four Years' Arrears in Engine and Carriage Building.

Unfortunately we are still very hardly pressed on account of the condition of our engine and carriage stock. For over four years we have not been able to build either an engine or a carriage. We have suffered in an equal degree with respect to repairs, for the reason that the great difficulty in obtaining material, and the shortage of labour in our shops, have rendered it practically impossible for us to adhere to our normal programme under this head and to keep pace with the requirements of the traffic. We are doing all we can to improve this position, and we hope, now that the control of material is relaxing and our men are being demobilised, that in a few months'time we shall have made considerable headway.

Prospect of Improved Train Service.

I am pleased to say the Superintendent of the Line is now reviewing the train service, and we hope to be able to put on additional trains on and from May 1 next, including the Southern Belle and some first- and third-class Pullman trains. We intend to add still further trains for the summer months, starting from July 1. These steps should afford some relief to the congestion on our railway.

There is an increase of £58,230 in the receipts from ordinary goods traffic as compared with 1917. It arises upon general merchandise, and mineral traffic other than coal, the receipts from which item show a decrease, and the increase may be regarded as evidence that, notwithstanding the War, trade in the districts served by the railway has been holding its own.

Expenditure has increased by £664,017, and practically the whole of that increase is due to the enhanced cost of such material as we have been able to buy and to higher wages, including the war wages and bonuses. Expenditure on capital account has been quite inconsiderable, and has been practically all incurred upon work connected with the electrification extensions. Very little progress under the contracts now subsisting has been possible during the War, with the consequence that some adjustment of those contracts may be necessary, and we are looking into the subject with the view to the work proceeding to its full extent with the least possible delay.

We have in prospect the possibility of resuming our Continental services through Newhaven and Dieppe so soon as the ships taken by the Government, or some of them, are returned to us and can be made fit again for commercial use.

The Future of Railways.

I have no doubt you will expect me to say something about the future of railways generally. (Hear, hear.) At our last meeting I told you that we, with others responsible for railway administration, were and should continue to be in close touch with the Government through the Board of Trade, and I am now in a position to give you a short account of what has happened. I will premise by telling you that in September 1916 an assurance was given by Mr. Walter Runciman, the then President of the Board of Trade, to the effect that the Government undertook to extend the period of guarantee of net receipts to two years after the termination of the War. This assurance has been confirmed by his successor. On December 14, 1917, the President of the Board of Trade stated in the House of Commons, in answer to a question, that an informal committee of experts had been appointed to consider the position of railways after the War, and thereupon the regret of the Railway Companies' Association was expressed to the President that it had not been consulted. An assurance was subsequently given by the President that while he was in office any proposed legislation affecting the future of railways would be brought to the attention of the Association in time for a discussion with its representatives before going to Parliament. When the concession of the eight-hour day to railwaymen was made by the Government the Association at once wrote asking for an interview with the Prime Minister, and at the same time forwarded certain resolutions asking for an immediate statement of the intentions of the Government with regard to the future of railways. At the end of last month, the Prime Minister having to be in France, a Deputation of Chairmen from the Association, of whom I was one, had an interview with Mr. Bonar Law, who told us it was not possible to make an announcement upon the intentions of the Government with regard to the future of railways. The matter had not been formally considered as a Government question, as there had been no time to do so. He then went on to say that having regard to the fact that we were still in a state of war, and as control was still continuing, he thought the companies ought to give all the assistance they could in endeavouring to settle the labour questions now pending. Mr. Bonar Law confirmed the pledge given by Mr. Runciman, and said that the guarantee would continue for two years after the formal declaration of peace. This is only a brief account of our communications with the Government. Beyond that the companies, through the Railway Companies' Association, have been for some time past in frequent consultation as to the future of railways. A Committee of Chairmen and General Managers has been constituted to consider the subject, and I believe the result of its deliberations will be found to be of great use when the proper moment arrives.

The Company's Past Record and Future Prospects.

I think it will be useful to recall shortly the Company's record in the past, and remind you of its prospects as we regarded them before the War. When the present policy of careful development and peace with our neighbours was inaugurated by the board which took office in 1868, the number of passengers being carried was about 17½ millions, the gross revenue was £1,280,000, and the train mileage a little over four million miles. In 1867 the Company was unable to pay a full dividend upon its Preference stocks, but in 1868 it began to recover with a modest dividend of 12*s.* 6*d.* per cent. for the year on the Ordinary stock, which then stood at £6,850,000, and I will give you a short record of progress in 10-year periods from 1873 to 1912. From 1873 to 1882 inclusive the number of passengers carried, exclusive of season ticket-holders, increased from 23,280,032 to 39,871,541, and the gross revenue from £1,583,376 to £2,099,289. The train mileage increased by 2,514,835 miles, and the average annual dividend on the Ordinary stock was £5 3*s.* 6*d.* per cent. The percentage of working expenses to revenue varied from 44.3% to 50.4%. During the following decade the figures are: passengers, from 41,296,007 to 46,291,746; gross revenue, from £2,135,011 to £2,542,990; train miles, from 7,948,757 to 9,320,806; average dividend, £5 13*s.* 6*d.* per cent. Variation in percentage of expenses to receipts 44.5% to 49.3%. The figures of the next decade are: passengers, from 46,972,935 to 57,356,418; gross revenue, from £2,507,906 to £3,303,452; train miles, from 9,282,110 to 10,832,368; average

dividend, £5 17*s.* 3*d.* per cent., and variation in percentage of working expenses to receipts, 50% to 60%. From 1903 to 1912 inclusive the figures are: passengers, from 57,894,947 to 56,106,218, a decrease for the first time, with which I will deal presently; gross revenue, from £3,314,892 to £3,541,333; train miles from 10,879,554 to 13,012,785; average dividend, £5 5*s.* 3*d.* per cent., and variation in percentage of working expenses to receipts, 57.4% to 58.8%. In 1913, the standard pre-war year, the number of passengers carried was 80,425,711, including season-ticket holders, the gross revenue was £3,722,474, the effective train mileage was 13,042,597 miles, and the Ordinary stock dividend was 5¼% upon a capital of £10,440,000.

Benefit from Electric Traction.

I think the course of events during the ten-year period ending in 1912 may be fairly regarded as justifying our policy and supporting our belief in its good results. The rate of dividend varied very slightly, the average being, as I have said, 5¼%, and gross revenue remained practically constant, but in the first six years there was a progressive diminution in passenger traffic—our staple business. We lost no time in seeking a remedy, and found it in electric traction, with the result that in 1910, when the operation of that system began to have effect, there was a substantial recovery of business which continued throughout the period and practically restored the position.

The figures I have given show steady progress with a moderate return to the stockholders, and I am sure you will agree we may very reasonably have expected that, had it not been for the War and its inevitable effect upon all classes of business, our policy of development, and more particularly our electrification schemes, would have advanced our progress very materially, and, with increasing dividends, would have considerably enhanced the value of your property.

Respective Share in Earnings of Stockholders and Labour.

If I am not wearying you, I should like to give you some further figures in illustration of our position, and I do so in no spirit of criticism or complaint, but simply as a statement of facts as they present themselves to me. In 1913 the Company's earnings from railway working were in round figures £3,720,000 and the expenditure £2,330,000, thus leaving for the stockholders £1,390,000, which yielded a return of a little over 4½%, on £29,700,000 of capital. Of the expenditure of £2,330,000 the wages bill amounted to £1,240,000, or over 33% of the earnings, and it was very little short of the amount available for the stockholders. The expenditure of the year included also a sum of about £830,000 spent in the purchase of stores and materials, and it is undoubted that out of that sum the workers in the trades producing those stores and materials received quite as large a proportion as our workers received out of the railway earnings. Last year, 1918, when net receipts showed a decrease as compared with 1913, our workers received as war wage and in other forms over £800,000 more than in 1913, but the stockholders received less than in that year. In the same way, the cost of stores and materials in 1918 exceeded £1,000,000, and workers in the trades concerned had so much more out of that. Beyond these particular items, the Company disbursed about £200,000 in each of the two years I have taken in rates and taxes, and in that respect it made considerable contribution towards the payment of local labour. To illustrate my point in another way: I find that out of every pound of gross earnings in 1913, 6*s.* 9*d.* was paid in wages, 4*s.* 5*d.* in the purchase of stores and material, 1*s.* 4*d.* in miscellaneous expenditure, including rates and taxes, leaving the balance for the stockholders. That balance represented 11½*d.* for every pound of capital the stockholders had invested in the undertaking to provide line, rolling-stock, buildings and other equipment for business purposes, and it was only sufficient, after income tax had been paid, to yield a net return of 10¾*d.* in the pound. In 1918, 9*s.* 7*d.* went in wages, 3*s.* 11*d.* in stores and material, 1*s.* 3*d.* in miscellaneous expenditure, and the balance for the stockholder was again 11½*d.*, but with income tax at 6*s.* in the pound the net yield was 8*d.* only.

"Entitled to Fair Play."

If the views I have endeavoured to express are well founded, I cannot doubt that when the time comes for accounts to be settled between the Government and the railway companies, the justice of our case for full reparation will be recognised—(hear, hear)—and that from every point of view, including the point of view of labour, railway proprietors will be considered entitled to fair play from the Government, Parliament, and the public, with their property left unimpaired in value and earning power. (Hear, hear.) There is an impression in some quarters that railway proprietors are rich people and entitled to very little, if any, consideration whenever questions affecting their property arise; but I believe that impression to be erroneous—(hear, hear)—and in support of my view I find that our Register of Stock Accounts contains 15,342 accounts of £500 and under out of a total number of 25,137, so that it is not unfair to say the income from the holdings of over 60% of our proprietors is small and deserves special protection. As a matter of domestic interest I may mention that the scheme for the provision of land along the railway to be used as allotments, which I mentioned at our last meeting, has developed into the formation of an Association covering the whole system, and that between two and three thousand members of the staff have joined it. They have entered upon the work with great enthusiasm, and the board intends to do everything possible to encourage and help them. Before I sit down I will, in accordance with my usual custom, convey your thanks and the thanks of the board to all the staff for the good work they have done during the past year. (Applause.) You will gather from what I have told you of our work that their task has not been easy, but, in spite of all the difficulties, they have done it thoroughly and well.

I now move:—"That the report now read, with financial accounts for the year ending December 31, 1918, now submitted, be and the same are hereby respectively received and adopted." (Applause.)

The Deputy-Chairman (Mr. C. C. Macrae), in seconding the motion, emphasised the Chairman's remarks respecting the heavy increase in working expenses and its effect on the revenue of the Company, and urged upon railway stockholders as a body the necessity of organising public opinion in order that the justice of their cause might be recognised.

A short discussion followed, in which Mr. Walford, Mr. Taylor, Mr. E. M. Rodocanachi, and Mr. Roxburgh took part.

The Chairman, in reply, stated that up to July 1 next the Company would only have 12 additional engines released for the working of the whole line, and their distribution over the various districts served by the Company had been a matter of anxious consideration on the part of the executive. There were about 180 engines in the shops awaiting repair. He had endeavoured to show in his remarks in what an exceedingly good position the stockholders of this Company stood in regard to the value of their holdings. Everyone knew that the war wages and bonuses had been given most distinctly on the responsibility of the Government, and he could not believe for one moment that the Government, Parliament, or the country would allow railway stockholders to be ruined—to be sent out of the world without sixpence for their stock, as had been rather anticipated by Mr. Roxbrough. (Applause.)

The motion was carried unanimously, and resolutions were afterwards passed declaring the dividends recommended and re-electing the retiring directors and the auditor.

The proceedings terminated with votes of thanks to the Chairman, the directors, and the staff.

London and Brazilian Bank, Limited.

ESTABLISHED 1862.

Subscribed Capital - £2,500,000
Paid-up Capital - - £1,250,000
Reserve Fund - - £1,400,000

Manchester Agency:
WILLIAMS DEACON'S BANK, LTD.,
Foreign Exchange, Shipping and Agency Dept.,
YORK STREET, MANCHESTER.

Belfast Agency:
NORTHERN BANKING CO., LTD.

BRANCHES in Brazil, Argentina and Uruguay, and also in Lisbon, Oporto, Paris and New York (Agency).

AGENTS and Correspondents throughout the World.

BILLS negotiated, advanced upon, or sent for collection.

Exceptional Banking facilities offered through the Branches of the Bank and its numerous Agents and Correspondents for the promotion of Trade with South America and Portugal.

7 Tokenhouse Yard, London, E.C. 2.

SOUTH-EASTERN AND CHATHAM RAILWAY COMPANIES' MANAGING COMMITTEE.

A JOINT general meeting of the proprietors of the South Eastern and London Chatham and Dover Railway Companies was held on February 18 at Cannon Street Hotel, Mr. H. Cosmo Bonsor (Chairman of the Managing Committee) presiding.

The Secretary (Mr. Charles Sheath) having read the notice convening the meeting,

The Chairman said that on this occasion the Managing Committee had printed, for the information of the shareholders, the statistics of work done by the two Companies during the War. They had taken this course for two reasons. They wanted their shareholders to understand what an enormous strain had been imposed upon the staff in carrying the enormous traffic which had been thrown upon the Companies, and also to appreciate that the expenditure during the last 20 years had been more or less justified, because had they not made that expenditure—frequently at the expense of revenue, and consequently of dividends—on strengthening bridges, strengthening the road generally, and so forth, they would not have been able to carry that traffic, and might possibly have come to a serious national breakdown. The statistics did not include work done abroad. During the War the Committee were in complete control and charge of Boulogne and its harbour, and their Chief Engineer (Mr. Tempest) had been Consulting Engineer to the Belgian and French railways, and had been responsible for ordering large quantities of material to keep those railways in efficient working order. That gentleman's responsibility had been great, and his success had been practically acknowledged by both the Belgian and the French railways. (Applause.)

Satisfactory Relations with Employees.

In reviewing the past year he must naturally allude to the relations between the directors and officers and labour, and he was thankful to say they were not an unhappy family. The directors and officers had complete confidence in the common sense of their employees, and he thought the latter had confidence in the common sense of the directors and officers should any difference arise. They had completed arrangements with their locomotive staff for making a pension fund, which had now been established on a contributory basis and would be worked by a joint committee of officers and employees. He hoped this would be one more link between themselves and their men. (Hear, hear.) He was glad to say that at last the Admiralty had handed back to the companies the land where the unfortunate landslip occurred between Folkestone and Dover, and he hoped a temporary connection, at any rate, would be in working order in time for the holiday season. They had lost their good ship *Onward* through a regrettable accident, but they had added to their fleet the *Maid of Orleans*, which would add to the comfort of cross-Channel passengers, as she was fitted with all modern improvements. The decrease of some 20,000 tons in the output of Kent coal was not due to any falling off of the material itself, for the coal seams were good and the coal was there, but was simply in consequence of the men being required by the War Office and the Navy, and the short labour supply. During the War 5,222 of the Companies' men enlisted, and he regretted to say that 461 lost their lives.

Future of Richborough.

With regard to the future of Richborough, the port had been handed over by the War Office in the interests of demobilisation to the Managing Committee for supervision and control. This port commenced with a small wharf on the river Stour, and had gradually developed into a very large undertaking. The course of the river channel was changed, and a quay or wharf nearly a mile in length was made, with cranes, &c., for loading barges to take ammunition across the Channel. A dock was instituted for a Channel ferry, which took, not only aeroplanes but tanks and other instruments of war, across on trucks, which were landed on the other side and ran to their destination on the French or Belgian railways. Where formerly only marsh land existed there was to-day a thriving port, hard at work, full of buildings, and with plenty of craft, and it might interest shareholders to know that the whole of the craft which was being worked across the Channel—with the exception of the ferry boats, which were run by oil—was worked by Kent coal. (Applause.)

The Railway Outlook.

As to the future of the railways, during the 4½ years in which they had been under control everything upon which railway prosperity depended had increased in price. Speaking the other day in the House of Commons, Mr. Lloyd George said it was a great mistake to imagine that there was an inexhaustible reservoir of profit which could be dipped into at any moment, and he added that there was no better illustration of this than the railways, which at the beginning of the War were making an annual profit of 50 millions sterling—producing an average dividend of something under 4%—but which, owing to the rise in wages, materials, &c., had had to meet an increased expenditure of 90 millions per annum, so that the whole of the 50 millions had disappeared and there was a deficit of 40 millions on the working of the railways. Mr. Lloyd George went on to ask, "How is the future of the railways to be financed?" Unfortunately, he did not give an answer to that question. In the middle of a contested election Mr. Winston Churchill had declared that the Government had made up their minds to nationalise the railways, but it was well to take the utterances of a gentleman who was standing for Parliament with the usual "grain of salt"—(laughter)—and he (the Chairman) did not think that on the strength of that remark they could take the whole Government as being pledged to nationalisation. Mr. Bonar Law, however, had informed the chairmen of the big railways that the present control would continue for two and a-half years after the War. That practically meant that the dividends of these two Companies would remain very much the same—at least, he hoped so—for the years 1919 and 1920 and the greater part of 1921. Practically that was all they knew.

"Railway Shareholders had Nothing to Fear."

In his humble judgment, railway shareholders had nothing to fear. The Act of 1844, under which the railways were built and the proprietors invested their money, created machinery for the nationalisation of any particular railway 25 years' purchase of the net income, with an arbitration clause with regard to anything that might be brought in outside that particular compensation. That, on the whole, he took it would be a very good bargain for the shareholders if it were carried out. At any rate, they would have no reason to grumble, because they invested their money under that Act. Possibly Mr. Churchill had in his mind some sort of amended 1844 Act. Then the Act of 1871, under which the present control arrangement was made, contained clauses for the compensation of railways in the event of damage being done during the period of control, and personally he considered the shareholders were amply protected under that Act. Beyond that it had never been the practice of a British Government or Parliament to do anything in the nature of confiscation, and, notwithstanding the fear that they were going possibly to lose a certain amount of their money, he thought that the traditions of Parliament, in addition to the speeches of our public men who had spoken on the subject, were amply sufficient to justify them in having every confidence that they would receive equitable treatment in the event of nationalisation or of the railways being put under a further system of control. (Applause.)

SOUTH-EASTERN RAILWAY COMPANY.

Presiding at a meeting of the South-Eastern Railway Company, Mr. Cosmo Bonsor said that in every item of the big figures contained in the accounts a slight improvement was shown, and in regard to the dividend he was glad to say that they got back to their 1913 rate, and were able also to carry £15,000 to the general reserve fund.

The report and accounts were unanimously adopted, and the dividends recommended were declared.

LONDON, CHATHAM AND DOVER RAILWAY CO.

THE ordinary general meeting of the London, Chatham and Dover Railway Company was held on February 18 at the Cannon Street Hotel, E.C., the Right. Hon. Sir William Hart Dyke, Bart. (the Chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said: Referring to the accounts, it will be seen that the result shows an increased amount of £15,668 available for distribution. We are able, therefore, after providing for the full dividend of 4½% on the Arbitration Preference stock, to pay a dividend of 1½% on the Second Preference stock. The main part of the increased revenue is derived from our share of net receipts from the Managing Committee, amounting to £11,145. This, added to other increases, amounting to £6,179, for interest and smaller items, makes a total of £17,324. From this must be deducted £1,417 for increased charges for interest on Mortgage Debentures and bonds, also a small reduction in our rent account. In the near future our rent account should show a considerable increase, as the Government have paid us no rent for a number of our properties requisitioned for the purposes of the War. The most important, Green Arbour House, has been occupied by them since June 1916, and parts of another, the Holborn Viaduct Hotel, from October 1916, and the whole of it from December 1917. We have had for some time substantial prospective tenants waiting to occupy the former building, and there is no doubt that these properties in the near future will be producing a considerable income. Our claims for compensation should also realise a considerable sum. Our capital expenditure during the year has been small—namely, £11,654, as compared with £8,934 last year. As to Kent coal, the output has been considerably restricted by labour difficulties, chiefly owing to the War; but the industry appears to be in a fair way of being thoroughly established, and the Chislet Colliery, on the northern edge of the coalfield, is now producing. The tonnage of Kent coal conveyed over the railway in 1917 was 204,278 tons, and in 1918 184,265 tons, showing a decrease of 20,013 tons.

Sir Vincent Caillard seconded the resolution, which was unanimously adopted.

LONDON ELECTRIC RAILWAY COMPANY.

THE ordinary general meeting was held on February 21 at Caxton Hall, Westminster.

The Right Hon. Lord Farrer, who presided, said that measured by the number of passengers carried and by the dividend, the past year had been the most prosperous in the Company's history, although that dividend (2% for the year on the Ordinary shares) was still a poor rate of return on the capital invested in the railway. In the quality of the service recently rendered to the public they had been less successful, from causes at the moment quite outside their control. The very large transient military population of London, the centralisation of business here, and the great general activity, coupled with the almost daily changes in the flow of traffic, had overtaxed their facilities. Developments and improvements, except those essential for carrying on at all, had been hindered or altogether prevented for the past four and a-half years.

The Only Remedy for Congested Traffic.

The only remedy for the present traffic position was the provision of additional rolling-stock, with the necessary staff for its operation, and also additional platform staff to promote the acceleration of loading and unloading of trains. An order was placed for new rolling-stock in 1914, and some progress had been made with its construction. It was now being pushed on to completion as rapidly as possible, but the manufacturers could not promise delivery before the end of this year. An improvement in the design of the rolling-stock and the provision of larger and more doors would undoubtedly add to the convenience of passengers and help to accelerate the train service. Unfortunately, the existing cars were so constructed that it was impossible to modify them by cutting additional side doors except at the risk of producing such structural weakness that the cars would be unsafe. At the beginning of the War a large programme of improvement was in hand. This had had to be deferred, but they were now anxious to get on with the more important items. After the provision of rolling-stock, the first was the connecting line from Camden Town to the terminus of the City and South London Railway at Euston, so that a through train service might be run from Golder's Green and Hampstead to the City, over the South London line, as soon as the enlargement of the tunnels of that railway could be completed. It was also necessary to make improvements at a number of the stations to facilitate the movement of the increased number of passengers now dealt with. To secure the necessary funds to carry out these improvements, it became necessary for the Company to secure additional capital powers. Unfortunately, the price of material and labour was so high at the present time that only vitally important works could be undertaken with any hope of securing an adequate return on the capital expenditure. The directors had no intention of embarking on any elaborate new schemes under present difficult circumstances, but certain matters already in hand must be carried to completion. Moreover, the stations and equipment must be sufficiently extended to give a proper service to the public. The Chelsea Power Station, which was jointly leased by this Company and the Metropolitan District Railway, was reaching the limit of its capacity. It had been necessary to order an additional turbo alternator of 15,000kw. capacity, with an auxiliary plant, to enable the station to handle the increasing load, and the cost of this would be slightly more than double the cost of the similar alternator installed before the War.

Advance in Fares.

While they still desired to charge the lowest reasonable fares for carrying passengers in London, the enormous increase in operating costs had made advances in fares absolutely necessary during the past year. Some further increases would be necessary to meet the additional costs certain to accrue during the current year from the adoption of the shorter working day, though even then their rate per mile would bear favourable comparison with similar undertakings elsewhere. The greater part of the increase in expenses was due to advances in wages and war bonuses. The London Electric Railway was not a Government controlled railway, and did not have the benefit of the Government guarantee on net earnings, but they were bound to give the same terms to those working on their lines as did the controlled railways, and practically therefore had to follow the rulings of the Railway Executive Committee. They had hoped that the end of the War would bring the end of these very great additions to the operating expenses, but present indications seemed to point the other way, and to show that they must look forward to even higher operating expenses for 1919 than in the past year. While, therefore, the Company had been able to increase its dividend for the past year, the outlook was too uncertain to permit them to draw any optimistic conclusions from this at present. In further remarks the Chairman said that the directors desired to give as good, as rapid, and as cheap a service as they possibly could to the districts of London through which the line ran, and he believed that the Company's operating officers and staff would be able to bring the Company very shortly to its proper position in the forefront of transport enterprise.

The report was unanimously adopted.

METROPOLITAN DISTRICT RAILWAY COMPANY.

THE ordinary general meeting was held on February 21 at Caxton Hall, Westminster.

The Rt. Hon. Lord George Hamilton, G.C.S.I., presided, and in the course of his speech, said: At the beginning of the War, the Tube Railways, with which this Company is associated, had in hand a programme of improvements which might have relieved the presssure upon the facilities of this Company to some slight extent; but these improvements were, of course, deferred, and while the more important of them will be promptly taken up now, it will be a long time before the additional facilities can affect our present position. This Company also had certain schemes of improvement under contemplation, but the only items we propose to carry out, at an early date, are the provision of additional rolling-stock and certain modifications to some of the more important stations, such as Charing Cross, to avoid delays and over-crowding, and to facilitate the movements of the increased number of passengers now dealt with. The price of materials and labour is so high at the present moment that only the most vitally important works can be undertaken with any hope of securing an adequate return on capital expenditure.

Contributory Causes of Overcrowding.

While we still desire to charge the lowest reasonable fares for carrying passengers in London, the enormous increase in operating costs have made absolutely necessary very considerable fare advances during the past year, and further increases will be necessary to meet additional costs, certain to accrue during the current year from the adoption of the shorter working day. The greater part of the increase in operating expenses of the Common Fund Companies was due to advances in wages and war bonuses. We had hoped that the end of the War would see the end of these very great additions to our operating expenses, but the present indications seem to point the other way, and we must look forward to even higher operating expenses for 1919 than in the past year. During the last few months, especially since the Armistice was signed, our passengers have suffered great discomfort, and at times almost privation, from the overcrowding of our stations and our cars. This over-crowding and the physical discomfort which it entails brings home to our passengers in a material form the extraordinary difficulties with which the directors of this Company have had to contend in carrying on an adequate railway service during the War. We have had a combination of difficulties to meet which were entirely beyond our control, which arose from war conditions and which during the past few months have been cumulative in their effect. We were practically prohibited from adding to our rolling-stock. An arbitrary limitation was therefore imposed by Government upon the acquisition of fresh railway stock. Our old rolling-stock deteriorated, and its constant use and the perpetual overcrowding placed upon it a strain which necessitated an exceptional expenditure to maintain it in working order.

Financially Strong.

During the whole of the past four years we have felt it our duty to accumulate reserves in order to have financial resources available for making good and bringing up to the old standard of efficiency the permanent way, the replacement of old and obsolete railway stock and other additions and improvements in our stations, and from this point of view we are financially strong. Labour conditions, however, are still very uncertain, and the costs of railway operation show no signs of material reduction, so that the future of this Company and its associates is extremely difficult to forecast. The War elicited in the field and on the Front an extraordinary spirit of altruism and unselfishness, which united all ranks together into a force of unconquerable power. All opposing obstacles were overcome, and the British Empire and race emerged from the fiery ordeal a greater Power than before. Surely it is not too much to expect, now that the War is over, some indication of a similar spirit to manifest itself here at home in the discussion of future industrial problems. I have a firm belief, for I am by nature an optimist, in the sense of fair play and the ultimate sound judgment of the British race, and I still hope that this spirit will so manifest itself as to be the guiding principle for the future in the settlement of the industrial controversies which confront us. My faith has during the last few weeks received a rude shock. New demands and claims are springing up, creating in their cumulative effect a burden upon transport services and certain vital industries which it is doubtful if they can permanently sustain. Though these sectional disputes are about shilling advances and hour reductions, behind them lies the momentous issue: Can Britain remain a self-supporting industrial community if demands of this character continue constant and increasing?

The report was unanimously adopted.

CENTRAL LONDON RAILWAY COMPANY.

THE Right Hon. Lord George Hamilton, presiding at the annual meeting of this Company, held at Caxton Hall, Westminster, on February 21, said: During the past few months, especially since the armistice was signed, our passengers have suffered inconvenience and discomfort through the overcrowding on our stations and cars. We have had a combination of difficulties to meet which were quite beyond our control as they arose from war conditions. The shortage of labour and material has made the maintenance of the property, and particularly of the tracks and rolling-stock, very difficult. A large number of our staff has entered the Army, and we have had to replace experienced men by women and boys. The armistice and the removal of the street lighting regulations enhanced our difficulties, for it brought a large influx of passengers on our railways, before there was any relief of the limitations imposed upon us by war conditions. For these last four months London has been filled, more than in any previous period of its history, and a very large proportion of its transient population were daily users of the Underground. Also many thousands of soldiers have passed through the Metropolis, and large numbers have had to be carried upon our railways. We sympathise with the public in the discomfort to which they have been subjected, and we can assure them that we are making every effort to relieve the congestion and improve the service. During the whole of the past years we have felt it our duty to accumulate reserves in order to have sufficient sums available for making good and bringing up to the old standard of efficiency the permanent-way and rolling-stock. Before the War this Company had arranged, in connection with the Great Western, for an extension of its services to Ealing. The work in connection with this extension has been largely carried out, and we hope that at an early date it will be possible to complete and to give to the public this additional facility.

The Increase in Fares

While still wishing to keep our fares at the lowest reasonable level, the enormous increase in operating expenses has made absolutely necessary considerable fare advances during the past year, and further increases will certainly be necessary to meet additional costs, which we can see will accrue during the current year from the adoption of the shorter working day and other causes. The greater part of the increase in operating expenses of the Common Fund companies was due to advances in wages and war bonuses. While the Central London is not a controlled railway company, it is, in the nature of the case, impossible to have different rates of pay on the Central London Railway from those on the District Railway, and further advances to staff granted by the Government on controlled railways have been followed by your Company. Coal and all other supplies used by the Companies have also been materially higher in price during the past year. We had hoped that the end of the War would see the end of these very great additions to our operating expenses, but the present indications seem to point the other way, and we must look forward to even higher operating expenses for 1919 than in the past year.

Effect of the Eight-hour Day.

The eight-hour day for railwaymen recently agreed by the Government will add heavily to our expenses, and how heavily we cannot yet determine, as the final conditions of its applications are still unsettled. As you know, the first effect of the eight-hour day was to bring about a strike on the Underground Railways, and for six days no services were run. Provisional settlement was effected by the Government, but the whole of the railwaymen's conditions of service are again under discussion between the Unions and the Government, and the final terms of employment are not yet fixed. The 47-hour working week, now in force in the engineering trade has been applied to the railway workshops since January 1. This was applied with less friction, but it again adds very materially to our expenses. Under the Common Fund agreement the Central London received £126,338 for the year 1918, which, with £11,147 brought forward, makes a total of £137,485 available for appropriation. After paying 4% on all classes of ordinary stock for the year, there is a balance to be carried forward of £17,485. While this Company has been able to increase its dividend distribution for the past year, the outlook is too uncertain to permit us to draw any definitely optimistic conclusions from this. The Government plans regarding the future of the controlled railways are not yet known. Labour conditions are still very uncertain, and the costs of railway operation show no signs of material reduction. The future of this Company and its associates is extremely difficult to forecast.

The report was unanimously adopted.

CITY AND SOUTH LONDON RAILWAY COMPANY.

AN ordinary general meeting was held on February 20 at Caxton Hall, Westminster.

The Rt. Hon. Lord Stuart of Wortley, who presided, said that the gross receipts of the five Common Fund companies for the past year were £7,743,451, an increase of £1,081,588 as compared with 1917. The amount divisible between the companies was £631,690—an increase of £111,353—and out of this Company's share the directors were able to pay a dividend on the Ordinary stock, bringing up the total distribution for 1918 to 2%, as against 1½% for 1917, and to carry forward £24,567, as against £21,266. As regarded expenses, the greater part of the increase shown was due to advances in wages and war bonuses, and, although these increases were practically forced upon them by Government action, they did not, as the controlled railways did, get the money back from the Government. Their wages bill had been increased by about £750,000 per annum during the year. As to supplies, coal, petrol, and all other things used and consumed by the companies were materially higher in price in the past year.

Increase of Fares.

They had sought to recoup themselves, as was only just, in the only way possible—namely, by an increase of fares; and further increases would be necessary in order to meet the additional costs which were certain to accrue during 1919 from the adoption of the shorter working day. They had hoped that the end of the War would see the end of these very great additions to the operating expenses, but present indications seemed to point the other way, and they must look forward to even higher operating expenses for 1919 than in the past year. They hoped that the price of coal and other materials would fall; in fact, there had already been a small reduction in the price of petrol, but it could scarcely be anticipated, while the demands of labour generally went on increasing, that prices could be reduced. The eight-hour day for railway men recently agreed by the Government would add heavily to their expenses—how heavily they could not yet determine, as the final conditions of its application were still unsettled. Having referred to the recent strike, his lordship said that the whole of the railwaymen's conditions of service were again under discussion between the unions and the Government, and the final terms of employment were not yet fixed. The 47-hour working week now in force in the engineering trade had been applied to the railway workshops since January 1. This was applied with less friction, but it again added very materially to their expenses.

First Preparation to Resume Work of Modernisation.

Continuing, the Chairman said: In 1913 we were busy making thoughtful and hopeful provision for our future. We got power from Parliament to carry out, and to raise the money for carrying out, such enlargements of our tunnels, and such replacing of our rolling-stock, and such a junction with the "Hampstead Tube" between Euston and Camden Town as would give our passengers larger and more comfortable cars, faster trains, and railway access, without change of carriage, to all the London Electric Company's stations between Camden Town and Hampstead and Golder's Green or Camden Town and Highgate. I may add that the same new junction would give access between all the stations of the London Electric Railway and the stations of the City and South London to the Bank and Clapham Common. Nothing but the War prevented our beginning these great improvements; and we had even succeeded in the early months of 1914 in raising £316,000 of the money required. The works which the War prevented were estimated to be executed within a time of such reasonable length that powers were given to pay out of capital some of the interest on the money to be raised. In the early years of the War—that is, up to the end of 1916—we did pay out of capital the net charge for the new money—that is to say, the difference between the interest paid for it and the money earned by it lying unspent in our hands. But obviously that could not go on when no works were going on, and since the end of that year it has been stopped. And the policy of carefully husbanding this money has been further manifested by the reserves which we have since been building up, and to which we ask you to make an increased addition this year. Some of the money has, however, been spent on works forming accessory parts to our main scheme of 1913. These works it was neither necessary nor desirable to postpone; and to have so much earlier the use and benefit of them is so much to the good. Other useful works chargeable to capital have been carried out. In these ways a sum of £206,485 has been spent out of the £316,000, of which £33,342 represents interest paid out of capital, and £116,144 represents new works forming part of the works provided for by our Act of 1913. Now that hostilities have ceased we are astir with the first preparations for carrying out the much-desired and long-deferred improvement and modernisation of our property sanctioned just before the War. In the new economic and industrial conditions in which we find ourselves, however, the sum originally estimated as sufficient for these works must by a large proportion fall short of what they will now cost. Moderate estimates put the probable excess at 70% on the original sum. More money will therefore be required, and a fresh application to Parliament will be necessary.

The report was unanimously adopted.

LONDON GENERAL OMNIBUS COMPANY, LIMITED.

THE seventh annual general meeting was held on February 21 at Electric Railway House, Broadway, Westminster. Mr. H. A. Vernet presided, in the absence of the Chairman (Mr. C. J. Cater Scott), who, he explained, had been compelled to proceed abroad on important business.

The Chairman, in the course of his speech, said: A year ago your Chairman told you that no transportation undertaking in London had suffered more severely from the War conditions than your Company. This statement, unfortunately, holds goods at the present time, except to the extent that the slight fall in the price of petrol has assisted us since the Armistice. In other respects we are not better off: as regards other supplies of all kinds, we have had no relief in prices, and the condition of the roads has further deteriorated, thus increasing the cost of maintenance of our overworked fleet of omnibuses.

The Company's Fleet of 'Buses.

When the War started your Company possessed a fleet in being of 2,742 omnibuses. Of these 1,093 have been sold, nearly all to the Government; 230 have been replaced, leaving a diminution of the fleet of 863. Due to their age, the extremely hard service that they have had, and the conditions of the roads during recent years, the fleet is worn out, and should be replaced at the earliest possible moment by new vehicles. Its actual value can be looked upon as little more than scrap, for the omnibuses will have to be sold as scrap when replaced. We are therefore, in order to restore our position, faced with the necessity of acquiring 2,742 new omnibuses at the earliest possible moment, and at this period of high prices a careful estimate indicates that the cost of these is not likely to be less than £2,775,800. Let us now examine the funds available to meet this charge. First there is the sum of approximately £550,000 representing the balance at credit of capital account in respect of omnibuses sold. Then there is the reserve for contingencies and renewals, which stands at £1,904,868. In this sum is included a reserve against a liability to replace certain omnibuses for the allied companies which cannot be definitely estimated but amounts to about £100,000. Combining these figures we arrive at a total of about £2,300,000, represented on the credit side of the accounts by cash and investments, towards the total cost already mentioned of £2,775,000. The cost per vehicle will not be less than £400 above the pre-war cost of the same vehicle. It has been argued that this excess of present cost over pre-war cost is properly a capital charge, and that new capital should be issued to the extent necessary to provide the difference, thus setting free a large sum now in reserve for division as extra profit. I answer that no part of the sum in question is available for division. The whole cost of replacement is a working charge and not a charge against capital. Disguise it as we may, the line of safe finance is clearly drawn between the policy we have adopted of providing for renewals out of revenue and that now urged upon us of charging an important part of the renewal cost to capital account, so that more may be available for dividends. We have listened carefully to the arguments advanced and have not been converted. Our policy is the familiar one, "Safety First." Any other policy leads to disaster and bankruptcy, and we decline to be led or forced into pursuing it.

New Improved Vehicles.

We expect to run a type of omnibus superior to that now in use, more economical in operation and renewal. Commencing with August 1917, the general level of fares has been raised in order to meet increasing costs, and arising out of the Lighting and Fuel Orders the service of omnibuses was withdrawn at an earlier hour in a number of cases. The number of omnibuses run by the Company and the Companies associated with it is now about 2,050, compared with about 3,070 before the War started. The diminution in numbers and the difficulty of maintaining, let alone adding to the fleet, under the War conditions, accounts for the discomfort and overcrowding in the omnibuses to which the public have submitted with a patience truly admirable. We are at present working on a first instalment of 250 new omnibuses, and have extensive plans laid out for the provision of further vehicles as fast as they can be manufactured. During the year our coach factory has been engaged in the supply of lorry bodies under a Government contract, and has been turning out some 30 such bodies per week

Dealing with the labour position, the Chairman said that a 47 hour week had recently been applied in all shops and garages. A request had been received from the traffic staff for a 48 hour week, coupled with certain improved conditions, and this was under negotiation at the present time. The wages bill of the Common Fund Companies for 1919, it was estimated, would be greater by some £1,032,000 than the corresponding figure for 1917, and this figure did not include advances granted since January 1, 1919. The successive advances aggregating this large sum had been mainly settled by awards of the Government Committee on Production. With the amount received from the Common Fund the total available for interest and dividend was £349,100, and it was proposed to pay a final dividend of 4%, tax free, making 8% for the year on the Ordinary shares, and to carry forward £60,930.

PORT TALBOT RAILWAY AND DOCKS COMPANY.

THE forty-third ordinary general meeting of the Port Talbot Railway and Docks Company was held on February 19 at the Great Western Hotel, Paddington, W., Mr. Godfrey Lipscomb presiding.

The Secretary (Mr. E. Knott) read the notice convening the meeting.

The Chairman said: Gentlemen, I am sorry that the majority of my colleagues on the Board are unable to be with us to-day, unfortunately through illness, and Sir Thomas Watson has been suddenly called abroad on urgent Government business. In submitting the report of the directors and accounts for last year, I have to say that the figures are again got out in modified form, consequent upon Government control through the Railway Executive. The accounts call for little or no remark. Statements Nos. 1, 2 and 3 are as they were last year; No. 4 shows capital expenditure of but £3,410, which was for the completion of certain dredging, &c., work we had to carry out in connection with Messrs. Baldwins' new blast furnace wharf. The revenue accounts are practically on all fours with those of 1917, the balance after payment of fixed charges being £84,857, as against £84,751. This is sufficient to provide a dividend on the Ordinary shares of 9%, and on the Preference shares the full dividend of 4%, leaving us with a balance to be carried to the next account of £4,157. I cannot yet say in what form the Government or other control will continue in the future, but apparently it is, at any rate, to continue for two years after the conclusion of peace. The very large blast furnace, steel and other works being erected by Messrs. Baldwins are approaching completion. Numerous applications are being received by your Board from substantial and responsible quarters for sites for very large patent fuel and other works, and we anticipate the letting of two, if not three, large sites in the very near future; and when the Treasury restrictions upon new expenditure are removed things should go ahead rapidly. The prospects for future trade at Port Talbot are very promising. With these few remarks I beg to move the adoption of the report and accounts for the year 1918.

Mr. W. H. Skeel seconded the motion, which was carried unanimously.

The Chairman then proposed: "That dividends at the rate of 4% per annum for the half-year on the Preference shares and 9% per annum for the half-year on the Ordinary shares be paid, less income tax at 6*s.* in the £, making, with the interim dividends already paid in August last, 4% and 9% for 1918."

Mr. Michaelson seconded the motion and it was unanimously adopted.

THE PORTO ALEGRE AND NEW HAMBURG (BRAZILIAN) RAILWAY COMPANY, LTD.

A GENERAL meeting of the Company was held at Cannon Street Hotel, E.C., on February 18, to receive from the Liquidator a statement showing the manner in which the winding-up had been conducted. Mr. William Tweedie, the Liquidator, presided.

Mr. Warwick Webb, on behalf of Messrs. Walter Webb and Company, the Company's solicitors, read the notice convening the meeting.

The Liquidator said: Our meeting to-day is purely a *pro forma* one, to comply with the requirements of the Companies Act; for, while I have been active in your interests since I last addressed you, we are still without a settlement of our claims against the Brazilian authorities. So long as these claims remain unsatisfied it is obviously necessary that the Company remains in being.

Claim against Brazilian Authorities.

I had, as the outcome of negotiations referred to in my statement to the shareholders in 1915, well-founded reasons for believing we were in sight of a settlement that would have proved satisfactory. The War upset these calculations. Now that hostilities have ceased there should be more prospect of getting a hearing for our claims. I learn from well-informed quarters that the Rio Grande authorities are already contemplating raising at the first opportunity the further capital of which they are in need to develop their

The SUPER PIPE TOBACCO

Spinet

Smoking Mixture

Fine Natural Flavour

1/11 for 2 oz.

R. J. HILL LTD. LONDON

resources, and that efforts will be made to raise such capital either in the U.S.A. or in Europe. It is at such a moment that we should be in a position to press our claims with some chance of success. The preliminary steps I have already taken, both in Paris and in New York, to the end that the moment opportunity offers a proposal for a reasonable and friendly settlement may be put forward.

"Culminating Act of Injustice."

Our case against the Brazilian authorities is so familiar to all concerned that it is unnecessary to make further reference to it. The culminating act of injustice was the arbitrary procedure of the Government of the State of Rio Grande do Sul in the unjustifiable redemption of the 7% Bonds awarded by their own Courts, thus putting an end to the income guaranteed by these bonds of £16,000 per annum for 30 years, thereby forcing the Company into liquidation. The injustice must be righted, and until it is righted we must press on.

I now beg to submit the accounts since the date of the last meeting, as presented to the Board of Trade and filed at Somerset House.

I might just add that our old friend Mr. Ernest Woolley is unfortunately not present to-day, through ill-health, but I have just received a note which I should like to read to you: "Mr. Ernest Woolley regrets that he is kept at home by influenza, and desires to put on record his wholehearted support of Mr. Tweedie in all he has done to further the interests of the Company, and he trusts that Mr. Tweedie's further efforts may be successful."

Mr. A. P. Pennell: Mr. Chairman, in the absence of Mr. Woolley, perhaps you will allow his mantle to fall upon myself. I should like to move that this meeting receives and adopts the statement of accounts presented by the Liquidator, and thanks him for his continued efforts on the Company's behalf. I think you are doing the only thing you can do, Sir, that is, to keep at it, to peg away at this not very satisfactory Brazilian State; and we must hope that the method of (what shall I say?) the importunate widow will eventually prevail with the unjust judge. I think that perhaps there is a little more prospect of success now than there was last year, because the War is rapidly approaching an end, and the time is fast arriving when these people will want to borrow more money; and then is the time when their past creditors may possibly get a little satisfaction out of them.

Mr. C. K. Tathan seconded the motion, which was unanimously adopted.

The Liquidator: Gentlemen, I am very much obliged to you and to the proposer and seconder of the resolution. You may rely upon my continuing to do all that is in my power to push your interests.

RAILWAY DEBENTURE AND GENERAL TRUST COMPANY, LIMITED.

The forty-sixth annual general meeting was held on February 17 at the Cannon Street Hotel, Mr. C. C. Macrae presiding.

The Chairman first dealt with the balance sheet, stating that the investments had been increased as compared with the previous year by about £80,000, the cash showing a decrease of approximately the same amount. The gross profits for the year were £112,029, as compared with £108,000, being made up almost entirely of interest on investments, and representing a return of 4¾% on the whole of the invested capital. The amount was larger than in any year since the beginning of the War, but was not quite equal to the figures for 1912 and 1913, which were £117,000 and £118,000 respectively. In those years they were getting a return of, roughly, 5% upon the whole of the Mexican investments of £120,000, but thereafter that £6,000 a year entirely failed. They were adding £5,000 out of the profits of the year to the reserve account, together with £4,372, being the balance of profits on realisation of investments. Then they had written off £22,173 in respect of certain securities, leaving the reserve at £260,117, against £272,000 a year ago. The result of the improved position was that they were able to declare ½% extra dividend, making a total of 5½% on the Ordinary stock for the year. During the War years the directors had endeavoured to give the stockholders an estimate, to the best of their judgment, of what the depreciation on the investments amounted to, and although those estimates were highly tentative and approximate in the earlier years, he was happy to say that, speaking generally, the figures now obtainable showed them to have been justified. With reference to the Mexican investments, in regard to which they had been entirely in the dark, he had placed the depreciation, on a rough valuation, at 50%, but they had now been able to obtain fairly close quotations, at which dealings were actually taking place, and he was happy to say that the depreciation did not amount to more than about 35%. Taking the Company's holdings as a whole, home investments formed 35.17% of the total and showed a depreciation of under 2% as compared with the book figures, which were the result of the valuation made in 1910. United States investments, representing nearly 24%, showed a depreciation of 22%; foreign and colonial, about 15½%, a depreciation of about 11%; Argentine, 10¾%, a depreciation of 15½%; Canadian, 6¾%, a depreciation of slightly over 20½%; Mexican, 5¼%, a depreciation of 35½%; and Brazilian, 2¾%, a depreciation of 15½%. These figures showed a total depreciation from the 1910 valuation of, roughly, £300,000, but the directors were not in the least alarmed at this, because they did not regard the larger portion of the amount as representing depreciation of anything but a temporary character. The Company stood, as it had done for many years, in a very sound position, and the proprietors were getting quite a substantial return on the share capital.

The report was unanimously adopted.

RAILWAY SHARE TRUST AND AGENCY COMPANY, LIMITED.

The thirtieth annual general meeting was held on February 17 at the Cannon Street Hotel, Mr. C. C. Macrae presiding.

The Chairman, in moving the adoption of the report and accounts, said it was with real pleasure that he rose to address the meeting, for at the close of the War the directors were in the singularly happy position of being able to present the best statement of accounts they had submitted for a good many years; in fact, the gross profits of the year under review were the largest they had been able to record for about 10 years. The gross profits for 1912, deducting the profit made on the realisation of securities, were £51,000; for 1913 they were £57,000, for 1914 £58,000, for 1915 £56,000, for 1916 £62,000, for 1917 £64,000, and for 1918 £69,000. Almost the whole of the £69,000 arose from interest on investments. The amount carried from the profit and loss account to the balance sheet was £51,899, after transferring to reserve account no less than £9,000, as against £5,000 in the previous year. They had written off the reserve account £5,662 in respect of certain securities, and the balance added to that account on the realisation of sundry investments was £12,019. The result was that they had brought up the reserve account to £111,709, as against a total depreciation on all their assets of only £50,000, and even this was far from being an absolute, permanent loss. On a break-up value their Ordinary stock was worth 109, whereas it stood in the market at about 47. Home investments, which formed 33¾% of the total holdings, showed an appreciation of nearly 9%; United States, 27%, a depreciation of 14¾%; Argentine, about 8½%, a depreciation of 9%; Canadian, 8¼%, a depreciation of 21½%; Brazilian, 3¼%, a depreciation of 14½%; other foreign and colonial, including Mexican, nearly 14%, a depreciation of under 4%; and mines, 2¼%, an appreciation of 23¾%.

Sir Edward F. Coates, Bt., M.P., seconded the motion.

Mr. Sneath suggested that in future the interest on the Preference stock, viz. 7½%, should be shown in the balance sheet.

The Chairman said he thought the suggestion was quite a good one. There was, he added, no trust company in the kingdom except their own which paid more than 5% on its Preference stock, whereas this Company had to pay 7½%. For some reason inscrutable to him, the nominal quotations for their stock were far below anything that was justified in the accounts submitted. The yield on the nominal market value of the Ordinary stock was about 9% in the Railway Share Trust Company and 9½% in the Railway Debenture Trust Company.

The motion was unanimously adopted.

AFRICAN BANKING CORPORATION.

The adjourned annual general meeting was held on February 20 at Winchester House, Old Broad Street, E.C., the Right Hon. the Earl of Selborne, K.G. (the Chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said: As regards the statement of accounts and balance sheet, if you will look at the figures you will see that our cash is £1,972,370 19*s.* 1*d.*, or about £242,000 more than last year. Securities are £808,427 11*s.* 4*d.*, or about the same as last year. They are taken in at market prices, and all depreciations have been provided for. Bills of exchange are £2,429,457 11*s.* 1*d.*, or £360,000 up on last year. These are daily maturing, and together with cash and securities represent about 60% of our liabilities to the public. Bills discounted, loans and advances are £4,126,154 13*s.* 1*d.*, or £677,000 more than last year. Acceptances, &c., are £150,706 15*s.* 8*d.*, and bank premises, &c., £201,497 14*s.* 11*d.*, or about the same as a year ago. You will see from the profit and loss account that we have set aside £10,000 for depreciation of premises, and in addition I may say that all our premises are kept in a condition of thorough repair. On the liability side the capital remains at £600,000; but, as you are aware, a new issue of shares has been made, which will be fully paid up on March 27, and therefore next balance sheet will show our capital as £1,000,000 paid up. The premium on the new shares—namely, £40,000—will be added to reserve, and, as that item stands at present in this balance sheet at £290,000, when that is done the reserve will be £330,000. Note circulation is £400,116 10*s.*, or £68,000 more, and the more the note circulation is increased in the country the greater is the economy of gold. The measure of a full circulation of bank notes is the need of the country; and the soundness of the circulation rests upon a sufficiency of gold to redeem the circulation as and when required. With the large liquid resources we have our circulation is relatively well within the requirements of our

business. Deposits are £7,888,686 5*s.* 4*d.*, or £1,166,000 up on last year. Drafts issued are £273,268 4*s.* 10*d.*, and rebate stands at £25,824 5*s.* 2*d.* All the items of our active business figures show increases, resulting in an increase in the totals of £1,274,000. We have had a good year, which shows that South Africa has not been adversely affected by the War, and that the commercial and agricultural position there has been good. The profit and loss account shows correspondingly good figures. Freed from the continual depreciation in all first-class securities which, in common with other banks, we have experienced for some years back, we are now able to show profits more in relation to the business we have done. With the carry-forward from last year of £28,740 8*s.* our total profits are £378,988 6*s.* 10*d.*, or £75,200 more than last year, and that is after deducting interest on deposits, bonus to staff, and providing for all bad and doubtful debts. Charges are naturally higher than last year at £192,416 10*s.* 8*d.* Rebate is £25,824 5*s.* 2*d.* Depreciation of furniture is £1,734 6*s.* 10*d.*, and, as I have already said, £10,000 is placed to premises account and £5,000 is added to the staff guarantee and savings fund. In addition to that fund we are now able to start a pension fund, to which we put £20,000. The balance of profit and loss represents the 8% dividend we have paid you for the year and the £36,013 4*s.* 2*d.* which we carry forward to next account.

Mr. Robert Littlejohn (Deputy-Chairman) seconded the resolution, which was carried unanimously.

IMPERIAL TOBACCO COMPANY (OF GREAT BRITAIN AND IRELAND).

The annual meeting of the Imperial Tobacco Company (of Great Britain and Ireland) was held on February 18 at Bristol, Mr. G. A. Wills (the Chairman of the Company) presiding.

The Chairman said: The accounts submitted relate to the seventeenth year of the Company's operations. The net profits are in excess of those for the year to October 31, 1917, by £287,652, notwithstanding the many difficulties which have had to be faced during the past year, and the balance sheet displays a sound and healthy financial condition. The net trading profits and dividends to October 31, 1918, after fully providing for all charges, including ample depreciation, income tax, and excess profits duty, amounted to £3,826,191, from which must be deducted £100,000 added to the provision for pensions, &c., as compared with £50,000 in the preceding year, and £1,000,000 carried to general reserve account, which is the same figure as was similarly applied last year. There is thus left a balance of £2,726,191, which, added to the undivided balance of profit from October 31, 1917 (after deducting £178,467 paid as final distribution of bonus to customers for the year ended on that date), gives an available balance of £2,818,749.

Allocation of Profits.

The dividends we propose to distribute are shown in the appropriation account. The prescribed dividends have been, or will be, paid upon the "A" 5½% Cumulative Preference shares, the "B" 6% Non-Cumulative Preference shares, and the "C" 10% Non-Cumulative Preference shares, and the directors recommend a dividend of 10% for the year, free of income tax, on the Ordinary shares, on account of which 3½% was paid in September last, and that in addition a bonus shall be paid upon these shares of 1*s.* 3*d.* per share, also free of tax. The amount so to be distributed on the Ordinary shares is £104,498 8*s.* more than was paid away last year, though the amount of the bonus per share—namely, 1*s.* 3*d.*—compares with 2*s.* 6*d.* last year. The explanation, as you will readily appreciate, is that in 1918 2,786,624 shares of £1 each were issued as fully paid to the Ordinary shareholders out of the general reserve, or one share for every two already held, so raising the issued share capital by that amount and widening by 50% the area over which the Ordinary dividend of 10% has to be calculated, which, with the bonus of 1*s.* 3*d.* per share, is equal to 16¼%, free of tax, on the Company's issued Ordinary capital. The amount carried forward to the next year is larger than usual—namely, £466,708—which is subject to customers' bonus. The Company has continued the policy which was adopted at the beginning of the war of keeping open the places of employees who joined the Forces and making up the difference between their Government pay and allowances and the wages or salaries which they would have been receiving had they not joined the Forces. The amount expended by the Company during the twelve months ended October 31 last in respect of these allowances was £226,230. We have also during the year made substantial gifts, amounting to approximately £50,000, to various War funds.

Gifts to Staff and Workpeople.

The board have for some years past been able to make a gift to the Company's employees over and above their normal salaries or wages. I am glad to say that the record of loyal work on the part of the Company's employees has been fully maintained during another year of strenuous conditions, and I am sure that you will approve the decision of the board to make a similar gift on the present occasion. It has been decided to make to each person who has been in receipt of a salary or wage from the Company during the twelve months or any lesser period ended October 31, 1918, and who still remains in the service of the Company to-day, a gift of a sum equivalent to 12½% of the salary or wage received by him or her during the said twelve months or lesser period.

The Balance Sheet.

Turning now to the balance sheet, the Preference share capital remains at the same figure as at October 31, 1917, but the Ordinary share capital has been increased by 2,786,624 shares of £1 each issued as fully paid to Ordinary shareholders in accordance with the resolution passed in extraordinary general meeting held on March 6, 1918. The item of creditors, &c., appears at £9,355,258, which is largely in excess of the amount last year. This is mainly due to the figures at October 31, 1918, including a provision for excess profits duty for two years—namely, 1917 and 1918—which had not been paid at the date of the balance sheet, and to the increased liability for income tax, and it is also augmented by the amount which has been set aside for estimated capital liability under dividend guarantees in respect of associated companies. In previous years this estimated liability had been deducted from the investments in associated companies on the credit side of the balance sheet. The provision for pensions, &c., has been increased appreciably by reason of an amount of £100,000 having been appropriated for the purpose out of the profits of the year under review. The normal calls upon this fund have been increased during the years of war, many cases having arisen in which the directors have thought it right to help the dependents of employees of the Company who have lost their lives on active service. No shareholder will, I am confident, desire to withhold generous support from this deserving fund. As regards the assets side of the balance sheet, land, buildings, plant and machinery show a slightly smaller figure than at October 31, 1917, on account of the depreciation which had to be provided for exceeding by about £8,000 the new plant and machinery installed. The item of goodwill and patent rights remains at the same amount as at October 1917. The investments in associated companies are valued at cost, or below in those cases where depreciation has taken place, and the amount—£3,267,350—compares with £1,809,095 last year.

Stocks and Tobacco Imports.

A note appears on the balance sheet stating that in the aggregate the market value of investments in associated companies is largely in excess of the book value. The stock-in-trade has risen appreciably, and now stands at a net figure of £14,242,307, as compared with £9,791,152 at October 1917. It is necessary that the Company should hold very ample stocks, not only to strengthen the position of our undertaking as a great manufacturing Company, but also to ensure uniformity in the character and quality of our manufactures. The price of leaf has risen greatly during the last year, and no one can foretell the future course of the market, but as you will have seen from our balance sheet, amounts have been set aside to meet fluctuations in the value of leaf tobacco. The items of debtors, payments on account of leaf in transit, and bills receivable do not call for comment. Investments in Government stocks have been valued at ruling market prices on October 31, 1918, and show a value of £1,380,607, as compared with £2,404,929 at October 1917. Considerable investments have been realised during the year to assist in paying for the increased prices of our stocks of leaf tobacco. The remaining items of Corporation loans not officially quoted, £250,000, and cash at bankers and in hand, £1,961,988 15*s.*, do not call for comment. When I addressed you last year I went very fully into the position of the stock of leaf in the United Kingdom, which at that time was giving us the greatest anxiety. I am glad to be able to tell you that the position to-day is more satisfactory, and, with normal shipping facilities, I see no reason to anticipate any danger of a shortage such as faced us last year. The policy which this Company has consistently pursued in building up and maintaining a strong reserve stock of leaf tobacco was vindicated in a remarkable way during those critical months. That policy saved the situation, not only for this Company, but also for some other important manufacturing interests, where we were able to render effectual assistance in the supply of leaf tobacco. I should like to acknowledge the great help which we received during the critical period from the Tobacco Control Board. They fully realised the dangers of a shortage, and used all their influence with the shipping authorities to avert it. I should like to say a few words with regard to the shortage of supplies of this Company's goods to civilians in this country. Our factories have been working at their full capacity of output, but the War Office and the Navy and Army Canteen Board have been most insistent in their demands for tobacco and cigarettes to be supplied to our troops fighting on the various fronts. I am sure you will agree with me that we have only done right in making every effort to supply these gallant men with the tobacco and cigarettes which have been among their principal comforts. The Y.M.C.A. have also taken large supplies from us for their canteens in various countries, and we have also made large supplies to our Colonial Forces in this country. All these various organisations have constantly taken a large proper-

tion of our output during the last few years, but as I have said before I feel sure you do not grudge both the Navy and Army being supplied before the civilian population. Now that demobilisation has commenced the demands for the Navy and Army will be considerably less, consequently more goods will be available for the ordinary trade here.

I move the payment of a dividend of 5½% upon the "A" 5½% Cumulative Preference shares for the year to October 31, 1918, the payment of dividend at the rate of 6% per annum on the "B" 6% Non-Cumulative Preference shares of the Company for the half-year to April 13, 1918, the payment of dividend at the rate of 10% per annum upon the "C" 10% Non-Cumulative Preference shares of the Company for the half-year to April 30, 1918, the payment of an interim dividend of 3½%, free of income tax, on the Ordinary shares of the Company on September 1, 1918, be and the same are hereby approved and confirmed.

Mr. Mitchell seconded the resolution, which was carried with acclamation.

The Chairman said before he moved the adoption of the report and accounts he desired to say that now was the time for shareholders to ask any questions, and they would endeavour to answer.

The resolution for the adoption of the report was carried.

The Chairman then moved, and Mr. Mitchell seconded, two further resolutions with regard to dividends: That a dividend at the rate of 6% per annum upon the "B" 6% Non-Cumulative Preference shares of the Company for the half-year to October 31, 1918, and a dividend at the rate of 10% per annum upon the "C" 10% Non-Cumulative Preference shares of the Company for the half-year to October 31, 1918, be declared, and be paid on March 1, 1919; that a final dividend of 6½%, free of income tax, and a bonus of 1*s.* 3*d.* per share, free of income tax, upon the Ordinary shares of the Company for the year to October 31, 1918, be declared, and be paid on March 1, 1919.

These motions were formally adopted.

The proceedings terminated with a vote of thanks to the Chairman.

THE YORKSHIRE ELECTRIC POWER COMPANY.

The annual meeting of the Yorkshire Electric Power Company was held on February 18 at Leeds, Mr. A. G. Lupton (the Chairman) presiding.

The Chairman said: The report and accounts are in your hands and require few comments. Progress has been satisfactory, and the directors have pleasure in advising you to declare a dividend at the rate of 7% on the Ordinary shares, as compared with the 5% for last year, to add £15,000 to reserve, and to carry forward the sum of £10,394. The increase of revenue is satisfactory, and I may remind you that, whilst the whole of the plant and mains has from the first been steadily repaired and kept in working order out of revenue, the amount at which they stand in the capital account, some £860,000, is far below what they would cost if purchased at present prices. The Company is achieving success after a tedious period of probation; the original shareholders have had long to wait for a reasonable return on their capital, but the faith which induced them to form the Company is now being justified, and if the Company is allowed to continue the work with which it was originally entrusted without further legislative interference it will continue to grow and to render steadily increasing services to the West Riding, which it was constituted to serve.

Effect of Uncertainty as to Legislation.

I ventured last year to occupy your time in reminding you that the Company was founded some 15 years ago with the object of generating electricity in large central stations for distribution throughout the area entrusted by Parliament to the Company, and I gave as concise an account as seemed possible of the growth of the Company year by year and how it was fulfilling its responsibilities. I told you also of the very large further demands which were being made for increased supplies of current, and of the Ferrybridge station which we were preparing to develop in order to meet these demands. Since that time fresh legislation is threatened involving the whole future of electrical supply throughout the country, and your directors feel that until this is defined new departures on a large scale must be deferred unless the Government will give such assurances as will enable the Company to go forward. The responsibility for delay and inconvenience caused to the district must lie upon the shoulders of the Government, which has caused the block, and not on the Company, which would, under normal conditions, have been quite prepared to fulfil its obligations. Your board are taking every means in their power to impress upon the Government the urgent need for speedy decision as to the future of the industry so far as generation is concerned, and negotiations have been entered into which we hope may lead to a satisfactory solution of the difficulty and prevent the deadlock which must otherwise result. To construct a station such as we contemplate at Ferrybridge is a matter of years, and the demands for power are so immediately urgent that delay in putting the buildings in hand and placing orders for plant is more grievous than can be easily realised, and the effect of the delay will, in any case, be felt for several years to come, whilst if the organisation suggested in the Board of Trade Report has to be created and waited for the matter will be still more serious.

Further Capital Required.

In the meantime we have to carry on. There are mains to be laid for new customers who are waiting for our current, and there are loans to be repaid which have enabled us to supply customers who are now connected and upon which we are already earning a good revenue, and to meet these payments we shall require this year at least £100,000 of fresh capital, which must be provided by the further issue of Ordinary shares. During the past year the balance of £26,475 Preference shares, in addition to £27,200 of Ordinary shares, together £53,675, has been taken up, and you will be interested to know that over £60,000 of capital in our Ordinary shares has now been taken up by consumers in order to help the Company to bring its mains into their works, an important factor in the future of the Company. Application forms for this further capital will shortly be sent to all shareholders, and in view of the dividend of 7% to which the Company has now attained and the sound position of our accounts, we trust that there may be a good response from shareholders, whose applications will receive the first consideration.

The State and the Electrical Industry.

You will expect to hear something from me as to the legislation which is foreshadowed for nationalising the supply of electricity and the effect which this would in particular have upon our Company. Taken as a whole, the Board of Trade report is a thoroughgoing confirmation of the principles on which our Company was established—that generation in small separate stations up and down the country is thoroughly wrong and uneconomical, and that so long as electric supply is dependent on such stations it is impossible for it to take its right place in our daily life and industries, and that the use of electricity would be increased almost beyond the competitions of any of us if the piecemeal and pettifogging restrictions that now prevail could be swept aside. Whether this advance can be best attained by the entire separation of generation from distribution, as suggested in the Board of Trade report, and whether it would be wise to put under State management an industry of so complex a nature and which is so rapidly changing and developing, is a matter in which there is room for grave doubts.

Sir Thomas Octavius Callender seconded the resolution, which was then carried unanimously.

FAUDELS, LIMITED.

The annual general meeting of the shareholders of Faudels, Limited, was held at Cannon Street Hotel, E.C., on February 18, Mr. B. S. Faudel-Phillips, J.P. (Chairman of the Company), presiding.

The Secretary (Mr. John Lane) read the notice convening the meeting and the auditors' report.

The Chairman, in moving the adoption of the report and accounts, said: No doubt many of you will want to know to what the large increase of profit is due. The gross profits show an increase of 5% on the trading, as against an increase in the price of food of 130%. We can, therefore, I think, be exonerated from any charge of profiteering. While profits have only increased 5%, expenses have increased 12½%. The stock is £9,000 heavier than in 1913, and I think I may say the stock is a cleaner and better one than it has ever been. The return of the Company (and this is most satisfactory) has more than doubled, and it is that to which the increased profit is due. In 1913 we paid 3% dividend and carried forward £361, and we did not possess any reserve. The shares, as far as my memory serves me, stood at 3*s.*, and to-day, according to the daily papers, they have touched 24*s.* I need not, therefore, point out to you what, evidently, the public think of our balance sheet. We recommend the payment of a dividend of 15%, and we have at last adopted that which we have so often been pressed to do, that is, placing a sum to reserve. We have placed £25,000 to reserve, but this is really not the whole of the reserve. We have increased the lease redemption fund by £4,000 over and above the amount required by our Articles of Association, and we have increased the reserve against bad debts and discounts by £1,250. In addition to this we shall carry forward £4,000 net or a little more. You will notice that we really carry forward £88,760, but the bulk of this will be taken to pay excess profits duty. Now as regards 1919. It is very difficult to prophesy ahead. It will largely depend on the action of the Chancellor of the Exchequer with regard to legislation of excess profits tax. If, as many of us believe and hope, this will be fairly dealt with, there is no reason why the 1919 balance sheet—the net amount—should not be as satisfactory as it was last year. I beg to move that the report and balance sheet be adopted.

Mr. H. J. Davis (Managing Director) seconded the motion, which was carried unanimously.

BOVRIL, LIMITED.

THE twenty-second annual general meeting of Bovril, Limited, was held on February 20 at River Plate House, Finsbury Circus, E.C., Mr. George Lawson Johnston (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: The selling price of Bovril is the same to-day as it was in July 1914, though it costs us more to produce. This is an achievement of which we can all feel justly proud. The shortage of bottles was the sole cause of our being unable to meet the heavy demands for Bovril, though we had stocks of bottles made and paid for in America for which we could not obtain an import permit. The container of a valuable food product like Bovril becomes almost as important as the food itself when it is impossible to get the food into the hands of the public without such containers. Therefore, any restriction that stands in the way of the import of these bottles is depriving the public of an essential food product at a very critical time. As stated in the report, the dividend received on our holding in Virol, Limited, during the period under review was at the rate of 12½%. While this rate of distribution has been maintained during the last six years, the Company have been building up reserves, which now amount to £50,000, as against a share capital of £64,000. Now a few words on the balance-sheet figures. On the credit side you will find the large amount comprising "goodwill, trade-marks, freehold and leasehold properties, and interests in associated companies, Government stock, etc.," shows an increase of £24,005, due to the fact that £25,000 of War Bonds have been purchased during the year. But for this addition the item would have shown a slight reduction. "Stock of cattle, raw material and manufactured products at home and abroad, taken at or below cost," stands at £726,573. To get a comparison with the last balance sheet you must include the item "Advances made for cattle purchased," £104,268, in those accounts. This year's figure then shows an excess of £159,120 over the two items in last year's accounts. "Trade debtors" shows a reduction of £22,915; "Cash at banks and on hand," an increase of £10,891 at £46,697. On the debit side of the balance sheet "Trade and sundry other creditors, including bills payable," shows an increase of £98,174; and "Creditors for loans covered by warrants for raw materials" £32,480, making together £130,000, which is largely explained by the £157,000 of additional stock on the other side of the accounts. The "Reserve," at £360,000, includes the £35,000 addition made last year, and will be brought up to £395,000 when you pass the present accounts. The "Balance of profit and loss account," at £190,438, I will deal with later. On the credit side of the "Profit and loss account" you will find the trading profit of £384,086—£34,922 in excess of 1917. This, of course, is accounted for by the increased sales. On the front page of the report you will note that the profit, including the carry-forward, amounts to £190,438; £102,500 of this covers the fixed dividends and interest. We now recommend a dividend of 10*d.* per share, free of tax, on the Deferred shares. This represents about 5⅞%, or £43,859—after adding 5*s.* 9*d.* income tax—as against £40,000 last year. The £35,000 which we recommend as an addition to reserve is the same as last year, and the carry-forward shows a slight reduction. It may interest you to know that we have about 13,000 shareholders and Debenture-holders, and the average dividend or interest payment per head in 1918 is £11.

Major-General the Earl of Erroll, K.T., C.B. (Vice-Chairman), seconded the motion, which was carried.

SELFRIDGE AND COMPANY, LIMITED.

THE eleventh annual ordinary general meeting of this Company was held in the Palm Court at the Company's store, Oxford Street, W., on February 21, Mr. H. Gordon Selfridge (Chairman and managing director) presiding.

The Secretary (Mr. A. H. Youngman) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—Another year's history has been added to this business, and its figures and results have been printed. Its returns are, of course, much greater than ever before, and its profits also are somewhat higher than those of last year. Its percentage of gross profits, however, is decidedly less than previously, showing that this House at least has not taken advantage of an advancing market to get a higher gross profit. It has instead used the last year of the War to again demonstrate to the great purchasing public that the lowest prices may always be depended upon at Selfridge's. There can be no possible leaning towards profiteering in such a policy.

A Spirit of Goodwill.

The expenses, too, are far greater in aggregate than ever before, the chief item of increase being the pay-roll, which has risen at a very rapid rate. This rise has been, of course, voluntary on our part, and has more than kept pace with increased costs of living. We hope sincerely that standards of remuneration now in force will not suffer diminution in any way in the future, but we feel that throughout the country from those receiving these increased remunerations there is due that full spirit of "try," of "doing one's utmost and best," which is so apparent to the observer of the staff of this House.

If there could be eliminated from the actions of employers a lot of the selfishness which too often allows them to see questions of difference from their own standpoint only, and from the actions of employees that too often evident spirit of opposition to the business with which they are associated—opposition to its decisions and to its policies—if both of these elements of human nature could be eliminated much of the difficulty between so-called Capital and Labour would disappear. A spirit of good will, of absolute justice on each side, of friendliness and co-operation between employer and employee is greatly to be desired, but both sides must do their full share in dispersing these qualities, and the employer must see that the paymaster is instructed to do his duty in placing in the weekly pay envelope its fair proportion of the coin of the realm.

Selfishness and jealousy—two yellow streaks in the human make-up—are usually the guilty factors and responsible for most trouble, and until we all become sufficiently civilised to shake at least in part those unfortunate elements out of our natures we are going to suffer accordingly.

In connection with this subject we declare unhesitatingly that the excellent results which it has been the privilege of this business to attain during the past 10 years are largely due to the delightful spirit of earnest loyalty, of enthusiasm, of trying to do things always better, of happily working together, and of the *esprit de corps* of this great staff of whom we have fair reason to be very proud.

Certain of Further Progress.

Now that the War is over we feel certain that this business will spring ahead. Restrictions—as necessary as they may have been—are directly antagonistic to business development—at least to business such as this. Governmental control is always a handicap to business just as it would be to a runner in the Marathon race, and it is with much relief that men of affairs all over the kingdom see those who have well and unselfishly performed the unhappy but necessary duty of officially controlling the departments of commerce rapidly surrendering those duties. We can see no evidence that the love of bureaucracy prevails in the minds of at least those strong men who have been of such enormous temporary aid to the Government during the past difficult years.

Soon things will, we may hope, be running more nearly normal, and from then on the success of each individual, of each business, and of the united commerce of the entire Empire will depend upon the ability, good judgment, nerve, and splendid hard work which is associated with the undertaking. So far as the outcome is concerned we profess ourselves to be absolute Optimists. (Applause.) I beg to move: "That the report of the directors and the audited statement of accounts for the year ended January 31, 1919, already printed and circulated amongst the shareholders, be adopted."

Mr. Ellis W. Davies seconded the resolution, which was carried unanimously.

The retiring directors (Mr. H. H. Davis and Mr. J. C. Merrells) and the auditors (Messrs. Deloitte, Plender, Griffiths and Company) were re-elected, and a vote of thanks to the Chairman, the directors, and the staff concluded the proceedings.

E, W. TARRY AND COMPANY, LIMITED.

THE annual general meeting of E. W. Tarry and Company, Limited, was held on February 20, at the Cannon Street Hotel, E.C., Mr. John Varley, Chairman and Managing Director, presiding.

The Chairman, in moving the adoption of the report and accounts, said: I am pleased to inform you that we have had a better year than last; there has been a larger turnover at several of the branches with a net profit of nearly £7,000 more than for the previous year, and I have no doubt you will be disappointed that the directors are not recommending a larger dividend. Owing to the large amount of excess profits that we shall be obliged to pay on the year's results, the only way we could pay a 10% dividend for the year would be by placing nothing to reserve account. While in view of our present reserve of £65,000 that course might at first sight seem a reasonable one, I think that if you consider the matter more closely in view of the present uncertain position of trading generally, and the epidemic of striking, which seems to be spreading rapidly, you will come to the conclusion that the directors are acting in the best interests of the shareholders in recommending the placing of the modest sum of £3,000 to reserve account and the payment of a final dividend of 5%, making 7½% for the year. The figures in the balance sheet indicate very clearly the position of affairs. Taking the liabilities side first, the capital authorised and issued is, of course, as last year. Sundry creditors, South Africa, stand at £18,827, against £16,967, an increase of £1,860; £10,250 of this total is provision for income tax and the balance is made up almost entirely of purchases of goods made locally during the month of August, and long since paid for. Sundry creditors, London, are £14,847, against £8,339, an increase of £6,508. About £10,000 of this is for income tax and practically the whole of the balance for goods in

course of shipment. Now, looking at the assets side of the balance sheet, freehold and other properties show £19,284 less than last year. Of this £5,516 has been written off for depreciation, and the balance is on account of properties not wanted for the business having been sold at a profit over what they cost. Goods account shows a decrease of £20,914, which is to be expected, considering the difficulties met with in the shipment of goods, as previously explained. Sundry debtors, South Africa, are higher by £7,985. This is principally due to a large amount of work done during August by the Austral Works, which was not due for payment until September, and most of which has since been paid. Turning to the profit and loss account, the gross profit, £107,277, is £10,739 in excess of last year, and sundry receipts are £2,655 more. I think you may congratulate yourselves upon owning a very valuable business. When, as you will see from the balance sheet, the actual liabilities of the Company, outside the share capital, amount only to £36,134, and are more than covered with cash at bankers, while the total assets are £439,000, I think you are entitled to look upon the Preference shares, at any rate, as equal to many trustee securities, and both classes of shares as worth a great deal more than the prices they fetch when they change hands on the market, which I may say is not very frequently the case, and is usually caused by the death of the holders of the shares.

Sir J. Fortescue Flannery, Bart., M.P., seconded the motion, which was carried unanimously.

DEVON ESTATES (MALACCA).

The adjourned eighth annual ordinary general meeting of the Devon Estates (Malacca), Limited, was held on February 20 at the offices of the Company, 11 Queen Victoria Street, E.C., Mr. H. C. Stewart (Chairman and Managing Director) presiding.

The Secretary (Mr. J. T. Masters) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—The report and accounts having been in your hands for the past week, we will, with your permission, take them as read. This is the adjournment of the eighth annual ordinary general meeting of the Company, and, like last year, the delay in the presentation of the report and accounts is due to the period of stress through which we have been passing. With regard to the accounts, the balance of profit is satisfactory, and expenditure charged to capital is on distinctly conservative lines. The system we are initiating of quarterly distributions is much appreciated, and if all goes well it is hoped that these will now be regularly continued. We also have great reason to expect that the immediate and future profits will permit of substantial bonus additions. The provident fund is in a satisfactory condition, and now stands at £1,016 18*s*. 4*d*., an increase over last year of £272. As mentioned in the last report, we sold forward last spring over 150 tons of rubber for delivery in Singapore, and this sale proved a fortunate one, for it enabled us to tide over a period when rubber was almost unsaleable locally, except at prices which, in most cases, left a loss to the producer.

Public Confidence in the Industry.

Public confidence in the future of rubber is unshaken, and we believe that this is quite justified by the prospects of the industry. The voluntary control of output has not been a success, and, if necessary, should be replaced by some more comprehensive and equitable scheme. In our opinion curtailment of output should not be based on a per-acre limitation, but should be arrived at by less frequent days of tapping—say, alternate days—or, if this does not produce the desired result, then tapping once in three days, or with even a longer interval. There should also be only one system of tapping—for instance, one-quarter cut—and no acreage should be tapped until at least 70% of the trees measure 18 inches or more in girth at 3 feet from the ground. Curtailment based on a per-acre limitation would bear unfairly on estates producing a high average output. Supposing, for the sake of illustration, that the limit is fixed at the rate of 300 lb. per acre, in some cases this may be the maximum amount of production. In others the average may be well over 500 lb. per acre. The lower average estate would, therefore, not suffer, and limitation would be no hardship, but this immunity would be at the expense of estates with a higher average production.

Production and Consumption.

We understand that the Dutch Government has put forward a concrete proposal, but we have no details before us. We hope, however, that this proposal will be seriously considered by our Colonial Office and the Governments of Malaya and Ceylon, as there is no doubt that some form of effective control of output is a vital necessity and can only be enforced if there are drastic penalties for non-observance of the conditions. During 1918 the total world's production of rubber amounted to over 241,000 tons, of which over 200,000 tons was plantation rubber, the vast proportion of which was British in origin or produced under the stimulus of British capital. In the distribution of the total world's production the United States accounts for 160,000 tons and Great Britain 30,000 tons. Though we produce by far the major amount of rubber, our manufacturers can absorb but a very moderate amount, which is probably nearer 20,000 tons than the estimated distribution of 30,000 tons. This is obviously not as it should be, for, with the stimulus of approaching peace, improved machinery, the release of men for industrial purposes, and the great demand for rubber goods of all kinds which is rapidly becoming due, there is no reason why a British raw material produced on a vast scale in British Possessions should not be manufactured on an immensely greater scale in the United Kingdom, employing increased capital and labour, and thus at any rate easing the problem of unemployment, and adding to the prosperity of the country. With greater home consumption, and less dependence on exportation of the raw rubber to foreign countries, plantation shareholders would increasingly look upon their holdings as sound investments, and not as a mere gamble, with much benefit to the interests of the Empire.

Conditions on the Estates.

In regard to our estates, health conditions in Malacca and Malaya generally have not been satisfactory lately, but we are glad to say that sickness on Devon, which has a good health reputation, has been much less than on the majority of estates. Of tree diseases we have had some cases of brown bast on South Devon and a few on North Devon, but we are satisfied that the precautions and treatment adopted by our general manager are proving quite effective. Now that we have happily emerged from a state of war, with the prospect of a durable and protective peace, your directors have been considering what steps should be taken in order to obtain full advantage of the era of activity which should rapidly approach. During the period of the War it was impossible to satisfy the demands of the estates in the matter of capital expenditure, for reasons familiar to every shareholder—namely, the difficulties in the way of upkeep and of production and obstacles in the matter of transport. Notwithstanding these impediments, the estates have been kept clean throughout, and the production of rubber per month has been of a most encouraging and progressive character. These yields would have been greater still had we not been under agreement to restrict output. This progress will continue, and we estimate that the total production for the year ending June 30 next will be 300,000 lb.

Low Cost and High Yield.

The cost of production is very satisfactory, and compares favourably with that of the very best estates. During the War the resources of the Company were more particularly concentrated on South Devon, so as to bring mature trees there into the tapping rounds without exceeding the voluntary restriction of output. This enabled us to leave nearly the whole of North Devon untapped, with the result that there are now over 150,000 mature marked trees ready to be brought into tapping as soon as tappers can be trained. As indicative of what can be done with cultivation and good methods of planting, the oldest fields, about seven and a-half years, are now yielding at the rate of well over 500 lb. of rubber per acre per annum on conservative tapping lines—namely, one cut only on a quarter of the circumference. (Hear, hear.) There is no reason why the whole of the estate should not yield similar crops, provided there is efficient supervision and our usual high state of cultivation is maintained. North Devon has been kept in a clean condition, but all other expenditure, particularly as regards roads and buildings, has been rigorously curtailed. North Devon must now be supplied with further good and permanent roads and buildings, so as to ensure economical and efficient working and the comfort of the staff and labour. The remaining Blukah and Jungle, about 200 to 300 acres, should also be cleared and planted, and when this is done it will give us a total planted area of over 5,000 acres.

New Share Issue

The present paid-up capital of the Company is £130,950, and when all the staff bonus shares are distributed it will be £132,950. After going carefully into the matter, we estimate that about £21,000 will be ample to supply the necessary roads and bungalows and carry out the further improvements and planting which we have in view, and we, therefore, have decided to issue (subject to Treasury sanction) 7,050 new shares at a premium of £2 per share, to be offered to shareholders *pro rata*, as far as possible, on their present holdings, fractions to be ignored. The prospects of Devon Estates are so good that we are convinced that there will be no difficulty in securing the necessary additional capital, for, with the total issued standing at £140,000, the book cost per planted acre will be under the exceptionally low figure of £28, and the shareholders will then possess an estate up to date in every respect, and fully equipped for standing the strain of competition that may arise during periods when markets are dull. It is with much pleasure that we again desire to record our great appreciation of the services rendered by Mr. Nixon, our

general manager, and his staff. We know the difficulties and exactions ever present in tropical agriculture, and we are aware how these have been accentuated by the wear and tear of war. One and all have risen to the occasion, and the estates, not only for the period under review but throughout, have been maintained and improved to a high pitch of excellence. I now propose that the report and accounts for the year ended June 30, 1918, as presented, be adopted.

Mr. R. Burnard seconded the resolution.

Mr. H. M. Knight asked questions as to acreage and as to the premium at which the new shares were to be issued.

The Chairman said they had about 4,800 acres planted. The premium of £2 per share, at which the new capital was to be issued, was not high; practically those who subscribed would be paying £84 an acre for planted land, of which over 4,000 acres were now tappable.

In reply to a question by Mr. G. L. Moore, the Chairman said that the area of the property was 5,516 acres. Not all of it, of course, was fit for cultivation, and some of it was used for roads, buildings, villages, open spaces, &c.

Other questions by Mr. Moore and Mr. Page having been answered, the resolution was unanimously adopted.

Mr. Evelyn C. Ellis proposed the re-election of the retiring director, Sir Home Gordon, Bart., who, he said, had been a director of the Company for some years.

Mr. Robert Burnard seconded the resolution, which was carried.

Mr. H. M. Knight proposed the re-appointment of the Company's auditors, Messrs. Williams and Newman, at a fee to be arranged by the directors.

Mr. Stephen Vivian seconded the resolution, and it was carried unanimously.

A vote of thanks to the Chairman, directors, and staff concluded the proceedings.

TRANSVAAL AND DELAGOA BAY INVESTMENT COMPANY, LIMITED.

(*Incorporated in the Transvaal.*)

The ordinary annual general meeting of shareholders was held in the Board-room, Exploration Buildings, Johannesburg, on Tuesday, December 10, 1918, Mr. S. C. Black presiding.

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—The realised net profit, after writing off £8,911 4*s.* 3*d.* for depreciation, and making provision for the payment of income, dividend, and excess profits taxes, amounts to £81,936 6*s.* 2*d.*; we brought forward from last year £125,272 2*s.* 10*d.*; total, £207,208 9*s.*; less placed to reserve fund, £100,000; making a total to credit of profit and loss account of £107,208 9*s.*

We recommend a dividend of 25%, equal to 5*s.* per share, free of Union of South Africa dividend tax. This will absorb £46,250, leaving £60,958 9*s.* to be carried forward.

The balance sheet, as in previous years, exhibits the various items with such clearness that I need not refer to them in detail. The financial position of your Company has been still further strengthened, which must be gratifying to all shareholders. Cash and equivalent assets represent £192,628 10*s.* 8*d.* In this total is included cash at bank, British and Union of South Africa War Loans and Treasury bills. The profits for the year again show an increase, derived not only from additional tonnage of coal sold, but also from other of your Company's investments.

Work at the Collieries.

The Transvaal and Delagoa Bay Collieries, owned entirely by your Company, has, despite many difficulties, experienced a prosperous year. We were able to keep both pits at work, and though at times neither was working at its full capacity the output for the twelve months reached a total of 757,709 tons, as compared with 674,367 for the previous year. Our maximum output in any one month was 75,269 tons, and the largest in any one day 4,119 tons. This, however, represents by no means what we are able to do, as our pits and surface equipment could have dealt with a still larger tonnage. Whilst a shrinkage in shipping to South African ports was but too apparent during 1917-18, yet, considering the abnormal shortage of available vessels due to war demands in Northern seas, we have much to be thankful for that so little real disturbance to South African trade manifested itself, especially during the first six months of the present year. Whilst in pre-War times we often had reason to complain of the shortage of railway truckage, it is but fair and due to the South African railways to say that seldom has the supply to the collieries been so regular and prompt as during the present year, and I recognise and appreciate the efficiency of the department responsible for the allocation of rolling-stock. The Transvaal Coal Owners' Association, of which your colliery is a member, disposed of 6,082,105 tons during the year ended June 1918, as compared with 5,902,158 tons in the preceding year. Of this total the mining industry utilised 1,876,584 tons, the Government railways within the Union of South Africa 1,067,766 tons, shipping at Delagoa Bay 880,518 tons, shipping at Capetown 294,946 tons, various industries and consumers all over South Africa, the balance of 1,962,291 tons.

Railway Rates

The Association continues its efforts to foster and advance an export trade, and I hope we shall have the support of Government to encourage the expansion of the coal industry by low railway rates, both for bunkering and in trading with other countries. The present rates, whilst they enable South Africa to secure a fair share of bunkering and export trade in the abnormal times of war, consequent on high coal prices ruling elsewhere, would not only prevent any expansion of our coal industry but arrest its development. Before the War the railway rate for bunker coal from Transvaal shipping collieries to Delagoa Bay, which is 277 miles distant, was 6*s.* 1*d.* per ton; during the War it was raised to 16*s.* 7*d.*, or an increase of 173%. To the port of Capetown it was 14*s.* per ton, less 1*s.* rebate. In 1916 the rebate was cancelled and the rate increased to 20*s.* In 1917 it was again advanced to 24*s.*, and in 1918 a terminal charge was added, making it 24*s.* 6*d.* per ton. We were assured that these increases were merely temporary war measures, and under the circumstances they were accepted with little demur. Now it is proposed to still further increase the rate to Capetown to 27*s.* per ton, a total advance of 108% on the pre-War figure. I feel that, with proper and sympathetic treatment, the coal industry of this country is capable of considerable expansion, and would thus materially benefit the State. Since the close of our financial year South Africa has been visited by an outbreak of Spanish influenza. The disease has been of unexampled severity, and the mortality caused by it greater than anything hitherto experienced in the history of the country. A great number of our employees became subject to the epidemic, but owing to timely precautions on the part of the management, I am thankful to say that your Company did not suffer the loss of a single white or native employee, directly attributable to the epidemic.

Production of Pig Iron.

We have participated in starting a new undertaking in this country, namely, the production of pig iron from ore found close to Pretoria. The Pretoria Iron Mines, Limited, is a Company promoted with a view to the ultimate manufacture of various iron and steel products. So far, the pig iron turned out has proved to be of satisfactory quality, and, as the Company commenced work under very sympathetic auspices, let us hope that it may prove not only a success, but the forerunner of a great and important Transvaal industry.

If a country's potential industrial greatness is dependent on its resources of coal and iron deposits, then South Africa's future is assured. Its production of gold and diamonds has been no mean factor in the increase of its wealth and activity, but I look forward to a time not far distant—provided no artificial restrictions are imposed—when agriculture, coupled with the expansion of its coal, iron, and other industries, will lift South Africa to a very different commercial plane from that occupied by her at the present time. Turning now to your landed interests, we disposed of a few farms, retaining the mineral rights, and acquired by purchase in December last the coal rights over some 2,677 acres in the Middelburg district of the Transvaal.

Mr. Haviland seconded the resolution, which was carried unanimously.

MESSINA (TRANSVAAL) DEVELOPMENT CO., LTD.

The annual ordinary general meeting was held on February 20 at Salisbury House, London Wall, E.C., Mr. C. F. H. Leslie (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: With regard to the operations at the mine, I do not think I can amplify in any way Mr. Emery's report, which deals with the position up to June 30 last. The development programme consisted in the pushing on of developments on the 14th and 16th levels in the Messina mine and in sinking the Vogelzang shaft to a depth sufficient to permit of the ore shoots in that section being opened for an additional two levels below the 250-foot level. I am pleased to say that since the end of the financial year we have been successful in opening up a moderate quantity of average grade ore on both the 14th and 16th levels of the Messina mine. On the former the grade is not high, but, on the other hand, the area exposed is considerable, and as in these bodies we find the better values occurring very largely in the form of bunches of higher grade ore, we find it satisfactory to realise that, even though the grade of the ore so far opened up is low, our chances of ultimately finding reasonable quantities of better grade ore when stoping is commenced appear good. The work at the 14th level has indicated that the Bonanza hanging-wall shoot of ore is pitching west at a much greater angle than was experienced on the levels above. On the 16th level the main drive has penetrated the ore body described above as having been opened out on the 14th level, and for the first 80 feet this has averaged between 3¼ and 4″ copper. As the pitch of the ore body just referred to will carry the main portion of this shoot on the 16th level to a point further west than our present opening on the 16th, we are hopeful that the development so far recorded on the latter level may be

continued to the full extent of the shoot. On the Vogelzang section I am able to say that since the date of the report a winze below the 250-foot level has been sunk for a depth of over 45 feet in ore of very high grade, so that, so far as all the indications go, we would appear to have been justified in devoting so much attention to this section. In the lower levels of the Messina mine there yet remains a considerable amount of work of an exploratory character to be undertaken in the way of testing other shoots of ore worked with some success down to the 10th level. As soon as the labour position permits, it is our intention to proceed with this work. From the latest cables we have received it appears that our ore reserves as at December 31 last amounted to 325,000 tons of 3.4% ore; that our extraction, owing to the lower grade and nature of the ore, was about 75%, and that our actual cost of producing and delivering to the points of consumption was equivalent to about £100 per ton for best select copper. It must be evident to you that at the present time, owing to the low grade of the ore reserves, this Company must regard itself as being in a development stage, because until we can find considerable quantities of higher grade ore there is not likely to accrue any profit to the Company. After much consideration we propose, therefore, to make improvements in our plant and machinery, and by this means to increase the recovery of copper from 75% to 85%. It has, therefore, become advisable, now that we have an increased tonnage of ore reserves in sight, to make certain expenditure in this direction for the purpose of preventing these losses, but it will, of course, be some time before the effect of this policy will become operative.

Mr. J. A. Agnew seconded the resolution, which, after some discussion, was adopted.

JOHN KNIGHT, LIMITED.

The twelfth annual general meeting of this Company was held at the Great Eastern Hotel, Liverpool Street, E.C., on February 21, Mr. John Wilson Hope, C.B.E. (Chairman and Managing Director), presiding.

The Secretary (Mr. Edward Newson) read the notice convening the meeting and the auditors' report.

The Chairman, in moving the adoption of the report and accounts, said that the directors were pleased to be able to submit a balance sheet which was again a record. While it might have been possible to increase the dividend a year ago, the directors did not feel that such a course would have been either prudent or desired by the shareholders under war conditions. Now, however, that the horizon had cleared, and they possessed the necessary wherewithal to augment to a small extent the amount of profit to be distributed among the shareholders, they considered it their first duty to take this step. In the absence of any untoward event the directors felt justified in hoping that the increased rate would be maintained in the future, but they wished the shareholders to look upon the extra 1% now being divided as a little souvenir of the centenary of the firm which took place two years ago.

Sharing Profits with Employees.

The Company was now in the throes of a labour unrest such as had not been experienced before, and he thought business men generally recognised that a great change must be effected in order to bring about a better relationship between employers and employees. John Knight, Limited, had been profit-sharers or co-partners with their workpeople for over 15 years, and the result of paying an extra 1% dividend this year meant that all their comrades in the business would receive four and a-half weeks extra wages, which represented their share in the profits. This Company, which had already taken the lead in its particular industry in the creation of a reasonable profit-sharing scheme, should by its example demonstrate to other industries how they could, by co-ordinating the interests of the workers and employers, save the country from what must eventually be a state of perpetual dislocation of industry and a serious loss to all concerned. If this object could be attained there was little doubt that the industries of the country would be able to hold their own against all comers, notwithstanding the fact that they would have to meet keen competition, not only from the Continent of Europe, but also from America and Japan. If industry would only make up its mind that its competitors were not in this country but outside of the country, and that we must all unite in preserving our front against an intrusion of foreign manufactured goods we would achieve our purpose. We must, however, be prepared to manufacture in this country the foreign-made articles so excluded. There was not, in his opinion, any reason or excuse for a manufactured article required in this country not being produced within the Empire. By this means we should considerably increase employment, augment our number of shifts, reduce our cost of production, and have ample surpluses of goods to sell in competition with other countries for export abroad. The Company's stocks stood at a much larger figure than they had ever done before owing to the enhanced price of materials.

Investments.

The investments had been increased in so far as the Company now possessed a substantial interest in the firm of Meggitts, Limited, at Sutton-in-Ashfield. This was an important glue and fertiliser manufactory of long standing, fitted with up-to-date machinery, and was of about the same capacity as the glue factory of Duche and Knight, Limited, which was now the property of this Company. They had also purchased a controlling interest in the old firm of Wickens, Pease and Company, which interest would supply them with a very valuable adjunct to their existing business. With regard to the progress of the business, although the supply of goods had had to be strictly limited in accordance with Government requirements, they had supplied very large quantities of practically all their products to the Government, and there were notable increases, notwithstanding war conditions, in some of their specialities, which were now very much in demand. Altogether the business was never in a more healthy or prosperous condition than it was to-day, and, provided the Government did their part in regard to the reasonable protection of the country's industries, he thought they might look forward to the business developing and increasing. (Applause.)

Mr. Samuel Barnett (Deputy-Chairman) seconded the resolution, and stated that, despite the abnormal conditions under which they had been working, there had been substantial increases in many of the specialities which the Company produced, especially in shaving and toilet soap. Parcels had been sent out regularly to prisoners of war, and one organisation alone sent out during the past year something like 700,000 tablets of one of the Company's soaps. They were in a strong position, and well equipped from every point of view for doing a larger business, and they looked forward with every confidence to meeting and surmounting any difficulties that might arise.

The report and accounts were unanimously adopted.

BRITISH BURMAH PETROLEUM COMPANY, LIMITED

The adjourned eighth ordinary general meeting was held at the Cannon Street Hotel, E.C., on February 21, the Hon. Lionel Holland (the Chairman) presiding.

The Chairman said that the trading profit again exhibited satisfactory growth. In 1915-16 there was an increase of £109,000, in 1916-17 one of £39,000, and in 1917-18 a further £79,500, and there was no reason to doubt that in the current year the figure would be maintained, if not improved upon. The increase in profits was chiefly due to larger production and sales of benzine, and the higher price it commanded. In the home markets, India and Burmah, the trade was mainly in kerosene, which was their chief product, and for which they had not the benefit of an increased selling price, the low-grade kerosene used by the poorer natives being marketed at a fixed maximum price, under an understanding with the Indian Government. For higher-quality kerosene a slightly increased price had been received. The balance of revenue account was £371,945, against £292,348 in 1916-17, or, with agency fees, interest, &c., £381,298, against £299,126. For the first time for many years the allied Rangoon Oil Company had declared a dividend of 5% upon its share capital, mostly held by the British Burmah Company. Revaluation of the refinery assets showed that the book figure of £199,000 was thoroughly conservative. Last year the directors were content to put only £15,000 to reserve, but this year they felt called upon to allocate £110,000 to reserve and contingent reserve. It was proposed to increase the dividend from 7½% to 12%, free of income tax; and at the end of July an interim dividend would be paid on account of the first half of the current year. The chief cause for anxiety was that for years conditions in the Yemangyaung oilfields had been growing less favourable. The proved sands were getting exhausted, and more costly and expensive drilling was called for to maintain the output. Any immediate anxiety was allayed by the very favourable results of sinking to the deeper sands wells in the Beme section of the field, but they must not count upon permanence of output from these sands when they became drained by a larger number of wells. On their outlying territory there were certain blocks which could fairly be expected to contribute substantially to future output. As yet their search to prove a new substantial source of supply had brought no real encouragement. Now that they could hope for more regular delivery of material and casing they would push on with the proving of outlying territories; investigations were being pursued in and out of Burmese territory, and every effort would be made to acquire a holding for the Company in any thoroughly promising and convenient territory, so that the permanent future prosperity of the Company might be more fully secured.

The report and accounts were unanimously adopted, and a balance dividend of 8⅝*d.* per share, free of income tax, was declared, payable on March 1.

"Memorandum on the Industrial Situation After the War." By the Garton Foundation. Revised and enlarged. January 1919. Price 2*s.* net. (London: Harrison and Sons.).

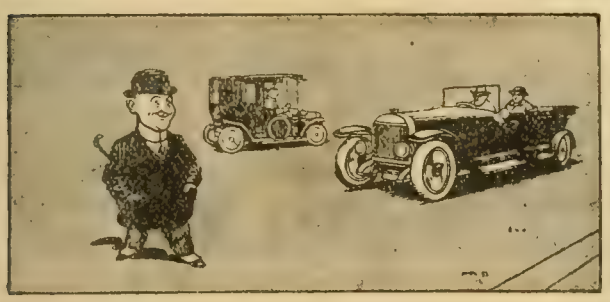
The Compendium for January, only just received, in an editorial under the title of "The War after the War" deals vigorously with the question of the hour—namely, the Industrial Problem.

New Issues.

INTERNATIONAL LIGHT AND POWER CO.

The Law Debenture Corporation is offering for sale £396,200 of 5% First Mortgage Debentures of the International Light and Power Company. The Company is a Canadian undertaking incorporated for the purpose of acquiring and holding the securities of public-utility companies in South America and elsewhere, and operating the properties so acquired. The three properties acquired operate in Caracas (Venezuela), Parana (the capital of the Province of Entre Rios), and Merida, the capital of Yutucan, Mexico. The Debentures are a first specific charge on the Debentures and Debenture stocks and shares of the three subsidiary companies, and a first floating charge on the undertaking and other assets, present and future, of the parent Company. Further, the Debentures are redeemable by operation of an annual cumulative sinking fund of 2%, to be applied to purchase of Debentures below par or by drawings at par. Any Debentures remaining outstanding will be payable at par on July 1, 1968. Of the Debentures now offered for sale, £200,000 had been applied for prior to the issue of the prospectus. The Law Debenture Corporation acquired the Debentures at 70%, and pays underwriting commission of 2½% and an overriding commission of ½%, the brokerage on allotment, and all other expenses of the issue beyond 1%. The price of issue is £75½%, and, allowing for inclusion in the price of about 1% of accrued interest, the net price is roughly £74½%, at which the yield from the 5% dividend is £6 14*s.* 3*d.*%, ignoring redemption at par. The amount required for interest will be £19,810 per annum, beyond which £8,190 will be required for sinking-fund purposes, making a total charge of £28,000 a year. For the year to June 30 last the net income of the subsidiaries amounted to £37,524. So far as net earnings are concerned, Messrs. J. G. White & Co., Ltd., who supervise the operating of the subsidiary companies, estimate that for the year 1918, based on the actual earnings for the 11 months to November last, the total will exceed £70,000 after provision for depreciation.

A1 No. 4 (B)



THIS IS THE AVOID-THE-LIGHT FELLOW

TAKE CARE AFTER DARK

HE LOVES the dark, delights in crossing where there is no light He hates to cross at a refuge for there is always a lamp there

THE DRIVERS MAY HOOT, THE BRAKES BE PUT ON, EVERY CARE TAKEN, BUT———

Issued by the
London General Omnibus Co., Ltd.
Electric Railway House,
Broadway, Westminster,
S.W.1.



The New Austin "Twenty"

The car of all the comforts, often vaguely visualised and eagerly desired, has now come into being. The Austin "Twenty," an engineer's triumph and a motorist's ideal, is notable for the extraordinary combination of excellent points in regard to speed, resiliency and power which have been focussed in a single design.

Any Austin Agent will gladly furnish details and dates of delivery.

Price of Touring Model £495 AT WORKS

The Austin Motor Co. Ltd.,
Head Office: Northfield, Birmingham.
Telephone: King's Norton 230.
Telegrams: "Speedily, Northfield."
And at Manchester, London, Paris & Brussels.

NATIONAL WAR BONDS
may still be obtained under our
INSTALMENT PURCHASE SCHEME.
If you are interested in an investment yielding 4½% net (equivalent to £6 8s. 0d. gross when taxed at 6/- in the £) inquire of any of our Representatives or of
PEARL ASSURANCE COMPANY, Limited,
FUNDS EXCEED £14,000,000. HIGH HOLBORN, W.C.1.

P A
A PEACE RISK.
Who is carrying your death Risk?
Is it your Family,
or
a Life Assurance Office?
WHY NOT LET THE PRUDENTIAL CARRY IT?
C Ld

BANK OF MONTREAL

Established in 1817.
Capital Paid up, $16,000,000.
Reserve Fund, $16,000,000.
Undivided Profits, $1,901,613.
BOARD OF DIRECTORS.
Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. R. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., Lt.-Col. Herbert Molson, M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., George R. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq.
Head Office: Montreal.
General Manager: Sir Frederick Williams-Taylor, LL.D. Assistant General Managers: F. J. Cockburn, H. P. Mackenzie, G. C. Cassels, D. R. Clarke.
LONDON OFFICES:
47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1, and
24 Cockspur Street, S.W. 1.
London Committee: Sir Thomas Skinner, Bart., Lieut.-Col. F. R. S. Balfour.
Manager: George Cyril Cassels.

Financial Agents of the Government of the Dominion of Canada.

Branches and Agencies throughout Canada and Newfoundland; also at New York, Chicago and Spokane in the United States, and at Mexico City.
The Bank undertakes monetary business with all Allied and Neutral countries, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, and Mexico.

THE ROYAL BANK OF CANADA.

Capital Paid up	$14,000,000
Reserve Fund and Undivided Profits	$15,000,000
Total Assets	$427,500,000

Head Office—MONTREAL.
Sir HERBERT S. HOLT, E. L. PEASE,
President. Vice-President & Managing Director.
C. E. NEILL, *General Manager.*
462 Branches in Canada and Newfoundland.
39 Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela.
BRANCHES IN BRITISH WEST INDIES.
ANTIGUA—St. John's; BAHAMAS—Nassau;
BARBADOS—Bridgetown; DOMINICA—Roseau;
GRENADA—St. George's; JAMAICA—Kingston;
ST. KITTS—Basseterre; TRINIDAD—Port of Spain, San Fernando; BRITISH GUIANA—Georgetown, New Amsterdam, Rose Hall; BRITISH HONDURAS—Belize; SPAIN—Barcelona.
New York Agency, Corner William & Cedar Streets.
LONDON OFFICE:
Bank Buildings, Princes Street, E.C.2.
T. R. WHITLEY, *Manager.* JAMES MACKIE, *Joint Manager.*

BANK OF NEW SOUTH WALES.

Established 1817.
LONDON OFFICE: 29 Threadneedle Street, E.C.2.

Paid-up Capital	**£3,904,860**
Reserve Fund	**3,025,000**
Reserve Liability of Proprietors ...	**3,904,860**
	£10,834,720
Aggregate Assets, 30th Sept., 1918	**£62,115,135**

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business.
H. MELDRUM, Assistant Manager.

NATIONAL BANK OF NEW ZEALAND,

LIMITED.
HEAD OFFICE—17 Moorgate Street, E.C.2.

AUTHORISED CAPITAL	£3,000,000
SUBSCRIBED CAPITAL	2,250,000
PAID-UP CAPITAL	750,000
RESERVE FUND	730,000
UNCALLED CAPITAL	1,500,000

Receives Deposits of £50 and upwards for 1, 2 or 3 years at rates to be ascertained on application.
Drafts, Letters of Credit and Wire Remittances granted, and Bills on New Zealand purchased or sent for collection.
ARTHUR WILLIS, Secretary & London Manager.

Ernesto TORNQUIST & Co.

LIMITADA,
BUENOS AIRES.
Established 1830.

Oldest Business Establishment in the River Plate.

CAPITAL FULLY PAID UP AND RESERVES
£2,679,785.

GENERAL FINANCIAL, BANKING AND COMMERCIAL BUSINESS.

THE MECHANICS AND METALS NATIONAL BANK

OF THE
CITY OF NEW YORK.
ESTABLISHED 1810.

CAPITAL (FULLY PAID)	$6,000,000
SURPLUS AND UNDIVIDED PROFITS ...	$11,000,000

THIS BANK RECEIVES ACCOUNTS OF BANKS, BANKERS, CORPORATIONS, FIRMS, AND INDIVIDUALS ON FAVOURABLE TERMS, AND GRANTS TO ITS DEPOSITORS EVERY FACILITY CONSISTENT WITH PRUDENT AND CONSERVATIVE BANKING METHODS. CORRESPONDENCE INVITED.
FOREIGN DEPARTMENT.
Finances Exports and Imports, buys and sells Foreign Exchange, Telegraphic Transfers, &c., and makes Collections on all parts of the world.
LONDON BANKERS:
LONDON JOINT CITY AND MIDLAND BANK LIMITED
LONDON COUNTY WESTMINSTER & PARR'S BANK LIMITED.

IMPERIAL BANK OF CANADA.

Head Office—TORONTO.

Capital Paid up	**$7,000,000**
Reserve Fund	**$7,000,000**

The Branches of the Bank in Ontario, Quebec, Manitoba, Saskatchewan, Alberta, and British Columbia provide exceptional Banking facilities for Settlers.
Agents in Great Britain:
ENGLAND—Lloyds Bank Limited, London, and Branches.
SCOTLAND—The Commercial Bank of Scotland, Limited, Edinburgh, and Branches.
IRELAND — Bank of Ireland, Dublin, and Branches.
Agents in France:
Crédit Lyonnais. Lloyds Bank France and National Provincial Bank (France) Limited.

THE MERCANTILE BANK OF INDIA, LTD.

Head Office: 15 Gracechurch St., London, E.C. 3.

Capital Authorised & Subscribed...	£1,500,000
Capital Paid-up	750,000
Reserve Fund & Undivided Profits	708,432

Branches:
INDIA, BURMAH, CEYLON, STRAITS SETTLEMENTS, CHINA, AND PORT LOUIS, MAURITIUS.
The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes, and transacts Banking and Agency Business in connection with the East on terms to be had on application.
Fixed Deposit Rates will be quoted upon application.
On current accounts interest is allowed at 2 per cent. per annum on daily balances.

THE BANK OF ADELAIDE.

(Incorporated by Act of Parliament, 1865.)
Authorised Capital, £1,000,000. Subscribed Capital, £625,000

Paid-up Capital	**£500,000**
Reserve Fund	**555,000**
	£1,055,000
Uncalled Capital	**125,000**
Reserve Liability of Proprietors...	**625,000**
	£1,805,000

London Office—11 LEADENHALL ST., E.C. 3.
Bills on Australasia purchased or collected.
Drafts issued and **Remittances** cabled.
Deposits received for fixed periods at rates to be ascertained on application.
PERCY ARNOLD, *Manager.*

THE FOURTH STREET NATIONAL BANK, PHILADELPHIA.

CAPITAL FULLY PAID ...	**$3,000,000.00**
SHAREHOLDERS' LIABILITY	**$3,000,000.00**
SURPLUS AND PROFIT ...	**$7,000,000.00**

Bills of Exchange
Telegraphic Transfers
Letters of Credit
Travellers' Checks
available throughout the World.
Collections made everywhere. Acts as Agent for Foreign Banks to draw on the United States. Correspondence solicited.
LONDON AGENTS—
SAMUEL MONTAGU & CO.
LONDON CITY AND MIDLAND BANK LTD.
LLOYDS BANK LTD.
Cable Address—"FOURBANK."

NATIONAL BANK OF INDIA, LIMITED.

Bankers to the Government in British East Africa and Uganda.
HEAD OFFICE:
26 BISHOPSGATE, LONDON, E.C. 2.
BRANCHES:

Calcutta	Cochin (S. India)	Zanzibar	
Bombay	Chittagong	Mombasa	British East Africa
Madras	Rangoon	Nairobi	
Karachi	Mandalay	Nakuru	
Cawnpore	Aden and	Kisumu	
Lahore	Aden Point	Entebbe	Uganda
Amritsar	Colombo	Kampala	
Delhi	Kandy	Jinja	
Tuticorin	Newera Eliya		
	Dar-es-Salaam, Tanga	Occupied Territory, German East Africa.	

SUBSCRIBED CAPITAL ...	£2,000,000
PAID UP CAPITAL	£1,000,000
RESERVE FUND	£1,350,000

LONDON BANKERS.—Bank of England; National Provincial Bank of England, Limited; National Bank of Scotland, Limited.
The Bank conducts every description of Eastern Banking business.
Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.
Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balances at the rate of 2 per cent. per annum.

THE EASTERN BANK,

LIMITED.
Head Office:
4 CROSBY SQUARE, LONDON, E.C

Subscribed Capital	**£1,500,000**
Called up	**£600,000**
Reserve Fund	**£90,000**
Reserve Liability of Shareholders	**£900,000**

BOARD OF DIRECTORS.
The Right Hon. LORD BALFOUR OF BURLEIGH, K.T. (Chairman).
SIR EDWARD SASSOON, Bart. EMILE FRANCQUI, Esq.
J. C. GEORGES BOUILLAT, Esq. J. S. HASKELL, Esq.
G. BROMLEY-MARTIN, Esq. LT.-COL. J. LEIGH-WOOD, C.B., C.M.G.
Branches:
BOMBAY, CALCUTTA, BAGDAD, BASRA, AMARA, HILLAH.
The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, Negotiates and Collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.
Deposits are received for fixed periods at rates to be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.
F. H. SUTTON, *Manager.*

BANK OF NEW ZEALAND.

Bankers to the New Zealand Government.

CAPITAL.

Authorised, £5,500,000	**Subscribed £2,779,988**

PAID UP.

Four per Cent. 1934 Guaranteed Stock ..	**£529,988**
Preference Shares issued to N.Z. Government ..	**750,000**
Ordinary Shares, £6 13s. 4d. each, £3 6s. 8d. paid up	**500,000**
Ordinary Shares, £6 13s. 4d. each, fully paid	**500,000**
Reserve Fund and Undivided Profits	**£2,345,702**

London Office: 1 Queen Victoria Street, E.C. 4.

Issues Drafts and **Letters of Credit,** makes **Telegraphic Transfers, Negotiates** and **Collects** Bills of Exchange.
ALEXANDER KAY, Manager.

Printed by SPOTTISWOODE, BALLANTYNE & CO., LTD., at 1 New Street Square, E.C. 4, and Published by the Proprietors of "The Statist" at their Offices, 51 Cannon Street, E.C 4, in the City of London, England.—*February 22, 1919.*

THE LONDON ASSURANCE.

Incorporated by Royal Charter, A.D. 1720.

7 ROYAL EXCHANGE, LONDON, E.C. 3.

INCOME £3,147,482

FIRE. MARINE.

Applications for Agencies Invited.



ASSETS £7,393,667

LIFE. ACCIDENT

All classes of Insurance.

The Corporation has granted Fire, Life and Marine Insurances for nearly Two Hundred Years

BRITANNIC

ASSURANCE CO., LTD.

One Special Ordinary Branch feature is the **CHILD'S OPTION POLICY (Table 11a)**, under which a premium of £10 assures £1,091 on certain conditions.

FUNDS - - - £4,800,000.

Chief Offices: BROAD STREET CORNER, BIRMINGHAM.

LONDON & MANCHESTER ASSURANCE COMPANY, LIMITED.

Chief Office - 50 FINSBURY SQUARE, LONDON, E.C. 2.

Allied with National Amalgamated Approved Society for National (Health) Insurance.

PREMIUM INCOME exceeds ... £900,000
FUNDS exceed £2,000,000

ROYAL LONDON

INSURANCE OFFICES.

ROYAL LONDON MUTUAL INSURANCE SOCIETY, LTD.
ROYAL LONDON AUXILIARY INSURANCE COMPANY, LTD.

LIFE, FIRE, ACCIDENT.

Head Office:

ROYAL LONDON HOUSE, FINSBURY SQUARE, LONDON, E.C. 2.

JOHN PRICE, HORACE DUFFELL, *Managing Directors.*

SUBSCRIPTION TO "THE STATIST."

TO INCLUDE ALL SUPPLEMENTS.

Payable in Advance.

Inland.

ONE YEAR, £1 10 0 | HALF-YEAR, £0 15 0

(Post Free.)

For Colonies and Abroad (within Postal Union).

ONE YEAR, £1 17 4 | HALF-YEAR, £0 18 8

(Post Free.)

OFFICE: 51 Cannon Street, E.C. 4.

CONTENTS.

Leading Articles— PAGE
THE CONFERENCE 357
THE LABOUR QUESTION 357
MR. MACPHERSON ON IRELAND 358
WHEN THE WAR ENDS.—LVII. 359
THE BANK OF FRANCE 360
WATER POWER IN IRELAND.—III. 361
SHIPBUILDING IN BELFAST.—II. 362
CUBA 364
THE IRISH LINEN INDUSTRY.—II. 365
BRAZIL 366
FINANCIAL NOTES 367
UNDERGROUND ELECTRIC RAILWAYS COMPANY OF LONDON 370
SOUTH AND CENTRAL AMERICA 371
BANKING DEVELOPMENTS 372

American Topics—
U.S. Foreign Trade 372

Commercial— PAGE
The Fertiliser Industry 376

Insurance Notes—
National Mutual Life Assurance Society 375

Mining Topics—
Premier Diamond 351
Arizona Copper 352

Money Market 348

Rubber Topics 373
Orient Trust 373
Membakut Rubber 373
Anglo-Java Rubber 374
Pegoh (Malacca) 374
Aboyne-Clyde (Ceylon) 374
Sengat Rubber (Perak) 374

Stock Exchange 350

Tabular Appendix 353

Meetings 378-398

INCOME TAX.

Are you paying more than necessary?

Income Tax is a burden which falls especially heavily on those with incomes between £120 and £1,000, but under recent Finance Acts relief can be obtained on various grounds, some of which are overlooked by the Taxpayer.

The WESTERN AUSTRALIAN INSURANCE CO., LTD., of 45 to 47 Cornhill, London, E.C.3, will be pleased, on receipt of a post card, to send you, free of cost, a publication on the subject by an expert, setting out very clearly the grounds on which relief can be obtained.

IT IS NOT TOO LATE TO CLAIM RELIEF ON ACCOUNT OF THE CURRENT YEAR.

LLOYDS BANK LIMITED,

with which is amalgamated

THE CAPITAL & COUNTIES BANK LTD.

HEAD OFFICE: 71, LOMBARD STREET, E.C. 3.

CAPITAL SUBSCRIBED	£55,962,850
CAPITAL PAID UP -	8,954,056
RESERVE FUND - -	9,000,000
DEPOSITS, &c. - -	267,966,438
ADVANCES, &c. -	81,072,134

FRENCH AUXILIARY:

LLOYDS BANK (FRANCE) AND NATIONAL PROVINCIAL BANK (FRANCE) LTD.

N. P. I.

PEACE LEAFLETS.

1. **Peace Savings Certificates.**
2. **Paterfamilias and the Peace Problem.**

Copies of these Leaflets will be sent post free on application to the

NATIONAL PROVIDENT INSTITUTION

48 GRACECHURCH STREET, LONDON, E.C. 3.

ABSTAINERS AND GENERAL INSURANCE COMPANY LTD.

Head Offices:—BIRMINGHAM.

LIFE ASSURANCE.

Reduced Rates for Abstainers.

Fire, Burglary, Plate Glass, Personal Accident.

Forward postcard for Company's popular booklets. "Total Abstinence as Asset in Life Assurance" and "Homes and How to Own Them."

PEARL

ASSURANCE COMPANY, LTD.

Chief Offices: High Holborn, W.C. 1.

Annual Income exceeds £5,250,000
Claims Paid exceed £23,000,000

REFUGE

ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds - £4,700,000
Assets Exceed - - - - £15,900,000
Claims Paid Exceed - - - £28,000,000

The Statist.

LONDON, SATURDAY, MARCH 1, 1919.

The Money Market.

Friday, February 28, 1919.

	Current Rate % Fixed	Previous Rate % Fixed
Bank of England Rate...	5 (Apr. 5,'17)	5½ Jan. 18,'17
Bank of England Rate — to Clearing Banks: 3 days' notice ...	3 (Feb. 14,'18)	4 June 19,'17
Bank of England Rate — for Foreign Money*	4½ (Nov. 15,'17)	extended Jan. 2,'18
Deposit Rates :—		
Banks & Discnt. Ho. (Call)	3† (Feb. 14,'18)	3½ Jan. 2,'18
Discount Houses (Notice)...	3 (June 6,'18)	3¼ Feb. 14,'18
Do., to Bankers and Merchant Bankers (Notice)	3¼ (Feb. 14,'18)	3¾ Jan. 2,'18

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Tr'sury Bills (Fixed Feb. 14,'18)—		3½	—	3½
Bank Bills	3½	3½	3⅝	3⅝
Trade Bills	—	4–4⅛	4¼–4½	4⅛–4¼

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances. † Foreign and Colonial banks give Special Rates only upon deposits for a year.

The supply of floating credit has been more plentiful this week. The market has been interested in the discussion as to the Treasury's future plans for new issues of capital, but there has been nothing like the trouble that was referred to in the House of Commons on Thursday evening. An important point receiving attention at the moment, and one that is expected to show development in the not distant future, is with regard to the deposit rate of 3%, which is the maximum that may be allowed by the Banks, and is a rate fixed by agreement with the Treasury with a view to transferring deposit money to War Bonds. To what extent the fixing of the rate has assisted sales of National War Bonds cannot be said, but there is a great deal to be said for the feeling that prevails that restrictions should be removed from the Money market as speedily as possible. To-day an unusually large amount of Treasury Bills has had to be paid off. This arose from the fact that February this year had only 28 days and that six months' bills sold on August 28, 29, and 30 and the three months' bills issued on November 28, 29, and 30 last all fell due to-day. The opposite will be the case at the end of May, for on the 29th, 30th, and 31st of the month the only bills to mature will be those sold in the last three working days of November 1918. In the Discount market there is no change in rates, but bankers are keen buyers of short-dated bills, the shorter the better. The Liverpool Bills were placed at £3 15*s.* 8.28*d.*%.

Sales of National War Bonds show no improvement and still are very small, last week's sales of the Bank of England issue having brought in no more than £3,040,623. Such a result is scarcely to be wondered at, in view of the practical exhaustion of the supply of funds available for investment in these Bonds, by reason of the big push of January which had been encouraged by the impression created that, with the cessation of sales of the third series of War Bonds, the opportunity would be lost for ever of purchasing almost identical Bonds in the future. A feature concerning the present series of War Bonds that did not apply to previous issues is that subscriptions are being received for them in New York. With what measure of success this policy is being met it would certainly be interesting to learn from the weekly reports of the National War Savings Committee. Further, it would prove enlightening to know whether proceeds of the sale of the War Bonds in the United States are included in the Exchequer Returns under the heading of National War Bonds or of "other" debt. Further data now available show that the total sales reported to date amount to £1,658,595,569.

Several weeks ago we referred to the decline that was occurring in the Currency note circulation, but it has to be noted that for each week since then an expansion has been recorded, this week's net addition of £2,024,197 having raised the total outstanding, including certificates, to £314,804,681, compared with £307,478,880 on January 29, when in five weeks there had been a decline of £16,164,520, and with £218,409,536 a year ago. The Finance Secretary of the Treasury stated this week that it is hoped there may be no necessity to issue 5*s.* Treasury Notes.

Without desiring to belabour the point, we would mention in connection with the floating debt that, whereas compared with the end of the last financial year little change has occurred on balance in the amount of Treasury bills outstanding, the net addition in the interval having been only about £5,000,000, it should not be overlooked that the total of Ways and Means Advances has increased from £192,271,000 to £405,180,000. Unsound as may be large borrowings by means of Treasury bills, the policy that has been adopted, and is indicated by the latter figures, is even more unsatisfactory.

In the Foreign Exchange market movements in most cases have been in favour of this country. The feature, however, has been the fluctuation in the value of the sovereign in Spain. A little over a week

STANDARD BANK OF SOUTH AFRICA, LTD.

Bankers to the Government of the Union of South Africa in Cape Province; to the Imperial Government in South Africa, and to the Administration of Rhodesia.

Subscribed Capital ...	**£6,194,100**	**Reserve Fund ...**	**£2,200,000**
Paid-up Capital ...	**£1,548,525**	**Uncalled Capital...**	**£4,645,575**

BOARD OF DIRECTORS.

WM. REIERSON ARBUTHNOT, Esq. | ROBERT E. DICKINSON, Esq. | WILLIAM SMART, Esq.
SIR DAVID M. BARBOUR, K.C.S.I., K.C.M.G. | JAMES FAIRBAIRN FINLAY, Esq., C.S.I. | Rt. Hon. LORD SYDENHAM, G.C.S.I., G.C.M.G., G.C.I.E., G.B.E.
EDWARD CLIFTON BROWN, Esq. | HORACE PEEL, Esq.

Head Office : 10 CLEMENTS LANE, LOMBARD STREET, LONDON, E.C. 4.

West-End Branch : 17 NORTHUMBERLAND AVENUE, W.C.2 (Adjoining the Royal Colonial Institute).
New York Agency :—68 WALL STREET.
Rotterdam Agency :—15 COOLSINGEL.
Over 250 Branches and Agencies in South and East Africa.

BANKING BUSINESS OF EVERY DESCRIPTION transacted at all Branches and Agencies.
CURRENT ACCOUNTS opened on the usual terms, and **DEPOSITS** RECEIVED for fixed periods at rates which may be ascertained on application.
SAVINGS BANK ACCOUNTS opened on terms, particulars of which may be obtained at Branches.
BILLS NEGOTIATED and **COLLECTED.**
DRAFTS issued, **MAIL** and **TELEGRAPHIC REMITTANCES** made.
LETTERS OF CREDIT and **COMMERCIAL CREDITS** established.
TRAVELLERS' LETTERS OF CREDIT issued available in all parts of the world.
PURCHASE and **SALE** of Stocks and Shares effected.
DIVIDENDS, ANNUITIES, &c., received and **COUPONS COLLECTED.**
STRONG ROOMS provided for the safe custody of Securities and Valuables of Customers.
ASSAY DEPARTMENT.—Gold, &c., and all Mineral Ores assayed and realised.
EXECUTOR AND TRUSTEE business undertaken.

The Officers of the Bank are bound not to disclose the transactions of its customers.

FRANCIS SHIPTON, *London Manager.*

ago the rate in London was 23.57½, while on Saturday last it had dropped to 21.75. There has since been a recovery to 22.55. At one time the position was somewhat obscure owing to the prevailing belief that to some extent Government support had been withdrawn. According to Reuter's Madrid correspondent, financial circles there continue to discuss the granting of fresh advances which the Allies are reported to have applied for, including 500,000,000 francs for France. In order to avoid burdening the balance sheet of the Bank of Spain with the amounts of the advances, the Government had been advised to issue a loan so as to reimburse to the Bank the amount of the bills discounted as the result of the credit granted to France in 1918. Exporters of olive oil and oilcake have asked the Government to grant permission for the export of the surplus of the last year's production amounting to ten million kilos. The decline in the Shanghai exchange is referred to in our paragraph on "Silver." A new departure of this week has been the inclusion in the Stock Exchange *Official List* of the rate for telegraphic transfers in London on Buenos Aires for the gold peso. Doubtless in view of the changes wrought by the War this new feature will eventually be extended by quoting other exchange rates in a similar manner.

CIVIL SERVICE ESTIMATES.

The estimates of the Civil Service and Revenue Departments, 1919-20 (Vote on Account), are of more than usual interest in view of the decision to include therein many items previously covered by Votes of Credit. According to a White Paper just issued (Cd. 15, 1919), against an estimate of £99,949,399 for 1918-19, which, as we say, left out of account items included in Votes of Credit, this year's estimate is for an expenditure of £495,634,834. The most interesting items making up this total are £72,855,000 for Ministry of Pensions, £30,873,000 for the Civil Demobilisation and Resettlement Department of the Ministry of Labour, £87,500,000 for loans to Dominions and Allies, £50,000,000 for the bread subsidy, £7,000,000 for purchase of housing materials, £41,274,000 for the Post Office (against an estimate of £26,141,000 for 1918-19), and £60,000,000 under the railway agreement. This latter figure is especially interesting when it is borne in mind that for the year 1913 the net income of all the railways of the United Kingdom was £52,131,000, and for last year, when the miscellaneous income was larger than in 1913, was probably under £55,000,000, including the sum contributed by the Exchequer.

FINANCING THE EXCHEQUER.

For the seven days to Saturday last the revenue of the Exchequer was again exceptionally heavy, and though not quite as large as in the week to February 15, was nevertheless in excess of the average to be collected in the remaining few weeks to the end of March—that is if the Budget estimates of revenue, plus about £35,000,000 to come in from the Second Indian War Loan, are fully realised. As usual at this time of the year, income-tax payments are being made on a considerable scale and are likely to continue large. Particularly may they be so for this week, when heavy dividend payments are being made by the important railway companies. Of £32,099,000 of revenue collected last week—£2,801,000 in the form of scrip—£18,304,000 represented income tax, £6,368,000 excess profits duty, and £3,268,000 Customs and Excise. In all probability about £157,000,000 of further revenue is likely to be received before the end of March. The sum still to come in from excess profits duty to produce the estimated amount is, roughly, £50,000,000, but judging from the experience of recent weeks it would look as if the actual yield may be somewhat below the estimate. On the other hand, however, it would appear that if income-tax payments in the next 37 days are up to the average of the recent weeks the difference of about £89,000,000 between the actual yield to date and the estimate for the whole year will be fully covered and may even be exceeded. As regards the outgoings, last week's expenditure was exceptionally small, only £26,000,000 having been spent upon Supply services, which meant no more than about £3,500,000 a day net from Votes of Credit. The remainder of the £34,483,000 of expenditure consisted of interest, &c., on War debt, possibly due mainly to the payment of the half-yearly interest on the £140,000,000 odd of 6% Exchequer Bonds and to interest upon the short-term Notes that recently matured in the United States. The excess of expenditure over revenue was thus unusually small, having been no more than £2,384,000. But even this was not fully covered by loan operations, with the result that £372,000 had to be taken from the cash balance, now standing £13,467,000 below the level on March 31 last. From National War Bonds £3,653,000 was received last week, while in addition £650,000 was derived from sale of War Savings Certificates and £1,857,000 net was raised in the form of "other" debt.

This latter operation is of interest, last week's Exchequer return having shown the recent transactions successfully conducted in the United States, where an outstanding block of maturing short-term Notes was converted into long-term bonds, for against £39,924,000 of new "other" debt £38,067,000 was retired. Further, £2,801,000 of debt was retired through tax payments in scrip, and for the first time for several weeks £1,000,000 was set aside to the 5% War Loan Depreciation Fund, the amount of the Fund in hand apparently having fallen below the prescribed level of £10,000,000. Probably the most interesting feature of the loan operations in recent weeks has been that the issues of new Treasury bills have been below maturities. To some extent this may be attributable to the effects of the recent big push for War Bonds not yet having passed away; but it is also possible that it may be due to heavy tax payments at the present time, for it is generally known that, pending the actual payment of taxes, many large undertakings temporarily invest in Treasury bills the money needed for that purpose. Whatever the cause, the fact remains that last week net repayments of Treasury bills amounted to £14,847,000, with the result that once again the Treasury had to borrow £14,500,000 net through Ways and Means Advances. Therefore, the position is that at a time of the year when, in consequence of heavy revenue collections, the floating debt should be declining week by week, we now witness a falling off in the outstanding Treasury bills being accompanied by, roughly, a corresponding expansion of Ways and Means Advances. Of course, it has to be recognised that the recent big demand for War Bonds led to a substantial reduction in the floating debt; but at the same time the existing floating debt of £1,383,780,000 is still £81,000,000 in excess of that of a year ago, when between February 23 and March 31 nearly £114,000,000 was retired. In view of existing circumstances it is impossible for anything like this reduction to take place in the corresponding period of the current financial year. Indeed, if expenditure from the Votes proves to be as much as now expected, and sales of War Bonds do not improve considerably, there is every likelihood that the floating debt at the end of March may be fully as large as at present.

BANK OF ENGLAND.

The feature of the return of this week is the diminution of £909,000 in the reserve, due as to £141,000 to a net reduction in the stock of bullion, and as to £769,000 to an expansion in the note circulation, which at £70,336,000 is at the highest level ever touched and compares with under £30,000,000 just before the War began. On the whole, the return showed a slight recovery in the position from the point of view of the market, for against a reduction of £2,038,000 in

Government securities and a diminution of £1,017,000 in "other" securities, combined with the loss in reserve referred to above, was a shrinkage of £4,856,000 in public deposits. The gain in "other" deposits, therefore, was about £836,000. In consequence of the decrease in the total deposits and the diminution in the reserve there was a falling off in the ratio only from 20.57% to 20.51%.

POSITION IN INDIA.

CONTINUED expansion is taking place in the note circulation of the Indian Currency Department, the addition in the week to February 22 having been 39 lacs, thereby raising the total to 15,107 lacs. The whole of last week's increase was due to an increase in the silver holding, which now amounts to 3,423 lacs, taking the combined stocks in and out of India. We need not enter into detail here of the comparison that the latest return makes with the position at earlier dates, for this is plainly indicated in the appended statement:—

1919.	Note Circulation	Silver In India	Silver Elsewhere	Silver Total	Gold In India	Gold Elsewhere	% of Metallic Res. to Notes	Government Securities Indian	Government Securities British
		Lacs	Lacs	Lacs	Lacs	Lacs		Lacs	Lacs
Feb. 22...	15,107*	2,425	998	3,423	1,814	12	34.7	1,608	8 250
Feb. 15...	15.068	2,486	898	3,384	1,814	12	34.5	1,608	8.250
Feb. 7...	15,055	1,878	1,417	3 295	1,890	12	34 5	1,608	8 250
Jan. 31...	14,974	1,995	1.217	3,212	1,892	12	34.2	1,608	8,250
Jan. 22...	14,839	2,028	1,101	3.129	1,890	12	33·8	1,603	8,250
Jan. 15...	14,720	2,118	1,032	3.150	1,890	12	34·3	1,418	8.250
Jan. 7...	14,824	2,295	882	3,177	1,967	12	34·7	1,418	8,250
1918.									
Dec. 31...	14,709	2,339	874	3,213	1,968	12	35.3	1,266	8,250
Dec. 22...	14,577	2,391	956	3,347	1,968	12	36·6	1,000	8,250
Dec. 15...	14,473	1,855	1,688	3,543	1,968	12	38·1	1,000	7,950
Dec. 7...	14.255	1,986	1,613	3,599*	2,044	12	39·6	1,000	7,600
Nov. 30...	14,076	2,036	1,323	3,419	2,045	12	38·8	1,000	7,600
Nov. 22...	13,876	1,906	1,314	3,220	2,044	12	38·0	1.000	7,600
Nov. 15...	13,867	1,764	1,447	3,211	2,044	12	38·0	1,000	7,600
Nov. 7...	13,761	1,876	1.233	3,109	2,040	12	37·5	1,000	7,600
Oct. 31...	13,643	1,953	1,033	2,991	2,040	12	37·0	1,000	7,600
Oct. 22...	13,573	1,964	961	2,925	2 037	12	36·6	1,000	7,599
Oct. 15...	13,470	2,085	736	2,821	2,037	12	36·1	1,000	7,600
Oct. 7...	13,439	2,207	586	2,793	2,035	12	36·0	1,000	7,590
Sept. 30...	13,438	1.992	796	2,788	2,038	12	36·0	1,000	7,599
April 7...	9,745	1,044	—	1,044	2,486	67	36·2	1,000	5,147
Dec. '17...	10,831	1,905	—	1,905	2,673*	100	43·2	1,000	5,147
July '14...	7,350	3,230	—	3,230	1,820	900	80·9	1,000	400

* Highest since war began.

SILVER.

No further alteration has occurred in the price of silver, which therefore remains at 47¾*d.* per oz., with the market very quiet and with little prospect of any change at present. Reports from all quarters are to the effect that the demand for the metal for the industries continues to be large. A feature of the week has been the drop in Eastern exchanges. The Shanghai telegraphic transfer rate, which only a short time ago stood at 5*s.* 1*d.*, and recently had declined to 4*s.* 9*d.*, fell at one time to 4*s.* 7½*d.*, from which it recovered to-day to 4*s.* 8*d.* Thus for the first time for many months this rate was below the parity of silver, whether bought in London or in San Francisco. In the opinion of Messrs. Samuel Montagu and Company, the easier tendency is doubtless due to the completion of an arrangement by which China will receive quite a substantial amount of silver from America; while Messrs. Pixley and Abell state that the weakness is attributable to an important amount of Mexican subsidiary coin being offered for sale.

Stock Exchange.

THE recovery noticeable in Stock markets at the end of last week has made pronounced progress during the past few days, and the improvement in quotations has been general, oil shares providing the principal exception on profit-taking following the substantial rises of recent months. The passing of the Coal Mining Commission Bill, the opening of the Labour Congress, and the decision of the miners to postpone their strike-date pending the decision of the Commission on hours and wages, all contributed to relieve the anxiety previously restricting business. Then, too, the apparently inspired statements that the Government proposes to substitute some other revenue-producing measure for the excess profits duty, has been read as a step in the direction of removing one of the greatest drawbacks to industrial enterprise and activity. It is true that feelers have been put out to discover how the financial and commercial communities view the prospect of taxing profits on a sliding scale according to their percentage to capital employed, but as yet no alarm has been taken at this, for it is thought to be an improbable contingency and just as upsetting as the Excess Profits Duty. The suggestion tentatively put forward is that the tax should commence to operate in cases where the ratio of profit to capital is between 10% and 15% and should rise in steps as the percentage rises. At once it becomes apparent that this would put a premium upon over-capitalisation. Efficiency in organisation and machinery, good financing and keen management would be penalised, for it is usually such advantages which enable some undertakings to give better profit results in relation to capital than other concerns of like description.

We calculated in our 1917 Banking Number that the net profits of the United Kingdom banks, after writing off depreciation, bore a proportion of 15% to their capital and shown reserves. No doubt a similar calculation for 1918 would disclose an even higher percentage. Figures taken out in respect of a large number of industrial companies in 1917-18 showed profits to average about 14% on Ordinary and Preference capital. As a rule successful mining, oil, and rubber companies rank amongst the highest dividend-payers, but textile companies also have done very well indeed in recent years. The average for quite a number of them comes out at over 20% of profit to capital. As these are average figures it follows that there are some much higher and some much lower. Under the suggested substitution for the War taxation, the former would be heavily affected and the latter not at all. It may be argued, of course, that higher profit-earners can bettter bear taxation, but it has also to be remembered that shares have been bought and market prices fixed without expectation of differential treatment. The Stock Exchange view, with which we are concerned here, is that if revenue has to be raised it would be less unsettling to further increase the income tax on dividends and interest.

Whether it is that the wish is father to the thought or not, the fact remains that there have been one or two very large purchases during the past week of the 4% tax-compounded War Loan. The price has now risen to 102½. Consols, 5% War Loan, and gilt-edged securities generally are either higher or harder on the week, India stocks being prominent. French loans in the foreign section have weakened a little, and there has been less doing in Mexican issues despite the formation of a strong protection committee. Japanese, Chinese, and Brazilians, however, have well maintained the improvements recorded last week, and one or two minor issues, as for instance Cuban Ports, have advanced.

Home rails, after commencing the week well and marking higher prices on business resulting from con-

5%
NATIONAL WAR BONDS.
Although the issue of September Bonds is discontinued, they are still purchasable for a limited period by instalments from
The National Mutual Life Assurance Society
39 KING STREET, CHEAPSIDE, LONDON, E.C. 2.
under the Society's Special Scheme.
INSTALMENTS CEASE AT DEATH.
NO MEDICAL EXAMINATION OF APPROVED LIVES.
Write for particulars.

sideration of the high yields afforded by the recent dividends, displayed an easier tendency on Thursday. Weakness again developed in Argentine rails after an early show of improvement, but Americans—a few only are dealt in nowadays—have responded to the general rise in New York.

For the major part of the week the trend of prices in the industrial and general sections has been to slightly lower levels. There have, however, been one or two good exceptions. Further talk of a forthcoming bonus again influenced buyers of Cunard, and the shares are once more well up on the week. Elsewhere Nelson Brothers have risen further to 1⅝, and Telegraph Construction are again higher. A little inquiry for some of the American brewery issues, notably St. Louis, served to strengthen quotations, which, of course, are low on account of "dry" prospects in America. Home breweries have appeared neglected, with Watney Coombe Deferred lower on the week. Labour uncertainty has damped the ardour of investors in iron, steel, and engineering issues, but postponement of the coal strike pending the decision of the conference brought relief late in the week, but little expansion of business. Bengal Iron and Steel have again been a strong feature. Pekin Syndicate shares have dropped, the Shanghai exchange having fallen to below its parity to silver. Dunlop Rubbers recovered sharply on Friday. Oil shares have lost speculative favour, and, though a fair amount of business has been done, there are plain signs that the market is tired after its recent spell of almost unbroken rise in prices.

Last week it was made known that, contrary to the hopes of the commercial community anxious for the renewal of unrestricted enterprise after the War, the Government did not propose to dispense with the control of capital issues, but had decided to continue same in a modified form. From the terms of reference to the new Committee it seemed that the reins were to be relaxed a little. Much surprise, and not a little consternation, therefore, resulted when it appeared from the wording of the regulations that enterprise was to be still more drastically curbed. During the War the decisions of the Treasury taken upon the advice of the Committee had no binding force beyond the emergency regulations of the Stock Exchange, which forbid dealings in any new issues made without Treasury consent. But while that was apparently considered sufficient during the War, more drastic control seems now to be deemed necessary. If that is not the intention, at any rate it is the effect, for a regulation, under the Defence of the Realm Act, has been made prohibiting all capital issues except under licence from the Treasury. The regulation provides that no person shall, unless licensed to do so, issue any form of new capital, either for cash or otherwise, or pay or receive any money on loan if the money is to be or may be applied at some future date in payment of stocks, shares, or securities. Subdivision or consolidation of shares and Debentures, &c., is similarly banned, also the renewal or extension of the period of maturity of any securities. Finally, opportunity was taken to spank those concerns which chose to disregard the spirit or the letter of the Treasury's decisions of the past three years.

On sharp protests being made in the House on Thursday, Mr. Bonar Law, after consultation with the new Chancellor of the Exchequer, agreed to withdraw this retrospective clause. He also said that it was not the intention to make the regulations more restrictive than those existing hitherto. It was necessary, he said, "to try and take a medium course between complete freedom and on the other hand to make the issue of new capital for really useful purposes far freer than during the War. For that purpose they had not only altered the terms of reference, but they had appointed three Committees, so that there should be no delay. In addition, aggrieved promoters would be permitted to state their case in person."

PLAYER'S
NAVY MIXTURE
"Pipe Perfect"
IN THREE STRENGTHS
White Label
9½d. PER OZ.
Mild and Medium.
10½d. PER OZ.
This Tobacco is also supplied at Duty Free Rates for the purpose of gratuitous distribution to wounded Soldiers and Sailors in Hospital.
Terms and particulars on application to
JOHN PLAYER & SONS, Nottingham.
Branch of the Imperial Tobacco Co. (of Great Britain and Ireland), Ltd.

Leaders of the World's Filing and Card Index Systems
Shannon
and Modern Office Furniture
ROPEMAKER STREET, E.C. 2.
Ring up London Wall 1533.

Mining Topics.

Dulness has characterised the Mining markets of the past week, and price movements have been irregular and not particularly pronounced either way. Central Minings have been a strong spot in the Kaffir section, appreciating to 8⅝, otherwise there has been little doing, even the much improved development results in the City Deep failing to bring recovery after the continual drooping of the price, now 52*s*. In Rhodesians Falcons fell sharply on Monday when the report appeared. Among Diamonds De Beers, after their persistent rise, have receded to 19, but Jaggers have now risen to 5. Elsewhere another gambling counter has made its appearance to rival Colombian minings. We refrain from mentioning names because the market move is so obviously meteoric. Esperanzas again enjoyed a sharp advance early in the week, but quietened later.

City Deep.—The December quarterly report states that development work in the period continued to show excellent results. The following is a comparison of reef disclosures:—

Period	Total Footage Sampled on Reef	Main Reef Leader — Payable Footage		Width	Assay		Assay Shilling-Inches
		Feet	%	Inches	*s.*	*d.*	
Year 1916 ...	... 18,370	8,785	—	30.6	105	0	3,202
Year 1917 ...	... 14,405	6,095	66	24·0	107	0	2,570
1918. Mar. qr.	... 2,370*	1,980	83	26·5	99	0	2,644
,, June qr	... 2,780*	1,830	65	32 0	87	0	2,784
,, Sept. qr.	... 2,550	1,840	—	31.0	90	0	2,790
,, Dec qr.	... 1,010	520	51	30.0	109	3	3,277

* Main Reef Leader footage only.

PREMIER DIAMOND.

Only once before in its history of 17 years has the Premier Company obtained higher prices for its diamond output than reported for the year ended October 30. The exceptional year was 1905-06. That was the last period prior to the financial crisis in America, when the prosperity of the United States had reached a great height and her citizens' well-known passion for diamonds and motor cars, of which the

country is by far the largest buyer in the world, could scarcely be satisfied. After 12 years it looks as if a similar era had commenced for the Diamond market. The War has added immeasurably to the wealth of the States, and at the present time her manufacturers, untouched by war disorganisation and comparatively undisturbed by labour unrest, are busily replacing their war contracts by booking the largest orders for world reconstruction and repair. Since 1907 there has also come into being an organisation of producers to control diamond production, and so lately we have seen American buyers paying higher and still higher prices for their stones, the majority of which come from South Africa—the Transvaal, Orange River Colony, and the Kimberley district of the Cape. This week it is announced that the Union Government has decided to place a tax on exports, but in the present state of affairs this is unlikely to restrict trade.

The diamonds from the Premier mine are poor in quality, but production is large. During the year ended October 31 a smaller number of loads of ground was washed than in the preceding twelve months, and the number of carats found was 851,573, against 906,341. The value per carat, however, was 28*s.* 3¼*d.*, in comparison with 26*s.* 5½*d.* Expenses were only slightly higher, but a much smaller amount of unsold stock remained to be realised. Thus, whereas the stock of diamonds was reduced during 1916-17 from £160,330 to £10,355, the further reduction in 1917-18 was only to £5,362. This circumstance and the reduction of output account for the diminution shown in working profit in face of the higher prices ruling. The amount of the working profit for the year was £667,075, in comparison with £757,045, and after deducting Government's share of this and adding sundry revenue the net profit comes out at £306,824, against £337,896. Income and dividend taxes called for £11,000 less, so that the diminution in profit available for distribution is only £20,000. A year ago, by trenching heavily upon the carry-forward, the Company was able to bring up to date the dividend on its Preference shares (then 1½ years in arrear) and at the same time to pay 250% to Deferred shareholders, who had received nothing for two years. In respect of the past year the Preference get their normal distribution of 250%, while the Deferred receive 400%.

The following table gives a comparison of the Premier Company's results for the last five years:—

Year to Oct. 31.	Loads Washed.	Carats Found.	Value of Diamonds.	Value per Carat.	Cost of Production Per Load.	Working Profit.
			£	£ s. d.	s. d.	£
1913 ...	10,434,680	2,107,983	2,336,829	1 2 2	2 6·6	846,023
1914 ...	7,683,943	1,417,755	1,259,643	0 17 9¼	2 5·9	121,261
1915 ...	—	(operations suspended)		—	—	335,632
1916 ...	1,572,521	419,947	475,856	1 2 8	2 7·6	337,311
1917 ...	4,928,629	906,341	1,198,922	1 6 5½	2 2·7	757,045
1918 ...	4,805,851	851,573	1,203,204	1 8 3¼	2 2·9	667,075

	Years ended Oct. 31— 1918	1917	1916	1915	1914	1913
	£	£	£	£	£	£
Working profit ...	667,075	757,045	337,311	335,632	121,261	846,023
Sundry revenue ...	39,994	35,078	—	11,454	91,684*	78,040
Total	707,069	792,123	337,311	347,086	212,945	924,063
Government's share	400,245	454,227	202,387	201,379	72,756	507,614
Company's share ...	306,824	337,896	134,924	145,707	140,189	416,449
Brought forward ...	6,310	77,440	54,626	Dr. *13,245*	116,567	100,118
Total available...	313,134	415,336	189,550	132,462	256,756	516,567
Allocations:						
Taxes	33,568	44,776	12,110	30,740	—	—
Transferred to balance sheet		20,000†	—	47,096	—	—
Dividends, Pref.	92,500 (250%)	246,250 (625%)	100,000 (250%)	—	50,000 (125%)	100,000 (250%)
„ Def.	160,000 (400%)	100,000 (250%)	—	—	220,000 (550%)	300,000 (600%)
Total	286,068	409,026	112,110	77,836	270,000	400,000
Balance carried forwd.	27,066	6,310	77,440	54,626	Dr. *13,245*	116,567
	313,134	415,336	189,550	132,462	256,756	516,567
Issued Pref. (5/-)	40,000	40,000				
Capital Defd. (2/6)...	40,000	40,000				

* Includes £47,096 transferred from Trading and Emergency Funds.
† To meet first call of 25% on £80,000 subscribed to capital of the S.A. Marine Fire and General Insurance Company.

The mine (really it is an open quarry) has now attained an average depth of 260 feet, the development of the 410-foot level has been completed, and the blue ground (diamondiferous) above that level is estimated at 37,000,000 loads. This represents eight years' supply for the past year's rate of production, but before the War double that rate was accomplished. Whether output will be increased to full plant capacity now that war difficulties have been removed depends upon the view of the control organisation. Probably it will be considered that the price of diamonds can be still further raised by continuing the limitation of output. The price of Premier Deferred shares is £7½ for the 2*s.* 6*d.* shares, and the return is not quite 7% on the past year's rate of dividend.

ARIZONA COPPER.

The conclusion of the War has created a situation fraught with considerable difficulties for producers of copper and other metals, as indeed it has, though perhaps to a smaller degree, in most industries. The directors of the Arizona report that, fortunately, production from the Company's mines up to the end of September last, when the financial year terminated, has been sold, with the exception of 600 tons; but "as the demand for copper has practically disappeared in the meantime," the quantity of unsold copper which the Company had on hand at January 31 was about 8,000 tons. In agreement with other United States producers, drastic restriction of production has been decided upon, and the Arizona's operations are to be placed upon a one-furnace basis, which will bring down the rate of output to between 1,000 and 1,200 tons of copper per month. During the year ended September 30 two furnaces were in operation for 184 days and one furnace for 177 days, work at the commencement of the year being interfered with by a labour strike which ended in October 1917. The quantity of ore treated was 1,049,118 tons, against 1,178,087 tons in 1916-17, and, despite a small increase in the yield per ton, the copper output, amounting to 20,221 tons, was 1,020 tons less than in the preceding 12 months. Wages had to be advanced on two separate occasions during the 12 months, and together with higher charges in other directions, caused working costs to rise by 4*s.* per ton of ore treated. As the average price realised was £10 3*s.* 1*d.* per ton less than in 1916-17, the working profit comes out at a very much smaller amount—viz. £781,385, against £1,183,249.

Years ended Sept. 30—	1918	1917	1916	1915	1914
Ore treated (tons 2,000 lb.)	1,049,118	1,178,087	905,486	964,673	1,079,930
Yield of copper (do.)	20,221	21,241	17,050	18,665	19,378
„ „ % ...	1·92	1·83	1·8	1·93	1·79
Value of production ...	£2,085,112	£2,405,927	£1,855,941	£1,208,048	£1,079,580
„ per ton of copper	£103 2/4	£113 5/5	£108 11/0	£64 14/0	£55 14/0
Total costs*	£1,300,953	£1,220,962	£855,693	£637,909	£833,423
„ per ton of ore ...	24*s.* 9*d.*	20*s.* 9*d.*	18*s.* 10*d.*	13*s.* 3*d.*	15*s.* 5*d.*
„ „ copper...	£64 6/9	£57 9/8	£50 3/8	£34 3/8	£43
Working profit ...	£781,385	£1,183,249	£990,812	£569,697	£246,873

* Includes general charges, but is after deduction of "profit on stores, rents received, &c."

Of the working profit of the year, about the same amount as in the previous year has to be added for dividends on shareholdings, &c. The total profit is thereby brought up to £843,113, against £1,245,001. Taxes in America require nearly £100,000 less, and the decline in the net profit is, therefore, a little more than £303,000. As against this no provision has

CANADA'S GRAND TRUNK RAILWAY
IS
10,127 MILES of
INTERNATIONAL GOODWILL.
COURTESY,
EFFICIENCY, and
SAFETY.
CONSULT US ON Travel, Exports and Imports.
EUROPEAN TRAFFIC OFFICES
LONDON, S.W.—17-19 Cockspur Street. LIVERPOOL.—20 Water Street.
LONDON, E.C.—44-46 Leadenhall Street. GLASGOW.—75 Union Street.
F. C. SALTER, *European Traffic Manager.*

to be made for Debenture redemption, whereas in 1916-17 £137,805 had to be set aside to complete the redemption of outstanding Debentures. However, Debenture and other charges, for reasons which presumably will be explained at the forthcoming meeting, called for £144,497, against £91,707. After allowing for these outgoings the profit available for division amounts to £428,899, in comparison with £647,248. The addition to reserve is reduced from £305,000 to £130,000, and after paying the fixed Preference dividend, Ordinary shareholders receive, free of income tax, 60% for the year (including 30% final now declared), against 80% for the two previous years. The amount required for the Ordinary distribution is reduced by £75,995, but the carry-forward is raised by £46,384 to £60,121, as shown below:—

	Years ended Sept. 30				
	1918	1917	1916	1915	1914
	£	£	£	£	£
Working profit	781,385	1,188,249	990,812	569,697	245,673
Dividends on shareholdings, &c.	61,728	61,752	43,518	26,477	65,868
Total profit	843,113	1,245,001	1,034,320	596,174	311,541
American taxes	269,718	368,242	53,896	45,440	36,680
Net profit	573,395	876,759	988,226	550,734	274,861
Brought forward	13,738	—	141,411	27,284	13,394
Total	587,133	876,759	1,129,637	578,018	288,255
Allocations:					
Debenture redemption ...	—	137,805	156,228	113,317	—
Debenture, &c., interest* ...	144,497	91,707	81,409	57,770	43,449
To reserve account† ...	130,000	305,000	120,000	70,000	60,000
Preference dividends ...	24,531	24,531	24,531	24,531	24,531
Ordinary dividends	227,984 (60%)	303,979 (80%)	303,979 (80%)	170,989 (45%)	132,991 (35%)
Carry-forward	60,121	13,737	443,490*a*	141,411	27,284
	587,133	876,759	1,129,637	578,018	288,255
Capital expenditure	31,684*c*	38,976*b*	81,400	24,999	103,190
Debenture issue	—	—	287,825	397,210‡	400,000
Preference capital	316,530	324,010	324,010	324,010	324,010
Ordinary capital	379,974	379,974	379,974	379,974	379,974
Price of Ord. 5*s.* shares at end fiscal year	—	47*s.*	45*s.*	38*s.* 9*d.*	32*s.* 6*d.*

* After deducting interest received on deposits, &c.
† For capital outlays, redemption of debt, and cost agencies.
‡ Subject to deduction of rede option allowance for the year.
(*a*) Transferred to reserve for continent liabilities.
(*b*) Less £32,728 from sales of parts of old plant, &c.
(*c*) Less £32,827 sales of parts of old plant, &c.

The Company's mines are extensive, well-developed, and proved to contain great quantities of copper-bearing ore. The very modern mill equipment, upon which about £800,000 has been spent out of profits in the past few years, is capable, in normal circumstances, of producing over 30,000 tons of copper per annum at low cost. In consequence of the Copper market position already referred to, the immediate outlook is very obscure, but the producers' plan for restricting production is an indication of their desire to bring about stability. The degree of success which they attain will depend upon the extent to which industrial activity develops in the coming 12 months. Meantime, it is to be noted that the Arizona Company is in a very strong financial condition.

Intending Settlers To South & East Africa



are notified that the

National Bank of South Africa, Ltd., have over **300 Branches within the Union**; also Offices at **Mombasa, Nairobi, Mozambique, Dar-es-Salaam, Tanga**, etc, and in **Nyasaland.**

LONDON OFFICES:

CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office—
25, COCKSPUR STREET, S.W.—1.

Agency at—
10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, February 26, 1919.

Issue Department.

Notes Issued	£98,900,165	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	80,450,165
	£98,900,165		£98,900,165

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£50,196,744
Rest	3,488,563	Other Securities	83,130,365
Public Deposits	25,823,907	Notes	28,664,420
Other Deposits	119,169,536	Gold and Silver Coin	1,178,428
Seven-day and other Bills	23,751		
	£163,089,757		£163,089,757

Comparison with Previous Four Weeks [00,000's omitted].

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities': Govt.	Securities': Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919.	£	£	£	£	£	£	£	%	%	%
Feb. 26	70.3	81.6	25.8	119.2	50.2	83.1	29.7	20·51	5	3½-⅝
Feb. 19	69.6	81.8	30.7	118.3	52.2	84.1	30.6	20 57	5	3½-⅝
Feb. 12	69.8	81.6	28.2	120.0	52.7	83.3	30.2	20 40	5	3⅝-¾
Feb. 5	70.0	81.4	30.7	115.5	50.8	83.5	29.9	20·45	5	3¾
Jan. 29	69.3	80.7	26.6	121.6	55.9	80.4	29.8	20·13	5	3¾
1918.										
Jan. 30	68.3	81.2	27.2	122.2	55.9	80.4	30.2	20·40	5	3¾
Feb. 27	68.3	81.2	27.2	122.2	55.9	80.4	30.2	20·40	5	3¾
Mar. 27	68.3	81.2	27.2	122.2	55.9	80.4	30.2	20·40	5	3¾
Apr. 24	68.3	81.2	27.2	122.2	55.9	80.4	30.2	20·40	5	3¾
May 29	68.3	81.2	27.2	122.2	55.9	80.4	30.2	20·40	5	3¾
June 26	68.3	81.2	27.2	122.2	55.9	80.4	30.2	20·40	5	3¾
July 31	68.3	81.2	27.2	122.2	55.9	80.4	30.2	20·40	5	3¾
Aug. 28	68.3	81.2	27.2	122.2	55.9	80.4	30.2	20·40	5	3¾
Sept. 25	68.3	81.2	27.2	122.2	55.9	80.4	30.2	20·40	5	3¾
Oct. 30	68.3	81.2	27.2	122.2	55.9	80.4	30.2	20·40	5	3¾
Nov. 27	68.3	81.2	27.2	122.2	55.9	80.4	30.2	20·40	5	3¾
Dec. 25	68.3	81.2	27.2	122.2	55.9	80.4	30.2	20·40	5	3¾
1919.										
Jan. 29	68.3	81.2	27.2	122.2	55.9	80.4	30.2	20·40	5	3¾
Feb. 26	70.3	81.6	25.8	119.2	50.2	83.1	29.7	20·51	5	3½-⅝
Mar. 26	70.3	81.6	25.8	119.2	50.2	83.1	29.7	20·51	5	3½-⅝
Apr. 23	70.3	81.6	25.8	119.2	50.2	83.1	29.7	20·51	5	3½-⅝
May 28	70.3	81.6	25.8	119.2	50.2	83.1	29.7	20·51	5	3½-⅝
June 25	70.3	81.6	25.8	119.2	50.2	83.1	29.7	20·51	5	3½-⅝
July 30	70.3	81.6	25.8	119.2	50.2	83.1	29.7	20·51	5	3½-⅝
Aug. 27	70.3	81.6	25.8	119.2	50.2	83.1	29.7	20·51	5	3½-⅝
Sept. 24	70.3	81.6	25.8	119.2	50.2	83.1	29.7	20·51	5	3½-⅝
Oct. 29	70.3	81.6	25.8	119.2	50.2	83.1	29.7	20·51	5	3½-⅝
Nov. 26	70.3	81.6	25.8	119.2	50.2	83.1	29.7	20·51	5	3½-⅝
Dec. 31	70.3	81.6	25.8	119.2	50.2	83.1	29.7	20·51	5	3½-⅝
1919.										
Jan. 28	70.3	81.6	25.8	119.2	50.2	83.1	29.7	20·51	5	3½-⅝
Feb. 26	70.3	81.6	25.8	119.2	50.2	83.1	29.7	20·51	5	3½-⅝
J'1922,'14	28.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2½

* July 30, 1914 + to 4%: July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 6%: July 13, 1916, 8%; Jan. 18, 1917, 5½%: April, 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Feb. 26, 1919	Feb. 27, 1918	Feb 28, 1917	Mar. 1, 1916	Feb. 24, 1909
Bank of England (in £'s sterling 00,000's omitted):					
Circulation	£70.3	£47.3	£38.8	£33 3	£28 6
Public Deposits	25.8	42.8	47.8	50 6	12 3
Other Deposits	119.2	124 8	168 0	102·0	43 2
Government Securities	50.2	56.3	82.4	32.8	14.7
Other Securities	83.1	98 6	117.4	96.7	33·2
Reserve	29.7	30 8	34.2	41 2	27.7
Ratio to Liabilities	20·51%	18·25%	15·82%	27·02%	48·08%
Coin and Bullion	81.6	68.4	54.3	56.1	37.9
Money					
Bank of England Rate	5%	5%	5½%	5%	3%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3½%	3⅝-3½%	5%	5-5⅛%	2½%
Exchanges:					
Paris Cheque	26 18	27 17½	27 82½	27 01	25 23
New York 60 days	4 73	4 72½	4 72	4 71½	4 86½
Bombay Telegraphic Transfers	1/6⅝	1/4⅛	1/4⅞	1/4⅛	1 3⅛
Prices:					
Consols 2½% Cash	59	54½	52½xd	57½xd	84⅝
French Rentes 3% Money	54 40	57·50	61·75	62	97·75
Silver, London spot	43½d.	42½d.	37¼d.	27 1.	23⅝ d.
Wheat, *Gazette* average qr.	72/8	72/2	76 9	58/2	34.1
Cotton, Mid Upland* lb.	18 87d.	23 74d.	11·49d.	7·75d.	5·03 d.
Iron, Scotch pig ton	101/0	101/0	88/6	70/6	53/0

* Good Middling American, Official Value.

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	% of Gold to Notes %
Feb. 26, 1919 ...	7,921,488	5,897,301	314,804,681	28,500,000	9·0
Feb. 19, 1919 ...	7,333,829	5,457,886	312,780,484	28,500,000	9·1
Feb. 27, 1918 ...	7,532,885	5,258,242	218,409,838	28,500,000	13·0
Feb. 28, 1917 ...	6,232,187	6,986,915	144,351,173	28,500,000	19 7
Mar. 2, 1916 ...	4,919,843	3,372,486	100,882,505	28,500,000	28·2
Mar. 3, 1915 ...	1,853,940	1,452,124	37,063,078	27,500,000	74·2

Balance Sheet, Feb. 26, 1919.

	£		£
Notes outstanding—		Advances—	
One Pound	237,720,718	Trustee Savings Banks	500,000
Ten Shilling	45,293,963	Currency Note Redemption A/c—	
Certificates outstanding ...	31,790,000	Gold Coin and Bullion...	28,500,000
		Government Securities...	295,896,908
Total	314,804,681	Balance at Bank of England	4,933,034
Investments Reserve A/c	14,825,261		
Total	329,629,942	Total	329 629 94

PUBLIC INCOME & EXPENDITURE [000's omitted.]

1918-19. Week to	Revenue [See Below]	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net, +	Cash Balance
Feb. 22	£32.099	£34.483	£2.384	£113.157	£111.145	£2.012	£7 563
Feb. 15	34 034	37,451	3,417	67.974	64,569	3,405	7.935
Feb. 8	30,540	42,733	12,193	92,929	81,243	11,686	7.947
328 days.'18-9	720.181	2.340.383	1 620.182	6.219 188	4.612.473	1.606.715	−13 467
329 days.'17-8	686.858	2.394.705	1.807.847	4.727.685	2.930.288	1.797.377	−10.470
*Yr.'18-19**	*842,050*	*2,977,515*	*2,135,465*	—	—	*2,135,465*	—
Yr.'17-18	707.234	2.696.221	1.988.987	5.499.804	3.516.023	1.983.681	21.030

Principal Items of Revenue and Expenditure.

1918-19. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services.
Feb. 22	£3.268	£18.304	£6.368	£4.159	£8.483	Nil	£26 000
Feb. 15	3.049	19.085	5.346	6.574	592	£98	38 761
Feb. 8	2.781	20.558	4.781	2.420	1.088	10	41.825
328 days.'18-9	142.449	201.587	249.812	126.533	249.950	8.816	2.086.787
329 days.'17-8	98.531	181.978	189.011	118.548	178.770	8.629	2 207.306
*Yr.'18-19**	*147,700*	*290,450*	*300,000*	*103,900*	*315,000*	*11,414*	*2,651,101*
Yr.'17-18	110.033	239.500	220.214	137.478	189.851	11.401	2.494.869

FLOATING DEBT.	Treasury Bills	Ways & Means Advances	War Expend. Certs.	Total	Natnl. War Bond Rcpts.
Feb. 22, 1919 ...	£978.600	£405.180	—	£1.383.780	£1.659.801
Feb. 15, 1919 ...	993.412	390.680	—	1.384.092	1.656 248
Feb. 8, 1919 ...	1.008.253	375.180	—	1.383.780	1.651.768
Dec. 31, 1918 ...	1.094.740	455.180	—	†1.549.920	1.420.700
Mar. 31, 1918 ...	973.878	192.271	£2.929	1 168 878	6.4.215
Feb. 23, 1918 ...	1.061.516	227.781	23 285	1.302 582	398.185
Sept. 30, 1917 ...	949.112	220.814	23.561	1.193.487	—

* Budget & Supplementary estimates. † Highest.

FOREIGN BANKS. [In £'s sterling—000's omitted.]

AUSTRIA-HUNGARY.	Jan. Gold.	Jan. Silver.	Jan. Total.	Advances.	Note Circltn.	Above — or beneath + legal max.	Bills Discounted, &c.
July 23, '14	£51,579	£12,141	£63,719	£7,772	£888,740	+ £2,479	£31,893
Dec. 7, '17	11,000	2,300	13,300	692,980	739,300	—	117,800

DENMARK.	Jan. Gold	Jan. Silver.	Jan. Total	Discounts.	Balance Abroad.	Circulation	Deposits.
July 31, 1914	£4,100	£341	£4,441	£8,197	£798	£8,893	£47
Dec. 31, 1918	10,812	135	10,947	4,473	4,978	25,022	809
Jan. 31, 1919	10,405	135	10,540	4,110	5,583	23,938	1,018
Jan. 31, 1918	9,650	135	9,785	3,402	2,446	18,282	3,338
Jan. 31, 1917	9,019	113	9,132	4,731	2,343	14,798	2,139

FRANCE.	Gold. In Bank	Gold. Abroad.	Total Cash incl'g Silver	Bills.	Circulation.	Deposits. Public.	Deposits. Private
July 30, 1914	—£185,654—		£190,667	£97,789	£287,327	£15,302	£37,803
Feb. 20, 1919	141,854	79,132	233,591	44,044	1,239,897	1,503	105,929
Feb. 27, 1918	141,940	79,132	233,824	42,495	1,308,659	1,383	108,281
Feb. 28, 1918	133,242	81,494	224,923	52,499	972,332	2,099	103,249
Mar. 1, 1917	128,131	77,824	218,775	22,273	723,897	3,707	98,222

GERMANY.	Cash. Gold.	Cash. Silver	Cash. Total.	Treasury & Other Notes.	Loans & Discounts	Circulation.	Deposits
July 23, '14	£87,843	£16,727	£94,570	£5,279	£40,055	£94,545	£47,198
Feb. 7, '19	112,607	1,000	113,607	289,073	1,301,903	1,183,293	589,490
Feb. 15, '19	112,477	1,020	113,497	290,581	1,334,515	1,188,035	599,734
Feb. 15, '18	120,326	5,787	126,113	81,857	644,126	554,886	310,792
Feb. 15, '17	128,290	817	127,107	16,325	417,498	394,046	184,565

HOLLAND.	Cash. Gold.	Cash. Silver	Cash. Total.	Discounts.	Advances.	Circulation.	Deposits.
Aug. 1, 1914	£13,496	£249	£13,745	£13,422	£10,339	£35,880	£1,437
Feb. 15, 1919	56,444	749	57,193	9,174	15,501	84,181	5,365
Feb. 22, 1918	56,443	759	57,202	8,422	15,186	83,494	5,330
Feb. 23, 1918	59,558	608	60,164	3,231	9,899	70,676	6,789
Feb. 24, 1917	49,296	548	49,844	5,568	7,184	61,058	6,532

ITALY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Other Cash.	Loans & Disc'nts.	Circulation.	Deposits
July 31, '14	—	—	—£48,456—	£26,017	£89,204	£28,897	
Dec. 20, '18	£32,702	£3,082	35,784	7,375	61,477	367,871	60,950
Dec. 31, '18	32,710	3,086	35,796	15,239	65,984	388,934	63,868
Dec. 31, '17	33,434	3,498	36,930	8,443	47,745	281,563	57,941
Dec. 31, '16	35,987	2,906	38,893	6,728	38,976	155,089	34,636

JAPAN.	Gold.	Discounts.	Advances	Notes.	Deposits. Public.	Deposits. Private.
Aug. 1, '14	£21,887	£1,829	£7,883	£32,722	£13,918	£1,521
Jan. 11, '19	71,479	3,987	43,103	90,217	100,721	6,745
Jan. 18, '19	71,380	4,477	39,599	89,949	93,980	11,280
Jan. 19, '18	68,039	725	19,584	66,469	60,593	2,939
Jan. 19, '17	40,676	2,116	16,309	48,952	38,217	3,084

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve.	Loans, Discounts, Invest. &c.	Net Deposits. Demand.	Net Deposits. Time.	Net Deposits. Total.	Excess Reserve
Aug. 1, '14	—	£89,999	£411,239	—	—	£387,185	£1,790
Feb. 15, '19	£19,446†	107,513	918,818	£758,178	£28,122	833,288	7,210
Feb. 22, '19	19,578†	107,556	953,810	760,970	28,138	841,290	7,224
Feb. 23, '18	19,730†	104,092	850,020	715,480	40,291	839,409	8,749
Feb. 24, '17	108,234*	156,516	694,843	710,289	33,526	743,814	33,382

* Counted as reserve. † Not reserve.

NORWAY.	Gold.	Balance Abroad.	F'r'gn Gov. Securities.	Discounts & Loans.	Circulation.	Deposits
July 31, 1914	£2,980	£1,878	£493	£4,868	£6,752	£793
Feb. 7, 1919	6,714	3,823	727	21,514	22,720	5,762
Feb. 15, 1919	6,712	3,523	716	21,293	22,560	5,447
Feb. 15, 1918	6,523	3,895	713	19,879	17,331	10,000
Feb. 15, 1917	6,643	3,896	740	9,377	13,578	4,512

RUSSIA.	Gold. In Bank.	Gold. Abroad.	Total Cash incl'g Silver	Loans & Discnts.	Circulation.	Notes in Reserve	Total Deposits
July 21, '14	£160,114	£14,395	£181,892	£76,081	£163,411	£8,689	£109,811
Oct. 21, '17	129,664	230,882	377,099	1,781,647	1,785,890	10,310	344,907
Oct. 29, '17	129,523	230,885	378,205	1,869,559	1,836,217	15,783	345,560
Oct. 29, '16	155,877	205,498	372,072	814,687	784,488	10,612	223,731
Oct. 29, '15	159,825	3,560	165,844	443,307	501,083	8,417	143,415

SPAIN.	Cash. Gold.	Cash. Silver.	Cash. Total.	Loans &c.	Spanish 4%	Circulation.	Deposits &c.
Aug. 1, '14	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,856
Feb. 15, '19	89,144	25,609	114,752	77,074	13,778	137,911	44,805
Feb. 22, '19	89,144	25,743	114,887	73,552	13,778	137,432	41,380
Feb. 23, '18	79,556	28,407	107,963	49,488	13,777	113,335	34,524
Feb. 24, '17	52,729	29,915	82,644	42,540	13,777	85,533	30,333

SWEDEN.	Gold.	Balance Abroad.	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation.	Deposits.
Aug. 1, '14	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
Feb. 8, '18	15,532	8,101	3,034	18,949	39,892	4,735
Feb. 15, '18	16,022	8,382	3,034	18,203	39,243	4,814
Feb. 16, '18	13,084	7,529	2,981	11,432	29,250	8,003
Feb. 17, '17	10,815	8,155	3,495	4,205	20,689	5,304

SWITZERLAND.	Cash. Gold	Cash. Silver.	Cash. Total.	Discounts & Advances	Circulation.	Deposits.
July 23, 1914	£7,202	£759	£7,960	£4,917	£10,718	£2,028
Feb. 7, 1919	16,494	4,518	18,992	17,530	34,544	5,047
Feb. 15, 1919	16,412	2,542	18,954	16,313	34,063	4,485
Feb. 15, 1918	14,525	2,292	16,737	9,412	24,429	2,994
Feb. 15, 1917	13,749	2,116	15,895	7,721	19,917	5,520

U. STATES FED. RES. BANKS.	Gold Held by Banks.	Gold With Agents.	Total Cash	Bills Discounted	Acceptances	Deposits. Govt.	Deposits. Total. Net.	Circulation.
Feb. 15, '19	£159,174	£285,849	£437,084	£387,380	55,014	38,591	348,932	493,878
Feb. 22, '19	162,929	281,181	440,308	383,840	53,944	41,136	346,180	493,850
Feb. 22, '18	175,068	178,423	388,505	101,907	59,234	11,213	292,525	283,918
Feb. 23, '17	89,043	81,821	163,714	4,053	24,793	2,881	135,407	80,834

II.—FOREIGN BANK RATES OF DISCOUNT.

	Current Rates %	Date Fixed		Current Rates %	Date Fixed
Paris	5	Aug. 20, '14	Copenhagen ...	5½	Jan. 2, '19
Berlin	5	Dec. 23, '14	Christiania ...	6	Dec. 13, '17
Amsterdam ...	4½	July 1, '15	Berne	5½	Oct. 3, '18
Brussels	5	Aug. 27, '14	Rome	5	Jan 11, '18
Vienna	5	Apr. 12, 15	Madrid	4½	Oct 26, 14
Petrograd ...	6	July 29, '14	Stockholm ...	7	Mar. 21, '18

III.—FOREIGN EXCHANGES.

LONDON ON—		Feb. 28, '19	Feb 21, '19	Feb. 14, '19	Feb. 7, '19
Brussels	Cheques	27fr. 25c.	26fr. 75c.	26fr. 78c.	26fr. 80c.
Denmark	Cable	18kr 26½	18kr. 25½	18kr. 25½	18kr 22½
Holland	Cable	11d. 57c.	11d 53c	11d. 51c	11d. 52c.
Italy	Cable	30lr 31c.	30lr. 31c	30lr. 31c.	30lr. 31c.
Lisbon & Oporto	do.	34½ l.	35½d.	35½d.	35½d.
New York	do.	$4 76⅜	$4 76⅜	$4 76⅜	$4 76⅜
—	Cheques	$4 77	$4 77⅛	$4 77¼	$4 77⅜
Norway	Cable	17kr. 52	17kr. 40½	17kr. 37½	17kr. 32½
Paris	3 mos.	26fr. 57½c.	26fr. 42½c	26fr. 42½c	26fr. 42½c.
—	Cable	26fr. 16½c.	25fr. 98c.	25fr. 98c	25fr. 93c.
Spain (Bank places)	3 mos.	—	nom.	49d.	49d.
—	Cable	22p. 55	22p. 65nom.	23p. 64½	23p. 64½
Sweden	do.	16kr. 92	16kr. 91	16kr. 90	16kr. 82½
Switzerland	3 mos.	23f. 44½c	23f. 67½c.	23f. 65½c	23f. 67½c
—	Cable	22f. 99½c	23f. 22c	23f. 20½c.	23f. 25c.

ON LONDON—		Feb 28. '19	Feb. 21, '19	Feb. 14, '19	Par
Alexandria	Sight	97⅛pi.	97⅛pi.	97⅛pi	97⅛pi.
Amsterdam	Cheques	11d. 58c.	11d. 53½c.	11d. 52c.	12·107 fl.
Bombay	Transfers	1s. 5 11/16d	1s. 5 11/16d	1s. 5 11/16d	1s 6d.
Brussels	Cheques	27f. 37½c.	26f. 76c.	26f. 78½c.	25f. 22½c
Buenos Ayres	Transfers	51¼d.	51 13/16d.	57⅜d.	47.58d.
Calcutta	Transfers	1s. 5 11/16d	1s. 5 11/16d	1s. 5 11/16d	1s 6d.
Christiania	Sight	17kr. 51	17kr. 39½	17kr.36½	18.159kr.
Copenhagen	Sight	18kr. 28	17kr. 26	18kr.25½	18.159kr
Hong Kong	Transfers	3s. 1 1/16d.	3s. 1 1/16d.	3s. 1 1/16d.	—
Italy	Sight	30lr 31½c	30lr. 31½c.	30lr. 31½	25lr. 22½c
Lisbon	Sight	34 l	35½ l	35½ l nom.	53½d.
Madras	Sight	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6d.
Madrid	Sight	22p. 55	22p. 65	23p. 64	25p. 22½
Montevideo	Transfers	—	—	—	51d.
Montreal	Cable	$4 95⅛	$4 85⅛	$4 85⅛	$4 86⅜
New York	Sight	$4 75⅞	$4 75⅞	$4 75⅞	—
—	60 days	$4 73	$4 73½	$4 73½	—
—	Cable	$4 76⅛	$4 76⅜	$4 76⅜	$4 88⅜
Paris	Cheques	26f. 18c.	25f 97½c.	25f 98½c	25f 22½
Rio de Janeiro	90 days	13 1/16d.	13 1/16d.	13 1/16d.	18d.
Shanghai	Transfers	4s 8d	4s 9d.	4s 9 1/16d.	—
Singapore	Sight	2s. 4 1/16d.	2s. 4 1/16d.	2s. 4 1/16d.	2s. 4d.
Stockholm	Sight	16kr 92½	16kr 90½	16kr. 92½	18·159kr.
Switzerland	Sight	23f. 02½c.	23f 22c	23f. 22½c.	25f. 22½c.
Valparaiso	90 days	9 3/16d.	9 1/16d.	10 1/16d	18d
Yokohama	Sight	2s. 1½d.	2s. 1 9/16d.	2s. 1 5/16d.	2s. 0.58d.

NEW YORK ON—	Rate Current Feb. 26 '19	Rate Current Feb 19,'19	Par as usually Quoted	Rate July 3, '14
London, sight	$4.75⅛	$4.75⅛	4·8665 dollars for £1	$4 87
,, cables	$4.76⅛	$4.76 3/16		$4 88⅛
,, 60 days	$4.72⅛	$4.72⅛		$4 85
Amsterdam, sight	41⅛c.	41 1/16c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques	35·87c.	35·85c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques	98·05c.	99·40c.		
Christiania, cheques	27c.	27·15c.	26·80c. for 1 kroner	
Copenhagen, cheques	26c.	23c	26·80c. for 1 kroner	26·85c.
Greece, cheques	19·20c.	19·30c.	19·295c. for 1 drachma	
Hongkong, cheques	74·75c.	75·25c.	74·59c. for Mex. $1	46·40c.
Italy, sight	6·36f.	6·36¼f.	5·19¼ lire for $1	5·17f.
Lima, cheques	5·05c.	5·05c.	4·8665 $ for 1 libra	
Manila, cheques	50c.	50c.	50c for 1 peso	49·90c.
Montreal	1⅛% disc.	1⅛% disc.	Premium per $100	Par
Paris, sight	5·48fr.	5·45¼fr.	5·19¼ francs for $1	5·16fr.
Petrograd, sight	12nom.	13nom.	51·43c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	25·95c.	25·80c.	32·42c. for 1 milreis	
Shanghai, cheques	115c.	125½c.	52·93c. for 1 tael	83·00c.
Singapore, cheques	56c.	56·25c.	56·77c. for $1	57·12c.
Spain, cheques	20·30c.	20·14c.	19·30c. for 1 peseta	
Stockholm, cheques	27·85c.	28·05c.	26·80c. for 1 kroner	
Switzerland, cheques	4·91fr.	4·90fr.	5·18¼ francs for $1	5·16¼fr.
Valparaiso, cheques	21·85c.	22·45c.	20·81c. for 1 peso	
Yokohama, cheques	51·25 c.	51·0c.	49·84c. for 1 yen	48·90c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc or Dec.*	1919 Agg.	Inc. or Dec.*
	1919.	[In £'s sterling 000's omitted.]			
BIRMINGHAM	Feb. 22	£2,341	+ £214	£20,044	— £832 — 3·0
BRISTOL	,, 22	1,179	+ 171	9,324	+ 1,162 + 14·2
DUBLIN	,, 22	6,661	+ 1,571	54,726	+ 11,973 + 28 0
LEEDS	,, 22	903	+ 58	8,825	+ 1,038 + 13 7
LEICESTER	,, 22	719	+ 168	6,750	+ 988 + 17 3
LIVERPOOL	,, 22	11,214	+ 2,433	90,489	+ 22,395 + 32 9
MANCHESTER	,, 22	14,885	+ 1,054	122,983	+ 11,539 + 10 3
NEWCASTLE	,, 22	1,578	— 10	13,617	— 1,201 — 8·1
NOTTINGHAM	,, 22	681	+ 8	5,351	+ 140 + 2 7
SHEFFIELD	,, 22	826	+ 49	9,239	+ 237 + 2·6
LONDON—	**1919.**				
TOWN	Feb. 28	342,160	+ 26,108	3,117,912	+ 458,382 + 17·2
METROPOLITAN	,, 26	30,197	+ 4,952	267,025	+ 50,850 + 23·1
COUNTRY	,, 26	52,586	+ 8,263	472,334	+ 69,833 + 17 3
TOTAL	,, 26	424,943	+ 39,211	3,857,271	+ 579,065 + 17·7

* Compared with a year ago.

V.—FREIGHTS.

—According to Messrs. J. C. Gould and Co. the following are the quotations for representative steam freights:—

HOMEWARDS.	1919 Feb. 28	1919 Feb. 21	1913 Feb. 28
Alex. to Lond. or Hull	—	—	9/0
Aust. to U.K. or Cont.	90/0	90/0	37/6
Azoff to L.H.A.R.	—	—	11/0
Bombay to p.p. (nom.)	100/0	100/0	22/6
Burmah o.o. (nom.)	—	75/0	3 /6
Calcutta to p.p.(jute)	180/0	180/0	30/6
Danube to A.R.	—	—	—
Odessa to L.H.A.R.	—	—	10/0
R. Plate to U.K. Cont.	62/6	70/0	25/6

Homewards—Contd.	1919 Feb 28	1919 Feb.21	1913 Feb.28
U.S. Atl. Ports to Lvrpl. (cotton, 100lb.)	$1.25	$1.25	—
U.S. to U.K. Cont. (gr.)	16/0	16/0	3/1½
Gulf Ports to U.K. Cont. (cotton & grain)	60/0	60/0	18/0
OUTWARDS—Cardiff to			
Bombay	—	—	14/6
Colombo	—	—	14/3
Port Said	47/6	47/6	11/0
River Plate	50/0	50/0	16/0
St. Vincent	42/6	42/6	11/1½

VI.—WHOLESALE PRICES OF COMMODITIES.

	1918 FEB. 28	1918 MAR. 1.	1914 JUNE 30.
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	101/0	101/0	57/0
" Middlesbro' warrants .....ton	95/0	95/0	51/0
" Hematite warrants .....ton	122/6	122/6	61/0
" Staffordshire bars, London ton	£14 15	£13 15	£8 10
" Common bars .....ton	£10 17/6	£10 17/6	£6 10
Steel Rails .....ton	£20	£20	£8 2/6
Galvanised Sheets.....ton	£29	£28	£16 17/6
Copper—Standard.....ton	£75	£110—£110 10	£61
Tin—English Ingots .....ton	£228	£323—£325	£142 10
" Straits .....ton	£230	£320—£321	£139 15
Tinplates, I.C. Coke, S. Wales...box	33/3	31/6	11/10½—12/0
Lead—Soft Foreign .....ton	£23—£28 10	£28 10—£29 10	£19
Spelter—Ord. Foreign .....ton	£37—£41	£50—£54	£21 7/9
Quicksilver—(75lb.) .....bottle	£22	£20	£7
Aluminium .....ton	£150	nom.	£82
Antimony—Regulus .....ton	£40	nom.	£27 10
Coal—(best) Yorkshire.....ton	23/6—24/6	23/0	17/6
" Steam (best) Newcastle.....ton	40/0—45/0	30/0	14/6
CHEMICALS, OILS, &c.			
Nitrate of Soda -f.o.b. Chile, per quintal	nom.	11/8	7/4
Soda—Crystals ex ship .....ton	87/6	72/6	42/6—45/0
Camphor—Malay and Straits .....ton	$33 10	£45 10	£23 15—£24 7/6
Cochineal—Good marks .....cwt	38/0	63/6	16/10½
Indigo—Bengal good to fine.....lb.	9/0—10/6	9/0—11/0	3/2—3/8
Linseed Oil—Raw .....ton	‡	£58	£25 5
Linseed —Calcutta, spot .....ton	£23 15	£29 15	£13 16/9
Linseed Cakes, U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil —Spanish .....tun	nom.	—	£49 10
Palm Oil—Lagos .....ton	£45	nom.	£31 10
Petroleum—American.....gal on	1/4½	1/7½	7½d.
Rape Oil —Refined English .....ton	£71	£71	£32
Soya Oil —Refined.....ton	£75	£75	£24 10
Tallow —Imported .....cwt.	‡	88/0	29/3—33/3
Turpentine—French .....cwt.	100/0	124/0	33/7½
Rape Seed—Toria.....ton	£22 15	£28 15	£13 5
Rubber —Para, spot .....lb.	2/6	2/8	2/9½
" Fine plantation (stnd. crepe) lb.	2/0½	2/4½—2/5½	2/2
" World's Production* Dec. tons	20,580	22,948	8,467
Shellac—T.N. Orange, fair.....cwt.	250/0—280/0	450/0	83/0—84/0
TEXTILES.			
Cotton—Midd ing Uplandt .....lb	18 87d.	24·27 l.	7·53d.
" Egyptian, good fair .....lb.	28·84 l.	28·89 l.	8·76d.
" Pernambuco fair .....lb	21 10 l.	26·76 l.	7·73d.
" Mid. Upl. New York.. .....lb.	28·90c.	32 65c.	13·25c.
" Stock, Liverpool, Feb. 21...bales	505,850	458,900	—
Flax—Petrograd. Yarapol .....ton	nom.	£120nom.	£28
Hemp -New Zealand .....ton	£55	£93	£25 10
" Manila, Fair .....ton	£80	£85	£26 10
Jute—First Marks .....ton	—	—	£26 15
" Red SOO .....ton	—	—	£24 15
Silk—Blue Elephant .....lb	20/0	25/8	11/3—11/6
Wool—Pt. Philip unwashed av. lb	nom.	nom.	11½d.—1/0
" Lincoln Half Hogs .....lb	1/7½nom.	1/8 nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb.	9½d.—10½d.	10½.	7½d.
Leather—Dressing Hides .....lb	2/5—3/1	nom.	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	193,341,000	52,285,000	34,640,000
" Red, price, N.Y. 60lb. ...bushel	237½c.	226c.	87½c.
" English *Gazette*, aver. 480lb qr.	72/8	72/2	34/3
Flour—G.R. .....280lb.	44/3	44/3	28/8
Barley -Eng. *Gaz.*, aver. 400lb. qr.	82/8	58/9	25/4
Oats -Eng. *Gaz.*, aver. 312 lb. ...qr.	49/4	52/3	20/0
Maize—N. Y. (new bushel) ...56lb.	149½c.	nom.	76½c.
" Amer. mixed, Liverpool...480lb.	79/9	76/0	32/4
" La Plata .....480lb. qr.	72/0	76/0	25/9
Potatoes—Good English .....ton	178/0	120/0—150/0	70/0—75/0
Rice—Bassein .....cwt.	25/0	28/3	7/0—7/3
Tapioca —Pearl, medium.....cwt.	34/0	69/0	14/0—17/8
Hay—Best .....2,018lb....load	178/0	155/8	82/8
Hops—English.....cwt	—	£5 10—£10	£8 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs....8lb.	9/0—9/6	7/8	3/8—3/10
" Scotch sides.....8lb.	9/6	8/4	4/8—5/0
" English.....8lb.	9/6	8/4	4/2—4/5
Mutton —Scotch wethers.....8lb.	10/0	9/2	5/8—6/0
" English wethers.....8lb.	10/0	9/2	4/6—5/4
" New Zealand frozen .....8lb.	10/0	—	2/4—3/2
Pork—English and Irish.....8lb.	10/8	9/8	3/8—4/0
Bacon -Irish, ex Factory .....cwt.	188/0	172/0	80/0—74/0
" Dani-h, ex Port .....cwt.	—	172/0	68/0—68/0
" American, delivered .....cwt.	176/8	171/0—172/0	72/0—74/0
Hams—Amer. long cut, delvrd. cwt.	170/0	165/0	75/0—79/0
" — short cut, delivered .....cwt.	170/0	162/0	71/0—74/0
Lard—Amer. boxes, delivered cwt.	158/0	152/0	51/8—52/9
Butter—Danish .....cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
" French .....cwt.			98/0—108/0
" Australian .....cwt.			98/0—110/0
" New Zealand .....cwt.			108/0—114/0
Cheese—Canadian .....cwt.	Controlled 163/4	nom.	66/0—68/0
" United States.....cwt.		nom	—
" Dutch .....cwt.		160/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Jan. 31 cwts.	1,638,479	1,598,898	19,777,254
Home consump'n to Jan.31 cwts.	1,784,914	1,882,787	17,272,000
In Bond Jan 31 .....cwts.	7,271,000	3,417,000	6,308,000
Price, Java, 98° Pol. .....cwt.	30/0	34/0	10/3
" — Yellow crystals .....cwt	57/3	46/9	12/6—14/0
" — Tate's Cubes, No. 1 ..... cwt.	64/9	53/9	18/0
Coffee—Imports to Jan 31 ...cwts.	28,303	5,809	720,360
Home consump'n to Jan. 31 cwts.	31,053	63,005	141,410
Exports to Jan. 31 .....cwts.	10,781	3,213	340,250
In Bond Jan. 31 .....cwt.	536,000	1,089,000	484,000
Price, Costa Rica gd. to fine cwt.	140/0—150/0	120/0—135/0	80/0—93/0
" — Brazil (Santos).....cwt.	86/9	85/6	41/6
Cocoa—Imports to Jan. 31..... ...lbs	24,810,846	52,090,748	123,230,277
Home consump'n to Jan. 31 lbs.	23,458,822	19,403,948	155,447,972
Exports to Jan. 31 .....lbs.	113,857	45,811	28,581,785
In Bond Jan. 31 .....lbs.	141,087,000	63,427,000	78,282,000
Tea—Price,Indian. Pek. Soug. good lb.	1/4	—	8½d.
" — Ceylon, Pek. Soug. Ord. lb.	1/4	—	8½d.
" — Common Congou .....lb.	1/4	—	6½d.
Rice—In Bond Jan. 31 .....cwt.	829,000	840,000	309,000
Spices—Grenada, good to fine .....cwt.	85/0	88/0—90/0	52/8—58/0

* Estimated. † G.M. American Official Value. ‡ By Agreement.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or −	Net	+ or −
Cuba Railroad	Nov.	$472,392	− $174,434	Def. $32,654	− $134,935
	5 *mos.* to Nov.	*4,194,252*	+ *686,822*	*896,572*	+ *123,015*
Ry. Sys. of C. America	Jan.	£53,321	+ £6,184	£22,683	− £4,343
	12 *mos.* to Dec.	*541,769*	− *15,436*	*227,509*	− *37,390*

VIII.—RAILWAY AND TRAMWAY TRAFFIC RECEIPTS

*** *No traffic statements are now published by the Home Railways. On August 6, 1914 the Government assumed control of the railways of Great Britain under warrant (renewable weekly), issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways similarly, were taken over as from January 1, 1917.*

INDIAN.	Week ended		Miles.	+ or − in Yr.	Gross Receipts.	+ or − on Year Ago.	No. Wks.	Aggregate Receipts.	+ or Year
Assam Bengal	Jan.	18	993	+ 13	R1,72,536	+ 8 289	13	25.93.380	+ 2
Barsi Light ...	Jan.	18	118	—	34.400	+ 19.500	42	7.18.800	+
Bengal & N.W.	Jan.	18	2,052	+ 4	4.70.490	+ 45.260	18	74.40.217	+ 13
Beng. Dooars	Dec.	14	158	+ 5	29.951	− 3.015	11	4.44.511	+
Beng. Nagpur	Jan.	18	2,695	—	10.18.000	− 73.000	42	4.69.67.898	+ 32
Bomb. Baroda	Feb.	15	2,871	− 2	19.56.000	+ 2.34.000	20	3.38.77.000	+ 29
Burma	Jan.	11	1,342	—	5.63.345	+ 80.116	41	1.95.67.809	+ 32
Del. Um. Kalk.	Feb.	15	239	—	81.400	+ 1.257	20	18.23.204	− 1
East Indian ..	Feb.	15	2,767	− 40	28.78.000	+ 5.78.000	20	5.29.53.000	+ 81
Gt. Indian Pen.	Feb.	15	3,112½	—	27.90.100	+ 4.57.900	20	4.65.81.468	+ 23
Madras & S M.	Jan.	25	3,152	− 1	10.80.000	+ 11.740	17	1.71.51.624	− 1
Nizam's Guar.	Jan.	18	900	—	2.36.246	− 11.174	16	38 63.168	+ 2
Roh. & Kumn.	Jan.	11	564	+ 2	1.03.468	+ 14.745	15	15.89 219	+ 2
South Indian	Jan.	25	1.830	—	8.50.116	+ 39.834	43	2.90.15.622	−
South Punjab	M. of Oct.		716	—	7.37.619	+ 15.124	1*m*	—	
COLONIAL.									
Can. Northern	Feb.	21	9,487	+ 53	$866.400	+ 213.800	32	6.819.200	+ 1.9
Can. Pacific ...	Feb.	21	13,388	+ 385	2.729.000	+ 294.000	7	20.988,000	+ 3.3
Gd. Trunk Pac.	Feb.	21	916	—	£20 978	+ 1.532	7	142.813	—
Grand Trunk	Feb.	21	3,816	—	200,182	+ 59,815	7	1,465.573	+ 5
Mashonaland...	M. of Sept.		910	—	66.538	+ 18.885	12*m*	683.417	+
Mid. W. Aust.	M. of Dec.		277	—	11.044	+ 2.386	6*m*	53 198	+
New Cape Cent.	Jan.	18	205	—	2.535	+ 289	3	8.879	+
Rhodesia Rlys.	M. of Sept.		1,397	—	99.811	+ 18.147	12*m*	1.094.793	+
W. Pass. & Yuk.	M. of Dec.		122	—	—	—	12*m*	91.244.060	− 6
FOREIGN.									
Argentine.									
Arg. N. East.	Feb.	22	752	—	£ 10,100	− 2.700	34	315.175	+
Arg. Transand.	Feb.	22	111	—	£ 4.550	+ 370	34	120.590	+
B. A. & Pacific	Feb.	22	3,536	—	£ 121.000	− 9.000	34	3.821.000	+ 1.0
B. A. Gt. Southn.	Feb.	18	3,792	—	£ 159.000	+ 37.000	33	4.468.000	+ 1.0
Do.	Feb.	16	Net	—	£ 49.000	+ 31.000	33	883.000	+ 1
B. A. Western...	Feb.	23	1,882	+ 12	£ 70.000	− 4.000	34	2.322.000	+ 7
Do.	Feb.	23	Net	—	£ 19.000	− 1.000	34	548.000	+ 1
B. A. Central ...	M. of Dec.		180	—	£ 40.857	+ 9.778	6*m*	246 094	+
Cent. Argentine	Feb.	23	3,305	—	£ 138 000	− 19.000	34	4.344.400	+ 1.1
Do.	Feb.	22	Net	—	£ 17.500	− 12.200	34	582.900	− 1
Cord. Central ...	Feb.	22	1.205	—	£ 42.500	+ 3.310	34	1.504.980	+ 4
Entre Rios	Feb.	22	831	—	£ 21.000	+ 5.200	34	677.000	+ 1
Brazilian.									
Brazil Gt. South.	M. of Sept.		110	—	M 41.264	+ 1.076	9*m*	450,733	+
Brazil Railway	M. of Nov.		3,530	—	M 3.220.000	− 1.504.109	11*m*	52.913.000	+ 7.7
Gt. W. Brazil .	Feb.	15	1,010	—	£ 21.700	+ 3.200	7	145.500	+
Leopoldina	Feb.	15	1,831	—	£ 27.170	− 1.698	7	191.296	−
Mogyana	M. of Nov.		1,180	—	M 1.382.000	− 915 338	11*m*	20.708.000	− 1.5
Paulista	M. of Nov.		786	—	M 2.185.000	− 1.264 285	11*m*	29.829.000	− 31
San Paulo	Feb.	23	153½	—	£ 30.972	− 7.491	8	187 253	− 10
Sorocabana	M. of Nov.		1,003	—	M 1.128.000	− 865.148	11*m*	20.204.000	+ 1.2
S. of Bahia S.W.	M. of Dec.		52	—	M 94.000	− 8.000	12*m*	1.081.000	−
Chilean and Peruvian.									
Antofagasta... ..	Feb.	18	838	—	£ 32.070	− 6.025	7	224.830	−
Arauco	M. of Nov.		84½	—	£ 11 500	− 3.500	12*m*	143.000	+
Nitrate (2 wks.)	Feb.	15	390	—	£ 24.212	− 9.885	6	79.748	−
Peruvian Corp	M. of Jan.		1,140	—	S 1.009.850	− 179.700	7*m*	7.030.385	− 24
Taltal	M. of Jan.		181	—	£ 11,123	− 20.429	7*m*	124.847	−
Cuban.									
Cuban Central ..	Feb.	22	382	—	£ 37.417	− 378	34	804.518	+
Havana Central	Feb.	15	70	—	£ 10.659	− 880	33	289.803	+
U. of Havana ..	Feb.	22	881	—	£ 85.902	− 5.917	34	1.710.488	+
W. of Havana ..	Feb.	22	155	—	£ 13.879	+ 1.781	34	257.953	−
Uruguayan.									
Cent. Uruguay	Feb.	15	272	+ 1	£ 25.177	+ 9.192	33	690.377	+ 10
" (E. Ext.)	Feb.	15	311	—	£ 7.842	+ 3.552	33	155.333	+
" (N. Ext.)	Feb.	15	185	—	£ 4.813	+ 2.151	33	121.892	+
" (W. Ext.)	Feb.	15	211	—	£ 2.783	+ 587	33	86.370	+
Mid. Uruguay ..	M. of Jan.		319	—	£ 17.447	+ 8.431	7*m*	116.206	+ 1
N. W. Uruguay	M. of Jan.		113	—	$ 27.500	− 1.564	7*m*	208.218	+ 1
Urug. Northern	M. of Jan.		73	—	£ 2 181	− 77	7*m*	13.987	+
Miscellaneous.									
Alcoy & Gandia	Feb.	22	33	—	Ps. 11,000	—	8	77.000	+
Bilbao	M. of Jan.		15	—	£ 2.751	− 2.357	1*m*	—	−
Bolivar.....	M. of Dec.		138	—	£ 14 000	+ 2.238	6*m*	46.828	−
Colomb. Natnl.	M. of Dec.		88	—	£ 13 440	+ 240	12*m*	147.320	+
Colomb. Northn.	M. of Feb.		30	—	£ 6.389	+ 544	8*m*	50.165	+
Costa Rica	M. of Dec.		108	—	£ 20 978	+ 11.927	6*m*	131.591	+
Dorada Ext. ...	M. of Jan.		71	—	£ 7.800	− 500	1*m*	—	−
Egyptian Delta	Jan.	20	558½	—	£ 10.492	+ 203	41	302.894	+
Gt. S. of Spain	Feb.	15	104	—	Ps. 152.387	+ 124.937	7	935.118	+ 72
La Guaira & Ca.	M. of Jan.		22½	—	£ 8.105	− 410	12*m*	77.110	−
Para uay Cent.	Feb.	15	255	—	£ 5 010	+ 2.260	34	128.640	+ 16
Puerto Cabello	M. of Dec.		24	—	£ 3.200	− 1.300	12*m*	44.500	−
Salvador	Feb.	22	100	—	£ 4.388	+ 1.276	34	74.593	+ 1
Santa Fe Prov. French Rwys.	M. of Jan.		1,181	—	£ 158.974	+ 4.526	1*m*	—	—
S'mana & S'tiago	M. of Jan.		80	—	£ 8 880	− 1.989	1*m*	—	—
Zafra & Huelva	M. of Jan.		112	—	£ 11.457	+ 534	1*m*	—	—

TRAMWAYS.			Miles						
Anglo Argentine ...	Feb.	18	400	$	57.780	+ 4.478	7	389.990	+
Auckland (4 weeks)	Feb.	14	57	$	23.537	+ 1.361	32	143.520	−
Bombay Electric .	M. of	Dec.	39	R.	6.12.185	+ 48.535	12*m*	70.23.885	+ 8.79
Brazilian Traction...	M. of	Nov.	378½	M.	7,581.000	− 114,000	11*m*	93.363.000	+ 8.232
Brisbane Electric ...	M. of	Jan.	40½	$	38.575	+ 4.075	1*m*	—	—
British Columbia ...	M. of	Dec.	334	$	691.087	+ 135.510	6*m*	3.418.095	+ 494
B. Ayres Lacroze ..	M. of	Jan.	51	$	41.558	+ 2.854	7*m*	300.780	+ 31
Calcutta	Feb.	15	36½	R	88.182	+ 16.783	7	8.02.879	+ 80
Cape Electric	M. of	Dec.	49½	$	28.445	+ 3.722	6*m*	133.073	+ 9
Garth & Herr.	M. of	Jan.	8	$	3 885	− 358	1*m*	—	—
Chatham & District	Feb.	13	15	$	1.097	− 130	6	7.289	+
Havana Electric	M. of	Nov.	86	$	690.704	+ 47.301	11*m*	7.466 653	+ 1.150
Isle of Thanet	Feb.	22	11	$	274	+ 104	21	6.422	+
Kalgoorlie	M. of	Oct.	20½	$	2.835	+ 40	10*m*	27.905	+
Lanarkshire.....	Feb.	13	28½	$	3.380	+ 170	6	23.439	+
Lima Light & Trams.	M. of	Dec.	85	$	47.987	+ 4.998	12*m*	527 838	+
London O.C.	Feb.	28	141½	$	87.111	+ 14.241	47	3.148.347	+ 537
Madras Elec. (2 wks.)	Feb.	15	15½	R	43.298	+ 5.936	6	131 355	+ 15
Manila Electric	M. of	Nov.	55	$	214.292	+ 55.292	11*m*	2.090.630	+ 488
Pernambuco.....	Feb.	16	59	$	5.098	+ 171	6	37 284	+ 3
Provincial	Feb.	15	21½	$	2.425	− 17	20	50.178	+ 3
Rangoon Electric ...	M. of	Jan.	25	$	8.373	+ 1.012	1*m*	—	—
Shanghai Electric	Dec.	11	28½	Mex. $	24.823	+ 511	49	1.258.546	+ 87
Singapore Elect.....	Jan.	18	28½	$	15.842	+ 3.590	3	46.088	+ 10
U. of Montevideo ...	M. of	Jan.	90½	£	40.810	+ 4.894	3*m*	111.049	+ 9

THE LONDON LIFE

Association Limited

with which is associated

The Clergy Mutual Assurance Society.

LOWEST MANAGEMENT EXPENSES

in proportion to premium income

OF ANY LIFE OFFICE IN THE WORLD.

Examples of Annual Premiums:

AGE.	£1,000 at death.		
	Reduction of Premium System. (1)	Reversionary Bonus System. (2)	Non-Participating. (3)
	£ s. d.	£ s. d.	£ s. d.
30	29 12 6	23 10 0	16 8 4
40	38 18 4	30 16 8	23 0 10
50	53 2 6	42 13 4	34 1 8

(1.) In the eighth year the premiums will, it is anticipated, be reduced by about 55 per cent. with gradual further reduction.

(2.) Yearly reversionary bonus anticipated of 35s. per cent. of sums assured and existing bonuses.

Yearly reversionary bonus guaranteed of 30s. per cent. for each year to 30th June, 1925.

(3.) These rates are lower than those published by any other Life Company.

No Commission Paid.

Combined Funds £10,000,000.

H. M. TROUNCER,
Actuary and Manager.

81 King William Street,
London, E.C. 4.

SUPERIOR
WINES AND SPIRITS
Owing to great demand only a limited number of the well-known "PINK LIST" quoting large and unique assortment of Superior Wines and Spirits at Market Prices is being issued.
Apply to EHRMANNS,
Wine and Spirit Shippers and Merchants,
43, 44 and 47 Finsbury Square, London, E.C. 2.
(Please quote "S.")

INSURANCE ECONOMY
Many people pay higher rates than necessary. The Policies of others cover less than advisable. Before renewing old or taking out new Policies write for latest rates. We may be able to effect considerable economies for you.
EAGLE STAR & BRITISH DOMINIONS INSURANCE COMPANY LTD
Head Office: British Dominions House, Royal Exchange Avenue, London, E.C.3.
ASSETS EXCEED £13,000,000.
"Pay what you owe—Employ the Disabled."

The Statist.
LONDON, SATURDAY, MARCH 1, 1919.

THE CONFERENCE.

It is now three and a half months since the enemy broke down, and it would puzzle most persons to say what has been done in those three and a half months to put the belligerent Powers in a position, we will not say to restore order, but even to begin to fit their several countries for the new conditions they have to meet. The United States President came full of the notion that he could prevent war for evermore by creating a League of Nations. So far as the Conference is concerned, he has practically had everything his own way. But whether he is nearer to a League of Nations remains to be seen. To-day is the 1st of March, and on Tuesday at 12 o'clock the old Congess will expire, and a new Senate and a new Congress will come into existence. At least two-thirds of the old Senate will remain, but one-third will be new; and, therefore, it will be completely different from what it was. To the new Senate will fall the task of saying whether there is, or is not, to be a League of Nations. And, as we are only dealing with a few days, we prefer to leave the matter uncertain, and so allow all parties to flatter their own dreams that each one will be successful. If we turn from the League of Nations to what, until President Wilson made up his mind to visit Europe, was supposed to be the main purpose of the Conference, we venture to say that there is not a man in Europe at present who would say that any real progress has been made in settling the new Europe which is about to arise. We hear a great deal of the necessity there is for making Germany pay to the uttermost farthing for everything that she has done in ruining occupied countries. But, unfortunately, we are older than we wish to be, and we remember a great many cases in which there was very loud talk and very little action. And we are greatly afraid that it will be somewhat the same with Germany. When everything is said, Germany is the one Great Power in Europe, and until we see the one really Great Power in Europe punished severely—well, we shall take the liberty of refusing to believe in such punishment. As for the smaller States, they have, for the present at all events, to link themselves behind the greater States. And, as for the greater States—well, they have many wishes; they have plenty of desires; but how many of them are prepared to take a great resolution and to stand or fall by the results of the Conference? It looks to us as if even the Congress of Vienna was not so hopelessly incompetent. The Congress of Vienna, at all events, really and truly had the desire to do what was wrong, and to do it thoroughly. The present Conference seems to have the desire for neither good nor ill.

THE LABOUR QUESTION.

We do not propose to-day to deal at any length with the mining question. It is of the utmost importance, we admit. But we hold very strongly that the Press has done much mischief already, and we would like to see Press views held in restraint, at all events for the present. There are some of our morning contemporaries which utterly and disgracefully disregard the true duties of the Press. The Press can be of great value when it does its honest best to get at the truth of the questions with which it deals, and when, having stated those questions as truly and as fairly as it can, it proceeds to discuss the rights and the wrongs of the parties to the respective questions. But when the Press makes itself partisan, misrepresents facts, and advocates wrong settlements, the Press is doing great harm; and we frankly confess that we should ourselves much desire to put a stop to such a flagrant abuse of the liberty of the Press. It is well for the whole community that every important question should be fully discussed, always assuming that the discussion is honest and that the facts are truly stated; but dishonest discussion is bad and may be mischievous. We do not, therefore, ourselves propose just now to discuss the question which is of so much importance, farther than to say that we believe the Government is wrong in refusing to hear fully, patiently, and carefully everything the miners have to say; and when they have done that the question would properly arise whether they ought to lay down arbitrarily a settlement to be forced upon both parties. Remember that working men have the right either to work or not to work as they please. It may be replied that working men, being dependent upon their labour for their sustenance, must work. That is true when it is put forward in the right spirit and at the right time. But if working men choose to unite for the purpose of securing benefits in the future for themselves and their children, they have as much and as perfect a right to do so as any other class in the community, and the Government has no more right to say to working men that they must work than they have to say to employers that they must pay whatever wages the working men choose to ask. The very fact that the Government has to come forward to force a settlement upon the working men is a fatal fact for the employers, and if the employers were wise they would refuse to be parties to such an arrangement. Every employer of labour has the right to arrange with his own workpeople what he will pay and for how many hours. We say without hesitation that the wise employers would go to their workpeople and negotiate with them, and not with the Government, which knows absolutely nothing about the facts, and is utterly incapable of understanding them when an attempt is made to make them clear. The Government is wrong from beginning to end. The employers have made a grave mistake in appearing to put their case entirely in the hands of the Government, or, to put the case quite frankly, in appearing to appeal to force for a settlement which ought to be a settlement of freedom. So far as the workpeople are concerned, we have no authority either to speak for them or to advise them. We think that they would be wise if they tried to bring about a settlement with their employers. The

real settlement, whenever it is effected, must be a settlement agreeable to both sides. Force, as so often has been said, is never a remedy, and it will not be a remedy now.

MR. MACPHERSON IN IRELAND.

We tender Mr. Macpherson our sincere sympathies, for we know of nothing more humiliating and more grievous than for an honest man to undertake in a serious mood the improvement of a country and to find himself blocked at every step he takes, not by opponents who differ conscientiously with him in opinion, but by persons who, for good or bad reasons, believe that their own selfish and unworthy interests would be injured if the newcomer were allowed his way. Mr. Macpherson finds himself in the hurly-burly of politics recently suddenly pitchforked into the Irish Secretaryship. And Mr. Macpherson professes to be a Scotch Liberal Member desirous of advancing democracy throughout the Empire, and especially pledged, by taking office, to promote democracy in that portion of the United Kingdom which is cursed with a dominant class which never loses an occasion by day or by night to trip up every person in power who has the audacity to do anything which, even by chance, would benefit Ireland. Mr. Macpherson, therefore, is as certain to be disappointed as any man can be. And he spoke the other day in Dublin as if he was innocently unaware of the fact and really believes that he will be allowed to do anything that has even the appearance of being good. There is nothing more certain than that if he attempts to do what he promises he will be tripped up and painted to the world at large as something too impious to be tolerated at the other side of St. George's Channel any longer. In our callow days, which unfortunately are a very long time past now, we should probably have shared in Mr. Macpherson's hopes. But much water has run under London Bridge since our callow days, and, unfortunately, we have been compelled to recognise that there is a vast difference between the seeming and the real. Our sympathy would even be keener than it is for Mr. Macpherson if this was the first trying office that he had occupied. But we have not yet forgotten that he represented the War Office; and the man who could stand as the representative of the War Office for so long during the War—we hope, for Mr. Macpherson's personal feelings, that by this time his hide has got sufficiently thick. Meanwhile, Ireland is the worst-governed country upon the face of the earth. There may be countries that are more neglected, both from the point of view of law and from the point of view of administration. But generally those countries are inhabited by peoples who are in a lower stage of civilisation than ourselves. In saying this we do not mean to brag of our civilisation. Heaven knows it is low enough. But, after all, it is not in the lowest depths of barbarism and savagery. Taking the countries, therefore, that it is the fashion to call civilised, we say again, without doubt and without hesitation, that Ireland is the most absolutely badly governed country the world knows at the present time. There is a large class of Irishmen—the evil is chiefly in the Irishmen themselves—who are always on the watch for preventing all improvement. They were a few centuries ago—or, rather, their ancestors were—pitchforked into the ownership of the land of Ireland. And during all the centuries that have elapsed their one great effort, anxiety, and thought has been to keep what they never deserved, and got, for the curse of the country they settled in.

If we were sufficiently hardened to make a farce of the misfortunes of a people we might perhaps be tempted into a kind of jibing at the future experience of Mr. Macpherson. But in honest truth we have not hardness enough for that. Everything that he promises is required. Upon the face of the globe there is not a people more badly housed than the Irish. We doubt if there are many people so badly housed. And yet we—the British people, and particularly the British Press—are never tired of bragging of the advantages of being British. Well, the slums and alleys of London and the other great towns of England are bad enough. He would indeed be a hardened brute who would not admit that much. And yet we have been through a good many of the slums and alleys of London and other great towns of English cities, under the guidance of medical men as well as of the police, and we say without hesitation that the slums and alleys of London and some of the other great English cities are almost perfect compared with the Liberties of Dublin. If we go from the slums and alleys of the great towns into the rural districts, all we can say is that the homes of the mere agricultural labourers in England, bad as most of us in our frank and free dealing with one another would pronounce them to be, must be admitted by us to be admirable when compared with the houses of the rural working classes in Ireland. True, there has been a great improvement since the middle of last century. You do not actually see—at least the present writer, when he last visited Ireland, failed to see—hovels built in bogs, in which human beings lived with their pigs. There has, therefore, been some improvement. Again, the landlords have been bought out in a great many districts. And wherever the landlords have been got rid of there is some evidence of improvement. But the housing of the whole people of Ireland is enough to strike the visitor with consternation, when he calls to mind that the whole people have to live in these hovels and have somehow or other to manage to keep human nature. There can be no question, then, that in no part of the world of which we have even an inkling of knowledge is there greater need for proper improvement of the housing of the people than there is in Ireland. Passing, then, from the housing to the health of the people, what can anybody expect? If even the slums and alleys of London are something superior to the housing in Ireland, what can one expect of the health of the people? How it is that the people have remained in the country is one of the amazing questions constantly forcing themselves upon the visitor. For centuries the government of Ireland has been to the unbelieving standing evidence that a providential government of the world cannot exist. And yet, by some extraordinary miracle, there is an Irish people there. They have not died out. And Irishmen, when they can be induced to enlist, perform the duties of soldiers as well as other men. It is one of the puzzles that defeat every thinker. How is it possible that with the United States so near, with the journey so cheap, and with so many Irishmen in the United States already, the population has not shifted altogether from the island that is so abominably misgoverned? Yet even the list we have touched upon does not exhaust the evils of Ireland. When English government was thoroughly established in Ireland the first effort made was to stamp out Roman Catholicism. Everything was done that even seemed to promise to stamp it out. And for a while it looked as if the process might succeed. But, explain it how you please, the process has not succeeded, and in 26 out of the 32 counties in Ireland Roman Catholicism is as supreme to-day as it ever has been. So supreme is it that whereas a few centuries ago the whole undivided effort of the British Government was to stamp out Roman Catholicism, to-day the whole undivided effort of the same Government seems to be to establish Roman Catholicism so firmly that nothing can overturn it. The whole education of the Catholic portion of the population is in the hands of the Church; and as far as an observer can judge the strongest Government existing to-day would fail to take that control from it, except, indeed, it adopted a persecution even more drastic than the persecution that failed in the

hands of the Tudors, the Stuarts, and the early Hanoverians. What a hopeful person Mr. Macpherson must be if, with the experience of the centuries before him, he really believes what he said to the gentlemen who waited upon him in Dublin the other day so blandly and apparently so confidently.

WHEN THE WAR ENDS.—LVII.

If the information that reaches us is correct the members who are still attending the Peace Conference are growing heartily weary of their work. They see that they are simply piling up stones which are doomed to be brought down rattling at a very early date; and though many of them are accustomed to the impotency of diplomacy, they still have not become hardened enough to take to an occupation the folly of which most people have come to see through. Nevertheless, we understand that the members of the Conference are growing eager to get the work off their hands as quickly as they can; and, therefore, we hear of promises being given in many quarters that the end of the Conference will come sooner than is generally expected. We give all this simply as information that reaches us. We do not presume to guarantee it nor to modify it. Frankly we may add that we are rejoiced to hear that the facts are so. For while nothing can be more horrible than the butchery of war, we fail to imagine anything that can be more impotent than curing the ills that war has been guilty of. The War is ended. That, at all events, is a blessing Whether it begins again soon, or whether an insecure peace lasts for a surprisingly long time, it is at all events something gained that men are not to be sent out to murder one another by people who actually persuade themselves that they are civilised. Apparently, then, the negotiations will not be drawn out; and it is not very difficult to see some, at all events, of the reasons. The members of the Conference are usually drawn from the idle rich class; and the idle rich class never know anything, and never do anything. Therefore, full of their own importance, they were inclined to go to the Conference with the conviction that when they came on the scene they would speedily settle everything in a satisfactory way. Unfortunately, they find that instead of the peoples of the disgruntled countries submitting patiently to be portioned out as it may please the high mightinesses of the Conference, those peoples are much more inclined to get up a fight of their own. We have all sorts of international claims and counterclaims. We have even fighting going on between peoples who as yet have not succeeded in establishing their own independence. And we have doubts thrown upon what is to happen to this, that, and the other population. Upon the whole, then, we must confess we are by no means surprised that the members of the Conference are beginning to recognise that they are a very small and a very unimportant body, and that it does not really matter so much to the whole earth how soon they scatter again.

Meanwhile, we have Germany in a very ugly temper. Whether that means that Germany is going from bad to worse, or whether it means that militarism is beginning to reassert itself, and that it will not be a very long time until we see militarism reinstated in all its power, we certainly shall not attempt to predict. Prediction is not for human beings. No man can say what is going to happen years hence. All we can say as a positive fact is that the outlook of things in Germany is not nice. That Germany has not suffered as much from the War as most of the Entente countries is also beyond question. The countries occupied, like, for example, Belgium and Serbia, suffered much more during the four and a quarter years of war than did Germany. And so did France. Germany, it is to be recollected, had been preparing with wonderful assiduity for the Great War, which she was resolved should be fought out. And, consequently, she made such arrangements as prevented the enemy from setting his foot within the borders of the Fatherland. That is the first great advantage that Germany attained. Germany has not been occupied; has not been plundered; has not been held to ransom. Germany, therefore, is not as much exhausted as most persons anticipated who carefully studied such information, or, at all events, quasi-information, as was allowed to come out from Germany. So far as can be judged at present—and we frankly admit that is but a very short way—Germany is better prepared than any other country in Europe for renewing the War. Whether she will do so is an entirely different question, which we have no means of answering. But it is a conclusion that should not be lost sight of. Secondly, Germany will be a very strong Power when the peace arrangements are concluded. Of course, it is not certain what those arrangements will be. But it looks at present as if the Prussia which fought the wars of 1864, 1866, and 1870 will not be in any material respect diminished. If not, we would ask our readers to bear in mind what that fact means. In those three wars the Prussia of those days defied France and England together, and took the Danish Duchies. Then she drove Austria out of the Germanic Confederation. And, finally, she defeated France, captured Paris, annexed Alsace-Lorraine, and insisted upon an indemnity of 200 millions sterling. We have, then, only to cast our minds back until the time of the accession of the first Emperor of Germany to see how enormously strong a Power Prussia alone will be if she is deprived of nothing more than Posen and Alsace-Lorraine; and, consequently, how incumbent it will be upon France to maintain her armaments in the highest state of preparation. We have in the past ventured respectfully to ask President Wilson how he proposed to use the League of Nations, suppose some one nation defied the League. We were not fortunate enough to get an answer. Now, we would ask our own Prime Minister, who has put himself so fussily forward to secure the League of Nations, how does he propose to deal with the matter suppose, firstly, Austria asks to be admitted into Germany; and suppose, secondly, Germany will use her military and naval preparations as actively as ever? Germany in such a case will have a population considerably exceeding 70 millions. We saw how the Germans fought. And mere hostility should not induce us to lyingly deny that they fought gallantly. Suppose 70 millions of them not only continue preparations, but are regarded by France as an impending menace, how is the League of Nations to deal with Germany? Is it not an absurdity to waste time negotiating peace, telling us to be good children and go to sleep, because the League of Nations will watch over our slumbers? Is it not mere common-sense to tell us? Are we to begin arming as actively as ever the instant peace negotiations come to an end? And if we are not, are we to find ourselves some fine morning as utterly unprepared as we were at the end of July 1914?

So far as we can see the negotiations are about as unsatisfactory as were the war operations. And we submit that it is not necessary to say anything stronger than that. Germany fought for four and a quarter years—until, apparently, her soldiery made up their minds that their generals were duffers and that there was no use in going on killing and getting killed under the control of a parcel of duffers. There seems no other reasonable interpretation. One fine day the Germans refused to fight. The Kaiser fled in a funk; and the whole Great General Staff that was the bugaboo of Europe for so long disappeared, just as the bogeys do in a children's story. Some say a Kaiser of some kind or other is back, and the Great General Staff is re-established, and that the [illegible]. After all, we might have held out longer. "What is to happen?" Are we all to begin arming as busily as ever? And

D

are we to have another four years' war to determine whether the second Kaiser will run away like the first, or what the outcome is to be? So far as the public at present can learn, nobody seems to have the slightest conception of what ought to be done; with the single exception, we are bound to add, of the French Government. Marshal Foch, so far as we can judge, sees the situation just as clearly as he saw the situation immediately before our own Government had the good sense to ask him to take command of all the Entente armies in the West. He sees what would really control Germany. He has a plan that, beyond all question, would give us a period of peace, whether long or short. But it does not suit those who have the greatest influence in the Conference; and so, apparently, we are drifting, just as we drifted from the accession of the Kaiser William the Second to the end of July 1914. We are bound to add here, in perfect honesty towards our readers, that we are not ourselves arguing in favour of taking the left bank of the Rhine from Germany, and we hesitate to do so for two reasons. Our first reason is that the left bank of the Rhine, like Alsace-Lorraine, had been won over to France by the Great Revolution and the wonderful victories that followed it. It was taken away from France by the Vienna Conference; and a whole century has elapsed since then. Practically, that is to say, three generations of human beings have been born, grown up, and died. And during three generations it is certain that a great change of feeling must have taken place. We therefore shrink from saying that the left bank of the Rhine ought to be transferred. We are dead against transfers of populations simply because of supposed political advantages that might follow. There is a great deal to be said for asking the people of the left bank of the Rhine to which country they wish to belong. If they wish to remain Germans they certainly ought not to be disturbed. If they wish, on the other hand, to become French, we see no reason why they should not be allowed to become French. But to transfer a population without its own consent seems to us a thing which is contrary to every true principle of government. Furthermore, we feel sure that so great a transfer could not be accomplished without adding to the present difficulties and dangers. Upon the whole, therefore, we go no further than to say that if the people of the left bank of the Rhine wish for a vote as to whether they are to be French or German, they should be allowed such a vote. But, if they have no such wish, then it would be contrary to every sound principle of political conduct to disturb them.

What we want now is to settle our troubles as quickly as we can. Unfortunately, President Wilson was so enamoured of his League of Nations that he would have it settled first; and a great deal of valuable time, therefore, has been expended. To-day we enter upon the month of March. Three and a half months have elapsed, that is to say, since fighting ended, and for anything outsiders can judge the negotiations in Paris may go on for another three and a half months. Perhaps, if we were ourselves members of the Conference, we should enjoy all the pleasantnesses of Paris, and should not be in a hurry to get back to dull and cloudy London. But, after all, we would very respectfully submit that the highmightinesses who are enjoying themselves in Paris are not of such tremendously great importance that the world should be kept waiting upon their pleasure. Therefore, we respectfully submit that the sooner they cut their negotiations short, the better it will be for the whole of us. There are certain questions, no doubt we shall be told with grave faces as if it was seriously expected that we should swallow the whole story, that must be thought out, hammered out. We are not in the least impressed. We have, unfortunately, grown so old that none of those very impressive statements have much weight with us. We could ourselves be very impressive if we were sufficiently interested. But we are afraid that even Paris has lost some of its attractions for us; and we cannot, therefore, sympathise with those who are enjoying Paris so pleasantly just now. We hope they will enjoy it while they can. But we much more strongly hope that the enjoyment will be cut very short. There are certain things that must be settled somehow, and we are inclined to think that the less quarrelling over them the better. One is the very serious question which is generally known as the Adriatic question. Well, it is a very important question for Italy we admit. We do not in the least mean to make light of it because we do not happen to be Italians. And we are not in danger of seeing a hostile fleet in an uncomfortably near position some fine day. On the other hand, the new nation, whatever you call it, Jugo-Slav, or Serbo-Croat, or whatever name may be given to it, is quite as much interested as the Italians, and it would be awful to them to find threatening fleets uncomfortably near. The question is beyond all possibility of doubt a serious one. And if it had been remitted to a small number of sailors of the very highest standing in Europe, America, and Japan, we should look forward to a settlement with greater confidence. But, to speak quite frankly, we do not believe the diplomatists understand the question, or are capable of settling it. We might refer to several other questions of gravity. But what we have just said refers to them also. They could be settled—the naval by naval officers of the very highest standing, and the military by military officers of the very highest standing. Suppose, for example, Admiral Beatty and an American and French admiral were asked to adjudicate upon the Adriatic question, and three great military men, say a Japanese, a Frenchman, and an American, were asked to adjudicate upon the purely military question, would it not be much more likely that a satisfactory settlement would be arrived at than that the diplomatists, who do not understand, probably never will understand, the real gravity of any of those questions, will come to see how a war to take place 15 or 20 years hence can now be warded off by diplomatists who are in no hurry to leave the pleasures of Paris.

THE BANK OF FRANCE.

The report of the Bank of France for the past year is of the very highest interest. Our readers will do well to procure a copy and to study it very carefully. It shows, in the first place, how great a trial the war so suddenly sprung upon France was to that country, and not less how wonderful was the courage, resource, and skill with which the difficulty was met. We find, for example, that the bills discounted fell in the early months of 1915 to about 8 millions sterling. In 1917 they had recovered to £24,240,000; and in 1918 they had actually risen to £43,440,000. Meanwhile, the repayments effected by those who had had at the outbreak of hostilities to take advantage of a moratorium brought down the debts of those from £179,040,000 on the 1st of October, 1914, to £41,920,000 on December 24, 1918. The advances on securities had risen from £29,160,000 in 1913 to £48,880,000 in 1916. Last year the average was £40,000,000. In 1915 M. Ernest Mallet, Regent, as a delegate of the Government, took part in the Anglo-French negotiations in New York for a loan of £20,000,000. In 1916, a Delegation from the Bank of France took part, with the Bank of England, in London, in arranging both the London and the Paris Money markets with a view to putting an end to the exchange trouble. How unprepared France was for the War is shown perhaps as clearly as by anything else by an arrangement entered into between the Government and the Bank of France which in 1911

authorised the Bank to lend to the Government £116,000,000. These resources were quickly exhausted, and ultimately authority was given to the Bank to advance as much as £840,000,000. At the end of the year, however, the debt due to the Bank by the State was only as much as £686,000,000. The total advances to the State surpassed £354,000,000. The Treasury, likewise, required the Bank to assist in issuing Bons du Trésor. At the end of the year the issue had amounted to £141,040,000. It will be seen what an extraordinary trial the Bank of France had to go through. The authorities of that great institution promise now that they will devote all their efforts to regularising and putting in a satisfactory state the finances of their institution. We have no doubt that they will succeed, and rapidly, too, because the whole French people are behind the Bank and believe readily in its soundness and its competence. Indeed, the value of the work which the Bank of France did for the Government during the past 4½ serious years cannot be too highly applauded, and we would advise our readers to study most carefully the report which we are here noting only superficially. In parting from this part of the report we may remind our readers that, in accordance with an arrangement made in September 1914, the interest payable by the Government to the Bank for all loans made by the one to the other is a year after the cessation of hostilities to be advanced from 1% to 3%, the object being not only to form a fund to be applied in paying off the debts of the Bank itself, but also in helping to pay off the debt of the State.

Perhaps we shall enable the reader to understand the vastness of the trial through which the Bank of France had to pass more effectually if we quote some of the startling figures given in this report, showing from time to time what the consequences were to the Bank of France. Without further preface, then, we may say that the total operations for the Treasury in 1917 amounted to £7,209,904,000, and in 1916 they had been £4,967,548,000. Last year, on the credit side, the operations amounted to £5,367,128,000, and on the debit side to £5,367,336,000, the total being £10,734,464,000. We leave our readers to study themselves to what a great extent the Bank helped the Government in raising the different loans. If we were to enter into it, it would lead us too far; and so compel us to swell our pages extravagantly. We proceed, then, to say that on December 22, 1917, the total cash held by the Bank amounted to £223,896,000. On December 24, 1918, it had risen to £231,836,000, being an augmentation of £7,940,000. The report goes on to tell us that this large increase in the cash was due to the liberality with which the public paid in moneys. The total receipts, we are assured, from the beginning of the War reached £96,160,000, and would have carried the amount of cash to £261,800,000 were it not for the necessity the Bank was under of remitting abroad very large sums in gold. The greater part of the remittances of gold was made to England as a result of the convention between the two Governments. The report frankly admits, on the other hand, that France received in exchange credits upon London much exceeding the gold despatched to London. In addition, gold was lent amounting altogether to £78,200,000. On December 24 last the gold held by the Bank amounted to £137,620,000, and there was held abroad for the Bank £81,484,000. The Bank thus held altogether £219,104,000. The maximum amount of gold was held by the Bank of France on December 24, 1918, £219,104,000. The maximum of silver was held on November 22, 1918, £13,300,000. At the end of the year the credits abroad amounted to £93,158,880, against £31,447,456 on December 23, 1917. The discounts effected by the Bank in Paris and outside amounted for the year 1918 to 6,760,900 bills of the value of £583,548,000, showing an increase of £203,624,000 over the preceding year. The greatest amount of discounts was on April 3, 1918, and the smallest on November 20. In Paris itself the total number of bills discounted for the year 1918 was 1,786,729. Of these bills, 9,715 were of values ranging from 4*s*. to 8*s*. of our money; 252,955 were of values ranging from 8*s*. to £2; 265,604 were of values ranging from £2 to £4; while those of values ranging from £4 upwards amounted in number to 1,258,455.

WATER POWER IN IRELAND.—III.

The development of water power has proceeded apace in countries ill-supplied with coal. Switzerland was the pioneer in this direction, and France also took a leading part, while subsequently the Scandinavian countries were moved to action. Even the United States, which are estimated to have the largest coal reserves of any country in the world, have shown their eagerness to conserve natural resources by utilising the "white coal" that would otherwise run to waste. For this is the great advantage of water power that, if used in place of coal, the coal will still remain for use on another occasion, whereas water cannot be stored and the untapped stream is definitely lost. Despite the example of these different countries, Ireland has been laggard in its utilisation of water power. We must not exaggerate its undeveloped potentialities in this respect, but even to the lay mind it is clear that a country of high average rainfall and high-level catchment areas, and possessing a number of fair-sized streams with natural reservoirs along their course, is eminently adapted for the development of water power. The actual number of water-turbines at present in use in Ireland is larger than is generally supposed, but the aggregate power developed is small. The following table indicates the engine capacity of our leading groups of industries and the proportion of this capacity furnished by water:—

Industrial Group	Total Capacity of Engines Horse-Power	Water-Power Horse-Power	Percentage Furnished by Water-Power
Mines and quarries	2,495,100	8,300	·3
Iron, steel, engineering and shipbuilding	2,089,000	19,500	·9
Textiles	1,978,500	51,600	2·6
Public utilities	1,790,000	14,900	·8
Clay-working, stone-working, building and contracting	433,000	4,000	·9
Food, drink and tobacco	380,200	42,700	11·2
Printing and paper manufacture ...	237,600	11,100	4·6
Chemical and subsidiary trades ...	214,800	4,500	2·1
Timber trades	173,800	5,300	3·0
Clothing trades	84,800	1,000	1·1
Non-ferrous metal trades	83,900	7,700	9·1
Rubber, leather and canvas manufactures	54,900	900	1·6

These figures relate to the United Kingdom as a whole, since separate data cannot be procured for Ireland. In general, the Irish figures, if available, would not give water power any more favourable showing, and in some cases, such as that of the non-ferrous metal trades, the water power would show to disadvantage compared with Great Britain. The inclusion of the Scottish power sites of the British Aluminium Company accounts for the high place in the list held by these trades. In regard to textile industries and the milling trades, the latter of which are included in the above table under the heading of "Food, drink and tobacco," Ireland utilises proportionately more water power than Great Britain. Water-driven machinery would have been more favoured for general purposes in Ireland had not the precedent set in Great Britain proved irresistible to Irish engineers and industrialists, who saw steam-driven plants [illegible] elsewhere and naturally adopted them, without a thought of other sources of power. Our attention to these details has all along been too much centred on [illegible], and the efforts of enterprising inventors and engineers were directed towards improving [illegible] to the neglect of water-engines. The result was that hydraulic machinery was [illegible] and remained so until interest in [illegible] was roused by the somewhat spectacular undertakings originally

planned for the Falls of Niagara and of the Zambesi River. The sum of our experience up to date is that costly head-and-tail races must be avoided and that devices like masonry dams and weirs, storage reservoirs, and concrete penstocks must be cut down to a minimum; that the flow must be carefully examined so as to determine the volume of water available at normal times and at times of drought and flood; that the effective head at different periods must be investigated, since flooding is likely to reduce the available fall; that lakes on the course of a river tend to equalise the flow and to hold back flood waters, the conservation of which is thereby effected in an easy and inexpensive manner; and, finally, that a water-power scheme, if burdened at the outset by excessive capital expenditure, is likely to prove unprofitable.

The price of coal will not again approach pre-War level, and this is a further reason which should urge all interested in Irish development to turn their thoughts to water as a source of power. Besides the Shannon, the Corrib, the Erne, and the Bann, to which we have previously referred, promising sites for small power installations are found, to mention a few instances, on Ballysodare River, and on the rivers Inny, Boyle, Laune, and Brosna. We pointed out a possible site in Donegal which would give the large-scale power required to develop such an industry as the fixation of atmospheric nitrogen. The process is a continuous one; and from the point of view of power production this is most desirable, since it entails an even, continuous load. Water-power developments are proceeding at a rapid rate abroad, and Ireland, already badly handicapped in the industrial race, cannot afford to be left still further behind, as it inevitably will be if the spirit of progress does not at once manifest itself. The treatment of aluminium ore, or bauxite, which is found in the country and is at present exported for treatment to Scotland, could be undertaken, as well as the manufacture of carbide, of nitrates, and of nitrogenous fertilisers. Production could be varied to suit the varying demands of the markets. Similar enterprises are successfully floated and worked abroad. At Shi-en, in Norway, a syndicate was formed as late as last year for the purpose of utilising a number of small falls, and it was expected that an aggregate horse-power of 200,000 could be developed. The intention of the syndicate was to undertake nitrate manufacture and such other chemical industries as might prove lucrative. Another Norwegian Company already engaged in similar business—the Norsk Hydro—showed in its last annual report a profit of 6½ million dollars, as against 5 million dollars for the preceding year. The capital of 15½ million dollars is rather small considering the large profits returned, but the total turbine capacity—300,000 horse-power—is distinctly high. The production of carbide and of nitrates is principally undertaken. The plant of this Company is extensive and very modern, and both its technical and business management appear to be excellent. All possible economies are effected, and even the waste heat from the various electro-chemical operations is utilised in low-pressure steam turbines. While the enormous powers tapped for these various purposes in Scandinavia are not available in Ireland, the working of small plants is quite feasible, and with proper attention they can give economical results. Even in unprogressive Russia the Government recently signified its approval to a scheme by which hydro-electric stations were to be set up on the Neva and other rivers, and the city of Petrograd was to be supplied with current at low rates for power and lighting purposes.

As a means of industrial development at home and economic expansion abroad the use of water power in Ireland would be invaluable. Moreover, it would help to stem the tide of emigration, which many fear will, with the resumption of normal conditions, set in again as strongly as before. The exploitation of Ireland's natural resources in minerals, metalliferous ores and building materials, and the expansion of her milling and textile industries, would benefit particularly by the provision of new and cheap sources of power. If the necessary step forward is not taken by Irishmen it will be taken for them by Englishmen and Scotchmen, to whom the resulting profits will accrue. If all remain dormant, the trade that might have been ours will pass to foreigners. We might quote a case in point. Long ago we drew attention to the possibilities of development of the Irish kelp industry, especially on the West Coast, where large deposits of the necessary weed are available. We pointed out that acetone and potash, as well as other valuable chemicals, such as iodine, could be produced from the calcined ashes of various sea plants. Production was undertaken, but it proved insufficient for national requirements, and our Government had to import acetone and potash from the Pacific Coast of the United States, where kelp is treated on a large scale. So great was the demand that the Hercules Powder Company of California put down a large plant, at a cost of over a million pounds, simply for the winning of these two chemicals from kelp. Innumerable subsidiary products were also obtained, and the venture appears to have been a complete success. During 1917 the amount of kelp treated averaged well over twenty thousand tons per month. The products imported at considerable risk and expense into the United Kingdom and helping to increase our adverse trade balance, already so enormous, could have been made at home had we been less blind to the opportunities surrounding us.

SHIPBUILDING IN BELFAST.—II.

The growth of the American Mercantile Marine and the tremendous increase in the capacity of American shipbuilding yards are developments of first-class importance, directly traceable to the War, which may ultimately have an adverse effect on the interests not only of Belfast but of all ship construction centres in Great Britain. In Belfast this possibility is keenly appreciated, but it is recognised that American yards may grow, and American tonnage may increase, not at the expense of the United Kingdom, but at the expense of the yards and the merchant fleet of Germany and other Continental countries. There is the further consoling thought that if we maintain our trade we will of necessity retain our merchantmen. Not that a great national trade necessarily denotes great national carrying power. The United States are a case in point. Before the War only 10% of their total trade was carried in American vessels, and yet the aggregate of their exports and imports ranked amongst the largest in the world. Various reasons have been advanced to account for this strange phenomenon, but the fact that it was deemed to require some special explanation shows that ordinarily there is a close connection between trade and shipping tonnage. In the United Kingdom our industrial supremacy enabled us to establish and maintain our supremacy as sea-carriers, and as it was in the past, so will it be in the future. Given the revival and extension of trade activity, the future of our shipbuilding industry would seem to be assured.

Out of this arises a question which is freely canvassed amongst shipbuilding interests in Belfast. From recent experience they draw what is, perhaps, an unfair conclusion, that the workers are not wholly willing to co-operate with employers towards securing maximum efficiency and maximum production. An improvement in the conditions of the working class is, however, at all times desirable, though the methods taken to press their legitimate claims are often indefensible. Even when the right to press for improvement is admitted, the prospect of competition from Transatlantic yards not unnaturally gives some cause

for anxiety, and an argument advanced by employers against shorter hours and increased piece-work rates is that their one-time margin of superiority over America will be seriously diminished by the innovation or will altogether disappear. The race may, indeed, go to the stronger, and possibly it will be found that the strength which formerly resided in British shipbuilders has passed to America. For the moment, however, matters have not reached such a perilous pass, and in Belfast it is hoped that, with the exploitation of the innumerable sources of wealth within the Empire and with a *de facto* preference amongst British nationals for trading with one another throughout the world, the volume of our international trade will be so great as to require an expansion even on our pre-War mercantile marine, and so will provide all our yards with repair work and new construction in the time to come.

From the Belfast point of view the chief danger from the United States lies in their powerful iron industry, which is now easily the foremost in the world. Belfast has ever been handicapped by having to import all her raw material for shipbuilding—coal, iron, steel, and timber. The first three were obtained chiefly in Great Britain. Even in regard to timber, the Irish yards were at a disadvantage. The cheaper varieties of deck and panelling timbers were usually imported from the Baltic, and the freights to Belfast were generally higher than freights to the Clyde or to ports on the East Coast. Where the timber was transhipped in Great Britain, double freight had to be paid. As regards iron production, Belfast has in the past suffered in common with the rest of the United Kingdom, which before the War was steadily losing its former pre-eminence. Towards the end of last century we were outstripped by the United States in regard to output, and early in the present century by Germany. For the five years prior to the War our average production of pig iron from both home and imported ores was only 9,600,000 tons, compared with 27,500,000 tons in the United States and 15,800,000 tons in Germany. France was a bad fourth on the list with 4,300,000 tons. British iron and steel work for ships was becoming increasingly dear owing to the condition of our iron industry, which, it is now admitted on all hands, was declining at an almost alarming rate. Forgings and castings for ships and marine engines could in many cases be purchased more cheaply abroad, and our importations from Germany and Austria-Hungary and from Belgium were on a large scale. These sources of supply have been cut off, and will certainly be closed to us for some time, but it is possible that the United States and Scandinavia, which also exported iron and steel materials to us, will make up the deficiency. Such a course would be undesirable from the British standpoint. It has been estimated that in the years before the War the total weight of iron and steel used in the construction of ships and marine engines in the United Kingdom was approximately 1,400,000 tons. Our furnaces and forges would surely be able to turn out this amount since, because of the fillip given to the iron trade by the War, our productive capacity has, it is very generally stated, shown a considerable increase. In the circumstances it appears that Belfast can rely on Great Britain for all her requirements of iron and steel castings, forgings, and plates, and though prices will continue to show a substantial rise above pre-War level, it is reassuring to know that shipbuilders all over the world will be confronted with a similar difficulty.

Although the principal Belfast yard is closely linked up with shipbuilding interests in Great Britain, yet it is feared in some quarters in Belfast that British builders will get preferential terms in regard to quotations and delivery of materials. The fear is, however, groundless, and could be entertained only if the steelmakers and forge-masters of Great Britain formed a special anti-Irish combine—an eventuality which may at once be dismissed. Industrialists on this side are not going to turn away business, least of all when it comes from within the British Isles. Perhaps the fear originally sprang from the many rumours of consolidation of iron and steel interests disseminated during the War. The rumours have in part proved true, but the degree of combination is not such that any form of extortion or tyranny over the building yards is likely to be practised. It would be highly inadvisable to victimise such good customers as the shipyards, be they situated in England, in Scotland, or in Ireland. No dire results need be feared from a combination which is intended, so far as can be judged at present, merely to protect legitimate trade interests and to present to foreign competitors the same unity of front which they displayed to us in the days before the War. German coal, iron-ore, and steel interests were closely consolidated, while the United States Steel Corporation, a vast agglomeration many-sided in its activities, boasted of an output greater than that of all the steel mills of the United Kingdom. It is to face such competition that attempts at unification have taken place, and the number of freely competing British firms is still so large as to dispel any likelihood in the near future of attempted exploitation.

With regard to the type of vessels which will henceforth be demanded by shipowners, opinion in Belfast is not at all clear, and the same mist of doubt is probably general elsewhere. The Irish yards have turned out some of the heaviest passenger liners built, and have specialised in capacious, well-fitted steamers of high speed, mostly for fast mail and passenger traffic. Tramp steamers have also been built for the great cargo-carrying lines. Orders for both classes of work will probably continue, but all shades of opinion agree on the certainty of bigger unit vessels being in demand for general trade or for particular trades, such as grain, coal, or oil. Ships of large draught have proved to be the most economical in working, since, if they are of suitable length, they can carry a much heavier cargo than ships of restricted draught. Moreover, high speeds are not procurable, except at exorbitant cost, on vessels of moderate length or draught. In the keen competition which seems likely to set in in the sea-carrying business according as the war losses of shipping are made good and the mercantile marines of newly-competing countries begin to pick up trade, preference will be given to steamers which can ensure certainty and rapidity of delivery. Such steamers are necessarily those of large dimensions. Both British and foreign owners are, therefore, likely to seek ships of ample beam, draught, and length, and in Belfast it is expected that such demands can easily be complied with. Between 20% and 30% of the tonnage turned out in the United Kingdom in pre-War days was to the order of foreigners, and if their requirements are not satisfied here they will certainly place their orders elsewhere. Belfast received a goodly share of this foreign custom, and it is intended to retain and even increase it, though it is recognised that United States owners will henceforth probably place their orders with home yards. An increase in our trade would, however, as a little consideration will show, more than make up for the loss thus sustained. From the shipowner's point of view the weight of the goods to be carried is of as much importance as their value, and similarly with the shipbuilder. In 1913 the weight of our exports was, approximately, 100 million tons and of our imports 55 million tons. The high export figure is accounted for by the inclusion of coal, of which we sent out 70 million tons. Between three-fourths and four-fifths of all the trade was carried in British vessels, and, accordingly, any increase in the volume of our exports and imports will be sure to bring increased prosperity to our shipowning and shipbuilding interests.

CUBA.

PROBABLY most readers who are not intimately acquainted with the island of Cuba, or who are not directly or indirectly connected with the sugar trade, think of Cuba as a vast tobacco island. Cuba is the producer of perhaps the most renowned tobacco in the world, although the island is not by any means the largest tobacco-grower. Those who know Cuba well, however, are aware that sugar is a far more important interest in the economic life of Cuba than is the world-famous Havana cigar. Sugar last year represented more than 10 times the value of the tobacco exports of the island; although in pre-War days, when the price of sugar was less extravagant than it has been recently, the sugar crops only represented in value between seven and eight times the value of the tobacco.

Cuba is the largest of all the West India islands, and, if not the most fertile, her soil is at least amongst the most fertile of any of these islands. Cuba is just within the tropics, being situated between the 19th and 23rd parallels north of the Equator. The island is exceedingly long and very narrow. It is a highly mountainous country, and the most fertile parts are the plains between the mountains. The coastal regions are low-lying, and the soil is exceedingly rich, owing to the immense quantities of *débris* brought down from the mountains in past ages during the various rainy seasons. Owing to the low-lying and somewhat marshy ground, in past times coastal Cuba was regarded as very unhealthy, until the United States Government took the matter in hand and drained the coastal swamps, when it was found that malaria and yellow fever could be banished from the island, provided sanitary measures were adopted. The beauty of the island has been renowned ever since it was discovered in the closing years of the fifteenth century.

Cuba is of special interest to this country at the present time, because during last season, and again this season, Cuba has been the source from which we have obtained practically the whole of our sugar supply. In the clear year before the War the total production of sugar throughout the world, from figures which have been supplied to us from a private but highly reliable source, was, roughly, 16½ million tons. It is now 16¾ millions, while last season it closely approached 17½ million tons, although this figure was never quite attained. More than half the world's supply of beet sugar had disappeared during the War, but it has been made up, and made up with a surplus, by the increased growth of cane sugar in various parts of the world. There can be no reasonable doubt that were shipping facilities available, or had the War not imposed a totally unexpected strain upon the shipping resources of the world, there would at the present moment be an ample supply of sugar at probably half the price now prevailing in every town in the country. There is at the present time, as far as we can gather from figures supplied to us by valued friends of unimpeachable authority, absolutely no shortage of sugar so far as the world's supply taken as a whole is concerned. We give below a table supplied to us which will show to what an extravagant extent prices are affected by the inability to obtain supplies, although it is well known that there is an ample supply available in various parts of the world. The following table, which has been kindly supplied to us from a private source of unimpeachable authority, will show the vagaries of prices of sugar in different parts of the world, due, not to a real shortage, but to the difficulty of disposing of the sugar, as in Java, or to the difficulty of obtaining the sugar, as is the case in different parts of Europe:—

Country	Pence per lb.	Country	Pence per lb.
Java	1½	Poland	7
Denmark	4	Spain	7½
Australia	5	France	8
Cuba	5½	Italy	10
U.S. of North America	4½	Austria	11
Germany	6	Belgium	13
Switzerland	6½	Hungary	14
England	7	Russia and Turkey	3/0 to 4/0 (if procurable)

Various countries, particularly South America and the West Indies—British Guiana, for example, has increased her output some 30,000 tons during the War—have increased their supply to a greater extent than the supply of beet sugar in various parts of Europe; notably Germany, Austria, and parts of Russia have fallen off. Bearing in mind the smallness of their population and difficulty of obtaining machinery, it is highly creditable that two islands have more than doubled their crop during the short period of little more than four years. These are the Island of Cuba in the West Indies and the Island of Java in the Far East. It will be noted that Java sugar is quoted at prices as low as those ruling before the outbreak of the recent War. Java has been very hard hit by the War, and it is one of those unfortunate cases that will occur from time to time when enterprise, energy, and apparent foresight fail to obtain the reward which they appear to have so eminently deserved. In the early years of the late War, when there was a shortage of the sugar crops throughout the world, Great Britain bought immense quantities of the Java crop at prices which were naturally remunerative to the Java sugar-growing industry. Realising that the War would be a long one, and that there would be a shortage of sugar, colonists in Java, with commendable enterprise, succeeded in increasing the area under sugar until it was practically doubled. By the time they had accomplished this the United States had joined the Entente Alliance, and an arrangement was arrived at between the United States and Great Britain whereby sugar was to be obtained from Cuba. In order to save shipping it was decided not to send any boats to Java, and the Java planters lost the whole of the result of their energy and foresight. The sequel has been that there is practically no market for Java sugar, although in Europe we are all clamouring for sugar wherever it can be obtained. Very little to her credit or to ours, India, which is one of the greatest sugar-growing and sugar-consuming countries in the world, has increased her output but little during the War, and she is still, as she was before the War, dependent upon Java for about 25% of her consumption. It will be readily understood that, since facilities are denied to Europe, which is rationed below 75% of its pre-War consumption, very little shipping facilities have been granted to India, which is able to produce, and, in fact, does produce, within its own borders 75% of its own consumption. If we are rightly informed—and we have our figures from highly reliable authorities—exclusive of the growing crop which will shortly be ready in Java, there is available a supply of nearly 1,000,000 tons, or half the annual consumption under pre-War conditions of the United Kingdom. It has to be remembered that the United States and the United Kingdom are the largest sugar eaters in the world, or were so in the years that preceded the Great War. We are actually the largest consumers. The United States was a large consumer because she is highly prosperous, but we were large consumers before the War not merely because our people like sugar, but we were among the world's greatest jam makers and confectioners, and did, in the years before the War, export jam and confectionery upon a great scale.

How small the West India islands are will be realised when we say that Cuba, which is by far the largest of them all, is some 6,000 square miles less in area than England proper. It is an exceedingly fertile island, and lives mainly upon its production of sugar and tobacco. In fact, its ability to pay for its imports and to meet its liabilities outside the island depend for practical purposes wholly upon these two products. The production of Cuba, considering its area, and more particularly the fact that the total population is under 2¾ million souls, is very great. A large proportion of the population are negroes, but the dominant factor are people mainly of Spanish descent, or a cross between Spaniards and various other nationalities. The island, as already said, is exceedingly fertile. And in

addition to the sugar crop, which two years ago was valued at over 50 millions sterling, the island grows bananas, pineapples, cocoanuts, and various other tropical and sub-tropical fruits. There are very large forests of timber, of which the most valuable are mahogany and cedar woods. The island contains valuable deposits of iron ore, manganese, and copper ores. None of these are worked to any very great extent. In addition, there are beds of asphalt believed to be as valuable as those exploited in the other West India islands, and particularly in Trinidad. But these are not worked at all.

Owing to the causes above stated, it will be seen that the island of Cuba has profited to a remarkable extent as a result of the War now happily concluded; and it is to be hoped that Cuba will devote some of the proceeds of the great prosperity which she has lately enjoyed to improve the transportation facilities of the island, as the railway mileage, which is well under 2,400 miles, is quite inadequate for the extent of the area of the island. Moreover, there is very great room for improvement on the methods of constructing the roads already existing, and to an equal extent for the building of new roads.

THE IRISH LINEN INDUSTRY.—II.

While the maintenance of the present system of controlled prices would appear to be advisable for a period, that period should, in the interests of the trade, be reduced to a minimum. Clients naturally anticipate a fall in price owing to the cessation of a large part of the military demand and the consequent diversion of productive capacity into civilian channels. Besides, freights have declined owing to the disappearance of war risks, and will be still further lowered as the number of released ships increases and as the ever-growing output from the world's building yards comes to be actively engaged in trade. When demobilisation is completed the existing labour shortage, which is indeed at the moment much less acute than it was during the last three years, will no longer be felt, and accordingly all spindles and looms can be worked full time, provided sufficient supplies of the raw materials are forthcoming. Disappointment will be general if these various causes do not together bring about a fall in linen prices to the consumer.

Fear of competition should also spur Irish linen manufacturers to mark down their goods. Prior to the War they had taken little care to advertise their wares, but they were then in possession of a practical monopoly, especially in the higher grades of linen. Now, however, competition threatens them from many sides, but especially from North America. In certain Canadian provinces and certain States of the American Union the cultivation of flax has been seriously undertaken since the commencement of the War, and mills have been set up to treat the fibre in all stages from the tow to the finished fabric. The linen so far produced has not been of fine quality; but it has been demonstrated to satisfaction that the climate of many parts of North America is suited to the growing and spinning of fibre flax, and that the moist atmospheric conditions which are often considered peculiar to Ireland and to the County Palatine are found across the Atlantic and are almost equally favourable to the textile processes. The phenomenal growth of the American cotton industry came as a revelation to many who thought the Lancashire climate unique. A similar disillusionment may await us in regard to linen. The labour difficulty in the States and in Canada will not be so easy to overcome, and flax is a crop which entails the employment of much labour in the various operations of pulling, drying, retting, and scutching before it passes to the linen mill. Pulling is particularly tedious, and the mechanical pullers so far tried across the Atlantic have proved a failure.

The mechanical genius of the American is, however, not easily baffled, and if the labour costs of flax-saving can be reduced by the aid of a mechanical device he is sure to hit upon it. Should he succeed the prospects of a new linen industry in North America would in some respects be particularly bright. Millions of acres are devoted to linseed production, and these could easily be adapted to fibre production. No doubt for many years to come the price of the oils expressed from linseed will be sufficiently high to ensure the continuance on a large scale of the linseed crop, but an intermediate plant may be evolved which will provide on the same stalk fibre suitable for spinning and seed suitable for crushing. Failing this, a large immediate extension of the American and Canadian areas under flax is not to be expected. Food prices are likely to rule high for a number of years, and the farmer of the New World will prefer to grow food crops, especially as they are quite familiar to him and form a necessary part of his agricultural rotation.

The removal of controls should have a good effect on the linen trade. It is possible, of course, that it would be benefited by a restriction on linen imports, so as to give home manufacturers an interval in which they could adapt themselves to the altered trade conditions that will now obtain. Present restrictions will, however, be only temporary; and in regard to tonnage it has been estimated in official quarters that before the end of the current year the amount of shipping afloat will be approximately equal to the pre-War figure. The control of exports has disappeared owing to the revocation of the Linen Exports Order, but the blockade still calls for attention in regard to exports to enemy countries and adjacent neutrals. The chief market for Irish linen, the United States, will, of course, be open, except in so far as the tariffs will operate to the prejudice of importers. During last year the export of linen yarns to the United States was much restricted, amounting to only 137,600 lb., compared with 3,091,000 lb. in 1917. In 1918 the export of linen manufactures to the same place totalled 26,674,000 yards, compared with 53,170,000 yards in 1917 and 74,988,000 yards in 1916. These figures include the combined exports from the United Kingdom, for the greater part of which Ireland was responsible. The falling-off in the exportation of linen yarn and piece-goods to America can be accounted for partly by the lack of tonnage and partly by the lack of an exportable surplus. Thus, yarn exports to France, where an insistent demand for war purposes arose, amounted to only 526,900 lb., as against 10,765,300 lb. in 1917. The total yarn exports for 1918 were only 1,678,300 lb., compared with the 1917 figure of 18,145,000 lb. From 1910 up to 1915 there was a continual decrease in our exports of yarn, and prior to the War it was obvious that we were losing a large part of this section of our trade. Between 1910 and 1914 the annual export of yarn fell from 18,549,000 lb. to 12,445,000 lb. We were at the same time becoming somewhat more dependent on imported yarn to supply our looms, as the following table indicates:—

Table I.

Imports of Linen Yarn into the United Kingdom.

Year	Weight in Lb.	Year	Weight in Lb.
1910	28,802,000	1912	39,475,000
1911	28,976,000	1913	27,863,000

On the outbreak of war, however, these imports suddenly fell, and in 1915 they amounted to only 577,000 lb., or one-fiftieth of the 1913 figure. Last year they sank almost to vanishing-point, 13,300 lb. The decline was due to the cessation of supplies from Belgium, which in 1913 sent us 19,143,000 lb. of yarn. France and Germany also supplied us with considerable quantities, and after the declaration of war and the first wild onset into Belgium the Irish manufacturers found themselves compelled to resort to makeshifts in order to keep in employment the looms which had hitherto been working on the finer counts of Continental yarn.

Our increased dependence on foreign yarn prior to 1914 was principally the result of an over hasty attempt

by linen manufacturers to secure more economical working regardless of the effects which their policy might have on native sources of the raw material. Foreign flax, especially Russian, was cheap, and it was seen that a saving could be made in freights if the yarn were imported instead of the tow; and on the same reasoning tow was imported in preference to the flax itself. The tendency can be seen at work in the following table, which refers to entries into the port of Belfast:—

TABLE II.

Imports of Flax and Tow into Belfast.

Year	Flax Tons	Tow Tons	Year	Flax Tons	Tow Tons
1912 ...	37,000	5,100	1916 ...	26,000	6,100
1913 ...	35,700	4,400	1917 ...	25,500	8,500
1914 ...	31,600	3,900	1918 ...	28,500	8,800
1915 ...	23,400	7,100			

In 1912 flax formed 88% of the total imports of flax and tow, while in 1918 it amounted to only 76%. In the same period the proportion of tow in the combined imports rose from 12% to 24%. The substitution of tow for flax means, of course, a reduction in the volume of labour employed in Ireland in working up the raw flax into a condition suitable for the spinner, and, similarly, an increased importation of yarn means less work for Irish spinners. It was the pursuit of this policy of importing the weaver's requirements in a manufactured condition that led to the discouragement of flax-raising and of spinning at home. The falling-away in the flax area is too well known to need illustrative figures. As regards spinning machinery, in 1877 the number of spindles in Ireland was 922,322, and the number of looms 20,958. In 1914 spindles had increased by 3% to 955,471, while looms had risen by 30% to 37,293. The greater relative increase in looms is not altogether explained by the increased output of yarn from individual spindles. The yarn requirements of most of the additional looms were satisfied from foreign sources, and this brought the industry into a condition of dependence on the foreigner, which it realised only too late on the outbreak of war. It is the present intention of Irish manufacturers to safeguard the yarn position as far as possible by increasing the spindleage, and some such step is desirable to offset the decreased imports of both flax and yarn from Continental sources, and the likelihood of extensive shortage for some years to come.

BRAZIL.

CONTROLLING TRADE.

IT may be impossible for the great Government Departments, which have been created in such numbers for the purpose of controlling our various trades and industries, to relinquish control all at once, but the Government should seriously consider the position of curtailing control as soon as possible. During the War the Government thought it necessary to itself take control of nearly all the trades and industries of the country, with the result that our export trade has been nearly killed and our import trade, other than Government stores, has been severely curtailed. It is not surprising, therefore, that the Departments thus created should regard themselves as almost indispensable. The difficulty is that in this country, from the nature of our economic conditions, we have no man or body of men whose avocations have fitted them for understanding any branch of trade, from the production of the raw material to the distribution of the complete commodity to the consumer. Practically, our overseas trade has in the past mainly interested itself in the financing from this side of production of raw material in different parts of the world and the distribution of the finished article here at home or in other countries. If we divide trade into various branches, and each branch into various sections, our financiers have been interested in branch A, section 1, and our distributing traders in branch Z, section, say, 26. As a result, when the various controlled boards were started the prime difficulty arose of how to select a controller. If he was selected from the trading community he knew only one branch, and usually only a section of that branch of the trade in which he was interested, and every act of his was looked on with suspicion as favouring the particular branch in which he was interested and in which he had attained distinction. This system led to the accusation, mainly unjust, but in the circumstances inevitable, because such traders could only use the information they actually possessed. If a politician was appointed controller, from the very nature of the case he knew nothing at all of the trade he proposed to control, and was wholly at the mercy of advisers who, since they had no office, had no responsibility.

Two glaring instances of the results of such a system stare us in the face at the present time in the cases of the coffee and sugar trades. Brazil is the greatest coffee-producer in the world known to the international markets. Brazilian merchants had been urged to take the opportunity which now presents itself of capturing from our late enemies the distribution of coffee upon the Continent. Anxious as they are to adopt this advice, their operations are hampered at every moment by the control system. In order to permit them to obtain coffee for distribution a fair measure of facilities have been granted for the import of coffee into this country, but when they seek to re-export it their efforts are frustrated at every turn. In this country we consume very little coffee, but before the recent War we were interested in the coffee trade to a very large extent, but failed to make London the great distributing centre for the Continental market. Hamburg, in Germany, enjoyed that position. We largely financed from London the great coffee plantations in the State of Sao Paulo, in Brazil, as we do still. Our ships were the principal carriers of coffee from Santos to Europe, but it was consigned, not to London, but to Hamburg. To import immense quantities of coffee from Santos, to store it in this country, where there is only a limited market for consumption, would be useless. The object to be aimed at is to make some port in England, presumably London, which already plays such an important part in the financing of the crop, the centre for distribution upon the Continent, where the great body of coffee-drinkers in Europe reside. It may be that the commitments of the Allied Governments, of which we are kept wholly in the dark, forbid such a course to be adopted at present; but if the present course of action is to be persisted in some place on the Continent will have the opportunity of becoming the centre of distribution for the consumption of coffee upon the continent of Europe.

So far as sugar is concerned, there can be no reasonable doubt that, did our commitments with regard to the Cuba crop permit of greater freedom of action, there would be a veritable slump in the price of sugar. The world's present crop of sugar, including stocks held over from last season, is quite equal to the quantity harvested in the years preceding the recent War, so enormous has been the increased growth of cane sugar in various parts of the world, particularly in Cuba and in Java, to offset the falling off in the production of beet. As the present season in Cuba is only just beginning, and will continue until the end of May or the beginning of June, it seems hardly possible that the existing control of sugar can be materially relaxed until well into the coming summer.

"Tables of British Decimal Coinage, Metric, and British Weights and Measures." By A. J. Lawson. (London: Eyre and Spottiswoode, Ltd.) This is a volume of tables giving the equivalents in British weights and measures of the metric system and *vice versa*. The tables are dedicated to the British-Italian Commercial Association, whose good offices in promoting and developing trade relations between this country and Italy should tend to bind closer the amicable relations now existing.

Captain Bruce Bairnsfather

writes:—"I greatly appreciate your 'De Reszke' American Cigarettes. I never smoke anything but Virginia cigarettes myself, and I think yours very good indeed."



J. St. Loe Strachey, Esq., writes:—"Your 'De Reszke' Cigarettes are very mild and pleasant."

Madame Ada Crossley writes:—"This gentle 'smoke' I find both stimulating and soothing to the throat."

PLEASURE comes with quality—not quantity. Thus if you enjoy a good cigarette, take the advice of people who know and put "De Reszkes" to the test. They are sure to satisfy you.

"De Reszke"
The Aristocrat CIGARETTES

Sold at all Military Canteens at Home and Overseas, also Tobacconists' and Stores.

For over a Century the Claims paid under Whole-life Policies have, on the average, been more than

Doubled

in amount by addition of Bonuses.

EQUITABLE Life Assurance Society,
Mansion House Street, E.C. 2.

MORE TOBACCO.

We regret that Customers have so often been unable to secure their usual supplies of our

"EARL GREY" and RHODESIAN Cigarettes,

But we hope within a few weeks to be able to meet all requirements.

JOHN WOOD & SON (Cigar and Tobacco Importers), **Ltd.**
23 & 25 Queen Victoria Street, E.C. 4.

THE BANK OF TAIWAN,
LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Head Office - - TAIPEH, FORMOSA.

Branches:—Amoy, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, New York, Osaka, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, and every important city in Formosa (Taiwan), &c.

The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.

London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

A new Bank is shortly to be started, under the title of the British Overseas Bank, for the purpose of affording special facilities for the British import and export trade. At present it only awaits the sanction of the Treasury. This new Bank is the outcome of negotiations which have long been proceeding between some of the leading British joint-stock banks. It is expected that the Bank will start operations with a capital of two millions sterling in Ordinary and Preference shares. The latter only will be offered to the public, as the banks which have been concerned in promoting the new institution are expected to subscribe the whole amount of the Ordinary capital. The Preference shares, while taking a preferential place as regards capital and a dividend of 6 per cent., will participate in any surplus profits. The banks mentioned as being responsible for the promotion are the Anglo-South American Bank, Messrs. Glyn, Mills, the Northern Banking Company of Belfast, the Union of Scotland, and Messrs. Williams Deacon's. The Bank, which is quite a new departure, is to open branches in all parts of the world, and its progress will be watched with considerable interest.

It was announced early this week that an International Committee, consisting of ten well-known American, five British, and five French bankers, has been constituted for the purpose of protecting American, British and French holders of Mexican Government, railway and general industrial securities. It is not thought advisable at present to announce a definite programme, but in general the function of the Committee will be to inform itself as fully as possible as to the existing conditions in Mexico, with a view to such positive action as may be taken whenever circumstances permit. Special care has been taken as to the composition of the Committee upon a broad international basis, so as to ensure, as far as may be, joint and united action by security-holders in all three countries.

Reports from the Continent, even from those who ought to be in a position to be really well-informed, whom we have consulted are so conflicting that it is exceedingly difficult to estimate the actual economic condition of the various countries. That it should be difficult to arrive at the true position in Germany and Austria, against which countries we have so lately been engaged in war, is, of course, very natural. As a matter of fact, although we all say the War is over, the actual terms of peace have not been finally agreed upon. Still less has the Peace Treaty itself been signed. Consequently, even the Army of Occupation, so far as it has penetrated, and the Allied officials arranging the revictualling of Germany, find it exceedingly difficult to arrive at the real facts. In one direction, as, for example, in a loss of man-power, Germany does not wish to disclose, to a greater extent than she is compelled, the effect of the War upon the country; while, on the other hand, she has every motive not to appear too prosperous while the question of indemnities is still being considered. Moreover, inasmuch as it is evident she is requiring supplies of food, she has every interest to make out her case in that direction a particularly bad one.

For all these reasons it is not surprising that our inquiries through highly well-informed sources have not been very fruitful in ascertaining the conditions prevailing in what were lately the enemy countries. When, however, we come to neutrals, and still more when we come to our own Allies, men who are in the closest touch both in finance and in actual business have assured us that they do not really know themselves. All through the War it has been more or less possible for those having sufficiently important business to transact to travel between this country and Holland. And yet it is exceedingly difficult to ascertain the actual position in Holland. There seems no reasonable doubt that the food question is more acute among the Dutch people than it is with ourselves, and has been so for a considerable time, notwithstanding the fact that the Dutch have never been engaged in the War. We are assured by those who should be in a position to know the facts that in the more remote parts of the country, and particularly in the smaller villages, so scarce is the supply of artificial lighting materials that in many instances whole villages are without any means of obtaining artificial light after dark; and, consequently,

the people have to go to bed early in the winter evenings, and cannot get up until there is sufficient daylight to enable them to see to dress themselves.

Moreover, one would say that not only has Switzerland not been engaged in the War, but the various cantons, and particularly the large centres of population, have been thronged throughout the War with visitors belonging both to the belligerent countries and to neutrals, and if it was possible to obtain accurate information from any place outside one's own district we ought to be well informed of the state of things in Switzerland. On the whole, the information we are able to gather is that food is probably as plentiful in Switzerland as in any other part of Europe. But there is a great shortage of practically everything else required by man under the conditions in which we are now living. Since the signing of the Armistice, we understand that representatives of important Swiss financial and business interests have been making inquiries in this country and in the United States as to when it will be possible to obtain supplies of various important materials required at a more reasonable price than the level which has been maintained during the War, and, indeed, since.

We understand that there are important openings for British merchants and manufacturers, as well as for those of the United States of America, to obtain important contracts if they can see their way to fulfil them within a reasonable time, and are able to make some concessions upon the extravagant prices lately ruling. We are informed, upon what we regard as very high authority, that the Swiss Federal authorities have decided to electrify their railway system. Never again, as the matter was put to us recently, will Switzerland be wholly dependent for running her railways upon the supply of German coal. We do not, of course, make the remark in any spirit of Pharisaism, because we are well aware that we are in no position to throw stones; but it is remarkable that the electrification of the Swiss railways has been so long delayed. As just said, as things were—and for that matter still are—the Swiss railways could only be run with a supply of German coal. And knowing, as the Swiss did, as well as the rest of us, that a European war was reasonably certain some time or other, although it might be indefinitely delayed, it was remarkable that they allowed the possibility of their railways to run at all to remain dependent upon foreign sources of motive power.

In Switzerland itself there exists more than sufficient water power to run the whole of the railways. We need not point out how much cheaper it would be, having once incurred the initial expense of re-erecting a power station, and, of course, the annual charge of its maintenance, to use water power than to import coal. The use of coal pollutes the atmosphere, is injurious to human health, and is, of course, exceedingly wasteful, as it has to be mined at great depths in the earth, and, once destroyed, cannot be replaced; whereas by applying water power a perfectly clean primary force is obtained, which, as far as we know, may go on indefinitely. The same remark, of course, applies to a large number of places within our own Empire. However, it is satisfactory to learn that the Swiss have at last determined, after the unpleasant experiences they have gone through during the past four years, to electrify their system; and it might be worth the while of those who are in a position to supply the various classes of goods needed for making a power-house or rolling-stock for an electric railway, the motive force of which is water, to consider whether it is worth their while to submit estimates.

We have before us the report of the Liverpool Steamship Owners' Association for the year ended December 31 last. According to the report, the tonnage entered in the Association on January 1, 1919, was 4,487,446 tons gross—a decrease during the past year of 134,463 tons gross. The official returns showing the tonnage and speeds of all British steam vessels now afloat have not yet been published, and it is therefore not possible to state, as is customary in the report, the proportion which the tonnage entered in the Association bears to the total afloat, nor the proportions which the larger and faster vessels belonging to the members of the Association bear to the totals of the vessels of those classes. But of the vessels now entered in the Association, 42% are over 5,000 tons gross and 51% are of the speed of 12 knots and upwards.

The report gives some interesting figures regarding losses during the War, but as space is pressing we must condense these. On January 1, 1914, the tonnage entered in the Association was 4,563,902 gross tons; but in stating the losses sustained during the War regard has to be had to the fact that since 1913 new members have been admitted. From such information as is in the possession of the Association it would appear that a comparison of the tonnage now owned by the steamship lines which are now members of the Association with that owned by the same lines on January 1, 1914, shows that in the five years a net decrease of 950,000 tons gross was realised. Of these amounts 1,950,000 gross tons were losses due to war perils, and only 200,000 gross tons to marine perils, making a total of 2,150,000 gross tons. Of this amount 1,200,000 gross tons have been replaced, making, as said above, a net decrease of 950,000 gross tons.

JOHN KNIGHT, LIMITED.—An unfortunate error crept into the report of the Chairman's speech at this Company's meeting which appeared in our columns last week. Under the heading "Sharing Profits with Employees" the Chairman was made to say, "The Company was now in the throes of a labour unrest," &c., &c. "Company" should have read "country," as was plain enough from the rest of the speech. Profit-sharing with employees has been adopted for 15 years, and has proved highly successful in making for contentment and good work.

LONDON JOINT CITY & MIDLAND BANK LTD.

HEAD OFFICE: 5 THREADNEEDLE ST., LONDON, E.C. 2.

Subscribed Capital -	£34,428,948
Uncalled Capital - -	27,256,250
Paid-up Capital and Reserve Fund - -	14,345,395
Deposits - - - -	£334,898,435
Cash in hand and at Bank of England -	63,756,371
Money at Call and at Short Notice - -	65,809,169
Investments - - -	61,600,651
Bills of Exchange -	39,249,296
Advances on Current and other Accounts	99,213,614
Advances on War Loans - - - -	14,218,201

OVERSEAS BRANCH: 65 & 66 OLD BROAD STREET, E.C. 2.

From £100 to £166. 13. 4

How you can get the extra income

TAKE the money you are now keeping on deposit at the bank at 3 per cent.; invest it in War Bonds; and for every £100 interest you are getting now you will get £166 13s. 4d. interest, not counting the premium on redemption.

That is how the difference between the 5 per cent. paid on War Bonds and the 3 per cent. paid on bank deposits works out in actual pounds, shillings and pence every year.

And by purchasing War Bonds you are not merely increasing your income. You are insuring it. You are investing in a security that is bound in 5 or 10 years to be worth not less but *more* than you paid for it.

Put the bulk of your money into War Bonds and you will have no cause for financial anxiety. Your personal income, and the capital from which it is derived, will always be safe in War Bonds.

NATIONAL

War Bonds

Repayment and Interest guaranteed by the State.

On sale at all Banks and Money Order Post Offices. You have the choice between 5 per cent. Bonds issued at £100 and repayable in 1924 at £102; or 5 per cent. Bonds issued at £100 and repayable in 1929 at £105; or 4 per cent. (Income Tax Compounded) Bonds issued at £101 : 10 . 0 and repayable in 1929 at £100.

UNDERGROUND ELECTRIC RAILWAYS COMPANY OF LONDON.

THE report of this holding Company is of more interest than usual this year, inasmuch as it not only shows an improvement in income from the undertakings which it controls, but also furnishes much additional information. We have already in past weeks referred to the results of the five transportation companies controlled by the Underground Company, but now, for the first time, data are available as to the profits of the Associated Equipment Co., another subsidiary, whose main work it is to construct vehicles for the London General Omnibus and allied companies. It now appears that, principally from work for the Government, the Associated Equipment Company last year earned a profit of £184,422 after payment of Preference dividend. This is equal to almost 18½% upon the £1,000,000 of capital, half Ordinary and half Deferred Participating Income stock. The dividends paid on these two securities were 14% tax free, and therefore from this source and from its holding of one-sixth of the Preference capital of the Associated Company the Underground Company last year received an income of £146,000, against £126,000 shown in the accounts for 1917. The improvement in the Underground Company's income from investments was even better than was indicated by the recent dividend statement, the addition for the year having been almost £153,000, thereby raising the total income to £760,264. On the other hand, however, by loss on exchange through continued encashment of interest coupons abroad and through the payment of income tax on profits and on the 4½% bonds, offset to a small extent by the non-payment of anything under guarantee on Central London Assented stocks, outgoings were about £40,000 larger. The net result was that the balance available for the Income bonds increased during the year from £338,110 to £451,462. Dividend on these bonds is paid tax free, and the effect of this will be apparent when we state that to pay 5% and tax for 1918 called for £55,000 more than did the full 6% and tax in 1913.

	1918	1917	1916	1915	1914	1913
	£	£	£	£	£	£
Income from investments	760,264	606,730	653,361	680,741	684,626	629,817
Expenses	7,960	10,780	6,982	11,813	10,796	8,974
Income tax	31,090	—	—	—	—	—
Loss on exchange ...	31,932	13,182	20,289	—	—	—
Discount, &c. on notes ...	10,674	10,674	—	—	—	—
Net income	678,608	572,085	626,089	668,928	673,830	620,843
Int. on 4½% bonds† ...	115,766	109,944	106,508	95,252	89,349	84,488
Interest on notes ...	35,000	34,186	31,500	31,500	21,085	—
Payable under guar. on C. L. Ry. Assented stocks	Nil	13,465	13,465	26,931	37,031	26,830
Int. on 6% 1st Cum. Inc. Deb. stock	76,380	76,380	76,380	76,380	76,380	76,380
Balance	451,462	338,110	398,236	438,865	449,995	453,145
Int. on 6% Inc. bonds ...	445,910	337,603	406,178	438,731	411,543	390,970
Do. %...	(5%)	(4%)	(5%)	(6%)	(6%)	(6%)
Balance	5,552	507	Dr.7,942	134	38,442	43,175
Brought forward ...	31,141	30,634	38,576	38,442	—	2,995
Carried forward	36,693	31,141	30,634	38,576	38,442	46,170

* Applied to reducing "Commission and discount on issue of bonds."
† Plus tax.

Now that for the past half-year the dividend on the Income bonds has been raised to the full 6% level, interest naturally centres upon the ability of the Company not only to maintain this rate of dividend, but to be in a position to pay something on the junior securities, which so far have not participated in profits. Naturally with interest on the 4½% Bonds of 1933 and the dividend on the 6% Income bonds paid tax free, interest charges must rise as the rate of income tax increases. On the assumption that the rate of tax remains unchanged at 6*s.* in the £ for this year an additional £98,697 of profit will be needed to cover the full 6% on the Income bonds. Expenses of the controlled companies are likely to be still heavier in 1919 than in 1918, but on the other hand, with constant increase in the volume of traffic, now to be enhanced by bringing more motor omnibuses into service, and with the introduction of higher fares, the full benefit of which has not yet been felt, the addition of about £100,000 to the net income should not prove impossible.

After the 6% Income bonds there are three classes of securities entitled to participate in profits. These are £5,000,000 of fully paid £10 Ordinary shares, £59,949 of fully paid 1*s.* "A" shares, and £5,000,000 of Contingent Certificates, nominal value £1.

The latter are not included on the liabilities side of the balance sheet, though reference is made to them in a footnote without the amount in issue being disclosed. The "A" shares were issued in part payment of the purchase consideration of the London General Omnibus Company's stock acquired, while the certificates of interest in contingent profits (commonly known as the Contingent Certificates) were issued as a bonus to the original holders of the Ordinary shares. Of any balance available for dividend on the Ordinary shares, &c., one-third accrues to the "A" shares. The remaining two-thirds is distributable first among the Ordinary shareholders until they have received a cumulative dividend of 5%. After all arrears of dividend have been paid (such arrears amounting to about 71½% at the end of December last), as well as the current dividend of 5%, an amount up to 3% non-cumulative on the total amount paid up on the £10 Ordinary shares is divisible amongst the holders of the Contingent Certificates. All further profits after providing for a proper reserve are to be divided equally between the holders of the £10 Ordinary shares and of the Contingent Certificates.

So far as financing is concerned, it has to be noted that £700,000 of Short-term Notes will mature in the spring of 1920, and that from the profits of the current year the remaining £10,674 of discount, &c., on the issue of the Notes will be paid off. It has to be noted, further, that among the assets there is included no less than £428,830 representing commission and discount on issue of bonds, which will have to be paid off in course of time. The price of the 6% Income bonds is now 96 *cum* 3% of dividend, and at the net price of 93 the yield is about £9 4*s.* gross, assuming the bonds now to be on the full 6% dividend basis. The 1*s.* "A" shares stand at 10*s.*, the £10 Ordinary at 3½, and the Contingent Certificates have recently been dealt in at about 1*s.* 6*d.* The last transaction in the 5% Notes was at 98¾.

A short time ago we referred to the figures of the Gold Standard Reserve as given in the report of the Indian Currency Department for 1917-18. This same report also discloses the fact that the rupee coinage of the year was 23.12 lacs, and purchases of silver for this coinage amounted to 83¾ million standard ounces, supplemented by local purchases in Bombay and Calcutta of 3½ million standard ounces. There were purchased in America 40 million, in China 28½ million, and in Australia 5 million ounces, while 1¾ million ounces were obtained from the Bawdwin Mines. The balance was shipped from London. In the week to February 15 a further 169.80 lacs of Treasury bills were sold at the Presidency Banks On the other hand, 126.15 lacs were discharged, thus making a net addition of 43.65 lacs and raising the total in issue to 3,836.45 lacs.

In the current issue of *The World* Hubert Vivian, the well-known war correspondent, traveller and authority on the Balkans, throws a vivid new light on the murder at Sarajevo, which kindled the flames of the world war. This article is one of several powerful and attractive features introduced by the new editorial management of this old-established weekly, For a sixpenny weekly *The World* strikes us as being exceptional value.

SOUTH AND CENTRAL AMERICA.

THE PLATE COUNTRIES.

THERE is much produce awaiting shipment from the Plate countries which, urgently as we have needed it during the past four years, has not been forthcoming.

In some senses the recent War has gone very much as the well-informed expected. In other senses, as, of course, in all wars, it has surprised the most careful observers. In its general aspect it is once more proved that weight of numbers and weight of resources will in the long run tell. It is proved conclusively that 1,200 millions of people can beat 150 millions if they persist long enough, and have adequate resources to enable them to continue to persist. It has been a great surprise to the extent that, while the Allies had from the very outset of the War command of the seas, and while the Allies in general, and England in particular, were essentially maritime nations, one of the greatest difficulties disclosed by the War was our inadequate supply of shipping. In order to continue the War we had to draw troops from nearly every part of the globe; and in order to supply these troops with food and munitions of war, we had to employ shipping to such an extent that there was not sufficient remaining to supply the ordinary needs of the civil populations of the various countries concerned.

One result of the freight shortage, and of the fact that we had become so dependent for our supplies of food and raw materials upon places at a great distance from Europe, is that immense stocks have accumulated in various parts of the world. It is, of course, notorious that there are very large supplies of wheat and meat and wool available both in Australia and New Zealand. In this article, however, we are concerned, not with the supplies available at the opposite side of the globe, but with those which are available in the countries adjacent to the Plate estuary.

According to a report published in the *Review of the River Plate*, there were some 15 million acres sown under wheat in the Argentine Republic last season, some five million acres under linseed, seven million acres under maize, and between three and four million acres under oats. With the exception of wheat, about the same area has been sown to the several crops for the season whose crops are now being garnered. A similar area was sown to the same crops in the season 1916. It is estimated that such an area sown to wheat as that above mentioned under the crop in 1917-18 should yield a surplus available for export, after supplying the needs of the Argentine population, and an adequate proportion of grain for purposes of re-sowing, of between four and five million tons. Now it appears from the official returns of the Republic only some 2,900,000 tons of wheat have been exported, leaving, roughly, something between 1,100,000 and 1¼ million tons still available for export, in addition to what may be gathered from the new crop. Wheat comes mainly from the Province of Buenos Ayres and the south, down as far as Bahia Blanca. It also comes from the west almost as far as Rosario. Indeed, Rosario, although the principal cattle centre, is also a very important wheat centre in Argentina. But the principal port of shipment is Buenos Ayres. From this port were exported last year over 1,200,000 tons of wheat; next comes Rosario with 850,000 tons; then Bahia Blanca—not second to Buenos Ayres, as would be expected—with some 430,000 tons; La Plata, the provincial capital, with under 200,000 tons; and various other ports, including Santa Fé, on the River making up the balance. From Uruguay the exports of cereals, compared, of course, with Argentina, are small. Nevertheless, in 1918 more than 24,000 tons of wheat were exported and nearly 25,000 tons of wheat flour, a small quantity of maize, some 5,000 tons of linseed, and nearly 6,000 bales of sheepskins. Last year Argentina exported 127,000 tons of flour. In 1917, when the effects of the drought were still prevalent, she only exported 95,000 tons, but in 1916 she exported 123,000 tons, and in 1915 107,000 tons. The total maize exported last year amounted to 580,000 tons; and of this amount no less than 366,000 tons came from Buenos Ayres and only 180,000 tons from Rosario. It will be remembered that we showed that some five million acres were sown last year to linseed. Rosario is the great centre of the linseed industry. But here again it is from the port of Buenos Ayres that the larger amount of the crop is exported. The total exports last year amounted to 379,000 tons, and Buenos Ayres was responsible for no less than 275,000 tons. Here the total amount yet to be exported should not apparently much exceed 150,000 tons. It has to be remembered that the Argentine Republic is the greatest source of supply of linseed known to the international markets. Linseed, as we explained recently, is a product of the flax plant. But by no known method at present is it possible to produce linseed which, although partly useful for medicinal purposes, is mainly required in Europe and in the United States of North America for the purposes of cattle food, in conjunction with the production of the fibre for making linen and other textiles. In order to supply the demands of the textile industries it is necessary to pluck part of the plant which is required for making the fibre before the flax is ripe. But in order to produce linseed it is necessary to obtain the seeds themselves after they have become ripe. Consequently, although in a sense Argentina is one of the greatest growers of flax in the world, it is grown at the present time for the purpose of making linseed, mainly as a cattle feeder. And as it is grown at present it would not be possible to use it for the purposes of making fibre.

Argentina had devoted considerable attention to the dairying industry before the War, and, in fact, had already become an important exporter of butter. Just before the War the total exports of butter from the Republic amounted to 124,000 cases. They grew in the first year of the War to 189,000 cases. In 1916 the shortage of butter in various parts of the world induced the consuming markets to take from Argentina 216,000 cases. By 1917 the demand had increased to 380,000 cases, and last year no less than 575,000 cases were exported from the principal ports of the Republic.

In 1914 Argentina exported nearly 30,000 bales of sheepskins; in 1915, some 44,000; in 1916, 34,000; and in 1917, 35,000; but last year, so short were the freightage facilities afforded, that less than 16,000 bales were exported. We will conclude with the total amount of wool reported at the various centres by the Central Produce Market. During the past season some 38,000 bales have been accumulated. This compares with 40,000 bales received during the corresponding period of last year. In this connection it may be of interest to note that some 349,000 bales were exported in the season between October 1916 and September 1917. Between October 1917 and September 1918 288,000 bales were exported; and in the current season, so far, only some 45,000 bales have been exported. It will be seen, therefore, that there are large quantities both of food and of raw materials available for shipment from the Argentine Republic whenever freights are reasonable, and whenever sufficient shipping facilities can be afforded. We showed recently that although large quantities of meat were shipped last year from the Argentine Republic, the Allied shipping authorities were very unwilling to give facilities for the shipment of meat, and, consequently, the number of cattle available for the freezing-houses has increased to a very large extent. And these, likewise, will be available as the shipping situation becomes greatly easier.

American Topics.

U.S. FOREIGN TRADE.

CONSIDERABLE interest is now being taken in the trade of the United States, and the progress of that country's exports will be closely followed for some time to come in view of the competition that now exists between the great nations. Partly as a result of higher prices, partly on account of the great needs of the Allies, and partly owing to the inability of the European warring nations to supply goods, the export trade of the United States has shown wonderful expansion since war began, and as a natural result the favourable trade balance of that country in the last two or three years has been nearly five times greater than in the years preceding the War. For instance, in 1918, though mainly through higher prices, the value of the imports was almost double the pre-War level, having amounted to $3,031,000,000, against $1,792,000,000 for 1913, exports were valued at no less than $6,150,000,000, compared with $2,484,000,000 five years earlier. Thus, whereas for 1913 the trade balance in favour of the United States was $691,000,000—then considered an exceptionally high figure—last year it was no less than $3,119,000,000, while after allowing for the net importation of nearly $21,000,000 of gold and a net export of $181,500,000 of silver, the total trade balance was increased to $3,279,000,000, against $746,000,000 for 1913. The course of America's external trade in the past decade is shown below:—

(*In thousands of dollars,* 000*'s omitted.*)

Year to Dec. 31	Merchandise: Imports	Merchandise: Exports	Merchandise: Exc. of Exp.	Gold: Exc. of Imp. or Exp.	Silver: Exc. of Exp.	Total: Exc. of Exp.
	$	$	$	$	$	$
1918 ...	3,031,305	6,150,193	3,118,888	I 20,973	E181,471	3,270,386
1917 ...	2,952,468	6,233,478	3,281,010	I180,570	E 30,790	3,131,230
1916 ...	2,391,635	5,482,641	3,091,006	I 530,197	E 38,332	2,599,141
1915 ...	1,778,597	3,554,671	1,776,074	I 420,529	E 19,115	1,374,660
1914 ...	1,789,276	2,113,624	324,318	E165,228	E 25,644	515,220
1913 ...	1,792,596	2,484,018	691,122	E 28,094	E 26,909	746,425
1912 ...	1,818,073	2,399,218	581,145	I 19,124	E 23,561	585,582
1911 ...	1,532,359	2,092,527	560,168	I 20,262	E 21,918	561,824
1910 ...	1,562,904	1,866,259	303,355	I 448	E 11,483	314,390
1909 ...	1,475,521	1,728,199	252,678	E 88,794	E 11,405	252,877
1908 ...	1,116,374	1,752,835	636,461	E 30,939	E 9,613	677,013

Still larger figures are reported for January, for according to preliminary statements the value of the exports for that month amounted to the unprecedented total of $623,000,000, or about 24% more than in January 1918. Imports valued at $213,000,000 were about $21,000,000 less than a year ago, and therefore the favourable balance of the merchandise trade for January last was no less than $410,000,000, or more than 50% in excess of that in the corresponding month of 1918. A summary of America's trade month by month since June 1917 is appended:—

(*In thousands of dollars,* 000*'s omitted.*)

1917-18	Merchandise: Imports	Merchandise: Exports	Merchandise: Exc. of Exp.	Gold: Exc. of Imp. or Exp.	Silver: Exc. of Imp. or Exp.	Total: Exc. of Exp.
	$	$	$	$	$	$
Jan. '19 ...	213,000	623,000	410,000	—	—	—
Dec. '18 ...	210,979	566,007	355,028	I 186	E 43,976	398,898
Nov. ,, ...	251,008	522,273	271,265	E 1,122	E 1,660	274,047
Oct. ,, ...	246,765	501,861	255,096	E 708	E 25,271	281,075
Sept. ,, ...	261,669	550,396	288,727	I 327	E 3,168	291,568
Aug. ,, ...	273,003	527,962	254,959	E 1,722	E 13,292	269,971
July ,, ...	241,878	507,468	265,590	E 4,603	E 35,466	305,659
June ,, ...	260,350	483,799	223,449	I 29,188	E 3,215	197,476
May ,, ...	322,853	550,925	228,072	I 3,022	E 39,083	264,133
Apr. ,, ...	278,981	500,443	221,462	E 814	E 7,171	229,447
Mar. ,, ...	242,162	522,900	280,738	E 896	E 6,469	288,103
Feb. ,, ...	207,716	411,362	203,646	E 2,735	E 2,070	208,251
Jan. ,, ...	233,942	504,797	270,855	I 658	E 630	270,827
Dec. '17 ...	227,911	600,135	372,224	I 12,528	E 3,971	363,667
Nov. ,, ...	220,535	487,328	266,793	E 4,317	I 4,298	266,812
Oct. ,, ...	221,227	542,101	320,874	E 7,004	E 1,934	329,812
Sept. ,, ...	236,197	454,507	218,310	E 27,161	E 4,669	250,140
Aug. ,, ...	267,855	488,656	220,801	E 27,357	E 1,822	249,980
July ,, ...	225,926	372,758	146,832	E 41,749	E 2,118	190,699
June ,, ...	306,623	573,468	266,845	I 24,175	E 6,729	249,399

For the 53 months to the end of December, the total favourable trade balance of the United States amounted to $10,737,000,000 while, if the trade of January last also be included, the total has exceeded $11,000,000,000. So far as merchandise trade is concerned, the favourable balance for the 54 months to January 1919 was about $11,939,000,000. The magnitude of this figure will be more apparent when it is mentioned that from the adoption of the Constitution to the beginning of the War, the favourable merchandise trade balance was but $9,007,000,000. Up to the end of 1918, the aggregate trade of the United States since war began compares as follows:—

53 *Months to December* 31, 1918.

	Exports	Imports	Excess of Exports
	$	$	$
Merchandise ...	22,332,000,000	10,803,000,000	11,529,000,000
Gold	1,705,000,000	1,776,000,000	1,071,000,000*
Silver	483,000,000	204,000,000	279,000,000
Total ...	23,520,000,000	12,783,000,000	10,737,000,000

* Excess of Imports.

BANKING DEVELOPMENTS.

WE learn that, in order to draw still closer the connection that has existed for many years between the National Bank of New Zealand Limited and Lloyds Bank Limited, as its London bankers, the latter has agreed to subscribe for 50,000 shares, part of a new issue of 100,000 shares, which will shortly be made by the former institution. At the same time one of the directors of Lloyds Bank is to join the Board of the National Bank of New Zealand. This will not, however, involve any change of the management of that bank, which will continue as heretofore. The completion of the new issue will bring the subscribed capital of the National Bank of New Zealand up to £1,000,000 and its published Reserve Fund up to the same amount. The Treasury has already given its consent to the issue, and we understand that formal consent of the Amalgamation Committee to this arrangement has also been applied for.

Reference is made in "Financial Notes" to the negotiations which have been going on for some time in regard to the formation of a new Banking Institution dealing with foreign trade, and to develop closer working arrangements between its constituent banks.

The directors of the Standard Bank of South Africa, in announcing their final dividend for last year—making, with bonuses, 16½% for 1918, against 15⅓% for 1917—state that immediately after the general meeting an extraordinary general meeting is to be held at which the board will submit to shareholders proposals to increase the Bank's authorised capital to £10,000,000, for issue as and when required.

Messrs. Cox & Co. announce that, with a view to the development of their Indian and foreign business, they have opened a branch office at 38 Lombard Street.

The Directors of the Union Discount Company have obtained Treasury sanction to issue the balance of the 50,000 new shares authorised by shareholders on January 22, 1914. 20,000 shares were then issued at a premium of £5 per share, and the £100,000 of premium was placed to Reserve Fund. The remaining 30,000 of £10 shares are now offered to shareholders, proportionately to their existing holdings, at a premium of £5, with £5 to be paid up, and the £150,000 of premium will be placed to Reserve Fund, as before. The result of this issue will be to increase the authorised and subscribed capital to £2.000,000, and the paid-up capital to £1,000,000, while the Reserve Fund will stand at £1,000,000.

MONEY IN NEW YORK.

MONEY has been in greater demand in New York this week, and at times the call-money rate has been up to 7%, for the first time since 1917. Conditions have, however, become somewhat easier as the week has progressed, though it has to be noted that the rate for prime commercial paper is a shade firmer at 5¼-5½%. Further small advances have been made to Belgium and Serbia, and additional gold shipments have been made to South America.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue. Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

FACTORS affecting the Share market having this week taken a sudden turn for the better, the outlook has become much clearer, and there appears to be a wider feeling of assurance in place of predominating uncertainty. There is a good deal that is obscure still, but nevertheless the improvement in visibility is plainly manifest. Business and share prices have been quick to respond. In the first place, a stimulating influence was provided early in the week by apparently inspired statements that the Government proposes to substitute some other form of taxation for the excess profits duty. The alternative suggested of a tax on profits graduated according to the percentage to capital is not considered likely to meet with favour, and it is thought that a more equitable distribution of the burden will eventuate. It is noted that Labour, judging from remarks made at the Congress this week, now considers the excess profits duty inimical to its interests. Then, as to the Commodity market, the course of which in the future must have a direct bearing upon the earning power of producers, there is the important statement made by the Prime Minister that he hopes that the preliminaries of peace will be signed in a very few weeks, and that the signing of peace will enable a good many of the restrictions affecting trade development to be removed. The price of rubber now, say 2*s.* 1*d.* per lb., compares with 2*s.* per lb. just before the War, whereas the general run of commodities (materials) stand at an average level of value 130% higher than before the War. That is to say, rubber in relation to other commodities—and in the manufacturing industry that is an all-important consideration—stands at less than 1*s.* per lb. pre-War level of value. The significance of this is clear when it is remembered that at such a low figure rubber was considered in the old days as likely to be used extensively for all manner of new purposes, road paving even being considered not at all improbable.

Having shown this side of the question, it will be well now to sound a note of warning. The future possibilities of rubber seem to be exciting again the imagination of people who know next to nothing about the trade. There is a widespread "tip" in circulation to buy rubber. If the idea of doing so merely to sell at a higher figure is acted upon extensively, and without taking into consideration the great volume of production and the power of the consuming interests, who have often got the better of producers and their agents, no good and much harm may be done to the best interests of the industry, just as in the last boom. We trust that producers, though unwilling to co-operate to bring stability to the market for the commodity, will now refuse wherever possible to accommodate irresponsible speculators. A fair proportion of future production has been sold forward to real consumers lately, and judicious continuance of that policy by the largest producers seems likely to prove a substantial safeguard.

ORIENT TRUST.

THIS Company, whose capital of £150,000 and reserve fund of £17,500 is invested as to 75% in rubber and tea shares, 9% in other securities, and 15.8% in War Loans, is the first concern directly connected with the rubber industry to issue a report for 1918. As was to be expected from the reduced dividend payments of producing companies, due to war conditions, the results are poor, revenue from dividends and sundry receipts amounting to only £6,549 against £12,770. The dividend to shareholders has perforce to be reduced to 5%:—

	Year to December 31			
	1918	1917	1916	1915
	£	£	£	£
Dividends, interest, &c. receipts	6,549	12,770	12,236	10,775
Expenses	1,126	866	707	693
Net profit	5,423	11,904	11,529	10,082
Allocations—				
Depreciation written off ...	—	—	931	2,288
Placed to reserve	—	2,500	2,500	2,500
Dividends paid†	5,344 (5%)	8,437 (7½%)	8,719 (7¾%)	5,958 (5%)
Balance profit	79	967	(Def.) *681*	(Def.) *664*
Brought forward	2,751	1,784	2,465	3,129
Carried forward	2,830	2,751	1,784	2,465
Issued capital	150,000	150,000	150,000	150,000
Book value of investments ...	169,858	168,144	175,774	161,206
Market value	212,076	224,958	206,900	158,819
Surplus cash	471	2,108	*9,060**	3,759

* Excess of current liabilities. † Less tax.

The Trust is under the Straits group management and has the bulk of its rubber investments in first-class estates, mostly of the young or moderately young variety, which are subject to heavy excess profits duty. This circumstance has acted as a brake on progress in the past few years, but if, now that the War is over and industry is resuming a more normal state, the excess profits duty is modified, the improvement in the Trust's position should presently become very marked. Meantime the £1 shares can be purchased for about 23*s. ex* dividend, whereas the market valuation of the investments at December 31 was equivalent to 28*s.* per share.

MEMBAKUT RUBBER.

THIS Company is one of the first undertakings in connection with which the British North Borneo Company, in pursuance of its policy of developing the cultivation of rubber in Borneo, guaranteed 5% interest subscribed capital for five years. The whole of the plantations, covering 1,100 acres, which were put in before 1913 have reached the bearing stage, and in the year ended August 31 last 1,000 acres as an average were in bearing. The production was 415,623 lb., against 341,259 lb. in 1916-17, and the average yield per bearing acre consequently rose to 415 lb. This is a good figure, of course, but it is marred by the fact that the number of trees in bearing on the 1,000 acres was 130,870, or about 131 trees per acre, which is about 50 trees per acre more than is now considered advisable on the best estates. Presumably a large amount of thinning-out work will require to be done in the near future. As regards the year's financial results, the report stated that the rubber brought to market—apparently less than half the crop—realised 1*s.* 11¼*d.* per lb., but the profit and loss account shows the net proceeds of the rubber realised and the value of stock at £35,945, equal to 1*s.* 8¾*d.* per lb. The all-in cost was stated to have been 1*s.* 2*d.* per lb. The net profit amounted to £13,491, or nearly 8*d.* per lb. Of this £1,000 is applied to writing off balance of long-standing preliminary expenses and £1,198 to extinguishing the remainder of the 5% guaranteed interest paid in early years by the parent Company. Shareholders receive 7% dividend, against 6% for 1916-17, and £4,292 is carried forward. The £1 shares, of which 100,000 are in issue, appear to be fairly valued at their present price of 27*s.* 6*d.* The market valuation per acre works out at £125 and since 3,000 acres are available for cultivation

ANGLO-JAVA RUBBER.

This Company has only just been able, owing to war conditions, to issue its report for 1917. A year has since elapsed, and in considering the results reported it is well to bear in mind that they will be followed by a very much less satisfactory year's showing. Still, a comparison of the 1917 and 1916 outcome of operations serves to illustrate the earning power of the Company, which is a large one as rubber undertakings go, and has a planted area now not far short of 10,000 acres in Java. In the early years of the rubber plantations coffee was interplanted, and revenue from this source helped considerably in financing the development and upkeep of the permanent cultivation. The year 1917 witnessed the cutting out of the remaining coffee, and the crop of this culture was only 4,231 cwt., against 18,080 cwt. in 1916. The price realised was only 16*s.* 3*d.*, in comparison with 67*s.* 8*d.* per cwt., and evidently a loss was incurred. Rubber production, on the other hand, expanded greatly, and, with a fairly good price obtained, the total value of produce was only about £10,000 less than in 1916. Costs, however, were much higher, and the net profit, consequently, showed a drop of £42,000 to £103,008. The dividend for the year is halved to 17½%, and the carry-forward is raised from £14,619 to £71,878, this latter being subject to excess profits duty of unstated amount.

Issued Capital: £232,835, in 2/- Shares (41,150 2/- Shares under option at 2/6 per Share to June 30, 1922).

Debentures: £41,650.

	Results for Years to December 31			
	1917		1916	
	Rubber	Coffee	Rubber	Coffee
Planted acres	9,227	—	8,482*	—
Average area tapped ...	—	—	4,458	—
Output	2,466,315 (lb.)	4,231 (cwt.)	1,649,400 (lb.)	18,080 (cwt.)
Yield per acre (lb.) ...	—	—	370	—
Average price realised ...	2/4½ (per lb.)	16/3 (per cwt.)	2/9½ (per lb.)	67/8 (per cwt.)
Output value	£250,656	£3,450	£204,859	£56,943
	£254,107		£261,802	
Add tea revenue	4,944		7,067	
Sundry revenue	2,728		1,315	
Total revenue	261,779		270,184	
Total expenses	158,771		124,923	
Net profit	103,008		145,261	

The Company's financial condition appears from the balance sheet to be none too strong, and probably it will be necessary entirely to conserve the profit earned on account of 1918. In view, however, of the large proportion of the immature area still to add its quota to production in the near future, the outlook now seems to be promising. In 1918, with tapping restricted, the rubber crop reached 1,814,600 lb., but for last month 251,000 lb. were harvested. The price of the 2*s.* shares is about 7*s.* *cum* 12½% dividend, which is equivalent to a market valuation of about £110 per planted acre.

ANNUAL REPORTS ANALYSED.

PEGOH (MALACCA).

Issued Capital: £130,000 in £1 Shares.

	Results for Years to September 30								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Acre Bearing lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915–16	3,671	2,300	603,967	262	2/8	1/3	42,965	32,500	25
1916–17	3,717	2,653	706,765	266	2/6½	1/3½	44,003	26,000	20
1917–18	3,707	—	606,256	—	1/11½	1/9	9,808	—	—

Price of Shares, 62/0. Market Capitalisation per planted acre, £110.

For the first time since its formation in 1911 this Company has to issue a report which does not recommend the payment of a dividend. The reasons are obvious from the above comparison of results, showing as it does restriction of production, substantial decrease in the sale price of the rubber produced, and an inevitable large jump in the cost of production. In regard to this latter item, it has to be remembered that conditions were abnormal, and, moreover, though the estate was producting at probably not more than half its full-maturity capacity, practically the whole of the expenditure was charged to revenue account. The net profit of £9,808 is added to the carry-forward, and the balance sheet shows a strong financial position, with surplus cash resources exceeding £23,000. In this connection, and in regard also to the passing of the dividend, there is an important factor to be noted. Excess profits duty for the three years ended September 30 aggregated over £44,000. We do not know the Company's exact pre-War standard, but by calculating backwards from the 1916-17 profits and the tax liability it would appear to come out at about £25,000, possibly a little more. If it is £25,000, then the profit of the past year shows a deficit of, say, £15,000, on account of which the Company would be entitled to a repayment of £12,000 from past payments. If this were £13,000 it would suffice for a 10% dividend. No credit is taken for this in the accounts, so that later on a windfall will be received. Then, as the current year's profit prospect is poor also, the chances are that further considerable repayments on account of excess profits duty will be claimable. Hence, and in view of the strong financial position, it is evident the directors have acted very cautiously in not paying a dividend. All things considered, and especially bearing in mind how much the full productive capacity of the plantations is in excess of the output hitherto attained, the shares appear to be moderately valued on ultimate prospects at the present price of 62s., which is equivalent to £110 per planted acre.

ABOYNE-CLYDE (CEYLON).

Issued Capital: £225,000 in £00,000 Preference and 25,000 Ordinary £1 Shares. Debentures, £81,300.

	Results for Years to June 30								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Acre Bearing lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916	1,387	1,218	392,629	322	2/11½	1/0½	32,517	18,750	7½*
1917	1,387	1,218	446,034	366	2/10	1/1½	29,358	19,375	7¾†
1918	1,387	1,218	485,659	400	2/5½	1/4·1	18,872	16,875	7½(a)

* Pref. div.; Ord. 15% † Pref. div.; Ord. 17½%. (a) Pref. and Ord.

This is an instance where, by paying careful attention to cultivation and extensive manuring, a Ceylon estate has been brought to yield 400 lb. per bearing acre. Costs, too, have been maintained at a reasonable level until the past year when, through increased freight and insurance charges, the all-in figure rose to over 1*s.* 4*d.* per lb. Luckily the average sale price was high at 2*s.* 5½*d.*, so that the falling off in profit was not nearly so substantial, as disclosed by the recent reports of most rubber-producing companies. The names of the directors suggest connection with the Dunlop Rubber Company, and it seems reasonable to associate this with the satisfactory sale of the produce and the fact that production continued unrestricted.

SENGAT RUBBER (PERAK).

Issued Capital: £170,000 in 2/0 Shares.

	Results for Years to June 30								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Acre Bearing lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915–16	1,597	866	365,086	422	2/3.6	–/11.9	31,996	24,892	14½
1916–17	1,687	1,239	464,000	371	2/7½	1/0.8	37,140	24,892	14½
1917–18	1,687	1,377	476,390	345	1/7⅞	–/10½	23,746	14,166	8½

Price of Shares, 3/3. Market Capitalisation per planted acre, £160.

Despite the restriction of production and necessity to sell a rather large proportion of the crop in Singapore at the knock-down figure of 1*s.* 5*d.* per lb., this Company came comparatively well through the past financial year, thanks to the low cost of production. Excess profits duty for 1916-17 absorbed £12,013, or a little more than the sum carried forward to cover it, but in respect of the past year the liability would appear to be comparatively small. Normal tapping was to be resumed as from January 1, and it seems probable that after the resting of the trees recently the actual output will exceed the estimate of 450,000 lb.

SCOTTISH UNION & NATIONAL INSURANCE COMPANY.
ESTABLISHED 1824.
ASSETS Exceed £11,000,000.
FIRE, INCLUDING LOSS OF PROFITS, LIFE, ACCIDENT, ILLNESS, ANNUITIES, PENSIONS, LEASEHOLD, BURGLARY, GLASS BREAKAGE, TRANSIT OF SECURITIES, FIDELITY, PROPERTY OWNERS' RISKS, MOTOR-CAR RISKS, HORSE DRIVING ACCIDENTS, THIRD PARTY, EMPLOYERS' LIABILITY and MARINE
INSURANCES effected on the most favourable terms.
Edinburgh: 35 St. Andrew Square.
London: 5 Walbrook, E.C. 4, & 4 St. James's St., S.W. 1.

BRITISH EQUITABLE
Assurance Company, Limited.
ACCUMULATED FUNDS exceed - - - £1,600,000
SUBSCRIBED CAPITAL - - - - - - £300,000
PAID-UP CAPITAL - - - - - - £34,500
The Company transacts the following classes of business:
LIFE, FIRE, ACCIDENT, BURGLARY, EMPLOYERS' LIABILITY AND THIRD PARTY.
Write for particulars of the New Monthly Premium Policy Without Medical Examination
To the Manager—1, 2, & 3 QUEEN STREET PLACE, LONDON, E.C. 4.

The Effects of the War ON Life Assurance Business
Pamphlet on application to the General Manager,
SUN LIFE OFFICE (Estd. 1810),
63 Threadneedle Street, London, E.C. 2.

Insurance Notes.

NATIONAL MUTUAL LIFE ASSURANCE SOCIETY.

ANNUAL REPORT AND QUINQUENNIAL VALUATION.

THE annual reports of most life offices do not appear till primroses are plentiful, but that of the National Mutual always comes before the early snowdrop. An exception is not even made this year, notwithstanding the fact that the results of the quinquennial investigation as at December 31 last fell to be disclosed (the report is dated January 15, 1919), and the Society is to be commended, notwithstanding the increased labour involved thereby, on its continued promptitude in publication. Undernoted is a short review of both annual and quinquennial statements, but it may be said at once that, under the difficult circumstances resulting from war conditions, which have affected all life offices, they are of a thoroughly reassuring character. This mutual life office is attractive to new entrants. Taking into consideration its moderate rates of premium for participating assurances, the bonus standard reached by it in 1913 was an exceptionally high one. It was to be expected that the quinquennial valuation in 1918 would show traces of war strain, and that the directors would deal with the situation in a cautious and conservative way. Indeed, the result is quite as good as could have been looked for, considering that the valuation period included that of the whole duration of the War, and it cannot fail to give general satisfaction to well-informed students of life assurance finance.

Annual Report.—The Society's new life business in 1918 consisted of 648 policies for £386,320, of which reassurances were effected to the extent of £31,000, the net amount retained at the Society's sole risk thus being £355,320, which is more than double the corresponding figure in 1917 and nearly double that recorded in 1916. For this development the issue of policies in connection with subscriptions to National War Bonds is largely responsible. A feature to be mentioned is that with the exception of three policies for £1,733 the whole of the new business undertaken in 1918 was obtained within the limits of the United Kingdom. The Society's total net life premium income was increased during last year by £11,679 to £209,147. The expense ratio was somewhat higher in 1918 than in the preceding year, being about 16.5 as compared with about 14% of the premium income, but this is a natural consequence of the greatly increased amount of new business, which always carries a considerable amount of initial expenditure. One of the most satisfactory features of the report is the greatly reduced amount of the death claims—£149,814, as compared with £213,513 in 1917. It was announced at the annual meeting that, after deducting war casualties of £27,300, their amount was by far the lowest of the corresponding claims reported by the Society in any year since 1895, and that even if war casualties were included it was higher by only £7,000 than the Company's lowest annual record in this respect. Endowment assurances for £49,209 matured by survivance. The revenue account for capital redemption business shows a premium income of £8,685. After the quinquennial adjustments relating to profit on reversions and revaluations the life assurance fund shows an increase during the year of £188,187, amounting at the close thereof to £3,080,785, while the capital redemption fund was increased by £2,172 to £153,401. A less favourable feature, but one for which the Society is in no way responsible, is a reduction in the net yield of interest owing to increased taxation. The gross rate earned on the funds was £4 17*s.* 5*d.* per cent., but after deduction of tax the net rate was £3 16*s.* per cent., as compared with £4 5*s.* 10*d.* per cent. in 1917. Further reference to this point, and on its general bearing on the profits of life offices, is made in connection with the following review of the quinquennial statement.

Quinquennial Valuation.—As regards the valuation of the assets on December 31, 1918, the Stock Exchange securities were taken at their approximate selling prices at the close of last year, according to the certificate of the Society's brokers, their aggregate value on this basis being £1,826,055, after allowance for accrued interest. A full list of these securities is appended to the annual report, in accordance with a distinctive and commendable practice in this Society. Nearly one-half of the amount, or, in exact figures, £883,421 (or more than a quarter of the total assets), was invested in British Government securities, which, it may be presumed, are not likely to be subject to much further shrinkage. The balance of depreciation written off Stock Exchange securities during the valuation period amounted to £203,446. Freehold and leasehold ground-rents and house property on revaluation by the Society's surveyors were written down by £11,797. Mortgages, reversions, and other securities were revalued and adjusted, and life interests in possession were valued on a 6% basis.

The valuation of the liabilities was made by the same tables as five years previously, the O^{M} Table being adopted for assurances, in combination generally with net premiums and 3% interest, the bonus reserves of premiums reserved being equivalent to 17.2% of those payable, in addition to special reserves for other purposes. This is a sound standard. The valuation surplus [illegible] was £193,821, apart from £28,364 which had been paid during the quinquennium to the Society's shareholders, making the total surplus £222,185. After a sum of £109,161 was carried forward from the 1913 valuation after provision for bonuses on participating assurances at the high compound rate of 3½ per cent. per annum over the quinquennium, £92,135 as an appropriated

reserve, the actual profit of the quinquennium 1914-18 appears to have amounted to £119,961, which is an excellent result, looking to the depreciation of investments, to losses due to war mortality (£99,100), and to increase in income tax (£75,700), but for which the profit would apparently have reached nearly half a million sterling. The Actuary states that, apart from the war losses, the position would have justified the declaration of an even higher bonus than was announced in 1914.

Following a very general custom, however, the directors have decided on the advice of their Actuary to carry forward the whole of the valuation surplus (after certain appropriations), amounting to £184,668. The Actuary recommends the reconsideration of the position at the end of each year of the now current quinquennium, with the view that if and when it is decided that a general bonus distribution takes place it will be made in respect of each full year's premium paid since 1913. Meanwhile it is proposed, subject to similar revision if necessary, to declare interim bonuses at the compound rate of 25s. per cent. per annum as from December 31, 1913, on all participating policies which may become claims before the date of the next general bonus distribution. The course adopted preserves to the full the Society's bonus-earning capacity, and is calculated to maintain its well-deserved popularity among the life-assuring community.

Income Tax and Life Offices.—At the annual meeting of the Society on January 29 the Chairman pointed out that the increased taxation imposed upon it during the last quinquennium amounted to 45% of the surplus, and that the full income tax paid represented a tax of more than 10s. in the pound on the profit disclosed. "This heavy burden," he said, "is placed upon us in spite of the fact that, although our members are thus taxed at the full rate applicable to the wealthiest citizens, most of them are not liable to anything like that rate." There seems, in the writer's opinion, a very good case for revision of the taxation of life offices. Purely life offices are charged income tax on their interest earnings, subject to certain concessions which do not very seriously affect the position in an economically managed society, and their interest earnings are invariably much greater than their valuation surplus. There is also the further point which the Chairman mentioned, as to what rate of income tax should be applied to a Society consisting largely of far from affluent persons.

CANADIAN GOVERNMENT ADVANCES.

In a Treasury Minute dated November 14 last, and only just published, the Chancellor of the Exchequer drew attention to the fact that from time to time advances have been made by the Imperial Government to the Canadian Government for war expenditure in this country, and that conversely dollar advances have been made by the Dominion Government to the Imperial Government for expenditure in Canada. Excluding advances in respect of which Dominion Bonds have been issued to the Imperial Government, cash advances to the Dominion Government on March 31 last totalled £79,000,000, in respect of which a nominal capital debt of £80,679,204 had been set up in the books of the Treasury. Interest due at the same date amounted to £4,288,686. At par of exchange, namely $4.86\frac{2}{3}$ to £1, the dollar equivalent of principal and interest was $405,338,273. Apart from certain accounts still under consideration, the cash advances by the Dominion Government amounted at March 31, 1918, to $506,145,731, including $21,795,803 of interest. The Treasury's proposal, to which the Dominion Government has agreed, was that the sum of $405,338,273 should be set off against part of the sum of $506,145,731, and that the capital debt should be cancelled as from April 1, 1918.

Life Assurance at Minimum Rates.
A
PLAN of ASSURANCE
SPECIALLY ADAPTED
for PRESENT TIMES.
For particulars address the
GRESHAM LIFE ASSURANCE
SOCIETY, LIMITED,
ST. MILDRED'S HOUSE, POULTRY, E.C. 2
Founded 1848. **Funds £10,500,000.**
THE GRESHAM FIRE & ACCIDENT INSURANCE SOCIETY, LIMITED.
Transacts all classes of Fire and Accident Business.
Chief Office: St. Mildred's House, Poultry, London, E.C. 2.

The **DISTINCTIVE SYSTEM** of the
Scottish
Provident Institution
secures the advantage of **Non-Profit Premiums** with the right to share in Surplus.
It is **the ideal system** for the present time.
Accumulated Funds £16,000,000.
London: 3 LOMBARD ST., E.C. 3. West End: 17 PALL MALL, S.W.1.
HEAD OFFICE:
6 ST. ANDREW SQUARE, EDINBURGH.

HEAD OFFICES: LIVERPOOL AND LONDON
ROYAL
INSURANCE COMPANY, LIMITED
ALL CLASSES OF INSURANCE EFFECTED

COMMERCIAL UNION
ASSURANCE COMPANY, LIMITED.
Head Office: 24/5/6 CORNHILL, LONDON, E.C. 3.
Total Assets (Including Life Funds)—£31,801,986.

Commercial.

THE FERTILISER INDUSTRY.

Ireland is mainly an agricultural country, and as such is peculiarly suited to the development of industries dependent upon agriculture. We do not overlook the fact that manufactured articles form a considerable percentage of Irish exports, but the highly localised shipbuilding and linen industries, depending chiefly on the export trade, readily explain this apparent anomaly. Agriculture is the mainstay of the population, as is amply proved by the figures in the 1908 Census of Production. The total value of Ireland's agricultural output was estimated in that year at £45,574,000, of which £23,977,000 was exported and £21,597,000 was retained for home use. The output consisted of live stock and live-stock products to the value of £39,057,000 and of crops to the value of £6,517,000. This latter figure may appear absurdly small, but in calculating the output of crops

there have been excluded any crops used for further agricultural production—that is, fed to cattle or otherwise employed. Allowing for all the produce so used, the total value of the crops works out at £30,926,000. No other calling in Ireland turned out goods approaching the aggregate value of crops and live stock. In respect of numbers agriculture also takes the premier place, the agricultural class in 1911 being returned at 780,867, compared with 613,397 in the industrial class.

The chief need in modern agriculture, with its ever-growing tendency towards intensive production, is artificial fertilisers. The manufacture of these commodities is an industry of comparatively recent growth, which has, however, attained a comparatively high degree of specialisation. As it now stands, the industry embraces the following sub-divisions: potassic fertilisers, including the salts of potash from mineral sources and from organic sources, phosphatic fertilisers, including natural or rock phosphates, superphosphates of lime, natural and artificial guano, basic slag and bone manures, such as bone meal and bone ash; and, finally, fertilisers containing nitrogen, such as sulphate of ammonia and nitrate of soda. Before the War our requirements consisted chiefly of superphosphates and basic slag, of which we consumed annually 750,000 tons and 280,000 tons respectively. Separate figures for the Irish consumption are not available, but the nature of Ireland's needs can be gathered from the following table of imports relating to 1916:—

Irish Imports of Fertilisers in 1916.

Name of Fertiliser	Quantity Tons	Value £
Phosphate rock	99,492	397,968
Nitrate of soda	12,665	246,968
Basic slag	29,767	133,952
Sulphate of ammonia	5,098	96,862
Guano	5,518	49,662
Bone manure	276	1,518

The total weight of fertilisers imported was 168,574 tons and the total value £1,032,106. Exports were small, amounting to only 19,374 tons, valued at £142,883. No figures are available as to the native production of fertilisers, but the industry is well established in Dublin, Drogheda, and Cork. Its chief difficulty is the dearth of a large home supply of sulphuric acid, which is especially needed in the production of sulphate of ammonia and phosphatic manures. The former is indeed more generally prepared as one of the by-products from the distillation of coal tar, and Ireland possesses a large number of gasworks where this tar is readily obtainable.

Many industrial groups compete for the supply of sulphuric acid, since it is required not only for making other chemicals, such as alkali, alum, and hydrochloric acid, but is invaluable for the manufacture of explosives and of oils. The increased area under crops in Ireland and the diminished area under grass both call for an additional amount of fertilisers much in excess of present production, unless, indeed, the herds are to be reduced or the yield from crops is to be lessened. During the War there was a marked shortage in Ireland of manures containing nitrogen, and especially of nitrate of soda. The War Office found it necessary in the early stages of the struggle to divert all supplies of the latter substance to the manufacture of munitions. Moreover, the normal quantity of sulphuric acid available was much reduced. Its production depends mainly on the amount of ammonia produced in the form of ammoniacal liquor from by-product coking ovens. The ammonia thus obtained was, however, during the years of war converted into the nitrate instead of the sulphate, as there was an insistent demand for the former in connection with munitions. The falling off in the supply of sulphate of ammonia is being rapidly made up, and the pre-War output of between 350,000 and 400,000 tons per annum is probably being exceeded at the moment. Ireland will benefit by this, but there is much discontent amongst merchants and manufacturers at the action of the Government in withholding the tonnage required to bring certain necessary ingredients and certain special fertilisers from abroad.

New Issues.

ANGLO-EUROPEAN STEAMSHIP, COAL AND PITWOOD COMPANY, LIMITED.

This Company has been formed mainly to establish a line of steamships running a service between this country and France, Spain, Portugal and the Mediterranean, for carriage of cargo and for developing overseas trade between the United Kingdom and the principal European countries at present allied to Great Britain. The reasons that have led up to the formation of the undertaking are clearly set out in the prospectus published on another page, and to which we would refer our readers, who may there find in concrete form an economic survey of the shipping position of this country. The capital of the Company is £500,000, all in £1 Ordinary shares, and applications are being invited for the entire issue, of which the directors have undertaken to apply for 50,000 shares. No part of the issue has been underwritten, nor, according to the prospectus, has any financial institution or individual been approached with a view thereto. The managers of the Company have hitherto carried on a large export coal trade with Portugal and Spain, and have imported pitwood for the South Wales collieries, but this policy has necessitated the payment of large sums annually to foreign owners in respect of the hire of foreign steamers. Indeed, in 1916 no less a sum than £312,500 was paid away for this purpose. It is now stated the Company has the offer of several new steamers of 15,000 tons cargo capacity at a price of about £400,000, or just under £27 a ton. Further, the Company has acquired the option to buy a controlling interest in the London and Montrose Shipbuilding and Repairing Company, Limited, by purchase of 31,000 £1 shares at par. This shipyard possesses five berths suitable for constructing vessels of the type required by the new Company. That sufficient business will be forthcoming for the new Company is not doubted, but, of course, in view of fluctuations in freight rates it is impossible to say definitely what the profits will be, and only time will prove whether the estimates of profits given in the prospectus are justified.

"Simple Interest Tables." By William Schooling, C.B.E., F.R.A.S. Price, 21*s*. London: Sir Isaac Pitman and Sons. Here is an elaborate collection of tables designed to enable every result needed to be obtained by the easiest of all arithmetical operations—that of simple addition. The book is designed for those who desire to obtain the interest in pounds, shillings, and pence in preference to finding it in pounds and decimals. One table in the volume illustrates a decimal method without the use of logarithms, and tables in that form are in preparation. When, however, familiarity with the present work is acquired, the majority of interest calculations will be done most quickly by means of logarithms.

HARRISONS & CROSFIELD, LIMITED.

Eastern and General Merchants.

COMMERCIAL AGENTS FOR SALE OF PRODUCE.

The Company undertakes Selling Agencies abroad for British Manufacturers.

1-4 Great Tower Street, London, E.C.

MEETINGS
OF PUBLIC COMPANIES.

THE LEGAL AND GENERAL LIFE ASSURANCE SOCIETY

THE annual general meeting was held on February 25 at the head office, 10 Fleet Street, E.C., Mr. Romer Williams, D.L., J.P. (the Chairman), presiding.

The Actuary and Manager (Mr. E. Colquhoun) having read the notice convening the meeting,

The Chairman said: Gentlemen,—I have now the pleasure of submitting to you the report for the year 1918—the 82nd since the establishment of the Society—and as it has been distributed among all the proprietors I venture to suggest it may be taken as read. (Agreed.)

All-Round Improvement.

The number of policies issued in the past year was 3,932, against 3,833 issued in 1917. The sums assured were £2,170,058, as against £1,934,873, and the premiums £137,493, as against £108,094. These figures are before deducting reassurances, the totals of the life assurance and general funds being combined for the sake of brevity. The figures after deduction of reassurances are: Sums assured £2,127,104, as against £1,866,851 in 1917, the new premiums being £133,647, as against £103,495 in the previous year. You will see, gentlemen, that these figures show an improvement under every heading in comparison with those of the previous year, which should give general satisfaction, having regard to the difficulties created by the War. (Hear, hear.) The total net premium income of both funds amounted to £1,111,090, as against £1,069,972 for 1917.

Life Assurance Results.

Dealing for the moment with the life assurance fund only, the Society has received as consideration for annuities purchased the sum of £53,392, as compared with £47,523 in last year's account. Having regard to the very favourable terms for investments that have been available during the year this increase may, I think, be considered particularly satisfactory as showing confidence in the financial stability of the Society. The total expenses and commissions are 11.2% of the premium income, as against 11.6% in the previous year. This result, you will no doubt agree, is a satisfactory one, especially having regard to the increased volume of new business which has been transacted and the many expenses due to the War. The total claims on the life assurance fund amounted to £730,511, of which £183,597 represent claims under endowment assurances maturing for payment during the year, and which therefore call for no further remarks. The remaining claims, amounting to £546,914, are on account of deaths of 428 lives assured, and of this amount £111,829 is attributable to deaths directly due to the War. The corresponding figures for last year were £654,952 death claims, including £132,873 due to the War. Apart from the war claims, the Society's mortality experience in 1918 was a favourable one, although the Society did not escape from the results of the influenza epidemic, which accounted for 65 deaths, representing over £93,000 of liability. The total mortality, including war claims, was only 85.8 of the expectation. With regard to death claims directly due to the War, the total number of deaths notified to date is 344 in respect of £746,653 sums assured and bonuses. As a result of the Society's operations the funds have increased by the sum of £433,382 during the year.

Investments.

As stated in the report, the directors have, as usual, gone through the various securities comprised in the Society's assets, and the result of such investigation is satisfactory. With regard to the Stock Exchange securities, I am pleased to say that, upon a valuation by the Society's brokers as at December 31 last, there is shown an appreciable margin as compared with the book values, without taking into consideration at all the investment reserve fund of £40,694 or the sum of £40,786 which is shown as actual profit realised on investments sold but at the moment unappropriated to any particular account. The average rate of interest has increased from £4 15*s.* to £4 17*s.* This is satisfactory, but, as I pointed out at the last annual meeting, the Society can only benefit by slow degrees from the rise in the earning power of money, and the increase in the rate of income tax counteracts the increase in the gross rate of interest earned.

Income Tax.

If you will refer to the printed accounts you will see that the net interest earned, amounting to £360,874, includes a sum of £27,980, which represents a refund of income tax made by the Inland Revenue to the Society in accordance with the provisions of the Finance Act, 1915. This refund is in respect of the two years 1915 and 1916. I might perhaps explain that insurance companies which are taxed on interest income have hitherto been unable to obtain any refund of income tax in cases where the taxed income exceeds the profit actually earned, but the Act referred to provides for a refund of tax in respect of expenses, so that, broadly speaking, the tax is in reality now chargeable on the interest income less expenses.

The Society's Parliamentary Bill.

You will now expect me to say something about the Bill. As you all know, we had a Wharncliffe meeting on January 28 last, when the Bill was unanimously approved after giving effect to a few amendments suggested by Mr. Fowler, which we agreed were desirable to make, and I think we are much indebted to him for the trouble he took in the matter and for the suggestions he made. One of the great difficulties which faced us with regard to the Bill was the impossibility of communicating with the policyholders, whose rights might be considered to be interfered with by the placing of other liabilities on the proprietors' fund and on the uncalled capital. This objection, we think, is purely theoretical, as, having regard to the stringency of the reserves made by our valuation, it is not reasonable to think that any recourse to the proprietors' fund for their further security would ever be necessary. There are some 47,000 policies, of which 34,000 are with-profit policies, upon our books, and it seemed to us practically impossible to communicate with the policyholders and obtain their sanction to the change. Also, as many of the policies are charged or otherwise dealt with, it would be necessary to go into the legal title to find out in whom the benefits are vested, and even if this were ascertained it would be found that many of the policies are included in settlements, the trustees of which would not be legally capable of concurring in the change. Realising this difficulty, we approached the counsel advising the Committees of the two Houses of Parliament, and obtained their concurrence to advertise in various newspapers, giving information as to the Bill so far as it concerned the with-profit policyholders. The result has been a good many inquiries, but these for the most part only expressed a fear that the policyholders' fund would be made liable for losses, if any, that might occur in other departments, and offered no adverse criticism of the proposal put forward; but when it was explained that the life assurance fund was a separate entity specially protected by law from this risk, most of the inquirers were quite satisfied. Two of them, however, we were unable to satisfy, and they have lodged a petition against the Bill. Their main objection to the Bill we understand from correspondence to be the provision as to limiting the bonuses for the future to a rate of 38*s.*, and as this proposition is put forward in the Bill solely in the interests of the policyholders, the nature of the objection has caused us considerable surprise. There can, I think, be no doubt that the objection is based upon a lack of appreciation of the difficulties with which insurance companies are now confronted and the adverse effect that such burdens must have upon bonuses for many years to come, and therefore I should like to give you some further information on the subject.

It would, of course, have been quite possible to have applied for the extended powers to transact other classes of business without effecting any alteration in the present arrangement, under which the policyholders participate in profits. This, in fact, is the procedure most generally adopted by an office when extending its powers. The result would then be to leave the policyholders exactly as they are with regard to future profits. Any bonus allotted would have to come entirely from the life fund profits, and they would have no direct interest whatsoever in the other classes of business transacted. Now let us anticipate what will be the effect of this under existing conditions.

Bonus Prospects.

In the first place, I may say that the directors are dubious as to the prospect of maintenance of the bonus in the future. I am glad to say this anxiety is caused not by the depreciation of the assets, which is a factor which affects offices in different degrees, but this Society fortunately to a comparatively small extent owing to the method of investment adopted. You will remember that it has always been the practice of this office to invest as much money as it possibly can in mortgages on reversions, life interests and other securities in which the capital value is not affected by the fluctuations of the Stock Exchange, the balance being invested in liquid securities. This policy we have hitherto been able to carry out owing to the support we have always received from the legal profession throughout the country, to whom we owe our excellent loan connection, and to whom

I have repeatedly expressed the thanks of the office. But, unfortunately, there are other adverse elements, and our anxiety is due principally to the heavy taxes now imposed on life offices; I refer in particular, of course, to the income tax, which affects us all alike. I have frequently pointed out to you that the mainstay of the bonus is the surplus interest, and it is from this source that the bonus is chiefly contributed. There are, of course, other small sources, such as surrenders and lapses, and economy of management. There is also the mortality profit, but this for the time being must be disregarded. To return then to the effect of the income tax. The first charge upon the interest earned by the Society is, of course, the interest upon the various funds as assumed in the valuation calculations. This allocation has to be made at net rates, as no allowance for income tax is made in the valuation. As a result, the whole income tax levied falls as a deduction from the surplus interest after the above allocations have been made; and in our case this has the effect of reducing the surplus by more than one-half. In these circumstances it seems to the board impossible to expect the bonus to be maintained, and having come to this conclusion we think it right to take the earliest opportunity of telling you so, so that no false hopes may be entertained upon the subject. It was this anxiety as to future bonuses which led to our proposition as regards the policyholders in the Bill. What we propose is that the policyholders, while retaining, of course, nine-tenths of the profits of their own fund, shall have a claim to nine-tenths of all other profits made by the Society, in so far as that might be necessary to maintain the existing rate of bonus—namely, 38*s.* per cent. compound, coupled with the stipulation that no higher rate of bonus was to be expected or claimed in the future. Some such condition was manifestly necessary for the protection of the shareholders, and the only reason for offering this concession (which I may say has been welcomed as a generous one by those whose opinions I have heard) is the desire to protect as far as possible the interests of the policyholders. It will probably appear to the shareholders that it would be to their advantage if the two policyholders to whom I have already referred are successful in their petition against the Bill, but I think this would prove to be a one-sided view. Many of our policyholders have been active supporters of the Society and they have contributed largely to increase its business, and I think it will be found that in looking after the interests of the policyholders we shall be safeguarding our own. I would venture to say that if the suggested changes are carried out we are advised that there will be a possibility of the present rate of bonus being maintained. If, however, the petition against the Bill succeeds and the changes are not carried out, then I am of opinion that no one fully conversant with the matter would consider it likely that the present high rate of bonus, let alone an increased rate, could be paid in the future. There has always been an *esprit de corps* among the supporters of the office, and I am in hopes that, as the directors and shareholders have shown their anxiety to promote the interests of the present members of the Society, the members in their turn will also not slacken their efforts to promote the business to our mutual advantage. They will realise, I hope, that their interests are as much served by promoting the new classes of business as those of the shareholders, and I trust the policyholders and shareholders will combine in the future as they have done in the past in their efforts to forward the Society's interests. If so, the future success of the Society will be assured.

I beg to move the adoption of the report and accounts.

The motion was seconded by the Deputy-Chainman (Mr. Charles P. Johnson, J.P.), and, after a brief discussion, carried unanimously.

The Deputy-Chairman proposed the re-election of the retiring directors, namely, Mr. Romer Williams, D.L., J.P., Mr. Arthur J. Finch, J.P., and Sir William S. Haldane, W.S.

Mr. E. T. Hargraves seconded the motion, and it was unanimously adopted.

On the proposition of Mr. E. Bird, seconded by Mr. G. J. Fowler, the auditors (Mr. Gerard Van de Linde and Mr. A. Lowes Dickinson) were reappointed.

Mr. Hargraves proposed a hearty vote of thanks to the Chairman, Deputy Chairman and the other directors, as well as to Mr. Colquhoun and the members of the staff, for the able way in which they had carried on the business of the Society during the past year. He remarked that he had listened with great pleasure and appreciation to the statement of the Chairman, and was satisfied that if such excellent results as those now reported could be achieved in a year when circumstances had been by no means normal, when circumstances became normal the directors and management would be able to do equally well for the shareholders, and perhaps even a little better.

The vote was seconded by Master Granville Smith and unanimously accorded.

A brief acknowledgment was made by the Chairman, and the proceedings then terminated.

SUN LIFE ASSURANCE SOCIETY.

The annual general meeting of the Sun Life Assurance Society was held on February 25, at its chief office, No. 63 Threadneedle Street, the Hon. Sir William Henry Goschen, K.B.E. (the Chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said: We stand at a moment which is probably one of the most tense moments in the history of our country. The air is full of possibilities for great improvement; on the other hand, great difficulties confront us. It behoves every institution in the country to take rather a minute stock of its position, and that is what, with your permission, I propose to do. Demobilisation is going on satisfactorily, and our men are showing a desire to return to take up their work with zeal. Here I may say that I think the prospects are good, and we have already started the year well with new business. We have had 713 policies this year for £474,527, against only 412 policies last year for £290,925.

Increase in New Business.

Turning to the actual report and accounts for the past year, in the life account there is an increase in new policies of 484 in number and £300,951 in amount, the total sums assured being £1,673,093. The life premium account has risen from £1,051,673 to £1,063,721. Net dividends and interest show only a moderate increase to £390,441, this having been the first year in which we experienced the effect of a 6*s.* income tax. Claims by death have been heavy, amounting to £537,014, and being in number about 96% of the expected. War and influenza have both taken a considerable toll. Expenses of management have increased from £110,216 to £122,632, not traceable to any particular item or items, but spread over practically all charges, though the heaviest increase has been in respect of staff emoluments. With regard to the item of loss on exchange and on realisation of assets, the loss on realisation of assets amounts to £12,420, and has been incurred in the sale of some £1,640,000 transferred to Government securities. The remaining sum of £7,444 was entailed by remittances to Spain and by an adjustment for the year of the value of assets, mainly policy loans, in connection with our Spanish business, and is due to the variations in the rate of exchange since the end of the preceding year. I may remind you that we ceased to transact new business in Spain at the end of 1901. The life fund has grown by £450,598. As regards the annuity account, the Society, as you know, is not actively seeking new business. Prices, Government and other, now obtaining are such that we see no hope of profit resulting were we to quote similar results. With respect to sinking fund, the premium income has been dwindling during the War, owing probably to the cessation of new issues of capital. We look to some revival of the business when restrictions are removed. The accident business still maintains its profitable character though the figures are very small, and the business is diminishing. There has been considerable modification in the various items in the balance sheet, the net result being an increase in our holdings of British Government securities of upwards of £2,100,000 to £5,704,000 out of the invested assets of £13,503,940.

Four Years' Progress.

Reviewing the history of the Society over the period of the War, the following facts may be of interest: Since the end of 1913 our life premium income has risen from £924,564 to £1,063,721, and the fund from £8,729,843 to £10,420,307, notwithstanding the large depreciation written off. Our interest and dividends have grown from £366,568 to £496,750 gross, and net from £343,648 to £390,441. Taking the balance sheet of the assurance funds and the items in the order in which they stand, in only two instances is mortgage interest in arrear. In only two instances is the interest on loans in arrear, the loans together totalling less than £1,500. Mortgages and loans account for £2,525,856 out of the total invested assets of £13,503,940. I think the facts I have told you justify confidence as far as these securities are concerned. Investments include what are commonly known as Stock Exchange securities. British Government securities represent £5,704,732, or a proportion of 42¼% of the total invested assets, having increased during the year by no less than £2,112,284. I will not enter into details as to which of our Stock Exchange securities have failed in their interest; but that the position is satisfactory I think you will realise when you turn back to the revenue accounts and see the figure of "Interest, dividends and rents" showing a handsome gross yield of £4 19*s.* 11*d.*%, compared with £4 19*s.* 3*d.*% and £4 17*s.* 3*d.* for the two previous years. Of the total Stock Exchange securities of £10,381,468, no less than £9,564,385, or 92%, are represented by redeemable securities, whose nominal or redeemable value is considerably in excess of the book value. We have thought it desirable, looking ahead as far as we can, to take what opportunities offered of realising irredeemable securities and of replacing them by redeemable securities, and that is a policy which I think we are likely to continue for some time. During 1915 and 1917 a very considerable reduction was made in United States Railroad and other securities, sales being effected, mostly to the

Treasury, to the extent of £2,589,913, with the result that our holding in this category has been reduced to £1,160,351, or 8⅝% of our total investments.

Mr. Frank Chaplin (Deputy-Chairman) seconded the motion, which was unanimously agreed to.

NORTH BRITISH RAILWAY.

The annual general meeting of the proprietors was held in the Queen's Hall, 5 Queen Street, Edinburgh, on February 21, 1919, at half-past twelve o'clock afternoon.

Mr. William Whitelaw, the Chairman of the Company, presided

At the request of the Chairman, the Secretary read the notice calling the meeting.

The Chairman next called on the Secretary to affix the seal of the Company to the register of shareholders. He stated that there were 39,300 shareholders, and 11,750 holders of Debenture stock, so that the total number interested in the Company, shareholders and Debenture-holders, was 51,050.

The Chairman: It will be observed from the report that Mr. John E. Sutherland, M.P., Durn House, Portsoy, was elected a director on March 15, 1918. I regret to say he died on August 17 following, just five months after his election. Major Wm. H. Booth, Brynmelyn, Hay, Breconshire, has been elected a director of the Company. During the War 4,836 employees of the Company joined one branch or another of His Majesty's Forces, equal to about one-fifth of the whole staff in our employment at the commencement of hostilities. Of that number, I am sorry to say, no less than 630 were killed in action or died from wounds or disease.

The Accounts.

The statistical returns are again omitted, and the statement of accounts is, under instruction of the Railway Executive Committee of the Board of Trade, once more presented in a modified form. The amount expended on capital account during the year was £26,677, being £85,323 less than the estimated amount. This decrease is due mainly to the fact that on account of the scarcity of material and labour certain of the works contemplated could not be carried out. The expenditure on capital account for the current year is estimated at £180,789. This is the best estimate we can make, but it may possibly be exceeded if the return of men from the Army quickly swells the ranks of labour, as much deferred work awaits accomplishment as soon as circumstances permit. You need not be nervous as to the result upon our earning powers, as we shall receive 4% interest upon all capital expenditure during Government control, and you may take it as certain that Government control, in one form or another, will never be removed. The result of the year's operations admits of the payment of a dividend at the rate of 1% per annum on the Deferred Ordinary stock, being an increase of ½% on the dividend paid a year ago; the carry-forward being £33,232, compared with £36,293 in the corresponding period.

Government Traffic.

During the period of the War the Company has carried an enormous number of troops and huge quantities of munitions and Government stores. The cost of working that traffic is, of course, included in the total expenditure as shown in the accounts, but there is no corresponding item under the head of receipts, inasmuch as much of the traffic is, under the guarantee arrangement, carried free. As indicating the extent of the Government free carryings, I may say that apart from *received* traffic, of which no record is being kept during the control period, there was *forwarded* during the year 1918 by goods train from stations on the Company's system a million and a quarter tons of unpaid traffic, consisting of 755,000 tons of goods, 322,000 tons of coal, and 172,000 tons of other mineral traffic. The number of Naval and Military units, in respect of which this Company collected warrants, represented approximately 136,000 officers and over a million men. By passenger train over 170,000 parcels under 2 cwt. each, and over 5,000 tons of heavier traffic were forwarded carriage free. Had cash payments been made by the Government in respect of this traffic carried free on their behalf, it is estimated that the value of the conveyance of such traffic for the year would have been for passenger train traffic half a million, and for goods train traffic a million and a quarter, in all a million and three-quarters.

When I addressed you a year ago I made reference to the Bill introduced to make further provision with respect to education in Scotland. Under this Bill it was proposed to alter the method of assessment in respect of the Education Rate, and had the measure become law it would have involved a very largely increased assessment on railway property in Scotland. Representations on this point were made to the Secretary for Scotland by the railway companies and other public companies which would have been adversely affected by the proposed change of method of assessment, and I am pleased to say they secured sympathetic consideration, as the new Education Act which received the Royal Assent on November 21 last leaves the basis of assessment unaltered so far as regards railway property.

Steamers being Returned.

During the War four of our fleet of steamers on the Clyde were commandeered by the Government. Advice has now been received from the Admiralty that it has been decided to discharge three of them, namely, the *Marmion*, *Kenilworth*, and *Talisman*, and that they have been ordered to Glasgow for paying off and reconditioning. Intimation has also been received from the Ministry of Shipping that the Granton and Burntisland Ferry steamer *William Muir*, which was likewise commandeered by the Government, is about to be returned to the Company, and will be sent to Leith shortly for paying off and reconditioning. Under an arrangement made by the Railway Executive Committee, the Admiralty are under obligation to refund the cost of restoring requisitioned vessels to the same condition as when taken over, fair wear and tear in the ordinary business on which the vessels are employed being excepted.

Labour.

The Railway Executive Committee, acting under the orders of the Government, have instructed that the principle of an eight-hours' day, or 48-hours' week, should be brought into operation for practically all members of the wages staffs of the railways of the country as from February 1. Arrangements are being made accordingly so far as the Company is concerned. Every effort has been, and is being, made to bring the reduced hours of labour into operation without delay, and on account of the shortage of staff it has not been found possible—and will not be possible for some time to come—to put all the men concerned on an eight-hours' day, or 48-hours' week. Steps are being taken to secure the prompt return to the service of men now serving with the Colours, in order that they may be available for the purpose of affording the necessary relief, but overtime will doubtless have to be worked for some months. A 47-hours' week has also been conceded by the Government to employees in railway workshops. The granting by the Government of these concessions has imposed a very large additional expenditure, the extent of which it is not at the moment possible accurately to estimate.

Improvement of Train Service.

I am glad to say it has been found possible to make some slight improvement in the restricted train service which has been in operation for some time past. On February 1 a number of stations which had been closed during the war were reopened. The directors regret that, owing to the introduction of the eight-hours' day, the continued shortage of staff, and the great difficulties of working the traffic, they are not able meantime to do more in the way of restoring trains and reopening stations than has been done. It is the intention of the directors gradually to improve the train service as circumstances admit, and it is hoped that in the course of a month or two it will be found practicable to reopen a further batch of stations.

Two Years' Government Guarantee.

With regard to the future of the railways of the country, as I stated at the annual meeting twelve months ago, the shareholders may depend upon the directors keeping the matter constantly in their minds. In September 1916 an assurance was given by Mr. Walter Runciman, the then President of the Board of Trade, to the effect that "the Government undertake to extend the period of guarantee of net receipts to two years after the termination of the war," which means the signing of peace. This assurance has been confirmed by his successor, Sir Albert Stanley. On December 14, 1917, the President of the Board of Trade stated in the House of Commons that an informal Committee of Experts had been appointed to consider the position of railways after the war. On behalf of the Railway Companies' Association a letter was addressed to the President expressing regret that the Association had not been consulted. An assurance was subsequently given by the President that while he was in office any proposed legislation affecting the future of railways would be brought to the attention of the Railway Companies' Association in time for a discussion with their representatives before going to Parliament. The concession of the eight-hours' day to railway workers was made without previous consultation with the Association or the companies. The Association immediately made representations to the Prime Minister, pointing out the resulting increase in the cost of transportation, already swollen by previous concessions, and asking for an immediate statement of the intentions of the Government with regard to the future of railways. No reply has yet been received. The Association are also in

communication with the Government with reference to the general managers of the companies assisting the Board of Trade in their negotiations with the Trade Unions on the question of hours, wages and conditions of service. The Association have insisted throughout their communications with the Government that the pre-war position of the shareholders should be adequately safeguarded.

Stockholders' Protection Society.

In this connection I cannot do better than commend to you the admirable speech of the Chairman of the Caledonian Railway Company to his shareholders on Tuesday last, and once more urge every shareholder to join the Scottish Railway Stockholders' Protection Association without delay. We shareholders need not concern ourselves with the future further than to see that we get fair play from the Government; fair play is all we are entitled to, and we shall ask for nothing more; but if we are offered anything less, rely upon it we shall make a good fight. In that fight, should it arise, we shall cordially welcome the active assistance of the Association. I say frankly that we shall have no sympathy for any shareholder who may think himself badly treated hereafter if he is found outside the membership of the Association, which ought to comprise every man or woman who holds a single pound of any kind of railway stock or shares.

I now formally move: That the Report of the directors and relative statement of accounts for the year ended December 31, 1918, be received and adopted, and that dividends be now declared, in terms of account (No. 9) headed "Proposed Appropriation of Net Income," and be paid (under deduction of income tax) on and after March 10, 1919, less (1) the amounts paid as interim dividends appearing in account (No. 9 (A)), headed "Statement of Interim Dividends Paid"; and (2) the balance paid on January 1 last of the dividend on the Consolidated Lieu Stock.

The Duke of Buccleuch: I beg to second the adoption of the Report.

Mr. W. F. Russell, Glasgow: Mr. Chairman, I do not rise to make any reference to the accounts which you have so ably stated. I appear here as Chairman of the Scottish Stockholders' Protection Association, Ltd., to which the Chairman has just referred. The stockholders, naturally, are very much gratified at the use their property has been to the Government—for, after all is said and done, the railways are the property of the shareholders—and they have loyally abided by the decision that was come to by the railway company, and accepted gladly the modest pre-war remuneration they have been getting in the past. In all the references by Ministers and other Government officials, there never has been anything said about the owners; and it seems to me that the Government think that the rights of the shareholders are perhaps a secondary consideration after all. What the shareholders are most concerned about is, what is to be our position when the question of either the retaining or the handing over of the railways is to be brought about? We have the assurance now from Mr. Bonar Law that the control is, at all events, to be continued for two years; and during that period, I have no doubt that negotiations will take place between the different boards and the Government. And what I want to emphasise to-day is that every stockholder should join our Association, so that behind the directors they will have a strong body of opinion to come to their assistance, as stated by the Chairman, if any trouble arises. All that we want, ladies and gentlemen, is fair play. Considering the history of the railways and considering the fact that, but for the investment of their money during the last thirty or forty years in building up a huge railway enterprise all over the country and in providing harbours and fleets of steamers here and there, they are entitled to fair play. But for the services rendered by the railway companies the war could not have been conducted in the manner it has been done, and, what is just as important, the trading industries could not have been so successfully carried on. I would say to every lady and gentleman here who are not members of the Association, that they stand in their own light if they do not immediately join the Association.

Mr. Andrew Macdonald, Glasgow: I hope that the movement may spread to every railway in the kingdom. It seems somewhat hard that of 51,000 shareholders in the North British Railway Company only 20,000 have joined this Protection Association. One would scarcely expect that associations formed on purely altruistic lines, and attended with very considerable sacrifices and much self-denial, should need constant appeals to be made to unite together for the welfare of all. Union is strength, and it is only by union that consideration will be granted to enable the railway stockholders to get fair play from any Government.

The Chairman then moved the re-election of the Duke of Buccleuch, Sir John M. Stirling Maxwell, Bart., and Messrs. Anstruther, Gilroy and Gray, as directors of the Company.

Mr. Charles Carlow seconded, and the motion was adopted.

A vote of thanks to the Chairman terminated the proceedings.

BRADFORD DYERS' ASSOCIATION, LIMITED.

The twenty-first ordinary general meeting of the Bradford Dyers' Association, Limited, was held on Friday, February 28, in the Mechanics' Institute, Bradford. Mr. Milton Sheridan Sharp (Chairman of the Board of Directors) presided, and there were also present Mr. George Douglas (Managing Director), Messrs. Harry Ramsden Armitage, James Sharp, and Henry Sutcliffe Smith (Executive Committee), Messrs. Joseph Briggs, Isaac McIntyre Brown, Joseph Robert Butland, T. D. Buttercase, Thos. Dawson, Alfred Paighlumby, P. E. H. Melbye, Benjamin Robinson, Thos. Robinson, Herbert Shaw, Robert Turner, Arthur Ward, Joe Wilkinson, Arthur Wilson, and S. Woodhead (Directors), Mr. G. Gilbert Thompson, of Messrs Mumford, Johnson and Co., Solicitors, Mr. Frank Youatt, of Jones, Crewdson and Youatt, Auditors, Mr. James Herschel (Secretary), and Mr. James Adam Hardie (Accountant).

The notice convening the meeting having been read and the minutes of an extraordinary general meeting of March 18, 1918, confirmed, it was agreed to take the report and accounts and auditors' report as read.

The Chairman then said:

After four years of the most terrible War in the history of the world, fraught with consequences which will change its face and its future, and for countless ages be placed first amongst events of transcendent importance, we meet to-day after complete victory has crowned our efforts and our sacrifices, and you will agree that it is meet and right my first words should be in acknowledgment of the eternal debt of gratitude we owe to the brave men who have won for us the victory; their courage, endurance, and self-sacrifice shine out clear and glorious, and have painted in everlasting colours the heroism of our race. Our hearts go out especially in reverent gratitude to the memory of 557 of our own men who have made the supreme sacrifice, and in deepest sympathy to those whose homes have been made desolate by their loss. We look to the Conference now sitting in Paris to speedily give us a Peace bringing final deliverance from the nightmare of militarism which has oppressed the world so long, and which will ensure that our sacrifices and sufferings have not been in vain.

Perilous Labour Disputes.

During the course of the war we met our disappointments—and they were many—with courage, composure, and dignity, and as ever before in the history of our race, the greater the crisis the more determined was our resolution to overcome it, and now, when we have accomplished a task so prodigious and so memorable, we find ourselves faced with conditions perilous to the national welfare by reason of labour disputes formidable in number and extent, from which, if there is no cessation, industrial and social chaos is inevitable. The relations of Capital and Labour have such a momentous bearing, not only on our future as an Association, but on our whole future as a nation and empire, that one of the greatest questions we can discuss is the reconciliation of their conflicting interests, and to-day I intend to speak fearlessly on it. Up to now in most industrial disputes there has been far too little effort to understand the point of view of the other side, and until we, who are employers, address ourselves in a spirit of sympathy in an endeavour to understand the thoughts, the hopes, and the aspirations of Labour, and workers frankly abandon their attitude of suspicion and hostility to employers, there is small hope of securing that industrial peace on which the maintenance of our position as a great Empire so largely depends. It would be idle to suppose that any one cause fully explains the present unrest, but it would be doing great injustice to the workers to believe they are largely actuated by revolutionary tendencies, as the whole course of our political history since 1867, when they were first enfranchised to any considerable extent, proves the exact contrary, and we may with sure confidence believe that the motive actuating the vast majority of workers arises from their honest belief that their recompense is not adequate, and they seek only to improve their position. Can we honestly blame them for aspiring towards something better, or should we prefer men whose utmost ambition is limited to keeping body and soul together? To every fair-minded man the answer will be easy and very distinct. It is, however, impossible to deny that a small minority of employers are absolutely callous to, and ready at all times to strenuously resist, even the most reasonable demands of workers, whilst a large section of workers regard employers generally with suspicion and deep mistrust, and order can only arise out of the present confusion by an entire transformation in the views of both, or at least by their reduction into such insignificant minorities as will make them entirely negligible. It is a simple fact, though often overlooked by both sides, that only by working together can employers and workers alike hope to increase the reward each may have, and the minds of thoughtful men must be largely occupied in considering how that co-operation can be attained. With the burden of debt imposed on us by the War, the question is made infinitely more urgent, and raised to an altogether higher level of importance, but the advantages which would be derived from the co-operation of Capital and Labour in securing greater production, which means increased wealth, are so

immense and incalculable as to impose on all men of goodwill the most solemn obligation to strive their very utmost to bring it about. In a recent entirely admirable address to the members of his union, Mr. J. H. Thomas, M.P., set forth the truth with great clearness and terseness when he said: "The truth is that the only wealth is the wealth we produce, and unless we keep that fact clearly in mind we are going headlong to disaster."

American Labour View.

This truth has been firmly grasped and acted upon by employers and workers in America. When I was last in that country I was more impressed than ever by the fundamental difference in the attitude of labour to production compared to that generally prevailing here. In America, so far from there being the smallest inclination to limit output, there is the keenest possible desire to increase it, and every device for saving labour and increasing production is warmly welcomed. There is no more respected or powerful leader of Labour than Mr. Samuel Gompers, the President of the American Federation of Labour—and no one has been more outspoken in condemnation of all restriction of output. In one of his speeches he said: "We are not going to have the troubles here that Britain has through restriction of production. There has not been any restriction of output for more than 30 years in America. We, in the United States, have followed an entirely different policy." In the course of all my visits to America I never heard of a single case of such restriction, but, on the contrary, had overwhelming evidence that employers and workers vie with each other in the effort to secure the utmost possible output, and in our own trade I was furnished with evidence which proved that the output per man employed is far higher than with us.

Removal of Establishments Abroad.

Quite recently Sir Alfred Yarrow, the eminent shipbuilder, who is contemplating the removal of his works from the Clyde to Vancouver in British Columbia, said in reference thereto: "I know we shall have to pay much higher wages, but will get twice as much work done. The thing which threatens to cripple British industry is the limitation of output, the set policy of men refusing to put forth all their energies under the mistaken idea that if they go slow they are helping to find work for their fellows." I am deeply grieved to say that I have personal knowledge of other industries in which the aggregate pay-roll for wages amounts to over two million pounds a year, where the question of the removal from this country of a very large portion of their production is being most seriously discussed, and the final determination will depend entirely on the attitude of Labour.

"Nothing so Effectual as Sympathy."

It is reported that a Joint Commission of Employers and Workers in the cotton trade is likely to visit India and China to study those markets. The interest in its report could not but be immensely added to if it returned *viâ* the United States of America and made a study of and report on the industrial conditions prevailing in that country, from which it is almost certain that we shall in future have far more severe and serious competition than from any other quarter; and it could not be without its influence on workers in this country if they were told by such an authority that in America there is no such thing as limitation of output, but that employers and workers equally devote themselves with unquenchable ardour and unrelenting assiduity to the problem of increased production, with the result that American labour is the most highly paid in the world, and the standard of comfort it enjoys far higher than that prevailing in any other country. Labour in this country has attained, and rightly so, a position of influence of the utmost importance, and has become a political force which within another generation may attain predominance. This should carry with it the recognition that the interests of the State must always be supreme, which in itself would be a great step forward on the path to industrial peace, as then there would surely be no restriction of output, and it would also make imperative the finding of a way to avoid a resort to strikes in the great essential public utility services, by which the sufferers are the whole community. Labour has an asset of incalculable value in the sympathy of immense numbers owning no allegiance to it as a party, but who, nevertheless, so far have welcomed its growing power. The utter destruction of that asset will be made certain by strikes which inflict grievous inconvenience and injury on the public at large, which, disturbed and shocked, will withdraw its sympathy and support, with the result that Labour may have a setback from which it will take a generation to recover. We, as employers, must recognise that the growing power of Labour is not precarious or artificial, but is founded on a fusion of forces ever growing stronger and determined to possess themselves of all the necessaries, together with some of the luxuries, of life, now beyond the reach of great masses; but as this will tend to an increased consumption of all commodities and the domestic happiness of the State, why should not employers, led by a juster apprehension of the rights of their fellow-men, meet all difficulties with Labour in a generous spirit, recognising that there is nothing so effectual as sympathy in influencing to wise purposes the forces which are surely destined to greater power. Met in such a spirit it may reasonably be hoped workers can be brought to see that restriction of output and excessive costs of production are most injurious to themselves, that the maintenance and continued growth of our exports is dependent on increased production and reduction of costs. Such recognition and the certainty that the gain arising therefrom would be fairly apportioned between employers and workers surely would not fail to secure their utmost aid. When a position is explained to workers with fairness, lucidity, and candour, it is not likely that they will press their demands beyond all bounds of prudence or discretion, in total disregard of what can and what cannot be conceded without the gravest menace to our power to export. It is impossible to view without anxiety the probably disastrous influence on our great export trade of our present high costs of production, whilst the present demands of Labour, if conceded—unless counterbalanced by a relative reduction of costs by increase of production—would add so largely to the very high costs of to-day as to place in the gravest peril a great volume of our export trade. Your directors have endeavoured, not by precarious conjecture, but by close investigation, to estimate its incidence on the exports of such textiles as are handled by the Association in the light also of our knowledge of what competing countries can do. This careful calculation of consequences has led us to the deliberate conclusion that a large percentage of such exports would be immediately lost, and a still larger percentage placed in most serious danger. What is called for to-day is the establishment in every industry of such mutual trust between employers and workers as will permit of orderly and serious consideration being given by both to everything bearing on the maintenance of our position as an exporting country, which has a common and equal interest for both. Whilst the financial resources of this country will for many years be subjected to immense strain, and our ability to compete thereby seriously weakened, the enormous and almost incalculable increase in the power to compete of those countries which are undamaged by the War is very inadequately recognised; America, Japan, and Holland will in future be far different factors in international competition from what they were in the past, a fact the neglect of which will lead to irremediable disaster. Already, we are told, a large volume of business in the engineering trade has been deflected to America. The fiercest economic war is clearly ahead of us, and the only way to prosperity is by the production of goods at such a price as will command the markets of the world. If we lose our hold on them, workers themselves will be the first sufferers.

Fundamental Importance of Increased Production.

I cannot leave the question of industrial unrest without still more strongly emphasising the fundamental importance of increased production as the solution of most of the troubles. This can only be secured by employers recognising that it is hopeless to expect workers to increase their energies unless they reap a reward for their greater exertion, and workers recognising that higher wages and shorter hours are economically, in the vast majority of cases, impossible unless output is increased, and that the only way of attaining their objects is through such increase. With the settled determination of employers and workers alike to remove all abuses and to give the best that both can give in the mutual protection and assistance of each other, there is not one problem now facing the industrial world for which a satisfactory and just solution cannot be found.

The Association's 20 Years' Experience.

Without taking too much credit to ourselves, I think our experience during the 20 years covering the Association's history may be helpful in pointing to the lines on which there is hope of arriving at a working agreement between Capital and Labour. Before the formation of this Association, strikes in the dyeing trade were epidemical, and the first serious problem which for many weeks engaged the attention of the managing directors, almost to the exclusion of everything else, was the possibility of evolving means whereby we might hope to have freedom from labour troubles. We first of all addressed ourselves to clearly defining our own attitude to Labour, and though I am speaking after an interval of more than 20 years, my recollection of the conclusions at which we arrived is substantially borne out by my colleague, Mr. Douglas, and as with one exception we have, during the 20 years, settled every difficulty in a perfectly friendly way, our experience should have some value at the present time. We agreed broadly that our attitude to Labour should be governed by a real anxiety to understand its ideals, and we determined that we would always consider seriously, and examine carefully and impartially, any suggestion which the accredited heads of the trade unions might make to us, and meet the same not by weak compromise and unfaithfulness to sound principles, but by goodwill, sympathy, and justice; and, recognising that there are many problems which our workers have an equal right with us to have a voice in, we determined at the outset on the complete recognition of the trade unions. We afterwards approached the leaders of the workmen's unions with the object of making some formal agreement with them, and, in August 1899, only nine months after the formation of the

Association, an agreement with the trades' unions was entered into which anticipated many of the recommendations in the Whitley Report. Its first two clauses, which reflect its whole spirit, read as follows :—

"1. A federation of employers and workmen shall be formed for the protection of their mutual interests.

"2. A Wages Board, consisting of an equal number of employers and workmen, shall be formed, its functions being to settle all differences between employers and workmen as to wages, conditions of labour, or any dispute that may arise, provided the parties concerned cannot come to a mutual understanding and agreement."

Promising Good Relations with Workers.

The force of opposition which we had to overcome from some of our co-directors was considerable. You may measure it by the fact that of the firms and companies originally forming the Association ten only out of twenty consented unreservedly to the agreement, but the Trades Unions, with a rare wisdom, fully justified by results, signed it, notwithstanding the reservations made on behalf of ten branches, and the agreement worked so well that it was not very long before experience convinced all our directors that such restrictions could be dispensed with. Since this agreement was made we have taken various other steps for promoting good relations with our workers. In 1912 we established an Employees' Benefit Fund, under which our employees now held almost £300,000 of our share capital, which we hope to see increased within this present year to £400,000. Under this scheme, if 5 per cent. is paid to the Ordinary shareholders, employee Preference and Ordinary shareholders receive an additional 2½ per cent. and a further ½ per cent. for every 1 per cent. above 5 per cent., and for the year under review employee Ordinary shareholders on the Benefit Fund will receive 26 per cent., and employee Preference shareholders 13½ per cent. on the nominal value of their holding. We give great facilities to our employees for acquiring shares, and we have established a Savings' Fund, in which employees can make deposits at interest, withdrawable without notice. Those of our employees who have served, or are serving, with His Majesty's Forces will receive a free gift, in Preference shares to those who return to their employment and in cash to the dependents of those who have given their lives, amounting to a total value of about £200,000, whilst a sum of £12,562 has up to now been paid to the dependents of those in the Forces. We have recently established a Boys' Welfare Department for the benefit of more than 1,000 boys and youths in our employ, and everything points to this department proving a great success and most helpful in aiding the rising generation. These and other generous provisions, which it would be false and misleading to describe as charity, have been made by your directors with the purpose constantly carried in their minds of laying the foundation of a greater and more successful undertaking, by always showing sympathetic helpfulness to our workers in the confident belief that it would bring in return an increasing desire on their part to make a real living force of that first clause in our agreement with them, in which we each covenant to protect the interests of the other. If such principles and methods as we have followed consistently for more than 20 years fail to give industrial peace, I say boldly and unreservedly that the sin cannot be laid to our charge. Though the problems confronting us are difficult and the solution of some pregnant with almost infinite consequence, there is no note of despair in my view of our future as a nation. The greatness we have attained has been won by the exercise of the same qualities as are needed now, and I refuse to believe we shall disgrace the great traditions of our past. I have faith in the commonsense of the accredited leaders of labour, who, with rare exceptions, have given such striking proofs of patriotism and devotion to the State, as well as to the classes they specially represent, and I have faith in the overwhelming mass of the workers and no fear of their being deflected to Bolshevism preached by fire-brands, many of them foreigners or suborned by foreign gold, who conspire against the State and endeavour by anarchy to tear it to pieces. To parley with such men is mere waste of breath, and there is only one way of dealing with them, that is by the force they themselves invoke. In using force against such sternly, unsparingly, and relentlessly, the Government will be supported by all save an insignificant minority, and there is no fear of a nation, which has just given its blood and its treasure, without stint, and which showed a readiness for sacrifice never surpassed for what it rightly believed to be the cause of righteousness, carrying on an industrial war which would inevitably bring upon us ruin as great as failure to win the war would have brought. Were it otherwise the memory of our bright young manhood who have given their lives that we may live would rise in judgment against us. Their sacrifice calls to us to present a united front to the world and to remember the paramount claim of our country on our loyalty in peace as in war, and though to-day the echo of a vanished world falls upon our ears, so firm is my faith in our future that I believe it will be replaced by one brighter and better, brought into being in spite of present appearances, by the same national spirit that won the war.

The Aniline Dye Industry.

It is impossible to pass over in silence another question which occupied so much of our attention at three previous annual meetings. I refer to the establishment of the aniline-dye industry in this country. To the great joy of everyone

22 Branches in South America

BRANCHES

ARGENTINA
Buenos Aires
Rosario
Mendoza
San Rafael
Bahia Blanca
Trelew
Comodoro Rivadavia
Puerto Deseado
San Julian
Santa Cruz
Rio Gallegos

URUGUAY
Montevideo

U.S.A.
New York

In preparing to extend your business abroad your financial representation should be carefully considered. Unfamiliarity with conditions in new markets has often led to costly experiments.

By means of twenty-two branches in South America, seven in France, Spain, and U.S.A., and the affiliation of the Commercial Bank of Spanish America, Ltd., we are in a position to assist in solving your export problems.

BRANCHES

CHILE
Iquique
Antofagasta
Copiapo
Coquimbo
Valparaiso
Chilian
Talcahuano
Concepcion
Punta Arenas
Santiago

SPAIN
Barcelona
Bilbao
Madrid
Seville
Vigo

FRANCE
Paris

THE
ANGLO-SOUTH AMERICAN BANK Ltd.

CAPITAL and RESERVES, £6,472,714

Head Office: Old Broad Street, London, E.C. 2

interested in it, we now know that its overwhelming importance is at length, not only recognised by His Majesty's Government, but also by the Governments of all our great dominions beyond the seas. At one meeting of the Imperial War Conference Sir Albert Stanley, President of the Board of Trade, described it as "an industry vital not only in peace but in war," and also as "a problem of vital importance to every part of the Empire." The Conference, after lengthy discussion, unanimously passed the following resolution :

"The Conference takes note of the action taken and contemplated by His Majesty's Government with a view to freeing the industry of the United Kingdom from dependence on German dyestuffs, and recommends the Governments of the Empire to consider immediately what steps can be taken to co-operate with the efforts of the Imperial Government to promote the successful development of the dye industry in the British Empire, and so avoid enemy domination over our essential industries."

Germany's Unremitting Energy.

We must recognise the vast pains and unremitting energy displayed by Germany in securing the control of an industry dominating such a large percentage of the world's business, but in this there is little doubt that their object was even more political than commercial. They believed that through it they not only had the world in bonds, commercially, in which they made a most signal miscalculation, but they knew for a certainty that the industry was one of the greatest assets a country can have in case of war. In face of the impressive fact that in its latest report the Bayer Company admit that 95% of its production during the War period was for the German Government, the most casual observer cannot fail to see that it is not a matter of doubt or speculation, but a certainty that the German colour and chemical works have been one of the greatest assets to Germany in the War, so that not only the freeing from all dependence on Germany of such a volume of our trade as is vital to our position as an industrial nation, which in the past we unconsciously, by such dependence, placed in jeopardy, but also our safety as a nation, imposes upon us the duty and the necessity of pressing with the utmost zeal the rapid establishment of the industry in this country. The first great step to that end has now been taken by merging into one interest and control the two great dye-producing companies in this country—British Dyes, Ltd., and Levinstein, Ltd.—under the chairmanship of Lord Moulton, whose acceptance of the position has given unbounded satisfaction to colour users generally, who feel that his unique knowledge, rare tact, and ripe judgment, together with a clear grasp of the immensity of the task he has so courageously undertaken, and an enthusiastic determination to see it through, will carry us to complete success. The great work his Lordship did as Director-General of High Explosives is known to the whole country. In 1914, so utterly unprepared were we for war, that our production of high explosives was comparatively as insignificant as our production of aniline dyes. The prodigious production to which the country attained was due in no small measure to the unsparing energy and devotion of Lord Moulton, which, most happily for us, will now be diverted to the production of aniline dyes; but we need to remember that in the one case Lord Moulton had behind him the purse of the British Empire. In the case of aniline dyes the purse has mainly to be provided by those directly or indirectly interested, and in that a great responsibility rests upon us. I understand that an issue of a large amount of capital will shortly be made by the British Dyestuffs Corporation—the title of the merged companies, British Dyes, Ltd., and Levinstein, Ltd.—and I venture to submit that there is an obligation upon every man, firm, and company, even in the remotest way interested in dyes, to support the new undertaking by an application, however small, for a stake in it, not in the hope of large dividends, but in the performance of a national duty, only in a degree less urgent and imperious than subscription to War Loans. The hope of your directors is that the new Company will seek to bring about unity of effort on the part of the Allied nations. We have seen what this has done on the field of battle, and it is not unreasonable to believe that like unity of all the forces of dye production in Great Britain, America, France, and Italy would in a short time go very far to removing all difficulties; but there would be an appreciable gain in time by securing the whole-hearted co-operation of the Swiss. It is impossible to forget the enormous service which they have rendered to us and to all colour users during the period of the War, and to your directors it would be far preferable and most grateful if co-operation with them can be brought about. The acceptance by Lord Moulton of the chairmanship of the British Dyestuffs Corporation is a happy augury in this connection, as he possesses in most remarkable measure the confidence of the Swiss colour makers, so we may hope that one of the first fruits of his appointment will be some arrangement with the Swiss which will appreciably further the attainment of the great object we have in view. It has been stated repeatedly that in this country production to the value of £200,000,000 per year is dependent on aniline dyes. A careful examination of the Census of Production shows this figure to largely understate fact. In a recent speech Mr. William J. Mathieson, President of the National Aniline and Chemical Company of America, stated that aniline dyes entered into industries in the United States having a production of £500,000,000 a year. Adding an estimate of £200,000,000 a year for a like production in France and Italy, the enormous total of £900,000,000 a year is arrived at as the value of the production in the four countries to which aniline dyes are essential. As with two exceptions all the German colour works are within the territory occupied by the Allied Forces, the Peace Conference is not likely to fail to protect this vast production from any peril arising out of the dye situation. The recent disclosures of the French Minister of Finance as to the premeditated and systematic destruction of French factories ordered by the German General Staff in the interests of German trade show that in 1916 the German General Staff had a thorough and detailed survey made of 4,031 industrial works in the invaded territory. A like survey should be made at once of every works within the territory occupied by the Allies, of which the colour and chemical works are by far the most important, not with a view to the theft of their stocks and destruction of their plant, as was done by the Germans, but among other things in order to determine what action is necessary to effectually protect all production in Allied countries dependent on aniline dyes. It is greatly to be hoped that the Associated Chambers of Commerce or the Federation of British Industries will take immediate steps to have published and circulated broadcast in this country the pamphlet recently issued by the French Minister of Finance, along with the German book on which it is founded, which disclose German methods of promoting German trade so shocking as to be incredible if not proved so conclusively by German evidence, but no one who has read a book called "The Iron Circle," which sets forth the German plan to dominate the trade of the world after the War, and obtained from Germany by the United States Food Administration, will feel much surprise at the revelations of the French Minister of Finance.

The Accounts.

Turning now to a brief consideration of the accounts. After making the various provisions stated in the profit and loss account, and adding the income from investments and loans, and transfer and registration fees, our net profits amount to £644,585, to which has to be added £213,125 brought forward from last year's accounts, making a total of £857,710, which, after the deductions as set forth in the report, leaves us with a balance of £498,443 with which we have to deal to-day. Your directors recommend its appropriation as follows :

	£	s.	d.
To the payment of a dividend on the Ordinary shares for the six months to December 31, 1918, at the rate of 13% per annum, making, with the interim dividend, 10% for the year	88,171	0	1
To the payment of a bonus on the Ordinary shares of 7½%	101,735	15	6
To trustees for Employees serving with the Forces	10,000	0	0
To Employees' Benefit Fund	10,000	0	0
To carry-forward	288,536	18	10
	£498,443	14	5

Excess Profits Duty.

You will observe from the report that the profits of our American works are not included in the net profits for the period brought into the accounts, the reason being that excess profits duty in the United States was not finally settled when the accounts were made up. There is also the question as to whether the balance remaining will be liable to excess profits duty in this country. It is almost inconceivable that it should be so, as it would mean that our American works were run in 1918 entirely for the benefit of the American and British Governments, by reason of the fact that such works were not in full operation until near the end of 1912, with the result that the basis on which we are assessed for excess profits duty is very low, and I wish to make it perfectly clear that consequently under no conditions will the amount in suspense be very large. You will notice on the liabilities side of the balance sheet that sundry creditors as compared with the previous year show a decrease of £335,052. This difference is accounted for by the decrease in profits, which has reduced our liabilities in respect of excess profits duty and commissions. On the assets side, as you will have seen, our stock-in-trade shows an increase of £213,554, as compared with the previous year. This is due to our having steadily followed the policy of entrenching ourselves in a strong position for dealing with our customers' business, however difficult, by reason of the War, the position might become. The reduction of £301,182

in sundry debtors is due mainly to the payment by the Government of our claim in respect of the destruction of the dyeworks at Low Moor, though, of course, there is some decrease in trade debtors, arising from the less volume of business we have had in recent months. What will interest you most are the reasons for the decrease of £206,588 in the balance available for appropriation. The chief reason is the very large increase in costs for wages and coal, which have not been covered by the advance in dyeing prices. Then there is a net increase of £25,613 in the amount written off for depreciation, and £25,132 has been charged against the profits in respect of the estimated liability to employees on their holdings under the Employees' Bonus Register.

We have information that the works we had in enemy territory, that is in Alsace, one of the lost provinces now so happily recovered by our great ally France, have suffered practically no damage. We are acquainting ourselves with the position, but may have to wait until peace is signed and its conditions known before being able to finally determine our action. As I told you a year ago, however, ample provision has been made against any possible contingency.

Splendid Spirit of the Staff.

I cannot conclude without again most warmly acknowledging the splendid spirit of our staff. Their work for 4½ years has been most onerous, but they have done it with a cheerfulness and devotion beyond all praise, and I am confident you will join your directors in expressing warm gratitude to them. In view of the present situation, I cannot with confidence say anything as to our immediate prospects, but I am far from taking a pessimistic view of the future. I believe in the end common sense will prevail and that all the difficulties with labour will be overcome by the spirit of mutual consideration, and although we shall be faced by immense tasks, not the least of which will be in competing with countries which have not been damaged by the War, I believe when present troubles are over and confidence once more restored that we shall see such a volume of business as will employ all the capital and labour we can command, but whatever betide this you may rely on, that the first and foremost object of your directors will continue to be the protection of your interests by a just and prudent administration.

I now beg to move that the report and accounts for the year to December 31, 1918, as now submitted, be and are hereby approved.

Mr. Joseph Briggs seconded the resolution, which was unanimously adopted on the proposition of the Chairman, seconded by Mr. H. R. Armitage (*a*) That a dividend be paid on March 7, 1919, on the Ordinary shares of this Association from the six months to December 31, 1918, at the rate of 13% per annum, this dividend being the balance of a total dividend of 10% for the twelve months ended December 31, 1918; (*b*) That a bonus at the rate of 7½% be paid on the Ordinary shares of the Association; (*c*) That £10,000 be paid to trustees for employees serving with the Forces; (*d*) That £10,000 be allocated to the Employees' Benefit Fund for purposes similar to those for which £60,000 was appropriated from the profits for the year ended December 31, 1916, and in augmentation of the balance now remaining of that sum; and (*e*) That £288,536 18*s*. 10*d*. be carried forward.

Mr. F. W. Brearley moved and Mr. John Waterhouse seconded the following resolution: "That the limit of the number of shares which may be placed on the employees' bonus register be increased from 300,000 shares as mentioned in sub-clause (8) (E) of clause 126 (A) of the Company's Articles of Association, to 400,000 shares.

The resolution was carried.

Mr. H. H. Pulman and Mr. E. Clough seconded the following: That Messrs. Thomas Dawson, Alfred Haigh Lumby, George Sargent Haslam, Ernest Fitzherbert Holdsworth, Peter Emil, Helga Melbye, Henry Ripley, Milton Sharp, Junr., Fred Shaw, Herbert Shaw, Arthur Ward, Harold Whitaker, and Thorp Whitaker be and are hereby re-elected, and that Messrs. Archie Ewing and Arnold Highley be and are hereby elected to the general board of the Association.

The resolution was carried.

Mr. A. B. Fisher moved and Mr. Chas. Raper seconded: That the sum of £2,000 be voted to the General Board for their services as directors for the year to December 31, 1918, this sum to be divided as the board may determine. The resolution was adopted.

Mr. G. H. France moved and Mr. R. Turner seconded: That Messrs. Jones, Drewdson, and Youatt, of 7 Norfolk Street, Manchester, be and are hereby re-elected auditors of the Bradford Dyers Association, Limited, for the period of the accounts to December 1919 at the remuneration of £1,250.

The resolution was carried.

On the proposition of Mr. Hector Morison a resolution of thanks was passed to the Chairman for presiding. Mr. Morison expressed the opinion that if all companies adopted the same attitude as the directors of the Bradford Dyers Association, Limited, had done, were doing, and intended to do, there would be very little talk about labour unrest.

The Chairman briefly acknowledged the vote of thanks, and the proceedings terminated.

ISLE OF WIGHT RAILWAY.

The ordinary general meeting of the proprietors of this Company was held at the Cannon Street Hotel, Cannon Street, E.C., on February 25 last. Mr. P. W. Gilbert, the Chairman of the Company, presided.

The Chairman, in moving the adoption of the report and accounts, said: You will be glad to hear that the season for 1918 was an exceptionally good one in the Isle of Wight, having regard to the fact that the War was still raging, the whole of the resorts served by your railway being filled. The number of passengers conveyed during the year, exclusive of Naval and Military traffic, being 894,472, against 652,136 in 1917. With regard to the coming season, you will, I am sure, be interested to learn that, London and South Western, and London, Brighton and South Coast Railway Companies have already restored some of the fast services with Portsmouth, which should be of great benefit to the island. There is now a movement on foot in the island which has in view the improvement of the communications with the mainland, which we regard with sympathy. One suggestion is that the train ferry which has been in use for war purposes between Southampton and France should be secured for the purpose, and another that a tunnel should be constructed, but the matter has not yet taken definite shape as to which, if either, of the two schemes will be supported by the Isle of Wight people. If you will please turn to No. 8 Account (page 3) you will see that the total receipts from railway working amounted to £56,011, and, deducting therefrom expenses £34,943, there is left a net receipt from railway working of £21,068; to this has to be added £2,599, receipts from rents, tolls, etc., making a total net income of £23,667, as against £23,404 in 1917. The balance brought in from the last account is £1,981, and adding to this the £23,667, we have a total of £25,648. Out of this has been paid £8,563 for interest on Debenture stock, and other fixed charges, and £6,550 for interim dividends on the Preference and Ordinary stocks, leaving a balance of £10,534 now available for further dividends, and we are to-day recommending that final dividends be declared of 2% on the Preference and 2% on the Preferred Converted Ordinary, making on each of these stocks 4% for the year. We also recommend that a final dividend of 1¾% be paid on the Deferred Converted Ordinary stock, making with the ¾% interim dividend paid on August 22, 2½% for the year, being the same as in the year 1917.

The Hon. Gilbert Rolls seconded the resolution, which was carried unanimously.



Alone, maybe—but never lonely with your pipe and a pouchful of this especially companionable smoking-mixture . . .

"King's Head" is similar but stronger
Both are sold everywhere
1-oz packets 11½d. Tins: 2-oz 1/11—4-oz 3/10

Cigarettes
(Medium)
5½d for 10:11d for 20
Boxes of 50 2/2½—100 4/3

Stephen Mitchell & Son (Branch of the Imperial Tobacco Co. (of Great Britain and Ireland) Ltd. 36 St Andrew Square, Glasgow 874

SOUTH SUBURBAN GAS COMPANY.

THE ordinary half-yearly general meeting of the South Suburban Gas Company was held on February 21 at the Cannon Street Hotel, Mr. Charles Hunt (the Chairman) presiding.

The Secretary (Mr. Wilfrid Wastell) read the notice convening the meeting.

The Chairman, in moving the adoption of the report and accounts, said: The first matter mentioned in the report is the reduction of 3*d*. per 1,000 cubic feet, which we had the satisfaction of announcing towards the close of last year, and which was hailed in some quarters as though it presaged a general return to lower prices. Unfortunately, this was not the case; on the contrary, it is already uncertain whether, owing to fresh demands from miners and others, it can be maintained. Now, however, that we are free to speak, it is as well to explain how this reduction became possible. For some time previous to the War the Company had been supplying gas for manufacturing purposes under a contract advantageous enough under normal conditions. It was, however, quite impossible for anyone to foresee the outbreak of war, with its enormous demand for munitions, and the consequent increase of this particular consumption to something like 14 or 15 times the original amount. And I venture to think that it speaks well for the resources of the undertaking, and also for the management, that year after year huge increases of this particular consumption at the extremity of the Company's district, and remote from any manufacturing works, were met without failure of any kind. It is but right that I should mention in connection with this supply those of the Company's officials who, under the engineer, Mr. Shoubridge, were directly responsible for its maintenance. They are Mr. Judd, the superintendent of the Bromley works, Mr. Gosling at Cray, and Mr. Jeffrey at Crayford, all of whom gave unremitting attention to it, and had very anxious times in connection with it. Unfortunately, manufacturing costs also greatly increased, and although somewhat early in the period these were satisfactorily met, during the last year or so the position became serious. Representations were accordingly made with regard to them, and eventually a fresh settlement was arrived at by the efforts mainly of our excellent secretary, Mr. Wastell, the benefit of which was immediately given to consumers.

The Whitley Reports and Co-partnership.

In the order of its importance, I venture to think that the subject of co-partnership stands second to none at the present time: and I make no apology for referring at once to the recent development of this system as affecting this Company's operations, particulars of which have already been sent to every proprietor. It is needless to say that this development is the result of very careful consideration on the part of all concerned—directors as well as co-partners. It had its origin in what are known as the Whitley Reports, which, when first published, were hailed by many—myself amongst the number—as a step towards co-partnership; and they are certainly in advance of anything short of co-partnership that had previously been attempted with the object of promoting conciliation between employers and employees. Great, therefore, was the surprise on finding that in later reports co-partnership is treated as of little or no account in the matter. The whole of the reports, however, were referred to the Company's co-partners, and their opinion invited as to whether or not they were likely to form the basis of a satisfactory working arrangement. In the result, a committee of co-partners, meeting entirely by themselves, came to certain conclusions, which are all embodied in the report which is in your hands, and therefore it is not necessary for me to quote the whole of them. The first resolution passed by this committee reads as follows:

"Whilst recognising in the recommendations of the Whitley Committee a great advance in existing methods of settling general conditions, adjusting points of difference, and thus avoiding disputes, we desire to express our extreme regret that the Committee refrained from making any recommendations with regard to co-partnership undertakings, and also that the Ministry of Labour, in compiling particulars of existing forms of Works Committees, failed to publish evidence which must have been available to them, of the work of co-partnership committees of the gas industry, in harmonising relations between employers and employees." This resolution was followed by another, which reads thus: "We are of opinion that our co-partnership committee can be adapted to carry out the functions of Works Committees more harmoniously and conveniently than any other form of committee which excludes the special relations existing in co-partnership."

Then follow other resolutions, which mainly concern the machinery by which the co-partnership system is brought into operation—namely, by appointing the elected members by the co-partnership committee (composed of members nominated by the directors and an equal number elected by the employees) a committee to whom are referred all grievances or disputes which cannot be settled with the management—the decisions of such committee being subject to the approval of the co-partnership committee as a whole. These resolutions, together with the others which appear in the report, were approved by a general meeting of co-partners at Lower Sydenham, which the directors attended, and over which I had the good fortune to preside; following which this final resolution was unanimously adopted: "This meeting of employee co-partners hereby agrees to accept the co-partnership committee as a Works Committee for the purpose of adjusting any matter affecting our interests as employees, in preference to any other form of committee, and pledges itself to adopt no other means for the settlement of any matter at issue until the whole machinery of our co-partnership system has been utilised without satisfactory result." Similar meetings were afterwards held at Bromley, and at Cray, with the same result. This, in brief, is the scheme which has now been in practical operation for several months with complete satisfaction to all concerned. In addition, the assistance of the co-partnership committee has been enlisted for improving, so far as it may be practicable to do so, the conditions of employment, both physically and also as regards the general welfare of the employees. It is believed that in so doing we are building upon the sure foundation bequeathed to us by Sir George Livesey, and are adpting the super-structure to the requirements of to-day, as he would have done had he remained with us.

Increased Area of Supply.

The latest Gas Rationing Order, to which reference was made at our last general meeting, has fully justified what was then said of it. It has inflicted considerable hardship on a comparatively small number of consumers who had pinned their faith to gas heating, the bulk of the consumers having been left practically untouched. Nor is it possible to imagine it as productive of results at all commensurate with the labour and expense it has involved.

As mentioned in the report, the Company's Bill of last Session became law towards the end of the year, and the transfer of the Dartford undertaking has since been effected. This increases the area of the Company's district of supply by 42 square miles, or to 143, as compared with its original area of 14.57 square miles. It is quite believed that this additional area is capable of further development, which cannot but inure to the advantage of the undertaking as a whole. The one satisfactory feature in the accounts is the substantial increase in the amount to be carried forward—namely, to £21,972, or something like the equivalent of a half-year's dividend at the present greatly diminished rate. This carry-forward is, as may be supposed, attributable to the satisfactory settlement already referred to, and fully justifies the reduction of price to consumers.

The Deputy-Chairman (Sir J. Fortescue Flannery, Bt., M.P.), seconded the resolution, and it was carried unanimously.

THE CITY OFFICES COMPANY, LIMITED.

THE ordinary general meeting was held on February 25 at Palmerston House, E.C., Mr. E. M. Rodocanachi (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, observed that for the last four years he had addressed the shareholders under the cloud of a terrible War, and it was indeed a relief to-day to do so under happier auspices, now that hostilities had ceased and peace was in sight. We must henceforth consider reconstruction, and in his opinion the first necessary step was to get rid of Government interference in our commerce, our banking, our trade, and our industries generally. D.O.R.A. and her works must go, and there must be no general extension of the arbitrary powers under that Act. If bureaucracy were allowed to maintain its hold on us in this country our industries could not recover, and their Company, like others, would suffer. He thought that every company chairman in the City in these times should allude to such matters, because although politics did not come within their province, trade and industry did. He trusted that a substantial indemnity would be recoverable from the Central Powers to go in relief of our taxes, and he would urge on the taxing authorities that the excess profits tax should be reduced by at least one-half, if not totally repealed, and that the income tax should also be reduced to enable trade and industry to recover. In fact, he thought it would be far better not to seek to balance our expenditure entirely by taxation for two or three years, but to allow the natural resources of the country time fully to recoup before doing so.

Turning to the Company's affairs, he said that they had applied out of revenue £2,824 to the leasehold sinking fund. As the result of this fund they would have the whole of their capital provided for before their leases expired. The shareholders did not appear to realise the effect this would have on the Company's assets, or their shares of £12 each would not be selling at 6½ and returning nearly 10%. During the year they invested £5,000 in National War Bonds, 1923. That was a temporary employment of capital pending the rebuilding of their Bishopsgate property, which they hoped to take in hand so soon as Government interference no longer hampered builders, steelmakers, and other trades necessary for rebuilding. The rebuilding of that property should be very profitable to this Company, as at the present time it was bringing in no revenue at all. In consequence

of the War restrictions they were last year again unable to do many necessary repairs, and therefore they added out of revenue £5,000 to their repairs suspense account, which now stood at £7,000. The Government allowed them to proceed with repairs at Baltic House to make good the heavy damage done by the air raid in July 1917. Some decorative work still remained to be done. The Government met their claim for the damage very fairly, and their thanks were due to Mr. Harrison, their architect, for successfully carrying through this difficult matter. He stated that at the end of last year Mr. Freeman (the General Manager and Secretary) completed 50 years in the Company's service, and the board marked the occasion by presenting him with a cheque for £500. He felt sure the shareholders approved of their action.

Mr. E. F. North seconded the motion, which was carried unanimously.

THE INTERNATIONAL PAINT AND COMPOSITIONS COMPANY, LIMITED.

The eleventh ordinary general meeting was held on February 24 at Winchester House, Old Broad Street, E.C., Colonel Sir Herbert Jekyll, K.C.M.G. (the Chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said that the profit for the year under review, after writing off bad debts, amounted to £83,232 odd—an increase of less than £1,000 on the corresponding figure of the year 1917. This was as satisfactory as the directors could have expected, looking to the disturbed condition of industry, the shortage and high cost of labour, and the numerous difficulties incidental to the continuance of the War, including the restrictions upon trade, which, though doubtless unavoidable, were none the less harassing. That they had succeeded in maintaining the profit at a figure not less than that of the previous year, when the difficulties, though great, were less formidable than they had become recently, was, he thought, a matter for congratulation, pointing as it did both to the soundness of the business and to good work on the part of the staff.

Profit Allocations.

The interim dividends distributed in 1918 were at the rate of 3% on the Preference shares and 4% on the Ordinary shares, and accounted for £16,000. They were thus left with a balance of £83,786. In dealing with the balance available for distribution, the Company was once more faced with the disturbing item of excess profits duty. So far, notwithstanding unremitting efforts on the part of the directors, they had not succeeded in obtaining a settlement, and they were consequently compelled to carry forward a sufficient sum to meet the duty not only for the year 1918, but also for the two previous years. Acting under the best advice they could obtain, the directors proposed to make provision which they had reason to hope would be more than sufficient to meet the demands of the Inland Revenue. They also proposed to appropriate £6,000 to the payment of the final dividend at the rate of 3% on the Preference shares, making, with the 3% already paid, 6% for the year; and £15,000, at the rate of 6%, on the Ordinary shares, making, with the 4% already paid, 10% for the year—the same as in 1917. In both cases the distribution would be made less income tax. They further proposed to apply £20,000 to contingencies, half by way of addition to the contingency fund, which now stood at £32,500, and the other half to a special contingency fund which it was proposed to create for the purpose of providing for possible depreciation in the value of stocks of raw materials and manufactured goods, which for the moment stood at a higher figure than usual. These items, amounting in all to £41,000, left them with a balance of £42,786, which included provision for excess profits duty leviable in 1916, 1917, and 1918, and this amount it was proposed to carry forward. Turning to the other side of the balance sheet, the investments were put at £145,880, as compared with £136,311 in 1917, the difference being attributable to additional capital invested in a company in America in which they had a large interest. Taking the investments as a whole, the directors believed their value to be not less than the amount at which they stood, but in order to be on the safe side they had the contingency fund he had just mentioned, which could be applied to meet depreciation, should the necessity arise.

Increase in Trading Profit.

In the profit and loss account the first item—namely, working charges, salaries, wages, &c.—was £79,473, as compared with £49,507 in 1917. The increase was large, but not so large as it appeared to be, because the figures were not comparable owing to a change in the method of accounting, introduced for the first time in 1918. Such increases were watched most carefully by the directors, and no efforts were spared to keep them within reasonable bounds. The growth of administrative charges was, however, not unproductive, and had been accompanied by a marked advance in the market value of the shares. On the other side of the account, trading profit was £123,683, as compared with £97,236 in 1917, though, having regard to the increase in working charges, &c., these amounts are not really comparable. The investment revenue showed a slight decrease from £34,521 in 1917 to £33,856 in 1918. This amount was made up of dividends on shares which the Company held in a number of undertakings allied to their own both at home and abroad. Needless to say, they were not all equally productive, and in the case of some the profit varied largely from year to year, though in the aggregate the tendency was to maintain a fairly steady revenue. With regard to the Company's prospects, the Chairman said he was bound to admit that, looking to the uncertainty which prevailed in every direction—in the conditions of labour, in the trend of prices, in the prospects of shipping, in taxation, and even in legislation—it was a matter of extreme difficulty to find anywhere solid ground upon which to build a trustworthy forecast. There was no reason, however, to be dissatisfied with the results of 1918, and he could see no reason why the results of 1919 should be less satisfactory.

Mr. A. G. H. Ward (Vice-Chairman) seconded the motion, which was carried unanimously.

The retiring directors and auditors were re-elected, and a vote of thanks to the Chairman and directors concluded the proceedings.

JEREMIAH ROTHERHAM AND CO., LIMITED.

The twenty-first annual general meeting was held on February 26 at the Shoreditch Town Hall, Old Street, Shoreditch, Mr. Frederick Snowden (Chairman of the Company) presiding.

The Secretary (Mr. Herbert H. Piggin) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: I propose to deal with the items in the balance sheet very much as they are set out, omitting such items as I do not consider are of sufficient importance to expound in detail. The first three items on the assets side of the balance sheet relate to what we have always called the inactive assets of your business—that is, the premises, fixtures and fittings, and the movable plant, furniture, horses, vans, &c. After taking off the depreciation allowed and adding the additions, you will see that the total shows a reduction as compared with last year of £1,436. The next three items on that side, together with one on the liability side—those are stock, book debts owing to us, and stationery and sundry stores on the assets side, and the book debts owing by us on the liability side—show a large increase, and account for the difference which you see in the total of the balance sheet as compared with last year. They all reflect the tremendous increase in the trade that we have done during the past year as compared with the year before.

Quick Turnover of Stock.

As regards the stock, which has increased by no less than £183,000, I may tell you that we are perfectly satisfied that it is all of good value, and I may add that it has all been going out well since stocktaking. I may also tell you, and I hope it will be satisfactory to you, that, notwithstanding the large increase of stock which we now hold, never since the incorporation of the Company, 21 years ago, have we turned our stock over quicker than we did last year. I may say just the same about the book debts owing to us; they are only £22,000 more. I think we may derive some gratification from the fact that the amount is not more; it is an indication, which we are very pleased to recognise, that our customers have been able to pay up exceedingly well. With regard to the investments, these are £23,000 more than a year ago. Cash at bankers is £46,971 less, but last year we had some £90,000 on deposit at the bank, which we had to withdraw and use in the general interests of the business towards paying the excess profits tax. We are putting to reserve this year £20,000—that is £10,000 to general reserve and £10,000 to a general contingency account. Then we are paying the same amount of Preference dividend as before, and we propose, subject to your approval to-day, in view of the extremely good year we have had, to pay an additional 1% to the Ordinary shareholders. We are recommending a dividend of 10%, with a bonus of 8%, making 18% this year, against 17% last year. That absorbs £64,000, leaving, as is shown in the balance sheet, a total of £225,465 12*s.* 6*d.* That total, however, is misleading unless you read the comment which is made against it in the balance sheet. It is subject to excess profits duty for the year ended January 15, 1919. The excess profits duty is very heavy. We have not yet been able to ascertain from the authorities exactly what we have to pay, but, taking as a basis what we have paid before, we reckon that it will come to about £180,000. Of course, we have done well, and we shall have to pay the Government that £180,000. Last year the balance brought forward was £130,107, and out of that we had to pay £97,145, which left a real working balance of £32,962. If our estimate this year is correct, and we have to pay £180,000, that will leave a balance available for the current year's operations of £45,465 as against £32,962, or £12,500 more than the amount brought in. We thought it was just as well to make a little reservation for the future, and that is what we have done.

Excess Profits Tax—A Protest.

I hardly know what to say on the question of the excess profits duty. I do feel that the chairmen of all companies, and that the heads of every business firm or manufacturing firm, ought, so far as they can without doing any injury to their country, protest against its continuance in the present form, if not demand the absolute abolition of this exorbitant tax. It really is exorbitant when you consider wnat it means to you gentlemen as the proprietors of a business firm. I do not think I shall be considered wrong in calling it iniquitous to take, without incurring any risk or loss, 30% of the extra profits of this tremendous amount of business that we have done, which has already helped the country so very considerably in the ordinary income tax. I do hope that every pressure will be brought to bear upon the Government to show consideration for the business men of this country. I have told you of the extra trade we have done, and I have shown you what your extra stock is, and what your extra book debts are, and the amount of money all this has absorbed in value, but it is not cash. How is the business to be carried on if the real pounds, shillings, and pence are to be extorted from it? It practically paralyses a business, and ultimately, if it is continued, I think will very much prejudice the benefit which the Government hope to get from the tax. I can hardly express myself too strongly on the subject, and I felt I could not deal with the accounts without referring to it.

Mr. Wm. Ellis seconded the motion, and it was carried unanimously.

THE ORIENT TRUST, LIMITED.

THE seventh annual general meeting was held on February 25 at Winchester House, Old Broad Street, E.C., Mr. E. L. Hamilton (the Chairman) presiding.

The Secretary (Mr. F. E. Maguire, A.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—We have now the pleasure to submit our report and accounts for the year ended December 31 last. The document has been in your hands for the customary period, and I presume I have your permission to take it as read. (Agreed.). The net profit earned for the year was £5,423 0*s.* 10*d.*, and in addition there is a profit on securities realised of £6,418 5*s.* 3*d.*, making a gross profit earned of £11,841 6*s.* 1*d.*, against a gross profit of £16,716 9*s.* during the previous year. Following our usual custom, the profit on securities realised has been applied in writing down the cost of securities, so that the amount we have to deal with to-day is the net profit earned of £5,423, out of which we propose to pay a dividend of 5%, which will absorb £5,343, leaving the carry-forward at £2,830, against £2,751 brought into the accounts before you. It is common knowledge that since we last met the rubber industry has passed through critical times, and that owing to the difficulties in marketing the produce, even the strongest concerns deemed it prudent to conserve their financial resources and to forgo the payment of interim dividends, which in normal times they would have felt justified in distributing to their shareholders. I may say that it is due to the absence of the usual interim dividends on the securities held by the Trust that the net profit has decreased to £5,423, against a net profit earned during the preceding year of £11,904. We must hope that this deficiency will to some extent be made up when the companies issue their accounts for 1918 and distribute their final and only dividend for the year.

Sound Financial Position.

Under the circumstances which I have mentioned, and owing to the sound financial position of the Trust, with which I shall deal presently, we have not considered it necessary on this occasion to make any allocation to our reserve account, and have thought it only right and fair that the whole of the net profit earned should be distributed to the shareholders. (Hear, hear.). The securities held by the Trust were valued at the prices ruling on the Stock Exchange at December 31 last, and showed an appreciation of £42,218 on the book cost at which they stand in the balance sheet. This compares with an appreciation of £56,814 at the same date in 1917, and an appreciation of £31,156 on December 31, 1916. I may say that the appreciation referred to is on rubber and tea shares, and that "other securities" stand in our books at the market price on December 31 last. The appreciation in value represents 5*s.* 7½*d.* per share, the capital reserve 2*s.* 4*d.*, and the carry-forward a further 4½*d.*; the break-up value of the shares on December 31 last was therefore 28*s.* 4d. (Applause.)

Cost of Investments per Planted Acre.

The cost per planted acre of the Trust's holdings has been further reduced, and now stands at £76 14*s.* 8*d.* This compares with £83 4*s.* 10*d.* a year ago, £90 14*s.* 6*d.* in 1916, £93 6*s.* 5*d.* in 1915, and £99 4*s.* 6*d.* in December 1914—a reduction of £22 9*s.* 10*d.* in four years. (Applause.) I think you will agree with me that this is very satisfactory, and that the figure I have quoted is considerably below the cost at which you could to-day purchase shares in any first-class rubber company. The total cost of our investments is £169,858, and of this £127,170, or 74.87%, is invested in rubber and tea. The balance is invested as to £15,833, or 9.32%, in "other securities," and £26,855, or 15.81%, in War Loans. The figures a year ago were 80.64% in rubber and tea, 10.84% in "other securities," and 8.52% in War Loans. The percentage of our capital invested in rubber and tea has therefore been reduced by 5.77%; in other securities we have reduced our investments by 1.52%, and we have increased our holding of War Loans by 7.29%.

Improving Prospects.

The conditions during the year we are now reviewing have been abnormal, and, as I warned you in my address a year ago that there were troublous times ahead, and to expect, in consequence, lower dividends from the companies in which the Trust is interested, you will have been prepared for a reduction in the net profits of the Trust. This, I hope, is only a temporary set-back. The assets of the Trust, as you will see from the list published in the report, are all invested in sound concerns, from which, under normal conditions, we may expect dividends which will assure to our shareholders a satisfactory return on their investment. All the rubber companies in which the Trust is interested joined in the scheme of the Rubber Growers' Association for the curtailment of production in 1918. Curtailment automatically means higher working costs, and this will doubtless be reflected in the dividends when the 1918 accounts are published. I am hopeful that 1919 will show more favourable results. Normal production has now been resumed, and there is plenty of tonnage available to remove the crops. There is also a fair prospect of remunerative prices for the produce. I will now move:—"That the statement of accounts and balance sheet at December 31, 1918, and the reports of the directors and auditors, be received and adopted."

Mr. T. Cuthbertson seconded the motion, which was carried unanimously.

The Chairman next moved: "That a dividend of 5%, less tax, be and it is hereby declared payable on February 25, 1919, to the shareholders on the books of the Company on February 12, 1919."

Mr. J. B. Young seconded the motion, and it was unanimously adopted.

Mr. Cuthbertson proposed the re-election of Mr. E. L. Hamilton as a director of the Company, which was seconded by Mr. Young and unanimously agreed to; and on the motion of Col. Sykes, seconded by Mr. G. L. Laird, Messrs. McAuliffe, Davis and Hope were reappointed auditors.

Mr. E. A. Bennett moved that a hearty vote of thanks be accorded to the Chairman and his co-directors for their able conduct of the business of the Company during the past year, and said that in doing so he would like to take the opportunity of congratulating them upon the sound financial position of the Company.

The vote was seconded by Mr. C. A. Curry, and unanimously passed, and the Chairman having made a brief acknowledgement, the proceedings terminated.

VYSE, SONS AND COMPANY, LIMITED.

THE twenty-first ordinary general meeting was held on February 24 at 76 Wood Street, E.C., Mr. Sidney Thirkell presiding.

The Chairman said that the balance sheet disclosed a profit which far exceeded anything hitherto shown by the Company, even after providing for the excess profits duty. Further important features were the allocation of £5,000 made to the reserve fund, which would amount to £100,000; the amount of £10,000 which it was proposed to distribute as a special bonus to the staff and war contingencies account; and the proposal to pay a dividend and bonus amounting in all to 15% on the Ordinary share capital and 9% on the Preference share capital.

Mr. Claude Thirkell (Managing Director) stated that the increase in stock, far from being a "weak spot" in the balance sheet, was quite the reverse. Proceeding, he said: Our plans for the future can be summed up in one word—"development." We have recently acquired premises at Manchester which are four times the size of those hitherto occupied. At Cardiff our accommodation has been similarly increased. We have taken one of the finest blocks of premises in Montreal for the development of our business in Canada. We have considerably increased our machinery and plant in our factories at Luton and St. Albans. In Paris, through which branch we conduct a very large business with America and our Colonies, arrangements are in progress for greatly extending our business in this direction. In March of last year we opened new premises in Holles Street, Oxford Street, W., for the purpose of developing our West-End trade, and the result of nine months' trading is most gratifying. Improvements are also being made in Wood Street, and I think you will gather from these remarks we are "developing" in every direction. I should like particularly to refer to the special bonus distribution to the staff. Last year was the first occasion upon which a distribution of this nature was made, and so great was the appreciation expressed that I, for one, hope that the success of the Company will enable us to make this distribution a permanent feature of our business. I have mentioned "development," but this word, in my opinion, is entirely

dependent upon another—namely, "co-operation." Let your employees feel that they have a stake in the prosperity of the business in which they are engaged, and let that stake be of a tangible nature. The greater the success of the Company, the better it is for them. The successful result which we show to-day has not been obtained through inflated prices in any way. As a matter of fact, our rate of gross profit has not varied to the extent of ½%. The success has been obtained by the great increase in our trade. Our principal aim is to maintain, and increase, if possible, our turnover on the same profit basis as before.

The report was unanimously adopted, and the dividends and bonuses recommended were declared.

MAPLE AND COMPANY, LIMITED.

The annual general meeting was held on the Company's premises, Tottenham Court Road, on February 27, Mr. Clare Henry Regnart, J.P. (the President), in the chair.

The President said: Ladies and Gentlemen.—This is the 29th occasion on which we have had the pleasure of meeting you, and I think that this is the most satisfactory balance sheet we have ever presented.

Position of Unequalled Strength.

Now that the emergency has passed, we can resume to our full capacity our old and more legitimate undertakings, which are bound to receive an immense impetus, the logical and necessary result of the postponed furnishing of four years. We are in a position of unequalled strength to meet any and every requirement. A world-wide reputation, the superiority and artistic excellence of our goods—these are substantial assets which are well known to those whom we deem to be our regular customers, and whose word of recommendation will assuredly pave the way for increased business. I fear no reversal of judgment in this respect, and firmly believe that we are as well able to take care of ourselves as at any time in the history of the Company. Now that demobilisation is in full swing, we are welcoming back those of our members who have taken their part in the War, and who wish to renew their service with us. This accession of strength to the staff will give us a greater capacity for dealing with the new business which we expect.

The Accounts.

If you turn to the balance sheet you will see that our stocks and other items are £1,984,000, against £1,683,000—an increase of £300 000 on last year. Book debts are £1,622,000, against £1,292,000—a rise of over £330,000. This was brought about by the largely increased turnover and also the higher prices prevailing, which I might mention are still maintained. On the debit side of the balance sheet you will notice that trade creditors figure for £140,000, against £101,000 last year. Sundry creditors are £26,000 higher, also owing to the same cause that I have just stated. We now come to the most important item on this side of the balance sheet, the balance of profit, which is £403,000 against £225,000 in the preceding year—an increase of £178,000, which has enabled us to place £116,000 to reserve, and to distribute £150,000 in dividend, leaving a carry-forward of £207,000, which we propose to distribute by a method which I will explain to you later.

We are pleased to tell you that in spite of the most exceptional and untoward conditions in Paris, of which you are all so well aware, trade has been good there, and particularly during the past few months, the results being on the whole most satisfactory. A similar state of things, although differing in degree, has prevailed both in Buenos Aires and Monte Video. Although strikes and labour unrest generally, as everywhere else, have largely prevailed in South America, the returns from our branches in these cities have been much better than in 1917, and consequently with equally good results as shown for Paris.

Excess Profits Duty.

You will probably have noticed that, although the profits of the Company have been increased by a very large amount, no reference is made either in the report or balance sheet as to excess profits duty. Well, ladies and gentlemen, we claim that we are not liable for this duty, but the question is an open one, the fact of the matter being that it is almost impossible to apply the section of the Finance Act of 1915 imposing the excess profits duty to the state of affairs which has subsequently transpired—viz., that of there being a varying rate of duty of 50, 60, and 80% from the period of the excess profits duty legislation. In neither of the first three years of the War did the profits of the business reach the pre-War standard. On the contrary, there was a considerable deficiency. In 1917, however, this deficiency was reduced, but we still have a considerable amount of deficiency to go against the increase of profits made in 1918 over the standard. The official practice in arriving at the assessment has, in our opinion, in consequence of the varying rate of duty, been on a wrong basis; but I am informed that there are appeals to the High Court pending, and if those appeals are successful, there will be no assessment for the year 1918. Our auditors prepared accounts at December 1917, but the authorities would not deal finally with these accounts beyond agreeing that there was no assessment for that year.

Additional Capital.

We are now asking the permission of the Treasury to make a fresh issue of capital, and you will be asked presently to pass the necessary resolution giving us power to increase the capital of the Company. As regards the new issue we propose proceeding in the following manner: We shall declare a further cash dividend of 4*s.* for each share held, or 40*s.* for each 10 shares, which will leave, with income tax deducted, a net amount of 28*s.* 6*d.* in respect of each 10 shares; thus we shall have allocated £200,000 of the accumulated and undistributed balance of profit belonging to the Ordinary shareholders. We shall make an offer to the Ordinary shareholders of 100,000 Ordinary shares (*i.e.* one for every 10 held) at the price of 28*s.* 6*d.* each. It will be open to any shareholder to accept them or not as he pleases. A form will be sent for those who desire it to accept this offer, and, in the case of those who accept, the 28*s* 6*d.* will be appropriated in payment of the share accordingly. Those who do not accept will receive the dividend in cash. Further, we propose to offer a further 250,000 Ordinary shares at the price of 30*s.* each, and the present shareholders will have the first right of taking one of these shares for each four now held by them. Our object in making this latter issue is to provide the Company with funds for paying off its loan of £320,000, which you will have noticed in the balance sheet, and other indebtedness. It may have been apparent to you that, with present-day prices, it would have been next to impossible to carry on with our present capital, as stocks and other items which were sufficient for pre-War purposes are now practically double. It is conceded, and it is reasonable to anticipate, that these increases and commitments are likely to remain as a permanency. I may say that it is our intention of holding quite as large, if not larger stocks than before, for it is our belief that this method is one of the chief reasons of our supremacy.

The President concluded by moving: "That the report, accounts, and balance sheet of this Company for the year 1918 be approved and adopted, and that a further dividend of 12½% be declared and paid, making with the interim dividend of 2½% paid on September 1, 1918, a distribution of 15% for the year; that the holders of the management shares receive by way of dividend the amounts provided by the Articles of Association; that £116,000 be placed to reserve, raising the total reserve to £833,000; that £15,000 be allocated to a special fund for maintenance and reinstatement of premises, postponed owing to the war; that £20,000 be paid as war bonuses to certain members of the staff, and that the sum of £206,998 7*s.* 9*d.* be carried forward to the credit of the Ordinary shares."

Mr. Fredk. A. Dinham (Vice-President) seconded the resolution, which was carried unanimously.

The retiring directors and auditors were re-elected, and on the motion of the President, seconded by Mr. Dinham, it was unanimously resolved: "That the capital of the Company be hereby increased by the creation and issue of 500,000 shares of £1 each to rank in all respects *pari passu* with the Ordinary or C shares of the Company, so that the capital of the Company shall hereafter consist of 1,000,000 6% Preference or A shares of £1 each, 1,000 Management or B shares of 4*s.* each, and 1,500,000 Ordinary or C shares of £1 each, and that the directors be hereby authorised to issue the said 500,000 new Ordinary or C shares at such time or times and upon such terms as they shall think fit."

A vote of thanks to the President, Vice-President, directors, and officials of the Company concluded the proceedings.

BARCLAYS BANK LIMITED.

Head Office:

54 LOMBARD STREET, LONDON, E.C. 3.

This Bank is in close touch with leading Bankers in all parts of the world, and provides facilities for the financing of every description of Overseas business.

Traders interested in the Foreign Markets are invited to correspond with

THE FOREIGN MANAGER.

Foreign Branch:

168 FENCHURCH STREET, E.C 3.

WALKER AND HOMFRAYS, LIMITED.

At the recent annual ordinary general meeting of Walker and Homfrays, Limited, held at the Devonshire Hotel, Ardwick, Manchester, the Chairman of the Company (Mr. J. H. Davies) presided, and in opening the proceedings, called on the Secretary (Mr. H. Spray) to read the minutes of the last annual meeting (held on March 5, 1918), and then on Mr. W. Bolton to read the certificate of his firm as auditors.

The Chairman proposed, Mr. Cecil B. Morgan seconded, and it was unanimously resolved, that the report, balance sheet, and the recommendations of the directors be approved and adopted, and that accordingly the interim dividends already paid be confirmed, and that a bonus on the Ordinary shares at the rate of 5% per annum (free of tax), amounting to 1s. per share, be declared and paid forthwith.

The Chairman said: Before I put this resolution I should like to say a few words on the report and accounts, the position of the Company, and the general conditions of trade as affecting your interests. At the close of my remarks an opportunity will be given to each of you to refer to any matters on which you may require information.

You will be pleased to notice that the profit and loss account shows a very substantial net profit, after allowing for repairs and depreciation on the usual scale. This is due mainly to the present abnormal conditions of our trade—a subject which I will discuss more fully in a few moments. But it is only right to say that, where our trading results are better than those of our competitors it is due to the fact that your directors, with what, I hope, you will agree was commendable foresight, bought large stocks of raw materials at prices very much lower than those ruling at the present day. (Hear, hear.) These stocks will, however, be exhausted in process of time, and any new stocks that we may buy will be acquired at a cost, if present prices continue, very much greater than we have ever before experienced. We will, however, with your permission face that situation when we reach it. In the meanwhile, it may be useful if I say a word or two upon the accounts, as now submitted for your consideration.

The Accounts.

You will remember that on the last occasion on which I addressed you the accounts then presented were for a period of 15 months, and they showed a profit of over £131,000. The accounts now submitted are for the financial year ending September 30, 1918, and they show a net profit of about £2,500 more than the profits shown in the accounts submitted last year.

The Chairman further explained that although the balance sheet showed £25,305 of "calls in arrear" on the share capital, such amount had all been paid up since making up the accounts. (Hear, hear.) Further, the item "mortgages on properties and interest" was £25,000 down as compared with the previous year; and, thirdly, the cash in hand, plus the 5% National War Bonds, was practically £90,000 more than what it was in the 1917 balance sheet. Those were the only items in the balance sheet to which he need draw the shareholders' attention that day.

This is a very happy issue from the traders' point of view, but it is very misleading so far as the public are concerned, as it naturally gives rise to the feeling that "the Trade" is making enormous profits at the expense of the public; which is not true, because all profits made in excess of the profits made before the War are liable to a special war tax known as excess profits duty, which amounts to 80% of such excess profits. This duty, the amount of which has not yet been agreed with the revenue authorities, has to be deducted from our totals of each year, thus reducing the amount available for distribution.

How the State Benefits.

As a matter of fact, the trade is taxed to such an extent that on a turnover of, say, £1,000,000 the State and local authorities take out as much as £500,000 before the office boy gets his wages or a horse receives a feed of corn. To put it another way; before the War we were able to sell two barrels of beer to our customers for the same amount as we now pay to the Government in duty alone on one standard barrel. Again, the price at which the beer is sold to the public is fixed by the Food Controller, and I have no hesitation in saying that it has been so fixed, to some extent, with the object of reaping by excess profits duty the large sums which have gone into the coffers of the Treasury. (Hear, hear.)

It should also be remembered that, in addition to the Revenue duties on our product in time of peace and to the excess profits duty in time of war, the income tax, now increased to 6s. in the pound, presses heavily not only on the Ordinary shareholder, but also even more heavily on the holders of Preference shares and of Debenture stock, both of which carry a fixed rate of interest. So that whilst the lot of the Ordinary shareholder can be alleviated to some extent by the payment of an increased dividend, the Preference shareholder and Debenture-holder receives no corresponding benefit. As this class of security is held for the most part by people who, whilst still subject to income tax, are not as a rule in the receipt of large incomes, it has occurred to me to suggest that the Chancellor of the Exchequer should make a differentiation in the amount of income tax payable by the holders of this class of security, and thus help to improve their position. (Hear, hear.) I have not considered this matter in all its bearings, and the suggestion may be deemed impracticable because it would involve, in the first instance, a certificate by an auditor as to whether any particular security fell within the description of the differentiated class. But, for what it is worth, I should suggest that the income tax recoverable from securities such as Preference shares, Debentures, or even mortgages, on which is paid a fixed rate of interest not exceeding, say, 6%, should be exactly half of the current rate of income tax on investments generally. (Hear, hear.)

This would, of course, only apply to securities created before the War or before a fixed date, such as January 1, 1919, because in the creation of any new security it is possible to arrange either that the dividends or interest shall be paid free of tax or that they shall vary with the amount of income tax imposed from time to time. You will have noticed that the last few issues of Preference shares have been offered at a fixed interest, payable "free of tax."

Trade Restrictions.

Returning for a moment to the heavy duties affecting our commodities, I think it may fairly be urged that, however much those duties were justifiable whilst the War was in full swing, they ought to be materially reduced now that hostilities have practically ceased. And, in addition, the public are entitled to some consideration as regards the quality of the liquor they are able to buy. (Hear, hear.) In particular, it is time that the trade should be allowed to brew a beer which will be at once appetising and satisfying—(applause)—especially having regard to the number of men who have already been demobilised or are about to return to civilian life within the next few months. (Applause.)

This is the outstanding feature of the business world of to-day. It is an immense change from the position of affairs as they stood a year ago. And I am sure that you will all agree with me that the very best thanks of the community are due to Sir David Beatty, Sir Douglas Haig, and our gallant sailors and soldiers who, with the aid of our Allies, have, by the strength of their arms, their willing self-sacrifise, and their undaunted valour, brought the War to a successful issue. (Loud applause.) The men who return home have the right to live in as great freedom as the safety of the community permits, unhampered by the pin-pricking regulations of the Central Control Board or the drastic conditions under which our business has lately been conducted on the plea of paramount necessity, to the great inconvenience of the general public. (Hear, hear.)

Teetotal Intemperance.

I see from the daily papers of Friday last that a Free Church Council has passed a resolution in favour of the immediate release of imprisoned conscientious objectors and of the continuance of the present restrictions on the sale of alcoholic drinks. Both in one breath, ladies and gentlemen! And this is not the only public expression of the desire by a narrow-minded sect for a continuance of this public inconvenience. A certain Church dignitary, of whom you may have heard, who recently exchanged one position in the Church for another of greater affluence and less responsibility, wrote a few days ago to the *Times* a letter which typifies in less than fifty lines the usual inaccurate and misleading statements that are put forward with the object of riveting more firmly the fetters borne so patiently during the War by a long-suffering public. Referring to the recent action of the United States in connection with the sale of alcoholic beverages, the writer informs us that "one hundred million souls have adopted a policy of abstinence from intoxicating liquors," and that "the American people have realised the magnitude of the evil for which the liquor trade is responsible, and the vital influence of national sobriety upon the strength and virtue of a nation's life."

It is, however, quite untrue to say that a hundred million souls have adopted a certain policy, because this is exactly what they have not done. Only a majority of those "souls" have adopted that policy, and of that majority many of them do not drink alcoholic liquor at all; but because they find that it does not suit them they are imposing their will upon the minority to whom the moderate use of such liquor is an advantage, and may be even a necessity.

The Sensible Standpoint.

On the other hand, an eminent divine, the Dean of Canterbury, in an interview granted by him to a Press representative, speaks of the advantage of the use of alcohol in moderation, more especially in the form of "a good glass of beer." As the Dean of Canterbury says: "Drink is very largely a matter of climate, and in wet countries a certain amount of alcohol is a necessity either as a stimulant or as a sedative." America, as you know, is a dry country—in more ways than one—if the Prohibitionists get their way! It has a dry climate, and therefore the inhabitants can stand without discomfort a degree of cold in winter and a degree

of heat in summer which would be unendurable in a climate such as ours, and I have no hesitation in saying that questions of food and diet must depend upon the climate of the country in which the consumers live. I very much doubt whether this decision as to prohibition in the United States of America will ever be effective, but if it is right to point to America as an example and to suggest that because America takes a certain line on the question of food or drink, therefore the same course of action should be binding upon the people of the United Kingdom, one might with equal logic suggest that the Englishman should take for his staple food the handful of rice which suffices the natives of British India, or the whale blubber that is necessary to the Eskimo.

Causes of Industrial Unrest.

I venture to assert that the Parliament of Great Britain, from which so many of the "cranks" of one sort or another have recently been removed, is composed of gentlemen who are too well aware of the temperament of the people of this country to attempt to impose on them an abstinence which is unnecessary, and which would in many cases be positively harmful, and that at no distant date the present restrictions will either be removed or very much modified.

We have all of us learned something from our experience of the past four years, and I do not wish to suggest that it is either necessary or desirable that we should return to the condition of things which existed prior to 1914. Nor, at the same time, can we any longer tolerate the unnecessary interference with the everyday rights of the ordinary citizen. The public are not children, and ought not to be treated as though they are children. Something must be done, and done speedily, to remove this feeling of inquietude and what I may call disgruntledness which is so prevalent to-day, not only with working men but with the still larger group of the so-called middle classes. And I am glad to notice that the Liquor Control Board have already made a start in this direction. Acting on the recommendation of the Advisory Committee, they have ordered the resumption at Carlisle of the Sunday opening of licensed houses and the revocation of the order for a spiritless Saturday.

It would, indeed, be of advantage if the Control Board would, as I suggested last year, pay more attention to the psychological aspect of the question instead of wasting their time in abstruse disquisitions on the effect of alcoholic liquors on the human body.

A vote of thanks to the Chairman terminated the proceedings.

H. E. RANDALL, LIMITED.

THE twenty-third ordinary general meeting of H. E. Randall, Limited, was held on February 26 at 169 Regent Street, W., Sir Henry Randall, J.P., Chairman and Managing Director, presiding.

The Secretary (Mr. W. Brown) read the notice convening the meeting and the auditors' report.

The Chairman, in moving the adoption of the accounts, said: Our Company, like most of the other companies in the boot and shoe trade, has had a very successful year, and I think one reason why the boot and shoe trade has enjoyed such wonderful success and has made such wonderful progress during the last ten years is because we have such a splendid organisation for dealing with the disputes that occur from time to time. Fortunately we have not had any disputes of any magnitude during the past ten years, and only lately we have come to a settlement, by mutual concessions on both sides, whereby a minimum wage and hours of labour have been settled for the next two years.

Record Turnover.

Our Company has certainly had an extraordinarily good year. Our turnover, which we thought very large last year, has been 20% more than it has ever been before in the history of the Company or the history of the business, and we have thus been able to curtail our gross profits. As I mentioned last year, it was the wish of the directors that the customers of the Company should have a share in the benefits which are derived from doing such a very large turnover as we have done during the last few years. We have, therefore, been able, by limiting our gross profits, without in any way entrenching upon the rights or privileges of the shareholders, to give our customers the benefit of buying from us, and I am sure we shall reap the fruits of this policy in later years by a very great increase in trade. You will notice that in the comments on the reports of various companies there has been a great deal said about dividends, and the large dividends, which have been paid. Now, we do not consider, gentlemen, that ours is a large dividend, but certainly it is a very satisfactory dividend. Some people may call it a large dividend, but I think one thing, at any rate, is sometimes lost sight of by some persons who seem to think shareholders can afford to put their money into companies without getting any return in the way of dividends. I refer to the fact that the larger the dividends, as a rule, the larger the benefit to the employees, and I give you the increase of our own business for the last year as an instance in point. We shall have paid this year £14,000 in dividends to our shareholders, whereas we have paid away in salaries and wages to the employees of the Company £73,000. I shall make no comment on these figures, because I think they speak for themselves. There is one paragraph in the report which I should like to put before you, and that is where we state that "the directors have had under consideration for some time the establishment of a benevolent fund for the employees in the factory at Northampton, and this year, as will be seen in the accounts, they have voted the sum of £1,000 towards this object." I am quite certain that with such a report as this before you all the shareholders present, and those who are not present, will certainly endorse the action of the directors in this respect. I think it is an exceedingly good thing to establish a fund of this kind, and we have established it upon what I think is a very proper, business-like basis. The directors have granted £1,000 for a start, and the employees are paying a weekly sum towards this. We shall see at the end of the year what we can do towards granting a further contribution.

Current Year's Prospects.

As regards our prospects and the prospects of the trade for the coming year, all I can say is that they are as bright as one would wish them to be. The only difficulty we have to contend with is that we are not able to get the goods to put into the shops which the people are only too eager and ready to buy, but we are working at full speed in the factory, and no sooner do the products of the factory come round into the finishing room than they are sent off at once to the shops and are eagerly snapped up by the public. There is another difficulty we have, and that is of getting the higher class of leather, but I believe that as labour comes back through the demobilisation of the men, and also when the embargo is taken off leather, so that we are able to import it as we did before the War, there is no doubt we shall again resume the even tenor of our way, and, although we may not have the war trade—trade which has been done by us with the military—yet I am quite sure our civilian trade, which has been, as it were, left to itself during the last three or four years, will revive and that we shall be as busy as we possibly can be through all the coming year. I may give you as an instance why I am inclined to that belief. Since the armistice was signed our trade, instead of decreasing, as we thought it probably would, has increased every week, and increases are still going on, so I think we can look forward to the present year with every confidence, knowing and feeling sure that the trade will certainly keep up to the standard we have set ourselves during the past two or three years, and it may—I won't venture to prophesy, but in my own opinion it will most likely—exceed what we have ever done before.

Mr. P. Hayman seconded the motion for the adoption of the report and accounts, and it was unanimously adopted.

S. SMITH AND SONS (MOTOR ACCESSORIES), LTD.

AN extraordinary general meeting of S. Smith & Sons (Motor Accessories), Ltd., was held on February 24 at Winchester House, Old Broad Street, E.C., for the purpose of submitting the following resolution: "That the capital of the Company be increased from £300,000, divided into 300,000 shares of £1 each, to £500,000, divided into 500,000 shares of £1 each, by the creation of an additional 200,000 shares of £1 each, such additional shares to be issued at such time or times and on such terms and conditions as the directors may prescribe." Mr. Samuel Smith (Chairman of the Company) presided.

The Secretary (Mr. F. A. Cotterell) having read the notice convening the meeting,

The Chairman said: Ladies and Gentlemen,—You have heard the resolution read proposing to increase the capital of your Company by 200,000 Ordinary shares of £1 each, thereby bringing it to the round half-million. We now propose to obtain your sanction to issue 150,000 of these new shares, for which the Treasury sanction has already been obtained. The remaining 50,000 shares we propose to hold in reserve and under the control of your Board, to be issued as and when necessity may arise. In the opinion of your board we have now reached the point where any future finance which, owing to the further extension of the business, may become necessary may with advantage be done by Preference shares, mortgages, or loans, so as to obtain further capital on a cheaper basis, and in consequence increase the dividend-earning capacity of the Ordinary shares. You will remember that we are pledged not to create and issue any securities ranking in priority to your shares unless you have been consulted, and I need hardly assure you that the board will take no such step without calling the necessary meeting to obtain your sanction to any such course.

World-Wide Demand for Company's Products.

Present indications give strong evidence that there is an increased demand for the Company's products all over the world, and that there is sufficient work in sight to keep the Company's large factory at Cricklewood fully occupied for some long time to come. There is, however, one marked difference in dealing with many thousands of customers compared with having as your chief customer the Government. It is easier to finance a large turnover in the latter case

than in the former. Larger stocks have now to be carried, particularly owing to the growth of the export trade—more notably to Australia, New Zealand, South Africa, Dutch East Indies, and the United States. In order still further to increase the business abroad subsidiary companies are in process of formation in France, Denmark, Italy, and elsewhere. It might interest you to know that the turnover at our branches during the past twelve months has equalled the total turnover of our entire business, home and export, during 1913-14. While we have always sought, in laying out our factory for Government requirements, to provide for the future, yet considerable expenditure is now necessary for balancing machinery if we are to produce on the most economic lines. We are of opinion that the prospective demands for the Company's products all over the world warrant the assumption that our maximum turnover during the War will be maintained after a brief interval—an interval which is commonly called the transition, or reconstruction, period. I presume that you are convinced that the new capital is necessary and will prove beneficial to your business, and now I feel sure that the thought uppermost in your minds is as to the manner in which we propose to raise it. The circular which I hope will be in your hands by the end of this week will give you the full details and terms of the issue, which it would not be to your advantage to disclose earlier. If I were to do so the result would be to create speculation in the shares, and that we have discouraged to the best of our ability throughout.

Wisdom of Underwriting.

There is a word I should like to add as to the wisdom of underwriting new issues of shares where made primarily to existing shareholders. There are times when there is a great demand for sound investments of all kinds. The public is "on the look-out," as the saying is, and all issues are promptly taken up. Of course, while this state of affairs exists the cry is "Don't underwrite," but what if the Company should want new capital when business is depressed? Then it is the financier who will say, "I won't underwrite it you only come to me in bad times." When a company raises new capital at a time of great prosperity in its career, of course lots of people will offer to accommodate it, but you must cultivate in good times the goodwill of important financial groups, so that you may have a call on them whenever you may want it, and thereby secure sound financial backing. Again, the amount of new capital you may want in comparison with your existing capital may be small, and it may possibly be obtained without much trouble from your shareholders, but supposing you want to double or treble your capital and your shareholders are unable to take it all? I now beg to propose the resolution which has already been read.

Mr. Gordon Smith (Managing Director) seconded the resolution, which was carried unanimously.

UNITED STATES DEBENTURE CORPORATION, LTD

THE ordinary general meeting of the United States Debenture Corporation, Limited, was held on February 25 at Winchester House, Old Broad Street, E.C., Col. K. R. B. Wodehouse (Chairman of the Company) presiding.

The Secretary (Mr. William George Lock, F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report, said: Generally speaking, the operations of the year have been characterised by some measure of success, showing an improvement over the results of the preceding year, both as regards the surplus on capital realisations and also on revenue account.

One great feature of financial affairs during the year has been the necessity for all of us to assist in financing the War. With that in view we have felt it desirable to realise a number of our investments, and in doing so we selected those which we thought had reached, or approximately reached, their maximum value. The proceeds, together also with sums borrowed from our bankers, have been applied in subscribing for National War Bonds. The result of our work has been to raise our total of investments to £2,107,440 19*s.* 10*d.*, against which we have short loans aggregating £41,000, so that, in effect, you will see that we have really had to borrow very little indeed to finance our War Bonds subscriptions. Of course, as you have so often heard, the real test of the Corporation's position is the valuation of its securities, the amount of its liabilities and the strength of the revenue account. With regard to the former, values of fixed income securities, in which the bulk of the Corporation's capital is invested, must naturally find a level somewhat commensurate with the value placed upon the premier securities of the country, which, as you know, are War Loan and National War Bonds—these being issued at a price to pay about 5¼% per annum. Debentures of industrial companies, foreign railways, &c., of which we hold considerable amounts, and which, perhaps, used to sell on a 4½% or 5% basis, and which are quite sound, naturally fell in selling price to bring them into relation to the value of Government securities. We have taken advantage of the favourable circumstances affecting such companies to realise some of our holdings at good profits. We have also benefited somewhat during the year from appreciation in the Mexican securities which we hold. The prospects in Mexico still seem fairly promising, and we hope that the improvement will make further progress. The result is that we are able to show on our entire valuation an improvement, as compared with last year, of about £50,000, so that the depreciation, which was well covered by the reserve fund last year, is to that extent more amply covered this year. It may reasonably be expected that as financial and industrial conditions gradually settle down during the next year or two, values of Government securities will have an upward tendency. This would inevitably raise the market value of securities such as we hold. On the other hand, owing to the difficult conditions to which allusion has already been made, opportunities for underwriting in connection with new issues have been much less frequent, so that the earnings for the year in this respect were only £1,095, as against £2,747 3*s.* 9*d.* last year. The receipts from all sources, therefore, were £116,345, as against £113,842, so that the balance is well on the right side. It is proposed, in addition to the 5% interim dividend already paid on the Ordinary shares, to pay a further 5%, making 10% for the year, and this after placing £6,000 from revenue account to reserve fund.

The report was unanimously adopted.

FREDERICK SAGE AND COMPANY, LIMITED.

THE adjourned fourteenth ordinary general meeting of Frederick Sage and Company, Limited, was held on February 26 at Winchester House, E.C., Mr. Frederick George Sage (the Chairman) presiding.

The Chairman said: You will see from the profit and loss account now submitted that the dividends distributed out of last year's profits—namely, 7% on the Participating Cumulative Preference shares and 8% on the Ordinary shares—were fully warranted. In fact, we could have largely increased our distribution; but we prefer to pursue a cautious and conservative policy, so that, after paying these dividends, we are able to recommend the placing to reserve account of the handsome sum of £20,000 and the carrying forward of £16,630. I feel sure you will approve this course, and you will endorse a policy which greatly strengthens our financial position. To meet the rush of war work several factories, chiefly in Peterborough, were rented for short periods, and you will have observed in connection with these the not inconsiderable figure of £29,817 for maintenance and running expenses. These temporary shops are being vacated, and we are concentrating our manufacture in our freehold premises. The making of aircraft continues, and we are retaining expert managers, designers and mechanics for this important class of work. I may mention that the first seaplane made by the Company increased the height record from about 2,000 feet to well over 10,000 feet. We have turned out over 300 aeroplanes, 80 large seaplanes and over 90 cars for airships, also innumerable spare parts, propellers, &c. Our own design of seaplane was adopted as the standard seaplane training machine for 1919. We anticipate that the experience and high degree of efficiency we have attained during the War will allow us to compete for the construction of aircraft for home and foreign Governments and for civilian uses. With regard to what I may describe as our normal business our position is satisfactory. The difficulties before us lie not in the obtaining of orders, but rather in finding the material to meet the requirements of our customers and the skilled mechanics to execute the work with rapidity. Our business and prospects abroad, in America, in Africa, in France and in Belgium, are full of promise, and we owe much to the loyalty and hard work of our representatives who look after our interest far from home. In this connection I may remind you that our South American branch has been running for the last five years and that we have built up a profitable connection in the Argentine and in Chile. We are advised that the extensive business in sight in France and Belgium will necessitate our registering a separate company for dealing with contracts in those countries.

Mr. Jesse Hawes seconded the resolution, which was carried unanimously.

TRINIDAD LEASEHOLDS, LIMITED.

THE adjourned fifth ordinary general meeting of the shareholders of Trinidad Leaseholds, Ltd., was held on February 26 at the registered office of the Company, No. 1 London Wall Buildings, London Wall, E.C., Mr. T. J. Milner (the Chairman) presiding.

The Secretary (Mr. R. A. Macqueen), having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts said: An examination of the balance sheet shows that the share capital has been increased in accordance with the resolutions taken at our last annual general meeting. The option on 132,500 shares at par, which was mentioned in the previous balance sheet, was exercised in February last year, and in addition 37,500 shares were issued at 36*s.* The proceeds of these two issues were utilised to liquidate the loan account of £200,000. A block of 112,000 shares is also shown as being reserved for issue to the Trinidad Oil and Transport Company. These shares have since been

allotted, and the issued capital now stands at 699,500 shares fully paid. The total authorised capital is 850,000 shares, so that we have 150,500 shares in reserve.

Revenue Account.

Turning to the revenue account, this shows a gross profit from production, refining and oil purchased, after deducting administration and general expenditure in Trinidad of £263,296. Administration and general expenditure includes salaries of management, technical and clerical staffs in Trinidad, maintenance of living quarters and road repairs, insurance, rates and taxes, transport sanitation, lighting, telephones and sundries. We have written off £63,445 by way of depreciation, of which £46,703 is in respect of buildings, refineries, wells, reservoirs, pipelines, tanks, &c., and after charging London expenses and interest on advances we carry forward a balance of profit of £183,316. To this has to be added £22,496 brought forward from the previous account, making a total to the credit of profit and loss of £205,812. Of this sum we propose to devote £70,000 to the creation of a reserve account, and we recommend a dividend for the year of 10 per cent., which will absorb £69,950. If this is agreed to the additional remuneration payable to the directors under the articles of association will amount to £3,497 10*s*., and we shall carry forward a credit balance of £62,364 18*s*. 10*d*. The bulk of the capital expenditure incurred during the year, apart from the purchase of the Trinidad Oil and Transport Company, has been necessitated by the increased programme and the higher cost of all materials. Our business has constantly expanded. With regard to the disposal of our products, you are aware that we have readily sold all the oil we have so far produced, and we are assured of a market for a much larger output. In order to reap the benefit of our heavy outlay upon pipelines, storage accommodation, shipping facilities and other works of a permanent character, your directors consider it advisable to prepare for a still further extension of operations. With this end in view we have for some time past been acquiring, on reasonable terms, properties upon which our geologists have reported favourably. These properties are for the most part capable of being linked up to our main pipeline by short feeders and will, we hope, help to supply it with oil for many years to come. The areas have been selected with great care, and were purchased before the increase of prices due to the present speculative activity in oil lands had taken effect. They are nearly all planted with cocoa, and we shall continue to derive a certain revenue from that source until the time arrives for active exploitation by drilling.

Progress Achieved.

For the period under review, the wells on Forest Reserve gave a total output of 132,000 tons, as against 56,200 tons produced in the previous year. The production for the year exceeded by 42,600 tons the total output of the field from the inception of operations up to June 30, 1917. We have now 28 producing wells, as compared with 15 at the date of the last annual general meeting. The total footage sunk amounts to 38,501, of which 14,657 feet were drilled during the year to June 30, 1918. Bearing in mind that practically from the time oil was first encountered our development had to be carried on under war conditions, and that after America joined the Allies it became increasingly difficult to obtain all kinds of steel products, the record of progress is one with which shareholders may well be satisfied. Our knowledge of geological conditions on the field, so far as the Forest sands are concerned, is now sufficiently extensive to enable us to put down new wells as and when required, with every confidence that they will prove productive. You will remember last year I referred to the heavily impregnated sand encountered at depth in well No. 23, which gave a very large production when first penetrated, but which subsequently sanded up owing to heavy gas pressure. Further wells have been sunk to this zone in the vicinity of well No. 23, with similar results—a heavy initial flow with gas pressure causing sanding up and damage to the wells. We have, however, been successful in most cases in maintaining the flow of oil from the upper series. Our experience with regard to gas pressure is not unique in Trinidad. We have given this problem much thought, as we naturally wish to exploit with success the rich sand underlying the "Forest Sands" series. We have for some time been conducting experiments to this end, and hope ultimately to overcome the difficulty. With regard to the Barrackpore field, the total tonnage of oil won in the six months ended June 30 was 22,400 tons derived from five wells. We are now drilling two test wells, from which we hope to obtain much useful data for future work.

Mr. R. H. McCarthy, C.M.G., seconded the resolution, which was carried unanimously.

ARGENTINE NAVIGATION (NICOLAS MIHANOVICH).

The ninth ordinary general meeting of the Argentine Navigation Company (Nicolás Mihanovich), Limited, adjourned from December 18, 1918, was held on February 26 at Winchester House, Old Broad Street, E.C., Sir Owen Philipps, G.C.M.G., M.P. (Chairman of the Company), presiding.

The Chairman, in moving the adoption of the report and accounts, said: The net profit for the year, after providing for depreciation on the Company's fleet and property, amounts to £94,926. This compares favourably with the results of the preceding year, showing that the progress I was then able to record has been maintained. There has been a substantial increase in the gross earnings of the Company during the year under review, but this has been largely offset by the heavy and continual increases in working costs. Earnings from cargo have been well maintained, and the movement of passengers has shown marked improvement during the year. Happily this Company has been immune from the more tragic disabilities of the War owing to its fleet operating beyond the sphere of submarine activities, but we have none the less had many difficulties to contend with, the chief of which has been to obtain sufficient fuel to run our vessels. Coal has been increasingly difficult to secure, even at the enormous prices ruling, while the contracts we had entered into for the supply of oil fuel were suspended, owing to suppliers being unable to maintain delivery during the War. Having resorted, to a large extent, to the use of wood, we even had great difficulty in obtaining that commodity, an account of the lack of transport facilities for getting delivery to the vessels. Experiments were made with burning maize in cobs, and excellent results were obtained. At first this was 10% cheaper than wood, but an advance in the price of maize made its continued use uneconomical. In spite of every possible economy, the increase in expenditure for fuel during the year amounted to as much as £100,000. It is hoped that high-water mark has been reached, and that the release of oil tankers and colliers from war service will tend to reduce the cost and difficulty of obtainng our fuel supplies. All other working expenses have continued to advance, such as wages, stores, repairs, workshop equipment, &c. Another very great difficulty with which the Company has had to contend has been the labour disturbances, which have continued intermittently right on into the present year. Buenos Aires has suffered very seriously in this respect. I am glad to say the Argentine Government is taking a firm line in suppressing disorder and affording protection to those willing to work. I am, therefore, hopeful that before long matters will settle down, so that business may have an opportunity to develop normally, which will assuredly lead to increased prosperity for the workers and everyone concerned. In conclusion, I may say that the Company is in a favourable position. Its financial position is probably sounder than it has ever been, and the resumption of the regular services of the ocean liners should benefit our business in many ways. Our towage and lighterage services should be directly affected, and a largely increased movement of cargo and passengers to and from Europe should react favourably on our general trade. In addition to the prospect of larger earnings, it is to be hoped that running expenses will gradually decrease. The Argentine crops again promise well, and the general outlook is satisfactory. The one disquieting factor in the situation is the labour unrest to which I have referred. The position in this respect is far from reassuring and causes everything to remain in a state of uncertainty, but I trust that the present condition of affairs may not last for very long.

The Deputy-Chairman (Mr. John C. Gibson) seconded the motion, which was carried unanimously.

ASAHAN RUBBER ESTATES, LIMITED.

The sixth annual ordinary general meeting of the Asahan Rubber Estates, Limited, was held on February 24 in the Council Room of the Rubber Growers' Association (Incorporated), 38 Eastcheap, E.C., Mr. George Croll (Chairman of the Company) presiding.

Mr. John Calderwood, on behalf of the secretaries, Messrs. Harrisons and Crosfield, Limited, having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—I am sure you will wish me to take this opportunity of offering our congratulations to Sir James Currie on the honour which has been conferred upon him for the very valuable work which he rendered to the Government during the War. (Applause.) Mr. Gray left last week for Sumatra, and so is unable to be present with us to-day. You have had the report and accounts for the usual time, and I have no doubt you will allow me to take them as read.

The issued and paid-up capital of the Company at the date of the balance sheet amounted to £114,901 10*s*., as against £109,158 9*s*. at the end of the previous year. The difference is accounted for by the final call of 6*d*. per share having been made. After allowing for depreciation, the net capital expenditure for the year amounted to £24,109 1*s*. 7*d*., which is equal to £6 11*s*. 7*d*. per acre on 624½ acres, which was the average immature area during the year. The total capital expenditure at the date of the balance sheet was £124,149 18*s*., and if we deduct the amount of the reserve fund (actual and proposed) the net book cost per acre of the

2,464½ acres planted at the end of the year was £42 5*s.* 2*d.* This makes no allowance for the area of over 5,000 acres good plantable reserve land. At the close of the Company's financial year there was a surplus on capital account of £5,751, to which will fall to be added the £5,000 which we propose placing to reserve out of last year's profits and the amount of the undistributed profits carried forward. Against this we have to meet an estimated capital expenditure for the current year of £9,682, and if this estimate is adhered to we shall finish the year with a surplus of £3,821. No new clearings were undertaken during the year, so that the total planted area (a detailed statement of which is set out in the directors' report) remains at 2,464½ acres. In accordance with the visiting agent's latest reports, the most recently planted area of 44 acres is given as 1914-15 planting, instead of 1913-14 in previous reports.

The Year's Results.

The crop harvested amounted to 520,105 lb., against a previous year's total of 432,922 lb., and it would, of course, have exceeded this figure had we not associated ourselves with the Rubber Growers' Association's restriction of output scheme; but the crop was harvested from an average bearing area (exclusive of the area rested for restriction purposes) of 1,772 acres, equal to about 72% of the total planted area. The yield was at the rate of 294 lb. per bearing acre, which is slightly above the previous year's figure of 289½ lb. The yield per tree also showed an improvement, being 3.05 lb. against 2.85 lb. in the previous year. The cost of production f.o.b. port of shipment, including provision for commissions to staff, depreciation, &c., but excluding loss on exchange, was 10.19*d.* per lb., against 10.20*d.* per lb. for the previous year, and it realised, including the estimated value of the unsold portion, a net average of 1*s.* 10.34*d.* per lb., against 2*s.* 4.36*d.* per lb. for the previous year.

Condition of the Estates.

The new system of weeding, to which I referred at the last meeting, has been continued, and our visiting agent reports at the end of the financial year that the whole estate is clean, and while the cost of this work is still higher than we should like to see it, there is every prospect of it gradually being reduced, although, owing to the low-lying nature of a considerable portion of the land, it is never likely to come down to what is possible on higher land. The labour position during the year has been satisfactory, and the health, apart from the severe epidemic of influenza from which our estates suffered in common with practically all other estates in Sumatra, has been quite satisfactory. Towards the end of the financial year a commencement was made with thinning-out operations, but so far this work has been confined to the elimination of the most undeveloped trees. It will, however, be continued and extended as may be found necessary. The estates continue comparatively free from disease, and are reported to be in very good condition.

Current Year's Crop Estimate.

For the current year the Manager's estimate for a restricted crop was 455,000 lb. As, however, the Rubber Growers' Association's restriction scheme came to an end on December 31 last, we would naturally have expected this estimate to be somewhat increased, but we have just received a telegram from our Medan agents in which they state that owing to the labour employed in planting foodstuffs they expect only to secure the estimated crop. This reference to planting of foodstuffs relates to a recent Government regulation which provides that all estates were required to plant areas varying from 7 to 8 acres of maize and 1½ to 2 acres of Chinese potatoes per 100 contract coolies. This work had to be carried out at some time during the period from November 1918 to March 1919, according to the nature and extents of the reserves, &c., which the respective companies had available for the purpose. Up to the end of January we had secured 191,842 lb., and out of the current year's crop we have sold under forward contract 192,640 lb. at a net average cost of 1*s.* 9.04*d.* per lb. The directors have sanctioned the opening and planting during the current year of a further area of 500 acres, and we are advised by telegram received the other day that the felling work in connection with same is now in hand. We therefore anticipate that the area will be planted up about the end of 1919.

Dividend of 15 per Cent.

The net profit for the year amounted to £22,332 10*s.* 1*d.*, to which has to be added unappropriated profit brought forward from the previous year of £3,516 14*s.* 3*d.*, which gives us a total of £25,849 4*s.* 4*d.* to be dealt with to-day. We propose that a dividend of 15%, less income tax, be paid, that £5,000 be placed to reserve account, and that after paying the extra remuneration to the directors in terms of the Company's articles of association, the remaining balance of £2,752 4*s.* 7*d.* be carried forward. During the year we took upon ourselves to grant a donation from the Company of 100 guineas in response to the Lord Mayor's City of London Appeal for the British Red Cross Society. This, I feel quite sure, will meet with your approval, and I shall be glad if some shareholder will move its confirmation. In conclusion I wish on behalf of the board to express our appreciation of the good work done during the past year by our manager, Mr. Vink, and his assistants. The satisfactory report which we have been able to present to you to-day is very largely due to their efforts. I feel sure some shareholder will, later on in the proceedings, move that a vote of thanks be conveyed to them.

I now beg to move: "That the directors' report and statement of accounts in respect of the financial year ended July 31, 1918, be, and the same are hereby adopted." I will ask Sir James Currie to second that motion, and before putting it to the meeting, if there are any questions which any shareholder would like to ask me, I shall be very pleased to answer them.

Sir James Currie, K.C.B.: Mr. Chairman and Gentlemen, first I should like to thank you, Sir, for the personal reference you were good enough to make in regard to myself, and also you, gentlemen, for the way in which you received it. I have pleasure in seconding the resolution which the Chairman has just proposed.

The motion was unanimously adopted, without questions or comment, and the following resolution was also passed unanimously: "That a dividend of 15%, less income tax, be paid on the shares of the Company in respect of the financial year 1917-18, that the sum of £5,000 be placed to reserve account, and that after allowing for amounts due to the directors as extra remuneration in accordance with the articles of association, the balance of £2,752 4*s.* 7*d.* be carried forward to 1918."

The retiring director, Mr. Charles Heath Clark, and the auditors, Messrs. McAuliffe, Davis and Hope, were re-elected; the contribution of 100 guineas to the Lord Mayor's City of London Appeal for the British Red Cross Society was confirmed; and a vote of thanks to the directors, agents, and staff in the East and in London concluded the proceedings.

THOMAS WALLIS AND CO., LIMITED.

The twenty-eighth ordinary general meeting of Thomas Wallis and Company, Limited, was held on February 27 at the Holborn Restaurant, High Holborn, W.C., Mr. William Henry Nicholls (Chairman of the Company) presiding.

The Secretary (Mr. John Henry Barnard) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: It was my privilege last year to tell you that we had had a record year. To-day I am able to say that we have eclipsed that by leaps and bounds, and that we have never transacted such a large volume of business before. This, I need hardly say, has been achieved without any attempt at profiteering, for we have steadily adhered to our traditional policy of moderate profits and of giving good value for money. Our numerous customers, recognising this, have dealt with us most freely, and we are thus enabled to show the results embodied in the report. Unfortunately, we had to make a large provision for excess profits duty, a War impost which, despite the huge financial problem awaiting solution, it is hoped will shortly be reduced or entirely withdrawn, for it cannot serve the interests of the country so highly to penalise the individual enterprise which has so contributed to its greatness. But for this our shareholders would have had even greater cause for satisfaction. The year has again been a difficult one both for us and for our depleted staff, and we have once more to thank them for their continued loyalty and devotion to the business. To show our appreciation we have continued the special bonus to the entire establishment. To enable us to grapple with any possible contingencies we are asking you to set aside £20,000 as a special reserve. We consider this an ample provision, and should it not be needed, or only partially required, then it will revert to our coffers and be available for your interest in, we hope, the not distant future. Since the termination of our financial year we have been able to secure upon advantageous terms some leasehold properties included in our assets, and now our unique and splendid block of buildings at Holborn Circus is absolutely the Company's own freehold.

And now, ladies and gentlemen, for your share of the results. As the report shows, we propose to pay 20% on the Ordinary capital for the last six months, making with the 6% already distributed, 13% for the year—the largest dividend we have ever declared—and to carry forward the substantial sum of over £13,000. Another grant we ask you to make is £500 for the Warehousemen Clerks' and Drapers' Schools, an old and worthy institution, especially dear to the drapery trades. Turning to the accounts for a moment, on the debit side of the profit and loss account bank interest is again a large item. We have had to borrow freely, and the money had ruled high. We needed the cash to secure good stocks—under circumstances very different from pre-War days—and the business has been well able to bear the expense. On the liabilities side of the balance sheet the sum of £86,900 includes a large item for excess profits duty, the balance, since paid, representing the usual charges. On the assets side the first two items, after charging renewals of horses, motors, &c., and allowing full depreciation, are about

the same as last year. They are all valuable properties and in substantial condition. Book debts are a few thousands less. Allowance has been made for anything bad or doubtful, and we consider the balance perfectly good. Our stock at £173,000 shows a substantial increase, but not unnecessarily so. It has been necessary in order to secure an adequate stock of new spring goods to accept delivery from manufacturers earlier than in former years. This and enhanced prices have swelled this total, but it is all good, clean, and saleable, and is taken at or below cost. The special reserve to which I have alluded is, in our opinion, ample for all contingencies. I am glad to see that the public are appreciating the worth of our shares. Apart from potentialities, I have always considered them well worth intrinsically 30*s.*, and I see they are nearing that figure.

Mr. Daniel Reynolds said: With reference to the balance sheet, presented by our esteemed Chairman in a lucid and clear way, there is not much to say, but there are one or two items which I should like to touch upon. The profits are £93,000 odd, which is an excess of £39,000 over the record year 1917. The rate of profit which we put upon our goods in 1917 was less than in the previous year, and in the year under review it was considerably less than in 1917; and one mentions this because it shows that Thomas Wallis and Company cannot be charged with profiteering. A sound business maxim is: "Have smaller profits and let there be greater returns," and that is what has happened during the past year in our business. The Chairman has touched upon the stock, which is £69,000 more than last year, and that fact by no means dismays your directors. In proportion to the turnover the stock is considerably less than it was last year.

The Chairman, in reply to questions, said he thought the shareholders were entirely deserving of full participation in the results of a successful year, and in making their recommendation the directors had had due regard to safety. Goodwill stood at almost a nominal figure; if it were written off entirely out of the reserve fund a very handsome sum would remain at the credit of the latter. The suggested £20,000 to special reserve was to meet any possible fall in prices.

The resolution was unanimously adopted.

SPENCER, TURNER, AND BOLDERO, LIMITED.

The twenty-fifth annual general meeting was held on February 27 at the offices of the Company, 18 Duke Street, Lisson Grove, N.W., Mr. Henry J. Turner (one of the managing directors) presiding.

The Chairman, in moving the adoption of the report and accounts, said: I will pass on to the consideration of the figures of the balance sheet. As regards the liabilities, the trade liabilities are £47,620, against £51,539 a year ago, or nearly £4,000 down. The deposits are £17,253, against £13,540—a matter of £3,700 up. Sundry creditors at £113,185, against £69,176, show an increase of £44,000. This is due to the increase of the excess profits tax and the income tax; and I must take my stand here with other chairmen in deprecating the maintenance of this excess profits tax under its present exacting conditions, and of expressing a strong hope that it will be modified and placed on a more business-like and more reasonable basis. The reserves as shown in the balance sheet stand at £149,341, and with the increases suggested for your consideration to-day—that is, the placing of £15,000 to the general reserve and £13,000 to the contingencies account—the total will amount to £177,300. So much for the liabilities, and I will now turn to the assets. The stock in hand, £296,631, as against £180,129, shows an increase of £116,500, which we as a board consider a great element in favour of the Company, constituting as it does a reserve of resources towards the new year's trade, which at the present time, I may tell you, is on a very satisfactory basis. The book debts are £341,684, as against £375,079 last year, showing a decrease of £33,000, and this speaks for itself. Cash at bankers, £20,791; fire insurance paid in advance, £1,216; leaseholds and goodwill, £132,717; fixtures, £25,186; and freehold properties, £1,361, are almost identical with last year's figures. The net profit, after paying directors' and auditors' fees, all other expenses, and writing off all bad debts and providing for excess profits duty, shows a balance of £74,577 12*s.* 3*d.*; adding to this sum the amount brought forward from last account, £36,420 10*s.* 8*d.*, we have an available total of £110,998 2*s.* 11*d.* If we deduct interim dividends paid in August last, namely 5% per annum for six months ended July 15 on Preference shares, £3,750, and 7% per annum for six months ended July 15 on Ordinary shares, £10,500, as well as reserve for redemption of leaseholds (insurance premiums paid), £1,672 18*s.* 11*d.*, and reserve for depreciation of fixtures, fittings, plant, &c., £874 18*s.* 2*d.*, making a total deduction of £16,797 17*s.* 1*d.*, a balance remains of £94,200 5*s.* 10*d.* The directors propose to deal with this amount as follows: In payment of half-year's dividend at 5% per annum on Preference shares, £3,750; in payment of half-year's dividend at 9% per annum on Ordinary shares, making 8% for the year, £13,500; in payment of a bonus of 4*s.* per share (free of income tax) on the Ordinary shares, £...,000; to general reserve account, £15,000; to special reserve for contingencies and development, £13,000; and to carry forward to credit of next year, £36,950 5*s.* 10*d.*

The resolution was carried unanimously.

EGYPTIAN AND FOREIGN TRUST, LIMITED.

The fifteenth ordinary general meeting was held on February 26 at Dashwood House, New Broad Street, E.C., Mr. A. Mitchelson (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—By an arrangement with the former Board of your Company, which represented a large proportion of the share capital of the Egyptian and Foreign Trust, that proportion was taken over by interests represented by your present Board, and we meet shareholders to-day for the first time after having taken office at the end of May last. I trust that the accounts now submitted will be regarded by the general body of shareholders as being of an encouraging nature. Certainly, very substantial progress has been made, and I am looking forward to the near future when your Company should reach the dividend-paying stage. As to the investment policy now pursued by this trust, I should like to say that we shall hope to retain our association with Egyptian and foreign investments. In addition, however, we feel that we ought not to neglect openings which may present themselves for investments in home industrial undertakings in which we, as members of this Board, should be able from time to time to secure remunerative business. It is satisfactory to know that the economic position and the outlook in Egypt are good and encouraging. Turning to the balance sheet. Taking the assets side, naturally the main item is that of investments, from which it will be seen that the market value of our holdings on December 31 last was only about £15,480 short of the cost price of these securities, and the amount of depreciation now compares extremely favourably with the corresponding figures for the past nine or ten years. The second largest item on the assets side is deficit on realisations, which, it will be seen, has been reduced during the past year by realised profits of over £18,000 to £19,387. Adding this sum to the depreciation on our holdings, we arrive at a total deficit of £34,867, but against this we must set on the other side of the balance sheet the undivided profit of almost £12,000, so that the net deficiency amounts to about £22,900. Further profits on realisations have already been made in the opening weeks of 1919, with the result, I may say, that to-day the actual net break-up value of your assets, after providing for the net deficiency on realisations and on our holdings, is as nearly as possible 18*s.* per share. This is, of course, quite irrespective of new and, as I believe, promising business now in hand and of the valuable industrial connections which, I think I may say, the Company now possesses.

Mr. T. L. Farnes seconded the motion, which was unanimously adopted.

WM. FRANCE FENWICK AND CO., LIMITED.

The eighteenth annual meeting of Wm. France Fenwick & Company, Limited, was held on February 27 at the offices of the Company, 5 Fenchurch Street, E.C., Mr. C. F. H. Leslie presiding.

The Chairman, in the course of his remarks in moving the adoption of the report, said: The trading profit for the year 1918 amounts to £112,800. To enable us to arrive at that figure we have first deducted Debenture interest, premium on Debenture redemption, income and excess profits tax, and all the expenses incidental to the issue of £300,000 of new share capital. We have also depreciated our wharf property and our fleet of steamers, and written down all our securities other than War securities to market price or under. After these quite considerable deductions there is no great difference in the available net profit as compared with the previous year. We have redeemed the whole of our Debenture issue during the year under review, and our capital now consists entirely of Preference and Ordinary shares. The item under the heading of "credit balances," amounting to £236,122, mainly consists of reserves for taxation and other contingencies arising out of the War, as distinct from moneys due to suppliers and other trade creditors. The reserve fund stands at £600,000, and is equal to the total amount of issued share capital. On the credit side of the balance sheet you will observe an item of £295,133. This item represents those working assets which are now left to us, and includes twelve steamers of a deadweight capacity of 25,000 tons, the present value of which is considerably in excess of its book value. This tonnage, of course, shows a large diminution—something like 50%—as compared with our pre-war carrying capacity, and correspondingly reduces our earning capacity from this source. Our total losses due to enemy action during the War amounted to only five out of a fleet of 22 steamers, although our fleet was uninterruptedly in the danger zone. Apart from these losses, we have sold during this period four comparatively old vessels and have lost one of our modern vessels from ordinary marine risk. It has not been possible to replace these steamers by building new steamers, seeing that the total building capacity of the United Kingdom was monopolised by the Shipping Controller for his standard ship programme. This building capacity is being gradually

released, and the steamers built or building have been offered by the Shipping Controller to shipowners. We have, therefore, been able recently to secure two steamers now building which are suitable for our trade, and hope to get delivery of them within the next few months. No other standard steamers building under this programme are suitable for our special requirements, and it will probably be some time before we are able to arrange for further replacements. I was asked a few days ago by one of my co-directors whether I had considered the advisability of liquidating the Company. I told him that I had, after a full consideration of the subject, dismissed this idea from my mind. I believe that now that this War is over the development of the Empire will need its shipping even more than it has done in the past.

Mr. H. C. Pelly seconded the motion, which was carried unanimously.

HOLBORN AND FRASCATI, LIMITED

The twenty-third annual general meeting of Holborn and Frascati, Limited, was held on February 27 at the Restaurant Frascati, Oxford Street, W., Mr. Alfred R. Holland (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: It must have been a matter of great satisfaction to shareholders to learn that we were able to recommend the payment for the past year on the Ordinary shares of a dividend and bonus equal to the highest rate ever distributed, and this after making ample provision for all the requirements of the Company. The balance from trading account is over £50,000 more than in 1917, and after providing for all expenses we carry to the balance sheet £25,000 more than in the previous year. Sundry creditors and outstandings are somewhat higher, caused principally by the increased trade done, and the increased cost of almost everything required for the carrying on of our business. As I have mentioned on previous occasions, we make a point of paying cash and taking the benefit of all discounts. Stocks of wines, spirits, cigars and provisions show an increase of some £7,000 and stand now at £95,000. The increase is more than represented by the extra cost of the goods. I should like briefly to refer to the recommendation in the report that a further £10,000 be transferred to the working capital reserve, making that reserve £50,000. Our stocks at cost price are now some £95,000; as a matter of fact, if we had been able to obtain delivery of a larger proportion of our orders the amount of the stock would have been considerably higher. To serve the public well we must buy at the right moment and be ready to pay cash. The results obtained, I am sure you will consider satisfactory, but it has been a year of considerable anxiety to your directors. The various Government regulations have rendered the carrying on of our trade most difficult. The amount of spirit clearances was officially fixed at one-half of the quantity dealt with in 1916—a year when trade was slow and for financial reasons no more was taken out of bond than was absolutely necessary. To make a comparison we have now about one-half of the 1916 quantity to make go round and satisfy our greatly increased business. As a matter of fact, we have very large stocks of fine old liqueur brandy in bond, which we badly want but cannot touch for lack of clearances, with the result that we have to buy duty-paid goods and so help to increase the ruinous prices now being paid. Fortunately, within the last few days promises are held out of the release of a further proportion, but in view of the present demand I venture to state that the quantity to be released is totally inadequate, and I trust it may not be long before these clearance restrictions are entirely removed.

Mr. Frederick E. Sidney seconded the motion, which after a brief discussion, was carried unanimously.

NEATH AND BRECON RAILWAY.

The ordinary general meeting of shareholders in this railway was held at the Charing Cross Hotel, W.C., Mr. John G. Griffiths, C.V.O. (Chairman of the Company), presiding.

The Chairman having referred to the resignation as a director of Mr. T. S. Soden owing to failing health, and which, he said, the directors had received with great regret, remarked that the gross receipts on the working of the railway, which was still under control, during the past year amounted to £101,901, as compared with £90,783 for 1917, while the total expenditure was £62,969, which compared with £52,025 in 1917. The net receipts on the railway working for the year were, therefore, £38,932, as against £38,758 in the previous year. The net income of the railway since the beginning of the control had been somewhat less than that of the basis year for 1913 in consequence of the Company having to bear certain items of expenditure not chargeable against the Government, including a portion of the first war bonus granted to the men employed by the Company. The important increase of £10,944 in the expenditure for 1918 over that of 1917 was more than accounted for by the large additions to the war bonuses which had been granted in 1918. In addition to these bonuses there had also been paid increased wages to the men in the Company's workshops, and the actual sum paid in respect of war bonus in 1918 amounted to £16,926. As to the traffic during the year, there had been some improvement, though not to the extent they could have wished; but the advance had been steady as compared with the preceding year, which was a good augury for the current year, during which it was hoped the facilities for shipment would be considerably improved.

Mr. Walter Harris, C.M.G., seconded the motion, which was agreed, and the dividends as recommended were approved.

INTERNATIONAL SPONGE IMPORTERS, LIMITED.

The fifteenth annual general meeting was held at Winchester House, Old Broad Street, E.C., on February 28, Mr. C. S. Marks (Chairman of the Company) presided.

The Chairman said: Now that the most anxious periods of the War have passed, your directors feel that they may congratulate the shareholders on the fact that we have been able to carry on our business without any detrimental effects to our Company. In my remarks last year I mentioned our then strong financial position. I can this year again refer to this subject by pointing out that our total liabilities to creditors are under £12,500, while we have cash at bankers £18,000, and invested in War Loan £34,000. The turnover of our business shows an increase, but the expenses incidental to increase of wages, salaries, and provision for Excess Profits Duty have made it necessary for your directors to adopt a conservative policy in declaration of dividend. The War from the first limited our supplies, because it is from the Mediterranean we obtain all our best qualities, and the Mediterranean became a centre of naval warfare. Your directors having always found it a good policy to keep a large stock, at once took steps to secure as much as possible of the stocks existing at the time, and thus we were able to meet most of the demands of customers. Although there will be for some time difficulties in obtaining supplies, your directors, having again made some large purchases, will receive deliveries as shipping restrictions become less strenuous. I think I have said all that is necessary for your information, and I now beg to propose: "That the report and balance sheet be received and adopted, that the dividends paid on the Preference shares and the interim dividend of 2% paid on the ordinary shares be confirmed, and that a final dividend of 3% on the Ordinary shares be sanctioned."

Mr. Edgar Cohen seconded the resolution, which was carried unanimously.

TAIPING RUBBER PLANTATIONS, LIMITED

The eighth annual general meeting of the Taiping Rubber Plantations, Ltd., was held on February 25 at Winchester House, Old Broad Street, E.C., Sir Ivor Philipps, K.C.B., M.P. (Chairman of the Company), presiding.

The Chairman, in moving the adoption of the report and accounts, said: A year ago I suggested to you that it was imprudent to publish details of our cost of production, and that no man personally controlling a business would do so if he could help it. You tacitly approved, and in accordance with this we had not intended to publish details of the cost of production in the future, but the circumstances of the past year have inevitably brought an increase in the cost of production, and as we have no desire to conceal anything from the shareholders, we again give you the full figures for the past year, but, as I stated last year, we do not propose to continue to do so in future. You will observe our costs rose from 8.76*d.* f.o.b. to 10.66*d.*, and our total cost from 10.29*d.* to 12.08*d.* per lb., and although cost has increased, the higher figure is not unsatisfactory. A glance at the figures will prove to you that this increased cost, after allowing for the higher cost of all materials, was mainly due to the decrease in production. So far as affects our profits for the year, we have to consider together the increase in the costs of production and the lower price realised for our product. Our report shows you that we realised a very much lower price in the year under review than we did in 1917-18. With a lower output, a lower gross price, and a higher cost, due in the main to the reduction of output, we necessarily have to record a very heavy drop in the profit for the year. The only one of these items which calls for much explanation is the fall in output. In connection with the reduction of our output our Manager states: "The chief reason for the shortage of crop is that the trees have not responded to the thinning out (which, of course, was most necessary) and the most unusual dry weather February-September. No tapping was done on 19 days, chiefly on account of the weather. The tapping is now a single cut on a quarter; at the beginning of the season a good many trees had two cuts. Given ordinary weather the crop of 700,000 lb. should have been harvested." Our visiting agent confirms this, except that he has doubts as to whether the 700,000 lb. would have been obtained had the weather conditions been normal. The result of the year's working is a profit of £15,431. We recommend a dividend of 5%, which, less income tax, absorbs £7,572, leaving £57,164 to be carried forward, subject to excess profits duty.

Mr. E. H. Parry seconded the resolution, which was carried unanimously, without discussion.

PEGOH, LIMITED.

THE seventh ordinary general meeting was held on February 28 at 38 Eastcheap, Sir Ernest Woodford Birch, K.C.M.G., presiding.

The Chairman, in moving the adoption of the report and accounts, said that the crop was 606,256 lb., or 6,256 lb. over the estimate, but about 100.000 lb. less than the previous year. The gross average selling price was 1*s.* 11.4*d.*, or 7.3*d.* less than in the previous year, and the cost of production was 1*s.* 5.8*d.*, or 5.4*d.* more. The estimated crop for the current year was 640,000 lb. They cabled their manager to resume normal tapping from January 1, 1919, but three months of the financial year had then passed, and the restricted figure of the crop had been observed during that quarter. They had to face the fact that 200 acres of poor rubber should be cut out and replanted. They had harvested over 220,000 lb. during the first four months, so that it was likely that the estimate would be exceeded. In regard to the estates, Mr. J. W. Campbell had reported very favourably on them. Tapping was well done over the whole estate. In the Rembia division there was heavy weeding expenditure, for 1,242 acres had been brought into a clean weeded condition at a cost of $22,500. The whole estate was now in good order, and weeding costs should be low in future. A good deal of thinning out had yet to be done, but as a result of the restriction of output that work had been accelerated. The yield in the home division was 300 lb. per acre, and in Rembia 340 lb. per acre. They had made one forward sale of 60 tons of rubber in 1919 at 1*s.* 9*d* per lb. *ex* godown Singapore. The directors regretted their inability to recommend the payment of a dividend. The whole cost of the estate, except about £900 spent on immature rubber in the Rembia division, had been charged to revenue. Their taxation liabilities amounted to £18,780 and their actual cash balances *cum* investments would not permit the payment at present of an appreciable dividend If their hopes were fulfilled of an increased crop, improved shipping facilities, and better prices, there was a prospect of rewarding the patience of the shareholders before very long. The revenue authorities would have to return a very considerable sum of money on account of the excess profits paid to them, and the first use made of that money would take the form of an interim dividend. A large consignment of rubber, amounting to no less than 130,000 lb., was on the point of arrival in London. That, of course, would swell the balance they had in hand, so that in holding out hope of an interim dividend he was holding out a hope of what was likely to occur in the very near future.

Lieut.-Col. D. K. McDowell, C.M.G., seconded the resolution, which was carried unanimously.

NATIONAL PROVIDENT INSTITUTION.

THE eighty-third annual meeting of the members of the National Provident Institution was held on February 28 at Cannon Street Hotel, E.C., the Hon. Vicary Gibbs (the Chairman) presiding.

The Acting Secretary (Mr. L. F. Hovil) read the notice convening meeting and the report of the auditors.

The Chairman said I venture to think that you will agree with me when I say without any reservation that the report is wholly satisfactory and that it reflects the happier conditions under which we meet to-day. Since this time last year there has been heavier fighting than in any previous period of the War. It is difficult to understand how it is that, for the most critical year of the War, the new business figures of all life offices should show so marked an improvement, but such is the case.

New Business Results

The Institution had its share in this general improvement, for you will see by our report that we issued nearly 200 more policies, and our total new sums assured were over £100,000 in excess of 1917 figures. As a result our total premium receipts for the year show an increase of £6,648 over last year's figures. (Applause.) These new business results have been obtained with due economy, as our total expenses of management, excluding the special expenses in connection with the quinquennial valuation, only amount to £10 10*s.* per cent. of our premium income. Our new business has been secured, too, without recourse to the issue of what are known as National War Bond Policies. (Applause.) There were many reasons which led us to decide against writing such policies. First, they were very generally, although not invariably, granted without medical examination, and as a mutual office we considered that we should not be justified in dispensing with the usual medical test. Then they were freely offered at remarkably low rates, with which we did not care to compete. Further, they were usually for the period of ten years, which would have meant that we should have had ten years hence a specially large amount of premium income to replace, if they had been popular, as I have no doubt they would have been, with our members and connections. There was also an additional reason, and perhaps the main one, in determining our policy. By investing in the War Bonds to the utmost of our power—independently of the issue of War Bond Policies—we not only did all that was possible in the way of giving financial assistance to the Government, but we secured for the benefit of our policy-holders as a whole all the profit derived from the funds. This profit, as you know, includes premiums varying from 2% to 5%, payable when the bonds are redeemed. If we had been granting War Bond policies, this profit would have been enjoyed only by the privileged class of member who had effected such policies. As some indication that the decision arrived at by the board in 1918 with regard to the bonus question received the approval of the members in general, I am glad to be able to tell you that the proposals for further assurances received last year from existing policy-holders were substantially larger than usual, both as regards number and amount.

Mortality Experience.

The next item in the report refers to our mortality experience. You will see that we have made a good beginning for the new quinquennium in this respect. The total amount of our death claims is only 75% of the amount we expected according to the mortality tables that we use, although it includes a substantial sum for war claims. We all trust that this last item will soon be a thing of the past. You may like to hear that since our accounts have been made up we have only received notice of further war claims to the extent of £1,400. Our influenza claims, other than those included in the claim figures now reported, only amount to about £12,000, excluding those on lives which fell in at advanced ages, although I am afraid that we cannot yet say that this epidemic disease is by any means altogether a thing of the past. The net yield by way of interest on the funds, which is now £3 18*s.* 10*s.*—an increase of 1*s.* 10*d.* per cent. over last year—we regard as quite satisfactory looking to the present heavy rate of income tax. What it will be in the future will depend very largely on the finding of the Royal Commission on income tax that is shortly to be appointed.

The Chairman concluded his remarks by urging members to revise the amount assured under their policies, pointing out that in view of the increased cost of everything, the provision made by them for their family which was formerly sufficient was now in many cases quite inadequate. He then moved the adoption of the report and accounts.

Mr. Robert E. Dickinson seconded the motion, which was carried unanimously.

Example :
A
£100 BOND
can be secured at
age 30
by an initial Premium
of £3
followed by
Nine Premiums of
£9 19s. 3d.

NATIONAL WAR BONDS
OF THE ISSUE RECENTLY WITHDRAWN
CAN STILL BE OBTAINED
FOR A SHORT TIME LONGER
UNDER THE SPECIAL SCHEME OF THE
CLERICAL, MEDICAL & GENERAL LIFE ASSURANCE SOCIETY,
15 St. James's Square, London, S.W. 1.

ANGLO-JAVA RUBBER AND PRODUCE CO., LTD.

THE eighth annual general meeting of this Company was held on February 28 at Winchester House, Old Broad Street, Mr. E. H. Parry (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts for 1917, said that in order to adjust the capital account and to provide funds for direct capital outlays, the directors contemplated offering to the shareholders upon advantageous terms some of the unissued shares, and application had been made to the Treasury for their consent. In the early part of last year an arrangement was entered into with the Debenture holders to pay off the balance of £41,650 during a period of four years, should it be desired so to extend the redemption of the Debentures outstanding. The profit for the year was £95,766, and the directors recommended a final dividend of 12½%, less tax, making a total of 17½% for 1917. There was a balance carried forward of £71,878, subject to excess profits duty, staff bonuses, directors' extra remuneration and Debenture sinking fund. Shareholders might consider that a more liberal policy might have been adopted in regard to the distribution made, but it must not be forgotten that the restrictions of output during 1918, to which the Company adhered in response to the Rubber Growers' Association scheme, had had the effect of causing retrogression in the Company's revenue for that year, and in a minor degree the prohibition by the British Government on the import into this country of Java teas had similarly been felt. The Hevea rubber output for 1918 might be put at 1,814,600 lb., the reduction being due to the Company's subscribing to the policy of the voluntary curtailment of 1918 outputs inaugurated by the Rubber Growers' Association. The year 1918 was one of the worst in the history of the rubber industry, but there were already evidences that recovery was at hand and that the future of the industry, with the assured and continual expansion of motor traction and other sources of consumption, held brilliant promise. With regard to the Company's new plantings in Sumatra, the initial work was largely completed and the plantings were well in hand, and they might reasonably look forward to a promising future. The soil was reported to be magnificent and well suited to the cultivation of rubber and coffee, the climate being perfect. The Company's estates in Java were reported to be in good condition generally. The estimates for 1919 anticipated an output of Hevea rubber of 3,145,000 lb., and of tea 300,000 lb.

Mr. H. L. Coghlan seconded the motion, which was carried, and the dividend recommended was declared.

The figures relating to the Spanish Budget just to hand show that the revenue for 1918 amounted to 1,365 million pesetas, while the expenses totalled 1,756 million. There was thus a deficit for the year of 391 million pesetas, or, say, 14¼ millions sterling. In the current year there is expected to result a deficit of 410 million pesetas, or, roughly, 15½ millions sterling, the estimate for the revenue being given as 2,060 million pesetas, while the expenses are expected to absorb 1,650 million pesetas. Provision is made in the new Budget for increased expenditure on old-age pensions, education and public health, army reforms, public works, roads, railways, and ports. The Budget also provides for an augmentation of 10% in direct and indirect taxation, and a reduction of from 5% to 30% in the Customs revenues.

RAND GOLD OUTPUT.

	Tons Milled and Yield per Ton		Value	Working Costs† per Ton	Working Profit	Per Ton	Dividends Paid	Native Labour Roll*
	Tons	Yield	£		£		£	
1915	28,314,639	26/4	37,264,992	17/5	11,931,062	8/5	7,619,416	209,438
1916.								
1st hlf.	14,171,862	26/9	18,990,338	18/2	5,771,855	8/2	3,634,776	192,809
2nd hlf.	14,353,390	26/7	19,117,571	18/0	5,858,146	8/2	3,460,296	—
Year	28,525,252	26/8	38,107,909	18/1	11,630,001	8/2	7,095,066	191,547
1917.								
1st hlf.	13,891,731	26/11	18,767,732	18/11	5,275,006	7/7	3,272,034	175,727
2nd hlf.	13,360,229	27/2	18,249,901	19/4	4,950,632	7/5	3,284,154	—
Year	27,251,960	27/1	37,017,633	19/2	10,225,638	7/6	6,556,188	172,742
1918.								
1st half...	12,764,768	27/6	17,568,400	20/11	4,001,698‡	6/3	2,738,215	179,028
July ...	2,167,869	27/10	3,041,419	21/2	702,360	6/6	—	178,402
Aug. ...	2,188,431	28/1	3,057,723	21/7	676,146	6/3	—	179,390
Sept. ...	2,070,635	28/2	2,918,032	22/0	600,330	5/10	—	179,399
Oct. ...	2,015,144	28/0	2,837,294	22/5	531,774	5/3	—	173,153
Nov. ...	1,899,925	28/5	2,721,932	23/1	420,102	5/1	—	160,275
Dec. ...	1,855,991	28/7	2,678,217	23/0	507,806	5/6	2,274,112	152,606
Total,year	24,922,763	27/11	34,823,017	21/7	7,500,270	6/0	5,144,077	—
1919.								
Jan. ...	—	—	2,812,867	—	—	—	—	160,599

* Number of natives employed at end of period.
† Excluding expenditure on capital account, taxation and certain other expense items.
‡ Adjusted total.

Brakpan.—Capital issued, 791,100 £1 shares; 160 stamps. Ten tube mills now working.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1916 ...	140	709,300	12⅔	1,097,761	30/11	684,536	19/3	413,226	11/8	4⅛
1917 ...	110	677,500	14⅓	1,168,454	34/6	694,451	20/6	474,003	14/0	5⅜
1918 ...	—	617,100	—	1,089,950	35/4	723,643	23/5	368,317	11/11	3⅛
1919.										
Jan. ...	—	42,000	—	85,224‡	40/7	54,350	25/11	30,874	14/8	3 15/16

The fixed charge for development has been increased from 2s. 6d. to 3s. 6d. per ton as from July 1, 1918.

Dividends—1917, June, 22½; Dec., 25 per cent.
1918, June, 20; Dec., 12½ per cent.

Modderfontein B.—Issued capital £700,000, in £1 shares. Plant of capacity 720,000 tons per annum.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	96	517,500	15½	1,193,650	46/2	502,535	19/5	691,115	26/9	8⅛
1918.										
Mar. qr.	96	122,200	16⅓	274,245	44/10	127,219	20/10	147,026	24/0	7⅛
June qr.	96av.	146,500	15⅛	311,943	42/7	140,324	19/2	171,619	23/5	7⅛
Sept. qr.	140	167,000	14,⅝	353,956	40/3	157,397	18/10	178,559	21/5	8⅛
Dec. qr.	—	169,800	—	351,470	39/0	171,163	20/1	160,307	18/11	7⅞
12 mos.	—	605,500	—	1,285,614	41/5	596,103	19/8	657,511	21/9	7⅞
1919.										
Jan. ...	—	58,000	—	127,635	44/0	62,609	21/7	65,026	22/5	8

Dividends—1917, June, 40; Dec., 45 per cent.
1918, June, 42½; Dec., 40 per cent.

Modderfontein.—Capital, £1,400,000, in £4 shares. Seven tube mills in use. Present capacity of plant, 55,000 tons per month. Additional plant of capacity of 40,000 tons monthly arranged for, to raise total capacity to about 1,100,000 tons a year.

Year to June 30	Stps.	Tons Milled	Sorting. %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1916-17	180	656,700	14	1,423,500	43/4	638,483	19/5	785,017	23/11	20⅛
1917-18	195av.	684,100	8	1,559,177	45/7	725,913	21/3	833,263	24/4	2/4
1918-19.										
Sept. qr.	236	217,000	11¼	491,501	45/3	220,878	20/4	270,623	24/11	26⅛
Dec. qr.	—	216,000	—	484,659	44/11	218,794	20/3	265,865	24/8	26 1/16
Jan. ...	—	76,000	—	168,309	44 2	77,035	20/2	91,274	24/0	28⅛

Returns include profit from accumulated slimes.

Dividends—1917, June, 16¼; Dec., 18¾ percent.
1918, June, 21 7/8; Dec., 30 per cent.

PITMAN'S BOOKS ON INCOME TAX.

By W. E. SNELLING,
Of the Inland Revenue Department.

Excess Profits Duty. Fourth edition. 12/6 net.

Incorporating the provisions of the Income Tax Acts made applicable by Statute and by Regulation, also the Regulations of the Commissioners of Inland Revenue and of the Ministry of Munitions. Thoroughly revised and brought up to date in accordance with the Finance Act, 1918.

Coal Mines Excess Payments, 12/6 net.

Including Guarantee Payments and Levies for Closed Mines.

Income Tax and Super Tax Law and Cases. Third edition. 12/6 net.

Contains a complete statement of every provision of the Income Tax Acts still in force, including the Finance Act, 1918. All the enactments and cases on a particular subject are grouped together with suitable sub-headings.

Income Tax and Super Tax Practice. 12/6 net.

The aim of the book is to provide a lucid and complete guide to the practice of Income Tax, including the Finance Act, 1918.

Full particulars of the above books on application.

OTHER USEFUL BOOKS.

Simple Interest Tables. 21/- net

By WILLIAM SCHOOLING, C.B.E.

The purpose of the tables is to enable every result that is needed to be obtained by the easiest of all arithmetical operations—that of simple addition. It is literally correct to say that interest at the rate of any penny from 1d. to £99 19s. 11d. per cent., and other rates as well, can be found from these tables.

Bank Organisation, Management and Accounts. 5/- net.

By J. F. DAVIES, M.A., LL.B.

Describes the duties of the various members of a bank staff, and gives details of the methods of keeping accounts.

SIR ISAAC PITMAN AND SONS, LTD.,
1 AMEN CORNER, LONDON, E.C. 4.

City and Suburban.—£1,360,000, in £4 shares. Two tube mills. Yearly profit is exclusive of accumulated slimes revenue.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	150	305,450	15½	527,076	34/4	367,604	23/11	159,472	10/5	1 3/8
1918.										
Mar. qr.	150	66,031	11¼	109,883	33/3	87,940	26/8	21,943	6/7	29/32
June qr.	150	71,080	—	118,604	33/4	94,808	26/8	23,796	6 8	27/32
Sept. qr.	150	60,131	12½	94,508	31/5	95,856	31/3	650	–/2	13/32
Dec. qr.	150	51,483	—	93,930	36/6	92,912	36/1	1,018	–/5	¼
12 mos.	150	248,730	—	416,923	33/6	369,516	29/8	47,407	3/10	⅜
1919.										
Jan. ...	80*	15,579	—	28,160	36/1	30,953	39/8	2,793†	3/7†	⅝

* 70 stamps shut down owing to labour shortage. † Loss.

Dividends—1917, June, 6¼; Dec., 3¾ per cent.
1918, June, 1⅞ per cent.; Dec., nil.

Nourse Mines.—Issued capital £827,821, in £1 shares. Capacity of mill has been modified to about 50,000 tons per month.

Year ends June 30	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1916-17...	180	495,100	12½	695,026	28/1	576,153	23/3	118,873	4/10	1⅛
1917-18...	180	471,000	10·9	615,918	26/2	557,738	23/8	58,180	2/6	1⅛
1918-19.										
Sept. qr.	180	125,950	12½	162,700	25/10	155,462	24/8	7,238	1/2	27/32
Dec. qr.	—	103,050	—	140,988	27/1	147,305	28/4	*6,317**	*1/3**	1⅛
Jan. ...	—	35,000	—	49,484	28/5	48,923	27/11	561	–/3	27/32

* Loss.

Monthly profits include revenue from accumulated slimes.

Dividends—1916, June, 5; Dec., 6¼ per cent.
1917, June, 6¼; Dec., 6¼ per cent.
1918, June, 3¾ per cent.; Dec., nil.

Goch.—£550,000, in £1 shares. 120 stamps; four tube mills. Sundry revenue, about £300 a month, included in monthly returns.

Year to Dec. 31	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1916 ...	365,000	—	355,787	19/6	247,480	13/6	108,307	6/0	7/9
1917 ...	253,000	—	242,408	19/1	194,731	15/5	47,677	3/8	4/9
1918.									
Mar. qr.	48,974	1⅛	46,149	18/10	45,739	18/8	410	–/2	4/3
June qr.	49,250	1¾	46,234	18/8	45,708	18/6	526	–/2	3/9
Sept. qr.	52,750	—	47,767	18/1	47,546	18 0	221	–/1	5/0
Dec. qr.	46,400	—	39,510	17/0	42,376	18/4	*2,866**	*1/4*	6/9
12 mos.	197,374	—	179,660	18/2	181,363	18/4	*1,703**	*–/2*	6/9

* Loss.

Dividends—1916, June, 5; Dec., 5 per cent.
1917, June, 5; Dec., 2½ per cent.
1918, June, nil; Dec., nil.

Crown Mines.—Capital £1,000,000, in 2,000,000 shares of 10*s.* each; issued, 1,880,212. £657,100 Five per Cent. Debentures. Milling capacity about 232,000 tons per month.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1916...	660	2,259,700	9½	2,887,776	25/6	2,072,147	18/4	815,630	7/2	3 11/32
1917...	660	2,100,000	8¼	2,700,095	25/9	2,026,129	19/4	673,966	6/5	2 3/32
1918.										
Mar. qr.	660	478,800	6½	619,675	25/11	518,547	21/8	101,128	4/3	1⅝
June qr.	—	490,000	—	663,671	27/1	539,209	22/1	124,462	5/0	2 3/4
Sept. qr.	—	480,000	—	666,286	27/9	549,822	22/11	116,464	4/10	2 5/8
Dec. qr.	—	413,000	—	579,118	28/0	510,477	24/8	68,651	3/4	2½
12 mos.	—	1,861,800	—	2,528,760	27/1	2,118,055	22/8	410,705	4/5	2½

Accumulated slimes profits included.

Dividends—1916, June, 25; Dec., 25 per cent.
1917, June, 20; Dec., 20 per cent.
1918 June, 15; Dec., 5 per cent.

An astonishing amount of interesting matter by well-known contributors is gathered together in the "British Dominions Year-Book for 1919." The book is edited by Messrs. Edward Salmon, F.R.C.I., and James Worsfold, F.C.I.S., and published by the Eagle Star and British Dominions Insurance Company, Limited, at the price of 1*s.* The subjects, each by separate writers, deal with the War in its various aspects with India, with Japan, with afforestation, the coal question, and even with the woman voter. Of exceptional interest are eight maps of the world, showing the comparative production of wheat, sugar, timber, wool, flax, silk, cotton, and rubber, as well as petroleum and the principal metals, by Allied, neutral and enemy countries.

"Whitaker's Almanack, 1919." Price 6*s.* net. (London: 12 Warwick Lane, E.C. 4.) The publication of this useful volume has been delayed this year in order that the results of the recent Parliamentary elections might be included. Many difficulties had to be faced owing to the holding back and suppression of Government information, but every effort has been made to keep Whitaker up to its recognised standard. An interesting map is included showing the racial divisions of Europe, as well as one of Mesopotamia. The price has been raised this year to 6*s.*; but it is hoped that this increase is only a temporary expedient, though it is doubted whether the low price of previous issues will again be attained. Still, a thousand pages of handy and useful information for 6*s.* can hardly be considered dear.

As a result of the Armistice, which has now lasted for more than three months, the exchanges are gradually moving in our favour. But our indebtedness to the various countries of the world is so great that they are very far from having reached pre-War figures.

Mr. J. S. Thomson sends us a pamphlet lately published by the *Monetary Times* of Canada, in which he recommends various methods which he hopes will double the population of Canada in 15 years. Mr. Thomson estimates that the natural growth of population in Canada during the years of the War will ultimately make up for the loss of 100,000 lives; and the principal object of his work is to show how the half-million of soldiers returning to Canada can be assisted to make homes. In addition, he invites Canada to do everything she can to encourage immigration, particularly from the United States. As is well known, a large number of citizens from the United States did, in fact, take up farms in Canada before the War, and Mr. Thomson argues that there is every reason to expect that this will continue when peace is definitely concluded. He admits that our losses have been so heavy that the British emigration to Canada may not be as great as before the War, although he urges that everything possible for Canada to do should be done to attract British immigrants. Finally, he suggests that a certain proportion of non-British peoples should be welcomed from various parts of Europe.

THE NATIONAL BANK OF SCOTLAND LIMITED

INCORPORATED BY ROYAL CHARTER AND ACT OF PARLIAMENT.

ESTABLISHED 1825.

Capital Subscribed, £5,000,000. Paid up, £1,000,000. Uncalled, £4,000,000.
RESERVE FUND, £900,000.

Head Office—EDINBURGH.

J. B. COCKBURN, General Manager. GEORGE A. HUNTER, Secretary.

London Office—37 NICHOLAS LANE, LOMBARD ST., E.C. 4.

SIR JOHN FERGUSON, K.B.E., Manager. DUGALD SMITH, Assistant Manager.

Every description of Banking Business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.; the collection of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of Remittances to all parts.

The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.

The Officers of the Bank are bound to secrecy as regards the transactions of its Customers.

BANK OF MONTREAL

Established in 1817.
Capital Paid up, $16,000,000.
Reserve Fund, $16,000,000.
Undivided Profits, $1,901,613.

BOARD OF DIRECTORS.

Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. R. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., Lt.-Col. Herbert Molson, M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq.

Head Office: Montreal.

General Manager: Sir Frederick Williams-Taylor, LL.D. Assistant General Managers: F. J. Cockburn, H. P. Mackenzie, G. C. Cassels, D. R. Clarke.

LONDON OFFICES:
47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1, and
24 Cockspur Street S.W. 1.

London Committee: Sir Thomas Skinner, Bart., Lieut.-Col. F. R. S. Balfour.
Manager: George Cyril Cassels.

Financial Agents of the Government of the Dominion of Canada.

Branches and Agencies throughout Canada and Newfoundland; also at New York, Chicago and Spokane in the United States, and at Mexico City.

The Bank undertakes monetary business with all Allied and Neutral countries, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, and Mexico.

THE ROYAL BANK OF CANADA.

Capital Paid up	**$14,000,00**
Reserve Fund and Undivided Profits	**$15,000,000**
Total Assets	**$427,500,000**

Head Office—MONTREAL.

Sir HERBERT S. HOLT, E. L. PEASE,
President. *Vice-President & Managing Director.*
C. E. NEILL, *General Manager.*

462 Branches in Canada and Newfoundland.
39 Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela.

BRANCHES IN BRITISH WEST INDIES.
ANTIGUA—St. John's; BAHAMAS—Nassau; BARBADOS—Bridgetown; DOMINICA—Roseau; GRENADA—St. George's; JAMAICA—Kingston; ST. KITTS—Basseterre; TRINIDAD—Port of Spain, San Fernando; BRITISH GUIANA—Georgetown, New Amsterdam, Rose Hall; BRITISH HONDURAS—Belize; SPAIN—Barcelona.

New York Agency, Corner William & Cedar Streets.

LONDON OFFICE:
Bank Buildings, Princes Street, E.C.2.
T. R. WHITLEY, *Manager.* JAMES MACKIE, *Joint Manager.*

THE CANADIAN BANK OF COMMERCE.

HEAD OFFICE .. ... TORONTO.

Paid-up Capital ... $15,000,000 (£3,082,192)
Reserve Fund ... $15,000,000 (£3,082,192)
President: SIR EDMUND WALKER, C.V.O., LL.D., *General Manager*: SIR JOHN AIRD., [D.C.L.
Assistant General Manager: H. V. F. JONES.

425 Branches throughout CANADA, and in NEWFOUNDLAND, THE UNITED STATES and MEXICO.

LONDON OFFICE: 2 LOMBARD STREET, E.C.
A general Banking Business conducted with ALL POINTS IN NORTH AMERICA.
O. CAMBIE, Manager.

UNION BANK OF CANADA.

Incorporated 1865. Head Office, WINNIPEG.

Paid-up Capital	$5,000,000
Rest and Undivided Profits ...	$3,800,000
Total Assets exceed	£153,000,000

The Bank has over 300 Branches in CANADA and Agents in the principal Cities in AMERICA.

Deposits received at favourable rates, which may be ascertained on application to:—

LONDON OFFICES { 6 PRINCES STREET, E.C. 2. 26 HAYMARKET, S.W. 1.

New York Agency: 49 Wall Street.

THE WESTERN AUSTRALIAN BANK.

Established 1841.

Paid-up Capital	**£250,000 0**
(25,000 Shares of £10 each)	
Reserve Fund	**£700,000 0 0**
Reserved Profits ...	**£23,460 0 0**
Reserve Liability of Shareholders,	**£250,000.**

Drafts issued, Remittances cabled, Bills negotiated or collected. Deposits received for fixed periods at rates to be ascertained on application, and all Banking and Exchange Business connected with Western Australia conducted through the London Agents,

The Bank of Adelaide, 11 Leadenhall Street, E.C. 3

THE MECHANICS AND METALS NATIONAL BANK

OF THE

CITY OF NEW YORK.

ESTABLISHED 1810.

CAPITAL (FULLY PAID)	$6,000,000
SURPLUS AND UNDIVIDED PROFITS ...	$11,000,000

THIS BANK RECEIVES ACCOUNTS OF BANKS, BANKERS, CORPORATIONS, FIRMS, AND INDIVIDUALS ON FAVOURABLE TERMS, AND GRANTS TO ITS DEPOSITORS EVERY FACILITY CONSISTENT WITH PRUDENT AND CONSERVATIVE BANKING METHODS. CORRESPONDENCE INVITED.

FOREIGN DEPARTMENT.

Finances Exports and Imports, buys and sells Foreign Exchange, Telegraphic Transfers, &c., and makes Collections on all parts of the world.

LONDON BANKERS:
LONDON JOINT CITY AND MIDLAND BANK LIMITED.
LONDON COUNTY WESTMINSTER & PARR'S BANK LIMITED.

THE LONDON AND RIVER PLATE BANK (Limited).

Established 1862.

Authorised Capital	£4,000,000
Paid-up Capital	1,800,000
Reserve Fund	2,100,000

BRANCHES.

ARGENTINE.—Buenos Aires, Rosario, Mendoza, Concordia, Bahia Blanca, Cordoba, Tucuman, Parana, Barracas (Buenos Aires), Once (Buenos Aires), Boca (Buenos Aires), Calle Santa Fé (Buenos Aires), Calle B de Irigoyen (Buenos Aires).

URUGUAY.—Montevideo, Calle Rio Negro (Montevideo), Paysandu (Agency), Salto (Agency).

BRAZIL.—Rio de Janeiro, Sao Paulo, Santos Pernambuco, Para, Bahia, Victoria, Curityba, Manaos (Agency).

CHILI.—Valparaiso, Santiago.

FRANCE.—Paris (16 Rue Halévy).

BELGIUM.—Antwerp (22 Place de Meir).

Agency in New York and Agents throughout the World.

Letters of Credit, Drafts and Cable Transfers issued.

Bills negotiated, advanced upon, or sent for collection.

7 Princes Street, E.C. 2.

NATIONAL BANK OF INDIA, LIMITED.

Bankers to the Government in British East Africa and Uganda.

HEAD OFFICE:
26 BISHOPSGATE, LONDON, E.C. 2.

BRANCHES:

Calcutta	Cochin (S. India)	Zanzibar	
Bombay	Chittagong	Mombasa	British East Africa
Madras	Rangoon	Nairobi	
Karachi	Mandalay	Nakuru	
Cawnpore	Aden and	Kisumu	
Lahore	Aden Point	Entebbe	Uganda
Amritsar	Colombo	Kampala	
Delhi	Kandy	Jinja	
Tuticorin	Newera Eliya		
	Dar-es-Salaam	Occupied Territory, German East Africa.	
	Tanga		

SUBSCRIBED CAPITAL ...	£2,000,000
PAID UP CAPITAL	£1,000,000
RESERVE FUND	£1,350,000

LONDON BANKERS.—Bank of England; National Provincial Bank of England, Limited; National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balances at the rate of 2 per cent. per annum.

THE EASTERN BANK, LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C

Subscribed Capital	**£1,500,000**
Called up	**£600,000**
Reserve Fund	**£90,000**
Reserve Liability of Shareholders	**£900,000**

BOARD OF DIRECTORS.

The Right Hon. LORD BALFOUR OF BURLEIGH, K.T. (Chairman).
SIR EDWARD SASSOON, Bart. EMILE FRANCQUI, Esq.
J. C. GEORGES BOUILLAT, Esq. J. S. HASKELL, Esq.
G. BROMLEY-MARTIN, Esq LT.-COL. J. LEIGH [WOOD, C.B., C.M.G.
Branches:

BOMBAY, CALCUTTA, BAGDAD, BASRA-AMARA, HILLAH.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, Negotiates and Collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.

Deposits are received for fixed periods at rates to be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager.*

THE FOURTH STREET NATIONAL BANK, PHILADELPHIA.

CAPITAL FULLY PAID ...	**$3,000,000.00**
SHAREHOLDERS' LIABILITY	**$3,000,000.00**
SURPLUS AND PROFIT ...	**$7,000,000.00**

Bills of Exchange
Telegraphic Transfers
Letters of Credit
Travellers' Checks
available throughout the World.

Collections made everywhere. Acts as Agent for Foreign Banks to draw on the United States. Correspondence solicited.

LONDON AGENTS—
SAMUEL MONTAGU & CO.
LONDON CITY AND MIDLAND BANK LTD.
LLOYDS BANK LTD.

Cable Address—"FOURBANK."

THE ANGLO-EGYPTIAN BANK, LIMITED.

SUBSCRIBED CAPITAL ... £1,800,000.
PAID UP, £600,000. RESERVE FUND, £710,000.

BRANCHES: Alexandria, Cairo, Beni-Souef, Mansourah, Port Said, Tantah, Zagazig, Khartoum, Jaffa, Jerusalem Malta, Gibraltar, Haifa.

BANKERS: The Bank of England. The London Joint City and Midland Bank, Limited

The Bank transacts every description of Banking business in Egypt, grants Letters of Credit, and affords facilities to travellers proceeding to Egypt and elsewhere.

Deposits received for fixed periods at rates to be obtained on application. Interest payable February 28th and August 31st

On current accounts, interest at the rate of 2 per cent. per annum allowed on minimum monthly balances provided they do not fall below the sum of £200.

27 Clements Lane, Lombard Street, E.C. 4.

IMPERIAL BANK OF CANADA.

Head Office—TORONTO.

Capital Paid up - - -	**$7,000,000**
Reserve Fund - - -	**$7,000,000**

Over one hundred Branches in the Provinces of Ontario, Quebec, Manitoba, Saskatchewan, Alberta and British Columbia.

Cable or Mail Remittance readily made to and from Great Britain and Canada.

Agents in Great Britain

ENGLAND—Lloyds Bank Limited. London, and Branches.
SCOTLAND—The Commercial Bank of Scotland, Limited, Edinburgh, and Branches.
IRELAND—Bank of Ireland, Dublin, and Branches.

Agents in France:

Crédit Lyonnais. Lloyds Bank (France) and National Provincial Bank (France) Limited.

BANK OF NEW SOUTH WALES.

Established 1817.

LONDON OFFICE: 29 Threadneedle Street, E.C 2.

Paid-up Capital	**£3,904,860**
Reserve Fund	**3,025,000**
Reserve Liability of Proprietors ...	**3,904,860**
	£10,834,720
Aggregate Assets. 30th Sept., 1918	**£62,115,135**

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business.

H. MELDRUM, Assistant Manager.

Ernesto TORNQUIST & Co.

LIMITADA,
BUENOS AIRES.
Established 1830.

Oldest Business Establishment in the River Plate.

CAPITAL FULLY PAID UP AND RESERVES
£2,679 785.

GENERAL FINANCIAL, BANKING AND COMMERCIAL BUSINESS.

Printed by SPOTTISWOODE, BALLANTYNE & CO., LTD., at 1 New Street Square, E.C. 4, and Published by the Proprietors of "The Statist" at their Offices, 51 Cannon Street, E.C 4, in the City of London, England.—*March 1, 1919.*

NATIONAL BENEFIT

ASSURANCE COMPANY, LTD.

All classes of INSURANCE, including LIFE, FIRE, MARINE, ACCIDENT, PROPERTY INVESTMENT, WAR RISKS, EMPLOYERS' LIABILITY, &c., at very favourable rates. PROSPECTUS ON APPLICATION.

ASSETS EXCEED £1,500,000.

MANAGING DIRECTOR: J. FRANCIS, J.P., F.S.S.

Head Offices: NATIONAL HOUSE, NEWGATE STREET, LONDON, E.C. 1.

Marine Underwriting Rooms: 74 CORNHILL, LONDON, E.C.3.

REFUGE

ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds	**£4,700,000**
Assets Exceed	**£15,900,000**
Claims Paid Exceed	**£28,000,000**

SUBSCRIPTION TO "THE STATIST."

TO INCLUDE ALL SUPPLEMENTS.

Payable in Advance.

Inland.

ONE YEAR, £1 10 0 | HALF-YEAR £0 15 0

(Post Free.)

For Colonies and Abroad (within Postal Union).

ONE YEAR, £1 17 4 | HALF-YEAR, £0 18 8

(Post Free.)

OFFICE : 51 Cannon Street, E.C. 4.

IMPORTANT NOTICE.

All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager, THE STATIST

51 Cannon Street, London, E.C. 4

Telegrams: "Statist Cent. London." Telephone: City 5258-5259.

CONTENTS.

Leading Articles— PAGE
THE LABOUR QUESTION . . 409
THE INDIAN BUDGET 409
THE NAVY ESTIMATES 411
THE ARMY ESTIMATES 411
WHEN THE WAR ENDS.—LVIII. . . . 412
INDUSTRY AND RELIGION IN IRELAND 412
BRAZIL 414
SHIPBUILDING IN BELFAST.—III. . . . 415
ECONOMIC BRAZIL 416
IRISH EDUCATION 416
FINANCIAL NOTES 418
THE FERTILISER INDUSTRY.—II. . . . 420
SOUTH AND CENTRAL AMERICA 421
QUEBRACHO 422
LIVE STOCK OF THE WORLD 423

American Topics—
The Guaranty Trust Company 424
Coal Production in U.S. and the United Kingdom 424

Commercial— PAGE
Lace and Allied Industries 427

Industrials—
D. Davis and Sons, Limited 426
Courtaulds, Limited 428

Insurance Notes—
Scottish Temperance Life Assurance Company 425
London and Lancashire Fire and Law Union and Rock Insurance Companies . . 426

Mining Topics—
Mexico Mines of El Oro . . 404
Falcon Mines 405
Hampden Cloncurry 405
Wolhuter 406

Money Market 401

Rubber Topics 424
United Serdang 424
Kuala Klang 425

Stock Exchange 404
JAPAN 404

Tabular Appendix 406

Meetings 429-441

The Statist.

LONDON, SATURDAY, MARCH 8, 1919.

The Money Market.

Friday, March 7, 1919.

	CURRENT RATE %	CURRENT RATE FIXED	PREVIOUS RATE %	PREVIOUS RATE FIXED
Bank of England Rate...	**5**	**(Apr. 5,'17)**	**5½**	**Jan. 18,'17**
Bank of England Rate — to Clearing Banks: 3 days' notice ...	**3**	**(Feb. 14,'18)**	**4**	**June 19,'17**
Bank of England Rate — for Foreign Money*	**4½**	**(Nov. 15,'17)**	**extended**	**Jan. 2,'18**
Deposit Rates :—				
Banks & Discnt. Ho. (Call)	**3†**	**(Feb. 14,'18)**	**3½**	**Jan. 2,'18**
Discount Houses (Notice)...	**3**	**(June 6,'18)**	**3¼**	**Feb. 14,'18**
Do., to Bankers and Merchant Bankers (Notice)	**3¼**	**(Feb. 14,'18)**	**3¾**	**Jan. 2,'18**

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Tr'sury Bills (Fixed Feb. 14,'18)—		3½	—	3½
Bank Bills	3 7/16-½	3 7/16-½	3 7/16-½	3 7/16-½
Trade Bills	—	4-4½	4¼-4½	4½-4¾

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances. † Foreign and Colonial banks give Special Rates only upon deposits for a year.

SIR DONALD MACLEAN, speaking in the House of Commons this week on the gravity of the state of the national finances, said that we were rapidly heading for bankruptcy. All experience teaches that a State, as well as an individual, cannot indefinitely spend more than it earns. The position, briefly, as far as we understand it, is that according to the estimate of the present time—and it must be remembered that until the accounts are properly got in and audited it is not possible to say what the actual expenditure is at the moment, either now, while we are writing, or when the paper appears—we are spending something between five and six millions a day, and nearer to the former than to the latter figure. In other words, it would appear that we are paying our way out of loans to the extent of more than 50% of the total expenditure. Something less than half of our expenses are being raised by way of taxation, which is, of course, in itself a heavy burden upon every industry in the country. Roughly, we have expended since the beginning of the War something considerably over 9,300 millions sterling, of which something over 2,500 millions has been raised by taxation, and the balance in various forms of loans. Roughly, 1,500 millions is due to us on account of the Allies, some of which will, no doubt, be paid at a comparatively early date, and the balance may, or may not, come in within the lifetime even of the youngest of us. We have no intention of entering here into the question of how these vast sums are to be repaid. But it is very pertinent to the question to inquire whether the Government is duly considering how we are to increase our trade so as to enable us to meet the heavy charges upon our debt and to maintain our common rate of expenditure. It was announced recently, in removing certain restrictions, on the import of wool, that the Government had it under consideration to restrict imports of wool from South America. Now the very fact that traders in this country desire to import wool from South America shows that they see a business prospect of obtaining some advantage from such a transaction. If the wool was not wanted the trader would be muddling his own business. And he would, of course have to take the consequences. The prohibition, if it is decided upon, is proposed purely in the interests of exchange. Now, is it desirable that the officials in Whitehall should restrict the import of commodities in the interests of exchange against traders who make a living—indeed, whose living, in many cases, depends upon importing such commodities into this country? We desire to throw as much light as possible on the subject in order to get it adequately

considered for our own guidance, for the guidance of the officials in Whitehall, and for the benefit of the British trader. The South American countries are badly in need of various kinds of manufactures; and still more of nearly every kind of transportation facilities, from motor boats suitable for the rivers of the north to motor cars fitted to travel the Pampas of far Southern Patagonia. "That is quite true," says Whitehall, "but have you the goods to supply, or can you, if you are not yourself in trade, put us in touch with a firm who are prepared to export the goods which you recommend to be sent to South America?" In other words, the difficulty with which the official feels himself faced is, "How do you propose to pay for the wool which you argue—and, no doubt, on economic grounds correctly—should be permitted to be imported into this country if British traders see it to their interest so to do?" We certainly have not the goods ourselves, nor do we pretend that we are in a position to put the Government in touch with firms who could export such enormous quantities of commodities to South America as would reduce the unfavourable balance of trade between this country and that great continent. In the nature of the case such an adjustment must come gradually. Whenever trade relations upon a purely economic basis are resumed between this country and the various States of South America the same difficulty will present itself. South America is, in an economic sense, an undeveloped continent; and even the most developed States are relatively undeveloped. They have not, as France and England had, for example, in the generation that preceded the outbreak of the recent European war, immense accumulated resources ready for employment in various parts of the world whenever favourable conditions were offered for such employment. If Europe and South America are to trade freely and openly, and not under the control of the various Governments, it must, in the nature of the case, take the form of barter. South America can only buy our manufactures if she is allowed to send cattle, and hides, and wool, and meat, and the various foodstuffs and raw materials which she produces in such abundance, and which are so urgently needed here in Europe.

THE MONEY CONTROL.

Of course we are not advocating the retention of control in one direction and its removal in another. What we desire to see is the removal of control upon the economic activity of the country, taken as a composite whole. During the War it was thought to be to the interest of the country to maintain money at an artificial rate for the purpose of facilitating Government borrowing and the sale of the various forms of scrip which the Government desired to offer. Has not the time come when such control should be removed? Of course, it may be contended—and it is quite true—that money is only really cheap so far as the Short-loan market is concerned; and anybody who wants to borrow money for an important enterprise for any considerable time will quickly realise that rates are very far from low. This, however, is beside the point. The official rates quoted in the daily papers in London are about half the rates ruling, say, in New York. Now it is perfectly evident that, sooner or later, such a control must defeat itself. Some day or other it must be removed; and in the endeavour to settle the various adverse balances of trade against us in the different countries, surely there must be an upward movement in rates which might seriously threaten the stability of the Money market. Mr. Churchill said in the House of Commons this week that already 1,800,000 men had been demobilised and he hoped shortly to demobilise half a million more. We all know that a large number of these men are unemployed; and, in addition, a large number of people are unemployed who were formerly engaged in producing munitions and various things required by the Government during the recent War. It is of the utmost importance that these men should find employment; and goodness knows there is work and to spare for everybody at the present time if only the means of setting operations in train could be devised. There is a shortage of everything, from necessities to the most extravagant luxuries; from the humblest means of transport to the great ocean-going liners; and from bricks to the most ornate decorations of a rich man's mansion. If the money control were removed, in all reasonable probability rates would bound up. But surely that would have the effect of attracting money to London, as it has done in the past. The wool man in South America knows he cannot have gold; and he would sell against bills, which in due course would be redeemed by manufacturers. Assuming that money rates did go up, and went up considerably, it would mean only that those things which are urgently needed would be purchased; and if the wool importer here found that he could not sell his wool from South America he would very soon stop importing wool. An illustration of what we mean has occurred quite recently in connection with Switzerland. Switzerland, during the War, lent very nearly 25 millions sterling, mainly to this country and to France; and, in addition, she has expended very nearly 60 millions sterling in mobilising her army to protect herself against German aggression at the time when the Germans were so aggressive. The exchange with Switzerland was, and still is, adverse. But the Swiss were anxious to export certain silk ribbons, for which there is an exceedingly good market here; and the traders on this side, knowing they could sell, were anxious that the ribbons should be imported. Whitehall became alarmed and said, "No. What will become of exchange if you start importing ribbons?" It was pointed out to the authorities here that, owing to the cessation of the staple trades in which Switzerland is engaged, there were grave fears of strikes, and even of Bolshevist outrages, in Switzerland, and unless something was done to afford employment for the Swiss working people there would assuredly be an addition to the already troubled state of Europe. Fortunately, the Foreign Office saw the force of the argument, and it appointed a Commission to inquire how the matter could be arranged with as little danger to the exchanges as possible. The result has been that some 70% of the total output in 1916 has received permission to be imported, which will materially assist the situation, as the production in that year was on a very large scale, and will not, as far as can be seen, materially injure exchange. On the contrary, it is thought that it will afford a market for any British articles which the Swiss were accustomed to take from us before the War, and which may be available for shipment.

It is with great regret we learn of the death during the past week (at Brighton) of Mr. A. K. Raphael, so long associated with the Anglo-South American Bank. Mr. Raphael died from heart failure following influenza. His business career was spent almost wholly in the London Bank of Mexico and South America which the reader will remember, was taken over some years ago by the Anglo-South American Bank, since when Mr. Raphael's business interests have been associated with

ROYAL EXCHANGE
ASSURANCE.
Incorporated A.D. 1720. Governor: VIVIAN HUGH SMITH, Esq.
FIRE, LIFE, SEA, ACCIDENT, and GENERAL INSURANCES.
The Corporation is prepared to act as TRUSTEE and EXECUTOR.
Apply for full particulars of all classes of Insurance to the Secretary—
Head Office: ROYAL EXCHANGE, LONDON, E.C. 3.
West End Branch. 44 PALL MALL, S.W. 1.

the well-known institution in Old Broad Street. He is a real loss to the Bank from his long and wide experience of South American affairs, and will be greatly missed by his many friends, who were accustomed to consult him daily in connection with various affairs having relation to South America.

BRITISH BANK FOR OVERSEAS TRADE.

Important developments are in progress in connection with the British Overseas Bank, although the institution has not yet got a permanent home or, indeed, a location of any kind, so far as we are aware. This difficulty will, no doubt, shortly be overcome. It has already secured powerful interests which will give it strong financial support over nearly the whole of South and Central America. It has, in addition, secured the support of a great institution associated with India and the Far East; and it is, besides, if we are rightly informed, about to receive the support of important financial interests dealing with the European continent. We believe we are right in stating that various British banks and institutions trading with foreign parts are also contemplating joining the Association. As the banks and other financial institutions which are at the back of this important enterprise are contenting themselves with taking the whole of the "B" shares, those to whom the "A" shares are likely to be offered will have the satisfaction of feeling that the institution will be carefully guarded by the powerful interests by which it is backed.

BANQUE BELGE POUR L'ETRANGER.

The Belgian Bank for Foreign Trade, whose head office is at 66 Rue des Colonies, Brussels, in their report state that for five years they have been unable to issue a statement on the general situation of the Bank. The first care of the head office, now that free communications have been re-established, is to renew contract with its shareholders. "Our gratitude," says the report, "is also due to the officials who throughout our organisation have contributed to the successful working of its branches. The Belgian directors wish to express their sense of special indebtedness to the prudent management of the London Board, who, when communications with the head office were broken off, took the management of the Bank's affairs into their own hands." "Thanks to them," says the report, "we find to-day the Bank in a stronger position than before the War, and are looking forwards to a brighter future." The profit and loss account, as shown in the balance sheet made up on June 30 last year, shows a balance of net profit available at that date of £200,640. The current accounts, as will be evident from the statement, amount to very nearly 16 millions sterling.

BANK OF ENGLAND.

For a period when the whole world is more or less excited, and when we have just come through four years of terrible war, the returns of the Bank of England show scarcely any change of importance from week to week. The fluctuations are no greater than they might readily have been in a period of profound peace, but fairly active trade. How can it be otherwise? Gold movements are forbidden by the Government, silver cannot now be exported, and quite recently the sale of India Council Drafts has been stopped. The net result is that the figures of the Bank of England returns, although it is the Government Bank of one of the greatest Governments of the time, at the conclusion of one of the most important wars in which this country has ever been engaged, does not in any sense reflect the great financial movements inevitable in such a period. To piece together the economic history of the past few months, it would be necessary to search the archives of the chancelleries of Europe, as well as those of the United States of North America, and certain important States of the South American continent.

POSITION IN INDIA.

The position in India, while very far from being satisfactory, need not detain us at the moment. Practically it comes to this: There are no really available means for settling what economists call the balance of trade between this country and the great Dependency. The Government forbids the export of gold from this country. It forbids the export of silver. And the sales of Council drafts have now been suspended for months. Opinion is growing in well-informed financial and economic circles connected with India that some revision of the decisions of the Currency Commission of a quarter of a century ago will ultimately become unavoidable. As things are, the financial position in India, and especially with relation to India's foreign trade, is chaotic. The rupee means one thing locally; it means something different when expressed in terms of exchange; and, finally, as we have said, the machinery for settling the ordinary trade balances between India and the other countries has practically been for the time being placed out of action. At the moment, owing to the unsatisfactory monsoon last year, India has hardly anything to export. The wheat is barely sufficient for home requirements. In addition, several thousand tons have been imported from Australia. The Burma rice crop, which should be coming forward in considerable quantities, is required for consumption in the Peninsula. All these circumstances, however, rather add to than diminish the gravity of the situation, and there is some natural apprehension regarding the monsoon which should begin in June next.

1919.	Note Circulation	Silver In India	Silver Elsewhere	Silver Total	Gold In India	Gold Elsewhere	% of Metallic Res. to Notes	Government Securities Indian	Government Securities British
		Lacs	Lacs	Lacs	Lacs	Lacs		Lacs	Lacs
Feb. 28...	15,148*	2,367	1,098	3,465	1,813	12	35·0	1,608	8,250
Feb. 22...	15,107	2,425	998	3,423	1,814	12	34·7	1,608	8,250
Feb. 15...	15,068	2,486	898	3,384	1,814	12	34·5	1,608	8,250
Feb. 7...	15,055	1,878	1,417	3,295	1,890	12	34·5	1,608	8,250
Jan. 31...	14,974	1,995	1,217	3,212	1,892	12	34·2	1,608	8,250
Jan. 22...	14,889	2,028	1,101	3,129	1,890	12	33·8	1,608	8,250
Jan. 15...	14,720	2,118	1,032	3,150	1,890	12	34·3	1,418	8,250
Jan. 7...	14,824	2,295	882	3,177	1,967	12	34·7	1,418	8,250
1918.									
Dec. 31...	14,709	2,339	874	3,213	1,968	12	35.3	1,266	8,250
Dec. 22...	14,577	2,391	956	3,347	1,968	12	36·5	1,000	8,250
Dec. 15...	14,473	1,855	1,688	3,543	1,968	12	38·1	1,000	7,950
Dec. 7...	14,255	1,986	1,613	3,599*	2,044	12	39·6	1,000	7,600
Nov. 30...	14,076	2,096	1,323	3,419	2,045	12	38·8	1,000	7,600
Nov. 22...	13,876	1,906	1,314	3,220	2,044	12	38·0	1,000	7,600
Nov. 15...	13,867	1,764	1,447	3,211	2,044	12	38·0	1,000	7,600
Nov. 7...	13,761	1,876	1,233	3,109	2,040	12	37·5	1,000	7,600
Oct. 31...	13,643	1,958	1,033	2,991	2,040	12	37·0	1,000	7,600
Oct. 22...	13,573	1,964	961	2,925	2,037	12	36·6	1,000	7,599
Oct. 15...	13,470	2,085	736	2,821	2,037	12	36·1	1,000	7,600
Oct. 7...	13,439	2,207	586	2,793	2,035	12	36·0	1,000	7,590
Sept. 30...	13,438	1,992	796	2,788	2,038	12	36·0	1,000	7,599
April 7...	9,745	1,044	—	1,044	2,486	67	36·2	1,000	5,147
Dec. '17...	10,831	1,905	—	1,905	2,673*	100	43·2	1,000	5,147
July '14...	7,350	3,230	—	3,230	1,820	900	80·9	1,000	400

* Highest since war began.

SILVER.

Silver remains an exceedingly quiet market so far as London is concerned. In the International market, the only feature has been the large export of silver, principally from the United States of North America, to India and the Far East during the past year.

BARCLAYS BANK
LIMITED
(with which is amalgamated the LONDON PROVINCIAL & SOUTH WESTERN BANK Ltd.).

Business with Spain.

By means of arrangements concluded with many of the principal Spanish Banks, increased banking facilities for business with Spain are now available.

INQUIRIES FROM INTERESTED PARTIES ARE INVITED.

Address:
The Foreign Manager, 168 Fenchurch St., E.C.3.

Stock Exchange.

THERE has not been a great deal of activity this week upon the Stock Exchange, although the tone in nearly all departments continues exceedingly good, and there is very little difficulty either in buying or selling in any of the principal markets. On the whole, it may be said that there is a general indication of "shortage of stock," as it is technically termed. This would seem to show that in the event of any really favourable features, as, for example, that the Peace Conference was making real progress, or that the various trade controllers were about to disappear, there might be a considerable measure of activity. Meanwhile prices are generally high, and in the absence of any special feature there is naturally little disposition to engage in operations of any considerable extent.

JAPAN.

FROM the beginning of February advances carried on from the end of the calendar year were being gradually repaid, but financial circles still remained on the look-out, there being signs of a decrease in enterprise funds. Business circles assumed a cautious attitude in their transactions. Money was still more plentiful; but, owing to the demand for money to meet the payment of taxes due in the current month, the rate for "call" money momentarily advanced towards the end of February, but still the end-of-the-month monetary circulation closed in quite a normal condition. The 5% Exchequer bonds stimulated the demands so much that the application for the same amounted to about two and a half times as much as the amount of issue, the former being £12,839,640 and the latter £5,200,000. Stock markets were quiet, and general dulness was the prevailing condition, with the exception of a slight upward tendency towards the end of the month. In the earlier part of the month the silk-reelers of the Shinshu group resolved not to start spring reeling for twenty days, and the wholesale merchants at Yokohama also advised other owners of filatures to do the same. All this acting as an incentive, very brisk purchases of raw silk were made for export purposes, the price thus going up to £143 at the middle of the month. After this demand was met, dulness again prevailed in the market, the price closing at £135 at the end of the month. As for "habutae," what with the temporary stoppage of loom-weaving and the restriction in weaving hours which has been put in practice, and what with the price of raw silk—which is its material—making towards recovery, the general condition is described as being calm and settled. At the news of a further increase in the amount of Saigon rice to be permitted for export from that country, the price of rice in Japan suffered a sudden fall, closing at 35.30 yen. Business in the cotton-yarn market was rather dull, with few transactions. The scarcity of stock brought about a steady month-end quotation of 338 yen. At the end of the month the notes issued by the Bank of Japan amounted to £89,600,000, while the advances reached £34,700,000.

NOTICE TO BANKERS.

Advances upon STOCKS AND SHARES will be entertained upon favourable terms by the

LEGAL & GENERAL LIFE ASSURANCE SOCIETY.

The transactions can be carried out expeditiously and cheaply, and full particulars will be sent upon application to

No. 10 Fleet Street, London, E.C. 4.

WEST AFRICA.

INNES MacDONALD & SEALE, LTD.

¶ Examinations and reports on Mining Properties in the Gold Coast Colony and Northern Nigeria.

¶ Concessions prospected and opened up.

¶ Mines managed on contract and tribute.

Offices... ... {TARKWA, GOLD COAST COLONY. 17 FARRINGDON AVENUE, LONDON, E.C.

M. L. INNES BROWNE, London Representative.

Mining Topics.

As may readily be supposed, there is no large measure of activity in the Mining markets. The difficulties with which gold mining has to contend militate to a large extent against any considerable measure of activity. It is felt that in the natural course of events the gold-mining industry will ultimately recover from the difficulties with which it is at present faced, and while there is no apparent disposition to put up prices to any appreciable extent, at the same time it seems there is still less disposition to throw stocks upon the market. Holders and dealers seem to feel that the present is a temporary phase through which the market is passing, and that eventually a solution of these difficulties will be found.

MEXICO MINES OF EL ORO.

MEXICO owes a good deal to the Pearson interests, which, by their development of the oil wealth of the country, have demonstrated their utility if left unmolested. The rich Mexico mine of the El Oro camp is controlled by them, and probably this accounts for the quick resumption of profitable operations. In the year ended June 30, 1917, dividend payments recommenced after two years' break, and for the year ended June 30, 1918, the working profit reached a figure higher than attained since production commenced in 1907. This good result is partly attributable to the higher price ruling for silver, but mainly to ability to run the mill to 76% of its full capacity. The gold contents of the ore milled were high, too, though not so high as in the previous year. Working costs, though little above the figure for 1916-17, were, of course, very much more than before the revolution. Six years' results are shown below:

Year to June 30.

	1918	1917	1916	1915	1914	1913
	£	£	£	£	£	£
Total revenue ...	516,748	448,130	8,502*	90,360	320,262	346,790
Total expenses ...	246,114	166,494	28,991	60,072	137,126	145,213
Profit	270,634	281,636	20,489†	30,288	183,136	201,577
Brought forward	214,359	59,461	91,127	75,529	59,919	30,033
	484,993	341,097	70,638	105,817	243,055	231,610
Allocations—						
Gold export tax...	—	—	—	5,476	13,715	—
Depreciation ...	1,598	2,699	5,238	2,214	2,109	2,191
Income tax ...	4,429	7,763	6,327	7,000	7,702	7,500
Dividends‡ ...	199,500 (95%)	115,500 (55%)	Nil —	Nil —	144,000 (80%)	162,000 (90%)
Set aside	100,000	—	—	—	—	—
Carried forward ...	179,466	214,359	59,073	91,127	75,529	59,919
	484,993	341,097	70,638	105,817	231,610	231,610
Tons milled ...	121,793	84,030	Nil	30,805	—	158,395
	Per Ton	Per Ton	Per Ton	Per Ton	Per Ton	Per Ton
Bullion value ...	84·9	104/11	—	54/11	—	43/0
Working costs ...	40/4	39/7	—	39/1	—	18/4
Profit	44/5	65/4	—	14/6	—	24/8

* All sundry revenue except £841. † Loss. ‡ Free of income tax.

Ore Reserves.

June 30, 1918—		June 30, 1917—		June 30, 1916—		June 30, 1913—	
	Gold Value		Gold Value		Gold Value		Gold Value
Tons	$	Tons	$	Tons	$	Tons	$
416,200	11·72	457,100	11·89	505,300	10·4	403,100	9·5

It will be noted that the profit of the past year would have sufficed, had the directors so ordered, to

pay an even higher total dividend than 95% free of income tax, and this is confirmed by the very strong financial position shown by the balance sheet. However, shareholders were informed last year of the proposal to participate in the financing of a company—now in being—to be formed with a view to the acquisition and exploration of promising mining properties and ventures in Mexico. To this end £100,000 of the past year's profits is set aside. As to the mining position, the ore reserves show a decline of 41,000 tons, so that the new ore opened up in the 12 months was about 81,000 tons. A good deal of this came by way of unexpected finds in stoping. The development work done was largely sterile, inasmuch as out of 5,253 feet only 2,828 feet were in ore. In his 1916-17 report the General Manager pointed out that the future of the mine depended upon developments in depth, and said that the 16th level would be pushed on. In the past year, no ore was encountered thereat, but the directors' report states that the workings have not yet reached the point at which any definite forecast of the future can be made.

There is scope, however, and in view of the knowledge the controlling house possesses of the country, its people, laws and customs, it would not be at all surprising if the new exploration Company brings to light something good in the way of new or resuscitated enterprises.

The Company's £1 shares, of which 210,000 comprise the whole capital, are now quoted at 5⅜. This includes 20% tax-free interim dividend, making 70% to date for the current year. The return is high, that is commensurate with the speculative characteristics.

FALCON MINES.

For the year ended June 30, 1917, the price of standard copper averaged £126¾ per ton; for the succeeding twelve months the average was £120⅝, and the present quotation is £74. As was to be expected from this course of the Metal market, and the inevitable upward movement of working costs, the report for the year ended June 30 shows a big fall in profit. Sulphide ore alone was dealt with to a total of 170,074 tons, as against 203,049 tons of combined sulphide and oxidised ore in the preceding twelve months. The output of blister copper and the fine copper, gold, and silver contents thereof considerably exceeded the corresponding figures of 1916-17. This fact is attributable partly to the higher grade of the ore—which was slightly above the average of the reserves—but mostly to improvement in extraction of metal contents, viz., of the gold contents 82%, against 77%, and of the copper contents 87%, against 77%. Nevertheless the accounts show a working profit for the year of £88,449, against £194,265, as shown below:—

Year to June 30	Ore Treated Tons (2,000 lb.)	Blister Copper Produced Tons (2,000 lb.)	Yield %	Gold Contents Oz.	Silver Contents Oz.	Value £	Working Profit £
1916 ...	218,792	3,477½	1·5	38,569½	73,863	540,527	194,482
1917 ...	263,049	3,480¼	1·7	35,247	70,876	548,144	194,265
1918 ...	170,074	3,596	2·1	37,700	80,529	485,406	88,449

It will strike the reader at once that the value of the larger output of the past year is shown to be much less than the value of the smaller 1916-17 production. Two factors contributed to this result. In the first place, a considerably lower price obtained—how much lower it is not possible to say in the absence of precise information—and, secondly, the copper unrealised is now taken into accounts at £65 per ton, against market prices calculated for the 1916-17 stock. It is well that this alteration has been made in the method of calculating the profit, for while the practice of taking stock in at market prices may turn out well enough with a rising market, the same method results very differently with prices falling heavily. We see the reflection of this in the directors' recommendation that the credit balance to profit and loss account of £101,471 (made up of £75,310 net profit plus £56,161 brought forward, less £30,000 for Debenture redemption) should be carried forward for the present "owing to the financial condition of the Company, due chiefly to the delays in realisation of its output."

The balance sheet at June 30 shows liquid assets including £85,198 of products on hand, but not £102,538 value of stores, to be £111,000 less than current liabilities. Since then outstanding loans have increased from about £60,000 to £106,000. The Debenture debt is now £158,000, and the share capital £400,000, in £1 shares. As to the mining position, a deterioration is reported in the ore reserves.

Prospects do not appear at all bright. The length of the ore body at the 10th level is 180 feet, compared with 250 feet in the 9th, the width and value being about the same. Not enough is known about the 11th level yet to say much, except that the profitable section of the deposit appears as if it may be smaller. The price of copper is much lower now than a year ago, and in view of the world's immense stocks of the metal and the enormous output capacity of America it seems probable that values will recede further.

HAMPDEN CLONCURRY.

Last October a good deal of surprise was occasioned by this Company declaring a dividend after issuing a report which showed a relatively poor position, with heavy stocks of copper on hand and a rapidly falling market in prospect. The dividend was one of 10% on account of the half-year ended August 31. The report and accounts for that period are now to hand, and it is possible to draw conclusions. Production was on a slightly larger scale than in the previous six months, notwithstanding the labour strike at the Dutchess Mine—previously one of the chief contributors of ore—which commenced in February 1918, and continued throughout the ensuing half-year. The report does not give particulars of production from the Company's own ore, but includes yield from ore treated on account of others. We make allowance for this in the following table comparing the results of recent half-years:—

Half-Year to	Crude Ore Treated‡ Tons	Blister Copper Produced† Tons	Yield per Ton of Ore	Aver. Price of Electrolytic Copper £	Working Costs Per Ton of Ore s. d.	Working Costs Per Ton of Blister Copper £	Working Profits§ £	Working Profits§ Per Ton of Blister Copper £
Feb. 29, '16 ...	44,247	3,330	7·5	95⅜	82 7	54⅞	163,4 08	49¼
Aug. 31, '16 ...	51,497	3,100*	6.0*	120*	78 11	65¼	165,224	53⅓
Feb. 28, '17 ...	42,163	2,710*	6·4*	100*	94 5	73½	64,539	23¾
Aug. 31, '17 ...	52,000*	2,950*	5·6*	120	87 .2	77	116,363	39½
Feb. 28, '18 ...	42,300*	2,750*	6·5*	—	103 1*	79*	67,550	*24⅝
Aug. 31, '18 ...	50,451*	3,000*	6·0*	—	101 1*	85*	61,016	20⅓

* Approximate.
† Includes gold and silver. Excludes produce from treatment of custom ore.
‡ Excluding custom ore treated.
§ Working profit includes profit on treatment of custom ore, &c.

The working profit, as shown above, was £61,016 against £67,550, the average selling price of copper being apparently well over £100. After including sundry receipts and deducting office charges, interest and depreciation, the net profit comes out at £38,592. Of this, £35,000 is required for the 10% dividend, and the balance of £3,593 is appropriated for expenditure on new plant, which for the year ended August 31 amounted to over £42,000. The depreciation allowance covered £11,664 of the expenditure, and the remainder was met by allocations from the profit of the February half of the year. From the balance sheet it is to be noted that during the half-year under review the unrealised stock of products further increased, the value on August 31 appearing at £352,837, against £278,380 on February 28. On the other side, however, a large proportion of heavy provisions made for war taxation do not appear to have been required for that purpose. Hence the financial position shows considerable improvement. Realisable assets, including £352,837 of products, exceeded loans, sundry creditors and the amount of the dividend by £57,000. In addition, stores, fluxes and fuel were valued at £124,930.

The ore reserves, contributed to by six mines, were

further reduced in the half-year, the direct-smelting ore from 162,500 tons to 133,000 tons and the concentrating ore—too low grade to be payable at present—from 104,000 tons to 98,000 tons. According to the Chairman's speech at the meeting, development prospects at two of the mines look more hopeful. Unless this becomes more pronounced, or some good disclosures are met with in other of the mines, there will soon remain insufficient pay ore to keep the mill running. The outlook from the point of view of copper, too, especially seeing the large stocks the Company has on hand, is not exhilarating

WOLHUTER.

THIS mine, like many another in the first-opened section of the Rand, is now proceeding rapidly towards the stage of exhaustion. Development work in the year ended October 31 last was continued in the south-eastern section of the property, and is expected to be completed in the current year. The ore mined in the 12 months was 418,075 tons, and 70% of this came from the ore included in the reserves; but the available stope faces now have been so reduced that it is necessary to call upon an increasing proportion of ore from the reclamation of pillars and isolated blocks in the upper workings of the mine. It is possible the higher value of this will counteract to some extent the decreasing richer reserves. The quantity of ore reckoned in sight at October 31, including shaft and boundary pillars, was 886,870 tons, averaging 5.8 dwt. over 63 inches stoping width. This is equal to about 2⅛ years' supply for the mill. The Consulting Engineer considers that the poor labour position and high costs can result at best in continuance of the present scale of operations and moderate profits of the last few months.

Year to Oct. 31	Ore Milled Tons	Gold Value per Ton	Working Costs per Ton	Working Profit £	Working Profit Per Ton	Net Profit £	Dividends Paid £	Dividends Paid %
1914 ...	382,700	25 0	17/0	153,858	8/0	146,989	107,500	12⅜
1915 ...	406,050	24/4	16/10	153,011	7/6	149, 85	107,500	12½
1916 ...	423,500	25/1	17/6	161,223	7/7	159,312	129,000	15
1917 ...	406,750	24/7	17/9	139,342	6/10	137,343	96,750	11¼
1918 ...	382,950	23/10	19/8	78,875	4/2	80,861	53,750	6½

Durban Roodepoort Deep.—£440,000, in £1 shares. Three tube mills.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	100	313,850	13	436,224	27/9	387,367	24/8	48,857	3/1	17/3
1918.										
Mar. qr.	100	69,600	16½	110,094	31/7	103,172	29/7	6,922	2/0	10/0
June qr.	100	78,750	17·2	116,115	29,5	106,291	27/0	9,824	2/5	10/3
Sept. qr.	100	74,800	17·3	110,497	29/6	104,646	28/0	5,851	1/6	10/0
Dec. qr.	100	77,100	14 8	113,448	29,5	106,175	27,6	7,273	1,11	9 3
12 mos.	—	300,250	—	450,154	30·0	420,284	28/0	29,870	2 0	9 3
1919.										
Jan. ...		23,200	—	34,581	29 10	35,112	30/3	531	– 5*	7 6

* Loss.

Dividends—1917, June, 2½; Dec., 2½ per cent.: 1918, June, 2½ per cent.; Dec., nil.

Intending Settlers To South & East Africa



are notified that the

National Bank of South Africa, Ltd., have over **300 Branches within the Union**; also Offices at **Mombasa, Nairobi, Mozambique, Dar-es-Salaam, Tanga,** etc, and in **Nyasaland.**

LONDON OFFICES:

CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office—
25. COCKSPUR STREET, S W —1.

Agency at—
10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, March 5, 1919.

Issue Department.

Notes Issued	£98,453,075	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	80,003,075
	£98,453,075		£98,453,075

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£59,196,544
Rest	3,630,522	Other Securities	84,734,210
Public Deposits	25,732,066	Notes	27,360,955
Other Deposits	128,732,417	Gold and Silver Coin	1,247,988
Seven-day and other Bills	21,682		
	£172,539,697		£172,539,697

Comparison with Previous Four Weeks [00,000's omitted].

Date	Circulation	Coin & Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919-	£	£	£	£	£	£	£	%	%	%
Mar. 5	71.1	81.2	25.7	128.7	59.2	84.7	28.6	18·52	5	3⅛
Feb. 26	70.3	81.6	25.8	119.2	50.2	83.1	29.7	20·51	5	3⅛-⅜
Feb. 19	69.6	81.8	30.7	118.3	52.2	84.1	30.6	20·57	5	3⅛-⅜
Feb. 12	69.8	81.8	28.2	120.0	52.7	83.3	30.2	20·40	5	3⅛-¼
Feb. 5	70.0	81.4	30.7	115.5	50.3	83.5	29.9	20·45	5	3⅛
J'y22,'14	29.3	40.2	13,7	42,2	11.0	33.6	29,3	52·40	3	2⅛

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 8, 6%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April, 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Mar. 5. 1919	Mar. 6, 1918	Mar. 7, 1917	Mar. 8, 1916	Mar. 3, 1909
Circulation	£71.1	£47.6	£38.2	£33.1	£29.1
Public Deposits	25.7	41.0	120.9	62.2	15.8
Other Deposits	128.7	137.7	123.2	97.0	40.7
Government Securities	59.2	67.7	32.0	32.8	15.1
Other Securities	84.7	98.2	136.0	83.2	32.0
Reserve	28.6	30.9	34.2	41.4	27.6
Ratio to Liabilities	18·52%	17·31%	14·02%	27·76%	48 83%
Coin and Bullion	81,2	80,1	54,0	56,1	38.2
Money					
Bank of England Rate	5%	5%	5½%	5%	3%
Bank of France Rate	5%	5%	5%	5%	5%
Rate 3 months' Bills London	3⅞-4%	3⅝-3⅞%	4⅜%	5⅛%	2⅛-⅜%
Exchanges:					
Paris Cheque	26 10	27 20½	27 82½	28 12½	25 23½
New York 60 days	4 73½	4 72½	4 72	4 73	4 65½
Bombay Telegraphic Transfers	1/5⅞	1/4⅛	1/4⅞	1/4⅛	1/3⅞
Prices:					
Consols 2½% Cash	58¾xd	54xd	52¾	57½	84 ⅛xd
French Rentes 3% Money	63·25	57·50	61·25	62·40	98·12
Silver, London spot oz.	47⅞d.	42⅛d.	37 ⅝d.	27d.	23½d.
Wheat, *Gazette* average qr.	72/7	72/2	77/4	59/4	34,5
Cotton, Mid Upland* lb.	18 66d.	23 85d.	11·95d.	7·76d.	5·14d.
Iron, Scotch pig ton	101/0	101/0	88/0	92/1½	53/1½

* Good Middling American, Official Value.

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	% of Gold to Notes %
Mar. 5, 1919 ...	7,957,484	4 606,871	318,155,294	28,500,000	8·9
Feb. 26, 1919 ...	7,921,498	5,897,301	314,804,681	28,500,000	8·9
Mar. 6, 1918 ...	6,449,940	4,170,153	220,689,323	28,500,000	12·9
Mar. 7, 1917 ...	6,462 901	6,856,375	143,957,699	28,500,000	19·8
Mar. 9, 1916 ...	5,149,127	3,574,238	102,487,394	28,500,000	27·8
Mar. 10, 1915 ...	1,672,600	1,330,109	37,405,569	27,500,000	73·5

Balance Sheet, March 5, 1919.

	£		£
Notes outstanding—		Advances—	
One Pound	240,583,672	Trustee Savings Banks	500,000
Ten Shilling	45,631,623	Currency Note Redemption A/c—	
Certificates outstanding ...	31,940,000	Gold Coin and Bullion...	28,500,000
		Government Securities...	299,233,719
Total	318,155,295	Balance at Bank of England	4,844,554
Investments Reserve A/c	14,922,978		
Total	333,078,273	Total	333,078,273

PUBLIC INCOME & EXPENDITURE [000's omitted.]

1918-19. Week to	Revenue [See Below]	Expenditure	Excess of Expenditure	Loans, Advances, &c.— Cr.	Loans, Advances, &c.— Dr.	Loans, Advances, &c.— Net. +	Cash Balance
Mar. 1	£28,274	£44,848	£16,574	£110,475	£94,170	£16,305	£7,293
Feb. 22	32,099	34,483	2,384	113,157	111,145	2,012	7,563
Feb. 15	34,034	37,451	3,417	67,974	64,569	3,405	7,935
335dys.'18-9	748,455	2,385,211	1,636,756	6,329,663	4,706,643	1,623,020	—13,737
329dys.'17-8	686,858	2,394,705	1,807,847	4,727,665	2,930,288	1,797,377	—10,470
*Yr.'18-19**	*842,050*	*2,977,515*	*2,135,465*	—	—	*2,135,465*	—
Yr.'17-18	707,234	2,696,221	1,988,987	5,499,604	3,516,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1918-19. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Int., &c., on Debt	Expenditure: Misc. Expend.	Supply Services.
Mar. 1	£3,116	£18,753	£4,316	£2,107	£4,971	Nil	£37,355
Feb. 22	3,268	18,304	6,368	4,158	8,483	Nil	26,000
Feb. 15	3,049	19,085	5,346	6,574	592	£98	36,761
335dys.'18-9	145,585	220,340	253,928	128,695	254,921	8,618	2,124,152
329dys.'17-8	98,321	181,978	188,011	118,548	178,770	8,529	2,207,308
*Yr.'18-19**	*147,700*	*290,450*	*300,000*	*103,900*	*315,000*	*11,414*	*2,651,101*
Yr.'17-18	110,033	239,508	220,214	137,478	189,851	11,401	2,494,969

FLOATING DEBT.	Treasury Bills	Ways & Means Advances	War Expend. Certs.	Total	Natnl. War Bond Rcpts.
Mar. 1, 1919 ...	£968,805	£427,280	—	£1,396,085	£1,683,350
Feb. 22, 1919 ...	978,600	405,180	—	1,383,780	1,659,901
Feb. 15, 1919 ...	993,412	390,680	—	1,384,092	1,656,248
Dec. 31, 1918 ...	1,094,740	455,180	—	1,549,920	1,420,700
Mar. 31, 1918 ...	973,678	192,271	£21,629	1,188,578	614,215
Feb. 23, 1918 ...	1,061,516	227,781	23,265	1,302,562	388,195
Sept. 30, 1917 ...	949,112	220,814	23,561	1,193,487	—

* Budget & Supplementary estimates. ‡ Highest.

FOREIGN BANKS. [In £'s sterling—000's omitted.]

AUSTRIA-HUNGARY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Advances.	Note Circltn.	Above — or beneath + legal max.	Bills Discounted, &c.
July 23, '14	£51,578	£12,141	£63,719	£7,772	£88,740	+ £2,479	£31,983
Dec. 7, '17	11,000	2,300	13,300	692,990	739,300	—	117,800

DENMARK.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts.	Balance Abroad.	Circulation.	Deposits.
July 31, 1914	£4,100	£341	£4,441	£8,197	£788	£8,893	£47
Dec. 31, 1918	10,812	135	10,947	4,473	4,976	25,032	809
Jan. 31, 1919	10,405	135	10,540	4,110	5,533	23,936	1,016
Jan. 31, 1918	9,650	135	9,785	3,402	2,448	18,282	3,338
Jan. 31, 1917	9,019	113	9,132	4,731	2,348	14,798	2,159

FRANCE.	Gold. In Bank	Gold. Abroad.	Total Cash incl'g Silver	Bills.	Circulation.	Deposits. Public	Deposits. Private
July 30, 1914	—£185,654—		£190,667	£97,788	£267,327	£15,302	£37,803
Feb. 27, 1919	141,940	79,132	233,624	42,495	1,309,659	1,363	106,261
Mar. 6, 1919	142,358	79,132	234,057	40,993	1,323,676	3,088	102,833
Mar. 7, 1918	133,296	81,484	225,023	44,298	936,001	1,163	105,223
Mar. 8, 1917	128,410	77,885	217,009	24,838	731,251	1,549	99,380

GERMANY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Treasury & Other Notes.	Loans & Discounts	Circulation.	Deposits
July 23, '14	£87,843	£16,727	£84,570	£5,278	£40,055	£94,545	£47,198
Feb. 15, '19	112,477	1,020	113,497	290,581	1,334,315	1,188,035	599,734
Feb. 22, '19	112,368	1,043	113,411	289,313	1,248,481	1,187,355	494,691
Feb. 23, '18	120,334	5,835	126,169	63,049	618,095	556,124	303,461
Feb. 23, '17	126,304	789	127,093	18,802	425,693	331,067	196,743

HOLLAND.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts.	Advances.	Circulation.	Deposits.
Aug. 1, 1914	£13,498	£249	£13,745	£13,422	£10,339	£35,660	£1,437
Feb. 15, 1919	56,444	749	57,193	9,174	15,501	84,161	5,365
Feb. 22, 1919	56,443	759	57,202	8,422	15,166	83,494	5,330
Feb. 23, 1918	59,556	608	60,164	3,231	9,699	70,676	6,789
Feb. 24, 1917	49,296	548	49,844	5,568	7,181	61,058	6,532

ITALY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Other Cash.	Loans & Disc'nts.	Circulation.	Deposits
July 31, '14	—	—	—£48,456—		£25,017	£89,204	£8,887
Dec. 20, '18	£32,702	£3,082	35,784	7,375	61,477	367,871	60,950
Dec. 31, '18	32,710	3,086	35,796	15,238	65,984	363,934	63,868
Dec. 31, '17	£33,434	3,496	36,930	8,449	47,745	261,563	57,941
Dec. 31, '16	35,997	2,906	38,903	6,728	38,976	155,069	34,636

JAPAN.	Gold.	Discounts.	Advances	Notes.	Deposits. Public.	Deposits. Private.
Aug. 1, '14	£21,887	£1,829	£7,883	£32,722	£13,818	£1,591
Jan. 18, '19	71,380	4,477	39,599	89,949	93,980	11,280
Jan. 25, '19	71,324	7,825	41,932	93,140	101,634	8,317
Jan. 26, '18	65,411	3,101	20,162	69,780	54,034	2,466
Feb. 3, '17	39,783	2,307	16,666	47,764	40,130	2,878

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve.	Loans, Discounts, Invest.,&c.	Net Deposits. Demand.	Net Deposits. Time.	Net Deposits. Total.	Excess Reserve
Aug. 1, '14	—	£89,899	£411,239	—	—	£397,165	£1,720
Feb. 22, '19	£19,578†	107,553	973,810	£780,970	£28,138	841,290	7,224
Mar. 1, '19	19,194†	110,412	959,694	787,438	28,366	853,204	7,210
Mar. 2, '18	19,840†	103,182	855,294	713,823	33,723	839,385	8,076
Mar. 3, '17	106,714*	157,300	700,853	716,432	34,994	751,426	33,572

* Counted as reserve. † Not reserve.

NORWAY.	Gold.	Balance Abroad.	F'r'gn Gov. Securities.	Discounts & Loans.	Circulation.	Deposits
July 31, 1914	£2,980	£1,878	£493	£4,888	£6,752	£783
Feb. 15, 1919	6,712	3,523	716	21,293	22,560	5,447
Feb. 22, 1919	6,711	3,567	713	21,345	22,563	5,999
Feb. 22, 1918	6,525	3,631	713	19,393	17,424	9,749
Feb. 22, 1917	8,894	3,763	710	8,033	13,760	3,989

RUSSIA.	Gold. In Bank.	Gold. Abroad.	Total Cash incl'g Silver	Loans & Disc'nts.	Circulation.	Notes in Reserve	Total Deposits
July 21, '14	£160,114	£14,395	£181,892	£76,081	£183,411	£8,589	£109,911
Oct. 21, '17	129,584	230,882	377,099	1,781,647	1,785,890	10,310	344,907
Oct. 28, '17	128,523	230,885	378,205	1,869,559	1,836,217	15,783	345,550
Oct. 29, '18	155,877	205,498	372,072	814,687	784,488	10,512	223,731
Oct. 29, '15	158,825	3,580	165,844	443,307	501,083	8,417	143,413

SPAIN.	Cash. Gold.	Cash. Silver.	Cash. Total.	Loans, &c.	Spanish 4%	Circulation.	Deposits &c.
Aug. 1, '14	£21,804	£28,187	£50,991	£40,572	£13,778	£77,557	£18,958
Feb. 22, '19	89,144	25,743	114,887	73,553	13,778	137,432	41,380
Mar. 1, '19	89,148	25,816	114,964	74,281	13,778	138,312	41,232
Mar. 2, '18	79,740	28,392	108,132	49,673	13,777	113,980	34,036
Mar. 3, '17	53,685	29,835	82,820	42,497	13,777	95,921	29,892

SWEDEN.	Gold.	Balance Abroad.	Swed. & For. Govt. Secs.	Discounts & Loans.	Circulation.	Deposits.
Aug. 1, '14	£5,717	£6,150	£1,555	£7,495	£13,432	£3,903
Feb. 15, '19	16,023	8,392	3,034	18,203	39,243	4,814
Feb. 22, '19	16,019	8,388	3,034	18,203	37,959	5,742
Feb. 23, '18	13,063	7,364	3,143	11,421	29,596	5,376
Feb. 24, '17	10,832	8,142	3,771	4,203	20,455	5,745

SWITZERLAND.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts & Advances.	Circulation.	Deposits.
July 23, 1914	£7,202	£758	£7,930	£4,817	£10,718	£2,028
Feb. 15, 1919	16,442	2,542	18,934	16,313	34,083	4,485
Feb. 23, 1919	16,432	2,583	19,000	18,412	33,820	5,592
Feb. 23, 1918	14,982	2,274	18,938	10,241	24,518	3,584
Feb. 23, 1917	13,750	2,120	15,870	7,463	19,446	4,801

U. STATES FED. RES. BANKS.	Gold Held by Banks.	Gold With Agents.	Total Cash.	Bills Discount'd	Acceptances.	Deposits. Govt.	Deposits. Total. Net.	Circulation.
Feb. 22, '19	£162,828	£61,187	£40,306	£63,890	53,944	41,136	£16,180	£83,850
Mar. 3, '19	163,016	281,581	437,748	375,964	55,384	42,110	359,348	494,462
Mar. 1, '18	174,283	181,183	367,554	100,505	59,842	30,156	287,977	270,218
Mar. 2, '17	103,238	83,985	189,218	3,788	22,811	2,832	138,287	82,852

II.—FOREIGN BANK RATES OF DISCOUNT.

	Current Rate %	Date Fixed
Paris	5	Aug. 20, '14
Berlin	5	Dec. 23, '14
Amsterdam	4½	July 1, '15
Brussels	5	Aug. 27, '14
Vienna	5	Apr. 12, 15
Petrograd	6	July 29, '14
Copenhagen	5½	Jan. 2, '19
Christiania	6	Dec. 13, '17
Berne	5½	Oct. 3, '18
Rome	5	Jan. 11, '18
Madrid	4½	Oct. 9th, '14
Stockholm	7	Mar. 21, '18

III.—FOREIGN EXCHANGES.

LONDON ON—	Mar. 7, '19	Feb. 28, '19	Feb. 21, '19	Feb. 14, '19
Brussels ..... Cheques	27fr. 42½c.	27fr. 25½c.	26fr. 75½c.	26fr. 78c.
Denmark ..... Cable	18kr; 27½	18kr. 26½	18kr. 25½	18kr. 25½
Holland ..... Cable	11fl. 56½c.	11fl. 57½c.	11fl. 53½c.	11fl. 51c.
Italy ..... Cable	30lr. 31½c.	30lr. 31½c.	30lr. 31½c.	30lr. 31½c.
Lisbon & Oporto ... do.	34½d.	34½l.	35½d.	35½d.
New York ..... do.	$4 76⅞	$4 76⅞	$4 76⅝	$4 76⅝
— ..... Cheques	$4 77	$4 77	$4 77½	$4 77½
Norway ..... Cable	17kr. 51	17kr. 52	17kr. 40½	17kr. 37½
Paris ..... 3 mos.	26fr. 37½c.	26fr. 67½c.	26fr. 42½c.	26fr. 42½c.
— ..... Cable	26fr. 07½c.	26fr. 16½c.	25fr. 98c.	25fr. 98c.
Spain (Bank places) 3 mos.	51d.	—	nom.	49d.
— ..... Cable	22p. 69½	22p. 55	22p. 65nom.	23p. 64½
Sweden ..... do.	16kr. 90	16kr. 92	16kr. 91	16kr. 90
Switzerland ..... 3 mos.	23f. 3½c.	23f. 44½c.	23f. 67½c.	23f. 65½c.
— ..... Cable	22f. 85½c.	22f. 93½c.	23f. 22c.	23f. 20½c.

ON LONDON—	Mar 7, '19	Feb. 28, '19	Feb. 21, '19	Par
Alexandria ..... Sight	97pl.	97½pl.	97½pl.	97½pl.
Amsterdam ..... Cheques	11fl. 57c.	11fl. 58c.	11fl. 53½c.	12·107 fl.
Bombay ..... Transfers	1s. 5⅛d.	1s. 5⅛d.	1s. 5⅛d.	1s. 6d.
Brussels ..... Cheques	27f. 45c.	27f. 37½c.	26f. 76c.	25f. 22½c.
Buenos Ayres ..... Transfers	51⅛d.	51⅛d.	51⅛d.	47.58d.
Calcutta ..... Transfers	1s. 5⅛d	1s. 5⅛d	1s. 5⅛d.	1s. 6d.
Christiania ..... Sight	17kr. 50½	17kr. 51	17kr. 39½	18.15skr.
Copenhagen ..... Sight	18kr. 27½	18kr. 28	17kr. 26	18.15skr.
Hong Kong ..... Transfers	3s. 1d.	3s. 1⅛d.	3s. 1⅛d.	—
Italy ..... Sight	30lr. 31½c.	30lr. 31½c.	30lr. 31½c.	25lr. 22½c.
Lisbon ..... Sight	34½l.	34½l.	35½l.	53½d.
Madras ..... Sight	1s. 6⅛d.	1s. 6⅛d.	1s. 6⅛d.	1s. 6d.
Madrid ..... Sight	22p. 70½	22p. 55	22p. 65	25p. 22½
Montevideo ..... Transfers	—	—	—	51d.
Montreal ..... Cable	$4 85½	$4 85½	$4 85½	$4 86⅝
New York ..... Sight	$4 75⅞	$4 75⅞	$4 75⅞	—
..... 60 days	$4 73½	$4 73	$4 73½	—
..... Cable	$4 76⅞	$4 76⅞	$4 76⅞	$4 86⅝
Paris ..... Cheques	26f. 10c.	25f. 18c.	25f. 97½c.	25f.22½
Rio de Janeiro ... 90 days	13½l.	13⅝d.	13⅝d.	18d.
Shanghai ..... Transfers	4s. 6¼d.	4s. 8⅛.	4s. 9⅛.	—
Singapore ..... Sight	2s. 4⅛d.	2s. 4⅛d.	2s. 4⅛d.	2s. 4d.
Stockholm ..... Sight	16kr. 90½	16kr. 92½	16kr. 90½	18·159kr.
Switzerland ..... Sight	22f. 83c.	23f. 02½c.	23f. 22c	25f. 22½c.
Valparaiso ..... 90 days	9⅛d.	9⅛d.	9⅛d.	18d.
Yokohama ..... Sight	2s. 1⅝l.	2s. 1½d.	2s. 1⅝l.	2s. 0.58d.

NEW YORK ON—	Rate Current* Mar. 5, '19	Rate Current* Feb. 26, '19	Par as usually Quoted	Rate July 3, '14
London, sight ...	$4.7580	$4.75⅞	4·8665 dollars for £1	$4 87
,, cables ...	$4.7645	$4.76⅛		$4 88⅛
,, 60 days ...	$4.72⅛	$4.72⅛		$4 85
Amsterdam, sight ...	41½c.	41⅛c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	35·80c.	35·80c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	—	98·05c.		
Christiania, cheques ...	27c.	27c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	28c.	28c.	26·80c. for 1 kroner	26·85c.
Greece, cheques	19·30c.	19·20c.	19·295c. for 1 drachma	
Hongkong, cheques ...	74·50c.	74·75c.	74·50c. for Mex. $1	46·40c.
Italy, sight	6·36l.	6·38l.	5·18½ lire for $1	5·17½.
Lima, cheques	5·05c.	5·05c.	4·8665 $ for 1 libra	
Manila, cheques	50c.	50c.	50c. for 1 peso	49·90c.
Montreal	1⅛%disc.	1⅛%disc.	Premium per $100	Par
Paris, sight	5·47½.	5·46½.	5·19½ francs for $1	5·18½.
Petrograd, sight	—	12nom.	51·43c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	26c.	25·95c.	32·42c. for 1 milreis	
Shanghai, cheques ...	114c.	115c.	52·93c. for 1 tael	63·00c.
Singapore, cheques ...	56c.	56c.	55·77c. for $1	57·12c.
Spain, cheques	20·90c.	20·30c.	19·30c. for 1 peseta	
Stockholm, cheques ...	23·05c.	27·85c.	26·80c. for 1 kroner	
Switzerland, cheques ...	4·88fr.	4·91½.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	20·25c.	21·85c.	20·81c. for 1 peso	
Yokohama, cheques ...	50·75c.	51·25c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week. 1919.	Amount. [In £'s sterling 000's omitted.]	Inc. or Dec.*	1919 Agg.	Inc. or Dec.*
BIRMINGHAM ...	Mar. 1	£2,800 —	£1,025	£22,844 —	£1,657 — 6·8
BRISTOL	,, 1	1,211 +	82	10,535 +	1,244 + 13·4
DUBLIN	,, 1	6,525 +	1,121	61,051 +	14,094 + 29·4
LEEDS	,, 1	1,132 —	225	9,781 +	813 + 9·1
LEICESTER	,, 1	703 —	12	7,458 +	976 + 15·0
LIVERPOOL	,, 1	11,538 +	780	102,005 +	23,175 + 29·4
MANCHESTER ...	,, 1	15,137 —	769	138,100 +	10,830 + 8·5
NEWCASTLE ...	,, 1	2,223 —	199	15,880 —	1,400 — 8·1
NOTTINGHAM ...	,, 1	591 —	57	5,942 +	83 + 1·4
SHEFFIELD	,, 1	1,418 —	343	10,657 —	106 — 1·0
LONDON—	**1919.**				
TOWN	Mar. 5	343,573 +	1,672	3,501,485 +	460,054 + 15·1
METROPOLITAN	,, 5	32,828 +	4,923	299,853 +	55,773 + 22·9
COUNTRY	,, 5	59,853 +	4,814	532,187 +	74,647 + 16·3
TOTAL	,, 5	476,254 +	11,409	4,333,525 +	590,474 + 15·

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould and Co. the following are the quotations for representative steam freights:—

HOMEWARDS.	1919 Mar. 7	1919 Feb. 28	1913 Mar. 7
Alex. to Lond.or Hull	—	—	8/0
Aust. to U.K.or Cont.	90/0	90/0	38/0
Azoff to L.H.A.R. ...	—	—	11/0
Bombay to p.p. (nom.)	100/0	100/0	22/0
Burmah o.c. (nom.) ..	75/0	—	30/0
Calcutta to p.p.(jute)	180/0	180/0	27/6
Danube to A.R. ...	—	—	—
Odessa to L.H.A.R. ...	—	—	9/0
R. Plate to U.K. Cont.	70/0	62/6	23/0

Homewards.—Contd.	1919	1918	1913
U.S.Atl.Ports to Liverpl. (cotton, 100lb.)	Mar. 7 $1·25	Feb.28 $1·25	Mar 7 53/9
U.S.Gulf to U.K. Cont. (grain)	16/0	16/0	3/1½
Gulf Ports to U.K. Cont. (cotton & grain)	60/0	60/0	19/6
OUTWARDS—Cardiff to			
Bombay	—	—	13/6
Colombo	—	—	14/3
Port Said	47/6	47/6	11/1½
River Plate ...	50/0	50/0	16/3
St. Vincent ...	40/0	42/6	10/0

VI.—WHOLESALE PRICES OF COMMODITIES.

	1919 MAR 7	1918 MAR. 8	1914 JUNE 30.
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	101/0	101/0	57/0
— Middlesbro' warrants .....ton	95/0	95/0	51/0
— Hematite warrants .....ton	122/6	122/6	61/0
— Staffordshire bars, London ton	£17	£15 10	£8 10
— Common bars .....ton	£14 15	£13 15	£6 10
Steel Rails .....ton	£10 17/6	£10 17/6	£6 2/6
Galvanised Sheets.....ton	£29	£28	£16 17/6
Copper—Standard.....ton	£74–£74 10	£110—£110 10	£61
Tin—English Ingots .....ton	£237—£238	£323—£325	£142 10
— Straits .....ton	£239 10	£321—£323	£139 15
Tinplates, I.C. Coke, S. Wales...box	33/10	31/6	11/10½—12/0
Lead—Soft Foreign .....ton	£25 10—£26	£28 10—£29 10	£19
Spelter—Ord. Foreign .....ton	£36—£38	£50—£54	£21 7/9
Quicksilver—(75lb.) .....bottle	£20	£20	£7
Aluminium .....ton	nom.	nom.	£82
Antimony—Regulus .....ton	nom.	nom	£27 10
Coal—(best) Yorkshire.....ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle.....ton	40/0—45/0	30/0	14/8
CHEMICALS, OILS, &c.			
Ni. of Soda –f.o.b. Chile, per quintal	nom.	11/8	7/4
Soda—Crystals ex ship .....ton	87/6	72/6	42/6—45/0
Copra—Malay and Straits .....ton	$33	$45 10	£23 15–£24 7/6
Gambier—Good marks .....cwt	37 0	63/6	16/10½
Indigo—Bengal good to fine.....lb	9/0—10/6	9/0—11/9	3/2—3/8
Linseed Oil—Raw.....ton	£256	£58	£25 5
Linseed—Calcutta, spot .....ton	£23 15	£29 15	£13 16/9
— **Cakes**, U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish .....ton	nom.	—	£49 10
Palm Oil—Lagos .....ton	£45	nom	£31 10
Petroleum—American.....gal on	1/4l	1/7½	7½d.
Rape Oil—Refined English .....ton	£71	£71	£32
Soya Oil—Refined.....ton	£75	£75	£24 10
Tallow—Imported .....cwt.	‡	72/0	29/3—33/3
Turpentine—French .....cwt	96/0	124/0	33/7½
Rape Seed—Toria.....ton	£22 15	£29 15	£13 5
Rubber—Para, spot .....lb	2/5½	2/7½	2/9½
— Fine plantation (stnd. crepe) lb.	2 0½	2/5½	2/2
— World's Production* Jan. tons	20.630	22.120	8.467
Shellac—T.N. Orange, fair.....cwt.	230/0—250/0	450/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland† .....lb	18.68d.	24.17d.	7.53d.
— Egyptian, good fair .....lb	26.84d.	29.39d.	8.75d.
— Pernambuco fair .....lb	19.78d.	26.50d.	7.73d.
— Mid. Upl. New York.....lb	26.15c.	33.40c.	13.25c.
— Stock, Liverpool, Feb. 28...bales	502,000	466,190	—
Flax—Petrograd, Yarapol .....ton	nom.	£120nom.	£28
Hemp—New Zealand .....ton	£55	£93	£25 10
— Manila, Fair .....ton	£80	£85	£26 10
Jute—First Marks .....ton	—	—	£28 15
— Red SOO .....ton	—	—	£24 15
Silk—Blue Elephant .....lb	20/0	25/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb	nom	nom.	11½d.–1/0
— Lincoln Half Hogs .....'	1/7½nom.	1/6 nom	1/0½
Hides—Eng. Ox, best, 65lb. up. lb	9¾d.—10¼d.	10½	7½d.
Leather—Dressing Hides .....lb	2/5...3/1	nom.	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	188,721,000	50,540,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	237½c.	226c.	87¼c.
— English *Gazette*, aver. 480lb. qr.	72/7	72/2	34/3
Flour—G.R. 280lb	44/3	44/3	28/6
Barley—Eng. *Gaz.*, aver. 400lb. qr.	62/7	57/9	25/4
Oats—Eng. *Gaz.*, aver. 312lb. ...qr.	48/3	52/0	20/0
Maize—N. Y. (new bushel) .. 56lb.	151½c	nom.	76½c.
— Amer. mixed, Liverpool...480lb.	79/9	80/9	32/4
— La Plata .....480lb. qr.	72/0	76/0	25/3
Potatoes—Good English .....ton	136/0	140/0—150/0	70/0—75/0
Rice—Bassein .....cwt.	25/0	28/3	7/0—7/3
Tapioca—Pearl, medium.....cwt	35/0	70/0	14/0—17/8
Hay—Best .....2,018lb...load	176/0	158/3	82/6
Hops—English.....cwt	—	£5 10—£10	£8 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs....8lb.	7/10—8/4	7/10	3/8—3/10
— Scotch sides.....8lb.	8/4	8/2	4/6—5/0
— English.....8lb.	8/4	8/2	4/2—4/5
Mutton—Scotch wethers.....8lb.	8/10	8/8	5/8—6/0
—English wethers.....8lb.	8/10	8/8	4/6—5/4
— New Zealand frozen .....8lb.	8/10	8/8	2/4—3/2
Pork—English and Irish.....8lb.	10/8	9/6	3/6—4/0
Bacon—Irish, ex Factory .....cwt.	188/0	172/0	60/0—74/0
— Danish, ex Port .....cwt.	—	172/0	58/0—68/0
— American, delivered .....cwt.	176/6	171/0—172/0	72/0—74/0
Hams—Amer.long cut, delvrd. cwt.	170/0	165/0	75/0—79/0
— — short cut, delivered .....cwt.	170/0	162/0	71/0—74/0
Lard—Amer. boxes, delivered cwt.	158/0	152/0	51/9—52/9
Butter—Danish .....cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
French .....cwt.			96/0—108/0
— Australian .....cwt.			98/0—110/0
— New Zealand .....cwt.			108/0—114/0
Cheese—Canadian .....cwt.	Controlled 163/4	nom.	66/0—68/0
— United States.....cwt.		nom	—
— Dutch .....cwt.		160/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Feb. 28 cwts.	2,923,455	3,716,077	19,777,254
— Home consumn'n to Feb 28 cwts.	3,973,380	3,258,500	17,272,000
— In Bond Feb 28 .....cwts.	5,988,000	3,848,000	6,306,000
— Price, Java, 96° Pol. .....cwt.	30/0	34/6	10/3
— — Yellow crystals .....cwt.	57/9	46/9	12/8—14/0
— — Tate's Cubes, No. 1 .....cwt.	64/9	53/9	18/0
Coffee—Imports to Feb. 28 ...cwts.	64.902	45,603	720,360
— Home consump'n to Feb.28 cwts.	51,881	119,112	141,410
— Exports to Feb. 28 .....cwts.	16,525	10,698	340,250
— In Bond Feb. 28 .....cwt.	605,000	1,017,000	484,000
— Price, Costa Rica gd.to fine cwt.	140/0—150/0	120/0—135/0	80/0—93/0
— — Brazil (Santos).....cwt.	65/9	65/0	41/6
Tea—Imports to Feb. 28.....lbs.	62,537,899	85,792,330	123,230,227
— Home consump'n to Feb. 28 lbs.	43,554,718	38,637,245	155,447,972
— Exports to Feb. 28 .....lbs.	1,405,196	79,448	26,561,765
— In Bond Feb. 28 .....lbs.	157,470,000	69,945,000	78,292,000
— Price, Indian, Pek. Soug. good lb.	1/4	—	8½d.
— Ceylon, Pek. Soug. Ord. lb.	1/4	—	8½d.
— Common Congou .....lb.	1/4	—	5½d.
Cocoa—In Bond Feb. 28 .....cwt.	760,000	778,000	309,000
— Grenada, good to fine .....cwt.	85/0	86/0—92/0	52/6—58/0

* Estimated. † G.M. American Official Value. ‡ By Agreement.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific ...£	Jan.	$13,028,000	+2,238,000	$1,554,000	+ $386,000
	12 *mos. to* Dec.	*177,528,000*	*+5,419,000*	*34,592,000*	*—12,044,000*
Int. Bys. of C. America	Jan.	£53,321	+ £6,184	£22,532	— £2,343
	12 *mos. to* Dec.	*641,759*	*— 25,436*	*227,509*	*— 37,390*

VIII.—RAILWAY AND TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week ended		Miles.	+or— in Yr.	Gross Receipts.	+ or — on Year Ago.	No. Wks.	Aggregate Receipts.	+ or — Year ag
Assam Bengal	Jan.	25	993	+ 13	B1,88,140	+ 8,853	17	27,81,560	+ 3,08
Barsi Light ...	Jan.	25	118	—	21,900	+ 6,500	43	7,40,500	+ 50
Bengal & N.W.	Jan.	18	2,052	+ 4	4,70,490	+ 45,260	16	74,40,217	+13,35
Beng. Dooars	Dec.	14	168	+ 5	29,951	— 9,015	11	4,44,511	+ 88
Beng. Nagpur	Jan.	25	2,885	—	11,34,000	+ 93,000	43	4,81,64,574	+31,83
Bomb. Baroda	Feb.	15	2,871	— 2	19,56,000	+ 2,34,000	20	3,38,77,000	+29,89
Burma	Jan.	18	1,342	—	5,78,220	+ 81,411	42	80,96,121	+13,47
Del. Um. Kalk.	Feb.	15	239	—	81,400	+ 1,257	20	16,23,204	— 1,51
East Indian ..	Feb.	15	2,767	— 40	28,78,000	+ 5,78,000	20	5,29,53,000	+61,26
Gt. Indian Pen.	Feb.	15	3,112½	—	27,90,100	+ 4,57,900	20	4,65,81,468	+23,13
Madras & S.M.	Feb.	1	3,152	— 1	11,15,000	+ 4,971	18	1,82,66,624	— 1,47
Nizam's Guar.	Jan.	25	900	—	2,66,542	— 536	17	39,29,710	+ 2,18
Roh. & Kumn.	Jan.	18	664	+ 2	1,06,707	— 7,846	16	17,22,655	+ 2,35
South Indian	Jan.	25	1,830	—	6,50,115	+ 39,844	43	2,90,15,822	— 28
South Punjab	M. of Oct.		716	—	7,37,619	+ 15,124	1m	—	—
COLONIAL									
Can. Northern	Feb.	28	9,487	+ 53	$770,600	+ 55,000	8	7,389,800	+ 1,883
Can. Pacific ...	Feb.	28	13,388	+ 395	2,591,000	+ 109,000	8	23,810,000	+ 3,701
Gd. Trunk Pac.	Feb.	21	918	—	£20,978	+ 1,532	7	142,813	— 20
Grand Trunk	Feb.	28	3,616	—	259,001	+ 87,441	8	1,744,574	+ 613
Mashonaland...	M. of Sept.		810	—	66,538	+ 18,885	12m	683,417	+ 10
Mid. W. Aust.	M. of Dec.		277	—	11,044	+ 2,386	6m	53,198	+ 9
New Cape Cent.	Jan.	18	205	—	2,535	+ 269	3	6,979	+
Rhodesia Rlys.	M. of Sept.		1,397	—	99,811	+ 18,147	12m	1,094,793	+
W. Pass. & Yuk.	M. of Dec.		122	—	—	—	12m	$1,244,080	— 604
FOREIGN.									
Argentine.									
Arg. N. East.	Mar.	1	752	—	£ 11,500	+ 2,400	35	324,275	+ 36
Arg. Transand.	Mar	1	111	—	£ 4,420	+ 1,780	35	125,010	+ 15
B. A. & Pacific	Mar.	1	3,536	—	£ 125,000	+ 51,000	35	3,946,000	+1,103
B. A. Gt. South.	Mar.	2	3,782	—	£ 165,000	+ 11,000	35	4,794,000	+1,117
Do.	Mar.	2	Net	—	£ 52,000	—	35	996,000	+ 139
B. A. Western...	Mar.	2	1,882	+ 12	£ 89,000	— 3,000	35	2,391,000	+ 776
Do.	Mar.	2	Net	—	£ 19,000	—	35	567,000	+ 178
B. A. Central ...	M. of	Jan.	190	—	£ 41,643	+ 8,468	7m	285,293	+ 105
Cent. Argentine	Mar.	1	3,305	—	£ 146,000	— 14,000	35	4,490,400	+1,066
Do.	Mar.	1	Net	—	£ 25,000	— 7,400	35	607,900	— 140
Cord. Central ...	Mar.	1	1,205	—	£ 44,800	+ 5,380	35	1,549,780	+ 463
Entre Rios	Mar.	1	831	—	£ 22,200	+ 2,900	35	699,200	+ 197
Brazilian.									
Brazil Gt. South.	M. of	Sept.	110	—	M 41,264	+ 1,076	9m	450,733	+ 89
Brazil Railway	M. of	Nov.	3,530	—	M 3,220,000	— 1,504,109	11m	52,913,000	+7,760
Gt. W. Brazil ..	Feb.	22	1,010	—	£ 20,800	+ 1,400	9	166,300	— 10
Leopoldina	Feb.	22	1,831	—	£ 28,656	— 2,462	8	219,952	— 84
Mogyana	M. of	Nov.	1,180	—	M 1,382,000	— 915,338	11m	20,706,000	— 1,518
Paulista	M. of	Nov.	786	—	M 2,185,000	— 1,264,265	11m	29,829,000	— 318
Sao Paulo	Mar.	2	153½	—	£ 34,287	+ 5,789	9	232,582	— 32
Sorocabana.....	M. of	Nov.	1,003	—	M 1,128,000	— 865,148	11m	20,204,000	+ 1,222
S. of Bahia S.W.	M. of	Dec.	52	—	M 94,000	— 8,000	12m	1,061,000	— 68
Chilean and Peruvian.									
Antofagasta....	Mar.	2	538	—	£ 27,555	— 11,670	9	279,835	— 59
Arauco	M. of	Jan.	84½	—	£ 12,500	— 1,500	1m	—	—
Nitrate (2 wks.)	Feb.	28	390	—	$ 20,292	— 13,329	8	100,040	— 41
Peruvian Corp	M. of	Jan.	1,140	—	$ 1,009,650	— 179,700	7m	7,030,365	— 247
Taltal	M. of	Jan.	181	—	£ 11,123	— 20,429	7m	124,847	— 67
Cuban.									
Cuban Central ..	Feb.	22	382	—	£ 37,417	— 379	34	604,518	+ 62
Havana Central	Feb.	22	70	—	£ 11,533	+ 454	34	301,136	+ 20
U. of Havana ..	Feb.	22	681	—	£ 85,202	— 5,917	34	1,710,488	+ 81
W. of Havana ..	Feb.	22	155	—	£ 13,879	+ 1,761	34	257,953	— 10
Uruguayan.									
Cent. Uruguay	Mar.	1	272	+ 1	£ 27,027	+ 7,912	35	743,051	+ 118
" (E. Ext.)	Mar.	1	311	—	£ 7,466	+ 1,597	35	169,331	+ 9
" (N. Ext.)	Mar.	1	185	—	£ 3,471	+ 42	35	123,767	+ 21
" (W. Ext.)	Mar.	1	211	—	£ 3,551	+ 1,119	35	82,804	+ 17
Mid. Uruguay...	M. of	Jan.	319	—	$ 17,447	+ 6,431	7m	116,206	+ 20
N. W. Uruguay	M. of	Jan.	113	—	$ 27,500	— 1,564	7m	206,218	+ 18
Urug. Northern	M. of	Jan.	73	—	£ 2,181	— 77	7m	13,987	+
Miscellaneous.									
Alcoy & Gandia	Mar.	1	83	—	Ps. 13,200	+ 4,800	9	90,200	+ 9
Bilbao	M. of	Jan.	15	—	£ 2,751	— 2,357	1m	—	—
Bolivar.....	M. of	Jan.	136	—	£ 11,000	— 1,775	7m	58,068	— 22
Colomb. Natnl.	M. of	Dec.	66	—	£ 13,440	+ 240	12m	147,320	+ 8
Colomb. Northn.	M. of	Feb.	30	—	£ 8,388	+ 544	8m	59,165	+ 7
Costa Rica	M. of	Dec.	189	—	£ 20,976	+ 11,927	6m	131,591	+ 67
Dorada Ext. ...	M. of	Jan.	71	—	£ 7,800	— 500	1m	—	—
Egyptian Delta	Feb.	10	559½	—	£ 12,151	+ 3,431	44	328,712	+ 79
Gt. S. of Spain	Feb.	22	104	—	Ps. 146,244	+ 113,842	8	1,081,360	+ 243
La Guaira & Ca.	M. of	Feb.	22½	—	£ 7,680	+ 1,365	2m	15,785	+
Paraguay Cent.	Feb.	22	255	—	£ 4,580	+ 1,600	35	133,220	+ 36
Puerto Cabello	M. of	Dec.	24	—	£ 3,200	— 1,300	12m	44,500	— 4
Salvador	Mar.	1	100	—	£ 4,003	— 250	35	78,596	+ 18
Santa Fe Prov.									
French Rwys.	M. of	Jan.	1,181	—	£ 156,974	+ 4,526	1m	—	—
S'mana & S'tiago	M. of	Jan.	80	—	£ 6,860	— 1,969	1m	—	—
Zafra & Huelva	M. of	Jan.	119	—	£ 11,457	+ 534	1m	—	—
TRAMWAYS.			Miles						
Anglo Argentine ...	Feb.	25	400	£	£2,997	+ 4,620	8	428,987	+ 5
Auckland (4 weeks)	Feb.	14	27	£	£3,537	+ 1,361	32	170,594	— 8
Bombay Electric	M. of	Jan.	39	R.	6,12,165	+ 48,535	12m	70,23,885	+ 8,78
Brazilian Traction...	M. of	Nov.	378½	M.	7,581,000	— 114,000	11m	93,363,000	+ 9,232
Brisbane Electric ...	M. of	Jan.	40½	£	38,575	+ 4,075	1m	—	—
British Columbia ...	M. of	Jan.	334	$	677,489	+ 117,920	7m	4,095,584	+ 612
B. Ayres Lacroze ...	M. of	Jan.	51	£	41,556	+ 2,654	7m	300,780	+ 31
Calcutta	Feb.	22	36½	R	87,371	+ 14,721	8	6,90,250	+ 105
Cape Electric	M. of	Jan.	49½	£	29,452	+ 4,966	7m	162,525	+ 14
Carth & Herr.	M. of	Feb.	8	£	2,351	+ 1,680	2m	6,006	— 2
Chatham & District	Feb.	20	15	£	1,143	+ 53	7	8,432	+
Havana Electric	M. of	Nov.	85	$	690,704	+ 47,301	11m	7,466,653	+ 1,150
Isle of Thanet	Mar.	1	21	£	320	+ 157	22	6,742	+ 2
Kalgoorlie.....	M. of	Oct.	20½	£	2,835	+ 440	10m	27,805	+
Lanarkshire...	Feb.	20	28½	£	3,374	+ 760	7	26,813	+ 4
Lima Light & Trams.	M. of	Dec.	85	$	47,887	+ 4,689	12m	527,839	+ 87
London O.C.	Mar.	5	141½	£	68,629	+ 15,581	48	3,216,976	+ 552
Madras Elec. (2 wks.)	Feb.	15	15½	R	43,299	+ 5,936	6	131,355	+ 15
Manila Electric	M. of	Nov.	55	$	214,292	+ 55,292	11m	2,090,630	+ 468
Pernambuco.....	Feb.	23	59	$	4,879	+ 441	7	42,143	+ 3
Provincial.....	Feb.	22	21½	$	2,372	— 51	21	52,548	+ 2
Rangoon Electric ...	M. of	Jan.	25	$	8,373	+ 1,012	1m	—	—
Shanghai Electric ..	Dec.	11	28½	Mex. $	24,823	+ 531	49	1,258,546	+ 67
Singapore Elect.....	Jan.	25	26½	$	14,320	+ 1,964	4	60,388	+ 11
U. of Montevideo ...	M. of	Feb.	30½	£	38,772	+ 4,198	4m	149,821	+ 14

Shop at
LIPTON'S
for QUALITY.

LIPTON, LTD., the largest Tea Distributors, Manufacturers, and Retailers of Food Products in the World.

Head Office CITY ROAD, LONDON, E.C.1.
Branches and Agencies throughout the United Kingdom.

SUPERIOR
WINES AND SPIRITS

Owing to great demand only a limited number of the well-known "PINK LIST" quoting large and unique assortment of Superior Wines and Spirits at Market Prices is being issued.

Apply to **EHRMANNS,**
Wine and Spirit Shippers and Merchants,
43, 44 and 47 Finsbury Square, London, E.C. 2.
(*Please quote "S."*)

The Statist.

LONDON, SATURDAY, MARCH 8, 1919.

THE LABOUR QUESTION.

We are gratified to find that the Labour party did not insist upon an immediate answer to the proposal made by it, but that it is preparing to face the condition of things before us. Now we greatly fear that very few people in this country take the trouble to ask themselves what will be the result, suppose neither the Government nor the Labour party, nor the employing class will make the concessions which are demanded from them? We have endeavoured to make clear to our readers that the real possessors of capital are not those who are generally called capitalists; and that, as a matter of absolute fact, which no reasonable man can attempt to deny, everything in the nature of trade is paid for in the last resort by the consumer. Now there are a certain number of persons, large if you take them in the aggregate, but small if you compare them with the whole body of the people resident in the United Kingdom, who, to all intents and purposes, produce nothing. To begin with, you have the vast number of women who, as wives and mothers, contribute to the great population of the State. They perform one of the most important functions in the State: and the man must be undeserving of notice who would seriously argue that they are not contributing to the greatness of the country just as much as men. But there is a considerable number of women who are not wives, or mothers, who have not been provided for by their parents, and who, to a considerable extent, are dependent upon male relatives who are neither parents, nor husbands. Take this large number of practically unproductive women. Add to it all the classes which we call the pauper class, the criminal class, and so on, and when you make a deduction of these, you have the real body of people who pay for everything consumed in the United Kingdom. Not only do they pay for everything that is made in the United Kingdom, they pay for everything that is consumed in the United Kingdom. And if now we turn to the Government statistics, and inquire how many persons there are in the United Kingdom who are believed, even to have the means of paying income tax, we find the total is about 2,200,000 persons, or, as we said in a recent article, the number of persons in the United Kingdom who do not earn as much as would make them liable to income tax is so small that practically a population as large as the population of Italy does not earn £2 10*s.* per week. Foolish persons who write letters recommending Tom, Dick, and Harry, assume that Tom, Dick, and Harry are taken at their recommendation, and are paid ever so much more than the real contributors to the income tax. Such an assumption is, we will not say anything that might hurt the feelings of our readers, but we will content ourselves with saying that it has no reference to the real facts of the case.

If a man really desirous of making himself master of the conditions of the United Kingdom, would look into the real facts, he would be astonished to find how far we are from that great superfluity of wealth which we think it wise to tell the world we possess. As a matter of fact, great numbers of people who are employed in the houses of the wealthy produce exceedingly little. They are, for the most part, maintained for the sake of inducing the public to believe what very great and wealthy people they are who support all these absolutely useless feeders upon the real consuming public. Go to see the ladies who gather at Court functions, and then look at the dresses of the various functionaries who attend upon these ladies. How much work is done by any of these? And what good is the work even where it is done? In real truth, the number of persons who contribute to the real wealth of the community is surprisingly small. A contributor of The Statist wrote to us a private note the other day when we first pointed out that the number of real producers is surprisingly small. He asked: If all the persons who are employed by the well-to-do were to be discharged what would the consequences be? Well, the consequences seem plain enough, and we are surprised that any reader of The Statist should entertain a doubt upon the subject. The great majority of these perfectly useless persons are employed for the honour and glory of people who wish to appear richer than they are. And if they were discharged one of two things would happen. Either the whole body of useless supporters of the wealthy classes would be sent about their business to learn something that would be really useful to the consuming classes, or they would probably go into the workhouse. There is nothing in this world more silly than to suppose that a man will work hard if he can earn as much by practically doing nothing. And the wealthy who maintain scores of useless hangers on are, in the first place, leading these useless persons into useless work; and, in the second place, they are bestowing upon the useless workers what ought to go to the really labouring classes.

THE INDIAN BUDGET.

The statement of the Finance Minister of India, which was published on Saturday last, is a somewhat overrated estimate of the condition of things in India, and a not very sound view respecting coming events. The War threw a heavy burden upon India. From one point of view India has been eminently well circumstanced to carry on the War advantageously, for she has now a population running close up towards 315 millions, or not very much less. Happily, moreover, the general feeling of the population has been everything that could be desired. It is not meant, of course, that in a population so enormous all classes and all creeds are quite satisfied. On the contrary, there is a good deal of discontent, and a very considerable amount of disapproval of the management of affairs. But, when everything is said, it is true that the population of India is surprisingly well satisfied with the existing condition of things, and is looking forward to the future with, perhaps, more confidence than the circumstances render altogether advisable. Amongst the great ruling chiefs there is no question at all that

contentment with the condition of India is universal and surprisingly strong; while amongst the second class of chiefs there is, likewise, an extremely good feeling. Broadly speaking, moreover, the well-to-do classes are fairly well contented with their lot. But there is a tendency amongst the Civil servants which is not without serious danger. The British Government in India is mainly administered by the Civil servants, and the members of the Civil Service are chosen by educational arrangements. One consequence of this is that even now the great bulk of the governing class is drawn from Europeans. There is, of course, a very considerable number of natives in the service of the Indian Government. And we are glad to say that the increase tends every year to move upward. For all that, there are large numbers of young men who are turned out of the English schools and the English universities in India, and these men, looking for a profession, are often disappointed, and consequently tend to make the condition of things not as safe as it otherwise would be. One of the great faults which we ourselves recognise in the present tendency of Indian government is the desire to make the government of India more and more misunderstood by the people of the country, and only slightly understood even by the better educated. Now in a country like England a governmental system cannot be too democratic, for, as a matter of course, the whole population is English, and to be fully satisfied they need a thoroughly democratic system. But in India the number of persons who can understand English is exceedingly small. And we are asked at present to make the government depend more and more upon the small number of English-speaking Indians, and practically to leave out the immense multitudes who do not understand English. It seems to us from every point of view a most dangerous, as well as a most objectionable, system. And we fear that as the tendency continues the real dangers will be discovered. Consequently, there is much in the present system of government in India that seems to us dangerous; and particularly it is dangerous because it tends to throw the government of the country more and more into the hands of those who know English; or, to put the matter a little differently, it tends to dissociate the people of India from their Government, and to make the Government itself more and more an arrangement for giving those who are fortunate enough to be taught in the great schools and universities such a pre-eminence as cannot fail sooner or later to be discovered to be dangerous. However, the circumstances being such, we greatly fear that the tendency at present is to go more and more towards English speakers, and consequently to create a condition of things which sooner or later cannot fail to be dangerous.

We are afraid that it is too late now to check the system that has been established, and consequently we think it likely that the present drift of things will continue until some fine day the public is thoroughly awakened to the dangers of the situation. At the present time the circumstances are well calculated to bring out the danger. India, we are happy to say, has been wonderfully prosperous for a very long time. The monsoon has been wonderfully good, and as a consequence the trade of the great Dependency has been surprisingly favourable. There are rumours at present that the outlook is not quite as satisfactory as it was a little time ago. If that should prove to be the case we are entering upon a trying time. If, for example, the monsoon, which has been so good for so long, were to become unsatisfactory, the cost of the War to India would make itself felt in many unpleasant ways, and almost inevitably there would be, if not danger, at all events a feeling of greater anxiety than has existed for a long time past. The War has compelled the Government to charge India with a considerable portion of the total outlay. It may be objected truly that India derives great benefits, and that she is, therefore, justly taxed when war is made upon her by a foreign Government which hoped to reap benefits from the government of India. But arguments of that kind are of little value. India is an exceedingly poor country. And the cost of the War has been heavy. Therefore the paying off of those costs will not be an easy task, while there is at least danger that there may be aggravations, such as might arise out of an unfavourable monsoon.

If we turn now to the Budget statement, we find that the Government considers itself justified in adding to the large expenditure of recent years. India paid, both in life and in money a very handsome quota to the outlay of the whole British Empire. And we doubt, therefore, whether it is wise to proceed quite as actively as is now suggested. The Provinces are to be authorised to raise money for educational and industrial development. Here we are entirely with the Finance Minister. India wants, more than perhaps anything else, a very large expenditure upon education. But the expenditure should be so fixed that it should not tell upon the poorer classes. India is an extremely poor country, and true finance suggests that the very poor should not be taxed simply because the people are so sunk in poverty that they cannot afford to pay largely. Without more information than is given in last Saturday's statement we do not find it easy to criticise the Budget statement. It seems to us less clearly explained than it ought to be. Particularly, the Government should make it quite clear that there is to be no undue raising of funds from the very poor. India is an exceptionally poor country. We have pointed out frequently in this Journal that there are whole districts within which the average rate of wages is only about a penny a day, while there are neighbouring districts in which the rate of wages is four times as high. Under those circumstances it will be seen much harm to the development of India may be caused, and, therefore, that great care should be exercised. It is undoubtedly a very difficult thing to apportion the policy of the country to the whole community, for the simple reason that the population is so very poor. But a very poor country cannot raise large sums except the Government bears in mind, firstly, that there are things which it is necessary to provide India with, and, secondly, that if the very poor are not properly protected much harm may be done. Now there are three things which ought to be provided by India. One is education, the second is railways, and the third is such a provision as will make it possible for India to provide herself with good means of locomotion, apart from the railways, but, of course, including irrigation. We should like to see a very much fuller statement than we are here provided with. Railways, education, and irrigation are of the very utmost importance to India, and we greatly fear that while there is a show of watching over the interests of the people, there is not that intense care which would make sure that the interests of India are being fully provided for. It seems to us that many years ago a very grave mistake was made in regard to the monetary system of India. Whether that system can now be changed with justice to all the parties remains to be seen. But instead of bolstering up the silver rupee, we should ourselves have preferred a general consensus with the policy that prevailed generally, and we should have liked to see India not standing quite alone from all the great countries. The difficulty is a serious one, and some day or other will have to be faced. But it is not imminent until China moves. Then there is the vast question of railway building and irrigation. And over and above these is the question of giving India more control over her own financial system.

THE NAVY ESTIMATES.

As is natural after a great war, Navy Estimates are published giving some kind of vague idea of what the cost of the Navy is to amount to during the next financial year. The Estimate is, we suppose, inevitable, though it is put in so absolutely unreliable a state that, when we have read it, and read it again, we are just as much in the dark as we were when we opened the document to look at the figures. We have two grand totals, one "Effective," and the other "non-Effective"; and there follow a multitude of incidental expenses which are set out in somewhat different forms so as to give those who read the documents carefully fuller information. But we are told, at the same time, that the total expense of the War was practically what we are now informed was the total expense of the War just before the enemy gave way. In other words, the Government tells us that they are going to vote a much larger expense than is really to be laid out, but that as the year goes on and circumstances look either favourable or the reverse, the Government retains to itself the right to expend money practically as it pleases. That is the financial system of the greatest naval Power in the world! It is getting on now for nearly four months since Germany gave way. She has already surrendered the most important part of her fleet, and apparently she is making no objections to surrendering the remainder. Yet we are told by a country, which professes to be a highly financial country, that we are asking, firstly, for a Vote as large as was taken for last year; and, secondly, that we are taking power to demobilise the Fleet as rapidly as it suits us, so that we know just as little now that the Navy Estimates are out as we did last week, let us say, when they were known only to the proper officials. Is it not, to say the least, a rum form of making out accounts? We shall take votes for as large a sum as we took last year, but we do not intend to spend the whole sum. Remember, the Admiralty would be perfectly justified in saying that it had fulfilled its promise if it said only sixpence halfpenny. A whole lot more might be spent. And we are asking no serious question as to what is to done with so enormous a Vote. It must be admitted, of course, that the Navy is usually much better administered than is the Army. But it is, to say the least, rather an original form of proposing a Vote to tell us that we are taking as large an amount as we took in the last year of war, and we add that, "of course there will be a lot of savings, but nobody knows how much." If our readers derive any instruction from these figures, we give them with very great pleasure for, of course, it is our duty to do the best we can for our readers. But frankly, we add, we have not the remotest idea what is to be done with the Navy, or how the successive steps in demobilisation are to be taken. So much for the greatest fighting force the British Empire possesses.

THE ARMY ESTIMATES.

The Army estimates are growing apace, and unless Mr. Lloyd George himself takes the matter in hand we shall find ourselves by and by in a very serious condition. We doubt very much whether there is a living man in the British Empire who knows what the estimates at the present time are, we will not say for years hence, but even for the financial year which will begin at the end of the present month. We have estimates for almost every subject under the sun. We have a great Army bill. We have extraordinary promises for the planting of the people upon the soil of the United Kingdom. We have a most earnest desire on the part of the Dominions for a large increase of immigration. Then we have—what shall we say? Is there any real phrase in the English language that will correctly express what we are about to state? The Great Powers have been at war for something over 4¼ years, and they so utterly mismanaged their arrangements that most of us were very seriously surprised when we found that Germany gave way, Turkey gave way, Palestine gave way, and Mesopotamia gave way. All that was looked for, more or less. But the two great Central European Empires had been considering for half a century a great European war; had come to the conclusion that they could fight the war for practically a generation; and in 4¼ short years they threw up the sponge. Now we will not worry our readers with estimates regarding Germany and Austria. Austria is practically gone. She may be set up in one form or another, but the Austro-Hungarian dominions are gone, and there is no power now that can restore them. But we have a great Central Empire in Europe. There is apparently, we say "apparently," for we doubt if anybody, even in the internal affairs of the Government, has a clear conception of the fact; and therefore we venture to make the statement that—there is not a single man, from the Prime Minister down to whoever is the junior of the whole body, who has the slightest conception as to the cost of the War which we have before us. However, we have to give our readers some kind of statement as to what the winding up of the War will cost. And to all intents and purposes the cost will be 287 millions, with whatever overlaps there may be to provide when that particular vote is ended. And for all practical purposes it may be said that the Government asks, for the present, for a vote of 125 millions to carry it through the next four or five months. Now we should like to know what is meant by these figures. So far as we are able to interpret them they mean that the Government is only at the beginning of the negotiations. Even the Armistice is not finished. Marshal Foch has laid down what the new terms must be; and the enemy feels that he has to give way. But what about the time when the end of these terms are reached? There must be some time. We have what seems like a careful estimate. But we should dearly like to see a really careful estimate of any English financial statement that ever has been issued during the past hundred years. There have been plenty of them issued. But has one single one of them been such as we should say is a really careful statement.

So far as the small States are concerned we speak, of course, with very great hesitation, but we are inclined to think that the Government can make some sort of an approach to the truth. The Jugo-Slavs and the other Slavs—it does not seem likely that they would deliberately make difficulties and throw the whole financial arrangements out of order. But what about Germany? Germany, as far as one can judge at present, is likely to have over 70 millions of people. She will be, therefore, the greatest of European Powers. And suppose that Germany says "We submit because we cannot help ourselves; but we shall take every occasion that offers to make every kind of difficulty that we can raise." Well, let us suppose a couple of years pass and a favourable opportunity offers. Then the question will arise. Is the military force occupying Germany sufficient, or is it not? And if it is not, what will happen then? However, we have a Government in office the members of which, speaking generally, never had to do with serious business. They are men belonging to the idle rich class. They would be offended and provoked if they were expected to listen to long disquisitions. And so we all know what a military statement must be under those circumstances. On the other hand, we have a military clique in Germany which is, perhaps, as nearly expert as it is possible for the idle rich to be expert anywhere. Therefore we are about to have militarism restored in Germany. What kind of supreme Government will be over it we need not stop to inquire, for the real negotiations have not been even begun. And the Army and other military sects are quarrelling. Consequently, we have

not the remotest idea what will happen in Germany during the next two or three years. And we are asked by people who profess to speak as financial authorities to vote the large sum of 125 millions. Now we have, roughly, about 8,000 millions of debt already, and we are proposing to spend 287 millions for guarding of Germany. Next we are proposing Heaven only knows how much for education, for pensions, settlement of the public upon the land, and so on. Is there a man in England that knows how many subjects are going to be proposed. And already we practically are up to 9,000 millions. Add another thousand millions, and we have 10,000 millions to provide for somehow or other, merely to gratify what seems to be the good pleasure of Mr. Lloyd George's notorious Government. We have lent a lot to our Allies. Putting Russia aside, we shall get the money back somehow some time. And we have 10,000 millions to find by hook or by crook, and that is called good government by a civilised people at the end of a war of 4½ years.

WHEN THE WAR ENDS.—LVIII.

The War makes it necessary that the greatest possible care should be taken respecting the finances of the United Kingdom, as well as of the Dominions and India. India is one of the vastest territories in the world. There is a question whether, as a matter of fact, the population of China so much exceeds the population of India as a little time ago was almost universally assumed. Now we find that the Indian Government has been invited to lend, for so poor a country, a large sum, and when the time is approaching for in some way or other making provision for the repayment of that sum, there is hesitation, doubt, and uncertainty. The Government of India usually imports gold and silver to the extent of ten or twelve millions sterling, and it becomes urgent that care should be taken now that peace is almost within our reach. We have an enormous debt for the United Kingdom alone. Then the Dominions have a second very considerable debt. And we are beginning to learn, to our serious concern, that the arrangements for providing for the repayment of the Indian debt are likely to prove difficult, if not much more serious even than difficult. India, if we except China, has the vastest population of any country in the world. And the Indian Government is so poor that it has districts within which the rate of wages is only a penny per day, or half-a-crown a month. There are other districts in which the rate of wages is four times as large. If we compare the district where the rate of wages is only a penny a day with that where it is four times as great, it sounds very satisfactory. But just let us try to imagine for ourselves what the condition of a people must be where the highest rate of wages that in any considerable district is worth mentioning is fourpence per day. Before the great famine in Ireland the rate of wages varied over the three poorer provinces from about sixpence per day to tenpence per day, and our readers will recollect that the population of Ireland grew so rapidly that the Census taken in 1841 showed roughly nearly 8¼ millions of people. The three terrible years 1846, 1847, and 1848 brought with them weather of the most unfavourable kind, and the whole population was practically ruined. A very large part even of the landed gentry had lived so extravagantly that when the tenants were unable to pay practically the landlords became bankrupt, and in the course of a surprisingly short time the population was reduced to very nearly half of what it had been in 1841. Now we hope most sincerely that the population of India is not growing too rapidly. But no man who gives his thought and his mind to the subject can have failed to note from time to time most serious moments respecting the growth of population. If we had a really capable Government in India it would, in the first place, risk everything for the purpose of educating the people. In the second place, it would risk everything to increase the means of communication between the several parts of the Great Dependency. As we have said already, we hope most sincerely that there is no danger of a great famine. But a long time has now elapsed since we have had a famine, and the Indian Government is reminding us that India was called upon to contribute largely to the expenditure of the War; and, consequently, that India may find it more difficult than in our light-hearted way we assumed that everything in this country of ours must come out satisfactorily.

We made up our minds when Germany, having provided herself with the greatest army in the world, set to work to build the second greatest navy in the world. And we told one another that the British Navy was supreme, and that Germany would find she was playing a losing game. Well, the War lasted for four and a quarter years, and practically we find that the German Fleet was nearly destroyed at Jutland, and that almost the whole fleet of Germany will have to be surrendered. Now in those times, while that fleet was being built, the Conservative Party were for a long time in control. They continued, in fact, in control until 1905. And they made over Heligoland to the Germans as if they did not think German advantages already great enough. Now we find ourselves with a condition of things in Germany that he would be a very bold man indeed who would venture to form any definite opinion of what is going to happen there. And in India, on the other hand, we have a rate of wages ranging from a penny a day up to fourpence per day, while we have borrowings for the War which, if we may judge from the statement published, is not a little embarrasing. We have a population in India of something between 315 and 350 millions. And we have a vast body of people absolutely ignorant of the ruling language. We have, secondly, a railway system which is a mere fraction of the American railway system. And we have, in addition, a financial system which leads us to pour silver every year into India with utter recklessness. What will be the result suppose there is a bad monsoon? But let us put altogether out of account a bad monsoon. Let us hope that the good luck which has attended us so long will attend us a little longer, and that in some way or other means will be found for paying off debt. But if that happens, what does the sane reader of finance think of a system of Government where nothing is done seriously, of course, to improve rates of wages amounting to the magnificent sum of a penny a day; and, furthermore, which is borrowing, or has been borrowing, and now is called upon to settle the bill? Suppose things go right, we shall once more benefit by our good luck. But suppose things do not go right, what will happen then? And is there nobody, either in the Government or outside it, to call the attention of the public to the very grave condition of things which the Indian Financial Statement brings clearly before us?

INDUSTRY AND RELIGION IN IRELAND.

Within the geographical unit called Ireland there are to all intents and purposes two Irelands, one comprising the north-east portion of the country and embracing a section of the population not large in numbers, but imposing in wealth and influence; the other spread over the remainder of the country, including the great majority of the inhabitants and depending mainly upon agriculture. No hard-and-fast rule of demarcation can be stated, but the presence of some underlying distinctions between the two sections of the Irish people cannot fail to be felt, especially during a sojourn in the North. According to the last census, the total population of Ireland in 1911 was 4,390,219, of whom 3,242,670, or 73.86%, were Roman Catholics; 576,611, or 13%, were Protestant Episcopalians;

440,525, or 10.04%, were Presbyterians; 62,382, or 1.42%, were Methodists; and 68,031, or 1.55%, belonged to other denominations. We have selected religion as the primary line of division not for the purpose of rousing any sectarian bitterness, but because it corresponds broadly with a marked difference in the economic interests and pursuits of the inhabitants. For practical purposes the distinction need be drawn only between Roman Catholics and those of other persuasions. If we take the country by provinces we find that in Connaught 96.24% of the population are attached to the Church of Rome; in Munster, 94.04%; in Leinster, 85.20%; and in Ulster, 43.67%.

The Irish character is largely the result of Irish history, and the history of the dominant religion of the population has been signalised by systematic repression, which has left its mark even to the present day. The Penal Laws forbade the holding of property by Catholics, the commercial restrictions proscribed their industries, and in this way they were precluded from taking that part in the economic life of the country to which their numbers entitled them. The effect of the old *régime* could not be obliterated in a single generation, or in a couple of generations, and, when combined, as it was until recently, with the practical denial to Catholics of the higher forms of education, it tended to sap business instincts at the source and to discourage the qualities of initiative and self-reliance so necessary to economic advancement. Without descending into minor details, which, however, have their own particular significance, we can thus understand broadly why, following the line of religious cleavage, there is a difference in the industrial habits and pursuits of the people. When trying to account for the comparative absence of development among the Roman Catholics in Ireland, to lay the responsibility at the door of their religion is simply to apply the *post hoc propter hoc* argument where it does not fit. It would be more correct to say that Catholics have in the past suffered for their religion, and that, though recognition was long ago won for its practice, they have not yet shaken off the evil effects of tyranny and oppression. Governmental favour, influence with the English moneyed and commercial classes and with the Irish administration, full facilities for education and for economic development, combined with a good geographical position and a practical monopoly of the chief public offices within the country, have helped industrial progress in Ulster. Further, Catholics have been damnified through a more or less definite concentration on political issues to the exclusion of more worldly preoccupations. The almost palpable state of tension never far off in the Irish political atmosphere has been unfavourable to business—a circumstance which compels the conclusion that a solution of the political question must precede any whole-hearted effort at economic development. The political chiefs of the majority of the Irish people have seldom been men versed in the ways of commerce, and have, generally speaking, failed to use their powerful influence for good by urging their countrymen along the road to economic salvation. In Parliament, as well as out of it, they have been remarkably single-minded in their purpose, which was to advertise the political ills of their country and to secure a remedy. The attack has ever to display more vigour than the defence, and the Unionist party in Ireland, strongly entrenched behind the ramparts of Court and military influence, and closely allied with the most powerful, though not the most numerous, political party in England, could continue its normal pursuits without at the same time dropping the political cudgels.

As the final factor in the discouragement of industry among the Roman Catholic population, we might note a tendency to shift on to the Government the responsibility for restoring the trade and manufactures which it had once destroyed. But the Government cannot bring back the dead to life, and even if we credited it with the will, it has not, and will not have, either the ability or the energy to repair the wrongs of the past, or to revive whatever industrial glory was once possessed by the South.

In considering this broad division of the country into a non-Catholic industrial and a Catholic non-industrial section, it may well be asked, "How do Catholics fare in the Protestant districts of the country? Do they display the same business keenness as their Protestant neighbours?" A direct answer to these questions is practically impossible, but we can consider some of the relevant facts. The proportion of Catholics in the most industrialised part of Ireland—Ulster—has been steadily decreasing within the last half-century. In 1861 it was 50.50%, and in 1911 43.67%. The material prosperity of Ulster has in the meantime increased, though too much stress cannot be laid on this point since it has lost largely in its most precious assets—man-power. The decrease in population has, in fact, been nearly as great as in Leinster. The following table shows the decline for the different provinces in Ireland:—

Name of Province	Date of Census— 1861	1911	Percentage Decline in Population
Ulster	1,914,300	1,581,600	18
Leinster	1,457,600	1,162,000	21
Munster	1,513,500	1,035,400	32
Connaught	913,100	610,900	34

The total Irish population has fallen heavily because its pursuits are mainly agricultural. The change from agriculture to manufactures, necessitated by the declining state of the former industry, was effected in other countries by a shifting of rural dwellers into urban areas, but in Ireland it meant emigration from the country, and hence the great exodus. The working agriculturists were chiefly Catholic, since the plantations in most places changed the ownership but not the occupation of the soil, and the emigrants were accordingly of the same religion. Hence in Ulster the ranks of the Catholics became more attenuated than those of other sections. At the same time they have penetrated to some extent into businesses other than those connected directly with land. It is difficult to cite general figures in support, but we may take the case of shipbuilding as being a representative industry hitherto almost exclusively in the hands of Protestants. We refer not to the employing interests, which are still Protestant, but to the employed. Roughly, one-fifth of the present workers in the Belfast yards are Catholic, whereas formerly the proportion was not one-tenth. The Protestants, however, retain practically all the better positions because, in the first place, there is a general preference among the employing interests for those of their own faith, and, secondly, apprenticeship rules, working mainly in favour of Protestants, tend to exclude Catholics from the more skilled occupations. One of the latter faith who wished to enter the yards in a skilled capacity has usually had to serve his time somewhere outside Belfast, and if he cared to return he could not be refused admission as a skilled man, provided the employer took him on. Such cases have been numerous of late years, but still Protestants constitute what might be called the aristocracy of labour, the skilled section, while Catholics are largely the hewers of wood and drawers of water. Where a fair test is possible no difference is shown in ability, but in individual gangs of riveters and platers it will be found that the proportion of Catholics amongst the "boys," or unskilled helpers, is greater than amongst the tradesmen. In short, Catholics because of their religion have not secured in the latter group their share of the posts, and still less that share of the good posts, to which, on grounds of number and ability, they are entitled. According to the figure above given they fill only one-fifth of the total places, though they constitute more than one-fifth of the population of Belfast County Borough—21.10%, to be accurate.

In the industrial area of the North the general

position is that Protestants can do without Catholics, and show it, but the latter cannot and do not show equal independence. They are weak in numbers and in influence, and hence they start off with an initial disadvantage in business. To be a Protestant is in the North an initial advantage, since it ensures custom from neighbours, contracts from public bodies, and a helping hand over the rougher portion of the industrial road. These facts cannot be blinked, and we may admit them without at the same time losing hope of ultimate conciliation between the two religious sections and a wider diffusion over the country of the proved industrial and commercial ability of the Protestants. In regard to manufactures the prejudice against Catholics is supposed to be strongest, and it is significant that in the two principal industries, linen and shipbuilding, the employing interests are almost exclusively Protestant. The chief foothold which the Catholics have so far been able to secure in Protestant Ulster is in the distributive trades, especially in victualling and in the grocery and spirit business.

BRAZIL.

It will be remarkable if it proves a fact that the two heads of States taking part in the Peace Conference in Paris both come from America—Mr. Wilson, the actual President of the United States of North America, and Señhor Epitacio Pessoa. Of course, until Dr. Pessoa is actually elected we cannot say for certain he will be President of Brazil, as the election does not take place until April 13 next. From all we have been able to gather, however, from those in touch with the political as well as the economic world of Brazil, there seems no reasonable doubt that Dr. Pessoa will be the incoming President. Señhor Pessoa, although he had already attained Cabinet rank so long ago as the Administration of President Campos Salles, is still a young man, being only a little over 50. Dr. Pessoa is neither a great coffee or mining magnate, as most of the Presidents have been since the Republic was established. Very high expectations are entertained of Dr. Pessoa's Administration, if he is elected as the incoming President. He is regarded both by political and by business interests in Brazil as an exceedingly able man, and determined to develop the resources of his country to the utmost of his ability during his term of office. Dr. Pessoa is a lawyer, and until he was appointed chief of the Commission to represent his country at the Peace Conference now being held in Paris, was Judge of the Supreme Court of the United States of Brazil. Perhaps the most remarkable feature of the election, assuming that Dr. Pessoa is elected, will be the fact that he is a Northerner, and comes from the little State of Parahyba, to the north of the great sugar State of Pernambuco. Ever since the establishment of the Republic the Presidents have almost invariably come either from the coffee State of Sao Paulo or from the mining State of Minas Geraes. A Sao Paulan succeeded a Minas man and a Minas man a Sao Paulan, one after the other. Of course, each President on being elected has endeavoured to the best of his ability to do what he could for the administration of Brazil, taken as a composite whole; but we are all human. Our early training and early environment tends to colour the whole course of our lives, however anxious we may be to take a broad view of facts as they are. Coming from the south it was natural that the Presidents should regard Southern Brazil as especially representing the interest most urgently in need of development. This was not merely due to unconscious but natural inclination, it was due to the fact that they were most readily developed. They were not, and even now are not, fully developed in any real sense of the word. Even the great coffee State of Sao Paulo, although it probably produces more coffee than any similar area in the world, is only cultivated to about half its extent. The western half of the State is devoted to some extent to pasturage, but it can hardly be described as seriously developed in any real economic sense. Minas Geraes, moreover, although by far the most important of the mineral States of the Union, is only just beginning to be developed. A very small part of its mineral deposits are worked at all, and the transportation facilities leave a very great deal to be desired. Capital and labour might be poured into Minas Geraes for a generation with every prospect, provided transportation were afforded, of obtaining eminently satisfactory economic results. A factor of preponderating importance, to which we shall refer immediately, is not always sufficiently appreciated, and that is the latitude in which Brazil is situated, and the type of immigrants it was desired to attract, and which until quite recently could only be attracted to Southern Brazil. In order to increase the prosperity of the country efforts have been made for a generation past to attract immigrants into the country coming from Spain, Portugal, Italy, and various other countries of the South of Europe. In fact, the bulk of the immigrants have come from Italy. The Southern States of Brazil, although in a somewhat warmer latitude than Italy, possess, owing to their altitude above sea-level, a climate not at all unlike that of the Italian peninsula.

The Southern States, moreover, are outside the tropics, and owing to their elevation the rich undulating plains were eminently suitable for development and offered facilities for working by Southern Europeans. Rio de Janeiro itself was subject to yellow fever until the late Dr. Alves appointed Dr. Cruz to fight the plague and make Rio as healthy as any capital in the world. The work of making even the coast towns healthy had not been commenced so recently as the early years of the present century. To attempt to attract immigrants from any part of Europe to the undrained lands of Northern Brazil before sanitary measures were taken to make these countries fit for Europeans to live in was foredoomed to failure. It was first necessary to discover the means by which yellow fever and malaria could be successfully combated, and then it was necessary to apply the principles in practice.

Brazil lies between the 10th parallel north of the Equator and the 30th parallel south of the Line, stretching down to a sharp point to a little below the latter. By far the greater part of the Republic is situated, not merely within the specified latitude usually called the tropics, but mainly close to the Equator itself. Brazil, speaking generally, is a great tableland, but wherever the country is low lying and marshy it is inevitably subject to yellow fever and malaria, except of course where sanitary precautions have been taken and the fever areas have been properly drained. It was not until the experiments made by the United States Government, after the Spanish-American war, proved the theories of the doctors correct—that malaria and yellow fever were due to germs carried by two species of mosquitos, and if the breeding-place of these insects could be destroyed both malaria and yellow fever would be successfully overcome—that the tropics could be made healthy. Until we were in possession of the actual means of dealing with what are known as tropical diseases the opening up of Northern Brazil, in the sense that the Southern States have been developed, was impracticable and wholly out of the question.

Just at the right time a Northern man has been selected by the Convention, when at last it has become practicable to open up the Northern States to trade as well as for the purpose of developing their natural resources. Until the Northern States are developed Brazil will never be economically, or indeed politically, what she is capable of becoming. Her greatest area, her richest soil, and, taken all together, the greatest part of her resources, are quite close to the Equator, north and south. It is in these regions that the greatest system of natural waterways—some 30,000 miles altogether in extent—which are known to the commerce of the world are situated. As they are, these great rivers

are practically wasted. They offer means of communication practically only to a small area situated in the immediate vicinity of their banks. The banks themselves, even of the Amazon, when one goes 500 miles beyond Manaos, are liable to be flooded every rainy season. One has to remember that in these regions there are two rainy seasons, because the river is fed by the rains from the northern summer as well as the rains of the southern summer. There is no other river in the world running for thousands of miles practically under the Equator. These rivers sadly need the protection of a conservancy system, but it would be first necessary to develop the economic resources of these regions so as to afford the means of maintaining such a conservancy. In addition, the system badly needs to be supplemented by the road engineer. There is a wonderful connection between these rivers by means of what are small streams in the dry season, and more or less rivers themselves in the rainy season, but unless the system is supplemented by roads, and if necessary by railways, the development of tropical Brazil will be very much delayed. As things are, some of the richest lands in the world, and potentially the most fruitful, are wasted for a period extending in the aggregate for over half the year, because half a million square miles of this area is liable to flooding from this river system.

The great work for the incoming President will be to continue that of his predecessor in draining the swampy areas in various parts of the Republic, so as to make the country suitable for settlement, either for Europeans or non-Europeans, or whatever races desire to settle there. Sanitation coming first, the next urgent need of Brazil is to provide as rapidly as possible, and in so far as the means at the disposal of the Government will allow, for the improvement of transportation facilities all over the Republic, and particularly to assist to the best of his ability the economic development as early as possible of those Northern States of the Union from one of which he himself comes.

SHIPBUILDING IN BELFAST.—III.

The War has had a somewhat over-stimulating effect on the shipbuilding industry, and it is probable that with the coming conclusion of peace there will be a reaction from conditions which were too abnormal to be associated with what might be called healthy trading. In the midst of the feverish clamour for ships the ordinary economies of production were forgotten or deliberately neglected, and builders were assured of a ready market by an anxious purchaser—the Government, with the resources of a nation at its command. The Government has now left the market, and has definitely abandoned the policy of building or owning ships. This has been in part responsible for the continuous decline in freights ever since the Armistice, and this latter phase in turn accounts for the unwillingness of owners to place building orders at present enhanced prices. The cost per ton of new construction now varies, according to the class of vessel, between two to three times the pre-War figure, and unless freights are maintained at an equivalent level for a period more or less corresponding to the average life of a steamer profits will undergo a severe cut, and the net earnings on capital outlay will be still further diminished by the inroads of the tax-gatherer. Fortunately, in Belfast the existing yards are large and well organised. Their steamers and marine engines are familiar to all interested in the trade, and their products are of such high standing as to ensure an almost certain continuity of demand.

In Belfast engineering circles it is anticipated that a possible offset to the increased cost of production may be found in a more widespread standardisation of hulls and engines and component parts. The saving thereby effected in drawings and designs would alone be very considerable, while the time factor would also favour the change. It is recognised, of course, that henceforth owners will be more particular as to the specifications of vessels, and that the war-time habit of accepting any ship, provided it would float, will give way to the more exacting requirements of an age of peace. Different trades require different ships. We speak not merely of the broad division into coastal and deep-sea trades, but of the varied types of vessel required for the carriage of different commodities. An oil steamer, a frozen-meat steamer, and a grain steamer, all present a strong contrast in internal design, and cannot be shuffled about at will into trades other than those for which they were originally built. The multiplicity of possible requirements accordingly hinders the free development of standardisation, at any rate in regard to hulls and internal structure, though, broadly speaking, it does not interfere with the adoption of a common design for marine engines. The system, of which the best working example is possibly the Ford Company, has been brought to a high pitch of development in the United States, though mainly in works unconnected with ship construction. In this country standardisation has not proceeded altogether on right lines, since it has been adopted piecemeal by different works with no common specification for guidance. The anomaly is partly explained by the difference in the plant and the equipment of different yards; but a mere explanation does not help to solve the problem which will confront our shipbuilders if standardised ships come to play a permanent or considerable part as ocean carriers. The great danger of standardisation is that it tends to stereotype production and discourage improvement; but in the United States the possibility of altogether avoiding this danger was proved, with the result that before the War American typewriters, American agricultural machinery, and cheap American motor-cars were pushing more and more into the United Kingdom market. A similar fate may overtake our shipbuilders. The openings for economy by repetition work on automatic or semi-automatic machines are, indeed, not so great in shipbuilding as in the different branches of manufacture just mentioned; but in regard to marine engines, merely to standardise the specifications and secure uniformity of patterns and templates would bring about a substantial saving. Outside the engine room, passenger boats lend themselves less readily to the standardising process than ordinary cargo boats, and Belfast has to a large extent specialised in the former. Moreover, the fads of shipowners are numerous, and very often, on bad technical advice, they insist on certain peculiarities in construction which are of little or no advantage to the finished ship, and which certainly do not repay the extra labour and outlay involved. This has been particularly noticeable in the past in cases where the shipowner was of independent means, and was willing to pay for the vessel on the satisfactory completion of its trials. Such customers were by no means the exception in Belfast, patronised as it was by the leading shipping lines, and hence the idosyncrasies of purchasers had to be respected. Frequently, however, the payment for a ship was spread over a period of years, so that the income from freights might help towards paying off the capital cost, and here the builder generally had a freer hand in regard to the specifications. On the other side of the Channel a greater measure of freedom is desired in ship construction, though it is recognised as just that the man who pays the piper should call the tune. Still, a too rigid insistence on specifications, which was one of the plague spots of earlier times, is to be deprecated.

In Belfast it is anticipated that competition amongst yards in the United Kingdom will not for some time attain the keenness of pre-War days. During the decade prior to 1914 the combined output of ships in the British Isles fluctuated in a most irregular fashion. When business was slack competition

for the meagre orders which were being placed by shipowners was excessive, and in many instances it was found by the successful tenderers that the contract had been accepted at a figure which would barely cover standing charges. The chief advantage in taking up such contracts was that they helped to keep staff and plant employed, and so the firm would be ever ready to take full advantage of any revival in business. The shipbuilding industry of the United Kingdom is mainly in the hands of private concerns, and hence no information is available as to their profits through good years and bad. The two shipyards in Belfast are also semi-private, but on account of the excellence of their work they had generally to do but little soliciting for orders. Moreover, the system of building on the basis of time and material plus a percentage commission was not uncommon. The system became more general during the War, and is, on the whole, more satisfactory to the builder, as shipbuilding is a heavily capitalised industry, and a large initial outlay is necessary for plant and equipment. A few figures might be quoted in support of this statement. Before the War the capital invested in the construction of ships and marine engines in the United Kingdom was reckoned at between £35,000,000 and £40,000,000, and the gross value of the annual output was estimated approximately at £50,000,000. The yards draw largely on outside sources for their raw materials. Many finished articles are also incorporated in ships, since the diversity of the fittings is so great that no single firm could economically undertake their production. Auxiliary machinery is, perhaps, the most important item on the list of finished appliances in request by yards. This term includes ships' pumps, steering gear, windlasses, winches, and electrical plant. It is impossible to arrive at an exact valuation of the articles so purchased by builders, but some interesting figures in this connection might be quoted from the Census of Production of 1907. They are of a special interest from the Belfast point of view, since almost all articles of this kind required in the Belfast yards were purchased in Great Britain, while a few came from abroad.

Value of General Engineering Output in the United Kingdom in 1907, excluding Electrical but including Ships' Machinery and Machine Tools.

Gross Value of Output, including Duplication and Cost of Materials used.	Net Value of Output, excluding Duplication and Cost of Materials used.	Estimated Real Value of Output on a Profit Basis at the Works, excluding Duplication, but including Cost of Materials used.
£110,000,000	£54,000,000	£92,600 000*

* The particulars included in this figure in respect of ordnance factories and railway companies are necessarily on a non-profit basis.

The proportion of this output that went into the shipbuilding yards is difficult to estimate, but it is sufficiently large to make a serious difference in builders' expenses and probable profits. In regard to electrical machinery, our position was, before the War, one of increasing weakness, but as a result of the stimulus given to the electrical trades in the last 4½ years, it is hoped by both builders and engineers in Belfast that cheaper and better electrical apparatus will now be obtainable from home sources.

ECONOMIC BRAZIL.

We are indebted to the London and River Plate Bank for the figures we are about to give of exports of raw rubber, manganese ore, and meat from Brazil. Manaos reports that the stock in first hands on September 30 last was 1,340 tons of rubber and 105 tons of Sernamby de Caucho, and in second hands, awaiting shipment, approximately 1,500 tons of various grades. During the last week of the quarter ended with September 357 tons were shipped to Pará for transhipment to Liverpool; 38 tons were also shipped to Liverpool, *via* Rio de Janeiro; and in addition, 31 tons were shipped to Rio and 51 tons to Santos, the ultimate destination of which was not disclosed. Of the 2,032 tons of all grade shipped to New York, only 953 tons were carried by the Lloyd Brazileiro steamers, the rest going *via* Pará in American schooners. There are large supplies awaiting shipment, but only the amounts given could be shipped, owing to lack of licences from the United States Government. Exports from Brazil from January to October amounted in 1917 to 28,700 tons, of a value of £6,423,000, and in 1918 to 17,102 tons, of a value of £2,893,000. The exports of manganese ore from Rio and Bahia for the twelve months of 1917 and 1918 were: 1917, 532,855 tons, of a value of £3,062,000; and in 1918, 392,388 tons, of a value of £2,447,585. The exports of meat for the two years 1917 and 1918 were: 1917, 66,452 tons, of a value of £3,134,000; and 1918, 60,515 tons, of a value of £3,230,188. It is reported that there is a scarcity of cattle suitable for the freezing-houses in Southern Brazil. This seems to be partly true; but the real facts of the situation, as far as we are able to ascertain them, are that the prices demanded for native cattle at all suitable for being fed up for the freezing-houses are extravagantly high, and exporters in the coast towns are disposed to hold off in the hope that local farmers in the West, and particularly in Goyaz and Matto Grosso, will be willing to accept lower prices. Whatever may be the case with regard to cattle, there are between two and three million tins of canned meat awaiting shipment in Southern Brazil. Canned meat was shipped in large quantities for supplying the troops during the recent War, and it was found to be in nearly all cases of very good quality. In the present state of high prices for all kinds of food in Europe it should be urged upon our Government to afford facilities which will admit of the shipment of this canned meat with as little delay as possible. Readers of the Parliamentary reports in the daily papers may have noted that while certain restrictions on the import of wool were to be taken off, it was announced that it was under consideration to forbid the import of wool into this country from South America for purposes of regulating the exchanges. Surely this is a policy which should only be adopted as a last resort. So far as wool is concerned there are, of course, immense supplies in Australia, which have been accumulating owing to the lack of shipping facilities during recent months. But if it is intended to restrict shipments of food from South America we would urge the Government to reconsider its policy before adopting so drastic a measure. The natural way of regulating the exchanges would surely be to allow the South American countries to supply what they are capable of supplying us with, food and raw material, which we so urgently require at present, and to buy from us the goods which we are capable of supplying both in larger quantities and at a very much cheaper rate than they are able to manufacture them at home. One of the most urgent needs of all the South American countries, without exception, at the present time is increased transportation facilities. It would be in the interests of those countries as well as of ourselves to import what we need from them, and to export what they need from us.

IRISH EDUCATION.

Educational reform can in our day be brought about only through the medium of public pressure, and unfortunately in Ireland little zeal is manifested in a problem which goes to the very root of all national greatness, and which, if not properly solved, will turn to nought the most ingeniously devised schemes of reconstruction. The question is, indeed, arousing just now a faint flicker of interest outside professional circles, as two Committees of Inquiry have been recently engaged in investigating the associated problems of primary and secondary education. It seems

rather a mistaken policy to ensure segregation of the two branches by the setting up of two separate Committees; but in Ireland educational functions have been so long divided between the Commissioners on National Education and the Board of Intermediate Education that the division has now come to be regarded as almost inevitable. One of the first planks, however, in any salutary scheme of reform will be the removal of mere administrative barriers between the two branches, and a co-ordination of effort towards securing to the intelligent and to the gifted easy access to the highest rung of the educational ladder. Poverty must no longer be a bar to education. By means of a system of scholarships, provided by the Councils of the different counties, considerable progress has been made, since the establishment of the new Universities at Dublin and Belfast, in the direction of affording advancement to pupils who display ability in their intermediate course, but out of the primary system there appears at the moment to be no redemption. Continental education is also defective in this way, but of set purpose. The *mot* which obtained currency through Talleyrand over a century ago, "C'est trop pour le peuple," expresses the general attitude once adopted towards secondary education and shows that it was not intended to be popular. Talleyrand's master, Napoleon, was not a devout believer in primary education, though he saw no objection to lavish expenditure on the secondary system since it provided him with army officers. Ireland is thus not alone in its shortcomings, and needs a more complete co-ordination between the three branches, Primary, Secondary and University, if necessary, while the purely utilitarian side, technical education, must not be neglected. The relations of the different branches can be properly adjusted only through a Minister of Education, who will exercise general control, omitting, however, the Universities. The inclusion of technical education in the functions of such a Ministry as we propose is bound to arouse opposition, and the question can be settled only after careful investigation. The Department of Agriculture has wisely administered this branch, and where apathy and indifference have been overcome its efforts have met with a fair share of success.

A Minister in charge of education should not attempt to centralise control as the system already suffers grievously from over-centralisation. An advisory body to the Ministry, such as is found in Germany and elsewhere, would perhaps go far to combat the mischief that might result from one-man control; and a body of this kind would be necessary, as the time is scarcely yet ripe for entrusting to local authorities all the powers locally exercised in regard to education in Great Britain. There would be a distinct lack in such bodies of educationists of any experience, though it might be possible to provide for, say, each province or county an expert in educational matters, who would act as skilled adviser to the bodies within that area. The absence of local control in Ireland is due chiefly to the absence of local contributions towards education, and as a result the two central Boards above mentioned have become vested with autocratic powers. Their dicta are feared, but not respected. They have control of all educational grants, and hence their rule tends to be overbearing and tyrannical. Moreover, their cast-iron system of examinations with rigid syllabuses tends to a dull uniformity and allows no room for regional differences in the kind of education provided. Masters and pupils must willingly adapt themselves to the course and the programmes mapped out for them by a central body which is neither conversant with nor solicitous for their needs. Should they not fit on the bed of Procrustes any inconvenient limbs must be lopped off.

The National and Intermediate Boards, as they cannot maintain a sufficient staff to enable frequent inspections to be made, rely mainly on examinations as a test for pupils, and this tends to set a premium on the purely mechanical methods of repetition work and cramming which generally tell at an examination. It thus runs counter to all good teaching, both because it is vicious in itself and because any departure from it is detrimental to the teacher, who is paid in secondary schools largely on examination results. The system thus tends to preserve and exaggerate the evils which have naturally sprung up with it, and any reform undertaken must accordingly be far-reaching. The teacher must be to some extent free to develop the innate capabilities of each pupil or group of pupils without reference to any arbitrary external standards. Intellectual development is the primary end of education. The acquisition of knowledge is only secondary. Under a system of fixed courses and set books, on which written examinations are held and the wisest questions not always asked, it becomes necessary to learn off the books by rote and attend to minutiæ, while the broader and more human issues that perhaps arise out of the books are altogether neglected. Pestalozzi, an old educational reformer, must have envisaged the possibility of such a system arising, and in fear of the results that might follow he insisted that it was necessary "psychologiser l'education." No doubt he spoke chiefly with reference to the primary stage. It is absolutely essential in regard to pupils of tender years to explain the why and the wherefore of things, rather than place bald facts before them for acceptance, as can be done when pupils are more advanced and the logical or reasoning side of their mind is better developed. This clearly beneficent principle is almost altogether overlooked in Ireland.

A system of education may be devised, mathematically perfect to the last detail, but it will be of little practical value unless an adequate and competent staff of trained teachers is at hand to administer it. In Ireland the teachers are more perfect than the system, and, especially in secondary education, an excellent type of man has of late years come forward for service. It is the more regrettable that the pay to those of the secondary grade is insufficient, and, such as it is, is distributed on the wrong lines. The grievance has long been agitated, and in 1914, as an admittedly partial remedy, Mr. Birrell obtained Parliamentary consent to a grant of £40,000. It was expressly laid down in the terms of the grant, which was to be annual, that its sole object was to augment the salaries of lay teachers. The clerical headmasters in Ireland objected to the restriction; but Mr. Lloyd George, who was then Chancellor of the Exchequer, insisted on the retention of the word "lay," so that the grant would not be misrepresented as an effort to bolster up clerical institutions. The amount was insufficient, and, worse still, it was decided to pay it out as a premium on results. Finally, the original purpose of the grant was lost sight of, and it has come to be distributed to teachers other than lay. In 1917 the new Chief Secretary, Mr. Duke, provided some additional money. Over and above the previous grant, an annual sum of £50,000 was to be included in the estimates and distributed as a capitation grant, that is, on attendance, not on results. To secure a share in this grant a school should possess at least one teacher to every 10 pupils. The word "lay" was not inserted, and thus the position of the non-clerical teacher in Ireland was rendered even more precarious than it had been before. Unless his interests are safeguarded under any new scheme which the Committee of Inquiry into Secondary Education may put forward, he will gradually be squeezed out of the teaching profession in Ireland. The more highly-paid posts in particular will be closed to him, and the natural disadvantages attending a system of education administered exclusively by clergy will be a further clog on the economic advancement of the country.

Sir H. Duncan McGowan, K.B.E., writes:—"I find the 'De Reszke' Cigarettes very delightful to smoke."

Lady Tree writes:—"Lady Tree finds the 'De Reszke' cigarettes universally liked."

J. Fisher White, Esq., writes:—"I find your 'De Reszke' American Cigarettes very pleasant and mild, and they appear to be quite innocuous to the throat."

Bert Coote, Esq., writes:—"I and my friends have thoroughly enjoyed your 'De Reszke' American Cigarettes."



PEOPLE who have to be careful of what they smoke prefer "De Reszke" Cigarettes. You will like them too. Their flavour is superb—they are exquisitely mild and harmless to the throat. Try them.

"De Reszke"
The Tobacco CIGARETTES
Sold at all Military Canteens at Home and Overseas, also Tobacconists' and Stores.

THE BANK OF TAIWAN,
LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.
Head Office - - TAIPEH, FORMOSA.

BRANCHES:—Amoy, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, New York, Osaka, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, and every important city in Formosa (Taiwan), &c.

The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.

London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

WE welcome the statement that the Board of Trade propose at an early date to revise the classification of goods entered for import into or export from the United Kingdom, with the object of determining whether the headings under which goods are grouped should be in any way modified for the purpose of increasing their utility to the trading community. Co-operation is invited from all the Chambers of Commerce of the United Kingdom, as well as from manufacturers and merchants. The Department, in the first instance, invites communications in writing, to be addressed to the Assistant Secretary, Statistical Department of the Board of Trade, 68 Victoria Street, S.W. 1.

During the War the Board of Trade returns were compiled in such a fashion that it was often difficult to understand, even for those who devoted long years of study to the subject, what really the trading position was. For a long time goods purchased on Government account were not included; but latterly these have been added to the totals.

Even before the War the compilation of the trade returns left a good deal to be desired. For those really acquainted with the subject, and who had devoted sufficient time to the subject, no doubt it was possible to arrive at a fairly accurate conclusion. But to the reader who had not received such special training they were commonly little more than a mass of figures. It has been truly said, and experience seems to prove the truth more and more, that if one really expands one's subject, however abstruse or difficult that subject may be, it is really possible to make it comprehensible, or at any rate the general principles comprehensible, to any intelligent reader. It should not be impossible to show in a clear form where we derive the immense supplies of raw materials for our manufactures, on which the existence and prosperity of this country depends. Nor should it be impossible to show clearly, so that any intelligent reader may be able to comprehend what the Board of Trade returns actually mean, who are the customers who purchase the goods we manufacture.

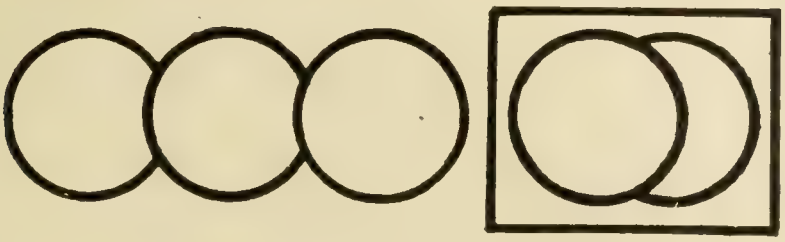
We take the following table from the current issue of the *Board of Trade Journal*. It has been prepared by the Department of Coal Supplies, and shows the output and distribution of coal for 1918 as compared with 1917, and again with the pre-War year 1913:—

	1913	1917	1918
	—Millions of Tons—		
Output	287½	248	226½
Withdrawal from stocks at pits	—	—	1½
Additions to stocks at pits	—	2	—
Mine consumption and miners' coal ...	22½	22½	22½
Net output distributed	265	224½	205½
Bunkers (foreign and coastwise) and Admiralty shipments	25½	27	25½
Exports	77½	38½	34½
Home consumption	162	159	145½
	265	224½	205½

There was a reduction of 16½ million tons, or about 10%, in the home consumption of coal in 1918, as compared with 1913. This was in spite of the increased requirements of industry and transport connected with various matters relating to the War. And it was brought about by reducing supplies to what were considered the less essential industries, that is to say, industries not directly connected with the War, and also by restricting domestic consumption. In the clear year before the War the total home consumption was 162 millions. This was distributed in the following proportions:—13½ million tons for locomotives; 15 millions for the iron, steel, shipbuilding, and engineering trades; 21 millions for blast furnaces; 1 million for other metal trades; 9½ millions for textiles; 1 million for clothing; 4 millions for food and drink; 4½ millions for chemical and allied trades; 2 millions for the paper trades; half a million for the leather trades; a similar amount for the timber trades; 7½ millions for the building, clay, and allied trades; 17 millions for gasworks; 4 millions for electricity works; and 61 millions for domestic, mercantile uses, &c.

At the end of last week the Home Secretary introduced what is known as the Ministry of Ways and Communications Bill. This Bill deals with railways, light railways; tramways; canals, waterways, and inland navigations; roads, bridges, and ferries, and vehicles and traffic thereon; harbours, docks, and piers; and the supply of electricity. For convenience we may describe it as a general transportation Bill so far as this country is concerned. Theoretically there is a very great deal to commend such a proposal as that the whole transportation traffic of the country should be supervised by one, instead of by many, bodies. But the drawbacks in practice are likely to prove very numerous and very serious. It is not surprising that very considerable opposition has been aroused to such a sweeping proposal, which may be counted upon to have far-reaching consequences, whether for good or for ill. If one could imagine such a Department being under the control of a passionless, absolutely impartial being, possibly the placing of the control of the whole transport business of the country in one hand would be an ideal solution of an admittedly difficult problem. It has to be remembered, however, that such a Board has to be administered by human beings very much like the rest of us; and, consequently, absolute impartiality, however honestly it may be aimed at, is not likely to be attained in practice.

Experience showed that while the railways were operated by the great companies, who did such a large proportion of our transport business in pre-War years, where they acquired canals from the old canal companies the canals were absolutely neglected, if the object of acquiring them was not practically to stifle the trade altogether. The most serious objection so far raised has been the placing of the control of the railways and the roads under one single authority. A careful examination of the facts will, we think,



Three Pounds or Five?

THREE pounds or five; thirty pounds or fifty; £300 or £500—that is the difference in income between leaving your money on deposit at 3 per cent. and investing it in 5 per cent. War Bonds.

And the difference is still greater if you take into account the premium added when the Bonds are repaid. For this premium will bring your interest up to nearly $5\frac{3}{8}$ per cent.

Nor is it merely a larger income that you gain by investing in War Bonds. You might possibly get that larger income from some speculative investment if you cared to take the risk. But by investing in War Bonds you leave nothing to chance; you get your larger income *plus* SECURITY.

NATIONAL
War Bonds

Repayment and Interest guaranteed by the State.

On sale at all Banks and Money Order Post Offices. You have the choice between 5 per cent. Bonds issued at £100 and repayable in 1924 at £102; or 5 per cent. Bonds issued at £100 and repayable in 1929 at £105; or 4 per cent. (Income Tax Compounded) Bonds issued at £101 : 10 : 0 and repayable in 1929 at £100.

disclose to the reader that the interests of the railways and the interests of the roads are very far from being identical, and that in all probability, if they are controlled by one single authority, the interests of one will be sacrificed to those of the other. It may not prove to be so; but it is certainly desirable to bear the probability in mind. The experience of the working of the railways under Government control during the recent War was very far from encouraging. Doubtless the conditions were exceptional, and were wholly unexpected; but exceptional conditions and unexpected circumstances are constantly arising, and no one can say what is in store for us in the early future. From their very nature the railways are not, and never have been from their earliest inception, an ideal mode of travelling. No railway anywhere conveys either passengers or goods from the point where they desire to start to their actual destination. The English railways, in particular, were built mainly in the manufacturing interest, and they were built for the express purpose of connecting certain great manufacturing centres with large towns, and with the various ports of the United Kingdom for purposes of distribution. Something like 1,200 millions sterling has been expended upon the railways. And, consequently, the interests of a great deal of valuable property are involved. The tendency seems to be more and more to convert the railways into merely goods carriers.

The question arises—and it is one which should be carefully considered before this Bill becomes law—Is it, or is it not, true that the railways are tending to be a back number? It has often been said, and with a large measure of truth, that if the invention of the internal-combustion engine had come before the steam locomotive, instead of some three-quarters of a century later, it is exceedingly doubtful if the railways, particularly in populous and highly developed countries like England, would ever have been constructed at all. And it is almost certain that they would never have been constructed upon the scale which was actually the case. The experience with the aeroplane during the War seems to show that it has come to stay; and although it may be too early to regard the aeroplane as a serious means of transport, either for mails or passengers, those who have given careful study to the development of the aircraft industry are confident that at no distant date the aeroplane will be as useful for purposes of peace as it proved to the armies in the recent campaign for purposes of war. Leaving that out of consideration, there can, we think, be no reasonable doubt that the experience of the War with regard to motor transport has completely revolutionised our ideas of the practicability of using the motor for long-distance traffic, whether for the conveyance of passengers or goods.

That the difficulty of providing a sufficiency of fuel for the motor engine will be overcome we do not entertain any serious doubt; and if this proves to be the case, is it desirable that vast sums of money should be expended in bolstering up the railway industry, which has already proved so inadequate in dealing with our transportation facilities, or should the money be devoted to constructing roads capable of accommodating motor transport upon a really great scale? We have in this country altogether, roughly, about 130,000 miles of roads, of which a little over 20,000 are what are known as main roads, the balance consisting of those under the authority of minor local public bodies. Now none of these roads were constructed for the purpose of accommodating motor transport. Since the motor came into use, during the past 20 years, more or less, for pleasure traffic an appreciable proportion of our public roads have been treated with various preparations of tar for the purpose of laying the dust and enabling the motor to travel with ease and comfort. This was all very well while the motor was going through the experimental stage, and was very little more than a glorified toy. But our roads, as they exist at present, are too narrow, too winding, and the gradients are too great if motor traffic is to become one of the important means of transportation in the country.

Mr. G. de Segundo writes: "My attention has been drawn to the fact that in the account published in your issue of February 8 of my lecture at the Royal Society of Arts on February 5 no mention was made of the remarks contributed during the discussion by Mr. J. E. Taylor (Analytical Chemist of the Therapeutic Foods Company) upon the value of cotton-seed flour (a product obtained from the cotton-seed by the American system of milling) in the preparation of diabetic foods. He stated that the greater number of diabetic foods were prepared from proteids obtained from enemy countries, and everything which assisted manufacturers in this country to prevent industry from reverting to Germany and Austria should be regarded not only as in the manufacturers' interests but also as in those of the nation generally."

THE FERTILISER INDUSTRY.—II.

Rock phosphate from the United States and from Tunis was a heavy import item at one time, but, though the figure for the United Kingdom imports from Tunis rose from 181,000 tons in 1913 to 233,000 tons in 1917, the aggregate imports of natural phosphates have fallen in the same period from 548,000 tons to 281,000 tons. Because of the greater comparative importance of its agriculture, Ireland has been particularly hit by this reduction, but during the War it was open to Irishmen to improve the position by making better use of the resources which lay at hand for sulphuric acid manufacture. In the Wicklow district are intermingled beds of copper and iron ore; the latter were commonly known as sulphur ore, consisting of sulphur and iron. It is also called iron pyrites, and by various methods of treatment, into which we need not enter, it can be converted into sulphuric acid. It is on record that about 80 years ago the manufacturers of sulphuric acid in these islands were disagreeably surprised by the rapid rise in the price of sulphur. The rise was attributed to the action of the Neapolitan Government, which controlled the sulphur supplies from the volcanic area in Sicily. Manufacturers were for a time unable to offer any effective opposition to this artificial rigging of the market, but finally they learned of the Wicklow deposits and immediately started to develop them. Upwards of 100,000 tons per annum of pyrites were exported from the Wicklow area, but, according as conditions in the Mediterranean became more normal, production dropped off. It was shown, however, that the pyrites had a large sulphur content and could on the whole be easily treated. In some cases a slight admixture of arsenical pyrites was found to detract from the value of the ore, and other metallic impurities were at times difficult to get rid of. But pure deposits of the ore are difficult to find in any country, and sulphur in the natural state is restricted practically to Sicily, Italy, and Japan. Generally speaking, the tendency has been to draw for sulphur supplies, not on the natural desposits, which are finite, but on the compounds of the elements, mainly metallic sulphides. Thus United States manufacturers of sulphuric acid managed to break down the European monopoly in sulphur by the development of the Frasch process. In 1913 the American output of sulphur reached the enormous total of 316,000 tons, all of which was required for home consumption, and the output has increased still

further since the War. An increased output of sulphur products is similarly called for in Ireland to enable the home production of fertilisers to be increased correspondingly with home requirement. Under the Corn Production Act the Government have now power to inspect land used for agricultural purposes, and if satisfied that the best use has not been made of it, and that the occupier is not cultivating it in accordance with the rules of good husbandry, they may enter upon it in the event of his failure to improve. Such large powers naturally lay themselves open to abuse, and public opinion will confine their exercise within strict limits. Without being tyrannically used, however, they could be made to serve the best interests of the nation and the occupier, and, incidentally, of the maker of fertilisers. An increased output of corn and wheat is easily secured by artificials. Ireland, with the lowest tilled area in pre-War days of any country in Europe, should derive particular benefit from this new interpretation of the farmer's duty to the nation, and with a large permanent increase in ploughed land the demand for fertilisers will be far in excess of its former volume.

Failing the development of natural deposits of pyrites, the Spanish pyrites—which, before the War, were the principal raw material used in the manufacture of sulphuric acid—could be imported as cheaply into Cork or Dublin as into most British ports. Norway was another source of supply, but its exports of pyrites have fallen off greatly since the outbreak of war. In 1917 it amounted to only 50,000 tons, compared with 134,000 tons before the War. Yet another source of sulphuric acid has lately been utilised in these countries—zinc concentrates from Australia. In pre-War days, owing to the German grip on the Australian metal industry, these concentrates found their way chiefly to the Continent. Now, however, their diversion in large part to the United Kingdom is assured. These concentrates could be imported into Ireland at no greater expense than into Great Britain, and their treatment, besides being helpful to the manufacture of fertilisers, would provide industrial openings for capital and labour, and otherwise react favourably on the commercial prosperity of the country. They are first roasted, and in the course of this process sulphurous gases are given off. These gases are easily convertible into sulphurous and sulphuric acids. In the further process of smelting spelter or zinc is secured, and this metal has, of course, the most varied uses. It is required for making many well-known alloys, such as brass, which contains zinc and copper, and German silver, which contains zinc, copper and nickel. It is also employed in electric batteries, for the preparation of hydrogen, and is of great service in precipitating gold, desilverising lead, and galvanising iron. These few instances of its utility suffice to show the benefits that Ireland would derive from a development in the treatment of zinc concentrates, which are so plentiful within the Empire. The fertiliser industry would receive a basic raw material which is indispensable to its extension, and other profitable channels of enterprise would be opened up in the metal and allied trades.

SOUTH AND CENTRAL AMERICA.

MEAT EXPORTS.

There is in the current issue of the *Buenos Ayres Standard* a *résumé* of an exceedingly interesting report issued by the Ministry of Agriculture on the meat exports of various countries, and particularly of Argentina itself and of the United States of North America, as well as statistics of the meat-importing countries, and particularly of those of Great Britain, which are by far the most important. Unfortunately, we have not the Minister's report actually before us, but the extracts given by our Argentine contemporary are sufficiently full to give a clear indication of the information afforded by this document. They fully bear out, so far as they go, the contention we have so often submitted in this Journal, that for the immediate future South America is the most practicable source for supplies of meat upon a large and growing scale. It may be remembered that not very long ago we published in our columns a table of commodity prices, and in that we showed that there had been an enormous growth in the imports from the United States of North America into this country, particularly of food and of raw materials mainly connected with the recent War. From these figures it was evident that while the growth, as measured in value, was utterly extravagant, the growth, as measured in quantity, was quite moderate compared with the amount the United States had been able to supply us with in pre-War years. It has to be remembered, moreover, that in the supplies consigned to us from the United States of North America has to be included large supplies—as we have pointed out from time to time—from Central America, as well as from the various countries of South America. So early as 1906 of the present century, and just before the great money panic in New York in fact, one of the causes which led to the money panic was the difficulty the United States found of supplying the quantities of food and raw materials to Europe which in those days she was accustomed to forward in order to liquidate her indebtedness to different countries of Europe, and particularly to the United Kingdom. It then became evident that with the present methods of farming the United States was no longer in a position to send us the vast quantities of food and raw material which she had been accustomed to do during the second half of the preceding century. Experience seems to show that new countries like the United States of North America last century, and Argentina in the present, should, if they have reasonable transportation facilities, be able to export something between five-eighths and two-thirds of their produce, consuming something over one-third. Now the exact contrary appears to be the case when a country develops beyond a certain specified ratio of population to its area. After that period is reached all the best land appears to be occupied. And, moreover, a growing proportion of the population are employed in the manipulation, as distinct from the production, of primaries.

With the possible exception of the Mississippi Valley, which itself is comparatively a restricted area, there seems no reasonable doubt that in order to greatly increase its production of raw materials, and particularly of foodstuffs, the United States, speaking generally, would have to adopt a very different method of farming from that which is now practised. It would have to use fertilisers to a far greater extent than it is accustomed to at present. It would have to adapt the seed sown to the growing power of the soil. It would have to adopt itself to what is known as intensive cultivation. And, finally, over a large area of the United States it would be necessary to resort to some form of irrigation. This, of course, means increased cost of production. Even in cotton, one of the greatest staples of the United States, the relative productivity to area appears to be falling off. We wrote some time ago a series of articles dealing with cotton growing in the United States and in various parts of the British Empire. And we showed that, according to the statements of the United States Bureau, there were serious grounds for thinking that increased area under cotton was not yielding proportionately increased production. Consequently, it will be seen that before long the United States are likely to use so much cotton themselves as to threaten to leave a decreasing proportion for export. The foodstuffs and of raw materials available for export in the coming years. The following table shows the

exports of meat from various countries during the five years 1913-1917:—

	Exports.				
	1913 Tons	1914 Tons	1915 Tons	1916 Tons	1917 Tons
Argentina	446,629	461,998	443,305	546,068	561,070
United States	220,567	207,514	572,240	578,467	675,029
Australia	216,860	—	246,951	58,793	150,916
New Zealand	133,314	168,334	186,974	168,716	—
Uruguay...	80,749	88,167	122,421	100,243	—
Other countries...	46,765	50,415	123,510	205,132	248,285
Totals	1,144,904	974,428	1,694,401	1,657,409	1,635,300

It will be seen that the Argentine figures were very much the larger in the pre-War years and in the early years of the late War, but that the figures for the United States of North America grew rapidly as the War progressed. It will be remembered that an arrangement was arrived at when the United States entered the War as a member of the Entente Alliance, whereby shipping facilities were to be pooled, and special arrangements were to be afforded between the ports of the United Kingdom and the United States of North America. Consequently, the import of meat from Argentina was especially restricted, except in so far as the United States was not able to supply the products required. And this was the case with beef and mutton. It will be observed that in the figures for 1917 the exports of meat from the United States appear to be more than 100,000 tons in excess of those of Argentina. But this is so because they include bacon and various other pig products. The table given above covers meat of all kinds—beef, mutton, pork, goat, and so on. Virtually, what the figures come to, if we add up the totals from the year before the War to the end of 1916, is that the United States exported altogether something over 1½ million tons of meat. But of this more than 1,200,000 tons were bacon, or some other form of pig meat; that is to say, more than two-thirds of the meat supplied from the United States of North America. In the same period the Argentine Republic supplied us with a total of very nearly two million tons, and of this amount considerably more than 1¾ million tons were Argentine beef and mutton, while the amount of beef and mutton despatched from the United States was considerably under 400,000 tons. In other words, in those years we obtained from Argentina more than 1½ million tons in excess of the amount sent from the United States of North America.

We will conclude with a table showing the relative importance of the various importing countries between 1913 and the end of 1916:—

	Imports.			
	1913 Tons	1914 Tons	1915 Tons	1916 Tons
Great Britain	1,181,580	1,198,307	1,284,073	1,186,117
Italy	15,334	5,387	39,471	96,565
Norway	8,936	9,666	4,949	8,948
Switzerland	15,152	7,477	915	1,837
Low Countries	6,254	3,528	7,414	—
Sweden	3,831	2,352	2,906	1,766
France	11,871	28,609	22,307	319,393
Spain	351	193	839	2,670
Totals	1,244,309	1,253,516	1,563,674	1,617,296

QUEBRACHO.

Argentine papers received by last mail are clamouring for some system which will reduce the reckless waste which they assert threatens to destroy the great quebracho forests of the Republic. It will be remembered that the quebracho tree grows for the most part in the great forests of the Gran Chaco, and a very large part of this area, particularly the afforested part, is still the property of the Government, and, consequently, is, or at least should be, amenable to any regulations which the Government at Buenos Ayres deem necessary for the preservation of these valuable forests. The quebracho is one of the great hardwoods of the South American forests. But it seems to flourish especially in the semi-tropical regions of Northern Argentina. It is comparable to mahogany and the green-heart woods of the northern forests of the continent. For a very long time quebracho was simply cut down for purposes of making furniture, building docks and harbours, railway sleepers, and so on, until it was observed by some chemists who happened to see the tree where it had recently been cut that a gum was exuded from it. Examination and experiment in the laboratory showed that this gum possessed certain tanning properties; and after boiling a portion of the wood, the extract was found to be a more powerful astringent than the common properties extracted from the bark of oak and other trees which had been formerly used in the temperate zone for tanning purposes. The natural result was that the quebracho forests rose enormously in value, and syndicates of various kinds were formed for the purpose of sending out men to cut down quebracho logs and send them to the nearest town, where they could be treated for securing the valuable tanning extract. During the War, it will be remembered, there was an extraordinary demand for leather, and nearly every known method of tanning was tried for hastening the process of converting hides into leather. Hence the demand for quebracho extract rose enormously during the progress of the War.

We will describe later the process by which the logs are gathered, which will give the reader at least some conception of the wasteful methods which are adopted. Meanwhile, in spite of the demand for this precious wood for the properties which we have described, the shortage of shipping facilities stimulated the demand for quebracho for all the purposes for which it had been previously used. It was practically impossible to import timber from outside for the making of sleepers for the railways, for the erection of harbour works at Buenos Ayres and other places, for dock gates, and for various parts of buildings which require hardwoods. Under the conditions of war the demand for these was exceptionally great. Hardwoods are generally used for purposes which require great strength and resiliency, and where, owing to the action of water, iron or steel would become corroded by rust in a very short time. It is customary, however, in modern times in the building trades to use iron and steel to a very great extent where, of course, the structures are not exposed to the corroding influence either of weather or of water. Owing to the difficulty of obtaining shipping, however, it was almost impossible to obtain iron or steel for these purposes. This circumstance created an enhanced demand for quebracho, which had previously been mainly supplied by iron or steel. Finally, as though a conspiracy had been entered into for the destruction of these valuable forests with as little delay as possible, coal shipments to Buenos Ayres were forbidden by practically all the belligerent Governments. And not content with using the lighter woods, owing to the high prices for timber which prevailed syndicates were formed for cutting down these valuable trees simply to burn them as fuel. The Argentine papers to hand assert, and no doubt with reason, that if this process is persisted in for any considerable time, at no distant date one of the most valuable forms of timber known in the country will disappear. As said above, these forests are, for the most part, still on Government land; and, consequently, it should be quite easy to enforce regulations for the reafforesting of quebracho lands where the trees have been cut down. Certain regulations with this object in view were drawn up some 12 or 15 years ago, but in actual practice they have had hardly any effect. A portion of the forests has been cut down, and the forestry officers have, in accordance with the regulations, planted over certain areas fresh quebracho shoots which no doubt would have matured in course of time. But it appears that they omitted to protect them by any kind of enclosure, and there do not appear to be anything in the nature of what are called in India "forest patrols." Having planted the new shoots it appears that neighbouring lands have been

let to stock raisers, and the stock have wandered over the newly planted quebracho shoots and eaten them.

The method of collection is either by individuals or syndicates hiring a certain portion of the forests from the provincial Government. They then collect a band of peons, and send them out with horses and the peculiar type of cart with very high wheels and very little body which is commonly used in these forests for collecting quebracho. In the dry season the forest tracks are deep in dust, and in the wet season equally deep in mud. The cutting of the quebracho logs usually, or at any rate formerly, took place in the wet season. The practice was for the peon to unyoke his oxen or mules, and take the cart to the log. Having fixed the log upon the cart, he threw himself on his back, and by a dexterous movement raised the cart once more into an upright position. Owing to the humid atmosphere and the malarial swamps of these forests, many of which are breeding-places of the locust, the life of the gatherer of this precious extract is usually not a very long one.

LIVE-STOCK OF THE WORLD.

In the present shortage of meat and the various products of the allied trades we think it will interest our readers to give an account of the actual live-stock population in the various countries of the world. We have not space in this article to deal with the whole of the live-stock. We will confine ourselves to-day to the figures of the cattle population of various countries of the world, and we hope later to deal with sheep and pigs. It will be seen from the accompanying table that the total cattle population is considerably under 400,000,000, or less than a quarter of the estimated human population of the habitable parts of the globe. Of course it will be understood we can only give an estimate, as it is not possible to obtain absolutely reliable statistics of the cattle population in many of the countries in our table. The figures given are the latest we have been able to obtain. They are taken from official sources and from private information of a highly reliable character. We believe they will be found to be approximately accurate; at the same time we warn the reader that they are necessarily in the nature of an estimate. They show very clearly the causes which have led to the steadily increasing prices in all kinds of meat and the various by-products of the meat industry, as well as, of course, the high prices of hides and the by-products of the leather trade. It will be remembered that prices for various kinds of meat had been advancing for some years before the War, and a shortage of meat and a shortage of live-stock was predicted so long ago as 1907, when the United States of North America, owing to drought, was unable to export anything like the quantity upon which Europe had been accustomed to rely.

It is evident that if meat prices and the price of hides are to be brought within a reasonable time to the level of pre-War prices considerable further sources of supply must be developed. The most promising, so far as our Colonies are concerned, are Canada and the Commonwealth of Australia; but Canada in the more temperate regions of the Dominion is developing agriculture very rapidly at the expense of pasturage. Australia offers a wide field of more or less unoccupied lands; but of course the Commonwealth at present is subject to recurring drought, and it is doubtful if it can be relied upon as a constant source of supply unless irrigation works are established upon a great scale.

Our Colonies both in tropical and sub-tropical Africa offer, of course, enormous fields for pasturage. Here, again, the question of an adequate supply of water, while not so urgent as it is in the case of the dry lands of the Commonwealth of Australia, is nevertheless a serious position, which no pastoralists intending to breed cattle upon an extensive scale could afford to ignore. Irrigation in Africa, or at any rate over a great part of Africa, would be a comparatively easy proposition, because in most seasons there is a considerable fall of rain over the greater part of the continent. Partly owing to the great elevation of the land, and partly to the fact that so many of the rivers which are torrents in the rainy season almost disappear in the dry season, the real difficulty is the storage of the water from the rains which fall, particularly over the southern part of the continent. Moreover, the African continent is liable to very serious cattle diseases, which are being gradually combated with a considerable measure of success; but all the same they are very far from having been reduced to a negligible quantity.

There remains, then, the great continent of South America, with its rich lands, its sparse population, both of men and cattle. Just as it could accommodate in a far greater measure of comfort a larger population than at present it could multiply many times over the cattle population which now feeds on its rich pastures from the Guianas to the far distant plains of Patagonia. In South America, with the exception of the Pacific seaboard and certain parts of the south, there is no question of irrigation.

Over more than 75% of the total area of the continent water, if that is possible, is too plentiful rather than scarce, and the herbage which should afford food for cattle disappears under the floods. The question of dealing with these floods is comparatively a small matter, and the economic advantages which might reasonably be expected to accrue might easily justify the necessary expense. The great difficulty in South America is the absence of adequate means of transportation. Vast areas are available for pasturage all over the continent, but especially in the north, where the rich grasses afford rich and nourishing food at all seasons of the year; but the real difficulty is, when the beast is raised and fattened, by what method is it proposed to bring him within the reach of any consuming market?

Latest Figures showing the Number of Cattle in Various Countries in the World.

	Year	Cattle No.
United Kingdom	1918	12,311,000
Belgium	1912	1,831,000
Holland	1917	2,301,000
Denmark	1917	2,458,000
Norway	1916	1,119,000
Sweden	1917	3,020,000
Russia in Europe	1916	37,563,000
Russia in Asia	1912	13,349,000
Spain	1916	3,071,000
Switzerland	1916	1,616,000
France	1917	12,443,000
South Africa	1917	8,060,000
Algeria	1911	1,114,000
Tunis	1916	240,000
Morocco	1915	878,000
Egypt	1916	493,000
Canada	1917	7,921,000
United States	1917	66,830,000
Brazil	1917	30,000,000*
Argentina	1917	29,000,000*
Chili	1912	1,760,000
Uruguay	1916	7,802,000*
Cuba	1916	3,962,000
New Zealand	1918	2,888,000
Australia	1917	10,054,000
Indian Empire	—	110,000,000*
Total		372,024,000

* Estimates.

Mr. W. A. S. Hewins, ex-Under-Secretary of State for the Colonies, will preside at a meeting of the Royal Society of Arts on Tuesday afternoon, March 25, when a paper will be read by Mr. Edward J. Daveen on "Key Industries and Imperial Resources." The paper will be followed by a discussion.

The 1919 edition of "The Banking Almanac" has appeared this week. The publication is too well known to need any lengthy comment here. An interesting review of events in the banking world during the past year forms an introduction to the volume, which is a most complete and useful book of reference for all banking and insurance offices throughout the world. The price is 15s., and Messrs. Waterlow and Sons, Ltd., are the publishers.

American Topics.

THE GUARANTY TRUST COMPANY.

According to a circular issued by the Guaranty Trust Company of New York, the pig-iron production of the United States increased from 31 million tons in 1913 to 38 million tons in 1917, being an increase of 22%; the copper production increased from 1,617 million pounds in 1913 to 1,888 million pounds in 1917, an increase of 17%; while the coal production increased from 489 million tons in 1913 to 644 million tons in 1917, an increase of 32%. The American people, says the circular, have outgrown their home market, and are now concerned with the problem of finding markets in other countries for their surplus industrial products. This is the result of the industrial policy adopted in the United States, following the economic crisis brought about by the purely agricultural basis on which the country rested some 20 or 25 years ago.

The circular quotes some interesting figures published by the Department of Labour of France in July 1917. The figures, however, published by the bureau do not include mines, quarries, railways, tramways, and those establishments which were under the supervision of the Ministry of War and the Ministry of Marine. Out of 52,278 establishments which made reports, only 77%, or 40,304, were in operation in July 1917, while the total number of employees at work in July 1917 was 1,559,393, as compared with 1,524,959 before the War. The following table illustrates this situation by classes of industry:—

Industrial Group.	Number of Employees before the War	Number of Employees at Work in July 1917	Per Cent. of Pre-War at Work in July 1917
Food preparation	93,775	80,577	86
Chemical	78,892	93,667	119
Rubber, paper, cardboard ...	55,298	42,508	77
Printing and binding	38,114	21,397	56
Textiles	309,287	255,227	83
Clothing, millinery, &c.	137,764	109,743	80
Leather and hides	70,212	59,375	85
Woodworking	84,790	72,581	86
Metallurgy (base)	371,300	642,539	173
Metallurgy (fine)	8,037	4,861	60
Precious stones	2,842	1,517	53
Building trades, &c.	72,351	36,609	51
Porcelain, pottery, glass, &c. ...	81,227	45,258	56
Storage and transportation ...	39,162	28,127	93
Commerce	90,908	65,467	72
Total	1,524,959	1,559,393	102

COAL PRODUCTION IN U.S. AND THE UNITED KINGDOM.

The President of the Board of Trade, being asked for a comparative statement showing for the United Kingdom and the United States respectively for the years 1886, 1906 and 1912 the number of tons of coal per wage-earner per annum and the value of a ton of coal at the pit mouth, has supplied the following figures in a Parliamentary paper:—

	Annual Output of Coal per Person Employed in Coal Mining	Average Value per Ton of Coal at the Pit Mouth
	Tons	s. d.
United Kingdom—		
1886	315	4 10
1906	292	7 3¾
1912	246	8 11¼
United States—		
1886	*	6 4½
1906	577	5 9½
1912	660	6 1

* No information.

Note.—The figures for the United Kingdom include dirt raised with the coal. Only in 1912 was it possible first to exclude dirt from the statistics, and if this is done the output of clean coal per man was 244 tons, of a value of 9*s.* 0¾*d.* per ton.

"Foreign Financial Control in China." By T. W. Overlach. Price $2. (New York: Macmillan Company.) Mr. Overlach presents an analysis of the financial and political activities of the leading Powers in China during the past 20 years, and emphasises the need of international financial co-operation.

ESTABLISHED 1887.

Telephones: 155, 1984, 2662 Avenue. Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

Both the Stock Exchange and Mincing Lane report a fair measure of activity in the Rubber-share market. There is, however, nothing in the nature of an active market either in Mincing Lane or Throgmorton Street. The underlying strength comes from an appreciation of the fact that the destruction of stocks during the late war was upon such an immense scale that a great demand for rubber, both in Europe and in the United States, and particularly in the latter, which is by far the greatest consumer, seems reasonably certain so far as human foresight can forecast.

Advices from the United States report that automobile manufacturers are rapidly resuming quantity production and by March 1 all the larger companies were expected to have reached again the level attained when war requirements necessitated curtailment of passenger car output. There is no indication of business depression. A month ago manufacturers of cars were said to have orders on hand assuring full production for 90 days, and cars contracted for at the Automobile show in New York broke all records both for number and value. Last year, it is estimated, about 1,000,000 passenger cars were manufactured against 1,700,000 in 1917. Clearing up of war work may prevent the 1917 level being reached this year, but next year's output is expected to be unprecedented in magnitude.

UNITED SERDANG.

Not since 1911 has the United Serdang paid its shareholders so small a dividend as recommended for the year ended August 31 last. It is five years ago since the Company showed such a high all-in cost, and then production was considerably less than half that of 1917-18. Circumstances just before the termination of the War were exceptional, of course, and the difficulties acute, but apart from that the very poor results need some explanation. Tapping was restricted, and the output was 600,000 lb. less than in 1916-17, and probably more than 1,000,000 lb. under normal achievement. Expenses were charged to revenue as if there were no restriction. This accounts for part of the rise in costs. But apparently another exceptional item contributed a good deal. About the end of the Company's financial year the rate of exchange fell to a very low level, and considerable loss resulted to Sumatra concerns. The exact extent to which the United Serdang was thereby affected is not disclosed in the report, but the f.o.b. cost, "excluding loss of exchange," is given at 1*s.* 1.88*d.* per lb., while in the profit and loss account cost of production figures for a sum equivalent to 1*s.* 4.24*d.* per lb. The all-in cost is brought up to 1*s.* 7.17*d.* per lb., as shown below:—

	1917-18 Per Lb.	1916-17 Per Lb.	1915-16 Per Lb.
	s. d.	*d.*	*d.*
Cost of production	1·4·24	11·63	10·09
Administration	·19	·14	·18
Freight, selling, and insurance ...	2·73	4·19	2·33
Total "all-in"	1/7·16	1/3·96	1/0·66

The other factor affecting results was the low sale price, averaging 1s. 10.26d. per lb. net and 2s. 1d. per lb. gross. Fortunately the 1916-17 stock realised £6,215 more than the value placed upon it in the accounts of that year. We give a comparison of five years' results below:—

	Years ended August 31—				
	1918	1917	1916	1915	1914
	Acres	Acres	Acres	Acres	Acres
Area suitable for rubber ...	14,140½	14,140½	14,140½	14,140½	—
Planted area	10,691½	9,759½	9,640½	9,640½	9,599½
Average acreage tapped ...	8,291½	8,887½	8,106	6,628	5,772
	Lb.	Lb.	Lb.	Lb.	Lb.
Rubber output	2,678,561	3,269,210	3,028,524	2,474,972	1,827,943
Yield per acre tapped ...	323	368	373	373	316
Gross price realised per lb.	2/1	2·7·32	2·5·33	2·2·5	2/3·51
"All-in" cost per lb. ...	1/7·16	1 3·96	1/0·6	-/11·79	1 1·50
Profit per lb...	- 6·84	1 3·36	1/4·73	1/2·71	1/2·01
	£	£	£	£	£
Value of rubber	285,172	402,032	356,488	268,724	209,593
Total revenue expenditure	214,059	192,636	147,001	122,731	102,963
Net profit	71,122	209,396	209,477	145,993	106,630
Sundry receipts	5,756	6,950	3,989	1,289	1,646
Brought forward	34,040	20,353	51,077	16,295	16,337
Total available	110,919	236,699	264,543	163,577	124,613
Allocations—					
Transferred to reserve ...	10,000	10,000	—	—	40,000
Dividends paid	50,000	100,000	112,500	112,500	74,159
	(20%)	(40%)	(45%)	(45%)	(30%)
Excess profits tax ...	Nil	92,659	131,690	—	—
Carry-forward	25,918	34,040	20,353	51,077	16,294
Net capital expenditure ...	18,172	28,402	9,285	12,242	53,072
Issued capital (2s. shares)...	250,000	250,000	250,000	250,000	227,727
Surplus liquid assets ...	2,811*	4,763‡	12,071‡	57,573	23,000*

* Excess of current liabilities after allowing for final dividend payment.
‡ After allowing for final dividend and excess profits duty.

The continuance of heavy capital expenditure in excess of depreciation allowance is explained by the planting up of nearly 1,000 acres and preparation for planting of a further 500 acres. For the current year capital expenditure is estimated at £16,000, and for the next five years at £6,000. The provision of these sums will not interfere with dividends, for the depreciation allowance was nearly £11,000 in the past year, and, moreover, though the balance sheet at August 31 shows a small excess of current liabilities, this is before allowing for return of excess profits duty. The standard of calculation is about £80,000, and, allowing for upkeep expenditure deductible from profits, it looks as if something like £10,000 is returnable to the Company.

The price of the 2s. shares has not been adversely affected by the report. At 12s. 7½d. the yield afforded is a poor one on the rate of dividend now paid; but it is to be noted that 11,000 acres are planted, which under normal conditions will produce well over 4,000,000 lb. of rubber at a low cost (in 1914-15 the all-in figure was 11¾d. per lb.). The market valuation per planted acre works out at £140, excluding any value for 3,000 acres of land available for further development.

KUALA-KLANG.

Issued Capital: £25,000 in £1 Shares

	Results for Years to September 30								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916 ...	509	509	190,004	373	2/8	-/10.59	18,378	10,625	42
1917 ...	509	509	197,448	387	2/6.1	-/10.8	15,918	10,000	40
1918 ...	509	509	163,400	320	1/10½	1/1.6	6,347	5,000	20

Price of Shares, 55/0c.d. Market Capitalisation per planted acre, £130xd.

With production restricted on this small estate costs rose appreciably last financial year, and as the sale price was only 1s. 10¼d. per lb., a substantial decline in profit is reported. No excess profits duty has to be provided for, however, and it is possible that some repayment can be claimed on account of the 1916-17 assessment of £1,472. Normal tapping has been resumed, but a full crop is not anticipated for this year. Still, if the commodity market maintains its recent improvement there should be a return to a higher rate of dividend witnessed. At present the shares yield about 7¼%, allowing for the dividend of 4s. included in the price of 55s.

NORWICH UNION
LIFE INSURANCE SOCIETY.
Combination of
AGE, MAGNITUDE, RESERVE BASIS,
and PROFIT-EARNING CAPACITY
THE STRONGEST IN THE WORLD.
Perusal of recently published War-time Prospectus makes that fact very clear.
Write or telephone to Head Office, Norwich,
or to any Branch or Agency.

Insurance Notes.

SCOTTISH TEMPERANCE LIFE ASSURANCE COMPANY, LIMITED.

Amongst life offices that cater specially for abstainers, while not confining their operations to that section of the population, one of the most successful and attractive is the Scottish Temperance, which was founded in Glasgow about 36 years ago. Its annual report for 1918 deals with the first year of a new quinquennial period, which has been auspiciously commenced. The new policies issued covered assurances for £836,056, and some of them must have individually been of considerable magnitude, for the reassurances amounted to £173,500, leaving the net retention at the Company's sole risk at £662,556. This indicates an advance of £93,788 as compared with the net amount of the new business in 1917. The total net life premium income, £293,969, shows an increase of £25,842, or nearly 10% over that recorded in the last previous report. This points to great vigour in management, for the breaking of new business records under the circumstances which prevailed in the last year of the War must have been a difficult matter. Notwithstanding the increased new business, which must have entailed heavier initial charges, the expense ratio shows a slight reduction. Expenses of management, inclusive of commission, absorbed about 14.1% of the premiums, as compared with 14.4% in 1917. The mortality experience in 1918 is also reported to have shown an improvement. Though adversely affected by a large number of war claims, and also by the influenza epidemic, it is stated to have been considerably better than in 1917, when it was announced as "within the amount expected and provided for." Thus, both from economy and longevity, considerable profits have evidently accrued in the first year of the quinquennium, and this is also the case in regard to the still more important bonus-earning factor of interest. Through the year's operations the life assurance fund was increased by £173,128, and the application of the usual formula to the revenue account shows a net interest yield of £3 17s. 3d. during the year, after deduction of income tax, as compared with the valuation assumption that 3% would be earned.

Like every other British life office that made a quinquennial valuation at the close of 1917, when the outlook on the War was nearly at its worst, the Company made no general distribution of bonus on that occasion, the whole of an ascertained valuation surplus of over £100,000 being carried forward to the new current quinquennium, subject only to an arrangement for payment of interim bonus in the case of all participating policies which may become claims by death or survivance before the next valuation date, these bonuses taking the form of additions to the sums assured at the rate of 10s. for every £100 of assurance in respect of each annual premium paid since 1913. Thus the new quinquennium was entered upon with strong reserves beyond those found actuarially neces-

sary, while depreciation on investments was provided for through Stock Exchange securities being written down to their market values on the valuation date. The prospects for the new quinquennium are therefore distinctly encouraging.

Minor accounts show the following results in 1918: Capital redemption account—premiums, £3,026; fund at close of year, £35,668; accident insurance account—premiums, £3,876; fund at close of year, £14,633.

The shareholders' subscribed capital amounts to £100,000, of which £25,000 is paid up, in shares of £1 with 5*s.* paid on each. A dividend is declared in respect of 1918 at the same rate as for the preceding year—viz. 10% less income tax.

The total assets, as shown in the balance sheet on December 31, 1918, amounted to £2,874,149, of which £835,491, or nearly 30%, was invested in British Government securities.

LONDON AND LANCASHIRE FIRE AND LAW UNION AND ROCK INSURANCE COMPANIES.

Reference was made in THE STATIST of February 22 to a provisional arrangement then in course of negotiation whereunder it was contemplated that the London and Lancashire Fire Insurance Company should acquire the shares of the Law Union and Rock Company. It was then stated that the prices to be given were expected to represent about £10 each for partly paid and £10 10*s.* each for fully-paid Law Union and Rock shares, either in cash or in equivalent amounts of Debenture stock.

It is now stated that a provisional agreement for the purchase of the shares was signed on February 26, and the actual terms are set forth in a circular letter to the Law Union and Rock shareholders dated February 27.

The agreement provides for the purchase of the partly-paid shares of assenting Law Union and Rock shareholders at prices estimated to be equivalent to those above-mentioned on the following basis:—

(1) By the allotment and issue at par as fully paid of 5 per cent. London and Lancashire Fire Debenture stock, redeemable on or after March 1, 1929, at the purchaser's option at £105 per cent., of a nominal amount of	£4 0 0
(2) By the allotment and issue of London and Lancashire Fire shares of the nominal value of £25 each with £2 10*s.* credited as paid up thereon, for every 12 L. U. and R. shares, the shares of the London and Lancashire being taken at the agreed market value of £52 per share. This represents for each L. U. and R. share	4 6 8
(3) By the transfer at par of the nearest possible amount of 5 per cent. National War Bonds repayable in 1928 at £105 per cent., or alternatively at the purchaser's option, by payment in cash (or partly the one and partly the other) which shall be equal to	1 13 4
	£10 0 0

In the case of fully-paid L. U. and R. shares the value under (3) is increased by 10*s.* to £2 3*s.* 4*d.*, the relative total in these cases thus being £10 10*s.*

Interest on the Debenture stock will run from March 1, 1919, and will be payable half-yearly. This stock is to rank *pari passu* with an existing issue of £989,500 L. and L. 5% Debenture stock, forming a first floating charge on the property, assets and undertaking of the L. and L. Company, including uncalled capital. The total of such Debenture stock at any time outstanding may not, without the consent of an extraordinary meeting of the Debenture stockholders exceed the issued capital for the time being of the L. and L. Company.

In case of any odd L.U. and R. shares, the L. and L. undertakes, in addition to the agreed allotment of Debenture stock and National War bonds or cash, to pay in cash the sum of £4 6*s.* 8*d.* for each share. Assenting shareholders will be entitled to interest on the National War Bonds accruing from March 1, 1919. They will also be entitled in respect of the L. and L. shares receivable by them to the final dividend on these shares payable in May 1919, in respect of the 1918 account, as well as to the usual half-yearly dividend of 4*s.* per share, less income tax, payable to L.U. and R. shareholders in May 1919.

The amount of the L.U. and R. dividend in 1918 was £90,000, while under the new arrangement it is estimated that this will be increased to £107,500. Prior to the announcement of the proposed fusion L.U. and R. shares were quoted at about £7 2*s.* 6*d.* per partly-paid share, and at about £7 7*s.* 6*d.* per fully-paid share.

The agreement provides for the continuance of the L.U. and R. Company as a going concern. The L. and L. offer is conditional upon the holders of at least 80% of the shares of the L.U. and R., or such less proportion of shares as the L. and L. may, with the approval of the L.U. and R. board, consider sufficient, accepting it on or before March 25, 1919.

It is one point of attraction to L.U. and R. shareholders, that while the dividend they have hitherto received has been stationary for a good many years past, the L. and L. Fire dividends, while on a conservative basis in relation to the Company's profits and resources, have been on a rapidly progressive scale. Thus the dividend for 1916 was 31*s.* per share, and for 1917 it was 33*s.* per share. The interim dividend for 1918 was 18*s.* per share, and it is announced that the balance dividend will be 20*s.* per share, payable in May 1919, making 38*s.* per share for 1918. Moreover, the interim dividend for 1919, payable in November 1919, will be 20*s.* per share, so that the dividends payable in the course of the present year (partly relating to 1918 and partly to 1919) will amount to 40*s.* per share.

D. DAVIS AND SONS, LIMITED.

Capital: £1,000,000, in 100,000 6% Cumulative £1 Pref. Shares and 900,000 5 - Ordinary Shares.

Debentures: £75,000 5% Mortgage Bonds.

	Net Profit*	Amount Written Off	Pref. Div.	Ordinary Dividend		Added to Reserve	Carry-forward	Stocks of Stores	Surplus Liquid Assets
	£	£	£	£	%	£	£	£	£
1914 ...	215,744	85,744	6,000	76,640	10‡	—	64,589	49,412	66,758†
1915 ...	167,278	36,398	6,000	78,750	10‡	50,000	60,719	40,518	160,117†
1916 ...	250,114	49,052	6,000	157,500	20a	12,647	81,884	50,239	522,086†
1917 ...	187,650	39,896	6,000	157,500	20	—	67,138	68,167	511,770†
1918 ...	269,536b	?	6,000	157,500	20	100,000	73,175	53,235	627,348

* After deducting Debenture interest and directors' fees, income and excess profits taxes.

† Including loan to Welsh Navigation Steam Coal Company (now £400,000).

‡ Free of income tax. (*a*) Bonus of 10%, also paid out of reserves.

(*b*) After provision for depreciation.

THIS well-known South Wales colliery-owning Company did very well in 1918, the net profit after deduction of an unstated amount for depreciation, amounting to £269,536, whereas for 1917 the net profit before deducting £39,896 for depreciation was £187,650. As shown above the dividend is not increased beyond 20%, but by placing £100,000 of profit to reserve the financial position is made very strong. The capital expenditure of the year only exceeded the depreciation allowance by £5,388, as against £22,358 in 1917. In 1916 the Company sold its interest in John Lancaster and Company to the Ebbw Vale Steel Company for a substantial sum. This explains the sudden jump in the surplus liquid assets in that year. Now it has its own coal bearing and producing properties, comprising 4,000 acres in the Rhondda Valley, and also owns 15,000 fully paid £10 shares of the Welsh Navigation Steam Coal Company, to which it has lent £400,000. In settlement of this, the report states, it has been decided to accept an equivalent amount in £10 Ordinary shares, and it is proposed to distribute same proportionately to the Ordinary shareholders registered on March 7. Interest in the Company is fairly widespread, the shareholders a year ago numbering over 4,000. The price of the 5*s.* Ordinary shares is 12*s.* 6*d.*, so that allowing for the dividend the yield is over 9%. How far the outcome of the investigations now taking place in regard to coal mines will affect their future working and the interests of shareholders remains to be seen, but it is to be noted the Company's reserve fund is now £450,000, and that a capitalisation scheme proposed in 1916 is in abeyance through the Treasury's refusal to sanction same.

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1908.

Subscribed Capital £543,666
Paid-up Capital £120,000
FOR REINSURANCE BUSINESS.

Fire, Marine and General Department.
St. Swithin's House, St. Swithin's Lane, London, E.C. 4.
Manager J. Herbert E. Lane.

Registered Office and Life Department.
9 Fleet Street, London, E.C. 4.
Actuary and Secretary: Chas. Wickens.

Commercial.

LACE AND ALLIED INDUSTRIES.

It is commonly believed that, so far as this country is concerned, the lace industry was introduced by the Flemings into Bedfordshire in the first quarter of the seventeenth century; but this was a hand-made process, and lace-making continued a hand-made industry until almost the very end of the eighteenth century. The manufacture of lace by mechanical means is, therefore, very modern in time, dating from the closing years of the eighteenth century or the beginning of the nineteenth century.

The possibilities of making lace by mechanical means appear to have first been realised by a Frenchman, working on the stocking frame, some time about the middle of the eighteenth century. Attempts were made, both in this country and France, to develop the production of lace by machinery by means of this frame. For a long time the efforts attained only a very moderate measure of success. About the year 1800, however, English and French mechanics appear to have discovered, almost simultaneously, the possibilities of developing the industry by means of what is known as the net mesh. From this net designs were afterwards embroidered. After this the bobbin; and then the net machine was invented, some time about 1808 or 1809. Between 1814 and 1834 the celebrated Leavers system was invented, and this being developed by the adaptation of the French, or Jacquard machine, made the production possible of what we know as Nottingham lace upon a great scale.

Nottingham lace is a type by itself, and is known all over the world. It enjoyed great popularity and a very wide market in different countries of the world until the invention of what is known as Plauen lace, from the town in Germany where the manufacture was, and is, carried on. It is commonly believed that the machine for the manufacture of Plauen lace was invented in Switzerland, and it is said that the machine was offered originally to the Nottingham lace-makers and refused by them, when it was set up in the place from which the lace there manufactured derives its name. If this was so it was a most unfortunate decision, as their products have become most formidable competitors, and in some respects the triumphant rivals of the Nottingham trade. The lace and embroidery industries may be conveniently divided into five classes: (1) Leavers laces and net, which are used principally by the dress and millinery trades. (2) Other nets of cotton or silk. (3) Lace curtains. (4) Plauen laces and embroideries. (5) Barmen laces and trimmings. The manufacture of Leavers laces is essentially a Nottingham industry, although it has been equally developed to some extent in some Continental countries, as well as in the United States of North America. From about the same time that the English lace trade was developed Calais and its neighbouring districts have been the centre of machine-made laces in France, remaining to the present time very much as Nottingham and district is the chief centre of the British industry. The Leavers system has been developed in no foreign country, with the exception of France, in producing a sufficient quantity of lace to meet the demand for home requirements. France, therefore, is the only serious competitor for the kind of lace made at Nottingham. Calais produces most of the specimens of silk laces, and to a large extent has killed this branch of the industry at Nottingham. Nottingham remains pre-eminently the only producer of cotton laces, the only exception being narrow Valenciennes, which is imported in large quantities to this country from Calais.

Plauen nets are made of cotton or silk. Cotton nets may be divided into two classes—bobbin nets and guipure nets. Bobbin net is used for Plauen embroideries, and we supplied very large quantities to Germany before the War for the manufacture of this kind of goods. Mosquito nets are exported from this country in large quantities to hot climates, where they are used as protecting screens from this devastating insect.

We are far from enjoying, however, the monopoly of this trade, for mosquito nets are manufactured both in France and in Germany, as well as in the United Kingdom. Guipure nets are exported in large quantities from this country as well as being made in France and Germany. At one time Great Britain supplied the whole of these nets, and even yet Nottingham enjoys the bulk of this trade. Silk nets are made in Nottingham, in Derbyshire, Somerset, and Devon, for producing tulles for millinery purposes, as well as for artificial nets for veilings. France is the only other country which makes silk nets upon a large scale. Nottingham was originally the home of the lace-curtain industry, but during the last 20 years efforts, which have had a large measure of success, have been made to establish factories in Scotland, particularly in Ayrshire. Our exports of lace curtains are mainly to distant countries, the greater part of Europe supplying its own home requirements; but we are absolutely independent of outside supplies for our home demands. Trimmings produced by working designs on woven fabrics are a characteristic product of the Continent. The principal country engaged in this industry is Switzerland, although Germany before the War had a growing trade.

Plauen laces are produced by embroidery patterned upon a groundwork of plain net, and are produced almost exclusively in the town from which this industry gets its name. Efforts are being made in Nottingham for producing and embroidering Plauen nets, and it is hoped now, as one result of the War, it will be possible to produce this class of goods in this country, the bulk of which we formerly imported from Germany. Barmen trimmings are exclusively used for the decoration of ladies' dresses and underwear. At one time Nottingham laces were used for this purpose, but it has been found that the Barmen trimmings possess greater durability, and consequently they have supplanted Nottingham laces.

HARRISONS & CROSFIELD,
LIMITED.

Issued Capital - - - - £1,225,000

1-4 Great Tower Street, London, E.C.
with
BRANCHES in Ceylon, F.M.S., India, Dutch East Indies, Canada, Japan and elsewhere.

Agents and Secretaries for TEA, RUBBER AND OTHER PRODUCE ESTATES.
SELLING AGENTS for Manufacturers in London and Abroad.

It is by no means easy to arrive with any degree of accuracy at the actual value of the output of machine-made laces in the United Kingdom. According to the Census of Production taken in 1907, the total gross output of the industry is valued at a little over £6,000,000, of which practically £5,500,000 was represented by cotton laces, the value of silk and linen laces being estimated at, roughly, £500,000. The Census figures show that some 80% of the total output was exported, 20% being retained for home consumption. The following table will show the value of our lace exports, mainly of Nottingham laces of the cheaper kind, in the last clear year before the War, and is taken from the Blue Book on Textile Industries:—

Lace

	Silk £	Cotton £
European countries	6,000	1,288,000
Extra-European—		
United States	10,000	1,281,000
Central America and Mexico	—	83,000
Cuba	—	57,000
Brazil	—	121,000
Argentine	—	160,000
South America (other)	.	121,000
China	—	—
Japan	—	—
Other	11,000	175,000
Total extra-European	21,000	1,998,000
Total foreign countries	27,000	3,286,000
British Possessions—		
Australia	1,000	282,000
New Zealand	—	45,000
Canada	3,000	285,000
South Africa	—	49,000
British India	—	70,000
Other	3,000	91,000
Total British Possessions	7,000	822,000
Total to all destinations	34,000	4,108,000

Lace and Articles Thereof.

	Of Cotton £	Of Silk Mixed Wholly of Silk £	Of Silk Mixed with Other Materials £	Of Other Materials £
European countries	2,289,935	381,684	44,877	1,427
Extra-European—				
United States	540	2,000	-	
Central America and Mexico		—	—	—
South America		—	—	—
China	110	—	—	—
Japan	2,016	871	—	—
Other	-	—		
Total extra-European ...	2,666	2,871		
Total foreign countries ...	2,292,601	384,555	44,877	1,427
British Possessions—				
Australia	—	—	—	—
New Zealand	—	-	—	—
Canada	222	—	—	-
British India	—		—	—
South Africa		—	—	-
Other	—	14	—	—
Total British Possessions...	222	14	—	—
Total from all sources ...	2,292,823	384,569	44,877	1,427

COURTAULDS, LIMITED.

Capital: £2,000,007, in £1 Shares. Debentures: £14,170.

Year	Net Profit† £	Dividend Paid £	Dividend Paid %	Placed to Reserve £	Written Off £	Amount of Carry-forward £	Stock and Stores £
1914...	520,349	250,000	12½	200,000	Nil	188,018	331,886
1915...	741,668	400,002	20	200,000	Nil	329,684	338,921
1916...	1,083,923‡	600,002	30	200,000	336,197	277,408	451,679
1917...	1,170,862‡	600,002	30	767,091	105,743	62,935	707,489
1918...	1,184,938‡	650,002	40*	382,909	66,751	148,211	968,176

* Equivalent rate, less income tax: final dividend 17½%, free of tax.
† After charging usual depreciation, Debenture interest, trustees' and directors' fees, income tax, and management expenses.
‡ After providing for excess profits duty.

We explained last year the reasons for this Company's great leap to prosperity since 1914; in particular the success achieved by its American subsidiary Company, formed in 1909 to conduct a similar business in artificial silk, silk, and mourning crêpe manufacturing as that the British concern is famous for. Last year's results again indicate substantial expansion, for though the figure given as net profit shows slight improvement only, this is after deduction of excess profits duty and income tax, both of which probably called for much larger sums. The balance sheet requires little comment except to remark the further rise in the value of stock-in-trade and stores to over £1,000,000. A good deal of the increase is no doubt due to higher prices, and the effect of falling markets has to be borne in mind. The capital is small in relation to the assets. Investments in marketable securities and Debentures and shares of allied undertakings figure for £3,251,347, while no value is attached in the balance sheet to large holdings in the American and Russian subsidiary concerns. It was last year proposed to capitalise reserves, and by way of bonus distribution to shareholders to raise the share capital to £10,000,000, in 4,000,000 6% Preference and 6,000,000 £1 Ordinary shares. The Treasury so far has refused its sanction, but it is possible, now that the New Issues Committee has been reorganised, the Company's case can be put forward again with greater hope of success. The Ordinary shares are priced at 7½ and allowing for the dividend yield about 5%. There is a huge margin of undistributed profit.

"Food Ships for Britain." This is an interesting little brochure issued by the High Commissioner for New Zealand, showing the work done by the New Zealand Department of Imperial Government Supplies. According to this official handbook, in the three years to the end of August last the Dominion exported nearly 70½ millions worth of foodstuffs and produce needed in the prosecution of the War. The leading place was occupied by frozen meat, which accounted for over 27½ millions sterling; wool accounted for nearly 24¾ millions; and butter and cheese for over 11 millions. Much further interesting information is contained concerning the assistance rendered to the Mother Country by New Zealand.

"Beautifully Cool and Sweet Smoking."

PLAYER'S
NAVY CUT
TOBACCO

Packed in varying degrees of strength to suit every class of smoker.

PER OZ.
Player's Gold Leaf Navy Cut
Player's Medium Navy Cut
Player's "Tawny" Navy Cut
10½D.

Per Oz.
Player's "White Label" Navy Cut
9½D.

Also PLAYER'S NAVY CUT DE LUXE a development of Player's Navy Cut packed in 2-oz. and 4-oz. airtight tins at 2/1 and 4/2 respectively.

This Tobacco is also supplied at Duty Free Rates for the purpose of gratuitous distribution to wounded Soldiers and Sailors in Hospital. Terms and particulars on application to:

John Player & Sons, Nottingham.

Branch of the Imperial Tobacco Co. (of Great Britain and Ireland) Ltd.

PS74



MEETINGS
OF PUBLIC COMPANIES.

PRUDENTIAL ASSURANCE COMPANY, LIMITED.

The annual general meeting of this Company was held on March 6, at the chief office, Holborn Bars, Sir Thomas C. Dewey, Bart., the Chairman of the Company, presiding.

The Chairman, who on rising to address the meeting was received with applause, said: At long last we have come to the end of hostilities, and we can look forward to a future which, though still fraught with uncertainties, is at least free from the horrors of war. Before proceeding to the business which has brought us together again to-day, I am quite sure I shall be rightly interpreting the feelings of us all in expressing the deep sense of thankfulness and relief which is in our hearts that the greatest and cruellest War which the world has ever seen has at length come to an end. (Applause.)

The Secretary (Sir George May, K.B.E.) having read the notice convening the meeting and the auditors' report,

The Chairman said: Ladies and Gentlemen,—We are now entering upon a reconstructive period which must of necessity be attended with many difficulties, but with a just and honourable peace in sight, and the promise that the blight of war has gone, my trust in my countrymen and women leads me to anticipate that such difficulties will be overcome. To-day, however, I have to review the operations of a year which has seen the heaviest fighting since the beginning of the War. Notwithstanding the exceptional conditions under which we have had to work, the Company has had a most successful year.

Total Income of the Company.

The total income of the year from all sources was £21,820,165, being an increase of nearly two millions over that of 1917. Of this amount £9,736,403 represented premiums received in the industrial branch, £6,827,387 in the ordinary branch, and £29,244 in the general branch; £4,795,054 was on account of interest, and £432,075 for the working expenses of the Approved Societies.

Industrial Branch Business.

It is, however, the premium income in the industrial branch to which I would draw particular attention. At the end of the year this was £10,715,566, showing an increase of £1,104,462 over the figure of twelve months ago. This increase was not, of course, received in full during 1918, but its actual benefit will be felt this year. In 1916 I told you that we had obtained an increase of premium income of £512,824, and that this increase had never been approached in the history of the Company. For 1918, therefore, the increase was more than double our previous best on record. Such a result in the fourth year of the War is a very remarkable achievement. (Applause.) A great portion of the increase is due to our Industrial War Bond policy, which was introduced in March last. This policy enabled all classes to subscribe for War Bonds by means of small monthly instalments, and the fact that millions of bonds were subscribed for by means of these policies shows how much the opportunity was appreciated.

The total number of policies in force in the industrial branch is 22,256,570; of these 2,014,311 are free policies on which no further premiums are payable. The average duration of all policies in force on December 31 last is 14 years, and the average age of the assured 35 years.

Ordinary Branch Business.

It is not only in the industrial branch that we have wonderful results, for the ordinary branch figures are even more remarkable. Last March I told you that our new premium income of £567,472 was much in excess of that for any previous year. This year I am able to record that our new premium income in the ordinary branch is £1,293,182, or considerably more than double our previous best. In this branch also the War Bond policy has played a large part. We have every reason to be proud of our War Bond policies, for we feel that, large as is the amount of War Bonds that they represent, much larger sums were directly received by the Government owing to the efforts of our staff in bringing the Bonds to the attention of the population. (Applause.) The total sum assured under the new policies issued in the ordinary branch is £13,846,213, of which £5,626,600 was in respect of 7,148 policies for sums assured of £500 or over.

Claims.

Turning to the claims, the amount paid in all branches during 1918 reached the colossal figure of £10,324,578. In order to realise what this figure really means, let me state that in 1888, after 40 years of solid work, our total funds were a little over £9,333,000, so that last year that sum would have been insufficient by £1,000,000 to meet our outgoings in claims alone.

The cessation of hostilities will remove the heaviest burden that the Company has ever had to bear. I need not remind you that the payment of the vast majority of our war claims was undertaken voluntarily, and at the outset the directors decided to continue the payment so long as it was in their power to do so. It is with thankfulness we can say that we have continued to the end—(hear, hear)—although the boldest of us might have hesitated had we known that the war claims would reach £5,000,000, at which the total now stands. In this connection I may point out that the Prudential has paid war claims on more than 230,000 policies out of a total number of 674,000 deaths actually confirmed by the British Government. This means that we have been called upon to pay claims on over one-third of the British soldiers killed during the war. (Applause.)

Mortality.

In addition to the war claims, we had in 1918 to bear the additional strain of an influenza epidemic. While this lasted the claims so caused were actually heavier than the war claims, for the epidemic attacks both sexes. The male mortality shows a still further increase over that for 1917, and a still further increase in the wastage of young life about the age of 20. The increase in the male mortality is partly due to the greater war losses and partly due to the influenza epidemic. With the females, however, it is wholly due to this latter cause.

War Claims and German Indemnity.

Last year, in speaking to you about these War claims, I intimated that we had asked the Treasury to consider the serious liability which, with some suggested limitation, the Company had undertaken at the request of the Government and in order not to discourage voluntary enlistment. The victory of the Allied nations has simplified the situation, and a claim on behalf of the life assurance companies that these losses should be made good out of the War indemnity has been formulated by the Life Offices' Association and submitted to the Treasury.

It is clearly improper that the War risk which was not included in our policies should remain to be borne by the Company and by those of the public who are associated with it; justice demands that those who provoked the War should be compelled to pay its cost. (Applause.) Our surviving policyholders are already contributing through taxation to the cost of the War, and it is not possible to justify an additional levy on their resources, or a continued reduction in bonuses, which is equivalent to such a levy, in order to cover liability not provided for in our life policies for those other policyholders who have fallen in the service of the nation.

Valuation Report.

I now come to the valuation report, from which you will see that the surplus in both branches is lower—I hope for the last time. The operation of the Courts (Emergency Powers) Act has again affected our profits. You will observe from the accounts that during the year £250,000 has been absorbed from the £350,000 set aside to meet the liabilities under the Act, leaving £100,000 still available for the future liabilities to which we are still exposed. The Act automatically comes to an end six months after the end of the War, and in view of this our liabilities should be limited, but the payment of the arrears of premium under policies affected by the Act may be delayed should unemployment become more general. In these circumstances we feel that £100,000 is the minimum that can be retained to meet contingencies on account of the Act.

When the world returns to its normal state we have every reason to anticipate that our profits will improve to the pre-War standard, and we shall, under our profit sharing scheme, be able to resume the payment of bonuses to the industrial branch policyholders, the outdoor staff, and the shareholders. (Hear, hear.) At present however, our profits are still showing the scars of war, and no allocation is possible under the scheme, whilst the shareholders receive only the reduced rate of dividend that has been paid for the past three years.

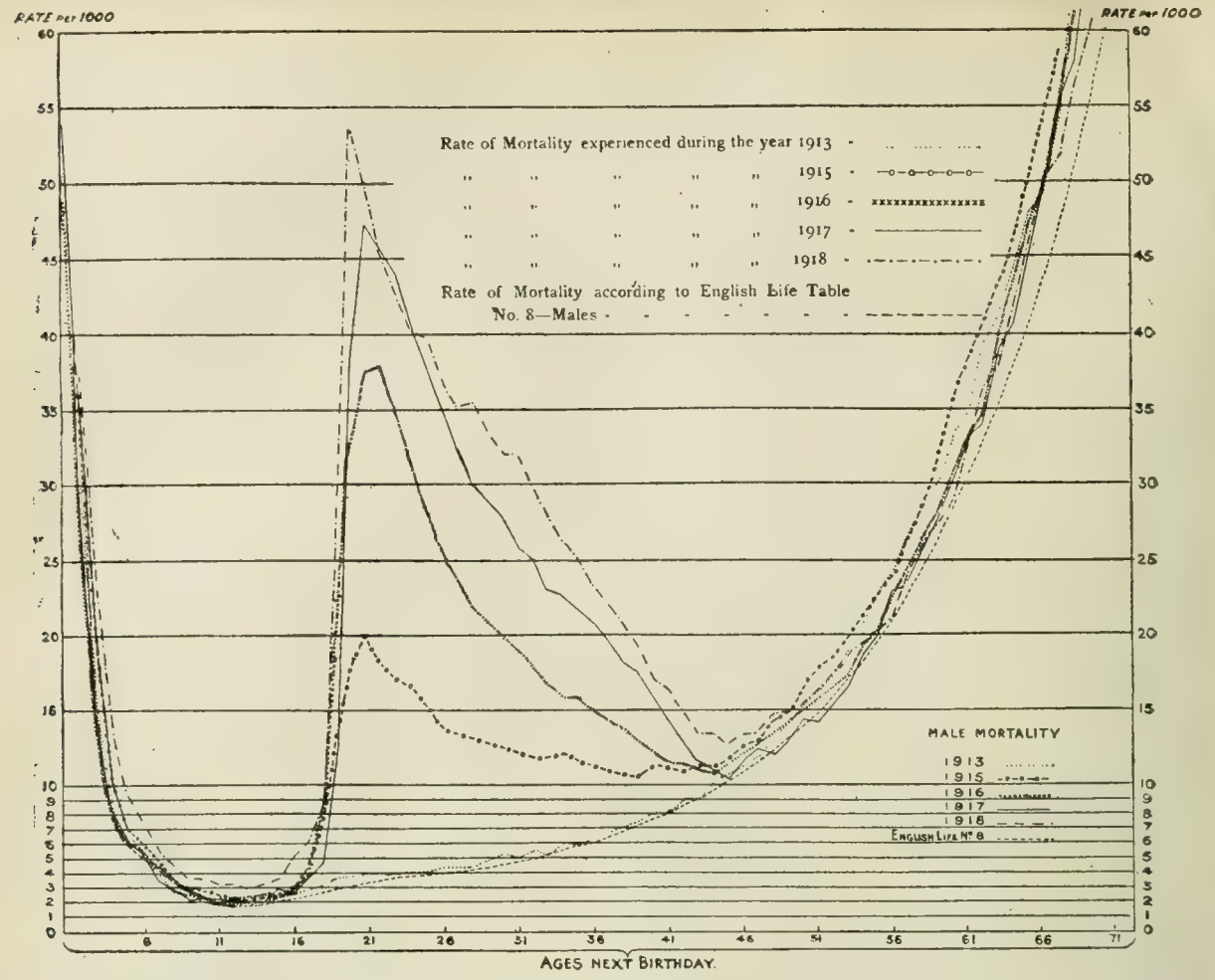
Ordinary Branch Bonus.

In the Ordinary Branch the Directors, after very careful consideration, decided that a bonus of £1 6s. per cent. should be allotted to the policyholders. We feel confident that the near future will see our bonuses at least at their pre-war rate.

Investments.

Now, may I call attention to some interesting facts with regard to our investments. During last year we pursued the course of placing practically all available funds at the

RATES OF MORTALITY AMONGST MALE INDUSTRIAL POLICYHOLDERS IN THE PRUDENTIAL ASSURANCE CO., LTD.



disposal of the Government. Thus, out of approximately eleven millions sterling invested in marketable securities, no less than ten and a half millions were lent for the purpose of carrying on the war. We were enabled to provide this very large sum for the following reasons: (1) by the normal excess of income over out-goings; (2) by money obtained from repayments and maturities of loans and securities (3) by the sale of nearly one and a half millions of various bonds and stocks at advantageous prices, and (4) by an increase of the amount of our loan from our bankers.

The net increase in our assets for the year amounted to £5,330,990, making our total assets, after deducting the loan from our bankers, £109,126,862.

Aid to the Government.

The Company by its investments in War Bonds gave cordial support to the extended "Tank" campaign inaugurated by the National War Savings Committee in the early part of the year, and continued after the Armistice was signed. Hundreds of cheques for amounts from £1,000 upwards were handed by our representatives to the "Tanks" or to the local authorities for investment in War Bonds to the credit of the various towns, and this plan of subscription undoubtedly had a great influence on the raising of large sums that were contributed from many suburban and provincial districts. The co-operation of our outdoor staff with the local War Savings Committees was shown to be of mutual benefit to the Company and to the National Exchequer, and I am pleased to say that the Company's attitude has been cordially acknowledged by the Controller of the National War Savings Committee in a letter complimenting the directors on the public spirit displayed.

Increasing Proportion of Home Securities.

Now that peace is in sight, it is interesting to notice the changes which have taken place in our relative holdings of British and foreign Government securities between December 1913 and December 1918. At the former date our holding of British Government securities stood at one and three-quarter millions, or two per cent. of the total assets; at the latter date the amount was thirty-five and a half millions, representing as much as thirty-two and a half per cent., a proportion sixteen times as great.

On the other hand, the amount in Foreign Government, Provincial and Municipal securities has only advanced from eight and a half millions to nine and a quarter millions, while the actual percentage to total assets has decreased from 9.8% to 8.5%. In this conection, it may be mentioned that the figure in the balance sheet includes about £2,000,000 invested in the securities of the French Government, so that there is a considerable decrease in our holdings of other foreign securities. This is, of course, due to the many sales, during the last three years, of Dutch, Swiss, and Scandinavian bonds, at high prices caused by the abnormal rates of exchange with those countries.

Enemy and Russian Securities.

For the past year we have not, of course, received any income on enemy securities, but as I mentioned in 1915, the total holding was less than 2% of our funds, and at the present time is only 1.6%. In the same category must now be placed our Russian securities, which represent 1.4% of our assets.

Value of Securities and Investments Reserve.

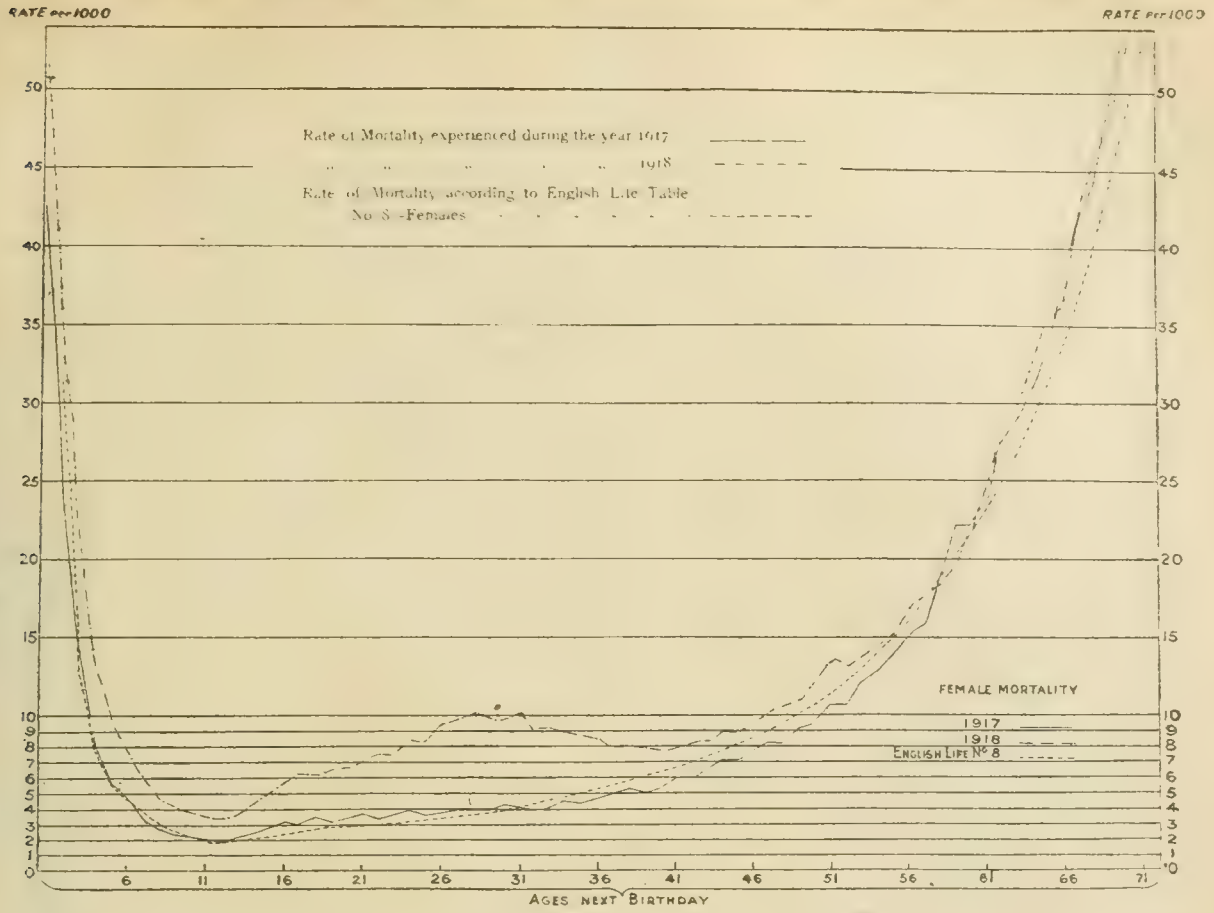
Dealing with the value of our investments generally, the past year stands out prominently as being the first over a long series in which the market values of securities have shown an appreciation. This appreciation, though not great, indicates a distinct tendency towards improved values, and marks, I hope, the turn of the tide which will bring prosperity both to our country and our Company. (Applause.) At the same time, the leeway lost during four and a half years of war cannot be made up at once, and it was thought desirable to again strengthen the investments reserve fund, which in the combined branches now stands at the imposing total of £4,450,000. (Applause.)

Whether this reserve should be maintained or used to write down securities was most carefully considered. It was, however, finally decided that in view of the restrictions still existing on the Stock Exchange, and of the continuance of Government borrowing, there was still a lack of stability in market values, and that the fund should therefore be left in the form of a reserve. It is, however, the intention of your board, when a suitable opportunity offers, to utilise this fund in writing down securities to values more compatible with after-war conditions.

Strain on the Company.

While fully recognising that the country may have to pass through a period of stress and strain during reconstruction, which may affect profoundly a Company such as the Prudential with its manifold financial interests, yet, when I reflect that during the past decade we have set aside nearly ten million pounds to meet depreciation, I am optimistic as

RATES OF MORTALITY AMONGST FEMALE INDUSTRIAL POLICYHOLDERS IN THE PRUDENTIAL ASSURANCE CO., LTD.



to the future. And this has been accomplished despite the unexampled strain which the Company has had to bear in meeting claims due to the War, the influenza epidemic, and the imposition of the Courts (Emergency Powers) Act.

Co-operation of All Classes.

However strong the Company may be, this tremendous achievement could not have been accomplished without the loyal co-operation of all classes interested in the prosperity of the Company. (Hear, hear.) You, ladies and gentlemen, have helped by giving up your bonuses and part of your dividend. The outdoor staff of the Company have suffered by the withdrawal of their bonuses, and the policyholders have seen their bonuses reduced or suspended. With the glorious end of the War attained, these sacrifices have not been in vain, and I am confident that none of you will regret the course we have had to adopt. (Applause.)

On behalf of the whole board of directors I do wish to thank you personally for the uncomplaining manner in which these sacrifices have been borne, and through the publication of this speech I desire to thank also the whole body of our policyholders and outdoor staff.

I said last year that while we were voluntarily bearing the extra burdens thrown upon us by the War, the directors would be unwilling to ask you to suffer any further diminution in respect of the dividend which, taking into account the pre-War bonus additions, has now for the fourth year in succession been reduced by 33⅓. It is at present more than usually difficult to forecast the future, but the outlook is obviously much brighter than that of a year ago, and I think it is permissible to take a sanguine view of the prospects before us. The first duty of your directors must be to preserve inviolate the stability of the Company—(hear, hear) -but subject to that consideration nothing would give the board so much satisfaction as the ability to announce a renewed distribution of bonuses under our profit-sharing scheme. I am sure you will wish us the best possible fortune during the present year, and we trust we shall not disappoint you at our next annual meeting. (Applause.)

Profit-Sharing.

It is perhaps unnecessary to point out to you that a favourable decision with regard to our claim on account of industrial assurance losses to compensation out of the War indemnity would materially help our power to resume distribution under our profit-sharing scheme.

It is useful to place on record the past results of the Company with regard to profit sharing, which are set out in the appended schedule :—

Profit-Sharing Record.

Year	Shareholders	Outdoor Staff	Policyholders
	£	£	£
1908	35,000	35,000	72,697
1909	50,000	50,000	176,401
1910	65,000	65,000	222,507
1911	75,000	75,000	277,085
1912	90,000	90,000	324,797
1913	100,000	100,000	359,572
1914	100,000	100,000	398,360
1915	50,000	50,000	276,721
1916	Nil	Nil	112,565
1917	Nil	Nil	38,710
1918	Nil	Nil	587
	565,000	565,000	2,260,000

Problems of the Future.

In the vast financial problems which at the present time confront the State, the Prudential, by reason of the magnitude of its funds and its great investing power, is vitally interested. The directors of this Company are in the position of trustees for upwards of twenty million policyholders, and it is essential, therefore, that we give the closest possible attention to every phase of the financial situation, in addition to any schemes affecting the welfare and interests of the wage-earners of this country.

For example, the rate at which the Government borrows is of paramount importance to us, affecting as it does the values of all gilt-edged marketable securities.

Again, we are anxious to know the plans of the Government on the housing question, as we have been approached on several occasions by local authorities with regard to the financing of certain of the proposed schemes.

Then there is the question of Home Railway stocks, of which we are the largest holders in the country. As you are aware, the Government has indicated there is to be no change in the present conditions for another two years at least. In due course, however, the question of the compensation, should nationalisation take place, will have to be faced, and the terms will be of the greatest possible importance to both policyholders and shareholders of the Prudential, which at the present time holds Debenture, Guaranteed, Preference, and Ordinary stocks of this class to the extent of nearly £6,000,000 in value.

By reason of the nature of our business we are in a position to invest large amounts for a considerable number of

years, and are thus in a somewhat different position from that of banks and similar institutions, whose investments must necessarily be of a more fluid and easily realisable character. In other words, we are compelled to take what may be termed the long view on questions of finance, and this involves correspondingly increased responsibility.

Credit of the State.

The success or non success of many of the schemes for public and private reconstruction now before the country must depend largely upon the terms on which the necessary funds can be obtained. Our experience shows that at the present time these terms depend almost entirely upon the rates of interest offered by the State for its loans. Every effort made to improve the credit of the State and reduce the rate at which it borrows will reflect favourably upon the prosperity of the nation, and aim materially in carrying out the schemes for the betterment of our country. (Hear, hear.)

Fire and Other Classes of Insurance.

As you are aware, we have during the last two years transacted a certain amount of accident business, as shown in the accounts of the general branch, and, as you will remember, we took powers to undertake fire and various other classes of insurance. We have come to the conclusion that the present is a favourable time for such an extension. Although we have every reason to expect that our existing connections will enable us to obtain almost immediately a very considerable volume of business, we intend to proceed in a Prudential manner.

New Capital.

I would remind you that the authorised capital of the Company is £2,000,000, of which £1,000,000 remains unissued. Subject to the consent of the Treasury, it is proposed that the remaining £1,000,000 should be issued *pro rata* to our shareholders—(applause)—and that a small proportion only of the nominal value of such new shares should be called up, further calls depending upon the amount of the business transacted and other contingencies. These new shares will be designated B shares, and will depend for dividend entirely upon 75% of any distributable profit from the General Branch, the remaining 25% of that profit being allotted to the existing shares.

Prospects of General Branch.

It is, of course, quite impossible to forecast the amount of profit which the General Branch may be able to earn, and I trust that shareholders will not be disappointed if it should be found advisable to refrain from making any distribution in the near future, but will be satisfied if, as the result of our most careful and constant attention to this new class of business, we are eventually able to distribute moderate dividends, increasing as our success becomes more assured. It should be fully realised that fire and accident business is subject to much greater fluctuation as regards its profit-earning capacity than life assurance business. These new shares must not in any way be compared with our existing shares, which for many years have secured dividends and bonus, the satisfactory nature of which has been due not only to an enormous business with an income of many millions per annum, but also to long and careful husbanding of our resources and the building up of reserves which have enabled us to face unexpected losses such as have resulted from the past four years of war. Our new venture in fire and accident business must be regarded as an "offspring" which will require careful consideration during its youth, and for whose robust maturity we shall be prepared to wait with such confidence as our endeavours will, we believe, justify.

Share Accounts.

It has been customary at these meetings to state the number of shareholders on our register, and I am glad to report that the total number of accounts is now 1,927, being an increase of 141 over last year.

Approved Societies.

Dealing with the question of National Health Insurance, the claims of the Prudential Approved Societies during the past year amounted to £1,492,000. The average number of new claims per week from January to April was 10,000, but in July, owing to the influenza epidemic, they reached 24,000; in August they fell again to the normal, but in October they increased to 17,000, and in November to 31,500.

Ministry of Health.

Our Approved Societies have always exerted their full influence to hasten the establishment of a Ministry of Health, in season and, as some thought, out of season; before the War and even during its critical periods they have, in conjunction with other Approved Societies, urged upon the Government that the welfare of the people should be its first consideration whether in peace or war—(hear, hear)—and that no social measure was of greater importance or more urgently needed than the immediate co-ordination of the health services of the nation (including housing and sanitation) by means of a Ministry of Health. They pledged their support to a Bill drafted by the Government, which proposed to include temporarily the whole of the Poor Law in the new Ministry of Health rather than risk the delay which would inevitably take place if the new Ministry had to wait until the Poor Law was dissolved and re-formed.

The whole subject was exhaustively dealt with by our General Manager (Mr. Thompson) in his presidential address to the National Conference of Industrial Assurance Approved Societies held in October last—(applause)—and I shall be glad if any shareholder of the Company who is interested in the subject would ask for a copy of that address before leaving this hall.

Collection of Premiums

As regards the important work of collecting our premiums, I have on several occasions explained to you the improved system which we adopted experimentally in 1912, and generally in 1913. More than half of our premium income is now collected under what is called the block system, and the extent to which that system has been developed during the War, and especially during the past year, has been quite satisfactory. It would have been even more rapidly extended last year but for the fact that some additional clerical work is required to effect the change of method, and the clerical staff were very heavily handicapped owing to the number away on active service.

It is abundantly clear that the block system has already brought about an appreciable reduction in our expenses, though all the advantage secured in this direction has hitherto been much more than counter-balanced by the War claims, the War allowances to the staff on active service, and in providing for the liability imposed upon the Company by the misdirected provision affecting insurance policies which was hastily inserted in the Courts (Emergency Powers) Act.

It was, as you know, our declared intention that the agency staff should derive benefit from economy resulting from the success of the block system, and effect has been given to this determination, notwithstanding the heavy demands which we have had to meet in other directions.

Agency Staff.

The unexampled progress of the business of the Company has also been of material assistance to the agency staff, and I am glad to say that their average earnings increased from £2 18*s.* 7*d.* per week during 1917 to £3 9*s.* 6*d.* per week during 1918. (Applause.) I think it is right that you should know the facts, because there has been some agitation on behalf of those who are, generally speaking, less successful than others of our agents—(hear, hear)—and the charge has been freely advanced that the Company does not pay its agents a living wage.

Our agents are divided into two classes: the smaller class numerically, who are employed under the block system, collect more than half of our premium income and are salaried men. The larger class numerically are paid salary for making their weekly collections, a duty which usually occupies about three days, the rest of the week being available for the introduction of new business, which is paid for as piece work by commission.

It is not possible to maintain a standard rate of wage for thousands of men who for half the week are working, or perhaps not working, on commission terms. It is inevitable that some men should prove more industrious, more capable, and more resourceful than others, and it is a fact that some few of our agents earn less commission in a year than others earn in a week, so that the claim put forward on behalf of the few is equivalent to a demand for a week's pay for something like half a week's effective work.

Hitherto we have been more or less content in the knowledge that our terms of remuneration afforded to the agent the opportunity of earning good wages, and in a number of cases where he has not availed himself of that opportunity we have accepted the situation, provided the collections were properly attended to. We have been loth to terminate the agreements of men simply on the ground that their agencies were unproductive, but that attitude will demand reconsideration—(applause) if dislike or unsuitability for the work and consequent failure to earn the average wage is made the ground for unwarranted criticism of the Company. (Hear, hear.)

Where the rate of an agent's earnings is much below the average wage we intend in future to ascertain the cause. If the shortage can be regarded as attributable to any fault on the part of the Company we shall do our best to supply what is lacking. If, on the other hand, the fault is properly attributable to the agent, we shall expect him to supply what is lacking, should he desire to retain his agency appointment. (Applause.) The cases of men earning much less than the average wage are, happily, relatively few in number, and we hope that a satisfactory and amicable arrangement may be arrived at with most of them when our inquiries have been concluded. There is every desire on the part of the Company to deal with them with as much generosity as the circumstances warrant. (Hear, hear.)

Magnificent Work of the Staff.

You will have realised that the unprecedented progress of the Company during 1918 could not have been achieved without enthusiastic effort on the part of the vast majority of the staff. Those superintendents and assistant superin-

tendents who were not considered eligible for active service have had a harassing time throughout the War, and during 1918 their difficulties became acute. The staff was so depleted that superintendents were temporarily undertaking the control of two districts, although in some instances no assistants remained to help them. Fortunately, the agency staff still left to us were, in most cases, men of considerable experience in the work, and I cannot speak too highly of the loyal efforts which produced such magnificent results. Our thanks are also due to the temporary collectors for much good work done on other agencies which are being maintained for men away with the Colours.

Our indoor staff have also risen splendidly to the calls necessarily made upon them, and we are thankful that a fair number of our men in khaki are now passing through the various stages of demobilisation, so that the almost intolerable strain on their civilian colleagues will be sensibly relaxed in the near future. (Hear, hear.) An additional strain on our staff has been caused by the prominent part taken by a number of our men in the work of the London Ambulance Column; those so employed have done their utmost to make good their frequent absences from office duty, but flesh and blood have their limitations, and their colleagues have, whenever possible, rendered such assistance as their own already overburdened energies permitted.

Red Cross Work.

The work of the London Ambulance Column has done much to relieve the sufferings of those who have been wounded for us in the terrible and prolonged conflict now, we trust, at an end, and I hope the undoubted services of the men composing that Column will meet with suitable official recognition. (Hear, hear.) The men concerned, not all of whom are connected with the Prudential, have made extraordinary sacrifices throughout the whole of the War, and it would be but just that they should share in any award which may be conferred on men engaged in the Home Service.

Entertainments have been given by members of our staff throughout the War to wounded soldiers both in this hall and in other centres, which have been much appreciated by those able to attend them, and we have heard with pleasure that the hospital work undertaken by a number of our women clerks has been greatly valued.

Women Clerks.

For more than 40 years we have employed a considerable staff of women clerks, so that it is no new venture on the part of the Prudential. Our experience is that more and more successfully they are establishing themselves as an efficient section of the staff, and we anticipate they will take an increasingly important place in our office administration.

Return of Enlisted Men.

After more than four years of war we are welcoming back those members of the indoor and outdoor staff who have been serving with the Colours. During their absence the Company has spared no effort to keep their families and dependants in a financial position no less advantageous than would have been the case had they remained with us. (Hear, hear.) Well have they deserved all that we could do, and we greet them with thankfulness that they have survived the many perils they have faced. Yet, while we rejoice at their safe return, our thoughts are filled with sadness when we remember the many who have laid down their lives for the great cause.

The Supreme Sacrifice.

Out of 1,508 members of the indoor staff who joined the Forces, 191 have died or been killed in action, while out of 7,152 of the outdoor staff 539 can never return. Their comrades who have been associated with them on the field of battle or have carried on their work at home will long cherish their memory, and the story of their great sacrifice will ever stand out as an imperishable record in the history of the Prudential. (Hear, hear.)

The directors propose to erect a suitable memorial in the courtyard to the memory of Prudential men who have fallen. (Applause.)

I now beg to move the adoption of the report and the accounts, but before calling upon Mr. Horne, the Deputy-Chairman, to second the motion, I should like to say that it has been considered advisable that a copy of this speech should be issued in book form, with the diagrams attached in the proper place in the book. All the shareholders will receive a copy of the book either to-morrow or the day after.

The Deputy-Chairman (Mr. W. Edgar Horne, M.P.): Ladies and Gentlemen,—The Chairman, as usual, has left the Deputy-Chairman very little to say, but perhaps I might be allowed to emphasise one point he has mentioned as to the ordinary branch bonus, which has been declared this last year at the rate of 26*s.* per cent. In 1914 the bonus that was declared was at the rate of 30*s.* per cent. For the three succeeding years a bonus was declared of £1 for each year, but notices were not sent to the policyholders because of the shortness of the staff. I should like, however, to point out that that makes an average for the quinquennium of 23*s.* a year. I need scarcely say that if any policyholder wants to take the money instead of allowing it to be added on to his policy, it is possible for him to take it. It may also be of interest to you to know how our funds are invested at the present time as compared with how they were invested five years ago. In home securities at the present time we have 73%, whereas five years ago we had only 58%; and we now have 89% of our funds invested within the British Empire, whereas five years ago we had only 78%. I have much pleasure in seconding the resolution. I will now ask Sir William Plender to address the meeting.

Sir William Plender on the Investments.

Sir William Plender, G.B.E., said: Sir Thomas Dewey, Ladies, and Gentlemen,—The balance sheet which is now before you is the thirtieth which my firm has certified as regards the investments and their safe custody. The occurrence of this anniversary has led me to make a comparison of the figures in 1889 and in 1918, and I think it may perhaps be of interest to the meeting if I refer to a few of them. At the close of 1889 the total assets of the Company were just under £11,000,000; they are now over £113,000,000. The subscribed share capital was then £200,000; it is now £1,000,000. The premium income has grown in this period from 4¼ millions to 16½ millions, and the interest revenue from £327,000 to almost £4,000,000, whilst the number of policies in force is now over 23,000,000, as compared with 8,700,000 at the earlier date. I think these phenomenal increases bear testimony to the fact that the Prudential has met a national want, and also to the skill and foresight with which its affairs have been managed. (Hear, hear.)

Turning now to the critical period of the last five years, which has subjected everything to a strenuous and unexpected test, I find that, whereas the balance sheet issued before the War at December 31, 1913, disclosed assets of £87,000,000, the assets now amount (as already mentioned) to £113,000,000, an increase of £26,000,000. If the Company can achieve this progress in face of the drain upon them of £5,000,000 for war claims and over £500,000 through the influenza epidemic, I think they are not unjustified in looking forward to a still more progressive future now that the former disquieting factor has practically disappeared. With regard to the existing investments, I should like to point out, although the shareholders will doubtless have already noticed it, that £35,000,000, representing 31% of the total assets, is in British Government securities, so that, while ensuring the greatest safety for the Company, the directors have at the same time helped the national finances most materially. It is scarcely necessary for me to add—I have said it so often—that we have found the securities in complete order. (Applause.)

The motion was carried unanimously.

Mr. Guy P. Harben Elected to the Board.

Mr. D. W. Stable said that in the absence, which they all regretted, and which he trusted would be only temporary, of their distinguished colleague and genial friend, Sir William Lancaster, the honour had fallen upon him of asking them to elect Mr. Guy Philip Harben a director of the Company. On the death of that able and learned lawyer, Sir Philip Spencer Gregory, the directors did their utmost to find out who was the best man in their judgment to fill the vacancy. They settled on Mr. Guy Harben. (Hear, hear.) Under the constitution of the Company two-thirds of the directors must assent to such an appointment; the directors were absolutely unanimous. (Applause.) The period for which Mr. Harben was appointed by the directors had now run out, and it was for the shareholders to say whether they considered him to be the right and proper person to be elected a director. They knew that Mr. Guy Harben was the grandson of old Sir Henry Harben, who did so much for the Company, and the son of Mr. H. A. Harben, one of the most able and intellectual men who ever adorned their board or any other. But that qualification was not enough. Something more was required certainly from a director, and they looked—personally he did with confidence—to the personal merits and ability of Mr. Guy Harben. (Hear, hear.) During the War that gentleman had done excellent work for the nation. His services had been recognised by the Crown, and the board confidently submitted his name to the shareholders as a man of honour, ability, and integrity, and as the right person to be elected a director of the Company.

Sir Riley Lord remarked that he felt particularly interested in seconding the motion for the election of Mr. Guy Harben to a seat on the board. The very name of Harben had an attraction for Prudential shareholders, especially those who, like himself, had been a shareholder in the Company for a very long time. He had no doubt that in Mr. Guy Harben they would discover some hereditary ability and knowledge of insurance matters.

The resolution was unanimously agreed to.

Mr. Guy Harben's Reply.

Mr. Guy Harben said he would like to thank the shareholders most sincerely for the great honour they had done him in electing him a member of the board. He felt considerably confused after his election, because he did not come to the Company just as an outsider who could win his way on his own merits. He had to live up to the reputation of two members of his family, who had been connected with the board before him, and that would be the greatest test he had to perform. No sooner had he been invited to join

the board than he began to dream of all the wonderful things one might do, but he had not been a director many weeks before he found that all his dreams had been realised long before he began dreaming them. (Laughter.) One of the great dreams he used to talk about with his father in the old days was the profit-sharing system—not merely as regarded the Prudential, but all over the country—and that system appeared to have been worked out to an extraordinary degree in their Company. Most people seemed to think that the duties of directors were to look after the interests of their shareholders. That might be the case in companies dealing with inanimate material, but the Prudential Company was dealing with human lives, and he had noticed since he had been on the board that the directors were prompted by other considerations which they regarded as being as important as the interests of the shareholders, or possibly more important. In his speech that day the Chairman had put the interests they had to consider in this order—first, the policyholder; secondly, the workers; and thirdly, the shareholders. He felt sure that Sir Thomas Dewey did so for a special reason—because after all it was the duty of the Company to serve the policyholder in the first place; and in the next place they felt that out of the revenues received from the Company's work it was their duty to see that the staff was absolutely contented and working in harmony with the Company. It had been his privilege during the last few days to meet over 200 of the Company's superintendents from different parts of the country, and in those interviews he had noticed the extraordinary affection which they had towards the directors, and especially towards Sir Thomas Dewey, Sir William Lancaster, and Mr. Thompson, if he might mention those names. They one and all remarked on the generous and liberal treatment received by them at the hands of the directors. He might say that because he had not been responsible for it, being only a new director. Letters had also come under his notice from members of the staff serving with the Forces expressing their warm appreciation of the liberal manner in which they had been treated by the Company. In conclusion, Mr. Harben again thanked the shareholders for his election, and said he trusted that he would be able to work to some small degree so as to live up to the great reputation of his grandfather and father. (Applause.)

Re-election of the Retiring Directors.

Sir John Luscombe, in moving the re-election of the retiring directors—Mr. John Irvine Boswell, M.D., Mr. Frederick Schooling, and Mr. James Moon—said he felt sure it was a proposal which would commend itself to the unanimous support of the meeting. He had been struck with one thing which he would just like to mention. The shareholders were probably aware that it was the policy of the predecessors of the present board, to whom so much of the success of this great Company was due, invariably to have as one of their number a member of the medical profession. He thought that that was a very good and a very wise policy, and the present board had been so fortunate as to secure as a colleague an eminent member of the medical profession in Dr. Boswell. Dr. Boswell, as they probably knew, was one of those who very loyally and patriotically came forward at the beginning of the War, and for something like two or three years he served in France ministering to our sick and wounded. Dr. Boswell's services on the board were very valuable, and they were all very thankful to have him back again with them. (Hear, hear.) He need scarcely mention to shareholders of the Prudential Company the names of Mr. Schooling and Mr. Moon. Both gentlemen were well known to all of them, and he believed the whole of their business careers had been spent in the Company's service. Mr. Schooling's actuarial knowledge was most valuable to the board, while Mr. Moon's great knowledge of the outdoor staff and his long connection with them was of the greatest service. (Hear, hear.)

The Hon. E. J. Hawke formally seconded the resolution, which was carried unanimously.

Dr. John Irvine Boswell thanked the shareholders on behalf of his two colleagues and himself for their re-election. He remarked that the Chairman, in his usual masterly way, had put before them the stupendous figures of the Prudential, and the thought must have been present in most of their minds how widely and intimately the national happiness and prosperity of the whole country were bound up with their great Company.

On the motion of Mr. T. R. C. Diel, seconded by Mr. E. S. Currey, Mr. Philip Secretan and Mr. W. H. Nicholls were reappointed auditors for the current year.

Mr. Nicholls, in acknowledging the re-election of himself and his colleague, expressed regret that Mr. Secretan was unable to be present through illness, and proceeded to pay a tribute to the valuable assistance to them by the Company's able staff and their eminent accountants, Messrs. Deloitte, Plender, Griffiths and Company.

The Chairman said that the next resolution was to have been moved by Mr. Arthur Willey, one of the best known men in Yorkshire, but owing to an accident he was unable to be present. Mr. Willey, however, had sent the following telegram: "Sir T. Dewey, Prudential Assurance, Holborn Bars, London. Sincerely regret, owing indisposition, cannot be with you at meeting to congratulate you and directors and staff for immense success in guiding our great Company through four difficult and troublesome years and to be able to present such an admirable and businesslike report. All shareholders would applaud the splendid patriotism of the Company during war. Financially, and otherwise, bright and immensely successful times are now in view. The only blot on report is continued existence of Courts (Emergency Powers) Act, which should be abolished now. Kind regards to your colleagues.—Arthur Willey."

Mr I. H. A. Marchand on the Strength of The Prudential.

Mr. I. H. A. Marchand said that no one regretted more than he himself that Mr. Arthur Willey had met with an accident which prevented him being present, and proposing the resolution which, in the gentleman's absence, he had pleasure in moving—namely: "That a hearty vote of thanks be given to the Chairman and directors for the services they had rendered during the past year." He said he could not help thinking that their annual meeting was one which marked an epoch in the history of the nation, because the Chairman's illuminating address invariably dealt with many questions which not only affected them as shareholders but also the whole nation. The Prudential had been described as "a nation within a nation," and the shareholders were extremely fortunate in having in their Chairman and his colleagues what he might call a perpetual Cabinet. The shareholders had no desire for a change of Government. (Laughter and applause.) They sincerely hoped that for many years Sir Thomas Dewey might preside over the Company, and that it would be a long time before there was any gap in the directorate. (Hear, hear.) The shareholders cordially welcomed the youngest recruit to the board, Mr. Guy Harben—(hear, hear)—who bore one of the most honoured names in the Company's history. The Chairman had shown that there was any amount of vitality in the board, as was evidenced by the fact that they were about to embark on fire business. He felt that this new branch of business would be, in time, as successful as the life department had been. They must not forget, however, that it had taken well over half a century to bring the Company up to its present unassailable position in the insurance world, and he was sure the shareholders would not expect to receive dividends from the new branch of the business immediately. The Prudential was strong because it was prudent. He was very pleased to hear the Chairman mention one particular matter, and that was the claim that the Life Offices' Association had made on behalf of the companies which had sustained losses through the payment of War claims. This Company alone had paid by way of War claims £5,000,000. If ever there was a case in which the Huns should be made to pay, it was in respect of the huge excess of these claims over and above what they would have been had there been no War. (Applause.) He was perfectly certain that every policyholder endorsed most heartily the patriotic action of the directors in charging no extra premiums on existing policies of men serving in His Majesty's Forces, but, the War having been gloriously won, it was but bare justice that the claims of the policyholders for compensation from the enemy should be pushed by the board with the utmost vigour. (Applause.) Every one of the Company's 22¼ million industrial branch policyholders, as well as every one of the 957,000 ordinary branch policyholders, was a direct loser by this extremely heavy strain on the Company's resources, so that if the Government should ask the board, "For whom are you putting in your claim?" the Company's answer would be, "For nearly half the nation," and this should prove irresistible. (Applause.)

Mr. H. C. Willis seconded the motion, which was passed unanimously.

Mr. W. T. Pugh, in acknowledging the vote, said that during the last few years most people had gone through very strenuous times, and he could assure the shareholders that the Prudential directors had not been immune. At times they had had some very important matters to decide, but nothing could nerve them to continue doing their very best more than the kind words uttered by Mr. Marchand and the way the meeting had received his proposition. On behalf of the Chairman and directors, he begged to thank the shareholders most heartily for their kind vote. (Applause.)

Vote of Thanks to the Management and Staff.

Mr. F. Schooling said it gave him the greatest pleasure to move that a vote of thanks be given to the management and the indoor and outdoor staff, because for 45 years he was a member of that staff. To do justice to the resolution one would require to make a long speech, but he would merely ask the shareholders to consider the tremendous amount of energy and hard work that the staff must have displayed and done in order to produce such wonderful results as those which had been placed before them by the Chairman that day. They were now getting back men who had served in the Navy and Army, and he was sure they all wished to include in the vote every one who had been serving or was still serving. (Hear, hear.) In their General Manager, Actuary and Secretary they had men of outstanding ability and power, who had made their mark

during these years of stress in many fields of national usefulness. (Applause.) They had also assistants, and he knew that the General Manager and his colleagues would be the first to wish to acknowledge the loyalty and ability with which not only their immediate assistants, but also the whole of the staff, had backed them up throughout the past year. (Hear, hear.) He took this opportunity of congratulating one of their Assistant Managers, Mr. Barrand, upon his election as Member of Parliament for the Pudsey Division of Yorkshire. (Applause.) He was quite sure that that gentleman's exceptional ability and knowledge would prove of great service to the country. Their colleague and General Manager, Mr. Thompson, who might be called the hub of the Prudential universe, upon which all Prudential activities buzzed, would respond to the vote of thanks which he had now very much pleasure in proposing. (Applause.)

Remarkable Figures for the Past Year.

Mr. James Moon, in seconding the motion, said that it would be almost unseemly if the shareholders of the Prudential were to separate without adequately and very cordially expressing their indebtedness to the management and the whole staff for the remarkable figures which they had recorded during the past year. To the Manager and his able colleagues, supported by a very loyal staff in the chief office, they were greatly indebted for their enthusiastic labours in the service of the Company; but he was sure the Chairman would think it only natural if he, an old inspector of the Company, should want to emphasise the part contributed by the outside staff—(hear, hear)—the inspectors, the superintendents, the assistant superintendents, the district office clerks, the agents, and the canvassers for the great contribution which they had made to that colossal increase of £2,000,000 in the premium income of the Company. These figures meant a gigantic effort on the part of every member of the staff. They also meant that the agents of the Company had seized their opportunity, had worked with a right good will to succeed and had succeeded, and they richly deserved the increased remuneration which they would receive for having procured those results. (Hear, hear.) They had heard that day a great deal about increased production. Well, the Prudential had already got to work and set the example in presenting the shareholders with such splendid figures for 1918—(hear, hear)—and, if he judged them rightly, the agents and the superintendents would welcome very warmly the greater opportunities for increasing their remuneration which were afforded by the general branch by means of fire insurance, employers' liability insurance, and accident insurance. He could assure the outside staff more particularly that the directors and the shareholders greatly appreciated their work during the past year, and the board were very proud to have so many expressions of gratitude from members of the staff who had been serving their country for the generous treatment they had received from the Company during their period of service. No employers in the country had treated their staff better, and it was only fair to say that no staff ever deserved better treatment. (Hear, hear.) In conclusion, he would only say that Mr. Thompson, the Manager, was always more ready to acknowledge the merits of his friends and of his colleagues than to boom himself, and the whole staff would do well to trust him entirely to do the very best he could in their interests. (Applause.)

The vote was unanimously accorded.

The General Manager (Mr. A. C. Thompson) thanked the shareholders for their very cordial vote to the management and the staff of the Company. The activities of the staff, he said, during recent years had been very varied in character and world-wide in extent, and they would never forget the patriotism displayed by their men on active service, and also by their men who had been largely instrumental in maintaining the service which the London Ambulance Column had rendered to the sick and wounded. In every description of work undertaken to help to win the War the company's staff had played a noble part (hear, hear)—but he was glad that a special reference had been made to that relatively small body of men and women, indoors and outdoors, who had been left to them. They had not been content with the colossal task of merely carrying on the business; they had been able to establish and create a record of progress the like of which had never been known in the history of the Company—(hear, hear)—and on behalf of the staff he thought he ought to say that the thanks of the shareholders were well merited, that the staff, whether on active or on civilian service, had established new and additional claims to their appreciation, and that they had abundantly shown that the spirit of the Prudential was more than equal to any call that might be made upon it. (Hear, hear.) The staff would be content to leave their future in the hands of the board, confident that the production at which they aimed and the increasing efficiency on which they were determined would be suitably and unobtrusively acknowledged by the Company. He was glad that Mr. Schooling had mentioned that he should desire to thank his personal colleagues, the officers of the Company, indoors and out of doors, for the way they had shared with him the burden of the management, and he thought all of them would like him to take a special reference to the help they had received from his able colleague Mr. Burn. (Applause.) That gentleman was responsible for the preparation of the tables which provided for the purchase of War Stock and War Bonds by instruments, and the fact that they had at the end of the year 400,000 of those policies in force was eloquent testimony to the ability of Mr. Burn and also to the skill with which that ability was seconded by the Company's staff throughout the country and at the chief office. (Applause.)

Sir William Davison, M.P., proposed a hearty vote of thanks to Sir Thomas Dewey for his conduct in the chair, and for presiding over the interests of the Company, not only during the past year, but also during the past four and a-half anxious years of war. He remarked that it was no light task to be commander-in-chief of a great undertaking such as that of the Prudential, with assets of upwards of £109,000,000 and responsible for the security of upwards of 20,000,000 policyholders. The Prudential was much more than a commercial undertaking; it was a national institution, and in these days of uncertainty and unrest it was more than ever a great buttress of the national security, and the main support of that buttress was Sir Thomas Dewey, the Chairman of the Company. (Applause.)

Mr. N. Hanhart seconded the vote, which was passed unanimously, and the Chairman having briefly acknowledged the compliment, the proceedings terminated.

EXCESS INSURANCE COMPANY, LIMITED.

The twenty-sixth ordinary general meeting of the Excess Insurance Company, Limited, was held at 3 and 4 Royal Exchange Buildings, E.C., on February 28, Mr. Cuthbert E. Heath (Chairman of the Company) presiding.

The Secretary (Mr. F. E. Johnson) having read the notice convening the meeting and the auditors' report,

The Chairman said:—Gentlemen,—This is the twenty-sixth annual meeting of the Company. The accounts are before you, and speak for themselves. One point will strike you at once—the large reduction in the total of the premiums. I do not think that the amount of risk assumed has varied to any great extent. The reduction must be put down to the gradual effects of the battle of Jutland. By that I mean that the fall in the rates of premium has been due largely to the confidence gradually inspired by the results of that day. It did away almost completely with the fear which was always present in the minds of the underwriters—the fear of the breaking out of the German Fleet, or a considerable part of it. With that fear diminished, and the knowledge that the submarine danger was at least capable of being kept within reasonable bounds, the rates of premium naturally fell.

Results of the Underwriting.

The results of the underwriting will, I think, be considered satisfactory. The year 1916 is now closed; the balance over and above what was dealt with last year will just about equal the amount still to be paid for excess profits tax for that year. The year 1917 also has turned out well. It is possible, and I think probable, that this time next year will show some further profit beyond that now dealt with. As to the year 1918, all we can say is that it has begun well. As regards the future, I am hopeful that we shall be able to continue to make profits—not the profits of late years, but still satisfactory profits. In some departments, especially in marine insurance, severe competition is certain, and we must not be surprised if profits become very small. On the other hand, the Excess Insurance Company is in the fortunate position of being able not only to take early advantage of every development in insurance, but very often to initiate them. It is rather to these new forms of insurance that I look for our further prosperity. My own personal feeling is that insurance is going to become more and more the solution of many of our difficulties. The problem of promoting individual initiative and individual freedom, and at the same time extending the benefits derived from them to the general social body, is, to my mind, largely to be solved by the extension of the principle of insurance. It may be a bold claim to make, but I nevertheless believe it to be true. When one comes to think of it, the prosperity of society depends on its efficiency. Its efficiency will depend on the best use of its brain power. It is to free this brain power from being interfered with by contingencies outside its control that insurance [illegible] Let me give an example. A manufacturer of threshing machines, by devoting all his energies to the improvement of them, can no doubt save food for the community. But to obtain the greatest improvement all his energies should be devoted to doing so. He ought to be enabled to provide against all [illegible] which will dissipate those energies.

Comprehensive Benefits of Insurance.

Accidental insurance will do that. It [illegible] physical risks, such as fires, explosions, [illegible] and so on. As I explained last year, our Company at first is engaged to a certain extent in [illegible] risks in respect of the credit he may give, and I am not at all sure that insurance will not in time come to help him in providing against [illegible] difficulties. I can imagine a time when the [illegible]

job shall not be interfered with either by physical hazards or by his employer breaking faith with him. I can imagine the employer being insured against his schemes being interfered with by the same physical risks and also the bad faith of the workman or his union. In other words, insurance can become the stakeholder—the buffer state between two parties, who, for the moment at all events, do not seem to have much faith in each other. Our own splendid Lloyd's Register has proved how much can be done to save loss and also to provide that no one shall profit by using scamped material, and so have the advantage of his rival, to the detriment of the community. Many other examples could be cited of the way in which insurance promotes efficiency and diminishes the losses of the peoples. In the same way, it may be that insurance can lay down conditions which would promote harmony between employers and employed, and enforce fair dealing, and so avoid much waste for everyone. Let us hope that time may come. I now beg to move the adoption of the report.

Mr. Arthur Burns seconded the resolution, which was carried unanimously.

The Chairman then proposed, and Mr. Montague Evans seconded, "That a final dividend of 20%, making 35% for the year, be paid."

The resolution was carried unanimously.

MATHER AND PLATT, LIMITED.

The twenty-first annual general meeting was held at the Chartered Accountants' Hall, Manchester, on February 28, 1919, Mr. John Platt presiding in the absence of the Chairman, Mr. Loris E. Mather, through indisposition.

The Secretary (Mr. Vernon R. Milner) having read the notice convening the meeting and the report of the auditors,

The Chairman said : The remarks that I am going to read are what the Chairman of the Company has himself prepared. The profits of the year are undoubtedly satisfactory, making 1918 the best year the Company has yet experienced. In view of this, we have decided to pay the dividend on the Ordinary shares free of income tax, which gives the shareholders a considerable advantage. We have invested a further £70,000 in National War Bonds. You will notice that we have considered it advisable to increase still further our "carry-forward." A few words of explanation will, I think, gain for us your approval of this action. During the present twelve months we shall require as much capital as possible in the business. Considerable building extensions will be required at Park Works. Our representation abroad needs strengthening. Credit may have to be allowed in dealing with the contracts in devastated countries. Many of our men who will return to us after four years of military life will need assisting while they are making up for lost time. A staff pension scheme on a contributive basis is under consideration. We are establishing a special department for research and experiments, which will require a separate building and considerable equipment. We have also decided to give each year to our workpeople a week's holiday with full pay. We have long recognised the difficulty of the summer holiday being used in its true sense, particularly by the lower-paid workers, and the holiday fund started by Sir William Mather some years ago has been much appreciated. The new arrangement will constitute a substantial addition to this fund and be an example which we hope to see generally adopted.

War Work, and Lessons Learned Therefrom.

Although during 1918 we had, if anything, more war contracts in hand than before, the Armistice did not cause much dislocation, and we have been able to turn over to our civil work without difficulty and, I am particularly glad to say, without having to discharge many of our workers. Now that hostilities have ceased, it is, I think, fitting to tell you something of our activities during the War. Early in 1915 we took on a large contract for the French fuse used in the famous 75 mm. gun. In this same year we commenced making the 4.5-in. H.E. shell for the newly-formed Ministry of Munitions, together with various types of trench-mortar bombs and fuses. From the commencement of the War we have held contracts from the Admiralty for main electrical motors for submarines. Each year has seen an increasing variety of munition work going through our shops. The manufacture of 15-in. H.E. shell, the repair of 6-in. howitzers sent direct from France, firing mechanisms for Admiralty mines, tank gear boxes, and gun sighting gear are a few of the more important contracts. Our electrical and pump departments have been on their standard products, supplying all sorts of munition undertakings. Our fire engineering section has been called upon to protect many of the most important explosive filling factories, aircraft factories, and aerodromes in the country; and our textile department has been largely taken up with explosive and dye-making plants. I doubt whether any firm has undertaken a greater variety of war work, and it has meant, as you may imagine, the most careful organisation to fulfil our promises. The War has taught us many things, but perhaps the chief lessons have been improving our adaptability to tackle problems which we should have turned down as impossible a few years ago, and in showing the advantages which can be derived from production on repetition lines. Although much of the machinery we produce does not lend itself to mass production, we can do a great deal in this direction, and have already made a start by giving up some of our less profitable lines and concentrating on those which bring in the best returns.

Labour Unrest.

The unrest at present prevailing is much to be regretted, arising as it does from a legitimate desire for shorter working hours. This Company, as you know, has worked the eight-hour one-break day for over 25 years. Sir William Mather introduced this system in 1893, when it was given twelve months' trial. The result was acclaimed by the workers and the management as being so satisfactory that the new hours were definitely established and have been worked ever since. I venture to think that had other firms in engineering and other industries realised the value of shorter hours earlier there would have been less trouble at the present time. The reduction of hours below 47 or 48 per week is also economically possible, provided the workers will welcome the introduction of more machinery and mechanical devices which will increase production and, at the same time, do away with many monotonous processes now performed by hand. We must all realise that this country has to face keen outside competition, and unless production is not only maintained, but increased, we shall not be able to hold our own in the world's markets, upon which we, as an island kingdom, must necessarily depend. This year will undoubtedly be a difficult one, for reasons which are self-evident, but with good feeling and common-sense from all parties we should be on the threshold of greater prosperity and happier conditions for all concerned. We must not forget that the inflation of national credit which has been going on these last few years cannot possibly continue, and other results of this devastating War, though it has brought us a great victory, will affect this country for many years. Our business prospects for the future are bright, though it may be some time before normal conditions can prevail, and therefore the present year's results may not equal those of 1918. We have a large number of orders on our books awaiting execution. Many of these having been taken three or four years ago, now stand at unremunerative prices. We are trusting to the good feeling of our customers to meet us to such an extent that the Company will not suffer an actual loss in the execution of the work. Though the future is uncertain and many of our foreign markets are closed for the time being, you can rest assured that this Company will continue to be found in the forefront of industrial development throughout the world.

The Chairman then moved the adoption of the report and balance-sheet and the dividends recommended.

Mr. John Taylor seconded the motion, which was at once carried unanimously.

ARIZONA COPPER COMPANY, LIMITED.

Transition Period.—Post-War Prospects.

The thirty-fifth annual meeting of the Arizona Copper Company, Limited, was held at Edinburgh on the 3rd inst., Mr. George Readman, Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, said : At the beginning of the year now under review the strike which figured so prominently in the preceding year was still in progress, and it was a great relief to all concerned when it came to an end about the month of November 1917. As you can easily realise, however, normal conditions that have been interrupted for a period of several months are not capable of being immediately restored by the ending of a strike, and it was not till the month of February 1918 that operations began to attain a normal scale—and even when this was reached we had to contend against the increased cost of all important supplies, scarcity of labour caused by the demands of the War, and a little later on, a considerably higher scale of wages. Notwithstanding all these difficulties, our staff at Clifton did their best to maintain our production of copper, which, during the financial year, amounted roughly to over 40 million pounds, as against over 42 million pounds for the previous year. As finally adjusted, the production for the year was equivalent to 20,221 tons of Bessemer copper, of which 6,590 tons were disposed of in the form of Bessemer and 13,631 tons were refined and sold in the form of electrolytic copper.

Allocation of the Year's Profit.

The pecuniary result of the year's operations shows a net surplus of £274,367, to which the balance brought forward of £13,737 falls to be added. This gives a total surplus of £288,105, out of which we recommend that a dividend on the Ordinary shares be declared for the year to September 30, 1918, of 3*s.* per share, free of tax, absorbing £227,934 8*s.*, and that the balance—£60,120 12*s.* 11*d.*—be carried forward. The dividend recommended is 1*s.* per share less than the dividend paid last year, and disappointment has been expressed at this reduction, seeing that this year the profits have been relieved of the heavy charge which they bore last year and in previous years for the redemption of Terminable Debentures. Let me try to explain how this stands. The redemption fund last year amounted to £137,805; the reduction in the dividend represents £75,995·

and this year there was brought into the accounts from the previous year £15,737, while no balance was brought forward into the accounts for the year to September 30, 1917. These three sums total £227,537, and the shareholders will wish to know how this amount is accounted for. The profit from copper, &c., for the year to September 30, 1917, was £1,205,646; for the year to September 30, 1918, it was £805,129, or a reduction of £400,517, and miscellaneous differences represent a further £3,490, together £404,007. Against this reduction of profit the sums estimated for taxes for 1918 are less than the previous year by £222,853, leaving £181,154. If you add to this the increase in the amount to be carried forward—£60,121, against £13,738, or £46,383—you get the previous sum of £227,537.

Causes of Reduced Earnings.

The reduction in profit from copper, &c., of £400,517 was due not to one cause, but to three, for none of which were the directors responsible—(1) the reduced selling price, to which reference is made in the report as showing an average of £10 3*s.* 1*d.* per ton, accounted for £205,300; (2) the increased cost accounted for £137,400; and (3) the reduced production accounted for £57,800. Advanced wages, larger refining charges, and higher freight rates, &c., all helped to increase the cost of production. In accordance with an Order by the Federal Administrator appointed by the Mediation Commission, an advance in wages was put into effect as from April 1, 1918, and, as already mentioned, a further advance followed the increase in the price of copper in July. You will notice that Mr. Carmichael, in his report for the year, mentions that during the War the cost of all important supplies steadily increased until double, and even treble, normal prices had to be paid for commodities entering largely into the production of copper. The reduced production was entirely due to the conditions arising out of the strike in 1917. In consequence of shortage of labour, it has not been possible, for some time past, to carry on development work to the extent considered necessary in normal times, but while that is so the shareholders should know that the board have not neglected this vitally important matter, but have charged in the accounts, and set aside to be expended when the time arrives, the sums which would have been spent on development had sufficient and suitable labour been available.

The Balance Sheet.

An examination of the balance sheets at September 30, 1914, and September 30, 1918, will show that, after providing for the balance dividends, the assets of the Company in 1914 exceeded the share capital and the liabilities to the creditors by £916,278. In 1918 the assets exceeded the share capital and other liabilities by £1,643,962, an increase of £727,684. This increase is represented by the amount of the Debenture debt paid off, £400,000; the sums carried to reserve and expended on additions and improvements to plant, &c., and applied in augmenting the working capital of the Company, £290,000; an increase in the insurance fund to the extent of £4,847: and the increase in the balance carried forward, £32,837; total, £727,684. There have been provided during the four years in question, from material realised and depreciation written off, sums amounting in all to £111,677, which sums have been applied towards meeting so far the large increases in the copper and general inventories—in other words, fixed assets have been replaced by floating assets to the extent of over £100,000. It will be seen, therefore, that at September 30, 1918, the Company were in a better position to meet difficult times than they were at the beginning of the period referred to—especially in respect of being entirely free of Debenture debt.

Present Position.

So much for the past; let us now look at the present. All the copper-producing companies were under agreement with the Washington Government to make their output as large as possible while the War lasted, the metal being in such constant and urgent demand, and this Company, along with the others, did their best to fulfil this requirement. It has been estimated that the various Allied Governments used about 90% of the copper produced during the War. On the sudden stoppage of hostilities on November 11 this demand, of course, came to an abrupt termination, and as there has not been time for a large demand for industrial purposes to spring up, a very difficult situation has been created. All the producers find themselves with large stocks on hand made at a high cost, the market price of which has suddenly fallen. As we have stated in our report, the quantity we had on hand on January 31 was about 8,000 tons. Most of the producers have voluntarily curtailed their output, and anxious consideration of the situation led the directors to decide upon the same course, which seemed to them to be the only practicable one in the circumstances. They have, therefore, instructed Mr. Carmichael to reduce the production to a one-furnace basis, and accordingly, until the demand justifies a change, the production will be from 1,000 tons to 1,200 tons of copper per month. It would be neither prudent nor possible to continue for any length of time the former rate of production while there is little or no demand for the metal, as I may remind you that every thousand tons of copper added to the accumulated stock means—even at 15 cents per lb.—the locking up of $300,000, or over £60,000. Expenditure on improvements will also be cut down so far as is consistent with safety.

The Future.

It is not safe to predict what the copper situation will be in the immediate future. A great demand for copper must inevitably arise in connection with the enormous amount of reconstruction work that lies before the nations. The difficulty is to estimate what period will elapse before that demand begins. Some of you who were present at our last annual meeting may remember that I drew attention to the value of copper and the coming scarcity which then seemed probable. The contrary is the case at the moment, and the supply, as I have explained, has greatly outrun the demand. The situation calls for careful handling. It would be unwise to force our supplies upon an unwilling market, and the patience and forbearance of the shareholders will be necessary until the present excessive stocks are absorbed and the demand for the metal once more gives us an adequate price. Regarding the mines, there is nothing particularly new to report, which is quite natural in view of the fact that development work during the year has been so restricted. It is, however, satisfactory that Mr. Carmichael is able to report that ore slightly in excess of the tonnage extracted, and of a grade similar to that which we are at present milling, has been added to the reserves in the King, Coronado, and Pyramid Mines. It is unfortunate that we have again to report a fire in the Coronado mine, especially as indications point—although there is no positive proof forthcoming—to its being of incendiary origin. But it is gratifying to learn that, although the 500-foot level has not yet been reported clear, the fire has been entirely extinguished on the 600-foot and 700-foot levels—the two other levels affected. In view of the difficulties and dangers attending ocean travel during the War, no deputation from the board has visited America since the early months of 1916. It has now been arranged, however, that Mr. McNab, Sir David Paulin, and myself shall sail in about ten days for New York, *en route* for Clifton. We shall, of course, as we pass through New York, interview our selling agents, who have been advised of our intended visit, and obtain the latest information regarding the present position and prospects of the copper situation. The whole position of matters will also be very thoroughly discussed with Mr. Carmichael, and I trust that we shall be able to bring home with us much valuable information which will be of assistance to the board in dealing with the conditions which may arise from time to time From what I have said of the difficulties experienced during the year, you will be able to realise in some measure the strain that has fallen upon our General Manager and his staff in Arizona, and I feel, in concluding these remarks, that it is only right and fitting to acknowledge how greatly indebted we are to Mr. Carmichael and to the whole staff under him for all they have done on our behalf. We highly appreciate the loyal way in which they meet and overcome the many and unforeseen difficulties that confront them from time to time, and I can imagine that nothing more heartening and encouraging could be conveyed to those who are promoting and safeguarding our interests 6,000 miles away than the assurance that the shareholders appreciate their efforts and have confidence in their results.

Mr. Frederick L. MacLeod, C.B.E., Glasgow, seconded, and the report was carried unanimously.

JAMES DUNLOP AND COMPANY, LIMITED.

The nineteenth annual general meeting of James Dunlop and Company, Limited, was held on March 4 at Cannon Street Hotel, E.C., Mr. R. M. Donaldson (the Chairman) presiding.

The Secretary (Mr. Walter Buchanan) read the notice and the reports of the auditors.

The Chairman, in moving the adoption of the reports and accounts, said that separate balance sheets and profit and loss accounts were under consideration for the years 1917 and 1918. The profits for 1917 were £88,733, and the total



amount available was £111,274, out of which the directors had paid the full Preference dividend of 6% and an Ordinary dividend of 10%, appropriated £30,000 for depreciation and placed £20,000 to reserve, carrying forward £18,274. As regarded the 1918 balance sheet, the profits were £105,881, which added to the £18,274 brought forward made £124,155, out of which they had paid the half-year's Preference dividend, and now had to deal with £115,155. They proposed to appropriate £35,000 for depreciation and to place £20,000 to reserve account. After providing for the remaining half-year's Preference dividend, they recommended an Ordinary dividend of 10%, carrying forward £26,155. In view of the anxious times ahead it was essential to conserve the financial strength of the Company. There were also many uncertainties as to competition in the future of the iron, steel, and coal trades, and that, with the turmoil in the labour world, would call for wise and patient effort on the part of manufacturers in this country to keep the industries for employers and workmen in a satisfactory condition. With regard to the balance sheet for 1918, floating stocks stood at £168,153, which was much larger than in former year, but they were carefully valued, and values had greatly increased since 1914. More money was being employed in the business than ever before, and with high values of materials and high wages, which were likely to continue for some time yet, it was fortunate that they were in a position to meet any demands in that direction. As to the coal trade, they supplied their own establishments in a great measure, but working had been so far from profitable that, unless conditions changed greatly for the better, they would have to consider the giving up of certain leases. The Company's affairs were never in a better condition, however, as a whole.

Mr. A. S. Macharg, C.A., seconded the resolution, which was carried unanimously.

HARROD'S STORES, LIMITED.

THE twenty-ninth annual general meeting of Harrod's Stores, Limited, was held March 5, 1919, on the Company's premises, Brompton Road, S.W., Sir Alfred J. Newton, Bart. (the Chairman), presiding.

The Secretary (Mr. R. H. Griffith) read the notice convening the meeting, and the auditors' report.

The Chairman said: Ladies and gentlemen,—You will have noticed from the report the sad loss the Company have sustained during the past year by the death of our old friend and colleague, the late Mr. Herbert Bennett, who was a director of the Company from its incorporation, now 30 years ago, and you will, I am confident, join with the directors in the expressions of sympathy and condolence conveyed to Mrs. Bennett and family. To fill the vacancy in the directorate the board have unanimously appointed Mr. Allan Hepworth, one of our sectional managers, and chief accountant of the Company. This appointment will be submitted for your confirmation later on.

The report and accounts having been in the hands of all shareholders for the past few days, it will no doubt be your wish we should take them as read. It is again my pleasure to present to you results of the year's trading, which I am sure we shall all agree are highly satisfactory, especially having regard to the fact that a large portion of our trade in the grocery, provision, and perishable departments has been done at a very small profit, in some cases at an actual loss. In addition to this, we have had to contend with all the difficulties consequent upon Government restrictions, rationing, and control. Both the trader and the public note with great satisfaction, and no small measure of relief, the gradual increase in the supplies of every-day articles of food, and the promise from the Government of reduction in the price of many foodstuffs within the next few weeks.

Report and Accounts.

Turning now to the report and accounts, you will remember that last year I was able to state that the balance sheet revealed the strongest, and in every way the most satisfactory, financial position it had been my pleasure to review. The figures now submitted show a position even stronger and more satisfactory than last year. Having given you a very full survey of the figures in the balance sheet and profit and loss account last year, it is not my intention to go over the same ground now. It will, no doubt, be sufficient if I refer to the chief items where any material change has taken place.

Let us first refer to the result of the year's trading. The net profit earned for the year ended January 31, 1919, after making full provision for all sinking funds, depreciations, bad and doubtful debts, is £352,041, being an increase of £69,748. This is the largest amount of net profit we have earned in any one year, and is the result of a very substantial increase in the business we have done, the total turnover of the business being the largest in the history of the Company. The increase in trade done during the past year also creates a "record." The policy which has been a special factor in our progress and prosperity from the inception of the business, of giving our customers the best value and quality at reasonable prices, has contributed largely to this result. I think I am right in saying that we work for as small a gross profit, and probably smaller, than any other large London store. This is well known to our customers, with the result I have just mentioned—a "record" increase in our business. A substantial part of this increase has come from customers outside London and resident in every part of the United Kingdom. We are obtaining an ever-increasing number of country customers. This proves that Harrods' system of "shopping by post" is becoming more widely known, and the exceptional value given, together with a well-organised system of dealing with country orders in all our departments, is being realised and fully appreciated. We anticipate a continual growth in business amongst our country customers, and this will be especially provided for, and all orders will be promptly executed, if we can rely upon the promised improvement in the railway and postal services.

Turning now to the profit and loss account, marked No. 1, and under the heading of working expenses, there are three of the items showing substantial increases. (1) Salaries, wages, commissions, bonuses, and maintenance of staff. Here we have an increase, compared with last year, of £64,990. The whole of our staff have benefited by this increase. We believe in paying our staff well, and making every reasonable provision for their work being done under healthy and comfortable conditions. No effort is spared on the part of your directors and the management to provide for the comfort, well-being, and satisfaction of our staff, and I am pleased to say the happiest relationship exists between us. (2) Printing, stationery, advertising, and stamps. This shows an increase of £19,568, and is about evenly divided over each of the three items. It is sound policy to keep well abreast of the times in our advertising, and in this matter, I think it will be agreed, we are successful. Printing and stationery is explained by increased prices, both in labour and material. The Government having increased the postal rates for letters and parcels, together with the larger country trade we have done by post, explains the large amount expended in stamps. (3) Repairs and renewals show an increase over last year of £19,367, and a total expenditure of £50,546. The present high price of labour and material accounts for a large portion of this increase. We have also been reorganising and enlarging the furniture, furnishing, and decorating section of our business, also some of the men's and drapery departments, and those of you who have seen what has been done in these directions will agree that great improvements have been made, and already a much larger trade is being done. Undoubtedly, we now have a furnishing section worthy of the House of Harrod's, and a stock which in quality and variety is one of the finest in the kingdom.

The Balance Sheet.

On the other side of the profit and loss account the only item calling for reference is the satisfactory amount of gross profit earned, which shows an increase on a comparison with last year of £191,847. As previously stated, this is due to the very substantial increase in our business and the marked expansion of several of our departments.

May I now invite you to turn to account No. 3 and to the capital and liabilities side. You will notice an increase in the amount of the Ordinary share capital of £350,000. This is due to our having carried through, during the financial year, the scheme for the conversion of the shares of the Founders' Company. The additional capital thus created participates in the 17½% dividend, while, on the other hand, no dividend is payable in respect to the Founders' shares.

To the reserve fund has been added the sums of £34,329, being the balance of carry-forward of the Ordinary shares as at January 31, 1917, and £12,000 balance carry-forward at the same date *re* Founders' shares, which is in accordance with the provisions of Harrod's Stores, Limited, Act, 1918. The deposit and current account balances stand at a record figure of £946,640, and evidence the confidence of our banking clients, who are chiefly our business customers, shareholders, and friends introduced by them. The loan from our bankers now stands at £80,000, having been reduced by £70,000 during the year. The remaining items on that side are quite on a normal level and call for no comment.

If you will now turn to the assets and expenditure side of account No. 3, you will observe an item of £348,600 appears for the first time, being the amount required in connection with the conversion of the Founders' shares of the Company pursuant to Harrod's Stores, Limited, Act, 1918. The corresponding entry for this is, as we have pointed out, an increase in the Ordinary share capital. In the freehold properties there is an increase of £74,000 for the purchase, on advantageous terms to the Company, of the freehold of the most important portion of the Trevor Square estates previously held on lease.

You will notice the stocks on hand show a record figure of £1,068,162, an increase of £262,334. This stock has been well bought and is of very good value, and if we had to buy it at present-day prices would cost considerably more. Having bought well, we are giving our customers the benefit. The rapid growth of the business necessitates the keeping of a bigger stock; in fact, as a result of the stocks we carry we are able to give our customers the widest choice and the greatest variety of any house in the United Kingdom. Cash at bankers and in hand stands at £138,186, being an increase of £13,558.

Sir Woodman Burbidge, Bt., C.B.E. (managing director), said: Ladies and Gentlemen,—As you see by the report, we distributed among the staff a bonus of £15,000 on the occasion of the signing of the armistice. Seeing that the staff has been so loyal, we felt it only right to show our appreciation of their work. I have pleasure in seconding the resolution, and I feel sure that when we have the pleasure of seeing you again next year you will have just as satisfactory results put before you as you have had to-day.

The resolution was unanimously carried.

The Chairman then proposed the confirmation of Mr. Allan Hepworth's appointment as a director. He said that the board felt that they were adopting the right course in appointing men who were in daily contact with the business.

Sir Woodman Burbidge seconded the motion, and it was agreed to unanimously.

The retiring directors (Major H. K. Newton, O.B.E., M.P., and Mr. Edgar Cohen) were, on the motion of the Chairman, seconded by Mr. F. H. Harvey-Samuel, re-elected.

Mr. Dingwall proposed the reappointment of the auditors (Messrs. Hays, Akers, and Hays), and this was seconded by Mr. Baldwin and carried.

A resolution having been passed unanimously voting the directors a bonus of £3,000 in respect of the year 1918-19, the proceedings terminated with a vote of thanks to the Chairman and directors and to the officials and staff.

CROCKER, SONS AND COMPANY, LIMITED.

The eighteenth annual general meeting was held on March 6 at Cannon Street Hotel, Mr. John Eccleston Sheldon presiding.

The Chairman, in moving the adoption of the report and accounts, mentioned that the Company's sales for January and February were again ahead of those for the corresponding months of last year. Dealing with the balance sheet, he pointed out that the items of stock, book debts, bills receivable, and cash at bankers totalled £742,000, while the items of creditors on open accounts, sundry creditors, &c., including reserve for excess profits duty and cash deposits, amounted to £489,000, thus showing a balance in favour of the assets of £253,000, and leaving the Company £32,000 better off in comparison with the corresponding figures for 1917. Proceeding, he said: The net profits, after certain deductions, including excess profits duty, amount to £41,912. I would here refer to the item, "Writing off outlay on alterations to premises," and state that during the War, owing to the still further great expansion of our business, we deemed it prudent, after very careful consideration, to make further extensions to our premises, and we were fortunate in obtaining the lease of Nos. 10, 11, and 12 Bread Street, adjoining our own buildings, on what we believe to be favourable terms. To the profit already mentioned there has to be added £11,130 brought forward. This gives us a disposable balance of £53,042.

Dividend and Bonus.

After providing for the Preference dividends, it is proposed to pay a dividend for the year on the Ordinary shares of 10%, together with a bonus of 2½%; in other words, out of a disposable balance of £53,000 we propose to distribute to the shareholders about £17,000, which I do not think can be called an extravagant amount. We also ask you to transfer to the staff benevolent and pension fund the sum of £3,000. I would here like to bear testimony to the excellent work of our staff, and, I may add—for special reasons—their loyalty during the past year. Particularly must I refer to the strenuous work of our Managing Director, Mr. Hubble, and that of his co-working directors, Mr. Sherratt and Mr. Runeckles. With regard to the further appropriations I feel there is little to be said, and I am confident they will meet with your approval, as they go to strengthen your business and to ensure stable dividends in the future. I have no doubt that some of you, at any rate, are thinking of the future. I have told you in the past that I do not indulge in prophecy, so will confine myself to facts and leave you to make your own deductions. Our business has been founded for about 110 years, and during that period the house of Crockers, as it is almost invariably called, has borne an honoured reputation, based on the general conduct of its business. By way of exemplifying that, I would remind you of what I have stated on other occasions—namely, that the good results we have been able to achieve are not due to what is called profiteering, or even, to any appreciable extent, to Government contracts such as some businesses have had the advantage of, but to the enormous expansion of the business, largely as a result of the policy and methods we adopted about four years ago, which have been assisted by the exceptional demands and higher prices.

Board of Trade and Textiles.

So far as the facts are concerned I recommend those who have doubts in their minds as to there being any permanently violent fluctuations in the general commodities in which we deal to study the reports of the Departmental Committee set up by the Board of Trade to consider the post-war condition with regard to textiles. They will find a great deal of informative and interesting matter in those reports, and, in view of the conclusions come to and the facts related by that Committee, any doubts in their minds will largely be removed. That Committee gives illustrations with regard, for instance, to the extending of certain large markets, from whence demands should be flowing into this country; and this serves to illustrate what will happen in other channels which in the past have been clogged by unfair competition and other causes. I am not overlooking the fact that Germany in the past was a big customer of ours in textiles, among other things, but she purchased a great deal of the material from the United Kingdom in a semi-raw state, and one cannot conceive that that position will be renewed, at all events for a long period. Although we may lose her temporarily as a customer, yet the illustrations I have given you with regard to the new markets which will be open to us far outweigh this, and suggest to one's mind that there will be a very heavy demand, and that consequently prices will be maintained, especially in view of the increases in the price of labour and commodities generally.

Mr. H. E. Hubble, in seconding the motion, remarked that he felt sure the shareholders would regard the figures presented by the directors as eminently satisfactory.

The motion was carried unanimously, and the appropriations recommended were unanimously approved.

At an extraordinary general meeting afterwards held resolutions were passed increasing the capital of the Company to £270,000 by the creation of 100,000 new Ordinary shares of £1 each, and changing the name of the Company to "Crockers, Limited."

HOUTPOORT, LIMITED.

The seventeenth ordinary general meeting of Houtpoort, Ltd., was held on March 4, 1919, at Winchester House, Old Broad Street, E.C., Dr. Hans Sauer (the Chairman) presiding.

The Secretary (Mr. Harold D. Richardson) read the notice convening the meeting and the auditors' report.

The Chairman, in the course of his speech, said: The capital remains the same as at the last annual meeting. It will be noticed from the balance sheet that there is a liability of £14,250 and an item "Sundry creditors," £1,912 6*s.* 2*d.* These sums represent amounts which have been paid in advance to the Company for working capital against an equivalent amount of shares at par to be issued in respect thereof. There is also in the balance sheet a liability of £555 18*s.* 9*d.*, being a balance on Mrs. McLaren's portion of Klippoortje. This balance has since been paid. Turning to the assets side of the balance sheet, there is approximately a sum of £10,000 cash in hand. The liability of £500 on Boschfontein shares has since been paid. We consider these shares as being a very valuable interest. On development account there is an expenditure up to date of £3,322 4*s.* 5*d.* This represents the expenditure from the period April 18, 1917, to December 31, 1918, and includes not only the shaft sinking and opening up of the reef on Tulipvale, but also money expended in boreholes on Klippoortie. The results from this expenditure have been exceedingly satisfactory, and compare most favourably with results obtained on deep-level properties to the north for an expenditure not of a few thousands, but of sums amounting to a quarter of a million sterling and even more.

The Company's Properties.

I now pass to a consideration of the mining properties of the Company of immediate interest. These properties consist of the Tulipvale farm and the two portions of the farm Klippoortje already referred to. The position affecting the properties belonging to, or under option to, the Company has been so fully explained in the annual report that I need not further allude to it, except to say this—that the money required to convert the option position into one of ownership will be provided by some of the large shareholders when necessary. The acreage of this combined block amounts to 1,132 morgen, equivalent to 1,698 mining claims, the whole of this area containing the Nigel reef, and much the greater portion of the area is also mineralised by the more important Van Ryn Reef. Of the 1,698 claims on the property, approximately 500 claims belong to the Company. These claims are held under three separate mynpachts, or mining leases, which are to all intents and purposes freeholds as far as title to the minerals in them is concerned, and are free from any obligation to pay any part of the profits recovered from them to the Union Government. The only tax affecting these leases is a revenue tax amounting to about 7 per cent. on profits, and is universal in its incidence on Transvaal gold mining properties held under mynpacht title. The balance of 1,200 claims on your property belong to the Union Government under the law passed in 1908, and any interest in them can only be acquired from the Government. It is our intention to tender for the 1,200 claims belonging to the Government on a percentage-of-profits basis. Should we be successful the Houtpoort Company would then have a very large mining property, hardly inferior to any of the great

mines on the Far East Rand. Instructions have been cabled to your representative in Johannesburg to make such a tender to the Government.

Value of Houtpoort Claims.

As regards the ore contents and value per claim on Houtpoort, as compared with the ore contents per claim on Modder Deep, Springs Mines, or any of the other Far East deep-level mines, the following calculation as to the value of 500 Houtpoort claims may be considered fair. If we assume a value of 40*s.* per ton, which is less than the average value of the payable ore in Springs Mines—48*s.* per ton—we get the following, namely: 500 claims by 12,500 payable tons per claim, equal to 6,250,000 payable tons; 6,250,000 by 40*s.*, equal to £12,500,000; 6,250,000 by 25*s.* per ton profit, equal to £7,812,500. In this calculation the working costs are taken at 15*s.* per ton, which is 1*s.* per ton profit, equal to £7,812,500. In this calculation his report on the property. I have in another place given proofs that the Van Ryn reef is not the main reef leader of the Central Rand. I knew this as far back as 1886, in which year I reported to that effect to Mr. Cecil Rhodes, for whom I was then acting. Another important feature marking this reef is that it does not get poorer in depth as the main reef leader undoubtedly does. The impoverishment of the main reef leader in depth is denied by some, but if this is not so, I would ask how is it that the nine companies working the Van Ryn, as opposed to the 38 companies on the main reef leader, made last quarter 74 per cent. of the total profit secured by the whole of the Witwatersrand gold industry, and this profit was secured in spite of the fact that the nine companies treated only 27 per cent. of the total tonnage crushed. Moreover, the recovery value of the Far East ore is about 15*s.* per ton better than that of the Central Rand.

Mr. R. Bleloch (the managing director) seconded the motion, which was carried unanimously, and the retiring directors and auditors were re-elected.

An extraordinary general meeting was held, at which a resolution to increase the capital by the issue of a million shares of 2*s.* each was carried unanimously.

OXFORD ELECTRIC COMPANY, LIMITED.

THE twenty-eighth ordinary general meeting of the shareholders of the Company was held at the Randolph Hotel on Tuesday, March 4. Sir Henry Mance, C.I.E., Chairman of the Company, presided.

The Chairman said: With regard to wages, he might briefly say that their wages bill now was 100% higher than it was before the War. What aggravated the position was the uncertainty that existed. They now saw there was a possibility of coal being put up another 30%. Of course, if that advance should be made, they would have to modify their charges. When he spoke to them last year, he gave them a hint as to sundry schemes that were looming in the future whereby the Government intended to take an active part in the generating and distribution of electricity. The matter had, no doubt, been very carefully considered by Government during the last twelve months, and the outcome had been a Bill which was brought before Parliament last week, by which the control of electric supply companies is given to the new Minister of Ways and Communications. This looked as if they intended to use electricity as a motive power for the railways. If Government, by means of overhead transmission lines, could supply them with current at a cheaper rate than they could make it themselves, they would be very glad to get it, but if they proposed to go further and nationalise the whole of the electric supply industry, the matter was far too complicated for him to attempt to forecast the effect of such a policy upon that Company.

The resolution was put, and carried unanimously.

THE FAIRFIELD SHIPBUILDING AND ENGINEERING COMPANY, LIMITED.

A MEETING of the holders of the "A" Mortgage Debenture stock of this Company was held at Winchester House on Thursday, Sir Alexander Gracie, K.B.E., M.V.O., in the chair. The meeting was called for the purpose of obtaining the sanction of the stockholders to two propositions—one to exchange the shares in the Coventry Ordnance Works, Limited, which formed part of the security for the "A" Mortgage Debenture stock of the Company for shares in the English Electric Company, Limited, and the other proposition being that the shares so to be acquired in the last-mentioned Company should be sold as and when opportunity arose and the proceeds applied in payment for certain extensions and additional works which were proposed to be erected on land belonging to the Company, part of the security of the "A" Mortgage Debenture-holders, and on other land which did not form part of the security.

The Chairman, in a brief speech, explained the details of the propositions, and pointed out that the exchange of the shares from the Coventry Ordnance Works into the shares of the English Electric Company was undoubtedly for the benefit of the stockholders, inasmuch as the last-mentioned Company was a combination of the Coventry Ordnance Works, Dick, Kerr and Co., and the Phœnix Dynamo Manufacturing Company, Limited, with a capital of £5,000,000, and that with the combined forces of these three companies there was every prospect of considerable business being done. The other proposition which was submitted to the stockholders was of a far-seeing character, inasmuch as the Company proposed to convey to the "A" Mortgage Debenture-holders as part of their security 15 acres of land on the west of the existing shipyards and works, and to construct chiefly on this land and partly on land already in the Debenture-holders' security four large berths, as well as other works and buildings which would be adaptable for the business of the Company. The total of the proposed extensions and improvements on the 15 acres was valued at £172,310, and the proposed extensions on the adjoining six acres, which was the land already in the Debenture-holders' security, would be £36,000 for buildings and £10,690 for plant. An agreement had been entered into between the trustees for the Debenture-holders and the Company with a view of carrying out both these propositions, and the resolutions submitted to the stockholders were to sanction the exchange of the shares, in the first place, and the application of the proceeds of sale, as and when such new shares should be sold, in payment for the extensions. The resolutions were seconded by Mr. Herbert E. Wilson, one of the stockholders, and they were subsequently put to the meeting and passed unanimously.

UNDERGROUND ELECTRIC RAILWAYS COMPANY OF LONDON, LIMITED.

THE yearly meeting of this Company was held on March 7 at Caxton Hall, Westminster, the Right Hon. Lord George Hamilton, G.C.S.I., presiding.

The Chairman, in moving the adoption of the report and accounts, said that the report presented was the best ever made to the proprietors of the Underground Company. The gross revenue amounted to £760,000—an increase of £154,000—and, on the pre-War basis of foreign exchange and income-tax, would have been sufficient to have paid in full the 6% interest on the income bonds, and also approximately 2% on the Ordinary shares and 80% on the "A" shares. That statement would bring home how heavy was the burden which the exemption from income tax of the 6% income bonds placed upon the resources of the enterprise. During the War period the income bondholders had received the not bad return of an average of 5% free of income tax, though the directors were well aware it was their duty to do their best to meet the obligation of paying the full 6% tax free. As to the policy of the Operating companies in making reserves for depreciation and renewals, all the railway companies' reserves were small in comparison with their capital cost, and were none too high now. The Underground Board fully concurred with the boards of the Operating companies in the necessity for the provision of adequate reserves for the rehabilitation of permanent way, for making good wear and tear of electrical plant, and for the necessary replacements of rolling stock. On that point they were not prepared to make any concession.

The Underground board fully concurred with the boards of the operating companies in the necessity for the provision of adequate reserves for the rehabilitation of permanent way, for making good wear and tear of electrical plant, and for the necessary replacements of rolling-stock. On that point they were not prepared to make any concession. The question of fares was a difficult and complicated one, as the raising of fares sometimes operated to reduce revenues. They had already had to change certain fares tentatively raised, as they had resulted in a loss of traffic. The fact that they had in a period of dislocation of prices been able to maintain and increase their net earnings was conclusive proof that their method of advances in dealing with fares was sound. The most striking feature of the figures of the Combined Common Fund companies was the great increase in expenses and receipts. The increase in the former amounted to £970,234, and was in the main due to wages and war bonus. The gross revenue had increased by £1,081,588, partly as a result of an increase of slightly over 8% in the number of passengers carried, and partly owing to an increase of about 9% in the average fares. As to the general position, he would say that in 15 years he had seen the Underground Company emerge from practical bankruptcy until it occupied its present leading position in the passenger transport service of the Metropolis. They had attained that position because they had given to the public a satisfactory and cheap method of transport. So soon as they attempted in any sense to make what might be termed a profiteering advantage out of their position, they would strike for the very foundation of their success. In the movement for the nationalisation of railways, probably no enterprise more captivated that idea than the Underground. He would warn shareholders of the danger which must unquestionably ensue if they concentrated their efforts at this moment on cutting down reserves and raising fares. If the shareholders endeavoured to extract what the public considered unreasonable fares, their organisation would be attacked and its powers undermined.

The Right Hon. Lord Farrer seconded the motion.

After further discussion, the motion was put to the meeting and declared carried.

The retiring directors and the auditors were re-elected, and the usual vote of thanks terminated the proceedings.

KALI GLAGAH (JAVA) RUBBER AND PRODUCE COMPANY, LIMITED.

THE eighth annual general meeting of the members of the Kali Glagah (Java) Rubber and Produce Company, Limited, was held on March 4, 1919, at Winchester House, Old Broad Street, E.C., Mr. H. L. Coghlan presiding.

The Secretary (Mr. A. H. Doherty) having read the notice convening the meeting,

The Chairman said: The profit and loss account shows gross receipts amounting to £22,901 18*s.* 1*d.*, against £33,404 for the previous year. The falling-off in revenue has been purely a matter of adverse markets, due to war conditions, and, as you are undoubtedly familiar with the vicissitudes through which rubber and coffee have passed during the last two years, and are still passing, and all companies share in common, explanations from me are quite unnecessary. The profit for the period under review, after allowing for London expenditure, £1,015 6*s.* 8*d.*, depreciation, £554 8*s.* 8*d.*, and balance of Dutch income tax, £201 18*s.* 11*d.*, was £6,213 5*s.* 3*d.*, against £18,280 9*s.* 10*d.* for the previous year. With the amount brought forward there is an available balance at credit of profit and loss account of £9,219 13*s.* 5*d.*, but, in view of still uncertain markets, your directors deem it prudent to defer the question of dividend for the year under review. The condition of the estate is reported to be good. Towards the end of 1918 Mr. W. Fox, late Superintendent of Forests, Straits Settlements, visited the Company's properties, and his full report on them is expected shortly. The rubber output for the year was 224,455 lb., against 192,504 lb. for the previous year, and the average price realised over all grades was 1*s.* 9.47*d.* per lb., equal to about 2*s.* 1*d.* London landed terms.

The Year's Crops.

The estimated rubber crop for the current year is 200,000 lb. This lower output, as compared with the previous year, is accounted for by the Company having voluntarily subscribed to the general scheme of curtailment of production inaugurated by the Rubber Growers' Association. There was also introduced a more conservative method of tapping; or, better defined, a conservation of bark area, which, of course, represents capital in a true sense. The tapping system now in force at the estates is the quarter system—single cut daily, and is calculated to allow eight years for complete bark renewal. The coffee crop for the year with which we are now dealing was 2,324 cwt., which realised an average price of 24*s.* 1½*d.* per cwt. Java, this low price being accounted for by the lack of shipping facilities and the total prohibition of coffee exports to their principal market. Of the 1918 coffee crop there is still on hand a balance of 1,033 cwt., which, it is hoped, will reap the benefit of improving prices. The manager reports that, but for drought, the 1919 coffee crop, as indicated by blossom, would have been considerably greater.

Mr. T. W. Simpson seconded the motion, which, there being no questions, was put to the meeting and carried unanimously.

The first forecast of the 1918-19 Indian wheat crop is just to hand, and shows that the total area sown up to the end of January was only some 23½ million acres, against considerably over 33¾ million acres reported at the corresponding date of last year, or the finally revised figure of nearly 35½ million acres. The smaller area sown has been due to the insufficiency of the monsoon. Sowing operations, however, were being continued in some places. In the Punjab, which accounts for nearly one-third of the total Indian wheat production, the monsoon was weak all through last July and the first half of August. In the latter half of the month it was active, and gave frequent rains till September 3. After that time there was scarcely any rain, and the total fall during the monsoon period was 49% below normal. The influenza epidemic, too, interfered with the sowing operations. Moisture is urgently required, and it is reported that rain which fell on January 6 will have benefited the standing crop. Information received this week is that an unusual fall of rain, with hail, occurred in the Nagpur district, which did damage to the growing crop. Nagpur, however, accounts for considerably less than 4% of the total wheat area of the great Dependency.

The British Industries Fair, which was brought to a close yesterday, represented 570 different firms, of which those representing the toy industry were most numerous, amounting to 198. Next came the paper, printing, and stationery trades, represented by 130 different firms; then fancy goods, 128; and, finally, glass and pottery, 114. Admission to the Fair was confined to trade buyers. It was not open to the general public.

"Firewoods: Their Production and Fuel Values." By A. D. Webster. Price 12*s.* 6*d.* net. With ten illustrations. (London: T. Fisher Unwin.) This is rather an elaborate work, considering the subject dealt with, and could be condensed into a much more handy and cheaper volume. However, Mr. Webster is an authority on forestry, and was impelled to compile this volume by the unparalleled scarcity of coal, a scarcity which he thinks is likely to continue. It will be found full of information to householders.

BARCLAYS BANK LIMITED.—A new branch is to be opened on Monday next, the 10th inst., at Chesham Road, Amersham-on-the-Hill, Bucks, under the management of Mr. A. H. Laird.

NATIONAL WAR BONDS

may still be obtained under our

INSTALMENT PURCHASE SCHEME.

If you are interested in an investment yielding 4½% net (equivalent to £6 8s. 0d. gross when taxed at 6/- in the £) inquire of any of our Representatives or of

PEARL ASSURANCE COMPANY, Limited,

FUNDS EXCEED £14,000,000. HIGH HOLBORN, W.C.1.

Wesleyan & General Assurance Society.

Accumulated Funds exceed... ... ... £3,000,000.
Claims Paid exceed ... ... £9,000,000.

All classes of Life Assurance and Annuity Business transacted.

UNDER THE LATEST FORM OF POLICY AN ANNUAL BONUS OF £3 PER CENT. IS GUARANTEED.

Prospectus and quotations to meet individual requirements may be obtained on application.

A. L. HUNT, General Manager.
Principal Office: BIRMINGHAM.

THE NATIONAL BANK OF SCOTLAND LIMITED

INCORPORATED BY ROYAL CHARTER AND ACT OF PARLIAMENT.

ESTABLISHED 1825.

Capital Subscribed, £5,000,000. Paid up, £1,000,000. Uncalled, £4,000,000

RESERVE FUND, £900,000.

Head Office—EDINBURGH.

J. S. COCKBURN, GENERAL MANAGER. GEORGE A. HUNTER, SECRETARY.

London Office—37 NICHOLAS LANE, LOMBARD ST., E.C. 4.

SIR JOHN FERGUSON, K.B.E., Manager. DUGALD SMITH, Assistant Manager.

Every description of Banking Business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.; the collection of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of Remittances to all parts.

The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.

The Officers of the Bank are bound to secrecy as regards the transactions of its Customers.

BANK OF MONTREAL

Established in 1817.
Capital Paid up, $19,075,000.
Reserve Fund, $16,000,000.
Undivided Profits, $1,901,613.

BOARD OF DIRECTORS.

Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
E. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. F. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., Lt.-Col. Herbert Molson, M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq.

Head Office: Montreal.

General Manager: Sir Frederick Williams-Taylor, LL.D. Assistant General Managers: F. J. Cockburn, H. P. Mackenzie, G. C. Cassels, D. R. Clarke.

LONDON OFFICES:
47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1, and
24 Cockspur Street, S.W. 1.

London Committee: Sir Thomas Skinner, Bart., Lieut.-Col. F. R. S. Balfour.
Manager: George Cyril Cassels.

Financial Agents of the Government of the Dominion of Canada.

Branches and Agencies throughout Canada and Newfoundland; also at New York, Chicago and Spokane in the United States, and at Mexico City.

The Bank undertakes monetary business with all Allied and Neutral countries, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, and Mexico.

THE ROYAL BANK OF CANADA.

Capital Paid up $14,000,000
Reserve Fund and Undivided Profits $15,500,000
Total Assets $412,000,000

Head Office—MONTREAL.

Sir HERBERT S. HOLT, *President.* E. L. PEASE, *Vice-President & Managing Director.*
C. E. NEILL, *General Manager.*

146 Branches in Canada and Newfoundland. 41 Branches in Cuba, Porto Rico, Dominican Republic, Martinique, Costa Rica and Venezuela.

BRANCHES IN BRITISH WEST INDIES.

ANTIGUA—St. John's; BAHAMAS—Nassau; BARBADOS—Bridgetown; DOMINICA—Roseau; GRENADA—St. George's; JAMAICA—Kingston; ST. KITTS—Basseterre; TRINIDAD—Port of Spain, San Fernando; BRITISH GUIANA—Georgetown, New Amsterdam, Rose Hall; BRITISH HONDURAS—Belize.

BARCELONA, SPAIN ... Plaza de Cataluna 6.
NEW YORK AGENCY ... 68 William Street.
LONDON OFFICE ... ... Princes Street, E.C. 2.

T. R. WHITLEY, *Manager.* JAMES MACKIE, *Joint Manager.*

BANK OF NEW SOUTH WALES.

Established 1817.

LONDON OFFICE: 29 Threadneedle Street, E.C.2.

Paid-up Capital £3,904,860
Reserve Fund 3,025,000
Reserve Liability of Proprietors ... 3,904,860
£10,834,720
Aggregate Assets, 30th Sept., 1918 £62,115,135

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business.

H. MELDRUM, Assistant Manager.

NATIONAL BANK OF NEW ZEALAND,

LIMITED.

HEAD OFFICE—17 Moorgate Street, E.C.2.

AUTHORISED CAPITAL £3,000,000
SUBSCRIBED CAPITAL 2,250,000
PAID-UP CAPITAL 750,000
RESERVE FUND 730,000
UNCALLED CAPITAL 1,500,000

Receives Deposits of £50 and upwards for 1, 2 or 3 years at rates to be ascertained on application.

Drafts, Letters of Credit and Wire Remittances granted, and Bills on New Zealand purchased or sent for collection.

ARTHUR WILLIS, Secretary & London Manager.

Ernesto TORNQUIST & Co

LIMITADA,
BUENOS AIRES.
Established 1830.

Oldest Business Establishment in the River Plate.

CAPITAL FULLY PAID UP AND RESERVES
£2,679,785.

GENERAL FINANCIAL, BANKING AND COMMERCIAL BUSINESS.

THE MECHANICS AND METALS NATIONAL BANK

OF THE
CITY OF NEW YORK.
ESTABLISHED 1810.

CAPITAL (FULLY PAID) $6,000,000
SURPLUS AND UNDIVIDED PROFITS ... $11,000,000

THIS BANK RECEIVES ACCOUNTS OF BANKS, BANKERS, CORPORATIONS, FIRMS, AND INDIVIDUALS ON FAVOURABLE TERMS, AND GRANTS TO ITS DEPOSITORS EVERY FACILITY CONSISTENT WITH PRUDENT AND CONSERVATIVE BANKING METHODS. CORRESPONDENCE INVITED.

FOREIGN DEPARTMENT.

Finances Exports and Imports, buys and sells Foreign Exchange, Telegraphic Transfers, &c., and makes Collections on all parts of the world.

LONDON BANKERS:
LONDON JOINT CITY AND MIDLAND BANK LIMITED.
LONDON COUNTY WESTMINSTER & PARR'S BANK LIMITED.

IMPERIAL BANK OF CANADA.

Head Office—TORONTO.

Capital Paid up $7,000,000
Reserve Fund $7,000,000

Over one hundred Branches in Canada.

Information gladly given on Canadian Investments and Securities.

Drafts issued and Remittances cabled to any part in Canada.

Agents in Great Britain:
ENGLAND Lloyds Bank Limited, London, and Branches.
SCOTLAND The Commercial Bank of Scotland, Limited, Edinburgh, and Branches.
IRELAND Bank of Ireland, Dublin, and Branches.
Agents in France:
Crédit Lyonnais. Lloyds Bank France) and National Provincial Bank (France) Limited.

THE MERCANTILE BANK OF INDIA, LTD.

Head Office: 15 Gracechurch St., London, E.C.3.

Capital Authorised & Subscribed... £1,500,000
Capital Paid-up 750,000
Reserve Fund & Undivided Profits 708,432

Branches:
INDIA, BURMAH CEYLON, STRAITS SETTLEMENTS CHINA, AND PORT LOUIS, MAURITIUS.

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes, and transacts Banking and Agency Business in connection with the East on terms to be had on application.

Fixed Deposit Rates will be quoted upon application.

On current accounts interest is allowed at 2 per cent. per annum on daily balances.

THE BANK OF ADELAIDE.

(Incorporated by Act of Parliament, 1865.)

Authorised Capital, £1,000,000. Subscribed Capital, £775,000.
Paid-up Capital £500,000
Reserve Fund 555,000
£1,055,000
Uncalled Capital 125,000
Reserve Liability of Proprietors... 625,000
£1,805,000

London Office—11 LEADENHALL ST., E.C. 3.

Bills on Australasia purchased or collected.
Drafts issued and **Remittances** cabled.
Deposits received for fixed periods at rates to be ascertained on application.

PERCY ARNOLD, *Manager.*

THE FOURTH STREET NATIONAL BANK, PHILADELPHIA.

CAPITAL FULLY PAID ... $3,000,000.00
SHAREHOLDERS' LIABILITY $3,000,000.00
SURPLUS AND PROFIT ... $7,000,000.00

Bills of Exchange
Telegraphic Transfers
Letters of Credit
Travellers' Checks
available throughout the World.

Collections made everywhere. Acts as Agent or Foreign Banks to draw on the United States. Correspondence solicited.

LONDON AGENTS—
SAMUEL MONTAGU & CO.
LONDON CITY AND MIDLAND BANK LTD.
LLOYDS BANK LTD.

Cable Address—"FOURBANK."

NATIONAL BANK OF INDIA,

LIMITED.

Bankers to the Government in British East Africa and Uganda.

HEAD OFFICE:
26 BISHOPSGATE, LONDON, E.C. 2.

BRANCHES:

Calcutta	Cochin (S. India)	Zanzibar	
Bombay	Chittagong	Mombasa	British East Africa
Madras	Rangoon	Nairobi	
Karachi	Mandalay	Nakuru	
Cawnpore	Aden and	Kisumu	
Lahore	Aden Point	Entebbe	Uganda
Amritsar	Colombo	Kampala	
Delhi	Kandy	Jinja	
Tuticorin	Newera Eliya		
	Dar-es-Salaam, Tanga	Occupied Territory. German East Africa.	

SUBSCRIBED CAPITAL ... £2,000,000
PAID-UP CAPITAL £1,000,000
RESERVE FUND £1,350,000

LONDON BANKERS.—Bank of England; National Provincial Bank of England, Limited; National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balances at the rate of 2 per cent. per annum.

THE EASTERN BANK,

LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C.

Subscribed Capital £1,500,000
Called up £600,000
Reserve Fund £90,000
Reserve Liability of Shareholders £900,000

BOARD OF DIRECTORS.

The Right Hon. LORD BALFOUR OF BURLEIGH, K.T. (Chairman).

SIR EDWARD SASSOON, Bart. EMILE FRANCQUI, Esq. J. C. GEORGES-HOUILLAT, Esq. J. S. HASKELL, Esq. G. BROMLEY-MARTIN, Esq LT.-COL. J. LEIGH WOOD, C.B., C.M.G.

Branches:
BOMBAY, CALCUTTA, BAGDAD, BASRA, AMARA, HILLAH.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, Negotiates and Collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.

Deposits are received for fixed periods at rates to be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager.*

BANK OF NEW ZEALAND.

Bankers to the New Zealand Government.

CAPITAL.

Authorised, £5,500,000 Subscribed £2,779,988

PAID UP.

Four per Cent. 1934 Guaranteed Stock .. £529,988
Preference Shares issued to N.Z. Government .. 750,000
Ordinary Shares, £6 13s. 4d. each, £3 6s. 8d. paid up 500,000
Ordinary Shares, £6 13s. 4d. each, fully paid 500,000
Reserve Fund and Undivided Profits £2,345,702

London Office: 1 Queen Victoria Street, E.C. 4.

Issues Drafts and Letters of Credit, makes Telegraphic Transfers, Negotiates and Collects Bills of Exchange.

ALEXANDER KAY, Manager.

Printed by SPOTTISWOODE, BALLANTYNE & CO., LTD., at 1 New Street Square, E.C. 4, and Published by the Proprietors of "The Statist" at their Offices, 51 Cannon Street, E.C.4, in the City of London England.—*March* 3, 1919.

THE LONDON ASSURANCE.

Incorporated by Royal Charter, A.D. 1720.

7 ROYAL EXCHANGE, LONDON, E.C. 3.

INCOME £3,147,482

FIRE. MARINE.

Applications for Agencies invited.



ASSETS £7,393,667

LIFE. ACCIDENT

All classes of Insurance.

The Corporation has granted Fire, Life and Marine Insurances for nearly Two Hundred Years.

THE OCEAN Accident and Guarantee Corporation, Limited.

Assets - - £5,000,000
Claims paid - £17,500,000

Accident Insurance of all kinds.
Employers' Liability. Fidelity Guarantees.
Fire and Burglary. Public Liability.
Motor Cars. Excess Bad Debt and Credit.
Boiler and Lift Insurance.
Executorships and Trusteeships.

Head Office: MOORGATE STREET, LONDON, E.C. 2.
T. M. R. ARMSTRONG, Manager and Secretary.

BRITANNIC

ASSURANCE CO., LTD.

One Special Ordinary Branch feature is the CHILD'S OPTION POLICY (Table 11a), under which a premium of £10 assures £1,091 on certain conditions.

FUNDS - - - £4,800,000.

Chief Offices: BROAD STREET CORNER, BIRMINGHAM.

LONDON & MANCHESTER ASSURANCE COMPANY, LIMITED.

Chief Office - 50 FINSBURY SQUARE, LONDON, E.C. 2.

Allied with National Amalgamated Approved Society for National (Health) Insurance.

PREMIUM INCOME exceeds ... £900,000
FUNDS exceed £2,000,000

SUBSCRIPTION TO "THE STATIST."

TO INCLUDE ALL SUPPLEMENTS.

Payable in Advance.

Inland.

ONE YEAR, £1 10 0 | HALF-YEAR £0 15 0

(Post Free.)

For Colonies and Abroad (within Postal Union).

ONE YEAR, £1 17 4 | HALF-YEAR, £0 18 8

(Post Free.)

OFFICE: 51 Cannon Street, E.C. 4.

CONTENTS.

Leading Articles— PAGE
AN URGENT NEED 451
A VITAL QUESTION 451
THE COUNTY PALATINE 453
THE COTTON TRADE AND FOREIGN COMPETITION ... 454
LIVERPOOL'S POST-WAR SHIPPING DEVELOPMENTS 455
CO-OPERATION IN IRELAND.—I. 456
ARGENTINA 457
CONGESTED DISTRICTS IN IRELAND 458
ECONOMIC PERU 460
LIVE STOCK OF THE WORLD.—II. 460
SOUTH AND CENTRAL AMERICA 461
CEREAL YIELDS OF VARIOUS COUNTRIES 462
FINANCIAL NOTES 463
PRICES OF COMMODITIES 466
IRON AND STEEL: WEST COAST 467
FORESTRY IN IRELAND.—I. ... 469

Commercial—
The Leather Trade 470
The Jute Industry.—II. 475

American Topics— PAGE
Grand Trunk Pacific 467
Production of Grain and Potatoes 467

Industrials—
Rosario Nitrate Company 476
Borax Consolidated, Ltd. ... 477
Shelton Iron, Steel and Coal Co. 477
Lanarkshire Steel Company 477
C. and E. Morton, Limited 477

Insurance Notes—
Merchants' Marine Insurance Co., Ltd. 472
Indemnity Mutual Marine Assurance Co., Ltd. 473

Mining Topics—
South African Gold Trust ... 446
Mount Morgan 447
Exploration Company 447

Money Market 443
Rubber Topics 470
Stock Exchange 446
Tabular Appendix 443

Meetings 478-488

INCOME TAX.

Are you paying more than necessary?

Income Tax is a burden which falls especially heavily on those with incomes between £120 and £1,000, but under recent Finance Acts relief can be obtained on various grounds, some of which are overlooked by the Taxpayer.

The WESTERN AUSTRALIAN INSURANCE CO., LTD., of 45 to 47 Cornhill, London, E.C.3, will be pleased, on receipt of a post card, to send you, free of cost, a publication on the subject by an expert, setting out very clearly the grounds on which relief can be obtained.

IT IS NOT TOO LATE TO CLAIM RELIEF ON ACCOUNT OF THE CURRENT YEAR.

LLOYDS BANK LIMITED,

with which is amalgamated

THE CAPITAL & COUNTIES BANK LTD.

HEAD OFFICE: 71, LOMBARD STREET, E.C. 3.

CAPITAL SUBSCRIBED	£55,962,850
CAPITAL PAID UP -	8,954,056
RESERVE FUND - -	9,000,000
DEPOSITS, &c. - -	267,966,438
ADVANCES, &c. -	81,072,134

FRENCH AUXILIARY:
LLOYDS BANK (FRANCE) AND NATIONAL PROVINCIAL BANK (FRANCE) LTD.

PEARL

ASSURANCE COMPANY, LTD.

Chief Offices: High Holborn, W.C. 1.

Annual Income exceeds £5,250,000
Claims Paid exceed £23,000,000

REFUGE

ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds - £4,700,000
Assets Exceed - - - - £15,900,000
Claims Paid Exceed - - - £28,000,000

The Statist.

LONDON, SATURDAY, MARCH 15, 1919.

The Money Market.

Friday, March 14, 1919.

	Current Rate % Fixed	Previous Rate % Fixed
Bank of England Rate...	5 (Apr. 5, '17)	5½ Jan. 18, '17
Bank of England Rate	to Clearing Banks: 3 days' notice ... 3 (Feb. 14, '18)	4 June 19, '17
	for Foreign Money* 4½ (Nov. 15, '17)	extended Jan. 2, '18
Deposit Rates:—		
Banks & Discnt. Ho. (Call)	3† (Feb. 14, '18)	3½ Jan. 2, 18
Discount Houses (Notice)...	3 (June 6, '18)	3½ Feb 14, '18

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances. † Foreign and Colonial banks give Special Rates only upon deposits for a year.

Discount Rates :—	60 Days.	3 Mos.	4 Mos.	6 Mos.
	%	%	%	%
Tr'sury Bills (Fixed Feb. 14,'18)—		$3\frac{1}{2}$	—	$3\frac{1}{2}$
Bank Bills	$3\frac{7}{16}-\frac{1}{2}$	$3\frac{7}{16}-\frac{1}{2}$	$3\frac{7}{16}-\frac{1}{2}$	$3\frac{7}{16}-\frac{1}{2}$
Trade Bills	—	4	$4-4\frac{1}{4}$	$4-4\frac{1}{2}$

THE MONEY CONTROL.

CHEAP money is an excellent thing in itself; but, like most things in this world, one can pay too high a price for it. As things are, the present rates for money, as given in our table and published by our daily contemporaries, are purely artificial. The Bank of England rate of discount, modest as it is for the circumstances of the time, is not effective. Even if the Bank rate were effective, it is doubtful if so low a rate would be justified, taking all the circumstances into account. The Bank of England is powerless in the existing condition of things to make its rate effective, because the Treasury has flooded the market with various forms of credit to such an extent that it is possible to borrow at a rate which conditions, neither in the Money market nor in the economic circumstances of the country, really justify. In the days before the War, when the Bank desired to make its rate of interest effective, it had only to borrow a small sum of money in the open market. But it is impossible for it to borrow when the Treasury itself is continuously issuing various forms of credit based upon no tangible assets. Whether it was desirable, even during the War, to maintain a purely artificial rate for money in order to assist the Government in floating the various forms of credit which it deemed necessary for carrying on the War is exceedingly doubtful. It seems clear, however, that now that fighting has ceased—and although peace has not yet been declared, it is now more than four months since the signing of the first Armistice—it is surely time that we faced facts and realised that it is undesirable to maintain a rate which would only be justified if money based upon tangible assets were really plentiful and adequate to supply all the legitimate needs of prospective borrowers. Far from being in a position to call in credits from various parts of the world, as London almost always was in the generation that preceded the outbreak of the recent War, we owe immense sums to the various countries. We have obtained credits from the United States of North America, and we have obtained credits from various States of South America. In addition, we have lent immense sums to save all our Allies, some of which will be repaid in due course, but many of which it will not be possible to call in for a period that may be regarded as quite indefinite.

Of course, the Treasury would argue that it is unreasonable to expect a Minister to stand up in the House of Commons and, while admitting that he can, by the methods which have been practised during the War, borrow money at the low rates of interest now prevailing, declare that he has decided to pay a higher rate. The real question at issue, however, is not for the Minister to be able to show a mere book-keeping advantage, but what should be the rate for money in the economic interest of the country as it exists at the present time. It seems reasonable to expect that the apparent loss incurred by paying the somewhat higher rate for national loans would be more than compensated by hastening a fall in prices. The advance in rates on national loans would be a comparatively small sum, and the bulk of the money would be retained in this country, while a fall in the prices of commodities would benefit the whole population, inasmuch as every one, rich and poor, are consumers of food and raw materials to a certain extent.

Above all, the creation of Ways and Means Advances based upon no tangible assets tends to create an impression of prosperity which, in reality, is non-existent. According to the recently-issued estimates, it would appear that to carry on the ordinary operations of Government during the next twelve months it will be necessary to borrow very nearly 50% of our total expenditure. And it would surely be in the true economic interest of the country to bring this home to the vast body of the people by a clear indication of the hardening of rates in the Money market.

BANK OF ENGLAND.

THE return this week showed smaller movements than last week. Then Government securities showed an advance of £9,000,000, whereas this week a decline of £3,926,000 is recorded, and other securities show a fall of £1,150,000 against an advance of £1,604,000. As public deposits are £1,347,000 lower and the reserve is £867,000 up, "other deposits" have declined £2,857,504. This compares with an increase of £9,563,000 last week. An addition of £1,184,000 to the bullion raises the total to £82,435,000, which is the highest figure so far touched. The note circulation only increased a trifle during the week, and the proportion of reserve to liabilities is a point up at 19.62%.

MONEY IN NEW YORK.

THERE is, of course, now no great free market for gold in the sense that London was a free market for two or three generations of the period that preceded the outbreak of the recent War. So far as any free market, either for gold or for silver, can be said to exist at the present time, the New York Money market occupies that place. It is not, however, possible to obtain gold in New York by presenting notes to be cashed, as was formerly the case in London. But all the same, if urgent need for the metal be shown, it will be forthcoming to the extent, at least, of the needs of any pressing demand. Rates in New York, as shown in our table, are not quite, but very nearly, double what they are in London.

A curious incident has been cabled over during the course of this week in connection with the financing of the American railroads. It will be remembered that the lines have been taken over by the State for working during the war period, just as our own have been. But Congress omitted to provide the requisite financing. Consequently, it has been found necessary to form a Finance Committee under the Director-General of Railroads, with Mr. Howard Elliott, President of the Northern Pacific, as Chairman, for the purpose of arranging with the banks the temporary financing of the roads until the next meeting of Congress.

POSITION IN INDIA.

RATES for money in India are moderate. The rates of the two great Presidency Banks of Bengal and Bombay have been fixed at 7%, and the rate in Madras is 8%. Rates in the outside market are, as always, some 5% higher. India, like ourselves, is passing through a very trying period, partly owing to her patriotic exertions during the recent War and partly to the unfavourable monsoon of last summer. The position, looked at as a composite whole, is far from being satisfactory. At the moment, India is exporting so little that what need we have of settling trade balances can be accomplished by means of sending silver through the United States. As a matter of fact, however, the trade position as between this country and India is to a very appreciable extent in a chaotic condition. The embargo on gold shipments from here has not yet been removed. It is not possible to despatch silver. And for some time the sale of Council drafts has been suspended. The rupee, as we said last week, has one value as local currency, and has a different value for purposes of exchange. The opinion is growing that it will be necessary in the near future to revise to some extent the decisions of the Currency Commission arrived at some twenty years

ago. Meanwhile, India is suffering in two ways. Owing to the long-drawn-out negotiations in Paris, India, like nearly every other country, does not see her way to engage in any active trade operations. Until the actual terms of peace are known, she is passing, as we are ourselves, through a period of uncertainty. It seems reasonably certain that there will be a great demand ere long for Indian produce, provided that the monsoon next summer is favourable. Food and nearly every kind of raw material required for manufactures which India is able to produce will in all human probability be in very great demand for some years to come. But exactly what shape that demand will take, or in what direction it will arise, will depend largely upon when the deliberations in Paris are brought to a close. Finally, there is great scarcity over a large part of India. The Burma rice crop, which is now being moved, instead of being sent to Europe or to the Far East, is being sent to the warmer parts of India proper, where the rice crop of last season was inadequate for feeding the people. In the cooler lands of the hill States towards the Himalayas where wheat is produced, well over 200,000 tons of wheat have been imported from Australia. It will be evident in these circumstances that India proper has very little to export; and while this condition of things continues, the exchange banks are in no need of instruments of exchange to remit to India.

1919.	Note Circulation	Silver In India	Silver Elsewhere	Silver Total	Gold In India	Gold Elsewhere	% of Metallic Res. to Notes	Government Securities Indian	Government Securities British
		Lacs	Lacs	Lacs	Lacs	Lacs		Lacs	Lacs
March 7...	15,287*	2,602	1,001	3,603	1,814	12	35·5	1,608	8,250
Feb. 28...	15,148	2,367	1,098	3,465	1,813	12	35.0	1,608	8,250
Feb. 22...	15,107	2,425	998	3,423	1,814	12	34.7	1,608	8,250
Feb. 15...	15,068	2,486*	898	3,384	1,814	12	34.5	1,608	8,250
Feb. 7...	15,055	1,878	1,417	3,295	1,890	12	34·5	1,608	8,250
1918.									
Dec. 15...	14,473	1,855	1,688*	3,543	1,968	12	38·1	1,000	7,950
Dec. 7...	14,255	1,986	1,613	3,599*	2,044	12	39·6	1,000	7,600
Dec. '17..	10,831	1,905	—	1,905	2,673*	100	43·2	1,000	5,147
July '14...	7,350	3,230	—	3,230	1,820	900	80·9	1,000	400

* Highest since war began.

SILVER.

THE price of silver remains unchanged at 47¾*d.* per ounce. Messrs. Samuel Montagu, in their weekly circular, state that the difficulties in the provision of sufficient silver to reinforce the silver balances impelled the Government of India to release sovereigns for currency between April and August 1917, and in February and March 1918, principally in connection with the Government purchases of wheat above referred to. Two recent shipments to the value of eight million dollars and 5¼ million dollars respectively have been made from the United States of North America to the Indian Mint. Of course, it is too early to say anything of the prospects of the next harvest in India. But if the unfavourable anticipations entertained in certain quarters are realised it will be necessary for India to obtain a greater supply of silver than she has at present. It is admitted that in certain restricted areas of India there is a grave shortage of food already in evidence. But from inquiries we have made from the Indian banks, those in close touch with financial and economic interests in India do not take so grave a view of the situation as might be gathered from some of the more sensational telegrams which have appeared in the newspapers in London. Nevertheless, the bursting of the monsoon in the coming summer is looked forward to with a certain measure of anxiety.

BARCLAYS BANK
LIMITED
(with which is amalgamated the LONDON PROVINCIAL & SOUTH WESTERN BANK Ltd.).
Trade with the U.S.A.
Increased Banking Facilities are available to Traders and Manufacturers, doing business with the U.S.A., by means of a reciprocal arrangement with the Irving National Bank, New York City.
INQUIRIES FROM INTERESTED PARTIES ARE INVITED.
Address:
The Foreign Manager, 168 Fenchurch St., E.C. 3.

Stock Exchange.

THE Stock markets have experienced another quiet week, with business at a low ebb and investors disinclined to enter into obligations until the outlook is clearer, both in regard to the settlement of the industrial unrest and new taxation. Much hangs upon the outcome of the Coal Mining Commission, which is to report next week, and later upon the Chancellor's Budget. Meantime the indications that peace will be finally signed much earlier than recently anticipated do not arouse as much enthusiasm as perhaps the actual accomplishment will do, especially if the coal mining deadlock is removed and new taxation is not adverse

On the Stock Exchange, as well as in banking and financial circles generally, the result of the Chancellor's reconsideration of the new issue control regulations is eagerly awaited. In quarters usually well-informed it is considered that methods could be adopted whereby companies requiring additional capital could obtain same without going to the Treasury for permission. In the London Joint City and Midland Bank's circular just published, we find agreement with the widely held opinion that it is difficult to see why there should be any control over capital issues in those cases where the money is required for legitimate trade. The hope is expressed that when the revised regulations appear it will be found that the ban on the issue of Debentures, at any rate, has been removed altogether.

In the gilt-edged market prices have moved very little, Consols being about ⅜ down at 58, and War Loan unchanged at 95. In the foreign section French bonds have recovered somewhat from their recent weakness due to the movement in the Paris Exchange. The Fives close at 86, against 84⅜, and the Fours are lower at 68. The demand for Japanese issues has again been pronounced, the Four per cents. being a point higher on the week. There has been less doing in Brazilian stocks, and prices are practically unaltered.

The Home Railway market has been dull with the exception of South-Eastern and Chatham issues, stimulated to activity by the announcement of the Government's intentions regarding the construction of the Channel Tunnel and on the prospect of Kent coal developments. Foreign rails remain lifeless, Argentine issues continuing under the influence of the unsettled labour troubles and the possibility of interim dividends being passed. Practically the only active feature has been Venezuelan Central, for the Debentures and shares of which there has been considerable demand, increasing traffics being read as likely to enable the full 6% to be paid on the First Debentures. The price of this stock has risen to 69; the 6% Second Debentures have advanced from 31 to 38; and the Ordinary shares have hardened to 5*s.* 6*d.* Among Colonial rails Grand Trunks have been the outstanding feature in an unfavourable sense. Indeed, the *dénouement* provided by the appointment of a Government receiver for the Grand Trunk Pacific has been one of the principal topics discussed by the City as a whole. Anxiety as to how the holders of stocks guaranteed by the Grand Trunk Company will fare, and uncertainty as to the fate of the Grand Trunk's own security holders, too, is reflected in the further

drop in quotations from their already low levels as shown below:—

	—1918— Highest	Lowest	Jan. 1	Mar. 7	Mar. 12	Mar. 14
Grand Trunk Ordinary ...	12½	8⅞	11½	10⅛	9⅜	9½
,, ,, 1st Pref. ...	65¼	49	64	55	51	54½
,, ,, 2nd Pref. ...	54½	37¼	52	44	36	38⅛
,, ,, 3rd Pref. ...	27½	18¾	25½	21¼	18½	19½
,, ,, 4% Guaranteed	57½	42½	55⅜	49⅛	47	51½
,, ,, Exc. 4% "A"*	64½	58	65	64½	55	57
,, ,, ,, 4% "B"*	64½	57½	64½	63½	55	57

* Guaranteed by Grand Trunk Company.

Quite at the close of the week a little better feeling caused a slight recovery, possibly in anticipation of the directors' statement to be made at the special meeting to be held next week.

For the most part the commercial and industrial sections of the market have attracted little attention. The dulness, however, has been relieved by bright spots here and there provided by specialities. Among Egyptians, for instance, Sudan Plantations have been rather actively dealt in, though there is not much alteration in price on the week. It is said that the Sudan Government proposes to provide a very large acreage of land, which it will irrigate and subsequently transfer to the Syndicate for 35% of the gross receipts from the cotton grown, the Syndicate to undertake administration and to receive 25% of the gross receipts, the balance of 40% going to the native tenants. Such a scheme, if carried out, would necessitate the raising of a fairly large loan by the Sudan Government.

Iron, steel, and engineering issues moved irregularly and within small dimensions. Otis Steel has been a feature of strength, the Common stock enjoying a sharp rise and closing at 164xd, against 156 a week ago. Two meat shares, Nelson Brothers and Eastman, have also been active. On the report of the former Company, and the announcement that the more speculative part of the assets has been sold on favourable terms, and that if Treasury consent is forthcoming, it is intended to make a bonus distribution of one Preference share for every five Ordinary shares, the price of the shares was run up to 2¼ last week, and this week, after slight reaction, at 2xd. Eastmans have advanced to 19s. on the increase of the dividend from 5% to 10%.

Elsewhere there has been a lively gamble in Channel Tunnel shares, presumably on the idea that the Government will buy out the interest of the Company, even if it has only plans and results of investigations to sell. Brewery descriptions have continued weak on Budget fears. In the Oil section some excitement has been caused by reports of negotiations now proceeding with a view to the Shell-Royal Dutch group purchasing Lord Cowdray's controlling interest in the Mexican Eagle Oil Company, thus bringing about a fusion almost as powerful in regard to the supply of petroleum in Europe as the Standard Oil Company is in America. Towards the close of the week there was less activity in the market, price movements being irregular. Shells closed at 7⅞, the same as a week ago, and the price of Mexican Eagle Commen is a little lower at 5⅞.

5%

NATIONAL WAR BONDS.

Although the issue of September Bonds is discontinued, they are still purchasable for a limited period by instalments from

The National Mutual Life Assurance Society

39 KING STREET, CHEAPSIDE, LONDON, E.C. 2.

under the Society's Special Scheme.

INSTALMENTS CEASE AT DEATH.

NO MEDICAL EXAMINATION OF APPROVED LIVES.

Write for particulars.

PLAYER'S NAVY MIXTURE

"Pipe Perfect"

IN THREE STRENGTHS

White Label. 9½d. PER OZ.

Mild and Medium. 10½d. PER OZ.

This Tobacco is also supplied at Duty Free Rates for the purpose of gratuitous distribution to wounded Soldiers and Sailors in Hospital.

Terms and particulars on application to

JOHN PLAYER & SONS, Nottingham.

Branch of the Imperial Tobacco Co. (of Great Britain and Ireland), Ltd.

Leaders of the World's Filing and Card Index Systems

THE Shannon LIMITED

and Modern Office Furniture

ROPEMAKER STREET, E.C. 2.

Ring up London Wall 1533.

Mining Topics.

It has been a poor week for the Kaffir section of the Mining markets, reports of renewed and persistent white labour unrest influencing sales on the part of holders, and causing dealers to mark down quotations. Modders and some of the other high priced Eastern Rand shares show fairly substantial drops. Consolidated Mines Selection remain firm on the maintenance of the dividend at 30%. With the exception of a few outstanding features, the other sections of the market have suffered from lack of attention. Sharp appreciation in Santa Gertrudis shares is attributed to good developments on one of the properties in which a substantial interest was recently acquired. Camp Bird shares have firmed up in sympathy. Another strong couple have been Burma Corporation, with a rise of 5⅛, and Lake View—on its large holding—put up to 15s. 6d. Canadian Minings have been good also. West African gambling seems to have subsided, and some of the counters look distinctly sickly.

Modderfontein.—Payable reef disclosures in recent quarters compare as under:—

Year ends June 30		Distance Exposed Feet	Width Inches	Assay	Shilling-Inch Assay s.
1916.	June qr. ...	3,725	12	278/9	3,345
,,	Sept qr. ...	5,685	13	167/6	2,177
,,	Dec. qr. ...	3,265	13	183/2	2,381
1917.	Mar. qr. ...	2,440	12	217/0	2,600
,,	June qr. ...	1,440	13	191/6	2,489
,,	Sept. qr. ...	907	9	250 0	2,250
,,	Dec. qr. ...	665	18	136/5	2,453

SOUTH AFRICAN GOLD TRUST.

The South African Gold Trust's report for 1918 discloses results which justify the step taken by the directors last year in increasing the dividend in anticipation of larger earnings. The net profit now reported is £19,700 more than for 1917, and after again paying 10% free of tax on the Ordinary shares, there remains a balance profit of £14,715 to be added to the carry-forward. No addition has been made to reserve in the past two years, but the financial position has been further strengthened, partly by the addition of profit

to the carry-forward, and partly by alteration of investments.

	—Years to December 31— 1918	1917	1916
	£	£	£
Profits realised*	106,325	86,302	113,215
Transfer fees	140	128	131
	106,465	86,430	113,346
Office, &c. expenses	10,725	9,988	9,778
Net profit	95,740	76,442	103,567
Balance brought forward	68,012	72,222	61,608
	163,752	148,664	165,175
Appropriations—			
Preference dividend	30,000	30,000	30,000
To reserve			25,030
French duty and donations	1,025	652	453
Dividend on Ordinary†	50,000 (10%)	50,000 (10%)	37,500 (7½%)
Carried forward	82,727	68,012	72,222

* Profits realised by sales of investments, dividends, interest on loans, &c., ess commission and amounts "written off."
† Dividend free of tax.

How much of the revenue is derived from profit on investments sold is not stated. The gross income of 1918 was £106,465, against £86,430 in respect of 1917; but this increase is not, probably, as much due to sales of investments as to commencement of dividend payments by the American Trona Company, in which the Trust has a substantial interest. This assumption seems to be borne out by the fact that the balance-sheet value of investments at end 1918 was only £16,000 less than a year previously:—

Year to December 31.

DR.	1918	1917	1916	1915	1914
Capital	£	£	£	£	£
Ordinary	500,000	500,000	500,000	500,000	500,000
6% Preference ...	500,000	500,000	500,000	500,000	500,000
Debentures (5½%) ...	—	—	—	—	80,000
Reserve	110,000	110,000	110,000	85,000	85,000
Accrued dividends & interest	14,526	14,801	11,250	12,562	15,623
Sundry creditors ...	14,824	12,103	10,532	1,747	1,715
Balance profit* ...	132,727	118,012	109,722	61,607	10,499
	1,273,077	1,254,916	1,241,504	1,160,916	1,192,837
	1918	1917	1916	1915	1914
CR.	£	£	£	£	£
Investments at cost or under	1,053,853	1,070,067	1,036,318	1,046,085	995,528
Mortgages and advances	21,308	42,461	61,777	52,314	46,602
Sundry debtors and dividends	21,194	24,642	41,793	29,479	28,985
Loans	1,299	3,379	3,770	5,004	70,129
Cash and Treasury bills	175,423	114,367	97,846	28,034	51,593
	1,273,077	1,254,916	1,241,504	1,160,916	1,192,837

* Before payment of Ordinary dividend.

The schedule of investments published last year—the practice is to issue a list every alternate year—showed that at December 31, 1917, the Trust held $285,994 of 7% Preference stock and $576,425 of Common stock of the American Trona Company, 11,437 Ordinary shares of the British Cyanides Company, and 22,000 Government Gold Mining Areas shares. All these have appreciated considerably in value during the past twelve months. The Trust had also 96,783 shares in Sub Nigel, 63,905 shares in the Oroville Dredging, and $146,750 of 7% Preference and $342,230 of Common shares of the South American Gold and Platinum Company, a Colombian dredging undertaking with which prominent American financiers are connected. Taking into account its various other interests in addition to those mentioned, it may be said that the Trust's investments are well spread and carefully selected. The former predominance of South African mining shares has disappeared, and whereas in years gone by very heavy sums had to be provided annually for depreciation, this has lately given place to appreciation, of which no account is taken. Thus, at the meeting a year ago Lord Harris, the Chairman, announced that the valuation of the investments was £209,000 more than the figure at which they appeared in the 1917 balance sheet, and it seems probable, in view of the progress of the American Trona Company, that this has been maintained, if not increased, even allowing for some further depreciation in the remaining South African securities.

The price of the Ordinary shares is 31*s.* 6*d.* *cum* dividend, so that the yield afforded, less income tax, is about 9%.

MOUNT MORGAN.

Judging from the results reported for the half-year to December 1, the dividend prospects of Mount Morgan shareholders, now that the value of copper has fallen to more like its normal level, do not appear to be at all bright. The practice of giving information as to cost of production and price realised for copper sold has been dropped. We find, however, by deduction, that the amount of copper realised in the six months to December 1 was 4,031 tons, against only 1,698 tons in the preceding similar period. Nevertheless, the total revenue comes out at £60,000 less. Obviously the decline in the average price realised could not entirely account for this. It is partly due to the fact that 838 tons of the 2,681 tons in stock at June 2 were taken in at £108 per ton and 1,843 tons at £55 per ton, whereas the whole of the 2,230 tons unsold at December 1 were valued at £55 per ton. The cost of production was again very high, and the net profit was little more than sufficient to pay 5% dividend, against 15% in the previous half-year.

	—Half-Years ended— Dec. 1, 1918	June 2, 1918	Nov. 25, 1917	May 27, 1917	Nov. 26, 1916
Total ore treated (tons) ...	184,274	180,107	212,883	171,600	211,856
Copper produced (tons) ...	3,580	3,505	1,113¼	4,037	4,554
Gold produced (oz.) ...	42,942	38,138	48,081	44,389	54,746
Copper delivered (tons) ...	4,031	1,698	4,639	4,832	4,233
Price copper realised per ton	—	£112 10*s.*	£117 1*s.*	£113 2*s.*	£101 19*s.*
	£	£	£	£	£
Total revenue	548,485	608,822	617,877	657,387	643,996
Total expenditure* ...	462,000*	480,917	493,033	489,699	502,475
Net profit†	86,485	127,905	124,844	167,690	141,515
Dividends paid	50,000 (5%)	150,000 (15%)	100,000 (10%)	150,000 (15%)	100,000 (10%)
Balance profit	36,485	Def. 22,095	24,844	17,690	41,515
Brought forward	98,735	120,830	95,986	78,296	36,781
Carried forward	135,220	98,735	120,830	95,986	78,296
Price of shares end of half-year	–	31/0xd.	—	1 1/16	1 5/8

* Includes all expenses and taxation. † Net profit after off writing depreciation.

By adding £36,000 of the half-year's profit to the carry-forward and writing off depreciation of plant £17,805 in excess of the expenditure thereon, the financial position has been strengthened, so that the balance sheet at December 1 shows surplus liquid assets amounting to £507,233. This figure, however, includes £202,056 of copper in transit, £201,158 stores, fuel and ore on hand, and £49,000 of trade investments.

No addition was made to the ore reserves in the half-year, but 36% of the ore mined came from outside the calculated reserves. The latter at December 1 stood at 3,706,964 tons, averaging 2.58% copper and 6.15 dwt. gold. Ordinarily this grade would be considered very profitable; but the percentage of metals extracted at the Mount Morgan is by no means good, and, as already mentioned, expenses are high. Hence it is to be hoped that success will attend the experiments now being conducted on a working scale with a view to proving whether the leaching process, which has given very good results in America, is suitable for conditions at Mount Morgan. If the answer is in the affirmative, probably substantial outlays on new plant will again require to be provided.

EXPLORATION COMPANY.

For six years Mexico has been in a state of utter chaos, but it seems clear from recent advices that a recovery from the worst is now proceeding—slowly, as is naturally to be expected at first, but none the less surely.

CANADA'S GRAND TRUNK RAILWAY
IS
10,127 MILES of
INTERNATIONAL GOODWILL
COURTESY,
EFFICIENCY and
SAFETY.
CONSULT US ON **Travel, Exports and Imports.**
EUROPEAN TRAFFIC OFFICES
LONDON, S.W.—17-19 Cockspur Street. LIVERPOOL.—70 Water Street.
LONDON, E.C.—44-46 Leadenhall Street. GLASGOW.—75 Union Street.
P. C. SALFER, *European Traffic Manager.*

Last week we showed that the Mexico Mines of El Oro has been operating to 75% of capacity, and making big profits. Further, negotiations in America with a view to the rehabilitation of the country's finances hold out the prospect of a continuance of progress towards more normal conditions. The Exploration Company, which was so heavily hit by the Mexican revolution that it had in 1916 to halve its capital in order to write off depreciation in the value of its investments, now issues a report showing earnings sufficient to raise the dividend from 5% to 7½%. The profit, after providing for office charges and investigation expenses, amounted in 1918 to £31,742, or £10,000 more than for 1917, and after paying the larger distribution to shareholders, free of income tax, the carry-forward was raised from £62,584 to £66,101. The financial position remains strong, and investments have been increased during the year from £262,530 to £305,779, and the surplus cash resources reduced from £175,000 to £135,000. The directors state that the general conditions prevailing in the Republic still give cause for considerable anxiety, but the mining and timber enterprises in which the Company is interested have, with one exception, been able to work with greater regularity. In 1917 substantial holdings were acquired in Far Eastern Rand mining ventures, and these must have done well for the Company since; and the large interests held in Greene-Cananea and Chile copper companies seem likely to give a good return when the present transition stage of the Metal market has been passed through. There are possibilities, too, connected with investigations that are being made for promising ventures.

The 10*s.* shares are now quoted at 14*s.* 9*d.*, against par a year ago. Investments at book cost (severely written down), plus surplus cash, represent 11*s.* 9*d.* a share.

Crown Mines.—On the whole last year's development work at the Crown Mines showed to advantage. The footage sampled on reef was less at 14,700 feet, against 19,270 feet, but the percentage payable was 70%, against 58%, and consequently the total payable work was only 970 feet less. Values on Main Reef Leader as an average, allowing for narrower reef, improved considerably, and in respect of South Reef a larger payable footage disclosed values not very much under the 1917 level, taking into account the increase in width.

	Total Footage Sampled on Reef	Payable Footage		M.R. Leader Dist. Exposed	Width	Assay	South Reef Dist. Exposed	Width	Assay
	Feet	Feet	%	Feet	Inches		Feet	Inches	
1917	19,270	11,270	58	8,340	32	80/0	2,930	25	87/0
1918.									
Mar. qr.	3,320	2,790	69	1,700	26	94/0*	590	30	56/9
June qr.	2,700	1,630	60	1,150	13	250/0†	480	27	70/0
Sept. qr.	4,450	3,100	69	1,850	18	153/0‡	1,250	28	62/4
Dec. qr.	4,230	3,280	77	2,330	17	161/1§	950	28	68/5
12 mos.	14,700	10,300	70	7,230	—	—	3,270	—	—

* 2,444 shilling-inches. † 3,240 shilling-inches.
‡ 2,754 shilling-inches. § 2,748 shilling-inches.

Intending Settlers To South & East Africa



are notified that the

National Bank of South Africa, Ltd., have over **300 Branches within the Union**; also Offices at **Mombasa, Nairobi, Mozambique, Dar-es-Salaam, Tanga**, etc., and in **Nyasaland.**

LONDON OFFICES:

CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office—
25, COCKSPUR STREET, S.W.—1.

Agency at—
10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, March 12, 1919.

Issue Department.

Notes Issued	£99,580,610	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	81,130,610
	£99,580,610		£99,580,610

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£55,270,544
Rest	3,525,804	Other Securities	83,583,997
Public Deposits	24,364,985	Notes	28,171,565
Other Deposits	125,874,913	Gold and Silver Coin	1,304,458
Seven-day and other Bills	21,862		
	£168,330,564		£168,330,564

Comparison with Previous Four Weeks [00,000's omitted].

Date	Circulation	Coin & Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919.	£	£	£	£	£	£	£	%	%	%
Mar. 12	71.4	32.4	24.3	125.9	55.3	83.6	29.5	19·62	5	3½
Mar 5	71.1	31.2	25.7	128.7	59.2	84.7	28.6	18·52	5	3½
Feb. 26	70.3	31.6	25.8	119.2	50.2	83.1	29.7	20·51	5	3½-⅝
Feb. 19	69.6	31.8	30.7	118.3	52.2	84.1	30.8	20·57	5	3½-⅝
Feb. 12	69.8	31.6	28.2	120.0	52.7	83.3	30.2	20·40	5	3⅝-¾
J'ly 31,'14	29.3	40.2	13.7	42.2	11.0	33.8	29.3	52·40	3	2-2½

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 16, 1917, 5½%; April, 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 000,000's omitted):	Mar. 12. 1919	Mar. 13 1918	Mar. 14, 1917	Mar. 15, 1916	Mar. 10 1909
Circulation	£71.4	£47.3	£38.1	£32.9	£28.7
Public Deposits	24.3	38.4	86.4	52.4	17.3
Other Deposits	125.9	129.0	119.1	95.3	39.9
Government Securities	55.3	56.8	24.1	32.8	15.1
Other Securities	83.6	97.6	165.4	92.4	31.3
Reserve	29.5	31.3	34.2	40.7	23.8
Ratio to Liabilities	19·62%	18·67%	16·62%	27·63%	50·64%
Coin and Bullion	82.4	60.1	53.8	55.1	39.2
Money					
Bank of England Rate	5%	5%	5½%	5%	3%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3⅞-4%	3⅝-3¾%	4⅞%	5⅛%	2⅝-2¾%
Exchanges:					
Paris Cheque	26 23	27 24	27 32	28 45	25 24
New York 60 days	4 73½	4 72½	4 72	4 72½	4 53
Bombay Telegraphic Transfers	1/5⅛	1/4⅜	1/4⅛	1/4⅛	1/3⅜
Prices:					
Consols 2½% Cash	58	53½	53⅛	57½	84⅛
French Rentes 3% Money	64 00	57·50	61·50	61·95	98·42
Silver, London spot oz.	47½d.	43d.	35⅞d.	27⅞d.	23½d.
Wheat, *Gazette* average qr.	72/6	72/3	78/0	58/2	34/10
Cotton, Mid Upland* lb.	19·00d.	23·55d.	12·15d.	7·82d.	5·09d.
Iron, Scotch pig ton	101/0	101/0	88/6	94/0	52/6

* Good Middling American, Official Value.

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	% of Gold to Notes %
Mar. 12, 1919	7,787,416	4,802,325	321,140,385	28,500,000	8·9
Mar. 5, 1919	7,957,481	4,608,871	318,155,294	28,500,000	8·9
Mar. 13, 1918	8,451,740	3,824,348	223,316,715	28,500,000	12·8
Mar. 14, 1917	5,598,449	5,734,049	143,822,099	28,500,000	19·8
Mar. 16, 1916	4,226,745	3,251,348	103,442,793	28,500,000	27·5
Mar. 17, 1915	1,777,580	1,580,193	37,602,936	27,500,000	73·1

Balance Sheet, March 12, 1919.

Notes outstanding—	£	Advances—	£
One Pound	243,707,695	Trustee Savings Banks	500,000
Ten Shilling	46,892,701	Currency Note Redemption A/c—	
Certificates outstanding	32,550,000	Gold Coin and Bullion	28,500,000
		Government Securities	501,851,378
Total	321,140,396	Balance at Bank of England	5,414,936
Investments Reserve A/c	14,925,926		
Total	336,066,312	Total	336,066,312

PUBLIC INCOME & EXPENDITURE [000's omitted.]

1918-19. Week to	Revenue [See Below]	Expenditure	Excess of Expenditure	Loans. Advances, &c. Cr.	Dr.	Net. +	Cash Balance
Mar. 8	£34.043	£52.283	£18.240	£108.694	£90.332	£18.362	£7.415
Mar. 1	28.274	44.848	16.574	110.475	94.170	16.305	7.293
Feb. 22	32.099	34.483	2.384	113.157	111.145	2.012	7.583
342dys.'18-9	782.498	2.437.494	1.654.996	6.438.355	4.796.974	1.641.381	—13.615
343dys.'17-8	632.280	2.510.176	1.877.896	5.021.789	3.153.597	1.868.192	— 9.704
*Yr.'18-19**	*842,050*	*2,977,515*	*2,135,465*	—	—	*2,135,465*	—
Yr.'17-18	707.234	2.696.221	1.988.987	5.499.604	3.516.023	1.983.581	21.030

Principal Items of Revenue and Expenditure.

1918-19. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services.
Mar. 8	£3.273	£21.775	£6.643	£2.352	£2.728	£10	£43.544
Mar. 1	3.116	18.753	4.316	2.107	4.971	Nil	37.356
Feb. 22	3.268	18.304	6.368	4.159	8.483	Nil	28.000
342dys.'18-9	148.838	242.115	260.571	131.047	257.649	8.628	2.275.896
343dys.'17-8	104.418	210.547	197.314	120.002	181.893	8.759	2.319.424
*Yr.'18-19**	*147,700*	*280,450*	*300,000*	*103,900*	*315,000*	*11,414*	*2,851,191*
Yr.'17-18	110.033	239.509	220.214	137.478	189.851	11.401	3.494.989

FLOATING DEBT.		Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Repts.
Mar. 8, 1919	...	£961.894	£446.770	£1.408.464	£1.387.389
Mar. 1, 1919	...	968.805	427.280	1.396.085	1.683.360
Feb. 22, 1919	...	978.800	405.180	1.383.780	1.659.902
Feb. 15, 1919	...	993.412	390.680	1.384.092	1.656.248
Dec. 31, 1918	...	1.094.740	455.180	1.549.920	1.420.700

* Budget and Supplementary estimates. ‖ Highest.

FOREIGN BANKS. [In £'s sterling—000's omitted.]

AUSTRIA-HUNGARY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Advances.	Note Circltn.	Above — or beneath + legal max.	Bills Discounted, &c.
July 23, '14	£51,578	£12,141	£63,719	£7,772	£88,740	+ £2,479	£31,883
Feb. 7, '19	10,917	2,373	13,290	385,747	1,546,124	—	117,084
Dec. 7, '17	11,000	2,300	13,300	692,890	739,300	—	117,600

DENMARK.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts.	Balance Abroad.	Circulation.	Deposits.
July 31, 1914	£4,100	£341	£4,441	£8,197	£786	£8,883	£47
Jan. 31, 1919	10,405	135	10,540	4,110	5,583	23,936	1,016
Feb. 28, 1919	10,400	133	10,533	3,959	5,342	23,402	920
Feb. 21, 1918	9,641	136	9,777	2,827	2,712	18,478	1,835
Feb. 28, 1917	9,155	125	9,280	5,008	2,593	15,322	2,371

FRANCE.	Gold. In Bank	Gold. Abroad	Total Cash incl'g Silver	Bills.	Circulation.	Deposits. Public	Deposits. Private
July 30, 1914	—£185,654—		£190,887	£97,788	£287,327	£15,302	£37,803
Mar. 6, 1919	142,359	79,132	234,057	40,993	1,323,876	3,088	102,833
Mar. 13, 1919	142,336	79,132	234,090	41,748	1,329,360	2,699	108,805
Mar. 14, 1918	133,316	81,484	225,078	42,564	989,765	1,552	103,927
Mar. 15, 1917	128,956	77,865	217,385	19,342	734,462	901	97,757

GERMANY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Treasury & Other Notes	Loans & Discounts	Circulation.	Deposits
July 23, '14	£87,843	£16,727	£84,570	£5,379	£40,055	£94,515	£47,198
Feb. 22, '19	112,368	1,043	113,411	289,313	1,243,481	1,187,355	491,691
Feb. 28, '19	112,288	1,038	113,324	298,618	1,367,957	1,205,141	591,532
Feb. 28, '18	120,342	5,833	126,181	65,781	652,857	585,541	324,562
Feb. 28, '17	126,386	730	127,148	17,251	449,893	405,358	203,830

HOLLAND.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts.	Advances.	Circulation.	Deposits.
Aug. 1, 1914	£13,499	£249	£13,748	£13,422	£10,339	£35,680	£1,437
Mar. 1, 1919	56,443	768	57,211	9,379	17,409	85,121	6,031
Mar. 8, 1919	56,412	776	57,188	9,102	15,799	84,260	5,777
Mar. 9, 1918	60,175	602	60,777	2,639	9,284	71,737	5,329
Mar. 10, 1917	49,335	549	49,884	7,203	7,234	61,812	8,068

ITALY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Other Cash.	Loans & Disc'nts.	Circulation.	Deposits
July 31, '14	—	—	—£48,458—	£25,017	£89,304	£88,887	
Dec. 20, '18	£32,702	£3,032	35,734	7,375	61,477	367,871	60,950
Dec. 31, '18	32,710	3,088	35,798	15,233	85,931	363,934	63,868
Dec. 31, '17	33,434	3,498	33,930	8,448	47,745	261,583	57,941
Dec. 31, '16	35,987	2,906	38,993	6,728	39,976	155,089	34,638

JAPAN.	Gold.	Discounts.	Advances	Notes.	Deposits. Public.	Deposits. Private.
Aug. 1, '14	£21,897	£1,828	£7,863	£32,722	£13,818	£1,691
Jan. 18, '19	71,380	4,477	33,599	83,941	93,880	11,280
Jan. 25, '19	71,324	7,825	41,932	93,149	101,694	8,917
Jan. 26, '18	85,411	3,101	20,182	69,780	54,031	2,486
Feb. 3, '17	39,783	2,307	18,998	47,764	40,130	2,878

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve.	Loans, Discounts, Invest. &c.	Net Deposits. Demand.	Net Deposits. Time.	Net Deposits. Total.	Excess Reserve
Aug. 1, '14	—	£89,888	£411,238	—	—	£387,185	£1,790
Mar. 1, '19	£19,194†	110,412	959,884	£767,438	£29,366	853,204	7,210
Mar. 8, '19	19,788†	110,518	988,801	771,484	28,899	849,974	8,232
Mar. 9, '18	20,008†	104,132	877,136	723,812	40,208	855,234	7,704
Mar. 10, '17	100,702*	153,324	704,190	719,242	33,414	754,656	28,384

* Counted as reserve. † Not reserve.

NORWAY.	Gold.	Balance Abroad.	F'r'gn Gov. Securities.	Discounts & Loans.	Circulation.	Deposits
July 31, 1914	£2,980	£1,879	£493	£4,888	£8,752	£783
Feb. 22, 1919	6,711	3,587	716	21,345	22,563	5,999
Feb. 28, 1919	6,710	3,463	716	21,521	22,939	5,799
Feb. 28, 1918	6,525	3,459	713	19,395	17,878	9,124
Feb. 28, 1917	6,915	4,210	740	8,334	14,016	4,044

RUSSIA.	Gold. In Bank.	Gold. Abroad.	Total Cash incl'g Silver	Loans & Disc'nts.	Circulation.	Notes in Reserve	Total Deposits
July 21, '14	£180,114	£14,396	£181,892	£78,081	£183,411	£8,599	£108,811
Oct. 21, '17	129,584	230,882	377,099	1,781,647	1,795,890	10,310	344,907
Oct. 28, '17	129,523	230,865	378,205	1,969,559	1,838,217	15,783	346,550
Oct. 29, '16	155,877	205,498	372,072	814,897	784,488	10,513	223,731
Oct. 29, '15	159,828	3,560	165,844	443,307	501,083	8,417	143,413

SPAIN.	Cash. Gold.	Cash. Silver.	Cash. Total.	Loans, &c.	Spanish 4%	Circulation.	Deposits &c.
Aug. 1, '14	£21,804	£29,187	£50,991	£40,872	£13,778	£77,557	£18,956
Mar. 1, '19	89,148	25,816	114,964	74,981	13,778	138,312	41,232
Mar. 8, '19	89,148	25,710	114,858	74,806	13,778	139,081	41,448
Mar. 9, '18	79,911	28,171	108,082	49,384	13,777	114,767	33,985
Mar. 10, '17	53,321	29,792	83,113	42,320	13,777	95,865	30,325

SWEDEN.	Gold.	Balance Abroad.	Swed. & For. Govt. Secs.	Discounts & Loans.	Circulation.	Deposits.
Aug. 1, '14	£5,717	£6,150	£1,555	£7,495	£13,438	£3,903
Feb. 22, '19	18,019	8,388	3,034	18,203	37,959	5,742
Mar. 1, '19	16,010	8,152	3,034	19,377	40,753	4,938
Mar. 2, '18	13,083	7,316	3,137	12,720	31,721	5,519
Mar. 3, '17	10,812	8,197	3,767	3,939	22,088	3,891

SWITZERLAND.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts & Advances.	Circulation.	Deposits.
July 23, 1914	£7,202	£758	£7,960	£4,917	£10,718	£2,026
Feb. 23, 1919	18,432	2,583	19,020	18,412	33,810	5,992
Feb. 28, 1919	18,419	2,581	18,999	17,932	35,832	3,808
Feb. 28, 1918	14,891	2,242	16,903	11,141	25,887	3,079
Feb. 28, 1917	13,745	2,090	15,835	8,204	20,350	4,800

U. STATES FED. RES. BANKS.	Gold Held by Banks.	Gold With Agents.	Total Cash.	Bills Discount'd	Bills Accept-ances.	Deposits. Govt.	Deposits. Total. Net.	Circulation.
Mar. 7, '19	£184,018	281,581	£37,748	375,984	55,384	42,110	359,349	494,462
Mar. 10, '19	171,826	256,270	441,092	377,548	54,693	39,112	360,418	487,708
Mar. 8, '18	174,248	183,391	389,578	104,088	61,590	11,242	294,488	278,789
Mar. 8, '17	107,149	68,152	177,123	3,700	21,772	2,481	140,432	85,722

II.—FOREIGN BANK RATES OF DISCOUNT.

	Current Rates %	Current Rates Date Fixed		Current Rates %	Current Rates Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	4½	Oct. 28,'14
Berne	5½	Oct. 3,'18	Paris	5	Aug. 20,'14
Bombay ...	7	Jan. 27,'19	Petrograd ...	6	July 29,'14
Brussels	5	Aug. 27,'14	Rome	5	Jan. 11,'18
Calcutta ...	7	Jan. 27,'19	Stockholm ...	7	Mar. 21,'16
Christiania ...	6	Dec. 13,'17	Tokio ...	6¼	Nov. 25,'18
Copenhagen ...	5½	Jan. 2,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—	Mar. 14, '19	Mar. 7, '19	Feb. 28, '19	Feb. 21, '19
Brussels ..... Cheques	27fr. 75c.	27fr. 42½c.	27fr. 25½c.	26fr. 75c.
Denmark ..... Cable	18kr. 32½	18kr. 27½	18kr. 26½	18kr. 25½
Holland..... Cable	11d. 58c	11d. 56⅛.	11d. 57⅛.	11d. 53⅛.
Italy ..... Cable	30lr. 31½c.	30lr. 31½c.	30lr. 31½c.	30lr. 31½c.
Lisbon & Oporto ... do.	34½d.	34¼d.	34¼l.	35½d.
New York ..... do.	$4 76⅜	$4 76⅜	$4 76⅛	$4 76⅜
— ..... Cheques	$4 77	$4 77	$4 77	$4 77⅛
Norway ..... Cable	17kr. 67½	17kr. 51	17kr. 52	17kr. 40½
Paris ..... — 3 mos.	26fr. 50c	26fr. 37½c	26fr. 57½c.	26fr. 42½c.
— ..... Cable	26fr. 18½c.	26fr. 07½c	26fr. 16½c.	25fr. 98c.
Spain (Bank places) 3 mos.	50½ l.	51d.	—	nom.
— ..... Cable	23p. 31	22p. 69½	22p. 55	22p. 65nom.
Sweden ..... do.	18kr. 95	18kr. 90	18kr. 92	18kr. 91
Switzerland ..... 3 mos.	23f. 47½c	23f. 32½c	23f. 44½c.	23f. 67½c.
— ..... Cable	23f. 02½c.	22f. 85½c.	22f. 99½c	23f. 22½.

ON LONDON—	Mar. 14, '19	Mar 7, '19	Feb. 28, '19	Par
Alexandria ..... Sight	97⅛pl.	97pl.	97⅛pl.	97⅛pl.
Amsterdam ..... Cheques	11d. 58½c.	11d. 57c.	11d. 58c.	12·107 d.
Bombay ..... Transfers	1s. 5½d	1s. 5½d.	1s. 5½d	1s. 6d
Brussels ..... Cheques	27f. 73½c.	27f. 45c.	27f. 37½c.	25f. 22½c.
Buenos Ayres ..... Transfers	51¾d.	51⅝d.	51½d.	47.05d.
Calcutta ..... Transfers	1s. 5⅛d	1s. 5⅛d	1s. 5⅛d	1s. 6d.
Christiania ..... Sight	17kr. 69½	17kr. 50½	17kr. 51	18.16½kr.
Copenhagen ..... Sight	18kr. 33	18kr. 27½	18kr. 28	18.159kr.
Hong Kong ..... Transfers	3s. 0¼d.	3s. 1d.	3s. 1⅛d.	—
Italy ..... Sight	30lr. 31½c.	30lr. 31½c	30lr. 31½c.	25lr. 22½c.
Lisbon ..... Sight	34¾ l.	34½d.	34 l.	53½d.
Madras ..... Sight	1s. 6⅛d.	1s. 6⅛d.	1s. 6⅛d.	1s. 6d.
Madrid ..... Sight	23p. 27½	22p. 70½	22p. 55	25p. 22
Montevideo ..... Transfers	—	—	—	51d.
Montreal ..... Cable	$4 76⅞	$4 85½	$4 85½	$4 86⅛
New York ..... Sight	$4 76⅞	$4 75⅞	$4 75⅞	—
— ..... 60 days	$4 73½	$4 73½	$4 73	—
— ..... Cable	$4 76⅞	$4 76⅞	$4 76⅛	$4 86⅛
Paris ..... Cheques	26f. 23c.	26f. 10c.	25f. 19c.	25f. 22½
Rio de Janeiro ... 90 days	13½d.	13½d.	13⅝d.	13d
Shanghai ..... Transfers	4s. 7d.	4s. 6½d.	4s. 8½.	—
Singapore ..... Sight	2s. 4d.	2s. 4⅛d.	2s. 4⅛d.	2s. 4d.
Stockholm ..... Sight	18kr. 96	18kr. 90½	18kr. 92½	18·159kr.
Switzerland ..... Sight	23f. 02½c.	22f. 85c.	23f. 02½c.	25f. 22½.
Valparaiso ..... 90 days	9⅛d.	9⅛d.	9⅛d.	13d.
Yokohama ..... Sight	2s. 1⅛ l.	2s. 1⅛ l.	2s. 1⅛d.	2s. 0.583d.

NEW YORK ON—	Rate Current* Mar. 12, '19	Rate Current* Mar. 5, '19	Par as usually Quoted	Rate July 3, '14
London, sight	$4.75⅞	$4.75⅞	4·8665 dollars for £1	$4 87
,, cables ...	$4.76⅝	$4.76⅝		$4 86⅝
,, 60 days ...	$4.72⅛	$4.72⅛		$4 86
Amsterdam, sight ...	41⅛c.	41⅛c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	35·60c.	35·60c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	44·75c.	44·75c.		
Christiania, cheques ...	27c.	27c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	25·95c.	23c.	26·80c. for 1 kroner	26·33c.
Greece, cheques	19·25c.	19·30c.	19·295c. for 1 drachma	
Hongkong, cheques ...	74·50c.	74·50c.	74·50c. for Mex. $1	48·40c.
Italy, sight	6·30⅛.	6·38⅛.	5·18⅛ lire for $1	5·17⅛.
Lima, cheques	5·05c.	5·05c.	4·8665 $ for 1 libra	
Manila, cheques	50c.	50c.	50c. for 1 peso	49·90c.
Montreal	1⅛%disc.	1⅛%disc.	Premium per $100	Par
Paris, sight	5·48⅛fr.	5·47fr.	5·18⅛ francs for $1	5·18⅛fr.
Petrograd, sight	12nom.	12nom.	51·43c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	25⅞.	26c.	32·42c. for 1 milreis	
Shanghai, cheques ...	113c.	114c.	52·95c. for 1 tael	53·00c.
Singapore, cheques ...	58c.	58c.	55·77c. for $1	57·13c.
Spain, cheques	20·75c.	20·90c.	19·30c. for 1 peseta	
Stockholm, cheques ...	23c.	23·05c.	26·80c. for 1 kroner	
Switzerland, cheques ...	4·86⅛fr.	4·83fr.	5·18⅛ francs for $1	5·18⅛fr.
Valparaiso, cheques ...	20·10c.	20·25c.	20·81c. for 1 peso	
Yokohama, cheques ...	50·80c.	50·75c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week. 1919.	Amount.	Inc. or Dec.*	1919 Avg.	Inc. or Dec.*
		[In £'s sterling 000's omitted.]			
BIRMINGHAM ...	Mar. 8	£3,247	+ £147	£26,091	— £1,510 — 5·5
BRISTOL	,, 8	1,356	— 195	11,881	+ 1,049 + 9·7
DUBLIN	,, 8	7,821	+ 1,359	68,873	+ 14,963 + 27·7
LEEDS	,, 8	1,234	+ 355	10,595	+ 1,168 + 11·9
LEICESTER	,, 8	916	+ 213	8,374	+ 1,189 + 18·5
LIVERPOOL	,, 8	11,059	— 531	113,084	+ 22,644 + 36·0
MANCHESTER ...	,, 8	17,964	+ 1,559	156,054	+ 12,389 + 8·6
NEWCASTLE ...	,, 8	2,132	— 784	17,992	— 2,184 — 7·9
NOTTINGHAM ...	,, 8	780	+ 104	6,722	+ 187 + 2·9
SHEFFIELD	,, 8	1,798	+ 679	12,455	+ 573 + 4·9
LONDON—	1919.				
TOWN	Mar. 12	349,271	— 719	3,950,758	+ 459,335 + 13·1
METROPOLITAN ...	,, 12	31,994	+ 3,778	331,847	+ 59,551 + 21·9
COUNTRY	,, 12	60,736	+ 2,333	592,923	+ 86,985 + 17·2
TOTAL	,, 12	442,001	+ 15,397	4,775,528	+ 605,871 + 14·5

* Compared with a year ago.

V.—FREIGHTS.

—According to Messrs. J. C. Gould and Co. the following are the quotations for representative steam freights:—

HOMEWARDS.	1919 Mar. 14	1919 Mar. 7	1913 Mar. 14
Alex. to Lond.or Hull	—	—	5/0
Aust. to U.K. or Cont.	90/0	90/0	34/0
Azoff to L.H.A.R. ...	—	—	—
Bombay to p.p. (nom.)	100/0	100/0	32/0
Burmah o.c. (nom.) ...	75/0	75/0	28/9
Calcutta to p.p. (jute)	180/0	180/0	—
Danube to A.R. ...	—	—	9/3
Odessa to L.H.A.R. ...	—	—	3/0
R. Plate to U.K. Cont.	250/0	70/0	22/0

Homewards—Cont'd.	1919 Mar. 14	1919 Mar. 7	1913 Mar. 14
U.S Atl. Ports to Lvrpl. (cotton, 100lb.)	$1.25	$1.25	47/6
U.S.gold.K.Cont.(wheat)	15/0	16/0	3/11
Gulf Ports to U.K. Cont. (cotton & grain) ...	60/0	80/0	17/6
OUTWARDS—Cardiff to			
Bombay	—	—	13/3
Colombo	—	—	14/3
Port Said	47/6	47/6	11/0
Rizer Plate	47/6	50/0	16/0
St. Vincent ...	40/0	40/0	9/3

VI.—WHOLESALE PRICES OF COMMODITIES.

	1919 MAR. 14	1918 MAR. 15.	1914 JUNE 30.
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	101/0	101/0	57/0
— Middlesbro' warrants ...ton	95/0	95/0	51/0
— Hematite warrants ...ton	122/6	122/6	61/0
— Staffordshire bars, London ton	£17	£15 10	£8 10
— Common bars ...ton	£14 15	£13 15	£8 10
Steel Rails ...ton	£10 17/6	£10 17/6	£6 2/6
Galvanised Sheets ...ton	£29	£28	£16 17/6
Copper—Standard ...ton	£76	£110—£110 10	£61
Tin—English Ingots ...ton	£239—£240	£325—£328	£142 10
— Straits ...ton	£241	£322—£323	£139 15
Tinplates, I.C. Coke, S. Wales ...box	33/10½	31/6	11/10½—12/0
Lead—Soft Foreign ...ton	£25 10—£25	£28 10—£29 10	£19
Spelter—Ord. Foreign ...ton	£36 10—£33 10	£50—£54	£21 7/9
Quicksilver—(75lb.) ...bottle	£20 10—£21	£20	£7
Aluminium ...ton	£150	nom.	£82
Antimony—Regulus Foreign ...ton	£35	nom.	£27 10
Coal—(best) Yorkshire ...ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle ...ton	40/0—45/0	30/0	14/6
CHEMICALS, OILS, &c.			
Nit. of Soda—f.o.b. Chile, per quintal	nom.	11/0	7/4
Soda—Crystals ex ship ...ton	87/6	72/6	42/6—45/0
Copra—Malay and Straits ...ton	£33 10	£45 10	£23 15—£24 7/6
Gambier—Good marks ...cwt	£3 7/6	63/6	16/10½
Indigo—Bengal good to fine ...lb.	9/0—10/6	9/0—11/0	3/2—3/8
Linseed Oil—Raw ...ton	£58	£58	£25 5
Linseed—Calcutta, spot ...ton	£23 15	£29 15	£13 18/9
— Cakes, U.K. made, ex mill ...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish ...ton	nom.	—	£49 10
Palm Oil—Lagos ...ton	£47	nom.	£31 10
Petroleum—American ...gallon	1/4½	1/7½	7½d.
Rape Oil—Refined English ...ton	£71	£71	£32
Soya Oil—Refined ...ton	£75	£75	£24 10
Tallow—Imported ...cwt.	‡	72/0	29/3—33/3
Turpentine—French ...cwt.	95/0	124/0	33/7½
Rape Seed—Toria ...ton	£22 15	£29 15	£13 5
Rubber—Para, spot ...lb.	2/6½	2/7½	2/9½
— Fine plantation (stnd. crepe) lb.	2/0½	2/5½	2/2
— World's Production* Jan. tons	20,630	22,120	8,467
Shellac—T.N. Orange, fair ...cwt.	215/0—220/0	450/0	63/0—64/0
TEXTILES.			
Cotton—Middling Uplands† ...lb.	19½d.	24·80d.	7·53d.
— Egyptian, good fair ...lb.	28·84d.	30·24d.	8·75d.
— Pernambuco fair ...lb.	19·48d.	26·88d.	7·73d.
— Mid. Upl. New York ...lb.	28·10c.	33·20c.	13·25c.
— Stock, Liverpool, Mar. 7 ...bales	503,250	461,190	—
Flax—Petrograd, Yarapol ...ton	nom.	£120nom.	£28
Hemp—New Zealand ...ton	£55	£93	£25 10
— Manila, Fair ...ton	£80	£85	£26 10
Jute—First Marks ...ton	—	—	£28 15
— Red SO ...ton	—	—	£24 15
Silk—Blue Elephant ...lb.	20/0	25/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	nom.	nom.	11½d.—1/0
— Lincoln Half Hogs ...lb.	1/7½nom.	1/6 nom.	1/0½
Hides—Eng. Ox, best, 65lb. up. lb	9½d.—10½d.	10½	7½d.
Leather—Dressing Hides ...lb	2/5...3/1	nom.	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	185,980,000	48,273,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	237c.	226c.	87½c.
— English *Gazette*, aver. 480lb. qr.	72/6	72/3	34/3
Flour—G.R. ...280lb.	44/3	44/3	28/6
Barley—Eng. *Gaz.*, aver. 400lb. qr.	62/7	58/5	25/4
Oats—Eng. *Gaz.*, aver. 312lb. ...qr.	48/6	52/2	20/0
Maize—N. Y. (new bushel) .. 56lb.	151c.	nom.	76½c.
— Amer. mixed, Liverpool ...480lb.	79/9	80/9	32/4
— La Plata ...480lb. qr.	72/0	76/0	25/3
Potatoes—Good English ...ton	195/0	135/0—155/0	70/0—75/0
Rice—Bassein ...cwt.	25/0	28/3	7/0—7/3
Tapioca—Pearl, medium ...cwt.	33/0	72/6	14/0—17/8
Hay—Best ...2,016lb. ...load	176/0	158/3	82/6
Hops—English ...cwt	—	£5 10—£10	£6 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs. ...8lb.	7/10—8/4	9/3	3/8—3/10
— Scotch sides ...8lb.	8/4	8/2	4/6—5/0
— English ...8lb.	8/4	8/2	4/2—4/5
Mutton—Scotch wethers ...8lb.	8/10	8/8	5/8—6/0
— English wethers ...8lb.	8/10	8/8	4/8—5/4
— New Zealand frozen ...8lb.	8/10	8/8	2/4—3/2
Pork—English and Irish ...8lb.	10/8	9/6	3/6—4/0
Bacon—Irish, ex Factory ...cwt.	188/0	172/0	60/0—74/0
— Danish, ex Port ...cwt.	—	172/0	58/0—68/0
— American, delivered ...cwt.	178/6	171/0—172/0	72/0—74/0
Hams—Amer. long cut, delvrd. cwt.	170/0	165/0	75/0—79/0
— — short cut, delivered ...cwt.	170/0	162/0	71/0—74/0
Lard—Amer. boxes, delivered cwt.	158/0	152/0	51/9—52/9
Butter—Danish ...cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
French ...cwt.			98/0—108/0
— Australian ...cwt.			98/0—110/0
— New Zealand ...cwt.			108/0—114/0
Cheese—Canadian ...cwt.	Controlled 163/4	nom.	68/0—68/0
— United States ...cwt.		nom.	—
— Dutch ...cwt.		160/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Feb. 28 ...cwts.	2,923,455	3,716,077	19,777,254
— Home consump'n to Feb. 28 cwts.	3,973,360	3,259,500	17,272,000
— In Bond Feb 28 ...cwts.	5,988,000	3,848,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	30/0	34/0	10/3
— — Yellow crystals ...cwt.	57/9	46/9	12/8—14/0
— — Tate's Cubes, No. 1 ...cwt.	64/9	53/9	18/0
Coffee—Imports to Feb. 28 ...cwts.	64,902	45,668	720,360
— Home consump'n to Feb. 28 cwts.	51,881	119,112	141,410
— Exports to Feb. 28 ...cwts.	16,525	10,698	340,250
— In Bond Feb. 28 ...cwt.	605,000	1,017,000	484,000
— Price, Costa Rica gd. to fine cwt.	140/0—150/0	122/0—137/0	80/0—93/0
— — Brazil (Santos) ...cwt.	65/9	65/3	41/8
Tea—Imports to Feb. 28 ...lbs.	62,537,899	85,792,330	123,230,277
— Home consump'n to Feb. 28 lbs.	43,554,718	38,687,245	155,447,972
— Exports to Feb. 28 ...lbs.	1,405,196	79,448	26,561,765
— In Bond Feb. 28 ...lbs.	157,470,000	69,945,000	78,292,000
— Price, Indian, Pek. Soug. good lb.	1/4	—	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/4	—	8½d.
— — Common Congou ...lb.	1/4	—	5½d.
Cocoa—In Bond Feb. 28 ...cwt.	760,000	778,000	309,000
— Grenada, good to fine ...cwt.	85/0	87/0—92/0	52/6—58/0

* Estimated. † G.M. American Official Value. ‡ By Agreement.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Jan.	$13,028,000	+ $2,238,000	$1,554,000	+ $386,000
	12 *mos. to* Dec.	*157,568,000*	*+5,419,000*	*34,502,000*	*—12,044,000*
Cuba Railroad	Dec.	£772,172	— £270,913	£122,509	— £240,208
	12 *mos. to* Dec.	*4,900,525*	*+ 414,909*	*1,919,081*	*— 117,192*

VIII.—RAILWAY AND TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week ended	Miles.	+ or — on Yr.	Gross Receipts.	+ or — on Year Ago.	No. Wks.	Aggregate Receipts.	+ or — Year ag
Assam Bengal	Jan. 25	993	+ 13	R1,88,140	+ 8,853	17	27,81,560	+ 3,08
Barsi Light ...	Feb. 8	118	—	40,900	+ 11,300	44	7,81,400	+ 81,
Bengal & N.W.	Feb. 1	8,052	+ 4	5,17,900	+ 45,853	18	84,40,117	+ 14,38
Beng. Dooars	Dec. 14	158	+ 5	29,951	— 9,015	11	4,44,511	+ 28,
Beng. Nagpur	Feb. 1	2,695	—	11,26,000	— 40,000	44	4,92,30,574	+ 31,23
Bomb. Baroda	Feb. 22	2,871	— 2	19,60,000	+ 2,37,000	21	3,58,37,000	+ 32,26
Burma	Jan. 25	1,342	—	5,95,597	+ 38,234	43	2,07,85,882	+ 34,02
Del. Um. Kalk.	Feb. 22	239	—	81,700	+ 462	21	17,74,280	— 81,
East Indian ...	Feb. 22	2,767	— 40	26,72,000	— 1,00,000	21	5,56,25,000	+ 60,28
Gt. Indian Pen.	Feb. 22	3,112½	—	28,30,200	+ 2,56,800	21	4,97,47,397	+ 29,39
Madras & S.M.	Feb. 8	3,152	— 1	11,20,000	— 28,340	19	1,93,56,624	— 1,76
Nizam's Guar.	Jan. 25	900	—	2,68,542	— 536	17	39,29,710	+ 2,18
Roh. & Kumo.	Jan. 25	564	+ 2	1,02,039	— 3,718	17	18,24,694	+ 2,31
South Indian	Feb. 1	1,830	—	6,91,078	+ 54,631	44	2,96,12,805	— 12,
South Punjab	M. of Oct.	716	—	7,37,619	+ 15,124	1m	—	—
COLONIAL.								
Can. Northern	Mar. 7	9,487	+ 53	$771,700	+ 105,300	9	8,161,500	+ 2,08
Can. Pacific ...	Mar. 7	13,388	+ 395	2,469,000	— 148,000	9	26,279,000	+ 3,55
Gd. Trunk Pac.	Feb. 28	916	—	£16,875	— 5,161	8	159,688	— 28
Grand Trunk	Mar. 7	3,816	—	251,587	+ 80,065	9	1,996,161	+ 69
Mashonaland ...	M. of Sept.	810	—	66,538	+ 18,885	12m	683,417	+ 10
Mid. W. Aust.	M. of Dec.	277	—	11,044	+ 2,386	6m	53,198	+ 9
New Cape Cent.	Feb. 8	305	—	3,191	+ 687	5	16,500	+ 2
Rhodesia Rlys.	M. of Sept.	1,397	—	89,811	+ 18,147	12m	1,094,793	+ 46
W. Pass. & Yuk.	M. of Dec.	122	—		—	12m	$1,244,080	— 604
FOREIGN.								
Argentine.								
Arg. N. East. ...	Mar. 1	752	—	£ 11,500	+ 2,400	35	324,275	+ 34
Arg. Transand.	Mar 8	111	—	£ 4,410	+ 251	36	159,420	+ 18
B. A. & Pacific	Mar. 1	3,536	—	£ 127,000	— 1,000	38	4,073,000	+ 1,10
B. A. Gt. Southn.	Mar. 2	3,792	—	£ 165,000	+ 11,000	35	4,794,000	+ 1,17
Do.	Mar. 2	Net	—	£ 52,000	—	35	986,000	+ 13
B. A. Western ...	Mar. 2	1,882	+ 12	£ 69,000	— 3,000	35	2,391,000	+ 77
Do.	Mar. 2	Net	—	£ 19,000	—	35	567,000	+ 17
B. A. Central ...	M. of Jan.	190	—	£ 41,843	+ 8,468	7m	285,293	+ 10
Cent. Argentine	Mar. 1	3,305	—	£ 146,000	— 14,000	35	4,490,400	+ 1,08
Do.	Mar. 1	Net	—	£ 25,000	— 7,400	35	607,900	— 14
Cord. Central ...	Mar. 1	1,205	—	£ 44,800	+ 5,380	35	1,549,780	+ 48
Entre Rios	Mar. 1	831	—	£ 22,200	+ 2,900	35	699,200	+ 18
Brazilian.								
Brazil Gt South.	M. of Jan.	110	—	M 47,090	— 1,810	12m	802,033	+ 9
Brazil Railway	M. of Nov.	3,530	—	M 3,220,000	— 1,504,109	11m	52,913,000	+ 7,76
Gt. W. Brazil ...	Mar. 1	1,010	—	£ 20,300	+ 1,200	10	166,600	+ 11
Leopoldina	Mar. 1	1,831	—	£ 82,529	— 973	10	252,481	— 53
Mogyana	M. of Nov.	1,180	—	M 1,382,000	— 915,338	11m	20,706,000	— 1,51
Paulista	M. of Nov.	766	—	M 2,185,000	— 1,264,265	11m	29,699,000	— 31
Sao Paulo	Mar. 2	163½	—	£ 34,287	+ 5,789	9	232,582	— 9
Sorocabana	M. of Nov.	1,003	—	M 1,128,000	— 865,148	11m	20,204,000	+ 1,22
S. of Bahia S.W.	M. of Dec.	52	—	M 94,000	— 8,000	12m	1,061,000	— 62
Chilean and Peruvian.								
Antofagasta.....	Mar. 2	838	—	£ 27,555	— 11,670	9	279,835	— 59
Arauco	M. of Jan.	84½	—	£ 12,500	— 1,500	1m	—	—
Nitrate (2 wks.)	Feb. 28	390	—	£ 20,292	— 13,329	8	100,040	— 41
Peruvian Corp	M. of Feb.	1,140	—	£ 943,470	+ 18,060	8m	7,973,835	— 29
Taltal	M. of Feb.	181	—	£ 8,062	— 14,236	8m	132,909	— 71
Cuban.								
Cuban Central ..	Mar. 1	382	—	£ 26,549	— 2,184	35	641,067	+ 50
Havana Central	Mar. 1	70	—	£ 11,522	+ 177	35	312,658	+ 20
U. of Havana ..	Mar. 8	681	—	£ 38,951	— 54,285	36	1,840,259	— 4
W. of Havana ..	Mar. 1	155	—	£ 11,849	— 1,041	35	269,793	— 11
Uruguayan.								
Cent. Uruguay	Mar. 1	272	+ 1	£ 27,027	+ 7,912	35	743,051	+ 11
,, (E. Ext.)	Mar. 1	311	—	£ 7,466	+ 1,597	35	169,331	+ 3
,, (N. Ext.)	Mar. 1	185	—	£ 3,471	+ 41	35	129,767	+ 21
,, (W.Ext.)	Mar. 1	211	—	£ 3,551	+ 1,119	35	92,804	+ 17
Mid. Uruguay ..	M. of Feb.	319	—	£ 18,511	+ 8,338	8m	136,05	+ 30
N. W. Uruguay	M. of Feb.	113	—	$ 25,000	+ 744	8m	237,037	+ 20
Urug. Northern	M. of Feb.	73	—	£ 2,181	+ 274	8m	18,168	+
Miscellaneous.								
Alcoy & Gandia	Mar. 1	33	—	Ps. 13,200	+ 4,800	9	90,200	+ 9
Bilbao	M. of Feb.	15	—	£ 2,382	— 691	2m	5,113	— 2
Bolivar.....	M. of Feb.	136	—	£ 13,000	+ 3,381	8m	71,004	— 18
Colomb. Natnl.	M. of Dec.	86	—	£ 13,440	+ 240	12m	147,320	+ 6
Costa Rica	M. of Dec.	188	—	£ 20,978	+ 11,927	6m	131,591	+ 57
Dorada Ext. ...	M. of Jan.	71	—	£ 7,800	— 500	1m	—	—
Egyptian Delta	Feb. 10	559½	—	£ 12,151	+ 3,431	44	328,712	+ 78
Gt. S. of Spain	Mar. 1	104	—	Ps. 135,382	+ 100,854	9	1,216,742	+ 943
La Guaira & Ca.	M. of Feb.	23½	—	£ 7,680	+ 1,355	2m	15,785	+ 3
Paraguay Cent.	Mar. 1	258	—	£ 4,820	+ 1,700	36	138,040	+ 38
Puerto Cabello	M. of Dec.	24	—	£ 3,200	— 1,300	12m	44,500	— 4
Salvador	Mar. 8	100	—	£ 4,510	+ 1,068	36	83,108	+ 17
Santa Fe Prov. French Rwys.	M. of Jan.	1,181	—	£ 156,974	+ 4,526	1m	—	—
S'mana & S'tiago	M. of Jan.	80	—	£ 6,880	— 1,969	1m	—	—
Zafra & Huelva	M. of Jan.	112	—	£ 11,457	+ 534	1m	—	—

TRAMWAYS.		Miles						
Anglo Argentine ...	Mar. 4	400	£	58,381	+ 1,443	9	467,368	+ 7
Auckland (4 weeks)	Feb. 14	27	$	23,537	+ 1,361	3½	170,594	— 8
Bombay Electric ..	M. of Jan.	39	R.	6,12,165	+ 48,585	12m	70,23,885	+ 8,79
Brazilian Traction...	M. of Dec.	378½	M.	8,531,000	+ 462,000	12m	101,894,000	+ 8,69
Brisbane Electric ...	M. of Feb.	40½	£	34,380	+ 2,371	2m	72,955	+ 6
British Columbia ...	M. of Jan.	334	$	677,489	+ 117,920	7m	4,095,584	+ 61
B. Ayres Lacroze ...	M. of Feb.	51	$	42,429	+ 8,032	8m	343,209	+ 39
Calcutta	Mar. 1	35½	R	88,822	+ 14,017	9	7,78,872	+ 11
Cape Electric	M. of Jan.	49½	£	29,452	+ 4,868	7m	182,525	+ 14
Carth & Herr.	M. of Feb.	9	$	2 351	— 1,680	2m	6,006	— 2
Chatham & District	Feb. 27	15	$	1,237	+ 58	8	9,660	+
Havana Electric ...	M. of Nov.	26	$	690,704	+ 47,201	11m	7,466,853	+ 1,15
Isle of Thanet	Mar. 8	21	£	325	+ 158	23	7,067	+ 3
Kalgoorlie	M. of Oct.	20½	£	2,835	+ 40	10m	27,905	+
Lanarkshire.....	Feb. 27	28½	£	3,505	+ 166	8	30,318	+ 4
Lima Light & Trams.	M. of Dec.	85	£	47,887	+ 4,689	12m	527,839	+ 87
London C.C.	Mar. 12	141½	$	69,962	+ 14,542	49	3,286,940	+ 567
Madras Elec. (2 wks.)	Feb. 28	15½	R	35,254	+ 1,701	7	166,809	+ 17
Manila Electric	M. of Nov.	55	₱	214,292	+ 55,292	11m	2,090,630	+ 466
Pernambuco.....	Mar. 3	59	£	5,421	+ 1,074	8	47,584	+ 8
Provincial	Mar. 1	81½	£	2,533	+ 126	22	55,081	+ 2
Rangoon Electric ...	M. of Jan.	8	£	6,373	+ 1,012	1m	—	—
Shanghai Electric .	Dec. 31	(20 days)	Mex. $	71,900	+ 4,545	52	1,330,446	+ 71
Singapore Elect.....	Jan. 25	26½	$	14,320	+ 1,964	4	60,388	+ 11
U. of Montevideo ...	M. of Feb.	69½	£	38,772	+ 4,198	4m	149,821	+ 14

SUPERIOR
WINES AND SPIRITS
Owing to great demand only a limited number of the well-known "PINK LIST" quoting large and unique assortment of Superior Wines and Spirits at Market Prices is being issued.
Apply to EHRMANNS,
Wine and Spirit Shippers and Merchants,
43, 44 and 47 Finsbury Square, London, E.C. 2.
(*Please quote "S."*)

INSURANCE ECONOMY
Many people pay higher rates than necessary. The Policies of others cover less than advisable. Before renewing old or taking out new Policies write for latest rates. We may be able to effect considerable economies for you.
EAGLE STAR & BRITISH DOMINIONS INSURANCE COMPANY LTD
Head Office: British Dominions House, Royal Exchange Avenue, London, E.C. 3.
ASSETS EXCEED £13,000,000.
"Pay what you owe—Employ the Disabled."

The Statist.
LONDON, SATURDAY, MARCH 15, 1919.

AN URGENT NEED.

At last there seems some prospect that the Peace Conference is really getting to business, and will endeavour to attain the one object for which it came into existence. Whether any substantial good will be attained by President Wilson's scheme of a League of Nations of course remains to be seen. But in any case it is so problematical and so very much in the air at present that it may await settlement until after the terms of peace are finally arranged and the actual document signed. The most urgent need of Europe, and, indeed, of the whole world, after more than four years of devastating war, which has involved, more or less, 1,400 millions of an estimated world's population but little exceeding 1,600 millions for more than four years, is at present peace. As things are business is being stopped in every direction. No one yet knows what are to be the actual terms of peace, how the various new countries which are to be brought into existence are to be delimited, what resources they will possess, and what will be their new position in the reconstituted map of Europe. What will the new Belgium be like, and what will be its resources? It is true that through the good offices of the Bank of England a certain credit has been placed at the disposal of the Belgian Government for purposes of reconstruction. But it is hardly conceivable that Belgium will be left just as small and just as unprotected as she was at the outbreak of war in August 1914. If she is to be constituted a larger State than formerly, and particularly if she is to be granted a large indemnity under certain guarantees from the Great Powers, her available resources would be so greatly increased that it would enable her to borrow upon a much greater scale than the existing credit admits of. All this would hasten the period of reconstruction, and assist in restoring this much-tried people to a position of greater comfort and prosperity than they have enjoyed since the beginning of the War.

There are in London at the present time certain Polish delegates, representing various important interests in different parts of what will, no doubt, ultimately be the Polish State. But as yet this State is so indefinite an entity, and its resources so uncertain, that it is hardly possible that the delegates can meet with any considerable measure of success in their object of obtaining certain credits for importing large quantities of food and raw materials for the purpose of converting the Polish provinces into a State on modern lines. In the circumstances it could not be expected that they would receive any encouragement from the various bankers to whom they applied. No banker with a proper regard for the safety of his institution would be willing to make advances on a problematical security. We understand that the applicants received exceedingly little encouragement, and were recommended to apply to the Bank of England, to see if some kind of credit could be granted under a system of guarantees, when it would then be possible to a limited extent to advance certain sums for the purpose of securing a reasonable measure of supplies of various kinds.

We mention the instances of Belgium and Poland simply as illustrations. But until the peace terms are signed business activity and the reconstruction of so large a part of the world from the devastating influences of the late War is checked in every direction. No one really knows in what direction to move until some definite settlement is arrived at.

No really good purpose is served by allowing the Conference to drag out month after month. It is not possible for any body of men, however gifted, or whatever their means of information, to foresee the future. The present difficulties of Europe, or those at any rate which led to the late War, date back to the French Revolution, when the Great Napoleon succeeded in crushing Prussia, the principal State of the late German Empire, in a sense that Germany has not been crushed now. The origin of the immense armies against which East and West have been exhausting their strength for four years past dates from an attempt to restrict the armies of the Prussian Monarchy. Napoleon compelled the Prussians to keep an army of only a few thousand men. The then King of Prussia had no option but to obey. But he devised a means whereby the standing army was maintained at the prescribed numbers, but every two years a fresh body of men were passed through the ranks, with the result that when Napoleon got into difficulties some ten times the number prescribed had actually received some kind of military training.

A VITAL QUESTION.

No greater contrast is presented in the world at the present time than that between East and West in the vital question of the growth of population. We cannot include the United States of North America in our calculations because, curiously enough, although the United States is pre-eminently a land of statistics, and in most departments of its great industries sets an example in furnishing statistics which most countries might imitate with advantage, its vital statistics are the most imperfect of any highly-civilised and progressive country. Exactly what the birth-rate is in the United States we do not know, and to what extent the growth of population is due to immigration as distinguished from what is commonly called natural growth or the births of people who are themselves citizens or subjects of any particular State, we are without information. Americans themselves say that people of the United States in general, and particularly amongst the upper classes, follow the Western European practice, and the growth of population amongst native American-born citizens is, as it is in England, very small. The great growth of births over deaths comes from immigrants, particularly where both parents are foreign-born. The exception to this rule is the black belt in the South, where the population amongst the coloured people has more than doubled since the Civil War. This, however, is merely an impression one gathers from talking

to Americans themselves. The United States Government publishes no official returns which would enable one to determine what are the actual facts of the case.

Whatever may be the facts with regard to the United States, it is certain that the growth of population in Western Europe is exceedingly small when compared with the growth of population in Asia. France is, of course, the most striking instance in Western Europe, but we will return to the subject in a moment. So far as we are ourselves concerned, just before the War the growth of the native-born population here was, as nearly as possible, three-quarters of 1%, having declined from 1¼% from the preceding decade. In Germany it was a little over 1%, having declined in the decade from 1½%, and in Russia, so far as the statistics could be relied upon, the growth of population appeared to be somewhere in the region of 1¾%. In China there were, and are, no reliable vital statistics; but it is there generally believed that the birth rate is very high with a correspondingly high death rate. In Japan, which is one of the most advanced countries of the world in modern times, and provides an excellent system of vital statistics, the growth of the native-born population amounts to a small fraction over 2½%. The total area of Japan proper is somewhat under 147,000 square miles, and the population of that area is 56¾ millions. But if we include the various territories acquired after the War with Russia the area is very much greater, and the total population, roughly, 70 millions.

Japan has rendered great services to the common cause of the Allies during the recent War, and she is at the present time by far the greatest Asiatic Power. If, moreover, she succeeds in conciliating the various peoples who have become subject to her as a result of the war with Russia, she will at no distant date be one of the great world powers. In any case, she has rendered great services, and one result of the War should be that her people be admitted to allied countries, or, at any rate, to the various parts of the British Empire over which we ourselves have control, upon the same terms as she admits British subjects into Japan and its various dependencies.

Another and even more important aspect of the question is the fact that 75 per cent of the population of the British Empire are coloured people. Now, in no part of the British Empire are the white races growing at a rate which shows any prospect of their filling up the vast empty regions which we call our colonies in any reasonable time. In Australia, for example, the rate of growth of population from what is called natural causes was just before the War as low as in the congested area of the United Kingdom, notwithstanding the fact that Australia proper is bigger than India, and has a population not much exceeding that of the Administrative County of London. Now, in India we have a population of over 300 millions clamouring for opportunities to emigrate to various parts of the British Empire where settlers are urgently needed, and where the climate is suitable for Indians. Assuming that it is desirable that India should continue a part of the British Empire, we cannot indefinitely differentiate between people born in India and people born in other parts of the Empire as to the right of settlement in different parts of that Empire. Either Indians are our fellow subjects, or they are not. And if they are, it is clearly their right to settle in any part of the Empire where other British subjects enjoy the same rights. India is essentially an agricultural country. But its methods of agriculture are exceedingly backward, and its practices exceedingly primitive. The Indian, if he were allowed to emigrate freely to various parts of the Empire, would give to the different parts of the Empire the advantage of very cheap labour, owing to the fact that he is accustomed to low wages in his own country. In the course of his workings in other parts of the Empire, he would see that the primitive methods of agriculture practised in India are one of the causes of the difficulties under which India constantly labours, and are, of course, one of the causes of the low wages he is able to earn. It would, of course, take time. But if Indians really were encouraged to emigrate freely to different parts of the Empire, they would see that their methods of growing sugar cane, for example, are backward to a degree, and if possible, that their methods of preparing the cane when grown are still more primitive. Having learnt in other parts of the Empire improved methods of growing sugar, they might be expected in many instances to return to India and teach their countrymen that it is quite possible not only to produce in India all the sugar she requires for her own consumption, but a very large surplus for export which would gradually enrich the country.

Shortly before the War M. Klotz, then, as now, Finance Minister of France, presided over the National Commission on Depopulation. The facts elicited by M. Klotz's Commission were truly remarkable. The report of the Commission showed that in 1910 the excess of births over deaths in France was only 71,000, while in Germany it exceeded 870,000; in Austria-Hungary, 573,000; in Great Britain, 413,000; and in Italy, 451,000. In 1906 and 1911 the number of deaths in France actually exceeded the number of births. A diminution in the birth-rate in Western Europe was a feature of the time; but, says the report of the Commission, it bears no comparison with the diminution of the birth-rate in France. A feature brought out by the report was that there were at that time in France nearly two million married couples without children. When we remember that just before the outbreak of the Revolution France was the greatest single Power in Europe, the effect of a century of democratic war upon the vital forces of France can only be compared with the disasters she suffered during the long struggle between the Catholics and the Huguenots.

THE COUNTY PALATINE.

According to the last Census, Lancashire contained a population greater than that of any other county area in the United Kingdom, including even the Administrative County of London. The population was returned at over 13 millions, and in density it surpassed all other county districts with the exception of London. These two remarkable facts single out Lancashire as a place of extreme importance in the life of the nation, and an examination of the county from the industrial standpoint shows that this view is not exaggerated. It is one of the chief centres in the United Kingdom for the mining of coal and iron ore, the twin foundations of modern industrial greatness. Because of this subterranean wealth it has attracted many large industries to its bleak moorlands. The soil of the county is, on the whole, distinctly unfavourable to agriculture, and the climate militates against outdoor occupations; but what lies hidden beneath the earth has provided indoor occupations for men and women, and in some of the trades, such as cotton-spinning, the climate has proved a distinct advantage. By simply piecing together the two factors of natural resources and climate a prophet of a century ago might have foretold the lines of Lancashire's industrial development. It was obvious that coal mining had a future, that the iron ore found alongside it would be worked in conjunction, and that the smelting of the ore and its conversion into steel would lead to the establishment of machinery manufacture, which would, moreover, be encouraged by the demand for textile appliances consequent on the recognition of Lancashire's climatic advantages for spinning.

Through the natural port of Liverpool and the artificial port of Manchester inlets into Lancashire for food and raw materials, and outlets for manufactured

articles, have been provided. The development of Liverpool, like that of Glasgow, has been coincident with the development of European trade with North America, and it was but natural that the raw cotton from the United States should be brought to a district which had all the requirements for textile manufacture—coal, iron, and climate. Besides, Lancashire had previously been associated with cotton-spinning, and accordingly the path was already made smooth for the development of an industry which can boast to be amongst the foremost in the world in respect of the capital invested, the number of operatives, and the volume of output. This industry has a highly developed system of production, as is witnessed by the specialisation that has taken place and by the localisation of different branches of manufacture in different centres. It possesses, in addition, a commercial organisation which makes for efficiency in the purchase of raw materials and the disposal of finished goods. In a few words, the cotton industry might be described as the mainstay of a population which, statistically speaking, is among the most affluent in the world.

In view of its circumstances, it is not surprising that Lancashire is a county with great towns. All its coalfields lie to the south of the Ribble, and in that area is found the greatest concentration of population, housed principally in the third and fourth largest cities in the United Kingdom—Liverpool and Manchester. The various urban communities found in the area are almost contiguous, and a journey through it gives the impression of one vast town. From the industrial standpoint such an impression is correct, as the business interests of the various towns are so interwoven as to be almost incapable of separate analysis. The principal bond of unity is coal, which is found underneath the characteristic New Red Sandstone, associated with practically all our English deposits. The coal-bearing district might roughly be described as extending from Pendleton to Colne in the north-east, and St. Helens in the west, and it contains three clearly marked groups of coalfields, the first stretching around Burnley, the second around Manchester, and the third and largest covering East and Mid-Lancashire, with centres at St. Helens, Wigan, Bolton, and Rochdale. But little of the coal is exported, since it is practically all required to satisfy local household and industrial requirements. Moreover, it is not of a nature suitable for export, as its steam-raising properties are not remarkably good. The coal seams in the county are in many cases difficult to work, being traversed by frequent faults, while, in addition, they incline at steep angles and usually run at great depths. The cost of winning the coal is thereby much enhanced, but by the aid of mechanical devices these troublesome factors have been largely overcome. Manchester and Salford have the advantage, as compared with Liverpool, of the supply of coal at their doors, and this has, no doubt, been the chief reason, next to the establishment of the Ship Canal, for their comparatively greater increase in industry and in population in recent years. It also accounts for the greater development of the engineering trades in the two former cities, and partly explains why cotton manufacture is not carried on in Liverpool, while Manchester and Salford between them can count nearly 3¾ million spindles and about 24,000 looms. The heavy-machine trades are naturally attracted to the coal-bearing centres, since these provide both the coal and the ore required in blast furnaces for the manufacture of pig iron. Again, coal furnishes power, and its presence tends to attract cotton mills. It is common, therefore, in the great coal areas of Lancashire, which extend principally along the east side, farthest away from the coast, to find the working of coal and iron carried on side by side with the manufacture of machinery and the spinning and weaving of cotton. Thus Oldham contains by far the largest number of spindles of any cotton town in Lancashire, and it is also the seat of what are, perhaps, the largest factories in the world engaged in the manufacture of textile machinery. Similarly, Bolton, with nearly 7½ million spindles, and Rochdale, with over 3½ millions, are extensively engaged in machinery manufacture, and draw the necessary supplies of coal locally.

The cotton industry is peculiarly international in character, since it depends for its raw material chiefly on the Western Hemisphere, and for its markets chiefly on the Eastern. Hence, the two ports of Liverpool and Manchester play an important part in the economics of the industry, but it is not generally known that the part played by Liverpool is of greater consequence. Liverpool is, in fact, the chief ocean port for all the north of England, including even Yorkshire, with its varied woollen and steel industries. The Liverpool raw cotton market is probably the most important for "spot" cotton in the world, and only a small, but ever-increasing, portion of the raw material is imported directly into Manchester. The Liverpool market is so highly organised that in any attempt to displace it a tremendous initial disadvantage must be overcome. A little cotton is sold in Manchester, but practically all the spinners go for their requirements to Liverpool, where "spot" supplies are so great, and where dealings in "futures" are also centred. Again, the bulk of the finished cotton goods is exported from Liverpool. Steamers leave that port for all parts of the world, and hence shippers of cotton articles usually have a better and more frequent service for export purposes than from Manchester. Moreover, Liverpool is situated almost as closely as Manchester to the principal weaving towns in North Lancashire, such as Preston and Blackburn, and a combination of services by rail and canal helps to attract the goods.

It is but natural that, with its large interests in the North Atlantic trade, and, consequently, its intimate connection with food-producing countries, Liverpool, as the port of entry into a great industrial region, should have become a great food centre. Its position in this respect has been fortified by its centuries-old association with the cross-channel trade to Ireland, whence we have long been accustomed to draw large supplies of food. The port includes, of course, the docks on the Cheshire side of the Mersey at Birkenhead, and it is here that Liverpool's great trade in live-stock is chiefly centred. Another fact that assisted the latter city in maintaining its supremacy as a port against Manchester was the growth along the Mersey of shipbuilding and of ship-repairing, a development almost impossible in an inland port like Manchester.

THE COTTON TRADE AND FOREIGN COMPETITION.

To ensure proper perspective in the consideration of this problem the primary facts to be borne in mind are that cotton figures on our list of manufactured goods as the largest item of export, and that the prosperity of all the towns in Lancashire, diverse as their immediate interests sometimes are, is ultimately dependent on the condition of the cotton trade. No industrial position is so stable that it cannot be assailed, and in industry, as in war, it is not a counsel of wisdom to underrate one's opponents. The pre-eminence of Lancashire cotton goods in the markets of the world was in itself an invitation to the commercial men of other countries who desired to handle a share in the large profits of such a lucrative trade. Exclusive of the re-export figures, our export of cotton manufactures in 1913 exceeded £127 millions out of a total for all classes of goods of £525¼ millions. Cotton thus accounted for practically one-fourth of our export business in normal times. The extent of the trade is easily explained, since cotton is the cheap textile material used in clothing the human race. In addition to this essential function, it discharges others scarcely less essential, with equal success. It can be utilised on sea, land, and air, in peace and in war. It serves such diverse purposes as sails for ships,

wings for aeroplanes, and gun-cotton for explosives. At present there are about 25 countries, scattered in various parts of the world, but confined almost altogether to the Northern Hemisphere, engaged in the manufacture of cotton. The best indication of the seriousness of their efforts to displace our cotton manufactures can be given by a table showing the extent of the various spinning industries and the progress they have made since the commencement of the century.

Number of Cotton Spindles.

Name of Country	1900	1914	Percentage Increase + or Decrease −
United Kingdom	45,500,000	56,300,000	+ 24
United States of America ...	19,472,000	32,107,000	+ 65
Germany	8,000,000	11,550,000	+ 43
Russia	7,500,000	9,160,000	+ 21
France	5,500,000	7,410,000	+ 34
India	4,945,000	6,500,000	+ 32
Austria-Hungary	3,300,000	4,970,000	+ 50
Italy	1,940,000	4,620,000	+142
Japan	1,274,000	2,750,000	+116
Spain	2,616,000	2,210,000	− 15
Belgium...	920,000	1,530,000	+ 66
Switzerland	1,550,000	1,380,000	− 11
Brazil	460,000	1,250,000	+177
China	550,000	1,000,000	+181

These statistics have been compiled from American sources, and in the case of backward countries, such as Russia and China, they are of necessity only roughly approximate. As far as figures go we still have the whip hand, as our nearest competitor, the United States, can claim only 57 spindles for every 100 owned by us. The single town of Oldham possesses nearly as many spindles as Germany and Russia together, while Bolton possesses as many as France and much more than any of the other competing countries.

The extent of the cotton industry may not be determined only by the number of spindles. It is also influenced by the amount of raw cotton consumed. Adopting this criterion, the United States cotton industry is much more extensive than our own. Our annual average pre-War consumption, if taken as identical with our net imports, amounted to nearly 4,000,000 bales, while the consumption of American mills was well over 5,000,000 bales. These criteria thus show very different results, and, in the circumstances, one might adopt as a third the aggregate value of the output of cotton goods in each country. Unfortunately, no recent figures of a reliable character are available, but according to the American census of 1910 the estimated value of cotton manufactures in that year was approximately £126 millions, a figure in excess of current estimates as to the value of the British output in the same period. Hence we are forced to the conclusion that in magnitude the American industry exceeds our own.

The competition of the United States is all the more serious as they are the principle source of our raw material, supplying us with 75% of the cotton consumed annually in the United Kingdom. The American crop constitutes seven-elevenths of the annual cotton crop of the world, and as most of the other cotton-growing countries retain the major portion of their crop for home consumption, the dependence on the United States of all cotton manufacturing districts outside the tropical and sub-tropical areas, within which the cotton plant thrives, is all the more emphasised. Though their cotton manufactures are intended primarily to meet home requirements, the United States have been, during the last few years, assiduously cultivating the Central and South American markets. Next to the Far and Near East, this area constituted in 1913 our most important outlet for cotton goods as it absorbed more than nine million pounds worth of our manufactures.

The untoward events of war have brought about a change in the significance of the figures given in the above table. In the first place, the destruction of property caused by operations in the fighting zone, or by civil disturbances in different countries, has been very great, and the cotton machinery on the Continent must, accordingly, be substantially below pre-war strength. Germany, Russia, Poland, Belgium, and Northern France need only be quoted to show how materially the cotton industry, as a whole, has suffered. Secondly, during the War the manufacture of textile machinery has been almost at a standstill, and repairs have become increasingly difficult. Before the war Great Britain was the chief centre for the manufacture of machinery for the treatment of cotton, and her mill furnishers had equipped a large proportion of the mills of the world outside the United States. When the deplorable shortage of munitions was forced upon the attention of our political leaders, the engineering shops of Lancashire were turned on to the production of war material. The only other manufacturing centres of importance, as regards textile machinery, were the Central Empires and the United States, and in these countries the demand for munitions had a similar effect in severely restricting the civilian branch of the output. Without access to the ordinary sources for the purchase of new, or the repair of old, machines, cotton manufacturers had inevitably to put up with an undue deterioration of plant. If we allow 5% for depreciation—a small figure, seeing that in ordinary times our Inland Revenue authorities usually allow a large percentage under this head in assessing income tax—it would mean that in the four and a half years of war at least twenty-two of every hundred cotton spindles have been rendered useless. In 1914, the number of the world's spindles was approximately 146 millions. A reduction of at least one-fifth or of 29 million spindles must, therefore, on this basis, have taken place. Results were not, however, so serious in Great Britain and in the United States as elsewhere. Both these countries, being outside the theatre of war, could keep their machinery in good condition as compared with continental competitors. Moreover, owing to fairly ample supplies of raw material, they were able to keep all, or a large proportion, of their machinery going. This was impossible in the continental areas which were directly blockaded as well as in those which suffered from the effects of the blockade, *e.g.*, Switzerland and the Netherlands. Machinery while at a standstill tends to deteriorate rapidly, unless frequently turned, and it naturally loses, during a period of emergency, any parts which can be utilized for other purposes. Such parts, once abstracted, are seldom replaced. Accordingly, both in extent and efficiency, the cotton machinery of Europe must at present be far below the pre-war standard. The work of reconstruction will necessarily be difficult, and in the meantime Lancashire, at a moment when the world is crying out for clothing, is ready to meet the universal need and so to re-establish her European supremacy. This desirable end will be attained all the sooner if the various restrictions now surrounding the export of cotton goods to many countries on the mainland are relaxed. With the removal of the embargo and the coming of peace the long anticipated boom in trade should set in, and the outlook for Lancashire's premier industry would then be such as to confound the prophecies of the pessimists.

Banca Italiana di Sconto.—At a general meeting of shareholders on March 12 a dividend of 35 lire per share of 500 lire—7%—was declared, and sanction given to an increase of the capital from 180,000,000 lire to 315,000,000 lire. The new shares will be issued at a premium of 60 lire. This step will make the Bank the largest, from the point of view of capital, in Italy. Its expansion has been extremely rapid. The subscribed capital at the end of the year 1915, in which the Bank was established, was 70,000,000 lire, and the paid-up capital 66,539,550 lire. At the end of 1916 the subscribed capital had been raised to 115,000,000 lire, and the paid-up amount to 70,000,000 lire. In April 1917 the issued capital was raised to 115,000,000 lire, in January 1918 to 180,000,000 lire, and presently it will be 315,000,000 lire.

LIVERPOOL'S POST-WAR SHIPPING DEVELOPMENTS.

During the four and a half years of war Liverpool has been the "Gateway from and to the West," where there has been landed millions of tons of munitions of war, which have enabled our munition factories to turn out such vast quantities of munitions that our armies have been successful in vanquishing the Hun; and foodstuffs which have kept our island home from the verge of starvation, despite the frightfulness of German submarine piracy; and hundreds of thousands of troops. Large fleets of Atlantic liners have arrived at Liverpool, while other ports on the South and East Coasts have practically been closed to the general trade, and it became, in a more pronounced manner than ever before in its history, the distributing centre, not only for the Northern and Midland counties, as it was in pre-War days, but for the whole of the Kingdom. Many of the steamers which regularly traded to the Southern and East Coast ports in pre-War days, owing to the exigencies of the War were diverted to Liverpool and carried their passengers and cargoes to the Mersey port; were provided with berths at the Liverpool Docks by the Mersey Docks and Harbour Board; and so efficiently were the requirements of the shipowners catered for that a large percentage of this new shipping trade that was attracted to the port will, it is expected, be retained. Taking the opportunity by the forelock, the Mersey Docks and Harbour Board, which is responsible for keeping Liverpool in the forefront as the principal shipping port of the Kingdom by the provision of adequate port accommodation; the shipowners and their representative Association, the Liverpool Steamship Owners' Association, whose members control most of the tonnage of the port, aggregating over five and a-half million tons of merchant shipping; and the Chamber of Commerce and various commercial associations, have been, and still are, making strenuous efforts towards retaining for the port of Liverpool this voluminous and important trade. In many ways these combined efforts are proving eminently successful, with the result that Liverpool's post-War trade will, it is expected, be vastly in excess of the figures of pre-War days.

Liverpool, by reason of its peculiarly favourable geographical and maritime position, will always remain —providing, of course, that the authorities do everything in their power to maintain its prestige—the great and supreme "Gateway to and from the West," through which the bulk of the commerce and the passenger traffic between Great Britain and a large section of the Continent, from and to the United States and Canada, will pass for many generations to come, despite the aspirations of such rivals as Southampton, Fishguard, and other ports. In this connection it will be appropriate to refer to the recent decision of the Cunard Line to make Southampton the home port for the *Aquitania*, *Mauretania*, and any other large passenger liners which might be added to the Company's fleet in the future. Sir Alfred Booth, Bart., the Chairman of the Cunard Company, commenting at the time of the Company's decision, said "the Cunard Company intends to take the place of the German lines in providing a regular service of passenger steamers of the highest class between Southampton, Cherbourg, and New York. It is inconceivable that the Cunard Line, as the premier British line in the North Atlantic trade, can allow the important passenger traffic between the United States and the Channel ports to be monopolised by foreign-owned companies"—and this is the point in Sir Alfred's views that deserves special attention. The "Cunard Line does not intend to abandon any services which it has carried on in the past. On the contrary, new services will be established in many directions, as fast as the necessary tonnage can be secured. Meanwhile whatever steamers are available will be used in the various services to the best advantage in accordance with the demands of traffic."

"As between Liverpool and Southampton, Liverpool requires cargo capacity as well as passenger accommodation, while Southampton requires less cargo space. It may, therefore, be taken that the *Aquitania* will eventually be based on Southampton, while the Liverpool and New York service will be equipped with steamers of greater carrying power." Therefore, the decision of the Cunard directors to transfer the largest steamers of the fleet to Southampton has not been dictated by reason of the lack of facilities provided at Liverpool by the ruling authority, the Mersey Docks and Harbour Board, to house the biggest ships afloat, or to any special advantages which Southampton might appear to have over Liverpool, but to the fact that the Cunard directors had seized another unique opportunity of adding to its prestige as the premier shipping Company, and of entering upon a trade, the possibilities of which are enormous, now that the German steamship lines which made Southampton their British arrival and departure port, will not, in the future, be the keen competitors that they were in pre-War days for the passenger-carrying trade on the North Atlantic route. It will be remembered that some years ago, when the largest of the White Star Line fleet forsook Liverpool for Southampton, there was considerable elation in the southern port at their great *coup d'état* at the expense of the Mersey port, and it was thought in some circles that Liverpool would of necessity have to write over her portals "Ichabod" as an Atlantic passenger embarkation and disembarkation port; but, despite the wailings of those gloomy Jeremiahs of those days, Liverpool has retained her leading position, and when the necessity arose, as it did in the War, the port revealed its latent possibilities, and has played a more important part in the national cause than any other port of the country, and has justified the claims of superiority which its citizens are so proud of making on its behalf.

The Mersey Docks and Harbour Board, as the authority which is responsible for the development of the port of Liverpool, and which is representative of all the shipowning and trading interests of the port, is well alive to the necessity of keeping the port well in advance of all its competitors, and are embarking upon a very ambitious scheme of dock and port development now that the War has terminated and labour and material can be secured to proceed with the huge North-End Docks extension, including the completion of the Gladstone system of docks. Special attention is being paid in the latest dock scheme to the electrification of the dock estate from the Sandon Dock to the Hornby Dock, practically more than half the whole of the North-End system of docks, with a view to the extended introduction of electrically worked mechanical appliances on the dock quays. It is estimated that this scheme alone will cost somewhere in the neighbourhood of £123,000. Another special feature in the scheme is a much more extended use of mechanical appliances for facilitating the rapid handling of cargoes on the dock quays, thereby relieving the congestion of the quays, which was inevitable without these mechanical devices when large consignments of cargo were being discharged. Additional groups of railway sidings have been laid down on the quays of practically all the docks, and by this means cargoes can be discharged direct from the vessel to the railway waggons in the most expeditious manner, and, without any loss of time or further handling, be conveyed to all parts of the country, the dock sidings being linked up to all the principal railways of the country.

The [illegible] War has [illegible] the absolute necessity for the provision of ample cold-storage accommodation in the vicinity of the docks for the storage of perishable [illegible] on arrival in port, to prevent deterioration. Liverpool had very good accommodation in this direction for

normal times, but when additional storage room was required for war-time arrivals it was found that the space was totally inadequate to the needs of the trade. The Dock Board immediately started to remedy this defect, in conjunction with one of the big cold-storage firms of the city, and allocated space at one of the North-End docks for the building of a large cold-storage plant, and by this means they have increased the accommodation from 5,500,000 to over 8,000,000 cubic feet, which will be a material advantage to the port. This storage accomodation has been erected on sites in close proximity to the berths at which the liners which carry this meat and other perishable cargoes are usually berthed. Liverpool's warehouse accommodation is second to none in the country, and is conveniently situated right on the line of docks, and in many instances on the dock quays on the dock estate. The principal warehouses are the property of the Dock Board, and during the last year of the War there was stored in the Board's warehouses over 112,000 tons of grain and breadstuffs, 70,000 casks of tobacco, 135,000 bales of East India and Colonial wool, 134,000 packages of tea, &c. It will, therefore, readily be seen what immense warehouse accommodation the port of Liverpool possesses, for, in addition to those belonging to the Dock Board, there are several large private firms whose warehouses are of very great dimensions; and Liverpool is in a specially favoured position in regard to her storage space, which is of prime importance to a port of the standing of Liverpool.

Probably no port has so many shipowners who have been so signally honoured by their King and country for conspicuous services in the national cause than Liverpool has the proud privilege to enjoy. Its leading steamship line has on its board of directors quite half a dozen titled personages, whilst its Chairman and Vice-Chairman have during the War rendered highly distinguished services to the State on behalf of the shipping industry. With such a body of shipowners controlling the destinies of the premier trade of the port and the city, and with such a body of eminent business gentlemen, representative of all the vast interests of the port, comprising the membership of the Mersey Docks and Harbour Board under the capable chairmanship of Sir Helenus Robertson, assisted by such a practical and experienced body of officials, no anxiety need be felt as to the position Liverpool will occupy in the future in the "battle of the ports."

CO-OPERATION IN IRELAND.—I.

The present revival of interest in rural co-operation in England is symptomatic of the revolution that the war has occasioned in agriculture. The necessity of increasing our home food supply during the past four years and of assisting and encouraging the farmer to that end has led to an inquiry into the best means of increasing the economic productiveness of the land. This inquiry has been stimulated by the demands of a large number of discharged soldiers and agricultural labourers for better facilities to settle on the land. In this connection we would point out that a policy of land settlement based on the dropping of isolated individuals here and there is unlikely to meet with any large measure of success. The adoption of a system of settlement by groups would enable the men to practise co-operation, and from this point of view some useful object-lessons may be furnished by Ireland. In England the growth of co-operation has been slow, owing mainly to the system of rural tenure and to social and educational conditions. In Ireland and Denmark the lands are held mainly by peasant proprietors, while in England that class is very limited in number. Of the total number of Danish agricultural holdings over 90% are freehold, while in England the corresponding figure is somewhere about 13%. Farmers on a large scale have hitherto shown little desire for co-operation. The necessity of pooling capital and energy in order to secure the highest possible return is not felt so severely by them as by the smallholder, and unless some great change takes place in the system of holding land in England it is unlikely that co-operation will be developed there on the same scale as in Ireland and Denmark. The following table shows the position of agricultural societies in the two countries at the end of 1916:—

	England	Ireland
Number of co-operative societies	532	958
Number of members	62,680	106,734
Turnover	£4,964,220	£6,099,880

Thus, England, with a population of 36,370,000 has one society to every 68,360 inhabitants, while Ireland, with a population of 4,390,000 has one to every 4,582 inhabitants. The average share, however, of turnover per member in England amounts to £80 and in Ireland to £57.

The co-operative movement in Ireland was, in its way, a natural consequence of the passing of the Land Purchase Acts. The tenant farmer could for the first time breathe securely and pause to make a survey of the means of bettering his position. Under the old *régime* he was at the absolute mercy of the landlord, whom the law facilitated in every conceivable way. The Irish Ejectment Code got rid of every formality by which the old common law delayed and obstructed the forfeiture of the tenant's estate; but even still the sphere of its operations was too restricted, as it applied only to tenants holding under leases or written contracts. The practice of giving leases had gradually ceased and the great majority of small tenants held from year to year. To meet this state of things the Civil Bill Court Act of 1851 extended the ejectment for non-payment of rent to tenancies from year to year. The tenant was thus always obsessed by the fear of eviction. He had no desire to improve his land, for the simple reason that such improvement was always accompanied by an increase of rent. In these circumstances the promoters of the co-operative movement might well be pardoned for thinking that it was impossible to awaken enthusiasm for an idea in any man who had so grievously suffered in the past, especially in view of the lack of educational facilities at the time. The conditions in Ireland were dissimilar from those in Denmark. The Danish peasants were from ancient times accustomed to manage the affairs of their village communities in common, and had learned to trust one another and to co-operate in many ways. In addition, they had the benefit of an excellent education, provided through the medium of the People's High Schools, which, though open to all, draw only 6% of their pupils from the towns. Natural shrewdness, however, helped the Irish farmer to appreciate certain factors. The smallness of his holding and the scarcity of his capital made it apparent to him that only by combination with his neighbours could he hope to secure an adequate return from his land. Up to the eighties Irish butter had always found a ready sale in the English market. The improvement in transit and methods of cold storage and the invention of the separator, that were introduced at this period, brought the Irish farmers face to face with a radically altered situation. The English consumer had learnt to appreciate the superiority of the imported foreign butter, and the demand for the Irish commodity fell off to such an extent that soon there was every likelihood that it would be completely driven from the English market. Such a state of affairs won a ready hearing for the advocates of the co-operative movement, who, though full of enthusiasm for the success of their scheme, were inclined to feel despondent at times on account of their difficulties. The farmer's business capacity and commercial ability were not known, since he very rarely had the opportunity of practising either. Furthermore, his inclination to blame the State for the economic backwardness of the country, and naturally, therefore, to look for redress

for all evils from that quarter, led many outsiders to believe in his inability to support energetically a movement which, though aided by a slight Government grant, depended mainly for its success on the principle of voluntary co-operation. The moment, however, was ripe, and the establishment of co-operative creameries was proposed. This was in itself an innovation, as in most countries the movement had been initiated by the formation of credit banks. Considering the circumstances of the time, however, it would seem that the correct procedure had been chosen. In 1889 only one society was in existence, but in 1893 this number had increased to 30, showing the following satisfactory results:—

Membership	1,509
Paid-up share capital	£13,845
Loan capital	£7,746
Turnover	140,780

Progress then became more rapid. The high-class butter turned out by the creameries, its ready market, and the fact that the average yield of butter per gallon of milk increased steadily every year, attracted new adherents to the movement. The advantages of mutual self-help in all branches of the farmer's industry now began to be appreciated. Societies for various purposes were formed. The objects of these societies were the joint purchase of their agricultural requirements and the sale of their produce, the acquisition of machinery, and the formation of credit banks, &c. Needless to say this brought the farmers into conflict with vested interests. Butter merchants, egg merchants and shopkeepers viewed the new departure with hostility, especially as they considered it deprived them of their legitimate profits. In town and country the credit system prevailed at that time in Ireland to a much larger extent than it does now. The farmer was then unappreciative of the value of cash transactions. He received his six months' or twelve months' credit, but as a consequence was always in debt to the shopkeepers on account of the high prices he had to pay for this accommodation. The quality of the goods supplied him was frequently very poor, and he was rarely in a position to make any effective complaint. His lack of economic education and the prospect of an immediate gain led him often to desert his co-operative society and to take advantage of the higher price for milk offered by the creameries of the local capitalist with the object of crushing local opposition—an object which, once gained, was followed by a decreased price being paid for the farmer's milk. This difficulty was not peculiar to Ireland. It existed in Denmark, and there was met by the insertion of a clause binding members to supply all milk excepting that required for domestic consumption to their local creamery. It is satisfactory to note that war conditions have wrought a change in the Irish farmer's system of trading. The scarcity of commodities and the increased prices paid for his produce have forced him to pay cash down for his purchases, and this in turn has impelled him to be more discriminating as regards the quality of the goods supplied him. In 1916 the number of creameries had increased to 346, and the following figures indicate the results:—

Membership	49,218
Paid-up share capital	£160,820
Loan capital	£133,025
Turnover	£4,512,893

Lack of capital has always hampered the operations of the Irish agriculturist, and, consequently, the formation of co-operative credit banks has been of great utility to him. It is noticeable that great progress in this direction has been achieved in the West, where the average tenant is very poor. On account of the immense number of grazing ranches in Leinster, which exist chiefly for the purpose of fattening cattle for the home and export trade, co-operation has made very little progress. The total number of societies of all classes in Ireland in 1916 amounted to 958, and their position is shown by the following figures:—

Membership	106,734
Paid-up share capital	£245,580
Loan capital	£313,740
Turnover	£6,099,880

The Irish Agricultural Organisation Society links up the various societies and forms their centre. Its work is primarily propagandist and proceeds in the line of developing the movement to its fullest possible extent. It exercises a general supervision over the societies and helps them to solve any difficulty that may arise. A link connecting the two classes of societies—those which combine consumers for the purpose of effecting a reduction in purchases and those which combine producers to get a good price for their produce—is formed by the Irish Agricultural Wholesale Society, which during the War has disposed of considerable amounts of produce to the troops in Ireland by acting as an agent for these societies.

ARGENTINA.

Money is exceedingly plentiful and relatively very cheap in the Argentine Republic, as indeed it is in many countries of the world at the present time. The reason why money tends to accumulate in the principal financial centres of the Republic is that Argentina has had during the past four years practically only to finance her export trade. In a sense, Argentina is abnormally prosperous, having been able to dispose of very large quantities of the food and raw material which she is so eminently calculated to produce in large quantities. On the other hand, owing to lack of shipping facilities, it has been exceedingly difficult for Argentina to spend the money she has been making—to put the matter in a colloquial sense. In other words, it was very difficult to import commodities, as the Allied Governments of Europe and North America were only willing to grant shipping facilities for those commodities they were greatly in need of in connection with the War. A further credit of 40 millions sterling has been granted by Argentina to the Allies through the Banco de la Nacion. This, added to the credit of the 40 millions last year, makes the Argentine Republic a creditor of the Allied Governments for 80 millions sterling, and sooner or later the Republic will be able to take either the interest or the principal upon this sum. Before the War it would have been almost incredible that within a period of a little over four years the Argentine Republic should become a creditor nation, in a sense resembling the position occupied for so long by England and France, to whom nearly every nation in the world owed something. For a country, in an economic sense, so wholly undeveloped as the Argentine Republic, with a population not much larger than that of Greater London, with an area some 10 times greater than that of the United Kingdom, it is neither a healthy nor a natural position for the Republic to occupy. Argentina is very far in her present stage from having reached that state of economic development to lend large sums of money to the different countries of the world. It has come about because, owing to the exigencies of exchange, it was impossible for Argentina to send immense quantities of raw produce, for which there was no demand at home, unless she made a loan to the Allies which would enable them to purchase the food and raw materials so urgently needed.

It is not a healthy position, for Argentina, far from having employed all her available capital for the development of the economic resources of the Republic, is in urgent need of every dollar she is able to save for her own development. Whenever the Allies are in a position to repay her she will be well advised in taking both principal and interest in the form which will best enable her to advance the economic development of the country. There is, or was until recently, an agitation against the foreign ownership of her railways, and as the capital value of the foreign-owned

lines is about £250,000,000 sterling, Argentina will have it in her power, if she so desires, to repurchase in the Stock markets of Europe and North America about one-third of the railway assets of the country, now chiefly owned by foreigners. Although it would be well within the power of Argentine capitalists, as circumstances have turned out, owing to the War, to do so, they would be well advised to consider if such a course is in the true economic interest of the Republic. It has to be remembered that the area of Argentina is almost exactly 10 times that of the United Kingdom, while the total population is something under 8,000,000 human beings. Argentina is engaged in, and in fact lives by, the production of articles of primary necessity, namely, food and raw materials, and she produces them in quantities out of all proportion to the consuming power of the people within her own borders. Consequently, one of her greatest needs is, having raised the various products on which she lives, to get them conveyed as quickly as possible to consuming markets. So far as shipping is concerned Argentina has not, as yet, the resources which would enable her to provide adequate facilities to carry her products to the various parts of the world in which they are consumed. She can, as she has done in the past, obtain from those countries which have a surplus of what is commonly called saved capital the means of increasing and improving the transportation facilities within her own borders. It it pre-eminently her interest at the present time to do all within her power to increase such transportation facilities. Immense areas of the Republic suitable for producing various kinds of agricultural produce and various raw materials for manufactures are actually awaiting development; but it is impossible to sow them at present, even if farmers were available with adequate capital, because no means exist at present for conveying such produce from the place where it could be raised to the various ports of shipment of the Republic.

So far as can be gathered from reports published in the Argentine Press, as well as those received through private sources, the trade outlook in Argentina at the present time is distinctly favourable. During the War the United States of North America has greatly increased its trade with Argentina, and now that the restrictions on exports from Great Britain have, to a certain extent, been removed, there can be no reasonable doubt that our traders interested in the Argentine will do what in them lies to recover the losses they have sustained during the past four years, when trade between the two countries has been largely suspended. Assuming that the labour difficulties in this country will in due course be satisfactorily settled, there seems every ground for hope that we shall be able to produce those articles of manufacture for which we have special facilities at a lower rate than other countries. Where other countries have better facilities than we have—financial, shipping, and so on—they will, of course, develop special branches of their own, but not necessarily at our expense. There seems ground for believing that to a large extent our gallant ally Japan will take the place which Germany filled in the Argentine trade before the War, particularly for the supply of the cheaper textiles, which we were never able to manufacture at a price which gave us a command of the market. During the War a large quantity of the cheaper textiles have been imported into Argentina by Syrian and Armenian houses. Probably these goods were originally of German origin, as textiles are not manufactured to any considerable extent either in Syria or in Armenia. Japan, however, seems quite capable of competing effectively with this class of trade. At the moment the stocks on hand are very large, and until these are worked off business in this particular direction is not likely to be active in the Republic.

A very important question is the Argentine wool clip. Practically the whole of the present season's clip is still in first hands, and immediately after the signing of the Armistice, so enormous were the stocks held over from last season's clip, that the railway companies gave notice to flockmasters that they would not receive wool for storage in the Central Markets to await shipment, as these markets were already full to their utmost capacity. It may have been observed by some of our readers from a notice which appeared about a week ago in the Press relating to the relaxation of certain Orders restricting the wool control, that it was under consideration to forbid the import of wool from South America, and the object aimed at was that of attempting to regulate the course of exchange. We hope that Whitehall will very carefully consider the far-reaching consequences that may ensue should they decide to forbid the import of wool from South America. It is not possible for any individual, or group of individuals, to visualise all the consequences likely to arise from the interference by arbitrary action with the course of international trade. The very fact that it was necessary during the War, and again now four months after the signing of the original Armistice, to arrange a credit for the purpose of obtaining wheat to feed the starving populations of Europe, should in itself be evidence that if the exchanges are sufficiently adverse no trader can hope to import goods with any prospect of selling them at a profit. Whenever the embargo is removed the exchange difficulty will present itself in some form, and will have to be faced. If the traders are right who think that they can import South American wool for sale in the European markets at a profit, such wool will be paid for gradually by exports. Owing to the scarcity of timber we learn from the Argentine papers recently received by mail that there is a good demand, in fact a very active demand, for steel furniture, in the nature of what was formerly known as Austrian bentwood. This has so far been supplied from the United States, but the cost of production in the United States is very high. There seems no reason why the large number of munition factories brought into existence in this country during the War should not be converted for producing this class of goods, as it is perfectly evident the shortage of timber is not a passing phase, but is likely to be a permanent feature for some considerable time to come.

CONGESTED DISTRICTS IN IRELAND.

The most casual traveller to Ireland cannot fail to be impressed by the contrast prevailing between the comparatively wealthy agricultural and industrial regions of Leinster and Ulster and the poverty-stricken conditions of the lands lying along the western seaboard. The explanation is to be found mainly in the physical configuration of the nine western counties, which contain a large proportion of what are termed "congested districts." The word "congestion" as applied to land has a special meaning of its own in Ireland. It does not mean "pressure of population." The word connotes not the over-population of particular localities, but rather the fact that the population having regard to the means of subsistence, is excessive. A "congested district" is defined as a district in which more than 20% of the population live in electoral divisions of which the total rateable value when divided by the number of the population gives a sum of less than thirty shillings for each person. It should, however, be noted that this definition also includes areas in Leinster and other parts of Ireland, and the Land Act of 1909 contained certain provisions clothing the Estates Commissioners with large powers in dealing with same. The western part of the island is, however, the true area of congestion, and a glance at the following table will reveal the barren nature of Connaught (containing, as it does, five "congested" counties), as compared with the more fertile sister provinces.

Per Cent. of Total Area Occupied by Mountain Land, Turf, Bog, Marsh, Water, &c.

Connaught	Munster	Leinster	Ulster
39	26	18	30

The locally formed soils which scantily cover the schists of Donegal, Mayo, and West Galway are very uninviting, unless where relieved by bands which here and there traverse the areas, marking the presence of partially concealed beds of limestone, or "dykes" of basalt or of felsite. The soils often contain an admixture of peaty matter, which renders cultivation less difficult and more profitable; but where this is wanting the shallow soils are stony and contain a trifling proportion of clay. In Donegal, Mayo, and Galway the granites usually form grounds which lie above the limit of profitable cultivation. To some extent the mountain lands afford a scanty pasturage for sheep and goats, and on the whole the "congested districts" do not offer many attractions for the agriculturist. Nevertheless, in spite of their adverse physical environment, the inhabitants possess plenty of energy, and a visitor to the Slieve Mish range in Kerry cannot but fail to be impressed by the incredible amount of labour expended, especially during the past four years, in bringing clay from the lowlands up those rocky mountain sides in order to make cultivable a patch of ground for wheat and oats. Cultivation through the congested areas is, as a rule, conducted on very primitive lines. Little farmyard manure is put into the ground, owing to the fact that there is no genuine stall-feeding of cattle, and when one patch of ground is exhausted another piece of pasture is broken up. Oats following potatoes, or *vice versa*, constitutes the principal crop rotation. Potatoes form the main article of food, and the failure of that crop involves at least a partial famine for the inhabitants. The land not under potatoes or oats is often used by a number of farmers in common for pasturage purposes. These pastures are generally very poor, suffering alike from faulty agricultural methods and from being overstocked with animals, and this poverty of soil naturally reacts on the condition of the cattle, whose value is still further reduced by the fact that the best animals are sold and the worst retained for breeding purposes. Before the War it was usual to sell the home pig, and in exchange buy cheap American bacon, but that practice, in common with that of purchasing American flour, has now declined to a large extent. Auxiliary aids to living are afforded by the fisheries and by kelp burning, and the manufacture of iodine and soda from seaweed; but this latter is a declining industry owing to developments in chemistry. The development of domestic industries, an integral part of Sir Horace Plunkett's programme, has been taken in hand by the Congested Districts Board, and a large measure of success has attended its efforts. The amount paid for work done at the latter's Female Industrial Classes during the year 1917-18 was £55,386, as compared with £31,697 paid in the previous year. It is estimated that a considerably larger amount was received by commercial knitting firms in the County Donegal, whose operations have been aided by the Board in imparting technical instruction and in the issue of loans in certain cases for the purchase of machines. For the new industries started by the Board the cost of materials may be estimated at one-third of the amount paid for finished work, the remaining two-thirds going to the girls, who thus receive more than they would be paid by an ordinary commercial firm. As the workers are now sufficiently trained in most centres where female industries have been started a rearrangement is being undertaken which will put the industries on a more commercial footing. The spinning and weaving of homespuns, which also flourishes in Donegal, is an industry which is growing in importance. These homespuns are dyed mostly with local vegetable products and the patterns designed show great taste and skill. The mineral resources of the congested districts have so far not been developed to any great extent. The following table gives the value of the principal minerals produced in 1917 and the county of origin:—

Nature of Mineral	County	Value £
Barium	Sligo	2,205
Lead ore	Sligo	61
Zinc ore	Sligo	120
Coal	Leitrim	1,821
Coal	Roscommon	12,487

Thus the total value of mineral production amounts to £16,694. The figure is not very impressive, but it must be remembered that the resources of the West have never been properly investigated. Capital in large quantities has never been attracted thereto, owing to the bad name these regions have earned from the former bitter agrarian and political strife and to the lack of transport.

The area of the congested counties under the control of the Board amounts to 7,658,114 acres, or about one-third of the whole of Ireland. The low standard of living in this area and the uneconomic conditions of the holdings made out an unanswerable case for State interference, for it was impossible to expect material or social progress from a people whose whole time was occupied with the struggle for existence, and who were frequently forced to seek work outside Ireland remunerative enough to pay the rents of their farms. The establishment of the Congested Districts Board in 1891 was the first attempt made to discriminate between the two great classes of Irish occupiers, namely, those whose holdings were capable of affording a means of livelihood and of paying a rent; and those who were so impoverished as to be incapable of supporting themselves without assistance from outside. Thus the main object of the Board was to turn the present uneconomic holdings into economic ones by the addition thereto of other lands; and further, by the consolidation of holdings held in rundale or in intermixed plots, to put an end to the waste of effort inherent in such system. Under the various Land Acts the Board was invested with large powers to purchase land for resale to tenants and to deal compulsorily with landlords who refused to sell their estates. Estates with an acreage of 497,552 were purchased for £2,261,079 during the period 1891 up to March 31, 1910, and the land purchased or agreed to be purchased under the Act of 1909 amounted to 1,762,498 acres, with an estimated purchase money of £6,691,095. The war has, unfortunately, led to a suspension of the purchase of estates by the Board, consequently no estates, the completion of the purchase of which was not legally necessary, were bought under the various Land Acts during the year ended March 31, 1918. This interruption is most unfortunate as it may give an additional impetus to political and agrarian agitation. The following table shows the position with regard to the purchase and distribution of untenanted land for the year ending March 31, 1918:—

Untenanted Land.

	Acres
Total purchased since passing of Act of 1909	361,632
Disposed of up to March 31, 1918	112,858
Not disposed of on March 31, 1918	248,774

There are, therefore, on hand 248,774 acres of untenanted lands. A large portion of these lands are let annually on grazing contracts or are stocked by the Board themselves. Naturally people are discontented at the use made of these lands for pasture purposes. The fault does not, however, lie with the Board. Its statutory income is fixed at £231,000, an amount which in normal times was inadequate, but seems especially so now considering the depreciation of money and the importance of the work to be undertaken. The holdings sold to tenants [illegible] to 1918 number 21,532, with an area of 654,566 acres and at a price of £4,757,246. Thus the average area per holding equals about 30 acres and the average price £173. As already pointed out the [illegible] of the Board is to provide a tenant

with a holding economically self-supporting; therefore a considerable number of holdings required to be rearranged and enlarged in order to attain this object. The average size per holding—say 30 acres as given above—gives no idea of the economic wealth of the holding. In some parts of the West a holding of 100 acres or more may be incapable of supporting its occupant. Of the total number of holdings—21,532—no fewer than 11,472, or 53%, were thus realtered. This alteration, of course, frequently connotes an increase in the value of the holding. The question of providing adequate housing accommodation is not forgotten. Loans or free grants are made to the tenant to enable the necessary improvements in this direction to be carried out. In brief, the Congested Districts Board endeavours to develop the West so far as its meagre funds allow. Its activity finds an infinite variety of channels in providing loans for the purchase of live-stock and for the development of transport and fisheries. The farmers living along the seashore supplement their scanty incomes by fishing, but they are seriously handicapped by the competition of the up-to-date Scotch and English trawlers. The total value of seafish landed on the Congested District's coast during 1917 amounted to £342,000.

We understand that, as a rule, mineral rights are reserved to the Board on sale of land to tenants. Little effort, however, seems to have been made to investigate the extent of these resources or the possibility of working them. To do so would, of course, require larger sums than the Board has at its disposal, and unless the total grant is increased very little can be done in this direction. The entire question of Irish mineral resources should long ago have been in the hands of a properly selected Reconstruction Committee, but apparently reconstruction is not a matter for the Government of Ireland.

LIVE-STOCK OF THE WORLD.—II.

Resuming our consideration of the live-stock of the world, it will be seen from the accompanying table that the sheep population, as far as we are able to estimate, exceeds 600,000,000 fleeces. It will be seen that the largest sheep population exists in the Commonwealth of Australia, and if the whole of Australasia, including the Dominion of New Zealand, was taken this part of the world is, as might be expected, the greatest centre of the sheep-breeding industry. When we bear in mind, however, that New Zealand alone is bigger than Great Britain, and that continental Australia is larger than India, the actual sheep population of Australasia, taken as a composite whole, is surprisingly small. In order to appreciate how small it is we must bear in mind that the sheep-breeding industry is characteristic and typical of Australasia, and that, moreover, it has been encouraged, as no other Australian industry has been encouraged, for a period now extending well over a century. Even in the earliest days of the Colony, when that part of New South Wales which was inhabited at all was merely a penal settlement, the remarkable advantages which the neighbouring districts around what we now call Sydney offered for sheep-bearing induced the Governors and the Colonial Office in London to encourage sheep-rearing from the very outset. The cause of this is the extreme scantiness of the population scattered over such an immense area. For practical purposes, it may be said that the greater part of the interior of Australia is an empty wilderness that has never been really explored by the Australian people. Even the coast lands are but very sparsely settled, and the only interior settlement of importance is the mining outpost of Western Australia. How little Australasia has really done will be realised when we turn to the figures for the Argentine Republic, which are practically the same as those of continental Australasia. The Argentine Republic certainly does not enjoy a better climate than Australia, and sheep-breeding in Argentina is virtually confined to the south, where over a very large extent of country the same obstacles present themselves of scarcity of water, which, of course, constitutes the great agricultural difficulty of Australia. With the exception of Russia, as it existed before the outbreak of the recent War, no European country has a large sheep population, with the notable exception of the United Kingdom. The United Kingdom—bearing in mind the immense congested population of human beings on so restricted an area, and the extreme diversity and number of its industries, and bearing in mind, further, that we are to a preponderating extent a town-dwelling as distinct from a pastoral community—has a sheep population compared with the area by far the largest in the world. It has been materially reduced since the great drought period of 1911, but it still remains a striking feature of our industry, as well as showing what a large number of sheep can be maintained in a country suitable for sheep-raising. Of course, it has to be borne in mind that the sheep industry in this country comes down from the very dawn of our history, and it was upon our fleeces that the possibility of maintaining a foreign trade at all depended for centuries. All the same, it is satisfactory to know that the excellence of our sheep breeds has been maintained, and that there is a demand in nearly every sheep-breeding centre of the world for British pedigree stock of well-established strains.

It will be noted from the table given below that most of our Colonies have followed the example of the Mother Country in raising sheep in considerable numbers, bearing in mind their relatively modest state of economic development. At present the high prices for wool and the great demand for sheep as food offer attractions to the flockmasters of the world such as have not been afforded in the past two generations.

The following table will give the approximate number of sheep in the world:—

The World's Sheep Figures, 1914.

Europe:	
United Kingdom	27,700,000
Russia	45,383,000
France	17,110,760
Spain	15,117,105
Italy	11,162,926
Turkey	6,912,568
Austria-Hungary	13,475,159
Bulgaria	8,130,997
Germany	5,787,348
Roumania	5,655,444
Portugal	3,072,998
Greece	6,000,000
Serbia	3,160,166
Norway	1,391,000
Sweden	1,003,921
Finland	904,447
Denmark and Iceland	726,879
Netherlands	889,000
Switzerland	159,727
Montenegro	400,000
Belgium	235,722
	174,579,667
Australasia (1918):	
Australia	81,284,000
New Zealand	25,270,000
	106,554,000
South America:	
Argentina	80,000,000
Uruguay	20,000,000
Chili	4,168,572
Falkland Islands	706,170
Colombia	746,000
Other States	409,997
	106,030,739
North America:	
U.S.A.	51,482,000
Mexico	3,424,430
Canada	2,393,950
Newfoundland	97,597
Other States	185,268
	57,583,345
Africa:	
Algeria	8,528,612
Cape Colony	19,261,214
British East Africa	6,500,000
Orange River Colony	10,443,922
Transvaal	4,305,036
Natal	1,798,619
German East Africa	1,560,000
German S.W. Africa	300,722
Rhodesia	231,736
Sudan	952,950
Tunis	686,730
Madagascar	251,587
Uganda Protectorate	864,000
All other Africa	1,130,335
	56,815,463
Asia:	
Turkey in Asia	45,000,000
Siberia	36,017,000
British India	27,166,336
Ceylon	94,903
Japan	5,357
Cyprus	237,486
Philippine Islands	88,760
	110,707,842
Grand Total	612,271,056

ECONOMIC PERU.

According to reports published in a recently received issue of the *West Coast Leader* Peru is succeeding in finding new markets for various of its products. Peru has long since passed the stage when the sugar grown within the confines of the Republic was only sufficient to supply the needs of the home market. As a matter of fact, were Peru opened up, as it should be, with railways the rich lands on the eastern side of the Amazon and the favourable nature of her climate in these regions would enable her to grow an immense quantity, probably considerably more than a quarter of

the world's total supply of sugar. Bearing in mind the large quantity of sugar already produced in the small island of Cuba, the immense area of Peru, if reasonable transportation facilities were afforded, should be capable of growing the sugar cane perhaps in as fine condition as in any part of the known world to an extent considerably in excess over the figure we have given. As things are there is virtually no transportation facilities afforded in these lands, and consequently until some means of transit are available sugar-growing is out of the question. Meanwhile, Peru is producing a steadily increasing crop season by season, very largely upon the irrigated lands on the sea coast.

According to our contemporary, for some months past the Peruvian sugar planters have been enjoying the competition of two new markets for their products, due to the shortage of the sugar crop in Argentina and Mexico. The Argentine statute prohibiting the importation of foreign sugars was suspended until the beginning of February last, when, owing to the international crisis between Chili and Peru, the suspension was further prolonged. These new competitors came into the Peruvian market through force of circumstances, owing to the fact that other sources of supply which might have been available were more or less practically committed to the Allies. This has naturally had the effect of raising the price of sugar at the Peruvian ports. The Allies, through the intervention of the Government of the United States of North America, are obtaining a large part of its supplies from the island of Cuba. The fact that the Sugar Equalisation Board will take the whole of the 1918-19 Cuban crop appears to warrant the assumption that Government control of sugar will be continued well into the coming summer. The 1918-19 Cuban crop will, it is hoped, amount to as much as 3¾ million tons available for export, compared with under 3½ million tons for the season 1917-18 and only a little over 3 million tons for the season 1916-17. There is an impression in Peru that the demands upon the Allies' Sugar Board will increase rather than diminish as the Armistice is prolonged. As soon as the Argentine and Mexican crops are gathered these two buyers will, at least for the present, disappear from the Peruvian market, and the Peruvian sugar planters will once more have to look to the United States of North America and to Europe for the sale of their product. British buyers have already, according to our contemporary, been in evidence in the market, and have paid as much as 23*s*. f.o.b. per cwt. The Argentine and Mexican purchases earlier in the season were made on the basis of 22*s*. 6*d*. f.o.b. per cwt. It is not, however, the opinion in Peru that these prices, which are of course war prices, can be maintained very much longer. From all reports the world's sugar crop this season seems likely to be a very satisfactory one; but the great problem, as it has been throughout the past four years, is how to transport it from the scene of production to the great consuming markets thousands of miles away across the Atlantic. Peruvian cotton planters have not been so fortunate as their countrymen engaged in sugar production, owing to the scarcity of tonnage between West Coast ports and Europe. Peruvian cotton has always commanded, being of long staple and silky texture, high prices on the Liverpool market. There is an excellent quality known as Matafifi, and another variety known as Suave. These two varieties have always commanded a very good price in Liverpool. There is another, known as the Tanguis, called after Mr. Tanguis, who developed this plant. At one time this cotton was sold as high as 40*d*. per lb., and was used for making special articles where a long, silky-stapled cotton was required. For the genuine article there is still, and is always likely to be, an excellent demand. Mr. Tanguis' plantations are situated in the South, and the particular variety appears to require the conditions of soil and climate which prevail in the particular region in which it is grown. Owing to the great success of this type of cotton fibre in Europe, planters in various parts of Peru obtained samples from this gentleman, who had spent large sums in the development of this particular fibre. From patriotic motives and anxious to popularise and extend the growth of Peruvian cotton, Mr. Tanguis allowed samples to be taken from his estate by a considerable number of planters. The result has been that this particular variety of cotton has been grown over large areas wholly unsuited for its production, with the result that large quantities of cotton bearing this name and originally derived from seeds of the plant, which at one time had commanded such great favour, have been offered on the market and found to be inferior to the original samples. It is an illustration, of which there are so many, that because a plant does well in one particular district it by no means follows that it can be grown in enormous quantities all over the country without serious injury to its reputation.

There appears to be some friction between the Peruvian Government and the Imperial Oil Company, which is a Canadian subsidiary of the well-known Standard Oil concern of the United States. In Peru the Company works under the name of the International Petroleum Company. The subsidiary is a British corporation working in close alliance with the Standard Oil, which is understood to own an appreciable amount of its stock. During the War it did a very large business on account of the Allied Governments. The output of the Peruvian oil wells, according to the latest figures available, exceeded 2½ million barrels during the year 1916.

SOUTH AND CENTRAL AMERICA.

WHY NOT KEW?

Mr. David Fairchild, of the United States Department of Agriculture, read a paper before the Pan-American Scientific Congress at Washington some time ago on "The Importance of Studying Plant Life in Various Countries," and pointed out what a great deal the world owes to the study of botany and plant life in different parts of the world, and the engrafting of various plants, seeds, seedlings, and so on from one country to another. The Department of Agriculture at Washington, as we shall show shortly by quoting Mr. Fairchild's paper, does do an exceedingly valuable work, and Mr. Fairchild was advocating that its operations should be still further extended. No doubt Mr. Fairchild is quite right. The work of the Department at Washington is excellent, and for the United States it would, no doubt, be desirable that its operations should be extended. But what about ourselves? It is at least as important that we should do all that in us lies to study the various phases of plant life; that our botanists should have every facility for studying plant life in different parts of the world, and the specimens obtained from various parts of the world.

The British Empire, taken as a composite whole, is by far the largest unit under one flag in the world. And, consequently, it is of at least as much importance to us as it is to any country that a careful study of plant life should be made. During the War, however, we have multiplied department upon department until the Government services are becoming extravagantly expensive. Is it desirable that we should increase these ever-growing departments until, at any rate, it has been ascertained that no existing body in the country is capable of performing the duties without the assistance of a great Government Department? If it be clearly shown that a scientific study of plant life is impossible at Kew, and we must have a great Government Department to take the whole thing up—well, of course, there is nothing more to be said. It is clearly of prime importance to this country to study the various food-growing plants and plants yielding various fibres suit-

able for manufacturing, even if we can only obtain the necessary information at the expense of a great Government Department. As we have pointed out so often in this Journal, there must be various kinds of wheat suitable for growing in the conditions prevailing in England; but, as a matter of fact, practically only two are ever used. Before the War we rarely succeeded in raising 60 million bushels of wheat in this country, and it is very doubtful if we could maintain a production of 80 million bushels except at an extravagant cost. In other words, it is exceedingly doubtful if we could raise one-third of the wheat we require to consume in this country. Consequently any discovery which would show us how to increase the yield per unit cultivated would be of very great advantage.

For the study of plant life perhaps there is no more fruitful source than South America. "The plants which grow in our fields and forests," says Mr. Fairchild, "are peculiarly our own—a part of our national life—and yet I doubt if any nation has ever received the thanks of another for the gift of a valuable plant. Has the civilised world ever recognised its debt to Peru for the potato? By the way, it is commonly believed that the potato was developed from a hard variety, very little bigger than a nut, which is believed still to grow in the Andean region of Ecuador." Of course, Mr. Fairchild is perfectly right, because in pre-Spanish days Ecuador formed part of the ancient Peruvian Empire. The Ecuadorians, having got themselves into very bad odour by the practice of very serious vices, one of the great Inca emperors determined to immortalise himself by conquering the people of Ecuador and putting an end to those vices, which, however, he was not successful in doing right up to the Spanish invasion. The tomato comes also from Peru. Corn, one of the greatest producers of live-stock, and particularly of pork and beef, so valuable to the human species, is commonly believed to have originated in Central America. The sweet potato, the pea-nut, the Lima bean, all came to the United States of North America, and before that to Europe, from the South American continent. There are a few things, such as tea, the history of which people appear to remember and cherish, and seem thankful to the countries which gave them. Rarely, however, does anyone, when eating a pineapple or a seedless orange, remember that it is to the United States of Brazil that he owes these delicacies. The seed of the pineapple and the grafting of these oranges have been spread over immense areas of the earth from Brazil, particularly in the sub-tropical countries. Who, again, thinks of the West Indies as the original home of the cotton plant? These and very many other important plants coming from South and Central America have never received any acknowledgment, either official or otherwise.

The flowering cherry was derived from Japan. The mandioca plant, which yields the thin light cakes from its roots, not at all unlike oatmeal cakes with us, comes from South America. Without a system of some sort plant introduction by the Government is likely to be a wasteful affair. The needless repetition of the same experiment, and the danger of introducing either insect or fungus pests, has led to the adoption of a regular system of bookkeeping and card catalogue indexing in Washington, by means of which it is possible to trace most of these introduced plants, even years after they have been brought in, and to find out where and how they are growing. If, for any reason whatever, it should be desirable to annihilate some newly introduced plant, the system will facilitate the work of extermination. It is now recognised that plants require the same careful treatment with regard to their diseases that human beings do, for certain of these diseases are quite as infectious and as fatal to plants in large plantations as cholera and smallpox are to man in congested cities. For this reason the United States Government has prohibited the bringing in of new plants from out-of-the-way regions except by special Federal permit or through the Government Office of Plant Introduction, and a system of inspection and quarantine has been worked out, so that every new plant coming in is examined by every known method to detect the presence of disease. To facilitate this careful microscopic examination of all material, and give any necessary hospital treatment to diseased or suspectedly infected plants, a special quarantine inspection house and plant-detention greenhouse has been built, the first of its kind in the world. The house contains an inspection room which is insect-proof. There are operating tables which can be disinfected; ice chests in which plant material can be stored at a constant temperature, a fumigating cylinder in which plants can be fumigated with hydrocyanic acid gas, and an incinerator in which all diseased material is burnt to ashes. After passing through this quarantine house, the plants are either declared free to be sent out to experimenters scattered over the country, or are sent to special gardens or other greenhouses which are periodically inspected by the various officers of the Federal Horticultural Board. Now it happens that South America is one of the most fruitful sources of supply for various kinds of medicinal, fibrous, and feeding species of plants, and if these were imported and examined very much upon the laws described above, say by the authorities at Kew, there can be no reasonable doubt that an immense amount of valuable foodstuffs, fibres, and medicinal plants capable of being grown within various parts of the British Empire would be discovered to exist. What can be done was illustrated by Mr. Fairchild in part of his lecture. He showed that a particular kind of wheat was imported from Russia. In Russia it does not appear to have been extraordinarily prolific, but transhipped to the fields of the United States of North America this particular species grew and prospered to a great extent, with the result that, although this particular grain of wheat has only recently been introduced into the United States, it now gives an annual yield of about the value of six millions sterling. An equally important illustration taken from the British Empire was also given by Mr. Fairchild. He said, as, of course, is already stated, that the cotton plant originally came from the West Indies. Transhipped from its original environment and grown on the irrigated soil of Egypt, on the banks of the Nile, this remarkable plant produces a long-stapled, silky cotton, which is, perhaps, the most highly valued of all the cotton varieties known to the international markets.

Consolidated External Debt of Colombia.—The Council of Foreign Bondholders have received the March instalment of the Debt Service in respect of the half-year ended June 30, 1919.

CEREAL YIELDS OF VARIOUS COUNTRIES.

According to the *Bulletin* of the International Institute of Agriculture published at Rome, the cereal yields of the Southern Hemisphere are not in an absolute sense so important as those of the Northern Hemisphere, but they possess a peculiar value, since the southern countries of the world, being generally very thinly peopled, are able to export something like two-thirds of their total product. Moreover, cereals coming from South America, Australia, India, and the Union of South Africa feed the European markets at a time when the supplies from the Northern countries of the world are threatening to become more or less exhausted. It is of interest, therefore, to examine the information published in a February *Bulletin* of the International Institute of Agriculture with regard to crops in Argentina, where the yields of the season 1918-19 are estimated to exceed 50,000,000 quintals of wheat, 6½ million quintals of oats, and 7 million quintals of linseed. This year's yield of wheat is decidedly less, being only some 84% of that of last

season, but it is still well in excess of the average obtained during the past five years.

The yield of oats in Argentina, owing to the persistent rains, is under 60% of the yield of last season and about three-quarters of what was customarily obtained during the preceding five years. On the other hand, the yield of linseed is this year estimated at 125% of that of last season, though it is below the five-year average to an extent of very nearly 20%. The average yield of wheat in Argentina, the Union of South Africa, and Australia for the present season is estimated at 74½ million quintals, against over 93¼ million last year and some 70¼ million, which was the average for the previous five years, or 79.8% and 105.9% of the two last-mentioned yields respectively. The *Bulletin* gives some statistics of the area sown for wheat in Denmark, England and Wales, Norway, Canada, the United States, and British India. As regards the U.S.A. and India, by far the most important in the list, it is observed that the area under winter wheat in the United States was nearly 20 million hectares, indicating an increase of some 15.9% on the area of the previous year; while according to the data of the first report of the area under wheat in British India there is, roughly, 9½ million hectares, showing a decrease of 30.8% of that reported last year at the same period. Owing to the short monsoon last year the lands have been too dry to be favourable to agricultural work, and too hard to admit of sowing over large areas. It should, however, be mentioned that the above data are incomplete, as sowings were still in progress at the period when the returns were made up. As regards the condition of the winter cereals, reports are generally satisfactory in Denmark, England and Wales, Scotland, and Ireland, while the young plants are well up to average conditions in Italy, Norway, and Egypt. The *Bulletin* also includes data as to the most recent census of live-stock in Denmark and the United States of North America. It is to be noted from these reports that, according to the statistics, January 1919, the number of cattle actually on agricultural and breeding farms in the United States considerably exceeded 67¾ million head, showing an increase of some 444,000 head since January last year. A still more important increase is noticeable in the number of sheep, which closely approached 50 million fleeces, or an increase of some 2% above last year's figure, while pigs are 75½ million, showing an increase as great as 6%. By way of supplement the *Bulletin* includes an examination of the yield, trade, and prices of milk, butter, and cheese, showing the degree of importance attained by these products from an international aspect. The progress of technical science, and the increasing food requirements brought about in many countries by the War, will in all reasonable probability have a considerable influence on the yield and trade for these important products. This inquiry, quite new of its kind, is therefore very opportune, and for this reason it is much to be welcomed by all interested in the food question.

Swiss Bank Corporation.—The report for 1918 announces the directors' decision to increase the paid-up capital of the Bank from £3,280,000 to £4,000,000 by the issue to shareholders of 36,000 new shares at par (500 francs = £20). In June last the old-established banking house of Reutter and Co., and in January the Banque du Locle, were acquired, the latter institution giving direct contact with the watchmaking industry. The accounts of the Corporation indicate satisfactory progress. The net profit for the year amounted to £466,832. The ordinary reserve is to be increased by £72,000, the special reserve by £58,000, and the pensions fund by £12,000, while after paying the same dividend of 8% as for 1917 the carry-forward is to be raised from £36,231 to £58,059. Deposit and current accounts are £5,265,331 up on the year at £32,943,515.

H.M. King Manuel of Portugal

writes:—"The Secretary to King Manuel of Portugal is instructed to convey to Messrs. J. Millhoff & Co., Ltd., His Majesty's thanks for the 'De Reszke' Cigarettes. His Majesty has tried them and found them very good."

Baroness Orczy writes:—"Your 'De Reszke' American Cigarettes are delicious, sweet and aromatic."

Bransby Williams, Esq., writes:—"Your 'De Reszke' Cigarettes are the very best I know."

GOOD judges unite in praising "De Reszke" Cigarettes. It is for you to put their opinion to the test. Get a box of "De Reszkes"—then you will know what perfection means.



"De Reszke"
The Aristocrat of CIGARETTES
Sold at all Military Canteens at Home and Overseas, also Tobacconists' and Stores.

MORE TOBACCO.

We regret that Customers have so often been unable to secure their usual supplies of our

"EARL GREY" and RHODESIAN Cigarettes,

But we hope within a few weeks to be able to meet all requirements.

JOHN WOOD & SON (Cigar and Tobacco Importers), Ltd.
23 & 25 Queen Victoria Street, E.C. 4.

THE BANK OF TAIWAN,
LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Head Office - - TAIPEH, FORMOSA.

Branches:—Amoy, Bangkok, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, Yokohama, and every important city in Formosa (Taiwan), &c. The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.

London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

Mr. Frederick A. Halsey, Commissioner and Secretary of the American Institute of Weights and Measures, read a paper recently before the American Society of Mechanical Engineers on the subject of the metric system in Latin America. It is commonly believed that the decimal, or metric, system prevails throughout Spanish America. But, says Mr. Halsey, it has been proved that the claim that Latin America is metric is false, as are all arguments based upon that point. It is perfectly true that certain of the ten Republics of South America, as well as of the five Republics of Central America, have from time to time during the past 50 or 60 years ordained that the metric system shall be used. In some cases the laws are not enforced, and no notice is, or ever has been, taken of them. In other cases, as, for example, in Uruguay, increasingly stringent measures have been taken for the purpose of compelling people, particularly in the retail trades, to use the metric system; but, according to the paper before us, the actual requirements of the law are complied with in the strict letter, but for purposes of actual dealings as between buyer and seller no notice whatever is taken of the system.

In order to ascertain the facts 500 questions were circulated throughout South and Central America, as well as the West Indies, and that the distribution might be impartial the assistance of commercial and financial agencies was enlisted. Blanks were sent to their branches and correspondents by no less an institution than the National City Bank of New York. The well-known United Fruit Company, which trades so extensively with Central America; the great firm of Messrs W. R. Grace and Company, and the Hill Publishing Company, also assisted Mr. Halsey in his inquiries. In the inquiry it was desired that "Answers shall be forthcoming from the smaller towns in the interior as well as from the principal cities of Latin America, and from industries as well as commerce, in order that the usage of weights and measures among the people may be learned. Please distinguish carefully, when necessary, between the metric and English tons, between the half-kilogram and the Spanish and English pounds, the Spanish and metric quintals, and the Spanish pulgada and the English inch."

Replies were received through the various agencies which assisted Mr. Halsey from Argentina, Bolivia, Brazil, Chili, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, Guatemala, Hayti, Mexico, Nicaragua, Panama, Peru, Porto Rico, San Salvador, Spanish Honduras, Uruguay, and Venezuela. Attention is drawn to the important fact, which has been elucidated as a result of the inquiry, that the Spanish system of weights and measures, which for practical purposes is almost universally used, and is of very slight difference in value of unit, is substantially identical with the British or American systems. As a matter of fact, Mr. Halsey comes to the conclusion that the best solution of the problem would be to adopt the English system of weights and measures for the whole of Central and South America, as they practically coincide with the systems now actually used.

Mr. Halsey began his lecture by saying that the metric inquiry arose from the question whether the metric, or decimal, system was in universal use throughout Latin America. So far from this being the fact, said Mr. Halsey, it is universally used in no single country of Spanish America; and as far as our inquiries, conducted through the various sources above stated, go, it is not true to say that in any single country is the metric system used, except in so far as it is insisted upon by law. The chief difficulty in the case of Spanish America has been a purely psychological one—that is, the inability of the people to learn, to think, and particularly to visualise in their minds in strange units. In this sense the difficulty of adopting the English values in units would be nothing, for there would be little change in values, while in names there would be none.

Meanwhile, the still greater difficulty in the case of North America—that is, the physical difficulty due to our units being standardised in our manufactures—would not, of course, operate to the same extent in Spanish America, where so little manufacturing is done. The difficulties in the way of adopting the English values of the units are trifling in comparison with those in the way of adopting the metric system. The proof that English values might easily be adopted is that, with no compulsion or assistance from the Government, they have, in fact, come into operation with the forces of trade and commerce, and by simple acceptance, whereas the metric system, in spite of the force of the civil power in so many countries, has nowhere made progress, except in so far as it was brought about by compulsion. It remains to inquire: Is it too late to adopt a uniform system for the whole of America, both North and South? Except for units of land measure, which, once established, Mr. Halsey holds should not be interfered with, he thinks that the conditions have not materially changed in Latin America. It must be apparent that the attempt to adopt the metric system there has already proved a failure.

Is it possible to adopt a universal system for both continents? Mr. Halsey comes to the conclusion that it is. Were South America to dismiss the metric system and retain the old Spanish names, there would be practically little change, and a unification of the weights and measures of North and South America with those of the British Empire would be within sight. The common practice of selling grain, for example, and nearly all forms of farm produce is the *arroba*. Now the arroba weighs 25 lb., and those taking large quantities buy four arrobas, or a quintal, which is approximately 100 lb. The only country where the metric system has been found a qualified success is Uruguay; and by a series of laws, each one more drastic than its predecessor, during some 60 years, the Uruguayan authorities have insisted upon its adoption for certain of the retail trades. For example, however a trader may sell in dealing with his customers, he must keep a notice posted of prices in metric measures; but in the primary or wholesale market no attention whatever is paid to these laws.

Uruguay has, from the early days of her economic development, looked to England for the principal articles she imported, and has also looked to England for a market for the immense quantities of cattle, hides, and the by-products of the meat extract companies, which sell so largely in England. In addition, the railways were nearly all constructed by English engineers. Consequently, wholesale merchants did the bulk of their business in the English system of weights and measures. For example, says Mr. Halsey in this connection, the Cleveland Twist Drill Company have been good enough to furnish us with a report in which they say that the shipments of their tools are from 95 to 100% English. The Detroit Twist Drill Company says, "All of our South American customers use more English sizes than metric." Needless to say, English-sized twist drills are bought in order to make English-sized holes, for they will make no other. In ship and boat building also English units find large use, while in mining and smelting we find a miscellaneous mixture of all three systems.

The reports we have obtained from various parts of South America, says Mr. Halsey, completely demolish the theory that it is an easy thing and a simple matter for a country to change its system of weights and measures. Here we have the results of 20 attempts to bring about this change, assisted by law, for something over half a century, and they have been a complete failure, with one exception, while in none has the attempt to retire old units proved successful. The case for the metric system was that it would be easily and readily adopted by various countries. But we have tested, as said above, the differences prevailing in 20 Republics of Spanish America, North and South, with the result that, in spite of all Government assistance for more half a century, it has proved a complete failure. A third theory disproved by our inquiries is that the metric system is in universal use, except in the United States, the British Empire, and Russia. These reports show that in no country, so far as our investigations have gone, is the system in universal use. A fourth theory also disproved is that it is desirable to adopt the metric system if we are desirous of selling goods to South America. If our investigations have proved anything, they have proved conclusively that if we adopt any system it should be the old Spanish system of weights and measures, which is more universally used throughout the ten Republics of South America, throughout

Are you losing <u>two-fifths</u> of your Income?

TO leave money on deposit at 3 per cent. when it might be invested in 5 per cent. War Bonds, is to lose two-fifths of the income you could safely get on it.

***Two-fifths;* think what that means. It is 8/- in the £1; more than the Income Tax. It is £40 in every £100; a serious rate of loss to permit, week after week and month after month.**

Why should you allow it to continue? Why should you forgo the higher income to which you are entitled and which you can get almost by a stroke of the pen? For you have only to write to your Banker or Stock-broker, instructing him to buy 5 per cent. War Bonds, and your money will begin to earn interest at the higher rate from the very day the investment is made.

Counting the premium added when the Bonds are repaid you will get not merely £5 per cent. in interest, but £5 7s. 6d.; and you will get this larger income on the finest security in the world.

NATIONAL
War Bonds

Repayment and Interest guaranteed by the State.

On sale at all Banks and Money Order Post Offices. You have the choice between 5 per cent. Bonds issued at £100 and repayable in 1924 at £102; or 5 per cent. Bonds issued at £100 and repayable in 1929 at £105; or 4 per cent. (Income Tax Compounded) Bonds issued at £101 : 10 : 0 and repayable in 1929 at £100.

Central America, and in the West Indies and Mexico, than any other system of weights and measures.

The Council of Foreign Bondholders have received information that the surplus of the revenues assigned to the service of the Greek debt in respect of the year 1918 will permit of the increase of the minimum rates of interest and sinking fund in 1919 by the following percentages of the original interest: Loans of Group 1, interest 26%, sinking fund 14%; loans of Group 2, interest 26%, sinking fund 16%; loans of Group 3, interest 26%, sinking fund 14%. With the addition of the above percentages the total interest payable in 1919 in respect of 1918 will be: 2.76% on the 4% Monopoly Loan; 2.90% on the 5% Funding Loan; 2.90% on the 5% Loans of 1881, 1884, and 1890; and 2.32% on the 4% Rentes.

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

We have for the second time this year to report a decline in our index-number of the wholesale prices of 45 commodities, compiled in continuation of Sauerbeck's figures (average for 11 years, 1867-77 being regarded as=100). The average for 1918 was 193, the December figure being 196. In January it fell to 192.1 (now revised), and the February average comes out at 187.5. We have a long way to go before anything like the pre-War level of 85 for the three years 1912, 1913, and 1914 is approached:—

Annual Numbers — Year		End-of-Month Numbers					
1809 [Jevons'...	189	June '14...	81.2	Dec. '16...	154.3	Jan. '18...	186.2
1810 adjusted...	171	Dec. „ ...	118.4	Jan. '17 ...	159.3	Feb. „ ...	187.3
1818 Figures]	159	Jan. '18 ...	123·6	Feb. „ ...	164.0	Mar. „ ...	188.0
1873	111	Feb. „ ...	127.0	Mar. „ ...	169·0	Apr. „ ...	189.8
1880	88	Mar. „ ...	130.4	April „ ...	173.0	May „ ...	191.1
1896	61	April „ ...	134.2	May „ ...	175.0	July „ ...	192.9
1911	80	May „ ...	135.4	June „ ...	180.4	Aug. „ ...	195.2
1912-13-14 ...	85	June „ ...	131.0	July „ ...	176.9	Sept. „ ...	197.1
1915	108	July „ ...	130.5	Aug. „ ...	175.7	Oct. „ ...	197.8
1916	136	Aug. „ ...	134.5	Sept. „	176·4	Nov. „ ...	195.3
1917	175	Sept. „ ...	134.3	Oct. „ ...	180.6	Dec. „ ...	196.0
1918	193	Oct. „ ...	141.5	Nov.” „ ...	182.9	Jan. '19...	192.1
		Nov. „ ...	150·8	Dec. „ ...	185.1	Feb. „ ...	187 5

Last month's decline was brought about by falls in minerals, textiles, and sundry materials. In vegetable foods, oats were lower, but the effect of this was more than offset by rises in potatoes and barley. Animal foods remained at controlled prices; sugar and coffee likewise showed no alteration, but a slight rise occurred in the import price of tea. In minerals the drop in the index-number is attributable to the further downward movement of tin and copper, offset to a slight extent by an increase in export coal. In textiles there were falls in cotton and hemp, other items remaining unaltered. In sundry materials, hides and leather were higher, but on the other hand much more pronounced were the declines in tallow, petroleum, nitrate, and timber, especially the latter. We append our usual comparison of index numbers by classes:—

Comparison of War and Pre-War Monthly Index-Nos.

	Monthly Index-Nos.				+ or −	% Feb. 1919 on	
	Feb 28	Jan. 31	Feb. 28	June 30	Jan.	Feb.	June
	1919	1919	1918	1914	1919	1918	1914
Veg. Food...	173·6	178·3	169·9	66·5	—	+ 2·2	+161.0
Animal Food	225·2	225·2	199·6	97·6	—	+12·8	+131.0
Sugar, Coffee & Tea ...	118·3	118·3	136·2	51·8	—	−12·8	+129.3
Foodstuffs ...	**181·1**	**180·8**	**173·8**	**74·8**	**—**	**+ 4·2**	**+142·1**
Minerals ...	172·8	176·9	178·9	96·7	− 1·1	− 3·4	+ 78.7
Textiles ...	202·7	206·4	221·8	80·6	− 1·4	− 8·1	+152.7
Sundries ...	196·4	205·6	190·8	82·5	− 4·4	+ 2·9	+138.1
Materials ...	**192·4**	**197·9**	**197·1**	**85·7**	**− 3·0**	**− 2·4**	**+124.5**
Total ...	**187·5**	**192·1**	**187·3**	**81·2**	**− 2·4**	**—**	**+131.0**

Lord Harris stated at the South African Gold Trust meeting, a report of which appears on another page, that the Consolidated Goldfields of South Africa and its group of companies have arranged with their staff to regulate salaries in accordance with the cost of living as indicated by Sauerbeck's index figures, which are now, and for some years past have been, compiled by The Statist. The index figure at the date on which the agreement was come to was about 194. If the cost of living rises or falls above that indicator, then the salaries of the staff rise or fall in accordance; but the salaries cannot fall below a certain minimum, which has been agreed as the standard, or pre-War figure of the salary. Other undertakings, we know, have adopted similar schemes, and there are many individuals with knowledge of the subject who agree with Lord Harris' opinion that "if wages generally throughout the country had been based on some agreed proportion having close relation to the index figures, there is a possibility that industrial unrest would not have been as severe as it has been."

We have received from the Java Bank a volume giving a short description of the Bank's organisation, operations, and general policy, with an interesting supplement consisting of some notes on the monetary system of Netherlands India. The Bank is a purely Javan institution, having its head office at Batavia, and was started so long ago as 1828, with the sole right to issue notes in the Dutch East Indies. While a private institution, it is to a certain extent under Government supervision. The capital was originally two million florins, but has been increased to six millions, divided into shares of 500 and 250 florins. Its reserve considerably exceeds 3 million florins. The Government exercises supervision through a Commissioner appointed by the Governor-General. He is entitled to all information about the Bank's management, and the managing directors are bound to give him every detail as to operations and investments. He may personally inspect the Bank's books, documents, &c., without interfering with the ordinary daily management. He also has the right to attend board meetings and to take part in the discussions. The Bank may issue notes up to any amount, provided at least 40% of its total demand liabilities are always covered by coin and bullion. At the end of December 1917 the Bank held a metallic reserve of 62% of its note issue and 45% of its total liabilities. The invested capital and reserve fund, foreign bills, and foreign credits amounted to 36% of the note circulation, or 25% of the total liabilities. Thus it had cover for its note issue of 98%. The Java Bank has for more than eight years maintained its discount rate at 3½%. The dividends in the five years 1913-17 have been 14%, 15.2%, 16%, 16%, and 18%.

LONDON JOINT CITY & MIDLAND BANK LTD.

HEAD OFFICE: 5 THREADNEEDLE ST., LONDON, E.C. 2.

Subscribed Capital -	£34,428,948
Uncalled Capital - -	27,256,250
Paid-up Capital and Reserve Fund - -	14,345,395
Deposits - - - -	£334,898,435
Cash in hand and at Bank of England -	63,756,371
Money at Call and at Short Notice - -	65,809,169
Investments - - -	61,600,651
Bills of Exchange -	39,249,296
Advances on Current and other Accounts	99,213,614
Advances on War Loans - - - -	14,218,201

OVERSEAS BRANCH: 65 & 66 OLD BROAD STREET, E.C. 2.

THE FIRST NATIONAL BANK OF BOSTON, U.S.A.,

Transacts Foreign Exchange Business of every Description.

Commercial Credits.
Collections. Cable Transfers.
Purchase and Sale of Bills of Exchange.

Special Rates of Interest on Deposits — held for a Specified Time. —

Capital	**$7,500,000**
Surplus and Profits	**$19,000,000**
Resources	**$200,000,000**

Branch at Buenos Aires, A. R.

American Topics.

GRAND TRUNK PACIFIC.

No clearer evidence could be afforded than that offered this week by the Receivership announced by the Grand Trunk Pacific of the need of a new country to depend for the development of its transportation facilities upon resources accumulated in countries which have long been economically developed. The difficulties into which the Grand Trunk Pacific has fallen are singularly unfortunate, and it cannot be said with fairness that either its projectors or those responsible for operating the railway at present are in any real sense responsible. The line was originally projected in 1904, and it was hoped that it would be completed in 1911 at a cost of about 60 millions sterling. As is nearly always the case with undertakings of this nature, difficulties arose which it was practically impossible for the projectors to have foreseen. In the sequel it was necessary for the Canadian Government to come to its assistance and build that section which is known as the Trans-Continental Railway. The Trans-Continental was leased to the Grand Trunk Pacific for a period of years, and until recently has been worked by that system. The cost in the ultimate resort was enormously increased. In the early years when the line was projected Canada was enjoying a period of exceptional prosperity, and the prospect of having two trans-continental lines led to a wild speculation in real estate and an enormous increase in the cost of living, while the demand for labour became so great that there was also a great rise in wages. The depression which followed the boom would, to a large extent, have enabled the circumstances to right themselves. But, unfortunately, the line was not completed until a few months before the outbreak of the recent European War. This, as has proved to be the case in the sequel, was almost certain to prove little short of a disaster. Instead of the expected large immigration from Europe to people the new lands which had recently been opened up by the construction of a second trans-continental line, there was an immense exodus of settlers to join the armies in Europe. The result was that although, in a sense, the Grand Trunk Pacific was enabled to obtain large traffics, sufficient time had not elapsed to allow of its lands becoming settled, and the cost of operating the line became so extravagant that the increased growth in business was of little real advantage to the line. The Canadian Government is well advised in taking over the system; and it is to be hoped that some satisfactory arrangement will be arrived at which will prevent those who found the money for its construction losing severely as a result of the unfortunate operation of the system. For Canada it is a great asset; and, assuming that the country continues to progress satisfactorily, as we all hope, it will become ultimately of immense advantage to the Dominion. In the spring of 1914, only a few months before the outbreak of the War, the Grand Trunk Pacific Railway was completed. It has a main length of line of 3,600 miles, starting in New Brunswick, and running through Quebec, Winnipeg, and Edmonton, to the Pacific Coast, finally completing its course in British Columbia. The line runs throughout in British territory, and is said to be the shortest route between Europe and Asia.

Notice is given that a special general meeting of the Grand Trunk Railway Company of Canada will be held at the Cannon Street Hotel, Cannon Street, London, E.C., on Friday next, at 12 o'clock, for the purpose of receiving a statement from the directors with regard to the negotiations between the Company and the Government of the Dominion of Canada.

PRODUCTION OF GRAIN AND POTATOES.

According to the *Monthly Bulletin of Agricultural Statistics* published at Ottawa, the area under wheat in the various countries in the Northern Hemisphere exceeded in 1918 that of 1917, and exceeds also the average of the five years 1912-16, except for Italy, Luxembourg, the Netherlands, and Egypt. Fifteen countries are included in the tables published, and the total area is 16.3% above that of 1917 and 13.8% above the average. For rye a notable increase is shown in the United States, where more than half of the area under that cereal is included in the statistics produced. The total shows an increase of 19.8% over that of 1917, and 39.1% above the five-year average. Barley in 14 countries exceeds the area of 1917 by 4.6% and the five-year average by 13.7%. Oats in 12 countries have a larger area than in 1917 by 4.8% and larger than the five-year average by 18.1%. All the countries show an increase over 1917, excepting the small States of Luxembourg, the Netherlands, and Sweden. Corn, or maize, in five countries shows a decreased area as compared with 1917 by 4.9%, but an increase of 7.3% as compared with the average. More than half the area under corn is in the United States. For potatoes the net result is a decreased area as compared with 1917 to the extent of .8%; but the increase of 1917 over 1916 was 15.8%, and the increase of 1918 as compared with the five-year average is still 8.3%.

IRON AND STEEL.

WEST COAST.

There is not really much difference between the conditions prevailing in the iron, steel, and allied industries of the West Coast and those that existed during the major portion of the War. True it is that the steel industry has changed over from shell steel to railway and shipbuilding material, and that production at the rolling mills has somewhat diminished since the signing of the Armistice; but the output of iron, iron ore, coal, and coke is practically the same as it was a year ago, though on the up grade, and it is being absorbed by the same users as took it in 1918. The transition stage is approaching. We are not, however, yet in it. All the indications are that the appointed day for the lifting of Government control will arrive before we shall know where we are. What will then take place it is impossible to say. The labour situation alone renders conjecture useless.

But in any event it would have been almost impossible to forecast the future of the ferrous-piggot industry. The War has proved to the Government

what it should have been unnecessary to prove to them—the great importance of the hematite iron-ore deposits in the Cumberland ore field and of the iron that is smelted in the furnaces between Workington on the north and Carnforth on the south. In the pre-War years the iron industry depended largely for its prosperity upon Continental demand. The Germans knew what perhaps even the Midland and Scotch users of Cumberland and North Lancashire low-phosphorus iron did not know. There has been a great awakening all round to the superlative qualities of Cumberland iron for high-class steel manufacture; as witness the scramble that has occurred during the War years for possession of the more extensive and valuable deposits of ore and for control of the furnaces in which to smelt the metal, and as witness the forming of the two groups of interest (one of them a Midlands group) which had acquired between them practically all the blast-furnace plant on the coast.

The conclusion is almost irresistible that the demand for West Coast hematite pig-iron will for several years to come be in excess of the output of the furnaces for which blowing-power is available, even if that demand is limited to the demand of home users; and there are those who say that the Government, knowing what it does of the quality of the iron made on this coast, will refuse to allow it to be exported. Wherever, however, the demand comes from it will find itself confronted by a body of smelters united for the first time in the history of the trade to secure a price which will enable them to make their plant the best possible plant and to tide over lean years which they hope will never be as lean as lean years in by-gone times.

The situation at present is that the outlook being uncertain, no business is being done, and that makers are simply "cleaning up" in readiness for the day when the Government relinquish control. The orders on their books represent a tonnage which they can barely smelt before the end of April. The pressure certainly is less than it was before November, but the production of the 30 furnaces in operation (17 in West Cumberland and 13 in the Furness district) is being entirely absorbed. In great part, the make of low-phosphorus iron is going to the Midlands and Scotland, and, similarly, the larger proportion of the ordinary iron is passing into consumption at the steel-works at Workington and at Barrow. No iron, of course, can be spared for export should prices remain at the official maximum. Bessemer mixed numbers being 127*s.* 6*d.* per ton, and low-phosphorus iron, 140*s.* per ton, f.o.t.

Prospects in the steel trade cannot be regarded as optimistically as are those in the hematite pig-iron industry. The Government's estimate of an excess of production of steel over the world's demand puts some check upon the entertaining of cheerful anticipations. American competition would have been a formidable thing in the most favourable circumstances. The fear that it may be attended by costs forced here to a higher level than could have been dreamt of a few months ago, renders it no less formidable. And always at the back of the mind of West Coast makers there is the bogey of the basic rail, for as regards the West Cumberland coast at all events rail making is still the principal concern of the steel plant. The outlook is not one which gives rise to much encouragement, and the coming of the real change over is awaited with some anxiety. So far, however, the rail-making plant has been fairly well employed, and there has been some rolling of other railway material, such as axles and tyres, but plate mills have been much slacker.

Matters are far from satisfactory in the iron-ore industry. The loss on the raising of each ton of ore is serious, and owners wonder what the condition of affairs can be when the mines are restored to them. Production is fully one-quarter short of what is practicable, and it is difficult to mine sufficient ore of the quality required to maintain the furnaces on low-phosphorus iron in full blast, so that increased dependence has to be placed on the ore supplies imported from Spain. Of course, development work in the mines will be proceeded with vigorously whenever affairs become normal. The Millom and Askam Company's shaft at Ullbank is within 18 feet of the depth to which it is being sunk to even the enormous body of ore that has been proved there, and it is expected that ore will be raised next year, if not this year. Boring is going on in the Egremont district, but no discoveries of importance have been made.

The development of the by-product industry in the coalfield is steady. The Cumberland coalfield is among the foremost for its yield of by-products. The number of patent by-product coke ovens working is 380, and those at full pressure are capable of producing 650,000 tons of coke, 12,000 tons of sulphate of ammonia, 40,000 tons of tar, and 3,000,000 tons of crude benzol per annum. The Rosehow Colliery, Coking and By-Product Company, who acquired the Flemby Collieries and Brickworks Company in 1917, have opened four excellent seams of coking coal, which are estimated to furnish an output of 1,000 tons of coal per day, and intend to erect an additional battery of 60 modern regenerative ovens, making 100 in all, and additional by-product recovery plant for the complete distillation of all products. There is a ready market for all the by-products, and a large portion of the tar is sold to two chemical works on the coast. The installation of additional coking plant will be welcomed by iron smelters, who in West Cumberland find it necessary to draw upon the East Coast for nearly 12,000 tons of coke per week, and in the Furness district for between 15,000 and 17,000 tons per week.

In consequence, however, of the smallness of production at the collieries at the present time, the coke ovens cannot be maintained at their full capacity. The coal trade is chiefly concerned in existing condition to satisfy the requirements of the iron and steel works and iron-ore mines. The ovens, of course, get all the small coal there is to spare, but even after adding that to the small coal imported from Northumberland and Durham, there is still a deficiency which prevents the by-product plants from obtaining more than 80% of their maximum production. Landsale is another heavy drain on supplies, and the Irish market, which was before the War one of the mainstays of the Cumberland coal trade, cannot necessarily receive adequate attention. There is little fear that the Irish market will not be recovered when colliery outputs are restored to pre-war level, but consumers on the other side of the Channel complain of the treatment which they receive. But it may be seen that the Cumberland coal owners cannot help themselves. The Coal Controller has stipulated that local manufacturing and landsale accounts must be given priority. Output, no doubt, will exhibit a considerable improvement in a few weeks' time, and it is believed that by mid-summer the Irish market will be obtaining a very large proportion of the supplies they need. House coal is quoted at 28*s.* 6*d.* to 34*s.* 6*d.* per ton at the pit top, and bunker at 35*s.* 6*d.* per ton.

When the shipping shortage became acute in 1916 Australia, in common with the rest of the world, found herself handicapped considerably in sending her produce to Europe, and although considerable opposition was at first offered to all interference by the Government, it was found necessary to rely upon the British and United States Governments for the sale of the surplus dairy produce which had accumulated in the country. From the middle of 1916 to the end of last year the Imperial Government has paid to Australia no less than 135 millions for produce. This sum was made up as follows:—75 millions for wool, 37 millions for wheat, 17 millions for meat, and 6 millions for dairy produce. Of this total of 135 millions about a quarter remains still to be shipped whenever shipping is available.

FORESTRY IN IRELAND—I.

The steady decrease in the area of forested land in the United Kingdom during the nineteenth and twentieth centuries has been due to a variety of causes. Primarily it must be ascribed to the inactivity of the State, and it remains to be seen whether the difficulties experienced in the past few years of satisfying the tremendous military and naval demands for timber will leave a remembrance permanent enough to secure the adoption of a bold and comprehensive programme directed towards the conservation and extension of our existing woodland areas. On the Continent the State recognises it as a duty to reward private initiative in planting trees and to undertake in addition the establishment of national forests. Little progress in this direction has been made in Great Britain. The Crown woods are insignificant in area, and the powers vested in the English and Scotch Boards of Agriculture are not such as to enable them to make any serious attempt to tackle the problem. The operations of these Boards have also been restricted by inadequate financial provisions. It was intended that the Development Fund established in 1909 should be devoted principally to afforestation and agriculture, but in practice the grants for forestry purposes up to March 1915 amounted to only £67,971, or less than 5% of the total advances from the fund. Forestry schools have been established at various centres, with good results, and should it be decided to institute any large national afforestation scheme, we have at least the satisfaction of knowing that there is available for its execution a certain number of skilled woodmen. The United Kingdom is, with one exception, the most poorly wooded country in Europe, with by far the least area per head of population and with the smallest percentage of woods under State control. For a few selected countries the actual figures in 1900 were:

Country	Per Cent. of Total Area Under Wood	Area of Woodland per Head of Population Acres	Per Cent. Woods Belonging to State (Crown)
England and Wales	5·1	0·052	3·3
Scotland	4·5	0·182	0·1
Ireland	1·4	0·059	2·7
United Kingdom	4·0	0·067	2·4
Sweden	47·6	9·41	33·2
Germany	25·9	0·62	33·7
France	18·2	0·62	12·0
Portugal	3·5	0·16	8·0
Europe	31·0	1·95	—

In some European countries private afforestation is encouraged by the exemption of new woods from rating and taxation for a period of 20 or 30 years, and is stimulated by the supply free of charge, or at a low price, of young trees. In Prussia and France the State may contribute up to two-thirds of the initial cost of private and commercial afforestation if it is considered desirable in the national interest. Varying methods, with, however, the same end in view, are adopted in other European countries.

Apart from the lack of direct State encouragement, the decline in the woodland area of these islands is due to social and economic causes. It has been profoundly affected by the fact that unlimited supplies of cheap imported timber were available during the greater part of the nineteenth century, while the steady rise in prices which marked its close had, when war broke out, only begun to affect the management of our woods. This management, too, has been very defective. Woods have been left too open, and a full return cannot be looked for from an understocked forest. Æsthetic considerations have had undue weight with many landowners. Too much attention has been paid to growing a variety of trees for the sake of adding interest to woodlands. Different species may be mixed to a certain extent for various purposes, but the difficulties and cost of management are very great when this goes beyond two, or at best three, species. A partial result of this defective woods management was a smallness and irregularity of timber supplies, which inevitably lowered the demand and more and more furthered the dependency on foreign supplies. Again, the financial necessities of owners, and not forestry considerations, often brought immature timber on the market. On the social side, the condition of our woods has been greatly influenced, in England and Ireland at least, by sporting considerations. Mixed open woods with good game cover have been preferred to dense, clean-grown woods, with consequent loss in the quantity and quality of timber produced. Furthermore, the abundance of ground game has rendered protection of young plantations expensive, and has been a powerful deterrent to replanting.

All these considerations have had their effect in decreasing the area under woodlands in Ireland, but, in addition, there have been circumstances peculiar to the nature of that island. We refer more particularly to the influence exercised by the Land Purchase Acts—an influence the effects of which should not be overlooked in connection with any scheme of State purchase of land in Great Britain. The breaking up of large estates under the operations of the various Land Purchase Acts has naturally lessened the interest of many landlords in the keeping up of their woodlands; and in the case of resident landlords who might be desirous of planting it has restricted the area over which they could carry on forestry work by isolating portions of the estate from the demesne or central part, and increasing the costs and difficulties of supervision. This would be an inevitable consequence of any large scheme of land purchase, making one set of landlords anxious to realise on timber on land with which they have no further concern, and limiting the opportunities of another set. But the land purchase legislation of Ireland, and especially the Act of 1903, has been accompanied by conditions which exceptionally press on the woodlands. Some provisions for the preservation of timber were incorporated in the 1903 Acts, but, being unaccompanied by adequate financial provisions, they remained a dead letter. The presence of wood on an estate actually delayed its purchase by the Estate Commissioners, as their inability to offer the landlord a fair price for his timber did not dispose him to sell the estate. The 1909 Act made some slight advance in this respect, but its effects were unimportant. As a matter of fact, the Commissioners have frequently been forced to sell woods bought by them to the timber merchant, just as a selling-out landlord does in case of direct sales. No restraint having been placed on the landlord by the 1903 Act, neither was any placed on the tenant. His justification for the cutting down of timber was lack of fuel, and this was true enough in some cases. As showing the close correspondence between the operation of the Land Acts and the denudation of the forests, it is to be noted that of 843 sawmills in Ireland in 1907, 598 came into existence since 1881; of which 349 started working between 1903 and 1907. The large proportion of timber that was exported in the round indicated that a great number of the recently established mills were of the class of temporary mills utilised in connection with the clearing of woods, and not for any manufacturing purpose. Of course, it must not be forgotten that some of the cutting was quite desirable. A large proportion of the timber was mature or over-mature, and it was necessary to fell it. The fact, however, remains that the provision made for replanting, either as regards mature or immature timber, was miserably inadequate. The area under woodlands fell from 306,661 acres in 1907 to 295,325 acres in 1915. The demand for timber for military and naval purposes during the past few years will in all likelihood lead the 1918 figures to show a further reduction in area.

There would have been some grounds for consolation had the Irish timber merchants been able to utilise most of the fellings that took place in 1881. Unfortunately this was not so. Out of 1,392,609 trees cut in 1907 about one million were exported. The send-

ing out of the country of so large a proportion of timber in a raw state meant that the timber industry, as an industry, was not properly organised. The method of sawing timber, too, was very wasteful, the machinery used being very often of a most primitive type. The figures for 1916, as compared with 1915, show a change as regards the proportion of the exports of sawn timber to rough timber:—

	1915 Loads	1916 Loads
Rough timber	97,271	93,443
Sawn timber...	7,179	15,768

Thus the exports of rough timber have decreased by 3.9%, and those of sawn timber have increased by 119.6%. We do not yet know to what extent the military have been directly responsible for the improvement in these figures. The business organisation of the timber industry has improved to a considerable extent in Dublin and Belfast since 1907; but the same cannot be said of the country, where inferior organisation and lack of technical knowledge and skill are very marked and where little attention is paid to the standardising and grading of the timber. The result is that the Irish merchant is often forced to import his supplies from foreign sources. He can rely on obtaining from these sources scantlings cut to the required dimensions a long way ahead, and depend on receiving them at the stated time. In Ireland, on the other hand, he has frequently to take waggon loads of all shapes and sizes, including much that he has not ordered. Owing to the restrictions imposed on timber imports for civilian purposes during the War the Dublin and Belfast mills have been dependent on supplies of native wood to a much greater extent than ever before, and they admit that their purposes have been answered admirably. The methods of handling and drying the home timber have much improved in these cities and are superior to the methods adopted in many English mills, where, as a result of imperfect handling, the wood gets green and mouldy. There is no reason to doubt the fact that the home-grown material would meet most of the requirements of the timber trade, and the slow progress of schemes of afforestation is causing considerable irritation among mill managers.

The declining area under wood in Ireland undoubtedly constitutes a serious menace to the Irish wood-working industries which are dependent on a supply of home-grown timber. They are generally situated in close proximity to woods and employ a considerable number of skilled hands. They use Irish timber almost exclusively and are engaged in furniture making and coachbuilding. These industries are carried on on a large scale at Celbridge and Navan. Irish oak is an excellent material, especially for the manufacture of coach wheels. For some time past these industries have been steadily decreasing in number and their final extinction is only a matter of a short period if existing conditions prevail.

The Belgian Ministry of Finance has authorised the issue of two loans of 40 millions sterling each—one to be placed abroad; the other, to bear 5% interest, is to be issued in Belgium at the price of 95. The new loan is to be convertible in 15 years. Coupons are of the value of £400, £200, £80, £40, £20, £8, and £4.

A meeting of the shareholders of the Banque Belge pour l'Etranger, held on the 26th of last month, besides approving of the accounts for the year ended June 30 last, ratified the proposal of the Council of the Bank to increase the capital from £1,200,000 to £2,000,000 by the issue of 80,000 new shares of £20 each. Half of these new shares have been taken by the Société Générale. The remaining 40,000 are offered to the existing shareholders in the proportion of one new share for every three shares held, at the price of £25 each, the premium to be placed to the reserve fund.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue.
Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

THE Share market this week has relapsed into quietude following the sharp spurt early last week and the subsequent reaction. Prices have moved for the most part to lower levels, but the whole of the recent gain has not been lost, and brokers report diminution in realisation orders, with a disposition on the part of investors to purchase on recessions in quotations.

THE "HIGH" LEVEL OF SHARE PRICES.

SURPRISE has been expressed in various quarters that the sharp all-round rise in rubber shares early last week was not followed by an equally pronounced reaction, the idea being, apparently, that quotations are unwarrantably high. The same mistaken method has often been adopted in the past, and evidently continues, of appraising rubber plantation companies on their present position, whereas experience has taught investors—whose ranks, be it noted, include many retired as well as active planters—that it is essential to look beyond the present. Again and again it has been said by critics lacking knowledge of the circumstances, that because the shares of this or that concern stand at a high premium before a commensurate profit-earning stage has been reached, they are much over-valued; but invariably the rapid growth of production as soon as the trees, after five or more years of unproductive growth, have attained to bearing age has demonstrated the fallacy of such arguments. It has well paid rubber investors to look well ahead—much farther ahead than those who appraise share values according to the return afforded by current dividends, consider prudent and even sensible. Therein lies the difference of opinion which exists in regard to the market position at the present time As a rule, it will be found that the shares which afford the highest yield from current dividends are among the least attractive from the point of view of maintenance of capital free from depreciation in the future. This is because such shares are of companies owning fully mature plantations, or which, on the other hand, are not in quite first-rate circumstances. The investors with knowledge of the conditions—and there are many of them nowadays—have been used to waiting years for the fruition of their hopes, and, notwithstanding the huge number of flotations at the time of the boom 10 years ago, comparatively few enterprises have failed to make good, the list of dividend-payers in normal circumstances running to over 200. It is pointed out now that the industry has just passed through a very bad year, that shortly the market will be in receipt of large numbers of annual reports disclosing very unsatisfactory results, and, that consequently, that there is a poor immediate outlook. But poor reports have been coming to hand for some months and the prospect in this connection was, as is customary in regard to rubber shares, discounted in advance last year, when prices fell to a low level. Quotations have since risen on the expectation of

resumption of normal production, elimination of freight difficulties, and expansion in the peace demand for the commodity on account of the great development expected in commercial transport and pleasure motoring, especially in America.

If present share prices are judged by their relation to dividends in an abnormally depressed period, with its restrictions on trade, shipping, and output, undoubtedly the conclusion is that values are too high. But Mincing Lane circles and professional operators judge from the more distant outlook, and we think it would be found on close investigation that the sudden activity and heavy buying of shares last week was the outcome of desire on their part to acquire stock before the actual accomplishment of their anticipations attracts wide attention. There are, of course, shares that may prove to be over-valued in the long run; but, if so, they are of companies in the older class with estate valuations running to near to £200 and more per acre. The first-class young plantations, valued at, say, £150 per acre and less—and they are in the majority because of the big expansion of the industry dating from the 1909-10 boom—give promise of high returns if the excess profits duty is removed, and when the effects of shipping and other restrictions have passed off and the motor-manufacturing industry is in full swing. This argument can be made clear by examples. We will take the Pataling, a first-rank old Selangor estate, and the Tandjong, one of the large modern show plantations in Sumatra. The price of Pataling 2*s.* shares is 39*s.*, and as the capital is £22,500 and the planted acreage 1,806, the market valuation per planted acre is £243. In 1916 the yield per bearing acre was 506 lb., and the cost of production all-in 10¼*d.* per lb. Now, on a valuation of £243 per acre it follows that £24 6*s.* per acre profit is equivalent to a 10% return, and £24 6*s.* per acre producing 500 lb. of rubber is equal to 11¼*d.* per lb. profit. To give this return the rubber would need to be sold at an average of 1*s.* 9½*d.* per lb. gross if the cost figure is again lowered to the 1916 standard. The Tandjong has 6,000 acres planted —ignoring further extensions on the large reserve area —its issued capital is £150,000, and with the £1 shares quoted at 5⅛ the market valuation per planted acre is £128. Expert opinion is that such large, well-situated, and modern Sumatra estates will easily produce 400 lb. per acre, and, under normal circumstances, at 9*d.* per lb. all-in cost. The profit required to return 10% on a market valuation of £128 is £12 16*s.* per acre, or 7¾*d.* per lb. on the 400 lb. yield. If we put the cost at 10*d.* per lb., the selling price required to give the 10% return comes out at 1*s.* 5¾*d.*, as against 1*s.* 9½*d.* in the case of Pataling. If the selling price in the case of the Tandjong be taken at the same figure as the Pataling, the full maturity return on the market valuation would be 17½% instead of 10%.

	Pataling	*Tandjong*
Capital	£22,500	£150,000
Planted area (acres)	1,807	6,000
Price of shares	2/0=39/0	£1=5⅛
Market value per acre	£243	£128
Profit required to return 10%	£24 6/0	£12 16/0
Rubber yield per acre	506lb.	400lb.
Profit required per lb.	-/11½	/7¾
"All-in" cost	/10¼	/10
Sale price of rubber	1/9½	1/5¾

Present Price of Rubber, 2/0 per lb., London.

At the present time such young estates as Tandjong are mostly subject to heavy excess profits duty, and, as a consequence, have been paying dividends very much under their earning power. Their relatively low market valuations reduce the average of the whole of the concerns whose shares are quoted to about £140 per acre. If the average selling price of rubber over a series of years proves to be such as to warrant the maintenance of the valuations of the mature estates, then the valuations of the equally good but younger plantations should move towards equality as the excess profits duty is reduced or removed. If the price of rubber is not so maintained—a contingency dependent upon the degree of expansion presently to be witnessed in motor transportation—then the valuation of the older concerns must tend towards the level of the younger estates.

One more point it is necessary to note. This is the suggestion that sight has been lost of the fact that in the past few years there has been considerable further extension of the area under rubber, largely on account of Chinese and native activities. This fact, however, was brought out by the 1917 report of the Director of Agriculture of the Federated Malay States, and estimates of future production were modified accordingly, as, for instance, in the speech of the Chairman of the Rubber Trust in December.

ANNUAL REPORTS ANALYSED.

BANDAR SUMATRA.

Issued Capital: £99,847 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16	2,369	1,055*	291,085	276*	2/7·9	1/7‡	19,070	12,064	12½
1916-17	2,438	1,219	396,400	325	2/6·9†	1/5·1†	23,267	9,985	10
1917-18	2,438	—	446,573	—	1/7‡	1/4¼‡	6,743	5,991	6

* Estimated. † Including selling, freight, and insurance charges. ‡ Net figures.

Price of Shares, 47/0. Market Capitalisation per planted acre, £96.

Last year shareholders were informed at the meeting that in the then current period all but 70 acres of the 2,438 acres planted would be in bearing, but from the report now to hand it appears that only 121,044 out of 215,321 trees were producing, the average yield per tree being 4.12 lb.—quite a good result. The output rose 50,000 lb. to 446,573 lb., but unfortunately only 119,360 lb. were sold in London at 2*s.* 1¼*d.* and 31,360 lb. in New York at 2*s.* 6¾*d.* per lb. Of the balance of 295,853 lb., representing over 60% of the total crop, 236,405 lb. had to be sold in the East at only 1*s.* 5.6*d.*, while 59,448 lb. unsold have been valued in at 1*s.* 2*d.* per lb. These are gross prices. The net proceeds of the whole output appear in the revenue account at £35,438, or 1*s.* 7*d.* per lb., and the net expenses total £30,000, or 1*s.* 4¼*d.* Hence the net profit per lb. was under 3*d.*, and with small sundry receipts added the amount of profit comes out at only £6,743 against £23,267 last year. The dividend is perforce reduced, and would make a still poorer comparison than it does but for the fact that no excess profits duty is payable, whereas in respect of 1916-17 the assessment was £9,351. As the Company's datum line is about £8,000, it may be entitled to some repayment. On the assumption of continuance of tapping restrictions the output of the current year was estimated at 453,600 lb.; but full production is now being resumed, and next year substantial expansion should be shown in the crop. The estates are reported to be in good order and disease treatment is said to have given most satisfactory results. The price of the shares is higher than a year ago, but under normal conditions the valuation now attached to the estate—under £100 per acre, including 330 acres of ravine plantations—should prove a reasonable one.

CAREY UNITED (F.M.S.).

Issued Capital: £172,710.

Convertible Debentures: £6,195 issued. £1,239 paid up.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16	3,313	455	217,388	475	2/9½	-/10.0	20,200	16,990	10
1916-17	3,401	—	322,275	—	2/5½	1/1.85	20,197	17,275	10
1917-18	3,401*	—	405,690	—	1/7	1/2.	9,418	8,691	5

* Excluding 432 acres of reserve.

Price of Shares, 48/0. Market Capitalisation per planted acre £130.

In the eight years from formation in 1909 to September 1917 this Scottish Company paid dividends which averaged 15%,—in the first three years 23%, and in the last five years about 10%. The results were

almost entirely obtained from the working of a small, fairly old, and fully mature estate of 543 acres at Kajang. In the three years 1911-13, 1,858 acres were planted with rubber on an estate of 5,000 acres on the island of Jugra. The trees commenced to produce in 1915 and have since given steadily increasing production. It should not be long before the yield from this new estate rises to over 1,000,000 lb. Cost of production has been well under 1*s.* per lb. in the past. Last financial year, however, the all-in figure was 1*s.* 2¼*d.*, and with a comparatively small production sold for only 1*s.* 7*d.* per lb. the profit was no more than sufficient to pay 5% dividend. Restriction on tapping has been removed, and for the year ending September 30 500,000 lb. are expected to be obtained from the two estates. There seems a likelihood of this estimate being considerably exceeded, and in view of later prospects the price of 48*s.* for the £1 shares, representing a valuation of £130 per acre, appears to leave scope for appreciation as progress is made towards maturity. It is necessary to add that the balance sheet indicates need to strengthen the financial position, either by calling up the unpaid portion of outstanding convertible Debentures or by appropriating a portion of the current year's profits. About 1,700 acres of jungle land are available for future development.

New Issues.

CORNWALL SLATE QUARRIES, LIMITED.

When a new company sets out in its prospectus an estimate of profits based on high prices ruling in abnormal times it is not usually considered a good sign, especially if, as is the case with Cornwall Slate Quarries, Limited, a certain period of unproductive development has to pass before earnings can be expected. Of a share capital of £180,000, in £1 shares, 160,000 shares are offered at par. The purpose is to acquire a 35 years' lease of the Trevillett Slate Quarries, Tintagel, about 350 acres in extent, the purchase consideration being £10,000 in cash or shares and £20,000 in shares. Good roofing slate, it is pointed out, is a scarce commodity and in keen demand for building purposes, and the quantity of slate in the lease acquired is reckoned to be "practically inexhaustible." An estimate is made of a gross profit of £59,625 per annum on the basis of (1) 1,000 men producing 45,000 tons of manufactured slate per annum, (2) "the present average selling price of slates per ton"—£5, which would be considered rich for a metal mine—and (3) an "estimated cost of production in wages, material, maintenance of plant and machinery, rates and taxes," of £3 10*s.* per ton, plus 3*s.* 6*d.* per ton for carriage and loading. The profit is thus calculated at £1 6*s.* 6*d.* per ton, but this does not allow for the royalty of 5% on the value of the output—*i.e.* £11,250 with 45,000 tons sold at £5 per ton. Allowing for this, as well as unincluded administration charges, commission, &c., it is estimated that a net profit of 20% on the capital should be earned.

A. DARRACQ AND COMPANY (1905) LIMITED.

In accordance with the intention announced when the annual report was issued last December, 125,000 7% Cumulative Preferred Ordinary shares and 275,000 Ordinary shares are offered for subscription, respectively at 21*s.* and 30*s.* per share. On both classes 2*s.* per share is payable on application. On acceptance 9*s.* will be due on the Preferred Ordinary and 18*s.* on the Ordinary, the balance of 10*s.* in each case being payable on June 30. Besides the 7% Cumulative Preference dividend the Preferred Ordinary are entitled to a further dividend of 3% in any year that the Ordinary receive 10% dividend. Including the new shares the issued capital of the Company consists of £1,050,000 in 500,000 Preferred Ordinary and 550,000 Ordinary shares. The additional funds required are for the purpose of financing a big expansion that has occurred in the French and English Companies' works.

The existing 7% Preferred Ordinary shares are quoted at 23*s.* and the Ordinary at 38*s.*

SCOTTISH UNION & NATIONAL INSURANCE COMPANY.
ESTABLISHED 1824.
ASSETS Exceed £11,000,000.
FIRE, INCLUDING LOSS OF PROFITS, LIFE, ACCIDENT, ILLNESS, ANNUITIES, PENSIONS, LEASEHOLD, BURGLARY, GLASS BREAKAGE, TRANSIT OF SECURITIES, FIDELITY, PROPERTY OWNERS' RISKS, MOTOR-CAR RISKS, HORSE DRIVING ACCIDENTS, THIRD PARTY, EMPLOYERS' LIABILITY and MARINE
INSURANCES effected on the most favourable terms.
Edinburgh: 35 St. Andrew Square.
London: 5 Walbrook, E.C. 4, & 4 St. James's St., S.W. 1.

The Effects of the War ON Life Assurance Business
Pamphlet on application to the General Manager,
SUN LIFE OFFICE (Estd. 1810),
63 Threadneedle Street, London, E.C. 2.

Insurance Notes.

MERCHANTS' MARINE INSURANCE CO., LTD.

Most of the companies which used to restrict their operations to marine insurance have, during the last few years, been acquired or controlled by composite insurance concerns. One of the most important amongst such organisations as have not as yet responded to the call for amalgamation is the Merchants' Marine. Unlike almost every institution of the kind, it has made no attempt to write a greatly increased account during the last two or three years of the War. Yet it has earned throughout that period very satisfactory profits, the bulk of which have been applied in strengthening the reserves. Thus the report for 1917 showed that the trading profit from the closing of the 1916 underwriting account, added to interest earnings, and after provision for taxes, amounted to about £66,000, whilst only £15,625 was absorbed by the dividend. The result shown in the report for 1918 is of very similar excellence.

The 1917 underwriting account was closed on December 31, 1918, with a profit of £68,105, after transferring £115,000 to underwriting suspense account as a provision for third year's and later settlements. This provision seems very ample according to ordinary standards, as it represents about 22% of the 1917 premium income. Interest earnings, fees, &c., produced £29,329 in 1918, so that the total gross profit taken into account in that year seems to have amounted to £97,434. As against this, however, a special reserve of £30,000 was set aside for excess profits and income tax, reducing the net profits to £67,434, which seems to have been apportioned as follows:—

The capital amounts to £500,000, of which £125,000 is paid up, in 50,000 shares of £10 with £2 10*s.* paid on each. On this a dividend at the same rate as last year, namely, 6*s.* 3*d.* per share free of income tax, is again declared. This distribution amounts to £15,625, which, apart from provision for income tax, represents little more than half the interest earnings in 1918. £50,000 is added to the reserve fund, thereafter amounting to £200,000, and the balance of profit and loss account carried forward, after provision for dividend, is increased by £1,809 to £61,315.

So far as the shareholders are concerned, any disappointment that may be felt by them on account of the dividend not being increased (which on the face of the accounts might easily have been justified) will be mitigated, if not altogether removed, by the strong financial condition which the directors are able to show as the result of these adjustments. The paid-up capital, reserve fund, and balance of profit and loss account carried forward amount to £386,315, which represents a break-up value of nearly £8 per share, apart from the value of the goodwill and any profit which may be made from the running off of the 1918 underwriting account and of the underwriting suspense account.

In 1918 the net premium income amounted to £525,503, as compared with £516,190 in 1917. The proportion absorbed in first year's settlements was about 21% in 1917, and was about 22% in 1918. At this stage, therefore, last year's underwriting seems as promising as did that of 1917. The balance of the 1918 underwriting account carried forward to 1919, after payment of expenses and first year's settlements, was £370,158.

The balance sheet as at December 31, 1918, shows total assets of £1,268,180. These include securities valued at market prices on that date amounting to £1,050,958.

At the annual meeting on February 26, 1919, the Chairman spoke hopefully of the possibilities, given a continuation of favourable circumstances, of some increase in the dividend in respect of the financial year ending on December 31, 1918.

INDEMNITY MUTUAL MARINE ASSURANCE COMPANY, LIMITED.

This old-established marine insurance office (it was founded in 1824) still continues to write business in its own name, although the shares, or the great majority thereof, were purchased two years ago by the Northern Assurance Company. The price then given seemed a full one at the time, but the results of the accounts since date of the purchase show that the Northern made an excellent bargain. The Indemnity business has been conducted with skill and courage, especially during the last two years of war, and large profits have been made owing to successful underwriting in a time of great difficulty.

The winding-up of the underwriting account for 1916 on December 31, 1917, showed a trading profit of £121,316, after transfer of £250,000 to underwriting suspense account to provide for third year's and later settlements, while the interest and other earnings in 1917 amounted to £83,453. The paid-up capital amounts to £201,000, in 67,000 shares of £15 each with £3 paid. Thus the interest and trading profits taken into account in 1917 were about equivalent to the whole paid-up capital. The dividends and bonuses for 1917, however, were limited to 24*s*. per share, less tax, so that the bulk of the profits was applied to various strengthening purposes.

An even better result (and that to a very marked degree) is shown in the annual report to December 31, 1918. The winding-up of the 1917 account on that date is very satisfactory. The Company's net premium income in 1917 was one of the largest ever reported by any British institution of the kind, amounting to £3,295,927, as compared with £1,838,568 in 1916. After payment of expenses and first year's settlements a balance of £1,985,582 was carried forward to 1918 in the 1917 underwriting account. Further losses of £944,687 were paid in 1918. After transfer of £600,000, which seems a very substantial amount, as it represents over 18% of the premium income, to underwriting expense account in order to provide for third year's claims and further settlements, the amount of profit on the winding-up appears to have been £440,895. The interest earnings in 1918 (£108,861), less income tax (£35,392), amounted to £73,469, so that the total profit brought into account seems to have been £514,364. We do not remember any other case in marine insurance history where anything like so large a profit as half a million sterling has been shown. The dividends and bonuses for 1918 have been increased to 32*s*. per share, less income tax; and they represent a very conservative distribution, for they only seem to require £76,883, or only about 15% of the disclosed profits for distribution. The sum of £150,000 is added to reserve fund, bringing it up to £750,000, and the balance of profit and loss account carried forward to 1919, after provision for the full year's dividends and bonuses for 1918, is increased by £287,481 to £471,238. It will be seen that the three items of paid-up capital (£201,000), reserve fund (£750,000), and balance of profit and loss account (£471,238), amount to £1,421,238, and there is a further reserve of £50,000 in the freehold and building account. The reserves, added to paid-up capital, amount to £1,472,238, or nearly £22 per share, without taking into account the investment depreciation fund of £100,000, the underwriting suspense account of £672,390, which may possibly yield some surplus, and the profits which may be looked for on the eventual closing of the 1918 and later underwriting accounts. This considerably exceeds the price which the Northern gave for the shares in 1917, so that the purchasing Company is now well on the right side as far as the actual present position is concerned, apart from the goodwill, which must undoubtedly be of great value. Indeed, the Northern Company's shareholders are to be heartily congratulated on the success of this important amalgamation, for nobody could have anticipated that in the short space of two years so heavy a purchase price as it paid would have been entirely wiped off the slate, leaving a magnificent business all to the good. The result proves that marine business in capable hands has been a highly profitable speculation during the period of war referred to; but the profits which went to enterprising underwriters should not be grudged, seeing that they took great risks under conditions in which it was impossible to guard against the eventuality of heavy losses, and in so doing they rendered a great service alike to the nation and to the mercantile community.

The premium income of the Company for 1918, although about one-sixth less than was the case in 1917, was a very large one, amounting to £2,724,298. First year's settlements absorbed less than 30% thereof, and after payment of expenses a balance of £1,884,605 is carried forward in this account to 1919. Indications of a satisfactory issue on the winding-up of this account, so far as they can be given at this early stage, are quite as favourable as they were in regard to the 1917 account at the end of that year.

The Company's total assets at December 31, 1918, amounted to £4,265,518. The investments, amounting to £3,491,615 (apart from £230,000 relating to the freehold and building account), include British Government securities to a value of over £2,500,000.

The National Bank of South Africa.—Cable advice has been received that a new branch of the Bank has been opened at Fort Johnston, Nyasaland.

Standard Bank of South Africa, Ltd.—Mr. Herbert G. Hoey, formerly Assistant Secretary, has been appointed to the post of Secretary, in place of Mr. John Jeffrey, who recently left for Cape Town to take up the duties of an Assistant General Manager in South Africa.

The Guaranty Trust Company of New York have forwarded us a compact little booklet containing the full text of the new American Revenue Bill, which was passed by the Senate on the 13th of last month, and now only awaits signature by the President to become law. Copies of the booklet can be obtained on application to the Guaranty Trust Company. It gives a summary of the various provisions of the Act and examples of the assessments of income and excess profit taxes.

Life Assurance at Minimum Rates.

A
PLAN *of* ASSURANCE
SPECIALLY ADAPTED
for PRESENT TIMES.

For particulars address the

GRESHAM LIFE ASSURANCE
SOCIETY, LIMITED,
ST. MILDRED'S HOUSE, POULTRY, E.C. 2
Founded 1848. Funds £10,500,000.

THE GRESHAM FIRE & ACCIDENT INSURANCE SOCIETY, LIMITED.
Transacts all classes of Fire and Accident Business.
Chief Office: St. Mildred's House, Poultry, London, E.C. 2.

COUNTY FIRE OFFICE,
LIMITED.

50 REGENT ST., W.,
and
4 LOMBARD ST., E.C.,
LONDON.
THE BUSINESS OF THIS OFFICE IS CONFINED TO THE UNITED KINGDOM.
Full Particulars on application to the Head Office, Branches, and Agents of the Company.
APPLICATIONS FOR AGENCIES INVITED.
JOSEPH A. ROONEY *Secretary.*

Fire,
Consequential Loss following Fire,
Personal Accident & Disease,
Workmen's Compensation,
Domestic Servants,
Third Party & Drivers' Risks,
Burglary, Plate Glass,
Fidelity Guarantee, and
other classes of Insurance.

HEAD OFFICES: LIVERPOOL AND LONDON
ROYAL
INSURANCE COMPANY, LIMITED
ALL CLASSES OF INSURANCE EFFECTED

COMMERCIAL UNION
ASSURANCE COMPANY, LIMITED.

Head Office: 24/5/6 CORNHILL, LONDON, E.C. 3.

Total Assets (including Life Funds)—£31,801,986.

Commercial.

THE LEATHER TRADE.

THE leather industry during the past month or so has been a difficult one to negotiate, for although consumption on Government account has declined, the conditions of production have continued to be very irksome in many instances for all concerned in manufacturing and distribution. There have been numerous factors, both for and against the making of progress, but it is satisfactory to note that the "fors" are in the majority, and that, on the whole, the trade has shown steady improvement, and continues to exhibit a healthy tone in all departments.

In reviewing the tanning and manufacturing side of the trade, a highly favourable feature worthy of mention has been the practical evidences of relaxation of Government control afforded by the Raw Materials Department in the matter of free imports of raw hides and skins, and the export of various kinds of leather, as well as the further offers of Government stocks made this year. For instance, as regards imports, in addition to the free receipt of hides, the Customs authorities now hold a general licence for the admission of tanned East India goat and sheep skins, which licence is available until July 1. The embargo on imports of East India kips has also been removed, and the Department has arranged for the gradual disposal of its stocks—estimated at about one year's supply for the whole trade—so that this branch is gradually assuming something approaching to its normal conditions.

As regards exports, the Department has arranged to grant releases for all classes and weights of rough leather, other than strap butts and offal, for export to approved destinations, and the War Trade Department is also granting licences for the exportation of chrome-tanned sole leather from wet-salted, dry, and dry-salted hides, at practically free prices, and without the rebate of value. One of the practical grievances frequently referred to by raw goods importers has been the prohibition of export of undesirable selections, thereby causing an ever-increasing accumulation, unsuitable for the British tanner, but very useful for Continental purposes. This grievance has been settled by the Raw Materials Department arranging for the issue of a general export licence for these classes, and, further, permitting certain grades of unsuitable wet-salted hides to be exported under licence. This should prove a great financial boon to importers of raw hides, who have usually to take the good with the bad.

Among the Government offers of sole and upper leathers has been the Department's total stock of cut soles, consisting of about seven grades, and ranging from 11½*d.* to 18½*d.* per lb.; some good lines of hemlock acid and non-acid sole leather; and about two million feet of upper leather (semi-chrome box sides), mainly for war-time boot production. One of the conditions of purchase of the cut soles is that the boots made with them must be sold at a percentage of profit not exceeding that obtained for the same grades of boots on July 31, 1914, and the manufacturers are to obtain a similar undertaking from the retailers.

The position of the high-grade upper leathers market has been very unsatisfactory for a long time past, the supply of glacé kid, box and willow calf, and patent leather being extremely small and utterly inadequate to the demand, owing to the fact that, owing to the exigencies of the War, imports of raw goatskins, as well as of American glacé kid, had been suspended. During the interval since the Armistice American buyers of the former, owing to the "unfortunate misunderstanding with regard to the international agreement," entered the markets, and, by making large purchases, inflated the values of the remaining supply, to the great detriment of British buyers. This was indeed "unfortunate" for our manufacturers of glacé; but the Department was admittedly in no way to blame for this little bit of sharp hustle on the part of this section of the American tanning trade. The shortage, however, has been largely overcome by the important purchases of high-grade upper stock, such as glacé, patent leather and box and willow side, made by the Department's representative, Sir Percy Daniels.

Another important decision from the political, as much as from the commercial, point of view has been the cancellation of restrictions of shipments to and from Ireland.

Finally, it was officially stated by the Deputy-Chairman of the Leather Council on February 19 that "it was hoped that the control of the leather trade would cease in June next, and that no attempt would be made by the Department to continue it any longer than was necessary." As has been previously stated in these columns, control has undoubtedly proved very irksome and very costly; but the cost of uncontrolled leather would in all probability have proved at least as high, judging by the remarkable quotations of certain uncontrolled sorts. Further, the country secured ample and regular supplies for all purposes, which fact alone is practical justification for their action.

In common with the general industrial unrest that has been so prevalent so far this year, the leather and

allied trades were similarly affected. Fortunately the situation was regarded from a liberal standpoint by both sides, with the result that the boot-manufacturing section has come through the ordeal without serious trouble. Briefly, the main provisions arranged are a 48-hour week, with a minimum wage of 56*s.* per week. A new piecework statement to be prepared which shall ensure an increase of wage of at least 25% over the minimum wage. There are also regulations in respect of female labour, overtime, &c., and the agreement is to continue for two years from March 31. Labour, whilst still wanted in many directions, is steadily becoming more plentiful, particularly unskilled, as demobilisation proceeds, but the skilled men, who are so badly wanted, are slow in coming back. In the leather-dressing section alone skilled workers on the wet material could be employed in greater numbers, each of whom would prepare material available for several unskilled men. Still, on the whole the labour question is gradually ceasing to be a serious difficulty with the majority of leather producers.

Leather supplies (other than those referred to above) in many cases have proved to be more plentiful owing which have now begun to come round in leather. Imports of Colonial leathers are now actually arriving, whilst American upper stock, which has been purchased and paid for at least two years ago, is expected to be soon due and to go into consumption. In a very short time the Government purchases above-mentioned should also be on this side.

There is, however, one little inconsistency, apparently—namely, that whilst imports of American leather are still prohibited, those of American footwear may be received up to 25% of the pre-War total. Seeing that our boot manufacturers cannot thus obtain a portion of their raw material, it seems on the face of it, very hard, pending some explanation, that the finished goods may be brought into competition against their own goods in their home markets, which is a distinct hardship for the British manufacturer.

This important branch of the trade has been busily engaged so far this year in the Army war-time and civilian sections. As regards the Army boot (14 millions of pairs of which have been made during the War), production has been on a smaller scale now that the need for same has happily declined, and with good reserve supplies the authorities have been very strict in their examination, and "rejects" have been too numerous to please manufacturers. Taking this loss into consideration, as well as increased fixed charges and costs of production, manufacturers find the Army boot by no means a remunerative article, and have been making as few as possible.

The war-time boot is not being energetically produced, owing largely to the fact that the demand has proved rather dull of late. This probably is only a temporary lull, and may soon give way to better conditions. Meanwhile both leather and labour are becoming more plentiful.

As regards civilian boot production, this has been very actively pushed, and, thanks to the better supply of medium to common grades of upper leathers, also the improved labour supply, the output has been very satisfactory. A further satisfactory feature of this branch is the excellent demand for best grade civilian footwear, but unfortunately up to the present the great lack of suitable upper leather is the practical drawback. With the end of control in sight it is hoped that this will be remedied, but the great question of the moment is, How will prices go with a general run on the small stocks? However, for the answer we must wait and see. Fortunately the goods command favourable prices, so that manufacturers will not be altogether unable to pay present quotations if then in force. Manufacturers may be depended upon to put all their energy and ingenuity into the production of free goods, so that they shall compare favourably at least in appearance—with the war-time article. It is, however, good to know that many manufacturers intend to put high-grade material and labour into their productions, believing that the best goods will prove the cheapest in the long run, and be appreciated accordingly.

Export prospects are excellent now that the freight problem has been largely overcome. Despite all increased costs of production, it is believed that British goods are still the best value, so that should go a long way in the retention and expansion of our overseas markets.

As regards the general outlook, conditions are still too unsettled to enable this to be accurately gauged, but with labour in a more or less settled state for a couple of years, so far as the boot industry is concerned, and the leather and labour supplies steadily improving, there is good reason for optimism, especially in view also of the thoroughly healthy state of most sections of the leather industry.

JUTE INDUSTRY.—II.

We left off with the consideration of the jute industry as it is to-day in Dundee, after having considered the development of the industry in India, as well as in the European countries. We showed that 30 years ago the home industry absorbed a little over 1,200,000 bales of 400 lb. to the bale, and in the last clear year before the outbreak of the recent War the home industry did not quite absorb 1,300,000 bales. It is generally estimated that the United Kingdom retains for its own home consumption virtually 60% of the jute manufactured in these islands, exporting about 40%. An exceedingly interesting table which we give herewith, for which we are indebted to the Committee which recently reported on the textile industries in the country, will show how jute is distributed:—

Groups of Countries	Yarn £	Piece-Goods £	Unenumerated £	Bags and Sacks* £
Foreign Countries:				
European—				
Allies	182,000	40,000	6,000	78,000
Others	91,000	213,000	31,000	319,000
Total European ...	273,000	293,000	37,000	397,000
Extra-European—				
United States	9,000	1,572,000	72,000	54,000
Central America and Mexico	—	—	—	87,000
Cuba	—	28,000	—	—
Brazil	299,000	15,000	—	—
Argentine	59,000	275,000	22,000	318,000
South America (other)...	—	181,000	15,000	115,000
China	—	—	—	—
Japan	—	—	—	—
Other	77,000	63,000	26,000	93,000
Total extra-European	444,000	2,139,000	135,000	680,000
Total Foreign countries	697,000	2,430,000	170,000	1,075,000
British Possessions—				
Australia	9,000	96,000	24,000	4,000
New Zealand	—	51,000	13,000	—
Canada	£2,000	398,000	8,000	27,000
South Africa	—	16,000	17,000	56,000
British India	—	50,000	8,000	10,000
Other	13,000	25,000	27,000	53,000
Total British Possessions	84,000	636,000	97,000	150,000
Total all destinations	781,000	3,066,000	267,000	1,225,000

* This classification includes bags and sacks of all kinds, but the bulk of these were manufactured of jute.

We dealt quite recently with the important question of the supply of the raw material. We stated that, so far as the supply of raw jute is concerned, the British Empire enjoys what may be described as a virtual monopoly. Practically the whole supply of

HARRISONS & CROSFIELD,
LIMITED.

Issued Capital - - - - £1,225,000

Agents and Secretaries for Tea and Rubber Estates.
General Exporters and Importers.
Shipping, Banking and Insurance Agents.

1-4 Great Tower Street, London, E.C.
With BRANCHES and Allied Companies throughout the East and elsewhere.

raw jute produced in the world at the present time, and known to the international markets, comes from India, and more than 90% of the Indian product is in Bengal. The total crop is now estimated at some 10,000,000 bales, of which India herself consumes very nearly 5½ million bales, or considerably more than 50% of the total production of the Dependency. The United Kingdom, as we have said already, consumes, roughly, 1,300,000 bales, and the remaining 3,500,000 bales are distributed between various parts of the European continent and the United States of North America. When writing on this subject some time ago, we said that there was a project on foot whereby it was proposed to put an export tax on raw jute from India, for the purpose of securing its manufacture within the Empire. It was proposed, and the Committee to which it was referred recommended, that a rebate be given on jute sent only to places within the Empire.

Now, with regard to an export tax, *per se* there is no valid objection provided it is raised for the purpose of revenue. As we said before, to impose a tax of this kind for the purpose of diverting manufactures into one particular direction offers many objectionable features. The reason that jute has become so generally used throughout the world as a packing material is that it is by far the cheapest of any of our textiles which are actually cultivated upon a great scale, having regard to its extreme durability. It by no means follows, however, that no other fibre exists which could not be grown upon an extensive scale to take the place of jute. To argue that because under existing circumstances we do enjoy—that is to say, the Empire, taken as a whole, enjoys—a virtual monopoly of the raw material, as well as the major part of its manufactures, is not proof that there is no other fibre which is capable of taking its place. As a matter of fact, there are many fibres known in South America which could be developed and which might prove formidable rivals. As it is we enjoy a commanding position in the jute industry, and it seems desirable that we should rather direct our energies to increasing the supply of raw material, to improving the methods of manufacture by the installation of the best machinery known to the trade, and by improving the skill of the Indian fertilisers, and adding, if possible, to the information of those who are directing the production of the raw material in India itself. There seems to be clear evidence that in recent years the increased area under jute has not yielded a proportionately increased crop. In addition, it is asserted that the increased area, besides failing to yield a proportionately larger crop, has, besides, failed to maintain its quality. Now, in the study of improved means of production, and of improving the quality of the product, there seems to be a far more fruitful field for labouring to retain the monopoly which the Empire, taken as a whole, now enjoys than by any attempt to strengthen the position by means of purely fiscal regulations.

With the exception, perhaps, of the carrying trade of the world before the War, it is doubtful if in any branch of industry the Empire has enjoyed up to the present such an advantageous position, taken as a composite whole, as it enjoys with regard to the jute industry. We grow in one province of India nearly the whole of the raw material known to the international markets. We manufacture in the neighbourhood of the capital of India more than half of the world's total supply of jute, of what are technically known as the coarser counts. Finally, we import to the United Kingdom some 1,300,000 bales, to be manufactured mainly in the neighbourhood of Dundee into the finest kind of jute fabrics which modern machinery and modern skill are able to produce. Less than 3¼ million bales are exported to countries outside the confines of the British Empire, and these countries are content to manufacture only the coarser counts for home consumption. Some of them, particularly Germany, threatened to develop an export trade which might, or might not, had it materialised, have injured our trade in jute here at home or that of India. As a matter of fact, it has never materialised. Although we have to a large extent lost the continent of Europe as a market for jute fabrics of the coarser counts, at the same time these markets purchase their raw materials from our fellow-subjects in India, and have so far confined themselves to manufacturing only for their own local requirements.

Finally, it is admitted that there is a shortage of the raw material, and in endeavouring to meet that shortage our methods have left a good deal to be desired. Surely until those methods are brought to a satisfactory standard the time has not arrived for considering the advisability of altering our fiscal policy with regard to the jute industry.

Lastly, in addition to the advantages we have already enumerated, Great Britain has been during the past two generations, and remains, the only source of supply for jute-manufacturing machinery. India, naturally, takes its machinery from here, as she has taken her expert managers and supervisors, for the purpose of developing her jute-manufacturing industry. In addition, our competitors, in so far as they are competitors, and not merely manufacturing for their own local needs, have themselves acquired from this country the machinery which enables them to carry on their enterprise, and so far they have not found it practicable to manufacture to any considerable extent jute-making machinery.

ROSARIO NITRATE COMPANY, LTD.

Following the conclusion of hostilities in Europe and the consequent termination of the great demand for nitrate and iodine for munition and medical purposes, the market for the output of the Chilian oficinas became so disorganised as to necessitate many of them closing down temporarily. Prices have tumbled considerably, and the immediate outlook is very uncertain.

The report of the Rosario Company, which owns about 5,000 acres of nitrate lands in Tarapaca, Chili, covers the year ended September 30 last, and, therefore, relates to operations before the Armistice. We give a comparison of the figures with previous years' results below, and it will be seen that the trading profits of 1917-18 were very large, and that with the addition considerably increased receipts on account of favourable exchange and sundry revenue, the net profit, after deduction of office expenses, comes out at £179,679, against £144,356 for 1916-17. Income tax calls for £49,412, or nearly £14,000 more; £25,000 is allocated to depreciation, and £15,000 set aside in connection with expenses incidental to the stoppage of two of the three oficinas, leaving a balance profit just about sufficient to pay tax-free dividends, aggregating 15%, against 17½% for 1916-17.

Year to Sept. 30	Trading Profits	Profit in Exchange	Sundry Revenue	Office, &c. Expenses	Net Profit
	£	£	£	£	£
1914	125,963	—	2,394	6,596	121,761
1915	45,370	—	2,581	4,434	43,517
1916	102,817	10,885	4,278	4,094	113,885
1917	138,060	4,058	6,756	4,519	144,356
1918	156,923	18,978	8,038	4,261	179,679

	Net Profit	Income Tax	Amount Written Off	Div.*		Carry-forward	Stocks†	Surplus Liquid Assets
	£	£	£	£	%	£	£	£
1914 ...	121,761	7,785	11,418	45,000	7½	79,339	71,725	40,970
1915 ...	43,517	4,131	18,562	45,000	7½	55,163	37,517	54,471
1916 ...	113,885	21,137	11,811	90,000	15	46,100	76,720	13,871
1917 ...	144,356	35,826	26,843	105,000	17½	22,787	92,077	2,757
1918 ...	179,679	49,412	40,000	90,000	15	23,053	83,812	43,917

* Free of income tax. † Excluding stores.

The stock of nitrate and iodine taken in at cost was reduced during the year, but still stood at September 30 at £83,812, while stores, bags, fuel, waggons, etc., were valued at £38,791, against £27,187 a year previously. In addition thanks to the provision of substantial depreciation out of profit, and the absence of capital expenditure, the cash position showed a satisfactory—and, in the circumstances, a very necessary—improvement. The Company's £5 Ordinary shares—the capital is £600,000—are now priced at 7½ in comparison with 9 a year ago.

Industrial Companies.

BORAX CONSOLIDATED, LIMITED.

Issued Capital: £2,300,000, in 80,000 5½% Cum. Pref. £10 Shares, 120,000 6% Preferred Ord. £5 Shares, and 900,000 Def. Ord. £1 Shares.

Debentures: £1,000,000 4½% First Mortgage and £952,216 4½% Second Mortgage.

Year to Sept. 30	Net Profit*	Deb. Int and Redemption	Pref. and Prefd. Div.	Depreciation	General, &c., Reserve	Income Tax Reserve	Deferred Dividend £	Deferred Dividend %	Carry-forward
	£	£	£	£	£	£	£		£
1914	336,832	88,734	80,000	50,000	27,649	—	67,500	7½	68,346
1915	342,122	92,243	80,000	40,000	27,793	5,000	90,000	10	74,171
1916	432,293	93,674	80,000	62,321	31,496	10,000	135,000	15	106,293
1917	385,527	93,674	80,000	40,000	40,442	15,000	135,000	15	92,703
1918	431,342	93,674	80,000	50,000	30,000	30,000	135,000	15	105,371

* After payment of directors' fees, administration, &c., expenses, and providing for excess profits duty.

Bearing in mind that the excess profits duty stood at a higher level in the year ended September 30 last than in the previous 12 months, it would appear from the above figures that the Borax Consolidated experienced a year of unprecedented prosperity. The net profit after providing for the special taxation comes out at £431,342, and after deducting Debenture interest and sinking fund, Preference and Preferred Ordinary dividends, a balance profit remains of £257,668. This is equal to 28% on the Deferred Ordinary capital, but £50,000 is written off for depreciation, £25,000 and £5,000 are added to general reserve and pensions fund respectively, while £30,000 is placed to income-tax reserve, against £15,000 so allocated in 1916-17. There remains sufficient profit to maintain the dividend on the Deferred Ordinary shares at 15%, and to increase the carry-forward from £92,703 to £105,371. Expenditure on capital account was small, and the allocations to reserve and depreciations had the effect of raising the surplus cash resources to a very high figure. Stocks, too, have jumped higher, the latest figure of £588,197 comparing with £486,552 at September 30, 1917, and only £291,246 a year before that. The current year's results will depend largely upon the level of value ruling for the products, but the Company has recently been severely handicapped in its export trade by war restrictions, and their removal seems likely to lead to expansion in business.

The prices and yields of the Company's securities are shown below:

	4½% 1st Debs.	4½% 2nd Debs.	5½% Pref.	6% Pref. Ord.	Def. Ord.
Price	79	75	9⅜	5	2 3/16
Yield per cent. ...	£5 15	£6 2	£6	£6 3	£7 10

SHELTON IRON, STEEL AND COAL COMPANY.

Issued Capital: £744,000, in £1 Shares (to be raised to £1,000,000).

Debentures: £9,800 5% and £189,400 6%.

	Net Profit*	Debenture Service	Placed to Reserve	Ord. Div. £	Ord. Div. %	Carry-forward	Capital Expenditure‡	Stocks	Surplus Liquid Assets (a)
	£	£	£	£		£	£	£	£
1914 ...	63,486	40,000	—	22,200	5	19,423	8,150	106,589	44,780
1915 ...	109,554	40,000	20,000	26,640	6	42,337	3,828	110,452	76,942
1916† ...	161,237	40,000	30,000	56,800	7½	67,775	235,399†	105,503	101,889
1917 ...	135,958	40,000	40,000	55,500	7½	67,932	87,830	101,837	57,625
1918 ...	132,488	40,000	25,000	55,800	7½	79,620	66,650	93,061	36,437

* After provision of rates, taxes, and excess profits duty.
† Share capital increased in 1916 from £444,000 to £744,000.
‡ Outlays less credits. (a) Excluding stocks.

During the War this Staffordshire Company has considerably widened its sphere of activities and generally extended and improved its works and equipment. As a consequence its steel output was further increased last year, the production of ingots being a record one. A small diminution is reported in net profit, but as this is after deduction of rates, taxes, and excess profits duty, it is probable that earnings were in reality considerably larger than in 1917. As usual, £40,000 is allocated to Debenture service, the addition to reserve is £25,000, against £40,000, the dividend is maintained at 7½%, and the carry-forward is raised from £67,932 to £79,620. Capital expenditure has been heavy. In 1916 the undertaking of the Coking Company, Limited, was acquired for 300,000 shares, and last year's outlay included extension of steel-works and the acquisition of the Silverdale Collieries, embracing an area exceeding 3,000 acres, containing some of the best coking and house coals in the district, with seams 5 feet, 10 feet, 7 feet, and 8 feet thick, and, as far as proved, estimated to contain over 60,000,000 tons of coal. The idea is to make the Shelton Company self-contained as regards its supplies of raw materials. It is intended to equip the new coal property on modern lines, starting with the sinking of two shafts. For the purpose the share capital is forthwith to be raised to £1,000,000 by the issue of 256,000 £1 shares, to be offered to shareholders at par. The existing shares are quoted at par, and afford a yield of 7½ per cent. on the recent dividend rate. The current year's outcome depends, of course, largely upon the condition of trade, but as the Company has at present an ample order book to work upon, and the margin of profit behind the dividend is considerable, there seem good grounds for expecting the maintenance of the distribution, notwithstanding that the increase of capital will not bring in commensurate revenue until the new colliery is equipped and working. Further, the Debenture charge will be £2,000 less this year and £12,000 next year.

LANARKSHIRE STEEL COMPANY.

Capital: Paid up, £435,000, in 15,000 5% Cum. £10 1st Pref. 10,000 5% Cum. £10 2nd Pref.; 10,000 £10 Ord. and 10,000 £10 Ord. £8 10s. paid.

Year	Working Profit*	Net Profit†	Pref. Div.	Ord. Div. £	Ord. Div. %	Carry-forwd.	Value of Stock	Surplus Liquid Assets‡	Added Reserve
	£	£	£	£	%	£	£	£	£
1914	17,696	15,865	12,500	Nil	—	9,175	108,349	40,084	—
1915	43,721	44,406	12,500	18,500	10	22,581	161,393	37,538	—
1916	3,313	46,698	12,500	18,500	10	38,278	134,770	40,715	—
1917	36,585	48,761	12,500	18,500	10	56,040	158,234	60,000	—
1918	57,941	63,456	12,500	18,500	10	68,496	215,594	60,583	75,000

* After deducting depreciation and taxes. † Including sundry revenue.
‡ Excluding £15,000 uncalled Ordinary capital.

It is a good report this Company issues for 1918, the net profit shown being considerably larger than reported for many years past. Under normal conditions it would easily have been possible to double the Ordinary dividend, but the directors wisely elect to maintain the rate at 10%, requiring £18,500 and leaving a balance profit of £37,456. In addition to this the directors had at their disposal £50,000, being the amount by which, according to settlements so far arrived at, the provisions made for taxes in respect of 1915 and 1916 exceeded the sum actually required. This £50,000, together with £25,000 of profit, is placed to reserve, now raised to £100,000, and the carry-forward is increased by £12,456. The year ended with stocks standing at a high value, and it is fortunate, in view of the uncertain outlook as regards course of prices, that it has been possible to strengthen considerably the financial position. This will help towards a successful issue from the present transition period, and thereafter the extensions of the works, which have now been carried out under arrangement with the Ministry of Munitions, ought to result to the Company's advantage.

C. AND E. MORTON, LIMITED.

Capital: £750,000, in 300,000 6% Cumulative Participating Pref. £1 Shares and 450,000 £1 Ord. Shares.

	Net Profit*	Depreciation	Reserve, &c.	Pref. Div. £	Pref. Div. %	Ord. Div. £	Ord. Div. %	Carry-forward	Stock	Surplus Liquid Assets
	£	£	£	£		£		£	£	£
1914	153,233	8,658	25,540	14,000	7	78,750	17½	45,016	271,025	193,647
1915	165,454	15,902	25,540	14,000	7	78,750	17½	77,277	390,766	134,720
1916‡	165,056	13,006	35,540	17,500	7	78,750	17½	97,537	476,428	205,374
1917	168,661	7,374	28,000	21,000	7	78,750	17½	131,074	380,727	352,142
1918	166,340	9,135	28,000	21,000	7	78,750	17½	160,550	333,285	449,436

* After deducting income tax, but not depreciation.
‡ Capital increased by £100,000 new Preference shares.

It will be seen from the above figures that this wholesale provisions Company has enormously strengthened its position during the War. In 1918 profits were maintained at about the previous year's level. No increase is made in the dividend, and, as in the previous three years, a very substantial surplus of earnings remains to be added to reserve and to the carry-forward. The diminution in the value of stocks and the large and progressive improvement in the cash position indicate the watchfulness of the management, and are especially good features in view of the probable downward course of commodity prices. The Preference shares are quoted at 23*s.* 6*d.*, and afford a return of 6%.

MEETINGS
OF PUBLIC COMPANIES.

METROPOLITAN ELECTRIC SUPPLY COMPANY, LTD.

THE thirty-second ordinary general meeting of the Metropolitan Electric Supply Company, Limited, was held on March 11 at Winchester House, Old Broad Street, E.C., Mr. A. W. Tait, C.B.E. (the Chairman), presiding.

The Secretary (Mr. F. Hipwell, F.C.I.S.) having read the notice convening the meeting and the auditors' report,

The Chairman stated that the gross revenue for the year, excluding interest and dividends on investments, amounted to £348,726, as compared with £318,446, or an increase of £30,280. The revenue from sale of current was £334,213, or an increase of £27,559, which was approximately 9%. The number of units sold was 26,761,000, a decrease approximately of 1,700,000 units, or 6%. The increase in revenue was to be accounted for by the necessary increases which the Company had had to make, in conjunction with all other electric supply undertakings, to meet the further large increases which had occurred during the year in the price of coal and other materials and the rise in wages and salaries due to the abnormal conditions and consequent high cost of living. The opportunity had also been taken to standardise further the rates for the different classes of lighting, heating, and power in the various areas which the Company supplied. The decrease in the number of units sold was not surprising in view of the further stringent regulations which were issued by the Board of Trade with regard to lighting and heating and of the fact that the Armistice was signed on November 11 last. Immediately thereafter there was a large diminution in power supply, particularly in the western area. Had it not been for these two factors the units sold during the year would have shown a satisfactory increase. The progress during the year had been on the whole satisfactory. Since its close the units generated had shown some decrease compared with the corresponding period of the previous year, but the weekly figures showed that this was being gradually made up. The Company's distribution system in the western area was already fully loaded, and it would be necessary if they were to supply the demand which was in sight for next winter that they should undertake substantial capital expenditure in the laying of further mains in that area, and probably also the installation of further plant at Willesden. The situation with regard to coal was one of national anxiety, and he hoped that, as a result of the Commission now sitting, the apparent impasse would be bridged.

Allocation of Profits.

Higher wages had necessarily increased costs, and the customer must realise that the companies must make some corresponding increase in the charge for electricity. (Hear, hear.) The total expenses for the year amounted to £208,112, or an increase of £23,570, which, by a coincidence, was approximately the same increase as that shown in the previous year. The capital expenditure for the year was £25,267. The balance carried to the net revenue account was £90,614, or an increase of £6,710. The prospects of the Uxbridge Company were good, and it would undoubtedly prove a valuable adjunct to this Company's development in its western area, which was one of considerable promise. The purchase had in every way justified itself. Their investments stood at £354,772, as against £337,483, and the depreciation was now £17,000, as compared with about £20,000 at the same date in the previous year. The balance of net revenue available for the year, including the balance forward, amounted to £54,836. The directors recommended a final dividend at the rate of 8% per annum, making with the interim dividend a total distribution for the year of 5%, leaving £4,836 to be carried forward, or, approximately, the same as the amount brought into the accounts. The directors were pleased to be able to recommend a further increase in the dividend, accompanied as it was by a substantial sum set aside to the depreciation and reserve account. The question of electricity supply throughout the country had been prominently taken up by the Government. Whatever might happen it was almost unavoidable that London must be treated as an area by itself, as the problem was a special one, and it was quite a moot point whether it would not be better for the municipal enterprises, on the one hand, and the supply companies, on the other hand, to amalgamate their interests under two separate bodies or Boards, controlling and administering the districts which they at present supplied, inter-connected where necessary, so that bulk supply as and when required could be given by the one to the other. They were acting in concert with all the London electric supply companies, and he hoped that as the result of their deliberations, some scheme might be evolved which would have that or some similar arrangement as its ultimate objective. After warmly recognising the services of the general manager, the chief engineer, the secretary, and of their respective staffs, he concluded by moving a resolution adopting the report and accounts and declaring the further dividend mentioned.

Mr. George Balfour, M.P., seconded the motion, which was unanimously adopted.

The retiring directors and auditors were re-elected, and the proceedings terminated with a vote of thanks to the Chairman and the directors.

SHELTON IRON, STEEL AND COAL, LIMITED.

THE twenty-ninth ordinary general meeting was held on March 11 at River Plate House, Finsbury Circus, E.C., Mr. Charles W. Parish (the Chairman) presiding.

The Secretary (Mr. A. P. Ford) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: As is shown in the accounts, the profit amounts to £132,488, to which has to be added the balance of £67,932, brought from last year, making together £200,420. From this sum £40,000 has been required for Debenture service, an interim dividend of 2½ per cent. was paid last August and £25,000 has been added to the reserve fund. We now ask your approval of the payment of a final dividend of 5 per cent., making 7½ per cent. for the year, and leave a balance of £79,620 to be carried forward. Comparing the balance sheets for this and last year, you will notice that further progress has been made in redeeming our Debentures; there is still a small balance of £9,800 First Debentures, which will be entirely liquidated this year, and thereby our revenue will, as from January 1 next, be relieved of a charge of £12,000 per annum. As a matter of fact, this year the charge will be £10,000, so that we have a gain of £2,000 upon the First Debenture service this year. The Second and new Debentures will also be further largely reduced. You will agree with me that this is a very satisfactory feature. The capital expenditure of £66,649 includes the acquisition of Silverdale Collieries and extensions at the steel works. By means of these extensions we have been able to increase our output of steel, and our production of ingots last year was a record in the Company's history, and there is no doubt that, provided no interruptions occur, we shall this year show a still further improvement. Nearly the whole of our output was needed for war requirements, but immediately after the Armistice was signed war orders were cancelled; but we were fortunately able to turn at once on to what we may term "peace production," and up to now the works have been fully employed, and for the present we have an ample order-book to work upon.

New Coal Property Acquired.

I will now refer to the important acquisition of the Silverdale Estate. The area of the mines secured under these leases embraces some of the best coking and house coals in the district, including such seams as the 5 ft., 10 ft., 7 ft. and 8 ft. and the Banbury and Bullhurst. The area of practically proved seams is one which will fully justify the capital expenditure necessary for their proper development, and from the quality of the coals worked on the outcrop of the area they can be classed as some of the most valuable in North Staffordshire. The total area in lease exceeds 3,000 acres, of which 1,600 acres have been well proved by workings in the upper seams, and 1,400 acres yet remain to be fully proved. The estimated contents of the proved area in seams varving in thickness from 4½ ft. to over 8 ft., and after making a liberal allowance for faults and barriers, are 60,000,000 to 70,000,000 tons, of which 40,000,000 tons are from seams of good coking, gas and house quality. In obtaining this area the Board felt that they were securing on advantageous terms what was considered to be one of the most valuable properties of good, reliable coking coal in the district, from which, with modern and up-to-date plant and proper development, there should be a good and satisfactory return for the capital outlay for many years to come.

We therefore propose to sink two shafts of adequate dimensions and to equip the plant with the most modern and up-to-date appliances to deal with a large output, and it is with this expenditure in view that we are asking your approval to increase the capital of our Company from £800,000 to £1,000,000, as set forth in the resolution, of which notice has been duly given, and Treasury sanction having now been obtained, the unissued balance of our capital—namely, 256,000 shares—carrying full dividend from January 1, 1919, will be forthwith offered to the shareholders at par payable 1s. on application, 9s. on allotment, and 10s. on June 2 next.

Position Strengthened.

Mr. W. Simons (managing director), in seconding the motion, said: With the acquisition of the Silverdale Colliery, the ironstone obtained at the Florence Colliery, the Earls Barton and Oxford ore property, we are self-contained. Referring to our prospects, although all war orders have come to an end, we find there is an increased demand for our products and we have no difficulty in securing orders, and we have developed specialities which are distinctly valuable to a works of this description. I have had the privilege of being associated with the Shelton Company for many years, and I can confidently say that the position of the Company is strengthening year by year, and the conservative policy which is being adopted by your directors will tend to strengthen that position and enable a steady and reasonable dividend to be earned.

The motion was carried unanimously, and a dividend of 5 per cent., making 7½ per cent. for the year, was declared.

The following resolution was then unanimously adopted: "That the capital of the Company be increased to £1,000,000 by the creation of a further 200,000 shares of £1 each."

D. DAVIS AND SONS, LIMITED.

The thirtieth ordinary general meeting was held on March 12 at Cannon Street Hotel, E.C., Mr. A. Mitchelson (the Chairman) presiding.

The Secretary (Mr. J. F. Davies) having read the notice convening the meeting and the auditors' report,

The Chairman said: You will have observed that the profit for the year is a satisfactory one and that we have been able to maintain the Ordinary dividend at 20 per cent., which, after deduction of income tax, is equal to 14 per cent., while the greatly reduced purchasing power of money, as compared with pre-war times, brings it down to the equivalent of about 7 per cent. or 8 per cent., and in view of this and of the risks attaching to colliery investments, the return to our large body of shareholders, drawn from all stations of life, does not appear as in any degree an unreasonable one. I am pleased to be able to tell you that we have succeeded in renewing the Company's principal mineral leases for a further period of sixty years.

Proposed Distribution of Welsh Navigation Shares.

With regard to the Welsh Navigation properties, as is generally known, these were acquired by your Company in the year 1911 by the purchase of the then capital of £150,000 for the sum of £300,000. This asset is included in the balance sheet under the head of collieries, investments, etc., Since their acquisition the sum of £400,000 has been advanced to them by your Company and expended on development and equipment. In the case of D. Davis and Sons no less than £400,000 over and above the purchase price has actually been expended on this subsidiary undertaking. Now, it has been decided to accept, in settlement of the loan of £400,000, an equivalent amount in Welsh Navigation £10 fully paid Ordinary shares, and in order to effect this the Welsh Navigation Ordinary capital has been increased from £150,000 to £550,000. As you have been informed, your Board have decided to distribute among the shareholders of D. Davis and Sons £10 Welsh Navigation Ordinary shares in the proportion of 50 per cent. of their D. Davis holdings. It is our intention, as soon as possible, to split these £10 shares into the same denomination as that of D. Davis Ordinary shares. After the necessary adjustment of the accounts consequent upon the distribution of Welsh Navigation shares, our reserve will stand at about £60,000, while we carry forward £73,000 odd, a slight increase on the amount brought in from the previous year. The pits are equipped for a large output, and we look forward to the time when the output will be increased to nearer a million tons per annum. In connection with the further developments I have referred to, we intend to raise £200,000 of Preference capital for the Welsh Navigation Company. It is estimated that the proceeds of this issue will enable us very comfortably to complete our development programme. The profits of the Welsh Navigation Company for the past four years totalled £159,353, an average of nearly £40,000 per annum, subject to depreciation and interest on the D. Davis loan.

Colliery Owners' Share of Higher Prices.

I now come to matters of a more general nature, and, at this stage, I should like to call attention to the great increase in the number of our shareholders as compared with those of only three years ago, when they numbered, I believe, somewhere about 1,800. We have now over 5,000 shareholders, and the increase is probably, in the main, due to the low denomination of the shares. The average holding, therefore, works out at considerably less than £200 per shareholder. This is a very welcome fact, as showing that the much criticised ownership of the collieries is really not with a few wealthy individuals, but is widely distributed among men and women in all stations of life, and I venture to express the hope that means will be found for our employees to invest to a much greater extent than hitherto in our undertaking, as it will afford them a further stimulus to endeavour and an added interest in the success of the Company. I feel it necessary to refer to the misleading impression which seems to have got abroad in regard to certain statements and figures which came out in evidence before the Commission in connection with the increase of 2*s.* 6*d.* per ton in the price of coal made in June last year. I wish to make it clear that of the £25,000,000 referred to colliery companies like ours participate to a very small extent indeed. In the first place, as far as last year's profits are concerned, it has been in operation for only about six months, and practically the whole of the amount goes to the Inland Revenue and to the Controller, so that the interest of the more successful colliery owners in this increase is very trifling. I think it important that this fact should be generally appreciated, as a false impression on so crucial a matter does a very serious injustice to the many thousands of shareholders, drawn from the entire community, who constitute the owners of our collieries. It is astonishing how few people are aware of the fact that collieries alone among the industries of the country are only allowed to retain 5%, not 20%, of the excess profits over and above their pre-war standard, and even then this 5% is subject to income tax at the present high rate of 6*s.* in the pound. I now beg to move the adoption of the report.

Sir Leonard W. Llewelyn, K.B.E., seconded the resolution, which was carried unanimously.

The bonus referred to in the Chairman's speech was duly sanctioned, and the proceedings terminated.

SOUTH AFRICAN GOLD TRUST, LIMITED.

The ordinary general meeting was held on March 13 at the Cannon Street Hotel, E.C., Lord Harris (Chairman of the Company) presiding.

The Acting Secretary (Mr. H. G. Sidgreaves) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—I will, as usual, commence my remarks by dealing with the accounts. Taking first the revenue and expenditure account, the directors' fees and commission are £4,795 odd, as compared with £4,259 odd, the increase being due to the larger profits. Office management, &c., is £5,738, as compared with £5,728 odd. Profit realised by sales of investments, dividends, interests, less commission, &c., amount to £106,325 odd, as compared with £86,302 odd. That gives us a balance to bring down of £95,740, as compared with £76,334 odd, to which we add the balance brought forward, £68,012, giving us £163,752 odd, as compared with £148,556 odd. From that have to be deducted Preference dividend, which is unaltered in



amount, and French Government duty and stamps, £1,025, as compared with £544 odd, and the result is that we carry to the balance sheet £132,727 odd, as compared with £118,012 odd.

Improved Cash Position.

Turning to the balance sheet, the capital is unaltered; the reserve stands at £110,000, as before. Cash at bankers and in hand is £45,871 odd, as compared with £114,366 odd, and the cash position, taking the usual figures on either side, is £188,874, as compared with £157,945 odd, so that under practically every heading there has been an improvement this year over last year. The increase in the profits is chiefly due to profits from sales, £62,339, less losses on sales of investments—namely, £42,496, but the dividends received, amounting, with interest, to £89,611, also show an increase, because we had a windfall in the shape of the arrears of the Trona Preference dividends. These and other receipts more than compensate for the falling-off in the dividends in Simmer Deep and Robinson Deep and the absence of dividends on Knights Deep, and I think you will be thankful that you have not had all your eggs in the South African basket. Now there are two pieces of information in these remarks which account for the measure of precaution we have taken in recommending you to put £20,000 to reserve. One is that a part of the income for the year was due to the windfall of many years' accumulations of Preference dividend from Trona—a windfall which will not recur, although we hope at no distant date for dividends on our Ordinary stock. The second reason for our recommending you to add to the reserve is that, as I warned you when we changed our system of accounting, we must keep a close watch on our valuations. We are perfectly justified this year in distributing the dividend which we recommend. The appreciation on our investments over depreciation shows an improvement over last year, but we cannot ignore the adverse factor of South African investments. They are wasting assets, and under the trying conditions which exist it is possible that their lives may be shortened, and it is wise, therefore, to make provision against that eventuality. Following our usual practice, we have not published—this being an intermediate year—a list of investments. The only new ones are 458 shares of New Modderfontein Company and 13,125 shares in the Southern Van Ryn Reef Company, and some gilt-edged stock to the value of £67,497.

Our holdings in American Trona, both Preference and Ordinary, have considerably increased owing to the conversion of our loans and guarantees, also in Sub Nigel, of which company's shares we now hold 149,820, as compared with 96,783. Our holding in South American Gold and Platinum Company has also been increased. That company has won a very considerable amount of platinum with only one dredge, and its prospects when the second dredge is at work are distinctly encouraging. Sales have been made in the case of some 15 holdings, but, with two exceptions, of small amounts. I have been asked for information as to the Mississippi River Power Company. This company made satisfactory increases in both gross and net earnings during 1918, and we understand that the results for this year are likely to show a considerable increase over those of 1918.

Staff Bonus Regulation Scheme.

I might point out that, although it must have cost Consolidated Gold Fields a good deal more for office management, etc., they have not proposed to increase the fees which are paid them by their sub-companies; but that it has cost them more is evident from what I said at the Gold Fields meeting, when I intimated that we had come to an arrangement with our clerical staff to regulate the bonus, which must continue after peace is declared because of the increased cost of living, according to a recognised scale. I gave our shareholders the intimation that the bonus would be regulated by the cost of living. What we have arranged with our staff is that the bonus shall fluctuate with the cost of living as indicated by Sauerbeck's index figures. We have agreed with them that the bonus we offered and they accepted shall be represented by the index figure at the date on which the agreement was come to, which was about 194. If the cost of living rises or falls above that indicator, then the salaries of the staff rise or fall in accordance, but the salaries cannot fall below a certain minimum, which was agreed as the standard, or pre-war, figure of the salary. As regards the prospects of the Company generally, I think you may take a happy view of them. Investments are distributed over a very wide field, the large proportion of them are interest-bearing, and in each quarter of the globe in which the Company is interested in operations there is a comfortable appreciation over depreciation.

The Earl of Verulam seconded the motion, which was carried unanimously.

CEREBOS, LIMITED.

No Profiteering in the Salt Trade.

The fifteenth annual meeting of the shareholders of Cerebos Limited was held on the 11th inst. at the Station Hotel, Newcastle-upon-Tyne, Mr. W. H. Collins, Chairman and Managing Director, presiding.

The Chairman, in moving the adoption of the report and accounts, referred to the loss the Company had sustained through the death of its late Chairman, Sir W. H. Stephenson.

After commenting upon certain of the items in the balance sheet, the Chairman referred to the question of excess profits, and said that he made no apology for the Company having made a few thousand pounds this year for the Chancellor of the Exchequer. They had had a record alike in sales, output, and profit, and considering the difficult conditions the shareholders were to be congratulated upon the result of the year's work.

A good deal had been said about profiteering, but when he reminded them that the dividend was passed during one year of the War, and that they only had to pay a few thousand pounds excess profit this year, the fourth year of the War, he did not think they could be accused of profiteering. The figures were the natural results of the progress of an enterprising business. A great deal had been said in and out of Parliament as to the profits in the salt trade, but whilst the price and production of salt had not been actually controlled by the Food Controller, it might interest the shareholders to know that the Food Controller had virtually regulated everything in connection with salt for the last year or more.

Confidence in the Future.

Some time ago all the salt-makers in this country were called together and a committee formed to consider the trade as a whole. The Chairman was appointed adviser for the packet trade by the Ministry of Food, and supported by all other salt manufacturers in the country, and the fact that the Ministry of Food had not found it necessary to actually control goes to show that the salt manufacturers had been reasonable, and could not be accused of profiteering.

At the Ministry of Food, in the Costings Department, they possessed some of the most capable commercial auditors in the country, with a capable man as secretary of the salt section, and a brilliant gentleman who had always presided over the meetings. The Ministry of Food had been so criticised and condemned that he was pleased to make these remarks as to the manner in which they had dealt with a most difficult problem. Salt was an article of essential food, and it was necessary for the Government to see that the production did not fall off, and they also saw that the salt-makers did not have an extortionate margin of profit.

The Cerebos Company and the other salt manufacturers in this country had rendered good service to the Ministry and to the public, and they had all done their utmost to give their best service to the trade and, through them, the public, with the result that, excepting for one or two temporary shortages, there had been no cause for anxiety as to the actual supply of salt.

With regard to the future, he had every confidence in this business and the articles sold, and he hoped that he might have as good, if not better, figures to present this time next year.

The report and accounts were unanimously adopted.

B. MORRIS AND SONS, LIMITED.

The annual general meeting was held on March 12 at Winchester House, E.C., Mr. W. S. L. Schuster (the Chairman) presiding.

The Chairman said: Gentlemen,—Your capital remains at the same figure as it has done for many years past, and in regard to this I should like to state that your directors have never allowed the idea of a further issue of capital to be kept from their deliberations, and when the time comes the matter will have to come before that very autocratic body known as "Financial Advisers in Regard to Public Issues of the Treasury." However, as regards this business, considering it has now been running for over 110 years, either as a private firm or as a public company, and considering also that during that period it has paid what even in these days must be regarded as very large figures as duty, I hardly think that that body would wish to impede us in that respect. In regard to the year's accounts and as to the reserve account, which we propose to increase by £20,000, making £40,000, the contingency or development account of £10,000, and the income tax reserve account of £4,000, the total amount which the directors have allocated to reserve will be £54,000, which is considerably more than half the issued capital of the Company. The balance of profit and loss, after making provision for excess profits duty, income tax, bad and doubtful debts, and depreciation of plant, machinery, and fixtures, amounts to £28,403, as compared with £39,000 last year. The profit on trading, after making provision for excess profits duty and writing down stock reserves, amounts to £42,486. As far as my analysis of the figures is concerned, I may add that I consider that you own one of the best businesses for its size in the City of London. You own a business which has its own freehold property; there is no goodwill, and the stock has been admirably bought by Mr. May.

Mr. T. J. May (Managing Director), in seconding the resolution, said during the period of the War a very large demand had existed for the Company's goods, and they had been forced to standardise their various brands. That had had the effect of obtaining a maximum output, which had

meant a wider distribution and circulation. Their customers had in many forms expressed their appreciation of the way in which the Company had looked after their interests, and there was no doubt that that policy would bear fruit when normal times arrived. In that sense alone the Company was in a firmer and sounder position than it was prior to the War, and that would enable them to retain a large portion of the extra business they had done during the past few years. They had had abnormal times, and there had been an extraordinary demand for their goods, but the Board had endeavoured to maintain the quality of their output, a policy from which they should benefit in the future.

BRITISH L. M. ERICSSON MANUFACTURING CO., LTD

THE sixteenth ordinary general meeting was held on March 12, at the Memorial Hall, Farringdon Street, E.C., Mr. W. M. Crowe (Chairman and Managing Director) presiding.

The Chairman, in moving the adoption of the report and accounts, said: It will be seen that, after writing off for depreciation £11,838 3*s.* 3*d.*, and after paying income tax, £12,867 16*s.* 1*d.*, also £2,500 of Debenture interest, the net profit amounts to £62,332 8*s.* 6*d.* This is not exactly up to the profit of last year, which, it will be remembered, was an exceptional year, being a record for the Company. The profit shown now is, however, greatly in excess of the average for the previous five years, and I should explain that the output of our factory in 1918 was greater than in any year in the history of the Company, but the increases in wages and grants by the Government for war bonuses helped to reduce the percentage of profit.

Now, gentlemen, kindly turn to the balance sheet in order that we may consider the position of the Company. On the assets side it will be seen that the liquid assets comprising stocks and work in progress amount to £249,834, which alone is within a few pounds of the total amount of our capital, including Debentures, and that asset is practically altogether put in hand against firm orders, chiefly for the Government. Then there are the sundry debtors, £54,030, all sound accounts, War Loan £41,446, and cash £3,495, making a total of £348,806. This is without taking into account the freehold land, buildings, plant, machinery, &c., amounting to £105,000, and this is after years of heavy depreciation. These figures show clearly, without the necessity of going further into detail, that the position of the Company is healthy in the extreme, and is growing in prosperity. Now, gentlemen, we have seen that the net profit, after certain deductions already referred to, is £62,332 8*s.* 6*d.*, to which has to be added £30,070 5*s.* 6*d.* brought forward from last year, making an available balance of £92,402 14*s.* The directors recommend that, after payment of the Preference dividend, amounting to £5,999 8*s.*, the balance be appropriated as follows: By payment of 8% and a bonus of 2% (free of income tax) to the Ordinary shareholders, requiring £10,001—this is 2% more than was paid last year or for several years before; by placing to reserve account £10,000, making the reserve account £50,000; by placing to reserve account for extra depreciation £5,000, this being the same amount as was placed to this account last year; and by carrying forward the balance, £61,402 6*s.*, which is subject to excess profits duty.

Mr. Harold Sands, M.I.Mech.Eng., seconded the motion, which was carried unanimously.

J. G. WHITE AND COMPANY, LIMITED.

Modification of Preference Rights Approved.

AN extraordinary general meeting of the holders of Preference shares was held at 9 Cloak Lane, Cannon Street, E.C., on Wednesday, March 12, 1919, Lord Arthur Butler, Deputy-Chairman, presiding, for the purpose of approving resolutions for modifying the rights of the Preference shareholders in the following form:—

Resolutions.

1. That this meeting of the holders of the Preference shares of J. G. White and Company, Limited, duly convened pursuant to Clauses 73 and 74 of the Company's Articles of Association, hereby, on behalf of all the holders of the said shares, consents to the following proposals—namely:—

(*a*) That the existing 15,000 Preference shares of £10 each be sub-divided into 150,000 Preference shares of £1 each, each £10 share being sub-divided into ten £1 shares.

(*b*) That the capital of the Company be increased to £230,000 by the creation of 30,000 additional Preference shares of £1 each, ranking *pari passu* with the 150,000 sub-divided Preference shares of £1 each.

(*c*) That the Articles of Association be altered so as to empower the directors to capitalise profits.

(*d*) That £23,000 of the profits standing to the credit of the Reserve Fund be capitalised and that by means thereof the additional 30,000 Preference shares, to be created under paragraph (*b*), should be credited as fully paid and should be allotted rateably to the holders of the existing Preference shares.

(*e*) That the holders of the 180,000 Preference shares of £1 each should be entitled to a fixed cumulative preferential dividend at the rate of 7 per cent. per annum, and in the event of the winding-up of the Company to a return of capital and any arrears of dividend in priority to the Ordinary shareholders; but should not be entitled to any further participation in the profits or assets of the Company.

(*f*) That the holders of the 180,000 Preference shares of £1 each should not be entitled to vote at any general meeting of the Company, unless the meeting be convened for the purpose of passing resolutions altering the provisions contained in the Articles of Association (after the same have been amended so as to give effect to these proposals), with respect to the rights of the holders of the said Preference shares, or the dividend on the said Preference shares is more than six calendar months in arrear.

2. That for the purpose of giving effect to the said proposals this meeting, on behalf of all the holders of the Preference shares of the Company, further consents to and approves the Resolutions headed "A" and "B," which are set forth in the Notice dated March 3, 1919, convening the Extraordinary General Meetings of the Company at which those Resolutions will be proposed.

The Chairman formally moved the resolutions, which were seconded by Mr. W. H. Tregoning. After considerable discussion, the resolutions were put to the meeting, but were not carried on a show of hands by the necessary majority. A poll was demanded, and was appointed to be held later in the day. The result of the poll was: in favour of the Resolutions 4,220 shares (£42,200), against the Resolutions 50 shares (£500). Majority in favour 4,170 shares.

An extraordinary general meeting of the Company was held immediately after the meeting of the Preference shareholders. Lord Arthur Butler also presiding. The Secretary read the notice convening the meeting, and the extraordinary resolutions for giving effect to the modification of the rights of the Preference shareholders, capitalising £30,000 of profits for distribution among the Preference shareholders, and altering the Articles of Association, were, on the proposal of the Chairman, seconded by Mr. W. H. Tregoning, passed on a show of hands *nem. con.* And on a poll subsequently held by 26,796 votes in favour and 50 votes against; majority in favour, 26,746 votes.

THE EXPLORATION COMPANY, LIMITED.

THE ordinary annual general meeting was held on March 12, at the Cannon Street Hotel, E.C., Mr. R. T. Bayliss (Chairman and managing director) presiding.

The Secretary (Mr. H. F. Wreford) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said: The net profit for the year 1918 brought into the balance sheet amounts to £31,742, comparing with £21,024 for the preceding year. Adding this profit to the amount brought forward of £62,483, there appeared to the credit of profit and loss account on December 31 last £94,226 2*s.* 2*d.* Out of this sum we recommend the payment of a dividend of 7½%, free of income tax. The payment of this dividend will absorb £28,125, leaving a balance of £66,101 2*s.* 2*d.* to carry forward to the present year.

Satisfactory Cash Position.

On the assets side of the balance sheet you will notice our cash position is again quite satisfactory, as the amount to our credit with bankers and in hand, together with investments in Exchequer and National War Bonds, reached the substantial sum of roundly £173,000. Shares and interests in subsidiary, various mining and other companies, taken at book cost, represent £305,779. Turning to the profit and loss account, general expenditure stands at £10,808, as compared with £11,777 for the previous period. Sundry investigation expenses, including the expense of the New York office, amount to £3,146. On the other side of the profit and loss accounts, gross profits for the year are £47,444, of which sum the net profit represents 67%, as compared with 54% for the year before.

Mexican and Copper Interests.

Our subsidiary companies in Mexico, with the exception of the Santa Rosa Mining Company, which so far we have been unable to restart, have been working during the past year with more success than seemed probable at its commencement. The El Oro Company, under the circumstances, and notwithstanding the added disadvantage of a very serious epidemic of influenza, has done well; and the Suchi Timber Company, allied thereto, has had a successful year. The Buena Tierra Mine has had greater difficulties to contend with. After an enforced shut down it re-started in May last, and for three years did very well. Then the inadequate facilities for transportation furnished by the local railway, over which the ore is transported to the smelter, caused interruption in shipments. On the top of this, and during the past three months, we have experienced some disappointment in the grade of ore recovered from certain portions of the mine on which we relied for present extraction, and in consequence the returns for this period have not been satisfactory. Our Mr. Raymond has, however, just returned from an inspection and examination of the mine, and expresses

his opinion that the unsatisfactory recovery during the past few months arises from the same conditions that the neighbouring successful mines of the district have had to contend with in the past. Mr. Raymond goes on to say that the developments which have been in progress for the past three months will undoubtedly result in the exposure of ore bodies which will enable us in about three months to resume our normal shipments of profitable ore. I feel quite satisfied Mr. Raymond's opinion is correct, and personally am not in any doubt that this mine will fully justify all I have ever said about it in the past, and the confident opinion I hold of it to-day. Our investment of next importance, having regard to the sum involved, is represented by Debenture and share holdings of the Chile Copper and Greene-Cananea Companies. Of the former I think I may say that the claims made by its promoters with regard to its capacity for production have been fully justified in the past year's work. The reduction plant has been working in excess of the capacity for which it was designed, and it is anticipated that by June 1 this year the proposed extensions thereto will have been completed to an extent that will render possible a production at the rate of 160,000,000 lb. per annum as from that date. Further additions to the plant, it is added, are in contemplation, and will be made as conditions warrant. The Greene-Cananea, although hampered in its operations, like all mines in Mexico, is perhaps to-day in better physical condition than at any time in the past, and produced roundly 53,000,000 lb. of copper during 1918. We continue seeking for new mines, and are hopeful that we shall be successful in finding something we can confidently recommend to you. In pursuit of this policy we recently took an interest in the newly formed British Metal Corporation, which undoubtedly starts with every prospect of becoming an important and successful institution, and, withal, will safeguard the non-ferrous metal industry within the British Empire. We have also acquired a substantial share-holding in the Burma Corporation. I feel very confident that the properties owned by that Corporation will, under its present exceptionally capable and prudent administration, prove to be one of the big and most successful mining enterprises of the world. (Applause.)

Mr. J. H. M. Shaw (managing director) seconded the motion, which was carried unanimously, and the dividend recommended was declared.

The retiring director (Mr. Gerald D. Smith) and the auditors (Messrs. Deloitte, Plender, Griffiths and Co.) were reappointed.

The proceedings then terminated.

ISAAC WALTON AND COMPANY, LIMITED.

The fifteenth annual general meeting was held on March 12 at the registered office, 169 Newington Causeway, S.E., Mr. Charles Stuttaford (the Chairman) presiding.

The Secretary (Mr. J. Gunn, F.C.I.S.) read the notice convening the meeting and the auditors' certificate and report.

The Chairman, in moving the adoption of the report and balance sheet, said: I should like to draw your attention to the improvement shown this year in face of the difficult conditions under which our business has been carried on, and the strong position your Company occupies is very gratifying. You know our business is primarily a men's clothing business, and when you consider the large number of customers who have been serving until quite recently with His Majesty's Forces, the result is very encouraging. As you will see by the report, your directors are pursuing a very conservative course, and are again applying a very large share of the profits to the reduction of the goodwill, which has now been written off by the sum of £18,489. We are again faced with a very heavy liability in the form of excess profits duty. The trading profit, which amounts to £34,803, is arrived at after making provision for the excess profits duty, and is the highest figure we have so far been able to show. At the same time, I should like to point out that our gross rate of profits shows a decrease on last year, the expenses having increased considerably. The stock is £7,842 heavier than last year, which is a satisfactory figure considering the larger turnover we are now doing, and compares favourably with previous years. Our debtor accounts are in excess of last year, but great care has been taken over them, and all bad or doubtful debts have been provided for. Our bank balance is £6,815 more than last year. The goodwill has been written down again this year by the sum of £10,000, reducing it to £25,000, and mortgages have been reduced by the sum of £10,500. If you will turn to the appropriation account you will see that we show a profit of £34,803, to which has been added the balance brought forward from last year, £12,870, making a total of £47,673 from which has been deducted directors' remuneration, interest on mortgages, repairs and renewals, and income tax, leaving the sum of £34,667 to be dealt with. For the Preference dividend we require £8,400, and to pay the proposed dividend of 10% and bonus of 6*d.* per share on the Ordinary shares, making a total of 12½% for the year, a further £6,250 is required, and after writing off £10,000 for the goodwill and £785 transferred to the sinking fund, there remains a balance of £9,232 to be carried forward to next year's account.

Mr. Isaac Walton seconded the resolution, which was carried unanimously.

THE CAREY UNITED RUBBER ESTATES.

International Combination of Producers.

The ninth annual general meeting of the shareholders of the Carey United Rubber Estates, Limited, was held in the registered office of the Company, 102 Hope Street, Glasgow, on March 10, at 12 o'clock noon, Mr. Lawrence Dougal, in the absence of the Chairman, presiding.

Mr. Macdonald, for the Secretaries, read the notice calling the meeting and the auditor's docquet.

The Chairman, in moving the adoption of the directors' report and accounts, said: This meeting is being held at practically the same date as the meeting last year, and I think it will be found convenient to have our annual meetings about this date rather than endeavour to rush things through before the end of December.

Labour Difficulties.

In regard to the properties, I have to say that, generally speaking, the visiting agent's last report in regard to Paradise Estate was satisfactory. The output was again extraordinarily good and slightly exceeded the estimate. In regard to the island portion, the visiting agent's last report was satisfactory except in regard to labour. He stated that the estate had been worked excellently, but that the labour position was a serious one. This Mr. French, the general manager, is keeping before him, and you may rest assured that no effort will be spared to have labour put in a satisfactory position. Since the close of the financial year work was further interfered with by an outbreak of influenza, but energetic measures were taken and this outbreak was rapidly got under.

The output was considerably less than the estimate, but enabled us to obtain practically the restricted figure. It will be noted that during the year a small profit was made from the cultivation of coconuts, and I think we may reasonably expect to obtain considerably enhanced returns from this product. It has to be borne in mind that last year it was practically impossible to bring copra home to this country, consequently we had to accept the very low prices then ruling at Singapore.

Future of Industry.

As to the future of the rubber industry, I think we have every reason to look forward with confidence. We are supported in this confidence by an offer we obtained to purchase rubber so far forward as June 1920.

Cheapening Costs.

I have further to point out that opportunities of shipment are more plentiful, and I think we may expect a con-

PITMAN'S BOOKS.

EASTERN EXCHANGE, CURRENCY AND FINANCE. 12s. 6d. net. By **W. F. SPALDING,**

Certificated Associate of the Institute of Bankers, &c.

This volume contains, in a form readily accessible, a properly authenticated account of the somewhat intricate subject of Eastern Exchange.

FOREIGN EXCHANGE AND FOREIGN BILLS IN THEORY AND PRACTICE.

By the same Author.

The Foreign Exchange quotations and the Course of Exchange in the daily newspapers are explained, illustrated and analysed. A succinct account of the effect of the war on the world's Money Markets, and the Foreign Exchanges is embodied in the work. **In demy 8vo, cloth gilt, 227 pp., 6s. net.**

SIMPLE INTEREST TABLES. 21s. net.

By **WILLIAM SCHOOLING, C.B.E.**

The purpose of the tables is to enable every result that is needed to be obtained by the easiest of all arithmetical operations—that of simple addition. It is literally correct to say that Interest at the rate of any penny from 1d. to £99 19s. 11d. per cent., and other rates as well, can be found from these tables.

OFFICE ORGANISATION AND MANAGEMENT.

Including Secretarial Work. Fourth Edition, Revised. 7/6 net.

By **LAWRENCE R. DICKSEE, M.Com., F.C.A.,**

Professor in Accounting and Business Organisation in the University of London, and H. E. BLAIN.

Gives a complete description of Office Organisation and Management under the most improved and up-to-date methods.

THE EXPORTER'S HANDBOOK AND GLOSSARY.

By **F. M. DUDENEY.** **6s. net.**

This book is written from an entirely new point of view, and is designed to provide the manufacturer and the merchant shipper with a complete guide to the intricacies of export trade, and of the methods and machinery employed therein.

Complete Catalogue of Business Books and particulars of the above books sent post free on application to:—

SIR ISAAC PITMAN & SONS, LTD.,

1 AMEN CORNER, LONDON, E.C. 4.

siderable reduction in the cost of freight during the current year. You will remember that the Company came under an obligation to restrict output to 405,600 lb. Well, that obligation is now removed, the cost of freight home is cheapening, and the cost of war risk insurance is now a bagatelle.

All these will tend to help the industry, but, in my opinion, it is necessary that some international combination of producers should be formed with a view to control the sale of the produce. Until this is done we shall always be more or less at the mercy of the buyer.

I now beg to move that the report and accounts be adopted, and that a dividend of 5%, less tax, be paid forthwith.

The adoption of the report and accounts was formally seconded by Mr. MacLellan, and unanimously agreed to.

Mr. W. W. MacLellan was unanimously re-elected a director.

The auditors, Messrs. Gibson and Anderson, C.A., were also unanimously re-elected.

WILLIAM GRIFFITHS AND COMPANY, LIMITED.

The ninth ordinary general meeting of the members of William Griffiths and Company, Limited, was held on March 13 at the Great Eastern Hotel, Liverpool Street, E.C., Mr. Ralph H. Burdett (the Chairman) presiding.

The Secretary (Mr. Percy Morris) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: On the liabilities side of the balance sheet you will see that our Ordinary capital is unaltered, but our Debenture stock has been reduced from the sum of £50,000 to £47,865. This year the profit is £5,383, as compared with £1,335 last year. Plant, machinery, tools, &c., are less by about £1,000. Stocks are slightly higher, and our debtors have increased by about £9,000. Coming now to our investments, the first item, £5,000, invested in Consols, since the rearrangement of the capital of the Company has stood in our books at the sum of £4,100, that is 82%, but as this is considerably above the market price, we have applied the difference received on the purchase of Debentures for cancellation to the writing down of this investment to the sum of £3,215 3*s.* 6*d.*, or about 64%. Investments in War bonds, War stock, and French War Loan amount to practically the same figure as similar investments did last year. The last item of investments is "Other investments at cost," £1,426. This figure is less by £500 owing to a Debenture having been paid off. These, I may say, are very good investments. Cash at bank, &c., is less by £5,800, but if you will look at the decreased amount owing to our creditors and the increased amount owing to us by our debtors and also the increase in our stocks, it does not need any further explanation from me.

At no time have we been short of orders so far as our quarries are concerned, and at no time have we or any other quarry owners been able to fulfil them. I have had to tell you for the last three or four years that the War has crippled our business, and so it has, but the War is over, and it is almost unnecessary for me to tell you that the amount of work in front of us is enormous. There is scarcely a sound road or tramway left in the kingdom, and we must participate to a large extent in this work. But I am sure you will all agree with me that, optimistic as I am with regard to our future, it is impossible for me definitely to promise you anything while the present uncertain conditions of labour prevail. Again, I would draw your attention to the strong financial position of the Company. You will see that our investments amount to over £57,000 and practically represent cash.

Mr. John A. Angell seconded the resolution, which was then put and carried unanimously, and the payment of a dividend at the rate of 5% per annum, less income tax, on the Ordinary shares of the Company for the year ended October 31, 1918, was agreed to.

In our article of last week on "Economic Brazil" we gave a considerable amount of interesting information as having been received from the London and River Plate Bank. The Bank which so kindly supplied the information was the London and Brazilian Bank, Limited, to whom we tender our regrets that the mistake was made.

"Expert Advice on Life Insurance." By J. H. Harrison-Hogge, General Manager for the United Kingdom of the Mutual Life Insurance Company of New York. Price 1*s.* 6*d.* This book advocates the claim of no particular company, and sets forth the details with regard solely to the actual cost of insurance. The author deals with the matter in his personal capacity, solely based upon an experience of many years' investigation of life insurance investment problems.

"The Stock Exchange Year-Book for 1919." By Thomas Skinner. Price 40*s.* net. (London: Thomas Skinner and Co.) Mr. Skinner, in an interesting preface to his useful work this year, points out that war-time restrictions are being but slowly relaxed, much to the detriment of business in almost every direction; while there is unprecedented eagerness to embark upon new enterprises and to enlarge existing businesses. This is evidenced by the size of the present volume, in which the advertisements bulk very largely, while there has been greater concern amongst the undertakings dealt with to make themselves known to the world. In 1917 the number of joint-stock companies created was 3,602, while 1,223 companies went into liquidation and 1,350 were removed from the Register. The total number of companies actually existing on April 30 last year was 66,456, having an aggregate capital of £2,730,594,008; while nine years previously the number of companies existing was 46,474, having an aggregate capital of £2,163,132,789.

NATIONAL WAR BONDS

may still be obtained under our

INSTALMENT PURCHASE SCHEME.

If you are interested in an investment yielding 4½% net (equivalent to £6 8s. 0d. gross when taxed at 6/- in the £) inquire of any of our Representatives or of

PEARL ASSURANCE COMPANY, Limited,

FUNDS EXCEED £14,000,000. HIGH HOLBORN, W.C.1.

P A

A PEACE RISK.

Who is carrying your death Risk?
Is it your Family,
or
a Life Assurance Office?
WHY NOT LET THE PRUDENTIAL CARRY IT?

C Ld

THE NATIONAL BANK OF SCOTLAND LIMITED

INCORPORATED BY ROYAL CHARTER AND ACT OF PARLIAMENT.

ESTABLISHED 1825.

Capital Subscribed, £5,000,000. Paid up, £1,000,000. Uncalled, £4,000,000.
RESERVE FUND, £900,000.

Head Office—EDINBURGH.

J. S. COCKBURN, General Manager. GEORGE A. HUNTER, Secretary.

London Office—37 NICHOLAS LANE, LOMBARD ST., E.C. 4.

SIR JOHN FERGUSON, K.B.E., Manager. DUGALD SMITH, Assistant Manager.

Every description of Banking Business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.: the collection of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts, Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of Remittances to all parts.

The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.

The Officers of the Bank are bound to secrecy as regards the transactions of its Customers.

BANK OF MONTREAL

Established in 1817.
Capital Paid up, $19,075,000.
Reserve Fund, $16,000,000.
Undivided Profits, $1,901,613.

BOARD OF DIRECTORS.

Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. R. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., Lt.-Col. Herbert Molson, M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq.

Head Office: Montreal.

General Manager: Sir Frederick Williams-Taylor, LL.D. Assistant General Managers: F. J. Cockburn, H. P. Mackenzie, G. C. Cassels, D. R. Clarke.

LONDON OFFICES:
47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1, and 24 Cockspur Street, S.W. 1.

London Committee: Sir Thomas Skinner, Bart., Lieut.-Col. F. R. S. Balfour.
Manager: George Cyril Cassels.

Financial Agents of the Government of the Dominion of Canada.

Branches and Agencies throughout Canada and Newfoundland; also at New York, Chicago and Spokane in the United States, and at Mexico City.

The Bank undertakes monetary business with all Allied and Neutral countries, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland the United States, and Mexico.

THE ROYAL BANK OF CANADA.

Capital Paid up	**$14,000,000**
Reserve Fund and Undivided Profits	**$15,500,000**
Total Assets	**$412,000,000**

Head Office—MONTREAL.

Sir HERBERT S. HOLT, *President.* E. L. PEASE, *Vice-President & Managing Director.*
C. E. NEILL, *General Manager.*

492 Branches in Canada and Newfoundland.
41 Branches in Cuba, Porto Rico, Dominican Republic, Martinique, Costa Rica and Venezuela.

BRANCHES IN BRITISH WEST INDIES.

ANTIGUA—St. John's; BAHAMAS—Nassau; BARBADOS—Bridgetown; DOMINICA—Roseau; GRENADA—St. George's; JAMAICA—Kingston; ST. KITTS—Basseterre; TRINIDAD—Port of Spain, San Fernando; BRITISH GUIANA—Georgetown, New Amsterdam, Rose Hall; BRITISH HONDURAS—Belize.

BARCELONA, SPAIN ... Plaza de Cataluna 6.
NEW YORK AGENCY ... 68 William Street.
LONDON OFFICE ... ... Princes Street, E.C. 2.

T. R. WHITLEY, *Manager.* JAMES MACKIE, *Joint Manager.*

IMPERIAL BANK OF CANADA.

Head Office—TORONTO.

Capital Paid up - - -	**$7,000,000**
Reserve Fund - - -	**$7,000,000**

126 BRANCHES THROUGHOUT CANADA.

Make Drafts upon and Remittances to any point in Canada through our Agents listed below. Information furnished regarding Canadian Business and Securities.

Agents in Great Britain:
ENGLAND—Lloyds Bank Limited, London, and Branches.
SCOTLAND—The Commercial Bank of Scotland, Limited, Edinburgh, and Branches.
IRELAND—Bank of Ireland, Dublin, and Branches.
Agents in France:
Crédit Lyonnais. Lloyds Bank (France) and National Provincial Bank (France) Limited.

THE EASTERN BANK,

LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C.

Subscribed Capital	**£1,500,000**
Called up	**£600,000**
Reserve Fund	**£90,000**
Reserve Liability of Shareholders	**£900,000**

BOARD OF DIRECTORS.

The Right Hon. LORD BALFOUR OF BURLEIGH, K.T. (Chairman).

SIR EDWARD SASSOON, Bart. EMILE FRANCQUI, Esq. J. C. GEORGES-BOUILLAT, Esq. J. S. HASKELL, Esq. G. BROMLEY-MARTIN, Esq. LT.-COL. J. LEIGH [WOOD, C.B., C.M.G.

Branches:
BOMBAY, CALCUTTA, BAGDAD, BASRA, AMARA, HILLAH.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, Negotiates and Collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.

Deposits are received for fixed periods at rates to be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager.*

THE MECHANICS AND METALS NATIONAL BANK

OF THE

CITY OF NEW YORK.

ESTABLISHED 1810.

CAPITAL (FULLY PAID)	$6,000,000
SURPLUS AND UNDIVIDED PROFITS ...	$11,000,000

THIS BANK RECEIVES ACCOUNTS OF BANKS, BANKERS, CORPORATIONS, FIRMS, AND INDIVIDUALS ON FAVOURABLE TERMS, AND GRANTS TO ITS DEPOSITORS EVERY FACILITY CONSISTENT WITH PRUDENT AND CONSERVATIVE BANKING METHODS CORRESPONDENCE INVITED.

FOREIGN DEPARTMENT.

Finances Exports and Imports, buys and sells Foreign Exchange. Telegraphic Transfers, &c., and makes Collections on all parts of the world.

LONDON BANKERS:
LONDON JOINT CITY AND MIDLAND BANK LIMITED.
LONDON COUNTY WESTMINSTER & PARR'S BANK LIMITED.

THE LONDON AND RIVER PLATE BANK (Limited).

Established 1862.

Authorised Capital	£4,000,000
Paid-up Capital	1,800,000
Reserve Fund	2,100,000

BRANCHES.

ARGENTINE. Buenos Aires, Rosario, Mendoza, Concordia, Bahia Blanca, Cordoba, Tucuman, Parana, Barracas (Buenos Aires), Once (Buenos Aires), Boca (Buenos Aires), Calle Santa Fé (Buenos Aires), Calle B de Irigoyen (Buenos Aires).

URUGUAY.—Montevideo, Calle Rio Negro (Montevideo), Paysandu (Agency), Salto (Agency).

BRAZIL.—Rio de Janeiro, Sao Paulo, Santos, Pernambuco, Para, Bahia, Victoria, Curityba, Manaos (Agency).

CHILI.—Valparaiso, Santiago.

FRANCE.—Paris (16 Rue Halévy).

BELGIUM. Antwerp (22 Place de Meir).

Agency in New York and Agents throughout the World.

Letters of Credit, Drafts and Cable Transfers issued. Bills negotiated, advanced upon, or sent for collection.

7 Princes Street, E.C. 2.

CHARTERED BANK OF INDIA,

AUSTRALIA AND CHINA.
38 Bishopsgate, London, E.C.2.
Incorporated by Royal Charter.

Capital, £1,200,000. Reserve Fund, £2,000,000.

Court of Directors.
Sir Montagu Cornish Turner, Chairman.
Sir Duncan Carmichael.
Thomas Cuthbertson, Esq.
Sir Alfred Dent, K.C.M.G.
William Henry Neville Goschen, Esq.
The Rt. Hon. Lord George Hamilton, G.C.S.I.
William Foot Mitchell, Esq.
Lewis Alexander Wallace, Esq.
Managers, T. H. Whitehead and W. E. Preston.
Sub-Manager, J. S. Bruce.

BANKERS.—The Bank of England; The London Joint City and Midland Bank, Limited; The London County Westminster and Parr's Bank Limited; The National Provincial and Union Bank of England, Limited; National Bank of Scotland, Limited.

The Corporation buy and receive for collection Bills of Exchange, grant Drafts, and transact General Banking business connected with the East.

Deposits of money are received for fixed periods on terms which may be ascertained on application; interest payable half-yearly, 30th June and 31st December.

THE ANGLO-EGYPTIAN BANK, LIMITED.

SUBSCRIBED CAPITAL ... £1,800,000.
PAID UP, £600,000. RESERVE FUND, £710,000.

BRANCHES: Alexandria, Cairo, Beni-Souef, Mansourah, Port Said, Tantah, Zagazig, Khartoum, Jaffa, Jerusalem, Malta, Gibraltar, Haifa.

BANKERS: The Bank of England. The London Joint City and Midland Bank, Limited

The Bank transacts every description of Banking business in Egypt, grants Letters of Credit, and affords facilities to travellers proceeding to Egypt and elsewhere.

Deposits received for fixed periods at rates to be obtained on application. Interest payable February 28th and August 31st

On current accounts, interest at the rate of 2 per cent. per annum allowed on minimum monthly balances provided they do not fall below the sum of £200.

27 Clements Lane, Lombard Street, E.C. 4.

UNION BANK OF CANADA.

Incorporated 1865. Head Office, WINNIPEG.

Paid-up Capital	$5,000,000
Rest and Undivided Profits ...	$3,800,000
Total Assets exceed	£153,000,000

The Bank has over 800 Branches in CANADA and Agents in the principal Cities in AMERICA.

Deposits received at favourable rates, which may be ascertained on application to:—

LONDON OFFICES { 6 PRINCES STREET, E.C. 2. 26 HAYMARKET, S.W. 1.

New York Agency: 49 Wall Street.

THE FOURTH STREET NATIONAL BANK, PHILADELPHIA.

CAPITAL FULLY PAID ...	**$3,000,000.00**
SHAREHOLDERS' LIABILITY	**$3,000,000.00**
SURPLUS AND PROFIT ...	**$7,000,000.00**

Bills of Exchange
Telegraphic Transfers
Letters of Credit
Travellers' Checks
available throughout the World.

Collections made everywhere. Acts as Agent of Foreign Banks to draw on the United States. Correspondence solicited.

LONDON AGENTS—
SAMUEL MONTAGU & CO.
LONDON CITY AND MIDLAND BANK LTD.
LLOYDS BANK LTD.

Cable Address—"FOURBANK."

NATIONAL BANK OF INDIA, LIMITED.

Bankers to the Government in British East Africa and Uganda.

HEAD OFFICE:
26 BISHOPSGATE, LONDON, E.C. 2.

BRANCHES:

Calcutta	Cochin (S. India)	Zanzibar	
Bombay	Chittagong	Mombasa	British East Africa
Madras	Rangoon	Nairobi	
Karachi	Mandalay	Nakuru	
Cawnpore	Aden and	Kisumu	
Lahore	Aden Point	Entebbe	Uganda
Amritsar	Colombo	Kampala	
Delhi	Kandy	Jinja	
Tuticorin	Newera Eliya		
	Dar-es-Salaam, Tanga	Occupied Territory, German East Africa.	

SUBSCRIBED CAPITAL ...	£2,000,000
PAID UP CAPITAL	£1,000,000
RESERVE FUND	£1,350,000

LONDON BANKERS.—Bank of England; National Provincial Bank of England, Limited; National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balances at the rate of 2 per cent. per annum.

THE WESTERN AUSTRALIAN BANK.

Established 1841.

Paid-up Capital ... ... (25,000 Shares of £10 each)	**£250,000 0 0**
Reserve Fund	**£700,000 0 0**
Reserved Profits ...	**£23,460 0 0**

Reserve Liability of Shareholders, £250,000.

Drafts issued, Remittances cabled, Bills negotiated or collected. Deposits received for fixed periods at rates to be ascertained on application, and all Banking and Exchange Business connected with Western Australia conducted through the London Agents,

The Bank of Adelaide, 11 Leadenhall Street, E.C.3.

BANK OF NEW SOUTH WALES.

Established 1817.

LONDON OFFICE: 29 Threadneedle Street, E.C.2.

Paid-up Capital	**£3,904,860**
Reserve Fund	**3,025,000**
Reserve Liability of Proprietors ...	**3,904,860**
	£10,834,720
Aggregate Assets, 30th Sept., 1918	**£62,115,135**

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business.

H. MELDRUM, Assistant Manager.

Ernesto TORNQUIST & Co.

LIMITADA,
BUENOS AIRES.
Established 1830.

Oldest Business Establishment in the River Plate.

CAPITAL FULLY PAID UP AND RESERVES
£2,679,785.

GENERAL FINANCIAL, BANKING AND COMMERCIAL BUSINESS.

Printed by SPOTTISWOODE, BALLANTYNE & CO. LTD., at 1 New Street Square, E.C. 4, and Published by the Proprietors of "The Statist" at their Offices, 51 Cannon Street, E.C. 4, in the City of London, England.—*March* 15, 1919.

PROVIDENT ACCIDENT AND GUARANTEE COMPANY, LIMITED
Formerly known as the
Provident Clerks' & General Guarantee & Accident Co., Ltd.
Head Office, - **61 Coleman Street, London, E.C.**
Temporary Offices, **52/5 Coleman Street, E.C.**
West End Office, **199 Piccadilly, W.**
Established 1865.

GUARANTEES FOR FIDELITY.
The Company ISSUES BONDS for TRUSTEES in BANKRUPTCY, RECEIVERS and LIQUIDATORS in CHANCERY, and for all GOVERNMENT or Commercial Appointments in which security is required.
ACCIDENT INSURANCE OF EVERY KIND.
LANDLORD AND PROPERTY OWNERS' INDEMNITIES.
WORKMEN'S COMPENSATION, FIRE, BURGLARY, MOTOR CAR, DRIVERS' INDEMNITY, CONTINGENCY, PLATE GLASS, LIVE STOCK. **C. A. FREEMAN, Manager & Secretary.**
Telephone: LONDON WALL 5306 (4 Lines).

REFUGE
ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds - £4,700,000
Assets Exceed - - - - £15,900,000
Claims Paid Exceed - - - £28,000,000

THE
BRITISH GENERAL
INSURANCE COMPANY, LIMITED,
CAN GIVE YOU
SOME ADVANTAGES
In connection with your Insurances. Ask for Particulars.
Head Office-66 CHEAPSIDE, LONDON, E.C.

The Statist.

LONDON, SATURDAY, MARCH 22, 1919.

CONTENTS.

	PAGE
LEADING ARTICLES—	
THE COMING PEACE	495
PRESIDENT WILSON'S SCHEME	495
RAW COTTON	496
THE TRANSPORTATION BILL...	498
LANCASHIRE AND JAPAN ...	498
TEXTILE MACHINERY ...	500
COAL	501
ARGENTINA—II.	501
DISTRIBUTION, WASTE, AND PRODUCTION	503
SOUTH AND CENTRAL AMERICA	504
PORTUGAL	505
CO-OPERATION IN IRELAND II.	514
VICKERS METROPOLITAN CARRIAGE FUSION ...	518
FORESTRY IN IRELAND—II.	520
THE MONEY MARKET ...	485
STOCK EXCHANGE	487
MINING TOPICS—	
BURMA CORPORATION ...	489
NORTH BROKEN HILL ...	489
UTAH COPPER COMPANY ...	490
CHICAGO-GAIKA DEVELOPMENT	490
SIMMER AND JACK	490
TABULAR APPENDIX—	
I. Bank Returns, &c. ...	491
II. Current Bank Rates of Discount	492
III. Foreign Exchanges ...	492
IV. Bankers' Clearing-House Returns	492
V. Freights	492
VI. Wholesale Prices of Commodities...	493
VII. Railway Revenue Statements	493
VIII. Railway and Tramway Traffic Receipts ...	493

	PAGE
FINANCIAL NOTES—	
FRENCH EXCHANGE	505
EGYPT	506
NATIONAL BANK OF EGYPT...	506
BELGIUM	506
AMERICAN TOPICS—	
DEBT TO THE UNITED STATES	508
GRAND TRUNK RAILWAY ...	510
RUBBER TOPICS	511
YAM SENG (PERAK)	511
CASTLEFIELD (KLANG) ...	511
GEDONG (PERAK)	511
GAN KEE (NEGRI SEMBILAN)	512
GLENDON (CEYLON)	512
VAL D'OR RUBBER	512
NEW ISSUES	512
INSURANCE NOTES—	
PROFITS AND INCOME INSURANCE CO., LTD.	513
BRITISH AND FOREIGN MARINE INSURANCE CO., LTD. ...	513
COMMERCIAL—	
AUSTRALIAN WOOL	515
THE IRISH SOAP INDUSTRY...	516
SILK AND SILK WASTE ...	517
INDUSTRIAL COMPANIES—	
BRITISH INSULATED AND HELSBY CABLES	519
WOOLCOMBERS, LTD. ...	519
WM. GRIFFITH & CO., LTD....	520
EASTMAN'S, LTD.	520
MEETINGS OF PUBLIC COMPANIES ...	522-533

SUBSCRIPTION TO "THE STATIST."
TO INCLUDE ALL SUPPLEMENTS.
Payable in Advance.

Inland.
ONE YEAR, £1 10 0 | HALF-YEAR £0 15 0
(Post Free.)

For Colonies and Abroad (within Postal Union).
ONE YEAR, £1 17 4 | HALF-YEAR, £0 18 8
(Post Free.)

OFFICE : 51 Cannon Street, E.C. 4.

The Money Market.

Friday, March 21, 1919.

	CURRENT RATE %	CURRENT RATE FIXED	PREVIOUS RATE %	PREVIOUS RATE FIXED
Bank of England Rate...	5	(Apr. 5,'17)	5½	Jan. 18,'17
Bank of England Rate { to Clearing Banks: 3 days' notice ...	3	(Feb. 14,'18)	4	June 19,'17
Bank of England Rate { for Foreign Money*	4½	(Nov. 15,'17)	extended	Jan. 2,'18

Deposit Rates :—

Banks & Discnt. Ho. (Call)	3†	(Feb. 14,'18)	3½	Jan. 2, 18
Discount Houses (Notice)...	3	(June 6,'18)	3¼	Feb. 14,'18

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances. † Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates :—

	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Tr'sury Bills (Fixed Feb. 14,'18)—		3½	—	3½
Bank Bills	3½	3½	3½	3½
Trade Bills	—	4	4-4¼	4 4½

THERE seems a reasonable hope that in the near future the various Departments concerned will at last remove the restrictions upon imports. Without imports we cannot export, and prices and exchanges will find their own level if the trader is allowed to import that for which he finds a market here, and to export what he is able to sell in foreign markets. A very trying period is inevitable in changing from war to peace conditions, especially when we remember that during the War the Government decided upon a policy, ill-advised as we think, which withdrew from productive employment the most active and enterprising of our citizens, while it was not in a position to make these men really effective soldiers. However, the thing was done, and we must make the best of it. But the strain on our economic resources is bound to be felt for a considerable time. We criticised the methods adopted at the time, and the result seems to justify our criticism.

Further, the Government took into its own hands practically all the trades of the country and restricted imports, except for purposes connected with the War—virtually dictated what was to be imported and exported, and allocated shipping facilities to this industry, and refused them to that. The result is that instead of being creditors to all the world, as we were in the period that preceded the War, we have an enormous internal debt; and, in addition, we are heavily indebted to the United States of North America. In order to understand the exchange position, it is important for those of our readers who are not exchange bankers to consider what exchange really means. A Bill of Exchange, like a Treasury note, is merely an instrument. What exchange really means is a sending of certain goods to one country and placing certain goods at the service of another. We commonly say that the cost of living is very high. So it is from our point of view regarded as individuals. But, as a matter of fact, although we pay more either for services rendered or for commodities supplied than we did in the years that preceded the War, in reality we are consuming a great deal less than we did in the pre-war period. The heavy fall in the French exchange in favour of this country simply means that we supplied an enormous amount of provisions of various kinds, "munitions" as they are called, during the War, and anything like a par of exchange between England and France could only be maintained by granting

France various credits, which, in fact, is to say, deferring payment until it suits France to pay. This, of course, as good Allies, we are prepared to do. But it is well for the French public to realise that they are, in fact, heavily indebted to their Allies.

In the same way the adverse exchange with New York and ourselves points the moral to all intelligent readers of the newspaper that, instead of being able to withdraw large balances from America as was the case before the War, we are, in fact, heavily indebted to America, and were we in a position to send goods or commodities in large quantities, the United States would be in a position to withdraw large balances from this side. We, of course, do not desire to do anything that would in the least embarrass our friends at the other side of the Channel. Neither do our good friends at the other side of the Atlantic desire to do anything that would be likely to seriously embarrass ourselves. The fact remains, however, that the adverse exchange in both instances points a moral which it is well for the traders and the public to really appreciate. It means that if the two countries are ultimately to get out of debt and to put themselves once more upon a sound economic footing they must retrench at home and export abroad as far as their opportunities will allow. It is precisely the position of an individual who, enjoying a handsome or only a modest income, has for a time lived beyond his means. What is commonly called "saving" becomes essential if that man is to put himself into a sound economic state.

In the years that preceded the recent war, when we were a creditor nation, what is known as the "balance of trade" was always adverse to this country, and anyone looking at the trade returns in those days would have imagined that we were going headlong to economic ruin. As a matter of fact, we were entitled to enormous balances, partly because of services rendered—shipping, insurance, and so on—and partly because of the investment of large sums of money which had been placed in various securities during the preceding two or three generations.

Even a small country like Switzerland in the years that preceded the war had an adverse trade balance amounting to between nine and ten millions sterling. It might well have been asked, How could a small country like Switzerland, whose principal trade consists in the manipulation, not the manufacture, of the cheaper silks and cotton goods, embroideries, and similar industries, have year after year a heavy trade balance against her? As a matter of fact, this trade balance was more than made up by the enormous influx of visitors every season to the healthy beautiful Swiss valleys. More than half the balance was taken every year by the hotel-keepers in the principal Swiss cantons. If the various control departments can be induced to trust the trader, after a period of anxiety which is inevitable in changing conditions from war to peace, the exchanges, although they may fluctuate, and fluctuate wildly, will in due course right themselves.

BANK OF ENGLAND.

THE principal feature in the Bank return of the week is a further addition of nearly £1,000,000—to be exact, £979,656—to the stock of bullion, raising the total to the fresh high record of £83,415,000. The note circulation, showing as it does a further expansion of £799,000, is also well above the previous highest. The increase in the reserve is thus only £181,000 and the proportion to liabilities is little better at 19.89%. The market lost £5,603,535, about half by way of a diminution of £2,739,000 in "other" securities and half by an increase of £2,857,019 in the public deposits. On the other hand, there were gains of £1,379,100 in Government securities and of £181,000 in the reserve before mentioned, so that, allowing for a slight decrease in seven-day bills and, *per contra*, a small increase in the "rest," the net loss of the market comes out at £4,039,977, as represented by a fall to that extent in "other" deposits.

THE SAVINGS BANKS.

THE table shown below may interest some readers. It will be observed that at the end of December 1913 the deposits in the Post Office Savings Bank amounted to £187,248,000. On December 31, 1914, they had risen to £190,533,000. On December 31, 1915, they had declined to £186,327,000. In December 1916 they were practically 196¼ millions. On December 22, 1917, they were over 203¾ millions. On December 21 last they slightly exceeded 233 millions; and, as will be seen from the table, on March 15 last, according to the official return of the *London Gazette*, they were £252,689,000. A similar movement has taken place in the Trustees' accounts, which have risen from 54¼ millions at the end of December 1913 to considerably over 63¼ millions in the middle of the present month, that is to say, giving a total for both of over 316 millions. The increase in the deposits in the four weeks ended March 15 was a little over 12¼ millions. The increase, however, has not been confined to the four weeks. It has been continuous week after week, and has been going on all through the War. Now it would appear not a little remarkable, in view of the frantic campaign which has been going on to induce all and sundry to buy War Bonds, that a man should prefer to put his money into the Post Office Savings Bank to get 2½%, when, apparently, he could do better by purchasing some form of War Loan. The explanation, so far as we are able to gather, is that soldiers, and no doubt sailors, when they are demobilised are credited with a certain sum, and the Government places this sum, according to rank, length of service, and so on, to their credit at the Post Office Savings Bank. It would appear from this that the growth in the deposits is not exactly what we should understand in peace-time as increased savings, but is brought about by the method adopted by the Government in issuing what we may describe as deferred pay.

Date	Post Office	Trustee	Total	Inc. in 4 Weeks
	£	£	£	£
Mar. 15, 1919 ...	252,689,209	63,349,171	316,038,380	+12,298,000
Feb. 15, 1919 ...	241,615,365	62,124,584	303,739,949	+4,244,000
Jan. 18, 1919 ...	237,644,611	61,850,925	299,495,536	+5,045,000
Dec. 21, 1918 ...	233,076,713	61,373,712	294,450,426	+4,240,000
Nov. 23, 1918 ...	230,472,784	59,777,428	290,250,213	+3,177,000
Oct. 26, 1918 ...	228,323,276	58,750,025	287,073,301	+4,791,000
Sept. 28, 1918 ...	224,521,779	57,761,052	282,282,831	—
Feb. 16, 1918 ...	207,341,781	51,834,624	259,176,406	+1,524,000
Jan. 19, 1918 ...	205,928,310	51,723,785	257,652,095	+2,576,000
Dec. 22, 1917 ...	203,298,687	51,777,164	255,075,851	—
Dec. 1916 ...	196,458,436	52,758,438	249,216,674	—
Dec. 31, 1915 ...	186,327,584	51,412,370	237,739,954	—
Dec. 31, 1914 ...	190,533,208	53,943,271	244,476,479	—
Aug. 1914 ...	191,516,822	52,979,463	244,496,285	—
Dec. 31, 1913 ...	187,248,167	54,258,861	241,507,028	—
Dec. 31, 1903 ...	146,135,147	52,540,339	198,675,486	—
Dec. 31, 1893 ...	80,598,641	42,243,600	122,842,241	—

NOTE.—The above figures do not include Government stock held for depositors, amounting at March 15 to £15,308,000 in the case of Trustee banks, and to £19,144,000 for the Post Office.

MONEY IN NEW YORK.

IN spite of the alarmist reports which have been circulating in London and Paris regarding the heavy decline in the American exchange upon London, it is reported by cable, as we expected, that the Exchange market in New York does not really reflect the theatrical figures which were flashed over from this side.

ROYAL EXCHANGE
ASSURANCE.
Incorporated A.D. 1720. Governor: VIVIAN HUGH SMITH, Esq.
FIRE, LIFE, SEA, ACCIDENT, and GENERAL INSURANCES.
The Corporation is prepared to act as TRUSTEE and EXECUTOR.
Apply for full particulars of all classes of Insurance to the Secretary—
Head Office: ROYAL EXCHANGE, LONDON, E.C. 3.
West End Branch: 44 PALL MALL, S.W. 1.

New York has no desire to embarrass the London Money market. The United States Government, and the United States people, went into the recent war for purposes which seemed good in their eyes, just as we had done before them, and as France before we did. They have loyally supported their Allies throughout the War, and they may be counted upon to do nothing to seriously embarrass us, still less to do anything for which we could with any sense of justice complain. At the same time, it has to be borne in mind, as we state elsewhere, that there is an immense balance due from Europe to the United States. Neither the United States Government nor United States exporters can afford to be out of their money indefinitely; and it is just as well that we should realise in the fall in the exchange that we are debtors and not creditors.

As the trading classes in this country are not free at the present time, the principal lessons to be drawn by the events of this week should be learnt by the Government itself, and they are two. The first is the importance of hurrying forward the peace negotiations with the utmost despatch possible; and the second is to give as great a measure of freedom to the trading classes as the circumstances will permit to enable us to increase our manufactures, and to increase our exports to the utmost possible extent. To do this it will be necessary to allow a freer measure of imports than has been the case for some years past. This subject we discuss above, and we will not labour the point further. But we would urge the Government to be less autocratic in its methods, and more disposed to trust the trader who has made a life-study of the business in which he is engaged.

THE POSITION IN INDIA.

The position in India has changed hardly at all during the week. Practically, conditions depend upon whether or not the rains will be sufficient for the next harvest. Meanwhile the trade between India and this country has fallen to a minimum. It has to be remembered that at this particular season of the year trade is never active between India and England. But this season it is particularly slack, owing to the fact that India has so little to send. She is herself importing wheat from Australia, which she is paying for with silver obtained from the United States and rice from Burma. We might be, and should be in normal conditions, importing a certain amount of rice from Rangoon; but at present this is all required for feeding those provinces of India in which the rice crop was more or less of a total failure last season. As we pointed out last week, the machinery for financing trade between this country and India is practically chaotic at the present time. English importers may not export gold. They may not export silver. And they cannot buy Council drafts. At the moment, as far as we can understand, the exchange banks regard the matter more or less with indifference, mainly owing to the fact that so little produce is coming forward that they are not requiring means of remittance. But, all the same, it is not a condition which can indefinitely continue.

BARCLAYS BANK
LIMITED
(with which is amalgamated the LONDON PROVINCIAL & SOUTH WESTERN BANK Ltd.).
Trade with the U.S.A.
Increased Banking Facilities are available to Traders and Manufacturers, doing business with the U.S.A., by means of a reciprocal arrangement with the Irving National Bank, New York City.
INQUIRIES FROM INTERESTED PARTIES ARE INVITED.
Address:
The Foreign Manager, 168 Fenchurch St., E.C. 3.

SILVER.

It will be seen from what is said above with regard to the position in India that the Silver market cannot in the nature of the case be active. Practically, the price of silver, so far as our market is concerned, is a controlled one, and it varies hardly at all from week to week. Until the Government sees its way to allow the free export of silver to wherever it is required there seems likely to be very little interest in the Silver market.

Stock Exchange.

There has been a further contraction of business on the Stock Exchange, and throughout the week the tone has been dull, with a slightly better feeling discernible towards the close. With the termination of the Coal Commission's preliminary investigation, nervousness as to the nature of its report and how the recommendations would be received by the miners accentuated the previously existing uneasiness, and on top of that the recrudescence of unrest among the railwaymen provided an additional disconcerting factor. Moreover, while there are definite statements afloat that the excess profits tax is to be reduced, there are also rumours of further increase in other taxation to be revealed when the Budget is presented. Towards the end of the week came the three reports and the Government's decision to adopt the recommendations contained in the one signed by Mr. Justice Sankey, involving an increase in wages and reduction of hours estimated to cost £30,000,000 net for the remainder of this year. This decision and the firm attitude of the Government relieved the tension somewhat, it being hoped that a strike will be averted, but Mr. Bonar Law's statement, that a great part of the cost of the concessions will directly fall on taxpayers in making up the loss from the excess profits duty, naturally had a dispiriting effect, coupled as it is with the announcement of the offer of an additional £10,000,000 to the railwaymen, and the warning that this will probably result in an increase in rates.

Nothing definite has transpired as to revised intentions in regard to new issues of capital, but it is more generally believed now than a week or two ago that little difficulty will be placed in the way of raising funds for reputable concerns engaged in legitimate trade. Coupled with this there is the prospect—confirmed by this week's prospectuses—of attractive new securities comparing very favourably in regard to yield afforded with existing stocks and shares. This consideration would not have so much effect if the labour unrest were less intense, Peace signed and conditions fixed, and Budget fears proved extravagant. For the volume of funds available for investment is probably unprecedented in its dimensions, and the rate of interest which new issues are required to bear to be successful, is governed by the surrounding conditions affecting security values as a whole.

In the gilt-edged section Consols have further dropped during the week, and close at 57⅞, against 58 a week ago, while the 5% War Loan and Indian stocks are also slightly lower. Among foreigners the feature has again been the continued fall in French bonds, due to the decline in the value of the franc, which of course affects the interest yield on the latest 5% and 4% issues. The recent course of the market for these and the fluctuations in the exchange are shown below:

	Feb. 21	Feb. 28	March 7	March 14	March 21
5% Loan	86xd	8	86⅜	85⅞	85⅝
4% Rentes	70½	69½	68⅞	69	67½xd
Paris Cheque ...	25f.22½c.	26f.18c.	26f.10c.	26f.23c.	27f.12c.

Russian descriptions have been weak, but further buying of Brazilian 5% Fundings of 1914 has raised the price an additional two points, and Japanese 4% 1899 and 1910 are a similar amount up on the week.

Prices of Home Rails crumbled until Thursday, but then a recovery set in, and on Friday quite appreciable rises occurred. Each time higher wages or reduced hours are granted, and the cost of conducting the railways rises further—the total increase now is put at £85,000,000 for war wages and shorter hours, plus £25,000,000 higher cost of materials—it becomes more and more clear that nationalisation must eventually ensue. For two years the Companies are protected by the continuation of Government control, and the belief held in many quarters now is that the experience likely to be gained under the new Transport Bill will indicate such economies and ways of increasing efficiency with unified working as to warrant nationalisation being carried out on a fair basis of valuation.

Foreign rails still have a neglected appearance, especially the Argentine descriptions, but declines have been of little moment. San Paulo and Venezuelan Central issues show up rather well as price movements go, and Guayaquil and Quito 5% bonds have responded to the improved outlook now that the arrears of the Prior Liens has been paid off. Though the list of securities quoted in the American market has been extended considerably, there has been no increase in business. The removal of control over exchange, and the possibility of an upward movement in the value of the dollar in relation to the £ sterling, is a factor of importance, and one that should be borne in mind as exerting an influence on the future valuation of dollar securities. Of Colonial rails Grand Trunk issues have further recovered, as shown below, on hopes that the Government may considerably revise their view in regard to what constitutes an equitable price for acquisition:—

	1918		1919			
	Highest	Lowest	Mar. 7	Mar. 12	Mar. 14	Mar. 21
Grand Trunk Ordinary ...	12⅜	8½	10½	9⅜	9½	9½
„ „ 1st Pref. ...	65½	49	55	51	54½	54½
„ „ 2nd Pref. ...	54⅛	37½	44	36	39½	40½
„ „ 3rd Pref. ...	27½	18½	21⅜	18½	19½	21
„ „ 4% Guaranteed	57½	42½	49½	47	51½	51½
„ „ Pac. 4% "A"*	64½	58	64½	55	57	57½
„ „ „ 4% "B"*	64⅜	57½	63½	55	57	57½

* Guaranteed by Grand Trunk Company.

Canadian Pacific were not much affected by the statement of 1918 results showing increase in working expenses very much larger than the rise in receipts, as follows:—

Gross receipts	$157,537,698	+ $5,148,364
Working expenses	123,035,310	+ 17,191,994
Net receipts	$34,502,388	− $12,043,630
Charges	10,177,513	− 51,630
Balance after charges	$24,324,875	− $11,992,000
To pension fund	500,000	—
To Special Income account ...	193,977	− 1,774,706
Divisible	$23,630,898	− $10,217,294
Pref. dividend	3,227,277	—
Ordinary	18,200,000	—
Surplus	$2,203,621	− 10,217,294
Special income	$8,128,751	− 2,564,548
Balance forward	13,835,750	+ 2,913,299
Available	21,964,501	+ 328,751
Dividend 3%	7,800,000	—
	£14,164,501	+ 328,751

In the industrial and general sections the tone for the most part has been dull, with a drooping tendency. Among shipping issues Cunard are harder on the proposal to capitalise the reserve fund to the extent of issuing one new fully-paid Ordinary share for each Ordinary share now held. It is pointed out that as the total value of the net assets will be unaltered each share will be worth half as much as on the present basis of capitalisation. The Company is acquiring 150,000 shares in T. and J. Brocklebank, Limited, by transferring to holders 150,000 of its own shares. This will increase the Cunard share capital to £1,485,383, and as the remaining 100,000 shares of the Brocklebank line are held by Henderson Brothers, Limited, whose Ordinary share capital is owned by the Cunard, the latter will now have full control of the Brocklebank line also. The Cunard Company has also entered into an arrangement—or is negotiating to that end—for the establishment of shipping services from this country to Russia in conjunction with the Eastern Company of Petrograd and the Caucasus and Mercury Shipping Company.

In the iron, steel, and engineering group Bengal Iron have been a feature of strength, rising to 8⅛. This compares with 7⅜ three weeks ago. Metropolitan Carriage, too, are harder on the amalgamation with Vickers, but the price of the latter's shares closes at 39*s.* 3*d.* Otis Steel Common have advanced to 167. This is a dollar security which the future course of exchange will affect. Textile descriptions have been inclined to weaken on indications of labour unrest and the general stagnation of the cotton industry. Fine Cotton Spinners have declined to 40*s.* Among catering shares Spiers and Pond have been active again, but otherwise there has not been much interest in this section. There are rumours of a forthcoming new issue by Liptons. Elsewhere Dunlop Rubber shares are quoted 5xd. A prospectus offering (at 21*s.* 6*d.* per share) 1,150,000 "C" Preference shares, part of a total issued of 1,500,000 such shares, is to be published forthwith.

The market for oil shares was very quiet for the major part of the week, but a demand for the leading issues developed and prices responded, after the publication of the Anglo-Persian report showing a profit of £1,308,558, against £344,110 for 1917, and recommending the payment of a maiden dividend of 8% on the Ordinary shares.

Bolckow, Vaughan and Company, Limited.—Certificates in respect of the issue of 1,009,340 Ordinary shares, upon which the full amount has been paid, will be ready for issue on the 25th instant, and will be exchanged immediately thereafter for fully paid letters of allotment, which should be forwarded to the Secretary, Bolckow, Vaughan and Company, Limited, Middlesbrough.

Three-and-a-Half per Cent. Diplomatic Debt of Venezuela, 1905.—The Council of Foreign Bondholders notify the receipt of a sight draft for £4,390 15*s.* 4½*d.*, being the moiety of the third fortnightly instalment of the debt service payable to the Council in respect of the half-year ending June 30, 1919.

Mr. C. W. Barron, Manager of the well-known *Wall Street Journal*, has written a book on "War Finance as Viewed from the Roof of the World in Switzerland." This is the outcome of a visit he made in the middle of last year to this country, France, Switzerland, and the devastated region behind the battle front. After publishing his observations in the *Boston News Bureau* and the *Wall Street Journal*, he obtained permission to give data that no other journalist had been in a position in France to gather. The price of the book is $1.50, and the publishers are the Houghton Mifflin Company, Boston and New York.

NOTICE TO BANKERS.

Advances upon STOCKS AND SHARES will be entertained upon favourable terms by the

LEGAL & GENERAL LIFE ASSURANCE SOCIETY.

The transactions can be carried out expeditiously and cheaply, and full particulars will be sent upon application to

No. 10 Fleet Street, London, E.C. 4.

WEST AFRICA.

INNES MacDONALD & SEALE,

LTD.

¶ Examinations and reports on Mining Properties in the Gold Coast Colony and Northern Nigeria.

¶ Concessions prospected and opened up.

¶ Mines managed on contract and tribute.

Offices... ... { TARKWA, GOLD COAST COLONY. 17 FARRINGDON AVENUE, LONDON, E.C.

M. L. INNES BROWNE, London Representative.

Mining Topics.

Monday and Tuesday witnessed a continuance of the depression in all the Mining markets, with scarcely a good feature apparent, uneasiness as to the outcome of the labour unrest at home, and, in regard to South African ventures, absence of news as to the attitude of white labour on the Rand being the dominating factors. There was a big influx of native labourers to the Rand mines last month, but the majority of the new comers have to be trained, and, therefore, do not help operations to start with. On Wednesday and succeeding days a better tone came into evidence. Prices have not responded to a marked extent, however, excepting in a few cases. Modders have been a feature of strength, as have also Central Minings on rumours of acquisition of control of nearly all the south-eastern Rand ventures, of which Dr. Hans Sauer has been the guiding spirit. If this proves to be accurate, the chances are that the development of this region of the Rand will be much more rapid than hitherto. One of the arguments against investment in the general run of S.E. Rand enterprises, beyond their speculative character, has been the absence of really strong backing. Among Rhodesians, Shamvas have risen on the quarterly report advising that a cable has been received indicating the discovery of pay ore on Cymric Hill, where so far as prospected the ore body is 30 feet wide and assays 3.8 dwt. It is thought that this may prove to be a parallel intrusion such as was anticipated in the late Dr. Corstorphine's report on the geological prospects of the property.

Springs Mines.—It is not a little puzzling why such temporary factors as native labour shortage, influenza epidemic, entailing increased costs, and diminished profits should have the effect of causing the price of Springs shares to fall from 3¾ to 3¼. Development results have been good enough, and the area yet to be opened up is immense. The February return shows a decline of £5,000 in the working profit, due to an undue quantity of low-grade ore sent to the mill and the necessity to train a large influx of new natives. The average yield of the present ore reserves is estimated at between 38*s.* and 42*s.* per ton, dependent upon the proportion and grade of the ore coming from development work and stoping respectively.

Springs Mines.—Issued capital £1,153,500, in £1 shares; £158,745 6% Debentures. Capital being increased to £1,500,000. Plant capacity 48,000 tons per month. Trial crushings started January 1917:—

Year to Dec. 31	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per Ton	Expenses Amt. £	Expenses Per Ton	Profit Amt. £	Profit Per Ton	Price end of Period
1917 ..	313,065	12½	610,440	39/0	345,998	22/1	264,442	16.11	3⅛
1918.									
Mar. qr.	94,200	16·5	198,886	42/2	102,920	21/10	95,966	20/4	3¼
June qr.	115,670	20·5	236,678	40/11	123,455	21/4	113,223	19/7	3⅜
Sept. qr.	121,530	18·6	257,286	42/4	131,151	21/7	126,135	20/9	3⅜
Dec. qr.	96,250	19·2	213,027	44/2	118,634	24/7	94,393	19/7	3⅜
12 mos.	427,610	18·7	905,777	42/4	476,060	22·3	429,717	20/1	3⅝
1919.									
Jan. ...	33,350	—	72,460	43·5	42,163	25·3	30,297	18·2	3¼
Feb. ...	35,300	—	68,022	38·6	42,751	24·2	25,271	14·4	3⅜ ex d

Development charge reduced from 3*s.* to 2*s.* 6*d.* per ton milled as from Jan. 1, 1918.

Dividend—1918. June (Springs West shares); Dec., 12½ per cent.

BURMA CORPORATION.

During the past nine months development work in the northern section of the Bawdwin mines has given very good results. The great Chinaman ore body, developed down to the 6th level, it is necessary to remember, lies to the south of the main shaft, but it pitches more northwards as depth is reached, and the annual report issued in November estimated that during the first six months of 1918 193,000 tons had been developed in the northern extremity of the lode and in the Shan ore body, further north, in the region of the main shaft. This Shan lode is now accepted as the northward continuation of the Chinaman ore body, separated by a fault from the main mass. Since the report was issued the 6th level drive has been extended northward until it now reaches as much as 1,920 feet north of the main shaft. It has been in values practically the whole way, sometimes high in lead and zinc and sometimes in copper contents also. Cross-cuts have proved the width of the ore body to be considerable. From 1,895 to 1,905 feet in the drive the value was 37 oz. silver, 31% lead, 21% zinc, and 2% copper; from 1,905 feet to 1,910 feet, 11 oz. silver, 6% lead, 6% zinc, and 4% copper; and from 1,910 feet to 1,920 feet, 7 oz. silver, 11% lead, and 14% zinc. Cross-cut at 700 feet in the drive showed:—

	Silver Oz.	Lead %	Zinc %
From 5 feet to 10 feet	7	8	12
„ 10 feet to 12 feet	5	4	7
„ 12 feet to 15 feet	21	32	15

The 5th level north at the beginning of February had reached 1,445 feet north, the last 10 feet showing 5 oz. silver, 15% lead, and 8% zinc. The 4th level drive had reached 480 feet early in February, the last 10 feet showing 5% lead, 2% zinc, and 10% copper, after having passed through high copper values previously. A west cross-cut at 401 feet north for 10 feet gave 26% copper as well as low silver, lead, and zinc values. The No. 3 level north has just been started. From 25 feet to 35 feet the value has been reported this week as 10 oz. silver, 10% lead, and 43% zinc.

In view of the persistency, width, and value of the lode disclosed—in a section quite apart, be it emphasised, from the main Chinaman ore body—it is not surprising that the Company's prospects should be thought so good as to justify the enhanced price of 5½ for the £1 shares. We suggest to the directors that a summary of the northern developments to date would be appreciated by shareholders.

NORTH BROKEN HILL.

In the absence of the complete report it is difficult to explain how it is that the cabled summary discloses a net profit for the past half-year nearly as large as that of the preceding six months. In the first place, the ore treated was only 74,385 tons, against 109,200 tons, and the lead concentrate output 14,948 tons in comparison with 20,605 tons; and, in the second place, cost of production rose as much as 6*s.* per ton to 32*s.* 8*d.*—an unprecedented figure, attributed to the comparatively small tonnage dealt with and the high cost of mining requisites. In respect of the period to June 30, the production was taken into accounts at 90% of the gross *pro forma* value on the basis of lead at £25 per ton. Perhaps there was some addition on this account to the income of the period under review; or it may be that provision for taxation, deducted before arriving at the net profit, and which for the first half of 1918 was £16,000, required a smaller sum for the second half of the year. To the net profit of £161,294 is added £19,666, written back from Debenture sinking-fund reserve, making the total available £180,894. The dividend is maintained at 20% for the half-year, £35,000 is set aside as per account for new plant, £19,228 is [illegible] and £6,666 the usual half-yearly amount to Debenture sinking fund reserve. The whole of the credit to profit

and loss account is thus appropriated, the purpose being to obviate liability for Federal income tax. If in ensuing financial periods it is found that previous appropriations are more than required, a portion or the whole, as thought advisable, is written back to profit and loss account. Half-yearly results just before and since the War are compared below:—

Half-Year ended	Ore Milled Tons	Lead Concentrates Produced Tons	W'kng Costs per Ton	Net Profit‡ £	Placed to Reserves £	Dividends Paid £	Dividends Paid %
June 30, '14 ...	156,020	27,350	17/10	183,195	15,000	150,000	25
Dec. 31, '14* ...	102,735	19,063	19/5	76,449	20,000	Nil	—
June 30, '15* ...	123,455	24,430	18/1	75,210	20,000	30,000	5
Dec. 31, '15 ...	138,484	28,370	18/2½	168,625	37,222	120,000	20
June 30, '16† ...	70,200	13,910	22/7	141,552	16,666	120,000	20
Dec. 31, '16 ...	117,190	23,123	21/10	171,204	74,127	120,000	20
June 30, '17 ...	111,290	22,045	22/5	182,834	62,835	120,000	20
Dec. 31, '17† ...	64,030	11,459	26/6	209,838	77,584	120,000	20
June 30, '18 ...	109,200	23,605	24/8	167,415	26,666	120,000	20
Dec. 31, '19 ...	74,385	14,948	32/8	161,294	60,894	120,000	20

* Operations dislocated by outbreak of war. † Labour strike.
‡ After deduction of royalty and taxes.

Surplus liquid assets at December 31 amounted to £615,350, against £554,230. These figures include value of stores—£45,621 at June 30.

The outlook is uncertain. Cost of production now is almost double the pre-War level, and consequently, should the value of the chief metal product—lead—return to anything like its normal value, the margin of profit will be very much lower than recently witnessed. Lead at £25 per ton, as at present, is about £10 above the average of pre-War years, and in the recent return of stocks in the possession of the Ministry of Munitions lead was by far the largest, amounting at March 1 to 100,063 tons, exclusive of old metal and scrap. It has to be borne in mind, however, that there has not been anything like so great an increase in the production of the metal as witnessed with regard to copper, and that requirements are likely to be very large in connection with reconstruction work on the Continent, the restocking of the factories there, as well as for the building trade, ship construction, &c., in this country. Furthermore, the North Broken Hill Company has just terminated a relatively poor contract entered into 10 years ago for the disposal of its zinc tailings, and the erection of its own works out of appropriations now being provided for from profits should presently result in considerable accession to its annual revenue. At their price of £3 the Company's shares afford a return of about 14% on the recent rate of dividend.

UTAH COPPER COMPANY.

Production at the great Utah copper mine was on a smaller scale last year than in 1917, amounting to 98,989 short tons, against 103,087 tons. Cost of production was again appreciably higher, and the price realised lower—these features being particularly pronounced in the last quarter of the year—and consequently profits and dividends show a substantial reduction as follows:—

	1918	1917	1916	1915
Copper output (short tons) ...	98,989*	103,087	93,765	73,300
	$	$	$	$
Net profit from operations ...	13,807,303	22,621,147	33,747,740	15,023,884
Sundry revenue	836,852	622,273	354,061	102,447
Income from Nevada Consolidated Copper Co. (dividends)	3,251,625	5,452,075	5,636,875	2,787,200
Income from railway	1,000,000	—	—	—
Total net profit	18,945,780	28,695,495	39,738,676	17,913,481
Dividends paid	16,244,900 (100%)	23,555,105 (145%)	19,493,880 (120%)	6,904,082 (42½%)
Surplus	2,700,880	5,140,390	20,244,795	11,009,399
Price realised per lb. copper ...	†	24·18	26·14	17·68
Cost of production	†	10·99	6·92	6·61

* Sales in last quarter of 1918 considerably less than production.
† Last quarter, 1918, price of copper 20.44 cents and cost of production 17.88 cents per lb. of copper.

Despite the severe drop in earnings, the Company paid dividends aggregating 100%, against 145% for 1917, of which 17½% was called a capital distribution, though as a matter of fact paid out of profits. A much lower return to shareholders is to be looked for in respect of the current year. Output has been reduced in co-operation with other large producers, and the price of the metal has fallen to a low figure in relation to costs.

CHICAGO-GAIKA DEVELOPMENT.

According to the report just issued, this Company has considerably strengthened its financial position by realising a large proportion of its holding in the Gaika Mine the shares of which, it will be remembered, appreciated very considerably in price a year ago, following reported rich development disclosures. In the year ended June 30 Gaika shares sold gave a profit of £6,968, and since the close of the accounts further sales have been effected, so that now the Chicago Company's cash assets are represented by about £40,000 in War Loan and Bonds. Losses on investments have been written off to the tune of £10,000. A sum of £2,719 was expended during the year on an asbestos property under option, and since the close of the year an additional £10,000 has been paid out, securing for the Company a 40% interest in the Birthday Asbestos claims, situated in the Belingwe district, and now equipped with suitable plant. Developments are reported to be very encouraging; a large tonnage of fibre has been opened up, and sales have been and are being made under contract. We showed in these columns recently that the production of asbestos in Rhodesia has made rapid strides in the past two years. Prices have been very remunerative. It remains to be seen what the Chicago Company's new interest will yield in the way of revenue. It will need to do very well to place the Company in the dividend-paying list again, for the balance sheet shows share investments in subsidiary and other undertakings at £92,721, whereas the market value at June 30, 1918, was £46,422, including £20,210 valued by the board, and there was an accumulated debit balance to profit and loss account of £23,269. However, as above noted, the cash position is fairly strong in relation to the issued capital of £210,000.

SIMMER AND JACK.

A further tribute to the usefulness of the jack-hammer rock drill, which is a comparatively new introduction to the Rand, is contained in the report of the Simmer and Jack. The Consulting Engineer states that very good results have been obtained on the mine by machines of this type, which have proved to be both efficient and economical, and he adds that gradual replacement of hammer "boys" should have the effect of reducing the number of natives required for underground work. Inspection of the figures in the report suggests that in this direction lies the hope of shareholders receiving a better return for the remaining few years of the mine's life. For the year ended June 30 the rate of dividend was half that of the previous twelve months, mainly owing to a further rise in the cost of working, but partly on account of £55,000 of the net profit being added to the carry-forward, apparently to provide for heavy capital expenditure connected with the exploitation of 40 deep-level claims acquired from the Simmer Deep Company. The following table shows the results of the past five years:—

Year to June 30	Ore Milled Tons	Gold Yield per Ton	Working Costs per Ton	Working Profit £	Working Profit Per Ton	Net Profit* £	Dividends £	Dividends %
1914	7-6 600	20/9	12/4	322,678	8/5	311 976	337,500	11¼
1915	808 300	21/5	13/2	334,556	8/3	293 060	300 000	10
1916	797,900	21/11	14/5	298 665	7/6	275.757	262,5'0	8¾
1917	765,300	21/5	15/6	227.187	5/11	205.886	225,000	7½
1918	685,400	23/1†	17/5	195,304	5/8	167,574	112,500	3¾

* After deduction of taxes. † Including £12,916 of gold taken from reserve.

The fully developed ore reserves at June 30 were estimated at 1,538,000 mine tons averaging 5.67 dwt., against 1,862,000 tons value 5.3 dwt. a year previously. A considerable tonnage of low-grade ore has been eliminated in making the new calculation, and a large tonnage of profitable ore is expected to be obtained from reclamation work in old stopes. The intact reef-bearing area at June 30, including the 40 Simmer Deep claims, was estimated by the Consulting Engineer at 82.88 claims, showing a reduction of 11¼ claims in the year. If the same rate of exhaustion continued the life would be about seven years, but probably a larger

proportion of the ore milled has recently been obtained by reclamation work than can be hoped for later on. It remains to be seen how far alteration in the level of expenses will permit the reinstatement of low-grade ore now considered unpayable.

Lonely Reef.—Very good development disclosures continue at the bottom levels of this mine, the results for February being as under:

No. 17 Level South—from 1,000 to 1,015 feet, average 42 dwt. over 62 inches.										
„ 18	„	„	„	825 to 840	„	„	65	„	„ 45	„
„ 19	„	„	„	535 to 555	„	„	38	„	„ 99	„
„ 21	„	„	„	80 to 110	„	„	35	„	„ 38	„
	North	„		70 to 85	„	„	25	„	„ 37	„

Modder East.—The No. 3 shaft on the north section of the leased area, instead of penetrating reef at 418 feet depth as expected, encountered dyke. Cable this week, however, reports that a cross-cut from the shaft has exposed Main Reef Leader on the south side of the dyke, the value being 8 dwt. over 33 inches width. Driving is to be proceeded with immediately. To the middle of December 6,554 feet of development work on reef in the No. 1 shaft section, adjoining the Geduld boundary, exposed an average width of 17 inches and an average value of 16.9 dwt.

Village Deep.—Development work at this mine in the last quarter of 1918 showed appreciable improvement both in regard to quantity and quality.

	Total Footage Sampled on Reef	Payable Footage		Main Reef Leader: Distance Exposed	Width	Assay	Shilling-Inches
		Feet	%	Feet	Inches		
1916 ...	9,072	5,076	55·9	4,476	23	86/8	1,993
1917 ...	9,995	5,941	59·4	5,871	22	84/0	1,848
1918.							
March qr....	3,546	1,703	48	1,643	26	83.4	2,305
June qr. ...	1,994	1,404	70	1,382	29	63,8	1,846
Sept. qr. ...	2,556	1,356	53	1,356	34	57/9	1,963
Dec. qr. ...	4,635	2,682	58	2,632	29	81,0	2,350
Year ...	12,731	7,145	56	7,063	—	—	—

Government Areas.—Capital £1,400,000, in £1 shares. 200 stamps, 20 tube mills; 5 tube mills being added to increase mill capacity to 135,000 tons a month. Plant capacity now raised to rate of 1,300,000 tons a year. The returns include sundry revenue.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt.	Revenue Per ton	Expenses Amt.	Expenses Per ton	Profit Amt.	Profit Per ton	Price of Silver Per oz.
				£		£		£		
1916 ...	110	744,000	12½	1,008,779	27/1	804,091	21/7	216,400	5/10	51⅝
1917 ...	136	1,298,000	8	1,920,657	29/9	1,236,741	19/0	700,439	10/10	37⅛
1918.										
Mar. qr.	180	320,000	8	478,537	29/11	299,309	18/8	179,228	11/3	38¾
June qr.	180	328,000	12½	523,895	32/5	317,412	19/4	211,483	12/11	39⅝
Sept. qr.	200	548,000	11·7	592,917	34/0	341,918	19/7	251,001	14/5	43⅝
Dec. qr.	186	305,000	10·8	559,295	36/4	323,589	21/0	235,704	15/4	43¼
12 mos.	—	1,301,000	—	2,153,644	33/1	1,282,228	19/8	877,416	13/5	41⅜
1919.										
Jan. ...		106,000	—	188,344	35/5	113,317	21/5	75,027	14/0	5[illegible]

Dividends—1917, Dec., 12½ per cent
1918, June 12½; Dec., 15 per cent.

Intending Settlers To South & East Africa



are notified that the

National Bank of South Africa, Ltd., have over **300 Branches within the Union**; also Offices at **Mombasa, Nairobi, Mozambique, Dar-es-Salaam, Tanga**, etc., and in **Nyasaland.**

LONDON OFFICES:

CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office—
25 COCKSPUR STREET, S.W.—1.

Agency in—
10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, March 19, 1919.

Issue Department.

Notes Issued	£100,497,000	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	82,047,000
	£100,497,000		£100,497,000

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£56,649,644
Rest	3,533,255	Other Securities	80,844,932
Public Deposits	27,212,064	Notes	28,289,300
Other Deposits	121,834,936	Gold and Silver Coin	1,367,724
Seven-day and other Bills	18,405		
	£167,151,600		£167,151,600

Comparison with Previous Four Weeks [00,000's omitted]

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
	£	£	£	£	£	£	£	%	%	%
1919.										
Mar. 19	72.2	83.4	27.2	121.8	58.8	80.8	29.6	19·89	5	3½
Mar. 12	71.4	82.4	24.3	125.9	55.3	83.6	29.5	19·62	5	3½
Mar 5	71.1	81.2	25.7	128.7	59.2	84.7	28.6	18·52	5	3½
Feb. 26	70.3	81.6	25.8	119.2	50.2	83.1	29.7	20·51	5	3½-⅝
Feb. 19	69.6	81.8	30.7	118.3	52.2	84.1	30.6	20·57	5	3½-⅝
J'y 22,'14	29.3	40.2	13.7	42.2	11.0	33.6	28.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 5, 8%; Aug. 8, 5%; July 13, 1916, 8%; Jan. 18, 1917, 5½%; April, 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Mar. 19 1919	Mar. 20 1918	Mar. 21, 1917	Mar. 22, 1916	Mar. 17 1909
Circulation	£72.2	£47.4	£37.8	£32.9	£28.7
Public Deposits	27.2	35.4	67.9	56.2	18.8
Other Deposits	121.8	134.4	124.3	90.1	41.3
Government Securities	56.6	57.0	24.1	32.8	15.1
Other Securities	80.8	99.2	151.8	90.8	33.6
Reserve	29.6	31.7	34.6	41.5	29.7
Ratio to Liabilities	19·89%	18·67%	17·99%	28·37%	49·41%
Coin and Bullion	83.4	80.6	54.0	56.0	40.0
Money					
Bank of England Rate	5%	5%	5½%	5%	3%
Bank of France Rate	5%	5%	4%	5%	3%
Rate 3 months' Bills London	3⅛%	3⅛-3¼%	4⅛%	4⅛%	2⅛-2⅝%
Exchanges:					
Paris Cheque	27 11½	27 20	27 81¼	28 44	25 23
New York 60 days	4 68	4 72½	4 72	4 72½	4 86⅛
Bombay Telegraphic Transfers	1/5⅜	1/4⅜	1/4⅜	1/4⅛	1/3⅜
Prices:					
Consols 2½% Cash	57½	54½	53	57½	83⅛
French Rentes 3% Money	62·50	56 75	61·60	63	96 95
Silver, London spot oz.	47⅞d.	45d.	35 3/4	23⅝d.	23½d.
Wheat, *Gazette* average qr.	72/5	72/4	78/10	57/9	34.10
Cotton, Mid Upland* lb.	19·14d.	24·72d.	12·46d.	7·78d.	5·00d.
Iron, Scotch pig ton	101/0	101/0	88/8	95/0	52/3

* Good Middling American, Official Value.

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	% of Gold to Notes
	£	£	£	£	%
Mar. 19, 1919 ...	8,241,827	5,188,757	324,195,455	28,500,000	8·7
Mar. 12, 1919 ...	7,787,416	4,802,325	321,140,385	28,500,000	9·6
Mar. 20, 1918 ...	5,269,141	4,663,759	223,922,097	28,500,000	12·7
Mar. 21, 1917 ...	4,842,561	5,421,509	143,043,152	28,500,000	19·9
Mar. 23, 1916 ...	4,431,586	3,371,106	104,503,273	28,500,000	27·2
Mar. 24, 1915 ...	1,709,670	1,224,997	38,087,608	27,500,000	72·2

Balance Sheet, March 19, 1919.

		£		£
Notes outstanding—			Advances—	
One Pound ...	...	244,843,183	Trustee Savings Banks	500,000
Ten Shilling ...	...	46,082,273	Currency Note Redemption A/c—	
Certificates outstanding ...		33,270,000	Gold Coin and Bullion...	28,500,000
			Government Securities...	304,612,094
Total ...	...	324,195,456	Balance at Bank of England	5,509,288
Investments Reserve A/c		14,925,926		
Total ...	...	339,121,382	Total ...	339,121,382

PUBLIC INCOME & EXPENDITURE [000's omitted.

1918-19. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net, +	Cash Balance
Mar. 15	£35,233	£42,408	£7,175	£89,888	£82,343	£7,545	£7,784
Mar. 8	34,043	52,383	18,340	108,694	90,332	18,362	7,415
Mar. 1	28,274	44,848	16,574	110,476	94,170	16,305	7,293
349dys.'18-9	7,732	2,479,502	1,662,171	6,529,243	4,879,317	1,648,926	−13,246
360dys.'17-8	3,560	2,507,508	1,903,948	5,110,739	3,218,562	1,892,177	−11,771
*Yr.'18-19**	*842,050*	*2,977,515*	*2,135,465*	—	—	*2,135,465*	—
Yr.'17-18	707,234	2,811,221	1,103,987	5,499,604	3,516,023	1,983,581	£1,030

Principal Items of Revenue and Expenditure.

1918-19. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duty, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Supply Services.
Mar. 15	£3,230	£19,232	£3,973	£8,798	£10,450	£959	£31,000
Mar. 8	3,273	21,775	6,643	2,362	2,729	10	49,544
Mar. 1	3,116	18,735	4,316	2,107	4,971	[illegible]	37,355
349dys.'18-9	152,668	231,329	264,544	139,791	285,812	9,594	2,204,696
360dys.'17-8	104,679	224,581	203,327	123,773	182,761	9,123	2,365,424
*Yr.'18-19**	*147,700*	*290,450*	*300,000*	*103,000*	*315,000*	*11,414*	*2,451,105*
Yr.'17-18	110,033	239,509	220,214	137,478	189,861	11,491	2,494,982

FLOATING DEBT.		Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
Mar. 15, 1919	...	£957,479	£446,770	£1,404,249	£1,671,312
Mar. 8, 1919	...	[illegible]	448,770	[illegible]	1,687,069
Mar. 1, 1919	...	[illegible]	[illegible]	[illegible]	1,663,380
Feb. 22, 1919	...	[illegible]	405,180	1,383,780	1,659,302
Dec. 31, 1918	...	1,094,740	450,180	1,544,920	1,420,709

* Budget and supplementary estimates. † Highest.

FOREIGN BANKS. [In £s sterling—000's omitted.]

AUSTRIA-HUNGARY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Advances.	Note Circltn.	Above — or beneath + legal max.	Bills Discounted, &c.
July 23, '14	£51,578	£12,141	£63,719	£7,772	£88,740	+ £2,479	£31,993
Feb. 15, '19	10·918	2,366	13·284	385,229	1,585,507	—	117,094
Feb. 22, '19	10·918	2·368	13·286	386·971	1·571·520	—	117·018
Dec. 7, '17	11,000	2,300	13.300	692.990	739,300	—	117,600

DENMARK.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts.	Balance Abroad.	Circulation.	Deposits.
July 31, 1914	£4,100	£341	£4,441	£9,197	£788	£8,893	£47
Jan. 31, 1919	10,405	135	10,540	4·110	5,563	23,936	1,016
Feb. 28, 1919	10,400	138	10,538	3,959	5,342	23,402	920
Feb. 23, 1918	9,641	136	9,777	2,827	2,712	18,478	1,835
Feb. 28, 1917	9,155	125	9,280	5,003	2,593	15,322	2,371

FRANCE.	Gold. In Bank	Gold. Abroad.	Total Cash incl'g Silver	Bills.	Circulation.	Deposits. Public.	Deposits. Private
July 30, 1914	£185,854		£190,667	£97,768	£287,327	£15,302	£37,803
Mar. 13, 1919	142,336	79,132	234,040	41,746	1,329,360	2,699	108,805
Mar. 20, 1919	142,463	79 132	234,163	41,176	1,330,481	4,401	110,674
Mar. 21, 1918	133,408	81,494	225,121	41,591	998,999	2,207	109,624
Mar. 22, 1917	129,514	77,885	217,998	16,827	738,031	2,394	99,386

GERMANY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Treasury & Other Notes	Loans & Discounts	Circulation.	Deposits
July 23, '14	£87,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Feb. 28, '19	112,286	1,038	113,324	296,618	1,367,937	1,205,141	591,532
Mar. 7, '19	112,216	1,048	113,264	300,928	1,326 346	1,212,599	544,972
Mar. 7, '18	120,351	5,873	126,224	65,931	653,591	566 205	329,552
Mar. 7, '17	128,449	730	127,229	14,742	451,353	408,198	202,026

HOLLAND.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts.	Advances.	Circulation.	Deposits.
Aug. 1, 1914	£13,498	£249	£13,745	£13,422	£10,339	£35,880	£1,437
Mar. 1, 1919	56,443	768	57,211	9,379	17,408	85,121	6,031
Mar. 8, 1919	56,412	776	57,185	9,102	15,793	84,260	5,777
Mar. 9, 1918	60,175	602	60,777	2,839	9,264	71,787	5,329
Mar. 10, 1917	49,335	649	49,984	7,203	7,294	61,812	8,063

ITALY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Other Cash.	Loans & Disc'nts.	Circulation.	Deposits
July 31, '14	—	—	£48,456	£25,017	£69,204	£8,887	
Dec. 20, '18	£32,702	£3,082	35,784	7,375	61 477	387,871	60,950
Dec. 31, '18	32,710	3,086	35,796	15,233	65,934	368,934	63,866
Dec. 31, '17	33,434	3,496	36,930	8,449	47,745	261,563	57,941
Dec. 31, '16	35,997	2,906	38,903	6,728	38,976	155,069	34,636

JAPAN.	Gold.	Discounts.	Advances	Notes.	Deposits. Public.	Deposits. Private.
Aug. 1, '14	£21,887	£1,829	£7,883	£32,722	£13,818	£1,521
Jan. 25, '19	71,324	7,825	41,932	93,140	101,694	8,917
Feb. 1, '19	71,301	13,109	45,393	101,483	101,775	8,698
Feb. 2, '18	64,804	5,533	23,823	72,943	54,710	3,272
Feb. 3, '17	39,783	2,307	16,636	47,764	40,130	2,878

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve.	Loans, Discounts, Invest. &c.	Net Deposits. Demand.	Net Deposits. Time.	Net Deposits. Total.	Excess Reserve
Aug. 1, '14	—	£89,998	£411,239	—	—	£387,165	£1,720
Mar. 8, '19	£19,788†	110,516	963,804	£771,434	£28,898	849,874	6,232
Mar. 15, '19	19,164†	112,394	990,082	781,030	29,552	852,942	7,220
Mar. 16, '18	20,330†	107,364	833,769	731,478	40,059	845,696	9,543
Mar. 17, '17	101,106*	153,930	711,722	724,425	35,951	760,376	28,969

* Counted as reserve. † Not reserve.

NORWAY.	Gold.	Balance Abroad.	F'r'gn Gov. Securities.	Discounts & Loans.	Circulation.	Deposits
July 31, 1914	£2,980	£1,878	£493	£4,889	£6,752	£793
Feb. 28, 1919	6,710	3,463	716	21,521	22,839	5,799
Mar. 7, 1919	6,703	3,330	716	21,540	22,867	5,780
Mar. 7, 1918	6,524	3,252	713	19,245	17,852	8,916
Mar. 7, 1917	7,102	4,329	715	8,931	14,268	3,878

PORTUGAL.	Gold.	Silver.	Total.	Discounts & Advances.	Note Circulation.	Deposits.
Jan. 8, '19	£1,883	£3,754	£5,637	£11,245	£61,477	£3,384
Jan. 15, '19	1,905	3,757	5,662	10,750	61,601	3,216

RUSSIA.	Gold. In Bank.	Gold. Abroad.	Total Cash incl'g Silver	Loans & Disc'nts.	Circulation.	Notes in Reserve	Total Deposits
July 21, '14	£180,114	£14,395	£181,892	£76,081	£163,411	£8,589	£108,811
Oct. 21, '17	129,564	230,892	377,099	1,781,647	1,795,890	10,310	344,807
Oct. 29, '17	129,523	230,885	378,205	1,969,559	1,836,217	15,783	345,560
Oct. 29, '18	155,877	205,496	372,072	814,887	784,438	10,512	223,731
Oct. 29, '16	159,825	3,580	165,844	443,307	591,083	8,417	143,413

SPAIN.	Cash. Gold.	Cash. Silver.	Cash. Total.	Loans, &c.	Spanish 4%	Circulation.	Deposits &c.
Aug. 1, '14	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,868
Mar. 8, '19	89,148	25,710	114,858	74,806	13,778	139,081	41,448
Mar. 15, '19	90,250	25,739	115,939	73,753	13,778	138,976	41,456
Mar. 16, '18	79,978	28,194	108,172	49,450	13,777	114,548	33,849
Mar. 17, '17	53,568	29,931	83,499	42,172	13,777	95,544	30,772

SWEDEN.	Gold.	Balance Abroad.	Swed. & For. Govt. Secs.	Discounts & Loans.	Circulation.	Deposits.
Aug. 1, '14	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
Mar. 1, '19	16,010	8,152	3,034	19,377	40,753	4,838
Mar. 8, '19	16,004	7,920	3,034	19,534	40,050	5,369
Mar. 9, '18	13,060	7,340	3,130	12,715	31,560	5,183
Mar. 10, '17	10,694	8,232	4,044	4,631	22,162	5,259

SWITZERLAND.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts & Advances.	Circulation.	Deposits.
July 23, 1914	£7,232	£759	£7,990	£1,917	£10,718	£2,026
Feb. 28, 1919	16,419	2,520	18,939	17,932	35,893	3,809
Mar. 7, 1919	16,377	2,571	18,913	17,631	35,419	3,937
Mar. 7, 1918	14,993	2,944	16,930	11,249	25,514	3,803
Mar. 7, 1917	13,741	2,033	15,807	8,430	20,102	5,073

U. STATES FED. RES. BANKS.	Gold Held by Banks.	Gold With Agents.	Total Cash.	Bills Discount'd	Acceptances.	Deposits. Govt.	Deposits. Total. Net.	Circulation.
Mar. 10, '19	£171,626	256,270	441,032	377,548	54,893	39,112	380,418	497,708
Mar. 17, '19	167,932	257,974	439,346	377,272	52,428	—	353,890	500,820
Mar. 15, '18	180,508	178,142	370,439	103,497	64,649	14,404	292,904	231,345
Mar. 16, '17	111,396	88,189	182,820	3,447	19,400	3,718	141,378	67,312

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Dates Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	4½	Oct. 28,'14
Berne	5½	Oct. 3,'18	Paris	5	Aug. 20,'14
Bombay	7	Jan. 27,'19	Petrograd	6	July 29,'14
Brussels	5	Aug. 27,'14	Rome	5	Jan. 11,'18
Calcutta	7	Jan. 27.'19	Stockholm ...	7	Mar.21,'16
Christiania ...	6	Dec. 13,'17	Tokio	6½	Nov. 25,'18
Copenhagen ...	5½	Jan. 2,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Mar 21, '19	Mar. 14, '19	Mar. 7, '19	Feb. 28, '19
Brussels	Cheques	22fr. 22½c.	27fr. 75c.	27fr. 42½c	27fr. 25½c.
Denmark	Cable	18kr. 45½	18kr. 32½	18kr. 27½	18kr. 26½
Holland	do.	11fl. 70⅛c.	11fl. 53c.	11fl. 56½c.	11fl. 57c.
Italy	do.	30lr. 81½c.	30lr. 31½c.	30lr. 31½c.	30lr. 31½c.
Lisbon and Oporto	do	34¼d.	34¼d.	34¼d.	34¼d.
New York	do.	$4 55	$4 76⅛	$4 76⅛	$4 76⅛
—	Cheques	$4 55	$4 77	$4 77	$4 77
Norway	Cable	18kr. 07½	17kr. 67½	17kr. 51	17kr. 52
Paris	3 mos.	—	26fr. 50c	26fr. 37½c.	26fr. 57½c.
—	Cable	27fr. 10c.	26fr. 18¾c.	26fr. 07½c.	26fr. 16½c.
Spain (Bank places)	3 mos.	—	50¾d.	51d.	—
—	Cable	23p. 25	23p. 30	22p. 69½	22p. 55
Sweden	do.	17kr. 27½	16kr. 95	16kr. 90	16kr. 92
Switzerland	3 mos.	—	23f. 47½c.	23f. 32½c	23f. 44½c.
—	Cable	23f. 32½c	23f. 02½c.	22f. 85½c.	22f. 99½c

ON LOND N—		Mar. 21, '19	Mar. 14, '19	Mar. 7, '19	Par
Alexandria	Sight	97⅛pl.	97⅛pl.	97pl.	97¼pl.
Amsterdam	Cheques	11fl. 71½c.	11fl. 58½c.	11fl. 57c.	12·107d.
Bombay	Transfers	1s. 5⅛d.	1s. 5⅛d.	1s. 5⅛d.	1s. 6d.
Brussels	Cheques	27f. 25½c.	27f. 73½c.	27f. 45c.	25f. 22½c.
Buenos Ayres	Transfers	51⅛d.	51⅛d.	51⅛d.	47.58d.
Calcutta	do.	1s. 5⅛d	1s. 5⅛d.	1s. 5⅛d.	1s. 6d.
Christiania	Sight	18kr. 11	17kr. 69½	17kr. 50½	18.159kr.
Copenhagen	do.	18kr. 48	18kr. 33	18kr. 27½	18.159kr.
Hong Kong	Transfers	3s. 1⅛d.	3s. 0⅛d.	3s. 1d.	—
Italy	Sight	30lr. 81½c.	30lr. 31½c.	30lr. 31½c	25lr. 22½c.
Lisbon	do.	34¼ l.	34¼ l.	34¼d.	53½d.
Madras	do.	1s. 6 3-16d.	1s. 6 1-16d.	1s. 6 1-16d.	1s. 6d.
Madrid	do.	23p. 25½	23p. 27½	22p. 70½	26p. 22
Montevideo	Transfers	—	—	—	51d.
Montreal	Cable	$4 67⅛	$4 76 7-16	$4 85⅛	$4 86⅛
Paris	Cheques	27f. 11½c.	26f. 23½c.	26f. 10c.	25f. 22½
Rio de Janeiro	90 days	13¾d.	13¼d.	13¼d.	18d.
Shanghai	Transfers	4s. 7d.	4s. 7d.	4s. 6½d.	—
Singapore	Sight	2s. 4d	2s. 4d.	2s. 4 1-16d.	2s. 4d.
Stockholm	do.	17kr. 27½	16kr. 95	16kr. 90½	18·159kr.
Switzerland	do.	23f. 33½c.	23f. 02½c.	22f. 89c.	25f. 22½c.
Valparaiso	90 days	9 7-16d.	9 7-16d.	9 1-16d.	18d.
Yokohama	Sight	2s. 1⅝d.	2s. 1 1-16d.	2s. 1⅝d.	2s. 0.53d.

NEW YORK ON—		Rate Current* Mar. 19, '19	Rate Current* Mar. 12,'19	Par as usually Quoted	Rate July 3, '14
London, sight	...	$4.75⅛	$4.75⅛	4·8665 dollars for £1	$4 87
,, cables	...	$4.76 7-16	$4.76 15-16		$4 88⅛
,, 60 days	...	$4.72⅛	$4.72⅝		$4 85
Amsterdam, sight	...	40¼c.	41⅛c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques	...	35·60c.	35·80c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques	...	44·85c.	44·75c.		
Christiania, cheques	...	26·35c.	27c.	26·80c. for 1 kroner	
Copenhagen, cheques	...	25·75c.	25.95c.	26·80c. for 1 kroner	26·85c.
Greece, cheques	...	19·30c.	19·25c.	19·295c. for 1 drachma	
Hongkong, cheques	...	75·25c.	74·50c.	74·59c. for Mex. $1	48·40c.
Italy, sight	...	6·37½c.	6·36¾c.	5·18¼ lire for $1	5·17½.
Lima, cheques	...	5·05c.	5·05c.	4·8665 $ for 1 libra	
Manila, cheques	...	50c.	50c. for 1 peso		49·80c.
Montreal	...	1⅛% disc.	1⅛% disc.	Premium per $100	Par
Paris, sight	...	5·05fr.	5·04¾fr.	5·18½ francs for $1	5·16fr.
Petrograd, sight	...	12nom.	12nom.	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques		25·87½c.	25½c.	32·42c. for 1 milreis	
Shanghai, cheques	...	112c.	113c.	62·98c. for 1 tael	63·00c.
Singapore, cheques	...	56·25c.	56c.	55·77c. for $1	57·12c.
Spain, cheques	...	20·50c.	20·75c.	19·30c. for 1 peseta	
Stockholm, cheques	...	27·50c.	28c.	26·80c. for 1 kroner	
Switzerland, cheques	...	4·95fr.	4·88¾fr.	5·18½ francs for $1	5·16¼fr.
Valparaiso, cheques	...	20·10c.	20·10c.	20·61c. for 1 peso	
Yokohama, cheques	...	50·80c.	50·80c.	49·84c. for 1 yen	49·80c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1919 Agg.	Inc. or Dec.*
	1919.	[In £'s sterling 000's omitted.]			
BIRMINGHAM	Mar. 15	£2,174	— £114	£28,265	— £1,824 — 5·7
BRISTOL	,, 15	1,188	— 169	13,079	+ 1,218 + 10·3
DUBLIN	,, 15	6,738	+ 947	75,610	+ 15,900 + 26·6
LEEDS	,, 15	893	+ 11	11,888	+ 1,179 + 9·9
LEICESTER	,, 15	1,072	+ 174	9,446	+ 1,383 + 17·6
LIVERPOOL	,, 15	11,127	+ 2,012	124,151	+ 24,656 + 24·8
MANCHESTER	,, 15	15,400	+ 429	171,454	+ 12,818 + 8·1
NEWCASTLE	,, 15	1,817	+ 336	19,809	— 1,848 — 8·5
NOTTINGHAM	,, 15	607	+ 70	7,929	+ 257 + 3·6
SHEFFIELD	,, 15	925	+ 61	13,880	+ 634 + 5·0
LONDON—	1919.				
TOWN	Mar. 19	347,588	+ 6,755	4,198,344	+ 466,090 + 12·5
METROPOLITAN	,, 19	31 406	+ 4,703	363,253	+ 91,254 + 21·5
COUNTRY	,, 19	59,130	+ 7,285	652,053	+ 94,270 + 16·9
TOTAL	,, 19	438,124	+ 18,743	5,213,650	+ 624,614 + 13·6

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould and Co.

HOMEWARDS.	1919 Mar. 21	1919 Mar. 14	1913 Mar. 21
Alex. to Lond.or Hull	—	—	9/0
Aust. to U.K. or Cont.	90/0	90/0	34/8
Azoff to L.H.A.R.	—	—	10/6
Bombay to p.p. (nom.)	100/0	100/0	21/6
Burmah o.c. (nom.)	75 0	75/0	25/0
Calcut.to p.p.(jute)d.w.	180/0	180/0	25/0
Danube to A.R	—	—	9/6
Odessa to L.H.A.R.	—	—	8/0
R. Plate to U.K. Cont	225/0	250/0	20/6

Homewards.—*Contd.*	1919	1919	1913
U.S.Atl.Ports to Lvrpl.(cotton, 100lb.)	Mar 21 $1.25	Mar.14 $1.25	Mar 21 47/6
U.S.to U.K.Cont. (gr.)	15/0	15/0	2/9
Gulf Ports to U.K.Cont. (cotton & grain)	60/0	60/0	17/6
OUTWARDS—Cardiff to			
Bombay	—	—	13/0
Colombo	—	—	12/3
Port Said	47/6	47/6	11/3
River Plate	47/6	47/6	15/9
St. Vincent	40/0	40/0	9/9

VI.—WHOLESALE PRICES OF COMMODITIES.

	1919 MAR. 21	1918 MAR. 22	1914 JUNE 30.
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	101/0	101/0	57/0
— Middlesbro' warrants ...ton	95/0	95/0	51/0
— Hematite warrants ...ton	122/6	122/6	61/0
— Staffordshire bars, London ton	£17	£15 10	£8 10
— Common bars ...ton	£14 15	£13 15	£6 10
Steel Rails ...ton	£10 17/6	£10 17/6	£6 2/6
Galvanised Sheets...ton	£29	£28	£18 17/6
Copper—Standard...ton	£78	£110—£110 10	£61
Tin—English Ingots...ton	£235 6	£320—£322	£142 10
— Straits ...ton	£239	£317—£318	£139 15
Tinplates, I.C. Coke, S. Wales...box	33/10½	31/6	11/10½—12/0
Lead—Soft Foreign ...ton	£28	£28 10—£28 10	£19
Spelter—Ord. Foreign ...ton	£37 10—£39	£50—£54	£21 7/8
Quicksilver—(75lb.) ...bottle	£20 10—£21	£20	£7
Aluminium ...ton	£150	nom.	£82
Antimony—Regulus Foreign ...ton	£45	nom.	£27 10
Coal—(best) Yorkshire...ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle...ton	40/0—45/0	30/0	14/6
CHEMICALS, OILS, &c.			
Nitrate of Soda—f.o.b. Chile, per quintal	nom.	11/0	7/4
Soda—Crystals ex ship ...ton	87/6	72/8	42/6—45/0
Copra—Malay and Straits ...ton	£35 10	£45 10	£23 15—£24 7/6
Gambier—Good marks ...cwt.	37/6	72/8	16/10½
Indigo—Bengal good to fine...lb.	9/0—10/6	9/0—11/0	3/2—3/8
Linseed Oil—Raw ...ton	£58	£58	£25 5
Linseed—Calcutta, spot ...ton	£23 15	£29 15	£13 16/9
— **Cakes,** U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish ...tun	nom.	—	£49 10
Palm Oil—Lagos ...ton	£47	nom.	£31 10
Petroleum—American...gallon	1/4½	1/7½	7½d.
Rape Oil—Refined English ...ton	£71	£71	£32
Soya Oil—Refined...ton	£75	£75	£24 10
Tallow—Imported ...cwt.	†	72/0	28/3—33/3
Turpentine—French ...cwt.	98/0	124/3	33/7½
Rape Seed—Toria...ton	£22 15	£29 15	£13 5
Rubber—Para, spot ...lb.	2/4¾	2/8½	2/9½
— Fine plantation (stnd. crepe) lb.	2/0½	2/8½	2/2
— World's Production* Jan. tons	20,630	22,120	8,467
Shellac—T.N. Orange, fair.....cwt.	217/6	450/0	63/0—64/0
TEXTILES.			
Cotton—Middling Uplandt ....lb.	19·14d.	24·55d.	7·53d.
— Egyptian, good fair ...lb.	26·84d.	30·82d.	8·75d.
— Pernambuco fair ...lb.	19·38d.	27·01d.	7·73d.
— Mid. Upl. New York.. ...lb.	28·45c.	35·05c.	13·25c.
— Stock, Liverpool, Mar. 14 bales	490,840	474,330	—
Flax—Petrograd, Yarapol ...ton	nom.	£120nom.	£28
Hemp—New Zealand ...ton	£56	£93	£25 10
— Manila, Fair ...ton	£65	£85	£26 10
Jute—First Marks ...ton	—	—	£26 15
— Red SCO ...ton	—	—	£24 15
Silk—Blue Elephant ...lb	20/0	25/8	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	nom.	nom.	11½d.—1/0
— Lincoln Half Hogs ...'.	1/7½nom.	1/8 nom.	1/0½
Hides—Eng. Ox, best, 65lb. up. lb.	9½d.—10½d.	10½	7½d.
Leather—Dressing Hides ...lb.	2/5...3/1	nom.	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	181,907,000	44,392,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	237½c.	226c.	87½c.
— English *Gazette*, aver. 480lb. qr.	72/5	72/4	34/3
Flour—G.R. ...280lb.	44/3	44/3	28/8
Barley—Eng. *Gaz.*, aver. 400lb. qr.	62/5	56/10	25/4
Oats—Eng. *Gaz.*, aver. 312lb. ...qr.	46/8	51/0	20/0
Maize—N. Y. (new bushel) .. 56lb.	173½c.	nom.	76½c.
— Amer. mixed, Liverpool...480lb.	79/9	80/9	32/4
— La Plata ...480lb. qr.	72/0	76/0	25/9
Potatoes—Good English ...ton	195/0	135/0—155/0	70/0—75/0
Rice—Bassein ...cwt.	25/0	28/3	7/0—7/3
Tapioca—Pearl, medium...cwt.	32/6	75/0	14/0—17/8
Hay—Best ...2,018lb....load	178/0	158/3	82/6
Hops—English...cwt	—	£5 10—£10	£8 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs....8lb.	7/10—8/4	9/3	3/8—3/10
— Scotch sides...8lb.	8/4	8/2	4/8—5/0
— English...8lb.	8/4	8/2	4/2—4/5
Mutton—Scotch wethers...8lb.	8/10	8/8	5/8—6/0
— English wethers...8lb.	8/10	8/8	4/8—5/4
— New Zealand frozen ...8lb.	8/10	8/8	2/4—3/2
Pork—English and Irish...8lb.	10/8	9/8	3/8—4/0
Bacon—Irish, ex Factory ...cwt.	188/0	172/0	60/0—74/0
— Danish, ex Port ...cwt.	—	172/0	58/0—68/0
— American, delivered ...cwt.	176/8	171/0—172/0	72/0—74/0
Hams—Amer. long cut, delvrd. cwt.	170/0	165/0	75/0—79/0
— — short cut, delivered ...cwt.	170/0	162/0	71/0—74/0
Lard—Amer. boxes, delivered cwt.	158/0	152/0	51/9—52/9
Butter—Danish ...cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
— French ...cwt.			98/0—108/0
— Australian ...cwt.			98/0—110/0
— New Zealand ...cwt.			108/0—114/0
Cheese—Canadian ...cwt.	Controlled 163/4	nom.	66/0—68/0
— United States...cwt.		nom.	—
— Dutch ...cwt.		160/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Feb. 28 ..cwts.	2,923,455	3,716,077	19,777,254
— Home consump'n to Feb. 28 cwts.	3,973,380	3,258,500	17,272,000
— In Bond Feb 28 ...cwts.	5,988,000	3,848,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	32/0	34/0	10/3
— — Yellow crystals ...cwt.	57/9	48/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	64/9	53/9	18/0
Coffee—Imports to Feb 28 ...cwts.	64,902	45,668	720,380
— Home consump'n to Feb. 28 cwts.	51,881	119,112	141,410
— Exports to Feb. 28 ...cwts.	16,525	10,698	340,250
— In Bond Feb. 28 ...cwt.	605,000	1,017,000	484,000
— Price, Costa Rica gd. to fine cwt.	140/0—150/0	122/0—137/0	80/0—93/0
— — Brazil (Santos)...cwt.	65/9	65/6	41/6
Tea—Imports to Feb. 28 ...lbs.	62,537,899	85,792,330	123,230,277
— Home consump'n to Feb. 28 lbs.	43,554,718	38,687,245	155,447,972
— Exports to Feb. 28 ...lbs.	1,495,198	79,448	28,581,765
— In Bond Feb. 28 ...lbs.	157,470,000	69,945,000	78,292,000
— Price, Indian, Pek. Soug. good lb.	1/4	—	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/4	—	8½d.
— — Common Congon ...lb.	1/4	—	5½d.
Cocoa—In Bond Feb. 28 ...cwt.	760,000	778,000	309,000
— Grenada, good to fine ...cwt.	85/0	92/0—94/0	52/6—56/0

* Estimated. † G.M. American Official Value. ‡ By Agreement.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or −	Net	+ or −
Grand Trunk Railway	Jan.	£904,600	+ £293,000	Dr.£120,300	− £16,800
	12 *mos.* *to* Dec.	*12,655,000*	*+2,698,000*	*1,675,000*	*− 217,000*
Int. Rlys. of C. Amer.	Feb.	58,356	+ 7,356	27,329	− 452
	2 *mos.* *to* Feb.	*111,677*	*+ 13,540*	*49,911*	*− 2,795*

VIII.—RAILWAY AND TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 6, 1914, the Government assumed control of the railways of Great Britain under warrant renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week ended	Miles.	+or− in Yr.	Gross Receipts.	+ or − on Year Ago.	No. Wks.	Aggregate Receipts.	+ or − on Year ago.
Assam Bengal	Feb. 8	993	+ 13	R1,71,838	− 2,305	18	31,27,198	+ 3,03,491
Barsi Light ...	Feb. 15	118	—	38,600	+ 22,800	46	8,20,000	+ 84,400
Bengal & N.W.	Feb. 8	8,052	+ 4	5,26,850	+ 10,945	19	89,88,937	+14,49,381
Beng. Dooars	Dec. 14	158	+ 5	29,951	− 9,015	11	4,44,511	+ 28,386
Beng. Nagpur	Feb. 1	2,695	—	11,28,000	− 40,000	44	4,92,39,574	+31,23,409
Bomb. Baroda	Mar. 1	2,871	− 2	18,94,000	+ 1,72,000	22	3,76,35,000	+37,66,000
Burma	Feb. 1	1,342	—	5,38,297	+ 3,437	44	2,13,28,745	+34,11,027
Del. Um. Kalk.	Mar. 1	239	—	95,000	+ 8,251	22	18,69,280	− 72,938
East Indian ..	Mar. 1	2,767	− 40	28,45,000	+ 1,14,000	22	5,82,82,000	+59,68,000
Gt. Indian Pen.	Mar. 1	3,112½	—	24,46,700	− 9,000	22	5,21,94,097	+27,39,312
Madras & S.M.	Feb. 15	3,152	− 1	11,15,000	− 23,103	20	2,05,01,824	− 2,34,375
Nizam's Guar.	Feb. 8	900	—	2,81,659	+ 41,835	19	44,58,030	+ 1,81,448
Roh. & Kumn.	Jan. 25	564	+ 2	1,02,039	− 3,718	17	18,24,894	+ 2,31,680
South Indian	Feb. 1	1,830	—	6,91,078	+ 54,631	44	2,96,12,895	− 12,531
South Punjab	M. of Oct.	716	—	7,37,619	+ 15,124	1m	—	—
COLONIAL.								
Can. Northern	Mar. 14	9,487	+ 53	$879,100	+ 146,100	10	9,040,800	+ 2,234,900
Can. Pacific ...	Mar. 14	13,388	+ 395	2,645,000	+ 149,000	10	28,924,000	+ 3,702,000
Gd. Trunk Pac.	Mar. 7	916	—	$18,481	− 1,842	9	178,189	− 27,921
Grand Trunk	Mar. 14	3,816	—	238,220	+ 64,272	10	2,234,381	+ 757,457
Mashonaland...	M. of Sept.	810	—	66,538	+ 18,885	12m	683,417	+ 10,372
Mid. W. Aust.	M. of Jan.	277	—	9,636	+ 339	7m	62,833	+ 10,316
New Cape Cent.	Feb. 8	205	—	3,191	+ 687	6	16,500	+ 2,710
Rhodesia Rlys.	M. of Sept.	1,397	—	99,811	+ 18,147	12m	1,094,793	+ 46,197
W. Pass. & Yuk.	M. of Dec.	122	—	—	—	12m	$1,244,060	− 604,349
FOREIGN.								
Argentine.								
Arg. N. East ..	Mar. 1	752	—	£ 11,500	+ 2,400	35	324,275	+ 34,175
Arg. Transand.	Mar 15	111	—	£ 4,680	+ 540	37	134,100	+ 16,780
B. A. & Pacific	Mar. 15	3,536	—	£ 133,000	− 12,000	37	4,187,000	+1,077,000
B. A. Gt. South.	Mar. 2	3,792	—	£ 165,000	+ 11,000	35	4,794,000	+1,117,000
Do.	Mar. 2	Net	—	£ 52,000	—	35	986,000	+ 139,000
B. A. Western...	Mar. 9	1,682	+ 12	£ 62,000	− 10,000	36	2,453,000	+ 768,000
Do.	Mar. 9	Net	—	£ 17,000	—	36	584,000	+ 176,000
B. A. Central ...	M. of Jan.	190	—	£ 41,843	+ 8,468	7m	285,293	+ 105,932
Cent. Argentine	Mar. 1	3,305	—	£ 148,000	− 14,000	35	4,480,400	+1,086,200
Do.	Mar. 1	Net	—	£ 25,000	− 7,400	35	607,600	− 140,573
Cord. Central ...	Mar. 15	1,205	—	£ 42,300	+ 2,970	37	1,622,360	+ 543,009
Entre Rios	Mar. 8	831	—	£ 23,800	+ 2,900	36	720,300	+ 197,700
Brazilian.								
Brazil Gt. South.	M. of Jan.	110	—	M 47,090	− 1,910	12m	672,033	+ 64,592
Brazil Railway	M. of Nov.	3,530	—	M 3,220,000	− 1,504,109	11m	52,913,000	+7,760,514
Gt. W. Brazil	Mar. 8	1,010	—	£ 17,400	− 1,400	10	198,300	+ 7,300
Leopoldina	Mar. 8	1,831	—	£ 28,947	+ 105	10	271,312	− 49,786
Mogyana	M. of Nov.	1,180	—	M 1,382,000	− 915,338	11m	20,706,000	− 1,518,181
Paulista	M. of Nov.	766	—	M 2,185,000	− 1,264,285	11m	29,899,000	− 319,854
San Paulo	Mar. 9	153½	—	£ 37,330	+ 3,178	10	269,912	− 89,248
Sorocabana	M. of Nov.	1,003	—	M 1,128,000	− 886,148	11m	20,204,000	+ 1,222,860
S. of Bahia S.W.	M. of Dec.	52	—	M 94,000	− 8,000	12m	1,081,000	− 62,009
Chilean and Peruvian.								
Antofagasta... ..	Mar. 18	838	—	£ 27,180	− 21,485	11	317,885	− 107,285
Arauco	M. of Jan.	54½	—	£ 12,500	− 1,500	1m	—	—
Nitrate (2 wks.)	Mar. 15	390	—	£ 22,730	− 12,141	10	122,770	− 53,515
Peruvian Corp.	M. of Feb.	1,140	—	$ 943,470	+ 18,080	8m	7,873,835	− 229,195
Taltal	M. of Feb.	181	—	£ 8,082	− 14,236	8m	132,909	− 71,377
Cuban.								
Cuban Central ..	Mar. 15	382	—	£ 13,233	− 22,985	37	685,910	+ 17,814
Havana Central	Mar. 1	70	—	£ 11,522	+ 177	35	312,858	+ 20,784
U. of Havana ..	Mar. 15	881	—	£ 37,987	− 55,802	37	1,878,226	− 80,614
W. of Havana ..	Mar. 15	155	—	£ 5,003	− 7,835	37	278,345	− 28,956
Uruguayan.								
Cent. Uruguay	Mar. 8	272	+ 1	£ 22,179	+ 1,115	36	783,274	+ 117,178
,, (S. Ext.)	Mar. 8	311	—	£ 6,323	+ 534	36	194,813	+ 9,041
,, (N. Ext.)	Mar. 8	185	—	£ 4,072	+ 104	33	133,824	+ 20,898
,, (W. Ext.)	Mar. 8	211	—	£ 2,892	− 96	36	94,980	+ 16,525
Mid. Uruguay ..	M. of Feb.	318	—	£ 18,511	+ 8,338	8m	134,051	+ 30,580
N. W. Uruguay	M. of Feb.	113	—	$ 25,000	+ 744	8m	237,037	+ 20,583
Urug. Northern	M. of Feb.	73	—	£ 2,181	+ 274	8m	16,169	+ 992
Miscellaneous.								
Alcoy & Gandia	Mar. 15	33	—	Ps. 12,000	+ 2,000	11	112,200	+ 12,300
Bilbao	M. of Feb.	15	—	£ 2,382	− 591	2m	5,113	− 2,949
Bolivar.....	M. of Feb.	138	—	£ 13,000	+ 3,381	8m	71,004	− 18,890
Colomb. Natnl.	M. of Feb.	86	—	£ 7,760	− 4,040	2m	20,920	− 4,330
Costa Rica	M. of Jan.	189	—	£ 23,125	+ 10,950	7m	154,716	+ 68,134
Dorada Ext.	M. of Feb.	71	—	£ 5,000	− 2,400	2m	13,900	− 2,900
Egyptian Delta	Feb. 28	559½	—	£ 8,738	+ 2,219	46	349,350	+ 84,936
Gt. S. of Spain	Mar. 8	104	—	Ps. 128,406	+ 98,391	10	1,345,148	+1,039,872
La Guaira & Ca.	M. of Feb.	22½	—	£ 7,630	+ 1,365	2m	15,785	+ 950
Para ruay Cent.	Mar. 8	255	—	£ 4,770	+ 2,330	37	143,390	+ 40,150
Puerto Cabello	M. of Dec.	24	—	£ 3,200	− 1,300	12m	44,500	− 4,444
Salvador	Mar. 15	100	—	£ 5,436	+ 1,694	37	88,542	+ 19,101
Santa Fe Prov. French Rwys.	M. of Jan.	1,181	—	£ 158,974	+ 4,528	1m	—	—
S'mana & S'tiago	M. of Jan.	80	—	£ 6,860	− 1,969	1m	—	—
Zafra & Huelva	M. of Jan.	112	—	£ 11,457	+ 534	1m	—	—

TRAMWAYS.		Miles						
Anglo Argentine ...	Mar. 4	400	$	58,381	+ 1,443	9	487,368	+ 7,286
Auckland (4 weeks)	Mar. 14	27	£	23,250	+ 955	36	147,344	− 7,413
Bombay Electric	M. of Jan.	39	R.	8,12,185	+ 48,535	12m	70,23,885	+ 8,79,440
Brazilian Traction...	M. of Dec.	378½	M.	8,531,000	+ 462,000	12m	101,894,000	+ 9,694,000
Brisbane Electric ...	M. of Feb.	40½	£	34,380	+ 2,371	2m	72,955	+ 6,448
British Columbia ..	M. of Jan.	334	$	677,489	+ 117,920	7m	4,095,584	+ 812,365
B. Ayres Lacroze ..	M. of Feb.	51	$	42,429	+ 8,032	8m	343,209	+ 39,434
Calcutta	Mar. 1	35½	R	88,822	+ 14,017	9	7,78,872	+ 119,301
Cape Electric	M. of Jan.	42½	£	29,452	+ 4,968	7m	182,525	+ 14,551
Garth & Herr.	M. of Feb.	8	$	2,351	− 1,680	2m	6,006	− 2,038
Chatham & District	Mar. 8	15	$	1,236	+ 75	9	10,905	+ 284
Havana Electric ...	M. of Nov.	88	$	690,704	+ 47,301	11m	7,466,853	+ 1,150,842
Isle of Thanet	Mar. 8	21	£	325	+ 158	23	7,087	+ 3,122
Kalgoorlie.....	M. of Nov.	20½	£	2,933	+ 292	11m	30,838	+ 1,274
Lanarkshire...	Mar. 6	28½	£	3,443	+ 180	9	33,741	+ 4,711
Lima Light & Trams.	M. of Dec.	86	£	47,987	+ 4,689	12m	527,839	+ 87,587
London C.C.	Mar. 19	141½	£	70,874	+ 16,089	50	3,357,824	+ 583,483
Madras Elec. (2 wks.)	Feb. 28	16½	R	35,254	+ 1,701	7	168,609	+ 17,416
Manila Electric	M. of Nov.	56	$	214,292	+ 55,292	11m	2,090,630	+ 480,097
Pernambuco	Mar. 2	58	$	5,421	+ 1,074	8	47,584	+ 4,340
Provincial	Mar. 8	214	$	2,814	+ 208	23	57,218	+ 3,852
Rangoon Electric ...	M. of Feb.	25	$	5,694	+ 32	2m	12,067	+ 1,044
Shanghai Electric	Jan. 8	28½	Mex. $	27,568	+ 4,427	1	—	—
Singapore Elect.....	Feb. 1	25½	$	18,852	+ 3,871	5	77,240	+ 5,663
U. of Montevideo ...	M. of Feb.	30½	£	38,772	+ 4,198	4m	149,821	+ 14,147

A Copy of this Prospectus has been duly filed with the Registrar of Joint Stock Companies.

The Treasury has been consulted under the notification of the 18th January, 1915, and raises no objection to this issue. It must be distinctly understood that, in considering whether they have or have not any objection to new issues, the Treasury does not take any responsibility for the financial soundness of any schemes or for the correctness of any statements made or opinions expressed with regard to them.

The special permission of the Committee of the Stock Exchange has been granted for dealing in the Shares offered below, after allotment.

The Subscription Lists will Close on or before Monday, the 24th day of March, 1919.

JOSEPH CROSFIELD & SONS LIMITED

BANK QUAY, WARRINGTON

(Incorporated under the Companies Acts, 1862 to 1890.)

Authorised.		CAPITAL.	Issued and Paid Up.
£ 500,000 in	500,000	5% Cumulative Pre-Preference Shares of £1 each	£400,000
£ 500,000 in	500,000	6% Cumulative Preference Shares of £1 each	£500,000
£3,000,000 in	3,000,000	6½% Cumulative Preference Shares of £1 each	—
£1,000,000 in	1,000,000	Ordinary Shares of £1 each	£600,000
£5,000,000			£1,500,000

There is an outstanding Debenture Debt of £290,000, which, in conformity with resolutions properly passed at duly convened meetings of the Stockholders, held on 25th February, 1919, is now in course of being repaid.

ISSUE OF

1,000,000 6½% Cumulative Preference Shares of £1 each at Par,

BEING PART OF THE ABOVE CLASS OF 3,000,000 SUCH SHARES

Payable—1/- on application; 4/- on allotment; 7/6 on 25th April, 1919; 7/6 on 28th May 1919.

Payment in full can be made UPON ALLOTMENT, under discount at the rate of 5 per cent. per annum.

The Shares carry a fixed cumulative preferential dividend at the rate of 6½ per cent per annum on the capital for the time being paid up thereon, and rank, both as regards capital and dividend, in priority to the Ordinary Shares, but without any further right to participate in profits or assets. Dividends will be paid half-yearly on **1st May** and **1st November**, the first payment to be the one due on **1st November, 1919**, when a **full half-year's dividend** will be paid.

Directors.

CYRIL HASLAM (Chairman). GILES HUNT (Deputy-Chairman).
CHARLES FREDERICK BUFFAM. EDWARD FRANKLAND ARMSTRONG.
ROBERT FENNEMORE JONES
HENRY ROBERTS. ROSCOE BRUNNER.
GEORGE HOLMAN KENT KINGDON. EMILE SCHWEICH MOND.
FREDERICK JOHN BURLTON CHARLES HENRY HAMILTON.

Bankers.

THE MANCHESTER AND LIVERPOOL DISTRICT BANKING CO., LTD., Manchester, Warrington, London, and other Branches.
LLOYDS BANK LTD., London and Branches.

Brokers.

LONDON—SHEPPARDS, PELLY, PRICE & POTT, 57 Old Broad Street, E.C.
MANCHESTER—HENRY COOKE & SON, St. Ann's Churchyard.
LIVERPOOL—T. & T. G. IRVINE, 3 Rumford Street.

Solicitors.—HOLMES, SON & POTT, Capel House, New Broad St., E.C.

Auditors.

EDMUND D. WHITE & SONS, Chartered Accountants, 17/18 Brown's Buildings, Liverpool; and 841/2 Salisbury House, London Wall, E.C.

Secretary and Registered Offices.

HARRY CLAYTON, Bank Quay Works, Warrington.

Prospectus.

The Company is a purely British one, and was formed on the 11th July, 1896, with a Capital of £360,000, to acquire the Soap, Glycerine and Chemical business of Joseph Crosfield & Sons, established in 1815. The Capital has from time to time been increased to keep pace with the continued growth of the business.

At the 1st July, 1914, it stood at:—
500,000 5% Cumulative Pre-Preference Shares of £1 each.
500,000 6% Cumulative Preference Shares of £1 each.
300,000 Ordinary Shares of £1 each.

Since 1914 the expansion of the business has continued without the Directors being able to issue fresh Capital. Further Freehold Land has been acquired, Buildings erected, and extensive new Plants installed.

Capital outlay has been incurred since 1st December, 1914, as follows:—

Land, Buildings and Plant	£273,722
Investments in Allied Companies	107,629
Other Investments	50,177
Stocks	1,050,327
A total of ...	£1,481,855

This sum has been provided by Bankers' advances and Profits reserved in the Business.

The new issue is required to pay off these advances, to provide for further extensions of the business of the Company, and to redeem the Debenture Issues.

The following Certificate has been furnished by the Company's Auditors:—

To MESSRS. JOSEPH CROSFIELD & SONS LIMITED.

"We certify that the Assets and Liabilities of the Company, as set forth in the Balance Sheet of 30th November, 1918, were:—

ASSETS.

Land and Buildings, Plant and Machinery (after deducting for Depreciation £274,807)	£813,895
Investments	256,010
Stocks on hand (certified by the Directors) ...	1,772,290
Sundry Debtors, after providing for Discounts ...	692,785
Cash	12,018
	£3,546,998

LIABILITIES.

Creditors (including provision for Excess Profits Duty Dividends, Balance due to Bankers and other Advances)	£1,959,187
Surplus ...	£1,587,811

to which should be added the proceeds of the present issue.

"No value is included in the Assets of the Company for Goodwill, Patents, or Trade Marks.

"We also certify that the annual profits of the Company for the last five years, after providing for Depreciation of Buildings, Plant, Machinery, &c., and making full provision for Excess Profits Duty, but before charging Income Tax, Allowances paid to the Company's employees whilst serving in H.M. Forces, or to their dependants, and Interest on Loans and Debentures, which, we understand, are to be repaid out of the proceeds of the issue, were as follows:—

Year ended 30th Nov. 1914, £183,463; 1915, £215,349; 1916, £237,765; 1917, £300,940; 1918, £313,138: Total—£1,250,655 Average—£250,131.

Liverpool, EDMUND D. WHITE & SONS,
11th March, 1919. Chartered Accountants."

The Investments in Allied Companies have proved profitable sources of revenue to the Company.

The amount required to pay the Dividends on the whole of the Preference Shares, including the new issue, is £115,000 per annum, and it will be seen that the above figures of Profit of the Company provide an ample margin to permit this to be done and to leave substantial sums to be placed to Reserve and to provide Dividends on the Ordinary Shares.

The following information is given in compliance with the Companies (Consolidation) Act, 1908:—

The 6½% Cumulative Preference Shares shall carry no right to receive notice of or to attend or vote at or to join in any requisition requiring the Board to convene any General Meeting, Extraordinary General Meeting, or other Meeting of the Company, unless the dividend upon the 6½% Cumulative Preference Shares shall be then in arrear or anything is proposed to be done at the Meeting which shall directly affect the interests of the holders of the 6½% Cumulative Preference Shares, and

At every Meeting at which the holders of 6½% Cumulative Preference Shares are entitled to vote in respect thereof, every member shall have one vote for every ten 6½% Cumulative Preference Shares held by him.

The right of voting at General Meetings of the other classes of shares is:—

5% Pre-Preference Shares and 6% Preference Shares, one vote in respect of every ten shares.

Ordinary Shares, one vote per share.

On the 12th March, 1919, 300,000 Ordinary Shares were offered to the existing Ordinary Shareholders for subscription at par for cash, and the whole thereof allotted.

The undermentioned Contracts have been entered into within the last two years, in addition to Contracts in the ordinary course of business:—

(1) Dated 12th July, 1917, between Lever Bros. Ltd., of the first part; Associated Enterprises Ltd., of the second part; Brunner, Mond & Co. Ltd., of the third part; Joseph Crosfield & Sons Ltd., of the fourth part; and William Gossage & Sons Ltd., of the fifth part.

(2) Dated 30th May, 1918, between the Company, of the one part; and Robinson, Son & Co. Ltd., Glass Works, Warrington, of the other part, for the purchase of land and buildings for the sum of £41,000.

(3) Dated 4th March, 1919, between the Company, of the one part; and K. E. Markel and T. J. Ridgway, the Trustees for the 1st Mortgage Debenture Stockholders, of the other part.

(4) Dated 4th March, 1919, between the Company, of the one part; and K. E. Markel and T. J. Ridgway, the Trustees for the "A" Debenture Stockholders, of the other part.

(5) Dated 17th March, 1919, between the Company, of the one part; and Sheppards, Pelly, Price & Pott, of the other part, underwriting the present issue of 1,000,000 Shares for a commission of 2½% including overriding commission.

The above-mentioned Contracts, or copies thereof, and the Memorandum and Articles of Association of the Company, can be inspected at the Registered Offices of the Company at any time during ordinary business hours whilst Subscription Lists are open.

The minimum subscription on which the Directors will proceed to allotment of the present issue of Preference Shares is 1,000,000 shares.

A Brokerage of 3*d*. per share will be paid on allotments made in respect of applications bearing a Broker's stamp.

Applications for Shares must be made on the accompanying Form and forwarded with the amount due on application to The Manchester & Liverpool District Banking Co. Ltd., Manchester, Warrington, London, and other Branches; or to Lloyds Bank Ltd., London and Branches.

If no allotment is made, the deposit will be returned in full, and where the allotment is less than the number of Shares applied for, the balance will be applied to the payment of amount due on allotment, and any excess will be returned to the applicant. Failure to pay any instalment will render previous payments liable to forfeiture. Any instalments in arrear may be charged interest at the rate of 10% per annum.

Application will be made to the Committees of the London and Provincial Stock Exchanges for an official quotation of the Shares now being issued.

Copies of this Prospectus and Forms of Application can be obtained at any branch of The Manchester & Liverpool District Banking Co. Ltd.; Lloyds Bank Ltd.; or from the Brokers named herein.

18th March, 1919.

APPLICATION FORM.

JOSEPH CROSFIELD AND SONS LIMITED,

WARRINGTON.

Issue of 1,000,000 6½ per Cent. Cumulative Preference Shares of £1 each at Par.

TO THE DIRECTORS OF *No.*.....
JOSEPH CROSFIELD & SONS LIMITED.

Having paid to your Bankers the sum of £ being a deposit of 1/- per Share on application for 6½% per cent. Cum. Preference Shares in the above named Company, I/we hereby request that you will allot to me/us that number of Shares, and I/we hereby agree to accept the same or any less number that you may allot to me/us upon the terms of your Prospectus, dated the 18th March, 1919, and the Memorandum and Articles of Association of the Company, and I/we authorise you to place my/our name(s) on the Register of Members of the Company in respect of the Shares allotted to me/us. I/we hereby declare that this application is not made by or for the benefit of any enemy subject within the meaning of the Trading with the Enemy (Amendment) Act, 1916.

Name in full .....
Address .....
Description .....
Date .....
Signature .....

Cheques to be made payable to BEARER and crossed "NOT NEGOTIABLE." (If "ORDER" Cheques are altered to "BEARER" the alteration must be signed.)

An acknowledgment will be forwarded in due course either by Acceptance Letter or return of the Deposit.

The Application should be sent entire with Remittance to THE MANCHESTER AND LIVERPOOL DISTRICT BANKING COMPANY LTD., WARRINGTON, or other Branches; or to LLOYDS BANK LTD., LONDON, or Branches.

Shop at
LIPTON'S
for QUALITY.

LIPTON, LTD., the largest Tea Distributors, Manufacturers, and Retailers of Food Products in the World.
Head Office CITY ROAD, LONDON, E.C.1.
Branches and Agencies throughout the United Kingdom.

SUPERIOR
WINES AND SPIRITS
Owing to great demand only a limited number of the well-known "PINK LIST" quoting large and unique assortment of Superior Wines and Spirits at Market Prices is being issued.
Apply to **EHRMANNS,**
Wine and Spirit Shippers and Merchants,
43, 44 and 47 Finsbury Square, London, E.C. 2.
(*Please quote "S."*)

The Statist.

LONDON, SATURDAY, MARCH 22, 1919.

THE COMING PEACE.

Opinion is growing that no adequate advantage is likely to be attained by the long delay which has occurred in the peace negotiations in Paris. There is a very strong feeling that if the delegates had bestirred themselves there was no real reason why the peace terms could not have been concluded by Christmas last. As things are we shall be indeed fortunate if the preliminary articles of peace are signed by Easter—between five and six months after the signing of the original Armistice. There seems, however, ground for hoping, notwithstanding certain rumours to the contrary, that President Wilson, although anxious to include his League of Nations scheme in the Peace Treaty, is quite appreciative of the importance of hurrying forward peace negotiations as rapidly as possible. Particularly, the fall in the value of the franc in its relation to the exchange in this country, and the fall of our own exchange in relation to that of the United States, shows how grave—we will not say menacing—the economic condition is becoming owing to the prolonged delay in Paris. Had we adopted a different policy, bearing in mind our numerous responsibilities throughout the War, we should be in a better position to assist France, if necessary, and to maintain our own export trade, which has been allowed to dwindle to insignificant proportions owing to the fact that we decided, at one and the same time, to do the work of the soldier as well as pay him for doing it, which no country in history has been able to accomplish without seriously straining its economic resources. As things are we can only afford to assist France by requiring her to still further increase her indebtedness by making practically the whole of her international purchases through ourselves. Apparently, the French Government does not see its way to follow this line of action.

We undertook a task which has proved a great strain upon our resources. Nearly every economic writer of repute warned the Government of the difficulties it was storing up for itself by adopting the line of conduct which it pursued. In the great war a century ago against Revolutionary France we kept the seas open, as we did on this occasion; we provided our Allies with what, in modern times, have come to be called munitions of war; and, finally, while they supplied the men, we found the money for keeping the armies in the field. The result was that although England suffered severely as a result of the war—as, indeed, every country must which engages in a war—we came out of the struggle the creditors of the greater part of Europe. On the recent occasion, in addition to keeping the seas and attempting to finance and munition our Allies, we also engaged in fighting the battles of the war to an extent that depleted our factories, our workshops, our means of production, and practically strangled the whole of our export trade. France had no option. There was only an imaginary line between the German armies and France. And she was compelled, whatever economic cost might be incurred, to defend her soil against the invader. The position of the two countries was essentially different, and the line of policy adopted in the best interests of both should have been distinct. However, it was not so, and it is now imperative that we should do what is possible to recover from the effects of the War as rapidly as may be. All the countries, including our own, engaged in the recent operations require a reconstruction of plant, of machinery, of transportation facilities, and, if possible, to rehabilitate their home and foreign trades. And until a definite peace is signed it is not possible that this can be done. Although there is such need for the employment of capital, labour, and enterprise in every direction, the returns show that, far from trade being active, and the industrial classes being fully employed, there is a growing measure of unemployment amongst the working classes. And this in itself tends to increase day by day and week by week the growing embarrassments of the Governments of the various countries recently engaged in war. Experience has shown that however long may be spent over the consideration of peace treaties, it is not possible for any man, or body of men, to foresee the uncertainties of the future. And, consequently, it is imperative that the peace negotiations should be hurried forward with the utmost possible despatch.

PRESIDENT WILSON'S SCHEME.

Provided the Peace proposals are proceeded with rapidly there can be no reasonable objection to the Conference considering what it is possible to do in the direction of bringing into some concrete form President Wilson's scheme for a League of Nations. If anything can be done that will even lessen the prospects of war for a short time it is all to the good, and the longer war can be put off presumably the better. It is, however, important to consider what are the obstacles in the way of preventing war in the future; and particularly to bear in mind how little any conference in the past has done in that direction, however anxious it has been to avert war, especially after having experienced its disastrous effects quite recently. It has to be remembered that wars are caused by the struggle for life, and are very little affected by regulations drawn up by Governments. When the whole facts of the actual position in Germany in the period that preceded the War are known we shall probably be in a position to more justly appreciate the causes that led the German Government into the disastrous plunge into war which she made than we are able to do at present. So near the fighting as we are at present, passions are aroused on both sides that make a clear judgment impossible. But when such a period of time shall have elapsed as will enable a coming generation to take a calm view of all the facts, it will probably be found that the Government's action was largely due to causes which are at present but little appreciated. It has to be remembered that all Governments rest on force. The Bolshevists of Russia are as dependent on their Red Guards as the late Tsar was upon his White Guards. Moreover, it is becoming increasingly apparent that no Government really repre-

sents the mass of the people it professes to govern in the sense that it claims to do. Even the resources of the United States Government would hardly permit them to maintain indefinitely such an armed force as would permanently overawe the warring forces of the whole of the rest of the world. And it seems reasonably certain that any agreement between that Government and the rest of the Powers could only last so long as it suited the interests of the various Powers concerned to maintain such an alliance.

There are many causes of a very menacing character, doubtless, most of which do not occur to us. But three at least are so apparent that they cannot fail to be observed by anyone who gives even a partial thought to the subject. They are the natural feeling of irritation in Germany as a result of her defeat; the uncertain phase into which Russia will ultimately develop if she succeeds in time in recovering her nationhood; and the problems which this War has itself raised. Perhaps the latter is the most important of the three. Doubtless there are many subjects menacing the peace of the world that we are not in a position to consider.

It has to be remembered that this War has really settled nothing. All it has proved is that, given sufficient resources, 1,250 millions of people can in four and a quarter years crush the resistance of 150 millions, notwithstanding the fact that in a military sense the Central Powers were much better prepared than the Powers of the Entente. The Germans claim, and with a large measure of justice, that in a purely military sense there has been no decisive outcome of the War. It was rather economic pressure than military force—including, of course, the Navy—which ultimately decided the issue. Above all, we have the evidence that there are great military problems still to be solved. No soldier has yet arisen to show us how to deal with the vast armies of modern times. And no soldier has arisen to show us how to use the immense masses of munitions now employed in war. We seem to have reverted in a sense to the position the world was in in the early days of the invention of firearms. The military leaders of the period did not know how to use them, and relied for a considerable time on shock tactics, in spite of the fact that the invention of artillery appeared to have made shock tactics impossible, and in the sequel the assumption was proved to be correct. We do not even yet know whether vast conscript armies, embracing nearly the whole male population, are more efficient than comparatively small armies of highly trained, or what we may call real, soldiers—that is to say, men who have made arms their profession and have not merely picked up some rudiments of the science during a brief period of training. What are the potentialities of modern munitions? Is it reasonable to suppose that the soldier's business has suddenly come to an end because the German armies were defeated by overwhelming numbers? Is it not probable that in some country, in the near or distant future, the military mind will have a try at least to solve these perplexing questions, which the recent War has raised?

Secondly, we have to consider the feeling of Germany. Possibly to the mind of the philosopher it is a matter of indifference where he was born. But to the great majority of men the feeling of nationality and what we call "patriotism" is very strong. Germany made a desperate fight to consolidate her power as the greatest military State in Europe, and she has been utterly defeated. Practically, at the moment she is compelled to accept whatever terms the Entente Allies determine to impose upon her. She was beaten even more decisively by Napoleon at the battle of Jena. Still she did not give up war as a bad job. It may be contended that the Kaiser has gone, and that the military party has been crushed. This is true for the moment. But will it remain true for the rest of this century? Doubtless the Entente Allies have excellent reasons for the way they have acted. But the fact remains that they have imposed upon Germany conditions which the victor usually imposes on the vanquished. And, unless human nature is very different from what it is commonly painted, it may be assumed that there is a considerable measure of bitterness in Germany as a result of their defeat. Is it not probable that, if an opportunity occurs, they will at least have a try to regain their old ascendency in Europe?

Then we have the great Bolshevist movement in Russia. Of course, it is possible that Russia may gradually revert to anarchy. But even if she does, it should be remembered that it was out of anarchy that the Tsardom as we knew it before the War grew up. Throughout the Classical Period Russia was practically barbarous, and remained so all through the Middle Ages. It was not until the time of Ivan the Terrible that the region around Moscow came under some sort of order such as we associate with a measure of civilisation. The causes which brought order out of chaos in the past in the Russian Empire may be expected to operate in the future as they have done in the past. But how can this be brought about except by some means which will very nearly resemble war?

RAW COTTON.

To realise the importance of the raw-cotton supply to Lancashire one need only recall the disastrous days of the American Civil War, when widespread distress was caused by the practical cessation of shipments from the United States. Then, as now, Lancashire was dependent for its supplies chiefly on North America, and the degree of dependence has in nowise been lessened. At the present time, out of 56 million spindles in the United Kingdom, more than 35 million are specially adapted for working up American cotton, and could with difficulty be changed to suit other varieties. Abundant proof of this was afforded again during the American Civil War, when the tempers of masters and men were sorely tried by the unworkable character of the supplies drawn from other sources. An examination of the figures of imports in the five years preceding the War reveals the fact that 78% of the raw-cotton imports came from foreign countries and 22% from within the Empire. Of the foreign suppliers, the United States were first with 74%, and Brazil, Peru, and other countries supplied the remaining 4. Within the Empire, Egypt and the Sudan were responsible for 17%, British India for 4%, and our other possessions, including British East and West Africa and the British West Indies, for 1%. The situation revealed by these figures is serious for a number of reasons, the chief of which are that an adverse American season tends to cause undue shock to our cotton trade, that the increased American cotton industry tends to restrict the exportable surplus of raw material, and that the general advance in recent years of the world's cotton consumption causes a livelier scramble for existing supplies. An increase in spindleage has been marked in almost every country, and as the industry naturally starts with the spinning of medium and heavier counts, the incidence of the demand for cotton is heaviest on the American crop. The continued prosperity of our cotton trade is bound up with the maintenance of a cheap supply of American cotton, or its equivalent. During 1918 the exports of cotton yarn and cotton goods from the United Kingdom totalled £180,000,000, a record figure from the point of view of values, though quantities showed a decline as compared with 1913. Even before the War the demand for American cotton, keeping pace with the growth of machinery and not being accompanied by an increased crop, tended to force up prices, as is shown in the following table, which, for purposes of comparison, also covers the War years.

American Cotton Crop in Bales of 500 lb. and Prices.

Year	Crop Yield Bales	Average Price of Middling American Per Lb. d.
1912	16,043,000	6·09
1913	14,129,000	6·75
1914	14,61(,000	7·27
1915	15,067,009	5·22
1916	12,953,000	7·51
1917	12,975,000	12·33
1918	11,912,000	21·68

The yield of the crop, so far from increasing, has shown a downward tendency; but this was mainly due to the abnormal conditions arising out of the War, and to the need for planting food crops in view of the pressing nature of European food requirements. A small yield and a large acreage, however, often go hand-in-hand. Thus, in 1918 the cotton area increased by over five million acres, but the yield fell by over a million bales. In view of the great variability in yield it is doubtful if American farmers can be induced to add substantially to their cotton sowings. The attacks of the boll weevil and other insect pests have become increasingly severe in recent years, and greater difficulty has been experienced in securing the labour necessary for picking. On the manufacturing side, a continued expansion in the cotton industry, after it has recovered from the effects of war is to be expected. Spindles will increase, and there will be a more widespread demand for cotton goods as civilisation advances in Africa, and as the full possibilities of the great markets of the Far East, counting over a thousand million souls, begin to unfold. In the circumstances, a period of high prices for the American crop seems to lie ahead, and in years of good and bad yield quotations will be even more liable than in the past to show violent fluctuations. The gravity of price changes may be gathered from the fact that an advance of one penny in the pound represents an addition of £50 millions to the price of the world's crop to cotton spinners. As the cost of working up the cotton, including outlay on wages, coal, machinery, and various establishment charges, is likely to show considerable increase in the future, the necessity for minimising and stabilising the price of the raw material is all the greater. Otherwise some of our existing markets may suffer contraction or be altogether lost. Thus, in our best market, India, the population is poor, and if the price of a Lancashire-made dhooty advances from sixpence to one shilling and sixpence, the native ryot will be unable to purchase the same number of cotton garments as before, and the Lancashire trade will be affected thereby.

The question of raw-cotton supplies for the current year, at any rate, need cause no anxiety, as is shown by the tendency of the "Futures" market. The crop all over the world was not unsatisfactory, and combined with the surplus from the preceding year it will suffice to meet all requirements. Next year, however, when the ravages of war have been largely repaired, and the damaged or dismantled mills on the Continent have resumed working, a serious strain will be put on supplies, especially as reports on the current crops in the United States, Egypt, and India, do not point to a very heavy return. With short supplies prices are bound to rise, and the results will be no less serious than those which accompanied the extraordinary rise from 6.75*d.* to 21.68*d.* per lb. in American middling between 1913 and 1918. We were not particularly hard hit by the rise, since, outside the United States and Japan, we were practically the only country exporting cotton goods on a large scale. The demand from European neutrals and Allies fell largely upon us, and the advance in the prices of yarns and cloths was proportionately much greater than the advance in raw cotton. Large profits were made by our spinners, manufacturers, and merchants, because, in relation to the restricted supply, there was an unlimited demand. At present, prices have for various reasons broken to a considerable extent, and, despite the fall, demand is still lagging behind. The price of cotton for future delivery, though in the case of far-off months the quotation is merely nominal, is substantially below the present figure, and buyers of cotton goods are shy of coming forward on a falling market, as they anticipate a still further decline. Other buyers are more concerned at getting out of old commitments than engaging in new, and until old business is completely liquidated conditions in all sections of the Cotton market are likely to be unsettled.

Desire on the part of the cotton trade to avoid a repetition of the unpleasant experiences of the last few years appears to be general, though the large profits realised have not been unwelcome. Opinion is concentrated mainly on the possible sources of supply outside America. Halcyon days, such as in 1895, when American cotton, after an exceedingly good crop in the previous year, touched the record low price of $2\frac{31}{32}d.$ per lb., will come no more; but if we continue to depend on the United States for between 75 and 80% of our raw material, who knows but the record high price of $31\frac{5}{8}d.$ reached in 1864 will not be again attained? Experts are in agreement that our aim should be to produce within the Empire the maximum amount of raw material suitable to British spindles. In pursuing this aim the requirements of spindles in the Empire outside Lancashire, such as those in India, which are mainly engaged on coarse counts, must not be overlooked. The magnitude of the problem may be illustrated by the fact that last year alone our importations of raw cotton were valued at £150,250,000, of which £50,000,000 came from Imperial sources. At present we produce in the West Indies some of the best cotton in the world, and our success has been due chiefly to the vigour and initiative of the local agricultural authorities, supported by the Central Government. The cotton produced in Egypt is also used in the making of fine yarns. In India, however, the quality of the cotton crop has fallen away completely from its old level. In both Egypt and the West Indies a material increase in the crops is hindered, in the one case by irrigation difficulties, and in the other by the restricted area available. Immigration can be extended, however, and the time for undertaking new schemes, on such a system as may seem best to competent engineers, appears to have arrived now that Egypt, and with it the Sudan, definitely form part of our Empire. Other parts of British Africa also offer possibilities of development, but for immediate results and for the production of a type of cotton that may to some extent replace American we must look to India. The Indian crop at one time of such excellent quality, is now the coarsest in the world. By careful management in the last few years the standard of the crop has been raised, and American varieties have been grown with distinct success in Sind, the Punjab, and various other districts. If improved seed is supplied to the natives, and the mixing of seed, together with the adulteration of cotton, is prevented at the ginneries, the cultivators can be assured of a reasonable price for their product when placed in good condition on the market. A large amount of research work must be undertaken by the Central and Provincial Governments into the types of cotton most suitable for the different portions of our great Indian Dependency, and infinite tact and patience will be needed to persuade the native farmers to adopt new ideas and new methods in cotton cultivation. An increased European agricultural staff will be required; but the expense of an ambitious scheme of development can not altogether fall on such a poor country as India, since the principal benefit will accrue to England, especially to Lancashire, and will in time extend to all parts of the Empire.

THE TRANSPORTATION BILL.

Sir Eric Geddes is not wholly unappreciative of the difficulties—and, indeed, of the dangers—of his proposal for taking over the whole of the transportation facilities of the country. Our railway system forms, roughly, about 25% of the total length of the roads in the country. It is proposed under the Bill to take control of the railways, the roads, the canals, and the docks, to enable the Government either to work the whole system or require the system in some sense to be worked as a composite whole. In a sense this is desirable; but, in another sense, it has very serious drawbacks. England was the first country to develop a railway system at all; and the English railways are the most expensive in the world. Practically, without exception, no country has profited by our experience to the extent that might have been expected. Still less have they avoided our mistakes. But in one sense most countries have secured an advantage over our system. In nearly every instance railways outside England have been built at a less cost per unit than was the case with ourselves.

Doubtless many difficulties and many objections to the scheme will be disclosed if it is adopted and put into actual practical working order. Two, however, strike the imagination at once. One is, Will one particular branch of transportation be considered to the disadvantage of all the others? And the second is, Is one particular branch of transportation likely to be, from its very nature, increasingly inefficient and more or less a back number? Sir Eric Geddes stated, in urging the adoption of the Bill, that before the War our railways earned 4% on their capital; and since the War they have lost very nearly 4% on the working. There appears to be no diminution since the Armistice, and, apparently, we may take it that this rate of loss continues. Whether Sir Eric took into consideration the cost of carrying troops and Government stores was not stated. But, in any case, we may assume the loss is there, whatever may have been its cause. Moreover, the railways have practically broken down as a transportation unit, and, as things have been during the War, one of the most important transportation units in the country. Moreover, owing to the policy adopted, the railways have been "worked to death," to use a colloquialism. Apparently the permanent way on most of the lines will, more or less, require to be reconstructed. And, in addition, new rolling-stock will have to be constructed upon an immense scale. Sir Eric hopes to effect a great saving by electrifying the lines and by running the trains more to capacity than was the case before the War. Judging by the figures furnished to the House of Commons on Monday night, there are 1,400,000 trucks used on our railways, half of which belong to the companies and half to private traders. We incline to the opinion that these economies, important as they are up to a point, can be very greatly exaggerated. The real questions which appear to us important are those which we asked at the beginning of this article: Will the whole transportation facilities of the country be sacrificed to an attempt to bolster up the railways? and, Are the railways likely themselves to become a back number? Motor traction has been developed to an extraordinary extent as a result of the War, as it would undoubtedly have been developed many years ago but for the restrictions placed upon the motor industry by Parliament in the past. We will not draw the red herring of aviation across the trail, because aviation has not so far been developed to an extent that would enable us to have any clear view as to what effect it may have upon the transportation facilities of the country. But all the same, the fact that the flying machine is here, and seems likely to stay, should be borne in mind. Before the War very many people laughed at the flying machine as a toy, just as they had previously jeered at the motor; but both the motor and the flying machine have proved very formidable weapons during the past four and a quarter years.

Sir Eric Geddes estimates that the total railway system of the country, as operated at present, is losing about a quarter of a million sterling a day—that is to say, the total daily cost of Government in the decade that preceded the recent outbreak of the War. Is there a reasonable prospect that Government control of the whole system will turn this deficit into a surplus without strangling every other transportation facility in in the country. A most important point which Sir Eric brought out in the debate was the very small cost of maintaining our roads—20 millions a year. Of course, we are not arguing that our roads can remain as they are. A great many of our roads are very little better than crooked, winding lanes, inviting accidents where motor traffic travels over them. But even if one doubled the cost of maintaining the roads, it is a small loss compared with that incurred on the railways, and more particularly when we bear in mind the immense amounts of capital expenditure which will be essential to maintain even a moderate degree of efficiency upon the railways, and, again, if Government control fails to effect the economies expected. When the proposal was first made we said that there was a strong body of opinion that, if the motor had been in existence before the railways were built, it would have been impossible to raise the enormous capital necessary for constructing our railways. Surely it would be well to consider the data upon which that opinion is based.

Finally, it has to be remembered that the railways of England were constructed for a specific purpose—mainly by manufacturers with the object of bringing manufactured goods to the great centres of distribution. In nearly all countries it may truly be said that railways were constructed by a small part of the inhabitants for a specific object—usually for the purpose of bringing produce of some kind to a distributing centre. England is in a very peculiar position with regard to transportation facilities, and it requires these facilities to an extent that is, perhaps, unequalled anywhere else. The bulk of the English people are engaged in the manipulation, as distinct from the production, of primaries; and, consequently, we should starve without transportation facilities to bring us our food, and unless the materials on which we work were also brought to us. Even the material for producing a newspaper has to come from a great distance to the place in which it is actually printed. Moreover, very few of us live in the workshop or over the workshop. Consequently we have to be conveyed to and from the scene of our labours night and morning. The railways connecting the North-West of England with London were built expressly for bringing the manufactures of the north-west districts to the Port of London for the purpose of supplying England in particular, and the East in general, with the fabrics of which we in those days enjoyed a monopoly in the Far East. No railway, however, conveys either passengers or goods from the scene of departure to the ultimate destination in the sense which motor traffic is capable of doing, and still less in the sense which air traffic may some day attain.

LANCASHIRE AND JAPAN.

The cotton-machine industry in Japan dates only from the sixties of the last century, and is, therefore, of only comparatively recent growth. On the initiative of one of the Princes of the Japanese Royal house, a spinning mill was erected by a Lancashire firm, and subsequently, as the native Government interested itself in the matter, small mills were erected throughout the country for the purpose of educating operatives and of pointing out to capitalists a new avenue for the employment of money. Progress was at first slow, but when the principles of cotton manufacture had been thoroughly grasped

the expansion was surprising. Over 90% of the orders for machinery came to the firm that had acted as the original supplier, thus testifying to the value of its products. Twenty-five years after the initial experiment the total number of spindles in Japan had risen to more than 1¼ millions, and in 1914 the figure was 2¾ millions. Weaving, as the necessary complement of spinning, also increased, but in the past it has been rather difficult to obtain reliable information as to the number of power-driven looms engaged on cotton in Japan, since published statistics did not distinguish between power looms and hand looms or silk looms. Now, however, according to reliable sources, the number of cotton power looms in Japan just exceeds 33,000. Spindle statistics are also somewhat contradictory, but the figure given above may be taken as substantially correct, since no estimate places them below 2¼ millions. The divergences arise mainly through lack of a common basis of calculation. An estimate may represent the total number of spindles or the number actually working, or, again, it may include doubling spindles, and possibly spindles working on material other than cotton. No general check can be applied by contrasting the spinning and weaving machinery and allowing a fixed number of spindles to each loom, since circumstances vary in different countries. Some of the spindles may be used for cotton thread, and, in general, the spinning and weaving sections may not be uniformly developed. A large importation of cotton yarn usually indicates that the home spinning is insufficient to supply the looms, while a large export trade shows, in many cases, a surplusage of spindles. The Japanese exports of yarn have been steadily rising since the commencement of the century, as is witnessed by the following figures:

Exports of Cotton Yarn from Japan.

Year	Value £	Year	Value £
1901	2,191,000	1912	5,479,000
1904	2,988,000	1913	7,100,000
1907	3,098,000	1916	7,760,000
1910	4,629,000	1917	10,814,000

This increase of nearly 400% in 17 years is truly remarkable, despite the rise in values in the intervening period, and it shows that the productive power of the Japanese spindles has been much enlarged. Even before the War Japan had become the third principal exporter of cotton yarn in the world, the United Kingdom occupying the head of the list, followed by India. Various private estimates have become current as to the extent of the Japanese spinning industry, and one, which seems more trustworthy than others, places the number of spindles, including doubling spindles, at approximately three millions. Spindleage is divided between 240 mills which have an aggregate capital of £9,425,000. The annual production of yarn approaches 770,000,000 lb., and this large figure is explained by the use of ring spindles and the working of long hours. The number of operatives is about 140,000, of whom 110,000 are females, who receive, when skilled, about 11*d.* per day, compared with 1*s.* 3*d.* given to the men.

Japanese exports have cut mainly into the Far Eastern markets, which have long been the principal outlet for British cotton goods. Three distinct phases in Japanese development have rapidly succeeded one another. First, all its requirements of cotton fabrics were imported; then a native spinning and weaving industry was started; and, finally, the Japanese blossomed vigorously into the export trade. At the moment they have secured a practical monopoly as suppliers of yarn to the Chinese market. Long before the War British consular reports frequently referred to this changed aspect of affairs, not only in China, but in Korea, Manchuria, Siam, Java, Borneo, and generally in the East Indies. During the War the difficulty experienced by British merchants in securing sailings to the Far East, combined with the high freights and the heavy rates of insurance, added to the advantages which Japan already enjoyed over the United Kingdom, and the zone of Japanese competition gradually widened. It crept further westward, and to-day it includes not only the countries of the Far East, but it extends to Egypt and to South and East Africa.

It is rather remarkable that, coincident with the great increase in Japanese yarn exports, there has been a rise in the export of cotton fabrics, while at the same time the imports of cotton yarns have decreased. The figures are of great interest, and may be set out as follows:—

Export of Cotton Goods from Japan.

Year	Value £	Year	Value £
1901	639,000	1910	2,297,000
1904	965,000	1912	2,883,000
1907	1,935,000		

From 1901 to 1912 exports have grown 350%, but in the same period the imports of yarn have declined. The fall in the latter section, together with the tremendous increase in the exports of yarn and cloth, is held by many to indicate that the number of spindles and looms in Japan has risen considerably in recent years. They point out, however, that the published figures do not show any unusual increase, and that unless Japan is becoming a mere factor in cotton goods, or engaging in the re-export trade, the figures do not represent the true position. It is overlooked that Japan, owing to its geographical situation, does not lend itself readily to the re-export business. Moreover, since the commencement of the century the imports of cotton fabrics have not materially expanded, as the following table proves:—

Value of Cotton Fabrics Imported into Japan.

Year	Value £	Year	Value £
1901	1,055,000	1910	1,535,000
1904	1,046,000	1912	1,098,000
1907	1,943,000		

In the circumstances, many claim that the returns as to Japanese textile machinery are not altogether trustworthy, and support their contention by citing the appearance in the most widely scattered markets of Japanese merchants, accompanied or followed by a large volume of Japanese cotton goods. If we take the monthly list of the trade of Calcutta, an important centre for the distribution of Indian imports, we find that Japanese importers in that city have increased their cotton trade enormously, and at the expense of British importers. Experience in other Indian ports has been similar, and at the moment many Lancashire people fear that the Indian market, already partially barred to them by the tariff, will be lost in the same manner as the Chinese and erstwhile the Japanese markets were lost. A piecemeal inquiry being of little use, we submit in the following table a comprehensive review of Japanese activities in the Indian market in recent years.

Exports of Cotton Manufactures from Japan to India.

Year	Cotton Yarns Lb.	Grey Cotton Piece-goods Yards	White Cottons Yards	Coloured Printed, or Dyed Cottons Yards
1912-13 ...	384,429	5,220,000	47,714	613 000
1913-14 ...	1,000,000	7,108 000	58,000	1,735,000
1916-17 ...	4,010,000	75,621,000	2,558,371	21,937,000

Exclusive of yarns, the amount of cotton goods imported into India from Japan rose, according to this table, from nearly six million yards in 1912-13 to over one hundred million yards in 1916-17, an increase that tends to confirm some of the fears now entertained.

The figures that we have set out are, indeed, very striking, but it must be remembered that as yet Japan has confined itself to the coarser classes of goods, such as grey unbleached calicos, and has not seriously questioned Lancashire's supremacy in the finer lines. But the possibilities of development are ever present in Japan. They are an imitative race, and though not perhaps endowed with the abundant initiative of the Americans, they will surely attempt to follow where Lancashire leads. So far their cotton machinery is, according to official figures, somewhat insignificant, and

many Lancashire towns contain more looms or more spindles than the Japanese Empire can altogether boast. Japanese machinery, such as it is, is, however, kept fully employed, there being usually two shifts of operatives, and the aggregate working hours numbering over 20 per day. Wages are low, and this has incorrectly been held to furnish a complete explanation of the low selling price of Japanese cotton goods. It is overlooked that efficiency is also low, and that the Lancashire operative, with his greater skill and with superior machinery, can, under normal conditions, turn out goods at prices that will compete with the Japanese. The extrusion of Lancashire goods from the Chinese market, and the progress made by Japanese cotton interests in the Far East, cannot in fact be dissociated from the rather aggressive steps taken by the Japanese Government to secure the market for their own manufactures not only in China, but in Korea and Manchuria, despite the fact that they were treaty-bound to observe the policy of the open door.

TEXTILE MACHINERY.

THE use of power-driven machinery in the making of textiles has been common throughout the United Kingdom, especially in the cotton industry, ever since the linking up of steam with the inventions of the early machine-designers, such as Hargreaves and Crompton. Cotton was the first of our industries to develop what was known as the factory system, since it was the first to be powerfully influenced by those inventions that brought about, in the later eighteenth and early nineteenth centuries, that radical change in industrial methods called the "Industrial Revolution." Since then cotton has maintained its position as an industry in which the utmost ingenuity has been expended on the perfection of machines that might save expense, avoid useless labour, cheapen production, and at the same time improve the product. Naturally, with the prior development of machine industry in this country we became the prime suppliers of machines, and in the cotton, woollen, and other textile trades our machine-makers are known to-day all over the world. Of course, we no longer retain the practical monopoly in this branch which we once held; and, indeed, it would be unfair to expect the rest of the world to remain at an industrial standstill so that we might ever sell to them. The textile machinery trade was one of the latest branches in which our supremacy was challenged, but up to the outbreak of war we could still pride ourselves on being the largest makers in the world. The position was not altogether to our advantage, since our engineers and mill-furnishers were called upon to set up and equip textile mills all over the world, a task which they, of course, accepted, though well aware that they were but promoting competitors to us in the textile field. This exportation of textile machinery had the further effect of inducing many of our most-skilled artisans to go abroad on the offer of high rates of pay for instructing the foreigner. The combined loss was great, but not greater than it would have been had we allowed our textile-machine industry to remain undeveloped. In the latter event our cotton and woollen trades would not have attained that uniformly high level of efficiency which distinguished them amongst the textile trades of the world before the War, and, moreover, a staple source of revenue to our iron and steel and general engineering industries would have been lost.

In regard to the motive power used in the Lancashire mills, the comparative absence of electrical driving is at once noticeable. Steam power is generally used, but where the supply of power is centralised in a mill all the overhead shafting, including pulleys and belts, is kept going, even though only a small percentage of the machinery is actually in use. If electricity is made to serve the same purpose, it can be applied at the point needed, and so the loss in transmission practically disappears. When the power is required intermittently it can be cut off as desired. Electrical driving is common in American mills for spinning purposes, especially where ring spindles are used. These spindles are very much favoured in the United States, where in 1914 they numbered 27,381,000, or 87% out of a total spindleage of 31,520,000. In the same year in the United Kingdom ring spindles numbered only 9,777,000, or 17%, of an estimated total of 55,972,000 spindles. The difference in the proportions used is accounted for in part by a difference in trade. Mule-spun yarns are soft-twisted and can take a large amount of sizing, which renders them softer and fuller, so that they will not break subsequently when being woven in the looms. This yarn is inferior as warp to the strong ring-spun yarns used in the United States. Moreover, the ring spindles turn out the work more quickly and are mechanically more efficient, thereby effecting a great saving in labour and time. On this account they constitute the majority of the spindles in practically all the spinning countries of the world, with the chief exceptions of France, Austria, and Switzerland. No country whatever has such an overwhelming proportion of mule spindles as Great Britain, and though the anomaly is accounted for in part by the low-class trade carried on with the Orient in poor but heavily-sized fabrics, it is also due to some extent to a disinclination to replace the older mule spindles by more modern machinery. In ring spinning there is the disadvantage that the yarn is spun either on a paper tube or wooden bobbin, and it is not so convenient or inexpensive for transport purposes as the cop form. The question of replacement is now rendered all the more difficult by the enhanced cost of textile machinery. Prices have risen by almost 150% since pre-War days. It is possible, however, that if the scheme formulated for the setting up of mammoth power stations in Great Britain is carried out and cheaper power is made available, not only will the cost of the necessary machinery be reduced, but the incentive to change will be greater, as cheaper motive power will be to hand. In the past the cheapness of coal has been the principal reason for adhering to steam, but in future this circumstance is not likely to operate in its favour. Of course, the electricity will be generated chiefly from coal, but the latter will be purchased more economically in bulk, since the proposed stations, in the event of the best sites being selected, will probably be located where possible near collieries. Before such a scheme of power reform goes through, however, some means must be devised of avoiding or reducing the enormous waste of old capital and the expenditure of new that will follow on the scrapping of old power plants and small generating stations and the erection of large new stations with their long transmission lines. The question is one of special interest to the textile trades in view of the altered conditions that now obtain. In the past motive power cost so little in comparison with the total cost of production of the finished article that little saving could be effected by modernising the plant. The present scale of fuel prices, however, opens up the possibility of large economies.

English cotton manufacturers have been slow to adopt a machine which is being used to great advantage in the United States, and which accounts almost altogether for the ease with which certain standard American cloths can compete with and beat similar Lancashire products. Automatic looms no doubt involve heavy initial outlay, as they are several times more expensive than ordinary looms; but they require little attention while working, and a single operative can serve as many as 20 of them, compared with 8 or 10 of the ordinary type. The automatic looms are, indeed, not suited to many classes of the Lancashire trade, which consists largely in the making up of small parcels to suit the different tastes of her varied customers. For plain goods, where the cloth admits of standardisation, the automatic type of loom is much more economical. The adoption of such looms is,

therefore, dependent on the possession of a big market for particular lines, and this Great Britain already has in the Far East. Yet the number of automatic looms in these islands is only 15,000, compared with 400,000 in the United States. Development in America was helped by the fact that the expansion in the cotton industry has been of recent date, and the installation of the best machinery was thereby facilitated. Moreover, the immense home market for cotton goods, effectively cut off from outside competition by a tariff wall, enabled a widespread standardisation of fabrics in the certainty of their finding a market. Action by British manufacturers in the direction of improving their plant is most desirable in view of the adoption of automatic looms on the Continent as well as in the United States. These looms are now made in England, and thus the very solid objection to increasing our imports at a time like the present is removed.

COAL.

Unsatisfactory as was the evidence collected by the Coal Commission, we greatly fear that the report of the Commissioners will solve no problem, and will be merely a patching of an old garment with a piece of new cloth. Incidentally, the evidence brought out of the conditions under which the coalminers live is far from being creditable to our boasted civilisation. In fact, so far as it goes, it appears to argue that industrialism on the whole is very little, if any, improvement upon the various stages of development which have preceded it. Neither a rise in wages nor shorter hours will solve the problem. So far as it is soluble, a remedy will have to be found in the more economical use—and, indeed, the much more economical use—of coal than has been the case in the past.

During the War the Government wholly failed, as bureaucracy always does fail, to appreciate the economic difficulties it was creating for the future. It is essential to remember that in England in general, and in the South of England in particular, practically our only source of power is coal; and consequently its economical use is essential if we are to hold our own, either as manufacturers or traders, or to maintain the position which the British Empire has held now for several generations. Cheap power does not, and certainly should not, mean low wages or a poor condition of life for the workers. But it does mean efficient and economical management of our one source of power. In Scotland, for example, there are great potentialities of water power, which should be developed to their utmost capacity. But here in England, particularly in the south; which is for the most part level and low-lying, the opportunities of developing water power are very small. And with our present engineering knowledge it seems hopeless that we can hold our own as a great commercial and manufacturing country by relying upon any other source of power than coal. The evidence taken before the Commission disclosed the fact that there are over a million men employed in the collieries at the present time. This would appear to indicate that there has been an increase of some 25% of those employed on and about the collieries since the period that preceded the outbreak of the recent War. In the last Census the number of people employed in and about the collieries was given as somewhat under 700,000 men. There seems no reasonable doubt that if our collieries were worked as they should be, and if our coal were consumed to yield the highest calorific value which it is capable of affording with our present scientific knowledge, the number of people employed about the collieries should be reduced at least to half, and probably to about one-third. The commonly accepted calorific table gives an average heating value for the coal consumed of less than 50%, and in the case of domestic consumption, which is, of course, only a small part of the total coal consumption in this country, of considerably less than even this modest measure of value. Inasmuch as coal contains the common coal gas that we all use, various medicines from "606" to a mild aperient, and some 20 other ingredients besides those specified, all of which have a real economic value, it seems evident that the burning of coal in its crude form, if not actually forbidden by law—and we are by no means in favour of adding to the number of laws already existing in this country, except where it cannot possibly be avoided—should be made, at any rate, a very expensive luxury. Some years ago a Commission was appointed to inquire as to the necessity of actually raising the crude coal from the mines at all. Speaking from memory, we are under the impression that the Commissioners were unable to arrive at a unanimous opinion on the subject. But it is evident that nothing like the amount of coal which is raised to the surface is really required in order to afford the heat, light, and power necessary for carrying on the various industrial enterprises of this country, and affording us the usual comfort of heat and light to which we have become accustomed. As the life of a collier is an exceedingly dangerous one, and quite an unnatural occupation for men, every effort should be made to reduce to the minimum possible the number of men which it is necessary to send down into the pits at all; and if it be possible to obtain the calorific values we require from coal without sending down any men, so much the better. If, therefore, our collieries were worked with the most approved machinery and on the most scientific principles with the very best machinery available, they could afford to pay a comparatively handsome rate of wages to the small number of men which it would be necessary to employ about the pits at all. It is, in reality, as wasteful to burn crude coal as it is to burn crude petroleum. As far as we can make out, coal is capable of yielding practically as many products as petroleum. Coal is, and seems likely to remain, both the petroleum and the water power of this country, and its economic and efficient use is, therefore, of the utmost importance. If we can succeed—and there seems no reasonable doubt that we can—in getting the heating and lighting power from the consumption of less than half the coal we consume at present, it would double the lives of our collieries, and release for more healthy occupations a large number of colliers who now spend their lives in this dangerous occupation.

ARGENTINA.—II.

Argentina, like most other countries, is, in a sense, taking stock of her economic resources. She has, as we have, as all the Allied States have, and as the great majority of neutral States as well have, to readjust her business conditions to the new state of things that has been created as a result of the War. Practically during the War most of the South American States found that they had practically only one customer, and that customer was the International Commission brought into existence for the purpose of purchasing food, raw materials, and munitions on account of the Allied Governments. The fighting has terminated now for more than four months. Armistice after armistice has been agreed upon and signed between the Allies and the recent enemy countries, and we now hope and believe with a real measure of confidence that peace will be signed at no distant date. The Allied Governments in order to purchase the vast quantities of food and raw materials which were required for carrying on the War, incurred enormous expense; and, in fact, a large portion of their purchases were not merely financed by borrowed money, but by borrowed money which it is to be feared will for a long time form part of the national debts of the various Allied Powers. It is evident that this cannot go on indefinitely. Consequently trade must be allowed to adjust itself. It will no longer be possible to purchase on the terms that the Allied Commission purchased. Provided the goods were delivered within a specified time the price was

little or no object. In the immediate future it will be essential to readjust trade and commerce upon economic lines. Goods can only be purchased by those who really want them, and at prices which their economic resources will enable them to pay. An immediate fall in prices may not be practicable, but it is evident that shipping facilities are accumulating at a rapid rate. Freights are already falling, and there seems no reasonable doubt that as shipping will be less and less required for purposes of what we may call for convenience "winding up the war conditions," shipping will be more and more available for the legitimate purposes of trade.

Three countries at the present time are competing for the purpose of supplying Argentina with those goods and those commodities of which she stands so much in need. These three are the United States of North America, Japan, and this country. There is room for all, and in a friendly rivalry we ought to be able to see which country is best fitted for supplying any particular article. There should not be, and probably will not be, anything in the nature of what is commonly called "competition"; that is to say, the three countries endeavouring to supply practically identical goods at competing rates. That is not desirable, nor is there any ground for fearing that the three close Allies will enter into any kind of such competition. The lines on which trade as between the United States of North America and Argentina appear to be developing are for the United States to supply various products which we either do not produce or various goods which we are not able to manufacture. Japan appears likely to take the place which Germany occupied in the South American trade previous to the War. Before the War we supplied the more expensive textiles and Germany the cheaper ones, and it seems likely that Japan will be able to fill the latter *rôle* even more successfully than Germany did before the War. Japan, as we showed last week, is growing at a very rapid rate. Her population is increasing at a greater ratio than that of any other country for which we have reliable vital statistics. Japan has only recently come into the industrial comity of nations as a manufacturer upon a large scale; and, consequently, her standard of living is less extravagant than that of countries which have an industrial development of longer standing. Wages, consequently, are very much lower in Japan than they are in Europe. Japan, moreover, having so recently become a manufacturer, has acquired all the latest and most approved patterns of machinery, and she is able to turn out textiles of exceedingly good quality for the price demanded and in large quantities.

So far as this country is concerned, we have in our trade relations with the Argentine Republic a long-established position and enormous advantages. Nearly all the railways in Argentina were built with British capital and by British engineers, and are to a very large extent up to the present British owned. Argentine insurance business is very largely in British hands. The shipping trade between Argentina and Europe, and even with North America, is still mainly in British hands. Lastly, most of the banks are British, and there is hardly a trade of importance throughout the length and breadth of the Republic that is not more or less financed from London. In the branches of trade in which we excel, such as supplying the most expensive kinds of textiles, financing the crops raised in the Republic, and conducting their transportation to Europe, there seems very little reason to fear that we shall not continue to enjoy a highly satisfactory position. Our dominant position in the Argentine trade is, and seems likely to remain, due to the fact that British capital and British enterprise opened up Argentina for the purpose of supplying this country with food and raw materials. We are, consequently, Argentina's best customers. And as we are ourselves a population engaged in the manipulation, as distinct from the production, of articles of primary necessity, there seems little reason to doubt that if we conduct our trade operations with a moderate degree of prudence we shall retain the position we have so long enjoyed.

During the transition period of adjusting trade conditions from those of war to those of peace a certain measure of difficulty may be anticipated. This, however, will in time adjust itself. There are large quantities of wool, for example, awaiting shipment. But at the present time England has purchased the wool clip from her own Colonies; and the United States also, on account of the Allies, has purchased wool from various countries in South America, and particularly from the Argentine Republic. It is generally estimated that the English Government "carries" the wool, as the technical phrase is, at a price slightly lower than that at which the Argentine flockmaster is willing to sell; while, on the other hand, the impression prevails that the American Government paid a somewhat higher price for the stock she is carrying than that at which she could acquire fresh wool. There is a tendency amongst Governments, as well as other people, when they engage in trade, to try to show a profit, or at any rate that the national finances have not been squandered in the purchase of the various commodities. In other words, the various Allied Governments seem anxious to check imports as far as possible until they have worked off the stocks which they acquired during the War. This kind of practice is all very well for a private trader, who is naturally anxious to secure a profit. But it is not sound economics in the case of a Government. The Government acquired these stocks during a period of war, and as a matter of prudence, and if they find that the community as a whole can purchase them very much cheaper by allowing free dealings in the various commodities affected, it is clearly their duty to allow it to do so. What is written off by the loss from the sales on such commodities will be more than made good by enabling the vast body of the population to acquire food and raw materials in plenty and at very much lower prices than the Government can sell, if they insist upon disposing of their purchases at a profit upon the prices which they paid for them.

The most favourable feature in the Argentine outlook has been the exceptional rainfall of the spring and early summer of the season 1918-19. This has resulted in an enormous amount of keep being available for the cattle on the various "camps," as they are called. This is of the utmost importance, as we learn that the sales both of old and young cattle have been upon a quite unprecedented scale, and something like double what they were in the clear year that preceded the outbreak of the recent War. Prices for cattle and hides and the various by-products of the meat trade are well maintained, for, as we have explained, there seems reason to anticipate an abundance of cattle food during the coming season. Of course, the enormous sales that have taken place during the coming season have their dangers, as we learn on excellent authority that the herds have been seriously depleted, and it is feared that the births during the early part of the season, owing to the sale of young cattle under three years old, bear a smaller ratio to the number slaughtered than has been the case for very many years past. With regard to cereal crops, wheat has suffered to a considerable extent from the abnormal and abundant rains. The wheat was harvested under fairly favourable conditions; but only an average crop is looked for, and, on the whole, it is not considered of very excellent quality. The maize crop, on the other hand, is probably the largest ever known in Argentina. It will be recollected that Argentina is the greatest producer of linseed known to the international markets, and this year it is anticipated that she may have as much as 800,000 tons available for export. This, of course, if it proves to be true, will be out of all proportion to anything that has so far been harvested. Oats are very poor. Oats can stand a great deal of rain, provided there is

a little fine weather during harvest time; but this season the rains were probably at their worst when the oat harvest was being gathered.

We are indebted to the London and Brazilian Bank, Limited, for the following figures of the exports of butter:—1915, 189,206 cases of 25 kilos. each; 1916, 216,780 cases; 1917, 383,144; and 1918, 576,621.

DISTRIBUTION, WASTE AND PRODUCTION.

THERE was discussed in a recent number of THE STATIST the relation of wealth to luxury and labour. Let us try to simplify the problem. One of the items in a recent arithmetic examination paper was: "Reduce $\frac{8905}{14248}$ to the lowest terms." It is a formidable fraction which conveys no clear idea; but it can be reduced to $\frac{5}{8}$, which is a quite understandable fraction.

The simplification of social and economic problems is not so easy, but a little can be done in this direction. It is well to remember that humanity consists of many aggregates which have much in common; that a nation is composed of many towns and villages, any group of which resembles, in its main features, the other groups; and that if we could understand one group thoroughly we could understand all.

No one can deny that wealth is unequally distributed, and that much injustice and misery are associated with this inequality. But through a failure to form adequate estimates or mental pictures of the chief terms many erroneous notions prevail and many dangerous policies are devised. Let us, to simplify our problem, take one manufacturing town as an illustration of at least one-half of the country. It contains a population of 120,000 people, who may be roughly divided into 24,000 families. Some investigations made before the War (it is necessary to remember throughout that the values are pre-War) justify the belief that the following table is not far from accurate:—

Families	Individual Income	Total Income of Group
20	£10,000	£200,000
50	5,000	250,000
330	1,000	330,000
1,000	500	500,000
4,000	250	1,000,000
6,000	150	900,000
12,000	80	960,000
600	—	—
24,000	£172 10*s.* (average)	£4,140,000

For 600 families no income is put down, because they are almost entirely dependent on Poor-Law relief or on public charity. The incomes are grouped or averaged. There are, that is to say, 20 with an average of £10,000 each; 50 with an average of £5,000; 330 with an average of £1,000, and so on. Generally there are two workers earning money in one family.

This table may be accepted as illustrating with fair accuracy the financial conditions that prevail in the larger towns of England, and these conditions do not differ widely from those of the country taken as a whole. If we examine the figures we find that 70 families at the top earn £450,000, or £6,428 each. They are the upper classes—the aristocrats of industry, with three or four landed proprietors. At the bottom, leaving out the paupers, we have two groups consisting of 18,000 families (three-fourths of the population) with an average income of £111 a year—a sum which, if it had been equally distributed, would have represented, or permitted, frugal comfort before the War. But it was most unequally distributed, and in this industrial town there were at least 2,000 families below the poverty-line living in slums or semi-slums.

Three great problems arise out of the figures—the problem of wealth-distribution, of waste, and of production. Let us suppose that a Communist Government has decreed the equalisation of wealth, or a large stride in that direction, and that it takes the £250 earned by the 4,000 as the standard to which all should approach. From the two small classes at the top it can obtain £432,500. From the two classes next to these there might be extracted £497,500, if no allowance is made for the extra expenditure, chiefly for travelling, which professional men and heads of businesses must undertake in order to do their work efficiently. These two sums added together make a big total, but two important subtractions must be made. Money must be set aside for new industries or for the expansion of old ones, in order that the needs of an increasing population may be met. For this purpose the town we have under review should be ready to supply £450,000 every year. Allowance must also be made for rates and taxes, which the wealthier classes paid on a higher scale than the other classes. Let us put at £100,000 the difference between what they paid on their incomes in pre-War days and what they would have paid then on an income of £250. The net sum remaining for distribution among the 18,600 families below the £250 level is £380,000, which is equivalent to £20 each, or 7*s.* 8*d.* a week.

A forcible expropriation of this kind could not, however, be effected without great friction. Victor Hugo calls it a division made by the butcher, who kills what he divides. Working with the average human nature of to-day, official and unofficial, not only would our hypothetical Communist Government have to prevent the rich from amassing or preserving big fortunes, but it would have to keep the skilled artisan from pushing financially ahead of the labourer. The constraint involved would lower the moral relations of all classes and produce a struggle for power more injurious than the existing inequalities of fortune.

The outlook, however, becomes more hopeful when we consider the factor waste. It is a trite saying that money is worthless if it does not produce happiness; but how seldom is the test of happiness applied to our actions? Here is a middle-class household with two servants. A third is added, let us say, in order that an appearance may be kept up equal to that of someone in the same trade or profession. The net result is an increase of worry.

This worthless emulation extends from one end of society to the other, and it is largely responsible for the poverty and misery in the world. The root cause is defective estimates of values. The man who has three mansions has more social value attached to him than the man who has two; the man with 20 servants more than the man with 10. Reverse the order; let the man or woman who demands needless service, be it that of dressmakers, milliners, lackeys, jewellers or chauffeurs, be condemned, and the greater part of the vast waste in human life will be removed.

Probably one-half of the expenditure of the first three classes in the table might be regarded as waste True, no doubt, it is that a radical change of taste would not by itself raise the wages of the 18,600 as much as the Communist expropriation would do on paper, and that the effects would only be gradually revealed; but the very gradualness and variety of the process contain the guarantee of stability, and we can count on a moral impetus from which the whole community would benefit.

It is not among the rich only, let us not forget, that waste is found. The power of spending money wisely so as to obtain the greatest amount of happiness, the power to estimate real value of material and moral possessions within the reach of all, is possessed by few in all classes. Let those who have more opportunities and more education set the example, and we shall have a social life at once richer and simpler and more harmonious, and the distribution of wealth will be much more equitable.

Moreover—and this is the most important fact to be noted, obvious although it does not seem to be—the elimination of waste from spending would remove

most of the difficulties that stand in the way of increased production. The table I have given shows clearly that if through the better use of machinery and time production could be increased 25%, the classes at the bottom would benefit more than they would do from the enforced equalisation of distribution, even supposing the friction attendant thereon were eliminated.

But they say, "If we use machinery to a greater extent and work more assiduously the price of our work will be forced down and a larger share of profits will go to the luxurious rich." It can be shown that, even under present conditions, there is a large amount of error in this assumption; but so long as the wealthy employing class live in ostentatious luxury, with no real social contact with those who help to make the riches, the workers will refuse to see the error and the wasteful struggle between the groups will go on.

The relation between wasteful luxury and production needs, however, further elucidation, which may be attempted by-and-by.

SOUTH AND CENTRAL AMERICA.

URUGUAY.

The prolonged strike in August seems to have had an exceptional effect in checking trade in Uruguay. Uruguay is one of the smallest, but one of the most developed, of all the South American Republics. Its total area is only a little over 72,000 square miles, but its population of under a million and a half is, of course, very small, and its railway mileage of under 1,700 miles also leaves a good deal to be desired. The whole railway mileage is British owned, is financed by British capital, and nearly wholly built by British engineers. The population of Uruguay is almost purely of European descent. And of late years the country has succeeded in attracting a large number of Italian labourers. Uruguay, small as is its area for a South American State, is almost wholly productive. There are hardly any mountains. Her soil is as fertile as that of Northern Argentina, and it is intersected in nearly every direction by good navigable rivers. In one or two instances there are rapids which might be used for the production of hydro-electric power. But so far very little in that direction has been done. The shipments of wheat were seriously checked throughout August and September, and well into October, and it was estimated that late in the autumn there were still 130,000 tons of wheat awaiting shipment from the port of Montevideo. Brazil is the principal customer for Uruguayan wheat, as she is also for jerked, or zarque, beef. Exports of this article up to the beginning of October amounted to something over 1,600 metric tons, nearly the whole of which went to Brazil and a small quantity to Cuba. The amount of wool exported during last year amounted to 76,000 bales, weighing 32,778 metric tons, against 77,712 bales, weighing 33,416 metric tons, in the preceding 12 months. The total wool clip secured between October 1, 1917, and September 30, 1918, amounted to 45,000 tons, and nearly the whole of this wool has been disposed of. The new clip is coming forward gradually, and the quality is reported to be quite good. Some half-million hides accumulated at the port of Montevideo during the strike period, but a considerable amount of these has since been shipped. Exports of chilled, frozen, and canned meats during the 12 months ended September 30 last amounted to 29,067 metric tons. During this period the freezing establishments killed 74,689 cattle, 2,660 sheep, and 5,634 pigs. During September there was a marked reduction in the number of cattle slaughtered, as a large stock of meat had accumulated during the strike in August. Cattle, hides, and the by-products of the cattle trade are the main sources by which Uruguay lives. The country is well suited for nearly every kind of agriculture; and, in fact, to some small extent cereals, the vine, and even the tobacco plant and the olive, are cultivated. But when it is remembered that Uruguay is some 50% in extent larger than the total area of England proper, and has a population of less than a million and a half all told, it will be seen that in order to develop a country so comparatively extensive immigration is by far the most important need. Our interests in Uruguay have always been very extensive, and we still maintain our principal interest in the chief meat-extracting company operating in that country. More than half a million cattle are annually slaughtered for the purpose of converting them into meat extract, principally destined for shipment to the English market. But, in addition, we take from Uruguay large quantities of frozen meat, of sheep, and of hides.

Owing to the fact that Uruguay stands on the Atlantic seaboard at the entrance to the Plate estuary, it is a comparatively level country, although not to the extent that the province of Buenos Ayres is, for example, on the opposite bank of the River Plate. It is one of the easiest countries in South America awaiting development, and it is a remarkable fact that it has not been developed to anything like the extent that has been the case in the sister Republic. Drought in Uruguay is practically unknown, and would be almost impossible, because the rivers, which are broad and deep, are so close to one another that any necessary irrigation could be rapidly resorted to upon an extensive scale; and as they are situated in such close proximity to one another, if necessary, cattle could be driven from any district affected by drought to a neighbouring river at no great distance. Whether it was due to the war in which Uruguay was engaged with her Allies, Brazil and the Argentine Republic, against Paraguay for so long, or whether there is some other explanation, we do not pretend to say, but certain it is that for more than a generation Uruguay has been comparatively neglected. And yet it offers a field second to none on the whole continent of South America for the development either of agriculture or of a pastoral industry. At the present time, perhaps, it would be most desirable if the pastoral industry were developed, we were going to say, almost to its utmost capacity; but, in any case, the number of head of cattle could be doubled, and trebled, and quadrupled without any danger of the cattle dying from want of provender, or of those engaged in the enterprise injuring their economic resources by over-production. At the present time one of the most urgent needs of the greater part of the world is an increased supply of food, produced upon an economic basis which the available resources of the peoples of the world are able to afford. Possibly to enable Uruguay to develop her pastoral resources to their utmost extent it would be necessary, or at any rate desirable, to increase her railway mileage to a very considerable extent. But, as we have already shown, this is so modest that a comparatively considerable extension might be made at a relatively small cost. Uruguay, as we have said, is essentially a prairie country. But in the extreme west there is plenty of forest land; and, in addition, owing to the proximity of the Uruguay Parana River, the forests of Brazil are readily accessible; and, consequently, timber could be brought down in large quantities at comparatively modest cost for the purpose of laying sleepers for building a more extensive railway system. This country has up to the present been almost wholly responsible for the railway system of Uruguay, so far as it has been extended; and the immense number of munition factories now awaiting conversion to purposes of peace in this country should be able to supply the modest type of steel rails which would be necessary for developing the pastoral industry of a country so conveniently situated for railway building as is the case with the Republic of Uruguay. The gradients, moreover, would in no case be severe; and if the lines were built upon a modest basis, the return in opening up the rich pasture lands of such a country

as Uruguay should amply repay the cost per mile directly, and still more indirectly. In the case of a railway it is not a fair estimate of the economic benefit it confers upon a country merely to ascertain the dividend it actually pays, because the effect of building a railway into the open prairie of such a country leads to immigration upon a more or less considerable scale, and to the establishment of new industries in what was before its construction purely prairie country, wholly or almost wholly uninhabited. Consequently, those responsible for building the line stand to gain, not merely the direct return obtainable from the railway, but from the sale of lands adjacent to the line, and from participating in the trade which the new inhabitants create, almost in perpetuity.

PORTUGAL.

During 1918 over 135,000 pipes of port wine were shipped from the Douro, mainly to England. The principal exports of Portugal are port wine, cattle, cork, sardines, olive oil, fruit and copper; but port wine is by far the most valuable. It will be remembered that some months ago we said that facilities had recently been accorded by our Government to admit of the shipping of port wine upon an extensive scale to our market, and that a certain, but not adequate, amount of shipping had been allotted for the purpose. Since then the freightage afforded has been better. But as, no doubt, the reader has experienced, port wine has not been very easily obtained in London. More than 35,000 pipes were shipped in the last quarter of last year, principally destined, as said above, for London. Very high prices wholesale were realised. But as freight rates are tending downwards, there has been a slight decline in prices for the moment in the British markets. This, however, in well-informed circles, is not believed likely to last very long. In the first place, the very large shipments from Oporto have seriously depleted stocks in the Douro district, and high prices are again being offered locally for good wines. But even at these figures stocks in first hands are being retained, as holders look for still higher prices. This impression gains strength from the fact that last year's vintage was by no means favourable. During the early part of the year there was a severe drought in Portugal; and although rain fell shortly before the vintage, it had the effect rather of injuring the wine than of benefiting the grapes. The quality is generally considered well below average, and the quantity is estimated at something like 40 per cent. below what is commonly gathered in the district. It will be seen that the probability of high prices being maintained all through this year is very great. But when we say this it should be remembered that we have been passing through a period of very high prices, due to the extravagant rates charged for freights on all commodities which had to travel oversea. What seems reasonably probable is that the fall in prices will be checked rather than that present rates will be maintained, still less that they will advance still higher.

Complaints are still being made that British exporters send out their catalogues printed in English. For the wholesale houses this does not matter very much, as the dealers who buy from England upon a large scale are, of course, acquainted with our market, as well as with our language, just as the large wine importers on this side are equally acquainted with Portuguese. On the other hand, this practice does not assist in any way in the obtaining of new customers, especially amongst the smaller traders. The principal exports from this country to Portugal during the past quarter were coal, cement, manufactured cotton goods, cutlery, electric fittings, stationery, drugs, photographic materials, chemicals, and sewing machines.



Sir John Rolleston, J.P., D.L., writes:—"The 'De Reszke' American Cigarettes have been tried by various friends who are better judges than Sir John and are pronounced excellent in every quarter. He thinks that these Virginia Cigarettes will take the lead."

Rev. Father Bernard Vaughan writes:—"The 'De Reszke' Cigarettes are delicious, delicate and delightful. They supply a felt want."

Mdlle. Edmee Dormieul writes:—"Your 'De Reszke' Cigarettes are the most delicious I have ever smoked."

THE first time you smoke "De Reszkes" you will be struck with their marked superiority. The more you smoke them the more impressed you will be. Smokers who are accustomed to the best endorse this view.

"De Reszke"
The Aristocrat of CIGARETTES

Sold at all Military Canteens at Home and Overseas, also Tobacconists' and Stores.

THE BANK OF TAIWAN,
LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Head Office - - TAIPEH, FORMOSA.

BRANCHES:—Amoy, Bangkok, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, Yokohama, and every important city in Formosa (Taiwan), &c. The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.

London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

We deal elsewhere with the very grave fall in the French exchange, which is causing a large measure of anxiety in every financial centre in Europe and in the United States. Here we will confine ourselves merely to considering the causes of that serious fall. The causes are, of course, very simple, and are all due to the results of the War. Practically it comes to this: France has been unable, owing to the terrible strain upon the most active of her population—the people who are most capable of rendering economic service to the country—to provide sufficient to supply her own needs, and still less to manufacture any goods for export. Consequently she, like ourselves, finds it exceedingly difficult to tide over the trying period between the end of the War and the time of economic recuperation.

Practically France has nothing to sell. That is her real difficulty. And she will not have for from six months to a year. She had large stocks of champagne in the vaults under Rheims, but these have been very largely consumed by the Germans during their occupation of the city in 1917. Consequently, this asset cannot be realised to the extent that was generally hoped after the Germans were driven east of Rheims in the early days of the War. Even the wines of the Medoc and the Gironde are not produced in sufficient quantities for export. This is partly due to the fact that the wine industry during the War period was in the hands of women and the aged, and neither in quality nor in quantity was the production equal to its usual excellence. Finally, owing to the immense number of men called up to the trenches, it was necessary to give them, officially, half a litre of wine, and, in fact, as much extra as they were able to pay for in the canteens in addition.

This difficulty was further increased by the shortage of shipping from Algiers. Algerian wines being largely used to fortify Bordeaux [illegible] stocks could not be obtained from Algeria to send to

wine to France, and, in addition, as if this were not enough, there was a shortage of barrelage. There is an immense quantity of wine in Algiers in vats awaiting casks, and, moreover, the docks are crowded with barrels, for which shipping facilities cannot yet be obtained. France is essentially an exporter of what are called the luxury trades, or those articles which add to the beauty and grace of life. Her silks are renowned throughout the world. But what is true of the wine trade is equally true of the Lyons trade. Only those who had not sufficient physical vigour to be drafted to the Front remained to look after the silk industry.

It is not, perhaps, generally known that there is an important silk industry in North-East France in the Alsatian provinces recently occupied by the Germans, and from which, fortunately, they have now been driven out. In this district, as soon as the Germans were driven away, the French Government made the necessary advances for the purpose of erecting factories; and within a few months there can be very little doubt that this North-eastern silk industry will revive. It is of very great importance, because the common silk hat obtains the silk necessary for its gloss and brightness from this particular district, and from those factories which the Germans did their utmost to destroy. It will take at least six months before France can rehabilitate herself. Meanwhile, if the Peace Conference can only be induced to conclude its labours, and the weather improves, there is an important source of revenue awaitng France from a large influx of visitors. France obtains in normal times nearly twice as much as Italy from the annual influx of visitors, and during the trying period which has to be bridged between now and the resumption of normal economic conditions it is eminently desirable that every possible encouragement should be given to an influx of visitors from various parts of the world.

From all we hear it would be a mistake to attach undue importance to the unfortunate disturbances which occurred in Cairo on Sunday last, and which were again in evidence later in the week. The Sirdar is on leave in this country after his wearisome time in Egypt during the War, and it may be taken for certain that if there was any serious trouble feared he would resume his post in Cairo. Egypt, like most other countries, is to a large extent marking time pending the result of the Conference in Paris. The last cotton crop, it will be remembered, was a moderately good one, and it is satisfactory to learn that the Government is restricting the area under cotton in order to encourage the growth of wheat and various other products. It is never an economically sound policy for a country to depend wholly upon one source of revenue, as has been proved again and again in various parts of the world. There has been a temporary set-back in the prices of land shares, but this is regarded in well-informed quarters as having no real significance. Agricultural Bank shares are not doing the active business which was expected. During the War the fellaheen were exceptionally prosperous, as, indeed, was the great body of producers in all parts of the world. Now they are seeking assistance from the agricultural banks; but as far as we can learn the banks do not seem disposed to advance very freely.

At the end of February the consolidated debt of Belgium reached £166,314,700. At the same time, there were Treasury bonds in circulation amounting to £16,263,415. Including the various advances by Allied States, the total debt of Belgium, consolidated, floating, and foreign, amounts to something in the neighbourhood of 400 millions sterling.

The Special Commission charged to inquire into the measure authorising the Belgian Government to issue a loan of 80 millions sterling has decided to increase the amount of the loan to 140 millions. The subscription list for the portion of the loan which is to be offered in Belgium will be opened on April 1, and will be closed on April 15. The price of the issue is fixed at 95%. The bonds will be free of tax and all other imposts. A sinking fund is to be created equal to ½% of the nominal amount of the loan. With respect to the section of the loan which it is proposed to issue in the United States, American bankers believe that the eventual placing of 100 million dollars will be quite possible at about 6%, which the Belgian negotiators are inclined to consider rather a high rate.

The prosperous condition of things in Egypt is reflected in the report of the National Bank of Egypt, which has just been published. The gross profit of that institution for the year ended December 31 last, after providing for depreciation, for rebate of discount, and for bad and doubtful debts, is shown to have amounted to £964,595. After deducting directors' fees, current expenses, and special bonus to the staff, there remains a net profit of £693,852. The Bank's statutes demand that a dividend of 4% be payable on the share capital, and that 10% must be passed to the statutory reserve fund. Making these deductions there remained £504,466, which, added to the balance carried forward last year, made the amount available for distribution £553,972. After placing a further £267,336 to reserve, the directors recommend a dividend of an additional 6%, which absorbs £180,000 and leaves £106,636 to be carried forward. In the balance sheet the current, deposit, and other accounts stand at over 15 millions sterling. Advances on merchandise stand at considerably over 8½ millions. This figure includes advances against merchandise and advances made to the Cotton Control Commission and the Cotton Seed Control Board. The notes issued by the Bank amounted on the last day of 1918 to 46 million Egyptian pounds. Against these a sum of £E.3,309,190 is held in gold and over 19½ million Egyptian pounds in British Treasury bills, which, by authority of the Egyptian Government, were deposited in lieu of gold. Apart from these, there were held against the notes over half a million of Egyptian Government securities and securities guaranteed by the Egyptian Government, as well as British Treasury bills and National War Bonds to the amount of nearly 22½ million Egyptian pounds.

The first number of *The Anglo-French Review* (London: J. M. Dent and Sons. Price 2*s.* 6*d.* net) contains some interesting articles by Edmund Gosse, C.B., Prof. Maurice A. Gerothwohl, T. Steeg, Cloudesley Brereton, and other well-known writers of both countries.

The Irving National Bank of New York have devoted the twenty-second of their interesting series of pamphlets to "Business Problems of Reconstruction," by Lewis E. Pierson, Chairman of the Board of the Bank. A list of Irving Bank publications can be obtained on application to the Manager.

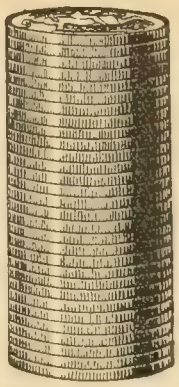
S. Smith and Sons (Motor Accessories), Limited.—The British, Foreign and Colonial Corporation, Limited, announce that the issue of 150,000 S. Smith and Sons (Motor Accessories), Limited, Ordinary shares has been largely over-subscribed.

"Dod's Parliamentary Companion, 1919." Price 6*s.* net. (London: Sir Isaac Pitman and Sons, Limited.) This handy little work is now in its 87th year. It gives full results of the General Election, an analysis of returns, a summary of the Reform Act of 1918, and the principal changes in the constituencies, with facts dealing with the population per member, the size of Parliaments, the growth of the electorate, &c.

Interest on Bank Deposits, £3 per cent.



Interest on War Bonds, £5 per cent.



Which are you getting?

AS long as you leave money on deposit at 3 per cent., when it is available for investment in 5 per cent. War Bonds, you are only getting *part* of the Income which you could safely obtain. You are forfeiting the whole of the difference between £3 and £5—thirty pounds and fifty—three hundred and five hundred.

The larger the amount involved, the more you will gain by instructing your Banker or Stockbroker to put the money into 5 per cent. War Bonds.

Send him your instructions by to-night's post, and in a few days your capital will be earning £5 instead of £3—fifty instead of thirty—five hundred instead of three hundred.

As a holder of 5 per cent. War Bonds you will not only receive a larger income, but will also secure a definite increase in the capital value of your investment when the Bonds mature and the whole purchase-price is repaid at a premium.

NATIONAL

War Bonds

Repayment and Interest guaranteed by the State.

On sale at all Banks and Money Order Post Offices. You have the choice between 5 per cent. Bonds issued at £100 and repayable in 1924 at £102; or 5 per cent. Bonds issued at £100 and repayable in 1929 at £105; or 4 per cent. (Income Tax Compounded) Bonds issued at £101 : 10 : 0 and repayable in 1929 at £100.

CORRESPONDENCE.

COTTON.

To the Editor of THE STATIST.

SIR,—I have read your article in THE STATIST for March 15 dealing with the cotton industry. Although there are many points contained in the article of great interest to the public, there is one statement to which I would like to call your attention. While giving the number of spindles in England and America, the latter being a little more than half the number of the former, you say that America has topped England in the consumption of cotton, America consuming 5,000,000 bales and England 4,000,000 bales. You appear to have fallen into the same fallacy that the late Joseph Chamberlain did in his Tariff Reform agitation in estimating the value of the cotton industry by the consumption of the raw material. No greater fallacy could have been propounded. The only gauge of the value of the cotton industry in any country is the amount of the machinery employed, the extent and efficiency of the labour engaged, the value, excellence and variety of the fabrics produced; and in this respect England holds the same preponderating position she has ever done in the markets of the world's cotton industry. May I, as a proof of this, just mention that during the 10 years preceding the War England increased her cotton spindles by 12 millions, a number considerably in excess of all the spindles possessed by India, China, and Japan, and also in excess of the total spindles of Germany, although these countries have been spinning and weaving cotton for many years?

And another point that is worth noting is that Lancashire has practically supplied the world with cotton-spinning machinery, and has taught the numerous nations its use. Yet, notwithstanding all this, these nations are still customers of England for the beautiful fabrics produced by the Lancashire spindles and looms, and many of these fabrics require an expert to distinguish them from silk.—Yours, &c.,

WILLIAM PARKINSON.

16 Stockton Road,
Chorlton-cum-Hardy,
March 18, 1919.

"State Morality and the League of Nations." By J. Walker and M. D. Petre. Price 4*s*. 6*d*. (London: T. Fisher Unwin.)

The relations between Italy and this country have for long been of the most cordial nature; but never, perhaps, so much as at the present time was it necessary for the two peoples to fully know and understand one another. With this object, no doubt, great and very praiseworthy efforts are being made in both countries to cement more closely the amicable relations now happily existing. This week we have received three Anglo-Italian magazines. The *Italo-British Review (Rassegna Italo-Britannica)* is a monthly journal written partly in English and partly in Italian. In the present issue Lewis Einstein contributes an interesting article on "The Idea of War and the League of Nations in the Renaissance"; while Sig. Cesare Spellanzon deals with a recently published book by Dr. Angelo Crespi, which exalts the British Empire as "that powerful instrument of civilisation and of political equilibrium throughout long centuries." The second magazine is the *Anglo-Italian Review*, and contains an article by E. Strachan Morgan on "War Taxation in Italy," and another on "The Italian Colonies in Africa," by H. O. Newland. These two publications can be obtained in London from Messrs. Constable, the former at the price of 2*s*. and the latter at 1*s*. 3*d*. The third magazine, *Modern Italy*, is being published weekly, and deals with Italian politics, industry, and commerce. It is published by the British Committee of the Trente-Trieste National Association of Italy at Hastings House, Norfolk Street. The leading article is devoted to "The Importance of Dalmatia to Western Europe."

HEAD OFFICE:
1 Dale Street,
LIVERPOOL.

LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY

LONDON:
Chief Office,
1 Cornhill, E.C. 3.

TOTAL ASSETS exceed - £16,000,000
TOTAL CLAIMS PAID over £89,000,000

FIRE. LIFE. ACCIDENT. MARINE.

Annuities, Leasehold Redemption, Burglary, Fidelity Guarantee, Motor Car, Plate Glass, Personal Accident, Workmen's Compensation, Sickness, Live Stock, Loss of Profits, &c.

OFFICES IN ALL THE CHIEF COMMERCIAL CENTRES.

American Topics.

THE DEBT TO THE UNITED STATES.

HAD we been content to develop even to some extent for the purposes of war the arts in which we had so long been pre-eminently successful in peace, there is a consensus of economic opinion that we should not be in the serious difficulties which we now are. Of course it is not contended that any nation can fight a great war and come out of it just as though nothing had happened. We should have suffered, and suffered severely, in any case. We should have had to bear—as, in fact, we have done—a large proportion of the expense of the War. But we should have borne it in the way that is most consonant with the lines on which the economic resources of the country have been developed during the past two or three centuries. In brief, there was a reasonable prospect that we should have come out of this War very much as we came out of the war with Revolutionary France a century ago—burdened with a very heavy debt, but with our economic resources comparatively little impaired, and with the potentiality of resuming what has come to be called "reconstruction" almost immediately, with every prospect of success. During the War a hundred years ago, although for a time our Allies were able to render us hardly any assistance, we succeeded, through our command of the sea, in capturing the trade of the then recently established United States of North America, as well as the trade of India, and laid the foundations of our trade with the Far East, which we have enjoyed to a large extent ever since. We acted as the bankers of the Allies; we policed the seas for their and our convenience; and we supplied them with what has now come to be called "munitions." But we did not call up the most active part of our population from the purposes of production. Consequently we continued to increase our trade and to develop our economic resources in spite of the strain of the War. In the recent War we acted, as long as we could, as the bankers of the Allies; we again policed the seas for their and our convenience; but instead of conserving the most active part of our population for the purposes of production, we threw them into the battle-line, although we had really no means of effectively training them. The result was that a time came when

Out To-day

As a Weekly Journal after three years' exceptional success as a monthly publication.

Price 2d.

The Times

Imperial and Foreign

Trade Supplement

The Business Man's Weekly Mirror of the World's Markets

It would cost you thousands of Pounds to get through your own paid agents the information which The Times Trade Supplement will bring you every week for 2d.

Buy it to-day at the Bookstall; order from your Newsagent;

or write to the Publisher, The Times Trade Supplement, Printing House Sq., London, E.C., who will send it

By Post Weekly for One Year for 10/10

Abroad 13/- per Year.

we were no longer able to act effectively as bankers for the Allies. In consequence we had ourselves to apply for assistance to the United States. It will be remembered that in our issue of March 1 we published an article, under the heading "United States Foreign Trade," in which we showed that the exports of the United States were somewhat more than double the imports, and that the major part of this enormous excess was consigned to ourselves and to our Allies. In addition we had to obtain, partly for ourselves and partly as joint guarantors for the other Allies, various credits. Altogether it is estimated that the United States supplied the Allies with two millions out of a total war expenditure by the United States Government of some 6,000 millions sterling. We are, in consequence, both as principals and as guarantors, largely indebted to the United States. The result has been the serious position disclosed by the New York exchange against this country. We do not complain in the least that the exchanges have gone adversely against us, because it is evident that we cannot go on indefinitely increasing our debt. And the maintenance of an apparent par of exchange which did not in reality exist was only inducing the public to believe that our economic situation was in reality more favourable than it actually is. We welcome the removal of the money control to this extent, as it enables anyone who is willing to study the subject for himself to see what the facts actually are. In other words, it invites the attention of the reader, and of the public in general, to the importance of making every effort to repay to the United States the debts which we and our Allies have incurred during the War. There is no advantage to anyone in believing that the financial position of the country is more sound than in fact is really the case. Everything is to be gained by a frank facing of the facts as they exist. And it is for the Government to assist the trading community to the best of its ability to enable us to export as far as possible what the United States is willing to take from us, and for the public to exercise such a measure of economy as will enable us to liquidate our debts as quickly as possible.

GRAND TRUNK RAILWAY.

A SPECIAL meeting was held yesterday to consider the position of the Grand Trunk Railway Company in its relations with the Canadian Government. It will be remembered that the Canadian Government decided to take over the Grand Trunk. The Grand Trunk Railway, whatever may have been its faults in the past, has done a real service to Canada; and it seems in the interest of all concerned desirable that the Canadian Government should err, if it errs at all, on the side of generosity. The Company made certain proposals to the Government which were declined, and the Government's offer substituted for the one propounded by the Company would simply mean the payment in full of the Guaranteed Stock; nothing for the First Preference for a period of three years, and at the end of eight years full payment on the First Preference, and a small payment on the Second Preference. The Company only asks an annual payment to be made by the Government of £977,000, being the amount of the net income earned after the fixed charges of the Company are secured, in 1913 or the last clear year before the War. As the Government recognises its obligations to the Company up to the extent of being willing to offer half a million a year for a certain period, we cannot doubt that the Government will be willing to reconsider the position if the facts are clearly put before it.

Interest Obligations.

	Amount	Interest
	£	£
BORROWED CAPITAL:—		
Canada Atlantic 4% Mortgage Bonds	3,287,000	131,508
Loans at variable rates	450,500	25,815
5% Debenture Stock, Grand Trunk	4,270,375	213,519
5% ,, ,, Gt. Western	2,723,080	136,154
4% ,, ,, Grand Trunk	24,624,455	984,978
4% ,, ,, Northern...	308,215	12,328
Total Loans and Debentures	35,664,315	1,504,302
Bonds of Controlled Lines	3,429,855	158,705
Rentals	—	142,678
Total	39,094,170	1,805,685
Government advances	3,111,500	
Share Capital:—	£	
4% Guaranteed stock	12,500,000	
First Pref. stock	3,420,000	
Second Pref. stock	2,530,000	
Third Pref stock	7,168,055	
Total Pref. stocks	25,618,055	
Ordinary stock	23,955,437	
Grand Total	91,779,162	
GUARANTEED BY GRAND TRUNK:—	£	£
Grand Trunk Pacific 4% Mort.	4,150,000	
Lake Superior Branch, 4% 1st mort. (Ranking before Grand Trunk share capital)	1,550,000	
Total	5,700,000	228,000
Grand Trunk Pacific 4% Deb. stock ... ... (Interest guaranteed payable only out of surplus earnings of G.T.)	7,176,980	287,079

No dividends have been paid on the Guaranteed or Preference stocks since 1916, when the Guaranteed stock received 4% and the First and Second Preference stocks 5%. The last dividend paid on the Third Preference stock was in 1913, when the rate was 2½%.

Year ended Dec. 31	Gross Receipts	Operating Expenses	Net Receipts	Net Int. and Other Charges	Balance	Def. on Lines Under U.S. Govt. Control	Surplus
	£	£	£	£	£	£	£
1918 ...	12,665,200	10,798,100	1,857,100	1,518,500	338,600	336,800	1,800
1917 ...	9,957,100	7,976,400	1,980,700	1,411,500	569,200	542,900	26,300
Inc. or Dec....	+2,698,100	+2,821,700	−123,600	+107,000	−230,600	+206,100	−24,500

By a recent Decree the maximum amount of notes which may be issued by the Bank of France and its branches has been raised from 1,320 millions sterling to 1,440 millions sterling.

The Municipal Map of London has been prepared under the authority of the Council to provide a standard map for the use of the Council, the local authorities, and any other public bodies engaged in the service of London. It is anticipated that certain sections of the business community, such as railway, gas and electric-lighting companies, and many commercial firms, will find it to their advantage to possess copies. The map, which is based on the 5-foot Ordnance Survey, revised to 1913, was ready for issue in 1914, when on the outbreak of war the Board of Agriculture and Fisheries desired that its issue should be suspended. It has now been released for publication, and can be obtained at the Council's publishers, Messrs. King and Son, Limited, 2 and 4 Great Smith Street, S.W. 1. The map is issued in 28 sheets, measuring 22½ inches by 16 inches on a scale of 6 inches to the mile (each sheet containing approximately an area of three miles by two miles), and is coloured to show borough boundaries, tramways, underground railways, omnibus routes, parks, &c. The price is 1*s.* 6*d.* a sheet, or 35*s.* the set of 28 sheets and key sheet. The index to the map contains a very useful list of streets in London and a classified list of public buildings. The price is 2*s.* net.

The new "Hazell Annual and Almanack." By T. A. Ingram, M.A., LL.B. Price 6*s.* net. (London: Henry Frowde and Hodder and Stoughton.) The 1919 Hazell is late in appearing, but this is accounted for by the desire to include the results of the General Election and the new Ministry. The War article is an excellent *résumé* of the events of 1918, with a diary from 1914, and is illustrated, as usual, by special maps. Hazells has always devoted considerable space to the Navy and the Army, and now the Royal Air Force begins to bulk large. There is no other general work of reference which contains quite so much information on all topics as Hazell, and its 900 odd pages range from astronomy to war pensions and allowances.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue. Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

IN view of the surrounding conditions—talk of a hitch in the Peace negotiations and the critical labour situation—the Rubber-share market has held up well during the past week, prices showing little alteration. Definite statements have been made that the decision of the Government is to reduce the excess profits duty, and it has even been forecasted that the reduction will be 20%. Definite knowledge on the subject, however, is not likely to be available for a month or so. The course of the American exchange, now that control has been removed, will be watched with interest in view of the fact that the United States takes about 70% of the product of the plantations.

ANNUAL REPORTS ANALYSED.

CASTLEFIELD (KLANG).

Issued Capital: £45,000 in £1 Shares (to be raised to £50,000).

Results for Years to June 30

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16	2,416	1,300*	476,047	366*	2/7·6†	-/11¼†	41,501	28,890	65
1916-17	2,723	1,500*	571,342	380*	2/5.86†	1/0†	43,359	29,250	65
1917-18	2,821	—	527,887	—	2/1†	1/4.6†	20,184	9,000	20

* Approximate. † Excluding insurance and selling charges.

Price of Shares, £7c.d. Market Capitalisation per planted acre, £120.

RESTRICTION of production notwithstanding, and high costs in consequence, this Company managed to earn a profit for the year ended June 30 equivalent to nearly 45% on its capital. For this shareholders have to thank the management for obtaining a relatively good average price for the product. To understand why the dividend declared is only 20%, reference has to be made to the 1916-17 accounts. In dealing with them we pointed out that the distribution of 65%, though absorbing less than 70% of the profit earned, was in reality too liberal, as the balance sheet showed surplus liquid assets amounting to £11,500, before payment of excess profits duty and staff bonus. These two items called for £12,000. Hence the Company commenced the past financial year with a small deficit in resources. To this has to be added £6,400 of capital expenditure in excess of depreciation allowance for the past financial year. Consequently, though the dividend is restricted to 20%, calling for £9,000 and leaving £11,184 of profit unappropriated, the latest balance sheet still shows a weak financial position with £3,810 of surplus quick assets. There is no excess profits tax to pay—indeed it is possible that a claim can be substantiated for some refund—but, in view of the need of financing crops and cash requirements for upkeep of immature plantations, it has been decided with Treasury sanction to issue 5,000 shares. These are to be offered to shareholders at £6 each. As the present price of the shares is about £7, and the proportion of the new issue to existing capital is as 1 is to 9, a bonus of about 2s. per existing share attaches to the subscription. It is not proposed to further increase the planted area yet awhile, so that the market valuation will work out at about £120 on the higher capital. Having regard to the ability shown by the estates in the past to give a relatively high yield per bearing acre at a fairly low cost, the prospects appear to be good and the shares in consequence not overvalued. When fully mature it looks as if the plantations will produce double the past year's output.

YAM SENG (PERAK).

Issued Capital: £42,000, in 419,000, 2/0 Ordinary Shares and 1,000 2/0 5% Preference Shares.

Results for Years to October 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Ord. Dividend Amt. £	Ord. Dividend %
1915-16	1,134	1,000	356,556	356	2/7½	1 4	18,661	11,592	35
1916-17	1,298	1,050	403,803	384	2/6½	1/3	21,162	11,770	37½
1917-18	1,709	1,050	346,360	340	2/1½	1/6¼	12,540	3,775	12½

Price of Shares, 8/6c.d. Market Capitalisation per planted acre, £111.

Evidently the directors of this Dublin-controlled Company anticipate no delay in the full resumption of tapping, for the output of the current year is estimated at 420,000 lb. For the financial 12 months to October 31 the crop was 346,360 lb. from the same bearing area of 1,050 acres that produced 403,803 lb. in 1916-17. Expenses, naturally enough, were appreciably higher, but the result is not at all a bad one, thanks to the satisfactory basis on which production was realised. It will be seen from the figures above that the net profit was more than the sum absorbed by the 1916-17 dividend of 37½%, but apparently insufficient provision has been made in past years for income tax, and now as much as £5,528 has to be provided to cover the assessment. However, the balance of £7,000 would suffice to pay 20% to shareholders, and it is apparent from the balance sheet that in distributing 12½% only the directors act with extreme caution. Excess profits duty calls for less than £1,000, against nothing for 1916-17. Capital expenditure exceeded the depreciation allowance by £4,133, but this is reasonable enough in view of the increase in the planted area from 1,298 acres to 1,709 acres, and as the surplus cash, after allowing for the dividend now declared, amounted at October 31 to £30,722, equal to 75% of the capital, there is scarcely need to retain nearly half the year's meagre profit in hand. With such a strong financial position, however, normal production and more stable marketing conditions, the prospects are good. When the planted acreage is fully bearing double the past year's output should be obtained and cost of production appreciably lowered. Consequently the price of 8*s.* 6*d.* for the 2*s.* shares, though discounting near future results, does not appear to overdiscount on the later outlook.

GEDONG (PERAK).

Issued Capital: £57,300 in £1 Shares.

Results for Years to October 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916...	1,626	735	183,601	250	2/8.4	1/1⅞	13,510	8,595	15
1917...	1,026	735	277,508	377	2/4.8	1/0.6	18,608	8,595	15
1918...	1,026	954	219,661	—	1/10¼	1/1¼	8,179	5,730	10

Price of Shares, 37/6. Market Capitalisation per planted acre, £104.

Under normal conditions this Company was reckoned capable of producing 300,000 lb. of rubber last year, but through tapping restrictions and influenza epidemic the report shows only 219,661 lb. to have been harvested. The price obtained was low; but, on the other hand, costs did not rise so much as might have been expected, and consequently, though a very much smaller profit was earned, the dividend is not so heavily reduced as in many other cases. This, no doubt, is partly accounted for by reduced liability for excess profits duty, which called for £8,456 in respect of 1917 and £3,928 in 1916. Capital expenditure for the year was small, and is taken care of by an addition of £1,000 to reserve. The financial position is weak, cash assets exceeding current liabilities and

the final dividend of 7½% by only £1,764. This will require to be rectified this year; but as the output is expected to rise to 270,000 lb., and later on will probably reach 400,000 lb., there is a good prospect of considerably larger dividend payments in the future. The valuation per acre at the present price of about 37*s.* 6*d.* is exceptionally low for a Perak estate.

GAN KEE (NEGRI SEMBILAN).

Issued Capital: £36,790 in 2/0 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16	593	500*	135,100	270*	2/6½†	1/2½†	8,826	4,598	12½
1916-17	593	560*	170,136	300*	2/4½†	1/2½†	10,074	5,518	15
1917-18	537	—	153,393	—	2/0·3	1/7½†	2,996	2,310	7½

* Estimated. † Excluding selling charges.

Price of Shares, 4/3. Market Capitalisation per planted acre, £131.

This Company is increasing its planted area from 537 to 937 acres by planting up 400 acres of newly acquired land, which have already been cleared for the purpose. To provide the necessary funds to bring the whole of the plantations to the producing stage a balance of 62,100 Participating Preference shares in reserve are to be offered to shareholders at 3*s.* Treasury sanction has been obtained. In respect of 1915-16 and 1916-17 both Preference and Ordinary shareholders received 12½% and 15% respectively; but the profit for the year to June 30 last proves to be barely sufficient for 7½% dividend, for the balance sheet shows a small excess of current liabilities, allowing for the dividend payment. However, the proceeds of the new issue will rectify this, and with the planted area increased to 937 acres and the capital to £43,000 the capitalisation per acre will be reduced from the present figure of £68½ to £46.

GLENDON (CEYLON).

Issued Capital: £52,000 in £1 Shares

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916 ...	1,050	—	232,000	—	2/7·6	1/2	17,464	15,600	30
1917 ...	1,081	862	243,000	282	2/3·57	1/2·4	14,957	13,000	25
1918 ...	1,081	862	194,170	225	1/10	1/4½	5,489	3,900	7

Price of Shares, 45/0. Market Capitalisation per planted acre £105.

It is a poor report which this Ceylon Company issues, but from the comparison with the 1916 and 1917 results it is apparent there is ample scope for betterment now that tapping is unrestricted, and improvement in shipping and marketing conditions is becoming manifest. There is satisfaction, too, in the knowledge that the financial condition is sound. Production is estimated at 254,000 lb. for the current year, but the price of the shares discounts in advance a substantial increase in dividend.

VAL D'OR RUBBER.

Issued Capital: £88,057 in 2/0 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915-16	1,262	923	292,715	317	2/7½	1/0½	20,520	17,611	20
1916-17	1,388*	1,125	314,179	294	2/0·9‡	1/3½†	15,880	13,209	15
1917-18	1,428*	1,240	257,264	212	1/7	1/2·6†	4,470	4,403	5

* Also about 800 acres under coconuts. † Including development expenses, but not freight and selling charges. ‡ F.o.b price.

Price of Shares, 4/3. Market Capitalisation per planted acre, £130.

This Company is burdened with 800 acres of coconuts, which up to the present have proved deficient in profit-earning power, and its capitalisation is heavy. The rubber production last year was 56,000 lb. less than in 1916-17, presumably owing to voluntary restriction, but it has to be noted also that previously moderate yields only were obtained. The operating results are compared above and call for little comment; and the same may be said of the balance sheet, which shows £6,566 of excess cash resources. The shares are quite high enough at 4*s.* 3*d.*

New Issues.

WIGGINS TEAPE AND COMPANY (1919), LTD.

As a private undertaking Wiggins Teape and Company have long been well known, and its products highly valued, in the paper trade. It has now been decided to assume public form and to raise additional capital. The new Company established for the purpose has an authorised capital of £1,500,000, half in 7% Cumulative Preference shares and half in Ordinary shares of £1 each. The assets of the private Company of the same name, its business of wholesale and export stationers and paper merchants, and the paper-making business carried on at mills in Lancashire, Kent, Buckinghamshire, and Scotland, are to be acquired for a purchase consideration of £672,000, as to £322,000 in Preference shares and £350,000 in Ordinary shares. The vendors also show their confidence in the business by applying for 78,000 Preference shares, and the public are asked to subscribe for 200,000 Preference and 300,000 Ordinary shares at par, in very convenient instalments, payable as to 2*s.* 6*d.* on application, 2*s.* 6*d.* on allotment, 7*s.* 6*d.* on September 30, and 7*s.* 6*d.* on December 31. The proceeds of the issue are to provide for working capital, the building and equipment of a new mill for the manufacture of photographic base paper. It is confidently expected that the new mill, when turning out 2,500 tons per annum of this paper, will yield £58,000 per annum, and by adding profits from existing business at the rate of the three pre-War years a total prospective profit of £136,405 is arrived at, or sufficient to pay the 7% cumulative dividend on the 600,000 Preference shares proposed to be issued and 10% on the 650,000 Ordinary shares, with a margin of £29,000 over. Sales and profits of the vendor Company are certified to have been as follows before charging Debenture and mortgage interest:—

	Sales £	Profits £		Sales £	Profits £
1911 ...	339,53	80,166	1914 ...	352,185	60,452
1912 ...	358,010	77,749	1915 ...	396,578	62,797
1913 ...	371,171	76,301	1916 ...	488,648	105,840
			1917 ...	580,176	108,518
Average ...	—	78,072	Average ...	—	84,402

The 7% Cumulative Preference shares appear to be an attractive industrial investment, while the Ordinary shares, though speculative, seem likely to afford a good return also.

JOSEPH CROSFIELD AND SONS, LIMITED.

This Warrington firm of soapmakers, established in its original form over a century ago, and allied in recent years with Brunner, Mond and Company, has attained a prominent position in the trade. During the War its business has expanded, and since December 1, 1914, outlays on capital account have aggregated £1,461,855, provided by bankers' advances and allocations out of profits. It is for the purpose of paying off these advances and to obtain funds for further extensions of the business that subscriptions are now invited for 1,000,000 6½% Cumulative Preference shares of £1 each at par, part of an authorised issue of 3,000,000 of such shares, of which none have so far been issued. Otherwise the paid-up capital consists of £400,000 of 5% Cumulative Pre-preference shares, £500,000 6% Cumulative Preference shares, both ranking before the new issue, and £600,000 Ordinary £1 shares. Debentures outstanding to an amount of £290,000 are in course of being repaid. Profits, after making full provision for excess profits duty, depreciation, &c., but not income tax, averaged £250,131 for the past five years, rising steadily from £183,463 in 1914 to £313,138 in 1918. The amount required to pay the dividends on the whole of the Preference shares, including the new issue, is £115,000, so that there is a large margin of safety. The shares can be considered a first-class industrial investment affording a relatively high yield.

THE ARMISTICE.

The CLERICAL, MEDICAL & GENERAL LIFE ASSURANCE SOCIETY

has resumed its pre-war practice of granting

WHOLE WORLD AND UNCONDITIONAL POLICIES.

15 St. James's Square, S.W. 1. *Tele.: Regent 1135.*

CALEDONIAN

INSURANCE COMPANY.

FIRE. LIFE. EMPLOYERS' LIABILITY.

PERSONAL ACCIDENT AND ILLNESS. BURGLARY.

HEAD OFFICE—19 GEORGE STREET, EDINBURGH.

LONDON OFFICES { 82 KING WILLIAM STREET, E.C. 14 WATERLOO PLACE, PALL MALL, S.W.

Insurance Notes.

PROFITS AND INCOME INSURANCE CO., LTD.

A LARGE expansion of premium income and increased profits are features of this Company's accounts for 1918. The Company was founded 18 years ago under the direction of a small board, consisting of experienced insurance officials, and from modest beginnings has gradually achieved an important position.

The accounts are presented under two headings, respectively relating to life and to general insurance business. The life section is restricted to non-participating assurances, and though comparatively small in volume appears to be profitable, as on the occasion of the quinquennial valuation on December 31, 1915, a considerable surplus, proportionately to premium income, accrued to the shareholders. Since that date the life premium income (£20,486 in 1918) has shown little variation in amount. The expenses, inclusive of commission, are limited to 10%, and the fund is accumulated at 4% interest, after deduction of income tax. This gives fair scope for profits from economy and interest, but, of course, during the now current quinquennium of the Company's operations its mortality experience is bound to have been affected by the war strain and the influenza epidemic. Nevertheless, we are officially informed that the general result, so far as the first three years of the current quinquennium are concerned, is believed to be not unfavourable. The life assurance fund, increased during 1918 by £9,075, amounted at the close of the year to £141,045.

Many times larger in volume is the general section of the Company's business. This relates to a very miscellaneous assortment of risks, including, for example, fire, marine, sickness, and other descriptions of insurance, and a good deal of the business is of the nature of reassurances. As the various groups are not classified, but are lumped in one account, it is not possible for an outsider to adequately judge of the actual position from the figures presented in the annual report, but, apart from the question of the sufficiency of the reserves for purposes of providing for unexpired risks, in regard to which the directors, from their inside knowledge, appear to be satisfied, this section would also appear to be profitable. The general premium income was increased by £122,972 in 1918 to £150,385, of which the moderate proportion of 25.7% was absorbed in commission and expenses. The general insurance fund through the year's operations, after transfer of £10,000 to profit and loss account, was increased by £70,941 to £255,685, thereafter representing about 56.7% of the premiums, or about the same proportion as was the case at the close of 1917. We are officially informed that the Company's marine business in 1918 yielded very satisfactory results.

The Company is one of a very small number of institutions which transact sickness insurance, in doing which it renders a useful public function, for the classes of the community which are not provided for in this way by the regulations of the National Insurance Act, such as professional men, whose livelihood depends on the continuance of good health, are not well served for such purposes by insurance offices generally, and it is clearly desirable that their natural requirements in this way should be satisfied. Offices which cater for this class have doubtless been affected by the high prevailing rate of invalidity during the past year, owing to war strain and influenza, yet we are informed that the sickness reserves of this Company have been increased.

The profits brought into the profit and loss account for 1918 are as follows:—

(1) Transferred from general revenue account	£10,000
(2) Net earnings from interest and fees not departmentally credited	6,736
(3) Profits on realisation of investments	1,649
	£18,385

To these, however, has to be added the sum of £10,000 transferred from an investment reserve fund of that amount, which has been considered to be no longer necessary, seeing that it was found on revaluation of the securities at the close of 1918 that there was a considerable surplus in value over the market quotations at that date. This had the effect of bringing up the available surplus to £28,385.

In relation to the share capital this profit is of highly satisfactory amount. On December 31, 1918, the subscribed capital amounted to £120,000, of which £60,000 was paid up, in 20,000 fully paid Preference shares of £1 each and 100,000 Ordinary shares of £1, with 8*s.* paid or credited on each.

The surplus for the year is thus appropriated:—

(1) Interest on Preference shares	£1,000
(2) Dividends on Ordinary shares at 6%, free of income tax ...	2,400
(3) Bonuses on Ordinary shares at the rate of 5*s.* per share, free o income tax	25,000
	£28,400
Less reduction in balance of profi and loss carried forward (from £2,935 to £2,920)	15
	£28,385

Concurrently with the payment of the bonus of 5*s.* per Ordinary share a call is made of equivalent amount, making the total amount paid up on all such shares 13*s.*, and raising the paid-up capital to £85,000.

BRITISH AND FOREIGN MARINE INSURANCE COMPANY, LIMITED.

This important marine insurance Company is under the control of the Royal Insurance Company, which purchased the great majority of its shares in 1908. Its annual accounts, however, are still issued independently, and in themselves are interesting as contributing to the records of marine underwriting in this country. These accounts, as furnished in the annual report for the year ended December 31, 1918, show highly profitable results. On that date the British and Foreign underwriting account for 1917 was wound up (after transfer of £120,000 to underwriting suspense account to provide for third year's and later settlements) with a trading profit of £263,413, or about 22.5 per cent. of the relative premium income. The 1918 interest earnings amounted to £108,927, but, on the other hand, provision was made for income tax on the 1917 account to the extent of £77,000. Looking to the amount of the profit shown from all sources, the Ordinary dividend distribution is conservative. On December 31, 1917, the subscribed capital

amounted to £1,340,000, with £268,000 paid up, in 67,000 shares of £20 with £4 paid on each. Advantage, however, had been taken of the very strong position in which the Company found itself at the close of 1917 to reduce the uncalled liability on the shares during last year by means of a call of £8 per share (producing £536,000), which was met through a special dividend of equal amount, free of income tax, being applied for that purpose. Thus on December 31, 1918, the paid-up capital had been increased to £804,000, raising the amount credited as paid on each share to £12. The Ordinary dividend declared in respect of 1918 is 45*s.* (as compared with 25*s.* for 1916 and 40*s.* for 1917), less income tax, requiring about £107,400 for distribution.

The underwriting account for 1918 shows a premium income of £1,055,052, of which £266,742 (about 25.3%) was absorbed in first year's settlements and £107,801 in expenses, the balance of this account carried forward to 1919 amounting to £680,509.

The total assets shown in the Company's balance sheet on December 31, 1918, aggregate £3,716,416. The reserve fund amounts to £1,000,000, and the balance of profit and loss account carried forward after provision for the Ordinary dividend declared in respect of 1918 to £343,496. Adding the paid-up capital of £804,000, we have a total of £2,147,496, which represents over £32 per share, or nearly treble the amount credited as paid up. This is apart from the balance of the 1918 underwriting account carried forward to 1919 (£680,509, as above shown) and of the underwriting suspense and reinsurance accounts (£464,504), all of which may eventually yield some further profit. The financial position may therefore be regarded as very strong. In due course this Company's figures as herein referred to will appear as part of those set forth in the marine section of the Royal Insurance Company's accounts for 1918, as the Royal writes marine business in its own name as well as in that of this subsidiary concern.

CO-OPERATION IN IRELAND.—II.

In 1889 the Irish butter trade was on the verge of ruin. At that time the Irish farmer had not yet grasped the fact that owing to the introduction of machinery into dairy work, the improvement of means of transit, and the spread of co-operation on the Continent—especially in Denmark—it was necessary to conform to a new order of things. The making of butter, long centred in the home, had now become a factory industry. And under the new conditions a butter of excellent quality, of uniform colour, texture and flavour was rapidly displacing the Irish article on the English market. Butter from Ireland had only one advantage—that of ready transport to the English consumer; but this could not compensate for its variability in quantity and quality. The adoption of co-operation, mainly brought about by the earnest efforts of Sir Horace Plunkett and his co-workers, undoubtedly saved the trade from extinction. The farmer was taught to realise that its future depended entirely on himself and that the adoption of up-to-date methods in combination with his fellows would enable him to compete with his rivals. The usual procedure adopted in forming a co-operative creamery, and still followed, is to invite the farmers of a district to subscribe the necessary capital in £1 shares. A share is generally taken for every cow; but no fixed rule existed, the main object being to admit everyone who possessed cows. The shares were paid by four instalments of 5*s.* each and bore interest at the rate of 5% per annum. A fully-equipped churning creamery to deal with the milk of 800 cows, drawn from a radius of about three miles, cost £2,500 in pre-War days, consequently it was nearly always necessary to supplement the share capital with the bank loan. A committee, elected by the farmers themselves, administered the creamery and appointed the manager and all other employees. The milk supplied by the co-operators is paid for by the creamery according to its quality. Testing machines, now used in all co-operative creameries, show exactly how much butter each supplier's milk contains, and he is paid accordingly, hence nothing can be gained by watering milk or neglecting cows. Every supplier gets back his separated milk free and also his share of buttermilk. Calves thrive well on the former when there is some artificial food added, as, of course, the separator has removed practically all the fat.

One of the principal objects of the Irish co-operative movement was naturally to retain its interest in the English butter market, the importance of which, so far as the Irish trade is concerned, may be gauged from the fact that in 1915 the exports of Irish butter, which went mainly to England, totalled 838,089 cwt., of an estimated value of £5,751,385. From 1911 to 1915 the average annual export of butter from Denmark totalled 1,988,400 cwt., of which Great Britain received 1,327,100 cwt. of a value of £10,221,398. The total amount of butter imported by Great Britain in 1915 reached 3,853,855 cwt. valued at £27,022,745. These figures would indicate that Ireland has not yet captured a share of the English market corresponding to her favourable geographical position. This end can be achieved only by the continuous growth of co-operation, and undoubtedly there is considerable room for its further development. Denmark with a population of 1½ millions less than Ireland is much more advanced in that respect, as the following table showing the figures for 1916 will show:—

	No. of Dairy Societies	Membership	Turnover
Ireland	346	49,218	£4,512,893
Denmark	1,203	190,000	21,000,000

Thus the average number per society in Ireland is 142 and in Denmark 158, while the turnover per member in Ireland is £92 and in Denmark £111, a difference of 21% in favour of the latter country. Apart from the fact that in Denmark co-operation is much more intensive and that the standard of education among a peasantry who have practised co-operation for centuries is high, there is another explanation of this figure. Co-operative creameries among the Danes are founded on a solid basis of dairy farming. Originally that basis was corn growing, but as the necessity of replacing by manure what was taken out of the soil became more and more pressing, the advantages of maintaining a larger stock of cattle and of tending and feeding them better during the winter became evident to more and more farmers. Instead of being robbed the soil was now enriched. This change was quickened by the improvements in transit which occurred in the seventies, resulting in the markets of Europe being flooded with corn from the East and from overseas. The ensuing fall in prices affected Denmark less than any country in Europe, though, of course, it was severely felt there. The Danish farmer keeps up a level of milk production during the entire year; while in Ireland, where dairying is now the most profitable branch of the farmer's business, half of the milk is still produced in three months of the year, while the quantity produced between December and March is insufficient for the needs of the people, to say nothing of being inadequate for the maintenance of a winter butter supply. As a result, Irish creameries cannot take contracts for all the year round. Although they have revolutionised the system of manufacture and of marketing they have introduced little change in the method of producing milk. It is estimated that the average cow gives 450 gallons of milk per year, while by a proper system of selection a yield of 600 gallons could be obtained. Cow-testing societies are practically non-existent in Ireland, and as a result many cows of inferior milking

qualities are kept which do not "pay their way." The paid-up share capital of Irish dairy societies in 1916 was given as £160,820, while the loan capital amounted to £133,025. The high proportion which the latter bears to the former is due in great measure to a certain want of ready money amongst the Irish farmers, who were naturally forced to apply to the banks for loans. High war prices, however, have resulted in considerable additions to the reserve funds of the various societies, and it should be possible to redeem a large portion of these loans.

The position of credit and agricultural banks in 1916 may be seen from the following figures:—

No. of Societies	Membership	Loan Capital	Turnover
116	17,893	£49,439	£41,281

These societies have been of the greatest benefit to the farmer, espcially in the nineties. Owing to the nature of his business he has been often obliged to look for ready money before, for example, the harvest comes in. In the old days he was generally charged an exorbitant rate of interest, sometimes as high as 20%, for this accommodation. But by forming themselves into a society farmers found that on their joint unlimited engagement to be responsible for its liabilities they could secure sufficient money for their needs at a comparatively low rate of interest. Loans were in this way obtained from banks and lent out again at a slightly higher rate of interest to individual farmers who require them. The difference between the interest paid and the interest received went to form a reserve fund. The money thus obtained is not used, as a rule, in acquiring new farms; it furnishes the current working expenses of the old. Capital supplied in this manner enables the farmer to purchase stock, seeds, and manure to the best advantage. In spite of the fact that there would appear to be a big field open for credit enterprises of this nature in Ireland, the movement seems to have been declining for some years. The figures for 1916 show a decrease in business as compared with 1915:—

	1915	1916
Membership	20,260	17,893
Total capital	£52,784	£49,439
No. of loans	6,301	3,023
Deposits	£37,182	£39,430

It is satisfactory, however, to note that while the total capital employed tends to diminish, the deposits tend to increase. There are several explanations advanced for the decrease of these societies. In the first place, the Irish Agricultural Organisation Society has been unable to attend to propaganda work. Secondly, all State loans have been recalled, and hence only those societies which had developed a self-help policy during their earlier stages, and were thus enabled to substitute other capital for the loans advanced by the Department of Agriculture or Congested Districts Board, have continued in active existence. Further, the need of this form of co-operative activity grows less and less essential owing to the results of the movement in other directions, the improvement in the status and position of farmers brought about by land purchase, the stimulus given to agriculture by increased tillage, and the high prices realised by food products during the War. It seems, however, to have been an unwise policy on the part of the farmer to allow any of these societies to lapse owing to his increased capital resulting from unprecedented war conditions. If continued in existence they would have served a useful purpose in keeping his deposits and in utilising them in some productive form or another in his own neighbourhood, a proceeding which could not have failed to benefit him. The privileged position of the farmer during the War and the patronage lavished on him by the State were due to the recognition of his supreme importance as an economic factor. This importance having now diminished the farmer cannot hope for the same measure of State protection, nor can he look for a repetition of the profits he gained during the past five years. The Irish agriculturist would be well advised to develop anew the co-operative credit movement, as there may be lean years in front of him.

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Subscribed Capital £543,666
Paid-up Capital £120,000
FOR REINSURANCE BUSINESS.

Fire, Marine and General Department.
St. Swithin's House, St. Swithin's Lane, London, E.C. 4.
Manager J. Herbert H. Lane.

Registered Office and Life Department.
9 Fleet Street, London, E.C. 4.
Actuary and Secretary: Chas. Wiehers.

Commercial.

AUSTRALIAN WOOL.

Messrs. Dalgety and Company, in their annual review of the Australian wool trade for the season 1917-18, say that the season was the first in the history of the wool trade of Australia when the entire production of greasy and scoured wool was disposed of to one purchaser at a flat rate, and the first season that every clip was realised at the seat of production. There was not a bale of raw wool exported first hand for sale to London or any other overseas market. The only wool exported was to the order of the British Government for its own use, for sale on Imperial account, or allocated to our Allies. It will be remembered that during the first four or five months of the 1916-17 season wool was sold and shipped in the ordinary way. It was disposed of by auction and private treaty in the Commonwealth, under the rules of the trade, arranged by associations of wool brokers and buyers in the principal wool-selling centres. Some wools were shipped to London for realisation. There was an open market, subject to certain embargoes on export to enemy countries, and also to some neutrals. Thus the previous season differed in several material respects from the wool year that followed. On November 23, 1916, the memorable proclamation was Gazetted prohibiting the sale of wool in the Commonwealth, except under regulations to be afterwards issued under the War Precautions Act. This proclamation, which completely changed the basis of wool-selling as evolved by centuries of commercialism, was the result of an agreement arrived at between the Imperial and Commonwealth Governments. The Commonwealth Government undertook to acquire the balance of the 1916-17 season's wool production, on behalf of the Imperial Government, at a flat rate of 15½*d.* per lb., the approximate equivalent of 55% above pre-War rates. Such a radical departure from all previous modes of buying and selling involved the substitution of a new system for the old, and considerable difficulties were encountered during the period of appraisement from January to June 1917. The appraising system in New Zealand was not on precisely similar lines, but results were obtained both in the Commonwealth and the Dominion that proved very satisfactory, considering the initial difficulties of such a stupendous undertaking. Two months were spent in the preparation of the scheme for acquiring wool of vastly different types to the value of 25 millions sterling, and the experience gained proved of immense advantage to the more successful working of the acquisition scheme during the twelve months covered by the annual review. The actual quantity of greasy and scoured wool acquired by the Commonwealth authorities for the Imperial Government was as follows:—

	Bales	Butts and Bags	Lb.
Greasy	1,672,483	208,623	553,713,279
Scoured	201,924	1,442	46,196,661
Totals	1,874,307	210,065	599,909,940

The total flat rate value of the wool submitted amounted to £42,903,395. After allocating wool to local manufacturers, the quantity purchased by the Imperial Government amounted to:—

	Bales	Butts and Bags	Lb.	Appraised Value £ s. d.
Greasy	1,627,360	208,723	553,713,279	34,619,564 19 9
Scoured	197,246	1,442	46,196,661	4,956,855 0 7
Totals ...	1,824,606	210,165	599,909,940	39,576,420 0 4

It will be remembered that an announcement appeared in our daily contemporaries some days ago that the Government proposed removing restrictions with regard to the import of wool, with certain exceptions, in which the Australian wool clip is in no way concerned. There is, of course, a certain measure of anxiety amongst Australian flockmasters after such a dislocation of trade as has taken place during the War as to how they will be able to dispose of their clip in the coming season. If assistance from the Imperial Government should prove to be necessary it should, of course, be given. But in view of the keen demand for wool wherever it can be obtained at reasonable prices we fail to see how such necessity can arise. Here at home, in the United States of North America, and all over the continent of Europe, there is an extreme shortage of wool, as is proved by the extravagant prices demanded for all articles made from wool. A period of transition is necessarily a trying one. But even if the Government decide to assist the flockmasters in the marketing of the present clip, the same difficulty would arise whenever it was determined to finally bring the control system to an end. It would seem, therefore, that the easiest way out of the difficulty is to allow the flockmasters to resume their relations with world buyers at a time when the demand for wool in nearly every country in the world is almost unprecedented.

THE IRISH SOAP INDUSTRY.

Previous to the War the United States had tried for years to capture the world's trade in soap, but, in spite of heavy advertising, the measure of success achieved was not very marked. The Americans, however, possess certain advantages for the economical manufacture of soap, as they generally associate it with the packing and provision interests, where soap is a secondary product in the slaughtering of cattle and the utilisation of their valuable by-products. The growth of pork and beef packing on a large scale, with the important features of artificial refrigeration and the utilisation of waste products, the development of the alkali industry, the rapid growth of the cotton-seed oil industry, and the introduction among soap manufacturers of the Jobbins and Van Ruymbeka process for the recovery of glycerine from waste soap-lye have all combined to give the industry in that country a tremendous impetus. The principal oils and fats used in soapmaking are tallow, cotton-seed oil, palm oil, and cocoanut oil, and as the United States possesses plentiful supplies of the first two mentioned she has an important advantage over her competitors. Nevertheless, the readiness of our manufacturers to adopt the latest chemical processes in soapmaking and our proximity to European markets are factors which tell heavily in our favour. In addition, we possess the advantage, resulting from long years of experience, of a keener appreciation of the needs of particular markets, although our methods of investigating these needs could be considerably improved. Raw materials, as a consequence of the gradual relaxation of control, are becoming plentiful, and provided that labour difficulties become less acute, our factories should soon be in a position to increase their output to some approximation to the pre-War figure. Before the War Germany possessed a monopoly of the palm-kernel trade with West Africa. Although we imported and crushed the nut to some extent, we drew most of our oil supplies from Hamburg. During the past two years large numbers of crushing mills have been established in Great Britain, and a large development of the production of palm oil may be anticipated. Cotton seed is a product of the United States, but we draw a considerable portion of our supplies from Egypt. Resin, a product from the natural or induced exudation of plants of the pine family, is not produced or manufactured in England, but is imported from the United States or France. Smaller supplies are procured from other European countries, but they can scarcely be taken into account. Cocoanut oil is used, roughly, in three qualities, namely, Cochin oil, Ceylon oil, and copra oil. Copra oil is manufactured in the United Kingdom, but quantities were imported before the War from Marseilles and Hamburg. Our supplies of tallow come chiefly from Australia, New Zealand, the Argentine Republic, and China. We are thus in a favourable position so far as raw materials are concerned, since we draw most of our supplies from British possessions. For the manufactured article our colonies are our best customers, as the following table will show:—

Total Exports of Soap from United Kingdom in 1913.

	Cwt.	Value in £
To Foreign Countries	773,942	955,591
To British Possessions	973,432	1,137,095
	1,747,374	2,092,686

Amongst foreign countries China is our best customer, taking 151,040 cwt. in 1913, valued at £150,002. As regards British possessions, we sent 346,208 cwt., valued at £433,314, to British India and Burmah in the same year. Household soaps make up the vast bulk of these exports, the quantity of toilet soap exported being insignificant. It is possible that a larger market may exist for the latter. Our principal customers have not been directly affected by the War, and the process of re-opening commercial relations should not be attended with any difficulty.

There are some points of difference between the English and Irish home markets. The presence of large industrial centres, as in England, naturally creates a strong demand for toilet soaps, whereas in Ireland, which is mainly an agricultural country, the call for that commodity is on a small scale. In addition, the demand for household, toilet, and practically all classes of soap is not as large in an agricultural community as in a country in which industry is strongly developed. Furthermore, the English manufacturer possesses advantages which are denied to the Irish manufacturer. He has a ready market at hand and facilities for cheap distribution. In Ireland, on the other hand, owing to the scattered nature of the population, the costs of distributing soap and candles are higher, and the net profit of the manufacturer is consequently lower. Considering this in conjunction with the fact that the output of the average Irish factory is small, a partial explanation is offered of the Irish manufacturer's inability to put much capital into the development of his business. Another factor which exercises a restrictive influence on the expansion of the Irish industry is the competition of the heavily capitalised English concerns whose working expenses are lower on account of their ability to make larger and consequently cheaper purchases of raw materials, and whose machinery installations are of the most modern type. The following figures, taken from the Census of Production, 1907, show the quantity and value of gross production of soap for that year in England, Scotland, and Ireland:—

Gross Production of Soap, 1907.

	Quantity Cwt.	Value £	Quantity of Soap in Lb. per head of Population Lb.
England	6,716,000	7,809,000	21
Scotland	531,000	532,000	12
Ireland	193,000	223,000	5

As the annual consumption of soap in Ireland is about 380,000 cwt., the Irish manufacturer is thus completely unable to meet the home demand. English imports, which amounted to 204,328 cwt. in 1915,

are brought in to redress the balance. Several of the smaller soap concerns in the South of Ireland are now controlled by English companies, and the tendency seems to point to further developments along this line. Soaps deteriorated to some extent in quality during the War, owing to the use of indifferent oils and to the employment of animal fats for the manufacture of margarine. In the case of some English soaps this deterioration was very marked, but on the whole the Irish article maintained a high standard. A small export trade in soap, chiefly in household and shaving soap, is always done with England, but as a result of their high quality it is anticipated that the figure for the 1918 export trade will show an increase.

There are several reasons which militate against the expansion of the soap industry in Ireland. In England the prevailing unrest assumes one form whereas in Ireland it assumes two—the industrial and the political. In the political form it is always present in Ireland, and has consistently obscured the manufacturing needs and potentialities of the country. In the industrial form it is a comparatively late development, as the organisation of Irish labour became effective only during the past 10 years. This double unrest undoubtedly exercises a crippling effect on trade, and is also, to a certain degree, responsible for the unwillingness of Irish banks to finance local industries. In this respect their policy is inclined to be overtimid, as they would benefit largely by the industrial development of the country. Complaint is made of their refusal to grant loans without unreasonably high security. Irish soaps are not very well advertised, as advertisement on a scale large enough to be effective would absorb more money than the average soap factory could afford. The problem, too, of efficient advertising is one to be considered. Farmers are not always in the habit of taking in newspapers every day, therefore advertisements through this channel have to be supplemented in other ways. In this respect sufficient attention does not seem to be paid to the market town where farmers often congregate. Ireland's direct steamship connection with foreign countries is limited. Communication is, however, maintained with two ports in North America. By this means cotton-seed is imported from the United States, and a limited quantity is crushed locally. Most of the other oils needed in soap manufacture are imported through England, with the result that railway rates and transhipment charges are added to their prime cost. Manufacturing profits are thus reduced, and no compensation is gained in lower wages, as rates of pay are based on the English standard. Almost any fatty substance can be employed in soap-making, but the choice is naturally restricted by the price of the fat, and also the quality of the soap desired. Most important animal fats are those of cattle and pigs. Fat occurs in all tissues of these animals in variable amounts. Before edible uses for beef-fat had arisen, as in the manufacture of lard compound and oleo-margarine, all fat rendered from the tissues of cattle was commercially known as tallow. The increased consumption for edible purposes has placed the demand for tallow for soap manufacture in a secondary place, and compelled the acceptance of inferior grades of tallow for the latter purpose. The caul fat of beef yields on rendering in open kettles at low temperature oleo-stearin and oleo-oil. The former is used with cotton-seed oil in the manufacture of lard compound, and the latter goes into oleo-margarine, while those parts of the fat unsuitable for edible purposes are converted into soap-stock. Lard is a general term applied to the fat of the slaughtered pig, and is separated from the tissues of the animal by means of heat. Lard-stearin and lard-oil are obtained from lard in the same manner as oleo-stearin, and oleo-oil are obtained from beef-fat. The stearin is used in the manufacture of lard compound and the oil for illuminating purposes. Lard-stearin of non-edible quality serves as a soap-stock for certain grades of soap. In large American cities animal soap-stock is now being extracted from sorted garbage by either the steam, sulphuric acid, or naphtha extraction process. It is known as recovered grease, and is used largely in the manufacture of candle-stock. Large numbers of cattle and pigs are exported alive from Ireland every year. By slaughtering them at home their valuable by-products could be utilised, thus resulting in an addition to the wealth of the country. A move in this direction has already been made, and should have the result of enabling the Irish soap manufacturer to obtain some of the needful animal fats for his particular industry at lower rates.

SILK AND SILK WASTE.

JAPAN and China in normal times supply approximately 66% of the world's production, Italy and France 19%, and the remaining countries 15%. The world's crops have advanced steadily from some 15 million kilos. in 1892 to 27 million kilos. in 1913. Almost the whole of the increase has been secured by Japan and China, the former country having surpassed the latter in each year since 1909. It is calculated that the Japanese crop is increasing at the rate of 10% per annum, and whereas 40 years ago Japan produced only some 7,000 bales of indifferent silk, she is now able to export some 150,000 bales of silk of excellent quality, of the value of approximately £30,000,000 sterling. Between 60% and 70% of the Japanese crop is exported annually to the United States of North America. The European production has remained practically stationary, and the supplies from the Levant have doubled, but only represent a small proportion of the whole.

The following figures, taken from the Report on the Textile Trades issued from His Majesty's Stationery Office in 1918, will show the production and consumption for the year 1911:—

Production and Consumption of Silk for the Year 1911.

	Production Kilos.	Consumption Kilos.
France ...	512,000	4,342,000
Italy	4,109,000	1,150,000
Switzerland ...	18,000	1,661,000
Spain... ...	82,000	133,000
Austria ...	217,000	807,000
Hungary ...	135,000	—
Russia and Caucasus ...	480,000	1,440,000
Balkan States	201,000	25,000
Greece ...	60,000	25,000
Salonica and Adrianople	346,000	40,000
Germany ...	—	3,562,000
Great Britain	—	629,000
America ...	—	9,551,000
Broussa, Persia, Syria and Turkestan...	1,789,000	200,000
China... ...	5,379,000	—
Canton ...	2,390,000	—
Japan ...	8,644,000	—
India ...	236,000	641,000
Tonkin ...	15,000	—
Egypt, Morocco, Algeria and various ...	—	405,000
Total ...	24,613,000	24,584,000

The figures for China, Canton, and Japan are the exports. The internal consumption of these countries is enormous, but there are no reliable figures which would enable us to know what these really amount to. It will be observed from the table that Germany does not produce raw silk, but ranks second among the consuming countries of Europe, being only surpassed by France. Austria-Hungary produces a fair quantity, but the total does not amount

HARRISONS & CROSFIELD,
LIMITED.

Issued Capital - - - - £1,225,000

EASTERN AND GENERAL MERCHANTS.

1-4 GREAT TOWER STREET, LONDON.
WITH BRANCHES THROUGHOUT THE EAST.

to one-half of her consumption. Turkey in Asia is the only country with a considerable supply in excess of consumption. In order to ascertain the value of the silk industry in the United Kingdom we have to turn to the Census of Production which was made in 1907. This gives a figure amounting to 5¼ millions sterling as the total value of the silk industry. The trade in raw silk from India has, as we showed some time ago, decreased very seriously during the last 50 years, largely in consequence of the deterioration of the Bengal cocoon and inferior reeling. At the present time the main quantities of the best qualities of Indian silk are grown in Kashmir, where sericulture is a State monopoly. Kashmir produces each year about 1,400 bales of 150 lb. each. This silk is grown on the Himalayan hills, at an altitude of 6,000 feet. It is a regular well-reeled thread, and although weaker than the Italian silk, compares favourably with the Japanese qualities. The greatest care is taken by the authorities in Kashmir to prevent disease in the cocoons. The seed for its production is imported year by year from France, and reproduction is not allowed, the object being to prevent the growth of disease. Part of the silk is reeled within the borders of the State, but there is a considerable export trade to Italy, though there seems no reason why the whole of the season's crop should not be reeled in Kashmir.

We hope at some future date to deal with the prospect of extension of sericulture, particularly with reference to an increasing production of silk within the confines of the British Empire.

We will confine ourselves to-day, however, to showing the importance of the silk industry in the United States of North America. Below we publish a table, for which we are indebted to the National City Bank of New York, showing the imports of raw silk into the United States of North America since the year 1860.

According to a report compiled by the National City Bank of New York, the silk factories of New York are now turning out products valued at approximately £100,000,000 a year, against £20,000,000 in 1900 and £50,000,000 a year at the beginning of the War. Equally interesting is the growth in exportation of silks, which in 1900 amounted to only a trifling sum, while for the year 1916 it amounted to approximately £4,000,000 sterling. There are as yet no census figures of the silk manufactures in 1918, but an approximate estimation of the growth of the industry can be had by taking the value of the raw silk imported in the census years, with the stated value of the silk manufactures turned out in those years which indicates that the output of the factories averages about two and a-half times as much as the import value of the silk used, and as the value of the raw silk imported in 1918 is nearly £40,000,000 sterling, it may be assumed that the silk manufactures turned out in that year were approximately £100,000,000, against £50,000,000 in 1914 and £21,000,000 as shown by the census of 1900.

Fiscal Year	Lb.	Price per Lb. $	Value $
1860	298,000	4·50	1,341,000
1870	581,000	5·17	3,018,000
1880	2,562,000	4·68	12,025,000
1885	3,424,000	3·63	12,422,000
1890	5,943,000	3·92	23,285,000
1895	7,975,000	2·76	22,029,000
1900	11,259,000	3·96	44,550,000
1901	9,140,000	3·21	29,354,000
1902	12,621,000	3·31	41,714,000
1903	13,637,000	3·59	49,003,000
1904	12,631,000	3·52	44,462,000
1905	17,812,000	3·34	59,543,000
1906	14,505,000	3·64	52,856,000
1907	16,722,000	4·20	70,230,000
1908	15,424,000	4·13	63,666,000
1909	23,334,000	3·37	78,831,000
1910	20,363,000	3·21	65,425,000
1911	22,380,000	3·25	72,714,000
1912	21,510,000	3·11	67,173,000
1913	26,049,000	3·15	82,148,000
1914	28,595,000	3·42	97,828,000
1915	26,031,000	3·09	80,532,000
1916	33,071,000	3·61	119,484,000
1917	33,869,000	4·61	156,086,000
1918	34,448,000	5·25	180,906,000

VICKERS—METROPOLITAN CARRIAGE FUSION.

One of the biggest industrial amalgamations yet witnessed in this country will evolve from the proposals placed this week before shareholders of Vickers, Limited, and of the Metropolitan Carriage, Wagon and Finance Company. The relations of Vickers and the Metropolitan Company are already so closely linked that it is thought very desirable, and, indeed, almost essential in the best interest of the two concerns and of the trade of the country, that they should come under one control, so as to realise to the full the advantages of joint working and sales organisation. The two Companies have very large common interests in the British Westinghouse Electric and Manufacturing Company, and also in other electrical and engineering enterprises.

The issued capital of Vickers, Limited, is:—

Debentures	Shares, &c.
£1,250,000 4% 1st Mort.	£750,000 5% Non-Cum. Preferred stock.
353,500 4½% 2nd Mort.	750,000 5% Non-Cum. Pref. shares (£1).
615,300 5% 3rd Mort.	5,500,000 Ordinary £1 shares.
£2,218,800	£7,050,000

and the Metropolitan Company has in issue:—

248,132 "A" Preference 5% Cumulative £1 shares.
235,000 "B" Preference 5% Cumulative £1 shares.
3,000,000 Ordinary £1 shares.

£3,483,132

The authorised capital of Vickers, Limited, is to be increased to £26,500,000 by the creation of 6,000,000 new £1 Ordinary shares and 7,000,000 Cumulative Preference shares bearing 5% interest, free of income tax up to 6s. in the £, and ranking after the existing Preferred and Preference issues. Treasury sanction has been given to an issue by Vickers of the 7,000,000 Cumulative Preference shares and of 5,100,000 Ordinary shares.

Metropolitan shareholders are offered for each existing £1 Ordinary share one and a-half Vickers Ordinary and two new Preference shares, calling for

"Beautifully Cool and Sweet Smoking."

PLAYER'S
NAVY CUT
TOBACCO

Packed in varying degrees of strength to suit every class of smoker.

PER OZ.
Player's Gold Leaf Navy Cut
Player's Medium Navy Cut
Player's "Tawny" Navy Cut
10½D.

Per Oz.
Player's "White Label" Navy Cut
9½D.

Also PLAYER'S NAVY CUT DE LUXE a development of Player's Navy Cut packed in 2-oz. and 4-oz. airtight tins at 2/1 and 4/2 respectively.

This Tobacco is also supplied at Duty Free Rates for the purpose of gratuitous distribution to wounded Soldiers and Sailors in Hospital. Terms and particulars on application to:

John Player & Sons,
Nottingham.

Branch of the Imperial Tobacco Co. (of Great Britain and Ireland) Ltd.

PLAYER'S NAVY CUT

F574

4,500,000 Vickers Ordinary shares and 6,000,000 Vickers Preference shares; for each "A" Preference share one new Vickers Preference share, and for each "B" Preference share 1⅛ Vickers new Preference shares—together 512,507 Vickers Preference shares. Thus, if the exchange is complete it will take up 4,500,000 Vickers Ordinary shares and 6,512,507 new Preference shares, leaving a balance of the new issue of 600,000 Ordinary shares and 487,493 Preference shares.

Alternatively, Metropolitan shareholders are to have an option to receive cash instead of shares, at the rate of 95*s.* for each Metropolitan Ordinary share, 20*s.* for each "A" Preference share, and 22*s.* 6*d.* for each "B" Preference share. Metropolitan Ordinary shares are now quoted at 95*s.*, the "A" Preference shares last marked at 18*s.* 3*d.*, and the "B" Preference shares at 20*s.* 6*d.* It is anticipated that to a large extent the exchange will take place, but arrangements have been made for underwriting the whole of the new issue at a commission of 4%, and it has been decided to give Vickers shareholders the opportunity of subscribing for so much of the new capital as may not be taken in exchange, at the price of 95*s.* per block of one and a-half Ordinary and two new Preference shares. At the least—if the exchange is fully complete—there will remain 600,000 Ordinary shares and 487,493 Preference shares for Vickers shareholders, and this number will be raised according to the extent which Metropolitan shareholders elect to take cash. The one and a-half Vickers Ordinary shares are worth 59*s.* at present price, and the two new 5% tax-free Preference shares about 44*s.*, say a total of 103*s.*, so that there is a bonus of 8*s.* per block of shares offered. By the arrangement the new issue can hardly be exactly parcelled out into the specified "blocks, and presumably the underwriters will take up a number—possibly running into several hundred thousand—of odd Ordinary shares, and also, perhaps, some Preference shares. For instance, if all Ordinary and Preference shareholders of the Metropolitan Company elect to exchange shares, the remaining 600,000 Ordinary shares and 487,493 Preference shares of the Vickers issue will only split up into 243,746 blocks, comprising 487,492 Preference shares and 365,619 Ordinary shares, and leaving over one Preference share and 234,381 Ordinary shares.

Metropolitan Ordinary shares have received 15%, free of tax, for some years, and Vickers Ordinary shares 12½%, free of income tax. If this latter rate of dividend is maintained Metropolitan Ordinary shareholders on the exchange will receive, free of tax: 12½%+6¼% (1½ Ordinary shares) +10% (2 Preference shares) =28¾%. The yield of this on the 95*s.* alternative cash offer is equivalent to 6.05%, free of tax, and 7.86%, less tax.

Four directors of Vickers will join the Metropolitan Company's board, and *vice versa*, and the two undertakings will be conducted as separate entities.

A welcome will be extended by traders and merchants in this country to the first issue of the *Monthly Review of the Portuguese Chamber of Commerce and Industry*, which appeared this week, though it is dated January 31. This appears rather a bad start for a monthly review; but indulgence is claimed in view of labour shortage, and many other obstacles which are necessarily associated with the starting of a new journal. The object of the new Review is to help in developing trade between Great Britain and Portugal and the Portuguese Dependencies. The publishers are Messrs. C. Lobo, Limited, Capel House, 62 New Broad Street, E.C.2. The annual subscription is 12*s.* 6*d.* in the United Kingdom and £1 abroad.

Industrial Companies.

BRITISH INSULATED AND HELS CABLES.

Issued Capital: £1,500,000, in 500,000 6% Cumulative Pref. Shares and £1,000,000 Ord. Shares of £1 each.
Debentures: £500,000 4½% First and £200,000 5% Second Debentures.

Year	Gross Profit	Deprecn.	Deb. Int. Pref. Div.	Ord. Div. £	Ord. Div. %	Reserves†	Carry-Forwd.	Stocks	Surplus Liquid Assets‡
	£	£	£	£	%	£	£	£	£
1914	272,103	25,000	62,500	75,000	15	88,500	119,380	504,007	1,006,475
1915	289,217	35,000	62,500	87,500	17½	63,500	160,097	706,811	922,108
1916	294,551	45,000	62,500	100,000	20	83,500	163,648	761,384	951,741
1917	357,144	55,000	62,500	125,000	25	193,500	84,792	698,347	1,114,759
1918	282,000	25,000	62,500	125,000	12½*	55,000	99,292	900,809	978,766

* On doubled Ordinary share capital.
† Including provision for Debenture redemption.
‡ Including investments in and loans to subsidiary and controlled Companies but excluding stocks.

If in this Company's title the word "electric" appeared before "cables" it would more clearly, though still only partly, describe its manufacturing activities, for it controls, or has large investment interests in, subsidiary and allied concerns, notably in the Midland Electric Corporation for Power Distribution, the Electric Supply Company of Victoria, and the Automatic Telephone Company. A year ago the directors stated that the Company's works had been exceptionally busy in 1917; but in respect of 1918 they report that, whilst some departments were again exceptionally busy, others have been very short of work. This, no doubt, explains the rather severe falling off of over £75,000 in the gross profits, bringing their amount down to under the figures of the previous three years. Still, after deducting depreciation of £25,000, which compares with the exceptionally large allowance of £55,000 for 1917, a net profit remains of £257,000. This is nearly six times the sum required for interest on Debentures and Preference shares. To maintain the amount distributed to Ordinary shareholders at £125,000—giving them 12½%, instead of 25% for 1917 owing to the share for share bonus distributed last year—the allocations to reserve are reduced to a total of £55,000, as compared with £193,500 in respect of 1917. The carry-forward, however, was lowered a year ago by £79,000; now it is raised by £14,500, and the balance sheet shows an increase of £212,462 in the value of stocks and a diminution of £136,000 in surplus liquid assets. The financial position is immensely strong.

As regards prospects, shareholders were informed a year ago that when the War was over strenuous efforts would require to be made to enable the Company to resume the important position, free of Government control, held by it before the War. For a time possibly the condition of affairs during the transition period will adversely affect earnings, but it has to be borne in mind that rebuilding, reconstruction, and the making good of arrears of repairs both on the Continent and at home, and, perhaps, later on, railway electrification, should tend to create a very active demand for such manufactures as the Company specialises in.

	4½% 1st Mort. Deb. Stock	5% 2nd Mort. Deb. Stock	6% Cum. Pref.	Ordinary
Price	93½	89	1	2⅛
Yield per cent. ...	£6 19*s.*	£5 14*s.*	£6 1*s.*	£6 2*s.*

WOOLCOMBERS, LIMITED.

Capital: £285,000, in 210,000 7% Cum. £1 Pref. Shares and 75,000 £1 Ord. Shares.
Debentures: £325,000 4½% 1st Mortgage.

Year	Profit*	Net Profit†	Deprec. and Reserve	Pref. Div.	Ord. Div. £	Ord. Div. %	Carry-forw'd	Stock, &c. Value	Surplus Liquid Assets‡
	£	£	£	£	£	%	£	£	£
1914 ...	97,837	68,732	47,693	14,700	5,625	11¼	1,976	58,718	*16,236*
1915 ...	121,265	89,699	66,862	14,700	5,625	11¼	4,489	90,320	579
1916 ...	129,979	98,990	77,793	14,700	5,625	11¼	5,370	125,429	30,957
1917 ...	138,639	100,936	79,256	14,700	6,625	11¼	6,724	128,289	61,881
1918 ...	124,390	77,382	56,171	14,700	7,150	11¼	6,294	196,176	34,036

* After provision for excess profits duty.
† After deducting all expenses, income tax and £14,625 p.a. Debenture interest.
‡ Excess of liabilities (stock excluded).

Last year was one of the most difficult of all the War years for the textile industry. It is not very

remarkable, therefore, that the report of the Woolcombers, an undertaking which, together with its numerous branch enterprises, conducts a large proportion of the business of preparing and separating long and short wool for the worsted trade, shows a smaller profit for 1918 than in respect of 1915 and 1916. In noting the figures it has to be borne in mind that they are after deduction of taxation. Probably heavier provisions in this connection account for some of the diminution in the net earnings. The dividend on the Ordinary shares is not raised, but it has been resolved to repeat last year's distribution of 25,000 Ordinary shares and capitalise an equivalent amount of the reserve, at present amounting to £200,000. In the past four years £280,000—nearly the amount of the capital—has been set aside out of profits to reserve, to depreciation fund (now £331,865) and to fire insurance fund, which figures for £2[illegible]00. The value of stock of stores and work in progress has risen greatly, doubtless owing for the most part to higher prices, but nevertheless at December 31 cash debtors and investments (the latter £191,885 against £3,571 at end of 1914) exceeded current liabilities, dividends, and interest obligations at £34,000. The 7% Cumulative Preference Shares, with six months' interest included, are quoted at about 22*s.* 6*d.*, and yield about 6⅓%.

WM. GRIFFITHS AND CO., LIMITED.

Issued Capital: £137,500 in 10/- Ord. Shares.
Debentures: £47,865 5%.

Year to Oct. 31	Gross	Expenses, Deprecn., &c.	Net Profit	Deb. Int.	Ord. Div. £	Ord. Div. %	Carry-Forward	Stocks	Surplus Liquid Assets
	£	£	£	£	£	%	£	£	£
1914	29,511	18,336	11,175	2,500	2,750	2	1,406	31,903	66,180
1915	16,241	13,597	2,644	2,500	Nil	—	1,550	32,110	67,507
1916	16,784	11,086	5,698	2,500	2,650	2	1,998	36,716	68,231
1917	13,273	9,438	3,835	2,500	Nil	—	3,333	27,975	78,356
1918	15,317	7,487	7,830	2,447	6,875	5	1,841	29,721	75,723

Road building and mending is very much in arrear at the present time owing to the postponement of expenditure thereon during the War and labour shortage, but big schemes are afoot for making up lost time and generally preparing for the extension of motor transportation. In these circumstances interest attaches to the prospect of improvement in the business of this Company, which, besides owning quarries and plant for the making of road materials, undertakes large-scale contracts. As shown by the figures above, it has passed through a lean period in the last five years; but Debenture interest has been paid regularly, and the balance sheet shows quite a sound financial position. The 5% Debentures are now quoted at about 72, and the 10*s.* Ordinary shares at 7*s.* 6*d.*

EASTMANS, LIMITED.

Issued Capital: £1,126,490, in 500,170 8% Cumulative Pref. £1 Shares and 626,320 Ord. £1 Shares.

Year	Trading Profit	De-preciation	Net Profit*	Pref.	Ord. £	Ord. %	Reserve	Balance Forwd.	Stocks	Surplus Liquid Assets
	£	£	£	£	£	%	£	£	£	£
1914	53,583	10,000	37,225	36,929	Nil	—	—	13,121	91,115	128,365
1915	50,809	5,000	36,135	34,679	Nil	—	—	14,577	122,825	103,336
1916	42,103	5,000	27,587	31,010	Nil	—	—	11,154	84,383	144,159
1917	77,450	10,000	50,441	30,010	23,437	5	—	8,098	41,649	194,288
1918	138,629	10,000	95,273	28,510	44,625	10	20,000	10,236	65,625	202,339

* After provision for income tax (1914, £4,157; 1915, £7,676; 1916, £9,719; 1917, £18,400; 1918, £39,600).

Such exceptionally high earnings as reported by Eastmans, Limited, for the past two years, and especially for 1918, can only be attributed to specially favourable conditions for money making in the meat trade. From 1905 to 1911 the Company did fairly well, earning sufficient to pay dividends averaging 7% on its Ordinary capital. Then in 1912 a set-back was experienced, and the profit barely sufficed to cover the Preference interest. There was improvement in 1913; but conditions again changed for the worse in 1914, and in that and the two following years only the Preference dividend could be paid, with little margin over except for diminished depreciation provision. It is advisable in the light of these past circumstances to view the 10% dividend on the Ordinary shares for the past year as exceptional. A good feature is the strengthening of the cash position, but in noting that the surplus liquid assets have increased from £128,365 to £202,339 it has to be pointed out that capital expenditure during the five years has totalled only £4,000, indicating, apparently, that considerable arrears of repair work and renovations in respect of retail premises have to be caught up. Stocks were added to by £24,000 in 1918, probably as much due to the rise in prices as to increase in bulk, but in comparison with preceding years the value is very much down. This also may be a good feature, seeing that already retail prices have commenced to decline. The 8% Cumulative Preference shares are quoted at 22*s.*, and the Ordinary shares, which received 10% for the past year, stand at about 19*s. cum* dividend.

FORESTRY IN IRELAND—II.

The use of wood in some form or another enters so largely into our common existence that we are apt to regard a continuous supply as being an automatic result of the bounty of nature. We forget the fact that consumption is gradually overtaking production. Timber is employed for a multitude of needs and these needs tend to increase. It is essential for the construction of buildings, railways and engineering of all kinds, for packing cases, for coal mines, and for a thousand miscellaneous purposes for which no other raw material is so well adapted. Our ability to import timber during the War was, to a great extent, responsible for its successful issue. The consumption of wood by the War Office alone, which, in the year before the War was 10,500 standards, or approximately 1,750,000 cubic feet, was for a recent complete period of a year during the War 600,000 standards, or 100,000,000 cubic feet. Our total imports of wood and timber were for 1915, 7,668,000 loads and for 1916, 6,319,000 loads. It is estimated that in 1915 these imports required 3,834,000 and in 1916, 3,159,500 net tons of shipping, thus, had the home supplies of timber been adequate for our purposes, the amount of shipping set free would have appreciably helped to solve the problem of food supplies. Highly industrialised countries in Europe and America are dependent, to a varying extent, for their timber supplies on the virgin forests of new and comparatively thinly peopled countries, but as these latter become more and more settled their exportable surplus is bound to decrease. The steady rise in prices since 1895 is significant as showing the progressive exhaustion of these resources. More than 60% of its timber is derived by the United Kingdom from foreign countries. The proportion obtained from sources within the Empire fell from 22% in 1899 to 10% in 1913. Every year we become more dependent on Russia, which in 1913 supplied us with nearly half our total imports. The chaotic state of affairs existing in that country for the past two years, resulting, in the first place, in a marked diminution of coal imports from abroad and consequently, in an increased use of home wood for fuel, and, secondly, in the absence of law and order, cannot fail to have diminished the extent of these forests. Furthermore, if a settled government does not materialise in Russia in the near future, the world market for timber is likely to be seriously affected, with the inevitable result of a further rise in prices. The only large reserves within the British Empire are those of Canada, which are being rapidly destroyed by fire. New measures of protection, which include a system of aeroplane patrol, have been adopted by the Dominion Government and it is to be hoped they will prove effective, for Canada is the only resource of the United Kingdom should supplies from Russia fail. The following table, which shows the approximate area of wood in the United Kingdom at the outbreak of the War, indicates the smallness of our forestral resources:—

Date of Census	Country	Total Area Acres	Total Area of Woods Acres	Per Cent Total Area Under Woods
1913	England and Wales	37,130,308	1,884,100	5·1
1906	Scotland	19,069,674	66,400	4·5
1913	Ireland...	20,250 796	290,800	1·4
	Total	76,450,776	3,043 300	4·0

Of the total area of approximately 3,000,000 acres under woods, some 65,000 acres in England and Wales, 1,000 acres in Scotland, and 8,000 acres in Ireland, or 2.4% of the whole, were under the control of the State. The contrast between Ireland and Great Britain is marked in the poverty of the farmer's woodland resources. In a previous article we detailed the explanatory reasons. The activities of the State for the development of afforestation in Ireland are exercised through the Department of Agriculture. The funds provided for this purpose are inadequate; consequently the results achieved are not very striking. The actual expenditure on forestry in Ireland from 1902 to 1916, and the sources from which it is derived, are set out in the following table:—

Nature of Source	Expenditure £
Department's endowment fund	44,679
Parliamentary vote	36,026
Development fund (up to March 31, 1916)...	29,328
Total	110,033

Additional loans recommended by the Development Commissioners have not been sanctioned by the Treasury owing to the financial stringency. About 8,000 acres of depleted woodland have been acquired and are being steadily replanted and managed in accordance with the principles of scientific forestry. In 1904 a school for working foresters was established at Avondale, Co. Wicklow, where an area of 500 acres was purchased and laid out in demonstration plots. The skilled advice of these foresters was at the disposal of private owners, but was little availed of, as landowners in Ireland have been more concerned with the felling of their timber than the planting and improvement of woods. Five county councils have now adopted schemes with a view to the preservation of small woods and plantations which do not admit of economic treatment by a central authority. The total area of woodland thus taken over is only 567 acres. Generally, the county councils show no disposition to take up these schemes, though the produce of a rate of a ½*d.* in the pound for one year would, in most instances, enable a useful beginning to be made and suffice to cover expenditure for several years.

The progress of afforestation is slow, chiefly owing to the inadequacy of the funds provided for that purpose. Were adequate funds provided, the afforestation area could be considerably extended. It is estimated that in Ireland there are between 500,000 and 700,000 acres suitable for planting purposes. This area is found, to a certain extent, among the mountains, though not all mountain land is suitable. Its afforestability decreases as the western coast-line is approached—a fact partly due to the greater deposits of peat in that direction, and partly to the influence of the westerly winds—whereas mountain land in the East and South of Ireland is, taken as a whole, suitable for afforestation. Another category suitable for forestry purposes is land covered with heather, gorse, bracken, and other growth, which destroy the greater part of its grazing value and render it of little service to owners or occupiers. The above-mentioned figure is, if anything, an underestimate. It is probable that an area of 700,000 acres could be profitably utilised for tree-planting, and that it would embrace all lands which are of practically no use for agricultural or pastoral purposes. In fact, it is possible that as planting progresses and the need for smallholdings in the neighbourhood of forests increases, much land which is now too isolated to be put to immediate agricultural use will be brought under cultivation, so that forestry will increase rather than decrease arable cultivation.

It would, of course, be unwise to embark on a large-scale scheme of afforestation unless it was first ascertained that the conditions were such as to guarantee its success. Considerations of soil and climate enter largely into the suitability, or otherwise, of a country for the successful growth of timber. In this connection differences do exist between Ireland and various European countries, but these differences, if anything, are in her favour. Her humid air and mild equable temperature conditions, which she derives from her geographical and physical situation, are the conditions most desirable for tree growth. In the past Ireland was a densely wooded country, and there is no reason to believe that the conditions prevailing now are very different from the conditions which fostered that growth. Wherever arboriculture has been encouraged the results so far as they relate to variety and luxuriance of tree growth have been remarkable, and it has been suggested that Ireland, on account of her exceptional advantages, might make a speciality of tree-nursery gardening, for the supply of other countries as well as herself. So far as the commercial utility of the home-grown timber is concerned the experience of saw-mill managers, who have used it extensively during the War, goes to show that it has been found suitable for most of their purposes.

Apart altogether from the question of direct commercial returns, the undertaking of forestry work on a large scale would have important social and economic results. Scattered throughout Ireland, and especially in the West, are stretches of poor and backward land which are incapable of supporting their occupants all the year round. These men, who are generally small farmers, are consequently forced to seek some other form of employment during certain portions of the year. In certain localities, mining, quarrying, or sea-fishing may supply this want, but in many districts silviculture, and the industries based on it, are the only agencies that can do so. A thousand acres of hill grazing require the services of one, or at most two, shepherds, and the annual production per acre on even the best land of that type is about 10 lb. of mutton and 2 lb. of wool. The same area under forest requires the services of ten men, besides occasional labour in nurseries and young plantations and labour employed in industries dependent on the forest, while its annual production is, at a low estimate, 50,000 cubic feet of coniferous timber. With the extension of the forested area to several thousand acres the new standard of value created would assist powerfully in the general development of a district, while the increased opportunities for social intercourse would brighten the life of the rural worker generally. These social and economic aspects of the question have had most weight with the promoters of silviculture in Europe, since they result in the setting up of new values—values expressed partly in terms of population and partly in terms of wealth.

The new number of the *Anglo-French Review* contains an interesting article in French by M. André Lebon, Ancien Ministre du Commerce de France, entitled "La Liberté Commerciale aux temps présents et prochains."

The third Swiss Trade Exhibition in Basle will open on April 24, and will remain open till May 8. This will be the first of its kind held in peace time. Invitations are now being sent out to merchants and traders in this country. The goods offered are divided into 19 groups, ranging from drugs and chemicals to mechanical instruments and building materials, and include fancy goods, paper manufactures, articles of food and luxury, textile goods, clothing, &c., musical instruments, and furniture. Buyers representing wholesale, retail, and industrial houses intending to visit the Exhibition should give with their application—which should be made to the office, Gerbergasse 30, Basle—their address, branch, and calling. In order to avoid delay it is advisable to obtain passports at an early date.

MEETINGS
OF PUBLIC COMPANIES.

BRITANNIC ASSURANCE COMPANY, LIMITED.

Satisfactory Expansion of Business.

THE fifty-third ordinary general meeting of the shareholders of the Britannic Assurance Company, Limited, was held at the chief offices, Broad Street Corner, Birmingham, on March 11, Mr. F. T. Jefferson, J.P. (Chairman), presiding. There were also present Messrs. J. A. Patrick, J.P., T. Dobson, R. S. Close, and S. J. Port (directors), and J. Murray Laing (secretary).

The notice convening the meeting and the auditors' report were read by the Secretary.

In moving the adoption of the report, the Chairman said: I will first call your attention to the figures relating to the two sources from which our income is entirely built up.

Premium Income.

We have the satisfaction of announcing an increase in premium receipts in the ordinary branch of £39,345, and an increase in such receipts in the industrial branch of £122,276, making a total increase for the year of £161,621. This is more than double the largest increase we have ever been able to report in any previous year. It brings our total life premium income up to £1,627,000. I referred last year to the satisfactory extension of business in the ordinary branch, and we have the pleasure to-day to be able to announce that last year's figures, good as they were, have been greatly improved upon. We have issued new policies in this branch assuring the record sum of £799,000. After replacing a loss of premium income, amounting to over £82,000, on policies falling in by death and maturity in both branches, we had the satisfaction of finding at the end of the year that we had secured and retained a combined increase in our business which should produce a new annual premium income of over £160,000.

Interest.

You are aware of the very important part which the interest yield from our invested funds plays in the finances of the Company—important not only in the contribution it makes to our financial strength, but important also in relation to the margin between the rate achieved and the rate at which our future liabilities and our future premium income is valued by our actuary in his annual investigation into the Company's position. We are able to report the very satisfactory gross yield of £5 1*s.* 4*d.* per cent. on our total mean funds. This is a better gross yield than we have ever been able to report before. The gross receipts from interest, dividends, and rents amounted to £232,357, reduced by the very heavy income tax to £190,884, showing a net yield of £4 2*s.* 9*d.* per cent. on our total mean funds. I should point out that this satisfactory yield has been contributed to in some measure by our being able to bring into account some items which, owing to the uncertainties of the position last year, we did not feel justified in bringing in. We have the satisfaction of being told by our actuary that the margin between the actual yield and the rate assumed in the valuation of our liabilities provides a satisfactory margin of safety, with a reasonable hope of a satisfactory margin of profit.

Financing the War.

You will observe that our total holding of British Government War stocks amounted at the close of the year to £1,780,000, since increased to £1,890,000. We felt it our duty to respond to the appeal of the Government to the limit of our resources, and the fact that we have 39% of our total funds invested in such stocks shows, I think, that the Britannic has at least done its bit towards finding the silver bullets for which the Prime Minister so urgently appealed.

Claims.

Our main item of expenditure, of course, falls under the head of claims. The amount distributed to our policyholders during the year was £861,663, and exceeded the amount paid in 1917 by £44,000. As stated in the report, the civilian mortality during the greater portion of the year was exceedingly favourable, and we had visions of being able to report an actual decline in this item, notwithstanding the heavy payments in respect of war claims. The first outbreak of influenza, about the middle of the year, did not materially affect this favourable mortality, but the epidemic which raged during the last quarter of the year, and which, I am sorry to say, is still raging, sent up our claim rate in a manner never before experienced in our history. I believe this experience to be common to all other industrial ordinary life offices. As illustrating the severity of this epidemic, the report calls attention to the fact that we paid during the last thirteen weeks of the year no less a sum than £98,000 in excess of the amount paid during the corresponding weeks of 1917. An unfortunate and alarming characteristic of this epidemic is that it attacked and is attacking the young and presumbly vigorous lives. At ages 18 to 47 we paid in the thirteen weeks under review more than double the number of the claims at the same ages in the corresponding period of 1917, and the average of all ages at death in that period was practically five years younger than in 1917.

Ministry of Health.

The prevalence and recurrence of this influenza scourge emphasise in the most forcible manner the urgent necessity for the co-ordination of the National Health services into one central administration under one capable Minister. It has been ignorantly asserted that the great industrial assurance and friendly collecting societies were amongst the "vested interests" opposed to this urgently required reform. The assertion is as false as it is absurd. Our vested interests are best served by the abolition of dirt and disease, in the prolongation and not in the abbreviation of human life. Our prosperity depends upon those who live up to and those who exceed the anticipated duration of life.

War Claims.

Included in the total of claims paid during the year was an amount of £68,000 paid under policies on the lives of men sacrificed in the War, now happily brought to a victorious termination. The total paid by this Company on such lives amounted to over £220,000 to the end of the year. Unfortunately, we have not seen the last of these claims, but I am happy to say we have seen and met the worst of this drain on the Company's funds.

Cost of Conducting the Business.

Next in importance to our expenditure in respect of claims comes the cost of conducting the business. It has been the constant endeavour of the directors to encourage their staff to greater effort, resulting in greater production, and to offer such reward as would amply repay the staff for such increased efforts. The directors recognise that the prevailing conditions demand that it must be made possible for their representatives to increase their average earnings, and every inducement and opportunity has been given to them to do so. We cannot, like dealers in other commodities, impose on our customers the increase in the cost of the commodity we deal in. Our contracts are unalterable, and an increase in the premium rates at which we offer that commodity and which the public is not bound to buy would simply result in a decreased demand to the detriment of the staff and the resultant decrease of their earnings. We can afford to pay for increased production, and the schemes initiated by the directors have been productive of the largest addition to the Company's business ever made, and the consequent large increase in the amount paid to the staff. The payments to the outside staff, under the head of commission and new business expense, amounted to nearly £62,000 more than was paid in the previous year, and, compared with the pre-war period, practically £100,000 more was paid in 1918, and this to a considerably reduced staff, including a large proportion of women working part time.

Management Expenses.

It could not be expected that the increase in the Company's business now reported would be unaccompanied by some increase in the expenses of management, but I think you will agree that the record growth in the Company's premium income has been attended by a very moderate increase in the cost under this head. The ratio of management expenses to premium income again shows a slight decrease. The gross income of the Company, as compared with the pre-war year, shows an increase of £444,000, whilst the expenses of management show an increase of only £13,700.

Results of the Year's Transactions.

The total income from all sources amounted to £1,870,000, an increase over the previous year of £192,000. The total payments amounted to £1,493,000, leaving a surplus balance on the year of £376,605. A careful valuation of the fluctuating securities as at December 31 last has been made by the auditors under the supervision of the general manager. Such an appreciation in the value of these securities, as compared with the value as at December 1917, is shown that the directors have felt justified in abstaining from allocating any portion of the balance to investment reserve, which already stands at £200,000. Having regard to the sum we are carrying forward from the actuarial surplus, to which I shall refer presently, and which is available, provision for any further depreciation and for other contingencies, I think you will agree that the directors are warranted in the decision they have come to. The balance of £376,605 is, therefore, added to the funds intact, bringing the total funds up to £4,889,000.

Valuation.

Our actuary, Mr. Laing, has been able to complete and present his report on the valuation of the Company's business at the usual time, in spite of the most adverse circumstances, caused by shortage of staff and the prevalence of sickness amongst the depleted staff. As the result of his valuation of our 2,200,000 policy contracts Mr. Laing is able to report that, after making full provision for all policy liabilities on the same bases of mortality and interest as those adopted in the previous year, with certain necessary strengthening of margins for future expenses, a surplus is shown of £181,000. It will no doubt occur to you that but for the abnormal amounts paid away in war claims and under claims caused by the influenza epidemic this surplus would have been very substantially increased. You are aware that, although we have paid interim bonuses on all participating policies falling in by death or maturity during the years 1915 to 1918, we decided to make no general distribution of profits —a decision which, although it hit policyholders and shareholders very hard, has, I believe, been concurred in by both classes alike as wise and prudent. The directors have, however, decided that the conclusion of hostilities, with the return of something approximating to normal conditions, warrants them in distributing at least a portion of those profits for which the participating policyholders have been paying during the years in question. They therefore recommend the allocation of £96,615 of this surplus amongst the participating policy-holders and the shareholders.

After making adequate provision in respect of policies in the accumulated profit classes this sum will provide reversionary bonus additions to all existing immediate profit policies in force on December 31 last at the following rates for each £100 sum assured :—

16*s.* if effected in 1918.
32*s.* if effected in 1917.
48*s.* if effected in 1916.
64*s.* if in force Dec. 31, 1915.

The amount of £84,333 is carried forward undivided, and whilst that amount, as already stated, is available as a provision for contingencies, it also contains the promise of future distribution of profits.

Mr. S. J. Port seconded, and the report was adopted.

LAMPORT AND HOLT, LIMITED.

SIR OWEN PHILIPPS ON INDUSTRIAL UNREST.

The seventh ordinary general meeting was held on March 20 at the Company's office, 36 Lime Street, E.C., Sir Owen Philipps, G.C.M.G., M.P., the Chairman, presiding.

The Secretary (Mr. W. J. Moynihan) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—The position of the Company is clearly set out in the accounts which are before you to-day. These accounts show a reduction in our profit as compared with the previous year, due to our entire fleet being, for the whole period under review, under requisition to the Government, to whom all earnings were credited, the Company receiving hire money at Blue-book rates for the use of its vessels. Under these circumstances, we have not been able this year to add to the reserve account, which stands at £600,000, but we recommend the payment of the same dividend as for the last three years—viz., 10%. The Company is in a strong financial position. Our paid-up share and Debenture capital and reserves amount to over three and a-half millions sterling, whilst the fleet stands in our books at a very moderate figure. Our vessels hitherto engaged upon direct war service, or under requisition to the Ministry of Shipping, are gradually being returned to us, though reconditioning necessarily occupies considerable time. We are concentrating our attention upon the resumption of our normal trades, with such resources as we now have available for the purpose. As you know, this Company has been specially affected by the War in regard to important trades which it had created and built up. To meet national interests some trades had to be abandoned altogether for the time being, and in view of the expansion which has taken place in the Mercantile Marines of America and other countries, we may find it by no means easy fully to re-establish ourselves in our ordinary sphere of operations.

Replacement of Lost Tonnage.

One of the greatest difficulties which confronts British shipping is the replacement of tonnage lost in the War, and in this respect the liner companies have suffered severely, because, although the net loss of tonnage in the British Mercantile Marine may not appear to be so alarming as might have been supposed, the replacements have consisted almost entirely of cargo vessels of the simplest type, and the construction of high-class liner tonnage has been largely suspended during the War, whilst the loss of such vessels by enemy action has been heavy. It must not be overlooked what high-class liner tonnage has meant to us and the Allies in winning the War, nor how vital it is that our position in this respect should be re-established as promptly as possible. Our plans are handicapped by the enormously enhanced cost of shipbuilding, which ranges about two-and-a-half times pre-War prices, and our revenue must increase proportionately if we are to meet depreciation, and earn a profit on our capital that is invested in vessels purchased at present prices. As regards the fleet of Lamport and Holt, we are perhaps more fortunately placed than some others in this matter, as our total tonnage now stands at slightly above the figure for 1914, owing to the number of new steamers we had ordered prior to the War which have been delivered to us by the builders and our having been able to replace a certain number of War losses during the War.

Commercial and Economic Policy of the Nation.

Having successfully come through four-and-a-half years of war, the country is now passing through a very critical time for trade and commerce. Many people are greatly concerned at the industrial unrest in our midst. The effort to secure better rates of pay and shorter hours of labour is in itself not an unhealthy sign in a progressive community, so long as the workers realise that the only way permanently to improve their condition is so to reorganise industry as to enable the total production of the country to be substantially increased. In recent pre-War years Great Britain lagged behind America in this respect, as is shown by the various statistics of production. I hope the result of the publicity which has been given to the evidence before the Coal Inquiry Commission may incidentally lead to a truer perception of the relatively small charge on industry which is taken as interest on the capital employed, after allowances made for the large proportion of so-called profits which is taken by the Government in the form of income tax, excess profits duty, and super-tax. Personally, I feel that the real danger before the country at the present time is not the labour unrest, of which we have heard so much, but the grave risk we are running owing to the state of uncertainty that exists in regard to the commercial and economic policy of the nation. If this is not definitely settled and promptly announced, and the necessary legislation to carry it into effect speedily passed, I fear the working men of this country will have to face a period of leanness and unemployment which will be much more serious for the social and domestic well-being of our people than any temporary labour unrest. We are still at war, and until Peace is signed, every one is bound to continue to put up with regulations and restrictions which otherwise they would not willingly endure, but it is essential that the present restrictions on industry, trade and commerce, under the hampering effects of which the whole enterprise and energy of the country is labouring, should be promptly and completely removed when Peace is signed.

Conditions in South America.

The prosperity of our Company is largely bound up with the progress of the great South American Republics, and it is satisfactory to note that conditions in these countries are promising, whilst there are encouraging indications of future development and expansion. The outlook is qualified, however, by the labour unrest and disturbances in the Argentine, which have affected our operations considerably and delayed our steamers. We are glad to have our colleague, Lord Pirrie, with us to-day, and look forward to his being able to resume active participation in the conduct of our affairs, which, as I explained to you last year, he was obliged to suspend on account of his having undertaken the important position of Controller-General of Mercantile Shipbuilding. Now that his duties in this connection are likely to be less exacting, he will have more time to devote to the Company's interests. Though our steamers have been under requisition to the Government, their management has been in our hands, and, with so many of our regular staff being absent on service with the Forces, the work has been carried on under considerable difficulties. I desire to express our thanks to our Managing Directors Mr. George Melly and Mr. Arthur Cook) and to the members of our staff for the care and attention they have devoted to the interests of the Company in the trying times through which we have passed. Unfortunately we have lost a number of valuable employees in the War, with whose relatives we deeply sympathise, but the majority of those who have done gallant service for their country are now, I am glad to say, returning to their former positions. In addition to their usual contributions to the Lamport and Holt Line Superannuation Fund Association, the board have this year made a special donation of £5,000 to the fund, which I feel certain the shareholders will warmly approve. I now beg to move: "That the report of the board and the accounts and balance sheet submitted to this meeting be and the same are hereby received and adopted; and that a dividend of 10% per annum, less income tax, for the year ended December 31, 1918, be and the same is hereby declared."

Mr. George H. Melly seconded the resolution, which was carried unanimously.

The Right Hon. Lord Pirrie, K.P., P.C., proposed the re-election of Sir Owen Philipps, G.C.M.G., M.P., as a director of the Company.

Mr. Arthur Cook seconded this, and it was unanimously agreed to.

On the motion of Mr. D. I. Conradi, seconded by Mr. Alex. Lee, Messrs. Price, Waterhouse and Company were re-appointed auditors.

The proceedings then terminated.

BORAX CONSOLIDATED, LIMITED.

THE twenty-first ordinary general meeting was held on March 20 at the Cannon Street Hotel, E.C., the Right Hon. the Earl of Chichester (Chairman of the Company) presiding.

The Assistant Secretary having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: Ladies and Gentlemen,—The net profits, after providing for excess profits duty, amount to £431,342 13*s.* 3*d.*, as compared with £385,527 1*s.* 9*d.* in the previous year, but the increase as shown is owing to the incidence of the excess profits duty. In estimating the amount required last year for this duty in this and other countries, we provided about £30,000 in excess of the net amounts afterwards payable, and our accounts have benefited this year to that extent. Therefore, while we show a net profit in excess of that of any other year, the actual profit made was not so large as in the preceding year. The volume of our business has not been so large as for the period ended September 30, 1917, and to this I will refer later. We have allocated the sum of £50,000 to buildings and plant depreciation account, and we have transferred £43,773 from that account to the freehold land, buildings and plant account, which now stands at £498,270, as compared with £538,952 in the previous year, and the buildings and plant depreciation reserve account stands at £109,609, as compared with £103,382 last year. The assets included in the freehold land, buildings and plant account are certainly not over-valued at the amount they now stand at. We recommend adding to our general reserve fund £25,000, which will make a total to that fund of £325,000. The First Debenture stock redemption sinking fund amounts to £135,965 9*s.*, being the surrender value of the policy with the Sun Life Assurance Society. We have had to provide for income-tax reserve £30,000 for income tax accrued to September 30, 1918, being the tax on undivided profits. Last year we reserved for this purpose £15,000, but the large sum named is required to be provided for this year. We propose to place to the pensions and grants fund, which we started last year, the sum of £5,000. I am sure you will readily vote this sum for so deserving an object. On the other side of the balance sheet the mines account stands at the same figure as last year. We term it mines and goodwill, but as has been explained from this chair in previous years, we estimate the value of our properties at fully the figures shown, without any provision for goodwill.

Mines in Turkey to be Restored.

I am glad to be able to tell you that we are in receipt of information that our mines in Turkey are intact, and that the Turkish Government is prepared to hand them back to us. We have sent a manager to Constantinople to do what is necessary to protect our interests in any claims we may have to make for removed ore or material. It is a source of gratification to us that the schemes of the Germans to become possessed of these mines were frustrated. We are not yet in possession of the full particulars, but have reason to think that the Turkish Government resisted certain actions which the Germans endeavoured to force upon them in connection with our properties. The stocks at mines, factories, &c., stand at the large figure of £588,197, or £101,646 more than last year. Every effort has been made to minimise the outlay in this direction, consistent with safety in carrying on our business in various parts of the world, but the high cost of everything, including the enormous freight charges, and the large stock it is essential for our business that we should carry, have tended to increase this account. We have no reason to believe that we shall suffer loss through these stocks. I referred last year to the drain upon our resources caused by the larger amount of capital necessary to carry on business in these times and by the heavy amount of income tax and excess profits duty. It is to be hoped that this year will bring some relief in respect to the latter at least, eating up as it does money required for the purposes of the extension of our business. There is no doubt that the various markets of the world wherein we have in pre-War days done our business are denuded of stocks, and that directly restrictions are removed heavy demands must be made upon us for raw and refined materials to replace these.

The Debenture Stock.

There is the question of the dividend. We have paid the 6% dividend due to our Preferred shareholders, and we recommend a final dividend on the Deferred Ordinary shares of 2*s.* per share, making, with the interim dividend of 1*s.* per share already paid, a total of 3*s.* per share, or 15%, per annum, being the same as last year. This will enable us to carry forward £105,370 19*s.* 9*d.*, or £12,667 more than last year. We feel that the dividend named is the largest we should recommend for payment, looking to the drain upon our resources to which I have already referred.

The Vice-Chairman (Colonel J. W. Reid) seconded the motion.

A Shareholder inquired whether the time had not come when the directors should take steps to redeem the Second Debenture stock of the Company. The Chairman, in reply, stated that the directors did not contemplate redeeming the Second Debenture stock, but they were steadily redeeming the First Debenture stock by way of a yearly premium paid to the Sun Life Assurance Society. Financial conditions at present were not suitable for making arrangements for redemption. The board, however, had not lost sight of the matter, and it would be dealt with in due course.

The motion was carried unanimously, and the proceedings then terminated.

BILBAO RIVER AND CANTABRIAN RAILWAY CO., LTD.

THE forty-eighth ordinary general meeting of the shareholders of this Company was held at the Company's offices, 2 Broad Street Place, Finsbury Circus, E.C., on March 21, Mr. John Mews (the Chairman) presiding.

The Secretary (Mr. L. H. Buck) having read the notice convening the meeting and the report of the auditors,

The Chairman said: The splendid and overwhelming victory of the Allies has brought us within sight of a peace that we must hope will give complete security against aggression in the future, and we may now confidently look forward to an early cessation of the serious difficulties entailed by war conditions, as well as to the resumption of trade and shipping free from the trammels which have been experienced during the last four and a-half years. This, however, assumes that the unity of the country, which remained unbroken until our enemies were finally vanquished, will not now be disturbed by labour exigencies, as the necessity is peremptory for a co-operation of industrial forces as close as that which we gratefully recognise in our armed forces and those of our Allies as having enforced right and justice against might and oppression. If such industrial unity be evolved and maintained, then we may be assured that the future development of trade will show a striking success, which will be a fitting complement to military success and bring about a steady recovery from the material losses and devastating effects of the War. Our operations last year were again controlled by the number of vessels which the Government provided for the Bilbao trade, but we had the advantage of a better supply to the extent of an increase of about one-seventh. Exchange also helped us by a large contribution to revenue. On the other hand, our costs for wages, fuel, and materials, which were already very heavy, still further increased last year. The results for the year, including £10,672 brought into the accounts from 1917, show a net revenue available of £44,378, and the directors have the satisfaction to recommend a balance dividend and bonus of 9*s.* per share, making 12*s.* per share, less tax, for 1918, and carrying forward £11,573. This compares with 9*s.* per share for the three preceding years. I am glad to say that our investments show a good surplus over book value, and, looking to the character of the Company's holdings, we may safely conclude that these will continue to appreciate with the financial recuperation of the country from the immense drain on its resources for the War.

"Excellent Financial Position."

I need not refer in much detail to the balance sheet, which embodies in a few compact entries the excellent financial position of the Company, and shows that investments provide for repayment of capital as well as for the reserve, together amounting to £217,658. Interest on these investments has given us £11,918, and, in addition, £542 was derived from cash balances, which fluctuate with the funds at our disposal. In the middle of the year we had good traffic returns, which enabled us to make a temporary reduction of the bankers' loan on war stock, and this now stands at £10,000, instead of £30,000 at end of 1917, causing the provisional balances to be increased to a corresponding extent—viz., £27,628—but both items will vary reciprocally in the measure of our cash requirements in the current year. Eliminating all but permanent holdings, interest on investments now gives us about 6½%, subject to tax, on the capital of the Company. Accident fund for employees, which now appears separately for the first time, represents provision for compensation against accidents, and in order to give this fund a margin of security we have allocated a special credit to it of £1,000. Sundry credit balances at £29,504 include a large sum for income tax, which has been since discharged in the ordinary course. Sundry debit balances at £11,730 are made up largely of the ordinary traffic accounts. Cash balances are £27,441, compared with £33,308 at the end of 1917.

Costs Largely Increased.

Revenue accounts and the detailed abstracts show our largely increased costs. In particular locomotive expenses have been extremely heavy, this being mainly due to the cost of fuel, which amounts to much more than three times the relative cost in 1914. We have for the most part been compelled to use wood during the whole of the year, and have in this way succeeded in avoiding a much larger increase which would have been involved in shipping coal owing to its high price and to the enormous rise in freights, which reached about 300*s.* per ton in the middle of the year for cargoes from South Wales to Bilbao, this being about fifty times as much as the ordinary rate. Other materials which are indispensable for the maintenance of the line and rolling stock have also been seriously affected by the rise in cost and freight and by the difficulty of procuring material and

getting it shipped. An instance of this occurred in the case of a locomotive boiler. This was ordered in June 1916, but was not ready for delivery until April 1918, and there was no opportunity of shipping before August. When the boiler reached London Docks the vessel by which it was to be shipped was, when ready to receive cargo, commandeered. The boiler remained at the docks until the end of January 1919, and there still being no probability of a vessel to take it we had it forwarded to Birkenhead, whence it was duly despatched and reached Bilbao last month. Wages have also largely increased, and the rate of our working expenses, which was 49.46% in 1914, is 71.46% for 1918. I have on several occasions referred to the appeal by the Company against a proposed increase by the Spanish authorities of the assessment for the taxation of its profits. We had every reason to anticipate a satisfactory issue, as the Court of Administrative Appeal had in a case which was on all fours with that of the Company decided in 1916 that the increased assessment could not legally be imposed. Contrary, however, to this precedent and our own expectations fortified by the opinion of the very best legal authorities in Spain, our appeal has not prospered, although no alteration in the law had in the interval taken place. The exchange factor, to which I have already alluded, has given us very acceptable assistance during the past year. Appreciation of Spanish currency has favoured our remittances to a considerable extent, as much as 30% at one period of the year, but the appreciation had fallen to about 5% by the end of the year. There has since been a moderate rise in currency following upon the withdrawal of Government control, but our revenue will not be anything like so largely benefited from exchange in the current year as, under the influence of high prices increased by high exchange, exports from Spain, which had been greatly augmented, are now approaching normal returns.

The Future.

Imports into the United Kingdom of iron ore from Spain last year gave about 4½ million tons, this being slightly ahead of the returns for 1917. Other countries sent a little over 2,000,000 tons. These totals were in both instances less than imports in 1913 to the extent of about three-fourths of a million tons. This appears to have been about equal to the smaller output from Bilbao, which gave just under 2⅞ millions compared with 3,000,000 tons in 1913—a year of exceptional activity in the iron and steel trades. We may reasonably anticipate that so soon as the resumption of ordinary trade conditions shall be established a very active demand for iron ore will be experienced and possibly every available source of supply will be drawn upon to the utmost. This, of course, presupposes that shipping will be available on an adequate scale. There appears to be reason to expect that the vessels to be released by the Government, added to the increasingly rapid construction of new vessels, will in the course of the next six months or less largely make good the present shortage. For the moment we are no doubt feeling the effects of transition from war demand to ordinary trade requirements. The markets for iron ore and for freights have yet to adjust themselves to the removal of artificial support about to be withdrawn from the steel trade, and it is not perhaps surprising, in the present unsettled aspect of labour questions, that hesitation and caution should prevail. It may be that the definite conclusion of peace will, aided by favouring circumstances, afford such a stimulus as seems to be needed to dissipate trade inertia and uncertainties and give impetus to commercial activities and enterprise which are vital to the well-being and progress of the country. Our returns and those from the river reflect the difficulties of the present situation which, we may anticipate, will not last long. Meanwhile it is matter for satisfaction to the board, which I feel will be shared by the meeting and by all concerned, that we have passed through these eventful years of war with no worse results than have been put before you. I shall be glad to answer any questions and will conclude by moving: "That the report of the directors, together with the statement of accounts for the year 1918, be and are hereby approved and adopted."

Mr. G. F. France seconded the motion, which was carried unanimously.

The Chairman next moved: "That a balance dividend and bonus of 9*s.* per share (less income tax) be and is hereby declared on the Preference and Ordinary shares, making 12*s.* per share for the year 1918, and that the same be payable on the 22nd instant to the shareholders registered in the books of the Company on the 14th instant."

Mr. W. Edgar Horne, M.P., seconded the motion, which was unanimously agreed to.

The Chairman then proposed: "That Mr. G. F. France and Mr. W. Edgar Horne, M.P., be and are hereby re-elected directors of the Company." Those gentlemen, he said, were well known to the shareholders and did their work as directors extremely well. Mr. Thomas Harrison (General Manager), in seconding the resolution, took the opportunity of expressing his indebtedness to Mr. France and Mr. Horne for the cordial manner in which they had at all times placed their great experience and resource at his disposal, with the utmost advantage to the Company.

The motion was carried unanimously.

Messrs. Harper Brothers and Feather and J. H. Hugill and Company were reappointed auditors of the Company for the ensuing year, on the motion of Mr. A. F. Judd, seconded by Mr. H. A. Carman.

Mr. A. F. Judd proposed a hearty vote of thanks to the Chairman and directors, and also to the staff, both in London and Bilbao, for their services during the past year. He said that, bearing in mind the present troublous times, it was particularly satisfactory that the directors were able to pay an increased dividend, and he felt sure that the shareholders would be pleased.

Mr. H. B. Hugill seconded the vote, which was unanimously accorded.

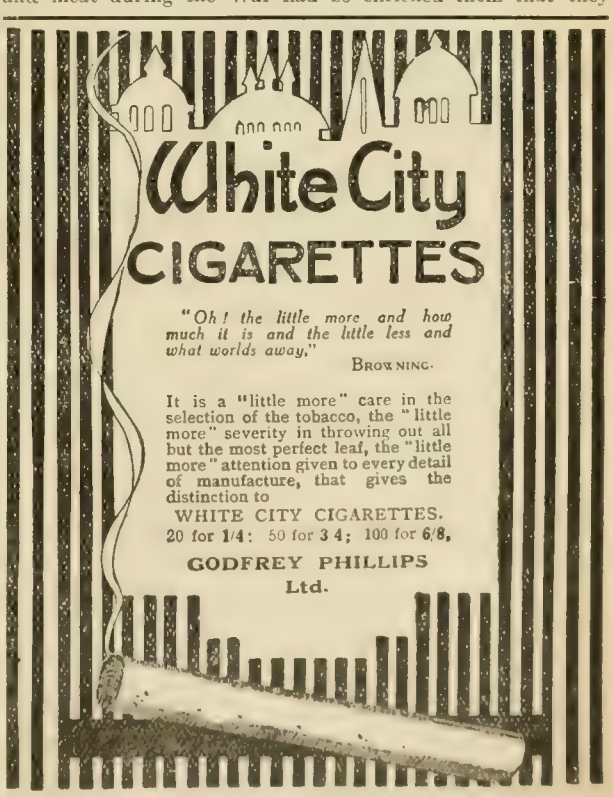
The Chairman, in acknowledging the compliment, said that the past year had undoubtedly been full of difficulties, but the fact that the Company had been able to pay an extra 5 per cent. showed that they had not done badly. He would not venture to predict that they would be able to do the same for the current year.

The proceedings then terminated.

RIVER PLATE TRUST, LOAN AND AGENCY CO., LTD.

The thirty-eighth ordinary general meeting was held at the offices, 52 Moorgate Street, E.C., on March 21, Mr. James Anderson, Chairman of the Company, presiding.

The Chairman said that although the profits were less than those of the year preceding, he thought the results very satisfactory. The steady decrease in mortgage business which had been going on for some years was bound to tell on their earning power, and that its effect was not more in evidence was due to two or three exceptional items of profit in the past year. Since the commencement of the War their investments in mortgage loans had decreased by £1,196,000, and the moneys repaid had for the most part been remitted to this country and invested in British Government and other high-class securities. It was a tribute to the strength of the general business that profits hitherto had suffered very little by the withdrawal of so much of the working capital from their most profitable field of investment. The gross profit was £424,492, a decrease of £8,078, and it was proposed to pay the usual dividends of 20% on the "A" and 7% on the "B" shares, and to place £70,000 to reserve, against £60,000 last year. The greater liberality to reserve required no explanation, in view of the proposed capitalisation of £300,000 of the fund. The directors recommended a scrip dividend from the reserve fund of 40% on the "A" and 20% on the "B" shares, payable in "B" shares, which would leave reserve at £1,000,000. The cash bonus hitherto paid represented £15,000, while the continuation of the present dividend on the new "B" shares would involve an annual £21,000, and would therefore more than compensate for the loss of the cash bonus. There was now a substantial margin of profit after providing for the dividend, and the Board would probably be inclined to maintain the dividend, even though the present rate of profit suffered further reduction. So far as they could judge, the income in the current year would be reduced. The repayment of their loans continued, and the money came over to this side. This, however, was not without a certain advantage to the Company, for they were making a handsome profit on exchange. The phenomenal prices paid to the Argentine farmers for wheat and meat during the War had so enriched them that they



had been able to repay their indebtedness and to have money in the bank. In pre-War days farming profits were speedily invested in improvements and in the purchase of more land and stock, but since the War there had been a notable want of enterprise in this direction. In the past a similar experience was followed by activity, which gave opportunity to invest money to advantage, and it was to be hoped that the same thing would happen again. There was an enormous field for further development in the Argentine Republic, and large capital would be required to exploit it.

The report and accounts were unanimously adopted, and dividends declared as recommended; and resolutions were unanimously adopted authorising the creation and issue of 60,000 additional deferred "B" shares of £5 each, and making certain changes in the Articles of Association.

THE GRAND TRUNK RAILWAY COMPANY OF CANADA.

A SPECIAL general meeting of this Company was held at the Cannon Street Hotel, E.C., on March 21, for the purpose of receiving a statement from the directors with regard to the negotiations between the Company and the Government of the Dominion of Canada.

Mr. Alfred W. Smithers (the Chairman) presided, and in the course of his speech said:

Ladies and Gentlemen,—We have called you together to-day at this special meeting to lay before you the present position of the Company in its relation with the Canadian Government, and to give you a plain statement of the negotiations with the Government which have led up to the present position.

In January 1918 I received a message from the Prime Minister, through the High Commissioner in London, asking me to state on what terms the Grand Trunk and Grand Trunk Pacific could be acquired by the Government, on the basis of an annual sum to be paid by the Government to be distributed by the directors. I immediately called a special Board on January 29, which was adjourned to February 2, when it was decided we should be prepared to recommend to the shareholders to sell the Grand Trunk Railway to the Government on the following terms:—

The Government to take over all obligations of the Grand Trunk Company, including the fixed charges and Debenture stocks, and to pay an annual sum in addition as from January 1, 1917, of £1,084,000. This sum would pay the dividends on the Guaranteed and Preference stocks. The Government, in addition, to pay annually 1% on the Ordinary stock from January 1, 1920, a further 1% from January 1, 1925, and a final additional ½% from January 1, 1930.

In submitting these terms to the Government of Canada, I called attention to the following facts. That the only assistance the Grand Trunk had received from the Government in 65 years was the contribution of $15,000,000 (£3,000,000) towards building the line to Portland, which was done at the request of the Government. This assistance compares with $347,000,000 (£69,000,000) received by the Canadian Pacific Railway in 35 years; $300,000,000 (£60,000,000) received by the Canadian Northern in 15 years; and $114,000,000 (£22,000,000) received by the Grand Trunk Pacific in 15 years.

Canadian Government Proposals

Our offer was not accepted, and on March 7 I received a letter from the High Commissioner in London, saying he was in receipt of a cable message from the Government at Ottawa, authorising him to make the following proposals:—

First, Government will take over Grand Trunk and Grand Trunk Pacific and acquire all their assets.

Second, Government will relieve the Grand Trunk Company from its liabilities in respect to the Grand Trunk Pacific and from its obligations to operate the National Transcontinental.

Third, the Government will also assume other liabilities and obligations of both Companies.

Fourth, the Government will make an annual payment to the Grand Trunk Company of $2,500,000 (£500,000) for first three years, $3,000,000 (£600,000) for succeeding five years, and $3,600,000 (£740,000) thereafter. These sums would be distributed by the Grand Trunk management as they may determine among holders of 4 Guaranteed and other stocks.

Fifth, the acquisition of the assets of the Grand Trunk might be carried out by long term lease, renewable perpetually with rental corresponding to the annual payments above mentioned.

Sixth, if the Grand Trunk Company declines to accept the offer above set forth, we are prepared to leave the amount of annual payment to arbitration.

After consultation with my colleagues, I replied to the High Commissioner on March 8 that we were very disappointed at the Government's counter offer to that which, at the request of the Government, we had made; that for the ten years ending December 31, 1916, our average net earnings over fixed charges had amounted to £935,500 per annum, whereas the Government's offer amounted to a payment of only £500,000 per annum for three years, £600,000 per annum for the succeeding five years, and only £740,000 at the end of eight years and thereafter. This offer would mean the payment in full of the Guaranteed stock immediately, nothing for the First Preference stock for three years, then a payment of 3⅜% on the First Preference, and at the end of eight years full payment on the First Preference stock and the payment of 2½% on the Second Preference. There would thus be a loss on the First Preference for three years of £171,000 per annum—a total for the three years of £513,000—of £55,000 per annum for the next five years, equalling a total for that period of £275,000; or a total for the eight years of loss to the First Preference of £788,000. (A voice: "That won't do.") There would be a loss on the Second Preference for eight years of £126,500 per annum or a total of £1,012,000, and thereafter a permanent loss to the Second Preference of £58,000 per annum, which would mean a loss in capital value of half the Second Preference stock, or £1,250,000. These figures show a loss on the First and Second Preference in the first eight years of £1,800,000, to which must be added the permanent loss in value of half the Second Preference stock, or £1,250,000, making a total loss on the First and Second Preference of £3,050,000, added to which the total extinction of the Third Preference and Ordinary stocks, which, even at the low prices recently prevailing, amounts to a loss of £5,000,000; or a total wiping out of half the Second Preference, the whole of the Third Preference and Ordinary stocks, amounting to a total loss of £8,000,000. (Cries of "Disgraceful" and "Confiscation.")

The Preference Stocks and Dividends.

The First Preference has received its dividend of 5% in full for the ten years from 1903 to 1913. It received no dividend in 1914-15, owing to the War, but received its full dividend in 1916. The Second Preference stock has received its full dividend of 5% from 1903 to 1913, except in 1908, when only 2½% was paid, and the full dividend was paid in 1916. The Third Preference received 2% in 1903, 2% in 1905, 3% in 1906 and 1907, ½% in 1910, 1½% in 1911, and 2½% in 1912 and 1913. The full dividend on the Third Preference stock was earned in 1916, but owing to the war conditions and the prospect of heavily increased expenditures, no dividend was paid, but £400,000 was placed in reserve for contingencies. We felt it was useless to ask the proprietors to accede to a settlement which extinguished the whole of the Third Preference stock and the whole of the Ordinary stock, besides inflicting a heavy loss on the First and Second Preference stocks. Our view that such terms would not be accepted by the proprietors was confirmed by the unanimous opinion of the general meeting last April, when I explained the terms and their effect as outlined by the Drayton Report, and which were practically the same as the Government offer.

Further Offer Unacceptable to Canadian Government.

After the reception of the Government offer of March 7 and our reply, no further progress was made in the negotiations, but it was stated in the Canadian Parliament and to our officials in Canada, that negotiations would be resumed in London during the summer, when Ministers were coming to England to attend the War Cabinet in London. Accordingly, in June, after the arrival of the Ministers on this side, I had interviews with Mr. Calder and Mr. Meighen, who were specially deputed to deal with the situation. These interviews were followed by a meeting between the board and Ministers, including the Prime Minister. Further meetings followed, with Mr. Meighen and Mr. Calder, and finally I was informed that no change could be made in the amount of the original offer of the Government without reference to the full Cabinet at Ottawa. I suggested to the board that before the Prime Minister left for Canada, in order to show our desire to meet the Government, we should make a further offer for him to take back to Canada. In pursuance of this idea, we met the Prime Minister and two of his colleagues and submitted the following offer:—

An annual payment to be made by the Government of £977,000, being the amount of net income earned after fixed charges by the Company in 1913—the last complete year before the War—leaving to arbitration what further payment we might be entitled to, or an annual payment of £1,163,000 without arbitration.

This offer the Prime Minister took back to Canada, and after some weeks' delay we had a message saying that the Government could not accept it.

We now come to the final events immediately preceding the appointment by the Government of the Minister of Railways as Receiver of the Grand Trunk Pacific under the War Measures Act. When in 1918 the United States Government assumed control of the United States Railways, a rise in wages was put into operation throughout the railway system of the United States. Mr. McAdoo was appointed the Government Director of Railways, and the increase in wages was known as the McAdoo Award. To meet the increase thus caused in operating expenses, two increases in rates, of 15% and 25%, were granted by Mr. McAdoo during 1918 on United States railways. The great interchange of traffic that takes place between the American and Canadian railways rendered it necessary to assimilate the conditions in Canada to those in the States. The result was an increase in wages in Canada on the McAdoo scale, but the Canadian Railway Commission did not grant quite an equivalent increase in rates on the McAdoo scale. But even if the full McAdoo scale had been adopted in Canada it would not have covered the increased expenses on the Grand Trunk Pacific. It is evident that the

effect of any freight rate is largely dependent on the volume of traffic moving under such rate, and whereas such rate might be sufficient to meet the increase of expenses in the more developed lines of the United States, they would be insufficient to meet the overhead charges when levied on the naturally lighter volume of traffic of the Canadian North-West. That this was so on the Grand Trunk Pacific is evidenced by the fact that in 1917 the Grand Trunk Pacific showed a surplus of $2,200,000 (£440,000) and in 1918 a surplus of $1,900,000 (nearly £400,000) available for interest, whereas, owing to the insufficiency of the increased rates to meet the increased expenses, a deficiency, instead of a surplus, is being shown in net results at the present time.

The Grand Trunk Pacific.

It was under these circumstances, which we were powerless to control, the advance of $7,500,000 made by the Government last year to the Grand Trunk Pacific became insufficient to meet the Grand Trunk Pacific's requirements for the year. We represented the position to the Canadian Government, and on March 3 Mr. Scott, our Treasurer in Canada, cabled he had received notice from Sir Thomas White, the Acting Premier, that the Government would not ask Parliament to grant the Grand Trunk Pacific any further assistance while the negotiations with the Grand Trunk remained in their present unsatisfactory condition. I immediately cabled to Sir Thomas White, giving a *résumé* of our negotiations, and saying I really failed to see in what way we were responsible for the unsatisfactory state of the negotiations. (Hear, hear.) In answer to a cable message, Mr. Scott, our Treasurer, informed us that the balance remaining of the Government grant would only be sufficient to meet the increased expenses on the Grand Trunk Pacific for one week. The Government, instead of assisting us to pay the increased operating expenses and so enabling us to continue the service, put in the Minister of Railways as Receiver under the War Measures Act (cries of "Shame"), and he took possession at midnight on March 10; and our Grand Trunk Pacific officers are now working the line under his authority.

Position of the Grand Trunk.

Now, as to the position of the Grand Trunk. In 1917 we took an increased traffic over the greatest previous traffic we had ever taken, of over £1,000,000, wholly due to increased tonnage carried—we had no increase in rates in 1917, and had we had the same rate of operating expenses as in 1916 we should have had a surplus over fixed charges of not less than £1,450,000, or sufficient to have paid the interest on all the Preference stocks and 1½% on the Ordinary stock. The operating expenses in 1917, however, went up by leaps and bounds, and we did everything we possibly could to obtain from the Railway Commission of Canada an increase of rates to meet the increase in operating expenses. In 1918 the United States Government, which had taken over the American railways on the basis of guaranteeing the average net revenue of the three years ending June 30, 1917, found it was impossible to work the railways so as to meet the charges guaranteed by the United States Government under the McAdoo award, and they accordingly raised the freight rates in the United States in January 1918 by 15%. The Canadian Railway Commission followed suit on March 15, 1918.

Effect of War Conditions.

Traffics again showed large increases over the big increases of 1917, not only owing to increased rates, but in actual tonnage, but the expenses still mounted higher, and the American Government in June increased the freight rates in the States by 25% on top of the 15% granted in January. The Canadian Railway Commission again followed suit on August 12, but with exceptions on certain lines of freight which made the total increase less than that granted by the American Government in the States. Notwithstanding these increases in rates for portions of the year 1918, much of the increased expenses were incurred for the whole year, and, generally speaking, the cost of labour and materials kept mounting up, till we arrived at the really appalling result of an increased traffic of the great total of £12,655,200, as against a total of £9,957,100, or an increase of £2,698,100 in gross traffic carried at an increase in operating expenses of £2,914,900, resulting in a net decrease of £216,800. Again having carried the biggest traffic in our history, both in tonnage and money, apart from increase of rates, we have only been able to cover our fixed charges for the year 1918, again incurring a loss to the Company of at least £1,500,000 over what would have been the result if the traffic could have been worked on the basis of 1916. We hear of profiteering in all countries; we hear of taxes on excess profits, but there could have been no profiteering and no excess profits for anybody without the railways; and the effect of war conditions on the Grand Trunk has been to make the Company suffer to the extent of one million and a half sterling in each year of 1917 and 1918 as compared with the year 1916. Now we have offered, in response to the request of the Government, to sell the Grand Trunk at practically the average earnings of the last 10 years—or at least 12—if the adverse conditions under which railways were compelled to operate had received due consideration in 1917-1918; so that, if the Government took us at the price we have asked, they would be obtaining the Grand Trunk on a basis which would nearly repay them what we ask, the Government thus paying next to nothing for the whole reversion of the future, which, in a country with the resources and wealth of Canada, must be of untold value. But there is another value to the Government in obtaining the Grand Trunk. The great want of the Canadian Northern, which the Government has purchased, as shown in the Prime Minister's speech on May 15, to which I shall refer later, is Eastern connections and terminals; indeed, it cannot be worked successfully without them, but it is calculated by high authorities that many millions of dollars would have to be spent on building such necessary connections and terminals in the East. All this expenditure will be saved to the Government if they acquire the Grand Trunk, which would form Eastern connections and terminals incomparably superior to anything the Canadian Northern could build in the East, even at the expense of hundreds of millions of dollars.

Government Subsidies.

As compared with £70,000,000 received by the Canadian Pacific from the Government, and the £60,000,000 received by the Canadian Northern, the Grand Trunk has received from the Government in 66 years £3,000,000—("Shame")—which was used at the request of the Government to build the line to Portland, Maine, to provide Montreal with a winter port.

In 1918, although the Canadian Railway Commission did at length follow the American raising of rates, the result was that we carried an increase of gross traffic of £2,698,100 at an increase in operating expenses of £2,914,900 or a net loss of £216,800, thus again causing a loss to the Company of over £1,500,000 based on the figures of 1916. Now it may be said that this heavy increase of expenses is due to War conditions; undoubtedly that is so, and while it is right that in a time of war profiteering should be curtailed as much as possible, surely the railways, on which the life and capacity of the nation in peace or war depend, should at all events be preserved from loss. Considering that the capital invested in railways the world over yields the very moderate interest of about 4 per cent., it is surely not unfair to demand that that moderate return on the capital invested should be assured, and that that is a right view is confirmed by the action of Great Britain in taking over the railways and guaranteeing the net income of 1913, the last complete year before the War, and of the United States in making a similar arrangement based on the average net income of the three years ending June 30, 1917.

In Canada, the Government having taken over the Canadian Northern, there are only two private systems left, the Candian Pacific and the Grand Trunk. The Canadian Pacific, owing in a great measure to the liberal assistance originally granted to it by the Government, is rich enough up to date to have stood the strain of increased expenses, and the Grand Trunk is the only railway, so far as I know, in Great Britain, America, or Canada left to bear unaided the impossible strain caused by the present unparalleled war conditions. (Cries of "Shame.") It is owing to those conditions the Grand Trunk is in the position I have described, and it is at this time, after the biggest war in history, that the Government make it a condition of relieving the Grand Trunk of its Grand Trunk Pacific liabilities, that we should sell the Grand Trunk at a price involving a disastrous loss to the Second and Third Preference and Ordinary stocks. The Government say the directors do not appreciate the Grand Trunk's responsibilities towards the Grand Trunk Pacific. Ladies and gentlemen, the directors do not appreciate why the Government should seek to impose such terms on the Grand Trunk that we could not obtain the consent to accepting them, at any rate, of the Second and Third Preference and Ordinary stockholders, and unless that consent is obtained, how can the Government terms be enforced except through the machinery of a receiver, to be followed by the confiscation of a portion of the Second Preference and the whole of the Third Preference and Ordinary stocks. Would not a receivership under these circumstances be a cause of lasting regret to Canada? Why should such hard and unmerciful measures be dealt out to the Grand Trunk Company, which has received the small assistance from the Government I have described in

The SUPER PIPE TOBACCO

Spinet

Smoking Mixture

Fine Natural Flavour.

1/11 for 2 oz.

R&J. HILL LTD. LONDON

66 years, compared to the liberal assistance given to the Canadian Pacific and Candian Northern in 36 and 16 years? Must not the impression be created that in the case of the Canadian Pacific and Canadian Northern, Canadian credit and money were involved, whereas in the case of the Grand Trunk it is only the money of the British investor that is jeopardised? (Loud applause.) I have the most heartrending appeals from the many thousands of British investors who have invested their money in the securities of the Grand Trunk Railway. It surely ought not to be a question as to how cheaply under the guise of legal forms the Grand Trunk can be bought; it is a question involving great and undeserved suffering on many thousands of people. These people did not invest their money for some great reward, they lent their money at a trifle over 4 per cent.—they relied on the good faith of Canada.

A National Enterprise

Sir Robert Borden, the Prime Minister, in a speech in the House of Commons of Ottawa on May 15, said: "I regard is as inevitable that for many reasons the Grand Trunk Pacific should be taken over by the Federal Government. It is a national enterprise to which the credit of the Canadian people has been committed, and in my judgment it is expedient to sustain it and not permit it to go into liquidation." He then goes on to say, as an additional reason: "If we permitted the Grand Trunk Pacific to go into liquidation we should have to take care of all those obligations of that railway, thus, there is no object whatever in permitting it to go into liquidation. It would simply mean additional expense, dislocation of traffic and the exciting of public alarm without any good result that I can anticipate. Now it seems if we take over the Grand Trunk Pacific, *that* practically involves the taking over of the Grand Trunk Railway as well. I am of that opinion for this chief reason, that the Grand Trunk Pacific and the Canadian Northern, both in the West, if acquired by the Government, would otherwise lack Eastern connections, and the Canadian Pacific would dominate the whole situation."

"It is very easy to say that this country ought to acquire the Grand Trunk Railway, but when one comes down to the practical proposal of how it is to be acquired the problem is not quite so simple. Of course, we might take advantage of a situation which to some extent has developed out of the disturbed conditions of the world, and say to the management of the Grand Trunk Railway, 'We have you in our power in certain respects, and you must do precisely what we insist upon.' But, on the other hand, we must remember not only in this connection but in many other connections that Canada is a country which for many years to come will require to borrow large amounts of capital from other countries. If the Federal Government or any provincial Government in Canada lays itself open to the reasonable charge of acting unfairly or unjustly towards those who in good faith have invested their capital in business enterprises of this character in Canada, the country in the end will pay much more than it will gain by any such injustice; there is absolutely no doubt about that in my mind." (Loud applause.)

I venture to say the words I have quoted from Sir Robert Borden's speech are the words of a statesman imbued with the spirit of high traditions. Later in the same speech, the Prime Minister says, that whatever sum should be paid by the Government for, let us say a lease of the Grand Trunk Railway Lines, should be distributed among the holders of the various stocks by the directors of the Grand Trunk themselves, and that we should not attempt to interfere with or control that matter.

That is the practical difficulty with which we have been and are confronted. The sum offered in the one and only offer made by the Government is insufficient to enable the board to make a settlement with their various classes of stockholders; for a friendly settlement the consent of all classes of stockholders is necessary. The amount offered by the Government, besides involving serious loss to the first and second Preference stockholders, involves the extinction of the third Preference and Ordinary stock, and yet to a friendly settlement as to the distribution of any amount offered by the Government, the consent of the holders of each one of those stocks is necessary. We cannot expect them voluntarily to commit financial suicide; it is therefore impossible to effect a friendly settlement unless more liberal terms are offered.

We are at the parting of the ways. (Remember we ask for no payment except for what represents actual cash put into the undertaking.) In one way a friendly settlement can, I believe, be arrived at on terms similar to those of our last offer. We are to-day, as we have always been, anxious for a friendly settlement, but unless the Government is prepared to increase its offer, such friendly settlement among the various classes of stockholders, for the reasons I have given, is impossible. In the other way is a settlement involving legal proceedings of unknown duration, during which the waste of time and money will be terrible, and the loss and suffering and anxiety to innocent investors pitiable, and all this leading up to the consequences to Canada which Sir Robert Borden, the Prime Minister, in the speech I have quoted, so forcibly urged should be avoided.

I regret to see it reported in a cable message from Ottawa only yesterday that the Parliamentary Committee have refused to pass the Bill promoted by the Grand Trunk Railway for further borrowing powers until the Government's railway policy is announced. In your name I appeal to the Canadian Government to deal with the Grand Trunk Railway as they have dealt with the Canadian Northern and as their predecessors dealt with the Canadian Pacific; and I appeal to the Canadian people, who have shown such splendid qualities during the last four and a-half years of war, to express, in no uncertain manner, their desire that the Government shall treat the British investor in a manner consistent with the interest and honour of Canada. (Loud applause.)

Mr. H. Landau complimented the Chairman upon the able and lucid manner in which he had placed the matter before the meeting, and moved the following resolution:—"That this meeting, having heard from the Chairman a statement of the course of negotiations which had taken place between the Government and the board, approves of the action of the board and is of opinion that the amount offered by the Government for the purchase of the Grand Trunk Railway is inadequate and will not enable the board to formulate a friendly and agreed scheme which would satisfy the claims of the different classes of stockholders, but it urges the board to convey to the Government the desire of all classes of stockholders to arrive at a friendly understanding, and that the board be asked to form a Committee selected from the largest holders of the various stocks to consult with the board on the subject."

Mr. Bosher seconded the resolution, which, after a brief discussion, was carried unanimously.

PARA ELECTRIC RAILWAYS AND LIGHTING CO., LTD.

THE fourteenth ordinary general meeting was held on March 17 at 9 Cloak Lane, E.C., Mr. Follett Holt, M.Inst.C.E. (the Chairman), presiding.

The Secretary (Mr. E. A. Borel) read the notice and the report of the auditors.

The Chairman said that the accounts for the twelve months ended November 30, 1918, showed that the city of Pará had not escaped the effects of the economic depression and disturbances of the last year of the War. Strikes of a political character towards the end of the financial year, when under normal conditions local celebrations brought in substantial extra revenue, almost coincident with a violent epidemic of influenza which nearly paralysed all public services, had adversely affected the gross earnings of both tramways and lighting department; operating expenses had further increased as the inevitable outcome of shipping and trade restrictions and higher wages, with the net result that the balance of operation account carried to profit and loss, after allowing for exchange differences, decreased by £8,782, or about 7%. The number of passengers carried was 4% less than in the year before, but half this difference was accounted for by the failure of the local celebration in the first week of October owing to the influenza epidemic, while the remainder was due to the strikes. The number of consumers of electric current increased by more than 14%, and the units sold were nearly 2% more than in 1917; the industrial power load increased by more than 13%, and the revenue derived therefrom by 18%. These figures were encouraging, and, while they would have to face a period of high operating expenses until such time as exports and imports reverted to their previous level and wages adjusted themselves, not only in Brazil, but also in those countries from which they drew their supplies, their undertaking in Pará had shown such unmistakable signs of intrinsic vitality that the directors looked forward to steady growth in the near future. With the additions now being made the reserve accounts amounted together to practically £209,000, a substantial sum, which was a protection against any emergency. Considerable amounts had been spent on maintenance, and the excellent condition of the plants was best demonstrated by the total absence of interruptions or breakdowns in the public services. It was a great satisfaction to the directors to be able to recommend the maintenance of the dividend at 7%. With regard to the strikes to which he had referred, for the time being the management in Pará had firm control of the situation, although the generous concessions made to the employees naturally tended to increase the operating expenses.

The report and accounts were unanimously adopted.

CITY OF LONDON ELECTRIC LIGHTING CO., LTD.

London's Electricity—Facilities required to link up Companies.

THE twenty-ninth ordinary general meeting was held on March 19 at Salisbury House, E.C. Mr. J. B. Braithwaite (the Chairman of the Company) presiding.

In the course of moving the adoption of the directors' report and accounts the Chairman said: You will expect me to say a few words as to the general position of the electrical industry in view of the Government proposals and the Bill which will shortly be placed before Parliament. The Bill will doubtless be drafted on the recommendations of the Committee of 16 members who reported in April 1918,

but it should be noted that on that Committee there was no representative of the London Electric Supply Companies.

Conclusions Based on Incorrect Data.

The reports of the Government Committees have, I fear, raised hopes which are not likely to be realised of enormous savings and also of a supply of electricity much cheaper than was the case before the War. For example, the interim report of the Reconstruction Committee, Coal Conservation Sub-Committee, issued in April 1917, suggested a saving of one hundred millions sterling a year. The report of the Fuel Research Board, September 1917, which I fear did not obtain equal currency with the above, very wisely said :—

"Plausible statements have been issued showing enormous savings or profits which would accrue if schemes of this sort were adopted; unfortunately these estimates have generally been made on a very slender foundation of knowledge and experience."

The general impression created on the public mind by these Reports has, I think, been to the effect that the existing companies have largely failed in their duties, and that an almost magical change in the condition of electric supply could be brought about by the scrapping of existing stations and the erection of super-generating stations at the pithead.

Pithead Generating Stations Wasteful.

The erection of super-generating stations at the pithead would result in a waste both of coal and money and could not, therefore, tend to a cheaper supply of electricity for London. For every 100 tons of coal burned in London to produce a given supply, 110 tons would require to be burned at a colliery, say, 100 miles from London, or 115 tons if the station were erected in a colliery at South Wales, whence some of the best steam coal is derived. There would thus be a clear waste of coal of from 10 to 15%, and when you look at the Report of the Coal Conservation Committee and see that out of 189,000,000 tons of coal used in England the total amount used by the railways is only 15,000,000 tons, you will see that by putting super-generating stations at the pitheads instead of near the sources of supply it is quite easy to lose the whole of the coal which might otherwise be saved by the electrification of the railways.

But it is stated there will be a great saving in the cost of carriage of coal : it should be borne in mind that the bulk of the coal used for electric supply in London comes by water and not by rail, and before the War the freight for coal from Newcastle to London varied from about 3*s.* to 3*s.* 6*d.* a ton. Let us assume that the whole of this would be saved by erecting a super-generating station at the pithead ; against this saving of 3*s.* 6*d.* a ton would have to be set—First, the cost of interest and sinking fund on the very expensive transmission lines which would be required to convey the electricity generated at the pithead to London, where it would be distributed. At the present price of copper and labour that item alone would probably more than wipe out the whole saving in freight. Secondly, for the economical operation of large steam turbines an ample supply of condensing water is essential, and it would probably be necessary to construct very expensive reservoirs in the neighbourhood of the collieries in order to supply the condensing water required. Interest charges and depreciation of capital thus employed would also have to be added. These charges would probably considerably exceed any saving that could be made in the cost of freight, so that the erection of super-generating stations at the pithead so far from being an advantage and tending to cheapen electric supply would cause a loss both of coal and money.

Dangers of Large Generating Plant.

Then with regard to the economies obtained by the use of very large generating sets, the extent of these economies may easily be greatly exaggerated. I have figures before me of tests made on two fairly large units—one a 30,000-kw., which on test gave 11¼ lb. of steam per kilowatt-hour, and another made last year on a 45,000-kw., which gave on test a consumption of 11½ lb. of steam per kilowatt-hour. Seeing that our own sets of 5,000 kw. to 6,000 kw. get down to 12 lb. of steam, I think you will see that the alleged economy to be obtained by substituting 45,000 kw. for 5,000 kw. or 6,000 kw., to use the words of the report I have already quoted twice, shows ignorance of the actual facts of the case. And I need hardly point out that if you use these very large sets you greatly increase the risk of serious interruption of the supply. I have before me particulars of several breakdowns of these large sets last year. One at, I think, Detroit—a set of 45,000 kw.—broke down and the result was to throw an overload on another large set of 20,000 kw., which also failed as a result, and the whole station had to be shut down entirely. We have never reached that stage yet with our smaller units; we have not had so many eggs in one basket. You will see, therefore, that this idea of enormous economy from these large sets has almost as little foundation as the wonderful ideas about economy to be effected by putting the generating stations at the pithead.

The Risks long Transmission Lines are Exposed to.

When we add to these considerations the fact that a long transmission line is exposed to interruption, either wilful or accidentally, and that, should anything occur to stop the supply of coal from the particular colliery at which the power station is erected, coal would have to be brought from elsewhere with considerable difficulty and at great cost, it will be seen that the solution of the problem does not lie in this direction.

London the Strategic Centre.

On the other hand, London is exceptionally favourably situated for the generation of cheap electricity. In the Thames and its estuary it possesses an unrivalled supply of condensing water, and owing to the innumerable railways running into London and the steamers from all parts frequenting its ports, a London generating station situated on the Thames, like yours, can take its pick of coal from any part, and should the supply from one colliery fail the deficiency can easily be replaced from other sources.

It would seem foolish to spend large sums of new capital with the present high cost of generating plant, building materials, and labour, when the 15 millions of capital already expended by the 13 London supply companies, capital expended on much more favourable terms when plant, material, and labour were much cheaper than they are at present, can easily be made available to do what is required.

A Practical Suggestion.

Let the Government extend the present tenure of the London companies, which at present expires in 1931, for a reasonable period, say 50 years, and I think it will be found that the moderate amount of capital required for linking up existing stations and co-ordinating the supply can be financed out of the savings thus effected. By this means all the generating resources of the 13 companies would be pooled and would be sufficient to meet any probable increase in the demand for a period sufficiently long, say three to five years, to enable a larger generating station, if such should be found to be necessary, to be erected lower down the river.

The report was unanimously adopted.

EVANS SONS LESCHER AND WEBB, LIMITED.

The seventeenth ordinary general meeting of the members was held on March 21 at 56 Hanover Street, Liverpool, Mr. William P. Evans, J.P. (Chairman of the Company), presiding.

The Chairman, in moving the adoption of the report and accounts, said : The wish I expressed at the conclusion of my remarks at our annual meeting last year has come to pass, and after four years of the most terrible war in the history of the world we are met together after a victory which crowns our efforts and our sacrifices, and you will agree with me it is our first duty to acknowledge with lasting gratitude the bravery and sacrifice of those who have brought us such a victory. The roll of honour which has been circulated with our annual report speaks for itself. It records that 42 have made the supreme sacrifice, in addition to many who have been wounded. It is a matter of thankfulness that our junior director, Mr. Stephen F. Webb, has been spared, and his fellow-directors are proud of the part he has taken during the War, which it will be seen has been marked by an additional decoration. He has now been demobilised, and has returned to his duties at our London house. Several of our employees have been demobilised, and the promise made to many of them has been fulfilled, positions having been found for them in our various departments. A comforts fund, worked by the staff both in Liverpool and London, has been running during the War, and the directors appreciate the kindliness of those who have thought of their fellow-workers fighting for them and for their country. There is also an allusion in the report to the death of our former director, Mr. F. Harwood Lescher, known to many in this room, also, after a short illness, of our late Secretary, Mr. L. J. Prinney, who was only appointed in the spring of the year—a young man of great promise with a brilliant career was suddenly cut off. His successor is Mr. George R. Gillard, who has been with the Company for some years. During the year your directors felt that their managers and old servants should participate in the profits of the Company, and with that object in view offered a certain number of the Ordinary shares (which are held by the directors), and are pleased to record a very gratifying response.

The Report and Accounts.

Turning to the report, I would mention that the volume of business shows a large increase on the previous year, and our shareholders will be pleased to hear that the increased orders in our export trade are owing to new trade hitherto done by Germany, and they may rest assured that we shall use every endeavour to retain this new business and increase it in the future. In reference to the accounts, it will be seen that the same dividend is declared on the year's trading as in the previous year, with the addition of 2½% bonus; that we place £5,000 to reserve, which is double the amount of the previous year; and also that we carry forward a larger sum to next year's profit and loss account. The balance sheet figures speak for themselves. The two items under "Liabilities" and "Assets Realisable" are somewhat large, but there is ample cover on the one side for the amounts on the other side, as the debts and stocks and [illegible] are the chief items on the latter side of the account.

for their investment. You will also notice that provision is made for excess profits, and we are only too pleased to be able to contribute our share to the cost of the War. It is to be hoped, however, that there will be some alleviation of this duty in the coming Budget, so that the money may be used in the expansion of our business. I must again add the appreciation of the directors of the loyalty and hard work shown by their various managers and the staff generally during the year. May I conclude with the hope that when the Peace Conference has completed its labours we may be delivered for all time from the oppression of militarism, and we shall then feel that our sacrifices and losses have not been made in vain, and that we may be spared to meet together next year to receive as satisfactory a report as it is now our pleasure to put before you.

The motion for the adoption of the report and accounts was agreed to.

BRADLEYS (CHEPSTOW PLACE), LIMITED.

The seventh annual general meeting was held on March 18 at Chepstow Place, Bayswater, W. 2, Mr. B. J. Redman, of Leeds (the Chairman), presiding.

The Secretary (Mr. A. E. Vince) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report, said: Ladies and Gentlemen,—I am going to confine my remarks to the purely financial aspect of your business. According to the balance sheet, the excess of assets over your trade liabilities amounts to approximately £550,000; in addition to this, the item of goodwill is a real asset of a value impossible to underestimate. The group of figures representing £175,000 of cash and investments in well-recognised and marketable securities is £5,000 less than the actual market price on the date of the balance sheet. The item next in importance in terms of figures and first in importance for the maintenance and furtherance of your legitimate business is freehold premises at £155,000. Those of you who know our buildings will agree that they are in the position and perfectly adapted for the purpose which they have to serve, and to-day it would be impossible to erect such premises at anything near a similar figure. Stock-in-trade at £123,000 is more interesting to the internal management than perhaps it is to you, but I would point out that it is the settled policy of your management to hold in check any tendency, even of the slightest, to overburden the departments with purely seasonable goods and those becoming unsaleable owing to alteration of fashion or similar causes. You may rest assured that this amount has been dealt with in such a manner as to preclude any possibility of an unhealthy total in the accounts. The £99,000 of sundry debtors is a figure reached after taking every necessary precaution against possible loss, based upon the experience of your credit department. The reserve fund of £10,000, specifically allocated for bad and doubtful debts, is purely an additional safeguard and more than ample for even extreme contingencies.

Progressive Business Policy.

Those are, ladies and gentlemen, the details of your business in figures. I would now refer to the splendid results your directors are able to announce in the profit of just over £100,000 for the past financial year. Owing to the times in which we live, similar businesses to yours have done well, but there is another and more solid reason for the prosperity of Bradleys. You are now reaping the accumulated benefit of a determined progressive business policy and a sound financial foundation, which your management created in the past. This accumulation of funds has enabled us to take every possible trade advantage. I am sure your views will coincide with mine that this is an extremely satisfactory state of affairs, and so far as finance is concerned there is nothing to hinder the maintenance and the extension of the business. In the past years your directors, in order to achieve the present condition of your finances, paid extremely low rates of dividend on the Ordinary shares. Your reserve funds now stand at over £100,000, and the constitution of your Company enables us to pay a dividend at a rate more commensurate with the results of your trading, and so we are asking you to declare a dividend at the rate of 20 per cent. for the year. The Preference shareholders might be interested to know that their capital is extremely well secured, the reserve fund and the carry-forward alone being half the amount of the issued Preference capital, and the amount required to pay the Preference dividend is only one-sixth of the last year's profits.

Extension of Premises.

Mr. E. C. L. Bradley, the Managing Director, in seconding the motion, said: Your Chairman has given you details of the financial side of your house. Your business has expanded during the last five years, and this has been to a very great extent due to the solid foundation laid by giving to the customers real value in material and design, thereby increasing our *clientèle* by honest recommendation, and as this goes on from day to day the list of people who rely upon your firm for their dresses and furs grows larger and larger. To cope with this increasing volume of business it is necessary to add to your premises, and plans are already in hand for the building of new showrooms and workrooms on the Company's freehold land. Your trade could not have been done during the year except by the extreme loyalty of all branches of the staff, with so many away at the War and the limited number of people available for your class of industry. I cannot speak in too high terms of the way the staff have worked.

The report was adopted.

The directors were re-elected unanimously, and Messrs. Cates, Brown and Harding were elected auditors for the ensuing year.

The proceedings then terminated.

MIDLAND ELECTRIC CORPORATION FOR POWER DISTRIBUTION, LIMITED.

The twenty first annual meeting of shareholders was held on March 17 at Liverpool, Mr. James Taylor, J.P., Chairman of the Company, presiding.

In moving the adoption of the report and accounts for the year 1918 the Chairman said: The capital expenditure for the past year was £43,295 19*s.* 2*d.*, as compared with £52,482 in the previous year. As the report attached to the accounts states, a sum of £50,000 was received from the Treasury during the year, but owing to the continued receipt of applications and inquiries for further power supply it became necessary to again go into the question of providing further plant.

New Capital to be Raised.

After careful consideration the directors decided that the best method of raising the necessary capital would be by an issue of Preference shares. The nominal authorised Preference share capital is £200,000, of which £65,395 has already been issued, leaving a balance of £134,605 available. The directors are advised that in order to secure a successful response to the issue it would be necessary to increase the rate of dividend from 6% to 7%, and at the meetings held to-day prior to this that increase was sanctioned. It is proposed to issue a prospectus to the public generally, and as the issue will be underwritten the success of the issue is assured, thus enabling the Company at once to proceed to order the further plant which is absolutely necessary to cope with the demand for power being made from time to time.

The Accounts.

Dealing with the accounts, although the total revenue received was greater by £47,745 than in the previous year, the net profit was, as shown in the report, reduced by £7,021. I regret this, but the reason was that awards were made against us for increased wages, which were always retrospective, and in addition to this higher prices had to be paid for fuel, &c. None of the increased expenses were immediately passed on to consumers, resulting, as before stated, in a reduced profit to the Company. The amounts provided for depreciation of plant, &c., writing off, and transfer to reserve account, have been provided upon the same basis as in previous years. The amount required to pay the dividend upon the Preference shares issued, and at the rate of 6% on the Ordinary shares, was the same as last year, the final result being that in making provision for all these items the sum of £21,989 9*s.* 8*d.* is carried forward to next year. This is subject to excess profits duty for the two years 1917 and 1918.

Mr. Dane Sinclair seconded the motion, which was carried unanimously.

Sir J. S. Harmood Banner, M.P., was re-elected a director, and Messrs. Chalmers, Wade and Company were re-appointed auditors.

COUNTY OF LONDON ELECTRIC SUPPLY CO., LTD.

The twenty-fifth ordinary general meeting of the County of London Electric Supply Company, Limited, was held on March 17 at the Institute of Chartered Accountants, Moorgate Place, E.C., Mr. J. B. Braithwaite, M.I.E.E. (the Chairman), presiding.

The Chairman said that they had had a difficult year owing to various "controls" imposed on their operations, but he thought the shareholders would agree that, on the whole, the results had been satisfactory. The gross receipts from all sources, £451,811, showed an increase of £71,975. This was due partly to the greater volume of business done and partly to the increase in the rates for supply during the year—namely, 20 per cent. on lighting and 25 per cent. on power and heating. The average price obtained for their current sold for all purposes was 2.47*d.* per unit. A good deal had been said about "profiteering" in connection with the War, but it would be seen that this Company were very far from being "profiteers" when he told them that in the year before the War the average price received for their current was 2.15*d.* per unit. The increase, therefore, between 1913 and 1918 was slightly under 15 per cent., against which had to be set the very great increase in the prices of coal, wages, and other expenses. The board's object had always been to give the best possible supply to the consumers at the most reasonable rates, and that policy it was proposed

to continue. The Company's relations with the South London Electric Supply Corporation had been drawn very much closer during the year. The generating stations of the two companies were now inter-connected, and the co-ordination of the electricity supply of London had been to that extent assisted. A further step forward in the same direction had been made by an arrangement with the City of London Electric Company. In view of the fact that the Government and others seemed at last to be awakening to the truth that electric supply was an important factor in industrial life, it might, perhaps, be hoped that some of the existing restrictions would be removed, in which case he did not doubt London's ability to equal or surpass records shown by other cities. The example of Government ownership of telephones illustrated the incapacity of Government Departments to undertake ordinary business transactions, and other instances might be quoted indicating what would be the result of bureaucratic control of great commercial undertakings like railways, tramways, &c. The Electric Power Supply Committee recommended that England should be divided into districts, each controlled by a District Electricity Board. He submitted that Greater London was entitled to be dealt with as a district by itself, and that, even without waiting for a national scheme, ample electrical development would take place if the 13 London companies could be relieved of the restrictions now imposed upon them. Two fallacies pervaded many official representations regarding the supply of cheaper electricity: (1) That this would be promoted by the erection of super-generating stations employing units of plant much larger than those now generally used; and (2) that the erection of these generating stations at the collieries would also tend to economy. While increased economy of generating was obtained by the use of large units, the risk of serious breakdown was shown by experience to be by no means negligible, and a comparatively small increase in economy of generation might be bought too dear. Regarding the second point, in his opinion any advantage derived from avoiding the conveyance of coal from colliery to generating station would be more than lost by interest and sinking fund on the cost of transmission lines, the loss of energy in transmission, the cost of constructing and maintaining reservoirs at the collieries for the purpose of providing the necessary supply of condensing water, the risk of interruption through damage to transmission lines, or the stoppage of coal supply by an accident or a strike at the colliery at which the generating station was erected. Were the Government to extend the London companies' present tenure, which expired in 1931, and remove existing restrictions, it would be possible gradually to give an ample supply of electricity on favourable terms. He suggested that if the 13 London companies were grouped together the 14 local authorities supplying electricity in London might similarly group themselves, in which case the London situation would be satisfactorily and fully met, and possibly the two groups might interconnect their two big power-houses as an additional insurance against interruption to the supply. In this way the cheapest supply of electricity to the London area could be secured. He moved the adoption of the report and accounts.

Mr. H. B. Renwick (Managing Director) seconded the motion, which was unanimously adopted.

BON MARCHE, LIMITED.

The twenty-eighth annual ordinary general meeting was held on March 20 at the Company's premises, 442 and 444 Brixton Road, S.W., Mr. H. T. Holdron (Chairman of the Company) presiding.

The Secretary (Mr. E. M. Sewell, F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: Perhaps the most interesting item is the paragraph on the front page, which states that the net profits amount to £50,475, against £43,780 last year, and that it is proposed to increase the dividend from 18% to 20%. We have had a prosperous year, with the result that we are able to recommend this dividend. It does not appear to me to be necessary to go into all the figures of the balance sheet; they are before you and speak for themselves, and very little comment is needed. In my opinion, it is, perhaps, the most satisfactory sheet your directors have been able to place before you. I should like to say, however, that the figures have been arrived at after deducting the same liberal depreciations as in previous years. As an indication of our method, I might mention that the item for fixtures, horses and carts, &c., stand in our books at £22,695. Messrs. Sage and Co. have recently valued the fixtures alone, for replacement in case of fire, at £97,000. It is as well to remember also that our total assets, including freehold property of the value of £194,632, amount to £328,574, while our ascertained total liabilities for goods, salaries, taxes, &c., amount to only £17,647 assets, £328,574, against liabilities, apart from the share capital of £17,647. Shareholders of the Bon Marché need not, therefore, be troubled with sleepless nights on account of the insecurity of their holding. Improvements and certain innovations have been carried out during the year, it being the policy of your directors to keep the premises right up to date, and I venture to think that if the shareholders will walk through the premises they will come to the conclusion that the Bon Marché is a real live concern. Mr. Geo Randell Higgins, J.P., in seconding the resolution, said that businesses such as the Bon Marché were going through a delightful change in regard to the matter of hours worked by the employees as compared with many years ago. He hoped that the present system of closing the drapers' establishments early would continue, as he believed it was to the benefit of the employer as well as the employee. He hoped that all establishments would be brought into line in that connection, as he was sure that better services were rendered by those who were employed. The question of the conditions of labour were very much in front of them at the present time, but if the matter were considered in the proper spirit by both employer and employed a crisis should be averted. If, however, labour demanded such a price for their services that it would be injurious to the trade of the country, that would be not only injurious to the capitalist but to labour.

The resolution was carried unanimously, and the proceedings terminated.

ILLUSTRATED LONDON NEWS AND SKETCH, LTD.

The twentieth ordinary general meeting of the Illustrated London News and Sketch, Limited, was held on March 19 at Winchester House, Old Broad Street, E.C., Mr. G. J. Maddick presiding.

The Secretary (Mr. L. C. B. Goodacre, F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: The satisfactory report before you to-day is due to the very large increase we have had in our revenue, for I am pleased and proud to be able to say that your two great papers, the "Illustrated London News" and the "Sketch" are as popular with the reading public to-day as ever, or even more so, and that the advertisement revenue has increased not by thousands of pounds, but by tens of thousands. The advertisers, who are good friends of ours, have been very well looked after by our managers, and to-day we are in the proud position of not being able to insert all the advertisements forwarded to us, because from week to week they have found the results obtained from our papers so satisfactory that they have kept on increasing their spaces. No doubt many of you are aware that we have been doing a large amount of work for His Majesty's Government. From a financial

London and Brazilian Bank, Limited.

THE ONLY BRITISH BANK ESTABLISHED IN

PORTUGAL

Branches:

LISBON and OPORTO

and Agents at all the Principal Towns and Villages in the Country.

The Bank offers special facilities for the financing of

EXPORTS and IMPORTS

Issues Travellers' and Commercial Credits, Drafts, Telegraphic Transfers; negotiates approved Bills of Exchange, receives and advances against Bills for Collection, and transacts general Banking Business connected with the Peninsula.

BRANCHES AND AGENTS throughout U.S.A., FRANCE, SPAIN, BRAZIL, ARGENTINA, and URUGUAY.

Head Office:

7 Tokenhouse Yard, London, E.C. 2.

point of view this has not yielded a very large profit to us, but those of you who understand anything of printing will know that if your machinery and staff are fully occupied, as in this case ours has been, it lessens considerably your overhead charges. Turning briefly to the balance sheet, which I presume you have all studied, you will notice that we have purchased the freehold of Gwynne House, which we are equipping to meet the ever-increasing demands upon our business; and, further, that we have placed £4,000 to the fund for the equalisation of dividends. Our cash balance at the bank is £6,000 more than last year, and our book debts are £18,000 up. We propose to pay a dividend at the rate of 7 per cent. for the half-year, making a total dividend for the year of 6 per cent., and the warrants will be posted on the 29th instant. I beg formally to move: "That the annual report and balance sheet be adopted." Mr. Walter Judd: I have much pleasure in seconding the adoption of the report and balance sheet, and in doing so I should like to say that our success is mainly due to the magnificent world-wide circulation of our two papers. That is our great asset. Our advertisers, who are some of the keenest and most successful business men in London, support our papers because they get such excellent results.

The resolution was then put to the meeting and carried unanimously.

The Chairman, in reply to questions, said that the Company had a large amount of money invested in War Bonds, but it was not specially earmarked for the equalisation of dividends. Their book debts amounted to £68,797 and their investments outside the business to £9,773. Although these were not earmarked, he would point out that their floating assets were quite sufficient to meet any reserve funds they had created.

A vote of thanks to the Chairman and directors terminated the proceedings.

CASTLEFIELD (KLANG) RUBBER ESTATE, LIMITED.

The annual general meeting was held on March 19 at the offices, 7 Martin's Lane, Cannon Street, Mr. W. Arthur Addinsell, Chairman of the Company, presiding.

Mr. H. A. Huntley, on behalf of the Secretaries, Messrs. Bright and Galbraith, Limited, read the notice convening the meeting and the report of the auditors.

The Chairman said: Gentlemen,—I move: "That the directors' report and statement of accounts for the year ended June 30, 1918, as submitted to this meeting, be and they are hereby received and adopted, and that a dividend of 20% for the year, less income tax, be declared and paid." In the first place, I have to apologise for the delay in holding our annual meeting. We have never before been so late in submitting our accounts, and I trust the necessity will not arise on any future occasion. In this case, however, the circumstances have been exceptional, and are not likely to recur. War conditions, with the consequent disorganisation of the staff, and more particularly the length of time taken in the transmission of mails, have to some extent rendered delay in the preparation of accounts unavoidable, but added to this cause has been a further considerable delay occasioned by the protracted correspondence which has unfortunately been necessary in order to secure the consent of the Treasury to the proposed new issue of capital. With reference to the actual results attained during the year, you will doubtless agree that, having regard to the conditions prevailing, there is no reason for disappointment. It is recognised throughout the industry that the reduced demand occasioned by war conditions, combined with the increased cost of labour, shipping charges, and all materials, must inevitably result in a temporary reduction of profits, and in comparison with other similar estates we have every reason to be satisfied with the figures now presented.

Property in First-Class Condition.

Despite the many difficulties with which he had to contend, our manager, Mr. D. S. Gardner, has once again justified the very high opinion which the directors have formed of his energy and abilities, and has maintained the property in first-class condition. There was a time when Castlefield was looked upon as a distinctly unhealthy estate, and you will recollect that your directors have given the subject of improved health conditions very serious and constant attention in past years, and have spent a considerable sum of money in the installation of a water scheme and in anti-malarial measures, because they considered it was their duty to secure the best conditions possible in the interests of the Company's European and labour force. There is no doubt that this policy has justified itself in an extremely gratifying manner, and it may further interest you to know that during the recent severe influenza epidemic this Company's estate suffered lightly in comparison with the vast majority of rubber properties. While many in the same district were entirely stopped and the death-rate on a number of others was quite appalling, we only lost a total of five coolies out of a labour force of 800, and this excellent result is ascribed in a large measure to the forethought and preventive measures taken by our manager.

The Outlook.

With regard to the future, I feel sure that in due course the industry will return to its former prosperous condition, but I will not venture to prophesy how soon this desirable condition of affairs may come about. The present uncertainties in political and industrial circles will take some little time to adjust. I am satisfied, however, that there is no sounder or more promising investment to-day than is to be found in a carefully managed and favourably situated rubber property such as that owned by this Company. As you will see from the report, the tapping restrictions which were voluntarily undertaken last year have now been removed, but as in the coming months the trees will be affected by the wintering season, which usually lasts until about April, no great increase over the estimated yield is likely to take place during the current financial year. The original estimate was 513,000 lb., but I am glad to advise you that Mr. Gardner has now intimated that he thinks this figure may be safely increased to 540,000 lb., and during the next financial year I have no doubt a very substantial increase in output will be realised.

Increase of Capital.

At the conclusion of the present meeting you will be invited to pass resolutions increasing the nominal capital of the Company by £5,000, and authorising the issue of these additional shares to shareholders in proportion to their present holding at the price of £6 per share. This offer cannot, of course, be formally made until the resolutions referred to have been passed and confirmed, but as the proposed price of issue will afford a useful bonus to all shareholders, I have no doubt that you will exercise your rights in the matter when the opportunity offers. As to the necessity of this increase, I do not think there can be any question. For many years past we have placed substantial amounts to reserve account, which with the sum recommended in the present report will amount to £30,000, and while this is a wise course to adopt, there is, in the opinion of your directors, a limit to the extent to which dividends should be curtailed for this excellent object. The additional capital to be provided by the proposed new issue will place the Company financially in an extremely strong position, and will enable the board to distribute by way of dividends in future years a sum more nearly corresponding to the actual profits earned. We propose calling up one-half of the capital offered within the next few months, and the balance will be called as and when required at intervals of not less than two months, so that I trust it will be possible for all of you to apply for the proportion of shares to which you will be entitled. I will ask Mr. Cecil de Winton to second the adoption of the report and accounts.

Mr. Cecil de Winton seconded the motion.

In reply to a question, the Chairman said that the Treasury, in sanctioning the proposed new issue of capital, stipulated that the money should be used only for the upkeep of the present area, so that they could not extend at present, but he hoped the Treasury restrictions would be removed. In the new issue shareholders would be entitled to apply, over and above their proportionate allotments, for any shares not taken up by other shareholders.

The resolution was unanimously adopted; and the retiring director and the auditors were reappointed.

The Government and Trade.

Mr. G. de Ste. Croix, in proposing a hearty vote of thanks to the chairman, the directors and the staff in the East and in London, said it was very sad to think that Government officials were now interfering with trade to the extent of telling directors how the money of companies should be expended, and he hoped that the board had resisted to the utmost in this regard. This kind of thing was ruinous to the country. Indeed, he was sorry that the directors had accepted the Treasury's sanction to make this proposed issue of shares with such a reservation attached to it. In his view it would have been better if this qualified permission by the Treasury had been refused altogether. It was a disgraceful thing that the operations of public companies should be interfered with in this way.

The motion, which was seconded by Mr. Wragge, was unanimously adopted.

The Chairman, after returning thanks, said that Mr. de Ste. Croix spoke as a free lance, whereas he (the speaker) spoke as Chairman of the Company. He would not have felt justified in refusing the sanction of the Treasury to make the issue, even with the limitation imposed, having regard to the necessities of the case, and he was only too thankful, at the end of the negotiations with the Treasury, to be able to accept half a loaf, thinking it better than no bread at all.

An extraordinary general meeting was then held, at which formal consent was unanimously given to the proposal that the capital be increased to £50,000 by the creation of 5,000 additional £1 shares, to be offered in the first instance at a premium of £5 per share to existing shareholders in proportion to their holdings.

The proceedings then terminated.

MOSS' EMPIRES, LIMITED.

The twentieth ordinary general meeting was held in Dowell's Rooms, Edinburgh, on March 20, Mr. William Hoskins, Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report, said: The Company's trading for 1918 has been exceptionally satisfactory; a high level of receipts has been maintained throughout the year, due in all probability to the high rates of wages obtaining and the necessity of amusements of the nature provided for the relief of the nerve tension from which all classes were suffering. The result of all this is that our receipts and consequently our profits have benefited to an abnormal degree. The same, I think, can be said of all theatrical enterprises, for as you can readily understand that when your fixed charges have been met the remainder of your receipts represents the profits. By fixed charges I mean your establishment charges, your running expenses at the individual theatres and the cost of the weekly programme. So that your costs are fixed, no matter what the conditions at the time may be. Most contracts are made with artistes well in advance, and whether you are doing good business or bad the programme has to be paid for according to the terms of the contracts. This accounts for the fluctuations noticed in the profit and loss account. It is, therefore, necessary to have a sufficient reserve to meet all emergencies. The receipts, and consequently the profits, for this year have been so good that we have felt justified in recommending an increased dividend amounting to 10%, less tax, for the year, and a bonus of 5*s.* per share, free of tax. The highest dividend paid by this Company was 12½%, free of tax, for the first four years. The amount recommended to be added to reserve is £75,000, and the carry-forward is nearly £25,000 up. In the event of anything untoward happening this Company would be amongst the first to suffer, so it appears to me the wisest course to adopt is to put the Company in a still stronger position to meet the changes of fortune referred to.

From the balance sheet you will notice that the bank holds the unissued balance of the 4% stock as security for any overdraft. Seeing that there is over £76,000 in the bank, that expression may be construed as the bank holds the stock for safe keeping. The mortgage on Finsbury Park Empire no longer appears, as it has been paid off. The mortgage on the Cardiff property has also been paid off, but as a settlement could not be effected before the end of the year it remains in the balance sheet. Another note which has disappeared is that which usually appeared under the investments, and that has been eliminated by the sale of the Company's interest in the Stoke Newington property referred to.

Mr. Frank Allen seconded, and the report was unanimously adopted.

"Gold Prices and the Witwatersrand." By R. A. Lehfeldt, D.Sc., Professor of Economics at the South African School of Mines and Technology. Price 5*s.* net. (London: P. S. King and Son, Limited.)

The importance to India of the jute crop is illustrated by the figures recently issued by the Indian Department of Statistics, in which the total value of the jute produced in 1918 is put as high as 45 millions sterling. This figure represents nearly one-third of the total exports of all kinds from the great Dependency. In 1916 the exports of raw and manufactured cotton reached 30 millions sterling, while jute amounted to 38½ millions. In 1917 cotton attained the front rank with 33 millions, and jute second with 31 millions. Last year cotton amounted to only 25½ millions, thus taking a very bad second place with jute.

Illustration. A magazine devoted to the craft of mechanical reproduction, thereby dealing with art and workmanship in printing, and science in advertising and commerce. By G. T. Meynell. Price 2*s.* 6*d.* (London: Sun Engraving Company, Ltd., Milford House, W.C. 2.) Some excellent three- and four-colour work is shown in this magazine, which will be of considerable interest to the trade.

"A Monograph on Indian Railway Rates." By S. C. Ghose, Special Officer with the Railway Board. (Calcutta: Superintendent Government Printing, India.) Price 3 rupees, or 4*s.* 6*d.* The object for which Mr. Ghose entered upon the compilation of this bulky volume was to secure a plain statement of the facts relating to the history, policy, and making of railway rates in India, so as to arrive at a correct understanding of the past working and the present position. He avoids suggestion in any form as to what action ought to be taken, and leaves it to the public, the railways themselves, and the Government to discuss and take action, where necessary, when normal conditions again prevail.

Crown Mines.—Capital £1,000,000, in 2,000,000 shares of 10*s.* each; issued, 1,880,212. £657,100 Five per Cent. Debentures. Milling capacity about 232,000 tons per month.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917...	660	2,100,000	8¼	2,700,095	25/9	2,026,129	19/4	673,966	6/5	2 3/32
1918.										
Mar.qr.	660	473,800	6½	619,675	25/11	518,547	21/8	101,128	4/3	1⅝
Junegr	660	490,000	7·8	663,671	27/1	539,209	22/1	124,462	5/0	2 3/32
Sept.qr.	660	480,000	11·0	666,285	27/9	549,822	22/11	116,464	4 10	2 5/16
Dec.qr.	660	413,000	11·93	579,128	28/0	510,477	24/8	68,651	3/4	2¼
12 mos.	660	1,861,800	—	2,528,760	27/1	2,118,055	22/8	410,706	4/5	2¼
1919.										
Jan. ...	—	140,000	—	202,665	28/11	184,225	26/4	18,380	2/7	2⅜

Accumulated slimes profits included.

Dividends—1917, June, 20; Dec., 20 per cent.
1918, June, 15; Dec., 5 per cent.

East Rand Proprietary Mines.—Capital issued, £2,445,897, in £1 shares; £928,930 Convertible Five per Cent Debentures in issue. Twenty-five tube mills.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1916 ...	820	1,939,200	9½	2,365,107	24/4	1,867,943	19/3	497,164	5/1	12/3
1917 ...	820	1,741,000	7½	1,885,648	21/7	1,721,451	19/8	164,197	1/11	5/9
1918.										
Mar qr.	600	366,800	7¼	425,841	23/2	409,554	22/3	15,287	-/11	5/3
June qr.	600	347,500	9½	399,670	23/0	384,344	22/1	15,326	-/11	3/6
Sept. qr.	600	318,000	8·7	357,111	23/1	379,745	23/11	12,634*	-/10*	4/3
Dec. qr.	600	340,000	8·8	404,453	23/8	369,517	21/8	34,936	2/0	4 10½
12 mos.	—	1,372,300	—	1,597,075	23/2	1,544,160	22/6	52,915	/8	—
1919.										
Jan. ...	—	115,000	—	144,603	25/1	131,997	22/11	12,606	2/2	7/9

* Loss.

Accumulated slimes profits included throughout

Dividends—1916, June, 2½ per cent.; Dec., nil.
1917, June, nil; Dec., nil.
1918, June, nil; Dec., nil.

Geldenhuis Deep.—Capital, £600,000; issued, 585,753 £1 shares. 300 stamps, 7 tube mills. Capacity, 720,000 tons a year.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt	Revenue Per ton	Expenses Amt.	Expenses Per ton	Profit Amt.	Profit Per ton	Price end of Period
1917 ...	300	648,400	10½	772,255	23/10	675,551	20/10	96,704	3 0	⅛
1918.										
Mar.qr.	300	150,300	9½	174,998	23/3	171,488	22/10	3,510	-/5	1/16
June qr.	300	157,000	10·2	178,857	22/10	173,292	22/1	5,565	-/9	⅛
Sept. qr.	300	143,400	10·4	165,907	23/1	172,755	24/1	6,848*	-/-*	5/32
Dec qr.	300	140,400	8·8	164,973	23/6	165,836	23/7	863*	-/7*	3/32
12 mos.	—	591,100	—	684,735	23/2	683,371	22/1	1,364	-/1	1/32
1919.										
Jan. ...	—	47,400	—	55,842	23/7	56,791	24/0	949*	-/-*	1/16

* Loss.

Dividends—1917, June, 12; Dec., 7½ per cent.
1918, June, 5; Dec., 2½ per cent.

Sub Nigel.—Capital £475,000 in £1 shares. Issued, £431,580.

Year ends June 30	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	30	110,280	—	244,114	44/2	177,213	32/1	66,890	12/1	1⅜
1918 ...	30	115,780	19	283,902	49/0	186,877	32/3	97,025	17/9	1 5/16
1918-19.										
Sept. qr.	30	30,000	18·7	80,618	53/9	53,896	35/11	26,722	17/10	1 3/32
Dec. qr.	30	23,750	16·3	74,848	52/0	51,266	35/7	23,582	16/5	1 1/32
Jan. ...	—	9,100	—	25,832	56/10	18,715	41/2	7,117	15/8	1⅛

Gold reserve: Jan., 3,231 oz.

Dividends—1917, June, 7½; Dec., 7½ per cent.
1918, June, 6¾; Dec., 5 per cent.

Van Ryn Deep.—Capital, £1,196,892, in £1 shares. 80 stamps, 8 tube mills, started 1913, 10 stamps and a tube mill being added. Profits include sundry revenue.

Year to Dec. 31	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1916 ...	532,150	18½	1,018,325	39/4	473,011	17/9	587,926	22/1	3½
1917 ...	517,870	20	1,129,892	43/7	505,931	19/6	637,964	24/7	3⅜
1918.									
Mar. qr.	130,200	21½	288,031	44·2	126,849	19/5	161,182	24/9	3½
June qr.	125,480	21½	276,554	44/1	126,275	20/1	150,289	24·0	3⅜
Sept. qr.	143,970	20½	317,830	42·8	145,117	20·1	162,563	22/7	3½
Dec. qr.	130,900	21½	287,926	43/11	139,533	21/4	148,293	22/7	3⅜
12 mos.	530,550		1,160,101	43·8	537,774	20/3	622,327	23·1	3⅜
1919.									
Jan. ...	40,500	—	95,747	46·10	47,579	23·9	48,168	23·1	3½

Dividends—1917, June, 20; Dec., 22½ per cent.
1918, June, 22½; Dec., 22½ per cent.

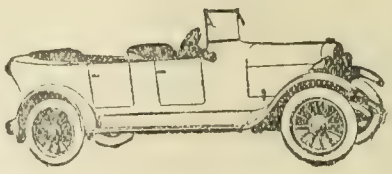
"Commercial Russia." By William Henry Beable. Price 10s. 6d. net. (London: Constable and Co., Ltd.) Mr. Beable organised the Anglo-Russian Trades Commission in 1916, which was so successful that arrangements were made for a permanent representation of the Commission in Russia itself. In this book he described the people, country, and towns of Russia, and gives much valuable advice to prospective merchants and traders, suggesting what bodies they should approach for assistance, and urging that now is their chance for doing business with Russia. The book includes chapters on credit and law, and an appendix of comparative weights, measures and money, besides many details concerning agriculture, machinery, chemicals, leather, textiles, &c.

A1 No 4 (Misc.)

To Passengers

Do not ring the bell
to start the bus.
In the interests of safety
leave it to the Conductor.

Issued by the
London General Omnibus Company Ltd.
Electric Railway House, Broadway,
Westminster, S.W.1.



The New Austin "Twenty"

The car of all the comforts, often vaguely visualised and eagerly desired, has now come into being. The Austin "Twenty," an engineer's triumph and a motorist's ideal, is notable for the extraordinary combination of excellent points in regard to speed, resiliency and power which have been focussed in a single design.

Any Austin Agent will gladly furnish details and dates of delivery.

Price of Touring Model £495 AT WORKS

The Austin Motor Co. Ltd.,
Head Office: Northfield, Birmingham.
Telephone: King's Norton 230.
Telegrams: "Speedily, Northfield."
And at MANCHESTER, LONDON, PARIS & BRUSSELS.

NATIONAL WAR BONDS
may still be obtained under our
INSTALMENT PURCHASE SCHEME.
If you are interested in an investment yielding 4½% net (equivalent to £6 8s. 0d. gross when taxed at 6/- in the £) inquire of any of our Representatives or of
PEARL ASSURANCE COMPANY, Limited,
FUNDS EXCEED £14,000,000. HIGH HOLBORN, W.C.1.

Wesleyan & General Assurance Society.
Accumulated Funds exceed... ... £3,000,000.
Claims Paid exceed ... ... £9,000,000.
All classes of Life Assurance and Annuity Business transacted.
UNDER THE LATEST FORM OF POLICY AN ANNUAL BONUS OF £3 PER CENT. IS GUARANTEED.
Prospectus and quotations to meet individual requirements may be obtained on application.
A. L. HUNT, General Manager.
Principal Office: BIRMINGHAM.

THE NATIONAL BANK OF SCOTLAND LIMITED
INCORPORATED BY ROYAL CHARTER AND ACT OF PARLIAMENT.
ESTABLISHED 1825.
Capital Subscribed, £5,000,000. Paid up, £1,000,000. Uncalled, £4,000,000.
RESERVE FUND, £900,000.

Head Office—EDINBURGH.
J. S. COCKBURN, GENERAL MANAGER. GEORGE A. HUNTER, SECRETARY.

London Office—37 NICHOLAS LANE, LOMBARD ST., E.C. 4.
SIR JOHN FERGUSON, K.B.E., Manager. DUGALD SMITH, Assistant Manager.

Every description of Banking Business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.; the collection of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of Remittances to all parts.
The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.
The Officers of the Bank are bound to secrecy as regards the transactions of its Customers.

THE LONDON ASSURANCE.

Incorporated by Royal Charter, A.D. 1720.

7 ROYAL EXCHANGE, LONDON, E.C. 3.

INCOME £3,147,482

FIRE. MARINE.

Applications for Agencies Invited.



ASSETS £7,393,667

LIFE. ACCIDENT

All classes of Insurance.

The Corporation has granted Fire, Life and Marine Insurances for nearly Two Hundred Years.

LLOYDS BANK LIMITED,

with which is amalgamated

THE CAPITAL & COUNTIES BANK LTD.

HEAD OFFICE: 71, LOMBARD STREET, E.C. 3.

CAPITAL SUBSCRIBED	£55,962,850
CAPITAL PAID UP -	8,954,056
RESERVE FUND - -	9,000,000
DEPOSITS, &c. - -	267,966,438
ADVANCES, &c. -	81,072,134

FRENCH AUXILIARY:

LLOYDS BANK (FRANCE) AND NATIONAL PROVINCIAL BANK (FRANCE) LTD.

BRITANNIC

ASSURANCE CO., LTD.

One Special Ordinary Branch feature is the **CHILD'S OPTION POLICY (Table 11a)**, under which a premium of £10 assures £1,091 on certain conditions.

FUNDS - - - £4,800,000.

Chief Offices: BROAD STREET CORNER, BIRMINGHAM.

LONDON & MANCHESTER ASSURANCE COMPANY, LIMITED.

Chief Office - 50 FINSBURY SQUARE, LONDON, E.C. 2.

Allied with National Amalgamated Approved Society for National (Health) Insurance.

PREMIUM INCOME exceeds ... £900,000
FUNDS exceed £2,000,000

ROYAL LONDON

INSURANCE OFFICES.

ROYAL LONDON MUTUAL INSURANCE SOCIETY, LTD.
ROYAL LONDON AUXILIARY INSURANCE COMPANY, LTD.

LIFE, FIRE, ACCIDENT.

Head Office:

ROYAL LONDON HOUSE, FINSBURY SQUARE, LONDON, E.C. 2.

JOHN PRICE, HORACE DUFFELL, *Managing Directors.*

PEARL

ASSURANCE COMPANY, LTD.

Chief Offices: High Holborn, W.C. 1.

Annual Income exceeds £5,250,000
Claims Paid exceed £23,000,000

INCOME TAX.

Are you paying more than necessary?

Income Tax is a burden which falls especially heavily on those with incomes between £120 and £1,000, but under recent Finance Acts relief can be obtained on various grounds, some of which are overlooked by the Taxpayer.

The WESTERN AUSTRALIAN INSURANCE CO., LTD., of 45 to 47 Cornhill, London, E.C.3, will be pleased, on receipt of a post card, to send you, free of cost, a publication on the subject by an expert, setting out very clearly the grounds on which relief can be obtained.

IT IS NOT TOO LATE TO CLAIM RELIEF ON ACCOUNT OF THE CURRENT YEAR.

ABSTAINERS AND GENERAL INSURANCE COMPANY LTD.

Head Offices:—BIRMINGHAM.

LIFE ASSURANCE.

Reduced Rates for Abstainers.

e, Burglary, Plate Glass, Personal Accident.

Forward postcard for Company's popular booklets, "Total Abstinence an Asset in Life Assurance" and "Homes and How to Own Them."

REFUGE ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds - £4,700,000
Assets Exceed - - - - £15,900,000
Claims Paid Exceed - - - £28,000,000

The Statist.

LONDON, SATURDAY, MARCH 29, 1919.

CONTENTS.

LEADING ARTICLES— PAGE
THE PROLONGED CONFERENCE 543
NO REAL CONTROL ... 543
THE BRITISH AND AMERICAN COTTON INDUSTRIES ... 544
INDIA AND THE MOTOR . 546
TEXTILE MACHINERY—II. ... 546
REPLENISHING MERCANTILE MARINE TONNAGE 547
BRITISH DYE INDUSTRY ... 549
CHILI 550
EFFECTS OF WAR ON AGRICULTURE 551
THE INCOME-TAX COMMISSION 552
SOUTH AND CENTRAL AMERICA 554
AGRICULTURAL FINANCE ... 556
CO-OPERATION IN IRELAND III. 557
ANGLO-PERSIAN OIL CO.... 559

THE MONEY MARKET ... 536

STOCK EXCHANGE 538

MINING TOPICS—
DAGGAFONTEIN 539
SANTA GERTRUDIS 539

TABULAR APPENDIX—
I. Bank Returns, &c. . 540
II. Current Bank Rate of Discount . 541
III. Foreign Exchanges . 541
IV. Bankers' Clearing-House Returns 541
V. Treasury 541
VI. Wholesale Prices [illegible] 542
VII. Railway Receipts [illegible] 1
VIII. [illegible] 51-

PAGE
FINANCIAL NOTES—
INDIA 553
AUSTRALIA 554

AMERICAN TOPICS—
UNITED STATES CROPS ... 558
SWIFT'S YEAR BOOK ... 558

RUBBER TOPICS—
TAMIANG ESTATES (SUMATRA) 560
HARPENDEN (SELANGOR) ... 560
UNITED MALAYSIAN RUBBER 560
RAFANCE (PERAK) 561

NEW ISSUES—
DEBENHAMS, LTD. 564
DUNLOP RUBBER CO., LTD. 564

INSURANCE NOTES—
SCOTTISH LIFE ASSURANCE CO., LTD. 561
MARITIME INSURANCE CO.... 562

COMMERCIAL—
[illegible] 563

INDUSTRIAL COMPANIES—
[illegible] 565
[illegible] MANAGEMENT COMPANY 565
[illegible] LTD. 565

MEETINGS OF PUBLIC COMPANIES ... [illegible]

The Money Market.

Friday, March 28, 1919.

	Current Rate % Fixed	Previous Rate % Fixed
Bank of England Rate...	**5 (Apr. 5,'17)**	**5½ Jan. 18,'17**
Bank of England Rate — to Clearing Banks: 3 days' notice ...	**3 (Feb. 14,'18)**	**4 June 19,'17**
for Foreign Money*	**4½ (Nov. 15,'17) extended Jan. 2,'18**	

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances.

Deposit Rates :—

Banks & Discnt. Ho. (Call)	**3†**	**(Feb. 14,'18) 3⅓**	**Jan. 2, 18**
Discount Houses (Notice)...	**3**	**(June 6,'18) 3⅓**	**Feb. 14,'18**

† Foreign and Colonial banks give Special Rates only upon deposits for a year.

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Tr'sury Bills (Fixed Feb. 14,'18)—		3⅛	—	3½
Bank Bills	3⅛	3⅝	3⅝	3⅝
Trade Bills	—	4–4¼	4–4¼	4–4½

A week's experience of the release, or at any rate partial release, from control of the American and French exchanges, seems to fully justify the action of the Government. The sooner the authorities take their courage in both hands and release the exchanges, and the great trades of the country at the same time, the better. We regret their action with regard to silver, upon which we comment later. If they could see their way to facing the de-controlling of the exchanges in New York and in Paris, the two great centres most affected by the economic results of the recent terrible War, surely it is a small thing to free the Silver market entirely from control. However, as we say, we discuss that question below.

The adverse effect of the New York exchange as against ourselves, and of the Paris exchange as against France, warns the people of this country, as well as the people of France, of the very serious burdens incurred as a result of the War. France, owing to the fact that the enemy was so long on French soil, and there was really only an imaginary line between the late German Empire and the French Republic, was not in a position to make economic preparation in the form of imposing taxes to the extent which we possessed here in England. We were never at any time, or at least after the first few days of the outbreak of the War, in any danger of invasion. But France was actually invaded, and had to fight the War for four and a-quarter years upon her own soil. She has, consequently, an exceedingly trying position before her, as, indeed, have all the countries recently engaged in the War, and for that matter the neutral countries whose trade and industry were so seriously hampered by the conditions imposed by the belligerents. It should not be forgotten in estimating the effect of the War that something over three-quarters of the total estimated population of the world was engaged in the War, and the major proportion of these were actual belligerents. Consequently the neutral countries were affected by the recent War to an extent that has not been known for more than a century.

France, in consequence of not being in a position greatly to increase her taxation during the War, has now to impose heavy taxes which will, of course, constitute a burden upon her industry. We shall have to do likewise to the extent that we have not already increased the taxable resources of our people. These taxes, however, will be mainly to meet the charges incurred on the domestic debt, and for carrying on the ordinary governmental business of the respective countries. The point, however, of primary interest, both to France and to ourselves at the present time, is how we are to liquidate the debt which both France and England owe to the United States of North America. During the next few months France can do very little. But she is favoured to an extent which few countries are in the sense of affording means of recuperation after a long period of war and economic strain. France attracts in a way that no other country does an abnormal proportion of visitors, not merely to her capital but to various health resorts and places of attraction in different parts of France. Wherever one goes in France, even in the most remote districts, one is sure to encounter more or less wealthy foreigners. In consequence the tourist will very materially assist France in the next few years to pay off her indebtedness to the United States and whatever money she owes to us. In addition, French manufacturers constitute in a manner that is not true of the manufacturers of other countries a monopoly in a very effective sense and of that term. Her manufacturers really minister almost exclusively to the luxury trades. And consequently, provided a purchaser gets the article he is seeking, a question of a few francs more or less will not deter him from purchasing. No one buys French products because they are cheap. They are bought in all parts of the world on account of their excellence, and to satisfy the taste of the purchasers. For some months to come France will, however, have to bide her time, because she has, in fact, really nothing to sell. But as soon as she can put her house in order and restart her various industries she may count upon purchasers from all parts of the world flocking to Paris and to other parts of France to buy the various articles of luxury she produced and for which there is always a great demand. There is at the present time a very keen demand in England and in the United States for French wines, but they are not available. As we mentioned last week, we are assured by an excellent authority that the cheapest wines in France are selling at the present time at five times the value which they fetched before the War. Partly owing to the fact that the vintages had to be made by old men, women, and

STANDARD BANK OF SOUTH AFRICA, LTD.

Bankers to the Government of the Union of South Africa in Cape Province; to the Imperial Government in South Africa, and to the Administration of Rhodesia.

Subscribed Capital ...	**£6,250,000**	**Reserve Fund ...**	**£2,200,000**
Paid-up Capital ...	**£1,562,500**	**Uncalled Capital...**	**£4,687,500**

BOARD OF DIRECTORS.

WM. REIERSON ARBUTHNOT, Esq. | ROBERT E. DICKINSON, Esq. | WILLIAM SMART, Esq.
SIR DAVID M. BARBOUR, K.C.S.I., K.C.M.G. | JAMES FAIRBAIRN FINLAY, Esq., C.S.I. | RT. HON. LORD SYDENHAM, G.C.S.I., G.C.M.G., G.C.I.E., G.B.E.
EDWARD CLIFTON BROWN, Esq. | HORACE PEEL, Esq.

Head Office : 10 CLEMENTS LANE, LOMBARD STREET, LONDON, E.C. 4.

West-End Branch : 17 NORTHUMBERLAND AVENUE, W.C.2 (Adjoining the Royal Colonial Institute).

New York Agency :—68 WALL STREET.
Rotterdam Agency :—15 COOLSINGEL.

Over 250 Branches and Agencies in South and East Africa.

BANKING BUSINESS OF EVERY DESCRIPTION transacted at all Branches and Agencies.
CURRENT ACCOUNTS opened on the usual terms, and **DEPOSITS RECEIVED** for fixed periods at rates which may be ascertained on application.
SAVINGS BANK ACCOUNTS opened on terms, particulars of which may be obtained at Branches.
BILLS NEGOTIATED and **COLLECTED.**
DRAFTS issued, **MAIL** and **TELEGRAPHIC REMITTANCES** made.

LETTERS OF CREDIT and **COMMERCIAL CREDITS** established.
TRAVELLERS' LETTERS OF CREDIT issued available in all parts of the world.
PURCHASE and **SALE** of Stocks and Shares effected.
DIVIDENDS, ANNUITIES, &c., received and **COUPONS COLLECTED.**
STRONG ROOMS provided for the safe custody of Securities and Valuables of Customers.
ASSAY DEPARTMENT.—Gold, &c., and all Mineral Ores assayed and realised.
EXECUTOR AND TRUSTEE business undertaken.

The Officers of the Bank are bound not to disclose the transactions of its customers. FRANCIS SHIPTON, *London Manager.*

children, they were not as effectively made as in the past. Secondly, owing to the enormous number of men called up, the consumption of the cheaper wines was on an absolutely extravagant scale. And, lastly, the enemy ransacked the cellars of Rheims and succeeded in either consuming or carrying off some of the finest vintages of champagne. It is felt that even to enable France to liquidate part of her foreign debt it would be madness at the present time to export wines, as wine is consumed in France very much like beer in England, and it would only be possible to export wine by actually starving the French people. Consequently it will be necessary to wait for another vintage before French wines can come upon the foreign markets on the accustomed scale.

We are in a very different position with regard to our manufactures. Practically, we enjoy, with the possible exception of Welsh hard steam coal, nothing in the nature of a monopoly. Our cotton goods and woollens, in a sense, perhaps owing to the great reputation they have acquired during generations in foreign markets, do to a certain extent constitute a monopoly. But it is not desirable to press that argument too far. Nevertheless, there is in the leading markets of the world a great demand for British cotton and woollen goods. Now the United States, being our creditor, will, of course, take payment in what form suits her best. But owing to the fall in the American exchange, she can take British goods on very advantageous terms, as is true with every selling country having a currency at a discount, as compared with the buying nation whose currency stands at a premium.

It has been stated in the Press during the past week that the United States is anxious to increase her export trade, which attained such magnitude during the closing years of the recent War. Within limits this may be true. But the great business interests of the United States are too well informed to desire to press this advantage unduly. It has been argued that the United States would probably, instead of taking exports from Europe, and particularly from this country, buy our securities upon an immense scale. If she does so it will probably be only as a temporary expedient. Of course, she realises that we cannot pay her in gold, because we have not got it. The United States Government and United States business men have no desire to do anything that would embarrass us. Of course, they are not philanthropists, and business between countries, as between individuals, must necessarily be conducted upon business lines. It is the only sound and lasting policy. The question is, is it better for the United States to buy European securities upon an immense scale and try to flood Europe with American exports, or to enable the European countries to recover from the effects of the War and gradually to become the great customers of the United States which they were in the period which preceded the outbreak of the War in 1914? It has to be remembered that we were then, and are likely to be in the future, if we succeed in recovering from our present embarrassments, the best customers of the United States; and, moreover, the United States itself requires very great development. It is evident that for a considerable period we shall not be in a position to assist in the development to the extent that we did formerly. Meanwhile, the United States will require to conserve her resources for her own development until the saving classes in Europe shall once again have recovered their old position, which will enable them to assist in the financing of countries which offer exceptional opportunities for economic development.

POSITION IN NEW YORK.

The United States comes out of the recent War very much as we emerged from the great European struggle which ended in 1815. Mainly through London, she has lent money to nearly all the belligerents of the Entente Alliance. Consequently, within little more than a century of the Declaration of Independence, the United States of North America finds herself a creditor nation in a position to demand payment more or less from all the world. In what form she will take that payment it is, of course, for the people of the United States themselves to decide. Her business men are amongst the acutest in the international comity of nations, and they realise as few other people do that their own advantage is to be sought most chiefly in the prosperity of those with whom they deal. The United States in this War has undertaken great responsibilities, and if President Wilson's scheme of a League of Nations is adopted, she will incur great liabilities all over the world. Although the United States is the most developed of all the countries upon the North or the South American Continent, she is yet what is commonly called "a new country," in the sense that she possesses a larger proportion of undeveloped resources than is the case with older and more economically developed countries. Having to finance Government expenditure unparalleled in her history, she will not, for a time, be able to draw upon this country and upon France as she was accustomed to do in the period before the War for the development of her resources. Consequently, it is desirable that the United States should conserve her resources to a greater extent than she has been accustomed to do in the past. Formerly, she was able to borrow money so cheaply in Europe, and the new resources which she developed with this money yielded such a handsome rate of interest that, having paid what was due on the money borrowed, she had an exceedingly large surplus. And, as she knew that she could borrow money more cheaply abroad than at home, she had very little inducement to save. She was, in a sense, in the position of an individual enjoying for the time being a handsome income, and having in the future still larger expectations. Her resources are, of course, as great as ever. But undeveloped resources are not available economic assets. And, as it is evident that her former bankers will not, for some time at least, be in a position to lend money as freely as they did in the past, it will probably be necessary for the people of the United States to economise to an extent that they have never done in their history, and, indeed, had very little inducement to do in the past.

BANK OF ENGLAND.

The movements disclosed by this week's Bank return do not amount to much from the point of view of the market. The feature continues to be the fresh high records made by the note circulation and the stock of bullion. The former rose another £1,441,465 on the week, and the bullion in both departments increased by £837,726, there being thus a further decline in the reserve of £603,739. The proportion to liabilities is also fractionally lower at 19.71%. A contraction of £1,588,549 in public deposits and an increase of £343,000 in Government securities nearly offset the reduction of £603,739 in the reserve, plus a diminution of £1,393,252 in "other" securities, so that the "other" deposits were lowered by a small amount only—to be exact, £74,989. The ingathering of taxation would seem to have had little effect, but perhaps will be more noticeable in this, the last week of the financial year.

THE POSITION IN INDIA.

During the week there has, of course, been very little change in the position in India. It is now frankly admitted that in certain areas, particularly in the Punjab, there is something approaching a famine. It is most disappointing, after the efforts which have been made to improve irrigation and to increase transportation facilities. We discuss the position in India

somewhat fully in our Financial Notes, and it will be seen from what we say there that the famine, fortunately, so far has not developed to an extent comparable with former periods of drought. Nevertheless, the fact that even some tens of thousands of people are actually on relief works is very unsatisfactory. Naturally there is great anxiety regarding the bursting of the monsoon in June next, for it is to be feared that until then there will be no rain to speak of. Meanwhile, India has little or nothing to export. The only commodity she has been able to sell in any considerable quantities this year was jute. Therefore means of remittance by the exchange banks were not required to any extent. Consequently, Indian trade feels at the moment no need for means of remittance. But it has to be remembered that neither gold nor silver can be exported freely to India; and, in addition, there are no facilities offered by India Council drafts. The means for adjusting the trade balance between the two countries is more or less chaotic, and it will require to be seriously considered between the Indian and the Imperial Governments in the near future.

SILVER.

PRESUMABLY the Government intends to free the Silver market. But it is to be regretted that it has made two bites at the cherry instead of taking its courage in both hands and freeing the market at once and be done with it. To fix the price day by day, particularly with a country five hours west of ourselves, on the rate of exchange prevailing in New York seems an ill-advised method of adjusting prices. That, however, is a detail; but the point we desire to make is, Surely it would be desirable to bring this never-ending control to a finish! It is, of course, evident that the United States must, more or less, fix the price of silver, because the United States is the greatest silver-producing country. But it is one thing to allow the natural operations of trade to fix the price of any commodity, when it is done by people engaged in the trade, and who, if they make a mistake, risk an appreciable—and sometimes very appreciable—part of their whole fortunes, and it is quite another thing when the fixing is imposed upon the markets by a Government Department.

Stock Exchange.

THERE seems to be no end to the succession of dispiriting occurrences which in recent weeks have been so persistently antagonistic to anything like cheerfulness on the Stock Exchange. The removal of fears in regard to trouble at home has been at once succeeded by the news of the spread of Bolshevism—and not without substantial backing, it would seem—to Hungary, and it is natural enough in the present general state of uneasiness and impatient waiting for the Peace Treaty that croaking prognostications of possible serious developments should be given heed to. But all things considered, there has, with the exception of Consols and French bonds, not been such a decline in values as might have been expected if one had known in advance the occurrences of the last few weeks. Indeed, quotations, especially in the industrial and general sections, have been remarkably well maintained.

During the past week Consols have been a feature in a displeasing sense, dropping 1½ points to 56. This is the lowest level of this year, and only 2½ points above the lowest of last. Several other gilt-edged issues, notably Irish Land stock, have declined, but the 5% War Loan continues firm at round 95. This is no doubt due to the existence of the depreciation fund—not necessarily to purchases on Government account, for we note the total of the fund has remained at £27,600,000 for the past four or five weeks. Stocks redeemable at near dates, as, for instance, New South Wales 5¼% 1921-22 and the South Australian 5½% 1922-27, have been favoured.

Among foreign issues the most prominent feature has again been the decline in French bonds, partly on the absence of signs of recovery in the exchange and partly on the possibility of another issue of Rentes having to be made shortly. The Continental political situation, too, has a discomforting influence. The 5% loan is now only 81, which is about the lowest touched this year, and compares with 75¼ at one time last year. The highest quotation since January 1 has been 88⅜. Similarly the 4% Rentes are no better than 65½.

The Home Railway market failed to reflect the acceptance by the men of the Government's offer, but with the exception of Great Western, North Western and Midland, which have shed a point, quotations are not much changed on the week. Foreign rails have continued to droop. Guayaquil and Quito bonds, however, are an exception and close at 51. Among Colonials some of the Grand Trunk securities have not held the slight improvement manifested towards the close of last week, but the price of the 4% Consolidated Debenture stock is a little harder. It seems a question of marking time now until the Government indicates its intentions.

As regards the industrial and general sections, while business is reported to have been slack, price movements do not make at all a bad showing. A few Egyptian securities have declined a little, no doubt on account of the unrest among the natives, but Sudan Plantations have further risen ½ to 5⅛. The buying of these shares has raised the price from 3⅜ in the last three months. Among insurance shares, Atlas and Phœnix rose sharply at one time on rumours of amalgamation, subsequently officially denied. Iron, steel, and engineering shares have been fairly good on the whole. Baldwin's stand out with a rise of 5*s*. to 45*s*.xd, and Bengal Iron are more than another ¾ higher at 9xd. Bolckow Vaughan, Cammell Laird, and Vickers all show up well, and William Cory and Sons shares have jumped ½ to 3. Colliery descriptions have recovered somewhat, following the miners' acceptance of the Sankey Report. Elsewhere Pekin Syndicates and Niger shares are up a shilling or so. Nitrates are practically unchanged. Marconi issues in the Telegraph section have been in demand, Marconi Ordinary rising ¼ and Marines ⅜. In textiles, John Barker have been a strong point with a 2*s*. rise.

The Oil share market continues to receive a fair measure of attention. In the first part of the week a general advance in prices was recorded, Shells and Burmah being prominent. Some irregularity developed later, but the principal shares are well up on the week. Shells close at 8¼ against 7⅛. Burmahs at 9 against 8¾, and Venezuelan Concessions at 4 against 3¾.

5%

NATIONAL WAR BONDS.

Although the issue of September Bonds is discontinued, they are still purchasable for a limited period by instalments from

The National Mutual Life Assurance Society

39 KING STREET, CHEAPSIDE, LONDON, E.C. 2.

under the Society's Special Scheme.

INSTALMENTS CEASE AT DEATH.

NO MEDICAL EXAMINATION OF APPROVED LIVES.

Write for particulars.

PLAYER'S
NAVY MIXTURE
"Pipe Perfect"
IN THREE STRENGTHS
White Label. Mild and Medium.
9½d. PER OZ.
This Tobacco is also supplied at Duty Free Rates for the purpose of gratuitous distribution to wounded Soldiers and Sailors in Hospital.
10½d. PER OZ.
Terms and particulars on application to
JOHN PLAYER & SONS, Nottingham.
Branch of the Imperial Tobacco Co. (of Great Britain and Ireland), Ltd.

Leaders of the World's Filing and Card Index Systems
Shannon
and Modern Office Furniture
ROPEMAKER STREET, E.C. 2.
Ring up London Wall 1533.

Mining Topics.

A few bright spots have relieved the general lack of interest noticeable in the Mining market as in other sections of the House. Among South Africans Modderfontein have now risen to 27 on anticipations that the share-splitting scheme, postponed on account of the Treasury's ban, can now be proceeded with. Witwatersrand Deep have also risen, after being cabled higher from the other side. Other movements among Rand mining descriptions have been small and irregular, and the investment companies' shares also have been quiet, even the Goldfields trio, which have such large investments in the American Trona and other dollar securities, failing to respond to the rise in the value of American currency in relation to sterling. In Rhodesians a spurt in Gaikas is connected with cabled advice of good development. It remains to be seen if this is another flash in the pan. Rhodesia Broken Hills rose in the early part of the week, but reacted later. Other Rhodesians, where altered, are lower. A little support has been forthcoming for diamond issues, De Beers closing at 19⅛, but base metals have been neglected, with weakness still noticeable in the copper section under the lead of Tintos on the disappointing report. The rise in silver, and the order that the maximum price shall be equivalent to the current rate of exchange for 95 cents per standard ounce, has had the effect of drawing attention to silver-mining companies' shares. Partly on this account, but also on the developments to which we referred last week, Burma Corporations have been strong all the week, and have now risen to 5⅞, the shares of the two holding companies—Bawdwin Syndicate and Lake View—appreciating in sympathy. Santa Gertrudis have been another good spot, and close at 22s. 6d.

Modderfontein East — Shareholders are to be asked to sanction at a meeting to be held in Johannesburg on May 15 the creation of £500,000 of Convertible 6½% Debentures and an increase of the share capital by not more than a similar sum. It is proposed to offer £200,000 of the Debenture issue to shareholders, with the right attached of conversion into shares at par. If the existing options have not been exercised when the new money from the Debenture issue has been expended, and further funds are then required, steps will be taken to issue the additional £300,000 of Debentures.

DAGGAFONTEIN.

Meetings of shareholders are convened for May 23 and June 16 for the purpose of authorising the directors to increase the capital of the Company to £1,500,000 by the creation of 300,000 new shares. At present there is power to raise the capital from the present issued amount of £648,033 to £1,200,000, but this is for the purpose of satisfying options outstanding. The fresh increase of capital is in connection with expansion of the mining area. Hitherto the large farm Daggafontein, measuring 6,283 claims, has not been proclaimed, but application has now been made for this to be done, so that the Company can select its mynpacht, estimated at 1,257 mining claims, in addition to discoverer's rights of 179 claims. Proposals have been submitted to the Government, in terms of the recently passed Mining Leases Act, for the granting of a lease of the undermining rights over an additional area on the farm, in order that a workable mining proposition as understood in modern practice may be constituted. Also, a provisional agreement has been entered into for the purchase from the Consolidated Mines Selection Company of 173 claims on Daggafontein Farm, which, if the application already submitted to the Government is approved, the C.M.S. Company will receive in exchange for the new Geduld Deep ground of equivalent claim area. The new shares to be created, with the exception of those required to purchase the 173 claims from the C.M.S. Co. will be offered to Daggafontein shareholders.

SANTA GERTRUDIS.

In dealing with the Santa Gertrudis Company's results and prospects on November 23 we pointed out that, in addition to its own mine's profit-earning power, many years of profitable operations are expected to result from the arrangements made to work neighbouring mines covering a large extent of proved gold-bearing ground. Shareholders have now been furnished with reports by the Company's manager and a member of the Technical Committee. The properties—four in number—are situated in the centre of the highly mineralised Pachuca district, and about 3½ miles from the Santa Gertrudis mill, with which they are being connected by aerial tramway capable of transporting 100 tons of ore per hour. One of the properties—La Zorro—is too isolated to be of interest at present. A second—El Christo—is an old mine containing 125,000 tons of low-grade silver ore and believed capable of yielding much more on further development. For the time being, however, work is to be concentrated on the other two mines, called El Bordo and Malinche. The El Bordo, which has produced a large quantity of ore in the past, is estimated now to have in reserve 300,000 tons, averaging 1.6 dwt. gold and 17 oz. silver per ton. Production

CANADA'S GRAND TRUNK RAILWAY
IS
10,127 MILES of
INTERNATIONAL GOODWILL,
COURTESY,
EFFICIENCY, and
SAFETY.
CONSULT US ON Travel, Exports and Imports.
EUROPEAN TRAFFIC OFFICES
LONDON, S.W.—17-19 Cockspur Street. LIVERPOOL.—70 Water Street.
LONDON, E.C.—44-46 Leadenhall Street. GLASGOW.—75 Union Street.
P. C. SALTER, European Traffic Manager.

of ore from this mine, to be treated by the Santa Gertrudis mill, is expected to commence in July or August, and the full rate of earnings reached a month or two later. It is proposed to deal with 500 tons of ore per day, and with silver at its present high price—a little over U.S. $1 per fine oz.—the net mining profit per month is estimated at £30,000. Of this the Santa Gertrudis Company's 40% share would give it £12,000 per month. At first for a time higher grade ore than the average is expected to be treated for a monthly profit of £40,000 to £45,000, the Santa Gertrudis' share being £16,000 to £18,000. Including this, it is calculated the Santa Gertrudis Company's profits will reach £35,000 to £40,000 by the autumn, declining later to £30,000 to £35,000. During the two years ended June 30, 1918, the Santa Gertrudis Company obtained the following results from its own mine:—

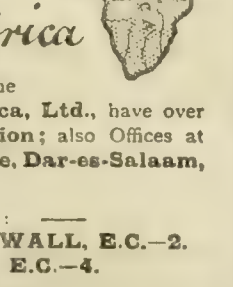
Santa Gertrudis (Mexican Company) Results.

Year to June 30	Ore Milled Tons	Produced Bullion —Contents— Gold Oz.	Silver Oz.	Gross Value £	Av. Price Silver d.	Mexican Co.'s Dividends £
1917	213,872	11,154	1,989,761	355,205	33·1	Nil
1918	324,762	21,856	3,775,745	836,945	45·0	150,000

Besides the El Bordo mine, production from which is expected to start in a few months' time, there are great possibilities seemingly in connection with the opening up of the fourth of the new properties. This, the Malinche mine, is practically on virgin ground. Two shafts sunk many years ago to 750 feet depth did not reach the ore zone as indicated in the mines to the west. Sinking is to be resumed for 200 to 300 feet, when an extensive development programme will be put into execution with a view to opening up two very strong vein systems which are known to enter, and presumably traverse, the property. On the Viscania vein to the west are located three great mines—Camelia, San Rafael, and El Bordo—as well as the smaller Santa Anna mine, covering a succession of large ore bodies for 8,000 feet on the strike of the vein. In the Camelia mine, 150 feet west of the Malinche line, is an ore body some 50 feet in width averaging 20 oz. silver per ton. The Maravillas vein for a great many years, over a length of 8,000 feet, has yielded a very large amount of ore to the Maravillas Company. The vein enters the territory of the Real Del Monte Company, where it was worked to the Malinche boundary-line, where the ore is reported to have averaged over 30 oz. silver for a width of 10 feet. It is upon this record that the engineers base their expectations of favourable developments in the Malinche.

In addition to the above, the Santa Gertrudis Company has several other properties under option to purchase after two years of testing development. One of these especially is well thought of owing to its situation near to proved and very rich mines.

Intending Settlers To South & East Africa



are notified that the

National Bank of South Africa, Ltd., have over **300 Branches within the Union**; also Offices at **Mombasa, Nairobi, Mozambique, Dar-es-Salaam, Tanga,** etc., and in **Nyasaland.**

LONDON OFFICES:

CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office—
25, COCKSPUR STREET, S.W.—1

Agency at—
10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, March 26, 1919.

Issue Department.

Notes Issued	£101,231,365	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	82,781,365
	£101,231,365		£101,231,365

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£56,992,844
Rest	3,547,701	Other Securities	79,451,680
Public Deposits	25,623,465	Notes	27,582,200
Other Deposits	121,759,947	Gold and Silver Coin	1,471,085
Seven-day and other Bills	13,506		
	£165,497,609		£165,497,609

Comparison with Previous Four Weeks [00,000's omitted]

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919.	£	£	£	£	£	£	£	%	%	%
Mar. 26	73.6	84.2	25.6	121.7	57.0	79.4	29.0	19·71	5	3⅛-⅛
Mar. 19	72.2	83.4	27.2	121.8	56.6	80.3	29.8	19·89	5	3⅛
Mar. 12	71.4	82.4	24.3	125.9	55.3	83.6	29.5	19·62	5	3⅛
Mar. 5	71.1	81.2	25.7	128.7	59.2	84.7	28.6	18·52	5	3⅛
Feb. 26	70.3	81.6	25.8	119.2	50.2	83.1	29.7	20·51	5	3⅛-⅜
J'y 23, '14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅛

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April, 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 000,000's omitted):	Mar. 26, 1919	Mar. 27, 1918	Mar. 28, 1917	Mar. 29, 1916	Mar. 29, 1909
Circulation	£73.6	£47.8	£38.3	£36 6	£28.7
Public Deposits	25.6	43.8	49.9	57.1	20.0
Other Deposits	121.7	137.5	129.6	87.4	42.5
Government Securities	57.0	55.9	24.0	32 8	15.1
Other Securities	79.4	112.3	139.6	88.3	35.1
Reserve	29.0	31.2	34.2	41.5	30.7
Ratio to Liabilities	19·71%	17·22%	19·02%	28·75%	49·05%
Coin and Bullion	84.2	60.6	54.0	56.7	40.9
Money					
Bank of England Rate	5%	5%	5½%	5%	3%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3⅝%	3⅛-3⅜%	4⅛%	4⅛%	1⅛-⅛%
Exchanges:					
Paris Cheque	27 60	27 24⅜	27 78⅜	28 48	25 22½
New York 60 days	4 62	4 72½	4 72	4 73⅛	4 86⅛
Bombay Telegraphic Transfers	1/5⅜	1/4⅜	1/4⅝	1/4⅜	1/3⅛
Prices:					
Consols 2½% Cash	56	54	53½	57⅜	83⅜
French Rentes 3% Money	63·00	57·25	61·40	63·25	97·17
Silver, London spot oz.	50d	45⅛d.	36d	28⅛d.	23⅞d.
Wheat, *Gazette* average qr.	72/7	72/3	80/3	55/11	35.9
Cotton, Mid Upland* lb.	19·45d.	24·23d.	12·82d.	7·83d.	4·95d.
Iron, Scotch pig ton	101/0	101/0	88/8	97/0	£2/4½

* Good Middling American, Official Value.

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	% of Gold to Notes
	£	£	£	£	%
Mar. 26, 1919 ...	9,008,167	5,139,552	328,064,070	28,500,000	8·6
Mar. 19, 1919 ...	8,241,827	5,188,757	324,195,455	28,500,000	8·7
Mar. 27, 1918 ...	10,299,041	6,071,849	228,149,289	28,500,000	12·5
Mar. 28, 1917 ...	6,134,292	4,490,373	144,687,071	28,500,000	19·7
Mar. 29, 1916 ...	5,166,183	2,978,466	106,690,991	28,500,000	26·6
Mar. 31, 1915 ...	2,922,100	1,207,842	39,801,866	27,500,000	69·1

Balance Sheet, March 26, 1919.

	£		£
Notes outstanding—		Advances—	
One Pound	248,184,669	Trustee Savings Banks	500,000
Ten Shilling	46,259,401	Currency Note Redemption A/c—	
Certificates outstanding ...	33,620,000	Gold Coin and Bullion...	28,500,000
		Government Securities...	308,577,177
Total	328,064,070	Balance at Bank of England	5,412,819
Investments Reserve A/c	14,925,926		
Total	342,989,996	Total	342,989,996

PUBLIC INCOME & EXPENDITURE [000's omitted.

1918-19. Week to	Revenue	Expenditure	Excess of Expenditure	—Loans, Advances, &c.— Cr.	Dr.	Net. +	Cash Balance
Mar. 22	£33,174	£48,344	£15,170	£75,843	£59,556	£16,287	£7,404
Mar. 15	35,233	42,408	7,175	89,888	82,343	7,545	7,784
Mar. 8	34,043	52,283	18,240	108,694	90,332	18,362	7,415
356 dys. '18-9	350,906	2,528,246	1,677,340	6,604,086	4,930,372	1,673,714	—13,626
357 dys. '17-8	681,339	2,619,810	1,938,471	5,261,890	3,321,417	1,930,473	— 8,000
*Fr. '18-19**	*542,050*	*2,977,515*	*2,135,465*	—	—	*2,135,465*	—
Yr. '17-18	707,234	2,696,221	1,988,987	5,499,604	3,516,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1918-19. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits	Other Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services.
Mar. 22	£5,690	£14,988	£7,326	£5,170	£922	£187		£47,235
Mar. 15	3,230	19,232	3,473	8,798	10,450	959		31,000
Mar. 8	3,273	21,775	6,643	2,352	2,728	10		49,544
356 dys. '18-9	157,758	278,317	271,870	144,961	266,533	9,782		2,251,930
357 dys. '17-8	109,535	229,760	209,815	132,231	187,915	10,635		2,421,260
*Fr. '18-19**	*147,700*	*290,450*	*300,000*	*103,900*	*315,000*	*11,414*		*2,651,103*
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401		2,494,989

FLOATING DEBT,	Treasury Bills	Ways & Means Advances	Total	Naini. War Bond Rcpts.
Mar. 22, 1919 ...	£948,536	£456,988	£1,405,524	£1,676,714
Mar. 15, 1919 ...	957,479	446,770	1,404,249	1,671,312
Mar. 8, 1919 ...	961,694	448,770	1,408,464	1,667,069
Mar. 1, 1919 ...	968,805	427,280	1,396,085	1,663,360
Dec. 31, 1918 ...	1,094,740	455,180	‖1,548,920	1,420,700

* Budget and Supplementary estimates. ‖ Highest.

FOREIGN BANKS. [In £s sterling—000's omitted.]

AUSTRIA-HUNGARY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Advances.	Note Circltn.	Above — or beneath + legal max.	Bills Discounted, &c.
July 23, '14	£51,578	£12,141	£63,719	£7,772	£88,740	+ £2,479	£31,883
Feb. 15, '19	10,918	2,366	13,284	385,229	1,565,507	—	117,094
Feb. 22, '19	10,918	2,368	13,286	386,971	1,571,520	—	117,018
Dec. 7, '17	11,000	2,300	13,300	892,990	739,300	—	117,800

DENMARK.	Cash. Gold.	Cash. Silver.	Cash. Total	Discounts.	Balance Abroad.	Circulation.	Deposits.
July 31, 1914	£4,100	£341	£4,441	£8,197	£788	£8,893	£47
Jan. 31, 1919	10,405	135	10,540	4,119	5,533	23,938	1,018
Feb. 28, 1919	10,400	138	10,538	3,959	5,342	23,102	820
Feb. 28, 1918	9,641	136	9,777	2,827	2,712	18,478	1,835
Feb. 28, 1917	9,155	125	9,280	5,008	2,593	15,322	2,371

FRANCE.	Gold. In Bank	Gold. Abroad.	Total Cash incl'g Silver	Bills.	Circulation	Deposits. Public.	Deposits. Private
July 30, 1914	—£185,654—		£190,667	£97,768	£287,327	£15,302	£37,903
Mar. 20, 1919	142,463	79,132	234,163	41,176	1,330,481	4,401	110,674
Mar. 27, 1919	142,575	79,132	234,227	40,017	1,334,936	1,874	120,508
Mar. 28, 1918	133,457	81,484	225,158	53,129	1,007,173	1,891	112,342
Mar. 29, 1917	130,097	77,907	218,633	20,902	738,393	6,948	101,625

GERMANY.	Cash. Gold	Cash. Silver.	Cash. Total.	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14	£87,843	£16,727	£94,570	£5,279	£40,055	£94,545	£47,198
Mar. 7, '19	112,216	1,048	113,264	300,926	1,328,346	1,212,399	544,972
Mar. 15, '19	111,991	1,037	113,028	298,379	1,426,930	1,217,560	653,075
Mar. 15, '18	120,360	5,497	126,257	66,109		667,781	567,764	337,255
Mar. 15, '17	128,468	733	127,239	16,951		467,717	408,218	221,840

HOLLAND.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts.	Advances.	Circulation	Deposits.
Aug. 1, 1914	£13,498	£249	£13,745	£13,422	£10,339	£35,880	£1,437
Mar. 15, 1919	56,253	789	57,042	9,819	16,149	81,618	6,361
Mar. 22, 1919	—56,654—			—26,977—		82,626	6,731
Mar. 23, 1918	60,254	612	60,866	2,320	9,092	72,215	5,358
Mar. 24, 1917	49,251	584	49,835	7,170	7,079	60,759	7,723

ITALY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Other Cash.	Loans & Disc'nts.	Circulation.	Deposits
July 31, '14	—	—	—£48,456—		£25,017	£89,204	£8,887
Dec. 31, '18	£32,710	£3,086	35,796	15,233	65,994	368,934	63,866
Jan. 31, '19	—	—	—49,396—		74,503	360,882	61,759
Jan. 31, '18	33,448	3,235	36,683	7,402	51,107	262,535	56,401
Jan. 31, '17	34,783	2,826	37,609	7,226	31,798	156,302	38,880

JAPAN.	Gold.	Discounts.	Advances	Notes	Deposits Public	Deposits Private.
Aug. 1, '14	£21,887	£1,829	£7,883	£32,729	£13,819	£1,591
Feb. 8, '19	71,254	2,788	44,022	86,599	103,574	5,108
Feb. 15, '19	71,235	2,160	41,443	82,767	104,347	5,093
Feb. 16, '18	65,221	3,519	24,240	66,680	60,748	3,180
Feb. 17, '17	39,732	1,457	13,939	43,082	40,494	2,766

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve.	Loans, Discounts, Invest. &c.	Net Deposits. Demand.	Net Deposits. Time	Net Deposits. Total.	Excess Reserve
Aug. 1, '14	-	£89,898	£411,238	—	—	£387,185	£1,720
Mar. 15, '19	£19,164†	113,394	990,032	£781,030	£29,552	852,942	7,220
Mar. 22, '19	19,012†	119,914	976,450	797,936	30,022	883,424	7,320
Mar. 23, '18	20,294†	107,308	853,344	741,910	33,928	835,957	8,550
Mar. 24, '17	101,639*	156,276	713,134	723,416	35,944	765,360	30,368

* Counted as reserve. † Not reserve.

NORWAY.	Gold.	Balance Abroad.	For'gn Gov Securities.	Discounts & Loans	Circulation	Deposits
July 31, 1914	£2,980	£1,878	£493	£4,888	£6,752	£793
Mar. 7, 1919	6,708	3,390	718	21,540	22,867	5,780
Mar. 15, 1919	6,707	3,354	718	22,042	22,799	6,204
Mar. 15, 1918	6,521	3,947	713	19,672	18,270	8,867
Mar. 15, 1917	7,076	4,227	706	9,256	14,484	4,577

PORTUGAL.	Gold.	Silver.	Total.	Discounts & Advances.	Note Circulation.	Deposits.
Jan. 15, '19	£1,905	£3,757	£5,662	£10,750	£61,601	£3,216
Jan. 22, '19	1,905	3,759	5,664	10,651	61,411	3,449
Jan. 29, '18	1,905	3,760	5,665	10,818	61,630	3,820

RUSSIA.	Gold. In Bank.	Gold. Abroad.	Total Cash incl'g Silver	Loans & Disc'nts.	Circulation	Notes in Reserve	Total Deposits
July 21, '14	£160,114	£14,395	£181,892	£78,081	£183,411	£6,669	£109,911
Oct. 21, '17	129,684	230,882	377,099	1,781,647	1,785,990	10,310	344,90[illegible]
Oct. 28, '17	129,523	230,885	378,205	1,889,559	1,938,217	15,783	345,55[illegible]
Oct. 29, '18	155,877	205,496	372,072	814,687	784,488	10,512	223,731
Oct. 28, '15	159,828	3,580	185,844	443,307	501,083	8,417	143,4[illegible]

SPAIN.	Cash. Gold	Cash. Silver.	Cash. Total	Loans &c	Spanish 4%	Circulation	Deposits &c
Aug. 1, '14	£21,804	£29,187	£50,991	£40,572	£13,779	£77,557	£18,955
Mar. 15, '19	90,250	25,739	115,989	73,753	13,778	138,976	41,456
Mar. 22, '19	90,348	25,795	116,143	74,805	13,778	138,544	41,720
Mar. 23, '18	79,948	28,241	108,189	49,341	13,777	114,017	33,519
Mar. 24, '17	53,825	30,075	83,900	43,158	13,777	95,143	31,291

SWEDEN.	Gold	Balance Abroad.	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
Mar. 8, '19	18,004	7,920	3,034	19,534	40,080	5,369
Mar. 15, '19	16,091	8,118	3,035	22,673	40,818	8,327
Mar. 16, '18	13,049	7,193	3,959	14,705	33,778	6,971
Mar. 17, '17	10,724	7,701	4,033	7,754	22,640	7,939

SWITZERLAND.	Cash. Gold	Cash. Silver	Cash. Total	Discount Advances	Circulation	Deposits.
July 23, 1914	£7,202	£758	£7,960	£4,917	£10,718	£2,028
Mar. 7, 1919	18,377	2,571	18,948	17,894	35,419	3,937
Mar. 15, 1919	18,393	2,589	18,972	17,912	35,288	4,230
Mar. 15, 1918	14,718	2,255	16,971	11,392	25,533	3,968
Mar. 15, 1917	12,728	2,037	15,917	8,230	19,954	5,385

U. STATES FED. RES. BANKS

	Gold Held by Banks.	Gold With Agents.	Total Cash.	Bills Discount'd	Bills Acceptances.	Deposits. Govt.	Deposits. Total. Net.	Circulation.
Mar. 17, '19	£167,932	257,974	339,348	377,272	52,428	30,156	353,890	500,620
Mar. 24, 19	180,486	247,832	441,718	376,309	52,384	57,156	353,730	502,138
Mar. 22, '18	180,579	179,984	372,474	109,624	65,776	18,301	301,154	285,902
Mar. 23, '17	112,003	70,498	184,644	3,634	17,560	3,940	139,110	69,361

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Dates Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'13	Madrid	4½	Oct. 26,'14
Berne	5½	Oct. 3,'18	Paris	5	Aug. 20,'14
Bombay	7	Jan. 27,'19	Petrograd ...	6	July 29,'14
Brussels ...	5	Aug. 27,'14	Rome	5	Jan. 11,'18
Calcutta	7	Jan. 27,'19	Stockholm ...	7	Mar.21,'18
Christiania ...	6	Dec. 13,'17	Tokio	6½	Nov.25,'18
Copenhagen ...	5½	Jan. 2,'19	Vienna	5	Apr.12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Mar. 28, '19	Mar 21, '19	Mar. 14, '19	Mar. 7, '19
Brussels	Cheques	23fr. 80c.	22fr. 22½c.	27fr. 75c.	27fr. 42½c.
Denmark	Cable	18kr. 25	18kr. 45½	18kr. 32½	18kr. 27½
Holland	do.	11d. 43c.	11d. 70c.	11d. 53c	11d. 56½c.
Italy	do.	33fr. 00c.	30fr. 81½c.	30fr. 31½c.	30fr. 31½c.
Lisbon and Oporto	do	34d.	34¼d.	34¼d.	34¼d.
New York	do.	$4 56	$4 55	$4 76⅜	$4 76⅜
—	Cheques	$4 56½	$4 55	$4 77	$4 77
Norway	Cable	17kr. 90	18kr. 07½	17kr. 67½	17kr. 51
Paris	3 mos.	—	—	26fr. 50	26fr. 37½c.
—	Cable	27fr. 55c.	27fr. 10c.	26fr. 18¾	26fr. 07½c.
Spain (Bank places)	3 mos.	—	—	50¾	51d.
—	Cable	22p. 70	23p. 25	23p. 30	22p. 69½
Sweden	do.	17kr. 05	17kr. 27½	16kr. 95	16kr. 90
Switzerland	3 mos.	—	—	23f. 47½c	23f. 32½c
—	Cable	23f. 00c.	23f. 32½c.	23f. 02½c.	22f. 85½c.

ON LONDON—		Mar. 28 '19	Mar. 21, '19	Mar. 14, '19	Par
Alexandria	Sight	97⅛pi.	97⅛pi.	97⅛pi.	97⅛pi.
Amsterdam	Cheques	11d. 46c.	11d. 71½c.	11d. 58½c.	12·107 fl.
Bombay	Transfers	1s. 5[illegible]d.	1s. 5[illegible]d.	1s. 5[illegible]d.	1s. 6d.
Brussels	Cheques	28f. 85c.	27f. 25½c.	27f. 73½c.	25f. 22½c.
Buenos Ayres	Transfers	51⅜d.	51¾d.	51⅜d.	47.58d.
Calcutta	do.	1s. 6[illegible]d.	1s. 5[illegible]d.	1s. 5[illegible]d.	1s. 6d.
Christiania	Sight	17kr 87½	18kr. 11	17kr. 69½	18.159kr
Copenhagen	do.	18kr. 23½	18kr. 46	18kr. 33	18.159kr.
Hong Kong	Transfers	3s. 2d.	3s. 1¾d	3s. 0¾d.	-
Italy	Sight	33fr. 50c.	30fr. 81½c	30fr. 31½c.	25fr. 22½c.
Lisbon	do.	34¼d	34¼ i.	34¼ i.	53½d.
Madras	do	1s. 6[illegible]d.	1s. 6[illegible]d.	1s. 6[illegible]d.	1s. 6d.
Madrid	do.	22p. 69	23p. 25½	23p. 27½	25p. 22
Montevideo	Transfers	—	—	—	51d.
Montreal	Cable	$4 67	$4 67½	$4 76⅞	$4 86⅝
New York	Sight	$4 61*	$4 70n.	$4 75⅜	—
—	60 days	$4 62*	$4 64n.	$4 73	—
—	Cable	$4 56	$4 71n.	$4 76⅜	$4 86⅞
Paris	Cheques	27f 60c.	27f. 11½c.	26f.23c.	25f.22½
Rio de Janeiro	90 days	13⅜d.	13½d.	13½d.	18d.
Shanghai	Transfers	4s 8½.	4s 7d.	4s. 7d.	—
Singapore	Sight	2s. 4d.	2s. 4d.	2s. 4d.	2s. 4d.
Stockholm	do.	17kr. 05	17kr. 27½	16kr. 96	18.159kr.
Switzerland	do.	23f. 98c.	23f. 33½c	23f. 02½c.	25f. 22½c.
Valparaiso	90 days	9⅝	9 5-8d.	9⅞d.	18d
Yokohama	Sight	2s. 1[illegible]d.	2s. 1[illegible]d.	2s. 1[illegible]d.	2s. 0.68[illegible]

* Thursday's rates.

NEW YORK ON—		Rate Current* Mar. 27, '19	Rate Current* Mar. 19,'19	Par as usually Quoted	Rate July 3, 14
Amsterdam, sight	...	40c.	40⅛c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques	...	35·60c.	35·63c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques	...	—	41·83c.		
Christiania, cheques	...	26c.	26·35c.	26·80c. for 1 kroner	
Copenhagen, cheques	...	25·45c.	25·75c.	26·80c. for 1 kroner	26·85c.
Greece, cheques	...	19c.	19·30c.	19·295c. for 1 drachma	
Hongkong, cheques	...	74·50c.	75·25c.	74·59c. for Mex. $1	46·40c.
Italy, sight	...	7·80f.	6·37½f.	5·18f lire for $1	5·17f.
Lima, cheques	...	5·05c.	5·05c.	4·8665 $ for 1 libra	
Manila, cheques	...	49c.	50c.	50c. for 1 peso	49·80c.
Montreal	...	2½% disc.	1⅛% disc.	Premium per $100	Par
Paris, sight	...	5·88fr.	5·05fr.	5·18¾ francs for $1	5·18fr.
Petrograd, sight	...	—	12nom.	51·43c. for 1 rouble	51·37c.
Rio de Janeiro, cheques		26·25c.	25·37½c.	32·42c. for 1 milreis	
Shanghai, cheques	...	109·50c.	112c.	62·93c. for 1 tael	63·00c.
Singapore, cheques	...	56·25c.	56·25c.	55·77c. for $1	57·12c.
Spain, cheques	...	20·20c.	20·50c.	19·30c. for 1 peseta	
Stockholm, cheques	...	27·05c.	27·50c.	26·80c. for 1 kroner	
Switzerland, cheques	...	4·99fr.	4·95fr.	5·18¾ francs for $1	5·18¾fr.
Valparaiso, cheques	...	19·75c.	20·10c.	20·81c. for 1 peso	
Yokohama, cheques	...	50·50c.	50·80c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1919 Aggr.	Inc. or Dec.*
	1919.	[In £'s sterling 000's omitted.]			
BIRMINGHAM	Mar. 22	£1,809,—	£340	£30,074,—	£1,564 — 6 1
BRISTOL	,, 22	1,097 +	147	14,176 +	2,365 + 18 6
DUBLIN	,, 22	6,004 +	863	81,614 +	18,769 + 25 9
LEEDS	22	904 —	3	12,782 +	1,178 + 10 1
LIVERPOOL	22	810 +	246	10,258 +	1,609 + 18 9
LIVERPOOL	22	10,330 +	1,949	134,521 +	26,605 + 24 7
MANCHESTER	22	14,021 +	160	185,475 +	12,978 + 7 5
NEWCASTLE	,, 22	2,001 +	246	21,810 —	1,602 — 6 8
NOTTINGHAM	,, 22	547 +	62	7,876 +	319 + 4 3
SHEFFIELD	,, 22	853 —	83	14,233 +	551 + 4 1
LONDON—	1919.				
TOWN	Mar 26	364,991 —	36,629	4,563,235 +	429,461 + 10 4
METROPOLITAN	,, 26	30,018 +	4,279	393,301 +	69,533 + 21 1
COUNTRY	,, 26	51,926 +	5,209	703,979 +	99,479 + 16 4
TOTAL	,, 26	446,865 —	27,141	5,680,515 +	537,473 + 11 8

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould and Co.

HOMEWARDS.	1919 Mar. 28	1919 Mar. 21	1913 Mar. 29
Alex. to Lond. or Hull	—	—	8/3
Aust. to U.K. or Cont.	105/0	90/0	34/6
Azoff to L.H.A.R.	—	—	10/4
Bombay to p.p. (nom.)	100/0	100/0	1.w.19/0
Burmah to c. (nom.)	75/0	75/0	23/6
Calcut. to p.p. (jute)	180/0	1.w.180/0	d.w.25/0
Danube to A.R.	—	—	10/9
Odessa to L.H.A.R.	—	—	8/8
R. Plate to U.K. Cont	225/0	225/0	20/6

Homewards — Cont.	1919 Mar. 28	1919 Mar. 21	1913 Mar. 29
U.S. Atl. Ports (Liverpl. (cotton, 100 lb.)	$1.25	$1.25	47/6
U.S. to U.K. Cont. (grs.)	15/0	15/0	2/9
Gulf Ports to U.K. Cont. (cotton & grain)	$50	60/0	17/6

OUTWARDS —Cardiff to				
Bombay	...	—	—	13/0
Colombo	...	—	—	12/6
Port Said	...	47/6	47/6	10/6
River Plate	...	45/0	47/6	15/6
St. Vincent	...	40/0	40/0	9/0

VI.—WHOLESALE PRICES OF COMMODITIES.

	1919 MAR. 28	1918 MAR. 27.	1914 JUNE 30.
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	101/0	101/0	57/0
— Middlesbro' warrants ...ton	95/0	95/0	51/0
— Hematite warrants ...ton	122/6	122/6	61/3
— Staffordshire bars, London ton	£17	£15 10	£8 10
— Common bars ...ton	£14 15	£13 15	£8 10
Steel Rails ...ton	£10 17/6	£10 17/6	£8 2/6
Galvanised Sheets...ton	£29	£28	£18 17/6
Copper—Standard...ton	£78	£110—£110 10	£61
Tin—English Ingots ...ton	£234 10-235 10	£320—£323	£142 10
— Straits ...ton	£237 10	£317—£318	£139 15
Tinplates, I.C. Coke, S. Wales...box	33/10½	31/6	11/10½—12/0
Lead—Soft Foreign ... ...ton	£27	£23 10—£29 10	£19
Spelter—Ord. Foreign ...to	£37—£39	£50—£54	£21 7/9
Quicksilver—(75lb.) ...bott e	£20 10—£21	£20	£7
Aluminium ...ton	£150	nom.	£82
Antimony—Regulus Foreign ...ton	£35	nom	£27 10
Coal—(best) Yorkshire...ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle...ton	40/0—45/0	30/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	10/1	11/0	7/4
Soda—Crystals ex ship ...ton	87/6	72/6	42/6—45/0
Copra—Malay and Straits ...ton	£36	£45 10	£23 15-£24 7/6
Gambier—Good marks ...cwt	37/6	72/6	16/10½
Indigo—Bengal good to fine.....lb.	9/0—10/6	9/0—11/0	3/2—3/8
Linseed Oil—Raw ...ton	£58	£58	£25 5
Linseed—Calcutta, spot ...ton	£23 15	£29 15	£13 16/9
— **Cakes**, U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish ...ton	nom.	—	£49 10
Palm Oil—Lagos ...ton	£51—£52	nom.	£31 10
Petroleum—American...gallon	1/4½	1/7½	7½d.
Rape Oil—Refined English ...ton	£71	£71	£32
Soya Oil—Refined...ton	£75	£75	£24 10
Tallow—Imported ...cwt.	63/6	72/0	29/3—33/3
Turpentine—French ...cwt	96/0	124/3	33/7½
Rape Seed—Toria...ton	£22 15	£29 15	£13 5
Rubber—Para, spot ...lb	2/4½	2/9½	2/9½
— Fine plantation (stnd. crepe) lb.	2/0½	2/5	2.2
— World's Production* Jan. tons	20,630	21,200	8,467
Shellac—T.N. Orange, fair.....cwt	217/6	450/0	83/0—64/0
TEXTILES.			
Cotton—Middling Uplandt .....lb	19·45d.	24·76d.	7·53d.
— Egyptian, good fair ...lb.	28·84d.	30·31d.	8·75d.
— Pernambuco fair ...lb	19·11d.	27·08d.	7·73d.
— Mid. Upl. New York.. ...lb.	27·40c.	34·40c.	13·25c.
— Stock, Liverpool, Mar. 21 bales	497,740	459,560	—
Flax—Petrograd, Yarapol ...ton	nom	£120nom.	£28
Hemp—New Zealand ...ton	£56	£93	£25 10
— Manila, Fair ...ton	£62	£85	£26 10
Jute—First Marks ...ton	—	—	£26 15
— Red SOO ...ton	—	—	£24 15
Silk—Blue Elephant ...lb	20/0	25/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	nom.	nom.	11½d.—1/0
— Lincoln Half Hogs ... ... '	1/7½nom.	1/6 nom.	1/0½
Hides—Eng. Ox, best, 65lb. up. lb	9½d.—10½d.	10½	7½d.
Leather—Dressing Hides ...lb	2/5—3/1	nom.	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	169,034,000	38,883,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	237½c.	226c.	87½c.
— English *Gazette*, aver. 480lb. qr.	72/7	72/3	34/3
Flour—G.R. ...280lb.	44/3	44/3	28/6
Barley—Eng. *Gaz.*, aver. 400lb. qr.	62/1	56/9	25/4
Oats—Eng. *Gaz.*, aver. 312lb. ...qr.	48/4	50/3	20/0
Maize—N. Y. (new bushel) ... 56lb.	177c.	nom	76½c
— Amer. mixed, Liverpool...480lb.	79/9	76/0	32/4
— La Plata ...480lb. qr.	72/0	76/0	25/9
Potatoes—Good English ...ton	195/0	130/0—155/0	70/0—75/0
Hay—Best ...2,016lb....load	176/0	158/3	82/6
Hops—English...cwt	—	£5 10—£10	£6 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs....8lb.	7/10—8/4	9/3	3/8—3/10
— Scotch sides...8lb.	8/4	8/2	4/6—5/0
— English...8lb.	8/4	8/2	4/2—4/5
Mutton—Scotch wethers...8lb.	8/10	8/8	5/8—6/0
— English wethers...8lb.	8/10	8/8	4/6—5/4
— New Zealand frozen ...8lb.	8/10	9/8	2/4—3/2
Pork—English and Irish...8lb.	10/8	9/6	3/6—4/0
Bacon—Irish, ex Factory ...cwt.	188/0	172/0	60/0—74/0
— Danish, ex Port ...cwt.	—	172/0	58/0—68/0
— American, delivered ...cwt.	178/6	171/0—172/0	72/0—74/0
Hams—Amer. long cut, delvrd. cwt.	170/0	165/0	75/0—79/0
— — short cut, delivered ...cwt.	170/0	162/0	71/0—74/0
Lard—Amer. boxes, delivered cwt.	158/0	152/0	51/9—52/9
Butter—Danish ...cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
French ...cwt.			96/0—108/0
— Australian ...cwt.			98/0—110/0
— New Zealand ...cwt.			108/0—114/0
Cheese—Canadian ...cwt.	Controlled 163/4	nom.	66/0—68/0
— United States...cwt.		nom	—
— Dutch ...cwt.		160/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Feb. 28 ...cwts.	2,923,455	3,716,077	19,777,254
— Home consump'n to Feb. 28 cwts.	3,973,380	3,258,500	17,272,000
— In Bond Feb 28 ...cwts.	5,988,000	3,848,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	32/0	34/0	10/3
— — Yellow crystals ...cwt.	57/9	46/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	64/9	53/9	18/0
Coffee—Imports to Feb. 28 ...cwts.	64,902	45,838	720,360
— Home consump'n to Feb. 28 cwts.	51,881	119,112	141,410
— Exports to Feb. 28 ...cwts.	16,525	10,698	340,250
— In Bond Feb. 28 ...cwt.	605,000	1,017,000	484,000
— Price, Costa Rica gd. to fine cwt.	140/0—150/0	122/0—137/0	80/0—93/0
— — Brazil (Santos)...cwt.	96/0—103/0	67/9	41/6
Tea—Imports to Feb. 28...lbs.	62,537,899	85,792,330	123,230,277
— Home consump'n to Feb. 28 lbs.	43,554,718	38,687,245	155,447,972
— Exports to Feb. 28 ...lbs.	1,405,196	79,448	28,561,765
— In Bond Feb. 28 ...lbs.	157,470,000	69,945,000	78,292,000
— Price, Indian. Pek. Soug. good lb.	1/4	—	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/4	—	8½d.
— — Common Congou ...lb.	1/4	—	5½d.
Cocoa—In Bond Feb. 28 ...cwt.	760,000	778,000	309,000
— Grenada, good to fine ...cwt.	85/0	83/0—91/0	52/6—56/0

* Estimated. † G.M. American Official Value.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or −	Net	+ or −
Grand Trunk Railway	Jan.	£904,600	+ £293,000	Dr.£120,300	− £16,800
	12 *mos. to* Dec.	*12,655,000*	*+2,698,000*	*1,675,000*	*− 217,000*
Int. Rlys. of C. Amer.	Feb.	58 356	+ 7.356	27.329	− 452
	2 mos. to Feb.	*111,677*	*+ 13,540*	*49,911*	*− 2,795*

VIII.—RAILWAY AND TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week ended		Miles.	+ or − in Yr.	Gross Receipts.	+ or − on Year Ago.	No. Wks.	Aggregate Receipts.	+ or − on Year ago.
Assam Bengal	Feb.	15	993	+ 13	R1,68,988	− 8,832	19	33,47,047	+ 3,45,492
Barsi Light ...	Feb.	22	118	—	21,700	+ 1,100	47	8,41,700	+ 85,500
Bengal & N.W.	Feb.	15	2,052	+ 4	4,76,850	− 1,01,449	20	95,69,163	+ 14,73,278
Beng. Dcoars	Dec.	14	168	+ 5	29,951	− 9,015	11	4,44,511	+ 28,386
Beng. Nagpur	Feb.	15	2,895	—	12,43,000	+ 1,21,000	46	5,16,93,674	+ 34,05,762
Bomb. Baroda	Mar.	8	2,871	− 2	20,15,000	+ 2,71,000	23	3,96,56,000	+ 40,37,000
Burma	Feb.	1	1,342	—	5,38,297	+ 3,437	44	2,13,28,745	+ 34,11,027
Del. Um. Kalk.	Mar.	8	239	—	92,800	− 2,875	23	20,14,992	− 22,951
East Indian ..	Mar.	8	2,767	− 40	27,22,000	+ 1,35,000	23	6,10,04,000	+ 61,01,000
Gt. Indian Pen.	Mar.	8	3,112½	—	25,28,900	+ 1,41,100	23	5,47,22,997	+ 28,70,712
Madras & S M.	Feb.	22	3,152	− 1	11,50,000	− 38,290	21	2,15,16,780	− 4,07,509
Nizam's Guar.	Feb.	8	900	—	2,81,659	+ 41,835	19	44,58,030	+ 1,81,448
Rob. & Kumn.	Feb.	8	664	+ 2	88,477	− 6,579	19	20,25,279	+ 2,17,396
South Indian	Feb.	22	1,830	—	6,69,899	+ 34,534	45	3,16,90,202	+ 1,08,207
South Punjab	M. of	Nov.	716	—	7,24,151	+ 17,464	2m	14,61,770	+ 32,686
COLONIAL									
Can. Northern	Mar.	21	9,487	+ 53	$810,650	+ 22,450	11	9,851,250	+ 2,257,350
Can. Pacific ...	Mar.	21	13,388	+ 395	2,832,000	− 14,000	11	31,756,000	+ 3,688,000
Gd. Trunk Pac.	Mar.	7	916	—	$18,481	− 1,842	9	178,169	− 27,921
Grand Trunk	Mar.	21	3,618	—	253,770	+ 70,112	11	2,488,151	+ 827,169
Mashonaland...	M. of	Oct.	810	—	50,109	− 17,522	1m	—	—
Mid. W. Aust.	M. of	Jan.	277	—	9,635	+ 339	7m	62 833	+ 10,316
New Cape Cent.	Feb.	22	205	—	2,698	+ 418	8	22,276	+ 3,842
Rhodesia Rlys.	M. of	Oct.	1,397	—	66,283	− 36,272	1m	—	—
W. Pass. & Yuk.	M. of	Dec.	122	—		—	12m	$1,244,060	− 804,349
FOREIGN.									
Argentine.									
Arg. N. East. ...	Mar.	22	762	—	£ 11,900	+ 3,800	38	356,975	+ 40,475
Arz. Transand.	Mar	22	111	—	£ 4,590	+ 260	38	138,690	+ 17,060
B. A. & Pacific	Mar.	22	3,638	—	£ 130,000	− 25,000	38	4,317,000	+ 1,052,000
B. A. Gt. Southn.	Mar.	16	3,792	—	£ 159,000	+ 6,000	37	5,083,000	+ 1,092,000
Do.	Mar.	16	Net	—	£ 55,000	—	37	1,067,000	+ 114,000
B. A. Western...	Mar.	23	1,882	+ 12	£ 69,000	+ 9,000	38	2,589,000	+ 769,000
Do.	Mar.	23	Net	—	£ 16,000	+ 3,000	38	615,000	+ 180,000
B. A. Central ...	M. of	Jan.	190	—	£ 41,643	+ 8,468	7m	285,293	+ 105,932
Cent. Argentine	Mar.	22	3,305	—	£ 147,000	− 34,000	38	4,890,000	+ 972,800
Do.	Mar.	22	Net	—	£ 21,400	− 42,200	38	869,400	− 257,173
Cord. Central ...	Mar.	22	1,205	—	£ 42,000	+ 2,600	38	1,664,360	+ 545,600
Entre Rios	Mar.	22	831	—	£ 23,200	+ 100	38	765,600	+ 198,300
Brazilian.									
Brazil Gt. South.	M. of	Feb.	110	—	M 39,100	− 8,400	2m	86,190	− 10,310
Brazil Railway	M. of	Nov.	3,530	—	M 3,220,000	− 1,504,109	11m	52,913,000	+ 7,760,514
Gt. W. Brazil ..	Mar.	22	1,010	—	£ 20,000	− 1,100	12	236,600	+ 5,400
Leopoldina	Mar.	22	1,831	—	£ 33,788	+ 2,300	12	338,998	− 43,536
Mogyana	M. of	Nov.	1,180	—	M 1,382,000	− 915,338	11m	20,706,000	+ 1,518,181
Paulista	M. of	Nov.	766	—	M 2,185,000	− 1,264,285	11m	29,829,000	− 319,854
San Paulo	Mar.	23	153½	—	£ 33,748	+ 9,005	12	337,688	− 72,014
Sorocabana	M. of	Nov.	1,003	—	M 1,128,000	− 885,148	11m	20,204,000	+ 1,222,880
S. of Bahia S.W.	M. of	Feb.	52	—	M 87,000	+ 11,000	2m	170,000	− 20,000
Chilean and Peruvian.									
Antofagasta... .	Mar.	23	838	—	£ 23,915	− 26,890	12	341,800	− 134,155
Arauco	M. of	Jan.	84½	—	£ 12,500	− 1,500	1m	—	—
Nitrate (2 wks.)	Mar.	15	390	—	£ 22,730	− 12,141	10	122,770	− 53,515
Peruvian Corp	M. of	Feb.	1,140	—	S 943,470	+ 18,060	8m	7,973,835	− 229,195
Taltal	M. of	Feb.	181	—	£ 8,562	− 14,236	8m	132,909	− 71,377
Cuban.									
Cuban Central ..	Mar.	22	382	—	£ 39,749	+ 1 547	38	725,659	+ 19,361
Havana Central	Mar.	1	70	—	£ 11,522	+ 177	35	312,658	+ 20,764
U. of Havana .	Mar.	15	681	—	£ 37,967	− 55,802	37	1,878,226	− 60,614
W. of Havana .	Mar.	22	155	—	£ 11,604	− 1,195	38	289,949	− 30,151
Uruguayan.									
Cent. Uruguay	Mar.	15	272	+ 1	£ 26,460	+ 4,519	37	789,754	+ 121,697
,, (E. Ext.)	Mar.	15	311	—	£ 7,494	+ 1,280	37	192,307	+ 10,321
,, (N. Ext.)	Mar.	15	185	—	£ 4,482	+ 758	37	138,086	+ 21,656
,, (W.Ext.)	Mar.	15	211	—	£ 3,261	+ 413	37	98,141	+ 16,938
Mid. Uruguay ..	M. of	Feb.	318	—	£ 18,511	+ 8,338	8m	136,051	+ 30,580
N. W. Uruguay	M. of	Feb.	113	—	$ 25,000	+ 744	8m	237,037	+ 20,583
Urug. Northern	M. of	Feb.	73	—	£ 2,181	+ 274	8m	16,168	+ 892
Miscellaneous.									
Alcoy & Gandia	Mar.	23	33	—	Ps. 12,000	+ 2,000	12	1,212,000	+ 14,300
Bilbao	M. of	Feb.	15	—	£ 2,382	− 591	2m	5,113	− 2,949
Bolivar.....	M. of	Feb.	138	—	£ 13,000	+ 3,381	8m	71,004	− 18,890
Colomb. Natnl.	M. of	Feb.	88	—	£ 7,760	− 4,040	2m	20,920	− 4,380
Costa Rica	M. of	Jan.	189	—	£ 23,125	+ 10,950	7m	154,716	+ 88,134
Dorada Ext. ...	M. of	Feb.	71	—	£ 5,000	− 2,400	2m	12,800	− 2,900
Egyptian Delta	Feb.	28	559½	—	£ 8,758	+ 2,219	46	349,350	+ 84,936
Gt. S. of Spain	Mar.	15	104	—	Ps. 117,863	+ 88,676	11	1,483,011	+ 1,128,548
La Guaira & Ca.	M. of	Feb.	22½	—	£ 7,680	+ 1,365	2m	15,785	+ 950
Paraguay Cent.	Mar.	15	255	—	£ 4,330	+ 1,250	38	147,710	+ 41,400
Puerto Cabello	M. of	Dec.	24	—	£ 3,200	− 1,300	12m	44,500	− 4,444
Salvador	Mar.	22	100	—	£ 3,317	− 210	38	91,869	+ 18,891
Santa Fe Prov. French Rwys.	M. of	Feb.	1,181	—	£ 165,520	+ 21,709	2m	322,494	+ 26,235
S'mana & S'tiago	M. of	Jan.	80	—	£ 6,860	− 1,969	1m	—	—
Zafra & Huelva	M. of	Jan.	112	—	£ 11,457	+ 534	1m	—	—
TRAMWAYS.			Miles						
Anglo-Argentine ...	Mar.	18	400		$ 64,218	+ 7,608	10	612,343	+ 17,672
Auckland (4 weeks)	Mar.	14	27		£ 23,250	+ 955	36	147,344	− 7,413
Bombay Electric	M. of	Jan.	38		R. 6,12,165	+ 48,535	12m	70,23,885	+ 8,79,440
Brazilian Traction...	M. of	Dec.	378½		M. 8,531,000	+ 462,000	12m	101,694,000	+ 9,691,000
Brisbane Electric ...	M. of	Feb.	40½		£ 34,380	+ 2,371	2m	72,955	+ 6,446
British Columbia ...	M. of	Jan.	334		$ 677,489	+ 117,920	7m	4,095,584	+ 612,355
B. Ayres Lacroze ...	M. of	Feb.	51		$ 42,429	+ 8,032	8m	343,209	+ 39,434
Calcutta	Mar.	8	35½		R 90,651	+ 12,675	10	8,62,923	+ 1,31,231
Cape Electric	M. of	Jan.	42½		£ 29,452	+ 4,966	7m	182,525	+ 14,551
Carth & Herr.	M. of	Feb.	9		£ 2 351	− 1,680	2m	8,006	− 2,038
Chatham & District	Mar.	13	15		$ 1,291	+ 105	10	12,197	+ 370
Havana Electric	M. of	Dec.	86		$ 709,891	+ 36,102	12m	8,176,545	+ 1,183,948
Isle of Thanet	Mar.	22	21		£ 344	+ 153	25	7,599	+ 3,379
Kalgoorlie.....	M. of	Nov.	20½		£ 2,933	+ 292	11m	30,838	+ 1,274
Lanarkshire.....	Mar.	13	28½		£ 3,542	+ 195	10	37,283	+ 4,906
Lima Light & Trams.	M. of	Dec.	85		£ 47,887	+ 4,689	12m	527,839	+ 87,587
London O.C.	Mar.	26	141½		£ 71,085	+ 15,012	51	3,428,912	+ 588,497
Madras Elec. (2 wks.)	Feb.	28	15½		R 35,254	+ 1,701	7	166,609	+ 17,416
Manila Electric	M. of	Jan.	55		$ 231,585	+ 64,585	12m	2,326,884	+ 525,609
Pernambuco	Mar.	23	59		$ 5,281	+ 868	11	62,155	+ 6,116
Provincial	Mar.	15	21½		£ 2,638	+ 34	24	59,856	+ 3,852
Rangoon Electric ...	M. of	Feb.	25		£ 6,694	+ 32	2m	12,067	+ 1,044
Shanghai Electric .	Jan.	8	26½		Mex. $ 27,558	+ 4,427	1	—	—
Singapore Elect.....	Feb.	1	30½		$ 16,852	+ 3,671	5	77,240	+ 5,663
U. of Montevideo ...	M. of	Feb.	30½		£ 38,772	+ 4,198	4m	149,821	+ 14,147

SUPERIOR
WINES AND SPIRITS
Owing to great demand only a limited number of the well-known "PINK LIST" quoting large and unique assortment of Superior Wines and Spirits at Market Prices is being issued.
Apply to **EHRMANNS,**
Wine and Spirit Shippers and Merchants,
43, 44 and 47 Finsbury Square, London, E.C. 2.
(Please quote "S.")

The Statist.

LONDON, SATURDAY, MARCH 29, 1919.

THE PROLONGED CONFERENCE.

If the decision of the Conference to conduct their deliberations behind closed doors and to carry on their debates in a series of disconnected private conversations will only expedite the signing of the Peace Treaty we can forgive them for the grave mistake they are making. Presumably, one of the objects of the recent War was to bring to an end the peculiar methods of Berlin diplomacy. But the Conference has an extraordinary facility for falling into every error which it might reasonably be expected to avoid. As far as we can judge, the undisclosed deliberations in Berlin in the years that preceded the outbreak of the War were concerned in corrupting, more or less with success every Government with whom they expected to come into conflict. The Conference now by closing its doors to all criticism and by carrying on its deliberations in secret, is inviting the suspicion that it is subject to every undesirable influence that a Conference well can be subject to. However, as we say, we would even forgive them this grave mistake if they would only expedite the signing of the Treaty. It is mainly because we expect so little from the deliberations of the Conference that we gladly make this concession to so serious a mistake as they have made this week.

It is becoming increasingly apparent that, whatever the result of their deliberations, unless the various Governments are prepared to incur the cost and the loss of life of plunging into another great war it will be practically impossible to enforce their decisions. More than half of Europe is in a state of anarchy; and in such conditions how is it possible for the Conference with the modest force which presumably is all it proposes to use to enforce its decisions to delimitate frontiers and set up various new governments in different parts of Eastern and South-Eastern Europe? Apparently, out of the welter of anarchy various new States will ultimately arise in the future as they have done in the past. And the more the period of suspense is prolonged the greater will be the difficulty of the Conference whenever it does come to a final decision.

One of the gravest dangers threatening Europe in the coming summer is a pestilence while the members of the Conference are deliberating over points which it is exceedingly doubtful if they have the power to settle unless they are prepared to use overwhelming force and to spend an immense length of time. Those of our readers who are old enough to remember when the influenza epidemic first ravaged Western Europe some 30 years ago will recollect that it was attributed by the leading doctors of the day to the germs emanating from the vast number of dead bodies of people who had perished from famine in a remote district in China. As the epidemic passed over Siberia and Russia it was known in those days as the Russian influenza, very much as the recent epidemic is known as the Spanish influenza. Now we have in Russia at the present time practical anarchy; and as far as we can tell people are dying of starvation in immense numbers. In the conditions which exist it can hardly be doubted, although, of course, we know very little of what is actually going on in Russia, that sanitary precautions are being wholly neglected. Petrograd itself, it will be remembered, is built upon a swamp. It was selected by Peter the Great, to the amazement of the Europe of his time, as the site of his capital. And even under the conditions of the autocracy the drainage of Petrograd was an exceedingly difficult proposition for the most competent engineers of their time with the command of the wealth of a great monarchy to assist them. West of Russia, we have the Central Empires more or less in a state of starvation; and although, of course, we have no proof of the facts, we think it may be asserted with very little fear of contradiction that sanitary conditions even in Germany are very different from what they were in the years that preceded the War; while in Austria and Hungary, the Balkan Peninsula, and Turkey, one may be well assured that if plague is not breeding it is certainly not due to the favourable local conditions which exist both for its propagation and for its dissemination.

In order to fight the triple furies which menace us of war, pestilence, and famine, that small part of Western Europe which has escaped from the state of anarchy which has overtaken the larger part of the Continent, and threatens to reduce us from the premier position which we have held now for more than two millenniums, needs every assistance to recover its economic stability. It must be evident to the members of the Conference that while their deliberations continue, and while they cannot bring themselves to come to some sort of decision, trade, industry, manufactures, and finance, are held up all over the world at a time when it is of the utmost importance that every country capable of assisting in the world's economic recovery should be given every facility that circumstances will admit of.

NO REAL CONTROL.

There is a growing feeling that the House of Commons does not fulfil the functions for which it is supposed to exist. As a matter of fact the Government controls the House of Commons rather than that the House of Commons controls the Government. This is no new feature brought about by the War. It has existed more or less for generations. It was thought at one time that the Franchise Act of 1832, commonly called the Reform Bill, would remedy this defect. But, as a matter of fact, the steady increase in the franchise has rather accentuated than removed the difficulties. Exactly what the representatives of the various constituencies do represent it is difficult to say. But the conviction is widespread that neither the representative system, taken as a composite whole, nor the franchise has realised what the public were led to expect would be the result of the adoption of a representative system based upon an extensive

franchise. The Government is, of course, itself controlled, as we all are. No one, however highly placed, is able to do exactly as he likes in this world. But that is a very different thing from saying that the Government is under the control of what are called the representatives of the people. No intelligent reader of the newspapers can fail to see that the members of the House of Commons exercise no effective control over expenditure, and have not done at any period during several generations past.

The old feudal House of Commons was a real check upon the extravagance of Government. When the King proposed a war in France, or elsewhere, he was accustomed to go to Parliament for what was called a subsidy, and his Chancellor was required, before the House of Commons would grant the subsidy, to give what we should call an estimate of the probable cost of the war, and how it was proposed to spend the money. Occasionally the subsidy was refused, but usually it was, of course, granted. But it was for a definite sum, and was usually levied in the form of a tax imposed for a specified period. Since the breakdown of the feudal system, and the establishment, first, of party Government, and in these later days of a Coalition Government, the members of the House of Commons have been elected for the purpose of supporting certain individuals or certain groups, and, instead of being a check upon the extravagance of Government, they were there for the very purpose of promoting whatever schemes the Government of the day had in view. During the War it was, of course, notorious that the members had no notion of what the vast sums they were required to vote were required for, whether they could, in fact, be raised, and, if so, how it was proposed to raise them. Assuming that they were raised, members were equally in the dark as to how it was proposed to expend the money, whether any sort of economy was being exercised, or whether the purposes for which the money was wanted were really essential for the conduct of the War. If such a position were merely brought about by war criticism might be withheld at least until we saw whether the House of Commons was capable of exercising control over Government expenditure when at last the dilatory proceedings of the Peace Conference in Paris are brought to an end. But this system is older than anyone now living. And the House of Commons has proved by long experience that it is utterly incapable of exercising any real control over the steadily growing expenditure of the Administration.

We now owe very little short of 8,000 millions of debt, the bulk of which, fortunately, is held in this country. But we are also, of course, heavily indebted to the United States. This, no doubt, will be gradually liquidated, either by exports or by the disposal of securities from our former savings. But the vast bulk of the debt will remain for an indefinite period. To meet the charges upon the debt it is estimated that we shall require to raise not less than 350 millions sterling each year, and, in addition, we have the ordinary expenses of administration, aggravated to an extravagant extent by the multiplication of new departments during the War. In addition, it has been found necessary to enormously increase our permanent naval and military establishments. Consequently, the cost of administration will be upon a more extravagant scale than has ever been the case in the history of this country. It is clearly desirable that there should exist some means whereby the extravagance of the various departments and of the Government, taken as a composite whole, may receive some check without the necessity of overturning the Government and again resorting to the expedient of trying another experiment. During the present century the tendency has been more and more for administration to be concentrated into a very few hands, and for even the great body of those who are nominally constituted the Government to have very little influence upon its conduct, and, indeed, very little knowledge of what was actually taking place. Less and less has been the influence of the House of Commons. The natural tendency of one or two people, or a small group of individuals immersed in the conduct of public affairs, has been to regard expenditure as a trifling matter. But the mass of people, whether they are really represented or not, have in the long run to find the means of carrying on our extravagant form of government, and we would urge those engaged in the conduct of public affairs, as well as members of the House of Commons, to consider if some means cannot be devised whereby a real check upon the Government's extravagance can be secured.

THE BRITISH AND AMERICAN COTTON INDUSTRIES.

No satisfactory method presents itself for determining the relative importance of the cotton industry in different countries, and the various tests that can be applied are by no means unanimous or conclusive in their results. There is no outstanding feature associated with the industry which might be taken as absolute proof of its size, and accordingly, where its relative importance as between two countries is in question, a number of considerations must be borne in mind. In industrial investigations it is usual to take the gross output, or, where it can be calculated with any degree of accuracy, the net output, as an index to the proportionate sizes of different trades. The peculiar constitution of the cotton industry, however, unfits it for this method of approach. Spinning, weaving, and the other departments of bleaching, dyeing, printing, and finishing form three distinct branches, which are to a large extent carried on by different firms. A return from the various sections as to the value of their output would obviously be vitiated by extensive duplication. The value of the yarn would appear not only in the spinners' returns, but would be included also by the doublers and weavers, while bleachers and finishers would take credit for the value of the cloth as received from the looms. The finished product of one section being the raw material for another, wholesale duplication is unavoidable.

When the census of production was taken for the United Kingdom in 1907 difficulties of a similar nature were encountered. In the case of the cotton industry not only was there a large degree of overlapping in the various returns, but allowance had to be made for the yarn which was consumed by the hosiery, lace, and other trades. The purchase of cotton waste for spinning also caused trouble. The problem of assigning a value to the output of the spinning, doubling, weaving, and finishing trades, taken as a whole, was therefore not easy of solution, and in the final adjustment the following items were admitted:—

	Value £
Cotton yarns exported	15,417,000
Cotton piece-goods made, unbleached, bleached, dyed, or printed	94,500,000
Other cotton manufactures, including belting and waste ...	11,500,000
Estimated value of cotton yarn used in the manufacture of hosiery, lace, and elastic webbing	4,300,000

In this table the value of "other cotton manufactures," estimated in the census to be between £10½ and £12½ millions, has been put at £11½ millions; and the total output for the year in question is returned at £125,717,000.

When we turn to estimates as to the value of the cotton goods produced in the United States, we are at once confronted by a difference in methods of calculation, a familiar barrier to international comparisons.

A census of production is usually combined with a census of population in the United States, and in this way a greater degree of accuracy is probably ensured. The means of allowing for duplication are, however, not similar to those followed in the United Kingdom, but, on the whole, the resulting figures in each country are comparable. The difference in international price levels is, of course, a hindrance to the comparison; but as we are seeking to assess a monetary value for industrial products, we cannot arbitrarily impose on one country the prices current in the other. Selecting the year nearest to that on which our census of production was taken, we find that in 1910 the value of the American output of cotton goods was £128,437,000, or £2,720,000 in excess of our figure for 1907.

There exists between cotton and other industries an indefinite area, a sort of no-man's land, in which cotton has a part, but one very difficult to assess at its proper value. Cotton is used in the manufacture of ropes; it is mixed with other fibres in the production of compound yarns, and it is also woven with linen, silk, and wool, to produce mixed goods. Values here are so shadowy as to be best omitted, but the chief difficulty, as above mentioned, remains, since duplication arises when goods pass in the various stages of manufacture through different firms. Final figures, too, for the sake of correctness, should give the value of manufactured articles at the works, including additions made by the piece-merchant, or by any middleman who handles the goods before they reach the consumer. These suggestions at the moment would prove difficult to carry out in practice, since uniformity in statistical methods is still a long way off, nationally as well as internationally.

The amount of machinery, and the extent of the raw cotton consumption, naturally suggest themselves as indicators when comparing the cotton industry in different countries, but, before proceeding to discuss these, it may be well to mention other guiding clues. We have in mind, chiefly, the amount of capital sunk in the industry and the number of operatives employed. To trace the capital interests employed in the working up of cotton is, however, an even more elusive task than estimating the output. Many firms of bleachers, dyers, finishers, textile machinists, and others cater for several trades, and it is very difficult to ascertain the extent to which their capital may be devoted to one. Moreover, in an inquiry into the capital of a particular industry, the definition of the word gives trouble, as it has peculiarly elastic meaning. The calculation of the value of factories, and of their sites, and of raw materials, stocks in process, and finished goods would give rise to controversy. If the inquiry be restricted solely to spinning and weaving, the difference in the kinds of machinery used and their variations in prime cost would tend to give the resulting figures a distorted significance. For what it is worth, however, we will attempt an estimate of the British and American spinning plants on the pre-war basis of values. The cost of building and equipping a spinning mill is usually estimated on a basis of cost per spindle, and, in the United Kingdom, the average for a single spindle was about 25*s*. before the War. In the United States, owing to the higher wages and the greater cost of constructional materials as well as of textile machinery, the figure ranged, according to an official estimate, around 44*s*. An absolute arithmetical average cannot, of course, be ascertained with accuracy, since the outlay varies on every mill according to its site, size, and nearness to building materials. The figures for 1914 of British and American spindleage were 56,300,000 and 32,107,000 respectively, and, on this basis, the British capital interested in spinning was £70,300,000 and the American, £70,600,000, showing a slight balance in favour of the latter.

Considering next the number of employees, a striking difference is noticeable. We employ a majority of women, but the Americans employ a majority of men. Of itself, this indicates a healthier and relatively more efficient industry in the United States, but the volume of employment has until recently been much greater in the United Kingdom. Thus in 1907 the total number of workers employed here was 572,000, compared with 379,000 in the United States. As in the case of other industrial statistics relating to different countries, these figures may not be strictly comparable, not being compiled on a uniform basis, but they serve to show a preponderance in numbers in our favour. In view, however, of the value of the output, as given above, the efficiency of the American operative appears to be greater, and this conclusion is reinforced when we consider the sex and age constitution of the employed in the two countries.

Workers in the Cotton Industry.

Country	Year	Males	Females	Children under 18	Children under 16	Total
United Kingdom...	1907	220,000	352,000	141,000	—	672,000
U.S. of America ...	1910	235,000	144,000	—	39,300	379,000

In the United Kingdom the percentage of women employed was 61, compared with 38 in the United States, and of children 24, compared with 10. The extra advantages which the United States reap from having the industry conducted mainly by those who are the natural family breadwinners, and who constitute the economic and military bulwark of the nation are undeniable.

The amount of machinery is the basis usually adopted for measuring the dimensions of a cotton industry, but it is not an altogether satisfactory test, as varying proportions of the machinery may be stopped for varying periods in different countries. Again, the machinery used in one country may not be favoured in another for the same class of work. Thus in Great Britain we pin our faith chiefly on the mule spindle, which is better for the finer counts, while the Americans favour the ring spindle. The figures show a startling difference, and may be set out as follows:—

1914	Mule Spindles	Ring Spindles	Total
United Kingdom	40,792,000	9,777,000	50,569,000
U.S. of America	4,139,000	27,381,000	31,520,000

Some millions of British spindles are not accounted for in this return, which is taken from a report of the International Federation of Cotton Spinners, but the table is instructive since it indicates that the potentialities for output in the two countries are not such as one might imagine from a mere glance at the total number of spindles. According to the date obtained in the course of the very minute investigations under the Census of Production Act in Great Britain, the average output of yarn from a ring spindle is double that from a mule. The margin in favour of the former has been reduced of late years, but it is still sufficiently high to outweigh to a large extent our numerical superiority. The looms in the United States, according to the latest returns, total 713,000, as against 788,000 in Great Britain. Here we possess what seems at first sight an advantage, but as the Americans operate about 400,000 automatic looms to our 15,000, we must admit the American machine equipment to have the predominance in regard to quantity, if not quality, of output.

The final test which might be applied in a comparison of the two industries is the consumption of raw cotton. The test is not without its drawbacks, but these attach to every test that can be suggested. Heavy counts of yarn require much more cotton than light counts, though the spinning-mill in which the former are turned out may give less employment and produce goods of less value. It does not follow, however, that the figures of cotton consumption can be ruled out as altogether irrelevant to the question of size. The following table, in which consumption is graded downwards, indicates that a large number of spindles, of looms, and of employees corresponds in

the majority of cases with a large consumption of cotton :—

Country	1917 Consumption in Bales (running)	Looms	Spindles	Employees
Germany (1914)...	1,980,000	230,000	10,163,000	375,000
France	1,850,000	108,000	7,400,000	370 000
Japan	1,810,000	33,000	2,750,000	123,000
Austria-Hungary (1914) ...	843.000	170,000	4,940,000	175,000
Spain (1914)	370,000	55,000	1,900,000	70,000
Brazil	336.000	51,200	1,250,000	106.200
Canada	269,000	31,900	865,000	19,000

It is permissible, therefore, to argue back from a large consumption of cotton to a large cotton industry, if allowance is made for difference in the classes of yarn produced. A greater consumption of cotton per spindle is often due simply to the predominance of coarse counts or to the use of ring spindles, and both these factors often go hand in hand. The finer counts are turned out in Great Britain to a much greater extent than in America, but, as against this, our cotton consumption in 1917-18 amounted to little over three million bales of 500 lb. each, compared with over 7 million bales in the United States. Our consumption has now fallen to less than one-half of the American figure, and the fact that we have been so definitely outstripped is all the more surprising when we reflect that in 1860 we had six times as many spindles as the United States and consumed twice as much cotton.

INDIA AND THE MOTOR.

THERE is again famine in India, although it is on a very modified scale as compared with what we have been accustomed to in former periods of drought. Nevertheless, it is most disappointing to find that, in spite of what has been done to increase transportation facilities and to improve irrigation, famine should again be apparent. The total railway mileage of India is only about 36,000 miles, or, roughly, 11,000 miles in excess of that of the United Kingdom. It is manifestly inadequate. But under existing circumstances it is doubtful if the Indian Government could very materially increase the railway mileage beyond what it is actually engaged in doing year by year at the present time. Even if it were induced to adopt what we think would be a wiser policy, and encourage private enterprise, it is doubtful at present if the results would be as great as they would, for example, have been in the period that preceded the War. Railway building in a country like India, which requires opening up, should be encouraged. But, as we said recently, when writing on a different subject, it is doubtful, if the world had known as much of the motor three-quarters of a century ago as it knows to-day, if half the capital which has been expended on railways in different parts of the world could have been raised, or, indeed, if anybody would have attempted to raise it. During the War the motor, and particularly the motor-lorry, has shown extraordinary capacity for negotiating what were in many cases very far from being good roads. We are not in any way depreciating the roads of either France or Belgium, but owing to the magnitude of the traffic which they had to bear during four and a quarter years, the roads, and particularly some of the side tracks, in the country got into a position in which it is remarkable that any wheeled traffic at all could be moved along them. As far as we know, the actual road mileage of British India is not available. We understand that some States publish their road mileage and some do not. Anyhow, it is, of course, evident that the road mileage of India is quite inadequate for the size of the country, and for the immense numbers of its population. The road mileage of this country, including primary and secondary roads, is about 130,000 miles. A remarkable and important point brought out by Sir Eric Geddes in his speech on the Transportation Bill was that the cost of keeping up these roads was only 20 millions a year. Sir Eric did not say whether it referred merely to the principal roads or included also the secondary roads, which are, of course, something like five times in extent those of the principal roads. Now, at the present time, the famine in India is not general. It is confined to specified districts, and particularly to the Punjab. If there were a system of roads in India comparable, say, to the system we have here in England, or in the greater part of Western Europe, and an adequate supply of motor lorries, it would be possible to convey provisions at a very much cheaper cost than is the case at present from one district to another.

TEXTILE ACHINERY.—II.

THE rapid increase in the number of cotton-spinning spindles in the United Kingdom in the years before the War was scarcely warranted by the condition of the trade. Though a steady rate of progress was maintained, business was not unusually brisk, except for the period 1905-1908, when a short-lived boom occurred. A depression naturally followed, due to the mild overtrading which marked the close of the boom and had hastened its collapse. The ill-effects of this temporary flutter did not long endure, and after 1911 a marked recovery was noticeable. From the commencement of the century up to 1914 our spindleage rose from 45,500,000 to 56,300,000, an increase which was equivalent to the total number of spindles in any country of the world outside the United States and Germany. The expansion that then took place, gratifying as it was at the time, is now more than ever to our advantage in view of recent advances in the cost of textile machinery. Prices are not likely to approach pre-War level, at least for a considerable period. The expense of erecting a spinning mill runs at present to two and a quarter times the old figure, and new competitors abroad would be at a marked disadvantage in attempting to displace our products by those of mills bearing much heavier capital charges. We must not be lulled on this account into a false sense of permanent security. The life of a machine is limited, and worn out or antiquated plant must be replaced. With the disappearance from our mills of all plant dating from pre-War days our advantage will also disappear, though our renewals, when they become necessary, may be effected on more favourable terms than are at present obtainable.

There was undoubtedly a large element of speculation attached to the pre-War efforts to extend the cotton industry in England, and the textile machinists performed what is now regarded as very useful work, though at the time it seemed but the outcome of a purely selfish desire to sell their goods despite the risk of promoting cut-throat competition within the trade. Machine manufacturers were not, indeed, the moving spirits in the expansion, which was shared in alike by cotton brokers, yarn agents, and general mill suppliers. Men of these varied callings would take a portion of stock in a new enterprise on condition that any business which it might have in their particular line was to pass solely through their hands. The system was somewhat crippling in its effect, since it restricted the freedom of the mill in purchasing machinery and raw materials and in disposing of its products. The shackles proved too onerous for some concerns, which were thereby forced into liquidation, but on the whole, by means of reorganisation and other devices, the majority of the mills managed to tide over a difficult period, and the fact that they were kept going, instead of being dismantled, now serves us in good stead.

The prosperity of the textile machinery trade is obviously bound up with that of the various textile industries, not only at home, but also in foreign countries, a large proportion of our machinery output being exported. As cotton is the chief clothing material used by the world's inhabitants, the industry

naturally offers the widest scope to the textile machinist. The high degree of localisation in the industry naturally compels him to settle near by, and thus we find that the manufacture of cotton machinery is centred in Oldham, Bolton, Accrington, Blackburn, Manchester, and other Lancashire towns. Similarly, the machinery required in the Yorkshire worsted industry is made largely at Keighley. The needs of textile manufacturers in Scotland and Ireland are to some extent supplied from local sources; but the interest of England in the trade is overwhelming, as is shown by the following table extracted from the Report on the Census of Production:—

Output of Textile Machinery in 1907.

	Value £
England	12,127 000
Scotland	603,000
Ireland	298,000
Total, U.K.	13,028,000

England thus produced 93% of the total output, and, accordingly, had the lion's share of the export trade, which amounted in 1907 to £8,039,000, or two-thirds of the total production. Our textile machinists are deeply interested on this account in an unimpeded export business. Much has been heard of the need of a system of priority certificates in order to give textile manufacturers here and in Allied countries a preference in regard to refitting and repairs. The root idea is certainly sound, but it is overlooked that our manufacturers are at present able not only to meet all the demands made on them from friendly sources, but to fill foreign orders where export licences and shipping are procurable. A priority scheme would in the circumstances be a needless imposition, highly detrimental to a trade that is of more importance to us than the making of agricultural, mining, and other classes of machinery. The exports are large, and their continuance is necessary in order to ensure the uninterrupted development in designing and construction that has in the past enabled the industry to keep in the forefront. The following table has been prepared to show the serious diminution in exports since the War:—

	Textile Machinery £	Mining Machinery £	Agricultura Machinery £	Electrica Machinery £
1907	8,037,000	875,000	1,133 000	996 000
1913	8,282,000	1,018,000	1,628,000	2,269.000
1914	5,767,000	819,000	1,156.000	2,137.000
1915	3,332 000	571,000	277,000	1,391,000
1916	4,108,000	761,000	251,000	1,500,000
1917	4,204,000	659,000	86,000	1,489 000
1918	3,942,000	500,000	82 000	1,031,000

Textile machinists have thus been hit in the foreign branch of their trade with almost unexampled severity by the War, but while their plant was engaged on munitions the loss of the export business was inevitable. It remains now to resume old trading connections with all speed. Before the War there was little active foreign competition in the business, and where a fair opportunity was afforded our manufacturers could always meet and beat the opposition. Cheapness of production was their great asset, and unless their position, as compared with other countries, has been modified to their disadvantage, it may be anticipated that trade will return to its old channels when the present restrictions are removed.

Our requirements of textile machinery in the United Kingdom are not completely satisfied from home sources, and in the years immediately before the War the imports tended to increase in value, as the Board of Trade returns show:—

Imports of Textile Machinery into the United Kingdom.

Year	Value £	Year	Value £
1909	173,022	1914	148,043
1910	220,733	1915	249,766
1911	240.392	1916	274,950
1912	273,511	1917	251,626
1913	366,488	1918	138,573

Our imports consisted largely of machines of a specialised character, such as certain makes of carding engines, automatic looms, warp-tying and twine-laying machinery, winding machinery, raising machinery, certain machines for dyeing and printing, and other foreign specialities. Machines for the purposes mentioned were made in this country, but the importations usually embodied some differences in design from the English type. The manufacture of some of these specialised machines was undertaken here prior to the War, and during hostilities the manufacture of others was started. On all sides these new developments give hope of appreciable expansion, and should lead to a simultaneous reduction of imports and increase in exports. In the export section, however, the question of tariff barriers and of restrictive measures abroad is at present occasioning considerable anxiety to the trade. In the attempt to heal the economic wounds inflicted by war many countries will, by duty or otherwise, hinder the free entry of foreign goods. A large share of our trade in textile machinery was with the Continent, and here the restrictions are likely to be most severe unless our diplomats secure something akin to most-favoured-nation treatment for British goods. Our manufacturers know to their cost that trade with the United States has been considerably hampered by the imposition of a 45% *ad valorem* tariff on all imported textile machinery. The thought affords comfort that in many cases the textile industries abroad are absolutely dependent on us for machinery, and thus we occupy a strong bargaining position should any attempt be made to lay differential imposts upon us.

REPLENISHING THE NATION'S MERCANTILE MARINE TONNAGE.

NEVER before in the history of the British Mercantile Marine have shipowners been faced by such a tremendous problem as now faces them in making good the ravages caused to shipping by Germany's unrestricted submarine warfare, whereby many thousands of tons of shipping have been lost during the War. In this connection Liverpool has probably lost more shipping tonnage than any other port of the kingdom, owing to the fact that Liverpool has been during the War the principal shipping port of the kingdom, and the submarine warfare was, therefore, almost entirely concentrated on the shipping routes leading to the Mersey. According to the official returns published by the Liverpool Steamship Owners' Association, which comprises practically all the large shipping lines of the Mersey port, the companies forming that Association lost from war perils alone nearly 2,000,000 gross tons of its effective shipping, while during the War period the same companies also lost by marine perils another 200,000 tons, these losses to a great extent being caused by the extinction of the coast leading lights, the removal of navigation aids, the steaming of the vessels without lights in crowded waters, and the necessity of having to sail in close formation while in convoy.

Of this vast amount of shipping tonnage lost through the War most of the vessels consisted of large passenger and cargo liners which, naturally, could not be replaced during the War with vessels of a similar type, because the various shipbuilding centres were adapted for only certain classes of ships. Up to within recent months some 1,200,000 tons have been replaced by purchased tonnage and new ships which have been added to the fleets of the respective companies. Most of the Liverpool shipping companies have lost very seriously, in fact one or two of the lines have lost as much as two-thirds of their effective tonnage, and with a view to making up the great shortage of tonnage, now that hostilities have ceased, all the companies have given orders for steamers to take the place of those which have been sunk. Consequently, the large shipbuilding firms of the kingdom are exceptionally busy turning out merchant tonnage. One case in point which will suffice to show how the shipping companies have suffered, and which can be taken as typical of the whole of the large companies—the

White Star Line lost no less than 148,145 gross tons of their fleet, including the 48,000-ton liner *Britannic* which, it will be remembered, was torpedoed in the Ægean Sea while employed as a hospital ship, and other such famous liners as the *Oceanic*, *Arabic*, *Laurentic*, *Cymric*, *Afric*, *Georgic*, *Cevic*, and *Delphic*. To make good this heavy deficit in tonnage the White Star Line has, during the period of the War, added a number of fine steamers to their fleet, and are continually purchasing or building to replenish their lost tonnage. Amongst the vessels which have been added may be mentioned the liners *Rimouski* and *Vedic*, which are at present in commission and doing extremely good work; the *Regina*, of a gross tonnage of about 13,300 tons, also in commission; the twin-screw 11,500-ton steamer *Bardic*, which has recently arrived at Liverpool from Belfast direct from the builders; and other liners which are under construction for the Company are the *Pittsburgh* and the *Homeric*. The *Pittsburgh* will be a sister ship to the *Regina*, and will be of about 16,300 gross tons, of triple screw, and is completing at the yard of Messrs. Harland and Wolff, of Belfast; while the *Homeric* is expected to be a steamship of about 33,000 tons gross register. When taken over by the White Star Line the *Bardic* was building at Messrs. Harland and Wolff's yard at Belfast for the Shipping Controller as a standard ship, and would have been known as the *War Priam*.

The Cunard Line is also adding very considerably to its present tonnage, which has been seriously depleted by the ravages of the German submarine, by the acquisition of purchased and also new tonnage, and one of the latest orders which the premier British shipping line has placed is with Messrs. Swan, Hunter, and Wigham Richardson, of Wallsend, for a passenger steamer 600 feet long with a displacement of 25,000 tons, and a deadweight capacity of 12,500 tons. In comparison with the Cunard liner *Carmania*, which is a favourite on the North Atlantic route, the new liner will have a larger displacement by about 6,000 tons. Some additional facts respecting the new liner were given recently by Sir Ashley Sparks, the New York director of the Cunard Line, when he said that the type of boat to be built by the line in the immediate future would be an improved *Tuscania* or *Franconia*. "The outstanding feature of the new boats," he said, "will be a combination of passenger and cargo-carrying capacity. It is difficult to say more than this just now, as the details will depend upon the architects' plans and many other considerations; but, speaking generally, economy of operation is the point aimed at. Probably the new boats will be oil-burners. Not only that, but there is a possibility of our converting our other vessels into oil-burners. There is very little doubt in my mind that the marine oil-furnace has a big future before it. It is likely that our new boats, to some extent at any rate, will be built with the geared turbine."

The *Franconia*, the larger of the two boats mentioned by Sir Ashley, was one of the many large Cunarders lost in the War. She was built in 1911 by Messrs. Swan, Hunter, and had a gross tonnage of 18,150 tons. She had accommodation for 2,700 passengers, and a cargo-carrying capacity of from 8,000 to 9,000 tons. She was the same length, 600 feet, as the new boat now ordered. When it is recalled that the huge *Aquitania* carries less than 2,000 tons of cargo, the economy of vessels like the *Franconia* is apparent. The *Tuscania*, the other boat mentioned, was one of the few troop ships lost during the War. She was built in 1914 at Glasgow, was driven by geared turbines, and had a gross tonnage of 14,348 tons, with a cargo-carrying capacity of about 6,200 deadweight tons.

Many of the vessels lost were of a special type adapted to their own particular trade, and now that the shipbuilding yards of the country have been relieved of the necessity of producing naval ships, they are turning their attention more completely to mercantile tonnage, and the shipping firms are placing orders almost daily with the shipbuilding firms for their special types of vessel. While it is somewhat difficult to get actual figures as to what contracts have been entered into for new tonnage, owing to the fact that many of the shipping lines are very reticent in announcing what orders they have given, it is common knowledge in shipping circles that one or two of the big shipping lines, with a view to making good their losses, have contracted with one of the principal shipbuilding firms of the country to take over the entire output of certain slipways for a period of years. In one instance it is stated that one of the large Atlantic lines has contracted for the output for a period of ten years, in which time they hope to make good all their losses. On these slipways will be constructed vessels of a type specially suitable to the company's many trades, from large liners to the smaller type of cargo boat employed in the firm's general service. Another large shipping firm has, it is stated, made a similar arrangement with a shipbuilding firm in the South of England to take over the new tonnage constructed in the firm's yard.

Messrs. Cammell, Laird and Company's extensive shipbuilding and ship-repairing yards at Tranmere Bay, and Birkenhead on the Mersey, are working to their utmost capacity constructing steamers for British owners, and amongst the lines for which they are at present building ships may be mentioned the Cunard Line, P. and O., Pacific Steam Navigation Company, and Elders and Fyffes. The order for the latter company is for three steamers of a special type, to be engaged in Messrs. Elders and Fyffes' regular service between England and the West Indies, for the carriage of bananas and other West Indian perishable produce. Great care has been taken in the design of these three new steamers, so as to secure the maximum space for fruit, and at the same time satisfy the peculiar conditions under which the boats operate. Hitherto the steamers of this line have been built on the Clyde or at Belfast, and it is a distinct triumph for Messrs. Cammell, Laird and Company and Mersey shipbuilding that the steamers which Messrs. Elders and Fyffes are having built to replenish the ravages made by the submarine warfare should be built at Birkenhead, where the facilities for expediting the building and construction of the most modern type of passenger and cargo liner are equal, if not superior, to those which can be offered by any shipbuilding port of the kingdom. The three new steamers are to have a speed of 15 knots, and with the many improvements making for efficiency which the long experience of the company has dictated to its superintendents, and which will be incorporated in the new vessels, they will be the finest vessels to be seen in the West Indies fruit trade.

Quite recently the s.s. *Bagota* was launched from Messrs. Cammell, Laird's yard to the order of the Pacific Steam Navigation Company. Originally she had been constructed as a standard ship, to be known as the *War Lapwing*, but on the conclusion of hostilities the building of standard ships was abandoned, and this vessel was altered to meet the requirements of the South American trade, in which the Pacific Steam Navigation Company are engaged, and was transferred over to that firm's ownership.

Given the incentive of private enterprise without the hampering and trammelling effects of Government Department interference, or the fear of the nationalisation of the shipping industry, the Liverpool shipowners will speedily bring the shipping trade of Liverpool up to the eminent position it enjoyed in pre-War days, and, if possible, enhance its prestige in the world of shipping in post-War days.

BRITISH DYE INDUSTRY.

The shortage of dyestuffs, which severely crippled our textile industries immediately on the outbreak of the War, was due to the practical monopoly of our markets held at the time by German dye-makers. Less than one-tenth of our requirements was supplied from home sources, and when manufacturers in this country were called upon, without notice, to make up the deficiency, it is scarcely to be wondered that they failed to respond. Were it not for the help which we received in these early days, and, indeed, continue to receive from Switzerland, our difficulties would have been insuperable. As indicating the importance of dyestuffs it might be pointed out that £1 worth is on an average sufficient to treat £100 worth of textiles. Besides dyestuffs fulfil other important functions, being required in the manufacture of wallpaper, paints and varnishes, and certain kinds of leather. They are also of considerable help in the making of confectionery and other dainties, but for this purpose their use is strictly regulated by the Food and Drugs Acts, since they are liable to be deleterious if used to excess. When burdened with the responsibility of meeting demands from all these varied sources, our dye manufacturers found their supplies totally inadequate. Consumers had to go short, and in the cotton trade, makers of coloured and printed goods were chiefly affected. Upwards of 2,000 colours had been in use, and without warning they were almost all lost to the trade, as Germany had furnished 90% of our total imports, and these, as stated, filled nine-tenths of our home requirements. The loss was all the greater since it affected both dyeing and printing. A single colour does not usually serve the double purpose, as the printing branch requires dyes of a greater purity, and these must be mixed with flour, gum, or other thickening agent, before the print can be fixed on the cloth. The addition or subtraction of a certain amount of thickening helps to vary the shade within narrow limits. More progress might have been made by our manufacturers in satisfying the demand from colour users, were it not that the substances from which dyes are derived can also be used in making explosives, and, naturally, the prior claims of the fighting fronts led to a considerable diversion from the textile trades. The chief raw material used in the manufacture of modern synthetic dyestuffs, is coal-tar, and as this also yields a large variety of drugs and disinfectants, the claims of textile dyers and printers had to be still further subordinated to the other and more pressing needs of the moment. In the cotton and allied trades many complaints were heard from users as to the narrow range of colours available, but it was forgotten that even in Germany, the home of dye-making, the textile interests were faced with a similar shortage during the War. At present, complaints are still heard, but it might be pleaded on behalf of the manufacturers that they have been seriously embarrassed by the insistent demand for their products for military purposes, and that, even apart from this embarrassment, they could not attain in four years the level of excellence in production attained by the Germans in forty. The present position is that, what might be called the bread-and-butter colours, are made in this country. In range our manufacturers cannot offer anything like the 2,000 colours from which British colour users could select before the War, and the supply of only a certain number of the commoner varieties can be absolutely guaranteed. The extent to which the different dye-using trades within the United Kingdom are prejudiced, varies. It may be estimated that prior to the War about 45% of the total consumption of dyestuffs was accounted for in the cotton trade, 35% in the woollen, and 20% in the other textile trades and in the manufacture of paint, leather, and wallpaper. The woollen and cotton industries between them thus absorb a large proportion of the available supplies, but the same dyes are not suited to both. There is the further difference that wool takes a larger amount of colour than cotton, but, against this, cotton is more gaudily printed to suit the tastes of the Eastern and Tropical countries where it is principally worn. Hence our estimate allocating to cotton a greater consumption of colours than to wool is not likely to be mistaken, and a further evidence of its truth is that the former trade is, on the whole, distinctly less satisfied with the home colour production. This dissatisfaction has a substantial basis, and to trace it to its real origin we must go back to pre-War days At that time the English dye-makers, such as they were, paid more attention to woollen than to cotton colours, because those required for wool were in most cases more easily made, and called for the use of less machinery. Besides, the chief seat of colour making was in Yorkshire, and, naturally, an effort was first made to cater for the woollen interests.

While progress has been disappointing, it would have been impossible without the substantial assistance afforded by the Government. The outburst of Governmental generosity was prompted mainly by the desire to secure an increased output of explosives, but the secondary motive of laying the foundation for a British industry which would, in the future, make our colour users independent of foreign sources of supply, was not altogether without effect. Early in 1915 a company was formed under the title of British Dyes Limited. Its main object at the time of formation was the making of materials for explosives. The Government agreed to advance upwards of £1,700,000 on the security of mortgage debentures bearing interest at 4% per annum. The terms of the advance were very favourable, and up to recently nearly three-fourths of the stipulated maximum had been received. A free grant of £100,000 was offered for research purposes, but the complete offer, which is open for ten years, had not at a recent date been availed of. The work undertaken was at first largely of an experimental character, but when a little headway had been made the production of intermediates was extensively undertaken, and benzol, phenol, and acid-making plants were built to cope with the increased business. Though substantial progress was made, the roseate anticipations of those who expected to see a full-grown dye industry spring up overnight, were not fulfilled, and part of the disappointment was occasioned by a certain lack of co-operation among the manufacturing interests. The closer union necessary has now been brought about by amalgamation, and a determined and well-planned effort is to be made to extend the quality and range of home-produced colours.

Early in the War manufacturers put forward the claim, which was subsequently upheld on Governmental enquiry, that they should not, on the conclusion of hostilities, be exposed to unrestricted competition from continental producers. To afford the needed protection, a Royal Proclamation has forbidden the importation of dyes except under licence, and licences will be granted only when proof is given that supplies cannot be procured at home. The course adopted to safeguard the interests of colour manufacturers may, however, prejudice the interests of colour users. In the first place, if the price of the home-produced article is above that at which continental dyes can be procured, and if textile makers in other countries are to enjoy a cheap supply of dyes which are at the same time denied to our manufacturers, British industry will have to bear a differential burden, which may ultimately have serious effects. Secondly, continental producers may not allow us to pick and choose our colour requirements. When the effect of the Proclamation is fully realised, they may simply refuse to supply the special varieties in urgent demand, unless the commoner varieties are also permitted to enter the British market. The possibility of such a refusal is by no means remote, as the financial loss entailed would be comparatively small. Of the superior colours, the United Kingdom requires indeed only a limited amount, but

this amount cannot be dispensed with unless at the risk of serious prejudice to our textile interests. There is the further consideration that in other countries new colours and shades may be discovered which would be withheld from us. Combined with this disadvantage would be the loss of the particular styles and specialities which are needed for pushing our textiles in competitive markets abroad, and the consequences would be harmful to home producers both of colours and of textiles.

CHILI.

THE TRANSITION PERIOD.

Chili, like most other countries at the present time, is passing through a more or less trying period. The difficulties, in our opinion, are purely transitory, but they are aggravated in the case of Chili by the fact that she is unduly dependent upon one great source of wealth. The nitrate fields of the northern region constitute more than two-thirds of her total exports, and, in addition, the Government of the Republic is dependent to the extent of half its revenue upon the prosperity, or otherwise, of the nitrate industry. It is as striking an illustration as could well be afforded of the economic disadvantage under which a country labours that is dependent too exclusively upon one particular means of livelihood. The causes of her present difficulty are apparent, were foreseen, and, indeed, were almost inevitable during the transition period of the economic activities of the country to peace conditions from those of war. It will be remembered that at the beginning of the recent European War Chili passed through a period of economic anxiety very similar to the one she is passing through at the present time. Nevertheless, war industries quickly created for Chili an extraordinary demand for the principal article which she supplied in such large quantities to the international markets of the world. Before the War nitrate of soda was required for the making of explosives to a small extent. One of its ingredients is valuable for the preparation of iodine. But the foundation of the trade in nitrate was for purposes of agriculture. Nitrate was pre-eminently, and is, a great fertiliser, and it was for its fertilising properties that it was so much in demand in the United States of North America as well as in Europe. That it will be so again there can be no reasonable doubt. Meanwhile, the demand for war purposes has ceased, and the demand for purposes of peace can hardly be said to have yet been re-established. Practically during the War Chili had but one customer for the products of her nitrate fields, and that customer was the Commission established by the Allied Governments which purchased nitrate at a fixed price mainly to use it in the manufacture of explosives and what have come to be called "munitions of war." In the process large quantities of iodine were extracted, and these, of course, have been used in the military hospitals. As the Allied Governments could not say with certainty the exact date when the War would end—possibly the enemy Powers themselves did not know—certain it is that the Commission entrusted with the purchase of nitrate, acting with commendable caution, purchased very large quantities of nitrate for delivery beyond the period of the conclusion of the Armistice, and in quantities which, of course, are no longer required for purposes of war. The result is that the Government holds very large stocks of nitrate, and holds them at prices considerably higher than that at which the nitrate could be purchased by the mercantile community in Chili itself, were that community permitted to buy first hand.

The Allied Commission is endeavouring to the best of its ability to work off its stocks with as little loss as possible. In our opinion this practice, common to all of what we may call Control Boards, is carried a great deal too far; and the saving of the particular commodity is more than offset by the difficulty of obtaining the various commodities, by the extravagant price which the consumer is asked to pay for them, and by the restrictions which the various Control Boards place upon trade. It is of course natural, and anybody placed in such a position would desire, if possible, to show that his department had not squandered public money, but, in fact, had bought with discretion, and was able to sell without loss. As these Commissions, however, are not trading bodies, they are not really in a position to act upon purely economic lines. Every fair-minded person is quite willing to concede that it was prudent policy for the Commission, in the nitrate industry in particular, to purchase adequate quantities. Supposing the War had lasted for a year longer than it actually did the country would have condemned, and rightly condemned, them, if there had been a shortage of explosives owing to the fact that the Commission had bought nitrate, quintal by quintal, and found that there was an inadequate supply at perhaps some critical moment in the campaign. The War, having happily ended earlier than was anticipated, surely the wisest and really the most economic course in the long run would be to say frankly, "We bought these stocks for the purposes of war. The War has ended, and we will now sell them for the best prices we can obtain." There would, undoubtedly, be a loss on such a sale, but we do not think that any fair-minded critic who was really competent to judge would blame the Commission in such a case. In any event, the disposal of large quantities of nitrate at the present time is a difficult proposition. Half Europe at the present time is in a state of anarchy, and the other half is passing through a period of serious unrest and general disquiet. No one quite sees his way to operate in any industrial direction. And traders and manufacturers are racking their brains to find the most suitable method of adapting their plant and their methods of operation to the changed conditions brought about by the Armistice and the early prospects of peace. Even the United States of North America, the country which, with the possible exception of Japan has suffered less from the effects of the War than almost any country, whether belligerent or neutral, is passing through, to some extent, a period of unrest, and there is not that demand for industrial appliances which one would naturally expect in normal times. Meanwhile, the Commission to which we have referred above is gradually working off its stock to the best of its ability Exchange in Chili is falling, and of course it is evident that the agriculturist will be able to purchase his nitrate at a very much cheaper rate than was the case in the recent past. For a time the nitrate producer will feel that he is getting very poor value for his commodity. But prices are coming down in every direction, and this process is likely to be accentuated as the armies all over the world are gradually disbanded. Consequently, although the nitrate producer will get less for his nitrate measured in money, he will probably get a great deal more measured in consumable commodities.

We recently came upon a book on Chili, published in London in the year 1822, which illustrates very forcibly the effect of invention upon industry. The writer was an English engineer, and he went out to Chili in 1819 for the purpose of working a copper mine. The enterprise was not very successful, and the writer was by no means favourable to Chili as a field for the employment of British capital. He was, however, a competent engineer who had done exceedingly well in various mining ventures in this country as well as in other parts of Europe. He seems to have been quite aware of the existence of the nitrate deposits in the north, although, of course, at that time they belonged to Peru, and not to Chili. The country at the time of his visit was still suffering from the effects of the recent revolution, in which the Chilians threw off the yoke of Spain, and the

Chilian Government in those days, although then, as now, anxious to attract foreign capital, did not appreciate the conditions which were essential if foreign capital was to be attracted. The writer says that nitrate of soda might be extracted to some small extent for the purpose of the manufacture of gunpowder, but the beds were situated at such a distance from the coast that it was in the highest degree improbable they could ever be worked to any extent. Being an engineer—and a mining engineer at that—he was naturally impressed by the great mineral resources of the Andes. But as in the case of nitrate, he says, and quotes the opinion of Chilian engineers as well, that it would be impossible to work them, because they were situated in such inaccessible localities that the cost of transportation would be fatal to their economic exploitation. If the conditions had remained unchanged from then to now the opinion would be perfectly sound, and would, no doubt, be endorsed by every competent engineer of the present day. Within twenty years, however, of the publication of the book the great railway boom started to cover England itself with railways. From England the building of railways, largely with English money and by English engineers, spread more or less all over the world. And the wealth of the nitrate fields, and the gold, silver and copper of the Andean region, can now be conveyed by means of the railway at a trifling cost to the port of Valparaiso, instead of being carried, as was the case when the book we have referred to was written, upon the backs of mules.

EFFECT OF THE WAR ON IRISH AGRICULTURE.

The War has, on the whole, had a stimulating effect on Irish agriculture. It has led to a broadening of the agricultural outlook in general and to the development amongst farmers of an ingenuity which was called into being by the necessity of meeting many difficulties caused by the national demand for an increased food supply and the impossibility, owing to restricted imports and to the exigencies of the War situation, of supplying many of the incidentals necessary thereto. Furthermore, it has resulted in a keener appreciation by the farmer of the labour-saving possibilities of machinery, and this has been exemplified by the increasing use of reapers, binders and mechanical ploughs. In addition, it has taught him the necessity of utilising the produce of his own farm to the fullest possible extent, and has developed a keener appreciation of the food values of his own wheaten flour as compared with the cheaper American imported commodities. The conservatism which distinguished him in former days has disappeared to a large extent, and has resulted in a desire to keep pace with modern agricultural development. This is a gain of great practical importance, for it will tend to a more appreciative hearing of the lectures of the experts of the Department of Agriculture, whose efforts were too often disregarded in the past. A satisfactory improvement has also taken place in the conditions of the agricultural labourer owing to the fixing of a minimum wage, and this, it is hoped, will ensure, in the course of time, a spirit of co-operation with the farmer which was often lacking in pre-War days.

The figures for 1913 indicated an area under tillage of 2,348,483 acres, which increased to 3,240,710 acres in 1918, an addition of 892,227 acres, or nearly 38%. It is possible that a further expansion may take place this year; but there is no doubt that farmers are nervous on account of the unsatisfactory conditions which accompanied the harvest of the past two years —more especially last year—the difficulty of disposing of their surplus stocks of grain and potatoes owing to the decreased military demand and the uncertain conditions which prevail in the labour market. In this last connection, the abuse of the unemployment donation scheme by certain classes of agricultural labourers has retarded spring tillage operations to some extent. The restrictions, however, lately introduced into the scheme so far as it affects Ireland, though somewhat sweeping in character, will have the effect of setting free a considerable number of labourers for farm work. Nevertheless, many farmers allege that this release comes too late to expect full compliance with the Tillage Order for 1919, which was issued on November 25, 1918, long before the effects of the donation scheme were felt. Broadly speaking, the Order declared that the minimum tillage portion of every holding in Ireland containing less than an area of 200 acres would be, in the case of a holding no part of which was cultivated in 1916, equivalent to 15% of the area of the holding. If a part of the holding was cultivated in 1916, a portion equivalent in extent either to the part so cultivated and 15% of the area of the holding in addition, or to 50% of the area of the holding, whichever is the less. In the case of a holding containing not less than 200 acres the portion of the area of the holding to be cultivated was increased to 20%; otherwise it was treated in precisely the same manner as a holding under 200 acres. Opposition to compulsory tillage this year is based by many farmers on the general grounds that the danger to our food supply has now been removed. But it has assumed a more concrete form in the West of Ireland, where a claim for special consideration is advanced on the following grounds: (1) The succession of three wet seasons; (2) The fact that there is only just sufficient sunshine to save the hay harvest, and (3) that a large area of tillage in this wet and sunless climate means a decrease, not an increase, in food production. Whether these considerations are of sufficient weight to merit an abatement of the stringency of the Tillage Order is a matter for the Government.

The acreage under wheat, oats and barley in 1913 as compared with 1918 is shown by the following table:—

	1913 Acres	1918 Acres	Increase Acres	Increase %
Wheat	34,004	158,222	124,218	365
Barley	172,948	185,758	12,810	7
Oats	1,048,913	1,589,501	540,588	52

These large increases were due primarily to the operation of the Corn Production Act, but other factors resulting directly from war conditions were also responsible. The steady decline in the area under wheat for many years prior to the War was the result of the importation of cheap foreign wheat and the belief that the home wheat was unsuitable for milling purposes on account of the heaviness and moistness of its flour, due, it was alleged, to an excessively damp climate. Accompanying this belief was the fact that American white flour had an irresistible attraction for the average countryman. War bread, however, very soon convinced the farmer of the wholesomeness of his home flour and cured him of his obsession for foreign flour. So far as wheat is concerned most farmers are inclined to be self-supporting in the future. The barley crop was usually disposed of to the brewing and distilling interests, but the restrictions imposed on these industries having virtually killed the demand in that quarter, the farmer was forced to utilise his supplies in some other manner. It was then realised that crushed barley, mixed with potatoes, made an excellent food for pigs, and this discovery was of great importance owing to the shortage of maize meal. Oats were sold in considerable quantities to the Government, but the Armistice decreased the demand considerably. As a result, the farmer was left with a considerable quantity of the 1918 crop on his hands. We understand, however, that the Government is considering the advisability of making further large purchases of oats in Ireland. As the Wheat Commission had undertaken to buy the exportable surplus of oats it would be a manifest injustice if the bargain were broken. It is interesting to note that the

co-operative movement in the South of Ireland is inclined to take up the manufacture of oatmeal. Up to the present Belfast has had a monopoly in this field.

The number of cattle in 1913 amounted to 4,932,625, and in 1918 to 4,863,282, a decrease of 69,343. The decrease was inevitable on account of war conditions. A change in methods of husbandry would convince the farmer that increased tillage does not necessarily compel him to keep fewer live-stock. By the adoption of the continuous cropping system in vogue in Holland and Denmark he would be in a position not only to increase the number of his live-stock, but also to practise dairy farming all the year round. Denmark has maintained its dairy herds in full numbers during the War, although the Danish farmer was confronted with difficulties similar to those experienced in Ireland. As regards other live-stock, a decrease in the number of pigs from 1,060,360 in 1913 to 974,385 in 1918 is also noticeable. This decline was mainly attributable to the difficulty of obtaining meal and other pig foods, to the increased inquiry for Irish bacon in England, and to the falling off in supplies from the Continent owing to the submarine warfare and the adoption of legislation in practically every European country compulsorily restricting exports. The English demand for bacon was, however, very largely satisfied by America. Irish pigs exported to Great Britain in 1917 showed practically no change from the 1913 figures, 200,000. The substitution of crushed barley mixed with small and waste potatoes for maize meal undoubtedly prevented a further decrease in the pig supply. Now that shipping will, in all probability, soon take its normal course the Danes will resume their competition for the English market, and it is significant that Danish pigs have risen largely in numbers during 1918.

Compared with 1913 the potato area increased by 113,093 acres. An estimate places the increase in production at 260,000 tons. The decrease in yield per acre in 1917 compared with 1913 reached .5 ton. Scarcity of labour, use of inferior seed, and difficulty of obtaining manures explained the decline in the acreage return. Irish farmers complain that they were inequitably treated during the War as regards the distribution of artificial manures, and the fact that the average produce per acre increased in England and Scotland would seem in a measure to support their contention. Ireland exported 400,000 tons in 1917 as compared with 124,020 tons in 1913—an increase of nearly 223%. This export trade would have been larger were it not for the restrictions imposed on the grant of potato export licences by the Department of Agriculture, who were apprehensive of a potato famine in the country. It is a peculiar fact that the South of Ireland does not grow sufficient potatoes for its own requirements, and every year, long before the potato season comes to a close, Dublin, Cork and other cities are forced to purchase their requirements from Ulster; while all the year round the export trade is almost completely carried on by the six Ulster counties together with the county of Louth. It is satisfactory to note that the potato seed traffic which went on between Ulster and Portugal before the War has now been resumed.

The area under flax increased by 139%, from 59,305 acres in 1913 to 141,538 acres in 1918. This remarkable expansion was entirely due to the War, and to find a parallel instance we must go back to the American Civil War. In 1856 flax claimed an acreage of 97,075, but in 1864, owing to the unprecedented scarcity of cotton, and the consequent demand for linen, it rose to 301,693, the highest ever recorded. During the present War the inquiries for flax increased proportionately to the development of the Air Service, mainly owing to the discovery that a medium linen on the fine side was best adapted to form the wings of aeroplanes. The manufacture of damask cloth, on which Ulster manufacturers were hitherto largely engaged, was consequently suspended to a large extent and the attention of the agricultural and industrial interests was directed towards the new phase of activity. A similar revival of interest in flax growing took place in the South and West of Ireland, especially in Cork and Mayo, and it is claimed that the Cork variety is superior to the finest Ulster. Previous to the War the fibre was grown in Ulster, chiefly as a "stolen crop," between two of the staple crops in their rotation, whenever a piece of ground adapted for its growth was vacant. Its uncertain yield and its rapid and unforseen fluctuations in price, due largely to the fact that flax is not an essential part of the rotation of crops as practised in Ireland, discouraged its systematic cultivation. The future of the Irish flax industry seems to be bound up with the progress of military and commercial aviation, and if there be any truth in the report that a substitute suitable for the manufacture of aeroplane wings has been discovered in fine cotton it is bound to exercise a deterrent effect. No details have yet been published regarding the process which would overcome the natural inflammability of cotton. The principal sources of flax imports into the United Kingdom were Russia and Belgium. The domestic trouble in the Baltic Provinces would seem to preclude the possibility of imports on a large scale for some time to come; while as regards Belgium, a considerable amount of reconstruction must take place before agriculture is placed on a stable footing. A demand will always exist for Irish flax, as it possesses in a special degree the strength and spinning qualities so well adapted for thread and certain other yarns that they are almost a necessity in several branches of the Irish linen industry. For the present, at any rate, the most profitable line of development would appear to be a fibre varying from medium to fine and suited to the production of higher class fabrics.

THE INCOME-TAX COMMISSION.

The King has, on the advice of his Ministers, approved the appointment of a Royal Commission to inquire into the income tax. The terms of reference are exceedingly wide: To inquire into the income tax, including super-tax, of the United Kingdom in all its aspects, including the scope, rates, and incidence of the tax; allowances and reliefs; administration, assessment, appeal, and collection; and prevention of evasion; and to report what alterations of law and practice are in their opinion necessary or desirable, and what effect they would have on rates of tax if it were necessary to maintain the total yield. Lord Colwyn is appointed Chairman of the Commission. We hope at a later date to comment fully upon this important Commission. We would urge the Commissioners, in considering the question, particularly as the scope of their inquiry is a really wide and comprehensive one, to appreciate two important facts in the incidence of income tax. The one is that as things are the bulk of our revenue is derived from what, for convenience, we may call the income tax, including allied taxes, and to what extent this tax constitutes a drain on the resources of the country so as to threaten to kill the goose which lays the golden egg.

Flying: An Independent Flying Paper. Published by *Land and Water* for the Air Publishing Company, Limited. Price 6*d.* weekly. We have received a copy of this journal, which has been enlarged and improved. The future policy of the paper is to deal with every aspect of the new air science, and it will continue to give a current picture of the flying spirit in commerce, sport, exploration, and adventure.

Dr. E. J. Dillon writes:—"Having for over thirty years smoked only Turkish tobacco I naturally cherished a fondness for that. However, if any other could reconcile me to its absence it would be the 'De Reszke' American Cigarettes, which have given me great pleasure."

Charles Sims, Esq., A.R.A., writes:—"There are times when a mild-flavoured cigarette is most agreeable; then a 'De Reszke' is just the thing. I like them very much."

Miss Clara Butterworth writes:—"Your 'De Reszke' Cigarettes are excellent."

CIGARETTES are all much alike—until you come to the "De Reszke." Then you know there is one brand which stands above all others. Good judges prefer them—so will you. Try a box.



"De Reszke" The Aristocrat of CIGARETTES

Sold at all Military Canteens at Home and Overseas, also Tobacconists' and Stores.

MORE TOBACCO.

We regret that Customers have so often been unable to secure their usual supplies of our

"EARL GREY" and RHODESIAN Cigarettes,

But we hope within a few weeks to be able to meet all requirements.

JOHN WOOD & SON (CIGAR AND TOBACCO IMPORTERS), Ltd.

23 & 25 Queen Victoria Street, E.C. 4.

THE BANK OF TAIWAN, LIMITED.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Head Office - - TAIPEH, FORMOSA.

BRANCHES:—Amoy, Bangkok, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, Yokohama, and every important city in Formosa (Taiwan), &c. The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.

London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

ALTHOUGH there have been some showers in the past three months in certain districts of India, the conditions prevailing caused naturally a large measure of anxiety. In the Punjab particularly practically no rain has fallen since the insufficient monsoon of last year; and in this Province, as well as in certain other parts of the Dependency, relief works have had to be started. The number of people actually on relief work, according to the information available, is well under 50,000. This, of course, appears but a very small number to those who remember the severe famine periods through which India passed in former years. Nevertheless, after nearly a decade of exceptional, and, indeed, phenomenal, prosperity, it is exceedingly disappointing to find that even a small proportion of the population have once more to be set upon relief works owing to famine, or partial famine.

A favourable feature in the situation is the return of a large number of troops who have been engaged in the late War in Mesopotamia and elsewhere. These men have been demobilised, and are in possession of what is comparative wealth, taking into consideration the very modest standard of living to which the native of India is generally accustomed. Practically the only important article which India has been able to export to anything like the customary extent this season has been jute, which was of the value of 45 millions sterling. This compares with an export of cotton of 25½ millions. We mention this competing textile because there has for a long time been a large measure of interest amongst Indian producers, traders, and manufacturers, and particularly amongst exporters, to see whether the value of the jute exports would exceed that of cotton, or whether the cotton exports would exceed in value those of jute. It has to be remembered, on the other hand, that while India enjoys a practical monopoly in the growth and export of jute, this is very far from being so in the case of cotton.

One of the difficulties against which the Indian Government has had to contend, like nearly every other Government, is that of transportation facilities. As soon as it became evident that there would be a shortage of the Indian crops, that rice would have to be imported in immense quantities from Burma, and that in the Northern States of India, where wheat is consumed to a considerable extent, there would be a necessity for importing wheat from overseas, the Indian Government at once set about to see what facilities could be granted by the Imperial authorities at home. Unfortunately, these were not as great as could be desired. But a marked improvement has taken place as the gravity of the situation came to be appreciated here in England. India has, in fact, imported immense quantities of rice from Burma; in fact, practically the whole of the exportable surplus available at Rangoon, for hardly anything has been shipped to Europe. In addition, she has imported large quantities of wheat from Australia, where wheat has been stored for years now owing to the lack of shipping facilities.

It has to be remembered that one of the great defects under which the Indian Government labours is the lack of transportation facilities not merely for overseas trade, but for internal communications. The railways, of course, enable troops to be moved on various strategical positions which are necessary in the defence of a country surrounded by various tribes in a more or less primitive stage of political development. But the transportation facilities of India are wholly inadequate for her economic needs. The railway mileage is, in fact, only a little greater than that of the United Kingdom, although these islands are only about one-fifteenth the size of the Great Dependency. In addition, it has to be remembered that while there are between 45 and 47 millions of people in these islands, there are considerably over 300 millions in India. Of course, the difficulty of the Government is that the construction of railways would mean additional expense. But the great mistake the Indian Government has made in the past was in following the tradition of the old East India Company, which was always jealous of every private enterprise which might threaten its own monopoly. This was perfectly natural and perfectly legitimate in the case of a trading company, but it is neither legitimate nor natural in the case of a great Government.

Assuming, as we sincerely hope will be the case, that the monsoon is favourable when it bursts in June of the present year, there should be an active demand for cotton goods in Manchester. As far as our information goes, the long period of prosperity through which India has recently passed until the partial failure of last year's monsoon brought about the present era of depression led to an extraordinary demand for all kinds of manufactures which the Indian ryot is able to afford. Owing to the shortage of shipping during the War, the Indian mills seem to have been working to capacity; and, if we are rightly informed, there is

great shortage in the principal distributing centres in India. As soon as arrangements can be made with regard to the control, or rather to the removing of control, of raw cotton, there should be an active demand for the coarser counts of Lancashire's principal exports.

From all we can learn from those in close touch with financial and economic circles in the Commonwealth, business in Australia seems likely to be active in the near future. Immense stocks of wool, sheep, frozen meat, wheat, sugar, and the various other products which Australia is accustomed to ship to Europe have accumulated upon a great scale during the last two or three years, when the shortage of shipping became increasingly acute. So severe, indeed, has been the shortage that the State Government of New South Wales has erected enormous elevators for the storage of grain. At one time the situation became so serious that there was no proper storage accommodation at all. The railways were crowded to their utmost capacity; the grain elevators, or "silos," as they are called out there, were full as far as they could hold, and the railways themselves were no longer in a position to accept freight for delivery at the port of shipment—as, in fact, there were no steamers to take the freight when it arrived. Gradually this unsatisfactory position is being relieved. The Imperial authorities have released a certain measure of shipping for bringing wheat from Australia to this country, and particularly in connection with the serious food situation above described in connection with India.

It may have attracted the notice of our readers that there was an announcement recently in the Press that large quantities of Australian wool have already arrived in this country from Australia during the last few weeks, and that they will at an early date be offered for open competition at the forthcoming wool sales. As the freight shortage becomes less acute, conditions in Australia should steadily improve. So acute has the shipping position been in the Commonwealth that the Government purchased certain steamers wherever they were able to obtain them, and these they have been working to their utmost capacity. Meanwhile, being unable to get any fresh tonnage, they have erected yards for the purpose of constructing vessels themselves. Provided the vessels are speedily available, no doubt the policy is well advised, for the great thing for Australia to do, as for all new countries dependent on the export of food and raw materials, is to get her commodities sold in the consuming markets. But it is exceedingly doubtful if Australia is yet in a position to seriously contemplate shipbuilding upon any great scale.

Continental Australia is considerably more than half as large again as India, and she has a population about the same as the Administrative County of London. Consequently, it is impossible that she could devote any appreciable portion of her population to shipbuilding, except upon an extravagantly uneconomical scale. Moreover, she would be neglecting the real business of a new country so extensive and having such a mere sprinkling of a population the bulk of which is for the most part concentrated on the sea coast area, which is really to develop the immense natural resources available. Owing to the fact that her population is so small and her area so extensive, and she has in Europe an almost unlimited market for the products she is so easily able to raise, the Australian Commonwealth is in the position of making almost any, within reason, experiment in government and economics which might prove, and probably would prove, utterly disastrous to a more settled state of society.

We hear loud complaints amongst the land companies at the proposed legislation for splitting up the great estates in Australia. On the whole, and carried out with due moderation, the policy is sound. But it has to be remembered that a new country like Australia is dependent upon obtaining capital from the highly developed countries of the world. But it is a policy that wants to be carried out with great moderation.

LONDON JOINT CITY & MIDLAND BANK LTD.

HEAD OFFICE: 5 THREADNEEDLE ST., LONDON, E.C. 2.

Subscribed Capital -	£34,428,948
Uncalled Capital - -	27,256,250
Paid-up Capital and Reserve Fund - -	14,345,395
Deposits - - - -	£334,898,435
Cash in hand and at Bank of England -	63,756,371
Money at Call and at Short Notice - -	65,809,169
Investments - - -	61,600,651
Bills of Exchange -	39,249,298
Advances on Current and other Accounts	99,213,614
Advances on War Loans - - - -	14,218,201

OVERSEAS BRANCH: 65 & 66 OLD BROAD STREET, E.C. 2.

SOUTH AND CENTRAL AMERICA.

THE MOBILITY OF CAPITAL AND THE IMMOBILITY OF MAN.

As might reasonably be expected, it is much easier to move a Treasury note than to move a man. One of the great defects of industrial civilisation as we know it to-day is the immobility of our species on the planet. Most of the industrial unrest which exists is due to the concentration of vast populations in what have come to be called "congested areas," where each individual is struggling against his fellows in order to obtain a bare subsistence; while infinitely greater areas in various parts of the world, both within the confines of the British Empire and outside, are awaiting development, and could afford employment in economic comfort to far greater numbers than exist in the congested areas, where their presence forms rather a danger than an advantage to the State, and where they live under economic conditions inimical to their own health and well-being.

Our own Empire offers, perhaps, as striking an illustration of this fact as exists in any part of the world to-day. We have in these small islands, with an area of only 121,000 square miles, a population of between 40 and 50 millions, while the greater part of the Empire is, in fact, little better than a barren waste. The position is even worse if considered in its economic and national aspects, for it is upon this congested population in a restricted area that the real weight and the real strain of the defence of the Empire rests. Moreover, the Mother Country is the dominant factor in the situation; and yet the total population is comprised as to 75% of its units of a coloured population. For reasons into which we do not propose to enter to-day, the immobility of these people is even greater than that of the population of these islands. Immense areas in the Empire are eminently suitable for settlement by our people. Indeed, as we have shown again and again in this series of articles deal-

Certain to Rise in Value

STUDY the prices of Investment Stocks for the last ten or fifteen years and you will be struck by the shrinkage in capital value which many of them have undergone. Holders who bought at 100 or 120 have seen the price of their securities falling gradually to 95, 90, 80, or even less; and in many cases there is no prospect of a recovery to the original market value.

But the very reverse is true of the present issue of 5 per cent. War Bonds. They are certain to rise in market value. For the whole of the money invested in these Bonds must be repaid by the State in 5 or 10 years; and it will be repaid not only in full but with a premium added.

It is this that enables the holder of War Bonds to regard the future with so enviable a sense of security. He knows that for every £1,000 invested in Five per cent. War Bonds the State will repay £1,020 in five years or £1,050 in ten years. And meanwhile he is drawing a safe five per cent. interest, and has retained the power to sell at any moment, should he so desire.

If you have any money available for investment you cannot do better than to put the whole of it into Five per cent. War Bonds. Your Banker or Stockbroker will do what is necessary as soon as he receives your instructions telling him how much you intend to invest.

NATIONAL
War Bonds

Repayment and Interest guaranteed by the State.

***On sale** at all Banks and Money Order Post Offices. You have the choice between 6 per cent. Bonds issued at £100 and repayable in 1924 at £102; or 5 per cent. Bonds issued at £100 and repayable in 1929 at £105; or 4 per cent. (Income Tax Compounded) Bonds issued at £101 : 10 : 0 and repayable in 1929 at £100.*

ing with South America, there is evidence to prove that even in the tropical regions of the Empire, if proper sanitary measures were taken, even the lands in the neighbourhood of the Equator could be made perfectly suitable for settlement by people originally natives of our latitudes. Owing to an inability to appreciate the importance of sanitation, as distinct from the influence of climate, too much in the past has been made of the latter. And it has been conclusively shown in the Canal Zone at Panama, for example, as well as in other places, that if sanitary precautions are taken people of European origin, even if actually themselves born in Europe, can, at any rate so far as South America is concerned, work in such a region.

The Transportation Bill now before Parliament, which we recently criticised, is sound in principle, or at least in aim, as the improvement of transportation facilities is one of the greatest needs of the time. It is in the application of the principle that the Bill invites criticism; and if it becomes law and is put into practice it is likely to invite a very great deal of criticism indeed. Improved transportation facilities are eminently needed in these islands. But there is the still greater need to improve our transportation facilities not merely within these islands, or even throughout the British Empire, but with all parts of the world. Whether a Government Department is the best authority to deal with such a question may reasonably be doubted. It has been increasingly evident that transportation is still in the experimental stage. A Government, from its very nature, when it takes over any business, must act more or less upon bureaucratic or stereotyped lines. Consequently, a Government is ill-fitted for making, and still more for welcoming, the experiments which the transportation business at the present time so urgently need.

Turning to South America, there is another illustration of the need of transportation facilities and of the immobility of man. That vast continent is nearly twice as big as the whole of Europe, and yet it has a population very little larger than that of the British Islands. Even in its most undeveloped parts it has potentialities of improvement that exist to the same extent in no other continent. But the difficulty of moving men from the congested areas of Europe and Asia retards its development year after year and generation after generation. With capital it is different; and were it not so it is doubtful if industrial civilisation as we know it to-day could continue to exist at all. The professional man, who is not engaged in trade at all, out of his annual savings can assist, and does, in fact, very materially assist, the financiers who are engaged in sheep-raising upon a great scale in the neighbourhood of the Straits of Magellan. This part of South America partakes in its general features of the characteristics which distinguish the continent. There are vast plains on the eastern side, and the foothills of the Cordilleras, which in the more northern regions we call the "Andes," stretching through the Island of Tierra del Fuego, and reappearing in various islands as we proceed to the Antarctic Ocean. There seems evidence to show that various parts of the earth are continuously sinking and rising; and the Straits of Magellan, it is commonly said, are merely a narrow valley which is sunk below the level of the sea. The Straits divide the continent proper from the island of Tierra del Fuego, which it is believed in the remote past formed without a break part of South America. The whole of this region is eminently suited for sheep-raising, and now contains approximately between five and six million fleeces out of the 600 millions which it will be remembered we calculated in a recent article form the sheep population of the world. The Straits of Magellan cover several thousand square miles. But the main channel itself, through which steamers pass, is exceedingly narrow. The whole length of the Straits is, roughly, about 400 miles. On the eastern, or Atlantic, side it is nearly as broad as the narrow parts of the English Channel. But on the western side it is as narrow as a river, and runs as rapid as a torrent. On the east it runs between the low-lying plains of Patagonia and the equally low-lying plains of the eastern part of the island of Tierra del Fuego. On the western side it runs through what are called the Narrows, which are really a division, or what we might call a "pass," through the Southern Andes.

About 400 miles east of the Atlantic entrance to the Straits lie the Falkland Islands, which, as the reader will recollect, form part of the British Empire. The pasturage on these islands is by no means as good as that on the opposite mainland of South America, or, indeed, on the island of Tierra del Fuego. For the most part the Falkland Islands have a peaty soil, which, with our present knowledge of agriculture, it seems doubtful if the islanders could at any time convert to any purpose except that of sheep-raising. For sheep-raising they have proved eminently successful. They are situated in about the latitude of London, only south instead of north of the Equator. They are exceedingly small, being all told some 1,000 square miles in area less than the Principality of Wales, and their population does not exceed 3,000, about one-third of whom inhabit Port Stanley, the capital. Sheep-raising is practically the only industry of the islands. For some reason that has never been adequately explained the Board of Agriculture here, or the agricultural authority that existed at the time, put every obstacle in the way of exporting sheep from these islands. This mistaken policy has been remedied in these later days. But for a long time the sheep of the Falkland Islands were raised purely for their wool and skins, and for the by-products of the sheep industry, the principal of which is tallow. Nevertheless, the sheep population of the islands is well over three-quarters of a million fleeces.

AGRICULTURAL FINANCE.

THE report presented to the Agricultural Wages Board by the Financial Results Committee, presided over by Sir Henry Rew, K.C.B., is a document of 72 foolscap pages. Although not a confidential paper, it has not yet been published officially. We hope, however, that it will shortly be obtainable by the public, as it embodies a mass of new and valuable information in a modern and up-to-date form. Index-numbers for agricultural prices derived from replies to 1,500 inquiries of working farmers are as follow for the cereal years ended August 31:—

	1914	1915	1916	1917	1918
Live stock	100	105	128	158	193
Dairy produce ...	100	103	132	166	197
Cereals	100	130	163	217	234
Eggs and poultry ...	100	106	129	159	229
Hay and straw ...	100	102	149	188	195
Fruit...	100	79	92	134	147
Vegetables	100	99	131	185	205
Wool...	100	98	144	132	147

Taking the rise in wages and other outlay as averaging 200, or double the 100 index-figure for the harvest year ended August 31, 1914, these returns would seem to indicate that cereals, eggs, poultry, and vegetables have paid their way, but not fruit or wool. The latter was seized for War Office purposes at a price which the Sheepbreeders' Association protested against as unjust, and it now seems that their contention was a reasonable one. The wool control ceases with this June, but the fruit outlook is depressing. At no period has it paid since 1915 and, with its call on hand labour, which is the subject of special expense, it is clearly a bad investment. The livestock, dairy, and hay or pastoral interests appear to be about holding their own.

To various other tables in the report we hope to make reference on another occasion.

"New Town." A proposal in agricultural, industrial, educational, civic, and social reconstruction. Edited for the New Town Council by W. R. Hughes, M.A. Price 2*s*. (London: J. M. Dent and Sons,

CO-OPERATION IN IRELAND.—III.

The beneficial effect of State aid to any section of the community will be measured largely by the capacity of that particular section to take advantage of the proffered assistance. Should the organisation of that group be defective or should its members be lacking in self-reliance it will assuredly fail to utilise the advantages thus conferred on it. Precise details of the Government's scheme for the settlement of discharged soldiers and sailors on the land are so far lacking, but if the recommendations of the Departmental Committee appointed to inquire into the question in 1915 are followed, such settlement will be made in colonies of preferably a hundred families. No other method seems to be practicable. The dropping of isolated individuals here and there would, in all probability, mar the success of the entire scheme although this procedure has been generally adopted by the County Councils under the provision of the Small Holdings Acts. The successful results of co-operation amongst small holders in Ireland and Denmark are well known, and although it may at first be unwise to apply the complete co-operative system to these colonies the adoption of some modification should be encouraged amongst the colonists. Co-operation on a comprehensive scale seems to have the greatest meed of success in a long-established community whose members are thoroughly acquainted with each other and who are bound by ties of mutual loyalty. As a beginning it would perhaps be wise to establish an organisation under the control of a director for the purpose of collecting and disposing of the produce of the colony in the best market. The establishment of this organisation on a co-operative basis could follow later on when the members had formed the requisite acquaintance and had gained an insight attendant on the problems of their new occupation. The lack of capital by the colonists will best be met by the establishment of co-operative credit societies and the proposal of the Committee that the State should take up capital in these institutions to the extent of 5*s*. per acre seems to be sound, but we would emphasise the fact that the success of these colonies is dependent on the combined and unselfish efforts of their members. In this way only can they take full advantage of State assistance and instruction.

The loosely-knit condition of the agricultural industry has always proved a hindrance to its progress, consequently the isolated farmer is rarely in a position to appreciate the meaning or reap the advantages of the ideas that have revolutionised agriculture amongst his more advanced fellows. The manufacturing industry, owing to the strength and sensitiveness of its organisation, has always been in a better position to utilise the latest discoveries of science. Nevertheless the adoption of a system of combination has gone a long way to remove the disabilities under which agriculture labours in this respect, and to increase its general standard. That this is so has been proved conclusively in Europe and the United States. Co-operation is especially beneficial to small farmers, as single-handed their lack of capital would penalise them severely in the struggle with wealthier competitors. The introduction of co-operation in Ireland was a necessary complement to the introduction of State legislation, having for its object the creation of a peasant proprietary. Prior to the initiation of the mutual help movement the Irish farmer was at the mercy of the capitalist and the middleman. The latter who formed an unusually high percentage of the population frequently exploited the farmer in a merciless manner. This class was, however, considerably reduced by the facilities offered by co-operation for direct trading and by its elimination of the waste of competition. This indirect result of the movement was of great importance, for it freed the farmer from shackles which discouraged any improvements in his methods of working the land.

The direct advantages conferred on the Irish farmer by the co-operative movement have taken the form of improvements in the production and distribution of farm produce and the more economic purchase of raw materials. Formerly the farmer received a price for his milk from the creamery run by a local capitalist which very rarely approximated to its true market value. Did he determine, on this ground, to turn his milk into home-made butter he gained very little by the exchange, because Irish butter, on account of defective methods of manufacture, was practically unsaleable in England in the eighties. Under the new system some striking changes have taken place. The co-operative creamery pays the farmer for his milk on the basis of the payment received by them for the butter and cream produced therefrom. Owing to the introduction of efficient methods this payment is as high as the market rate will allow, for naturally there is no temptation for the creamery to exploit its owners. The resulting improvement in the quantity and quality of Irish butter is very marked. As regards its distribution, the creamery sells for the highest price obtainable and endeavours to cut down middlemen's profits to their lowest limit. Formerly a legion of middlemen handled the butter, with the natural result of high prices to the consumers. Cheese-making has been taken up by several societies, especially during the War, and has proved very profitable. Generally speaking, the variety turned out has been Caerphilly, but Cheddar and Derby cheeses are also produced. Some of the creameries have erected special buildings for its manufacture; others have converted portion of their existing buildings for the purpose. There seems to be a belief that while Caerphilly was an excellent war-time cheese, and one which is comparatively simple to make, it is not the type of cheese with which the Irish creameries should be permanently identified. It is considered that they should aim at the production of a "full cream" cheese of a type more akin to Cheddar. Caerphilly cheese is extremely popular in South Wales, and also finds a ready sale in markets elsewhere in Great Britain, but it cannot be said to be equal to such types as Cheddar, which will sell anywhere and will command good prices when once its reputation has been established. Eggs and poultry have also fallen within the scope of the co-operative movement and many improvements have been made in methods of production, handling, and marketing. Bacon curing has also been taken up, though not to a very large extent at present, and should result in the securing by the farmer of the maximum profit from his pigs. The formation of agricultural societies for the purpose of buying the raw materials of the farmer's industry at wholesale prices has led to a greater use of fertilisers and improved seeds. These societies will fulfil a useful purpose in obtaining the expensive machinery now so needful for increased production and in distributing it in an equitable manner to their various members.

Before the introduction of co-operative methods the education of the average Irish farmer was very poor. In some respects, it has not undergone much change but the blame lies chiefly with the faulty system of education pursued in the eighties. The farmer has, however, learned much of the technicalities of business from his association with the management of his societies. This knowledge has the effect of making him regard innovations with a more favourable eye and disposes him to a greater readiness to accept improvements on his old methods. The democratic nature, too, of the societies, which do not exclude rich or poor, Catholic or Protestant, has had useful results. The meeting of Orangeman and Nationalist for the purpose of transacting business to their mutual advantage has, in some cases, weakened the old political and religious prejudices. On the social side the efforts of the movement to brighten the life of the village by the introduction of

libraries and various forms of amusement cannot fail to have a useful effect in decreasing the monotony of rural life and in encouraging the free intercourse of ideas without which no progress, material or intellectual, is possible.

Judged by any economic standard, the Irish farmer has materially improved his condition by the adoption of co-operation. So far as the increase in bank deposits may be accepted as an index of this improvement they would confirm this conclusion. His standard of living has improved and he is paying more attention to the betterment of his holding. Much remains to be done in the extension of winter dairying. During the winter months very little milk is produced on Irish farms when the range of prices is high. This is in marked contrast to Denmark, where the output of milk reaches its highest figure during that season. For this purpose the formation of cow-testing societies is invaluable as by this means the proportion of the paying cows in a herd can be determined. This measure would also have the effect of increasing the standard of the butter and enabling it to compete with the best brands of Holland or Denmark. The Irish agriculturist does not seem to have yet grasped the possibilities or needs of the English markets. A proper appreciation of those needs would enable him to compete on far more successful terms with his Danish rivals. A community of interest binds Ireland and England, and the latter country is well aware that Ireland offers a readier market for her manufactures than Denmark.

Co-operation in Ireland has still a wide field for expansion. There are still large classes of farmers who have been untouched by the movement, and nowhere has it attained the degree of intensiveness achieved in Denmark, where one village has become the headquarters of as many as ten societies dealing with all branches of the farmer's activities. The operations of the credit societies may be enlarged with a view to becoming centres for the savings of the people and possibly trading centres as well. Little progress has been made in the direction of collective sales of crops and livestock. Up to the present, however, the United States is the only country where substantial progress has been recorded along these lines. The establishment of a number of mills for the manufacture of oatmeal is now being mooted, and this will furnish the farmers with a new outlet for their activities. One large class of the community has so far been barely touched by the new movement. The agricultural labourers have gained but little from it, but their needs may be met by the formation of consumers' stores in the villages. The Irish Agricultural Organisation Society possesses considerable influence with the farmers, and has exercised it successfully during the War in the promotion of increased tillage. It might well exert its influence in the future, with the object of persuading the farmer to adopt a higher standard of cultivation. The steady growth of urban communities, and the desire to make these islands self-sufficient so far as food supplies are concerned, will call for a higher yield per acre, and this end can only be achieved by the adoption of the latest technical methods.

"Taxation of Capital." By Sir Alfred W. Soward, C.B., lately a Commissioner of Inland Revenue and Secretary of the Estate Duty Office, and Mr. W. E. Willan, of the Estate Duty Office. Price 18*s.* 6*d.* net. (London: Waterlow and Sons, Ltd.) This work deals with the subject in its historic, economic, statistical and international aspects, and gives the key to the principal British and foreign writings on the taxation of capital. It appeals alike to the student of fiscal history and to the man of affairs, and is of especial interest at the present moment in view of the paramount importance now attaching to public finance.

American Topics.

UNITED STATES CROPS.

According to the report received by the Bureau of Crop Estimates of the United States Department of Agriculture, the amount of wheat on farms on March 1, 1919, was about 129¼ million bushels, or 14.1% of the 1918 crop, against 107¾ million bushels, or 16.9% of the 1917 crop, on farms on March 1, 1918, and 100,650,000 bushels, or 15.8%, of the 1916 crop on farms on March 1, 1917. About 58.7% of the crop will be shipped out of the counties where grown, against 51.1% of the 1917 crop and 56.7% of the 1916 crop so shipped. According to the same report, the amount of maize, or corn, on farms on March 1 last was about 884½ million bushels, or 34.2% of the 1918 crop, against 1,253¼ million bushels, or 40.9% of the 1917 crop, on farms on March 1, 1918; and 782¼ million bushels, or 30.5% of the 1916 crop, on farms on March 1, 1917. About 14½% of the crop will be shipped out of the counties where grown, against 22.1% of the 1917 crop and 17.6% of the 1916 crop so shipped. The proportion of the 1918 crop which is marketable is about 82½%, equivalent to 2,129¾ million bushels, against 60%, or 1,837¾ million bushels, of the 1917 crop, and 83.9%, or 2,154½ miilon bushels, of the 1916 crop.

SWIFT'S YEAR-BOOK.

Messrs. Swift and Co., the well-known meat packers of Chicago, state that the average price of native cattle during 1918 was 138% higher than in 1913. The average price of hogs increased 208% in the same period. The principal increase has been since 1915. Cattle has advanced 73% and hogs 147% in the past three years. In 1903 cattle were purchasable in the United States of North America at under five dollars per cwt., while they cost last year more than twenty dollars. Hogs were purchasable in that year on the basis of six dollars per cwt., while last year they were more expensive to acquire in the wholesale markets of the United States than cattle.

Excluding, of course, prize and exhibition beasts shown by the various agricultural societies in different parts of the world according to the figures before us the highest prices ever attained since records have been kept were paid for cattle, sheep, and hogs in the year 1918. The European war had then lasted for over four years. The destruction of cattle in the belligerent countries had been on an extensive scale, and owing to the fact that the various belligerent countries had called up the major portion of the really able bodied amongst their population cattle rearing, sheep farming, and the breeding of pigs had perforce either to be suspended altogether or to be reduced to a very low ebb. The Governments, moreover, of the various belligerents called upon their population to supply them with as much of their savings as the various populations could be induced by their Governments to subscribe. Consequently, money available for the extension of the livestock industry in so many countries of the world was diverted to the purposes of war. As a result the armies had to draw more and more upon countries at a distance from the scene of war-like operations. It has to be remembered that armies are composed almost wholly of young men engaged in strenuous and active work, and living nearly for the whole time that the war is in progress in the open air. The natural consequence is that they are consumers of food-stuffs to a far greater extent than they would be in civil life. As it is rightly the object of the Government which employs them to maintain them in sound physical condition the cost of food cannot be considered as it has to be by the various units when they are providing for themselves in their civil occupations. Many of them in civil life

are comparatively small meat consumers, but during the four years of the recent war they consumed meat upon such a scale as to threaten to exhaust the meat supplies available. Messrs Swift claim that the average price they received for dressed meat increased almost precisely in the same ratio as the average price they paid for live cattle.

According to the figures before us the receipts of cattle and sheep at seven principal markets and of hogs at eleven markets all situated in the United States of North America showed an enormous increase between the years 1913 and 1918. Naturally, with prices ruling at such a level as was the case last year, the farmer of the United States made every possible effort to increase, as far as possible, not merely the number of his live stock, but the weight- and meat-bearing capacity per unit. The receipts of cattle at seven principal markets between the years 1913 and 1918 increased. In 1913 they were a little under 8 millions head; in 1914 they were a little over 7 millions; in 1915, 8 millions; in 1916, 9¼ millions; in 1917, 11¼ millions; in 1918, 13⅓ millions. During the same period pigs at eleven principal markets totalled in 1913 25 millions; 1914, 23¼ millions; 1915, 27 millions; 1916, 31 millions; 1917, 26 millions; 1918, 32¾ millions. Again, in the same period the receipts of sheep of seven principal markets show the following figures:—1913, 14 millions; 1914, 13½ millions; 1915, 11 millions; 1916, 11½ millions; 1917, 10 millions; 1918, 12½ millions.

From the above figures it will be seen that the increase in cattle and pigs received at these various markets which began in 1915 was maintained throughout the period covered. The receipts of cattle increased from 7 millions in 1914 to 13½ millions in 1918—or 89%. The number of pigs from 23¼ millions in 1913 to 32¾ millions in 1918—or 41%. The following table taken from the report of the United States Secretary of Agriculture for 1918 shows the production of meat, pork, and mutton for the years 1909, 1914, 1916, 1917, 1918:—

Year	Lb.	Year	Lb.
1909	16,952,000,000	1917	16,325,360,000
1914	15,586,841,000	1918	19,495,000,000
1916	17,892,672,000		

ANGLO-PERSIAN OIL COMPANY, LTD.

It is difficult to do justice to this Company's progress and activities in a brief article. We therefore touch upon the main points and refer readers to the Chairman's speech at the meeting reported on another page. The accounts, it will be noted, cover the year to March 31, 1918, and nearly 12 months has elapsed since then. Figures of output are not published. At the meeting in December 1917, however, it was mentioned that the Company had secured contracts for fuel oil and other products amounting to a total of no less than £12,000,000 to £15,000,000, rendering it absolutely independent for many years to come of all competition. It was also stated that the Company's production of benzine was then at the rate of 150,000 tons a year, and would by the time extensions in hand were completed amount to 600,000 tons to 700,000 tons per annum. One of the main points to bear in mind is that the great rise in the net profit shown in the table herewith occurred before completion of refinery extensions, for which about £2,000,000 of capital was subscribed by H.M. Government. The balance of this extension is now coming into operation, but the full benefit will only be shown in the accounts for the financial period to March 31 next. The further extensions, for which £1,000,000 of Preference capital was raised last year, have been a good deal delayed, but are now well in hand. When they are completed the refinery capacity will be about 2½ times greater than it was in the year under review, for which a net profit of £1,425,118 is shown. Another refinery, which will further considerably increase the Company's throughput, is now being erected in the neighbourhood of Swansea.

In regard to the allocation of the year's profit, the sum of £42,839 written off is in respect of expenses connected with the increase of the Preference share capital during the year from £1,000,000 to £2,000,000, and of the Debenture capital from £600,000 to £2,400,000. Debenture interest and Preference dividend—8% for the last two years—naturally called for an appreciably larger sum, but the increase we show in the figures below includes £175,547 repayment to the Burmah Oil Company of advances in respect of past years' Preference dividend. To the various reserves £330,000 is added, against £150,000 for the year 1916-17, and the dividend on the Ordinary capital, fully paid up during the year, is advanced from 6% less income tax to 8% free of tax, while the balance profit of £435,000 is added to the carry-forward to cover excess profits duty. The balance sheet shows an expansion of assets beyond even that represented by the increase of £4,315,000 in the paid-up capital, reserves, and carry-forward. The "Purchase price of concession, shares and Debentures in other companies," &c., was raised during the year by £5,018,403, the value of refinery, tank installations, plant, &c., less depreciation, by £19,139, stocks of stores and materials by £149,192, and stocks of oil, products, &c., by £38,476. These increases in the value of fixed assets and stocks total £5,225,110. The surplus of £910,000 over the increase in capital, reserves, and carry-forward is partly accounted for by a new item—"Deposits of associated companies," £1,777,742, at March 31, 1918. Including this sum, but not the final dividend payments, absorbing £294,986, the current liabilities shown in the balance sheet exceed cash, sundry debtors, Government securities, and claim against Persian Government—reduced by deduction of royalty—by £437,000. From this it appears (1) that the Company has launched out substantially in the acquisition of other companies' shares, and (2) that this launching out has been partly financed by receipts of deposits from the companies thus associated. The report states that the undertakings of the British Petroleum Company, the Homelight Oil Company, and the Petroleum Steamship Company, all formerly German owned and acquired from the Public Trustee, have proved to be valuable acquisitions, and arrangements are now being made for largely extending their activities; also that the Company, through its subsidiaries, now owns tankers and other vessels of an aggregate deadweight capacity of 162,000 tons, and contracts have been placed for further vessels to a capacity of about 150,000 tons. Three years' results compare as under:—

Issued Capital: £5,000,000 in 2,000,000 £1 Preference and 3,000,000 £1 Ordinary Shares.
5% Debenture Stock: £2,400,000.

Yr. to Mar. 31	Net Profit*	Amts. Written Off	Placed to Reserves	Deb. Int. and Pref. Div.	Ordinary Div. £	Ordinary Div. %	Carry Forwd.	Stocks of Oil, &c.‡	Balance Sheet Total
	£	£	£	£	£	%	£	£	£
1916 ..	165,037	49,269	—	90,000	—	—	33,646	133,680	4,182,420
1917...	374,110	—	150,000	110,000	128,219	6	19,537	148,215	4,980,209
1918 ..1,425,118†		42,839	330,000	412,107	204,986	8(b)	454,723†	186,690	11,450,908

* Net profit after providing for depreciation and royalty.
† Subject to excess profits duty.
‡ Not including stocks of materials and stores.
(b) Free of income tax.

As to the Company's property, it is necessary to bear in mind that the concession covers a vast area, only partly tested. The present producing field maintains its highly productive character, and a further well sunk in a reserve field has proved an additional large area of productive territory, the flow being fully equal to the best of the wells hitherto struck.

The Company's 5% Debenture stock is quoted at 92, and the Preference shares, which received their maximum dividend of 8% for the past two years, stand at 26s. It is in these two securities that the public is interested. Both the Government, which holds 2,000,000 Ordinary shares, and the Burma Oil Company, which owns the bulk of the remaining 1,000,000 shares, have done well in backing the enterprise and look like being even more richly rewarded in the future.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue. Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

On the whole, and considering the surrounding circumstances, share prices continue to be well maintained, despite the paucity of business. Here and there quotations have hardened, and special prominence has been given to the shares of Java companies interested in the cultivation of coffee as well as rubber.

ANNUAL REPORTS ANALYSED.

TAMIANG ESTATES (SUMATRA).

Issued Capital: £148,741 in £1 Shares.
Debentures: £5,958.
Deposit: £30,000, convertible into Shares at 30/- per share.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915–16	2,650	1,800	546,837	300	2/7·7	1/7*	29,502	18,962	17½†
1916–17	2,655	2,500	782,063	328	2/6·1	1/2½‡	44,154	24,970	17½†
1917–18	3,981	2,500	758,608	302	1/6½‡	—	8,618	—	Nil

* Including selling, &c., charges and all other expenditure except Debenture expenses. † Free of tax. ‡ Excluding selling charges.

Price of Shares, 44/6. Market Capitalisation per planted acre, £96xd.

It is not a good report that this Company issues for the year to September 30, 1918. Indeed, on the face of it, the description can only be poor, but there are several factors which, taken as a whole, point to very much better prospects in the future. In the first place, it will be seen that the planted area has been increased by 1,326 acres, or 50%, and, secondly, that though tapping was restricted, the area in bearing gave a very fair yield. However, only 70% of the crop was sold, and the prices realised for the major portion were very low, no less than 306,785 lb. being disposed of in the East at no more than 1*s.* 1.89*d.* per lb. A good deal of comment was heard last year as to panic selling when the United States drastically curtailed imports, and this is the lowest figure we remember seeing reported for any quantity of rubber. Values have rebounded since, and it is evident that someone made a good bargain, but certainly not the Company. Another adverse factor is the severe loss shown on account of exchange. About August last the value of the guilder in relation to the sovereign rose to an almost unprecedentedly high level, and the result as it affected the Tamiang Company is shown in the revenue account, difference in exchange being represented by £7,470. These explanations are necessary to understand the tumble in the net profit from £44,154 in 1916-17 to only £8,618 for the past financial year. Heavy liability for income tax is apparently anticipated, for £8,000 of the profit is set aside to income-tax reserve. Excess profits duty for the earlier period absorbed £9,173, but it is estimated that one-third of this is reclaimable on account of the past year's result. If this proves correct the financial position will be further strengthened. That it is strong at all—and it is to be noted that cash assets at September 30 exceeded current liabilities and taxation by £30,000—is due to the obtaining of £30,000 from shareholders by way of deposits, repayable in cash or convertible into shares at 30*s.* per share. The right to convert Debentures expired on September 30, and the remaining £5,918 are to be redeemed this month. Assuming that the share deposits are converted the issued capital will be increased to £168,741. With the shares quoted at 44*s.* 6*d.* the market valuation, allowing for the increase of capital, works out at less than £100 per acre at present planted, and there are 5,248 acres of reserve land, of which a good proportion will be available for further extensions. This year's output is estimated at 900,000 lb., and now that shipping difficulties are past and fair prices rule for the commodity there seems to be an excellent prospect of dividend resumption. Quite possibly the return to shareholders will not yet awhile be high enough to justify the price of the shares, but the planted estate should ultimately produce more than 1,500,000 lb. per annum, and 6*d.* per lb. profit on that rate of output would equal 22% on the increased capital.

HARPENDEN (SELANGOR).

Issued Capital: £30,000 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916...	1,647	1,244	567,557	408	2/7½	-/11½	43,417	37,500	125
1917...	1,647	1,130	511,332	430	2/1.4	1/0.6	28,431	27,000	90
1918...	1,647	—	315,736	—	1/9½	1/0.6	12,597	9,000	30

Price of Shares, £8. Market Capitalisation per planted acre, £145.

This Company's report serves to illustrate the contention we have put forward in these columns from time to time, that the incidence of the shipping shortage and low price for rubber would fall more severely on the shareholders of the high dividend-paying concerns, not subject to excess profits duty, than on the shareholders of the younger undertakings, whose dividends have been curtailed by special taxation. The Harpenden, it will be seen above, voluntarily reduced its output last year by nearly 200,000 lb., or 40%, and even so 70% of this relatively small quantity had to be sold in the East at 1*s.* 9*d.* per lb. gross. A good feature is the absence of increase in the all-in cost. Of course, it must not be forgotten that to some extent this is attributable to freight charges applying to only one-third of the production; but, on the other hand, the balance sheet shows that the depreciation allowance practically covered the outlay on capital account, notwithstanding that the estate was producing at less than half its full maturity capacity. For this year the output is estimated to rise again to 450,000 lb., and as now the whole of the planted area is six years old, we should presently witness further expansion to 700,000 lb. Then 9*d.* per lb. profit will bring in sufficient to pay 85% dividends. It is doubtless in anticipation of such an outlook as this that the shares are held at their present price of £8, despite the very poor yield afforded by the past year's dividend. As to the balance sheet, it need merely be remarked that the financial condition of the Company is sound.

UNITED MALAYSIAN RUBBER.

This is not a rubber plantation Company. If anything, it might be considered a prospective competitor of the plantation industry were it greatly developed and its operations wider spread. It is concerned with the preparation by means of a secret process of marketable rubber from wild jelutong. After a good many years of adversity and uninterrupted losses, a turn in the tide occurred in the 12 months to June 30, 1918, notwithstanding the shipping difficulties then prevalent. The issued capital is £2,097,290, of which £1,997,290 is in Ordinary shares and £100,000 in 6% Cumulative Preference shares. A large factory is at work at Goebilt, Sarawak, Borneo, and another at Karimon, and there is a small factory in New York. In addition, the Company controls several undertakings owning large concessions in Sarawak.

The following table shows the course of earnings in recent years:—

Year to June 30	Gross Trading Profit	Administration Expenses	Interest on Loans	Depreciation	Net Profit	Debit Balance, P. & L. A/c
	£	£	£	£	£	£
1916 ...	5,210	9,263	9,622	11,203	*25,471*(loss)	235,603
1917 ...	16,550	9,658	10,718	10,603	*14,422*(loss)	253,548*
1918 ...	58,004	11,283	10,701	9,937	26,110	226,365

* Including £3,523 loss on capital asset.

It will be realised from the above that the Company had reached an almost hopeless position at the end of 1917, and it is all the more encouraging for shareholders that in so difficult a period as the ensuing 12 months to June 30 last such comparatively good improvement should be shown by results. It remains to be seen, of course, whether it will last and the business expand to such an extent as will be required to set the Company's finances in proper order and to afford a reasonable return thereafter on the huge capitalisation. At June 30 the balance sheet showed cash, debtors, and produce in transit to total £148,918, against £287,000 of loans and sundry creditors. In addition, accrued Cumulative Preference dividend amounted to £40,250. Presumably if it is now found that the Company is squarely on its feet from the point of view of profit-earning power reconstruction of the capital will be resorted to.

RATANUI (PERAK).

Issued Capital: £40,000 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb	Av. Yield per Bearing Acre lb.	Price Realised per lb	"All-in" Cost per lb	Net Profit £	Dividend Amt. £	Dividend %
1915-16	789	668	250,998	380	2/6·7*	–/11·3†	20,329	12,000	30
1916-17	947	700‡	310,183	414‡	2 3·5*	–/10·1‡	20,994	10,000	25
1917-18	1,117	—	264,000	—	1/10*	1/3‡‡	7,055	—	—

* Net price. † Excluding selling charges. ‡ Estimated.

Price of Shares, 62/6. Market Capitalisation per planted acre, £104.

It is not at all a bad result to earn a profit of £7,000, or 15%, on capital with output restricted to 264,000 lb. and an average selling price of 1*s.* 10*d.* per lb. Of course, the comparison with the Company's record in the two previous years is bad, but the complete absence of dividend is explained by relatively heavy expenditure on capital account, partly for planting an additional 170 acres and partly on upkeep of considerable immature area. Already the issued capital per acre has been reduced to only £35¾, and it is intended to plant up later on another 170 acres. To do that and to provide funds for bringing the whole estate to bearing further capital is required, and pending Treasury sanction shareholders are asked to authorise forthwith an increase in the capital by 10,000 shares. Meantime, it is to be noted that the output of the current year is expected to reach 300,000 lb., and if a fair price is obtained there seems a good prospect of resumption of dividends. In respect of 1916-17 the Company had to pay excess profits duty; but there appears to have been a statutory deficit on account of the past year. This, however, should operate to reduce liability in respect of the current financial period. With the shares quoted at 62*s.* the near future prospects are discounted; but the market valuation of £106 is low for a Perak estate and points to a good return to shareholders later on.

Messrs. John Bartholomew and Company have just issued a reduced survey map of New Zealand, which should prove extremely useful alike to the tourist visiting the country in search of pleasure or health and to everyone who wishes to have a clear and reliable map of this interesting and rapidly advancing country. The map is 30 by 22 inches, drawn to the scale of 33 miles to the inch, and affords a clear view of the orography, as well as the topography, of the Dominion. All the latest railway extensions, as well as principal roads, have been included, and the map is coloured to show height of the land. The price is 1*s.* 6*d.* net, paper, or 2*s.* 6*d.* net, mounted on cloth.

SCOTTISH UNION & NATIONAL INSURANCE COMPANY.

ESTABLISHED 1824.

ASSETS Exceed £11,000,000.

FIRE, INCLUDING LOSS OF PROFITS, LIFE, ACCIDENT, ILLNESS, ANNUITIES, PENSIONS, LEASEHOLD, BURGLARY, GLASS BREAKAGE, TRANSIT OF SECURITIES, FIDELITY, PROPERTY OWNERS' RISKS, MOTOR-CAR RISKS, HORSE DRIVING ACCIDENTS, THIRD PARTY, EMPLOYERS' LIABILITY and MARINE INSURANCES effected on the most favourable terms.

Edinburgh: 35 St. Andrew Square.
London: 5 Walbrook, E.C. 4, & 4 St. James's St., S.W. 1.

BRITISH EQUITABLE
Assurance Company, Limited.

ACCUMULATED FUNDS exceed - - - £1,600,000
SUBSCRIBED CAPITAL - - - - - £300,000
PAID-UP CAPITAL - - - - - - £34,500

The Company transacts the following classes of business:
LIFE, FIRE, ACCIDENT, BURGLARY, EMPLOYERS' LIABILITY AND THIRD PARTY.
Write for particulars of the New Monthly Premium Policy Without Medical Examination
To the Manager—1, 2, & 3 QUEEN STREET PLACE, LONDON, E.C. 4.

The Effects of the War ON Life Assurance Business

Pamphlet on application to the General Manager,
SUN LIFE OFFICE (Estd. 1810),
63 Threadneedle Street, London, E.C. 2.

Insurance Notes.

SCOTTISH LIFE ASSURANCE COMPANY, LTD.

The Scottish Life Assurance Company, although founded 38 years ago at Edinburgh, which is still its headquarters, is one of the youngest offices of its kind, yet it has attained a position of importance amongst such institutions. The difficulties which beset the path of a young life office are manifold, for at its outset it has nothing to show in the way of reserves as compared with the numerous wealthy and influential societies previously in the field, which by reason of their acquired and evident financial strength are eminently fitted to offer the first desideratum of undoubted security to new clients. The growth of such a company is therefore always slow and gradual under the most intelligent and enterprising management. Yet patience and perseverance tell in the long run. The Scottish Life has been admirably managed in all respects and has amply fulfilled in every way the aspirations of its founders. It is gratifying to its friends and connections to see its well-deserved and now abounding success. After 10 years of work its premium income was under £30,000, and its accumulated funds were less than £150,000. It took the Company about 25 years to raise the premium income to over £100,000 and the funds to over £1,000,000. And now, 13 years later, these limits are well on the way to be trebled in each case.

The bonus history has been remarkably consistent. At each quinquennial valuation up to December 31, 1910, the reversionary additions to the sums assured (excluding only the first year of assurance) were at the rate of 40*s.* per £100, so that on each quinquennial occasion during which a participating policy had been

in force for five years an addition of £10 was made in respect of each £100 of assurance. At the close of the last quinquennium, on December 31, 1915, a cautious policy as regards distribution of profits was wisely adopted on account of the unprecedented conditions brought about by the Great War. The profits for that period, apart from war claims and depreciation of investments, were sufficient to have maintained the usual rate of bonus and to have left a large balance to be carried forward. As things were a bonus of 20*s.* per cent. per annum was declared.

Under the more normal conditions which we may trust will follow a Declaration of Peace there is every reason to hope that the Company will fare as well in the future as it has done in the past. The indications of such an outcome given by the last annual report, for the year ended December 31, 1918, are very promising in this respect. That the Company retains to the full the confidence of the assuring community is shown in a record new business. In the course of last year policies were issued for £636,910, the net amount of the new assurances after deduction of sums reassured being £616,900, the whole of this business being effected within the United Kingdom. This exceeds the corresponding figures for 1917 by more than £200,000, and it eclipses all the previous annual new business returns of the Company even in the piping times of peace. Nor has this development been stimulated by operations in the new and fruitful field where short-term policies for the purpose of facilitating War Loan subscriptions were reaped and garnered. Nine-tenths of the new business is reported to have been effected in the usual life or endowment assurance forms, which are generally most desirable from a profit-earning point of view and for permanent purposes. The net life premium income, increased during 1918 by about 10%, amounted to £268,037 (apart from a sum of £5,787 received as consideration for new annuities granted); and, notwithstanding the initial cost of such a large new business, the expense ratio, about 14.7% of the premiums, was the lowest yet recorded by the Company. In all other respects bearing upon the profit-earning capacity the year's results are quite as satisfactory. The death claims, amounting to £78,496, although this sum included £23,960 directly due to the War and a number of claims resulting from influenza, were actually only about two-thirds in amount of those anticipated by the valuation table. Further payments were made of £34,080 for matured endowment assurances, £5,378 for surrenders, and £15,990 for annuities, yet through the year's operations the life assurance fund was increased by £204,348 to £2,671,228, and, despite increased income tax, the net interest yield, amounting to £4 2*s.* 7*d.* per cent. (as compared with 3% assumed for valuation purposes) shows a slight increase.

The Company's accident premium income amounted to £5,055 in 1918, and at the close of that year the accident fund, after deduction of sums reserved for outstanding claims, amounted to £5,633.

The shareholders' capital is of modest proportions, £250,000 being subscribed and £50,000 paid up, in shares for £5 with £1 paid on each. The dividend is again declared at the rate of 10%, free of income tax. Although this is a proprietary Company, the contribution to dividends from the life profits, apart from interest earnings on the proprietors' own funds, is very small. At the last quinquennial valuation it represented only about £2,000 per annum; which, as the Chairman remarked at the annual meting, is "a mere bagatelle when spread over the millions of sums assured."

The total assets of the Company as at December 31, 1918, amounted to £2,811,228. Of this total over one million sterling took the form of British Government securities.

At the annual meeting the Chairman alluded to the numerous amalgamations which have lately taken place amongst life offices. There have been so many of them that every company of the kind has been the subject of rumour, and this has led to a great deal of speculation in shares. He stated that a recent increase in the price of Scottish Life shares was unwarranted by any ideas that his Company would enter into any such proposals, which, he stated, were not countenanced by himself or his colleagues. Clearly, a critical review of the position and prospects of the Company, as evidenced by the figures of the last annual report and the full information given in the Chairman's speech, goes to show that the Company is well able to hold its own as an independent concern. The Scottish Life specialises in life assurance, and, looking to the ease with which it is able to attract a sufficient volume of new business under its existing conditions and to the apparent plenitude of its profit-earning capacity, there appears no reason why it should seek to surrender its identity or to entrust its future to other hands than those which have so successfully conducted them.

MARITIME INSURANCE COMPANY, LIMITED.

This marine Company was acquired, through purchase of its shares in 1914, by the Scottish Union and National Insurance Company, but it still writes business in its own name from headquarters in Liverpool. Its accounts are not published in the usual marine form, according to the plan of keeping each year's underwriting account as it were in a separate compartment, but the results, so far as can be judged from the form in which they are presented, were fairly profitable in 1918. The net premium income in that year amounted to £816,574 (as compared with £922,008 in 1917), and after payment of £475,655 in claims, £78,660 in expenses of management, and the transfer of £200,000 to profit and loss account, the underwriting fund was increased by £62,259 to £922,495, representing about 107% of the year's premiums, as compared with £860,236 brought forward from 1917, representing about 93% of that year's premiums. The profit and loss account shows net interest earnings of £55,048, bringing up the gross profits taken into account to £255,048. But, on the other hand, the profit and loss account is debited with £98,941 for income tax and £130,000 for excess profits duty. A dividend for 1918 of 30% (as compared with 25% for 1917) is declared, less tax, requiring £21,375 for distribution, and after provision therefor the balance in profit and loss account is increased to £129,372. The total assets on December 31, 1918, amounted to £1,593,295. The reserves seem very strong, and the financial position looks quite satisfactory from the point of view of the Scottish Union and National. It will be seen that the interest earnings by themselves were in 1918 more than two and a half times the amount required for the distribution of the dividend.

The final estimate of the Indian rice crop of 1918-1919 is for a yield of only 23,822,000 tons. Last year the yield was as much as 36,249,000 tons. There is thus a decrease of 34%. In Bengal, which contains more than a quarter of the total rice area, the season opened well, but, owing to the failure of the rains after September, ended badly. During the period of harvesting the weather conditions have been favourable for field operations. In Bihar and Orissa, which accounts for over one-fifth of the rice area, the yield is expected to be only half that of last year. The abrupt close of the monsoon in September, after the earlier deficiencies and irregularities of July, gravely prejudiced the winter crop, which was planted late, and the crop, especially on the high and the unirrigated lands, suffered. Nor did the light rains of October help matters very greatly. In Burma the yield is expected to be down about 12% compared with last year.

Life Assurance at Minimum Rates.

A
PLAN of ASSURANCE
SPECIALLY ADAPTED
for PRESENT TIMES.

For particulars address the

GRESHAM LIFE ASSURANCE
SOCIETY, LIMITED,
ST. MILDRED'S HOUSE, POULTRY, E.C. 2
Founded 1848. Funds £10,500,000.

THE GRESHAM FIRE & ACCIDENT INSURANCE SOCIETY, LIMITED.
Transacts all classes of Fire and Accident Business.
Chief Office: St. Mildred's House, Poultry, London, E.C. 2.

HEAD OFFICES: LIVERPOOL AND LONDON

ROYAL
INSURANCE COMPANY, LIMITED
ALL CLASSES OF INSURANCE EFFECTED

COMMERCIAL UNION
ASSURANCE COMPANY, LIMITED.

Head Office: 24/5/6 CORNHILL, LONDON, E.C. 3.

Total Assets (including Life Funds)—£31,801,986.

Commercial.

SILK AND SILK WASTE.—II.

SIR FRANK WARNER, the well-known silk expert, prepared a table of silk production and silk consumption which was published in the report on the texile trades issued last summer. This table shows that the production of silk amounted to a little over 24½ million kilogrammes, while the consumption was almost exactly 24½ million kilogrammes. In other words, the consuming markets absorbed in the years before the War practically the whole quantity of silk which the producing countries were able to offer to the world's markets. It has to be remembered that even before the War the price of silk had been steadily rising. Taking this in conjunction with the fact that the markets absorb or did absorb practically every bale of 150 lb. which the producing countries were able to offer, it would be hardly possible to find clearer indication that the demand for silk is greater than the supply which the world is able to offer with the present methods of production. As a matter of fact, so enormous is the real demand for pure silk which cannot be satisfied that the market absorbs in addition 36½ million lb. each year of what is known as silk waste, roughly 27 million pounds of this quantity being supplied by China and Japan.

Now it is perfectly evident that there is an opening for a greater supply of silk than is at present offered to the world's consuming markets. China and Japan already supply the world with two-thirds of its consumption, Italy and France less than 20%, and the remaining countries 15%. If China and Japan between them can supply such an enormous proportion of the world's consumption, why cannot India, which does not at present produce half its own consumption, do better than it has been doing in the recent past?

Formerly India was one of the principal sources of the world's supply and produced silk of unrivalled quality; but the cocoons were allowed to deteriorate and the process of reeling went from bad to worse, until at last the Government, seeing that India was about to lose altogether what had once been one of her staple trades, determined to take the matter in hand. Even now, as we say above, she does not produce one-half the silk she consumes, and from being one of the world producers her production fell to quite insignificant proportions. Formerly the trade in raw silk was carried on on an extensive scale in Bengal, but for the reasons we have described above the Bengal trade has been steadily decreasing for half a century. At the present time the main quantities and best qualities of Indian silk are grown in Kashmir, where the Government has made sericulture a State monopoly. The production even yet is not large, being under 1,500 bales of 150 lb. each at the outbreak of the recent War. The silk is grown on the foothills of the Himalayas at an altitude of about 6,000 feet above sea-level. It is regular, well reeled, and of excellent quality, although slightly weaker than Italian silk. Very great care is taken to prevent disease. Excellent seed is imported each year from France, and reproduction is forbidden. At present the finest silk which the world produces is grown in China, Japan, Italy, and certain parts of France, at a comparatively high altitude where the climate is bracing. From this it may be argued, says the report on the textile trade, that there is an immense area in the foothills district of the Himalayas, lying within the districts of the United Provinces, the Punjab, Sikkim, and Nepaul, where sericulture could be carried on with as satisfactory a result as it is in fact carried on at present in the State of Kashmir. The area of this district is considerably greater than the whole area of the Empire of Japan proper, and its population is very nearly as large.

In the absence of private enterprise, able and willing to engage in experiments, it would seem necessary, if sericulture is to be taken up on a great scale in this area, to call in the assistance of the Government, as has been done with such marked success by the State of Kashmir. The one essential is to prevent disease in the cocoon, and if the experiments are to prove successful the experience gained in sericulture in Bengal must be very seriously taken to heart. As we have said, in Kashmir fresh seed is imported every season and reproduction is rigorously forbidden. Of course, this implies some serious defect in the methods of cultivation, because in a great silk-producing country this could not be done, as there would not be a sufficient supply available from countries which only produce such a small proportion of the world's total as that shown in Sir Frank Warner's table, which we ourselves reproduced quite recently. Nevertheless, the rigorous measures taken by the Government in Kashmir have been successful, and it is, of course, above all things imperative to avoid the mistake made in Bengal. If the people of the United Provinces, the Punjab, and Nepaul can only grow silk under State supervision, and cannot keep the cocoons healthy unless they are forbidden to reproduce their native product year by year, it is eminently desirable that such prohibition should be enforced.

Those responsible for drawing up the report of the textile trades on the silk industries appear to be under

HARRISONS & CROSFIELD,
LIMITED.

1-4 Great Tower Street, London, E.C. 3
with
BRANCHES and ALLIED COMPANIES in

Australia	India	New Zealand
Borneo	Japan	South Africa
Canada	Java	Sumatra
Ceylon	Malaya	U. S. A.
China	Morocco	

The Company invites communications from British Manufacturers desirous of developing business in the above countries.

the impression that the healthy cocoon can only thrive when grown in hilly countries at a great altitude above sea-level. However, the report includes one paragraph which indicates that the compilers were well aware that sericulture is possible and, in fact, is carried on to a great extent under conditions very different from those which prevail on the slopes of the Himalayas at an altitude of over 6,000 feet above the level of the sea. There is evidence to prove, says the report, that sericulture is possible in certain of the African colonies, notably Uganda and the highlands of Rhodesia. The paragraph might be put very differently and show that there is very conclusive evidence that the cocoon grows in a wild state nearly all over tropical Africa, extending from the margin of the great lakes well into Northern Rhodesia. The evidence, moreover, far from bearing out the contention of the compilers of the report that the cocoon maintains itself in a healthy state only on the foothills of mountain ranges, the wild cocoon of equatorial Africa spins a web which for strength and resiliency compares favourably with any silk produced in the world. For some years before the War a German company, financed mainly from Brussels and Mannheim in Germany, was engaged in experiments in the production of silk in those regions. The capital of the company was small, and the labour difficulties in Central Africa under the conditions in which the German company worked were considerable, but the fact remains that they did produce a silk which found a market upon the European continent, and a silk of great durability and capable of taking dyes of most varied and different hues. As the cocoon was cultivated by the German company they made very little improvement upon the silk as spun by the cocoon in its wild state. It was a short-stapled silk, and not really suitable for making robes or ladies' dresses, and was principally used for the purpose of making underwear and in the haberdashery trade; but the experiment shows conclusively that if sericulture were undertaken in Central Africa by a company with the command of adequate resources, silk culture in Africa, over an area as big as half the extent of Europe, might revolutionise the silk industry as it is at present known to the international markets of the world. As a result of the recent War practically the whole of that country has come under the control of the British Government. An opportunity offers, therefore, for creating in the African colonies by the Imperial Government a silk industry more valuable in money value alone than the whole silk trade of the world taken together as it exists at present. The silk produced by this small company was sold at less than a third of the price of Asiatic and European silk at that time.

In order to carry the experiment further it would be necessary to transplant to Africa those already trained in sericulture, for the purpose of improving the methods practised by the natives and instructing them in rearing the cocoon upon a great scale suitable for cultivating silk which would be in demand in the world's markets.

We have urged on various occasions that if the British Empire is to last all its peoples must have free ingress and free egress to its various parts. In this particular instance the Imperial Gvernment has a perfectly free hand, without fear of opposition or criticism from anybody. Generally, we have advocated the sending of Indians to various parts of the Empire to improve their cultivation, notably in the instance of sugar. We can reverse the process with silk. Kashmir has already developed a small but expert trade in the production of first-quality raw silk. Indians are accustomed to a hot climate; why not transfer a body of expert silk growers from Kashmir to Uganda, and open up an experimental farm, say, of 10,000 acres for growing African silk and training the African native to grow his indigenous silk on better lines than he does at present, and create thereby a great African silk industry to supply the markets of the world?

New Issues.

DEBENHAMS, LIMITED.

This Company is offering for subscription this week £700.000 of 5½% First Mortgage Debenture stock at 97% and £1,000,000 6½% Cumulative First Preference shares of £10 each at par, the object being to supply working capital for the extension of the business in Australia, Canada, South Africa, America, France, and Belgium. At the date of the Company's last balance sheet—two months ago—the issued capital was £1,000,000. When the new issue is complete it will be £4,355,040. Of this increase of £3,355,040, £1,655,000 represents purchase consideration in Debentures and shares paid for the acquisition of the business of Marshall and Snelgrove, Limited. Of this purchase consideration £300,000 is in Debentures ranking with the public issue, £217,040 is in Cumulative First Preference shares ranking also with the new issue and with £650,000 of existing First Cumulative Preference shares, £238,000 is in Cumulative Second Preference shares ranking the same as the previous issue of £650,000, £500,000 in "A" 10% Ordinary shares and £400,000 of "B" Ordinary shares. Both these last two issues rank after the issues offered to the public and also after stipulated provision out of profits to reserve and sinking funds. The prospectus gives the following figures of profits of Debenhams and Marshall and Snelgrove, after making full provision for depreciation and excess profits duty:—

	Debenhams, Ltd.	Marshall and Snelgrove, Ltd.	Total after reservations for Excess Profits Duty.
	£	£	£
1909	92,520	*	—
1910	104,145	*	—
1911	113,691	*	—
1912	135,053	*	—
1913	165,708	*	—
1914	142,307	*	—
1915	190,154	*	—
1916	237,797	57,170	294,967
1917	237,922	103 678	341,600
1918	341,170	120,214	461,384

* Business of Marshall and Snelgrove, Ltd., from 1909-15 not under present joint management.

In regard to the above figures it is desirable to add that whereas in January 1914 Debenhams' stocks at cost or under, were valued in the balance sheet at £345,646, this item had risen at January 31, 1919, to £805,527, the issued capital remaining at £1,000,000. The latest balance sheet showed cash assets including the stocks of £805,527 and shares in and advances to subsidiary companies of £429,173, to exceed by £808,454 the current liabilities, excluding £321,893 of contingent liabilities. Shareholders were informed in February that the working capital had become inadequate owing to (*a*) the volume of business having trebled during the last decade; (*b*) the general increase in prices rendering additional capital necessary to do the same volume of business; and (*c*) heavy claims for excess profits duty absorbing profits which would otherwise have been available in the business.

The prospectus, advertised on another page, gives figures of prospective profits based on the average of the past three years and an estimated income of £100,000 through the employment of the new capital. On this basis it is calculated that the interest and sinking fund for the Debentures would be covered 5½ times and that the balance remaining would cover the dividend on the Preference shares four times. The Debentures afford a good yield, and should prove a sound holding. There may be the drawback of a restricted market. The Preference shares are being issued at about the same price as the market values the existing issue.

DUNLOP RUBBER COMPANY, LIMITED.

A more attractive 6½% investment it would be difficult to select than the 1,150,000 Cumulative 7% "C" Preference shares of the Dunlop Company, offered for sale this week at 21*s.* 6*d.* each, payable as to 2*s.* 6*d.* on application and 19*s.* on acceptance of offer. The progress made by the Company, its strong position and excellent prospects all point to the dividend being covered with an ample margin to spare. Thus the net revenue, after deducting all charges, ranking before the Preference dividends, has risen uninterruptedly from £371,262 in the year to August 31, 1913, to £649,503 in 1917-18, the latter figure being after payment of heavy retrospective charge for excess profits duty for 1914, 1915, and 1916. Moreover,

profits from the Company's rapidly maturing rubber plantations covering 34,000 acres—amounting to £335,000 in 1917-18—have been so far credited to capital account. Future earnings from this source, as also from the application of the new issue proceeds to extending a section of the huge business, will form an additional cover for the Preference dividends. The Ordinary £1 shares, of which 1,500,000 are issued, command a price of £5.

Industrial Companies.

BRITISH ALUMINIUM COMPANY.

Issued Capital: £900,190 in 299,570 6% Preference £1 Shares and 600,620 Ordinary £1 Shares.
Debentures: £739,700 5% Prior Lien and £640,571 Debenture Stock receiving 5½%.

Year	Net Profit*	Deprecn. Reserve.	Reserve.	Deb. & Pref. Interest	Ord. Div.		Carry-Frwd.	Stocks	Surplus Liquid Assets†
	£	£	£	£	£	%	£	£	£
1914...	247,290	50,000	50,000	109,198	30,031	5	24,751	187,266	812,919
1915 ..	271,282	50,000	70,000	109,198	42,043	7	24,791	194,355	882 254
1916 ..	306,396	60,000	75 000	109,198	60,062	10	26,926	226,008	858,000
1917...	320,548	70,000	75,000	109,198	60,062	10	33,214	224.968	916,385
1918...	307,426	70,000	70,000	109,198	60,062	10	—	232,914	1,034,828

* After provision for income tax.
† Including shares in and loans to subsidiary companies, but not stocks.

In considering this Company's affairs three principal factors have to be borne in mind, first, that it was reconstructed in 1910 following a bad period when the price of aluminium through excess of supply fell to a low price—at one time commanding only £60 per ton—secondly, that since then the Company's manufacturing facilities have been greatly improved and extended, and thirdly, that war demand and war experience have expanded the use of the metal both by itself and in conjunction with other metals. The increase shown in the profits of the Company in the last five years—the 1917 level being probably well maintained in 1918, if allowance is made for heavier taxation—has no doubt been largely due to requirements for war purposes and the great rise in values. It remains to be seen how far expansion in the demand for peace purposes will make up for diminution in war material requirements. Aluminium's competition with copper for the conduction of electricity is largely a question of price, and the lighter weight of the white metal gives it considerable advantage. Hence in the general reconstruction following the war, and in connection with the big schemes afoot for the wholesale generation of electricity, and the possible extension of railway electrification, there seems likely to be a good demand for aluminium. It is well, however, not to lose sight of the possibility of the effect of the current interregnum between war and peace work, and it is satisfactory, therefore, to note that the Company has now built up reserve funds aggregating £920,000, that its stocks do not show a very large increase in value, and that the financial position is strong. The prices and yields of the Company's securities are as follows:—

	Deb. Stock (5½%)	5% Debs.	6% Pref.	Ordinary
Price	91	91	19s. 6d.	35s. 6d.
Yield	£6 1s.	£5 10s.	£6 6s.	£5¾

LEVER BROTHERS.

Issued Capital: £17,065,341, in 400,000 5% 1st Cum. Preference £10 Shares, 5,750,000 6% Cum. "A" Preference £1 Shares, 2,000,000 6½% Cum. "B" Preference £1 Shares, 2,313,014 15% Cum. Preferred Ordinary £1 Shares, 750,000 20% Cum. Preferred Ordinary Shares, 1,009,306 Cum. "A" Preferred Ordinary Shares, and 200,000 Ordinary £10 Shares.

Year	Net Profit	Co-Partnership Divs.	Pref. & Prefd. Ord. Divs.	Ord. Div.		Balance Carried to Reserve	Stocks	Surplus Liquid Assets*
	£†	£	£	£	%	£	£	£
1914...	977.337	24.094	748,808	200,000	10	4.435	1,553,339	9,488,987
1915...	1,105.728	42,947	858,708	200,000	10	4,073	1,696,994	10,118,164
1916 ..	1,165,649	70.209	881 119	200,000	10	4.311	2,748,968	9,080.748
1917...	1.342.107	130 834	905,683	300,000	15	5 580	3.189,819	9,668,330
1918...	1,553,589	208,143	991,492	350 000	17½	5,953	4,038.382	10 416.379

* Including "Debentures, shares, and loans to, less deposits of, associated companies, and investments" (£13,420,330 at December 31, 1918), but excluding stock.
† After providing for renewals, depreciation, and excess profits duty.

In the case of such a huge undertaking as Lever Brothers, where the public's interest is confined to the Preference and Preferred Ordinary capital, it is merely needful in examining the accounts to gauge the extent of the progress in earnings and verify the maintenance of the financial condition. For 1918 a further substantial expansion is shown above in the net profit, but apparently this is because no special allocations were made to repairs, renewals, and depreciation account, against £249,000 in respect of 1917. It might be thought from the way in which the figures are given in the report that the balance shown as carried down from profit and loss account for 1918 is after provision for depreciation as previously shown in detail, but the amount standing to credit of depreciation account in the balance sheet indicates the contrary. After deducting the larger co-partnership dividends, the balance profit for 1918 comes out at £1,347,446, against £1,211,273 for 1917. The Preference and Preferred Ordinary dividends call for £85,810 more than for 1917; the dividend on the Ordinary shares is raised from 15% to 17½%, and a small balance is, as customary in recent years, carried to reserve. The feature of the balance sheet is the further great rise in the value of stock, "less advertising reserve," the figure of £4,038,362 being nearly 2½ times the 1915 total. Excluding these stocks the balance sheet shows cash, investments, interest in other companies, and debtors to exceed current liabilities by over £10,400,000, but the fact that in this is included £13,420,330 of investments and interests in associated concerns indicates that the business is run on the principle of fully employing the capital. Share prices and yields are appended:—

	5% First Pref.	6% "A" Pref.	6½% "B" Pref.	15% Prefd. Ord.
Price	9½	21/0	22/0	42/6
Yield per Cent....	£5 8s.	£5 14s. 3d.	£5 18s. 2d.	£7

WILLIAM WHITELEY, LIMITED.

Issued Capital: £900,100, in 450,000 4½% Cnm. Pref. £1 Shares, 450,000 Ord. £1 Shares, and 100 Management Shares.
4% Debentures: £900,000.

Year to Feb.14	Trading Profit	Net Profit	Deb. and Pref. Interest	Ordinary Div.		Reserve and Depron.	Carry-forward	Stock-in Trade	Surplus Liquid Assets*
	£	£	£	£	%	£	£	£	£
1915 ..	117,665	95,545	56,250	22,500	5	15,000	14,125	262,891	30,140
1916 ..	113,479	91,481	56,250	22,500	5	13,000	12,122	295,174	46,509
1917 ..	28,516	102,823	56,250	27,000	6	17,161	12,345	291,583	72,833
1918...	136,325	113 744	56,250	27,000	6	21,000	19,651	345,996	111,514
1919...	219,239	191,582	56,250	36,000	8	17,236	92,808†	416,138	232,150†

* Includes stock-in-trade. † Subject to excess profits duty.

The net profit of this well-known West-end undertaking attained to larger dimensions last year than ever before, but not, so the Chairman said at the meeting, on account of a higher rate of profit, but because of the large increase in turnover. The Ordinary dividend it will be seen above has been increased from 6% to 8%, and £73,000 has been added to the carry-forward. This is subject to excess profits duty and is after paying £2,919 dividend on the Management shares, £3,000 extra to directors, and placing £2,000 to staff benevolent fund. A prominent feature is the very large increase in stocks and the augmentation in surplus liquid assets to £232,150. It is necessary to emphasise that this figure is subject to excess profits tax payment and includes the £416,138 of stock-in-trade, which to a considerable extent is financed by employment in the business of deposits from the public in the banking department, amounting at February 14 to £337,371. The price of the Ordinary shares is now 21s.xd, and a yield of about 7½% is afforded on the increased distribution for the past year. The maintenance of this is not, of course, assured.

JOSEPH CROSFIELD AND SONS, LIMITED.—We are informed that the new issue of 1,000,000 6½ per cent. Cumulative Preference shares advertised last week was oversubscribed.

LONDON ASSURANCE CORPORATION.—A dividend of 24% free of income tax, or 6s. per share, has been declared payable as to 3s. on April 1 and 3s. on October 1.

MEETINGS
OF PUBLIC COMPANIES.

THE LONDON ASSURANCE.

THE annual general court was held on March 26 at the offices of the Corporation in the Royal Exchange, Mr. Colin Frederick Campbell (the Governor) presiding.

The Secretary (Mr. C. A. Denton) having read the notice convening the meeting and the report of the auditors,

The Governor said: Gentlemen,—In the first place the paid-up capital, which for a long time had stood at £448,275, has now been increased and divided into two classes—viz., 250,000 Redeemable Preference shares and 398,620 Ordinary shares. The latter have been split from £25 each with £12 10*s.* paid to £2 10*s.* each with £1 5*s.* paid, and the view of the directors that by so doing they would bring the shares within the reach of a much larger number of people than before has been fully justified, as our Ordinary shareholders now number no fewer than 3,200, against 1,800 18 months ago.

Growth of the Life Business.

With regard to our business generally during the past year, it has not been marked by any unusual or special circumstances. It has been a year during which all departments have worked at high pressure under war conditions, and it reflects the greatest credit upon the management and all concerned that such results as those laid before you to-day have been achieved considering the conditions under which the work has been carried on. Competition is likely to be keener than ever, and with the unrest in so many of the important parts of the world underwriters will have an anxious time in gauging the position and arriving at adequate premiums for the risks involved. The life-assurance account is a distinctly good one, showing an increase in the premium income of £19,000 and an increase in the fund of £143,000, so that it now stands at £2,897,684. The branches throughout the country all show satisfactory increases, and with the return of our inspectors we anticipate an all-round improvement during the current year. The organisation of the British Law Office has brought us additional business, and we look for considerable growth in this direction also. The mortality experienced during the year has been more favourable than in 1917, and up to the present we have no reason to regret the policy adopted by the directors at the last quinquennial valuation, when a bonus of 22½% was paid on the participating series. The rate of interest earned on the life fund was £4 16*s.* 4*d.* per cent.

Fire and Marine Accounts.

The fire account has again not only been a satisfactory one, but the result is the best ever realised by the Corporation, and it is satisfactory to place on record that for the first time the premium income has exceeded £1,000,000, apart altogether from the figures of the British Law Company, which, as I have already told you, are included in the accounts before you. The British Law figures show a healthy increase, and the profit on their operations continues to be satisfactory. The fire fund has been increased to £1,000,000 after carrying £146,827 to profit and loss account. The expenses of the fire department for this year are rather higher than usual owing, to some extent, to war taxation and war bonuses, but mainly to the inclusion of British Law Business, which has always carried a higher expense ratio, and which this year has had to bear the additional costs incurred through the reorganisation of that company, and these expenses will not occur again. When we turn to the marine account the colossal figures shown are, of course, largely the result of war conditions, and the proprietors must be prepared to see a considerable shrinkage in this account now that the War has come to an end. As regards the risk on hull business, it is interesting to note that the cost of materials and labour, which at the end of 1917 increased by 100% to 150% over pre-war prices, has further risen and is now assumed at from 150% to 200% over pre-war cost. Dry dock dues have also risen in many cases to the extent of 200%, and these latter charges naturally become heavier in consequence of the shorter hours now worked by labour generally. On cargo business premiums have been fairly well maintained, but it is anticipated that, now that the flow of war risk premiums has ceased, the competition in the market for this class of business will be very severe and the business difficult to get. The marine insurance market of London is at the present time about twice as large as it was at the outbreak of war, and no doubt it is in view of this increased volume of business that so many new companies have been established in London during the past year. The Government War Risk Office discontinued their system of charging a flat rate of £5 5*s.* by steamers early in the year, and substituted a schedule of differential rates for the various voyages, and it is understood that this method proved more satisfactory to them than the original scheme. Messrs. Chubb and Son are to be congratulated on showing a record profit for us in the States. Mr. Hendon Chubb has been continuously engaged up to the date of the cessation of hostilities as chairman of the advisory board of the Marine War Risks Bureau and Director of Insurance for the United States Shipping Board, besides acting as chairman to two special committees. The marine fund stands at £1,300,000 after carrying £376,255 to profit and loss account. The figures of the accident and other accounts are substantially larger than hitherto, owing to the business of the British Law Company, who have had a satisfactory accident business for a number of years. Our own business, however, continues to grow, and the results obtained have been good. The fund now stands at £50,000 after transferring £3,959 to profit and loss account.

The Dividend.

Turning now to the profit and loss account, the result of the transfers that we have been able to make from our different departments, together with the interest and dividends on securities, enables us to apply £100,000 to the general reserve fund, thus bringing it up to £750,000; and after transfers both to our investments depreciation and contingencies account and to our freehold premises account, and also after making the necessary provision for income tax and excess profits of £210,000, together with £33,000 for foreign taxes, the amount carried forward to 1919 will be £197,271, against £188,786 a year ago. We propose to the shareholders a dividend of 24%, free of income tax, being 2% more than was paid last year, which was 2% in advance of that paid in the previous year, and the shareholders will forgive my again drawing their attention to the fact that this dividend is free of income tax notwithstanding that the rate has been increased from 5*s.* to 6*s.* in the £. With regard to the balance sheet, there are no special features to which I need draw your attention. On the liabilities side the capital and the various funds are set out amounting to over 7¼ millions in all, while on the assets side you will first notice the mortgages for £688,000. These mortgages are carefuly reviewed each year, and I have no hesitation in saying that our money is thoroughly well secured. Turning next to the investments, you will notice British Government securities stand at the large figure of £2,029,000, and with regard to the remainder it is a matter for congratulation that they have appreciated in value during the year to a considerable extent, so that there is now a large surplus in the investments depreciation and contingencies account. This fund constitutes the most liquid form of reserve we can have, and we hope to add to it as we have opportunity.

The Governor concluded by moving the adoption of the report and accounts and the declaration of a dividend of 6*s.* per share, free of income tax, in respect of the profits of the year 1918, such dividend to be payable as follows:—3*s.* on April 1, and 3*s.* on October 1.

The Sub-Governor (Mr. C. S. S. Guthrie) seconded the motion, which was carried unanimously, and the proposed alterations in the regulations of the Corporation were unanimously approved.

THE EMPLOYERS' LIABILITY ASSURANCE CORP., LTD.

THE thirty-eighth annual general meeting was held on March 26 at Hamilton House, Victoria Embankment, E.C., the Right Hon. Lord Claud Hamilton (Chairman of the Corporation) presiding.

The General Manager and Secretary (Mr. W. E. Gray) read the notice convening the meeting and the auditors' report.

The Chairman, in moving the adoption of the report and accounts, said: The total premiums amounted to £5,095,301—exactly 50% increase on 1917. That was the largest total they had ever obtained, and the increase in 1918 was the largest in any single year in the history of the Company. That increase was derived from all countries where they operated and all branches of business undertaken by the Corporation, the proportionate increase being greater in the United States than elsewhere. Their fire business had been developed recently in different parts of the world and was everywhere showing satisfactory results. The marine business was also quite up to their expectations. They were still carrying the whole of the balance from the marine revenue as a fund. Their reserve for unexpired risks stood at £2,084,419, an increase of £713,110, and the reserve for outstanding losses was £1,491,506, an increase of £306,116. Their total funds as at December 31, 1918, stood at £3,575,925, or an increase of £1,019,225. As to profit and loss, the balance from revenue account was £750,018, and adding the interest and rents they had a total of £894,488, from which sundry expenses had to be deducted, leaving £676,665. They had made a special reserve of £250,000 for excess profits

taxes. The dividend of 28*s*., free of tax, per share, compared with 20*s*. per share for 1917. In addition they were paying a further £42,000 on behalf of the shareholders in respect of income tax. The dividend might seem large on the money put into the business, but it amounted to only 2⅔% on their premium income or turnover, and it was quite misleading for policyholders to think that any such profit as 70% was being made out of their insurances. Investments amounted, at December 31, 1918, to £4,677,027, an increase of £1,550,475. That increase was almost the same figure as the increase in the premium income. Their cash in hand at December 31, 1918, had amounted to £193,260, or an increase of £52,201, and, combined, the investments and cash they had at that date were £4,870,287, or an increase of £1,602,676.

Sir Philip H. Waterlow, Bart, seconded the motion, which was carried unanimously, and the proceedings terminated.

WORLD MARINE AND GENERAL INSURANCE CO., LTD.

The twenty-fourth ordinary general meeting of the shareholders was held on March 25 at Winchester House, Old Broad Street, under the presidency of Major-General Sir Ivor Philipps, K.C.B., D.S.O., M.P., the chairman of the Company.

The Secretary (Mr. Irving H. Cortazzi) having read the notice convening the meeting and the auditor's certificate,

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—The accounts and balance sheet are in the usual form to which you are accustomed, but there are several points to which I should like to draw your attention. Turning first to the profit and loss account, after transferring £80,000 to the general reserve fund, which now amounts to £200,000, and paying a final dividend, free of income tax, of 5% and a bonus of 5%, also free of tax, making a total distribution for the year of 15%, free of tax, there remains a balance in profit and loss to be brought forward of £227,319. Assuming that it takes 15% of the 1917 premium, which is a generous estimate, to meet claims for the third year of the 1917 account and claims for previous years, there would remain a balance of £112,000 to meet the underwriting manager's commission, excess profits duty, and income tax.

Premiums, Claims and Investments.

If you will now turn for a moment to the underwriting account for 1918, the premiums written during the year show a decrease of £88,000 as compared with the previous year's figure. The claims amount to £201,319, or 29.96%, as compared with 33.24% for the first year's settlement of the 1917 account; 29.96%, as the first year's settlement of the 1918 account, in view of war risks having been accepted during the whole year, will, I think, be considered satisfactory. Office expenses were £5,816. The large deduction in this item is due to commissions earned. The Company's own expenses are on approximately the same level as those of previous years. Our investments now stand in the books at £947,970, which is their cost price. We have a special reserve against depreciation of £43,000, which is more than sufficient to cover any depreciation on our investments without taking any credit for the appreciation of our holding of Yorkshire Insurance Company shares. Excluding the special reserve of £43,000, our total investments—that is, including the Yorkshire shares—show an appreciation of £30,000, thus making an actual reserve against depreciation of £73,000. Interest received on investments amounted to £33,450, as against £28,000 in 1917, or an increase of over £5,000.

Strikes and Marine Cargo Risks.

Since November, when the Armistice was happily concluded, conditions in the marine insurance market have undergone a complete change. Premiums to cover war perils have been practically eliminated, with the result that companies which have been insuring war risks must expect a heavy reduction in their premium income. Although the war is over, the risks of war damage have unfortunately not yet passed away owing to the large number of floating mines still in the seas. To-day a nominal premium of 2*s*. 6*d*. per cent. or less is current to cover not only the danger of these floating mines, but the additional risks of damage caused by strikes and riots. The risks of these mines is in some waters a very real hazard, and, with labour disturbances in many parts of the globe, the low premium rates at present prevailing foreshadow only a small margin of profit, if any, on business now accepted, while, on the other hand, there is always the possibility of loss. Strikes may have a very serious effect on marine cargo risks. In many cases goods are delayed at port of shipment and likewise in discharge, while their delivery is uncertain owing to the disorganisation of transport. Such detentions render merchandise increasingly liable to damage. At the present time many cargoes for ports where strikes are in progress are being discharged at intermediate ports, and there they await a favourable opportunity of being forwarded to their destination. This constitutes an added risk to the normal liability of underwriters.

The Outlook for Marine Insurance.

The fear of reduced premium income is undoubtedly bringing about severe competition in the insurance market. With the hoped-for release of commodities from Government control, the increase of shipping facilities, and the high values now prevailing, there should be sufficient business for all marine insurance companies without our having to trade at unremunerative rates, and it behoves underwriters to avoid a senseless scramble for premium income and cutting down of rates to an unremunerative level. While the outlook for marine insurance companies is uncertain and, on the whole, not very promising, your directors feel that your interests are in good hands, and that they owe a debt of gratitude to our underwriting managers, and to our underwriter, Mr. G. G. Sharman, to all of whom, I am sure, the shareholders will gladly express their appreciation of the services rendered, and accord them thanks for the excellent showing in the accounts and balance sheet which we have now placed before you.

Mr. A. R. Marshall: I have much pleasure in seconding the resolution, and in confirming everything the chairman has said.

The motion was at once unanimously carried.

The Chairman: I now beg to move "That a final dividend of 2*s*. a share, being with the interim dividend of 2*s*. a share paid on July 1 last 10% for the year ended December 31, 1918, together with a bonus of 2*s*. a share, be declared and paid, free of income tax, upon the paid-up share capital of the Company."

Sir John B. Wimble, K.B.E., seconded the motion, and the proceedings then terminated.

METROPOLITAN LIFE ASSURANCE SOCIETY.

The ordinary general meeting was held on March 27 at Cannon Street Hotel, E.C., Sir John B. Wimble, K.B.E. (the Chairman), presiding.

The actuary and manager (Mr. Henry J. Baker, F.I.A.) read the notice convening the meeting and the report of the auditors.

The Chairman, after expressing the sincere regret of the Board at the death of Mr. F. H. Lescher and the resignation of Mr. Eric W. Mann, said: During the year we issued 155 policies for £200,839, producing new annual premiums of £8,904. Reassurances to the extent of £19,000 were effected at annual premiums of £515, the net new business therefore amounting to £181,839, with annual premiums of £8,389. These figures show an increase over those for 1917, when the business completed amounted to £153,439 under 146 policies. With the restoration of peace it is to be hoped that our figures may reach, and even exceed, their pre-war standard, but I would emphasise the fact that this result will only be possible if our members and staff do their utmost to secure new business and take every opportunity of recommending the Metropolitan to their friends. The fact that we do not employ agents nor pay commission materially lessens the expenses of the society, and, therefore, benefits our policyholders, but at the same time the difficulty of obtaining new proposals for assurance is thereby increased, and this difficulty can only be overcome by our mutual co-operation.

Claims.

The claims by death amounted to £135,989 under 176 policies, of which amount £13,066, in respect of 20 policies, was directly due to the War. The number and amount expected according to the table of mortality used in the valuations were 210 policies, assuring £181,597. The claims were lighter in amount than in 1917, when they were £184,674, under 181 policies. Unfortunately, the mortality last year was very heavy among the younger policyholders, very largely due to the influenza epidemic. In fact, last year the society lost more through deaths from this cause than from claims due to death on active war service. The total claims directly due to the War since its commencement amounted on December 31 last to £99,586, and as the reserves held against these policies amounted to only £14,685 there was a net loss to the society of £84,901. The directors last year made a very careful review of the society's mortgages and found them to be in good order and well secured. The marketable securities valued as on December 31 last showed for the first time for some years an appreciation in value as compared with the corresponding date in 1917.

Interest Earned on the Funds.

The gross rate of interest earned on the Society's funds was £4 16*s*. 7*d*. per cent., being an increase of 2*s*. 6*d*. per cent. as compared with 1917, but, owing to increased income tax, the net rate of £3 13*s*. 5*d*. per cent. was 1*s*. 4*d*. per cent. less. The great increase in the rate of income tax in recent years is a most serious matter for life assurance companies, as owing to the manner in which they are assessed they feel the burden of the tax probably to a greater extent than any other class of business. The gross interest received by the Metropolitan in 1914 was £100,004, and the income tax was £7,378, while in 1918 the gross interest received amounted to £108,626 and the income tax had increased to no less than £25,571. Life insurance companies have lost heavily through the War, more particularly in three directions—(1) claims by death due to the War, (2) depreciation in the market value of their investments, and (3) increased income tax. There will probably be very little further loss from

deaths on war service, and much of the depreciation in the value of securities is in respect of redeemable Debentures, and will, therefore, doubtless be eventually recovered; but unless life offices are assessed for income tax on a more equitable basis than at present is the case, there seems but little prospect of any material lessening of the present heavy drain on what has been the principal source of profit to policyholders, namely, profit from surplus interest. During the year Mr. Bernard Woods, on account of advanced age, resigned his position as principal officer of this Society. Mr. Woods entered the Society 50 years ago, became assistant secretary in 1896 and secretary in 1901, and thus for 17 years was our chief officer. In granting Mr. Woods a retiring pension, as they have done, the directors feel sure that their doing so will meet with the hearty approval of the members. The directors desired to retain the benefit of his valuable experience and knowledge of the Society's affairs, and therefore appointed him a director on the resignation of Mr. Mann. Mr. H. J. Baker, F.I.A., who entered the Society's service in 1896, and was appointed actuary in 1901, was appointed to succeed Mr. Woods, with the title of actuary and manager. I beg to move the adoption of the report and accounts for the year 1918.

Mr. W. F. Courthope seconded the motion, which was carried uanimously.

The appointment of Mr. Bernard Woods as a director of the Company was confirmed, Messrs. W. F. Courthope and Fairfax Luxmoore were re-elected directors, and the auditors, Messrs. Deloitte, Plender, Griffiths and Co., were reappointed.

A vote of thanks to the Chairman and directors concluded the proceedings.

THE METROPOLITAN CARRIAGE, WAGON, AND FINANCE COMPANY, LIMITED.

A MEETING of shareholders was held at the Grand Hotel, Birmingham, on Monday, March 24, 1919, at 12 o'clock noon, to hear a report from the Board of Directors in respect to a proposal made to them by the directors of Vickers, Limited, for the fusion of the interests of the two Companies, so that the two undertakings can be worked in complete union. Mr. Frank Dudley Docker, C.B. (Chairman), presided.

The Chairman said: Ladies and Gentlemen,—The circular letter you have received explains the object of this meeting, and strictly speaking it was unnecessary to ask you to attend here to-day, as you might easily have made known your wishes by correspondence, but I hope I may be forgiven if I have caused you inconvenience, for I and my colleagues were anxious to furnish any necessary explanation or to answer any questions you might like to put to us. We have always been a happy family in this Company, you have honoured me with your confidence for many years, and I trust therefore you will express your opinion freely and frankly. Two years ago when we met I told you that we were that day closing the second chapter of our history, and that I was sanguine that the third chapter would be a record of prosperity. I did not then anticipate that this third chapter would be a short one, but in inviting you to close it—and indeed the first volume of the Company's history—I can tell you that our prosperity has continued—our predictions have been fulfilled, and the outlook for the future is bright.

Reasons for Amalgamation with Vickers, Limited.

Your Board have received a proposal that we should amalgamate with Messrs. Vickers, Limited, and your directors unanimously recommend that we should accept the offer made to us. Some of the reasons for the amalgamation have been given in the circular, but in my opinion there are others which may possibly have occurred to you. In the first place, for years past we have all been in accord with the policy of amalgamation, and in no instance have we failed to benefit through any added association to our original scheme. I think if an example were wanted to demonstrate the benefits to be derived from such a policy it would be found in this Company. Our original amalgamation was a sound one, and we have steadily progressed, and have successfully combined from time to time with other firms.

Leeds and Manchester Firm Taken Over.

Last year I intimated that we were negotiating with another large undertaking for the purpose of associating their business with ours. This has been practically accomplished, and we are taking over the firm of Messrs. Taylor Brothers, of Leeds and Manchester. This firm stands at the top of the tree in its manufactures, which are those of tyres, axles, etc. The Patent Shaft Company makes tyres and axles, Messrs. Vickers make tyres and axles, and I venture to think that this bigger association suggested to you to-day will mean that one administration and one selling agency will be used instead of three. This is an important point, but there are other cogent reasons which make it desirable that we should accept the proposal to join with Messrs. Vickers. You will remember that when we bought a controlling interest in the British Westinghouse Company we took Messrs. Vickers into partnership. We found that they also were carrying on an electrical business mixed up in such a manner with other departments in their various works that it has been found impossible to separate it to advantage, consequently without fusion of the kind now suggested there must of necessity be confusion. Messrs. Vickers, again, are associated with us in the South Metropolitan Electric Light and Power Company, of which we have great hopes for the future. In short, they are allied to us in so many ways that complete amalgamation is most desirable.

Additional Directors.

In carrying out the developments of our business in conjunction with Vickers we have not been unmindful of the personnel which will be required to direct so large a concern. During the year we have added to our Board the Right Hon. Sir Edward Goulding, M.P., who has already been of considerable service to this Company, Sir Edmund Wyldbore Smith, who has had an active and distinguished career and acted as the British representative on the Inter-Allied Commission to consider the reconstruction of Belgium after the War, Major Lloyd Greame, M.P., the Messrs. Taylor, and my son, Mr. Bernard Docker. These gentlemen are full of enthusiasm, are mostly young and thirsting for work, and quite able to put the Metropolitan flag even higher than it stands to-day. Behind these gentlemen will remain what I may call the "Old Guard," who can cheer on this band of enthusiasts, and supply the wisdom gained by experience, and the judgment and discretion that should go hand in hand with zeal. We shall all regret that in one sense what has been known as the old "Metropolitan" will cease to exist, but the change will only take place so far as the shares are concerned; in all other respects the Metropolitan will go on just as it has done, and will commence the second volume of its history under bright auspices and with added power. We have never allowed sentiment to influence us in going forward in any direction that we thought was for the good of the Company.

"Stupid Criticism."

I have more than once been told of the very stupid criticism made by people who live by the exercise of their glib and their facile tongues, but who "toil not, neither do they spin," that this Company was a monopoly, a trust, and various other things, that it was only necessary to turn a handle and dividends "dropped out of a barrel." I would like to tell them, if they have sense enough to understand, that this Company has been built up by dint of hard work by a very fine body of men—(hear, hear)—who spared neither their time nor their health to bring about the admirable results that had been obtained. In addition to that, they have never hesitated to back their brains by putting their money into the business, and I am glad to know and feel that they have had their proper reward. In this connection I should like to mention that many of our workpeople have taken advantage of the opportunities afforded them by us of obtaining shares in the Company with good results to themselves. I hope this is a practice that will continue and extend. All this is not extraordinary. Similar results can be obtained by any other body of men in any other business if they will only just put in as much work and just as much energy, and just as much money, as has been done in the creation of this Company. You, as shareholders, have always supported these efforts; you have not bullied us or disputed our action in not paying out money which we thought it was wise to hold back, and we directors have appreciated your confidence, and have never betrayed the trust reposed in us. (Applause.) One of the greatest successes of this Company has been its finance. I think I once said that whatever happened we could have paid a dividend out of our finance. If I did not say so I say it now, and I would like to add that we have found as much money can be made by finance as by manufacture.

Trade in Foreign Markets.

The firm of Vickers is, of course, one of the best known in the whole world. It has accomplished great things before the War, and, in my judgment, will accomplish great things after the War. It has been called by some people an armament firm. I do not quite know where we should have been during the War without armament firms. Long before the War, I think I am right in saying, the principal part of their business had nothing to do with armaments; consequently they will be, as we are, in a position to take advantage of the immense trade which is in front of us. The reports I have upon their various works are excellent, and I should like to say that in all the negotiations that have taken place between the two concerns there has never been a single hitch; there has never been an attempt to bargain; both sides have tried to arrange terms which will not only be for the good of the respective Companies, but for the trading community as a whole. In foreign trade also the firm of Vickers stands high. They have laid themselves out to secure business in every part of the globe with a thoroughness that is well known, and I have no doubt that the Metropolitan Company will reap many advantages in foreign markets through being associated with them. I have always thought that if we had in this country four or five large amalgamations such as this it would be good for everyone concerned. In our case amal-

gamation has in times of peace been good for the country, for the shareholder, and the workmen. It has brought trade which otherwise would have gone abroad. It has enabled better dividends to be paid, better wages for our workpeople, and given us an opportunity of enabling them to work under far better conditions than could have ever been the case with a number of small capitalists and small businesses. In time of war we have contributed to the manufacture of almost every conceivable instrument of war. I am now able to tell you for the first time that we manufactured at least 80% of the Tanks. (Applause.) The advantages we have been able to give in the past will be secured in the future by the suggested amalgamation, and I trust the programme outlined last year for improving the lot of our workpeople will proceed steadily and as rapidly as the very difficult circumstances will permit.

Implacable War with Germany.

At the risk of boring you on the subject of amalgamation I should like to repeat what I said last year upon it. "Some people have given voice to their fears that these amalgamations are merely a creation of Trusts, which in time secure monopolies to the detriment of the public weal. I have no such fears, and, within reasonable limits, I am wholly in favour of combining competing interests, whether manufacturing, banking, baking, brewing, or more benevolent and charitable institutions, or even, ladies and gentlemen, Government Departments. I think the success of this Company is a standing tribute to the wisdom of amalgamation carried out on sound lines. I willingly concede that it is quite right to discourage the creation of monopolies; but that is a very different thing from the combining of persons in particular trades to do away with such throat-cutting competition among themselves as leaves them, good simple folk, an easy prey to the foreigner, and forces them to cut down the wages paid to their own employees. You must remember, above all, that it is with Germany in particular that your board intend to wage inplacable war, until the conditions that stifled British trade in the past have been rendered impossible of revival. I emphatically declare that amalgamations and combinations aiming at the elimination of unfair home competition and its consequences are entitled to, and may well demand, support in the interest of the British race. These combinations not only secure trade to the nation, but also provide abundant supplies to the public of the articles they want of a good quality and at a lower cost. In addition, they ensure a fair profit for the partners, and, what is more, good wages to be paid to the workers. If we are going to keep our place in the markets of the world we must be strong, and strength can only be gained by combination of effort and resources." I am of the same opinion to-day, ladies and gentlemen.

Enterprise and Government Control.

Before I sit down I should like with your permission to offer an opinion on a subject that is very much before the country at this moment. We read daily of great discussions in Parliament and elsewhere upon the advantages of Government control, which is suggested as the only remedy for many of the difficulties with which we are faced. The Government is being urged to still further control railways, electricity, mines, and in other directions to take charge of the industry of the country. The evils that exist are obvious, and no sensible person would try to deny them or palliate them. It was quite unnecessary for Sir Eric Geddes to expound at length the difficulties of transportation in this country, we traders are only too familiar with them. During the War Government control was a necessity, but if continued in peace time it will effectually strangle all enterprise. (Hear, hear, and applause.) Why should we continue to trammel industry with the tentacles of such an awful octopus? (Hear, hear.) So far as the railways are concerned I venture to assert that the first and obvious remedy is to carry out a comprehensive amalgamation, grouping them so that they can be worked with one mind for the good of the community. For goodness sake let us try this expedient first before you allow the railways to be permanently controlled by the Government or nationalised. Sir Eric Geddes estimates that the railways are now losing 100 millions a year. Will the prospects be brighter under the *régime* of a Government Department? With the experience of the telephone service before us I think we can easily supply the answer, and the inefficiency of that service is an awful example and a grave national warning, while the fiasco of Chepstow and Cippenham are still fresh in our minds. (Applause.)

Another very important point for the general community is the question of strikes. We have had about four years' experience of Government control, and we know that during that period there have been more strikes and more unrest than at any time in our history, and we think this condition will continue as long as Government control remains which necessitates interference between employer and employed. (Hear, hear.) Ladies and gentlemen, I have done. I have endeavoured to explain the proposal before the meeting. If I have not been sufficiently clear I shall be glad if you will ask any question, and I will do my best to answer it, for, as this is possibly the last occasion upon which I shall address you, I should be sorry if there was any obscurity as to my opinions Our directors have carefully considered the whole question, and, being fully conscious of their responsibilities, unanimously agree in recommending this fusion. (Applause.)

Shareholders' Questions.

Mr. Lee: I have been requested to ask one or two questions, and I rise to ask them. The first is: Is Mr. Docker himself going to retire? He has told us that the "Old Guard" will remain and give us the benefit of their experience, but I think we shall all want to know whether Mr. Docker himself is going to remain and give us the benefit of his experience. The second question arises on the first. If he says he is going to remain and give us the benefit of his experience, we want to know whether he is one of the four who are going to be on the Vickers Board. Those are my two questions. Mr. John Melvin: Mr. Chairman, ladies and gentlemen, it is with the very greatest pleasure that I support the action of the directors in this amalgamation. I would ask you, ladies and gentlemen, to remember that of this board of directors the majority are well known to us. Some of them date back 30 years and more, and, if I gauge the opinion of the shareholders correctly, their answer to these proposals will be they are satisfied that the directors have gone into the scheme and tried it and that it is the proper thing to do. What is more, ladies and gentlemen, we must not forget that the scheme before us is a wonderfully generous scheme. What they give you is 95*s.* cash for your shares, and 2*s.* dividend. Now it is open to anyone who does not support the directors in this matter to pick up their cash, go about their business, and say: "We have not done so badly." I am certain that the vote of this vast meeting will be unanimous, and that there will be no opposition in any shape or form. I am sure you will put your trust in this board. Mr. R. D. Lewis: Mr. Chairman, ladies and gentlemen, we are all much obliged to you for the very plain way in which you have put the proposals before us this morning. I will not take two minutes in what I have to say. I only want to ask a question, and it is whether the board as it at present exists are going to let their money remain in the business, and you as well, sir? (Laughter.) A Shareholder: Will it be possible in future to have the Vickers meeting held in Birmingham? It will be difficult for a large number of people to attend the meetings if they are held in Sheffield. A Shareholder: Might I go further than the first gentleman who spoke, and ask which board, the Metropolitan Board or the Vickers Board, will have the principal say in the new Company. To put it in another way, which will have the casting vote. Mr. Howard: I am not rising to ask a question, nor am I rising to criticise the proposals. The Chairman: Perhaps I may mention Mr. Howard is the Chairman of the Works Committee at the Metropolitan Saltley Works.

The Workmen's Point of View.

Mr. Howard (continuing): I want to say first of all that I am not going to criticise, because if I start to criticise you will very soon find I am a novice, and I might just as well be frank and tell you so at the outset. In the past, I am quite prepared to admit, the directors of this Company must have worked hard. I am not one of those who think this Company has risen to the position it holds to-day without real hard, self-sacrificing labours on the part of those who have represented it. This morning I represent a section of shareholders—a very, very small section, how small I should hardly like to tell you, but nevertheless a section that I make bold to say is a most important one—(Hear, hear)—and I am afraid in saying that I must also say it is a section that has been sadly neglected in the past. But I should be failing in my duty if I did not at first convey to the Chairman of this meeting, Mr. Dudley Docker, the sincere thanks of the men whom I represent for making it possible for them to become shareholders some two years ago. (Applause.) We appreciate this more than I can tell you, and in their name I am to thank Mr. Dudley Docker and his colleagues for giving us this opportunity. We say "Thank you"; we are not able to do anything more. The type of men that I represent and mix with would soon say to me, if I said "Thank you," "We have got our pockets full of those, and what we want is something that we can handle." However, we are not in a position to give you something that you can handle, and if our thanks are worth anything we say from our hearts: "Thank you." Whether this change means the retirement or otherwise of Mr. Dudley Docker—(Cries of No, no)—I say in their name that we hope the days that remain to him will be long, peaceful, prosperous, and restful. (Applause.) We believe that he has worked hard. We may differ from him in many respects, but we give him the credit of being a hard-working, zealous chairman for this Company. Some of our men have said to me, "Howard, why don't you tell them how much they have got in about 13 years." I should not like to (Laughter) but you know just as well as I do how much you have got since the first amalgamation. And the men say to me again, "Don't accept "thank you," what we want is something that we can handle." We say to those who have benefited so largely from the success of this undertaking, "Please do not forget we have had a share in it." (Hear, hear.) We have given credit

where it is due, but we maintain that you would have got on very badly if you hadn't had a good set of honest, hard-working men. (Hear, hear.)

"Three Sets of Shareholders."

Now, I am going to refer to three sets of shareholders, and please do not think that I am abusing anyone. There are those who have worked hard, either by brain or hand, to bring the Company to where it is. There are those who have worked hard and have well earned a rest. To those two sections we say, "Go ahead" and "Well done." There is another section to whom some would apply a slang vulgar phrase, but I am not going to do this. I am far too modest to do it on this occasion, at any rate. But there is a section of shareholders who never do a hand's turn to make the Company one bit better, and whose interest is L.S.D. Now, I want to say to these shareholders in particular that when they handle these extra shares they should not forget the men at the bottom. In reply to many who suggest that working men do not want to be shareholders, I have authority to say that chance would be a fine thing. The men tell me that they do want to be shareholders. Mr. Dudley Docker had a job to persuade us at first, but when we saw we were going to get something on very easy terms we took it up. (Laughter.) If anyone is to blame for us being ambitious and anxious to obtain shares, I suppose it is Mr. Dudley Docker, but I think he will be well able to bear that blame. Remember we do want shares, and we want you to make it possible for us to become shareholders. I suggest seriously —some of our men when I go back will say they suggested it, probably they did—that those who have jumped from five to ten shares, as one of our friends was good enough to remind us last year, to such a considerable amount to-day, will not care to take all these shares away, will feel that they are not altogether entitled to them; but that those men who have had only bare wages—they may have been legitimate wages, but they have not received any dividend—ought to have some little of the profits that have accumulated in this way. We want to see created a feeling amongst the community that will give confidence and trust. We are appalled when we read our papers by the strife that exists. No section of the community looks with more dread upon strikes than does the working man. We suffer the most, and when we strike we are prepared to suffer, but we do not do it without serious thought, and we do not want strikes. We want to live peacefully. We love the land of our birth just as much as those who have more of it, and we want to see a state of things brought about which will enable us to live at peace with all men. I want to tell you that working men and women to-day feel that the harder they work the sooner will they land themselves in the workhouse, while someone else is landed into a mansion. I repeat that, because I want it to be burned into your very souls. The harder working men and women work, the sooner they feel that they are going to get to the workhouse, and someone else is going to get into the mansion. I am prepared to say that if the men were consulted they would tell you that is their feeling. It may not be altogether true. We want the best from the men and women who work, and I say: "Give us a chance, take us with you. If you want a happy, united family, take us with you, and remember the thirty, forty years and more that some of the men have served you with nothing confronting them but the poorhouse, nothing to look forward to." We want to realise, gentlemen, that we have got something to live for. You can make that possible. Take us with you, and I for one make bold to say you will never regret it; you will be glad of the time when you said to us who are workers by hand, Come with us. Remember that in seeking prosperity and wealth, to aim at making men happy and comfortable. In doing that you will earn your reward, you will get the best out of men, you will not dread meeting them, but you will realise that you have done something to make this a better land, a more contented people. In conclusion, let me say I thank you for this opportunity of speaking, and I say this as my closing word, that, though attacks may be levelled at the head of Mr. Dudley Docker, we at Saltley do not level them. We know him better, and we believe that his honest purpose is to aid us. On behalf of the men I say to him, and to those who have helped us, "Thank you," and express the hope that in the future you will help us to help ourselves by making it easy for us to become shareholders in their large concern. (Applause.)

Employees Play the Game.

The Chairman: Any other observation, ladies and gentlemen. (After a pause.) First of all, with regard to Mr. Howard's speech, if by any chance there are any ladies and gentlemen in the room who feel they are not entitled to their shares I am sure the Secretary will be glad to have their names. (Laughter.) But I would like to say this, that since the appointment of our Works Committee in the charge of Mr. Howard we have had very little difficulty at our works. (Hear, hear.) Things have worked very much better and very much smoother. All Mr. Howard has said with regard to the interests of the workpeople in the Company was a matter which I brought before the workpeople five or six years ago. I am sorry to say they turned it down. A little time later I did it again, and they have taken it up. But I would like to tell him that if they had taken it up five or six years ago he would have been representing a larger body of shareholders than he does to-day. We want to continue this, and we want to take our men with us, just exactly as he says. We have not the least desire to have anything that we are not entitled to. We are a band of workers, and our workpeople are a very fine lot of men. They stood by us in very difficult times duing the war; when the tanks were of the greatest possible necessity, and all round the country there were strikes and rumours of strikes, we had no difficulty with our people, they played the game.

Now with regard to the question that Mr. Lee asked, Is Mr. Docker going to retire? I think I have mentioned before, ladies and gentlemen, that I did feel Anno Domini was creeping on, and I have never been a person who believes that a young man cannot do just as well as the old one. I have always thought the older man should stand behind the young man. But I am not going to run away from this amalgamation. (Hear, hear.) I have undertaken to remain as long as I usefully can. I do not pretend that I have not been rather worn out by the heavy work I have had to put in, but I am remaining as Chairman of the Metropolitan, I am joining the Vickers board. (Applause.) With regard to the question as to whether the board were going to leave their money in it, and whether I was, my overdraft keeper is not here, so I cannot consult him. (Laughter.) Whether my colleagues are in the same position or not, I do not know. I really cannot answer the question. With regard to the meeting I certainly will ask the Vickers board to have the annual meeting alternately here, and I do not think there will be any difficulty. With regard to the control of the directorate, the people who are offering you 95*s.* a share or an exchange of shares naturally are in control; but the Metropolitan board will remain just as it is, and I have the assurance of the Vickers board, upon which we shall have four directors, that they are not wishful or anxious to interfere in any form in the management of this concern. Why should they? (Hear, hear.) If I have not answered any other question perhaps it is I did not hear it. If there is anything else I shall be glad to hear it; if not, that is all the business. A Shareholder: With reference to the £1 "B" 6% Preference shares, I see that shareholders are to get either 22*s.* 6*d.* cash or one and one-eighth new Preference share of £1 each in Vickers, Limited. Surely they should get one and one-fifth. The Chairman: I am sorry I cannot hear the questioner, he might speak to the Secretary after the meeting is over. A Shareholder: Mr. Chairman, I want to ask a question. Will any agreement made between the Metropolitan Company and any individual be held inviolate? Will it be valid after the amalgamation? The Chairman: Certainly. The Shareholder: Thank you. A Shareholder: May I ask, sir, whether any pension scheme is in prospect with regard to the workers of the Metropolitan to save them from such a disastrous end as has been indicated by Mr. Howard? The Chairman: This is a matter that has been of considerable trouble and anxiety to the board of directors. You see we took over on amalgamation a lot of old concerns, which brought into it people for whom we are not in the least responsible. I have tried a good many times to see if we could possibly make some scheme, and the nearest approach to it has been the one that we have indicated of



interesting the workpeople and lending them money at a low rate of interest to enable them to take up shares out of which they could make a profit even upon the finance alone. If it is possible to produce a scheme of use I can assure you we shall adopt it, and we shall be grateful for any suggestions that will enable us to adopt it. I think that concludes the business of the meeting, ladies and gentlemen. Mr. R. A. Pinsent: You are forgoing a privilege which you may never have again. On the last occasion you allowed the annual meeting to disperse without passing a vote of thanks to your Chairman. I sit at this table, but I am not a director, I am one of the humble solicitors of the Company, but I am quite sure you would not wish willingly to leave the room without passing a hearty vote of thanks to Mr. Docker and to his colleagues. I move that, and I hope someone will second it. Mr. John Melvin: I shall have very great pleasure as an old associate of Mr. Dudley Docker's since he first joined the board in seconding that the very best thanks of the meeting be given to him for his able conduct in the chair, and to the other directors. Mr. Melvin put the resolution to the meeting and declared it carried unanimously. The Chairman: I am obliged to Mr. Pinsent, to Mr. Melvin, and to you, ladies and gentlemen, for this vote of thanks. I accept it on behalf of the staff, of the directors, and of the workpeople. I am very much obliged to you. Everyone of our men has done his best, and I hope you are satisfied with the result.

VICKERS, LIMITED.

An extraordinary general meeting was held at the Riverdon Works, Sheffield, on March 24, to consider resolutions placing the Company in a position to give effect to an offer which, subject to the approval of the shareholders of Vickers, Limited, had been made by the Metropolitan Carriage Wagon and Finance Company for the purchase of shares in that Company in exchange for shares in Vickers, Limited, or, in the alternative, for cash. Mr. Douglas Vickers, M.P., presided, and there was a large attendance.

The Chairman said: It was the conviction of all who had studied the engineering trade, especially the foreign trade, that in the past British manufacturers had been handicapped by making in too small units. This principle was not confined to the engineering trades. For instance, the great American Steel Trust before the War had an output of steel greater than all the English steel firms combined. The two German electrical firms, their American rivals, and the American Machine Tool Works were all on a stupendous scale and commanded reserves unapproached in this country. It was perfectly obvious that organisations such as these had been able to initiate and follow a well-defined and continuous policy impossible of attainment by a large number of firms working individually, even if the total output was the same. It was obvious that tremendous advantages could be obtained in selling if they had one agency in each place, instead of a large number of separate ones. He emphasised the fact that the proposals before the shareholders were not for anything in the nature of a trust. Trusts were unpopular in this country.

Combination of Allied Industries.

It was a combination of various allied industries, each supplementary to the other, using each other's products, and forming a complete organisation capable of handling within itself practically all the elements necessary for the largest electrical generating and transportation problems. There was no menace to the public, and they were asking for no monopoly. What they expected to get was advantages secured by economy of production, by economy in selling, by strong finance, and by the great power and influence which the Company's outstanding position would give them. The Company's proposals, if accepted, would unite them with the finest electrical works and carriage and wagon shops in the country, and would put them in a unique position to deal with these problems on the largest scale. The Sheffield works, the parent works of the firm, would feed the others producing the finished article.

United Policy.

The association which had led to the present proposal began with the Metropolitan Company's purchase of these electrical interests. Vickers were seeking at the same time to provide for a large extension of their electrical interests, and they welcomed a suggestion from the Metropolitan that they should join with them in acquiring a controlling interest in the British Westinghouse as a cheap way of attaining their object. Discussion of various propositions with their partners in the British Westinghouse soon brought out the advantages that would be obtained by a still closer association, and an amalgamation in some form was suggested. It had the approval of the largest shareholders in the Company and the Board recommended it strongly. They would have the advantage of the association on the Board of Mr. Docker and three of his colleagues. Both Companies would remain separate entities, but the policy would be a united one, and they would pay special attention to the side that had proved so successful in the past with the Metropolitan Company—that of finance. The Chairman alluded to letters received from shareholders who asked for information or took exception to the scheme. There were only twelve of these, he said, out of some 25,000 shareholders, not including Preference holders. Most of them made a calculation and pointed out that if the present rate of dividend remained unchanged the Metropolitan holders of Vickers shares would draw 28¾ per cent. dividend, while the old Vickers holders would have only a 12½ per cent., and they thought this indicated that the Metropolitan shareholders were getting too good a bargain. He admitted the figures but not the inference. The basis of the exchange was the earning power and the net assets, including reserves of the Ordinary share capital, in each company. Whatever the difference might be, it was justified in the opinion of the Board, the firm's auditors and of the other eminent accountants who advised the Board.

The Chairman moved the formal resolution already published agreeing to the fusion of the two companies and the increase of capital to £26,500,000 by the creation of 6,000,000 new Ordinary shares of £1 each and 7,000,000 Accumulative Preference shares of £1 each.

Sir Trevor Dawson seconded, and the resolution was carried, there being one dissentient.

A further extraordinary general meeting of the Company is to be held on April 10 for the purpose of confirming the above resolutions.

LEVER BROTHERS, LIMITED.

The twenty-fifth annual general meeting of shareholders was held at the Bridge Inn, Port Sunlight, at 11 o'clock A.M., on Thursday last, the 27th inst.

Present, the Right Hon. Lord Leverhulme in the chair, the Hon. W. Hulme Lever, acting chairman; Mr. John Gray, vice-chairman; Messrs. J. L. Ferguson, E. V. Salaman, C. C. Knowles, J. L. Buchanan, H. R. Greenhalgh, John M'Dowell, W. K. Findlay, C. E. Tatlow, G. W. Fox, Major-General S. S. Long, Messrs. J. Inglis, J. L. Simpson, and H. G. Hart, directors; Dr. E. L. Peck, Messrs. C. F. R. Knowles, H. G. Rushton, deputy directors; Major L. V. Fildes, secretary; Mr. J. M. B. Stubbs, secretary foreign associated companies; Mr. R. N. Barber, chief accountant; Messrs. J. P. Timperlake and R. M'Lean, joint assistant secretaries; Mr. F. D'Arcy Cooper (Messrs. Cooper Brothers and Company, auditors); Mr. W. Glasgow (Messrs. Simpson, North, Harley, and Company, solicitors).

The Secretary (Major L. V. Fildes) read the notice convening the meeting and the auditors' report to the shareholders.

The Chairman (Lord Leverhulme) then said: Ladies and Gentlemen,—I now beg to move that the directors' report and statement of accounts for the year ending December 31, 1918, be received and adopted. In presenting this report I am rather reminded of the story of the gentleman at the club who, being seated and another member coming in and slapping him heartily on the back, said, "Well, your face is entirely new to me, but your ways are decidedly familiar." I think the best of this balance sheet is that, although it is a new one, it has followed in the ways of its predecessors, and I congratulate the shareholders and my colleagues on the board for the satisfactory report we are able to put before you. We have now come to the end of this world war, and we meet under entirely different conditions from those of 12 months ago. There are many encouraging signs of the times, and I think one of the most encouraging of all is that the report of the National Industrial Conference, now appearing in to-day's paper, has been signed unanimously by every trade unionist and other members of the Conference. What we want for progress is unanimity, a cordial working together of all the elements that make for production; and let us hope that this report unanimously signed will lead the way to a better understanding amongst those great elements of production—capital, management, and labour.

Lever Brothers' Part in the War.

Now that the War is over, I would like to give you some few figures of the part Lever Brothers and their associated companies have played in it. Altogether, apart from the fact that we have been the biggest suppliers of glycerine in the United Kingdom, and that without glycerine no gun could have been fired on either battleship or on land, Lever Brothers and associated companies have had 5,207 men join the colours to serve on sea and on land. We have sadly a long list to report of killed, missing, and wounded. The brave men who have died have made the supreme sacrifice for the liberation of the world from military dominance; but we have a bright side to the picture in that 112 members of the staff have received decorations. One has won the Victoria Cross, 10 have been awarded the Distinguished Conduct Medal, 16 the Military Cross, 35 the Military Medal, 8 the Meritorious Service Medal, one the Bronze Medal for Military Valour, 6 the French Croix de Guerre, one the St. George's Cross, one the Russian Medal of St. George, and 33 have been mentioned. We have continued the payment of separation allowances to the wives of the men who have served, and at the end of last year these allowances amounted to a total of over £150,000. We have recovered our works in Lille and in Brussels, and it was quite an historic sight when my colleague, Mr. Tatlow, received, when in Brussels, the key of the Brussels works

from the German occupier, who then retired and returned to Germany. There are three works still in Germany which have not yet been recovered; but two of these—one at Mannheim and the other Dusseldorf—are, of course, within the zone which is being occupied by our Allies. The third works is at Wittenburg, and these works, no doubt, will be dealt with, though what course will be taken it is not for me to say. The hospital at Hulme Hall here has now been discontinued, and we are proposing to convert the Hulme Hall, which has been used for so many functions, such as a dining-room, art gallery, military hospital, and so on, into an extension of the offices. Business has grown so greatly, especially in the export department, under the able management of Mr. Salaman, that additional office accommodation is required, and therefore we shall be making use of Hulme Hall for that purpose.

The Volunteer Force, which was recruited from Port Sunlight to a greater extent than the adjoining town of Birkenhead, is one of which, so far as both officers and men of the Port Sunlight Volunteer companies are concerned, we are extremely proud.

Demobilisation is now proceeding rapidly, and our determination is to find suitable employ for every man on Lever Brothers' staff or that of associated companies who has given his services to his country in this great war. (Applause.)

As regards the long-service awards, of course we are still a comparatively young firm, and when we talk of twenty-five years' service we must not forget that it is only thirty-one years since the first sod was cut at Port Sunlight; 182 members of the staff have served twenty-five years, and 1,398 have served for fifteen years.

We have to welcome here to-day one new director, Mr. Hart, who was previously a deputy director. The acquisition of Mr. Hart by the Board will be a great source of strength to my colleagues on the Board and to the business. We have also to welcome a new deputy director, Mr. C. F. R. Knowles, the son of Mr. C. C. Knowles, director. We have also to welcome the new secretary, Major Fildes, son of Sir Luke Fildes, R.A. He is with us to-day, but, as you see, he has not yet been demobilised, and he had to obtain permission to attend this meeting.

Work of the Committees.

In addition, I want to make reference to the large number of those who have served on committees. We have been working by this system of committees for a long time now, and they deal with various branches of development, expansion and ordinary executive duties. Our business, I venture to say, could no more be carried out without those committees than it could be carried out without our board of directors. We have had these committees, I think, in operation here for over twenty years, and we are each year feeling increasingly the advantage of them. Before I pass on to the ordinary details of the balance sheet I have, unfortunately, to record the death of one of our long-service members of the staff, Mr. Edward Wainwright, whose funeral is taking place this afternoon here in Christ Church. He joined us in Warrington in July 1885, and has been with us ever since. His brother is with us in Australia, and his sons are with us here in Port Sunlight. No firm were better served by an employee than we have been by Mr. Wainwright. True man, a loyal member of the staff, he and I have worked together through all these long years, and we have not had a single word of difference in the whole of that period. Mr. Wainwright also devoted himself to the training of his sons to become equally proficient in the business. His place will be impossible to fill as far as myself is concerned, because nothing can fill up with me the thirty years of my life that have been spent working so cordially with Mr. Wainwright. I am speaking also on behalf of my colleagues.

The other death of a member of the staff which we have to mourn is that of Mr. Wolfendale, who was in charge of our advertising in Messrs. Pears' Office, Oxford Street, London. Mr. Wolfendale has been associated with myself for even a longer period. He came to me as a boy of seventeen from the London and North-Western Railway Company at Wigan when I was twenty-five, and we have been with each other ever since. It is now forty-two years since Mr. Wolfendale came, and I have always found him a man whose one desire was to serve the business faithfully and well, first in the grocery business, then in North Ireland, where he went at my request to open up branches for the purchase of butter and eggs; then afterwards he went to America and opened up our business in New York and Boston, and he returned home and has helped us since in Scotland and at Messrs. Pears. I cannot speak in too high praise of Mr. Wolfendale and of our long attachment to each other. It is, therefore, with great regret that I have to record the deaths of both Mr. Wainwright and Mr. Wolfendale.

Increase of Capital.

I now come to the ordinary dealings of the balance sheet. We have carried through the consolidation of capital, and I am glad to tell you that our anticipations were realised. Both the 1st and "A" Preference shares have risen in quotation, so that the bonus we paid to the 1st Preference shareholders seems to be rather superfluous seeing that the shares have not sunk down to the level of the "A" Preference but that both the "A" and the 1st Preference have advanced—the 1st by ⅛th and the "A" Preference by even more. With regard to the "B" Preference shares, they are practically unchanged. The consolidation has had very little effect on these. We have further increased the capital, and it stands to-day at £60,000,000. It seems a large amount, but I want again to mention, as I did last year, that our system has always been to introduce new capital underneath the capital of existing shareholders, and it was necessary, therefore, to lay our foundations well so that we may carry out this policy. It is a policy that cannot be carried out if it is left too long. It all adds to the strength of existing shareholders. During the last year we have paid off nearly £200,000 of Debentures on certain associated companies. Our shareholders now number over 56,000—a larger number than any industrial concern in the United Kingdom, and second only to those of the largest railway companies. Our home and export trade show an enormous increase during the last year, and both of these would have been greater if we had not been limited in output under the control that was essential and necessary owing to short supplies of raw materials. These increases have taken place in various countries, such as Japan, where there has been no control because none was required. We have altogether about 100 associated companies scattered all over the world.

The Question of Reserves.

With reference to our reserves, I sometimes receive letters from shareholders with regard to the reserves being small. I believe such shareholders do not give sufficient thought to the peculiar nature of this business. It would be comparatively easy for us to build up large reserves if we stayed our hands in advertising and in other directions. I can tell you that the expenditure in 1918 on repairs, renewals, depreciation, and advertising was about one and a quarter million. That is all written off out of profits before the balance sheet is prepared. I hold, rightly, or wrongly, that it is much better for us, if I may say so, to keep the house in repair and extend the goodwill of the business than to have large sums of money carried to reserves, which reserves are very often invested in what are called gilt-edged securities, and keep the directors very busy ever afterwards in writing them down to market value. The Dutch have a saying that paint costs nothing. Well, I am convinced of this, if you would like to apply the title paint to repairs, renewals, depreciation, and advertising, that this business has shown by its growth and development that we may say the same. The total amount we have spent up to date in advertising, repairs, renewals, and depreciation, ourselves and associated companies, exceeds the total issue of the capital of the Company—£17,000,000. The figures I have given you apply to associated companies as well, dating back to the initiation of such associated companies before we purchased them, all of which companies we control to-day by the holding of the Ordinary shares. So that in those items alone the business you have got has been written down by repairs, renewals, and so on to the amount of the total issued capital. Our increased plant in the past year has been small, owing to difficulties. The increase in leaseholds has been larger, because that represents expenditure on Bromborough Port. As a matter of fact, of the £746,000 which appears as leasehold investments, only £160,000 is really leasehold; the remaining £586,000 is technically leasehold from Bromborough Port Estate, Limited, but seeing that the Company own the whole of the shares in the Bromborough Port Company, if that company was broken up immediately, then it would cease to be leasehold. It is practically as much freehold as is Port Sunlight itself. With regard to our increased shares in associated companies, I may tell you that, with regard to the amount we have in associated companies, they are appearing on the books at under cost and under par value. If we wrote off the Preference dividend on such associated companies the remainder of the profits would be more than sufficient to pay 10% on the Ordinary shares.

Position of Ordinary Shareholders.

Those Ordinary shares are taken in at under par value. Another shareholder has written to me, asking me if we cannot now do something for the Preference shareholders, seeing that the profits are better. My reply is that throughout the whole history of the Company, as was right and proper, according to the arrangement made with the Preference shareholders when they invested their money, the Ordinary shareholders had to stand all the attack. These occasions have been twice—in 1906, when, owing to newspaper attacks, we had to cut the dividend down, and now, during the War, when again the dividends of the Ordinary shareholders had to be cut down. May I point out this: that although we paid 17½% to the Ordinary shareholders last years, the average dividend, including last year, paid to the Ordinary shareholders during the War period was only 12½%, as compared with an average previously of 15%. Fifteen per cent. has been the universal dividend, except for the two occasions I have mentioned. I think you will agree with me that the Ordinary shareholders have stood the burden and brunt of the fight, and are not even to-day receiving the customary dividend paid to the Ordinary shareholders. I have looked into the matter from another point of view.

There are the consumers and the workers here in the works to be considered. If our dividend to the Ordinary shareholders were too great, well, then, both might be suffering—the consumers and the workers. The Ordinary shareholders fulfil a certain useful function. If it is felt that the Ordinary shareholders—and in this case you can put them all in the old-fashioned hansom and drive them round Port Sunlight (laughter)—if it is felt that their direction of this business is no advantage, that they can be scrapped, and that their place need not be filled, then I should imagine that it would be as well to look into what really they receive. After allowing for the 5% interest on capital, which is a reasonable interest, comparable with salaries, the dividend paid to the Ordinary shareholders is under 1% on the turnover. Now would the public have had a better and cheaper article if they had had 1% less cost and no Ordinary shareholders to supervise them, to open up developments in distant parts of the world, and so on in order to save this 1%? I cannot help but think that the 1% from the consumers' point of view is a payment to the Ordinary shareholders which has cheapened his product many times 1% and improved the quality many times more. With regard to the workers, if the whole of the dividend divided amongst the Ordinary shareholders in excess of 5% had been distributed equally over all the workers engaged by Lever Brothers and associated companies, it would have been 2*s*. 6*d*. a week more for each employee. Would the employees have been more certain of employment if they had had this 2*s* 6*d*. more and there had been no Ordinary shareholders in the business? I venture to say that the dividends paid to the Ordinary shareholders, either from the point of view of the Preference shareholders, the consumers, or the workers, are modest and moderate, and are an economy to the general conduct of the business. After all, individual interest counts for much, and will count for much however big the business may grow.

Government the only Real Profiteer.

With regard to profiteering, I have always said the only real profiteer in the War has been the Government. The Government is the biggest profiteer to-day, not only in taking excess profits tax, and so on, but during last year and the year before taking over our stocks, which we had bought prudently to have material to make into soap, and invoicing them back to us without ever touching them and without ever paying us for handling them. In taking such stocks during 1917 and 1918 and merely handing them back to us at the higher prices the Government have made a profit of £200,000. I have not yet heard that the Government are going to relieve us of the stocks we have now on the falling market, or to return this £200,000 to us which they took on the rising market. Perhaps we shall be told that in a day or two in Parliament (laughter). Regarding the Solomons, our problems there are labour. We believe the crowded millions of India would find homes and congenial occupations in the Solomons in cultivating the cocoanuts and other produce. We do hope that some relief will come to us on labour in that way. With regard to shipping, I can only say in passing that our ships are now restored to us; the moment does not seem opportune for buying or building, but we are giving the matter the very closest attention. Our ships are a great help to us in bringing our produce from West Africa. With regard to margarine, the public are getting the first advantage from the decontrol or removal of control. Owing to the disturbance in the relations that took place between the various makers through Government control, largely in the apportionment of margarine for sale in retail shops, a certain amount of cutting of prices has broken out. Firms who lost trade under control are determined to recover their trade, and quite naturally; and firms who gained trade are determined to retain their trade, and are cutting prices. The result is that margarine to-day is being sold at 2*d*. per pound loss as far as the manufacturer is concerned. How long that will continue we cannot say; but it is quite obvious the public are getting the benefit. Our oil crushing is proceeding and developing, as also is the refining of edible fats. All these and others are retarded by uncertainty as to the Government policy. I want to lay stress on that. It is quite impossible for firms to develop with the uncertainty as to what the Government action will be. I am sorry that one always sees to-day speeches which would appear to be founded upon the idea that the man who carries on business profitably, and who can make a profit by his organisation and his industry, is a bad citizen, and that the man who cannot carry on the business profitably, whose balance sheet shows a loss, or at any rate no profit, is a good citizen, because he is not a profiteer. That is the logical deduction from speeches I have heard in very high assemblies. The man is held up to odium and the firm is held up to odium who can make profits. I venture to say that if we are going to pay off the War debt we shall be entirely dependent on the brains of the men who can carry on large businesses and make profits, but they will be subject to excess profit duty if it continues, which I hope it will not; and, in any case, they will be subject to income tax and super-tax.

The Excess Profits Tax.

Well, now, what is the position with regard to excess profits? When the law was passed it was passed by lawyers, and they were quite aware of the injustice it would be to barristers and other professional men who would come into their earning capacity after the passing of the Act; so they, rightly and properly, were exempted from the operation of the Act. They were anxious to encourage farmers, and farmers, as far as I know, were exempted. But they appeared to think that the manufacturer should develop his business, pay increased wages, and the increased cost of plant and machinery on the old basis of profits. The result is that we have to-day, in my opinion, entirely caused by a lack of confidence due to the excess profits tax, close upon a million unemployed people in this country. That is the price we are paying for the excess profits tax. And what does it yield? Although it looks a great deal of money to us (it yields about £300,000,000 a year), that is nothing. I venture to point out that the increase in wages to the very men working in works and on the railways and in mines has been £1,200,000,000—four times the amount. There is no intention of anyone to say that the men before the war receiving a certain amount in wages must hand over any percentage of increase in wages received during the war or after the war, and the reason is obvious. They require it, and you cannot carry on undertakings without strong and healthy men and women, with every natural want satisfied; but it is equally certain that the requirements of industry are equally imperative, and the cutting off and alienating of excess profits has been a very great blow to British manufacturers and British shipping—it has been an assassin's blow to them, and one which it will be difficult to recover from, one that the workers will be the first to suffer from, as shown now in unemployment, and the sooner the tax is modified the better. I do not want to say anything about the methods of taxation, because it may be thought I am an interested party; but I welcome it, provided it is on a sound, graduated basis. I rejoice to be able to bear my share in my country's taxation, just as any young man would rejoice in giving his military service in the war; but what I want to say is this: The man in the trenches was provided with a rifle and ammunition to carry on his fight with the enemy; and what I want to see is that the industries of the country are supplied with the requisite capital to develop, and find employment for our returning soldiers. I would call your attention to the words of the late Mr. Gladstone. In each succeeding year when he was Chancellor of the Exchequer he had to choose with a growing income between devoting that increased income entirely to reduction of debt or partly to the relief of the taxpayer, and he acted on the basis that part of the money left in the pockets of the people would fructify and increase better than if it was in the hands of the Government.

Well, now, we have built over 1,000 cottages and shops and have had a loss on the rentals—we never made a profit, we never set out to make a profit—owing to increased rates and taxes, and the cost of wages for repairs and renewals and other items; the loss for the year was £4,000. I think that will bring clearly home to every one of us the position of the property-holder who has to make a profit. He must live, and he is as much entitled to a profit as a shipowner or a soapmaker or anyone else. The loss of profit by fixity of rents was £4,000 in Port Sunlight, no increased rents being permissible under the Act.

Last year, you will see, we distributed over £200,000 in dividends among our co-partners. The total to date is £570,000. The total co-partnership certificates issued is £928,000.

New Developments.

Now I come to mention some new developments. The first in importance is the proposed adoption of a six-hours working day. We had intended to do this 12 months ago, but the cutting down of our raw-material supplies rendered it impossible. But we have now worked out our scheme, and I may tell you that all the trade unions consulted are most anxious to make the scheme workable and satisfactory, and that the Government, as far as the state of the law will permit, are equally anxious. It is anticipated that the consent of the Home Office will be given to the draft proposals which have now been submitted to them. The general features of the scheme are, first, with regard to day workers and piece workers, that we shall work in two shifts—six hours each shift. The morning shift will commence at seven o'clock, and, after a break of a quarter of an hour from 8.45 for some light refreshment, they will continue to work until 1.15 P.M. At 1.15 the morning-shift work for the day will be over. They will not return to their work until seven o'clock the next morning. This makes a total of six working hours per day, with 15 minutes' break for a meal, for six days in the week—Monday to Saturday included. When we come to consider the afternoon shift, there is a strong feeling and desire to retain the Saturday afternoon half-holiday, notwithstanding that every alternate week there will be a whole week of half holidays; and to meet this wish the afternoon shift will only work five afternoons, the average being seven hours twelve minutes each afternoon, instead of six afternoons of six hours. Therefore the afternoon shift will commence at a quarter past one (there will be a break of half an hour for refreshment

from 4.45 to 5.15 P.M.) and will stop at 9 P.M., but on Friday work will stop a quarter of an hour earlier, at 8.45, so that the weekly average is 36 hours. With regard to the shift workers that is, continuous workers—to divide the 24 hours into four shifts of six hours each instead of three shifts of eight hours each, which is our present working day, would create a difficulty with the night shift. Home life must be considered, and home life requires that a man on the night shift should leave home somewhere about 9.30 or 9.45, so that the household can be closed and all go peacefully to bed at 10 o'clock; and he should not return until 6.15 or 6.30 in the morning, when the household would be up. To ensure this will mean a little irregularity in the working. It means that on the night shift a man will work eight hours, as at present, starting at 10 P.M. and finishing at 6 A.M.; but this will be balanced by the days when he is only working five hours and 20 minutes, and this in a month will give exactly six hours a day, so that one week out of the four a man will be working eight hours at night and the other three weeks he will be working only five hours and 20 minutes a day. Of course, the shifts will be changed weekly. Now, with regard to the light meals. We propose to provide these at the firm's expense—free to the workers. We feel that it will save enormously in time-keeping and actual running, and will simplify the catering. The light refreshments will be tea, coffee, cocoa, bread and butter, and sandwiches, entirely free, at counters adjacent to where the men are working. Neither men or boys or girls will require to walk further than is represented by getting out of a railway train and going to the refreshment-room. I have tested what you can take at a refreshment-room in a quarter of an hour, and I find, if I tried, I could eat more than is good for me. (Laughter.) So that there is ample time for refreshment.

The rate of wages will be exactly the same for a 36-hour week as for a 48-hour week. This is obviously essential, but it is equally certain that the staff can accomplish the work without adding any expense to the Company by so organising the carrying on of the work that no increased expenditure will fall on the Company. The staff freely recognised in all our discussions that to add to the cost of making soap would be to handicap us not only with firms in the United Kingdom, but with firms all over the world whom we meet in competition in the export markets, so that the determination of all of us is that the same wages will be paid and increased leisure obtained without adding to the cost of the article or making prohibitive the expense on the business.

New Method of Paying Wages.

As to payment of wages, we want to introduce a different method. Instead of our men crowding round the wage office and waiting their turn, each man should have a little private banking account in a bank near his own house—not the firm's bank, but one of his own selection. We would advise our bank to credit each man from the pay sheet with the amount of money he is entitled to receive for his wages. Under this system a man will draw out of his bank what he wants for his household expenses, and what he does not need will rest in the bank. The amount left as deposit with the bank will be supplemented by an addition from the firm—we are favourably considering this—and this will give a man 5% on his money left in the bank; so that, instead of the money lying at home earning no interest, by adopting this system it will earn interest. Further than that, the tendency will be always to leave a little more each week in the bank; and I feel confident that if we can get this system universally adopted it will not only raise the working man's position, but add to his dignity, because, instead of crowding round a little pay office, he will be led to become a saver, having money to invest in the business he is engaged in, or other businesses. I have explained this at great length because it is of great importance. I am confident myself we are taking no undue risks in making this departure. I am convinced it is no new idea at all that the workers require more leisure. I have noted for many years that after a certain point has been reached in wages or salary—that point being a line past the subsistence level—the greatest desire of the workers of this country has been for leisure, and that desire has been a growing one, and that as education has increased there has been a growing desire for leisure, so that a man might lead a life free from the sordid care and daily monotonous task of mechanical industry. I am convinced that leisure is as essential as wages for the proper development and education and position of the citizens of this country.

"Safety First."

Now, another point we have always paid great attention to is receiving increased attention throughout the world. That is "safety first." I remember that whilst America has gone ahead of this country on "safety first." nearly 20 years ago an American came to me, finding that we had this in operation, and had the coolness to ask me to subscribe to start this movement in America; but I thought America was well able to do it for itself. "Safety first" means that we take the greatest care of lives and limbs of our workpeople. It is thoughtlessness that brings about nine out of ten accidents. By having little reminders and notices about we safeguard the machine, and make the machine what we call foolproof. In all these directions the safety of the staff is secured. This received our early attention. Our reports have gone before the Government, and we have been complimented as a firm which is leading the way in this direction. I have always felt that just as the nineteenth century was the century of mechanical development, so the twentieth century is going to be the century for humanising our industries and of taking more care of the life and limb of the workers than of the life and health of the machine. In other words, let us run our machines and sweat them to death, if that is not an out-of-date expression. You can over-work or kill a machine, and that is a sound policy, but to be lacking in consideration in every way for the life, health, and happiness of the employee is the most short-sighted policy that any firm could adopt. I want to refer to the Staff Training College under Mr. Knox, which has considerably progressed. We are greatly hampered in many directions, but we believe that these limitations will disappear with the return of peace.

The directors who have visited abroad have been the acting chairman, who has been to Lille and Brussels; Mr. Greenhalgh, who has been to Brussels; Mr. Tatlow, to Paris, Marseilles, Lille, and Brussels; Mr. Simpson, to Paris, Marseilles, and Lille; Mr. Hart, to Canada, America, and Holland; Mr. Barnish, to France, Italy, and Switzerland; and Mr. Moseley, to Brussels and the Belgian Congo, where he is now.

All these visits have been made to these countries sometimes more than once.

I want, in conclusion, to express my sincere and grateful thanks to my colleagues on the board, the acting-chairman and the vice-chairman, for their loyal and devoted services to the shareholders, and for the pleasure they have given me in acting as chairman by their loyal and whole-hearted support. This equally applies to the managers, foremen, and the staff at Port Sunlight. I am the happiest chairman of any company owing to the fact of the loyal support that is given to me and to my colleagues on the board by every member engaged in the firm. The same equally applies to our associated companies, and to our directors who control the Congo and other of our great developments. It would be impossible for me to express in words the obligations which the shareholders are under to our directors and managers, both at home and abroad, for the soundness of the business which is the result of the loyalty and devotion and the fact that we are able to produce a balance sheet which has almost become a habit, in the sense that it shows continued prosperity, is undoubtedly due to the loyal and devoted services. I have great pleasure in moving the resolution and asking Mr. Gilbert Fox to kindly second it.

Mr. G. W. Fox seconded, and the report and statement of accounts were adopted.

On the motion of the Rev. Canon Torr, seconded by Mr. Stanley, Mr. G. W. Fox was re-elected a director of the Company.

The Chairman proposed, and Mr. Horlick seconded, a resolution, which was agreed to, placing £2.000 at the disposal of the directors for their services during last year, to be divided as they think fit.

Messrs. Cooper Brothers and Company were reappointed auditors at a remuneration of 2,000 guineas and out-of-pocket expenses.

Votes of thanks were accorded the chairman and directors of the respective associated companies and their staffs, to the agencies abroad, the heads of departments, office staff, and employees of the Company for zealous and efficient services.

ANGLO-PERSIAN OIL COMPANY, LIMITED.

THE ninth ordinary general meeting was held on March 26 at the registered office, Britannic House, Great Winchester Street, London, E.C., Mr. Charles Greenway (Chairman and Managing Director) presiding.

The Secretary (Mr. F. Macindoe), having read the report of the auditors,

The Chairman said: Gentlemen, at the last annual meeting I expressed the hope that we might be able to accelerate the issue of our next report and balance sheet. Unfortunately, owing to greater delay in the delivery of mails, shortage of staff and other causes beyond our control, this hope has not been realised, but these difficulties are so well known to you all that I am sure no apology is needed. It gives me and the rest of the Board the greatest possible pleasure to present to you such a very satisfactory report and accounts as are before you to-day, as although we are only at the initial stage of our developments the results shown are such as to more than confirm the anticipations which we have always held out as to the great future which awaits this Company.

The Balance Sheet.

Dealing with the balance sheet, first of all you will see that the paid-up capital shows an increase on the previous year's figures of one and three quarter millions, due to the payment by His Majesty's Government of the final call on their Ordinary shares and to the issue of a further £1,000,000 of Participating Preference shares, and we have also issued additional Debenture stock to the extent of £1,800,000. You will, moreover, notice that our capital resources have been

further augmented to the extent of about £2,400,000 by funds lodged with us by our associated companies, share premia and allocations to reserve accounts. The deposits of our associated companies represent, I may explain, insurance recoveries in respect of torpedoed vessels, undivided profits, and other funds, the bulk of which will in due course be required in connection with the further capital outlay which lies before them for the various developments they have in view. It has been suggested in the Press that we may shortly have to make further capital issues. That is not so. Although we and our associated companies have a very large amount of new capital outlay to meet in order to provide for the requirements of our rapidly expanding business, yet I am pleased to say that there is no immediate need for any new issue of capital, inasmuch as our available surplus assets to-day in cash or easily convertible securities (including no less than £2,302,000 invested in War Bonds and War Loans) amount to between five and six million pounds, a sum quite ample for our present requirements. Turning to the credit side of the balance sheet, you will see that the first item of our assets has increased from £1,982,791 in the previous year to £7,001,375. This large increase is practically all accounted for by the purchase prices paid by us for the companies acquired in 1917 and by the fresh capital which we have taken up in these and other associated companies. The other items on this side of the account are all self-explanatory, and do not, I think, require any comments.

Trading Profits.

I will now deal with the profit and loss account. The trading profit for the year amounts, you will see, to the very satisfactory sum of £1,516,994 3*s.* 9*d.*, after making ample allowances for depreciation, as against the conservative estimate of not less than £800,000 to £1,000,000 which I gave when dealing with the previous year's accounts. A substantial portion of this profit was, I may explain, due to the earnings of our fleet, for a portion of which during the year under review we were able to find very remunerative employment. This item of profit will not recur in the following year's accounts, because during the greater portion of that year our boats were under requisition at rates which will barely cover running expenses; and also the profits of our distributing companies will be on a reduced scale. On the other hand, we shall benefit by a larger throughput at our Abadan refinery and by better prices which have been obtained for some of our products, and on the whole I think we can confidently anticipate results for the current year fully equal to those shown in the accounts now before you.

Allocation of Profits.

As you will see from the appropriation statements given at the foot of the profit and loss account, we have out of our profits paid off the advances of £175,547 3*s.* 6*d.* made by the Burmah Oil Company in our early days to enable us to pay the Preference share dividend guaranteed by them, and also the sum of £45,843 10*s.* 6*d.* due to them for interest thereon, this latter amount being included in the first item on the debit side of the profit and loss account. We have also written off the whole cost of our last Preference share and Debenture issues, and allocated a total of £330,000 to various reserve accounts, both of which steps will no doubt meet with your full approval. This leaves a balance of £779,708 18*s.* 1*d.*, out of which we have paid dividends amounting to 8% per annum on the Preference shares, and we now recommend the payment of a similar dividend on the Ordinary shares. The balance remaining to be carried forward will be £454,722 12*s.* 1*d.*, which we estimate will amply suffice to cover the amount which will be payable in respect of excess profits duty, although the amount of this has not yet been definitely settled with the Revenue Commissioners. This result, gentlemen, is, I think you will agree with me, one of which we have every reason to be proud. The dividend which we are proposing to declare on the Ordinary shares is not a very large one, but, as I have explained, a large amount of our profits has been employed in the liquidation of special liabilities which will not recur, and a further large amount has been reserved to meet excess profits duty, a liability which also we may hope will not recur for very much longer. It will probably interest you to know that the return to His Majesty's Government for the year on their investment in the Company, taking into account the amount they will receive from excess profits duty, the payment of which has only been made practicable by their investment in the Company, works out to something like 30% per annum; and that in addition to this they effected a very large saving through the favourable long-term contracts entered into with the Company for the purchase of products.

Greatly Increased Throughput Expected.

It will be borne in mind that these are results achieved at a time when the Company was only in its early infancy. With the various extensions already on the way the throughput of our refineries will within the next year or two be trebled, and other extensions which we hope to arrange for in the near future should, when completed, bring our throughput up to five or six times the quantity dealt with in the year under review. And, as I have indicated on previous occasions, we anticipate no difficulty whatever in finding markets for this largely increased production. Our one and only difficulty is to provide refining, transport, and storage facilities fast enough to enable us to meet the demands upon us for our products. We have practically an unlimited supply of crude oil, and with the great increase in the demand for oil products of all kinds resulting from the enormous development of motor traction in every part of the world, and for fuel oil as a substitute for coal for steam raising and other purposes, there is endless scope for us in the direction of the sale of our products; but the laying of additional pipe lines, the building of further refineries and tank vessels, the erection of the great number of large storage tanks required at our fields, refineries and distributing installations to meet our constantly increasing throughput, and all the other engineering work connected with an undertaking such as ours, is a slow process, particularly under present unfavourable conditions, both as to supply of material and labour, and consequently it will be several years before we can hope to reach the maximum figure of throughput which I have just indicated. Though our throughput will, as soon as the necessary work can be completed, thus be very largely augmented, it must not be inferred that our profits will necessarily expand in the same ratio, for our working costs, due to the much higher cost of plant, stores, chemicals, and labour, are on a constantly increasing scale, and there is little chance of any appreciable reduction in them for a long time to come. Still, by means of the larger turnover, a more complete extraction of the more valuable products contained in our crude and other improvements which we are constantly introducing, we hope to some extent to be able to overcome the disadvantage of these higher working costs.

Fuel Oil Supplies to the Navy and War Office.

Whilst on this subject of outlets for our products I would like, now that this is a subject which can be referred to without detriment to the military situation, to mention that, apart from the large quantities of fuel oil which we have been supplying throughout the War for the use of the Navy, we have been supplying the War Office with practically the whole of the requirements of the Mesopotamian Expeditionary Force for railway, motor, and other transport. It has become rather the fashion nowadays for industrial concerns and others to claim credit for "winning the war." We do not claim any such credit for this Company, but it may be claimed that without these supplies the conduct of the Mesopotamian expedition, at any rate on anything like the scale which was eventually found to be necessary, would have been an impossibility, because it would not have been practicable under the later conditions of scarcity of tonnage to have transported supplies from more distant fields. How far the Mesopotamian expedition has tended to bring about



the successful conclusion to the War I will not venture to express an opinion, but notwithstanding the attacks which were at one period of the War made on "side shows," I think it is generally admitted now that had this expedition not been undertaken our position in the East to-day would have been very different to what it is. The credit for this is, however, not due to us, but to the great foresight, which may now in the light of our present knowledge of German pre-War aims be regarded as almost providential, of Lord Fisher and Mr. E. G. Pretyman, who in 1905, on representations made by the late Mr. D'Arcy, urged the Burmah Oil Company and the late Lord Strathcona to provide the necessary funds for carrying on Mr. D'Arcy's exploratory work to a successful issue in order that the concession might not fall into foreign hands. This is a chapter in the history of this Company which is not very well known, and one which deserves to be placed on record now in view of the important bearing which it undoubtedly had on the conduct, if not on the actual issues, of the War.

Fields and Production.

I am pleased to report that the field work carried on since I last addressed you further confirms the opinions we have previously held as to the great productivity of our fields. The wells in the field from which we have hitherto been obtaining our production still maintain their extraordinarily high rate of yield, and the wells already drilled are, it is estimated, capable of yielding a production at the rate of 5,000,000 tons per annum. On the field adjacent to it, to which I referred at the last meeting, another well at a distance of about one mile from the preceding one has struck oil in considerable volume, the well being reported upon as being equal to any yet struck in the Company's territories. In the third field, referred to in my last speech, little progress has since been made, owing to the lack of drilling material, but the prospects still continue satisfactory. Testing operations are being carried on, or are about to be started, in a further six fields, all of which give promise of favourable results. You will also be interested to learn that we are now substituting electric for steam power in our producing fields, a change which will result in greater efficiency and a minimum of cost for drilling and producing generally.

Refineries.

Since I last addressed you the first of the refinery extensions at Abadan, to which I then referred, has been completed and brought into operation. The further extensions for which capital was issued a little over twelve months ago have not yet been completed owing to the great delay which has been experienced in obtaining delivery of plant, but they are now well in hand and should be completed during the year. A further large addition at Abadan has now been decided upon to enable us to meet the rapidly growing demand in the East for our fuel oil, and will be undertaken as soon as plant can be contracted for at reasonable prices and delivery.

In addition to our extensions at Abadan, we have now commenced the erection of a large refinery near Swansea, where the refining of such products as are marketable in the United Kingdom can be carried on more thoroughly and more economically than at Abadan. The work at this refinery, the initial capacity of which, I may mention, will be twice that of the whole of the Scotch shale oil companies, is being executed with all possible speed.

Pipe Lines.

The additional pumping stations referred to by me at the last meeting are now in course of erection and should be in operation during the course of this year. We have also decided upon the laying of an additional 10-inch line from the fields to our present 8-inch line, in place of the present 6-inch line, which will further considerably augment our pipeage capacity between the fields and the Persian Gulf. We shall, when this line is completed, have one complete 10-inch line from the fields to the Gulf and another line made up of 10-inch pipe for about half the distance and 8-inch for the remainder.

Fleet.

Our fleet now amounts to a total deadweight capacity of 162,000 tons, and, as mentioned in the report, we have placed orders for further vessels of a total capacity of about 150,000 tons. We also purpose purchasing further ready tonnage whenever opportunities occur for securing it at reasonable prices. All of our vessels which were requisitioned by the Shipping Controller have now been released, and such as are not required at the moment for our own transport work have been chartered at remunerative rates.

Political Situation.

I am pleased to say that the political situation in Persia has improved very much during the past few months. The present Persian Cabinet is well disposed towards this country, and the unrest which existed some time ago as the result of German and Turkish intrigue, followed by the spread of Bolshevism from the Caucasus, has now largely disappeared. Our relations with the Persian Government continue to be of a friendly character and a representative of the Company is now in Teheran discussing with them the settlement of various questions which are outstanding between us. I was hoping to be able to announce to-day the result of these discussions, but so far no advice has been received.

I wish to take this opportunity of expressing our regret at losing the valuable services of His Excellency Sadigh-es-Sultaneh, who is giving up his post of Imperial Commissioner to this Company to take up the more important position of Minister of His Imperial Majesty the Shah at the Court of Washington, and at the same time the Board would like to offer him their heartiest congratulations upon his new appointment. Our relations with His Excellency have always been of a most friendly and cordial character, and we are greatly indebted to him because he has always done his best to promote the interests of the Company as well as those of his Government. His brother—Farid-es-Sultaneh—has been appointed by the Persian Government as his successor, and I am sure, from what he has said to me, that he will do his utmost to maintain the policy of friendly co-operation established by his brother.

Staff.

Before concluding, Gentlemen, I should like again to pay a tribute to our staff, both here and in Persia, for the good and loyal work which they have rendered to us, and the sacrifices they have made during the past years, under conditions which have become more and more trying. It has been quite impossible under war conditions to secure a staff commensurate with the development of our business, and this has meant overwork for everyone, and also in many cases the postponement again and again of leave which was long overdue. Moreover, owing to the restrictions on building work it has been impossible for us to provide adequate housing accommodation for our staff in Persia, and this has resulted in a good deal of discomfort. Notwithstanding these trials and discomforts, which, happily, we shall now shortly be able to overcome, there have been very few complaints, and I am sure you will agree with me that the staff are entitled to our warmest thanks for performing their services so satisfactorily under these extremely trying conditions.

Employees Profit-sharing Scheme.

Now that the Company has arrived at a remunerative stage it has been decided to allow the employees of the Anglo-Persian Company and of all its associated Companies to share in the prosperity of the Company by establishing what we have designated as a "Provident Pension and Insurance Fund." In this fund three separate accounts are kept: (*a*) to which the employee subscribes 5% of his salary; (*b*) to which the Company contributes a bonus of a corresponding amount; and (*c*) to which the Company contributes from year to year out of its profits such sum as the Board may deem advisable. On the whole of these accounts the Company allows interest at 5% per annum. The money at credit of (*a*) and (*b*) accounts can be drawn on an employee leaving the Company's service, or at certain fixed periods if he remains in the Company's service, and in the latter case he can when he retires leave the whole or any portion on deposit with the Company up to the time of his death, meanwhile drawing interest thereon. The money at credit of (*c*) account will be accumulated until the employee has completed 20 years' service in the case of employees engaged on home service, and shorter periods for those engaged wholly or partly on foreign service, after which the employee will be entitled, whether he retires or remains in the Company's service, either to draw as a pension the interest on the amount at credit, leaving the principal in the hands of the Company for the benefit of his family or such persons as he may direct after death, or to leave the interest to be added to the principal for similar disposal.

The Fund, to which all British employees, both male and female, and certain non-British employees, are eligible for membership, affords a means of enabling the employees to share in the profits of the Company, and it at the same time ensures a substantial pension after retirement, and a considerable capital sum—the equivalent of life insurance—for the benefit of their families after death. The scheme has been heartily welcomed, and already over 1,500 employees have applied for and been admitted to membership.

Gentlemen, I now beg to move: "That the report of the directors' balance sheet and profit and loss account for the year ended March 31, 1918, be received, approved, and adopted," and I will ask Sir Frederick Black kindly to second this motion. Before putting the resolution to the meeting I shall be pleased to answer to the best of my ability any questions which shareholders may desire to put.

Sir Frederick W. Black, K.C.B.: Mr. Chairman and gentlemen, I have very much pleasure in seconding the motion which the Chairman has proposed. As one of the Government *ex officio* directors representing the Admiralty on the board of the Company, I should like to be allowed to say just two or three words of congratulation to the Chairman, the directors, the shareholders, and the employees of the Company on the highly satisfactory results that have been achieved and on the excellent prospects that evidently lie before you. The Company displayed very great energy and promptness in all the developments that were necessary at the refineries, the pipe lines, and the means of transport to handle a much larger proportion of oil, so that the British Navy might receive from that source one of its most vital

supplies, and during the War the contributions of oil, particularly to the Fleet in the Mediterranean, which we received from Persia, were of the very highest importance, and I do not think that the Chairman has said a word too much as to the importance of the supplies that were made to the expedition on the Tigris. He has called it a "side show," but, as you know, it was one of those "side shows" that eventually had a most important influence on the final issue of the War. It was not only the oil supplies that were made from the Persian fields, but also the very great help that was given by the Company in putting the services of its employees and its slipways and workshops at the service of the Government in the construction and repair of vessels which were used in that expedition. I had the pleasure of coming home from India in 1917 with Capt. Grant, who had been up there as the Admiralty representative on that work, and on board also was Mr. Neilson, your superintendent at Abadan. Capt. Grant was very loud in his praise of what Mr. Neilson and all the employees of the Company had done to assist the Government in that very important matter. I think, therefore, the words that the Chairman has used in commendation of the services of the employees are particularly well deserved. Perhaps I may mention incidentally that I saw some Diesel engines running very sweetly in Bombay, and when I looked round for the tank of oil I was told that it was oil that came from Persia, and I learnt that the Persian oil was making a good name for itself in Bombay. I congratulate you, gentlemen, on the success of the Company.

Mr. Carter : Mr. Chairman, I should like to ask to whom the £1,800,000 of Debenture stock was issued. I take it that it was to the Government, but it is not stated so in the report. That amount was added to the previous £600,000. In the event of the drawings which are to take place I understand, from 1920, will this £1,800,000 share in the drawing? There is £20,000 to be drawn each year. Will that £20,000 only refer to the £600,000, or will it refer to the whole £2,400,000?

The Chairman : In reply to the questions which have just been put, the answer is, first of all, that the £1,800,000 additional Debenture stock has been issued to one of our subsidiary companies, the British Tanker Company. As regards the other question, the £1,800,000 ranks *pari passu* with the £600,000 previously isued, and, of course, will be redeemed correspondingly.

The resolution was then carried unanimously.

The Chairman : The next business before the meeting is the declaration of a dividend on the Ordinary shares, and I now beg to move : "That a dividend at the rate of 8% per annum, free of income tax, be paid on the Ordinary shares in respect of the year ended March 31, 1918, and that such dividend be paid on April 30 next."

Mr. John T. Cargill seconded the motion, which was unanimously agreed to.

The Chairman : The next business before the meeting is the election of directors. As you will see from the report, Sir Campbell K. Finlay was unfortunately compelled, owing to the exigencies of his Government work, to resign his seat on the board, and Mr. Robert I. Watson, whose great knowledge of the oil business in all its branches and conspicuous ability will be of great advantage to the Company, was appointed to fill his place. A further appointment, to fill the seat rendered vacant by the death of Mr. D'Arcy, which has been made during the past year, is that of Lord Southborough, whose great ability and long experience of oil questions at the Admiralty from what may be described as the Imperial point of view will also undoubtedly be of great benefit to the Company. Both of these gentlemen, who now retire under clause 82 of the articles of association, are valuable acquisitions to the board, and I am sure that you will heartily support their re-election. The directors retiring by rotation are Mr. F. W. Lund, Mr. Frank C. Tiarks, and Sir Trevedyn Wynne. All of these gentlemen have done extremely good work for the Company, and I am sure that you will desire to retain their services. I would like to take this opportunity of expressing the pleasure we all feel at welcoming to the board Sir Frederick Black as one of the Government representatives. Sir Frederick has for many years dealt with oil matters at the Admiralty as Director of Contracts much to the advantage of the nation, as I know from personal experience—and I am sure that his co-operation on the board will be of great service to the Company. I would like at the same time to express our appreciation of the valuable services rendered to the Company by Mr. Jenkins, who, I am glad to see, is present here to-day, during the time he was on the board as a representative of the Government prior to the appointment of Sir Frederick Black. Another reference which I must make to the Government representatives is to express our regret at the absence from to-day's meeting of Lord Inchcape and at the unfortunate cause thereof. We all know the great services which Lord Inchcape has been rendering to the nation, and I am sure you will all join with me in wishing him a speedy restoration to health in order that he may once more be able to resume his herculean labours on behalf of the country. I now beg to move : "That the election to the board of Mr. Robert I. Watson and of the Rt. Hon. Lord Southborough be confirmed, and that Mr. F. W. Lund, Mr. Frank C. Tiarks, and Sir Trevelyn R. Wynne, who retire by rotation and are eligible for re-election, be and are hereby re-elected members of the board."

Admiral Sir Edmond J. W. Slade seconded the motion, which was carried unanimously.

On the motion of Sir J. D. Rees, M.P., seconded by Mr. Powell, Messrs. Brown, Fleming and Murray were re-elected auditors.

The Chairman paid a tribute to Messrs. Brown, Fleming and Murray for the very efficient manner in which they had carried out their audits, and stated that they had now opened a branch in London in order that they might be able to render their services still more effective to the Company.

A vote of thanks to the Chairman concluded the proceedings.

BENGAL DOOARS RAILWAY COMPANY, LIMITED.

The twenty-ninth ordinary general meeting was held on March 27 at the offices, Gresham House, Old Broad Street, E.C., Mr. Robert Miller, Chairman of the Company, presiding.

The Chairman, in moving the adoption of the report and accounts, said that the Company's business for the year had been satisfactory. Comparisons with the previous year showed decreases in gross earnings, but also a decrease in working expenses, and the net result placed them, after the inclusion of an increased profit on exchange, in the position of paying the same dividend and bonus as last year, and of carrying forward a slightly larger balance. War restrictions had exercised a depressing effect upon the traffics, both coaching and goods. Restrictions, however, were now being gradually modified, and he trusted that when the shareholders next met they would have been entirely removed. The gross earnings had amounted to Rs. 17,39,666, a decrease of Rr. 25,094, and working expenses had amounted to Rs. 7,35,488, a decrease of Rs. 9,921. The net earnings showed a decrease of Rs. 15,172, at Rs. 10,04,178, against Rs. 10,19,350. The percentage of working expenses to gross earnings was 42.27, as compared with 42.23 for the previous year. With regard to the Chalsa Matelli Branch, a further extension of nine months had been granted for its completion, which gave them to March 31, 1919. He was pleased to be able to report, however, that the work of construction had reached a stage which had enabled the line to be opened for traffic on June 10, 1918. So far traffic returns had fully justified its construction and fulfilled anticipations, and the directors were quite satisfied that it would eventually prove to be a most valuable addition to their system. The Government had not exercised their right of giving twelve months' notice on December 31, 1919, to purchase the railways of the Company, and before they could now give such notice a period of seven years must elapse. As to the future, they would have to face difficulties possibly greater than during the war period. There would be increases in salaries and wages, and abnormal prices for material necessary for renewals and repairs, which latter he might safely put at 150% higher than in pre-War times. In addition, there would be heavy taxation, both Indian and English. Notwithstanding those disadvantages, they hoped the standard of earnings would be maintained. From October 1 last to February 15 the approximate gross traffic return showed an increase of Rs. 61,366. So far there was nothing to show that that improvement would not be maintained, but one hesitated to forecast events in such troubled times.

Sir Alexander Kay Muir, Bt., seconded the motion, which was carried unanimously.

The dividend recommended was approved, the retiring directors were re-elected, and the auditors were reappointed.

Votes of thanks to the Chairman, directors, and the staff in India and London terminated the proceedings.

NEWCASTLE-UPON-TYNE ELECTRIC SUPPLY COMPANY, LIMITED.

The thirty-first annual general meeting was held at Newcastle on March 25, Mr. J. H. Armstrong (Chairman) presiding.

The Chairman, in moving the adoption of the annual report, referred to the strike epidemic, and said that whatever the outcome of the joint conferences which are at present sitting, he ventured to think that the main body of labour would eventually stand by the country and would recognise that the great united effort during the past four years which resulted in the defeat of the enemy and the protection of our country was even more necessary now to protect our trade from those who will certainly endeavour to take it from us unless we were prepared to defend it by the strengthening of home industries. The unrest resulting in the partial, or total, stoppage of works within their area naturally reduced to uncertain extent their profits for the year, as their heaviest load was during the last two months of the year.

Effect of Increased Costs and Restrictions.

Their trading results during the year had already been affected by the many increases in salaries and wages which

had been thrust upon them from time to time by the Committee on Production, or as the result of Government awards to assist in meeting the increased cost of living, which, in one manner or another, resulted in an increased cost as compared with the previous year of over £54,000. The restricted use of light and heat and similar restrictions in connection with new supplies to private houses had a further adverse effect on the year's results, but, taking these drawbacks into consideration, and also the large increases in the price of coals and materials generally, he thought they ought to be satisfied with the results of the year.

Allocation of Profit.

The gross profit was £342,394, being an excess of £32,615 over 1917. From this is deducted a sum of £40,000, being a transfer to reserve for renewals and improvements, and, after adding the balance brought forward from last year, there was a total available profit of £310,86

Against this were deducted interest charges, representing £75,611 and £60,000, which had been transferred to reserve for special depreciation and contingencies. This left a balance of £175,250, out of which it was proposed that dividends of 5 per cent. per annum on the Preference shares and of 8 per cent. per annum on the Ordinary shares, both less tax, should be paid, absorbing £133,822, and that the balance of £41,427 be carried forward to the current year.

Plant, Renewals, and Improvements Account.

They had transferred £40,000 to plant, renewals and improvements account, as against £60,000 last year. He would remind them of what was stated at the last meeting to the effect that the amounts which would be transferred to this account would depend upon the charges which were likely to fall upon it. In view of what they had expended in past years, they did not anticipate that they should have so large an outlay on renewals and improvements during the current year as they had during the years 1917 and 1918, the reason for this being that it was improbable that their plant would be running under the same severe conditions which prevailed during the last four years, and, further, they should be able to make use of their newer and more economical generating plant instead of having to rely upon their older standby stations to meet a portion of the load. The amount expended on renewals and improvements during the year 1917 was £27,864, while that for the past year was £28,739. The balance standing to the credit of that account now amounted to £43,397. The amount expended upon ordinary repairs and maintenance of plant charged against costs was £118,505, as against practically £100,000 in 1917. The sum of £41,427, proposed to be carried forward, represented a considerable increase over the previous year.

The New Tees Power Station.

The industrial unrest since the beginning of the year had naturally affected the output from their stations, and, although the outlook was now somewhat brighter than a few weeks ago, time must necessarily elapse before things could settle down into normal conditions, and for these reasons the directors considered it advisable to leave a substantial portion of the profits unallocated. The expenditure during the year amounted to £467,169, the greater bulk of which was on buildings and machinery at the Carville and Dunston stations. The construction of the new Tees power station was progressing satisfactorily, and it was hoped that a portion of this station might be running towards the late autumn, and that the remainder would be in operation by the middle of next year.

New Share Capital Issue Largely Over-subscribed.

For the further issue of share capital in October, amounting to £500,000, the total applications considered amounted to £1,189,444, and a large number of applications received later were returned by the bankers. The list of applications opened on October 7, and by midday on the following day the issue was so largely over-subscribed that the list was closed the same evening, subject to consideration of applications by the following morning's post. This large over-application was most satisfactory, in so far as it showed the opinion of the public in the soundness of their Company as an investment and also in adding largely as it did to their *clientele* of shareholders. The results from the Cleveland Company had been far from satisfactory, owing to war increases of salaries and wages and the high prices for coals. The coming into operation of the Tees station would, however, enable material economies to be effected, and he called their attention to the application for further supplies of current in this area, which, when provided, must tend to increase the profits of the Company.

Parliament and Electric Power Supply.

The question of electric-power supply was now being specially considered by Parliament, but it was not likely they would be disturbed or prejudicially disturbed for some time to come. It must be borne in mind that the object the Government was now aiming at was based to a large extent upon the policy the Company had been following for a period of years, and which had resulted in their acquiring and bringing under one control the power supply of a number of smaller companies which, on account of their limitations, were not able to run economically and profitably. It would seem likely, therefore, especially after the reference which was made in the report of the Parliamentary Committee—which was appointed to study the question of electric supply—to the developments in and the working of their area, that they might be asked to carry on without any change other than that which might be necessary both in the interests of the Government and themselves, and which would be provided for under the proposed Government control. He did not think that they need expect anything but fair treatment from the new Department, which was only what they were entitled to receive having regard to the development work which had been undertaken in their area.

The Future.

As to the future, it was very difficult to make any forecast, as so much depended upon the effect which labour unrest might have in delaying contemplated developments from being carried out by manufacturers and others. They had also the temporary drop in load due to the cessation in the manufacture of munitions, and they were still faced with increased wages and costs of coal and other materials, which increases were likely to remain for some time to come. Against these adverse factors they had the encouraging facts that the actual applications for additional supplies on hand at the present time amounted to no less than 65,000 horse-power, of which twenty-eight thousand horse-power represented further supplies required in the Middlesbrough area. These additional connections, when made, would considerably more than counteract any reduction in their load due to the curtailment of the manufacture of munitions, but the rate at which they would be made must depend to some extent upon the settlement of the various labour problems with which the country was now faced, and in any case must take some considerable time. Then they had the fact that they

PROFITS & INCOME
INSURANCE COMPANY,
LIMITED.

Head Office :
9 FLEET STREET, LONDON, E.C. 4.

Established 1901.

Capital Subscribed - - £120,000
Capital Paid up - - £85,000

ASSETS EXCEED
£679,000.

SICKNESS AND ACCIDENT.
PERMANENT CONTRACTS ARE GRANTED, RENEWABLE AT THE OPTION OF THE ASSURED, up to a selected age, not exceeding 65, insuring against Loss of Income or Appointment.

SPECIAL FEATURES.
Capital Sum "Sickness, Accident or Death" Policy.
Capital Sum Sickness and Accident Policy.
Perfected Sickness and Accident Policies.

CHAS. WINDETT,
Actuary and Secretary.

should be in a position very shortly to deal with the whole of the load likely to be thrown upon them for some time to come from their newer and more economical plant, and they should consequently benefit by the economies so effected. He thought, therefore, that, however uncertain the outlook may be at the present moment, they could look forward with confidence to the future once the transition stage was passed and new connections took the place of those which had absorbed that portion of their output directly attributable to munition work.

Dr. J. T. Merz seconded the adoption of the report, which was agreed to.

Dividends of 5 per cent. on the preference shares and 8 per cent. on the ordinary shares were passed.

Mr. Alfred Bonnin, of Newcastle, was elected a director, and the retiring directors—Dr. Merz, Mr. J. H. B. Noble, and Mr. R. P. Sloan—were re-elected.

BRITISH INSULATED AND HELSBY CABLES, LIMITED.

The twenty-third ordinary general meeting of shareholders was held on Monday, March 24, at Liverpool, Mr. James Taylor, J.P., Chairman, presiding over a numerous attendance. In moving the adoption of the report and accounts for the year 1918, the Chairman referred to the retirement from the chairmanship, owing to the state of his health, of Dr. E. K. Muspratt, and paid a tribute to the great value of his services to the Company. The directors had also desired to strengthen the board by adding a further director, and had accordingly appointed Sir Alexander Roger. Referring to the accounts, the Chairman said the profit for 1918, which was £288,280, showed a decrease as compared with those of 1917, which were the highest in the history of the Company. There were several reasons for this, and amongst them the reduction in the quantities of various articles for munitions which had been required by the Government.

Higher Wages Bill.

Perhaps the most important reason was the large increases in the pay of the workpeople, which had averaged, to males and females together, 9*s.* 1*d.* per week, and meant an increase on the wages bill for the year of £112,958, equal to 11¼% on the ordinary capital of the Company, and further increases had since been granted. Continuing, the Chairman said he believed many, including their own workpeople, considered that this extra cost in wages could be charged to the purchasers of the goods. In practice, however, this could not always be done, as in many cases the increases of wages were retrospective, and the goods were made and delivered before they knew to what extent the costs would be increased by having to pay higher wages. In many other cases where contracts had already been entered into with large and important customers these latter expected and could force delivery at the contract price, notwithstanding any loss to the Company due to either the higher rate of wages or increased cost of material. Again, a Company like this which in normal times did so large a foreign trade could not largely increase the price of its manufactures without making it difficult to compete successfully in the open market of the world. As an example he mentioned the case of a company in London buying electrical goods for delivery in South America which had obtained prices from three English and one American firm. The English prices averaged £3,000 and the American company's price was £2,100. This was only one of many cases, and it should give pause to workmen and their advisers, because if this country was to lose its foreign trade through high wages and low output it would be disastrous for all concerned, but especially in the end for the workepeople themselves.

The Future.

The Company had been prosperous for many years past, and subject to higher wages being coupled with proportionately high output there was no reason why it should not look forward to a prosperous future. They could fairly take credit for having used all their resources to help to win the War, seeing that as much as 98% of the Company's output had been to the orders of the Government and Ministry of Munitions, directly or indirectly, and that they had delivered goods to the value of over £12,000,000. Whilst there had been some relaxation in Government control, they were anxiously awaiting the time when they would be free from all such restrictions in regard to raw material and export trading. During the year the number of the Company's men with the Forces had increased by 511, making a total of 1,684, of whom 105 had fallen on active service. The Company continued to make the allowances mentioned in previous reports. The difficulty of retaining sufficient skilled men had been very great, and the employment of women workers had been greatly increased with very satisfactory results.

Satisfactory Investments.

Having reviewed the accounts, the Chairman said the value of stocks and work in progress showed an increase of about £200,000, due to the fact that larger stocks of raw materials had to be kept to meet the shipping difficulty. The Company's investments in the Midland Electric Corporation for Power Distribution, Limited, the Electric Supply Company of Victoria, Limited, and the Automatic Telephone Manufacturing Company, Limited, had proved satisfactory, and £50,000 had been added to the reserve for this year, which now stood at £150,000 after the recent capitalisation.

In conclusion the Chairman said: The onerous conditions under which our business, as that of a controlled firm, has been carried on, have not been greatly ameliorated during the past year, and the same difficulties have again had to be faced. They are connected with labour, production and taxation, but our reduced staff has patriotically carried on, and we should be wanting in fairness if we did not recognise how essential their co-operation has been. They will, I am sure, loyally face the further tasks involved in our reconstruction and reorganisation. I therefore now beg to offer on your behalf a hearty expression of thanks to all—whether in the office or works—who have served us so well, and I should like specially to name our General Manager, Mr. Dane Sinclair, Mr. Nisbett, Mr. Brotherton, and our Secretary, Mr. Kerfoot, upon all of whom an additional burden has been laid.

Sir Harmood Banner, M.P., seconded, and the motion was carried unanimously.

On the motion of the Chairman, seconded by Mr. John Rogers, a further dividend of 8¾% was declared, making with the interim dividend already paid a total of 12½% for the year.

Mr. J. Carlton Stitt, J.P., and Sir Harmood Banner, the retiring directors, were reappointed, and the appointment to the board of Sir Alexander Roger was confirmed.

A vote of thanks to the Chairman and directors closed the meeting.

AUTOMATIC TELEPHONE MANUFACTURING COMPANY, LIMITED.

The annual meeting of shareholders was held on Monday, March 24, at the Exchange Station Hotel, Liverpool, Mr. James Taylor, J.P., Chairman of Directors, presiding. The Chairman, in moving the adoption of the report and accounts and the declaration of a dividend of 6% on the Ordinary shares, said the profits for the year amounted to £43,781, which, with the amount brought forward from last year of £11,550, made a total of £55,331 available. From this had to be deducted £2,450 for directors' fees, £8,000 had been applied to depreciation on buildings, plant, machinery, etc., and after paying the Preference dividend there was an available balance of £32,881, out of which the Ordinary shares dividend required £21,600, leaving to be carried forward £11,281. The profits for the year as compared with the previous year were less by £3,044. The principal reasons for this reduction in profit were (1) the large additions to their wages, and in many cases the impossibility of adding the extra cost to the work in hand; (2) about the middle of the year they were asked to cease production on many Government contracts then in hand, on which they were working night and day, and no factory could in this way suddenly cease and change over to a new class of manufacture without entailing considerable loss in both time and money; and (3) during 1918 the price being paid by the Government for fuses for shells, of which they made nearly 2½ million, was considerably lower than the price paid during the previous year.

Automatic Telephone Business.

While the Company had been busily employed in delivering munitions of war to the Government, it did not neglect the propaganda work necessary for the automatic telephone side of its business after the War. With this object in view they had done a considerable amount of spade work in various foreign territories, and had every reason to believe that, eventually, benefits would accrue from this activity and justify the expenses incurred. The Leeds automatic exchange, the largest in the country, serving 6,800 working subscribers, was opened for public service in May last. The change over was in every way successful, and the result of the working of the automatic system in Leeds had, from the reports given, proved entirely satisfactory both to the Government and the subscribers. They hoped, therefore, that the experience gained from a large exchange of this kind would have a pronounced effect in encouraging other towns and the Government to further apply the use of automatics, with mutual benefit to the public and themselves. During the past year they had fitted several small installations in Government offices and national factories; also, as a result of the good opinions earned by the automatic installation fitted at Simla, India, the Company received a contract to supply a similar installation for the town of Lahore, India, the equipment for which was completed and ready for despatch. The introduction of other manufactures was continuously before the Company, one being the manufacturing of appliances for electric heating and cooking purposes. Recently they had been able to place upon the British market a superior range of such articles, which had been received with considerable approbation, supported by a satisfactory volume of orders. In addition, other branches of their industry were developing.

Prospects Look Favourable.

There was a fair number of orders on the books, which would keep the factory busy for some time, and the prospects looked favourable, but for the fact that they had always hanging over them the persistent and continuous demands of

all classes of employees for increased remuneration. It was impossible to say what influence this would have upon the business as a whole. They were already feeling the effect of the very high wages, and, compared with America, the low output per man in this country was prejudicial where foreign competition had to be met. Several orders lately had passed the Company and been placed in America at lower prices than they could afford to quote, due to low output. This was a very serious and important question both for the Company and its employees, and they hoped the latter and their advisers would keep this well in mind. If foreign competitors were able to quote lower prices, the tendency in the end would be to lose foreign business and bring about the state of unemployment that all parties so desired to avoid.

Sir J. S. Harmood Banner, M.P., seconded the motion, which was carried unanimously.

Sir J. S. Harmood Banner, M.P., and Mr. J. B. Russell were re-elected directors.

SCHILL BROTHERS, LIMITED.

THE annual general meeting of shareholders of this Company was held on March 27, 1919, Mr. Paul H. Schill (Vice-Chairman and Joint Managing Director) presiding.

Mr. Paul H. Schill, in moving the adoption of the report, said: Before making any remarks about the year's working, I regret that I have to apologise for the absence of your Chairman to-day. After a year of strenuous and close attention to business, during which he never got a thorough holiday, he finally had to take a much-needed rest after the New Year, and just before returning to business he unfortunately contracted a nasty attack of influenza and only just escaped pneumonia. This has left him in a very weak state and, although he is recovering strength, he is not quite fit yet to attend regularly to business, and certainly not to occupy the chair at this meeting.

With regard to the year 1918, it is probably correct to say that within recent times two such diametrically opposite conditions have not prevailed in any one year. Up to November a very satisfactory business was maintained, orders continued to flow in freely, customers clamoured loudly for their goods, and evinced great satisfaction when they finally came into their possession. Then came the signing of the armistice, and this brought about something little short of commercial panic in all the foreign markets, which was very much aggravated by the terrible scourge of the influenza epidemic that wrought such enormous havoc in almost every country of the world. The prevailing opinion in overseas markets ruled that prices of all commodities would immediately come tumbling down to almost pre-War levels, with the result that Manchester was overwhelmed with requests to cancel all orders on the books. Needless to say, we got our share of this, though I am inclined to think that on the whole we suffered less in this respect than many others, but naturally the influx of orders was very considerably reduced.

Turnover Considerably Increased.

I spoke last year of the great difficulties which the export trade had to face, and as the War went on these difficulties naturally increased. More articles were placed on the list prohibited entirely from export, and the questions of licences, permits, and allocations, &c., grew more and more intricate and difficult, while the greater demands of the Government and the activities of the German submarines further increased the scarcity of shipping facilities and had an adverse influence on the arrival and dispatch of mails. In spite of all this, however, we succeeded in considerably increasing our turnover, and I am glad to say also managed to fully maintain our rate of profit. Our two branches in South America have again shown very good results, and have substantially contributed to our profit and loss account. I am pleased to be able to state that although the total figure of failures in Buenos Aires reached the sum of about £3,500,000, our branch was not involved even to the extent of a single penny. This year the Company will have to pay excess profits for the first time, and provision has been made for this before arriving at the available balance stated in the report. Not having any definite precedent to guide us, it is, of course, impossible to gauge the exact figure required, but we think that the amount reserved for the purpose will be sufficient.

Notwithstanding the extra strain put upon the capital by the increased turnover and the delay in the manufacture and shipping of goods, I am pleased to be able to say that we succeeded in keeping our resources liquid enough to assist the various campaigns during the year, by taking up £25,000 worth of War Bonds. After the turn of the year we were able to take up another £5,000, in aid of the last effort made by Manchester, thus bringing our total investment up to £30,000.

Severe Competition by America and Japan.

You will probably expect me to say a word about the present year. As you already know, I am always averse to anything in the nature of a prophecy, and this year it is more difficult than ever to form any opinion about the future. I can tell you that we have brought forward pretty heavy order books, but so far demand, in the form of new orders, has not yet sprung up, in spite of the obvious fact that the world is bare of stocks owing to the shortage of production and the enormous destruction caused by the War. That demand will not come until stability and confidence are established, and for that two things are essential: firstly, we must have peace and the raising of the blockade and freedom of trade; and secondly, we must have a statesmanlike and, if possible, a lasting settlement of the tremendous unrest of labour, not only in this country, but also in the many other countries where it is prevailing. Given an early and satisfactory solution of these great problems, I think it is fairly safe to predict a great boom in trade, which in all likelihood will last for some years. Let us hope that it will not be long in coming One very important factor to be borne in mind in setting our industrial house in order is the severe and increasing competition by the United States of America and by Japan. It is no use blinking the fact that these two great producing countries are intent on securing a large part of the world's trade, and our Government as well as employers and employed must resolutely face this danger in their deliberations if England is to maintain her commercial position and intends to secure her share of the large trade that must inevitably spring up in the near future.

The following resolutions were passed:—

"That a dividend of 17½% (less income tax at 5*s.* 10*d.* in the £), which, with the interim dividend of 7½% paid September 30, 1918, makes a total dividend of 25% for the year, be now declared for the year ending December 31, 1918, on the Ordinary shares of the Company, payable 28th inst."

"That the Company do abstain from exercising its right under Section 49 (2) of the Finance Act, 1916, of recovering from any of the directors any excess profits duty which the Company may be required to pay in respect of remuneration paid to the directors and disallowed for the purpose of excess profits duty up to and including the year ending December 31, 1918."

Mr. Francis A. Morello, the retiring director, was re-elected a director of the Company.

Messrs. David Smith, Garnett and Co., chartered accountants, of this city, were re-elected auditors of the Company for the ensuing year.

EASTMANS LIMITED.

THE thirteenth ordinary general meeting was held on March 26 at the Cannon Street Hotel, E.C., Mr. Andrew Dunlop (Chairman and Managing Director) presiding.

The Secretary (Mr. John L. Bisset) read the notice, and the report of the auditors was also read.

The Chairman said that the net profit for the past year enabled the directors to give the Ordinary shareholders a return on their investment that should help them to forget the lean and barren war period, and, at the same time, they were able to place £20,000 to reserve, thus strengthening the position of the Company. In the five years constituting the War period the average return to the Ordinary shareholders, after the present 10% was paid, would be at the rate of only 3% per annum, but in those five years the net liquid assets of the Company had increased by fully £56,000. Their strong cash position reflected some changed features of trading, brought about by War conditions. Their sales to-day were mostly for cash, and where credit was given it was for a shorter period than formerly, thus reducing the possibility of bad debts, and helping to swell the free cash shown in the balance-sheet. During the whole of 1918 their business was conducted under orders of the Food Controller. The Food Controller fixed the prices for all the live stock that came into our home markets, subject to the vagaries of grading, and he was the purchaser, as well as the seller, of all meats imported into this country for civilian needs. Their own position was that of distributors, through their hundreds of retail shops all over the country. They paid controlled prices for the supplies released to them under Government direction, and they retailed at prices fixed by the Food Controller; a modest margin between the two on a large turnover brought in a fair profit. They also derived revenue from their refrigerated stores in different parts of the country, which were kept pretty full with reserve stocks of Government meat against the possible menace of the U-boats to our food-carrying ships. The balance sheet showed a strong cash position—namely, £289,232 in War Loan, War Bonds, and advances against securities and floating cash. At present they had £70,000 invested in War Loan and War Bonds, and, in addition, sufficient free cash on hand to pay the dividend now proposed on the Ordinary shares. The net profit on the year's working, after providing £10,000 for depreciation, was £95,273, to which had to be added the balance of £8,098 brought forward, making a total of £103,371. The Preference dividends absorbed £28,509, and the directors now recommended a dividend of 10%, less income tax, on the Ordinary shares, amounting to £44,625, placing to reserve £20,000, making the reserve fund £95,000. That would leave £10,236 to carry forward.

The report and accounts were adopted.

DICKINS AND JONES, LIMITED.

THE nineteenth annual ordinary general meeting was held on March 26 at the registered offices, 29 Argyll Street, W., Lieut.-Colonel V. W. F. Dickins, D.S.O., presiding.

The Secretary (Mr. J. P. Oldroyd) read the notice and the report of the auditors.

The Chairman, having apologised for the absence of Sir Woodman Burbridge, Bart., C.B.E. (Chairman of the Company), who had been called to the Continent on urgent business, said that at the last meeting Sir Woodman was able to refer to the great progress during the year then closing, and he (the speaker) was glad to say that his confident anticipations as to the year they were then entering upon had been fully realised, not only by the substantial increase of over £34,000 (just on 50%) in the net profits, but also by the marked addition to the volume of business which had produced it. As he then stated, the object of the management had been to extend the popularity of the house and to broaden its base by attracting and holding the patronage of a large and increasing circle of customers. That had already been achieved to an extent that the board were convinced of the necessity of providing at the earliest possible moment the increased accommodation, now long delayed, which the rebuilding of the premises would afford. The profit for the year was £104,113. An interim dividend at the rate of 4% on the Ordinary shares for six months was paid in October, and it was now proposed to pay a final dividend at the rate of 8%, making 6% for the year. In the further distribution of the profits they had first a sum of £17,121 added to general reserve and for the equalisation of dividends, bringing it up to £35,000. There was also an appropriation of £15,000 as a sinkng fund for extinguishing the expenditure already incurred on the acquisition of new leases and buildings, the old leases having been surrendered and new ones granted for the terms of 78 and 80 years. Shareholders would also note the creation of a special reserve of £30,000 in the interests of future developments of the business. The stock-in-trade at £168.046 showed an increase of £45,096. The stock was well bought, in excellent condition, and entirely of an up-to-date character, and being already supplemented by the recent visits of their buyers to Paris and other Continental centres possessed all the elements of attraction desirable in their high-class business. Their motto was "Always the best, which, after all, costs so little more." He concluded by moving the adoption of the report and accounts.

Mr. W. L. Jones (managing director) seconded the resolution, which was carried unanimously.

FAIRFIELD SHIPBUILDING AND ENGINEERING COMPANY, LIMITED.

A MEETING of the "A" Mortgage Debenture holders was held at Winchester House, Old Broad Street, on Wednesday, March 26, to consider and, if approved, to confirm the resolutions which were unanimously adopted at the meeting of the stockholders held on the 6th inst.

There was present a large number of stockholders, and Sir Alexander Gracie, K.B.E., M.V.O., was in the chair.

The Chairman explained the objects of the meeting, and travelled over some of the ground that was covered at the last meeting. The propositions before the meeting were that the stockholders should authorise the exchange of 25,000 5% Preference shares of £1 each and 125,000 Ordinary shares of £1 each in the Coventry Ordnance Works, Limited, which form part of their security and on which the trustees for the Debenture holders had a first charge for 20,000 6% Cumulative Preference shares of £1 each and 125,000 Ordinary shares of £1 each in the English Electric Company, Limited, and also the consideration of an agreement dated February 20, 1919, which the Company had entered into with the trustees for the Debenture holders, under which the Company agreed to convey to the trustees 15 acres of land belonging to the Company, so that the Debenture-holders should have a first charge thereon, on condition that the trustees agreed to hand over the shares so to be acquired to the Company to enable them to finance the cost of the extensions and works which it was proposed to carry out upon such land and other land on which the Debenture-holders had a second charge.

The Chairman drew attention to the map which was exhibited in the hall, showing clearly the juxtaposition of the land so agreed to be included in the security to the remainder of the works of the Company, and the advantage which would be gained by the extensions and works proposed to be carried out thereon and on the adjoining land. He stated that arrangements had been made for financing the contracts for a large portion which had already been entered into. He pointed out that there was no intention of the Fairfield Company realising at once the Ordinary shares in the English Electric Company. On the contrary, he believed they will turn out to be of considerable value, but the Fairfield Company reserves power to redeem them from the security of the Debenture holders. He further pointed out that everything the Company does for its own advantage naturally rebounds to the advantage of the Debenture-holders.

The Chairman announced that he had received proxies from members holding £175,000 stock, showing that the great majority were in favour of the proposals. He then proposed the resolutions, of which notice had been given, to carry out the proposals, and the resolutions were seconded by General Sir Hugh McCalmont and carried unanimously.

UNITED SERDANG (SUMATRA) RUBBER PLANTATIONS, LIMITED.

THE eleventh annual ordinary general meeting was held on March 25 in the Council Room of the Rubber Growers' Association (Incorporated), 38 Eastcheap, E.C., Mr. George Croll (the Chairman) presiding.

Mr. James M. Kemp, on behalf of the Secretaries, Messrs. Harrisons and Crosfield, Limited, read the notice convening the meeting and the report of the auditors.

The Chairman said: Gentlemen, I have no doubt it will be your pleasure to take the report and accounts as read. I have again to ask your indulgence on account of the delay which has taken place in issuing the directors' report. It has been occasioned by shortage of staff and delay in the receipt of mails. I am hopeful, however, that we shall be able to issue to you the current year's report almost—if not quite—as early as we did before we became subject to conditions arising out of the War. The issued and paid-up capital of the Company remains at £250,000. The amount standing at the credit of premiums on shares account is also the same as a year ago at £170,141 7*s*. 5*d*., whilst the amount at the credit of the reserve account is now £85,000, as against £75,000 at the end of August 1917.

Capital Expenditure.

If you approve our recommendation to transfer £10,000 from last year's profit to reserve account, the total sum at the credit of premiums and reserve will be £265.141 7*s*. 5*d*., which is equivalent to £24 16*s*. per planted acre. If these amounts are deducted, the net book cost of the 10,961½ acres planted at the end of August last was £24 3*s*. 10*d*. per acre, which makes no allowance for the area of good plantable reserve land, estimated at 3,449 acres. At the end of the financial year we had a deficit on capital account of £18,658, and we have to meet, during the current year, an estimated capital expenditure of £21,737. Against this we have the £10,000 which we propose placing to reserve out of last year's profits, and the carry-forward of undistributed profits of £25,918, so that, if the estimate for capital expenditure is adhered to, we should finish the current year with a deficit on capital account of £4,477. This amount will be more than met by what we recover in depreciation during the current year, in addition to which we have a claim for a refund of a portion of the excess profits duty which we have paid. To bring the whole of the Company's planted area and the new clearings already sanctioned to maturity, we estimate that a further sum of approximately £28,000 will be required, spread over the four years commencing September 1 next.

Rubber Crop and Cost of Production.

Following the restriction of output scheme of the Rubber Growers' Association, a crop of 2,678,564 lb. of rubber was harvested, against the manager's unrestricted crop estimates of 3,395,000 lb. and a crop of 3,269,210 lb. for the previous year. Excluding the areas rested for restriction purposes, the crop was harvested from an average bearing area of 8,294½ acres (about 77% of the total planted area), against an average area in bearing for the previous year of 8,887½ acres. The yield was at the rate of 323 lb. per acre, or 3.86 lb. per tree, both figures being lower than the previous year's figures of 367 lb. and 4.15 lb. respectively. At the commencement of the year, 750,315 trees were being tapped, but, in consequence of the restriction scheme and of thinning-out operations, this number was reduced to 534,542 trees by the end of August last. The cost of production f.o.b. port of shipment, including provision for commissions to staff, depreciation, &c., but excluding loss in exchange, was 1*s*. 1.88*d*. per lb., as against an equivalent figure of 11.29*d*. per lb. in the previous year. This increase was almost entirely due to the restriction of output causing an increase in the general charges, and to the higher Sumatra income tax. The crop realised a net average of 1*s*. 10.26*d*. per lb., as against 2*s*. 3.14*d*. per lb. in the previous year.

Programme of Intensive Cultivation.

During the year an additional area of approximately 941 acres was planted, bringing the total cultivated area up to 10,631½ acres, a detailed statement of which is set out in the directors' report. A further new clearing of 500 acres was sanctioned, and it is anticipated that this area will be fully planted up during the current year. The system of clean weeding the estates has been maintained, and all our properties are reported to be clean from end to end. The cost of this very important work was 6.20*d*. per acre per month, as against 5.70*d*. for the previous year. The work of thinning out was continued and will be proceeded with as may be found necessary. During the year the Visiting Agent introduced a programme of intense cultivation on the estates, with a view to preventing the wash away of soil, and also to

improve the drainage in certain parts of the properties where effective drainage had previously been very difficult. Good progress has been made with this work, and it is hoped the programme will be practically completed by the end of the current financial year. No new disease of any kind has appeared on our properties, and the trees on all the estates are, generally speaking, reported to be in sound condition. Regular gangs of specially trained coolies are kept going round each estate, with a view to locating and treating all affected trees, and the Visiting Agent reports that disease was kept well in hand during the year. The labour force was sufficient for all requirements, and numbered at the end of August 5,035, as against 4,859 at the end of the previous year. The health of the European staff and the native labour force was—apart from the outbreak of influenza, which was general throughout the east coast of Sumatra—quite satisfactory.

Current Year's Crop.—Forward Sales.

For the current financial year our managers estimated for a restricted crop of 2,587,000 lb. As, however, the Rubber Growers' Association's restriction of output scheme ceased on December 31 last, this estimate is now being revised; and in the meantime I can only give you our provisional estimate of 3,100,000 lb. For the six months ended February 28 we had harvested a crop of 1,397,945 lb. Out of the current year's crop we have sold under forward contract 899,733 lb. at an average net price of 1*s.* 9.81*d.*, and out of the 1919-20 crop 1,370,880 lb. at an average estimated net price of 1*s.* 9.80*d.*

Allocation of Profit.

The net profits for the year's working amounted to £76,878 1*s.* 2*d.*, to which has to be added the net carry-forward from 1916-17 of £34,039 19*s.* 1*d.*, giving us a total of £110,918 0*s.* 3*d.* From this falls to be deducted the interim dividend of 10% paid in June 1918, which absorbed £25,000, leaving a balance of £85,918 0*s.* 3*d.* to be dealt with to-day. Our proposal to you is that a final dividend of 20%, less income tax, be paid, making 30% for the year; that the sum of £10,000 be placed to reserve account; and that the balance of £25,918 0*s.* 3*d.* be carried forward to the current year. This carry-forward is subject to Netherlands Indies war profits tax (if any), and also to a claim which we have for a refund of a portion of the excess profits duty which we have paid on account of our liability in previous years. During the year we took upon ourselves to grant a donation of £100 in response to the Lord Mayor's City of London Appeal for the British Red Cross Society, and I have no doubt this payment will receive your confirmation.

Favourable Prospects.

Our thanks are due to the General Manager, the divisional managers, and the assistants for the very good work which they have done under the difficult conditions which prevailed during the year under review, and I shall be glad if some shareholder will voice your appreciation of their services by moving a vote of thanks to them before the meeting closes. When I addressed you last year we were under the shadow of events the effect of which on our industry we had very limited means of judging. I then put the facts before you. Subsequently, we passed through a very difficult and, at one period, very anxious time. Stocks in the countries of production accumulated at a rapid pace, and the price fell to a figure which to many companies was less than the cost of production. With the signing of the Armistice the position improved, and as we had taken the view that we were justified in refusing to accept the low price to which the market had dropped, we did not suffer to any appreciable extent from what proved to be a very temporary condition, and we are, therefore, able to place before you a report which I am sure you will consider very satisfactory. The prospects for the current year are quite favourable, and, unless they are interfered with by the prevailing industrial unrest, we should be able to place before you a very satisfactory report at our next meeting. I now beg to move: "That the directors' report and statement of accounts in respect of the financial year ended August 31, 1918, be and the same are hereby adopted." I will ask Mr. C. E. Morrison to second this resolution, and, before putting it to the meeting, if any shareholder would like to ask me any questions I should be very pleased to answer them. Mr. C. E. Morrison seconded the motion.

In reply to a question, the Chairman said that the total amount paid by the Company in excess profits duty was £224,000. The resolution was unanimously adopted.

The Chairman next moved: "That a final dividend of 20%, less income tax, be paid on the shares of the Company, making 30% for the year; that the sum of £10,000 be placed to reserve account; and that the balance of £25,918 0*s.* 3*d.* be carried forward to 1918."

The motion, which was seconded by Mr. Charles Heath Clark, was unanimously adopted.

The retiring director, Mr. A. M. E. de Guigné, and the auditors, Messrs. McAuliffe, Davis and Hope, were re-elected; the donation of £100 made in response to the Lord Mayor's City of London Appeal for the British Red Cross Society was confirmed; and the proceedings concluded with a vote of thanks to the directors, agents and staff in the East for their services during the past year.

GAN KEE RUBBER ESTATE, LIMITED.

The eighth annual ordinary general meeting was held on March 26 at the registered office, 7 Martin's Lane, E.C., Mr. W. Arthur Addinsell (Chairman of the Company) presiding.

Mr. H. A. Huntley, on behalf of the secretaries (Messrs. Bright and Galbraith, Limited), having read the notice convening the meeting and the report of the auditor,

The Chairman said: Gentlemen, I move: "That the directors' report and statement of accounts for the year ended June 30, 1918, as presented to this meeting, be, and the same are hereby, received and adopted, and that a dividend on the Ordinary shares of 7 per cent., less income tax, for the year be declared and paid, making a total of 7 per cent. for the year on both classes of shares." The profit shown in the accounts now before you is considerably less than that realised during the previous year. There are three main causes for this reduction—the voluntary restriction of output for the second half of the financial year, the decreased price obtainable for the commodity, and the increased cost of labour, materials, freight, and insurance. All these factors are outside the control of your directors, and to a large extent will also apply to the current financial year, but I am glad to say that there are already signs of improved conditions in several directions. Labour and materials are not likely to experience any substantial reduction, but freight and insurance have already been considerably modified, and as shipping facilities continue to improve further concessions may be anticipated. Finally, the voluntary restrictions adopted by this and the majority of other British controlled rubber estates during 1918 have now been removed, thereby ensuring an early return to normal outputs.

Future Output.

As the trees are now wintering, no increased yield can be looked for during the next month or two, so that the removal of restrictions will not have any appreciable effect upon the current year's output, but I anticipate a substantially improved output during 1919-20. Having regard to the difficulties to which I have referred, I think the results disclosed by the report can be regarded with satisfaction. The increase in cost has been reasonable, and the average price obtained compares very favourably with the results shown by other estates for the same period. Very satisfactory progress has been made with our new clearings, and the opening of this area has been accomplished more rapidly than I anticipated when I last addressed you. There is considerable difficulty in obtaining an adequate supply of native labour at the present time, but our manager, Mr. Parsons, has proved

PITMAN'S BOOKS ON BANKING INSURANCE TRANSPORT

BANK ORGANISATION, MANAGEMENT and ACCOUNTS. **5s. net.**
By F. J. DAVIES, M.A., LL.B.
Describes the duties of the various members of a bank staff, and gives details of the methods of keeping accounts.

EASTERN EXCHANGE, CURRENCY and FINANCE. **12s. 6d. net.**
By W. F. SPALDING,
Certificated Associate of the Institute of Bankers, &c.
This volume contains, in a form readily accessible, a properly authenticated account of the somewhat intricate subject of Eastern Exchange.

INSURANCE. By T. E. YOUNG, B.A., F.R.A.S.,
Ex-President of the Institute of Actuaries,
Third Edition. **7s. 6d. net.**
With a practical Section on Workmen's Compensation Insurance, by **W. R. Strong, F.I.A.**, and the National Insurance Scheme, by **Vyvyan Marr, F.F.A., F.I.A.**

THE HISTORY AND ECONOMICS OF TRANSPORT.
By A. W. KIRKALDY, M.A., B.Litt., M.Com., and A. D. EVANS. **7s. 6d. net.**
Of particular interest and value to the business man who is brought into close contact with the problems of Transport.

INDUSTRIAL TRAFFIC MANAGEMENT.
By G. B. LISSENDEN. Foreword by C. E. Musgrave,
Secretary, London Chamber of Commerce. **7s. 6d. net.**
A thoroughly practical guide, dealing fully and comprehensively with the subject,

PITMAN'S LIST OF BUSINESS BOOKS
You should obtain this List for reference, as it contains particulars of many books necessary for the proper conduct of your business. A copy will be sent to you, post free, on application.

SIR ISAAC PITMAN & SONS, LTD.,
1 AMEN CORNER, LONDON, E.C. 4.

particularly successful in obtaining and maintaining a sufficient and contented labour force. This in itself is a considerable asset, and our manager is to be congratulated upon the excellent manner in which he has maintained the property under exceptional difficulties. Our factory has been running for a considerable time and has fulfilled all expectations, and the condition of the whole estate is reported as being excellent. It is anticipated that the planting of the 400 acres now being opened will be completed during the current financial year, and we shall therefore have a total of 937 acres under rubber.

A New Capital Issue.

To maintain this area and bring it to maturity further capital is essential, and within a few days you will receive an invitation to subscribe for the balance of the unissued Preference shares at 3*s.* per share. When this issue has been made the total capitalisation per acre at par will be just under £46 per acre, so that the price at which the new issue has been fixed will afford shareholders an opportunity of subscribing on the basis of about £69 per acre. May I take this opportunity of pointing out the special advantages appertaining to these Preference shares? In the first place, they, of course, rank before the Ordinary shares so far as capital rights are concerned, so that their security is undoubted. In the second place, the fixed dividend of 7 per cent. is cumulative, and there is therefore little possibility of any lower distribution ever being made, and finally, as they are participating equally with the Ordinary shares after the latter have received 7 per cent. in any one year, they can never under any circumstances receive a lower distribution than the Ordinary shares. With our financial position strengthened by the provision of this additional capital, we may look forward to the future with every confidence.

Mr. Harold de Winton seconded the motion, which was unanimously adopted.

The retiring director and the auditors were re-elected, and the proceedings concluded with a vote of thanks to the chairman and directors and to the staff in the East and in London.

WILLIAM WHITELEY, LIMITED

The annual general meeting was held on Wednesday at the Company's premises, Queen's Road, W. Mr. William Whiteley (the Chairman), who presided, said: The expansion of business has continued in a very marked manner. Week by week and month by month has shown large increases in almost every section, with the result that the trade done, and the profit made for the year, far exceed anything that has ever been done before since the business was established. I wish particularly to emphasise that the large profit made is not from a higher rate of profit, but from the increased business. The working expenses have increased in many ways, particularly in salaries, wages, and transport. Last year when we met the War was still in its most critical stages, and it was difficult to foresee what was going to happen. The armistice and the victory of the Allies is now a matter of history, but although we are at the conclusion of hostilities, there are many disturbing industrial questions which must be faced with some concern for the future. Government control should be relaxed as soon as possible, and business be given free scope for development. Many restrictions have already been taken off, and we look forward in the near future to all commodities being allowed to be sold freely in all markets in a normal manner and quantities. Our confectionery department, which was closed by Government order for about eight months, is now open, and is being freely patronised again.

Increase in Trading Profit.

I will now refer to the report and accounts. The trading profit for the year amounts to £219,239, an increase of £82,914 over last year, and the net profit amounts to £191,562, which is the largest ever made by the Company, and, as I have already mentioned, it has been produced by the large increase of trade done. The other items in the profit and loss account have not varied considerably, except the income-tax provision, which is, of course, a necessity. The amount of £10,000 has been placed to reserve, as usual, and we have written the balance of £7,236 off the displacement and extensions account. The Debenture interest for the year and the first six months' Preference dividend have been paid, and we now recommend payment of the second half-year's Preference dividend and a dividend of 8% on the Ordinary shares. The directors are pleased that they are in a position to recommend an increased dividend this year. The management shares will take the increased proportionate amount, leaving the larger amount to be carried forward of £92,808, subject to excess profits duty, which will still leave a substantial increase in the amount to be carried forward. In the balance sheet the freeholds are £8,000 less by sale of some land at Hanworth at a remunerative price, and the leaseholds and plant and machinery are subject to the depreciation charged against profit in the usual way. The stocks stand at a somewhat higher figure, but have been taken at a conservative valuation. The stocks are all good, and have been frequently turned over during the year.

General Position, Sound and Hopeful.

I do not think there are any other points in the balance sheet that call for comment, the general position being a sound and hopeful one. I mentioned last year that one of the directors was retiring, and I am pleased to inform you that the board have appointed two new directors—Mr. Bushnell, who has managed the provision departments for many years, and Mr. Dann, who has been secretary for many years. These appointments the shareholders will be asked to confirm in due course. I now beg to move "That the report of the directors and the accounts for the year to February 14, 1919, as submitted to the shareholders, be and the same are hereby adopted, and that the following dividends be declared: (1) A dividend at the rate of 4½% per annum, less income tax, on the Cumulative Preference shares for the six months to February 14, 1919; (2) a dividend of 8%, less income tax, on the Ordinary shares for the year to February 14, 1919; (3) a dividend on the management shares of the Company amounting to £2,919."

Mr. F. G. Dann seconded the resolution.

A sum of £2,000 was voted to the formation of an employees' benevolent fund, and £1,000 for a memorial to those of the staff who had fallen in the War.

RATANUI RUBBER ESTATE, LIMITED.

The eighth annual general meeting of the Ratanui Rubber Estate, Limited, was held on March 28 at the registered offices, 7 Martin's Lane, Cannon Street, E.C., Mr. W. Arthur Addinsell (Chairman of the Company) presiding.

Mr. J. Lewis, on behalf of the Secretaries, Messrs. Bright and Galbraith, Limited, having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen.—I move: "That the directors' report and accounts for the year ended September 30, 1918, as submitted to this meeting, be approved and adopted." It is a source of disappointment to the directors that they are not able to recommend the payment of a dividend, especially as this is the first year that no portion of the profits has been distributed to the shareholders since dividends were commenced in respect of the financial year ended September 30, 1911. The several causes which have resulted in the net profit falling from £20,994 in 1917 to £5,817 for last year are well known to you, and I will not weary you with dilating on subjects which have been repeatedly and exhaustively put before rubber shareholders at numerous annual meetings for some time past. The average net price of 1*s.* 10*d.* per lb. secured for the crop harvested must be considered satisfactory.

Expenditure on Capital Account.

In view of the fact that the net profit, although comparatively low, is equivalent to over 14% on the share capital, some shareholders may possibly consider that the directors have adopted a too conservative policy in not declaring even a small dividend of, say, 5% or 6%. It should be noted, however, that it has been necessary to expend on capital account a sum which exceeds the net profit for the year, thus more than accounting for the surplus cash received by the Company from the sale of produce. The bulk of this capital expenditure was rendered essential owing to the necessity for continuing the opening and planting of a further block of 183 acres on the New Division. At the end of last financial year 166 acres had been planted, and the preliminary development work on the second block had been commenced. Your directors therefore had no hesitation in recommending that the programme should proceed uninterruptedly, as, apart from other considerations, a stoppage would have seriously jeopardised the development of the area and the expenditure already incurred. The effect of this policy is that there are now 358 acres cleared, of which 336 acres are planted, the remaining 22 acres consisting of building sites and swampy areas. In a recent visiting report received from Mr. H. J. Cooper, he states that "the trees in the clearing are making excellent progress, and the soil is undoubtedly of excellent quality," so that in a few years' time, when this area reaches maturity, the shareholders can confidently look forward to reaping every benefit from the progressive policy adopted by the Company in pushing on and the development of this division.

Increase of Capital Contemplated.

With regard to future capital expenditure, your directors have come to the conclusion that the position fully justifies a slight increase of capital. This will remove all anxiety regarding provision of capital for maintaining immature areas and completely planting the land available on the New Division, which would otherwise have to be met entirely out of revenue, thereby curtailing cash available for dividends. As you are aware, at the present moment it is not possible to offer shares, even privately to a Company's own shareholders, without first obtaining the permission of His Majesty's Treasury through the medium of what is known as the Capital Issues Committee. The latter body has been referred to as the "Star Chamber," and right well have they deserved that somewhat caustic title. Since the notice convening this meeting was issued the Chancellor of the Exchequer has modified the functions of the Treasury Committee, the effect being that capital required for home industries can now be secured unfettered by restrictions. It would appear, however, that rubber companies registered in this country and having the bulk of their shares held here cannot ask their shareholders to provide new capital without first obtaining Treasury sanction, and, judging by past experience, this will only be given very grudgingly, particularly where a Company desires to adopt a progressive policy regarding development. I trust, however, that wiser counsels will soon prevail, and that the present irritating and stultifying regulations will be entirely abolished.

In order that the directors may be in a position to act immediately this state of affairs is reached, it is recommended that the resolutions embodied in the notice convening the extraordinary general meeting should be passed to-day. The price at which the 10,000 shares will be subsequently issued depends, of course, upon the then current market value of the existing shares; but shareholders may rest assured that their interests will be protected in every way, and they will in the first instance have the right to take up the shares *pro rata* to their existing holding.

Expected Output for Current Year.

Referring to the accounts, it may be of interest to you to note that the amount charged for income tax—namely, £1,136—is equivalent to 1.03*d.* per lb. on the crop harvested during the year. Against £6,314 deducted from last year's carry forward for excess profits duty in respect of the financial year ended 30th September, 1917, there will be nothing payable in respect of the last financial year. Indeed, subject to certain adjustments with the Surveyor of Taxes, the Company will have a claim for a refund of some portion of the amounts paid in previous years. At last meeting I commented somewhat fully on the output restriction scheme, which had then just been inaugurated by the Rubber Growers' Association. Although the results of this scheme were not altogether satisfactory, it is my view that all companies which loyally supported the Association are to be congratulated on their voluntary action. Since January 1 last tapping has been resumed on normal lines, and the output for the current financial year is expected to reach at least 300,000 lb., as compared with 264,000 lb. harvested to September 30 last. It is to be sincerely hoped that the present unsatisfactory position in political and industrial circles will shortly be placed on a permanently sound basis, so that the world's factories may resume normal working, which must stimulate the demand for the commodity in which we are interested. In conclusion, I can assure shareholders that both Divisions comprising the Company's property are in excellent condition, and great credit is due to our Manager, Mr. R. M. Lathom, not only for the maintenance of the original estate, but for his sound organisation in opening the new division. Mr. Lathom's health has not been satisfactory for some time past, as a result of which arrangements have recently been made which will enable him to take a few months' leave in this country.

Col. A. G. A. Durand, C.B., C.I.E., seconded the motion, which was unanimously adopted.

The retiring director and the auditors were reappointed.

An extraordinary general meeting was then held, at which a resolution was unanimously adopted increasing the capital from £40,000 to £50,000 by the creation of 10,000 £1 shares, ranking in all respects *pari passu* with existing shares.

BRITISH ALUMINIUM COMPANY, LIMITED.

THE ordinary general meeting of this Company was held on March 28 at Winchester House, E.C.

Mr. A. W. Tait, C.B.E., who presided, said that the profit for the year, after making provision for excess profits taxation, amounted to £420,426, as against £423,662. The trading profit, however, was £351,697, as against £369,509, or an approximate decrease of £17,000. On the other hand, the interest on deposits and dividends on investments were £68,577, against £52,099. The trading for the whole period was under Government control, and the results were not so good as in the previous year, this being due to a reduction in price as well as to a further increase in costs of production at the works, both in this country and in Norway. The output during the period had been the largest in the Company's history, and the demand for their productions had been heavy for the many purposes for which they were employed in connection with the war. There had been a rapid increase in production of aluminium throughout the world, especially during the period of the War, and the increase had been considerable in America and Norway. The sudden stoppage of hostilities caused serious dislocation in the industry.

With regard to the aluminium industry, the question was somewhat complicated by the fact that there were at the present moment large stocks in the hands of the Government. It had been necessary for these stocks to be carried during the War, but it was equally necessary now that they should be realised. The Government, however, appreciated that it was bad business to throw these stocks upon an unwilling market, as this would have the effect of breaking prices and bringing the selling price considerably below the cost of production, thus doing serious injury to an industry which was essential to the country, and had, in fact, been admitted to be a key industry. Arrangements had therefore been made by the Government to dispose of these stocks gradually, in a manner which would not unduly affect the position of the industry in this country. It would be necessary to curtail production until available stocks were reduced to more healthy limits, and some measure of balance was restored between production and demand. The future for the metal was bright when they considered the large demands which must be made in time in consequence of the developments in the motor, chemical, electrical, and aeroplane industries, and for domestic utensils, &c. Costs of production during the year had shown substantial increases, but this was to be expected, and he thought it would be some considerable time before they were reduced.

Dealing with the accounts, the Chairman said that in the balance sheet the investments were stated at the net figure of £431,207, which was after making provision for excess profits taxation, so that when these amounts were finally ascertained provision could be made for their payment without interfering with the general resources of the Company. The reserve fund investments stood at £470,599, as against £220,599 last year, so that the fund was now fully invested outside the business, and no less than £450,000 of this figure was represented by Government War Loan and War Bonds. The cash balances, at £281,846, showed an increase of approximately £32,000. The depreciation reserve account had been increased by £70,000 out of the profits of the year, and now stood at £450,000, and the reserve account had been increased to £470,000 by the appropriation of £70,000. The creation of this reserve fund had been a source of great strength to the Company in the past, and would, he felt sure, be of as great assistance in the future. Adding to the profit the balance brought forward, there was a total of £453,640, and, after making provision for income tax, Debenture service, &c., and the allocations to reserves, there was an available balance of £109,416. After paying the dividends on the Preference and Ordinary shares, the total distribution on the latter being 10 per cent. for the year, they were carrying forward £31,380.

The report was unanimously adopted.

BANCO NACIONAL ULTRAMARINO.

ARRANGEMENTS are now being made to further the international development of this Bank. Mr. E. F. Davies, the manager of the foreign office of the London County Westminster and Parr's Bank, Ltd., has been appointed Managing Director in London, and offices will shortly be established in London, Paris and New York. The Bank, besides being considered the most important commercial Bank in Portugal, is powerful in Brazil and has offices in Africa, China, India, and Timor. It is, moreover, the Chartered Bank of the Portuguese Government in the colonies with note-issuing powers. Last year the authorised and fully-paid up capital was raised to £2,400,000 by the issue of new shares at 200% premium, and the reserve fund exceeds the capital. The dividend paid for the year was 20%. The extension to London is calculated to lead to closer working relations with Portugal and to further commercial developments between this country, Portugal, Brazil and the Portuguese colonies. Special commercial intelligence, shipping and documentary credit departments, are to be established in the new offices, so that every facility can be placed at the disposal of British traders.

NATIONAL BENEFIT

ASSURANCE COMPANY, LTD.

All classes of INSURANCE, including LIFE, FIRE, MARINE, ACCIDENT, PROPERTY INVESTMENT, WAR RISKS, EMPLOYERS' LIABILITY, &c., at very favourable rates.
PROSPECTUS ON APPLICATION.

ASSETS EXCEED £1,500,000.

MANAGING DIRECTOR: J. FRANCIS, J.P., F.S.S.
Head Offices: NATIONAL HOUSE, NEWGATE STREET, LONDON, E.C. 1.
Marine Underwriting Rooms: 74 CORNHILL, LONDON, E.C.3.

REFUGE

ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds	**£4,700,000**
Assets Exceed	**£15,900,000**
Claims Paid Exceed	**£28,000,000**

SUBSCRIPTION TO "THE STATIST."

TO INCLUDE ALL SUPPLEMENTS.

Payable in Advance.

Inland.

ONE YEAR, £1 10 0 | HALF-YEAR £0 15 0

(Post Free.)

For Colonies and Abroad (within Postal Union).

ONE YEAR, £1 17 4 | HALF-YEAR, £0 18 8

(Post Free.)

OFFICE : 51 Cannon Street, E.C. 4.

IMPORTANT NOTICE.

All Editorial communications should be addressed to the Editor.

Business communications should be addressed to the Manager, THE STATIST, 51 Cannon Street, London, E.C. 4.

Telegrams : "Statist Cent. London." Telephone : 5258-5259.

CONTENTS.

	PAGE
LEADING ARTICLES—	
THE DEBT OF THE EMPIRE ...	593
PROGRESS IN PARIS ...	593
THE REVENUE RETURNS ...	594
THE PORTS OF LONDON AND LIVERPOOL	596
BRITISH DYES. II.	597
ECUADOR	598
BRITISH AND AMERICAN EXPORT TRADE	599
IMPORTS AND EXPORTS ...	600
STH. AND CENTRAL AMERICA—SAO PAULO	602
LAND PURCHASE IN IRELAND	603
FORESTRY IN IRELAND.—III.	605
THE MONEY MARKET ...	585
INCREASED PRODUCTION ...	585
STOCK EXCHANGE	587
MINING TOPICS—	
ROSE DEEP	588
RIO TINTO	589
ELECTROLYTIC ZINC CO. OF AUSTRALASIA	589
RHODESIA BROKEN HILL ...	589
DOLCOATH	590
TABULAR APPENDIX—	
I. Bank Returns, &c. ...	590
II. Current Bank Rates of Discount	591
III. Foreign Exchanges ...	591
IV. Bankers' Clearing-House Returns	591
V. Freights	591
VI. Wholesale Prices of Commodities	592
VII. Railway Revenue Statements	592
VIII. Railway and Tramway Traffic Receipts ...	592

	PAGE
FINANCIAL NOTES—	
EGYPT	606
SOUTHERN RUSSIA	608
CHINA	608
INDIA	608
CANALS AND WATERWAYS ...	608
AMERICAN TOPICS—	
CREDIT DIFFICULTIES ...	609
RUBBER TOPICS—	
GULA KALUMPONG	610
LABU (F.M.S.)	610
DJASINGA (JAVA)	611
NEW ISSUES—	
MIDLAND ELECTRIC CORPORATION FOR POWER DISTRIBUTION, LTD.	611
MAGADI SODA	614
GREENLEES & SONS (EASLEPHIT) FOOTWEAR, LTD. ...	614
BRADLEYS (CHEPSTOW PLACE) LTD.	614
TRUST HOUSES, LTD. ...	615
INSURANCE NOTES—	
NATIONAL PROVIDENT INSTITUTION	611
PEARL ASSURANCE COMPANY	612
COMMERCIAL—	
WOOLLENS	613
INDUSTRIAL COMPANIES—	
CAMMELL, LAIRD & CO., LTD.	615
SALT UNION, LTD.	615
STEWARTS AND LLOYDS, LTD.	616
HADFIELDS, LTD.	616
MEETINGS OF PUBLIC COMPANIES ...	617-625

The Statist.

LONDON, SATURDAY, APRIL 5, 1919.

The Money Market.

Friday, April 4, 1919.

	CURRENT RATE— % FIXED	PREVIOUS RATE— % FIXED
Bank of England Rate...	**5 (Apr. 5,'17)**	**5½ Jan. 18,'17**
Bank of England Rate — to Clearing Banks: 3 days' notice ...	3 (Feb. 14,'18)	4 June 19,'17
Bank of England Rate — for Foreign Money*	4½ (Nov. 15,'17)	extended Jan. 2,'18

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances.

Deposit Rates :—

Banks & Discnt. Ho. (Call)	3† (Feb. 14,'18)	3½ Jan. 2, 18
Discount Houses (Notice)...	3 (June 6,'18)	3½ Feb. 14,'18

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates :—

	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Tr'sury Bills (Fixed Feb. 14,'18)—		3½	—	3½
Bank Bills	3 15/16-½	3 15/16-½	3 15/16-½	3 15/16
Trade Bills	—	4-4¼	4-4¼	4-4½

INCREASED PRODUCTION.

FORTUNATELY, the American exchange, after a whole fortnight without control, continues wonderfully steady. The general opinion, however, as far as we can gather amongst merchants and bankers and those closely associated with the United States of North America, is that the tendency will be for a steady fall in the exchange as against this country. The Paris exchange also has not fallen with regard to this market to anything like the extent which was feared. It has to be remembered, of course, for the moment, that so far as the New York exchange is concerned we have, and France has, still large balances in the United States, and that owing to the fact that trade is still so hampered by the various controls—which are happily gradually decreasing, but still remain very effective—a large part of the buying continues to be more or less through the Government, and it is generally assumed that payments are made out of those balances which both our own and the French Government have still standing in New York. This, however, is, of course, only a temporary source of relief. Sooner or later we must face the fact that we have an enormous debt to liquidate in the United States; and France, of course, is well aware that she has an enormous debt which she can either liquidate through this country or direct with the United States. Gradually, as the American exchange is allowed to fall to whatever level the relative indebtedness of the two principal European debtors will determine, it should assist our exports of various commodities either direct to the United States or to countries in which the United States is, for various reasons, financially interested, say, for example, Central or South America. It is expected that, for a time at least, United States bankers and financiers will buy considerable amounts of European securities. But the general opinion, as far as we are able to gather, is that this process is not likely to be pushed very far. The feeling in the United States appears to be that the sound policy is for all the countries lately in close alliance for the purpose of prosecuting the recent War, to assist each other as far as possible. That is to say, of course, it will not be necessary or desirable for the New York Money market to continue to make loans, or for the United States Government to continue to grant credits. But, taking advantage of the low level of prices in the selling country, which has a depreciated currency as compared with a buying country having a currency at a premium, it seems likely that American traders and bankers will purchase European goods upon a very

considerable scale. In any case, so far as the business and Governmental interests are concerned, we may rely upon it that nothing will be done likely to embarrass either the London or the Paris Money markets, or, indeed, to do anything injurious to the economic conditions of either France or England.

In reality the difficulty is not really with the United States, which is disposed to assist Europe in its efforts at recovery as far as is reasonably possible. The real difficulty is with the dilatory methods our own Government is pursuing in gradually decontrolling the various great trades and manufactures of the country. We explained last week that all efforts of the Government to increase exports must prove futile if they insist upon putting every possible obstacle in the way of this country obtaining imports. No country, not even the United States, even with the large resources it has accumulated as a result of feeding and munitioning the Allies during the recent War, can afford to do business upon philanthropic lines. Business, to be permanent, must be carried on to mutual advantage. All the belligerent countries and most of the neutrals are short either of raw materials or of manufactured goods, or of both. In our own case we are short of both. In order to export upon a large scale, it is essential that our merchants and manufacturers should be perfectly free to import whatever it is their economic interest to purchase. It has to be remembered that this country is not a producer of raw materials to any appreciable extent. The bulk of our people—to the extent, indeed, of 80% of our population—are manipulators, as distinct from producers, of primaries; and consequently any prospect of increasing our export trade to any appreciable extent depends entirely upon our ability to import the raw materials upon which our people work. Apart from coal, we have really no raw materials to export, and it is doubtful if, in the present state of things, it is desirable that we should export coal to any appreciable extent. What we were accustomed to export in the past were textiles of various kinds, and our profit came from the difference between the price at which cotton, and wool, and flax, and jute, and various other textiles were invoiced to us in the raw state and the price at which we were able to dispose of them in various parts of the world to our customers in a state in which they were ready for immediate use.

An appreciable proportion of our imports were in the past, of course, paid for by interest on our investments. So far as new investments are concerned, this will only be practicable to a small extent in the future. But it has to be remembered that we can still import a certain amount by postponing payments on our present indebtedness, because we still retain nearly two-thirds of our former foreign investments. Another part of our imports were paid for by the fact that we were the great carriers of the world to the extent of, roughly, 60% of the total tonnage existing in the years that preceded the recent War. The United States has, of course, greatly increased her tonnage during the War. But it is by no means certain that she will continue to do so upon the present scale. It has to be remembered that the ships which have been built in the United States have been built almost regardless of cost. Consequently, in the long run, it is exceedingly doubtful if they can be operated at a profit unless, of course, the United States Government is prepared to grant a subsidy. A subsidised mercantile marine has never proved satisfactory for any length of time in any country, and there are grounds for believing that when things gradually settle down, and we are able to obtain raw material in large quantities and at reasonable prices, we shall once more be able to build ships at a price at which it would be exceedingly difficult for the United States to turn them out. It has to be remembered that the population of the United States is only about twice that of the United Kingdom, while the area of the country is some 16 times greater. Consequently, looking at the question from the point of view of an economist, it is very doubtful if the United States has as yet arrived at the position when she has such a large measure of realised resources that it is sound economic policy to employ a large proportion in the construction of shipping for the express object of engaging in the carrying trade of the world. It is perfectly evident that Europe will not be able to furnish the United States with capital upon the great scale to which she was accustomed in the past. Consequently, it would seem a sounder policy for the United States business and financial community to conserve its own liquid assets for the purpose of developing its own resources. Those resources are immensely valuable, and seem likely to yield a far better return on capital and enterprise employed than by using the same assets in the development of a great mercantile marine.

A point which has been raised is the advisability of the Aliens Bill now before Parliament. It is pointed out that while it may be desirable, and doubtless is desirable, to give the Government power to expel, if necessary, undesirable aliens who are proved to be undesirable on good grounds, it is by no means desirable to exclude foreigners from our industrial centres. It has to be remembered that in the majority of cases, foreigners coming here have to bring something really valuable, otherwise they would not be welcomed. So long ago as the fourteenth century, we built up a large, for the time, woollen manufacturing industry by importing Flemish workmen. Up to that time our own people had been content to raise the wool with the native fleeces, and export it to Flanders to be manufactured into cloth, and then to re-import such quantities as were necessary for our own native consumption. The development of our banking we owe almost entirely to a group of Italians who settled in what is now called Lombard Street. Lombard Street takes its name from these people, who are supposed to have originally come from Lombardy in Italy. Certain it is that whatever part of Italy they came from, they were foreigners, and it was to their skill and knowledge of international finance that we owe our development in banking. So recently as the early years of the Reformation, the Huguenots, who were persecuted in France, settled in Spitalfields and developed an important silk industry which has never wholly died out.

BANK OF ENGLAND.

THE chief factors influencing this week's Bank return were the disbursement of the half-yearly dividend on the first series of War Bonds, and, per contra, the ending of the fiscal year, with its accompaniment of heavy taxation payments. The principal movements are an increase of £7,166,634 in the public deposits against an increase of £10,121,500 in Government securities. Diminutions of £581,465 in "other" securities and £838,703 in the reserve reduced the market's gain to a little over £15,000,000, as represented by an increase of £1,542,386 in "other" deposits. The expansion in circulation shows no signs of a check, the increase for the week being £1,514,435, raising the active issue to £75,163,600. There was also a further addition to the bullion, raising its total to nearly £85,000,000.

ROYAL EXCHANGE
ASSURANCE.
Incorporated A.D. 1720. Governor: VIVIAN HUGH SMITH, Esq.
FIRE, LIFE, SEA, ACCIDENT,
and GENERAL INSURANCES.
The Corporation is prepared to act as TRUSTEE and EXECUTOR.
Apply for full particulars of all classes of Insurance to the Secretary—
Head Office: ROYAL EXCHANGE, LONDON, E.C. 3.
West End Branch: 44 PALL MALL, S.W. 1.

The proportion of reserve to liabilities declined from 19.71% to 18.07%.

THE POSITION IN INDIA.

We need not delay the reader by rehearsing once more the conditions prevailing in India. There has been practically no change during the week. On the whole, as we learn, there has been some increase in the number of people on relief works. But, on the other hand, the Money markets of India have become easier. The exchange banks report that both the Bengal and Bombay Presidency banks have reduced their rates from 7% to 6%. This telegram was despatched on March 27, and was received in London on April 3. The fact illustrates the difficulties under which trade is now carried on with various parts of the world. Surely the Armistice has now lasted long enough that whatever is necessary should be done to enable the cable companies to give the highly efficient service which they were accustomed to render trade in the period that preceded the outbreak of the recent War. India at the moment has as much as she can do to feed herself. She is obtaining rice from Burma, and wheat mainly from our Australian colonies.

POSITION IN NEW YORK.

As said above, the feature of the week in the International Money market of New York has been the comparative steadiness of the exchange with London. This is explained, partly, as we say above, by the fact that trade is very far from being free from the recent War controls between the two countries, and such buying as is going on on British account is being largely financed by balances from former credits which this country and France have obtained in the United States. It is also believed to be due, to some extent, to speculative action, supported very largely by sentimental considerations, as the New York Money market is anxious to prevent an unduly rapid fall, which might tend to embarrass the financial element in London. Of course, they realise that the fall must come sooner or later. But, as far as we are able to gather, the desire in New York is to let it come as gradually as possible, and to give us as long a period as may be to adjust our conditions to a steadily falling exchange. If we are wise, and take advantage of the opportunity, we shall de-control every trade that we possibly can; free the Money markets to the utmost extent possible; and do whatever in us lies to import the raw materials we need for our manufactures and offer the manufactured article as cheaply as possible to prospective customers.

SILVER.

There is very little to say regarding the Silver market. Prices have fluctuated to a very much greater extent than anything to which we have been accustomed in the recent past. Owing to the fluctuations in the American exchange itself, upon which the present price of silver depends, it has been well below 49*d.* per ounce at one period and well up to 50*d.* at another. The only feature has been the demand for silver for India, which the market here believes is destined for the Indian mints, but is equally likely to be required to pay for foodstuffs India is compelled to buy from Burma and elsewhere.

BARCLAYS BANK
LIMITED
(with which is amalgamated the LONDON PROVINCIAL & SOUTH WESTERN BANK Ltd.)

Business with France.

Barclays Bank Limited, by means of its subsidiary French Banking House, with offices at Paris and the principal centres, offers exceptional Banking Facilities to traders with France.

INQUIRIES ARE INVITED.

Address:
The Foreign Manager, 168 Fenchurch St., E.C.3.

Stock Exchange.

This week there has been a distinct lifting of the gloom recently overhanging the Stock markets. There is still a good deal of talk of the possibility of a serious state of affairs resulting from excessive labour demands being too readily granted. The situation on the Continent also is viewed with misgiving, and undoubtedly a sigh of relief will rise when the peace terms are settled and agreed. If a quick indemnity payment is a real, and not an imaginary prospect, it should have a good effect. One of the fears that depressed particularly the gilt-edged section last week —the possibility of dearer money—has been calmed by the prohibition of gold exports and the plethora of funds following the turn of the financial year and the coincident payment of the half yearly dividend on the earlier series of War Bonds. Discussion continues of the Government's intentions, both in regard to taxation and a new loan issue embracing the funding of the floating debt. At present there is nothing in the way of information to go upon, but it is argued, and seemingly correctly enough, first, that a big loan operation would hardly be helped by raising the income tax, and, secondly, that the conclusion of peace would be an appropriate opportunity for a big loan operation.

Easier money conditions coupled with the knowledge that within the next month the half-year's dividend will be deducted from the 5% War Loan price, making it look cheap and bringing into play the depreciation fund (unless there is a rise in the meantime), are factors which seem to be mainly responsible for the premier security leading a general appreciation in the gilt-edged section in the first part of the week. The best level has not been held, but the War Loan closes ⅝ up at 95⅝ and Consols, after being 56½ against 55¾, close at 56. There has been a recovery, too, in French Bonds, despite a further rise in the exchange, and the 5 per cents. close at 81½, against 80½ a week ago, and the 4% Rentes also higher at 65½. Japanese and Brazilian issues have continued firm, and a persisting demand for Guayaquil and Quito bonds. Foreign rails remain dull and neglected. Home railways, too, have shown little life even after lowering of prices.

It is again in the industrial and general sections that the best features and most confident tone have been manifest. Insurance shares have been good and even strong in individual cases affected by talk of amalgamation and in marine companies' shares. The steady piling up of reserves is what appeals to the investor disliking the possibility of depreciation in other securities. In telegraphs, Marconi issues have again been the subject of many buying orders, Marines and Americans being specially prominent. The higher value of the American dollar compared with the £1 sterling and the possibility of this state of affairs becoming emphasised in the future is of course a "bull" point for concerns earning large revenue on the other side and having to remit to holding companies or individuals here.

Possibly that accounts for some of the favour given to Otis Steel Common stock, which this week has further risen to 183. But there are other and more tangible reasons for the buying of recent weeks. Before the War the stock was quoted at a big discount. The Company was then overloaded with capital, much of it in the form of currency notes, and its prospects appeared hopeless. The War has completely altered that, however. Huge profits have been made, and besides providing heavily for depreciation, entirely renovating the works, and greatly extending

their capacity, the notes have been paid off, large allocations made to Preference capital redemption fund, and a strong financial position built up. For 1917 the Common stock received 10% dividend and 10% bonus, total 20%. That required a sum of $960,560. The net profit of the year, after provision for excess profits and income taxes, depreciation and bond interest, was $4,746,554. Of this $3,000,000 was placed to reserves, the Preference dividend called for $185,829, and after setting aside $480,000 to Preferred stock redemption fund the carry forward was reduced by $600,000. To the Preference share redemption fund has to be set aside half the amount distributed on the Ordinary shares, and it is pointed out that if prosperity continues the position of the Common stockholders will be greatly strengthened by the existence of a special reserve in the place of the existing $2,654,700 Preferred stock. With that prospect is coupled the fact that the Common stock, put on a 20% basis in 1917, is quoted at a price which yields about 11% irrespective of exchange considerations. The 1918 report is due about the end of May.

Textile descriptions have been inclined to dulness on the notice of the concerted shutting down of the cotton mills for 14 days. There has been fair activity in iron and steel shares. Armstrong and Vickers have been good, the latter on the combination with Petters, Limited, the oil-engine manufacturers. Bengal Iron and Steel have receded to 8$\frac{15}{16}$. Elsewhere Sudan Plantations show a further advance at 6$\frac{1}{2}$ and Dunlop Rubbers have spurted to 5$\frac{5}{8}$.

The Oil market has been good again, but closes below the best. The terms forecasted for the acquisition by the Shell interests of the Mexican Eagle control, at present held by Lord Cowdray, were considered disappointing to the hopes of exchange of shares giving Mexican Eagle shareholders a better security. Shells finish the week at 8$\frac{9}{32}$, and Mexican Eagle Common at 5$\frac{15}{16}$, while Anglo-Egyptian "B" have risen from 4$\frac{7}{16}$ to 4$\frac{5}{8}$.

The text of the new Order under the Defence of the Realm Act in regard to new issues of capital has been published this week. The principal clauses are as follows:—

30F.—(1) It shall not be lawful, except under and in pursuance of a licence granted by the Treasury—(*a*) to issue capital in the United Kingdom where the proceeds of the issue or any part thereof are to be applied for capital purposes outside the United Kingdom, or to replace money which has been so applied; or (*b*) to issue capital in the United Kingdom or to renew or extend the period of maturity of any security where the issue, renewal, or extension is made by or on behalf of a person not ordinarily resident in the United Kingdom: Provided that the foregoing prohibition shall not apply to the issue of shares of an amount not exceeding £100 in all to the subscribers of a memorandum of association.

(2) Every prospectus or other document offering for subscription any stock, shares or securities shall include a statement that no part of the proceeds of the issue is to be applied for capital purposes outside the United Kingdom or to replace money which has been so applied or in cases in which the proceeds of the issue are to be applied for capital purposes outside the United Kingdom or to replace money which has been so applied that the necessary licence has been obtained from the Treasury.

NOTICE TO BANKERS.

Advances upon STOCKS AND SHARES will be entertained upon favourable terms by the

LEGAL & GENERAL LIFE ASSURANCE SOCIETY.

The transactions can be carried out expeditiously and cheaply, and full particulars will be sent upon application to

No. 10 Fleet Street, London, E.C. 4.

WEST AFRICA.

INNES MacDONALD & SEALE, LTD.

¶ Examinations and reports on Mining Properties in the Gold Coast Colony and Northern Nigeria.

¶ Concessions prospected and opened up.

¶ Mines managed on contract and tribute.

Offices... ... TARKWA, GOLD COAST COLONY. 17 FARRINGDON AVENUE, LONDON, E.C.

M. L. INNES BROWNE, London Representative.

Mining Topics.

THE Mining markets have been dull again, with activity confined to a very few specialities. South Africans have been under the influence of the municipal strike at Johannesburg and fears of labour unrest spreading to the native workers. Confirmation of these fears in part has been read into a cable stating that 3,000 natives presented themselves to the Pass Office on Monday, objected to carrying passes and asked for a shilling extra pay a day. In face of the ugly possibilities for the industry attaching to the presistence in and extension of this demand, the market has kept remarkably firm, which suggests that in the best-informed quarters the matter is not at present looked upon as serious. Knight Central and Witwatersrand Deep shares have been features of strength, the quotations of both registering sharp jumps on talk of good developments and amalgamation possibilities. Among Rhodesians, Shamvas have been a strong spot, rising to 2$\frac{1}{8}$. Gaikas have fluctuated sharply. Chartered have been pressed below par. Elsewhere Santa Gertrudis have advanced further to 24*s.* 3*d.*, and Camp Bird are better in sympathy. Colombian Minings seem to have lost their glamour for the wild speculator, if the falling quotation is any criterion, and some of the recently tipped West African bubbles look inflated enough to burst. Among diamonds De Beers have been a good market, and in tin shares South Crofty have spurted on bonus anticipations, while Aramayo Francke improved on the report. Coppers and Broken Hills have been quiet; another demand by employees on the Barrier mines—this time for a 30-hour week and £1 a day wage—has naturally not helped Broken Hills. Burmas have jumped again. They are now 6$\frac{1}{4}$.

Rand Selection Corporation.—The directors having acquired 122,433 shares of the Corporation belonging to enemy shareholders, propose to distribute 42,206 shares to existing non-enemy shareholders by way of dividend in the proportion of eight shares for every 100 shares held, and to offer the balance to shareholders in the proportion of 15 shares for every 100 shares held. Application may be made for additional shares, and the board will decide their allocation.

ROSE DEEP.

THE improvement in operating results at the Rose Deep in 1917 proved to be a flash in the pan, for in 1918 the outcome of working was the worst recorded since the amalgamation with the Glen Deep 10 years ago. In the early part of the year the underground workings, in common with other mines on the Central Rand, were flooded through the extraordinarily heavy rainfall, and there was a movement of ground in No. 4 section. Later, labour shortage became acute, and the effect on operating results was subsequently accentuated by the influenza epidemic. In consequence of these adverse circumstances the tonnage milled declined by 79,000 tons to 616,900 tons, which is a

smaller quantity than milled in any year since 1909. The yield per ton was poor also, and expenses advanced considerably. Hence the working profit of only 4*s.* 6*d.* per ton brought in £120,000 less than in 1917, and after including sundry revenue and paying taxation of substantially reduced amount the net profit sufficed to distribute only 17½% in dividends, against 30% for 1917. Five years' results are compared below :- -

	Ore Milled Tons	Gold Yield Per Ton	Working Costs Per Ton	Working Profit £	Working Profit Per Ton	Net Profit* £	Dividends £	Dividends %
1914 ...	734,500	24/4	16/7	285,439	7/9	251,705	245,000	35
1915 ...	789,700	24/0	16/11	276,303	7/1	243,841	227,500	32½
1916 ...	784,600	22/11	17/3	222,921	5/8	195,609	183,750	26¼
1917 ...	685,900	24/5	16/11	258,912	7/6	229,663	210,000	30
1918 ...	616,900	23/0	18/6	138,800	4/6	129,036	122,500	17½

* After payment of taxes, &c.

Both sections of the property have been worked for many years—20 or more—and are but a few years from complete exhaustion. The ore reserves in 1918 were reduced from 3,219,700 tons, averaging 22*s.* 11*d.* per ton, to 2,909,520 tons, value 22*s.* 6*d.* The labour force has improved since the close of the year, and it is stated that, given an ample supply, the mine could produce very largely in excess of the output of the past year, with corresponding increase in profits.

RIO TINTO.

No doubt the fall in the rate of Spanish exchange in the early part of the year adversely affected the Rio Tinto Company's earnings for 1918, but there were still more serious difficulties than that to contend with. Lack of freight and raw materials necessitated reduction in the working and output of several departments. For want of fuel all the steam shovels and many of the locomotives were unable to work, operations being largely carried on by hand labour. Smelting operations were also affected. The much reduced quantity of fuel obtained often cost ten times the pre-War rates. Through the very high price of iron the copper produced by the wet process was almost double that of normal times. All these adverse factors, only offset to a limited extent by the higher price obtained for copper, sufficiently explain the drop reported in the profit from £2,004,992 to £1,041,622, and the reduction of the dividend from 90% to 50%. Five years' results are compared below :—

	1918 £	1917 £	1916 £	1915 £	1914 £
Profit on produce ...	1,208,263	2,348,112	2,219,310	1,348,618	933,491
Interest & sundry receipts	49,996	55,823	31,828	10,605	7,021
	1,218,259	2,403,935	2,251,138	1,359,223	940,512
Deduct :—					
Administration expenses	120,986	105,136	90,569	102,212	69,559
Workmen's pensions, &c.	56,269	98,034	38,313	33,300	27,633
Allowance to directors	4,375	12,506	12,782	6,638	3,392
Depreciation	1 0,949	61,835	47,263	17,493	20,312
Staff provident fund ...	4,000	5,000	5,000	3,000	3,000
Taxes	79,557	116,432	70,648	87,252	102,549
Total	276,637	398,943	264,575	249,895	226,445
Net profit	1,041,622	2,004,992	1,986,563	1,109,328	714,067
Divs. on Pref. ...	81,250	81,250	81,250	81,250	81,250
Divs. on Ord.	937,500 (50%	1,687,500 (90%)	1,781,250 (95%)	1,031,250 (55%)	656,250 (35%)
Balance profit ...	22,872	236,242	124,063	Dr. 3,172	Dr 23,433
Brought forward ...	519,572	283,330	159,267	162,439	185,872
Carried forward ...	542,444	519,572	283,330	159,267	162,439

During the last five months the purchasing of copper has fallen off greatly, and the demand for sulphur pyrites for industrial purposes also has not yet revived. The directors consider, however, that when world conditions again become more normal there is nothing in the Company's affairs which should prevent the return of its former prosperity.

The present price of 56 for the £5 shares compares with highest and lowest quotations of recent years as under :—

	1913	191	1915	1916	1917	1918	Present
Highest ...	81¼	74⅞	61¼	66½	69	70½	56.
Lowest ...	68⅝	50	52½	56½	61	63½	

ELECTROLYTIC ZINC COMPANY OF AUSTRALASIA.

Practically all the Broken Hill mining and kindred enterprises combined to make a success of lead smelting in Australia, whereby the crude concentrates produced are turned into marketable metal on the spot instead of being sent, as formerly was largely the case, to Germany for treatment. More recently a scheme for establishing the zinc industry on a scale commensurate with the Broken Hill field's great production of zinc concentrates has been commenced. The Amalgamated Zinc Company has been the promoter in this, supported by the Zinc Corporation, and also the North Broken Hill Co. Now, the Broken Hill South directors recommend their shareholders to authorise the acquisition of 70,000 fully paid shares in the concern known as the Electrolytic Zinc Company of Australasia Proprietary, Limited, at par, plus accrued interest. The authorised capital is £1,000,000, of which 350,000 £1 issued shares have been subscribed, as to 280,000 shares by the Amalgamated Zinc Company and 70,000 shares by the Zinc Corporation. An estimated total of £1,000,000 is required to complete the installation at Risdon, Hobart, Tasmania, of electrolytic plant capable of producing 100 tons of electrolytic zinc per day. Power is supplied by the Tasmanian Government hydro-electric works. Great progress is reported to have been made during the past year, the first unit of plant now being in operation and producing at the rate of 90 tons of zinc per week, and the Broken Hill South Company's General Manager, after the closest investigation, recommends acquisition of the 70,000 shares offered. It is pointed out that the South Company is one of the largest prospective producers of zinc concentrates at Broken Hill, and that, consequently, the establishment of the zinc industry in Australasia on a commercial basis is of great importance to the Company. Moreover, the degree of speculation in the venture is reduced to a minimum in view of the contract effected by the Commonwealth Prime Minister and the Home Government, whereby the sale of zinc has been assured and minimum prices guaranteed for a term of years.

RHODESIA BROKEN HILL.

The Rhodesian Lead and Zinc Syndicate, Ltd., which took over the development and operation of the lease of the 35 square mile mineral area containing the Rhodesia Broken Hill mines, has now been liquidated and the property returned to the Rhodesia Broken Hill Development Company. From April 1, 1916, to February 28 last the Syndicate produced 15,383 tons of lead. It is now considered that development work has brought into sight sufficient ore to justify an extension of the plant. At No. 1 Kopje the contents are estimated at 100,000 tons of metallic lead and 25,000 tons of metallic zinc, and No. 2 Kopje is estimated to contain to water-level about 300,000 tons of 32% zinc ore. An additional smelter has been ordered, and it is anticipated that it will be in operation by the end of the present year, when the output should be increased to 1,500 tons of metallic lead per month. The consulting engineers consider that the Company is warranted in undertaking expenditure in the preliminary development of a zinc industry, and they also advise considerable outlay upon prospecting and geological work. The Central Mining and Investment Corporation and others have exercised the options they hold on the unissued shares of the Company, subject to Treasury consent being obtained. Lead sales include all this year's output. Additional pumping equipment has been installed, and arrangements made for the adoption of the François cementation process to deal with the water encountered in the country surrounding the deposits, which has impeded the sinking of the new main shaft. The results so far reported are favourable.

DOLCOATH.

When Dolcoath earns a profit of only £14,446 for six months' working with the selling price of its black tin output averaging a higher figure than in any previous half-year since 1906 except one, it is justifiable to express a little scepticism as to the prospects of such holders when a much lower price rules for the metal. The production in the last half of 1918 was the lowest seen since the establishment of the Limited Liability Company in 1896, and, moreover, the cost of production further rose to the unprecedented figure of 47s. 9½d. per ton of ore treated:—

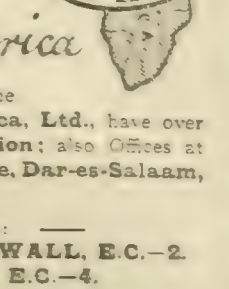
Half-Year to	Ore Milled Tons	Black Tin Output Tons	Black Tin Output Per Ton Lb.	Av. Price Obtained per Ton of Tin £	Working Costs per Ton of Ore £	Gross Profit £	Duty's Royalties £	Net Profit £
Dec. '15	45,354	508	28·2	89½	24·5	Nil	3,044	4,990*
June '16	41,384	578½	31·2	108½	26·1	21,040	4,157	6,883
Dec. '16	37,963	500½	29·5	99½	28·4	413	3,323	2,413*
June '17	35,174	500	31·6	126½	31·9	8,560	4,233	4,387
Dec. '17	34,540	467½	30·3	145	36·4	10,685	4,650	6,055
June '18	32,783	423½	29	188½	40·2	17,642	2,830	14,813
Dec. '18	28,716	403*	31·4	188½†	47·9‡	14,446	‡ —	14,446

* Loss.
† Value of produce, £76,136 in December half of 1918, against £79,817 June half.
‡ Including £1,371 royalties accrued.

No dividend has been paid since February 1914, but, thanks to the recent issue of £75,000 of Debentures, the financial position has been made strong after purchasing its share in the Tehidy mineral property, for which purpose mainly the Debenture issue was made. Shortage of labour has prevented development work at the Dolcoath mine, but Army demobilisation should enable progress to be made in this direction and also a larger quantity of ore to be passed to the mill. The chief hope for the future, however, seems to be in connection with the opening up of the Tehidy estate, recently passed over to a new Company to be worked jointly by the East Pool and Dolcoath companies. If this ground proves to contain anything like the mineral promise shown at Dolcoath in the past [illegible] the Dolcoath Company, which has [illegible] quite possible to pay a respectable return on its comparatively small capital of £350,000.

"Democratic Ideals and Reality." A study in the politics of reconstruction. By H. J. Mackinder, M.P. Price 7s. 6d. net. (London: Constable and Co., Ltd.) Mr. Mackinder's endeavour in this work has been to measure the relative significance of the great features of the globe, as tested by the events of history, including the history of the last four years. Ltd.

Intending Settlers To South & East Africa



are notified that the

National Bank of South Africa, Ltd., have over **300 Branches within the Union**; also Offices at **Mombasa, Nairobi, Mozambique, Dar-es-Salaam, Tanga**, etc., and in **Nyasaland.**

LONDON OFFICES:

CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office—
26, COCKSPUR STREET, S.W.—1

Agency at—
10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, April 2, 1919.

Issue Department.

Notes Issued	£101,943,655	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	83,493,655
	£101,943,655		£101,943,655

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£87,114,144
Rest	3,535,126	Other Securities	78,870,215
Public Deposits	32,790,089	Notes	56,780,055
Other Deposits	123,302,353	Gold and Silver Coin	1,434,527
Seven-day and other Bills	16,393		
	£174,198,941		£174,198,941

Comparison with Previous Four Weeks [000's omitted]

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate	Three Months' Bills
1919.	£	£	£	£	£	£	£	%	%	%
Apr. 2	75·1	84·9	32·8	123·3	67·1	78·9	28·2	18·07	5	5⅛
Mar. 26	73·6	84·2	25·6	121·7	57·0	79·4	29·0	19·71	5	3⅛
Mar. 19	72·2	83·4	27·2	121·6	58·6	80·6	29·89	19·83	5	3½
Mar. 12	71·4	82·4	24·3	125·9	55·3	83·6	29·5	19·82	5	3½
Mar. 5	71·1	81·2	25·7	128·7	59·2	84·7	28·6	18·52	5	3½
J'y 22, '14	29·3	40·2	13·7	42·2	11·0	33·6	28·3	52·40	3	2½

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 8, 8%; Aug. 8, 6%; July 13, 1916, 8%; Jan. 18, 1917, 6½%; April, 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

	Apr. 2. 1919	Apr. 3. 1918	Apr. 4, 1917	Apr. 5, 1918	Mar. 31, 1909
Bank of England (in £'s sterling 000,000's omitted):					
Circulation	£75.1	£48.0	£38.9	£33.9	£28.4
Public Deposits	32.8	36.3	50.1	38.9	19.2
Other Deposits	125.3	150.3	129.0	87.7	44.2
Government Securities	67.1	59.3	39.2	39.2	15.3
Other Securities	78.9	113.5	123.3	96.1	35.6
Reserve	28.2	31.9	34.2	41.0	30.8
Ratio to Liabilities	18·07%	17·09%	19·11%	28·03%	48·52%
Coin and Bullion	84.9	61.4	54.7	56.5	41.7
Money					
Bank of England Rate	5%	5%	5½%	5%	2½%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3⅜-½%	3½%	4½%	4½%	1½-1%
Exchanges:					
Paris Cheque	27 66¼	27 18¼	27 45	28 56	25 17½
New York 60 days	4 60	4 72¼	4 72	4 73½	4 85⅝
Bombay Telegraphic Transfers	1/5⅛	1/4⅛	1/4⅛	1/4⅛	1/3⅛
Prices:					
Consols 2½% Cash	58	54¼	55	57	84·4
French Rentes 3% Money	62 40	57·50	61·30	63·15	97 82
Silver, London spot oz.	48⅝d.	45⅝d.	35⅛d.	29⅝d.	25½d.
Wheat, *Gazette* average qr.	72/7	72/4	81/5	53/6	36/0
Cotton, Mid Upland* lb.	18·59d.	24·63d.	12·89d.	7·57d.	4·99d.
Iron, Scotch pig ton	101/0	101/0	89/8	89/0	53/0

* Good Middling American, Official Value.

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	% of Gold to Notes %
Apr. 2, 1919 ...	8,844,620	4,526,878	332,122,712	28,500,000	8·6
Mar. 26, 1919 ...	9,008,167	5,139,552	328,064,070	28,500,000	8·6
Apr. 3, 1918 —	4,634,252	1,932,349	230,851,192	28,500,000	12·3
Apr. 4, 1917 —	8,792,956	3,430,676	150,049,351	28,500,000	19·0
Apr. 5, 1918 —	6,235,052	3,498,927	109,427,216	28,500,000	26·0
Apr. 7, 1915 ...	1,611,810	626,209	45,787,487	27,500,000	67·4

Balance Sheet, April 2, 1919.

	£		£
Notes outstanding—		Advances—	
One Pound	251,768,172	Trustee Savings Banks	470,000
Ten Shilling	46,548,540	Currency Note Redemption A/c—	
Certificates outstanding —	33,810,000	Gold Coin and Bullion...	28,500,000
		Government Securities...	315,077,178
Total	332,122,712	Balance at Bank of England	4,475,771
Investments Reserve A/c	16,400,237		
Total — —	348,522,949	Total — —	348,522,949

PUBLIC INCOME & EXPENDITURE [000's omitted.

1918-19. Week to	Revenue	Expenditure	Excess of Expenditure	Loans Advances, &c.—Cr.	Loans Advances, &c.—Dr.	Loans Advances, &c.—Net.	Cash Balance
Mar. 31*	£39,105	£53,056	£13,941	£429,317	£410,981	£18,336	£12,799
Mar. 22	38,174	46,344	15,170	72,843	56,556	16,287	7,404
Mar. 15	36,033	43,408	7,375	89,868	82,343	7,525	7,784
Yr. '18-19*	641 50	2,972,197	2,330,647	—	—	2,335,658	—
Yr. '18-19	689,021	2,578,201	1,889,280	7,033,402	5,551,353	1,482,049	12,799
Yr. '17-18	700,434	2,698,021	1,986,987	7,496,804	5,516,923	1,983,581	21,930
Yr. '16-17	573,408	2,198,213	1,624,685	4,427,893	2,901,988	1,525,546	26,438

Principal Items of Revenue and Expenditure.

1918-19. Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profits Duty, &c.	Revenue: Other Revenue	Expenditure: Int. &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services.
Mar. 31*	£4,492	£14,669	£13,158	£3,626	£3,432	£1,568	£48,929
Mar. 22	5,690	14,988	7,326	5,170	922	197	47,255
Mar. 15	3,030	18,832	3,673	8,786	10,450	959	31,000
Yr. '18-19*	147,700	290,450	300,000	103,500	316,000	11,414	2,845,743
Yr. '18-19	152,328	291,186	285,028	150,527	269,964	11,393	2,287,356
Yr. '17-18	110,033	239,509	226,214	137,478	189,851	11,401	2,444,969
Yr. '16-17	126,941	205,033	136,920	101,534	127,250	11,870	2,058,985

FLOATING DEBT.	Treasury Bills	Ways & Means Advances	Total	Retrd. War Bond Rcpts.
Mar. 31, 1916* ...	£457,038	£454,986	£911,024	£1,660,632
" 29, 1919 ...	589,586	456,988	1,406,574	1,676,114
Mar. 15, 1919 ...	567,479	445,770	1,404,249	1,671,312
" 8, 1919 ...	961,664	448,770	1,410,434	1,660,088
Dec. 31, 1918 ...	1,054,740	455,180	[illegible]	1,420,700

* Budget and Supplementary estimates. † Nine days. ‖ Highest.

FOREIGN BANKS. [In £s sterling—000's omitted.]

AUSTRIA-HUNGARY.	Gold.	Silver.	Total.	Advances.	Note Circltn.	Above — or beneath + legal max.	Bills Discounted, &c.
July 23, '14	£51,578	£12,141	£63,719	£7,772	£88,740	+ £2,478	£31,983
Feb. 22, '19	10,918	2,368	13,286	386,871	1,571,520	—	117,018
Feb. 28, '19	10,918	2,364	13,282	388,292	1,565,400	—	117,014
Dec. 7, '17	11,000	2,300	13,300	892,890	739,300	—	117,800

DENMARK.	Gold.	Silver.	Total.	Discounts.	Balance Abroad.	Circulation.	Deposits.
July 31, 1914	£4,100	£341	£4,441	£6,197	£788	£8,693	£47
Jan. 31, 1919	10,405	135	10,540	4,110	5,563	23,938	1,016
Feb. 28, 1919	10,400	136	10,536	3,959	5,342	23,402	820
Feb. 23, 1918	9,641	136	9,777	2,827	2,712	18,478	1,835
Feb. 28, 1917	9,155	125	9,280	5,008	2,509	15,322	2,371

FRANCE.	Gold. In Bank	Gold. Abroad.	Total Cash incl'g Silver	Bills.	Circulation.	Deposits. Public.	Deposits. Private
July 30, 1914		£185,654	£190,887	£97,789	£287,327	£15,302	£37,903
Mar. 27, 1919	142,575	79,132	234,227	40,017	1,334,866	1,874	120,508
Apr. 3, 1919	142,642	79,132	234,264	40,278	1,349,459	3,796	115,043
Apr. 4, 1918	133,517	81,484	225,200	72,869	1,033,915	3,356	125,054
Apr. 5, 1917	130,636	77,907	218,992	24,177	749,978	3,444	98,399

GERMANY.	Gold.	Silver.	Total.	Treasury & Other Notes.	Loans & Discounts	Circulation.	Deposits
July 23, '14	£87,843	£18,727	£84,570	£5,279	£40,055	£94,545	£47,198
Mar. 15, '19	111,991	1,037	113,028	298,379	1,426,930	1,217,560	653,075
Mar. 23, '19	109,415	1,038	110,453	305,448	1,380,046	1,225,105	598,393
Mar. 23, '18	120,369	5,986	126,305	66,957	673,714	569,961	356,455
Mar. 23, '17	126,492	795	127,287	17,770	463,460	411,241	225,177

HOLLAND.	Gold.	Silver.	Total.	Discounts.	Advances.	Circulation.	Deposits.
Aug. 1, 1914	£13,496	£249	£13,745	£13,422	£10,339	£35,880	£1,437
Mar. 22, 1919	55,854	800	56,654	10,219	15,878	82,526	6,731
Mar. 29, 1919		56,590			28,260	84,421	6,697
Mar. 30, 1918	60,182	607	60,789	2,194	9,645	74,407	4,730
Mar. 31, 1917	49,210	576	49,786	7,146	7,237	62,137	6,386

ITALY.	Gold.	Silver.	Total.	Other Cash.	Loans & Disc'nts.	Circulation.	Deposits
July 31, '14	—	—	48,456		£25,017	£89,204	£8,887
Dec. 31, '18	£32,710	£3,086	35,796	15,238	65,934	368,934	63,866
Jan. 31, '19	—	—	49,396		74,503	380,882	61,759
Jan. 31, '18	33,448	3,235	36,683	7,402	51,107	282,535	56,401
Jan. 31, '17	34,783	2,826	37,609	7,220	31,798	156,302	38,880

JAPAN.	Gold.	Discounts.	Advances.	Notes.	Deposits. Public.	Deposits. Private.
Aug. 1, '14	£21,887	£1,829	£7,883	£32,722	£13,918	£1,521
Feb. 15, '19	71,235	2,160	41,443	82,767	104,347	5,093
Feb. 22, '19	71,217	577	40,072	81,739	102,718	5,819
Feb. 23, '18	65,504	3,131	22,808	64,695	81,399	2,974
Feb. 24, '17	40,031	1,579	14,217	44,011	39,811	2,597

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve.	Loans, Discounts, Invest.,&c.	Net Deposits. Demand.	Net Deposits. Time.	Net Deposits. Total.	Excess Reserve
Aug. 1, '14	—	£89,898	£411,238	—	—	£387,165	£1,720
Mar. 22, '19	£19,012†	119,914	976,450	£797,936	£30,022	883,424	7,320
Mar. 29, '19	19,234†	108,698	967,434	781,158	30,332	862,436	7,464
Mar. 30, '18	20,596†	108,726	867,370	748,040	37,217	843,508	9,200
Mar. 31, '17	96,854*	150,946	719,274	730,439	36,027	768,466	24,950

* Counted as reserve. † Not reserve.

NORWAY.	Gold.	Balance Abroad.	F'r'gn Gov. Securities.	Discounts & Loans.	Circulation.	Deposits
July 31, 1914	£2,980	£1,678	£493	£4,889	£8,752	£793
Mar. 15, 1919	6,707	3,354	716	22,042	22,799	6,204
Mar. 22, 1919	6,709	3,382	691	21,529	22,886	5,725
Mar. 22, 1918	6,741	3,819	713	18,792	18,830	7,880
Mar. 23, 1917	7,083	4,177	706	9,962	14,766	5,088

PORTUGAL.	Gold.	Silver.	Total.	Discounts & Advances.	Note Circulation.	Deposits.
Feb. 5, '19	£1,905	£3,762	£5,667	£10,558	£82,391	£3,489
Feb. 12, '19	1,905	3,783	5,688	10,695	82,411	4,326
Feb. 19, '19	1,905	3,764	5,669	10,392	82,535	3,545
Feb. 28, '19	1,905	3,764	5,669	10,363	82,539	4,113
Mar. 5, '19	1,905	3,775	5,680	9,738	82,059	4,091

RUSSIA.	Gold. In Bank.	Gold. Abroad.	Total Cash incl'g Silver.	Loans & Disc'nts.	Circulation.	Notes in Reserve	Total Deposits
July 31, '14	£180,114	£14,395	£181,892	£76,081	£163,411	£8,589	£109,911
Oct. 31, '17	128,584	230,862	377,099	1,781,647	1,785,990	10,310	344,807
Oct. 28, '17	128,523	230,885	378,205	1,389,559	1,836,217	15,793	345,550
Oct. 29, '16	155,877	205,496	372,072	814,887	784,488	10,512	223,731
Oct. 29, '15	159,825	3,580	185,844	443,307	501,083	8,417	143,413

SPAIN.	Gold.	Silver.	Total.	Loans, &c.	Spanish 4%	Circulation.	Deposits &c.
Aug. 1, '14	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Mar. 22, '19	90,348	25,795	116,143	74,605	13,778	138,544	41,720
Mar. 29, '19	90,372	25,905	116,277	74,572	13,778	138,852	43,035
Mar. 30, '18	30,292	28,341	108,833	49,810	13,777	114,123	33,821
Mar. 31, '17	54,287	30,146	84,433	49,212	13,777	95,091	30,634

SWEDEN.	Gold.	Balance Abroad.	Swed. & For. Govt. Secs.	Discounts & Loans.	Circulation.	Deposits.
Aug. 1, '14	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
Mar. 15, '19	16,091	8,118	3,035	22,673	40,618	8,327
Mar. 22, '19	16,002	7,823	3,003	21,132	38,989	8,118
Mar. 22, '18	13,599	7,287	3,937	14,755	32,173	8,138
Mar. 24, '17	10,734	7,731	4,032	7,302	21,958	7,585

SWITZERLAND.	Gold.	Silver.	Total.	Discounts & Advances.	Circulation.	Deposits.
July 23, 1914	£7,292	£753	£7,980	£4,917	£10,716	£2,028
Mar. 15, 1919	16,333	2,539	18,372	17,312	35,238	4,430
Mar. 22, 1919	16,520	2,610	19,120	13,632	34,178	4,882
Mar. 23, 1918	14,307	2,976	17,283	11,487	25,957	4,149
Mar. 24, 1917	13,734	2,077	15,811	8,380	19,394	5,846

U. STATES FED. RES. BANKS.	Gold Held by Banks.	Gold With Agents.	Total Cash.	Bills Discount'd	Acceptances.	Deposits. Govt.	Deposits. Total. Net.	Circulation.
Mar. 24, '19	$180,486	247,682	141,716	376,308	52,384	57,156	353,730	602,138
Mar. 31, '19	179,240	249,222	442,106	363,248	49,622	33,630	348,286	504,356
Mar. 29, '18	188,403	174,737	374,812	116,646	60,813	20,817	307,073	290,567
Mar. 30, '17	114,992	72,616	189,485	4,021	16,894	4,113	141,381	71,522

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed
Amsterdam ...	4½	July 1,'15
Berlin	5	Dec. 23,'14
Berne	5½	Oct. 3,'18
Bombay ...	6	Mar. 27,'19
Brussels ...	5	Aug. 27,'14
Calcutta ...	6	Mar. 27,'19
Christiania	6	Dec. 13,'17
Copenhagen	5½	Jan. 2,'19
Lisbon	5½	Jan. 15,'14
Madrid	4½	Oct. 26,'14
Paris	5	Aug. 20,'14
Petrograd ...	6	July 29,'14
Rome	5	Jan. 11,'18
Stockholm	7	Mar. 21,'18
Tokio	6½	Nov. 25,'18
Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Apr. 4,'19	Mar. 28,'19	Mar. 21,'19	Mar. 14,'19
Brussels	Cheques	29fr. 37½c.	28fr. 80c.	22fr. 22½c.	27fr. 75c.
Denmark	Cable	18kr. 42½	18kr. 25	18kr. 45½	18kr. 32½
Holland	do.	11fl. 45½c.	11fl. 43c.	11fl. 70½c.	11fl. 58c.
Italy	do.	34lr. 50c.	33lr. 00c.	30lr. 81½c.	30lr. 31½c.
Lisbon and Oporto	do.	34d.	34d.	34⅛d.	34⅛d.
New York	do.	$4 63½	$4 56	$4 55	$4 76⅜
—	Cheques	$4 63⅜	$4 56½	$4 55	$4 77
Norway	Cable	17kr. 9½	17kr. 90	18kr. 07½	17kr. 67½
Paris	3 mos.	—	—	—	26fr. 50c
—	Cable	27fr. 62½c.	27fr. 55c.	27fr. 10c.	26fr. 18¾c.
Spain (Bank places)	3 mos.	—	—	—	50⅜d.
—	Cable	22p. 80	22p. 70	23p. 25	23p. 30
Sweden	do.	17kr. 25½	17kr. 05	17kr. 27½	16kr. 95
Switzerland	3 mos.	—	—	—	23f. 47½c.
—	Cable	22f. 94½c.	23f. 00c.	23f. 32½c.	23f. 02½c.

ON LONDON—		Apr. 4,'19	Mar. 28,'19	Mar. 21,'19	Par
Alexandria	Sight	97⅛pf.	97⅛pf.	97⅛pf.	97⅛pf.
Amsterdam	Cheques	11fl. 45½c.	11fl. 46c.	11fl. 71½c.	12·107 fl.
Bombay	Transfers	1s. 5⅛d.	1s. 5⅛d.	1s. 5⅛d.	1s. 6d.
Brussels	Cheques	29f. 35c.	28f. 85c.	27f. 25½c.	25f. 22½c.
Buenos Ayres	Transfers	51⅛d.	51⅛d.	51⅛d.	47.58d.
Calcutta	do.	1s. 5⅛d.	1s. 5⅛d.	1s. 5⅛d.	1s. 6d.
Christiania	Sight	17kr. 92½	17kr. 87½	18kr. 11	18.156kr
Copenhagen	do.	18kr. 46	18kr. 23½	18kr. 46	18.156kr.
Hong Kong	Transfers	3s. 2⅛d.	3s. 2d.	3s. 1⅝d.	—
Italy	Sight	34lr. 47½c.	33lr. 50c.	30lr. 81½c.	25lr. 22½c.
Lisbon	do.	33⅝d.	34½d.	34⅛d.	53½d.
Madras	do.	1s. 6⅛d.	1s. 6⅛d.	1s. 6⅛d.	1s. 6d.
Madrid	do.	22p. 79	22p. 69	23p. 25½	25p. 22
Montevideo	Transfers	—	—	—	51d.
Montreal	Cable	$4 77	$4 67	$4 67½	$4 86⅝
New York	Sight	$4 63⅜*	$4 59	$4 70n.	—
—	60 days	$4 60*	$4 56	$4 69n.	—
—	Cable	$4 68⅜	$4 56	$4 71n.	$4 86⅞
Paris	Cheques	27f. 66½c.	27f. 60c.	27f. 11½c.	25f.22½
Rio de Janeiro	90 days	13⅞d.	13⅝d.	13⅛d.	18d.
Shanghai	Transfers	4s. 8¼d.	4s. 8¼.	4s. 7d.	—
Singapore	Sight	2s. 4⅜d.	2s. 4d.	2s. 4d.	2s. 4d.
Stockholm	do	17kr. 24½	17kr. 05	17kr. 27½	18·159kr.
Switzerland	do.	22f. 91½c	22f. 98c.	23f. 33½c.	25f. 22½c.
Valparaiso	90 days	10⅝d.	9⅝d.	9⅞d.	18d.
Yokohama	Sight	2s. 2d	2s. 1⅜d.	2s. 1⅜d.	2s. 0.68d.

* Thursday's rates.

NEW YORK ON—	Rate Current* Apr. 4, '19	Rate Current* Mar. 27,'19	Par as usually Quoted	Rate July 3, 14
Amsterdam, sight	40⅛c.	40c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques	35·60c.	35·60c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques	—	—		
Christiania, cheques	25·85c.	26c.	26·80c. for 1 kroner	
Copenhagen, cheques	25·20c.	25·45c.	26·80c. for 1 kroner	26·85c.
Greece, cheques	18·70c.	19·	19·295c. for 1 drachma	
Hongkong, cheques	76·50c.	74·50c.	74·59c. for Mex. $1	48·40c.
Italy, sight	7·00f.	7·80f.	5·18⅛ lire for $1	5·17f.
Lima, cheques	5·05c.	5·05c.	4·8665 $ for 1 libra	
Manila, cheques	49·50c.	49·c.	50c. for 1 peso	49·80c.
Montreal	2⅛% disc.	2⅛% disc.	Premium per $100	Par
Paris, sight	6·08fr.	5·88fr.	5·18⅛ francs for $1	5·16fr.
Petrograd, sight	—	12·oom.	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	26·37⅛e.	26·25c.	32·42c. for 1 milreis	
Shanghai, cheques	107·50c.	109·50c.	52·93c. for 1 tael	63·00c.
Singapore, cheques	56·00c.	56·25c.	56·77c. for $1	57·12c.
Spain, cheques	20·10c.	20·20c.	19·30c. for 1 peseta	
Stockholm, cheques	26·85c.	27·05c.	26·80c. for 1 kroner	
Switzerland, cheques	5·01fr.	4·99fr.	5·18⅛ francs for $1	5·16⅛fr.
Valparaiso, cheques	19·80c.	19·75c.	20·81c. for 1 peso	
Yokohama, cheques	51c.	50·50c.	49·84c. for 1 yen	49·80c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1919 Aggr.	Inc. or Dec.*
	1919.	[In £'s sterling 000's omitted.]			
BIRMINGHAM	Mar. 29	£2,030 —	£164	£32,104 —	£2,128 — 6·2
BRISTOL	,, 29	1,594 +	596	15,770 +	1,581 + 14·2
DUBLIN	,, 29	6,824 +	1,492	88,439 +	18,280 + 26·0
LEEDS	,, 29	876 —	53	13,788 +	1,229 + 9·8
LEICESTER	,, 29	792 +	198	11,048 +	1,807 + 19·6
LIVERPOOL	,, 29	10,583 +	3,036	145,034 +	29,641 + 25·7
MANCHESTER	,, 29	14,092 +	430	199,477 +	13,408 + 7·2
NEWCASTLE	,, 29	1,854 +	330	23,684 —	1,272 — 5·1
NOTTINGHAM	,, 29	712 +	208	8,583 +	525 + 6·5
SHEFFIELD	,, 29	1,110 +	33	15,343 +	584 + 4·0
LONDON—	1919.				
TOWN	Apr. 2	408,739 +	139,007	4,971,974 +	568,468 + 12·8
METROPOLITAN	,, 2	33,370 +	13,704	406,671 +	82,237 + 24·0
COUNTRY	,, 2	57,044 +	22,286	761,023 +	121,765 + 19·1
TOTAL	,, 2	499,153 +	174,997	6,159,668 +	772,470 + 14·3

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould and Co.

HOMEWARDS.	1919 Apr. 4	1919 Mar. 28	1913 Apr. 4
Atlantic to London	—	—	8/6
Atlantic to Continent	105/0	105/0	32/6
Australia to U.K.	—	—	10/
Bombay to London	100/0	100/0	120/
Calcutta to London	100/0	100/0	26/
Canada to U.K.	180/0	180/0	—
Japan to U.K.	—	—	120/
Odessa to U.K.	—	—	90/
R. Plate to U.K. Cont.	225/0	225/0	22/0

Homewards.	1919 Apr. 4	1919 Mar. 28	1913 Apr. 4
Pacific Ports to Europe	$1.25	$1.25	47/6
Pacific Ports to U.K.	15/0	15/0	47/6
Pacific Ports to Continent	$33	$50	17/6

OUTWARDS			
Baltic	—	—	13/0
Canada	—	—	12/6
Pacific Ports	47/6	47/6	10/0
River Plate	45/0	45/0	16/6
St. Vincent	40/0	40/0	9/-

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	APR. 4, 1919	APR. 5, 1918	JUNE 30, 1914.
Iron—Scotch pig warrants ...ton	101/0	101/0	57/0
— Middlesbro' warrants ....ton	95/0	95/0	51/0
— Hematite warrants .....ton	122/6	122/6	61/0
— Staffordshire bars, London ton	£17	£15 10	£8 10
— Common bars .....ton	£14 15	£13 15	£6 10
Tinplates, I.C. Coke, S. Wales...box	33/10½	31/6	11/10½—12/0
Lead—Soft Foreign ....ton	£25	£28 10—£29 10	£19
Spelter—Ord. Foreign .....ton	£37	£50—£54	£21 7/9
Quicksilver—(75lb.) .....bottle	£15—£16	£20	£7
Aluminium .....ton	£150	nom.	£82
Antimony—Regulus Foreign ...ton	£38	nom.	£27 10
— English .....ton	£45	—	—
Coal—(best) Yorkshire.....ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle.....ton	40/0—45/0	30/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	10/1	11/0	7/4
Soda—Crystals ex ship .....ton	87/6	72/6	42/6—45/0
Copra—Malay and Straits .....ton	£37 10	£45 10	£23 15–£24 7/6
Gambier—Good marks .....cwt	37/6	72/6	16/10½
Indigo—Bengal good to fine.....lb.	9/0—10/6	9/0—11/0	3/2—3/8
Linseed Oil—Raw .....ton	£58	£58	£25 5
Linseed—Calcutta, spot .....ton	£23 15	£29 15	£13 18/9
— **Cakes**, U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish .....ton	nom.	—	£49 10
Palm Oil—Lagos .....ton	£51—£52	nom.	£31 10
Petroleum—American.....gallon	1/4½	1/7½	7½d.
Rape Oil—Refined English .....ton	£71	£71	£32
Soya Oil—Refined.....ton	£75	£75	£24 10
Tallow—Imported .....cwt.	63/6	72/0	29/3—33/3
Turpentine—French .....cwt.	98/0	124/3	33/7½
Rape Seed—Toria.....ton	£28 10	£29 15	£13 5
Rubber—Para, spot .....lb.	2/6	2/11½	2/9½
— Fine plantation (stnd. crepe) lb.	1/11½	2/5	2/2
— World's Production* Feb. tons	24,700	20,938	8,467
Shellac—T.N. Orange, fair.....cwt.	205/0	325/0	63/0—64/0
TEXTILES.			
Cotton—Middling Uplandt .....lb.	18·59d.	25·16d.	7·53d.
— Egyptian, good fair .....lb.	28·34d.	30·31d.	8·75d.
— Pernambuco fair .....lb.	19·03d.	27·49d.	7·73d.
— Mid. Upl. New York.....lb.	23·90c.	36·00c.	13·25c.
— Stock, Liverpool, Mar. 28 bales	471,320	458,180	—
Flax—Petrograd, Yarapol .....ton	nom	£120nom.	£28
Hemp—New Zealand .....ton	£53	£93	£25 10
— Manila, Fair .....ton	£55	£85	£28 10
Jute—First Marks .....ton	—	—	£28 15
— Red SOO .....ton	—	—	£24 15
Silk—Blue Elephant .....lb	20/0	25/8	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	nom.	nom.	11½d.—1/0
— Lincoln Half Hogs	1/7½nom.	1/6 nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb	9¾d.—10½d.	10½.	7½d.
Leather—Dressing Hides .....lb.	2/5—3/1	nom.	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	161,617,000	38,868,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	237½c.	226c.	87½c.
— English *Gazette*, aver. 480lb qr.	72/7	72/4	34/3
Flour—G.R. .....280lb.	44/3	44/3	28/6
Barley—Eng. *Gaz.*. aver. 400lb. qr.	62/8	56/7	25/4
Oats—Eng. *Gaz.*, aver. 312lb. ...qr.	48/11	48/10	20/0
Maize—N. Y. (new bushel) .. 56lb.	180½	nom.	76½c.
— Amer. mixed, Liverpool...480lb.	63/9	80/9	32/4
— La Plata .....480lb. qr.	62/6	76/0	25/9
Potatoes—Good English .....ton	192/0	130/0—155/0	70/0—75/0
Rice—Bassein .....cwt.	25/0	28/3	7/0—7/3
Tapioca—Pearl, medium.....cwt.	33/0	80/0	14/0—17/8
Hay—Best .....2,018lb....load	176/0	161/0	82/6
Hops—English.....cwt	—	£5 10—£10	£8 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs....8lb.	7/10—8/4	9/3	3/8—3/10
— Scotch sides.....8lb.	8/4	8/2	4/6—5/0
— English.....8lb.	8/4	8/2	4/2—4/5
Mutton—Scotch wethers.....8lb.	8/10	8/8	5/8—6/0
English wethers.....8lb.	8/10	8/8	4/8—5/4
— New Zealand frozen .....8lb.	8/10	9/8	2/4—3/2
Pork—English and Irish.....8lb.	10/8	10/8	3/8—4/0
Bacon—Irish, ex Factory .....cwt.	188/0	172/0	60/0—74/0
— Danish.....cwt.	—	172/0	58/0—68/0
— Canadian .....cwt.	174/0—178/0	—	—
— American .....cwt.	168/0—170/0	171/0—172/0	72/0—74/0
Hams—Amer.long cut .....cwt.	164/0—168/0	165/0	75/0—79/0
— — short cut .....cwt.	162/0—164/0	162/0	71/0—74/0
Lard—Amer. boxes .....cwt.	151/0	152/0	51/9—52/9
Butter—Danish .....cwt.			117/0—120/0
French .....cwt.	Controlled 252/0	Controlled 252/0	98/0—108/0
— Australian .....cwt.			98/0—110/0
— New Zealand .....cwt.			108/0—114/0
Cheese—Canadian .....cwt.	Controlled 144/3	—	68/0—68/0
— United States.....cwt.		—	—
— Dutch .....cwt.		160/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Feb. 28 ...cwts.	2,923,455	3,716,077	19,777,254
— Home consump'n to Feb. 28 cwts.	3,973,360	3,253,000	17,272,000
— In Bond Feb 28 .....cwts.	5,988,000	3,848,000	6,366,000
— Price, Java, 96° Pol. .....cwt.	32/0	34/0	10/3
— — Yellow crystals .....cwt.	57/9	46/9	12/8—14/0
— — Tate's Cubes, No. 1 .....cwt.	64/9	53/9	18/0
Coffee—Imports to Feb. 28 ...cwts.	64,902	45,686	720,360
— Home consump'n to Feb. 28 cwts.	51,881	119,112	141,410
— Exports to Feb. 28 .....cwts	16,525	10,698	340,250
— In Bond Feb. 28 .....cwt.	605,000	1,017,000	484,000
— Price, Costa Rica gd. to fine cwt.	140/0—150/0	122/0—137/0	80/0—93/0
— — Brazil (Santos).....cwt.	90/0—95/0	67/9	41/6
Tea—Imports to Feb. 28.....lbs.	62,537,899	85,792,330	123,230,277
— Home consump'n to Feb. 28 lbs.	43,554,718	38,687,245	155,447,972
— Exports to Feb. 28 .....lbs.	1,405,196	79,448	26,561,765
— In Bond Feb. 28 .....lbs.	157,470,000	69,945,000	78,292,000
— Price, Indian. Pek. Soug. good lb.	1/4	—	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/4	—	8½d.
— — Common Congou .....lb.	1/4	—	5½d.
Cocoa—In Bond Feb. 28 .....cwt.	700,000	778,000	309,000
— Grenada, good to fine .....cwt.	85/0	85/0	52/6—56/0

* Estimated. † G.M. American Official Value.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Feb.	£11,064,000	+1,490,000	£981,000	+ £390,000
	2 *mos. to* Feb.	*24,092,000*	+*3,723,000*	*2,535,000*	+ *776,000*
Grand Trunk Railway	Feb.	840,000	+ 320,100	Dr.63,700	+ 135,600
	2 *mos. to* Feb.	*1,744,500*	+ *613,100*	Dr.*210,500*	+ *118,300*

VIII.—RAILWAY AND TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week ended		Miles.	+or— in Yr.	Gross Receipts.	+ or — on Year Ago.	No. Wks.	Aggregate Receipts.	+ or — on Year ago.
Assam Bengal	Feb.	22	993	+ 13	Rs.1,86,473	+ 14,764	20	35,53,520	+ 3,60,146
Barsi Light ...	Mar.	1	118	—	20,500	+ 8,200	48	8,62,200	+ 93,700
Bengal & N.W.	Feb.	22	8,052	+ 4	5,06,620	— 9,367	21	1,00,75,783	+14,63,911
Beng. Doors	Dec.	14	158	+ 5	29,951	— 9,015	11	4,44,511	+ 28,386
Beng. Nagpur	Feb.	22	3,895	—	11,74,000	— 34,000	47	5,29,87,245	+34,91,787
Bomb. Baroda	Mar.	15	3,871	— 2	20,18,000	+ 2,71,000	24	4,15,23,000	+41,63,000
Burma	Feb.	15	1,342	—	5,88,743	+ 80,731	45	2,24,77,428	+35,23,898
Del. Um. Kalk.	Mar.	22	239	—	1,37,000	+ 29,587	25	22,44,892	+ 5,210
East Indian ..	Mar.	22	2,767	— 40	28,11,000	+ 3,73,000	25	6,65,38,000	+67,89,000
Gt. Indian Pen.	Mar.	22	3,112½	—	24,73,000	+ 1,39,300	25	6,00,67,397	+34,77,983
Madras & S M.	Mar.	1	3,152	— 1	11,75,000	— 16,015	22	2,26,91,780	— 4,23,525
Nizam's Guar.	Feb.	8	900	—	2,81,659	+ 41,835	19	44,58,030	+ 1,81,448
Roh. & Kumn.	Feb.	15	664	+ 2	1,13,160	+ 16,300	20	21,18,648	+ 1,87,005
South Indian	Mar.	1	1,830	—	6,82,604	+ 40,065	46	3,23,34,982	+ 1,10,398
South Punjab	M. of Nov.		716	—	7,24,151	+ 17,464	2m	14,61,770	+ 32,688
COLONIAL.									
Can. Northern	Mar.	21	9,487	+ 53	$810,650	+ 22,450	11	9,851,250	+ 2,257,350
Can. Pacific ...	Mar.	21	13,388	+ 395	2,832,000	— 14,000	11	31,756,000	+ 3,688,000
Gd. Trunk Pac.	Mar.	7	816	—	£18,481	— 1,842	9	178,169	— 27,921
Grand Trunk	Mar.	31	3,816	—	389,354	+ 109,417	13	2,877,505	+ 936,936
Mashonaland...	M. of Oct.		810	—	69,109	— 17,522	1m	—	—
Mid. W. Aust.	M. of Jan.		277	—	9,635	+ 339	7m	62,833	+ 10,316
New Cape Cent.	Feb.	22	205	—	2,698	+ 418	8	22,276	+ 3,642
Rhodesia Rlys.	M. of Oct.		1,397	—	66,283	— 36,272	1m	—	—
W. Pass. & Yuk.	M. of Dec.		122	—	—	—	12m	$1,244,060	— 604,349
FOREIGN.									
Argentine.									
Arg. N. East.	Mar.	29	752	—	£ 12,100	+ 3,900	39	369,075	+ 44,375
Arg. Transand	Mar	29	111	—	£ 4,750	+ 90	39	143,440	+ 17,160
B. A. & Pacific	Mar.	29	3,536	—	£ 127,000	— 33,000	39	4,444,000	+1,019,000
B. A. Gt. Southn.	Mar.	30	3,792	—	£ 150,000	+ 13,000	39	5,380,000	+1,114,000
Do.	Mar.	30	Net	—	£ 48,000	+ 7,000	39	1,156,000	+ 124,000
B. A. Western...	Mar.	30	1,882	+ 12	£ 68,000	+ 8,000	39	2,655,000	+ 777,000
Do.	Mar.	30	Net	—	£ 16,000	+ 3,000	39	635,000	+ 183,000
B. A. Central ...	M. of Jan.		190	—	£ 41,643	+ 8,468	7m	285,293	+ 105,333
Cent. Argentine	Mar.	29	3,305	—	£ 146,100	— 22,900	39	5,036,100	+ 949,900
Do.	Mar.	29	Net	—	£ 22,100	— 36,300	39	891,500	— 293,473
Cord. Central ...	Mar.	29	1,205	—	£ 43,500	+ 6,670	39	1,707,860	+ 552,270
Entre Rios	Mar.	29	831	—	£ 21,400	+ 2,000	39	787,000	+ 200,300
Brazilian.									
Brazil Gt. South	M. of Feb.		110	—	M 39,100	— 8,400	2m	88,190	— 10,310
Brazil Railway	M. of Dec.		3,530	—	M 4,859,000	— 141,271	12m	57,772,000	+ 7,819,243
Gt. W. Brazil .	Mar.	29	1,010	—	£ 21,200	+ 5,800	13	257,800	+ 11,200
Leopoldina	Mar.	29	1,831	—	£ 35,002	+ 5,039	13	374,000	— 38,487
Mogyana	M. of Dec.		1,180	—	M 1,561,000	— 956,490	12m	22,267,000	— 2,474,651
Paulista	M. of Dec.		768	—	M 2,650,000	— 906,038	12m	32,479,000	— 1,276,892
San Paulo	Mar.	30	153½	—	£ 33,137	+ 11,393	13	370,823	— 60,831
Sorocabana	M. of Nov.		1,003	—	M 1,128,000	— 865,148	11m	20,204,000	+ 1,222,880
S. of Bahia S.W.	M. of Feb.		52	—	M 87,000	+ 11,000	2m	170,000	— 20,000
Chilean and Peruvian.									
Antofagasta	Mar.	30	838	—	£ 25,445	— 15,005	13	367,245	— 149,160
Arauco	M. of Jan.		64½	—	£ 12,500	— 1,500	1m	—	—
Nitrate (2 wks.)	Mar.	31	390	—	£ 22,278	— 8,784	13	145,048	— 53,298
Peruvian Corp	M. of Feb.		1,140	—	S 943,473	+ 18,080	8m	7,973,835	— 229,195
Taltal	M. of Feb.		181	—	£ 8,062	— 14,236	8m	132,909	— 71,377
Cuban.									
Cuban Central ..	Mar.	29	362	—	£ 42,034	+ 7,586	39	767,693	+ 26,947
Havana Central	Mar.	22	70	—	£ 11,491	— 37	38	334,588	+ 3,840
U. of Havana ...	Mar.	29	881	—	£ 91,313	+ 3,311	39	2,081,687	— 54,087
W. of Havana ..	Mar.	29	155	—	£ 13,814	+ 1,462	39	303,763	— 28,689
Uruguayan.									
Cent. Uruguay	Mar.	29	272	+ 1	£ 23,141	+ 6,685	39	843,163	+ 133,214
" (E. Ext.)	Mar.	29	311	—	£ 8,354	+ 2,930	39	208,483	+ 14,608
" (N. Ext.)	Mar.	29	185	—	£ 3,823	+ 294	39	147,232	+ 83,709
" (W.Ext.)	Mar.	29	211	—	£ 3,006	+ 655	39	104,113	+ 17,617
Mid. Uruguay ..	M. of Feb.		319	—	£ 18,511	+ 8,338	8m	136,051	+ 30,326
N. W. Uruguay	M. of Feb.		113	—	$ 25,000	+ 744	8m	237,037	+ 20,583
Urug. Northern	M. of Feb.		73	—	£ 2,181	+ 274	8m	16,168	+ 882
Miscellaneous.									
Alcoy & Gandia	Mar.	29	33	—	Ps. 9,000	— 2,000	13	133,200	+ 12,300
Bilbao	M. of Feb.		15	—	£ 2,362	— 591	2m	5,113	— 2,949
Bolivar.....	M. of Feb.		138	—	£ 13,000	+ 3,381	8m	71,004	— 18,893
Colomb. Natnl.	M. of Feb.		68	—	£ 7,760	— 4,040	2m	20,920	— 4,388
Costa Rica	M. of Jan.		189	—	£ 23,125	+ 10,950	7m	154,716	+ 68,126
Dorada Ext.	M. of Feb.		71	—	£ 5,000	— 2,400	2m	12,800	— 2,900
Egyptian Delta	Mar.	10	559½	—	£ 10,562	+ 1,728	48	359,918	+ 86,724
Gt. S. of Spain	Mar.	22	104	—	Ps. 138,985	+ 108,732	12	1,801,996	+ 1,237,280
La Guaira & Ca.	M. of Feb.		23½	—	£ 7,680	+ 1,355	2m	15,785	+ 950
Paraguay Cent.	Mar.	22	255	—	£ 4,580	+ 1,300	39	152,290	+ 42,700
Puerto Cabello	M. of Dec.		24	—	£ 3,200	— 1,300	12m	44,500	— 4,444
Salvador	Mar.	29	100	—	£ 3,337	— 173	38	95,196	+ 18,718
Santa Fe Prov. French Rwys.	M. of Feb.		1,181	—	£ 165,520	+ 21,709	2m	322,494	+ 28,235
S'mana & S'tiago	M. of Jan.		80	—	£ 6,860	— 1,969	1m	—	—
Zafra & Huelva	M. of Jan.		113	—	£ 11,457	+ 534	1m	—	—

TRAMWAYS.			Miles						
Anglo-Argentine ...	Mar.	25	400	$	62,116	+ 5,226	11	674,459	+ 22,898
Auckland (4 weeks)	Mar.	14	27	$	23,250	+ 955	36	147,344	— 7,413
Bombay Electric	M. of	Jan.	39	Rs.	8,12,185	+ 48,535	12m	70,23,885	+ 8,79,440
Brazilian Traction...	M. of	Jan.	378½	M.	3,522,000	+ 685,000	1m	—	—
Brisbane Electric ...	M. of	Feb.	40½	£	34,380	+ 2,371	2m	72,955	+ 6,446
British Columbia ...	M. of	Jan.	334	$	677,489	+ 117,920	7m	4,095,584	+ 612,355
B. Ayres Lacroze ...	M. of	Feb.	51	$	42,429	+ 8,032	8m	343,208	+ 39,434
Calcutta	Mar.	22	35½	Rs.	82,752	+ 10,159	11	10,08,221	+ 1,04,057
Cape Electric	M. of	Jan.	43½	$	29,452	+ 4,966	7m	182,525	+ 14,561
Garth & Herr.	M. of	Mar.	9	$	2 400	— 2,916	3m	8,406	— 6,952
Chatham & District	Mar.		20	15	$ 1,273	+ 109	11	13,470	+ 479
Havana Electric	M. of	Dec.	88	$	709,891	+ 36,102	12m	8,176,545	+ 1,186,540
Isle of Thanet	Mar.		29	51	$ 343	+ 125	28	8,042	+ 3,507
Kalgoorlie.....	M. of	Nov.	20½	$	2,933	+ 292	11m	30,838	+ 1,274
Lanarkshire.....	Mar.		20	28½	$ 3,708	+ 249	11	40,988	+ 5,150
Lima Light & Trams.	M. of	Dec.	86	$	47,887	+ 4,689	12m	527,839	+ 87,587
London O.C.	Apr.		2	141½	$ 70,763	+ 13,478	52	3,478,154	+ 613,486
Madras Elec. (2 wks.)	Mar.		15	15½	R 30,304	— 5,228	10	196,913	+ 8,189
Manila Electric	M. of	Jan.	55	$	231,585	+ 64,585	12m	2,326,884	+ 525,809
Pernambuco.....	Mar.		30	59	$ 5,663	+ 1,222	12	67,722	+ 7,338
Provincial.....	Mar.		22	21½	$ 2,585	— 57	25	62,441	+ 2,689
Rangoon Electric ...	M. of	Feb.	25	25	$ 5,694	+ 32	2m	12,087	+ 1,044
Shanghai Electric ...	Jan.		8	26½	Mex.$ 27,558	+ 4,427	1	—	—
Singapore Elect.....	Feb.		1	28½	$ 16,852	+ 3,871	5	77,240	+ 5,663
U. of Montevideo ...	M. of	Feb.	90½	£	38,772	+ 4,193	4m	149,821	+ 14,147

Shop at
LIPTON'S
for QUALITY.
LIPTON, LTD., the largest Tea Distributors, Manufacturers, and Retailers of Food Products in the World.
Head Office CITY ROAD, LONDON, E.C.1.
Branches and Agencies throughout the United Kingdom.

SUPERIOR
WINES AND SPIRITS
Owing to great demand only a limited number of the well-known "PINK LIST" quoting large and unique assortment of Superior Wines and Spirits at Market Prices is being issued.
Apply to EHRMANNS,
Wine and Spirit Shippers and Merchants,
43, 44 and 47 Finsbury Square, London, E.C. 2.
(*Please quote "S."*)

The Statist.
LONDON, SATURDAY, APRIL 5, 1919.

THE DEBT OF THE EMPIRE.

One Thousand Guineas Award.

WITHIN a very short time the world will be in possession of the terms upon which the Allies will conclude peace with the Central Powers. From these terms we may expect to learn the extent to which reparation is to be demanded from Germany and the manner and amount of the indemnities which are to be exacted from her. With this knowledge we shall be able to gauge the approximate total Debt incurred by the United Kingdom in the war, and the attention of all serious people will be engaged upon the question of how to deal with it in a manner that will least strain our resources.

THE proprietors of the STATIST offer an award of 1,000 guineas for the best scheme for dealing with the Empire's debt created by the War.

The scheme submitted must be practical, non-Party, informative and original. It must be governed by economic conditions within the Empire, and a due regard to our Political, Economic, and Commercial relations with other countries.

The Basic Principles underlying Money and Trade, and the duty of those who control Wealth and encourage Production must be observed.

The proprietors of the STATIST, while they invite each competitor to state his case in his own way, nevertheless desire to point out that where data or figures are employed it will be necessary to quote their source and authenticity.

Utopian ideas or chimerical schemes are not invited.

It will be a commendation if the scheme submitted can be instituted and made a practical working plan without dislocating to any great extent Vested Interests, and has at the same time the object in view of creating higher efficiency, increased production and the betterment of the conditions of the people.

A plan that could be easily adapted to modern conditions and made operative in the shortest possible time would have much to commend it.

Authoritative and competent judges will be asked to determine the values of the schemes submitted. Their names will be published in due course.

CONDITIONS—A.

The Competition is open only to British and Colonial born subjects within the Empire.

Every scheme submitted must have in view the maintenance, the integrity, the strength and the defence of the Empire, that its adoption will be of the highest advantage to the Empire's interests and needs.

The present system of education in the Universities, Public, Elementary and State-Controlled Schools should come under review.

Competitors should be as concise as possible, and they should conclude their remarks with a summary of their proposal sufficiently clear to form the basis of instructions to a Parliamentary draughtsman.

The award will be given to that Essay which is best calculated to place the end in view within the range of practical attainment.

CONDITIONS—B.

Essays should be typewritten, on one side of the paper only.

No limit is fixed for contributions submitted, but 15,000 words should not be exceeded.

Each Essay to bear a *nom de plume* or number, and be accompanied by a sealed envelope bearing outside the *nom de plume* or number, and inside the real name and address of the writer.

The decision of the judges to be final and to be made public as soon as they have made their award.

In the event of the judges considering two essays of equal merit, or in the event of disagreement between the judges, power is reserved to divide the prize.

The STATIST reserves to itself the right to publish, in whole or in part, the Prize Essay or Essays, and to make selections from unsuccessful Essays.

Unsuccessful Essays will be returned to competitors.

With the view of encouraging opinion from the most outlying of the Empire's Colonies and Dependencies, the closing date for receiving Essays is extended until December 1, 1919.

Competitors requiring further information on the subject will be good enough to mark their letters "National Debt Scheme," addressed to The Editor, THE STATIST, 51 Cannon Street, London, E.C. 4.

PROGRESS IN PARIS.

IT is commonly said that those most intimately affected are the last to hear the news. It has been borne in upon all of us who are watching the proceedings in Paris that the members of the Conference have been slower than anyone outside to appreciate the eagerness with which the world is waiting for them to bring their deliberations to an end. The members themselves are absorbed in the various details; and they have no time and, in a sense, they have ceased to be in a position to look at the perspective as a whole. Each question as it comes up for discussion appears of paramount importance, and the various advocates of different solutions of the problems presented hope that they really

will achieve something definite if the Council can be induced to adopt some particular view. Those outside, whose principal interest it is to see the world have an opportunity once more to resume its economic activities, are not members of the Council, and take little interest in the individual questions debated, are far more sceptical of any serious results being attained by the deliberations, even if they are prolonged indefinitely. Those who have studied such questions know that conferences in the past never did achieve anything; and even those who have not studied the question, but have sufficient intelligence to have acquired some superficial knowledge of the subject, are aware that there is very little to be hoped from the deliberations of conferences. After nearly a quarter of a century of war the Congress of Vienna met a little over a century ago now, and endeavoured to recast Europe to the model in which it existed in the second half of the eighteenth century. Within seven years the whole work of the Congress was undone by a reawakening of the revolutionary spirit in Paris, and from that day to this Europe has been engaged in a century of democratic war. As a result of the Revolution of 1789 and the gradual weakening of France, the German Confederation saw the opportunity offering for constructing a Greater Germany, which Prussia was not slow to seize. In spite of the evident intention of Germany to seize, if possible, the place occupied in Europe by France during the eighteenth century, both the French and the English Governments were more interested in democratic questions than in preparing their respective countries for the war which almost everybody outside Government circles saw to be inevitable.

Probably no one outside the Conference has any more serious hopes of success of the present negotiations in Paris than resulted from the Congress of Vienna. No reasonable person can think that the century and a half of democratic war which has devastated Europe and has scourged the two Americas has been concluded by the recent world-wide conflagration of the past four years, if, for no other reason, for the fact which we endeavoured to bring home to the reader last week—that the War just concluded has decided nothing, and has raised up a large number of new questions for solution: the inadequacy of Parliamentary government, on the civil side; and, on the military side, the question as to whether a professional or a conscript army is the most effective weapon of offence or defence; and, finally, how to manage the modern accumulation of what we call "munitions of war."

Perhaps the most striking feature in the events that led up to the War was the most extraordinary apathy of both our own and the French Government in making preparations for a struggle that everybody outside the Government realised to be inevitable. France has paid bitterly for whatever mistakes she made in the years that preceded the War. It cannot be said that we have no concern with what goes on in France, since we are close Allies, and are likely to remain so. But it is primarily for the French Government to see what modifications are necessary in her system to prevent her from being caught in such a predicament as she found herself in in the summer of 1914.

With us the case is different. We complain of the growing unrest and the importance for all classes of increasing production. This, of course, is self-evident. The causes, however, are very largely due to the action of Government itself, and it is not surprising that there is a lack of confidence both in Government and in Parliamentary institutions. Everybody is seeing for himself, who thinks on the matter at all, that for eight consecutive years before the outbreak of war the Government occupied itself with bringing forward a series of futile, but contentious, measures which were bound to create acrimonious discussion and distract public attention from the important question of preparing for war. One mistake after another was made, as though it were designed to give the enemy an opportunity of preparing without molestation. And, finally, when we decided to ourselves plunge into the War without preparation, the Government made the mistake of adopting conscription, knowing that it had only a mere handful of trained officers, and a still smaller ratio of really trained non-commissioned officers. The result has been that the Army has had to pay the price of an extraordinary proportion of casualties for its value as a fighting force, while the rest of the community find the country not merely burdened with a heavy debt, but, from being the great creditor nation of the world, reduced to a position in which all the exchanges are against us except those of countries which have suffered more serious economic disadvantages than ourselves.

THE REVENUE RETURNS.

We venture to think that no one who gives even a casual attention to the state of our national finances can regard them with anything but a large measure of anxiety. On the one hand, the expenses have been incurred, and the burden must be borne as cheerfully as possible. Nothing is to be gained by taking an unduly gloomy view of our present financial position. But, on the other hand, it is essential that we should face the facts as they actually stand. In the financial year ended with Monday last we spent over 2,579 millions sterling, and we got in a revenue on the present basis of taxation of £889,020,825. That is to say, we have borrowed, in one form or another, practically 1,690 millions sterling in order to carry on the business of the country. Owing to the fact that the War virtually came to an end early in November the expenditure is less by some 400 millions than the estimate made by the Chancellor of the Exchequer when introducing his Budget in April of last year. This is not a large sum to obtain, considering that we are very nearly five months since the first signing of the Armistice. The continued extravagant expenditure is mainly due to the protracted negotiations in Paris, and to the fact that the Home Government has continued its abnormal number of Control Departments so long after the cessation of hostilities, thereby hindering the recovery of trade as well as adding to the burdens we already have to bear. The revenue returns themselves are not altogether satisfactory, and it seems evident that in order to adjust the balance between revenue and expenditure it will not merely be necessary to increase taxation—which is, of course, self-evident—but it will be necessary to broaden the basis upon which taxation is raised. At present, of the 889 millions some 600 millions is raised from one small class of the community who pay the income tax, excess profits and estate duties—a class that is generally estimated at about 2% of the population, and is in reality very much smaller, because the bulk of the money comes from a really small proportion of the payers of income tax and allied duties. The income tax has only just brought in the amount expected. This may be partly due to the present practice of collecting the income tax in two parts. Nevertheless, the fact is worthy of notice and has, of course, its significance. The excess profits duty is, apparently, already failing to yield the amount expected of it. This, again, is probably owing to the reduction in Government expenditure since the signing of the Armistice, when it is no longer possible to earn the extravagant profits that war conditions brought about. The only satisfactory feature, if it can be called satisfactory, is the growth above the estimate in the yield from Customs and Excise. Extravagant as have been the prices of commodities subject to duties, it might have been expected that there would have been a reduction. It shows conclusively that under the strain of modern conditions man will, if possible, insist upon having stimulants and narcotics. The Chancellor of the Exchequer in framing his coming Budget will be well advised to take this subject

(4). *War Borrowings and National Debt.*

	War Borrowings—April 1, '18 to March 31, '19 £	War Borrowings—Aug. 1, '14 to March 31, '19 £	National Debt—Approx March 31, '19 £	National Debt—Actual March 31, '18 £
Nat. War Bonds, 4% and 5%	1,066,414,000	1,680,629,000	1,715,824,000	649,410,000
4% and 5% War Loan	—	948,460,000	2,090,317,000	2,090,317,000
War Savings Certificates	89,500,000	225,700,000	227,250,000	137,750,000
"Other" debt	400,800,000	1,394,345,000†	1,396,274,000†	995,474,000†
5% Exchequer Bonds due :—				
October 1919 or April 1922	4,000	82,274,000	70,657,000	70,653,000
October 1921 (1916 issue)	—	62,496,000	75,839,000	75,839,000
December 1920 ,, ...	1,000	237,878,000	49,746,000	49,745,000
October 1919 ,, ...	—	34,263,000	16,924,000	16,924,000
6% Exchequer Bonds, due February 1920 ...	—	160,955,000	141,277,000	141,277,000
3% Exchequer Bonds, due March 1920 ...	—	21,831,000	21,660,000	21,660,000
,, ,, ,, ,, 1930... ...	803,000	12,824,000	16,443,000	15,640,000
3½% War Loan, 1925–1928	—	331,798,000	62,746,000	62,746,000
4½% War Loan, 1925–1945	—	592,345,000	16,139,000	16,139,000
2½% and 2¾% "Consols"	—	—	304,084,000	304,084,000
Debts to Banks of England and Ireland ...	—	—	13,646,000	13,646,000
Terminable Annuities	—	—	21,903,000	21,903,000
Total	1,557,522,000	5,785,798,000	6,240,729,000	4,683,207,000
FLOATING DEBT :—				
Treasury Bills	16,464,000*	940,618,000	956,980,000	973,444,000
Ways and Means advances	262,720,000	454,992,000	454,991,000	192,271,000
War Expenditure Certificates	22,932,000*			22,932,000
Total	223,324,000	1,395,610,000	1,411,971,000	1,188,647,000
Grand total	1,780,846,000	7,181,408,000	7,652,700,000	5,871,854,000
Miscellaneous repayments...	95,219,000	317,515,000	95,219,000	‡
Net total	1,685,627,000	6,863,893,000	7,557,481,000	5,871,854,000
Approx. debt August 1, 1914	—	—	652,270,000	652,270,000
Increase since August 1, 1914	1,685,627,000	6,863,893,000	6,905,211,000	5,219,584,000

* Net amount retired in year. † Includes £51,000,000, English portion of Anglo-French Loan.
‡ Miscellaneous repayments deducted from individual items of actual debt.

into careful consideration before adding unduly to these taxes. There can be very little reasonable doubt that the high prices of stimulants and narcotics bear an important relation to the growing practice of taking drugs. The figures in any case seem to indicate that it will be necessary to seek new sources of revenue.

A factor that can hardly fail to strike anyone who pays even a casual attention to financial and economic questions is the difficulty of estimating with any degree of accuracy what the actual income of the country is. We spent in purely unproductive work during the past financial year a greater sum than was estimated as the total revenue of the country in the years that preceded the War. To contend that the national income has increased notwithstanding the calling up of the bulk of the able-bodied men of the country during the past four years, and of the diverting of a large proportion of the labour even of the women from productive to unproductive employment, is to ask us to draw upon our faith to an extent that is hardly reasonable. Stated in money values, it is evident that the income of the nation taken as a composite whole has increased. But has the estimate, stated in this way, any real practical value? We all know that although prices have risen for nearly every commodity, and the balance sheets of many trading companies have expanded in a purely financial sense, as a matter of fact none of us have been able to live in the same measure of comfort that we were accustomed to in the years that preceded the outbreak of the recent War. In fact, an estimate of the nation's income such as we have referred to is largely illusory. Instead of the nation's income having increased, as it appears to have done when stated in money values, it has decreased when stated in commodity values. We have had less to eat, less to drink, fewer clothes, and those clothes of inferior quality, and, lastly, we have been to a large extent unable to buy new furniture, and have found it difficult to get our houses repaired, even where repair was urgently needed. We have paid extravagant fares for transportation facilities, and have had to stand immense distances when travelling by rail; while instead of receiving goods within a specified time, as we were accustomed to do before the War, we have had to wait for indefinite periods to replace our diminished and still diminishing supply. In short, from a people enjoying a large measure of the luxuries of life we have drifted gradually towards the state of primitive man, who has to exist from day to day on short fare, and knows not from whence he is to obtain his food on the morrow.

Since we have got to bear the burden incurred during the recent War, and to recover as quickly as possible from its effects, it is pertinent to inquire if there are any means available whereby we may effect this object with any reasonable prospect of success within the lifetime of the present generation. There are the three proverbial courses: to live poorly and save; to increase production; or to endeavour to find new sources of wealth within the confines of the British Empire; and, indeed, by developing any other part of the earth where favourable opportunities offer for the employment of the resources we still retain. We quoted recently from a book by an English engineer travelling in Chili. His work was published in 1822 and was written in 1819. Speaking as a competent engineer, he was of opinion that the mineral resources of Chili could never be worked to any extent because they were situated in such inaccessible places in the Andes that the cost of transport would be greater than the value of the metals. The railway saved the situation, and, as the reader is aware, the mineral resources of the Andes are being—slowly, it is true, but still are being—developed.

and developed to an extent that was certainly never contemplated by the engineer we have referred to. Invention may assist us, as it assisted the people who flourished in the generation that succeeded the great European war of a hundred years ago. But it happens that invention and discovery have afforded an opportunity to recover from the effects of the recent War which have been developed to such an extent that they constitute tangible assets. We mean the invention of the motor, and the discovery that what are called tropical diseases are due to insanitary conditions, and are not inherent in the climate of the potentially richest portion of the earth. We will not speak of the aeroplane, because its potentialities are as yet hardly realised. Even the motor is probably only in the infancy of its development. But it is already an asset capable of yielding economic results upon an immense scale. In advocating the development of the tropical regions of the Empire, and, indeed, the tropical regions of the earth generally, we are on equally safe ground. It has now been conclusively proved in the Panama Canal Zone and elsewhere that by draining off stagnant water, pools, and swamps, it is possible to eliminate malaria and yellow fever—the two great scourges of the tropics. So recently as the beginning of the present century the cause of these two terrible diseases was unknown. Once these diseases are successfully combated the conditions of life in the tropics offer a sanatorium for the diseases to which we are accustomed in the temperate and cold regions of the earth. In order to take advantage of the discovery of how to prevent tropical diseases to its full capacity it will be necessary to afford facilities for each and every race within the British Empire to move freely within its several points.

Expenditure and Receipts for Year ended March 31, 1919.

Expenditure—	£	Receipts—	£
Permanent Charge of Debt	23,638,093	Revenue	889,020,825
Interest, &c., on War Debt	246,326,557	Loans	1,690,280,363
Payments to Local Taxation Accounts, &c. ...	9,680,812		
Other Consolidated Fund Services	1,699,406		
Supply Services ...	2,297,956,320		
Total Expenditure chargeable against Revenue	2,579,301,188	Toral Receipts ...	2,579,301,188

(1.) *Details of Revenue for Five Years.*

Year to March 31 (000's omitted)	1919	1918	+or− on Budget Est.	1917	1916	1915
	£	£	£	£	£	£
Customs	102,780	71,261	+8,280	70,561	59,606	38,662
Excise	59,410	38,772	+6,240	56,380	61,210	42,313
Estate, etc., duties ...	30,262	31,674	−1,238	31,232	31,035	28,382
Stamps	12,438	8,300	+3,188	7,878	6,764	7,577
Land tax	630	665	− 20	640	660	630
House duty	1,850	1,960	− 100	1,940	1,990	1,930
Property & income tax (including super-tax)...	291'186	239,509	+ 736	205,033	128,320	69,399
Excess profits duty ...	285,028	220,214	−14,972	139,920	140	—
Land value duties ...	664	685	− 36	521	363	412
Receipts from Taxes ...	784,278	613,040	+2,078	514,105	290,088	189,305
% of total Rev. ...	(88.2)	(86.7)	+(1.5)	(89.6)	(86.1)	(83.5)
Postal service	29,400	25,200	+1,400	24,350	24,100	20,400
Telegraph service ...	3,800	3,500	+ 300	3,350	3,350	3,000
Telephone service ...	6,800	6,600	+ 300	6,400	6,450	6,250
Crown lands	760	690	+ 110	650	550	545
Receipts from sundry loans, &c.	11,679	6,056	+5,679	8,056	2,432	1,277
Miscellaneous	52,303	52,148	+37,103*	16'517	9,797	5,917
Non-tax Revenue ...	104,742	94,194	+44,892	59,323	46,679	37,389
% of total Rev. ...	(11.7)	(13.3)	− (1.6)	(10.4)	(13.9)	(16.5)
Total Revenue ...	889,020	707,234	+46,970	573,428	336,767	226,694
% of total Exp. ...	(34.4)	(26.2)	+(8.2)	(26.1)	(21.6)	(40.4)

* Increase due to contribution by Indian Loan.

(2.) *Revenue, Expenditure, and Borrowings.*

(000's omitted)	1918–19	1917–18	1916–17	1915–16	1914–15
	£	£	£	£	£
Revenue... ...	889,021	707,234	573,428	336,767	226,694
Expenditure* ...	2,579,301	2,696,221	2,198,113	1,559,158	560,474
Balance ...	Dr.1,690,280	Dr.1,988,987	Dr.1,624,685	Dr.1,222,391	Dr.333,780
Loans raised by Great Britain (net)	1,685,627	1,984,779	1,622,815	1,165,319	407,850
Balance ...	Dr. 4,653	Dr. 4,208	Dr. 1,870	Dr.57,072	Cr.74,070
Miscellaneous (net)	Dr. 3,577	Dr. 1,198	Cr. 2,731	804	Dr. 1,053
Balance ...	Dr. 8,230	Dr. 5,406	Cr. 861	Dr.57,876	Cr. 73,017
Cash brought forward	21,030	26,436	25,575	83,451	10,434
Do. carried forward	12,800	21,030	26,436	25,575	83,451

* Includes Loan to Allies and Dominions, &c. (£484,000,000 at March 31, 1918).

(3.) *Cost of the War.*

Year	War Expenditure (a)	Met Out of Revenue		Loans	Total Rev. & Loans
	£	£	% of Exp.	£	£
1914–15...	362,087,000	28,307,000	7.8	405,350,000	433,657,000
1915–16...	1,359,007,000	136,616,000	10.1	1,165,319,000	1,301,935,000
1916–17...	2,000,796,000	376,111,000	18.8	1,622,818,000	1,998,929,000
1917–18...	2,496,607,000	507,620,000	20.3	1,984,779,000	2,492,399,000
1918–19...	2,375,901,000	685,620,000	28.8	1,685,627,000	2,371,247,000
Total to Mar.31,'19	8,594,398,000	1,734,274,000	20.1	6,863,893,000	8,598,167,000

(a) Includes interest on War Debt and Loans to Allies and Dominions, and excludes peace-time cost of Army and Navy.

THE PORTS OF LONDON AND LIVERPOOL.

As recently as 1908 the Act constituting the Port of London Authority was passed. All the tidal portion of the Thames from Teddington Lock to the sea was put under the control of a single body, and the administrative confusion that had hitherto prevailed, to the great detriment of the port, was thus tardily brought to an end. The change was in every way beneficial, and a period of vigorous development was ushered in. Certain ambitious projects which were being discussed on the outbreak of war had to be dropped, but there is little doubt that they will be again brought forward, and that existing accommodation for ships and goods will be further improved. It is regrettable that reform at the Port of London was so long postponed, since an indefinite but appreciable amount of trade was thereby lost. In the North of England the Mersey Docks and Harbour, long before 1908, had been both administratively and otherwise a model that the Metropolis would have done well to imitate. The unity of control which London achieved only 10 years ago was established half a century earlier on the Mersey. In 1858 the Mersey Docks and Harbour Board was set up, and its jurisdiction was extended to the opposite side of the river so as to take in the Birkenhead Docks Estate. Once centralisation of control was secured it was possible to meet the increased demands of trade by systematic expansion. It was decided to develop the dock system seawards, especially on the right bank of the river, according as the provision of further shipping space became necessary. Modern and well-equipped docks were built extending towards the sea and capable of housing the largest ships afloat. Adequate dry-dock accommodation was simultaneously provided for refitting and overhauling, and the necessary ship-repairing and engineering works naturally sprang up alongside.

In London development proceeded along different lines owing to a difference in the natural circumstances of the two ports. In one respect, however, they were alike, since the rise and fall of the tide were such as to necessitate general recourse to a system of locked docks. These docks are required in all cases where the retreating tide would leave but a small depth of water at an ordinary tidal dock. A heavy capital outlay, followed by a high maintenance bill, was therefore necessary, and, in the absence of a single port authority with a large revenue, such expenditure could not very readily be undertaken in London. In Liverpool, owing to the natural configuration and depth of the Mersey estuary, tidal docks could be constructed, as in Glasgow and Hamburg, with a small outlay; but the continuous advance in the size of ocean-going steamers and in the value of their cargoes rendered the building of closed docks also necessary, since a fall of even 10 feet from high-water level is sufficient to ground many vessels of deep draught. Both tidal and locked docks are thus used for large steamers in Liverpool, while London in contrast uses docks of the latter class to a greater extent. The Mersey is, of course, a broader, deeper, straighter, and altogether more navigable river than the Thames, and these advantages helped materially in the building of what is perhaps the most compact system of docks in the world.

On the Liverpool side they extend from the Gladstone down to the Herculaneum Dock and the Park Hill Estate, a distance of over six miles. On the Birkenhead side the docks front the river only for a short distance, being built mainly on each side of what might be called an arm of the Mersey, the East and West Floats, extending into Wallasey Pool. The subjoined table shows the accommodation for ships provided on each bank of the river:—

	Water Area		Lineal Quayage	
	Acres	Sq. Yds.	Miles	Yds.
Liverpool...	430	3,580	27	218
Birkenhead	171	3,259	9	1,422
Total... ...	602	1,999	36	1,640

Birkenhead has thus one-fourth of the total quayage, and a little more of the water area. By comparison with this closely knit scheme of water docks, the London system stretches in a most confused manner right down to Tilbury, the docks being scattered at intervals over a distance of not less than 25 miles. For this confusion the harbour naturally suffers, and Liverpool reaps a corresponding benefit. Practically no lightering is done on the Mersey, as the ships discharge directly at the docks. London is, however, the greatest barge port in the world, and lighters are called upon to perform a considerable amount of work. A portion of the cargo of some of the big steamers has to be taken off in mid-channel, owing to insufficiency of water at quaysides and dock entrances. Moreover, the Blackwall Tunnel, which runs a short distance below the bed of the river, operates as a check to deep dredging, and hinders the development of all that section of the Thames extending above the tunnel to London Bridge, a distance of over 10 miles. No such difficulty is experienced at the Mersey port, and the result is that Liverpool to-day is much more suited than either London or other harbours in the United Kingdom for the accommodation of large ocean-going vessels. The following table shows the depths of water available in certain places at high-water ordinary neap tide and low-water ordinary spring tide in our leading ports:—

Port—	Minimum Available Depth in Approach Channel at High-water Ordinary Neap Tide		Maximum Depth Available at Enclosed Docks at H.W.O.N.T. (*a*) or at Open Quays at Low-water Ordinary Spring Tide (*b*)	
	Ft.	In.	Ft.	In.
Liverpool (Gladstone Dock)	49	7	39	1(*a*)
Liverpool (Princess Landing Stage ...	49	7	36	0(*b*)
Southampton	44	6	40	0(*b*)
London (Tilbury)...	42	6	33	6(*a*)
London (Royal Albert Dock)	39	11	32	8(*a*)

Though Southampton has a greater depth of water, the superior dry-dock facilities at Liverpool act as a counter-attraction to ships. The advantage is here decisively in favour of the Mersey, as may be seen from the dock measurements at some of the principal ports in the United Kingdom:—

Port—	Length	Breadth	Depth over Sills High-water Ordinary Neap Tide	
	Feet	Feet	Ft.	In.
Liverpool (Gladstone Dock)... ...	1,050	120	38	10
Liverpool (Canada Graving Dock) ...	925	94	27	0
Southampton (Trafalgar Dock) ...	898	100	31	6
Belfast	886	96	34	4
Glasgow	880	83	25	0
London—Tilbury (Western) ...	846	70	—	—
London (Royal Albert New Dock) ...	750	100	36	0

In view of its leading position as revealed by this table, it is not surprising that Liverpool has been the home for most of the big ocean liners built in recent years. There is little likelihood of displacing the North of England port, partly on account of the natural advantages of its splendid tidal river, and partly on account of the importance of the industrial hinterland, for which it acts as exporter and importer on an immense scale.

BRITISH DYES.—II.

Modern dyestuffs are for the most part synthetically produced; but the word synthetic, so often reserved for them alone, is scarcely apposite, since every dye, not being elemental, is in a sense synthetic. They might more correctly be described as coal-tar derivatives. The older dyes which they displaced were of mineral origin, like the well-known prussian blue or manganese brown; and were derived also from vegetable sources, such as logwood, redwood, and turmeric, or even from animal sources, such as the famous cochineal, a dye prepared from the insect of that name and first used widely by the Spaniards. Dye-making at the present day is based almost exclusively on the use of one or other of the numerous coal-tar derivatives; and the dyes manufactured, it should further be noted, are not imitations of the older products, for which a lingering favour still exists in some quarters, but are an actual reproduction of Nature's handiwork. Although the scientific inquirer has been fortunate enough to stumble upon some colours more by accident than by design, the chief artificial dyes owe their origin to a conscientious analysis of the natural product, for example, madder or indigo, and to an equally conscientious synthesis of the same substance from coal-tar products. Of course, other chemicals are called into use in the process of manufacture. Thus, in addition to ammonia and sulphuric anhydride, we require in the making of artificial indigo both chlorine and caustic soda, and, in general, the heavy chemicals, such as the chief acids, are widely utilised. It is fortunate that our production of these chemicals received a strong stimulus during the War, and this circumstance, combined with the great increase in the tar residue available from gas-works, coke ovens, and blast furnaces, should provide British manufacturers in future with a plenitude of the chief raw materials for artificial dye-making.

The replacement of natural dyes by the synthetic product, which commenced in earnest about half-a century ago, has not yet ceased. The clearest examples of its working are afforded in the cases of indigo and madder. The plant from which the former dye was made was at one time extensively cultivated in India. In 1880 the substance was synthetically produced, and soon afterwards, when put upon the market, it found great favour with the principal dye-users. The demand for natural indigo fell away, and serious loss was occasioned to Indian agriculturists and others interested in the cultivation of the plant in the Far East. Turkey red, made from the madder plant, is now manufactured synthetically from anthracene, a derivative of coal-tar. Another synthetic red, known as Para Red, is made from paranitraniline, and is used to produce the brilliant red colours seen on cheap cotton fabrics, such as bandana handkerchiefs. It is not equal in some respects to the natural prototype, alizarine, which is the name given to the colouring matter contained in madder. It has the advantage, however, of being cheaply produced, and it is because of their cheapness, as compared with Nature's product, that modern aniline or coal-tar dyes have become so popular in the textile and other trades. As a further recommendation, these dyes are usually possessed of greater brilliance and superior fastness. Fastness is an essential much sought after, but difficult to produce, since fast dyes must be able to withstand both washing and exposure to light as well as other tests. Compared with the natural product the coal-tar dyes are superior as regards purity, since they can be prepared under conditions almost approaching the ideal. The colours can, furthermore, by means of different ingredients, be so graduated as to form a number and a variety of shades impossible with mineral or vegetable dyes. It will be seen, therefore, how essential it is for the United Kingdom, in the interests of its manufactures of textiles, paints, varnishes, wall-paper, and confectionery, to maintain a cheap and adequate home supply of dyestuffs and to

keep abreast of all Continental developments in production. For this purpose co-operation, both technical and administrative, amongst all concerned in dye manufacture is necessary. In adopting this course we will but follow the example of producers on the Continent. Manufacturing interests are there closely allied. In Germany, for example, final arrangements were made some years ago for the formation by existing firms of a combine controlling a capital of over 35 millions sterling.

The colours at present imported into the United Kingdom come mainly from Switzerland, and consist to a large extent of basic, vat, and direct dyes. Naturally the imports indicate the direction in which native production falls short of requirements. Thus some dye-users complain of a distinct shortage of such basic colours as the cerises, auramine, magenta, methyl violet, and methylene blue. When particular instances of shortage are quoted, it must not be inferred that the other colours are produced in satisfactory quality or quantity at home. Where the dye is made here the quality is, indeed, fairly certain to give satisfaction, since deliveries are guaranteed to be equal to standard type. But quantities are restricted, and this tends to enhance prices, especially of the scarcer colours, and to put a severe limitation on the amount which colour-users can purchase. In some cases dyes have risen to between four and five times the pre-War price, and in general the rise has not been less than 200%. The maintenance of prices at this artificially high level would be a serious drag on the textile and other industries. Prices have, indeed, fallen since the Armistice, and it may be expected that they will come down still further. Cheapness is the great desideratum, since it has been the principal factor in elevating the coal-tar dyes to their present prominence.

The number of colours missing from the British-manufactured selection is rather high, and textilists are inclined to grumble more particularly about the range of basic, sulphur, and vat colours on offer. Compared with pre-War days our position has, of course, immensely improved. The crude products, and the intermediates from which the dyes are finally prepared, were made here in very small quantities. Production is now abundant, but in respect of certain types and classes it falls short. Of the ordinary straight colours more than sufficient is now made here. We are even exporting the direct cotton colours and acid colours. Such a development as the building up of an export trade is very gratifying. The following table indicates the growing dimensions of a business which in 1913 was deemed capable of very little expansion.

Exports of Produce and Manufactures of the United Kingdom: Dyestuffs.

	1913	1914	1915	1916	1917	1918
	£	£	£	£	£	£
Products of coal tar ...	177,246	170,013	269,419	677,551	1,132,099	1,251,523
Other sorts	105,277	125,433	231,432	420,454	279,748	145,751
Total	282,523	295,446	500,851	1,098,005	1,411,847	1,397,274

The exports have not only increased in value by 390%, but their composition has undergone a change, since coal dyes show a greater absolute and relative increase than all the other kinds. Our best customer in recent years has been Switzerland, a fact which gives some ground for the belief that dye-production in Germany must have been substantially curtailed as a result of the War, and that German dye-users, like our own, had to put up with a restricted range and a diminished supply of colours. The United States have also purchased dyes from us; but on the other side of the Atlantic steps have also been taken to promote a native dye industry, and to ensure independence of outside sources of supply. Great progress has been made in the desired direction. The production of both crudes and intermediates has risen substantially, and from these home-produced materials upwards of 7[illegible] of the home demand for dyes is satisfied. Formerly not 20% of the dyes required were made within the Union, and even this limited amount was usually produced from imported materials. Interest in dyes is thus not confined to the United Kingdom, and, judging by the evidence received from various quarters, a period of great activity is obviously ahead of the dye-making industry in the chief manufacturing countries of the world.

ECUADOR.

We publish below a table of the exports of Ecuador which we think will be interesting. As the reader is, no doubt, aware, Ecuador is, perhaps, the greatest single producer of cocoa in the world. And it will be seen from the table what a preponderating position the cocoa exports take in the foreign trade of the Republic. Coffee naturally takes a small place, as it is exceedingly difficult for any other Republic to compete with Brazil, which supplies such enormous quantities, and has done so for a very long time. Apart from coffee, it is disappointing to see what small progress the Republic makes in the export of hides. Its gold exports, again, are exceedingly disappointing. The famous Panama hats in reality are manufactured in Ecuador, the *toquilla* fibre being grown in certain regions of the Republic. The finest qualities of this *toquilla* are used for making Panama hats, and the less fine for making the hammocks for which the Republic is equally famous. The exports of Panama hats, which, it will be seen from our figures, exceeded in value two million sucres, or £200,000, in 1916, has grown from comparatively small beginnings, as the exports at the end of last century was only very little—about £30,000 a year. The industry now has grown to very appreciable proportions, although it has not grown to the extent that might have been expected, and were Ecuador properly developed, as we shall show shortly it could easily be, the export of these hats should have grown very much more. At one time, so difficult was it to gather the fibre, and so careless were the methods of preparation, that a really good Panama hat would command as much as £30 or £40. Now toquilla plants are taken up from the forest, and are replanted at a specified distance from one another. Consequently, it is possible to get uniform sizes and to collect them with comparative ease. The result is that the price has been materially reduced, and it is now possible to get a Panama hat of really first-class quality at a comparatively moderate figure compared with that above quoted. Panama hats, however, are only a small part of the industry of the Republic. Ecuador lives, and has lived for generations, on the raising and export of cocoa, for which her soil in a certain area of the Republic some miles above Guayaquil is probably the finest in the world. Each year these lands are inundated by the Guayas River. Some few miles above the great port of Guayaquil, stretching over an area of nearly 15,000 miles, lies some of the richest land which it is possible to find in the world. This land is inundated at certain seasons of the year by various rivers and creeks by which it is intersected. And far from carrying off the rich soil of the surface, these annual inundations, as is the case with the Nile floods in Egypt, seem to bring fresh fertility season by season to these already rich fields. It is in this area, surrounded by luxuriant forests, that the great cocoa plantations of Ecuador are situated. And it is upon these great cocoa plantations that the wealth of Ecuador depends.

Ecuador, so far as its boundaries have been definitely ascertained, is a very small State in comparison with the vast areas which are commonly known as the States of South America. It is composed of three areas—the coastal lands, in which are included that rich fertile area inundated by the Guayas River and its tributaries, which we have already described, between the foothills of

the Andes and the Pacific Ocean and certain areas by no means so fruitful. Above these are the great plains on which Quito stands, and on the east the forest-clad and mainly unexplored region of the eastern slopes of the Andes. The wealth of Ecuador is drawn to-day from the cocoa plantations of the coast lands, a few sugar plantations in the same area, and the various industries carried on upon the plains of the interior. In these times by far the healthiest parts of Ecuador are the level plains on which the capital stands. But apparently in the period that preceded the Spanish conquest the coastal region, which all through the Spanish period, and, indeed, until the present time, has been regarded as exceedingly unhealthy, did, in fact, maintain a great population. This coastal region is exceedingly dangerous for Europeans to settle in in modern times. It is by no means a healthy place even for the natives to live in. In fact, the native population on the coast lands is a very small one. It certain that under existing conditions such populations as are recorded by the early Spanish writers could not exist at present. Is it possible that the ancient Ecuadorians really knew what we have only so recently and laboriously discovered—that it is sanitation, and not climate, which determines the healthiness or otherwise of particular regions?

Ecuador, as we have said, is a little smaller in area than the United Kingdom, and it has a population, all told, of about one and a half millions of people, more than half of whom are descendants of the ancient Indians, and the remainder people of mixed Spanish and Indian descent. It is a country awaiting development, but awaiting development upon strictly sanitary lines. As Ecuador is going on at present it will not be economically developed by the end of the present century. But with its naturally sturdy, healthy, and vigorous population, particularly in the higher lands unaffected by malaria and yellow fever, its extraordinary beauty, and its great natural potential wealth, it would be comparatively easy to convert Ecuador into one of the richest countries in the world for its size, and to make it equally attractive as a place of residence.

Neither yellow fever nor malaria are indigenous to Ecuador. They were carried there from other places. But having once found a home on the coast lands, and particularly in Guayaquil, the great port up the Guayas River, the disseminating agents of these two devastating diseases found that they had got a comfortable residence, from which it was not necessary to make a speedy departure. That Guayaquil, naturally one of the finest situations in the world as a port, and capable of attracting, in addition to its cocoa exports, a vast trade that should make it one of the great *entrepôt* centres of South America, should be avoided by shipping every year owing to the presence of malaria and yellow fever is not at all creditable to the sanitary arrangements of the Republic. Ships constantly avoid this port when bound for various ports in Peru and Chili for fear of being refused admission after having touched at Guayaquil. Guayaquil itself, or the lower city, is situated on the banks of the Guayas River. It stands some 30 feet above sea-level, or, say, about the height that South Kensington does in this country. Rising immediately over the lower town are forest-clad hills, and the approach to the town from the river gives an impression of surpassing beauty. Guayaquil is almost on the Equator, but owing to its situation it is not exceptionally hot. Right up to the town ships drawing 22 or 23 feet of water can approach close to the city. But for actual landing it is necessary to employ a small boat. Large ocean-going liners drawing over 25 feet of water cannot approach the river at all; not because the river itself is not deep, and still less because it could not be dredged, but because it is obstructed by a bar. If the bar were properly dredged the river itself, which is a magnificent one between 6,000 and 7,000 feet wide, with wharves and warehouses built in front of the lower town, it would be possible very quickly to develop a trade second to none of the west coast ports. The work to be done is trifling compared with what was accomplished at Buenos Ayres some 30 or 40 years ago. Those who are old enough to remember Buenos Ayres in the closing quarter of last century will remember that ships had to lie out in the estuary of the Plate while small boats conveyed goods to and from those vessels; and, finally, the passage had to be completed in small carts drawn by mules and with very high wheels. While this state of things existed Buenos Ayres depended almost wholly upon its trade in hides, as the great trade in chilled and frozen meat and in wheat that has grown up in our time would have been impossible, as the freightage charges would have been out of all proportion to the value of the produce carried Of course, in order to make Guayaquil a great port, such as we are contemplating, it would be essential to drain all the swamps and mosquito-breeding pools which now surround the city.

Exports of Ecuador in 1915 *and* 1916.

	1915 Sucres	1916 Sucres	Inc. (+) or Dec. (−) Sucres
Cocoa	19,938,139	26,235,999	+6,297 860
Coffee	951,850	1,297,447	+ 345.597
Hides	601,845	1,027,309	+ 425,464
Gold	1,088,034	1,004,662	— 83,372
Hats	1,723,362	2,072,448	+ 349,086
Ivory nuts ...	1,081,470	2,610,477	+1,529,007
Other exports ...	1,074,985	1,837,146	+ 762,161
Total ...	26,459,685	36,085,488	+9,625,803
Percentage of Cocoa to total	75.9%	72.7%	−2.8%

BRITISH AND AMERICAN EXPORT TRADE.

THE Webb Act, legalising the formation of export combines for the development of America's external trade, has attracted much attention in the United Kingdom, especially at our chief shipping centres. It is not, perhaps, sufficiently realised that the mere passing of a law does not in itself deliver up trade to the Americans. The intentions of legislators and the fruits of legislation are often widely different. The results so far attained have been the setting up of export corporations in different industries, and the granting of relief in respect of certain provisions in existing American Statutes as to monopolies and unlawful restraints on trade. The associations so exempted must be of the nature of co-operative bodies, and must be founded for the express purpose of developing the export business of the United States. To meet the keen competition which is likely to follow the onslaught on the world's markets at present being planned in America, various interests in the United Kingdom have taken certain defensive precautions; but offence is often better tactics, especially as a twofold responsibility lies upon our shippers, to retain existing trade and to open up fresh fields of enterprise. Their aim must be to take a firmer grip of old markets and to extend their operations to new. We must not conceal from ourselves the very grave shrinkage in our trade that has occurred during the War. The figures of value reveal only one side of the picture, and that the brighter, but their significance has declined owing to the phenomenal rise in prices in the last four and a-half years. Between 1913 and 1917 the total value of our exports fell by the seemingly small margin of 6% from £634,820,000 to £596,757,000, but if the 1913 level of prices had been maintained throughout the shrinkage in 1917 would have been over 50%. In 1918 our exports declined further to £529,429,000. What may prove to be the turn of the tide has set in with the first two months of the current year, when export values showed a gratifying increase:—

Exports of British and of Foreign and Colonial Merchandise in the Months of January and February.

1916	1917	1918	1919
£	£	£	£
90,453,000	101,571,000	86,696,000	103,939,000

The advance in prices, which is still largely unchecked, reduces, however, the slight comfort that might be drawn from these figures; and, moreover, during the years covered by the table the value of our imports has gone up by leaps and bounds, and this, combined with the shrinkage in exports, has steadily increased the adverse balance of our trade, turned the exchange against us, increased the burden of taxation, and generally lowered our commercial and financial stability.

In the centres of our export business, particularly at the ports, the necessity of recovering lost ground is eagerly discussed, but the extent of our loss, as revealed by a comparison of the peace and war figures of our trade, on the basis of peace prices, is not widely realised. In Liverpool, for example, an optimistic note is everywhere struck. The optimism is, indeed, not unreasoning, and it is difficult to believe that the confidence which it inspires will not, despite temporary set-backs, prevail ultimately over all obstacles. Difficulties exist only to be overcome, according to the robust North. Liverpool will be in the van of the attack that we must launch for the recovery and expansion of our pre-War trade; and it will rightly occupy the position, since it has risen during the War to be the premier port in the United Kingdom. Up to 1917 London held the post of honour, but in that year it was for the first time displaced:—

Total Value of Exports and Imports at the Ports of London and Liverpool.

	1913	1914	1915	1916	1917
	£	£	£	£	£
London	...411,792,149	396,190,333	496,833,942	547,825,533	505 800,525
Liverpool	..370,779,413	338,232,100	393,169,056	476,185,960	596,977,551

The pre-eminence now attained by Liverpool is striking, but the question of its permanency admits of difference of opinion. London had always a large Continental business, and, being situated close to the entrance of the Baltic Sea and to the mouths of the Elbe, Rhine, and Scheldt, it carried on with the mainland an immense traffic, which was brought to an abrupt standstill in 1914. During the War its proximity to enemy harbours exposed all ships trading with the Thames to a grave risk of damage, while movements in the two seaways leading to the port, the North Sea and the Channel, were, for naval reasons, very narrowly circumscribed. With these circumstances no longer operating in Liverpool's favour the tussle for supremacy will be again joined, and its progress cannot fail to attract interest. The contest is no mere parochial one, since in 1917 the two ports handled no less than 65% of our total export trade. While national interests are not concerned with the victory of one port more than of the other, they are intimately concerned with all the efforts made to restore trade to the normal peace channels, and at the same time to find new outlets for the enhanced industrial production to which we can with certainty look forward.

The steps taken in the United States subsequent to the Webb Act to promote exports betoken a great sincerity of purpose. The enthusiasm manifested in commercial and monetary circles is unmistakable. Before the War America had fully developed none of the three requisites for a large export business—financial, trading, or shipping organisations. Her position in these respects has been rapidly transformed, as a brief survey will show. The War Finance Corporation and the American Acceptance Council have drawn up schemes to aid exporters by discounting the various trade bills drawn by them on foreign importers, and by promoting the acceptance business as an aid to dollar exchange. American banks have opened up branches or secured agencies in many parts of the world. Under the Webb Act associations for the export of steel, copper, coal, paper, lumber, electrical apparatus, textiles, and other staple products have been formed or are under discussion. With regard to shipping, an ocean-going merchant fleet of nearly 16¾ million tons dead-weight will, it is officially estimated, be flying the American flag before the end of next year. The three great impediments that have hitherto stood in the way of developing American overseas trade will therefore be removed. It will be a matter of great difficulty, however, to build up at short notice a complex organisation such as we have, through painful decades, brought to something like perfection. Obstacles will arise, for example, in regard to freights. A short time ago the American Importers' and Exporters' Association had occasion to complain of the high rates charged by the United States Shipping Board. It was alleged that the freight schedule was in general 100% in excess of current British rates, and that such an imposition rendered it impossible for American exporters to do business in foreign markets at competitive prices. While the effect of freights on prices was, perhaps intentionally, exaggerated, the result of the appeal was a reduction in rates ranging in most cases from 25% to 30% between the Atlantic and Gulf Ports and Australia, New Zealand, and India, as well as Europe, Africa, and Asia. In addition, extra ships were allocated to the various routes, and the interests of exporters were in every way consulted—a remarkable indication of the solicitude of the American Government for trade.

Prior to the War the great weakness of America's mercantile fleet lay in the absence of tramp steamers. These vessels carry practically all the bulk cargoes shipped between the different trading countries of the world, and they penetrate to the most remote seas. In the United Kingdom upwards of three-fifths of our total steam tonnage consisted of tramp vessels, and by means of this large and efficient navy we carried upwards of one-half of the world's seaborne commerce. Our superiority is much reduced now, but in the main headquarters of our shipping, the port of Liverpool, it is anticipated that British shipowners at any rate will not fail on their part in maintaining our trade against competition from the United States or from any other country. The claim is no idle one, as it is based on inside knowledge of the cost of building, equipping, and running American ships. It is coupled with the assurance that the lower scale of prices on which our tonnage has been constructed will allow British freights to be at least as favourable to traders as American. Already in the United States shipowners, conscious of the disability under which they labour in competition with us, are clamouring for a reform of the navigation laws; but such reform, even if it does come, will not altogether destroy the balance in our favour.

IMPORTS AND EXPORTS.

One of the great disadvantages of the control of so many consumable commodities and the control of trade by the various Government Departments is that it checks, rather than facilitates, the efforts which are being made at what has come to be called "reconstruction," which really means resuming the normal course of trade and adjusting our economic life from war to peace conditions. From the very nature of the case Government control of trade is objectionable. The Government is not engaged in trade; its officials are neither merchants nor manufacturers; and having the forces of the State at their back they can impose arbitrary regulations which are impossible to ordinary traders, and which, of course, no trader has the means of resisting, even if he so desired. In their aims the Government controllers desire to do the best they can for the country. But they are handicapped by the fact that they are acting virtually with despotic power upon inadequate data, and without the knowledge of the various trades which those actually engaged in them acquire from long experience, and from the fact that they are compelled to understand the particular trade in which they are engaged; otherwise they would lose their means of livelihood. Those

FOUR YEARS' WORK

An Account of the Progress of the Coal-Tar Chemical Industry in England during the War

by LEVINSTEIN Ltd.

IN August, 1914, both Government and people in this country awoke suddenly to the importance of the dye industry. The lesson which chemists and educationists had been trying in vain for thirty years to teach came suddenly home. It was realised at last that the manufacture of dyes was an industry of War importance, a "Key" industry—and almost a German monopoly. The lesson was to be learned in much greater detail in the months that followed, but it is not fully learned yet.

IN the most direct and simple sense, dye manufacture is a War Industry. Its products are not only a necessity of Naval and Military equipment; they are among the first necessities. The first thing that goes to the making of a soldier is a uniform. It is hardly possible even to train men until they are got into uniform. The uniform makes a profound psychological difference to the men. It is essential to discipline, self-respect, and corporate spirit. A regiment in civilian clothes would be and would feel as ridiculous as a ragged regiment. And as the woollen cloth of which a soldier's or a sailor's uniform is made has to be dyed in the staple, before it is even spun into yarn, the supply of dyes is almost the first essential to making uniforms. As the war went on it was found that the need for dyes was not confined to the dyeing of uniforms and personal equipment. The development of the art of "camouflage," by means of which scores of thousands of casualties must have been averted, necessitated the use of enormous quantities of dyed materials of various kinds.

THE problem of extending and improving the range of dyes was one calling for urgent attention, and the key to that problem lay in the manufacture of more intermediate products, most of which had, prior to the war, been manufactured exclusively in Germany. It was largely in this monopoly of intermediate product manufacture that the overwhelming strength of the German dyestuff monopoly lay.

THE manufacture of these products is almost invariably more difficult and complicated than the conversion of such products into dyes. The latter stage is generally accomplished in one or two operations, whereas the former may involve six, eight, or even more different operations, upon each of which close study and extensive chemical experience must be brought to bear in order to achieve success.

SUCH was the problem to be attacked. New processes required studying and working out, entirely new plant had to be designed and erected, and whilst the development of intermediate product manufacture had to be pushed forward, the ultimate object of turning out dyestuffs had to be kept well in view. Progress has been realised in both directions, and the dyes which we are manufacturing to-day are made entirely from intermediate products produced in our own factories.

ONE of the most important steps was taken when we acquired the German indigo factory at Ellesmere Port. Indigo, it should be explained, is by far the most important and widely used coal-tar colour. Natural indigo was used thousands of years ago, in civilisations long since extinct. Time, far from diminishing its importance, has increased it. After the constitution of the colouring principle of natural indigo had been solved, and its synthesis from coal tar achieved, the manufacture of synthetic indigo had become a great German monopoly. The new patent laws of the country had compelled the Germans, much against their will, to erect an indigo factory in England. At the outbreak of war this factory, along with other German undertakings, was placed in the hands of a Controller. It was finally acquired by us, and within three months the plant had been put in repair again, the processes of manufacture of indigo with intermediates worked out, and the first batch of Indigo L L placed on the market. Since that time manufacture has been continuous, and in quantity sufficient to meet home requirements.

BEFORE the war the trend of recent progress lay in the direction of dyes of great fastness to light and washing. Indigo itself is a dyestuff not only of great beauty but of excellent fastness. The discovery of its constitution led to the discovery of other indigoes, slightly modified, from the parent type, but all having the family qualities of beauty and fastness. These new indigoes or indigoid dyes, under the names of Durindone Blue, Durindone Red, &c., have been made in quantity at Manchester during the past year or so. They represent a very solid and substantial piece of reclaimed territory. But the demand for fastness was not satisfied with one group of fast dyes. The public ask not only for fastness but infinite variety, and as long as the public ask, the chemist will endeavour.

IN 1901, a distinguished Alsatian chemist, René Bohn, discovered Indanthrene Blue, the first of a new series of dyestuffs of extreme fastness. The story of his discovery is a beautiful and fascinating example of scientific method, but it is too long to explain here. One might say that by combining the characteristic virtues of Turkey Red and the indigo vat, he had made a new kind of dyestuff that had the fastness of the one added to the fastness of the other. Indanthrene Blue was quickly followed by a long series of dyestuffs sharing the properties of the parent type and distinguished by great beauty of shade. These dyestuffs were of a fastness approaching the absolute, and with their introduction the whole course of trade in finer classes of textiles underwent a gradual change. For the first time the cloth manufacturer could offer a range of shades of guaranteed and unquestioned fastness. The problem of the manufacture of this difficult series was attacked, and several members of the series have been already placed on the market under the name of Duranthrene Colours. Others will become available in the near future.

BUT, it may be asked, if all this work has been done and the foundation of the British dye industry laid so well in these past four years, what more is required? If the new structure is sound, it will hold its own against the fiercest German competition. Unfortunately, it is not quite so simple as that. The British dye industry is a stripling still compared with the giant combinations in Germany.

THE capital of the combined German dye and chemical firms approaches £50,000,000. The capital invested in the British industry hardly reaches £5,000,000. There would be less anxiety as to the future were it not for the fact that dyestuffs are, or were, one of the only two world monopolies that Germany had. Of these two monopolies, one, that of Potash, is completely broken as a result of the victory which restored the potash mines in Alsace to our French Allies. The other, although no longer an unchallenged monopoly, still remains a national danger to this country, since it is clear that a monopoly in dyestuffs, if it can be established, amounts to a stranglehold on the great textile, leather, paper, paint, and other dye-using industries. If nothing were done to prevent it, the German colour works, by the use of their financial power, could put the renascent British industry out of business in twelve months. It would be the obvious thing for them to do. It would not be commonsense for us to allow them to do it.

who cannot grasp the principles upon which trade is based in ordinary times ultimately land themselves in bankruptcy. And it is only those who can succeed in conducting trade at a profit who remain in the various businesses. A Government official can regulate trade without any fear of bankruptcy. But he may do most serious harm to the country by his regulations.

Now at the present time there is a great desire, both on the part of the trading community and of the various control boards, to increase our exports, in order to bridge, as far as may be, the wide gulf which yawns between the magnitude of our war imports and our exports, which latter were largely killed during the period of the War. "Stimulate exports," say the various control boards, "and restrict imports as far as possible." If these things were possible by a mere fiat of Government the carrying on of the trade of the world would be a much simpler thing than is actually the case. Trade implies the exchange of imports and exports. No country is so wealthy that it can go on importing immense quantities of goods without, of course, incurring an extravagant debt, as we did during the War, unless it is able in exchange to export its own commodities. Now the present writer had an illustration brought clearly home to him this week by a banker who was good enough to explain a certain transaction between this country and one of the countries recently engaged with us in the War. A certain Commission was appointed in order to obtain from England various commodities. A comparatively small credit was granted, which was quite inadequate to enable the country referred to to obtain certain raw materials and machinery which it urgently requires at the present time for the purpose of reconstructing the country from the devastation of the War. The banker at once pointed out to the Commission that the credit was inadequate. The Commission, fortunately, represented a large group of exporters to the country referred to as well as people who desired to obtain certain goods from England. The banker showed them that if they could adjust certain exports which they are able to despatch to this country, and balance them against the machinery and goods they urgently require at the present time, the difficulties with regard to exchange would be adjusted and it would be possible for the bank to give the necessary assistance. Our Government wisely made no objection to the transaction as it would not affect adversely the exchanges; and the English exporters, on the one hand, will benefit by the transaction, and certain importers in this country will obtain goods for which there is known to be a ready market here. We give the illustration to show that it is not possible to export goods simply because it is the interest of this country at the present time to stimulate its export trade and to restrict as far as possible its imports.

SOUTH AND CENTRAL AMERICA.

TRADE OF SAO PAULO.

We are indebted to the *Monthly Journal* of the Sao Paulo Chamber of Commerce, from which we take the table published below showing the exports of the State in the years respectively 1917 and 1918. The Chamber of Commerce of Sao Paulo is the oldest British Chamber in Brazil. It was established some time before that in Rio de Janeiro, with which, however, it has no connection. The Sao Paulo Chamber interests itself in all the States of Brazil, in most of which it has official correspondents as well as an organised branch at the shipping port of Santos. Sao Paulo is, of course, in a sense, the oldest State in Brazil, and it is, with the possible exception of the district of the Federal capital, by far the most economically developed portion of Brazil to the present day. It will be remembered that for a very long time what we now call Brazil and the Argentine Republic—indeed, the whole Atlantic coast of South America—was utterly neglected by the early Spaniards. Settlements were made in what we now call the West India Islands. The Isthmus of Darien was crossed, but crossed for the purpose of obtaining access to Peru, Ecuador, Bolivia, and Northern Chili, with the object of securing the produce of the rich gold and silver mines of those countries. The road across the Isthmus of Darien, which we now call Panama, very near where the Panama Canal has now been dug, was maintained for centuries as a public highway practically for no other purpose than to secure access to the rich gold and silver mines of Peru and Colombia. As time went on even the Spanish Government was willing to make any change of a practical nature, as it was at last realised that it was ill-advised to maintain only one gate into South America, and that right up at the extreme north of the continent. They finally agreed, nearly a couple of centuries before they were driven out, to open up the River Plate country, and there were Spanish settlers for a time at Buenos Ayres, and afterwards up the Parana at Asuncion.

The State of Sao Paulo, as we know it, came to be formed in a very curious way. A Portuguese adventurer, with a small band very little better than pirates, founded a settlement there and collected from the native Indian women a large number of wives. These men lived very much as patriarchs, but they did manage to retain their Portuguese language and a certain measure of civilisation, although no doubt it was a very small measure. When the Spaniards came on the scene the Paulistas threatened them with destruction, and it was to secure the River Plate countries to the Crown of Spain that the Spanish Government at last decided to make a real and effective settlement at Buenos Ayres.

From the very outset, then, the State of Sao Paulo was the nucleus, and has developed into one of the principal States of what we now have come to know as the Republic of Brazil. It is probably more highly developed than any of the Brazilian States. It supplies the international markets of the world with coffee to an extent that no similar area does in any other part of the globe. As we have said, it is more highly developed than any other State, with the possible exception of the Federal district. There is, of course, the great mining State of Minas Geraes. This is also a highly developed and one of the wealthiest States in Brazil. But it is essentially a mining district. Minas Geraes without its mines would be a comparatively unimportant State. But Sao Paulo has a large and diversified economic development, although, of course, coffee is still the preponderating industry. Nevertheless, as will be seen from our table, the frozen-meat industry has grown during the recent War to a remarkable extent. Before the War this State had no frozen-meat industry at all. It was almost wholly dependent upon its coffee. It was commonly said that while the Republic supplied the world with more than 70% of its total consumption of coffee, the State of Sao Paulo was dependent for its exports upon coffee to the extent of 90%. With the growth of the meat industry this can no longer be said. And although it originated during the great European War, the important developments which have taken place in connection with that War and the erection of large freezing-houses should enable the State to continue to supply meat to Europe and to other parts of the world where it may be wanted now that the War is over. There is no probability of any falling off in our demand for meat, for hides, or for any of the by-products of the cattle industry. And

it remains for the State to see to it that the excellence of its products admit of its competing on economic terms with the rest of the great meat-producing countries of the world. This point is exceedingly important, because there is no danger of the cattle-producing countries raising more beasts than the world is able to consume; but there is always a danger that if the excellence of the product offered falls below a certain standard it will rapidly cease to command the favour of outside markets. We have had an illustration of this in the prohibition of the imports of Brazilian lard to this country. Brazil possesses a very large pig population, and should be a great lard exporter. Fats are scarce enough in Europe at the present time to induce our markets to absorb any reasonably good samples offering. But the exporters seem to have got an impression that they were so secure of the European market that there was no necessity to maintain the quality of the lard supplied. The result has been that in the manufacture an undue proportion of water was allowed to remain. This has had two consequences. One was that the lard has not kept as it should do; and the other was that, owing to an undue proportion of water in the fatty substance, the lard was of inferior quality. The only real danger that Brazil, like any other country seeking to supply the world with any particular commodity, whether it be meat, coffee, or lard, has to fear is her not maintaining the standard of quality to which the European markets have become accustomed. It will be seen, however, from our table what a preponderating extent the coffee exports still make up of the total value of the exports of the State of Sao Paulo. The total value of the exports for the year 1918 were, roughly, 20 millions sterling, while the total value of the exports in 1917 was something over 22 millions sterling. The falling off in value need not disquiet those interested, directly or indirectly, in the well-being of the State of Sao Paulo. It is due merely to a falling off in the value of coffee exports, which in its turn was due, as the reader will remember, to the prohibition of coffee exports during the later stages of the recent War. In 1918 only some 5¼ million bags were exported, comparing with over 7¾ million bags in 1917. It is to be feared that next season there will be a serious fall in the export of coffee from this State from a totally different cause. At the end of June last—which, of course, is the winter season in Sao Paulo—there were two very severe frosts, which seriously injured the coffee berries, and it was at one time reported that nearly half the crop had been destroyed. This, however, fortunately proved to be an exaggeration. But there seems reasonable ground for fearing that very nearly one-third of the crop was in fact destroyed, and, of the remaining two-thirds, it is doubtful if the exportable surplus will be up to average quality. The principal exports we give in the table below—that is to say, the articles upon the sale of which the prosperity of the State depends. Now, what does it import from other countries? Cotton goods, steel and iron manufactures, industrial, agricultural, and miscellaneous machinery, different kinds of apparatus, chemicals, skins and hides, prepared and manufactured—it will be remembered that it exports both hides and skins in the raw state—jute and hemp, coal, kerosene oil, codfish, flour, wheat, wines, and prepared provisions of various kinds. From what countries does it import them? From the United States, the Argentine Republic, Great Britain, Italy, France, and Portugal. We do not propose to give a table of these imports, because they would show that the United States and the Argentine Republic enjoy a preponderating portion of the trade, and unless we specified—and we have not the figures which would enable us to do so exactly—what proportion of the various commodities come from the different countries such a table would give a wholly misleading impression. It is perfectly evident that this country could not export wheat and zarque beef, because we do not make the one and we have not a sufficient quantity of the other for our own consumption. A very large part of the imports, both from the United States of North America and from the Argentine Republic, are foodstuffs, and in the nature of the case we are not in a position to compete. This country seems to be fairly holding its own with regard to those articles which we are in a position to export to Sao Paulo. It is well to bear in mind, however, that, as we have said twice already, it is one of the very richest States in Brazil, and there is a large opening for British traders able and willing to supply the commodities for which there is a demand, both in the principal cities of the State and upon the great coffee and other plantations, as well as on the important cattle ranches of the State. We will not include the newly erected freezing-houses, because they are mainly owned by Chicago interests, and they are fitted up with plants manufactured in the United States, and manufactured upon a scale that it would be hardly practicable for our manufacturers to compete with. It has to be remembered that the principal cities, particularly the capital, Sao Paulo itself, and Santos, are large, populous cities, where people are accustomed to consume goods of excellent quality, and upon the coffee estates of various plantations and cattle-ranches of Sao Paulo the demand is for the most part for goods of high-class quality.

Products Exported.	Milreis, Paper— 1917 $	1918 $		Inc. (+) or Dec. (−) $
Coffee	336,763,700	268.383,609	−	68,380,091
Chilled and Frozen Meat	26,388.613	32.757.404	+	6,368,791
Beans	21.2[illegible]0.781	24,264,726	+	3,033,945
Rice...	12,262,372	4.100.661	−	8,161,711
Lard	10 718 883	4.454,456	−	6,264,427
Bananas	1,602.265	1,659.976	+	57,711
Rubber	275,451	336 000	+	60.049
Miscellaneous ...	13,091,947	35,489.570	+	22,397,623
Total ...	422,334,512	371,446,402	−	50.888,110

LAND PURCHASE IN IRELAND.—I.

STATE interference in the industrial life of a people is open to criticism, and the measure of success attendant on it varies considerably, but, broadly speaking, such interference is warranted when a situation of such a serious nature arises that it is incapable of being dealt with by the inadequate resources in the hands of any particular section of the community. Furthermore, direct action by the State is all the more necessary when the problem it proposes to solve is, as was the case of land tenure in Ireland, partly of its own creation. The State was directly responsible in Ireland for the confiscation on an immense scale of the properties of the local landowners, and the setting up in their stead of a privileged alien class whose loyalty to their benefactors was strengthened by the grant of huge tracts of land. Had the new landowning class made any substantial effort to improve the conditions of the people amongst whom they had fallen, some justification would have been adduced for their existence, but, unfortunately, taken as a class, they made very little effort to do so. The larger landowners generally lived in England, drawing their income from the lands by means of an agent, whilst the smaller landowners who remained at home contented themselves with making their houses a centre for unproductive consumption without making any provision for an improved management of their estates.

The bitter agrarian strife that raged in Ireland during the latter part of the 19th century centred mainly around the question of tenure. During the early part of the century, while many Irish tenants held under-leases, or written contracts, the great majority were tenants from year to year. Under the

Common Law, both in England and Ireland, the right of the landlord to recover possession of the land in the case of a lease or written contract depended on the covenants and conditions in the contract, and no ejectment could take place unless for a broken condition. In the case of a tenancy from year to year, the tenant could only be ejected by a notice to quit, which notice must expire with the termination of the year of his tenancy. This system caused much difficulty to the landlord, as the onus lay on him of proving the commencement of the tenancy, and frequently, even where the tenant had failed to pay the rent, eighteen months passed before possession could be obtained, while in England the Common Law discouraged the forfeiture of tenants' interests and held the landlord to the technical proofs required by law, a different course was adopted in Ireland. After the battle of Waterloo the fall in agricultural prices rendered it difficult, if not impossible, for tenants to pay the high rents which had been fixed while war prices ruled. In order, therefore, to expedite the eviction of leaseholders an Act was immediately passed which enabled an ejectment to be obtained in the County Courts at a small cost and without delay. A similar jurisdiction was not given to the English County Courts until 1856. The tendency to give leases was, however, abandoned to a large extent by landlords, and the great majority of tenants held from year to year. As the Irish Ejectment Code applied only to tenants holding under-leases or written contracts some further legislation was necessary in order to expedite the ejectment of the tenant. Accordingly, the Civil Bill Court Act of 1851 extended the ejectment for the non-payment of rent to tenancies from year to year. Under the English statutes no similar power was given, and the English landlord was obliged in the case of non-payment of rent, first, to serve the tenant with a notice to quit, and then proceed to evict him by the slow and costly process of an action in the Superior Courts.

Thus in the eyes of the law the landlord was regarded as the absolute owner of the land, and the Legislature was always ready to afford him facilities to maintain that ownership. In order to appreciate at their full value the disabilities under which the Irish tenant laboured, it will be necessary to point out the differences between the Irish and English systems of tenure. In England, speaking generally, agricultural farms are let by the owners fully equipped with buildings, fences, farm roads, and other improvements necessary for the proper working of the holding. The tenant contracts to pay a rent for the farm so equipped, and if it does not suit him he gives it up at the end of his contract term and goes elsewhere. This is naturally the easiest test of land value, as it is of all other commodities with regard to which competition is free. In Ireland, on the other hand, the landlord usually owned only the soil. The equipment of each farm—houses, fences, and other necessary improvements—had been made by the tenant or his predecessor in title. The Irish tenant was consequently not a free agent. Eviction in his case meant the loss of the capital he had sunk in his farm, as he received no compensation for his improvements. During the years 1849-80 no less than 68,967 families were evicted. This was partly due to the landlord's desire to consolidate his holdings as a result of the famine, and partly to his dislike, based on purely political and personal grounds, for particular tenants.

In the case of every farm worked with a view to the market, there is a more or less intimate connection between rent and the prices of products. Thus the considerable rise in prices which took place between 1850 and 1870 occasioned a marked and in part justifiable increase of rents. But the process of amalgamation of holdings which had been proceeding since the famine had resulted in a considerable displacement of small holders; consequently the number of holdings available for these small tenants became fewer and fewer. They could not be absorbed by the towns, as Ireland possessed no urban industries of any importance. An undue strain was thus imposed on the economic structure of the country. The competition for land became keener, and the receipt of remittances from America, which amounted to £13,000,000 between 1848 and 1864, still further enhanced its price. The landlord took instant advantage of his opportunity by frequently raising rents to a figure out of all proportion to the increased prices of agricultural products. The tenant was forced to undertake this additional burden, for eviction not only meant the loss of compensation for any improvements effected by him, but also the loss of his only means of livelihood. Many of the younger men solved their difficulties by emigrating to America. This means of escape was, however, denied to the majority, whose responsibilities chained them to the homeland. Of all the provinces Ulster suffered least by the agrarian crisis. This was due to the existence of the Ulster Tenant Right, which secured several important rights to the tenant. So long as he paid his rent punctually he was not disturbed in his occupation. From time to time, however, there took place a revision of rents corresponding to the state of the market, but never taking undue advantage of it, so that the tenant never paid a pure competition rent. Subject to a certain right of veto by the landlord, he was permitted to sell his interest in the holding, an interest made up by farm improvements and also, no doubt, by his goodwill. The landlord, however, had a right of pre-emption, and whenever he exercised it he paid the tenant a moderate price for his improvements. This system unquestionably promoted the economic life of Ulster. It led to a liberal expenditure of labour and capital on the part of the tenant, who was assured by it of the fruits of his industry. It did not, however, get rid of the unreasonable competition for land, which expressed itself not in terms of higher rents, but of higher prices for the tenant right.

The agrarian agitation resulting from the high competition rents and the landlord's arbitrary exercise of his powers took the form of a demand for fair rents, fixity of tenure, and freedom of sale. The whole history of State Legislation on the Irish question from 1870 to 1909 consists of the gradually increasing recognition of the necessity of meeting these demands. The Act of 1870 recognised for the first time that the tenant had a right of occupation and a property in his improvements. But the Act failed because it recognised these rights grudgingly, and left untouched the power of the landlord to fix what rent he pleased. In 1878 there began a series of bad harvests, accompanied by a fall in prices caused by transatlantic competition. The harvest of 1879 was worth £10,000,000 less than that of 1878, the potato harvest alone fell £6,000,000. The tenant could no longer pay the increased rent, and the figures of the eviction statistics rose. Further legislation became necessary, and the Act of 1881 for the first time went a long way to meet the tenants' demands. It empowered both landlord and yearly tenant to go before a Court and demand to have a fair rent fixed by it. This Court was either to be the County Court or the newly-created Court of the Irish Land Commission. It fixed a fair rent which was to stand as a judicial rent valid for 15 years. Landlord and tenant could also agree voluntarily on a fair rent which, on submission to the Court, became a judicial rent valid for 15 years. The Ulster Tenant Right was legally recognised throughout Ireland, the right of the tenant to sell his interest in his farm being allowed, although a certain right of veto was granted to the landlord. In 1896, after the expiry of the first 15 years, revision of the judicial rents began. The result was that by March 31, 1903, second-term judicial rents were fixed for 90,839 tenants. The

original rents, which had been reduced by the first decisions from £1,859,000 to £1,512,000, was now brought down to £1,192,000.

The various Acts passed between 1860 and 1881 had mainly been concerned with the reform of the system of tenure and had only indirectly aimed at the abolition of divided ownership between the landlord and the tenant and the consequent creation of a peasant proprietorship. Amongst the various measures proposed for the attainment of the latter object the Act of 1903 had the most important results, for it initiated a new era in Irish agrarian legislation. Sales under previous Purchase Acts were carried out by holdings. The Act of 1903 introduced the system of sales by "Estates." A landlord, to obtain the benefit of this Act, is obliged to sell his entire estate, or such portion of it as the Land Commission considers fit to be regarded as a separate estate for the purpose of the Act. To encourage sales of estates it was provided that a bonus amounting to 12% of the purchase money would be paid to the landlord on the completion of the sale. At the same time the tenant was enabled to borrow the purchase money of his holding from the State on easier terms. The annuity rate at which he had to pay this sum was reduced to 3¼%, of which 2¾% was for interest and ½% for sinking fund. The period of repayment was originally estimated to extend to 68½ years, but as a matter of fact it will be less, owing to the rise in the rate of interest.

FORESTRY IN IRELAND.—III.

Before the War our consumption of timber was increasing at the rate of about 5,000,000 cubic feet per annum, and in 60 years, if the rate of increase were maintained, the consumption would be 300,000,000 cubic feet above the present level. Our existing woods at the best may be made to produce an additional 60,000,000 cubic feet per annum of coniferous timber when they have fully recovered from the effects of the War fellings which may be in 60 years. Unless, therefore, some move is made in the direction of a large extension of our forest areas our dependence on imports from abroad will steadily increase. Furthermore, as these supplies become more limited owing to the exhaustion of the virgin forests, we will be called upon to pay a steadily rising price. It is stated that the Government is about to introduce a Bill dealing with the subject and we hope the measure will be framed on generous lines. It will presumably follow the programme laid down by the Sub-Committee on Forestry which reported last year. The Report suggested as a basis the planting of 1,180,000 acres of coniferous timber in 40 years. The planting of hard woods is a much more difficult problem, because, as a general rule, they require a much more fertile soil than conifers, and, apart from the area which is already under wood, there is little land save that devoted to agriculture which is really suitable for the purpose. It is at present much more remunerative to grow conifers than hardwoods owing to the more rapid growth of the former and the shorter time to reach maturity. Nevertheless, in spite of the comparative unremunerativeness of the tree, it is of considerable importance and it would be well for the State to acquire woods, especially devastated woods, and manage them as far as possible for hardwood production. Probably an area of 20,000 acres would be sufficient for the first decade.

The Committee recommends that the area to be afforested in the first 10 years should be 250,000 acres. This estimate is, if anything conservative, but we think it meets the necessities of the case, for ample time must be given to the forest authority to set up a really efficient machinery and to be in a position to make necessary adjustments at its leisure. We do not want to see a repetition of the many costly blunders made by Government Departments during the War. It is not proposed that the State should directly take over all this area for afforestation purposes. Almost the whole of the afforestable land is in the hands of private owners and is frequently bound up with other property in such a way that owners may not willingly part with the afforestable land alone. Furthermore, considering the state of the national finances and the prevailing price of land, its direct purchase by the State would be a costly business. On the other hand, the leasing of land by the State possesses certain advantages as, in the first place, the initial outlay per acre is greatly reduced, and, secondly, the area of land which must be held in advance of planting operations is very much smaller than has been estimated to be necessary in the case of purchase. A system therefore of partnership between the owner and the State whereby in broad outline the owner would provide the land for planting and the local management, while the State would provide the money for afforestation and the control of management, cannot fail to have some advantages. The owner's interest is furthermore stimulated by a division, on an equitable basis, of the net profits as they accrue. It is reckoned that this system would provide for the planting of 25,000 acres. With the assistance of the State the afforestation of another 25,000 acres, and the replanting of 50,000 acres could be provided for by local authorities and private individuals. In this way the State would be only directly responsible for the planting of 150,000 acres. In order that the Forest authority may be in a position to plan its work several years in advance it should be enabled to draw with certainty on a Fund to carry it over the first 10 years of its operations. For this purpose a lump sum of £3,425,000 is required, or an equal annual instalment equivalent to £342,500. It is of interest to compare the cost of continuing forestry work on the pre-War scale. Expenditure from the Land Revenues of the Crown is omitted from the following table as no useful estimate can be made owing to uncertainty as to the amount of replanting which will have to be undertaken in the Crown woods. The total annual expenditure in pre-War years on forestry is shown below:—

Annual Expenditure on Forestry in pre-War Years.

	£
England and Wales	14,000
Scotland...	3,000
Ireland	9,700
Total	26,700

On this scale the expenditure for 10 years would be £267,000. In addition the Treasury has sanctioned on the recommendation of the Development Commission certain forestry schemes which will involve an expenditure of approximately £60,000 during the 10-year period. The total expenditure for that period may therefore be estimated at £327,000 or £32,700 per annum.

No suggestion has been made as to the method of allocating the area proposed to be afforested—250,000 acres—between the various countries concerned. There are, however, several reasons why Ireland should be generously treated in respect of this allocation. In the first place, the destruction of woodlands, which has occurred under the various Land Purchase Acts, has been directly due to legislation by the State. In the past it may be broadly stated that the excessive reduction of the woodland area of Ireland has been due either to what the State has done or to what it has neglected to do. Leaving aside the cutting of forests in certain districts for political purposes which had "reasons of State" to explain it, the conditions under which great grants of land were made after the various confiscations requiring their use for the public benefit, were never enforced. Those lands, including the Crown Lands, from which the Quit and Crown Rents have been drawn, contain vast areas of forest which are described in the grant deeds as the King's Woods. No precaution was taken by the State to save these in any way. Throughout the seventeenth and eighteenth centuries

the grantees were allowed to do what they pleased with timber, with the result that the greater part of the country for which shelter at least might have been preserved has been completely denuded of wood. The mischievous result of State influence or lack of State influence belongs, however, to the past, although that does not offer any reason why the State should not make amends in the future. To return to the present, Ireland is largely an agricultural country and, as such, naturally possesses advantages for the development of forestry which are not so apparent in an industrial country. As a result of this she is also more likely to be in a position to turn out a more plentiful supply of capable foresters. The coal resources of the country have never been adequately surveyed, but taking into account their present stage of development, it is unlikely that they will suffice to meet the home consumption for a considerable period of time. Consequently, if communication between Great Britain and Ireland were interrupted in the case of a future war for a few months there would be a fuel famine in the latter country. This makes it all the more necessary that her available supply of wood should be on as large a scale as possible. During the War practically all the linen used in the manufacture of aeroplane wings came from Irish flax. Spruce also enters largely into the making of aeroplanes, and the combination of Irish flax and Irish spruce would make for a more economic concentration of this industry.

The establishment of a central authority in England with absolute power of control over the working of an afforestation scheme so far as the various countries are concerned, would, we think, seriously interfere with its success. It would mean the setting up of yet another department with a staff of highly-paid officials at its head and lead to more extravagance and waste. The control of the scheme could be safely left in the hands of the respective Boards of Agriculture for England, Ireland and Scotland. In Ireland the control of forestry operations is vested in the Board of Agriculture and, on the whole, it has discharged its duties in an efficient manner. From long experience it is acquainted with the country's needs and possibilities, and consequently possesses a working knowledge which a new department would take considerable time to acquire. The only justification advanced for the appointment of a central authority with arbitrary powers is the national nature of the problem and, therefore, the necessity of the existence of a body with unified powers of control. Such a body would, however, be unwieldy, and would be hampered in its work by its ignorance of the special conditions prevailing in the countries within the scope of its administration. By a series of conferences carried on between representatives of the various Boards concerned a system of co-ordinated working could be easily established and the money saved on administration could be used for more practical purposes.

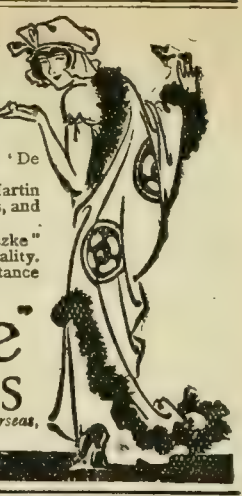
In the following respect unification of treatment of Irish and English woods is necessary. In Ireland woods are assessed under Griffith's valuation of 1852-1864, which was based on the estimated agricultural value of the land at that time. The result is that woods on certain types of land, for example in demesnes, are assessed at a higher value than similar woods in Great Britain. Considerable discrepancy also occurs between assessments in the north and in the south of Ireland, due to the fact that Griffith's valuation was begun in the south in the famine years and was completed in the north some time afterwards. Steps should be taken to place the assessment of Irish woodlands on the same plane as in Britain, that is on the natural and unimproved value of the land and not on its presumed value for agricultural purposes, and further, they should be assessed separately, and not as at present included with agricultural land to form a tenement.

Sir Valentine Chirol writes:—"As a confirmed smoker of Turkish cigarettes, I can pay your 'De Reszke' Americans no higher compliment than by saying that they would almost wean me from Turkish and convert me to Virginians."

Louis Raemackers, Esq., writes:—"Your 'De Reszke' Cigarettes are very nice indeed."

Martin Harvey, Esq. writes:—"Mr. Martin Harvey has tried your 'De Reszke' Cigarettes, and he and his friends find them 'tip-top.'"

SOONER or later you will buy "De Reszke" Cigarettes, because of their better quality. Why wait? Why not make the acquaintance of the World's best cigarettes now?



"De Reszke"
The Aristocrat of CIGARETTES
Sold at all Military Canteens at Home and Overseas, also Tobacconists' and Stores.

NORWICH UNION
FIRE INSURANCE SOCIETY LTD.
FOUNDED 1797.
FIRE. ACCIDENT. MARINE.
EMPLOYERS' LIABILITY.
Head Offices { NORWICH and 50 FLEET STREET, LONDON, E.C.

THE BANK OF TAIWAN, LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.
Head Office - - TAIPEH, FORMOSA.
BRANCHES:—Amoy, Bangkok, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, Yokohama, and every important city in Formosa (Taiwan), &c. The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.
London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

IN isolated districts, and so far as a small number of individuals have been concerned, the recent troubles in Egypt have, of course, been very serious. But so far as Egypt itself is concerned the somewhat sensational reports which have appeared in various of our contemporaries are, as far as we can learn from those in close touch with financial and trading circles in Egypt, greatly exaggerated. Owing to the keen demand for produce on the part of the Allies and the presence of the Army of Occupation, nearly all classes of the community had been doing exceedingly well right up to the conclusion of the Armistice in November last. The deposits in the banks have been growing there as elsewhere. Wages have risen for the fellaheen, and probably they are in a better economic position than they have been for many generations past. Of course, the cost of living in Egypt, as well as elsewhere at the present time, is very high.

The best opinion we have been able to gather is that the recent rising need not alarm those who are interested in Egypt either as holders of Governmental or commercial securities. From reports received, we gather that the insurrectionary spirit apparent in certain districts is unsupported by any people of position or standing. The turbulent element appears to be

Invest Your *Dividends* in War Bonds

THE more of your Capital you invest in War Bonds, the greater your security in the future. War Bonds cannot "pass their dividend," cannot reduce it.

War Bonds are more than an investment; they are an insurance. Your income is safe, and when, five or ten years hence, the Bonds are redeemed, you will not have to face that shrinkage of capital of which so many disastrous instances have come within your notice. You will get more than your money back.

Think ahead for your children, for your dependents, for your own old age. Put your money outside risk. Invest your dividends in War Bonds.

NATIONAL

War Bonds

Repayment and Interest guaranteed by the State.

On sale at all Banks and Money Order Post Offices. You have the choice between 5 per cent. Bonds issued at £100 and repayable in 1924 at £102; or 5 per cent. Bonds issued at £100 and repayable in 1929 at £105; or 4 per cent. (Income Tax Compounded) Bonds issued at £101 : 10 : 0 and repayable in 1929 at £100.

without leaders, without funds, and really without arms or ammunitions. We are assured by people who are in the closest touch with the trade and financial conditions of Egypt that General Allenby will have no difficulty in suppressing any outbreak should such a thing be attempted. But our informants are of opinion that such an outbreak is in the highest degree improbable.

Speaking in the House of Commons recently, Mr. Cecil Harmsworth, on behalf of the Government, said: "There has for some time past been considerable delay in the transmission of telegrams from the East (including Egypt) due to the partial breakdown of the Mediterranean cables. In a telegram dated March 28, received yesterday afternoon at the Foreign Office, General Allenby reported that the Delta was practically quiet. Cairo was quiet also. In Upper Egypt the area north of Assiut, as far as Mellawi, was still somewhat disturbed, but 146 European civilians at Assiut were safe. The Fayum had been cleared of the bands of Bedouin who had made inroads there. A force despatched from the Sudan had arrived at Luxor on March 26, and reported that all was quiet. A telegram dated April 1 was received at the Foreign Office this morning in which General Allenby states that 12 columns are operating in Upper and Lower Egypt. No incidents are reported anywhere except an attack on a construction train near Mazghuna, in Middle Egypt. There were a few casualties on both sides, but now all is quiet. In a further telegram dated yesterday General Allenby reports that the Sudan is unaffected, and that he is in touch with the force from the Sudan which has arrived in Upper Egypt. It appears, therefore, from the foregoing that the complete restoration of law and order in Egypt is now only a matter of time."

There seems to be a marked improvement in the situation in Southern Russia. We learn that Anglo-Russian banking interests, which have for months past had no communication with their various branches, have now got into touch with outlying districts. The reports, as far as we can learn, seem to minimise the state of this part of Russia compared with the alarmist reports which were circulated some time since. Some ships have actually been despatched from this country conveying various necessaries—clothing and food. In exchange we learn that there are reasonable grounds for hoping that the ships will be able to bring back provisions of various kinds which Southern Russia was accustomed to export to this country in the period that preceded the outbreak of the recent War. According to the information furnished us, there is a far more hopeful feeling regarding the outlook in Southern Russia, and the opinion appears to be, as far as we are able to gather, that with very little assistance this part, at any rate, of the late Russian Empire can be restored to law and order with comparatively little difficulty, and at a comparatively modest expense. It will be highly interesting to learn if the expectations are realised that we are able to import once more food and raw materials from Southern Russia. It will be remembered that in the period before the War, in addition to obtaining immense quantities of wheat, we obtained more than one-third of the total number of eggs consumed in this country from this part of Russia.

Reports from China are by no means encouraging. Efforts are being made by the various Great Powers associated with the Far East, and particularly by Japan, to assist the Chinese Government to restore law and order; but there seems to be still a very strong feeling of hostility between Northern and Southern China, which has been the great difficulty ever since the Monarchy was overthrown. Large sums of money, it is stated, have been advanced to China, particularly by Japan. But if our information is correct it has not been very wisely spent. The Chinese Government seems to be more anxious to retain the favour of the Army than to use the money for the general settlement of China. According to these reports, stocks of European goods in China are exceptionally low, and in normal times this should lead to a great revival of trade between China and the various exporting countries of Europe, and particularly with ourselves. China, however, it has to be remembered, is an exceedingly poor country, and at the present cost of production for Manchester goods very little hope is held out by traders and financiers that it will be possible to export any considerable quantity of cotton goods to China on the present basis of values.

For the moment, as we say elsewhere, there is very little to report with regard to India. Everybody in the Dependency is looking forward to the bursting of the Monsoon in the early summer, as the prosperity of India depends in great part upon whether the rains are abundant or otherwise. So far there are a considerable number of people engaged on relief works, but, as we said last week, they are nothing like the numbers to which we were accustomed in other periods of dearth in India. All the same, it is very disappointing to have to have recourse to relief works after all that has been done in promoting transportation facilities and encouraging irrigation works.

India at present is too much employed in feeding herself to consider seriously importing goods from Europe. But in spite of the famine in certain districts, and particularly in the Punjab, India, it must not be forgotten, has been exceedingly prosperous not merely during the recent War, when she supplied immense quantities of materials of various kinds required by the Allies, but for several years before the War, owing to the fact that until last season India has enjoyed year after year exceptionally good Monsoons, which, of course, always means great prosperity for the Dependency. If the Monsoon is favourable in the coming season there seems no reasonable doubt that there will be again a great demand for various kinds of European goods. The wealthier classes will buy motors, as they always do; and the Government will be encouraged to extend railway building as far as the resources at its disposal will admit. And, no doubt, it will extend irrigation works.

Lancashire depends for its prosperity very largely upon the demands for its commodities in the Far East, and especially in India. But Lancashire supplies India only with a comparatively high grade of goods. And she does not enjoy in India, as she did formerly, a monopoly of the trade in textiles. Local mills supply an appreciable part, but they are not sufficiently numerous to cater for anything like the demand of the poorer classes throughout the different parts of the Indian Empire. This trade in the period before the War was to a very large extent a monopoly of Germany owing to the careful method with which the Germans studied Indian tastes, and contrived to turn out cheap cotton fabrics which were well within the purchasing power of the poorer classes in India. Since the War it has, of course, not been possible for Germany to export any cotton goods to India, and it looks as though she will find it exceedingly difficult to do so whenever peace conditions are ultimately restored. In all the cheaper kinds of textiles the Japanese mills are turning out various fabrics that apparently are finding great favour with the poorer classes of natives. Moreover, Japan is opening branches in various departments of industries not merely in the great capitals of the various Presidencies, but even in remote villages in the far interior, and are endeavouring to push trade in every direction.

The Federation of British Industries, in their report as to Canals, approved by the Main Transport Committee, strongly urges the Government to bring in

legislation to give immediate effect to the principles contained in the recommendations of the Royal Commission issued in 1909, by appointing a Waterways Board as a first step towards securing the development of inland water transport. Until this is done, say the Federation, there is no authority in a position thoroughly to test the claims of various districts for development; to recommend the actual steps which should be taken; or with power to incur the cost of engineering reports and other necessary preliminary expenses. The Federation is convinced that under private ownership improvements to our canals are impossible, and that their development by the State must be one of the first schemes in national reconstruction.

American Topics.

CREDIT DIFFICULTIES.

Of course, the United States of North America has suffered very little from the effects of the recent War when we compare her condition with that of the States of Europe, whether belligerent or neutral. But no country can engage in war, even with the resources of the United States, without suffering to some extent. Owing to the fact that Europe exhausted its provisions, and exhausted what have come to be called "munitions" in addition, the United States enjoyed a phenomenal trade boom, particularly in the years that preceded her own entry into the War. With the signing of the Armistice last November there was naturally a great slackening off from the active period of trade during the War. It became necessary to convert plant from constructing shells and war material of various kinds and to adapt the works of the various great factories in the United States to the requirements of peace-time, and that has naturally caused a considerable dislocation of industry, and has thrown out of employment an appreciable measure of the population. At the end of last year it was thought that the change would have a most serious effect upon the trade conditions of the United States. But the actual experience of the first two months of the current year seems to show that it has had far less influence than was generally expected. There is, of course, a large measure of unemployment. And a still more serious difficulty is that of adjusting war conditions to those of peace. During the War the United States has been granting to us and her other Allies various credits, but this of course could not go on indefinitely. Neither Europe nor America desired, the one to borrow, and the other to lend, for the purpose of bolstering up an artificial trade activity which ultimately must end in serious embarrassments. Of course, it is perfectly evident that without imports there can be no exports. We require raw material to work up into different forms and to resell to our customers abroad. And in so far as a profitable trade of that nature can be done no doubt means will be found to accomplish that end.

The difficulties, however, are formidable, as is brought out in an exceedingly interesting contribution published in the Monthly Review of the National City Bank of New York. Exports from the United States, says the pamphlet referred to, exceeded in value 600 million dollars, while imports were only a little over 200 million dollars, leaving a balance in favour of the United States exceeding 400 million dollars. A year's trade on this basis would create an aggregate balance in favour of the United States of very nearly 5,000 million dollars, or 1,000 millions sterling. The writer willingly admits that, in the language of trade, Europe is good for a thousand millions sterling, and, indeed, most of the great States of Europe even taken by themselves. It has to be remembered that trade, as well as war, requires mobilisable capital. We soon experienced the difference in the late War between large invested resources in the shape of machinery, houses, plant of various kinds, and actual negotiable instruments in the sense that the banker understands the term. We see it amongst ourselves. A man owning a street of houses might be comparatively a rich man. But houses are useless until they are inhabited; and how can anyone obtain realisable resources from houses, except when they are sold or when the tenants pay rent at the various term times? A street of houses could not be immediately turned into available or what we call "mobilisable" resources, however valuable they might be for the purposes for which they were originally constructed. The problem, says the writer in the National City Bank of New York Review, does not involve the solvency of the various foreign countries nor even of individuals who would like to make purchases in the United States. No matter what an individual's wealth may be in lands or property located in Europe, how can he make payments in the United States? He can only offer to pay in the future when it has become possible to transfer some form of wealth to the United States; but this is an offer of promises and securities, and how can these be handled on the American side of the water so as to maintain trade? Even the thousand million dollars, or 200 millions sterling, of credit which it is proposed to allow the War Finance Corporation to issue would only cover two and a half months of such trade balances as those above referred to. It is true that there are some offsets which cannot be closely calculated, such as shipping charges, personal remittances, and the expenditure of American travellers. Doubtless American travellers will crowd the passenger ships to their capacity as soon as their restrictions are removed. But even so, it is exceedingly difficult to see how even these amounts will materially reduce the enormous accumulated balance. The Review does not offer a solution of the problem. But, in our opinion, the only solution that seems possible is to allow the exchanges to find their own level. If purchasers in the United States think it to their interest to acquire European securities for a time, that is of course their affair; but if they allow the exchanges to fall low enough all experience in the past indicates that exports will gradually be stimulated, because goods made in a country with a depreciated currency can be sold at a lower exchangeable rate—in common language are cheaper—in a country with a currency at a premium as against that of the selling country.

The Standard Bank of South Africa, Limited.—A branch was opened on April 1 at Zomba, in Nyasaland.

"Foreign Exchange Explained." By Franklin Escher, Special Lecturer on Foreign Exchange at New York University. Price 7*s*. net. (London: Macmillan and Co., Ltd.) This book should prove invaluable to all students of banking, currency, and foreign exchange. It describes foreign exchange conditions as they exist at present, explains by typical cases the question of import and export credits, and discusses the present and future position of New York as a world money market. The appendix outlines the monetary systems of the principal countries of the world, and contains tables which explain the process of converting foreign currency into that of the United States and *vice versa*.

The National Bank of South Africa, Limited, has issued a very handy little volume entitled "Income Tax, Weights and Measures, Stamp Duties, Coinage, British, Colonial, and Foreign." The information relating to income tax is derived from recent Acts of Parliament and the other official records dealing with the subjects. The rates are those at present in force, and the taxes given only relate to State taxes, and do not include any communal, town, or country taxes, which are imposed in some countries in addition to that levied by the State.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue. Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

THOUGH business in the Share market remains slack there is little or no set-back to record in quotations of leading shares, and the general tone continues firm. Investors naturally show a disposition to mark time pending the Government's decision in regard to the excess profits duty in the forthcoming Budget.

ANNUAL REPORTS ANALYSED.

GULA-KALUMPONG.

Issued Capital: £450,000 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Results for Years to December 31 — Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916...	4,417	3,825	1,196,959	313	2/5	-/11.2	90,888*	73,125	16¼
1917...	4,417	4,068	1,333,328	328	2/3⅜	1/0⅝	85,744†	73,125	16¼
1918...	4,460	—	1,013,200	—	2/1½	1/3	56,086‡	45,000	10

* Including £5,515 from coconuts. † Including £5,469 from coconuts.
‡ Including £4,835 from coconuts.

Price of Shares, 33/0. Market Capitalisation per planted acre, £161xd (excluding 3,325 acres under coconuts).

A PROFIT of 9*d.* per lb. in so difficult a year as 1918 is a result upon which the directors of this Company are to be congratulated, it being largely due to their policy of selling forward a considerable proportion of the expected production. Of the crop of 1,013,200 lb., 450,232 lb., or 44%, were shipped here or to America and realised an average of 2*s.* 3 15/16*d.* per lb., while nearly the same amount, *i.e.* 446,648 lb., were sold for delivery in Singapore at an average gross price of 1*s.* 8¾*d.* per lb. The unsold stock of 116,320 lb. has been taken into account at cost of 1*s.* 3*d.* per lb. and seems likely to fetch 2*s.* per lb., or an extra profit of £4,300. Irrespective of this the net profit, including coconut revenue, comes out at £55,086, the contribution of rubber being about 9*d.* per lb. Considering that restriction of tapping reduced the crop by 25%, the rise in the all-in cost from 1*s.* 0⅞*d.* to 1*s.* 3*d.* per lb. is quite reasonable. The profit, it will be seen, shows a diminution of over £30,000, and this necessitates the dividend being cut down from 16¼% to 10%. To reserve is again placed £10,000, but about £2,000 less is added to the carry-forward. From the balance sheet it is to be seen that the whole of the year's capital expenditure is covered by the charges against revenue with the exception of £1,898, though 42 additional acres of rubber were planted and considerable areas of both rubber and coconuts were not bearing. Financially the Company's position is a strong one. At December 31 cash assets exceeded current liabilities and the final dividend by £42,877.

Prospects of the current year appear to be bright. The rubber output is estimated at 1,450,000 lb., or 40% more than the past year's crop. So far 649,600 lb., or 45%, have been sold forward, 403,200 lb. for delivery here at an average gross price of 2*s.* 4*d.* per lb., and 246,400 lb. at Singapore for an average of 1*s.* 8¾*d.* Probably costs on the larger output will be reduced, and if the unsold portion of the expected harvest realises a fair price, as seems likely, considerable increase in profit and dividend will be manifest at this time next year. In this anticipation we exclude the possibility of augmentation of revenue from coconuts. The Company has 3,325 acres under coconut trees, of which 877 acres were planted after 1913. Last year 4,000,000 nuts harvested were turned into about 899 tons of copra, which realised a gross average of £16 1*s.* 6*d.* per ton f.o.b. Penang. The cost of production f.o.b. was £10 12*s.* 8*d.* per ton. Much higher prices have ruled in this country during the War than were obtainable locally, but freight shortage prevented full shipments. It should not be long now before this state of affairs has entirely disappeared. At present copra here is priced at about £35 per ton, against £45 a year ago, and in comparison it is interesting to note the prices realised for and the cost of production of the Company's copra in the last four years, as under:—

	Copra Produced Tons	Average Prices Realised — Locally F.O.B. Per Ton	London Gross Per Ton	F.O.B. Cost of Production Per Ton	Profit*
		£ s. d.	£ s. d.	£ s. d.	£
1914 ...	278	19 10 0	23 12 3	11 2 6	1,856
1915 ...	390	16 18 4	23 2 6	7 11 4	3,587
1916 ...	517	17 16 7	30 7 6	7 13 0	5,515
1917 ...	673	14 6 0	45 0 0	8 18 8	7,664
1918 ...	898¾	16 1 6	—	10 12 8	4,335

* Including small revenue from coconut sales and allowing proportion of overhead charges.

In 1917 1,500 acres, or less than half the planted area, were in bearing and 25% of the trees thereon were in their first year Hence it looks as if production of copra will presently increase to about 1,500 tons. For the current year 1,000 tons should be the output. If the cost is £10 per ton and the price realised, say, £30, with ability to ship to this country, the profit will reach £15,000. On the rubber outlook alone, however, the quotation of 33*s.* for the £1 shares appears justified.

LABU (F.M.S.).

Issued Capital: £100,000 in 2/0 Shares.

	Total Planted Acres	Area in Bearing Acres	Results for Years to December 31 — Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916 ...	3,025	1,637	615,872	377	2/7	-/11·8	51,840*	40,000	40
1917 ...	3,025	2,200	874,575	396	2/3⅝	1/1¼	58,575*	30,000	30
1918 ...	3,025	—	700,200	—	1/11¼	1/4·3	23,958	22,500†	22½

* Includes revenue from shareholding in Cheviot Rubber, Limited

Price of Shares, 9/3. Market Capitalisation per planted acre, £148, before allowing for large cash resources.

A year ago we laid emphasis upon the very strong financial position of this Company, consequent on the large allocations of profit to reserve in recent years, as well as of profits on realisation of Cheviot Rubber shares received as purchase consideration when that concern was formed to take over a portion of the Labu Company's unplanted land. It is because of the ample cash resources that the directors are now able to distribute the past year's earnings practically up to the hilt. The crop, it will be seen above, was severely restricted and costs rose substantially, so that with a lower price realised the net profit comes out at £23,958, or nearly £30,000 less than shown for 1917. The dividend absorbs £22,500, and after providing £8,844 for income tax, presumably based on three years' average and insufficiently allowed for previously, the carry-forward is reduced from £18,013 to £10,625. Even so, the balance sheet shows cash assets exceeding current liabilities, including the dividend, by £60,000. This is in respect of a capital of £100,000, and it is to be noted that the reserve fund amounts to £105,481. The Company has practically no reserve land available for extensions, but possibly the directors have in view some method of employing the surplus funds to advantage. Still, a capitalisation of a portion of the reserves seems to be warranted. The Company has now only 20,000

Cheviot shares left, which are taken into the balance sheet at £2,208, against a present market valuation of about £6,000.

A jump in production is anticipated this year, the Manager estimating the crop at 1,260,000 lb., or 80% more than for the past 12 months. Moreover, he places the f.o.b. cost at 9¼*d.* per lb., against 1*s.* 1*d.* This latter figure, of course, was exceptional, as, notwithstanding the restriction of tapping and the immaturity of a large proportion of the estate, the expenditure charged to capital account was only £5,532 in excess of the depreciation allowance. All but 72 acres of the whole estate is now six years old; a small portion is 20 years old. A yield of 400 lb. per acre is looked for right away, and it would not be surprising to see this considerably exceeded next year. On a crop of 1,260,000 lb., as expected for this year. 9*d.* per lb. profit will bring in £47,000, or, with sundry revenue included, say 50% on the capital. Consequently, at 9*s.* 3*d.* *cum* 22½% dividend the shares seem reasonably valued having regard to the large cash resources.

DJASINGA (JAVA).

Issued Capital: £400,000 in £1 Shares.

Results for Years to June 30

		Planted Acres	Output Lb.	Price Realised	Cost per lb.	Profit £	Net Profit £	Dividend Amt. £	Dividend %
1916	Rubber	3,815	240,151	2/9½	1/7·4*	15,364	12,037	10,400	3
	Tea	2,369	155,484	–/10½	1/6½*	*6,168*†			
1917	Rubber	4,827*b*	439,834	2/9½	1/6½*	28,050	22,690	—	—
	Tea	1,679	360,939	–/7½*a*	–/9¾‡	*3,798*†			
1918	Rubber	4,935	645,977	1/8·37*a*	1/0½‡	19,253	3,880	—	—
	Tea	1,676	399,499	–/4·7*a*	1/0·2‡	*14,284*†			

* All-in cost. † Loss. ‡ F.o.b cost. (*a*) Net price.
(*b*) 690 acres interplanted with tea.

Price of Shares, 26/3. Market valuation, £108 per planted acre of rubber only.

For the second year in succession, shareholders of this young Java rubber and tea plantation of the Harrisons and Crosfield group receive no dividend. The reasons are not far to seek. Both rubber and tea production showed considerable expansion in the year to June 30 last, but unfortunately, owing to war conditions, the United States and Canada were the only markets to which Java teas could be exported, and then only at prohibitive freight costs. Hence the net price realised for the tea crop was only 4.7*d.* per lb., against 7¼*d.* per lb. in the preceding year, while the f.o.b. cost rose to over 1*s.* per lb. There was thus a considerable loss, amounting to £14,284 on tea. The rubber crop of almost 646,000 lb. was 50% greater than in 1916-17, but here too war conditions severely lowered the price so that the profit on rubber, despite the larger crop, fell to £19,253, against £28,050. A large proportion of the Company's cultivated estate is of comparatively recent planting and therefore immature. Hence capital expenditure upon upkeep, for the time being, is heavy. The total outlay, including buildings and plant, last year amounted to £25,000, of which the depreciation allowance and small sales provided £6,470. The result is that, after allowing for the year's profit carried forward, the cash resources have been depleted by nearly £15,000. Still, the balance sheet shows £28,641 of surplus liquid assets. In considering the present price of 26*s.* 3*d.* for the £1 shares, the poor results recently obtained under exceptionally adverse conditions are not important. One has to bear in mind that in respect of the market valuation of £530,000 attached to its assets the Company has 5,000 acres under rubber, 1,676 acres under tea, 2,720 acres of rice fields, and as many as 31,865 acres of reserve, forest, Kampongs, &c. A large proportion of this latter area is suitable for cultivation, either by the Company itself or through sales to other undertakings. But attaching no value to this land or to the tea estates, the market valuation per acre planted with rubber alone stands at less than £110. The oldest of the plantations have proved capable of yielding over 400 lb. per acre.

NORWICH UNION
LIFE INSURANCE SOCIETY.
Combination of
AGE, MAGNITUDE, RESERVE BASIS,
and PROFIT-EARNING CAPACITY
THE STRONGEST IN THE WORLD.
Perusal of recently published War-time Prospectus makes that fact very clear.
Write or telephone to Head Office, Norwich,
or to any Branch or Agency.

Insurance Notes.

NATIONAL PROVIDENT INSTITUTION.

The annual report of this long-established and deservedly popular life office for the twelve months ending November 20, 1918, relates to the operations of the first year of a new quinquennium. The Society, which is founded on the mutual system, had a very consistent and successful career as a producer of profits up to November 20, 1912, and but for the strain incidental to the war crisis, to which, like all other institutions of the kind, it was subjected during its last quinquennium, there is no doubt that its former bonus standard would have been maintained as the result of the investigation in 1917. It may be remembered that all life offices making their quinquennial valuations at the close of that year decided to postpone a declaration of bonus until a more convenient season. In taking this course the National Provident Institution was more favourably situated than some of its contemporaries, for it was able to carry forward a sum of about £375,000 as undivided surplus to the credit of the now current quinquennium, while preserving, so far as can be actuarially foreseen, its full bonus-earning capacity under the normal conditions which everyone hopes are now in sight. This was accompanied by a suitable provision of interim bonuses at half the rates declared in 1912, but dating back to 1913, in the case of all participating policies becoming claims by death or maturity before the next quinquennial valuation on November 20, 1922.

It is evident that in taking this step the Society has retained the confidence of the insuring community, for the new business for the first year of the current quinquennium shows a considerable increase. Policies were issued for £621,483, of which £17,500 was reassured with other offices, the net retention at the Society's own risk thus being £603,983, which exceeds the corresponding record for the immediately preceding year (that ended on November 20, 1917) by nearly £100,000. The total net premium income, amounting to £543,733, shows an increase of £3,648. These are satisfactory figures, especially under war circumstances. The Society's business is apparently restricted to the United Kingdom, as a note to the revenue account states that it has no branch offices nor agencies in other countries.

So far as can be deduced from the annual report and accompanying statements the Society seems to have made satisfactory profits in 1917-18 during the financial year from the three main contributory factors, namely, economy, longevity, and interest earnings in excess of those assumed. Expenses of management and commission, excluding special expenses of £3,086 in connection with the quinquennial valuation, absorbed only 10½% of the premiums, which is considerably below the average expense ratio in British life offices. The mortality experience, under the circumstances of the year, is remarkably good. The claims by death included the sum of £46,193, which became payable owing to war casual-

ties, yet their total amount (£313,310) was less by about one-fourth than might have been expected according to the tables employed in estimating the liabilities. Further large sums were paid out during the year, including £274,690 on the maturity of endowment assurances, £20,520 for surrenders, £23,288 for annuities, and £8,440 for bonuses applied in reduction of premiums, yet the year's operations resulted in an increase of the life assurance fund from £7,117,314 to £7,241,408, and the net interest yield for the year, after deduction of heavy income tax, was £3 18*s.* 10*d.* per cent., as compared with the valuation assumption that 3% would be earned.

The balance sheet as at November 20, 1918, shows assets of £7,440,219. Securities held at the end of the previous year were written down for the purposes of the quinquennial valuation to market prices, and it may be hoped that the depreciation factor will not be so serious during the new quinquennium as in the last one, especially looking to the fact that more than one-fourth of the whole assets are now invested in British Government securities.

It is stated in the annual report that from the commencement of the business of the Institution in 1835 up till November 20 last over £20,214,000 had been paid by it in claims on the death or survivance of its members.

PEARL ASSURANCE COMPANY.

Rapid and remarkable development is shown by the annual report of this life and industrial insurance Company for 1918. The outstanding feature is the magnitude of the new ordinary life business. In this section 44,034 new policies were issued for £5,733,183, which exceeds the corresponding figure for 1917 by £2,398,044. The new ordinary annual premium income amounted to £472,794, or to more than 8% of the new sums assured, which indicates that many endowment assurances for comparatively short periods were effected. The Company has evidently taken full advantage of the opportunities for extending life assurance stimulated by the Government issues of War Bonds, which many people were inclined to subscribe for through the aid of loans in connection with policies. The total ordinary annual premium income was increased by £536,643 to £1,389,091, of which expenses of management and commission absorbed about 11.5%. In the ordinary section the death claims amounted to £264,314, and the matured endowments to £166,138. Through the year's operations, after transfers of £42,710 to reserve fund, £42,710 to investment reserve fund, and £5,547 to pension fund, the ordinary life fund was increased by £914,994 to £5,902,824, and the net interest yield thereon appears to have been about £4 7*s.* 8*d.* per cent., after deduction of income tax. This altogether is a very satisfactory showing.

There was considerable expansion in the industrial department. The premium income in this section, amounting to £3,392,426, shows an increase of £292,248. The expense ratio was about 39.5%. Claims of £1,393,815 arose by death, and of £190,785 by maturity; and £57,290 was transferred to reserve fund, £57,290 to the investment reserve fund, and £14,453 to the pension fund, from the industrial section. Through the year's operations the industrial life fund was increased by £568,335 to £7,257,337. The net interest yield on the industrial fund during the year appears to have been about 4%.

It is announced that the war claims paid by the Company during 1918 amounted to £236,019, and that its total outgo of this description up to the close of last year from the commencement of hostilities was £691,735. In this way the war has hit industrial life offices very hardly, for in framing the premiums the possibility of policyholders being liable to military service was never contemplated, and nearly all payments made under war claims by such institutions were really *ex gratia* allowances.

The annual valuation of the whole of the business made at the close of last year reveals a surplus of £312,639, inclusive of £61,650 brought forward from 1917. The directors recommend that £20,000 be added to the pension fund, and that out of the balance of surplus £172,050 be distributed among the participating policyholders and ordinary shareholders, leaving £120,589 to be carried forward to 1919.

The subsidiary accounts show the following figures:—

Account	Premium Income	Fund at Close of 1918
Accident	£32,395	£21,867
Employers' liability	2,890	3,179
Capital redemption...	2,508	3,175

The whole of the Company's business seems to be restricted to the United Kingdom.

The general balance sheet as at December 31, 1918, shows total assets of £15,465,723. Of this amount the sum of £5,943,051 was represented by British Government securities, and £300,000 by the balance still remaining of the cost of purchase of the London, Edinburgh and Glasgow Assurance Company, Limited. In a note to the balance sheet it is stated that the book value of the Stock Exchange securities, after making allowance for accrued interest, stands considerably below cost price; that a careful investigation as to the actual saleable value of these securities on December 31, 1918, compared with their book value, shows that the investment reserve fund (£400,000) is much more than sufficient to cover any depreciation of the permanent securities; and that "adequate provision by means of sinking funds has been made for any difference between book value and redeemable value in the case of terminable securities."

The French Minister of Finance has been authorised by the Council of Ministers to place before the Chamber a project for the opening of provisional credits for the Civil Services for the second quarter of the present year. The amount proposed is £104,680,000.

Towards the end of February a supplementary memorandum was issued on the wheat crop of India for 1918-19, which stated that the rains that fell at the end of January and early in February have greatly improved the prospects of the crop, the present condition of which is generally fair to good, except in Bombay and Sind, where the outlook is said to be far from satisfactory. Hail has to some extent damaged the crop in several districts of the Central Provinces and Berar; while more rain is now wanted in parts of the Punjab and the North-West Frontier Province. The total revised area for all India now stands at 23,403,000 acres, whereas, according to the first forecast last year, the area was 23,472,000 acres.

We have received a pamphlet being a lecture on the objects of Christian Science, delivered recently by Mr. John Sidney Braithwaite, M.A., which is obtainable at the reading-rooms attached to the various churches of this body.

"Blocking New Wars." By Herbert S. Houston, Member of the Committee of the Chamber of Commerce of the United States on the Economic Results of the War. Price 4*s.* 6*d.* net. (London: George Allen and Unwin Limited.) In this work Mr. Houston shows the enormous power that can be exercised by economic pressure, and how commerce can strike down the mailed fist

We are informed that Mr. H. E. Carter has, by mutual arrangement, relinquished his position with the Imperial and Foreign Corporation, Limited, and Mr. H. J. Guy has been appointed Manager in his stead. Mr. Carter has become Managing Director of the British and Allied Investments Corporation, Limited, and will be located after April 10 next at Nos. 3 and 4 Lothbury. We understand that there will be close association between the two Corporations in future operations.

The **DISTINCTIVE SYSTEM** of the

Scottish Provident Institution

secures the advantage of **Non-Profit Premiums** with the right to share in Surplus.

It is **the ideal system** for the present time.

Accumulated Funds £16,000,000.

London: 3 LOMBARD ST., E.C. 3. West End: 17 PALL MALL, S.W. 1.

HEAD OFFICE:
6 ST. ANDREW SQUARE, EDINBURGH.

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Subscribed Capital £543,666
Paid-up Capital £120,000
FOR REINSURANCE BUSINESS.

Fire, Marine and General Department.
St. Swithin's House, St. Swithin's Lane, London, E.C. 4.
Manager J. Herbert E. Lane.

Registered Office and Life Department.
9 Fleet Street, London, E.C. 4.
Actuary and Secretary: Chas. Wiggins.

Commercial.

WOOLLENS.

The woollen and worsted industries include a larger number of branches than is generally supposed. Woollen goods proper are manufactured from what are known as "carded" wools, typical examples of which are serges, meltons, beavers, naps, uniform cloths, tweeds, flannels, and blankets. The woollen industry is centred in the West Riding of Yorkshire, with important branches in the West of England and parts of Scotland and Ireland. The woollen mills of Yorkshire are mainly situated in the Huddersfield, Leeds, Dewsbury, Batley, and Morley districts. The border districts of Scotland are noted for tweeds, fine woollens, and hosiery, and of late years the West of England has replaced to a large extent its former trade in broadcloths by the manufacture of high-grade uniform cloths and specialities. This, of course, was especially the case during the recent War. The Irish mills have a reputation for tweeds and friezes, and the output of this branch of the industry has been steadily increased during recent years. Worsted goods are manufactured from "combed," as distinct from "carded," wools, and may be subdivided into two main classes—women's dress goods and cloths for men's wear. The former are produced largely in the Bradford and Halifax districts, while the manufacture of the finer qualities for men's wear is centred in Huddersfield. The distinction between these two classes of worsteds is strongly marked, and in the case of worsteds for women's wear we did right up to the outbreak of the War—and this tendency has been accentuated rather than diminished by the War—maintain our position; and this was so also with regard to the manufacture of cloths suitable for men's wear, particularly of the higher counts. With regard to worsted suitable for women's wear, Yorkshire experienced, particularly in the years that immediately preceded the War, a very severe competition. The manufacture of what is known as "shoddy," or the cheaper qualities of cloth, which is wool and cotton blended, is mainly carried on in the Colne Valley and the heavy woollens districts of the West Riding of Yorkshire. In spite of a certain amount of prejudice which exists against the shoddy trade, there can be no reasonable doubt that it has assisted in the development of the trade and made it possible to manufacture what are known as the "higher counts" at a comparatively reasonable price, owing to the fact that these more or less waste products can be used up in the form of shoddy and sold for cheaper articles of wearing apparel. The mohair and alpaca industry is closely allied to the woollen and worsted trade. It is carried on principally in the Bradford district by a few large firms, and has developed greatly during the last half-century. A large percentage of the output is for export, chiefly to the continent of Europe and to South America. Blankets and flannels are important branches of the woollen industry. Their manufacture is centred in the Dewsbury and Rochdale districts respectively. Blankets are also made at Witney in Oxfordshire, and flannels are produced at Dolgelly and Welshpool in Wales. In addition to the alpaca and mohair industry, the hat trade forms an allied industry. Its raw material includes both wool and fur, which are used according to the quality of the hats produced. The industry is mainly carried on at Denton, near Stockport, and in the surrounding district. Carpets and hosiery should also be included among the woollen and worsted industries. Although the woollen and worsted industries are scattered over the whole of the United Kingdom, the West Riding of Yorkshire may be regarded as the predominant centre. Of worsted combing and spinning the Bradford district enjoys a practical monopoly, while about half the spindles and almost three-fifths of the looms engaged in the woollen trade are to be found in Yorkshire. According to the Census of Production which was issued in 1907, the gross output of the industry in that year was estimated to be of the value of 70 millions sterling, of which about half was retained for home consumption and the rest exported. The woollen and worsted industry, which among the textile trades is only second in magnitude to the cotton industry itself, has made great progress during the present century. In the 13 years that preceded the outbreak of the War there was a great boom in the woollen and worsted trades. In 1913 the woollen trades contributed over 38, millions sterling to the export trade of the United Kingdom.

The following table, compiled from the Board of Trade returns, shows the value of various woollen manufactures exported during 1913:—

Exports in 1913.

Destination	Tops and Yarn	Piece-Goods and other Manufactures	Total
	£	£	£
Foreign Countries:			
Total European	9,709,000	8,246,000	17,955,000
Extra-European—			
United States	66,000	1,196,000	1,262,000
Central America and Mexico...	—	172,000	172,000
South America	49,000	3,432,000	3,481,000
China	12,000	615,000	627,000
Japan	664,000	1,156,000	1,820,000
Other	147,000	593,000	740,000
Total extra-European ...	938,000	7,164,000	8,102,000
Total Foreign Countries ...	10,647,000	15,410,000	26,057,000
British Possessions—			
Australia	227,000	2,695,000	2,922,000
New Zealand	21,000	708,000	729,000
Canada	713,000	3,988,000	4,699,000
South Africa	—	937,000	937,000
British India	25,000	1,388,000	1,413,000
Other	69,000	855,000	914,000
Total British Possessions ...	1,045,000	10,569,000	11,614,000
Total all destinations ...	11,692,000	25,279,000	37,671,000

The Forty-Fifth Annual Report of the Council of the Corporation of Foreign Bondholders, for the year 1918, has just been issued. The price is 2s. 6d., and copies can be obtained from the Council House, 17 Moorgate Street, E.C.

New Issues.

MIDLAND ELECTRIC CORPORATION FOR POWER DISTRIBUTION, LIMITED.

It was announced at the annual meeting on March 17 that further funds being required for pending developments of this Company's already very extensive business, the directors intended to issue 26,921 Preference shares in reserve. There were then in issue 30,000 £5 Ordinary shares, 13,079 6% Cumulative Preference £5 shares, and £495,600 of 5% First Mortgage Debentures. The rate of interest on the Preference shares has been raised to 7%, and this week the whole authorised number of 40,000 7% Cumulative £5 Preference shares, which includes the 13,079 shares held by the allied British Insulated and Helsby Cables, Limited, have been offered for subscription at par, payable 10*s.* per share on application, 30*s.* on allotment, 30*s.* on July 1 and 30*s.* on October 1. Demands upon the Company for power supply from the Black Country districts served have steadily increased. Charges have had to be advanced to meet the rise in costs during the War. Profit dividends and surplus profits and allocations have been as under:—

Year	Gross Trading Revenue	Net Trading Revenue	Profit	Deb. Interest	Pref. Div.	Ordinary Div. £	Ordinary Div. %	Special Allocations	Carry-forward
	£	£	£	£	£	£	%	£	£
1914...	74,289	44,621	37,859	20,000	3,923	—	—	13,358	3,650
1915...	91,273	55,941	48,200	20,000	3,923	4,500	3	14,094	8,932
1916...	112,856	63,646	54,373	21,190	3,923	7,500	5	18,889	11,803
1917...	146,986	78,110	68,299	22,280	3,923	9,000	6	32,445	17,453
1918...	193,731	75,449	61,267	23,024	3,923	9,000	6	38,807	21,989

The set-back in profit last year was due to rise in costs, wages, &c., and a further advance in charges has been made since to meet this. The h.p. connected has expanded from 20,822 in 1914 to 46,130 in 1918. Applications for power total 9,000 h.p. It is in this connection that the new capital is required. Expenditure on development has, of course, been heavy, but it has been met to a large extent by profit allocations, and in view of the vigorous growth of the undertaking and its sound management, in association with the British Insulated and Helsby Cables, the Preferences shares appear a reasonably safe 7% investment.

MAGADI SODA.

How keen a large section of the investing public is to participate in a secured stock with good speculative possibilities attached to it was clearly evidenced in the early part of this week, when the Magadi Soda Company's issue of £500,000 6% Convertible Debentures was over-subscribed, the lists being opened and closed on March 31. The Debentures are exchangeable into shares at par at any time between July 1 next and June 24, 1924, after which they will be redeemable by the operation of a sinking fund, by purchase in the market, or by redemption at six months' notice at 105%. The enormous soda deposit in British East Africa, covering 30 square miles, which the Company has acquired for 99 years, is in course of exploitation. War conditions have delayed the large profit-earning stage originally expected to be reached long ere this, and have added considerably to the cost of development, railway construction, buildings, and plant erection. Hence the requirements of additional capital which the subscriptions to the Debentures are to furnish. The Ordinary shares at present are quoted at 22*s.* 6*d.*

GREENLEES AND SONS (EASIEPHIT FOOTWEAR), LTD.

This Company has been formed to take over the business of the private firm of Greenlees and Sons, Glasgow, boot and shoe retailers. The purchase price payable to the vendor firm, of which the directors of the new Company are the sole partners, has been fixed at £350,665, as to £130,665 in cash and £220,000 in Ordinary shares of £1 each. The assets acquired are valued at £250,665, including as much as £189,791 stock-in-trade at cost or market prices. The purchase price of the goodwill is £100,000, and in comparison with this the following figures of profits, after charging excess profits duty, depreciation, and all other expenses except income tax, interest on capital, loans, and remuneration to management, may be noted:—

Year to	£	Year to	£
January 10, 1914	22,323	January 6, 1917	30,987
January 9, 1915	23,137	December 29, 1917 ...	33,538
January 8, 1916	28,296	December 28, 1918 ...	40,210

The authorised capital is £600,000, half in Ordinary and half in 7% Cumulative Preference shares. The public were offered early in the week 150,000 of the Preference shares at par. After deducting the cash purchase consideration and 5% underwriting commission and £8,000 preliminary expenses, only about £4,000 will remain of the proceeds of the new issue. It is difficult to understand, therefore, the statement in the prospectus that the issue is to provide funds necessary for erection of a large warehouse at Leicester, for fitting, furnishing, and stocking new branches, and for further working capital necessitated by the increasing turnover. Seven per cent. interest does not seem sufficient compensation for the risk attaching to the venture.

BRADLEYS (CHEPSTOW PLACE), LIMITED.

The Chairman of this Company recently acquired the entire holding in the concern of the two former governing directors—namely, 154,758 5½% Cumulative Preference shares and 284,610 Ordinary shares of £1 each. This week a part of this holding—*i.e.*, 100,000 Preference and 150,000 Ordinary shares—has been offered for sale by public prospectus, the Preference shares at 16*s.* and the Ordinary shares at 39*s.* each. The issued capital is £600,000, half in Preference and half in Ordinary shares. The business carried on is that of costumiers, furriers, &c., and the following is an analysis of the accounts of the last five years:—

Year to Jan	Trading Profit	Net Profit	Income Tax	Pref. Div.	Ordinary Div. £	Ordinary Div. %	General Reserve	Carry-forward	Stock-in-Trade	Surplus Liquid Assets*
	£	£	£	£	£	%	£	£	£	£
1915..	53,479	56,371	4,334	16,500	15,000	5	10,000	20,110	39,227	158,942
1916...	58,491	62,646	8,835	16,500	15,000	5	10,000	32,421	35,513	190,442
1917...	60,293	65,266	9,816	16,500	15,000	5	10,000	46,371	55,209	190,212
1918...	69,365	75,351	7,745	16,500	22,500	7½	30,000	44,976	83,677	191,768
1919...	96,296	101,007	10,302	16,500	60,000	20	—	59,180	123,291	175,872

* Excluding stocks.

These figures show that the undertaking has been soundly financed and a strong position built up. The general reserve fund is now £100,000. This provides a good set-off in the balance sheet to the item of goodwill, which at £287,396 seems high in relation to the average profits. The Preference dividend is covered with ample margin, and at the price of purchase a yield of nearly 7% is afforded. The Ordinary shares at 39*s.* are speculative. Holders received 20% dividend in the past year, but that appears to have been an abnormally prosperous period, and even so there remained a balance profit over of only £14,000.

"Beautifully Cool and Sweet Smoking."

PLAYER'S

NAVY CUT

TOBACCO

Packed in varying degrees of strength to suit every class of smoker.

PER OZ.

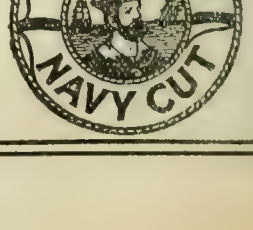
Player's Gold Leaf Navy Cut
Player's Medium Navy Cut
Player's "Tawny" Navy Cut
10½D.

Player's "White Label" Navy Cut
Per Oz.
9½D.

Also PLAYER'S NAVY CUT DE LUXE a development of Player's Navy Cut packed in 2-oz. and 4-oz. airtight tins at 2/1 and 4/2 respectively.

This Tobacco is also supplied at Duty Free Rates for the purpose of gratuitous distribution to wounded Soldiers and Sailors in Hospital. Terms and particulars on application to

John Player & Sons,
Nottingham.



Branch of the Imperial Tobacco Co. (of Great Britain and Ireland) Ltd.

P574

TRUST HOUSES, LIMITED.

This concern, lately known as the Home Counties Public House Trust, Limited, has acquired, since its inception 16 years ago, many licensed houses of all kinds for the purpose of developing and running them as houses of real rest and refreshment. The directors and specially constituted council comprise men of high standing. Results of the last three years have been as follows:—

Year to Mar. 31	Net Profit	Ordinary Div.		Margin of Net Profit	Reserve Funds and Carry-forward
	£	£	%	£	£
1916	13,948	8,492	6	5,456	12,077
1917	11,390	8,996	6	2,394	13,545
1918	16,567	10,495	7	6,072	19,617*

* Subject to provision for excess profits duty.

The issued capital is at present £150,000, all in Ordinary shares except £1 in 20 1s. Deferred shares. This week, however, an additional 350,000, comprising the unissued authorised capital, have been offered for subscription at par for the purpose of providing funds for paying off loans made to the Company to the amount of £110,000, for the acquisition of further houses, and provision of additional working capital. Of the new issue 110,000 shares were applied for in advance. The dividend on the Ordinary shares cannot exceed 7%, and after part of surplus profits has been placed to reserve the balance will be handed over to the Council for application to specific purposes in the public interest in accordance with the deed of constitution. The Deferred shares are held for the Council by trustees and have special voting powers to ensure continuance of policy.

Industrial Companies.

CAMMELL, LAIRD AND COMPANY, LIMITED.

Issued Capital: £2,372,895, in 229,534 Ord. £5 Shares and 245,045 5% Cum. Pref. Shares of £5 each.

Debenture Stock: £500,000 5% First Mort., £400,000 4½% Mortgage. £800,500 5% Mortgage.

Year	Net Profit	Deb. & Prefce.	Ord. Div.		Reserve, &c.	Carry-F'rw'd	Stock-in-Trade, &c.	Surplus Liquid Assets*
	£	£	£	%	£	£	£	£
1914 ...	320 917	144 286	86,076	7½	100,000	25,935	1,263,403	1,586,650
1915 ...	386,866	144,286	114,767	10	100,000	51,450	1,562.514	1,412,762
1916 ...	404,397	144,286	114,766	10	100,000	94,495	1,724,737	1,606,733
1917 ...	391,148	144,286	114,766	10	150,000	74,690	2,236,888	1,259,396
1918 ...	365,089	144,286	114,766	10	100,000	78,825	2,023,824	1,400,565

* Investments in subsidiary companies, but not stock-in-trade.

In the absence of information as to the amount of War taxation, it is not possible to assign any particular reason for the further drop in Cammell Laird and Company's profit for 1918, but it is a fair surmise that earnings were not in reality very much lower. The Armistice, which put an end to the fever of war work, did not come until the eleventh month of the year, and contracts would not be cancelled in time, probably, to affect profits. The Ordinary dividend is maintained at 10%, as for the previous three years, but the margin over is £104,000, against £130,000. Accordingly, the allocation to reserve is reduced from £150,000 to £100,000. The value of stock-in-trade and work in progress, which had risen to a very high figure indeed at the end of 1917, showed a diminution of £213,000 in 1918, but the total at December 31 was still over £2,000,000, or 60% more than at the end of 1914. The diminution in stocks and the addition to the reserve is only partially reflected in the item of surplus liquid assets because of capital expenditure, as indicated by an increase in the value of land, buildings, machinery, plant, &c., from £1,151,830 to £1,327,832. A new Siemens steelworks is approaching completion, and further extensions have also been taken in hand. To provide for these latter extensions 45,907 Ordinary shares are to be offered to existing Ordinary shareholders at par in proportion of one new share for every five shares held. The new shares will rank for full dividend from January 1, though instalments will be spread over April, May, and June. The price of the Ordinary shares is 6⅝, so that a bonus attaches to the taking up of the new shares. Allowing for this and the final dividend, the yield afforded is about 8% on recent dividends. Prices and yields of the Company's securities are given below, and it will be seen that, allowing for redemption at premiums, the 5% First Mortgage and the 4½% Debentures appear very attractive:—

	5% 1st Mort. Debs.*	4½% Mort. Debs.*	5% Mort. Debs.†	5% Cum. Pref.	Ord. Shares
Price ...	93	83	79xd	4	6⅝
Yield ...	6%	6⅛%	6⅛%	6⅜%	8%

* Redeemable in 1930 (5% at 103, 4½% at 102½).
† Redeemable at 103½%, 1947.

SALT UNION, LIMITED.

Issued Capital: £1,400,000, in 600,000 7% Pref. £1 Shares and 800,000 Ord. £1 Shares.

Debentures: £1,000,000 4½% First Mortgage and £200,000 4½% "B" Mortgage.

Year	Net Profit*	Pref. Div.	Ord. Div.		Reserves	Carry-F'rw'd.	Stocks Salt	Stocks Fuel	Surplus Liquid Assets(b)
	£	£	£	%	£	£	£	£	£
1914...	35,443	15,000(a)	Nil	—	20,000	9,338	59,509	62,531	370,423
1915 ..	86,524	52,000†	10,000	1¼	25,000	8,862	54,223	70,573	401,000
1916...	322,455	70,000†	120,000	15	127,000	14,317	78,407	107,617	490,950
1917...	229,280	70,000‡	120,000	15	50,000	3,697	75,963	139,187	430,130
1918 .	275,728	70,000‡	120,000	15	60,000	29,325	111,973	187,736	429,517

* After providing for excess profits duty and deducting Debenture interest of £54,000 per annum. † Dividend of 8⅛% on Pref. shares for 1915.
‡ Max. div. of 7% for year, plus £28,000, share of surplus under capital reduction scheme.
(a) 2½% div. on Pref. shares for 1914.
(b) Surplus liquid assets excluding stores.

The application of the salt trade for an increase in the statutory percentage for the purpose of calculating excess profits duty having been heard and granted to the extent of 1½%, the Salt Union is able to issue simultaneously its accounts for the past two years. In respect of 1917 and earlier years no provision for the special duty apparently was required, or at any rate made, but for 1918 the gross profit is shown after deducting estimated liability for the tax. Nevertheless, the amount of the gross profit, plus receipts from dividends, interest, &c., amounted to £440,074, which is £85,000 more than for 1917 and the highest registered for many years past, if it is not, indeed, an actual record. Administration expenses and rates and taxes called for much larger amounts, and the increase in net profit, after provision for Debenture interest of £54,000, comes out at £46,448. Hence, after maintaining the dividend on the Preference shares at the equivalent of 11⅔% and on the Ordinary shares at 15%, there remains a balance profit on account of 1918 of £85,728, of which £60,000 is added to reserve. There is thus a substantial margin beyond the sum required to pay the Ordinary dividend. It is well that this is so, for there is almost a note of warning in the directors' report. This says that certain important export markets have been wholly or partially lost as a result of the recent shipping scarcity, and that "in view of the present high cost of production due to the big advance in wages, and in the price of coal and other material, it remains to be seen how far it will be possible, when normal conditions return, to regain those lost markets and retain those which remain." The surplus liquid assets have been well maintained. The figure of £429,517 under this head at end of 1918 includes £172,249 in the Company's own Debenture stocks and £174,197 in allied companies. The prices and yields of the Company's securities are given below:—

	4½% 1st Mort. Debs.	4½% "B" Debs.	Pref. Shares	Ord. Shares
Price	75	70	1¼	1⅛
Yield	£5 13s.	£6 1s. 6d.	10%	8⅓%

HARRISONS & CROSFIELD, LIMITED.

EASTERN AND GENERAL MERCHANTS.

BUYING and SELLING AGENTS in LONDON and ABROAD.

London, Colombo, Calcutta, Bandoeng, Quilon, Kuala Lumpur, Kobe, Calicut, Medan, Montreal, Cochin, Batavia, Tangier.

STEWARTS AND LLOYDS, LIMITED.

Issued Capital: £2,250,000, in 55,000 6% Cum. Pref. Shares of £10, 85,000 10% Cum. Preferred Ord. Shares of £10, and 850,000 Deferred £1 Shares.

Year	Profit*	Deb. & Pref.‡	Prefd. Ord.	Deferred Ord.† Amt.	Deferred Ord.† %	Resv., &c.	Carry-F'rw'd	Stocks, &c.	Surplus Liquid Assets (a)
	£	£	£	£	%	£	£	£	£
1914...	241,237	40,817	85,000	53,125	12½	60,000	97,666	602,642	1,417,699
1915...	263,497	40.189	85.000	53,125	12½	80,000	102.849	771,360	1,381,941
1916 ..	266,415	40.017	85,000	53,125	12½	80,000	111,122	703,732	1,586,203
1917 ..	292.685	39,790	85.000	53,125	12½	120,000	105,892	689,825	1,414,101
1918...	330,639	36,295	85,000	106,250	12½	110,000	98,986	885,707	1,446,710

* After deduction of £100,000 for depreciation in each year to 1917 and £70,000 in 1918. † Deferred Ord. div. paid free of tax.
‡ Preference div. £3,000 each year; balance is Deb. interest.
(a) Excluding stocks and also shares in subsidiary companies.

Iron and steel tube manufacturing on the huge scale which this Anglo-Scottish concern conducts business again proved to be highly remunerative in 1918. After allowing for War taxation, income-tax, and management and administration charges, the net income amounted to £400,639, against £392,685 for 1917, and after setting aside £70,000 for depreciation, against £100,000 provided in each of the preceding six years, the profit available for Debenture interest and dividends on share capital comes out at £330,639, against £292,685. The £199,990 of outstanding Debentures at end of 1917 having been redeemed on July 1 last, interest under this head absorbed only a small sum in 1918. After providing the 6% on the £550,000 of Preference-share capital and the £85,000 required to meet the Preferred Ordinary dividend of 10%, there remains a balance profit of £209,344, against £167,895 for 1917, out of which to pay dividends on the £1 Deferred Ordinary shares. The number of the latter was increased last year from 425,000 to 850,000 by the issue of 425,000 shares to shareholders at par. Consequently to pay the same rate of 12½% tax-free dividend as for 1917 requires twice as much. This is managed, however, by allocating £10,000 less to reserve employees' benefit fund and reducing the carry-forward by £7,000. Thanks partly to the funds raised by the new issue of Deferred shares and partly to the allocation to reserve, the surplus liquid assets at December 31 last were £32,000 higher than a year previously, despite an increase of nearly £200,000 in the value of stocks, work in progress, &c., and considerable expenditure on capital account. The shares seem to be fully valued at present, the Preferred Ordinary being quoted at about £17, and the Deferred at 67*s*.

HADFIELDS, LIMITED.

Issued Capital: £700,000 in 30,000 4½ Pref. £10 Shares and 400,000 Ord. £1 Shares.

Year	Net Profit	Pref. Div.	Ord. Div.* Amt.	Ord. Div.* %	Reserve	Carry-Frwd.	Stocks	Liquid Assets†
	£	£	£	%	£	£	£	£
1914...	134,301	13,500	90,000	22½	26,000	60,270	559,654	524,409
1915 ..	265,403	13,500	100.000	25	60,000	152,173	1,360,256	654,144
1916 ..	252,127	13,500	120,000	30	85,000	185.695	1,904,777	788,725
1917	257,510	13,500	120,000	30	100,000	209,705	1,640,482	890,789
1918 ..	202,896	13,500	120,000	30	70,000	209,101	2,021,167	739,415

* Free of tax. † Including stocks.

The Sheffield firm of Hadfields has a reputation second to none for the manufacture of steel castings and forgings for every branch of engineering and constructional equipment. Its pre-eminence in efficiency was very clearly demonstrated in 1917 when it beat all the leading American munition manufacturers by obtaining a contract for 14-in. and 16-in. shells from the U.S. Government worth $3,141,000. Its prices were 30% under the nearest American tender, and it undertook to deliver in half the time.

The net profit of the Company for 1918 is reported as £55,000 less than the 1917 figure, but it has to be remembered that this is after provision for taxation and all allocations except dividends, reserves, and carry forward. To maintain the ordinary dividend at 30%, the addition to reserve has to be reduced from £100,000 to £70,000. This is not of much moment, however, seeing that in the past four years the reserve has been raised from £341,000 to £695,000, and that in the same period the carry-forward has been increased from £60,270 to £209,101, and that the value of stocks has been nearly quadrupled without any expansion in the capital. Obviously stocks at £2,021,167, against an issued capital of £700,000, call for an increase in the latter to cover further expansion in the business. It is well, therefore, that the directors have decided to raise £600,000 of additional funds by the issue to ordinary shareholders of 400,000 new Ordinary shares *pro rata* to their holdings at the price of 30*s*. each. At the same time 800,000 further Ordinary shares are to be issued in the proportion of two new shares for every one now held. The present price of the Ordinary shares is 7¼, and of course the offering of new shares at 30*s*. looks extremely attractive. But it has to be borne in mind that whereas the issued capital is now £700,000, it will presently be £1,900,000, the increase of £1,200,000 bringing in £600,000 cash. The reserves and carry-forward now total £897,896. Of this £800,000 will be capitalised, and £200,000 will be brought in by premium on new issue. The additional funds are required to cover large extensions already made, and to adapt the works to post-war conditions, and to provide further money which, in the board's opinion, can be profitably employed in the development and extension of the various departments. Shareholders, of course, will hardly expect the dividend to be maintained at 30%. The proportion of net profit in 1918 to capital reserves and undistributed profit employed in the business was about 12½%. If the same rate of profit is reckoned to be obtained by the use of the £600,000 of new money under peace conditions, this would raise the profit to £284,000. Deducting reserve appropriations and Preference dividend as for 1918 a balance would remain of £200,000, equivalent to, say, 16% on the increased Ordinary capital of £1,200,000. On this calculation the present price of 7¼ *cum* rights seems to considerably over-value the prospects.

Achille Serre, Ltd.—Year to Dec. 31, 1918. Net prof., £16,988. Two and a half yrs' arrears of Pref. div., £11,250; to reserve, £2,000; carry forw'd, £3,738.

Arnold J. Van den Bergh, Ltd.—Year to April 30, 1918. Available for distributn, £80,829. Div. of 12½%, with 20% bonus, £26,000; 6% div. on Pref., £3,600. Forw'd, £51,229.

Ben Evans & Co., Ltd.—Year to 14 Feb., 1919. Net. prof., £14,687. Deduct Pref. div., £1,200, 7% div. on Ord. £7,000. Balance, £6,487. Appropriations: £2,919 to Ord. shares div. a/c; £2,919 to Founders' Shares div. a/c; and £649 to Reserve a/c. Div. of 10*s*. per share on Founders' Shares, leaving £2,756 carried forw'd to that a/c.

Benson & Hedges, Ltd.—Year to 31 Dec., '18. Net Prof., £25,404; brought forw'd, £10,941, together £36,345. Writing off premises, goodwill, and div. on 6% Cum. Pref. Shares, £4,800. Two interim divs. on Ord. in June and Oct., £3,000. Final div. of 20%, £12,000; brought forw'd, £16,545.

Brandon's Putney Brewery, Ltd.—Year to 31 Dec., 1918. Net prof., after deductg Debenture intrst, Pref. div., &c., £24,763; brought forw'd, £38,161; total for distributn, £62,924. 10% div. on Ordy., £10,687; Reserve, £1,000; carry forw'd, £51,237.

Cleghorn & Harris, Ltd.—Year to 31 July, 1918. Net prof., £75,542; Brought forw'd, £40,232. Debenture charges, £15,828; Pref. dividend to June 30, 1917, £22,500; to Reserve, £25,000; Carry forw'd, £52,446, subject to tax and excess profits and 12 mos. div. on Prefnce.

Dwyer & Co., Ltd.—Year to 31 Jan., 1919. Net prof. and brought forw'd, £39.742. Interim divs. of 6% p.a. on Pref. and 10% p.a. on Ord., £3,341. Balance, after deductg Directors' fees, £36,101. Final div. of 6% on Pref. and 10% on Ord., £3,327; depreciation of premises a/c, £10,000; General Reserve, £2,500 (now amnts to £50,000); carry forw'd, £20,274.

Folkestone Electricity Supply Company, Ltd.—Year to 31 Dec., 1918. Available for distributn, £8,037. Depreciatn Fund, £4,572; total Fund now £54,324; 5% div. on Ordy, £2,500; forw'd, £965.

MEETINGS
OF PUBLIC COMPANIES.

BRITISH GENERAL INSURANCE COMPANY, LIMITED.

THE annual general meeting was held on April 2 at 66 Cheapside, E.C., Mr. Henry C. Walker, M.I.M.E. (the Chairman), presiding.

Mr. Norman M. Walker (Managing Director and Secretary) read the notice and the auditors' report.

The Chairman, in moving the adoption of the report and accounts, said that in spite of difficult times and many new problems the year 1918 had not been a bad one for the Company. The accounts now submitted showed a continuance of that steady growth which had characterised the progress of the Company since its inception in 1904. Each branch of the business had contributed to the surplus summarised in the profit and loss account. This confirmed the decision of the directors to undertake, as suitable opportunity offered, all classes of insurance business rather than depend on one or two departments, where the results would be more likely to fluctuate from year to year. The results achieved in the life department since August 1914, when they commenced that class of business, had exceeded the directors' sanguine expectations. The period exactly coincided with the period of the War, and yet in those four and a-half years they had been able to build up a life fund of over £50,000, including the special reserve of £10,000 placed to this fund in 1914. The report of the Actuary giving the results of the first quinquennial valuation showed that they had at the outset valued their liabilities on a stringent basis, and the standards adopted were those recognised by the oldest and best companies in the country. They had not aimed at showing a large surplus, their principal object having been to make the future absolutely secure for their life policyholders. Owing to a favourable mortality experience—war risks not having been written—and economical management, they were able to show a surplus sufficient to provide for a reversionary bonus of 30*s.* per cent. per annum for all with-profit policies for the years 1914-18. The gross new business for 1918 was £177,980, while the expense ratio was only 10.47%, a figure below the average of other offices. The fire account was the best they had ever shown. The gross premiums were £119,412 and the net £63,114. The profit amounted to £8,242, but of this £5,000 had been retransferred to the fire account so as to increase that fund and give an additional reserve beyond the usual 40%.

Contingency Insurance.

They made a speciality of contingency insurance, and their registers showed that there was hardly any contingency in business or private life to which some form of policy might not be adapted. Many business men were still probably unaware that they could insure against bad debts. This was a class of business which deserved to be better known, especially in these days when we all hoped to see a big development of trade. The Company would at all times welcome the opportunity of giving information in regard to solvency insurance or extension of credit for business at home or abroad.

The total net premiums for accident and miscellaneous risks were £116,295, or an increase of £28,500. The loss ratio was very favourable at 50.43%, being some 5.13 points lower than the corresponding figure for 1917. On the other hand, the increase in income carried an additional liability for unexpired risk, so that after making allowance for this adjustment the ratio was almost the same as for 1917. Expenses were some 2.68% higher, but at 30.20% the figure was still at a very safe point. The amount transferred to profit and loss account was £24,405, against £19,200. Employers' liability was still the Company's largest department, the premiums amounting to £126,126. In the marine department, which was only opened in the latter part of 1917, the net premium income had increased from £105,932 to £147,163, while the fund had gone up from £47,513 to £86,439. The latter figure represented 58.73% of the 1918 income, and should be sufficient not only to provide for unexpired risk, but to leave a reasonable margin of profit when the account had run off. In the meantime they preferred to leave the whole of the balance in the account so as to build up a substantial marine fund. In conclusion the Chairman said that, in spite of heavy taxation and the difficulties necessarily attaching to a period of reconstruction, the directors were optimistic as to the future, and looked forward to even better results in the years to come.

Mr. Horace G. Holmes, J.P. (Deputy-Chairman), seconded the motion, which was carried unanimously.

A final dividend of 12½%, making 20% for the year, was declared, the retiring directors and auditors were re-elected, and a vote of thanks to the Chairman, directors, and staff concluded the proceedings.

LONDON NITRATE COMPANY, LIMITED.

THE thirty first annual meeting of shareholders was held at Liverpool on April 2. Mr. Frank Tobin, Chairman of the Company, presiding.

In moving the adoption of the report and accounts for the year ending June 30 last and the confirmation of the dividend paid in December last, the Chairman briefly reviewed the accounts, and referring to the reserve of £12,500 for stoppage of works, said this had been built up by setting aside a certain sum each year out of profits so as to meet the expenses of times when the works had to be stopped for overhaul, and was going to be a very useful fund. The accounts for the year showed, on the whole, a satisfactory result. The trading profit was about £800 larger than that of the previous year. That year had divided itself rather sharply into two periods of six months each, the first of which showed considerable profit, whilst in the second the profits were exceedingly meagre.

Fixing the Price of Nitrate.

The prosperity of the first six months arose from the fact that the demands of the Allied Governments for nitrate had become larger and larger, and there was no control of prices. This led to speculators, by the end of 1917, thinking there was a great opportunity of making money out of the Allied Governments pushing the price so high as 16*s.* a quintal when all good companies could produce at under 10*s.* It was an undesirable profit, and it was bound to lead to disaster. That was done by speculators, not by producers, and it led to the Allied Governments stepping in and forbidding the sale of nitrate to any one but themselves unless under special circumstances and by licence, and it led also to the fixing of the price. Producers had no protection whatever, except that in the last case they might cease production. The price was fixed so low that no one could make a reasonable profit, and some oficinas had to work at a loss. The result was inevitable. After a certain number of months weakly oficinas began to close down, and then the Governments saw the folly of their proceedings and that they might be left without nitrate. At the end of the six months, therefore, they came to terms with the producers, and the fixed price, which they had previously named as 11*s.*, was increased to 13*s.* per quintal, on which terms satisfactory profits could be made.

Hands of Producers Tied.

Passing on to the present position the Chairman said the Armistice when it came suddenly found the Governments with a very large stock of nitrate for explosives production, and the Governments notified the producers that they would no longer be buyers. But they did not give producers liberty to sell, and the hands of the producers were absolutely tied, and so remained at present. They did say, "Under licence you can sell," but it was of no use to get a licence unless the ships could be got to bring the stuff to the countries where it was to be consumed. There was no alternative, therefore, for the producers but to do what they had done—viz., to cease production. To have gone on producing and accumulating heavy stocks at large cost would have broken down the companies altogether on their financial side. There was nothing for it but to stop.

Visible Supply of Nitrate.

As to the position to-day the Chairman said until the holding of the Allied Governments was liquidated in some form there could hardly be a normal state of trade. On March 1 of this year the total visible supply of nitrate amounted to 1,600,000 tons. On March 1, 1914, it was 1,554,000 tons—not a very alarming difference. The trouble of the situation was that of that total a great deal—about a million tons—was lying on the coast and was of no use there; no use unless it could be brought into the consuming markets, and there were no ships to bring it forward to those markets. There was quite a good demand for nitrate, and for agriculture he thought there would be in the future a still greater demand, but demand did not help if the stuff could not be brought to market. Deducting from the total visible supply the million tons on the coast left 600,000, and of this 40,000 tons were on board German ships interned in different ports. Those cargoes belonged to friends, foes, and neutrals, and were bound to various destinations. But the German ships had been handed over to the Americans, and it was a problem what would be done with these 40,000 tons. The owners of the cargoes would like them delivered at the places engaged for when they were shipped. He thought it exceedingly doubtful, however, whether that would be done. Of the other 560,000 tons about 450,000 were under the control of the American Government, and 110,000 only under that of Europe. As to the latter, if it had not actually been delivered to the buyers this had been

contracted for, and so that need not give any worry at all. The associated Governments owned a portion—he believed 140,000 tons—of the 1,000,000 tons of which he had spoken as being the total stock on the West Coast, and the balance was the property of the producing companies. This 140,000 tons had to be absorbed and taken away by the Governments before the trade could be considered as fully in the hands of the producers, and 140,000 tons required a lot of shipping.

Holding of Stocks by British and U.S. Governments.

He might here mention that out of the stocks now existing it was considered more than probable that the American Government would decide to permanently hold a stock of 300,000 tons in their country, which threw an interesting sidelight—and a favourable one from nitrate companies' point of view—upon the question of nitrate made from the atmosphere. That the United States Government should deliberately decide to hold a stock of 300,000 tons of Chilean nitrate was noteworthy. The English Government, it was said, might decide also to hold 50,000 tons permanently. So if 350,000 tons were thus locked up the visible supply, if only it could be got to the market, would remain a very modest one; indeed, smaller than it was before the War. Month by month the situation was improving, and as soon as production commenced the London Nitrate Co. would be in an exceptionally favourable position. Their new oficina was now completed and ready to start at the word "Go," and the directors believed that as soon as they did start the oficina would be absolutely the cheapest producer on the coast. It not only possessed virgin grounds—other companies were in that same position—but it had also a new oficina, and no ordinary company had that dual advantage.

Financial Matters.

Passing on to financial matters, the Chairman acknowledged the generous assistance given by the Bank of Liverpool, Limited, in the matter of the purchase of the new grounds which, with the new oficina that had been put up, had cost something like £325,000. The Company had been able to provide £100,000 of that amount, and the balance had been found by the bank with the stipulation that the amount should be repaid twelve months after peace. The directors had thought it prudent and desirable from the Company's point of view to make a commencement in the liquidation of that debt, and, as the shareholders had been notified by circular, had sold £150,000 of Debenture stock. The expenditure of £325,000, however, of which only £100,000 had come out of the Company's funds, left £225,000 owing, and as the directors' borrowing powers were limited to £200,000 they had exceeded their authority. The deficiency might have been met by the issuing of shares, but the directors thought it highly undesirable to adopt this course.

Mr. W. H. Haslar, one of the directors, seconded the motion, and there being no questions or discussion it was put to the vote and carried unanimously.

Mr. Frank Tobin, the retiring director, was re-elected. Messrs. Harmood, Banner and Son, the auditors, were reappointed, and a vote of thanks to the agents and staff on the coast was passed.

The proceedings closed.

SALT UNION, LIMITED.

THE thirtieth ordinary general meeting was held on April 3 at the Exchange Station Hotel, Liverpool. Mr. G. H. Cox, Chairman of the board of directors, presided.

The Chairman, in moving the adoption of the report and accounts, said: In view of the uncertain character of the times and the complexity of their business, the desirability of maintaining their reserve fund would be generally conceded. Properties, as compared with 1916, showed an increase of £83,747, principally due to the conversion of important Cheshire leasehold properties into freehold. The leading features of the salt trade during 1918 had been a further serious reduction in the tonnage, while prices had on the whole been maintained at a remunerative level for the home trade, and exceptionally good ones had been obtainable for export. The Association of Manufacturers had been renewed on the same basis as before for a further period of two years, thereby ensuring, they hoped, that there should be no cutting of prices or increase of production beyond the requirements of the trade.

Eastern Trade.

Their Eastern trade was disastrously affected by the absence of opportunities to ship, due to the Government control of steamers. Their total shipments for the year amounted to only 20,000 tons, approximately a sixth of their normal figure in recent years, and only one-tenth of what it was twelve years ago. If those conditions had continued much longer they should have ceased to have any share of the Calcutta and Rangoon trade, but they just managed to keep their hand in; and henceforth, with a plentiful supply of tonnage, they might regain their old positions in these markets.

Labour and the Costs of Production.

To every one who was responsible for the management of large industrial undertakings it was a matter of the gravest possible concern that costs should have advanced to such an alarming extent owing to labour and other costs of production. Wages had gone up until they now showed nearly 150% rise since 1914. Further demands had been put forward by the men which, with the object of safeguarding the trade, they had declined to accede to, and the question was being referred by the men's Union to arbitration. The increased cost found in wages for the year was £90,359, the total wages bill being £402,917. In addition, the 47-hour week had been granted, as against 54 formerly.

He informed them at the last meeting of the bargain they had entered into with the Government concerning a large extension of the Mersey Power Company's operations. Great delays had occurred and difficulties arose in connection with the terms on which the Government proposed to lend them the money. Long negotiations had to be undertaken in connection with the obligations of the Debenture deed, and also in connection with the lease of the land and the water rights from the Manchester Ship Canal Company; but these were now nearly concluded, and they were proceeding to enter into contracts for the machinery and buildings. Many references had been made with regard to the necessity for increasing the supply of electricity for manufacturing purposes, and a Committee appointed by the Government made an important report. It was understood that the Government would bring in a Bill at an early date, after the Minister of Reconstruction had submitted a report which he had been instructed to prepare. That Bill was likely to be strongly opposed by the existing suppliers of power, both private and municipal, if it embodied certain of the Committee's recommendations. Even nationalisation was freely talked of. The whole question of Government control or nationalisation had given the board much concern and anxiety, but it felt that, being committed to the agreement with the Government for the new extensions, and having regard to the protection of the existing undertaking, in which they had already sunk £150,000, they had no option but to proceed with the matter, hoping that in case they were ultimately taken over they would receive fair treatment.

Prospects for the Current Year.

Many of them might be aware of the fact that during recent years there had been some development of salt-making in Somersetshire, near Bridgwater. The board had deemed it in their interests to purchase two plots of land in the vicinity of the existing works, and had made arrangements to commence boring for brine immediately. Shareholders might naturally say: Why make salt at this point when you have plenty of pans and inexhaustible supplies of brine at other places? The reason was a simple one. The Somersetshire position was geographically very strong for distribution purposes, the railway rates being exceedingly favourable to a large portion of the South and West of England. Hence consumers could be supplied more cheaply than from the existing sources—a telling consideration in periods of active competition. He would not attempt to forecast the results of the current year. Up to now they had been able to conduct the trade on a basis not less profitable than that of 1918, but whether this could be continued it was impossible to say. In export markets prices had fallen, and he was bound to tell them that it would be difficult to recapture some of those markets lost during the War. As to the home trade, he saw no reason why it should not be maintained on a fairly profitable basis, but it was dangerous to dogmatise on account of the uncertainties as to costs and the possibility of strikes. He concluded by moving the adoption of the report.

Mr. F. W. Clark seconded, and the resolution was agreed to.

The retiring directors, Messrs. G. H. Cox and C. M. Crichton, were re-elected.

UNITED EGYPTIAN LANDS, LIMITED.

A SERIES of meetings of this Company was held on April 2 at Winchester House, E.C., for the purpose, among other things, of considering and, if thought fit, passing resolutions providing for the reconstruction of the undertaking. Mr. S. S. Lamert presided, and said that as the proposal to be submitted was the scheme of the shareholders' committee, he would invite Mr. Davenport, a member of the committee, to move the main resolution covering the proposal.

Mr. James Davenport, in moving the resolution, recalled that two years had elapsed since, at a very critical stage in the affairs of the Company, the shareholders' committee was formed. The Company was then indebted to the Mortgage Company of Egypt in approximately £95,000; it was in arrear with its interest and sinking fund instalment, and steps were being taken to foreclose. The first duty of the committee was to negotiate with the Mortgage Company of Egypt, from whom throughout they had received nothing but the very greatest consideration, with a view to delaying the foreclosure proceedings and arriving with them at an acceptable scheme of arrangement. Briefly, the new Company was to be reconstructed as an English Company, and it was an essential condition of the agreement with the Mortgage Company that not less than £40,000 of additional capital should be provided, and that the amount of the indebtedness to the Mortgage Company should be reduced to not exceeding £80,000, in respect of which a first mortgage on all properties in Egypt, repayable in 30 yearly instalments, was to be granted. The new capital was to be £350,000 nominal, in 1,400,000 shares of 5s. each, of which

38,829 were to be allotted as fully paid and would be available for discharging certain liabilities, while 1,361,171 would be available for issue credited as paid up to the extent of 3*s*. 9*d*. for a 5*s*. share, and would enable every holder of the existing Company's Ordinary shares to take as a right two shares in respect of each existing share, and each Deferred shareholder one share for each existing Deferred share. The net result would be that, after paying expenses, they would be left with £41,250 of new capital, and would also have, according to latest advices, £96,000 due in respect of land sold on the deferred payment system. There would also be the agricultural land and the Rodah Island property. The valuation of the agricultural land worked out at £70,000, giving a total of approximately £207,000, against capital liabilities of £305,000, with the Rodah Island property in addition. If that were worth half its present balance-sheet valuation of £190,000, it meant that the assets balanced the liabilities.

Dr. G. T. Moody seconded the motion, which was carried unanimously.

COLISEUM SYNDICATE, LIMITED.

THE eleventh annual general meeting was held at the London Coliseum, St. Martin's Lane, W.C., on March 27, Mr. Oswald Stoll (Chairman and Managing Director) presiding.

The Secretary read the notice convening the meeting and the auditors' report.

The Chairman, in moving the adoption of the report and accounts, said: The Company now owns the entire freehold of the theatre. That has added to the assets, not only the value of the land, which, in the option to purchase contained in the lease, was thirty years' purchase of the ground rent, or over £80,000, but also the value of the buildings standing on the particular land concerned, which represents a further substantial sum. Besides that, the Company, in being its own ground landlord, paying its ground rent to itself, has security of tenure and undivided control, which are in themselves intangible assets of considerable value. The business of the year has been so good as to require no comment except the expression of the hope that it may continue. As to the fulfilment of that hope we are in the hands of those entrusted with the readjustment, reorganisation, and reconstruction of the country's industrial system. They will only succeed peacefully and permanently if at the same time they readjust, reorganise, and reconstruct the financial system which underlies industry. The day has gone by when one financial class may safely represent the whole supply of money and credit, confronted by dependent producers and manufacturers who represent the demand. Part of the control in the form of limited credit right should be handed over to producers and manufacturers in the interests of production and general prosperity. It is the wish for general prosperity which interests me in these questions, because it is upon that that the success of entertainment companies depends. Nationalisation, general strikes, confiscation, whether disguised or undisguised, and revolution contain no magic powers for the production of prosperity—quite the reverse, for in that respect they have failed wherever they have been tried. But the easy financial conditions which are possible, in a genuinely industrial sense, contain the key to the creative magic lying dormant in restricted, unused, and misdirected brains and energy of the people. I beg formally to move that the directors' report, balance sheet, and profit and loss account for the year ended December 31, 1918, be approved and adopted, and that the balance of £86,783 13*s*. 10*d*. at credit of profit and loss account be dealt with as follows:—(1) That £5,000 be set aside for redemption of Debenture stock; (2) that a dividend be paid for the second half of the year on the original 44,000 Ordinary shares at the rate of 25% per annum, making 25% for the year (less tax), together with a bonus of 5% (less tax) on said shares for the year 1918, absorbing £5,390; (3) that the balance of £76,393 13*s*. 10*d*. be carried forward to the current year's accounts, subject to the managing director's remuneration, according to his agreement, and tax on final dividends.

Mr. Thomas seconded the motion, which was carried unanimously.

The re-election of the retiring directors was agreed to and the auditors were reappointed.

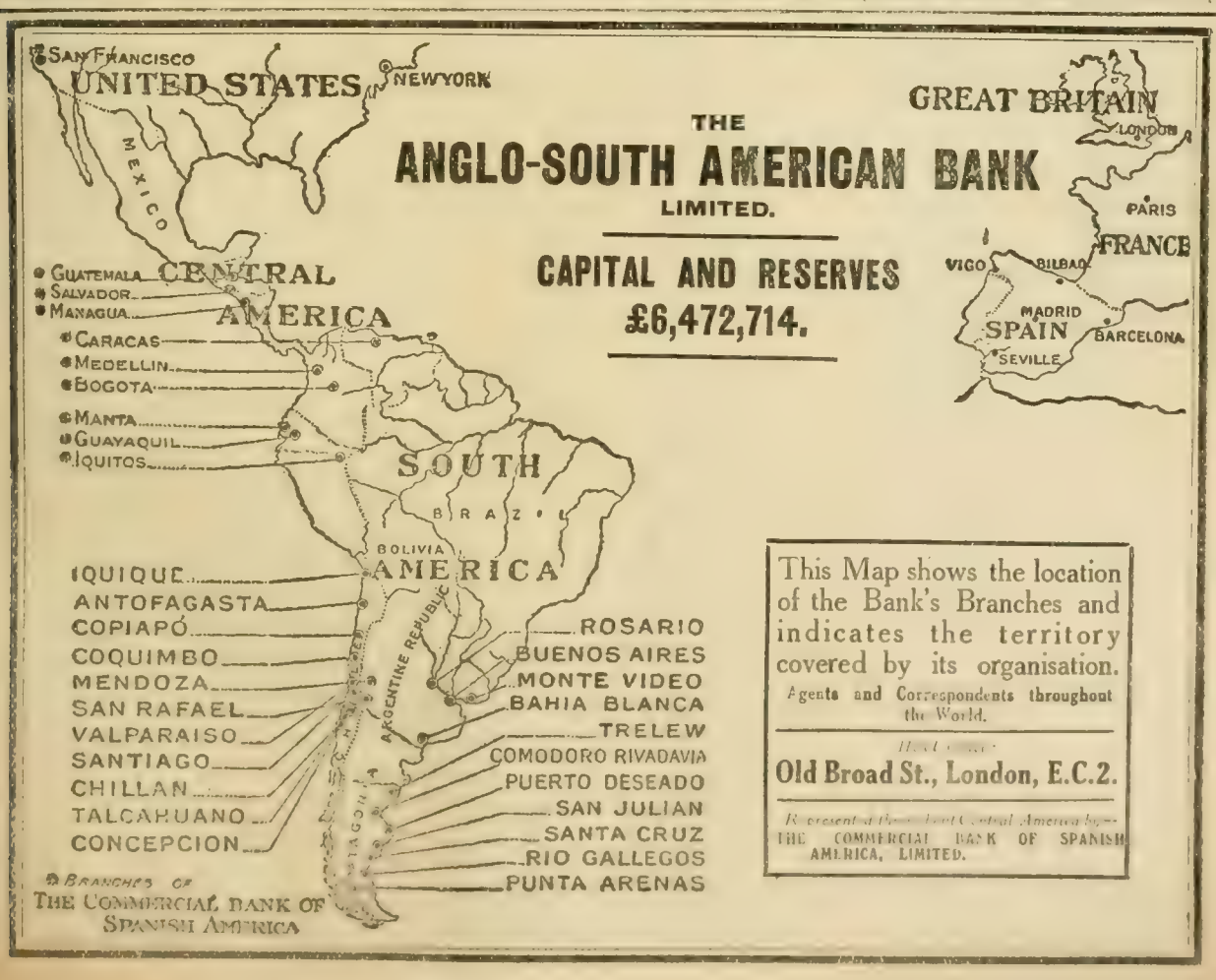
A vote of thanks to the Chairman concluded the proceedings.

JAMES W. COOK AND COMPANY, LIMITED.

THE twenty-second annual general meeting was held on March 31 at the Institute of Chartered Accountants, Moorgate Place, Moorgate Street, E.C., Mr. William Clarke (Chairman and Managing Director) presiding.

The Secretary (Mr. Ernest G. Devitt) read the notice convening the meeting and the auditors' report.

The Chairman said: Gentlemen,—I should like to remind you that at this time last year I ventured to say that although as a nation we were then at our darkest hour, yet victory was for Great Britain and her Allies, and although the War was not then won, it would be won by us and our friends. Thanks to the excellent work of our Navy and our Armies, and those of our Allies, the end has come, much quicker than anyone dared to hope, and we pay due tribute to those who have fallen in the great struggle, and who have made the supreme sacrifice. So far as our business is concerned we have been fully engaged in both necessary and useful work during the whole of the year, and we are glad to place before you results which I am sure you will quite appreciate. Those results have been obtained notwithstanding the fact that our original business has been reduced by various Controllers to the smallest possible dimensions. Our men were called up and part of our plant was commandeered. Two of our tugs were engaged in Government work of a most risky and serious nature at Calais—so risky and so serious that the Admiralty



have specially commended one of our captains for what he did. The accounts now placed before you are the result of the combined efforts of the entire staff, who have once more proved their ability to achieve good results under most difficult conditions; and I may here say that no one has been forgotten—all have shared in the prosperity of the business, which is so organised that all alike benefit. We are looking forward with hopes of another good year, but it would be more than rash to prophesy because of the ever-changing aspect. It is gratifying to us to be able to show you that we have reduced our mortgages by £25,000. We have placed to reserve £27,500, and we carry forward, subject to excess profits duty, the sum of £61,783 19*s.* 2*d.*, after having declared a dividend equal to that of last year, and proposing to pay a bonus of 2½% in addition, the latter free of income tax. In conclusion, the Chairman moved the adoption of the report and accounts and the payment of the proposed dividend and bonus.

Mr. Joseph F. Lescher seconded the resolution, which was unanimously carried.

A vote of thanks having been accorded to the Chairman, directors, and staff, the proceedings terminated.

THOMAS TILLING, LIMITED.

The twenty-second annual general meeting of the shareholders was held on March 31 at the Cannon Street Hotel, E.C., Mr. Richard S. Tilling, J.P. (the Chairman), presiding.

The Secretary (Mr. J. F. Heaton) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—I think the report before you tells you very nearly as much as I can. I may say, however, that we meet this year under far happier conditions than have been the case for the past four years. On the horse side of the business not only was the cost of forage extraordinarily high, but the food itself was at times so difficult to obtain and so inferior in quality as to render it impossible to feed our horses properly. The carriage horse, which in many cases did much necessary work, was not allowed any corn at all. This resulted in a great diminution in our trade in what was described as the pleasure horse, and compelled us to shut down our riding school altogether. The demands of the Army, of course, caused a great shortage and consequently a high price of horses, and we anticipated a considerable reduction in prices when the surplus Army horse was put on the market. Our hopes in this direction have, however, been doomed to disappointment, for never has the price been higher than it is at the present time. Owing to the restrictions with regard to petrol, we were compelled to close down about 30% of our trade in the passenger-carrying or omnibus section of our business. The price of petrol was higher than ever known before, and, compared with the lowest price that existed some time before the War, showed a rise of over 600%. The substitution of unskilled for skilled labour made the operating of the fleet of motor vehicles not only expensive, but also unsatisfactory. The cost of labour has increased over 100% during the War. You will notice in our balance sheet that we have continued to spread our investments over a larger area, which is a further element of safety. The old-established and progressive character of the business seems to be appreciated by small investors, and we have now some 2,000 people interested in our concern. I now beg to move: "That the directors' report and accounts as presented be adopted; that a dividend of 15% (less tax) be paid on the Ordinary shares for the year 1918, thus entitling the Income Debenture stockholders to additional interest at the rate of 2⅜% for the year; that a sum of £5,000 be placed to the special reserve fund for properties, investments, &c., and £2,000 to the ordinary reserve fund; and that the balance of £71,332 2*s.* 9*d.* be carried forward, subject to any liability there may be for excess profits duty for the past three years."

Mr. Walter Samson seconded the motion. The proceedings then terminated.

STEWART AND M'DONALD, LIMITED.

The annual general meeting of Stewart and M'Donald, Limited, was held on March 27 in the Merchants' Hall, 30 George Square, Glasgow. Sir Andrew H. Pettigrew, Chairman of the Board of Directors, presided. Following the reading of the minutes and the auditor's certificate,

The Chairman, in moving the adoption of the report and accounts for the year ended December 15, 1918, said:—It is a great pleasure to me to occupy the chair at the first annual meeting of the shareholders of Stewart and M'Donald, Limited, since it became a public company, and that pleasure is considerably enhanced by the nature of the report and balance sheet which I have to submit for your approval. The directors' report and accounts have been in your hands since 17th inst. and with your approval we will hold them as read. In the first place, however, let me say that I and my fellow-directors are proud to be associated in this capacity with a firm with such a record. It is known to most of you that for a short period it rather fell behind in the race, but back and behind that its history ranks with those of the most progressive houses in the country, and its honour remains absolutely unsullied. I can safely say that no name is better known in Great Britain or, I think, more creditably known to-day than the name of Stewart and M'Donald, Limited, and that is a considerable thing to say. We hope not only to maintain but to enhance both the reputation and the trade of the concern. It is now, we think, most excellently organised, although through the exigencies of the war period still short of our ideals; but our attitude to it is that there can never be any rest in the future for us, that we must go on seeking for progress and making it every month and year in the years to come. The competition of brains in our class of business never was keener, and, I believe, the possibilities of excelling never so great.

A Record Trade.

Turning to the balance sheet and report, the directors thought it fit to state the position of the Company at length because of the change that had taken place in its nature during the year. The position has been set forth most clearly, and I claim that those responsible have every reason to congratulate themselves on the year's results, the net profit after providing for excess profits duty being £73,355 8*s.* 3*d.* The trade done has been by far the biggest in the history of the firm. It does not do, I am well aware, to flatter oneself on one's concern too much on big figures at present because of the high values ruling, but even discounting these there is much room for satisfaction. The directors, it will be observed from the accounts, could have paid a substantial Ordinary dividend, but they considered that the best interests of the Company would be served by passing it this year. The stocks, although no greater in bulk than in pre-war times, are now at least double in value. The sundry debtors have reached a very large figure. Both of these large items make it clear that the handling of business to-day involves the need of large capital. On the other hand, some manufacturers have not been slow to take advantage of the position and tighten credit wherever they could, a policy which the wholesale could not unfortunately hand on with the same precision to their customers. It is certain that high prices will continue to rule for many a day to come, although there may be some fluctuation in values, and our opinion is that it would be more profitable for our Ordinary shareholders in the end to have any sum that might have been paid them as dividend carried forward, with income tax paid, earning money for them, during the coming twelve months. Altogether, in view of that consideration and the uncertainties of the immediate future, your directors have pursued a very conservative policy in many directions, and any interregnum of depression or difficulty that may arise they look forward to meeting with confidence. Beyond the immediate future, may I say that if labour troubles become settled and workers settle down in earnest to do their best, in my view there is a bright prospect before Great Britain and her trade. She has gained for herself by her heroic action during this War a greater place than ever in the esteem of the world, and if we deserve it it can only be a truism to say that much of that will crystallise into trade. During the War also the country's facilities for output have enormously increased. Women labour has done wonders, and is available to an extent never dreamt of before. New machinery and appliances have been invented, new chemical triumphs achieved, new application for raw materials discovered. The idea of repetition work and machines for the same in inducing an enormous output at a low but yet remunerative level of cost has been accomplished with great success. The imagination of those responsible for business and trade has been awakened, and the results of enterprise and achievement have been enjoyed by all these to an extent undreamt of five years ago.

A Bright Future.

With this advantageous commercial position, and with the world starving for immediate needs and awakened to ever-increasing needs, there should be years of prosperity for our old land ahead of us. That the drapery and allied trades will enjoy their share of it is to my mind absolutely certain, as an improved condition of the people will bring about as one of its first demands more taste and more comfort in everything for personal wear and for house adornment, and in the supply of these this trade of course takes the first place. I make these rather optimistic remarks to show you that in my view the future is bright not only for ourselves but for all who work and do their best. I would like to acknowledge the assistance of the staff of Stewart and M'Donald during what has been a trying period. They have supported our efforts with great loyalty. I think that at the present time we have one of the most ambitious and capable staffs in the country, and we are improving all the time. Beyond what I have said, I do not think that any of the items in the balance sheet call for particular comment, but I may add that in my opinion the valuation of the assets is a thoroughly conservative one. I will be glad, of course, to answer any questions. With these few remarks I have great pleasure in proposing the adoption of the directors' report and accounts for the year to December 15 last, which includes your approval of the payment of the dividend to the Preference shareholders for the two half-years ended June 15 and December 15, 1918.

The motion was seconded by Mr. F. Stafford Clark and unanimously adopted, no questions being asked.

The retiring directors, Mr. Robertson B. Stewart and Mr. Finlay Ramage, were re-elected, along with the auditors, Messrs. M'Clelland, Ker and Company, C.A., and the proceedings concluded with a vote of thanks to the Chairman.

TAMIANG RUBBER ESTATES, LIMITED.

The ninth annual ordinary general meeting was held on March 31 at the offices of the Company, Mincing Lane, House, 59 Eastcheap, E.C., Mr. Frank Copeman (the Chairman) presiding.

A representative of the secretaries (the Rubber Estate Agency, Limited) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said that after the particularly trying period through which they had passed during the year under review they might consider themselves fortunate that they were presenting a statement of accounts which did not show a loss. The profit carried to the balance sheet was £8,618 10*s.*, as compared with £43,312 last year. He regretted that they were unable to recommend a dividend. They proposed to carry £8,000 to income-tax reserve. There had been a heavy loss on exchange during the year of £7,470, representing 2.36*d.* per pound on their restricted crop and 5 per cent. on the capital. Since the beginning of the year they had been harvesting normally and the estimated crop was upwards of 1,000,000 pounds. Estate expenditure did not fall in the same ratio as receipts did from crops. During the past year the receipts had been less by £27,610, while the estate expenditure had been more by £5,400, apart from the loss on exchange, but including a loss on rice of £2,118. The condition of the property was satisfactory in every way. With regard to capital, they had decided to modify the terms for the conversion of Debentures in the case of certain holders whose documents were in territory occupied by the enemy. They had to redeem at the end of the current month Debentures amounting to £1,356, and then, taking into consideration the stock just referred to, the estate would be free from encumbrances. With regard to the system inaugurated during the War of inviting shareholders to deposit money with the Company at interest, shareholders had taken advantage of that freely. Application would be made to the Treasury for permission to issue shares in exchange for those deposits, and also to issue shares to enable the Company to bring the 1,325 acres of immature rubber to the bearing stage and to extend them without unduly trespassing upon the revenue. It would be wise, however, to continue to set aside out of profit a reasonable sum to development reserve.

Mr. J. C. Tate seconded the resolution, which was carried unanimously.

The usual formal business was duly transacted.

JONES AND HIGGINS, LIMITED.

The twenty-third annual ordinary general meeting was held on March 31 at the Company's premises, 19 Rye Lane, Peckham, S.E., Mr. G. Randell Higgins, J.P. (the Chairman), presiding.

The Secretary (Mr. R. G. Stannard) having read the notice calling the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: Ladies and Gentlemen: You will have noted the large increase in our net profit. Let me assure you that it has been earned on the very large—I may even say phenomenal—increase in our returns, and not by a materially increased rate of profit on our sales. Unfortunately, as is so often explained at company meetings, shareholders, owing to the excess profits duty, reap little benefit from the increased prosperity of any business. In our case this tax absorbs, roughly, £33,000 of our profit. Still, in the face of that, your directors feel justified in recommending the payment of a special bonus of 6*d.* per share, in addition to the rate paid last year, bringing this year's distribution up to 14½ per cent., which, under the circumstances, they venture to think is a satisfactory distribution. The profits have been arrived at after making ample provision for depreciation. The stock stands at nearly £114,000—some £20,000 in excess of that shown in last year's balance sheet. It has been well bought and carefully valued, and I have no hesitation in saying it is a very valuable asset, and that during the very difficult time of the last four years the increase in stock over that carried in pre-war days has materially helped the business to show the successful results you to-day have before you. Your buyers are in constant touch with all the markets, and are very much alive to the possibilities of any fall in values; consequently their future commitments are based on conservative lines. The investments, showing an increase of £10,000 in War Bonds, are all in gilt-edged stocks, which may be looked upon as the equivalent of cash. The book debts and debit balances show a small increase over the previous year's figure—a natural outcome of an increase in turnover of over 25 per cent. The increase in the credit balances is accounted for by the increased excess profits duty. Our working expenses are naturally much heavier, owing to the increase in wages, cost of food, fodder, lighting, coal, &c. In deference to the wishes expressed by shareholders at former meetings—subject to your approval—the sum of £2,000 has been set aside for a staff benevolent fund. As your Chairman, it is a great pleasure to me to be able to place such a balance sheet before you to-day. I can only think that this has been brought about by the way in which this business is conducted to-day, by giving the public value, and the solid way in which we have been served by our employees.

Mr. C. H. Higgins seconded the resolution, which after some congratulatory remarks by Mr. Dingwall, was carried unanimously.

The Chairman next proposed the re-election of Mr. F. W. Swann as a director.

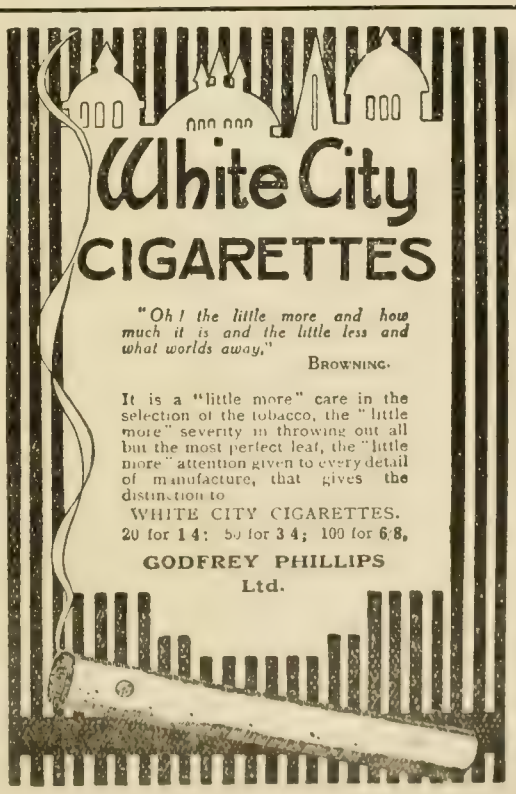
Mr. C. H. Higgins seconded the motion, which was unanimously adopted, and the proceedings terminated.

SUVOROFF TAMAN OILFIELDS, LIMITED.

The ordinary general meeting was held on March 31 at Salisbury House, London Wall, E.C., Mr. Alfred H. Bonnard presiding.

The Secretary (Mr. A. H. Browne) read the notice convening the meeting and the report of the auditor.

The Chairman, in moving the adoption of the report and accounts, said: With regard to the balance sheet, you will notice that there is only a small amount due to sundry creditors, and that, on the other hand, we have cash in the bank and in hand to satisfy this and leave us with a sum of, roughly, £5,000. With regard to the item of expenditure, £2,433 6*s.* 8*d.*, this sum covers a period of five years, and, relative to this item, you will notice that it has been satisfied by the issue of shares, those indebted preferring to discharge the liability due to them by taking shares instead of cash in payment. You will notice the item, "Contingent liabilities (Russia)." This is disputed, and, in my opinion, cannot come into the accounts. It is an accumulated amount for rental, and even if we had the opportunity of paying, there have been no proper authorities to pay it to, and I am of opinion that you may dismiss such liability from your mind. There are upwards of £50,000 of shares to be issued, and application has been made to the Treasury for permission to issue these shares. Upwards of 13 borings for oil at shallow depth have been effected, and on these small wells in every case oil has been obtained, in most cases in considerable quantities. In one case, after sinking 15 ft., a rush of oil took place and filled the excavation, the overflow running into the river, and on measuring the discharge even in this shallow well it was found that the oil flowed at the rate of 1,920 gallons per day. At the existing rates this oil could be sold in the bazaar at such a price through a contractor as will give a profit of 1 rupee per four gallons, at which price it should bring in a substantial revenue to this Company. Your directors have made arrangements for ample working capital; in fact, for any demands which may be made upon it to develop and commercially carry out to a great success this undertaking. Our engineers are starting for the property on Thursday next. We already have our plant and machinery for drilling on the



spot in the shape of oil engines, pumps, boring plant and all the necessary accoutrements to go ahead to a success which I confidently anticipate is assured in the not far distant future. In view of the anticipated large area we shall have rights over, negotiations have been going on for some time further to exploit and develop the property on a larger scale, in which this Company would, of course, have a substantial interest, and arrangements have been practically completed for the formation of a subsidiary company provided with ample working capital to go ahead energetically in this direction. Your directors, however, have preserved preferential rights of subscription for their shareholders.

Captain W. F. Annesley seconded the resolution, which was carried unanimously, and the proceedings terminated.

NEW ALBION TRANSVAAL GOLD MINES, LIMITED.

The ordinary general meeting was held on March 31, at Winchester House, Old Broad Street, E.C., Mr. George Parkins presiding.

The Acting Secretary (Mr. Robert B. Auckland) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: To deal now with the properties of the Company, I will, first of all, refer to the freehold farm "Valsfontein," a property in extent 2,970 morgen, or approximately 6,300 acres. If you will turn to the directors' report, you will observe that the option to purchase that farm has now been extended to March 1921. This extension was obtained on extremely favourable terms, the option money being the nominal sum of £150 per annum. Those of you who were shareholders in the month of March last will remember the announcement by your board of the acquisition of the freehold of the eastern portion of Eendracht, which places this Company, as you will see from the map, in absolute control of the ground on either side of the Oceana Company's farm of that name. Boring operations on the western portion of Eendracht have been in continuous progress since the month of July last, and, according to latest advice—under date February 25 last—the borehole had reached a depth of more than 2,000 feet, with indications that the drill at that point was not far from the Van Ryn reef. According to a report by Mr. W. E. Bleloch, furnished by him to the Oceana Development Company some two or three years since, it is his belief that the Van Ryn reef will be struck at between 3,000 feet and 3,500 feet. Immediately to the east of Eendracht is that portion of Klippoortje which last year was purchased by the H.E. Proprietary for £100,000 in fully paid shares.

Eendracht and Farm Boschoek Interests.

The portion of Eendracht acquired by the Company is in extent about 2,700 acres, carrying with it the exclusive mining right equal to 340 claims, which, with discoverers' rights, may be extended to no less than 500 claims. By the provisions of the Mining Leases Act, with which many of you may perhaps be familiar, the Company will be entitled, under certain conditions, to lease and incorporate with its mynpacht that part of the area which ordinarily is reserved to the Government, on a profit-sharing basis, averaging approximately, on division, 50%. There is no reason, therefore, why the Company's mining area in connection with this farm should not reach 1,150 claims, out of a total mining area of 1,800 claims. The third, and by no means the least important, interest that your directors have been able to secure for this Company consists of a one-half interest in an agreement between Dr. Sauer and the Boschhoek Proprietary Company, Limited, for boring on the Farm Boschhoek. In the event of the flotation of a mining company under the terms of the agreement to which I have referred, it has been stipulated that the capital of the Boschhoek Mining Company shall not be less than £600,000, which, after providing for commissions payable on flotation, would entitle this Company to receive about £75,000 in fully paid shares. The Company will, in addition, retain rights of subscriptions to the working capital of the mining company, to which your directors attach considerable importance.

New Capital Proposals.

Those of you who were shareholders in the Company at the time when "Valsfontein" was acquired will remember that an option to subscribe for the unissued balance of 200,000 shares of 5*s.* was granted to provide for the purchase consideration. Then followed our acquisition of Eendracht, requiring £32,000. We are creating another 200,000 shares to meet that liability, of which 90,000 are guaranteed at par and 110,000 are under option at par. After payment of the purchase consideration our working capital will thus be augmented by £18,000 in cash. Since that date the Company has agreed to allot to Dr. Sauer 100,000 shares as payment for the half-interest in the Boschhoek contract. We ask you, therefore, to create a further 100,000 shares to provide an additional £25,000 of cash capital, which will bring our cash resources up to nearly £50,000.

Mr. S. S. Kennedy seconded the motion, which was carried.

An extraordinary general meeting was then held, at which the Chairman moved that the capital of the Company be increased from £100,000 to £200,000.

Mr. Kennedy seconded the resolution.

Dr. Sauer moved as an amendment: "That the capital of the Company be not increased until a full and true and proper statement is furnished to the shareholders by the directors regarding the allocation of the options and the transactions connected with the two farms Eendracht and Valsfontein are approved."

Mr. W. N. Morrison seconded the amendment, which was carried on a show of hands.

The Chairman said that as the amendment had been carried on a show of hands, the original proposition would fall to the ground.

The proceedings then terminated.

BRITISH COLUMBIA ELECTRIC RAILWAY COMPANY, LIMITED.

The twenty-second ordinary general meeting of the stockholders of this Company was held at the Liverpool Street Hotel, E.C., on April 4, Mr. G. P. Norton presiding.

The notice convening the meeting and the auditors' report having been read,

The Chairman said: Gentlemen,—I have to apologise for the absence of our Chairman, and also of Mr. Davidson, who is unfortunately called away on account of a death in his family, but the Chairman has prepared a speech, and Mr. Blundell Brown will kindly read it.

Mr. T. Blundell Brown then read the Chairman's statement, which was as follows: The report for the year under consideration is the most encouraging the directors have been able to place before you since the outbreak of the War. The total income brought into revenue account for the year—namely, to June 30, 1918—amounted to £383,093, as compared with £288,338 during the preceding 12 months, an increase of £94,755.

Higher Wages and Increased Fares.

The increase in our gross earnings was attributable to the more prosperous conditions which existed in the cities served by the Company, resulting largely from the extensive programme of shipbuilding which was in progress during the year, and which brought with it a large body of labour attracted by the high wages paid. Unfortunately, however, these abnormal rates of pay have had the effect of raising the general standard to an unreasonable extent, with the result that our employees, not unnaturally, made large demands for increases to an extent which the earnings of the Company were insufficient to provide. These demands were only conceded during a serious strike which took place in the first fortnight of July, upon the intervention of the public authorities and as part of a general settlement of the impossible situation which had arisen. The Company was utterly unable to pay the wages asked for by the men unless revenue could be increased. At meetings of representative citizens and labour men, convened under the auspices of the Mayor of Vancouver in his office, it was decided that the employees' demands should be granted, and we stated that, although we considered the demands excessive, if the public were willing to pay higher fares we would raise no further objection. We consequently applied to the Councils of the cities of Vancouver, Victoria, and New Westminster, and the surrounding municipalities, and, after much discussion, were granted a 6-cent fare in the City of Vancouver and certain additions to our fares in other cities and districts for a period of nine months—that is, until April 1919.

It was entirely on the good faith of the agreement made by the Council of the City of Vancouver with the Company, granting this 6-cent fare, that we agreed to pay the wages demanded, thus ending the strike and securing to the citizens the resumption of the services. After the Company had reinstated its service and was paying the wages demanded, the Mayor of Vancouver, much to our astonishment, refused to sign the by-law giving effect to his Council's agreement. A very regrettable controversy took place as a result of this action, which terminated in the Courts of Law, where the Company's right to charge the 6-cent fare authorised by the Council was upheld. It is unfortunate for the welfare and prosperity of the province that it should be possible for such an occurrence as this to be associated with the name of a city of the standing and importance of Vancouver. Such an episode as this can only result in destroying all confidence on the part of investors, and, by making it exceedingly difficult to raise capital in this country for British Columbian enterprises in the future, retard the development of the whole province.

Development of Vital Importance.

A development of vital importance to our Company is being effected by the Provincial Government by the establishment of a Public Service Commission by Act of the Legislature. Until the final terms of this Act are available it is useless to comment upon it in detail, but it is certain that the Commissioners appointed will be empowered to revise

and fix the rates and charges made for their various services by this and the other public utility companies operating in the province, and that they will be given very wide powers. These Commissioners will in all probability also exercise some control over the expenditure of the municipalities and perhaps other bodies throughout the province, and the effect of their actions in these matters on taxation and on the general credit of the province cannot well be exaggerated. All who have interests in the province must sincerely hope that the Provincial Government will fully realise the importance of the Commissioners' duties and will appoint strong independent men of good standing in the commercial community, free from the influences of local politics, and with sufficient knowledge of these subjects to carry out their work intelligently. Should such men be appointed and the Act be framed to afford capital invested just protection, your Company has nothing to fear. While commissions of this nature have not proved entirely satisfactory either from the point of view of the public or the companies, they are a recognised institution on the American Continent and, as the right of capital legitimately invested to a reasonable return is acknowledged—a return sufficient to attract the investment of the additional capital required by the utility in question—they have in practice proved useful. We think it must prove an advantage to deal with one body of serious reputable men rather than with several separate councils of cities and municipalities unable either from experience or from opportunity to investigate to form any reliable judgment on such complicated and technical questions as the various means by which your Company's revenue is created.

It has been difficult for street railway companies to convince the general public that the old fares, fixed many years ago when the service given was much less costly than it is to-day, are altogether inadequate. When this Company commenced business in British Columbia some 20 years ago, the cost of our material was at least 50% less than it is to-day, the wages paid were approximately 20 cents an hour as compared with 51 cents an hour to-day, and the frequency of the service and the length of haul have all proportionately increased The charges enforced by other public carriers have been increased, but the street railway company is probably more unfortunate in this respect than any other form of enterprise.

Excellent Condition of Company's Property.

An exhaustive inspection has recently been made of our Company's property in connection with the readjustment of our fire insurance schedules, and this confirms the statements from our own engineers and managers as to the high standard of our construction and equipment and the excellent condition in which it is continually maintained. Should a valuation of our Company's property by competent valuers be decided upon by the Public Service Commission, either for the purpose of arriving at a basis for the fixing of fares and charges or for the transfer of our property to the local authorities, we are certain that such valuation will amount to a sum equal to that which would be required to make a return to the stockholders of the full capital invested by them in the undertaking.

A strong point also in this Company's favour is that the issue of practically half its capital is in the shape of Perpetual Debenture stock on a 4½% basis. This low rate of interest should assist in enabling the Company to secure from the Commission conditions which will provide for a reasonable return to its Preferred and Deferred stockholders before long.

Need of Capital for New Enterprises.

I have already referred to the shipbuilding industry, which is responsible for much of the present improvement in conditions in British Columbia, but which is largely a product of the War and may be considerably diminished now that the War is over and present contracts are approaching completion. British Columbia has, however, an almost unlimited supply of many of the raw materials of which all Europe is in need, and if the labour problem can be solved justly and satisfactorily, and capital and enterprise be encouraged by just treatment, there is every reason why, with patience and sympathy between all classes, the period of readjustment should be successfully passed and the prosperity created by the shipbuilding industry be permanently retained and immensely supplemented by the prosperity of other industrial activities. In conclusion, I will venture to remind British Columbians that, if they wish to see the natural resources of their country developed, if they wish to see new industries established and general commercial activity, they must have capital and they must compete, to secure capital, with other parts of the world offering guarantees of safety and liberal inducements to investors. Prosperity can only come to British Columbia by the free flow of capital into the province. The prosperity of the years before 1913 arose from the introduction of capital from Great Britain and other countries, and to-day capital for the creation of new enterprises is more necessary than ever before.

The Chairman: I have now formally to move:—"That the balance sheet as at June 30, 1918, and the revenue account for the year ended on that date, together with the reports of the directors and auditors thereon, be and are hereby received and adopted."

Mr. E. L. Evan-Thomas seconded the resolution, which was carried unanimously.

The Chairman next moved: "That the payment on November 30, 1918, of the dividend at the rate of 5% per annum on the cumulative perpetual Preference stock be and is hereby approved."

Mr. T. Blundell Brown seconded the motion, which was unanimously agreed to.

The retiring directors and auditors were re-elected, and a vote of thanks to the General Manager and staff in British Columbia concluded the proceedings.

D. H. EVANS AND CO., LIMITED.

THE twenty-fifth annual general meeting of this Company was held on April 4 at the Company's premises, Oxford Street, Sir Alfred J. Newton, Bart., presiding.

The Chairman said: Our gross profit for the year amounts to £280,140, being an increase of £55,000 over that of the previous year. On the other hand, our expenditure in salaries, rent, rates and taxes, &c., amounts to £156,082, an increase of £25,000. The profit carried to the balance sheet amounts to £94,465, being an increase of £25,148. The balance sheet shows that the capital remains as before. There is a loan secured by mortgage on the 999 years' leases now standing at £20,000; it was originally £32,650, and £12,650 has now been paid off. There is also an item of staff benevolent fund, £10,500. This year we propose to devote to that fund a further 5,000 guineas, and when that fund reaches £20,000 we may pause, because we anticipate that a revenue of £1,000 a year will enable us to look after the interests of our old employees. I feel satisfied that you will quite approve of this procedure, which is now universally adopted by all large concerns. On the other side of the balance sheet the stocks amount to £155,917, an increase of £19,000 over last year. The stocks, of course, are constantly increasing in value. The difficulty in the past, very often, has been to secure stock at all, but we are now well furnished in this respect; we think the stock we have is well bought, and we anticipate no difficulty in meeting the requirements of our customers. You will notice that we have cash in hand and at bankers to the amount of £77,206, and we have an investment in National War Bonds of £20,000.

EQUITY AND LAW

Life Assurance Society.

ESTABLISHED 1844.

New Schemes of Whole-Life and Endowment Assurances without Profits

AT EXCEPTIONALLY LOW RATES OF PREMIUM.

EXAMPLES.

Age next Birthday.	WHOLE-LIFE Premium for £1,000	ENDOWMENT ASSURANCES. Premium for £1,000.		
		10 Years.	15 Years.	20 Years.
25	£14 19 2	£92 13 4	£57 18 4	£41 0 10
35	20 4 2	93 9 2	59 0 0	42 10 10
45	28 19 2	95 7 6	61 15 0	46 4 2

SURPLUS DIVIDED in respect of Five Years ending 31st December, 1914 - - - - - - £551,166
(The largest in the history of the Society.)

For Full Prospectus, or Prospectus of New Scheme, write to :—

THE MANAGER, 18 Lincoln's Inn Fields, London, W.C. 2.

Our cash position shows an improvement as compared with last year of £38,000. In our report we show you how the balance of £94,465 available for dividend is being disposed of. In the first place we deduct £5,250, being the contribution to the staff benevolent fund, and the usual deductions are made in connection with dividends already paid. The total now available for distribution between the Ordinary and Founders' shares is £58,141, which has to be divided equally between the two classes. As you are aware, we have now before Parliament a Bill enabling us to extinguish the Founders' shares. One of the provisions of that Bill is that the founders are entitled to receive this year their full proportion of the profits. I think you may be perfectly satisfied, from the point of view of both the Ordinary and the Founders' shareholders, that the extinction of the Founders' shares is a very fair and happy termination to what has always been regarded as a drawback. The salaries of the staff have, during the past year, been specially increased by permanent additions, this course being considered more satisfactory than waiting until the end of the financial year and then giving a bonus. The men who left us to join the Army are all being reinstated as they return, and those who were learning their business when war broke out and had to join up have been restored to their positions at full wages, so that they suffer no loss at all in a monetary sense through having served their country.

The report and accounts were unanimously adopted.

THE MERCANTILE BANK OF INDIA, LIMITED.

The twenty-sixth annual general meeting of the shareholders of this Bank was held on April 4 at Winchester House, Old Broad Street, E.C., Mr. R. J. Black (the Chairman) presiding.

The London Manager and Secretary (Mr. J. Stewart) read the notice and also the report of the auditors in the absence of the Chief Manager (Mr. P. Mould) through indisposition.

The Chairman said: Gentlemen, I presume I may, as usual, take the report and accounts as read. (Hear, hear.)

When we met together about this time last year we were face to face with one of the most critical periods of the War, but, happily, to-day we are on the eve—at least we all hope so—of what we are given to understand is to be a lasting and enduring peace. Unfortunately, the prospect of peace does not seem to bring with it that tranquility and contentment in our domestic affairs which might be expected. The disturbing events of the past few weeks have created a feeling of uneasiness and hesitancy as to the future, when confidence is so necessary for the vigorous reconstruction of our industries, in order that we may secure our full share of the world's commerce, under the new conditions which must prevail. "Less work and more pay" is not a very reassuring cry to live up to in times such as these and with the burden of debt we have to carry, but that, as it seems to me, is practically the position at present, and it remains to be seen how such a policy can increase production, which we must depend on to pay our debts. The feeling is, I think, a little too prevalent sometimes that peace must and should mean an immediate return to pre-war conditions, but that is quite impossible; everything has changed, and much permanently. We naturally all want our freedom again in finance, in commerce, in trade, and, for the matter of that, in everything else, and the sooner we get it the better. This Empire was built up by individual initiative, energy and enterprise, not by State control, but I do think that the immediate indiscriminate removal of all restrictions and control necessitated by the War would not be for the general good. Take, for example, silver: to withdraw all control or its equivalent at once would probably be most disturbing to Eastern trade and have very far-reaching effects: and so it may well be in other directions, where a gradual readjustment of conditions will make for a more permanent and sounder settlement and speedier in the long run to the end we all so much desire—*i.e.*, freedom from control and the efficiency which competition inspires.

Unsettlement in Eastern Markets.

Probably more light on the future policy of the Government in regard to the many very important questions which vitally affect trade would help to restore confidence sooner than anything else; it is the uncertainty of that policy which is in a very great measure hampering and hindering development. Since the armistice was signed there has been unsettlement in Eastern markets and a slackening in trade generally which, unfortunately, has been accentuated by a partial failure of the monsoon. In parts of India the scarcity is serious, and the latest figures I have seen relating to the rice crop in British India for 1918-1919 show a decrease of 34% in outturn as compared with that of the previous year, though the decrease in the acreage sown was only 5%. A very great deal, therefore, hangs on the next monsoon, but, given a normal one, I think we may look forward with confidence, as India provides much of the raw material for which the world will be in need.

There has been no change in the value of the rupee since about this time last year, when it was raised to 1*s.* 6*d.* *Prima facie* there are grounds for the belief that a further rise is possible—it might even be said probable—but the position is obscure, as no information is obtainable as to details of the arrangement of the Indian Government with the Government of the United States, or the cost of laying down silver in India for mintage purposes, and therefore any forecast as to the future is of little real value. All that can be said is that a further advance is within the realm of possibility.

The Balance Sheet.

With the position such as it is, and the general outlook at the moment being none too clear, it is only prudent to continue our policy of the past, and husband and build up our resources. The statement of accounts we have before us to-day reflects that policy to a marked degree, and displays a strong and liquid position.

The summations of the balance sheet show a very substantial increase on all previous figures, and stand on December 31 last at £15,302,125, or nearly 2½ millions more than the previous year. It is perhaps unnecessary for me to go through the statement in detail, as no doubt it has received your careful study, though I may mention, in passing, that, owing to the present abnormal conditions, the material advance under the heading of current and fixed deposits, &c., of £2,457,922 may possibly not be altogether of a permanent nature. Your board, however, early in the present year considered that the position necessitated our issuing, and that it was desirable to issue, the 15,000 "A" shares which had not been allotted. The issue was accordingly offered to shareholders in the proportion of one in three at £12 10*s.* paid up, and was readily responded to with the exception of a few shares. Seeing that the price at which the shares were offered carried with it a very substantial benefit of some £18 to £20 per share, it was surprising that even a few were unapplied for. The Bank, therefore, will have the advantage of it. Our paid-up capital is now £750,000, and the reserve account and carry forward on December 31 last amounted to £785,793.

Allocation of Profits.

You will notice in the statement of profit and loss account that the gross profits for the year were £391,363 3*s.* 9*d.*, or £39,204 3*s.* in excess of 1917. This is arrived at after putting on one side a sum to meet the excess profits tax, providing for all bad and doubtful debts, and granting a bonus to the staff.

After deducting expenses of management and adding to the remainder £58,432 1*s.* 2*d.* brought forward from the previous year, we have a net sum at our disposal of £239,543 18*s.* 6*d.*, out of which we have transferred £50,000 to reserve account, raising it to £700,000; we have contributed £10,000 to the pension fund, and have written £15,000 off banking premises. We now recommend the payment of a final dividend of 8%, which will absorb £45,000, leaving a balance of £85,793 18*s.* 6*d.* to be carried forward to the current year. The total dividend for 1918 will therefore be 14%, against 12% and a bonus of 2% in 1917. We have continued to grant to our staff the special war allowance to which I referred last year, and, as the question was raised at the last annual meeting, I may mention that your directors, at their discretion, have sanctioned certain contributions to war funds or charities of a national nature, which, I am sure, will meet with your approval, as in the past. Out of 74 members of our staff who joined the Forces, nine have unfortunately been killed and 16 were wounded, excluding a few suffering from shell-shock. Thirty have been demobilised up to the present, of whom 12 have resigned owing to wounds, ill-health, or other causes.

The only other remark I have to make is to refer to the increase of expense of management last year, which amounts to £34,000. It is chiefly due to increase in salaries and the bonus and war allowances on the higher scale. The rise in exchange, also, has helped very much to swell the figure, as well as such articles as stationery and books; in fact, everything has become much more expensive, as we all know too well.

I will now propose the following resolution: "That the report of the Directors, with the audited statement of accounts and balance sheet at December 31, 1918, presented to this meeting, be and the same are hereby received, approved, and adopted, and that a final dividend on the A and B shares of this Bank of 8%, less income tax (making



14% for the year), as recommended in the report, be and the same is hereby confirmed."

I will ask Mr. Ryrie to second that resolution, but before putting it to the meeting I shall be very glad to answer any questions.

Mr. J. M. Ryrie: I have pleasure in seconding the motion.

No questions being asked the resolution was put to the meeting and carried unanimously.

Mr. H. Melvill Simons: I have much pleasure in proposing: "That Mr. R. J. Black and Mr. J. M. Ryrie, the directors retiring from the board in rotation, be and are hereby re-elected directors of this Bank."

Lord Carmichael, G.C.S.I., G.C.I.E., K.C.M.G.: I beg to second that.

The resolution was unanimously agreed to.

The Chairman: Gentlemen, I beg to thank you on behalf of Mr. Ryrie and myself for this kind renewal of your confidence.

Mr. J. Halliday: I have much pleasure in proposing: "That Messrs. Cooper Brothers and Co. and Messrs. W. A. Browne and Co. be reappointed auditors of the Bank, and that their remuneration be 200 guineas each for each audit."

Mr. J. D. Wilson: I beg to second that motion.

The resolution was passed unanimously.

The Chairman: That closes the business of the meeting, gentlemen.

Disadvantages of Controls upon Trade.

Mr. H. H. Nelson: I have a resolution to propose which I am sure will, as usual, be cordially accepted by the members present. Our Chairman has in very moderate language alluded to the obscurity and uncertainty which hang over the trade of this country in consequence of—it is no use mincing words—the manner in which the various factors which have made the trade of England and of its Colonies an important one have been dealt with by His Majesty's Government. This is not a place for politics, but certainly under the Coalition Government there has been no improvement whatever in the obscurity which has characterised the various operations of the Government during the War, and it has been even worse since, for we all looked forward with great hope and confidence to what would happen when peace was restored. What has happened since has certainly been disappointing. At the end of five months we find that we are still in doubt; we find that the various restrictions and rules and regulations which were put on trade are still not only as onerous as they were but even more so. Let us hope, as the Chairman has indicated, that wisdom may at length find its way into the House of Commons, and that we shall be able in the course of a few months to see our way more clearly. Certainly, the indications at the present time point to the great disadvantages of the various controls upon trade and the various nostrums which are being brought forward as essential to take the place of the only thing which can possibly do any good for the future of our commerce—that is to say, good hard work, plenty of confidence and plenty of capital. There is only one way to get out of our very serious financial difficulties, and that is by absolute freedom of trade—to bring every factor to bear that can induce production in this country and keep up the position which was earned by hard work and by the competition of a freedom of trade by our merchants which has more or less ceased to exist. The proposal I have to make is one highly creditable to the management of this Bank, which has become an extremely prosperous institution in their hands, and it will in due course, I am sure, with fair play become a very important bank in the Eastern trade. The report we have before us to-day is indicative of the kind of direction and management we have had, and whatever may eventuate from the political course which is now being adopted, I have every confidence that the ability which has brought so satisfactory a report to our notice to-day will overcome the various difficulties which may confront us. There are many difficulties which are quite possible and even probable, but I am convinced that they will be overcome by the same ability which has characterised the management of the Bank for many years. With these few remarks I beg to propose: "That a hearty vote of thanks be accorded to the Chairman, the directors, the Chief Manager, and the Managers and staff at home and abroad for their services, resulting in the excellent report of the Bank for the year 1918 now submitted and cordially accepted by this meeting."

The Position in India.

Mr. J. Macandrew: Mr. Chairman, I have very much pleasure in seconding this vote of thanks. It is extremely gratifying to note the large increase in the profits of this Bank, and to feel, as the last speaker has said, that in future they may be expected to be augmented in a most satisfactory manner. I feel, sir, that after the lucid exposition of yourself and the last speaker as to political matters in connection with trade which affect us in India, there is little for me to add. I noticed, however, that you did not make any reference to the state of affairs politically in India, and I trust it is your opinion and that of the members of the board—more especially of one or two eminent directors who have been in that country for years—that the position is sound, and I hope we shall have an assurance from you to that effect. There appears to be a general movement of unrest in almost every country under the sun, and no doubt in a vast country like India it is extremely desirable to know whether the Government have got all these movements well in hand. Before we part I should like a word or two from you on that subject, so that we may feel perfectly at rest in regard to the situation. With respect to the Bank and the excellent position it has attained, there is not a word to be said. (Applause.)

The vote was unanimously accorded.

The Chairman: Gentlemen, I am very much obliged to you for the kind words which have been said and for the kind way in which you have received them. I can only tell you that your directorate and staff prize very much indeed the appreciative remarks which are frequently made at these meetings. The seconder of the resolution has opened up rather a wide field for discussion, and it is somewhat difficult, I think, for anybody, notwithstanding the length of his residence in India and his experience of Indian affairs, to pass a positive opinion at present as to the position in that Empire. Inherently I believe the position is perfectly sound. As I said just now, a very great deal hangs on the next monsoon. If the next monsoon is a failure I think we have very trying times in front of us; but, given a normal monsoon, and if trade is prosperous, it will be a great help to politics. As to the political position of India, there is great divergence of opinion, of course, as to whether the lines which are at present being adopted are sound lines. Personally, I think it is better to walk before we run. I think we are going a bit too fast, but that remains to be seen. Again, gentlemen, I thank you very much indeed for your kind words as regards the management of this Bank, and I hope we shall meet again next year in equally pleasant and favourable circumstances. (Applause.)

The proceedings then terminated.

Gas, Water and General Investment Trust, Ltd.—Year to Jan. 28, '19. Net prof., £5,570; brought forw'd, £262, makg £5,832 to credit of "B" Debenture holders. 2¼% div. absorbs £5,625; carry forw'd, £207.

Lanarkshire Tramways Co.—Year to 31 Dec., '18. Available for distributn, £38,674. Ord. div. of 9%, £30,870; to Directors, £1,892; to Revenue New Accnt, £5,912.

The Mirrlees Watson Co., Ltd.—Year to Dec. 31, 1918. Net prof., £32,018; brought forw'd, £7,264; total, £39,282. Div. of 10% and bonus of 2½%, £11,141; Reserve, £20,000; carried forw'd, £8,141.

Municipal Trust Co., Ltd.—Year to Feb. 28, 1919. Available for distributn, £25,210; 5% on Pref. Stock, £11,508; 4% on Defrd. Stock, £5,364. Redemption of bonus certificates, £1,151; carry forw'd, £7,188.

Natal Land and Colonisation Co., Ltd.—Year to Dec. 31, '18. Net prof., £28,028; brought forw'd, £27,922. Div. of 8% on Pref., £3,962; 7% on Ord., £23,823; carry forw'd, £28,165.

Ransomes and Rapier, Ltd.—Year to 31 Dec., '18. Net prof., £17,998; brought forw'd, £21,576; makg £39,574. 6% on Pref., £641; 7½% on Ord., £8,451; extra remuneratn to Directors, £1,254; Reserve, £5,000; carry forw'd, £24,228.

E. Robinson & Sons, Ltd.—Year to 14 Mar., 1919. Net profit. £7,282; brought forw'd, £9,189; making £16,472. Div. on 5% Cum. Pref. Shares for ½ year to June 24, '18, and to Dec. 25, '18, £1,000; balance, £15,472. Div. of 9% on Ord., £4,050; Reserve Fund, £5,000; carry forw'd, £6,422.

Slazengers, Ltd.—Year to 31 Dec., 1918. Net prof., £40,675; Pref. div., £4,275; Balance, £36,400. To General Reserve a/c, £6,297. Div. on Ord., £11,756. 50% of remaining £18,347 due to Directors as remuneratn., £9,174. Brought forw'd, £16,179, making £25,353. Bonus on Ord. Shares, £5,878. Carry forw'd, £19,475.

Samnuggur Jute Factory Co., Ltd. Year to Dec. 31, 1918. Net prof., £318,332; appropriations to reserve, depreciation, and income tax obligatns. £138,000; 5 on Pref. and 50% on Ordy., £122,063; carry forw'd, £58,269.

Southend Waterworks Co. Year to Dec. 31, '18. Total available for distributn, £20,092. Interest charges and div. on 5% Pref., £13,764; Ord. div. of ¾%, £4,383; carry forw'd, £1,945.

Titaghur Jute Factory Co., Ltd. Year to Dec. 31, 1918. Available for distributn, £251,808. 5% on Pref., £7,500; 7% on Ordy., £210,000; less income tax, £84,531; carry forw'd, £83,245.

United States Investment Corpn., Ltd. Year to 31 Dec., '18. Net prof., £17,726. Divs. on Pref. (June and Dec. '18), £7,500; 6% div. and 1% Bonus on Ord., £7,000. Carry forw'd, £3,226

Aurora West United.—Authorised capital £300,000, in 600,000 10*s.* shares; issued, 212,705 shares.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1916 ...	80	179,600	13½	216,970	24/3	166,287	18/7	50,683	5/8	13/3
1917 ...	80	177,250	13	212,739	24/0	168,165	19/0	44,574	5/0	12/3
1918.										
Mar. qr.	80	39,300	12⅛	46,305	23/6	42,401	21/6	3,904	2/0	10/9
June qr.	80	42,000	7½	47,905	22/9	45,382	21/7	2,523	1/2	8/18
Sept. qr.	80	42,050	7⅞	47,433	22/6	45,492	21/7	1,941	–/11½	11/0
Dec. qr.	73av.	35,200	6¾	36,819	20/11	42,778	24/4	*5,959**	*3/5*	10/6
12 mos....	78av.	158,550	8⅛	178,462	22/6	176,053	22/2	2,409	–/4	10/6
1919.										
Jan. ...	—	12,000	—	10,797	18/0	14,084	23/8	*3,287**	5/8	10/0
Feb. ...	—	11,700	—	11,681	20/0	14,675	25/5	*2,994**	6/5	9/6

* Loss.

Brakpan.—Capital issued, 791,100 £1 shares; 160 stamps. Ten tube mills now working.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1916 ...	140	709,300	12⅛	1,097,761	30/11	684,536	19/3	413,226	11/8	4⅛
1917 ...	110	677,500	14⅛	1,168,454	34/6	694,451	20/6	474,003	14/0	5⅜
1918 ...	111	617,100	13½	1,089,950	35/4	723,643	23/5	366,317	11/11	3½
1919.										
Jan. ...	—	42,000	—	85,224	40/7	54,350	25/11	30,374	14/8	3⅛
Feb. ...	—	41,300	—	80,925	39/2	51,749	25/1	29,176	14/1	3⅛xd

The fixed charge for development has been increased from 2*s.* 6*d.* to 3*s.* 6*d.* per ton as from July 1, 1918.

Dividends—1917, June, 22½; Dec., 25 per cent.
1918, June, 20; Dec., 12½ per cent.

City Deep.—Capital £1,250,000, in £1 shares. 200 stamps and tube-mill accessories.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue* Amt. £	Revenue* Per ton	Expenses Amt. £	Expenses Per ton	Profit* Amt. £	Profit* Per ton	Price end of Period
1916 ...	154av.	725,700	12¼	1,437,328	39/7	732,937	20/2	704,390	19/5	4⅝
1917 ...	154	744,100	14¼	1,469,953	39/6	796,137	21/5	665,569	17/11	3⅜
1918.										
Mar. qr....	154	179,500	10¼	344,246	38/4	200,523	22/4	143,723	16/0	2⅞
June qr.	154	181,300	10	353,622	39/0	208,661	23/0	144,961	16/0	3
Sept. qr.	154	168,300	9¾	310,825	36/11	205,758	24/5	105,069	12/6	2⅞
Dec. qr.	154	141,000	9½	266,277	37/9	206,826	29/4	59,451	8/5	2⅛
2 mos.	154	670,100	9½	1,274,970	38/0	821,768	24/6	453,202	13/6	2⅞
1919.										
Jan. ...	—	45,500	—	90,596	39/9	65,709	28/10	24,887	10/11	2⅞
Feb. ...	—	40,000	—	78,330	39/1	60,820	30/5	17,510	8/8	2⅜ xd

Dividends—1916, June, 22½; Dec., 22½ per cent.
1917, June, 22½; Dec., 22½ per cent.
1918, June, 20; Dec., 7½ per cent.

Consolidated Langlaagte.—£950,000, in £1 shares. £150,000 5½% Debentures. 100 stamps and 10 tubes. About £400 monthly sundry revenue included below.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit* Amt. £	Profit* Per ton	Price end of Period
1916 ...	100	627,050	—	785,637	25/0	505,975	16/2	284,396	9/0	28/0
1917 ...	100	585,650	¼	729,938	24/11	501,385	17/1	231,226	7/11	21/0
1918 ...	100	503,300	—	635,853	25/2	478,113	19/0	157,740	6/2	20/0
1919.										
Jan. ...	—	41,300	—	51,645	25/0	42,600	20/9	9,045	4/3	19,6
Feb. ...	—	41,000	—	49,414	24/1	40,375	19/10	9,039	5/3	18/0xd

* Includes slimes profit and sundry revenue.

Dividends—1916, June, 12½; Dec., 10 per cent.
1917, June, 10; Dec., 7½ per cent.
1918, June, nil; Dec., 5 per cent.

Crown Mines.—Capital £1,000,000, in 2,000,000 shares of 10*s.* each; issued, 1,880,212. £657,100 Five per Cent. Debentures. Milling capacity about 232,000 tons per month.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	660	2,100,000	8¼	2,700,095	25/9	2,026,129	19/4	673,966	6/5	2⅜
1918 ...	660	1,861,800	9¼	2,528,760	27/1	2,118,055	22/8	410,705	4/5	2½
1919.										
Jan. ...	—	140,000	—	202,605	28/11	184,225	26/4	18,380	2/7	2⅜
Feb. ...	—	124,000	—	182,843	29/5	169,873	27/4	12,970	2/1	2⅜

Accumulated slimes profits included.

Dividends—1917, June, 20; Dec., 20 per cent.
1918, June, 15; Dec., 5 per cent.

United Carlo Gatti, Stevenson & Slaters, Ltd.—Year to 31 Dec., 1918. Net prof., £20,803; brought forw'd, £6,451. Interest on 4½% Deb. Stock and 5½% div. on Pref. Shares, £9,115; leaving £18,140. General Reserve, £5,000; Investment Reserve, £500; 3% on Ordy. Shares, £6,000; Carry forw'd, £6,640.

Victoria Jute Co., Ltd.—Year to Dec. 31, 1918. Net prof., £205,043; Depreciatn, £20,000; reserve for Income Tax obligatns, £42,000. 5% on Pref. and 60% on Ordy., £98,812; carry forw'd, £44,230.

WESLEYAN & GENERAL
ASSURANCE SOCIETY.

ESTABLISHED 1841. *INCORPORATED 1914.*

Principal Office = = = BIRMINGHAM.

SUMMARY OF THE SEVENTY-EIGHTH ANNUAL REPORT,
FOR THE YEAR ENDING 31st DECEMBER, 1918.

The total Income from Premiums and Interest was **£1,234,431 0s. 4d.**, showing an increase of **£57,592 3s. 7d.**

The Claims, including Surrenders, during the year amounted to **£596,904 11s. 9d.**, making a total exceeding **NINE AND A HALF MILLION POUNDS** paid since the commencement of the Society.

The amount paid in War Claims up to 31st December, 1918, was **£240,285.**

Claims amounting to **£94,615 9s. 4d.** were paid as the result of deaths arising through Influenza and Pneumonia.

The total Assets at the end of the year amounted to **£3,329,766 15s. 9d.**, showing an increase of **£221,275 16s. 3d.**

The amount invested in British Government Securities was **£1,506,920 16s. 1d.**

B. SHIRLEY SMITH, Chairman. ARTHUR L. HUNT, General Manager.

THE LONDON ASSURANCE.

Incorporated by Royal Charter, A.D. 1720.

7 ROYAL EXCHANGE, LONDON, E.C. 3.

INCOME £3,147,482 FIRE. MARINE.

Applications for Agencies Invited.



ASSETS £7,393,667 LIFE. ACCIDENT

All classes of Insurance.

The Corporation has granted Fire, Life and Marine Insurances for nearly Two Hundred Years.

THE **OCEAN** Accident and Guarantee Corporation, Limited.

Assets - - £5,000,000
Claims paid - £17,500,000

Accident Insurance of all kinds.
Employers' Liability. Fidelity Guarantees.
Fire and Burglary. Public Liability.
Motor Cars. Excess Bad Debt and Credit.
Boiler and Lift Insurance.
Executorships and Trusteeships.

Head Office: MOORGATE STREET, LONDON, E.C. 2.
T. M. R. ARMSTRONG, *Manager and Secretary.*

BRITANNIC

ASSURANCE CO., LTD.

One Special Ordinary Branch feature is the **CHILD'S OPTION POLICY (Table 11a),** under which a premium of £10 assures £1,091 on certain conditions.

FUNDS - - - £4,800,000.

Chief Offices: BROAD STREET CORNER, BIRMINGHAM.

LONDON & MANCHESTER ASSURANCE COMPANY, LIMITED.

Chief Office - 50 FINSBURY SQUARE, LONDON, E.C. 2.

Allied with National Amalgamated Approved Society for National (Health) Insurance.

PREMIUM INCOME exceeds ... £900,000
FUNDS exceed £2,000,000

PEARL

ASSURANCE COMPANY, LTD.

Chief Offices: High Holborn, W.C. 1.

Annual Income exceeds £5,250,000
Claims Paid exceed £23,000,000

REFUGE ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds - £4,700,000
Assets Exceed - - - - £15,900,000
Claims Paid Exceed - - - £28,000,000

IMPORTANT NOTICE.

EASTER HOLIDAY ARRANGEMENT.

"THE STATIST" will be published on Thursday next April 17, instead of on Saturday.

INCOME TAX.

Are you paying more than necessary?

Income Tax is a burden which falls especially heavily on those with incomes between £120 and £1,000, but under recent Finance Acts relief can be obtained on various grounds, some of which are overlooked by the Taxpayer.

The WESTERN AUSTRALIAN INSURANCE CO., LTD., of 45 to 47 Cornhill, London, E.C.3, will be pleased, on receipt of a post card, to send you, free of cost, a publication on the subject by an expert, setting out very clearly the grounds on which relief can be obtained.

IT IS NOT TOO LATE TO CLAIM RELIEF ON ACCOUNT OF THE CURRENT YEAR.

LLOYDS BANK LIMITED,

with which is amalgamated

THE CAPITAL & COUNTIES BANK LTD.

HEAD OFFICE: 71, LOMBARD STREET, E.C. 3.

CAPITAL SUBSCRIBED	£55,962,850
CAPITAL PAID UP -	8,954,056
RESERVE FUND - -	9,000,000
DEPOSITS, &c. - -	267,966,438
ADVANCES, &c. -	81,072,134

FRENCH AUXILIARY:
LLOYDS BANK (FRANCE) AND NATIONAL PROVINCIAL BANK (FRANCE) LTD.

The Statist.

LONDON, SATURDAY, APRIL 12, 1919.

CONTENTS.

LEADING ARTICLES— PAGE
THE DEBT OF THE EMPIRE ... 635
NEARING THE END 635
APPRECIATION IN VALUES ... 636
BRITISH AND AMERICAN SHIPPING 637
LANCASHIRE ENGINEERING INDUSTRY 639
CHILI 640
THE ALKALI INDUSTRY ... 641
LAND PURCHASE IN IRELAND —II. 642
PRODUCTION AND LUXURY ... 643
NATIONAL BANK OF INDIA ... 644
PRICES OF COMMODITIES ... 645
TRADE IN MARCH 645

S. AND CENTRAL AMERICA—
POPULATION 646

THE MONEY MARKET ... 628, 647
THE EXCHANGES 648

STOCK EXCHANGE... ... 649

MINING TOPICS—
GLOBOLD 651
GELDENHUIS DEEP 651
COREGUM 651

TABULAR APPENDIX—
I. Bank Returns, &c. ... 672
II. Current Bank Rates and Discount 653
III. Foreign Exchanges ... 653
IV. Bankers' Clearing-House Returns 653
V. Freights 653
VI. Wholesale Prices of Commodities 654
VII. Railway Revenue Statements 654
VIII. Railway and Tramway Traffic Receipts ... 654

AMERICAN TOPICS—
CANADIAN PACIFIC RAILWAY 654

FINANCIAL NOTES— PAGE
DE KEYSER'S HOTEL ... 647
INDIA 648
BRAZILIAN TRADE 648

RUBBER TOPICS—
YIELD AND RAINFALL IN MALAYA AND CEYLON ... 652
SELAMA (LOWER PERAK) ... 652
GOLDEN HOPE (SELANGOR)... 653
SHELFORD (F.M.S.) 653
TOERANGIE (SUMATRA) RUBBER 653
GARING (MALAYA) 653

NEW ISSUES—
CROSSLEY MOTORS, LTD. ... 657
J. TYLOR & SONS, LTD. ... 657
ECRIL, LTD. 658
MACKY AND COMPANY, LTD. 658
SOUTH FLEETWOOD FISHING CO. 658
VICTORY OIL AND CAKE MILLS, LTD. 658
WELLESLEY BROWN ARMOURED, LTD. 658

INSURANCE NOTES—
WORLD MARINE AND GENERAL INSURANCE CO., LTD. ... 654
LICENSED AND GENERAL INSURANCE CO., LTD. ... 654

COMMERCIAL—
MAY 655

INDUSTRIAL COMPANIES—
PALMERS SHIPBUILDING AND IRON CO. 655
BARRY, OSTLERE AND SHEPHEARD 657
MAZAWATTEE TEA 657

MEETINGS OF PUBLIC COMPANIES ... 666-678

REPORTS—
CANADIAN PACIFIC RAILWAY 659
BANKING AND CURRENCY REFORM 662

The Money Market.

Friday, April 11, 1919.

	Current Rate Fixed	Previous Rate Fixed
Bank of England Rate...	**5 (Apr. 5,'17)**	**5½ Jan. 18,'17**
Bank of England Rate — to Clearing Banks: 3 days' notice ...	**3 (Feb. 14,'18)**	**4 June 19,'17**
for Foreign Money*	**4½ (Nov. 15,'17)**	**extended Jan. 2,'18**

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances.

Deposit Rates:—			
Banks & Discnt. Ho. (Call)	**3† (Feb. 14,'18)**	**3½**	**Jan. 2, 18**
Discount Houses (Notice)...	**3 (June 6,'18)**	**3¼**	**Feb. 14,'18**

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Tr'sury Bills (Fixed Feb. 14,'18)—		3½	—	3½
Bank Bills 3½		3½	3½	3⅞
Trade Bills ... ... —		4–4¼	4–4¼	4–4½

THE EXCHANGES.

We have received a copy of the March review of trade and finance issued by Barclays Bank. "While fully appreciating," says the circular, "the potentialities and the importance of the home market, it would be folly to ignore the fact that as an essentially industrial nation, largely dependent on other countries for raw materials and relying on our exports to pay for same, the foreign markets are more vitally important to our well-being than to that of any other nation. In these circumstances, every factor affecting the foreign exchanges is of necessity full of interest." An exchange quoted at a premium in relation to those of other countries, says the review, "is in fact prejudicial to its trading interests. In effect, such a condition establishes a protective tariff against exports while placing a premium on imports. In the case of the London-New York exchange, the parity is 4.867, and when the rate, as at present, is quoted lower than this figure, it is favourable to America, because the pound sterling or its equivalent in goods can be purchased for a lower number of dollars. Similarly, a quotation higher than parity is unfavourable as it results that a greater number of dollars must be given for the pound sterling or its equivalent in goods. Thus, with the exchange at 5.00, an American importer could for $500 purchase English goods to the value of £100, but if the exchange fell to 3.00 then the same goods could be purchased for $300 instead of $500, this giving a really substantial inducement to come to business and to import goods from England. On the other hand, with the dollar exchange at 5.00 American goods to the value of $500 could be exported to England at an expense to the English buyer of £100, while with the exchange at 3.00 he would be discouraged from purchasing in the States because the same goods would cost him £166 13*s.* 4*d.*"

Manifestly, therefore, it is clearly in the interest of this country that we should not continue the necessary expense for maintaining the rates of exchange as between this country and the United States at a fictitious figure. It is far better to face the facts as they are, and to see what can be done to seek a remedy. As said above, we are, for a great Empire, exceptionally dependent upon foreign trade. Although the British Empire is the largest single entity in existence, owing to the fact that its outlying parts have been so little developed in the past, we are less self-contained than is the case with any of what are commonly called the Great Powers. Very small countries are usually in a position in which they produce a small number of commodities and are dependent for their existence upon foreign trade. But in the case of what are called the Great Powers it is nowhere so to the extent that it is with Great Britain. The position of Great Britain is exceptional in many ways, for while, as we have said, the British Empire is the greatest single entity, it is not composite in the sense that most of the other Great Powers are. During the recent War nearly every colony and every dependency of the Empire assisted us either with men or with money, and in many cases with both—indeed, in most cases. But they were not compelled to do so. England, on the other hand, is compelled to do all that she can to maintain the integrity of the Empire, and if any outlying colony or dependency is attacked, it is from Great Britain that the means for its defence must be sought. Nearly the whole of the burden of raising the immense loans, the immense numbers of men, and the maintenance and provisioning of the Navy has fallen upon these small islands, which are not merely unable to raise sufficient food for their own consumption, but are dependent upon other parts of the world for the supply of raw materials which enable them to earn their living at all. The Empire is the preponderating source for the supply of wools. In fact, except for about 20% obtained from South America, the British Empire is the great source of supply for the raw material of the woollen trade of the world. With the cotton industry, however, it is totally different. The British Empire contributes only some 15% to the world's supply of raw cotton, and it is dependent to the extent of more than 80% upon the United States of North America for the raw material which makes the existence of the staple industry of Lancashire possible. Finally, it has to be borne in mind that this country, which bears such a preponderating proportion of the burdens of maintaining the Empire, is for the most part a town population. To the extent of practically 80% the population of Great Britain is engaged in the manipulation, as distinct from the production, of primaries. While efforts are being made to increase the food production of this country, it is exceedingly doubtful if it would be found practicable to very materially increase our production here at home of food and raw materials. During the coming season the Government, no doubt wisely, has guaranteed a certain price to our farmers for the production of wheat. But this means that the industrial population of our towns will have to give in services a greater proportion of labour to obtain a given proportion of wheat. When the clearing-up period from the effects of the recent War comes about it is very doubtful if it will be found to our real economic advantage to increase the production of home-grown food, if it is only possible by guaranteeing our farmers prices considerably in excess of those for which we could obtain an equal quantity of food elsewhere. It would mean that, owing to the guarantee, an undue proportion of people were employed in farming and an undue proportion of capital attracted to this enterprise. If this is done, it will inevitably mean that the cost of living will be high; and, consequently, wages, even if they remain high, will only bring a very modest degree of comfort for the worker when measured in commodities as distinct from money values.

BANK OF ENGLAND.

A diminution of £9,000,000 in Government securities, indicating reduction of indebtedness to the Bank, was the principal movement observable in this week's return. There was also a decline of £1,246,000 in "other" securities, reducing same to the lowest figure registered since February 14, 1917—three days before the lists closed for the great 4% and 5% War Loan. Then the amount of "other" securities was £44,000,000. Demand for accommodation in connection with the War Loan resulted in a rise to £196,000,000 on March 7. After considerable fluctuations in the interval, the amount has now fallen to £77,624,000, which points to the market's readiness for the anticipated final Peace and Funding Loan. In face of the fall of £10,330,000 in the two "security" items on the week, public deposits dropped £2,481,000, "other" deposits or bankers' balances £7,010,000,

and the "rest" £478,000, due to the payment of the Bank's half-yearly dividend. For the first time for many weeks a diminution—not appreciable in amount—occurred in the note circulation, which, together with a further increase of £161,000 in the bullion, raised the reserve by £367,000, the proportion to liabilities being 1.42% higher at 19.49%.

THE POSITION IN INDIA.

Messrs. Samuel Montagu and Company in a recent circular stated that during the 50 years ended with 1917-18 India has imported and retained 253 millions sterling of gold, say one-ninth of the world's production during that period. As India has also imported and absorbed in this half-century the lion's share of the silver output, the amount of the precious metals which it has assimilated is really astonishing. This is, of course, true; and it is still more astonishing when we remember the great poverty of India and the inadvisability, from an economic point of view, of the hoarding of the precious metals, which should be as far as possible lodged in banks, where they would form a basis for credit many times their nominal value. To what extent so large a sum, if it were available in the Indian banks, would admit of Indian credit being increased cannot, of course, be ascertained as we have no experience to go upon. But that it would stimulate Indian trade there is a consensus of opinion on the part of nearly all economists. Probably the best system, if it were possible to adopt it, would be to allow the banks, with as little restriction as possible from the Government, to issue as much credit as their experience as bankers and their gold holding would justify. If they exceeded these, their own credit would diminish; and if they did not keep up to this standard they would cease to earn the profits to which they had become accustomed. Consequently, experience would show roughly what credit was possible upon a given amount of specie. As we say elsewhere, Indian trade shows signs of revival. India is sending us important consignments of jute, hides, and various other raw materials; and, as we point out, there have been very beneficial rains in the Punjab. Assuming that the coming monsoon is a favourable one, and that India regains once more the prosperity she has enjoyed now for several years, with the brief interruption of last season, the exchanges as between this country and India are in a chaotic condition. The rupee means one thing in India; it means a different thing for purposes of exchange; nor can silver, owing to the legislation of 1893, be freely coined at the mints. Lastly, gold exports from this country are forbidden; silver is difficult to obtain; and the regular drawing of Council drafts has been suspended now for several months. It seems inevitable that sooner or later there will have to be a revision, or at any rate a reconsideration, of the fiscal policy of the Indian Government.

POSITION IN NEW YORK.

There is a feeling in some quarters, both in the United States and in this country, that American bankers and financiers will take measures to prevent the exchange becoming very adverse to this country. The general impression is that American bankers will buy largely of European securities for the purpose of creating immense trade balances here, which will enable them to flood Europe with goods, foodstuffs, and various commodities from the United States. It is said to be the ambition of New York to take the place, so long occupied by London, as the international financial centre of the world. We have not, of course, the privilege of being in the confidence of American bankers, but we doubt if the very able body of men who control the great banks and financial institutions of New York have any such ambition. If New York is in the future to be the great financial centre of the international trade of the world, it will come about quite naturally, and it will not be necessary for the bankers to engage in any spectacular operations in order to bring about such a result. The controllers of the great banks and financial institutions of New York are probably of opinion that the United States requires the bulk of the capital she has acquired during the War for her own development. London acquired the position she enjoyed right up to the commencement of the War because England had been for a period of nearly two centuries the greatest manufacturing and maritime country in the world.

SILVER.

The price of silver, which was at 48⅞*d*. on Thursday of last week, says Messrs. Sharps and Wilkins' circular, fell next day to 48⅜*d*. per ounce standard. The price has varied with the course of the American exchange, and inasmuch as this exchange has shown a steady decline, the price of silver has tended to become firmer. Messrs. Sharps and Wilkins point out that the quotation only fluctuated ⅛*d*. on three consecutive days of the past week. To-night's closing price is 48⅛.

Stock Exchange.

Following the improvement in tone noticeable at the close of last week, the Stock markets re-opened on Monday in quite lively fashion under the lead of War Loan. The easy money conditions, the successes of the numerous new issues, the prospect of a statement of peace terms next week, and the reported fixing of the indemnity which Germany is to pay the Allies, all contributed to cheerfulness, and at the end of the week the announcement that the Chancellor will make his Budget speech on April 30 was welcomed as denoting a speedy end to anxiety as to new taxation. After a fairly well-spread appreciation in quotations of active securities in most sections of the market, there came hesitancy and a reactionary tendency here and there, due, apparently, to thoughts of the possibility of trouble which lies in the Russian situation and the approach of the Easter holidays.

Good buying of War Loan raised the quotation at one time to 96, but the closing price to-day is 95¾. The half-yearly dividend of £2 10*s*. will be deducted shortly, and if the price then is the same as now, the net quotation will be 93¼, entailing the application of the depreciation fund to raise the price. Consols, Irish land, and India 3% have also commanded better prices, while among Colonial Government stocks, Australia 5½% 1922-27, Cape 3½%, New South Wales 5% 1921-23, and New Zealand 4% 1929, have risen. There has not been much business in foreign stocks, though the French 5% War Loan is a little higher. On

5%

NATIONAL WAR BONDS.

Although the issue of September Bonds is discontinued, they are still purchasable for a limited period by instalments from

The National Mutual Life Assurance Society

39 KING STREET, CHEAPSIDE, LONDON, E.C. 2.

under the Society's Special Scheme.

INSTALMENTS CEASE AT DEATH.

NO MEDICAL EXAMINATION OF APPROVED LIVES.

Write for particulars.

the other hand, Russians have remained quite friendless, the 5% declining to 48½. Home rails were uniformly good at the beginning of the week, but the markets became irregular towards the close. On balance, however, some of the stocks are a half to one point better. Among colonial descriptions, Canadian Pacific have risen on the report, and the improvement in Grand Trunk issues has made further headway on the report statement of the Canadian Minister of the Interior that the Government has offered fair and open arbitration with no limit fixed as to the maximum the arbitrators may award. In the foreign railway section there have been two outstanding features—Antofagasta Deferred with a 8-point rise to 135 on the better prospects of the nitrate trade, and heaviness of Guayaquil and Quito Bonds on the announcement that the daily deposits for the service of the bonds have been discontinued. It appears now, that to pay the £80,000, already remitted for the service of the bonds, the Government borrowed from local banks. The Finance Minister has promised a further remittance in July. Argentine railway issues have for the most part been weak again. The fall in quotations in this section of the market since the beginning of the year due to the labour position and the rise in expenses has been severe in some cases, as will be seen from the following:—

Arg. Gt. Western (Ord.) ...	67	65	B.A. Western (Ord.) ...	74	67½
Arg. N.-Eastern (Ord.) ...	28	26	B.A. Central (Debs.) ...	78xd	78
Arg. Transandine (Pref.)	11	10½	Central Argentine (Ord.)	66	56½
B.A. and Pacific (Ord.) ...	59	51	Cordoba Central (Ord.) ...	18	15
B.A.G.S. (Ord.)	72	67	Entre Rios (Ord.)	41	39

The industrial and general sections have maintained a firm tendency, and there have been a fair number of good features. Among breweries further buying of City of London Ordinary raised the price 9 points to 137½, and Allsopps' Ordinary and Preference are both higher on the week. In Egyptians Sudan Plantations were at one time rather wildly hoisted to 7⅞, and close ⅛ up at 6⅞. Insurance shares have been relatively quiet, and in telegraphs there has been reaction in Marconi issues after last week's activity. Iron and steel shares have not moved much, though Otis Steel Common, following their recent rise, have reacted to 176. Elsewhere buying of Niger shares has raised the price to 58*s.*, and Duff Development have been active and are 2*s.* 9*d.* higher at 17*s.* 3*d.* A sudden burst of activity has to be recorded in the Nitrate section, buying being induced by consideration of the previous severe fall and the prospect of resumption of normal shipping conditions and the removal of trade restrictions. Sharp jumps in prices have been fairly numerous. P. & O. Deferred have been a firm spot among shipping shares, and close 13 points higher at 415. Industrial issues continue to attract a good deal of attention, despite the competition of new issues. This week Associated Cement have risen ½ to 7⅞. British Automatic Telephones have been active on the prospect of the company's patents being largely used in the London service. Dunlop Rubbers have touched 6. On the other hand, another recent favourite—Magadi Soda—have exhibited a reactionary tendency on profit-taking. Both United Tobacco Ordinary and Imperial Tobacco Ordinary have advanced in price, and Dennis Brothers, among motor shares, have risen on the amalgamation with White & Poppe.

Activity in oil shares burst out again under the lead of a sharp further rise in Burmah Company's shares, which are as much as ⅞ higher on the week at 9⅞. British Borneo have been another strong spot, having risen from 18*s.* to 22*s.* 6*d.* Other rises are numerous but relatively small. The market has not been all one way, however, as profit-taking has been proceeding in several directions, as indicated by the reactions in the prices of Lobitos, London and Thames Haven, and Assam shares. Shells close at 8$\frac{9}{32}$, against 8¼ a week ago.

PLAYER'S
NAVY MIXTURE
"Pipe Perfect"
IN THREE STRENGTHS
White Label. 9½d. PER OZ.
Mild and Medium. 10½d. PER OZ.
This Tobacco is also supplied at Duty Free Rates for the purpose of gratuitous distribution to wounded Soldiers and Sailors in Hospital.
Terms and particulars on application to
JOHN PLAYER & SONS, Nottingham.
Branch of the Imperial Tobacco Co. (of Great Britain and Ireland), Ltd.

Leaders of the World's Filing and Card Index Systems
Shannon LIMITED
and Modern Office Furniture
ROPEMAKER STREET, E.C. 2.
Ring up London Wall 1533.

Mining Topics.

With better news to hand in regard to the Johannesburg labour situation, and a more cheerful feeling generally prevailing in other sections of the Stock Exchange, the market for South African mining shares on Monday showed distinct signs of recovering from the recent set-back. Crown Mines, Central Mining, Rand Mines, Modderfontein, Geduld, Government Areas, and Union and Rhodesia Trust were prominent and strong in the early part of the week. Later irregularity developed, but on balance a good portion of the early appreciation has been held. Anglo-French Exploration have been bought in anticipation of the report, and in diamonds De Beers and Premiers have been good. Rhodesians have borne rather a neglected appearance. Tin shares, too, have inclined to weakness, even South Crofty and East Pool closing lower, despite the good annual reports and scrip bonus proposals. Exceptionally Malayan Tin Dredging have risen to 49*s.* There has been a hardening tendency in Siberians on the news of Admiral Kolchak's successful advance, and several shares in the American section have been good again, particularly Santa Gertrudis and Oroville Dredging, the latter on the acquisition of a Colombian quartz property. Above all, the outstanding feature has been the continued big rise in Burma Corporation to well over 7. Bawdwin Syndicates and Lake Views have, as usual, moved in sympathy. Oroya Links, too, have been bought on the statement that the Company has now 10,000 Burma shares. Besides the influence of the very good developments in the northern section of the property, to which we referred recently, it is said that a treatment process has been evolved which will considerably improve the recovery value of the ore by the new large-scale plant. Experiments to this end, it will be remembered, have been proceeding for some time past.

GEDULD.

In 1918 the increased mill equipment of the Geduld mine was in full operation, and the quantity of ore crushed consequently exceeded the figure of 1917, during which extensions and renovations were being carried out by 87,650 tons. The gold yield per ton was 6*d.* lower and expenses rose slightly to 20*s.* per ton. Doubtless but for the labour shortage and the continued rise in prices of materials, the greater milling rate would have enabled the cost figure to be reduced. However, the working profit showed an expansion of £21,400, while, thanks to an increase of £2,000 in sundry revenue and reductions of £6,500 and £4,000 respectively in excess development and taxation, the net profit comes out at £220,086, against £187,143. The property being in course of preparation for larger scale working, heavy outlay was again incurred for equipment and shaft sinking, the total of the two for the year being £83,729, in comparison with £162,050 for 1917. For the first half of the year a dividend of 5% was declared in June 1918 in respect of the then capital of £970,000. This absorbed £48,500. Subsequently, to provide funds for the expansion policy, 177,146 £1 shares were issued, and this delayed the dividend declaration for the second half of the year until January, so that the amount required of £71,698 is not shown in the accounts for 1918. However, we make allowance for it in the following table:—

Issued Capital: £1,147,166 *in* £1 *shares.*

	Ore Milled Tons	Gold Yield per Ton	Working Costs per Ton	Working Profit £	Working Profit Per Ton	Net Profit* £	Dividend £	Dividend %
1913 ...	182,980	28/1	24/9	30,735	3/4	34,761	—	—
1914 ...	244,585	32/4	24/5	96,968	7/11	91,445	46,125	5
1915 ...	303,410	30/11	21/7	141,411	9/4	151,509 †	97,000	10
1916 ...	322,980	31/3	21/7	155,631	9/8	150,317	97,000	10
1917 ...	425,550	29/8	19/8	212,838	10/0	187,143	97,000	10
1918 ...	513,200	29/2	21/4	234,242	9/2	220,086	120,198	11¾
1919.								
Jan. ...	42,900	30/4	20/6	21,201	9/10	—	—	—
Feb. ...	39,500	29/8	19/6	20,174	10/2	—	—	—
Mar. ...	43,500	28/6	18/10	21,117	9/8	—	—	—

* After deduction of taxes and inclusion of sundry revenue.
† Includes £18,758 of reserve gold.

After paying the second half-year's dividend, providing for directors' extra remuneration, and allocating £83,307 for capital expenditure, a balance profit of £14,780 remains. At December 31 the balance sheet showed £22,300 of surplus cash resources, excluding £96,040, value of stores, as well as the proceeds of issue of 138,985 shares not received at December 31, and, *per contra*, before deducting £71,698 for the final dividend. The directors consider now that there is no need to maintain stores at an abnormal level, and consequently this item of locked-up capital is to be reduced.

A new vertical shaft to open up the large southern area is about to be sunk. This will be in addition to the intermediate and No 3 Incline shafts, advanced 2,233 feet and 1,129 feet respectively in 1918 to 5,060 feet and 4,332 feet depth. The No. 3 shaft at 4,150 feet intersected dyke 100 feet thick and the reef was found to be upthrown 150 feet. It remains to be seen to what extent it has been disturbed. Development work during 1918 gave good results, and though water—the mine is a very wet one—gave some trouble in the fourth level south, the ore reserves as a whole were increased by 310,000 tons, the value and stoping width being unchanged. The progress made in this respect is shown below:—

Ore Reserves at December 31.

	Tons	Aver. Value	Aver. Width	Shillings-inches
1915	2,100,000	32/9	59·5	1,948
1916	2,150,000	31/5	60·0	1,884
1917	2,200,000	31/10	61·0	1,940
1918	2,510,000	31/10	61·0	1,916

Native labour was sufficient for requirements until the influenza epidemic caused dislocation in the last two months of the year. In this connection it is worth noting the increased employment of rock drills. Thus, whereas in 1917 machine stopes gave 59½%, of the tonnage mined, in 1918 the percentage was 64¾. It should be possible to extend this progress by the use of jack-hammer drills.

The price of the Company's £1 shares is 2½xd. To warrant this price 30% annual dividends must be forthcoming for a lengthy period. On the increased capital 30% dividends absorb £344,300, which is equivalent to 8*s.* 6*d.* per ton (the recent rate of net profit) on an annual milling rate of 810,000 tons. The present plant's capacity is about 530,000 tons a year, so that a substantial increase in the equipment is discounted in advance.

GELDENHUIS DEEP.

From the cabled summary of the annual report it appears that the prospects of the Geldenhuis Deep are far from bright. Last year labour shortage interfered with normal working, and with high prices ruling for materials costs so increased that the net profit fell near to the vanishing-point. A dividend of 7½% was paid, against 20% for 1917, but this was only possible by taking credit for £13,494 over from capital expenditure account and by reducing the carry-forward from £180,520 to £151,708.

	Ore Milled Tons	Gold Yield Per Ton	Working Costs Per Ton	Working Profit £	Working Profit Per Ton	Net Profit† £	Dividends £	Dividends %
1914 ...	570,600	27/5	22/10	129,697	4/7	131,119	109,829	18¾
1915 ...	639,800	25/6	21/6	128,601	4/0	122,709	117,151	20
1916 ...	694,550	25/5	20/7	169,478	4/10	158,782	146,439	25
1917 ...	648,400	23/10	20/10	96,704	3/0	114,806	117,151	20
1918 ...	691,100	23/2	23/1	11,900	–/5	15,119*	43,931	7½

* Including credit of £13,494 from capital expenditure account.
† Net profits after paying taxes.

The ore reserves at the end of 1918 show a reduction of 261,400 tons to 1,549,600 tons, the value being fractionally higher at 25*s.* 1*d.* per ton. The Consulting Engineer considers the future of the mine is not very promising. The eastern section is nearly completely developed, and though in the western section a considerable area remains to be opened up, a substantial outlay will be necessary and the tonnage of payable ore that can be expected is not large.

OOREGUM.

The Ooregum, deepest of the old Indian mines, fared relatively badly in 1918, not because of any diminution in the gold yield per ton of ore milled, or on account of any serious decline in output, but simply owing to the rise in costs brought about by the War the world over. Thus the gold output per ton milled was 49*s.* 9*d.*, against 49*s.* 7*d.* in 1917, and costs rose from 25*s.* 8*d.* per ton to 29*s.* 1*d.*, the margin of profit per ton, therefore, being 20*s.* 8*d.*, against 23*s.* 11*d.* This decline explains the bulk of the reduction in profit from £185,465 to £157,995. The results are shown in the following table, which also sets out the ore reserves. There was a further diminution under this head, though the amount in sight is still larger than at the end of 1915:—

Year to Dec. 31	Ore Crushed Tons (2,000Lb.)	Total Value of Gold Secured £	Total Value of Gold Secured Per Ton	Expenses, not including Royalty Per Ton	Working Profit £	Working Profit Per Ton	Ore Reserves Tons	Approx. Lowest Level Vertical Depth Ft.	Price of Ord. 10s shs. end of Period
1905...	136,393	248,505	36/5	24/4	82,348	12/1	146,973	2,600	17/6
1910...	149,416	357,119	47/10	23/6	181,962	24/4	184,278	3,750	17/0
1913...	155,636	360,888	47·0	22·8	186,613	24/4	186,947	4,600	21/0
1914...	154,898	366,890	47/4	22/10	190,075	24/6	266,360	4,800	22/6
1915...	153,263	366,739	47/8	24/10	176,161	22/10	367,625	5,000	23/3
1916...	155,317	384,392	49/6	25/10	184,130	23/8	420,821	5,100	19/9
1917...	155,080	384,717	49/7	25/8	185,465	23/11	414,783	5,260	18/5
1918...	152,780	380,220	49/9	29/1	157,995	20/8	392,690	5,500	18/0

CANADA'S GRAND TRUNK RAILWAY
IS
10,127 MILES of
INTERNATIONAL GOODWILL
COURTESY,
EFFICIENCY and
SAFETY.
CONSULT US ON Travel, Exports and Imports.
EUROPEAN TRAFFIC OFFICES
LONDON, S.W.—17-19 Cockspur Street. LIVERPOOL.—10 Water Street
LONDON, E.C.—44-46 Leadenhall Street. GLASGOW.—75 Union Street.
F. C. SALTER, European Traffic Manager.

After paying royalty, and including sundry revenue, the net profit comes out at £145,050, against £176,506. The financial position of the Company is quite strong enough to have enabled the dividends to be maintained at the same rates as for the three preceding years—namely, 40% on the Preference and 30% on the Ordinary shares, calling for £120,232; but it has to be remembered that the mine workings—already very deep—become steadily deeper as the reef continues to be followed. To enable this to be economically possible provision has to be made for equipment long ahead of requirements, and recently the sinking of a new vertical shaft was commenced. Capital expenditure on this and in other connections in 1918 totalled £19,694. Out of profits £24,472 is written off and £5,000 placed to reserve. Income tax calls for £5,600 more than in 1917, and the carry-forward is slightly reduced as shown below:—

	1918	1917	1916	1915	1914
	£	£	£	£	£
Working profit	157,995	185,465	184,130	176,161	190,075
Less royalty	21,383	21,622	21,992	21,572	21,660
Net working profit ...	136,612	163,843	162,138	154,599	168,415
Sundry revenue*	8,438	7,663*	6,266	6,858	6,416
Brought forward	8,778	1,627	1,567	1,478	1,585
Total available	153,828	173,133	169,971	162,935	176,416
Allocations:—					
Dividends paid	102,193 (25%)	120,232 (30%‡)	120,231 (30%‡)	120,231 (30%‡)	138,270 (35%‡)
Income tax	12,701	7,135	10,932	6,906	1,698
Extra to directors and managers	722	2,000	2,165	2,165	2,525
Amount written off† ...	24,472	28,273	29,516†	26,565	15,000
Placed to reserve	5,000	5,000	5,000	5,000	15,000
Insurance and contingency fund	1,000	1,000	500	500	1,500
Sundries	901	551	—	—	946
Carried forward	6,839	8,778	1,627	1,567	1,477
	153,828	173,173	169,971	162,935	176,416
Surplus liquid assets (*a*) ...	79,532	56,203	41,642	61,932	59,985

* Including dividends on Kolar Mines Power Station shares.
† Includes depreciation of plant and capital expenditure written off.
‡ Ordinary dividend. Preference dividend, 10% more in each year.
(*a*) Allowing for final dividend payment.

On the whole the development situation does not appear to be quite so satisfactory as could be wished. In Bullen's section the lengths of disturbed ground and cross-course are increasing in depth, and though no doubt is felt that some available ore will be obtained from this part of the mine, the exact quantity is quite impossible to estimate, and is therefore not included in the reserves. Fortunately, in Oakley's section the ore shoot appears to be holding out in depth, and also—what may prove to be of much importance—to be lengthening. The Superintendent says in regard to the future that, as much milling ore cannot be counted upon from development points in Bullen's section at present, a slightly lower grade of ore will have to be milled and a corresponding reduction in the monthly gold returns—and, by implication, in the profits—must therefore be expected.

Intending Settlers To South & East Africa



are notified that the

National Bank of South Africa, Ltd., have over **300 Branches within the Union;** also Offices at **Mombasa, Nairobi, Mozambique, Dar-es-Salaam, Tanga,** etc., and in **Nyasaland.**

LONDON OFFICES:

CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office—
25, COCKSPUR STREET, S.W.—1.

Agency at—
10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, April 9, 1919.

Issue Department.

Notes Issued	£102,103,740	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	83,653,740
	£102,103,740		£102,103,740

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£58,031,144
Rest	3,057,193	Other Securities	77,623,997
Public Deposits	30,309,462	Notes	27,146,270
Other Deposits	116,292,052	Gold and Silver Coin	1,435,828
Seven-day and other Bills	25,532		
	£164,237,239		£164,237,239

Comparison with Previous Four Weeks [00,000's omitted]

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919.	£	£	£	£	£	£	£	%	%	%
Apr. 9	74.9	85.1	30.3	118.3	58.0	77.6	28.6	19·49	5	3½
Apr. 2	75.1	84.9	32.8	123.3	67.1	78.9	28.2	18·07	5	3 13/16
Mar. 26	73.8	84.2	25.6	121.7	57.0	79.4	29.0	19·71	5	3 11/16
Mar. 19	72.2	83.4	27.2	121.8	56.8	80.8	29.8	19·89	5	3½
Mar. 12	71.4	82.4	24.3	125.9	55.3	83.6	29.5	19·82	5	3½
J'y 23, '14	29.3	40.2	13.7	42.2	11.0	33.8	28.3	52·40	3	2 5/16

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April, 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Apr. 9, 1919	Apr. 10, 1918	Apr. 11, 1917	Apr. 12, 1916	Apr. 7, 1909
Circulation	£74.9	£47.3	£38.6	£33.6	£30.0
Public Deposits	30.3	40.1	42.4	68.8	14.2
Other Deposits	116.3	132.2	128.9	80.0	44.8
Government Securities	58.0	56.9	37.6	33.2	15.9
Other Securities	77.6	102.1	123.6	80.5	32.9
Reserve	28.6	31.0	34.7	42.7	27.9
Ratio to Liabilities	19·49%	18·00%	19·49%	28·71%	47·22%
Coin and Bullion	85.1	60.4	54.9	57.9	39.4
Money					
Bank of England Rate	5%	5%	5%	5%	2½%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3⅛%	3⅜%	4⅛%	4⅛%	1½%
Exchanges:					
Paris Cheque	27 88	27 16⅛	27 20	28 93	25 19
New York 60 days	4 61	4 72⅛	4 73	4 73	4 86⅛
Bombay Telegraphic Transfers	1/5⅛	1/4 31/32	1/4 31/32	1/4 1/32	1/3 29/32
Prices:					
Consols 2½% Cash	56	54½	55	57½	85 7/8
French Rentes 3% Money	62	59·35	61·35	62	87·90
Silver, London spot oz.	48 1/16d.	46⅛d.	36 3/8d.	30 1/16d.	23 1/16d.
Wheat, *Gazette* average qr.	72/6	72/11	84/4	57/8	36/5
Cotton, Mid Upland* lb.	18·75d.	24 77d.	12·93d.	7·73d.	5·25d.
Iron, Scotch pig ton	101/0	101/0	88/8	100/0	53/3

* Good Middling American, Official Value.

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes' Outstanding	Gold Coin & Bullion	% of Gold to Notes
	£	£	£	£	%
Apr. 9, 1919 ...	8,077,577	4,875,675	335,324,613	28,500,000	8·5
Apr. 2, 1919 ...	8,644,620	4,585,978	332,122,712	28,500,000	8·6
Apr. 10, 1918 ...	6,065,191	4,543,743	232,372,640	28,500,000	12·3
Apr. 11, 1917 ...	4,108,304	2,444,841	151,712,514	28,500,000	18·8
Apr. 12, 1916 ...	4,622,680	3,040,458	111,019,438	28,500,000	25·6
Apr. 14, 1915 ...	2,163,950	1,687,843	41,263,573	27,500,000	66·6

Balance Sheet, April 9, 1919.

	£		£
Notes outstanding—		Advances—	
One Pound ...	254,596,143	Trustee Savings Banks	470,000
Ten Shilling ...	46,858,470	Currency Note Redemption A/c—	
Certificates outstanding	33,870,000	Gold Coin and Bullion	28,500,000
		Government Securities	318,067,511
Total ...	335,324,613	Balance at Bank of England	4,807,936
Investments Reserve A/c	16,520,834		
Total ...	351,845,447	Total ...	351,845,447

PUBLIC INCOME & EXPENDITURE [000's omitted.

1918-19. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net. +	Cash Balance
Apr. 5*	£18,817	£56,082	£37,265	£130,936	£99,495	£31,441	£6,975
Mar. 31†	38,115	51,056	12,941	429,317	410,981	18,336	12,799
Mar. 22	33,174	48,344	15,170	75,843	59,556	16,287	7,404
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	5,516,023	1,983,581	21,030
Yr. '16-17	573,428	2,198,113	1,624,685	4,427,482	2,801,938	1,625,548	26,438
Yr. '15-16	336,767	1,559,158	1,222,291	2,133,645	969,129	1,164,516	25,575

Principal Items of Revenue and Expenditure.

1918-19. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services.
Apr. 5*	£2,854	£9,896	£4,035	£2,032	£27,242	£90	£28 750
Mar. 31†	4,462	14,869	13,158	5,626	3,432	1,598	48,026
Mar. 22	5,690	14,988	7,326	5,170	922	187	47,235
Yr. '18-19	162,220	291,186	235,028	150,587	269,964	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968
Yr. '16-17	126,941	205,033	139,920	101,534	127,250	11,870	2,058,993
Yr. '15-16	120,816	128,320	140	87,491	60,249	13,239	1,486,670

FLOATING DEBT.	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
Apr. 5, 1919 ...	£977,824	£470,993	£1,448,817	£1,684,629
Mar. 31, 1919 ...	957,236	454,993	1,412,229	1,680,838
Mar. 22, 1919 ...	948,536	456,988	1,405,524	1,676,714
Mar. 15, 1919 ...	957,479	446,770	1,404,249	1,671,312
Dec. 31, 1918 ...	1,094,740	455,180	‖1,549,920	1,420,700

* Five days. † Nine days. ‖ Highest.

FOREIGN BANKS. [In £'s sterling—000's omitted.]

AUSTRIA-HUNGARY.	Gold.	Cash. Silver.	Total.	Advances.	Note Circltn.	Above — or beneath + legal max.	Bills Discounted, &c.
July 23, '14	£51,678	£12,141	£63,719	£7,772	£88,740	+ £2,479	£31,883
Feb. 22, '19	10,918	2,368	13,286	388,371	1,571,520	—	117,018
Feb. 28, '19	10,918	2,364	13,282	388,292	1,565,400	—	117,014
Dec. 7, '18	11,000	2,300	13,300	892,990	739,300	—	117,800

DENMARK.	Gold.	Cash. Silver.	Total.	Discounts.	Balance Abroad.	Circulation.	Deposits.
July 31, 1914	£4,100	£341	£4,441	£8,197	£786	£8,693	£47
Feb. 28, 1919	10,400	138	10,538	3,959	5,342	23,402	920
Mar. 31, 1919	10,385	137	10,522	3,844	4,208	24,137	832
Mar. 30 1918	10,269	136	10,405	2,852	3,159	19,499	955
Mar. 31, 1917	9,121	132	9,253	5,183	2,437	16,861	1,839

FRANCE.	Gold. In Bank	Gold. Abroad.	Total Cash incl'g Silver	Bills.	Circulation.	Deposits. Public.	Deposits. Private
July 30, 1914	—	£185,854	£190,887	£97,768	£287,327	£15,302	£37,903
Apr. 3, 1919	142,612	79,132	234,264	40,278	1,349,459	3,798	115,043
Apr. 10, 1919	142,668	79,132	234,257	36,990	1,359,927	1,647	115,183
Apr. 11, 1918	133,533	81,494	225,257	63,330	1,043,471	2,287	131,879
Apr. 12, 1917	130,987	77,907	219,278	19,723	753,765	3,642	100,415

GERMANY.	Gold.	Cash. Silver.	Total.	Treasury & Other Notes.	Loans & Discounts	Circulation.	Deposits
July 23, '14	£87,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Mar. 22, '19	109,415	1,038	110,453	305,443	1,389,046	1,225,105	598,393
Mar. 31, '19	95,800	1,033	96,833	338,803	1,509,659	1,274,524	725,147
Mar. 30, '18	120,376	5,959	126,344	76,938	802,036	598,890	451,478
Mar. 31, '17	128,533	797	127,335	19,135	680,301	430,801	420,274

HOLLAND.	Gold.	Cash. Silver.	Total.	Discounts.	Advances.	Circulation.	Deposits.
Aug. 1, 1914...	£13,498	£249	£13,745	£13,422	£10,339	£35,660	£1,437
Mar. 29, 1919...	55,778	812	56,590	10,704	13,312	84,321	6,697
Apr. 5, 1919 ..	—	—53,390	—	—	—29,189	85,106	6,643
Apr. 6, 1918...	60,116	596	60,712	3,019	9,593	74,656	5,195
Apr. 7, 1917...	49,211	556	49,767	7,117	7,276	62,714	5,954

ITALY.	Gold.	Cash. Silver	Total.	Other Cash.	Loans & Disc'nts.	Circulation.	Deposits
July 31, '14 ..	—	—	—	£48,456	£25,017	£89,204	£8,887
Mar. 10, '19 ..	—	—	—	35,652	89,868	357,033	59,919
Mar. 20, '19 ..	—	—	—	35,650	87,423	358,452	59,946
Mar. 20, '18 ...	33,486	3,158	36,824	5,187	54,913	273,128	56,796
Mar. 20, '17 ...	34,210	2,737	36,947	4,540	44,228	153,817	31,401

JAPAN.	Gold	Discounts.	Advances	Notes.	Deposits. Public.	Deposits. Private.
Aug. 1, '14 ...	£21,887	£1,829	£7,883	£32,792	£13,819	£1,591
Feb. 15, '19 ...	71,235	2,68	41,443	82,787	104,347	5,093
Feb. 22, '19 ...	71,217	577	40,072	81,739	102,718	5,619
Feb. 23, '18 ...	65,504	3,191	22,803	64,695	61,399	2,974
Feb. 24, '17 ...	40,031	1,579	14,217	44,011	39,811	2,597

NEW YORK BANKS & TRUSTS.	Cash Vaults	Own Aggregate Reserve.	Loans, Discounts, Invest. &c.	Net Deposits. Demand.	Time.	Total.	Excess Reserve
Aug. 1, '14	—	£99,809	£411,239	—	—	£387,165	£1,790
Mar. 29, '19	£19,231†	108,098	987,434	£781,158	£30,332	862,358	7,684
Apr. 5, '19	18,846†	116,882	961,730	802,008	30,663	872,638	7,592
Apr. 6, '18	20,600†	112,760	881,102	751,784	37,093	783,857	12,745
Apr. 7, '17	99,776*	158,286	727,840	744,710	37,980	782,690	29,706

* Counted as reserve. † Not reserve.

NORWAY.	Gold.	Balance Abroad.	F'r'gn Gov. Securities.	Discounts & Loans.	Circulation.	Deposits
July 31, 1914...	£2,980	£1,878	£493	£4,868	£8,752	£793
Mar. 22, 1919...	8,706	3,392	691	21,529	22,886	5,725
Mar. 31, 1919...	8,201	3,699	691	20,402	23,807	5,360
Mar. 30, 1918...	6,739	3,340	713	18,473	19,255	6,834
Mar. 31, 1917...	7,227	4,228	706	11,130	15,483	5,697

PORTUGAL.	Gold.	Silver.	Total.	Discounts & Advances.	Note Circulation.	Deposits.
Feb. 19, '19...	£1,905	£3,784	£5,689	£10,392	£32,535	£3,545
Feb. 28, '19...	1,905	3,784	5,689	10,363	32,539	4,113
Mar. 5, '19...	1,905	3,775	5,680	9 736	32,059	4,091
Mar. 6, '18...	1,905	3,031	4,936	7,317	44,659	1,740
Mar. 7, '17...	1,903	1,012	2,915	15,021	31,944	948

RUSSIA.	Gold. In Bank.	Gold. Abroad.	Total Cash incl'g Silver	Loans & Disc'nts.	Circulation.	Notes in Reserve	Total Deposits
July 31, '14	£180,114	£14,395	£181,892	£76,081	£163,411	£8,589	£109,811
Oct. 29, '17	129,523	230,885	378,205	1,889,559	1,836,217	15,783	348,504

SPAIN.	Gold.	Cash. Silver.	Total.	Loans &c.	Spanish 4%	Circulation.	Deposits &c.
Aug. 1, '14	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,956
Mar. 22, '19	90,348	25,795	116,143	74,605	13,778	138,544	41,720
Mar. 29, '19	90,372	25,905	116,277	74,572	13,778	138,852	43,035
Mar. 30 '18	30,292	28,341	109,633	49,810	13,777	114,123	33,621
Mar. 31, '17	56,287	30,146	84,433	49,212	13,777	95,091	30,634

SWEDEN.	Gold.	Balance Abroad.	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation.	Deposits.
Aug. 1, '14 ...	£6,717	£6,150	£1,555	£7,495	£13,432	£3,903
Mar. 22, '19 ...	16,092	7,823	3,003	21,132	38,968	8,118
Mar. 29, '19 ...	16,004	7,371	3,003	20,579	39,980	6,496
Mar. 30, '18 ...	14,377	7,308	3,920	15,844	35,037	7,062
Mar. 31, '17 ...	10,731	8,092	3,198	9,889	24,379	7,436

SWITZERLAND.	Gold.	Cash. Silver.	Total.	Discounts & Advances.	Circulation.	Deposits.
July 23, 1914...	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Mar. 22, 1919 ..	16,520	2,800	19,320	18,832	34 178	4,852
Mar. 31, 1919...	16,751	2,614	19,365	19,278	37,803	3,146
Mar. 30, 1918...	14,997	2,193	17,060	14,489	27,925	4,378
Mar. 31, 1917...	13,727	2,024	15 751	8,018	21,129	3,275

U. STATES FED. RES. BANKS.	Gold. Held by Banks.	Gold. With Agents.	Total Cash.	Bills Discount'd	Bills Acceptances.	Deposits. Govt.	Deposits. Total. Net.	Circulation.
Mar. 31, '19	£179,240	£49,222	£42,103	£83,243	£9,823	£3,830	£348,286	£04,356
Apr. 5, 19	189,220	240,940	413,726	373,596	48,158	17,002	560,274	609 534
Apr. 5, '18	183,489	179,296	375,486	114,776	65,301	20,983	305,873	295,984
Apr. 13, '17	107,328	82,646	194,201	4,402	16,121	8,450	148,920	80,362

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Dates Fixed
Amsterdam ...	4½	July 1,'15	Lisbon ...	5½	Jan. 15,'14
Berlin ...	5	Dec. 23,'14	Madrid ...	4½	Oct. 26,'14
Berne ...	5½	Oct. 3, 18	Paris ...	5	Aug. 20,'14
Bombay ...	6	Mar. 27,'19	Petrograd ...	6	July 29,'14
Brussels ...	5	Aug. 27,'14	Rome ...	5	Jan. 11,'18
Calcutta ...	6	Mar. 27,'19	Stockholm ...	7	Mar.21,'18
Christiania ...	6	Dec. 13,'17	Tokio ...	6½	Nov. 25,'18
Copenhagen ...	5½	Jan. 2,'19	Vienna ...	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—	Apr. 11, '19	Apr. 4, '19	Mar. 28, '19	Mar. 21, '19
Brussels ..... Cheques	29fr. 19½c.	29fr. 37½c.	28fr. 80c.	22fr 22½c.
Denmark ..... Cable	18kr. 6½	18kr 42½	18kr 25	18kr. 45½
Holland..... do.	11d. 54c	11d. 46⅝c.	11d. 43c.	11d. 70½c.
Italy ..... do.	34fr. 30c.	34fr. 50c.	33 r. 00c.	30fr. 81½c.
Lisbon and Oporto ... do	33½d.	34 i.	34 i.	34¼d.
New York ... . do.	$4 66	$4 63½	$4 56	$4 55
— ..... Cheques	$4 66½	$4 63⅜	$4 56½	$4 55
Norway ..... Cable	18kr 05½	17kr. 94	17kr. 90	18kr. 07½
Paris ..... Cable	27 r. 90	27fr. 62½c.	27fr. 55c.	27fr. 10c.
Spain (Bank places) Cable	23p. 15	22p. 80	22p. 70	23p 25
Sweden ..... Cable	17kr. 45	17kr. 25½	17kr. 05	17kr. 27½
Switzerland ..... Cable	25f. 03½c.	24f. 94½c.	23f. 00c.	23f. 32½c

ON LONDON—	Apr. 11, '19	Apr. 4, '19	Mar. 28, '19	Par
Alexandria ..... Sight	97⅛pi.	97⅛pi.	97⅛p.	97⅛pi.
Amsterdam ..... Cheques	11d 53½c.	11d. 43½c.	11d. 46c.	12·107 fl
Bombay ..... Transfers	1s. 5⅛d	1s. 5⅛d	1s. 5⅛d	1s. 6d.
Brussels ..... Cheques	29f. 17½c.	29f. 35c.	28f. 85c.	25f. 22½c.
Buenos Ayres ..... Transfers	51⅛d.	51¼d.	5 ⅛i.	47.58d
Calcutta ..... do.	1s. 5⅛d.	1s. 5⅛d.	1s. 5⅛d	1s. 6d.
Christiania ..... Sight	18kr. 07½	17kr. 92½	17kr. 87½	18.159kr
Copenhagen ..... do.	18kr. 68	18kr. 46	18kr. 23½	18.159kr.
Hong Kong..... Transfers	3s. 3⅜d.	3s. 2⅜i.	3s. 2i.	—
Italy ..... Sight	34fr. 25½c	34fr. 47½c.	33fr. 50c.	25fr. 22½c.
Lisbon ..... do.	33¾d.	33⅞ i.	34⅛ i	53½d.
Madras... ..... do.	1s. 6 3-16d.	1s. 6⅛d.	1s. 6 1-16d.	1s. 6d.
Madrid..... do.	23p. 22	22p. 79	22p. 69	25p. 22
Montevideo ..... Transfers	—	—	—	51d.
Montreal ..... Cable	$4 75½	$4 77	$4 67	$4 86⅔
New York ..... Sight	$4 61*	$4 66	$4 59	—
— ..... 60 days	$4 61*	$4 61	$4 56	—
— ..... Cable	$4 65⅛	$4 68⅜	$4 56	$4 86⅔
Paris ..... Cheques	27f. 83c.	27f 66½c.	27f. 60c.	25f 22½
Rio de Janeiro ... 90 days	13 1-16d.	13 1-16 i.	13 1-16 i.	18d
Shanghai ..... Transfers	4s 10⅛.	4s 8¾d	4s 8¾.	—
Singapore ..... Sight	2s. 4 3-16d.	2s. 4 3-16d.	2s. 4d.	2s. 4d.
Stockholm ..... do	17kr 45½	17kr 24½	17kr. 05	18·159kr.
Switzerland..... do.	23f. 08	22f 91½c	22f. 98c	25f. 22½c.
Valparaiso ..... 90 days	10 5-16d.	10 5-16 i.	9 15-16 i.	18d
Yokohama ..... Sight	2s. 2 1-16d.	2s. 2 1-16 i.	2s. 1 15-16d.	2s. 0.68d.

* Thursday's rates.

NEW YORK ON—	Rate Current* Apr. 9, '19	Rate Current* Apr. 4,'19	Par as usually Quoted	Rate July 3, '14
Amsterdam, sight ...	40⅜c.	40⅛c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	35·75c.	35·80c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	—	—		
Christiania, cheques ...	25·80c.	25·85c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	23·25c.	25·20c.	26·80c. for 1 kroner	26·85c.
Greece, cheques	19	18·70c.	19·295c. for 1 drachma	
Hongkong, cheques ...	77·25c.	76·50c.	74·59c. for Mex. $1	46·40c.
Italy, sight	7 29/.	7·00/.	5·18 lire for $1	5·17 l.
Lima, cheques ...	5·05c.	5·05c.	4·8665 $ for 1 libra	
Manila, cheques	49·70c.	49·50c.	50c for 1 peso	49·90c
Montreal	2½ % disc.	2⅜ % disc.	Premium per $100	Par
Paris, sight	5·96fr.	6·06fr.	5·18¾ francs for $1	5·16fr.
Petrograd, sight	12 nom.	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	26 c	26·37½c.	32 4-32c. for 1 milreis	
Shanghai, cheques ...	110·50c.	107·50c.	62·93c. for 1 tael	63·00c.
Singapore, cheques ...	56·25c.	56 00c.	56·77c. for $1	57·12c.
Spain, cheques	20·20c.	20·10c.	19·30c for 1 peseta	
Stockholm, cheques ...	26·80c.	26 85c.	26·80c. for 1 kroner	
Switzerland, cheques ...	5 01fr.	5·01fr.	5·18¾ francs for $1	5·16¾fr.
Valparaiso, cheques ...	19·35c.	19 60c.	20·61c. for 1 peso	
Yokohama, cheques ...	51c	51c	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1919 Agg.	Inc. or Dec.*
	1919.	[In £'s sterling 000's omitted.]			
BIRMINGHAM ...	Apr. 5	£3,460 +	£770	£35 584 —	£1,358 — 3 7
BRISTOL	„ 5	1,479 +	610	17,249 +	2,601 + 18 0
DUBLIN	„ 5	7,451 +	1,616	95,889 +	19,878 + 26 1
LEEDS	„ 5	1,490 +	437	15,258 +	1,889 + 12·3
LEICESTER	„ 5	928 +	329	11,986 +	2,138 + 21 8
LIVERPOOL	„ 5	10,894 +	3,155	155,778 +	32,796 + 26 7
MANCHESTER ...	„ 5	18,689 +	1,530	218,166 +	15,048 + 7·5
NEWCASTLE ...	„ 5	1,702 +	140	25,366 —	1,132 — 4·3
NOTTINGHAM ...	„ 5	748 +	132	9,336 +	657 + 7·5
SHEFFIELD	„ 5	2,200 +	571	17,643 +	1,156 + 7·0
LONDON—	1919.				
TOWN	Apr. 9	387,369 +	75,008	5,359,343 +	643,474 + 13 6
METROPOLITAN	„ 9	35,619 +	7,938	462,290 +	90 175 + 24 2
COUNTRY	„ 9	69,696 +	8,333	830,619 +	130 098 + 18 9
TOTAL	„ 9	492,684 +	91,277	6,652,252 +	863,747 + 14 9

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould and Co.

HOMEWARDS.	1919 Apr. 11	1919 Apr. 4	1913 Apr. 11
Alex. to London or Hull	—	—	9/0
Aust. to U.K. or Cont.	105/0	105/0	37/0
Azoff to L.H.A.R. ...	—	—	10/9
Bombay to p.p. (nom.)	100/0	100/0 d.w	19/6
Burmah o.c. (nom.)	105/0	105/0	26/0
Calcut. to p.p.(jute)	180/0 d.w.	180/0 d.w.	25/0
Danube to A.R. ...	—	—	10/3
Odessa to L.H.A.R. ...	—	—	9/0
R. Plate to U.K. Cont.	280/0	225/0	21/6

Homewards — (cont'd)	1919 Apr. 11	1919 Apr. 4	1913 Apr. 11
U.S. All Ports to Liverpool (cotton, 100lb.)	$1·25	$1·25	47/6
U.S. Gulf & Cont. (grain)	14/6	16/0	2 6
Gulf Ports to U.K. Cont. (cotton & grain) ...	$30	$33	16/6
OUTWARDS - Cardiff to			
Bombay	—	—	12/6
Colombo	—	—	12/3
Port Said	47/6	47 6	9 6
River Plate ...	45/0	45/0	16/3
St. Vincent ...	40/0	40/0	9/3

VI.—WHOLESALE PRICES OF COMMODITIES.

	APR. 11, 1919	APR. 12, 1918	JUNE 30, 1914.
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	101/0	101/0	57/0
— Middlesbro' warrants ...ton	95/0	95/0	51/0
— Hematite warrants ...ton	122/6	122/6	61/0
— Staffordshire bars, London ton	£17	£15 10	£8 10
— Common bars ...ton	£14 15	£13 15	£8 10
Steel Rails ...ton	£10 17/6	£10 17/6	£8 2/6
Galvanised Sheets...ton	£28—£29	£28	£16 17/6
Copper—Standard...ton	£78 10—£78 15	£110—£110 10	£61
Tin—English Ingots ...ton	£223—£224	£324—£326	£142 10
— Straits ...ton	£226	£322—£323 10	£139 15
Tinplates, I.C. Coke, S. Wales...box	33/10½	31/6	11/10½—12/0
Lead—Soft Foreign ...ton	£24—£24 10	£28 10—£28 10	£19
— Ord. Foreign ...ton	£36—£36 5	£50—£54	£21 7/9
Quicksilver—(75lb.) ...bottle	£15—£16	£20	£7
Aluminium ...ton	£150	nom.	£82
Antimony—Regulus Foreign ...ton	£38	nom.	£27 10
— English ...ton	£45	—	—
Coal—(best) Yorkshire...ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle...ton	40/0—45/0	30/0	14/8
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	10/1	11/0	7/4
Soda—Crystals ex ship ...ton	87/6	72/6 .. 42/6—45/0	
Sopra—Malay and Straits ...ton	£39 10	£45 10	£23 15—£24 7/6
Gambier—Good marks ...cwt	37/6	72/6	16/10½
ndigo—Bengal good to fine.....lb.	9/0—10/6	9/0—11/0	3/2—3/8
Linseed Oil—Raw ...ton	£58	£58	£25 5
Linseed—Calcutta, spot ...ton	£23 15	£29 15	£13 16/9
— **Cakes**, U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish ...tun	nom.	—	£49 10
Palm Oil—Lagos ...ton	£51—£52	nom.	£31 10
Petroleum—American...gallon	1/4½	1/7½	7½d.
Rape Oil—Refined English ...ton	£71	£71	£32
Soya Oil—Refined...ton	£75	£75	£24 10
Tallow—Imported ...cwt.	65/10	72/0	29/3—33/3
Turpentine—French ...cwt.	99/0	124/3	33/7½
Rape Seed—Toria...ton	£28	£29 15	£13 5
Rubber—Para, spot ...lb.	2/6	3/0½	2/9½
— Fine plantation (stnd. crepe) lb.	1/11½	2/4½	2/2
— World's Production* Feb. tons	24,700	20,998	8,467
Shellac—T.N. Orange, fair.....cwt.	205'0—210'0	325/0	83/0—64/0
TEXTILES.			
Cotton—Middling Upland† ...lb.	18·75d.	25·29d.	7·53d.
— Egyptian, good fair ...lb.	26·34d.	30·88d.	8·75d.
— Pernambuco fair ...lb.	20·10d.	27·39d.	7·73d.
— Mid. Upl. New York...lb.	28·50c.	34·15c.	13·25c.
— Stock, Liverpool, Apr. 4 bales	495,130	487,000	—
Flax—Petrograd, Yarapol ...ton	nom.	£120nom.	£28
Hemp New Zealand ...ton	£54	£93	£25 10
— Manila, Fair ...ton	£58	£85	£28 10
Jute—First Marks ...ton	—	—	£28 15
— Red SOO ...ton	—	—	£24 15
Silk—Blue Elenhant ...lb	20/0	25/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	3/1½	nom.	11½d.—1/0
— Lincoln Half Hogs ...lb.	1/7½nom.	1/6 nom.	1/0½
Hides—Eng. Ox, best, 65lb. up. lb.	9½d.—10½d.	10½	7½d.
Leather—Dressing Hides ...lb.	2/7—3/3	nom.	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	152,832,000	30,728,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	237½c.	226c.	87½c.
— English *Gazette*, aver. 480lb qr.	72/6	72/11	34/3
Flour—G.R. ...280lb.	44/3	44/3	28/8
Barley—Eng. *Gaz.* aver. 400lb. qr.	62/8	56/7	25/4
Oats—Eng. *Gaz.*, aver. 312lb. ...qr.	47/2	49/10	20/0
Maize—N. Y. (new bushel) .. 56lb.	177c.	nom.	78½c.
— Amer. mixed, Liverpool...480lb.	63/9	79/9	32/4
— La Plata ...480lb. qr.	62/6	78/0	25/9
Potatoes—Good English ...ton	192/0	135/0—155/0	70/0—75/0
Rice—Bassein ...cwt.	25/0	28/3	7/0—7/3
Tapioca—Pearl, medium ...cwt.	34/0	80/0	14/0—17/8
Hay—Best ...2,016lb....load	176/0	161/0	82/6
Hops—English ...cwt	—	£5 10—£10	£6 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs....8lb.	7/10—8/4	9/3	3/8—3/10
— Scotch sides...8lb.	8/4	8/2	4/8—5/0
— English...8lb.	8/4	8/2	4/2—4/5
Mutton—Scotch wethers...8lb.	8/10	8/8	5/8—6/0
English wethers...8lb.	8/10	8/8	4/6—5/4
— New Zealand frozen ...8lb.	8/10	8/8	2/4—3/2
Pork—English and Irish...8lb.	10/8	10/8	3/6—4/0
Bacon—Irish, ex Factory ...cwt.	188/0	172/0	60/0—74/0
— Danish ...cwt.	—	172/0	58/0—68/0
— Canadian ...cwt.	174/0—184/0	—	—
— American ...cwt.	168/0—190/0	171/0—172/0	72/0—74/0
Hams—Amer. long cut ...cwt.	184/0—185/0	165/0	75/0—79/0
— — short cut ...cwt.	162/0—185/0	162/0	71/0—74/0
Lard—Amer. boxes ...cwt.	154/0	152/0	51/9—52/9
Butter—Danish ...cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
French ...cwt.			96/0—108/0
— Australian ...cwt.			98/0—110/0
— New Zealand ...cwt.			108/0—114/0
Cheese—Canadian ...cwt.	Controlled 144/8	—	68/0—68/0
— United States...cwt.		—	—
— Dutch ...cwt.		160/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Mar. 31 cwts.	5,613,578	5,415,726	19,777,254
— Home consump'n to Mar.31 cwts.	6,368,991	4,748,053	17,272,000
— In Bond Mar 31 ...cwts.	6,059,000	4,019,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	32/0	34/6	10/3
— — Yellow crystals ...cwt.	57/9	48/9	12/8—14/0
— — Tate's Cubes, No. 1 ...cwt.	64/9	53/9	18/0
Coffee—Imports to Mar. 31 ...cwts.	175,261	31,289	720,360
— Home consump'n to Mar 31 cwts.	75,101	160,461	141,410
— Exports to Mar. 31 ...cwts.	45,763	14,991	340,250
— In Bond Mar. 31 ...cwt.	680,000	965,000	484,000
— Price, Costa Rica gd.to fine cwt.	150/0—164/0	122/0—137/0	80/0—93/0
— — Brazil (Santos)...cwt.	95/0—100/0	67/0	41/8
Tea—Imports to Mar. 31 ...lbs.	109,012,638	139,347,110	123,230,277
— Home consump'n to Mar. 31 lbs.	73,382,738	83,002,730	155,447,972
— Exports to Mar. 31 ...lbs.	5,259,059	223,773	26,581,765
— In Bond Mar. 31 ...lbs.	165,302,000	85,180,000	78,292,000
— Price, Indian, Pek. Soug. good lb.	1/4	—	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/4	—	8½d.
— — Common Congou ...lb.	1/4	—	5½d.
Cocoa—In Bond Mar. 31 ...cwt.	925,000	728,000	309,000
— Grenada, good to fine ...cwt.	85/0	85/0	52/6—56/0

* Estimated. † G.M. American Official Value.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or −	Net	+ or −
Canadian Pacific	Feb.	£11,064,000	+1,490,000	£991,000	+ £391,000
	2 *mos. to* Feb.	*24,092,000*	*+3,728,000*	*2,535,000*	+ *776,000*
Grand Trunk Railway	Feb.	840,000	+ 320,100	Dr.83,700	+ 135,600
	2 *mos. to* Feb.	*1,744,600*	+ *613,100*	Dr.*210,800*	+ *118,008*

VIII.—RAILWAY AND TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week ended	Miles.	+or− in Yr.	Gross Receipts.	+ or − on Year Ago.	No. Wks.	Aggregate Receipts.	+ or − on Year ago.
Assam Bengal	Mar. 1	993	+ 13	R1,93,944	+ 6,442	21	37,27,464	+ 3,86,588
Barsi Light ...	Mar. 8	118	—	21,400	+ 11,200	49	8,83,600	+ 1,04,900
Bengal & N.W.	Mar. 1	3,052	+ 4	4,91,210	− 25,707	22	1,05,66,993	+ 14,38,204
Beng. Dooars	Dec. 14	168	+ 5	29,951	− 9,015	11	4,44,511	+ 28,388
Beng. Nagpur	Mar. 1	3,895	− 1	11,84,000	− 2,03,000	48	5,41,51,245	+ 32,88,710
Bomb. Baroda	Mar. 29	2,871	− 2	19,23,000	+ 1,77,000	26	4,53,06,000	+ 44,54,000
Burma	Feb. 15	1,342	—	5,88,743	+ 80,731	45	2,24,77,428	+ 35,23,888
Del. Um. Kalk.	Mar. 29	239	—	1,04,000	+ 2,579	26	23,48,892	+ 7,789
East Indian ..	Mar. 29	2,787	− 40	28,36,000	+ 5,10,000	26	6,93,69,000	+ 72,99,000
Gt. Indian Pen.	Mar. 31	3,112½	—	38,36,100	+ 3,49,100	26	6,41,86,699	+ 37,31,820
Madras & S.M.	Mar. 8	3,152	− 1	12,30,000	+ 41,488	23	2,39,21,780	− 3,82,037
Nizam's Guar.	Mar. 1	900	—	2,86,154	+ 30,307	22	52,91,158	+ 1,97,488
Roh. & Kamu.	Feb. 22	684	+ 2	1,17,629	− 7,519	21	22,36,277	+ 1,79,488
South Indian	Mar. 1	1,930	—	6,82,804	+ 40,065	46	3,23,34,982	+ 1,10,398
South Punjab	M. of Nov.	716	—	7,24,151	+ 17,464	2m	14,81,770	+ 32,668
COLONIAL								
Can. Northern	Mar. 31	9,487	+ 53	$1,092,900	− 155,800	12	10,944,150	+ 2,101,550
Can. Pacific ...	Mar. 31	13,388	+ 395	4,215,000	− 61,000	12	36,001,000	+ 3,627,000
Gd. Trunk Pac.	Mar. 7	816	—	$18,481	− 1,842	9	178,169	− 27,921
Grand Trunk	Apr. 7	3,818	—	261,894	+ 53,847	14	3,139,389	+ 980,833
Mashonaland...	M. of Oct.	810	—	60,109	− 17,522	1m	—	—
Mid. W. Aust.	M. of Jan.	277	—	9,635	+ 339	7m	62,833	+ 10,318
New Cape Cent.	Mar. 15	205	—	2,560	+ 383	11	30,632	+ 4,713
Rhodesia Rlys.	M. of Oct.	1,397	—	66,283	− 36,272	1m	—	—
W. Pass. & Yuk.	M. of Dec.	122	—	—	—	12m	$1,244,060	− 604,340
FOREIGN.								
Argentine.								
Arg. N. East.	Mar. 29	752	—	£ 12,100	+ 3,900	39	369,075	+ 44,375
Arg. Transand.	Mar 29	111	—	£ 4,750	+ 90	39	143,440	+ 17,150
B. A. & Pacific	Apr. 5	3,538	—	£ 130,000	+ 28,000	40	4,574,000	+ 991,000
B. A. Gt. Southn.	Apr. 6	3,782	—	£ 141,000	+ 12,000	40	5,521,000	+ 1,128,000
Do.	Apr. 6	Net	—	£ 41,000	− 5,000	40	1,197,000	+ 119,000
B. A. Western...	Apr. 6	1,882	+ 12	£ 73,000	+ 2,000	40	2,728,000	+ 779,000
Do.	Apr. 6	Net	—	£ 17,000	− 1,000	40	652,000	+ 182,000
B. A. Central ...	M. of Jan.	180	—	£ 41,643	+ 8,468	7m	285,293	+ 105,932
Cent. Argentine	Apr. 5	3,305	—	£ 150,000	− 29,000	40	5,186,100	+ 920,900
Do.	Apr. 5	Net	—	£ 26,000	− 33,800	40	717,500	− 327,273
Cord. Central ...	Apr. 5	1,205	—	£ 43,000	− 660	40	1,750,860	+ 551,610
Entre Rios ...	Apr. 5	831	—	£ 21,000	+ 200	40	808,000	+ 200,500
Brazilian.								
Brazil Gt. South.	M. of Feb.	110	—	M 39,100	− 8,400	2m	86,190	− 10,310
Brazil Railway	M. of Dec.	3,530	—	M 4,859,000	− 141,271	12m	57,772,000	+ 7,619,243
Gt. W. Brazil ..	Apr. 5	1,010	—	£ 21,200	+ 5,000	14	279,000	+ 16,200
Leopoldina	Apr. 5	1,831	—	£ 36,831	+ 4,489	14	410,831	+ 34,008
Mogyana	M. of Dec.	1,180	—	M 1,561,000	− 956,490	12m	22,267,000	− 2,476,851
Paulista	M. of Dec.	786	—	M 2,850,000	− 906,038	12m	32,479,000	− 1,2 5,892
San Paulo	Apr. 6	153½	—	£ 33,516	+ 2,221	14	404,339	− 58,400
Sorocabana ...	M. of Nov.	1,003	—	M 1,128,000	− 865,148	11m	20,204,000	+ 1,222,888
S. of Bahia S.W.	M. of Feb.	52	—	M 87,000	+ 11,000	2m	170,000	− 20,000
Chilean and Peruvian.								
Antofagasta	Apr. 6	638	—	£ 24,525	− 18,830	14	391,770	− 167,890
Arauco	M. of Jan.	84½	—	£ 12,500	− 1,500	1m	—	—
Nitrate (2 wks.)	Mar. 31	390	—	£ 22,978	− 8,784	13	145,048	− 62,288
Peruvian Corp.	M. of Mar.	1,140	—	$ 1,075,700	− 43,830	9m	9,049,535	− 373,025
Taltal	M. of Mar.	181	—	£ 8,438	− 11,954	9m	141,347	− 53,331
Cuban.								
Cuban Central ..	Apr. 5	382	—	£ 41,984	+ 6,791	40	809,657	+ 33,738
Havana Central ..	Apr. 5	70	—	£ 12,200	+ 6	40	358,457	+ 8,223
U. of Havana ..	Apr. 5	681	—	£ 92,788	+ 8,295	40	2,154,475	+ 45,792
W. of Havana ..	Apr. 5	156	—	£ 13,396	− 984	40	317,159	− 29,873
Uruguayan.								
Cent. Uruguay	Apr. 5	272	+ 1	£ 24,479	+ 2,610	40	867,642	+ 135,824
,, (E. Ext.)	Apr. 5	311	—	£ 7,098	+ 1,614	40	215,581	+ 16,420
,, (N. Ext.)	Apr. 5	185	—	£ 3,722	− 427	40	150,954	+ 22,579
,, (W.Ext.)	Apr. 5	211	—	£ 2,970	+ 152	40	107,083	+ 17,783
Mid. Uruguay ..	M. of Feb.	319	—	£ 18,511	+ 8,338	8m	136,051	+ 20,620
N. W. Uruguay	M. of Mar.	113	—	£ 30,000	+ 5,650	9m	267,829	+ 17,005
Urug. Northern	M. of Feb.	73	—	£ 2,181	+ 274	8m	16,188	+ 988
Miscellaneous.								
Alcoy & Gandia	Apr. 5	[illegible]	—	Ps. 8,000	—	14	141,200	+ 12,300
Bilbao	M. of Mar.	15	—	£ 2,789	− 1,697	3m	7,902	− 4,646
Bolivar	M. of Feb.	138	—	£ 13,000	+ 3,381	8m	71,004	+ 18,880
Colomb. Natnl.	M. of Feb.	88	—	£ 7,760	− 4,040	2m	20,920	− 4,380
Costa Rica	M. of Jan.	130	—	£ 23,125	+ 10,950	7m	164,716	+ 68,134
Dorada Ext.	M. of Feb.	71	—	£ 5,000	− 2,400	2m	12,800	− 2,900
Egyptian Delta	Mar. 10	559½	—	£ 10,562	+ 1,728	48	359,918	+ 86,724
Gt. S. of Spain	Mar. 29	104	—	Ps. 143,641	+ 117,048	13	1,745,637	+ 1,551,398
La Guaira & Ca.	M. of Mar.	22½	—	£ 9,455	+ 3,815	3m	25,220	+ 4,565
Paraguay Cent.	Apr. 5	255	—	£ 4,620	+ 1,940	40	161,460	+ 46,980
Puerto Cabello	M. of Mar.	24	—	£ 5,225	+ 325	3m	14,750	+ 1,750
Salvador	Apr. 5	100	—	£ 5,202	+ 907	40	100,398	+ 19,625
Santa Fe Prov. French Rwys.	M. of Feb.	1,181	—	£ 165,620	+ 21,709	2m	322,494	+ 26,236
S'mana & S'tiago	M. of Mar.	80	—	£ 7,938	− 1,696	3m	22,451	− 4,418
Zafra & Huelva	M. of Feb.	113	—	£ 8,741	− 2,829	2m	20,198	− 2,285

TRAMWAYS.		Miles						
Anglo-Argentine ...	Apr.	8	400	$	66,988	+ 9,400	13	802,988	+ 40,483
Auckland (4 weeks)	Mar.	14	27	£	23,250	+ 955	36	147,344	− 7,413
Bombay Electric	M. of	Jan.	39	R.	6,12,165	+ 48,535	12m	70,23,885	+ 8,79,440
Brazilian Traction...	M. of	Jan.	378½	M.	8,522,000	+ 685,000	1m	—	—
Brisbane Electric ...	M. of	Mar.	40½	£	39,380	+ 3,830	3m	112,335	+ 10,296
British Columbia ...	M. of	Jan.	33½	$	677,489	+ 117,920	7m	4,095,584	+ 612,385
B. Ayres Lacroze ...	M. of	Mar.	51	$	47,370	+ 4,723	9m	390,579	+ 44,158
Calcutta	Mar.	29	35½	R	81,686	+ 14,976	12	10,29,887	+ 1,69,013
Cape Electric ...	M. of	Jan.	27½	£	29,452	+ 4,868	7m	182,525	+ 14,581
Oarth & Herr.	M. of	Mar.	9	$	2,400	− 2,916	3m	8,406	− 4,993
Chatham & District	Mar.	27	15	$	1,248	− 44	12	14,718	+ 435
Havana Electric	M. of	Dec.	96	$	709,891	+ 36,102	12m	8,176,545	+ 1,185,849
Isle of Thanet ...	Apr.	5	21	£	530	+ 244	27	8,572	+ 3,747
Ka goorlie... ...	M. of	Nov.	20½	$	2,933	+ 292	11m	30,838	+ 1,274
Lanarkshire... ...	Mar.	17	28½	$	3,577	+ 114	12	44,566	+ 5,289
Lima Light & Trams.	M. of	Dec.	85	$	47,987	+ 4,689	12m	527,839	+ 87,587
London O.C.	Apr.		141½	$	74,928	+ 19,595	1	—	—
Madras Elec. (2 wks.)	Mar.	31	15½	R	(Strike)	− 48,284	13	196,913	− 60,036
Manila Electric ...	M. of	Jan.	55	$	231,585	+ 64,585	12m	2,326,884	+ 195,809
Pernambuco... ...h	Apr.	8	59	$	5,811	+ 1,195	13	73,533	+ 8,533
Provincial	Mar.	29	21½	$	2,568	− 32	26	65,000	+ 3,883
Rangoon Electric ...	M. of	Mar.	25	$	7,533	+ 1,578	3m	19,600	+ 2,661
Shanghai Electric ..	Jan.	22	26½	Mex.$	27,150	+ 3,734	3	84,242	+ 11,068
Singapore Elect....	Mar.	1	28½	$	15,489	+ 849	3	145,471	+ 26,173
U. of Montevideo ...	M. of	Mar.	90½	£	41,070	+ 4,411	5m	190,891	+ 18,558

SUPERIOR
WINES AND SPIRITS
Owing to great demand only a limited number of the well-known "PINK LIST" quoting large and unique assortment of Superior Wines and Spirits at Market Prices is being issued.
Apply to **EHRMANNS,**
Wine and Spirit Shippers and Merchants,
43, 44 and 47 Finsbury Square, London, E.C. 2.
(*Please quote "S."*)

INSURANCE ECONOMY
Many people pay higher rates than necessary. The Policies of others cover less than advisable. Before renewing old or taking out new Policies write for latest rates. We may be able to effect considerable economies for you.
EAGLE STAR & BRITISH DOMINIONS INSURANCE COMPANY LTD
Head Office: British Dominions House, Royal Exchange Avenue, London, E.C. 3.
ASSETS EXCEED £13,000,000.
"*Pay what you owe—Employ the Disabled.*"

EASTER HOLIDAY ARRANGEMENT.

"THE STATIST" will be published on Thursday next, April 17, instead of on Saturday.

The Statist.
LONDON, SATURDAY, APRIL 12, 1919.

THE DEBT OF THE EMPIRE.

One Thousand Guineas Award.

WITHIN a very short time the world will be in possession of the terms upon which the Allies will conclude peace with the Central Powers. From these terms we may expect to learn the extent to which reparation is to be demanded from Germany and the manner and amount of the indemnities which are to be exacted from her. With this knowledge we shall be able to gauge the approximate total Debt incurred by the United Kingdom in the war, and the attention of all serious people will be engaged upon the question of how to deal with it in a manner that will least strain our resources.

THE proprietors of the STATIST offer an award of 1,000 guineas for the best scheme for dealing with the Empire's debt created by the War.

The scheme submitted must be practical, non-Party, informative and original. It must be governed by economic conditions within the Empire, and a due regard to our Political, Economic, and Commercial relations with other countries.

The Basic Principles underlying Money and Trade, and the duty of those who control Wealth and encourage Production must be observed.

The proprietors of the STATIST, while they invite each competitor to state his case in his own way, nevertheless desire to point out that where data or figures are employed it will be necessary to quote their source and authenticity.

Utopian ideas or chimerical schemes are not invited.

It will be a commendation if the scheme submitted can be instituted and made a practical working plan without dislocating to any great extent Vested Interests, and has at the same time the object in view of creating higher efficiency, increased production and the betterment of the conditions of the people.

A plan that could be easily adapted to modern conditions and made operative in the shortest possible time would have much to commend it.

Authoritative and competent judges will be asked to determine the values of the schemes submitted. Their names will be published in due course.

CONDITIONS—A.

The Competition is open only to British and Colonial born subjects within the Empire.

Every scheme submitted must have in view the maintenance, the integrity, the strength and the defence of the Empire, that its adoption will be of the highest advantage to the Empire's interests and needs.

The present system of education in the Universities, Public, Elementary and State-Controlled Schools should come under review.

Competitors should be as concise as possible, and they should conclude their remarks with a summary of their proposal sufficiently clear to form the basis of instructions to a Parliamentary draughtsman.

The award will be given to that Essay which is best calculated to place the end in view within the range of practical attainment.

CONDITIONS—B.

Essays should be typewritten, on one side of the paper only.

No limit is fixed for contributions submitted, but 15,000 words should not be exceeded.

Each Essay to bear a *nom de plume* or number, and be accompanied by a sealed envelope bearing outside the *nom de plume* or number, and inside the real name and address of the writer.

The decision of the judges to be final and to be made public as soon as they have made their award.

In the event of the judges considering two essays of equal merit, or in the event of disagreement between the judges, power is reserved to divide the prize.

The STATIST reserves to itself the right to publish, in whole or in part, the Prize Essay or Essays, and to make selections from unsuccessful Essays.

Unsuccessful Essays will be returned to competitors.

With the view of encouraging opinion from the most outlying of the Empire's Colonies and Dependencies, the closing date for receiving Essays is extended until December 1, 1919.

Competitors requiring further information on the subject will be good enough to mark their letters "National Debt Scheme," addressed to The Editor, THE STATIST, 51 Cannon Street, London, E.C. 4.

NEARING THE END.

ALTHOUGH our representatives at the Peace Conference do not favour us with such a measure of information as would really enable us to gauge what progress is being made, there seems a general consensus of opinion that the Peace Conference is at last drawing to its inevitable end. Outside the Conference it has long been felt that it was past high time for some treaty of peace to be concluded. As we said

last week, the members themselves are so immersed in the details brought before them day by day at their various sittings that they have to a large extent lost all perspective of what is really demanded from them. They are aiming at accomplishing the impossible without possessing any real means of securing very much beyond the mere signing of a treaty of peace, which, in fact, as all past experience shows, is very little more than sealing a final armistice.

If the members of the Conference really believe that by any labours of theirs, however they may be prolonged, it is possible to arrive at such a settlement as would prevent war in the future, the whole experience of the past is against them. We have, as we have said, so little information of what is really taking place at the Conference that it is impossible to say dogmatically what are the reasons for the prolonged delay in signing peace which has taken place. It may, however, reasonably be assumed that, if they were all agreed, a definite treaty to be presented to the Central Powers would have been arrived at long ago. Consequently, it seems reasonable to assume that there is a very wide difference of opinion between the members of the Conference themselves. They have so little confidence in the progress of the proceedings that thy do not think it desirable to let their respective peoples—for whom, after all, they are acting, and who ultimately will have to pay the price of whatever mistakes are made at the Conference—know what is really going on. If there is such a divergence of opinion in what, after all, is only the preliminary stage of future struggles between representatives of Powers still allied and recently acting in close accord against the Central Powers, is it reasonable to assume that any treaty which it is possible for the Conference to draw up will be satisfactory to the various conflicting interests involved? What seems most desirable at the present time is that the Conference, with as little delay as possible, will arrive at some conclusion which will enable a peace treaty to be drawn up and afford to the various countries of Europe an opportunity of reorganising their economic energies, to endeavour, with as little delay as may be, to recover from the effects of the recent struggle. As far as one is able to judge through the veil of secrecy which is maintained regarding what is actually taking place in Paris, it would appear that every country, more or less, is endeavouring to get what it can out of the general wreck of States and Empires, and, whatever arrangement may be arrived at, it seems reasonably certain that there will be grave disappointment in very many quarters. With regard even to the German indemnity, it will be first essential to see what Germany is able to pay. It would be absurd to fall once more into the error the six Powers made with regard to the Boxer indemnity, which, in fact, it has never been possible to collect, and which now has been practically abandoned. Germany, particularly if the Austrian-Germans unite with those States which formerly constituted the German Empire, will have a population of well over 70 millions situated right in the centre of Europe. They cannot be destroyed, and Europe will have, somehow or other, to get on with a more or less reconstituted Germany. It has to be remembered, moreover, that Germany has not been conquered in the sense even that Napoleon beat Prussia a century ago. She has rather had to yield to the economic pressure of something like three-quarters of the estimated population of the world arrayed against her. And, even with this overwhelming superiority in numbers and resources, it was never possible to overrun Germany and complete her defeat according to the accepted canons of war.

Meanwhile, what has come to be called Bolshevism, or an acute form of democratic unrest, appears to be growing over an area comprising considerably more than half the Continent of Europe. It may not be altogether a bad thing that the world should realise the limitations of its capacity in political experiments. Three centuries ago, when a large part of the thinking people of the time had become dissatisfied with the autocratic methods of government of the Roman Catholic Church, what was then called a reform was proposed in the hope of doing away with what were very generally recognised as abuses. In the result, as we all know, the Church was split up into a thousand fragments, and the Christians, as a composite body, have lost in the sequel their control, not merely of the government of the Western States of the world, but of the schools as well. If this had resulted in some practical form of government being established, it might be contended by many thinkers that the advantages in a large measure compensated the drawbacks. But how little this has proved to be the case is evidenced by the recent War. The place the Church formerly occupied has been largely taken by various democratic sects, who control from time to time the different countries of the Western world. Now the proximate cause of the late War was the inability of the Governments of France and England to recognise that in the face of German preparation for war it was no time for democratic experiments. As both Governments failed to recognise this, the peoples of both countries were hurried wholly unprepared into the War, with the result that we have lost in killed and injured an unduly large proportion of men for what we have achieved by such an enormous sacrifice; and, in addition, we have heavily mortgaged our economic resources, which have yet to be developed in the future. There is a very great difference between practical reform or progress and theoretic, not to say theocratic, reform, which Parliaments in all countries fail to recognise, and is the cause of the growing dissatisfaction with parliamentary institutions as they work in practice in all the more advanced countries of the world. It may be eminently desirable to supplant an old ford with a ferry, and in course of time to supersede the ferry by a bridge.

It has to be remembered, however, that all reform and all progress is limited by the measure of civilisation we have attained and by our economic progress, which does not appear to have materially altered for a very long time past.

APPRECIATION OF VALUES.

A CORRESPONDENT writes us asking for an explanation—which we gladly give—on a subject which has puzzled him in reading our columns and those of other financial papers. He says: "The question that has puzzled me is that the banks of the United Kingdom in their balance sheets claim to have in cash, and at the Bank of England, more cash than there is supposed to be in the whole of the country," and he quotes some figures which we published in an issue earlier in the present year. If the banks did not appear to have a far greater amount of cash than actually exists in the whole country it would be impossible for them to carry on their businesses, bearing in mind that they maintain great offices and expensive and expert staffs to control them, usually in great centres of population, as well as in various parts of the country. It would not merely be impossible for the banks to carry on their businesses, but it would be impossible for the trade of the country to be carried on if it were not possible for the same instruments of credit to be used over and over again. We see it not merely in the banks, but we see it in all the great public services which minister to the convenience and general welfare of the population. The correspondent is, no doubt, a shareholder in some of our large transportation companies, railway companies, omnibus companies, tramway companies, shipping companies, and so on, and he will see that even a small suburban railway claims to have carried—and has, in fact, been paid for carrying—in many cases, a population during

the course of a year exceeding that, say, of the United States of North America. Now, the population of the United States of North America is twice our population. Consequently, it would appear that a hundred millions of people visited London upon a certain occasion and travelled on one of the suburban railways. Our correspondent knows that such an assumption would be an absurdity. What really occurs is that the same people travelled over and over again. For example, if our correspondent called upon us in this office to see us on some kind of business—he lives, from the address on his notepaper, at a long distance from this office—he would have to take a train to London, and then, perhaps, a taxi-cab in order to complete his journey to us. This process would be again repeated when he went home. But he would be the same person on both occasions, and although the railway company could say with justice that it carried two passengers on that day, and the taxi-cab driver could claim with equal justice that he had earned two fares, they would both have been earned by the successive journeys of the same person. It is precisely so with the cash that appears in the returns of the banks. Speaking generally, very few people in this country keep any considerable sum of money, whether it be coin, as in the days that preceded the War, or currency notes, as at the present time, in their pockets, or even in their houses. For important payments we write a cheque. But where we obtain cash from our bankers we usually do so for a specific object, say, for example, to buy a new hat in the neighbourhood of St. James's. The money may be drawn from our bankers, say, at lunch time, the hat purchased, say, for example, during the lunch interval, and our hatter pays a certain proportion of his receipts, and possibly our Treasury notes, into his bank in the course of the afternoon. Consequently, the Treasury note has been taken out of one bank, has been in our possession for an hour or so, and has been returned to another banker in the course of the same day. Solicitors, as is well known, very often demand payment in what is called "cash" as distinct from cheques. Cash usually means notes in this country.

A client making a large purchase may require to draw, say, several thousand pounds of Bank of England notes, to be handed over at a specified hour, say at midday, at the offices of a firm of solicitors, the representative of the other side being present to take the payment. These notes are withdrawn from the bank shortly before midday, are carried to the solicitor's office, and the solicitor acting for the seller receives the notes, hands them to his client, who immediately pays them into his bank. Consequently these notes appear twice over as having been in the possession of different banks in the course of the same day. Some hundreds of millions sterling are withdrawn every week from the banks for the purpose of paying wages in the various industrial centres and different parts of the country. The wage-earner rarely has a banking account. But neither is he in a position to take his wages home and lock them up in a strong box for an indefinite period. His usual process is to hand the bulk of his wages to his wife for the purpose of paying for the food, the clothing, and the other necessaries required for the maintenance of his family. Consequently, as soon as the wife gets the Treasury note or notes which her husband earns during the course of the week, she goes to a tradesman, who cashes the notes and gives her the balance beyond the cost of whatever her purchases may be. The tradesman, of course, has a banking account, and as soon as possible he pays his notes into the bank. If the transaction takes place at some distance from the centre of London, in all reasonable probability the bulk of these notes find their way back to the financial centre within the course of a week, to be again reissued on the Friday or Saturday as required.

Owing to the policy pursued by Government in connection with the recent War, into which it is not our purpose at the moment to enter, values measured in currency, as distinct from values measured in commodities, have enormously appreciated, and consequently a very much greater volume of credit has been necessary to carry on a given unit of business than was the case in the years that preceded the outbreak of the recent War. As our correspondent truly says, the currency of this country has multiplied several times during the course of the War. But that does not show that we are richer, if by the term is meant that we have a greater measure of consumable commodities. Very much the contrary is the truth, as all of us who have been recently on rations know by hard-bought experience.

It has been estimated by various economists, basing their calculations on a series of prices originally collected by the old monkish chroniclers, that between the breakdown of the feudal system in England and the accession of William and Mary values in this country, as measured in currency as distinct from consumable commodities, appreciated five times over. That is to say, an article which could have been bought for sixpence at about the time of the Battle of Bosworth had appreciated in money value to 2*s.* 6*d.* This is very different from saying that the actual wealth measured in consumable commodities had appreciated five times over. The inference, from what we know of the facts, points rather to the contrary; although, of course, wealth must have grown to some extent, as there was a larger population to sustain in the latter period than in the former. But the larger population did not, as far as we are able to ascertain from the facts which have been handed down to us, live in the same measure of comfort as their fathers had been accustomed to do. People in the feudal period had very little money indeed. Such money as existed did an extraordinary amount of work. But it was only used upon comparatively rare occasions. It will be remembered that most people lived in manors, and the bulk of the trade of those times was conducted by payment in kind. The seigneur received what we should call his rents or dues in kind, and the people attached to the manor were almost all paid in kind. On the estate itself little money was required. In fact money was mainly reserved for the factor of the estate at the various periods after harvest and other seasons when he had to travel either to a neighbouring town or sometimes, of course, to London. The reader will recollect that it was after the breakdown of the feudal system that various Acts of Parliament were passed actually punishing people for not being attached to a manor, our legislators in those days, like their descendants in our own, being very slow to appreciate the causes which were altering the conditions of life. They had not yet come to appreciate that growing industrialism was to result in a period extending over centuries, which was to be accompanied by a permanently unemployed class.

BRITISH AND AMERICAN SHIPPING.

Before the War we occupied a position of unchallenged supremacy in the shipbuilding world. The British proportion of the total output was well over 60%. In the year 1918 our proportion fell to 25%, and during the months of 1919 that have elapsed the figures do not show any decided improvement. The tonnage built on the Clyde in January and February was extremely low, but in March it rose substantially, being more than equivalent to the tonnage of the first two months. Despite the increase, the output for the whole quarter was below pre-War level. Unsettled conditions in the industrial world were partly responsible, but they merely served to emphasise what is now becoming an obvious truth—that we have lost our building hegemony to a hitherto despised competitor, the United States. Last year the tonnage of vessels exceeding 100 tons launched in that

country was 3,033,000, and in the United Kingdom 1,348,000. These figures refer only to merchant vessels, and it is probably true that our yards were more occupied than American on ships for other than mercantile purposes. Moreover, a large percentage of the American merchant fleet consists of wooden vessels, which are admittedly inferior for ocean traffic, and of small tonnage vessels, which are admittedly uneconomic to handle. During the war the Americans aimed at the maximum output, regardless of initial cost, running economy, or ultimate utility. They had some experience in the use of timber, and hence the number of yards building wooden vessels increased much more rapidly than those on steel construction. The expansion in the latter section has, however, been very remarkable. When the United States entered the War the ways available for building steel ships were 142, but in November last they had risen to 398, an increase of 180%. Not all of these can be relied on to produce tonnage at competitive rates, but it is noteworthy that the Emergency Fleet Corporation, which supervised America's building programme during the War, has taken preliminary steps to weed out such yards as are unfit and to ensure the survival only of those with low costs of production. An immense sum of money has been sunk in shipbuilding enterprise, and from the business point of view, apart from the fostering care of the Fleet Corporation, it would be the height of economic folly to scrap all the plant and disband all the labour forces that have been assembled at such pains and expense during the War. The anticipation prevalent in some quarters here that the American shipbuilders will fade away as rapidly as they rose is, therefore, likely to be disappointed.

The size of the present merchant fleet of the United States has been the subject of some conjectural estimates, but a recent statement of the Bureau of Navigation enables accurate figures to be given. At the beginning of this year the total seagoing merchant tonnage was 6,054,000 gross, including certain merchant ships operating at the time under the Navy and the War Departments. The total was composed of home-built steamers, of foreign-built steamers admitted to the American Registry, and of appropriated German ships. The vessels that had changed their registry to America were all steel steamers; and of the total of 624,000 gross tons so transferred, it is significant that 265,000 tons had passed from the British flag. Steamer tonnage accounted for 5,100,000 gross tons, compared with 1,900,000 tons on June 30, 1914, an increase of 168%. Our pre-War steamer fleet was over 18 million tons, but serious inroads have been made into its size and efficiency. We still retain, however, superiority as regards ownership, though the balance as regards construction has definitely passed from us across the Atlantic.

Despite a temporary lull succeeding the Armistice, shipbuilding has on the whole been vigorously maintained in the United States, and the Emergency Fleet Corporation intends to carry out more than four-fifths of its original programme of 10 million tons of steel ships. If American productive capacity is maintained at its present level, it is estimated by the Chairman of the Shipping Board that the ocean-going steel ships under the Federal flag will next year amount to 16¾ million tons. This is a surprising figure, not far short of one-half of the world's merchant fleet. The estimate may possibly prove exaggerated, but even if it is fulfilled in part the death-knell of our ocean supremacy may soon be rung. The extent to which America will retain the leadership, if it is won, is problematical. Hitherto American shipowners have been handicapped, in competition with us, by the more onerous merchant shipping laws under which they work. In addition, their running expenses, including the chief items of food, coal, and general stores, have been greater than ours. Combined with these factors, the initial capital outlay has also been higher, and it was, for practical purposes, impossible for the United States to offer serious opposition to us in the carrying trade. Now, however, America has awakened to the vital necessity of maintaining merchantmen as an adjunct to her ever-expanding foreign trade, and a strong movement has arisen in favour of equalising the burdens of the American and the foreign shipowner. The wages paid in American vessels are in excess of those paid in vessels of other nations, and a proposal has been put forward to subsidise the American owner to the extent of this difference. Such a proposition is not likely to command popular support, and it may accordingly be dismissed. Subsidies attaching to certain routes, and a more than liberal remuneration for carrying mails, or performing other Government work, have also been suggested; and the problem might be settled along these lines by some veiled form of assistance which would escape the censorious eye of Congressional interests not over-anxious about shipping. Such artificial aid is, however, of doubtful value, though, as is well known, both Japan and Germany successfully stimulated the growth of a merchant fleet by means of judicious State assistance. But shipping is a peculiarly international trade, since it depends on all countries for employment. The considerations that determine the place held in it by any nation are purely economic. Liners may be maintained on fixed routes by subsidies, but tramps, which form the bulk of the world's tonnage, and shift the bulk of the world's cargoes, must be prepared to offer their services anywhere at competitive rates. No amount of spoon-feeding will then make up for any inherent disadvantage in regard to capital costs or running expenses from which a country may suffer. The decisive margin of advantage which we possessed before the War in the economical building and running of ships has been appreciably diminished, but it is difficult to gauge the extent of our loss. The cost of construction has been more than doubled, and, so far, higher wages in the yards have been signalised by no increase in output. Further, the price of bunkers has risen considerably, and American steam coal can now be procured more cheaply than British at coaling stations which were in earlier times served exclusively by British colliers. Ships can bunker in many ports in North America at least as cheaply as they can in Great Britain. Our bill for victualling and manning is still, however, lower than that of the United States. The cheapness of our food, due in some degree to the absence of tariffs, is one of those advantages with respect to shipping which Free-trade countries possess over Protectionist, and it is noteworthy that Germany, when seeking to build up her maritime power, adopted a large measure of Free Trade in regard to shipbuilding by allowing the materials in free of duty. The effect of Protection on American shipping has been contradictorily analysed, but it is certain that by raising the general level of wages it has not lightened the task of American owners. On this account many contend that, in the absence of a radical alteration in American trade policy, British shipowners have little to fear from Transatlantic competition. Shore wages are so high that men cannot be induced to follow maritime pursuits except by substantial inducements. Moreover, the complement required to be carried by the Federal laws is greater than in the United Kingdom or elsewhere, and the engine-room staff is also more numerous. The double incubus of higher wages and bigger staff is seriously felt, and while the latter may be remedied by legislation, the former is the result of certain economic factors which cannot be lightly changed. It is indeed significant that of late years a large proportion of American shipping engaged in the Pacific trade has been forced out of business by the Japanese. The United States withdrew some of their tonnage for reasons connected with the War, but the operating expenses of the remaining vessels were substantially in excess of the Japanese standard. The stability of the American position in the sea-carrying trade of the world is thus by no means assured, and though legislative restrictions which

operate against its development may be removed, other difficulties will not be so easily overcome. Nevertheless, British shipowners should be on the alert and keenly watchful of America's fortunes in her new venture. If we take advantage of her errors and profit by any positive lessons she may have to impart, we shall the longer maintain that position on the sea to which historically and otherwise we are entitled.

THE LANCASHIRE ENGINEERING INDUSTRY.

Owing to the absence of a periodical census of industry on the lines of our population census, it is impossible to compare with accuracy the condition of various British trades at different periods. Thus, in the case of the engineering industry no precise data are available for determining its relative progress, or decline, in the years that preceded the War. When our first and last effort at an industrial census was made, in 1907, the gross value of the output of all the engineering trades was estimated at £168,400,000, and the real value, after allowing for duplication and other items, at £143,700,000. Even the lower figure suffices to show the considerable importance of engineering in the industrial life of the country. The various trades which it comprises are located to a great extent in the North of England and in the Scottish lowlands, having sprung up naturally in the neighbourhood of raw materials. Distribution has tended to become more widespread of late years because of the greater diffusion of demand; but the decentralising process has been in part checked by the growth of specialisation and by the restriction of certain branches of manufacture to the localities in which they were first started. The manufacture of wood-working, mining, milling, and printing machinery and of railway rolling-stock has, however, become more scattered as the increased diversity and volume of the sources of demand warranted the establishment of producing plants in fresh centres.

Machinery of some description or other is required for almost all industrial processes in a machine age like ours, and it is, therefore, little cause for wonder that the modern engineering industry has assumed a complexity which at first sight is rather puzzling. It covers the making of all kinds of engines, reciprocating, turbine and internal combustion, and of machinery for the most varied purposes—for agriculture, sowing, sugar refining, and the making of boots and shoes. The manufacture of machine tools, of typewriters, of railway trucks, carriages, motor cars, motor cycles and ordinary cycles, is also included. The only index in pre-War days, and indeed at present, to trading conditions in this intricate maze of industrial effort is the extent of the exports. Looking over the returns of past years we find that these have steadily grown, though the rate of expansion has not been as rapid as in other countries. In 1903 our export figure, taking account only of the produce and manufactures of the United Kingdom, was £29,263,000, and by 1913 it had risen to £59,151,000. The increase was particularly noticeable in electrical machinery, from £437,000 to £2,269,000; in rail and road locomotives, from £2,359,000 to £3,400,000, and in ship's machinery, from £1,222,000 to £2,337,000. The three branches mentioned are of peculiar interest to Lancashire, since the first two constitute a considerable industry in Manchester, while Liverpool can claim a large production of marine engines and machinery, as well as of Diesel oil engines. Machine tools, which up to a recent date were not separately recorded in our Board of Trade returns, are also made in Manchester, and that city stands to-day in the forefront of the engineering industry of the British Isles. The famous Trafford Park Estate has become the headquarters of a large-scale and diversified engineering industry, ranging from the manufacture of the most delicate electrical machines to the building of locomotives. This great concentration of engineering activity is of late growth, its development being due almost entirely to the facilities afforded by the Ship Canal, which was opened in 1894. Expansion has not yet reached its limit, since the advantages which once helped to repopulate and enrich a decaying Manchester are still on offer and are difficult to equal elsewhere. On the one side, by means of intermediate routes *via* Liverpool or direct routes from Manchester, the Canal brings the latter city into touch with all overseas markets; while on the other, through the excellent network of lesser canals, waterways and railways with which it is linked up, it affords unrivalled opportunity for communication with the very heart of the country. Electricity for lighting and power purposes is also procurable at prices that compare very favourably with those in other centres; and local rates are, generally speaking, below the standard of industrial county boroughs. A high rating of machinery is a discouragement to engineering effort, and the Manchester and Salford area has proved a haven of refuge to more than one firm oppressed by the burden of rates in other towns. The additional combination of low freights and cheap coal has proved an irresistible attraction to engineers, whose products are naturally bulky and, therefore, difficult and expensive to move. The latest engineering enterprises have for these reasons found a home in Manchester and Salford, and these boroughs are to-day the centre of the electrical engineering industry in the United Kingdom.

In Liverpool engineering development has not proceeded so rapidly. The city is primarily a shipping centre, and the mere mention of the name immediately suggests a port, whereas its shipping compeer, London, has large and varied interests outside its port. In the latter city many of the citizens pass their lives without seeing the docks, but this is impossible in Liverpool. Its importance as a receiving and forwarding centre has, unlike London, tended to dwarf development in other directions. The one trade which might naturally be associated with it, shipbuilding, has by no means been consistently prosperous. Of recent years a revival set in, which was distinctly helped by the War, and the outlook is at present rather promising. The repair of ships has always been undertaken locally to some extent, and expansion in this branch has lately been so marked that the port can boast of large modern plants, with the necessary graving docks and replete with the best equipment, pneumatic, electric, and hydraulic. The great trade in frozen and in tropical products carried on by Liverpool with America and with different parts of the Empire has naturally made the manufacture and repair of refrigerating and sugar machinery a feature in the city. On account of its export facilities the trade in metal sheets and plates, galvanized and otherwise, has developed considerably in neighbouring towns, which can claim to house some of the largest works engaged in the trade in the world. Business was disorganised for a considerable period owing to variations in the tariff in the United States and other countries; but when the tariffs were finally settled, and when, to make up the loss in trade, our merchants and manufacturers had found additional outlets for their products, steady conditions once more prevailed, and Liverpool enjoyed the benefit of the renewed prosperity of the trade.

Though Manchester is the more important centre for manufacture, Liverpool acts as the chief distributing agent, and, accordingly, the figures in the annual trade returns are liable to give a wrong impression as to their relative importance. This may be seen from the adjoining table, which indicates the nature and value of the various engineering products exported:—

Produce and Manufactures of the United Kingdom. Exports from Liverpool and Manchester.

	Liverpool (including Birkenhead and Garston)		*Manchester* (including Ellesmere Port, Partington, Runcorn and Warrington)	
	1913	1917	1913	1917
	£	£	£	£
Carriages—railway, of all sorts, and parts thereof	2,374,373	249,739	—	—
Do., unenumerated	177,979	112,053	—	—
Electrical goods and apparatus—				
Telegraph and telephone cables	334,693	162,518	73,729	58,336
Apparatus	598,834	603,369	—	—
Implements and tools	1,348,207	1,934,009	—	—
Machinery	12,613,798	7,559,439	1,985,529	1,770,876
Iron and steel manufactures, including railway and ship's materials, sheets and plates, bolts, nuts and unenumerated manufactures	563,098	37,502	—	—

The items mentioned here show conclusively that Lancashire can claim to be well represented in the most important branches of the engineering trade, and that the county has the privilege of supplying the world with a range of engineering products scarcely rivalled elsewhere.

Moreover, the table demonstrates beyond a doubt the economic interdependence of the two cities. The manufacturing activity of Manchester is always faithfully reflected in increased trade at Liverpool.

CHILI.

NEED FOR DEVELOPMENT.

Chili, taken as a composite whole, has done exceedingly well, if we examine her general economic conditions as a result of the recent, now happily concluded, European War. Anyone, however, who has not merely made years of study of the economic conditions in Chili and the various Republics of South America, but anyone who will casually take up the matter and who is at all acquainted with economic conditions in any country, cannot fail to be struck with the salient feature that Chili needs to build her economic foundations upon a broader basis than is the case at the present time. She has enormous and valuable assets which are not being developed at all. She relies to an extent that is economically dangerous upon one great source of industry; and any accident that threatens that particular source of wealth threatens disaster to the economic condition of the Republic, and conceivably, under conditions which we admit are not likely to arise, but still conceivable, must sweep away half the national revenue of the Republic. Such a condition of things is exceedingly unsatisfactory for any country; and Chilian public men, Chilian financiers, and Chilian merchants are far too acute not to have long since realised the danger of the economic position in which they find themselves.

Assuming that there is no material change in the world's economic development differentiating it from what it has been in the past, such as we know it, Chili will to a very large extent have to develop upon the lines upon which we have ourselves developed in this country. It is hardly conceivable, with our present knowledge, that Chili can be a great producer of primaries, just as it proved practically impossible for this country to be a great producer of primaries as soon as our population began to grow to any considerable extent. It is commonly estimated that our population in Norman times was about a million; and in those days our people were engaged almost wholly in the production of primaries. London, and what afterwards came to be called the Cinque Port towns, were trading and seafaring. But all the towns, with the exception of London, were very little more than what we should call hamlets. One reads of a town being raided by pirates. But, as a matter of fact, some of these towns were so small that the crew of a privateer, being armed, disciplined, and fairly well led, probably constituted a very appreciable proportion of the male population of the village. Valparaiso was sacked by one of our privateers in Spanish colonial times. But the population of Valparaiso at that time was under 2,000. People who are acquainted with the facts think it amazing that a great city and a great port like Valparaiso could be sacked by two privateers. But they picture the Valparaiso that they know, with its broad streets, active, busy population, large resources, and the great sea frontage to the Pacific which could be in a comparatively short time armed with powerful defensive guns; however, such a Valparaiso did not exist at all in the seventeenth century. While England had a population of well under five millions, it was possible that we could live as producers of the primary necessities without either the knowledge or the skill of manipulating them into such form as would make them usable for the common necessaries of man's life. We played for centuries very much the part that Australia is doing now in the world's woollen trade. We supplied Flanders and Northern France with the coarser kinds of wools for cloth manufacture. We had no clothworkers, and nobody who knew how to make cloth, but we had great grazing lands suitable for sheep-breeding on an extensive scale for the demands of commerce in those days. Spain, which of course then, as now, had a far better climate than we have, supplied the world with the raw material for making the finer counts of wool from which the name merino is derived. Of course, in those days we had no winter keep, and our sheep were very much smaller than the heavy fleecy specimens to which we are accustomed in these times, and their wool did not grow with the regularity on their backs to which even the modest flock-master aspires in these times. Chili can content herself with being the producer of primaries for the present because her population is small. But if her population were to double, and, still more, if it were to treble, she cannot hope, with our present economic development and our present economic knowledge, to produce primaries to the extent that is the case with the other great Republics of South America. Not more than one-third of her soil offers facilities for real agricultural development, and although doubtless the extreme South will in time be developed for agricultural purposes to an extent that is little dreamt of at present, it must be at a considerable cost. Doubtless also the northern part will yield agricultural products to an extent that seems almost impossible in these times; but there, again, the cost will be exceedingly heavy. Those who know Iquique well know that whereas formerly it was a veritable desert situated in a place where it never rained, by diverting a proportion of the water required for the working of the nitrate fields it has been possible to build up an attractive city, with parks, and even vegetable gardens to a modest extent. Agricultural development, however, in Chili beyond the central zone must always be more or less an expensive process, provided, as we have said, the economic development of the world remains what it has been in the long past. If the population of Chili becomes dense it will, of course, have to produce various commodities for local consumption, as the growth of population, the rise in wages, the increase in the profits of trade and manufactures will gradually create a great demand for all classes of foodstuffs; and just as it is possible in the neighbourhood of great cities here in Europe to cultivate market gardens upon the most extravagant lines, it will become equally profitable to supply not merely Santiago and Valparaiso, but the large mining towns which in all probability will grow up. In fact we have an illustration already in the Cousino Park district, where there are already immense colliery works belonging to the illustrious family of that name.

Apart from nitrate, of which nearly three million tons is exported, of a value of over 28½ millions sterling, Chili raises over 70,000 tons of copper. She has gold and silver mines which are only moderately worked. She has tin mines, borite of lime, lead,

cobalt, various coal deposits in addition to that already mentioned, salt and sulphur mines. The Transandine Railway has brought Santiago within 36 hours of Buenos Ayres. As we have said, speaking generally, Chili is never likely to be in a position to export the great primaries of manufacture. Still less is she in a position to export food to any considerable extent. But there is a direction offering just at the moment in which she might develop a trade, and we will refer to it shortly. It will be seen, however, that Chili does not lack assets. She has a vast number of mineral deposits extending nearly the whole length of her 2,700 miles from the sub-tropical down to the not Arctic, but very cold regions of the 56th parallel. The total area of Chili is nearly half as large again as France. But the weak point is not merely the smallness of the population, which is only about 4 millions, but the fact that it grows so slowly. There is hardly any immigration into Chili, and has not been for a very long time past.

The one exception to agricultural exports upon a considerable scale which seems to open up a prospect, particularly at the present time, is wine. Immense quantities of wine are produced in Chili, and are exported to various parts of South America. Hitherto it has not been possible to export Chilian wines to Europe because they commanded a very much higher price in Chili than they could be sold for here in Europe. Consequently, with freight added, it would have been impossible to import them with any prospect of disposing of them. Now, however, as the reader is painfully aware, the price of wine, like everything else we consume, is extravagantly dear in Europe. Chilian wines are of exceedingly good quality, and compare favourably with all but the very choicest brands produced in Europe, and unless there has been a further rise in price in the past two or three years, they are certainly no dearer than the extravagant figures now asked for wine in every part of Europe.

THE ALKALI INDUSTRY.

The alkali industry covers the most important branch of chemical production in the United Kingdom. The term, in its widest acceptance, embraces the manufacture of all substances possessing alkaline or basic properties, as distinct from those with acid properties. These basic properties are found both in metals and non-metals, and are evidenced chiefly by a bitterness or salinity of taste, combined with a marked disposition to form salts in conjunction with the leading acids. Sodium, potassium, and ammonia are, perhaps, the best-known instances. The term alkali industry, in the commercial sense, is, however, applied mainly to the manufacture of certain products in which common salt forms the chief raw material. The various sodas, such as carbonate of soda and caustic soda, and chlorine products, such as hydrochloric acid, bleaching powder, and the chlorates might be cited as the leading examples. In Great Britain, the salt required comes from the rock-salt beds and the brine springs of Cheshire, Worcestershire, and Lancashire. The salt is sometimes mined, but more often won from the brine that naturally overlies the salt beds, or that has been artificially prepared by inundating these beds with water. In the latter case the salt is obtained by evaporating the brine in large shallow pans capable of holding several thousand gallons apiece. This brine must be carefully distinguished from sea water. It is a much more concentrated solution, containing on an average 25% of sodium chloride, while sea water contains less than 4%. The process of evaporation requires heat, which is furnished by coal, and hence the fortunate conjunction of salt and coal in Cheshire and Lancashire has led to a great development of the alkali industry in these counties. The so-called "alkali towns" in the North of England are a familiar sight, and they are so named because of their distinctive, though not altogether pleasing, appearance. Widnes, at the head of the Mersey estuary on the Lancashire side, and Northwich, in Cheshire, are the most important centres of manufacture, but Manchester, London, Fleetwood, as well as various towns in Cheshire and Worcestershire, and even on the east coast in Durham and Yorkshire, are also interested in the industry, which has in recent times shown a tendency to expand in certain suitable districts.

During the process of evaporation the salt, which is precipitated at a low temperature, is coarse-grained and goes by the name of fishery salt, indicating the purpose for which it is used. At a higher temperature common salt is deposited, and at the maximum temperature the finest salt, used generally for the table. In working up salt into the various chemical products associated with it limestone is required, together with pyrites or sulphur ore. The former can be procured locally, chiefly from Buxton, but the latter has to be imported. The industry was thus found suitable for places which had access to the sea, and which enjoyed cheap inland carriage, preferably by water, for the bulky raw materials and for the finished products. Hence the rise of Widnes, Fleetwood, South Shields, and other northern towns to their present position of importance.

After the salt has been prepared from the brine, or otherwise, it is treated according to the Leblanc process, which has proved most popular here, with sulphuric acid, and one of the products is sodium sulphate, better known in the anhydrous state by the name of salt-cake. Hydrochloric acid gas is also formed, and this, when dissolved in water, yields commercial hydrochloric acid. From the chlorine present bleaching powder and other valuable substances can be prepared. The material necessary as a starting-point in all these reactions is sulphuric acid, the output of which at present occasions some difficulties. On the purely alkali side the industry is self-contained, but on the acid side it is dependent on imported pyrites. These pyrites contain sulphur, which is, of course, the basis for the manufacture of the acid. In the early days of the United Alkali Company, which is by far the largest concern interested in the industry in the United Kingdom, the pyrites required were brought from Ireland, principally from Wicklow, but at a later period Irish pyrites were abandoned in favour of Spanish. In the circumstances the cuprous iron ore from Spain came gradually to monopolise the market, but it is possible that with the increased attention at present directed towards the Irish mineral deposits some better grades of ore may be discovered, which will provide an alternate source of supply. Pyrites are at present drawn also from Norway, but they are more variable than Spanish. Though containing about the same percentage of sulphur, they generally prove more difficult to work. While the large interests in the United Kingdom own mines in Spain, most of our vitriol makers depend on such mines as the Rio Tinto and the Tharsis for their ore requirements. Our annual imports of pyrites over the last few years ranged from 850,000 to 950,000 tons, of an estimated value of 2¼ to 2½ million pounds. In view of the big increase in freights and of the low value of the ore compared with its bulk, the development of any promising home deposits of cuprous pyrites should prove remunerative, especially as it has been found possible to employ with profit here the zinc concentrates imported from such a distant country as Australia. These concentrates are primarily required for the manufacture of zinc, but they also contain sulphur, and before the War they were widely used on the Continent in the production of both spelter and sulphuric acid.

An even greater difficulty confronting the general alkali trade at the moment is the decline in consump-

tion in the acid section. Activity in this section was much intensified during the War in regard to the quantity as well as the quality of acid produced. Chamber acid had previously been made, but it was of insufficient strength for explosive purposes. Concentrating plants were therefore set up for treating the acid produced by the old lead-chamber process, while contact plants, suitable for the production of a strong acid of a high degree of purity were also erected. The total capacity of our acid makers was increased by at least 60%, but while the demand for explosives lasted the product found a ready market. Conditions have now changed. Outlets are difficult to find, and at present it is asserted that the rate of consumption is less than in pre-War days. The assertion is probably true, but it indicates merely a passing phase, and no abiding harm is likely to befall the industry. A decline in the consumption of acid was bound to follow the cessation of the abnormal war demand, and the slump was rendered more serious by the industrial disorder that marked the unexpected close of hostilities. In the alkali industry, especially on the acid side, business is carried on almost entirely with other manufacturers, and not directly with the final consumer. Any sudden or general dislocation of trade such as was witnessed after the Armistice throws this particular industry completely out of gear. The extent of its dependence on the other manufacturing interests that use its product as a raw material may be gathered from the following official table setting forth the principal sources of the pre-War consumption of chamber, that is, of unconcentrated, acid:—

Trades	Pre-War Consumption of Chamber Acid per Annum Tons
Superphosphates (fertiliser)	450,000
Sulphate of ammonia (fertiliser)	420,000
Bleaching powder	279,000
Hydrochloric acid	
Alkali and alum	
Iron pickling	105,000
Explosives	45,000
Copper sulphate	37,000
Dyeing and bleaching	37,000
Oil-refining	30,000

Big developments, some in the way of changes, have taken place in acid manufacture during the War. We make more acid and stronger acid, and draw on a wider range of raw materials. This large increase in productive capacity has not been at all marked on the the alkali side of the industry. In this section changes have been, by comparison, few, since, with the exception of caustic soda, none of the alkalis is of very great value for war purposes, and therefore the volume of output underwent little expansion.

There was an increase in demand, and when this is allowed for the danger of over-production is much less than it is with the acid. The future of both sections depends upon a general recovery in trade. Pure salt, the straight product of the brine wells, is used only to a small extent for table and preserving purposes, though it is exported in enormous quantities. In its worked-up form it enters as alkali into the manufacture of soap; as salt-cake into the manufacture of glass; as salt glaze into the making of pottery; as acid into the refining of oils; as bleaching powder into the manufacture of paper and textiles; and as acid into the galvanizing trade. The Leblanc process, above mentioned, which has been our chief mode of manufacture, has been largely displaced on the Continent and elsewhere by the ammonia-soda, or the Solvay process, and hence the future of the industry in Great Britain, besides being bound up with the future of the trades already referred to, will depend also on the strength of the demand for chlorine, bleaching powder, and allied products. In Widnes, Northwich, and Runcorn we have indeed examples, not only of the ammonia-soda process, but of a third process, the electrolytic. All three are now carried on here to some extent, but manufacturing opinion differs as to their relative economy, and time alone will furnish a decisive answer to the problem.

LAND PURCHASE IN IRELAND.—II.

Of the various Acts of Parliament dealing with land purchase in Ireland the Act of 1903 achieved the most substantial measure of success. Advances made to tenants by the State to enable them to purchase their holdings from their landlords amounted to £10¾ millions in cash under the Acts passed prior to 1891, while the advances made under the Acts of 1891-96 amounted to over £13,000,000 in stock. In connection with the Acts of 1891-96 the annuity paid by the purchaser was sufficient to pay the interest charge and redeem the stock in a period which was not fixed, but which was estimated at 42½ years, except in the case of tenants who availed themselves of the decadal reductions, and this extended the period of re-payment to 72½ years. The periods of repayment, however, in these cases will be reduced owing to the rise in the rate of interest. The necessary cash required for advances under the 1903 Act was raised by the issue of 2¾% stock, while the annuities payable by the tenant were at the rate of £3¼ (£2¾ being for interest and 10s. for sinking fund) for every £100 cash advanced. In order to induce landlords to come under the scope of the Act a special cash bonus was awarded them in addition to the ordinary selling price of their land. This bonus was payable at the rate of 12% on the purchase money advanced, and the total amount made available for this purpose amounted to £12,000,000. Both landlord and tenant hastened to avail themselves of this statute, and the advances made up to March 31, 1917, totalled £67,000,000. Further legislation, however, became necessary, as at no time after the passing of the Act was it possible to obtain cash by the issue of stock bearing 2¾% interest, except at a large discount averaging over 12%. Accordingly, the Act of 1909 provided that the charge for extra stock to finance all pending purchase agreements should be provided by the Treasury. As regards future purchase agreements, it was laid down that vendors should be paid for the most part in 3% stock at its face value, while the annuity payable by tenants was raised to £3½. Advances amounting to £8,000,000 have been made under the Act up to March 31, 1917.

The position of land purchase on March 31, 1917, is indicated by the following table:—

	No. of Holdings	Area Acres	Purchase Money
Land vested in tenants ...	308,833	10,202,910	£100,208,684a
Land agreed to be sold ...	100,890	3,302,941	23,936,053

(a) Includes £1½ millions lodged in cash by tenant purchasers.

As above mentioned, the cash required for advances under the 1903 Act was raised by the issue of 2¾% stock. Had the stock been always issued at par, the tenants' annuities would have been sufficient to discharge the liabilities on the stock issued; but, as a matter of fact, it could never be issued at par, and in order to obtain £100 cash it has been found necessary to issue, on the average, over £115 stock. At the present moment, in order to realise £100 cash, it would be necessary to issue £182 2¾% stock. Owing to the fact that the purchaser's annuity was sufficient to provide interest and sinking fund on only £100 of this £115 stock, the interest and sinking fund on the balance, which is known as "excess stock," formed a charge on the guarantee fund, the first item of which was the "Ireland Development Grant." A sum amounting to £160,000 was available out of this grant, but, as this sum became fully hypothecated in 1910, the sums necessary to meet further loss on issue of excess stock have, in accordance with a provision of the 1909 Act, been voted as part of the cost of the Irish Land Commission. The sum voted under this head in the year ended March 31, 1917, was £280,000, and the sum actually paid out was £267,740, in addition to the £160,000 a year paid out of the Development Grant. It was assumed in the 1903 Act that £100,000,000 would be sufficient to complete land purchase, and, accordingly, a sum of £12,000,000 was provided as a cash bonus for landlords, to be paid at the rate of 12%

on their purchase money, such rate to be continued for a period of five years. The original estimate of £100,000,000 was, however, found insufficient to complete land purchase, and the Act of 1909 effected a revision of the bonus. The £12,000,000 limit was removed, and provision was made for the payment of a graduated bonus at rates varying from 0 to 18%, varying inversely with the number of years' purchase of the rent; the average rate of bonus paid since 1909 has been over 10%. A calculation made some years ago placed the amount of bonus to be paid before land purchase was complete at £15,000,000, to provide for which it would be necessary to issue £17,000,000 stock. Under existing financial conditions this sum would be exceeded. About £10,000,000 worth of stock has already been issued to provide bonus. With regard to completed cases, i.e. land vested in tenants, the total charges in the year 1916-17 for the annual payments necessary for the excess stock and for the stock issued to provide a cash bonus in respect of the £75,000,000 worth of land sold from 1903 up to March 31, 1917, amounted to £753,000. This includes £325,000 for bonus paid out of the Land Commission Vote. With reference to advances made to tenants under the 1909 Act, the question of excess stock does not as a rule arise, since vendors are paid with 3% stock at its face value. The charges for excess stock would have been considerably greater had not many vendors availed themselves of the option given in the 1909 Act of securing special priority by accepting payment in 2¾% stock, or half in cash and half in stock, instead of all cash. Advances made in this way amounted to over fourteen millions, and the stock so taken was at the minimum price of £92.

The purchase money of the land agreed to be sold amounts to £23,936,053. Roughly, about three-quarters of this amount will have to be found through the medium of the 1903 Act. Therefore, in order to find the necessary cash to pay vendors, a further issue of excess stock will be necessary except so far as the vendors have agreed to accept payment wholly or partly in stock. In addition, a certain number of the pending cases under the 1909 Act, which refer to land bought by the Congested Districts Board or the Estates Commissioners, compulsorily or under a final offer, will have to be paid in cash, and these will require an issue of excess stock. It is estimated that, in all, 19 millions cash will be needed to complete pending cases. This will involve the issue of a large amount of excess stock, the exact amount of which would vary according as the cash was raised by the issue of 2¾% or 3% stock, but the annual charge for which would, at present prices, be certainly not less than £440,000. Then a bonus must be paid on the whole 24 millions that represent the price of pending cases. At the present average rate of bonus (10%) this would amount to £2,400,000 cash, and to raise this sum the annual charge for interest and sinking-fund would come to over £140,000. The completion of pending cases would thus involve a charge to the State for excess stock and bonus which cannot, at present prices, be put at less than £580,000 a year, or nearly 2½% per annum on the amount of the advances. This estimated charge of £580,000, added to the actual annual charges for excess stock and bonus in completed cases, which amounted to £753,000, would make a total of £1,333,000.

Landlords who have agreed to sell their lands under the 1909 Act, but whose sales have not yet been completed, are placed in a rather invidious position owing to the depreciation of 3% stock. The total purchase money in these cases amounts to £4,500,000. At the time when most of these landlords agreed to sell, 3% stock stood at over 80; now, owing to the War and the issue of Government stocks bearing higher rates of interest, it is quoted at 60. Consequently, those landlords who have not yet received payment are bound to suffer a heavy loss if they have in the future to sell stock which more or less maintains its present price in order to pay off charges. It has been suggested that the difficulty could be met by paying such landlords so much of the purchase money at the actual market price that prevailed for the stock at the date the agreements to sell were signed as may be required to pay off charges which existed at the date of the agreement to sell and still exist. As regards this suggestion, it is not proposed to take any account of the bonus of which the landlord is absolute owner, and neither is it proposed to take into consideration the cases in which payment has already been made in depreciated stock.

PRODUCTION AND LUXURY.

With the help of the table given in the article entitled "Distribution, Waste, and Production" in The Statist of March 22, it was shown that, on the basis of the production and the values before the War, a forcible division of the incomes over £250, in an average industrial town, would yield only £20 a year, or 7*s.* 8*d.* a week, to families with an average earning from £150 to zero, a sum which the friction attendant on forcible distribution would probably obliterate entirely. It was shown also that an increase of production by 25%, which in most industries could be effected by an expenditure of goodwill alone, helped by the better use of labour-saving machinery, would, all other things being equal, yield a larger sum than the 7*s.* 8*d.* a week for the classes with the smallest income, even if no improvement were effected in the system of distribution; and that the political friction which would dissipate the benefit in the first case would be absent in the second. The yield from increased production might be in cheapened goods or in higher wages, or partly in both.

The argument for the solution of the industrial problem by increased production alone or mainly would thus seem to be irresistible. But the experience of many years has shown that no facts, figures, or reasoning of the kind, standing alone, can bring conviction to a majority of the working classes and their leaders. Let us take the view expressed by one of their most moderate advisers. After declaring that he regards as dangerous and objectionable "that absence of freedom and that interference which would bring about true democracy by violence, which would dictate the millennium and impose it by force," he goes on to say:—

"Not that I do not absolutely disagree with the arguments which so many find so cogent, and which try to show that you can make a fairer distribution of the work and the play, of the wealth and the health of the world, without disturbing the present distribution, if only the workers will work a little harder—for someone else's profit."

This "absolute disagreement," which is shared by almost the whole of the "dispossessed class," is the great obstacle that stands in the way of industrial peace now and of industrial prosperity as soon as the terrible effects of war have been removed by everyone putting his shoulder to the wheel. How can this obstacle be cleared away? There might be tried the moral argument which used to be addressed to the working classes, and which may be stated thus:—

"Do your work conscientiously, making the greatest possible use of the machinery at your disposal. Even if your share in the extra proceeds is not what you regard as just you can improve your position by making a good use of what you do get. You are justified in objecting to exhausting toil or exhausting length of hours, both of which are economically unprofitable. You can prove to the employer that this is so. He will listen to you all the more readily if you are trying to do your best. By all means seek to increase your strength by combination, and the more experience you gain in co-operative management and the more capital you accumulate, the more rapidly will your real influence over the industry with which you are associated increase."

Never, it may be admitted, has this advice failed where it has been thoroughly applied; and even in the mixed England of the seventies, eighties, and nineties the influence of this teaching, rudimentarily and fractionally operative, produced a steady advance of the purchasing power of the worker's wages, while it brought interest, which has been called the toll of capital, to the lowest rate. There was, moreover, the prospect that this improvement would continue with steady acceleration if the conditions remained; for there is abundant evidence that, within limits that cannot yet be fixed, production can be beneficially increased, and that if there is no moral deterioration all will be gainers.

But the conditions changed. There arose other prophets who said to the workers: "Spend all that you can get. The employers are trying to increase their profits out of your labour. They are rich; you are poor; see that you do not make them richer; let the work be spread out among more workers; the number of the unemployed will then be reduced, and your power to enforce higher wages will be increased. Compel the State to give you pensions and insurance and many other benefits for nothing, or below the market value, and let the national burdens be thrown increasingly on the rich."

From 1892 to 1914 this doctrine made increasing progress. Within a few years, as a result of this and other causes, the purchasing power of the wages given began to decrease and interest to rise. But the fault was not the worker's alone. He listened to the new teachers because the appeal of the old was glaringly one-sided. The employer had not been summoned to conform to the highest economic laws. He was encouraged to stop where he pleased, and to salve his conscience and delude the people with the plea that his high expenditure on himself and his household was good for trade, an absurdity as ruinous as any which the worker cherished.

In treating this side of the case hypothetical simplification may be profitably used where real simplification is not practicable.

It is almost impossible to form any concise idea of the world as a whole, or even of the United Kingdom as a whole. Let us reduce the world to Glasgow and the surrounding agricultural districts, and let us assume that they are sufficient to each other and that they have solved the industrial problem. If there is produced by the workers in the country districts which Glasgow drains enough food for all and of sufficient variety, if the prices obtained enable the farmers, gardeners, fruit-growers, &c., to supply all their material and æsthetic wants, and if the townspeople, including those who control the mechanism of transport and exchange and those who provide "cures" for body and soul, have also satisfaction for all their wants, there is economic stability, provided the production on both sides is sufficiently beyond immediate wants to allow for accidents of weather and time, and to establish a fund for the extension of cultivation and production so as to meet the increase of the population.

In such a stable economic system there need be no equality of reward. Among the million workers and directors of work, or professional men and women in ideal Glasgow, there may be a great variety of knowledge and taste. A director of industry needs instruments and facilities for investigation which the maker of his chairs may not need. Similarly, the Principal of the University and many others have special wants. Many of the yawning gulfs in existing rewards may be bridged, but some will possess a moral value beyond a time to which our vision extends. But if in this ideal Glasgow and its hinterland each gets the reward he thinks is just—a reward which will increase as his tastes and the relative value of his work improve—there will be general amicable fellowship and contentment.

If, however, there entered this community men who strove to make their own increase in riches, and not the maintenance of a just equilibrium of work and reward, their supreme object, and if, in addition to the happiness-producing æsthetic needs, they each made scores work to procure unsatisfying pleasures for them, then there would be a straining and a jarring of the whole machine, and the impetus of each to do his best would be lowered.

The big world is much more complicated than our ideal Glasgow and its surrounding country, but the relatively simple case we have stated contains all the essential factors of the modern industrial problem. The chief cause of the industrial ferment which preceded the War, which helped in a small way to make it, and which lives after it, was the failure of preachers, professors, politicians, and pressmen to call on those who had in their power the making of large fortunes to rise above selfish gratification, even the gratification of a "welfare"-working employer, and to live simple lives which would bring them in touch with the common people as equals and not as mere patrons. The Gospel of Work preached to the workers, although sound, was valueless without this call; and all the councils of industry or the Parliament of industry, and all the legal regulations of wages, will prove poor substitutes for a right appreciation of the things which are of most value in life. Indeed, the intensified legislation and officialisation of life threaten to coarsen the moral fibre of the community.

NATIONAL BANK OF INDIA.

Such progress as the National Bank of India reports for 1918 stamps the year as the best on record for the institution. The gross profits increased £74,700, and the net profit comes out £50,500 higher at £403,636. This is twice as much as the amount required to maintain the dividend at 20% free of income tax, distributed in 1917 for the first time. Were it customary to pay the dividends subject to income tax, and to show the profits earned before deduction of the tax, undoubtedly still greater progress would be apparent. The 20% free of tax distribution was equivalent to 26⅔% less tax in respect of 1917, and for 1918 represents 28.07%. The undistributed profit is £203,000. Of this, £200.000 is placed to reserve, against £100,000 so allocated for 1917, and after adding £10,000 to officers' pension fund and writing £10,000 off premises account the carry-forward is reduced from £139,828 to £123,464. Since the close of the year the paid-up capital has been increased by the issue at £20 per share of 40,000 £25 shares £12 10*s*. paid. The paid-up capital has thus been raised from £1,000,000 to £1,500,000 and the reserve fund from £1,550,000 to £1,850,000. The profit and loss account figures of the last six years are compared below:—

	Gross Profits*	Expenses	Net Profit*	Dividends—Free of Tax—		Special Allocations	Carry-forward
	£	£	£	£	%	£	£
1913 ...	523,858	229,241	294,617	160,000	16	120,000	78,825
1914 ...	511,146	241,775	269,371	160,000	16	95,000	82,946
1915 ...	534,340	242,922	291,418	160,000	16	111,274	103,140
1916 ...	569,692	272,219	297,473	160,000	16	123,924	116,689
1917 ...	686,654	333,515	353,139	200,000	20	120,000	139,828
1918 ...	761,358	357,722	403,636	200,000	20	220,000	123,464

* After deduction of income tax (dividends [20% free of tax]).

As regards the balance sheet, the total items at December 31—that is before the receipt of the £800,000 of additional capital—show an expansion of £3,000,000 for the year. On the liabilities side this is practically accounted for by an increase of £2,832,600 in deposits from £24,685,344 to £27,517,094, a diminution of £310,000 in acceptances being practically balanced by a rise of £305,000 in the amount of the bills payable. As to the assets side, cash showed a diminution on the year of £1,212,000 to £5,882,791, but loans and advances at £10,259,738 were up by £2,928,000, and bills of exchange and Treasury bills £1,050,000 higher at £13,126,887, while investments increased £539,000 and acceptances *per contra* declined £310,000.

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(In Continuation of Sauerbeck's Figures.)

We have again to record a decline in our index-number of the wholesale prices of 45 commodities (average for 11 years, 1867-77, being regarded as = 100). The following table shows the fluctuations that have occurred over a long period.

Annual Numbers — Year		End-of-Month Numbers					
1809 [Jevons'...	189	June '14...	81.2	Feb.'17 ...	164.0	Mar.'18...	188.0
1810 adjusted...	171	Dec. „ ...	118.4	Mar. „ ...	169·0	Apr. „ ...	189.8
1818 Figures]	159	Jan. '16 ...	123·6	April „ ...	173.0	May „ ...	191.1
1873	111	Feb. „ ...	127.0	May „ ...	175.0	June „ ...	192.3
1880	88	Mar. „ ...	130.4	June „ ...	180.4	July „ ...	192.9
1896	61	April „ ...	134.2	July „ ...	176.9	Aug. „ ...	195.9
1911	80	May „ ...	135.4	Aug. „ ...	175.7	Sept. „ ...	197.1
1912-13-14 ...	85	July „ ...	130.5	Sept. „ ...	176·4	Oct. „ ...	197.8
1915	108	Aug. „ ...	134.5	Oct. „ ...	180.6	Nov. „ ...	195.3
1916	136	Oct. „ ...	141.5	Nov.' „ ...	182.9	Dec. „ ...	196.0
1917	175	Nov. „ ...	150·8	Dec. „ ...	185.1	Jan. '19...	192.1
1918	193	Dec. „ ...	154.3	Jan.'18 ...	186.2	Feb. „ ...	187.5
		Jan. '17 ...	159.3	Feb. „ ...	187.3	Mar. „ ...	184.7

There seems every indication now that the fall in prices from their war-inflated levels has commenced in earnest. Compared with the highest point touched of 197.8 in October our latest index-number shows a drop of 13 points. Government control still prevents the resumption of open-market conditions in a good many commodities, but in several directions the maximum prices have been taken off, and there is promise of acceleration of this movement in the near future. Whereas in February the fall in our index-number was attributable to declines in the prices of metals, textiles, and sundry materials, for the past month vegetable and animal foods have been responsible for the bulk of the downward trend. Wheat and flour, of course, remain at fixed prices, and it has to be remembered that the loaf is subsidised; but a sharp drop in the price of maize, together with a further decline in oats—a glut of oatmeal is reported in Scotland—more than offset a rise in potatoes, a not unusual movement at this time of the year. In the animal food section both beef and mutton commanded lower prices in March, and among textiles there were further appreciable declines in cotton and hemp. The reverse movement occurred in coffee, leather, and timber. Timber import restrictions were revoked early in the month. We append our usual comparison of index-numbers by classes:—

Comparison of War and Pre-War Monthly Index-Nos.

	Monthly Index-Nos.				+ or − % Mar. 1919 on		
	Mar 31 1919	Feb. 28 1919	Mar. 31 1918	June 30 1914	Feb. 1919	Mar. 1918	June 1914
Veg. Food...	167·1	173·6	166·0	66·5	− 3·7	+ 0·6	+151·2
Animal Food	204·6	226·2	199·5	97·5	− 9·1	+ 2·5	+109·8
Sugar, Coffee & Tea ...	127·6	118·3	138·4	51·8	+ 7·4	− 7·8	+146·3
Foodstuffs ...	167·7	181·1	172·5	74·8	− 7·4	− 2·8	+124·2
Minerals ...	170·5	172·8	178·8	96·7	− 1·3	− 4·6	+ 76·3
Textiles ...	197·2	203·7	225·7	80·6	− 3·1	−12·6	+144.6
Sundries ...	205·8	196·4	193·3	82·5	+ 4 8	+ 6·4	+149·4
Materials ...	193·6	192·4	199·4	85·7	+ 0·6	− 2·9	+125·8
Total ...	184·7	187·5	195·0	81·2	− 2·5	− 2·8	+125·0

TRADE IN MARCH.

It would, of course, be extravagant to say the Board of Trade returns for the month of March are satisfactory. But it is quite safe to say that the relative growth in the exports and reduction in the imports is a highly satisfactory feature, and if it is maintained gives promise of a gradual return to a more healthy state in the international trade of this country. In very rough figures, in the years that preceded the outbreak of the recent War our imports customarily exceeded our exports by some ten millions sterling per month, exclusive of the movements of specie and shipping and certain other items. It has to be remembered, however, that in those days we were entitled to a large excess of imports over and above our exports, in payment, partly, for services rendered, and also for payments which, in a sense, may be described as wholly unearned increment. The payments for services rendered were in connection with banking, in which we were the great centre for the world's trade; for insurance, particularly marine insurance, in which we were also the centre of the world's international trade; and, in addition, we were the world's carriers in a sense that was true of no other nation. The late President Roosevelt, in an address he delivered some years ago on the carrying trade of the world, said that, on the whole, Great Britain had discharged her office as the world's carrier so efficiently and at such a modest economic cost that it was not worth the while of any other country to compete against her.

In addition to payments for the above services, rendered during the greater part of last century, and indeed extending into a longer period, our forefathers had been accustomed, directly and indirectly, to finance the trade of other countries. When the great railway boom opened towards the middle of the nineteenth century, England first covered herself with a network of railways, and it was English engineers and English capital which first built the great railway systems of the various countries of the world, and particularly of the newer countries, which have been developed to such a great extent in our time. Consequently, a large proportion of the countries of both hemispheres, and particularly of the newer countries, paid us a form of tribute in consideration of investments which we had made from time to time to enable them to develop to the extent which they had then reached. The form the tribute took was in nearly all cases to supply us with food and raw materials; and where we were creditors of a country which was unable to supply us with food and raw materials, and whose own manufactures were so much like our own that there was no great demand for them here, they simply transferred the debt to some country producing food and raw materials by means of a bill of exchange on London, and the newer countries supplied the commodities for which there was ever a ready market in London. We still have something like two-thirds of our former investments in various parts of the world. But so extravagant has been our style of living during the past four years of war that we are not at the present time in a position to pay for our imports without obtaining credits from the various countries upon which we rely for the food we must necessarily consume and the raw materials upon which the existence of our manufactures depends.

It is eminently satisfactory, therefore, to witness at last a growth in our exports, the more so as it is accompanied by a reduction in our imports, especially of articles wholly or mainly manufactured. The table below shows that whereas so recently as January of the present year the excess of imports over exports amounted to over 82½ millions sterling, in March last this excess had been reduced by very nearly half. In 1918, the last year of the War, the excess of imports over exports reached truly alarming figures, culminating in the April of that year in the extravagant figure of over £77,600,000. Our imports in March totalled 105¾ millions sterling. But against this there was a handsome increase in the re-exports, which amounted to very nearly 9 millions, bringing down the net imports to something over 96¾ millions sterling. Against this the exports increased by 17 millions compared with March of last year, which reduced the excess to under 43¾ millions sterling, comparing with 58 millions in February and over 80 millions, as we have already said, in January of the present year.

We must not exaggerate the favourable nature of the position, because our exports of coal, always a doubtful advantage, doubled in March last as compared with March 1918; but it is wholly satisfactory to find that whereas we exported goods wholly or mainly manufactured to the extent of 29¼ millions in March 1918, we exported goods wholly or mainly manufactured of the value of very nearly 42 millions

sterling in March of the present year, or an increase of a little over 12½ millions sterling.

Course of Foreign Trade.

[000's omitted]	March 1919 Amount	Inc. or Dec. on 1918	Inc. or Dec. on 1917	Three Mos. to Mar. 31,'19 Amount	Inc. or Dec. on 1918	Inc. or Dec. on 1917
	£	£	£	£	£	£
Imports	105,772	−1,451	+24,627	347,364	+42,207	+104,803
Re-exports ...	8,949	+5,758	+1,330	18,629	+9,507	−6,363
Net imports ...	96,823	−7,209	+23,247	328,735	+32,700	+111,166
Exports	53,108	+17,106	+8,997	147,366	+30,598	+19,107
Excess of imports	43,715	−24,315	+14,250	181,369	+2,102	+92,059

Excess of Imports into United Kingdom.

Month	1919	1918	1917	1916	1915
	£	£	£	£	£
Jan. ...	82,615,000	54,202,000	35,301,000	29,348,000	32,103,000
Feb. ...	55,039,000	57,214,000	24,668,000	22,470,000	32,213,000
Mar. ...	43,715,000	68,042,000	29,465,000	39,707,000	37,219,000
April ...	—	77,621,000	40,244,000	30,805,000	31,512,000
May ...	—	77,516,000	37,852,000	25,786,000	27,739,000
June ...	—	64,176,000	35,999,000	30,780,000	33,425,000
July ...	—	63,525,000	35,703,000	22,515,000	31,593,000
Aug. ...	—	64,435,000	46,220,000	20,632,000	29,638,000
Sept. ...	—	56,094,000	39,870,000	26,842,000	30,414,000
Oct. ...	—	72,768,000	39,405,000	28,781,000	28,684,000
Nov. ...	—	70,732,000	62,621,000	39,310,000	27,670,000
Dec. ...	—	74,797,000	44,450,000	29,434,000	28,677,000

External Trade of the U.K.: Last 11 *Years* (000's omitted).

Year	Imports	Re-Exports	Net Imports	Exports	Excess of Imports
1919	£	£	£	£	£
Mar. ...	105,772	8,949	96,823	53,108	43,715
Feb. ...	107,073	5,119	101,954	46,915	55,039
Jan.	134,518	4,560	129,958	47,343	82,615
Year					
1918 ...	1,319,339	30,956	1,288,383	498,473	789,910
1917 ...	1,064,161	69,677	994,487	527,080	467,407
1916 ...	948,506	97,566	850,940	506,280	344,660
1915 ...	851,983	99,062	752,921	384,868	368,053
1914 ...	696,635	95,474	601,161	430,721	170,440
1913 ...	768,735	109,575	659,160	525,245	133,915
1912 ...	744,641	111,738	632,903	487,223	145,680
1911 ...	680,158	102,759	577,399	454,119	123,280
1910 ...	678,257	103,761	574,496	430,385	144,111
1909 ...	624,705	91,345	533,360	378,180	155,180
1908 ...	592,953	79,624	513,329	377,104	136,225

SOUTH AND CENTRAL AMERICA.

POPULATION.

With the exception of the Argentine Republic and the Republic of Chili, it may be said, with little fear of contradiction, that the population of the great continent of South America and, indeed, of Spanish America, taken as a composite whole, is more homogeneous than that, perhaps, of any other population now existing in the world. In North America, when Europeans first conquered and colonised its various parts, they found scattered tribes roaming about, with hardly any knowledge of agriculture, who were more or less dependent upon hunting and fishing, and, if not exactly savages—perhaps it would be unfair to describe them as savages—but certainly a people in a very low stage of civilisation. The Europeans who colonised North America drove the natives before them and settled on their lands. The total native Indian population in the whole continent of North America has been variously estimated. But it is generally admitted that it never amounted to more than a few hundred thousand. With South America the position was wholly different. To this day the substratum of the population, with the two exceptions mentioned, are the Indian races which originally inhabited the whole of Spanish America when Columbus first discovered the two continents. A comparatively small number of Europeans—Spanish, Portuguese, Italians, and others—have at any time settled in what is known as Spanish America, and they have, for the most part, in fact very generally, amalgamated with the native races that they found there. It would not, of course, be true to say that there is no race prejudice in South America, because those of mixed descent affect a certain superiority over the native Indians. But it is a dying feeling, and it was never a political or social factor in the sense that it has been in other countries of the world. The result is that South America has a composite and homogeneous population to an extent that is found nowhere else where the population is formed by two totally distinct races. It will be an immense advantage when Spanish America comes to be opened up by means of railways, the building of roads, and the connecting of her unrivalled river system.

Spanish America has been called by the world backward, lacking in enterprise, and subject to revolutions to such an extent as to check her economic development and threaten even the existence of her civilisation. But in one respect, at any rate, she sets an example to other races which they might follow with very great advantage. Whenever South America comes to be opened up and developed to an extent that will admit of her receiving, say, a million or two millions, or, it may be, five millions, of immigrants year by year, she will not be faced with the difficulty as to the origin of the races which are able and willing to develop her unrivalled natural resources.

In the comparative absence of all racial feeling South America sets an example to the British Empire which we might consider with profit to ourselves. The British Empire is not quite, but very nearly, twice the size of the whole of South America. A large part of it is very fertile; perhaps a larger part is nothing like so fertile as the continent of South America; but it is capable of sustaining an enormous population. And, for the most part, the countries which constitute the British Empire are at present little better than barren wastes. With the possible exception of the Mother Country itself none of them can be said to be economically developed. All are awaiting development. All are urgently needing immigrants. And all more or less offer opportunities for the profitable employment of capital for the development of their resources. The white population of the British Empire constitutes, all told, considerably less than one-third of its total population; and, moreover, while the white population is growing very slowly the coloured population within the Empire is growing at a very rapid rate. Owing to the War, the calling up of so many men, and the food shortage, and consequent epidemic of influenza, there was an apparent actual decline in our population, as shown in the recently issued quarterly returns of the Registrar-General. These were reproduced with sensational headlines in some of the newspapers. But if allowance is made for the exceptional deaths owing to the recent influenza epidemic, it will be seen that our population is not declining, but is, in fact, slowly growing, as it was before the War. There has, however, been a steady decline in the growth of our population. It will be remembered that a few weeks back we published some brief tables showing that, while the population in the last quarter of last century was growing at the rate of 1½%, the ratio of growth had fallen at the beginning of the century to well under 1%. Shortly before the outbreak of the War the growth of our population was, roughly, at the rate of ¾ of 1%; and during the War, as far as the figures are available—it will, of course, be appreciated that these figures are merely estimates—the growth of population was, roughly, ½ of 1%. The Indian Census is a difficult one to take, and it is still more difficult to base calculations of the growth of population upon the figures as they are presented. The best census of vital statistics that we have come across is that issued by the Home Department of the Japanese Empire. And it shows, as we explained some time since, that the growth of the Japanese population is at the rate, at the present time, of 2½%. That is to say, if we may take Japan as representing the growth of population in Asia, the Asiatic population is growing five times as rapidly as the people of these Western countries of Europe. What is the growth in the United States of North America we do not know because, curiously enough, although the United States is pre-eminently a country of statistics so far as industrial questions are concerned, her vital statistics are exceedingly imperfect. We do not know, in fact, whether the growth of population is due to the enormous immigration which has taken place during the past two generations, or to what extent it is due to a high birth-rate among foreign-

born parents who have recently emigrated to the United States. So far as the black population of the United States is concerned, they have almost exactly doubled since the Civil War; and this, of course, is what is called a natural growth of population, as there has been no immigration of blacks into the United States since the period of the Civil War.

The comparative absence of racial feeling in South America is largely due to a fortunate accident. The early Spanish conquerors were at least as barbarous as the people who settled in North America. They were at least as cruel. They were in no sense philanthropists, and had, of course, no thought for the future welfare of the South American Republics. While, however, the North American settlers drove the Indians before them, it was impossible for the Spaniards to do the same in South America. The Spaniards came in small numbers across the Atlantic, and for the most part they were men, unaccompanied by their women folk. Their principal object in coming to South America at all was to gain riches as rapidly as possible; and their notion of obtaining the riches was to work the gold and silver mines of Peru, Ecuador, Colombia, and so on. They practically ignored the rich plains of what we now call the Argentine Republic as of no value. Nor did they think it worth while to settle in Brazil. There was thus offered the Portuguese an opportunity for settlement which the latter were not slow to seize. When the Spaniards landed in Peru and Ecuador they found a population probably a good deal larger than that which occupies these Republics at the present time. The people were—one was going to say—more civilised, but probably quite as civilised then as they are now. Except in the art of war they were in no way inferior to the Spaniards; and even in that their inferiority consisted in their lack of knowledge of the application of certain discoveries which had been made in Europe shortly before the Spaniards sailed for America. But in everything except the application of applied science to war the natives of Western America, where the Spaniards principally settled in the early days, were at least the equals of their conquerors. They were better manufacturers, as good agriculturists, as expert traders, and, above all, having a considerable highly developed economic system, they were settled upon the land in such numbers that it was impossible for the Spaniards to drive them out. In addition, they were, and are, an exceedingly laborious people. The skill and industry with which the ancient Peruvians manufactured woollen fabrics and the Ecuadorians developed the hard bitter root of a herb into what we now call the potato, showed a capacity equal to anything the Spaniards were able to display. Above all, the industry and ingenuity with which the natives worked the mines appealed particularly to the Spaniards. And although they did little to preserve the native races, they were always anxious to exploit them for the purpose of working the mines. Finally, they married amongst them, and, as a result, we have the mixed Spanish and native races which so largely inhabit South America to this day; and we have escaped in consequence the antagonism which elsewhere prevails between races deriving their origin from Europe and those deriving their origin from other places.

The giant flagstaff—weighing 18 tons and 215 feet long—presented by the British Columbian Government to Kew Gardens, which arrived in London by the R.M.S.P. *Merionethshire* in December 1915, being subsequently towed up the river to Kew, is now about to be erected by Canadians in the Gardens, and its first use will probably be that of flying the Flag of Victory and Peace in the forthcoming Peace celebrations.



Sir F. H. Cowen, Mus. Doc., writes:—"I have tried 'De Reszke' American Cigarettes and find them excellent—mild, and at the same time with a most pleasant flavour. For a Virginia cigarette I could desire nothing better."

Miss Victoria Cross writes:—"I find your 'De Reszke' American Cigarettes exquisite. The blend seems to be absolutely perfect."

JUDGE a man by the company he keeps—a cigarette by those who smoke it. By this test "De Reszke" are easily best. Try a box—their quality will win your admiration.

"De Reszke"
The Aristocrat **CIGARETTES**

Sold at all Military Canteens at Home and Overseas, also Tobacconists' and Stores.

For over a Century the Claims paid under Whole-life Policies have, on the average, been more than

Doubled

in amount by addition of Bonuses.

EQUITABLE Life Assurance Society,
Mansion House Street, E.C. 2.

MORE TOBACCO.

We regret that Customers have so often been unable to secure their usual supplies of our

"EARL GREY" and RHODESIAN Cigarettes,

But we hope within a few weeks to be able to meet all requirements.

JOHN WOOD & SON (Cigar and Tobacco Importers), **Ltd.**
23 & 25 Queen Victoria Street, E.C. 4.

THE BANK OF TAIWAN,
LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.
Head Office - - TAIPEH, FORMOSA.

Branches:—Amoy, Bangkok, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, Yokohama, and every important city in Formosa (Taiwan), &c. The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.

London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

In the Court of Appeal on Wednesday the Master of the Rolls and Lord Justice Warrington delivered judgment in favour of De Keyser's Royal Hotel, Limited. Lord Justice Duke, however, dissented. It will be remembered that amongst the remarkable decisions at which our Government arrived in conducting the recent War was to seize some of the largest hotels in London, and afterwards a large proportion of the hotels in various parts of the country. One of the results has been the extravagant expenditure of the Government, from which we are still suffering.

So enormous were the staffs collected for merely clerical work by the two greatest spending departments—the War Office and the Ministry of Munitions—that a recent report of a committee appointed by the Government stated that the clerical staffs of these two great Departments exceeded the population of the whole town of Worthing in Sussex. Nothing was easier than to create these great Departments, for industry in every direction had been upset, partly as an inevitable consequence of the War, but still more by the policy determined upon by the Government for conducting its operations. Having created these Departments, the difficulty since the Armistice has been to demobilise them. Many people found their occupations gone, and were glad to get into these Departments. Others were urged to join them from patriotic motives, and it will be remembered what frantic appeals were made to all and sundry to offer their services to the Government.

Now we find that we are spending nearly twice as much as the taxes are bringing in, and the Government itself has at last awakened to the fact that such a process cannot go on indefinitely. Neither an individual nor a nation can, for any considerable period, spend a sum nearly double its income without ultimately landing itself in very serious consequences. On the other hand, having invited people to offer their services to the Government, there is an evident injustice in suddenly turning them upon the labour market, especially as peace has not yet been signed; industry is still disorganised, and it may not be easy in many cases for people to find suitable employment. The device of granting out-of-work pay to those who have been demobilised is only a partial solution of the problem. It, in turn, cannot go on indefinitely, and while it continues the recipients have little inducement to seek employment, particularly as it is exceedingly doubtful if employers who have to make a profit out of the services of those they employ will be in a position to pay anything like the extravagant wages granted by the Government during the period of the War.

Amongst the many hotels which were taken over in the early days of the War was De Keyser's Royal Hotel on the Victoria Embankment. The Government's contention was that any payment offered to the proprietors of this hotel when it was forcibly seized could only be regarded as an act of grace. The contention of the directors—which the Court, in our opinion, has rightly maintained—was that far from being an act of grace, it was a matter of right and justice. It is sufficiently serious that the business of a company can be permanently jeopardised by an arbitrary act of Government without the Government incurring any kind of liability for its arbitrary acts. It is highly satisfactory to see that our judges have not lost their heads as a result of the War, and still feel that the rights of private citizens, even as against the Government, should be maintained.

According to somewhat belated telegraphic advice received in London from India, it would appear that there has been, during the past week, a marked change for the better in the Dependency. A considerable amount of freight has been released for Indian trade, and we learn that large quantities of jute are being despatched from India. There has, in fact, been a marked increase in the number of bills drawn on London in payment for consignments about to arrive here. This is all to the good. An even more satisfactory feature, we learn from the same cable, is that there has been considerable rainfall, particularly in the Punjab, which, it will be remembered, suffered most from the failure of the monsoon last season. This has led to a marked improvement in the condition of winter wheat, which, although it may not add much to the aggregate supplies of the Indian crops, is all to the good so far as it goes.

That the rains have made a very favourable impression in India may be gathered from the fact that there is once more a good demand for Lancashire piece goods, which is highly encouraging in the present depressed condition of the great industry of the County Palatine. A very large part of Lancashire's prosperity depends upon her ability to dispose of cotton goods in India, and in the East generally, but particularly in India. Of course it has to be remembered that the depressed condition of things, to which we referred fully when writing on India last week and the week before, was partly due to sentimental causes. But the sentiment plays a greater part in business than is generally believed. India, in fact, owing to a series of favourable monsoons until that of last year, has enjoyed very active trade, and until a few months ago the economic condition of India was more favourable than it had been for many years past. If, as we all hope, the monsoon next year is a good one, India should once more resume a period of real prosperity.

During the War only a small sum of money has been spent by the Indian Government on increasing the railway mileage of the Peninsula. It will be remembered that the Mackay Committee some years ago recommended that 12½ millions sterling a year should be set aside for improving railway communications throughout India. Only once has this amount been even nearly approached. But it is now decided to very considerably exceed this sum for the current Budget year. It has to be remembered that transportation facilities are exceedingly primitive in India. The country, in spite of its enormous size, has a railway mileage only some 11,000 miles in excess of that of this country, which, of course, is wholly inadequate. One result of this lack of transportation facilities is the difficulty of moving foodstuffs from one part of India to another. In periods of famine, unless the drought is of very exceptional intensity, there is often plenty of food in one part of India while there is not enough in another. If the country were opened up with railway communications, even to the extent, say, of one-third of what it is here, it would be possible to relieve the distress

LONDON JOINT CITY & MIDLAND BANK LTD.

HEAD OFFICE: 5 THREADNEEDLE ST., LONDON, E.C. 2.

31st DECEMBER, 1918.

Subscribed Capital	£34,428,948
Uncalled Capital	27,256,250
Paid-up Capital	7,172,697
Reserve Fund	7,172,697
Deposits	£334,898,435
Cash in Hand and Balance at Bank of England	63,756,371
Money at Call and at Short Notice	65,809,169
Investments and Bills of Exchange	100,849,947
Advances	99,213,614
Advances on War Loans ...	14,218,201

Paid-up Capital is now ... £8,171,417
Reserve Fund ,, ,, ... £8,171,417

OVERSEAS BRANCH:
65 and 66 OLD BROAD STREET, E.C. 2.
Specially organised for developing British Trade abroad. Foreign Banking business of every description undertaken.

To Trustees

Have you investigated the advantages of Registered Coupon Bonds?

THE 5 per cent. Registered Coupon Bonds now on sale offer special advantages to Trustees.

The Prospectus of National War Bonds issued by the Bank of England on the 31st of January, 1919, states that: "Registered Coupon Bonds are Bonds registered at the Bank of England 'transferable by deed' but the interest thereon is payable by Coupons attached to the certificate of registration which is issued to the holder in respect of each Bond so registered. Holders are thereby enabled to obtain their holdings in registered form and at the same time to have their dividends taxed before receipt."

As income Tax is deducted at the source, Trustees are relieved of the extra labour and responsibility involved when interest is paid direct to a beneficiary's account, and the sum due to the Inland Revenue has subsequently to be ascertained and repaid.

Interest at the rate of 5 per cent. per annum is paid upon registered Coupon Bonds on the 1st of February and the 1st of August in each year; and the premium payable on redemption of the Bonds in 1924 or 1929 brings the total yield to approximately 5⅜ per cent.

While this income is obtainable on a full Trustee Security, unconditionally guaranteed by the British State, the problem of finding a suitable investment for Trust Funds ceases to present any real difficulties. Trustees should purchase Registered Coupon Bonds.

Registered Coupon Bonds

Issued at par in denominations of £50, £100, £200, £500, £1,000 and £5,000. Repayable, in the case of the 5 year Bonds, on the 1st of February, 1924, at £102 per cent.; and in the case of the 10 year Bonds, on the 1st of February, 1929, at £105 per cent. Applications must be made on the printed forms which may be obtained at any Bank or Stock Exchange in the United Kingdom.

of one part of India from the abundance of another district.

All the banks are coming into line, and we heartily welcome the innovation, in issuing periodical circulars on the state of trade, industry, and sometimes the condition of the crops in the various countries or districts in which they are concerned. The Press does what it can by maintaining a large number of correspondents in the great centres of population in various parts of the world. But, as no doubt readers will appreciate, the cost of running a newspaper is exceedingly heavy, and it is not possible to maintain a corps of correspondents all over a great country to such an extent as would enable us to estimate with any degree of accuracy the actual economic condition of a country extending, perhaps, over hundreds of thousands of square miles. The banks, however, whether trading at home or abroad, have branches extending over all parts of the country, and, as every branch is expected at least to pay its expenses, it is not a drain upon the central institution. Moreover, bank officials come in contact with nearly every class of the community in the particular district or country in which they may be stationed, and they have, therefore, exceptional facilities for judging the economic conditions in the particular area in which they are located.

The circular of the British Bank of South America states that business in Rio de Janeiro during the month of January remained very quiet. There was an absence of buyers, says the circular, who were holding back pending the realisation of the expected big drop in prices consequent on the cessation of hostilities. The exceptionally large profits made during the War are enabling merchants to face the present disorganisation of trade with an equanimity which would not have been possible had the present conditions followed a period of normal trading. The commercial situation in Sao Paulo has been unsettled for the past month owing to several failures amongst dealers in provisions. The outlook for textile manufacturers shows some slight improvement, and the provision made by the Federal Government for loans to the cotton-mills is expected to relieve the situation considerably. Prices for cereals generally are low, with the exception of maize, which remains at just over a penny a pound.

Those who are interested in Brazilian trade know that the Customs duties are not merely high, but are exceedingly complex. Indeed, so complex are they that, without the assistance of local experts, it is rarely possible for a foreigner to hope to master them with any degree of success. It may be noted that the principal features of the recent Budget are an increase in Customs duties on certain kinds of cardboard, on cordage, linseed oil—both impure, as it is called, and boiled—all forms of loom leathers, silk and mixed silk ribbons, washing blue, and various kinds of earthenware and porcelain. The regulation affecting washing-blue is important, as nearly the whole imported into Brazil comes from this country. Special privileges are accorded to machinery intended for use in the lumber trade, which is completely exempted. Wire, barbed or plain, intended for fencing on agricultural land and railways is also exempted, as are all sporting requisites when imported by clubs which are federated to leagues recognised by the Brazilian Confederation of Sports; all raw materials required in the construction of ships, airships, and motor-cars; as well as fresh fruit from Argentina and other American countries offering reciprocal advantages to Brazilian imports. Payment of only 5% is required in respect of articles manufactured wholly or in part of good quality rubber when marked as "Pará Rubber, Brazil," and accompanied by authenticated certificates confirming the declaration; on machinery and materials for use in the production of and preparation of cereals and other agricultural products intended for human consumption; and on machinery for the manufacture of paper for use of newspapers when imported by manufacturers who give guarantees that the only raw material used by them will be Brazilian wood.

The Swiss authorities have a parcel post permitting a carrying capacity of twice that of ours. It has been brought to the notice of the French Post Office, as well as our own, that it would be desirable in the interest of trade between France and Switzerland, England and Switzerland, and the Continent generally, to increase the size of our parcel packets. France immediately agreed to the proposition, which admits of a parcel package of 22 lb. Our Post Office has declined on the ground that the limit for inland packages here is 11 lb. Surely this is a subject that ought to be considered.

We are asked to again call attention to the third Swiss Trade Exhibition, which will be opened at Basle on April 24 and will continue till May 8. Invitations are being sent out to merchants and traders in this country. This is the first time the Exhibition has been held under peace conditions. The goods displayed are divided into 19 groups, ranging from drugs and chemicals to mechanical instruments and building materials, and include fancy goods, paper manufactures, articles of food and luxury, textile goods, clothing, &c. Buyers representing wholesale, retail, and industrial houses in this country who intend visiting the Exhibition should give with their application—which should be made to the office, Gerbergasse 30, Basle—their address, branch, and calling. It is advisable to apply early for passports so as to avoid delay.

PITMAN'S are the BEST BOOKS FOR BUSINESS MEN.

By W. E. SNELLING.

Each in demy 8vo, cloth, 12s. 6d. net;

EXCESS PROFITS DUTY.

Includes Excess Mineral Rights and Levies under the Munitions of War Acts.

New Edition, Revised and brought thoroughly up to date in accordance with the Finance Act, 1918.

COAL MINES EXCESS PAYMENTS.

The Author treats of the Agreement entered into between the Coal Controller and the colliery owners. Much of the difficulty of this complex measure is herein cleared away.

INCOME TAX AND SUPER-TAX LAW AND CASES.

Including the Finance Act, 1918.

Contains a complete statement of every provision of the Income Tax Acts, 1918. An Analysis of the Schedules, Guide to Income Tax Law, and Notes on the Land Tax are also included.

SIMPLE INTEREST TABLES. 21s. net.

By WILLIAM SCHOOLING, C.B.E.

Enables every result that is needed to be obtained by the easiest of all arithmetical operations—that of simple addition. Interest at the rate of any penny from 1*d.* to £99 19s. 11*d.* per cent., and other rates as well, can be found from these tables.

MONEY, EXCHANGE AND BANKING.

By H. T. EASTON. 5s. net.

A practical work covering the whole field of Banking.

PITMAN'S LIST OF BUSINESS BOOKS

You should obtain this List for reference, as it contains particulars of many books necessary for the proper conduct of your business. A copy will be sent to you, post free, on application to

SIR ISAAC PITMAN & SONS, LTD.,

1 AMEN CORNER, LONDON, E.C. 4.

THE FIRST NATIONAL BANK OF BOSTON, U.S.A.,

Transacts Foreign Exchange Business of every Description.

Commercial Credits.
Collections. Cable Transfers.
Purchase and Sale of Bills of Exchange.

Special Rates of Interest on Deposits — held for a Specified Time. —

Capital	**$7,500,000**
Surplus and Profits	**$19,000,000**
Resources	**$200,000,000**

Branch at Buenos Aires, A. R.

American Topics.

CANADIAN PACIFIC RAILWAY.

As has been the case with railways in nearly every part of the world, and, indeed, with almost every kind of industrial operations, the most striking feature of the Canadian Pacific Railway Company's report for 1918, which is before us, and details of which are published elsewhere in our columns, is the heavy growth in the cost of working the lines. The working expenses for the year, says the report, amounted to 78.10% of the gross earnings and the net earnings to 21.90%, as compared with 69.46% and 30.54% respectively in 1917. When the agitation occurred for an increase of wages on the part of the operatives on the great railroads of the United States, and a settlement was arrived at between the management and the workpeople, the Canadian Pacific directors wisely decided to fall into line, and at once granted a similar increase throughout their system. As the cost of living on the North American continent is extravagantly high at all times, and as that continent has experienced the same difficulties which have occurred elsewhere in making both ends meet on almost any basis of remuneration, an increase in wages seemed to be inevitable. The individual has to live, and must look after himself; and if, through no fault of his own, the cost of the bare necessaries of life is extravagantly enhanced, he must necessarily demand a higher rate of remuneration for his services if he is to live in the scale of comfort to which he has become accustomed, and, indeed, if he is to maintain his efficiency as a worker; and, still more important, if he is to continue a healthy human being. Looked at from the purely humane standpoint, we were going to say that the higher wages go the better; but that is not quite the right way of putting it. What is true is that the greater measure of economic comfort attainable by the majority of the population of any country is eminently to the advantage of that country in what we may perhaps be permitted to describe as the betterment of the people themselves. This is, of course, provided always that the economic advantage gained is not at the expense of sound economic principles and does not, as the homely proverb puts it, kill the goose which lays the golden egg. Canada is bigger than the whole of the United States, but her population is barely that of Greater London. Consequently, it is true to say that the greatest need of Canada is immigration. Stated simply in that form, very few acquainted with the conditions prevailing in Canada would disagree with area to absorb the incoming immigrants. An emigration is conditioned by the capacity of any particular area to absorb the incoming immigrants. An emigrant to a new country does not take with him a complete outfit and storage like an exploring expedition, prepared to settle in a particular place for an indefinite period and await the time when he can develop the estates he has acquired. The ordinary immigrant is an exceedingly poor man, and it is almost always essential for him to obtain employment in some form within a comparatively short period after his arrival at any given destination. Consequently, although it is perfectly true to say that the most essential need of Canada at this particular period of its economic development is immigration, it is still more true to say that the most important need of Canada at the present is that it should be in a position to obtain the means which will enable it to welcome as large a proportion of immigrants as are able and willing to go to Canada.

Now the Canadian Pacific Railway is one of the greatest lines in the world. It has always been well managed, has been successful almost from the very start, and its mileage comprises, not quite, but very nearly, one-third of the total railway mileage of the Dominion. Yet we find that the operating expenses of this greatest of Canadian lines work out at practically 80% of its gross earnings. Economically this can hardly be regarded as satisfactory. Transportation facilities are one of the most essential needs of our time in every country. And in a new country, which requires opening up in every direction, it is not less so than in other countries. Of course, it may be contended, and is often contended, that transportation is so important that the operating of transportation companies should not be judged on ordinary economic principles. Politicians and others often maintain that, even if they fail to "pay," to use a convenient term, they should be maintained as a prime necessity of modern life. Provided the community clearly understands what it is doing there is much to say for this contention, as well as much to say against it. If any community decides to run its transportation facilities on a non-paying basis, such community should clearly understand that those facilities are maintained out of the productive resources of the country, which do, in fact, pay. There are no other means of paying for them. In the case of Canada, for example, which is essentially a country raising vast quantities of food and raw materials, not to be consumed at home, but to be despatched to the more congested parts of the earth, as, for example, this country, as well as other parts of Europe, the cost must come out of the profits of producing the said food and raw materials. Assuming, in our own case, that the railways were taken over by the State, and failed to yield sufficient for their cost of working, as Sir Eric Geddes recently stated they are doing at present, inasmuch as we are a country mainly engaged in the manipulation, as distinct from the production, of primaries, the cost of maintaining our railways would have to come out of the profits of trade and manufacture, as well, of course, as shipping, insurance, banking, and so on, which the reader will readily understand should be included. Of course, it is true that the public roads are maintained as a non-paying asset. And they are, of course, one of the most valuable assets which a country can possess. But it has to be remembered that they are very much cheaper to maintain, and, speaking generally, more efficient than a railway. Returning to Canada, it is, of course, evident that even if her railway system cost the whole of its earning capacity to maintain, Canada could, if she desired to increase her railway system, borrow upon the general assets of the Dominion, and borrow possibly cheaper than any railway could borrow as an individual corporation. This, however, does not affect the general principle that if transportation facilities are run, if we may be allowed to use commercial language, "at a loss," they are maintained out of the profits realised from other branches of industry.

The results for 1918 compare as follows with the results for the previous four years:—

Results of Canadian Pacific Proper (000's omitted).

Year to Dec. 31—	1918	1917	1916	1915	1914
	$	$	$	$	$
Gross receipts	157,538	152,389	139,730	109,397	110,467
Oper. expenses and taxes	123,035	105,843	89,256	65,873	75,579
Ratio	(78·1)	(69·5)	(63·9)	(60·2)	(68·4)
Net earnings	34,503	46,546	50,476	43,524	34,888
Miscellaneous income ...	8,935	a8,744	a*11,386	a*10,454	*9,778
Net income	43,438	55,290	*61,862	*53,978	*44,666
Int. and other charges ...	10,177	10,229	*10,286	*10,377	*10,377
Net profit	33,261	45,061	*51,576	*43,601	*34,289
Div. on 4% Pref.	3,227	3,228	3,228	3,228	3,169
Profit for Ord.	30,034	41,833	*48,348	*40,373	*31,120
= % on Ord.	(11·5%)	(16·1%)	*(18·6%)	*(15·5%)	*(12·0%)
10% div. on Ord. ...	26,000	26,000	26,000	26,000	26,000
Surplus	4,034	15,833	*22,348	*14,373	*5,120

* Approximate. Figures adjusted to coincide with calendar year.
(a) After making allowances to contingent reserves.

The course of the railway expenditure during the past few years is shown in the appended statement:—

Operating Expenses of the Canadian Pacific Ry.

Year to Dec. 31.	Railway Earnings.	Maintenance of Way	Maintenance of Equipment.	Cond. Transportation.	General Expenses.	Oper. Exp. & Taxes.
	$	$	$	$	$	$
1918	...146,379,000	22,646,000	28,227,000	64,059,000	5,422,000	120,354,000
1917	...135,304,000	17,470,000	23,404,000	56,114,000	5,024,000	102,012,000
1916	...124,735,000	17,249,000	18,908,000	45,326,000	4,346,000	85,829,000
1915	... 97,147,000	10,007,000	12,821,000	35,957,000	3,949,000	62,734,000
1914*	...114,746,000	16,427,000	16,617,000	45,877,000	4,322,000	83,243,000
1913*	...126,122,000	18,498,000	17,199,000	49,451,000	3,954,000	89,102,000

Ratio of Operating Exp. to Gross Receipts of Can. Pac. Ry.

	Maintenance of Way	Maintenance of Equipment.	Cond. Transportation.	General Expenses.	Oper. Exp. & Taxes.
	%	%	%	%	%
1918	14·37	17·91	40·66	3·44	76·39
1917	12·91	17·30	41·47	3·71	75·39
1916	13·83	15·15	36·34	3·48	68·80
1915	10·30	13·20	37·01	4·07	64·58
1914*	14·31	14·48	39·98	3·77	72·54
1913*	14·66	13·64	39·21	3·14	70·65

* Year to June 30.

Details of tonnage as set out in recent reports are given below:—

Principal Commodities Conveyed by Canadian Pacific Ry.

Year to Dec. 31	Grain Thous. Bushels	Flour Thous. Tons	Products of Live Stock Thous. Head	Products of Forests Lumber Thous. Feet	Products of Forests Other Thous. Cords	Manuf. Articles Thous. Tons	Misc. Articles Thous. Tons	Total Freight Tons
1918 ...	137,070	1,330	2,365	3,241,313	340	9,718	9,798	29,857,000
1917 ...	213,341	1,373	2,191	3,178,555	295	10,149	8,788	31,199,000
1916 ...	256,107	1,112	2,172	3,017,964	289	8,872	8,488	30,169,000
1915 ...	219,388	894	2,525	2,376,175	263	6,571	7,368	24,895,000
1914* ...	184,954	880	2,481	2,953,126	288	8,148	9,159	27,801,000
1913* ...	171,953	809	1,783	3,210,306	294	9,519	9,626	29,472,000

* Year to June 30.

The final general memorandum of the Indian cotton crop of 1918-19, issued on February 19, deals with both the early and the late crops of the season. The total area under cotton, according to the statement, is nearly 19% below the revised figure of last year. The yield is estimated at 3,671,000 bales of 400 lb. each, which is 8% below the revised yield last year. Bombay, which accounts for considerably over a quarter of the total cotton area in India, reports that the total area of both early and late cotton is down compared with the previous season by 34%. The area was restricted owing partly to the insufficiency of rains at the sowing period and partly to the greater attention that was paid to the production of food and fodder crops, of which there was a shortage. In the Deccan the crop has almost entirely failed in certain districts, except where helped by irrigation, while the boll worm has begun its depredations in certain other districts. In the Central Provinces the condition of the crop is described as quite satisfactory over the greater part of the cotton area, and bumper yields are anticipated. In the Madras Presidency the sowings in the main cotton centres have been increased, owing chiefly to the high prices offering for the material. The yield is estimated to be 41% above the revised estimate of last year. It is interesting to learn that the United States estimate of yield has been put at 14½ million bales of 400 lb. each, as against 14 million bales in 1917. In Egypt the area under cotton is 1,365,000 acres, against 1,740,000 acres last year.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue. Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

QUIET, with a disposition of share quotations to sag, describes the market of the past week. There have been no particularly prominent features, either of strength or weakness. Investors doubtless are awaiting the Budget speech, now announced for April 30, and to see how the manufacturing trade shapes in the near future.

Apropos of the rumours that American buyers have been on the look out to pick up planted properties in Malaya and the fear that heavy taxation of British concerns might prove helpful to them, it is to be noted that the Straits Settlements *Government Gazette* of January 30 published an ordinance imposing a War tax on incomes as from January 1 of companies whose income is not wholly taxed in the United Kingdom. This War tax, according to the *Board of Trade Journal*, is to be paid at the rates set out in the following scale:—

Amount of Total Income per Annum	Rate per Cent.
Not less than 3,000, but less than 3,600	1
3,600 " 6,000	2
6,000 " 7,200	3
7,200 " 8,400	4
8,400 " 12,000	5
12,000 dollars	6

YIELD AND RAINFALL IN MALAYA AND CEYLON.

INTERESTING statistics and charts have been prepared by the Rubber Growers' Association showing the percentage of crops harvested and of rainfall recorded monthly during the five years 1913 to 1917. The figures bring out very clearly how evenly both rainfall and harvesting are spread over the year in Malaya, whereas in Ceylon there is a big difference between the first and second halves of the year. The following quarterly averages of the five years' percentages are instructive:—

		1st Qr.	2nd Qr.	3rd Qr.	4th Qr.
Malaya ...	Crop percentages	22·56	22·8	26·24	28·4
	Rainfall percentages	21·82	24·73	22·7	30·75
Ceylon ...	Crop percentages	16·43	21·75	26·61	35·21
	Rainfall percentages	14·03	19·98	26·11	29·88

It should be added that the figures are based on the experience of 62 representative estates in Malaya and of 49 estates in Ceylon.

ANNUAL REPORTS ANALYSED.

SELABA (LOWER PERAK).

Issued Capital: £125,000 in £1 Shares.

Year	Total Planted Acres	Area in Bearing Acres	Results for Years to December 31— Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915 ...	2,479	1,744	529,998	309	2/5	1/1½	38,867	31,250	25
1916 ...	2,479	2,327	654,023	281	2/5·4	1/2¾	43,190	35,000	28
1917 ...	2,479	2 479	660,409	266	2/3	1/5·34	28,702	22,500	18
1918 ...	2,774	—	530,871	—	1/8	1/4	17,624†	12,500	10

† Excluding £5,154 excess profits tax refunded.

Price of Shares, 53/0. Market Capitalisation per planted acre, £117xd.

THE figures above, showing the 1918 results in comparison with the three previous years, speak for

themselves if it is borne in mind that tapping restrictions were in force throughout the twelve months. It may be remarked, however, that the reduction in the all-in cost figure is more apparent than real, being due probably to considerable sales of rubber in the East not bearing freight and insurance charges. The Company's financial position is strong, and, although it has a large development programme in hand, it would have been possible out of the year's profit and with the assistance of £5,154 refund of excess profits duty to have paid 15% dividend, against 18% for 1917. But apparently insufficient provision was made for income tax on the three years' average of recent periods, for £7,500 is set aside to reserve for the tax as well as £3,000 to general reserve. This leaves the carry-forward, after adding the above-mentioned tax refund, at about the same figure as brought into the year—£11,196. Capital expenditure was relatively heavy, outlays on development, buildings and plant, totalling £9,624, or £7,443 more than the depreciation allowance. On the Company's new Hamiltonia estate, which was only acquired last year, 750 acres had been felled by December 31 and 295 acres of this planted with rubber. This year, however, the cultivated acreage seems likely to be raised to 2,979 acres and thereafter to 3,600 acres. Then the issued capital per acre will be only £34 15*s.*, and the shares if they still stand at their present price of 53*s.* will look cheap. This year the Manager expects to get back to the rate of production of 1917, *i.e.*, 660,000 lb. This is not a particularly good yield from 2,500 acres of bearing trees, but in course of time the average of the whole plantations should be raised by the new plantings and the careful nursing now of the old.

GOLDEN HOPE (SELANGOR).

Issued Capital: £44,000 in £1 Shares. Loan: £4,035.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...	1,437	800*	197,880	247*	2/4·38	1/2	12,212	7,700	17½
1916...	1,461	1,000*	268,286	268*	2/5	1/1·4	17,399	11,000	25
1917...	1,446	1,300*	352,242	270*	2/4.7	1/4·8	18,414	8,800	20
1918...	1,446	—	290,571	—	1/8½	1/7	6,857	4,400	10

* Approximate.

Price of Shares, 65/0. Market Capitalisation per planted acre, £98.

Naturally restriction of tapping tells more with a small production than in the case of large outputs. That is partly the explanation of the meagre margin of profit shown by the Golden Hope for 1918. But it has also to be borne in mind that the Company had not previously shown ability to work economically, no doubt mainly because of the comparatively poor yield of the trees. In 1917 the Golden Hope division of 850 acres, all in bearing, gave no more than 310 lb. per acre, though 630 acres were 10 years old and over. It will be seen above that the dividend for the past year could have been 15%, but £2,200 is put to income-tax reserve. The balance sheet does not show a very strong position, and altogether one has to be of an optimistic turn of mind to pay the present price of 65*s.* for the £1 shares. It is no use in a case like this, where the rubber yield is low and costs high, to cite the market valuation per acre of less than £100.

TOERANGIE (SUMATRA) RUBBER.

This young plantation undertaking of the Harrisons and Crosfield group has now reached a stage when large increase of production is to be looked for. It has 3,047 acres planted, of which 2,319 acres contain trees five years old and over, and 700 acres set in 1917 and 1918. It has also 4,957 acres of reserve land available for cultivation. The issued capital at October 31 was £130,007, and 5,000 £1 shares were under option at par. As the price of the shares is 37*s.*, the market valuation per planted acre, including shares under option, works out at only £82. In the twelve months to October 31, 1,266 acres were in bearing, and the output was 240,402 lb., or 40,000 lb. short of the original estimate, owing to tapping restrictions. The net price realised was 1*s.* 8.92*d.*, and the f.o.b. cost 1*s.* 0.29*d.* The net profit was £6,994, which is not at all an unsatisfactory result in the circumstances, even though the figure includes £1,570 realised for 1916-17 production in excess of valuation. Expenditure on capital account was naturally heavy in view of the extensions of the planted area, the total outlay debited to balance sheet being £13,167, less depreciation provision of £646. The outcome is that the profit and loss account is cleared of a deficit of £6,259 brought forward, and a small credit balance is carried forward. For the current year the restricted crop was estimated at 376,000 lb., apparently from 1,880 bearing acres; but the restriction scheme ceased on December 31, and a considerably larger production should be harvested. Next year it looks as if the output will be between 600,000 and 700,000 lb.

SHELFORD (F.M.S.).

Issued Capital: £80,000 in £1 Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916 ...	1,360	800*	213,777	266*	2/7½	1/4	14,946	13,497	17½
1917 ...	1,360	1,000*	275,962	275*	2/4	1/3·9	12,034	11,568	15
1918 ...	1,360	—	264,053	—	1/7½	1/2.65†	5,594	4,000	5

* Estimated. † Excluding depreciation.

Shareholders in this Scottish Company have to be content with one-third the dividend paid on account of 1917. It is not at all a surprising result; indeed it was a foregone conclusion from the knowledge available a year ago as to restriction of production and fall in the value of rubber. The Company has two estates—one of 640 acres, all planted 11 years and over, which has hitherto proved but a poor yielder; and a more modern estate in Perak of 720 acres planted, which gives promise of high quality. This year the combined output is estimated at 365,000 lb., against 264,000 lb. for 1918, so there is good prospect—virtual certainty in fact—of a much better report a year hence. Later the output seems likely to reach between 450,000 and 500,000 lb.

GARING (MALACCA).

Issued Capital: £76,372, in 68,000 £1 Ordinary and 8,372 £1 Preference Shares.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915–16...	1,119	573	157,330	276	2/8·3	1/2	12,713	16,320	12
1916–17...	1,119	—	197,683	—	2/4½	1/5.4	8,931	—	Nil
1917–18...	1,119	—	233,895	—	2/0½	1/4·8	8,286	8,160	6†

Ord. div.; Pref. received 97·46%. † Ord. div.; Pref. received 48·73%.

Price of Ord. Shares, 29/0. Market Capitalisation per planted acre, £110.

Last year this Company passed its dividend owing to the fact that, though the accounts showed a profit sufficient to cover a respectable distribution to shareholders, it was not in liquid form, but largely locked up in unsold production. The position in that respect having been put right and the report for the past year showing a profit almost equal to the 1916-17 figure, a dividend of 6% has been paid on the Ordinary shares and of 48.73% on the Preference shares. The latter are entitled to half the distributed profit until they have received 200%, when they become Ordinary shares. So far they have received 146.19%, so that next year should see the fulfilment of their special rights. Restriction of production having been removed, the output of the current financial year is estimated at 233,576 lb.

Labu Rubber.— In remarking last week on the strong financial position of this Company we said a capitalisation of a portion of the reserves seemed to be warranted. At the meeting on Monday shareholders were informed of the directors' decision to capitalise £100,000 of the £105,000 reserve fund and to issue to shareholders a share-for-share bonus. This is subject to Treasury sanction being received. It is also proposed to alter the denomination of the shares from 2*s.* to £1, and for the purpose to make every ten 2*s.* shares into one £1 share.

SCOTTISH UNION & NATIONAL INSURANCE COMPANY.

ESTABLISHED 1824.

ASSETS Exceed £11,000,000.

FIRE, INCLUDING LOSS OF PROFITS, LIFE, ACCIDENT, ILLNESS, ANNUITIES, PENSIONS, LEASEHOLD, BURGLARY, GLASS BREAKAGE, TRANSIT OF SECURITIES, FIDELITY, PROPERTY OWNERS' RISKS, MOTOR-CAR RISKS, HORSE DRIVING ACCIDENTS, THIRD PARTY, EMPLOYERS' LIABILITY and MARINE INSURANCES effected on the most favourable terms.

Edinburgh: 35 St. Andrew Square.
London: 5 Walbrook, E.C. 4, & 4 St. James's St., S.W. 1.

CHILDREN'S EDUCATION

secured by a Policy in the

CLERICAL, MEDICAL & GENERAL LIFE ASSURANCE SOCIETY,

15 St. James's Square, London, S.W. 1.

Example:—Parent aged 30 with son aged 3 can provide 5 annual sums of £100 each, payable on 14th, 15th, 16th, 17th and 18th birthdays of son, £500 in all, for an annual premium of £38 13s. 4d., for which amount he can claim up to £5 5s. 0d. annually from the Income Tax Authorities. The whole £500 is paid at once if the parent dies before the benefits begin.

Insurance Notes.

WORLD MARINE AND GENERAL INSURANCE COMPANY, LIMITED.

THERE has been a considerable rise in the market values of the above Company's shares since the issue of the annual report for the year ending December 31, 1918, a few weeks ago, and the results shown in that report, although not so clearly set forth as to permit the expression of a positive opinion, seem so far to justify such an advance, apart from the effect of some rumours of amalgamation, which are often circulated, with or without foundation, in regard to the small group of companies still remaining which practically limit their operations to the sphere of marine insurance. This seems to be practically the case with the "World," although it not long ago obtained powers to transact general insurance business. The Company was founded in 1894, and its subscribed capital amounts to £250,000, of which £100,000 is paid up, in 50,000 shares of £5 with £2 paid on each. For a series of years ending with 1915 dividends, always declared free of income tax, were paid at the rate of 2*s.* per cent. per annum. For 1916 and 1917 the corresponding distributions were increased to 4*s.*, and for 1918 a similar dividend is declared with a bonus of 2*s.* per share. This represents a tax-free declaration of 15% in respect of 1918, and the amount required for its distribption, apart from tax, is less than one-half the Company's net earnings from interest in 1918.

The financial position of the Company appears, relatively to premium income, to be very strong. The net premiums received in 1918 amounted to £671,784 (as compared with £760,389 in 1917), of which first-year's settlements absorbed about 30%, and the balance of the Company's underwriting account for that year carried forward to 1919, after deduction of these settlements and of expenses, amounted to £462,636. The profit and loss account for 1918, which is charged with claims settled in 1918 in respect of the 1917 and previous year's accounts, representing in all £270,633, is credited with £33,451 for interest earnings and fees and showed a balance on December 31, 1918, amounting to £322,319. After transfer of £80,000 to the general reserve fund, and provision of £15,000 for the dividends and bonuses declared, a balance of £227,319 is carried forward in this account to 1919. The general reserve fund thereafter amounted to £200,000. The combined amount of the general reserve fund, 1918 underwriting balance, and profit and loss balance carried forward is £889,955. This is subject, however, not only to settlement of claims in respect of 1918 and previous year's underwriting, but, as appears from a note to the balance sheet, of liability up to the close of last year for excess profits duty.

The total assets, as shown in the Company's balance sheet on December 31, 1918, amounted to £1,109,300, after deduction of a special reserve of £43,000 against depreciation, which is taken into account. It is not clear from the way in which the accounts are presented whether this special reserve for depreciation is less than or exceeds the market depreciation. In addition to investments of £860,925 which are entered at cost (subject to the depreciation reserve), the balance sheet includes 17,409 shares of £5 each with 10*s.* paid in the Yorkshire Insurance Company. How the World Company happens to hold these shares arises in this way. In 1912 it purchased 96,221 shares of the London and Provincial Marine and General Insurance Company for £108,249 in cash, with a view to closer fusion in the working of the two Companies, and the shares of the London and Provincial Marine Company were subsequently acquired by the Yorkshire Insurance Company in 1913. The Yorkshire Company's shares held by the World as above stated, and resulting from developments of this arrangement, stand in the latter Company's books on December 31, 1918, at their cost price of £5 each, which is, however, far below their present market value.

LICENSES AND GENERAL INSURANCE COMPANY, LIMITED.

An increased dividend, free of income tax, of 10%, as compared with 8% for 1917, is declared in respect of last year's operations by the above Company, which was formerly known as the Licenses Insurance Corporation and Guarantee Fund. The main object with which the Company was formed in 1890 was the insurance from year to year of the renewal of licences in connection with the liquor trade, but it now also transacts fire, accident, and employers' liability insurance business.

From an analysis of the separate accounts presented in regard to the various departments, and of the profit and loss account for 1918, the premium income in that year and the profits from interest and trading appear to have been as follows, after adjustments made in respect to provision for unexpired risks and outstanding losses:—

Account	Premium Income	Profit from Trading	Interest Earnings
	£	£	£
Fire	43,752	14	1,070
Accident	1,548	72	43
Employers' liability	13,100	1,287	466
Licences and general	102,672	2,658	7,869
Profit and loss	—	3*	635
		1,407†	
	161,072	5,441	10,083

* Transfer fees. † "Transfer from mutual classes balance account."

The total premium income above shown is greater than that reported for 1917 by £15,154.

It will be seen that the trading profits on fire and accident business were very small. In the employers' liability and licences and general section they were considerable. The total profit taken into account as above set forth amounted to £15,524, of which £5,441 is attributable to trading and £10,083 to interest.

The shareholders' capital amounts to £144,060, of which £73,850 is paid up.

The amount required for the distribution of the dividend at the declared rate and for provision of income tax thereon is £10,365, which exceeds the interest earnings by only £282. The sum of £4,491 is transferred from profit and loss account to the reserve for depreciation of investments, and £3,706 is also transferred from that account to the staff benefit reserve fund. The balance carried forward in profit and loss

account to 1919 after these adjustments and after provision for dividend is £12,956, as compared with £16,094, which was the corresponding balance brought forward to 1918.

The total assets as shown in the Company's balance sheet on December 31, 1918, amounted to £418,096. The reserve for depreciation in investments amounted at that date to £70,000, and is stated to be sufficient to cover the depreciation shown by a comparison of book prices and market values at the close of the year. Apart from paid-up capital, the depreciation reserve, a reserve of £4,000 for doubtful debts, the staff benefit reserve of £4,793, and the "mutual classes balance account" of £1,419, the other reserves carried forward to 1919 (excluding sums provided in respect of outstanding claims) appear to be as follows:—

	£
Fire insurance fund	19,688
Accident insurance fund	697
Employers' liability fund	5,895
Licences and general fund	46,202
Balance of profit and loss account	12,956
General reserve fund	50,000
	135,438

This represents about 84% of the premium income in 1918, so that the financial position appears strong. More than one-fourth of the assets, or in exact figures £113,626, took the form of British Government securities.

American International Corporation.- Year to 31 Dec. '18. Net earnings, $3,716,379; brought forw'd, $3,946,282; miscellaneous charges, $101,926; divs., $1,817,325; carry forw'd, $5,743,410.

Bankaktiebolaget Södra Sverige.—Year to 31 Dec., 1918. Net. prof. Kroner 5,720,115. Div. of 11%, kr. 3,300,000; Reserve, kr. 700,000; carry forw'd, kr. 1,720,115. Total Reserve Fund, kr. 16,500,000.

British Italian Corporation, Ltd.—Year to 31 Dec., '18. Net prof. £34,420; brought forw'd, £5,583; total available, £40,003. Div. of 4%, £35,516; carry forw'd, £4,487.

California Petroleum Corporation.—Year to 31 Dec., '18. Net prof. $1,321,582. Four quarterly divs. on Pref. stock total 6¼%, $771,439; final div. on Pref. Stock, 2%, $246,861. Divs. in arrears, 7%. Arrears on Pref. Stock Sinking Fund, $951,637. These must be made good before divs. can be paid on Common Stock.

Columbia Gas and Electric Co.—Year to 31 Dec., '18. Net income, $3,912,548. Accrued interest on 1st Mort. 5% Gold Bonds, $582,525; accrued interest on 5% Gold Debentures, $130,825; surplus, $3,199,198. Divs. paid, $2,000,000.

Head, Wrightson & Co., Ltd.—Year to 30 April, '18. Net prof., £87,975; brought forw'd, £9,711; available, £97,686; appropriation.—Deb. interest, div. on Pref., directors' fees, reserve accounts, depreciation, and 5% interim div. on Ord.—£67,552; balance, £30,134. Div. on Pref., £846; 5% on Ord., plus 2*s.* 6*d.* bonus, £15,750; carry forw'd, £13,539.

Imperial Navigation Coal Co., Ltd.—Year to 31 Dec., '18. Net prof., £14,526; brought forw'd, £10,089; total available, £24,615. Divs. of 5% and 7½%, £13,400; carry forw'd, £11,206.

H. J. Packer & Co.—Year to 31 Dec., '18. Net prof., £51,292; brought forw'd, £22,749; total available, £74,041. Divs. of 5½% on Pref., £5,500; 6% on Pref. Ordy., £6,000; carry forw'd, £11,500.

Pettigrew & Stephens, Ltd.—Year to 19 Feb., 1919. Net prof., £22,012; brought forw'd, £14,657; available, £36,669. Pref. and Debenture charges, £8,327. Div. of 12½% on Ord., £6,875; to Reserve, £20,000; carry forw'd, £1,466. Total Reserve Fund, £53,500.

Webley & Scott, Ltd.—Year to 31 Dec., '18. Net prof., £29,452; brought forw'd and special allowance for Income Tax, £30,830; total, £60,282. Depreciation, £13,000; interim divs. on Pref. and Ord., £6,533; div. of 3% on Pref., and 7% on Ord., £10,552; to writing off goodwill, £9,218; reserve, £15,000; carry forw'd, £5,978.

The Compendium for March makes a feature of the Coal Commission, whose recommendations are subjected to a searching analysis and not a little merited criticism from the point of view of the interests of the coal-mining industry and the export trade.

Life Assurance at Minimum Rates.

A
PLAN of ASSURANCE
SPECIALLY ADAPTED
for PRESENT TIMES.

For particulars address the
GRESHAM LIFE ASSURANCE
SOCIETY, LIMITED,
ST. MILDRED'S HOUSE, POULTRY, E.C. 2
Founded 1848. Funds £10,500,000.

THE GRESHAM FIRE & ACCIDENT INSURANCE SOCIETY, LIMITED.
Transacts all classes of Fire and Accident Business.
Chief Office: St. Mildred's House, Poultry, London, E.C. 2.

HEAD OFFICES: LIVERPOOL AND LONDON
ROYAL
INSURANCE COMPANY, LIMITED
ALL CLASSES OF INSURANCE EFFECTED

COMMERCIAL UNION
ASSURANCE COMPANY, LIMITED.
Head Office: 24/5/6 CORNHILL, LONDON, E.C. 3.
Total Assets (including Life Funds)—£31,801,986.

Commercial.

MEAT.

Messrs. W. Weddel and Co., the well-known dealers in chilled and frozen meat, have published with their annual review of the meat trade for last year a series of charts showing the imports of chilled and frozen meat into the United Kingdom in various years from the last year of last century to 1918 inclusive. In these charts Messrs. Weddel show that the import of chilled beef grew from 1,654,000 quarters in 1899 to practically 3,000,000 quarters in 1913. It fell steadily during the War to a quite small proportion. This was mainly owing to the fact that these shipments were diverted to Continental ports instead of being shipped to the United Kingdom as was the case in the years preceding the War. In the case of frozen beef the imports increased from 530,736 quarters in 1899 to just over 4,000,000 quarters in 1915, and this figure was practically maintained until 1918, although on two occasions, particularly in 1916 and 1917, immense quantities of frozen meat, as well as of chilled, were diverted to Continental ports for the feeding of the Allied armies as well as the civilian population. Frozen mutton and frozen lamb show practically the same characteristic features. Somewhat less than 5½ million carcases of frozen mutton were imported into this country in 1899, and over 7½% million carcases in 1910, and as recently as the last year of the War 2½ million carcases. Of lamb, the imports in 1899 were a little under a million and a-half carcases, increasing to over 6 million in the years that immediately preceded the War. In the table showing the yearly quantities of home-grown and imported meats between the years 1899 and 1918 there is comparatively little variation. At the beginning of the period we find the total supply somewhat less than 1,700,000 tons, rising to 1,826,000 in 1913, and declining in 1918 to a little over 1,500,000 tons. As the demand for the armies was upon such a large scale, the causes which led to the rise in prices for meat and the rationing system which was adopted will be readily appreci-

ated. Before the War, say Messrs. Weddel, this country was practically the only market for frozen or chilled meat. About 95% of the world's output came to British ports—the actual figures for 1913 being 720,260 tons imported into the United Kingdom out of 766,910 tons shipped from all sources. During the War vast quantities of frozen meat have been diverted to France and Italy to feed the armies of the Allies. The flocks and herds of most European countries have undergone serious reduction. Messrs. Weddel, like all those engaged in the trade, are naturally anxious—and rightly anxious—to see the supplies available for the home market raised to the level to which we were accustomed in pre-War times. Understanding the actual facts, as only those in the trade can, they appreciate the general scarcity of meat which prevails all over the world, and which we have referred to again and again in these columns when urging the producing countries of the world to increase their flocks and herds to the utmost extent possible. It is when Messrs. Weddel suggest a remedy for this admittedly dangerous state of things that one feels it necessary to sound a note of warning. Their suggestion is that the British Government should offer some special inducements to shippers and producers, both in the Colonies and in South America, to earmark a proportion of the available flocks and herds for the British market. Surely this would lead practically to a Government control of the meat trade, which has been one of the difficulties from which we have suffered throughout the War. The alternative, no doubt, Messrs. Weddel would argue, is exceedingly high prices for meat in our markets. For a time this, no doubt, would be the case. But the very fact of high prices existing in England would lead to a steady increase of production. We have in any case to choose between two evils. Flocks and herds have been destroyed and consumed upon an immense scale, as, indeed, have all classes of commodities which we desire to consume in these markets. Consequently, we have got to face either high prices in the ordinary course of trade, or a regulated market controlled by a great Government department; and, of the two evils, we say without hesitation that it would be more desirable to face the evil of high prices in a free market, where the traders of the United Kingdom would be at liberty to buy from any part of the world offering supplies of beef or mutton than to place the trade under the control of a Government department, which can neither effectively control prices nor ensure supplies.

It has been said in some quarters this week that, inasmuch as British graziers are to have a fixed price for their cattle and sheep this season, to effectively de-control the meat supplies will not be practicable until some time in the coming autumn. Of course, any contracts which the Government may have entered into will be, and, of course, should be, observed. But they will be observed at the expense of the British consumer of all classes of the community, and they will tend to retard the period of reconstruction, inasmuch as with such control food prices must necessarily be high, and in all reasonable probability production more or less restricted. As the reader is aware, we have been in favour of Imperial Preference for many years now. And, of course, we are also in favour of doing anything in reason to encourage the British farmer to increase his production to the utmost extent possible, particularly of foodstuffs and of the raw materials which he is able to grow. But it must be clearly understood that both Imperial Preference and the endeavour to assist the British farmer will inevitably be defeated if they mean that an undue percentage of the population of the country is to be employed in the production of foodstuffs on an economic basis out of all proportion to what we should obtain the same commodities for elsewhere. It has to be remembered that in these islands we are essentially a town population, something like 80% of our population being engaged in the manipulation, as distinct from the production, of primaries. And if this country is to increase its productivity in order to recover from the effects of the recent War, it will be by producing articles which our special training and our banking, insurance, shipping and financial facilities give us particular advantages in the pursuit of, rather than by attempting to produce raw materials which neither our climate nor the nature of our soil enables us to produce on anything like the same economic basis as they can be produced elsewhere.

Industrial Companies.

PALMERS SHIPBUILDING AND IRON CO.

Issued Capital: £698,564, in £200,000 5% Cum. Pref. Shares and 498,564 Ord. Shares of £1 each.

Debentures. £350,000 5% Stock and £1,000,000 5% tax-free Consol. Deb. Stock and £134,700 "A" Debentures (to be redeemed).

Year to June 30	Net Profit*	Deb., &c., Interest	Reserve	Carry-forward	Work in Progress	Surplus Liquid Assets
	£	£	£	£	£	£
1914	96,644	31,548	—	*61,050* (Dr.)	337,039	*166,218* (Def.)
1915	131,886	28,064	—	42,772	607,234	*251,456* (Def.)
1916	63,255	29,502	—	76,525	440,581	*55,146* (Def.)
1917	113,044	41,655	—	147,915	673,198	*327,965* (Def.)
1918	221,818	41,272	250,000	78,460	651,287	*227,513* (Def.)

* After provision for taxation.

It looks as if there may be now a little hope for the shareholders of this Company. Fortune has not smiled upon them in the last ten years. The main causes seem to have been insufficient provision for capital requirements and consequent out-of-date character of equipment before the War, and the peculiarly hard incidence of the excess profits duty since. The standard in this connection, owing to the poor trading results for the years previous to 1915, is very low. That is the reason shareholders were told at the meeting just held, as well as the difficulty experienced in obtaining new plant during the War, that the Company has been so long in reaching the stage of dividend payments. The report for the year ended June 30, 1918, makes a very much better showing than its predecessors for many years back, the expansion in the net profit being such as to enable the debenture and loan interest to be met with a margin over of £180,000. This, together with £70,000 from the carry-forward, is allocated to starting a reserve fund. Since 1914 over £1,000,000 has been spent on capital account, and it has been decided that the time has come to capitalise this. Accordingly the Company has sold to its bankers £1,000,000 of 5% tax free Consolidated Mortgage Debenture stock, and a public offer of the stock is to be made forthwith. With the funds obtained £250,000 of existing Prior Lien debentures have been paid, "A" debentures for £134,700 are to be redeemed, and a balance will remain for the general purposes of the Company. Power has been taken to supplement the new issue by an additional £500,000, from which the existing 5% debenture stock will be cleared off. The new debentures will be in multiples of £10, and will be redeemable in 31 years at 2½% premium. This new scheme is of the utmost importance to shareholders, as they could receive no dividend until the Prior Lien debentures were discharged. The 5% Cumulative Preference dividend is 11 years in arrear. If now the Company can obtain a fair share of the ship construction and other work of the reconstruction era now commencing, and, by reason of the modernisation of its iron and steel works, can operate with efficiency and a reasonable margin of profit, it may not be long before the scheme for the reorganisation of the debenture capital is followed by a clearing-up of the Preference dividend arrears. The Company's securities are quoted at Manchester, Newcastle, and Sheffield, the 5% Debenture stock being priced at 75, the Preference shares, with 11 years' accrued interest, at 25*s.* 6*d.*, and the Ordinary shares at 16*s.*

BARRY OSTLERE AND SHEPHERD.

Issued Capital: £934,000 in 35,000 6% Pref. £10 Shares and 584,000 Ordinary Shares.
Debentures: £150,000 4% First Mortgage and £102,860 4½% Second Mortgage.

Year to Jan. 31	Gross Profit	Depreciation	Net Profit	Deb. and Pref. Int.	Ordinary Div. £	Ordinary Div. %	Special Depreciation, &c.	Carry-forward	Machinery Plant and Stocks	Surplus Liquid Assets†
	£	£	£	£	£	%	£	£	£	£
1915...	40,275	16,192	24,083	31,629	Nil	—	—	2,975	726,631	169,749
1916...	108,566	16,874	91,692	31,629	40,685	6·97*	—	22,353	731,832	183,316
1917...	122,645	22,860	99,785	31,629	46,720	8*	10,000	31,925	771,127	163,056
1918...	185,312	50,400	134,912	31 629	46,720	8*	15,000	71,561	797 813	190,994
1919...	211,200	32,141	179,059	31,629	58,400	10*	35,000	124,091	875,830	199,661

* Less tax.
† Excluding stocks, but including investments in French subsidiary at cost—£169,552—at January 1, 1919.

Last year was another very prosperous one for this Kirkcaldy linoleum manufacturing concern, the gross and net profits reaching a higher level than recorded in any previous year since formation. The trade done was again largely for home account, and prices were apparently exceptionally favourable, a condition of affairs not unconnected probably with the notorious wealthiness of the industrial workers. The export trade continued to be adversely affected by the shortage of shipping, and there may be some significance for the current year in the directors' statement that a marked improvement has set in since the Armistice. The value of the turnover of 1918 appears to have been £191,000 less than in 1917, but the gross profit, as shown above, was £21,000 higher at £211,200 before provision of income tax on the Ordinary share dividend. After providing £18,000 less for depreciation the net profit comes out at £179,059, against £134,912. In this connection it is to be noted that the depreciation allowance for 1918 exceeded the expenditure on renewals, upkeep and repairs by £12,819, against a similar excess for 1917 of £30,000. The substantial increase in the net profit enables the dividend on the Ordinary to be raised from 8% to 10%, £35,000 against £15,000 to be placed to depreciation and contingencies fund, and £53,000 to be added to the carry-forward, against £40,000 addition in respect of 1917. As regards stocks, these and the value of machinery and plant combined show an increase of £78,023, and as the depreciation allowance was £12,819 more than expended, the total increase in stocks for the year was apparently £90,000. This is seemingly on top of an increase of £56,000 in stocks in 1917. Excluding investments in the French subsidiary manufacturing Company, surplus liquid assets at January 31 amounted to £30,000—a considerable improvement on previous balance sheets. The Ordinary shares are quoted at 21*s.*, including 10% dividend.

MAZAWATTEE TEA COMPANY.

Issued Capital: £436,667 in 80,000 5½% Cum Pref. £4 Shares and 350,000 Ordinary 6*s.* 8*d.* Shares.
Debenture Stock: £200,000 4½% Mortgage.

Year to Dec. 21	Net Income	Depreciation, & Income Tax	Deb., &c., Interest	Pref. Div.	Ordinary Div. £	Ordinary Div. %	Reserved	Carry-forward	Stocks	Surplus Liquid Assets†
	£	£	£	£	£	%	£	£	£	£
1914...	32,862	6,412	10,380	Nil	Nil	—	6,333*	13 646	104,967	154,670
1915...	29,346	7,528	9,043	Nil	Nil	—	403	26,021	139,810	129,861
1916...	32,825	8,998	7,540	Nil	Nil	—	9,120*	32,188	138,307	150,466
1917...	47,981	9,601	7,071	26,400‡	Nil	—	400	36,698	183,961	100,071
1918...	62,182	11,313	6,727	37,730a	8,337	10	10,400	20,691	158,512	122,224

* All but £400 was provision for depreciation of investments.
† Excluding stocks. ‡ For two years 1914 and 1915.
(*a*) For Three years to December 1918.

The report for 1918 shows such further improvement in results as seems to justify the conclusion that the Company has now quite recovered from the more serious of its past troubles. Following a severe scaling down of capital in 1910, profits for three years barely sufficed to pay the dividend on the Preference shares, and only one distribution—3%—was made on the Ordinary. Then from 1914 to 1916 the Preference dividend was not paid owing to further contraction in the earnings. In 1917, however, the Company fared better—whether or not because of the Government fixing a high price for tea is a moot point—and two of the four years' Preference arrears were paid off. With profits up in 1918 to nearly double the 1916 level, the directors find it possible to pay the Preference dividend for three years, bringing same up to date, and with the aid of £16,000 from the carry-forward, to distribute 10% on the Ordinary shares, and to add £10,000 to reserve. The practice of combining income tax and depreciation together in the accounts is not a commendable one, preventing shareholders as it does from seeing what provision has been made for wear and tear, and in this connection it is to be noted that the balance sheet value of freehold land, leases, and offices is now very little different to what it was five years ago, and that plant, machinery, and factories stand at only £3,000 less. Stocks of tea, coffee, etc., as shown above, were considerably reduced during 1918, but still appear at a high level compared with earlier years. Much will depend, as regards future earnings, upon the prices at which these stocks are valued and the course of the markets for the commodities in which the Company trades. Goodwill and trade-marks at £263,859 compares unfavourably with the reserve totalling £30,000 on the other side. The Company's Debentures are now quoted at 62, against 60 a year ago, while the Preference shares have risen in the same period from 46*s.* 6*d.* to 71*s.*, and the Ordinary from 2*s.* 3*d.* to 6*s.* 6*d.*

New Issues.

CROSSLEY MOTORS, LIMITED.

The British, Foreign, and Colonial Corporation have this week offered for sale 300,000 Ordinary £1 shares of Crossley Motors, Limited, at the price of 24*s.* each. This Company was formed in 1910 to take over and develop the motor-manufacturing branch of Crossley Brothers, Manchester, gas and oil engine manufacturers. During the War such big extensions have been made to the works (which are laid out on scientific lines for motor-car production on a large scale) that they now cover an area six times as great as in 1910. The most modern machinery procurable has been installed, and is in thorough working order. The turnover and profits of the Company have risen as follows:—

	Turnover	Profit*
Year to Oct. 31, 1915	£379,891	£30,097
" " 1916	694,975	66,309
" " 1917	1,163,824	79,833
" " 1918	2,584,801	115,078

* Profit after charging ordinary and special depreciation, Debenture interest, estimated munitions levy, and excess profits duty, but before writing off special allowances for capital expenditure.

The issued capital, including the shares offered, is £600,000 in £1 Ordinary shares, and 4½% Debentures for £59,725 are outstanding. At October 31 the balance sheet showed stock on hand (£681,200) and debtors (£375,002) to exceed sundry creditors and loans by £137,423. The new capital is required to make the best use of the large manufacturing facilities. Orders on hand exceed £2,000,000, and the turnover for the current year is expected to create a fresh record. The shares rank for dividend as from November 1 last, and, assuming continuance of dividends of 10% per annum, as paid for the last three years, the shares afford a yield of 8⅓% on the issue price. The list closes on or before Monday. On application 2*s.* 6*d.* per share is payable and the balance of 21*s.* 6*d.* on acceptance.

J TYLOR AND SONS, LIMITED.

For the purpose of paying off Government loans and bankers' advances used in extending its motor-engine manufacturing works, this North London firm has issued 100,000 Ordinary £1 shares, which have been offered this

HARRISONS & CROSFIELD, LTD.
ISSUED CAPITAL £1,225,000
EASTERN AND GENERAL MERCHANTS.
Shipping, Banking and Insurance Agents.
Agents and Secretaries for Rubber, Tea, and Produce Companies.
1-4 Great Tower Street, London, E.C. 3
Branches.

Colombo.	Quilon.	Calicut.	Cochin.
Calcutta.	Kuala Lumpur.	Medan.	Batavia.
Bandoeng.	Kobe.	Montreal.	Tangier.

Affiliated Companies.

Singapore.	Penang.	Sandakan.	Jesselton.
Shanghai.	Foochow.	Hankow.	New York.
Philadelphia.	San Francisco.	Cape Town.	Melbourne.
Sydney.	Brisbane.	Auckland.	Dunedin.
Adelaide.	Wellington.	Christchurch.	

week for sale by the Imperial and Foreign Corporation at 31*s.* each (10*s.* on application, 11*s.* on acceptance, and 10*s.* on May 8). The total issued capital now consists of £200,000 Ordinary £1 shares, £100,000 5% Cumulative Preference shares, and £30,000 of 5% Mortgage Debentures. Net profits after charging Debenture and loan interest, but not excess profits duty and Munitions Levy, have been as follows during the past three years, and the Ordinary dividend has been raised as shown:

	Profit	Ord. Div.
	£	%
Year 1916	22,302	8
„ 1917	34,352	10
„ 1918	64,286	12½

NOTE.—Excess profits duty for three years £11,585, after allowing large writings off for 1918.

In respect of 1918 a bonus distribution was made of 33⅓% in Ordinary fully-paid £1 shares.

BOVRIL, LIMITED.

An attractive issue has been before the public this week in the shape of £300,000 of 6% 5-year notes offered at 98½%, ranking in priority to the Bovril Company's share capital of £2,000,000 and redeemable at 102½%. Profits after provision of Debenture interest have, since the incorporation of the Company in 1896, averaged £123,000 per annum, whereas the new note interest will be only £18,000. It is not surprising that sufficient subscriptions were privately offered before the public lists opened.

SOUTH FLEETWOOD FISHING COMPANY.

The shortage of good fresh fish has been very evident during recent years, and in view of the loss of many trawlers and fishermen in the course of the War, there seems good scope for this new Company formed for the purpose primarily of building up a fleet of steam drifters and trawlers and to carry on the business of fish curers, canners, dealers, and exporters. The capital is £100,000 in 97,500 10% Cumulative Participating Preference shares of £1 each and 50,000 Deferred shares of 1*s.* each. Of the Preference shares 20,000 have been subscribed by the directors and others since the commencement of business on June 12 last, and 70,000 are now offered at 21*s.* each, payable 2*s.* on application, 4*s.* on allotment, 5*s.* two months later, and 10*s.* six months after allotment. The business has already reached the dividend-earning stage. Several of the directors are practical men in the trade, and assuming the anticipations as to the earnings of the boats, gear, &c., already purchased and to be purchased are reasonable, the shares should prove a remunerative speculative investment.

MAJOR AND COMPANY, LIMITED.

This Company, owning chemical works at Hull, Wolverhampton, and Chesterton, engaged upon the distillation of coal tar and petroleum, and the manufacture of various products, offers for subscription 100,000 7% Cumulative Participating Preferred Ordinary Shares at £1 each at par, payable 2*s.* 6*d.* per share on application, 7*s.* 6*d.* on allotment, and 10*s.* on June 1. The issued capital at present consists of £50,000 of Six per cent. Cumulative Preference shares, £80,000 of 7% Cumulative Participating Preferred Ordinary shares, and £20,000 of Five per Cent. Deferred Ordinary shares of £1 each. There are also outstanding £12,550 of 4½% Debenture stock and £60,000 of 5½% Debentures. It is proposed to use the additional capital raised by the new issue to provide further working capital for the increasing volume of the Company's business, to redeem the 5½% Debentures of the Company and for further development of the undertaking. The certified profits, after paying Debenture and loan interest, directors' fees, and income tax, averaged £15,823, and for the two years 1916 and 1917 £22,000, while for 1918 the estimate is £24,000. Repayment of loans is reckoned to effect a saving of £3,300. The annual dividend on the existing 50,000 6% Preference shares requires £3,000, and the 7% dividend on the 180,000 Participating Preferred shares, which will be in issue if the new shares are taken up, calls for £12,600. The dividend on the existing 80,000 Preferred Participating shares has been 8½% for the last two years. A good demand is anticipated for the Company's products, including benzol (now extensively used for motor spirit), fuel oil, turpentine substitute, naphtha, &c. The Preferred Ordinary shares offered are entitled after the 6% Preference dividend has been paid and provision made for reserve, to a cumulative dividend of 7%; and then after the Deferred shares have received 5% non-cumulative, to one-half of any balance divisible profit. The shares seem to be a fair industrial risk with some speculative attraction.

VICTORY OIL AND CAKE MILLS, LIMITED.

Seven per cent. Cumulative Preference shares, free of income tax and carrying the right to participate in surplus profits to the extent of 25%, sounds good enough no doubt, but when in addition to a popular name pictures are furnished to prospective investors, the suspicion is natural that the attractions are a little too profuse. It is difficult to escape this feeling before one opens the prospectus issued during the week by this new Company offering 67,000 of the above-described Preference shares of £1 each at par, and the scepticism becomes accentuated when, after reading a lengthy description of the oil-seed crushing business, it emerges that no actual particulars of profits made by the private vendor Company are given, that estimates of earnings are put forward without substantive data, that a certified valuation of assets is conspicuously absent, and that the vendor's consideration is £42,000 in cash as well as £33,000 in Ordinary and Preference shares. The capital is £100,000 in 90,000 7% tax-free Cumulative Participating £1 Preference shares and 200,000 Ordinary shares of £1 each.

WELLESLEY BROWN AIRCRAFT, LIMITED.

An issue of 91,000 £1 share of a company formed with the above title seven months ago is offered for public subscription this week. The capital was originally £5,000, but this was increased to £10,000 in December, and, presumably on ambitious impulse, to £100,000 on April 4. The issued capital, excluding the shares under offer, is £9,000, of which the vendors of the rights acquired in an aeroplane-engine invention hold £4,500. No independent reports on the principal and subsidiary inventions in respect of which rights are held are furnished. Under the best conditions the venture could only be considered highly speculative in view of the very early stage of civilian and commercial flying and the fact that the first 600 h.p. engine of the Company's design is only in course of construction. Two of the three directors are not technical men, but are well known in connection with a group of rubber plantation companies associated with the London, Singapore and Java Bank, and the third director is described as a contractor.

COMPANY MEETING.

EXPLOSIVES TRADES, LIMITED.

THE statutory general meeting of this Company was held on April 11 at Winchester House, E.C., Sir George J. Smith (Deputy Chairman) presiding.

The Chairman, in moving the adoption of the report, expressed regret at the absence of Sir Harry McGowan, the Chairman of the Company, who, he said, was at present in America on the Company's business. It was extremely gratifying to the directors to be able to report the practical unanimity on the part of the shareholders of the constituent companies in accepting the proposals for the exchange of their former shares for those of the Amalgamated Company. The directors held that this large measure of unanimity indicated not only the shareholders' favourable opinion of the prospects of the amalgamation, but was in itself a significant testimony to the equity of the arrangement on which it was based. If all the shareholders of the companies proposing to enter the merger agreed to exchange shares, the issued capital would be about £15,247,458, and in the first allotment of shares £13,566,288 of capital was issued. Application had been made to the London, Glasgow, and Birmingham Stock Exchanges for an official quotation of the shares, and dealings had actually commenced. Energetic steps were being taken to give the Company's manufacturing establishments the benefit of the technical co-operation and exchange of ideas referred to in the directors' circular letter of November last, whilst on the commercial side they were taking steps, by important missions to various colonies and other countries, to extend and consolidate the Company's operations abroad. It would be premature at this stage to attempt a forecast of the success of those operations not only because they were passing through the somewhat trying interval between the practical cessation of war demands and the firm re-establishment of peace conditions, but also because of the unsettled state of the world outlook. The directors hoped, however, to be able at the next general meeting to present a satisfactory report of the progress of the Company's first year. He was confident that even though the conditions of the world's trade should continue troubled and difficult, the economies effected by the amalgamation and the interchange of ideas, technical and commercial, would enable the Company more satisfactorily to cope with difficulties than could have been possible to the constituent companies operating alone.

Mr. D. J. Metcalfe seconded the motion, which was carried unanimously.

CANADIAN PACIFIC RAILWAY COMPANY

THIRTY-EIGHTH ANNUAL REPORT—FOR THE YEAR ENDED DECEMBER 31, 1918.

To the Shareholders:

The accounts of the Company for the year ended December 31, 1918, show the following results:—

Gross earnings	$157,537,698 05
Working expenses	123'035,310 38
Net earnings	$34,502,387 67
Deduct fixed charges	10,177,512 98
Surplus	$24,324,874 69
Contribution to Pension Fund	500,000 00
	$23,824,874 69
Deduct net earnings of Commercial Telegraph, January and February, transferred to Special Income Account	193,976 64
	$23,630,898 05
From this there has been charged a half-yearly dividend on Preference Stock of 2%, paid October 1, 1918 $1,613,638,42	
And three quarterly dividends on Ordinary Stock of 1½% each, paid June 29, 1918, October 1, 1918, and December 31, 1918 13,650,000 00	15,263,638 42
	$8,367,259 63
From this there has been declared a second half-yearly dividend on Preference Stock, payable April 1, 1919 $1,613,638 42	
And a fourth quarterly dividend on Ordinary Stock of 1½%, payable April 1, 1919 4,550,000 00	6,163,638 42
Leaving net surplus for the year (which amount has been placed in reserve to meet special taxes imposed by the Dominion Government).	£2,203,621 21

In addition to the above dividends on Ordinary Stock, 1% was paid from Special Income.

SPECIAL INCOME FOR YEAR ENDED DECEMBER 31, 1918.

Balance at December 31, 1917 $15,785,750 86	
Less Dividend paid April 1, 1918 1,950,000 00	$13,835,750 86
Net Revenue from Investments and available resources, Exhibit "C"	1,928,483 50
Interest on Deposits, and Interest and Dividends on Other Securities	2,779,854 22
Net Earnings Ocean and Coastal Steamship Lines	1,214,869 22
Net Earnings Commercial Telegraph and News Department: Rentals and Miscellaneous	2,205,544 57
	$21,964,502 37
Less Payments to Shareholders in dividends: June 29, 1918, October 1, 1918, and December 31, 1918	5,850,000 00
	$16,114,502 37
From this a dividend has been declared payable April 1, 1919	$1,950,000 00

The working expenses for the year amounted to 78.10% of the gross earnings, and the net earnings to 21.90%, as compared with 69.46 and 30.54% respectively in 1917.

The sales of agricultural land in the year were 842,191 acres for $15,375,996, being an average of $18.25 per acre. Included in this area were 64,424 acres of irrigated land, which brought $42.94 per acre, so that the average price of the balance was $16.22 per acre.

At the end of the fiscal year your Company had in ocean service 28 steamers, having a gross tonnage of 264,000 tons, and six steamers under order or purchased, but not delivered, having a gross tonnage of about 80,000 tons.

In May of last year, in consequence of the demands for increases in wages made to the Railroad Administration of the United States, substantial increases in all wage scales on American lines were authorised, and were accompanied by increases in freight and passenger rates. Demands for wage increases were likewise made in Canada, and, by Orders-in-Council passed under the War Measures Act in July last, what is known as the McAdoo scale of wages was made effective in Canada, and increases in freight rates generally similar to those granted in the United States were made effective on all Canadian railways.

Subject to your approval your directors have concluded an agreement with the Grand Trunk Pacific Railway Company providing for the use by that Company of your Company's railway from a point east of Sutherland to a point west of Saskatoon, together with the use of your Company's passenger, express, and freight facilities at Saskatoon station. The agreement is for a term of 21 years from September 2, 1918, the rental payable by the Grand Trunk Pacific being based upon interest at the rate of 5% per annum on half the agreed capital account and the payment of maintenance expenses on a wheelage basis.

You will be asked to sanction the issue and sale of Consolidated Debenture stock to defray the cost of construction of that portion of the Moose Jaw South-Westerly Branch from Mileage 35 to Mileage 66, to an amount not exceeding £6,000 per mile.

Your directors are of the view that the construction of additional branch-line mileage in the West will be necessary in the near future, and your authority will be asked for proceeding with the construction of the following lines when conditions warrant such construction, and for the issue and sale of a sufficient amount of 4% Consolidated Debenture stock to meet the expenditure, viz.: Empress to Milden Branch, 132 miles; Empress to Acme Branch, 132 miles; Vidora East Branch, 35 miles; Russell North Branch, 15 miles; Lanigan North Branch, 150 miles.

Subject to your approval, your directors have authorised expenditures on capital account during the present year of $4,482,000, apportioned to the following works, viz.: Replacement and enlargement of structures in permanent form, $545,000; additional stations, roundhouses, freight sheds, ice-houses, and extensions to existing buildings, $525,000; additional terminal and side-track accommodation, $400,000; tie plates, rail anchors, and miscellaneous roadway improvements, $1,017,000; lining tunnels, British Columbia district, $185,000; automatic block-signal protection, $112,000; surveys for new lines and power possibilities, $125,000; miscellaneous improvements, and additions designed to improve the facilities of the Company and to effect operating economies, $1,103,000; improvements in connection with telegraph service, $470,000.

The Right Honourable Lord Shaughnessy, K.C.V.O., who has been President of the Company for the past 19 years, expressed his desire to retire from office in October last, and his resignation was accepted with the deepest possible regret. Your directors learned with gratification of Lord Shaughnessy's willingness to continue as Chairman of the Company, and that the benefit of his counsel and advice will not therefore be lost to the Company. Mr. E. W. Beatty was elected President of the Company.

Vice-President Sir George Bury, after a service of over 35 years, resigned from the Company's service in October.

GENERAL BALANCE SHEET, DECEMBER 31, 1918.

ASSETS.

	$	$
Property Investment:		
Railway, Rolling Stock Equipment and Lake and River Steamers		342,656,974 97
Ocean and Coastal Steamships, Exhibit "A"		27,509,419 67
Acquired Securities (Cost):		
Exhibit "B"		123,195,564 18
Advances to Controlled Properties and Insurance Premiums		6,660,746 99
Investments and Available Resources:		
(Including amount held in trust for 6% Note Certificates, $57,131,199 06)		
Deferred payments on lands and townsites	60,704,530 48	
Imperial and Dominion Government Securities	30,682,057 44	
Provincial and Municipal securities	2,031,721 29	
Debenture Stock loaned to Imperial Government	40,000,000 00	
Miscellaneous Investments, Exhibit "C," Cost	26,897,558 49	
Assets in Lands and Properties, Exhibit "D"	105,109,626 47	
Cash	13,482,364 53	
		278,997,858 70
Working Assets:		
Material and Supplies on Hand	22,135,952 41	
Agents' and Conductors' balances	4,040,562 96	
Net traffic balances	442,991 84	
Imperial, Dominion and United States Governments, Accounts due for Transportation, &c.	3,797,886 56	
Miscellaneous accounts receivable	6,377,139 05	
Cash in hand	39,548,416 63	
		76,342,949 48
		$1,055,273,513 99

LIABILITIES.

	$	$
Capital Stock:		
Ordinary Stock	260,000,000 00	
Four per Cent. Preference Stock	80,681,921 12	
		340,681,921 12
Four per Cent. Consolidated Debenture Stock		216,284,882 10
Mortgage Bonds:		
Algoma Branch 1st Mortgage 5 per cent.		3,650,000 00
Note Certificates, 6 per cent.		52,000,000 00
Current:		
Audited Vouchers	9,188,177 61	
Pay-rolls	5,216,537 81	
Miscellaneous accounts payable	8,960,573 10	
		23,365,288 52
Accrued:		
Rentals of leased lines and coupons on Mortgage Bonds		539,282 64
Equipment Obligations		8,960,000 00
Reserves and Appropriations:		
Equipment replacement	3,959,931 85	
Steamship replacement	18,649,396 98	
Reserve Fund for Contingencies and for Contingent War Taxes	21,929,788 37	
		44,539,116 18
Premium on Ordinary Capital Stock sold		45,000,000 00
Net proceeds lands and townsites		84,079,614 88
Surplus revenue from operation		127,275,369 58
Special reserve to meet Taxes imposed by Dominion Government		2,203,621 21
Surplus on other assets		106,724,345 70
		$1,055,273,513 99

E. B. STR. LIE,
Comptroller.

AUDITORS' CERTIFICATE.

We have examined the Books and Records of the Canadian Pacific Railway Co. for the year ending December 31, 1918, and have compared the annexed Balance Sheet and Income Account therewith, we certify that, in our opinion, the Balance Sheet is properly drawn up so as to show the true financial position of the Company at that date, and that the relative Income Account for the year is correct.

PRICE, WATERHOUSE & CO.,
Chartered Accountants (London).

Montreal, March 10, 1919.

Mr. Grant Hall, Vice-President of Western Lines, was elected Vice-President, in succession to Sir George Bury.

The undermentioned directors will retire from office at the approaching annual meeting. They are eligible for re-election: Mr. Richard B. Angus, Sir Edmund B. Osler, Sir Herbert S. Holt, and Brig.-General Frank S. Meighen, C.M.G.

For the directors,
E. W. BEATTY, *President.*

Montreal, March 19, 1919.

RECEIPTS AND EXPENDITURES, Year ended Dec. 31, 1918.

RECEIPTS.

	$	$
Cash in hand, December 31, 1917		31,424,893 61
RECEIPTS:		
Surplus revenue as per statement	23,630,898 05	
Special income as per statement	8,128,751 51	
		31,759,649 56
LAND DEPARTMENT:		
Proceeds of sales and interest, *less* cancellations	14,376,745 01	
Less sales expenses and irrigation	3,664,358 41	
	10,712,386 60	
Deferred payments on previous year's sales...	3,289,257 01	
	14,001,643 61	
Amount remaining in Deferred Payments on the sales of the year...	8,167,588 96	
		5,834,054 65
Amount of repayment of Advances to Governments		12,960,100 00
Amount applied in reduction of cost of mining and other properties, Exhibit "D" ...		25,449 46
		$82,004,147 28
Deduct:		
Agents' and Conductors' balances	4,040,562 96	
Net traffic balances	442,991 84	
Imperial, Dominion and United States Governments	3,797,886 56	
Miscellaneous accounts receivable	6,377,139 05	
Advances to Controlled Properties and Insurance Premiums	6,660,746 99	
	21,319,327 40	
Amount at December 31, 1917	20,648,558 74	
		670,768 66
		$81,333,378 62

EXPENDITURES.

	$	$
Dividends on Preference Stock:		
2 per cent. paid April 1, 1918	1,613,638 42	
2 per cent. paid October 1, 1918	1,613,638 42	
		3,227,276 84
Dividends on Ordinary Stock:		
2½ per cent. paid April 1, 1918	6,500,000 00	
2½ per cent. paid June 29, 1918	6,500,000 00	
2½ per cent. paid October 1, 1918	6,500,000 00	
2½ per cent. paid December 31, 1918 ...	6,500,000 00	
		26,000,000 00
Additions and improvements, main line and branches, Exhibit "E"		2,903,019 08
Expenditures on leased and acquired lines, Exhibit "F"		1,195,334 42
Shops and Machinery		48,058 23
Ocean and Coastal Steamships:		
Payments on Steamships acquired and under construction	7,236,659 52	
Less amount paid from Steamship replacement	6,537,787 25	
		698,872 27
Deposited with Trustee, Special Investment Fund		6,015,630 98
Securities Acquired:		
Alberta Stock Yards Co. Stock	4,800 00	
Kingston & Pembroke Ry. Stock	12 50	
Public Markets, Ltd., of Manitoba, Stock ...	53,400 00	
Lake Erie & Northern Ry. 1st Mortgage Bonds	10,000 00	
Manitoba & North Western Ry. 1st Mortgage Bonds	425 83	
West Kootenay Power & Light Co. 1st Mortgage Bonds	35,283 33	
Trustee Securities	1,396,822 18	
		1,500,743 84
Payments on subscriptions to Government loans		10,275,648 47
Payment of Equipment Obligations		1,100,000 00
Increase in material and supplies on hand ...		4,232,996 93
		57,197,581 06
Deduct Increase in Liabilities:		
Current Liabilities	23,365,288 52	
Interest on Funded Debt	539,282 64	
Reserves and appropriations	44,539,116 18	
	68,443,687 34	
Amount at December 31, 1917	53,031,068 27	
		15,412,619 07
		41,784,961 99
Cash in hand		39,548,416 63
		$81,333,378 62

EXHIBIT "A".—OCEAN AND COASTAL STEAMSHIPS.

Alsatian, Batsford, Corsican, Dunbridge, Empress of Britain, Grampian, Holbrook, Mattawa, Melita, Metagama, Methven, Minnedosa, Monmouth, Montcalm, Montezuma, Mottisfont, Pretorian, Sardinian, Scandinavian, Scotian, Sicilian, Tunisian, Victorian, Virginian, Empress of Asia, Empress of Japan, Empress of Russia, Monteagle, Charmer, Dola, Island Princess, Melanope, Nanoose, Nitinat, Otter, Princess Adelaide, Princess Alice, Princess Beatrice, Princess Charlotte, Princess Ena, Princess Maquinna, Princess Margaret, Princess May, Princess Mary, Princess Patricia, Princess Royal, Princess Victoria, Qualicum, Tees, Transfer No. 1, Transfer No. 2, Transfer No. 3, Transfer No. 4, Transfer No. 6, Transfer No. 7, Empress, St. George.—Gross Tonnage ... 307,450

EXHIBIT "C"—MISCELLANEOUS INVESTMENTS.

	Par Value
Cœur d'Alene and Pend d'Oreille Ry. 1st Mortgage Bonds ...	$47,000 00
Consolidated Mining and Smelting Co. Stock, 177,025 shares ...	4,425,625 00
Cambridge Collieries Company, 1st Mortgage Refunding Bonds	250,000 00
Dominion Express Company Stock	2,000,000 00
Duluth, South Shore & Atlantic Ry. Ordinary Stock	6,100,000 00
,, ,, ,, Preferred Stock	5,100,000 00
Hull Electric Company	1,067,602 00
Minneapolis, St. Paul & Sault Ste. Marie Ry. Ordinary Stock	12,723,500 00
,, ,, ,, ,, Preferred Stock	6,361,800 00
Pennsylvania-Ontario Transportation Co. Stock...	187,500 00
Quebec Salvage and Wrecking Company Stock	150,000 00
Spokane International Railway Company Stock	3,941,800 00
Trustee Securities	8,821,440 00
Toronto, Hamilton & Buffalo Ry. Co. Consolidated Mortgage Bonds	1,000,000 00
West Kootenay Power & Light Company Preferred Stock ...	55,000 00
,, ,, ,, 1st Mortgage Bonds ...	36,500 00
	$52,267,767 00

Cost -$26,897,558 49

We have examined all the Securities, including those listed above, held for account of the Canadian Pacific Railway Company, by the Treasurer, and have received certificates from the Custodians, for those deposited with the Banks and Trust Companies for safe custody, and having compared them with the records of the Company, find them correct and in order.

PRICE, WATERHOUSE & CO.,
Montreal, March 10, 1919. Chartered Accountants (England).

EXHIBIT "D"—ASSETS IN LAND AND PROPERTIES.

Company's Collieries in Alberta and British Columbia, and Company's interest in other producing coal mines	$2,155,273 21
Surplus lands and buildings available for sale in the Provinces of New Brunswick, Quebec, Ontario, Manitoba, and British Columbia, representing mainly those purchased in excess of the requirements when securing right of way, station grounds, and shop sites, as being more economical than a resort to condemnation proceedings	2,841,073 28
Manitoba: Agricultural lands, 176,270 acres at $10	1,762,700 00
Saskatchewan: Agricultural lands, 1,568,817 acres at $13 ...	20,394,621 00
Alberta: Agricultural lands, 2,339,092 acres at $13	30,408,196 00
A.R. & I. (500,000 acre tract, under agreement with Government), 15,759 acres at $5	78,795 00
Alberta—Irrigated lands:	
Western Section, 45,008 acres at $25	1,125,200 00
Eastern Section, 385,918 acres at $40	15,436,720 00
A. R. & I. Section, 5,561 acres at $40	222,440 00
Land reserved in Irrigation Block for right of way and operating purposes, 57,358 acres at $13	745,654 00
Demonstration Farms:	
Strathmore	75,000 00
Brooks	10,000 00
Cassils	5,000 00
Mixed Farms (4)	40,000 00
Farms at Veterans' Colonies	10,000 00
Timber Lands and Mills: Timber and Tie reserve in British Columbia, 554,961 acres at $4	2,219,844 00
A. R. & I. Timber limit in Alberta, 35,000 at $1 50	52,500 00
Bull River Mill and improvements	100,000 00
British Columbia: Columbia & Kootenay Lands, 25,968 acres at $2	51,936 00
Unsold portion of Esquimalt & Nanaimo Land Grant, $1,055,891	4,934,235 00
Unsold Lands in Townsites:	
Subdivided sites in Manitoba, Saskatchewan and Alberta ...	7,500,000 00
Unsubdivided and adjoining Town Plots in Manitoba, Saskatchewan, and Alberta, 130,224 acres	4,617,800 00
Unsold lots in British Columbia, including Vancouver ...	4,500,000 00
Unsubdivided land adjoining Townsites in British Columbia, including Vancouver	5,000,000 00
Coal Lands:	
3,000,000 acres of coal right reserved under land sold and unsold in Alberta, to be developed on a royalty basis ...	1 00
46,933 acres of coal land in British Columbia at $10 ...	469,330 00
Iron property in British Columbia	25,000 00
Natural Gas: Rights reserved in 100,000 acres of land sold and unsold in Alberta. (Revenue from area under lease to Dec. 31, 1918, $172,343 39)	1 00
Petroleum Rights: Rights reserved in 50,000 acres of land sold and unsold in Alberta, to be developed on a royalty basis ...	1 00
Improved farms: Buildings and improvements on improved (ready-made) farms, Saskatchewan, Manitoba and British Columbia; investment being repaid with land instalments with interest at 6%	304,171 77
Live Stock: Live Stock (horses, cattle, sheep and swine) advanced to farmers having land contracts with Company, on security lien notes	24,134 21
Total (6,395,827 acres)	...$105,109,626 47

EXHIBIT "E."—DETAILS OF EXPENDITURE ON ADDITIONS AND IMPROVEMENTS FROM JANUARY 1 TO DECEMBER 31, 1918.

	$	$
Eastern Lines:		
Additional Sidings, Buildings, Stations and Yards	123,392 33	
Permanent Bridges and Improvements of Line ...	381,964 85	
		505,357 18
Montreal Terminals		152,237 43
Quebec Joint Terminals		3,733 61
Western Lines:		
Additional Sidings, Buildings, Stations and Yards	481,239 16	
Permanent Bridges and Improvements of Line ...	672,918 20	
Winnipeg Terminals	8,453 08	
Vancouver Terminals	76,599 19	
Right of Way	23,548 84	
		1,262,758 47
Additions to Office Buildings and Hotels		270,858 31
Office Building, Winnipeg		600,000 00
Rented and Temporary Sidings		78,525 80
Telegraph Extensions and Additions		29,548 28
		$2,903,019 08

EXHIBIT "F."—DETAILS OF EXPENDITURE ON LEASED AND ACQUIRED LINES.

New Brunswick Railway	$120,925 90
Atlantic and North-West Railway	213,576 03
Montreal and Ottawa Railway	3,805 04
Montreal and Western Railway	22,071 21
Ontario and Quebec Railway	669,975 65
Manitoba and North-Western Railway	28,027 40
Manitoba South-Western Colonization Railway	3,592 89
Calgary and Edmonton Railway	31,723 90
Columbia and Western Railway	4,093 17
New Brunswick Southern Railway	994 50
Ottawa, Northern and Western Railway	3,834 12
St. Maurice Valley Railway	42,009 96
Campbellford, Lake Ontario and Western Railway	40,931 61
Georgian Bay and Seaboard Railway	3,916 15
Guelph and Goderich Railway	1,499 31
Columbia and Kootenay Railway	4,357 58
	$1,195,334 42

FIXED CHARGES FOR YEAR ENDED DECEMBER 31, 1918.

		$
£ 200,000	St. Lawrence and Ottawa Railway First Mortgage Bonds, 4%	38,933 34
$2,544,000	Man. S. West. Colzn. Ry. 1st Mortgage Bonds due June 1, 1934, 5%	127,200 00
£4,007,381 15 5	Ontario & Quebec Ry. Debenture Stock 5%	975,129 56
32,000,000	Ontario & Quebec Ry. Ordinary Stock 6%...	120,000 00
£1,330,000	Atlantic & North West. Ry. 1st Mortgage Bonds, due January 1, 1937, 5%	323,633 34
£750,000	Algoma Branch 1st Mortgage Bonds due July 1, 1937, 5%	182,500 00
$500,000	New Brunswick Southern Ry. 1st Mortgage Bonds, 3%	15,000 00
$500,000	Lindsay, Bel caygeon & Pontypool Ry. 1st Mortgage Bonds, 4%	20,000 00
	Rentals	873,921 63
	Interest on Montreal and Western Railway...	10,358 14
	Interest on Equipment Obligations	439,441 67
		3,126,117 68
*£36,222,921	4% Consolidated Debenture Stock	7,051,395 30
		$10,177,512 98

* Not including $40,000,000 4% Consolidated Debenture Stock loaned to the Imperial Government, on which the Government pays interest.

EARNINGS FOR THE YEAR ENDED DEC. 31, 1918.

Passengers	$30,837,253 89
Freight	110,187,288 10
Mails	1,354,570 91
Sleeping Cars, Express, Telegraph and Miscellaneous	15,158,585 15
Total	$157,537,698 05

WORKING EXPENSES FOR THE YEAR ENDED DEC. 31, 1918.

Transportation expenses	$61,047,812 79
Maintenance of way and structures	22,646,105 94
Maintenance of equipment	28,226,991 04
Traffic expenses	3,011,578 67
Parlor and sleeping-car expenses	1,214,389 52
Expenses of lake and river steamers	1,181,589 41
General expenses	5,421,601 38
Commercial telegraph	285,241 63
Total	$123,035,310 38

STATEMENT OF EQUIPMENT AT DEC. 31, 1918.

Locomotives	2,255
1st and 2nd class Passenger Cars, Baggage Cars & Colonist Sleeping Cars	2,179
1st class Sleeping, Dining and Café Cars	480
Parlour Cars, Official and Paymasters' Cars	122
Freight and Cattle Cars (all kinds)	87,513
Conductors' Vans	1,340
Boarding, Tool and Auxiliary Cars and Steam Shovels	6,542

Includes Cars in Line Service as follows:—*St. John and Boston Line.*—4 First Class, 4 Second Class, 4 Baggage—12 Cars, 80.04 per cent. owned by other lines. *Montreal and Boston Line.*—2 First Class, 2 First Class and Smoking, 2 Dining and Smoking, 4 Second Class, 4 Baggage and Express—14 Cars, 68.33 per cent. owned by other lines. *Toronto, Hamilton and Buffalo Line.*—11 First Class, 4 Second Class, 4 Baggage and Express—19 Cars, 63.56 per cent. owned by other lines.

LAKE AND RIVER STEAMERS.

Upper Lakes.—Alberta, Athabasca, Assiniboia, Keewatin, Manitoba. *British Columbia Lake and River.*—Aberdeen, Bonnington, Castlegar, Columbia, Hosmer, Kalleden, Kokanee, Kootenay, Kuskanook, Minto, Moyie, Nelson, Nesokin, Nuramata, Okanagan, Procter, Sandon, Siamous, Slocan, Valhalla, Whatshan, Ymir, York. *Ferries.*—Michigan, Ontario.

DESCRIPTION OF FREIGHT FORWARDED.

	Years ended Dec. 31— 1916	1917	1918
Flour (barrels)	11,119,890	13,727,970	13,301,740
Grain (bushels)	256,106,690	213,340,507	137,070,428
Live stock (head)	2,172,437	2,190,596	2,364,870
Lumber (feet)	3,017,964,134	3,178,554,667	3,241,312,802
Firewood (cords)	289,471	295,277	339,631
Manufactured articles (tons) ...	8,871,928	10,148,568	9,718,373
All other articles (tons) ...	8,487,785	8,788,423	9,798,523

FREIGHT TRAFFIC.

Number of tons carried ...	30,168,798	31,198,685	29,856,694
Number of tons carried one mile	14,931,739,090	14,882,991,224	13,014,665,922
Earnings per ton per mile ...	0·65 cent	0·70 cent	0·85 cent

PASSENGER TRAFFIC.

Number of passengers carried	15,576,721	14,502,546	
Number of passengers carried one mile ...	1,488,974,821	1,289,280,061	
Earnings per passenger per mile	2·03 cent	2·39 cent	

TRAIN TRAFFIC STATISTICS FOR YEARS 1918 and 1917.

(EARNINGS OF LAKE AND RIVER STEAMERS AND OF KETTLE VALLEY RAILWAY NOT INCLUDED IN THIS STATEMENT).

	1918	1917	Inc. or Dec. Amt. or No.	Inc. or Dec. %
Train Mileage—Pass. trains	16,665,928	18,093,554	*1,427,626*	*7·89*
Freight trains	22,326,115	25,182,863	*2,856,748*	*11·34*
Mixed trains	1,966,362	2,056,414	*90,052*	*4·38*
Total trains	40,958,405	45,332,831	*4,374,426*	*9·65*
Car Mileage—Passenger:				
Coaches & P. D. & S. cars	82,747,310	93,745,444	*10,998,134*	*11·73*
Combination cars ...	2,366,268	2,769,677	*403,409*	*14·57*
Baggage, mail & express cars	40,903,961	43,327,370	*2,423,409*	*5·59*
Total passenger cars	126,017,539	139,842,491	*13,824,952*	*9·89*
Freight: Loaded ...	539,157,440	617,479,662	*78,322,222*	*12·68*
Empty	199,157,368	245,513,721	*46,356,353*	*18·88*
Caboose	25,343,851	28,211,955	*2,868,104*	*10·17*
Total freight cars ...	763,658,659	891,205,338	*127,546,679*	*14·31*
Pass. cars per traffic train mile	6·76	6·94	*·18*	*2·59*
Freight cars per traffic train mile	31·44	32·72	*1·28*	*3·91*
Passenger Traffic—				
Pass. carried (earning rev.)	14,396,753	15,462,276	*1,065,523*	*6·89*
Do. do. 1 mile ...	1,280,533,734	1,480,023,872	*199,490,138*	*13·48*
Do. 1 mile per mile of road	98,550	113,932	*15,382*	*13·50*
Av. journey per pass. (miles)	88·95	95·72	*6·77*	*7·07*
Av. amt. received per pass....	$2·12	1·93	*·19*	*9·84*
Av. amount received per pass. mile ... ... Cts.	2·38	2·02	*·36*	*17·82*
Av. No. of pass. per train mile	68·73	73·45	*4·72*	*6·43*
Do. do. per car mile	15·04	15·33	*·29*	*1·89*
Rev. from pass. per pass. car mile ... ... Cts.	35·81	30·98	*4·83*	*15·59*
Total pass. train earnings per train mile	$2·15	1·92	*·23*	*11·98*
Total pass. train earnings per mile of road ...	$3,078·88	2,973·92	*104·96*	*3·53*
Freight Traffic—				
Tons of rev. freight carried one mile	12,885,684,625	14,677,957,266	*1,792,272,641*	*12·21*
Tons non-rev. freight carried one mile	1,423,459,482	1,496,188,006	*72,728,524*	*4·86*
Tota tons (all classes) fr't carried one mile	14,309,144,107	16,174,145,272	*1,865,001,165*	*11·53*
Tons of rev. fr't. carried one mile per mile of road ...	991,680	1,129,908	*138,228*	*12·23*
Tons of non-rev. fr't. carried one mile per mile of road	109,549	115,176	*5,627*	*4·89*
Total tons (all classes) fr't. carried 1 mile per mile road	1,101,229	1,245,084	*143,855*	*11·55*
Av. amt. received per ton per mile of rev. freight... Cts.	0·847	0·698	0·149	21·35
Av. No. of tons of rev. fr't. per train mile	530·44	538·85	*8·41*	*1·56*
Av. No. of tons of non-rev. fr't. per train mile ...	58·60	54·93	3·67	6·68
Av. No. of tons (all classes) fr't per train mile ...	589·04	593·78	4·74	·80
Av. No. of tons of rev. fr't per loaded car mile ...	23·90	23·77	·13	·55
Av. No. of tons of non-rev. fr't per loaded car mile ...	2·64	2·42	·22	9·09
Av. No. of tons (all classes) fr't per loaded car mile...	26·54	26·19	·35	1·34
Fr't train earnings per loaded car mile ... ... Cts.	20·24	16·59	3·65	22·00
Fr't train earnings per train mile	$4·49	3·76	·73	19·41
Fr't train earn. per mile of road	$8,398·25	7,885·40	512·85	6·50

STATEMENT OF CANADIAN PACIFIC RAILWAY PENSION DEPARTMENT TO DECEMBER 31, 1918.

Balance to December 31, 1917	$890,307 76
Amount contributed by Company	500,000 00
Amount received as interest	43,056 22
	$1,433,363 98
Payment of Pension Allowances for Year	267,097 43
Balance in Cash and Investments	$1,166,266 55

NUMBER ON PENSION ROLL AT DECEMBER 31, 1918.

Under 60 years of age	79
Between 60 and 70 years of age	494
Over 70 years of age	411
Total	984

BANKING AND CURRENCY REFORM.

A NEW ECONOMIC SYSTEM

Embracing :

(a) An automatic Internal Currency.
(b) An automatic International Currency.
(c) An automatic International Exchange System, and, by inference,
(d) An automatic Internal Credit Supply.

Proposed by

FALCONER LARKWORTHY, Esq., C.O.R.

(Chairman of the IONIAN BANK, LIMITED),

In his Evidence to the Committee on Currency and Foreign Exchanges, 25th March, 1919.

1. I am an international banker with 71 years' experience of banking and commerce.

During 67 of those years I have occupied positions of responsibility either as bank officer or manager, or inspector, or managing director of colonial or international banking institutions in the East.

My experience extends to the Cape of Good Hope, the Mauritius, Australia, New Zealand, the South Sea Islands, Fiji, the United States, including California and Canada.

For 30 years I was managing director, in London, of the Bank of New Zealand, and since 1898 I have been a director, and from 1900 have been continuously chairman of the Ionian Bank, which covers in its connections the Ionian Islands, Greece and Egypt, both of which countries I have visited professionally.

During my stay in Australia I had a most intimate connection with the goldfields, and with gold in its many forms, and personally bought gold on a very large scale, and melted it, and prepared it for the home and foreign markets. In New Zealand I was chief officer of the Oriental Bank, and acquired an intimate knowledge of the Otago Goldfields, and of their metalliferous products.

I am one of the oldest Fellows of the Institute of Bankers, and was consulted in the founding of that institution, and promised it my support.

In mentioning so much of my career, I think I have established a claim to be heard by the Currency and Exchange Committee, and seeing my great age, and my long experience, I hope they will accept my assurance that I have nothing personally to gain by the recommendations that I am about to make, and that I am no advocate of wild experiments, but am actuated by a sincere desire to use what little strength is left to me to assist in the solution of those economic questions which, if solved rightly, will go far to unite the friendly nations of the world in a lasting peace.

2. I have written several articles and pamphlets dealing with the theory and practice of banking and the exchanges, in addition to devoting special treatment to these subjects in the published addresses which I have delivered at the annual meeting of the Ionian Bank, and in the "Memorandum" published by that Bank in 1917.

THE DRAGOUMIS LAW OF 1910,

3. During the greater part of my banking life I have been a strong upholder of the gold standard, of the free gold market theory, and of the accepted British conception and practice of banking and the exchanges. Since the year 1910, however, when the Greek Government initiated a change in the system of the Greek exchanges, I have gradually altered my opinions as the result of my practical experience and intimate knowledge of the working and effects of that experiment.

The working of that experiment suggested certain principles and conclusions which appeared applicable to a field far exceeding in its extent the mere trade relations between England and Greece (or France and Greece, having stricter regard to the true orientation of the Dragoumis Law), and I have found no obstacle in abstract reason or in actual practice to the making of such broad application either to British commerce generally or to the whole circle of world commerce.

In order not to overburden my evidence with a mere technical exposition of that episode in Greek currency history and of the crisis which led to the change, I have drawn up in the form of an appendix (1) a brief account of recent Greek monetary history, together with a critical appreciation of the Dragoumis Law and a transcript of the text of that law; (2) an account of the Greek paper issues during the same period; (3) a statement of the movement of the Greek exchanges on London for ten years before 1910, and for the nine years which have intervened since that date.

These papers I put in with my evidence.

THE UNITED STATES FEDERAL RESERVE BOARD SYSTEM.

To resume. The change in my opinions, which resulted from my observation of the working of the Greek law of 1910, has been confirmed and extended by the close study which I have made of the United States Federal Board banking reform scheme. In its main outline, therefore, my conception of a banking and currency and exchange reform scheme had crystallised and formulated itself before the British Government adopted a paper currency system in 1915. Consequently, all that I have to say as to this last factor is that our experience of the working of the Treasury Note scheme has only confirmed and clarified my convictions and theories.

DESCRIPTION OF THE VALAORITIS EXCHANGE SYSTEM.

4. Proceeding to a brief exposition of my present views, I propose to accept the Valaoritis system, instituted in Greece by the Dragoumis Law GXMB, of March 19, 1910, at its face value from the point of view of a system-building innovation, at the same time taking the liberty to refer the Commission to Appendix 1 herewith for a more detailed and detached criticism of it from other points of view which are still under dispute.

In brief, the 1910 law authorised the National Bank of Greece to issue notes in excess of its legally-fixed maximum, specifically for the purpose of the purchase of gold or exchange at not above par, coupled with the obligation of selling on demand all such gold or exchange at a price not above one per mil above par for the gold, and not above half per cent. above par for the exchange. (Under the Convention of August 1, 1911, as approved by the Royal Decree of August 12, 1911, these terms were altered: the selling price of gold was fixed at par, and that of exchange at .25 premium.)

In practice (I repeat that I defer criticism of the motive of the law) this Act has resulted in the accumulation in Paris, London, and New York of a large quasi-Government fund managed entirely by the National Bank of Greece and available for the supply in Athens of exchange on Paris, London, and New York. As a result, since 1910 exchange from and to Greece at par, or practically par, has been on tap without ever drying up, and the value of the drachma has in consequence stood at virtual par from that date onwards, although in the intervening years 1910-1919 Greece has seen two domestic wars, the great European War, has suffered a prolonged blockade, and has borne an enormous increase in her internal paper currency issues.

The profound impression which these facts have made upon my mind is partly, but only partly, due to the circumstance that the interests of the Ionian Bank, with which I am identified, are intimately bound up in the maintenance of a stable exchange between England, Egypt, and Greece. As an institution so large a proportion of the profits of the bank are made in the form of foreign currency (Greek drachmae), that at any moment (before 1910) these legitimate profits could be considerably diminished by a change in the exchange rate, and such change of rate might be, and often was, due to a mere speculative movement in Athens, which was in itself wholly unrelated to trade.

PROPOSAL FOR AN EXCHANGE SYSTEM BASED ON THE GREEK PRINCIPLE.

From the working of this Greek experiment, therefore (which has now passed into history), I have drawn the

conclusion that by a mere mechanical device or structure it is possible to provide a ceaseless supply of exchange between any two centres. The main requirement is that the Exchange Issuing Office should be a Government institution, and that it should possess a fund alike at the drawing or issue office and at the drawee office. This last provision is merely a legitimate extension of the Greek one-sided institution.

For the moment, for the sake of brevity and lucidity, I will deliberately restrict my illustration to exchange between the United States and England. It is unnecessary to add that an arrangement adoptable between these two countries would be applicable to the exchange system between any other trading countries the world over. If our Government had such an exchange issue office in London and in New York, any individual in the one place could apply for exchange on the other centre at any moment to any amount. In London he would present a cheque in sterling for the full amount of exchange desired, and would receive a draft on New York in dollars or a telegraphic transfer, and his correspondent in New York would cash the draft at the New York branch of the British Exchange Office, or have the amount of the telegraphic transfer placed to his credit.

By arrangement between the two Governments the machinery could be still more simplified. The United States Government Exchange Office in New York might cash all such exchange drafts from London and the British Government Exchange Office in London might do the same in return for all exchange drafts from New York. In such a case the United States institution would be the custodian and depositee of the securities, &c., which made up the total British exchange deposit fund in New York, and *e converso* the British institution in London would hold the United States exchange deposit fund.

It will at once occur to the Committee that such a mechanism implies at least two prior conditions as essentials. Firstly, there must be a rate legally fixed. It is the whole essence and purpose of the scheme to fix this as near par as possible, leaving only a small margin above and below par. Within this margin the existing banking institutions could continue to sell and buy exchange; the limits of $\frac{1}{4}$ above and $\frac{1}{4}$ below par would give them ample margin for profitable working. The only charge which the Government institution would make would be for the cost of working the system. During normal times I do not see why this "at or about par" rate should not hold permanently good and without even the slightest variation, on the mere supposition (which is a commonplace among economists) that over a certain periodic phase, say, of 12 months, there is an exchange equilibrium. Normally within the limits of such a period the seasonal movements of crop lifting and crop shifting, &c., will cause fluctuations in the demand for exchange, but this cannot possibly distress or break the Exchange Office, provided its endowment fund in hand is large enough to meet the absolute maximum possible seasonal demand.

The second prior essential condition is of course that there must be an endowment fund or a reservoir at each of the inter-exchanging centres. In the illustration which I have chosen there must be a United States fund in London and a British fund in New York. This condition at once raises the question, How is the fund to be provided?

PRINCIPLES GOVERNING INTERNAL CURRENCIES IN THEIR RELATION TO THE PROPOSED INTERNATIONAL EXCHANGE SYSTEM.

In the evolution of my opinions it has been the consideration of this question which has led me to the views I now hold on the subject of currency. It is fundamental that there cannot be two independent, co-existing internal or domestic currencies in one and the same country, say one for exchange purpose and one for internal trade. If, therefore, we are reduced to one currency, it will have to be completely elastic, always on tap, always purchaseable at 20*s.* value to the £1 note, always issuable at that value. Suppose (admittedly an unlikely supposition, but let that pass) New York should suddenly demand 50 million sterling currency in London. The London office must be in a position to honour that demand *instanter* by issuing that amount. It could not possibly do it in gold. It could easily do it in paper. This at once suggests that in order to work such a system every domestic currency participating in the scheme must be a paper currency, for only paper possesses the requisite quality of elasticity which will enable it to meet such an ebbing and flowing tap demand.

From this first principle a second one of equal importance is deducible. In the illustration just chosen the issue of 50 million sterling in London in currency notes has been preceded by the deposit of the purchase price, 100% of absolute value, in New York. If, therefore, such currency notes are issued against 100% value or purchase price, and if we cannot have two series of currency notes in internal circulation at one and the same time on different bases, it follows that currency notes issued for internal trade must be bought in the same way. They must be issued only against 100% value or purchase price paid down. This consideration at once gave the key to the guiding principle and theory of any domestic or internal paper currency issue.

Having thus established the true principles of issue for internal currency it became quite easy to indicate the source from which should be derived the endowment fund necessary to the working of my proposed exchange mechanism or system. If the British Government sells 300 million pounds of currency notes to the British public for internal currency needs, it takes from that public 300 million pounds in value of some form, credits, securities, &c. It will not need to hold that sum as a redemption fund, because the public cannot do without the currency. Just so much currency is an absolute necessity to it as a working minimum or normal. The public, therefore, cannot possibly give it up or present it for redemption. Therefore the Government will be perfectly safe in taking that 300 millions of values (securities, &c.) and planting it abroad in the way I have indicated as an endowment fund or reservoir for the working of the exchange scheme.

In the above process of reasoning I have chosen London and New York for my illustration. As already explained, the facts before my mind since 1910 were those resulting from the procedure of the National Bank of Greece in selling exchange on the above lines and the resulting absolute stabilisation of the exchange rates between Athens-London and Athens-Paris. But of course the principle remains the same whatever the extent or field of its application.

The result, therefore, of my study of the Greek exchanges was that, even prior to the adoption by Great Britain of a paper currency in 1915, I had become convinced that the exchange system which I advocated could be built upon a paper currency, if that paper currency combined the qualities of automatic elasticity and incovertibility, and that the only perfect elastic currency was paper sold on demand at 20*s.* value to the £, and returnable at will by the purchaser at the same 20*s.* value to the £ surrender value.

FUNCTION OF THE STATE WITH REGARD TO CURRENCY ISSUE,

Proceeding with the orderly exposition of my views I consider it fundamental that the exchange mechanism which I have outlined can only be ideally worked by the State. The institution or system must be a Governmental one.

This conclusion is deducible from a consideration of the simplest facts of currency history and banking history. But let me be clearly understood. I am speaking only of the machine itself, which must be State-owned and State worked. I am not speaking of its function, which is automatically determined by the needs of the community. In currency matters the only power or authority competent to determine the necessary amount of the issue is, not the Government, not the banks, but the public itself, seeing that the public will not for a moment buy such a luxury as full-cost currency is, or for a moment continue to hold such a luxury, beyond the amount it absolutely needs. This condition is the safeguard against over-issue. And not only so, it is this proviso of purchase at 100% value which gives us the true and only clue to banking reform. When a bank can issue notes on its own account with only the liability of maintaining a percentage cover, it has an interest in pressing its notes into circulation because it makes a profit thereby. This has been in the past the great source of artificial stimulation of credit and has been an invariable feature in the credit crises of the nineteenth century. As a consequence the main course of banking reform has been the gradual suppression of the rights of private bank issue and a gradual insistence upon a fuller cover. The conclusion is obvious, viz., that the correct currency principle is to suppress all private issue and for the State alone to issue, and for the issue to be an inconvertible full-cost 20*s.* value per £ issue. Such a system at once does away with any question of cover and makes superfluous any idea of artificial limitation of amount of issue. It is therefore the duty of the State, and of the State alone, to issue as much currency as the community needs, and the test of the reality of the need is the readiness of the community to pay full price for it; and when the community finds it has too much currency, it is the duty of the State to take back any excess which may be presented and to pay back the full price for it and so retire it.

FUNCTION OF THE STATE WITH REGARD TO EXCHANGE ISSUE.

Exactly the same principles apply to the provision of exchange, or rather would apply under the scheme of exchange which I have outlined. The issuing office should be purely governmental and absolutely detached from any actual participation in trade on its own account. This would at once rule out of court as anomalous such a privilege as the National Bank of Greece possesses in the matter of the issue of Greek exchange. That bank is itself a trader and a competing trader, and by virtue of that privilege has it in its power to penalise its competitors. The breach of the simple guiding principle is in this case particularly vicious and calls for instant reform at the hands of Greek statesmen.

The main guiding principle, therefore, which I thus wish to emphasise as applying equally to currency issue and exchange issue, is that it is a sovereign function which the State literally dare not depute to any private agency, but that in

the exercise of that function the State is itself purely passive, the servant of the community, which alone can decide what its own currency and exchange needs are.

THE BRITISH CURRENCY NOTE: CONVERTIBILITY: REDEMPTION: THE BANK RATE.

Before completing my sketch of the working of the exchange scheme or system which I propose, it may be convenient to the Committee if I carry to a conclusion the statement of currency principles which I have gradually evolved from my study of the whole complex of currency and banking and exchange.

Before the adoption of the British Treasury Note issue I considered that the United States Federal Board scheme had in a great measure solved the problem of the supply and retirement of an elastic currency, mainly of course by its provisions for the supply and issue of Federal Bank notes against full cover of collateral securities. But since the introduction of the British currency note issue scheme I consider that Great Britain has found and is now possessed of the only perfect currency system in the world, provided that it be made logically complete by the announcement of the principle of inconvertibility and by the suppression of all private issues, including that of the Bank of England. When once this is done, when all private issues are abolished, the question of cover will vanish from the field, and with it will disappear the whole clumsy, costly, cruel and needless machinery of the Bank-rate, for the only existing issue will be one which is made, not against a marginal cover, or percentage cover, and not against Government credit, but against full value deposited by the community which purchases the issue. And in a similar way, as I have already said, the question of redemption will be reduced to its simplest form of expression. I am of opinion that our currency was deficient in amount for a long time prior to the War, and it is to that deficiency that I attribute a great part of the stagnation which we have had to endure. I believe that the normal currency needs of Great Britain are not short of 300 millions. If so, as I have already explained, that amount may be eliminated at once from any question of redemption. The community will keep it in continual circulation and will not return it or surrender it. That amount, the normal circulation, whether more or less than the figure I give, is bound to remain out and can never become an applicant for redemption. It would, therefore, be perfectly safe for the Government to invest it abroad, as I have already proposed. Beyond that normal it would of course be necessary for the Government to keep in hand any further extra-normal sums realised by the sale of extra-normal currency, in order to provide for its re-purchase from the community on demand. That is the only marginal redemption fund which it is necessary for the State to keep.

I am, therefore, quite indifferent to all those questions as to redemption and cover which fill so large a place in the literature of this subject, and which are still so hotly contested, the particular form of the cover, the nature of the securities, the proportion of gold to securities and so forth. All these are the merest inessentials. And similarly I am quite indifferent to the ordinary form of controversy as to the reform of the Bank of England. Provided its right of issue be taken away and the anachronism of the Bank-rate be abolished, I am careless as to those mere minutiæ of Bank of England reforms which have hitherto occupied the attention of the Committee. My outlook on this subject is quite a different one. From the point of view of banking reform I consider it highly desirable that all the banks in the United Kingdom should be organised by regions or districts, each district under its own Regional Head Bank and the Regional Head Banks themselves affiliated to a Central Federal Bank or board. This scheme of organisation would in effect introduce amongst us the United States Federal Reserve Board system, with the important difference only that our organisation would not be a currency issuing institution.

The main advantage which we should derive from such an organisation would be co-ordination and simplification in the matter of supply of credit—mainly, of course, to industry. There would also be the element of increased strength arising from such an organic fusion as would be devoid of any of the questionable features of a Money Trust. I feel strongly that organisation on these lines would be infinitely preferable to the haphazard and arbitrary bank amalgamations which have been taking place of late. I am clearly of opinion that such amalgamations have been and are beneficial, but they cannot be systematic, and the main requirement at the present moment is that development should be systematic; a common credit granting policy should be adopted, localities not efficiently covered by a bank or branch bank should be properly provided with such a branch, the whole of the industrial districts should be fully banked, according to the varying needs of each locality, and so on. Such needs would be best met, and such uniformity of credit policy would be best insured, under some such Federal Banking scheme as I have just referred to.

But I treat this matter of banking reform parenthetically for the simple reason that my evidence and proposals are concerned mainly with currency and exchange mechanism: and on the lines on which I have drafted my proposals the banks are to play merely a passive part in the creation of both currency and exchange

INTERNATIONAL ASPECT AND SCOPE OF THE PROPOSED EXCHANGE MECHANISM.

Up to the present point I have simply dealt with the broad outlines of the principles of exchange and currency—I have simply sketched a State exchange mechanism, which in order to be set in motion only requires to be endowed with a capital fund, such fund being in its origin realised out of the cost price or purchase price of an internal domestic paper currency; and the description of that exchange mechanism has, as a matter of reasoning, involved an exposition of my views as to the true principles of such internal domestic currency.

But it is inevitable that such a mechanism or system should grow by the mere process of accretion and should come to transcend the limits of any single Empire or any single pair of inter-trading States. The more international it becomes the greater will be, not merely its significance, but its efficiency. Without being unduly optimistic I consider that the definitive adoption of the system by the present great Allied Powers—Great Britain, U.S.A., France, and Italy—would simplify nine-tenths of the commercial transactions of the modern world.

May I explain how this would be?

Under the State Exchange Scheme which I have sketched above, Great Britain, having realised a currency fund of 300 millions (by the sale of so much domestic currency) would plant that fund abroad at various exchange centres; say 100 millions in New York, 30 millions at Buenos Ayres, 20 millions at Madrid, and so forth. Similarly the United States, having realised 600 millions of a currency fund in the same way, would plant that sum abroad in such proportions and at such places as her foreign trade and exchanges demand. This arrangement could be persevered in if thought fit. But it is not necessary. Instead of scattering the exchange endowment funds in this way over the earth, it would be quite easy to concentrate them in one spot, and then, by the simple clearing-house method, to write off one exchange demand against another, leaving only the balance to be liquidated periodically, say daily or weekly.

If this development should come about there would be located at some international centre an International Exchange Office which would have the keeping of the books or of the accounts of four National Exchange Endowment Funds, representing 300 millions of British values, 600 millions of U.S.A. values, 200 millions of French values, and 150 millions of Italian values. Whatever period of account stating should be adopted—whether daily or weekly or fortnightly, &c.—the cross-entries would eliminate nine-tenths of the total exchange transactions between the trade of the four nationalities.

LIQUIDATION OF BALANCES: AN INTERNATIONAL CURRENCY.

So far I feel sure I shall meet with no dispute. But now what about the liquidation of the balance? In order to bring the matter down to closest relationship with actual fact, I will assume that the trade between England, France, and Italy will be somewhere about what it was before the War, but that America will be a greater creditor of those three Powers than she was before the War. I think she is bound to be this, because of her loans to the Allies, and because of her command of raw materials.

Very well then. Taking such a statement as fairly representative of facts, I propose to give the Committee two alternative methods for the final liquidation of international balances. One of these methods takes the world and mankind as it is to-day, still divided by dissimilar national characteristics, still unused to submit to international control, if you like still swayed by an underlying feeling of international suspicion. The other method presupposes the disappearance of these characteristics under the influence of an international force or feeling which I assume has acquired or will at last acquire to itself as compulsive a force—as strong and complete a sanction as domestic law possesses to-day in the national domain.

The first method.—A single case will illustrate the whole. I will suppose that after all the clearing-house cross-entries from January 1 to December 31 between the British Exchange Fund and the U.S.A. Fund, the British Fund is on December 31 indebted 100 millions to the U.S.A. Fund. The British traders who owe that sum will buy 100 millions of exchange from the British delegate of the International Exchange Office. They will pay 100 millions of British currency notes for it or they will present securities to that value. If they present securities to that value the British delegate will hand them over to the U.S.A. delegate, who will distribute them. Or if they present currency notes for the amount the British delegate will hand out of his British Exchange Endowment Fund 100 millions of securities, and will then go into the British securities market and invest in securities the 100 millions of currency notes which have been tendered to him, and so will recoup his Endowment Fund and at the same time, by returning the notes into circulation, will leave the normal internal circulation undisturbed.

When I say the operation may not be done at a single blow on December 31, but may, in fact will, be performed gradu-

ally all over the course of the year, say at the end of each fortnightly settlement; and further, when I add that under the title of "securities" I include any gold which may form part of the Endowment Fund (whatever part or proportion it is unnecessary to decide), I cannot see that anything further is to be added to such a description of the operation. It is simplicity itself.

I now come to the *second method*. I will assume that a period has elapsed and that the growth of the force of international custom has given to such custom the compulsive sanction of positive law. I will assume that we are no longer dealing with a conglomerate international exchange office, in which four independent powers dispose of four independent exchange endowment funds, but that a single international authority overrides all the four hitherto independent authorities. I will assume that under that single overriding international authority the four separate funds are treated as only parts of one fund, and that as against the total aggregate fund it issues credit notes and debit notes, or its own currency if you will, which are binding as legal tender on all the members of the international structure. Does it not follow that the liquidation of final balances (which under the first method described took the form of a physical transfer of securities), may now take the form of book entries or of an issue of some form of international legal tender credit. And if so, would not this still further simplify the mechanism of international commerce? And if so, would not humanity benefit?

I cannot conceive the possibility of a negative answer; and as to the difference between the two views, all that I can say is that it is a mere matter of degree of realisability on our part—of length of view and perspective on our part.

Having thus completed the outline or sketch of the exchange system or machinery which I advocate, I propose to conclude my evidence by returning briefly to those general economic principles which underlie the whole of the phenomena of currency and exchange.

THE GOLD STANDARD.

Firstly, as to the Gold Standard. The phrase appertains to the terminology of magic. But I think I hardly need point out that the demonetisation of gold does not affect the gold standard. The gold pound may be kept as the monetary unit—as the unit measure or basis of a money of account—long after gold is demonetised as currency. There is not even a sentimental difficulty in allowing gold to resume its natural character of a commodity, free to sell itself in its own best market and at its own best price. Our reverence, therefore, for the mere phrase "Gold Standard" need not stand in the way of our demonetising gold and of our abolishing the gold reserve and the bank rate with it.

THEORY OF INTERNATIONAL TRADE.

Secondly, as to the theory of international trade. It may occur to the members of the Committee that such a conception of currency and exchange as I have outlined above strikes at the root of the old and still accepted theory of international trade which has been the stock-in-trade of English economists and bankers for a century. I may, therefore, be asked what theory of international trade I propound in its place, and what regulative action or mechanism I propose as a substitute for the regulative action of the bank rate.

My answer is as follows:—

There are two periodic fluctuations in trade and industry. the first of these is a minor cycle which is controlled by the seasons, and is therefore annual. In this cycle the determining factor is the movement of crops. It is the height of economic waste and folly to attempt to influence this cycle, to control or direct or constrain it. It is Nature's own doing. What we have to do is to see that the supply of internal, domestic currency is sufficiently elastic to meet the utmost crop-gathering demands within each State, and that the supply of international exchange is sufficiently elastic to meet the utmost crop movement demands between one State and another. There ought never to be a currency pinch in the autumn accompanied by a rise in the Bank Rate; indeed, there ought never at any time to be either a currency pinch or a currency redundancy or an exchange pinch or an exchange redundancy. And there never will be if the public is left to decide for itself its currency supply and its exchange supply in the way I have outlined.

The second cycle is a more mysterious one. The old idea that it is a ten- or eleven-year cycle is no longer maintainable. But, whatever its period, I am of opinion that the cause of it is partly cosmic (magnetic cycles or sunspot cycles or what else) and partly psychological as being conditioned by our human capacities for or reactions against industrial strain and hopefulness, and so on. The accepted idea with regard to this cycle is that it inevitably culminates in a crisis, and the conclusion is therefore drawn that rigorous repressive measures must be applied at a certain point in its course. The expansion of credit which invariably marks the upward move of the cycle's curve must be throttled.

As against this view I wish to assert my conviction that whenever a crisis does take place in such a cycle it is the result of this deliberate interference with the course of the cycle itself. The supply of credit throughout the course of such a periodic phase ought to be as automatically free in its expansion and contraction as the supply of currency and exchange ought to be within the limits of the minor yearly cycle. In other words, the eleven-year cycle ought to be left absolutely free to its own unhampered action, and then each one will work itself out and end harmoniously without any crisis. After a period of exertion men want rest, and that reaction alone will bring the cycle to its harmonious end. You do not need to interfere with it by violent and artificial restrictions of credit, for such action does not so much precipitate as actually cause or produce the very crisis which we profess to flee from. Leave the cycle to itself and it will work itself out without an explosion. Interfere with it, rein it up sharp with your Bank Rate, &c., and you will bring untold misery upon humanity.

I therefore propose to sweep away the Bank Rate mechanism and to substitute nothing in its place. I wish to see the supply of credit determine itself by economic law as automatically as I wish to see currency supply and exchange supply determine themselves.

RECOMMENDATIONS SUBMITTED TO THE CURRENCY COMMITTEE AS A LEGITIMATE DEDUCTION FROM THE PRINCIPLES INVOLVED IN THE PRECEDING EVIDENCE.

(1) I would pass a short Act of Parliament declaring that the currency note such as I advocate (together with the divisional coinage) shall be henceforth the only legal tender currency in Great Britain. Such an Act will in effect do all that is required in the way of demonetising gold without affecting the gold standard. It covers or contains the principle of inconvertibility without frightening people with the bold naked assertion of the principle of inconvertibility in so many words.

(2) I would erect a Department of Currency Control as a Sub-Department of the Treasury with the Comptroller of the Currency as its chairman or head. This Department I would organise in three divisions as follows:—

(*a*) *An Issue Division*, the main function of which would be the issue or sale of the currency and the keeping of the Note Register, and which would also have the general supervision of the design of the notes and the printing.

(*b*) *A Securities Valuation Division.*—In order to the establishment and working of the currency system which I propose it will be necessary, either by Act of Parliament or by Order in Council, to declare that currency notes shall be purchasable either by gold or by credits standing in the books of the Bank of England, and that the Bank of England shall be obliged to include in such credits approved bills and approved securities.

It would be the function of this Securities Valuation Division to schedule or tabulate periodically the values of such approved securities in order to their lodgment with the Bank of England for the purpose of currency-purchase or exchange-purchase. The work of this Division would be practically that which the American Dollar Securities Committee has performed during the War. I have already in my speech to the shareholders of the Ionian Bank outlined the scheme and procedure of such a Securities Division, and I beg to refer the Committee to that speech for further details.

(*c*) *An Exchange Sale and Purchase Division.*—This Division would be the Exchange Office as I have fully described it in my preceding evidence. The Exchange offices abroad would be simply branches of this Division of the total Currency Control Department, each one being under an agent of the head Exchange office. Each agent would have the custody of the securities representing the endowment fund of his branch, and also of the securities tendered to him for the purchase of exchange; until such time as a more economical international clearing-house arrangement should be evolved.

(3) I would pay back to the Bank of England the value of its fiduciary issue and suppress it. The remaining part of the Bank issue I would suppress by issuing currency notes (and currency note certificates) in exchange for the gold reserve, and then substitute such notes for the existing Bank of England issue.

All other private issue I would suppress by substitution in the same way.

(4) All the funds (whether gold or securities) realised by the State through the normal sale of currency notes I would entrust *as a trust* to the Comptroller of the Currency, the terms of the Trust being that he should deal with it only by way of planting out the fund at such places as exchanges may demand. In particular the terms of the Trust would expressly forbid him to make any advances to the Treasury out of the Trust Fund or to allow any part of it to be used as public revenue or for public expenditure.

(5) In order to complete the exchange system I would promote treaties with other nations for the reciprocal establishment of similar exchange offices by those other nations.

(6) If my opinion on banking reform is desired I should advocate the system of regional organisation and the widespread multiplication of banks where required on the lines alluded to in my evidence.

FALCONER LARKWORTHY

25th March, 1918.

MEETINGS
OF PUBLIC COMPANIES.

NATIONAL BANK OF EGYPT.

THE nineteenth annual general meeting of the shareholders in the National Bank of Egypt was held on March 24 at the head office of the Bank in Cairo, Mr. F. T. Rowlatt (the Governor) presiding

The Chairman said: Gentlemen,—We have the pleasure of submitting to you the balance sheet and profit and loss account for 1918. The net profits amount to £693,851, against £519,250 for the preceding year, and we propose to dispose of them in the following manner: To the statutory reserve, £69,385, which with £47,336 odd transferred from the special reserve will bring the former to £1,500,000; to the special reserve, £267,336, to bring it up to £500,000; to the payment of a 10% dividend, £300,000; and to carry forward £106,635, including £49,505, the carry forward of the previous year. In comparing the results we have to bear in mind that at the end of 1917 we had to depreciate securities by £33,665, so a better comparison is £693,851 net profit this year, against £552,915 for the preceding year. We think, gentlemen, these figures can be considered quite satisfactory. As was the case during the last two or three years, large sums of money, owing to the War, have been spent in Egypt. The bank-note circulation has consequently expanded and deposits with the Bank have considerably increased. On the other hand, the Bank's expenditure has been heavier. A considerably larger staff has been necessary to cope with the work. The cost of living and articles generally has remained very high. The expenses consequently have increased by £56,000, which are almost entirely accounted for under the headings of bank note expenses, salaries, bonus to the staff, and stationery. We feel certain that under these circumstances, and considering the happy result of the year, you will have no objection to the special bonus of £8,000 to the staff, published in the report.

Bank Note Issue.

The bank note issue on December 31, 1918, amounted to £E.46,000,000, against £E.30,800,000 on December 31, 1917. The maximum issue during the year was that reached on December 30—namely, £E.46,100,000, as compared with a maximum issue of £E.30,800,000 on December 31, 1917. The following table shows the amounts of the various denominations of notes that composed the issue on those dates:—

December 31, 1917.		December 30, 1918.	
Billets de Pt. 50 ...	2,658,451	Billets de Pt. 25	£E.661,595
.. .. £E.1 ..	5,261,831	.. .. .. 50 ...	3,876,094
.. .. .. 5 ...	6,061,555	.. .. £E.1 ...	8,611,578
.. .. .. 10 ..	8,930,160	.. .. .. 5 ...	8,932,705
.. .. .. 50 ...	3,311,200	.. .. .. 10 ...	11,747,730
.. .. ..100 ...	4,576,500	.. .. .. 50 ...	1,649,200
		.. .. ..100 ...	7,621,300
	£E.30,800,000		£E.46,100,000

The minimum issue touched in 1918 was £29,200,000 on August 23. The bank note issue has been called upon last year to meet the requirements of a larger field—I allude to the currency requirements of Palestine and beyond. The stability of the Egyptian exchange with London, and the nature of the security behind the notes, has no doubt carried them further than Palestine. As you are aware, the bank note issue is under the double control of the Egyptian Government Commissioners and the Bank.

The Balance Sheet.

As I mentioned above, the prosperity of Egypt has tended to swell the volume of our work. The total of the balance sheet on December 31, 1918, amounts to £E.34,866,627, as compared with £E.28,024,000 on December 31, 1917. The Government securities, amounting to £E.14,800,000, are represented as to £E.14,000,000 by British Treasury bills, Exchequer Bonds, and National War Bonds. Government securities, bills of exchange, money at call and short notice on the London market, bankers' accounts, and cash form a total of £E.23,000,000. Our advances to the Cotton Seed Board and the Cotton Control Commission, with the respective guarantees of the British and Egyptian Governments, amount to £E.887,000 and £E.6,760,000, and are included under the heading of "Advances on merchandise."

General Remarks.

I am certain, gentlemen, that on this occasion, our first meeting since the Armistice, we have in our hearts feelings of deep gratitude to the Army and Navy.

Foremost amongst civil measures taken was that of the Cotton Control Commission, which came into force on August 1 last for the purchase of cotton in Alexandria and other Egyptian ports on the basis of $42 per cantar for fully good Sakelaridis. The authorities have thus secured for the cultivators a very handsome price, whereas slow shipments and other circumstances might have had a bad effect on a market price. We are glad to say that in this matter we have been able to assist in a marked degree both financially and otherwise. The following table shows the annual imports and exports of Egypt from August 31, 1913:—

	Imports	Exports
1913–14	£E.28,325,693	£E.32,646,805
1914–15	15,327,835	22,642,780
1915–16	27,545,340	29,882,393
1916–17	50,095,371	44,587,950
1917–18	47,285,226	48,019,952

These important figures are, of course, largely due to high values, but the marked decrease in the balance of trade in favour of Egypt is partly due to the fact that on September 1, 1918, there was still in Alexandria awaiting shipment a stock of 1,106,000 cantars of cotton, worth, say, £E.7,500,000; also in the value of imports figure several millions of pounds for account of the Army or due to its presence in Egypt, so that the difference between imports and exports of, say, £E.1,000,000 is really very much less than the real trade balance in favour of Egypt.

Since September 1 last to the end of December the value of the imports exceed the exports by about £E.5,000,000, but, on the other hand, the stock of cotton in Alexandria on December 31 was probably worth £E.25,000,000. Under these circumstances the tendency of the note issue has been to fall; it is now £E.44,200,000, against £E.46,100,000 on December 30.

The cotton crop of 1917 turned out to be approximately 6,300,000 cantars, but owing to the restricted area last year the 1918 crop is not expected to exceed 5,250,000 cantars. Cultivators, however, have received such good prices not only for their cotton, but for all other produce, that they are in a very prosperous condition and repaying the mortgage companies, who have a superabundance of funds. It is to be noted that damage done by the pink boll worm is, on the whole, less than last year. So the Government measures, which a year ago, as mentioned in our last report, were having beneficial results, have continued to reduce the pest.

The opening up of Palestine and Syria under new conditions, and now connected by rail with Egypt, is already beginning to have effect in developing relations, commercial and otherwise, between Egypt and those countries. Egypt is on the great sea route between East and West, and it would seem highly probable that a large transhipment and re-export business will grow up in this country. For the last nine months the imports into Egypt from Palestine amount to £E.66,000, and the exports from Egypt to that country to £E.279,000. For the months of November and December together the imports and exports were £E.33,000 and £E.94,000 respectively. The chief imports from Palestine were:—

Fresh fruits	£E.35,000
Soap	20,000
Wines and oil	10,000

The chief exports to Palestine were:—

Rice	£E.84,000
Ground nuts	26,000
Sugar	24,000
Animal food products	21,000
Sesame	14,000
Cotton textiles and clothing	24,000

The value of the external trade of the Sudan in 1918 again shows a large increase as compared with previous years. Imports during the year came to £E.4,024,000, and exports, including re-exports, to £E.4,210,000, as compared with £E.3,102,000 and £E.3,729,000 respectively during 1917. The total turnover in trade has therefore increased by over 20%, and the balance of trade in favour of the Sudan for 1918 is £E.185,802.

The progress made during the last five years is remarkable, as will be seen from the following table, which shows, exclusive of specie, the annual total value of external trade since 1913, the year preceding the War:—

1913	£E.2,388,317
1914	2,999,740
1915	3,412,556
1916	5,176,983
1917	6,831,924
1918	8,234,966

The value of exports (including re-exports) in 1918—viz., £E.4,210,304—exceeds that of 1917 by the sum of £E.433,206, and is the highest on record.

The following table, giving the quantities and values of certain important exports in 1918 and in 1913, the last normal year prior to the War, show the great impetus given to the export trade of the Sudan during the five years in question:—

Articles	Unit or weight	1913 Quantity	1913 Value £E	1918 Quantity	1918 Value £E
Gum	Tons	15,129	371,528	16,348	638,765
Dura	..	2,080	21,716	54,984	592,134
Cattle	Units	10,532	74,664	39,295	516,920
Sheep and goats	..	99,174	97,059	208,805	651,257
Ground nuts	Tons	719	9,198	2,646	67,529
Dukhn	..	7	86	14,234	177,233
Charcoal	..	420	1,286	6,556	64,073
Beans, dried, &c.	..	191	1,602	4,607	122,326

(Dura and dukhn are local varieties of millet.)

The increase in the livestock trade and cereal export is considerable; the export of cattle has quadrupled, and that of sheep and goats more than doubled, whilst the export of dura, dukhn, dates, ground nuts, &c., has increased in an even more remarkable manner.

Other important articles of export from the Sudan are :—

	Value.
Cotton	£E.279,000
Sesame	160,000
Untanned Skins	172,000

while in the imports are included :—

	Value.	
	1918	1917
Cotton fabrics	£E.1,116,000	£E.779,000
Sugar	593,000	330,000
Coal	333,000	—
Metals and Metal manufactures ...	140,000	—
Sacks	164,000	—
Tea	140,000	—
Tobacco	107,000	—
Coffee	98,000	—

The returns show that trade with Egypt has undergone important developments since 1913. The Sudan now consumes Egyptian cane sugar, instead of Austrian beet sugar: whilst Egypt is relying on the Sudan for her supplies of meat which she used to obtain from Serbia, Syria, &c., and she looks also to the Sudan to supply any shortage in her own production of certain cereals, such as dura, sesame, &c. This interdependence is expected to continue after the War.

In conclusion, gentlemen, if the present unfortunate incidents do not continue, I think one is justified in looking forward to a prosperous future in Egypt and the Sudan; but during the transitory stage from war to peace conditions, while various industries are feeling their way to settling down again, we would be wise to act cautiously in respect to commercial prices.

Again this year we have to add to our Roll of Honour, and express to the families of Mr. G. L. Lusena and Mr. C. Mancini our most sincere sympathy.

In the death of our old friend and colleague Mr. Joseph I. Aghion, of Alexandria, the Bank has lost one of its original directors, who for 20 years has given us his sound and valuable advice

H.E. Boghos Pacha Nubar, Sir Joseph Saba Pasha, and Mr. M. C. Salvago go out of office this year, and as they offer themselves for re-election I am certain, gentlemen, that you cannot do better than to reappoint them on your board of directors.

Finally, we wish to tender to the Sub-Governors, Managers, and staff the expression of our sincere satisfaction with the result of their labours during 1918.

IMPERIAL BANK OF PERSIA.

SIR H. S. BARNES ON EVENTS IN PERSIA.

THE twenty-ninth ordinary general meeting of the members of the Imperial Bank of Persia was held on April 7, at the Cannon Street Hotel, under the presidency of Sir Hugh S. Barnes, K.C.S.I., K.C.V.O., the Chairman.

The Manager and Secretary (Mr. Sydney Rogers) having read the notice convening the meeting and the auditors' report,

The Chairman, in moving the adoption of the report and accounts, said : Before dealing with the report and accounts I will, in accordance with the usual practice at these meetings, make a brief reference to the chief events of the past year in Persia. In Persia itself we could hardly expect the year to pass without some exciting incidents. Perhaps the most important was the withdrawal of the Russian troops in the summer and the gradual substitution of British forces from Mesopotamia on the line from Kermanshah, through Hamadan, to the Caspian at Enzeli, as a protection against an advance of the Turks. Early in March, before the arrival of the British troops, a party of Persian malcontents, calling themselves the Jungalees, stirred up, I believe, by Bolshevist propaganda, attacked Resht and captured the British Consul and our bank manager, Mr. Oakshott. After a period of imprisonment in the rebel camp Mr. Oakshott was released, but later on a second attack was made. There was some sharp fighting around the bank; many of our books and papers were destroyed, and our treasury was only saved by the timely arrival of some Gurkha troops. The branch was not reopened until last February, so that no business was done there for the greater part of the year. I may mention that Mr. Oakshott was asked by the British Minister to act for a time as Vice-Consul, and the British Minister has written to our chief manager stating that he greatly appreciates the valuable services Mr. Oakshott has rendered. In June the Turks for the second time attacked and occupied Tabriz, and our branch there was closed for some months, but our books and treasury were safely removed in time. In the same months disturbances arose at Shiraz, the headquarters of General Sir Percy Sykes and the Persian gendarmerie, who are known as the South Persian Rifles. I am very glad to see that Sir Percy Sykes is present with us to-day. (Cheers.) Later on the unrest culminated in the investment of the town and cantonment by a large force of rebel tribesmen, led by Sowlat ud Dowlah, the chief of the Kashgais. All communication with Shiraz was cut off for more than two months. I dare say many of you have read in *The Times* of February 26 and 27 the account of the brilliant defence made by Sir Percy Sykes and Colonel Orton with a few Indian troops, which ended in the complete defeat of the Sowlat ud Dowlah, and ultimately to the pacification of the country down to Bushire. Sir Percy Sykes has spoken to me in the warmest terms of the services rendered by our manager, Mr. Ferguson, and also by Mrs. Ferguson, during the difficult and anxious time of the investment. You will see, therefore, that we have not been without our troubles during the year. The only other event I need mention is that during the year the Indian Government pushed on the Quetta-Nushki railway across the Baaluch desert to the borders of Seistan, so that the Eastern frontier of Persia has now direct railway communication with India. This can hardly fail to have a favourable effect in the future on our trade with Persia, and to increase the importance of our branch in Seistan. I may mention that it was the construction of this railway which enabled the Indian Government to dispatch a small force to the Trans-Caspian border beyond Meshed, whose operations it also fell to us to finance.

Appreciation in the Value of the Persian Kran.

As regards the trade of Persia, I have little information to give you, as, owing to the prevailing disorganisation, no complete returns for the year ended March 1918 have been received. But, so far as we can judge from the receipts of the Southern Customs paid into the bank, it is reassuring to note that the trade in the South, which is practically all British or British-Indian, shows a very satisfactory increase. It is, in fact, mainly owing to the fortunate activity in the import trade into Persia from India that we have been enabled by exchange operations to meet the demands made upon us for military requirements. It is interesting to note here that Persia is one of the countries which will end the War without an inflated currency. Apart from the ordinary note issue of the Bank, which has, in fact, fallen off in amount since 1914, the Persian Government has made no attempt to increase the paper currency. One result has been that, while the Russian rouble has constantly fallen in value, the Persian kran has steadily appreciated with the rise in the value of silver; and the present rate of the sterling exchange must tend to give a great stimulus to imports as soon as shipping is available and freights fall to a reasonable figure.

Branches and Agencies Opened.

During the year we opened a branch of the Bank at Bunder Abbas, which has become the chief port of supply for the Southern Persian Rifles. We also obtained permission from the military and political authorities to open an agency at Baghdad. The chief avenues for British trade with Persia will be in future the new railway to Seistan, the ports of Bunder Abbas, Bushire, and Mohammerah, and the old trade route *via* Busreh and Baghdad to the Persian frontier at Kanikin, now also provided with a railway. So you will see that, with branches or agencies at all these places, the Bank will be in a position to take full advantage of any developments that may follow the coming of peace.

Assets and Liabilities.

Turning next to the accounts, I think in the circumstances the statement we present to you is one you may regard with much satisfaction. You will see that in the balance sheet the totals of our assets and liabilities show a marked increase over the figures of previous years—namely, £7,716,747, as compared with £2,650,870 in 1916 and £4,350,336 in 1917. This is mainly owing to temporary expansion on account of the War and to the large business we have been doing on behalf of the British and Indian Governments connected with the military requirements. This business will, of course, rapidly decrease as soon as peace is declared, and though, if trade is active, we do not look for the whole of the increase to run off on the return to normal conditions, I feel bound to say that we must anticipate some reduction in the future. On the liabilities side, while the capital at £650,000 is a familiar figure to you, our reserve, you will see, is increased from £190,000 to £220,000, or £10,000 more than the pre-War figure. Thus we have more than recovered the amount taken from this account in 1915, and I need hardly say that it is the policy of the board to continue to add liberally to the reserve whenever it is possible to do so. Notes in circulation are up from £562,008 to £667,153, and deposits show a very satisfactory increase, from £1,187,153 to £1,789,368. Bills payable, endorsements, and adjustments at £4,337,837 show a considerable advance compared with last year's figure of £1,711,314, and the slight increase under profit and loss as compared with last year is explained by a reduced allocation to bank premises account and a slightly increased carry forward. On the assets side of the account cash and money at call stand at the satisfactory figure of £1,392,389, and Treasury Bills at £2,350,000, as compared with £1,000,000 last year. Our investments have also increased to £1,168,298, this figure including £750,000 invested in War Loan and National War Bonds. Bills discounted, £1,996,274, and bills receivable, £790,620, both show a large excess over the figures of 1917, while our bank premises stand us in about £10,000 less than last year.

The Profit and Loss Account

The profit and loss account calls for little remark, as the figures do not differ greatly from those of the previous year.

We pay the same dividend as last year—namely, 8*s.* a share, free of tax—and carry forward £27,388 3*s.* 10*d.*, as against £24,277 6*s.* 10*d.* brought in. If it should occur to any of you that we might without difficulty have paid another 1*s.* in dividend per share, I should like to point out that an 8*s.* dividend free of income tax at 6*s.* in the pound costs the Bank considerably more, and represents a higher dividend percentage than our pre-War dividend of 10*s.* per share, free of tax, at 1*s.* 2*d.* Our present dividend means a percentage, I think, of 8.80, whereas the old pre-War dividend with the lower income tax was 8.17%. Also, with the peace terms as yet unsettled and the future prospects of business in Persia still very much a matter of speculation, it is obviously important to conserve our resources. We may still have some strenuous times ahead of us in Persia, which, as you know, has never been an easy country to do banking in. Indeed, it is safe to say that it is only the long and hardly bought experience possessed by our present staff that has enabled us to present you with the present satisfactory statement.

Mr. V. A. Cæsar Hawkins: I have very much pleasure in seconding the resolution.

General Sir Percy Sykes: Mr. Chairman,—You have mentioned the good work done by the staff of the Bank in South Persia, and I should like personally to testify to it. When I landed at Bunder Abbas I had practically no staff or a very small one, and Mr. Taylor, whom I took up with me to reopen the Bank, took over the onerous task of running our accounts and helped us in every way. Mr. Ferguson's services were invaluable, and I literally mean that. He was in a position of most extraordinary difficulty, because when we were invested there was no trade going, and, as Sir Hugh Barnes has pointed out, where there is no trade there is no money going, and we had very little credit, but the way he worked and got money for us showed an extraordinary capacity, which I have had much pleasure in reporting to the proper authorities. As far as I am concerned, I can testify personally, as few other people can, and more than anyone present in this room, the intense value of the work done by the Imperial Bank staff for us; and not only was it done with very great ability, but also with the highest patriotism in every possible way.

Sir J. D. Rees, M.P.: The operations of the Bank clearly illustrate in a wonderful manner the capacity of the Briton abroad to carry on commerce and to bring it to a most successful conclusion during times which would lead one to suppose that it was almost impossible to carry on any commercial operations at all. It is also, I think, very interesting, to some of us who are old Indians, to find that the Ghurka troops here, as in so many fields, were again of such signal use and help to the Bank, and to the Persian Government, no doubt.

The proceedings then terminated.

CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA.

The sixty-fifth ordinary general meeting of the shareholders was held on April 9 on the Bank's premises, 38 Bishopsgate. Sir Montagu Cornish Turner (the Chairman) presiding.

Mr. T. E. Whitehead (one of the Managers) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—The report and statement of accounts which we have the pleasure to submit to you to-day will, I venture to think, meet with your full appreciation and approval. Remarks have been made that our net results show very little improvement on those of the previous year. That is correct, so far as it goes, but the fact must not be overlooked that our net results are shown after allowance has been made for the very heavy payments on account of excess profits tax, and those payments tend to increase. Consideration must also be had for the fact that our staff has increased, and that our charges on general account do not diminish. As you can understand, establishment expenses are bound to increase, even in normal times, with an expanding business such as ours. At our last meeting one of the shareholders very truthfully remarked that the dividend paid was not out of proportion when the fact was taken into account that our reserve fund so largely exceeded the capital, and that in paying a reasonable dividend we only give back to shareholders the interest earned on the profit left undrawn by them in previous years. I wish to emphasise this point, because in some quarters comments are made on so-called excessively high dividends paid by banks. These dividends have been won by careful and justifiable husbanding of resources in the past. As you are aware, the first payment on account of the new issue of shares was made on March 1 last, and I am glad to say that the new shares already stand at a substantial premium, and that this premium has increased since the issue of our report, which shows a very satisfactory judgment on the part of the Stock Exchange and the public as to the financial condition of this Bank.

Future Trade Prospects.

Now that labour troubles in this country seem to be in course of settlement, we may reasonably expect an increased output of all commodities, in spite of the shorter hours which have now been arranged for. With peace assured and confidence re-established, we trust that business with the East and Far East will recommence with renewed vigour, and, with capital and labour working for the common good, this country should maintain its position in the world of commerce in spite of active and energetic competition on the part of our friends in America and Japan. It must be patent to all that, unless this country is prepared to develop new and increased energy and enterprise, unless we can have the output of commodities required by other countries supplied promptly and at moderate prices—we cannot hope to hold our own in any part of the world trade. As a matter of fact, I know that quite recently we have lost some very large orders in this country because we could not fulfil them by a given date, and our tenders were very considerably over the prices quoted by other countries, especially America. With the vast increase of wealth and of the mercantile marine in America and Japan, and with the mighty energy displayed by the industrial classes in those countries, we must recognise that we shall have to face a competition more active, more developed, more widespread, more highly organised than we have ever had to face before. We can meet this competition fully and without fear, provided capital and labour are united in their efforts and all Government restrictions are withdrawn, especially in regard to the export of goods. (Hear, hear.) At the moment our trade in this country and in the East is much handicapped by the restricted supply of tonnage, and we cannot hope for a very marked improvement until the transport of troops to their homes in the Colonies and in Canada has been brought to an end. In spite of our domestic troubles in this country, I cannot help feeling that future trade prospects are good, and as a natural sequence business in the banking world should not, so far as we can see, fail to benefit by a return to normal conditions. Competition will have to be faced on a much wider scale than hitherto experienced, but I think we can regard it with equanimity.

The Staff.

As regards our staff, I gave last year the list of those who had joined his Majesty's Forces up to that date, and I now wish to record the fact that, out of our total staff, 199 men actually served during the War. Of these 92 received commissions; to 18 were awarded various honours in the Navy and Army, and 36 brave men gave up their lives for their country—a record of which this Bank may well be proud. (Hear, hear.) I am glad to say that several of those serving in the Forces have been demobilised in the past three months, and we have been able to send out to the East a number of those who were training for an Eastern career previous to their joining up at the commencement of the War. The men, in nearly every case, seemed delighted to return to civil life, and were quite prepared to sail for the East without delay, and so relieve their fellow-workers whose leave has been long overdue. I would take this opportunity of publicly thanking those members of our staff in the East and Far East who have bravely held on to their posts out of loyalty to the Bank, despite the fact that in many cases their health suffered. I would also like to assure them that the directors and managers have done their utmost to help in the way of providing relief to the staff, but it has been quite impossible to obtain the men who were quite fitted for the work required of them in the East. I need hardly say that both the home and the foreign staffs have received financial help to assist in meeting the increased cost of living. That extra cost of living has been experienced, not only at home, but, I must say, universally in the world.

Great Demand for and Short Supply of Silver.

The great demand for and the short supply of bar silver has been one of the features of the past twelve months. In his financial statement, Sir James Meston, the present financial member in India, remarked on the fact that no less than 120 crores of rupees had been absorbed in India during the period from April 1915 to date. Sir James Meston said: "It is a startling fact that between April 1915 and the present time nearly 120 crores of rupees have been added to the circulation. To provide India with this amount it has been necessary, besides using up the world's current production of silver, to deplete its accumulated stocks. Without the assistance of the Government of the United States we should not have been able to satisfy the appetite of India for metallic currency." I rather dwell on that because we are apt sometimes to forget the services which America has rendered to this country. Had it not been for the arrangements made with the United States of America—thanks to the able advocacy of the Lord Chief Justice, Lord Reading, assisted by Sir James Brunyate—the shortage of silver coinage in India would at one time have reached a most serious point. The fact is that, not only in India but in other countries, silver coinage has been hoarded to a very considerable extent, and this has brought about the problem of how to supply current coinage in silver-using countries with the acknowledged shortage of supply of bar silver in the world. That is a problem that has not been solved. It is interesting to note, however, that in India small notes of the value of one rupee at 2½ rupees each have

been issued with some success, and up to the present time the value of one-rupee notes in circulation amounts to 9 crores and of 2½-rupee notes to over 2 crores. I would suggest the possibility that notes of low value, such as 2*s.* 6*d.* and 5*s.*, might be successfuly issued and used in this country. I believe we shall have to come to it if the shortage of silver continues as it has done in the past.

The Accounts.

Turning to the figures of the accounts as now presented, we have, I think, every reason to congratulate ourselves on the steady progress shown under all headings, and in order that the true comparison may be arrived at I would take this opportunity of drawing your attention to the explanation I made when we last met in April 1918. I then stated that, owing to serious delays in arrival of the mails, we had to resort to our old method of grouping "en route" items under a separate heading, with the result that the figures against our bills of exchange and Treasury bills had to be entered as £4,337,903, instead of £14,377,903, and those against bills payable at £583,360, instead of £4,173,360. Having this in view it will be seen that our totals now aggregate £47,604,548, as against £39,716,432 on December 31, an increase of about 8 millions sterling. Our current accounts now stand at £20,942,723, an increase of £1,593,378 over the 1917 closing figures; whilst our fixed deposits show an increase of £4,141,749 over our previous yearly figures. This is a most gratifying feature of the continued confidence reposed in us by our home and Eastern friends. Healthy increases are also shown in the totals outstanding under the heading of bills payable, namely, £913,801. Turning to the other side of the account our cash position would appear to be down against our 1917 figures by £2,199,084, but this is accounted for by the fact that we have made full use of the opportunity presented by the medium of Treasury bills. Our bills of exchange outstanding show an increase of £7,866,791, which fairly reflects the progress of export trade in the respective spheres in which we operate. Bills discounted and loans also show a healthy increase of £2,491,547. Turning to our profit and loss account, our net profits for the past twelve months were 409,221, against £402,795, and the result, as I have already said, would have been much larger had it not been for the very large impost we had to meet on account of excess profits duty. We purpose placing £100,000 to reserve, thus raising that fund to £2,100,000, to add £25,000 to officers' superannuation fund, and to write £40,000 off bank premises account; and we recommend a final dividend at the rate of 14% per annum, together with a bonus of 25*s.* per share, equal to 20¼% per annum, free of income tax, and to carry forward £168,482, against £167,261 for 1917. I feel satisfied that you will consider this a very satisfactory record, and one which reflects great credit on the management and staff at home and abroad. I now beg to propose: "That the report as presented, together with the balance sheet and profit and loss account, be approved and adopted."

Sir Alfred Dent, K.C.M.G., seconded the motion, which was carried unanimously, and the proceedings terminated.

THE NATIONAL BANK OF INDIA, LIMITED.

THE ordinary general meeting was held on April 7 at the Wesleyan Hall, Bishopsgate, E.C., Mr. Robert Campbell (the Chairman) presiding.

The Chairman said: Ladies and Gentlemen,—We meet to-day under better auspices than during the last four years, when we were under the influence of the great War with all its possibilities and uncertainties. Among other reasons for thankfulness we are glad that the cessation of hostilities is allowing the return to us of a good many of the members of our staff who had volunteered for service during the War. Although we willingly gave every facility to those of our staff who desired to join the Forces, we have nevertheless suffered a good deal of inconvenience from this cause, not so much so in the London office, although the strain was pretty severe there also, but we were able to a large extent to fill the vacancies by engaging very capable lady clerks, whose valuable services I now desire to acknowledge. It was at our Eastern branches that the pinch was chiefly felt; we had great difficulty in keeping up the necessary supply of trained officers for the East, and our furlough arrangements have been virtually suspended for the last four years, with the result that our men have in many cases been kept out for eight or nine years without a change, to the detriment both of their health and their efficiency. These difficulties have been met with the utmost loyalty and devotion on the part of the whole staff, for whom no words of praise and appreciation can be too strong. As demobilisation proceeds we hope soon to get back to normal conditions, but the melancholy part remains that many of our best young men will never return. Of the 187 members of our staff who joined the Service from first to last, no less than 37 have made the supreme sacrifice. It is sad to think that these fine young men, each one with a promising future before him, have been cut off in their prime, and our sincere sympathy is due to their sorrowing relatives. We felt it our duty to have a Memorial Service to their memory, which was held on February 15 in the church of St. Helen and St. Martin, Outwich. The Bishop of Willesden officiated and delivered an admirable address, and the whole service was most impressive. We are also having a mural tablet placed in the London office, on which will be inscribed the 37 names, and when this is ready we propose to have it photographed and to send a copy to the family or the nearest relative of each one. I am sure this will be highly appreciated by their friends, and I trust that for many years to come it may serve to perpetuate the memory of our comrades who have fallen in the great War.

Addition to Capital and Reserve Fund.

At our extraordinary general meeting on January 21 last I explained the reasons which made an increase in our capital desirable and the steps we proposed to take for that purpose. I shall therefore not repeat them here. I shall only say that payment for the new shares is coming in quite satisfactorily, and in our next half-yearly report we expect to be able to say that they have been fully taken up, with the result of an addition of £500,000 to our paid-up capital and £300,000 to our reserve fund. This will immensely strengthen the Bank's position and increase the security we are able to offer to depositors and the public.

Amalgamation Vetoed by the Treasury.

You are all aware that last year there was much discussion in financial circles on the question of bank amalgamations, and that some very important schemes of that character were carried through with the consent of His Majesty's Treasury. I think you must also have heard—at least it was common knowledge in the City—that this question was at one time not unlikely to come very closely home to ourselves. While these movements were in progress and all sorts of rumours were in the air we were approached to know if we would be open to consider an arrangement with a leading London bank—a bank of the very highest standing—on the basis of a purchase of our shares at a price to be agreed upon. The idea was that the National Bank of India should retain its identity under the same board of directors and the same management, but that two of the purchasing bank's directors should have seats on the National Bank of India board, and two of the latter's directors would similarly join the board of the former. This was too important a proposal to be turned down without full consideration, and we replied that, without committing ourselves to anything, we were open to hear what price they were prepared to offer for our shares, so that if we considered it quite adequate we might submit it to a special meeting of our shareholders to accept or reject as they might decide. The result was some protracted negotiations, resulting in their making an offer which we considered we should be justified in submitting to you. I do not feel at liberty to disclose the price offered without the consent of the other side, but I may say that the report of these negotiations sent the price of our shares up to £62 10*s.* This was the highest price they touched, but that figure is considerably below the price we were offered. We were accordingly prepared to call a meeting to submit the offer to our shareholders to accept or reject, but before we got that length the Treasury intervened and vetoed the transaction. The proposal therefore fell to the ground, and your directors were freed from all responsibility. Here I am bound to say that when it became known that the scheme had fallen through there was a general feeling of satisfaction on the part of many of the Bank's best customers that the National Bank of India was not to be absorbed or to become merely the adjunct of a powerful London institution, and we received many expressions of feeling to that effect, a welcome testimony to the cordial relations subsisting between the Bank and its customers. We were also not without indication that many of our largest shareholders also shared that feeling, and were not displeased to know that the National Bank of India was to continue on the old lines. I have only to add that the negotiations between the two banks were conducted on both sides with the utmost courtesy and goodwill, and it is a pleasure to know that, although no business resulted, the friendly feeling still remains.

Satisfactory Balance Sheet.

With regard to the accounts, I am sure you will agree that the balance sheet now in your hands is again a satisfactory one, any important changes being in the right direction. Our deposits now amount to £27,517,000, an increase of £2,832,000 as compared with the previous year, and our discounts and advances together show an increase of £3,973,000, which means that our resources were fully employed; the result of which is also reflected in our profit and loss account. The net profit for the year is £403,635, as compared with £353,139, an increase of £50,496. These figures, I think, reflect the utmost credit on the management both at home and abroad, and indeed on the whole staff. While maintaining our dividend of 20% for the year free of income tax, and making other usual appropriations, we are enabled to add £200,000 to the reserve fund as compared with £100,000 in 1917, and we carry forward the substantial balance of £123,465, as against £139,828 brought in. This large addition to the reserve fund is especially welcome and confirms what I indicated at our meeting in January, when I expressed my confidence that when the accounts to December 31 were made up we should be able to place this large sum to reserve and still carry forward a good

balance. The £200,000 added to the £300,000 premium on the new shares brings the addition to the fund up to £500,000, raising it to £1,850,000, while our paid-up capital will be £1,500,000.

Prospects for the Current Year.

As regards the current year, the prospects so far are fairly good. India's trade has been very prosperous of late and her chief industries have been doing well. Unfortunately there has been scarcity and even famine in some districts owing to the partial failure of the monsoon, but the Government has the situation well in hand and the usual relief measures are in full operation.

I now beg to move: "That the report of the directors and statement of accounts for the year ended December 31, 1918, be received and adopted, and that a dividend for the six months to December 31, 1918, at the rate of 20% per annum, be paid on the shares of the Company registered at this date, the same to be payable, free of income tax, on and after April 8, 1919."

The Deputy-Chairman (Mr. Robert Wiliamson) seconded the resolution, which was carried unanimously, and the retiring directors and auditors were re-elected.

Mr. J. Irwin-Davis proposed: "That a vote of thanks be given to the Chairman and directors for the care and prudence exercised in conducting the affairs of the Bank during the past year." He remarked that with such a report as the shareholders had in their hands he need not say anything as regarded the success of the efforts of the Chairman and his co-directors during the past year. That report spoke very eloquently, and he had very much pleasure in asking the meeting to pass this resolution.

Mr. Russell B. Reid seconded the resolution, and the vote was unanimously accorded, the Chairman making a brief acknowledgment.

Tribute to the General Manager and Staff.

Mr. H. H. Nelson said that the shareholders were greatly indebted to the General Manager and the staff for the excellent manner in which they had performed their duties in the service of the Bank in circumstances which recently had been by no means easy, and which promised in the future to tax the great ability which they were fortunate in having among their managers in this institution. The Bank was well placed in India, and had an excellent reputation there. He had great pleasure in proposing that a hearty vote of thanks be given to the General Manager and the staff for their valuable services to the Bank during the past year.

Colonel A. Fitzgerald Watt, D.S.O., in seconding the motion, said the Chairman, but for his characteristic modesty, could have told them a great deal more as to the many difficulties with which the management and staff of the Bank had had to contend during the past four years. The strain of working under very trying and unnatural conditions with a sorely depleted staff, the difficulties of communication between this country and India, and the great uncertainty of the financial situation since the outbreak of the War, were only some of their troubles. He thought he might safely say that, with such a balance sheet before them as that now presented, the shareholders had ample and eloquent proof of the triumphant manner in which all these obstacles had been overcome. With so able a General Manager and so excellent and loyal a staff the shareholders could face with absolute confidence the future that lay before this Bank.

The Chairman: I have much pleasure in putting that resolution to the meeting.

The resolution was cordially passed.

The General Manager: On behalf of my colleagues I beg to thank you, gentlemen, for your very kind appreciation of our services. I shall have much pleasure in informing the home and foreign staff of the vote of thanks you have just now passed.

The proceedings then terminated.

THE EASTERN BANK, LIMITED.

The ninth annual general meeting was held on April 9, at 4 Crosby Square, E.C., the Right Hon. Lord Balfour of Burleigh, K.T. (the Chairman), presiding.

The Secretary (Mr. R. Carter) read the notice and the auditors' report.

The Chairman said: The net profit for the past year, including the amount brought forward, was £84,805, and, after deducting £22,500, the amount required to pay the interim dividend of 3*s.* per share in October last, there was £62,305 left at the disposal of the directors. They now proposed to pay a final dividend for the year at the rate of 3*s.* per share, less income tax at the rate of 5*s.* 9*d.* in the £, making 7½% for the whole year; to place a sum of £20,000 to the reserve fund, which would then stand at £110,000, and to carry forward the balance of £19,805 to the next account. This result, he thought the shareholders would agree with him, was eminently satisfactory. The figures of the balance sheet again showed an increase. Current and deposit account balances showed an increase of nearly three-quarters of a million. Bills payable were some £160,000 higher, owing to the rather longer time taken in the transmission of the mails than at the end of 1917. Acceptances on account of customers showed a decrease of over £100,000, but he thought that the reduction, due to the contraction of trade, was temporary, and that the figures, which had improved already, might be back at their previous total when the next accounts were published. Loans payable against bills and securities showed a satisfactory decrease owing to the more ample resources of the Bank as a whole. Cash in hand was lower by £220,000, but this still showed a proportion of over 30% to the current account balances. British Government and other securities showed the considerable increase of £259,000. This was chiefly due to the increased holding of Indian War Bonds on the part of the Bank's branches in India. These bonds, which were short-dated, were taken to replace Treasury bills falling due, and accounted for the reduction in the next item of bills receivable by £160,000. Loans receivable and advances showed a considerable increase, but shareholders must not think that the Bank's position was any the less liquid on that account. The item included advances against sterling bills, and the bulk of the remaining amount was repayable on demand. The profit and loss account showed that the gross profits were £23,000 more than last year. Charges were again higher, chiefly under the head of salaries, but under present conditions this result was inevitable.

Possibilities in Mesopotamia.

There was little he could usefully tell the shareholders with regard to the Indian market. Famine was, unfortunately, in evidence on the Bombay side, and wheat shipments by the Government of India ceased some time ago. In fact, the reverse operation was now taking place, large shipments of wheat being sent from Australia. Every possible step was being taken by the Government to ameliorate suffering and loss of life, and it was hoped that a return to prosperity would shortly be apparent. The demand for currency, both silver rupees and notes, continued throughout the year, and they could not but admire the determination of the Government to provide a sufficiency of the white metal to meet all requirements. In Mesopotamia good progress had been made, and a branch of the Bank had been opened at Hillah, a town on the Euphrates, which might become a great centre of the wheat-growing district. Hillah was built on the site of the ruins of Babylon, and near that of the Tower of Babel. A branch line connected it with the railway from Bagdad. A rich alluvial plain stretched from Basra to Bagdad, and thence to the hills beyond, eminently suitable for cold-weather crops such as wheat, and the directors hoped that in the near future Mesopotamia might take its place as one of the great wheat-producing countries of the world. The Chairman concluded by moving the adoption of the report and accounts.

Mr. J. S. Haskell seconded the motion, which was carried unanimously.

WESLEYAN AND GENERAL ASSURANCE SOCIETY.

The seventy-eighth annual general meeting of the members was held on April 1, at the Central Hall, Corporation Street, Birmingham, Mr. B. Shirley-Smith, President of the Society, in the chair.

The General Manager read the notice convening the meeting, and presented the reports and statement of accounts for the year ended December 31, 1918.

The Chairman said: The progress of the Society has been steady. There have been advances in premium income in both the ordinary and industrial departments, the total increases for the year being £44,198. The new assurances effected during the year have amounted to the huge total of 158,832, assuring a total sum of £2,331,409 4*s.* This great result could not have been attained without energy, industry, and skill of the highest order being expended thereon by our staff, and your board tenders to them and to you our hearty congratulations. Side by side with steady progress in new business is the question of the investment of our life assurance funds. On the yield of the invested funds more than anything else depends the bonus which in normal times is a feature of life assurance business. In both departments more interest has been earned, and the rate of interest shows a steady improvement. On the other hand, the claims have been heavy owing in the first place to the War and then to the epidemic of influenza. The Armistice brought little cessation in the way of claims on account of the War, as claims that for some reason or other had been held up kept coming along. And from first to last the War will have cost the Society a quarter of a million of money. This sum was paid largely in respect of young lives, so that the reserves were correspondingly small and the loss to the Society correspondingly large. On the top of this came the epidemic of influenza, which has been raging all the winter, and does not seem to have spent its force. It has cost the Society £94,615 9*s.* 4*d.* in claims, and the end is not yet. There is not much that need be said about the annuity account, except that it is a paying part of the Society's activities, and that as the terms are liberal our members might do themselves, their friends, and the Society a good turn by recommending the office to those who want to be quit of the world's worries and have a steady income to keep them going. Our sickness account is the oldest part of the Society's business. No new business is taken, and yet owing

to skilful management the department more than pays its way.

The Balance Sheet.

And now as to the balance sheet. I will first discuss the credit side. It will be seen upon comparison with the balance sheet for 1917 that the item of mortgages has decreased from £454,970 8*s.* to £394,481 6*s.* 3*d.*, a decrease of over £60,000. It generally means an increase in the rate of interest of 1% as mortgage money lent at 4% has been put into War Loans at 5%. It also often means an improvement in the remaining mortgage securities. These are not the times for investment in mortgages. The security of the British Government is better, and shows a better return by way of interest. Loans on parochial and other public rates show a decrease of about £40,000. This sum represents repayments of loans for fixed terms, and the repayments were upon receipt immediately reinvested at a better rate of interest. British Government securities show a great increase from £851,629 17*s.* 4*d.* to £1,506,920 16*s.* 1*d.* This class of security has nearly doubled in the year. Nearly half the funds of the Society are in the hands of the Government, and bear a rate of interest exceeding 5%. The security is the finest in the world, and the interest is paid with commendable promptitude. The item of reversions shows an increase from £41,800 12*s.* 1*d.* to £70,599 5*s.* 6*d.* This class of investment has proved remunerative in the past, and as every care is taken in the selection thereof it is anticipated that the results will be equally favourable in the future. On the other side of the balance sheet liabilities have naturally grown with the increase of the Society's business. The investments reserve is reduced by writing off during the year, and on account of the happy state of your investments on December 31 last it was not deemed necessary to place anything to that account for last year. The Courts (Emergency Powers) Act is still with us, but we hope that at least so far as industrial assurance is concerned its malefic action will be a thing of the past before 1919 is at an end. There was never any justification for it, and it should have been repealed long since. Contracts in life assurance are mutual in their nature. If premiums are paid certain sums can be paid in certain events. But if the payment is made certain whether the premiums are paid or no, it is a blow at the very heart of the bargain. Life assurance could not endure on the conditions created by the Courts (Emergency Powers) Act. For the first time in the history of the Society, now in its 79th year, a year closes with a heavy debt to its bankers. The balance sheets of other industrial offices show a similar item. It is a part of the policy of supporting the Government to which I have before referred. At the end of last year everyone was expected to go in for War Bonds, and a warning was given that the offer of such favourable investments could not hold out much longer. Your directors took up for the Society an additional quarter of a million sterling. They believe they did the right thing. This transaction, coming on late in a year in which £400,000 had already been put into Government War securities necessarily meant an overdraft at our bankers. That large debit has not disappeared yet, but it is going, and will disappear altogether before the year is very much older. And now for the final figures. In 1917 the Society's accumulated funds reached £3,108,490 19*s.* 6*d.* Last year they had reached £3,574,102 11*s.* 11*d.* From this has to be deducted the liability to the bank, bringing the net amount down to £3,329,766 15*s.* 9*d.*, showing an increase in the year of £221,275 16*s.* 3*d.*

The Annual Valuation.

The annual valuations have been prepared by our esteemed actuary—Mr. C. W. Kenchington—with his usual skill and promptitude. It is a faithful stocktaking, and brings out the position of the Society with great clearness. You will notice that the industrial department shows a deficiency for the second year in succession amounting for the two years to over £60,000. It hardly needs apologising for, the drain of the War, the storm and stress of influenza, and the burden of income tax all contribute their quota to that unhappy result. In the meantime your directors felt it would not do letting the adverse balance remain to poison the more successful endeavours of this and future years. They therefore decided on the actuary's recommendation to transfer £61,000 from the contingency fund, so as to give the industrial department an absolutely clear start. I must remind you that the contingency fund was the fund from which we hoped to take the sums for bonuses for the ordinary department for the years 1915, 1916, 1917, and 1918, and in consequence the bonuses for these years will have to be passed. Your directors decided upon this course with great regret, and only because they believed it would be in the best interests of the Society. We are not alone in passing our bonus; many other societies and companies have had to do the same.

Future of the Society.

In closing I should like to say a few words on the future of the Society. I regard that future as satisfactory in every way. The new prospectus that has been issued has been received with great satisfaction. The new guaranteed bonus tables especially are going extremely well, and I anticipate will be a special feature of this year's work. In a mutual society like ours the rate of progress must depend largely upon the interest and energy of the members. The anticipation of the future depends more than anything on industrial peace being maintained. Assurance societies are not political bodies, but they are bodies that flourish best when peaceful conditions obtain all the way round. I therefore sound this note to-day with the hope that in the critical times of the coming months we shall work and act not as firebrands, but as men of peace whose one desire in life is that the community should be free to work out its own salvation in its own way.

I have much pleasure in moving that the annual report and statement of accounts and the valuation report be received, approved, and adopted. (Applause.)

The Deputy-Chairman (Mr. H. S. Richards) seconded the resolution. A vote of thanks to the Chairman concluded the meeting.

NORTH-WESTERN RAILWAY COMPANY OF PERU, LIMITED.

The ordinary general meeting was held on April 7 at the registered offices of the Company, 65 Bishopsgate, Major C. Noel Clarke (the chairman of the Company) presiding.

The Secretary (Mr. A. R. Bennett) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—We have placed before you in full detail in the report the results of the working of the railway for the period under review. I think you will agree with me that the net increase in the receipts, amounting to $20,570.75 for the year 1918, as compared with the corresponding period of the previous year, is satisfactory. This increase amounts to approximately 24% on the previous year, but, as against this, the working expenses have advanced almost in the same ratio, amounting to just over 21%. This, however, has been mainly due to the continued increase in the cost of fuel and other materials, attributable to the war. The revenue from the railway has been sufficient to pay our working expenses and London charges. According to a report from our manager in Peru, the prospects of the Company are promising for the future, although expenses will continue to be high owing to the recent increase which has had to be made in the wages of the employees, which is general on all railways in the Republic. On the other hand, the Government has issued a decree authorising an increase in the passenger and freight rates by 20%, which will partly act as a set-off against the increased cost of the working of the line. No further progress has been made with the negotiations in regard to the uncompleted section of our line



from Lima to Ancon. You will see from the report that the Peruvian Government are indebted to the Company under their guarantee for a sum of £284,624 7*s.* 7*d.*, and, although the Company and their representative in Peru have made repeated representations to the Government in order to obtain payment of the amount due, their efforts have so far been unrewarded. Under these circumstances, the default in payment of the Debenture interest still continues. Protracted negotiations have been taking place with the Government of Peru for a settlement of the Company's claim, and it is hoped that these negotiations will shortly be satisfactorily concluded. As soon as the directors have any news of interest to the bondholders and shareholders they will take steps to inform you. During the latter part of 1917 your directors were able to obtain the valuable services of Mr. J. L. Harper to act as manager of the railway in Peru, and I desire to take this opportunity of acknowledging the services rendered by him during the year.

Captain E. B. T. Studd seconded the motion, which was carried unanimously, and the proceedings terminated.

BARRY, OSTLERE, AND SHEPHERD, LIMITED.

THE annual meeting of Barry, Ostlere, and Shepherd, Limited, was held at Kirkcaldy on April 10, the Chairman of the Company (Mr. John Barry, J.P.) presiding.

The Chairman, in moving the adoption of the accounts, said: As the annual report has been in your hands for some time, I will, with your permission, take it as read. You will remember that last year it was my privilege and pleasure to submit a report showing a marked increase in trade. I am happy to see from the record of the past year's trading that the increase reported then has been more than maintained, and places us in a position to recommend an increase in the dividend on our Ordinary capital. Before taking that step we deemed it desirable to still further strengthen the special depreciation and contingency fund which we commenced two years ago by an allocation of £10,000. Last year we added £15,000 to the fund, and this year we propose to allocate £35,000, bringing it up to £60,000; in view of the exceptional circumstances and conditions which will exist during the period of reconstruction in front of us we are sanguine that the policy we have followed in making special provision will meet with the approval of our shareholders.

The Excess Profits Tax.

It was my duty at our last two annual meetings to make some reference to the vexed question of excess profits. On the first occasion an assessment was made on us which we appealed against. I am glad to say our appeal was sustained. Then an arbitrary assessment was made for the following year, and again we appealed. That appeal has not yet been heard, but we are firm in the belief that we have a strong and convincing case, and we look forward in a sanguine spirit for a settlement in our favour. This matter of excess profits was brought upon the country in a hurried, crude, and unscientific manner. Its incidence falls most harshly in innumerable cases. It has been protested against by every business man in the country who has spoken on the subject. It was described by one of the leading captains of commerce as "an assassin's blow against British industry." That was strong language, but, in my judgment, not a bit too strong. I cannot imagine anything more calculated to impede and hinder, and I fear, in many cases, render impossible the work of reconstruction before us. For between four and five years ordinary commerce has been gravely interrupted, and the productive power of the country applied to war purposes. During that time some of our most powerful trade competitors have been energetically operating in markets which previously were almost exclusively our own, and now, when peace is in sight and when supreme efforts have to be made to recover ground lost during the War, British manufacturers and merchants find themselves hindered and thwarted by the operation of this short-sighted and unwise Act. Every industry in the country finds itself called upon by the force of circumstances to employ more capital in carrying on even ordinary trade, but when extraordinary efforts have to be made such as those I have just indicated for the recovery of markets, the strain imposed by the excess profits tax becomes almost unbearable. When introduced it was distinctly promised by the Chancellor of the Exchequer that its operation would be only temporary and that it would be withdrawn at the conclusion of peace. Recently, however, misgivings have arisen whether that distinct pledge will be carried on. The enormous burden of taxation created by the War must, of course, be met, but in my judgment, and, I think, in the judgment of most of the business men of the country, the increased taxation would be more easily raised by a vast expansion of trade, which it will be found difficult, if not impossible, to secure if the capital for its development is absorbed under the misleading title of excess profits. We can only hope that the facts of the situation which have been set forth by the leading business minds of the country will influence the decision of the Chancellor of the Exchequer and enable him to avoid a great danger to British industry.

Innumerable Restrictions on Imports and Exports.

There is another aspect of the situation which is calculated to greatly retard the advance towards normal conditions, and that is the control still exercised by so many Government Departments. We have on the one hand strong and incessant appeals made from one quarter of the Government to increase and develop export trade. When manufacturers and traders enter energetically upon that work they find their efforts hindered and thwarted by innumerable restrictions on imports and exports. When after long and weary efforts supplies of raw materials have been secured, and high pressure applied to manufacturing same, and then when the goods are ready for export to have them held up for months without any apparent reason, is very heart-breaking—but, I am sorry to say, a very usual experience. One could understand when the War was raging that an absolute blockade should be maintained and that a stoppage of supplies to those countries adjoining the enemy's frontiers should be observed, but after a period of five months' armistice surely there was not the same necessity for withholding all classes of goods from shipment, or at least permitting shipments under licences which were very often difficult to obtain! It is earnestly to be hoped that all this fussy interference will be stopped and trade permitted to flow into its natural channels. Enormous quantities of raw material are required to get our manufactories into full operation. Such imports can only be paid for by exports, so instead of being hampered by irritating restrictions and delay, everything should be done to facilitate our export trade.

You will be glad to hear that we are gradually getting our men back from the Army and Navy, and with this increased supply of labour we hope to secure a considerably increased production in the current year.

The Works at Rosslyn.

I pointed out last year that we hoped within a few months to complete the installation of machinery at our Rosslyn Works. I regret to say it was found impossible to realise that hope. We required only a very small quantity of machinery to complete the installation, but in spite of every effort it was found impossible to procure even the small quantity required. We have now, however, a definite undertaking that the necessary parts for completion will be soon forthcoming, and we hope to have the works in full operation during the current year.

No doubt you have observed with satisfaction, and possibly with surprise, that we have had practically no bad debts in the past year. Of the £513 which figures under that heading £250 is a special allocation which we provide each year towards a bad debt fund, so that the actual amount of bad debts for the year was only £263—a very minute percentage of our volume of trade.

Business Prospects in France.

In spite of the extraordinary war conditions prevailing in France during the past year we maintained a fair volume of trade in that country. Owing to the impossibility of obtaining clerical labour we have not been able to have the French balance sheet in time for this meeting, but we anticipate there will be a small debit balance to carry forward. It is considered by the most competent authorities in France that business prospects there in the immediate future are extremely good. In our class of goods there is an absolute scarcity, as stocks throughout the country are entirely depleted. An immense amount of rebuilding and reconstruction must be done in the invaded districts, and we are fully anticipating that our productive power in all classes of goods will be fully taxed.

Tribute to the Staff.

I mentioned at last meeting that the long-continued strain of the War had been severely felt by our staff, and the year under review to-day was without doubt the most severe of all. The many hundreds of our best men with the Army and Navy left us practically with an inexperienced and untried staff, a fact which added very greatly to the innumerable difficulties attending manufacturing and distributing operations. I wish to take this opportunity of expressing my deep sense of appreciation and obligation for the services so cheerfully rendered. A willing spirit was displayed from the eldest to the youngest amongst us, and however satisfactory the results which have been achieved, they are in no small measure due to that spirit of hearty and willing co-operation. I also take this opportunity of expressing my thanks to my colleagues on the board. It can be truly said we have worked in perfect accord and amity. Whilst differences of opinion must invariably arise from time to time, the principle of all pulling together has always been the controlling influence. I have again to report that the directors have granted a bonus on lines similar to last year, and I have once more to repeat that never was a bonus better earned or better deserved.

I am very sorry to report that during the year we lost our old and respected secretary, Mr. John Kellock, who passed away on November 7, 1918. He had not only the respect and esteem of his fellow workers, but was held in the highest regard throughout the whole trade. Mr. Kellock's position has been taken by Mr. Peter Byrne, who was for

many years assistant secretary, and who during that time rendered signal service to the Company. The board have complete confidence that the secretaryship is very safe in his hands.

Trade Prospects.

Before I conclude you may expect me to say something upon trade prospects. I think it is a judicious thing to be careful before venturing to enter the prophetic region. I am bound to say, however, that, with the increased facilities for obtaining full supplies of raw material and considering the great reputation which our goods have obtained in every market of the world, that we control the latest and most up-to-date machinery manipulated by a long-trained and experienced staff, I do not think that I am over-sanguine in saying that, good as the results of the past year have been, we are anticipating greater results in the future.

There is another factor of the case which should not be overlooked, and which, in my judgment, is the main factor in anticipating a much larger demand for our goods, and that is the much higher level that wages have now reached. It is inevitable that there will be a gradual fall in the cost of food, fuel, clothing, &c., and with the many millions of people who will have a margin of money left after the line of subsistence has been reached it is fairly certain that some of that margin will go towards increasing the comfort of their domestic surroundings. I sincerely hope that wages will remain at a high level, leaving a greater margin for comforts and pleasures, and I do not know any trade more likely to benefit by such an improvement in trade conditions than our own. We are possibly more fortunately placed than many, as we produce goods for all classes of users, and I certainly will be disappointed if I have not a still better record to put before you if I have the pleasure of meeting you again next year.

I have much pleasure in formally moving that the report and balance sheet be adopted, that a dividend at the rate of 10%, £58,400, less income tax, £17,009, be declared on the Ordinary share capital, payable on April 19, and that the balance of £124,090 7*s.* 1*d.* be carried forward, subject to liabilities (if any) for excess profits duty.

The retiring directors, Messrs. H. G. Finch and Wm. Sutton, and the auditors, Messrs. Romanes, and Aitchison, C.A., Edinburgh, were all re-elected and the sum of £1,500, plus a bonus of £1,200, both free of tax, was voted to the directors.

R. WHITE AND SONS, LIMITED.

The twenty-sixth annual ordinary general meeting was held on April 9 at Cannon Street Hotel, E.C., Mr. Robert J. White (Chairman and Managing Director) presiding.

The Secretary (Mr. John J. Ball) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: It may interest you to know that in the course of the year we have contributed to the Imperial revenue more than £300,000 for table-water duty, sugar and excess profits taxes, &c. Our wages' bill has very largely increased, and rates are still advancing, but we trust that prices of materials and the fourfold taxes so exceptional and burdensome and singular to the mineral-water trade may be reduced, so that we may be able to maintain fair and reasonable wages and show an equally fair return on the capital employed. You will have noted from the profit and loss account that the trading profit is £181,540 and the net profit is £63,936. Expenses of management, including salaries, rent, rates, and taxes, &c., have increased by £11,798, the cost of maintenance of plant and vans and loss on horses by £12,850, and depreciation on plant by £2,370. General stocks are well maintained, and our plant and buildings are in good condition. You will note that cash in hand, Treasury bills, deposits with trustees and investments in War stock and bonds totalled £351,154 at the end of the year; this includes receipts on capital account and also provision for the heavy taxation to which the Company is liable. We have paid up all arrears of Preference dividends and a first dividend on the Preferred Ordinary shares, as well as an interim dividend for six months to May 31, 1918, on the Preference shares. Your directors felt that the opportunity had arrived to improve the position of the Preference shareholders by the redemption of Debenture stock, and, in response to an invitation issued to the holders since the date of the balance sheet, the larger part of the First and Second Debenture stocks has been redeemed. The whole of the "B" stock will be redeemed on or before July 1 next. The First Debenture stockholders may retain their holdings till July, 1924; but many holders who have not yet come in will no doubt accept the offer made to them, which is still open. These redemptions and the payment of excess profits duty will very largely reduce the cash balance in hand at November 30 last. Your directors have thought it advisable to transfer a further sum of £30,000 to reserve for contingencies, which will now stand at £80,000. The directors recommend payment of dividends due on all the shares, including 15% on the Ordinary shares.

Mr. Joseph G. Colmer (deputy chairman) seconded the motion, and the proceedings then terminated.

JOHN BRINSMEAD AND SONS, LIMITED

Mr. B. J. Redman, of Leeds (the chairman), presiding on April 10 at the annual general meeting, referred to the very difficult times the Company, as manufacturers of a so-called luxury article, had passed through during the past and previous years. He did not consider it desirable to make public the detailed figures of the trading account of the Company, but he frankly stated that the piano-making side of the business had been carried on at a loss, mainly owing to the severe Government restrictions on metals and timber and the consequent greatly reduced output, and also because of the patriotism of the workpeople, which had resulted in about 70% joining the Colours.

Piano-making Business to be Re-established.

On the other hand, he pointed out to the shareholders that the directors had offered their well-equipped factories to the Government, and that the Company had undertaken considerable munition contracts which had resulted in a satisfactory profit being earned. The board had dealt with these profits in a sound and conservative manner. They had depreciated their buildings and plant and had set aside a sufficient sum to cover the re-establishment of the piano-making industry so soon as the Government contracts were completed. They proposed, after paying the Preference dividend, to carry forward the whole of the balance of £8,617 to next year rather than declare a dividend on the ordinary shares.

Mr. H. Billinghurst (managing director), in seconding the adoption of the accounts, dealt with the exceedingly difficult problems of reconstruction confronting the board. All raw materials were standing at an extremely high price and wages had been greatly augmented to meet the current cost of living of the workpeople. Neither of these were likely to be materially reduced for some time to come.

Future Prospects.

The question of re-establishing the piano manufacturing business was another serious question for the future, and the board had only acted very properly in making a substantial allowance of this item of expenditure in their balance sheet. The future prospects of trade were excellent; inquiries and orders were being received from all parts of the world, and, seeing that it would probably never be possible to manufacture low-priced instruments again, it was a healthy sign to find that the buying public had, during the War, ceased to look on even the cheapest piano as a necessary article of furniture, but now realised that it was a very high-class musical instrument.

The report and balance sheet were unanimously adopted, and the meeting terminated.

ACHILLE SERRE, LIMITED.

The thirteenth annual general meeting of the shareholders was held on April 9 at the Great Eastern Hotel, Liverpool Street, E.C., Mr. Eugene A. Serre (the Chairman of the Company) presiding.

The Secretary (Mr. Thomas J. Restall) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—At our meeting last year I ventured to predict that the improvement shown in 1917 would be maintained, and the report and balance sheet for 1918, which we are here to discuss, shows that my opinion was well founded. In spite of the fact that we had to contend with difficulties greater even than those of the previous War years, our turnover was easily a record one, and our profits are now on a pre-War basis. In the ordinary way the amount now available for distribution would be sufficient to pay the usual dividends on both our Preference and Ordinary shares, but owing to the lean years of 1915 and 1916 there are 3½ years' dividends owing on the Preference shares, and this liability must be disposed of

BARCLAYS BANK LIMITED.

Head Office:

54 LOMBARD STREET, LONDON, E.C. 3.

This Bank is in close touch with leading Bankers in all parts of the world, and provides facilities for the financing of every description of Overseas business.

Traders interested in the Foreign Markets are invited to correspond with

THE FOREIGN MANAGER.

Foreign Branch:

168 FENCHURCH STREET, E.C 3.

before the Ordinary shareholders receive any benefit from our improved position. As you know, the directors propose that the outstanding dividends be reduced by a payment covering a period of 2½ years from September, 1915, to March, 1918, and if all goes well there should be no difficulty in bringing the payment of Preference dividends up to date next September, when there will be 9% outstanding. The trading profit has risen from £10,979 7*s.* 9*d.* to £18,230 6*s.* 4*d.*, an increase of £7,250 18*s.* 7*d.* We have paid less interest to our bankers, and at the end of last year the amount of our loan was £1,000 only. So far this year, in spite of the truly awful weather, we have done record business, and the outlook for 1919 is very promising, although it will necessarily be some months before our service is normal.

At the suggestion of Mr. W. S. Argent the directors have recently agreed to amend the conditions which govern the disposal of surplus profits as laid down in the articles of association. According to the articles profits which are available for distribution after the payment of 6% on the Preference share and 10% on the Ordinary share capital and placing not less than £1,000 to the reserve fund may be apportioned as follows :—One-third to the Preference shareholders, one-third to the Ordinary shareholders, and one-third to the directors. In future, the one-third to which the directors would be entitled will be divided among the employés of over one year's standing, which means that in the event of a profit amounting to £20,000, £9,500 would be absorbed in the payment of the usual dividends, £1,500 would be placed to the reserve fund, leaving a balance of £9,000, of which the Preference shareholders would receive £3,000, the Ordinary shareholders £3,000, and the balance of £3,000 would be paid to the staff of the business. This proposal in no way affects the rights of our shareholders, and I am sure that the arrangement is one which will commend itself to you as being a simple way of giving the workers an interest in the profits of the business.

Mr. S. T. Prince seconded the motion.

The proceedings then terminated.

MONTE VIDEO WATERWORKS COMPANY, LTD.

The fortieth ordinary general meeting was held on April 8 at 52 Moorgate Street, Mr. James Anderson presiding.

The Secretary (Mr. G. Proctor) read the notice and the auditors' report.

The Chairman, in moving the adoption of the report and accounts, said that the latter showed a continuance of the steady progress which had characterised the business for many years past. The gross income had increased by £15,757, or 7.39%, but the greater part of this increase had been absorbed by higher charges, and in consequence the net receipts were greater by only £3,028, equal to 2.35%. Increased cost of fuel and higher wages were the main reason for the larger cost of working. When in September last they received from Monte Video accounts showing a substantial increase in net revenue for the first six months of the year the directors decided on a reduction of 10%, which was put into force as from September 1. They recommended a balance dividend of 5%, making 8% for the year, the placing of £20,000 to reserve, £10,000 to depreciation, and £2,500 to staff provident fund, leaving £67,847 to be carried forward. Since the War began the exchange between Uruguay and England had been greatly in favour of the former country, and the Company had consequently made a profit of £28,714 during the past year in remitting their net revenue to England. When brought into the accounts this made them liable to excess profits duty, and they found that they would have to set aside the whole of it to meet this war tax. At the general meeting last year a shareholder suggested that they should capitalise a portion of the reserve fund and undivided profits, and the directors now proposed that £106,250 be withdrawn from the reserve and applied in payment in full of a like amount of new Ordinary shares, to be allotted to present shareholders in the proportion of five new £1 shares for every two shares of £20 each now held. This would be equal to a bonus of 12½% in scrip.

Mr. W. Galwey seconded the motion, which was carried unanimously, and at an extraordinary general meeting a resolution was passed altering the articles of association with a view to the proposed capitalisation of reserve.

MALAY RUBBER PLANTERS, LIMITED.

The fourteenth ordinary general meeting of this Company was held on Tuesday, April 8, 1919, at Salisbury House, under the presidency of Mr. A. J. Stevens (the Chairman of the Company).

Mr. J. J. Cornell (the Secretary) read the notice calling the meeting and the report of the auditors.

The Chairman : Ladies and Gentlemen,—I will glance briefly at the balance sheet. The reserve account is represented by the very considerable sum of £26,762, having been increased during the year as a result of the sale of a portion of our holding in the Parit Bruas Company and also by crediting it with the sum of £273 reserved for the directors until it was known whether or not excess profits tax should be deducted from the profits prior to or after calculation of their percentage. The big difference on this side of the account is, of course, in respect of profits, which are only £4,000, as against £20,000. I will deal with this in a few moments. On the assets side you will note that £95 only has been added to the estates account; that means to say that we have arrived at the position where we are self-supporting, where our revenue enables us to carry on and maintain the whole estate, whether in tapping or still developing. The amounts set aside in previous years for depreciation of machinery have wiped out that account; on the other hand, we are faced with further expenditure under that head, as stated in the directors' report.

Decrease in Value of Rubber Stock.

You will note a big reduction in the value of the stock of rubber. There are two reasons for this decrease. In the first place, during the latter part of the financial year sales, owing to lack of freight, were taking place in the East; hence we had no great stock in transit. Secondly, in the previous year we priced the stock at a carefully calculated probable selling price, which in fact worked out very accurately; this year, however, after consideration, we thought it wiser and sounder to fix it approximately at cost. We therefore have had a very much smaller quantity of rubber in stock to value, and we have also put in what we had at a very much lower comparative value. Our trading account shows where rubber has been hit. In conformity with the wishes of the Rubber Growers' Association, our output was reduced. Following on that, this reduced output had mainly to be sold in the East, where prices were very low—at one time they did not exceed cost of production; in fact, were below the cost of production on many estates. Large profits were accordingly out of the question. It is naturally a matter of regret to the directors that for the first time since 1911 they have presented an annual report without recommending the payment of a dividend for the year under review.

Confidence in the Future.

Although sufficient profits were earned to justify a payment, it was considered more advantageous to the Company to forego it. We have, however, done the best we can to relieve any disappointment that may be felt on that score, for we felt that the position had so far improved since the close of the past financial year that we were justified in declaring an interim dividend of 10% in respect of the current financial year. I sincerely hope that we may shortly return to our old practice of regular interim dividends. I do not feel that many of us can have expected a dividend; we have probably all of us read with more than usual interest the reports of other companies; some of them have shown an actual loss for the past year, all of them immensely reduced profits, but in every case the temporary set-back is accompanied with much brighter hopes for the future. We, too, are very confident of the future, but you must not expect too immediate an improvement. The circumstances which caused our small profit last year prevailed far into the current financial year, and even now cargo space is scarce and shipments are less frequent than we could wish. We hope for much from the new Budget.

The Iniquitous Excess Profits Tax.

It is inconceivable to me that, with peace in sight, so grotesquely unjust a tax as the excess profits tax should be continued. Whatever its merits elsewhere, as applied to the rubber-planting industry it is simply iniquitous, and had it not been for the wonderful patience of the middle classes in accepting every burden thrown on them while the War lasted, its continuance would have been impossible. We are one of the unfortunates in this respect, and though I fear we shall not be entirely relieved, it seems likely that the coming Budget will lighten the burden.

The whole estate is in excellent condition, and tapping is again proceeding on normal lines now the necessity for restriction has ceased. Last August the force of tappers was reduced to 124, as against 200 a year previously; this force is now being rebuilt to the strength required for full production. When this has been effected we shall get increased output and a lighter cost per pound. You may remember that last year there was a question of entering into litigation. I have no wish to rake up old controversies, but it was satisfactory to note a few months ago a case very similar to ours, the decision in which absolutely confirmed the view taken by the board. I have not much further comment to make upon what was a dull and uninteresting year as regards results, and one which meant a great deal of work, anxiety, and responsibility for those in charge, both at home and in the East. Our white staff in the East has, of course, been short-handed. Its members have been out for long over the normal period, and are naturally feeling the effects of the climate, but they have not allowed their work to suffer, they have stuck to their posts steadily, and we are greatly indebted to them for their pluck and endurance. I am glad to say two of them are now on their way home for their well-earned furlough, and I am also glad to see here to-day Captain H. P. Kendall, one of our assistant managers, who has been serving since the commencement of the War, but who hopes to sail again for our estates any day now. I beg to move : "That the report of the directors and statement of accounts at September 30, 1918, duly audited and now submitted, be received, approved, and adopted."

Major J. C. G. McFerran, R.E. (T.), seconded the resolution, which was agreed to.

The other formal business was transacted.

At an extraordinary general meeting a resolution was passed altering the articles of association so as to provide for eight days' notice of general meetings being given in the future, instead of only five days.

The usual votes of thanks closed the meeting.

GULA-KALUMPONG RUBBER ESTATES, LTD.

THE ninth annual general meeting was held on April 3 at the Cannon Street Hotel, E.C., Mr. Frederick Anderson (the Chairman) presiding.

A representative of the Secretaries (Messrs. Albert Anderson and Company) having read the notice convening the meeting and the auditors' report,

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—At our last annual meeting, when referring to the prospects of 1918, I warned the shareholders that it bade fair to be a lean year. We had then already agreed to restrict our output, which involved higher cost of production; scarcity of tonnage was becoming serious, while freight and all other charges had increased. All these factors were known when we met last year, but about a month later prospects became suddenly worse owing to the unexpected action of the United States Government in restricting imports of rubber to half the quantity of their imports in the previous year. That was a drastic measure, as it partially closed the most important market in the world at a time when enemy markets were closed by war and Russia by anarchy. Still, as it was one of the War measures taken by America in her great effort to assist in bringing the War to an early conclusion, we can look back with some complacence to the sacrifice of our profits. The immediate result to producers was the accumulation of heavy stocks of rubber in the East, accompanied by a very considerable drop in prices; at the lowest point of the market prices fell to below the cost of production.

Accumulated Stocks Disposed of.

To return to the immediate results of the situation from May onwards and the fall in prices to as low as 10½*d.* per lb. for first-grade rubber in Singapore, we found ourselves at the end of September with heavy and increasing stocks, and with the problem of financing the work of the estates. We were disinclined to sell under cost of production, and the Company's strong financial position enabled us to tide over this difficult period without having to ask assistance from our bankers, but we were obliged to pass our usual interim dividend, which the Board greatly regretted. For some time after the Armistice tonnage was still unavailable, but we were able to dispose of our accumulated stocks at an average price of 1*s.* 8⅜*d.* at Singapore, all the off grades, which were only saleable there throughout the summer at a sacrifice, having been shipped to England, where they realised fair prices. The increase in the "all-in" cost, London terms, from 1*s.* 0⅞*d.* in 1917 (including war charges) to 1*s.* 3*d.* per lb. in 1918 is due, as to 1*d.* per lb. for freight, and the balance is accounted for by the standing charges and increased cost of all materials spread over a decreased output. The position as regards copra has been very similar to that of rubber, with this difference, that freight, either to England or America, was still more difficult to secure, and as this commodity loses weight and deteriorates in value by long holding, we had to sell locally whenever an opportunity occurred. We offered to sell the whole of our output to the Ministry of Food on the basis of pre-War prices in Penang, but could not induce them to buy, as they were unable to get tonnage.

Forward Sales.

Prospects for 1919 so far are promising, and we may reasonably expect a considerable improvement on 1918 figures. Freights, however, are still high, and charges are all on a high scale. We estimate a full production both of rubber and copra, and have sold a fair proportion of the former at prices which show quite a satisfactory profit. We have also sold 120 tons of 1920 crop for delivery as far ahead as February 1921 at 2*s.* 0⅝*d.* per lb. The outlook for the Rubber market is still obscure in view of the prospective increase in production; and while present prices may hold, or even advance, the possibility of lower prices must not be ignored. The world's stock of rubber at the end of 1918 has been estimated—and I think not over-estimated—at nearly 90,000 tons, and the world's production of plantation and wild rubber during 1919 will probably fall not far short of 300,000 tons. With regard to copra, the manager's estimate should give roughly about 1,000 tons. Freight to England, which in 1913 was £2 14*s.* per full ton, and during the War rose to £16 13*s.* 4*d.*, is to-day over £10 a ton. We may reasonably hope for some further relief when shipping conditions are easier. In the meantime prices both in England and the East show a fair margin of profit. Up to the present time we have sold locally about 180 tons of copra of this year's crop at about £22 a ton.

Our unsold stocks in the 1917 accounts, brought in at cost, realised a profit of £10,856. Out of the balance of profit and loss account the directors have placed £10,000 to reserve fund, and, after payment of a dividend of 10%, maintain the amount carried forward at practically the same figure as last year. The policy of thinning out has been continued, some 40,000 trees having been cut out during the year. On the younger area of Gula we now average 106 trees to the acre, and in the older plantation of Kalumpong we are down to an average of 86 trees. We planted 42 acres more in rubber last year, and expect to increase the coconut area by 250 acres this year.

Mr. E. L. Hamilton seconded the motion, which was carried unanimously, and the proceedings terminated.

LABU (F.M.S.) RUBBER COMPANY, LIMITED.

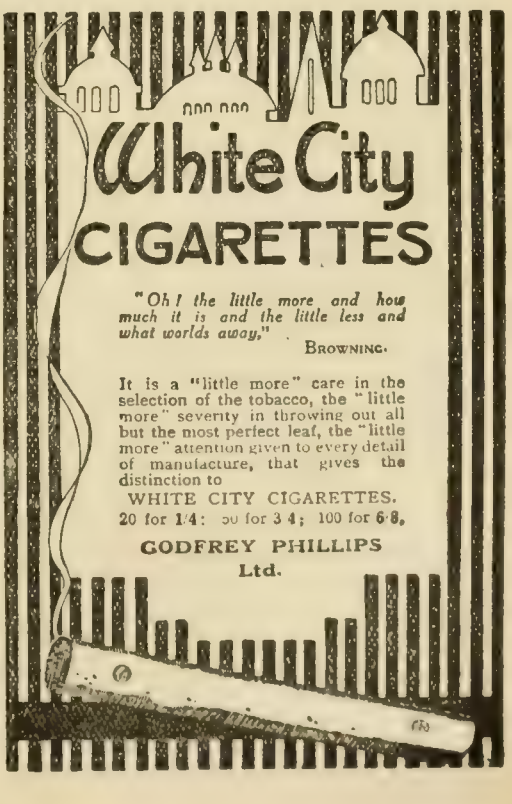
THE twelfth annual general meeting of the members was held on April 7, at the offices of the Rubber Growers' Association, 33 Eastcheap, E.C., Brigadier-General the Hon. Charles Lambton, D.S.O. (the Chairman), presiding.

Mr. J. H. Jennings, F.C.I.S., representing the Secretaries (Messrs. Guthrie and Company, Limited), having read the notice convening the meeting and the auditors' report,

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—Dealing first with the accounts, it will be observed from the liabilities side of the balance sheet that we have disposed of a further 38,000 shares in our subsidiary—Cheviot Rubber, Limited—which brought us a profit of £5,481 17*s.* 5*d.* This profit has been added to the reserve, increasing this to £105,481 17*s.* 5*d.*, or over £5,000 in excess of the issued capital. About one-half of this sum has been expended on the estate, and the balance is mainly invested in Government loans, which, you will notice, now stand at £49,000. While on this point I should like to mention that we still hold 20,000 shares in the Cheviot Company, which are taken into the accounts at cost—namely, £2,208—although the present market value is in the vicinity of £6,250.

Smaller Crop and Higher Cost of Production.

The crop for the year totalled 700,200 lb., 200 lb. in excess of the estimate. The figure is, of course, an artificial one, so to speak, as under normal circumstances something like 970,000 lb. should have been harvested. The 270,000 lb. were short owing to our participation in the curtailment of output scheme inaugurated by the Rubber Growers' Association with a view to economising the very meagre freight space available in 1918. The actual profit amounted to £23,958 16*s.* 11*d.*, which compared with £52,656 16*s.* 2*d.* in 1917. The reasons for the falling off are the smaller crop, accompanied by the higher cost of production, to which I have already referred, and the lower prices ruling for rubber. These factors have resulted in the profit per pound being reduced from 1*s.* 2*d.* to 7.27*d.* In view of the large reserve which the Company now holds and its strong financial position, it is recommended that practically the whole of the profits be distributed by the payment of a dividend of 22½%. This, with the balance from the previous year, enables us to carry forward £10,627 13*s.* 8*d.*, subject to the usual adjustments. Now, with reference to the work on the estate, this, as usual, has been kept at a high standard. Our visiting agent reports that "the whole estate is in its usual good order as regards freedom from weeds." Thinning-out operations were continued, the number of trees taken out by selection being 17,171. Timber clearing has also been completed over 1,349 acres. For the year under review this work accounted for the considerable charge of over 1½*d.* per lb. on the cost of production, but without doubt the estate will benefit in the years to come. With regard to the current year, as mentioned in the directors' report, the Manager estimates for 1,200,000 lb. from a mature area of 3,001 acres, which he hopes to harvest at a cost f.o.b. of about 9½*d.* per lb. This is a marked expansion



upon the output for 1918, due largely to the resumption to full tapping.

Mr. J. H. Renton seconded the resolution, which was carried unanimously.

Capitalisation of Reserve.

Sir John Anderson then said: Gentlemen,—There is one matter which has been under consideration for some considerable time by the directors of this Company, and the Chairman has thought it right—and his colleagues agree with him—that you should at this time be taken into the confidence of the directors as to what it is they have in view. Reference has been made at the meeting to-day to the very large amount which this Company possesses in its reserve—namely, £105,000 odd—and the point which the directors have been considering is as to whether it is desirable that this money, the greater part of which is already employed in your business, should not be taken from the reserve and capitalised; in other words, that while your share capital at the present time, on which dividends are paid, is £100,000, that £100,000 should be taken from the reserve and converted into share capital, making your capital £200,000 instead of £100,000. The effect of that would be, of course, that each shareholder possessing one share would receive as a bonus, without payment for it, another share in the Company on which he would from time to time obtain his dividend. The directors have decided to do that—namely, to convert £100,000 of the reserve into capital—but they have not yet taken final action in the matter pending the necessary authorisation from the Treasury, which has been applied for. There is one further point, gentlemen, in connection with the same matter which I want to mention to you, and that is that the shares of this Company, which are at the present time 2*s.* each, should be converted into £1 shares; in other words, instead of holding ten shares of 2s. each, you would hold one share of £1.

The proceedings then terminated.

SOUTH AFRICAN DIAMOND CORPORATION, LIMITED.

By order of the Court, separate meetings of the holders of permanent directors' shares and of the holders of Ordinary shares of the South African Diamond Corporation, Limited (Transvaal), were held on April 9, at the First Avenue Hotel, Holborn, London, E.C., "for the purpose of considering and, if thought fit, approving, with or without modification, a scheme of arrangement proposed to be made between the said Company and the holders of the permanent directors' shares and the holders of the Ordinary shares in the said Company." Mr. C. F. Rowsell presided.

The Secretary (Mr. E. J. Jenkinson) having read the notice convening the meeting of the holders of the permanent directors' shares,

The Chairman said: Gentlemen,—I know that the two permanent directors, who form a separate class in this Company, are present, or represented by proxy. I therefore declare that this meeting is properly constituted. I now move that the scheme of arrangement be adopted by the permanent directors.

The resolution was then put to the meeting and carried unanimously.

The Secretary next read the notice of the meeting of Ordinary shareholders.

The Chairman said: Gentlemen,—I have in my hands proxies for 32,658 shares, and I therefore declare this meeting properly constituted. The meeting has been called under the direction of the Court for the purpose of approving a scheme of arrangement with the permanent directors. I need not, I think, elaborate that scheme, first, because you have all had it in your hands for some time past; and, secondly, because your Chairman, Mr. Bernard Oppenheimer, at our last meeting, very fully explained the whole of the details. I think I need only refer to the two main points in the scheme. Under the original memorandum of association of the Company the permanent directors' shares had "(*a*) the right to have divided between them in equal shares 25% of the profits of the Company in each year after the allocation to reserve of such a sum thereout as the directors shall determine. (*b*) The right to receive in equal shares 25% of the surplus assets in a winding-up after payment off of the whole of the paid-up capital, including the capital paid up on the permanent directors' shares." There are other provisions which are being dispensed with, but those are the two most important. The consideration which is being given by the Company to secure the consent of the holders of the permanent directors' shares is the right, within the period of five years from the first day of January 1919, to call upon the Company to allot to the permanent directors 50,000 Ordinary shares of the Company of £1 each, as to the first 25,000 shares so called at 25*s.* a share, and as to the remaining 25,000 shares at 30*s.* a share. Such options may be exercised from time to time as such holders or their legal personal representatives think fit. Those are, I think, the main and essential points of the scheme of arrangement, and as the whole of the proxies which I hold have been placed in favour of the scheme, I think it is pretty clear that the proposal, which is, in my opinion, entirely favourable to the Company, and which will enable it to raise capital with very much greater ease, has been approved by the shareholders as a whole. Before moving the adoption of the scheme of arrangement by the Ordinary shareholders, I might mention for your information that the Company up to the present time has had a very prosperous year. Our profits will, I think, exceed those of the corresponding period of last year, and there is every prospect of these good results continuing. With these few words I will now move that the scheme of arrangement as submitted to you and explained by me be approved, and I will ask Mr. Malcolm to second that.

Mr. J. Malcolm: I have much pleasure in seconding the adoption of the scheme of arrangement.

The Chairman: Before putting the resolution to the meeting I will ask whether there are any questions which any shareholder would like to put to me on the subject, or whether anyone has any observations to make upon the proposal.

No questions being asked, the resolution was put and carried unanimously.

The proceedings then terminated.

OOREGUM GOLD MINING COMPANY OF INDIA, LTD.

The ordinary general meeting was held on April 8, at the Cannon Street Hotel, E.C., Mr. Malcolm Low (Chairman of the Company) presiding.

The Secretary (Mr. F. H. Williams, F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman said: The tonnages dealt with were—at the mill 152,780 tons, and at the cyanide works 205,488 tons, showing respective decreases of 2,300 tons and nine tons as compared with the results of the year before. The yield of gold per ton milled was 4.9 grains higher and that per ton cyanided was 3.4 grains lower than those figures came out in the year 1917. The total amount of gold obtained was 89,631 oz., against 90,687 oz. in the year before, showing a decrease of 1,056 oz. Turning, then, to the accounts, you will see in the balance sheet that we have this year charged to capital account only two items. These are expenditure on buildings, machinery, and plant, £10,221 17*s.* 3*d.*, and expenditure on circular shaft, £9,471 15*s.* 3*d.* This capital, you will see by looking at the profit and loss account, is more than replaced by writing off, firstly, the exact amount spent upon the circular shaft, and, secondly, by the round sum of £15,000, which more than covers the actual expenditure upon buildings, machinery, and plant. We have further added to the resources of the Company by appropriating from profits £5,000 and adding it to the reserve fund, which now amounts to the high figure of £95,000. The income and expenditure account shows that, after deducting royalty due to the Mysore Government, we realised for our gold £358,837 9*s.* 2*d.* To that sum we have had to add £7,169 14*s.* 7*d.*, and so we arrive at the entire income of the year, £366,007 3*s.* 9*d.* On the other side we have set out the various details of expenditure, amounting to £222,224 18*s.* 6*d.*, leaving us with a profit of £143,782 5*s.* 3*d.* Following that last figure into the profit and loss account, we have to add £8,777 12*s.* 4*d.*, the balance brought forward from the previous year, and also £1,268 8*s.* 9*d.*, dividend on our shares in the Kolar Mines power station, making the final figure on the credit side £153,828 6*s.* 4*d.* The total amount on the debit side is £92,872 12*s.* 4*d.*, which leaves us with a disposable balance of £60,955 14*s.* Our dividends for the year will, therefore, be 35% on the Preference shares and 25% on the Ordinary shares. Now, ladies and gentlemen, while we must all of us regret the drop of 6*d.* per share in our dividends, you will, I am sure, have found little difficulty in laying your finger upon the cause. It is essentially, of course, increased working costs. Many of you will be surprised to hear that no less than £10,800 of this £23,000 is due to the increased rate of exchange which prevailed during the year.

Mr. Edgar Taylor, in seconding the motion, said that with regard to the reserve of ore, these now stand at 392,690 tons, having decreased 22,093 tons on the previous estimate. In Bullen's section the shaft was sunk 273 ft. to 38 ft. below the 60th level. At the 58th level north and south the zone disturbed by the cross-course, already mentioned, was encountered, 581 ft. were driven at this horizon, and, although the reef made its appearance at intervals, no estimate of ore ground can yet be made.

The proceedings then terminated.

NUNDYDROOG COMPANY, LIMITED.

The twenty-sixth ordinary general meeting was held on April 9 at the Cannon Street Hotel, E.C., Mr. John Taylor, M.Inst.C.E., presiding.

The Secretary (Mr. W. L. Bayley, F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman said: During the past year 102,731 tons of quartz were treated and 73,731 tons of tailings and 80,241 tons of slimes were also dealt with, the total production from these sources being 78,757 oz. of fine gold, worth £333,759. At our last annual meeting the Chairman was able to report that the extraction of the gold from the ore had improved from 93.35% in 1916 to 96.1% in 1917, and he mentioned that the superintendent anticipated that the percentage would be still higher in 1918. I have now the satisfaction of informing you that this expected further improvement has taken

place, 98.3% of the gold contents having been won from the ore in 1918. The average value of the final residues was only 6.2 grains of gold per ton. You will have seen from the accounts now before you that the receipts for the year, after allowing for royalties, amounted to £314,813 and the expenditure to £191,389, leaving a profit of £123,424, as against £141,558 in the previous year. We can hardly be surprised at this somewhat lessened profit in view of the continued increased cost of labour, materials and stores arising out of war conditions, and we cannot, I imagine, hope for much relief in this respect just at present

Allocation of Profits.

The profit and loss account, you will observe, was credited with £127,077, and debited with £84,513, as detailed in that account, and there thus remained a balance to the credit of £42,564. The amount on the debit side includes £13,814, the outlay on new buildings, machinery, and plant; £16,639, the further cost incurred in connection with the sinking of the new circular shaft; and £5,000 written off the value of the bonds held in the Indian and General Mining Trust in view of the depreciation in the value of the shares held by the trust in companies situate on the Anantapur Goldfield. Out of the credit balance I have mentioned we have paid the balance dividend of 1*s.* 3*d.* per share, which amounted to £35,375, and allowed of £7,189 being carried forward to the present year's account, this figure being over £4,000 greater than that for the preceding 12 months. The dividends for the year under review amounted to 2*s.* 3*d.* per 10*s.* share, less income tax.

Mr. Edgar Taylor said : The ore milled was 102.731 tons, of an average assay value of 15 dwt. 4 gr. per ton. The residues after treatment assayed 6.2 gr. per ton, so that the over-all extraction was 98.3%. This is an improvement in extraction of 2.2% on the figures of last year, which is accounted for by the extended use of tube milling and slimes treatment. The milled ore treated as slimes was 74,351 tons, and the residue value of this was only 4.5 gr. per ton. These figures are considered very satisfactory, and do not appear to leave much room for improvement. The cost per ton of ore mined and treated in 1918 was £1 7*s.* 6½*d.*, as against £1 6*s.* 5½*d.* in 1917, an increase of 1*s.* 1*d.* per ton. This is exclusive of development charges, which amounted to £47,500, as against £44,400 last year. To compare this cost with pre-War figures I may say that for the year 1914 our working costs, excluding development charges, amounted to £1 2*s.* 11*d.* per ton mined and treated, which shows an increase, due to War conditions, of 4*s.* 7½*d.* per ton, or 16.8%. Of this 2*s.* 4½*d.* per ton is due to the rise in exchange. The history of Nundydroog, as indeed of all the mines on the Kolar field, has been one of varying fortune; and, while at the moment we are passing through a poorer zone of ground, yet there is every expectation that the opening of richer ground will attend the active programme now being carried out, and that there are many years of prosperity ahead of us.

The resolution was unanimously adopted, and the proceedings terminated.

RIO TINTO COMPANY, LIMITED.

The forty-sixth ordinary general meeting was held on April 8, at 3 Lombard Street, Sir Charles W. Fielding, K.B.E., presiding.

The Secretary (Mr. J. Gordon Macleod) read the notice and the auditors' report.

The Chairman said : Regarding the future, as you are aware, the Allied Governments took copper under direct control, and, as a very reasonable precaution, saw that the supplies at hand and coming forward for delivery would be ample. The termination of hostilities has left large stocks to be disposed of, and the stagnation of manufacturing that has come between war and peace has increased these stocks. Even with considerable world reduction of output, copper will exist in excess of demand for months to come, but the cost of production generally having increased—and I expect to some extent this increase will be permanent—the old very low prices are not likely to return for a long time. Especially is this the case as the American producers realise that they can sell practically as much of their output—and of the United States Government stocks which they control—at a price leaving them a reasonable profits as they could dispose of at a loss. The cost of producing copper in America after the transition period is, therefore, likely again to be the chief factor in regard to our profits. Our pyrites sulphur business, however, cannot be looked upon from so comparatively simple a standpoint. The Government have intervened in pyrites sulphur supplies in an unnecessary manner, and so as to disorganise practically all markets without immediate benefit and without any regard for the future of the producers or consumers. There are, in addition, considerable stocks which the Explosives Department are marketing in Europe, while in the United States stocks of sulphur and pyrites are exceedingly large. Freights for pyrites are likely to be higher over a period in future, and as the Company depends upon the disposal of large tonnages, there is not much chance that we can look to increased remuneration from prices obtainable from sulphur in pyrites. During the War, to deal with the copper and iron in the cinders from certain large quantities of pyrites required for war purposes in the United States, an associated company erected a very large copper-extraction works there. Its production of iron ore has been of a high quality and much in demand. We look forward to developments of this nature and to other technical improvements to offset to some extent the lower net result we may get from sulphur sales, and we are devoting all our energies to economies in processes, in organisation and in work generally to counteract high costs in other directions. This coming year will be a transition year in our business, and, with all our markets upset, it will be a very difficult year through which to steer the Company's affairs, but of the ultimate future I have no fear. We own unlimited raw material; we can produce more cheaply than others—both as regards copper and sulphur—and the clean iron made from our cinders is all the time becoming more valuable.

The report and accounts were adopted and the dividend recommended was declared.

SUDAN GOLD FIELD COMPANY, LIMITED.

The tenth ordinary general meeting of the shareholders was held on April 9 at No. 6 Queen Street Place, E.C., the Right Hon. Lord Vaux of Harrowden (the Chairman) presiding.

The Secretary (Mr. W. F. Garland, F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said : Gentlemen,—Those of us who are pecuniarily interested in gold mines in any part of the world need scarcely be reminded of the effects which the War has had upon the gold-mining industry, embracing increased cost in every direction, difficulty in procuring necessary supplies and stores, and a shortage of labour. It is an unfortunate incident peculiar to gold mining that, while every other commodity in the world has risen in price as a consequence of the War, gold alone does not rise, and we do not get a farthing an ounce more when it is sold than was paid for it in normal times, in spite of the immensely increased cost of winning it. It is true that the loss we show for 1918 is not large, but, nevertheless, it is to be deplored. Last year we produced £43,944 worth of gold, and our total revenue was £44,074. The expenditure on revenue account was, in round figures, £45,410, leaving a balance of expenditure of £1,336. We brought forward from the previous year £1,649, to which we add the refund of deposits in respect of excess profits duty, £12,047, making £13,697, and from that deduct the balance of expenditure, income tax, depreciation, and an amount written off surface and mine works, a total of £8,954, leaving £4,742 to be carried forward to 1919. Our liquid assets at December 31 last were £7,834. We have a considerable sum locked up in materials and stores at the mine—no less than £18,530. We are now getting some relief in the matter of freights, and, of course, insurance to cover war risk has practically disappeared, and we could probably now deliver anthracite coal on the mine at £10 per ton, as against £20 a few months ago. The scale of development work during the year had to be very restricted, and was practically confined to one section. With so little additional ore ground opened up of late, our reserves have been adversely affected, and, for the present, we have to be satisfied with a monthly return of gold sufficient to cover the outlay. We have now the slime-treatment plant in operation, and from this source we hope to get during the current year a material addition to our gold output from the mill and from the sands plant.

Mr. John Taylor seconded the motion, and the proceedings terminated.

MYSORE GOLD MINING COMPANY, LIMITED.

The thirty-ninth ordinary general meeting was held on April 10, at Cannon Street Hotel, E.C., the Right Hon. Lord Ribblesdale (Vice-Chairman) presiding, in the absence, through illness, of Captain W. B. McTaggart, the Chairman of the Company.

The Secretary (Mr. W. F. Garland, F.C.I.S.) read the notice convening the meeting and the report of the auditors.

The Chairman said : The reduced profits were almost inevitable, having regard to the very great difficulty under which mining operations have been carried on during the War, and also owing to the tremendous cost of all mining materials and of every supply required out there, which must materially add to our working expenses. Now, to turn to the result of the year's operations. You will notice that we crushed 293,186 tons of quartz, and treated by cyanidation 568,635 tons of tailings and slimes, for a total production of 193,663 oz. of bar gold, which realised £739,192 13*s.* 10*d.* Deducting the royalty payable to the Mysore Government, and adding interest on deposit account and investments, &c., we had a total to the credit of revenue account of £708,366 14*s.* 11*d.* The revenue expenditure was £443,845 10*s.* 10*d.*, and the resultant profit £264,521 4*s.* 1*d.* We brought in to the credit of profit and loss from the year 1917 £5,861 9*s.* 2*d.*, and, adding the profit for 1918 and sundry other items, we had a total credit balance of £271,328 9*s.* 1*d.* On October 12 last an interim dividend of 2*s.* 6*d.* per share was paid, amounting to £76,250, and other deductions, including income tax, £77,630 8*s.* 7*d.*, and an amount written off expenditure on capital account, £51,576 8*s.*, left an available sum for the final dividend for

the year of £63,910 12s. 6d. This admitted of a payment of 2s. per share, less income tax at the rate of 5s. 9d. in the pound, and such dividend was paid on the 2nd instant. The total distribution for the year was thus 4s. 6d. per share, or 45% upon the capital of the Company. The liquid assets at December 31, 1918, including the reserve fund, amounted to £160,745 9s. 1d. The quartz milled was 13,940 tons less than in the preceding year. On the other hand, the tailings and slimes treated show an increase of 45,180 tons. The gold extraction was less by 23,654 oz. and £102,863 16s. 8d. in value, and the profit was less by £139,775 3s. 1d.

Mr. John Taylor, M.Inst.C.E., seconded the motion.

Mr. Edgar Taylor said that the year's total output was 174,297 oz. of fine gold, of which 16,356 oz. were the product of the dump re-treatment plant. The average assay value of the 229,421 tons of currents ore treated was 10⅝ dwt. of fine gold per ton. The revenue cost per ton of ore mined and treated, omitting development charges, was 23s. 2d. per ton, or 2s. 9¼d. per ton more than in 1917. Development charges, £80,000, were nearly £15,000 more than in 1917, although 634 ft. of drivage was done. This was almost exactly 1s. of increased cost per ton milled, making the total increase over the 1917 costs 3s. 9¼d. per ton.

The proceedings then terminated.

THE COMMERCIAL BANKING COMPANY OF SYDNEY, LIMITED.

Established 1834. Incorporated in New South Wales.

CAPITAL PAID UP	£2,000,000 0 0
RESERVE FUND	£2,080,000 0 0
RESERVE CAPITAL	£2,000,000 0 0
	£6,080,000 0 0

ONE HUNDRED AND FORTY-FIRST HALF-YEARLY REPORT

Presented to the Shareholders at an Ordinary General Meeting held at the Head Banking House, George Street, Sydney, on Friday, 24th January, 1919.

The Directors submit to the Shareholders a Balance Sheet showing the Liabilities and Assets of the Bank on the 31st Dec., 1918, and present the following Report :—

The balance at credit of Profit and Loss, after adding the amount brought forward, and deducting rebate on current bills and accrued interest on fixed deposits, reducing premises account, paying Land, Income and other taxes, and providing for bad and doubtful debts, as well as granting to the Officers a bonus on their salaries, amounts to £206,117 0 2

Out of which the Directors recommend the following appropriations :—

To Payment of a Dividend for the half-year at the rate of 10 per cent. per annum out of the Half-year's Profits ...	£100,000 0 0	
„ Transfer to Reserve Fund	40,000 0 0	
„ Balance carried forward	66,117 0 2	
		£206,117 0 2

The Directors record with feelings of deep regret the death, on the 19th inst., of their late colleague, Mr. THOMAS FORSTER KNOX, who for the past four years was a member of the Board. The Dividend is now payable.

GEORGE J. COHEN, CHAIRMAN.

LIABILITIES.

DR. (Including London Branch to 31st December, by Cable.)

Capital	£2,000,000 0 0	
Reserve Fund	2,040,000 0 0	
Reserve Capital	2,000,000 0 0	
	£6,040,000 0 0	
To Capital Paid up...	£2,000,000 0 0	
Reserve Fund	2,040,000 0 0	
		£4,040,000 0 0
Notes in circulation		11,403 0 0
Bills in circulation		1,607,208 16 1
Deposits and other liabilities		27,154,438 7 7
Profit and Loss Account		206,117 0 2
		£33,019,167 3 10

ASSETS.

By Coin, Bullion, Australian Commonwealth Notes and Cash at Bankers	£6,518,041 2 2	
Money at short call in London	1,335,000 0 0	
Short-dated British Treasury Bills	1,220,000 0 0	
British and Australian War Loan Stocks and Government, Municipal and other Securities	4,304,000 0 0	
Bills Receivable in London and Remittances in transit	2,245,051 12 0	
Brought forward	£14,622,092 14 2	
Notes and bills of other banks	26,121 11 10	
		£14,648,214 6 0
Wheat advances under Government scheme		681,452 7 5
Commonwealth War Loan Advances ...		1,966,719 0 2
Bills discounted, and other debts due to the Bank		15,115,156 10 3
Bank premises, furniture, &c.		607,625 0 0
		£33,019,167 3 10

CR.

PROFIT AND LOSS.

To Dividend Account for payment of a Dividend for past half-year at the rate of 10 per cent. per annum out of the Half-year's Profits	£100,000 0 0	
Reserve Fund	40,000 0 0	
Balance carried forward	66,117 0 2	
		£206,117 0 2
By Amount from last half-year	£57,243 1 11	
Profit for half-year ended 31st December, 1918	148,873 18 3	
		£206,117 0 2

RESERVE FUND.

1918—December 31st	£2,040,000 0 0	
Transfer from Profit and Loss	40,000 0 0	
		£2,080,000 0 0

GEORGE J. COHEN, Chairman. H. H. MASSIE, General Manager. F. J. L. DUNLOP, Accountant.

Sydney, 16th January, 1919.

We hereby certify that we have examined the bills, compared the balances and counted the coin in the Head Office of THE COMMERCIAL BANKING COMPANY OF SYDNEY, LIMITED, and have compared the returns of the Branches, and have found the same as specified in the foregoing Balance Sheet.

W. L. DOCKER, J. J. BRENAN, Auditors.

Just Published.

PAPERS ON CURRENT FINANCE. By H. S. FOXWELL, M.A., F.B.A., Professor of Political Economy in the University of London. 8vo, 10s. net.

MACMILLAN & CO., LTD., LONDON, W.C. 2.

NOTICE TO BRITISH VISITORS.

SWISS ANNUAL INDUSTRIES FAIR,

BASLE,

April 24th to May 8th, 1919.

□ □ □

For further particulars and passports apply to

Mr. H. Martin,

First Secretary and Commercial Adviser to the Swiss Legation,

32 Queen Anne Street, London, W. 1.

Now Ready.

ON PAYMENT OF THE NATIONAL DEBT.

FOUR LETTERS ADDRESSED TO A STATESMAN

By W. LEIGHTON JORDAN,

Fellow of the Royal Statistical Society, Member of the London Chamber of Commerce, Past President of the English Literary Society of Buenos Ayres.

Second Edition, with *pro forma* assessments. Price 9d. post free.

By the same Author.

THE STANDARD OF VALUE.

Demy 8vo. 7s. 6d. net.

"A lucid statement and clear case for bimetallists."—*Finance Chronicle.*

"A powerfully written attack on Lord Liverpool."—*Scotsman.*

SIMPKIN, MARSHALL, HAMILTON, KENT, & Co., Limited, E.C. 4.

NATIONAL TRUST COMPANY, LTD.

Reserve Fund - £328,767 2 7
Paid-up Capital - £308,219 3 7
Assets under Administration £18,457,192

HEAD OFFICE: TORONTO, CANADA.

BRANCHES:
Montreal, Winnipeg, Regina, Saskatoon, Edmonton.

Executor and Trustee.

Acts as Agent for clients and corporations and has exceptional facilities for investing British and Foreign Funds in carefully selected First Mortgages on Farms and improved City properties in Canada.

Guaranteed Trust Investments.

Correspondence Invited.
28 Bishopsgate, London, E.C. 2. A. L. NUNNS, London Representative.

Bankers:—
Bank of Scotland. Canadian Bank of Commerce.

BANQUE NATIONALE DE CREDIT.

CAPITAL .. .. Frs. 150,000,000
RESERVE FUND „ 36,000,000

Head Office:
16 BOULEVARD DES ITALIENS, PARIS.

BRANCHES at Lyons, Marseilles, Havre, Angers, Dijon, Nantes, Orleans, Rouen, Saint-Etienne, Toulouse, Tours, Troyes, Bordeaux, and 140 others in the chief centres of France.

GENERAL BANKING BUSINESS.

PROVIDENT ACCIDENT AND GUARANTEE COMPANY, LIMITED
Formerly known as the
Provident Clerks' & General Guarantee & Accident Co., Ltd.
Head Office, - **61 Coleman Street, London, E.C.**
Temporary Offices, **52/5 Coleman Street, E.C.**
West End Office, **199 Piccadilly, W.**
Established 1865.

GUARANTEES FOR FIDELITY.
The Company ISSUES BONDS for TRUSTEES in BANKRUPTCY, RECEIVERS and LIQUIDATORS in CHANCERY, and for all GOVERNMENT or Commercial Appointments in which security is required.
ACCIDENT INSURANCE OF EVERY KIND.
LANDLORD AND PROPERTY OWNERS' INDEMNITIES.
WORKMEN'S COMPENSATION, FIRE, BURGLARY, MOTOR CAR, DRIVERS' INDEMNITY, CONTINGENCY, PLATE GLASS, LIVE STOCK. **C. A. FREEMAN, Manager & Secretary.**
Telephone: LONDON WALL 5306 (4 Lines).

N. P. I.
PEACE LEAFLETS.

1. **Peace Savings Certificates.**
2. **Paterfamilias and the Peace Problem.**

Copies of these Leaflets will be sent post free on application to the
NATIONAL PROVIDENT INSTITUTION
48 GRACECHURCH STREET, LONDON, E.C. 3.

THE
BRITISH GENERAL
INSURANCE COMPANY, LIMITED,
CAN GIVE YOU
SOME ADVANTAGES
In connection with your Insurances. Ask for Particulars.
Head Office-66 CHEAPSIDE, LONDON, E.C.

PEARL
ASSURANCE COMPANY, LTD.
Chief Offices: High Holborn, W.C. 1.
Annual Income exceeds £5,250,000
Claims Paid exceed £23,000,000

REFUGE
ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.
Annual Income Exceeds - £4,700,000
Assets Exceed - - - - £15,900,000
Claims Paid Exceed - - - £28,000,000

SUBSCR PTION TO "THE STATIST."
TO INCLUDE ALL SUPPLEMENTS.
Payable in Advance.

Inland.
One Year, £1 10 0 | **Half-Year, £0 15 8**
(Post Free.)

For Colonies and Abroad (within Postal Union).
One Year, £1 17 4 | **Half-Year, £0 18 8**
(Post Free.)

OFFICES: 51 Cannon Street, E.C. 4.

IMPORTANT NOTICE.
All Editorial communications should be addressed to the Editor.
Business communications should be addressed to the Manager, THE STATIST,
51 Cannon Street, London, E.C. 4.
Telegrams: "Statist Cent. London." Telephone: 5258-5259.

The Statist.
LONDON, SATURDAY, APRIL 19, 1919.

CONTENTS.

	PAGE
LEADING ARTICLES—	
STOCK TAKING	687
INDIA	687
SOCIETE GENERALE DE BELGIQUE	688
BIRKENHEAD	689
THE ALKALI INDUSTRY—II.	690
BRAZIL	691
THE TINPLATE TRADE—I. ...	692
IRISH COPPER ORE DEPOSITS	693
LAND PURCHASE IN IRELAND —III.	695
PAPER MANUFACTURE IN IRELAND	697
FOREIGN TRADE OF BRAZIL ...	699
LONDON NITRATE COMPANY...	703
TRADE OF INDIA—I.... ...	725
S. AND CENTRAL AMERICA—	
ARGENTINA	696
THE MONEY MARKET—	
RECONSTRUCTION	679
STOCK EXCHANGE... ...	681
MINING TOPICS—	
MODDER DEEP	682
EAST POOL AND AGAR ...	683
NUNDYDROOG	684
TABULAR APPENDIX—	
I. Bank Returns, &c. ...	684
II. Current Bank Rates of Discount	685
III. Foreign Exchanges ...	685
IV. Bankers' Clearing-House Returns	685
V. Freights	685
VI. Wholesale Prices of Commodities	686
VII. Railway Revenue Statements	686
VIII. Railway and Tramway Traffic Receipts ...	686
FINANCIAL NOTES—	
RUSSIA	699
KOREA (CHOSEN)	700
AMERICAN TOPICS—	
SENATOR LODGE'S SPEECH...	702
CANADIAN GENERAL ELECTRIC	702
RUBBER TOPICS—	
LONG-DISTANCE MOTOR TRANSPORT	703
PATALING	704
CHEVIOT (NEGRI SEMBILAN)	704
MALAY RUBBER PLANTERS ...	704
NEW ISSUES—	
HANDLEY PAGE, LTD. ...	709
BRITISH INDUSTRIAL CORPORATION	709
CROCKER, SONS & CO., LTD.	709
FULLER'S UNITED ELECTRIC WORKS, LTD.	709
PALMERS SHIPBUILDING AND IRON CO.	709
ALLEN LIVERSEDGE, LTD. ...	709
INSURANCE NOTES—	
PRUDENTIAL ASSURANCE CO., LTD.	705
COMMERCIAL—	
THE HOSIERY TRADE ...	706
THE BOOT AND SHOE TRADE	707
INDUSTRIAL COMPANIES—	
CAIRN LINE OF STEAMSHIPS...	710
CLAYTON AND SHUTTLEWORTH	710
KING LINE, LTD.	710
REPORT—	
SOCIETE GENERALE DE BELGIQUE	711-716
MEETINGS OF PUBLIC COMPANIES ...	717-725

The Money Market.

Wednesday, April 16, 1919.

	Current Rate Fixed	%	Previous Rate Fixed
Bank of England Rate...	**5 (Apr. 5,'17)**	**5½**	**Jan. 18,'17**
Bank of England Rate — to Clearing Banks: 3 days' notice ...	**3 (Feb. 14,'18)**	**4**	**June 19,'17**
for Foreign Money*	**4½ (Nov. 15,'17)**		**extended Jan. 2,'18**

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances.

Deposit Rates:—			
Banks & Discnt. Ho. (Call) 3†	(Feb. 14,'18)	3½	Jan. 2, 18
Discount Houses (Notice)... 3	(June 6,'18)	3¼	Feb. 14,'18

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Tr'sury Bills (Fixed Feb. 14,'18)—		3½	—	3½
Bank Bills	3½	3½	3½	3⅝
Trade Bills	—	4-4¼	4-4¼	4-4½

RECONSTRUCTION.

ASSUMING that the Prime Minister will be in a position to make a really definite and substantive statement as to the actual date of the conclusion of peace while THE STATIST is passing through the press, one of the most important subjects we can consider at present is the means available for putting in hand the reconstruction of the finances and trade practically of the whole world. For over four years nearly three-quarters of the estimated population of the globe, civilised and barbarous, have been engaged in a devastating war, which has led to an enormous, if not wholly unprecedented, destruction of life, property, and the savings of the community. In addition, in order to pay our way, not merely this country, but nearly every country, even the United States of North America to a small extent, have mortgaged savings yet to be earned. There can be no reasonable doubt that the dilatory tactics pursued in Paris have tended

to accentuate the difficulties with which the whole civilised world is faced, and to increase the general growth of unrest, and what has come to be called Bolshevism or revolutionary movements, in so many parts of the world. Even the most ignorant, who are unable either to read or to write, are human beings, and have, many of them, a considerable amount of intelligence, even though it be very imperfectly developed. They could not express, as we have endeavoured to do, the financial and economic chaos into which the War and the delayed Peace have plunged so many countries of the world, accentuated, as we have already said, by the delay in Paris. But they have a dim consciousness of the facts above stated, although they could not put them into a form which would permit of their being printed in a newspaper. Until we know what Germany is able to pay, has undertaken to pay, and how and when she proposes to pay whatever indemnities may be imposed upon her, and the definite date on which peace will actually be signed, finance, trade, and industry in every part of the world is in a very real sense held up—in a sense in which, indeed, it should not be held up whenever peace is definitely concluded, and certainly was not restricted in the period which preceded the outbreak of the War.

As the Government truly points out from time to time, when it is urged to hasten the process of demobilisation, until peace is actually signed, we are technically, if not actually, engaged in war, and until the enemy has signed the peace he is in no sense bound by its provisions. Although we know, or think we know, that Germany is more or less in a state of anarchy, that she has asked the Allies to supply her with food, and has received a measure of supplies, that she has had to surrender, not merely her war vessels, but the greater part of her mercantile marine, and presumably she is not in a position to engage once more in a war with a thousand millions of enemies, still the fact remains that all the Armistice has actually done is to bring about a cessation of hostilities; and, while that state of things lasts, traders, bankers, financiers, promoters, and those who set in motion the wheels of economic development, are checked both by prudent considerations, and by the fact that those who have the custody of large amounts of capital will certainly not release that capital from their control until they see their way more clearly than at present.

Meanwhile, in neutral countries, as well as in the countries of the recent belligerents, thousands, and in some cases millions, of people are idle, and living more or less upon what our Government calls "out of work allowances," although in some of what formerly were the richest countries of the world there is work and to spare for whole populations for years to come. There is probably not a single country in the world that does not require the complete reorganisation of its transportation facilities. Those who have the misfortune to be compelled from time to time to travel on the various railway systems of this country, not to speak of some other countries where the conditions are worse, have the fact painfully brought under their notice whenever they make a journey, even of a short distance. In consideration of the payment of a fare, now 50 per cent. in excess of that it was charged in the pre-War period, they are carried at slower speed, in greater discomfort, in rolling stock the bulk of which requires to be scrapped, and over a permanent way that really demands a well-earned retirement from active employment. So bad is the state of things in Belgium that it was reported in the Press during the past week—as, no doubt, many readers will have observed—that large numbers of Belgians who have only recently returned from exile are contemplating emigration once more, as they feel that they have not the resources which would enable them to remain at home until the prolonged period of reconstruction at last arrives. The condition of the ten provinces of France, lately in the occupation of the enemy, have been from time to time described with more or less accuracy in the various public prints of this country. If the railway rolling stock in England is in the condition which our readers know it is in, as well as we do, what must be the condition of the railway rolling stock in those countries which have lately been actually devastated by war, and, for that matter, even in neutral countries which have been unable to obtain material for repairing the rolling stock or relaying the road-bed? Even from the United States of North America complaints are heard that the railway system is not what it was in the pre-War period; and this can readily be believed when one bears in mind that, even for years before the United States entered the War, her steel works and railway building sheds were occupied in the manufacture of munitions of war to be expended on the various fronts extending from Calais into Asia. Like, no doubt, the majority of our readers, we have not had an opportunity of inspecting the roads of the various countries of Europe. But, we can certainly add our testimony to whatever evidence may be available that the roads of this country leave a very great deal to be desired. And there is hardly a road-making authority in England that could not profitably employ a considerable body of road-makers in the reconstruction of the main thoroughfares of this country, not to speak of what are known as the minor roads.

With regard to commodities, comprising food and raw materials, either in their raw or in the manufactured state, the reader will bear us out when we say that there is an enormous amount of work to be done which should occupy many millions of people for a very appreciable length of time.

POSITION IN NEW YORK.

As is the case with nearly every country of the world, business in general, and in new enterprises in particular, is checked all over the United States pending some definite announcement as to when Peace is likely to be actually signed. Even Wall Street, which recently became active on the belief that the peace signature could not be delayed beyond a very short time, has again become dull, owing to the prolonged disappointment. The immense number of factories recently engaged in the making of munitions are gradually adapting themselves to the purposes of peaceful reconstruction. The railways of the United States, as is the case with ourselves, are under the control of the Government. And although it is notorious that sooner or later there will be a great demand for railway material for improving the condition of the lines, until some definite arrangement is arrived at between the companies and the Government there is a cessation in the demand for steel rails for improving the road-beds and for the various commodities necessary for improving the rolling stock. It is reasonably certain that there will be an immense demand for various products of the United States on the part of those countries which have recently been devastated by war; but, in the nature of the case, very few orders can be placed until it is known what will be the economic resources of the buying countries.

ROYAL EXCHANGE
ASSURANCE.
Incorporated A.D. 1720. Governor: VIVIAN HUGH SMITH, Esq.
FIRE, LIFE, SEA, ACCIDENT, and GENERAL INSURANCES.
The Corporation is prepared to act as TRUSTEE and EXECUTOR.
Apply for full particulars of all classes of Insurance to the Secretary—
Head Office: ROYAL EXCHANGE, LONDON, E.C. 3.
West End Branch: 44 PALL MALL, S.W. 1.

THE POSITION IN INDIA.

We discuss elsewhere the seriousness of the situation in India with regard to the alarming occurrences in the Punjab, in the great Presidency of Bombay, and in various other parts of India. As we explain, it would be undesirable to attach undue importance to the regrettable incidents, bearing in mind that the Indian Government appears to have the matter fairly well in hand; and, of course, if necessary, troops could be hurried to any particular scene of disturbance. It is naturally alarming when a population, however excited, resorts to burning Government buildings, and even does not hesitate to burn down privately-owned banks and to murder European residents in the country; and we need not say that we have all sympathy for the relatives of those who have lost their lives in these very regrettable incidents. For some time past, as we have pointed out, there has been a large measure of anxiety, both here and in India, owing to the partial failure of last year's monsoon and to the little rain which has since fallen. It will be remembered that for some months now India has been importing wheat from Australia and rice from Burma in immense quantities. There was a small decrease in the area sown under rice in the last season. But it amounted to less than 5% compared with the preceding year all told. This was partly due to the unsatisfactory nature of the monsoon. But it was partly due to a belief in India that with the approaching end of the War there would not be so keen a demand for rice as had been the case during the past four years. The result of the monsoon, and the consequent failure of irrigation works over large districts has apparently resulted in a decreased yield compared with the preceding season of more than one-third of the whole crop; and, consequently, scarcity of food is one of the contributing, if not one of the dominant, causes of the present unrest. It has to be remembered that relief works have had to be started, although, as we have said on various occasions, the number on relief works is very much smaller than was the case in other periods of real or partial famine. This is ascribed largely to the fact that during the long period of the War, and, indeed, for years before it, India had enjoyed an exceptional measure of prosperity, and consequently, that a large proportion of her people had considerable reserves to tide them over till the period of the next monsoon. It need not be added that the coming monsoon is looked forward to with a large measure of anxiety.

SILVER.

The variations in the price of silver have been again this week determined by the relative rise and fall of the exchanges between New York and London. On the whole the changes have not been very material, and the price of silver closes to-night at 48⅛*d*. One important feature in the Silver market is the probable demand for silver in India in the early future. There has been no change in the value of the rupee for several months since it was raised to 1*s*. 6*d*. From the causes explained there are grounds for the belief that it is certainly possible, and, indeed, may be said to be probable, that there will be a further rise in the future. Information is, however, lacking which would enable us to form a really definite opinion upon the subject. For example, we do not know what were the actual arrangements come to between the Indian Government and the Government of the United States. In addition, we do not know the cost incurred by the Indian Government in obtaining silver for minting purposes in India. And, finally, we are practically in the dark as to the amount she has been actually obtaining for those purposes.

BARCLAYS BANK
LIMITED
(with which is amalgamated the LONDON PROVINCIAL & SOUTH WESTERN BANK Ltd.)

Business with Italy.

Barclays Bank Limited have pleasure in drawing attention to the increased banking facilities provided by an arrangement with the BANCA ITALIANA DI SCONTO, ROME, and the principal towns in Italy.

INQUIRIES ARE INVITED.

Address:
The Foreign Manager, 168 Fenchurch St., E.C.3.

Stock Exchange.

On the eve of closing for holidays there is invariably a desire to lighten responsibilities and indisposition to assume fresh commitments, and when, as at the present time of general unsettlement, it is more than ever problematical what adverse occurrences may crop up in four days, it is natural that quiet conditions should have ruled in the Stock markets this week. But, considering the unpleasant news from India, following the unrest in Egypt, there is room for satisfaction in the comparatively small movements registered against holders. Even India stocks have only dropped fractions, which seems to indicate that the riots in Amritsar, Ahmedabad, and Bombay are not viewed with great concern in responsible quarters. The news from France points to the imminence of a complete agreement among the Allies as to the peace terms, and there would appear, therefore, to be a good prospect of the treaty being a *fait accompli* in a very short time now. Hence the political atmosphere, from the Stock Exchange point of view, is clearer, and, if it becomes quite clear within the next few weeks, and the Budget does not contain any very unpleasant surprise when it is introduced 16 days after the holidays, surrounding conditions will be much more favourable to increase in business than has been the case in recent weeks. Above all, the report that the indemnity has been settled is important, and if the amount payable to the Allies proves, as has been so confidently asserted by the newspaper correspondents, much larger than expected, it will put fresh heart into investors troubled of late with fears of the burden of war costs and uncertainty as to the purchasing power of Continental Countries. Germany will be impoverished to rebuild Belgium and France. But it should not be overlooked that a large section of the war-wealthy citizens of the United States have relationship and sympathetic connections with Germany, and in peace will incline to help her. If the United States does that, and at the same time the finances and purchasing power of France, Belgium, and Italy—by reason of her labouring sons in the United States—are straightened and strengthened, then the prospect of order being quickly restored and trade expanded will be enhanced. The industrial rebuilding and growth of France particularly is a matter of moment to this country in view of our friendly and trade relationship and large outstanding loans. The control and working by France of the Saar Valley mines, if that proves to be included in the peace treaty, becomes, therefore, a matter of the greatest importance. Russia remains a black spot, but it should not be long now before the Allies have the main business completed and are free to attend to the Bolsheviks.

In the gilt-edged section of the market early improvements in Consols and War Loan were not maintained, and to-day (Wednesday) the closing prices are respectively 55⅜ and 95⅝. The statement which the Prime Minister made in the House to-day will quite possibly put a different complexion on the market to-morrow (Thursday). Declines of ¼ each in India 3 and 3½ per Cents are attributable to the native unrest. Colonial Government securities show practi-

cally no change, but among foreign bonds French Rentes have been dull, and a reactionary tendency after their recent rise has developed in Japanese 4½% and Brazil Fundings. The steadiness in Home railway securities last week has given place to weakness this week, the market wearing a neglected and depressed appearance. Foreign rails on the contrary, and especially Argentine descriptions, have shown more life than for some time past, consideration being given to the substantial fall that has occurred since the beginning of the year owing to the labour situation. This now appears to be improving. Entre Rios exceptionally dropped 2 points on Monday, but subsequently recovered. Antofagasta Preferred and Deferred have been features of strength, but Nitrate Railway Ordinary have weakened on the reduced final dividend. Great Western of Brazil have again shown to advantage. In the Colonial group Canadian Pacific are a trifle lower, but Grand Trunk stocks have been firm for the most part. The report shows that while gross receipts in 1918 amounted to £12,655,224, against £9,957,110, working expenses totalled £10,979,959, or 86.75% of the gross receipts, in comparison with £8,065,142, or 81% in 1917. The net revenue was £123,574 less at £1,857,152, and the net revenue receipts £189,074 down at £2,269,833. After meeting net revenue charges a surplus remains of £1,800, against £26,280. It has been announced that the Company will pay the interest due on April 1 on the Grand Trunk Pacific Prairie and Mountain and Lake Superior 4% bonds, apparently out of advances obtained against new capital recently authorised. The prices of these bonds are higher in consequence.

Among breweries City of London Ordinary are again higher. Egyptians have been dull, National Bank shares being prominently so with a decline of about ½, while Sudan Plantations have dropped back to 6½. There has again been some profit-taking in Insurance descriptions, and the sanction of the Commercial Union share-splitting scheme has not had much effect on the price. Among iron and steel shares Otis Common have jumped sharply to 201. Messrs. Salomon and Company, of New York have made an offer to purchase Preferred stock at 120 net and the Common stock at 210 net London terms *cum* dividend. The report for 1918 shows good results, but not so favourable as for 1917. Through heavy war and excess profits taxation, the final dividend recommended on the Common stock is 2½% plus 2½% bonus, making 12½% for the year, against 20% for 1917. Nitrates have been good again, particularly Lautaro and Pan Azucar.

In the oil section Burmahs enjoyed another sharp rise on Monday, while Anglo-Egyptian "B" and British Borneo Petroleum have also appreciated substantially. Lobitos, however, have been the subject of profit-taking, and Mexican Eagle Common are weaker. Mexican Eagle, Shell shares have been less active than of late.

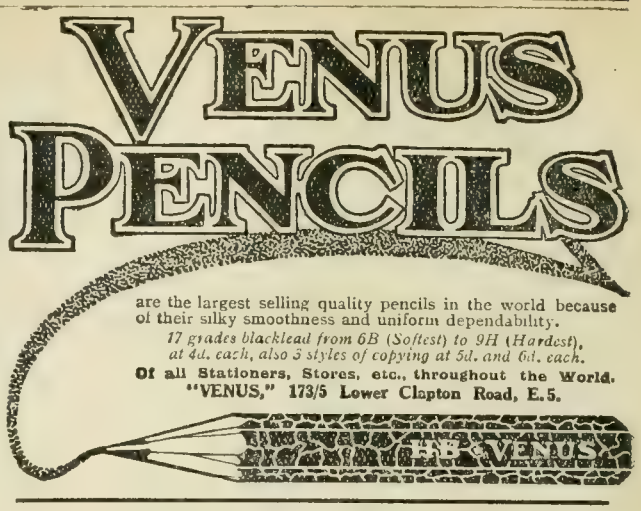
NOTICE TO BANKERS.

Advances upon STOCKS AND SHARES will be entertained upon favourable terms by the

LEGAL & GENERAL LIFE ASSURANCE SOCIETY.

The transactions can be carried out expeditiously and cheaply, and full particulars will be sent upon application to

No. 10 Fleet Street, London, E.C. 4.



WEST AFRICA.

INNES MacDONALD & SEALE, LTD.

¶ Examinations and reports on Mining Properties in the Gold Coast Colony and Northern Nigeria.

¶ Concessions prospected and opened up.

¶ Mines managed on contract and tribute.

Offices... ... { TARKWA, GOLD COAST COLONY. 17 FARRINGDON AVENUE, LONDON, E.C.

M. L. INNES BROWNE, London Representative.

Mining Topics.

THE approaching holiday restricted business in the Mining markets this week, and movements in prices have been for the most part slightly against holders. Mexico of El Oro, El Oro Mining and Railway, British Broken Hills, and Renong tin shares have been good spots in an otherwise inactive market.

MODDER DEEP.

THE Modder Deep is a popular mine with the native workers. It is not very deep as mines on the Rand go, and the shape of the property along the strike of the reef requires only five levels for opening up and attacking the ore. Furthermore, the big stoping width of 6½ feet makes conditions of working comfortable, and permits of the employment of rock drills on a large scale. These circumstances explain how in such a bad year as 1918, from the point of view of labour supply and influenza epidemic, the Company managed to achieve a fresh record in prosperity. The tonnage milled was 11,700 tons more than in 1917, and the yield per ton was 40*s*. 11*d*., against 39*s*., and though expenses rose 1*s*. 1*d*. per ton, the working profit comes out at £593,851, or 23*s*. 6*d*. per ton, in comparison with £561,176, or 22*s*. 8*d*. per ton in respect of 1917. Sundry revenue brought in £9,024, against £8,124, but on the other hand taxes amounted to £79,124, or £7,113 more than for 1917, and sundry disbursements for donations, &c., were a little higher. However, in 1917 £23,788 was provided for excess development and equipment expenditure, whereas no similar allocation is necessary for the past year. Hence the net profit shows an increase of £29,000 to £519,701. It is manifest from the accounts that the total dividend on the £500,000 capital could have been raised to 100%. Actually shareholders received 97½%, against 85%, and a balance profit of £31,202 is added to the carry-forward, against a similar addition in respect of 1917 of £45,013. The carry-forward now stands at £157,677, and the balance sheet shows £50,000 of surplus cash

resources, excluding £74,065 value of stores and materials.

Issued Capital: £500,000 in £1 shares.

	Ore Milled Tons	Gold Yield per Ton	Working Costs per Ton	Working Profit £	Working Profit Per Ton	Net Profit* £	Dividend £	Dividend %
1915 ...	390,000	34/5	17/1	338,430	17/4	283,303	175,000	35
1916 ...	454,000	37/10	16/4	486,963	21/6	420,852	337,500	67½
1917 ...	494,400	39/0	16/4	561,176	22/8	490,250	425,000	85
1918 ...	506,100	40/11	17/5	593,851	23/6	519,701	487,500	97½
1919.								
Jan. ...	44,400	39/10	16/10	51,074	23/0	—	—	—
Feb. ...	39,700	41/9	17/11	47,240	23/10	—	—	—
Mar. ...	42,800	41/6	17/7	51,253	23/11	—	—	—

* After deduction of taxes.

As regards developments underground the results of the year were again uniformly good. The quarterly reports alone furnish details of footage on reef and values, and it is impossible to give a true comparison with 1917, as the payable developments have only been given since March last year. It would appear, however, that though the total development work done was less, there was a higher percentage of payability and better values, for, notwithstanding the larger tonnage milled in the year and the improvement in the gold yield the ore reserves again show an increase in tonnage and an improvement in value as follows:—

Ore Reserves at December 31.

	Tons	Average Value	Average Width In.	Shilling-Inches
1915	2,670,000	35/3	73	2,573
1916	3,320,000	35/8	78	2,780
1917	3,320,000	36/11	78	2,878
1918	3,450,000	37/4	78	2,900

NOTE.—In addition ore on surface dump, 185,395 tons, taken into balance sheet at 3*s.* 2*d.* per ton.

It looks as if, barring accidents, even better milling results will be shown this year, and it would not be surprising to see the dividend again raised. The fall in the value of explosives and stores should be reflected before long in the working costs; and though on the other hand it is impossible to say whether there will have to be an increase in native labour wages, it has to be remembered that the Modder Deep is better placed than most of the Rand mines for counteracting this factor. Last year 85% of the ore stoped was broken by machines, of which the modern and highly efficient jack-hammer drills contributed only 2.41%.

The Company's £1 shares are now quoted at 7⅝. The total life may be roughly placed at about 16 years, including the seven years' supply for the mill represented by the ore reserves.

EAST POOL AND AGAR.

"THE directors desire to remind the shareholders that the conditions prevailing in 1918 were abnormal, and also that the richer reserves of the mine were encroached on at the request of the Ministry of Munitions." It is essential to bear that statement in mind when considering the results reported for the year. The mill dealt with a smaller quantity of ore than in 1917, but the higher grade of the ore mined sent up the average tin yield per ton from 27.3 lb. to 38 lb. The wolfram yield per ton was also slightly higher, but the arsenic yield was less. Prices of all three products ruled at extravagantly high levels, the tin fetching £195 per ton against £137, and the arsenic £135 against £69 15*s.* Wolfram averaged a little less than in 1917, but the price realised of about £178 10*s.* was considerably above the average of previous years. As a result of the richer ore treated and the high prices the value of produce was 77*s.* per ton milled, against 45*s.* 7*d.* in 1917 and 30*s.* 7*d.* in 1916. Costs showed an increase of 60% on the 1917 figure, and were just double the level of 1916. This is after including about £35,000, or say 9*s.* per ton, for excess profits tax. Exclusive of such tax working costs averaged approximately 40*s.* 6*d.* per ton, against 30*s.* 3*d.* in 1917 and 24*s.* 9*d.* in 1916. Royalties called for 1*s.* 11*d.* per ton against 1*s.* 6*d.* per ton in 1917. The net profit comes out at £103,784, or 86% on the capital of £120,000, which includes £20,000 capitalisation of profit last year. The cash dividend is doubled to 50%, and £16,898 is added to reserve. There then remains £26,886 of unappropriated profit, which, together with £16,876, makes the credit balance to profit and loss account £43,762. Large sums will be required in the immediate future to provide for developments and expenditure on machinery and plant, as well as excess profits duty not allowed for in expenses. Hence the directors have decided to conserve the cash resources, and instead of paying a further cash dividend recommend the capitalisation of a further £30,000 of the undivided profits and the distribution to shareholders of one new 5*s.* share for each four shares already held. This will raise the issued capital to £150,000. We compare the results of the last four years in the table below:—

	Years ended December 31— 1918	1917	1916	1915
Ore crushed	Tons 75,401	Tons 77,287	Tons 81,395	Tons 81,426
Black tin output	1,280	943¾	914¼*	597
Wolfram output	57¼	71	100¾	127⅛
Arsenic output	419¼	488¼	526½	801⅛
	Lb.	Lb.	Lb.	Lb.
Tin yield (per ton)	38·03	27.3	25.16	16.4
Wolfram yield (per ton)	2·72	2.0	2·8	3·5
Arsenic yield (per ton)	12·47	14·2	14·5	23·2
	£	£	£	£
Tin value	249,544	129,263	94,495	53,042
Wolfram value	10,237	12,876	17,543	20,000
Arsenic value	30,495	34,062	12,434	11,219
Total produce value	290,517	176,260*	124,646*	84,373*
Average price per ton, tin ...	195	137	103¼	88⅛
,, ,, ,, wolfram ...	178½	181½	174½	157
,, ,, ,, arsenic ...	135	69¾	23¾	14
	s. d.	*s. d.*	*s. d.*	*s. d.*
Produce value (per ton milled) ...	77 0	45 7	30 7	20 9
Total costs (per ton milled) (*a*) ...	49 7†	30 3(*a*)	24 9	20 6
	£	£	£	£
Working profit	108,055	61,442	24,301	802
Depreciation	4,271	1,791	7,826‡	1,774
Net profit	103,784	59,651	16,478	(*Loss*) 72
Dividends	60,000 (50%)	24,060(*b*) (25%)	13,674 (15%)	— —
Reserve	16,898	—	—	—
Balance profit	26,886	35,591(*b*)	2,804	(*Loss*) 72
Brought forward	16,876	1,285	*Dr.* 1,519	*Dr.* 447
Carried forward	43,762(*c*)	36,876(*b*)	1,285	*Dr.* 1,519

* Includes small quantity of copper and tin-scheelite.
† Including excess profits duty (about 9*s.* per ton).
‡ Including £6,007 written off development account.
(*a*) Costs include royalties.
(*b*) £20,000 of this balance profit capitalised.
(*c*) £30,000 of this balance profit capitalised.
NOTE: Not all the produce of one year is sold the same year.

The root cause of the remarkable change in the Company's profit-earning power is the opening up of the big and extremely rich Rogers lode, discovered in 1914. Ore from this lode contributed 55% of the tonnage mined last year. Development work for the purpose of opening up fresh ore was very restricted, partly through labour shortage, but mainly through concentration on production for munitions purposes. It is proposed to make up leeway this year, which seems to imply reduction in yield and profits. At the 190-fathom level—the deepest is at 240 fathoms—what may prove to be a highly important disclosure was made. Diamond-drill borehole intersected a lode which lies about 230 feet north of the Rogers. The core of the bore averaged 37 lb. black tin per ton for a width of 10 feet. At the 212-fathom level—that is 132 feet deeper than the 190-fathom—a borehole intersected the same lode, but where cut it was in killas and does not carry payable values. This borehole, it should be noted, however, was started from 698 feet west in the level, whereas the 190-fathom bore was put out from 621 feet east. From the other borehole and development indications it is very evident that the ground is highly mineralised, and immense scope appears to exist for further discoveries and the opening up of ore for the mill. The Company has also a one-third interest in the Tehidy mineral rights, mostly untouched ground, in the immediate neighbourhood, which a new Company is planning to develop. The price of the Company's 5*s.* shares is 23*s.* 6*d. cum* the right to one new share for every four shares now in issue. The speculative possibilities are still considerable, but whethey they are at present overvalued or not remains to be seen.

NUNDYDROOG.

THERE was an acceleration in the upward movement in working costs at this Indian mine last year which raised the total increase in seven years to 10*s.* per ton, the 1918 cost figure being 37*s.* 3*d.*, against 27*s.* 2*d.* for 1911. Some of the rise, of course, is due to the steady deepening of the workings, but the bulk is the outcome of war conditions. There was the compensating factor of increase in gold yield up to 1916; but in the past two years this has been lost, and consequently the previous dwindling of profits has become much more accentuated. The course of earnings, the relative maintenance of the ore reserve position as regards quantity, and the steady deepening of the mine, will be apparent from the following:—

Year to Dec. 31	Ore Milled Tons (2,000 lb.)	Total Value of Gold Secured	Expenses, not Incdg. Royalty Per Ton	Working Profit Per Ton	Working Profit £	Ore Reserves Tons (2,000 lb.)	Lowest Level Incline Depth Ft.
1911 ...	102,872	339,243	65/11	27/2	199,240	38/9	160,559	2,900
1912 ...	100,552	330,937	65/9	27/10	190,778	37/11	138,440	3,050
1913 ...	90,650	304,326	67/1	31/9	160,228	35/4	150,650	3,200
1914 ...	89,950	303,551	67/5	32/3	158,541	35/2	164,800	3,350
1915 ...	94,000	321,650	68/5	34/0	161,738	34/5	210,500	3,500
1916 ...	98,000	340,787	69/5	34/1	173,548	35/4	217,300	3,650
1917 ...	99,345	337,348	67/10	35/7	160,296	32/3	202,800	3,800
1918 ...	102,731	333,760	65 0	37/3	142,381	27/9	202,300	4,000

As regards the allocation of the earnings, royalty has first to be deducted to the tune of £21,000; then last year income tax was a much larger drain and capital expenditure was again heavy in connection with sinking a new shaft and generally preparing for attacking the ore at greater depth. After making provision for these items in the amounts shown in the table herewith, there remains sufficient profit to pay dividends of 22½%, against 33⅓% for 1917, and to add £4,100 to the carry-forward. A year ago the carry-forward was reduced by £5,000, and the balance sheet showed current liabilities, including the final dividend, to exceed liquid assets, excluding stores of high value, by £9,350 Now the deficiency has practically disappeared.

As regards the current year, the Superintendent says that although the prospects as regards exploratory work are not particularly bright, an effort will be made to maintain the monthly output at about the present level. Stoping operations last year revealed considerably more ore than was calculated in the reserves. This was a fortunate circumstance, as the important ore body opened up recently in the lower levels of the mine has shortened considerably, being only 362 feet at the 3,800-foot level, against 638 feet at the 3,650-foot level and 1,166 feet at the 3,500-foot level. In the northern section of the property disclosures have been disappointing at the 3,500-foot, 3,650-foot, and 3,800-foot levels, but it is pointed out that levels of the neighbouring mine corresponding to 3,800 feet and 3,650 feet have been suspended in good ore within a few feet of the Company's boundary. The mine is the shallowest of the Indian group, and there is scope for future betterment.

Intending Settlers To South & East Africa



are notified that the

National Bank of South Africa, Ltd., have over **300 Branches within the Union**; also Offices at **Mombasa, Nairobi, Mozambique, Dar-es-Salaam, Tanga,** etc., and in **Nyasaland.**

LONDON OFFICES:

CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office—
25, COCKSPUR STREET, S.W.—1

Agency at—
10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, April 9, 1919.

Issue Department.

Notes Issued	£102,103,740	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	83,653,740
	£102,103,740		£102,103,740

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£58,031,144
Rest	3,067,193	Other Securities	77,623,997
Public Deposits	30,309,462	Notes	27,146,270
Other Deposits	116,292,052	Gold and Silver Coin	1,436,828
Seven-day and other Bills	25,532		
	£164,237,239		£164,237,239

Comparison with Previous Four Weeks [00,000's omitted]

Date	Circulation	Coin & Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919.	£	£	£	£	£	£	£	%	%	%
Apr. 9	74.9	85.1	30.3	118.3	58.0	77.6	28.6	19·49	5	3½
Apr. 2	75.1	84.9	32.8	123.3	67.1	78.9	28.2	18 07	5	3½-⅝
Mar. 26	73.8	84.2	25.8	121·7	57.0	79.4	29.0	19 71	5	3½-⅛
Mar. 19	72.2	83.4	27.2	121.8	56.8	80.8	29.8	19 89	5	3½
Mar. 12	71.4	82.4	24.3	125.9	55.3	83.8	29.5	19·63	5	3½
J'y 23, '14	28.3	40.2	13.7	42.2	11.0	33.8	29.3	52·40	3	2½

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%; July 13, 1916, 8%; Jan. 18, 1917, 5½%; April, 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Apr. 16, 1919	Apr 17, 1918	Apr. 18, 1917	Apr. 19, 1916	Apr. 14, 1909
Circulation	—	£47.8	£38.1	£34 0	£29·5
Public Deposits	—	40.0	54 8	58.2	14·2
Other Deposits	—	138.2	124 5	86.6	43 1
Government Securities	—	58.3	37.8	33.2	10 0
Other Securities	—	105.9	124 0	87.9	31 2
Reserve	—	31.6	35.4	42.4	27 9
Ratio to Liabilities	—	17·71%	19·74%	29·06%	43·70%
Coin and Bullion	—	61.0	55.1	58.0	39.0
Money					
Bank of England Rate	5%	5%	5%	5%	2½%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3½%	3⅞%	4⅜%	4⅛%	1⅛-1%
Exchanges:					
Paris Cheque	27 82½	27 16½	27 16½	28 30	25 18
New York 60 days	4 63	4 72½	4 73	4 73	4 86½
Bombay Telegraphic Transfers	1/5⅝	1/5⅝	1/4⅞	1/4⅜	1 3⅛
Prices:					
Consols 2½% Cash	55¼	55¼	55½	57½	84⅛
French Rentes 3% Money	62 75	59·10	61·75	62	97·52
Silver, London spot os.	48½d	47⅞d.	37 3-16d.	30⅜d.	23 7/16d.
Wheat, *Gazette* average qr.	73/0	73/3	85/2	53/2	37.4
Cotton, Mid Upland* lb.	18·69d.	23 07d.	12·34d.	7·90d.	5·48d.
Iron, Scotch pig ton	101/0	101/0	98/6	93/0	53/7½

* Good Middling American, Official Value.

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes' Outstanding £	Gold Coin & Bullion £	% of Gold to Notes %
Apr. 9, 1919 ...	8,077,577	4,876,675	335,324,813	28,500,000	8·5
Apr. 2, 1919 ...	8,644,620	4,585,978	332,122,712	28,500,000	8 6
Apr. 10, 1918 ...	6,065,191	4,543,743	232,379,640	28,500,000	12·3
Apr. 11, 1917 ...	4,108,004	2,444,841	151,712,514	28,500,000	18·8
Apr. 12, 1916 ...	4,622,680	3,040,458	111,019,438	28,500,000	25 6
Apr. 14, 1915 ...	2,163,950	1,687,843	41,263,573	27,500,000	66 6

Balance Sheet, April 9, 1919.

Notes outstanding—	£	Advances—	£
One Pound	254,596,143	Trustee Savings Banks	470,000
Ten Shilling	46,858,470	Currency Note Redemption A/c—	
Certificates outstanding ...	33,870,000	Gold Coin and Bullion...	28,500,000
		Government Securities...	318,087,511
Total	335,324,613	Balance at Bank of England	4,807,936
Investments Reserve A/c	16,520,834		
Total	351,845,447	Total	351,845,447

PUBLIC INCOME & EXPENDITURE [000's omitted.

1918-19 Week to	Revenue	Expenditure	Excess of Expenditure	Loans Advances, &c.— Cr.	Loans Advances, &c.— Dr.	Net. +	Cash Balance
Apr. 12	£19,080	£27,459	£8,379	£106,170	£97,794	£8,285	£6,971
Apr. 5*	18,817	56,082	37,265	130 936	99 495	31,441	8 975
Mar. 31†	38,115	51,056	12,941	429,317	410,981	18,336	12,799
12 days'19	37,897	83 540	45,643	237,108	197,290	39,816	—4,827
13 days'18	27,211	84,995	57,784	256,462	202,032	54,430	—3,354
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,804	3,516,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1918-19. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Exmnd.	Supply Services.
Apr. 12	£3,917	£7,731	£5,132	£2,300	£8 635	£230	£20,594
Apr. 5*	2,854	9,898	4,035	2 032	27,242	90	28,760
Mar. 31†	4,462	14,869	13,158	5,826	3,432	1,598	46,026
12 days'19	6,771	17,627	9,167	4,332	33,876	320	49 344
13 days'18	3,143	12,068	8,370	3,630	15 283	288	89,424
Yr. '18-19	182,220	291,188	285,028	150,587	269,984	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT.	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
Apr. 12, 1919 ...	£986,199	£459,993	£1,446,192	£1,688,514
Apr. 5, 1919 ...	977,824	470,993	1,448,817	1,684,529
Mar. 31, 1919 ...	957,236	454 993	1,412,229	1,680,638
Mar. 22, 1919 ...	948,536	456,988	1,405,524	1,676 714
Dec. 31, 1918 ...	1,094,740	455,180	11,549,920	1,420,700

* Five days. † Nine days. ‖ Highest.

FOREIGN BANKS. [In £s sterling—000's omitted.]

AUSTRIA-HUNGARY.	Gold.	Silver.	Total.	To Public.	To Dual Govts.	Note Circltn.	Bills Discounted, &c.
	Cash.			Advances			
July 23, '14	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,883
Mar. 7, '19	11,600	2,389	13,989	387,957	£1,381,708	1,558,675	116,973
Mar. 14, '19	11,600	2,372	13,972	388,410	1,375,166	1,571,211	116,968
Dec. 7, '17	11,000	2,300	13,300	692,890	—	739,300	117,600

DENMARK.	Gold.	Silver.	Total.	Discounts.	Balance Abroad.	Circulation.	Deposits.
	Cash.						
July 31, 1914	£4,100	£341	£4,441	£6,197	£788	£8,693	£47
Feb. 28, 1919	10,400	138	10,533	3,959	5,342	23,402	920
Mar. 31, 1918	10,395	137	10,522	3,644	4,206	24,137	832
Mar. 30, 1918	10,269	136	10,405	2,852	3,159	19,499	955
Mar. 31, 1917	9,121	132	9,253	5,183	2,437	16,861	1,839

FRANCE.	Gold. In Bank	Gold. Abroad.	Total Cash incl'g Silver	Bills.	Circulation.	Deposits. Public.	Deposits. Private
July 30, 1914	£165,854		£190,867	£97,788	£287,327	£15,302	£37,803
Apr. 3, 1919	142,812	79,132	234,284	40,278	1,349,459	3,798	115,043
Apr. 10, 1919	142,863	79,132	234,257	36,990	1,359,927	1,847	115,183
Apr. 11, 1918	133,533	81,424	225,257	63,330	1,043,471	2,287	131,878
Apr. 12, 1917	130,937	77,907	219,278	19,723	753,765	3,642	100,415

GERMANY.	Gold.	Silver.	Total.	Treasury & Other Notes.	Loans & Discounts	Circulation.	Deposits
	Cash.						
July 23, '14	£87,843	£16,727	£84,570	£5,278	£40,055	£94,545	£47,198
Mar. 22, '19	109,415	1,038	110,453	305,443	1,390,046	1,225,105	598,393
Mar. 31, '19	95,800	1,033	96,833	336,903	1,503,859	1,274,524	725,147
Mar. 30, '18	120,376	5,989	126,344	76,938	802,036	598,890	451,478
Mar. 31, '17	126,533	797	127,335	19,135	680,301	430,801	420,274

HOLLAND.	Gold.	Silver.	Total.	Discounts.	Advances.	Circulation.	Deposits.
	Cash.						
Aug. 1, 1914	£13,496	£243	£13,745	£13,422	£10,332	£35,880	£1,437
Mar. 29, 1919	55,778	812	56,590	10,704	14,312	84,421	6,897
Apr. 5, 1919	55,682	723	56,390	12,138	16,227	85,103	6,843
Apr. 6, 1918	60,116	596	60,712	3,019	9,593	74,856	5,195
Apr. 7, 1917	49,211	555	49,767	7,117	7,276	62,714	5,954

ITALY.	Gold.	Silver.	Total.	Other Cash.	Loans & Disc'nts.	Circulation.	Deposits
	Cash.						
July 31, '14	—	—	£48,458		£25,017	£89,204	£9,897
Mar. 10, '19	—	—	35,652		89,863	357,033	59,919
Mar. 20, '19	—	—	35,650		87,423	358,452	59,946
Mar. 20, '18	33,468	3,158	36,624	5,187	54,913	273,128	56,796
Mar. 20, '17	34,210	2,737	36,947	4,540	44,226	153,817	31,401

JAPAN.	Gold.	Discounts.	Advances	Notes.	Deposits. Public.	Deposits. Private.
Aug. 1, '14	£21,867	£1,829	£7,883	£32,722	£13,818	£1,521
Mar. 1, '19	71,214	3,414	37,754	83,617	101,879	3,244
Mar. 8, '19	71,193	1,686	38,893	80,710	109,418	3,966
Mar. 9, '18	65,252	3,841	22,735	61,870	65,970	2,577
Mar. 10, '17	40,294	528	15,309	43,153	43,422	2,603

NEW YORK BANKS & TRUSTS.	Cash Vaults	Own Aggregate Reserve.	Loans, Discounts, Invest. &c.	Net Deposits. Demand.	Time.	Total.	Excess Reserve
Aug. 1, '14	—	£89,898	£411,238	—	—	£387,165	£1,720
Apr. 5, '19	£18,846†	110,892	961,730	£802,009	£30,663	872,638	7,592
Apr. 12, '19	19,582†	112,180	988,380	796,833	30,318	874,178	7,588
Apr. 13, '18	21,080*	110,322	872,890	750 858	36 422	787,280	10,430
Apr. 14, '17	99,288*	157,128	734,818	748,593	38,615	787,198	27,852

* Counted as reserve. † Not reserve.

NORWAY.	Gold.	Balance Abroad.	F'r'gn Gov. Securities.	Discounts & Loans.	Circulation.	Deposits
July 31, 1914	£2,980	£1,678	£493	£4,868	£8,752	£783
Mar. 22, 1919	6,708	3,382	691	21,529	22,886	5,725
Mar. 31, 1919	8,201	3,699	691	20,402	23,807	5,360
Mar. 30, 1918	8,739	3,340	713	18,473	19,255	6,834
Mar. 31, 1917	7,227	4,228	708	11,130	15,483	6,897

PORTUGAL.	Gold.	Silver.	Total.	Discounts & Advances.	Note Circulation.	Deposits.
Feb. 19, '19	£1,905	£3,784	£5,689	£10,392	£32,535	£3,545
Feb. 28, '18	1,905	3,764	5,669	10,363	32,539	4,113
Mar. 5, '19	1,905	3,775	5,680	9,738	32,059	4,091
Mar. 6, '18	1,905	3,031	4,936	7,317	44,659	1,740
Mar. 7, '17	1,903	1,012	2,915	15,021	31,944	948

RUSSIA.	Gold. In Bank.	Gold. Abroad.	Total Cash incl'g Silver	Loans & Disc'nts.	Circulation.	Notes in Reserve	Total Deposits
July 31, '14	£160,114	£14,395	£181,892	£76,081	£163,411	£9,489	£109,811
Oct. 28, '17	129,523	230,885	378,205	1,869,559	1,838,217	15,783	345,550

SPAIN.	Gold.	Silver.	Total.	Loans &c.	Spanish 4%	Circulation.	Deposits &c.
	Cash.						
Aug. 1, '14	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Mar. 29, '19	90,372	25,905	116,277	74,522	13,778	138,852	43,035
Apr. 5, '19	90,448	25,731	116,179	75,698	13,778	140,457	43,084
Apr. 6, '18	80,570	28,128	108,698	50,178	13,777	116,024	33,612
Apr. 7, '17	54,778	29,878	84,852	59,580	13,777	95,942	28,581

SWEDEN.	Gold.	Balance Abroad.	Swed. & For. Govt. Secs.	Discounts & Loans.	Circulation.	Deposits.
Aug. 1, '14	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
Mar. 29, '19	16,004	7,371	3,003	20,579	39,980	6,498
Apr. 5, '19	15,997	7,420	3,002	21,171	41,021	6,052
Apr. 6, '18	14,331	7,307	3,904	15,769	34,682	6,552
Apr. 7, '17	10,727	7,598	3,399	9,993	34,186	7,607

SWITZERLAND.	Gold.	Silver.	Total.	Discounts & Advances.	Circulation.	Deposits.
	Cash.					
July 23, 1914	£7,202	£758	£7,960	£4,817	£10,718	£2,026
Mar. 31, 1919	18,751	2,614	19,365	19,278	37,603	3,148
Apr. 7, 1919	18,718	2,621	19,339	19,818	36,920	3,910
Apr. 6, 1918	14,931	2,210	17,141	14,908	27,350	5,220
Apr. 7, 1917	13,721	2,008	15,729	8,361	20,832	3,878

U. STATES FED. RES. BANKS.	Gold Held by Banks.	Gold With Agents.	Total Cash.	Bills Discount'd	Bills Acceptances.	Deposits. Govt.	Deposits. Total, Net.	Circulation.
Apr. 5, '19	£189,220	240,970	443,728	373,596	43,158	17,002	340,674	509,534
Apr. 12, '19	188,072	239,504	442,393	333,534	43,718	33,994	355,594	503,718
Apr. 12, '18	189,846	176,207	378,993	142,561	63,771	20,104	306,765	299,875
Apr. 13, '17	107,328	82,646	194,201	4,402	16,121	8,450	148,920	80,362

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Dates Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	4½	Oct. 26,'14
Berne	5½	Oct. 3,'18	Paris	5	Aug. 20,'14
Bombay	6	Mar. 27,'19	Petrograd	6	July 29,'14
Brussels	5	Aug. 27,'14	Rome	5	Jan. 11,'18
Calcutta	6	Mar. 27,'19	Stockholm ...	7	Mar.21,'18
Christiania ...	5	Dec. 13,'17	Tokio	6½	Nov. 25,'18
Copenhagen ...	5½	Jan. 2,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Apr. 16, '19	Apr. 11, '19	Apr. 4, '19	Mar. 28, '19
Brussels	Cheques	29fr. 25c.	29fr. 19¼c.	29fr. 37½c.	29fr. 80c.
Denmark	Cable	18kr. 55⅛	18kr. 61⅛	18kr. 42⅛	18kr. 25
Holland	do.	11fl. 56⅛c.	11fl. 54c	11fl. 45½c.	11fl. 43c.
Italy	do.	34lr. 55c.	34lr. 30c.	34lr. 50c.	33.r. 00c.
Lisbon and Oporto	do	33⅛d.	33⅛d.	34 l.	34 l.
New York	do.	$4 65⅞	$4 66	$4 63½	$4 66
—	Cheques	$4 65½	$4 66⅛	$4 63⅜	$4 66⅛
Norway	Cable	18kr. 07½	18kr. 05½	17kr. 94	17kr. 90
Paris	Cable	27fr. 80c	27fr. 90c	27fr. 62½c	27fr. 55c.
Spain (Bank places)	Cable	23p. 08½	23p. 15	22p. 80	22p. 70
Sweden	Cable	17kr. 46½	17kr. 45	17kr. 25½	17kr. 05
Switzerland	Cable	23f. 01½c.	23f. 03½c.	22f. 94½c.	23f. 00c.

ON LONDON—		Apr. 16, '19	Apr. 11, '19	Apr. 4, '19	Par
Alexandria	Sight	97⅛pi.	97½pi.	97⅛pi.	97⅛pi.
Amsterdam	Cheques.	11fl. 57c.	11fl. 53½c.	11fl. 43½c.	12·107 fl.
Bombay	Transfers	1s. 6 3/16d	1s. 5 15/16d	1s. 5 13/16d	1s. 6d.
Brussels	Cheques	29f. 25½c.	29f. 17½c.	29f. 35c.	25f. 22½c.
Buenos Ayres	Transfers	5 3/16d.	51 11/16d.	51 1/16d.	47.58d.
Calcutta	do.	1s. 6 1/16d	1s. 5 15/16d.	1s. 5 13/16d.	1s. 6d.
Christiania	Sight	18kr. 09½	18kr. 07½	17kr. 92½	18.159kr.
Copenhagen	do.	18kr. 67½	18kr. 68	18kr. 46	18.159kr.
Hong Kong	Transfers	3s. 3 1/16d.	3s. 3 1/16d.	3s. 2 15/16d.	—
Italy	Sight	34lr. 58c.	34lr. 25½c	34lr. 47½c.	25lr. 22½c.
Lisbon	do.	33⅜ l.	33⅜d.	33⅞ l.	53½d.
Madras	do.	1s. 6 3/16d.	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6d.
Madrid	do.	23p. 08	23p. 22	22p. 79	25p. 22
Montevideo	Transfers	—	—	—	51d.
Montreal	Cable	$4 76⅞	$4 75½	$4 77	$4 86⅝
New York	Sight	$4 65½	$4 64½	$4 66	—
—	60 days	$4 63	$4 61	$4 61	—
—	Cable	$4 65⅝	$4 65⅜	$4 68⅜	$4 86⅞
Paris	Cheques	27f 82½c	27f. 83c.	27f. 66½c.	25f.22½
Rio de Janeiro	90 days	13 3/32d.	13 1/32d.	13 1/32d.	18d.
Shanghai	Transfers	4s. 10 1/16d.	4s. 10 1/16d.	4s. 8 1/16d	—
Singapore	Sight	2s. 4 3/32d.	2s. 4 3/32d.	2s. 4 1/32d.	2s. 4d.
Stockholm	do.	17kr. 46½	17kr. 45½	17kr. 24½	18·159kr.
Switzerland	do.	23f. 05c	23f. 06c	22f 91½c	25f. 22½c.
Valparaiso	90 days	10 5/32d.	10 5/32d.	10 5/32 l.	18d.
Yokohama	Sight	2s. 2 1/16d.	2s. 2 1/16d.	2s. 2 1/16.	2s. 0.58d.

* Tuesday's rates.

NEW YORK ON—	Rate Current* Apr. 9, '19	Rate Current* Apr. 2,'19	Par as usually Quoted	Rate July 3, 14
Amsterdam, sight ...	40⅛c.	40⅛c.	40·20c. for 1 guilder	40·25c
Bombay, cheques ...	35·75c.	35·80c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	—	—		
Christiania, cheques ...	25·80c.	25·85c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	28·25c.	25·20c.	26·80c. for 1 kroner	26·85c
Greece, cheques	19·	18·70c.	19·295c. for 1 drachma	
Hongkong, cheques ...	77·25c.	76·50c.	74·59c. for Mex. $1	48·40c.
Italy, sight	7·29/.	7·00/.	5·18⅛ lire for $1	5·17/.
Lima, cheques	5·05c.	5·05c.	4·8665 $ for 1 libra	
Manila, cheques	49·70c.	49·50c.	50c for 1 peso	49·80c
Montreal	2⅛% disc.	2⅛% disc.	Premium per $100	Par
Paris, sight	5·98fr.	6·06fr.	5·18⅛ francs for $1	5·18fr.
Petrograd, sight	12 nom.	—	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	26·c	26·37½c.	32·42c. for 1 milreis	
Shanghai, cheques ...	110·50c.	107·50c.	62·93c. for 1 tael	63·00c.
Singapore, cheques ...	56·25c.	56·00c.	56·77c. for $1	57·12c.
Spain, cheques	20·20c.	20·10c.	19·30c. for 1 peseta	
Stockholm, cheques ...	28·80c.	28 85c.	26·80c. for 1 kroner	
Switzerland, cheques ...	5·01fr.	5·01fr.	5·18⅛ francs for $1	5·18⅛fr
Valparaiso, cheques ...	19·35c.	19·80c.	20·81c. for 1 peso	
Yokohama, cheques ...	51c.	51c	49·84c. for 1 yen	49·80c

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1919 Agg.	Inc. or Dec.*
	1919.	[In £'s sterling 000's omitted.]			
BIRMINGHAM ...	Apr. 12	£2,357 +	£529	£37,921 —	£829 — 2·2
BRISTOL ...	,, 12	1,572 +	516	18,821 +	3,117 + 19·5
DUBLIN ...	,, 12	7,247 +	1,420	103,136 +	21,298 + 26·0
LEEDS ...	,, 12	1,267 +	348	16,525 +	2,018 + 13·9
LEICESTER ...	,, 12	1,044 +	173	13,030 +	2,309 + 21·6
LIVERPOOL ...	,, 12	11,048 +	2,624	166,824 +	35,400 + 27·0
MANCHESTER ...	,, 12	14,757 —	321	230,923 +	14,727 + 6·8
NEWCASTLE ...	,, 12	1,775 +	438	27,141 —	894 — 2·5
NOTTINGHAM ...	,, 12	627 +	75	9,963 +	732 + 7·9
SHEFFIELD ...	,, 12	941 +	64	18,484 +	1,219 + 7·0
LONDON—	1919.				
TOWN ...	Apr. 15	309,708 +	77,913	5,669,049 +	721,337 + 14·6
METROPOLITAN	,, 15	28,106 +	5,678	430,398 +	95,853 + 24·3
COUNTRY ...	,, 15	52,199 +	11,200	882,818 +	141,288 + 19·0
TOTAL ...	,, 15	390,011 +	94,791	7,042,263 +	958,538 + 15·0

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould and Co.

HOMEWARDS.	1919 Apr. 16	1919 Apr. 11	1913 Apr. 18
Alex. to Lond.or Hull	—	—	9/0
Aust. to U.K. or Cont.	105/0	105/0	32/6
Azoff to L.H.A.R. ...	—	—	10/3
Bombay to p.p. (nom.)	100/0	100/0	19/0
Barmah ex. (nom.)	105/0	105/0	26/0
Calcut. to p.p.(nom.)	180/0	180/0	25/0
Danube to A R ...	—	—	10/9
Odessa to L. H. A. R. ..	—	—	8/0
R. Plate to U.K. Cont.	280/0	280/0	20/9

Homewards.—*Contd.*	1919	1918	1913
U.S.Atl.Ports to Liverpl. Apr 18 Apr 11 Apr 18 (cotton, 100lb.)	$1.25	$1.25	47/6
U.S.Gulf to U.K. Cont. (cra)	14/6	14/8	3·11
Gulf Ports to U.K. Cont (cotton & grain) ...	$30	$30	16/0
OUTWARDS—Cardiff to			
Bombay	—	—	12/6
Colombo	—	—	12/3
Port Said	47/6	47/6	8/6
River Plate ...	45/0	45/0	15/0
St. Vincent ...	40/0	40/0	9/3

VI.—WHOLESALE PRICES OF COMMODITIES

METALS, MINERALS, &c.	APR. 16, 1919	APR. 19, 1918	JUNE 30, 1914.
Iron—Scotch pig warrants ...ton	101/0	101/0	57/0
— Middlesbro' warrants ...ton	95/0	95/0	51/0
— Hematite warrants ...ton	122/6	122/6	61/0
— Staffordshire bars, London ton	£17	£15 10	£8 10
— Common bars ...ton	£14 15	£13 15	£6 10
Steel Rails ...ton	£10 17/6	£10 17/6	£6 2/6
Galvanised Sheets...ton	£28—£29	£28	£16 17/6
Copper—Standard...ton	£78 15—£77	£110—£110 10	£61
Tin—English Ingots...ton	£221—£222	£338—£339	£142 10
— Straits ...ton	£224 1	£331	£139 15
Tinplates, I.C. Coke, S. Wales...box	33/10½	31/6	11/10½—12/0
Lead—Soft Foreign ...ton	£24—£24 10	£28 10—£29 10	£19
Spelter—Ord. Foreign ...ton	£35 5—£35 15	£50—£54	£21 7/9
Quicksilver—(75lb.) ...bottle	£15—£16	£20	£7
Aluminium ...ton	£150	nom.	£82
Antimony—Regulus Foreign ...ton	£38	nom.	£27 10
— English ...ton	£45	—	—
Coal—(best) Yorkshire...ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle...ton	40/0—45/0	30/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	10/1	11/0	7/4
Soda—Crystals ex ship ...ton	129/0—130/0	72/6	42/6—45/0
Copra—Malay and Straits ...ton	£40 15	£45 10	£23 15—£24 7/6
Gambier—Good marks ...cwt	37/6	72/6	16/10½
Indigo—Bengal good to fine...lb.	9/0—10/6	9/0—11/0	3/2—3/6
Linseed Oil—Raw ...ton	£58	£58	£25 5
Linseed—Calcutta, spot ...ton	£29 15	£29 15	£13 16/9
— **Cakes,** U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish ...tun	nom.	—	£49 10
Palm Oil—Lagos ...ton	£44	nom.	£31 10
Petroleum—American...gallon	1/4½	1/7½	7½d.
Rape Oil—Refined English ...ton	£71	£71	£32
Soya Oil—Refined...ton	£75	£75	£24 10
Tallow—Imported ...cwt.	65/0—72/0	72/0	29/3—33/3
Turpentine—French ...cwt.	99/0	124/3	33/7½
Rape Seed—Toria...ton	£30	£29 15	£13 5
Rubber—Para, spot ...lb.	2/5	3/1½	2/9½
— Fine plantation (stnd. crepe) lb.	1/11½	2/4½	2/2
— World's Production* Feb. tons	24,700	20,998	8,467
Shellac—T.N. Orange, fair...cwt.	205/0—210/0	410/0	63/0—64/0
TEXTILES.			
Cotton—Middling Uplandt ...lb	18·69d.	25·59d.	7·53d.
— Egyptian, good fair ...lb.	28·34d.	30·31d.	8·75d.
— Pernambuco fair ...lb	20·36d.	25·78d.	7·73d.
— Mid. Upl. New York... ...lb.	28·65c.	30·30c.	13·25c.
— Stock, Liverpool, Apr. 11 bales	496,960	483,050	—
Flax—Petrograd. Yarapol ...ton	nom.	£120nom.	£28
Hemp—New Zealand ...ton	£52	£93	£25 10
— Manila, Fair ...ton	£48	£85	£28 10
Jute—First Marks ...ton	—	—	£28 15
— Red SOO ...ton	—	—	£24 15
Silk—Blue Elephant ...lb	20/6	25/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	3/11	nom.	11½d.—1/0
— Lincoln Half Hogs ...lb.	1/7½nom.	1/8 nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb	9½d—10½d.	10½	7½d.
Leather—Dressing Hides ...lb	2/7—3/3	nom.	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	152,832,000	27,230,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	237c.	226c.	87½c.
— English *Gazette*, aver. 480lb qr.	73/0	73/3	34/3
Flour—G.R. ...280lb.	44/3	44/3	28/6
Barley—Eng. *Gaz.* aver. 400lb. qr.	62/9	56/6	25/4
Oats—Eng. *Gaz.*, aver. 312lb. ...qr.	47/1	47/2	20/0
Maize—N. Y. (new bushel) .. 56lb.	179	nom.	78½c.
— Amer. mixed, Liverpool...480lb.	63/9	80/9	32/4
— La Plata ...480lb. qr.	60/0	78/0	25/9
Potatoes—Good English ...ton	192/0	120/0—155/0	70/0—75/0
Rice—Bassein ...cwt.	25/0	28/3	7/0—7/3
Tapioca—Pearl, medium...cwt	35/0	80 0nom.	14/0—17/8
Hay—Best ...2,018lb...load	178/0	161/0	82/6
Hops—English...cwt	—	£5 10—£10	£6 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs....8lb.	7/10—8/4	9/3	3/8—3/10
— Scotch sides...8lb.	8/4	8/2	4/6—5/0
— English...8lb.	8/4	8/2	4/2—4/5
Mutton—Scotch wethers...8lb.	8/10	8/8	5/8—6/0
— English wethers...8lb.	8/10	8/8	4/6—5/4
— New Zealand frozen ...8lb.	8/10	8/8	2/4—3/2
Pork—English and Irish...8lb.	10/8	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	190/6	172/0	60/0—74/0
— Danish...cwt.	—	172/0	58/0—68/0
— Canadian, ex Port...cwt.	180/0—188/0	—	—
— American, ex Port...cwt.	174/0—180/0	171/0—172/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	174/0—185/0	165/0	75/0—79/0
— — short cut, ex Port ...cwt.	172/0—184/0	162/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	160/0—169/0	152/0	51/9—52/9
Butter—Danish ...cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
French ...cwt.			98/0—108/0
— Australian ...cwt.			98/0—110/0
— New Zealand ...cwt.			108/0—114/0
Cheese—Canadian ...cwt.	Controlled 144/8	—	66/0—68/0
— United States...cwt.		—	—
— Dutch ...cwt.		160/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Mar. 31 cwts.	5,813,576	5,415,726	19,777,254
— Home consump'n to Mar.31 cwts.	8,368,991	4,746,053	17,272,000
— In Bond Mar 31 ...cwts.	6,059,000	4,019,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	32/0	36/0	10/3
— — Yellow crystals ...cwt.	57/9	46/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	64/9	53/9	18/0
Coffee—Imports to Mar. 31 ...cwts.	176,261	31,289	720,360
— Home consump'n to Mar.31 cwts.	76,101	160,461	141,410
— Exports to Mar. 31 ...cwts.	45,763	14,981	340,250
— In Bond Mar. 31 ...cwt.	880,000	965,000	484,000
— Price, Costa Rica gd.to fine cwt.	150/0—164/0	122/0—135/0	80/0—93/0
— — Brazil (Santos)...cwt.	95/0—100/0	65/0	41/6
Tea—Imports to Mar. 31 ...lbs.	109,012,638	139,347,110	123,230,277
— Home consump'n to Mar. 31 lbs.	73,382,736	83,002,730	155,447,972
— Exports to Mar. 31 ...lbs.	5,259,059	223,773	26,561,765
— In Bond Mar. 31 ...lbs.	165,302,000	85,180,000	78,292,000
— Price, Indian. Pek. Soug. good lb.	nom.	—	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	nom.	—	8½d.
— — Common Congou ...lb.	nom.	—	5½d.
Cocoa—In Bond Mar. 31 ...cwt.	925,000	726,000	309,000
— Grenada, good to fine ...cwt.	79/0—85/0	85/0	52/6—56/0

* Estimated. † G.M. American Official Value.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Cuba Railroad ...	Jan.	$1,166,270	— $55,564	$264,843	— $189,327
	7 *mos. to* Jan.	*6,132,695*	+ *349,345*	*1,253,924*	— *305,520*
Int. Rys. of C. Amer.	Mar.	$88,573	+ $12,349	$36,598	+ $8,185
	3 *mos. to* Mar.	*159,430*	+ *25,889*	*86,507*	+ *3,390*

VIII.—RAILWAY AND TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week ended		Miles.	+ or — in Yr.	Gross Receipts.	+ or — on Year Ago.	No. Wks.	Aggregate Receipts.	+ or — on Year ago.
Assam Bengal	Mar.	1	993	+ 13	R1,93,944	+ 6,442	22	37,27,464	+ 3,66,588
Barsi Light ...	Mar.	8	118	—	21,400	+ 11,200	49	8,83,600	+ 1,04,900
Bengal & N.W.	Mar.	1	3,052	+ 4	4,91,210	— 25,707	22	1,05,66,993	+ 14,38,204
Beng. Dooars	Dec.	14	158	+ 5	29,951	— 9,015	11	4,44,511	+ 28,386
Beng. Nagpur	Mar.	1	2,895	— 1	11,64,000	— 2,03,000	48	5,41,51,245	+ 32,88,710
Bomb. Baroda	Apr.	5	2,971	— 2	22,29,000	+ 3,11,000	1	—	—
Burma	Feb.	22	1,342	—	6,22,724	+ 64,123	46	2,31,07,404	+ 35,95,275
Del. Um. Kalk.	Mar.	31	239	—	1,30,571	+ 29,150	26	23,75,463	+ 34,360
East Indian ..	Apr.	5	2,767	— 40	27,74,000	+ 3,15,000	1	—	—
Gt. Indian Pen.	Mar.	31	3,112½	—	38,36,100	+ 3,49,100	26	6,41,86,699	+ 37,31,920
Madras & S.M.	Mar.	8	3,152	— 1	12,30,000	+ 41,488	23	2,39,21,780	— 3,82,037
Nizam's Guar.	Mar.	1	900	—	2,86,154	+ 30,307	22	62,91,158	+ 1,97,488
Roh. & Kumn.	Feb.	22	664	+ 2	1,17,629	— 7,519	21	22,36,277	+ 1,79,486
South Indian	Mar.	8	1,829½	—	6,95,933	+ 18,937	47	3,30,30,915	+ 1,29,335
South Punjab	M. of	Nov.	716	—	7,24,151	+ 17,464	2m	14,61,770	+ 32,68 8
COLONIAL									
Can. Northern	Apr.	7	9,487	+ 53	$836,300	— 77,300	14	11,780,450	+ 2,024,250
Can. Pacific ...	Apr.	7	13,388	+ 395	2,921,000	— 63,000	14	39,204,000	+ 3,591,000
Gd. Trunk Pac.	Mar.	7	918	—	£18,481	— 1,842	9	178,169	— 27,921
Grand Trunk	Apr.	7	3,818	—	261,894	+ 53,847	14	3,139,399	+ 980,833
Mashonaland...	M. of	Nov.	810	—	34,363	— 22,335	2m	84,472	— 39,857
Mid. W. Aust.	M. of	Jan.	277	—	9,635	+ 339	7m	62,833	+ 10,316
New Cape Cent.	Mar.	15	205	—	2,560	+ 383	11	30,632	+ 4,713
Rhodesia Rlys.	M. of	Nov.	1,397	—	60,891	— 31,823	2m	127,154	— 68,095
W. Pass. & Yuk.	M. of	Dec.	122	—	—	—	12m	£1,244,060	— 604,348
FOREIGN.									
Argentine.									
Arg. N. East.	Mar.	29	752	—	£ 12,100	+ 3,900	39	369,075	+ 44,375
Arg. Transand.	Apr.	12	111	—	£ 4,540	+ 110	41	152,780	+ 18,060
B. A. & Pacific	Apr.	12	3,538	—	£ 135,000	+ 28,000	41	4,709,000	+ 985,000
B. A. Gt. Southn.	Apr.	6	3,782	—	£ 141,000	+ 12,000	40	5,521,000	+ 1,128,000
Do.	Apr.	6	Net	—	£ 37,889	— 5,000	40	1,197,000	+ 119,000
B. A. Western...	Apr.	6	1,882	+ 12	£ 73,000	+ 2,000	40	2,728,000	+ 779,000
Do.	Apr.	6	Net	—	£ 17,000	— 1,000	40	652,000	+ 182,000
B. A. Central ...	M. of	Feb.	190	—	£ 37,889	+ 3,667	8m	322,745	+ 109,162
Cent. Argentine	Apr.	5	3,305	—	£ 150,000	— 29,000	40	5,186,100	+ 920,900
Do.	Apr.	5	Net	—	£ 26,000	— 33,800	40	717,500	— 327,273
Cord. Central ...	Apr.	5	1,205	—	£ 43,000	— 580	40	1,750,860	+ 551,610
Entre Rios	Apr.	5	831	—	£ 21,000	+ 200	40	808,000	+ 200,500
Brazilian.									
Brazil Gt. South.	M. of	Feb.	110	—	M 39,100	— 8,460	2m	86,190	— 10,310
Brazil Railway	M. of	Dec.	3,530	—	M 4,859,000	— 141,271	12m	57,772,000	+ 7,819,243
Gt. W. Brazil .	Apr.	5	1,010	—	£ 21,200	+ 5,000	14	278,000	+ 16,200
Leopoldina	Apr.	5	1,831	—	£ 38,831	+ 4,489	14	410,831	— 34,008
Mogyana	M. of	Dec.	1,180	—	M 1,561,000	— 956,490	12m	22,287,000	— 2,474,851
Paulista	M. of	Dec.	786	—	M 2,650,000	— 906 038	12m	32,479,000	— 1,225,898
San Paulo	Apr.	13	153½	—	£ 34,481	+ 7,695	15	438,820	— 50,705
Sorocabana	M. of	Nov.	1,003	—	M 1,128,000	— 865,148	11m	20,204,000	+ 1,222,880
S. of Bahia S.W.	M. of	Feb.	52	—	M 87,000	+ 11,000	2m	170,000	— 20,000
Chilean and Peruvian.									
Antofagasta	Apr.	6	838	—	£ 24,525	— 18,830	14	391,770	— 167,890
Arauco	M. of	Jan.	644	—	£ 12,500	— 1,500	1m	—	—
Nitrate (2 wks.)	Mar.	31	390	—	£ 22,278	— 8,784	13	145,048	— 62,289
Peruvian Corp.	M. of	Mar.	1,140	—	$ 1,075,760	— 43,830	9m	9,049,535	— 273,025
Taltal	M. of	Mar.	181	—	£ 8,438	— 11,954	9m	141,347	— 83,331
Cuban.									
Cuban Central ..	Apr.	5	382	—	£ 41,984	+ 6,791	40	809,657	+ 33,738
Havana Central	Apr.	5	70	—	£ 12,200	+ 6	40	358,457	+ 8,924
U. of Havana ..	Apr.	5	881	—	£ 92,788	+ 8,295	40	2,154,475	— 45,792
W. of Havana ..	Apr.	5	155	—	£ 13,396	— 984	40	317,159	— 29,673
Uruguayan.									
Cent. Uruguay	Apr.	5	272	+ 1	£ 24,479	+ 2,610	40	867,642	+ 135,824
,, (E. Ext.)	Apr.	5	311	—	£ 7,098	+ 1,614	40	215,581	+ 16,420
,, (N. Ext.)	Apr.	5	185	—	£ 3,722	— 427	40	150,954	+ 22,579
,, (W.Ext.)	Apr.	5	211	—	£ 2,970	+ 152	40	107,083	+ 17,789
Mid. Uruguay ...	M. of	Mar.	319	—	£ 19,574	+ 4,222	9m	155,625	+ 34,802
N. W. Uruguay	M. of	Mar.	113	—	$ 30,030	+ 5,650	9m	267,829	+ 27,028
Urug. Northern	M. of	Mar.	73	—	£ 2,287	+ 468	9m	18,706	+ 1,649
Miscellaneous.									
Alcoy & Gandia	Apr.	12	53	—	Ps. 10,200	+ 1,200	15	151,400	+ 13,500
Bilbao	M. of	Mar.	15	—	£ 2,789	— 1,697	3m	7,902	— 4,648
Bolivar.....	M. of	Feb.	136	—	£ 13,000	+ 3,381	8m	71,004	— 18,890
Colomb. Natnl.	M. of	Feb.	88	—	£ 7,760	— 4,040	2m	20,920	— 4,380
Costa Rica	M. of	Feb.	169	—	£ 22,514	+ 11,319	8m	177,230	+ 78,453
Dorada Ext. ...	M. of	Mar.	71	—	£ 7,500	— 700	3m	20,300	— 3,800
Egyptian Delta	Mar.	17	559½	—	£ 4,675	— 1,478	50	364,593	+ 85,248
Gt. S. of Spain	Apr.	5	104	—	Ps. 157,606	+ 132,007	14	1,903,243	+ 1,488,335
La Guaira & Ca.	M. of	Mar.	22½	—	£ 9,455	+ 3,615	3m	25,220	+ 4,585
Paraguay Cent.	Apr.	5	255	—	£ 4,620	+ 1,940	40	161,460	+ 46,980
Puerto Cabello	M. of	Mar.	24	—	£ 5,225	+ 325	3m	14,750	+ 1,750
Salvador	Apr.	5	100	—	£ 5,202	+ 907	40	100,393	+ 19,825
Santa Fe Prov. French Rwys.	M. of	Feb.	1,181	—	£ 185,520	+ 21,709	2m	322,494	+ 28,235
S'mana & S'tiago	M. of	Mar.	80	—	£ 7,938	— 1,696	3m	22,451	— 4,419
Zafra & Huelva	M. of	Feb.	112	—	£ 8,741	— 2,829	2m	20,198	— 2,295

TRAMWAYS.

			Miles						
Anglo-Argentine ...	Apr.	8	400	£	66,988	+ 9,400	13	802,988	+ 40,493
Auckland (4 weeks)	Mar.	14	27	£	23,250	+ 955	36	147,344	— 7,413
Bombay Electric	M. of	Jan.	39	R.	8,12,185	+ 48,535	12m	70,23,885	+ 8,78,440
Brazilian Traction...	M. of	Feb.	578½	M.	7,972,000	+ 657,000	2m	16,494,000	+ 1,342,000
Brisbane Electric ...	M. of	Mar.	40½	£	39,380	+ 3,830	3m	112,335	+ 10,296
British Columbia ...	M. of	Jan.	334	$	677,489	+ 117,940	7m	4,095,584	+ 612,355
B. Ayres Lacroze ...	M. of	Mar.	51	£	47,370	+ 4,723	9m	390,579	+ 44,168
Calcutta	Apr.	5	35½	R	85,553	+ 15,530	13	11,75,440	+ 1,84,543
Cape Electric	M. of	Jan.	42½	£	29,452	+ 4,966	7m	182,625	+ 14,551
Garth & Herr.	M. of	Mar.	8	£	2 400	— 2,916	3m	8,406	— 4,962
Chatham & District	Apr.	3	15	£	1,308	— 34	13	16,024	+ 402
Havana Electric	M. of	Dec.	26	$	709,891	+ 38,102	12m	8,176,545	+ 1,188,343
Isle of Thanet	Apr.	12	21	£	564	+ 350	28	9,134	+ 4,097
Kalgoorlie.....	M. of	Nov.	20½	£	2,933	+ 292	11m	30,838	+ 1,274
Lanarkshire..... ..	Apr.	3	28½	£	3,595	— 137	13	48,161	+ 5,139
Lima Light & Trams.	M. of	Dec.	85	$	47,887	+ 4,689	12m	527,839	+ 87,587
London C.C.	Apr.	9	141½	£	74,928	+ 19,595	1	—	—
Madras Elec. (2 wks.)	Mar.	31	15½	R	(Strike)	— 48,284	13	196,913	— 40,095
Manila Electric	M. of	Jan.	55	$	231,585	+ 64,585	12m	2,326,884	+ 525,809
Pernambuco	Apr.	6	69	$	5,811	+ 1,195	13	73,533	+ 8,533
Provincial	Apr.	5	21½	$	2,787	— 281	27	67,787	+ 3,487
Rangoon Electric ...	M. of	Mar.	25	$	7,533	+ 1,578	3m	19,600	+ 2,822
Shanghai Electric ...	Feb.	12	26½	Mex.$	25,780	— 1,099	6	166,984	+ 14,856
Singapore Elect.....	Mar.	1	28½	$	15,489	+ 818	9	145,471	+ 28,178
U. of Montevideo ...	M. of	Mar.	90½	£	41,070	+ 4,411	5m	190,891	+ 18,558

Shop at
LIPTON'S
for QUALITY.

LIPTON, LTD., the largest Tea Distributors, Manufacturers, and Retailers of Food Products in the World.

Head Office CITY ROAD, LONDON, E.C.1.
Branches and Agencies throughout the United Kingdom.

SUPERIOR
WINES AND SPIRITS

Owing to great demand only a limited number of the well-known "PINK LIST" quoting large and unique assortment of Superior Wines and Spirits at Market Prices is being issued.

Apply to **EHRMANNS,**
Wine and Spirit Shippers and Merchants,
43, 44 and 47 Finsbury Square, London, E.C. 2.
(Please quote "S.")

The Statist.

LONDON, SATURDAY, APRIL 19, 1919.

TAKING STOCK.

As the Prime Minister will be delivering his statement upon the results of the Peace Conference, so far as its members have decided to disclose to the world what they have actually done, as we are going to press it is useless to speculate upon what progress has been made, or how close to the final end we are. It will be more profitable if we consider the necessity of the economic world, taking stock of our position as we find it, at the actual conclusion of the War, assuming, as we seem justified in assuming, that the Peace Conference is now rapidly nearing its end.

There is no reason for undue despondency. But we shall be very ill-advised if we console ourselves with the thought that we can recover from the effects of this War by working with one hand. It has been estimated that this country has spent between eight and nine thousand millions upon this War, and that the total debt of the Entente Allies amounts altogether to some 30,000 millions sterling. The figure, expressed in that way, is colossal and, of course, is very largely figurative, as distinct from an actual entity, which even the most highly trained economist is really incapable of grasping. Stated in money values, it is impossible to accurately gauge what has been the cost of the War, because money values have been totally disarranged by the War. When a man said he had £10 in his safe, say, in the spring of 1914, he meant that he had—assuming that he was speaking in London—ten golden sovereigns, or at any rate that he had two £5 notes or one £10 note, and that he could send to the Bank of England and get ten golden sovereigns in exchange, and spend them in whatever way he thought proper. Practically the whole world has suspended specie payments, and it is no longer possible to get gold in the sense that England had maintained a gold standard since the resumption of specie payments after Waterloo. There is at the present time no country in the world that can truly be said to be on a gold basis. We must not overdo the inflation argument, but it is evident that an increase of something between three and four times over in the amount of currency has its influence, and the facility with which currency notes are printed tends to accentuate that influence. Apart altogether from the money values, we have to take into account the restricted commodity values which these nominal money values represent. When we say that a pair of boots which could have been bought before the War for 16s. now cost a couple of guineas, we do not even get the same value in the boots although we pay more than twice as much for them.

A report on the trade of India in 1917-18 says that the importer—that is the wholesale man dealing with the goods first hand—paid practically a quarter more for the goods than he did in the preceding year. And although he paid a quarter more, he got for his additional charge one-fifth less. That is to say, he paid 25% more for four-fifths of a commodity than he previously did for the whole. Whether it would be possible to ascertain in actual money value, or currency value, the enhanced cost of living had the various Governments allowed their respective markets to remain upon a purely economic basis, is by no means certain. But as it is each Government thought it incumbent upon itself to take into its own hands the regulation of prices, and very largely the rationing of commodities. The result has been that the whole question is obscured, as in the case stated in the Indian Government report on the trade of India in the period 1917-18, when the trader paid more in currency value for less in commodity value than he did in the third year of the War. In other words, we were gradually using up the developed resources of the several countries. But this was not wholly expressed in currency values, because, or partly because, prices were regulated by the Government and commodities themselves were rationed. In reality we have paid for the War—that is to say, the part of the population that does pay—by consuming very little and paying for it either with a large measure of services, or a large measure of our past savings, or by drawing a bill upon our future earnings.

Having shown the serious liabilities we have incurred, what are the assets which will enable us to put ourselves once more in a sound economic position? It has to be remembered that the British Empire, as we have said again and again in these columns recently, is the greatest single composite entity existing on the globe at the present time. With the possible exception of England itself, it is almost wholly undeveloped, and a very large part of potentially the richest lands which compose some of the choicest parts of the Empire are in reality at present barren wastes, occupied by nobody, and producing hardly anything for the service of man or beast. We have learnt in the very recent past how it is possible for the white man to live and for the coloured man to be really healthy in the tropical regions of the earth. It has to be remembered that it is not much more than a century since the temperate regions of the world learned the importance of hygiene. And it is in these latter days that we have learnt that hygiene is just as important in the tropics as it is in the temperate zone, and that men will not be healthy in the temperatures which we are accustomed to, or in a temperature between 70 and 80 degrees, as those who know the West Indies are accustomed to, unless they observe the principles of sanitation. Sanitate the rich tropical lands of the British Empire, and remove control as soon as may be from all trades, and from the employment of capital where the trader, manufacturer, and the railway builder sees his way to employ it to advantage, and within a reasonable time even the cost of the late terrible War can be gradually paid.

INDIA.

We tender our sincere sympathy to the two great Anglo-Indian banks which have had each a branch burnt in India and several of their officials murdered. Such an occurrence has naturally caused alarm and anxiety amongst the financial and trading community in this country closely associated with Indian affairs.

We must not, however, allow ourselves to be unduly alarmed by the occurrences, grave as they are, in the Bombay Presidency, in the Punjab, and partic-

larly at Amritsar, the capital of the Sikh territory. The Government appears to be taking energetic measures to prevent the spread of such regrettable incidents as have recently occurred, and to establish law and order, which is the primary object for which all Governments exist. At a time like the present, when unrest is general, and after a world-wide war in which something like three-quarters of the total estimated population of the world has been engaged, it is not easy, at first sight, to ascertain the causes of the recent trouble in India. The reputed leader of the movement, Mr. Gandhi, is very far from being of the type that is commonly associated with the anarchist. On the contrary, he is reported to be what has come to be called a "passive resister" to those acts of Government of which he disapproves, and it is said, both in public and in private, that he always recommends his followers to refrain from any acts of violence as likely to injure the cause, or causes, for which he and they stand. Even here in Europe it is often exceedingly difficult to ascertain the real causes which underlie prevailing unrest in any country. And it is still more difficult when the European attempts to estimate the causes which are agitating the Asiatic mind. India, it has to be remembered, has one of the oldest civilisations now existing in the world, although it is a curious fact that we have hardly any information regarding the early history of India. In these times India is a very poor country, with an enormous congested population, congregated in a relatively small part of the Peninsula. Some 98% of the population are agricultural. Education, not merely in the book sense of the term, is very imperfect. From lack of transportation facilities and means of getting about the people are, speaking generally, very badly informed of what is going on even at a short distance from their own homes. Very few of the people have any real conception of what even India itself, taken as a composite whole, is like; and still less of its and their relation to the component parts of the British Empire.

What our Government really believes to be reforms have been promulgated in the recent past. Whether they appeal to the aspirations of the Indian mind we have really no means of ascertaining. It is not an uncommon experience in all countries, when what are called reforms have been introduced, that they fail to realise the expectations which have been formed of their beneficial influence, and tend for a time at least rather to promote agitation than to induce the country to settle down quietly and the people to resume their ordinary avocations. We noted last week that the Government is doing what it can to increase railway building, and we may infer also that it is making every endeavour to improve irrigation works. At the moment the most important thing for the Government to do is to see that the existing disquiet does not lead to armed rising, and as soon as quiet is restored to do what it can for the general improvement of the political and economic condition of the Dependency.

SOCIÉTÉ GÉNÉRALE DE BELGIQUE.

In another part of this issue will be seen a report of the very important part which the Société Générale de Belgique took in assisting the economic and financial resources of Belgium from being plunged into utter disaster as a result of the prolonged German occupation. As a natural precaution the gold reserve of the National Bank and the plates for issuing notes were removed, first to Antwerp, and ultimately were brought over here to England and lodged for safe custody in the vaults of the Bank of England. The Germans hoped to use the National Bank for the purpose of issuing a forced currency which would enable them to obtain whatever requisitions they determined to seize from Belgium. But the precautions taken made this practically impossible. They had hoped, in addition, to compel the manufacturers and traders of Belgium to work for them and to carry on the national industries to such an extent as would enable them to obtain revenue for paying the German expenses incurred in the occupation of Belgium. But, desperate as was the position of the Belgians, they absolutely declined to fall in with this proposal. The military party occupying Belgium, as was their wont, resorted to threats and bluster and threatened the Belgians with the most dire consequences unless they succeeded in obtaining the gold reserves of the National Bank and the plates for issuing notes. A mission was sent, first to Antwerp, and then to Havre, and finally to London, for the purpose of endeavouring to obtain these valuable assets. But the Belgian Government absolutely declined to accede to the proposals of the German Army of Occupation. Finding that they could get no means of issuing notes by regular proceedings, the Germans resorted to the practice of compelling the various districts which they occupied to issue notes on the security of the assets of the particular district. The bankers of Brussels foresaw that this would mean an unlimited issue of currency, which would rapidly cease to have any value at all. They accordingly came to arrangements amongst themselves and formed what is called a Concordium. As the National Bank had no longer power to issue notes, the Société Générale de Belgique agreed to act for the Joint Committee of bankers as representatives of the National Bank, the latter to take over the issue made whenever peace was finally restored and the Germans driven out of Belgium. They performed this service purely from patriotic motives, and without taking any reward for their own Bank.

As said above, the first idea of the Germans was to compel the National Bank to issue notes very much upon the principle which State banks usually issue notes, only to an extravagant extent, to meet the charges which the Germans decided to impose upon Belgium. In order to get as much as possible their desire appears to have been to work the national activities to the utmost possible extent, leaving the unfortunate Belgians only as much as would maintain them in such a state of efficiency as would enable them to work to the utmost for their taskmasters. The Belgians, however, did not lightly accede to this proposal. Owing to the fact that the gold reserve of the Bank and the plates for issuing the notes had been removed to London, the scheme of note-issuing came to nothing, and as the Belgian manufacturers and traders refused to produce munitions of war for the enemy, the second part of the proposal likewise broke down. When the Germans saw that they could accomplish neither of these aims, they decided to wreck the accumulated industrial resources of Belgium to the utmost extent, seizing their plant and machinery and conveying it bodily into Germany, where whatever munitions were required could be manufactured. Of course, it will be remembered that at the time there were constant reports that the Germans, in addition, seized expert workmen and compelled them to accompany the machinery to Germany, where they were forced to work for their enemies. As the Germans could not get the notes they required, nor could they compel the Belgian population while it remained in Belgium to work their machinery for the benefit of their enemies, they had perforce to content themselves with what they could get. Ultimately an arrangement was arrived at between the German Government and the Société Générale for issuing a certain proportion of notes on the general assets of the country, acting, as we have already said, for the National Bank.

Having seized everything in the way of plant and machinery they could lay their hands on, the enemy practically stripped Belgium of all the facilities which make life possible in a civilised community in our time.

Consequently, Belgium has practically to be reconstructed. And amongst the measures which it is proposed to adopt to assist in the period of reconstruction, the Société Générale, which did such useful work, as recorded above, during the War, proposes now to do all that it possibly can to assist in the reconstruction of the country. It is immediately proposing to double the capital of the institution. Doubtless all, or nearly all, the Belgian banks will endeavour to increase the capitals of their various institutions. It has to be remembered that upon the Continent banks rely much more on their capitals for financing industry than upon the magnitude of their deposits, as is the practice in this country. In many ways this practice has its advantages, as it enables the banks to give for a longer period, and perhaps to a greater extent, assistance to traders and manufacturers than is possible with our system. It is generally understood that Belgium is to be the first to receive whatever proportion is allotted of the indemnity to be exacted from the Germans on the signing of peace, and with the increased capital of the banks and the German indemnity every effort will be made to reconstruct Belgium as quickly as possible. Her railways, being State property, have been partially wrecked by the enemy during the period of occupation. Possibly some of the rolling-stock, a large part of which was conveyed to Germany, may be recovered; but in all reasonable probability the railways will require to renew a large part of their rolling-stock, as well as to reconstruct a large part of their permanent way. A very large part, indeed, of the manufacturing plant of the country will require to be wholly rebuilt. And, finally, there will be years of work to perform on the roads of Belgium, which have been cut up to a terrible extent during the recent operations. Perhaps one of the most important operations which will have to be taken in hand as soon as possible, and if possible before the summer heats are upon us, will be the cleansing of the canals and waterways of Belgium. A terrible amount of débris and foreign matter injurious to health has accumulated during the long period of the War, and unless Belgium is to risk a serious epidemic it is of the utmost importance that every precaution should be taken to cleanse to the utmost extent the extensive waterways of Belgium.

BIRKENHEAD.

A CENTURY ago Birkenhead was a mere hamlet, containing less than 100 souls. To-day it is a large city with a population of over 130,000. Its one-time pursuits were altogether pastoral, but its citizens are now engaged in a multitude of industrial occupations. Shipbuilding and marine engineering, and their attendant iron and steel industries, as well as flour milling, seed crushing, and sugar-refining works afford varied sources of employment. These, and other industries that have developed in a few generations, are associated with the dual advantage that Birkenhead possesses as a port and as a shipbuilding centre. It is a great depôt for food brought from Ireland and from abroad, and it has developed extensive lairage and cold-storage accommodation as well as granaries and general warehouses. The importation of wheat, being on a large scale, has led to the erection of huge port mills, which, taken in conjunction with those at Liverpool, make the Mersey a flour-milling centre second in importance only to Minneapolis. The exports consist mainly of manufactured articles and of coal coming from the industrial hinterland which consumes the big quantity of foodstuffs that annually pass through the port. Shipping has multiplied manyfold, though separate figures of clearances are not available, and to-day the water area of Birkenhead's enclosed docks and the length of its quays are approximately one-fourth of those of Liverpool.

Overseas trade has made Birkenhead, as it made Liverpool, and the rise of both cities to their present commercial eminence has coincided with the development of international communications. Drawing their prosperity from the same source, they naturally experience good and ill fortune together, and are therefore united in the closest bonds of economic interest. Administratively, however, they are separated, each forming an independent county borough, but for the single purpose of harbour control they form a single unit. Unification under the Mersey Docks and Harbour Board was brought about in 1858, but at the time of its accomplishment it seemed as if Birkenhead would sink into the position of a mere industrial offshoot of Liverpool. The latter city had thwarted some early efforts at development, but it could not suppress the material advantages enjoyed on the other side of the river. Birkenhead not alone prospered, but it scored distinct industrial and trade successes over its rival, thus justifying a statement in one of Disraeli's early works, that "the disciples of progress . . . have great faith in the future of Birkenhead." Success was first won in shipbuilding, partly at the expense of Liverpool. That city was, towards the end of the eighteenth century, one of the principal shipbuilding centres in the United Kingdom. The industry vied in importance with slave trading, which was a very lucrative occupation at that time. Liverpool early saw the possibilities in naval construction of the iron which began to be used widely in the thirties of last century. It was due to the rapid adoption of iron in British shipbuilding, as well as to the effects of the American Civil War, that the United States, which still clung to the wooden hulls, soon lost their sea-carrying power almost completely. Shipbuilding was active in Liverpool when iron was adopted, and some early attempts at development by Birkenhead had been kept in check. William Laird was struck by the natural facilities for shipbuilding offered by the latter place, and as far back as 1824 he had bought some land with a view to its development as a yard. Progress was slow, but towards 1850 Parliamentary powers were obtained for the construction of docks. These had not been long opened when they passed under the control of the Mersey Docks and Harbour Board, on which Birkenhead was, of course, represented. At a time when iron was still not widely used for ship construction several vessels were made from the material in Laird's Birkenhead yard. On the opposite side of the river building was, indeed, more extensive, and altogether there were nearly a dozen firms in the business, each working on what was for the period a fairly considerable scale. The overseas trade of Liverpool was, however, rapidly increasing, and it pressed heavily on the existing dock accommodation. Shippers and shipowners set up a strong plea for more ample space, but unfortunately the shipbuilders occupied the desirable sites for dock development. In the conflict that followed the shipowners emerged victorious. The shipbuilders were dispossessed and the industry declined. By 1850 it had fallen so low that a Special Committee was appointed by the Town Council "to consider the shipbuilding trade in Liverpool and the best means of encouraging it." The evidence submitted was that in general the claims of shipping to sufficient and even generous accommodation were put first, and that in the course of the various dock extensions shipyards were rather arbitrarily taken over by the Trustees of the Dock Estate. This necessitated frequent removal by the yards and a large expenditure of labour and money on the change. No less than six independent shipbuilding firms pleaded their cause before the Committee. The unsympathetic attitude of the Dock Trustees came in for much censure. Rents appear to have been in some cases excessive, and it was difficult to obtain long leases, with the result that builders did not feel at liberty to incur a great outlay on their yards.

Marine engineering also declined during this period. A number of engineering firms, employing in all 3,200 men about 1845, had only 600 on their pay-roll in 1850. Their plight was due to the falling-off in the steamers built in Liverpool, and to the consequent lack of demand for marine engines and boilers. Criticism was also directed, before the Committee, to the management of the public graving docks and to the fitting-out accommodation provided. The Trustees defended themselves generally on the ground that it was to the advantage of the Dock Estate to secure the maximum revenue, and that this could best be done by the provision of berths and other facilities to attract shipping. Such a course would, at the same time, serve the interests of their bondholders and promote the general welfare of the port.

The deliberations of the Committee did not help to stem the decay that had set in in Liverpool shipbuilding. Birkenhead was alive to its opportunities, and the Dock Board of the period issued invitations to builders to cross the river. Though some proposed to avail themselves of the offer, no material developments followed. Shipbuilding slowly died out on the Lancashire side, and Birkenhead received little compensating advantage. In the nineties Laird's was the only yard on the river engaged in new construction. The Mersey Docks and Harbour Board had continued the policy of its predecessors, and taken over yards for the extension of docks and for other purposes connected with harbour development.

The change earlier in the century from iron to steel ships did not seem to benefit the Mersey. Steel was found to be stronger and more durable than iron, and, moreover, the cost of production fell rapidly, owing to the discovery of the Bessemer and other processes. The Laird yard, however, persisted, extended its activities by amalgamation with a Sheffield firm of steel producers, and turned its attention mainly to Admiralty work. It displayed a progressive spirit in early days by building the first screw steamer to cross the Atlantic, and later it turned out the first torpedo gunboat for the Navy. During the War it was engaged almost exclusively on naval craft for the Admiralty, but it is now turning to merchant-ship construction. The slipways can take ships up to 1,000 feet, and the seven graving docks owned by the firm provide every facility for repair and fitting-out work. On the Lancashire side building has shown some activity recently, and a well-equipped yard at Garston possesses five slipways which can take ships up to a maximum of 500 feet in length, or approaching 9,000 tons. Repair work is very extensively carried out on both sides of the river. In all the Mersey shipyards give employment to between 33,000 and 35,000 men, of whom approximately one-third are engaged on new construction and two-thirds on repairs.

There appears to be every possibility at the moment, provided the necessary application and enterprise are shown, of reviving the ancient glory of the Mersey as a shipbuilding centre. It possesses an incalculable advantage in its dock accommodation, which cannot be surpassed at any British or Continental port. Along a section of our West Coast, extending from Barrow to Holyhead, and including Manchester, the graving docks number about 45. In a similar section of the East Coast, the Tyne, Tees, and Wear, where shipbuilding is a flourishing industry, there are 55 docks, but those in the Liverpool district are bigger and have a much larger floor area. A dock over 1,000 feet long, such as the Gladstone, is unknown on the Tyne or the other rivers, where the accommodation is intended mainly for steamers of the tramp class. Proximity to the Lancashire coalfield and iron-ore areas, and frontage on a river where vessels do not need to be launched sideways, constitute other advantages which should help to render the Mersey unique as a centre for shipbuilding and ship repairing.

THE ALKALI INDUSTRY.—II.

A DISTINCT change in the methods of manufacture has been observable in Great Britain since the outbreak of the War. Our industry was built up on the old Leblanc process, which was introduced into this country about a century ago, when works were established near Liverpool. The process was a French discovery, dating from the revolutionary era; but it was turned to account chiefly in England, where most of the raw materials—salt, coal, and limestone—were found in abundance. Continental developments followed at a later period, when other and chemically more simple processes had been discovered. But the British industry was wedded to the old tradition, and it required the powerful stimulus of the War to bring full appreciation of the need for change. The ammonia-soda or Solvay process was indeed started in Northwich nearly 50 years ago, but it was for a long time not regarded with favour. After it came the development of the electrolytic process, which represented the most satisfactory point yet attained in methods of alkali manufacture. By means of an electric current a solution of salt in water may be split up, and the chlorine, if necessary, isolated. In this way both chlorine and caustic soda, or, by a slight modification of the process, sodium chlorate or sodium hypochlorite, may be obtained. No acids are needed to start the necessary reactions, neither are acids produced, and this feature distinguishes the electrolytic, and also the ammonia-soda, process from the Leblanc method, which requires sulphuric acid for the treatment of the salt and which involves the production of hydrochloric acid. The various substances associated with the Leblanc process, indeed, give it its chief value, as they include sulphuric acid, sodium sulphate or salt-cake, caustic soda, and soda and chlorine products generally. All the materials mentioned come under the heading of heavy chemicals, in the manufacture of which Lancashire has long been pre-eminent. Cheshire contains, it is true, most of the salt required in the alkali trade, but salt is only one of the requisites. It is, however, an indispensable material, and alkali manufacturers are naturally interested in the maintenance of a cheap and adequate supply. For some time the production of salt has been declining in the United Kingdom. High-water mark was reached in 1877, when the output of rock salt and of salt produced from brine reached nearly 2¾ million tons. In 1913 it had fallen to less than 2¼ million tons, mainly because no fresh deposits had been discovered. Chester and the neighbouring districts, together with Co. Antrim, have all along been responsible for upwards of three-fourths of our production. Our exports have been very considerable, despite the decrease in production, but they were sent mainly to countries within the Empire, in particular to India and Canada. In 1913 we shipped 534,000 tons of salt, and, though last year the figure had fallen by nearly one-half, the prospects seem to indicate a speedy revival of the export trade.

Salt is the basis of all the alkali processes, since we cannot elsewhere get in such convenient form the sodium required for making caustic soda or carbonate of soda and sodium sulphate, as well as the chlorine required in the manufacture of chlorates and of bleaching-powder. The last-mentioned substance is, of course, a compound of chlorine and lime. Widnes, Liverpool, and Runcorn, besides being deeply interested in the manufacture of soda-compounds, jointly constitute a controlling factor in the heavy chemical trade of Lancashire, and the country, taken altogether, is probably the most important in the United Kingdom for the manufacture of chemicals and of chemical products. The production of nitric, hydrochloric and sulphuric acids, of saltcake, of ammonia compounds, and of chemical manures is extensively carried on. In addition, the products derived from coal, coal-tar, and by-product coking ovens constitute a range of chemical manufactures which would be difficult to parallel in other areas of a similar size. It is, in the

circumstances, necessary to husband our supplies of salt and other exhaustible resources with jealous care. The sun's heat in this country is not strong enough to produce solar salt by the evaporation of sea-water. This salt is widely made in Southern France, and in Italy, India, and other countries that enjoy a warm climate. Our salt resources cannot be automatically renewed in this way, and our exports are considerable. In 1917 Liverpool exported 325,000 tons of salt, exclusive of table salt, and over 5½ million cwt. of soda compounds. In the same year the export of salt from Manchester reached 106,000 tons, and the total value of the chemicals shipped, in which soda compounds are not separately entered, was £439,000. The two ports together accounted for almost all our exports of soda products, which amounted in 1913 to 7,267,000 cwt., of an estimated value of £5,310,000. During the War the export trade has diminished, coincidentally with the general decline in our export business, soda compounds having fallen by upwards of 1½ million cwt., and, of associated products, bleaching powder has shown the greatest decline—from 726,000 cwt. in 1913 to 55,000 cwt. in 1918—a fall of over 90%.

The importance of the chemical industries was clearly brought home to us during the War, and, though our shortcomings were not so marked in the heavy as in the light chemical trade, they were yet sufficiently serious in the former to occasion more than ordinary anxiety. Lancashire and other centres of the chemical industry proved their adaptability, however, and they face the period of reconstruction with plants of which the productive capacity is, on the whole, substantially in excess of the pre-War figure. In the three towns of Widnes, Runcorn, and Liverpool, which between them constitute the largest manufacturing centre for heavy chemicals, there are eight extensive alkali works. The exact number in the whole county is difficult to determine. The Government returns show the distribution of chemical works only in districts. There are altogether in the United Kingdom, excluding the 8 mentioned, 57 alkali works, of which 8 are situated in Cheshire, North Wales and South Lancashire, and 15 in North and East Lancashire and part of Yorkshire. The preponderance of Lancashire's interest is apparent. Alkali works are under a statutory obligation to place themselves on the Government register, in order that the discharge of noxious or norzime products into the atmosphere might be kept within bounds by means of official periodical inspections. It was at one time customary to allow the hydrochloric acid gas evolved by the action of sulphuric acid on salt to pass into the air, and the gas had a most harmful effect on vegetation and metal-work in the neighbourhood. Again, sulphur in the waste heaps that were left over after the production of alkali was found to be destructive to plant life. It was necessary to regulate such harmful methods of disposal, and various Acts, commencing in 1863 and extending to 1906, have laid down rules as to the handling of waste material. The efforts of chemists have been of even greater assistance in ridding the public of alkali nuisances, though their motives were economic rather than philanthropic. When the ammonium-soda process was fully working on the Continent, the prices of sodium carbonate underwent a rapid decline as the method of production was found to give a cheaper and at the same time a purer product. The British industry, which still pinned its faith largely to the old method, would inevitably have been ruined had not the chemists attempted to reduce costs by utilising the waste products. The attempt was successful, and it is to their energetic researches we owe the persistence of the Leblanc process in Great Britain. The absorption of hydrochloric acid gas, provided for in the Act of 1863, gave to the manufacturer a valuable commercial product in hydrochloric or muriatic acid. Lancashire was the first place in the United Kingdom to retain on a large scale the sulphur contained in alkali waste in the form of calcium sulphide, and thereby another fruitful source of revenue was opened up. Attention was next directed to the large residue of spent ore that remained after the roasting of the pyrites. This consisted mainly of oxide of iron, and it could not be used in iron and steel manufacture on account of the amount of contained sulphur. After lengthy experiments this obstacle was overcome, and other valuable substances, including even gold and silver in small quantities, were extracted from the ore dumps. A continuation and improvement of these processes is to-day vital to the user of the Leblanc method. The electrolytic method of alkali-making now in course of development will render competition keener, and will probably compete for business even with the ammonia-soda method. Much of its success will depend on the price at which it can secure the necessary supply of electricity, but in Lancashire the conditions have already been found suitable to the production of alkali by electrolysis, and the near future may accordingly hold another transformation in store for the industry, similar to that undergone after Solvay's discovery.

BRAZIL.

A SOUND POSITION.

On Sunday last throughout Brazil the elections were held for a successor to the Presidential Chair of the late Dr. Rodriguez Alves. It will be some little time before we know the actual result. But it is generally assumed that the head of the Brazilian Mission in Paris will be elected President of the Republic. However, as we shall know this in the course of a comparatively short time, there is no need to speculate upon the subject.

As was the case in most countries in various parts of the world, the sudden cessation of hostilities in Europe, which occurred with the signing of the Armistice in the early days of November of last year, for a time checked the rapid economic expansion which the United States of Brazil had been enjoying during the greater period of the prolonged war. For years she had been devoting herself to providing food, raw materials, and munitions required by the various armies fighting in Europe, and the sudden cessation of hostilities found this occupation gone without any real preparation having been made in Brazil, as elsewhere, to resume the production of materials required by a peaceful world, as distinct from a world in arms. Nevertheless, the War has in a sense been of material advantage to the Republic. It has to be borne in mind, however, that inasmuch as Brazil was herself a belligerent, while it has had its advantages—and great advantages—it has also had very appreciable drawbacks. Brazil, having joined the Entente Alliance, determined to do, so far as her developed resources would admit, all that was possible to assist her Allies. And naturally, for a country only a few of whose maritime States are really developed at all in an economic sense, and these imperfectly, and with a population of little more than 24 millions in an area of country greater than that of the United States of North America, the strain upon the finances of the Republic has been very severe. The Brazilian fleet was detailed to assist in the policing of the Southern Atlantic. Brazilian troops were actually sent to take part in the fighting in Europe; and a brilliant corps of Brazilian aviators was despatched to assist the various flying units operating in France. All these warlike operations for a country which requires to conserve as great a proportion of her available assets as possible for her own internal development constitute, and will constitute for some time to come, a very serious drain upon the resources of Brazil.

Against these sacrifices which the country has made in the general cause of the Entente Alliance, she has gained very material benefit. She has gained benefit

in two ways: in the development of her actual assets, and in attracting the notice of the greater part of the populations of the world to the vast resources of the great Southern Republic. Until the War Brazil was known only to a small section of people in Europe and in the United States of North America. Apart from these, it could hardly be said that she was known at all. Still less could it be said with any degree of accuracy that the magnitude of her resources were at all adequately appreciated. Brazil extends from the fourth parallel north of the Equator to the thirty-third parallel south of that line, and comprises perhaps, for its extent, one of the richest (potentially) areas in the world. The area of the Republic is very nearly a quarter of a million square miles in excess of that of continental United States of North America; and, with the exception of a very small strip of country in the extreme north-east, the whole of Brazil is fertile to an unusual degree. The coast lands, where they have not been drained, are unhealthy. But, as the late President proved during his administration between 1902 and 1906, with drainage, even the hottest parts of Brazil are capable of being made as healthy as any part of the Temperate zone. The country, being situated wholly, either in the Tropics, or in the sub-Tropical regions of the earth, enjoys what may be called perpetual summer; and, consequently, whenever the tropical regions of the earth are really developed—and we are now at last discovering the means of developing them—they offer a measure of potential wealth which is not obtainable in the less favoured districts of the world.

Until the opening of the present century Brazil laboured under two serious disadvantages, which militated—and militated seriously—against her economic development. The one was, through our imperfect knowledge of tropical hygiene, a large part of her territory was subject at certain periods of the year to malaria and yellow fever. But through recent discoveries, as we have explained from time to time in these columns, these difficulties have at last been surmounted. All the coast towns on the eastern seaboard from Santos right up north to Pará and as far west as the city of Manaos, which is almost exactly under the Equator, modern science has at last rendered as healthy as any of the large cities of Europe. The second serious disadvantage under which Brazil laboured during the whole of last century was that she was economically dependent upon coffee and raw rubber. When there was a great demand for these two commodities Brazil was prosperous; and when the demand fell short of the supply then there was serious depression on the principal exchanges of the various cities of the Republic. Brazilian traders and economists had for a considerable time realised the disadvantages under which they were labouring if Brazil was to be developed in an economic sense which her great potential wealth justified. For a time it seemed difficult to strike out any particular direction in which her great natural resources could be developed, as the various commodities which she was most readily capable of supplying in large quantities seemed to be already supplied to meet the then existing demands of the international markets. The great war in Europe afforded Brazil an opportunity which her traders, her agriculturists, and her miners were not slow to seize. It happened that one result of the world-wide war, in which something like three-quarters of the estimated population of the globe was engaged, resulted in a general shortage of food and raw materials which Brazil is calculated to supply upon an enormous scale. When the War broke out there was a great demand in Europe for meat, and the principal countries which had been accustomed to supply chilled and frozen meat in large quantities to Europe, found that the demand was greater than their developed resources admitted of their supplying. It happens that, in the States of Sao Paulo, Santa Catarina, and Rio Grande do Sul, previous to the War, attention had for some time been paid to cattle breeding upon an extensive scale. The old type of native cattle which had previously supplied zarque beef in large quantities to other parts of Brazil and to the neighbouring Argentine Republic had been improved by importations of European cattle of approved breeds. The Committee of the Annual Show at Rio offered prizes from time to time for improved breeds of cattle which had assisted cattle breeders in importing suitable beasts from Europe. In addition, the various State Governments, as well as the National Government itself, had given similar assistance. There remained to be supplied the plant capable of dealing with the chilled and frozen meat industry upon a scale such as the demands of Europe at such a crisis might justify, and these were supplied by various interests emanating from the United States of North America. The result has been that an important trade, which is not likely to end with the War, has been built up from zero in chilled and frozen meat between Brazil and the European markets.

Accompanying the demand for food was an equally keen demand for what have come to be called munitions of war; and amongst the most important of these were various mineral deposits used for the purpose of strengthening steel. It happened that the great mining State of Minas Geraes possessed manganese ore deposits not merely to a greater extent, but in a more developed form than was the case with other countries in the early years of the War, and this enabled Brazil to develop her mining industry to a greater extent than was the case in other countries.

THE TINPLATE TRADE.—I.

The position in the tinplate industry, as in all sections of the iron and steel trade, is at present one of great uncertainty. The chief raw material of the tinplate maker is steel bars, and the Government subsidies hitherto granted in connection with the manufacture of iron and steel, including those on iron ore, coke, and pig iron, are to be withdrawn at the end of the month. A substantial increase in the price of pig iron, and accordingly of steel, seems inevitable. The recent action of the Cleveland ironmasters in arranging a list of minimum prices for the various qualities of iron, which shows a general advance of about 45% on current quotations, and which is to become effective at the end of the month, clearly points in this direction. The object of the Government subsidies was, *inter alia*, to prevent a sudden and unsettling rise in prices. The Government were the principal buyers in the market and they wished to check any movement not in their favour, while at the same time desiring an increased output of iron and steel for war purposes. The wisdom of the policy which they pursued is open to question. The subsidy was originally fixed at £5 per ton, but as prices became higher it was rather illogically reduced to £2 10*s*. By July last year upwards of 47 million pounds had been disbursed amongst the various interests concerned. When this large measure of financial assistance is withdrawn, a sudden jump in prices, with serious dislocation to all the trades concerned, will naturally follow. For some time past the price of bar iron has been on the up grade. It rose by 15*s*. a ton in January, by a like amount in February, and by 30*s*. in March. This rapid rise was in part abnormal and due to causes that do not affect other sections of the trade. Bar iron is a mixture of new iron with old iron, or scrap, and the latter has for a long time past been difficult to obtain. A further rise is threatened at the end of this month, and if it takes place it will be but in sympathy with a general advance registered in all sections of the iron and steel market.

Those interested in the tinplate trade speculate freely as to future quotations for their raw material, but speculation is at the moment rather unprofitable. The tinplate trade is curiously tripartite. The centre of production is in South Wales, the market in London, and the ports of shipment in South Wales, Liverpool, and London. Liverpool's position was at one time

much stronger than it is to-day, owing to the excellence of its communications with North America. The United States required large quantities of tinplate, which is used mainly as a holder for meat, fruit, biscuits, and other foodstuffs, and also for liquids such as petrol, petroleum, water, and milk. The country is very poor in deposits of tin ore, and this scarcity was the chief reason for its dependence on supplies from abroad of the tin-coated sheets required in the making of food- and oil-containers and packing-cases. We were practically the only makers of tinplate in the world, and naturally the American orders came to us, Liverpool thereby reaping a rich harvest. Our pre-eminence was rudely shaken by the McKinley Tariff of 1890, which placed a large duty on the imports of tinplate, with the express object of encouraging its manufacture within the country. The tariff, aided by other favouring factors, was a complete success. The production of tinplate in the following year was 1,000 tons, and by 1900 it has risen to 316,000 tons. In the same period the weight of imported tinplates, supplied almost exclusively by the United Kingdom, fell from 328,000 tons to 60,000 tons. Liverpool, the shipping centre of our once large trade, suffered from this catastrophic change, but in time the development of food-preservation and of ore production in other parts of the world provided alternate sources of demand. The Mersey was not, however, so advantageously placed in regard to the new consuming countries, and the centre of gravity of the tinplate trade tended to shift to London, where it may now be said to be definitely located. Further, a number of American firms, which had been engaged in Liverpool in purchasing for the North Atlantic trade, returned to their own country, and left the city the poorer for their departure as well as for the loss of their trade. Liverpool continues, however, to export tinplates on a large scale, and it is still the headquarters of several important British shipping houses. London's importance lies mainly in its being the home of the tinplate market. It does not do a considerable shipping business, the chief seat of the export trade being the Bristol Channel. The change in the centre of marketing that has occurred is not at all unique and can easily be paralleled in other industries. It is part of the natural course of business evolution in Great Britain. Foreign commercial interests are more widely represented in London than elsewhere, and trades like the tinplate, which depend on a varied foreign connection, naturally gravitate to the capital.

During the War, the tinplate industry was subject to control in regard both to raw material and to prices. The output was for a long period considerably below one-half of the peace figure, but in 1917, a further ration of steel was granted, bringing the production up to one-half of the pre-War amount. The export trade naturally suffered, and the industry being more concerned with it than with the home trade, was seriously affected. The quantity of tinplate, including tinned sheets, sent abroad fell from 494,497 tons in 1913 to 223,509 tons in 1918, a decline of fifty-five per cent., or more than equivalent to the forced reduction in output. In the same period our exports to the United States have fallen from 21,516 tons to nil, while exports from the United States have risen from 57,812 tons to over 200,000 tons. While we had other cares beyond business, the Americans succeeded in slipping into our markets abroad, and with the prospect of increased prices ahead, it will be difficult to dislodge her. Our home consumption of plates before the War was about 170,000 tons and our exports 2½ times this figure. Hence, it is vital for the industry to recover its grip on foreign markets. The capital concerned in it, apart from the steel mills which supply the plates, has been estimated at £6,000,000, and the number of employees in normal times may be put at 27,000. The manufacture is carried on in practically all the industrial towns of the South Wales coalfield, and the making of the tinned sheets, which are heavier than the plates, is identified mainly with Stafford and with London. The interests concerned in the maintenance of the industry are accordingly very numerous, but the future holds difficulties which will test to the utmost the resources and the skill of our merchants and manufacturers. Whilst our production has been diminished, that of the United States has increased, and in 1917 it amounted to nearly 1½ million tons, a figure far in excess even of our normal output. The increased American surplus over home requirements has been sent into markets such as Scandinavia, the Netherlands, India, China, Japan, and South America, which formerly drew their supplies almost wholly from us. Just at present the Americans are even threatening our home market. In Liverpool an offer of 10,000 boxes of a standard size plate (28 by 20 inches) was recently made at a price which, on the low rate of exchange of 4.60 dollars, worked out at 66*s*. 9*d*. per box c.i.f. Liverpool. For a similar plate our controlled price and transit charges would amount to 71*s*. per box f.o.b. Liverpool.

As regards foreign markets, Liverpool and other exporters find that in many cases the Americans can undersell them by 2*s*. a box. It is rumoured that home makers intend to advance the price of tinplates by 2*s*. 1½*d*. a box at the end of the month, and this intention, if carried out, will entail an addition to our already serious handicap. Even now quotations are over two-and-a-half times the pre-War standard. The price of tinplate for export may not, however, go beyond its present figure. On account of the subsidies given to manufacturers the Government insisted on a rebate of the amount to them in respect of such material as was exported. There were thus two prices, one for home and one for export, the latter being higher by the amount of the subsidy. The increase in prices decided upon by the Cleveland ironmasters, as mentioned above, was equivalent to the subsidy, and this brings the prices for home trade up to the level already ruling for export. In other branches of the iron and steel business, as well as the tinplate trade, a similar levelling-up of prices to the present export figure might naturally be expected; but it would be unfair, as well as unwise, if the tinplate makers decided on an advance beyond that warranted by the circumstances.

IRISH COPPER-ORE DEPOSITS.

Copper mining in Ireland, though once a fairly considerable industry, is now almost extinct. In 1836, Irish copper ore of a quantity of 21,819 tons, valued at £163,900, was sent to Swansea for smelting purposes, while the report in 1817 of the Chief Inspector of Mines details no figures relating to Irish output. The amount of copper ore mined in the United Kingdom reaches very small dimensions, the average output for 1909-13 being about 3,000 tons, with an estimated copper content of 295 tons. There were also 105 tons of copper produced from native precipitate, giving a total actual production for the United Kingdom of some 400 tons. This figure, however, fell away to 187 tons in 1917. We are dependent on British colonies and foreign countries for our supplies of copper, and during 1917 we imported from these sources 16,552 tons of copper ore, 28,238 tons of regulus, 1,055 tons of old copper, 142,778 tons of unwrought and partly wrought copper, and 1,559 tons of manufactured copper, amounting in all to 190,184 tons. During the same period the exports from the United Kingdom totalled 13,286 tons, consisting of copper produced in the country, mainly from foreign ores and unwrought and partly wrought foreign copper, while, in addition, manufactured copper of the value of £1,363 was exported.

Copper is found in as many as 280 different places in Ireland, but for the most part it may be said that the ores are not rich enough to repay the cost of smelting. It is said that there are considerable

deposits in the West of Ireland, but, in the absence of a detailed investigation, it is impossible to verify the accuracy of this statement. In the past, a certain degree of success attended the working of mines in the counties of Wicklow, Waterford, and Cork. The first named has always been noted for the working of minerals. The metalliferous clay slate district is nowhere very rich, but it extends over a considerable area, and mining operations have been more or less actively conducted there from remote times up to a recent period. The greatest mineral channel extends from near the sea, south of Wicklow, in a south-westerly direction to Avoca, and thence to Croghan and Kinsella, a distance of about 15 miles. Lead, silver, and iron have been produced in fairly large quantities, but the yield of copper has been small. At the end of the last century an English syndicate worked the Avoca mines for copper, but about 1840, on account of the high price of sulphur, the character of the mine changed and sulphur became the chief product. Vast sums were made while the sulphur boom lasted, but when the demand fell off active mining operations ceased. Some of the pyritic or sulphur ores found at Avoca were of a rather poor character, but the copper in the ash of such ores was, after the sulphur had been extracted, found to be remunerative. Auriferous traces were frequently found in the Avoca copper ore, and there is no doubt that a considerable amount of gold was extracted. The sulphur compounds of copper are the most important from an economic point of view, and the minerals chiefly found in the Wicklow district were copper pyrites and grey copper, the former contains 34.6% of copper when pure, but in the Wicklow district they were frequently found associated with iron sulphides and contained less than 5% of copper. Of course, under favourable circumstances, ore containing as little as 2% of copper may be worked at a profit, but in such cases the small amounts of silver and gold which often accompany the copper in the ore, and are recovered therewith, are usually the determining factors of commercial success. In Germany, before the War, a yield of as little as 1.5% of copper was not considered unremunerative owing to the large amount of ore treated. Cornish ores are almost entirely pyritic and indeed, it is from such ores that by far the largest proportion of copper is extracted throughout the world. Grey copper, or tetrahedrite, was also met with in the Wicklow beds, and, although objectionable from the smelter's point of view, on account of the fact that it contained arsenic, antimony, and other metallic impurities, it often yielded enough silver to make its treatment profitable. The yield of copper from the ore in the Wicklow district varied between 4 and 9% and in 1836, 11,813 tons of ore were sold at Swansea.

The mines worked in Bonmahon, co. Waterford, produced about 3,588 tons of copper ore in 1836, valued at £33,166. In 1843, however, the yield increased to 9,101 tons. In this district lodes of copper and lead occurred in the cliffs facing the sea coast, and some of them were of considerable width. The most productive workings were found in the clay slate, although they sometimes penetrated through the strata of other rocks, as hornstone, which are found within the slate. Amongst the minerals produced were native copper, the sulphides chal-copyrite or copper pyrite tetrahedrite or grey copper and the oxides tenorite, and, in smaller quantities, cuprite. The average percentage of metal produced from the ore was 7½%. Indications of metalliferous veins have been found in the clay-slate formation of Cork and Kerry. Although these indications are very favourable on the surface, they must, however, be accepted with caution, as frequently the richness of the mineral diminishes with depth. The Allihies mine in co. Cork has yielded a considerable quantity of copper ore; the principal working is about 800 feet in length and 1,100 feet in depth. The lode was 60 feet wide in one place, but branches and narrows in other places to three or four feet. It consisted of quartz and copper pyrites. An analysis of the ore when the mine was in full working order showed the following results:—

Copper	10·2
Iron	10·8
Sulphur	14·8
Quartz	63·9
Loss	0·3
	100·0

In 1836 the quantity of copper ore raised was 6,418 tons, valued at £74,879; in following years, however, the output practically ceased. It is interesting to note that these mines have now been taken over by a gentleman who has had considerable experience of copper mining abroad. Active operations cannot be resumed for some time, but during the past six months much preliminary work has been undertaken in clearing the levels and renewing the timber. On a mine near Skibereen a considerable amount of work was done, but, though the indications of copper were very favourable on the surface, the yield became scanty as the workings progressed. The principal lodes were three in number, not far asunder. The first consisted of quartz, with bright yellow copper and iron pyrites, which was found to contain usually about 8% of copper; the second contained malachite and grey copper, and the third, and most important lode, contained copper pyrites and grey copper, which yielded a produce of 55 to 65% of copper near the surface. In the metamorphic and granitic rocks of Galway are many lodes and indications of copper, sulphur ores, lead, and zinc. Some very rich bunches have already been extracted, but all the mining operations have so far been on a small scale; the lodes have been proved on the surface, but not in depth. It is possible that this area might be the scene of larger and more remunerative mining. Some years ago an Irish company undertook the working of a copper area at Beauparc, near the Boyne. Like many Irish companies, it started with the initial disadvantage of being under capitalised, with the result that, when the mine became flooded, work ceased owing to the insufficiency of the pumping plant.

Many of the Irish copper mines have undoubtedly been worked out, but a more detailed investigation might establish the possibility of carrying on remunerative work in some places. The work now being initiated in Allihies, co. Cork, might be the precursor of similar enterprises. Research work has been undertaken by the Geological Survey with regard to the distribution of Irish mineral deposits, and facilities should be afforded it for a more complete investigation. A number of mines in Ireland, formerly worked for copper values, have been examined by engineers of the Ministry of Munitions, and they appeared to be of opinion that the Avoca Group and the Berehaven Mines could be re-opened with some prospect of success during the War.

The variability of the price of copper, chiefly due to the fact that the world's supply under normal conditions approximates closely to the demand, makes mining, especially in these countries, a somewhat speculative investment. The highest price since 1850 was £124 per ton in 1854 to 1855, and the lowest price was £43 in 1894, while during 1916 the average price was £116. During the past year copper, of course, has been under the strictest control, both here and in America. Furthermore, the development and opening up of new copper deposits is a long and costly business. The world's production of the metal in 1917 amounted to approximately 1,400,000 tons. Of this output the United States was responsible for 836,000 tons, or 73%. Within the Empire, Canada and Australia are the principal sources of supply; the production of the former increased from 34,300 tons in 1913 to 55,000 tons in 1917, or 60%; while that of the latter decreased from 46,500 tons in 1913 to 39,000 in 1917, or 16%. With regard to Canada, the output is likely to increase largely, judging by the results obtained from a systematic investigation into the resources of British Columbia and other Canadian provinces. Aus-

tralia possesses in the Cloncurry district of Queensland enormous deposits of very rich copper ore known to exist over an area of several thousand square miles. Much of this ore is extraordinarily rich, containing as it does 12 to 20 and even, in some cases, as much as 30% of copper, and there can hardly be any doubt that potentially this is the greatest copper field at present known. Absence of adequate transportation facilities hinders the free development of this field, and large consumers of copper might find it to their advantage to endeavour to contrive some means of securing its full utilisation.

LAND PURCHASE IN IRELAND—III.

THE various Land Acts passed between 1891 and 1909 have in a large measure solved the agrarian problem in Ireland by the provision of facilities for enabling tenants to purchase their holdings outright by means of State aid. A considerable amount of work, however, remains to be done, and it would be unwise on the part of the State to refrain from pushing its policy to a logical conclusion. As a provider of food supplies Ireland is an asset of the highest importance to the United Kingdom, and, from the broad standpoint of expediency alone, every effort should be made to place the agricultural industry in that country on a foundation settled enough to allow it to attain its maximum productive capacity. A glance at the following table will show the position of Land Purchase on March 31, 1917:—

	No of Holdings	Area Acres	Poor Law Valuation £	Purchase Money £
Land vested in tenants ...	308,833	10,202,910	5,185,712	100,208,684
Land agreed to be sold ...	100,890	3,302 941	1,207,875	23,936,053
Land unsold	—	5,768,751	3,645,278	—
	—	19,274,602	10,038,865	—

It will thus be seen that the area of the land so far unaffected by the operations of the Land Acts is about 30% of the total agricultural area of Ireland, whilst its valuation is 36% of the total valuation of the agricultural land of Ireland. The estimated price of Land Purchase has been put at 72 millions. The report of the Irish Convention observes that this figure is, however, of little practical value, as it was arrived at merely by multiplying the annual poor-law valuation of the land unsold by twenty (the average number of years' purchase given of the poor-law valuation of the lands dealt with under the Acts 1903-9). The multiplier might, however, be larger in future cases than in past cases, for the land unsold includes a much larger proportion of untenanted land than did the land already sold; and a greater number of years' purchase has always been given of the poor-law valuation of untenanted than of tenanted land, since in the former case the vendor has a larger interest in the land. Furthermore, the number of years' purchase is likely to be decreased by recent changes in the money market. If the purchase-money is paid in stock bearing 5% interest, the same number of years' purchase cannot be expected as when the purchase-money was paid in stock which bore only 3% interest. The number of holdings contained in the unsold land is placed at 60,000, or one-seventh of the number of holdings already affected by the Land Purchase Acts. The area, however, of these 60,000 holdings is between one quarter and one-third of the total agricultural area of Ireland. These disparities are due to the fact that a disproportionate number of the larger tenanted holdings and of the large holdings of untenanted land remain unsold. Of immediate concern are, however, the smaller-tenanted holdings (*i.e.* the holdings, the price of which would not exceed the present statutory limitations on the amount of advances), which number about 50,000, with an estimated total purchase-money of 15 millions. These should be the first care of any new legislation.

Under the terms of the 1903 Act vendors were paid in cash raised by the issue of 2¾% stock. This stock was, however, issued at an ever-increasing discount, and, in the present state of the money market, the annual cost of the issue of excess stock would not fall far short of the purchaser's annuities. The breakdown of this system resulted in the introduction of new legislation in 1909, whereby the landlords were paid in 3% stock at its face value. At the same time the purchaser's annuities were increased from 3¼ to 3½% per annum, and this increase was responsible for checking land purchase to some extent, for tenant purchasers could not, owing to the increased annuity rate, give the same number of years' purchase as under the Act of 1903. The Act of 1909 has, however, up to the present failed in its mission, and it is unlikely that it will achieve any larger measure of success in the future. Payment in 3% stock has now lost most of its attractions for landlords, although the prospect of the bonus still induces vendors to come forward who are desirous of paying off heavy charges on their estates. The 3% stock was never negotiable except at a considerable discount, and at the present time the discount stands at 40%. Under these circumstances it will be necessary to find some new financial basis if land purchase is to be carried on. Money cannot now be borrowed at a lesser rate than 5%, and it is doubtful if money can be obtained even at this rate. Furthermore, owing to the rise in the rate of interest, a 5*s.* per cent. sinking fund will amortise a loan as quickly as a 10*s.* sinking fund when the rate of interest was only 3%. Should it be decided to make advances in cash the purchase annuity necessary to meet the charges on such advances cannot be less than 5¼%. Unless the purchaser has to pay as an annuity a greater percentage of his former rent than annuities have averaged during the past 15 years, which was under 75% of the rent, the advance cannot be more than 14 times the rent, and many landlords could not afford to sell at 14 years' purchase, even though the proceeds were invested at 5%. A ground for agreement might be found between the landlord and the tenant if the former were induced to accept terms involving a diminution of income as compared with net rental and the latter were prepared to demand a less reduction in his purchase money as compared with his rent than was formerly the case. Both contingencies are, however, unlikely. Under the belief that agriculture returned larger profits during the War, it might well be argued that the future tenant purchaser should be in a position to pay a larger price for his holding. It is by no means certain, however, that these profits have been nearly as large as has been popularly supposed. True, the prices of foodstuffs maintained a high level during the past few years and prices were guaranteed for certain cereals, but the costs of labour and of the farmer's raw materials were also high. The farmer was assured by the Government that his industry would never again revert to the condition that characterised it in the 'nineties, but, if the Government have a reconstructive agricultural policy in hand, it seems to be very slow in materialising. So far as the landlord and tenant in Ireland are concerned, there does not seem to be any reasonable hope that, unaided, they will ever arrive at a practical working agreement. The State will in all likelihood be called upon to act the part of the medium, and to do something to bridge the gulf that will exist between the terms at which landlords are willing to sell and those at which tenants are willing to buy.

Several schemes were suggested at the Irish Convention as to the future of land purchase. Its investigation into the problem, though based on the assumption that a new form of Government would be set up in Ireland, is, nevertheless, of great practical importance. One of the suggestions was to the effect that landlords might be paid in 5% stock and that the tenant purchaser's annuity might be fixed at 5½%,

By a uniform investment of the sinking fund at 5% interest it was calculated that the stock would be redeemed in 62 years. In order to secure a uniform investment at 5% it was proposed that provision should be made for the redemption at par every year of an amount of stock equal to the amount of the annual sinking fund payment, the stock so redeemable being determined by lot. Such annual redemption would probably have a slight effect on keeping up the price of the stock. The payment of an annuity of 5¼% by the tenant would not provide on the average quite 14 years' purchase of his rent. And the interest at 5% on the amount of stock thus provided would in many cases be considerably less than the landlord's net rental. This loss could be met by the payment of a bonus on the part of the State. Another scheme suggested the payment in cash to the vendor, for which the tenant would be charged at the rate of only 4½%, his annuity being at the rate of 4¾%. Under this scheme the tenant's annuity, assuming that the annuity is not be a greater proportion of his rent than it has averaged heretofore, would provide less than 16 years' purchase of his rent. Apart from the bonus, if any were payable, the State would, in the existing condition of the money market, lose at least ½% in interest on every £100 cash advanced. A third suggestion was to the effect that landlords should be paid their purchase money half in cash and half in 3¼% stock at its face value and should receive no bonus. This scheme was designed to avoid any unnecessary departure from the existing finance of land purchase, especially from the rate of the annuity, which would continue at the existing rate of 3½%. Under this proposal State aid takes the form of providing cash for half the purchase money at 3¼%, instead of at the current rate, consequently at present rates the State would have to bear the interest and sinking fund on the amount of excess stock required to be issued in order to find this cash. As regards the first scheme the necessity of a bonus is frankly recognised, and there is no hidden liability in the shape of excess stock. The adoption of the third scheme would be a costly business for the State, and the cost, as in the second scheme, would tend to increase with each increase in the rate of interest.

SOUTH AND CENTRAL AMERICA.

ARGENTINA.

Recently the British representative at Buenos Ayres sought an interview with Dr. Pueyrredon, the Argentine Minister for Foreign Affairs, with the object of interesting the Minister in the hope of a revival of trade between the Argentine Republic and Great Britain. Our Minister was instructed to say that the British Government will be pleased to see Argentina reopen the buying departments formerly maintained by her in London, as it was hoped that British manufacturers would very shortly be in a position to meet all orders, or practically all orders, which Argentina might be willing to give. Our Minister also suggested that it would be highly desirable, if Argentina would remit specifications of such materials as she may need to her London Legation as well as to Washington and Barcelona. By resuming this practice mutual benefit, our Minister was instructed to say, accrues, since British merchants can compete on the basis of official figures; while Argentina's purchasing area is largely increased. The communication has, we understand, been well received by local British interests. These specifications largely refer to textiles, but something more is required. Argentina imported, for example, in the last year before the War, half a million tons of cement, of which some 20% was supplied from Great Britain. Since the War, so far as the Republic has been able to obtain cement at all, it is nearly all supplied from the United States of North America. Before the War Argentina received more than 80% of her aniline dyes from Germany, as, indeed, did most other countries. Since the War these have been supplied almost exclusively from the United States of North America. We were, of course, by far the most important exporters of coal to the Argentine, but it will be remembered that during the War coal exports were entirely forbidden. The present writer happens to know of a case where a large consignment of coal was ordered from this country to be shipped to the Argentine Republic. During the period while the exporter was waiting to obtain freightage a further rise in freights took place, and he took the trouble to cable out to his agents in Buenos Ayres asking them if they were willing to pay the extra freight. They replied that they were, provided the coal was despatched with as little delay as possible. Having secured a ship, the exporter was about to despatch his coal, and did, in fact, despatch it as far as a Canadian port, with the object of unloading a certain part of his cargo in accordance with contract. As soon as the ship arrived, however, in Canada the whole consignment was commandeered by the British Government, and from that time to the present the British shipper has not fulfilled his contract with the Argentine importer. Whether we shall be able to regain trade lost under such circumstances of course remains to be seen. But it is very important, if this country is to find the means of paying for the heavy cost of the late War and to be enabled to live in anything like the conditions in which we were accustomed to live before the War, that every effort should be made to recover such trade. Of course, it need not be added that, so far as the Argentine Republic has been able to import coal during the last two or three years, she has been wholly dependent upon the United States of North America. Owing to the extreme difficulty of obtaining coal on any terms, a new trade has grown up recently in Argentina. That is, oil obtained from coal and oil obtained from petroleum. It will be remembered that shortly before the outbreak of war oil was discovered in the south of Argentina, and efforts have been made to work these oilfields with a certain measure of success. Before the War, except for lighting purposes—what is called lamp oil—very little oil was imported into Argentina. And, of course, during the War it has been difficult to obtain oil in anything like the quantities that were required. But at the same time, as oil requires less bulk than coal, it has been found on the whole easier to obtain oil than coal. But the prices charged have naturally been extravagant. There is, undoubtedly, a new field opening up in the Republic for fuel oils; but whether it will be possible for the oil interests of this country to compete with those of the United States of North America of course remains to be seen. It is satisfactory to note that a British company is advertising fuel oil in Argentina at the present time. And it is still more satisfactory that a British company has entered into a contract to supply a certain small quantity from Mexico.

If our merchants and traders, and those having established economic relations with the Argentine Republic, use their opportunities to the best advantage, we have, through long-established custom and our knowledge of the Argentine trade how it should be financed and handled, a position which it should be difficult, although by no means impossible, to assail. For over a century now, economically, there have been very close relations between Argentina and this country. We own, for the most part, the bulk of the transportation facilities of the Republic. In addition we are, directly or indirectly, interested in an immense number of undertakings concerned with the distribution of the large quantities of food and raw materials which Argentina must continue to export if she is to maintain the high level of prosperity to which she has already attained. The railways of the country cost us nearly 250 millions sterling to build, and we retain to this day the preponderating interest in those lines. Although at no time were we the only shipping interests in the River Plate countries, we have long held, and still to a considerable extent hold, the vast prepon-

derating amount of tonnage. Indirectly, our bankers and financiers have assisted, and continue to assist, the great producing interests of the country. And when money has been required to erect grain elevators, storage companies, and so on, it is from British sources that such money has been found. Even in the cold-storage business, which is especially a trade of the United States of North America, we own interests of exceptionally great amount in the Argentine Republic. Even the freezing-houses have been largely financed by British capital. When it was decided, some 30 years ago, to build the great docks at Buenos Ayres, which made it possible for the enormous export trade which Argentina now enjoys to be carried on, it was English capitalists who found the money. Those who remember the River Plate in those days will recollect that, in spite of its enormous breadth, it was almost impossible for any vessel drawing more than a few feet of water to get within hailing distance of the shore. The practice was for a large ship to lie outside in the river, for small boats to carry cargo from the ship to as near the shore as they could get, the final process being completed with mule carts between the landing-stages and the muddy banks of the river. All this was done away with when the great dock system and the immense elevators, which are so striking a feature to the passenger who arrives at Buenos Ayres for the first time, were constructed. Finally, and by no means of least importance, we are, and there is every probability that we shall continue to be for a considerable time, Argentina's best customer. Efforts may be made, and doubtless will be made, and up to a certain point should be made, although it should not be carried too far, to increase the food productivity of this country and to produce any raw materials which we are capable of producing. But it would be disastrous to a population like ours if we devoted an undue proportion of our resources to attempting to divert the labour of an undue proportion of our people into the production of primaries for which neither our soil, nor our climate, nor the area of the country fits us to compete with the newer countries of the world. The trade of this country has been built up by importing primaries from the countries where they can be raised to the best economic advantage. And our business must remain, as it always has been, the manipulation of primaries.

Of course, the great need of Argentina at the present time is to increase her transportation facilities with as little delay as possible. Up to the outbreak of the War, as we were so largely dependent upon Argentina for meat, and wheat, and linseed, and various foods and raw materials which we imported from the Republic, we were always not merely ready, but eager, to find the money for any reasonable proposition which was put before the London financier. During the War we were, of course, unable to do this, and in the interval Argentina has accepted the position, and quietly waited to see what would happen when the War is over. Now that the War is over it is evident that she must try to increase her transportation facilities. It is difficult to see just at the moment, inasmuch as we are not able to pay for our imports, how we are to find money for railway building and irrigation works which are urgently needed in Argentina. Argentina, however, is an exceptionally flat country; and, speaking generally, there is a long period of the year when the country lends itself exceptionally well to almost any kind of traffic, as the rains are not unduly heavy at any season. Would it be possible, with such a country as the Pampas of Argentina, to employ motor traffic to a greater extent than has ever been done in the past?

NOTE.—The Board of Trade wish to draw attention to the issue of the "Argentine Standard Directory of National and Foreign Merchants and Manufacturers" for 1919, which may be seen on application to the Department of Overseas Trade (Latin-American Section). The scope of this edition has been widened to include all the commercial enterprises in the Republic, excepting enemy firms. Manufacturers are classified under the headings of the goods they manufacture, and merchants under the goods in which they specialise. H.M. Commercial Secretary at Buenos Ayres states that the Directory is a work of reference of considerable value. The publishers are a British firm, whose representative is about to visit the United Kingdom to appoint an agent. The Directory is a useful advertising medium.

PAPER MANUFACTURE IN IRELAND.

PREVIOUS to 1913 the price of paper had shown a steady downward trend owing to increased production and to more efficient methods of manufacture. This decline was, however, sharply arrested by the War, which caused a decrease in production, mainly as a result of the restrictions placed on the imports and exports of paper and papermaking materials. The increase in the price of paper, amounting to between 400% and 1,200% in comparison with pre-War days, was brought home to the public during the past few years by the higher cost of books and newspapers and their reduction in size. Lower freight rates and the resumption of free shipping should, however, have the effect of bringing prices down to a more reasonable level. The uses of paper are continually growing, and more than 20,000 different kinds are in use at present. It is the raw material of the newspaper proprietor and book publisher, and also enters for that purpose into many other trades, all of which employ a considerable amount of labour. The operations of business have been greatly facilitated by its use, and, socially, the introduction of cheap wallpaper has brightened the homes of the poor. With the extension of cheaper facilities for education the paper manufacturer will be called upon to satisfy an ever-increasing demand.

The raw materials used principally in the United Kingdom for the manufacture of paper consist of vegetable fibres derived chiefly from wood, esparto, rags, and straw; waste paper is also utilised, as was also even sawdust during the War. The approximate quantity and value of imported raw materials for the years 1902 and 1913 are shown by the following table:—

	Quantity Tons	Value £
1902	758,000	3,387,000
1913	1,229,000	5,815,800

Since the year 1880 chemical wood pulp has been used as the chief material for middling kinds of paper, and more recently mechanical wood—made by crushing wood between rollers or by pressing it against a grindstone—mixed with varying quantities of chemical wood pulp, has been employed for the cheapest newspapers and common printings. The wood used is mostly coniferous. Norway and Sweden supply the bulk of our requirements; next in importance come Russia, Canada, Newfoundland, and Germany. The cutting off of supplies from the last-named country has not appreciably affected the position, and until restrictive measures came into operation the British imports of wood pulp had increased rather than diminished. There are ample reserves of wood in Canada and Newfoundland to supply all our requirements. Rags are used for making high-grade papers, and, in common with esparto, which comes to us in a raw state and is converted into pulp in home mills, the imports have fallen off considerably during the War. Esparto is supplied to us by Spain, Algeria, and Tunis. Over 400 materials have been tried, but rags and esparto remain the chief for good class paper. In order to cheapen and render the paper opaque china clay, chalk, and gypsum are used. The purification of the fibres is effected by soda lime and bleaching powders, and rosin, glue, gelatine, and starch are employed for sizing and giving a finish to the paper. In addition, various colours, such as ultramarine and coal-tar dyes,

assist to counteract the natural yellow tinge in the manufacture of white paper.

The following table indicates the quantity of our exports and imports of paper for 1902 as compared with 1913:—

	1902 Tons	1913 Tons	Per Cent. Increase in 1913 as compared with 1902
Exports...	54,000	175,000	224
Imports	324,000	644,000	99

These figures are all the more satisfactory when it is recollected that between 1892 and 1902 our export trade had fallen off to a considerable extent. We are in a better position to appreciate the efforts of our manufacturers when we consider the disadvantages under which they labour as compared with foreign and Colonial manufacturers. The United States and Canada are our principal competitors, and both possess plentiful supplies of water power and wood pulp. The American mills have a capacity of 15,846 horse-power per 1,000 wage-earners, while the corresponding figure in the United Kingdom is 4,201. This forms a vivid illustration of the use made of water power in the United States. A great quantity of our wood pulp comes from the very spots which offer such favourable facilities for paper manufacture. The United States is responsible for about one-third of the world's total paper production. Great Britain produces about 11% and Canada 3%. Before the War Germany had a larger output than England, but her competition is not now likely to be felt for some time. During the War we were slightly inconvenienced as a result of the cessation of supplies of vegetable parchment, photographic, greaseproof and filter papers from that country, but steps have now been taken to increase the home supplies. A movement in India to manufacture paper pulp from bamboo has not so far met with any marked measure of success, business men being chary of making the necessary capital outlay on plant, and also being fearful of dumping from Scandinavia and North America. Our best customers are our own possessions, especially South Africa and Australia. The competition for these markets is very keen, as Canada and the United States have been making a determined effort for some years to secure them. Generally speaking, there is a difference between the trade policy pursued by the foreign manufacturer and that pursued by the British manufacturer. The former possesses a certain advantage in the fact that he sells his goods at a cheaper rate abroad than at home. Taking advantage of a protective tariff he makes the home consumer pay for the privilege of capturing foreign markets. On the other hand, the British trader as a rule sells for the same price both at home and abroad.

Papermaking was once a very flourishing industry in Ireland. Abandoned mills are located in many places in the South of Ireland which were once worked by water power. The abolition of the paper duties in 1861 dealt a severe blow at the Irish and English industries. The latter, however, eventually made a complete recovery, but the absence of capital to tide over the crisis resulted in only a partial recovery of the former. The old Irish mills turned out writing, printing, and wrapping papers, millboards, glazed papers for clothiers and hot presses in great variety, but were seriously handicapped by the inadequacy of transport for the necessary raw materials, when the introduction of wood pulp and esparto grass brought about a great cheapening in the cost of paper. The difficulty of adjusting it to modern conditions was thus one of the main reasons for the decline of the Irish trade. There are at present seven mills in Ireland, practically all situated along the eastern coast line within easy reach of great centres of consumption. Water power is not used to any extent, as the principal sources of that power are centred in the West of Ireland, where the population is very scattered. The machinery used for driving mills is imported from England. Of a total import of wood pulp, with a value of £213,480, in 1916, an amount equivalent to £171,958 came direct from Norway and Canada. Foreign grass is also imported, but in small quantities; while rags do not figure at all in the import list. Machinery for turning straw into paper pulp is being set up in one of the southern mills, and it is surprising that more use is not made of this material in an agricultural country. During the War waste paper was much employed as a raw material, but the demand for the manufactured article made therefrom has now greatly fallen off. The value of the output of paper in these countries in 1907, as taken from the Census of Production, is shown below:—

Value of Output of Paper in **1907.**

	£
England and Wales	9,835,000
Scotland	3,599,000
Ireland	187,000

These figures demonstrate the relative insignificance of Ireland so far as this particular industry is concerned. For 1913 the Irish exports of all articles of paper amounted to £362,661, while the imports amounted to £1,161,176. A small direct export and import trade is maintained with the United States, but it is of trifling importance. The output of Irish mills has undoubtedly increased since 1907, but there are a number of influences at work which combine to operate against a large expansion. Practically all the coal employed has to be imported from England and Scotland, and this constitutes a heavy item of expense in the Irish manufacturer's account, chiefly owing to the high freight charges. The pre-War freight from some English and Scottish ports to Dublin was 3*s.* 6*d.*, or 2*s.* 6*d.* net per ton. It is now 14*s.* There are no submarines in the Irish Sea now, and though the wages of seamen have risen, the increase would not account for anything like this sum. It is said that as war risks insurance is no longer necessary, the price of coal in Dublin could be reduced by 7*s.* per ton below the control price. Pending some reduction, one large paper concern has been forced to suspend business. A partial solution of the fuel problem can only be found by the development of the native coal resources and by the utilisation of the vast peat bogs that cover the country. The manufacture of peat briquettes as a substitute for coal for power purposes has reached important dimensions in the United States, and during the War the shortage of coal in Denmark has led to experiments which appear to have proved that peat under certain conditions is an economical fuel for locomotives. Irish manufacturers also complain that their industry is hindered by high railway rates. In a country with very few largely populated centres the costs of distribution must be high, but then it must be remembered that the railways are also obliged to import coal. If we can accept the results of the Danish tests, some important facts have been established. Engines can be fired with turf as quickly as with coal, and under certain working conditions turf yields good economical fuel. To obtain the same results as with coal, two and a half times the weight in turf is required; furthermore it is stated that it is easier to "get up steam," to light the fire, and create a draught with peat than with coal. The attention of the Irish railway companies might well be directed to the Danish experiment. As a result of these several disadvantages the Irish paper concerns find it difficult to meet outside competition. There is no difference in selling price between the imported and the Irish papers, but the cost of production in the case of the latter is higher; consequently the net profits are smaller, and this, of course, reduces the amount available for expanding the business and for advertising purposes. Prior conditions for a future large development of the manufacture of paper in Ireland would seem to be the provision of cheaper fuel and cheaper and better transport facilities.

FOREIGN TRADE OF BRAZIL.

We are indebted to the London and River Plate Bank, Limited, for the following figures of the imports and exports of Brazil:—

Year (Jan.-Oct.)	Imports Metric Tons	Exports Metric Tons
1916	2,162,493	1,479,980
1917	1,669,486	1,641,068
1918	1,476,861	1,471,211

The foreign trade returns of Brazil show that her exports decreased both in quantity and in value during the ten months—January to October—of 1918, as compared with the corresponding period of 1917, while imports showed an increase in value, but a decline in quantity. The foreign trade of the country during this period was valued at 90½ millions sterling, which was greater than the trade in the corresponding period of any previous year during the recent War. The total foreign trade during the period January-October 1915 amounted to 66¾ millions sterling. In 1916 it increased to 75¾ millions; in 1917 there was a rise to 84¾ millions; and last year there was a further rise to, as said above, 90½ millions.

During this period of 1918 Brazil had a favourable trade balance of very nearly 4 millions sterling, which is considerably less than at any corresponding period during the recent War. The exports of coffee during the 10 months of 1918 were 6¼ million bags of 132 lb. per bag. This is some 2½ million bags less than in 1917, and a decline of very nearly 7 million bags as compared with the shipments during the same period of 1915, the effect of the War on the trade being thus clearly evidenced. Exports of rubber were 17,000 tons, which were considerably less than those of the same period in 1917, and, with a reduction in price, the amount received from the rubber shipments was less than half the value of the corresponding period. The exports of frozen beef rose from 4,570 tons in 1914 to 56,778 tons in 1918. Owing to the high prices prevailing, the extravagant rates charged for freights, and the difficulty of obtaining freights even on those extravagant terms, the value of the imports fell considerably short of the pre-War figures. In reality, the figures which we are about to give represent extravagantly high prices rather than an increase in the magnitude of the imports. In 1916 the value of the imports amounted to somewhat over 31¾ millions sterling; in 1917 to 35 millions; and in 1918 to 43¼ millions. The great market for Pernambuco sugar is Buenos Ayres, but a considerable amount is also sent to Montevideo. During December 470,000 bags, of roughly 132 lb., were shipped from Pernambuco, making 1,290,000 bags for the crop to the end of the year, comparing with 1,306,000 bags for the previous season. Estimates as to the size of the crop for the coming season vary considerably, but the general opinion is that it will not be so large as was at first anticipated, possibly not quite equalling 3 million bags. There have already been some shipments of early sugar, principally to Buenos Ayres. Prices have somewhat reacted on the more favourable reports regarding the size of the crop and the difficulty of disposing of any of it to Europe. The sugar trade in Pernambuco is largely controlled by a great combine, and this combine at present is to some extent restricting sales in the hope that prices will harden somewhat later. The estimate of stocks varies between 400,000 and 500,000 bags, mainly, of course, of sugar held over from the last crop. The market has already entered into contracts with dealers in Buenos Ayres and Montevideo. And, of course, if the arrangements of our Control Board with regard to the Cuban crop will admit, there is plenty of room for a larger supply of sugar on this side of the Atlantic.

Captain Bruce Bairnsfather writes:—"I greatly appreciate your 'De Reszke' American Cigarettes. I never smoke anything but Virginia cigarettes myself, and I think yours very good indeed."

"Peace Proclaimed."



J. St. Loe Strachey, Esq., writes:—"Your 'De Reszke' Cigarettes are very mild and pleasant."

Madame Ada Crossley writes:—"This gentle 'smoke' I find both stimulating and soothing to the throat."

PLEASURE comes with quality—not quantity. Thus if you enjoy a good cigarette, take the advice of people who know and put "De Reszkes" to the test. They are sure to satisfy you.

"De Reszke" The Aristocrat CIGARETTES

Sold at all Military Canteens at Home and Overseas, also Tobacconists' and Stores.

THE BANK OF TAIWAN, LIMITED.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Head Office - - TAIPEH, FORMOSA.

Branches:—Amoy, Bangkok, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, Yokohama, and every important city in Formosa (Taiwan), &c. The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.

London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

In the Monthly Review of the London Joint City and Midland Bank, Limited, attention is called to the fact that there is no mention of Germany handing over the Russian securities in part payment for foodstuffs. This, of course, as the circular points out, does not necessarily mean that Germany will be allowed, when the ultimate settlement takes place, to retain her large holdings of Russian securities. In the years that preceded the War, the French Money market was the great source from which Russia derived the means of maintaining her great armaments and carrying on the ordinary business of her Government so far as Imperial loans were concerned. Germany, however, took a different line. And it was the fixed policy of the financial and trading community in Germany—of course, aided by the German Imperial Government—to purchase as far as they could the controlling vote in a very large number of Russian industrial securities, and thus to secure a hold on Russian trade for the purpose of furthering German political and economic interests in Russia.

Ever since the time of Peter the Great, Germans have been exceedingly active in the building up of the great bureaucracy which constituted the Russian Government. In addition, Germany, for nearly two centuries, and especially during the latter part of the nineteenth century, did everything that was in her power to increase her hold upon Russia's economic life. Of course, as things are at present, in the state of chaos into which Russia has been placed as a result of the War, and to a very large extent, in our opinion, owing to the mistaken policy pursued by our own Government, Russian securities, whether national or industrial, may be regarded as of comparatively little value. Of course, it is possible that Europe may be reverting to a state of barbarism. But this does not appear likely. Experience everywhere shows that after a period of revolution countries possessing great material resources ultimately come to see the importance of maintaining order and developing the economic resources of which they may be possessed

It has to be remembered that what for convenience we may call the Bolshevist element constitutes a very small part of the population of any country. The great majority of people everywhere are law-abiding and anxious, so far as their capabilities and opportunities admit, to improve their condition in life. If it were not so, organised society, as we know it, would be impossible. Everybody who knows Russia well, who has either expressed an opinion in public, or has written upon the Russian people, describe them as an amiable and docile people who readily submit to disciplinary methods. It is hardly conceivable—and all experience contradicts the assumption—that the experiences of the recent War have turned something like 180 millions of people into Bolshevists; and if our assumption that the great majority of the people desire quiet and orderly life, in Russia as elsewhere, a recovery sooner or later seems not merely probable but almost inevitable. If this assumption proves correct, it would be eminently desirable that the Entente Powers should have a greater control over Russian economic life than they have had in the past, and particularly that they should not allow Germany to retain a practical control of Russia's economic potentialities.

That Russia has enormous economic potentialities no one really acquainted with the country would deny. Russia is still, to a large extent, an Asiatic outpost in Europe. More than 90% of her population are agriculturists, and even in the pursuit of the one calling to which they are devoted, their methods are exceedingly backward, as the yield per unit of land cultivated abundantly shows. In matters of education—using the term in the wider sense—and of industrial training, they are amongst the most backward people in Europe; and for a long time they will require direction from those countries which are more highly developed in an economic sense; while in addition they will require large amounts of capital. Russia before the War was the great source of supply for flax. And, of course, the Russian oilfields, only partially exploited in the period that preceded the recent War, admit of very much greater development than has ever taken place in the country. The Russian forests are capable of supplying immense quantities of the kind of timber which will be required during the reconstruction period now, we hope, about to begin in Western Europe. And, finally, the mineral resources of Russia, which can hardly be said to have been worked at all in the period that preceded the recent war, invite exploitation upon an extensive scale.

We have before us a review of the fiscal year from April 1916 to March 1917, compiled by the Governor-General of the Province of Chosen, or Korea. This province, it will be remembered, was annexed by Japan in 1910 as a result of the war with Russia. Of course it has to be remembered that even the Government organisation is to some extent still in the constructive stage, while the administrative, judicial, educational, and industrial systems are even still more in an early stage of development. A change of Governor-General took place for the first time in October 1916. Count Terauchi, who had diligently served in the Peninsula for over six years, first as Resident-General, and then as Governor-General, was summoned to Tokyo to organise a new Cabinet on the resignation by Marquis Okuma of the Premiership of Japan, and Count Hasegawa was appointed his successor.

The object of the Japanese Government has been to adjust the expenditure to the revenue which it was thought expedient to collect. Successful efforts have been made to curtail as far as possible Government expenses without prejudice to the careful administration of the province. It was decided to apply the Income Tax Law of Japan to Chosen only in part, and to make up the deficiency by an increase in the rate of the Liquor Tax and in Registration Fees—that is for those applying for concessions and other industrial advantages. In addition, so successful has been the general administration that Japan has been in the happy position of finding that the taxes already imposed tend to yield a greater revenue year by year.

Korea, it will be remembered, is one of the Far Eastern provinces of Asia. And although formerly there was a large measure of industrial development in Japan, owing to the unenlightened methods pursued by former Governments, the present population is almost wholly an agricultural one. It lives mainly on the production of primaries as distinct from their manipulation. This, of course, has been by no means an unfavourable feature in the economic development of Korea during the period of the recent War. There was, of course, owing to the large number of men who were called up to join the armies of the various belligerent nations a great dearth of skilled operatives in those countries which make a speciality of the manipulation, as distinct from the production, of primaries. But if possible there was a still greater dearth of commodities of primary necessity. There was, and is, a scarcity of food, not merely in Europe, but in all parts of the world. Many of our readers will doubtless have observed in the Press during the past week a telegram from Singapore stating that there is a scarcity of rice and a serious shortage is threatened, and that the Government has enacted that the various plantations in the Malay States are to devote a part of their land to the production of food, very much on the lines of the various enactments to which European countries became so painfully familiar during the progress of the late War. The result, so far as Korea is concerned, is that there is a great demand for the products she has to sell.

Rice is one of the great staples of Korea, and while it is, perhaps, one of the cheapest cereals produced in the world, and the food of probably the largest aggregate proportion of mankind, it has become exceedingly scarce, and the demand for it is extravagantly high. The result in the rise in price of rice enriched a large proportion of Korea's rural population and tended to stimulate such industries as the province possesses; and, in addition, it stimulated a demand for imports from Japan as well as from other countries of the world. In Korea, as elsewhere, there has been a great increase in the monetary circulation, and the working funds at the end of December amounted to 15 millions sterling, while the issue of bank notes by the Bank of Chosen reached £4,600,000, showing an increase of £3,500,000 and £1,200,000 respectively over the figures for the preceding year.

The foreign trade of Korea has been exceedingly active. The value of the exports reached £5,600,000, and of the imports £7,400,000, making a total for the foreign trade of Chosen of 13 millions sterling, and showing an increase in the respective figures of 15%, 26%, and 21%. The rise in the prices of commodities stimulated various kinds of industry, and many an enterprise on a large scale was set in train for early launching. The Japanese Government is wisely increasing transportation facilities. By the end of the year under review, that is March 1917, the total railway mileage had reached 1,066 miles, and the receipts amounted to £860,000. As a result of the keen demand for Korean commodities, there has been a large measure of saving amongst the population, and the deposits in the Postal Savings Bank amounted at the end of December to over a million sterling. The Japanese Government has completed its programme for the construction of State roads, which should greatly facilitate communication throughout the province. The principal exports are rice, wheat, barley, beans, raw cotton, silk cocoons, cows, mining products, fish and the products of the fisheries, and seedling trees, which were exported to the extent of 180 million trees in 1916.

Dividends that never fail

THE dividend paid a few days ago to holders of National War Bonds illustrates one of the outstanding advantages of this Government Security. Your dividends are certain.

Once you have put your money into War Bonds, you have put your income beyond reach of accident.

This is a point to consider when you are deciding how to invest the money now waiting on deposit at your bankers. You may for the moment be able to get a slightly higher return on some speculative stock or share. But in a year or two that attractive rate of dividend may have fallen to 3 or 4 per cent.; it may even be "passed" altogether.

That is a risk which you will never have to face if you put your capital into War Bonds. Your 5 per cent. will be safe under all conditions. And you will have the added satisfaction of knowing that, when your Bonds mature, the money repaid will be more than the money invested. For it will include a substantial premium.

Why not take the decisive step now? Why not free yourself from all uncertainty as to the future of your investment by instructing your banker or stockbroker to

Put the Money into National

War Bonds

Repayment and Interest guaranteed by the State.

On sale at all Banks and Money Order Post Offices. You have the choice between 5 per cent. Bonds issued at £100 and repayable in 1924 at £102; or 5 per cent. Bonds issued at £100 and repayable in 1929 at £105; or 4 per cent. (Income Tax Compounded) Bonds issued at £101 : 10 : 0 and repayable in 1929 at £100.

HEAD OFFICE:
1 Dale Street,
LIVERPOOL.



LONDON:
Chief Office,
1 Cornhill, E.C. 3.

TOTAL ASSETS exceed - £16,000,000
TOTAL CLAIMS PAID over £89,000,000

FIRE. LIFE. ACCIDENT. MARINE.

Annuities, Leasehold Redemption, Burglary, Fidelity Guarantee, Motor Car, Plate Glass, Personal Accident, Workmen's Compensation, Sickness, Live Stock, Loss of Profits, &c.

OFFICES IN ALL THE CHIEF COMMERCIAL CENTRES.

American Topics.

SENATOR LODGE'S SPEECH.

We have received a copy of Senator Lodge's speech delivered in Washington some time ago, with the object of showing the extreme difficulty which is likely to be experienced if President Wilson's scheme of a League of Nations is seriously attempted to be carried out. The Senator says, and says rightly, that all intelligent people, and most people who are not very intelligent, are in favour of peace as a theoretic proposition. The difficulty comes when it is sought to enforce upon either an individual or a nation some course of action to which that individual or nation is bitterly and determinedly opposed. In the case of individuals we usually fight the questions out in the law courts. But it seems hardly practicable that a League of Nations can be formed which will be strong enough to prevent a nation determinedly opposed to any particular course of action from engaging in war. It has been reported this week that the terms of the League of Nations are drawn up so as to exclude the operation of the Monroe Doctrine. If this be so it will exclude from the operations of the League, except in so far as she may decide to act as a policeman, the United States of North America, which is one of the most powerful States of our time. Senator Lodge in his speech truly said that to extend the Monroe Doctrine to all the world would be to nullify its provisions. The Monroe Doctrine came into existence to enable the United States to keep European nations from interfering with the affairs of the continents of North and South America. It is hardly conceivable that the United States, which would not submit to such interference in the past, will be likely to submit to such interference in the future. Is it any more likely that other Great Powers in the world will be willing to submit to dictation from the League of Nations with regard to some policy which they cherish as the United States of North America cherishes its adherence to the Monroe Doctrine?

CANADIAN GENERAL ELECTRIC COMPANY, LIMITED.

The report of the Canadian General Electric Company, Limited, for 1918 shows the growth in the Company's business brought about by the recent happily concluded War. Its net profits have not been increased to the same extent, owing partly to the growth in the cost of working, and partly to war taxes. In 1913, the last clear year before the War, the gross profits exceeded two million dollars, as they did in the three years of war, 1916, 1917, and 1918. But whereas before the War the Company wrote off for depreciation some $470,000, it was enabled in 1916 to write off more than a million dollars; in 1917, $918,000; and in 1918, $577,000. Its actual distribution in dividends was increased only by 1% from 7% to 8%. The experience of the Canadian General Electric Company was similar to that of nearly all great industrial corporations. In the early days of the War its business appeared to be almost entirely brought to a standstill. No new orders were coming in, and old standing orders were being cancelled in various directions. So grave did the directors regard the position that they decided to make a drastic cut of 20% in the wages of their whole staff. This policy was initiated to enable them to keep the staff together, in the hope that the War would be short and that it would be possible to resume operations at no distant date. They succeeded in their endeavours in keeping their highly trained staff together; but they succeeded from a very different cause from that which was anticipated. Only a few months after having decided so drastically to reduce the remuneration of their staff, orders for various kinds of munitions of war and electrical apparatus poured in from the British and the Canadian Governments, and particularly from the British Government, and from being practically idle the business of the Company increased to remarkable proportions. So enormously did the business grow that before the War had been going on for half its course it was decided to build extensive premises, very nearly doubling the housing capacity for their staff, to accommodate the enormous number of new hands it had been necessary to take on to cope with the immense number of orders, nearly all coming in on Government account. During 1915, 1916, 1917, and 1918 the Company manufactured and shipped orders for munitions of various types amounting in value to 15¼ million dollars. To cope with such a business it was necessary practically to reorganise the whole plant of the undertaking. The Company turned out more than 9¼ million of various types and sizes of shell forgings. They manufactured 2¼ million brass cartridge cases, 4½ million brass primers, and 2¼ million component parts. The vast bulk was supplied to the British Ministry of Munitions through the Imperial Munitions Board, and of the total above given more than 13½ million dollars were supplied to the British Ministry of Munitions.

Early in the year 1918 the directors came to the conclusion that the end of the War could not be long delayed, and they determined, therefore, to so adapt their policy that they should have facilities which would enable them to deal with peace orders when these were likely to come along. Accordingly, realising the shortage of shipping, they thought the most favourable channel to which they could adapt their machinery was for the purpose of constructing marine engines, boilers, and similar requirements of the mercantile marine. Consequently, they have now adapted a large part of their works for supplying these essentials of shipping.

Details of the liabilities and assets may be seen from the following:—

LIABILITIES.	1917	1918
	$	$
Common stock	8,000,000	8,000,000
Preferred stock	2,000,000	2,000,000
	10,000,000	10,000,000
Mortgages	24,000	22,500
Deferred liab.*	436,378	693,393
Current a/cs	1,198,152	1,357,620
Dividend	160,000	160,000
Reserve	3,810,314	4,336,182
Surplus a/cs	4,466,293	5,122,777
	20,095,137	21,692,472

ASSETS.	1917	1918
	$	$
Real estate, &c.	6,455,162	6,810,168
Machinery	4,324,171	4,692,057
Patterns	757,856	796,967
Patents, contracts and goodwill	1	1
Total	11,537,191	12,299,193
Raw material, &c.	4,395,469	5,280,386
A/cs receivable	2,990,276	3,140,191
Insur. premiums	703,172	654,486
Investments	407,063	254,478
Cash	61,967	63,438
	8,557,947	9,393,279
	20,095,138	21,692,472

* War tax contingent liabilities.

The following sets out the manner of distributing the profits for the past six years :—

Yr. ended Dec. 31—	1918	1917	1916	1915	1914	1913
	$	$	$	$	$	$
Profit for year...	2,013,996	2,051,609	2,225,912	1,219,514	914,528	2,029,898
Amounts written off	577,512	918,012	1,040,491	416,223	—	470,934
	1,436,484	1,133,597	1,185,421	803,291	914,528	1,558,964
Int. and discounts	—	—	—	38,912	190,957	222,654
	1,436,484	1,133,597	1,185,421	764,379	723,571	1,336,310
Dividends ...	780,800 (8%)	780,000 (8%)	779,844 (8%)	698,022 (7%)	696,741 (7%)	776,634 (8%)
	656,484	353,597	405,577	66,357	26,830	259,676
To reserve fund	600,000	500,000	500,000	300,000	—	328,134
	56,484	Dr.146,403	Dr.94,423	Dr.233,643	26,830	531,542
Brought forward	466,293	612,696	707,120	940,763	913,932	682,391
Carried forward...	522,767	466,293	612,697	707,120	940,763	913,933

LONDON NITRATE COMPANY.

THE complete disorganisation of the Nitrate market which followed the Armistice found this Company largely overspent on capital account. A year or 18 months prevously new nitrate grounds had been acquired from the Chilian Government, and to June 30, 1918, £266,710 had been expended upon same. Since then the outlay has been increased to £325,000. Hence the large deficit in surplus liquid assets as shown by the balance sheet at June 30. Lately £150,000 of 6% Debenture stock, redeemable in seven years at 103%, has been disposed of at 97½%. This has eased the situation considerably, but there must still remain a residue of deficiency to be rectified by allocations to reserve, &c., out of future profits. In the year to June 30 last, for which accounts have just been presented, the gross trading profit was £55,223, against £54,471 in 1916-17. The first half of the year was a very profitable period, but the second half yielded only a very meagre net revenue. The net profit, owing to smaller sundry receipts, was somewhat lower, but the dividend was maintained at 15% free of tax. Stocks of nitrate and iodine were not much reduced during the year, and the value of stores was doubled.

Issued Capital: £160,000 in £1 Shares.
6% Debenture Stock: £150,000.

Year to June 30	Net Profit	Income Tax	Ordinary Div.*		Reserve and Special Deprcn.	Carry-forwd.	Stocks— Nitrate & Iodine	Stores	Surplus Liquid Assets†
	£	£	£	%	£	£	£	£	£
1914...	50,194	4,116	24,000	15	17,500	14,932	61,505	18,249	7,681
1915...	24,101	4,164	16,000	10	10,500	8,369	27,952	18,459	41,015
1916 .	53,126	6,532	24,000	15	22,500	8,463	33,411	17,331	64,150
1917 .	54,838	10 741	24,000	15	20,000	8,560	50.822	20,597	*35,870*‡
1918...	52,340	9,790	24,000	15	17,500	9,610	48,985	43,173	*204,782*‡

* Free of tax. † Excluding stocks. ‡ Deficit.

The two producing oficinas have been shut down for some time, and the new officina, fully equipped and ready to produce, has, of course, not started. It does not appear now if conditions will be normal again in time to enable much production in the current financial year, and therefore shareholders must be prepared for a poor report. At the same time it is well to bear in mind the Chairman's claim at the recent meeting that the new oficina will be the cheapest producer on the coast. Consequently, if, as is generally expected, a good demand for nitrate develops for agricultural purposes and a fair price is obtainable, the Company should do well again. Just now the price of the £1 shares is 42*s.*, in comparison with 49*s.* a year ago.

"Industry and Humanity." By W. L. Mackenzie King. Price 12*s.* 6*d.* net. (London: Constable and Co., Ltd.) A study of the principles underlying industrial reconstruction, the first problem which must be solved after the War. The author has been Minister of Labour in Canada, conciliator in many important industrial strikes, and investigator of industrial relations for the Rockefeller Foundation. His book will be of profound value, not only to employers, legislators, educators, social workers, and labour leaders, but to all who are concerned with the changing relations of labour, capital, management, and public interests.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue.
Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

BUSINESS has been on a small scale in the Share market on the approach of the holidays and the absence of any stimulating factor. The commodity has receded a little in price and it is three weeks yet to the Budget.

LONG-DISTANCE MOTOR TRANSPORT.

SINCE the War, and because of it, the transportation problem the world over has reached an acute stage. Railways in almost every country have been worked at high pressure and wear and tear has not been made good in anything like the normal fashion. There are great arrears to catch up in this respect before normal conditions can be re-established, and the cost of doing this will be far above the pre-War figures. Steel rails, on which trains run, cost about 80% more than they used to do; rubber, which bears the brunt of motor traction, costs less. That is a significant fact in itself. Of course, the roadways have arrears of repairs to be made good as well as the railways, but the one is a very much easier matter than the other. Both will, undoubtedly, be taken in hand, and there is no reason why there should be cut-throat competition between the two forms of mechanical transport. The motor's province is to be an adjunct to, and feeder of, the railway just as it was in the War. Everyone knows the great part played by it and the big advance in experience, both in the construction and the use of the motor waggon, and how bad must be the road they cannot move over.

The recent experience of Italy and the extended use being made there of motor traction are an indication of progress. Following the Armistice, that country's transportation problem became acute owing to provision having to be made for half a million Austrian prisoners, in addition to the home-bringing of all the Italian prisoners in Germany and Austria. Consequently, many more trains had to be allocated to army purposes than during the War. The resulting congestion of, and delay in delivering, merchandise and materials for industry compelled the use of motor traction as it had never been used before, and the Fiat and other big motor firms put into operation heavy lorries over long-distance routes. One of these routes is right across Italy, from Turin to Cervignano, the distance of 360 miles being covered within four days. On Genoa, the port which acts as a feeder for the industrial North, becoming congested, motor lorry services were instituted between the port and such towns as Turin and Milan. Now a strong effort is being made to place the new innovation on a permanent basis, and to arrange for return loads so as to avoid dead mileage, for it is considered that Italy is almost ideal for the establishment of motor routes as feeders to the railroads, as all the main lines skirt the seaboard with very little connection between them. The same eagerness to take advantage in peace time of the experience gained of motor traction in war is manifest in the United States; and it is certain that in the rebuilding of Belgium and Northern France motor transportation

will be used to an extent undreamt of before the War. Here at home there appears to be nothing definite in the shape of schemes yet, but the scope is so great that there is little doubt that the development of motor transportation will not be left to other countries alone. In all the circumstances it is not surprising that the Chairman of the Dunlop Rubber Company expressed himself so optimistically as he did at the recent meeting in regard to the prospective future demand for solid rubber tyres. It is also satisfactory to know that the supply of rubber will not be deficient in the next few years, for it is as true an axiom as any in commerce, that abundant production of raw material is the greatest incentive to the expansion of a manufacturing industry.

PATALING.

With such restriction of tapping in force last year as reduced the output of the Pataling Company from 730,000 lb. to 507,000 lb., it must be highly gratifying to shareholders to find that, despite the additional adverse circumstance of low average sale-price, the profit reported is sufficient to allow of dividends of 150% being paid for the year without encroaching seriously upon the amount brought forward. The best feature is the maintenance of a low cost of production. Notwithstanding that the whole of the year's expenditure has been charged against revenue the f.o.b. cost of the much reduced production comes out at 7.4*d.* per lb., against 6.88*d.* for 1917, and the all-in cost at 11.35*d.*, against 1/0.14. Much more rubber was sold in the East, and therefore freight charges were considerably lower. The following comparison of 5 years' results shows the strength of the Company's position:—

	Years ended December 31				
	1918	1917	1916	1915	1914
Planted area†	Acres 1,803	Acres 1,835	Acres 1,821	Acres 1,673	Acres 1,653
Average acreage tapped	—	1,500‡	1,422½	1,422½	1,422½
Rubber output ...	Lb. 507,813	Lb. 730,456	Lb. 720,400	Lb. 603,145	Lb. 583,705
Yield per acre tapped	—	486‡	506	424	410
Gross price realised per lb.	1/9·07	2/6·18	2/7·15	2/7·36	2/1·63
"All-in" cost per lb. ...	-/11·35	1/0·14	-/10·13	-/9·95	-/9·93
Profit per lb.	-/9·72	1/6 04	1/9·02	1/9·61	1/3·7
Value of rubber ...	£ 51,521	£ 87,267	£ 94,057	£ 78,745	£ 62,484
Total revenue expenditure	24,037	32,045	29,252	24,388	24,136
Rubber profit	27,484	55,222	64,805	54,357	38,348
Sundry receipts ...	3,743	2,520	1,616	1,132	1,001
Brought forward ...	20,264	18,772*	20,501*	16,037*	16,463
Total available ...	51,491	76,514	86,922	71,526	55,812
Allocations—					
Inc. Tax Reserve ...	5,000	—	—	—	—
Dividends paid ...	33,750 (150%)	56,250 (250%)	67,500 (300%)	50,625 (225%)	39,375 (175%)
Carry-forward	12,741	20,264	19,422	20,901	16,437
Net capital expenditure	nil	nil	1,522	274	Nil
Issued capital(2*s.*shares)	22,500	22,500	22,500	22,500	22,500
Surplus liquid assets ...	17,903	21,126	18,894	22,068	17,670

* After payment of directors' extra remuneration.
† Including planted reserve. ‡ Estimated.

Present Price of Shares, 39/6c.d. Market Capitalisation per planted acre, £230xd.

The output of the current year is estimated at 720,000 lb., and as costs are almost certain to be lower and the price realised higher, there seems a good prospect of dividends being raised again to more like the level of prosperity enjoyed prior to the break in the commodity market last year.

ANNUAL REPORTS ANALYSED.

CHEVIOT (NEGRI SEMBILAN).

Issued Capital: £88,412 in 2/0 Shares.

Results for Years to December 31

	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Bearing Acre	Price Realised	"All-in" Cost	Net Profit	Dividend Amt.	
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1916 ...	2,527	1,288	396,928	308	2/7	1/3¼	26,169	13,362	15
1917 ...	2,727½	1,690	610,450	361	2/3	1/3.3	29,813	8,840	10
1918 ...	2,750	—	474,354	—	1/11	1/6·14	10,228	6,630	7½

Price of Shares, 6/8. Market Capitalisation per planted acre, £107.

When tapping is so curtailed on a young plantation such as the Cheviot's as to bring down the output by 22% compared with the previous year, and against a normally expected increase of 20%, a severe contraction in earnings is a natural corollary. Therefore, not much attention need be paid to the figures of 1918 given above, except to note that the price obtained for the rubber was quite good in the circumstances of the market, and that shareholders received 7½% dividend. There remains a balance profit of £3,598, but income tax of £5,000 has to be provided for, so that the carry-forward is reduced from £23,980 to £22,578. This is stated to be subject to excess profits duty, but as the liability under this head for 1917 was only £1,300 and expenditure on immature area is allowed to be deducted from earnings, there appears likely to be only a small, if any, assessment for 1918. In noting the cost of 1*s.* 6*d.* per lb., not only the small crop has to be borne in mind, but also the fact that only £4,145 net of expenditure upon upkeep of immature area and buildings was charged to capital account, and this despite the plantations producing less than half their full capacity. Moreover, freight, selling expenses, and insurance amounted to over 3*d.* per lb. For the current year the output is estimated at 812,000 lb., or 70% more than for 1917, and the f.o.b. cost at 11½*d.* per lb., or 3*d.* less than in the past year. Substantial expansion of profit is therefore almost certain to be witnessed. The extent of the improvement in the dividend, however, will depend upon the course taken by the Chancellor of the Exchequer in regard to excess profits duty, as to which information should be available next month.

MALAY RUBBER PLANTERS.

Issued Capital: £39,080.

Convertible Debentures: £920.

Results for Years to September 30

	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Bearing Acre	Price Realised	"All-in" Cost	Net Profit	Dividend Amt.	
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1916 ...	982	798	307,471	388	2/6	1/3½	15,554	5,734	25
1917 ...	1,360	789	340,499	431	2/7½	1/4	20,431	7,765	20
1918 ...	1,360	—	310,220	—	1/6¾	1/4	3,916	—	—

Price of Shares about £3. Market Capitalisation per planted acre, about £88.

Besides its own plantations, covering 1,360 acres, this Company holds 4,150 £1 shares out of £25,914 issued capital of the Parit-Bruas Rubber Company. Hence its own capitalisation of £39,000 is very low. Moreover, it has a strong financial position, and appears to have been well managed. In these circumstances, and having regard to the ability shown to work economically, even when production is restricted, as in the past year, the severe contraction in profits disclosed by the report presented to shareholders last week can be viewed with equanimity. At present 790 acres of the plantations have reached the bearing stage, and not much increase of production above the 1916-17 figure of 340,500 lb. is to be looked for until the remaining 570 acres of the cultivated area—planted as to 88 acres in 1914, 105 acres in 1916, and 377 acres in 1917—commence to bear, say, from next year onwards. The average price at which the crop of the past year was sold or carried forward comes out at only 1*s.* 6¼*d.* net. This year, however, with shipping and import restrictions in America removed, there appears every prospect of the considerable higher values lately current being maintained. The all-in cost figure of 1*s.* 4*d.* includes no depreciation allowance, but, on the other hand, the outlay on upkeep of the comparatively large immature area has been debited against revenue. A profit of 8*d.* per lb. on the present rate of output, with less than 60% of the planted area in bearing, would bring in sufficient to pay a dividend of 30%—that is if the excess profits duty no longer existed. As it is the Company's datum line is low. On account of 1915-16 the tax called for £2,781, and in respect of 1916-17 a much larger sum had to be provided, though probably the assessment will be reduced through a deficiency on account of the past year. At the present price of £3 for the £1 shares there appears to be scope for considerable capital appreciation.

CALEDONIAN
INSURANCE COMPANY.
FIRE. LIFE. EMPLOYERS' LIABILITY.
PERSONAL ACCIDENT AND ILLNESS. BURGLARY.
HEAD OFFICE—19 GEORGE STREET, EDINBURGH.
LONDON OFFICES { 82 KING WILLIAM STREET, E.C. / 14 WATERLOO PLACE, PALL MALL, S.W.

Insurance Notes.

PRUDENTIAL ASSURANCE COMPANY, LIMITED.

IN 1917 the assets of this great life and industrial assurance Company for the first time exceeded 100 millions. But we have been so long accustomed to big things in the case of the Prudential that the majority of those who listened to the speech of its Chairman at the annual meeting on March 6 last were doubtless surprised to hear that 33 years ago, after the Company had been in existence for nearly two generations, its total assets were less than one-tenth of that sum. Indeed, they were then less than the amount of claims paid by the Company in 1918, less than the amount invested by it during last year in British Government securities, and less than the sum set aside by it during the last 10 years as a provision for depreciation in securities.

Massive and multitudinous are the facts and figures presented and dealt with in the Company's annual report and valuation statement for 1918, and in the Chairman's explanatory address, but two matters amongst them seem of preponderating interest. One is the extraordinary development of the life and industrial assurance business during the year; the other is the arrangement foreshadowed by the Chairman for further developments in fields of insurance to which the Company has hitherto been a stranger.

In the ordinary life branch we find that no fewer than 84,453 new policies were issued, assuring £13,846,213, and producing a new annual premium income of £1,293,182. The amount of these new policies is almost twice that reported for 1917. It is far and away the highest sum ever chronicled in this respect not only by the Prudential, but by any British life office. The new premium income is more than double the best previous Prudential record of the kind. It will be observed that the average annual premium per new policy exceeded £9%, so that a large proportion of the transactions must have taken the form of endowment assurances for comparatively short periods, and we learn from the Chairman's speech that the new business included a great number of War Bond policies. It may therefore be the case that the record of 1918 will not be surpassed, and perhaps not nearly approached, for some years to come. It constitutes, however, a memorable and noteworthy fact. The total net ordinary life premium income was increased in 1918 by £1,275,634 to £6,770,839. This section of the Company's business is managed with great economy, slightly less than 10% of the premium income being absorbed in expenses of management and commission. The ordinary claims amounted to £5,337,976, of which £1,802,043 arose by death and £3,535,932 by survivance. The sum of £56,547 was received as consideration for new annuities, and annuities of £130,399 were paid. Through the year's operations, after the transfer of £250,000 to the investments reserve fund, the ordinary life assurance fund was increased by £3,298,510 to £52,436,504, and the net interest yield thereon, after deduction of the heavy income tax, appears to have been about £4 1*s.* per cent., as compared with the actuarial 3% assumption.

The industrial section shows a less sensational, but at the same time a large measure of progress. The industrial premium income was increased by £359,545 to £9,736,403, the expense ratio being about 37.3%. Claims for £4,982,416 were paid in this branch, of which £4,678,942 represented death claims. After transfer of £153,125 to investments reserve fund the industrial life fund on December 31, 1918, amounted to £49,948,117, showing an increase during the year of £2,674,798, the net interest yield in this section being about £4 2*s.* 5*d.* per cent. At the close of 1918 the total number of industrial policies in force in this Company was 22,256,570, which is equal to about half the number of the whole of the inhabitants of this country, to which the business is restricted.

The revenue account for the general branch shows a premium income of £29,245 and a fund of £59,131.

The total surplus shown by the annual valuation as at December 31, 1918, after transfer of the sums already mentioned to the investment reserve fund, is £1,442,308. A reversionary bonus of £1 6*s.* is declared in respect of participating policies in the ordinary branch. In the industrial branch the conditions of the profit-sharing scheme initiated about 10 years ago provide that after the payment of a fixed dividend to shareholders the surplus shall be apportioned as follows: One-sixth thereof to the shareholders, one-sixth to the outdoor staff, and two-thirds as bonus to the industrial policyholders. But the amount of the surplus during the last three years of the War has not permitted the distribution of any profits under this system; indeed, the shareholders have had to submit to a reduction by one-third of their pre-War rate of dividend.

It is very easy to see how this has happened. The payment of war claims was a self-imposed obligation on the Company, and their amount had reached five millions by the end of last year. It was reported by the Chairman at the annual meeting that the Prudential had paid war claims on more than 230,000 policies, as compared with a total of 674,000 deaths confirmed by the British Government. During last year the ravages of the influenza epidemic was another serious factor affecting the mortality experience. The provisions of the Courts (Emergency Powers) Act have already cost the Company £350,000. Added to these adverse influences was depreciation in securities, and it is indeed surprising that the valuation on conservative lines shows a surplus at all. A tremendous strain has been very successfully undergone.

Yet the Chairman at the annual meeting spoke hopefully of the prospects of a resumption of a distribution of benefits of the profit-sharing scheme, and the tone of his remarks was such as to warrant the expectation that it would be resumed, given favourable conditions, on the next annual occasion.

Apart from its own particular business, the Company supervises the operations of four approved (Prudential) societies established in connection with the national scheme of health insurance. During 1918 these societies paid to their members benefits amounting approximately to £1,492,000, making a total of £8,500,000 paid since their establishment; 293,126 new members were admitted to these societies in the course of last year, of whom more than two-thirds were women.

The total assets of the Company, as shown by the general balance sheet on December 31, 1918, amounted to £113,361,362, of which £35,588,325 took the form of British Government securities.

The authorised capital of the Company is £2,000,000, of which £1,000,000 was subscribed at the close of last year in fully paid shares of £1 each. The dividend for 1918, as for the two immediately preceding years was 8*s.* per share, free of income tax, as compared with 11*s.* for 1915 and 12*s.* for 1914 and a series of previous years, also free of tax.

At the annual meeting the Chairman announced the early intention of the directors, subject to the con-

sent of the Treasury, to issue under the name of "B shares" the remaining £1,000,000 of the authorised capital *pro rata* to the existing shareholders, it being intended only to call up a small proportion at first, further calls to be dependent on the amount of the business transacted and other contingencies. These new shares are to be entirely dependent for dividends on profits from new departments, 75% of which profits are to be allotted to them. A small accident business has been transacted for some years past, and powers for undertaking fire and miscellaneous insurance have been recently obtained. This opens a field of great and fruitful possibilities. It may be anticipated that fire insurance and other descriptions suitable to householders' requirements will play a leading part in these activities. These forms of insurance, when obtained in bulk, are more profitable than are commercial-insurance hazards, and the Company is in an exceptionally favourable position for dealing with them. From a third to a half of the householders in this country are already insured in its life departments, and its agency organisation enters into every town, hamlet, and rural district. Exceptional opportunities for fire insurance will doubtless be offered in connection with the Government's housing plans, and it seems that the Prudential has already been approached by a number of local authorities with reference to the financing of such schemes. Certainly no insurance company is in as good a position as the Prudential to meet such demands on an extensive scale, and the fact that it could directly issue fire insurance policies would act as an incentive to sound and profitable business of the kind.

Whilst this is so, the Chairman was careful to point out that the new shares could not possibly be compared for dividend-earning purposes with the existing shares, whose profits are due to the husbanding of resources and the building-up of reserves for 70 years past. He warned the shareholders that it might be found advisable to refrain from making any distribution in respect of the new shares in the near future, and that they should be satisfied if moderate dividends upon them were eventually paid, increasing as the success of the new developments became assured. But anybody can see that the opportunities thus offered are exceptionally great, and in such tried and successful hands this extension of enterprise seems full of promise.

JAPAN.—The condition of the markets for some commodities, which had suffered heavy depreciation since the Armistice, improved somewhat during March by the rather generous attitude of bankers owing to the mutual adjustment among the traders, although caution still prevailed in all quarters. Some enterprises which were established during war-time prosperity have now started readjusting their present difficult conditions. Supplies of money remained fairly abundant even at the end of the month, owing to the disbursement of Government money. Call money is quoted at 7.67%. The notes issued and advances at the Bank of Japan stood at Yen 897,000,000 and Yen 346,000,000 respectively. Stock markets, after some fluctuations, settled down, with Tokyo Stock Exchange shares at Yen 219. The Raw-silk market experienced increased demand from American sources, which brought about a gradual rise in price to Yen 1,500. The Habutai market, too, was fairly active. In spite of the continued scarcity of stock, cotton yarn did not undergo further depreciation. There were large imports of foreign rice and an increased movement from the interior of home rice. Futures closed at Yen 30.30, with an uncertain tone after a slump owing to "bull" disappointment. The values of imports and exports from January 1 to March 31 amounted to Yen 497,000,000 and Yen 374,000,000 respectively, as against Yen 390,000,000 and Yen 398,000,000 in the corresponding period last year.

THE CONSOLIDATED

Assurance Company, Limited.

ESTABLISHED 1908.

Subscribed Capital £543,666
Paid-up Capital £120,000

FOR REINSURANCE BUSINESS.

Fire, Marine and General Department.
St. Swithin's House,
St. Swithin's Lane,
London, E.C. 4.
Manager J. Herbert E. Lake,

Registered Office and Life Department.
9 Fleet Street,
London, E.C. 4.
Actuary and Secretary:
Chas. Wisbey.

Commercial.

THE HOSIERY TRADE.

THE hosiery industry has been established in Great Britain for something over three centuries. It was towards the end of the sixteenth century that the first machinery for producing a looped fabric by mechanical means was invented. The hosiery manufacture as we know it to-day in the United Kingdom is chiefly carried on in the district of Nottingham and around Leicester. In the early days the industry centred round London and at Godalming in Surrey, but now, owing to increased cost of production, due to the higher cost of rent and rise in wages and general increase in the cost of production in the neighbourhood of the Metropolis, it was found more convenient to move to Nottingham and Leicester, these centres being selected as they are close to collieries. The last 50 years have witnessed a series of improvements and changes and modifications in hosiery machinery, which has resulted in an immense variety of goods being produced with great rapidity and at a very modest cost, such as hosiery, socks, underwear, fancy goods, knitted scarves, and fabrics suitable for making ladies' goods, which are now so fashionable, such as knitted coats, &c., as well as glove fabrics, in which Germany enjoyed before the War the practical monopoly, and which we are endeavouring to gradually regain.

Although machines can be used in the manufacture of goods from various kinds of textile raw material, hosiery manufacturers usually confine themselves either to the use of cotton and cotton mixtures or to wool and allied materials.

Before the War, whereas the woollen hosiery trade of the United Kingdom was in a fairly satisfactory condition, the cotton hosiery industry was far from flourishing. Whilst British woollen hosiery held its own both at home and abroad, our cotton hosiery and gloves were beaten both in price and quality by German competitors, who supplied practically the whole world with this class of goods at very low prices. In fact, those engaged in this country in the trade of cotton fabrics for gloves were little better than agents acting for German firms, who made these goods for the international markets of the world. The Germans specialised to a high degree in cotton hosiery, and particularly in fabric gloves, and, in spite of the apparent excellence of our machinery, it does not seem probable that we shall be able to compete at anything like the price at which the Germans used to dispose of their goods. Germans before the War studied methods of production from a scientific point of view, and subjected those engaged in the trade to a severe technical training. As a result of their efforts they were successful in discovering a process peculiarly suited to the black dyeing of cotton hosiery. This process has remained a secret in Chemnitz, but we are informed that an equally successful process is now in use in this country. It is very doubtful, however, if our manufacturers,

without some assurance of protection, will be prepared to invest sufficient capital in the industry to secure the necessary large-scale production, without which it would be impossible successfully to break the German monopoly in cotton hosiery.

Most of the fine cotton yarns required by hosiery manufacturers whether in Great Britain or in Germany are obtained from Lancashire.

In 1913 about 40,000,000 lb. of fine yarn, valued at about £4,000,000, were exported to Germany. One permanent result of the War, however, will probably be that Germany will endeavour to free herself from her former dependence on this country for fine yarns. If this proves to be the case, although other compensatory outlets may be found in Allied and neutral countries, it is to the development of the hosiery trade in the United Kingdom that spinners must in the future look for the disposal of this yarn.

The worsted yarns used in the hosiery trade were supplied both by home and foreign spinners. About 15,000,000 lb. of foreign worsted yarns were imported in 1913, of which about one-third came from Germany and the rest from France and Belgium. These Continental yarns were mule spun and without oil, and were considered more suitable for hosiery manufacture. The English method of spinning with oil is not adapted to the production of such yarns. Indeed, English spinners in the past have paid very little attention to the spinning of hosiery yarns. A few firms specialised in the trade, but the majority found enough business without going to the trouble and expense of changing their system to meet the requirements of the hosiery trade. It is clear that unless English spinners produce mule-spun dry yarn it will be impossible to dispense with Continental yarns after the War.

Various kinds of silks as well as mixed yarns are used in the manufacture of hosiery and fancy knitted goods, and as a rule these yarns are spun in the United Kingdom.

The plant and machinery used in the hosiery trade are only partly of British origin, about one-half being imported from the United States of North America or from Germany. Many of the earlier inventions of hosiery machinery were of British origin, but later developments in the direction of automatic machinery have come from the United States of North America. Cotton's famous machine is gradually being superseded by an American invention which will produce hundreds of pairs of stockings in a week, the machines being very easy to supervise.

The competition among machine builders both at home and abroad, combined with co-operation between manufacturer and machinist, has resulted in the constant introduction of new and improved machinery. Only those firms who are willing to scrap machinery which is clearly out of date can hope to hold their own in the international competition in this trade.

THE BOOT AND SHOE TRADE.

The demand for civilian footwear of all grades and descriptions has continued very brisk, and will remain so for a long time ahead, seeing that the entire output of many manufacturers in certain districts has been booked ahead for the next few month. In addition, there is the war-time and Army boots still to be supplied, so that the combination of outputs fully confirm the statements that the trade is busier at the present time than for several years past. Further, it is very satisfactory to note that footwear values have remained at their full limits, thereby enabling producers to meet the several advances in cost that have recently been imposed for various causes.

During the past two months demobilisation has been in full swing, and boot operatives have returned to their "lasts" in big numbers. At first they were very welcome, but of late, owing to shortage of leather, and even shortage of female labour for certain work, also in view of the fact that employers have a dislike to oust female operatives who have replaced the men, and are now fairly competent, there has been experienced some difficulty in finding all the men suitable work. The female element has also been cause for worry to employers. The demand for munition workers at the then high pay attracted many of the skilled women operatives, as also did certain other Government Departments. Many, of course, left the factories before they were fully qualified; consequently, they do not intend to return to work at the rates specified for their grades—at any rate, not whilst they can draw unemployment pay. There is, by the way, not the least doubt that this unemployed scheme has been, and is being, greatly abused, to the detriment of trade as well as the taxpayer. Then again, the universal 48-hours-week scheme has caused considerable dislocation through the necessary rearrangement and reorganisation of factories, entailing heavy increase to the wages bills of all firms. Whether the scheme, when in full working order, will confirm the theories of the optimists—the trades union officials—is, indeed, a moot point.

One of the worst hindrances to output has, throughout the War period, been the extreme shortage of leather for civilian purposes, and was responsible for the war-time—originally the standard boot—scheme. Since the Armistice matters have improved considerably, both sole and upper leathers being in better and more regular supply. But even to-day boot manufacturers experience the great inconvenience of shortage of certain sorts of both, notably good-class 10/12 to 14 lb. English bends, and in upper leathers, glacé, box and willow and patent calf. The latest official schedule of sole leather allocations, dated March 31, gives a good number of grades of market and wet-salted hide bends, in addition to all grades of dry and dry-salted and chrome tanned bends for civilian purposes, but the supply of shoulders and bellies is limited to dry and dry-salted descriptions. On the whole, however, the supply is a great improvement on pre-Armistice conditions, and is, fortunately, at strictly controlled prices. In view of the fact that English tanned offals are so scarce, the Raw Materials Department has removed the embargo on American shoulders, bellies, buff leathers, and rough and waxed splits. Very important purchases, in addition to those made during the War, and awaiting shipment, have been made, and it is satisfactory to note have been shipped to the full extent of freightage. With the removal of all restrictions on Colonial leathers, the home supply of rough leather has consequently been materially increased.

The upper leather position has been very acute for a long time past owing to the stoppage of American supplies during the past two years. Prime sorts, such as box and willow calf, patent leather and glacé kid, have been in great demand, especially the last-named, which has frequently commanded 5*s*. per foot. The situation has now been eased by the important supplies purchased in America by the Raw Materials Department, and probably ere this distributed to the trade. Owing to the great need of it, and also that the Department have agreed to sell it to manufacturers without profit, manufacturers have naturally been anxiously awaiting

HARRISONS & CROSFIELD, LIMITED.

ISSUED CAPITAL ... ... £1,225,000.
TOTAL ASSETS... ... ... £2,698,523.

The Company undertakes the Issues of Capital for Plantation Companies and the Financing of Estates and Produce.

1-4 Great Tower Street, London, E.C.

news of same. Lower-grade chrome-tanned upper leathers have been in much better supply, owing to the liberal releases of Government East India kips not suitable for military work, &c., and to the gradually easing tendency of Government control on these kinds. So far, then, as the main descriptions of leather are concerned, the civilian boot trade is in a far better position as regards supplies than at any period since 1914. What is now really wanted is improvement in the minor requirements of production, such as quick delivery of new machinery and repairs, which is still in a very backward state, and a regular and more liberal supply of "findings" at less prohibitive prices. Under this heading of "minor requirements" there are many that cannot be stated, but one recognised want is that of standardisation of machinery for superficial measurement of leathers—mainly upper leathers. This has recently been vigorously pushed by both leather manufacturers and boot manufacturers, who sent a joint deputation to the Board of Trade to induce the Board to set in motion the legislation that had already been agreed. It was stated that both producers and consumers suffer from this lack of standardised machinery, and that as the consumption of leather purchased by measurement was approximately 400 million feet per annum, the interests of both sides needed to be safeguarded.

Our imports of "leather and manufactures thereof" for the three months ending March 1919 clearly confirm the above statements as regards improved supplies for home consumption, viz.:—

	1917	1918	1919
Imports	£5,339,967	£3,059,207	£5,596,263
Less re-exports	1,194,517	24,991	41,887
	£4,145,450	£3,034,216	£5,554,373

So much, then, for productive conditions. As regards distribution outside the home trade, this has not been as good as was hoped for, but still an advance has been registered, and there is reason to anticipate a continuance on an ever-increasing ratio. First of all, the Army demand will steadily decline, although current events have been such that production on a larger scale than was expected in December has had to be resorted to. It will not be until after September that the supply of Army footwear will be obtained in the old pre-war way of tendering. After June 30 boot manufacturers may suit themselves as to whether they will produce Army boots or not. Then there is the war-time article; that is hoped to end its existence on June 30, but so far no date has been officially named. There is no doubt that the cessation of production of these goods will be gladly hailed by both makers and retailers, neither of whom have ever loved the task for obvious reasons. The war-time boot has, however, served a very useful purpose, in that it has enabled the public to satisfy itself that by the prices demanded for this closely controlled article, that of the ordinary boot has not been unduly high and not an object of profiteering. It is only in the light, fancy-made article made for the West End that out-of-the-way prices have been obtained. The working man, as usual, has had nothing much to complain of in respect to his footgear.

One of the signs of the times has been the tendency for sections of the trade to combine, with a view to effecting economy in cost of production and distribution. This has been noticeable in the case of the Tanners Federation, who have taken the necessary legal steps to enable them to possess full trading powers. The Federation have already made big purchases of hides and tanning material, and are stated to be considering the advisability of selling its leather direct to boot manufacturers. The boot manufacturers have also combined in small groups in order to take up the selling side of their wares overseas under one organisation, thereby cutting down the heavy expenses attending the pursuit of export trade on a grand scale.

Other schemes among retailers and repairers are being formulated, all with a view to economising on distribution or production, and justifying if possible the adage that "union is strength." As regards our export trade, whilst improvement has already been observed by the official returns of sales and imports of footwear, very much more remains to be done before we approach pre-war results. But, as things are to-day, it is necessary for the trade's well-being that pre-war figures must be dwarfed by future records, and it is pleasing to note that both our manufacturers and the Government are endeavouring to attain that desirable end as soon as ever it can possibly be accomplished.

Our imports of footwear have declined in the past three months by comparison with 1918, which is a good point for the home trade, the figures being:—

	1917		1918		1919	
	Doz.	£	Doz.	£	Doz.	£
Imports ...	165,656	532,567	21,188	164,857	21,433	103,243
Re-exports ...	18,576	30,291	357	3,458	1,655	6,259
	147,080	502,276	20,831	161,399	19,778	96,984

Our exports showed improvement, viz.:—

1917		1918		1919	
Doz.	£	Doz.	£	Doz.	£
313,529	1,365,714	146,250	680,617	164,918	811,920

Complaints have been made—and have been the subject of inquiry in the House—that whilst British manufacturers were prevented from actually shipping boots to Continental countries, American manufacturers were able to cut in and do this neutral business. Further, that by selling at extremely low prices it was possible to purchase American boots in Scandinavia at much less money than in London. The official reply was to the effect that nothing prevented English houses from booking orders for later delivery, which was all that American houses were permitted to do, but the fact of being able to purchase the goods rather casts a doubt on the matter. The importation of American footwear is permitted to 25% of normal quantity. This seems rather hard on the British boot manufacturer who is not able to get his raw material (sides and upper leather) from his usual channels in the States, and therefore at a great disadvantage. Fortunately the Government has come to his help (through the Raw Materials Department), and has undertaken to supply

"Beautifully Cool and Sweet Smoking."

PLAYER'S
NAVY CUT
TOBACCO

Packed in varying degrees of strength to suit every class of smoker.

PER OZ.
Player's Gold Leaf Navy Cut
Player's Medium Navy Cut
Player's "Tawny" Navy Cut
10½D.

Player's "White Label" Navy Cut
Per Oz.
9½D.

Also PLAYER'S NAVY CUT DE LUXE a development of Player's Navy Cut packed in 2-oz. and 4-oz. airtight tins at 2/1 and 4/2 respectively.

This Tobacco is also supplied at Duty Free Rates for the purpose of gratuitous distribution to wounded Soldiers and Sailors in Hospital. Terms and particulars on application to

John Player & Sons,
Nottingham.

Branch of the Imperial Tobacco Co. (of Great Britain and Ireland) Ltd.

P574

adequate quantities of American upper leathers, giving the buyer the full benefit of the low prices and good terms upon which the leather was purchased, solely to help the British producer to meet the strong American competition in Continental markets. What the Britisher, however, would much prefer is a free hand to purchase for himself and where he pleases, and this, it is hoped, will soon be in force. In conclusion, then, it is quite obvious that the boot manufacturer is thoroughly alive to the great difficulties of production and keen competition from foreign sources that is before him; and, happily, he is using every effort to grapple with both, and will undoubtedly come on top by the sheer merit of his productions in his old markets, and the new ones to be eventually opened up.

New Issues.

HANDLEY PAGE, LIMITED.

The aeroplane which this Company manufactures has become famous in war, but as a commercial proposition capable of yielding adequate profit on a large capital in peace times the manufacture of air machines has still to make good. This is the principal consideration to be borne in mind in gauging the merits as an investment of the Company's Participating Preference shares, 500,000 of which are offered for subscription this week at 21*s.* for the £1 share. Besides the 7% Cumulative Preference dividend the shares are entitled to two-fifths of any distributable profits (up to a maximum further dividend of 7%) after a non-Cumulative dividend of 7% has been paid on the Ordinary shares. The original capital of the Company was £10,000 in Ordinary shares, and great extensions to the works and capital requirements for war work have been financed by means of accrued profits and a Debenture of £100,000. The proceeds of the new issue will be applied to redeeming this Debenture, to providing additional working capital, and the purchase of land, buildings, and equipment. The whole of the new issue has been underwritten, the commission payable being 1*s.* for underwriting and over-riding, as well as 6*d.* per share brokerage. The turnover and profits of the last four years before deducting royalties, income and excess profits duties have increased as follows:—

	Turnover	Profits
	£	£
Year to December 31, 1915	64,037	6,985
" " 1916	159,098	22,027
" " 1917	296,171	40,783
" " 1918	1,393,505	224,758

BRITISH INDUSTRIAL CORPORATION.

To finance home industrial concerns wishing to extend their businesses and generally to be an investment and finance institution are the purposes for which this Company has been formed. The authorised capital is £1,000,000 in £1 shares, of which 200 are Management shares and 999,800 Ordinary shares. Of the latter 250,000 have been offered for subscription this week at par. They carry the right to a 5% Cumulative Preferential dividend, and after 5% of the remaining profits have been paid to the directors the balance profit will be distributable as to two-thirds by way of dividend on the Ordinary shares and the remaining one-third to the holders of the Management shares. The issue was not underwritten, but the directors have subscribed for 25,000 Ordinary shares and the Management shares are to be allotted to them. Success, of course, will depend upon the ability of the management and the opportunities available for profitable employment of the capital without undue risk, and it is a good sign that four of the directors are concerned in the administration of important industrial and finance undertakings.

CROCKER SONS AND COMPANY, LIMITED.

This Company, incorporated in 1901 to continue the old-established business of wholesale drapers, textile warehousemen and exporters, has an issued capital of 85,000 5 Cumulative £1 Preference shares and 85,000 Ordinary £1 shares. There is also outstanding £97,000 of 4% First Mortgage Debenture stock. An additional 100,000 Ordinary shares are offered for subscription at par, the issue having been previously underwritten for a commission of 5 The further funds are to provide for the growing requirements of the business. Profits and dividends have increased as follows:

	Net Profit*	Ord. Dividend and Bonus
	£	%
Year to December 31, 1915	19,958	6
" " 1916	24,609	7
" " 1917	26,296	10
" " 1918	41,912	12½

* After payment of Deb. interest and provision for excess profits duty.

The Cumulative Preference dividend calls for £6,587 per annum, and after paying the 12½% distribution on the existing 85,000 Ordinary shares for 1918, there remained a balance profit of £24,700 allocated to reserves and carry-forward. The balance sheet at December 31 showed stock-in-trade (£282,520) debtors and cash to exceed current liabilities by £244,390. Goodwill figured for £31,389. The shares appear a reasonably attractive industrial investment, though the possibility of results moving in the reverse direction to recent war experience should not be forgotten.

FULLER'S UNITED ELECTRIC WORKS, LIMITED.

This Company is a quite recent amalgamation of four allied concerns engaged in the manufacture of products largely required for the electrical trade, such as accumulators, batteries, wire and cable, &c. Additional capital being required for extensions of works to cope with increasing demands for its output and specialities, the Company has sold 200,000 Preference shares to George Clare and Company, Limited, for 20*s.*, the Company paying £5,000 towards brokerage and also a commission of 5%. The purchasers offer the shares to the public at 21*s.* per share. The shares, in addition to an 8% Cumulative Preference dividend, carry the right to participate in surplus profits after the Ordinary shares have received a non-cumulative dividend of 8%. This further participation of the Preference shares is limited to 2% non-cumulative in any year. The purchase consideration payable to the vendors is £200,000 in 50,000 Preference and 150,000 Ordinary shares. The net annual profits of the combined companies, before deducting directors' fees, income and excess profit taxes, have been £11,920 in 1916, £28,323 in 1917, and £40,641 in 1918. Having regard to the growth in the use of electricity and the promised further developments in the national interest in this, and no doubt also in other countries and the established reputation of the Company's specialities, the shares appear likely to give a good return to purchasers.

PALMER'S SHIPBUILDING & IRON COMPANY.

We dealt last week, under the heading of "Industrial Companies," with the much improved position and recent progress of this undertaking, mentioning that an issue of £1,000,000 of 5% income-tax-free Debentures was about to be made for the purpose of redeeming £82,700 of 6% "A" Debentures and providing funds for the completion of works, extensions, and improvements, as well as additional working capital. Beyond the "A" Debentures there are outstanding £350,000 of 5% Debenture stock redeemable at the Company's option after February 16, 1920, on six months' notice. Profits, after provision for taxation but not Debenture interest, averaged £139,622 for the four years to June 30, 1918, the latest year's figure being £228,589. For the current year to date profits have been maintained at the higher rate. Interest on the 5% Debenture stock and on the new issue, as well as on £168,166 4% Debentures of a subsidiary undertaking, whose shares the Palmer's Company holds, amount to £117,733, taking income tax at 6*s.* in the £. On the basis of the increased earnings of last year, therefore, there is a considerable margin, which seems likely to be increased when the additional funds are in employment. Hence, and on account of the high rate of interest, equal to 7%, less tax, the new Debentures are attractive at the issue price of par.

ALLEN LIVERSEDGE, LIMITED.

An issue of 30,000 £1 shares has been made by this Company, whose principal business is the manufacture and sale of all apparatus in connection with the use of acetylene for lighting, heating, welding, and cutting which has extended rapidly throughout the world. Originally, after the formation of the Company in 1910, the issued capital was £15,000, including 7,500 Vendors' shares, subsequently the assets of two other companies were purchased for 5,850 and 9,420 shares, and further shares issued for cash raised the total to £50,000. For the year to October 31, 1917, the net profit was £5,462, and for 1918 £7,471, before allowance for profits duty. The shares are speculative.

Industrial Companies.

CLAYTON AND SHUTTLEWORTH.

Issued Capital: £800,000 in 70,000 5% Cumulative Pref. £5 Shares and 459,000 Ordinary £1 Shares.

	Net Income	Depreciation	Net Profit	Dividend—Pref.	Dividend—Ord.		Added to Reserve & Carry forward	Capital Expenditure	Stock and Work in Progress	Surplus Liquid Assets†
	£	£	£	£	£	%	£	£	£	£
1914	53,946	9,303	44,643	17,500	24,750	5½	2,394	31,025	326,044	333,791
1915	92,706	19,919	72,787	17,500	33,750	7½	21,538	37,212	340,046	324,038
1916	79,532	17,883	61,649	17,500	36,000	8	8,149	63 286	387,919	230,156
1917	76,242	21,925	54,317	17,500	24,750	5½	12,067	67,774	494,421	89,872
1918	84,561	21,626	62,944	17,500	33,750	7½	11,695	72,546	466,613	87,205‡

* After deduction of income tax and excess profits duty.
† Excluding stock and work in progress.
‡ Including excess profits duty retained by arrangement.

Last year was a fairly prosperous one for this Lincoln firm of agricultural and general engineers, the net profit, after providing income tax, excess profits duty, and special depreciation allowance amounting to £62,944, against £54,317 for 1917. After paying the usual Preference dividend, there remains a balance profit of £45,444, equal to 10% on the Ordinary capital. The actual distribution is raised from 5½% to 7½%, calling for £33,750, against £24,750, the actual amount of unappropriated profit for year being £11,695. As much as £72,546 was expended on capital account. However, the value of stock in hand and work in progress declined £27,800, and consequently the surplus liquid assets were only reduced by £2,670 to £87,205. Despite the excess outlay on extensions and improvements to plant, etc., and the growth in the value of stock and work in progress, the issued capital has remained at £800,000, and now, from the fact that the surplus liquid assets have been so much reduced and considering the much larger sums required to finance the same quantity of manufactures than before the war, it looks as if further capital could be employed with advantage, especially in view of the prospect that exists for activity in the branch of industry in which the Company specialises. The average return which shareholders have received cannot be described as good

The 5% Cumulative Preference £5 shares are quoted at 75*s.* and yield 62-3%, while the Ordinary £1 shares are priced at 21*s.* 9*d.* *cum* 7½% dividend.

CAIRN LINE OF STEAMSHIPS.

Issued Capital: £500,000 in £1 shares (being increased to £600,000). Debentures: £5,900 5% Mortgage.

Year to Dec. 31	Net Income*	Depren. &c., Written off	Deb., &c., Int.	Net Profit	Ordinary Div.		Reserve	Carry Forwd.	Fixed Assets†	Surplus Liquid Assets
	£	£	£	£	£	%	£	£	£	£
1914	73,440	33,662	9,873	29,905	21,878	10	10,000	10,537	341,128	88,756
1915	123,792	35.500	8,016	80,276	70.040	30	25,000	11,805	182 643	369,756
1916	113,022	15,271	5,823	91,928	48,290	20	45,000	10,444	133,503	725,866
1917	96,902	30,477	7,302	58,593	43,377	15	—	25.659	239 660	800,577
1918	84,605	30,401	6,663	47,541	38,032	10	10,000	31,830	387,347	872,236

* After deducting provision for special war taxation and income tax amounting in 1915 to £140,000, in 1916 to £200,000, in 1917 to £2,023, and 1918 to £24,599.
† Cost of steamers, stevedoring gear, wharf properties, &c., less depreciation

It requires a close inspection of this Company's accounts to reveal how well its earning power has been maintained considering the reduction of its fleet and the taking over by the Government in 1917 of the whole of the vessels at rates very low in comparison with those obtained before control was exercised. To a considerable extent, but not entirely, the effect of this has been balanced by the smaller payments for special taxation on account of 1917 and 1918. We show above that the net income in 1915 was £123,792 and in 1918 £84,605. These amounts are after deduction of tax provisions £140,000 and £24,599 respectively. The figures set out above show very clearly how cautiously the directors have dealt with the profits. The issued and paid-up capital has been increased from £241,450 at the end of 1915 to £500,000 at the end of 1918. Of the additional 258,550 shares, 39,803 shares were distributed by way of a bonus to shareholders in 1917, and similarly a further 60,197 shares were apportioned in 1918, while in 1917 158,550 shares were issued at par for cash. Now a further 100,000 shares are in process of being subscribed at par. Apart from the funds thus to be obtained, the balance sheet at December 31, 1918, shows an exceedingly strong position. Not only have substantial sums been written off "physical" assets by special allocations out of profits, but some of the Company's very small and old steamers have been sold at high prices, while a few better class vessels have been lost by enemy action, for which insurance payments have been received far in excess of book values. The directors' practice has been to deduct the book value of the vessels lost and disposed of from the item of fixed assets, and to place the excess value to a special contingency fund. The growth of this fund, notwithstanding the capitalisation of £60,197 by way of bonus to shareholders last year, will be seen from the following:—

Contingency Account.

1914	1915	1916	1917	1918
£	£	£	£	£
10,036	152,655	419,348	628,850	680,677*

* After capitalising £60,197 by way of a bonus share distribution.

The above explains for the most part the big expansion in the surplus liquid assets from £88,756 at December 31, 1914, to no less than £872,236 at the end of 1918. In the same period the general reserve fund has been raised from £40,000 to £80,000, despite the capitalisation of £39,803 in 1917. The ships lost or disposed of during the past four years have totalled 14, the majority of them of small type. *Per contra*, the Company has purchased two new vessels which have proved of great value to the Line, and two standard ships have also been acquired and a further one ordered. The cost of ships now is far above the pre-War level, but the Company will obtain new ships for old and the necessary funds are to a large extent in hand, without anything like a commensurate increase having occurred in the capital. Consequently, the outlook for the undertaking appears to be very satisfactory. The shares are quoted at 40*s.* 6*d.*

KING LINE, LIMITED.

Issued Capital: £200,000 in £1 Shares.

Year to Dec. 31	Net Profit†	Ordinary Div.‡		Reserve, &c., Allocations	Amount of Reserve Funds	Book Value of Steamers	Carry Forwd.	Surplus Liquid Assets
	£	£	%	£	£	£	£	£
1914	Dr.96	14,758	8	*15,000**	39,015	151,200	6,293	101,235
1915	94,997	26,000	15	65,000	105,344	274,385	10,290	49,162
1916	34,322	24,815	16	—	226,559	208,774	19,796	240,646
1917	27.055	18,000	12	10 000	327,359	205,915	18,851	341,002
1918	54,956	17.100	12	35,000	363,095	280,162	21,708	304,641

* Transferred from reserve. † After writing off depreciation and providing for income-tax. ‡ Less tax.

At the end of 1915 this Company had six tramp steamships, built in 1905 and 1906, of a total gross register weight of 24,062 tons. In 1916 one of the boats was sunk by enemy action and one was sold, and in 1917 again two of the ships were sunk. It is rather remarkable, therefore, that the net profit for 1918 comes out at nearly double the 1917 figure. The dividend of 12% for the past year absorbed only £17,100, or less than one-third of the net profit after provision for taxation, while £35,000 was added to reserve and £4,000 to the carry-forward. Nothing is said in the report as to the purchase of additional vessels, but the balance sheet shows an addition of £74,000 to the book value of the steamers. Nevertheless, thanks to the large amount of unappropriated profit, the surplus liquid assets at the end of 1918 were only £35,400 less than a year previously, while the total of the reserve funds, to a considerable extent augmented during the War by excess insurance value of lost vessels, totalled £363,095, against only £39,015 at the end of 1914, and comparing with an issued capital of £200,000. The Company may be said, therefore, to be well situated for increasing the size of its fleet. In 1917 the authorised capital was raised from £500,000 to £1,000,000, and the Chairman told the shareholders that the intention of the board was to acquire steamers, not only to replace the vessels lost in the War, but also considerably to add to the fleet, and that there would later on be an issue of additional capital, the interests of existing shareholders being carefully considered. The price of the shares is 51*s.*

SOCIÉTÉ GÉNÉRALE DE BELGIQUE.

Société Anonyme—Established at Brussels by Royal Decree of the 28th August, 1822.

CAPITAL, Subscribed and Paid up - Francs 32,804,233. RESERVES - Francs 70,161,179.

HEAD OFFICE - - - BRUSSELS.

Governor ... Jean Jadot. Vice-Governor ... Baron Janssen. Director-Treasurer...A. Serruys.

DIRECTORS.

Chevalier E. Carton de Wiart. E. Francqui. G. Cooreman. Ed. de Brabander.

COMMISSAIRES.

Baron Alf. d'Huart. P. Capouillet. Comte de Baillet-Latour.
L. Hamoir. Baron C. Goffinet. Comte T'Kint de Roodenbeke.
Comte Jean de Merode. E. Solvay. Comte Louis de Meeus.

Secretary ... ... Aug. Callens.

REPORT for the Year 1918, Presented to the General Meeting of Shareholders, 25th February, 1919.

We have the honour to submit to you, in accordance with article 37 of the Statutes, the report for the ninety-sixth year closing December 31, 1918.

After four and a half years of indescribable sufferings under the heel of an enemy to whom the principles of honour and humanity were completely foreign, Belgium has recovered her liberty and her independence. Our first duty is to render solemn homage to those to whom she is indebted for that recovery.

Honour to our King, whose heroism and grandeur of spirit history will immortalise, and to our Queen, whose gracious personality and maternal solicitude has been a precious source of comfort to our soldiers.

Honour to our glorious Army, whose admirable resistance permitted our gallant Allies to organise victory and to achieve with our co-operation the overthrow of the Central Powers.

Honour to those Belgians, both military and civilian, who have died for their country, to those mutilated and invalided in the War, to those martyrs and victims of the German tyranny and to those unfortunate enough to be deported.

The German censorship did not permit during the occupation the free expression of our thoughts in our annual reports, and we believe it will be useful to recount here the principal events in which the Société Générale de Belgique has been concerned since the month of August 1914.

A GENERAL CONSORTIUM OF BANKS.

The dispatch of the Austrian ultimatum to Serbia, followed by the declaration of war by Germany on Russia and on France, provoked in Europe a financial panic without precedent. The public besieged the doors of the banks to withdraw their deposits, and the banks of issue experienced much trouble in face of the demand for notes.

Belgium, dragged into the conflict, was subjected to the common fate. Before even her neutrality had been violated by Germany the demands for cash which the Banque Nationale had to meet assumed disquieting proportions. The Minister of Finance called together the representatives of the Banque Nationale and of the private banks to advise as to the measures to be taken.

We are at August 2, 1914. The panic is general and the public fears the suspension of payment by most of the credit establishments. The representatives of the banks, gathered with the Minister of Finance, call for intervention on a large scale by the Banque Nationale in the presence of a situation growing worse hour by hour. The Banque Nationale promises to continue its aid, but it is important above all to calm the disquietude of the public and give them the assurance that the banks will fulfil their engagements and that deposits are not in danger. It was decided to establish a moratorium applicable to commercial bills and bank deposits, but this was not to be resorted to except in the last extremity.

Fearing the effect of repercussion should there be a suspension of payment on the part of any one of them, and to avoid a possible catastrophe, the banks resolved to unite and consolidate their resources.

Elsewhere events are marching rapidly. The German troops are across the Belgian frontier. Neutrality is violated. It is invasion.

Early on August 3 the principle of an entente is accepted by the representatives of the private banks meeting at the Société Générale. Two hours later the constitution is decided under the presidency of the Société Générale of a Consortium of the Brussels Banks with a capital of 100 millions of francs, and the Banque Nationale agreed to discount their paper bearing two signatures in consideration of the deposit of guarantees in bonds to the extent of four times the capital, or 400 millions of francs. The news is brought immediately to the knowledge of the public, while the *Moniteur Belge* published the laws decreeing the moratorium of commercial bills and of bank credits. The situation for the banks and for the public credit is for the moment saved and the panic has subsided.

The Consortium of the Brussels Banks has delegated its powers to a committee of seven members charged to examine as they present themselves the financial questions concerning the country and the credit establishments. The task of the Committee was an arduous one. Each day brought its new difficulties and complications, necessitating conferences and a lengthy exchange of views. During the first five months the Committee had no less than 106 meetings.

Eventually it continued to take up the financial problems concerning Belgium and the banks, and this action was fortunate for the general economy of the nation. Limited at the beginning to the banks established only in Brussels, the consortium united all the rest of the banks of the country. It will constitute, therefore, a powerful instrument for the financial restoration and economic recovery of Belgium.

ISSUE DEPARTMENT.

Before the fall of Liége the Government, which had not left Brussels, had, as a measure of prudence, and in view of the carrying off of valuables in the agencies of the Banque Nationale at Liége and Hasselt by enemy troops, ordered the transfer to the fortified town of Antwerp of the gold, notes and plates for printing the notes of the Banque Nationale.

Shortly afterwards, the Government itself was removed to Antwerp. The Germans occupied Brussels on August 20, the troops being followed by Commissioners charged with the administration of the occupied territories. In the first place were found the financial delegates charged by the Berlin Government to watch the interests of Germany in Belgium. Their first care at Brussels was to repair to the Banque Nationale, where they were deceived in not finding the Treasury.

The Banque Nationale not having plates for the printing of notes, these having been deposited in safety, shortly found itself unable to continue its operations. The public was again unsettled. A request made to the Belgian Government at Antwerp by the Banque Nationale to obtain the return of a part of the notes transferred to the fortified position was not favourably entertained.

Antwerp fell on October 9.

The German financial mission immediately went to Antwerp, where a new surprise awaited them, the gold, notes and plates having been sent to the Bank of England.

The Banque Nationale found itself in grave difficulty, having no more notes.

The cessation of its operations would have had a fatal effect. A brief delay, and there would have been suspension of payments by the other banks. The Banque Nationale decided to issue a new note, called "Billet de compte courant," to meet the demand for repayment of deposits, which totalled 200 millions of francs. The public uncertainty and the demand for currency were such that in a short time this emission was exhausted.

The Berlin Government, advised of the situation, gave the order to take rigorous measures in regard to the Banque Nationale if it did not obtain the return to Brussels of its funds. To gain time the banque consented to send a mission to London and also to the Belgian Government at Havre, asking for authority to carry through this proceeding, which latter request was met with a definite refusal.

The Germans then decided to suspend the privilege of issue of the Banque Nationale, maintaining that they could not preserve in the occupied territory a like privilege to an establishment which served still as cashier to the Belgian Government, which had at its disposal the metal reserve and the notes. To meet the needs of commerce and industry for a paper currency the Germans proposed to abolish the moratorium, announcing their intention of instituting the "Caisses de Prêts," which would have had, like the German "Darlehenskassen," the power to issue notes. The banks refused to lend themselves to the realisation of this idea.

Meanwhile, the absence of notes of the Banque Nationale obliged various Belgian towns and provinces to issue their own notes in order to pay the German requisitions, and this expedient gave rise to great difficulties, the circulation of the Communal notes being restricted to the territory of the province in which they were issued. The Germans became more and more pressing in the idea of creating a new issuing establishment, in which they would oblige the Belgian banks, equally with the German banks, to take an interest, the institution to be under German direction and to replace the Banque Nationale. This would have meant the practical handing over of the finance and commerce of Belgium.

The situation was the subject of a minute examination both by the Banque Nationale and the committee of the Consortium of the Banks. All activities would be paralysed and the country brought to the verge of a financial catastrophe if a solution were not found without further delay.

At the suggestion of the Committee of the Consortium of Banks, Mr. Jadot, Governor of the Société Générale, agreed to go to Havre and lay the matter before the Government. The Government, actuated by the desire to safeguard the highest interests of the State, confirmed their decision to keep in London the stock of notes and plates; at the same time they confirmed in a written declaration that they would not make use of the notes and plates deposited in London without the concurrence of the Central Administration of the Banque Nationale. The Germans declared the reply to be insufficient and resolved to take radical measures.

To put an end to the issue of Communal notes and to avert the German project of a "Caisse de Prêts" and a new establishment of issue, it was then suggested that there be conferred on a Belgian establishment the responsibility of issuing notes. It was proposed by the other banks that the Société Générale, which formerly held this privilege, should assume the responsibility. The Société would not accept the responsibility until it had complete assurance of the consent of the Banque Nationale, and only on the condition that these operations as a bank of issue should be effected for the account and the exclusive profit of the Banque Nationale, and that at the end of the occupation it would take over all the engagements which had been entered into on its behalf and in its place by the Société Générale. The Banque Nationale acquiesced in this programme. The principle of the creation of an issue department by the Société Générale had been agreed upon, but new difficulties came to delay its realisation.

After careful negotiations the statutes of the Issue Department and also the contract between the Banque Nationale and the Société Générale were fixed. But the Germans would have introduced into the statutes of the Issue Department an obligation to consent to loans on the bonds of the Belgian Provinces. The motive underlying this proposal was their intention that the Issue Department should have the financial service of the bonds issued by the Belgian Provinces for payment of war contributions.

In effect the German requisitions for the wants of the Army of Occupation were regulated in the manner of local contributions imposed on towns and municipalities in a most arbitrary manner. When they had occupied practically the whole country the Germans resolved to replace the local contributions by a general levy affecting the whole of the Belgian population. As it was not at the moment possible to ensure through an issuing establishment the financial service of a general levy, they had designed to charge the Issue Department with the discounting of bonds subscribed in the provinces and the insertion of a clause to this effect in the statutes.

The question then assumed an altogether different aspect for the Société Générale.

It was certainly desirable to assure the control of the paper currency of the country by a national institution and to counteract the German project and avoid any possibility of their interference in the matter of issuing notes in Belgium. It would certainly be advantageous to unify and control the method of war contributions in order to render the subsequent repayment more easy. But, on the other hand, the idea of issuing notes to finance these contributions was repugnant to the patriotic sentiments of the Société, and they did not believe they had the power to give their co-operation. The Germans decided that in the case of the refusal of the Société Générale they would issue Requisition bonds by forced circulation, and this arbitrary proceeding would mean that there would be no control over the issue of these bonds. It was necessary to take steps to combat this new danger.

Another unreasonable German demand on the Issue Department was that it should consent to make advances to Belgian manufacturers who had been subjected to requisitions, with the object of facilitating the lifting of the moratorium on commercial bills.

In the face of the difficulties and responsibilities which would have to be undertaken, and considering, on the other part, the grave consequences following its abstention, the Société Générale took the advice of high political personages. It called together the Ministers of State, the senators, the deputies, and the high officials in the country with the representatives of the Banque Nationale and of the private banks.

With complete unanimity those consulted considered that in the interests of the country it was the duty of the Société Générale to accept and carry out its mission. We reproduce below the report of this meeting:—

"Present: The Board of the Société Générale de Belgique; the Ministers of State Devolder, Vanden Peereboom and Count Woeste; Senators Braun, Carpentier, Catteau, De Becker-Remy, Delannoy, De Ro, Baron Alfred d'Huart, Dubost, Dupret, Max Hallet, Mesens, Poelaert, and Speyer; members of the Chamber of Representatives: Bertrand, Pol Boel, Boval, Buyl, Cocq, Coifs, Antoine Delporte, Elbers, Gielen, Eugène Hanssens, W. Heynen, Camille Huysmans, Léon Jourez, Maurice Lemonnier, Rens, Théodore, and Wauwermans; Mr. Van der Rest, Deputy-Governor of the Banque Nationale de Belgique; Mr. O. Lepreux, director of the Banque Nationale de Belgique; Mr. Hankar, Director-General of the Savings Bank; Mr. Van Cutsem, Administrator-Director-General of the Treasury and the Public Debt; Mr. Beco, Governor of the Province of Brabant; Baron Capelle, Envoy Extraordinary and Minister Plenipotentiary, Director-General of the Ministry for Foreign Affairs; Mr. Charles Janssen, President of the Permanent Committee of the Provincial Council of Brabant; Mr. Van Elewyck, President of the Chamber of Commerce of Brussels.

"In opening the sitting Mr. Jadot, Governor of the Société Générale, first of all thanked those politicians and financiers present at the meeting who had so readily answered the invitation of the board of directors, and excused the shortness of the notice by reason of the circumstances necessitating the meeting.

"Mr. Jadot recapitulated from the beginning the events which had led up to the conflict between the Banque Nationale and the German authorities as to the stock of notes and the plates which the Banque Nationale had deposited with the Bank of England.

"He recalled the mission which had been sent to London and to the Government at Havre, and the steps which he had taken with the Ministers to obtain the return to Brussels of the cash, notes and plates, or, failing which, to secure their complete non-utilisation.

"Actuated by the highest motives the Government could not agree to give permission to meet the demands of the German authorities, who, in consequence, had decided to suspend the issue operations of the Banque Nationale.

"The closing of the Banque Nationale, which would follow upon the withdrawal of its privilege of issue, inevitably accompanied by the closing of the other banks, would have the most disastrous consequences for the internal security of the country and result in the complete stoppage of commerce and industry, followed shortly by famine for the whole population.

"The Consortium of the Bankers of Brussels conferred together as to the desire of the Belgian Government for a method to replace provisionally the issuing function of the Banque Nationale by a temporary organisation, which would immediately disappear after the conclusion of peace. The Consortium had unanimously agreed that the most practical solution, entailing the minimum of German interference, was to charge the Société Générale with the creation of an Issue Department, permitting the centralisation of discount operations and loans on public securities as practised by the Banque Nationale.

"The Société Générale has accepted the charge of this undertaking, it being expressly understood that it was for the exclusive profit of the Banque Nationale, and equally for its entire responsibility, and that at the conclusion of peace it liquidate the Issue Department which had been created.

"Negotiations are in hand for the realisation of this project, but before going further the Société Générale thought well to bring to the notice of those present at the meeting that the German authorities in the course of a conference with them yesterday had raised the question of the payment of the new contributions of war which the German Government had decided to levy, in defiance of The Hague Convention, for the maintenance of the troops in occupation.

"From the declarations made to the delegates of the Société Générale it seemed to be the intention of the

occupiers that in place of all the requisitions and arbitrary taxations which they had hitherto made, there should be a monthly contribution on all the provinces proportionate to the means of each one according to the accounts of the contributions already levied.

"The German civil delegates had stated that in default of payment of the war contributions by means of bank notes the German authorities would decide to put in circulation the 'billets de requisition' as forced currency, a species of 'assignats' the circulation of which would have disastrous consequences for the country.

"The delegates of the Société Générale had immediately declared to the German authorities that the fixing of these contributions did not concern in any way the Société Générale nor the other banks, and they would only intervene when they were faced with requests made by the provinces and the municipalities, supported by sufficient guarantees.

"But seeing that this question of war contributions is raised precisely at the moment when the Société Générale is urged to create an Issue Department, the directors deem it their duty to put the situation plainly to the Governmental and political personages actually present at Brussels, so that the said authorities can give to the resolution their definite support in the creation by it of the Issue Department. Those present unanimously approved the attitude taken by the Société Générale, and considered that it was to the interest of the country for the Société Générale to accept the mission of issuing bank notes."

Two directors of the Banque Nationale were invited to form part of the Council of Administration and of the permanent Committee of the Issue Department. Nearly all the employees were recruited from among the personnel of the Banque Nationale. The bookkeeping was kept absolutely distinct from that of the Société Générale. Everything was done with a view to making the liquidation and the taking over again by the Banque Nationale on the return of peace as rapid and as easy as possible and to preserve the character of a dependency of the Banque Nationale as far as the circumstances of the moment permitted.

In agreeing to the proposal of creating an Issue Department of the Société Générale, instead of establishing a new bank of issue directly administered by themselves, the Germans obtained an apparent satisfaction of their claim to withdraw the privilege of issue of the Banque Nationale, in order to punish it for not having obtained the concessions asked for from the Belgian Government. In reality, as it has been seen, they were deceived by appearances. They were, however, careful to announce in the European Press that they had withdrawn the privilege from the Banque Nationale, in order to grant it to the Société Générale, giving the false impression that they were according a favour to the latter. To support these announcements, they took care that the arrangements entered into between the two institutions (which in effect they did not fully comprehend) and the motives that inspired them should not be known.

These one-sided announcements, which neither the Banque Nationale nor the Société Générale had the power to rectify or explain without danger to themselves and probably jeopardising the success of their plan, were sometimes interpreted wrongly in the minds of those insufficiently informed as to the rôle being played by the Société Générale in the matter.

We believe that to-day, when liberty of speech has been restored, it is not superfluous to make this matter clear.

It was the opinion of its founders that the Issue Department would have only a short existence. When the contract between the Banque Nationale and the Société Générale was signed it was hoped that the War would finish in the spring, or not later than the autumn Unfortunately events did not confirm these hopes. The War has lasted four years more and it may be imagined what the existence of the Issue Department was under these circumstances.

Its objects being limited by its statutes it was often possible to entrench behind these restrictive conditions and to refuse operations which the German Commissioner of Banks would have compelled us to undertake, and which would have involved the Department in proceedings which would have been contrary to the interests of the country.

A very serious problem soon presented itself. It was that bearing on the circulation in Belgium of the mark, the acceptance of which the Germans had in the early days of the occupation imposed at the rate of 1.25 francs "at least" (*sic*). As time passed the mark flowed into the country, brought either by the troops of occupation or on the march, or by the German and neutral buyers who came to acquire openly or by fraud the merchandise and products existing in the country.

When the accumulation of marks in Belgium assumed disquieting proportions as much from the point of view of exchange as from the increase of the fiduciary circulation of the Reichsbank, the Germans decided to take measures and tried by all possible means to bring about the concentration of marks in the Banque Nationale and the Issue Department.

At the beginning of the existence of the Issue Department the settlement of the first war contribution, of which the said Department assumed the financial service, was fairly easy. There was not yet an excess of marks in circulation at this period and the Germans allowed a large part of the monthly contributions to be paid in this money. But with the increased influx of the mark the Germans unreasonably augmented the proportion of Belgian notes in the payment of the contributions. For their part the Banque Nationale and the Issue Department increased their efforts to put back the marks into circulation and to prevent the danger of the inflation of the Belgian paper circulation. Although the struggle with the occupying authority was unequal, the two institutions succeeded in a large measure in removing the danger with which the credit of the country was menaced.

The settlement of the accounts arising from the requisitions of goods "en masse," usually called "Massenguter," gave rise also to frequent and violent discussions with the Germans. The representatives of the Banque Nationale and of the Issue Department kept strictly to the agreement made at the beginning, by virtue of which only the "Bons de réquisitions" relating to goods which may be considered as raw materials could be the object of credit operations at the Issue Department. The Germans, for their part, attempted to enlarge the sphere of these operations, in trying to make the Issue Department lend their support on requisitions which did not apply to goods en masse. The resistance was crowned with success, the Issue Department succeeding in limiting its intervention to a relatively restricted proportion of the enormous total of requisitions in the country.

On the other hand, the Banque Nationale and the Issue Department continued to refuse to depart from the regulations established by the statues, and allow the transfer to Germany of the marks which these institutions had in hand. The Germans attempted to bring the representatives of the Banque Nationale and of the Issue Department to conclude an arrangement, they guaranteeing the repayment of marks at 1.25 and the opening of an account with interest in German banks if the two establishments would consent to the transfer to Germany. A question of such importance was naturally not able to be solved on the Belgian side without the help of the Government at Havre, and under this strict condition that the repayment of the mark on the basis of 1.25 was applied not only to those belonging to the Banque Nationale and the Issue Department, but to all the marks to be found in Belgium. The Germans would not admit the intervention in this question of the Belgian Government, while on the other part the Banque Nationale and the Société Générale refusing to act without previous agreement with the Belgian Government a friendly solution was impossible. Conscious of the necessity of repatriating the mark, the Germans used strong measures. In the evening of September 3, 1916, the Banque Nationale and the Société Générale received from the Commissioner General of Banks an ultimatum charging them, under the menace of being immediately placed under sequestration, to authorise within 24 hours the transfer to Germany of the marks held by the two institutions. This was requisition by force, the threat of the burglar.

In view of this grave situation the General Councils of the two establishments deliberated, at first separately and then together. To oppose the demand would be to provoke the laying under sequestration of the Banque Nationale and of the Société Générale without preventing, however, the transfer of the marks to Berlin, for the first act under the sequestration would obviously be to effect the transfer, at the same time making it impossible for the two principal Belgian financial organisations to continue their financial aid, and for which the country had an absolute need, while placing them, with all their assets, all their resources, in the hands of the Germans. Under these conditions the two establishments had to give way, but demanded that the Germans themselves should proceed with the removal, in order to stamp the forced character of the measure, which could be likened to a robbery by armed force.

The same sentiments inspired us when dealing with the question of the war contributions. The funds in the banks were considerable; capital accrued from the liquidation of all stocks of goods, and, not finding reinvestment, flowed into the banks. The Germans had good cards. The refusal to assist to finance the contributions of war would have had as a consequence the placing under sequestration of the banks, where there were large funds, exceeding the figure of the contributions. A refusal would not impede the payment of the contributions, the Germans had officially stated, but it would have involved the doubling of the contribution and its collection by all the compulsory methods at the disposal of the occupiers. Further, the German occupier installed in the banks would not fail to make use of all the advantages of the sequestration, which put at his mercy without any conrol most important assets of great value. The placing under sequestration involved moreover the stoppage, after a short while, of all economic and social life, to be followed perhaps by a general panic. The German interference in the financial service of the National Food and Assistance Committee would also follow. Considerable advances were being made by the banks, and notably by the Société Générale, to various undertakings assuring the feeding of the population. If the Germans had the opportunity to lay their hand on the banks they would be given at the same time the control of the financial operations of the Comité National et des Coopératives d'Alimentation. It is not to be believed that they would not have exploited

for their own profit the financial aid accorded by the establishments of credit to these organisations. Certainly the sequestrations would not have, as was the case with the Société Générale, the effect of facilitating by large advances the work of the Food Committees, the workmen's associations and the Belgian towns and municipalities, who were short of money. No longer would it have been possible to aid the towns of Northern France and the French refugees from the devastated localities in favour of whom the Société Générale has made advances which total to-day more than 100 millions of francs.

We believe that the programme followed by the Société Générale since the beginning of the occupation obtained the following results:—The formation of the Consortium of Banks to check the financial embarrassments and permit opposition to the tricks of the Germans by a strong, skilful, united group with the power of resistance; the creation of the Issue Department, which brought order in the financial economy of the country, removing the danger of the creation in place of the Banque Nationale of a new issuing institution administered by the Germans.

The Issue Department put an end to the circulation of the Communal notes, thus removing the difficult situation created in Northern France by the numerous big issues of notes by towns and municipalities, issues which, not being safeguarded by sufficient guarantees, gave rise to numerous frauds and the difficulties of liquidation.

What demonstrates the advantage of the system adopted by the Société Générale and how much the organisation of the Issue Department responded to its aim and its temporary character is the fact that on the morrow of the Armistice by a simple exchange of letters the Issue Department has been liquidated, the Banque Nationale put immediately in possession of its rights and privileges in their entirety, all the profits realised by the organisation returned to the Banque Nationale as agreed, the Société Générale having done only what it considered its patriotic duty.

The founders of the Issue Department, as well as of the Banque Nationale, can congratulate themselves on having acted as they did, and knowing the events which have subsequently happened, may say that they would act in a similar manner again if they were called upon to make another decision. We have been happy to render this service to the country, and to lend our friendly support to the Banque Nationale, which by reason of the position it occupies at the head of the Belgian banks and the aid which it has always accorded these and of the patriotism of its directors, has the right to count upon the support of the private banks in the difficult position in which the Banque Nationale found itself during the War in consequence of it close relations with the Belgian Government.

The Banque Nationale has been good enough in its "Report to the King" to refer to the character of our collaboration in these terms:—

"It was in full agreement with the Banque Nationale that the Société Générale assumed the task of temporarily issuing bank notes and that the methods of this issue were settled.

"We desire to put on record the disinterested attitude of the Société Générale de Belgique, which all through the most difficult negotiations had but one aim—to serve the country, and to preserve a central bank of issue which was indispensable to its economic life."

When with the necessary efflux of time it is possible to envisage the financial events which occurred in Belgium during the occupation, and all that they involved, the conclusion to be drawn is that the policy pursued by the banks was conformable to Belgian interests. It was that only which could give a result in a country under the restraint of an unscrupulous enemy guided only by personal interest, and who, without troubling about the rights or wrongs of the matter, would not hesitate to employ blind and brutal force to overcome the most legitimate resistance.

NATIONAL RELIEF AND FOOD COMMITTEE.

We are anxious to reserve in this report a special place for the great work performed by this institution.

At the beginning of the occupation Mr. Ernest Solvay, the great philanthropist, submitted his generous idea for organising the feeding of the population threatened with famine by reason of the interruption of communications with other countries. The programme was large, but the Société Générale at once undertook to lend its full assistance in carrying it out, and one of its directors, Mr. Francqui, assumed the presidency of the executive committee, which has rendered invaluable services to the country. The central administration of the National Committee was installed in premises put at its disposal by the Société Générale, as were also various charitable organisations dependent on the National Committee, including the following:—Aide et Protection aux familles d'officiers; Département Secours du Comite de l'Agglomération Bruxelloise; Aide et Protection aux Dentellières; Commission d'Alimentation de l'Enfance; Aide et Protection aux Œuvres de l'Enfance; Aide et Protection Sans-logis; Œuvre Nationale des Orphelins de la Guerre; Service des Evacués Français; Aide et Apprentissage aux Invalides de la Guerre; Bureau des Prêts; Aide et Protection aux Artistes; Office d'Identification; Cantines Bourgeoises; Mess du Comité National, Vestaire Central; Atelier de réparations; Inspection générale des Comptabilities; Secours medicaux et pharmaceutiques.

Our offices thus became the centre for the meetings of all the organisations occupied in aid and relief work, and also the rendezvous of political men and of organisers of resistance to the encroachments of the enemy.

In the critical periods when, by reason of delays, the receipts did not permit the Committee to cover their expenditure for assistance, we did not hesitate to accord to the Committee large credits, without guarantees, these credits totalling more than 50 millions, and for which no interest was asked.

Apart from the aid we have given to the National Committee in the loan of our buildings, we have borne all charges for maintenance, lighting, and heating, and we have put at its disposal a number of clerks paid by us, and, further, we have continued until the return of the Government the subsidy of 300,000 francs a year paid since the beginning.

All told, our support to the National Committee amounts to a total of more than two millions of francs.

On the initiative of the Comité National de Secours et d'Alimentation, and of its generous President, Mr. Ernest Solvay, there was constituted during the War the Société Co-opérative Nationale Contre la Tuberculose. The ravages which the terrible scourge of tuberculosis caused among the population necessitated the establishment of this work. We considered it our duty to give our support to such a work, and subscribed a donation of 100,000 francs.

AID TO PUBLIC AUTHORITIES, FOOD SOCIETIES, AND WORKMEN'S ASSOCIATIONS.

In accordance with the motives actuating it since the beginning of hostilities, the Société Générale gave its financial support on a large scale to all those organisations which had for their object the preservation of the national interests or which were recommended by their humanitarian aims.

Considering the exceptional importance of these credits, which amount to a total of more than 154 millions of francs, we have entered these specially in our balance sheet.

The French Government figure in this item for a sum of about 74 millions of francs, representing advances to which we consented through the intervention of His Excellency the Spanish Minister at Brussels, who was charged with the care of French interests in Belgium and the unfortunate French population who had to take refuge in our country. Loans of considerable amounts were granted in 1916 to the towns and municipalities of the North of France, the Councils of these cities and municipalities having addressed themselves to us in order to meet their financial difficulties and to assure the feeding of the population of the North of France, so tried by the War. The total of these advances represents a sum of about 32 millions of francs. Large sums have been lent to the towns and cities of Belgium, notably to the City of Brussels, where expenses have been enormous by reason of the charges imposed by the occupation and the large amount of relief which had to be granted to the necessitous.

The City of Brussels, among others, requested temporary advances of very considerable amounts, in order to avoid leaving in the hands of Flemish activistes funds which might have enabled them to follow their nefarious designs. We thought it equally our duty to grant to the Société du Canal et des Installations Maritimes de Bruxelles the credits which they wanted in order to proceed with works and to prevent materials being seized by the Germans.

Lastly, having regard to the great distress prevailing in the country, we have granted our support on a large scale without distinction of party to those workmen's associations who have been in need of assistance to carry on their work of social aid.

Apart from these advances we have given consent to important credits and discounts to the Co-opératives d'Alimentation de l'agglomération Bruxelloise, Magasins Communaux, Restaurants Bruxellois Co-operative pour le ravitaillement de l'agglomeration Bruxelloise, which, thanks to our support, have been able to render most valuable services to the population of Greater Brussels. The bills issued by these co-operative associations, with the guarantee of the City of Brussels, figure in our portfolio for a round sum of 68 millions of francs.

LOANS AND CREDITS TO CLIENTS.

A service which has found great favour with the public is that of small loans against securities, to which we consented during the War in order to meet the necessities of existence. Of the thousands of persons who have had recourse to our services for operations of this kind there are a large number who have already liquidated their loans, the depreciation in the buying power of money during hostilities having brought about a rise in the price of securities.

On the other hand, we have used our best efforts to aid our clients outside Belgium, to whom it was impossible in consequence to make payments on their current accounts at Brussels. Thanks to the funds which we possessed at Paris and at London, and to the obliging co-operation of our correspondents in those cities, acting upon the instructions of our Bureau d'Information in London, it was possible to make them periodical advances on account of their credit

balances held by us. These advances in the total represent sums of considerable importance, and have been much appreciated by our clients, who value the efforts we made and the risks which we consented to run to assist them in difficult circumstances. We have been condemned to a fine of 312,500 francs (marks 250,000) by the occupying authority for having been suspected of these operations.

NATIONAL INDUSTRY.

While the various organisations of which we have spoken endeavoured by every means in their power to maintain the life of the country, the Germans systematically pursued their work of destruction.

The information which the German censor permitted us to print in our previous reports on the deplorable position of our industrial life gave but a very incomplete idea of the disaster which has befallen us.

After having, in a spirit of patriotic self-abnegation, refused to continue work which would have advantaged the enemy in the War, the manufacturers had to witness, powerless to resist, the destruction of their factories and of their material. Directly on their arrival the Germans proceeded to remove raw material, thus rendering almost impossible the continuation of work.

They then set to work on the equipment and on the machines, which they took to pieces in order to send them to Germany to increase production in their own country. Soon afterwards, being short of iron, steel, and copper, they did not hesitate to convert into scrap iron the expensive equipment of a large number of factories, of which several were razed to their foundations. One after the other furnaces were destroyed, and anything not possible to be removed was rendered useless, with the evident idea of ruining the producing power of our industry for years. The losses suffered by our industry, and which it will be necessary for the enemy to replace, amount to milliards of francs.

Unfortunately, it will only be possible after a very long period to restore the industry destroyed. Let us hope that manufacturers, profiting by the lessons of the past, will know how to unite and co-ordinate their efforts in order that in a future which we hope will not be far distant Belgium may once more regain, from the industrial point of view, the position she held before the War.

The volume of work to be accomplished and the difficulties to be overcome are immense, but we venture to hope that the spirit and energy which our countrymen have hitherto shown will not allow them to be disheartened by the immensity of the task, the rapid accomplishment of which is of vital importance for the future of Belgium.

The question of labour will perhaps at first complicate the problem of national reconstruction, but with common sense and a reciprocal sense of justice and equity it will undoubtedly be possible to find a satisfactory solution of this problem for all the legitimate interests involved.

INCREASE OF CAPITAL.

If in spite of the depredations to which it has been subject during the War the national industry can hope to rise again in a future more or less removed, it is certain that the sacrifices to be consented to will be considerable. La Société Générale, faithful to its traditional rôle, will assume a large part of the financial effort necessary for the economic restoration of the country. With this aim and to assure the necessary resources, we have decided to double our capital. In our report to the extraordinary general meeting of November 5, 1918, which approved this operation, we explained in detail the reasons which caused us to make this proposal. We reproduce below the text of this report and show in italics the parts which the censor had suppressed :—

"To the Shareholders :—

"We have called you together in extraordinary general meeting to discuss a question of vital interest to the Société Générale and at the same time of importance to the economic future of the country. It concerns, as you know, the increase in our capital.

"Before the War the directors had in mind this expedient, our capital not being in proportion to the development made by our institution.

"We might have realised it as early as 1913 but for the political uneasiness of that time and the financial and economic crisis which prevailed in Europe.

"*The war has supervened. In our report for the year 1917 we summarised its disastrous consequences, and told you that the industry of the country was threatened so gravely that its reconstruction would require long and laborious efforts and entail the heaviest sacrifices.*

"*The conflagration continues, sowing ruin everywhere; all the countries afflicted by the scourge are actively engaged in preparing for the resumption of work on the morrow of peace, and for the earliest possible return to the normal economic life. Our country more than any other has suffered from these events, and the work of restoration in Belgium will be more difficult than elsewhere, and it is imperative that we should prepare for it without delay.*

"The Société Générale de Belgique, which for almost a century has devoted itself to the economic development of the country, owes it to itself and to its traditions to take a large share in the work of regenerating the national activities.

"This task can only be accomplished if it is in possession of sufficient means.

"True, we have considerable funds, a large part of which are non-productive, but prudence demands that during the existing abnormal period, which is likely to be prolonged for some time after the War, we should have immediately available funds at our disposal to meet all possible eventualities. These funds, moreover, will find employment after the War in discount operations or on short-time deposits.

"But if, in addition to our normal functions as bankers, we wish to participate largely (and our position demands that we should) in the work of restoring Belgium, it will not be in our power to do this without inconveniently locking up capital for a long time in relief enterprises.

"After mature consideration we believe that only by an increase in our capital will the necessary funds be provided.

"As the order of the day states, it is proposed in the first place to repay 58.20 francs per share on the 31,000 capital shares in existence by reducing to 1,000 francs their nominal value, which is at present 500 florins of the Netherlands, or 1,058.20 francs, and to issue simultaneously 31,000 new shares, represented by

"31,000 capital shares of 1,000 francs each and

"31,000 'parts de réserve,'

which will be offered share for share of each category to present shareholders.

"We here briefly recall the origin of the double share represented in our capital.

"You are, of course, aware that the Société Générale was established in 1822, under the Dutch régime, and that its capital was then represented by shares of a nominal value of 500 Dutch florins.

"When Belgium was separated from Holland the franc became the monetary unit in our country, and the share of 500 florins became of the nominal value of 1,058.20 francs.

"This nominal value has been maintained, and has existed until, in 1853, it was decided to divide the share into two parts, the first, the capital share, representing what the shareholders contributed at the time the bank was constituted, the second, the 'part de réserve,' representing a part of the reserves accumulated, according to the statutes, since the foundation of the Société Générale. Each original share received a capital share, carrying a fixed dividend of 5% per annum, and one 'part de réserve,' which participates in the profits after the deductions stipulated by the statutes.

"If we propose to-day to reduce the nominal value of the shares to 1,000 francs, it is in order to have only one class of share, an issue of shares in Dutch florins not now being conceivable.

"The fixing of the price of issue of the new shares has been the subject of careful examination.

"For the share capital, which only carries the right to a fixed preferential dividend of 5%, we are of opinion that it should be offered to the shareholders at par, plus expenses, which may be estimated at 50 francs per share, a premium not being justified for a share which, in case of liquidation, has the right to repayment of the capital only.

"For the new 'parts de réserve' two alternatives were possible, either to issue the shares at a premium or to offer them to the shareholders at par—that is to say, the price at which the shares work out to according to the articles of association, plus the expenses of issue.

"The first solution has the disadvantage of giving to the 'part de réserve' a value difficult to determine, and liable in any case to be criticised. This estimate in effect does not only depend upon the income of the 'part' but on the general position of the Société and the development of the business in which it is interested.

"An issue at a moderate premium might be interpreted as an under-valuation of the share, and the fixing of a high premium might be thought to be discounting the future too much.

"We therefore consider it is preferable to offer to the shareholders the new 'part de réserve' without premium, and to allow the shareholders to increase their interest in our business without too much difficulty.

"If you approve the proposal, the new 'parts de réserve' will be issued at par—that is to say, the price at which they will work out according to the balance sheet on December 31, 1918, plus the expenses, or 2,500 francs per share.

"We are confident that the proposal we submit to you, and which has received the unanimous approval of the board of directors, will also obtain your support.

"Brussels,

"September 17, 1918."

By a happy coincidence the Armistice, putting an end to hostilities, was signed a few days after the increase of capital had been approved.

The subscription list for the new shares was opened on December 16 last. It should have been closed on January 15, but as the Bourse remained closed for another two months awaiting the withdrawal of the mark from circulation, the directors decided when the Bourse was reopened to extend till January 31, 1919, the period in which the shareholders could exercise their preferential rights of subscription to the new shares.

As we said in our report at the extraordinary general meeting of November 5, the new shares are issued at par, plus the expenses—that is to say, at

1,050 francs for the capital shares.
2,500 francs for the "parts de réserve."

There has been called up for subscription 300 francs on the capital shares, and of this sum 250 francs is to form part of the capital and 50 francs are allocated to cover the expenses and 700 francs on the "parts de réserve" of which 600 francs form part of the capital and 100 francs are to be reserved for expenses.

The balance—that is to say, 700 francs per capital share and 1,800 francs per "part de réserve"—will be called up at a date to be decided on by the board of directors, but which is to be not more than one year after the signing of the peace preliminaries.

The new shares will carry interest from the date fixed for the final call. Meanwhile the part of the first call allocated as capital is to carry interest at the rate of 3½ per annum. On the amounts which shareholders pay in advance on the shares there will be interest at 3%.

In view of the magnitude of the interests at stake, the board of directors has made arrangements to safeguard the rights of holders who on account of circumstances cannot exercise their right of subscription. These shareholders may, under the conditions provided by the prospectus, exercise their rights during a period which will end one year after the signing of the peace preliminaries.

The repayment of 58.20 francs per share on the 31,000 old shares will take place on a date to be subsequently fixed by the board of directors. This repayment will be made on presentation of the shares and on surrender of the coupon sheets which will be exchanged. Until the date which is to be fixed for the said repayment holders will continue to receive interest at 5% calculated on the old capital of 1,658.20 francs per share.

BALANCE SHEET AS AT DECEMBER 31, 1918.

LIABILITIES.

	Francs	Francs
Shareholders' Capital:		
31,000 shares of 500 florins		32,804,232 60
Reserve Fund of 31st December, 1849		31,000,000
New Reserve Fund Balance of 1916	38,600,220 72	
Fifteen per cent. of the profits of 1917	560,958 58	
		39,161,179 30
Bonds issued		84,878,000
3% Bonds "Manufactures de Glaces," etc.		924,000
3% Bonds Société des Chemins de Fer Nord de la Belgique		17,239,500
Savings Bank Accounts		62,197,884 32
Savings Bank Interest		1,649,842 96
Current Accounts:		
With Affiliated Banks		75,903,769 60
With Affiliated Companies		11,454,185 17
With Approved Companies		27,032,504 13
With Correspondents for Collections		1,285,639 96
With Correspondents for Exchange		8,806,992 81
Sundry Accounts Current		76,638,663 71
Deposit Accounts Current		819,424,037 25
Depositors (Security Accounts)		1,732,790,082
Proprietors of Securities Deliverable		236,164,032
Sundry Depositors of Guarantees		226,100
Accounts as per Contra		196,629,826 95
Profit and Loss	5,379,623 89	
Dividend, 5%, paid to Shareholders	1,639,900	
		3,739,723 89
		3,159,950,197 05

ASSETS.

	Francs	Francs
Cash in hand and on current account at the Banque Nationale		151,888,299 84
Bills		87,185,670 14
Deposits for long periods in the hands of Correspondents		1,200,000
Current Accounts:—		
With Affiliated Banks		8,014,126 81
With Affiliated Companies		86,442,540 96
With Approved Companies		19,229,031 17
With Correspondents for Collection		2,835,296 12
With Correspondents for Exchange		31,639,679 88
Sundry Accounts Current		57,923,813 81
Advances and Credits granted during the War:		
A On account of the French Government:—Financial assistance to the refugee population of Northern France	73,779,801 04	
B. Financial assistance to Towns and Municipalities of Northern France	31,669,076 80	
C. Financial assistance to Belgian Towns, Belgian Food Committees and Belgian Workmen's Associations	49,284,619 29	
		154,733,497 13
Loans on public securities		4,172,193 44
Current accounts with security		25,799,252 18
Government Securities—Home		63,580,000
Government Securities—Foreign		2,750,600
Interprovincial Bonds for War Contributions		75,000,000
Shares in various Companies		194,790,558 50
Financial Participations		24,846,865 28
Various accounts in liquidation		109,331 84
Real estate at Brussels and Antwerp and other Property		2,000,000
Securities deposited against receipts	1,723,098,482	
Sealed Deposits	9,691,600	
		1,732,790,082
Securities for delivery		236,164,032
Various deposits as guarantees		226,100
Accounts per contra		196,629,826 95
		3,159,950,197 05

Examined and verified by the Commissaires, in Committee—Baron Alf. d'Huart (President), Comte de Baillet-Latour Baron C. Goffinet, L. Hamoir, Comte d'Kint de Roodenbeke, Comte Jean de Merode, E. Solvay, Comte Louis de Mecus.

P. Capouillet, Reporter.

Passed by the Board of Directors on January 7, 1919.
Governor—Jean Jadot.
Vice-Governor—Baron Janssen.
Directors—A. Serruys, Chev. E. Carton de Wiart, E. Francqui, G. Cooreman, Ed. de Brabander.
Secretary—Aug. Callens.

PROFIT AND LOSS ACCOUNT FOR 1918.

DEBIT.

	Francs	Francs
Administration charges		3,359,228 14
Interest on bonds		3,028,502 22
Service of the Three per Cent. bonds of the Ancienne Société des Manufactures de Glaces, etc.		28,257
Service of the Three per Cent. bonds of the Société des Chemins de Fer du Nord de la Belgique		521,475
Interest on Savings Bank deposits		1,661,759 03
Interest on Current Accounts:		
With Affiliated Companies		382,727 14
With Approved Companies		568,567 56
With Affiliated Banks		277,866 19
For collections		19,077 09
For exchange		50,988 36
On deposit accounts		2,728,550 25
Credited on fortnightly accounts		2,216,481 66
On various current accounts		117,400 09
Pensions		10,142 70
State licence tax	189,596	
Other State taxes	27,262 70	
Province and City of Brussels:		
Licence tax	189,596	
Other taxes	25,395 91	
		431,850 61
Subsidy to the National Relief and Food Committee		270,000
Subsidies to the Funds for Aiding Prisoners of War, War Invalids and Deported Belgians in Germany		46,500
Interest paid to Shareholders	1,639,900	
15 per cent. to Reserve Fund	560,958 58	
Dividend of 100 francs per share	3,100,000	
Directors' remuneration	63,265 31	
To charities	15,500	
		5,379,623 89
Total		21,099,464 93

CREDIT.

	Francs
Interest on Loans against Public Securities	232,339 20
Interest on Government Securities:	
Home	3,695,407 81
Foreign	153,145 50
Interest and Dividends on Shares	6,419,425 87
Interest on Current Accounts:	
With Affiliated Companies	3,426,807 86
With Approved Companies	666,473 24
With Affiliated Banks	54,155 80
For collections	95,000 00
For exchange	461,648 64
Various current accounts	2,693,608 80
Discounts	2,155,750 97
Profits on Exchange Operations, Commission, etc.	711,038 45
Profits on Realisations	268,024 81
Rents	66,637 98
Total	21,099,464 93

(Copyright translation)

MEETINGS
OF PUBLIC COMPANIES.

THE HONGKONG AND SHANGHAI BANKING CORPORATION.

THE ordinary yearly general meeting of the shareholders of the Hongong and Shanghai Banking Corporation was held in Hongkong on February 22 last, the Hon. P. H. Holyoak in the chair.

The Chief Manager read the notice convening the meeting.

The Chairman said: Gentlemen,—I count myself fortunate in the privilege of addressing you in the year of victory. On November 11, 1918, an armistice was signed on terms which ensure the acceptance of peace, and prevent, as far as human prevision can, the recurrence of hostilities. The object for which Great Britain and her Allies entered the War has been attained. A great fear has been lifted from the earth, and, if we cannot grasp the full import and significance of the change, it would indeed be strange if men's minds were not stirred and their hearts quickened by the recollection of the great price at which this freedom has been purchased. Of those who joined H.M. Forces from the staff of this Bank, 36 have made the supreme sacrifice, while many others, I fear, may have been too seriously wounded or undermined in health to permit of their undertaking work abroad. To the relatives and friends of those we mourn, I take this opportunity of tendering our deepest sympathy. Before proceeding with the business of the meeting I have also to refer with great regret to the loss we have sustained by the death of Mr. J. R. M. Smith, our late Chief Manager, which occurred at home in August last. Mr. Smith joined the Eastern staff from London in 1882, and, after occupying many important posts in the Bank, was appointed Chief Manager in 1902. He conducted the affairs of the Bank with marked ability and success until his retirement at the end of 1910, and from then until the time of his death continued to render valuable assistance in London as a member of the London Consulting Committee of the Bank, where his great experience and sound judgment were freely placed at the disposal of the management. By his death the Bank loses a very able counsellor, and, like his predecessor, the late Sir Thomas Jackson, his name will occupy a very prominent place in the history of the Bank, whose welfare and best interests he had ever at heart. He shunned publicity and public thanks, but those who knew him best will remember many instances of unostentatious kindness and generosity. He had the affection of many and the respect of all.

Allocation of Profits.

As usual, I propose to take the report and statement of accounts, which have been in your hands for some days, as read. The result of the year's working, including $3,223,238.18 brought forward from 1917, shows a net profit of $9,820,420.92. The interim dividend, paid in August last, of £258,000, at exchange 3*s.* 3½*d.*, absorbed $1,577,579.62; after deducting that amount, and $50,000 remuneration to directors, there remains a balance of $8,212,841.30 to be dealt with, which, as you have seen from the accounts, your directors recommend shall be appropriated as follows:—A final dividend of £2 5*s.*, plus a bonus of £1 10*s.* per share (subject to deduction of income tax), payable at the rate of 3*s.* 4¼*d.*; transfer to silver reserve fund, $1,500,000; write off Bank premises account, $750,000; and carry forward to the current year $3,279,611.48. It is proposed to increase the final dividend by 2*s.* to £2 5*s.*, and make the bonus of 10*s.* higher at £1 10*s.*, bringing the total distribution to shareholders up to £5 18*s.* per share, or £708,000, against £636,000 for the previous year. Although the sterling amount distributed is considerably larger this time, the dollar equivalent, owing to the higher level of exchange, is less than a year ago. I trust, Gentlemen, the proposed division of profits will meet with your approval. Your directors are of opinion, and feel certain it will be endorsed by all shareholders, that it is wise to follow a conservative policy in these days. Speaking for myself, whilst I am far from taking a pessimistic view of the trade outlook, it must be admitted that the future is very uncertain and may contain many unforeseen difficulties which make it advisable to strengthen our position as much as possible, consequently the addition of $1,500,000 to the Silver Reserve Fund will, without doubt, commend itself to you. Full provision has been made for all known contingencies, but we are still without any information whatever as to the state of affairs in our late Hamburg office; no doubt the situation there will be disclosed during the current year. The $7½ lacs to be written off Bank Premises Account is slightly in excess of the amount spent during the year, but future outlays for bank premises will be considerable and the account will require appropriations for some time to come. Plans are being prepared for rebuilding our Shanghai premises and an extension to our office here is under consideration, besides which rebuilding and/or extensions will be necessary at other places in the near future, necessitating the expenditure of considerable sums. A bonus of 20 per cent. on salaries for the year has again been voted to the staff, and I am sure this action of your directors will receive the hearty support it deserves.

The Balance Sheet.

As regards the balance sheet, I do not think there are many changes in the figures of sufficient interest to justify my taking up your time in making comparisons. The total assets and liabilities in round figures amount to $432 millions, against $419 millions the previous year, and, with the exception of cash and "Bullion in hand and in transit" on the one side, and bills payable on the other, the totals under the different headings show increased figures. We have discontinued the separate item for our holdings of the Indian Government Loan and all our investments now appear under one heading. Although our holdings of British War Loans have been increased, the dollar equivalent, owing to the higher rate of exchange, is not much larger than that of last year. The amount of bills rediscounted, viz., £5,475,000, is much smaller than for sometime past; this was due to monetary conditions at home making it more suitable to carry, in preference to rediscounting, a larger proportion of bills than usual. In October a branch office of the Bank was opened at Vladivostock, and your directors consider that, in time, it will prove a valuable addition to our list of agencies. It has already been of considerable assistance in financing the various Governments' requirements there.

Money and Discount Rates.

The outstanding feature of the year in the London money market has been the low level at which money rates have been artificially maintained for the purposes of war. For the first time in banking history a discrimination has been made between foreign and domestic money. In order to prevent their withdrawal, it was agreed with the Bank of England to allow 4½ per cent. on foreign balances held in the country, and this rate has been maintained throughout the year. As regards domestic money, the Bank of England, on January 2, 1918, reduced the rate of interest on banks' balances from 4 per cent. to 3½ per cent., and on February 14 the rate was further reduced to 3 per cent. To eliminate competition with Treasury Bills, which were being offered at the reduced rate of 3½ per cent., it was arranged that banks generally should not offer more than 3 per cent. for deposits of any kind, long or short. The peculiar circumstances of the Eastern banks, with their large holdings of long-term deposits, were recognised by the concession that current deposits might be renewed at existing rates for periods of not less than one year. The result of these arrangements has been a saving to the Government of about 1½ per cent. on their borrowings from the market as compared with the previous year. Reverses and successes on the field of battle have had very little effect upon the rates for money and discount. Under the influence of Government control the London market has become a great automatic money machine, in which the personal equation of the individual banker or financier counts for very little. It remains to be seen how far and how soon it may be possible, once these irksome restrictions are removed, to restore the old free conditions which prevailed before the War and made London the financial centre of the world. The interim report of the Committee on Currency and Foreign Exchanges, recently published, is a warning against any speculation based on cheap money in the near future.

Bank Amalgamations.

The remarkable series of amalgamations arranged between the leading English joint stock banks have naturally excited a good deal of controversy. As usual in such cases there is much to be said on both sides, and since any further amalgamation is subject to governmental sanction, it would be unnecessary for me to refer to the question at all were it not that, as you are aware, all of these amalgamations have not been confined to the English joint stock banks; in some cases they have involved the transfer to the joint stock bank of the control of British banks trading abroad. Without going into the *pros* and *cons* of this new development of banking, I should like to say that your directors are firmly of opinion that the Hongkong and Shanghai Bank should maintain perfect freedom and in no way barter its liberty of action or merge its identity in that of a partner. We believe that all the advantages claimed for amalgama-

tions can be secured, without any sacrifice of our independence, by friendly alliances or working arrangements with banks operating in other spheres than ours, and to this policy it is our intention to adhere.

Fluctuations in the Price of Silver.

The price of silver has ruled high during the past twelve months, but the fluctuations have been less violent than in the two previous years. The highest and lowest quotations were 49½*d.* and 42½*d.* respectively, as compared with 55*d.* and 35 1/16*d.* in 1917. During the first three months the price did not go above 46*d.*, and varied between that and 42½*d.*, but in April a bill, known later as the "Pittman Act," was introduced in the Senate at Washington, providing for the melting into bullion of 250 million, subsequently increased to 350 million, of the silver dollars in the Treasury originally coined from the 429 million ounces of silver purchased under the "Bland Act" of 1878 and the "Sherman Act" of 1890. The Treasury is under obligation to purchase, at the price of a dollar an ounce, an amount of silver equivalent to that of the silver dollars sold under the "Pittman Act," but there is no stipulation as to time. In anticipation of the passing of this Bill, the London quotation rose rather rapidly from 45½*d.* on April 10 to 49¼*d.* on the 24th, and eventually, on the passing of the Bill, the New York quotation advanced to a dollar an ounce. From then onwards the market has been characterised by long spells of unchanged quotations; from May 13 till July 2 48⅞*d.* was the quotation; from July 2 till August 21 48 3/16*d.*; from August 21 till November 12 49½*d.*; from November 12 till December 6 48¾*d.*; from December 6 till February 11 48 7/16*d.*; and from February 11 the price was 47⅞*d.* until February 20, when it declined to the present quotation of 47¾*d.*, the last six quotations being the maximum price sanctioned by the British Treasury during these periods. The decline in price since November 12 was due to lower insurance and freight rates on the Atlantic.

In August, owing to the extreme necessity that India and the British Mint should secure more silver, the U.S. Government fixed the maximum price at 101½ cents, and at the same time prohibited the export of silver, except under licence, for essential civil and military purposes, thereby curtailing the very large shipments required for China. This prohibition of exports from the United States was very shortly followed by a similar prohibition in Canada, and the amounts secured by the Allies for coinage purposes has consequently very much increased. Owing, however, to the insatiable demand for rupees in India, the requirements for coinage still seem far from satisfied. This is all the more remarkable in view of the enormous amounts that were purchased during the past year for India and also for the Home Mint. The signing of the armistice on November 11 has had no immediate effect on the silver market, nor is it likely to in the near future; it appears probable that a fixed maximum price will continue for some time.

Need of Large Supplies of Silver for Currency.

I need scarcely tell you, gentlemen, how important it is for all of us, for merchants as much as bankers, that the price of silver should be reasonably stable, because on that necessarily depends the rates of exchange with gold-using countries. We consider a low rate of exchange is on the whole more beneficial to trade out here, especially so in the case of certain industries where labour figures largely in the cost of production; but, whether the rate be high or low, what is of paramount importance, and what we do, above all, desire, is a steady exchange; trade and prices of commodities adjust themselves in time to any rate. Notwithstanding the legislation of the last 50 years, silver is still a power in the world, and has to be reckoned with. But it is in no sense the rival of gold. On the contrary, it is a most friendly assistant, and shares with gold in no inconsiderable degree the burden of carrying the commerce of the world. If by legislation silver were entirely discarded as a medium of exchange in the present silver-using countries, the whole burden would be thrown on gold. The volume of the metallic medium of exchange in the world would be diminished, and prices in terms of gold must fall all round. This would be particularly undesirable at the present moment, when the gold supply shows signs of slackening, and when, as we hope, the commerce of the world is about to enter on a period of great expansion. No such fears, however, need be entertained; on the contrary, the demand for silver for currency purposes is likely to grow. Though excluded from the currencies of Western nations, except for subsidiary coinage, there are still large areas of the world where silver is required and where it is the only acceptable and satisfactory medium of exchange. The operations of our armies in Palestine and Mesopotamia, and in what was German East Africa, have already created a new demand for silver, and as these regions become settled the demand is bound to continue. With security, the production of foodstuffs and raw materials will rapidly increase, trade will expand, and money in the shape of silver will be required to carry it. The same may be said of other large parts of Africa. Here in China, when the political turmoil is over and railway construction can be resumed, and when exports long held up are again free to flow, it is certain that the balance of trade will call for considerable imports of silver. In Shanghai and the North there is likely to be a serious shortage of currency unless fresh and substantial supplies of silver are forthcoming from America, and it is to be hoped that China's needs in that respect will receive the sympathetic consideration of the American and British Governments. In view of the important supplies of necessary products which all Governments draw from China, and of the considerable disbursements some of them have still to make on account of the Chinese labour imported into Europe for service in the war zones, we can surely expect that the relatively moderate supplies of silver which may be necessary to make a normal money market in North China will be made available by the Governments which have at present the control of the metal.

Maritime Customs—China's Financial Sheet-Anchor.

The Chinese Maritime Customs Revenue for 1918 shows a decrease of over Haikwan Taels 1,850,000, the total collection being in round numbers Haikwan Taels 36,334,000 (at average exchange 5/3 7/8 equal to £9,603,908), as compared with Haikwan Taels 38,189,000 (at average exchange 4/3 3/8 equal to £8,244,448) in 1917. The collections at all the principal ports show a decrease except that of Dairen, which is a record and shows an increase of Haikwan Taels 473,000 over the revenue collected at that port in 1917. After all foreign obligations secured upon the Customs Revenues had been fully met, a balance remained at the end of the year of Shanghai Taels 8,600,000, which was released to the Chinese Government on January 25 last, the funds being assigned, amongst other purposes, to the payment of the first drawing of the Fourth Year Internal Loan, payment of Chinese Legations and Consulates abroad, financial assistance to silk filatures in Shanghai and Canton River Conservancy. The 1918 revenue of the Native Customs Houses under the Inspector-General's control shows an increase of over Haikwan Taels 196,000, the total collection reported being in round numbers Haikwan Taels 3,972,000. I feel I cannot pass over the subject of the Maritime Customs without a reference to the highly regrettable public attack recently made against the Head of the Service by one of its late members, which is apt to create an erroneous impression amongst those not conversant with the great value of the work done for China by the Customs Service. In an administration which is the growth of sixty years of compromise, it is hardly possible that anomalies should not survive, which cannot always be remedied by a stroke of the pen. Where these are prejudicial to efficiency, and can be remedied, I have no doubt they will receive attention in the proper quarter; and, so far, the suggestions in the pamphlet referred to may be welcomed, however one may regret the method of their presentation. But the salient fact remains that the Maritime Customs has been the financial sheet-anchor of China for the past thirty years, and the foundation of her credit abroad; and the honourable record of its administration has become a tradition which all of us would be sorry to see disturbed by attacks of this nature.

Salt Revenues.

The salt revenues have shown remarkable vitality in spite of the disorders in the country. The total amount credited in the year by the Group Banks was $71,864,000. Of this sum, however, about 15 million dollars were retained by local authorities, including those in Kwangtung, Szechuan, and Yunnan, and certain minor amounts were lost owing to military operations or attendant causes. A reserve of $10,000,000 was maintained throughout the year. The collection of duty in the Swatow area of Kwangtung was voluntarily discontinued for the time being on January 4, 1919, as a protest against the introduction of objectionable monopolies of sale under the auspices of the Canton Military Government. In the adjoining areas of Fukien control is at the moment rendered impossible owing to the prevailing disorder and to the actions of the Yunnanese troops, but the revenue derived from these areas has in any case been comparatively small. Owing to the high exchange and the surplus collections by the Maritime Customs, the Salt Revenue has only been called upon to pay about four million dollars during the year in respect of the obligations charged upon it. On the other hand, nearly 2¾ million dollars were refunded to the Salt Revenue by the Customs in respect of payments made for the Boxer Indemnity in 1916. In November last Sir Richard Dane retired from the post of Associate Chief Inspector of Salt Revenue, and was succeeded by Sir Reginald Gamble, late of the Indian Civil Service; the administration which Sir Richard Dane built up during five years of laborious work is a monument to his executive ability with which his name will ever be connected. He won the regard and confidence of all, Chinese and foreigners alike, with whom he came in contact; and it is sincerely to be hoped that, after he has enjoyed his well-earned rest, he may be induced to return to China and to place his ripe experience again at the disposal of the Chinese Government in other much-needed directions.

Financial Position of China.

The figures of the Customs and Salt Revenue collections for the year 1918, although they show some falling-off in

the case of the former, cannot on the whole be considered unsatisfactory, especially when taken in conjunction with the high level of exchange. But it must be frankly confessed that a review of the past twelve months reveals a very serious deterioration in China's general financial position, the reason for which is not far to seek. The exactions of a futile civil war, which would seem to be kept up chiefly for the benefit of rapacious and despotic Tuchuns, and the maintenance of a huge army which it is unable to control and has not the means to disband, have imposed upon the Central Government a monthly burden of something like twelve or fifteen million dollars, to meet which practically the only resource available (for the provincial revenues are all impounded by the Tuchuns) is the monthly releases of Salt Revenue averaging from four to five million dollars. The result has been what was to be expected; the deficiency could only be met by borrowing, and for the past twelve months or more China has steadily borrowed from the only source open to her, and on terms corresponding to the extremity of her need. Such a policy, if continued, can clearly lead to only one result, and in China's own interest it is satisfactory to note the recent announcement of the Japanese Government, that further advances to China will be subjected to strict scrutiny and confined to approved industrial objects. But the stoppage of improper remedies alone will not remove the cause of the disease; and until China is relieved from this military tyranny all her efforts at financial and administrative reform must clearly be fruitless. Nothing is more true than the old proverb, "Heaven helps those that help themselves." China cannot go on borrowing for ever, and, at a time when all the world's resources are wanted for the urgent needs of reconstruction, she can expect little assistance from outside. Assistance, it would seem, she must have to rid her of the military parasite which is draining the vitality of the country and paralysing every effort at reform, and it is earnestly to be hoped that in this and other respects the claims of China, which cannot be ignored in any scheme of world-reconstruction, will be accorded the consideration which is their due by the Conference now sitting at Versailles. But in the main China must work out her own salvation. There is no royal road; and experience has abundantly proved that the only path for China lies in the economy and patient development of her own resources, the employment of capable and sympathetic foreigners, not as Advisers, but as executive officials with power to carry out necessary reforms, and, above all, by the sinking of party differences for the common good.

The Outlook for Trade.

Gentlemen, I have not dealt with trade, because it is difficult to know where to begin and where to end. The artificial conditions and restrictions under which it has been carried on during the past year, and the volume of trade that has been done notwithstanding, inspire one to believe that, when once the transitory stage from war to peace is passed, the future will hold even greater possibilities of trade than heretofore. That Britain will maintain her foremost position in this trade I have the fullest confidence. We cannot but view with apprehension the general labour unrest prevailing the world over. As far as our own country is concerned, legislation and reform are foreshadowed to diminish unemployment, stamp out evils, and raise the standard of well-being throughout the Empire. It is a programme deserving of the greatest sacrifices, but it is likewise one that legislation alone cannot achieve; one that is doomed to failure unless labour recognises and accepts her responsibility to place and keep the nation in a position to compete and increase its trade in the markets of the world. I am optimistic enough to believe that labour will carry out her obligations in this respect.

Mr. Ross Thomson seconded and said: Gentlemen, I wish to associate myself with what our Chairman has said in memory of those members of the staff of the Bank who have fallen on the field of honour while serving with H.M. Forces in the War, and am sure that in this I am voicing the desire of all shareholders of the Bank here present. I am given to understand that a number of those who have come through unscathed while so serving are now on their way back to resume their places in the service of the Bank. Their return will relieve to some extent the severe strain that has fallen on the skeleton staff that remained to carry on the work. The bonus of 20% which the board have again voted on the salaries of the staff has been richly deserved, and will, I am sure, be gladly endorsed by all. I further wish to emphasise all that our Chairman has said in memory of our late Chief Manager, Mr. J. R. M. Smith, whose loss is deplored by all of us. Our Chairman's review of the present financial position as concerns our Bank has been so exhaustive that I, therefore, need not detain you on that subject. Gentlemen, I have very great pleasure in seconding the motion proposed by our Chairman, that the most excellent report on the year's working and statement of accounts that has been laid before us be passed.

The Chairman: There being no questions, as proposed by myself and seconded by Mr. Ross Thomson, the motion now before the meeting is the adoption of the report and statement of accounts as presented.

The motion was carried unanimously.

The Chairman: The business now before the meeting is the election of directors.

Mr. T. F. Hough proposed that the appointment of Mr. J. A. Plummer as a director be confirmed, and that the Hon. Mr. P. H. Holyoak, Mr. C. S. Gubbay, and Mr. E. V. D. Parr be re-elected directors.

Mr. C. W. Beswick seconded, and the motion was unanimously agreed to.

On the motion of Mr. A. Beattie, seconded by Mr. A. O. Lang, Mr. F. Maitland and Mr. E. A. M. Williams were re-elected auditors for the year.

The Chairman: That is all the business, gentlemen. Thank you for your attendance. Dividend warrants will be ready on Monday.

THE LONDON AND LANCASHIRE FIRE INSURANCE COMPANY, LIMITED.

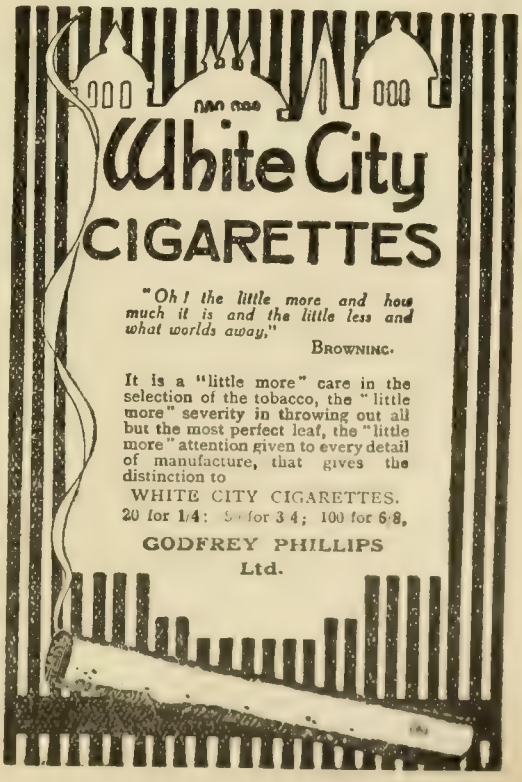
An extraordinary general meeting of the shareholders of the London and Lancashire Fire Insurance Company, Limited, was held at Liverpool on April 14, when resolutions were passed increasing the paid-up capital of the Company to £3,610,000 by the creation of 18,750 new shares, and altering the articles of association to permit of the capitalisation of some of the Company's reserves.

The Agreement with the Law Union and Rock.

Mr. James W. Alsop, Vice-Chairman, presided, and in proposing the resolutions said: This meeting has been specially called at this time for two purposes—(1) To pass a resolution increasing the number of shares, and therefore the capital of the Company; and (2) to authorise an alteration in our articles of association enabling us to capitalise some of the reserves of the Company. The first resolution is consequent upon the important agreement which we recently arranged with the Law Union and Rock Insurance Company, Limited, and by which we have now acquired well over 90% of the shares of that Company. As part of the purchase price we have to issue one "London and Lancashire" share for 12 "Law Union" shares, which, as a few will be paid for in cash, will require rather fewer than the 18,750 shares stated in the resolution. I do not propose to enlarge upon this transaction at present, because a more fitting opportunity will arise when we hold our annual meeting on the 30th inst., but I have every confidence you will approve the resolution which is submitted.

Capitalisation of a Portion of the Reserves.

The extraordinary resolution is to deal with a separate matter—namely, the capitalisation of a portion of our undivided profits or reserves. The proposed fresh article, No. 119(*a*), deals with the matter in general terms, and is to give the Company authority so to capitalise the reserves at any time. At present, however, the actual intention is to increase the paid-up amount upon each share from £2 10*s*. to £5 per share, the result of which will be that one-fifth of each share will then be paid up instead of, as hitherto, one-



tenth. For a strong Company such as this the matter is not of any great consequence. It is a comparatively easy matter for us to transfer £300,000 to £400,000 from our reserves to our capital, because our reserves are so ample. On the other hand, for the shareholders the effect is not very material, because the transference from reserves to capital still leaves the total actual available funds of the Company the same. The only real point for the shareholders is that, without their having been called upon to pay up anything additional, the transfer will, to the extent of the amount transferred, limit the amount which they might be called upon to pay in the event of any such extraordinary disaster as would exhaust the reserve funds.

The argument has been used that the reduction of the uncalled liability of insurance shares will make these shares more marketable, because there are some investors who do not like the idea of uncalled capital. In our case, however, this can scarcely have applied, for our shares, as you know, have always been very much in demand, with the result that the yield has, year after year, been considerably less than that obtainable from securities of the British Government. This is a very high standard, and it indicates that the purchasers of our shares have not been particularly afraid of this uncalled liability. Still, such capitalisation has the advantage of more definitely indicating the importance of the Company's position. Really our working capital consists of our premium income, for it is out of our premiums that we make our profits. This income has latterly increased to very large figures, and it is not unreasonable that the paid-up capital should, to some extent, be also increased so as to minimise the disparity. The new Article 119 (*a*), therefore, represents the first step in this operation.

The second part of the extraordinary resolution, reciting the new Article 119 (*b*), deals with the dividend payable next month, which is to apply to the new shares to which I have already alluded, and which are to be allotted and issued to the assenting shareholders of the "Law Union and Rock."

On the day of our annual meeting another extraordinary meeting will be held for the confirmation of the extraordinary resolution which is now submitted for your approval, and later on there will require to be a further extraordinary meeting in order to put into effect the actual increase in the paid-up amount of each share of the Company as will then be existing.

The resolutions were duly seconded and carried unanimously.

The proceedings then terminated.

THE STATE ASSURANCE COMPANY, LIMITED.

Mr. Richard Stewart Cleaver (Chairman), at the twenty-eighth annual meeting of the Company held in Liverpool on the 14th inst., said that the total premium income had been increased by £92,103, and now reached the not inconsiderable sum of £465,983.

Of the fire premium revenue of £404,130 the losses had absorbed £204,232, or 50.5%, and the commissions and expenses £144,787, or 35.8%. The premiums of the accident and general department stood at £61,852, and the losses had absorbed £23,327, or 37.7%, and the commissions and expenses £20,923, or 33.8%. The surplus over the two departments amounted to £72,713. There was carried to profit and loss account a net underwriting balance of £42,011.

The Profit and Loss Account.

In the profit and loss account at the beginning of the year there was a credit balance of £38,281, subject, of course, to the dividend item of £6,562 and directors' fees of £2,250. Interest, dividends, and rents were an increasingly important source of revenue. After deduction of income tax, the proceeds had increased from £12,162 to £13,861. Interest, dividends, and rents were regarded as the shareholders' fund, and in this connection a healthy expansion should continue to be noticeable. Income tax of £10,401 was a formidable item, but they could not expect any reduction in that direction for some time to come. After providing the necessary adjustment of £31,065 in the technical or departmental reserves, and allowing for the customary item of depreciation in the value of office premises and furniture £612, and the interim dividend of £4,987, there was a balance carried forward of £38,293. The investment fluctuation and contingency account was sufficient for any needs that were likely to arise. The extent of the Company's purchases in British Government securities represented no less than 36½% of the total invested funds. A further substantial amount in War Bonds was acquired early in the current year.

As Chairman it was once again his duty to make mention of the brave men officially associated with the Company who had given their lives for the country. For four years the Company had recorded the annual losses by death, and it had now been thought fitting to gather the names together in some form which would be available as a permanent memorial. They who were left had a great task before them but the deeds of their countrymen at home and abroad during the last four years proved that they were not those of a decadent people or a decadent Empire, and that the spirit and temper and fibre which had carried the nation successfully through the greatest of wars would carry them through the anxieties of subsequent reconstruction.

It was his privilege to acknowledge the obligation of the shareholders to the members of the various boards and to the Company's officials and agents throughout the world. The Company had received from them most valued assistance. He trusted their efforts during the year would be crowned with continued success, and that when they met again it would be his privilege to submit as good a report as that which he asked them to adopt.

Mr. Cleaver then formally moved that the report and accounts be adopted, and that a dividend of 15% (less income tax) be paid to the shareholders on the amount (£1) paid up on the shares registered in their respective names, being, with the interim dividend already paid, a dividend of 25% for the year.

Mr. C. W. Carver (Vice-Chairman) seconded the resolution, which was carried unanimously, and the meeting terminated with the transaction of other formal business.

GREENWICH INLAID LINOLEUM FREDERICK WALTON'S NEW PATENTS COMPANY, LIMITED.

The twenty-fifth ordinary general meeting of the shareholders was held on April 15 at the London Chamber of Commerce, 2 Oxford Court, Salters' Hall Court, Cannon Street, E.C., Mr. F. Faithfull Begg (the Chairman) presiding.

The Secretary (Mr. W. H. Pitt) having read the notice convening the meeting and the report of the auditors,

The Chairman said: The capital is unaltered and the Debenture debt unchanged. The credit balances are reduced from £16,005 10*s*. 2*d*. to £8,619 6s. 8d., owing to the absorption of the reserve for bad debts by the general reserve fund after writing off all trade book debts as bad. On the credit side, the securities on hand have been consolidated and amount to £125,182 1*s*. 10*d*. The debtor balances have been reduced from £10,744 3*s*. 5*d*. to £2,678 8*s*. 4*d*., owing to the writing off of all bad debts and receipts in respect of good ones. The profit and loss account for 1918 shows a net loss of £15,789 16*s*. 4*d*., occasioned by the payment of Debenture interest and rent, rates, taxes, etc., but as in the former year the net loss was £21,532 5*s*. 7*d*., the economies effected have been considerable.

The only really unsatisfactory circumstance in connection with our business is the continued occupation of a large portion of our works by the Government. From May 1916 to date the War Office has been in possession of our factories, and we have been unable at present to get anything settled in respect of payment for occupation; and not only that, we have actually been forced to pay the borough rates on the premises while the Government have been in occupation. Our first claim for rent, etc., was made as far back as September 1916; others followed, the last one going in in June 1918. Repeated efforts have been made to get serious attention paid to these claims, but without avail. It is really a scandalous state of affairs. Let me now deal with the resolutions which you will be asked to pass in connection with the provision of the funds necessary to carry out the programme upon which we have entered. The proposed arrangements are as follows: First, that there should be created and issued £100,000 in five years Seven and a-Half per Cent. Convertible Notes. These Notes will be secured by a floating charge ranking after the existing obligations of the Company, and will be convertible in the option of the holders during a period of four years into Ordinary shares of the Company at the price of 12*s*. 6*d*. for each 10*s*. share. Secondly, that there shall be issued 200,000 Ordinary shares of 10s. each, ranking in all respects equally with the existing Ordinary shares.

Mr. M. Conrath seconded the motion.

KIMBERLEY WATERWORKS COMPANY, LIMITED.

The thirty-ninth annual general meeting was held on April 14 at Cannon Street Hotel, E.C., Mr. James Jackson (the Chairman) presiding.

The Secretary (Mr. F. W. Archdeacon) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: Taking things all round, we have had a prosperous year, the returns of water consumed and the revenue from it being better than in 1917, which I had occasion at our last meeting to record as the best year we had had since the beginning of the War. The improvement was not very marked; in face of a largely increased rainfall the consumption of water showed an advance of something under four million gallons, producing £48,243, or £693 more than in 1917. Owing to a welcome increase in some of the debit entries in the profit and loss account, the profit stands at £2,132 above that of last year. The figures of the accounts are singularly uniform with the corresponding entries of the preceding year, and not many of them call for comment. A notable exception is the reduction of £1,997 in the Kimberley income tax. This resulted mainly from recovery of income tax—wrongly charged in back years by the persistent and well-judged efforts of our Manager. The vexatious depreciation in investments which has troubled us in past years, reduced last year to only £179, has this year been replaced by a marked appreciation of £3,646, which, with purchases made, has raised

the total investments by £14,648 to £87,854, and, notwithstanding a reduction of £4,585 in cash at bankers, the cash position is stronger than we have ever known it. There is nothing further in the accounts that would seem to call for remark. Owing to the high prices obtained for diamonds the industry remains prosperous, and in the absence of any increase in the demand for their produce there would appear to be no cause for more extended working of the mines. Active operations are no longer carried on in the famous mines of Kimberley, De Beers and Dutoitspan, the great bulk of the supplies being drawn from Bultfontein and Wesselton, where the extra amount of water taken pretty well accounts for the total increase in the year's consumption. In spite of the greater activity in these two mines, the amount of water taken by all the mines together continues to bear a quite insignificant proportion to that consumed by the towns of Kimberley and Beaconsfield. As to our own future, if one may prophesy on the soundest basis—namely, experience of the past—I think we may expect the steady maintenance of the return that has been enjoyed by our shareholders for so many years past. I may add that the final dividend will be paid on May 1.

Mr. Robert Ford seconded the motion, which was unanimously adopted, and the proceedings terminated.

LONDON AND THAMES HAVEN OIL WHARVES, LTD.

The twenty-first ordinary general meeting of this Company was held at the Baltic on April 15, Sir Owen Philipps, G.C.M.G., M.P., presiding.

The Chairman said that the Company's progress during the past year had been steady and satisfactory. The net profits were nearly £6,000 more than those of the previous year. The Company's freehold property included about 550 acres of freehold land at Thames Haven, with a frontage to the River Thames of about two miles. On this land great developments were possible, but already they had erected nearly 400,000 tons of tank storage. They had five quays or jetties, at three of which large liners or tank steamers could lie safely in any state of the tide. There were also two petrol refineries and one crude oil refinery on the property. The shareholders would no doubt like some information with regard to the Company's holding in the London Oil Storage Company. That company was formed in 1885, and owned two wharves in London, namely Palmer's Wharf, Bethnal Green, with about 4½ acres of freehold, and Dudgeon's Wharf, Cubitt Town, with about 5½ acres of freehold. The Company also held the lease of Mellish's Wharf, Millwall. As the London and Thames Haven Oil Wharves had been the leading storage company of London for the handling of petrol, lubricating and fuel oils, so the London Oil Storage Company had held a leading position (although on a very much smaller scale) in regard to the handling of turpentine, vegetable and edible oils. The Company had had a long and honourable career; its clients were numerous, and when in the early part of 1918 the Chairman of the Oil Storage Company approached this Company with the idea of consolidation of management, the directors felt that it was an opportunity that should not be missed. They entered into arrangements to purchase a controlling interest in the Company, and as nearly all the shareholders accepted the offer made, this Company actually acquired the whole of the shares with the exception of 50. There was no doubt that the acquisition of this additional business tended to strengthen the position of the London and Thames Haven in the trade, but he wished to make it clear that in assuming the control, the chief object they had in view was to promote the interest of the various trades they served. A long time must elapse and a considerable sum of money would require to be spent before the fruits of this investment would become apparent. During the past year the landings of goods at the London and Thames Haven Oil Wharves amounted to nearly 600,000 tons, being almost double the quantity landed in 1915. At the annual luncheon of the Commercial Motor Users' Association on April 2 last, Sir Frederick Black gave the total imports of petroleum spirit into this country for 1918 as 643,582 tons. More than one-half of this quantity, namely 65%, was landed by this Company. As to the future, he was pleased to be able to say that they were now pressing on with the developments which had been delayed by the War. New tanks were being erected, and further plant for refining and distilling was also in hand, as the board was determined to keep up with the times and to anticipate the requirements of the trade.

The report was unanimously adopted.

SELABA RUBBER ESTATES LIMITED.

The ninth ordinary general meeting was held on April 15 in the Council Room of the Rubber Growers' Association (Incorporated), 38 Eastcheap, E.C., Mr. E. L. Hamilton (Chairman of the Company) presiding.

Mr. J. McInnes, on behalf of the Secretaries (Messrs. Harrisons and Crosfield, Limited), having read the notice convening the meeting and the report of the auditors,

The Chairman in moving the adoption of the report and accounts, said: Development expenditure was much heavier at £7,996 7*s.* 6*d.* than for some years previous on account of the work undertaken at Humiltocia estate. The total expenditure for 1918 on capital account, excluding live stock, is £9,577 2*s.* 11*d.*, and at December 31 last the properties stood in our books at £143,276 15*s.* 8*d.*, or £51 13*s.* per acre. Our share capital remains at £125,000, and on this the cost per acre is only £45, which figure I think you will agree is a reasonable one. "Sundry debtors" is a much larger item, but it includes a debit balance of £8,208 on income tax account. If you will turn to the other side you will see that we have been able to secure a refund of the whole of the excess profits duty paid by the Company, £5,154.

From the directors' report you will see the crop harvested totalled 530,871 lbs., which shows a decrease as against the previous year of 129,538 lbs. This, of course, is due to our adherence to the restriction of output scheme instituted by the Rubber Growers' Association. To be correct, our crop figures exceeded the amount we were entitled to harvest under the scheme by 2,544 lbs., which would have been carried forward to 1919 had the scheme continued, but as it ceased as at December 31 last this difference is of no moment. The area in bearing was 2,479 acres and the yield per acre 214 lbs. and per tree 2.65 lbs. Taking the unsold portion in at a fair valuation, the crop realised a net average price of 1*s.* 8.02*d.* per lb. Working on the assumption that the crop had not been restricted and that the 1917 yield had been maintained, I find the f.o.b. cost would have been 11.24*d.* per lb. in place of the actual figure of 1*s.* 0.62*d.* The condition of Selaba and Somerset estates is reported to be good. Thinning out was continued, over 5,000 trees being removed. The net profit for the year is £17,624 6*s.*, and, after adding the carry forward from 1917 and making one or two adjustments, the sum we have to deal with is £34,195 odd. We propose to place £3,000 to the credit of general reserve and £7,500 to the credit of income tax reserve, and we recommend the payment of a dividend of 10%, carrying the balance of £11,195 15*s.* 9*d.* forward. With regard to the current year, the crop to be harvested is estimated at 660,000 lbs. From this crop we shall deliver against forward contracts approximately 122 tons, or 273,280 lbs., at an estimated net average price of about 1*s.* 9½*d.* To the end of last month the crop harvested on account of this year totals 166,180 lbs.

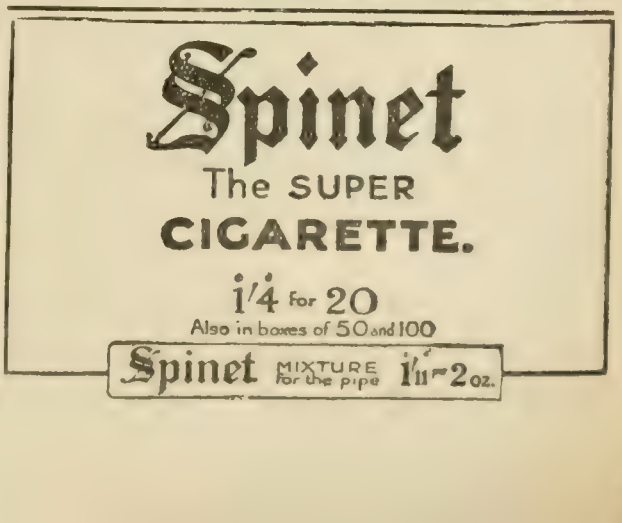
Mr. H. Eric Miller seconded the motion, which was unanimously adopted.

LOBITOS OILFIELDS, LIMITED.

An extraordinary general meeting was held on April 14 at Winchester House, E.C., for the purpose of submitting a resolution altering the articles of association of the Company. The Right Hon. Sir Archibald Williamson, Bart., M.P. (the Chairman), presided.

The Secretary (Mr. James Rennie, A.C.I.S.) read the notice convening the meeting.

The Chairman said: Shareholders will no doubt recollect that at the annual meeting held on July 9, 1918, I announced that the board had acquired a considerable tract of land in Ecuador, regarding which our geologists had formed a favourable opinion. While this was not proven land to any great extent, the price paid was not high, and it was hoped that the Company's future prosperity would be greatly enhanced by its acquisition. After full consideration and knowing the local circumstances, the board have come to the conclusion that the development of this large new area can most advantageously be undertaken by a separate organisation. It was therefore decided to form the Anglo-Ecuadorian Oilfields, Limited, for this purpose, with a nominal capital of £500,000, of which £180,000 is now being issued. The new Company will acquire the Ecuadorian properties of Lobitos Oilfields, Limited, for the sum of £90,000 in fully paid shares, this amount representing approximately the outlay of the Lobitos Company on the acquisition and partial development of the land. Of these shares £10,000 will be allotted to the agents of the Company in South America in consideration of their very valuable services in securing and superintending the development of the properties to December 1 last, and also of their undertaking to subscribe in cash for a further amount of £10,000 for working capital. The remaining £80,000 will be subscribed in cash by this Company, and the new Company will start with approximately £90,000 of working capital, which the directors esti-



mate is sufficient in the circumstances. Lobitos Oilfields will thus hold 160,000 shares of the Anglo-Ecuadorian Oilfields, Limited, and it is the intention of the board to distribute these to their shareholders in the proportion of two shares in the new Company for every five Lobitos shares held. After long delay on account of war conditions, the necessary materials for development on a larger scale have at length been obtained and are now on the way to Ecuador. Of the prospects of the enterprise generally, I may say that the nature of the field appears to be similar to that at Lobitos, but the surface indications are more prominent. The quality of the oil is high and it contains a large proportion of petrol, as at Lobitos. What development alone can prove is the quantity which the wells may produce. The board believe the property to have great potential value, and its area much exceeds that of the Company's holdings in Peru.

Sir John B. Wimble, K.B.E., seconded the resolution, which was unanimously adopted.

THE UNITED ALKALI COMPANY LIMITED.

Mr. Max Muspratt, Chairman of the United Alkali Company, Limited, presided at the annual meeting of the Company, held on April 16, at Liverpool. He regretted that it was again impossible to produce balance sheets, as the settlement of excess profit duty was proceeding but slowly. They hoped, however, before very long to be sufficiently advanced with a settlement to enable them to furnish a balance sheet for the whole period of the War since the last one was issued.

Review of the War Period.

He proceeded to give a comprehensive review of the operations of the Company during the War period and to speak upon problems of the future. He said the Company could claim a by no means small share in the great events of the War. No other company had such a range of vital chemical products as the United Alkali Company. The fact that many of these were barely remunerative before the War might easily have led to their abandonment. This especially applied to the intermediate and bye-products of the old Leblanc process, which after nearly 100 years of service had become obsolete as a result of the constantly increasing cost of fuel and labour. Only a few months before the War broke out the Company had formed a definite policy for a complete transference from the Leblanc to the electrolytic process. The fact that they had not completed those arrangements had been of incalculable value to the nation, for the new process did not produce chlorine and sulphuric acid. It was scarcely too much to say that had the War taken place after the completion of the programme instead of at its initiation the Central Powers might have come much nearer to victory than they actually did. The justification for this statement was the vital importance of sulphuric acid for the manufacture of high explosives and the enormous productive power of the United Alkali Company owing to the fact that sulphuric acid was the basis of the Leblanc process. The whole of the resources of the Company were placed freely at the disposal of the Government, a course of action followed patriotically by other makers, especially the fertiliser makers, who sacrificed large profits in their own businesses to meet the national need.

Early in 1916 the production of sulphuric acid was immense, and the vast accumulation of explosives which made the big victories on the Somme possible was the direct result of these efforts. Never for a day was an explosive works held up for want of sulphuric acid, except, perhaps, very rarely, as a result of congestion on the railways. The ordinary trade of the country, however, had to make great sacrifices, which were borne patiently except in very few instances. The Company's contribution to the explosives programme was by no means confined to sulphuric acid. They largely increased the picric-acid supplies of the country, and in addition had enabled the Government to acquire the raw material for the principal ingredient in amatol. The Company's works in America had also helped in production.

Turning to another phase of war work, the Chairman said one of the most notable features of the War had been that the losses from disease among the troops, with one notable exception, were extraordinarily low, and while the credit belonged in the first instance to the excellent medical staff, that staff was the first to admit that chloride of lime was an important, if not the predominant, factor. The Company had supplied thousands of tons of this product, and he might quote the observations of a well-known non-technical journal, which had remarked that the lives saved by chlorine in its disinfectant capacity had been infinitely greater than the lives destroyed by chlorine as a weapon of war. He suggested, in passing, that chlorine products, in view of their great efficiency, should play a greater part in the health policy of peace.

Poison Gas.

Referring to what he styled the diabolic use of poison gas, the Chairman said in this matter the Company were called upon, and hyposulphite of soda, for which the Company was the sole maker in this country, was the first ingredient of gas masks within the first days of the first gas attack at Paschendaele, and had played an important part ever since. In regard to poison gas itself, the Company had played an important part, and he might say that in this field British brains and British skill, as in so many other fields, had beaten the Germans at their own game. To the United Alkali Company were assigned many of the difficult problems, and the courage and determination of their staff and workmen were beyond praise. Outrageous as was the use of poison gas, said the Chairman, on the part of the enemy on moral grounds, no less outrageous were the risks cheerfully run by the Company's officials and men in countering it. It was a great pleasure to report that by skill and knowledge, though health had frequently suffered, no fatal accident had occurred in this branch of their work. Having referred to honours bestowed upon members of the Company's staff, the Chairman said the Company had been instrumental in the production in all of six poison gases, of which four were preeminently successful, and if the Central Powers had not given in last November their defeat by poison gas alone was inevitable.

With regard to food production the Company, as the largest fertiliser makers, had suffered much, in conjunction with the farmers, in the early years, when everything had to give way to high explosives; but with the necessity for greater food production, in view of the menace from submarines, they had been able to resume their services to a large extent, and had also supported the large extensions of cold storage with calcium chloride, of which supplies were very short, but a famine in which they had been able to avert.

The Chairman mentioned, with regard to developments in aircraft, that the Company was willing to place its very considerable resources at the disposal of the Government, but, after a series of futile negotiations, had been passed over, and practical monopoly had been given to a new Company. The whole question led to an inquiry by the Select Committee on National Expenditure, which severely criticised the action of the Departments concerned. As, however, the matter was still *sub judice* before the Special Committee of the House of Lords, detailed reference to it must be postponed.

The wholesale diversion of the Company's operations to national service had borne very hardly on the consuming industries. The consumers, however, on the whole, had faced cheerfully the grave hardship due to the transference of their normal supplies.

Viewing the future, the Chairman said the first consideration was industrial unrest. The Company's relations with its own men were good, though wages had risen appreciably higher than was warranted by the increased cost of living, and production was not good. What was of more serious concern was the general unrest. Although the world was starving for goods, that unrest was paralysing productive industries; and as the chemical industry was the feeder of countless other industries its prosperity depended on a rapid recovery of general trade. Another factor on the adverse side was the liability under the excess profit duty.

Reconstruction Programme.

Turning to the favourable factors, one of the utmost importance was the advanced state of the Company's reconstruction programme. In all they had spent about 2½ millions on new plant. Much of this was purely for war purposes and much was redundant, but an appreciable amount was of real value, and in a few months the equipment of the Company's works would be of the highest order for the operation of the most modern processes. Another favourable factor was that the War had led to greater co-operation between manufacturers, which was likely to be continued in peace time and to lead to a mitigation of cut-throat competition, which, whilst of apparent immediate advantage to the consumer, had in certain branches of industry tended against progressive improvements by which alone the best results could be attained.

Labour and Government Control.

On the subject of labour the Chairman said they had not found any deep-seated resentment against the Company making profits, but, on the other hand, workmen were apt to ignore economic limitations and to consider that there was an inexhaustible fund from which continuously increasing wages could be drawn with diminished output from the men. Under the extremity of war needs this seemed to be the case, when the nation's capital and credit were being poured out like water. But, as the economic collapse of the Central Powers had proved, each nation had its limit, and though the limit of the Allies was more remote, even that was now perilously near. Government control had no doubt been necessary during the war period, when practically all the production of the country was required for war purposes. That, however, was no longer the case, and the sooner they got back to individual control the better. Government control tended to stifle individual enterprise, and however efficient Government officials may be they could not appreciate the special circumstances in each case. As to Government fatories, admitting these were necessary for the production of munitions, their capital cost had been enormous, and, except in those cases where they had been run by private manufacturers for the Government, their working costs had

been very high. A dwindling number of voices had been raised for the continuation of these State factories for industrial purposes. An overwhelming argument against that policy was that it was believed their cost of manufacture alone, without depreciation or management charges, was in almost every case higher than most manufacturers were prepared to charge to cover all those items and include a profit. This, he ventured to think, was the real reason why the wholesale scrapping of Government factories and the sale of their plant was being proceeded with in spite of criticism in certain quarters. It was significant that a suggestion that some of the Government factories should be acquired by the Trades Unions and worked on a co-operative basis was angrily objected to by a Socialist journal as a capitalist trap. Personally, he thought that experience of the management side of manufacture would have been most useful for the manual workers, and would have rapidly led to a better understanding between employers and employed throughout the country.

The Chairman, in conclusion, moved the adoption of the report and payment of dividends therein recommended. Dr. G. C. Clayton, C.B.E., seconded, and spoke of the excellent relations between the Company and its employees, of the good service rendered by women called upon to take the place of men who had joined the Forces, and of the cheerfulness and courage with which they had faced dangers attendant on the manufacture of poison gas and other products.

The resolution was carried unanimously.

The retiring directors, Messrs. R. M. Bewick, Max Muspratt, W. A. Shortt, and James Tennant were re-elected, and Sir Edmund A. Brotherton, Bart., M.P., Mr. Horace Muspratt, O.B.E., Mr. C. Hewetson Nelson, and Mr. Windus were added to the directorate.

The auditors having been reappointed, the meeting was adjourned to a subsequent day, when the accounts and balance sheet could be submitted.

GOLDEN HOPE RUBBER ESTATE, LIMITED.

The thirteenth ordinary general meeting was held on April 16 at 38 Eastcheap, E.C., Mr. James Lloyd Anstruther, J.P. (Chairman of the Company), presiding.

Mr. E. Martin, on behalf of the Secretaries (Messrs. Harrison's and Crosfield, Limited), read the notice convening the meeting and the auditors' report.

The Chairman, in the course of his address, said: The capital issued remains at £44,000, and the reserve now stands at £24,000, against £16,000 in the last balance sheet. The final instalment of the loan from the Federated Malay States Government of £4,025 on Reading Estate would have been due for repayment on December 31 last, but the board deemed it advisable, before the Armistice and whilst conditions in the rubber industry were so unsettled, to ask the Government for an extension of time for repayment. This request was readily acceded to, and, in consideration of the rate of interest being raised to 7%, we were allowed to defer repayment till December 31 next. The cost of properties and development expenditure, added to the amount spent on buildings, machinery, water-supply installation, and furniture, less depreciation, amounts to £70,734, so that there is a deficiency on capital account of £2,734, against which we have a carry-forward of £5,358. This is not a sufficient margin of working capital, but I would remind you that we have purchased Reading Estate during the War and financed this out of revenue, reducing the cost per cultivated acre on our issued capital from £52 to £30 9*s*. This is without placing any value on the forest land, 616 acres, most of which on Reading Estate should prove very valuable. Our cost of production shows an increase of 3.08*d*. over last year, but the restriction of output, to which we agreed as members of the Rubber Growers' Association, was largely responsible for this. It has not been considered advisable to undertake further extensions on Reading Estate yet, partly on account of the labour position there, and partly because the land proposed to be cleared was dependent for its drainage upon the Government main drain, which required deepening. We hope during the current year to have a much improved drainage scheme for the estate, and to start an extension programme next year. Forward contracts of rubber to be delivered out of the current year's crop, amounting to 138,880 lb., have been made at an average estimated net price of 1*s*. 10.20*d*., and out of the 1920 crop we have sold forward 116,480 lb. at an approximate net average of 1*s*. 10*d*. These contracts should provide a substantial margin of profit, and if we have a favourable season I hope to have a more encouraging balance sheet to place before you next year.

The report and accounts were unanimously adopted, and a dividend of 10% was declared.

IRVINE'S SHIPBUILDING AND DRY DOCKS, COMPANY, LIMITED.

The twenty-third ordinary general meeting was held at Winchester House, E.C., on April 16, the Right Hon. the Viscount Furness (Chairman of the Company) presiding.

The Chairman said: You will doubtless have noticed from the report that the year's working has resulted in a profit of £110,911 7*s*. 8*d*., which is an increase over the previous year's figures of £19,366 10*s*. 10*d*. After adding the amount brought forward from last year of £8,785 13*s*. 5*d*.—making a total of £119,697 1*s*. 1*d*.—and deducting therefrom depreciation on buildings, plant and machinery, &c., and the preferential dividend of 8% on the Preference shares to December 31, 1918, there remains a balance of £85,918 3*s*. 11*d*. This sum your directors recommend shall be appropriated in the following manner—namely, to pay a dividend on the Ordinary shares of 8% per annum for the year ended December 31, 1918, less income tax, £1,760; to pay a final dividend on the Preference shares of 1*s*. 4*d*. per share, less income tax, £20,000; to pay a final dividend on the Ordinary shares of $10\frac{10}{11}d$. per share, less income tax, £20,000; to place to the credit of the reserve account £10,000; leaving to carry forward to next year's accounts and to pay excess profits duty £34,158. The amount placed to reserve will increase this account to £75,000. Turning to the balance sheet, you will notice that the position is equally gratifying, showing as it does substantial liquid assets, whilst you will also observe that the fixed assets have been increased by the sum of £12,829 19*s*. 3*d*. Our establishments are still under Government control, the building berths being occupied with standard vessels ordered by the Shipping Controller, nine of which vessels we have still to complete, and as we have orders from private owners to follow, we can look into the future with every confidence—that is, provided no further labour difficulties arise. The various alterations and additions to the plant and machinery at our shipyards are now fast nearing completion, and we expect to have the electric and pneumatic installations running shortly. It may interest you to learn that your Company has constructed 44 vessels during the War, in addition to carrying out repairs to a large number of steamers. Before concluding, I should like to place on record our appreciation of the manner in which the officials and staffs have responded to meet the increased demands on their efforts during the year under review, although their numbers were greatly depleted through naval and military requirements. I now have pleasure in proposing the adoption of the report and accounts, and I beg further to move: "That a dividend of 8% be and the same is hereby declared on the Ordinary share capital, less income tax; that a final dividend of 1*s*. 4*d*. per share be and the same is hereby declared on the Preference share capital, less income tax; that a final dividend of $10\frac{10}{11}d$. per share be and the same is hereby declared on the Ordinary share capital, less income tax."

Mr. Clarence C. Hatry seconded the resolution, which was carried unanimously.

London and Brazilian Bank, Limited.

ESTABLISHED 1862.

Subscribed Capital - £2,500,000
Paid-up Capital - - £1,250,000
Reserve Fund - - £1,400,000

Manchester Agency:
WILLIAMS DEACON'S BANK, LTD.,
Foreign Exchange, Shipping and Agency Dept.,
YORK STREET, MANCHESTER.

Belfast Agency:
NORTHERN BANKING CO., LTD.

BRANCHES in Brazil, Argentina and Uruguay, and also in Lisbon, Oporto, Paris and New York (Agency).

AGENTS and Correspondents throughout the World.

BILLS negotiated, advanced upon, or sent for collection.

Exceptional Banking facilities offered through the Branches of the Bank and its numerous Agents and Correspondents for the promotion of Trade with South America and Portugal.

7 Tokenhouse Yard, London, E.C. 2.

ARAMAYO FRANCKE MINES, LIMITED.

THE thirteenth ordinary general meeting of Aramayo Francke Mines, Limited, was held at 148½ Fenchurch Street, E.C., on April 16, Mr. Bernard Dale presiding.

The Secretary (Mr. H. F. Ings) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—In rising to move the adoption of the report and accounts, I feel sure that I voice the sentiment of all members present when I say that it is indeed a matter of regret that Mr. Aramayo himself is not present here to-day, not only because the result shown by the accounts amply justifies his forecast of last year that they would not fall short but even manifest a continuance of prosperity, but also because we cannot conceal from ourselves that we have been passing through troublesome times during the last four and a-half years, and that in many a tempestuous sea our pilot has been Mr. Aramayo, the Manager of the local board, in whom the management of our business is vested. If we refer to the report and accounts, I do not think the former requires any amplification from me, unless it be the explanation that the final bonus of 3*s.* per share and the fourth interim dividend of 1*s.* per share referred to in the report will be paid together, for which purpose warrants will be issued on the 23rd of this month. As to the accounts, the variation shown in certain of the items, as compared with the corresponding items in the previous year's account, call for no explanation from me for the best of all reasons, that they are dealt with by Mr. Aramayo himself in the report which I shall now read to you.

"Deeply regretting my being once more unable to take the chair at the ordinary general meeting of the Company, I must request you to convey to the meeting the following report:—

It is gratifying to me to be able to point out that the results which were obtained in 1917 have been well maintained by the management of the local board during the year under review. You will have noticed that the revenue account shows a net profit of £274,148 15*s.* 4*d.* in Bolivia, without deducting charges in England, as compared with £225,315 5*s.* 9*d.* for the previous year ended May 31, 1917.

Sales and Production.

The total sales of black tin reached 1,607.6 tons, or £180,992 3*s.*, as against 2,027 tons, or £154,968 19*s.* 7*d.* in the year before, the price per ton having resulted £36 2*s.* 10*d.* higher on an average than in the previous year. The sales of wolfram amounted to 210.4 tons, of the value of £38,214 1*s.* 2*d.*, as against 193 tons, worth £27,753 8*s.*, in the year before, giving an improvement in average price of £38 5*s.* per ton. The sales of copper matte increased from 117½ tons, or £2,692 0*s.* 3*d.*, to 180 tons of a value of £4,323 8*s.*, producing on an average £1 2*s.* 4*d.* per ton more during the year under revision. Sales of 65½ tons of copper cement were made as a new product, which realised £4,244 2*s.* 7*d.* The sales of silver sulphides correspond to 300,132 ounces, of the value of £54,500 10*s.*, as compared with 242,591 ounces, producing £35,102 3*s.* 2*d.*, in the previous year, the average price per ounce having risen 8.8*d.* In picked silver ore 124 tons were sold, containing 209,602 ounces and worth £35,903 9*s* 10*d.*, as against 174¾ tons, containing 51,221 ounces producing £8,072 9*s.* 6*d.*, in the previous year. The sales of bismuth were slightly more than in the year before, and the price was maintained invariable. The output of black tin was 1,845 tons, or 214 tons less than in the previous year, and that of wolfram concentrates 188 tons, or 38.7 less. That of copper, calculated in metallic, was more by 6.3 tons, and that of bismuth also more by 46 tons. In silver sulphide and cement 20,146 ounces of silver more were produced, but 135,371 ounces less in rich silver ore.

The cost of production of black tin and wolfram increased more than £10 per ton. 36,606 tons of these minerals were milled, yielding 5.5% of concentrates, as against 36,340 tons milled in the previous year, with an extraction of 6.3%, or 0.8% less. The cost of the silver has risen a little, and in that of bismuth there is little variation, but the tendency all round is towards considerable increase in costs. The cost of transport and export duties based on value has been considerably increased.

Development Work.

The failure to meet new discoveries in depth in Chorolque accounts for the decline of the output of concentrates of tin, and this in spite of the fact that the expensive works of investigation in depth have continued and are still continuing. The development work in all the mines summed up to 3,675 metres, as against 4,000 metres in the year before. The fall in the output of rich silver minerals is explained not because the mine does not contain high-grade ore, but because the limited capacity of the Asllani Mill for treating the lower-grade ore does not allow us to properly carry forward the stopes of the mine if we extract an excessive quantity of ore highly rich in silver, and, as a matter of fact, the development of the new level of the Chocaya Mine is showing a very satisfactory mineralisation in tin and silver. In Tasna, although the new rock drill installation has remained idle in expectance of proper mechanics and a permanent supply of fuel, the development has been sustained ahead of the ore extraction and has given fortunate results this year in preparing new backs of ore for breaking down. The occurrence of wolframite in the mines is no exception to the rule of its inconsistent character compared with other minerals, and the deposits have suffered a falling off which has affected adversely the output of this product. Some production of black tin has lately been recommended in Tasna.

By comparing the present balance sheet with that of last year, it will be noticed that a considerable amount of capital has been invested in the business, of which about £111,700 are absorbed by stocks of minerals, £36,000 by stores at the mines, £23,000 by merchandise, and £100,000 by sundry debtors. Of course 10% of this is accounted for by difference in exchange, this having been $12.85 to £1 at May 191*7*, and $11.60 at May 1918, but this enhancement is offset by the exchange equalisation account. As the rate of exchange is now about 18½*d.* per dollar, or more than $12.85 to the £1, it is anticipated that the exchange equalisation account will disappear at May 1919. The stock of minerals will be greatly reduced by the sales realised during the present financial year; those of stores and merchandise will also in all probability be reduced. Sundry debtors resulted from temporary advances to exporters of minerals during the War, which have since been liquidated.

Works in Normal Running Condition.

In reference to the work done during the first five months of the present financial year, the condition of affairs remains practically the same. The output of black tin has decreased by 66.8 tons, as compared with the same period of the previous year; the output of wolfram by 20.7 tons; that of copper (reduced to metallic) by 6.8 tons, and that of bismuth by 9.8 tons. In exchange the output of silver in rich export ores, sulphides, and cement has increased by 29,986 ounces. There is a partial revival of mineralisation in Chorolque, which will keep the Sala-Sala mill at work for a long time. The general drawback has been greatly due to a severe plague of influenza, which at one time kept nine hundred men and women out of work, causing a good many victims. In general, due to foresight, and thanks to considerable stocks of material—which, following custom, have been maintained—the staff has succeeded in sustaining the works in normal running condition, notwithstanding the great difficulty in obtaining the supplies of necessary materials even at very high prices, and despite the fact that between the date of indents and the reception of the goods there is now an enormous lapse of time. The Asllani Mill having become insufficient to cope with the great development of the Chocaya Mine, and affording no room for extension, it is proposed to erect a new concentration plant with capacity to deal with 2,000 tons of tin and silver ores per month at Telamayo, 15 kilometres (about nine miles) from Asllani, mostly served by the existing railway, with 50 litres (about 12 gallons) of clear water available per second, which is considered amply sufficient. The arrival of Mr. Roberts, the general manager, who is daily expected home, will enable this work to be carried on at the greatest possible speed.

I am glad to be able to inform you that the staff in Bolivia has continued to give all satisfaction, and that on New Year's day, in acknowledgment of their services, the local board distributed among them an adequate premium."

I think this report, gentlemen, covers all the items in the accounts, unless it be one on the left-hand side which runs as follows: "Sundry creditors, including Commissioners of Inland Revenue for income tax deducted from dividends to British shareholders, £264,143 9*s.* 1*d.*" This item is made up of debts contracted by the Company in the process of producing the mining assets on the other side, with the exception of that portion described as deduction from dividends to British shareholders, which deduction, the moment the pending litigation is concluded, will be paid over to the Commissioners of Inland Revenue. As to Mr. Roberts's journey home, I think I ought to say that this cannot be called an excursion of pleasure, for its principal object is to go thoroughly into the problem as to the plant which should be erected at Chocaya, to which reference is made in Mr. Aramayo's report. With these remarks, gentlemen, I beg formally to move: "That the report and accounts be and are hereby adopted," and I will ask Mr. Kensington to second that.

Mr. L. A. Kensington: I shall be very pleased to second that resolution.

The Chairman: Gentlemen, this is the time for questions if any member has any to ask.

Mr. H. B. Rayner: May I inquire, Mr. Chairman, whether the stocks of tin, &c., on the balance sheet at cost, £545,944, has been to a large extent realised since the date of the balance sheet and at a higher price than that which we obtained for metals in the previous year.

The Chairman: That is so.

Shareholders' Remarks.

Mr. H. S. Wheatley: Mr. Chairman, I do not know that I have any questions to ask, but I should like to make a few remarks. On looking back to the 1909 report I think you had the mines and buildings at figure of £477,230. Since that date you have paid off £110,000 in debentures, and I see that the mines and buildings now stand at £230,000, showing that you have written off £355,780. If these mines to-day

are earning £273,000 there is an asset here, I think, which might be dealt with in these days when share bonuses are very popular. I only throw that out as a hint, sir. Then I see you paid £130,000 in 1908—of course, that is included in the figures I have mentioned—to Messrs. Metting & Ramirez, and you cancelled the lease of a mine for a cash payment of £30,000, so that there has been a great deal of money spent on these properties which is not represented by the capital, and shows that the Company is in a very fine position. I make these remarks because I am responsible for a good many people putting money into this undertaking, and they should know that the position is very much better than the report and balance sheet show.

The Chairman: Quite so, sir.

Mr. Wheatley: It is unfortunate that I could not follow the statement of Mr. Aramayo clearly, but he seems to suggest that one mine is not in good ore. As an offset you have got the Chocaya Mine, and you have the statement of Mr. Malcolm Roberts in 1908 that the ore reserves were practically inexhaustible. I think they are, too. From what I have seen, you have a series of mountains which you can work by adits, and working costs, although they may be increasing, as they are all over the world, must be very much lower at these mines than on many other mines where they had to sink shafts and that kind of thing. I am very pleased to congratulate you, gentlemen, on the excellent position of the Company, and I only hope that you will not hide your light under a bushel as you have done before. (Hear, hear.)

The Chairman: I beg to acknowledge the very gratifying remarks which the member has just addressed to us, and which are thoroughly appreciated on this side of the table.

The resolution was then put to the meeting and carried unanimously.

The Chairman: The next business is the re-election of the retiring director, who is Mr. F. J. Torromé. Mr. Torromé has been all his business life associated with South America, and the experience he has gained thereby has been of great service to this Company. It therefore gives me great pleasure to move his re-election.

Mr. Roberto G. Ribon seconded the motion, which was unanimously agreed to, and Mr. Torromé briefly returned thanks.

The auditors (Messrs. Tribe, Clarke, Painter and Co.) were reappointed, on the motion of Mr. E. C. Stanford, seconded by Mr. Gilbert.

Sir Frederick Painter: Gentlemen, I do not think you would like to part without passing the usual vote of thanks to the Chairman. I do not know any case in which it can be more properly given than here. Of course, our business is a very special one. Mr. Dale has been an eminent solicitor in the City of London for many years, but he has not often been in the position he now occupies, although none of us would know that he is not efficient in the matter of mining after hearing his speech, which was very much increased in value to us by the inclusion of Mr. Aramayo's report. (Hear, hear.) I do not know whether it is intended to go to the expense of circulating Mr. Aramayo's report, but I do not think we should be wasting money by doing so. (Hear, hear.) It is a most valuable document, and I for one should like to have it in print. I have much pleasure in proposing a very cordial vote of thanks to Mr. Dale for his conduct in the chair, and to the directors for their services. (Applause.)

Mr. J. Macandrew: Mr. Chairman, I have great pleasure in seconding that resolution. I concur with you, sir, that it is a matter to be regretted by this numerous company—the largest meeting I have seen during the last few years that I have been present, showing the interest which the shareholders take in the affairs of the Company—that Mr. Aramayo himself has not been able to be present. I think that every one of the shareholders in this room, and all those who will receive their dividend warrants in a short time, have every reason to be eminently satisfied with the results of the past year. This is a splendid property, not surpassed really in results by any other mine that I know of in South America, and people like myself, who have lived in those countries for many years and know the work, the labour, the difficulties and the trials that have to be gone through by the people at the head of such a large undertaking as this, have some idea of what is involved in producing such magnificent results. I hope that this vote of thanks will include not only the Board of Directors, but also the staff, and more especially our friend Mr. Malcolm Roberts; in short, the whole staff employed in this great undertaking should be participators in the vote of thanks which I formally second. (Hear, hear.)

The vote was unanimously accorded.

The Chairman: I am very much obliged to you, gentlemen, for your expression of confidence and appreciation.

The proceedings then terminated.

GENERAL INVESTORS AND TRUSTEES, LIMITED.

The twelfth ordinary general meeting was held on April 16, at Winchester House, E.C.

Mr. B. Newgass (Managing Director), who presided, read a statement prepared by the Chairman of the Company (Sir John Harmood Banner, M.P.), who was unable to be present. In this he said that the directors considered the figures contained in the accounts to be in every respect satisfactory, especially if they were taken in conjunction with the statement made in the report regarding the valuation, namely, that, while valuations made under existing conditions could not in their opinion be looked upon as reliable, taking quoted securities at the middle prices at the close of the financial year and unquoted securities at a valuation based on the best information available to the directors, the capital of the Company, after providing for all liabilities, was more than represented by the assets. During the past year they had been very fortunate in seeing (and, what was more, securing) very handsome profits on some of the investments held by the Company, and they had been able this year to write down their securities by the very substantial sum of over £26,000. In the previous year they were able to apply just over £20,000 to the same purpose. The profit and loss account was equally favourable. The total credit was £42,636, against £41,216, and, after payment of Debenture interest, &c., the net balance was £27,044, as against £24,973. The directors now proposed a final dividend of 3½%, making, with the interim payment of 2½%, a total distribution for the year of 6%. It was a satisfaction to them to be able in the year which saw the end of the War to go back to the dividend paid for some years prior to the commencement of hostilities, and he believed they would continue this rate and perhaps in due course do even better. It was further proposed to carry £11,000 to reserve account, bringing up that account to £70,000, to carry forward £11,490, and to place £1,000 to Staff Provident Fund. The Company had had a good year—an eminently satisfactory one. They had weathered the storm better than many of them had dared to anticipate. He thought he might well say they were awake. They took a very wide view of the powers of a Trust Company, and were not fettered by any cast-iron regulations. They could look back on many reorganisations which they had been the principal parties concerned in carrying through, and he thought almost without exception these reorganisations had been successful. The events of the last few weeks showed that in new issues and reconstructions the Trust Companies were to have a fresh rival in the shape of the bankers, and, of course, they had unlimited funds with which to assist any proposals they might favour. He thought, however, the Trust Companies would, as hitherto, find themselves capable of meeting this competition, and he looked forward hopefully to the future. In the period of reconstruction upon which the world was now embarking the directors thought there would be many opportunities for the exercise of whatever financial ability they might possess, and they hoped to take their share in the rebuilding of the country's commercial and industrial enterprises, which had been so sadly interfered with in the past few years. The report was unanimously adopted.

TRADE OF INDIA—I.

EFFECT OF WAR.

The trade of India during the financial year 1917-18 shows very forcibly the effect of war conditions, the shortage of freight, and the demand for such products as India is able to supply, upon the export and import trade of the great Dependency. Fortunately, all through the war period and for some years before the outbreak of the War India was enjoying one of those long periods of prosperity which alternate with her times of adversity, when the monsoon, which, as the report before us says, is the jugular vein of Indian trade, fails. As our readers are aware, the monsoon of last year was a very unfavourable one, and the rains since have been of such modest proportions as in no way to repair the damage. In some parts of India and in certain districts of the Punjab there is famine, although, fortunately, as far as we can learn, the actual necessity for relief has been on a comparatively modest scale. We are always urging the Government of India to increase its transportation facilities. The total railway mileage of India is only some 11,000 miles more than the railway mileage of this country, and, in fact, the Government of India itself each year lays by a certain sum for the construction of new lines. India, as we have pointed out so often, is a poor country, and the Government hesitates to increase the burdens of the taxpayer; for although railway construction is urgently needed in India, and in the long run best both for the Government and the people, it is not possible to draw revenue from a railway from the moment the first sleeper is laid, although expenses are incurred from the very beginning.

In the past, when capital was so plentiful in this country and was seeking employment in all parts of

the world, we thought, and we think still, that the Government of India was ill-advised in keeping the railways of India so much in its own hands instead of allowing private enterprise to build and finance them. For the present there is no use going into the question, for it is doubtful whether there is now the capital available. The Indian Government likewise steadily presses on the work of irrigation; but, as is the case with constructing railways, it hesitates to impose fresh taxes on the Indian taxpayer, and, consequently, although irrigation works yield an actual profit of 7%, and indirectly very much more, there must be a period during construction when that profit cannot be realised.

Turning to the trade conditions of 1917-18, we find, as might be expected, that the growth in trade was one of growth measured in money values rather than growth in commodity values. Shipping facilities were only afforded in India for those things for which there was urgent necessity on the part of the Allied Governments or those commodities which India could not do without because they were necessary to her economic development. Of the total exports of India in the years which preceded the recent War, roughly 24% were represented by manufactured articles, while in the year under review the proportion had risen to over 31% of her total exports. Owing to the exceeding shortage of freight India had held second place in the Empire's trade in the years before the War and given place to Canada. In the five years before the War the value of India's overseas trade was 370 crores of rupees, and in the year 1916-17 it rose to 395 crores of rupees, and in the year under review, that is, 1917-18, 393 crores of rupees.

In the exports, compared with pre-War figures there was an actual decrease of 1%, while imports were approximately the same. During 1917-18 India sent goods to the value of 127 crores of rupees to the United Kingdom and 90 crores of rupees to the Allies. The bulk of the exports, both to the United Kingdom and to the Allies, were food and articles required for the purposes of the War, especially wheat, barley, tea, jute, and tanned hides. The total value of food grains amounted to 54 crores of rupees. Wheat accounted for 19 crores of rupees. The export of jute manufactures was valued at approximately 43 crores of rupees, as against 20 crores of rupees in the pre-War quinquennium; while tea was exported to the extent of 18 crores, the pre-War average being 13 crores, and tanned hides 5 crores, as against 1½ crores in the pre-War period.

This rapid increase in trade was accompanied by a steady increase in the flotation of public companies dealing with trades benefited by the War. Prices of securities upon the Indian Stock Exchanges rose considerably and, in a sense, in industrial shares dealing with commodities affected by the War there was a boom.

Analysing the figures before us, the bulk of cotton sent from the United Kingdom declined both in quantity and value. In grey goods the decrease was to 87.2% from 98.8% in the pre-War period; in coloured goods to 91.8% from 93.5%, while that of white goods increased slightly to 98.8% from 98%. Indian mills showed an increase in the finer productions of cotton fabrics, particularly coloured goods, and also an increase in the production of high counts of yarn spun. Japan considerably increased her share in the import of cotton goods, the quantity exported from Japan in 1917-18 being 30 times larger than that in the pre-War period.

We have commented again and again upon the fact that while India is the greatest grower of cane sugar in the world, the methods of growing the sugar, and still more manufacturing the cane when grown, leave much to be desired. The total imports of sugar were 7% larger than those in the previous year, Java as before being the principal source of supply.

The figures of the iron and steel import trade illustrate how great were the demands on the part of the Allies for the manufacture of iron and steel into munitions of war. The total imports were less by 79% than the pre-War average. The value of the imports of railway plant and rolling-stock was only one-ninth of the pre-War quinquennial average. Kerosene oil was imported only to the extent of 31 million gallons, as against 49 million gallons in the preceding year and 67 million gallons, the average for the five-year period before the War. This deficiency was met by an increase in the imports from Persia. In the import of provisions an interesting change in the direction of the development of trade with Australia has taken place. The Commonwealth has increased her share in the import of biscuits from 5% during pre-War times to 52% in 1917-18, and also increased her supplies of bacon, hams, cheese, canned and bottled provisions, jams and jellies. The United States of North America was the largest provider of condensed milk, followed by the United Kingdom, Australia and Holland. The quantity of brandy imported was 228,000 gallons, and of whisky 656,000 gallons. An interesting feature of the trade in beer is that for the first time Japan took the lead, the United Kingdom having hitherto been the largest source of supply. On account of the embargo motor-cars decreased by 73%, and so far as cars could be imported the year, like its two predecessors, was the year of the American motor car in India.

An interesting feature to be noted on the frontier trade of India is the increase in the imports from the Shan States of lead and silver. Owing to the large output of the mines, the production of refined silver in two years has risen from nothing to over 1½ million oz., and the production of refined lead from nearly 7,000 tons to 17,000 tons.

We have received a copy of the fourth annual report of the Joint Finance Committee of the British Red Cross Society and the Order of St. John of Jerusalem, dealing with the year ended October 20, 1918, including a statement of accounts for the four years ended with that date. It is an elaborate work, and is published at the price of one shilling. The outstanding feature of the report is that, while it shows for the last twelve months of hostilities a Red Cross expenditure of more than seven millions sterling, it shows also an income sufficient to meet that huge bill and to leave a margin on the year's working. The immensity of the work performed by the Society will be appreciated when we state that in the four War years the total income was £15,877,190. The expenditure in the same period was £14,422,220, showing a surplus for the period of £1,454,970.

The sugar crop of India is unsatisfactory for the same reasons as affected the yield of the cotton and rice crops. According to the final estimate of the sugar-cane crop the yield is generally below normal. In large districts, owing to scarcity of fodder, the crop has had to be fed to cattle. By far the greatest area under sugar in the Dependency is in the United Provinces, which, indeed, has 53% of the total area under sugar-cane in British India. Here the total yield of raw sugar is 38% below that of last year. In the Punjab, which accounts for over 15½% of the total area, the yield is expected to show a decrease of 32%. In Bihar and Orissa, according to the Provincial Director, the outturn will probably approximate to 90% of the normal.

By a recent Decree published in the French *Journal Officiel* of the 3rd inst., the maximum amount of notes issuable by the Bank of Algeria has been raised from 40 millions to 44 millions sterling.

For the first eight months of the financial year the receipts by the Italian Treasury have increased 36 millions sterling, and have exceeded the amount which had been budgeted for the whole year by 12 millions sterling. The total amount of the receipts up to February 28 was 162 millions sterling.

THE LONDON ASSURANCE.

Incorporated by Royal Charter, A.D. 1720.

7 ROYAL EXCHANGE, LONDON, E.C. 3.

INCOME £3,084,450

FIRE. MARINE.

Applications for Agencies Invited.



ASSETS £8,526,459

LIFE. ACCIDENT

All classes of Insurance.

The Corporation has granted Fire, Life and Marine Insurances for nearly Two Hundred Years.

BRITANNIC

ASSURANCE CO., LTD.

One Special Ordinary Branch feature is the **CHILD'S OPTION POLICY (Table 11a)**, under which a premium of £10 assures £1,091 on certain conditions.

FUNDS - - - £4,800,000.

Chief Offices: BROAD STREET CORNER, BIRMINGHAM.

LONDON & MANCHESTER ASSURANCE COMPANY, LIMITED.

Chief Office - 50 FINSBURY SQUARE, LONDON, E.C. 2.

Allied with National Amalgamated Approved Society for National (Health) Insurance.

PREMIUM INCOME exceeds ... £900,000

FUNDS exceed £2,000,000

ROYAL LONDON

INSURANCE OFFICES.

ROYAL LONDON MUTUAL INSURANCE SOCIETY, LTD.
ROYAL LONDON AUXILIARY INSURANCE COMPANY, LTD.

LIFE, FIRE, ACCIDENT.

Head Office:

ROYAL LONDON HOUSE, FINSBURY SQUARE, LONDON, E.C. 2.

JOHN PRICE, HORACE DUFFELL, *Managing Directors.*

PEARL

ASSURANCE COMPANY, LTD.

Chief Offices: High Holborn, W.C. 1.

Annual Income exceeds £5,250,000

Claims Paid exceed £23,000,000

ABSTAINERS AND GENERAL INSURANCE COMPANY LTD.

Head Offices:—BIRMINGHAM.

LIFE ASSURANCE.

Reduced Rates for Abstainers.

Fire, Burglary, Plate Glass, Personal Accident.

Forward postcard for Company's popular booklets, "Total Abstinence an Asset in Life Assurance" and "Homes and How to Own Them."

REFUGE ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds - £4,700,000

Assets Exceed - - - - £15,900,000

Claims Paid Exceed - - - £28,000,000

SUBSCRIPTION TO "THE STATIST."

TO INCLUDE ALL SUPPLEMENTS.

Payable in Advance.

Inland.

One Year, £1 10 0 | Half-Year, £0 15 8

(Post Free.)

For Colonies and Abroad (within Postal Union).

One Year, £1 17 4 | Half-Year, £0 18 8

(Post Free.)

OFFICES: 51 Cannon Street, E.C. 4.

INCOME TAX.

Are you paying more than necessary?

Income Tax is a burden which falls especially heavily on those with incomes between £120 and £1,000, but under recent Finance Acts relief can be obtained on various grounds, some of which are overlooked by the Taxpayer.

The WESTERN AUSTRALIAN INSURANCE CO., LTD., of 45 to 47 Cornhill, London, E.C.3, will be pleased, on receipt of a post card, to send you, free of cost, a publication on the subject by an expert, setting out very clearly the grounds on which relief can be obtained.

IT IS NOT TOO LATE TO CLAIM RELIEF ON ACCOUNT OF THE CURRENT YEAR.

The Statist.

LONDON, SATURDAY, APRIL 26, 1919.

CONTENTS.

	PAGE
LEADING ARTICLES—	
An Undoubted Check ...	735
India	736
The Tinplate Trade—II.	737
Cotton Consumption ...	738
Lancashire Coal and Iron Ore	738
Argentina	739
Ireland and Ways and Communications	740
Sugar-Beet Industry ...	743
Leather Industry in Ireland	745
Agricultural Implements and Labour-Saving Appliances	751
Monte Video Waterworks	758
S. AND CENTRAL AMERICA—	
The Five Republics ...	742
THE MONEY MARKET—	
Credit	728
STOCK EXCHANGE...	729
MINING TOPICS—	
Rand Selection Corporation	730
Aramayo Francke Mines...	731
TABULAR APPENDIX—	
I. Bank Returns, &c. ...	732
II. Current Bank Rates of Discount	733
III. Foreign Exchanges ...	733
IV. Bankers' Clearing-House Returns	733
V. Freights	733
VI. Wholesale Prices of Commodities	734
VII. Railway Revenue Statements	734
VIII. Railway and Tramway Traffic Receipts ...	734
FINANCIAL NOTES—	
Financing Foreign Trade	746
U.S. Winter Wheat ...	748
Coal Exports	749
AMERICAN TOPICS—	
Cities Service Company ...	749
The Canada Steamship Lines, Ltd.	750
RUBBER TOPICS—	
The R.G.A. Report... ..	752
Seafield (Selangor) ...	753
Damansara (Selangor) ...	753
New Crocodile River ...	753
Federated Malay States Rubber (Selangor) ...	754
NEW ISSUES—	
East African Flax Lands	770
Mangane-e Bronze & Brass Co.	770
INSURANCE NOTES—	
Legal and General Life Assurance Society ...	754
COMMERCIAL—	
Wool	756
Indian Trade—II.	756
INDUSTRIAL COMPANIES—	
W. & T. Henley's Telegraph Works Co., Ltd.	758
British and Argentine Meat Co.	759
Barrow Hæmatite Steel ...	759
REPORTS—	
American International Corporation	760
Cities Service Company ...	762
MEETINGS OF PUBLIC COMPANIES ...	763–770

The Money Market.

Friday, April 25, 1919.

	Current Rate % Fixed	Previous Rate % Fixed
Bank of England Rate...	5 (Apr. 5, '17)	5½ Jan. 18, '17
Bank of England Rate { to Clearing Banks: 3 days' notice ...	3 (Feb. 14, '18)	4 June 19, '17
for Foreign Money*	4½ (Nov. 15, '17)	extended Jan. 2, '18

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances.

Deposit Rates:—			
Banks & Discnt. Ho. (Call)	3† (Feb. 14, '18)	3½	Jan. 2, 18
Discount Houses (Notice)...	3 (June 6, '18)	3¾	Feb. 14, '18

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Tr'sury Bills (Fixed Feb. 14, '18)—		3½	—	3½
Bank Bills	3½	3½	3½	3½
Trade Bills	—	4–4¼	4–4¼	4–4½

CREDITS.

We discuss rather fully in our Financial Notes a scheme which is being placed before the Government in the hope that assistance will be rendered to the banking and trading community for the purpose of granting credits for the re-habilitation of the British export trade which has been seriously crippled during the War. There can be no reasonable doubt that it is eminently desirable that we should increase our exports to the utmost degree possible. But, at the same time, it is, of course, evident that one can pay too great a price for anything, however desirable in this life. Consequently, it will be essential that any system of a general granting of credits should be reviewed with the utmost caution, and only such credits allowed as have a reasonable basis of security. Before going into the question of the importance, not merely of increasing our exports, but of the changed conditions which necessitate credits being granted on a far greater scale than was the case before the War, we will sound a note of warning on the importance of the careful consideration of such credits. It is a common saying in financial and commercial circles that no one can export indefinitely upon a credit basis when he has to pay for his imports on a cash basis. Put into the language of ordinary life, all this means is that no one can go on indefinitely drawing on his banking account in the hope that in some remote future the profits which he believes he has made will ultimately be paid in to his credit. To export immense quantities of goods from this country to various parts of the world, which have been more or less devastated during the recent War, on a sort of note of hand that will be met when convenient, perhaps, in the time of our grandchildren, while we have to pay cash for the raw materials which enable us to make such exports, would be, of course, madness as distinct from trade. But, on the other hand, it has to be remembered that there has been a great destruction of life and wealth during the recent War, and that if trade is to be carried on at all, it cannot be carried on on the strictly conservative basis to which we were accustomed in the years that preceded 1914.

The days of the sweet simplicity of the Three per Cents. are gone, and are not likely to return in the lifetime of the present generation. If we are to recover the position we occupied, or at any rate if we are to get ourselves out of our present difficulties with credit, we shall have to pursue a bold policy, which means taking risks, but of course taking risks with reasonable caution. As said above, one cannot export upon a credit and import upon a cash basis indefinitely. But that credits will have to be given, and given upon an extensive scale in order to enable our Allies to reconstitute their industrial systems which had been destroyed during the recent War, there can be no reasonable doubt. Owing to the fact that the United States came so late into the War—and although most of the other belligerents were exhausted the major part of the work had been done by them—the United States is in a better position than any other country to afford credits to the numerous countries which require reconstruction. But if we are to leave everything to the United States the United States will become what England was in the generation which grew up after the Battle of Waterloo. It is to the people bold enough to take risks and enterprising enough to see where trade advantages can be pushed that fortune ultimately accrues. The people who sit down and bemoan their fate because we owe nearly 9,000 millions and are not in a position to pay for our imports will gradually sink into deeper and deeper distress. It will be readily understood that it is neither the desire nor the business of The Statist to advocate reckless finance of any sort. It might have been thought that the plenipotentiaries who have spent such an incredibly long time in discussing various altruistic schemes in Paris would have devoted themselves to the practical questions of how credits were to be found for the purpose of reconstituting nearly the whole of Belgium, the ten provinces of France, and the various other countries which have been desolated during the recent War. Even ourselves, although after the first few weeks, when it was found that the British Navy was able and willing to do all that the British Navy has ever done in the past, were never in any real danger of invasion. Still, owing to the enormous strain of carrying on the War ourselves and financing our Allies, our export trade was at one time reduced almost to vanishing point, and even yet is only slowly recovering. We have to obtain credits from various parts of the world. We owe an immense sum to the United States. And it may have been noted by our readers that the Argentine Senate definitely refused the credit which had been agreed to by the House of Representatives last week. In a sense, this is, no doubt, a dispute on a matter of form between the two Houses; but inasmuch as the Argentine Senate does not meet again until the end of June, or some time in July, those engaged in the import trade from the Argentine Republic feel a large measure of anxiety as to what will actually happen. The only fact that they have to go upon is that the Argentine Senate definitely refused the credit. Speaking for ourselves, we do not think Argentina will continue to refuse such a credit, because if she does, where is she to find a market for the food and raw materials so urgently needed by the Allies, and which it is so important for her to export, as she does not require to consume it at home? In the absence of the Allied Governments, what other customers can she obtain? Consequently, we feel ourselves very confident that when the time comes the credit question will be duly reconsidered. Meanwhile the fact remains that the Allied Governments are under the necessity of going to various countries to ask assistance to enable them to import the food

STANDARD BANK OF SOUTH AFRICA, LTD.

Bankers to the Government of the Union of South Africa in Cape Province; to the Imperial Government in South Africa, and to the Administration of Rhodesia.

Subscribed Capital ...	£6,250,000	Reserve Fund	£2,200,000
Paid-up Capital	£1,562,500	Uncalled Capital... ...	£4,687,500

BOARD OF DIRECTORS.

WM. REIERSON ARBUTHNOT, Esq.
SIR DAVID M. BARBOUR, K.C.S.I., K.C.M.G.
EDWARD CLIFTON BROWN, Esq.
ROBERT E. DICKINSON, Esq.
JAMES FAIRBAIRN FINLAY, Esq., C.S.I.
HORACE PEEL, Esq.
WILLIAM SMART, Esq.
Rt. Hon. LORD SYDENHAM, G.C.S.I., G.C.M.G., G.C.I.E., G.B.E.

Head Office: 10 CLEMENTS LANE, LOMBARD STREET, LONDON, E.C. 4.

West-End Branch: 17 NORTHUMBERLAND AVENUE, W.C. 2 (Adjoining the Royal Colonial Institute).

New York Agency: 68 WALL STREET.
Rotterdam Branch:—15 COOLSINGEL.

Over 260 Branches and Agencies in South and East Africa.

BANKING BUSINESS OF EVERY DESCRIPTION transacted at all Branches and Agencies.
CURRENT ACCOUNTS opened on the usual terms, and **DEPOSITS RECEIVED** for fixed periods at rates which may be ascertained on application.
SAVINGS BANK ACCOUNTS opened on terms, particulars of which may be obtained at Branches.
BILLS NEGOTIATED and **COLLECTED.**
DRAFTS issued, **MAIL** and **TELEGRAPHIC REMITTANCES** made.
LETTERS OF CREDIT and **COMMERCIAL CREDITS** established.
TRAVELLERS' LETTERS OF CREDIT issued available in all parts of the world.
PURCHASE and **SALE** of Stocks and Shares effected.
DIVIDENDS, ANNUITIES, &c., received and **COUPONS COLLECTED.**
STRONG ROOMS provided for the safe custody of Securities and Valuables of Customers.
ASSAY DEPARTMENT.—Gold, &c., and all Mineral Ores assayed and realis d.
EXECUTOR AND TRUSTEE business undertaken.

The Officers of the Bank are bound not to disclose the transactions of its customers.

FRANCIS SHIPTON, *London Manager.*

and the raw materials so urgently necessary for their sustenance and for the maintenance of their various industries. Such being the case, it is evident that if our trade is to be carried on at all we shall have to adopt methods very different from those which were practised by the Money market of London in the days when the Money market of London was the pre-eminent Money market of the world.

BANK OF ENGLAND.

As usual in a holiday week, there is not much of importance to note in last Thursday's Bank return. The principal movements were on Government account, Treasury deposits showing a diminution of £3,119,000 and securities a drop of £5,889,000. "Other" securities, however, were £3,488,000 higher, and other deposits £644,000. A small decline of £50,000 in circulation followed the previous week's increase of £1,256,000, and as the stock of bullion was £118,000 less, the amount of the reserve was reduced only from £27,472,000 to £27,404,000, the ratio to liabilities being .28% higher at 19.32%.

POSITION IN NEW YORK.

CHECKED to some extent by the news from Paris, the feeling, as far as we can gather, not merely in Wall Street, but throughout the United States, is one of extreme optimism. The United States has done during the recent War the largest amount of business of any period in its history. Of course a great part of it has been done upon a credit basis. But United States business men are shrewd enough to know that the credit of the Entente Allies is quite good for the liabilities they have incurred. The United States has, of course, profited in various ways. She got her railways built upon a gold basis largely with British capital, and during this War she has been fortunate enough to be able to acquire a large proportion of her securities upon the inflated credit basis brought about by a world-wide war. In addition she has sold food products, raw materials, and munitions upon an unprecedented scale upon the same basis of inflated prices. Instead of being heavily indebted to Europe, as has been the experience of citizens of the United States in past generations, she now has the satisfaction of feeling that all Europe is more or less in debt to the United States. There is a widespread feeling here that American business men will push exports in various directions, particularly steel wares and suchlike commodities. That the American business man will push business to a large extent wherever he sees a favourable opportunity we have not the slightest doubt, and we should not regard him as the excellent business man that we do if we had any doubt on the question. But, on the other hand, we decline to believe that the American business man will push his advantage too far. When the control of exchange as between London and New York was removed some weeks ago, it was predicted in certain quarters that there would be a dramatic fall in the level of exchange as between New York and London. Such has certainly not been the case so far. We said at the time that we did not think it likely, and we certainly do not think it likely now. It was argued that a favourable opportunity presented itself for American bankers to take advantage of the unfavourable conditions existing in Europe. The United States business world, however, is too well indoctrinated with the fact that in order to do business satisfactorily you must have customers in a state of at least comparative comfort. If Europe were drained of its last dollar, and we were all reduced to a condition bordering upon starvation, where would be the markets which the United States so urgently needs? On the contrary we feel confident that we may look forward to every consideration being shown to Europe by the United States business community until we shall have had an opportunity of recovering from the effects of the recent great struggle.

THE POSITION IN INDIA.

WE discuss the position in India very fully in another part of this issue. Suffice it to say here that the latest cables received in London in financial and trading circles closely connected with India state that quiet generally is being restored throughout the Peninsula. Money rates are moderate so far as the exchange banks are concerned, while the up-country and native financiers are, of course, charging, as, indeed, they generally do, about twice the rates ruling in the great centres where the European banks operate. Perhaps the most disquieting feature of the situation from the financial side is the steady hoarding of silver which is going on. As we state elsewhere, some 400 million ounces of silver have been imported, mainly from the United States, during the period of the War, and a very large part of this enormous quantity has disappeared from circulation.

SILVER.

SINCE business was resumed in the Silver market after the holidays there has been hardly any feature to report. The price day after day has been unchanged at 48⅞*d.* per ounce. The closing price to-night is 48⅞*d.* Owing to the restrictions placed on the movement of gold and silver in this country, it is hardly possible that there could be any real activity in the market. The demand from the East, as we explain elsewhere—and it has been a very keen demand indeed—has been supplied almost entirely from the United States of North America.

Stock Exchange.

THAT the majority of the investing public have acted wisely in recent months in refraining from taking an active interest in Stock Exchange operations in anticipation of a speedy conclusion of peace, has again been emphasised this week. After closing last week in good fashion, cheered by the Premier's speech on the peace negotiations and his assurance that the Government's pledges in regard to indemnities have been embodied in the terms, the gilt-edged section reopened on Tuesday in quiet fashion, and there was little of note in price movements until the end of the week. On Thursday the Italian disagreement caused depression, but the market rallied again on Friday. The chief feature has been an appreciation in the 4% tax-free loan from 101½ to 102. Consols close ¼ higher at 55¾ and the 5% War Loan at 96½. Colonial issues have remained steady. Among foreigners, the French 5% loan has inclined to weaken slightly, but fresh inquiry for Japanese has raised the prices of the 4% and 4½% issues of 1905. Mexicans have fallen back on attention being directed to mail reports from New York as to the possibility of fresh rebellion arising out of the reported arrival in the country of ex-President Huerta's Minister for War. It would be foolish to attach too much importance to such reports. The people, sick one would think of continual strife, have shown themselves desirous of returning to peaceful conditions, and instigators of any fresh trouble must know that they may have to deal

5%
NATIONAL WAR BONDS.
Although the issue of September Bonds is discontinued, they are still purchasable for a limited period by instalments from
The National Mutual Life Assurance Society
39 KING STREET, CHEAPSIDE, LONDON, E.C. 2.
under the Society's Special Scheme.
INSTALMENTS CEASE AT DEATH.
NO MEDICAL EXAMINATION OF APPROVED LIVES.
Write for particulars.

with a neighbour now relieved of its great war preoccupation and having an army powerful and proved. Russian bonds have provided the other principal feature, quotations being marked up several points on the good progress of Admiral Koltchak's army and the reported evidences of Bolshevist demoralisation and defeat in several quarters. Russian Fours have appreciated to 38½ and the 5% of 1906 to 51. There are arrears of interest outstanding, but when one remembers that at the height of the Mexican revolution Mexican Fives fell to 43 and are now quoted at 77, and that the natural resources and recuperating power of Russia are at least as great as those of Mexico, once red revolution is stamped out, it seems at least advisable for holders of Russian bonds to retain their stocks.

Throughout the week the Home Railway market has presented a neglected appearance from the point of view of volume of business, and quotations have continued to sag. The same has to be said of Foreign railway stocks, though here and there there has been evidence of resistance. United of Havana are higher, as also are Venezuela Central Second Debentures. American railways have moved irregularly, Chesapeake being a feature of strength, and Grand Trunk issues are steady.

It is in the general and industrial sections that the effect of the Italian disagreement has been most noticeable, the speculative descriptions which have been in favour of late, particularly oil shares, being subjected to profit-taking, and sales by nervous holders. However, there was a sharp all-round rally on Friday. In breweries Watney Combe Deferred are higher, but City of London Ordinary have dropped five points of their previous substantial rise. Several Egyptian securities have given way again, Sudan Plantations closing at 6$\frac{15}{32}$. Home public utilities have moved very little, but Cities Service Common stock rose sharply on the report, and now stand at 410. We deal with the position in another column. Iron and steel shares generally have been on the dull side, but with unimportant price movements. Otis steel at one time rose to 205 on the offer of purchase to which we referred last week.

Among Land descriptions Nigers are again a little firmer at 61*s.* 3*d.*xd., and East African Lands have been a feature of strength, rising to 50*s.* 3*d.* A subsidiary company with the title of East African Flax Lands has been floated with a capital of £60,000, of which £39,593 in £1 shares is publicly offered. Pekin Syndicates are lower at 38*s.* 9*d.* Elsewhere Aerated Bread have continued strong. The price of 4$\frac{13}{32}$, it is worth noting, compares with 56*s.* when the amalgamation with Buszards was first mooted. Nitrate shares, after commencing the week well, reacted a little on Thursday. Marconi issues in the Telegraph section have inclined to droop, and the same may be said of the majority of movements among industrials. Exceptionally Hope Brothers have been a strong spot, and English Sewing Cotton have risen to 4 amid talk of a share-bonus being announced presently.

After being in fairly good form, with Burmah shares enjoying a further lively rise in the early part of the week, the Oil-share market turned suddenly flat on Thursday, but on Friday the market resumed the upward movement and prices close near the best, Burmahs being 10$\frac{3}{4}$, Mexican Eagles 5$\frac{1}{8}$, Anglo-Egyptians 5, Shells 8$\frac{3}{8}$, and North Caucasian 26*s.* 3*d.* The Shell share offer to shareholders will be at par, but whether in the proportion of one to two or one to three has not yet been decided.

PLAYER'S
NAVY MIXTURE
"Pipe Perfect"
IN THREE STRENGTHS
White Label 9½d. PER OZ.
Mild and Medium. 10½d. PER OZ.
This Tobacco is also supplied at Duty Free Rates for the purpose of gratuitous distribution to wounded Soldiers and Sailors in Hospital.
Terms and particulars on application to
JOHN PLAYER & SONS, Nottingham.
Branch of the Imperial Tobacco Co. (of Great Britain and Ireland), Ltd.

Leaders of the World's Filing and Card Index Systems
THE Shannon LIMITED
and Modern Office Furniture
ROPEMAKER STREET, E.C.2.
Ring up London Wall 1533.

Mining Topics.

South African shares have, in the majority of cases where altered, shown a tendency to weaken since the holidays. Springs Mines and Brakpan failed to derive stimulation from the annual reports. City Deep, however, appear to be picking up, and at 2$\frac{1}{8}$ seem to be worth consideration. Anglo-French Exploration are higher, and a sharp rise has occurred in Transvaal Consolidated Land. There has not been much doing in Rhodesians, excepting Lonely Reef and Gaika, the latter rising, on a development cable, but later reacting a little. Several West Africans have again been active, notably Gold Coast Amalgamated on the report, and Ashanti Goldfields on rumours of acquisition of an extensive interest in the new Winnebah tinfield. Fairly numerous rises have been registered among tin shares, more especially in Nigerians and Eastern descriptions. Anglo-Continental developed strength late in the week, and also Kwall Tinfields. Pahang, Malayan Tin Dredging, and Renongs are higher. In Americans inclination to take profits has been noticeable. Tomboys have been good, and Mexico Mines of El Oro and El Oro Mining and Railway show further appreciation.

RAND SELECTION CORPORATION.

As foreshadowed last December by the increase in the dividend for 1918 to 35% the report now issued makes a very good showing. The coal properties, which in the past yielded a considerable proportion of the company's annual revenue, were disposed of in 1917, and so no income from this source accrued last year; but the Springs Mines, in which the Corporation has a large interest, paid its first cash dividend as well as a scrip distribution of Springs West shares. Township revenue showed further expansion in accord with the development of the Brakpan and Springs districts, while interest and sundry revenue increased from £5,738 to £17,314, due to receipts from under-

writing commission in connection with the flotation of the West Springs Company and the accruing of freeholders' half-share of claim licences under the new Transvaal Mining Leases Act of 1918. The amount of these claim licences accruing to the Corporation was £7,094 last year in respect of the licences paid to the Government by the Brakpan, Springs, and West Springs mining companies. This year the Corporation's share is expected to be £10,000, and thereafter to show further gradual increase. Of 27,029 West Springs shares received by way of the scrip distribution of Springs Mines, 14,310 shares were sold in the year, but whether credited to dividend account or profit on share sales is not stated. The amount of the profit on share sales was £9,012 against £7,345, and the total revenue £221,417 against £195,684 for 1917. After deducting a slightly larger outlay for office, &c. expenses, the net profit comes out £24,000 higher at £208,526. Taxes absorb £4,708, and after paying the increased dividend distribution a balance profit of £11,318 remains to be added to the carry-forward. Five years' progress is shown below:—

	Year to Dec. 31— 1918	1917	1916	1915	1914
	£	£	£	£	£
Divs. on shareholdings...	144,154	121,850	114,637	101,400	76,050
Township revenue ...	50,184	46,224	19,815	5,664	4,547
Coal profit	—	13,261	25,956	26,013	34,969
Profit on share sales ...	9,012	7,345	15,387	—	—
Interest and sundry ...	17,311	5,738	6,370	8,377	4,124
Schapenrust claim rev. ..	753	1,266	—	—	—
Total	221,417	195,684	182,165	141,451	119,690
Office, &c., expenses ...	12,889	11,428	13,731	11,038	10,247
Net profit	208,526	184,256	168,434	130,416	109,443
Appropriations—					
Taxes	4,708	2,794	2,073	2,408	1,377
Depreciation	—	—	8,352	8,516	7,933
Dividend	192,500 (35%)	165,000 (30%)	151,250 (27½%)	115,974 (21½%)	88,686 (16%)
... ...	197,208	167,794	161,675	126,898	97,996
Balance	11,318	16,462	6,759	3,518	11,447
Brought forward ...	75,044	58,582	51,823	48,305	36,858
Carried forward... ...	86,362	75,044	58,582	51,823	48,305

	Balance-Sheet Items— Property* & Townships	Colliery and Stores, &c.	Debtors and Loan	Treasury Bills and Cash
ASSETS.	£	£	£	£
1916	470,760	115,828	72,997	78,787
1917	528,983	—	73,731	147,925
1918	637,102	—	75,446	77,646

* Includes shareholdings.

LIABILITIES.	Capital	Share Premiums	Creditors†	Cr. Balance P. & L. Acct.
	£	£	£	£
1916	550,000	15,649	114,289	58,582
1917	550,000	15,649	110,096	75,044
1918	550,000	15,649	138,183	86,362

† Includes dividend due to shareholders.

As to the Corporation's shareholdings there are two material alterations reported, as indicated in the following comparison:—

At Dec. 31	Brakpan Shares	Springs Shares	Daggafontein Shares	New Geduld Deep Shares	West Springs Shares
1916	256,000	25,000	5,000		—
1917	254,500	250,000	72,765*	25,000	—
1918	254,500	270,294	71,276	25,000	137,751†

* 8,520 shares disposed of during the year.
† Of which 100,000 shares are 2s. paid up.

In regard to the Brakpan, no call was made during the year in respect of the balance of 22,500 shares which the Corporation undertook to subscribe for at £5 each, nor in respect of the Corporation's portion—£62,500—of the guaranteed loan. The Springs shareholding was increased by 20,294 shares during the year through the taking up of 20,361 shares at £3 as agreed. A further 63,875 shares remain to be purchased at the same figure as and when the mining Company requires. The share interest in the Daggafontein was only slightly increased, but the Company accepted a 20% participation in a loan of £100,000 to be repaid by March 31 next. The guarantors of the loan received a commission of 2½% and the right to call at par any shares which may not be taken up by the holders of options maturing on March 27 next. Besides its shareholding, and irrespective of what may come from the loan right, the Corporation holds options on 6,250 Daggafontein shares at 20s. for three years from March 28, 1916, on 6,250 shares at 22s. 6d. for four years, and on 6,250 shares at 25s. for five years. Negotiations are proceeding with a view to exchanging the New Geduld Deep Company's mining ground, in which the Corporation has a 25% interest, for an equal area on the farm Daggafontein, and if the Government agrees it is intended to sell the exchanged ground to the Daggafontein Mines for a share consideration. A provisional agreement has been entered into with the Daggafontein Mines and the owners of the Geduld Deep to this effect. Development of the Daggafontein during 1918 was retarded by the flooding of the workings; but shaft-sinking has progressed and, the water difficulties having been overcome, development work was resumed early in February. As regards the other three principal interests, both the Brakpan and Springs have huge undeveloped areas, and on the whole the work so far done underground has given excellent results. Presently the opening up of the West Springs Company's mine will be in full swing.

The Corporation's township revenue is not likely to be maintained at its recent level very much longer, as the highest-priced business stands in both the Springs and Brakpan townships have been disposed of; but as the majority of recent sales have been made on an instalment basis the income should be considerable for some years yet, and there are also the increasing claim licence receipts to remember. Altogether the potentialities of the Corporation's interests are great, and this explains the comparatively low return of 8% afforded by the shares at their present price of about 4⅜.

ARAMAYO FRANCKE.

With ability to sell tin, wolfram, silver and other metals produced at the war-inflated prices recently current, this Anglo-Bolivian mining undertaking attained in the year ended May 31 last a level of prosperity unprecedented in its past history as a limited liability Company, dating back to 1908. The black tin output was 214 tons less than in 1916-17, and the sales of the metals as much as 420 tons down. Nevertheless, the value realised rose from £154,968 to £180,992. There were larger sales of wolfram and copper matte, and the value of silver produced was very much larger. Hence, though costs of production, transport, and export duties rose considerably, the profit in Bolivia amounted to £273,353, against £206,213. This was after adding £33,758 to exchange equalisation account, against £19,876 similarly allocated in 1916-17. The rate of exchange has now appreciated, and it is expected that this special account will disappear at May 31 next. During the past few years the whole of the Company's Debenture indebtedness has been redeemed out of profits and the value of the property reduced *per contra*, and at the same time considerable allocations have been made to reserve, &c., and a strong financial position built up. Consequently the directors have found themselves in a position to finance stocks of tin, bismuth, silver, &c., at cost of £545,945, in comparison with £434,225 a year previously, and yet to distribute all but £5,000 of the profit earned. Shareholders have received dividends and bonuses for the year aggregating 45%, whereas for 1916-17

CANADA'S GRAND TRUNK RAILWAY
IS
10,127 MILES of
INTERNATIONAL GOODWILL,
COURTESY,
EFFICIENCY and
SAFETY.
CONSULT US ON Travel, Exports and Imports.
EUROPEAN TRAFFIC OFFICES
LONDON, S.W.—17-19 Cockspur Street. LIVERPOOL.—10 Water Street.
LONDON, E.C.—44-46 Leadenhall Street. GLASGOW.—75 Union Street.
P. C. SALTER, *European Traffic Manager.*

30% was paid to them and for 1916-17 15%. We show six years' progress below:—

Year to May 31—	1918			1917		
Total ore treated ...	Tons 36,606			Tons 36,300		
	Production Tons	Sales Tons	Value £	Production Tons	Sales Tons	Value £
Black tin	1,845	1,607¼	180,992	2,059	2,027	154,968
Wolfram concentrates	188	210½	38,214	226¾	193	27,753
Copper matte ...	—	189	4,323	—	117½	2,692
	Oz.	Oz.	£	Oz.	Oz.	£
Silver sulphides ...	509,734	300,132	54,500	485,172	242,591	35,102
Silver ore		209,602	35,903		51,221	8,072
Bismuth	Not stated.			Not stated.		
Profit in Bolivia ...	£271,149			£225,315		

	Years to May 31—					
	1918	1917	1916	1915	1914	1913
	£	£	£	£	£	£
Net profit ‡	273,353	206,213	154,415	74,245*	124,078	147,015
Brought forward ...	79,677	62,599	9,138	90,365	77,971	45,360
Total	353,030	268,803	163,553	76,120	202,049	192,375
Allocations—						
Written off	—	—	1,400	2,200	2,000	Nil
Debenture redemption	—	10,000†	10,000†	20,000†	20,000†	10,000†
Reserve	—	—	—	—	20,000	—
Dividends paid ...	263,691 (45%)	179,126a (30%)	89,563 (15%)	44,782 (7½%)	59,684 (10%)	104,403 (17½%)
Carry-forward ...	84,339	79,677	62,590	9,138	80,365	77,971
Total	353,030	268,803	163,553	76,120	202,049	192,375

* Loss due to low price of tin and reduced sales owing to war difficulties.
† Applied to reduction of property account.
‡ Net profit after deduction of Debenture interest, office expenses, and income tax. (a) Includes bonus of 15%.

As to the prospects of the current year, which terminates in a few weeks, they appear to be excellent. The Chairman admitted at the meeting last week that to a large extent the big stocks of metals taken into account at cost had been realised since at a higher price than obtained in respect of 1917-18. Then, too, despite a severe influenza outbreak, the works have been maintained in normal running condition, and though the output of copper, wolfram, bismuth and tin has further decreased, there has been a compensating increase in silver production, which now fetches an especially good price, having regard to the appreciation in the exchange. So far, interim dividends aggregating 20% have been declared on account of the current financial year, which is the same as paid for the past year up to this time. The mining properties are very extensive, highly mineralised, and cheaply worked, and though the principal producer of tin ore in the past appears to be giving much poorer development results than formerly, other properties—the Chocaya mine particularly—are reported to be opening up in a very satisfactory manner indeed. In consequence of this, and the inadequacy of the existing equipment, a new concentrating plant, capable of dealing with 2,000 tons of tin and silver ores per month, is to be erected.

The issued capital of £597,090 is moderate in relation to the extent and mineralisation of the properties, apart altogether from the cash assets and stocks, and at the present price of 69s. for the £1 shares the yield afforded is about 13½% on last year's distribution.

Intending Settlers To South & East Africa



are notified that the

National Bank of South Africa, Ltd., have over **300 Branches within the Union;** also Offices at **Mombasa, Nairobi, Mozambique, Dar-es-Salaam, Tanga,** etc., and in **Nyasaland.**

LONDON OFFICES:

CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office— 25, COCKSPUR STREET, S.W.—1.

Agency at— 10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, April 23, 1919.

Issue Department.

Notes Issued	£102,099,325	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	83,649,325
	£102,099,325		£102,099,325

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£50,225,144
Rest	3,044,891	Other Securities	81,793,065
Public Deposits	24,590,512	Notes	25,936,775
Other Deposits	117,207,536	Gold and Silver Coin	1,467,052
Seven-day and other Bills	26,097		
	£159,422,036		£159,422,036

Comparison with Previous Four Weeks [00,000's omitted]

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919.	£	£	£	£	£	£	£	%	%	%
Apr. 23	76.2	85.1	24.6	117.2	50.2	81.9	27.4	19·32	5	3½
Apr. 16	76.2	85.2	27.7	116.6	56.1	78.3	27.5	19·04	5	3½
Apr. 9	74.9	85.1	30.3	116.3	58.0	77.6	28.6	19·49	5	3½
Apr. 2	75.1	84.9	32.8	123.3	67.1	78.9	28.2	18·07	5	3½-⅝
Mar. 26	73.6	84.2	25.6	121.7	57.0	79.4	29.0	19·71	5	3⅝-½
J'y 22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅜

* July 30, 1914 + to 4%, July 31, 8%, Aug. 1, 10%; Aug. 6, 8%; Aug. 8, 5%: July 13, 1916, 6%; Jan. 18, 1917, 5½%: April, 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Apr. 23, 1919	Apr. 24, 1918	Apr. 25, 1917	Apr. 26, 1916	Apr. 21 1909
Circulation	£76.2	£48.4	£38.2	£34.1	£29.1
Public Deposits	24.6	34.8	52.4	61.7	12.7
Other Deposits	117.2	140.2	117.2	85.5	45.1
Government Securities	50.2	56.7	37.5	33.2	15.4
Other Securities	81.8	104.8	114.4	88.4	31.4
Reserve	27.4	31.0	35.5	43.3	28.8
Ratio to Liabilities	19·32%	17·74%	20·90%	29·39%	49·73%
Coin and Bullion	85.1	61.0	55.2	58.9	39.4
Money					
Bank of England Rate	5%	5%	5%	5%	2½%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3½%	3⅜%	4 1/16-4⅛%	4⅜%	1½-⅝%
Exchanges:					
Paris Cheque	27 30	27 16	27 17	28 29	25 15½
New York 60 days	4 63	4 72¾	4 73	4 73½	4 86½
Bombay Telegraphic Transfers	1/5⅛	1/5 3/16	1/4 7/32	1/4 1/32	1/3 11/32
Prices:					
Consols 2½% Cash	55⅞	55¼	54 5/8	57½	86
French Rentes 3% Money	62 30	58·75	61·50	63	97·50
Silver, London spot oz.	49 1/16d.	49¼d.	37 5/8 d.	34 5/8 d.	24 7/16d.
Wheat, *Gazette* average qr.	73/1	73/3	84/10	55/3	38/7
Cotton, Mid Upland* lb.	19·25d.	22·17d.	12·73d.	7·87d.	5·52d.
Iron, Scotch pig ton	101/0	101/0	98/6	88/6	53/4½

* Good Middling American, Official Value.

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	% of Gold to Notes %
Apr. 23, 1919 ...	5,764,680	2,694,901	349,103,298	28,500,000	8·1
Apr. 16, 1919 ...	15,247,988	4,534,083	346,038,519	28,500,000	8·2
Apr. 24, 1918 ...	6,078,958	3,968,448	235,190,607	28,500,000	12·1
Apr. 25, 1917 ...	4,578,712	4,529,474	152,079,885	28,500,000	18·7
Apr. 26, 1916 ...	4,020,769	1,518,422	116,244,153	28,500,000	24·5
Apr. 28, 1915 ...	2,020,630	1,564,512	42,099,287	27,500,000	65·3

Balance Sheet, April 23, 1919.

	£		£
Notes outstanding—		Advances—	
One Pound	265,269,771	Trustee Savings Banks	470,000
Ten Shilling	48,268,527	Currency Note Redemption A/c—	
Certificates outstanding ...	35,570,000	Gold Coin and Bullion ...	28,500,000
		Government Securities ...	332,096,323
Total	349,108,298	Balance at Bank of England	4,062,809
Investments Reserve A/c	16,020,834		
Total	365,129,132	Total	365,129,132

PUBLIC INCOME & EXPENDITURE [000's omitted.]

1918-19. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.— Cr.	Loans, Advances, &c.— Dr.	Loans, Advances, &c.— Net +	Cash Balance
Apr. 19	£11,595	£22,636	£11 041	£79,600	£89,922	£10,678	£6,609
Apr. 12	19,080	27,459	8,379	106,170	97,794	8,285	6,971
Apr. 5*	18,817	56,082	37,265	130,936	99,495	31,441	6,975
19 days'18	49,492	106,176	56,624	316,705	266,212	50,494	−6,191
20 days 18	58,561	152,144	113,583	387,420	278,532	108,888	−4,695
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,804	3,516,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1918-19. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services
Apr. 19	£3,639	£3,393	£2,916	£1,703	£2,611	£100	£19,925
Apr. 12	3,917	7,731	5,132	2,300	8 635	230	20,594
Apr. 5*	2,854	9,896	4,035	2,032	27,248	90	28,760
19 days'19	10,364	21,010	12 083	6,035	36,487	420	69,269
20 days 18	6,447	15,182	12,264	4,668	17,432	288	134,424
Yr. '18-19	162,220	291,186	285,028	150,587	269,964	11,380	2,297,956
Yr. '17-18	110,033	239,509	220,214	137,478	189,861	11,401	2,494,988

FLOATING DEBT.	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
Apr. 19, 1919 ...	£978,672	£470,493	£1,449,165	£1,692,960
Apr. 12, 1919 ...	986,199	459,993	1,446,192	1,688,514
Apr. 5, 1919 ...	977,824	470,993	1,448,817	1,684,529
Mar. 31, 1919 ...	957,236	454,993	1,412,229	1,680,638
Dec. 31, 1918 ...	1,094,740	455,180	†1,549,920	1,420,700

* Five days. † Highest.

FOREIGN BANKS. [In £'s sterling—000's omitted.]

AUSTRIA-HUNGARY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Advances To Public.	Advances To Dual Govts.	Note Circltn.	Bills Discounted, &c.
July 23, '14	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,983
Mar. 7, '19	11,600	2,369	13,969	387,957	£1,361,703	1,558,675	116,973
Mar. 14, '19	11,600	2,372	13,972	388,410	1,375,166	1,571,211	116,968
Dec. 7, '17	11,000	2,300	13,300	692,990	—	739,300	117,800

DENMARK.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts.	Balance Abroad.	Circulation.	Deposits.
July 31, 1914	£4,100	£341	£4,441	£8,197	£788	£8,893	£47
Feb. 28, 1919	10,400	136	10,533	3,959	5,342	23,402	920
Mar. 31, 1919	10,385	137	10,522	3,844	4,208	24,137	832
Mar. 30, 1918	10,263	136	10,105	2,852	3,159	19,499	955
Mar. 31, 1917	9,121	132	9,253	5,163	2,437	16,861	1,839

FRANCE.	Gold. In Bank	Gold. Abroad.	Total Cash incl'g Silver	Bills.	Circulation.	Deposits. Public.	Deposits. Private
July 30, 1914	—£165,654—		£190,667	£97,788	£287,327	£15,302	£37,803
Apr 17, 1919	142,700	79 132	234,284	35,997	1,359,067	1,762	120,800
Apr. 24, 1919	142,721	79,132	234,280	35,887	1,359,138	1,075	123,218
Apr. 25, 1918	133,670	81,484	225,397	55,893	1,055,810	2,231	132,530
Apr. 26, 1917	131,781	77,907	215,952	20,018	780,394	4,885	100,351

GERMANY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Treasury & Other Notes.	Loans & Discounts	Circulation.	Deposits
July 23, '14	£67,843	£18,727	£84,570	£5,279	£40,055	£94,545	£47,198
Mar. 31, '19	95,800	1,036	96,833	336,808	1,509,659	1,274,524	725,147
Apr. 7, '19	95,698	1,038	96,734	335,561	1,378,849	1,274,741	562,629
Apr. 6, '18	120,386	5,990	126,376	76,229	710,437	595,852	379,745
Apr. 7, '17	126,597	806	127,403	17,752	497,521	427,943	240,996

HOLLAND.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts.	Advances.	Circulation.	Deposits.
Aug. 1, 1914	£13,498	£249	£13,745	£13,422	£10,339	£35,660	£1,437
Apr. 5, 1919	55,662	738	56,390	12,138	18,227	85,109	6,843
Apr. 12, 1919	55,589	739	56,327	12,415	17,708	85,214	7,335
Apr. 13, 1918	60,846	595	61,441	3,735	9,303	74,761	6,124
Apr. 14, 1917	49,213	571	49,784	7,119	7,365	62,948	6,406

ITALY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Other Cash.	Loans & Disc'nts.	Circulation.	Deposits
July 31, '14	—	—	—£48,456—	£25,017	£69,204	£8,887	
Mar. 10, '19	—	—	35,652	89,868	357,033	59,919	
Mar. 20, '19	—	—	35,650	87,423	358,452	59,946	
Mar. 20, '18	33,466	3,158	36,624	5,187	54,943	273,128	56,796
Mar. 20, '17	34,210	2,737	36,947	4,540	44,226	153,817	31,401

JAPAN.	Gold.	Discounts.	Advances.	Notes.	Deposits. Public.	Deposits. Private.
Aug. 1, '14	£21,887	£1,829	£7,883	£32,722	£13,818	£1,521
Mar. 8, '19	71,193	1,666	38,893	80,710	109,418	3,966
Mar. 15, '19	71,155	1,277	40,949	79,055	113,481	3,349
Mar. 16, '18	65,533	3,258	23,139	62,953	69,599	2,170
Mar. 17, '17	40,894	609	14,242	42,379	43,856	1,747

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve.	Loans, Discounts, Invest.&c.	Net Deposits. Demand.	Net Deposits. Time.	Net Deposits. Total.	Excess Reserve
Aug. 1, '14	—	£89,888	£411,238	—	—	£387,165	£1,790
Apr. 12, '19	£19,582†	112,180	988,380	£793,836	£30,318	874,178	7,568
Apr. 19, '19	19,466†	116,150	987,980	794,546	30,790	895,544	7,703
Apr. 20, '18	20,848†	111,222	898,830	753,740	36,328	790,068	10,970
Apr. 21, '17	94,304*	150,872	734,706	741,892	39,536	781,228	22,956

* Counted as reserve. † Not reserve.

NORWAY.	Gold.	Balance Abroad.	F'r'gn Gov. Securities.	Discounts & Loans.	Circulation.	Deposits
July 31, 1914	£2,980	£1,678	£493	£4,868	£6,752	£793
Mar. 31, 1919	8,201	3,699	691	20,402	23,807	5,360
Apr. 7, 1919	8,199	3,754	691	20,434	24,338	4,957
Apr. 8, 1918	6,737	3,429	713	18,614	19,390	6,974
Apr. 7, 1917	7,227	4,182	706	10,244	15,436	4,923

PORTUGAL.	Gold.	Silver.	Total.	Discounts & Advances.	Note Circulation.	Deposits.
Mar. 5, '19	£1,905	£3,775	£5,680	£9,736	£62,059	£4,091
Mar. 12, '19	1,905	3,770	5,675	9,752	64,707	3,724
Mar. 18, '19	1,905	3,780	5,685	9,661	64,194	4,054
Mar. 21, '18	1,905	3,071	4,976	7,568	45,403	1,599
Mar. 21, '17	1,905	1,018	2,921	14,892	31,825	988

RUSSIA.	Gold. In Bank.	Gold. Abroad.	Total Cash incl'g Silver	Loans & Disc'nts.	Circulation.	Notes in Reserve	Total Deposits
July 21, '14	£160,114	£14,395	£181,892	£78,081	£163,411	£6,589	£109,911
Oct. 28, '17	129,523	230,885	378,205	1,889,559	1,836,217	15,783	348,510

SPAIN.	Cash. Gold.	Cash. Silver.	Cash. Total.	Loans, &c.	Spanish 4%	Circulation.	Deposits &c.
Aug. 1, '14	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,858
Apr. 12, '19	89,441	25,728	116,172	75,117	13,778	140,548	43,304
Apr. 19, '19	90,444	25,736	116,180	74,688	13,778	140,712	43,416
Apr. 20, '18	81,104	28,281	109,385	50,218	13,777	116,501	34,857
Apr. 21, '17	54,998	30,087	85,089	54,636	13,777	88,541	30,084

SWEDEN.	Gold.	Balance Abroad.	Swed. & For. Govt. Secs.	Discounts & Loans.	Circulation.	Deposits.
Aug. 1, '14	£5,717	£8,150	£1,555	£7,495	£13,432	£3,903
Apr. 5, '19	15,997	7,420	3,002	21,171	41,021	6,052
Apr. 12, '19	15,982	7,372	3,003	19,321	40,007	5,308
Apr. 13, '18	14,324	7,538	3,901	15,675	33,855	7,163
Apr. 14, '17	10,727	7,358	3,250	9,160	23,331	7,315

SWITZERLAND.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts & Advances.	Circulation.	Deposits.
July 23, 1914	£7,202	£758	£7,960	£4,817	£10,716	£2,026
Apr. 7, 1919	16,718	2,621	19,339	19,816	36,920	3,910
Apr. 16, 1919	16,758	2,614	19,372	19,572	36,491	4,521
Apr. 15, 1918	14,971	2,237	17,208	12,447	26,619	3,532
Apr. 14, 1917	13,709	2,038	15,746	8,134	20,283	4,353

U. STATES FED. RES. BANKS.	Gold. Held by Banks.	Gold. With Agents.	Total Cash.	Bills Discount'd	Acceptances.	Deposits. Govt.	Deposits. Total. Net.	Circulation.
Apr. 12, '19	$189,072	239,504	442,398	393,584	43,718	33,994	355,584	509,718
Apr. 19, '19	191,702	240,730	446,172	384,454	39,378	21,312	345,014	508,740
Apr. 19, '18	191,030	175,600	379,702	101,130	61,655	15,100	300,450	302,858
Apr. 20, '17	107,396	84,238	196,526	5,947	14,585	8,397	148,798	82,871

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Dates Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	4½	Oct. 26,'14
Berne	5½	Oct. 3,'18	Paris	5	Aug. 20,'14
Bombay	8	Mar. 27,'19	Petrograd ...	6	July 29,'14
Brussels	5	Aug. 27,'14	Rome	5	Jan. 11,'18
Calcutta	6	Mar. 27,'19	Stockholm	7	Mar.21,'18
Christiania ...	6	Dec. 13,'17	Tokio	6½	Nov. 25,'13
Copenhagen ...	5½	Jan. 2,'19	Vienna	5	Apr.12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		Apr. 25, '19	Apr. 16, '19	Apr. 11, '19	Apr. 4, '19
Brussels	Cheques	29fr. 64½c.	29fr. 25c.	29fr. 19½c.	29fr. 37½c.
Denmark	Cable	18kr. 62½	18kr. 55½	18kr. 63½	18kr. 42½
Holland	do.	11fl. 55c.	11fl. 55½c.	11fl. 54c	11fl. 45½c.
Italy	do.	35lr. 20c.	34lr. 55c.	34lr. 30c.	34lr. 50c.
Lisbon and Oporto	do.	33½d.	33½d.	33½d.	34d.
New York	do.	$4 66⅞	$4 65⅞	$4 66	$4 68⅛
—	Cheques	$4 67½	$4 68⅛	$4 66½	$4 68⅞
Norway	Cable	18kr. 07½	18kr. 07½	18kr. 05½	17kr. 91
Paris	Cable	28fr. 40c.	27fr. 80c.	27fr. 90c	27fr. 62½c.
Spain (Bank places)	Cable	22p. 97½	23p. 08½	23p. 15	22p. 80
Sweden	Cable	17kr. 42½	17kr. 46½	17kr. 45	17kr. 25½
Switzerland	Cable	22f. 95c.	23f. 00½c.	23f. 03½c.	22f. 94½c.

ON LONDON—		Apr. 25, '19	Apr. 16, '19	Apr. 11, '19	Par
Alexandria	Sight	97⅛pi.	97⅛pi.	97⅛pi.	97⅛pi.
Amsterdam	Cheques	11fl. 55½c.	11fl. 57c.	11fl. 53½c.	12·107 fl.
Bombay	Transfers	1s. 5 3/32d.	1s. 6 1/32d.	1s. 5 1/32d.	1s. 6d.
Brussels	Cheques	29f. 60½c.	29f. 25½c.	29f. 17½c.	25f. 22½c.
Buenos Ayres	Transfer-	51⅛i.	51⅛i.	51⅛d.	47.58d.
Calcutta	do.	1s. 5 1/32d.	1s. 6 1/32d	1s. 5 1/32d.	1s. 6d.
Christiania	Sight	18kr. 09	18kr. 09½	18kr. 07½	18.15kr.
Copenhagen	do.	18kr. 64	18kr. 67½	18kr. 68	18.15kr.
Hong Kong	Transfers	3s. 4 3/32d.	3s. 3 31/32d.	3s. 3 31/32d.	—
Italy	Sight	35lr. 07½c.	34lr. 58½.	34lr. 25½c	25lr. 22½c.
Lisbon	do.	33 3/32d.	33 31/32d.	33¾d.	53½d.
Madras	do	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6 1/32d.	1s. 6d.
Madrid	do.	22p. 96	23p. 08	23p. 22	25p. 22
Montevideo	Transfers	—	—	—	51d.
Montreal	Cable	$4 78⅝	$4 76⅞	$4 75⅛	$4 86⅝
New York	Sight	$4 65⅛•	$4 64⅜•	$4 64⅛	—
—	60 days	$4 63⅝	$4 62⅛•	$4 61	—
—	Cable	$4 66⅞	$4 65⅛	$4 65⅛	$4 86⅝
Paris	Cheques	28f. 40c.	27f. 82½c.	27f. 88c.	25f.22½
Rio de Janeiro	90 days	13 3/32d.	13 3/32d.	13 7/32d.	18d.
Shanghai	Transfers	4s. 11d.	4s. 10d.	4s. 10d.	—
Singapore	Sight	2s. 4 3/32d.	2s. 4 3/32d.	2s. 4 3/32d.	2s. 4d.
Stockholm	do.	17kr 44	17kr. 46½	17kr. 45½	18·159kr.
Switzerland	do.	22f. 93½c	23f. 05c	23f. 06c.	25f. 22½c.
Valparaiso	90 days	10 1/32d.	10 7/32d.	10 3/32d.	18d.
Yokohama	Sight	2s. 2 1/32d.	2s. 2 1/32d.	2s. 2 1/32d.	2s. 0.58d.

• Thursday's rates.

NEW YORK ON—	Rate Current• Apr. 24, '19	Rate Current• Apr. 15, '19	Par as usually Quoted	Rate July 3, '14
Amsterdam, sight ...	40 1/16c.	40⅛c.	40·20c. for 1 guilder	40·26c.
Bombay, cheques ...	35·50c.	35·60c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	93·70	93·70		
Christiania, cheques ...	25·65c.	25·85c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	24·90c.	24·85c.	26·80c. for 1 kroner	26·85c.
Greece, cheques	19c.	18·90c.	19·295c. for 1 drachma	
Hongkong, cheques ...	79·85c.	79·25c.	74·59c. for Mex. $1	46·40c.
Italy, sight	7·45⅞.	7·43⅞.	5·18⅛ lire for $1	5·17⅞.
Lima, cheques	5·05c.	5·05c.	4·8665 $ for 1 libra	
Manila, cheques	49·75c.	49 75c.	50c. for 1 peso	49·90c.
Montreal	2⅛%disc.	2⅛%disc.	Premium per $100	Par
Paris, sight	6·63fr.	5 93⅛fr.	5·18⅛ francs for $1	5·16fr.
Petrograd, sight	12·00m.	12·00m.	51·48c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	25·75c.	25·90c.	32·42c. for 1 milreis	
Shanghai, cheques ...	11⅛c.	115c.	82·96c. for 1 tael	83·00c.
Singapore, cheques ...	56c.	56·25c.	56·77c. for $1	57·12c.
Spain, cheques	20·18c.	20·10c.	19·30c. for 1 peseta	
Stockholm, cheques ...	26·60c.	26 60c.	26·80c. for 1 kroner	
Switzerland, cheques ...	4·96fr.	4·97fr.	5·18⅛ francs for $1	5·16⅛fr.
Valparaiso, cheques ...	18·75c.	18·75c.	20·81c. for 1 peso	
Yokohama, cheques ...	51⅛c.	51⅛c.	49·84c. for 1 yen	49·90c.

• According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.•	1919 Agg.	Inc. or Dec.•
	1919.	[In £'s sterling 000's omitted.]			
BIRMINGHAM ...	Apr. 19	£1,524	— £452	£39,445	— £1,281 — 3·1
BRISTOL ...	,, 19	1,107	+ 117	19,928	+ 3,234 + 19·4
DUBLIN ...	,, 19	4,839	— 572	107,975	+ 20,724 + 23·8
LEEDS ...	,, 19	708	— 96	17,233	+ 1,916 + 12·5
LEICESTER ...	,, 19	737	+ 155	13,767	+ 2,464 + 21·8
LIVERPOOL ...	,, 19	7,776	— 570	174,600	+ 34,850 + 18·4
MANCHESTER ...	,, 19	9,945	— 3,542	240,869	+ 11,185 + 4·9
NEWCASTLE ...	,, 19	1,845	— 48	28,986	- 742 — 2·5
NOTTINGHAM ...	,, 19	365	— 156	10,328	+ 576 + 5·9
SHEFFIELD ...	,, 19	622	— 94	19,106	+ 1,125 + 6·3
LONDON—	1919.				
TOWN ...	Apr. 23	233,494	— 54,110	5,964,391	+ 681,107 + 12·9
METROPOLITAN	,, 23	19,178	— 6,751	515,403	+ 91,056 + 21·5
COUNTRY ...	,, 23	31,088	— 17,642	925,683	+ 123,971 + 15·5
TOTAL ...	,, 23	283,760	— 78,503	7,405,482	+ 896,134 + 13·7

• Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould and Co.

HOMEWARDS.	1919 Apr. 25	1919 Apr. 16	1913 Apr. 25
Alex. to Lond. or Hull	—	—	9/0
Aust. to U.K. or Cont.	105/0	105/0	32/0
Azoff to L.H.A.R.	—	—	10/9
Bombay to p.p. (nom.)	80/0	100/0	d.w. 20/0
Burmah o.c. (nom.)	105/0	105/0	28/0
Calcutta to p.p. (jute)	180/0	d.w. 180/0	d.w. 25/0
Danube to A.R	—	—	10/9
Odessa to L.H.A.R.	—	—	8/9
R. Plate to U.K. Cont.	252/6	280/0	19/6

Homewards.—Contd.	1919	1919	1913
U.S. Atl. Ports to Lvrpl. (cotton, 100lb.)	Apr 25 220/0	Apr. 18 $1·25	Apr. 25 45/6
U.S. to U.K. Cont. (gr.)	14/6	14/6	2/7½
Gulf Ports to U.K. Cont. (cotton & grain)	$45	$30	15/9
OUTWARDS—Cardiff to			
Bombay	—	—	12/6
Colombo	—	—	12/6
Port Said	47/6	47/6	10/0
River Plate ...	45/0	45/0	16/6
St. Vincent ...	40/0	40/0	9/3

VI.—WHOLESALE PRICES OF COMMODITIES

METALS, MINERALS, &c.	APR. 25, 1919	APR. 26, 1918	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	101/0	101/0	57/0
— Middlesbro' warrants ...ton	95/0	95/0	51/0
— Hematite warrants ...ton	122/6	122/6	61/0
— Staffordshire bars, London ton	£17	£15 10	£8 10
— Common bars ...ton	£14 15	£13 15	£8 10
Steel Rails ...ton	£10 17/6	£10 17/8	£6 2/6
Galvanised Sheets...ton	£28 10	£28	£16 17/6
Copper—Standard...ton	£75 15	£110—£110 10	£61
Tin—English ingots ...ton	£223—£225	£356 10m	£142 10
— Straits ...ton	£227	£356 10	£139 15
Tinplates, I.C. Coke, S. Wales...box	31/10½	31/6	11/10½—12/0
Lead—Soft Foreign ...ton	£24 5	£28 10—£29 10	£19
Spelter—Ord. Foreign ...ton	£35—£35 5	£50—£54	£21 7/9
Quicksilver—(75lb.) ...bottle	£15—£15	£20	£7
Aluminium ...ton	£150	nom.	£82
Antimony—Regulus Foreign ...ton	£37—£33	nom.	£27 10
— English ...ton	£15	—	—
Coal—(best) Yorkshire...ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle...ton	40/0—45/0	30/0	14/8
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	10/1	11/0	7/4
Soda—Crystals ex ship ...ton	123/0—130/0	72/6	42/6—45/0
Copra—Malay and Straits ...ton	£43 10	£45 10	£23 15—£24 7/6
Gambier—Good marks ...cwt.	37/6	72/6	16/10½
Indigo—Bengal good to fine...lb.	9/0—10/6	9/0—11/0	3/2—3/8
Linseed Oil—Raw ...ton	£58	£58	£25 5
Linseed—Calcutta, spot ...ton	£30	£29 15	£13 18/9
— **Cakes**, U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish ...ton	nom.	—	£49 10
Palm Oil—Lagos ...ton	£44	nom.	£31 10
Petroleum—American...gallon	1/4½	1/7½	7½d.
Rape Oil—Refined English ...ton	£71	£71	£32
Soya Oil—Refined...ton	£75	£75	£24 10
Tallow—Imported ...cwt.	70/0—72/0	72/0	29/3—33/3
Turpentine—French ...cwt.	99/0	124/3	33/7½
Rape Seed—Toria...ton	£30	£29 15	£13 5
Rubber—Para, spot ...lb.	2/4	3/2	2/9½
— Fine plantation (stnd. crepe) lb.	1/10½	2/5½	2/2
— World's Production* Feb. tons	24,700	20,938	8,467
Shellac—T.N. Orange, fair...cwt.	220/0—225/0	410/0	63/0—64/0
TEXTILES.			
Cotton—Middling Uplands ...lb	19·25d.	22·17d.	7·53d.
— Egyptian, good fair ...lb.	26·34d.	23·55d.	8·75d.
— Pernambuco fair ...lb	20·76d.	21·83d.	7·73d.
— Mid. Upl. New York...lb.	23·50c.	30·30c.	13·25c.
— Stock, Liverpool, Apr. 16 bales	492,800	418,780	—
Flax—Petrograd, Yarapol ...ton	nom.	£120nom.	£28
Hemp—New Zealand ...ton	£52	£93	£25 10
— Manila, Fair ...ton	£47	£85	£28 10
Jute—First Marks ...ton	£39	—	£28 15
— Red SD ...ton	—	—	£24 15
Silk—Blue Elephant ...lb.	20/8	25/8	11/3—1/6
Wool—Pt. Philip unwashed av. lb.	3/1½	nom.	11½d.—1/0
— Lincoln Half Hogs ...lb.	1/7½nom.	1/6 nom.	1/0½
Hides—Eng. Ox, best, 65lb. up. lb	9½—10½d.	10½	7½d.
Leather—Dressing Hides ...lb	2/7—3/3	nom.	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	132,031,000	24,868,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	237½c.	226c.	87½c
— English *Gazette*, aver. 480lb qr.	73/1	73/3	34/3
Flour—G.R. ...280lb.	44/3	44/3	28/6
Barley—Eng. *Gaz.*, aver. 400lb. qr.	62 9	56/6	25/4
Oats—Eng. *Gaz.*, aver. 312lb. ...qr.	47/3	47/0	20/0
Maize—N.Y. (new bushel) ...56lb	182c.	nom.	76½c.
— Amer. mixed, Liverpool...480lb.	63/9	80/9	32/4
— La Plata ...480lb. qr.	62/0	76/0	25/9
Potatoes—Good English ...ton	200/0	120/0—155/0	70/0—75/0
Rice—Bassein ...cwt.	25/0	28/3	7/0—7/3
Tapioca—Pearl, medium...cwt.	42/6	75/0	14/0—17/8
Hay—Best ...2,018lb....load	178/0	181/0	82/6
Hops—English ...cwt	—	£5 10—£10	£6 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs....8lb.	7/10—8/4	9/3	3/8—3/10
— Scotch sides...8lb.	8/4	8/2	4/6—5/0
— English...8lb.	8/4	8/2	4/2—4/5
Mutton—Scotch wethers...8lb.	8/10	8/8	5/8—6/0
English wethers...8lb.	8/10	8/8	4/6—5/4
— New Zealand frozen ...8lb.	8/10	8/8	2/4—3/2
Pork—English and Irish...8lb.	10/8	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	190/6	172/0	60/0—74/0
— Danish...cwt.	—	172/0	58/0—68/0
— Canadian, ex Port...cwt.	180/0—183/0	—	—
— American, ex Port...cwt.	174/0—186/0	171/0—172/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	174/0—189/6	165/0	75/0—79/0
— — short cut, ex Port ...cwt.	172/0—190/0	162/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	160/0—171/6	152/0	51/9—52/9
Butter—Danish ...cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
French ...cwt.			96/0—108/0
— Australian ...cwt.			96/0—110/0
— New Zealand ...cwt.			108/0—114/0
Cheese—Canadian ...cwt.	Controlled 144/8	—	66/0—68/0
— United States...cwt.		—	—
— Dutch ...cwt.		160/0	63/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Mar. 31 ...cwts.	5,613,576	5,415,726	19,777,254
— Home consump'n to Mar. 31 cwts.	8,366,991	4,746,053	17,272,000
— In Bond Mar 31 ...cwts.	6,059 000	4,019,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	32/0	36 0	10/3
— — Yellow crystals ...cwt.	57/9	57/9	12/8—14/0
— — Tate's Cubes, No. 1 ...cwt.	64/9	64/9	18/0
Coffee—Imports to Mar. 31 ...cwts.	176,261	31,289	720,360
— Home consump'n to Mar 31 cwts.	75,101	160,361	141,410
— Exports to Mar. 31 ...cwts.	45,763	14,991	340,250
— In Bond Mar. 31 ...cwts.	636,000	965,000	484,000
— Price, Costa Rica gd. to fine cwt.	140/0—160/0	122/0—137/0	80/0—93/0
— — Brazil (Santos)...cwt.	95/0—105/0	64 6	41/6
Tea—Imports to Mar. 31...lbs.	109,012,636	139,347,110	123,230,277
— Home consump'n to Mar. 31 lbs.	73,382,736	83,002,730	155,447,972
— Exports to Mar. 31 ...lbs.	6,259,059	223,773	26,561,765
— In Bond Mar. 31 ...lbs.	185,302,000	85,180,000	78,292,000
— Price, Indian, Pek. Souc. good lb.	nom.	—	8½d.
— — Ceylon, Pek. Souc. Ord. lb.	nom.	—	8½d.
— — Common Congou ...lb.	nom.	—	5½d.
Cocoa—In Bond Mar. 31 ...cwt.	925,000	726,000	309,000
— Grenada, good to fine ...cwt.	79/0—85/0	85/0	52/6—58/0

Estimated. G.M. American Official Value.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Cuba Railroad	Jan.	$1,168,270	— $35,564	$264,843	— $189,327
	7 *mos to* Jan.	*6,132,695*	+ *349,345*	*1,283 924*	— *308,52*0
Int. Rys. of C. Amer. Mar.		£68,573	+ £12 349	£36,693	+ £8,185
	3 *mos. to* Mar.	*189,330*	+ *25,889*	*86,567*	+ *3,395*

VIII.—RAILWAY AND TRAMWAY TRAFFIC RECEIPTS.

*** No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week ended	Miles.	+ or — in Yr.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago
Assam Bengal	Mar. 1	993	+ 13	R1,93,944	+ 6,442	22	37,27,464	+ 3,66,8
Barsi Light ...	Mar. 15	118	—	28,200	+ 17,100	50	9,11,800	+ 1,22,0
Bengal & N.W.	Mar. 15	2,052	+ 3	4,92,780	— 30,077	24	1,15,74,397	+ 14,17,0
Beng. Dooars	Mar. 15	158	+ 5	18,463	— 9,520	24	8,39,352	+ 60,1
Beng. Nagpur	Mar. 15	2,695	— 1	16,26,000	+ 3,49,000	50	5,73,04,245	+ 38,24,8
Bomb. Baroda	Apr. 12	2,871	— 2	20,04,000	+ 18,000	2	33,56,000	— 49,0
Burma	Mar. 1	1,342	—	5,73,118	+ 25,295	47	2,37,19,460	+ 36,59,1
Del. Um. Kalk.	Apr. 12	239	—	1,66,429	+ 11,291	1	—	—
East Indian ..	Apr. 12	2,767	—	28,14,000	+ 3,41,000	2	47,95,000	+ 5,66,0
Gt. Indian Pen.	Apr. 12	3,112½	—	43,80,000	+ 3,42,600	1	—	—
Madras & S.M.	Mar. 22	3,152	— 1	11,50,000	— 60,204	25	2,62,87,832	— 4,60,8
Nizam's Guar.	Mar. 1	900	—	2,86,154	+ 30,307	22	52,91,158	+ 1,97,8
Rob. & Kumo.	Mar. 8	564	+ 2	1,14,196	— 12,459	23	24,66,835	+ 1,63,1
South Indian	Mar. 22	1,829½	—	6,97,494	— 25,155	51	3,44,54,749	+ 1,42,0
South Punjab	M. of Dec.	716	—	7,97,816	+ 42,119	3*m*	22,59,586	+ 74,1
COLONIAL								
Can. Northern	Apr. 14	9,437	+ 53	$950,049	+ 17,449	15	12,730,499	+ 2,041,4
Can. Pacific ...	Apr. 14	13,388	+395	2,863,000	— 67,000	15	42,072,000	+ 3,524,4
G.t. Trunk Pac.	Mar. 7	916	—	£18,431	— 1,842	9	178,169	— 27,4
Grand Trunk	Apr. 21	3,616	—	256,502	+ 48,455	16	3,655,521	+ 1,081,4
Mashonaland...	M. of Nov.	810	—	34,363	— 22,335	2*m*	84,472	— 39,4
Mid. W. Aust.	M. of Feb.	277	—	11,110	+ 2,493	8*m*	73,942	+ 12,3
New Cape Cent.	Mar. 15	205	—	2,560	+ 383	11	30,632	+ 4,2
Rhodesia Rlys.	M. of Nov.	1,397	—	63,891	— 31,823	2*m*	127,154	— 68,1
W. Pass. & Yuk.	M. of Dec.	122	—	—	—	12*m*	$1,244,080	— 604,2
FOREIGN.								
Argentine.								
Arg. N. East ...	Apr. 19	752	—	£ 10,500	+ 700	42	405,400	+ 52,2
Arg. Transand.	Apr. 19	111	—	£ 4,410	+ 40	42	157,200	+ 18,2
B. A. & Pacific	Apr. 19	3,536	—	£ 132,000	— 23,000	42	4,841,000	+ 942,2
B. A. Gt. Southn.	Apr. 20	3,792	—	£ 131,000	+ 52,000	42	5,792,000	+ 1,177,2
Do.	Apr. 20	Net	—	£ 29,000	+ 34,000	42	1,262,000	+ 132,2
B. A. Western...	Apr. 20	1,832	+ 12	£ 65,000	— 20,000	42	2,865,000	+ 749,2
Do.	Apr. 20	Net	—	£ 14,000	— 8,000	42	682,000	+ 169,2
B. A. Central ...	M. of Feb.	190	—	£ 37,889	+ 3,667	8*m*	322,745	+ 109,2
Cent. Argentine	Apr. 19	3,305	—	£ 145,700	— 34,300	42	5,487,800	+ 853,2
Do.	Apr. 19	Net	—	£ 26,700	— 32,500	42	778,200	— 388,2
Cord. Central ...	Apr. 19	1,235	—	£ 35,500	— 6,970	42	1,824,880	+ 539,2
Entre Rios ...	Apr. 19	831	—	£ 20,700	— 2,800	42	851,700	+ 197,2
Brazilian.								
Brazil Gt. South.	M. of Mar.	110	—	M 51,950	+ 8,350	3*m*	138,140	— 1
Brazil Railway	M. of Dec.	3,530	—	M 4,859,000	— 141,271	12*m*	57,772,000	+ 7,619,2
Gt. W. Brazil ...	Apr. 19	1,010	—	£ 14,200	— 1,800	16	310,500	+ 16,2
Leopoldina	Apr. 19	1,831	—	£ 30,290	— 2,603	16	474,614	— 31,2
Mogyana	M. of Dec.	1,180	—	M 1,561,000	— 956,490	12*m*	22,267,000	— 2,474,2
Paulista ...	M. of Dec.	766	—	M 2,650,000	— 906,038	12*m*	32,479,000	— 1,225,2
San Paulo	Apr. 20	153½	—	£ 27,151	+ 2,205	16	465,971	— 48,2
Sorocabana	M. of Nov.	1,003	—	M 1,128,000	— 865,148	11*m*	20,204,000	+ 1,222,2
S. of Bahia S.W.	M. of Feb.	52	—	M 87,000	+ 11,000	2*m*	170,000	— 20,2
Chilean and Peruvian.								
Antofagasta.....	Apr. 20	838	—	£ 19,950	— 29,105	16	438,735	— 220,2
Arauco	M. of Jan.	84½	—	£ 12,500	— 1,500	1*m*	—	—
Nitrate (2 wks.)	Apr. 15	390	—	£ 16,784	— 15,333	15	161,832	— 77,2
Peruvian Corp	M. of Mar.	1,140	—	S 1,075,700	— 43,830	9*m*	9,049,535	— 273,2
Taltal	M. of Mar.	181	—	£ 8,438	— 11,954	9*m*	141,347	— 83,2
Cuban.								
Cuban Central ..	Apr. 19	362	—	£ 36,201	+ 782	42	885,122	+ 38,2
Havana Central	Apr. 5	70	—	£ 12,200	+ 6	40	358,457	+ 8,2
U. of Havana ...	Apr. 19	681	—	£ 83,230	— 1,007	42	2,334,003	— 33,2
W. of Havana...	Apr. 19	155	—	£ 11,276	— 1,641	42	341,033	— 30,2
Uruguayan.								
Cent. Uruguay	Apr. 19	272	+ 1	£ 24,805	+ 5,796	42	917,066	+ 143,2
,, (E. Ext.)	Apr. 19	311	—	£ 6,975	+ 1,339	42	229,830	+ 18,2
,, (N. Ext.)	Apr. 19	185	—	£ 4,509	+ 776	42	159,450	+ 22,2
,, (W.Ext.)	Apr. 19	211	—	£ 2,032	— 51	42	111,802	+ 17,2
Mid. Uruguay...	M. of Mar.	319	—	£ 19,574	+ 4,222	9*m*	155,625	+ 31,2
N. W. Uruguay	M. of Mar.	113	—	$ 30,000	+ 5,650	9*m*	267,829	+ 27,2
Urug. Northern	M. of Mar.	73	—	£ 2,287	+ 406	9*m*	18,706	+ 1,2
Miscellaneous.								
Alcoy & Gandia	Apr. 12	33	—	Ps. 10,200	+ 1,200	15	151,400	+ 13,2
Bilbao ...	M. of Mar.	15	—	£ 2,789	— 1,697	3*m*	7,902	— 4,2
Bolivar...	M. of Feb.	135	—	£ 13,000	+ 3,381	8*m*	71,004	— 18,2
Colomb. Natnl.	M. of Feb.	86	—	£ 7,760	— 4,040	2*m*	20,920	— 4,2
Costa Rica	M. of Feb.	189	—	£ 22,514	+ 11,319	8*m*	177,230	+ 79,2
Dorada Ext. ...	M. of Mar.	71	—	£ 7,500	— 700	3*m*	20,300	— 3,2
Egyptian Delta	Mar. 17	559½	—	£ 4,675	— 1,478	50	364,593	+ 85,2
Gt. S. of Spain	Apr. 12	104	—	Ps. 114,412	+ 83,206	15	2,017,685	+ 1,569,2
La Guaira & Ca.	M. of Mar.	22½	—	£ 9,925	+ 3,925	3*m*	25,710	+ 4,2
Paraguay Cent.	Apr. 5	255	—	£ 4,620	+ 1,940	40	161,460	+ 46,2
Puerto Cabello	M. of Mar.	24	—	£ 5,225	+ 325	3*m*	14,750	+ 1,2
Salvador	Apr. 19	100	—	£ 4,789	+ 1,156	42	109,833	+ 31,2
Santa Fe Prov. French Rwys.	M. of Feb.	1,181	—	£ 165,520	+ 21,709	2*m*	322,494	+ 36,2
S'mana & S'tiago	M. of Mar.	80	—	£ 7,938	— 1,696	3*m*	22,451	— 4,2
Zafra & Huelva	M. of Feb.	112	—	£ 8,741	— 2,829	2*m*	20,198	— 2,2

TRAMWAYS.		Miles						
Anglo-Argentine ...	Apr. 22	400	£	55,406	— 4,011	16	918,584	+ 38,2
Auckland (4 weeks)	Mar. 14	27	£	23,250	+ 955	36	147,344	— 7,2
Bombay Electric ...	M. of Jan.	39	R.	6,12,165	+ 48,538	12*m*	70,23,885	+ 8,79,2
Brazilian Traction	M. of Feb.	378½	M.	7,972,000	+ 657,000	1*m*	16,494,000	+ 1,342,2
Brisbane Electric ...	M of Mar.	40½	£	39,380	+ 3,830	3*m*	112,335	+ 10,2
British Columbia ...	M. of Jan.	334	$	677,489	+ 117,920	7*m*	4,095,584	+ 612,2
B. Ayres Lacroze ...	M. of Mar.	51	£	47,370	+ 4,723	9*m*	390,579	+ 44,2
Calcutta ...	Apr. 19	35½	R	79,416	+ 6,054	15	12,54,856	+ 1,92,2
Cape Electric ...	M. of Jan.	42½	£	29,452	+ 4,966	7*m*	162,525	+ 14,2
Carth. & Herr. ...	M. of Mar.	9	£	2,400	— 2,916	3*m*	8,406	— 4,2
Cartham & District	Apr. 10	15	£	1,418	+ 250	14	17,442	+
Havana Electric ...	M. of Dec.	86	$	709,891	+ 36,102	12*m*	8,176,545	+ 1,186,2
Isle of Thanet ...	Apr. 19	21	£	978	+ 801	29	10,112	+ 4,2
Kalgoorlie ...	M. of Nov.	20½	£	2,933	+ 292	11*m*	30,838	+ 1,2
Lanarkshire ...	Apr. 3	28½	£	3,595	— 137	13	48,161	+ 6,2
Lima Light & Trms	M. of Dec.	85	£	47,887	+ 4,689	12*m*	527,839	+ 67,2
London C.C. ...	Apr. 23	141½	£	82,637	+ 28,384	3	253,209	+ 71,2
Madras Elec. (2wks.)	Mar. 31	15½	R.	(Strike)	+ 48,284	13	196,913	— 40,2
Manila Electric ...	M. of Jan.	55	$	231,585	+ 64,585	12*m*	2,326,884	+ 625,2
Pernambuco ...	Apr. 20	59	£	5,448	+ 1,007	15	84,417	+ 10,2
Provincial ...	Apr. 12	21½	£	2,868	+ 203	28	70,655	+ 3,2
Rangoon Electric ...	M. of Mar.	25	£	7,533	+ 1,578	3*m*	19,600	+ 2,2
Shanghai Electric...	Feb. 19	26½	Mex.	$27,806	+ 2,316	7	193,770	+ 17,2
Singapore Elect. ...	Mar. 8	26½	$	16,747	+ 2,693	10	162,218	+ 28,2
U. of Montevideo ...	M. of Mar.	90½	£	41,070	+ 4,411	5*m*	190,891	+ 18,2

EVERY MOTORIST should send a postcard at once for full particulars of the "British Dominions" 1919 Empire Motor Policy, which provides the most effective and comprehensive cover at attractive rates, and contains many special features and liberal benefits, which space prevents enumerating here. The Policy provides for bonus for no claim, for return of premium for period the car is laid up, for reduction of premiums to owners of two or more cars, for short-period rates, and for transfer in respect of owners disposing of their cars. The 1919 Empire Motor Policy is admittedly the best form of car insurance devised. It is the best policy for you. Write *to-day*, asking for "Empire Motor Policy" Prospectus.

EAGLE STAR & BRITISH DOMINIONS INSURANCE COMPANY, LTD.

HEAD OFFICE : British Dominions House, Royal Exchange Avenue, London, E.C.3.

The Statist.

LONDON, SATURDAY, APRIL 26, 1919.

AN UNDOUBTED CHECK.

WHATEVER one may think of the principles of a League of Nations, it cannot be denied that before those principles have taken any form, or before the peace between the Entente Powers and their recent enemies has been signed, the Allies have shown how difficult it is to come to an agreement amongst themselves where any principle is at stake to which any one of the contracting parties attaches a real importance. Unless, as seems unlikely, Italy agrees to some kind of a compromise during the next day or two on the question of the cession of Fiume to Italy, there seems no reasonable doubt that the signature of peace will be delayed. Doubtless, after further consultation, the Italian Government will see that it is eminently a question for compromise; that no vital interest of Italy is involved; and that no national aspirations are really thwarted. What has happened is that a not unreasonable hope on the part of Italy does not appear susceptible of settlement upon the lines the Italian Government not unnaturally wished. When Italy came into the Alliance in 1915 a Treaty was drawn up, commonly called the Pact of London, which in the event of the Austrian Empire being completely defeated and broken up, Italy was to receive Trieste and a certain part of the hinterland of Dalmatia, which is largely Italian-speaking, and was so recently as the Middle Ages undoubtedly an Italian State. Fiume, however, is on the other side of the Istrian Peninsula, and was in no sense included in what has come to be called the Pact of London. If it had been included there can be no reasonable doubt, so far as England and France were concerned, both those Governments would be bound to do what they could to carry out their bargain, although, of course, even then they might be overruled by other allies who were not partners to the Pact; knew nothing of it when they entered the War; and really only learnt of it when the Peace question came to be discussed.

In fairness to Italy it must be conceded that in the common acceptation of the term, Fiume is an Italian City. That is to say, the brains and finance, the trading classes, and more than half the population, are unquestionably Italian in origin, in language, and in sympathy. But there is a population comprising very nearly half that of the town which is neither Italian in origin, sympathy, nor language. It is, however, to the Italians that Fiume owes its position as a maritime port as it exists at the present time, and it will be in all human probability to the Italian part of its population that it will owe the growth that is expected from it in the immediate future as the result of peace, and the opening up of the hinterland behind the town, and of those regions which formerly formed part of the Austro-Hungarian Monarchy. President Wilson's contention, and it is exceedingly difficult to meet, is that if Fiume is handed over to the Italians the whole of the hinterland of Carniola, Croatia, and Bohemia will have no independent outlet to the Adriatic. They would be entirely at the mercy of the Italians, who would be at liberty to impose whatever restrictions and tariffs they cared to impose upon a country which, in the aggregate, comprises an area between half and three-quarters the size of France. The Italian contention is that if they gave way they would be abandoning their compatriots in Fiume; and if the Croats, the Slovenes, and the other Slav nationalities in the hinterland grow as is expected, they will be a menace to Italy in the next generation. Would it materially help things to have a population in Fiume, partly Croatian, partly Slovene, with a dominant Italian factor, who were threatened by a bitterly hostile hinterland composed of the people we have already named, and who thought they had been unjustly treated by being denied the only convenient outlet to the Mediterranean?

It is most unfortunate, because Italy has played a gallant part and has very materially assisted the Allied cause during the recent War. But inasmuch as she herself only claims the city of Fiume and a small part of the surrounding country, and cannot have, and does not desire to have, the vast territory at the back of the city, can it not be urged, even at this eleventh hour, that it is eminently a question for compromise, because even if she attained the full measure of her ambitions, she would still be in a position of difficulty with those immediately behind the town, who thought they had been unjustly treated, and would be ever ready to make trouble whenever an occasion arose? There is, however, another aspect of the question besides that affecting the deliberations of the Four at the Council Table in Paris. It is the broad world-question affecting everybody from Europe to America and back across the Pacific to Asia that this unfortunate dispute between the Allies is causing a serious check to the proceedings of the Peace Conference, which have already been inordinately delayed. Until the deliberations are at last brought to some sort of a settlement, trade and what has come to be called "reconstruction" is held in check in every part of the world. Until it is known what the conditions of peace are, what countries are to receive indemnities, how much the indemnities are to be, and, finally, what particular form the indemnities are to take, it is idle to speculate upon what credit the various countries are entitled to from the few remaining lending countries of the world. The longer the peace question is delayed, the greater are the difficulties that are being created in every direction. If not actual famine, want, and privation which cannot in the sequel fail to lead to disease, is affecting the population of more than half of Europe, and even if we are spared a serious epidemic, which not infrequently follows in the train of a prolonged war, health and physical well-being of the European population will be checked probably for a whole generation, and it may be for even longer. Even under the most favourable circumstances, it is commonly estimated that an appreciable time must elapse to enable the harvests of the northern hemisphere to accumulate to such an extent as will admit of full rations being supplied to a far larger proportion of the populations of Europe than at present, and, in addition, that the harvests of the southern hemisphere may come in the winter-time to supplement the scarcity which tends to make itself manifest in the spring months in these northern climates.

INDIA.

It would appear, and we sincerely hope that it will prove to be a fact, that the measures taken by the Government in India are gradually restoring order in the recently disturbed districts of the Peninsula. It is the first duty of a Government to maintain its authority when attacked. In fact, the reason why all law-abiding citizens submit to the exactions and restrictions imposed by Governments at all is the necessity for some central authority which will ensure the maintenance of law and order, secure us in the possession of the fruits of our industry, and enable us to go about our business without being liable to be murdered at short notice at any moment of the day or night. This is an axiom which is accepted more or less by all races and creeds in every country. Countries, however, which consider themselves civilised cannot be satisfied with merely repressing rebellion when it resorts to armed rising. It is clearly the duty of a Government in such a position, having restored law and order, and secured as far as may be life and property, to ascertain to the utmost degree possible what are the causes that have brought about the recent trouble which has necessitated the whole force of Government being used for the repression of armed revolt on the part of its subjects. The European community in India has from the very beginning of English rule been a very small one. We conquered India, from the time of Clive down to putting down the rising of last week, with Indian troops. Consequently, it will be seen that our rule is, for the most part, at least acquiesced in, if not actually welcomed, by the great mass of native opinion.

It would appear that two causes have been working to promote unrest in India, the one economic, and the other more or less political. The economic question we will discuss immediately. It is of immense importance, and we shall endeavour to show that it is sufficiently grave to account for a large measure of the unrest which prevails throughout the Dependency. The political causes, so far as we are aware of the facts, may be briefly summarised.

For some time before the outbreak of the recent War this country had been endeavouring to institute what it believed to be reforms in the administration of India. To what extent these reforms have really appealed to native opinion it is exceedingly difficult to ascertain. It may be conceded at once that they were honestly intended as improvements on the part of the British Government, and it is highly probable that they excited in the minds of the more ardent spirits in India expectations that it was not possible such reforms could realise. This is a common feature when great and material changes are made in the government of any country. And perhaps it is especially so in the case of an Eastern country like India, which is ruled by a people of alien blood, alien creed, and a totally different way of looking at political and economic questions from that natural to a native of the East. Before these reforms had had time to work what remedial effects they were capable of working, three-quarters of the estimated population of the world found itself plunged in one of the greatest wars of modern times. India loyally took her part in the War, partly by voluntary contributions, partly by large Government grants, and, finally, by raising a very large army to assist the Empire in its hour of need. No country finds itself at war without feeling a severe strain upon its economic resources, and as India is an exceptionally poor country, something like 98% of her population being directly dependent upon agriculture, and her industrial development, as distinct from agricultural, is very slight, the strain was even greater than it was in countries like our own, where industrialism has been developed to a very large extent. Modern war has to be fought by means of what have come to be known as the mobilisable resources of the country. The days are long since passed when it was possible to organise an army practically at the expense of its leaders, and send it out to war practically to live upon the resources of the country in which it finds itself. We may be passing through a transition period in the world's conduct of warlike operations. But for the time it may be said, with only a slight measure of exaggeration, that munitions seem more important than man himself. We do not, of course, want to write nonsense. But the reader will appreciate the sense in which we use the term. Nothing, of course, appertaining to man can be more important than man himself. But it is evident that in modern warfare an army imperfectly munitioned is almost certain to be cut to pieces in the presence of a better munitioned force opposed to it. Doubtless many readers are aware of the fact—at any rate it was common knowledge, although we were not allowed to publish or, indeed, to make any reference to the circumstances at the time—that there was serious trouble in various parts of India during the progress of the War. It was thought to be due to the extravagant growth in the cost of living and to disappointment that the reforms above referred to had produced apparently such small results. We mention the fact, however, merely to show that there should be no undue alarm that the recent unrest should have culminated as it unfortunately did in the Punjab, in the Bombay Presidency, and in other places, bearing in mind the gravity of the situation even during the progress of the late war.

A further careful examination of the figures of the Indian Budget is not without interest, as it will show the strain upon the Government itself of the part which India has recently played in the War. Now a Government produces nothing. It exists mainly for the purposes stated above; and it depends for its maintenance upon the resources of its subjects. We have said that the Indian population, taken as a composite whole, has very little surplus or mobilisable resources. Consequently, it may reasonably be inferred that when the Government itself feels the strain of war, having the whole population to draw upon for its maintenance, the individual units feel the strain still more. Such is the experience in all countries, even after a period of economic crisis, which is, of course, accentuated in a period of war. Sir James Meston's Budget states that the total Imperial expenditure, as it is called—that is the expenditure of the Government in India, including what are known as the Home Charges, but distinct from expenditure raised by, or allotted to, the various provinces, which is known separately as Provincial expenditure—amounted to no less a sum than 89¾ millions sterling, while the Imperial revenue realised only 85¼ millions, leaving a realised deficit on the Budget of 4½ millions sterling. This was incurred as to 12¾ millions sterling due to the increased amount of the war expenditure taken over by the Indian Government; to an increase in the ordinary Army expenditure, due mainly to the War, of 2¼ millions; and to a loss under land revenue owing to the drought of 1½ millions. These enormous charges were to some extent offset by a profit of 4¼ millions on exchange; by increased receipts from railways of 2⅝ millions; by an increase in the Customs revenue of 1¾ millions; and an increase in the Mint revenue of 1¼ millions; leaving, however, a deficit as already stated. Now the increase in the Mint revenue, large as it is, is really a most disquieting feature, although it is welcomed by a Finance Minister hard up to make his Budget balance. It appears that during the period of the War something like 400 million ounces of silver were imported into India, mainly from the United States, and that an enormous proportion of this silver has entirely disappeared from circulation. It will be remembered that in the early years of the War, when it was felt to be dangerous to export specie from here, our Government made a request to the Government of the United States to permit a certain portion of the silver held in the United States to be exported to India. Permission was granted, and a very large sum, forming an appreciable proportion of

the United States silver reserve, was exported to India. Notwithstanding this, the Indian Government found an increasing difficulty in supplying currency, because as soon as they minted silver into rupees, these new rupees promptly disappeared from circulation. Of course, it is always a practice in periods when India is making money, as she was during the War, for all classes in India who are able to do so to hoard the precious metals; and it may be that this practice was only accentuated by the large sums earned by India during the War. However, it is a fact to be noted with due appreciation of its gravity.

We referred last week to the large sum of 17 millions sterling which has been allocated for railway building in India. And in this direction there can be no reasonable doubt that the Indian Government is acting upon sound lines. As there is certain to be a large demand for the products which India is so eminently capable of supplying, both to ourselves and to our Allies, as well as, indeed, to other parts of the world, there seem reasonable grounds for hope that with the actual signing of peace and the restoration of normal economic conditions India will once more be able to resume the path of progress, and the anxieties caused by the recent troubles will gradually pass away.

THE TINPLATE TRADE.—II.

Owing to the Government subsidy, prices in the iron and steel trade have been kept below actual cost, and the announcement of the approaching withdrawal of all Governmental assistance naturally made manufacturers and merchants eager to avail of it during the further short period of its currency. The hoarding of subsidised material was, however, forbidden by the Ministry of Munitions, and all possibility of profiteering from the general adjustment of prices at the eno of the month was thus checked. Steel bars for tinplate making could not, for example, be purchased at subsidised prices to make provision for the period when the full cost of production should be borne by manufactures. Any rise in the price of steel bars will fall heaviest on mills which do not produce their own steel. Being dependent for their supplies on outside sources, they are necessarily at the mercy of the Steel market. Most of the firms engaged in tinplate making are privately owned, and thus it is impossible to decide what variations occur in their profits according as they are self-sufficing or not in the matter of steel. In recent years there has been a marked tendency towards amalgamation and absorption, and this has been combined with the adoption of the limited liability principle. The leading firm in the trade now controls over 84 mills. A tinplate-making plant usually consists of a number of mills, as the processes through which the steel is put are numerous and require some time for their completion. The steel bars are first cut up into the required lengths and rolled out flat. They are then in the form of plates, and when pickled in acid are placed in annealing pots. Subsequently, they are shorn and cold rolled. Cold rolling has been brought to such perfection that the plates emerge with a fine glossy surface. Such a surface is sought after by makers, because when put into the tin baths these plates take up very little tin. Formerly, when the rolling was less perfect and the surface of the plates uneven and porous, much more tin was required in the final stage.

The chief form of organisation on the manufacturing side is still the private company, and it is freely stated that these companies make large profits from a limited trade at high prices. If the assertion is true, it would seem bad policy to sacrifice the chances of expansion, and by restricting sales to encourage competition, and to place the prosperity of the industry on a small and necessarily insecure foundation. It is probable, however, that if tinplate making offered profits much beyond those obtainable in other industries, money would freely flow into it, and thus reduce the earnings of capital to a level more commensurate with ordinary business undertakings. Moreover, prices have for some time been controlled, and recent quotations of 32*s*. 6*d*. and 33*s*. 10½*d*. per basis box do not appear excessive in view of the high costs of material and labour, and the difficulty of securing both. The limitation of production has had a natural tendency to force up prices, and accordingly to discourage exports. The supply of steel bars was rationed, and the output was for a long period during the war below one-half of the normal figure. In 1917 and 1918 it showed some improvement, but at the commencement of this year only about 60% of the mills were working. Demobilisation has to a large extent solved the labour difficulty, and the cessation of the Government demand for steel has made raw material more plentiful. It may be estimated that 75% of the tinplate mills are now working. The increased production, bringing supply more into relation with demand, will tend towards lower prices, but the ruling factor in the tinplate market will undoubtedly be the quotation for tinplate bars.

The future course of prices will also be influenced by the value of tin. In common with the other leading metals, tin has fallen heavily since the armistice. During the first quarter of the current year it behaved erratically, but the downward tendency continued. From a maximum of £257 per ton in January, fine foreign tin fell to a minimum of £203 in February, and at the end of March closed at £234. During this period the price of common plates (IC, cokes, f.o.b. Welsh ports) rose by 1*s*. 6*d*. per box, and accordingly the quotations for tin cannot be regarded as being a decisive factor in the Tinplate market. The tin coating is, however, essential, as it prevents the steel plates from rusting, and also protects them from the corrosive action of oils, and of acids set up in food and other contained substances during storage. Moreover, the tin does not impart a taint as an uncoated plate would. The amount of tin required in the manufacture of individual tinplates is now limited on account of the great improvement in methods of cold rolling, but these plates fill an increasing number of wants, and accordingly the demand for tin has not slackened. In the pre-War period our exports of tinplate contained on an average about 17,000 tons of tin, and though tin is extensively used in the manufacture of white metal and various alloys, its principal use is still in the tinplate trade. The production from native British ores has diminished considerably over half a century, and the deficiency has been made up by importation. In 1913 about four-fifths of the ore treated in our smelting works came from abroad, and unless new ground is opened up, or fresh economics effected in production, we are likely to draw a continually decreasing portion of our supplies from the mines of Cornwall and Devon. Our smelters will become more dependent on stanniferous ores from abroad, but, fortunately, a large proportion of these deposits occurs within the Empire, and the Federated Malay States lead the world as producers of tin. Most of our tin ore comes, however, from Bolivia, though, since the outbreak of War, Chili has for political and commercial reasons come to be our principal supplier. The United States have in recent years has been competing with us for South American supplies, but at present the smelters in the U.K. have fairly adequate stocks of ore concentrates, and further supplies are afloat. Our favourable position is due largely to the operation of the United States embargo on the imports of Bolivian tin ores. It is anticipated that the embargo will be lifted at the end of next month, and that competition will be resumed. The embargo also affected [illegible] supplies of tin supplies, and there are [illegible] rumours of great [illegible] activities on behalf of American [illegible] in the Far East. With free importation into the United States the price of tin will become steadier. For some time prior to the War it had been rising, and it is still sub-

stantially in excess of the 1913 figure. Tinplate makers are interested in its speedy reduction, but their wish is not likely to be realised until ample cargo space becomes available and a reduction takes place in freights, accompanied by the disappearance of the burden of war-risk insurance.

COTTON CONSUMPTION.

Liverpool is the port of entry for practically all the raw cotton consumed in the United Kingdom, and it has accordingly suffered most from the serious curtailment in imports during recent years. In 1913 our cotton imports were valued at £70,571,000, of which Liverpool's share was £53,838,000. Subsequently, quantities fell though values rose, and the shortage was felt principally during the period of unrestricted submarine warfare. All engaged in the handling of cotton found that with the diminution in supplies their commissions were substantially lessened. For a time it was possible to balance matters by increased charges on the smaller quantities handled, but the Government soon stepped in and assumed control both as regards prices and the allocation of supplies. We were fortunate in possessing an industry mainly concerned with fine to medium spinning, and so requiring a proportionately smaller supply of raw cotton than countries engaged on the coarser counts. Thus, while we can claim upwards of two-fifths of the world's supply of spindles, we consume only one-fifth of the world's supply of cotton. In the Far East, where the coarsest fibres are grown and spun, we find that India and Japan, though they account for 16% of the world's cotton consumption, possess only 6% of the total spindles.

Our imports consist mainly of American cotton, and as the North Atlantic route was a favourite haunt of submarines, trading interests in Liverpool were severely hit. They depend mainly on the turnover for their money, but the turnover was and still is small. The following table shows that cotton sales in the first two months of the current year were far below normal:—

Week ended	Bales Sold 1914	Bales Sold 1919
January 10	75,680	4,020
„ 17	64,440	5,140
„ 24	66,490	3,820
„ 31	61,490	6,780
February 7	59,120	6,700
„ 14	47,480	7,590
„ 21	51,220	11,020
„ 28	49,910	8,990

Sales have recently shown a marked improvement, and in a single day as many as 10,000 bales have been disposed of. The Cotton Control Board has withdrawn all restrictions on spinners and manufacturers in regard to the running of machinery. This step naturally followed the cessation of hostilities and the consequent increase in cotton supplies; but the adverse movement of the American exchange, due to the withdrawal of Government support, has lately acted as a check to imports of all kinds from North America. It is true that such official support could not have been indefinitely maintained, since the exchange position must accommodate itself in the long run to the supply of, and the demand for, credit, but the abruptness of the transition was regretted by many. Though the question of remittance may be difficult, it will not make a formidable addition to the cost of cotton. Moreover, quotations have fallen considerably since the armistice, the decline being measured in pence per pound, and the figures of home consumption in the current year are, therefore, likely to show an appreciable advance on the War years. The restoration of normal trading conditions both at home and abroad will, however, be a necessary preliminary. Our export business in cotton goods was the mainstay of the industry, and many of our old customers are verging on insolvency. The various restrictions and hindrances caused by the blockade and by cable delays aggravate the present *impassé*. Thousands of cotton operatives are unemployed at home, while thousands of foreign customers are clamouring for our cotton goods. Other buying countries, especially in the Far East, are inclined to withhold orders in anticipation of cheaper markets. Once confidence in the stability of prices is restored, and the political and economic questions now at issue are settled, all our cotton machinery will probably be restarted, and the imports of raw cotton may be expected to show a considerable advance.

There has been much speculation as to the amount of cotton recently consumed in the United Kingdom, and by the courtesy of the Cotton Control Board we publish the following interesting table showing the consumption of cotton between June 30, 1917, and January 11, 1919:—

Quality of Cotton	United Kingdom Consumption Bales
American	3,376,404
East Indian	143,989
Egyptian and Peruvian	708,917
Sea Island and West Indian	13,291
Brazilian	9,591
Sundries	106,752

This table indicates clearly the predominance of the United States as a source of the raw material, but it does not reveal our consumption over a year. This has been estimated by the Control Board as follows:—

Total Cotton Consumed between January 1 and December 31, 1918 (approximately).

Quality of Cotton	Bales
American	2,014,235
East Indian	97,045
Egyptian and Peruvian	527,263
Sea Island and West Indian	8,218
Brazilian	9,460
Sundries	13,236

Note.—In both the above tables the totals of Brazilian cotton date only from February 2, 1918, before which the returns were included in American cotton.

Our annual imports in the five years preceding the War amounted to 2,290 million lb. Re-exports averaged 282 million lb., leaving the net imports 2,008 million lb. The varying extent to which old stocks were drawn on at different times, and certain other factors, do not permit us to identify net imports with home consumption, but, averaged over a quinquennial period, they may be said roughly to coincide. Adopting this basis, we consumed in the five years before the War about 4,000,000 bales of 500 lb. each per annum. The 1918 consumption was thus down by nearly 1,300,000 bales, or 33%.

It is not generally known that London was at one time the leading port in the United Kingdom in the raw-cotton trade. Towards the end of the eighteenth century Liverpool, always a strong competitor, forged ahead, and it has been in the forefront ever since. The War confirmed Liverpool's supremacy, and it is not likely to be again assailed. As the chief terminal port for Europe in the North Atlantic trade, it will continue to be the receiving depôt for American cotton. Fibre from the United States may, of course, be displaced from its position as the chief raw material for the world's spindles, but in the absence of any large present or prospective supplies from other sources such a contingency is very remote.

LANCASHIRE COAL AND IRON ORE.

The coal industry in Lancashire owes its prosperity to the tremendous demand which occurs within a limited area for coal for household and industrial purposes. Further, in the ports of Liverpool and Manchester, as well as in the less important shipping centres of Gaveston, Ellesmere Port, Runcorn, and other places on the Mersey and on the Ship Canal, a large amount of coal is required for bunkers. As regards the export trade, Lancashire, with the double advantage of good coal and excellent harbours, naturally sends coal abroad. Despite great activity in production, the reserves still untapped are very substantial, and the Royal Commission on Coal

Supplies estimated the total amount of unworked coal in the proved coal areas of the county as 5,350 million tons. Not all this huge quantity can be raised, as supporting pillars and barriers must be left behind, while unsuspected faults may be revealed in many seams. The Commission allowed 1,111 million tons as a deduction for waste and other purposes, thus leaving the net raisable coal at 4,239 million tons. The Lancashire coal field contains other valuable deposits, such as fireclay, flags and tile stones, and iron ore, all of which are worked to advantage. Speaking generally, the coal produced is not of the highest quality, and it is noteworthy that the large Atlantic liners which are based on Liverpool draw their coal requirements from either Yorkshire or South Wales. The expense involved is not very great, as Liverpool is within easy reach not only of the Yorkshire and Welsh coalfields, but also of those in Staffordshire, and has perfected its carrying organisation for drawing coal from the interior. The export trade that has sprung up is of a varied character, and shipments are sent to France, Spain, and Portugal, as well as to Africa and South America. The War was responsible for an almost complete diversion of exports to Allied countries, and the problem of sending into our former markets is already causing some anxiety. Between 1913 and 1918 the exports of coal from the United Kingdom fell from 73,400,000 tons to 31,753,000 tons. Even before the War France and Italy were our chief customers, but their requirements of coal, which are likely to increase, may in future be satisfied wholly or in part from other sources. The United States in particular appear desirous of securing a portion of the Mediterranean trade, though if their competition is confined to the supply of bunker coal on the trade routes Lancashire will scarcely be effected, as its production of high-grade steam coal is not extensive. Germany took nearly 9 million tons of coal from us in 1913, but as almost all this amount was supplied from Welsh and from East Coast ports the resulting loss of trade to Lancashire will be small. The collapse of Russia, another large importer of English coal, is likewise not of grave concern, as the Lancashire collieries were not dependent on a Baltic trade. Owing to the great advance in the price of coal and the diminution in the quantity raised it cannot be expected that the pre-War volume of exports will be again easily attained. If prices rule higher, a further contraction in our exports, already reduced to 41% of the 1913 figure, is anticipated in some quarters. Recent and impending changes will greatly increase the aggregate working expenses of our collieries, and unless there is a compensating increase in output consumers will have to bear the enhanced costs, and exports will naturally be discouraged. In other coal-producing countries, however, especially on the Continent, mines have been dismantled or have suffered from neglect during the War, and the cost of mining coal will thereby be magnified. As the leading export centre in the United Kingdom, Liverpool is vitally interested in this question, since coal exports have an intimate bearing on freights, and a restriction of the former may hinder that fall in freight which is so desirable for the promotion of trade. For Lancashire as a whole the future course of coal prices has a much wider interest. Coal as a necessary material either in the raw state or in the shape of gas or electricity for most industries, and any advance in price leads to increased costs of production. The iron and steel trades would be particularly affected, as the consumption of coal is here enormous, and all Lancashire would feel the effect with varying degrees of intensity.

In conjunction with coal, iron pyrites are also raised within the county, but their importance as a source of sulphur has been declining for a long period owing to the importation, first, of Sicilian sulphur, and then of rich sulphur ores from Spain, Portugal, and Norway. Ordinary iron ore is not raised in Lancashire to any large extent with coal, being won principally from iron mines. This source of production has, however, fallen increasingly short of home requirements, partly because of the expansion of the metal-using industries, partly because of the discovery of foreign deposits with a higher iron content. The output of ore in the United Kingdom reached its highest point in 1882 with over 18 million tons. In 1913 it had fallen to 15,997,000 tons. Lancashire produces hematite ore chiefly, and it can claim, with Cumberland, a larger quantity and a better quality than other similar areas in the United Kingdom outside the Cleveland district. In the early days the neighbourhood of Barrow-in-Furness was the only place producing hematite to a considerable extent, and when the Bessemer process of steel manufacture was introduced the uses to which the ore was put rapidly multiplied. On the discovery of the Thomas or basic Bessemer process it was possible to utilise ores containing phosphorus, which had hitherto been considered valueless for purposes of iron manufacture; and the pre-eminence which the Furness district in North Lancashire had attained in the production of pig iron was undermined. Owing to the exhaustion of many of the mines, it was found necessary, in order to keep the blast furnaces at work, to import foreign ore, and at present Lancashire receives annually a big supply of ore from abroad, the chief centres of import being Barrow, Lancaster, Liverpool, and Manchester. About one-half of the total production of pig iron in the United Kingdom is obtained from foreign ores, and we draw principally on Spain, Scandinavia, Algeria, and Tunis for supplies. Lancashire hæmatite is of a high grade and usually contains about 50% of iron, and the acid steel manufactured from it is more highly esteemed than the basic steel made from other ores. In some cases this esteem is a mere matter of prejudice, and the modern tendency in steel production is altogether towards the basic Bessemer, and especially towards the basic open-hearth systems. The immense iron and steel industries of the United States and Germany were based on these latter processes, and the ease with which basic steel was found to answer most industrial requirements accounts for its sudden rise into popularity. Its adoption in Great Britain was unduly delayed but manufacturers now appreciate the necessity of change so forcibly impressed upon them by the War.

ARGENTINA.

NO NEED FOR ALARM.

Readers may have observed a cable which appeared in the London Press, that the Senate of the Argentine Republic had thrown out the Bill authorising the credit which had been agreed upon between the Entente Allied Governments and that of the Argentine Republic for the purpose of financing various products, particularly cereals, which it is intended that we should purchase for the purpose of feeding ourselves and our Allies. This, while mainly a dispute between the two Houses, should be susceptible of settlement, as in the absence of the Allies where is Argentina to find a customer? The gravity of the situation in Argentina, as elsewhere, at the present time is the continued evidence of unrest as disclosed in the series of strikes, particularly amongst the transportation workers and in the docks of the various shipping ports of the Republic. It is perfectly natural, after a prolonged period of war, in which three-quarters of the estimated population of the world has recently been engaged, that there should be a grave increase of unrest in neutral countries as well as in those belligerent countries recently engaged in the War, because a war so widespread and affecting so many different peoples of the world could not fail to affect the interests of neutrals, although they were not actually engaged in the War. Even in Europe we see neutral countries which, in a sense, should have been

but little affected by the War suffering from the unrest which is such a feature of the time. Prices have risen extravagantly. Wages, no doubt, have risen extravagantly also. But the fact remains that even with the higher wages it is no longer possible to obtain so large a measure of consumable commodities as were readily obtainable on the basis of a lower rate of wages. Consequently, though in money values people are better off than they were before the War, as they cannot eat either gold or silver, or even Treasury notes, they are discontented because food is so difficult to obtain and clothing is so extravagantly expensive. If they travel, they are asked to pay extravagant prices for accommodation inferior to that to which they had become accustomed in the recent past.

Now, if this state of things applied to neutral countries in Europe, which should have been but comparatively little affected by the War, how much more does it apply to a country like Argentina, whose economic development has depended in the past generation upon supplying the needs of Europe, and particularly of this country, for food and raw materials, and relying upon Europe—mainly Great Britain, France, and Germany, very much in the order stated—for the means of continuing the supply of those requirements. Argentina, as we have pointed out many times in these columns, is a country which lives by raising immense quantities of food and raw materials, out of all proportion to the consuming power of its own population, for the purpose of supplying this same food and raw material for consumption in Europe, and principally in this country. In return, she has relied upon us for financing the production of the food we require, and for raising the raw materials needed for our manufactures. The need for food, and indeed for raw materials, has been at least as great during the period of the War as it was in the years that preceded 1914. But owing to the shortage of freight all over the world it has been exceedingly difficult, and sometimes quite impossible, to find the means of sending to Europe the food products and raw materials already raised in the Republic and simply awaiting despatch to our consuming markets. It will be remembered that we reported in the summer of last year that, so great was the congestion at Rosario, all the sheds, grain elevators, and so on were filled to their utmost capacity, and food had to be stored outside in the open yards, merely covered with tarpaulins. The railways were refusing freight simply because the freight cars were full, and the great storage warehouses, which are such a feature to the visitor for the first time at Buenos Ayres, were filled to their utmost capacity, simply because the shipping at the great port of Buenos Ayres was inadequate to convey the supplies which had come down from the interior for shipment to England.

The result of this state of things was that although, undoubtedly, certain classes of the Argentine community did exceedingly well as a result of the War, particularly as they obtained, even for comparatively small shipments, war prices, the Argentine population, taken as a whole, never found adequate employment throughout the whole period of the War. Meanwhile prices rose, money accumulated in the banks because it could not find adequate employment, and work was difficult to obtain at remunerative wages, bearing in mind the enhanced cost of living, which affected the Argentine Republic very much as it affected the rest of the world. Doubtless the situation will gradually right itself in the Republic, as elsewhere. But until Argentina succeeds in readjusting herself to the changed conditions a period of difficulty was, and is, inevitable. Argentina is roughly 10 times the size of the United Kingdom, with a population very little in excess of that of Greater London. It is a country, speaking generally, of great estates, and the bulk of its people find their employment, owing to the peculiar method on which Argentina's economic prosperity has been built up, in producing the food and raw materials to which we have referred above, and especially in ensuring their rapid transit from the place in which they are raised to the port whence they have to be despatched to Europe Hence there is an ever-growing necessity for increased transportation facilities, and it is evident now that one of the greatest difficulties from which Argentina is suffering is inadequate transportation facilities to enable her to move the ever-increasing volume of food and raw materials which the Republic has been encouraged for the past generation to raise for the purpose of being consumed in Europe. Argentina, in her turn, depends for the comforts and conveniences which have, more or less, become through custom necessaries of civilised life upon imports from the countries which she supplies with food and raw materials. It was a highly healthy state of things while Europe was in a position—and we hope will again be a healthy state of things, assuming that Europe is speedily once more in a position to supply her with the means of continuing her economic development upon the lines of the recent past. But the prosperity of a country in the condition of Argentina largely depends upon the smooth working of the conditions which have been built up. Argentina in the past has rightly relied upon Europe, with its immense populations, highly skilled and trained in manufactures, to supply her with the conveniences above referred to. She has an immense area of unoccupied land, and her economic interests are best served in developing resources which at present are not being used at all, and she has not at present a population sufficiently large to devote herself to manufactures to any considerable extent. If Argentina, therefore, is to develop as rapidly as she has been doing, say, in the past 20 years, she will be well advised to continue to open up her western and southern lands, which at present are being so little used. But in order to do so she must be able to find financial resources either in Europe, or in the United States of North America, to enable her to increase her transportation facilities as rapidly as the necessities of the case demand.

It is to be hoped that means will be found either in Europe or in the United States to assist the Argentine Republic to resume the development of her railways and to increase her road-building at an early date. Meanwhile, we would suggest that the experience gained in the use of motor lorries in Flanders and in Northern France during the recent War should be seriously considered by motor-car manufacturers in this country, in Europe generally, and in North America, and its possibilities urged upon the producing classes of the Argentine Republic.

IRELAND AND WAYS AND COMMUNICATIONS.

The most striking characteristics of the Ways and Communications Bill are its comprehensiveness and its vagueness. If it ultimately leads to the development of a co-ordinated and economical transport policy no persons will be more pleased than its present critics, but, considering the waste and inefficiency associated with most measures of the present Government, it is doubtful whether that aim will be achieved. So far as the railways are concerned, it was inevitable that the Government had to make some move, as, labouring under a deficit of £100,000,000 per annum, they could not very well be handed back to private ownership. The present danger is that the return from all other undertakings connected with transport will be used to bolster up the railways. When the latter were originally constructed they undoubtedly furnished a means of transport of primary importance, and it was anticipated that the public would benefit largely from the competition between the

various lines. For a time the public did benefit; but competition in rates ceased about 1870, when the railways realised the futility of this proceeding from their point of view, and competition in facilities naturally ceased when the railways reached the limit of their expansion and found it necessary to introduce cheaper methods of working by mutual agreement in order to pay the dividends of their shareholders. Since the railways practically became a monopoly great efforts have been made to bring their methods of working to a higher level; but many difficulties were experienced in this direction, and it was discovered that engines of the most modern type could not be employed, because the tunnels were not big enough to allow them to be used or the bridges strong enough to bear them. Transport by rail served its purpose in the development of the country, and it is now time to consider whether it merits the importance attached to it at the present day. An undue affection for any particular form of communication, without subjecting its present-day utility to a severe examination, will go far to wreck the prospects of success of any transportation scheme. Sir Eric Geddes, from his experience in France, should be in a position to judge whether the roads will not in future form a serious rival to the railways. During the War the paper strategists frequently annihilated whole armies because a certain railway happened to be cut. But when the Paris-Verdun line was under German fire in 1916 it did not prevent the French from rushing up reinforcements, munition and food supplies by means of motor lorries; and that was not the only occasion during the War when the lorry proved its mobility and utility. The railway at best forms a very indirect means of communication, while the directness of the motor-lorry in that respect is only exceeded by the aeroplane. For the conveyance of certain classes of commodities the railway may still be indispensable, but there is no doubt that a large field exists for the utilisation of motor traction. This would especially be the case in agricultural districts. The farmer has always been seriously hampered by the difficulty of disposing of his produce, and the provision of more efficient means of transport should enable him to sell it more cheaply to the townsfolk.

Sir Eric Geddes dismisses with contempt the light railways of the old type and the Decauville railways, which have been much used in the fighting zone, and declares that we must look forward to the development of motor traction for our agricultural areas. While we hope that Sir Eric will keep the claims of motor traction duly in mind, careful investigation will be necessary as to the precise part it will play in any general transportation policy. The question of the comparative advantages of motor and light railway transport have been under investigation for some time by the Development Commission. As the result of an inquiry into the relative costs and advantages as between a light railway and a road motor service from Headcorn (Kent) to Robertsbridge (East Sussex), it was determined that the existing light railway deals with the goods and passenger traffic of the district at, roundly, 60% of the cost that would be incurred by a road motor vehicle undertaking doing the same work, though it was probable that the convenience, both to the travelling and trading members of the community, would on the whole be greater with the more expensive system. The cost of constructing light railways in this country has hitherto averaged about £7,000 per mile, and this has militated against their more general adoption. It is possible that this might be remedied were lighter railways of narrower gauge laid down in place of those of the standard gauge now usually authorised. If, however, the view were accepted that motors should as a rule act as carriers from the farms to the light railways, which in their turn should act as feeders to the ordinary railways, there is much to be said in favour of a uniform gauge, in order that transhipment may be avoided and the same rolling-stock be used throughout the journey. Ireland, in particular, suffers severely from the lack of adequate means of transport, and would undoubtedly gain considerable advantages from the employment of motor traction on a large scale. In order, however, to obtain a full return from this method of locomotion considerable preliminary work would have to be done. The farm buildings are not, as a rule, accessible to motor vehicles, the tracks from the roads to the farm buildings being often unmade, steeply inclined, and in bad condition, and generally ill adapted to take heavy motor vehicles over them. In such circumstances it is obvious that one of the great advantages of motor service, that of relieving farmers from having to employ horses and carts in delivering produce to the carrying undertaking, would to a great extent be lost; but proper accommodation roads could be made, and in such a case it might be possible for farmers to co-operate in providing lighter motors for collecting the produce from the farms and delivering it to the undertaking. In the co-operative organisation Ireland possesses an agent which might usefully employ its activities in connection with any general or local scheme of road transport. England labours under a disadvantage in this respect owing to the comparative lack of this agency—an agency which will, however, probably be developed in connection with the land settlement scheme. Large numbers of motors no longer needed by the Army will be placed on the market, and many of these will be suitable, when repaired and adapted, for various classes of co-operative societies, according to their capacity; thus large lorries capable of carrying three tons would be suitable for trading societies and milk depôts covering a large area where no railway facilities exist; small lorries with a capacity of 1½ to two tons might be usefully employed by smaller trading societies; while ambulances carrying ¼ to ½ ton might be adapted for lighter requirements, such as egg collecting. The French Government has already made a beginning in the use of these discarded motors for farm transport purposes. We are not unmindful of the fact that the purchase of motor vehicles would entail in many cases a severe strain on the financial resources of these societies. It must be remembered that in Ireland the membership of co-operative societies is confined for the most part to small farmers, who as a matter of fact make up the great bulk of the agricultural community in that country. To establish a motor service on a firm basis some measure of assistance would, therefore, be expected from the State. The Development Commission would logically be the body to supply a grant in aid, although from the terms of its constitution it finds a difficulty in assisting enterprises of this nature. Nevertheless, the provision of an efficient transport system is an essential corollary to increased food production, and the necessity of opening up agricultural areas is of paramount importance. Presumably, the part the State will have to play in this connection will be finally determined by the Ministry of Ways and Communications. It should not, however, be forgotten that the scheme will finally depend for its success on the degree of voluntary effort which it excites. Spoon-feeding by the Government has already attained dangerous proportions, and unless kept within appreciable limits will finally have the effect of killing all individual initiative.

Various Royal Commissions have been appointed from time to time to inquire into the working of the Irish railways. The recommendations generally made were to the effect that complete amalgamation into one system was desirable, and that this amalgamation could best be secured either by the acquisition of the railways by the State through the medium of an Irish elective authority, or through the medium of voluntary action, assisted by permissive legislation and by limited financial aid. The principle of unification has also been approved by the majority of the business men of the country. So far as we can gather, the

opposition of the greater part of the people to the Ways and Communications Bill is based on the ground that administration of the Irish railways by an English department, having imperfect knowledge of the needs of the country, could not fail to have harmful results. In support of this claim it is pointed out that conditions vary greatly between the two countries. In Great Britain the railways carry a great volume of mineral traffic and industrial commodities generally, while in Ireland they are mainly engaged in the carriage of agricultural produce. It has always been a cause of complaint against the Irish railways that the through import rates into Ireland are relatively lower than the Irish internal rates, and that the through rates from abroad to British ports and interior centres are on a lower scale than the export rates from Ireland. This complaint is general, but it must be remembered that the Irish railway companies, being commercial concerns, had to endeavour in the past to return a dividend to their shareholders. Furthermore, the amount of traffic carried varied during the year. In the case of butter alone an amount valued approximately at £5,751,000 was exported to Great Britain during 1915. The railways are engaged, chiefly from May to November, in the carriage of this merchandise, as, owing to the small extent to which winter dairying is done in Ireland, an insignificant quantity is produced in the winter months. In the direction of promoting local industries the companies have undoubtedly done very little. With regard to an important coalfield, an assurance was given long ago that the capital required to work it would be forthcoming if the requisite railway communications were established. One of the principal companies declined to construct the necessary branch, or, even if it were constructed by others, to work it without a guarantee against loss, and this decision, which was also given in the case of other undertakings, was a serious hindrance to private enterprise. It is obvious that production cannot be stimulated unless suitable transit facilities are provided, and there appears to be a good deal of justification for the claim that the industrial expansion of Ireland has been seriously retarded by the failure of the railway authorities to afford any material assistance. It is generally held that the co-ordination of the working of the many systems now operating in Ireland, and their control by a central body composed of Irishmen, would make for more economic administration, but that if this control is placed in the hands of an English department it cannot do otherwise than perpetuate the evils of the past.

SOUTH AND CENTRAL AMERICA.

THE FIVE REPUBLICS.

It was naturally anticipated that with the opening of the Panama Canal the attention of financiers and promoters in Europe and in the United States of North America would be directed to the economic development of the five Republics. Owing to the War now happily concluded, and to the general upheaval of the world as a consequence, comparatively little benefit has resulted to the Isthmus which connects North and South America. What we now call Central America was throughout the Spanish colonial period under one organisation. And it is one of the ironies of the result of independence from the Spanish yoke that the Isthmus should have been divided up into five separate States, none of which is sufficiently organised or sufficiently developed to really ensure its independence, still less to enable any one of them to become a really great State. Central America is the oldest part of the American continent known to Europeans. It is generally believed, although there is no positive proof of the fact, that it was one of the West India Islands that was first discovered by Columbus. However that may be, it is certain that the Spaniards were already settled in what we now call the Isthmus of Panama at the time Pizarro made his memorable voyage to Peru and conquered that ancient Empire. All through the Spanish colonial period Central America was the trade route between Europe and what are now called the West Coast ports. South America in Spanish colonial times was not then valued, as it is with us, as a great source of supply of food and raw materials. The Spaniards simply valued their possessions in South America for the purpose of obtaining mineral wealth and, particularly, gold and silver. Their real object in maintaining their position in Peru was to get as much gold as possible from the Peruvian and Chilian mines. In addition, they were anxious as far as possible to keep the external trade between South America and Spain purely in Spanish hands, and for practical purposes in the control of the merchants of Cadiz. As a result, they confined trading operations practically between Cadiz and a port selected by themselves on the Atlantic seaboard of Central America; and right up to the middle of the eighteenth century trade was hampered by the fact that Argentine hides and Argentine products had to be sent across the Andes into Peru, shipped from a Peruvian port to a Pacific port in Central America, carried on mule back across Central America, and again shipped from a port on the Atlantic seaboard of what we now call the five Republics. One would have expected that such a policy, injurious as it was to South America taken as a whole, would have led to remarkable economic development in the States of Central America itself. And in a sense this was the effect. But it was marred by the ignorance and mismanagement of a succession of Spanish governors. Perhaps it is only a different way of condemning the policy pursued, but it is a fact that with the knowledge of the time the difficulties presented by the natural configuration of these States led to an extraordinary mortality both amongst Europeans and natives. And the practice of exploiting the natives for the purpose of working the mines led, in addition, to a further heavy mortality amongst the latter. The populations of these five Republics are essentially homogeneous, and the configuration of the country is the same practically from the Mexican border right down to Panama.

The comparatively steep escarpments on the Pacific side tend to make the western coast of Central America more healthy than the eastern. But the slight gradual decline on the Atlantic side makes the swampy shores of the Caribbean Sea exceedingly unhealthy where this part of Central America has not been drained. On both shores there is a low-lying space of comparatively flat lands, on which, in these times, where they are cultivated at all, sugar and cocoa are grown, rising gradually to a flat plateau in the centre, crossed here and there and right down the centre more or less by the Cordilleras, which are, in reality, part of the great mountain chain of the Andes. On the central plateau the capitals of most of these States are situated; and it is on most of these plateaus that the bulk of the population resides. On these plateaus European cereals grow, and it is on them, and more particularly on the slopes leading up to them, that the great coffee estates are situated. Coffee-growing is essentially an industry of Central America, although in recent years—that is to say during the last 10 or 12 years—it has been largely displaced by the growing of bananas, which has been assisted, financially and in various other ways, by the United Fruit Company, which trades between Central America and New Orleans.

Coffee has been for generations—and to a large extent still is—the great industry of all the States of Central America. It has been to some extent displaced as the principal industry by bananas. But the value of the coffee industry will be appreciated when we say that probably Costa Rica coffee, although the total is small compared with the aggregate of the world's supply, is amongst the most esteemed in the markets of both Europe and

North America. Central America exports hides, as it has always done since early colonial times. But although its lands are eminently suited for cattle-breeding, very few of the States raise more than enough for local consumption. Sugar is exported to some extent. But there, again, the sugar industry has so far been so poorly developed that it does not, in fact, supply local demands. The difficulty is that the area suitable for growing sugar is in nearly all cases unhealthy. And none of the separate States, taken alone, have the economic resources which would enable them to make these lands healthy, although, as has been proved in Panama, which itself forms part of Central America, it is simply a question of expense and the application of science to the requirements of modern industry.

The total area of the five Republics is, roughly, about three-quarters the size of France, and the population is under five millions. The smallest of them all—El Salvador—is the most densely populated, although Guatemala, which is, roughly, almost as big as England proper, has the largest population of any of the Central American States. As separate entities they lack adequate resources to enable them to equip themselves with the requirements of modern industry. To make the five Republics really prosperous it would be first essential to drain the whole of the coast lands both on the Atlantic and on the Pacific coasts; to open it up by means of roads and railways; and to enable its rich timber to be economically exploited. By this we do not mean that the lumberman should be turned loose to cut down rich mahogany woods for the purpose of making a profit as quickly as possible, but that the forests should be exploited with due regard to their economic value and their conservation for future use. At present, with the exception of the tablelands in the centre, the greater part of these States is infested with insects of various kinds injurious to the development of agriculture and inimical to the health of man, and particularly are they infested with the malaria and yellow-fever-carrying mosquito. These, as has been proved in Panama, could be wholly destroyed by simply draining their breeding-places. Lastly, a large part of the forest area is infested with reptiles, some of them venomous and deadly snakes—which simply means swamps awaiting drainage. It will readily be inferred from what we have said that the transportation facilities of the five Republics leave a very great deal to be desired.

Before the War the United States of North America, as is only natural, enjoyed very nearly half the foreign trade of the several Republics, and particularly of those which have been most completely developed. Owing to the fact that the United States Government is the owner of the Canal Zone, and has economic and political interests out of all proportion to any other part of the world in Central America, it is natural, and perhaps desirable, that the United States should enjoy a preponderating part of the trade. Next to the citizens of the United States, British subjects enjoyed the larger part of the foreign trade. In fact, right up to the outbreak of the recent War we enjoyed, in varying proportions in the different States, from 25% up to one-third of the total foreign trade of the various countries. The balance, for the most part, went to Germany, and our merchants should see to it, when shipping once more becomes abundant, that we regain the position we were gradually losing in the decade that preceded the War. Next to the United States we have, of any European country, by far the greatest economic interests in Central America. And experience has shown that trade nearly always follows judicious investment, especially in the development of a new and sparsely-peopled country.

We heartily congratulate Mr. L. H. Keik on his appointment this week to the general managership of the Anglo-South American Bank, Limited, a position which was so ably held by the late Mr. Raphael. Mr. Keik will hold the office in association with Mr. W. E. Wells, hitherto manager of the Valparaiso branch of the institution; and Mr. A. C. E. Kimber, O.B.E., is to be manager.

THE SUGAR-BEET INDUSTRY.

During the three years prior to the War we received 53% of our total imports of sugar from Germany and Austria. The use of figures is, however, unnecessary to emphasise the extent of our dependence on foreign supplies of this material, as the average consumer is only too well aware of that fact. Whether the sugar-beet industry can be established on a paying scale in these countries is a matter for experiment on a large scale, and, although the various experiments already made with a view to proving the practicability of beet-root cultivation have been attended with encouraging results, we do not think that the average farmer will be tempted to undertake a new venture of this kind unless he is convinced that it will meet with a reasonable share of success. That the introduction of sugar beet has led to a marked improvement in German agriculture is the opinion of most observers. In addition to the immediate profits derived from the increased production of beet sugar—the production of raw sugar before the War being ten times as large as 10 years ago—the cultivation of the beetroot has brought large remoter advantages. The deep tillage and improved cultivation necessary for its success have proved of great benefit to other crops in the rotation as well as an object lesson to the country in good farming. As compared with the 37 millions under cereals, the total area under sugar beet amounting to 1,440,000 acres is small, but the beet crop has exercised a much greater effect on German agriculture than the amount grown would suggest. It has brought an important industry and large sums of money to rural districts; it has necessitated intense cultivation and heavy manuring with most beneficial results to succeeding crops; the residues from the crop have been used for cattle feeding; and, finally, it has been described as the crop which produces most human food per unit of area, yielding five times as much food as rye, and twice as much as potatoes, from the same area of land. Such crops as potatoes and sugar beet, which, unlike mangolds, need not be fed to cattle before being available for human food, are even more productive than the cereals, and assuming suitable use in a mixed diet, one hundred acres of an average crop of the former would provide subsistence for about 400, and of the latter, converted into sugar, for about 500 persons.

It has, however, been urged by the farmer in these islands that while beet is an expensive crop to grow, the gross value is small compared with that of certain other farm crops. Thus an acre of beet, which costs on a pre-war basis £9 to £11 to grow, may be worth only £10 to £12. The mangold crop, which costs less to cultivate, is worth more in some districts for cow feeding, and the gross value of an ordinary potato crop is often considerably more. Thus, it has been argued that beet is a crop worth attention only when labour is cheap and the soils are not adapted for potato growing. It must be observed, however, that the relatively low gross value of beet cannot have escaped attention 50 years ago when the crop was fighting for a place on the German farm, but the considerations which have told against beet at home have not prevented it from becoming the popular root crop on the best land of Germany. A comparison of adjacent (*a*) beet-growing and (*b*) comparatively little beet-growing districts in Prussia has revealed a marked increase in rents and value of land in favour of the former, which would appear to show their much greater agricultural importance; the soils existent in the districts chosen for purposes of comparison vary insignificantly in quality. In the beet-growing districts the amount of beet grown varied from 7 to 10%

of the cultivated land, while in the other districts that crop varied from 0.7 to 1.4% of the cultivated area. The increase in rent and the increased value of the land were remarkable in the case of the former as compared with the latter. From an examination of the productiveness of the districts in question, it would appear that the beet and not the potato, accounted in England the more profitable, determined the value of the land.

That it seems practicable to grow beet in these islands appears to have been determined by experiments made by the Irish and English Boards of Agriculture, but naturally the success attending its growth will vary in different districts, as beet, like any other crop, requires certain well-defined conditions before it flourishes to perfection. The Irish experiments were conducted through the years 1911-12-13, and from the average of these three seasons, it would appear that the better crop in point of yield and also sugar content was that cultivated on the flat in the Continental manner, and that, moreover, the superiority of beet on the flat would, assuming roots were properly topped and washed, and could be sold at £1 per ton on the farm, more than recoup the extra cost of labour involved in this method of cultivation, as compared with growing sugar beet in ordinary drills. In the 1912 and 1913 experiments, however, plots on moulded-up drills—drills moulded up after being hoed—were introduced, from which it appeared, on the average of the two seasons, that while the flat plots produced a greater yield per statute acre, the increase in sugar content was not sufficient to compensate for the extra outlay in labour they involved. In view of these results, bearing in mind that they refer to only two seasons, it may be inferred that of the various methods of cultivation adopted, that of moulding-up ordinary drills is best suited to Irish conditions. At the centres where the sugar-beet plots were grown alongside mangels, weighings were made of the latter crop with a view to comparing the relative yield of mangels and sugar beet. The result was that even when cultivated in a thorough and painstaking manner, the factory weight yield of a sugar-beet crop in Ireland cannot reasonably be expected to exceed about half the yield of a well-managed crop of mangels. Generally speaking, the experiments carried out in 1911-12-13 showed that with proper care and management crops of sugar beet, comparing favourably in yield with Continental crops, can be grown in Ireland. For example, in spite of somewhat adverse weather conditions in 1912 and 1913, an average yield of over 10 tons (factory weight) per statute acre was obtained from the moulded-up drill plots. The sugar content of the roots was also satisfactory: the average in 1911 was 18.5%; in 1912 and 1913 the average was 18.2 and 14.6% respectively. Should beet cultivation on a large scale be undertaken in Ireland it would, in all probability, be advisable to adopt the moulded-up drill method in preference to the Continental system of sowing on the flat. Bearing in mind the disturbed conditions existing in Germany and Austria and their effect, it is unlikely that beet for some time to come will be cultivated with the same assiduity as heretofore, and this offers certain opportunities to Irish and English farmers. That Ireland possesses advantages for the production of beet seems to be apparent to foreign observers; a group of French experts undertook an investigation into County Wexford during the past three months in order to exploit its possibilities in that direction.

In Germany the sugar beet is grown by the larger farmers in certain districts; beet will not bear heavy transportation charges, consequently large areas must be given over to its cultivation, and a sugar factory must, if possible, be located in the centre of an area large enough to keep it in full working order. In 1912 the area under sugar beet in Germany was 505,000 hectares and the number of factories 342. On the average, therefore, a factory exists for every 3,648 acres. It would be impossible to expect the farmers in these islands to establish unaided an industry of this magnitude. The German Government has consistently encouraged its development, and State support will also be needed in the United Kingdom. It will be necessary to arrange without further delay a complete test of the commercial possibilities of manufacturing sugar from home-grown beet. It will be desirable also to ascertain the price which a factory could afford to give for roots; whether that price will be sufficient to induce the farmer to substitute beet for a portion of his present root crop and how far beet-growing can be introduced into the systems of farming at present carried on in these countries. This information can best be given by the institution of beet-producing farms in Ireland and England under the same control as the factory. If a practical experiment gives successful results the farmers will not be slow to take advantage of it. It may be mentioned that a beet-sugar factory is in actual existence at Cantley in Norfolk, but the refusal of the Dutch Government to allow the export of seeds brought its operations to an end during the War. Another society has lately applied to the Treasury for a grant from the Development Fund to enable it to purchase an estate of about 5,000 acres with a view to the erection of a factory and the cultivation on its own land of a sufficient acreage of beet to produce the minimum amount of roots required to work the factory economically. With regard to affording financial assistance to the sugar industry the Government's position is as follows: In the first place, the Brussels Sugar Convention limited the extent to which Government assistance could be given to the industry by pledging adhering States not to give bounties on the export of sugar, which the Board of Trade considered included the payment of grants to assist the manufacture of home-grown sugar, of which some might be exported. When the British Government withdrew from the Convention as from September 1, 1913, they reserved to themselves power, by giving six months' notice, to adopt any measures they thought fit to promote the establishment of the sugar-beet industry. In the second place, there is the limitation imposed on the Development Commissioners by the Development and Road Improvements Funds Act of 1909, which recommended advances only to associations not trading for profit. An amendment of this Act has been recommended by the Agricultural Policy Sub-Committee so that the Government would be in a position to afford the necessary financial assistance. We think, however, that commercial experiments carried out directly by the Boards of Agriculture concerned on large-sized farms in a number of places in the United Kingdom would go a long way towards demonstrating the utility or otherwise of sugar-beet cultivation. In view of the successful results that have so far attended experiments in Ireland, her position should be taken specially into account in connection with any schemes of this nature.

SAVINGS BANKS DEPOSITS.

THE deposits of the Post Office and Trustee Savings Banks continue to increase at a rapid rate, the addition to the total for the month ended April 12 being £9,422,000, on top of an increase of £12,300,000 in the preceding month:—

Date		Post Office	Trustee	Total	Inc. in 4 Weeks
		£	£	£	£
Apr. 12, 1919	...	260 695.108	64,765,269	325,460 377	+9.421,997
Mar. 15, 1919	...	252.689,209	63,349,171	316.038,380	+12.298,000
Feb. 15, 1919	...	241.615,365	62.124.584	303,739,949	+4,944,000
Jan. 18, 1919	...	237,644,611	61.850.925	299.495,536	+5.045.000
Dec. 21, 1918	...	233,076.713	61.373.712	294.450,426	+4,240,000
Dec. 22, 1917	...	203.298,687	51,777,164	255,075,851	—
Dec. 31, 1916	...	196.458.436	52,758,438	249.216,674	—
Dec. 31, 1915	...	186.327.584	51.412,370	237.739,954	—
Dec. 31, 1914	...	190.533.208	53.943,271	244,476.479	—
Dec. 31, 1913	...	187 248,167	54,258,861	241.507,028	—
Dec. 31, 1903	...	146,135,147	52,540 339	198,675,486	—
Dec. 31, 1893	...	80,598,641	42,243,600	122 842,241	—

NOTE.—The above figures do not include Government stock held for depositors, amounting at April 12 to £15,277,8 8 in the case of Trustee banks, and to £18,831,525 for the Post Office.

LEATHER INDUSTRY IN IRELAND.

Considerable improvements have been introduced into the art of tanning leather during the past two or three decades. While such improvements have not brought about any radical alterations in methods of working, they have been responsible for placing in the tanner's hands a considerable range of tannage materials and for the introduction of various methods which have considerably quickened the process of tanning. When the Corn Laws were repealed tanning was a scattered industry, practically every important village and town possessing a tanyard, and, consequently, there was a certain lack of adaptability to new ideas. Oak bark liquor, which is still used and yields an excellent leather, was extensively employed for the production of boots, belting, harness and saddlery, and the process took, according to the thickness of the skin, from twelve months to two or three years. Research work industriously carried on into the vegetable kingdom has revealed the presence and proportions of tannic acid in a large number of trees, shrubs, and herbs, and the use of these vegetable tanning materials has resulted in a much larger output of leather. About 90% of these materials are derived from sources within the Empire. The myrobalan is the fruit of several species of tree that grow in India, and the tannin occurs in the pulp which surrounds the kernel. When employed alone in tanning, myrobalans deposit a considerable quantity of ellagic acid; they are, however, generally used in combination with other tanning materials, from their usefulness in modifying the objectionable colour which some of the latter impart to leather prepared with them. Australia and Tasmania supply us with mimosa bark, by far the greater quantity coming from the former. Mimosa is generally chopped or ground previous to exportation, and it has also been introduced in the form of an extract. The bark contains varying proportions of tannic acid, the mean being about 24% or 25%. It makes a red leather and is frequently used with valonia to correct the colour produced by the latter. Valonia is obtained from Asia Minor, and it is probable that the valonia oak could be successfully grown in Australia, more especially as the absence of large rivers and extensive forests in that country should encourage the growth of shrubs of commercial value. A wide range of materials is obtained from other sources within the Empire; but sumac, a very important tanning agent and much used in the United Kingdom, is imported from the Mediterranean countries. It possesses the advantage of not imparting colouring matter to the leather prepared with it; a drawback to its employment is that it deprives the skin of much of its softness and pliability. In the manufacture of morocco and glazed leather it is largely used, and when mixed with bark or other tanning material it yields very good results. Each of these various tanning materials possesses certain characteristics, and the successful tannage of leather depends on the correct blend of the various agents used. A revolution was, however, effected in leather manufacture by the development of the chrome process, which was in the main due to American ingenuity in exploiting technical chemistry for the purposes of industry. British manufacturers were slow in adopting the new method, and it was not until America and Germany had begun to export large quantities of chrome-tanned leather to this country that they were induced to take it up seriously. Briefly put, the principle of the chrome tannage depends upon the formation of chromic oxide in the skin, and this is brought about by the reduction of chromic acids with suitable agents. The leather resulting from this process is, when properly manufactured, much superior in wearing qualities to that which is vegetable tanned, and possesses the additional properties of being waterproof, of lighter weight, and when turned into boot upper leather of smarter appearance. The process has been improved and extensively utilised during the past five years for the purpose of turning out the many different kinds of leather required for war purposes, and it has also been instrumental in reducing the time occupied by tanning operations, as it is now possible to convert the raw pelt into leather in as short a period of time as three or four hours.

Special efforts had to be made by the industry during the War owing to the necessity of supplying the leather requirements of our Allies and of the home market. The quantities in 1913 of our net imports of hides were 727,000 cwt., and of leather 771,000 cwt.; but in 1915 the net imports had risen to 1,375,000 cwt. of hides and 1,316,000 cwt. of leather. Attention was directed during the past few years towards turning out the standardised patterns of Army boots and civilian War-time boots; and, although there will in all probability be no lack of heavy leathers, it is possible that light leathers and skins may be deficient in quantity for some time. With the resumption of normal conditions, however, we should have no difficulty in obtaining our necessary supply of hides from America, of calfskins from the Continent, and of goatskins from India and South America. Our manufacturers are in a position to utilise their advantages for the production of chrome upper leather, as large quantities of calfskins and kips are produced from sources within the Empire—India alone producing 12,000,000 kips per annum, besides immense quantities of goat and sheep skins. The fancy-leather-goods trade forms a branch of the industry in which the British manufacturer excels; and his operations will in future be facilitated by the range of British dyes now on the market, and by the fact that practically all his raw materials can be obtained within the Empire.

The outlook for the leather trade in Great Britain is encouraging, and development has been consistent during the past two decades, despite a somewhat tardy recognition of modern methods; but this progress is noticeably lacking in Ireland. Up to about 1870 the latter country produced most of the leather required to meet the demands of the home market. The heavy sole leather made in Ireland, chiefly from South American hides, was of excellent quality and particularly suited to the requirements of an agricultural population. A lighter class of sole leather was manufactured from Irish hides and was used principally for female wear. Calfskins were also tanned, and these, with sole and harness leather, were turned out in almost every part of Ireland. The imports at that time were confined for the most part to the lighter classes of upper leather, very little of other kinds coming from abroad. Cork was particularly noted for its output of satin calf. Forty years ago a considerable amount of Irish capital was sunk in the tanning industry, as, naturally, the long period covered by the various stages of manufacture made large capital an essential condition. The leather turned out was of good quality, and the materials used were the best procurable, the tanning, as a rule, being done with oak bark, cork-tree bark, valonia, and sumac. So far the production of leather was carried out under advantageous conditions, and the prosperity that shone on the tanning trade found its counterpart in the manufacture of boots and shoes. The introduction of modern machinery and the establishment of the factory system in England brought about a change. Production was largely cheapened, and the Irish market was flooded with machine-made boots and shoes at prices which made successful competition by the Irish bootmakers, who did not adopt similar methods of production, impossible. This state of affairs, accompanied as it was by superior processes of leather manufacture, occasioned a general reduction in the prices of leather, which reacted disastrously upon the Irish tanner. Every year saw a reduction in his profits, and also in his output. Northern markets were latter country produced most of the leather required

opened, and trade rapidly decreased in dimensions. Rather than make an effort to conform to modern usages many tannery owners withdrew their capital from the business, and thus a once thriving industry fell speedily into decay. Conservative methods were also, until quite recent years, characteristic of English tanning operations, and it is estimated that the English tanner lost one-third of his business before the stimulus of American competition brought him back to realities. The few Irish tanneries in existence to-day engage mainly in the production of harness, saddlery, sole and upper leathers. The sole leather manufactured is of a superior quality for wearing, but the upper leathers are mostly heavy and of a coarse finish; and harness leathers, too, are not as well-finished as English and Scotch goods. Opportunities exist for the manufacture of kid gloves; the kid skins of Ireland are fully equal to those of France, from which the famous French kid gloves are made. The following table indicates the position in Ireland in 1915 so far as the exports and imports of hides, skins, leather, and leather manufactured articles are concerned:—

	Exports £	Imports £	Exports Expressed as a Percentage of Imports
Hides, skins and fleshings ...	837,629	£5,168	1,518
Leather	98,059	780,475	13
Leather manufactures	104,991	2,016,278	5
	1,040,679	2,851,921	36

It will be seen that while the exports of the finished articles are comparatively insignificant, the exports of the raw materials necessary for the leather producer are on a tremendous scale. There does not seem to be any immediate prospect that these raw materials will be utilised to any larger extent in Ireland for manufacturing purposes. As it is, their value could be largely increased if more attention was paid to their treatment. Ordinary carelessness and even rough usage of a raw material so difficult to handle as the hide of such a large animal as the ox can neither be wondered at nor prevented, but, apart from this, hides are too often abused to such a degree as greatly to reduce their value to the tanner. It often happens that hides and skins of slaughtered animals, as of those that have died from natural causes, are not at once taken off, but left for days on the carcase. This is in the highest degree detrimental to the hides, as they acquire thinness and defective spots through decomposition going on in the carcase. Much injury is also caused, although not of so serious a nature, in flaying, as the work is not done with due care. The bits of flesh and fat, which are too often allowed to remain adhering to hides and skins, become at once decayed and communicate decay to the skin, which is injured or eaten away in spots, and subsequently even worn into holes. Such damage is noticeable more especially after manufacture, when the leather is found bad or pitted with dark spots, as in the case of coloured leather. Apart altogether from these defects, the suppleness and durability of the leather itself are injuriously affected, as the skins are not suitably and carefully treated in drying and hanging up. One would imagine it to be a work of supererogation to draw the attention of the Irish slaughterer to details which so obviously result in large sums of money being lost to the country generally every year. The remedy is to be found in the provision of technical instruction in better methods of flaying and handling. Irish tanners also complain of the lack of a dependable supply of labour, as it is alleged that the instrinsic nature of the work is such as to offer few attractions to reliable men. We think, however, that if proper inducements were held out to men there would be no difficulty on that score.

"The Fighting Fleets." Five months of active service with the American destroyers and their allies in the war zone. By Ralph D. Paine. With 73 illustrations. Price 10s. 6d. net. (London: Constable and Co., Ltd.)



Sir F. H. Cowen, Mus. Doc., writes:—"I have tried 'De Reszke' American Cigarettes and find them excellent—mild, and at the same time with a most pleasant flavour. For a Virginia cigarette I could desire nothing better."

Miss Victoria Cross writes:—"I find your 'De Reszke' American Cigarettes exquisite. The blend seems to be absolutely perfect."

JUDGE a man by the company he keeps—a cigarette by those who smoke it. By this test "De Reszke" are easily best. Try a box—their quality will win your admiration.

"De Reszke"
The Aristocrat of CIGARETTES

Sold at all Military Canteens at Home and Overseas, also Tobacconists' and Stores.

MORE TOBACCO.

We regret that Customers have so often been unable to secure their usual supplies of our

"EARL GREY" and RHODESIAN Cigarettes,

But we hope within a few weeks to be able to meet all requirements.

JOHN WOOD & SON (CIGAR AND TOBACCO IMPORTERS), Ltd.
23 & 25 Queen Victoria Street, E.C. 4.

THE BANK OF TAIWAN,
LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.
Head Office - - TAIPEH, FORMOSA.

BRANCHES:—Amoy, Bangkok, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, Yokohama, and every important city in Formosa (Taiwan), &c. The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.

London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

A VALUED banking friend, whose bank trades largely with foreign parts, has propounded a scheme which seems likely to be favourably considered by the Government, and if it is it will solve one of the most difficult problems of the moment—that of financing international trade, and particularly of enabling this country to regain its position as one of the principal trading and maritime nations of the world. If we fail to do this we shall gradually lose the position we held previous to 1914. It is one of the most essential things for the maintenance of the position of Britain as a great Empire that she should as soon as possible set about reorganising her trade, finance, and shipping.

We are not, like most Empires, one great composite entity, enclosed, as one might say, within four walls, as, for example, the most striking instance at the present time is the United States of North America. It is upon these islands, the principal island of which is only 88,000 square miles, and the population about 40 millions—the total area of the whole United Kingdom is only 121,000 square miles, and the population only about 46 millions—that the defence of the Empire ultimately rests; and unless we can raise a sufficient surplus to maintain our fleets, mercantile

How are you going to Invest that Money?

WHEN you are investing money which you cannot afford to lose, do not merely consider what the yield will be. Examine the nature of the security.

Nothing is easier than to cross the danger-line between safe and unsafe investments, and to risk losing the whole of your capital on the chance of gaining a few extra shillings per cent.

Ask yourself whether it is worth your while to buy Stocks and Shares of this speculative character when (including the premium on redemption) ***you can safely get over 5¼ per cent. from War Bonds.***

There is no security in the world to-day equal to that which is offered you by the guarantee of the British State: and you have that guarantee when you buy War Bonds.

Give your banker or stockbroker instructions to invest any money you have available in 5 per cent. War Bonds, stating whether you wish for Bonds redeemable in 1924 or in 1929.

NATIONAL
War Bonds

Repayment and Interest guaranteed by the State.

On sale at all Banks and Money Order Post Offices. You have the choice between 5 per cent. Bonds issued at £100 and repayable in 1924 at £102; or 5 per cent. Bonds issued at £100 and repayable in 1929 at £105; or 4 per cent. (Income Tax Compounded) Bonds issued at £101 : 10 : 0 and repayable in 1929 at £100.

and naval, in a state of efficiency, such as they were in, say, at the outbreak of the recent War, we cannot hope to continue to exist as a great Imperial State. Reorganise our resources, and there is no reason why we should not continue as a great Imperial State indefinitely. But it depends upon reorganisation. The British Empire, taken as a composite whole, is the greatest single entity now existing in the world.

At the present time all the world is hard up. No one has any money, to use a colloquialism. It is essential, therefore, that trade, if it is to be built up, should rest upon an even more extensive basis of credit than was the case in the years that preceded the War. Formerly England in particular, which was the great financier of the whole trade of the world, as the breakdown of the exchanges in August and September of 1914 clearly demonstrated, kept, if not an adequate, at any rate an appreciable, gold reserve; and it was generally felt that if need be gold would be sent from England. Owing to the magnitude of our debts, due to the fact that we are no longer able to pay for our imports in cash, and that not only are we not, but no country is in the world at the present time, it is not possible to send gold in adjustment of trade balances as was the case formerly. Consequently, somebody must give a guarantee.

The scheme above referred to has special reference to Poland, in which our banking friend is interested. But it might be applied with equal facility to other countries which are not in a position at the present time to offer in themselves a sufficient guarantee. The proposal is that, say, a Polish trader wants to buy goods from England. It is evident that he must be allowed to export goods from Poland if he has anything to export. But apart from that, take the case that he wants to buy goods from England. No English banker could be expected to give him credit, because he has no standing on which the credit could be based. The proposal, therefore, is that what is called a "Consortium" of bankers and merchants and whatever financial interests may exist in Poland should guarantee to the utmost of their ability a certain fixed sum for the purpose of importing goods from England. The members of this Consortium would not, of course, themselves be very strong people. And it should be premised that its members should deal with the Consortium, and not directly with the English bankers, the Consortium dealing with the bankers. The English banker would advance, then, to the Consortium a proportion of money against the goods. But the difficulty would be when each member tried to discount his bills.

The method proposed by which this difficulty could be overcome is that the British Government should guarantee the loans made to the Consortium to the extent of 75%; each loan, its object, what it was made for, and what it was proposed to send from here being approved, say, by the Board of Trade, the Consortium guaranteeing the remaining 25% of the loan. It is believed that with such a guarantee it would be possible to discount the bills practically up to their face value, the British Government making a small commission charge, say, of 2%, for the benefit of its guarantee. Inasmuch as a Consortium would speedily come to pieces if it allowed its members to engage in reckless trade gambling, it seems that such a scheme, while giving the traders the benefit of a British Government guarantee, does not really involve the British Government in any serious liability. Of course, if the Government found that the Consortium was gambling, it would have the obvious remedy of at once withdrawing the guarantee.

There seems no reasonable doubt that, quite apart from the spring wheat, the American winter wheat crop this season will be, at the very least, between 800 and 900 million bushels, and it may, if the more optimistic estimates are realised, be something between 900 and 1,000 million bushels. This is about twice the average crop which was customarily raised in the United States during the years that preceded the outbreak of the recent War. It is, indeed, something to be thankful for—a bumper harvest in the present state of universal food shortage, we were going to say throughout the civilised, but we may say without hesitation throughout the habitable, globe. In the years that immediately preceded the War, and indeed for some considerable time before the War, we were accustomed to import into this country something between 200 and 230 million bushels of wheat every year, the balance of our consumption being supplied from home sources. It is generally estimated that the wheat crop this year will be materially larger in this country than in the years that preceded the recent War. But of this we have, of course, as yet no assurance.

We were favoured recently by a letter from a correspondent in the North of England largely interested in agriculture, and if his somewhat gloomy forecasts are realised the harvest, particularly in the North, is not likely to be as favourable as the area under wheat would appear to justify. His contention is that the winter has been very long and very wet, and the wheat lands of the North of England are in a clogged and sodden condition. Spring sowing has been abnormally delayed, and in his opinion, unless we have an exceptionally late summer, the yield here will be considerably below what is generally estimated. Anyhow, we may assume that we shall require to import something like 200 million bushels of wheat. But all our Allies will want to import wheat as well; and, in addition, the recent enemy countries are already importing food products, and as soon as peace is signed may be sure to require to import immense quantities. It has to be remembered that such wheat as is consumed in this country has to be sold at a guaranteed price, the difference between any market valuation and that at which farmers might be able to dispose of their crops being made up by Government subsidy. Consequently, bread is sure

LONDON JOINT CITY & MIDLAND BANK LTD.

HEAD OFFICE: 5 THREADNEEDLE ST., LONDON, E.C. 2.

31st DECEMBER, 1918.

Subscribed Capital	£34,428,948
Uncalled Capital	27,256,250
Paid-up Capital	7,172,697
Reserve Fund	7,172,697
Deposits	£334,898,435
Cash in Hand and Balance at Bank of England	63,756,371
Money at Call and at Short Notice	65,809,169
Investments and Bills of Exchange	100,849,947
Advances	99,213,614
Advances on War Loans ...	14,218,201

Paid-up Capital is now ... £8,171,417
Reserve Fund ,, ,, ... £8,171,417

OVERSEAS BRANCH:
65 and 66 OLD BROAD STREET, E.C. 2.
Specially organised for developing British Trade abroad. Foreign Banking business of every description undertaken.

to be dear all through the coming season, and until, indeed, further harvests are realised in the northern and southern hemispheres in the course of the next twelve or eighteen months.

The general assumption appears to be that we cannot hope to get back to normal conditions even under the most favourable circumstances until we have had a full harvest in the northern hemisphere, which, of course, produces something between 80% and 90% of the world's consumption of cereals; and a full harvest in the southern hemisphere, which produces a large proportion of our cattle and an appreciable proportion of our dairy products. It has to be remembered, of course, that the United States itself consumes something over 600 million bushels of wheat, the Americans being, as we were, at any rate in the years that preceded the War, a wealthy nation, and accustomed to eat a large quantity of bread. Allowing, however, for a large consumption in the United States, and making allowance for seed, there seems to be every prospect that the United States will be in a position to export from the winter wheat alone more than the requirements of this country, and will be able to assist in supplying those of France and Italy and other of the Allies; while the spring wheat, although, of course, a much smaller quantity, will be almost entirely free for the assistance of the recent belligerent countries.

A luncheon was held recently at the Savoy Hotel to consider the report of the Coal Commission, and particularly the nationalisation of collieries proposal from the point of view of the coalowners. The speakers dwelt upon the subject purely from the coal exporters' point of view—Was it expedient that England should export coal, and what effect would nationalisation have upon the export trade? It seems to be, and, of course, it is a reasonable conclusion generally accepted, that nationalisation would mean increased cost of production. Otherwise, what would be the object of it? Now it is, of course, important at the present time that everything possible to stimulate exports should be done. But it has to be borne in mind that our coal exports consist mainly of hard steam coal from Cardiff. Is it desirable in the public interest that we should stimulate the export of hard steam Cardiff coal? Before the War, when the need of stimulating exports was, of course, not very great, there was a considerable body of opinion which held that the export of hard steam coal from Cardiff should be forbidden altogether. And it was in those days put forward as an argument in favour of nationalisation that you could not very well interfere with the rights of the private trader, but if the mines were taken over at a reasonable price by the Government the Government might forbid coal exports.

The question is an exceedingly complicated one, because we have coaling stations in every part of the world, and what constitutes coal exports would, perhaps, puzzle a bench of judges to define. We think, however, that the coalowners would have strengthened their case, not by dwelling upon the importance of coal exports, but by showing that every industry in the country, not merely coal exports, but exports of every kind, would be affected by the enhanced cost of coal. It has to be remembered that in this country we are dependent upon coal for heat and light because we have no water power, at any rate none worth speaking of, from which we could generate hydro-electric power. Consequently, coal in this country is the source of power of heat and light. And without it no industry can be carried on, with the exception, of course, of primitive forms of agriculture, fishing, and so on. Consequently, we think that the coalowners would have strengthened their case by dwelling upon the increased cost to every industry in the country of the nationalisation of the collieries. The answer to that, of course, is that while coal has been cheap it has been wasted, and that we should apply modern science to practical purposes, both in the collieries and in our industries, and only use, say, one-third of the coal which is now annually raised from the mines.

American Topics.

CITIES SERVICE COMPANY.

In no other country except in the United States of America, where business in bulk is looked upon not merely with tolerance but with approval, is there to be found such an undertaking as the Cities Service Company, catering for the public supply of utilities not alone of several towns but of many, and even of whole districts, with ramifications extending into oil and natural gas ventures. The Company itself is a holding concern working mainly through subsidiary undertakings. It was incorporated in Delaware in September 1910, and first acquired control of the Denver Gas and Electric Company and the Empire District Electric Company. Since then its activities have been steadily, and in the aggregate enormously, expanded, and the subsidiary companies controlled and directed now number in the region of a hundred. The total outstanding capitals of the parent and subsidiary companies respectively at the end of 1918 were made up as follows:—

Cities Service Company.		*Subsidiary Companies.*	
	$		$
Debentures... ...	19,854,218	Notes	102,042,105
Preferred Stock ...	67,906,732	Preferred Stock ...	6,351,909
Common Stock ...	28,488,548	Common Stock ...	3,969,048
Total	116,249,498	Total	112,363,053

It will be readily recognised from the foregoing how excellent must be the management and administration to ensure success to such an undertaking. That it has achieved success—and great success at that—is borne out by a comparison of the figures in the latest report with those in preceding annual statements. Mr. H. L. Doherty, the President of the Company, is well known as an inventor and scientist, and he is also recognised as standing among the highest in America for administrative ability. During the War he has been associated with the President of the Standard Oil and officials of other leading oil companies on the American Government Oil Board at Washington. The experience thus gained should be very useful now that the Cities Service Company's interests in oil have become very extensive, and promise to yield revenue far in excess of the substantial expansion witnessed in the last few years. Without further explanation we may leave the following table, showing the combined earnings from oil and public utilities both of the parent Company and of its subsidiaries during the past four years, to speak for itself:—

Combined Statement of Earnings of Cities Service Company and all Subsidiary Concerns.

	1915	1916	1917	1918
Cities Service Co.	$	$	$	$
Public utilities	4,266,012	5,573,116	4,742,652	4,229,563
Oil operations	213,788	4,537,227	14,509,841	18,050,504
Total	4,479,800	10,110,343	19,252,493	22,280,067
Subsidiary Cos'. earnings ...	18,176,279	37,942,230	50,382,379	70,247,771
Total gross earnings ...	22,656,079	48,052,573	69,634,872	92,527,838
Expenses, taxes, &c. ...	13,182,553	28,908,646	44,180,840	61,099,646
Interest charges	3,462,500	5,076,074	5,976,506	9,291,830
Available for Preferred stock	6,011,026	14,067,853	19,477,526	22,436,392
Preferred dividends	654,350	656,670	3,943,947	4,125,329
Available for Common stock	5,356,676	13,411,183	15,533,579	17,711,063

In view of the manner in which expenses have risen during the War it is not surprising that net earnings have now shown contraction in amount. The improvement, it is true, is nothing like in proportion to the rise in gross earnings, but nevertheless it is apparent, as indeed the directors' report bears witness, that the public service commissions and other regula-

tory authorities in the towns and districts served, gave such favourable consideration to the subject as to lead the States and Municipalities to grant fair treatment to public utility services in the matter of rates and charges. But while the net earnings showed some improvement last year, this was more than offset by the increase in interest and amortisation expenses occasioned by the high war-time cost of money required to provide funds for the refunding of maturing obligations and to finance the growth of the subsidiary companies. As a result the earnings accruing to the City Service Company from its public utility subsidiaries diminished in 1918 compared with 1917, as can be seen from the following table if the big expansion already noted in the oil revenue is borne in mind:—

Statement of Earnings of Cities Service Company only.

Year	Gross Earnings	Expenses	Interest	6% Preferred Stk. Div.	Avail. for Com. Stock and Reserves		Common Dividends Paid Cash	Common Dividends Paid Stk.
	$	$	$	$	$	%	%	%
1914*	3,934,453	116,908	420,000	1,635,993	1,761,552	11·28	5¼	—
1915†	4,479,800	172,856	490,000	1,570,005	2,246,939	15·27	—	2
1916†	10,110,343	239,390	258,961	2,409,691	7,202,302	36·74	3	16
1917†	19,252,493	357,229	2,862	3,712,695	15,179,707	60·73	6	6
1918†	22,280,067	521,486	272,580	4,034,275	17,451,727	61·67	6	9

* Year to February 28. † Year to December 31.

The directors state that the steps taken towards increasing the rates for services and the improved financial situation give promise that in the current year a better showing will be made by the public utility companies. As to the oil branch of the business, the operations of the subsidiary companies engaged in this connection increased substantially, notwithstanding the limitations and restrictions due to the War. The acreage of oil and gas leases held for future development is now of great magnitude, and during 1918 some of the lands classified as prospective were partially proved by drilling, especially in the State of Texas. For the present, however, principal interest attaches to the Eldorado and Augusta fields in Butler County, Kansas. Operations there, it is stated, proceed upon a definite basis of assured results, and the entire field has been laid out for development upon a methodical basis. The great possibilities of the proved oil lands (exceeding 22,000 acres) can be gauged from the fact that three neighbouring fields have produced to date 15,000 barrels, 10,000 barrels, and 12,000 barrels of oil per acre respectively, and it is considered that the results obtained in other mid-county areas warrant the expectation of long life. Drilling operations in other sections of the country where certain of the subsidiaries own important acreage have been reduced to a minimum on account of high costs and scarcity of labour and materials, but plans have been made for important development work, chiefly in the State of Texas, where numerous leases were obtained some time ago. In the general section, termed the Ranger field, subsidiary companies own valuable oil and gas leases, on which drilling operations are being carried on.

The progress both in oil production and public utility service in the past four years will be seen from the following table, which gives the figures in thousands:—

[000's omitted]	1915	1916	1917	1918
Oil produced (barrels) ...	859	4,297	11,675	17,033
Gas sold (cubic feet) ...	39,190,340	48,651,460	42,355,746	46,814,889
Artificial gas sold	2,190,812	2,805,984	3,080,584	6,112,357
Electric Kw. hours sold ...	261,912	375,238	406,015	513,715
Electric railways (passengers carried)	104,942	111,192	115,658	109,174

In regard to dividends, in August 1914 the distributions of the parent Company on both Preferred and Common stocks were suspended on account of war conditions, but cumulative dividends amounting to 9% on both classes were discharged in January 1916 by the distribution of 5% Convertible Bonds. Monthly cash dividends of ½% on the Preferred were resumed February 1916 and five months later a further 3% dividend in 5% Convertible Bonds was paid on the Common Stock for the five months to July 1, 1916. Also a dividend of 2% in stock was paid for 1915 and for 1916 a further 4%. Since then cash dividends of ½% monthly—6% per annum—have been regularly paid on both Preference and Common stocks, and in addition holders of common stock have received regular monthly distributions of common stock—½% monthly for 1917 and ¾% monthly (or 9% per annum) for 1918. This year the stock dividend will be at the rate of 12% per annum, and there will be a 3% increase each year so long as the Company's earnings warrant it. In this connection the big surplus earnings shown in the second table above have to be remembered. What the Company has been doing has been to pay the relatively small cash dividend of 6%, and issuing new stock to represent a portion of the balance profit put into use in the business, thus steadily increasing its earning capacity. In addition, the parent Company issued last year $19,809,200 of Convertible Gold Debentures and $1,411,880 of Preferred stock, for furnishing funds for improvements and extensions, while the subsidiary companies issued $13,200,000 for the same purpose and to meet maturing obligations.

The City Service 6% Cumulative Preferred stock is quoted in New York at about 80, and the Common, on which, as already said, increasing stock distributions are being made each year, is priced in London at $410.

THE GROWTH OF CANADA.

THE CANADA STEAMSHIP LINES, LIMITED.

This Company, like nearly all the shipping companies of the world, has benefited very materially as a result of the freight shortage during the War. But it has benefited as a result of the shortage, and at the expense of the community. The Company is, of course, in no way to blame. It is engaged, like all other shipping companies, in the transportation business; and finding that there is not a sufficient supply of the commodity which it has to sell to satisfy the world's demands, it, in common with all other transportation concerns, whether railways or steamships, has put up rates. That the Company will benefit still more in the coming years of peace—and benefit not at the expense of the community, but by rendering really valuable services to the community—depends upon how the Dominion Government will in future shape her course with a view to attracting immigration. There is a craze at present for nationalising everything—railways, mining, and what not. How this will work in the sequel remains very largely to be seen. Experience appears to show that only those industries which may be said, as far as any human institution can be said, to have reached finality, are suitable for nationalisation. If we could be sure that no further progress was possible in any particular industry, a conclusive case might be made out for nationalisation. But even then the advantages would be attained by corresponding, possibly by preponderating, drawbacks. It has to be remembered that Canada, like all new countries, is preeminently in need of immigration and of transportation facilities. As the report before us truly says, the advantages offered by Canada naturally, if they are not spoilt by man's action, are so great that they should attract immense numbers of immigrants from the congested districts of Europe. This, of course, is manifestly true. Canada is in area between 17 and 18 times the size of the United Kingdom, and it has a population very little exceeding that of Greater London. Consequently, the advantages offered per individual for the amount of work to be done are out of all proportion to the number of inhabitants either in Canada at present, or likely to be there in any period during the present century. It has to be remembered, on the other hand, that neither Canada nor any other country can absorb any appreciable population until it has accumulated sufficient resources to maintain them until such a time as their own labour will have provided their means of maintenance, with some profit in excess. If it were possible for all men to go out into the wilderness with nothing, all men would be free, and no one need submit to conditions which he

found disagreeable in any part of the world; unless, of course, the whole world had become congested by the excessive growth of population. As we know, the facts are very different. It is essential that provision should be made for a more or less prolonged period before it is possible for any appreciable body of immigrants to settle in a new country.

Now it would seem that the wise course for a country like Canada to adopt would be to develop its natural resources to their utmost capacity, and particularly to endeavour to supply the British Empire, of which it forms so important a part, with such a large measure of food and raw materials as it is eminently capable of doing. In order to enable Canada to supply food and raw materials upon a great scale—that is, upon a much greater scale than she does at present—and at a price which, while being placed on an economically sound basis, will reduce materially the cost of living from the present extravagant level, she will require to improve her transportation facilities to the utmost; and the cheapest way, apparently, of doing that is to attract capital from overseas as far as possible. It may be contended that Canada, taken as a composite whole, is in a better position to borrow money than any railway company could be. Stated in that way it is perfectly true. But experience in every country shows that management by a great Government Department is extravagantly costly. There is no need for really earning a profit. Every department is more or less bound up with what we are accustomed to call "red tape." Now, nothing is easier to criticise in a Government Department than its abundant use of "red tape." But the causes of what we call "red tape," or the unreasonable delays of Government Departments, are due to efforts which have been made in the past hundred years, particularly by the English Parliament—and they have been copied to a very large extent by the Parliaments of all other countries—to prevent corruption; and, consequently, one of the great difficulties of all Government Departments is to fix responsibility in any particular direction. And, naturally, every official rightly desirous of avoiding the charge of corruption, of undue favouritism, or of taking upon himself authority with which he is not clothed, shifts, as far as possible, that responsibility on to other shoulders than his own. In the sequel the inevitable result is that Government management is extravagantly expensive. Another, and perhaps more grave, factor in the question is, if Canada attempts to control her transportation facilities as a Government enterprise, will they not be stereotyped in the forms in which they were taken over in any particular year—say at the present time, for example? It seems as clear as anything can be that railways are either in a state of evolution or they are about to be scrapped. They were built less than a century ago for a specified purpose—in most countries, particularly in England, of connecting great manufacturing centres with ports of shipment; and, of course, in cases of new countries like Canada, for the purpose of bringing raw produce from the scene of production to the ports whence it is to be despatched to Europe. It is exceedingly doubtful if the railways would ever have been built if we had our present knowledge of the capabilities of motor traffic and of the internal combustion engine. Certain it is that the railway, as it exists at present, is a most inconvenient means of locomotion. It does not fetch you from the place where you start. Neither does it convey you to your destination. It is becoming extravagantly costly to work, and is tending more and more to absorb the whole of the gross earnings in its working expenses.

Returning to the Canadian Steamship Lines, the figures for which we publish below, it may be added that the Company during the past year has liquidated a loan of half a million dollars, reduced its 5% Debenture stock from $6,081,340 to $5,927,187, and its First Mortgage bonds from $1,315,026 to $757,020.

Year to Dec. 31—	1918	1917	1916	1915	1914
Operating revenue :	$	$	$	$	$
Vessels	13,481,239	12,887,256	11,819,539	7,399,819	6,272,233
Docks and wharves	222,310	183,772	172,473	165,707	193,389
Miscellaneous ...	174,674	290,394	65,240	114,884	78,930
Other revenue ...	216,170	172,394	64,877	94,625	41,259
Total revenue ...	14,094,393	13,533,816	12,122,129	7,775,035	6,585,811
Net profit on sales, &c., of fixed assets ...	1,276,137	941,880	179,980	Dr. 3,971	Dr. 30,826
Total income ...	15,370,530	14,475,696	12,302,109	7,771,064	6,554,985
Expenses	9,818,377	9,570,245	8,117,881	6,057,884	5,672,775
Depreciation, &c. ...	1,166,730	1,087,143	832,810	511,938	505,630
War tax on profits ...	400,000	300,000	322,047	—	—
Net income ...	3,985,423	3,518,308	3,029,371	1,201,242	376,582
Int. on 1st Mort. Bonds	58,303	90,730	125,051	140,202	166,231
,, 5% Deb. Stock	301,220	301,575	317,993	317,583	285,234
Other interest ...	25,665	5,721	15,320	85,277	15,875
Net profit ...	3,600,235	3,120,282	2,571,007	658,180	Dr. 90,758
Div. on 7% Cum. Pref.	875,000	2,479167*	656,250	—	401,041
Do. %	(7%)	(19.83⅓%)	(5¼%)	Nil	(3¼%)
Profit for Common	2,725,235	641,115	1,914,757	658,180	Dr.491,799
Div earned. on Common	22.7%	18.71%	14.15%	—	—
Div. paid on Common	Nil	Nil	Nil	Nil	Nil
Special allocations ...	90,358	114,586	87,416	66,864	(0,332
Brought forward ...	2,374,754	1,848,225	20,884	570,432	Dr. 18,299
Carried forward ...	5,009,651	2,374,754	1,848,225	20,884	Dr.570,432

* Including arrears of dividend.

AGRICULTURAL IMPLEMENTS AND LABOUR-SAVING APPLIANCES.

THE Land Settlement Bill contemplates planting many men on the land, and the efforts to encourage allotments, which are coincidently being pushed, have the same object in view. Meanwhile evidence is beginning to accumulate as to an entirely different trend in actual country life. Of 300,000 land workers now demobilised only 125,000 have returned to their native parishes; while of the town workers, who it was said would never return to the drudgery of the desk in bank or insurance office, the vast majority have been reverting with unfeigned satisfaction to their town berths. Deducting the injured and the fallen the number is at least 90%. Agriculture during the enforced withdrawal of 300,000 hands has not receded in returns of yield per acre, neither have colts, calves, and lambs been less numerous by reason of neglect. The Paper presented to Parliament in early April carefully masks the increased reliance on agricultural implements and labour-saving appliances; but the facts are these. The expenditure on labour on 26 typical mixed farms rose in the war period 56%, but wages rose 100%. As farming did not decline 44T of manual labour must have been saved. Machinery and appliances alone can have effected the saving. On three specially selected farms the rise in the labour bill was 84.1%; on 21 home farms it was 31%; in all 54 farms give an average of 34.2%. The difficulty of ascertaining the degree to which machinery replaced hand labour is due to the Government investigators failing to give us the numbers of live stock on more than five of the farms. On these the cattle declined from 315 to 213, the sheep from 1,003 to 885, and the pigs from 251 to 122; only the horses increased from 105 to 119, the 14 extra horses doubtless replacing so much hand labour. The immediate future is one of very great importance in the world of agricultural implement-making; and labour-saving appliances may be expected to receive an immense impetus in use from the further striking advance of six shillings and sixpence in all agricultural wages just granted by the Agricultural Wages Board—as a Provisional Order indeed, but what evidence is there of a provisional wages advance not becoming a fixture? The index-numbers cleverly contrived by Sir Henry Rew would apparently give us a new wages index-number of 226 for the wages of the Provisional Order of April 1, 1918, as compared with those ruling before the War. Now the Command Paper, under the heading of "Farm Requirements," gives us the rise

in the cost of agricultural implements during the War at 77%; the index-number would be 177. This puts a premium of 49 points in 226, well over 20%, upon using implements rather than on returning to hand labour. Another great aid to keeping the labour bill down, namely, the use of fertilisers, has been taken away by the Ministry of Munitions, which seized the chief fertilisers in 1915 and raised the index-number of what remained to 223. But the grasp of the War Lords on the roots of agricultural prosperity are at last in process of being relaxed, and if fertilisers become more moderate in price the farmer will have a fair chance of fighting the increased labour bill. It is to be hoped that implement makers will not wreck or even injure a unique chance of benefiting home agriculture and for making a great extension of their own business by inordinate charges when, the iron control being removed on May 1, the sale of implements becomes once more an unimpeded commerce and the agricultural shows are again permitted to have an implement-exhibiting and premiating section. There is, we believe, some little need for a word of warning. It is not that the implement makers are greedy or that the formidable new combinations of which we hear are likely to corner the market and exact fancy terms. The danger is lest losses entailed through Government interference (1915-18) should be regarded as things to be made up out of the farmer in 1919-22. Reparation should be sought for the past; the future should not be jeopardised by charges beyond what agriculture will bear. Ploughs at £9 against £5 10*s*. four years ago are not unreasonably priced, but what about horse-rakes at £14 against £6 10*s*., grass-mowers at £22 against £10 10*s*., and that invaluable labour-saver, the self-binding mechanical harvester, at £62 against £24 in 1914? The implement maker has lost since 1914 the big Russian market, and we fear that the greatly enhanced freights will make it difficult for him to compete against the United States for the custom of Argentina. But he has at his own door the chance of building up home agriculture and doing good to his fellow-citizens, whose prosperity will reduce his own rates and taxes. He has the opportunity of raising up what an Administration has beaten down, and of showing the world what mechanism at its best level of skilful application can do in an expert farmer's hands. The future of British agriculture appears to reside with the trained agriculturist, operating good machinery, with the aid of a small staff of well-paid men. We shall miss the good old-fashioned country bumpkin; but it is the Government and his own Labour leaders which will have extirpated him. He had his place in the old order, but it was necessarily a humble one; he is not a business proposition at the minimum terms which, as we are now told, he must be paid.

We learn this week that Dr. Isaac Alzamora has been named as the new Peruvian Minister to Great Britain. He is at the present time resident in New York.

"James Madison's Notes of Debates in the Federal Convention of 1787 and Their Relation to a More Perfect Society of Nations." By James Brown Scott. Price 10*s*. 6*d*. net. (London: Oxford University Press.)

The latest news concerning the Indian wheat crop, which has been received by mail and relates to the condition of the crop at the end of February, is much more satisfactory. We learn that excellent rains fell at the end of January, which were well distributed, and have proved of great benefit to the crop. In February, too, useful showers were experienced, and in the irrigated areas the outlook is promising, and the yield is expected to be quite up to normal. In the unirrigated areas conditions have improved, though owing to earlier drought the out-turn is expected to be below normal. The influenza epidemic proved a great set-back in the matter of sowing, while future prospects depend largely on the absence of early hot winds.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue. Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

THE Share market opened the week with an appearance of greater firmness, but there was no responsive increase in business, and dulness supervened, the majority of price alterations being downward, though slight in amount. The revival of trade, and the removal of the blockade being delayed, the price of the commodity continues to sag, and not until Wednesday will the Chancellor's proposals as regards excess profits and other taxation be known. There may be revival of interest thereafter and as the trade demand for rubber becomes more active.

As America plays such a great *rôle* in the consumption of rubber—her manufacturers take about 70% of the world's production of the commodity—it is necessary in gauging prospects to follow closely reports which come to hand as to trade conditions and hopes on the other side. Recent advices indicate the leading manufacturers to be quite sanguine as to the future, their estimates of tyre requirements alone for home use this year being very much above previous anticipations of trade following the War. The great increase in the wealth of the average United States citizens, and especially of the farmers, who have obtained unprecedented prices for their crops, is now being reflected in a big demand for pleasure cars, and manufacturers, though they have greatly raised their out-turn, have not yet caught up with demand. In the report of the United States Rubber Company, the greatest United States manufacturing concern, whose total sales for 1918 reached no less than $215,398,425 (say £44,000,000), it is stated that the volume of the business so far this year has been somewhat in excess of the same period of last year, and though a falling off is looked for in certain lines, especially those where war orders were large, the indications are that the volume for the whole year will be satisfactory.

THE R.G.A. REPORT.

THERE are several points of interest to the plantation industry in the 1918 report of the Rubber Growers' Association. The lack of reliable data showing the exact, or even reasonably exact, area planted with rubber in the East has made it difficult hitherto to gauge with any degree of accuracy the prospective production of years ahead. Estimates as close as possible have been made, but they have admittedly been provisional and subject to constant alteration. Last year steps were taken by the Association to induce the Governments concerned to compile and publish statistics, and in December a notification was received that the Colonial Secretary had requested the Governments of Ceylon, Straits Settlements, and Borneo to collect the information asked for in respect of 1918. Presently, therefore, reliable information in regard to rubber acreage in those countries should be available. A statement from the Indian Government shows that at end 1917 in Southern India there were 47,631 acres under rubber, of which 37,510 acres were in tapping; and in Burma 63,567 acres were planted and

27,172 acres in tapping. In regard to the Dutch East Indies fairly close estimates of acreages are available, as little planted area is in small native holdings.

Another subject of interest in the report is the decision of the Press and Propaganda Committee to have the *R.G.A. Bulletin* issued bi-monthly, commencing from July next. On February 3 the Council of the Association passed the following two resolutions:—

(1) That the Output Control Committee be discharged.

(2) That a temporary Committee be appointed to consider and report on the question of a combination in the selling of rubber.

ANNUAL REPORTS ANALYSED.

SEAFIELD (SELANGOR).

Issued Capital: £100,000 in £1 Shares.

	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Bearing Acre	Price Realised	Cost	Net Profit	Dividend Amt.	
	Acres	Acres	lb	lb	per lb.†	per lb.‡	£	£	%
1915 ...	2,336	1,942	852,479	439	2/6⅝	-/10¾	70,209	65,000	65
1916 ...	2,336	2,074	912,600	440	2/6½	-/9½	72,819	65,000	65
1917 ...	2,360	2,075	1,040,515	501	2/4⅝	-/9·8	72,949	55,000	55
1918 ...	2,374	—	800,024	—	2/0⅝	-/10.4	41,602*	38,343	35

* Including £4,259 realised for 1917 crop in excess of valuation.
† London terms. ‡ Actual cost.

Price of Shares, 87s. 6d. Market Capitalisation per planted acre, £180xd.

The strong position of the Seafield Company and the high quality of its estates are very plainly evidenced by the report for 1918. Production was curtailed by more than 20%, and yet the cost was no more than 10.4*d.* per lb. Of course this includes smaller charges for freight and insurance than formerly, because last year much rubber had to be sold f.o.b. the East instead of being delivered in London. Still, a figure so appreciably under 1*s.* per lb. is a very creditable performance with tapping restricted and the whole year's expenditure, as well as £1,000 depreciation allowance, charged against revenue. The price realised for the production, based on London terms, is given as 2*s.* 0⅝*d.* per lb., as compared with 2*s.* 4⅝*d.* in respect of 1917, but in the revenue account "proceeds of rubber, including estimated value of crop unsold," figure for £70,350, which is 1*s.* 9*d.* per lb., and compares with 2*s.* 2*d.* per lb. for 1917. Actually the unsold portion of the 1917 crop realised £4,259 more than the valuation, so that the actual average price of the production of that year was nearly 2*s.* 4*d.* per lb. In view of the improvement in the market since the Armistice it seems probable that a further excess sum will be shown to have been realised above the valuation of the unsold portion of the past year's production. Therefore, we add the excess of 1917 to the 1918 profit, as is the usual custom, and a net profit of £41,602 emerges, as against £72,049 for 1917, the reduction being due, of course, to the restriction of output and the lower price. The crop for this year is estimated to be larger than ever before, viz. 1,100,000 lb., probably with 2,200 acres in bearing and a yield per acre of 500 lb. That alone shows the high quality of the estates, and is in accord with the visiting agent's report, which says "the rubber is looking splendid everywhere and the clearings are growing excellently." When we add the medical officer's testimony to the "remarkably healthy-looking labour force," and note that the balance sheet shows £42,733 of surplus cash resources, irrespective of claim for refund of excess profits duty, the picture of strength is complete. In the circumstances, and having regard to the prospective big increase in the demand for rubber now that the War is over and motor traction everybody's solution of the transport problem, there is no need to wonder that the price of 87*s.* 6*d.* for the £1 shares compares with 3¾ a year ago. Then shareholders had just received a final dividend of 25%; now they are to have 17½%.

DAMANSARA (SELANGOR).

Issued Capital: £105,000 in £1 Shares.

	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Bearing Acre	Price Realised	"All-in" Cost	Net Profit	Dividend Amt.	
	Acres	Acres	lb	lb.	per lb.	per lb.	£	£	%
1915 ...	2,525	1,862	637,966	341	2/6	1/0	49,680	44,625	42½
1916 ...	2,466	1,969	785,159	398	2/5·7	-/11	62,833	57,750	55
1917 ...	2,466	2,000	861,150	430	2/4·1	-/10½	52,463	42,000	40
1918 ...	2,466	2,169	640,882	—	1/10½	-/10·6	33,589	29,400	28

Price of Shares, 82/6. Market Capitalisation per planted acre, £170xd.

Shareholders of the Damansara will no doubt be well satisfied to receive the final dividend of 20% proposed in the report for 1918, making 28% for the year. Last year no final dividend was distributed, but three interim payments aggregating 40% had previously been made on account of 1917. Hence the comparison of the outcome of 1918 with that of the preceding period is a poor one, but really, considering the exceptional circumstances, including restriction of output and at one time the almost total inability to sell rubber except at below cost value, there is ground for satisfaction. Particularly is the maintenance of a low cost of production a good feature. The difference between profit earned and the sum required for the dividends is reserved—£2,500 for income tax in suspense and £1,500 for development and general purposes. The Company has 534 acres of jungle land, and it is hoped to open up a portion of this during the current year. The crop is estimated at 900,000 lb.—larger than previously reached—and altogether the prospects appear to be quite good, presupposing, of course, that the commodity market remains firm. The price of the shares *cum.* final dividend of 20% now declared is 82*s.* 6*d.*, and the market valuation per acre works out at £170. This is a fairly high figure, but then the plantations have been shown capable of giving a very good yield, and cost of production is relatively low.

NEW CROCODILE RIVER (SELANGOR).

Issued Capital: £125,000 in 2/- Shares.
Convertible Deposits: £38,210.
Debentures: £7,600.

	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Bearing Acre	Price Realised	"All-in" Cost	Net Profit	Dividend Amt.*	
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1915 ...	2,269	1,308	362,352	265	2/7½	1/0¾	25,587	16,250	15
1916 ...	2,772	1,912	534,460	279	2/8¼	-/11½	42,405	19,375	20
1917 ...	2,922	1,912	625,070	327	2/6·6	1/1½	34,890	9,375	10
1918 ...	2,940	1,912	494,830	—	2/9½	1/6	20,029	9,375	10

* After deducting income tax.

A year ago, in commenting on this Manchester-directed Company's report for 1917 and the position disclosed by the balance sheet, we surmised that financing arrangements would require to be made. According to the latest statement, covering the operations for 1918, further capital has been raised by way of deposits carrying an option to convert into shares at 4*s.* per share. Consequently, the Company's financial condition is now sound and its resources ample to meet all anticipated demands in connection with the bringing into bearing of the large area—over 1,000 acres—planted since 1913. As regards the profit results of 1918, these compare badly with 1917 and 1916 figures, as is natural in view of the restriction of tapping, the high cost of marketing, and the heavy depreciation allowance, the first of which

HARRISONS & CROSFIELD, LIMITED.

1-4 Great Tower Street, London

Branches.

Colombo. Quilon. Calicut. Cochin.
Calcutta. Kuala Lumpur. Medan. Batavia.
Bandoeng. Kobe. Montreal. Tangier.

Affiliated Companies.

Singapore. Penang. Sandakan. Jesselton.
Shanghai. Moscow. Hankow New York.
Philadelphia. San Francisco. Cape Town. Melbourne.
Sydney. Brisbane. Auckland. Dunedin.
Adelaide. Wellington. Christchurch.

accounts for 3.14*d.* of the 1*s.* 6*d.* all-in cost, and the second for 2.89*d.* Production has been cheap in the past, and will be so again when conditions are once more normal, especially in view of the postponement of tapping young trees and the heavy outlays on extensions, improvements, and new plant. In this connection it is to be noted that expenditure on capital account last year totalled £14,884, of which the depreciation allowance took care of £5,941. Of the profit of £20,029, income tax takes £8,601, and after providing £389 for Debenture interest a balance remains of £11,039. This suffices to maintain the dividend at 10%, with a margin to spare of £1,664, which sum, together with £8,336 from the carry-forward, is placed to reserve, probably to cover unstated liability for excess profits duty.

With normal tapping and easier shipping conditions in the current twelve months a much better showing seems likely to emerge a year hence. No estimate is given of the output of the current period, but as 2,100 acres will be in bearing not far short of 800,000 lb. should be harvested. There seems every likelihood of the cash deposits being converted into shares, and the capital increased accordingly to £144,105. Then the capitalisation per acre planted will be £49; but there are 1,125 acres of reserve and waste land, part of which will be available for further extensions; and, moreover, the Company has a substantial interest in the Ashbourne Estate (Selangor), Limited. With the 2*s.* shares quoted at 4*s.* 10*d.* the prospects seem to be discounted somewhat.

FEDERATED MALAY STATES RUBBER (SELANGOR)—(SOCIÉTÉ ANONYME BELGE).

Issued Capital: Frs. 2,520,450, in 46,513 Ordinary Frs. 50 Shares and 974 Preference Shares of Frs. 200 each.

	Results for Years to May 31								
	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Bearing Acre	Price Realised	Net "All-in" Cost	Net Profit	Dividend Amt.	
	Acres	Acres	lb.	lb.	per lb.	per lb.	Francs	Francs	%
1914-15	4,791	3,477	1,345,158	358	1/11	-/9.9	1,733,400	1,260,000	60
1915-16	4,796	4,181	1,538,982	368	2/6	-/9·2	3,237,394	2,761,520	120
1916-17	5,037	4,360	1,845,000	422	2/4	-/9·5	3,609 899	2,787,720	120
1917-18	5,037	—	1,749,443	—	1/10	1/1·6	1,780,014	1,960,520	80

Before the War Antwerp was one of the principal markets and *entrepôt* ports for the sale and distribution of rubber for Continental consumption, and Belgian interest in the plantation industry was considerable. One of the principal undertakings in which Belgian and French investors have placed their money is the Federated Malay States Rubber Company. It is also one of the oldest of the plantation companies, its earliest field dating back to 1897. For this reason, and as there seems to be a prospect of a market for the shares being made in London when restrictions are removed, interest attaches to the report recently issued, covering the operations of the four years to May 31 last. From the figures above it will be seen that production in 1916-17 reached the high level of 422 lb. per acre, and the net all-in cost of production was only 9½*d.* per lb. That year was one of the best experienced by the Company, the net profit amounting to 3,609,899 francs, or £141,500 at the normal rate of exchange. The capital is only £100,000, mostly in Ordinary shares. Hence the high dividends paid. Shareholders have only recently received the distributions of the past four years owing to the impossibility of rendering the accounts during the German occupation of Belgium. For the year ending next month production is likely to be less than in respect of 1917-18, owing to the Company's adherence to the Rubber Growers' Association scheme. From now onwards tapping will be normal, and it looks as if the output will presently be at the rate of 2,000,000 lb. per annum, produced at an exceptionally low cost. Belgian readers who may hold the Preference shares should note that the right to exchange two of these into one Ordinary share has been extended to November 30 next. As the Preference shares receive only 6% cumulative dividend the exchange is obviously a very attractive one.

SCOTTISH UNION & NATIONAL INSURANCE COMPANY.
ESTABLISHED 1824.
ASSETS Exceed £11,000,000.
FIRE, INCLUDING LOSS OF PROFITS, LIFE, ACCIDENT, ILLNESS, ANNUITIES, PENSIONS, LEASEHOLD, BURGLARY, GLASS BREAKAGE, TRANSIT OF SECURITIES, FIDELITY, PROPERTY OWNERS' RISKS, MOTOR-CAR RISKS, HORSE DRIVING ACCIDENTS, THIRD PARTY, EMPLOYERS' LIABILITY and MARINE
INSURANCES effected on the most favourable terms.
Edinburgh: 35 St. Andrew Square.
London: 5 Walbrook, E.C. 4, & 4 St. James's St., S.W. 1.

BRITISH EQUITABLE
Assurance Company, Limited.
ACCUMULATED FUNDS exceed - - - £1,600,000
SUBSCRIBED CAPITAL - - - - - £300,000
PAID-UP CAPITAL - - - - - - £34,500
The Company transacts the following classes of business:
LIFE, FIRE, ACCIDENT, BURGLARY, EMPLOYERS' LIABILITY AND THIRD PARTY.
Write for particulars of the New Monthly Premium Policy Without Medical Examination
To the Manager—1, 2, & 3 QUEEN STREET PLACE, LONDON, E.C. 4.

Insurance Notes.

LEGAL AND GENERAL LIFE ASSURANCE SOCIETY.

The interest which the annual figures of this important and highly successful life office always evokes is likely to be eclipsed on the occasion of the presentation of its report for 1918 by that necessarily occasioned (1) by a decision of the board to discourage for the present the issue of new participating policies, and (2) by proposals to extend the operations to fire and miscellaneous insurance.

The Legal and General was established in 1836. Its present authorised and subscribed capital amounts to £1,000,000, of which £160,000 is paid up, in 20,000 shares of £50 with £8 paid on each. The Company has a very strong and influential legal connection. Its proprietary and its directorate are restricted to members of the legal profession. The shareholders are entitled, in addition to interest on their own funds, to one-tenth of the divisible profits at successive quinquennial valuations. The business has been very successfully conducted, and the Company's bonus record has hitherto been one of the best in this country. For a long series of years, up to the last valuation date, on December 31, 1916, the reversionary additions to participating policies have been at the exceptionally high compound rate of 38*s.* per cent. per annum. This rate was maintained on the last occasion, notwithstanding the heavy losses which the Company, like all other life offices, had experienced during the last quinquennium from heavy war mortality, depreciation of securities, and increased taxation; and this was done although the valuation was made on the unusually conservative actuarial assumption that the interest earnings in future would be at the rate of only 2½%. The Company has, therefore, hitherto been particularly attractive to new entrants of the participating class, and its business, especially during the last 20 years, has shown very rapid development. In the 15 years from 1901 to 1916 the amount of assurance in force was nearly trebled, rising from about £10,700,000 to about £28,500,000, while the accumulated life and annuity funds were increased from about £3,700,000 to about £11,000,000. The shareholders have felt the benefit of the increased volume of business in enhancement of their dividends, which for the now current quinquennium are at the rate of £1 10s. per share per annum, as compared with £1 4*s.* in the preceding quinquennium, the distribution in both cases being free of income tax

Since 1916 the progress of the Company has been well maintained. In 1917, the first year of the current quinquennium, the net new life business amounted to £1,794,700, as compared with £1,520,718 in 1916, while the life premium income was increased by about £50,000. In 1918 the new life policies amounted to £2,098,506, of which £42,954 was reassured, the net retention thus being £2,055,552, represented by 3,897 new policies. The net life premium income was increased by £46,152 to £1,070,382. In all other respects, looking to the specially adverse conditions with which all life offices have had to contend in the last year of war, the report for 1918 is far from unfavourable. After making a slight adjustment in respect of the annuity section (in which £53,392 was received as consideration for new contracts, while annuities of £131,261 in respect of existing contracts were paid) the expense ratio in 1918 amounted to only about 11% of the premiums, which is below the average in British life offices and is considerably less than the margin of premiums actuarially reserved by the Company for costs and contingencies. The death claims, amounting to £546,915, included claims of £111,829 due to war casualties and of £93,000 due to influenza, and yet the inclusive total was less by about one-sixth of that assumed by the mortality tables employed. Through the year's operations the life assurance fund was increased by £493,817 to £11,567,772. The general account, mainly relating to leasehold or capital redemption assurances, showed a premium income of £40,708 and a relative fund at the close of the year of £389,108. The Company's total assets as shown in the balance sheet on December 31, 1918, amounted to £12,443,329. It is stated in the annual report that, "omitting the amount invested in the purchase of reversionary interests, the Society's funds, productive and unproductive, yielded an average rate of £4 17*s.* per cent. before deduction of income-tax." Interest is apparently not annually credited on the reversionary holdings of the Society; but these are periodically revalued, and it may be assumed that they earn on the average as high a rate of interest as the other assets, of which they seem to represent about one-sixth in value. As the valuation rate of interest assumed in 1916 was only 2½ per cent. the present yield, notwithstanding heavily increased income tax, seems still to show a considerable actuarial profit as compared with the assumption.

Looking to all the circumstances concerned, an investigation of the facts and figures as presented would lead most people to believe that the Society, notwithstanding the period of strain through which it is passing, is as likely to earn good profits for its policyholders as is any life office in the country. But of course a compound bonus of 38*s.* per cent. per annum requires a great deal of living up to, and the directors evidently view the possibilities of maintaining it, unless new sources of profit are tapped, as being beyond reasonable expectation. In a circular bearing the date of the annual meeting, February 25, 1919, the Manager puts the case as follows:—"In view of the very heavy burdens now falling—and likely to fall for many years—upon insurance companies, in the shape of income tax, expenses, depreciation, and in other directions, the directors feel that the future as to bonuses generally must be very uncertain. Consequently, they think it better for the present to discourage policies under the with-profit tables, and strongly advocate in their place assurances under non-profit tables, where maximum insurance protection is given at minimum cost and the contracts contain guaranteed benefits throughout."

This pronouncement gives much material for thought as regards not only the Legal and General, but every other life office in the country. It calls attention to the effect which the high rate of income tax, as we think inequitably, applied to life offices has upon the combined accumulations of policyholders, the great majority of whom are personally assessable to lower rates of tax in their individual capacity. It seems likely the other life offices will follow the lead of the Legal and General Company in this respect; and, of course, in the case of non-participating policies the question of tax is also important, and it may be questioned whether it will not ultimately be found necessary to generally increase premium rates for these classes.

It is mainly with the view of assisting the maintenance of the present standard of bonus on existing participating policies that the Society apparently has decided, with the consent of its shareholders and policyholders, to extend its business to fire and other descriptions of insurance business. In a review last week of the position and accounts of the Prudential Assurance Company we pointed out that that great institution had decided to take a similar step. The Legal and General is not alone amongst ordinary life offices, apart from those like the Prudential, that also transact industrial life business, in seeking this fresh development. Through its gigantic agency organisation, which comes into contact with the masses of the working-class population, the Prudential has great facilities for so doing. And as regards the middle and professional classes, the Legal and General, with its wide and influential legal connection, is somewhat similarly situated. It must be remembered that fire and other descriptions of insurance applicable to the needs of householders are highly payable propositions if they can be obtained in quantity, and it is primarily to these kinds of business that we may expect that the energies of both the Prudential and the Legal and General companies, in fields which especially appeal to them owing to the nature of their existing business, will be mainly directed outside those which they have hitherto cultivated.

The intention of the Legal and General Company appears to be that the participating policyholders shall share to the extent of nine-tenths of the profits of the proposed new general insurance departments up to a point which will admit the maintenance of their bonuses at a compound rate of 38*s.* per cent. per annum, as declared at the last and a number of preceding investigations.

The new movement towards transacting all classes of insurance business under one roof is a striking feature of modern developments in this branch of commercial activity.

"Railway Reorganisation." By "A Railway Officer." Price 6*s.* 6*d.* net. (London: E. and F. N. Spon, Limited, 57 Haymarket, S.W.1.) This is a study of possibilities of staff reorganisation and economical working, with a tabular analysis of all British railway costs, based on Board of Trade returns for the year 1913, and appendices dealing with flat rates, utilisation of railway rolling-stock, and average haul of merchandise and minerals. The "Railway Officer" finds "that the whole problem is amongst the most difficult conceivable, and it is further complicated by the addition to the 33 millions sterling—now 47 millions—of another large sum as a consequence of the demand for an eight-hour day."

The February number of the Official Organ of the British Chamber of Commerce of Sao Paulo gives the trade figures of Brazil for 1918. During that year Brazil imported goods to the value of 53¾ millions sterling, which compares with 44½ millions in the preceding year, an increase of 8¾ millions sterling. The volume of goods imported last year amounted to 1,736,000 metric tons, as against 1,986,000 metric tons in the preceding year, a decrease of 250,000 tons. The exports of Brazil in 1918 amounted in volume to 1,772,000 tons, of a value of a little over 61 millions sterling. This compares with a volume of 2,017,000 metric tons, valued at a little over 63 millions sterling, in 1917. There was thus a decrease in quantity of 245,000 metric tons, and in value of £1,863,000.

Life Assurance at Minimum Rates.

A
PLAN of ASSURANCE
SPECIALLY ADAPTED
for PRESENT TIMES.

For particulars address the

GRESHAM LIFE ASSURANCE
SOCIETY, LIMITED,
ST. MILDRED'S HOUSE, POULTRY, E.C. 2
Founded 1848. Funds £10,500,000.

THE GRESHAM FIRE & ACCIDENT INSURANCE SOCIETY, LIMITED.
Transacts all classes of Fire and Accident Business.
Chief Office: St. Mildred's House, Poultry, London, E.C. 2.

HEAD OFFICES: LIVERPOOL AND LONDON
ROYAL
INSURANCE COMPANY, LIMITED
ALL CLASSES OF INSURANCE EFFECTED

COMMERCIAL UNION
ASSURANCE COMPANY, LIMITED.
Head Office: 24/5/6 CORNHILL, LONDON, E.C. 3.
Total Assets (Including Life Funds)—£31,801,986.

Commercial.

WOOL.

RAW MATERIAL.

At the time of the wool shortage during the recent War the Contract Department of the War Office had a calculation made of the sources of supply from which the world's wool is derived, and this estimate shows that the British Empire supplies more than two-thirds of the total quantity of wools consumed in the international markets of the world, while just under one-third of the consumption was supplied by the fleeces of South America. It has to be remembered that the domestic clip of nearly all European States, including ourselves—although we are for our restricted area, population, and multiplicity of industries, sheep breeders on a large scale—is still inadequate for the consumption of the various countries. This is, of course, equally true of the United States of North America; consequently the question arises, Upon what region of the earth is the world to depend for its supply of wool? According to the estimates made by the Contract Department of the War Office during the recent War, the British Empire is in an eminently satisfactory position as the source of supply of wool. The manufacture of woollen and worsted fabrics is one of the great primal industries of this country, just as the manufacture of cotton fabrics in Lancashire is. There is this difference between the cotton and woollen industries: While we, as an Empire, are the great source of supply for wool, we only manufacture and distribute manufactures of a small proportion of the wool we produce. Taken as an Empire, we produce very little cotton, but we handle the bulk of the world's supply of the finer counts of this fabric. Nearly the whole of Europe, as well as the United States of America, sent buyers to our wool sales in the period that preceded the recent War. According to recently issued reports on the textile trades, the world's total production of wool is estimated at 2,800,000 lb. weight, divided as to 1,000 million lb. merino, 1,000 million lb. crossbred, and 800 million lb. rough or carpet wool.

According to the estimate made in 1915, the British Empire produced almost two-thirds of the world's total production of merino wool, 40% of all crossbred wools, something more than 9% of the rough or carpet wools. The only important producers of merino other than the British Empire were the United States of North America and the Dominion of Canada. The most important producer of crossbred wool next to ourselves, who produced about one-third of the total clip, were the various States of South America; while the country which produced before the War the preponderating proportion—more than 40%,—of rough or carpet wool was the late Russian Empire. Of merino, it will be seen that the British Empire produces 85%, while the various other countries produce some 15%. Of crossbred, the British Empire produces 46% and South America 54%. Fine merino wools are almost the monopoly of the British Empire. These wools are essential in the production of fine dress goods, and it would not be possible to substitute other wools for them, except under conditions of production such as exist within the British Empire. This is a highly satisfactory condition as far as it goes; and, as we showed recently, there is room for expansion in the sheep-breeding industry in the Commonwealth of Australia, where the area of the country is enormous and the population small and the total sheep population is only about three times that of the United Kingdom. Practically the whole of the plant used in the woollen and worsted industry is of British manufacture. In a few cases foreign machines are used, and in the dyeing industry continental machinery is used, but in the woollen and worsted trades it is almost wholly British.

The machine shops are situated as a rule in the textile-manufacturing districts, and the proximity of manufacturer and machinist has been of the greatest advantage to both. The woollen and worsted plant in this country in use appears to be fairly up to date. In consequence of the shortage of labour and the employment of machine shops on munition work it has been very difficult to obtain renewals, and practically impossible to secure new machinery except for military purposes, during the last two years and as a result many plants will require overhauling as soon as an opportunity presents itself.

The woollen trade of the country is mainly financed by British banks, and, as far as we can learn, the trade has very little to complain of from the financial side. There is very little trouble in financing bills or in the collection of money from abroad.

According to the return issued by the Census of Production in 1907, the number of people employed in the woollen, worsted, and shoddy trades was 261,192, of whom 108,838 were males and 152,354 were females.

INDIAN TRADE.—II.

We have before us a report entitled "Review of the Trade of India" in 1917-18, published at the Government Printing Office at Calcutta.

The imports of merchandise were approximately the same in value as in the preceding year. The value of the overseas trade in the year ending March 31, 1918, was nearly 393 crores of rupees, or £262,000,000 sterling, as against 395 crores, or £263,000,000, in the previous year, and 370 crores, or £247,000,000, the pre-War average. Imports of merchandise as compared with the pre-War quinquennium showed an increase in value of 3%, exports of 6%, and re-exports, owing to the scarcity of shipping, of no less than 97%. The increase in the net imports in the year under review as compared with the previous year was mainly due to larger imports of gold. The net imports of treasure on Government account in 1917-18 were also higher than those in the previous year. The net imports of gold, the absorption of gold during the quinquennium ended March 31, 1918, amounting to £54,000,000, were more than one-half of

the world's yearly production, while the net imports of silver were in this quinquennium nearly twice the world's annual production.

As was the case in nearly every country in the world, during the prolonged period of the War trade increased in India enormously if we measure it in purely money value; but the reader will readily believe that in India, as everywhere in a prolonged period of war, there was no real economic and permanent development. On the contrary, while the Allies obtained certain raw materials which India happened to be in a position to produce upon a great scale, the Indian population found it increasingly difficult—as was the case in other lands—to obtain those articles which the population had been for a long period accustomed to consume.

The figures of the report referred to show, as was to be expected, that the effect of the rising prices during 1917-18 was more marked in regard to imports than exports. The imports of 1917-18 were valued at 150 crores of rupees, an increase of 79 lacs of rupees over 1916-17; but when the prices of the latter year are applied the value is reduced to 122 crores of rupees, thus showing an increase in the import trade on account of higher prices of 28 crores, or 23%. If quantity is taken, by comparing the value of the year's trade re-calculated at prices of 1916-17 with the actual of the trade in 1916-17, the figures reveal a decrease of nearly 27 crores of rupees, or 18% in the volume of the import trade. Indian importers had to pay 23% more in order to get 18% less.

Regarding exports, the actual declared value in 1917-18 was 233 crores of rupees, while the value calculated at the prices of the previous year was 216 crores of rupees, or, in other words, there was a gain of 17 crores, or 8%, on account of higher prices. The volume of the exports, however, showed a decrease of 21 crores, or 9%. It will be remembered that the season 1917-18 was one of a good monsoon, and that it was possible to export considerable quantities of articles suitable for making munitions of war to this country and to our Allies. As compared with the pre-War period the quantities and values of the exports of food grains, especially wheat, barley, and gram, jute manufactures, tea, and tanned hides, considerably increased.

The total value of food grains exported amounted to nearly 54 crores, or £36,000,000, as against 46 crores, or over £30,000,000, the pre-War average. Jute manufactures, mainly gunny bags and cloth, were valued at approximately 43 crores, or £29,000,000, in 1917-18, as against 20 crores, or £13,000,000, in the pre-War quinquennium; tea at nearly 18 crores, or £12,000,000, as against 13 crores, or £9,000,000; and tanned hides at 5 crores, or £3,000,000, as against 1½ crores, or £1,000,000. The most noticeable changes, as compared with the pre-War years 1913-14, were the increase in the imports of fuel-oil, petrol, coconut oil, copra, cigarettes, coffee, and tea; and the decreases in sulphuric acid, aniline dyes, metals, motor cars, kerosene oil, paper, wood pulp, provisions, salt, railway materials, and cotton and woollen goods.

The value of imports into India rose to a much greater extent than did exports. The average price of 63 articles of import, based on the declared values, increased 24% as compared with the previous year, while the average price of 50 articles of export rose only 7%. The increase in the average price of these articles of import and export as compared with the pre-War year will be seen from the following index-numbers:—

	1913-14	1914-15	1915-16	1916-17	1917-18
Imports ...	100	101	126	170	211
Exports ...	100	102	103	117	125

The wholesale prices of country produce in the principal markets throughout India at the end of March 1918, as compared with the corresponding period of 1917, show that raw cotton rose no less than 86%, sesamum seed 32%, rape seed 11%, and food grains 16%. In raw jute, owing to the prohibition of export,

"£1,500,000,000"

SOMETHING like a breathless pause is upon the world of finance and business, and this will last until Wednesday next—"Budget Day." Mr. Austen Chamberlain has to raise fifteen hundred million pounds. How he is going to do it, who will be hit, and to what extent, are the questions asked by those who have to pay.

A remarkable feature of to-morrow's *Weekly Dispatch* is a Budget causerie by a number of well-known financial experts and public men on how the money should—and could—be raised.

In addition "Secret History of the Week" will contain some most interesting details of the sources from which Mr. Chamberlain has been seeking expert advice. Ask a newsagent to reserve for you a copy of to-morrow's

Weekly Dispatch

BEST OF THE BATCH.

there was a fall of 30%. As compared with the level of prices at the end of March 1914 raw cotton showed an increase of 150% and food grains 13%; while raw jute showed a decrease of 44%, linseed 10%, and rape-seed 12%. Retail prices of the principal articles of food rose to a much less extent than in most countries. A high level of prices prevailed for imported articles, especially cotton piece-goods, kerosene oil, and salt. Imports of cotton piece-goods decreased by 20% compared with the previous year, and 41% compared with pre-War prices. The index-number of wholesale prices in Calcutta at the end of March 1918 was 22% above the level of March 1917, and 76% above that at the outbreak of the War in July 1914.

The general level of retail prices, mainly food grains, salt, milk, ghee, sugar, and vegetables, as well as kerosene oil, which so largely enter into the budget of an Indian family, were, roughly, 1% higher when compared with the corresponding period of the preceding year; but they showed an advance in prices of approximately 20% when compared with the years that preceded the outbreak of the recent War.

MONTE VIDEO WATER WORKS.

Issued Capital: £850,000, in £20 Shares, Debenture Stock £200,000 5% First, £150,000 5% Second and £150,000 5% Consolidated.

Year	Net Revenue	Profit or Exchg.	Income & Excess Profits Tax	Net Profit*	Deb. Int.	Ord. Div. £	Ord. Div. %	Reserves	Carry-forwd.	Surplus Liquid Assets†
	£	£	£	£	£	£		£	£	£
1914	117,687	—	2,724	112,451	20,925	68,000	8	22,000	55,384	145,050
1915	117,605	2,988	4,049	116,119	25,000	68,000	8	22,000	56,644	124,633
1916	130,719	5,329	7,258	134,140	25,000	68,000	8	32,500	65,184	107,614
1917	128,771	14,857	20,252	128,282	25,000	68,000	8	32,500	67,963	105,810
1918	131,799	28,714	41,942	125,331	25,000	68,000	8	32,500	67,847	146,021

* After deducting taxes, depreciation, and Deb. issue expenses written off and including income from investments, &c.
† Excluding value of fittings, stores, &c. (£121 346 at Dec. 31, 1918.

Despite having to bear much heavier British taxation in the last few years the Monte Video Water Works Company has been able to maintain its Ordinary dividend at 8% with an increasingly comfortable surplus over. In respect of 1918 the net revenue was little more than in 1916 and 1917, but there was again a substantial jump in profit on exchange to £28,714. The whole of this, however, is estimated to be required for excess profits duty in addition to £13,228 for income tax. For 1917 taxation required only about half as much. Hence the net profit for 1918 comes out at slightly under the 1917 figure. However, it is possible to pay the same amounts for Debenture interest and dividends, and to allocate the same sum to reserves with only a very small encroachment upon the carry-forward. Expenditure on capital account was less than contributions by consumers, and in consequence of this and a decline of £4,000 in value of fittings and stores, the balance sheet shows an increase of £39,000 in the surplus liquid assets. The financial position is strong and the outlook appears to be good. The reserve fund is now £290,000 and the depreciation fund £70,500. It is proposed to capitalise £106,250 of the reserve and to issue 106,250 Ordinary shares to existing holders in the proportion of one new share for every five held. Security prices and yields are as follows:

	1st Debs.	2nd Debs.	Consol. Debs.	Ord. Shares
Price	80½	79½	79½	£5½xd
Yield	£6 4s.	6½%	6½%	6½%

"The Tenants' Emergency Charter under the Rent Restriction Acts." (London: Oliver and Boyd.) Price 7*d*. The great majority of both tenants and landlords are vitally interested to understand the new Act and to see how it, taken along with the previous Acts, affects them. This pamphlet, which sets the whole legislation in popular language, is therefore assured of a wide circulation.

LLOYDS BANK LIMITED,

with which is amalgamated

THE CAPITAL & COUNTIES BANK, LTD.

HEAD OFFICE: 71, LOMBARD ST., E.C. 3.

OVER 1,300 OFFICES IN ENGLAND AND WALES.

AFFILIATED BANKS:

THE NATIONAL BANK OF SCOTLAND, LIMITED.
Head Office: EDINBURGH.
124 Branches in the principal Cities and places in Scotland.

THE LONDON AND RIVER PLATE BANK, LIMITED.
Head Office: 7, PRINCES STREET, E.C. 2.
30 Branches in Argentina, Brazil, &c., Paris, New York and Lisbon.

FRENCH AUXILIARY:

LLOYDS BANK (FRANCE) AND NATIONAL PROVINCIAL BANK (FRANCE) LTD.

Industrial Companies.

W. & T. HENLEY'S TELEGRAPH WORKS CO.

Issued Capital: £600,000, in 40,000 4½% Cumulative Pref. £5 Shares, and 400,000 Ord. £1 Shares.
Debentures: £150,000 4½% First Mortgage.

Year to Dec. 31	Net Income†	Depreciatn.	Deb. & Pref. Int.	Ord. Div. £	Ord. Div. %	Added to Reserve	Total Carry-forwd.	Stocks	Surplus Liquid Assets*
	£	£	£	£	%	£	£	£	£
1914	116,576	16,794	15,750	40,770	20 38	30,000	69,420	221,702	205,315
1915	158,834	41,950	15,750	50,000	25	39,680	55,264	267,981	148,395
1916	155,495	59,916	15,750	50,000	25	37,650	69,730	295,636	171,714
1917	235,950	66,332	15,750	50 000	25	32,801	112,042	244,496	325,966
1918	190,637	45,822	15,750	60,000‡	15‡	32,500	122,009	229,809	425,225

* Excluding stock and including investment in subsidiary companies.
† After provision for special taxation, but not income tax, amounting to £3,677 in 1914, £5,110 in 1915, £17,713 in 1916, £28,755 in 1917, and £36,586 in 1918.
‡ Capital increased in 1918 by distribution of bonus shares.

Though it is not possible to say with confidence that this Company did less well last year than in 1917, the figures in the accounts seem to justify such a conclusion, as the net income amounted to £190,637, against £235,950. The difference, however, was probably not so appreciable as this, for the balance is struck after provision for bad debts, contingencies, and special taxation of unspecified amount; and, moreover, the profitable tyre-manufacturing business of the Company was transferred to a separate concern as from August 1 last, and consequently the 1918 profit includes only seven months' revenue from this source. The depreciation allowance is reduced from £66,332 to £45,822, but then the expenditure on capital account was £5,400 less at £36,916. Income tax calls for £36,586, against £28,755, and the profit available for payment of interest and dividends comes out at £108,325, in comparison with £130,863. Debenture interest of £6,750 is thus covered nearly 16 times, and the Preference dividend 12½ times. Last year the Ordinary share capital was raised from £200,000 to £400,000 by the distribution of a share-for-share bonus, and it is not, therefore, possible to maintain the same rate of dividend. However, the Ordinary shareholders really receive more, for £60.000 is distributed to them in the shape of a total of 15% in dividends, including 12½% final now declared, whereas for 1917 £50,000, or 25%, was paid on half the present Ordinary capital. But then not only was £32,801 placed to reserve—about the same as in respect of the past year—but also £42,000 was added to the carry-forward, whereas the latest addition is £10,000. The amount of the carry-forward, viz. £122,009, is large, representing as it does the equivalent of two years' Ordinary dividend,

and while the value of stock shows a decrease of £14,600, the surplus of liquid assets over current liabilities shows an expansion on the year from £323,566 to £425,000. These last two movements are largely attributable to the transfer of the rubber-tyre business to a new concern entirely owned by Henley's and represented in the parent Company's balance sheet by 200,000 £1 shares, 14*s.* per share paid. In addition, the increases in the reserve and carry-forward have had effect, as also have the heavy depreciation allowances made for special war-work machinery and for postponed repairs of machinery and plant found impossible to carry out during the War. It is very evident that the Company is in a strong position, and with great arrears of peace work to be overtaken the prospects appear to be excellent. The reserve account, despite the capitalisation of £200,000 last year, stands at £130,000, irrespective of special reserves of £12,634 and staff pension fund, to which £42,500 has been allocated in the last four years. The following shows the prices and yields of the Company's securities:—

	4½% Deb Stock	4½% Cum. Pref.	Ord. Shares
Price	82	4	2¾
Yield	5 48%	5¼%	6½%

BRITISH AND ARGENTINE MEAT CO., LTD.

Issued Capital: £1,452,899, in 449,500 6% Cum. and Participating Pref. £1 Shares and 1,002,899 Ord. £1 Shares.

Debentures: £47,573 5% First and £517,516 6% Second Debenture stock.

Year	Net Income*	Depreciation	Deb. Service	Pref. Div.	Ord. Div.	%	Added to Reserve, &c.	Amount of Carry-forward	Stocks†	Surplus Liquid Assets‡
	£	£	£	£	£		£	£	£	£
1914 ..	67,287*	—	24,604	26,970	Nil	—	—	15,714	464,740	59,364(a)
1915 ..	375,263*	40,000	69,439	38,208	125,403	10	115,000	2,830	574,996	59,370
1916 ..	405,832*	57,000	67,552	38,208	125,362	10	115,000	9,539	733,909	317,895(a)
1917 ..	444,313*	70,000	65,715	38,208	125,362	10	140,000	14,568	398,656	10,959(a)
1918 ..	434,163*	70,000	63,305	38,208	125,362	10	140,000	11,857	328,470	376,453

(*a*) Deficiency. * After providing for all taxation.
† Excluding stocks of Las Palmas Produce Company.
‡ Excluding British stocks, and stocks and cash assets of Produce Company, aggregating £974,342 at December 31, 1918, against £1,038,155 at end 1917.

How greatly this Anglo-Argentine meat producing and retailing Company has improved its position in the last four years is only partially disclosed by the figures in the above table, and it requires a little elaboration of the accounts to bring forth the whole picture of strength. The net income for 1918, after deduction of taxation, only just failed to reach the high-water mark of 1917, but probably if the amount of income tax and excess profits duty were stated it would be shown that there was no diminution in prosperity at all. The dividend distributions are maintained at 8½% on the Preference and 10% on the Ordinary capital, while £140,000 is again placed to reserve and benevolent or pensions funds. The reserve fund now amounts to £450,000, against nothing at the end of 1914, and the benevolent and pension funds, which are not included in the balance sheet, have been built up to £29,486 and £46,583 respectively. The carry-forward is not much altered, but the financial position shows a vast improvement. These stocks, from the very high level of 1916, have been reduced 55% to £328,470, and the English Company's surplus cash resources, excluding stocks both at home and abroad, amounted at December 31 last to £376,453 against previous deficits. But that is not all. Thanks to the liberal depreciation allowances, the value of fixed assets at home, despite additional outlays, have been written down in four years from £244,738 to £187,432, while the value of property, land, buildings, machinery, &c., in the River Plate has been raised from £1,486,433 to £1,615,608, and stocks, cash, and other floating assets in the Argentine, less current liabilities, have risen from £252,617 to £645,872. The net profit of 1918, after liberal depreciation allowance and provision for Debenture service, including redemption, covers the Preference dividend of 8½% eight times, and the Ordinary dividend of 10% was earned twice over. Stocks held in this country are low now, and with market prices declining and shipping rates falling that may be looked upon as a good feature. Meat for the civilian population has been rationed, and the bulk of the Company's business in the last few years has been done on Government account. Perhaps before normal conditions quite return there may be some dislocation in the business, but Europe's cattle stocks have been so greatly depleted that the demand for meat seems certain greatly to exceed the supply. If that is so, and there is the natural corrollary of maintenance of high prices, the Company's prosperity should continue at a high level. The Cumulative and Participating Preference shares are quoted at 23*s.* 9*d.*, and the Ordinary shares at 27*s.*

BARROW HÆMATITE STEEL.

Issued Capital: £916,965, in 140,000 Ord. Shares of £4 10s., 377 First Pref. Shares of £45, and 50,000 Second Pref. Shares of £4 10s.

Debentures: £600,000 of 5% tax-free First Deb. Stock and £314,050 of 6% Stock.

Year	Net Profit*	Deb. Int.	Pref. Divs.	Ord. Div.	%	Reserve	Carry-forward	Stocks	Surplus Liquid Assets‡
	£	£	£	£		£	£	£	£
1914 ...	17,518	15,896	2,262	Nil	—	—	14,735	292,639	179,144
1915 ...	76,377	16,695	32,262†	Nil	—	25,000	17,155	295,162	224,426
1916 ...	218,098	17,471	17,262	Nil	—	75,000	125,520	312,507	321,784
1917 ...	294,815	17,362	22,887	33,750	5	125,000	221,336	337,742	349,300
1918 ...	217,146	18,058	22,887	33,750	5	150,000	213,787	400,843	304,665

* After providing for taxation.
† Arrears paid up on Second Preference shares.
‡ Excluding stocks, but including interests in other companies (£236,778 at December 31, 1918).

Last year was not such a good one as its predecessor for this Company, or at any rate that would appear to be the correct conclusion to draw from the figures in the accounts, though one is bound to qualify this in view of the fact that taxation of unspecified amounts are deducted before arriving at the gross profit. However, the net revenue suffices to cover Debenture interest ten times, while the Preference dividend is also covered ten times and the Ordinary distribution five times. That the dividend to ordinary shareholders is only maintained at 5% is attributable to provision having to be made out of profits for capital expenditure on plant and further payment for shares acquired in the Ullcoats Mining Company. For the past three years capital expenditure has aggregated £378,000. Yet in the same period the value of stocks has increased by £107,000, and the surplus liquid assets have risen £80,000. This, of course, has been made possible by the setting aside of profits to the amount of £350,000 to reserve and £196,000 added to the carry forward. Apart from these allocations no special depreciation appears to have been allowed for. In January this year £600,000 of 5% tax free first Debentures stock was issued and the employment of this in the business should have the effect of increasing earnings and so enabling a larger margin of profit to be earned for Ordinary dividends. Much depends, of course, upon the state of trade, but with the plant and extensions and improvements of recent years the Company should now be in a position to work with greater efficiency and despatch than formerly, provided, of course, labour is contented. The arrears of peace work requiring steel manufactures seem likely to make for maintenance of prosperity in the Company's business. The 5% tax free Debentures are quoted at 104 and the Ordinary shares (£4 10*s.*) at 95*s.*

Otis Steel.—Until the report for 1918 is available, which it will be in a few days, it is not possible to gauge correctly the position of the Company and the merits of the offer of purchasing the Common and Preferred stocks, to which we referred in our Stock Exchange notes last week. One point which has attracted attention is the proviso that the proceeds of sale at 120 for the Preferred Stock and 210 for the Common will be subject to a deduction of 1% on the purchase consideration to furnish a fund for remunerating the Stockholders' Committee and the Industrial and General Trust for their services and to meet expenses. As the Preferred capital issued is $2,715,100 and the outstanding amount of Common shares is $4,408,000, the total deduction will be about $132,714, or, say, £27,000.

[*New Issue notices appear on page* 770.]

AMERICAN INTERNATIONAL CORPORATION.

120 BROADWAY, NEW YORK.
LONDON REPRESENTATIVE: MR. J. GRANT FORBES, 18 BIRCHIN LANE, LOMBARD STREET, E.C. 3.

REPORT OF THE PRESIDENT TO THE STOCKHOLDERS AT THE ANNUAL MEETING, April 2, 1919.

To the Stockholders of the American International Corporation:

During the year 1918 great changes, social, political, and economic, took place throughout the world.

In this country the year began with a concentration of effort in every branch of war industry, on maximum accomplishment in minimum time, irrespective of cost. It closed with an almost equal concentration upon an effort to readjust affairs on a normal basis of output with maximum efficiency and minimum cost.

The business men of the United States showed throughout the war a spirit of loyal co-operation combined with resourcefulness, efficiency, and self-sacrifice, which demonstrated the real strength of the nation and contributed much toward making possible our military victory. The working men and women throughout the country showed an adaptability in undertaking new pursuits and inexhaustible energy and self-denial in performing the work demanded by the emergency.

It is hoped that the coming year will show an improvement under peace conditions in the general efficiency of labour. The War proved to the working man that he can obtain a high return from real accomplishment and the great majority of labour is too wise not to see the economic falsity of idling. Efficient production is the price of prosperity—both for labour and for capital. If we can increase efficient production, we may look forward to returning prosperity after the period of readjustment has been passed, and we may feel confident that America will hold her own in competition with the world.

During the greater part of this year the effort of your Corporation was devoted almost entirely to war work, but since the armistice was signed on November 11, normal business has been resumed as far as practicable. Founded primarily for foreign business, three years' experience has shown to the Corporation the necessity of an association with domestic interests to enable it to develop effectively international investment and trade.

The charter of your Corporation provides for a very wide field of activity. It would permit it to undertake almost any business that it might desire, but, for the purpose of getting the best organisation with a high concentration of effort upon each undertaking, it has been the policy of its management to carry on a large part of the business through subsidiary companies which confine themselves exclusively to the particular business for which they are organised.

The entire business of the American International Corporation falls into five principal groups :—

Group I. Participations in foreign or domestic corporations doing foreign business. This group includes investments in the securities of corporations whose activities are in accord with the purposes for which your Corporation was formed. Such securities may be permanently held for income or may eventually be sold. Investments are not made with a view of immediate resale, and the Company does not buy and sell securities for speculative profit. The Corporation exercises no control and assumes no responsibility for management of the corporations whose securities are included in the investment group.

Group II. Proprietary and controlled companies in which the Corporation owns all or a majority of the capital stock. In these companies your Corporation exercises its right in the appointment of directors, officers and staff and in the direction of its general policies. Each of these sub-companies operates independently of the others and has its own organisation, both domestic and foreign, responsible to its president and board of directors.

Group III. Development undertakings, governmental or private, at home or abroad. Such undertakings usually involve both the purchase of securities to provide the funds for carrying out the work and the supervision of the work during its progress.

Group IV. Departmental business conducted directly by the Corporation in its own name either in the United States or abroad. In this group are included also research, supervisory and consulting departments, which do not necessarily return a direct profit, but which form an essential part of the organisation.

Group V. Foreign Offices and representation in foreign corporations organised jointly with interests in foreign countries for the purpose of studying business opportunities there.

The *participations* group is substantially of the same character as it was a year ago. We still hold an interest in the International Mercantile Marine Company, the United Fruit Company, the United States Industrial Alcohol Company, and the United States Rubber Company, and these securities have shown a satisfactory return during the year.

The New York Shipbuilding Corporation has been called upon to play an important part in the Governmental shipbuilding programme in the construction of naval and merchant craft. The yard now contains twenty-eight ways and is one of the largest and most complete plants in the world. Improved accommodations for workmen have been provided by the construction of a model workmen's community known as York Ship Village.

The Pacific Mail Steamship Company operated a number of requisitioned vessels for account of the United States Government in addition to those of its own fleet. The Company is making every effort to assist in the establishment of a permanent American merchant marine and in the building up of a trained personnel, which will be available for the operation of merchant vessels for the carrying trade in time of peace and as supply units of the battle fleet in case of war.

Our investment in the Bonds of the International Products Company remains unchanged, and the improvements for which the Bonds were issued have been substantially completed. The quebracho plant in Paraguay is in operation, and the meat-canning equipment has recently been put into service.

Among the proprietary and controlled companies, those which are engaged in foreign trade have had considerable difficulty during the year on account of the various trade restrictions, such as export licences, lack of shipping space, and foreign taxes; but on the whole a good showing has been made. The sales of the Machinery Export Department have been very satisfactory, and at the same time a broad foundation has been laid for future operations. The scope of these companies has been extended to China and Japan by the acquisition of the Horne Company, Limited, which succeeds to the business of the well-established concern of F. W. Horne and Company of Tokyo, giving a chain of extremely important connections in the Orient, and the organisation of the Allied Machinery Company d'Italia, strengthens the affiliations which had been established in Europe. Agents have been sent to many countries of the world and the Allied Machinery Company of America, through its selling subsidiaries, operates twenty-eight branches in eleven countries.

The American International Steel Corporation is likewise pursuing a policy of preparation for the future, and has established connections in Europe, South America, and the Far East.

G. Amsinck and Company, Inc., has been undergoing a systematic Americanisation, and has established a number of new branches. Its sales have in the past been made mainly in South America, but the scope of its work will shortly be increased to take in a much broader territory.

We have purchased during the year the balance of the stock of Carter-Macy and Company, Inc., and now own the entire corporation. It has developed an important market for tea in South America, and is now represented by either a selling agency or a branch in every continent of the world.

The American Balsa Company, Inc., has confined itself during the period of the War to the manufacture of life-saving equipment for the Navy Department and for the Emergency Fleet Corporation. The cessation of the War has made available a greater supply of balsa wood and a most

promising field is being opened up for its use as an insulating medium in refrigerating installations of all kinds.

We have purchased during the year the balance of the stock of Rosin and Turpentine Export Company, and now own the entire corporation. It has shown very satisfactory results on account of the high prices which have obtained during the past year in the market for naval stores, and has been able to furnish a large amount of these materials to the Allies for use in the manufacture of war equipment.

The most important enterprise carried on by your Corporation during the year was the construction of ships for the Government by the American International Shipbuilding Corporation at Hog Island. The successful completion of this plant—the largest in the world—in a phenomenally short space of time, under weather and labour conditions heretofore unknown, is an accomplishment of which the stockholders, directors and officers of the American International Corporation and the organisations and individuals associated with them may well be proud. It was an undertaking of unprecedented difficulty, and many well-informed people considered it impossible to construct and operate a plant fabricating ships on the scale proposed. This yard, however, was completed for operating purposes within 12 months from the date the contract was signed, and by the end of the year three ships had been delivered and accepted by the Government, ten were being outfitted in the basin, and 50 were on the ways, many of them nearly ready to be launched.

In common with all other industries operating under war conditions, Hog Island suffered, immediately after the signing of the armistice, from difficulty in obtaining labour, and production was considerably reduced. At present conditions are much improved, and the desired rate of production is now being approached.

Quantity production of fabricated ships has been proved practical. The principles of design and construction adopted during the War as the only way in which vessels could be built in the wholesale quantities demanded are applicable in times of peace, and will be of great importance in reducing the cost of construction of vessels in America. The ships built at Hog Island have received the highest rating both from Lloyds and the American Bureau of Shipping. They are so well constructed in every respect that no difficulties nor delays of any kind have been incurred in the operation of any of them since their delivery, and operators, to whom they have been assigned by the Emergency Fleet Corporation, have expressed great satisfaction and are asking for more of the same type. They are performing admirably their service in carrying American goods to foreign ports and have fulfilled every expectation.

By early March seven ships had been put in service. The *Quistconck*, sailing from New Orleans, has passed Gibraltar *en route* for Genoa with a miscellaneous cargo of cotton, tobacco, and metals; the *Saccarappa* has arrived at Rio de Janeiro, Brazil, with coal; the *Sacandaga* is carrying general merchandise to the West Coast of South America; the *Sac City* has reached Montevideo, Uruguay, with coal; while the *Saguache* with like cargo passed through the Panama Canal bound for Chile. The *Prusa* and the *Sapinero* have sailed from Philadelphia with food for Europe.

New development undertakings have been postponed during the War because of the restricted market for securities. The construction of waterworks and sewers in Uruguay has been completed during the year. The transaction has now been liquidated by the purchase by the Uruguayan Government of the bonds which we received in payment for the work. The net result has been most satisfactory, as the work was completed well within schedule time and at a cost which showed a good profit. The Government of Uruguay and the governments of the cities in which the work was done have expressed themselves as much pleased, and it stands to-day a highly creditable example of American engineering. The favourable trade balance which was built up by Uruguay during the War and the consequent appreciation of the Uruguayan peso made the refunding of these external obligations through the sale of internal bonds a profitable piece of business to the Republic.

The departmental work of the American International Corporation is now well organised.

The research department has been engaged not only in the study of the many specific propositions which have been submitted to us from all parts of the world, but also in a systematic investigation of world conditions and economic and social problems. It has prepared a mass of information of great value, and through our foreign representatives we have brought together in our library a very complete collection of publications bearing upon matters in which we are interested.

The chartering department has handled successfully the chartering of a number of vessels, and through its activities we are able to keep in touch from day to day with the intricacies of the shipping situation.

Our foreign representatives have continued during the past year to strengthen the friendly relations of the Corporation abroad, and have rendered it valuable assistance through their intimate knowledge of conditions in the countries in which they are established.

We have recently completed the organisation in Italy of a Société d'Etude. Our interest in this is in charge of our representative in Rome. It is expected that similar arrangements may be made in other countries for the systematic study of opportunities for commerce, engineering, construction, and finance.

From the point of view of team play in our organisation, the work of the past year has been very satisfactory. The results of constant effort to place men in the positions for which they are best qualified are beginning to show, and the various parts of the concern are functioning harmoniously notwithstanding the great expansion which has taken place in a relatively short time. Even during the trying times of War a continuous interchange of ideas and information was maintained with our representatives and our clients abroad, but with the re-establishment of mail and cable communication and the return of transportation conditions to normal, still more effective co-operation should be possible.

I submit herewith the consolidated financial statement of the Corporation as of December 31, 1918, and the consolidated income account for the year 1918.

CHARLES AUGUSTUS STONE,
President.

New York, Chicago, Detroit, St. Louis, Boston, Cleveland, Baltimore, Pittsburgh
HASKINS & SELLS
Certified Public Accountants
Cable Address "Haskells"
30 Broad Street
New York
San Francisco, Los Angeles, New Orleans, Seattle, Denver, Atlanta, Watertown, London

American International Corporation:

CERTIFICATE OF AUDIT.

We have audited the general accounts of the American International Corporation and of the companies the entire capital stock of which is owned by it, for the year ended December 31, 1918, and

We hereby certify that, in our opinion, subject to the accuracy of the merchandise inventories and the reserves for taxes, which have not been verified by us, the accompanying consolidated general balance sheet and summary of consolidated income and profit and loss correctly exhibit, respectively, the financial condition of the companies at December 31, 1918, and the results of their operations for the year ended that date.

HASKINS AND SELLS.

New York, March 13, 1919.

AMERICAN INTERNATIONAL CORPORATION.

SUMMARY OF CONSOLIDATED INCOME AND PROFIT AND LOSS FOR THE YEAR ENDED DEC. 31, 1918.

Income from Interest and Dividends	$2,458,319 37	
Gross Earnings from Operations	5,388,227 97	
		$7,846,547 34
Deduct:		
Interest	$260,403 40	
Domestic and Foreign Taxes	876,309 53	
Other Expenses	2,993,455 18	
		4,130,168 11
Net Earnings		$3,716,379 23
Surplus at beginning of year		3,507,513 34
Surplus Balances of Companies Acquired during the year		438,769 00
Gross Surplus		$7,662,661 57
Profit and Loss Charges:		
Dividends	$1,817,325 00	
Miscellaneous Charges and Adjustments (Net)	101,926 32	
		1,919,251 32
Surplus at end of year		$5,743,410 25

* All the stock of Carter Macy & Company, Inc., and the Rosin & Turpentine Export Company having been acquired by the American International Corporation, the surplus accounts of these Companies are now included in the Consolidated Statements.

CONSOLIDATED GENERAL BALANCE SHEET DEC. 31, 1918.

ASSETS.

Investments—Bonds, Stocks, &c.		$27,847,508 17
Real Estate		2,949,255 44
Current Assets:		
Cash	$1,538,888 73	
Call Loans	100,000 00	
Inventories of Merchandise	7,474,399 78	
Accounts Receivable	3,394,493 26	
Interest Accrued Receivable	128,811 74	
	$12,636,593 51	
Less Branch Office and Inter-Company Cash in Transit	219,654 34	
		12,416,939 17
Other Assets		1,557,060 57
Total		$43,861,763 35

LIABILITIES AND CAPITAL.

Capital Stock:		
Preferred Stock [illegible]		
held in Treasury [illegible]	$5[illegible]	
Common Stock [illegible]	[illegible]	
		$29,[illegible] 00
Notes and Accounts Payable		[illegible] 47
Reserves		1,[illegible] 63
Surplus		5,[illegible] 25
Total		$43,861,763 35

Note.—There were [illegible] on account of Liberty Bonds of Affiliated Companies.

CITIES SERVICE COMPANY.

Incorporated under the Laws of the State of Delaware, U.S.A.

SIXTY WALL STREET, NEW YORK, N.Y.
NINE MOORGATE STREET, LONDON, E.C.

President.—HENRY L. DOHERTY.

EXTRACTS FROM THE ANNUAL REPORT for the Year 1918.

THE NINTH ANNUAL REPORT of Cities Service Company is submitted herewith for the calendar year 1918, including the Balance Sheet of the Company, comparative statements of earnings, a combined statement of the assets and liabilities of all subsidiary companies, a statement of the combined earnings, and a summary of all securities outstanding, both those of the Holding Company and of the subsidiaries.

Your Company has continued to grow during the year, and at the same time to improve its position with regard both to financial strength and stability of earnings.

In view of the growth of the capitalisation of the Company, your attention is directed to comparisons which may readily be made to indicate the efficient results attained by the use of the new capital. In a broad way, this will be apparent from a comparison of the 1918 and 1917 ratios of the combined net earnings from all sources with respect to the total capitalisation and indebtedness outstanding in the hands of the public plus the additional investment represented by the undistributed surplus.

The combined net earnings for the year just ended were equal to 9.47 per cent upon the total capitalisation and indebtedness outstanding in the hands of the public, plus the combined net surplus, compared with 9.22 per cent. for the preceding year.

Compared by this direct unit of measure, the large sums represented by the excess of earnings above dividend requirements and the proceeds of sales of new securities have been invested with satisfactory results to the stockholders.

PUBLIC UTILITY OPERATIONS.

The Public Utility Subsidiaries of Cities Service Company, in common with all other public utility companies, had difficult conditions to meet during the year on account of greatly increased operating costs. Labour, fuel and all materials required by these companies continued at high prices. This condition, which had arisen in the previous year, led to an active campaign for relief through increased rates.

As the year progressed the seriousness of the situation became increasingly evident to Public Service Commissions and other regulatory authorities, who accordingly gave more favourable consideration to the problem. In the majority of cases requests for relief received fair treatment at the hands of State and Municipal authorities.

Immediately following the signing of the Armistice new conditions ensued which materially helped the situation. During the war period it had been almost impossible to secure sufficient forces to operate and maintain the properties at a high state of efficiency. While labour costs have not decreased, a more plentiful supply has made it possible to secure better results.

On account of the war relatively little new construction work was inaugurated. The first unit of the Acme Power Plant at Toledo, Ohio, was completed, and the plant additions of the Trumbull Public Service Company at Warren, Ohio, were also completed.

A noteworthy instance of the possibilities of growth of public utilities in the Ohio section is the increase of the Trumbull Public Service Company, where the demand and output have both increased more than ten times in five years.

The gross earnings of the Public Utility Subsidiaries of Cities Service Company were substantially greater in 1918 than in the preceding year, and, in spite of continued increases in operating costs, the net earnings from operation were also improved. The increase in these net earnings, however, were more than offset by the increase in interest and amortisation charges occasioned by the high cost of money in war times to provide funds for the refunding of maturing obligations and to finance the growth of these companies. As a result, the earnings accruing to Cities Service Company from its Public Utility Subsidiaries were diminished compared with last year; but the steps taken toward increasing the rates for service and the present improved financial situation give promise that this condition will be corrected in the forthcoming year.

DIVISION OF GROSS EARNINGS OF CITIES SERVICE COMPANY PUBLIC UTILITY AND OIL OPERATIONS.

	1918	1917.	1916.
From Public Utilities ...	$ 4,229,563.15	$ 4,742,851.79	$ 5 573,116.29
From Oil Operations ...	$18,050 504.02	$14,509,841.05	$ 4,537,226.61
	$22 280,067.17	$19,252.492.84	$10,110,342.90

OIL OPERATIONS.

The earnings of Cities Service Company from the operations of its subsidiaries in the petroleum industry increased substantially notwithstanding the limitations and restrictions occasioned by the war. The policy referred to in the last Annual Report of conducting an active leasing campaign has been continued, and the acreage of oil and gas leases thus held for future development is of great magnitude. During the year some of these lands heretofore classified only as prospective have been partially proved by drilling operations, particularly in the State of Texas.

For the present, however, the operations of the Empire Gas and Fuel Company in the Eldorado and Augusta fields in Butler County, Kansas, continue to be of the greatest interest. Operations there proceed upon a definite basis of assured results, and the entire field has been laid out for development upon a methodical basis.

To afford some means of comprehending the great possibilities of the proved oil lands exceeding 22,000 acres held under lease by the Empire Company in Butler County, it may be stated that the Cushing Field has produced about 15,000 barrels of oil per acre to date; the Healdton Field has already produced more than 10,000 barrels per acre, and the Glenn Pool in excess of 12,000. The total amount of oil produced by the Empire Company in the Eldorado and Augusta fields up to the end of the year was only about 1,550 barrels per acre. The results obtained in other Mid-Continent areas plainly warrant the expectation of a long life for the property. No effort is being made, however, to attain the maximum possible rate of production, and during the reconstruction period a conservative course of development will be pursued.

Drilling operations in other sections of the country where certain of the subsidiaries own important acreage have been held to the minimum on account of the high costs and scarcity of both labour and materials during the year. Plans have been made for important development work, chiefly in the State of Texas, where numerous leases were obtained some time ago. In the general section known as the Ranger field, covering parts of Comanche, Palo Pinto, Stephens and Eastland Counties, your subsidiaries own valuable oil and gas leases on which drilling operations are under way.

GENERAL.

Welfare work continues an important feature of operations, particularly in the oil fields, where the conditions of employment deny to the employees the usual facilities of health and comfort afforded in a town or city. The Empire Gas and Fuel Company, in connection with its operations in Eldorado and Augusta, has built numerous dwellings and community buildings. The Company also maintains a well-equipped hospital, cares for the health of employees and their families, furnishes the services of physicians and nurses, and supplies medicines at nominal cost. Included in this welfare work is a continuous study of methods for the prevention of accidents and the care of personal injuries received in the fields.

The Military and Naval calls of the country were answered by 1,671 men, or approximately 10 per cent. of all your forces. Twenty-four of them lost their lives in the service, and in honour of their memory their names are printed in this Report. Of those who went away about 500 have already returned to the Organisation in accordance with the announced policy of your Company. In addition to those who entered active Military and Naval Service, a substantial number of the men in your companies were loaned to the Government as experts in numerous technical departments. Besides those who entered active war duties, there were many who remained at their work as an act of patriotic service in the economic support of the war when their personal preferences would have taken them directly to the firing line.

It seems highly appropriate, in concluding this Report, respectfully to remind all stockholders of the ready means they have at hand to assist in the progress of their Company. If the stockholders leave to the officers and directors the whole task of broadening the acquaintance of the Company among investors, they are losing a great opportunity to further their own best interests. About 17,000 individuals are interested in the stocks of Cities Service Company. A very large additional number has invested in its Debentures. The active co-operation of many security holders has played an important part in the success of your Company, and the united influence of all would vitally assist its further progress.

We acknowledge with gratitude, and commend also to your appreciation, the spirit of loyalty to the Company and its subsidiaries consistently maintained by the men and women in the rank and file of the business. Their zeal has been one of the primary factors in producing the results which are set forth in this Report.

Respectfully submitted,

Board of Directors

By HENRY L. DOHERTY, President.

EARNINGS STATEMENT.

Year ending December 31.	Gross Earnings.	Expenses.	Net Earnings.	Interest.	Net to Stock.	Dividends Preferred Stock.	Net to Common Stock and Reserves.	Number of Times the Preferred Dividend was earn'd	% of Earnings on Average Common Stock Outstanding
	$	$	$	$	$	$	$		
1911	965,876.11	43,843.52	922,032.59	—	922,032.59	521 337 09	400 645 50	1 77	8 23
1912	1,190,766.80	77,034.19	1,113,732.61	—	1,113 732.61	605 875,79	507,856.82	1.84	9.29
1913	2,172,411.11	85,347.95	2,087,063.16	123,032.27	1,964,000.89	968,777.60	1,(55,223.29	2.16	10.71
1914	3,934,453.37	116.908.29	3,817.515.08	420 000 00	3,397 545.08	1,635 993.50	1 761.551.58	2 07	11.28
1915	4,479,800.41	172,856.15	4,306,944 29	490 000 00	3,816 944.29	1,570,005.00	2.246,939.29	2 43	15 27
1916	10,110,342.90	239,389.79	9,870,953 20	258,960 44	9,611.992.76	2,409,69 .92	7,202,301 84	3 99	36.74
1917	19,252.492.84	357,229.09	18,895,263 75	2,861.74	18.892.402.01	3,712,695.15	15.179 706 86	5 09	60.73
1918	22,280,067.17	521 485.59	21,758.581 58	272,579 5	21,486,002 03	4,034,274.50	17,451 727.53	5 32	61.67

CITIES SERVICE.—*Continued.*

BALANCE SHEET January, 10, 1919.

ASSETS.

Capital Assets—		
Plant and Investment		$84,034,639.38
Employees' Subscriptions		1,531,893.00
Capital Stock of Company Owned		4,427,415.55
Convertible Debentures Series B 7 per Cent. Owned by Company		190,800.00
Current Assets—		
Accounts Receivable	$1,230,086.13	
Bills Receivable	1,805,725.00	
Receivable for Securities (Since Received)	14,815,504.00	
Coupons Receivable	319,751.82	
Interest Receivable	1,057.50	
Cash	5,479,935.73	
	23,672,067.18	
Other Assets—		
Preferred Dividends Receivable	$1,894,626.25	
Surplus Earnings Due from Subsidiaries	13,498,093.04	
Advances to Subsidiaries	46,958,2[illegible]6.52	
Debenture Fund Investments	156,344.83	
Payments Made in Advance	805,349.42	
	63,302,650.06	
Total Assets		$177,159,475.27

LIABILITIES.

Capital Liabilities—		
Common Stock: 284,835.4831 shares in hands of public, 40,373.1523 shares owned by Company		$32,525,863.54
Preferred Stock: 679,067.3163 shares in hands of public, 24,569.6863 shares owned by Company		70,363,700.36
Convertible Debentures, Series A 5%		45,018.00
Convertible Debentures, Series B 7%: 12,309,200 in hands of public, 190,800 owned by Company		12,500,000.00
Convertible Debentures, Series C 7%		17,500,000.00
Current Liabilities—		
Bills payable a/c Liberty Bonds	$408,860.43	
Preferred Stock Warrants	1,152.00	
Common Stock Warrants	939.00	
Interest and Dividends Payable	30,131.91	
	441,133.34	
Other Liabilities—		
Advances from Subsidiaries	$7,103,328.93	
*Contingent Liability	1.00	
	7,106,328.93	
Surplus Earnings—		
Debenture Fund	$340,462.07	
Contingent Fund	244,340.83	
Stock Surplus	2,281,772.03	
Surplus Reserve	5,583,321.36	
Surplus	27,716,602.31	
	36,677,433.10	
Total Liabilities		$177,159,475.27

* Guarantee of notes, bonds and stock are as follows: $10,000,000 Consolidated Cities Light, Power and Traction Company 5 per Cent. Gold Bonds, due 1962 ($1,000,000 of which are deposited under the Cities Fuel and Power Company Notes): $11,616,500 Empire Gas and Fuel Company First Mortgage and Collateral Trust Sinking Fund 6 per Cent. Gold Bonds, due May 1, 1926; $1,660,000 Empire Gas and Fuel Company Notes; $8,784,000 Cities Fuel and Power Company 7 per Cent Secured Gold Notes due Dec. 1, 1919; $750,000 Richland Company 7 per Cent Gold Notes, due Feb. 1, 1920; and 5 per Cent. dividends on $1,500,000 St. Joseph Railway, Light, Heat and Power Company Preferred Stock. The full liability of these issues is shown on the combined balance sheet of the subsidiary companies.

Combined Statement of Assets and Liabilities of all Subsidiary Companies, December 31, 1918.

ASSETS.

Capital Assets—		
Plant and Investment	$359,329,832.82	
Additions to Physical Property (1918)	24,099,834.91	
	$383,428,667.73	
Sinking Fund	1,326,821.01	
Current Assets—		
Current Accounts Receivable	$8,133,836.99	
General Ledger Accounts Receivable	4,216,210.46	
Marketable Securities	965,417.09	
Bills Receivable	4,290,294.85	
Crude and Refined Oil Stock	9,211,646.97	
Stores and Supplies	9,165,933.60	
Cash in Banks of Local Communities	2,603,552.70	
Cash in Out-of-town Depositories	286,219.20	
	38,883,151.86	
Other Assets—		
Advances to Parent Company	$7,273,337.25	
Payments made in Advance (Insurance, Rentals, &c.)	3,520,443.16	
Bond Discount	2,879,116.61	
Gas Well Drilling Investment (being amortised)	998,260.80	
Special Deposits	390,371.54	
	15,061,529.36	
Total Assets	$438,700,169.96	

LIABILITIES.

Capital Liabilities—		
Common Stock		$161,322,969.60
Preferred Stock		16,260,575.00
Bonds and Funded Notes		137,735,775.00
Current Liabilities—		
Current Accounts Payable	$2,762,670.53	
General Ledger Accounts Payable	2,853,940.02	
Bills Payable	19,666,824.49	
Salaries and Wages	701,695.64	
Interest Accrued	1,913,678.19	
Taxes Accrued	5,570,923.63	
Reserve for Bad Debts	253,384.07	
Miscellaneous Accrued Accounts	229,183.55	
	33,953,600.07	
Other Liabilities—		
Advances from Parent Company	$47,059,077.94	
Customers' Deposits	711,183.94	
Injuries and Damages and other Reserves	827,177.66	
	48,597,439.54	
Dividends Accrued (not declared)	2,138,619.00	
Surplus Earnings and Reserves	35,691,202.35	
Total Liabilities	$438,700,169.96	

Full Copies of the Report can be obtained from the London Office, 9 Moorgate Street, E.C. 2.

MEETINGS
OF PUBLIC COMPANIES.

GREAT SOUTHERN OF SPAIN RAILWAY CO., LTD.

THE thirty-third ordinary general meeting was held at 2 Broad Street Place, E.C., on April 23, Mr. Thomas Harrison presiding.

The Chairman, in moving the adoption of the report and accounts, said: In order that the meeting may have clearly before it the causes of our present position, I had better refer shortly to our pre-War results. After sustained efforts to place the Company on a remunerative footing, we had succeeded in earning and distributing in respect of 1913 4% on the Income Debenture bonds, with fairly hopeful prospects of consolidating and extending the improved results of working. The War, however, intervened, and the net earnings for 1914 were less by £27,000 than for 1913. There was no improvement in the comparative results for 1915, which showed a further reduction in profit of nearly £4,000; and 1916 brought us, in the shape of a very big rise in outward freights for coal, such a serious addition to our difficulties that we had to appeal to our long-distance freighters. After long negotiations, by the mediation of the Ministry of Munitions, an arrangement with the freighters was entered into whereby assistance was obtained in the form of a bonus on despatch of vessels loaded beyond the obligations of the contracts. The year's work showed that we had barely covered our expenditure. In 1917 a culminating rise in the ascending scale of outward freights, following upon the intensified resumption of the German submarine campaign, rendered it impossible to continue the long-distance traffic. We were compelled to apply for further compensation to the Ministry and to our freighters, and, in November 1917, we had no alternative but to suspend the traffic. The accounts for the year showed a heavy loss of £14,000. Our negotiations for assistance continued, and in April 1918, with the invaluable help of the Ministry, a substantial allowance was granted by the long-distance freighters, by which it was hoped that the cost of working their traffic might, so far as the extra cost of freight on coal was concerned, be covered. The resumption of traffic under that agreement was not brought about until the end of July. Meanwhile seven months of the year had passed, with the total loss during that period of the mainstay of our traffic. In these circumstances, it is not surprising that the accounts now presented show a loss of £15,757, without adding to it any allowance for depreciation.

Transport of Iron Ore During War Period.

In this War period of four years and five months we transported nearly two million tons of iron ore at a loss (if we add depreciation for 1918) of considerably over £40,000, whereas we might, on the basis of 1913, have had the opportunity of earning anything over £100,000, and the difference, without taking into account deferred repairs to be executed at greatly increased cost, represents a loss of £140,000 entailed upon the stockholders by the War. The arrangement entered into through the mediation of the Ministry enabled, however, the main business of the railway to be carried on, if not at a profit, at any rate at a much-reduced loss. We are also grateful to the Department of Steel Production of the Ministry for their great consideration and appreciation of the Company's needs in respect of a supply of suitable large coal, which is indispensable for our long-distance iron-ore traffic, owing to the heavy loads and severe counter gradients.

The Revenue Account.

Revenue account shows working expenses of 92.68%, against 80.01%, of which locomotive expenses represent 63.67%, due to the cost of coal and wood together having amounted to £60,000, although the long-distance iron-ore portion of our traffic was only in operation for five months. The rest of the departmental costs amount to 29.01%, against 26.33% in 1917. To enable you to realise the overwhelming disadvantages under which we have worked, it will suffice to mention that in 1914 our locomotive expenses represented

31%—that is, less than half the percentage for 1918. As our prospects so largely depend upon the cost of fuel, I may add that as to outward freight there was at the beginning of the year a remarkable fall from the 420s. we had paid in November to 100s. in January, and we have since chartered at 85s., and we look forward to rapidly falling rates as tonnage is released and new vessels become available. Coal itself is three times the pre-War price, and it is somewhat anomalous that, although the whole of the coal supplied since the resumption of traffic has been used exclusively for bringing down iron ore for this country, yet we have had under the regulations to pay 7s. 6d. per ton more than the rate for the same coal sent to the Allies. It would seem to be quite possible in the near future, so soon as shipping becomes adequate, that Mediterranean supplies of coal may be obtained with advantage from the States. As to our general traffic, this was fairly well maintained last year, and the same may be said of the first twelve weeks of the current year as to passengers, live-stock, marble and general merchandise, omitting esparto, which shows a further falling off due to the difficulties of export. The long-distance iron-ore traffic has been quite satisfactory, the tonnage having reached figures which compare with our best year, 1913, and there is a large stock of ore alongside the railway, available for transport and shipment.

Mr. E. B. Forbes seconded the motion, which was carried unanimously.

THE LAW UNION AND ROCK INSURANCE CO., LTD.

THE annual general meeting of this Company was held on April 24 at the offices, 7 Chancery Lane, E.C., Mr. Charles G. Hamilton (the Chairman of the Company) presiding.

The General Manager and Secretary (Mr. Robert Stirling) read the notice convening the meeting and the report of the auditors.

The Chairman said: Gentlemen, we meet to-day under very different circumstances from those of our last meeting. Then the war outlook was distinctly gloomy; to-day the conflict is merely over the peace conditions. Then we had a number of individual shareholders; to-day more than 97% of our shares are held by one institution. But notwithstanding this, it may be truthfully said that more people than ever are interested in our fortunes. Every shareholder in the London and Lancashire—and that now means not only all the old London and Lancashire but almost all the Law Union and Rock shareholders—has now an interest in our prosperity. It must be clearly understood that what has happened is merely a change of ownership of shares, not a sale of the Company. The Law Union and Rock will continue its separate existence with its own directors, its own officials and staff, branches and agencies. We shall in the future as in the past do our utmost to promote the prosperity of the Company as a separate Company and to protect and further the interests of our numerous policyholders, who should certainly be benefited by our association with the London and Lancashire, for that Company transacts no life business, and their wide and powerful influence will now be exercised on our behalf.

Coming to our report, I think the London and Lancashire are to be congratulated on the fact that the first year they have become interested in the Law Union and Rock is the best profit year that that Company has ever experienced.

Life Business.

In our Life Department, notwithstanding the adverse conditions due to the War, we issued 1,906 policies assuring a net amount of £1,057,000, with a net new premium income of about £47,000. The ratio of expense amounted to 14.7, slightly more than in 1917, but substantially less than in 1914 or 1915. An increase in the expense ratio is not surprising when the greatly increased cost of everything is taken into account. The net rate of interest earned was £4 2s. 4d. on all the life funds, after deducting income tax. A commission has recently been appointed to enquire into the incidence of income tax, and I hope that the result will be that life insurance companies will be taxed more equitably. Claims through death amounted to £403,331, a decrease of more than £90,000, and this notwithstanding the fact that £40,996 of claims were directly due to the War and, like all offices, we have suffered from the ravages of influenza. The total life funds now stand at £8,650,129, an increase of over £294,000, and the total income at £961,436.

Fire and Other Departments.

The results of the Fire Department were most satisfactory. The premium income was nearly £343,000, the largest on record, the loss ratio was 41.62, and the expense ratio 36.31, both satisfactory percentages. After adding £9,187 to the fire reserve fund, bringing it up to £337,030, we were able to carry to profit and loss nearly £79,000, the largest profit we have ever earned in this department. Our other departments did well, and together they provided about £31,000 to profit and loss.

The Profit and Loss Account.

Coming to the profit and loss account, interest produced £41,653. Our trading departments, other than the Life Department, £110,000. Dividend and interest absorbed £72,115, income tax £24,642. We carried £7,000 to the pension fund, and set aside £11,000 to meet any possible claim for excess profits. After all payments and deductions, the margin of income was nearly £33,000, bringing up the undivided profit to £328,438, and this without taking into account any profit made by our large Life Department. So our position is very strong, and we recommend a dividend of 8s. per share for the current year. The balance sheet calls for little comment. Our total assets now amount to £10,805,259, and our total income to nearly £1,500,000. The present year completes a quinquennium, and we shall then have to revalue our assets. I am glad to be able to report that the depreciation shows a substantial improvement on the figures of 1917. The depreciation in the proprietors' fund is less than the reserve provided against it.

Continuance of Prosperous Career Anticipated.

As regards the future, he would be a rash man who would dare to speak confidently. There are many difficulties to face—heavy taxation, labour unrest, difficult problems of exchange, which complicate and restrict international trade. Though economy is absolutely essential, yet there is very little evidence of economy on the part of the Government, and their want of economy encourages and is largely responsible for much of the extravagant expenditure by a large part of the community. On the other hand, our prosperity does not depend entirely on the prosperity of the United Kingdom. Our interests are world-wide. We have got back nearly all our staff and agents who have survived the War, and this is an important fact which should help to increase our business; and last, but not least, we have gained a very valuable asset by our association with the London and Lancashire. So, notwithstanding the difficulties which we in common with all British companies have to face, I believe that the Law Union and Rock will continue its prosperous career. The figures up to date are most satisfactory.

I regret to have to report the death of one of our directors, Sir John Rolleston, who died suddenly a very short time ago.

To represent the interests of the London and Lancashire we have appointed their Chairman, Mr. Clayton, and their General Manager, Mr. Rutter, directors of this Company. Their advice and wide experience will be of the greatest value to us. We have also appointed Mr. Robert Stirling, our General Manager, to a seat on the board. His long connection with the Company and his very successful management of our affairs justly entitle him to this honour. (Hear, hear.)

London and Lancashire Offer Still Open.

Before I sit down I should like to call the attention of the few shareholders who have not yet accepted the offer made by the London and Lancashire to the fact that that offer is still open, but it cannot be kept open indefinitely. The holders of more than 97% of our shares have accepted the offer, and this is strong evidence that it was a favourable one. I have no hesitation in advising these few outstanding shareholders in their own interests not to delay any longer, but to accept the offer of the London and Lancashire. I do not think there is any other subject that I need refer to to-day, so I will conclude by moving the adoption of the annual report. (Applause.)

The Vice-Chairman (Mr. Godfrey B. Samuelson) seconded the motion, and it was agreed to unanimously.

The Chairman then proposed the following resolution: "That, in accordance with the recommendation of the board in their report now adopted, a dividend of 8s. per share, less income tax, be paid to the shareholders for the financial year ending on December 31, 1919, the dividend to be payable as usual on May 31 and on November 30 next."

The resolution was seconded by Mr. Samuelson and unanimously adopted.

An extraordinary general meeting was subsequently held, at which the resolutions passed on April 3, 1919, were confirmed as special resolutions.

The proceedings then terminated.

JOHN BARKER AND COMPANY, LIMITED.

THE twenty-sixth ordinary general meeting was held on April 24 at the Town Hall, Kensington High Street, W., Mr. S. M. Skinner, J.P. (Chairman of the Company) presiding.

The Secretary (Mr. G. Wright Bellamy) having read the notice convening the meeting and the auditors' report,

The Chairman, in moving the adoption of the report and accounts, said: Turning to the figures in our balance-sheet for the year just ended, it affords me considerable pleasure to inform you that in both turnover and profit we have again established a record. This, I may say, applies to Ponting's business as well as to Barker's, so that it is not a case of one business being helped at the expense of the other. In declaring a dividend of 11% I trust that you are all agreed that at the present time, with the uncertainty of the commercial and financial outlook, a consolidation of the Company's finances is the soundest policy and will eventually prove far more beneficial, especially to those who

have purchased their holdings in the Company for the purpose of obtaining a remunerative investment. The wisdom of husbanding our resources is amply proved by the fact that the amount of our various reserve funds now stands at the splendid total of £348,000, or over 60% of the amount of our total share capital, and nearly three times the amount of our goodwill.

Increased Profits and Expenses.

Our gross profit has increased from £407,000 to £489,000, and our net profit from £115,000 to £133,000. Last year our net profit was nearly £20,000 more than that of the previous year, so that during the last two years we have increased our net profit by the handsome addition of nearly £40,000. This great result has not been achieved in any way by what is sometimes referred to as "profiteering." It has been solely brought about by a strict adherence to the policy that was associated with the business in its infancy and has been identified with it ever since, and that is the low ratio of gross profit that is asked for in every department. Were it not for the large increase in our expenses, principally in directions over which we have little or no control—such as taxation and stationery and postage—our net profit would, of course, be considerably greater. There are also inevitable increases in our pay roll; but I do not think that any shareholder will cavil at this, in view of the high cost of living and the general exigencies of the times. Incidentally I might mention that the £12,000 we are distributing among the employees as a peace bonus has been charged against the past year's profits and is included in the item of £201,739 in our profit and loss account. Then, again, almost all insurance rates have advanced during the past year. The replacement value of our freehold and leasehold properties had to be provided for in consequence of the greatly increased cost of labour and materials. This all means an additional expense against the business, but it is one that is quite unavoidable in our desire to safeguard your interests. The figure of £5,900 for interest is not unusually large after allowing for the some what heavy stocks we have been obliged to carry during the past 12 months, and as we have had no extra capital in the business to help us in our finances I think you will agree that so small an increase in the charge for interest—a matter of about £2,500—is very satisfactory indeed. With regard to our stocks, these have been very carefully taken, and, although they show an increase in our balance-sheet of about £150,000 over last year, your directors have every confidence in being able to realise approximately their value. This extra £150,000 in the amount of our stock you will find represents the increase in our trade and sundry creditors on the opposite side of the balance-sheet. The amount of £433,000 due to trade creditors may appear somewhat heavy, but if you take the amount of our stock and book debts against that figure you will find that there is a very handsome surplus to our credit.

Appropriation Account Figures.

I have now to draw your attention to the figures in the appropriation account. Your directors have again added the sum of £2,000 to the employees' pension and benevolent fund. This fund now stands at £12,000, the whole of which is invested by the Company in National War Loan and Exchequer Bonds. This fund has been created for the purpose of relieving any serious case of distress or hardship and for the granting of pensions to faithful servants of the Company who are at last compelled by ill-health or old age to retire. It is our wish that the autumn of their lives should be passed in as great a measure of comfort and happiness as we can possibly offer them. It is also proposed to add a further £10,000 to the special reserve fund created last year for the purpose of rebuilding the property in the rear of our furnishing premises known as Clarence Mews, in accordance with the terms of the lease, also for the erection of a new depository adjoining our other warehouses at Warwick Road, Earl's Court, the plans of which are now in course of preparation. A further £5,000 has also been added to the general reserve fund, increasing this fund to the magnificent figure of £216,478, the whole of which, together with the other, is invested in the business.

Mr. Tresham Gilbey, J.P., seconded the motion, which was carried unanimously.

MAZAWATTEE TEA COMPANY, LIMITED.

The twenty-third ordinary general meeting was held on April 24 at Cannon Street Hotel, E.C., Mr. Alexander Jackson (Chairman and Managing Director) presiding.

The Secretary (Mr. W. T. Rest) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and balance sheet, said: It will be seen from the report that the profit for the year amounts to £59,341, as against £50,103 for the year 1917, an increase of £9,238. This increase is to a great extent due to a very marked increase in our turnover, which was the largest for many years, if not the largest we have had in the history of the business. Indeed, the turnover is considerably more than double what it was when the present board took office in 1905. The Company to-day has a large number of departments. The directors have for some years past been developing the Company's business in other directions, and you will realise the wisdom of that policy when I tell you that every department has contributed to the profit for the year. You will remember that last year I told you the outlook for tea was very gloomy, which indeed it then was, and under the Government scheme of a one-price tea by far the greater proportion of our customers' accounts were closed to us during the registration period, all customers having to be registered, and retailers and secondary wholesalers only permitted to buy from one, two, or three primary wholesalers, according to the size of their business. One of the Ministry's reasons for bringing this about was to facilitate transport.

There was another factor in the Government scheme under which our tea department has suffered, and that was that the profit allowed by the Ministry, while being fully sufficient for those firms acting more in the capacity of jobbers, was not enough for a business like ours, we being actual distributors, doing the work of both primary and secondary wholesalers. The profit in our tea department was naturally much reduced in consequence. This reduction, however, was partly made up by an increase in trade through the quantity of tea indented with us being greater than during the datum period. I am pleased to say that the Ministry's control scheme has practically come to an end, and we now have an opportunity of reopening our old accounts, which, you will appreciate, is a somewhat difficult task at a time like the present; but I am pleased to state that during the past few weeks we have met with considerable success in this direction, and the reports coming in from all parts of the country are most satisfactory. Our cocoa, chocolate, and general confectionery departments have been very satisfactory, and the sales of our proprietary cocoas during the past year were the biggest on record. I am pleased to tell you that in spite of all difficulties the Company has been able to keep together a considerable portion of its trade abroad. Our coffee business has been satisfactory, and the coffee extract department shows a further marked increase.

The Balance Sheet.

It will be seen from the balance sheet that the freehold lands, leases, &c., are reduced by some £500, and this is due to the depreciation of leases. Plant is some £1,800 less than last year, due to the same reason. Stocks are down £25,450, but this is accounted for by limitation of supplies. Investments stand in the balance sheet at £66,075, as against £43,075. The Treasury bills which appeared in the 1917 balance sheet matured, and were re-invested in National War Bonds. The guarantors of lease investments show an increase of £400, which is the usual amount invested each



year for this special fund. On the debit side of the balance sheet it will be seen that our loans against securities have been reduced by £13,550, but you will appreciate that loans against securities fluctuate from time to time according to the requirements of the business. Sundry creditors are up £5,500. This is also an item which varies from week to week. The increase in the depreciation and income tax figure is due to the heavier income tax.

Mr. Harry Rose seconded the motion and the proceedings terminated.

DAY AND MARTIN, LIMITED.

The twentieth annual general meeting was held on April 24 at the Cannon Street Hotel, E.C., Mr. C. Hamilton Watkins (the Chairman) presiding.

The Secretary (Mr. Percy C. Scull) having read the notice and the report of the auditors,

The Chairman formally moved the adoption of the report and accounts for the year ended December 31, 1918.

Mr. F. J. O. Torry seconded the motion, which was carried.

The Chairman then proposed the re-election of the retiring director, Mr. Frederick G. Sage, which was seconded by Mr. H. C. Mends Gibson and also carried.

On the motion of Mr. Hewitt, seconded by Mr. Williamson, the auditors, Messrs. Arthur J. Davis and Co., were reappointed.

An extraordinary general meeting of the Company was then held for the purpose of considering and, if thought fit, passing resolutions providing for (1) the confirmation of an agreement entered into between the Company and Hargreaves Brothers and Company, Limited; (2) the increase of capital to £250,000 by the creation of 98,000 new shares of £1 each; (3) the conversion of the existing Ordinary shares of Day and Martin, Limited, into Six per Cent. Cumulative Preferred Ordinary shares; and (4) making certain alterations in the articles of association.

The Chairman said those who had been with them at their annual general meetings for some years past would remember that they had regarded it as inevitable that some kind of reconstruction proposals would have to be put before the shareholders sooner or later. It was not his intention to refer to the legacy of problems and difficulties which were handed down to the directors by their predecessors; they had to face the situation as it was to-day, and it was the unanimous opinion of the board that no better way for safeguarding the future interests of the business could be found than that which they had recommended in the circular sent out a few days ago. The business of Messrs. Hargreaves Brothers and Company was established over half a century ago, and for many years consisted of the manufacture of laundry blue and blacklead only. During the last 20 years they had gradually extended their operations, until now they were also manufacturers on an extensive scale of floor polish, metal polish, boot polish, and other household requisites. The directors were satisfied that the interests of the shareholders would be fully protected by the arrangement which was now submitted to them, and advantages would accrue to them in the export trade as well as in the home market.

The resolutions were unanimously adopted.

THE LONDON TRUST COMPANY, LIMITED.

The thirtieth annual general meeting was held at Winchester House, London, E.C., on April 24, Mr. W. Douro Hoare presiding.

The Chairman, in moving the adoption of the report and accounts, said that the assets of the Company amounted to £2,092,000, being £56,000 more than last year. They had, however, an increased loan from their bankers of £38,000, so that the investments, &c., on balance showed an increase of £18,000. The directors were able to say that the book cost of the assets was more than covered by their value. The depreciation which formerly existed had been turned into a slight appreciation, and under the circumstances now ruling this fact was, in the opinion of the directors, the most favourable feature in the accounts. It was satisfactory to know that the capital and reserve fund at current prices was more than intact. The break-up value of the Deferred stock amounted to over 150%. The revenue received from all sources during the past year was £86,651, as compared with £84,444, showing an increase of £2,207. The gross dividends received were materially larger than in 1918, and but for the additional income tax deducted they would have had a considerable increased revenue. After providing for the dividend on the Preferred stock for the year and the interim dividend on the Deferred stock of 2%, they had transferred £10,000 to the reserve fund, bringing it up to £140,000, and they now recommended a balance dividend on the Deferred stock of 6%, making 8% for the year. A list of the securities was attached to the report as usual, and it would be seen that the Company's money was spread in every direction. In Mexico they were still largely interested, and they lived in hopes that ere long some settled state of affairs would be brought about and business resumed on a remunerative basis. He did not see how America, now that she had become such a military nation, could avoid intervening and settling once and for all the Mexican question. In the Argentine the railways had been seriously hampered by the high cost of fuel and by labour and other troubles, so that they could hardly be worked at a profit. They were interested in the Primitiva Gas Company to a moderate extent, and stockholders might have seen from the statements made at a recent meeting of the Company the most discreditable manner in which that Company had been treated by the Municipality of Buenos Ayres for some years past. It was an absolute scandal that the capital city of the State should have behaved in such a manner towards the Company, and the directors sincerely trusted and believed that the Chairman of the Company now en route for Buenos Ayres might be able to obtain just treatment for his Company in the negotiations now about to take place. The Trust held a considerable interest in English railways, and it was quite impossible to foresee what would be the result of the War upon their future. Their shareholdings in banks, both home and Colonial, were extensive, and the recent amalgamations would, it was confidently believed, tend to strengthen the financial position of those institutions.

The Hon. Evelyn Hubbard seconded the motion, which was carried unanimously.

JOS TIN AREA (NIGERIA), LIMITED.

The eighth ordinary general meeting was held on April 23 at Winchester House, Old Broad Street, E.C., Mr. H. T. Miller (Chairman and Managing Director) presiding.

The Secretary (Mr. W. Snoad Griffin) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: Ladies and Gentlemen,—As you will have noticed from the directors' report and the accounts, the profit for the year is £15,268, to which must be added the balance brought forward from last year of £1,133, making a total amount for the year of £16,401. You will also have noticed that the board recommend that this amount shall be dealt with in the following way: By writing off for development redemption £1,000, by writing off for dredge depreciation £2,000, by placing to reserve account £2,000, by payment of a dividend of 10% for the year, together with a bonus of 2½%, £9,375, and by carrying forward £2,026. I think that you will consider the year's working to have been a satisfactory one, and we hope that you will be satisfied with the way in which we propose to distribute the profits which have accrued. Possibly the results of the Company since it was incorporated in 1910 will interest you. We have distributed since that period, including the present dividend and bonus, a sum of £52,490 on our capital of £75,000. We have put to development redemption in that time £12,600, which, of course, is a very handsome writing off against the cost of our properties to us. We have written off against the dredge £13,500, so that the dredge now stands at a purely nominal figure, and we have put to reserve the sum of £5,000.

Company's Position Strengthened.

Our total profits during the last seven years have been £88,000, which is, of course, well above the total capital of the Company. I think that you as shareholders and we who have managed this Company have reasonable cause to congratulate ourselves upon these excellent results. The output for the year under review was 267 tons. I may say that we took advantage of the very high price of tin which was ruling during the period covered by this report to work some of our lower grade ores, which would not be highly payable with tin at a lower figure. This was an opportunity of which we were very glad to take advantage, and, of course, it has strengthened the Company's position and our ore reserves. The price of tin in July 1914—before the War—was about £150. It touched during the year under review very nearly £400, but it did not stay at that very high figure for long. The development of your Company's properties has been quite satisfactory. We have had one or two useful discoveries in the way of deep workings. I have alluded to these deep channels in previous statements, but perhaps I might add a word or two on the subject here. It is one that interests me considerably, and I daresay it would interest anyone who was concerned with Nigerian mining. These deep workings are found buried under perhaps 100 feet or so of overburden. Undoubtedly the great future of Nigeria lies in these old river beds, where, as I say, we have made some very useful discoveries on our properties. We by no means consider that we have exhausted all the possibilities, and we are therefore steadily developing. These deep deposits are found very largely by accident, and they are, as a rule, tested by means of drills.

Tin Ore Production in Nigeria.

I have some figures here of the total production of tin ore in Nigeria which may be of interest. In the year 1910, which was the first year of serious production in Nigeria, 772 tons were produced. The figures steadily mount until this year (1919) it is estimated that 9,900 tons will be produced. I think that shows really a wonderful expansion. Undoubtedly the Nigerian tin fields were of very great assistance to the British Empire during the time of the War. Apart from Cornwall, Nigeria was the only source of pro-

duction to any substantial extent near at hand, and the Government made every effort to increase the production and to bring the tin over here as quickly as possible, for it was indeed very badly wanted. The metal deposits of Nigeria are undoubtedly very considerable and quite varied. We, in a Company in which you are interested to some extent—the Kano Company—have been producing substantial quantities of wolfram, and wolfram during the War was even more badly wanted than tin. There are also substantial silver-lead deposits, and one cannot but believe that as years go on these will become a very important factor in the metallic industry of Nigeria. The labour position during the War was rather acute. At one time the supply of labour was very short indeed, but as the Government required tin they did their best to help us, and they enlisted labour from outside sources and distributed it over the various mining camps which were in need of it. In that way the position was considerably eased. There is not too much labour available at any time; but still we managed to rub along, and must not grumble. The transport position during the period covered by the accounts before you was naturally very acute, but we are thankful that we were able to bring our tin along almost as rapidly as it was produced, and our losses at sea were very small.

Mr. L. N. Way seconded the motion, which was carried unanimously.

BRITISH AND ARGENTINE MEAT COMPANY, LIMITED.

The annual general meeting of this Company was held on April 25 at River Plate House, Finsbury Circus, E.C., Mr. J. A. Wood, Chairman of the Company, presiding.

The Secretary (Mr. J. Bradbury) having read the notice convening the meeting and the report of the auditors,

The Chairman said: The report and accounts for the year ended December 31, 1918, which I am submitting to you to-day, is one which I feel sure you will readily accept. Although the Armistice was signed five months ago, no real alteration is taking place in the meat requirements of the authorities, who are still taking for either the British or Allied Army requirements about 80% of all we bring over. Hence you will readily understand that the quantity of our meat available for the use of the civil population is small. British and Allied Army requirements will continue, we expect, on the same scale for some time, and therefore no large increase can be expected in civilian supplies at present. What I said at the meeting last year in regard to Army contracts applies with equal force in reviewing the results of the year to December 31, 1918. The Army contracts yielded us a fair return, not as good as the previous year, but still satisfactory; but after the usual taxes, including excess profits tax, had been liquidated, the real cost to the nation for the year's meat supply, bought under contract from this Company, was certainly a moderate one.

Retail Business.

With regard to the retail branch of our business, we have no cause to be dissatisfied, and the retail business certainly justified itself and contributed a fair quota to the general result. The retail shop trade was, as you know, controlled during the whole year, and we had to accept and utilise whatever was allocated to us by the authorities. We are still working under the same conditions, but we anticipate freedom from many restrictions in the near future, and we shall certainly be glad when we can resume our ordinary method of supplying our shops—(hear, hear). Available supplies of livestock during the past year were sufficient to meet requirements. The price we have paid has been high, but as by-product prices have also been high, the sterling cost of the meat has been reasonable. Weather conditions have been fairly satisfactory, but cattle stock are giving rather lighter weights than usual.

Good Supplies of Cattle and Sheep Anticipated.

So far the prospects for the coming winter in the Plate are good, and with a continuance of suitable weather there is every anticipation of good supplies of both cattle and sheep all through the winter months. I am pleased to say that we have been practically free from labour trouble at our works. Labour conditions in Buenos Ayres have been serious, but we have been able to fill all steamers without undue delay. As in past years, we have done much to improve and extend the working arrangements at Campana. It is money well spent, as it is most necessary and desirable to place ourselves in the position of being able to work under the best and most economical conditions. We are again asking you to sanction the addition of £15,000 to the pension fund for the Company's employees, and we certainly anticipate that you will readily agree to make this contribution. I do not propose to recapitulate the proposed allocation of the profits.

The Reserve Fund.

Personally, and I think you will agree with me, I am best pleased with the addition of £125,000 to the general reserve fund, which brings this fund up to £450,000. A new reserve account entitled "Insurance Reserve" is shown in the balance sheet. We always take a proportion of our marine and general risks, crediting the premiums and debiting any losses, and the result now shown of £60,000 odd is the result of this underwriting business during the last five years, and is certainly satisfactory.

Meat Conditions in Brazil.

With regard to the Brazilian business, I am not able to make report of any progress. We have not taken definite steps to place the business on a more permanent footing, as meat conditions in Brazil during the twelve months were not satisfactory. We shall, therefore, wait a little before taking any decisive step. I generally mention what our sales of frozen meat, hides, tallow and various by-products, &c., in this country, the Argentine, Brazil, and abroad amount to in sterling. In 1917, you will remember, they came to just £14,000,000; last year (1918) they came to almost exactly the same, so that, after deducting income tax and special tax, our profits only show just over 3% on the sales, and that is before providing for depreciation.

The Chairman then dealt in some detail with the accounts, adding that he thought the shareholders would agree that the balance sheet was a very good one. He concluded by moving the adoption of the report and accounts and the declaration of the dividends and bonus therein recommended (a total of 8½% on the Preference shares and of 12½% on the Ordinary shares for the year).

Mr. Walter Blease seconded the motion, which was carried unanimously; and the retiring directors and auditors having been re-elected, a vote of thanks to the Chairman, directors, and staff concluded the proceedings.

URAL CASPIAN OIL CORPORATION, LIMITED.

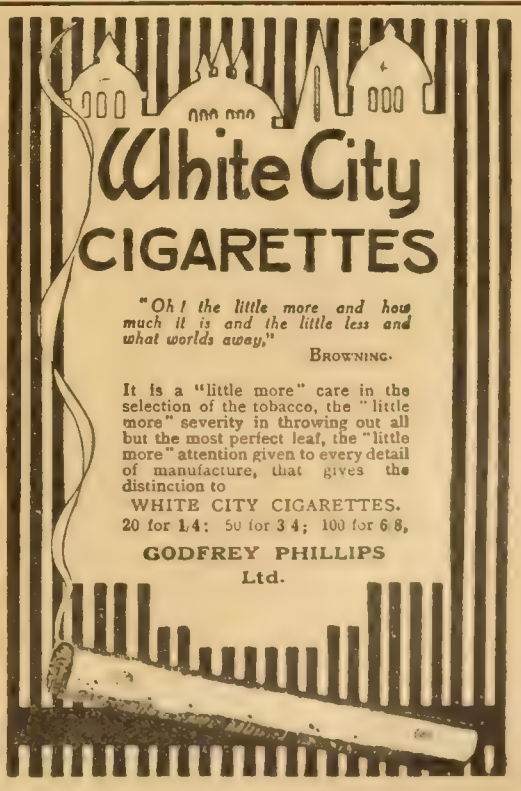
An extraordinary general meeting was held on April 25 at Winchester House, E.C., for the purpose of submitting a resolution increasing the capital of the Company to £2,000,000 by the creation of 1,000,000 shares of £1 each. The Hon. Reginald Parker (the Chairman) presided.

The Secretary (Mr. W. A. Turner, F.C.I.S.) having read the notice,

The Chairman said: We have called you together to-day to submit to you the resolution set out in the notice, but before doing so you will wish to have as much information as we can give you—meagre as it is—as to the position of your properties. Shortly after we met last July we received information that the Bolshevik Government had by decree of June 18, 1918, nationalised many industries—among them the oil industry—without compensation to existing owners. We submitted a claim on your behalf for the value of our business, stocks, and damage sustained, to the British Government, for presentation in due course to the Russian Government. So far as loss and damage are concerned, this claim still stands, but the successful operations of the Anti-Bolshevist Russian Armies, with the aid of British forces, in the Caucasus have resulted in the cancellation of the nationalisation decree of the oilfields in the district, and thus the original owners are reinstated.

Stocks Intact.

In our district some sort of order has been maintained throughout by the Cossacks, and, so far as we are aware, no serious damage has been suffered. It is, of course, impossible to dispose of our stocks, as our only market is *viâ* Astrakhan, which is still in the hands of the Bolsheviks. It



is hoped, however, that, when the thaw sets in, the loyal forces will be able to free Astrakhan from the Bolsheviks, and thus open up the channel for trade. Meanwhile, I am glad to be able to state that our stocks are intact, and should, if sold at the prices now ruling, nearly compensate for the depreciated value of the rouble. Our concession rights appear to be secure; in fact, Mr. Kerbert, our Manager, has obtained confirmation of the granting of additional prospecting licences, which had been withheld from us hitherto. The question of prolongation of existing licences is being taken up with the Siberian Government, the paramount authority in our district, and we are quite hopeful that these extensions will be granted. The development of all plots in our hands will require large quantities of machinery, and these cannot be obtained at any price in Russia. It therefore becomes necessary that the English Company should provide this machinery and the funds for procuring it.

The Proposed Increase of Capital.

The proposed increase of capital, viz., £1,000,000, is large, but, in our opinion, not any too large for the future development of our important field. We do not want all—or anything like all—the money at present. But if we are to get things going we must have money. Here I may mention that our friends, the Anglo-Saxon Petroleum Co., Ltd., have advanced to us a sum of £24,000, which we were able to remit to Mr. Kerbert to enable him to carry on and to keep his people—numbering, with their families, 900 souls—together. In our circular we mentioned that of £100,000, for the issue of which we had asked the sanction of the Treasury, only £50,000 had been approved by them. I am pleased to be able to tell you that, on our representations that this sum was inadequate, we have since received sanction for the issue of an additional £50,000, so that if you agree to the resolution I shall propose in a moment the new issue will be 100,000 shares of £1 each—that is, one new share at par for every ten at present held. The shareholders have so patiently and so consistently supported the board in these unfortunate times that the directors feel sufficiently sure of a continuance of your confidence in the business to make this issue without any underwriting arrangement, but offer the shares on their merits to all shareholders in the above proportion, to be paid 10*s.* on allotment and the balance a month afterwards, if the resolution is passed. Should any of these shares not be taken up by the shareholders, the directors and their friends are prepared to take up such balance. I feel there remains nothing more I can say, so I will move the following resolution: "That the capital of the Company be increased to £2,000,000 by the creation of 1,000,000 shares of £1 each, ranking *pari passu* with the existing shares."

Mr. G. Hume: In rising to second the resolution which has just been proposed by the Chairman, I have only a few words to add. You will all have seen in the newspapers that Orenburg has been reconquered by the Siberian forces. Now Orenburg is practically the link between Siberia and Northern Russia, the next point being Uralsk, to the north of our property. If, as foreshadowed in the speech of the Chairman, at the opening of navigation the Bolsheviks are driven out of Astrakhan this move to the north in the direction of Samara, which will give the loyal Siberian troops control of the railways, will free a large slice of the Volga from Astrakhan to Samara, and will be the means of opening up trade on the Volga.

In reply to a question the Secretary read from the last communication to hand from Baku as follows: "A few words more on the subject of money for Gurieff. If this financial assistance is not forthcoming Gurieff will have to sell their machinery and stores. Shall we stop work or continue, bearing in mind that if we stop work we shall have to discharge most of our employees and workmen, which will mean a large initial expense, and Dossor will probably be ruined as an oilfield." This explained why the directors were asking for more money.

The resolution was carried unanimously.

FAIRBAIN LAWSON COMBE BARBOUR, LIMITED.

The twentieth ordinary general meeting was held at Liverpool Street Hotel, E.C., on April 25, Mr. J. Campbell Inglis presiding.

The Chairman, in moving the adoption of the report, said that the situation of the Company had been almost magically transformed, the present position being that instead of a loss there was a profit of over £81,000, and the cash position had so far improved that, instead of a net indebtedness to their bankers of over £37,000, they had on December 31 last a credit balance of some £61,000. Sundry creditors showed a further increase, due not only to higher costs of material, but also to payments in advance by customers. Work in progress and stocks in hand amounted to £272,570, against £251,435, and sundry debtors to £245,405, against £226,815. The increase in these items was simply due to the increased cost of labour and materials and the increased price of their finished goods. The shareholders might take it that the valuation was not only correct, but conservative. The profit shown for the past year was the best that had been attained since 1909, but it arose partly from elements which would not recur. In the first place, they were able to undertake at their Belfast branch the supply of large quantities of component parts for aeroplanes, a work which not only was of use to our country in trying times, but which also (as had not always been the case with their war contracts) resulted in a fair profit to the Company. Secondly, they were able to realise at satisfactory prices some machinery not required by customers to whose order it had been made. But for these transitory advantages the final result would have been less satisfactory, for the year under review positively bristled with difficulties. Again and again the Company was met with periodical demands for substantial increases in wages, and the Committee on Production made heavy advances, totalling 8*s.* 6*d.* a week, thus bringing up the war rises to 28*s.* 6*d.* a week. The wage bill for 1918 exceeded that for 1917 by over 40%, and though the numbers of their men in 1918 were far less than in 1913, it exceeded by a like percentage the total paid to the Company's full staff in 1913. The men were now returning by degrees, though not so quickly as they could have desired, and they were faced this year with a wage bill that could only be described as colossal, and still they did not know if the ruling rates had become stabilised, or whether still further increases might not be granted. One often heard the complaint that labour did not receive a fair share of the wealth which it produced, but in the case of this Company this complaint could not be justified. During the War time and again advances had been awarded, with the result that for three successive years no dividend could be paid on the Ordinary shares, while the highest dividend paid since 1911 had been only 5%. If we were to maintain the industries which were the life blood of our country, masters and men must work together with the common view of keeping up the output and meeting in advance the risk of competition by other countries. Many orders were on the Company's books, and the outlook in that respect was satisfactory. They had been entrusted with a very important contract from the French Government for the re-equipment of mills in the devastated areas of France.

Mr. H. L. Whalley seconded the motion, which was carried unanimously.

W. T. HENLEY'S TELEGRAPH WORKS CO., LTD.

The fortieth ordinary general meeting was held on April 25 at the offices, 13 and 14 Blomfield Street, London Wall, E.C., Mr. George Sutton, M.I.E.E. (Chairman and managing director), presiding.

The Secretary (Mr. A. E. Salmon) read the notice convening the meeting, and the report of the auditors was also read.

The Chairman, in moving the adoption of the report and accounts, said that happily they were meeting under different circumstances to those of a year ago, but none the less the accounts presented dealt with trading during a year of war. After November 11 they closed down as rapidly as possible the work which they were doing for the war; but, although they had a number of peace orders on their books, they were hampered in proceeding with them as rapidly as they could wish by the difficulties in procuring raw materials, and, in addition, so far at least as the Gravesend works were concerned, by the insufficiency of labour. The result of the year's trading was not quite so good as in the previous year, but he thought the shareholders would be very well satisfied with the result shown.

The Increased Dividend.

The balance of trading account was £35,000 less than the previous year, but provision for depreciation was £20,000 less, as a result of the circumstances that they had not had to put down as much special machinery for war purposes as in previous years, and therefore had not had to scrap so much. The net profit was £148,000, as against £162,000—£14,000 less—but they were nevertheless recommending the payment of an increased dividend because the board thought that, having increased wages and bonuses, having added to the reserve, and having increased the carry forward, the reduction in the purchasing value of money and the high rate of income tax justified the recommendation of a larger dividend. (Hear, hear.) The shareholders in the Company were not taking an undue proportion of the results of its successful trading. The undivided profits of the business during thirty years had been used in developing the business, and the small factory of thirty years ago, employing some few scores of people, had developed into three large factories employing some thousands. It was true the dividend they were proposing was 15%, but on the actual capital employed in the business it was less than 4½%. He had sometimes thought they might have been withholding too great a proportion of the profits earned; but the security of capital had been their first object, and the policy pursued was bound to lead to larger profits. It would appear, however, from occasional statements in the Press, and the views of some Labour leaders, that prosperity obtained by such methods was to be deplored. However, profit sharing, as it was usually understood, was, he was convinced, impracticable in a business such as theirs. He had for more than twenty years given consideration to profit sharing in connection with their business, and had tried to find a method which would be satisfactory to the labour side, and at the same time would not

endanger the existence and continuance of the business, but he had failed. They might ask themselves what would have been the attitude of labour, during those past thirty years, and whether labour would have been satisfied at the profits being used in the extension of the business. After dealing with the welfare work conducted at Woolwich and Gravesend in connection with the Company, the Chairman said that shareholders usually expected him to make some reference to the future.

Hampered by Export Restrictions.

To make any forecast at the moment would be a more difficult task than ever. They had on their books, as he had said, a number of orders, but they had been hampered since the Armistice, and they were still hampered by restrictions upon exports, and to some extent by restrictions upon imports of material. He was not grumbling, and he believed it was the intention of the Government to remove them as soon as they safely could, but owing to that their works were not as fully occupied with ordinary commercial work as they might otherwise be. He did not believe that in the home trade the effect of the high wages they were now paying would be felt for perhaps two or three years, as there should be plenty of work for all in the industry; but he took it that the authorities would see that they were not going to be hampered unduly in competitive trade in England by foreign competition in the form of dumping. The Overseas trade presented the greatest difficulty in the future. High wages must have a great effect on the overseas trade, but he was not prepared to make any forecast in regard to that; the position of America and Japan in two or three years' time, in regard to wages and so forth, it was impossible to foresee. Generally, he thought that higher wages must lead to increased demands for commodities, which must result in higher prices or in the increase of production. He was not at all opposed to a high rate of wages.

Progress of the Tyre Business.

The tyre business had been briefly referred to in the directors' report. The Company was very successful in its manufactures and in its ability to sell its production of pneumatic and solid tyres, which he believed to be unsurpassed in good qualities by any other manufacturers; and that was saying a great deal for a Company formed in the year previous to the outbreak of war. The future of the enterprise, however, was endangered by the excess profits duty. Being a new business, it had no pre-War standard of profits, and they were allowed only 6% on the original capital employed and 9% on the additional capital—not 9% in addition to the 6%, but only 3% in addition to the 6%—which, after providing for income tax and other charges, allowed nothing for the development of the business, and not a sufficient return to the capital employed to enable the directors to raise new capital as the business of the Tyre Company might require. It was a splendid enterprise, and had attained a high reputation throughout the country for its work; but its future was jeopardised by the excess profits duty. He was not grumbling at the excess profits duty, and he did not want the meeting to misunderstand him. All through the War he had thought that war profits should go to the State, and they had gone to the State so far as their own Company was concerned; but in this instance he was dealing with a new enterprise with no pre-War standard, and the shareholders, therefore, could understand the position. There surely had never been a tax which was so calculated to stop the initiation of new enterprise as the excess profits tax as applied to businesses which had no pre-War standard of profits.

Mr. Martin Roberts, M.Inst.C.E., seconded the motion, which was unanimously adopted.

Resolutions were afterwards passed sanctioning the declaration of the dividend recommended on the Ordinary shares, re-electing the retiring directors and auditors, and authorising the board to apply out of the Company's funds a further sum of £7,500 and to pay over the same to the trustees pension fund established for the advantage of the Company's staff.

The proceedings terminated with cordial votes of thanks to the directors and the staff and to the Chairman.

SHELFORD RUBBER ESTATE, LIMITED.

THE thirteenth annual general meeting of shareholders was held in the registered office of the Company, 102 Hope Street, Glasgow, on Wednesday, April 16, 1919, at 12 o'clock noon, Sir John Ure Primrose, Bart., LL.D., presiding.

Mr. Macdonald, for the Secretaries, read the notice calling the meeting and the auditors' docquet.

The Chairman, in moving the adoption of the directors' report and accounts, said: With your permission the directors' report and the balance sheet will be held as read. From the accounts it will be observed that the profit for the year amounted to £3,523, as compared with £12,034 in the year before. This is to be accounted for by the fact that although the "all-in" costs were reduced from 1*s.* 3.30*d.* to 1*s.* 2.65*d.*, our rubber realised 1*s.* 7.33*d.* per lb., as against 2*s.* 4*d.* per lb. last year, and that the output from both estates was 11,909 lb. short of last year's output. While the profits earned do not compare favourably with those of the past ten years, it must be remembered that the low output was the result of the restricted tapping recommended by the Rubber Growers' Association, and the restrictions having been removed the estimated yield for next year is 365,000 lb.

The Cost of Production.

It is further to be pointed out that the cost of production on Shelford Estate was practically the same as last year, but a reduction of 2½*d.* in the cost of production in Sungei Bruas Estate was effected during the year, and I hope next year to be able to report a further reduction. The last reports by the visiting agents in regard to the condition of the properties were quite satisfactory. The outbreak of influenza—which is referred to in the annual report—was common to all estates in the Federated Malay States, and to a certain extent involved dislocation of labour forces. I am glad to say that as far as we were concerned the outbreak was not of a long duration, nor were the casualties heavy.

As to the future of the industry, one can now speak with more confidence, as, though matters have by no means returned to normal, I am thankful to say the War is apparently over. Freights have already been very materially reduced, war risk insurance is merely nominal, and shipping is to a greater extent available for bringing rubber home to this country, and I hope that when we meet again next year London will again have become to a large extent the Rubber market of the world. One thing, however, I hope to see, and that is some alteration in the method of disposing of our produce. Until there is something of the nature of an International Combination of Production Interests it seems to me that the price of the raw material must be to a considerable extent at the mercy of the buyer. I now beg to move that the report and accounts be adopted and a dividend of 5 per cent., less tax, be paid forthwith.

The adoption of the report and accounts was formally seconded by Mr. Campbell and unanimously agreed to.

Sir John Ure Primrose, Bart., LL.D., and Mr. W. F. de Bois Maclaren were unanimously re-elected directors.

The auditors, Messrs. Gibson and Anderson, C.A., were also unanimously re-elected.

JAVA AMALGAMATED RUBBER ESTATES, LIMITED.

THE ninth annual ordinary general meeting was held on April 25 at the offices, Mincing Lane House, 59 Eastcheap, E.C., Mr. Herbert Wright (Chairman of the Company) presiding.

The Assistant Secretary (Mr. J. S. Green) having read the notice convening the meeting and the report of the auditors,

The Chairman said: I will now formally move "That the directors' report and statement of accounts for the year ended December 31, 1918, be and are hereby adopted." The main features of the year have been the scarcity—and, in fact, at times complete absence—of all freight from Java to London. That factor has operated more seriously against Java companies than perhaps any others in the Middle East.

NOW READY.

ALL INVESTORS

should read the introductory article to the April 1919 Quarterly Supplement (price 4d. post free) of

"THE 100 BEST INVESTMENTS"

ENTITLED

"CHANGING CONDITIONS,"

which deals fully and frankly with the present position and outlook of affairs from the point of view of the investor, large or small. The Quarterly Supplements contain up-to-date details of 100 specially selected securities, covering the whole available field of investment—from Government Loans to Ordinary Shares in Industrial Companies—particulars of further investments considered worthy of attention, a number of useful tables and hints of value to everyone concerned with the remunerative employment of capital.

The Annual Volume - - - Price 1s.
(Published in July.)

Quarterly Supplements - - Price 4d.
(Published January, April, and October.)

Post free on receipt of remittance to the Publishers:

The British, Foreign and Colonial Corporation, Limited, Investment Bankers,

57 BISHOPSGATE, LONDON, E.C. 2.

Fortunately, freight is becoming more available, and we have now the pleasure of receiving advices of fairly substantial quantities being shipped regularly to this country. You are also aware that we have been working on a restricted crop in conjunction with the scheme of the Rubber Growers' Association, which, in fact, meant that we refrained from harvesting our maximum by perhaps some 100,000 to 150,000 lb. In the absence of freight we have had to be content with very low prices for our produce in the East. Furthermore, we have had to face some very high taxation in this country and in Java, and have had to pay a considerable difference in exchange, as is disclosed in the revenue account. You will observe that the estate expenditure totalled £43,305, as against £50,653 a year ago. The cost of all our working, with the exception of the cost of harvesting the smaller crop of coffee on the Poerwodjojo Estate, has been reduced. The vouchers for all such expenditure are audited in Java by the Anglo-Dutch Estates Agency, Limited, and any documents required are submitted to the auditors in this country. You will also observe that the income tax in London and Java amounts to £9,541. If you add that to the difference in exchange, you find you have a total amounting to over £11,100 in one year, which is a very substantial amount, but, of course, is mainly connected with the War. The produce realised, so far as rubber and coffee are concerned, £48,493, as compared with £75,887 a year ago. The main difference was in the rubber, for which we realised £61,249 a year ago, whereas last year the total was only £40,877. You will also observe that we have, as the result of a claim we submitted to the authorities in Holland, been able to secure a refund of the Dutch war profits tax to the amount of £2,503. Later I will add a remark with regard to a similar tax in this country. In the balance sheet you will observe that our capital stands practically at the same amount as a year ago, though we may, in order to increase our local cash resources, offer the balance of our shares—a small number of 13,000—at a later date to the shareholders if the ready cash is required.

The Year's Trading.

The result of the year's trading shows that our receipts were several thousand pounds in excess of our total expenditure, but out of our revenue we had to put aside a further sum of £6,654 to meet income tax for last year. That creates a debit of £3,909, which leaves the carry-forward to the present account £15,755. That sum of £15,755 is at the moment entirely employed in financing the estate for a period of from four to five months. That is not entirely liquid. Crops harvested in January are not turned into ready cash in London until about May, and for that reason we have had to use our surplus carry-forward for working the estate. As I have previously remarked, it may be to the advantage of the Company to issue the small number of unissued shares in order to give us liquid cash. I need hardly add that had we been in possession of liquid cash, and not had to finance our estate for several months, we should on this occasion have declared a dividend. I want you to observe that we have submitted a claim for a return of excess profits duty paid in this country. Our application for a refund of the Dutch excess profits tax was met, and we have every hope that our claim in this country will also be met. Hitherto we have paid something like £13,000 in excess profits duty to the British Government, and we have put forward a claim which should, if successful, give us a refund of £12,000. That, of course, will still be subject to tax, so that the net amount, if we are successful, will be about £8,000. That will bring our carry-forward up to about £23,000.

Current Year's Production.

You will see that we had to sell practically the whole of our crop of rubber and coffee in the East at phenomenally low prices. We sold in London only 68,358 lb. at a little over 2*s.* per lb.; we sold 297,433 lb. in Java at 1*s.* 2.68*d.*, and 138,000 lb. at a little over 10*d.* in Singapore. You will observe that we still had on hand at the date of this report 159,870 lb. of rubber and also 2,294 cwt. of coffee unsold. We took them into our books for the purposes of our calculation at 1*s.* 4*d.* per lb. for rubber and 35*s.* per cwt. for coffee. I am very pleased to be able to tell you that so far we have sold of that 89,600 lb. of rubber at 1*s.* 9½*d.* per lb. in the East, so that that shows a material advance over the average of last year. Furthermore, we have sold 573 piculs of coffee at from 42*s.* to 45*s.* per cwt., which is more than double the average recorded for the amount sold in the previous year. Our crops for the current year are expected to be 950,000 lb. of rubber, 1,200 cwt. of coffee, and 250,000 nuts. You will see that we are getting very near to a production of one million lb. of rubber per annum. For the first three months of this year we have harvested 245,700 lb., which shows a very substantial increase over the amount harvested a year ago. I am looking forward to the time when this Company will be harvesting something like one and a-half million lb. of rubber per annum from its present planted acreage.

Mr. F. Copeman seconded the resolution, and it was carried unanimously. The retiring director and auditor were re-elected, and a cordial vote of thanks was passed to the Chairman, directors, and staff, especially those in the East.

New Issues.

MANGANESE BRONZE AND BRASS COMPANY, LIMITED.

The British, Foreign and Colonial Corporation having purchased £115,000 (total authorised issue) of this Company's First Mortgage 6% Redeemable Debentures, offers same for sale at 98%. The Company was founded in 1882, and manufactures propellers and engines for vessels of all types. Sales and profits before allowance for depreciation have been as under:

	1913	1914	1915	1916	1917	1918
	£	£	£	£	£	£
Sales ...	401,931	378,249	555,662	696,709	837 796	759,109
Profits* ...	34,021	37,475	36,063	51,023	31,528	30,831

* Before provision for depreciation.

The average net profits of the last eight years are sufficient to cover the interest on the Debentures six times over. Consequently the security is good, while the yield is over 6%. The Debentures are in denominations of £50 and £100. Five per cent. of the price is payable on application, 43% on acceptance, and 50% on July 1. The issuing house has paid the same price as it offers the Debentures at and receives a commission of 3½%, paying out itself 2½% for underwriting and ½% for overriding commission.

EAST AFRICAN FLAX LANDS, LIMITED.

Land owning and developing companies in East Africa have done well in the recent past, and the great appreciation in the value of their produce has directed attention to the possibilities of their future progress. The East African Lands and Development Company is a venture of this description, and with a view to extending the cultivation of its properties has floated the East African Flax Lands, Limited, with a capital of £60,000, passing over to it 10,000 acres of land. The consideration is £20,000 (or £2 per acre) in fully paid £1 shares. The land is 12 to 16 miles from the

PITMAN'S BOOKS
FOR BUSINESS MEN.

By W. E. SNELLING.
Each in demy 8vo, cloth, 12s. 6d. net;

EXCESS PROFITS DUTY. Fourth Edition.
Includes Excess Mineral Rights and Levies under the Munitions of War Acts.
New Edition, Revised and brought thoroughly up to date in accordance with the Finance Act, 1918.

INCOME TAX AND SUPER-TAX LAW AND CASES. Second Edition, Revised.
Including the Finance Act, 1918.
Contains a complete statement of every provision of the Income Tax Acts, 1918. An Analysis of the Schedules, Guide to Income Tax Law, and Notes on the Land Tax are also included.

EASTERN EXCHANGE, CURRENCY AND FINANCE. By W. F. SPALDING,
Certificated Associate of the Institute of Bankers. Author of "Foreign Exchange." 12s. 6d. net.
This volume contains, in a form readily accessible, a properly authenticated account of the somewhat intricate subject of Eastern Exchange.

OFFICE ORGANISATION AND MANAGEMENT.
Including Secretarial Work. Fourth Edition, Revised.
By LAWRENCE R. DICKSEE, M.Com., F.C.A.,
Professor in Accounting and Business Organisation in the University of London, and H. E. BLAIN. 7s. 6d. net.
Gives a complete description of Office Organisation and Management under the most improved and up-to-date methods.

PITMAN'S LIST OF BUSINESS BOOKS
You should obtain this List for reference, as it contains particulars of many books necessa y for the proper conduct of your business. A copy will be sent to you, post free, on application.
SIR ISAAC PITMAN & SONS, LTD.,
1 AMEN CORNER, LONDON, E.C. 4.

main-line railway connecting Lake Nyanza with the port of Mombasa, *via* Nairobi. The new Company acquires the timber on the land for £4,000 cash. Two permanent rivers traverse the property. Of the capital of £60,000, 39,593 £1 shares are offered for sale by the British, Foreign and Colonial Corporation at par. The net price the Company will receive will be 18*s*. 6*d*. per share, less the charges connected with the offer. The programme outlined is to plant 500 to 750 acres in flax during this year, and to erect mills in time to deal with the crop harvested in October-November. Subsequently the area under flax will be increased and spare land parcelled off for sale as farms. No estimate of profits is put forward, and it seems scarcely likely that sufficient revenue will be earned to pay dividends in the early years. The shares are, of course, highly speculative.

"The Official Year-Book of New South Wales, 1917." By John B. Trivett, F.R.A.S., F.S.S., Government Statistician. Published by authority of the Government of New South Wales. Price 2*s*. 6*d*. net. As in previous years, the text includes the latest information concerning the activities of the State, together with full notes as to changes in legislation. A diagram map of New South Wales is bound up with the volume to show the railways, county and territorial divisions, and area of the State suitable for the profitable cultivation of wheat.

"Instincts in Industry." A study of working-class psychology. By Ordway Tead. Price 6*s*. net. (London: Constable and Co., Ltd.) This volume is a striking appeal to brain-workers, in the hope that the great gulf which separates them from the hand-workers of the world may in the years of reconstruction be narrowed, and a common ground be discovered for co-operative effort towards a social organisation which will make use of the best in human nature.

"Mining Manual and Year Book."—The 1919 volume of the "Mining Manual and Mining Year Book," edited by Mr. Walter R. Skinner, can now be obtained from the publishers, 11-12 Clements Lane, E.C. 4, at the price of 20*s*. net. Recent editions have been out of print within a comparatively few months of publication. All those interested in mining enterprise who have reason to study the financial position of individual companies will find the present volume as invaluable as its predecessors.

The figures of the foreign trade of Egypt, which have just been made public by the Egyptian Administration of Customs, are of exceptional interest as showing the remarkable growth of trade in favour of that country from 1914 to 1918. The facts are best set out in tabular form as published by the Administration. The figures are given in Egyptian pounds, and are as follows:—

(000's omitted).

	1918	1917	1916	1915	1914
Imports ...	£E.51,155	£E.31,839	£E.30.854	£E.19,329	£E.21,725
	1918	1917	1916	1915	1914
Exports ...	£E.45,370	£E.41,049	£E.37,462	£E.27,047	£E.24,092
Difference	−£E.5,785	+£E.9,210	+£E.6,608	+£E.7,718	+£E.2,367

It will be seen that whereas from 1914 to 1917 the exports considerably exceeded the imports, in 1918 the trade balance was against Egypt to the extent of £E.5,785,000. In the five years the total value of the imports into Egypt was £E.154,902,000, of which she took nearly half—£E.74,189,000—from this country; while of her total exports, amounting to £E.175,020,000, Egypt sent to this country no less than £E.100,081,725, or about 58%. It will be seen that the exports from Egypt show very satisfactory growth in each of the five years. The imports into Egypt in 1918 amounted to big figures, but this was undoubtedly due to the large garrison maintained in the country, as well as to the high prices of everything she had to import from abroad.

A sound investment for Stockbrokers

When you send to your clients lists of shares advices to buy, market information, etc. do you have this material laboriously typed by hand in your office, or do you allow this confidential matter to leave your office to be printed?

You could periodically save considerable sums of money by having all such material beautifully printed on a Gammeter Multigraph operated by one of your own clerks in the privacy of your own office. The Gammeter Multigraph is designed to be operated by a girl of ordinary intelligence: it is a miniature rotary printing machine which produces printed matter of a quality entirely suitable for sending to your clients. It prints from printers' type or electrotypes in printers' ink—one or two colours. Also it types letters through a ribbon in typewriter type on a platen exactly as they are produced on a typewriter but a page at a time instead of a character at a time: 4,000 sheets an hour.

Not only do you save an average of 40% on ordinary costs for such work by using the Gammeter Multigraph but you gain the great advantage of producing your printed matter much more quickly than you could have it produced for you, and you produce it privately. You will, of course, incur no obligation by writing to the address below for fuller information.

THE INTERNATIONAL MULTIGRAPH COMPANY

Head Offices (London):
59S. HOLBORN VIADUCT, E.C.
Telephone - City 5085
MANCHESTER: 49, Arcade Chambers, S. Mary's Gate
BIRMINGHAM: 25, Guildhall Chambers, Navigation St.



BANK OF MONTREAL

Established in 1817.
Capital Paid up, $16,000,000.
Reserve Fund, $16,000,000.
Undivided Profits, $1,901,613.

BOARD OF DIRECTORS.

Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. R. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., Lt.-Col. Herbert Molson, M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq.

Head Office: Montreal.
General Manager: Sir Frederick Williams-Taylor.
Assistant General Managers: F. J. Cockburn, H. P. Mackenzie, G. C. Cassels, D. R. Clarke.

LONDON OFFICES:
47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1, and
24 Cockspur Street S.W. 1.
London Committee: Sir Thomas Skinner, Bart., Lieut.-Col. F. R. S. Balfour.
Manager: George Cyril Cassels.

Financial Agents of the Government of the Dominion of Canada.

Branches and Agencies through Canada and Newfoundland; also at New York, Chicago, San Francisco and Spokane in the United States, and at Mexico City.

The Bank undertakes monetary business with all Allied and Neutral countries, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, and Mexico.

THE ROYAL BANK OF CANADA

Capital Paid up $14,000,000
Reserve Fund and Undivided Profits $15,500,000
Total Assets $412,000,000

Head Office—MONTREAL.

Sir HERBERT S. HOLT, President. E. L. PEASE, Vice-President & Managing Director.
C. E. NEILL, General Manager.

492 Branches in Canada and Newfoundland.
41 Branches in Cuba, Porto Rico, Dominican Republic, Martinique, Costa Rica and Venezuela.

BRANCHES IN BRITISH WEST INDIES.

ANTIGUA—St. John's; BAHAMAS—Nassau;
BARBADOS—Bridgetown; DOMINICA—Roseau;
GRENADA—St. George's; JAMAICA—Kingston;
ST. KITTS—Basseterre; TRINIDAD—Port of Spain, San Fernando; BRITISH GUIANA—Georgetown, New Amsterdam, Rose Hall; BRITISH HONDURAS—Belize.

BARCELONA, SPAIN ... Plaza de Cataluna 6.
NEW YORK AGENCY ... 68 William Street.
LONDON OFFICE ... ... Princes Street, E.C. 2.
T. R. WHITLEY, Manager. JAMES MACKIE, Joint Manager.

THE CANADIAN BANK OF COMMERCE.

HEAD OFFICE ... TORONTO.

Paid-up Capital ... $15,000,000 (£3,082,192)
Reserve Fund ... $15,000,000 (£3,082,192)
President: SIR EDMUND WALKER, C.V.O., LL.D., D.C.L.
General Manager: SIR JOHN AIRD.
Assistant General Manager: H. V. F. JONES.

425 Branches throughout CANADA, and in NEWFOUNDLAND, THE UNITED STATES and MEXICO.

LONDON OFFICE: 2 LOMBARD STREET, E.C.
A general Banking Business conducted with ALL POINTS IN NORTH AMERICA.
C. CAMBIE, Manager.

UNION BANK OF CANADA.

Incorporated 1865. Head Office, WINNIPEG.

Paid-up Capital $5,000,000
Rest and Undivided Profits ... $3,800,000
Total Assets exceed £155,000,000

The Bank has over 300 Branches in CANADA and Agents in the principal Cities in AMERICA.

Deposits received at favourable rates, which may be ascertained on application to:—

LONDON OFFICES { 6 PRINCES STREET, E.C. 2.
{ 26 HAYMARKET, S.W. 1.

New York Agency: 49 Wall Street.

THE WESTERN AUSTRALIAN BANK.

Established 1841.

Paid-up Capital £250,000 0 0
(25,000 Shares of £10 each)
Reserve Fund £700,000 0 0
Reserved Profits ... £23,460 0 0
Reserve Liability of Shareholders, £250,000.

Drafts issued, Remittances cabled, Bills negotiated or collected. Deposits received for fixed periods at rates to be ascertained on application, and all Banking and Exchange Business connected with Western Australia conducted through the London Agents,
The Bank of Adelaide, 11 Leadenhall Street, E.C.3.

THE MECHANICS AND METALS NATIONAL BANK

OF THE

CITY OF NEW YORK.

ESTABLISHED 1810.

CAPITAL (FULLY PAID) $6,000,000
SURPLUS AND UNDIVIDED PROFITS ... $11,000,000

THIS BANK RECEIVES ACCOUNTS OF BANKS, BANKERS, CORPORATIONS, FIRMS, AND INDIVIDUALS ON FAVOURABLE TERMS, AND GRANTS TO ITS DEPOSITORS EVERY FACILITY CONSISTENT WITH PRUDENT AND CONSERVATIVE BANKING METHODS. CORRESPONDENCE INVITED.

FOREIGN DEPARTMENT.

Finances Exports and Imports, buys and sells Foreign Exchange. Telegraphic Transfers, &c., and makes Collections on all parts of the world.

LONDON BANKERS:
LONDON JOINT CITY AND MIDLAND BANK LIMITED.
LONDON COUNTY WESTMINSTER & PARR'S BANK LIMITED.

THE LONDON AND RIVER PLATE BANK (Limited).

Established 1862.

Authorised Capital £4,000,000
Paid-up Capital 1,800,000
Reserve Fund 2,100,000

BRANCHES.

ARGENTINE.—Buenos Aires, Rosario, Mendoza, Concordia, Bahia Blanca, Cordoba, Tucuman, Parana, Barracas (Buenos Aires), Once (Buenos Aires), Boca (Buenos Aires), Calle Santa Fe (Buenos Aires), Calle B de Irigoyen (Buenos Aires).
URUGUAY.—Montevideo, Calle Rio Negro (Montevideo), Paysandu (Agency), Salto (Agency).
BRAZIL.—Rio de Janeiro, Sao Paulo, Santos, Pernambuco, Para, Bahia, Victoria, Curityba, Manaos (Agency).
CHILI.—Valparaiso, Santiago.
FRANCE.—Paris (16 Rue Halevy).
BELGIUM.—Antwerp (22 Place de Meir).

Agency in New York and Agents throughout the World.

Letters of Credit, Drafts and Cable Transfers issued.

Bills negotiated, advanced upon, or sent for collection.

7 Princes Street, E.C. 2.

NATIONAL BANK OF INDIA, LIMITED.

Bankers to the Government in British East Africa and Uganda.

HEAD OFFICE:
26 BISHOPSGATE, LONDON, E.C. 2.

BRANCHES:

Calcutta	Cochin (S. India)	Zanzibar	
Bombay	Chittagong	Mombasa	British East Africa
Madras	Rangoon	Nairobi	
Karachi	Mandalay	Nakuru	
Cawnpore	Aden and	Kisumu	
Lahore	Aden Point	Entebbe	Uganda
Amritsar	Colombo	Kampala	
Delhi	Kandy	Jinja	
Tuticorin	Newera Eliya		
	Dar-es-Salaam, Tanga	Occupied Territory, German East Africa.	

SUBSCRIBED CAPITAL ... £2,000,000
PAID UP CAPITAL £1,000,000
RESERVE FUND £1,550,000

LONDON BANKERS.—Bank of England; National Provincial Bank of England, Limited; National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balances at the rate of 2 per cent. per annum

THE EASTERN BANK, LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C.

Subscribed Capital £1,500,000
Called up £600,000
Reserve Fund £110,000
Reserve Liability of Shareholders £900,000

BOARD OF DIRECTORS.

The Right Hon. LORD BALFOUR OF BURLEIGH, K.T. (Chairman).
SIR EDWARD SASSOON, Bart. J. S. HASKELL, Esq.
G. BROMLEY-MARTIN, Esq. J. LEIGH WOOD, ESQ., C.B., C.M.G.
EMILE FRANCQUI, Esq.

Branches:
BOMBAY, CALCUTTA, BAGDAD, BASRA, AMARA, HILLAH.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, Negotiates and Collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.

Deposits are received for fixed periods at rates to be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager*.

NATIONAL TRUST COMPANY, LTD.

Reserve Fund - £328,767 2 7
Paid-up Capital - £308,219 3 7
Assets under Administration £16,457,192

HEAD OFFICE: TORONTO, CANADA.

BRANCHES:
Montreal, Winnipeg, Regina, Saskatoon, Edmonton.

Executor and Trustee.

Acts as Agent for clients and corporations and has exceptional facilities for investing British and Foreign Funds in carefully selected First Mortgages on Farms and improved City properties in Canada. Guaranteed Trust Investments.

Correspondence Invited.
28 Bishopsgate, London, E.C. 2. A. L. NUNNS, London Representative.
Bankers:—
Bank of Scotland. Canadian Bank of Commerce.

THE ANGLO-EGYPTIAN BANK, LIMITED.

SUBSCRIBED CAPITAL ... £1,800,000.
PAID UP, £600,000. RESERVE FUND, £710,000.

BRANCHES: Alexandria, Cairo, Beni-Souef, Mansourah, Port Said, Tantah, Zagazig, Khartoum, Jaffa, Jerusalem Malta, Gibraltar, Haifa.

BANKERS: The Bank of England The London Joint City and Midland Bank, Limited

The Bank transacts every description of Banking business in Egypt, grants Letters of Credit, and affords facilities to travellers proceeding to Egypt and elsewhere.

Deposits received for fixed periods at rates to be obtained on application. Interest payable February 28th and August 31st

On current accounts, interest at the rate of 2 per cent. per annum allowed on minimum monthly balances provided they do not fall below the sum of £200.

27 Clements Lane, Lombard Street, E.C. 4.

IMPERIAL BANK OF CANADA.

Head Office—TORONTO.

Capital Paid up - - - $7,000,000
Reserve Fund - - - $7,000,000

152 BRANCHES THROUGHOUT CANADA.

Inquiries regarding Canadian Investments and Securities will be given every attention.

Agents in Great Britain:
ENGLAND—Lloyds Bank Limited, London, and Branches.
SCOTLAND—The Commercial Bank of Scotland, Limited, Edinburgh, and Branches.
IRELAND—Bank of Ireland, Dublin, and Branches.

Agents in France
Crédit Lyonnais. Lloyds Bank (France) and National Provincial Bank (France) Limited.

BANK OF NEW SOUTH WALES.

Established 1817.

LONDON OFFICE: 29 Threadneedle Street, E.C.2.

Paid-up Capital £3,904,860
Reserve Fund 3,025,000
Reserve Liability of Proprietors ... 3,904,860
£10,834,720
Aggregate Assets, 30th Sept., 1918 £62,115,135

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business.

H. MELDRUM, Assistant Manager.

Ernesto TORNQUIST & Co.

LIMITADA,
BUENOS AIRES.
Established 1830.

Oldest Business Establishment in the River Plate.

CAPITAL FULLY PAID UP AND RESERVES
£2,679,785.

GENERAL FINANCIAL, BANKING AND COMMERCIAL BUSINESS.

Printed by SPOTTISWOODE, BALLANTYNE & CO. LTD., at 1 New Street Square, E.C. 4, and Published by the Proprietors of "The Statist" at their Offices, 51 Cannon Street, E.C 4, in the City of London, England.—*April* 26, 1919.

NATIONAL BENEFIT
ASSURANCE COMPANY, LTD.
All classes of INSURANCE, including LIFE, FIRE, MARINE, ACCIDENT, PROPERTY INVESTMENT, WAR RISKS, EMPLOYERS' LIABILITY, &c., at very favourable rates.
PROSPECTUS ON APPLICATION.
ASSETS EXCEED £1,500,000.
MANAGING DIRECTOR: J. TRANCIS, J.P., F.S.S.
Head Offices: NATIONAL HOUSE, NEWGATE STREET, LONDON, E.C. 1.
Marine Underwriting Rooms: 74 CORNHILL, LONDON, E.C.3.

REFUGE
ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.
Annual Income Exceeds - £4,700,000
Assets Exceed - - - - £15,900,000
Claims Paid Exceed - - - £28,000,000

SUBSCRIPTION TO "THE STATIST."
TO INCLUDE ALL SUPPLEMENTS.
Payable in Advance.

Inland.
One Year, £1 10 0 | Half-Year, £0 15 8
(Post Free.)
For Colonies and Abroad (within Postal Union).
One Year, £1 17 4 | Half-Year, £0 18 8
(Post Free.)
OFFICES: 51 Cannon Street, E.C. 4.

The Statist.

LONDON, SATURDAY, MAY 3, 1919.

CONTENTS.

	PAGE
LEADING ARTICLES—	
THE BUDGET	781
THE PEACE CONFERENCE ...	782
THE LIVERPOOL COTTON MARKET	782
EUROPE AND AN "ECONOMIC VACUUM"	783
OUR TRADE WITH BRITISH WEST AFRICA	784
THE LANCASHIRE COAL EXPORT TRADE	786
ARGENTINA—II.	787
THE CIVIL SERVICE	790
AGRICULTURAL EDUCATION IN IRELAND	788
TEXTILE MACHINERY ...	796
FODDER IN AUSTRALIA ...	800
S. AND CENTRAL AMERICA—	
CHILEAN NITRATE	791
THE MONEY MARKET	
NEED FOR ECONOMY ..	773
STOCK EXCHANGE	775
MINING TOPICS—	
SPRINGS MINES ..	776
BRAKPAN	777
DAGGAFONTEIN	778
TABULAR APPENDIX—	
I. Bank Returns, &c. ...	778
II. Current Bank Rates of Discount	779
III. Foreign Exchanges ...	779
IV. Bankers' Clearing House Returns	779
V. Fineries	779
VI. Wholesale Prices of Commodities	780
VII. Railway Revenue Statement	780
VIII. Railway and Tramway Traffic Receipts .	780

	PAGE
FINANCIAL NOTES—	
PROGRESS IN PARIS	792
BRITISH EXPORTS	794
WEDNESDAY'S BUDGET ..	794
AMERICAN TOPICS—	
U.S. STEEL CORPORATION ...	795
AMERICAN INTERNATIONAL CORPORATION	796
RUBBER TOPICS—	
RUBBER ESTATES OF JOHORE	798
SCOTTISH MALAY	798
DIMBULA VALLEY (CEYLON)...	798
NEW ISSUES—	
LEVER BROS., LTD.	803
ALL SEAS MARINE AND SALVAGE CO., LTD.	803
BURMA QUEENSLAND CORPORATION, LTD.	804
"M.P." CONCRETE CONSTRUCTION, LTD.	804
CHARLES MARSDEN & SONS, LTD.	804
ROWNTREE AND CO., LTD. ...	805
SLOUGH GAS & COKE CO. ...	805
INSURANCE NOTES—	
REFUGE ASSURANCE CO., LTD.	799
PROVIDENT MUTUAL LIFE ASSURANCE CORPORATION	799
COMMERCIAL—	
HOSIERY—II.	802
INDUSTRIAL COMPANIES—	
MOLIAN WE...	801
OCEANIC STEAM NAVIGATION CO.	805
FAIRBAIRN LAWSON, COMBE BARBOUR	805
HOPE BROTHERS	805
MEETINGS OF PUBLIC COMPANIES ...	806-825

The Money Market.

Friday, May 2, 1919.

	Current Rate	Previous Rate
Bank of England Rate...	5 (Apr. 5,'17)	5½ Jan. 18,'17
Bank of England Rate — to Clearing Banks: 3 days' notice ...	3 (Feb. 14,'18)	4 June 19,'17
Bank of England Rate — for Foreign Money*	4½ (Nov. 15,'17)	extended Jan. 2,'18

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances.

Deposit Rates:—

Banks & Discnt. Ho. (Call)	3† (Feb. 14,'18)	3½ Jan. 2, 18
Discount Houses (Notice)...	3 (June 6,'18)	3¼ Feb. 14,'18

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days.	3 Mos.	4 Mos.	6 Mos.
	%	%	%	%
Tr'sury Bills (Fixed Feb. 14,'18)—		3½	—	3½
Bank Bills	3½	3½	3½	3⅝
Trade Bills	—	4–4¼	4–4¼	4–4½

NEED FOR ECONOMY.

IN his Budget speech on Wednesday the Chancellor of the Exchequer stated that the floating debt exceeded eleven hundred millions sterling, and on the night of March 31 last amounted to, in rough figures, fourteen hundred and twelve millions sterling. Closely related to the burden of the floating debt, as the Chancellor truly pointed out, is the abnormal increase in currency. At the outbreak of the War the amount of legal tender was estimated at two hundred and fourteen millions. It is now five hundred and forty millions. To go into the whole cause of this abnormal increase in the currency of the country would involve us in a review of the whole policy adopted by the British Government in the conduct of the War. We have neither space nor the inclination to go into that question, which at the present time would serve no good purpose. The Chancellor made out a good case to show that the currency is not a forced currency in the sense that there is any design to inflate the currency for the purpose of obtaining illegitimate ends, either on the part of an individual or a group of individuals, as has been done in the past both here and in other countries. He went at once to the root of the matter in explaining that it was due to abnormal and extravagant expenditure, and that the only real remedy is the reduction as may be of such abnormal expenditure. While such extravagant expenditure continues he showed conclusively that any attempt to reduce the currency would be attended by results more serious than allowing the currency to expand, as it is in fact doing.

The abnormal growth in the currency has come about quite simply.

Practically from the very beginning of the War we have suspended Specie payments. It will be within the recollection of the reader that in the early days of the War the Government requested everybody who had gold in his possession to pay it in to his bankers; and that this request was almost immediately complied with there can be no reasonable doubt. Gold is not, and has not been throughout the War, obtainable by private persons, although for the purposes of international trade, and with the consent of the Government it can of course still be obtained, even if only in a limited amount. The method of procedure is that when customers draw large quantities of Treasury notes, which have now taken the place of the gold we were accustomed to use in pre-War days, the bankers request the Treasury to issue them a fresh supply of Treasury notes. This is accordingly done. To refuse would compel the joint stock and private banks to go to the Bank of England, which would either have to issue its own notes or pay out the gold reserve it holds. In effect this could only be done with the consent of the Government; and owing to the state of the

exchanges would lead to export of gold upon an immense scale. The rise in prices was brought about partly by the abnormal demand for commodities in connection with the War, and still more by the mobilising of such an abnormal number both of men and women for purposes of non-productive as distinct from productive occupations. In the result there were fewer commodities for use, while there was a vast increase in the non-producing community who not merely became consumers, but consumers upon an abnormally large scale. The rise in prices is perfectly simple and quite intelligible to the trained economist who will carefully study the known facts of the case.

To say that there has been a rise of prices or that the currency has nearly trebled during the course of the War is merely a convenient method of expression. What really has taken place is that we have a smaller measure of commodities to consume and that we have in exchange to give a larger measure of services for them.

The Chancellor stated that with the 230 millions he proposes to borrow in order to balance his Budget during the present financial year, the total debt will amount to 7,680 millions sterling, and it will be seen that the charge on such a debt will form an appreciable part of the revenue which it will be necessary to raise year by year. The only possible remedy for such a state of things is to restore as soon as may be the vast number of people who were withdrawn during the period of the War from productive to unproductive occupations back to such occupations as will assist in paying the taxes instead of being, as at present, a drain upon the national finances. Gradually, the Control Boards are being demobilised, and it is to be hoped that the various departments which were brought into existence in connection with the War will likewise be demobilised as soon as possible.

The people thus released from unproductive labour will, in due course, find their way into channels which will add to the aggregate production of the country, taken as a whole. Their joint labours will, in their turn, so increase the aggregate of production as to satisfy the consuming capacity of the country and in time, and it should not be a long time, if the Government acts with promptitude, bring about a material and ultimately, very material fall in prices and consequently, that we shall obtain a larger measure of consumable commodities for a lesser measure of services than is the case at the present time.

It has to be remembered that what we call productive employment, that is, satisfying some economic need of the community, can only be carried on to the extent that need exists. While the Government, as for example, during the War and, unfortunately, to a large extent still, was employing an abnormal number of persons in unproductive employment without regard to cost, the demand for currency naturally tended to expand and still continues to expand.

As said above, however, productive employment designed for satisfying an actual economic need can only be carried on to the extent that that need exists. Moreover, it is only possible upon an economic basis. A very poor person might have a desire for a diamond ring, but while he remains poor he is not in a position to create an economic demand for a diamond ring.

As a natural sequence, it will be seen that automatically, when hundreds of thousands of persons are removed from unproductive to productive employment, the demand for currency can only exist to the extent that there is real economic requirement for such currency. If some discovery were made immediately which would enable our people upon a sound economic basis to continue their expenditure on the existing basis there would be no inflation of the currency at all. Owing to our sudden accession of wealth, we should be able to pay for our imports of food and raw materials which we require either by services, exports, or in specie, and we should be in a position to bring gold to London in as large amounts as the economic condition of the country required, as we were accustomed to do in the period that preceded the outbreak of the recent War. It is notorious, however, that we are not at present in a position to pay for our imports. We have had to sell in round figures about 25% of the foreign investments which we held in the pre-War period and in addition we have obtained various credits abroad to the amount of roughly one thousand three hundred millions sterling. Until, therefore, we are in a position to pay for those imports which are essential to feed us and to provide material for our manufacturers without the necessity of obtaining credit from abroad it is evident that our currency, our floating debt, and our indebtedness is excessive.

BANK OF ENGLAND.

With the exception of a diminution of £440,000 in the reserve and a small increase in the "rest," all the movements indicated in this week's Bank return were in favour of the market. Treasury disbursements were heavy, as reflected by an increase of £4,863,000 in Government securities and a reduction of £2,660,000 in public deposits. These two items practically accounted for an expansion of £7,500,000 in "other" deposits, "other" securities being £434,000 up and seven-day bills £13,000 down. The note circulation resumed its record-breaking upward progress, an increase of £999,165 on the week raising the total to £77,162,550. The addition to the bullion being £559,435, the reserve was lower by £439,730, the proportion to liabilities showing a fall of nearly a point at 18.38%, against 19.32%.

For the first time since January 27 the value of Treasury notes cancelled exceeded the amount issued in the week ended April 30, the total outstanding being reduced by £768,672 to £348,339,626, including certificates.

THE POSITION IN INDIA.

Apparently the Indian Government is served by a bad Press, as the latest advices received in Anglo-Indian financial and commercial circles a large part of the recent trouble in the Punjab, the Bombay Presidency, and elsewhere, has been due to a misunderstanding of the scope and intentions of what have come to be known as the Rowlatt Acts. We do not intend here to enter into a discussion as to the merits or expediency of those Acts, whether it was desirable that they should be passed at all, or whether they should now be repealed. It is one of the misfortunes of our Governmental system that when what we are pleased to consider as reforms fail to give the general satisfaction anticipated the Government is too ready to resort to threats of coercive measures. There can be no doubt that the Home Government and the Indian Government intended really to benefit India by the measures of reform recently enacted, however little they may have been appreciated by the Indian population. It was unfortunate that when the Government found that their efforts at reform were either not appreciated or not understood they should have found it necessary to resort to threats of coercion. It was

ROYAL EXCHANGE
ASSURANCE.
Incorporated A.D. 1720. Governor: VIVIAN HUGH SMITH, Esq.
FIRE, LIFE, SEA, ACCIDENT, and GENERAL INSURANCES.
The Corporation is prepared to act as TRUSTEE and EXECUTOR.
Apply for full particulars of all classes of Insurance to the Secretary—
Head Office: ROYAL EXCHANGE, LONDON, E.C. 3.
West End Branch: 61 PALL MALL, S.W. 1.

still more unfortunate that, under such circumstances, if they found it necessary or thought it necessary to pass the Acts above referred to, they should not have taken measures to clearly inform the native mind exactly the scope and intention of such Acts of Council. It should have been made clear that they would only be put in force against those who were really and actively ill-affected to Government. This was manifestly not done, as is generally admitted. One of the gravest features of the recent trouble is that it has accentuated the inveterate habit of the Indian population to go on hoarding, as we shall explain very briefly in our note on silver.

The figures of the latest Indian Currency Return are shown below:—

1919.	Note Circulation	Silver: In India	Silver: Elsewhere	Silver: Total	Gold: In India	Gold: Elsewhere	% of Metallic Res. to Notes	Government Securities: Indian	Government Securities: British
	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs		Lacs	Lacs
April 23 ...	15,352	3,453	285	3,738	1,444	312	36·8	1,608	8,250
April 15 ...	15,409	3,511	385	3,796	1,443	312	36·0	1,608	8,250
April 7 ...	15,346	3,235	504	3,739	1,437	312	35·7	1,603	8,250
Mar. 31 ...	15,346	3,235	504	3,739	1,737	12	35·7	1,608	8,250
Mar. 23 ...	15,311	2,750	984	3,734	1,737	12	35·7	1,608	8,250
Mar 15 ...	15,371	2,563	1,201	3,764	1,737	12	35·2	1,608	8,250
1918.									
Dec. 15 ...	14,473	1,855	1,688	3,543	1,968	12	38·1	1,000	7,950
Dec. 7 [1] ...	14,255	1,986	1,613	3,599	2,044	13	39·6	1,000	7,600
Dec. '17 ...	10,831	1,905	—	1,905	2,673	100	43·2	1,000	5,147
July 14 ...	7,350	3,230	—	3,230	1,820	900	80·9	1,000	400

[1] Highest since war began.

SILVER.

The quotation has varied during the past week between 48⅞ and 48⅝ and the price to-day is 48½. The fluctuations in price have been almost entirely due to the variations in the rate of exchange between New York and London, by which, as the reader is aware, the price of silver in London is regulated. One of the most serious features of the unrest in India which existed during a long period of the War and which culminated in the recent regrettable incidents in the Punjab and elsewhere, is the recurrence of hoarding specie upon an immense scale on the part of the Indian population. It will be remembered, as was stated some time ago, that nearly 400,000,000 million ounces of silver were obtained from the United States and imported into India, and that a large part of this immense quantity has absolutely disappeared from circulation, although immense quantities of silver were coined into rupees. So abnormal is the demand for silver in India that it is now announced that the United States are about to send to India a further large consignment estimated in some quarters as high as 200,000,000 ounces. It is evident that, apart from the wastefulness of the process, if the Indian population continues to hoard silver to the extent that they have been doing during the War and also during the Armistice, there will be a very serious shortage of the metal for the requirements of the rest of the world.

A feature of the week in London has been the demand for silver for the Arts.

Stock Exchange.

Before closing for May Day the stock markets more or less marked time, pending knowledge of the Budget. Russian Bonds, however, rose further. The Foreign Railway section exhibited a much better tendency, with Great Western of Brazil a feature of strength. Colonials, too, were better, the majority of Grand Trunk issues being a point higher. A recovery also commenced in Egyptian securities, but nitrate shares reacted on profit taking. In other sections the movements were irregular and not of much moment, Cities Service again being prominently strong.

Members and clients alike had a day with the Exchange closed to consider the contents of the Budget. Many have been the expressions of satisfaction, and while it remains to be seen what more mature views will be, there is no denying the first impression created that in the circumstances the Chancellor of the Exchequer's statement was much more hopeful than generally expected. Apart from the taxation proposals, the relative smallness of the deficit anticipated between revenue and expenditure and the expectation of sales of war stores and materials on hand and paid for bringing in £800,000,000, has had the effect of showing many people that the burden is not quite so overpowering as they previously thought. The general opinion of the taxation proposals are summed up in the phrase, "A good business Budget." On the Stock Exchange the absence of any increase in the income tax is particularly liked, while the halving of the Excess Profits Tax, the reduction and abolition respectively of the motor-spirit customs and licence duties and the exemption of benzol from taxation are hailed as calculated to give a much-needed impetus to trade and industry. Of course, the increases in spirit, beer, and death duties are not exactly loved, but they are recognised as necessary evils. Indeed, it is remarkable how cheerfully the inevitable is accepted, especially when one remembers the outcry only a few years ago when the death duties were imposed at very small percentages. The fear of liquidation of deceased estates was then the chief concern in Stock Exchange circles. Nowadays, however, Government War securities, which are accepted in payment of death duties, represent a much larger proportion of estates than was the case in pre-War days.

There has not yet been time to single out with any degree of assurance particular classes of undertakings likely to benefit from the tax alterations, excepting perhaps motor-manufacturing undertakings, shipping, some mining, and rubber companies; but effort will be directed to that end during the next few weeks, and there is likely to be more interest taken in the market as a result. At present we have the outcome of only one day's dealings, under the influence of Budget cheerfulness, to note below.

To-day (Friday) markets have been buoyant, selection of shares of concerns favourably affected by the reduction in the excess profits tax being already much in evidence. Gilt-edged securities have been firm and hard, with the exception of a little easiness in Consols. Russian Bonds have risen a little further, and the French 5% Loan is better at 81½. In foreign rails there has been more doing than for weeks past, and prices of Buenos Ayres Great Southern, Central Argentine, Buenos Ayres Pacific and Westerns show rises of 1½ to 2 points. Breweries, far from being dull on the increased duties, have been active and close higher all round. The increase to be allowed in output and the reduction of the excess-profits duty is reckoned to more than balance the higher duties, and, as is well known, there is no ques-

BARCLAYS BANK
LIMITED
(with which is amalgamated the LONDON PROVINCIAL & SOUTH WESTERN BANK Ltd.)

Business with Spain.

By means of arrangements concluded with many of the principal Spanish Banks, increased banking facilities for business with Spain are now available.

INQUIRIES FROM INTERESTED PARTIES ARE INVITED.

Address:
The Foreign Manager, 168 Fenchurch St., E.C.3.

tion of reduced consumption. In other sections there have been numerous strong features. Among these may be cited Sudan Plantations with a rise of 10*s.* to 7, Bengal Iron at 9⅛, Courtaulds at 8⅝, Wall-paper Manufacturers at 16*s.*, and Welsbach up to 3⅝. The Marconi group also are higher on the week, particularly International Marines. Marconi Ordinary are now nearly 5. Motor shares have been good, too, and oil shares as usual received a large proportion of speculative support, Shells, Burmahs, Anglo-Egyptian "B" registering appreciable further advances in prices.

An offer by Vickers, Limited, to purchase the shares of W. T. Glover & Company, Limited, electric wire and cable makers, has been made known to the holders of the latter Company this week. Glover's issued capital consists of £214,850 in 100,000 5% Cumulative Preference and 114,850 Ordinary £1 shares, as well as £100,000 of 4½% First Mortgage and £67,800 of 5% Second Mortgage Debenture stock. Vickers offer 17*s.* 6*d.* cash for every Preference share and five Vickers' £1 shares for every four Glover's Ordinary shares. Vickers' Ordinary shares are quoted at about 40*s.*, so that Glover's Ordinary shares are valued in the exchange at about 50*s.* For 1918 the accounts of the Company show a net profit of £42,998, including £4,859 refund of excess profits duty, but before payment of Debenture interest. Interest and redemption fund for Debentures called for £11,140, the Preference dividend absorbed £3,562 after deduction of income tax, a dividend of 5% and bonus of 2½% on the Ordinary shares requires £6,137 net, £20,000 is placed to reserve, and the carry-forward is reduced by £879. It is proposed that shares held in Ashover Mines, Limited, valued in the balance sheet at £23,907, shall be reserved for or distributed among the Ordinary shareholders by way of a special dividend. Vickers, Limited, reserve the right to determine their agreement to purchase unless at least two-thirds in value of the Preference shareholders and nine-tenths in value of the Ordinary shareholders agree to sell.

The report of the Otis Steel Company for 1918 makes a better showing compared with the previous year's results than the recent circular regarding the American offer of purchase indicated. The gross profit on trading account amounted to $6,511,578 against $5,694,628, but war and income taxes take a heavy toll—viz., $3,635,000. A sum of $1,000,000 is placed to Riverside Works reserve against $550,000 in respect of 1917, and the Preference stock redemption fund is increased by $300,175 against $480,280 in the previous year. The dividend on the Common stock, as already advised, is reduced to 12½% against 20% paid for 1917.

An attractive 6½% industrial investment is obtainable this week in the shape of Lever Brothers "B" Preference shares, for which subscriptions are invited as per prospectus advertised elsewhere. The good progress made during the war is indicated in another column under the heading of New Issues.

NOTICE TO BANKERS.

Advances upon STOCKS AND SHARES will be entertained upon favourable terms by the

LEGAL & GENERAL LIFE ASSURANCE SOCIETY.

The transactions can be carried out expeditiously and cheaply, and full particulars will be sent upon application to

No. 10 Fleet Street, London, E.C. 4.

VENUS PENCILS

for supreme quality, uniform smoothness, evenness, and suitability for all work, exacting or otherwise.

17 grades blackhead from 6B (Softest) to 9H (Hardest) at 4d. each, also 3 styles of copying at 5d. and 6d. each.

Of all Stationers, Stores etc. throughout the World.

"VENUS," 173/5 Lower Clapton Road, E. 5.



WEST AFRICA.

INNES MacDONALD & SEALE, LTD.

¶ Examinations and reports on Mining Properties in the Gold Coast Colony and Northern Nigeria.

¶ Concessions prospected and opened up.

¶ Mines managed on contract and tribute.

Offices... ... { TARKWA, GOLD COAST COLONY. 17 FARRINGDON AVENUE, LONDON, E.C.

M. L. INNES BROWNE, London Representative.

Mining Topics.

THE Budget has been the dominating factor in the Mining markets as in other sections of the Stock Exchange. Prior to its introduction and the closing of the House for the May-Day holiday, business was inactive and price movements irregular and small; but Johannesburg Consolidated and Rezende shares were outstanding features of strength, and Siberian issues improved on the progress of Admiral Koltchak's forces against the Bolsheviks. On Friday cheerfulness, arising from the reduction of the excess profits duty from 80% to 40% and the absence of any increase in income tax, caused activity to develop in several directions. Attention has naturally been directed to companies which have recently paid away, or would if the excess profits duty were continued at its recent high rate have had to pay away, a large proportion of their profits. In this category come a number of Malayan, Nigerian, and Cornish tin mines, the Oroville-Nechi group of Colombian gold dredgers, and the Burma Corporation. In regard to the latter, profits from the small scale plant, though fairly substantial, have not been large enough to exceed the datum line; but the first section of the great new equipment is nearing completion, and there was, until the Budget, the possibility of the excess profits tax remaining at a high level, whereas now the indications seem to point to its withdrawal next year.

SPRINGS MINES.

VERY satisfactory results attended the second year's milling operations at the Springs Mines. The full crushing capacity of 500,000 tons per annum was not maintained owing to the native labour shortage and influenza epidemic, but 427,610 tons were put through, against 313,065 in the first year. The extraction was nearly 5% better at 93.58%, but there is room for further improvement on this figure. The gold yield was 3*s.* 4*d.* per ton higher and working costs only rose from 22*s.* 1*d.* to 22*s.* 6*d.* per ton. The working profit comes out at £423,696, or 19*s.* 10*d.*

per ton, against £264,442, or 16*s.* 11*d.* per ton in 1917. Against the working profit has been charged a large sum for excess development and higher taxes as well as Government 5% participation in profits under the lease agreement. A net profit remained of £254,089, and £5,000 more than this was distributed to shareholders in the shape of a distribution of one West Springs share for every ten Springs shares—costing £115,000—and a 12½% cash dividend. If the value of the West Springs shares was par, then the total dividend of the year was 22½%, but it is to be noted that the Company itself sold 5,000 West Springs shares at 24*s.* each.

	Ore Milled Tons	Working Costs per Ton Gold Yield	Working Profit per Ton		Int., &c.	Taxes	Net Profit	Divs. £	Divs. %
			£		£	£	£		
1917...	313,065*	39 0	22/1	264,442	16/11	40,128	9,360	214,954	— —
1918...	452,610	42/1	22/6	423,696	19/10	105,578‡	62,344a	251,089†	259,187 (b)

* Including ore from development dump.
† Including Sundry Revenue.
‡ Including £85,759 excess development expenditure.
(*a*) Including £14,413 Government participation in profits.
(*b*) 12½ Cash dividend and one West Springs share for every ten Springs mines shares.

Development results underground were again very satisfactory, but in stoping it was found that a large amount of ore included in the reserves was really below the pay limit. After eliminating such ore in making the end-year re-calculation, the ore reserves show a decline of 200,000 tons in quantity as well as some diminution in average value, as shown below:—

	Development Results — Payable Footage	Per Cent.	Av. Width Ins.	Av. Value	Shilling Ins.	Pay Ore Reserves — Tons	Stoping Av. Value	Stoping Width Ins.	Shilling Ins.
1916	6,515	16·0	22·0	112/7	2,440	1,781,000	42 0	56	2,350
1917	6,140	51·0	24·9	97·9	2,439	2,567,000	41 8	58	2,370
1918	7,700	58·5	30·3	88/5	2,690	2,368,000	39 6	61	2,349

NOTE. Ore mined in 1918 526,548 tons on stoping width of 62½ inches. Waste sorted 99,813 tons and ore milled 427,335 of an average value before crushing of 15/8 per ton.

Fairly good initial progress has been made in the opening up of the large leased area. The new No. 3 shaft at December 31 had been sunk to 444 feet and as treacherous green dyke and water-bearing dolomite has been negotiated without much trouble, rapid sinking is now expected. The outlook for the current year appears promising, especially if labour is more plentiful and more jack-hammer drills are installed. Last year, 75.8% of the ore mined was with large machines and only 0.5% with small ones. The Company has a big development and expansion programme in hand for which financial arrangements have been made, and altogether, the speculative possibilities are considerable. At present, the price of the shares is 3⅛ in comparison with 3¾ last June, when the 1917 report was issued.

BRAKPAN MINES.

In comparison with a price of 5¾ eleven months ago, when the 1917 report was issued, Brakpan shares are now quoted at barely 3¾. Are there, then, in the report for 1918, just to hand, sufficient adverse factors and indications that past expectations of future results were so absurdly optimistic, as to justify the fall in the price of the shares? That is the principal question which shareholders will be asking themselves, and without claiming any particular inner knowledge we address ourselves to it. There are certain broad facts that have to be borne in mind as a preliminary. First, that 1918 was a particularly bad year from the labour point of view, with a severe influenza epidemic in the ninth month. The labour force declined from 4,824 in September to 3,772 in December. Second, that the Company nevertheless had to push on with large construction, &c., work in connection with the expansion of its operations for exploiting the big area leased from the Government; and thirdly, that coincident with forced reduction of development work and slightly—though not materially—lower values encountered, there occurred a little disappointment in the shape of actual stoping work proving a large tonnage of ore previously included in the ore reserves to be below the pay limit. That, of course, is an unfortunate experience, though not at all uncommon, and it is important to note that while it has affected the tonnage, it has not very materially affected the value of the ore reserves. The progress of underground operations will be seen from the following tables, and bearing in mind the circumstances of the year, there is really not very much to cry out about:—

Payable Ore Reserves.

	Tons	Value	Stoping Width Inches	Shilling-Inches Value
1913	2,242,000	28/6	62	1,760
1914	2,490,000	28/9	62	1,780
1915	3,017,000	33/5	62	2,070
1916	3,054,000	39/1	62	2,420
1917	3,268,000	39/1	68	2,650
1918	2,718,000	36/10	68	2,500

Development Disclosures.

	Total Footage on Reef	Payable Footage on Reef	Per-centage of Total	Payable Showings— Average Width Inches	Average Value s. d.	Shilling Inches
1914 ...	17,515	6,940	40	41 5	55 8	2,300
1915 ...	17,500	8,540	49	32·1	96 5	3,090
1916 ...	15,300	8,255	54	38 0	84 2	3,190
1917 ..	13,565	7,155	53	47·7	58 2	2,770
1918 ...	9,846	5,065	51	41·0	61 10	2,530
1919. Mar. qr.	3,205	1,345	42	39·48	61 0	2,410

	Ore Mined Tons	Waste Sorted Tons	Ore Milled Tons	Claims Exhausted	Ore Mined Per Claim Tons	Ore Milled Per Claim Tons	Value of Ore Before Crushing dwts.	Av. Value of Ore Reserves dwts.
1914...	705,775	93,100	611,000*	20·78	33,960	29,400	6·715	6·73
1915...	821,525	96,257	725,168	24·67	33,230	29,400	6·873	7·86
1916...	808,619	101,119	709,300	25·43	31,800	27,900	7·68	9·2
1917...	793,689	115,302	677,500	24·54	32,340	27,600	8·49	9·2
1918...	712,900	96,487	617,100	21·93	32,580	28,140	8·69	8·7

* Excluding dump ore.
Note.—Small discrepancy in figures of ore mined, sorted and milled due to ore in bins and from surface dump.

As to the elimination from the reserves of ore unexpectedly found to be below the pay limit, it must be remembered that such pay limit has had to be raised and may be reduced again, and further that the eliminated ore is not definitely discarded. Work is continued in the more promising portions, and a substantial tonnage of profitable ore is derived yearly from this source. Thus in 1918 35,542 tons, or 5% of the ore mined, was derived from reclamation. Turning now to the milling operations, the tonnage dealt with was considerably reduced—617,000 tons crushed, against 677,500 tons in 1917 and 725,000 tons in 1915. This, of course, is attributable to labour shortage at the time of pushing on with expansion work. The grade of the ore milled was 35*s.* 4*d.*, against 34*s.* 6*d.*, but expenses, including an extra 1*s.* per ton for development, rose from 20*s.* 3*d.* to 23*s.* 6*d.* These factors amply account for the reduction in the working profit from £488,342 to £370,373, and the consequent reduction of the dividend for the year to 32½%, against 47% for 1917.

	1918	1917	1916	1915	1914
Ore milled (tons)	617,100	677,500	709,300	725,168	621,573
Gold yield (per ton)... ...	35/4	34 6	36/11	27/11	27/7
Working costs (per ton) ...	23 6	20/5	19/3	18 0	18/6
Working profit (per ton) ...	11 10	11 5	11/8	9/11	9 1
	£	£	£	£	£
Working profit	366,010	482,120	413,226	358,396	283,456
Sundry revenue	4,363	6,222	8,019	4,123	3,026
	370,373	488,342	421,245	362,519	286,482
War charges*	10,213	10,948	10,318	11,375	—
Sundry expenses	2,883	2,963	1,289	2,122	4,260
Net profit	357,277	474,431	409,718	349,022	282,222
Deduct—					
Taxes	49,271	62,736	53,788	48,046	25,873
Government participation ...	16,724	28,130	—	—	—
Excess development ...	18,338	—	—	—	11,683
Appropriation for capital exp.	—	—	78,373†	—	—
Dividends	257,107 (32½%)	367,525 (47½%)	339,750 (45%)	300,000 (40%)	225,000 (30%)
	341,440	458,391	471,911	348,046	262,556
Surplus profit	15,837	16,040	Def. 62,193	976	19,666
Brought forward	35,395	19,355	81,548	80,542	60,876
Carried forward	51,232	35,395	19,355	81,548	80,542
Issued capital	791,000	786,100	760,000	750,000	750,000
Price of £1 share at end of year	3⅛	5⅞	4	5⅞	—

* Gold realisation charges.
† After allowing for £21,627 written back from depreciation reserve and capital expenditure account.

From the above it will be noted that extra gold realisation charges, due to war conditions, absorbed £10,213. In view of the appreciation in the American Exchange and the freedom of gold producers to sell their product in the best market, as soon as peace is

signed, there seems likely to be a credit on realisation account instead of a debit.

We have touched upon the adverse points. There is always the possibility of a zone of poor values or disturbed reef being encountered. But the Company's mining area is 3,387 claims, of which only 162 claims have been exhausted of their payable ore contents in the seven years to 1918. The untouched area is great, and the scope for increased return to shareholders through the completion of the expansion programme is such as to justify one in holding the opinion that the Company's shares will again see an appreciably higher price. How long before that is confirmed must depend, of course, upon the development results and the experience in sinking the new shafts on the newly-leased ground. The cementation process to shut off water has proved successful and progress is likely to be more rapid. Financial arrangements are all complete, and really shareholders have merely to sit tight, and if they are genuine investors and not speculators, to look with equanimity upon passing phases during the transition period of three or four years. By then the labour-saving and generally efficient jack-hammer rock drill—or some improvement upon it—will doubtless be in more extended use. Last year 66½% of the ore mined was stoped with large machines, and only 8.56% with small drills.

DAGGAFONTEIN.

No development work was done on this property last year owing to the workings being inaccessible on account of water. The water difficulties having been overcome, however, development was resumed in February. Shaft sinking has also been restarted through necessity of sealing water fissures in the dolomite. This explains why only 509 feet were sunk in the No. 2 shaft during the year. At December 31 the shaft had reached 1,028 feet, showing an increase of 346 feet in the last three months. No. 1 shaft reached the reef in September 1914 at the depth of 3,580 feet. The capital at the end of 1918 was £699,765 in £1 shares, and arrangements have been made for financing pending maturing of options on 498,268 shares. Shareholders are to be asked to sanction further increase of capital from time to time in amounts not exceeding £300,000 by the creation of new shares, if and when such new shares are required for the purpose of paying for properties or for general purposes. Application has been made to the Government for the Company's mynpacht to be located, and a provisional agreement has been entered into with the Consolidated Mines Selection for the purchase of 173 claims. All new shares created under the new powers, with the exception of those required for the transaction with the C.M.S. Company, will be offered to shareholders *pro rata* to the capital held by them.

Intending Settlers To South & East Africa



are notified that the **National Bank of South Africa, Ltd.**, have over **300 Branches within the Union**; also Offices at **Mombasa, Nairobi, Mozambique, Dar-es-Salaam, Tanga**, etc., and in **Nyasaland.**

LONDON OFFICES:
CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office—
25, COCKSPUR STREET, S.W.—1.

Agency at—
10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, April 30, 1919.

Issue Department.

Notes Issued	£102,654,350	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	84,204,350
	£102,654,350		£102,654,350

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£55,088,144
Rest	3,062,010	Other Securities	82,227,318
Public Deposits	21,930,277	Notes	25,492,635
Other Deposits	124,721,990	Gold and Silver Coin	1,471,462
Seven-day and other Bills	12,282		
	£164,279,559		£164,279,559

Comparison with Previous Four Weeks [00,000's omitted]

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919	£	£	£	£	£	£	£	%	%	%
Apr. 30	77.1	85.6	21.9	124.7	55.1	82.2	26.9	18·38	5	3⅛
Apr. 23	76.2	85.1	24.6	117.2	50.2	81.8	27.4	19·32	5	3⅛
Apr. 16	76.2	85.2	27.7	116.6	56.1	78.3	27.5	19·04	5	3⅛
Apr.	74.9	85.1	30.3	116.3	58.0	77.6	28.6	19·49	5	3⅛
	75.1	84.9	32.8	123.3	67.1	78.9	28.2	18·07	5	3⅛-⅜
J'y 22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅜

* July 30, 1914 + to 4% July 31, 8% Aug. 1, 10% Aug. 8 8%
Aug. 8 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	Apr. 30, 1919	May 1, 1918	May 2, 1917	May 3, 1916	Apr. 28 1909
Circulation	£77.1	£49.4	£38.8	£34.3	£29.0
Public Deposits	21.9	34.4	47.2	48.4	12.8
Other Deposits	124.7	137.7	128.9	86.0	44 7
Government Securities	55.1	56.5	45.0	33.2	15.4
Other Securities	82.2	102.9	114.1	77.4	30.9
Reserve	26.9	30.4	34.7	41.6	28.9
Ratio to Liabilities	18·38%	17·66%	19·69%	30·92%	50·31%
Coin and Bullion	85.6	61.4	55.1	57.5	39.5
Money					
Bank of England Rate	5%	5%	5%	5%	2½%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3⅛%	3⅜%	4⅛-4⅜%	4⅛%	1⅛-⅛%
Exchanges:					
Paris Cheque	28 23½	27 16	27 17½	28 27	25 15
New York 60 days	4 64	4 72⅜	4 73	4 73	4 86½
Bombay Telegraphic Transfers	1/5⅝	1/5⅛	1/4⅞	1/4⅛	1/3½
Prices:					
Consols 2½% Cash	55½	55⅛	55⅜	57	85
French Rentes 3% Money	62 40	58 50	61 50	63	97 30
Silver, London spot oz.	48-⅛d.	49⅛d.	38½d.	37⅛d.	24⅞d.
Wheat, *Gazette* average qr.	73/1	73/3	81/1	56/3	41/4
Cotton, Mid Upland* lb.	19·66d.	21·51d.	12·96d.	8·17d.	5·47d.
Iron, Scotch pig ton	101/0	101/0	98/6	83/6	53/9

* Good Middling American, Official Value.

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	% of Gold to Notes %
Apr. 30, 1919 ...	6,666,768	7,435,440	348,339,626	28,500,000	8·2
Apr. 23, 1919 ...	5,764,680	2,694,901	349,108,298	28,500,000	8·1
May 1, 1918 ...	6,707,957	3,840,959	238,057,605	28,500,000	12·0
May 2, 1917 ...	5,873,642	3,595,729	154,367,798	28,500,000	18·5
May 3, 1916 ...	4,611,190	3,695,777	117,159,565	28,500,000	24·3
May 5, 1915 ...	2,357,160	1,457,813	42,998,634	27,500,000	64·0

Balance Sheet, April 30, 1919.

Notes outstanding—	£	Advances—	£
One Pound ...	264,668,765	Trustee Savings Banks	450,000
Ten Shilling	47,760,861	Currency Note Redemption A/c—	
Certificates outstanding ...	35,910,000	Gold Coin and Bullion ...	28,500,000
		Government Securities ...	331,095,281
Total	348,339,626	Balance at Bank of England	4,401,429
Investments Reserve A/c	16,107,084		
Total	364,446,710	Total	364,446,710

PUBLIC INCOME & EXPENDITURE [000's omitted.]

1918-19. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net +	Cash Balance
Apr. 26	£13,679	£32,737	£19,058	£75,137	£50,564	£24,573	£6,133
Apr. 19	11,595	22,636	11,041	79,600	68,922	10,678	6,609
Apr. 12	19,080	27,456	8,379	106,170	97,794	8,285	6,971
26 days '19	63,171	138,912	75,741	391,850	322,776	69,074	−6,668
27 days '18	47,560	208,557	160,997	527,547	370,020	157,527	−3,470
*Yr. '19-20**	*1,201,100*	*1,434,910*	*233,810*	—	—	*233,810*	—
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,616,023	1,983,581	21,039

Principal Items of Revenue and Expenditure.

1918-19. Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profits Duties, &c.	Revenue: Other Revenue	Expenditure: Interest on Debt	Expenditure: Misc., &c., Expend.	Expenditure: Supply Services
Apr. 26	£4,340	£2,760	£5,084	£1,495	£1,037	—	£31,700
Apr. 19	3,639	3,393	2,916	1,703	2,611	£100	19,375
Apr. 12	3,917	7,731	5,132	2,300	6,635	230	20,594
26 days '19	14,704	23,770	17,167	7,530	37,523	420	150,969
27 days '18	8,534	16,612	16,512	5,902	18,164	388	190,005
*Yr. '19-20**	*237,500*	*354,000*	*300,000*	*309,600*	*360,000*	*16,595*	*1,058,315*
Yr. '18-19	162,220	291,186	285,628	160,587	269,964	11,380	2,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,988

FLOATING DEBT.	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
Apr. 26, 1919 ...	£985,941	£474,492	£1,460,434	£1,698,835
Apr. 19, 1919 ...	878,672	470,493	1,349,165	1,692,960
Apr. 12, 1919 ...	986,199	459,993	1,446,192	1,688,514
Apr. 5, 1919 ...	977,624	470,993	1,448,617	1,684,529
Dec. 31, 1918 ...	1,094,740	455,180	†1,549,920	1,420,700

* Budget estimate. † Highest.

FOREIGN BANKS. [In £'s sterling—000's omitted.]

AUSTRIA-HUNGARY.	Cash. Gold.	Cash. Silver.	Cash. Total.	Advances To Public.	Advances To Dual Govts.	Note Circltn.	Bills Discounted, &c.
July 23, '14	£51,578	£12,141	£63,719	£7,772	—	£88,740	£31,993
Mar. 7, '19	11,600	2,389	13,989	387,957	£1,361,708	1,558,675	116,973
Mar. 14, '19	11,600	2,372	13,972	388,410	1,375,186	1,571,211	116,968
Dec. 7, '17	11,000	2,300	13,300	892,990	—	739,300	117,800

DENMARK.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts.	Balance Abroad.	Circulation.	Deposits.
July 31, 1914	£4,100	£341	£4,441	£8,197	£788	£8,893	£47
Feb. 28, 1919	10,400	138	10,538	3,959	5,342	23,402	920
Mar. 31, 1919	10,385	137	10,522	3,814	4,208	24,137	832
Mar. 30, 1918	10,269	136	10,405	2,852	3,159	19,499	955
Mar. 31, 1917	9,121	132	9,253	5,183	2,437	16,861	1,839

FRANCE.	Gold. In Bank	Gold. Abroad.	Total Cash incl'g Silver	Bills.	Circulation.	Deposits. Public.	Deposits. Private
July 30, 1914	—£185,654—		£190,667	£97,788	£287,327	£15,302	£37,803
Apr. 24, 1919	142,721	79,132	234,280	35,887	1,354,138	1,075	123,218
May 1, 1919	142,758	79,132	234,318	36,649	1,364,012	1,634	135,389
May 2, 1918	133,702	81,484	225,431	52,643	1,069,325	1,607	125,414
May 3, 1917	132,109	77,948	220,326	25,786	787,335	2,926	90,219

GERMANY.	Cash. Gold	Cash. Silver.	Cash. Total.	Treasury & Other Notes.	Loans & Discounts	Circulation.	Deposits
July 23, '14	£87,843	£18,727	£94,570	£5,279	£40,055	£94,545	£47,198
Apr. 15 '19	95,661	1,026	96,627	34,973	1,503,194	1,293,568	651,861
Apr. 23, '19	95,592	1,055	96,647	343,106	1,437,919	1,293,740	579,273
Apr 23, '18	117,190	6,046	123,236	73,515	635,297	578,202	314,939
Apr. 23, '17	128,615	842	127,457	27,982	424,704	407,217	209,717

HOLLAND.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts.	Advances.	Circulation.	Deposits.
Aug. 1, 1914...	£13,498	£249	£13,745	£13,422	£10,339	£35,660	£1,437
Apr. 12, 1919...	55,589	738	56,327	12,415	17,798	85,214	7,336
Apr. 19, 1919...	55,550	746	56,296	12,642	17,174	85,701	7,814
Apr. 20, 1918...	—61,384—			—14,060—		78,843	6,060
Apr. 21, 1917...	49,255	575	49,830	7,252	7,420	62,933	6,121

ITALY.	Gold.	Cash. Silver.	Cash. Total.	Other Cash.	Loans & Disc'nts.	Circulation.	Deposits
July 31, '14 ...	—	—	—£48,456—		£25,017	£89,204	£8,887
Mar. 10, '19 ...	—	—	35,652		89,868	357,033	59,919
Mar. 20, '19 ...	—	—	35,650		87,423	358,452	59,946
Mar. 20, '18 ...	33,466	3,158	36,624	5,187	54,943	273,128	56,796
Mar. 20, '17 *...	34,210	2,737	36,947	4,540	44,228	153,817	31,401

JAPAN.	Gold.	Discounts.	Advances	Notes.	Deposits. Public.	Deposits. Private.
Aug. 1, '14 ...	£21,867	£1,829	£7,869	£32,722	£13,818	£1,521
Mar. 15, '19 ...	71,155	1,277	40,949	79,655	113,481	3,349
Mar. 22, '19 ...	71,139	1,308	35,831	79,282	112,220	3,375
Mar. 23, '18 ...	65,434	3,448	22,987	63,234	66,993	2,055
Mar. 24, '17 ...	40,902	650	15,136	43,659	42,851	3,122

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Loans, Aggregate Reserve.	Loans, Discounts, Invest. &c.	Net Deposits. Demand.	Net Deposits. Time.	Net Deposits. Total.	Excess Reserve
Aug. 1, '14	—	£89,898	£411,238	—	—	£387,165	£1,790
Apr. 19, '19	£19,466†	116,150	937,980	£794,546	£30,790	895,544	7,708
Apr. 26, '19	19,852†	116,446	981,956	802,474	31,098	892,126	7,674
Apr. 27, '18	21,148†	111,563	901,594	746,634	36,292	782,976	12,224
Apr. 28, '17	80,030*	152,418	735,786	743,194	40,510	783,704	24,384

* Counted as reserve. † Not reserve.

NORWAY.	Gold.	Balance Abroad.	F'r'gn Gov. Securities.	Discounts & Loans.	Circulation.	Deposits
July 31, 1914...	£2,980	£1,878	£493	£4,988	£8,752	£793
Apr. 15, 1919...	8,197	3,802	691	19,936	24,771	4,099
Apr. 22, 1919...	8,194	3,799	691	19,449	24,402	3,970
Apr. 22, 1918...	6,734	3,590	713	18,450	19,726	6,457
Apr. 23 1917...	7,187	4,152	706	11,375	15,690	5,755

PORTUGAL.	Gold.	Silver.	Total.	Discounts & Advances.	Note Circulation.	Deposits.
Mar. 5, '19...	£1,905	£3,775	£5,680	£9,736	£80,059	£4,091
Mar. 12, '19...	1,905	3,770	5,675	9,762	81,707	3,724
Mar. 19, '19...	1,905	3,780	5,685	8,661	84,194	4,054
Mar. 21, '18...	1,905	3,071	4,976	7,568	45,403	1,599
Mar. 21, '17...	1,905	1,018	2,921	14,892	31,825	888

RUSSIA.	Gold. In Bank.	Gold. Abroad.	Total Cash incl'g Silver	Loans & Disc'nts.	Circulation.	Notes in Reserve	Total Deposits
July 31, '14	£180,114	£14,395	£181,892	£76,081	£183,411	£8,589	£109,811
Oct. 28, '17	129,523	230,885	378,205	1,889,559	1,836,217	15,783	345,510

SPAIN.	Cash. Gold.	Cash. Silver.	Cash. Total.	Loans, &c.	Spanish 4%	Circulation.	Deposits, &c.
Aug. 1, '14	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,655
Apr. 19, '19	90,444	25,736	116,180	74,886	13,778	140,712	43,416
Apr. 28, '19	90,445	26,010	116,455	74,672	13,778	140,115	43,948
Apr. 27, '18	81,589	28,436	110,025	50,673	13,777	116,432	35,195
Apr. 28, '17	55,348	30,218	85,566	54,353	13,777	98,391	30,647

SWEDEN.	Gold.	Balance Abroad.	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation.	Deposits.
Aug. 1, '14 ...	£5,717	£6,159	£1,553	£7,495	£31,564	£6,016
Apr. 12, '19 ...	15,992	7,372	3,903	19,321	40,007	5,308
Apr. 19, '19 ...	15,977	7,580	3,003	18,308	39,564	6,016
Apr. 20, '18 ...	14,321	7,383	3,834	13,495	33,044	6,204
Apr. 21, '17 ...	10,793	7,290	3,211	9,235	22,950	7,789

SWITZERLAND.	Cash. Gold.	Cash. Silver.	Cash. Total.	Discounts & Advances.	Circulation.	Deposits.
July 23, 1914...	£7,202	£778	£7,980	£4,817	£10,716	£2,026
Apr. 15, 1919...	16,756	2,614	19,372	19,572	36,491	4,521
Apr. 23, 1919...	16,789	2,825	19,614	19,872	36,407	4,487
Apr. 23, 1918...	15,014	2,262	17,276	12,031	26,411	3,447
Apr. 23, 1917...	13,700	2,064	15,764	8,520	20,102	4,251

* Converted at par rate of exchange.

U. STATES FED. RES. BANKS.	Gold. Held by Banks.	Gold. With Agents.	Total Cash.	Bills Discount'd	Acceptances.	Deposits. Govt.	Deposits. Total. Net.	Circulation.
Apr. 19, '19	£191,702	240,730	448,172	384,454	39,378	21,312	345,014	508,740
Apr. 26 19	189,163	244,678	449,032	390,082	37,164	18,346	350,418	509,910
Apr. 26, '18	195,760	169,640	373,190	119,958	60,480	26,134	311,260	305,246
Apr. 27, 17	104,447	84,581	195,096	7,008	14,280	19,938	151,316	84,102

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Dates Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	4½	Oct. 26,'14
Berne	5½	Oct. 3,'18	Paris	5	Aug. 20,'14
Bombay	5	Mar. 27,'19	Petrograd ...	6	July 29,'14
Brussels	5	Aug. 27,'14	Rome	5	Jan. 11,'18
Calcutta	6	Mar. 27,'19	Stockholm ...	7	Mar.21,'18
Christiania ...	6	Dec. 13,'17	Tokio	6½	Nov. 25,'18
Copenhagen ...	5½	Jan. 2,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		May 2,'19	Apr. 25,'19	Apr. 16,'19	Apr. 11,'19
Brussels	Cheques	29fr. 83½c.	29fr. 64½c.	29fr. 25c.	29fr. 19¼c.
Denmark	Cable	18kr. 77½	18kr. 62½	18kr. 55½	18kr. 60½
Holland	do.	11fl. 63c.	11fl. 56c.	11fl. 55½c.	11fl. 54c.
Italy	do.	35lr. 20c.	35lr. 25c.	34lr. 55c.	34lr. 30c.
Lisbon and Oporto	do	32½d.	33⅛d.	33½d.	33½d.
New York	do.	$4 63	$4 66⅞	$4 65½	$4 66
—	Cheques	$4 63½	$4 67½	$4 63½	$4 66½
Norway	Cable	18kr. 11½	18kr. 07½	18kr. 07½	18kr. 05½
Paris	3 mns.	28fr. 85c.	—	—	—
	Cable	28fr. 45c	28fr. 40c	27fr. 80c.	27fr. 90c.
Spain (Bank places)	Cable	24p. 12½	22p. 97½	23p. 08½	23p. 15
Sweden	Cable	17kr. 46	17kr. 42½	17kr. 46½	17kr. 45
Switzerland	Cable	23f. 13c	22f. 95c.	23f. 01½c	23f. 03½c.
ON LONDON—		May 2,'19	Apr. 25,'19	Apr. 16,'19	Par
Alexandria	Sight	97⅛pi.	97⅛pi.	97⅝pi.	97¼pi.
Amsterdam	Cheques	11fl. 63½c.	11fl. 55½c.	11fl. 57c.	12·107 fl.
Bombay	Transfers	1s. 5 1/16d	1s. 5 1/16d	1s. 6 1/16d.	1s. 6d.
Brussels	Cheques	29f. 79½c.	29f. 60½c.	29f. 25½c.	25f. 22½c.
Buenos Ayres	Transfers	51⅛l.	51⅛l.	51⅛l.	47.58d.
Calcutta	do.	1s. 5 1/16d.	1s. 5 1/16d.	1s. 6 1/16d	1s. 6d.
Christiania	Sight	18kr. 20	18kr. 09	18kr. 09½	18.159kr
Copenhagen	do.	18kr. 77½	18kr. 64	18kr. 67½	18.159kr.
Hong Kong	Transfers	3s. 4 1/16d	3s. 4 1/16d.	3s. 3 1/16d.	—
Italy	Sight	35lr. 15c.	35lr. 07½c.	34lr. 58c.	25lr. 22½c.
Lisbon	do.	32⅜d.	33⅛d.	33⅜d.	53½d.
Madras	do	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6 1/16d.	1s. 6d.
Madrid	do.	23p. 14	22p. 96	23p. 08	25p. 22
Montevideo	Transfers	—	—	—	51d.
Montreal	Cable	$4 80⅞	$4 78⅝	$4 76⅝	$4 86⅝
New York	Sight	$4 66⅝	$4 66⅛	$4 64 1/16	—
—	60 days	$4 63	$4 63	$4 62⅛	—
—	Cable	$4 68⅞	$4 66⅞	$4 65⅛	$4 86⅞
Paris	Cheques	28f. 40c.	28f. 40c.	27f. 82½c	25f.22½
Rio de Janeiro	90 days	—	13⅞d	13⅝d.	18d.
Shanghai	Transfers	5s. 0d	4s. 11d	4s. 10d.	—
Singapore	Sight	2s. 4 1/16d.	2s. 4 1/16d.	2s. 4 3/16d.	2s. 4d.
Stockholm	do.	17kr. 46	17kr. 41	17kr. 46½	18·159kr.
Switzerland	do.	23f. 15c	22f. 93½c	23f. 05c	25f. 22½c.
Valparaiso	90 days	10⅛d.	10⅛d.	10 1/16d.	18d.
Yokohama	Sight	2s. 2 1/16d.	2s. 2 1/16d.	2s. 2 1/16d.	2s. 0.56d.

* Thursday's rates.

NEW YORK ON—	Rate Current*— Apr. 30, '19	Rate Current*— Apr. 24,'19	Par as usually Quoted	Rate July 3, '14
Amsterdam, sight ...	40⅜c.	40⅛c.	40·20c. for 1 guilder	40·26c.
Bombay, cheques ...	35·60c.	35·50c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	44·30	—		
Christiania, cheques ...	25·65c.	25·65c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	24·90c.	24·90c.	26·80c. for 1 kroner	26·86c.
Greece, cheques	19c.	19c.	19·295c. for 1 drachma	
Hongkong, cheques ...	80c.	79·85c.	74·59c. for Mex. $1	46·40c.
Italy, sight	7·50l.	7·45l.	5·18¼ lire for $1	5·17l.
Lima, cheques	5·05c.	5·05c.	4·8665 $ for 1 libra	
Manila, cheques	49·75c.	49 75c.	50c. for 1 peso	49·80c.
Montreal	2⅛%disc	2⅝%disc.	Premium per $100	Par
Paris, sight	6·06fr.	6 63fr.	5·18¼ francs for $1	5·18fr.
Petrograd, sight	12comm.	12 comm.	51·45c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	26·50c.	25·75c.	32·42c. for 1 milreis	
Shanghai, cheques ...	116·50c.	114c.	52·93c. for 1 tael	63·00c.
Singapore, cheques ...	56c.	56c.	66·77c. for $1	57·12c.
Spain, cheques	20·25c.	20·18c.	19·30c. for 1 peseta	
Stockholm, cheques ...	26·80c.	26 69c.	26·80c. for 1 kroner	
Switzerland, cheques ...	4·95fr.	4·96fr.	5·18¼ francs for $1	5·18¼fr.
Valparaiso, cheques ...	19·62½c.	18·75c.	20·81c. for 1 peso	
Yokohama, cheques ...	51½c.	51½c.	49·84c. for 1 yen	49·80c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1919 Agg.	Inc. or Dec.*
	1919.	[In £'s sterling 000's omitted.]			
BIRMINGHAM ...	Apr. 26	£2,081	+ £63	£41,526	— £1,218 — 2·9
BRISTOL ...	,, 26	1,178	+ 212	21,106	+ 3,446 + 19·6
DUBLIN ...	,, 26	6,506	+ 1,804	114,481	+ 22,528 + 24·5
LEEDS ...	,, 26	964	— 94	18,197	+ 1,822 + 11·1
LEICESTER ...	,, 26	728	+ 193	14,495	+ 2,657 + 22·5
LIVERPOOL ...	,, 26	9,600	+ 451	184,200	+ 35,301 + 23·7
MANCHESTER ...	,, 26	12,466	— 1,797	253,334	+ 9,388 + 3·8
NEWCASTLE ...	,, 26	2,024	+ 211	31,010	— 531 — 1·7
NOTTINGHAM ...	,, 26	499	+ 17	10,927	+ 593 + 5·8
SHEFFIELD ...	,, 26	781	+ 12	19,887	+ 1,137 + 6·1
LONDON—	1919.				
TOWN ...	Apr. 30	358,002	+ 52,744	6,322,393	+ 733,851 + 13·1
METROPOLITAN	,, 30	33,799	+ 8,346	549,202	+ 99,402 + 22·1
COUNTRY ...	,, 30	67,516	+ 19,478	993,204	+ 143,449 + 17·0
TOTAL ...	,, 30	459,317	+ 80,568	7,864,799	+ 976,702 + 14·2

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould and Co.

HOMEWARDS.	1919 May 2	1919 Apr. 25	1913 May 2
Alex. to Lond.or Hull	—		9/0
Anst. to U.K. or Cont.	105/0	105/0	32/0
Azoff to L.H.A.R. ...	—	—	11/0
Bombay to p.p. (nom.)	90 0	80 0	l.w.21/6
Burmah o.c. (nom.)	105 0	105 0	26/3
Calcut.to p.p.(jute)	100/0	l.w.180	l.w 25/0
Danube to A.R ...	—	—	10 9
Odessa to L.H.A.R. ...	—	—	10 6
R. Plate to U.K. Cont.	280 0	252 6	17 3

Homewards.—*Contd.*	1919 May 2	1919 Apr 25	1913 May 2
U.S.Atl.Ports to Lvrpl.			
(cotton, 100lb.) ...	220/0	220/0	45/0
U.S.to U.K.Cont. (gr.)	14 0	14/6	2/9
Gulf Ports to U.K.Cont.			
(cotton & grain) ...	$35	$45	15/9
OUTWARDS—Cardiff to			
Bombay	—	—	12/6
Colombo	—	—	12/3
Port Said	22 6	47/6	9/6
River Plate ...	47 6	45 0	10/6
St. Vincent ...	40 0	40 0	9/3

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	MAY 2, 1919	MAY 3, 1918	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	101/0	101/0	67/0
— Middlesbro' warrants ...ton	95/0	95/0	51/
— Hematite warrants ...ton	122/6	122/6	61/0
— Staffordshire bars, London ton	£17	£15 10	£8 10
— Common bars ...ton	£14 15	£13 15	£8 10
Steel Rails ...ton	£10 17/6	£10 17/6	£6 2/6
Galvanised Sheets...ton	£28 10	£28	£16 17/6
Copper—Standard...ton	£75 10—£75 15	£110—£110 10	£61
Tin—English Ingots ...ton	£226—£228 10	£370—£330	£142 10
— Straits ...ton	£227	£365—£370	£139 15
Tinplates, I.C. Coke, S Wales...box	33/0½	31/6	11/10½—12/0
Lead—Soft Foreign ...ton	£24—£24 1[illegible]	£28 10—£28 10	£19
Spelter—Ord. Foreign ...to	£35 5—£35 0	£50—£54	£21 7/9
Quicksilver—(75lb.) ...bott	£16—£18	£20	£7
Aluminium ...ton	£150	nom	£82
Antimony—Regulus Foreign ...ton	£10	nom	£27 10
— English ...ton	£15	—	—
Coal—(best) Yorkshire...ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle...ton	40/0—45/0	30/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	10/0	11/0	7/4
Soda—Crystals ex ship ...ton	129/0—130/0	87/6	42/6—45/0
Copra—Malay and Straits ...ton	£43	£45 10	£23 15—£24 7/6
Gambier—Good marks ...cwt	37/6	72/6	16/10½
Indigo—Bengal good to fine...lb.	9/0—10/6	9/0—11/0	3/2—3/8
Linseed Oil—Raw ...ton	£58	£58	£25 5
Linseed—Calcutta, spot ...ton	£30	£29 15	£13 16/9
— Cakes, U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish ...ton	nom.	—	£49 10
Palm Oil—Lagos ...ton	£44	nom.	£31 10
Petroleum—American...gal on	1/4½	1/7½	7½d.
Rape Oil—Refined English ...ton	£71	£71	£32
Soya Oil—Refined...ton	£75	£75	£24 10
Tallow—Imported ...cwt.	70/0—72/0	72/0	29/3—33/3
Turpentine—French ...cwt	95/0	120/0	33/7½
Rape Seed—Toria...ton	£30	£29 15	£13 5
Rubber—Para, spot ...lb	2/4½	3/1½	2/9½
— Fine plantation (stnd. crepe) lb.	1/11	2/4½	2/2
— World's Production* Feb. tons	24,700	20,938	8,467
Shellac—T.N. Orange, fair.....cwt.	237/6—240/0	375/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland† ...lb	19·86d.	22·04d.	7·53d.
— Egyptian, good fair ...lb	28·34d.	29·73d.	8·75d.
— Pernambuco fair ...lb	19·75d.	21·35d.	7·73d.
— Mid. Upl. New York ...lb	20·40c.	27·75c.	13·25c.
— Stock, Liverpool, Apr. 25 bales	520,740	334,980	—
Flax—Petrograd Yarapol ...ton	nom.	£120 nom.	£28
Hemp—New Zealand ...ton	£50	£93	£25 10
— Manila, Fair ...ton	£44	£85	£28 10
Jute—First Marks ...ton	£39	—	£28 15
— Red SOO ...ton	—	—	£24 15
Silk—Blue Elephant ...lb	20/8	25/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb	3/1½	nom.	11½d.—1/0
— Lincoln Half Hogs ...... lb	1/7½ nom.	1/6 nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb	9½d—10½d.	10½	7½d.
Leather—Dressing Hides ...lb	2/7—3/3	nom.	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	117,952,000	17,987,000	34,640,000
— Red, price, N.Y 60lb. ...bushel	237½c	226c.	87½c
— English *Gazette*, aver. 480lb qr.	73/1	73/3	34/3
Flour—G.R. ...280lb.	44/3	44/3	28/6
Barley—Eng. *Gaz.*, aver. 400lb. qr.	62 9	56/10	25/4
Oats—Eng. *Gaz.*, aver. 312 lb. ...qr	43/1	46/8	20/0
Maize—N. Y. (new bushel) ...56lb	181½c	no n	78½c
— Amer. mixed, Liverpool...480lb	83/9	80/9	32/4
— La Plata ...480lb qr	83/6	76/0	25/9
Potatoes—Goo English ...ton	261/0	137/6 -155/0	70/0—75/0
Rice—Bassein ...cwt	25/0	28/3	7/0—7/3
Tapioca—Pearl, medium ...cwt	37/0	80/9	14/0—17/8
Hay—Best ...2,018lb...load	176/0	161/0	82/6
Hops—English...cwt	—	£5 10—£10	£8 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs...8lb.	7/10—8/4	9/3	3/8—3/10
— Scotch sides...8lb.	8/4	8/2	4/8—5/0
— English...8lb	8/4	8/2	4/2—4/5
Mutton—Scotch wethers...8lb	8/10	8/8	5/8—6/0
English wethers...8lb	8/10	8/8	4/6—5/4
— New Zealand frozen ...8lb.	8/10	8/8	2/4—3/2
Pork—English and Irish...8lb.	10/8	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt	190/6	188/0	60/0—74/0
— Danish ...cwt.	—	172/0	58/0—68/0
— Canadian, ex Port...cwt.	180/0—190/0	—	—
— American, ex Port...cwt.	174/0—188/0	170/0—172/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt	174/0—192/6	165/0	75/0—79/0
— — short cut, ex Port ...cwt.	172 0—190/0	162/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	160/0—184/0	152/0	51/9—52/9
Butter—Danish ...cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
— French ...cwt.			98/0—108/0
— Australian ...cwt.			98/0—110/0
— New Zealand ...cwt.			108/0—114/0
Cheese—Canadian ...cwt.	Controlled 144/8	—	66/0—68/0
— United States...cwt.		—	—
— Dutch ...cwt.		180/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Mar. 31 ...cwts	5,813,576	5,415,728	19,777,284
— Home consump'n to Mar. 31 cwts.	6,366,991	4,746,053	17,272,000
— In Bond Mar 31 ...cwts.	3,059,000	4,019,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	32/0	36/0	10/3
— — Yellow crystals ...cwt	57/9	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	64/9	64/9	18/0
Coffee—Imports to Mar 31 ...cwts.	175,261	31,289	720,380
— Home consump'n to Mar. 31 cwts.	76,101	160,461	141,410
— Exports to Mar. 31 ...cwts	45,783	14,981	340,250
— In Bond Mar. 31 ...cwt	660,000	985,000	484,000
— Price, Costa Rica gd. to fine cwt	135/0—145/0	122/0—137/0	80/0—93/0
— — Brazil (Santos)...cwt	98/0—105/0	84 6	41/6
Tea—Imports to Mar. 31...lbs	109,012,836	139,347,110	123,230,277
— Home consump'n to Mar. 31 lbs	73,382,736	83,002,730	155,447,972
— Exports to Mar. 31 ...lbs.	5,259,059	223,773	28,581,785
— In Bond Mar. 31 ...lbs.	185,302,000	85,180,000	78,292,000
— Price, Indian, Pek. Soug. good lb.	1/1	—	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/1	—	8½d.
— — Common Congou ...lb.	1/1	—	5½d.
Cocoa—In Bond Mar. 31 ...cwt.	925,000	728,000	309,000
— Grenada, good to fine ...cwt	79/0—86/0	85/0	52/6—56/0

* Estimated. † G.M. American Official Value.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or −	Net	+ or −
Canadian Pacific ...	Mar.	$12,374,000	− $54,000	$1,539,000	− $1,454,000
	3 *mos. to* Mar.	*36,167,000*	*+3,675,000*	*4,074,000*	*− 678,900*
Grand Trunk ...	Mar.	£1,132,900	+ £323,800	£172,700	+ £156,800
	3 *mos. to* Mar.	*2,877,500*	*+ 936,900*	Dr.*38,100*	*+ 275,600*

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant renewable weekly, issued in pursuance of Regulation 7 of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or − on Year Ago.	No. Wks	Aggregate Receipts.	+ or − on Year Ago.
Assam Bengal	Mar. 22	993	R1,72,772	+ 9,176	25	43,37,317	+ 4,76,486
Barsi Light ...	Mar. 31	118	49,000	+ 19,800	52	9,60,800	+ 1,41,800
Bengal & N.W.	Mar. 22	2,052	4,37,630	− 75,113	25	1,20,12,057	+ 13,41,893
Beng. Dooars	Mar. 15	158	18,463	− 9,520	24	8,39,352	+ 60,126
Beng. Nagpur	Mar. 22	2,695	15,45,000	+ 2,71,000	51	5,89,83,059	+ 42,28,953
Bomb. Baroda	Apr. 19	2,871	16,93,000	+ 2,93,000	3	50,49,000	− 3,42,000
Burma	Mar. 15	1,342	6,07,729	+ 95,109	50	2,49,32,188	+ 38,27,728
Del. Um. Kalk.	Apr. 19	239	79,300	− 14,817	3	2,45,729	− 3,526
East Indian	Apr. 19	2,767	27,16,000	+ 1,33,000	3	75,11,000	+ 6,99,000
Gt. Indian Pen.	Apr. 19	3,112½	26,43,500	+ 1,66,900	3	70,23,500	+ 8,63,300
Madras & S.M.	Mar. 22	3,152	11,50,000	− 60,204	25	2,62,87,832	− 4,60,981
Nizam's Guar.	Mar. 22	930	2,74,325	+ 46,865	25	62,46,980	+ 4,47,098
Rob. & Kumn.	Mar. 15	534	1,11,912	− 10,888	24	25,93,593	+ 1,67,108
South Indian	Mar. 22	1,829½	6,97,494	− 25,155	51	3,44,54,749	+ 1,42,614
South Punjab	Dec.	716	7,97,816	+ 42,119	3*m*	22,59,586	+ 74,707
COLONIAL							
Can. Northern	Apr. 21	9,437	$845,900	− 83,600	16	13,576,399	+ 1,958,098
Can. Pacific ...	Apr 21	13,338	3,037,000	+ 21,000	16	45,293,000	+ 3,566,000
Gd. Trunk Pac.	Mar. 7	916	£13,431	− 1,842	9	178,169	− 27,921
Grand Trunk	Apr. 21	3,616	256,502	+ 48,455	16	3,655,521	+ 1,081,405
Mashonaland	Nov.	810	34,363	− 22,335	2*m*	84,472	− 39,857
Mid. W. Aust.	Feb.	277	11,110	+ 2,493	8*m*	73,942	+ 12,808
New Cape Cent.	Mar. 29	205	3,593	+ 880	12	36,952	− 6,112
Rhodesia Rlys.	Nov.	1,397	60,891	− 31,823	2*m*	127,154	− 68,096
W. Pass. & Yuk	Dec.	122	—	—	12*m*	$1,244,080	− 604,349
FOREIGN.							
Argentine.							
Arg. N. East ...	Apr. 26	752	£ 13,900	+ 3,600	43	419,300	+ 56,400
Arg. Transand.	Apr. 19	111	£ 4,410	+ 40	42	157,200	+ 18,100
B. A. & Pacific	Apr. 26	3,536	£ 130,000	+ 34,000	43	4,971,000	+ 976,000
B.A. Gt. South.	Apr. 27	3,782	£ 143,000	+ 98,000	43	5,935,000	+ 1,275,000
Do.	Apr. 27	Net	£ 39,300	+ 78,000	43	1,301,000	+ 210,000
B. A. Western	Apr. 27	1,882	£ 77,000	− 4,000	43	2,942,000	+ 745,000
Do.	Apr. 27	Net	£ 17,000	− 4,000	43	699,000	+ 165,000
B. A. Central ..	Feb.	190	£ 37,889	+ 3,667	8*m*	322,745	+ 109,162
Cent. Argent.	Apr. 26	3,305	£ 147,510	− 27,500	43	5,635,300	+ 826,100
Do.	Apr. 26	Net	£ 26,000	− 31,300	43	804,200	− 419,773
Cord. Central	Apr. 26	1,205	£ 45,010	+ 3,540	43	1,869,880	+ 542,950
Entre Rios	Apr. 26	831	£ 19,800	− 2,300	43	871,500	+ 185,500
Brazilian.							
Brazil & South	Mar.	110	M 51,950	+ 8,350	3*m*	138,140	− 1,960
Brazil Railway	Dec.	3,530	M 4,853,000	− 141,271	12*m*	57,772,000	+ 7,619,243
Gt. W. Brazil	Apr. 26	1,010	£ 18,000	+ 3,000	17	328,500	+ 19,700
Leopoldina ...	Apr. 26	1,831	£ 32,041	+ 4,458	17	506,655	− 27,212
Mogyana	Dec.	1,183	M 1,561,000	− 956,490	12*m*	22,267,000	− 2,474,651
Paulista	Dec.	63	M 2,650,000	− 906,038	12*m*	32,479,000	− 1,225,892
Sao Paulo ...	Apr. 27	153½	£ 29,137	+ 5,631	17	495,108	− 42,819
Sorocabana ...	Nov.	1,003	M 1,123,000	− 865,143	1*m*	20,204,000	+ 1,222,860
Sul Bahia S.W.	Feb.	52	M 87,000	+ 11,000	2*m*	170,000	− 20,000
Chilean and Peruvian.							
Antofagasta ...	Apr 27	838	£ 23,325	− 28,045	17	462,060	− 248,499
Arauco	Feb.	84½	£ 10,000	− 2,500	2*m*	22,500	− 4,000
Nitrate (2wks.)	Apr. 15	390	£ 16,784	− 15,333	16	161,832	− 77,632
Peruvian Corp	Mar.	1,140	S 1,075,700	− 43,830	9*m*	9,049,535	− 273,025
Paital	Mar.	181	£ 8,438	− 11,954	8*m*	141,347	− 83,331
Cuban.							
Cuban Central	Apr. 19	362	£ 36,201	+ 782	42	885,122	+ 39,164
Havana Cent.	Apr. 19	70	£ 12,186	+ 1,275	42	383,144	+ 12,124
U. of Havana	Apr. 26	681	£ 89,108	+ 8,966	43	2,423,111	− 24,610
W. of Havana	Apr. 26	155	£ 12,452	− 474	43	353,485	− 31,134
Uruguayan.							
Cent. Uruguay	Apr. 26	272	£ 19,245	− 1,047	43	936,311	+ 142,794
,, (E. Ext.)	Apr. 26	311	£ 6,909	− 894	43	236,739	+ 17,579
,, (N. Ext.)	Apr. 26	185	£ 3,193	− 835	43	162,648	+ 21,997
,, (W.Ext.)	Apr. 26	211	£ 2,749	+ 466	43	114,551	+ 17,942
Mid. Uruguay	Mar.	319	£ 19,574	+ 4,222	9*m*	155,625	+ 34,302
N.W. Uruguay	Mar.	113	$ 30,000	+ 5,650	9*m*	267,829	− 27,026
Urug. Northn	Mar.	73	£ 2,287	+ 406	9*m*	18,706	+ 1,649
Miscellaneous.							
Alcoy & Gandia	Apr. 26	33	Ps. 10,000	− 2,000	17	169,400	+ 11,500
Bilbao	Mar.	15	£ 2,789	− 1,697	3*m*	7,902	− 4,646
Bonvar	Mar.	136	£ 17,000	+ 5,951	9*m*	88,099	− 12,844
Colomo. Natnl.	Mar.	86	£ 9,860	− 2,940	3*m*	30,780	− 7,320
Costa Rica... ..	Mar.	189	£ 22,514	+ 11,319	8*m*	177,230	+ 79,453
Dorada Ext.....	Mar.	71	£ 7,500	− 700	3*m*	20,300	− 3,600
Egyptian Delta	Mar. 17	559½	£ 4,675	− 1,478	50	364,593	+ 85,246
Gt. S. of Spain	Apr. 19	104	Ps. 71,994	+ 37,368	16	2,089,679	+ 1,606,909
La Guaira & Ca	Mar.	22½	£ 9,925	+ 3,925	3*m*	25,710	+ 4,875
Paraguay Cent.	Apr. 19	255	£ 4,700	+ 1,930	41	171,400	− 51,370
Puerto Cabello	Mar.	24	£ 5,225	+ 325	3*m*	14,750	+ 1,750
Salvador ...	Apr. 26	100	£ 4,031	+ 92	43	113,864	+ 21,951
Santa Fe Prov.							
French Rys.	Feb.	1,181	£ 165,520	+ 21,709	2*m*	322,494	+ 26,235
S'mn&S'ti'go	Mar.	80	£ 7,938	− 1,696	3*m*	22,451	− 4,419
Zafra & Huelva	Mar.	112	$ 9,833	− 3,581	3*m*	30,036	− 5,876
TRAMS.							
Anglo-Argent.	Apr. 22	400	£ 55,406	− 4,011	16	918,584	− 39,631
Auckland (4wk.)	Mar. 14	27	£ 23,250	+ 955	36	147,344	+ 7,413
Bombay Elec.	Feb.	39	R. 6,23,878	+ 85,473	8*m*	1,257,923	+ 1,64,046
Brazilian Trac.	Feb.	378½	M 7,972,000	+ 657,000	2*m*	16,494,000	+ 1,342,000
Brisbane Elec.	Mar.	40½	£ 39,380	+ 3,830	3*m*	112,335	+ 10,296
Brit. Columbia	Feb.	334	$ 645,415	+ 144,265	8*m*	4,740,999	+ 756,620
B. A. Lacroze	Mar.	51	£ 47,370	+ 4,723	9*m*	390,579	+ 44,158
Calcutta	Apr. 26	35½	R 80,494	+ 8,625	17	14,43,045	+ 2,01,016
Cape Electric	Mar.	42½	£ 28,814	+ 4,478	9*m*	217,794	+ 23,662
Carib. & Herr.	Mar.	9	£ 2,400	− 2,916	3*m*	8,406	− 4,952
Chatham & Dist	Apr. 17	15	£ 1,499	+ 362	15	18,940	+ 1,012
Havana Elect.	Jan.	86	$ 726,357	+ 81,347	1*m*	—	—
Isle of Thanet	Apr. 26	20½	£ 1,079	+ 859	30	11,191	+ 5,757
Kalgoorlie.....	Dec.	20½	$ 2,848	− 196	12*m*	33,686	+ 1,078
Lanarkshire ...	Apr. 24	28½	£ 861	− 2,714	16	53,006	− 665
Lima Light ...	Feb.	85	$ 46,082	+ 4,161	2*m*	91,444	+ 5,962
London C.C....	Apr. 30	141½	£ 72,154	+ 14,979	5	325,389	+ 86,857
Madras (2wks.)	Apr. 15	15½	R. 29,949	− 10,856	15	226,862	− 50,951
Manila Electric	Jan.	55	$ 231,585	+ 64,585	12*m*	2,326,884	+ 525,609
Pernambuco ...	Apr. 27	59	£ 5,385	+ 998	17	89,803	+ 11,478
Provincial.....	Apr. 19	21½	$ 3,275	+ 768	29	73,930	+ 4,516
Rangoon Elec.	Mar.	25	$ 7,533	+ 1,578	3*m*	19,600	+ 4,622
Shanghai Elec.	Feb. 19	26½	Mx. $27,806	+ 2,316	7	193,770	+ 17,573
Singapore Elec.	Mar. 15	26½	$ 16,307	+ 2,146	11	178,525	+ 31,018
U. of Montevid.	Mar.	90½	£ 41,070	+ 4,411	5*m*	190,891	+ 19,558

Shop at
LIPTON'S
for QUALITY.

LIPTON, LTD., the largest Tea Distributors, Manufacturers, and Retailers of Food Products in the World.

Head Office CITY ROAD, LONDON, E.C.1.
Branches and Agencies throughout the United Kingdom.

SCOTTISH TEMPERANCE LIFE ASSURANCE CO., LTD.
London Office: 3 CHEAPSIDE, E.C. 2.

Total Assets - - - - - - - Nearly £3,000,000.

The special features of the Company are—
Reduced Premiums to Total Abstainers—10% discount on Whole Life Policies. Very favourable rates under Life, Accident, and all Sickness Policies.

House Purchase Scheme with Life Insurance.
Send for full Prospectus.

The Statist.

LONDON, SATURDAY, MAY 3, 1919.

THE BUDGET.

Mr. Austen Chamberlain spent nearly three hours on Wednesday in explaining a Budget which, we venture to think, might be made as clear as any merely figured statement can be made in about one-third of the time. There are occasions when a public man feels bound, both to himself and to his friends, to devote much time and much space to explanations which, under other circumstances, might be glossed over. But in reading Mr. Chamberlain's speech, one wonders how anybody could have so little regard either for the interests of the House of Commons, or for the natural desire of the public to know what is being done, as to waste something like three hours in keeping together a crowded House. There might be much said, of course, that would have been extremely interesting, or which even might suggest promises for the future. But it is difficult to find anything in the speech that justifies in the least a waste of time which busy men must have sorely grudged. Mr. Chamberlain states that the outlay for the current financial year will amount to £1,434,910,000, and that at current rates the income will amount to £1,201,100,000, leaving a deficit at the end of the year of as much as £233,810,000. He proceeds, of course, to fill up the void. But what we desire the reader to understand clearly is that the new Chancellor of the Exchequer desires it to be clearly understood that the taxation is to be considerably modified; and, consequently that we are to have a rather busy House of Commons during the next few months. In the first place, the Chancellor of the Exchequer tells us that, partly because of the manner in which the income tax has been so heavily increased, and partly because of various injustices, naturally it is deemed requisite to re-cast the income tax. It is very necessary that this should be done, for, in the first place, the income tax is enormously heavy, and in the case of persons having small incomes is exceedingly unfair. But if the income tax is to be altered, there will have to be, of course, new taxes substituted, and that new taxation, unless great care is taken, will introduce other evils perhaps not less objectionable than those which it is proposed should be dropped. The Chancellor of the Exchequer takes credit to himself for undertaking to introduce a system which will enable the Dominions to exercise much influence upon our political system and even our modes of existence. That is by no means an objection in itself. But, unless much care is taken, the mere desire to gratify the Dominions may lead to abuses which will be just as much complained of by and by as during the past year, for example, there have been complaints regarding the income tax.

The real truth of the matter appears to be that in the unwillingness of the unreformed House of Commons to meddle in any way with taxation, nothing was properly done when it was found necessary to enter the War, so as to prevent great grievances being effected. It is useless now, of course, to complain. In the first place, the preparations for the war ought to have been made while Germany was proclaiming to all the world that she meant to wage war upon such of her adversaries as had incurred her displeasure. Unfortunately, nothing was done then. The result was that when it became necessary to take steps to protect the world from a German attack, there was not sufficient time to adopt the wisest and the most successful system of taxation. The result has been bad for the country, and bad for all who were poor in means and not in a position suddenly to increase their production. It is not to be denied, of course, that the War, much harm as it did, for the time being did stimulate production; and consequently, did give an impetus to many forms of production which were not thought of a few weeks before.

Nevertheless, the system of warfare which we waged for very nearly four-and-a-half years did stimulate production; did give an immense impetus to certain forms of production; and unquestionably, therefore, increased certain forms of wealth surprisingly. We do not mention this now by way of complaint. What deserves to be complained of is the refusal of Parliament to take the necessary steps to make it quite clear that England was aware of what Germany was doing; and, consequently, that England had it in her power to prevent a great and a wrongful war. When once the proper occasion was allowed to pass and the Government had to decide either upon allowing Germany to plunder her neighbours or else to resist with the best chance it could, then it was too late to take the necessary measures. We have but to look carefully through Mr. Chamberlain's speech to see that there is exceedingly little in the speech to justify nearly three hours' waste of time of the House of Commons. What we want now is not mere talk about the past, or mere promises respecting the future, but a serious consideration of the policy that ought to be adopted; and, clearly, the policy that ought to be adopted is to put into operation, with as little delay as is possible, such methods of increasing our incomes without injuring the great body of the people; and, therefore, making it possible to reduce debt as quickly as the circumstances of the time allow.

In the present year Mr. Chamberlain distinctly states, firstly, that he is about to undertake no serious effort to reduce taxation as quickly and as materially as the conditions allow. Secondly, he notifies that while he devotes himself to heavy taxation of existing goods, he is quite aware that the relief given will be very slow, and, therefore, very dilatory in the relief it gives to those classes of the community that specially need relief. We take it that every reader will agree with us, that what is most desirable is that relief should be given as quickly and as decisively as the circumstances of the case admit. He points out that the objections to the existing system of income tax are so great, that in the present year, at all events, material relief cannot be given to those affected. But it is to be recollected that at the present time persons so circumstanced that they can be taxed to the extent of 6s. in the £ are so taxed is well understood; and

consequently, that persons who may have large families and not be possessed of great wealth may be called upon to go on paying 6s. in £1 out of their incomes. That being so, Mr. Chamberlain has decided that he will not substitute any new tax for the income tax, the result being that such persons may remain without real relief, while the reduction of taxation is left to the introduction of taxes upon other things which will give but a small annual income, and, consequently, will spread the repayment of debt over an immense length of time. We venture to submit that every thinking man, who will give his mind to the question, will see that this is wrong in principle and unwise in practice. We are exposed to a fierce competition. Nobody can yet say what the competition will be in the course of a few years. It is perfectly plain that countries like France and Belgium, which were so plundered by the enemy, cannot be put in a proper state for a considerable time to come. Consequently, many parts of Europe will continue impoverished, while both the President of the United States and our own Prime Minister appear to be both agreed that the hardship to both France and Belgium, and similar countries, is not merely excusable, but, taking all the circumstances of the case into consideration, thoroughly justifiable. We disagree altogether with that view. We urge, on the contrary, that something ought to be done to bring home to the public that Houses of Parliament are fully aware of the need for losing no time in doing what is possible to increase the national wealth, and, with that view, that measures ought to be taken for adopting a wise and a far-seeing policy. In former articles we have argued that some measure ought to be adopted without delay which would, without unreasonable waste of time, enable action to be taken that would immensely expedite the repayment of debt. It would be easy to mention several remedies. One remedy we have suggested is to follow up in the case of English and Scotch taxation what has been done fully in Ireland, so as to make the land grants immediately available for the reduction of debt. It would be easy to mention other remedies. But our purpose here is to point out the feebleness of Mr. Chamberlain's speech, and to make clear that, if we are to be put in a position in which we can hope soon to be reasonably free from cramping taxation, we ought to lose no time in adopting correct remedial measures.

THE PEACE CONFERENCE.

The German army broke up in disorder and alarm early in November; practically, that is to say, very nearly six months have passed since the Germans made their last desperate stand, attempting, even when it was plain to themselves that they had no chance, to turn fate in their favour. We have now entered the month of May, so that it wants very little more than a week to make up six months since the fighting actually ceased; and we would ask our readers in all seriousness what they think of the waste of time that has taken place since November 11. Something has been done to satisfy the French demand respecting the Rhine. The United States has recognised England's position as guardian of Egypt, Mesopotamia, and Palestine. Furthermore, the Kingdom of Montenegro, likewise, has been shelved. And recognition has been accorded to the new Kingdom of the Jugo-Slavs. But it would be difficult to add anything important to this very brief summary. It is true, of course, that the Conference has recognised the new Czecho-Slovakia. And it is, likewise, true that various promises have been given which may convey information more or less unmeaning. But, speaking broadly, we are now in the month of May, and yet we have done practically nothing to settle a war which has not been equalled for the loss of life and the cost in money since the great struggle against the First Emperor Napoleon. It is possible, of course, that even yet the members of the Conference may recognise that they are wasting the time of the world and making useless leisure which ought to be turned to the best account. It is to be hoped that public opinion will declare loudly against this utter waste of time, and will insist that at last something real and something genuine shall be done. We want an end, not merely to the danger of war, but to the possibility of war. We want real efforts put forth to show that the world has awakened from its mad dream, and is resolved upon conducting its affairs with at least the appearance of decency and regard for human life. We want, in short, a real peace, not mere talk, nor mere waste of time, nor mere pretence that something is being done when human welfare and human interests are being sacrificed.

THE LIVERPOOL COTTON MARKET.

The chief markets associated with the cotton trade are three in number, the raw cotton, the cotton yarn, and the cotton cloth markets. The first named belongs exclusively to Liverpool, and the second and third are located principally in Manchester. One of the declared objects of the promoters of the ship canal was indeed to divert the trade in raw cotton to Manchester, and in 1894, when the canal was opened to traffic, the Manchester Cotton Association was formed to facilitate the change. The hopes of establishing a spot market in Manchester have, however, not been realised since, though the proportion of raw cotton imported direct into the city was slowly increasing up to the outbreak of war, after which it declined.

Imports of Raw Cotton (*In Centals of* 100 *lb. each.*)

	1913 Centals	1914 Centals	1915 Centals	1916 Centals	1917 Centals
United Kingdom ...	21,742,906	18,641,333	26,476,161	21,710,022	16,231,713
Liverpool	16,905,681	14,699,701	20,295,313	17,572,712	13,120,320
Manchester	3,828,834	2,922,880	4,407,635	3,806,199	2,479,831

Direct importation to Manchester of Egyptian cotton is more extensive than that of American, the chief reason being that Liverpool, as the terminal port in Europe of the North Atlantic ferry, has naturally a preponderating influence on the direction of American trade. The position of Liverpool thus remains unchallenged as the principal importer of American cotton, and in this respect it holds a unique place amongst the cotton markets of the world. Though the American crop, according to pre-War statistics, constitutes only about 57% of the total cotton produced, it is of supreme importance to the cotton industry, since most cotton crops, with the exception of Egyptian and other African and West Indian varieties, are consumed in or near the country of production, and non cotton-growing areas must, therefore, depend on the United States for nearly three-fourths of their normal consumption. This dependence is most pronounced in Europe where the cotton plant does not thrive, outside Russia, and European purchasers are thus compelled to flock to the Liverpool market. With the large volume of business passing and the shipping facilities offered, the market naturally attracts other cottons, and from the finest Sea Island and West Indian, and the best Egyptian to the staple American from the Mississippi delta and the coarsest Indian, every kind of cotton finds a sale in Liverpool, and the city, in respect of the bulk and the variety of its holdings, can claim to be the leading market for spot cotton in the world.

As a "Futures" market, Liverpool is only second in importance to New York. Some maintain that it is of at least equal importance, and the question cannot be decided by reference to statistics. Though New York publishes a daily estimate of its futures dealings, Liverpool is silent on the point. Last week New York sales, exclusive of transactions in spot cotton, amounted to $1\frac{3}{4}$ million bales, and this is a figure which Liverpool, especially under the war conditions prevailing up to the end of last month, could scarcely hope to equal. The term "futures" is really

an abbreviation for future contracts or contracts which call for the delivery of cotton at some date ahead. The necessity for future trading will be readily grasped if we consider the problem confronting the spinner who is asked for a quotation for yarn to be delivered at some future date. If he bases his price on the current figure for raw cotton, the market may go up, and he may have to fill the contract at a loss. The cotton importer will, however, gives him a quotation for cotton for delivery in any desired month, and this will enable the spinner to quote a price for yarn. He can insure against risk of loss by "hedging." It might be explained that a "hedge" is a contract for buying or selling entered into as a protection against loss. The importer can quote for a period ahead, because he is continually purchasing spot cotton in the United States, and each such purchase is usually covered at once in the Liverpool market by a sale of futures. Sales of spot cotton are similarly covered by the purchase of futures. It is, of course, permissible to protect oneself against loss by insuring the future, but where dealings are undertaken by operators who never intend to handle actual cotton, but merely juggle in differences, an enormous burden is frequently laid on the spinner, from which the planter derives no benefit and which is passed on ultimately to the consumer.

A regular system of trading in cotton futures was first established in Liverpool, and it owes its inception in the main to two widely different events: the outbreak of the American Civil War, and the laying of the Atlantic Cable. The Civil War caused an unprecedented scarcity of cotton, not only in Europe but in the Northern States, and deliveries were uncertain owing to the blockade. The insistent demand for the commodity encouraged speculation, and dealings took place not only in spot cotton but in "cotton to arrive." These dealings partook more of the nature of gambling than of legitimate business, and hence the system of "futures" trading was inauspiciously cradled. The Atlantic Cable, laid in 1866, enabled Liverpool merchants to enter into immediate communication with America, and so obtain quotations for cotton to be delivered in England some months hence. Simultaneously they could sell in the Liverpool market futures against the purchase. This, the most legitimate form of "futures," presupposes the delivery of spot cotton at some date ahead. In hedging, futures are simply sold or bought to insure against loss in the event of an adverse movement of the market. The other kind of trading in "futures" is undertaken by those who use them simply as gambling counters, and who, having no real interest or stake in the cotton business, wish to extract the maximum of profit, regardless of the injury they may cause to orthodox traders. New York is the chief centre of these speculative transactions, and in the course of a year the number of bales of American cotton traded under the futures system may be many times in excess of the actual crop. Speculation is also common in Liverpool, and the majority of the futures business transacted there, as in other similar exchanges, is probably of a speculative character. As with operatives of bulls and bears on the Stock Exchange, dealings in futures are settled by the payment of "differences." Every Monday at noon the price of futures is officially struck in Liverpool, and the difference between that and the contract price is paid over or received. Payment must be made by the following Thursday through the cotton bank, and defaulters are immediately posted. Though reprehensible, the gambling element in futures can scarcely be eliminated. It has been present ever since their inception as a system in 1870 by a Mr. Rew of Liverpool and has flourished particularly in the congenial soil of the New York Cotton Exchange, founded in 1871, and to a less extent in the Cotton Exchange of New Orleans, which dates from 1873. These are the only two markets in the United States where futures trading is permitted, though there are Cotton Exchanges in many other towns, including Houston, Dallas, Galveston, and Memphis. In normal times a limited business in futures was done at Havre, and none at all in Bremen, these being the two chief markets on the Continent. Continental business in futures was accordingly conducted to a large extent through Liverpool, but shortly before the War future dealing was started in Bremen—with little success, however, as the clientele was not large or powerful enough to support it. Though one may speak of the relative size of different markets, it must be remembered that the operator in futures does not confine his attention to a particular market. He may go in for a "straddle," a great speculative line in recent years. In other words, he may sell cotton futures, say, in New York and buy futures in Liverpool, according to his judgment as to the trend of the market and as to freights. A "straddle" might also be effected as between different months. Thus, at present there is a big discount on cotton for delivery in the later months, and such a condition of the market admits of a "straddle" between the different positions. The marginal difference in the making-up prices constitutes the profit or loss of the operator.

EUROPE AND AN "ECONOMIC" VACUUM.

The arrival of the German delegates in Paris is an event equal in magnitude to the signing of the Armistice nearly six months ago. In what condition does it find Europe? It is a question almost as important as the question, What will be the final terms on which the work of world-reconstruction will be based?

Last week there came the perturbing news that Italy had separated herself from the Conference of the Allied and Associated Governments in Paris. *Le Matin* calls the day on which the announcement was made *la journée la plus néfaste* (the most unpropitious day) since the signing of the Armistice. Were the difficulties purely territorial, this might be considered a gross exaggeration. When the difference between what Italy was offered as a compromise and what she demands is put beside what Italy has gained, and beside the great territorial changes in other parts of Europe, the cause of rupture seems trivial. But, in the manifestoes of President Wilson and Signor Orlando, there are indications of profound political disturbance.

After setting forth the principles which had guided the action of America, the President declared: "Only on these principles, she hopes and believes, will the people of Italy ask her to make peace." At once the Italian Prime Minister assumed that here an appeal was made to the Italian people against the Italian Government, and he protested vigorously. The sensitiveness displayed may be part of a political manœuvre to secure greater popularity for his policy in Italy, but it may have much more serious results outside, for it gives prominence to and may encourage a revolutionary tendency (one of the most dangerous features of the European situation) to appeal to popular discontent. One effect in Paris forcibly illustrates this danger. M. Marcel Sembat, who was a leading member of the Viviani and Briand Coalition War Governments (a Socialist leader of literary eminence), in an article super-effusively welcoming President Wilson's intervention, wrote:

"Why did you not sooner appeal to the conscience of the nations, in which was your strength? Why did you so long endure that we should be thrust back on the rule of the old diplomacy? . . . Now, since you have at last spoken, since you have gone straight to the peoples over the heads of their Governments, will you not mandate your task?"

In the making of [illegible] action [illegible] Governments ought to [illegible] consideration to the interests and [illegible] wishes of those peoples; and that does not exempt outside authorities to appeal to the one against the other.

Such appeals cannot fail to break down respect for ordered rule; and the supreme fact which must not be overlooked at the critical moment when the German delegates appear in Paris is that from the east to the west of Europe there is arising a temper subversive of ordered rule, which can only be overcome by the exhibition of moderation on all sides. If the Italians, prompted from the outside, were to upset their Government (something more than a mere exchange of portfolios), as M. Sembat wishes them to do, and the French were to listen to him also, we should have chaos at the moment when the greatest piece of business the world has yet tackled has to be done.

It is just this risk of chaos and the power of playing with it afforded by the financial, political, and moral disturbances of the last five years which is the biggest factor in the European situation at the present moment. It is no stretch of imagination to say that there is an insurrectionary citadel in every large town in Germany. The Scheidemann Government, who stand for a sort of bourgeois, bureaucratic Socialism that is not without some affinities to the old regime, is probably sincerely anxious to get rid of the Spartacists and other revolutionary elements; and if there are no other disturbing factors their triumph would be quickly secured. But in Germany and throughout all enemy lands there is a strong feeling (visible even in Allied lands) that insurrectionary Socialism may provide a last desperate resort. When noble Lords in Great Britain speak with approval about the advent of a Labour Government, they are doubtless thinking of constitutional and not revolutionary changes; but they ought to know that the leaders of the Labour movement in every land are as much divided among themselves as any other set of politicians, and that to advocate sweeping changes without a guarantee of stability is to cultivate revolutionary unsettlement. The civil strife in Germany and in all the lands beyond Germany's eastern frontier is inter-Socialist, inter-Labour, more than inter-class.

The present rulers of Germany, disposed although they are to resist the champions of the class-war, have contemplated the policy of surrender to it as an alternative to an acceptance of the terms of the Paris Peace Conference. It is probable that they only wish to use the suggestion of such a surrender as a diplomatic weapon; but, in the present condition of Europe, tactics of this kind may at any moment push them further than they wish to go. Mr. Arthur Henderson has given them the sound advice to accept terms which they may consider too heavy rather than resort to anarchical devices, and has suggested to them that relief may come through the spread of ordered democracy everywhere. The acceptance of a peace that is not regarded as wholly satisfactory is advice which may be commended to all parties in every land; but there is some reason to fear that it may not be wholly acceptable in Germany, where all the parties are striving to rid themselves of responsibility for the signing of the final document—a striving which has led to the proposal of a plebiscite.

In the meantime, there is going on a sort of leisurely war against the Communist Government in Munich and other disloyal towns, a noteworthy characteristic of which is the political recoil. The troops of the Berlin-Weimar Government have not much difficulty in asserting their military superiority when they care to exert it, but they have to contend against political reactions which transform their task from day to day.

This political recoil in the midst of insurrection and counter-insurrection is conspicuous in the East and South of Europe, and nowhere more than in Russia, where the developments are very obscure. From Siberia the pressure against the Bolshevik power centred in Moscow seems to have been increasing during the last few weeks. Preparations for an attack on the same foe are proceeding in the Archangel-Murmanski districts. In the Ukraine the Bolshevik wave has rolled forward and backward, and a clear idea of the state of affairs there cannot be obtained. A good deal of confusion arises from a loose use of the word "Bolshevik," which is often applied to types of revolutionary Socialism which may be friendly to-day to the Lenin regime and hostile to-morrow. It seems to be petty armies of real Bolsheviks who are attempting to penetrate Bessarabia in order to weaken the Roumanians, and it is forces of a similar complexion and size whom the Poles are driving eastward and whom the Letts and Finns are attacking near the eastern end of the Baltic. All this forward and backward pushing, however, is constantly subject to the effects of the political recoil.

A similar converging pressure, it would seem, is being exerted on Soviet Hungary from the east, the north, and the south by Roumanian, Czech, Serbian, and Allied forces; and here again there are manifest everywhere symptoms of political recoil, which Italy's uncompromising attitude towards the Yugo-Slavs may intensify. The recoils are generally attributed to Bolshevik machinations, but they are due mostly to an economic vacuum (or a rarity of economic air that approaches a vacuum) wherein human beings disport themselves in an incalculable manner.

Without travelling farther afield to find evidence in the *débris* of the Turkish Empire, where anarchy is increasing, sufficient has been said to reveal the seriousness of the economic vacuum. French politicians have been concerned most about military and territorial security, but the French people feel daily that the biggest difficulties are economic. In a somewhat alarmist article, *Le Matin* declares that the Germans are making ready to repay all their loans which they have made to themselves during the War by means of a confiscation of German fortunes, so as to be able to say, when they are asked for indemnities, "We have not a penny left. Later on we shall do what we can out of our revenues." That is the penal side of economics. Of more importance is the reconstructive side, which will require much attention before even satisfactory reparation is secured.

OUR TRADE WITH BRITISH WEST AFRICA.

Forest products are the chief and most accessible source of wealth in British West Africa. The natives of the different areas under British jurisdiction, Gambia, Sierra Leone, Gold Coast, and Nigeria, are largely dependent on the forests for a means of livelihood, and the principal articles in which they trade for the satisfaction of their primitive wants are rubber, resin, timber, cocoa, palm oil, and oil-bearing seeds. The seeds constitute the most important class of products, and they comprise mainly palm kernels and ground nuts. Unrefined palm oil made by the natives is also exported. This oil is obtained from the pericarp or soft outer portion of the palm nut, the hard central part being the palm kernel known to commerce. The oil is extracted by boiling the pericarp in pots and skimming it off as it comes to the surface. Each native family has its little pot, which is almost continuously kept boiling until a cask has been filled with the skimmings. The oil is then disposed of to a factor. Being won by such crude methods in insanitary surroundings from palm fruit that has frequently been stored too long, the oil naturally suffers from excessive rancidity. The percentage of free fatty acids present is much too high, and even in the best of native palm oils, that from Lagos, the amount present runs from 10% to 15%. Successful efforts have been made to extract palm-kernel oil, a distinct product from palm oil, on the spot by European methods. This enterprise, originally undertaken in order to save shipment of the kernels to Europe, dates from recent times, and it

holds out some promise of development. Its extension will depend on the use that can be made of the residue left after the crushing or extraction process. In Europe this residue is converted into oilcake or meal, but in Africa it is largely neglected, there being no local market for these products.

The trade in oleaginous nuts and in vegetable oils from British West Africa has expanded rapidly since the commencement of the century, having risen in value from £2,250,000 in 1900 to over £7,000,000 in 1913. Palm kernels and palm oil accounted in the latter year for £6,176,000 of the total, but the greater portion of the trade was with Germany, which imported 191,700 tons of these commodities, compared with 109,400 tons imported into the United Kingdom. It is noticeable, however, that palm kernel imports into Germany were five times in excess of our figure, and German pre-eminence is accounted for by the strong milling industry which had been established in Hamburg and Emmerich. In this respect the Germans had stolen a march on us, and though the milling trade should legitimately have been ours, as the raw materials came from within the Empire, we were beholden to our present enemies for a large quantity of the edible and commercial oil derived from tropical products. The War brought us to a painful realisation of the position into which we had drifted. Cut off from our normal sources of supply we found our needs at the same time more extensive and more pressing than before. Glycerine was required for explosives, and to conserve supplies we allowed the export of palm oil, from which it is derived, to foreign countries only on condition that the glycerine content of the oil should be returned to us. Steps were immediately taken to promote the milling industry at home. The making of oil from vegetable seed was known in Great Britain, but linseed, cottonseed, and copra, that is, the dried kernel of the coconut, were chiefly handled; and palm kernels could not be treated by the same machinery. This difficulty was overcome and facilities were provided to cope with all classes of nuts. The change was speedily effected, being helped by the fact that existing mills could not procure a sufficiency of linseed, cottonseed, or copra, and, deprived of their usual material, turned the more readily to other oil-bearing seeds. Whether they will revert to the old trade when normal supplies are again forthcoming is open to conjecture, but at the present time the crushing capacity of our mills is sufficient to absorb the whole of the average kernel crop exported from British West Africa. London, Liverpool, and Hull are chiefly associated with the new developments, and altogether our mills can now handle upwards of 275,000 tons of kernels per annum. The adjoined table shows the importation of the various oil-bearing seeds into the three ports mentioned:—

Importation of Nuts and Kernels (for expressing oil therefrom).

	1913	1914	1915	1916	1917
London—	Tons	Tons	Tons	Tons	Tons
Copra	28,261	57,564	90,695	49,861	38,452
Palm kernels* ...	—	8	8,729	5,728	15,930
Other kinds	4,849	8,241	13,134	9,591	31,929
Liverpool—					
Copra	2,221	8,582	15,536	11,433	11,530
Palm kernels* ...	—	73,187	178,060	186,589	187,022
Other kinds	45,132	18,240	56,492	32,453	68,576
Hull—					
Copra	2	—	—	—	15,907
Palm kernels* ...	—	1,691	42,549	48,926	42,868
Other kinds, especially ground nuts ...	76	696	6,691	8,352	78

* Included in "Other kinds" prior to 1914.

Liverpool now leads the world as an importer of palm kernels, a position held before the War by Hamburg. A German city was the principal market for these products of British colonies, and fully three-fourths of the total kernel shipments to Europe were crushed in Germany. The crushing industry here has since the War made particular progress in port towns, including, in addition to those mentioned, Bristol, Manchester, and Glasgow, but there have been scattered developments throughout the country. The maintenance of the industry will not be difficult if we take proper advantage of the fact that our West African colonies supply the major portion of the world's requirements of palm nuts, and accordingly of palm kernels.

The refining of the palm oil, which is exported to us in the unrefined state, is also undertaken in the United Kingdom, but, except in the case of Hull, our imports have not expanded, as the following table shows:—

Imports.

Year		London	Liverpool	Hull
		Cwt.	Cwt.	Cwt.
1913	Oil palm and palm kernel ...	109,105	1,479,223	2,434
1917	" " " " ...	15,497	1,409,186	36,992

		United Kingdom
1913	Unrefined palm and palm kernel oil	1,562,296
1917	" " " " " "	1,161,760

Coconut oil is also imported extensively into London and Liverpool, but it comes principally from the Far East. In West Africa our chief supply of palm kernels comes from Nigeria and Sierra Leone, and also from the Belgian Congo, while Gambia and Nigeria export ground nuts. As may be seen from either of the above tables, Liverpool has become the great clearing-house for West African produce. The future of the trade is bound up, on the one hand, with the development of steady habits of industry amongst the African natives, and the eradication of their prejudices against modern industrial methods, and, on the other, with a continuation of the home demand for vegetable oils and fats. A reform of the natives on the lines indicated is, indeed, almost beyond the power of white administrators, and, if it met with complete success, it might eventually result in the treatment locally of all kernels, nuts, and other forest produce. Such result would not be unwelcome here, but it is realised that great difficulties lie in the way of its achievement. In the first place the expense of setting up a factory in the Tropics, of transporting the machinery, and securing the necessary motive power, is high; and though native labour may be cheap, it must be vigilantly watched by white overseers, and these cannot be attracted, except by substantial salaries, to a climate naturally so unfavourable to Europeans. Secondly, the vaunted cheapness of native labour is largely delusive, as the men are inconstant in attendance and inclined to be dilatory and easy-going while at work. Moreover, if palm cake or meal is manufactured, as it would be in an up-to-date plant, a local market is difficult to find, and the cost of separate transportation to Europe of both the oil and the by-products would be excessive, especially with the high freights now ruling. Hence the crushing industry is not likely to be transferred to the seat of production of the oil-bearing seeds. The future of the trade also depends on the demand for its varied output. There has been a brisk inquiry for glycerine during the War, and our margarine manufacturers have been compelled to seek from home sources the palm-kernel oil and the ground-nut oil which they formerly imported from abroad. Further, the industry has undergone considerable extension, the weekly production of margarine having risen from 1,500 tons in 1913-14 to 5,000 tons in the early part of 1918. A continuous and increased demand for palm-kernel oil, as well as for coconut oil, thus seems assured for margarine making. In the manufacture of vegetable butters and of various fats used for cooking and confectionery purposes, further outlets will be found, all tending to give stability to the market in the produce from West African oil seeds.

BANK OF LIVERPOOL AND MARTINS LIMITED.—The Directors announce that Mr. John J. Ratcliffe, Deputy General Manager of the Bank, has retired from that position after service with the Bank extending over a period of forty-one years, and has been appointed a Director of the Bank. Mr. J. C. M. Jacobs has been appointed Deputy General Manager; Mr. T. Fisher Caldwell, Assistant General Manager; and Mr. T. A. Trotter Manager of the Head Office of the Bank.

THE LANCASHIRE COAL EXPORT TRADE.

This branch of the Lancashire trade is centred in Liverpool and Birkenhead, and in Manchester, though small parcels are occasionally exported from Fleetwood and Runcorn. The exports are drawn chiefly from within the county, but on the Liverpool side of the Mersey supplies are brought also from Barnsley and other Yorkshire districts, and from Derbyshire and Stafford, while, on the Birkenhead side, North Wales and the few mines in Cheshire are laid under contribution. Coal exports include both bunkers and cargo, and the steam coal required for the former purpose comes chiefly from Yorkshire by rail and from South Wales by coasting steamers. Between Yorkshire "hards" and the best Welsh coal there is little to choose, but the latter coal has the advantage of being smokeless, or nearly so. Yorkshire "hards" are large, firm, and turn out of the hold as shipped. On a normal market they are worth three shillings per ton more than the best Lancashire. Lancashire produces a general-utility coal which is suitable for steam, gas, and domestic purposes. It is practically all bituminous and can accordingly be used in the manufacture of coke. Bituminous coals vary in their suitability for coking, the best being those which fuse readily when burning. The fact that Lancashire contains over 800 coking ovens, ranking fifth amongst counties in the United Kingdom, is in itself a tribute to the coking properties of its coal. There were at one time nearly 1,000 ovens in use, but to make up for a decrease in numbers there has been an increase in the efficiency of individual ovens. In 1917, 3,074,000 tons of coal were coked, producing 1,595,000 tons of coke. This was the second highest output of coke in the United Kingdom, Durham easily leading the way with over 5½ million tons. A coking coal is not suited to marine boilers, as it runs on the bars, cakes quickly, and requires pinching too frequently. A good steam coal should be free-burning and contain plenty of gas, and this definition excludes, not only the coking variety, but also anthracite. For steam raising on land, slack or "smalls" are generally used, after being washed to remove impurities.

Lancashire is the fourth of the coal-producing counties in the United Kingdom, and in 1917 its output amounted to 21,760,000 tons, compared with 40,875,000 tons in Yorkshire, 32,133,000 tons in Glamorgan, and 30,843,000 tons in Durham. The bulk of the coal raised is used locally for industrial and domestic purposes, but the export trade is considerable, especially in bunkers. A large coastwise traffic is also done to Ireland and the Isle of Man. The trade has, for special reasons, not suffered material detriment during the War. The bulk of the coal shipped from England comes, in normal times, from the Bristol Channel and from the north-eastern ports, both Welsh and Yorkshire coals being of the highest quality and easily standing transportation. The Admiralty commandeered a large proportion of the output of these districts, especially of the best coals, and Cardiff, Newport and Swansea, as well as Newcastle and Hull, were too busy meeting the requirements of our own and Allied navies to fill civilian needs. Only second-grade steam coal was available for export, and even this was often replaced by inferior qualities. Many foreign and home consumers turned to Lancashire coal, and, it is reported, were favourably impressed by its calorific power and by its adaptability for many purposes. Bituminous coal is naturally more easy to light and burns with a characteristic flame which is altogether absent from anthracite, but in heating capacity it is generally inferior. Both on sea and land, the Lancashire product has been extensively used during the War in steam-raising plants which formerly used only Welsh or Yorkshire coals, and, though results naturally varied with the type of boiler and with the arrangements for draught, the general verdict was one of surprised satisfaction. It is probable, in the circumstances, that the new clientèle attracted to Lancashire coal for the want of better will remain permanently with it. A practice, common in the United States, of purchasing coal for analysis is coming increasingly into vogue here, and the practice will benefit Lancashire coal, which, though showing a good return in calories and a low percentage of ash, has not the reputation attaching to the famous seams of Yorkshire and South Wales.

Shipping activity in Liverpool having been increased rather than diminished by the War, the export trade in coal from that city was not so seriously affected as from Manchester. The relative position is shown in the following table:—

Exports of Coal, Coke, and Manufactured Fuel.

	1913 Tons	1914 Tons	1915 Tons	1916 Tons	1917 Tons
Liverpool (including Birkenhead and Garston)	469,695	352,242	314,680	335,954	492,300
Manchester (including Ellesmere Port, Partington, Runcorn & Warrington)	325,052	276,561	237,012	165,118	162,68

The Liverpool total for 1917 actually exceeded that for 1913, but the Manchester exports in the same period showed a diminution of 162,366 tons, or almost exactly 50%. The figures of cargo exports for the United Kingdom fell from 73,400,000 tons in 1913 to 31,753,000 tons, a decline of 57%. The latest returns in respect of March show a recovery on the part of Manchester, and a set-back for Liverpool.

Exports of Cargo and Bunker Coal.

	March, 1918		1919	
	Cargo Tons	Bunker Tons	Cargo Tons	Bunker Tons
Liverpool	46,416	189,741	536	183,618
Manchester	3,611	9,525	5,765	9,644

The removal of all Government restrictions on coal exports, not announced in the recent statement as to decontrol, is of immense importance to Lancashire. A strong argument against the nationalisation of mines, and one already advanced with effect in the case of shipping, is that the trade is largely foreign, and therefore ill-adapted to Governmental management. For many years prior to the War, about one-fourth of the coal raised in the United Kingdom was sent abroad, and if the amount shipped as bunkers in foreign-going vessels be included, the proportion exported was nearly one-third, thus making coal one of the bulkiest of our articles of export. France was our principal foreign customer, but it has now a prior lien on the output of what were formerly German coalfields. Belgium, another extensive importer, has had its output considerably reduced during the War, the average for the three years 1915 to 1917 being 15,983,000 tons, compared with 22,842,000 tons in 1914. The 1918 figure, however, rose above 16 million tons, and a further considerable improvement may be expected. Nevertheless, there will be an extensive demand, both in Belgium and elsewhere on the Continent, for coal, especially while the various mines are being put again into working order. Whether we can satisfy that demand depends on the surplus over home requirements, and this in turn depends on output. Comparative cost must also be reckoned, as the coal will necessarily be purchased in the cheapest market. The enhanced prices obtainable for coal during the War has enabled the United States to compete in markets hitherto closed to American coal on account of its relatively higher cost. Transatlantic competition is hindered by high freights and long haulage, but, despite this, the United States have already sent large supplies to Italy and Scandinavia, which, between them, took over 16 million tons of our coal in 1913. Between 1913 and 1917 American coal exports to Europe increased from 476,000 tons to 1,636,000 tons, and to South America from 444,000 tons to 1,989,000 tons.

At present foreign importers are not inclined to haggle about prices, and therefore the problem of restoring our export trade in coal hinges solely on output. In the absence of any calamitous social or industrial developments, output should rise above the War standard with the demobilisation of able-bodied miners and

the execution of long-overdue repairs, renewals, and improvements to mechanical equipment. The ultimate effect of the reduced hours on output is too problematical to discuss, but in Lancashire the best opinion views the matter in a very hopeful light. The output in the United Kingdom had been decreasing long before the War. The average per underground worker which in 1906 was 360 tons, had fallen in 1913 to 321 tons, but it is hoped that its downward course may now be stayed through better working methods and through the exercise of good will on the part of miners. Most of our rich, shallow seams have been exhausted, and the raising of coal from thin seams at great depths necessarily involves increased expense. An advance in any country of coal prices, as compared with those ruling elsewhere, is a preliminary symptom of that coal scarcity which is eventually threatened for all, and the advance here, due in part to artificial, and therefore removable, causes should be stayed. The rapid decentralisation of industry in the last fifty years, and the more even distribution of manufactures over the world, naturally caused a slackening in the rate of industrial development at home, and our coal exports did not increase comparably with those of other countries. To prevent unemployment on a large scale, they should as soon as possible be resumed, free from official interference. Our railways, docks, and ships derive profit from the trade, which also enables us to import more cheaply our requirements of food and raw materials. Further, our coal is needed in foreign coaling stations for the use of British steamers, and many of our outward-bound ships can, by securing a coal cargo, avoid a profitless journey in ballast.

The complete resumption of coal exports is conditioned by the supply of shipping, but, according as it is revived, it is expected in Lancashire to stiffen prices in the home market. Foreign wants are imperious and must be satisfied, and, moreover, Germany, our principal competitor before the War, is for a time out of the market. At present under the control system Lancashire coal for export is on an average from 6*s.* to 8*s.* per ton dearer than for home consumption, and naturally merchants prefer to ship, but are hindered by the embargo. When shipments no longer require a licence, prices will probably rise to the present export level. The increased demand from abroad may result in the taking on of extra hands in the Lancashire mines, where employment is already given to nearly 100,000 workers.

The proposed scheme of State electric-power stations, if carried out, should effect considerable economies in the use of coal for industrial purposes in the cotton and steel manufacturing areas of Lancashire, but such an eventuality is at present too remote to enter as a calculable factor into the plans of coal-owners. Besides, increased demand in other directions, due to the growth of population and similar causes, will offset a decrease in the quantity of coal used for steam-raising or gas-making purposes. Of more immediate concern to Lancashire and to the coal-mining industry in general are the findings of the Coal Commission as to nationalisation and the proposals formulated by the Coal Controller as to mining finances, both of which will to a large extent determine not only the fate of the coal trade but the industrial future of the United Kingdom.

ARGENTINA.—II.

According to the Argentine papers recently received, the labour troubles and the general state of unrest in January and early February of the present year were more serious than was generally believed in London. Of course, in those circles intimately connected with the trade and finance of Argentina, it was admitted that the political and economic situation left a good deal to be desired; but it is certain that the general public here had very little appreciation of the seriousness of the situation. Happily, things are gradually righting themselves; but it cannot be denied that throughout the Argentine Republic—as, indeed, in so many other countries throughout the world at the present time—there is a large measure of unrest, and a considerable feeling of anxiety. There has been raiding of post offices, attacks on railway stations, sacking of convents, sufficiently serious trouble at the fashionable seaside resort of Mar del Plata to necessitate the landing of blue-jackets and marines from a battleship; and, above all, a most regrettable incident of a serious attack on the Jews. So grave were the disturbances that it was necessary to call out the military. Since February, as far as we can learn, order has been completely restored. But there is a large measure of unrest, and the Argentine Government is reasonably certain to pass through a very trying period for some considerable time before the restoration of really sound economic conditions can be looked for.

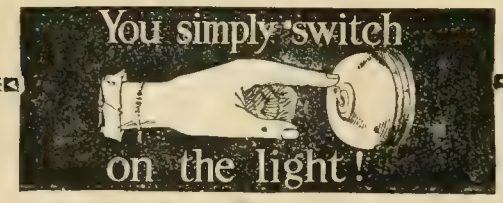
It has to be remembered that there are various elements, and, particularly, two striking features, one of which is permanent and the other temporary, making for difficulties in the Argentine Republic at the present time. The permanent difficulty of the Republic is due to the remarkable form which economic development has taken; and the temporary difficulty is the heterogeneous nature of its population, due to the fact that a very large proportion of what may be called the working-classes have not yet had time to become thoroughly identified with the country. There is an appreciable proportion of the various southern Europeans—Slavs, and Greeks, and Turks— in fact, a considerable number of Turks and Armenians of the pedlar class. Nearly all are pedlars, or, at any rate, a very large proportion of them. From Asuncion in the far north right down to Bahia Blanca in the south, and away to Mendoza in the west, in fact, to a large extent all over the Republic, one meets with the Turkish pedlar who brings to the various villages and, indeed, to remote outlying huts of the natives, the little luxuries and the cheap finery which these poor people would not be able to obtain but for the enterprise of the Turkish pedlar. All these people come from what we are accustomed to call the backward countries. They have not had the advantage of education, or, indeed, of any kind of a reasonable training in their own countries, and they enter Argentina with their minds undeveloped, and with very little real knowledge of the conditions of the world anywhere except in the particular district from which they came. In Argentina itself they pick up sufficient knowledge of Spanish to enable them to carry on their ordinary business. But they do not really understand Argentine institutions or the objects at which the Argentine Government is aiming, and have really no conception of what Argentina, in the best sense of the word, really stands for. At a time like the present, therefore, when work is exceedingly difficult to obtain, when even those who do succeed in obtaining work find it almost impossible to live on the wages they are paid, although those wages are nearly double what they were in the period that preceded the outbreak of the recent war, it is not surprising that there should be a large measure of unrest and of discontent which those who see their way to profit by exploiting it are not slow to turn to their advantage.

Those causes which we have enumerated above are transitory, and gradually pass away as the population becomes homogeneous, and the children of the present settlers become really Argentines. But the peculiar nature of the economic development of Argentina is a most serious problem. It should have gone on long enough to ensure the economic stability of the Republic. If that had happened—if, for example, the recent lines on which the Republic was developed had been continued for another generation—Argentina would have attained a sound economic basis of development just as a similar process had led to the United States of North America attaining to a sound economic development. North America was very largely de-

veloped, just as Argentina has been in our time, for the purpose of supplying food and raw materials to the great consuming markets of Europe. But the process in the case of North America was carried so far that North America was able to continue her own economic development without assistance from outside. In the case of Argentina this process has been temporarily arrested. If, of course, it proves that Europe is no longer able to assist in the financing of Argentina, she will, no doubt, gradually adapt herself to the new conditions. But meanwhile she is either too much developed, or too little developed, for a sound economic existence. As things are, there is practically no resource for the bulk of the Argentine population at a period of crisis; and this leads, as the world is constituted, to the regrettable incidents which we have described above as occurring in January and February last.

Argentina came to be what she is owing to the fact that Western Europe in general, and this country in particular, were anxious to obtain immense quantities of food and raw material at a very much lower price than these could be produced in Europe, and if possible at a lower price than they were, in fact, being produced in the United States of North America. In order to attain this object, Argentina was liberally financed from Western Europe, and particularly from London, with the result that she has come to be a sort of wholesale producer of raw products on an immense scale for feeding the English industrial community and also for feeding their mills.

This peculiar form of economic development has accentuated the difficulties from which all the South American Republics have suffered more or less, and Argentina not less than the others. Argentina is essentially a country of great estates. Owing to its peculiar form of economic development, which we have just described, this aspect of the economic situation was accentuated. What Europe required of the great estancia owners was that they should produce plenty of good beasts suitable for the freezing houses, plenty of flax for linseed, plenty of wheat, and so on. Provided the estancia owners were able and willing to do these things, they had no difficulty in getting adequate assistance through the banks which Europeans, and particularly the English, established throughout the Republic. The result was that the Argentine estancia owners increased, instead of reduced, the size of their vast estates. Labour was, of course, urgently needed. But it was needed not to settle on the land, but to make itself useful in the transportation business. As produce was raised anywhere between Buenos Ayres and Bahia Blanca, or the Plate Estuary and Mendoza, the first essential was that, provided the produce itself was of sufficient quality to be saleable in Europe, it should be readily conveyed from the farms on which it was raised to the port of shipment at Buenos Ayres or Bahia Blanca, as the case might be. Consequently, an abnormal number of people were engaged in railway building, in the operating of the railways, and in the subsidiary trades necessary to the operating of the railways, the grain-elevator companies, the various storage companies, the *sansinena* companies, and similar industries. All these various forms of work absorbed an abnormal number of the Argentine population. During the War some of them were actively employed, but others of them found it exceedingly difficult to get employment. Now that the transition period between the demand for feeding the Allied armies and for feeding the civil populations of Europe is being passed through, the difficulty, if possible, has become accentuated. Large orders which had been placed by the Allied Governments in Argentina were cancelled immediately after the Armistice. And, as yet, adequate shipping facilities have not been afforded to enable meat and produce to be forwarded from Argentine ports, as was the custom before the War. Finally, Argentina has yet to ascertain whether Europe will be in a position to continue to finance her economic development upon the lines which have been pursued during the past few generations. If so, Argentina will gradually develop a sound economic position, and she will be able to carry on herself. If not, she will have to find a means of developing her resources upon new lines.



THE

Lister-Bruston

AUTOMATIC

Electric Lighting Plant

At once the simplest, most efficient and most reliable system of electric lighting, and offering all the advantages of direct lighting, whilst eliminating the disadvantages of the heavy accumulator plants. It will not only light your house with the minimum of trouble and expense and the maximum of comfort and efficiency, but will provide power at any time for pumping, cooking, vacuum cleaning and other purposes.

Write for Catalogue and Estimate to the Sole Makers:

R. A. LISTER & CO., LTD.

Dursley, Glos., England.

(Established 1867.)

London Office (where plants can be seen at work):—
47 VICTORIA STREET, WESTMINSTER, S.W.1.

AGRICULTURAL EDUCATION IN IRELAND.

During the past quarter of a century it has been increasingly recognised in Europe and in the United States that the provision of suitable educational facilities is an indispensable condition to the adequate development of agriculture. The logic of this line of development seems all the more apparent when we consider the uselessness of expecting an economic working of land or a quick adoption of the latest scientific methods from farmers whose early training has unfitted them for the task. If, in the future, we desire to be in a position to rely to a greater extent on home-grown food supplies we must endeavour to provide a better educational training for the rural community of the present generation. Germany's ability to hold out for over four years of warfare was largely due to the excellent system of agricultural education which was instrumental in increasing her food productivity to a tremendous extent. The following table enables a comparison to be drawn between the United Kingdom and other countries as regards the aggregate State expenditure on agricultural education:—

	Country	Aggregate State Expenditure	Expenditure per Head of Population
		£	d.
1913	United Kingdom	310,000	1½
1913	France	1,100,000	6
1912	United States	4,000,000	10
1910	Prussia	420,000	3

The expenditure in the United Kingdom for this purpose is comparatively small, though, as the War has shown, a more urgent necessity exists, in our case, owing to our isolated position, than in any of the above-mentioned countries, for a greater return from agricul-

ture. While the need of a better system of education is felt by the farming community both in England and Scotland, it exists to an even greater extent in Ireland, which is mainly engaged in the agricultural industry. The Irish farmer's progress has been retarded in the past by the existence of a land tenure which forced him to employ, not only his own, but also his children's energies in paying the landlord's rent. This disability has now been removed to a great extent by the operation of the various Land Purchase Acts; but the present general educational system could be substantially improved, and as it stands is ill-adapted to the requirements of an agricultural country. Up to 1900 the agricultural instruction afforded in Ireland was of a rudimentary description, but with the formation of the Department of Agriculture in that year a distinct advance was made. It is instructive to observe its organisation and methods of working. Directly under the control of the Department are the Royal College of Science, where there is a faculty for agriculture, and where the experts and instructors are trained, and the Albert Agricultural College, where a combined course of instruction is provided in technical and practical agriculture suited to persons who will later take up the management of the larger farm, and certain training schools for teachers and agricultural stations. The important part that women will play in any scheme of agricultural development is not overlooked, as they are given separate instruction in butter making and poultry keeping in the Munster Institute and in the Ulster Dairy School. Horticulture, bee keeping, forestry, flax-growing, and domestic economy are treated as separate subjects. Local schemes of agricultural instruction are administered through the Agricultural Committees of the County Councils, each of which has its own staff of officers, whose appointment must, however, be controlled by the Department. In order to finance these committees the County Councils have power to levy a special rate. Each committee annually draws up a scheme which becomes operative when approved of by the Department; these schemes cover all branches of agricultural education for both sexes, and include direct forms of encouragement in the improvement of agriculture and live-stock breeding and dairy practice. The great increase of tillage recently achieved in Ireland could not have been effected in so short a time had it not been for the complete touch of the Department with all parts of Ireland through the County Committees. A system of temporary winter schools has recently been found more satisfactory than that of permanent institutes and colleges for the education of farmers' sons. These schools are held at various local centres every winter season throughout the length and breadth of Ireland, and usually last for sixteen weeks, the students attending from their fathers' farms on three or four days of each week; this system possesses important advantages over the institute system in the fact that it is cheaper and exercises a far larger influence on young men and boys. Eighteen agricultural institutes gave approved courses of instruction during the 1916-17 session, and the number of instructors and overseers working under the Department and the County Committees totalled 338. Assisting the Department are two bodies, partly nominated and partly elective, the Council of Agriculture and the Agricultural Board. The formation of similar bodies in England should be of great advantage, as they tend to lessen the bureaucratic manner which is so liable to creep into a Government department and render it more receptive to the ideas of the farming community.

While the system of education organised by the Irish Department of Agriculture has had good results so far as it goes, there is no doubt that its machinery would be required to be more fully expanded before it meets the needs of the country. Complementary to its efforts should be the assigning of a more important place to the teaching of agriculture in the curriculum of the National and Intermediate schools. Hitherto, little work has been done in this direction, though it is impossible to expect an intelligent knowledge of his future means of livelihood from the farmer's child unless that knowledge is early based on a firm foundation. What happens in Ireland is that as a rule he is withdrawn from the rural school at an early age and either remains at home to work on the farm or else is sent to complete his education in the town. The town school, which is generally run under the Intermediate system, makes practically no provision for agricultural training, although it conducts a science course which has been established through the medium of the Department of Agriculture. The failure of both National and Intermediate schools to realise the true importance of the agricultural industry in their programmes is responsible, in a great measure, for the ambition of their country pupils to become clerical workers in the towns. If an efficient country population is to be turned out in the future, an alteration in methods will have to take place. This may operate through the adoption of teaching with a more rural bias in the National schools, together with the establishment of continuation day schools in the rural districts, and accompanied by the setting up of a ruralised curriculum in the Intermediate schools. It is of little use to teach the advantages of new principles and new practices to an agricultural population unless they are fitted by their educational training to appreciate them intelligently. It is noteworthy, that disatisfaction also exists with the rural training adopted in elementary and secondary schools in England and Wales. Neither in England, nor in Ireland, are proper inducements held out to teachers, and it is obvious that the success of any educational system will depend primarily on their efforts.

The present system of agricultural education adopted by the various Boards of Agriculture in England, Scotland, and Wales is, on the whole, effective, but requires considerable expansion. Every county should possess a farm institute and at least one demonstration farm. The system of illustration farm worked in Canada might, in some instances, take the place of the demonstration farm. The former could be managed by a farmer, who would look to it for a living, but would undertake to work it according to instructions received from the Department of Agriculture, while the latter would be operated directly by the Department. Experience has shown that instruction of the ordinary type does not exercise so direct an influence on agriculture as might be expected. An illustration farm, if worked successfully, would attract considerable attention from surrounding farmers and would engender a spirit of imitation which would have a most beneficial effect on the prosperity of the district. These farms would, as a rule, be worked according to the methods of that particular district, but a demonstration farm of a special type could also be run upon a different system from that prevailing in the district. In one county a farm could be set up showing the best method of producing milk on arable land instead of on grass, or in another county to illustrate the continuous cropping system, or the most up-to-date mode of working a small market-garden farm. In Ireland, an urgent need exists for the setting up of a few farms to illustrate the methods by which winter dairying could be carried on to advantage. Such farms need not be large, as their object would be to show the local farmer a holding, such as his own might become; they should be run solely with the idea of commercial success, and their accounts should be open to the public. The advantages of these forms of educational instruction would be that their success or failure are at once apparent to the practical farmer and he is enabled to shape his course accordingly. Winter schools have had important results throughout Ireland so far as their educative effects on the farmer's children are concerned, and their more general extension is desirable. The Rothamsted experimental station has done admirable work

in England, but there is no institution of a corresponding nature in Ireland. Its need is severely felt in the latter country, more especially owing to the difference in agricultural and climatic conditions existing between the two countries.

The future of agriculture is largely bound up with the provision of a carefully-thought-out educational plan. A Chair of Agriculture has been established in the National University of Ireland and similar steps have been taken at the Universities of Oxford and Cambridge. In the United States, the Universities have long played a prominent part in connection with agricultural instruction and research, and their example could be followed with advantage by educational institutions throughout the United Kingdom. Agriculture in these islands has been neglected to a great extent in the past, and its future development is largely bound up with the provision of a more generous and a more scientific system of education.

THE CIVIL SERVICE.

Owing to the extension of Government activities during the War, a considerable expansion naturally took place in the staffs of the Civil Offices. An idea of the extent of this expansion can be gleaned from the following table, which, however, does not include the staffs of certain Army and Post Office establishments.

	No. of Staff
August 1, 1914	57,500
April 1, 1 17	105,000
February 1, 1918	148,000

It will be seen that the total *personnel* increased by 177% between August 1, 1914, and February 1, 1918. The emergency departments called into being by War conditions were undoubtedly responsible for a considerable waste of public money. This was due to several causes. In the first place, Treasury control over the spending powers of public offices was suspended to a great extent during the War; consequently little effort was made to draw a dividing-line between justifiable and unjustifiable expenditure. Secondly, the method of staffing these departments, too, left a lot to be desired. Many of them were created hurriedly without any adequate considerations of the purposes they were supposed to serve, and their staffs had to be collected at short notice, without any strict tests of their qualifications. The Civil Service before the War was a comparatively small and highly-trained service, and the general increase of work in almost all departments, coinciding with the release of the younger men for military service, made it extremely difficult to transfer trained men to the new departments. As is well known, the business men who came forward and offered their services did excellent work, but a large number of the temporary employees were untrained in office work and required the assistance and supervision of experienced permanent men familiar with the organisation of Government departments. An effort was made to supply permanent civil servants to the new offices, but it would undoubtedly have met with a far greater share of success had it been properly organised. The best possible use was not, we believe, made of the available supply of trained men in the United Kingdom. Defective organisation was the cause of considerable waste in many departments. Frequently whole sections could be dispensed with, and the discontinuance of unnecessary work would have resulted in a considerable reduction of *personnel*; several departments were sometimes engaged in doing the same class of work, each keeping up an expensive system of records, and the co-ordination existing between the various branches was often very imperfect. Another factor which resulted in heavy expenditure was the difficulty of obtaining suitable office accommodation; the sub-division of departments between a number of widely-scattered buildings led to a most uneconomical organisation of staff.

Since the Armistice was signed, a steady reduction has been made in the numbers employed in public departments. This movement could, however, be much stimulated. Many of the new offices are fighting for permanent existence, while the Heads of the old departments are endeavouring to retain as large a proportion of their staffs as possible, as it is an unwritten rule in the Civil Service that the importance of an official is directly in proportion to the size of his staff. The public is, however, tired of bureaucratic administration, and business men are complaining of its restraints on trade. Conditions have changed since 1913, and there is an imperative need of a smaller, cheaper and more efficient and highly-organised Civil Service in the future. The Committee appointed in 1917 to inquire into the staffing of Government offices paid a high tribute to the efficiency of permanent civil servants, but there is no doubt that in pre-War years a considerable reduction could have been made in their numbers generally without interfering in any degree with the efficiency of the public service. The tendency in many departments was to make a fetish of specialisation; sections were frequently so minutely subdivided that the amount of work done by each individual member of the staff was very small. Furthermore, there is no doubt that a considerable amount of time and labour was spent on the maintenance of unnecessary records.

In considering, however, the adaptation of business methods to the Civil Service it is well to bear certain facts in mind. In the first place, a private business is usually conducted for a profit, while some advantage to the community as a whole other than pecuniary profit is usually the object to which departmental administration is directed. Departments like the Board of Education or the War Office spend large sums of money; but they can never, however ably administered, declare a dividend on the capital sunk in their operations. Secondly, Ministers who conduct the administration of public affairs are subjected to far more continuous and detailed criticism than are the directors of commercial enterprises. The explanations frequently demanded from them in Parliament necessitate the use of elaborate records and a procedure which is usually slow in comparison with that of a business manager. Nevertheless, although it may not be possible to treat a Government department in precisely the same manner as a private firm, there is no reason to doubt that substantial economies could be effected in the case of the former by the provision of better organisation and more intimate collaboration with the Treasury. Various Government Committees have suggested the appointment of an establishment officer in each department, directly responsible to the head of the department, who would be charged with the control of all staff arrangements, the adoption of labour-saving machinery, and organisation in general. Similarly, an establishment division would be appointed in the Treasury which would be composed of specialists and would maintain close personal relations with the establishment officer in each department. This scheme undoubtedly possesses considerable merits, and would, if worked properly, be responsible for large savings in every Government office. The departmental officer could certainly do a lot of useful work by a rapid transference of men to points where they are needed; the circulation of departments is very slow in this respect. There is, however, a danger that the permanent head will appoint to this post an individual without backbone or without qualifications, as most permanent heads dislike to limit their powers in any way. To avoid this the Treasury should have a large say in the appointment of this officer, and should, furthermore, exercise the powers they already possess of inquiring into the staffing of any department of State at intervals of not less than five years.

We think that most civil servants would welcome

any changes which would lead to higher efficiency and more economical methods of working, especially if these changes were accompanied by an increased recognition of merit. The rewards of service in public offices are small and it will surprise most business men to learn that a large number of officials with ten years' service to their credit, who have passed into the Civil Service by open competitive examination, earn less than £200 per annum. So far as salary scale is concerned, they are thus practically placed on the same footing as men now being nominated to posts in new departments. Generally speaking, the inducements offered by the public service compare unfavourably with those offered by the business world, and, as a result, many of the younger civil servants are resigning their positions. Provided economies were effected by a stringent reduction of future admittances to the Service, its prospects as a whole could be vastly improved. Considerable dissatisfaction undoubtedly exists with the present terms of employment and it would be advisable to secure without delay the application of the Whitley report to the administrative departments of State. The establishment of machinery to encourage a full interchange of views and a frank discussion of grievances between the Treasury and the general body of public servants would conduce to more harmonious working.

We understand that the future organisation of the Civil Service is at present under the consideration of the Government. There is no doubt that the present multiplicity of grades and classes is responsible for much friction and for a considerable waste of public money. While, in theory, an officer of a certain grade deals with a certain class of work, in practice it often results that the head of a department does work which could easily be performed by a minor official. A simplification of the entire procedure of admittance to the Service is urgently needed. Furthermore, the system of patronage appointments which still prevails in many departments is an anachronism in these democratic days and gives rise to the suspicion that Governments may attach greater value to personal service to a particular minister than to a lifelong efficient service to the State.

SOUTH AND CENTRAL AMERICA.

CHILIAN NITRATE.

Although the difficulties are temporary, the position with which the nitrate industry, as the principal one of Chili, and the position of the Chilian Government, depending, as it does, for more than half its total revenue upon the operations of the nitrate companies, is very serious. It emphasises what we have said over and over again in these columns—the extreme danger of any country being dependent upon one single industry, and particularly where that single industry is mining. Of course, it may be contended that many countries—South Africa, for example—are mainly dependent upon a single industry, and that that single industry is mining. This is, of course, perfectly true. But, while it is equally true that two errors do not neutralise one another, the case of South Africa is not analogous to that of Chili. The Union of South Africa, although of enormous extent, is, in fact, part of the British Empire, and has only comparatively lately, as a composite whole, become part of the British Empire. Consequently, in the event of any trouble arising which would involve the Government of the Union of South Africa, the whole British Empire in general, and the Central Government in London in particular, would be at once responsible for seeing South Africa through any period of anxiety which might arise. In Chili there is at present—as is the case, indeed, not merely in other countries of South America, but in nearly every part of the world—a large measure of unrest at the present time. And the basis for this unrest, no doubt partly political, as in other countries, is mainly economic, as, indeed, it is almost everywhere. Chili is essentially a country of large estates in the Central zone, of very few industries, and has an abnormal proportion of her working population dependent upon work connected, directly or indirectly, with the nitrate industry—the Nitrate Railways, the shipping companies interested in nitrate, and, indeed, the various transportation services, and the subsidiary interests affected by the nitrate industry taken as a composite whole. The total production of Chilian nitrate in recent years has averaged, roughly, something between 60 and 65 million quintals, or, say, approximately one-and-a-half million tons. Virtually, the result of the Armistice has been to close down one-third of the oficinas operating; that is to say, the production of nitrate on the present basis is reduced to about two-thirds of what it has been during recent years. And, moreover, there has been a very appreciable decline in the price of this famous fertiliser, which hits Chili in two ways. In the aggregate she is able to levy a much smaller proportion of export duty on this valuable commodity; and, owing to the fall in price, the ratio is also reduced. At the present time there is something like 20 million quintals of nitrate stocks held in Chili itself, or, say, something considerably over half a million tons in English measure. Now there is a large stock held by the Nitrate Commission here in connection with the purchases recently made on account of the Allied Governments, and which have not, of course, been required since the conclusion of the Armistice. The nitrate purchased by the Commission was required for the making of explosives, the making of shells, and the preparation of iodine for the hospitals. The total amount held by the Commission, we understand, is roughly about one-third of the quantity held in Chili. Now it seems to us that this Commission is making a very ill-advised proposal to the nitrate interest in Chili. It has to be remembered that a very large proportion—although, of course, not the whole—of the nitrate interest in the Republic is foreign-owned, is in fact British-owned. This is perfectly well known in Chili; and, in addition to the direct interests our investors have in the nitrate companies taken by themselves, we are mainly interested in the transportation facilities which make it possible to handle the nitrate as a commercial proposition at all. Of course, it is an immense advantage to a country like Chili, with its enormous extent and sparse population, to attract foreign capital for the exploitation of its various industries, which, in fact, it would be impossible for a country so sparsely populated, and as yet so imperfectly developed in the economic sense, to do for itself. But at the same time, while all this is true, it is clear that foreigners holding a large part of the assets of any particular country are bound to assist the industry in which they are interested through a period of trial, as well as enjoy the benefits which accrue from its successful exploitation, when that happy event occurs. It may, of course, be contended that, inasmuch as the interests in London are owners of the nitrate in Chili, it is a matter of indifference whether it is consigned from London to Chili or whether it is retained in London for sale. That may be perfectly true. But it tends to embarrass Chilian interests to ship from London large quantities of nitrate which would previously have been sent here. Surely, the policy should be to retain the nitrate which has been shipped here under the conditions imposed by the Commission until such time as a market can be found for it; and there can be no reasonable doubt that a market for the Chilian nitrate can be found, and should be found, soon after the peace arrangements are settled. Our own farmers should be encouraged to use it as far as possible, and, even if it were offered to them at some sacrifice in the matter of price, it would be a good thing to encourage our farmers to appreciate the value of this fertiliser, and to allow it to become better known in the rural districts than is the case at the present

time. On the Continent the potentialities of nitrate—or, at any rate, its actual value at the present time—is well appreciated. Particularly was this true of Germany, which used this valuable fertiliser to so large an extent for the growing of beetroot, in which it competed with such eminently satisfactory results to Germany herself, against the sugar-cane-growing interests of various parts of the British Empire, as well as other tropical regions of the earth. Our farmers, however, have never really appreciated the importance of using nitrate to the extent that it is appreciated upon the Continent of Europe, as well as in the United States of North America. Doubtless many other uses, besides its value as a fertiliser, will have been brought to light as a result of experiments in the laboratory during the recent War. It has, of course, been known for a very long time that, in the preparation of nitrate of soda for export, a certain brown liquor was exuded; and from this was manufactured the well-known iodine, which is so largely used in medicines. Nitrate has been shown to be of great value for making various kinds of explosives, in addition to its well-known value for making gunpowder. It has been used in shell factories, and in various operations connected with what have come to be called "munitions of war." As we say, it is probable that in the early future fresh uses for this valuable mineral will be discovered.

We publish below a table giving the prices of 16 well-known Chilian nitrate companies which are dealt in upon the London Stock Exchange. There is, of course, a very appreciable fall in prices compared with the period when the War had as yet not ceased and the present time when, as we have already shown, the demand for nitrate has fallen off to the extent of one-third. The falling off, however, in prices is by no means what might have been expected, and it would be quite inadequate if we were to take the present position of the nitrate industry as likely to be a permanent factor, at least for a considerable time. It will be apparent to the reader that the stock markets, as well as all competent expert opinion, regards the present nitrate position as transitory, although most inconvenient for the various interests affected, and, particularly so for the Chilian Governrment itself, which relies to so large an extent for its revenue upon this great mineral industry of the country:—

Name of Co.	Closing Quotations— Nov 7, '18	May 1, '19
Aguas Blancas (5s.)	48/6	24/-
Alianza (£5)	18¼	16½
Angela (£1)	47/-	44/-
Anglo-Chilian (£5)	18sd.	15½
Fortuna (£1)	31/6	28/-
Lagunas (£5)	2	1¾
Lagunas Syndicate (£1)	7/6	6/-
Lautaro (£5)	14¼	11⅞
Liverpool (5s.)	3⅞	3⅝
London (£1)	2⅞	2⅜
New Pacocha & Jazpampa (£1)	4½	3⅜
Pan de Azucar (£5)	10	8¾
Rosario (£5)	8¼	7⅜
Salar del Carmen (£1)	57/-xd.	53/6
Santa Catalina (£1)	37/-	36/6

"With cargoes being diverted elsewhere," says the Monthly Review of the London and River Plate Bank, Limited, "and uncertainty prevalent in every branch of trade in Argentina, the immediate tone is pessimistic, but this seems scarcely likely to continue indefinitely." To a certain extent Argentina as a buyer is in a very favourable position, the only drawback being that her wealth is in comparatively few hands, the bulk of her population, say seven out of the eight million total, being hard put to it to meet the most pressing needs of existence owing to the extravagant cost of living which prevails in the Republic as elsewhere. It follows that it is impossible for any manufacturing country to sell here, at a profit, goods that carry war-time costs. People cannot afford these prices, and the danger that confronts both British and American shippers is the same: that of flooding Argentina with merchandise which, however saleable it might be at liquidation prices, will not be absorbed on a large scale at the prices at present prevailing.

H.M. King Manuel of Portugal

writes:—"The Secretary to King Manuel of Portuga is instructed to convey to Messrs. J. Millhoff & Co., Ltd., His Majesty's thanks for the 'De Reszke' Cigarettes. His Majesty has tried them and found them very good."

Baroness Orczy writes:—"Your 'De Reszke' American Cigarettes are delicious, sweet and aromatic."

Bransby Williams, Esq., writes:—"Your 'De Reszke' Cigarettes are the very best I know."

GOOD judges unite in praising "De Reszke" Cigarettes. It is for you to put their opinion to the test. Get a box of "De Reszkes"—then you will know what perfection means.



"De Reszke"

The Aristocrat of CIGARETTES

Sold at all Military Canteens at Home and Overseas, also Tobacconists' and Stores.

THE BANK OF TAIWAN,

LIMITED.

Incorporated by the Special Charter of the Imperial Japanese Government, 1899.

Head Office - - TAIPEH, FORMOSA.

BRANCHES:—Amoy, Bangkok, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, Yokohama, and every important city in Formosa (Taiwan), &c. The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.

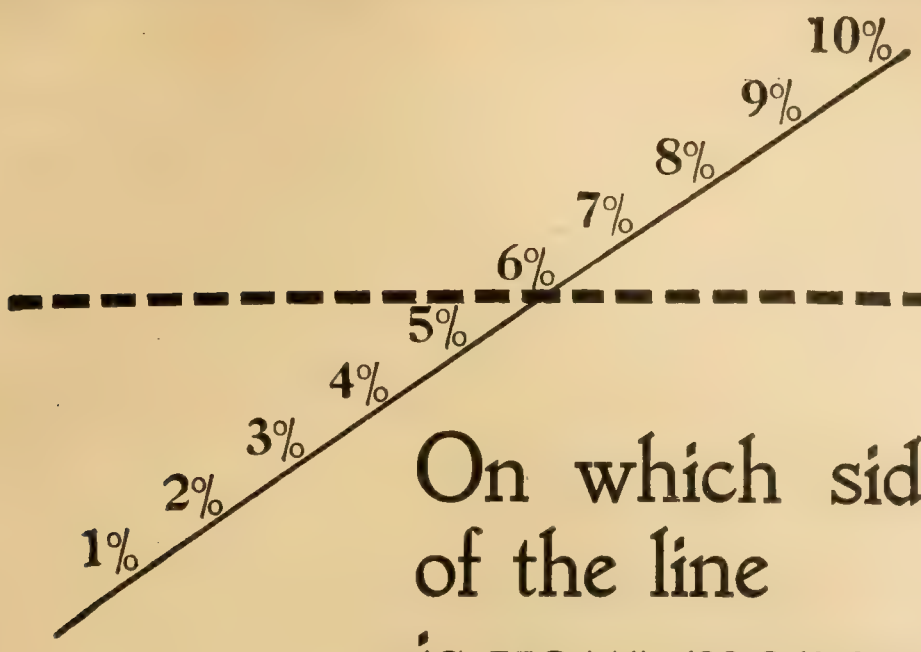
London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

APPARENTLY there is a fate which predisposes members of the Peace Conference to do the wrong thing, or, if it be the right thing, in the wrong way, just as the Allies made such a series of mistakes in conducting the operations of the late War.

AGAINST the advice of public opinion and of the Press in nearly every country of the Entente Alliance, the Council of Four decided to conduct their operations in secret, as though no one but themselves had any real interest in their deliberations. The fact is quite the contrary, because it is the people they represent, and not they, who ultimately have to suffer from the mistakes they may make. Having decided to conduct their negotiations in secret, they could not arrive at an agreement. Suddenly President Wilson decided to launch his now famous rescript upon the Fiume incident, and disclosed to the whole world the difficulties under which the four members were conducting their negotiations. The disclosures are certainly not encouraging for the prospects of the League of Nations scheme.

THERE is growing up a feeling that Italy has been badly treated in the matter and it is quite plain that the Italians themselves have no doubt upon the subject. It seems to be one of those incidents which might have been handled very differently. The susceptibilities of those concerned, one would think, might have been considered to a very much greater extent than has actually happened. That there are very grave objections, even from Italy's own point of view, to handing over the port of Fiume to Italy is generally admitted, and we explained the reason a week ago. Fiume is in a sense an Italian city, but practically the whole of the hinterland is Slav, and of this country Fiume is naturally the outlet to the Adriatic, and then to the Mediterranean. No one, of course, in this world, either an individual or a nation, can expect to have everything they desire. Inasmuch, however, as the way the incident has



On which side of the line is your money?

WHAT is the highest rate of interest which you can *safely* get on the money now standing to your credit at the Bank?

When you consider the possible return from the various investments offered you to-day, remember that there is a danger-line at which safety ends and speculative risk begins.

There is absolute safety in the 5⅜ per cent. paid on War Bonds.

That return (inclusive of the premium on redemption) is what you get by purchasing 5 per cent. War Bonds redeemable in 1929. Every extra half-crown beyond the amount which War Bonds pay means an extra risk, and in some cases a risk out of all proportion to the difference in prospective dividends.

When you buy War Bonds you have the Guarantee of the British State behind you.

Every penny you invest will be repaid with a bonus on maturity. And in two or three years from now, the actual cash yield from 5 per cent. War Bonds will in all probability be considerably higher than the dividends paid by many companies whose Stocks and Shares are to-day standing at a premium.

NATIONAL

War Bonds

Repayment and Interest guaranteed by the State.

On sale at all Banks and Money Order Post Offices. You have the choice between 5 per cent. Bonds issued at £100 and repayable in 1924 at £102; or 5 per cent. Bonds issued at £100 and repayable in 1929 at £105; or 4 per cent. (Income Tax Compounded) Bonds issued at £101 : 10 : 0 and repayable in 1929 at £100.

been handled at the Conference has accentuated the difficulties with which the Conference has to deal it would seem only right that an effort should be made to conciliate as far as possible Italian public feeling, and arrive at some just and equitable compromise.

With reference to our remarks last week on the subject of general credits and the suggestions that had been made to us that the British Government might assist by giving a partial guarantee in the case of those countries which had been devastated by the War, we have received an interesting letter on the Polish proposal. It is proposed that a Consortium of bankers and merchants should be formed in Poland who would guarantee the payment of goods imported and control the import. The Consortium would make its own arrangements with the importers and satisfy themselves of the actual requirements for the goods. The object of forming the Consortium is that its individual members would not be financially strong enough to obtain the goods themselves. Shippers from this side would require for their business the money laid out for the goods and a stronger guarantee than that afforded by the Consortium.

It is suggested that the British Government should give such guarantee up to, say, 75% of the value of the shipments, the balance being at the risk of the exporter on this side. The Consortium would be responsible, the British Government would give a proportional guarantee, and the exporters from here would take a certain risk.

It has been announced this week that the Treasury has agreed to a grant of 10 millions sterling for improving the roads of this country. It is hoped that eventually the grant will be 40 millions sterling. Bearing in mind the remarks of the Chancellor of the Exchequer in his Budget speech, one hesitates to advocate increased expenditure from the public funds at the present time. There is, however, wise as well as ill-advised expenditure. There is urgent need for economy on the part of the individual as well as on the part of the nation, but the man who would starve himself in order to effect economy, or would go about so inadequately clad as to seriously injure his health, would be manifestly, not saving, but reducing his practical efficiency as a member of organised society. In the same way, a judicious expenditure on the improvements of our transportation facilities may be the truest economy. It is notorious that our roads all over the country are in an exceedingly bad state of repair. If this were allowed to continue it would tend to check the activities of our people in their endeavours to recover the wastage of the late War.

If the money is judiciously spent and our roads made fit to deal with the great growth in motor traffic, which seems to be impending, it should enable our traders and manufacturers to earn the money thus expended over and over again.

In his Budget speech on Wednesday the Chancellor of the Exchequer introduced a project in a limited form of colonial preference which, if finally passed by the House of Commons, should have an important and perhaps a very far-reaching influence upon tropical-grown produce in the British Empire. Although we possess some of the potentially richest tropical lands in the world, we in fact produce very little of the tropical products consumed here within the confines of the Empire. Tea is not properly a tropical product, but cane sugar is essentially so. The Chancellor of the Exchequer stated that we only produce some 7% of our consumption of sugar within the confines of the Empire. The preference granted, the Chancellor of the Exchequer stated, assuming it to be passed by the House of Commons, would be worth 4*s.* per cwt. Now it is to be hoped that this will greatly stimulate cane-sugar growing in the tropical and sub-tropical regions of the British Empire.

Before the war we imported very nearly two million tons of sugar into this country every year, the bulk of which was of the beet variety and came from Germany, Austria, Russia, and the Netherlands. Owing to the fact that we engaged in pre-War days so largely in the confectionery trade, we were the greatest importing country, although not the largest consuming country in the world.

The preference should stimulate sugar growing in the tropical regions of the Empire, as well as in the great Dependency of India.

In his speech the Chancellor of the Exchequer appears to be under the impression that what has come to be known as a levy on capital for the purpose of materially reducing our National Debt would be wholly impracticable, unless it was proposed to resort to actual confiscation, which would unsettle the foundations of the fabric on which our social system is built up. This, however, is not necessarily the case. Two years ago, when the subject was first mooted, so conservative an institution as the Swiss Bank Corporation suggested a scheme in their annual statement which is before us. Say that an estimate of the total wealth of the United Kingdom was made, very much as we are required to make a return of our income tax, and a capital levy of 20% was decided upon. Assume the figure fixed for the levy at 20%, and the payment spread over ten years. This would mean an annual payment of 2%, which would clearly come out of earnings and should not prevent the capital used in business being employed as at present.

According to the monthly Review of the London and River Plate Bank, Limited, an inquiry into the fuel supply of 1919, ordered some time ago by the Argentine Minister of Public Works, shows that the requirements, particularly of Buenos Ayres, will be very great this season. Altogether it is estimated that the settled parts of the Republic will require between six and eight million tons of firewood, of which nearly 70% will be required by Buenos Ayres, 20% by Rosario and district, the balance being divided between the southern and western provinces. This fuel is, of course, obtained from the Northern, or Chaco, provinces of the Republic, where there is an immense forest area, and the result is expected to be very considerable congestion upon the railway companies whose lines run north of the federal capital.

ROYAL EXCHANGE ASSURANCE.

See page 812.

American Topics.

UNITED STATES STEEL CORPORATION.

According to the report of the United States Steel Corporation, the total income of the concern for the year ended December 1918 exceeded 208¼ million dollars. The Corporation paid on its capital stock, exceeding 868½ million dollars, dividends of 7% on its Preferred stock, and of 14%, made up as to 5%, what is called the "regular" dividend, and 9% on the extra, or, as we should say here, the bonus dividend. In 1917, when the United States was supplying munitions of war upon such an immense scale both for her own armies and those of her Allies, the total earnings exceeded 304 million dollars; but in that year the earnings for the first quarter amounted to practically 79 million dollars, comparing with only 59 million dollars in the first quarter of last year; 90½ million dollars in the second quarter of 1917, comparing with 64¾ million dollars in the corresponding period of last year; 73 million dollars in the third quarter of 1917, comparing with 45 million dollars in the third quarter of 1918; and 61½ million dollars in the last quarter of 1917, as against 39 million dollars in the last quarter of 1918. The report gives some interesting figures, showing the fluctuations in the earnings of the Corporation during the War period. The net profits in the quarter ended with March 31, 1914, that is before the War, amounted to a little over 6¼ million dollars. At the end of June this had risen to practically 7½ million dollars, and on the 30th of September there was again an advance to nearly 9 million dollars. It will be remembered, however, that in the autumn of 1914 there was a complete breakdown of the international exchanges owing to the fact that England, being involved in the War, and London being at that time the great international banking centre of the world, there were no means of remitting payments to London, and business was practically stopped, not merely amongst the belligerent countries, but in the neutral countries as well. The United States, who has benefited so largely by the recent War, was for the moment in a most embarrassing position as a result of the breakdown of the exchanges, as in those days it was essential for the United States to remit large sums every year to Western Europe in general, and to England in particular, in payment of interest upon her foreign debt. In the last quarter of 1914 the earnings of the Corporation, which, as said above, amounted to nearly 9 millions in the quarter ended September 30, fell to a little over half a million dollars. In the first quarter of 1915 they improved to something over 900,000 dollars. It will be remembered that by 1915 it was discovered that our guns, and particularly our projectiles, left a very great deal to be desired, and this was the case very largely with all the Allies, although more particularly with ourselves. It was hastily decided to improvise as rapidly as possible a great army; and there were, of course, not merely no munitions of war in existence, but the plant for making munitions of war did not exist. The United States Steel Corporation is the greatest concern of its kind existing in the world, and it possessed, therefore, the necessary facilities in the way of plant, and the possibility of extending its plant to an extent that existed nowhere else. Consequently, while owing to the blockade by the British Fleet of the enemy countries the enemy was unable to obtain munitions from overseas, the Entente Allies were enabled to obtain as much as they required from this great Corporation. Hence the profits, which had fallen from 9 million dollars to half a million dollars, and had risen to 900,000 dollars in the first quarter of 1915, suddenly bounded up to over 14½ million dollars in the second or June quarter of 1915, increasing in the September quarter to 24¼ million dollars, and in the last quarter of 1915 to practically 35¼ million dollars. All through 1916 business tended to expand more and more. In the first quarter the total profits amounted to 45½ million dollars, in the second quarter to 65¾ million dollars, in the third quarter to 69½ million dollars, and in the quarter ended with December 1916 the net profits earned by this colossal concern amounted to 90½ million dollars. After these phenomenal earnings apparently the Allied Powers were to a large extent munitioned. Certain it is there is some falling off from these extravagant figures. In the first quarter of 1917 the Corporation's net profits fell from 90½ million dollars to 61¼ million dollars; in the second, or June quarter, they were 66½ million dollars; in the September quarter 52½ million dollars; and in the December quarter 42¼ million dollars. This decline became still more evident in 1918. In the first, or March, quarter of 1918 the total earnings of this great Corporation amounted to practically 43 million dollars, in the June quarter to practically 47 million dollars, in the September quarter to 26½ million dollars, and in the December quarter, after the Armistice had been signed, they declined to 20¼ million dollars. This last figure compares with about the average earnings of the Corporation in the various quarters of the last full year before the outbreak of the War, and is considerably better than the average earnings of the Corporation for several years preceding the outbreak of the War. From the figures before us, the best year that the Corporation appears to have enjoyed in the years that preceded the War was 1907, when the net profits amounted to over 105 million dollars during the whole year. According to an inventory taken of the various assets on which the Corporation was working at the end of 1918, the total value amounted to 326 million dollars, comparing with 254 million dollars at the end of December 1917. As the quantity of these goods is not stated, it may be that a large part of this increase is due to appreciation in the price value. Iron, manganese, and zinc ores are valued at more than 69½ million dollars; manufactures and supplies at 52 million dollars; finished products at 45 million dollars; pig iron at 30 million dollars; and pig tin, lead, spelter, copper, nickel, aluminium, and other metals treated, or partly treated, at 23¼ million dollars. The Corporation's fuel in hand alone is valued at 12½ million dollars. The expenditure during the year by the various companies under the control of the Corporation for the new properties, besides additions and extensions to plant, amounted to 132 million dollars. It will give some idea of the operations of this immense concern when we say that, according to the report before us, the various companies under the control of the Corporation employed, exclusive of those employed on the subsidiary railways under the control of the Federal Government for the time being, 251,350 people; on those railways under Federal control there were 17,360 people employed, giving a total of 268,710 persons. The total salaries and wages of these people amounted to 452½ million dollars. The greater number of their employés are engaged in manufacturing properties. These, in 1918, amounted to 199,029; those engaged in coal and coke properties to 28,378; in iron ore properties to 12,619; in transportation properties, 25,055; and in miscellaneous properties, 3,629, making, as said above, a total of 268,710. It is a remarkable fact that although this Corporation pays enormous salaries to its higher grade officials, the average wage or salary per day per employé of all employés, exclusive of the general administrative and selling force—that is the very people who are most highly paid—works out at $5.33, but, including the highly paid administrative officials, the increase is quite trifling, as the figure works out at at $5.38.

AMERICAN INTERNATIONAL CORPORATION.

This Corporation is a result of the War. It was founded in 1915 largely under the auspices of Mr. A. Vanderlip, President of the National City Bank of New York, and Chairman of the American International Corporation. Mr. Vanderlip, and those associated with him, came to the conclusion that one result of the War would be that those companies in Europe which had been engaged in financing international works would find their operations more or less crippled in the early future. The result, as already said, was the founding of this Corporation. Certainly, so far, Mr. Vanderlip's foresight has been justified by the results, for from the very outset the Corporation has done well. It has been largely interested in the building of the ferro-concrete ships which formed such a feature of ship-building during the recent War; and it appears to have taken a very important part in the financing of the Emergency Fleet Corporation. Mr. Charles Stone, the President of the Corporation, in an introduction to the report says the business men of the United States showed throughout the War a spirit of loyal co-operation, combined with resourcefulness and efficiency, to provide whatever was needed by the Federal authorities. Mr. Stone admits, however, that while everything possible was done to assist the Federal authorities, War work was carried on in the United States very much as it was carried on here, with little regard to cost. This Corporation has as yet had hardly any experience of what working under peace conditions means. So far it has been engaged in the financing of trades and businesses particularly called into existence as a result of the War, and provided the goods required were completed within a specified time and answered fairly the purposes for which they were required, very little trouble was experienced in obtaining the price asked. The real test of what the Corporation is capable of doing will come now when they have to work under peace conditions. It is evident that the Corporation is not unappreciative of the fact. Mr. Stone, in the introduction above referred to, says that the business of the American International Corporation falls into five principal groups:—Participations in foreign or domestic corporations, doing foreign business; Proprietary or controlled companies, in which the Corporation owns all or a majority of the capital stock; Development undertakings, Governmental or private, at home or abroad; Departmental business conducted directly by the Corporation; and foreign offices and representation in foreign corporations organised jointly with interests in foreign countries for the purpose of studying business opportunities there.

TEXTILE MACHINERY.

We have pointed out on various occasions in these columns the commanding position the British Empire occupies taken as a composite whole in the control of a large proportion of the raw materials used in our textile manufactures. We hope to deal with the subject more fully in a subsequent article. Suffice it to say, that in certain great branches of the textile industry we already control so preponderating a part of the raw material that to enable the British Empire to maintain its position it is simply necessary that steps should be taken to ensure that we retain what we in fact already possess. This applies for example to wool, where we already control the sources of supply for something like 80% of the total consumption of the world's markets. There is no reason why even this highly satisfactory condition should not be improved upon. Indeed, seeing that we already occupy so commanding a position it is clearly the duty of those engaged in the production of wool to see that as a source of supply of the raw material we could not merely maintain our position, but improve upon it This can easily be done, because, with the exception of the United Kingdom itself, none of our extensive pastures are adequately stocked. Bearing in mind the congestion of population in the island of Great Britain, particularly in England, and the multiplicity of our industries taken in conjunction with the fact that we are essentially a town population, the proportion of fleeces to area in this island is creditably high. When we turn to the Colonies, however, a totally different position presents itself. Take the most striking instance of all, that of Australia, which is pre-eminently a sheep-raising country, the number of fleeces per area is ridiculously small.

With a moderate measure of care and a reasonable expenditure upon irrigation works, the sheep population of Australia might, and, indeed, should be multiplied to a very appreciable extent. We do not propose now to labour the point, but we could show that the same remarks apply more or less in a modified extent to other colonies besides that of the Australian Comonwealth.

Our position as a source of supply in jute is even still more commanding as India enjoys what amounts to a virtual monopoly. There is room for improvement even here, because increased area does not yield proportionately increased crops. Moreover, the growers of Indian jute appear to be under the impression that their position is unassailable and that the world cannot get on without Indian jute. This is an exceedingly dangerous attitude of mind for the producers of any commodity to adopt.

With regard to cotton, our position is the reverse of that which we occupy with regard to wool. While we are the greatest cotton manufacturers, particularly in so far as the finer counts are concerned, we are dependent for some 80% of the raw materials upon the southern States of North America. To the extent of an appreciable percentage, however, we do produce within the confines of the Empire the finest long-stapled cotton known to the International markets. This is grown in Egypt and certain of the West Indian islands. Whether it be desirable to materially increase the growth of cotton to any great extent in Egypt is a matter of dispute, but there can be no question that it could with great advantage be very materially increased in the British possessions in the Caribbean Seas.

While we hold so important a place in the supply of raw materials for the great majority of the textile industries of this country, and, indeed, of the world, we hold an equally satisfactory position in the manufacture of machinery and plant for the making up of the raw material into the fabrics. The machinery used in the principal branches of the textile trades is almost entirely of British make. Even where foreign machines are used, they are as a rule special articles, that is, patents made abroad for the purpose of performing some particular and usually subsidiary function during the period that the patents have not run out. When the foreign rights lapse, it clearly seems to show that our machine shops are well equipped to compete even in this branch of industry and ultimately even these specialities are usually manufactured in this country. Not only does our dependency upon foreign sources of supply then cease, but we are, in an appreciable proportion of cases, able to develop an export trade even in these specialities. The development of the British textile machinery has proceeded with the growth of the great textile trades of the country. Nearly all the important textile machines were originally British inventions and we maintain to a surprising extent our pre-eminence in the use of this plant here at home as well as its manufacture for export abroad. It may be said with very little exaggeration that just as Great Britain is the largest producer of textiles, so she is the greatest manufacturer of textile machinery.

During the greater part of last century most of the textile factories in the world were equipped with British-made machines. To some extent our competitors have copied our methods, but so far only on a small scale, and we still enjoy a world-wide market.

This demand for our textile machinery assists us in producing such machinery at a relatively low level of cost, besides maintaining the production at a high level of efficiency; and, of course, this tends to a high level of advantage to our own textile trades. Of course, this is not all gain. It naturally follows that when British textile machinery is exported abroad it is used for the manufacture of textiles at the place to which the machinery is exported, and to some extent tends to produce competing markets abroad. Perhaps a more serious drawback is the fact that our foreign customers very often, by offering tempting rates of wages, attract some of our most efficient work-people to go abroad and to teach the natives of the country to which such machinery is exported. This, however, cannot be prevented, and while we continue to maintain our present position in the textile trade and as manufacturers of textile machinery it is not very evident that any serious harm is done. There can be no reasonable doubt that the textile trades have in the past and during the present derived extraordinary advantages from the close association of these trades with the highly prosperous and progressive machine-making industries connected therewith. The close co-operation of manufacturers and machine-makers has led to a most satisfactory exchange of ideas and suggestions and to a co-ordination of their joint experience, which may reasonably be said to have led to the improvement of the machines employed, and in its turn to the excellence of the fabrics turned out. In the smaller textile trades, it is true, as we pointed out on a recent occasion, particularly in the case of hosiery, lace, and the silk trade, a considerable amount of foreign machinery is in use in this country. This is largely due to the fact that these particular branches of industry are carried on in Great Britain to a much smaller extent than is the case upon the Continent; and, consequently, the principles which apply to the greater textile industries here apply also to the smaller industries of the Continent, from which these several machines are imported.

In large industries like those of the cotton and woollen trades there naturally arises a large number of subsidiary industries, which grow up around them, cater for their requirements, and assist them in their various processes.

In the smaller textile trades such as the hosiery trade it is evident that this cannot be to the same extent. As far as we can gather, the standard of equipment in the great textile trades of this country is high, and, broadly speaking, the machinery in use is kept up to date. It is sometimes said that where an industry has long been established, as is the case with the woollen and cotton trades of this country, the machinery is rarely kept up to date, and consequently industries started in newer countries are better equipped. Where this is the case, it is evident that the fault is with the country with an old-established industry which should be at least as well situated for taking advantage of the latest inventions as a country establishing such an industry for the first time. Inasmuch as the great bulk of textile machinery throughout the world is British-made, there seems little reason to doubt that on the whole, British textile-machinery makers are quite alive to the importance of keeping their machinery in the highest state of efficiency possible as well as adapting any new inventions.

There is, however, one department in which this country cannot be said to be as much ahead as is the case with some parts of the continent and the United States of North America, and that is electric power for driving machinery. In the United States, where the cost of labour is very high, manufacturers find it essential to use every possible device in order to reduce the cost of production. It would not, however, be fair to criticise either the makers of our textile machinery or the users of that machinery in these important industries, because it has to be borne in mind that there are no great central power stations in this country and consequently the cost of power per unit derived from electricity is relatively high.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue. Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

THE Government's decision in regard to the excess profits duty not being known until after the House closed on Wednesday for the May-Day holiday, it was not until to-day (Friday) that the reduction in the rate from 80% to 40% was reflected in the Rubber-share market. It is more than most people hoped, and yet in some directions there appears to be an idea that it is not an unmixed blessing for the industry, because, so it is argued, some companies will not be able to claim so large a refund on account of possible deficiency of profits this year. But the chances are that such companies as have a relatively high standard for calculation have already, on account of last year's poor results, been able to claim refund of the bulk of previous tax payments, and earnings this year should not be so bad as to bring many other companies' earnings under their datum line. For the majority of undertakings which have been most adversely affected by the incidence of the excess profits duty—that is, the younger group of estates with small capitalisations—there is no doubt that the halving of the excess profits duty and the prospect held out of its complete withdrawal next year is a very good thing. We show below some of the concerns principally affected, with approximate details of their standards of calculation and the approximate number of pence per lb. on this year's rate of output which the standards represent. It will be seen that in the case of such undertakings as Changkat, Salak, Sialang, Tandjong, Jong Landor, Selangor River, &c., the standards are equivalent to only 2½*d.* to 4*d.* per lb. It would, to say the least, be a pessimist's view to forecast that this year the market for rubber will be so poor a one as not to enable such high-class estates to earn considerably more than these figures per lb. of their outputs, with tapping unrestricted and shipping difficulties removed.

	Approx. E.P.T. Standard. £	Approx. Crop. lb.	Standard per lb. of crop. *d*
Bagan Serai	8,000	150,000	4¼
Bukit Panjong	11,000	450,000	5½
Changkat Salak	10,000	1,000,000	2¾
Chersonese	16,000	600,000	6
Dennistown	15,000	500,000	7½
Grand Central	115,000	1,000,000	9½
Jong Landor	8,000	750,000	3¾
Lumut	25,000	1,000,000	6
Rembia	7,000	400,000	4
Selangor River	8,000	800,000	2¾
Sialang	17,000	1,000,000	3½
Straits Pertam	30,000	1,100,000	6¾
Sumatra Consd	7,000	650,000	2¾
Tandjong	18,000	1,000,000	4½
Tenom	1,000	100,000	1
United Temiang	13,000	700,000	4½

ANNUAL REPORTS ANALYSED.

RUBBER ESTATES OF JOHORE.

Issued Capital: £125,000 in £1 Shares.

	Results for Years to December 31								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...	1,813	1,760	656,983	373	2/5:66	1/2:16	42,703	31,250	25
1916...	1,806	1,760	722,237	410	2 6:3	1 0:9	52,688	25,000	20
1917...	1,912	1,760	682,468	388	2 5½	1 2:6*	43,058	25,000	20
1918...	2,044	1,760	538,532	—	1/7¾	1/4:9	16,235	15,625	12½

* Including 2*d*. war risk insurance.

Price of Shares, 40/-c d. Market Capitalisation per planted acre, £117.

No definite announcement is made in the report as to what specific purpose the directors propose to apply the £44,249 cash received from the sale of 9,902 acres of reserve land, payment for which was completed in 1918. The amount has been added to reserve, which now stands at £46,851, in addition to development reserve of £10,000. The Company has still 2,400 acres of land available for cultivation, of which 368 acres have been felled ready for planting. In the current season 280 acres are to be planted up, and the area under rubber will then be 2,320 acres and the issued capital little more than £50 per acre. If the surplus resources, which at December 31 amounted to £50,000, are used in extending cultivation, the issued capital per acre will be reduced to a very low figure, and when full maturity arrives the rate of dividend will probably be very high. Under old conditions that might have seemed advantageous, but it may prove a very doubtful benefit in the future, having regard to the increasing disposition now apparent to base taxation according to percentage prosperity. It would appear politic to capitalise the whole, or a portion of the reserves. If this were done, with the addition of £5,650 from the carry-forward, the capital could be raised to £175,000 and one new share distributed to shareholders for every two and a-half shares now held. The cash resources would remain untouched, and they are large enough, indeed more than sufficient, to be adequately employed in the next few years. Last year was an exceptionally adverse period, and yet shareholders received 12½%, and the carry-forward, without allowing for refund claimed on account of excess profits duty, is £10,222. Capital expenditure, including £5,427 spent on completion of the water supply scheme for improving health conditions, amounted to £8,996, but nearly half of this was covered by the depreciation charged to working costs. With the shares standing at 40*s*. *cum* 12½% dividend, the market valuation per acre at present planted is £117xd, and if the planting programme of this year is duly carried out, this will be reduced to £100. As a lock-up investment the shares seem to be worth consideration. The current year's output is estimated by the manager at 590,000 lb., which the directors consider to be conservative.

SCOTTISH MALAY.

Issued Capital: £54,500 in £1 Shares.

	Results for Years to December 31								
	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...	2,204	1,270	397,319	313	2/7·61	–/10·54	35,459	21,254	45
1916...	2,360	1,700	535,981	315	2/6·45	–/10·5	45,509†	25,342‡	60
1917...	2,389	2,000*	613,850	307	2/4¼	–/10·13	39,985†	16,349‡	40
1918...	2,389	2,143	434,480	—	1/7¼	1/1	13,353†	11,659‡	30

* Estimated. † Before payment of income tax.
‡ After deduction of income tax.

The net profit earned by the Scottish Malay Company last year fell, in consequence of tapping restriction and the low price of the commodity, to only £13,353, and though shareholders receive 30% dividends against 40% for 1917, when the profit earned was three times as large, this is because, instead of having to provide £13,066 for excess profits duty, an amount of £7,750 is calculated to be repayable by the Treasury. Credit is taken for this in the accounts, otherwise 30% dividends could not have been paid as income tax calls for £8,478 of the year's profit. The disproportionate amount of the tax is, of course, due to the assessment being based on three years average and the relatively small payments made out of the large profits of 1916 and 1917. In the last eight years the Company has never paid less than 30% in any year, and its distributions have averaged 38⅜%. Cost of production is very low, for though output was restricted to about 60% of what could have been harvested, the whole of the year's outlay was charged against revenue. This year tapping is not restricted, and inasmuch as 730,000 lb. is the crop estimate, it seems likely, if freight rates are reasonable, that we shall again see an all-in cost figure of 10*d*. per lb. recorded, in which case, if the rubber realises only 1*s*. 10*d*. per lb. as an average, the profit will be £36,000, or 65% on the capital. Out of this, income tax and also excess profits duty will fall to be provided, but still, the balance of earnings seems likely to suffice to pay a much larger dividend than distributed for 1918. The balance sheet shows surplus liquid assets to exceed current liabilities by £8,500, and the reserve fund stands at £26,000, or nearly half as much as the issued capital.

DIMBULA VALLEY (CEYLON).

Issued Capital: £189,197, as to £63,065 in £5 6% Cum. Pref. Shares and 126,132 £1 Ordinary Shares.

		Acres Planted	Output Lb.	Net Price per lb.	F.O.B. Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915	Rubber	919	315,070	2/5·43	–/7·58	55,409	47,930	75*
	Tea ...	2,608	1,708,740	– 9·69	–,5 01			
1916	Rubber	919	340,740	2/4·37	–/8·58	49,629	41,624	30*
	Tea ...	2,573	1,591,629	–/9·45	–/5·75			
1917	Rubber	919	282,920	1/10·91	–/9·58	37,902	36,337	25*
	Tea ...	2,573	1,458,948	– 10·11	–/6·5			
1918	Rubber	919	273,625	1/4	–/9·34	24,035	22,704	17
	Tea ...	2,579	1,523,077	– 9·23	–/6·45			

* Ordinary dividend.

The fall in the price of rubber and voluntary reduction of output were again the principal causes of this Ceylon concern's diminished prosperity last year. Tea was under Government control and also fetched a lower price than in 1917, though not much below the previous year's figures. Only 1*s*. 4*d*. per lb. net was obtained for the rubber and with the cost only slightly less on the reduced crop, the gross profit was no more than 6.68*d*. per lb., as compared with 1*s*. 1¼d. in 1917. This and the smaller production caused the amount of the gross profit on rubber to decline from £30,000 to £14,500, and as tea brought in £17,500 gross, against £22,000, the total gross profit comes out £20,000 less at £32,000. With various charges, directors' fees, depreciation, &c., deducted, the net profit is shown as £24,035, against £37,902, and this necessitates the reduction of the year's dividend on the ordinary shares from 25% to 15%. An assessment for income tax amounting to £10,340 has not been debited against profit and the carry forward is insufficient to cover it. However, it was pointed out at the meeting that the Company's standard for calculating excess profits duty is £34,841 and a claim for the refund of £10,000 of duty paid prior to 1918 has been lodged. The one practically balances the other and consequently the balance sheet may be considered to show a sound financial position inasmuch as liquid assets at December 31 exceeded current liabilities and the final dividend by £12,000. The current year should make a very much better display. In the first place, the rubber production is estimated to reach 350,000 lb., or 10,000 lb. more than in 1916, before restriction of tapping, and the tea crop is put at 1,580,000 lb. It remains to be seen what prices are realised, but rubber can hardly command as an average less than under the exceptionally adverse conditions of last year and tea is now free from Government control and the better qualities seem likely to fetch higher prices. The Company's 6% Cumulative £5 shares are quoted at 4⅜ and the Ordinary shares at 2¾. The latter figure obviously anticipates return of dividends to the 1915-17 basis, or something better.

CHILDREN'S EDUCATION
secured by a Policy in the
CLERICAL, MEDICAL & GENERAL LIFE ASSURANCE SOCIETY,
15 St. James's Square, London, S.W. 1.

Example:—Parent aged 30 with son aged 3 can provide 5 annual sums of £100 each, payable on 14th, 15th, 16th, 17th and 18th birthdays of son, £500 in all, for an annual premium of £38 13s. 4d., for which amount he can claim up to £5 5s. 0d. annually from the Income Tax Authorities. The whole £500 is paid at once if the parent dies before the benefits begin.

NORWICH UNION
LIFE INSURANCE SOCIETY.
Combination of
AGE, MAGNITUDE, RESERVE BASIS,
and PROFIT-EARNING CAPACITY.
THE STRONGEST IN THE WORLD.

Perusal of War-time Prospectus makes that fact very clear.
Write or telephone to Head Office, Norwich,
or to any Branch or Agency.

Insurance Notes.

REFUGE ASSURANCE COMPANY, LIMITED.

The most interesting fact to be noted in the annual report for last year of this important and rapidly progressive life and industrial insurance company, whose head office is in Manchester, is the resumption of a general distribution of bonus in the ordinary section. Annual valuations are made, but although arrangements were entered into for the provision of interim bonuses of reduced amount on policies becoming claims, there had been no general bonus declaration in this company since that following the valuation on December 31, 1914. During the War since that date the surplus disclosed by each annual valuation up to 1917 was carried forward as unappropriated. But it has now been decided, in view of the termination of hostilities, to declare retrospective reversionary bonuses at the rate of 16*s.* per £100 in respect of each of the three years, 1915, 1916, and 1917, and a reversionary bonus at the rate of 20*s.* per £100 in respect of 1918, on all existing participating policies in the Company's ordinary life assurance section. This must be regarded as a highly satisfactory result, looking to the strain of War claims and other adverse conditions which this company, like all other life offices, has experienced.

During 1918 the Company issued 38,322 new ordinary life policies assuring the sum of £3,663,588, which exceeds the corresponding figure for 1917 by £569,216. It will be noted that the average amount of each new policy was under £100, but it is somewhat higher than the Company's own average for the whole of its ordinary business. On December 31, 1918, this business consisted of 358,867 policies for £28,325,411, inclusive of bonus additions, or an average of under £80 each. It is gratifying to find that the Company has been so successful in attracting so many entrants into ordinary life assurance of a class with which the agents of non-industrial companies seem to have difficulty in getting into touch; and it must be admitted that the Company's ordinary department is very economically administered and seems to possess considerable bonus-earning capacity. The total net ordinary life premium income, amounting in 1918 to £1,563,322, shows an increase of £153,963 over the corresponding figure for 1917. Expenses of management, inclusive of commission, are limited in this section to 10% of the premiums. The ordinary claims in 1918 absorbed £878,627, of which £489,689 was due to death and £388,938 to survivance. Through the year's operations the ordinary life assurance fund was increased by £833,767 to £11,360,223, and the net interest yield thereon appears, from the application of the ordinary formula to the revenue account to have been about £3 10*s.* 6*d.* per cent., after deduction of income tax. The valuation of the ordinary department on December 31, 1918, made by the H^m Table of Mortality in combination with net premiums and 3% interest, disclosed a surplus of £812,361, inclusive of £546,314 brought forward from previous years. Of this amount £602,358 has been distributed amongst shareholders and participating policyholders in conformity with the Company's regulations, and the balance of £210,003 is carried forward to 1919, the bonuses to participating policyholders in respect of the last four years having been declared therefrom at the rates already mentioned.

In the industrial section in 1918 the premium income, increased by £184,505, amounted to £2,658,621. Of this, expenses of management and commission absorbed about 41.1%, which, though slightly less than the corresponding expense ratio in 1917, is somewhat higher than that of industrial life offices generally. The industrial death claims amounted to £1,311,682. Through the year's operations, the industrial life fund was increased by £290,377 to £3,737,034, and the net interest yield thereon seems to have been about £4 2*s.* 1*d.* per cent. It will be seen that this is higher, by 11*s.* 7*d.* per cent., than the corresponding yield on the ordinary life fund. This is at least partly explained by the fact that owing to the present extraordinary and indefensible system of assessment of life offices for income tax, they are allowed to deduct expenses from interest, and so far as this method of assessment is concerned a high rate of expense is obviously an advantage. In this particular instance it acts, however absurdly, as an amelioration of the high industrial expense ratio, for if the net interest yield were assumed to be the same in the industrial as in the ordinary section, and the amount of interest actually earned in the industrial section in excess thereof, were applied in reduction of expenses, the industrial expense ratio would thus be reduced to about 33.5%.

The total assets as shown in the Company's balance sheet on December 31, 1918, amounted to £15,981,076, representing an increase during the year of £1,212,963. The investments reserve funds amounted to £495,000. The shareholders capital, fully paid up, stands at £300,000, and the amount appearing in the industrial account as dividend paid to shareholders in 1918 is £22,500.

The sum paid by the Company as War Claims up to the close of 1918 from the commencement of hostilities exceeds £816,000. And on the head of this, the influenza epidemic during the closing months of last year cost the Company over £207,000, which shows that the baneful effects on the incidence of mortality in life offices arising from the dreadful happenings of the last few years continued to assert themselves in 1918, though in a new form.

PROVIDENT MUTUAL LIFE ASSURANCE ASSOCIATION.

An excellent report for the year ended December 31, 1918, is submitted by this mutual life office, which since its foundation in 1840 up to two years ago was popularly known as the "Provident Clerks." The Society has always been well and economically managed; and, although its premium rates are somewhat below the average, its bonus record, prior to the War, was quite good. It has found its chief support in the past from that section of the community which is engaged in clerical work in commercial and other kinds of business houses, not an affluent class, but one that takes high rank as desirable from the point

of view of probable longevity. The last quinquennial investigation as at December 31, 1917, was made at the worst stage of the War, and provisions for depreciation, war mortality, and heavy taxation greatly depleted the actuarial surplus. As was the case in every other life office which reported a quinquennial valuation in the course of last year, no general distribution of bonus was made, but an unappropriated surplus of over £80,000 was carried forward to the now current quinquennium, concurrently with arrangements being made for interim bonuses on claims by death or maturity before the next distribution (subject to annual revision if thought expedient), at the rate of 10*s*. per cent. per annum in respect of each year's premium paid since 1912.

By adopting this prudent course the Society has evidently lost none of its attraction. In fact, the amount of the new business in 1918 attests increased popularity. In the number of new policies and in their amount the corresponding figures for 1917 were both just about doubled. 7,012 new policies were issued in 1918 for £727,876, of which £7,000 was reassured, the net retention thus being £707,876, which is far and away in excess of the amount ever before recorded in the Society's long history. The total net life premium income was increased by £18,887 to £249,994, of which expenses of management (excluding valuation expenses of £2,309) absorbed about 16.6%. The expense ratio is a little above that usually shown in this Society's accounts, but this is natural, looking to the higher proportion of the amount of the new business, which must have entailed a good deal of initial but reproductive expenditure. Claims by death amounted to £167,936, as compared with £191,037 in 1917, whilst those accruing through maturity absorbed £65,427. Through the year's operations the life assurance fund was increased by £73,619 to £2,881,876, and the net interest yield, after deduction of income tax, seems to have slightly exceeded 4%, one-fourth of which represents profit as compared with the rate actuarially assumed. The small sinking fund and capital redemption account shows a premium income of £478 in 1918, and a fund of £8,236 at the close of that year. The total assets as shown in the balance sheet on December 31, 1918, amounted to £3,175,702, of which £717,318 was represented by British Government securities. It is clear that the new quinquennium has commenced well and auspiciously.

FODDER IN AUSTRALIA.

An interesting paper was read some time since by Mr. E. Breakwell, of the Department of Agriculture of the State of New South Wales, on "Native Grasses and Fodder Plants." Mr. Breakwell propounded four questions: "Will the sheep industry of Australia remain permanently dependent upon native pastures?" which he answered in the affirmative. "If so, will the native grasses and fodder plants, if treated and managed as they have been in the past, remain productive?" He came to the conclusion, as most people who have given any study to the subject would do, that this is very improbable. "Are there any practical means by which the native pastures can be maintained or improved?" Competent opinion seems generally inclined to agree with Mr. Breakwell that there are. "Is the problem one of investigation or research, or direct practical method, or both?" Mr. Breakwell wisely came to the conclusion, as we think, that it is desirable to try both methods. Mr. Breakwell showed that in the coastal districts the substitution of introduced grasses has already been eminently successful, and he went on to show, as experience seems to justify, that there is no reason why this method should not be extended to the interior. In the first instance, Mr. Breakwell said, we must consider the nature of Australia. He divided continental Australia into three climatic zones: the coastal zone, with ordinary or fairly high temperatures and a rainfall equal to about that of the temperate zone; the zone of the tablelands, with a temperature higher than that of the coast and a smaller rainfall; and, finally, the interior, with lands with high temperatures and a relatively low rainfall. The industries which have so far been successfully tried in the coastal zone are the manufacture of ensilage from maize and sorghums, and the laying down of artificial pastures, such as cocksfoot, rye, Paspalum, and Phalaris for New South Wales and Victoria, Para, Guinea, and Rhodes grass for Queensland. In addition to these imported grasses there are certain native grasses to which there is a considerable amount of importance to be attached. Exclusive of these cultivated grasses, there are certain native grasses which are also very valuable, namely, couch, the love-grasses, danthonias, deyeuxias, and cenchrus. Experience, however, seems to show that it is easier to guarantee a cultivated pasture from introduced grasses than by using native grass, and the area under such introduced grasses continually increases. We can therefore dismiss, said Mr. Breakwell in his lecture, the idea of the indispensability of native grasses for coastal pastures. In considering the tablelands and slopes the problem becomes somewhat changed. In the New England district of the extreme southern tableland districts of New South Wales the winters are long. But the summer, although short, is very hot. It is to some extent compensated for by a liberal rainfall, and such grasses as cocksfoot, rye grass, timothy, and Phalaris are successfully grown. In other portions of the tablelands and slopes, however, the central highlands of New South Wales, those of Victoria, South Australia, and Western Australia, although the mean average temperature is fairly low, the summer temperatures are exceedingly high and, unlike the New England district of New South Wales, are compensated for by a good rainfall. The result has been that so far these grasses have not been as successful as in the case of the coast and the tablelands near to the coast. Consequently, we have to seek grasses capable of enduring dry spells and very high temperatures. These are few and far between; but they are found in such grasses as the Sudan and the Rhodes grass. The question of growing sorghums, maize, rape, and other fodder plants for mixed farming areas, which are confined mostly to the tablelands and slopes, there arises. But this will require further experiment. Experiment so far seems to show that native grasses are practically indispensable in the tablelands of the interior, where so far, with the exception of the two grasses above mentioned, no satisfactory substitutes have been found. This, of course, is only another way of saying that the experiments have not been carried far enough.

Australia, of course, presents two formidable problems which have not yet been overcome. The country is so enormous and its population so small that it may truly be said that we know very little of the country outside the coastal lands. Exactly what are the conditions prevailing in the interior can hardly be said to be really known at all. Individuals have penetrated immense distances into Australia. But they were usually explorers in search of minerals or hunters in search of game. And it is very doubtful if anyone having the kind of training that Mr. Breakwell's experiments would demand has ever visited the interior at any time. Consequently, what are the possibilities of growing any kinds of grasses suitable for feeding sheep have yet to be ascertained. The reader will have observed that during recent weeks we have been publishing a series of articles dealing with the live-stock population of the world. In our list we gave the sheep population of the Commonwealth of Australia; and it cannot fail to have struck the reader that this sheep population was exceedingly small. In those figures it will be seen that we gave the sheep population for continental Australia as only a little over 81¼ millions, and that for the United Kingdom

nearly 27¾ millions. Both countries have suffered from drought. Our own sheep population previous to the great drought of 1911 exceeded 30 millions, and although ample time has since passed to allow of the growth of our sheep pens, owing to the great demand for fleeces and for mutton an undue proportion of young lambs have been killed each season. In Australia, of course, the case is different. Australia suffered from a series of very severe droughts, and the sheep population, which some 10 years ago exceeded 90 millions, has now fallen to the figure which we published quite recently, and which we have just quoted. Continental Australia is some 16 times the size of the United Kingdom, and it certainly cannot be described as a congested island area owing to the density of its population. Roughly, these small islands, with a population some 12 times greater than that of the Australian Commonwealth, and a population 80% of which are engaged in the manipulation, as distinct from the production, of primaries, succeeded in raising flocks and herds substantially equal to 33% of the whole of which Australia is capable of doing, notwithstanding the fact that Australia lives more or less upon the production of fleeces and chilled and frozen mutton. The country is, as we have said, subject to terrible droughts, and her sheep population is liable in a single season to disappear to the extent of not less than 10%. It is terribly wasteful, and in so far as it is avoidable it is cruel. That it is avoidable if reasonable precautions were taken there can be very little doubt. We welcome Mr. Breakwell's paper as an intelligent contribution to the science of raising sheep on practicable lines instead of by a rule-of-thumb method. Of course, the conditions are not the same. But the experience of one country would usually afford some notion for another if it is carefully and intelligently studied. The Argentine Republic is a great cattle-raising country. Argentina has thriven on the raising of cattle, and has raised herself to a pinnacle of economical prosperity by this method, very much as the Commonwealth of Australia has raised herself to a pinnacle of prosperity on the raising of cheap sheep and the production of chilled and frozen mutton. Experience showed that as the great herds of Argentina grew, and particularly as they extended beyond the rich pastures on the banks of the River Plate, and further and further from the Metropolitan Province of Buenos Ayres, the native grasses were wholly inadequate to supply pasturage. Cattle had, at any distance from the river, in seasons of drought actually died of starvation, while in most seasons they were gaunt and ill-favoured beasts. The question arose, since Argentina depended so largely upon the rearing of cattle, was it not practicable to discover some feeding-stuff which would take the place of the inadequate native grasses which in the summer season—which in Argentina, as in Australia, falls in the months of December and January—would not dry up? The parched-up grasses of the Pampas become every summer nearly as dry and as hard as a cricket-field. Experiments were tried with a grass of the sainfoin family known as alfalfa. This proved a great success, and it has been said, with very little measure of exaggeration, that on alfalfa the prosperity of the Argentine Republic is based. Now, the problem before the Australian pastoral industry is precisely the same as that which faced the Argentine pastoralists some 20 or 30 years ago—to find some grass or feeding-stuff which can be substituted for the parched grasses of what Mr. Breakwell calls the high tableland country above the coast lands of New South Wales, and, of course, of the whole of continental Australia as well.

Now Australia is, of course, subject to very severe droughts. But it is not the barren waste that it is sometimes represented. There are in all the settled parts of Australia rivers at comparatively short distances; and, moreover, although the rainfall is in many districts below the 12 inches level which it is said is necessary for the production of cereals, it rarely, even in the worst of the districts which are really well-known, falls below half that amount, and, if properly stored and conserved, is ample for pasturage purposes, as experience in Patagonia has amply proved. By all means study the introduction of suitable grasses and substitutes for the native grasses, as Mr. Breakwell recommends, but it would surely be desirable in addition to construct some cheap methods of irrigation, which the existing river facilities make possible; and, in addition, the sinking of artesian wells at a comparatively cheap rate should materially assist in the growth of whatever grasses or substitutes for grasses may be selected.

MAPPIN AND WEBB, LIMITED.

Issued Capital: £650,000 in 450,000 5½% Cumulative Pref. Shares and 200,000 Ordinary Shares.

Debentures: £250,000 4½% First Mortgage.

Year	Profit*	Depreciation	Deb. Service	Pref. Div.*	Ord. div.		Reserves	Amt. of Carry Forwd.	Stocks	Surplus Liquid Assets‡
	£	£	£	£	£	%	£	£	£	£
1914	41,124	4,961	10,406	22,841	9,229	5	—	10,530	320,117	25,576(a)
1915	62,301(a)	5,619	9,759	Nil	Nil		—46,000(b)	21,150a	335,741	97,489(a)
1916	44,864	5,765	8,718	Nil	Nil		—	9,231	358,087	86,954(a)
1917	67,270	9,553	10,937	35,120	Nil		—	20,890	417,939	126,955(a)
1918	88,814	11,324	10,516	36,197	14,250	10	20,000†	17,419	490,759	160,678(a)

* Amount after deduction of income tax.
† Including reduction of goodwill by £10,000.
‡ Excluding stocks and investments in connected Companies at cost (£195,571 at Dec. 31, 1918).
(a) Deficiency.
(b) Taken from reserve.

This well-known firm of plate and silverware manufacturers and jewellers experienced a very bad time during the War, but the 1918 report greatly accentuates the good impression conveyed by the accounts for 1917. Then it was apparent that the corner had been turned. Now it looks as if the Company has not only completely recovered, but has established an even stronger position than it held prior to the War, for the profit of 1918 is the largest on record. The directors are able, in consequence, to bring up to date the Cumulative Preference dividend, which became in arrear in 1915 and 1916, and to recommend dividends on the Ordinary capital totalling 10%—the same as for 1912 and 1913. There is one feature which is a very noticeable consequence of war conditions. That is the big rise in the value of stocks from £320,117 to £490,759, which, in the absence of additional capital, has to be financed by means of loans, and is reflected in the large increase of £74,000 in the excess of current liabilities over liquid assets, as shown in the table above. However, if the value of £195,571 attached in the latest balance sheet to investments and in advances to subsidiary and connected companies is included in the liquid assets there is a surplus of £95,000. But these investments are for trading purposes in Brazil, South America, Canada, Italy, and Continental countries, and it certainly looks as if the Company could, under present conditions, advantageously employ additional capital, and thereby be released from reliance upon current loans. On the other hand, if the directors can see their way clear to set aside substantial surplus profits yearly—say to making good the 1915 depletion of reserve and further reducing the item of goodwill and trade-marks now valued at £149,311—the ultimate participation of shareholders in earnings would be much improved. The immediate outlook appears to be good. Sales to date this year are substantially higher than a year ago, and orders on hand at the Company's Sheffield works will take two years to execute.

The 4½% Debenture stock is quoted now at about 77½, the 5½% Cumulative Preference shares stand at 17*s.*, and the Ordinary shares at 26*s.* 6*d.*

THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. A final dividend of 15*s.*, less income tax, has been declared payable on May 22, making with the interim dividend paid last November 30*s.* for 1918, less income tax, as against 26*s.* for the previous year.

The **DISTINCTIVE SYSTEM** of the

Scottish Provident Institution

secures the advantage of **Non-Profit Premiums** with the right to share in Surplus.

It is **the ideal system** for the present time.

Accumulated Funds £16,000,000.

London: 3 LOMBARD ST., E.C. 3. West End: 17 PALL MALL, S.W.1.

HEAD OFFICE:
6 ST. ANDREW SQUARE, EDINBURGH.

COUNTY FIRE OFFICE,
LIMITED.

50 REGENT ST., W.,
and
4 LOMBARD ST., E.C.,
LONDON.

THE BUSINESS OF THIS OFFICE IS CONFINED TO THE UNITED KINGDOM.

Full Particulars on application to the Head Office, Branches, and Agents of the Company.

APPLICATIONS FOR AGENCIES INVITED.

JOSEPH A. ROONEY *Secretary.*

Fire,
Consequential Loss following Fire,
Personal Accident & Disease,
Workmen's Compensation,
Domestic Servants,
Third Party & Drivers' Risks,
Burglary, Plate Glass,
Fidelity Guarantee, and other classes of Insurance.

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Subscribed Capital £543,666
Paid-up Capital £120,000

FOR REINSURANCE BUSINESS.

Fire, Marine and General Department.
St. Swithin's House,
St. Swithin's Lane,
London, E.C. 4.
Manager J. Herbert E. Lane,

Registered Office and Life Department.
9 Fleet Street,
London, E.C. 4.
Actuary and Secretary:
Chas. Wilson.

Commercial.

THE HOSIERY TRADE.—II.

In the years that preceded the outbreak of the recent War the woollen hosiery trade in this country was in a highly satisfactory condition. We enjoy, taking the British Empire as a composite whole, a virtual monopoly in the production of the raw material, as has been pointed out on several occasions in these columns. We enjoyed also in pre-War days what amounted to a practical monopoly in the woollen hosiery trade; for not only did we supply practically the whole needs of the home market, but we did in addition a large export trade to our own Colonies, as well as to other parts of the world. It is true that there was an important import trade in German-made woollen hosiery of the cheaper kinds. This, however, may be regarded as largely a negligible quantity. In the aggregate it is not large in itself, and Germany was able to compete with our home manufactures in this class of goods mainly owing to the fact that the rate of wages and the cost of living in Germany were considerably lower than they were here. Moreover, the goods were generally admitted to be of inferior quality to those produced by the British manufacturers, and they attained such popularity as they enjoyed in our markets merely owing to the fact that they were sold at an appreciably lower price. It will be seen, therefore, that so far as the woollen hosiery trade is concerned the position was quite satisfactory, and it was in no sense desirable that our manufacturers should try to compete with German-made goods produced under the conditions we have described.

While we enjoyed what amounted to a practical monopoly in the supply of woollen-made fabrics, the reverse conditions prevailed when we come to consider the position of cotton hosiery and what are known on the market as fabric gloves, which for purposes of classification are included in the hosiery trade, and to a large extent are made from the same materials. Now that, owing to the disclosures which have been made in connection with the War, we realise the methods by which the German manufacturers in so many instances obtained the advantageous position they enjoyed, it is perfectly evident that our manufacturers had no real chance of competing with them upon equal terms. It may be that the Government in the past in this country paid too little attention to trade questions and to the assistance of our manufacturers in foreign markets. Up to a point we think this is true, and within well-circumscribed limits we incline to the opinion that a good case could be made out for greater assistance being afforded by the Government and its officials to our manufacturers, or their agents, endeavouring to push British wares in foreign markets. Of course, this should be within reason. Nothing like the German Government's encouragement of German foreign trade would or should be attempted, now that we realise the object for which the German Government endeavoured to encourage the trade of its people abroad. The object of the German Government under the old *régime* was political and military, as distinct from being purely trading and economic. Any encouragement that a British Government may give in future to our manufacturers endeavouring to increase their trade in foreign markets would be, of course, on purely economic lines; and if it was found that any particular trade could not be economically encouraged owing to local causes the assistance would be withdrawn.

While it is neither possible nor desirable that the methods practised, either by the German traders or the late German Imperial Government, should be resorted to to re-establish the trade in cotton hosiery and in cotton fabric gloves, there is no reason why the British trader should not do what he can to re-establish an industry in which some 30 or 40 years ago we were pre-eminent. Partly, no doubt, owing to the attitude which the Government adopted during the recent War, but partly, it must be frankly admitted, to a tendency which is general in all countries at the present time, there is too great a disposition to rely upon Government assistance. It is now complained that unless some form of Protection is afforded to the cotton hosiery trade, and especially to the trade in cotton fabric gloves, it will be impossible to maintain even the ground partially recovered during the period covered by the recent War. It was not by relying upon Government assistance that British trade and British manufactures have been built up in the past two centuries. The British Government has never at any time afforded any material assistance either to our traders or our manufacturers. It is true that in the past, and no doubt it will be done again, when British traders or British trading companies were ill-treated in their efforts to extend British commerce in foreign parts the Government has usually made some effort to defend them, but it was after, not before, they had themselves made some serious effort to establish either a trade or a manufacture. Even then very little except protection of their lives and properties was afforded. It has only been on rare occasions that our Government ever

tried to secure for British traders anything in the nature of a monopoly.

Practically, in the years before the War we imported, if not exactly the whole, the great bulk of the cotton hosiery and by far the lion's share of cotton fabric gloves used in this country from Germany. It was from the Lancashire mills in England, however, that Germany herself obtained the raw material from which to make these articles. Our manufacture of cotton fabric gloves in pre-War days was confined to a few specialities. Our export trade in these fabrics was almost negligible, and, such as it was, it was almost exclusively confined to such of our Colonies as afforded us especially favourable treatment. On the other hand, we imported into the United Kingdom from Germany fabric gloves of a value of between a million and a half and two millions sterling. Germany exported in the last clear year before the War to various parts of the world cotton hosiery of various kinds to the value of about £8,000,000 sterling. We exported to Germany at the same time for the purpose of making these goods fine yarns to the value of approximately 50% of the figure just given.

Of course, it has to be admitted that the cotton hosiery trade in this country was greatly hampered in pre-War days owing to the fact that we had practically lost the trade in dyeing these fabrics to Germany. Germany possessed in those days a secret process, which it is said has become known in this country during the War, whereby she was enabled to dye cotton yarns to give them almost the appearance of silk. We could not in those days produce anything of the kind except at a prohibitive cost. This process, as I have said, is generally understood to have become known, and is actually being practised by a British company during and since the War.

Another difficulty with which the trade has been faced in the past has been the lack of adequate machinery in this country. Germany obtained the greater part of her machinery for manufacturing these textiles from Great Britain right up to the outbreak of the War, but not the whole of it. Part was American and still more of German manufacture. British machines are what are known as "fashion" types, and American machines are "seamless."

In addition, the plant used for dyeing and finishing was partly British, partly German, and partly made in the United States. Finally, two kinds of needles are used in the hosiery trade, one known as the beard, and the other as the latch. The first named has always been made in large quantities in this country, and was also exported in large quantities, but in pre-War days the latter was manufactured in and obtained from Germany. Since the War serious efforts have been made here to establish an industry in the manufacture of latch needles, but there has been a difficulty in securing an adequate supply of competent labour, with the result that progress has been materially hindered.

If, owing to the high cost of labour, the high cost of living, and the general charges to which industry is subjected in this country, as compared with Germany and other parts of the Continent, it will be found impossible to manufacture cotton hosiery and cotton fabric gloves for export to foreign markets, surely it is not too much to ask the trade to make a serious endeavour to manufacture a sufficient supply to meet the needs of the home market.

HARRISONS & CROSFIELD, LTD.

Eastern and General Merchants.

BUYING AND SELLING AGENTS
IN LONDON AND ABROAD.

Dealers in all classes of Eastern produce.

London, Colombo, Calcutta, Bandoeng, Quilon, Kuala Lumpur, Kobe, Calicut, Medan, Montreal, Cochin, Batavia, Tangier.

New Issues.

LEVER BROTHERS.

THE investor seeking a high-class industrial investment, well secured and affording a good return, will find it difficult to better the 6½% Cumulative "B" Preference shares of Lever Bros., which are offered for subscription this week at par, payable 1*s.* per share on application and 19*s.* per share on June 26. Dividend will accrue as from July 1, 1919. There are at present in issue 2,000,000 similar shares, quoted at about 21*s.* 6*d.*, and ranking before these there are in issue 400,000 5% Cumulative First Preference £10 shares (£4,000,000) and £5,750,000 of 6% Cumulative "A" Preference shares. The total paid-up capital employed in the business has been increased from £13,247,598 in 1914 to £17,065,340 in 1918, and the net profit has risen in the same period from £977,337 to £1,553,589, after provision for renewals, depreciation, and excess profits duty. The amount required to pay the annual dividends on the new and existing B Preference shares is £240,000 and in respect of 1918, the balance profit, after paying prior dividend charges, was £1,008,588. The great progress achieved during the War is shown below:—

Year	Net Profit†	Pref. & Prefd. Ord. Divs.	Co-Partnership Divs.	Ord. Div.	—	Balance Carried to Reserve	Stocks	Surplus Liquid Assets*
	£	£	£	£	%	£	£	£
1914...	977,337	748,868	24,094	200,000	10	4,435	1,553,339	9,488,187
1915...	1,105,728	858,708	42,947	200,000	10	4,073	1,696,994	10,118,164
1916...	1,155,649	881,119	70,209	200,000	10	4,311	2,748,268	9,080,748
1917...	1,342,107	905,683	130,834	300,000	15	5,580	3,189,819	9,608,220
1918...	1,553,589	991,492	206,143	350,000	17½	5,953	4,038,362	10,411,379

* Including "Debentures, shares, and loans to, less deposits of, associated companies and investments" (£13,420,350 at December 31, 1918), but excluding stock.
† After providing for renewals, depreciation, and excess profits duty.

ALL SEAS MARINE AND SALVAGE CO., LTD.

Elsewhere in this issue particulars of this new company are advertised. Its main object is to purchase and salve vessels, to dispose of them or use them for mercantile trade as found profitable, and to carry on the business of towing off, assisting and bringing ships to port. There can be no doubt as to the accuracy of the statement that the amount of salvage work available is great at the present time, and there seems good ground also for the opinion that the extent of the Company's operations will depend principally on the size of the fleet of salvage vessels. The fleet consists, at present, of two salvage steamers "Ellida" and "Gunreda," one sea-going tug and one cargo steamer. The "Ellida" has already completed a successful salvage operation by towing the "S.S. Narraganset" off Bembridge rocks, and is now engaging in salving the U.S.S. "Lake Erie," stranded off Penarth, near Cardiff. The "Gunreda" is being fitted out at Cardiff preparatory to proceeding with the tug and cargo steamer to the White Sea and Murmansk coast. The capital of the Company consists of 190,000 8% Cumulative Participating £1 Preference shares and 100,000 Ordinary £1 shares. All the Ordinary and 90,000 Preference shares have been allotted, and permission to deal in them has been granted. The Preference shares beyond their fixed preferential 8% dividend are entitled to half the profits available for distribution after the Ordinary shares have received a dividend of 8%, the other half of the profits being payable to Ordinary shareholders. The directorate includes well-known business and insurance men, and there certainly appears a good chance of a substantial dividend return on the Preference shares. The market quotation is about 23*s.* 9*d.*

The Company is entitled to earn 18% on its capital before becoming liable to Excess Profits Duty.

BURMA QUEENSLAND CORPORATION.

This Company was registered on April 9 last and has taken over from Thermo Electric, Limited, 98.9% of the issued capital of the Tavoy Concessions, Limited, owning wolfram-producing properties and other mines in Burma comprising an area of 10 square miles, and also wolfram and bismuth mines in Queensland 278 acres in extent. Thermo Electric, Limited, had acquired the properties at a cash cost of £646,000 (£290,000 for the Burma properties and £356,000 for those in Queensland) and passed them on to the Burma Queensland Corporation for £118,000 cash, £250,000 of Debenture stock, and 430,000 fully-paid £1 shares; total £798,000. This week £225,000 of the said Debenture stock has been offered for sale at par by the National Metal and Chemical Bank, who purchased same from Thermo Electric, Limited, at 95% and pay the expenses of the issue. The Debenture stock is described as First Mortgage 7½% Participating Convertible, entitled to 10% of the net profits, after providing for interest on and redemption fund for the stock but before taking any sum to reserve. The stock is repayable in 10 years at 105% by a redemption fund of £26,250 per annum and carries the right to convert into shares at 30*s.* per share. The Burma mines are said to be the largest producers of wolfram in the Empire, but particulars of production are not given in the prospectus, nor is an engineer's report furnished. It is stated, however, that the profits of the last four years, after provision for depreciation of unstated amount, averaged £53,763, and the gross value of the output, after deducting shipping and selling charges, totalled £589,721 for the same period. The profit for the period, therefore, was over one-third of the production value. For the year to June 30 the profit was £74,271, and for the current year is estimated at £75,000. The Queensland properties have been equipped with modern plant and machinery at a cost of £197,000 and only commenced production in February last. It is stated that taking pre-war prices for tin, wolfram, molybdenite, and bismuth, the future annual profits "may be conservatively estimated" at £50,000 from the Burma and £52,000 from the Queensland mines, and it is pointed out that the yearly service of the Debenture stock is £18,750 for interest and £26,250 for sinking fund, total £45,000. Developments are said to indicate a very long life for both groups of mines and to assure well over five years' supply of ore at an annual production which it is estimated will be not less than £460,000 gross value. The course of the price of wolfram in recent years we indicate in the following figures showing the values realised by the South Crofty Company of Cornwall:—

Wolfram Values per Ton.

1918	1917	1916	1915	1914	1913	1912
£	£	£	£	£	£	£
173⅜	165⅛	151⅝	89½	82 13/16	95 11/16	86½

We would inquire what cash resources the Company has, seeing that "cash due and in hand and metals in course of realisation to the value of over £118,000," as stated in the prospectus, "will be utilised in the payment of the cash price." Without further information we should say the Debenture stock certainly needs the special attractions attached to it to balance the chance of loss.

"M.P." CONCRETE CONSTRUCTION, LIMITED.

The public this week have had the opportunity of participating in what is an interesting, and may prove to be a lucrative, speculation, in the shape of 25,000 Ordinary shares of the above Company, offered at par and carrying a bonus of five fully-paid Deferred shares for every 50 Ordinary shares allotted. The Company has been formed to acquire a patented invention for improvements in connection with the manufacture of reinforced concrete. Primarily the purpose is to meet the demand for new houses, it being claimed that by means of the "M.P." patent concrete system houses superior to brick-built dwellings can be erected at a saving of 25% in cost and in one-fourth the time. The capital of £60,000 is divided into £55,000 £1 Ordinary shares and 100,000 1*s.* Deferred shares. The purchase consideration is 20,000 Ordinary shares—no cash—and the promoters, Alpha Agency, Limited, receive the 100,000 Deferred shares in consideration of temporarily providing the preliminary expenses and for agreeing to procure the execution of the agreement between the Company and the vendors. The bonus attaching to the subscription of Ordinary shares calls for 2,500 Deferred shares. The Alpha Agency, Limited, are also the underwriters of the issue, the commission payable being 7½%. The whole of the divisible profits are to be paid to Ordinary shareholders until they have received 100%, when all divisible profits are payable as to one-half to the Ordinary and one-half to the Deferred shareholders.

CHARLES MARSDEN AND SONS, LIMITED.

Purchased for 20*s.* each, less 5% commission, 225,000 7½% Cumulative Participating £1 Preference shares of this old-established paper and paper-bag making concern are offered for sale this week at 21*s.* by the British and Allied Investment Corporation. The Company was formed in 1903, and in the interval since has considerably extended its own business and acquired control of three other paper-making companies. It is to complete these transactions that the proceeds of the new issue are required. The capital will now be £600,000, half in Preference and half in Ordinary shares, in addition to £80,000 5% First Mortgage Debenture stock, against which a sinking-fund policy valued at £11,952 is held. Besides the 7½% Cumulative dividend, Preference shareholders are entitled, after a non-Cumulative dividend of 7½% has been paid upon the Ordinary shares, to a further 2½% *pari passu* with the Ordinary shareholders. The 7½% dividend on the Preference shares requires £22,500 per annum. Profits have risen as under:—

	Net Profit* £
1916 (Subscribed capital, £1[illegible]3,610)	18,667
1917 (,, ,, £217,788)	[illegible]2,181
1918 (,, ,, £303,509)	[illegible]2,180

* After provision for depreciation, interest on Debentures, income and excess profits taxes and other charges.

Purchase of the capitals of three other companies—namely, the Irish, Ramsbottom, and Northfleet paper mills not having been completed, only £757 from this source is included in the above figures. For the last completed years the net profit of these three companies totalled £48,842.

As is well enough known, paper-making has been abnormally profitable during the war. On the other hand, the excess profits tax has now been halved, and even if the joint earnings under more normal conditions be reduced to one-third of last year's total, the Preference dividend would be covered. The shares, therefore, seem likely to prove a remunerative investment to those not opposed to taking some risk.

"Beautifully Cool and Sweet Smoking."

PLAYER'S
NAVY CUT
TOBACCO

Packed in varying degrees of strength to suit every class of smoker.

PER OZ.
Player's Gold Leaf Navy Cut
Player's Medium Navy Cut
Player's "Tawny" Navy Cut
10½D.

Per Oz.
Player's "White Label" Navy Cut
9½D.

Also PLAYER'S NAVY CUT DE LUXE a development of Player's Navy Cut packed in 2-oz. and 4-oz. airtight tins at 2/1 and 4/2 respectively.

This Tobacco is also supplied at Duty Free Rates for the purpose of gratuitous distribution to wounded Soldiers and Sailors in Hospital. Terms and particulars on application to:

John Player & Sons,
Nottingham.

Branch of the Imperial Tobacco Co. (of Great Britain and Ireland) Ltd.

P574



ROWNTREE AND COMPANY, LIMITED.

In September last year this cocoa and chocolate manufacturing Company's capital was re-arranged, part of the undivided profits being capitalised and the Ordinary share capital, in consequence of that and of conversion of Deferred shares, being increased to £750,000. There are also 250,000 6% Cumulative Preference shares in issue. For the purpose of extending plant and buildings and providing additional funds for paying off banker's loans obtained for financing business expansion during the War a further issue of 500,000 6% Cumulative £1 Preference shares is being made at par, payable 2*s.* 6*d.* per share on application, 7*s.* 6*d.* on allotment, and 10*s.* on July 8. The existing Preference shares are quoted at Leeds and Sheffield. In respect of the five years 1909-13 profits averaged £136,080 per annum, and for the past five years £140,195, after provision for depreciation, taxes, and all charges ranking before the preference dividend. The dividend on the whole of the Preference share capital will require £45,000, less income tax. The security is good, and the yield afforded probably high enough to warrant a quotation of about par for the shares.

SLOUGH GAS AND COKE COMPANY.

Tenders are invited for £20,000 Ordinary stock of this Company in any amount from £10 upwards. For the past half-year the dividend paid on the stock was at the rate of £6 5*s.* per cent. per annum, the additional dividend beyond 5% being paid according to the sliding scale on reduction in the price of gas.

Industrial Companies.

OCEANIC STEAM NAVIGATION COMPANY.

Issued Capital: £3,750,000 in 3,700 Shares of £1,000 each.
Debentures: £1,992,200 4½% First Mortgage.

Year	Gross Profit‡	Income Tax	Depreciation	Deb. Int.	Net Profit	Ord. Div.	Ord. Div. %	Reserves	Carry-forwd.
	£	£	£	£	£	£		£	£
1914...	735,152*	37,544	398,968	65,211	233,429	262,500	35	—	61,599
1915...	1,877,326*	56,408	628,712	109,537	1,282,669	487,500	65	500,000	156,768
1916...	2,399,883	150,845	440,752	104,418	1,703,868	750,000†	20	810,000	300,636
1917...	1,531,762	301,266	318,940	97,936	813,620	750,000	20	210,000	154,256
1918...	1,339,012	322,238	317,793	91,731	604,280	637,500	17	100,000	21,036

* After writing off Debenture issue expenses.
† Capital increased from £750,000 to £3,750,000 by capitalisation of reserve.
‡ After provision for excess profits duty.

Interest attaches to the progress of this Company, owning the White Star Line, not so much on account of the public's interest in its securities as because of its importance in the shipping world. The whole of the share capital is held by the International Mercantile Marine Company of America, and the Debentures only are in British ownership. During the War, as will be seen from the above figures, earnings have been phenomenally large, and the margin of profit after paying Debenture interest last year was £604,280, against £233,429 in 1914, and this, too, notwithstanding increase in income tax from £37,544 to £322,238. The outstanding feature is the great expansion in the surplus liquid assets, due partly to reduced fleet tonnage, partly to heavy profit allocations to depreciation and reserve, and partly to excess insurance value of lost vessels. As showing this the following table is instructive:—

	Fleet Gross Tonnage Tons.	Net Amt. of Profit Placed to Depreciation & Reserve*	Debentures Redeemed	As per Balance Sheet— Surplus Liquid Assets†	Movable Plant & Stores	Ships, Tenders, Buildings, &c.	Total of Reserve Funds‡
		£	£	£	£	£	£
1914...	516,566	369,898	125,800	428,829‡	74,811	7,455,530	800,000
1915...	495,327	1,223,881	152,100	516,147	76,371	7,177,659	1,300,000
1916...	394,669	1,384,620	220,800	2,510,046	104,334	4,779,496	2,100,000
1917...	400,320	372,560	133,900	4,241,997	125,313	4,376,285	2,730,000
1918...	425,658	184,573	117,500	4,221,165	171,145	4,200,924	2,830,000

It will be seen that in four years £605,000 of Debentures have been paid off, and that in place of £429,000 deficiency of cash assets at end 1914 there was at December 31 last a surplus of £4,221,165. The book value of ships, tenders, buildings, &c., has been reduced in the four years from £7,455,530 to £4,200,924, or by nearly 44%, whereas the reduction of fleet tonnage, including ships owned jointly, has been 81,000 tons, or less than 16%. It is abundantly clear that the Company is in a position to finance the building and acquisition of new ships to replace—and one would think to much more than replace—lost tonnage as soon as the shipyards can accommodate. The 4½% Debentures are exceedingly well secured. There are two series of them. The first are redeemable at par on June 30, 1922, or earlier on six months' notice, and by purchase at or under par by application of redemption fund of £125,000 per annum up to 1921. The price is about 97½. The second series are redeemable at par on June 30, 1943, or earlier (after the first series have been paid off) on six months' notice and by purchase at or under par by application of redemption fund of £125,000 per annum. The second series is priced at about 85½, and yield 5¼% excluding redemption, and 5⅝% if held for redemption in 1943.

FAIRBAIRN LAWSON COMBE BARBOUR, LTD.

Issued Capital: £600,000 in 600,000 5% Pref. £1 shares, and 500,000 Ordinary £1 shares.
Debenture stock: £300,000 4% Mortgage.

Year	Net Profit	Deb. Int.	Pref. Div.	Ord. Div.	Ord. Div. %	Carry Forward Reserve	Carry Forward	Stocks	Surplus Liquid Assets‡
	£	£	£	£	%	£	£	£	£
1914...	31,881	12,000	15,000	12,500	2½	—	4,513	134,662	371,255
1915...	7,758	12,000		—	—	—	271	154,144	341,025
1916...	18,449	12,000	15,000	—	—	15,000*	6,720	193,298	270,703
1917...	8,632	12,000	15,000	—	—	8,500*	Dr.1,148	251,455	203,473
1918...	95,550	12,000	30,000†	25,000	5	3,500	19,102	272,570	215,627

* Transferred from Reserve. † Two years dividend. ‡ Excluding stocks.

Last year was the best this Leeds Company, engaged in the manufacture of textile and general machinery, &c., has enjoyed since 1909, due partly to non-recurring circumstances. The Belfast branch supplied large quantities of component parts for aeroplanes, and, secondly, the Company was able to realise satisfactory prices for some machinery not required for the original customers. Financially, the Company's position, as is shown above, has been considerably improved, surplus liquid assets, after deducting £85,000 depreciation of investments not written off, amounting to £215,627, against £203,473 at end 1917, notwithstanding an increase of £21,000 in stocks due to higher prices. The Preference dividend has only recently been paid up to date, and earnings cannot yet be said to have reached a level commensurate with the capital employed. However, the order book is a pretty full one for this year, including an important French Government contract for re-equipment of mills in the devastated areas. The Ordinary shares are now quoted at about 18*s.*, while the 5% Cumulative Preference at 14*s. cum* dividend yield about 7½%.

HOPE BROTHERS.

Issued Capital: £600,000 in 300,000 5½% Cum Pref. Shares and 300,000 Ordinary Shares of £1.

Year	Profit	Deprcn.	Net Profit	Pref. Div.	Ord. Div.	Ord. Div. %	Speel. Allcatns	Carry Forwd.	Stocks	Liquid Assets(a)
	£	£	£	£	£	%	£	£	£	£
1915†	43,845	16,584	27,261	16,500	12,000	4	—	14,451	193,664	9,934(b)
1916†	46,868	18,992	27,876	16,500	12,000	4	—	13,827	205,085	18,593(b)
1917°	32,876	8,972	23,904	8,250	9,000	3	4,500	15,981	209,600	11,670(b)
1918‡	79,337	21,167	58,170	16,500	24,000	8	12,210	21,441	259,143	34,609(b)
1919‡	84,360	20,007	61,353	16,500	30,000	10	18,000	21,294	274,827	30,291(b)

° Six months to February 28. † Year to August 31. ‡ Year to February 28.
(a) Excluding stocks. (b) Deficit.

Again last year this Company did very well indeed, which is not at all surprising in view of the extremely high prices obtaining for wearing apparel of all descriptions. The profit, it will be seen from above, was nearly double that earned in 1915, and the balance available after providing £20,000 for depreciation covered the Preference dividend almost four times. The distribution on the Ordinary shares, including bonus, has been raised to 10%, £18,000 allocated as to £15,000 to reserve, £3,000 to employees' benevolent fund, and the carry-forward practically maintained at £21,294. When the balance-sheet figures come under scrutiny, however, it is difficult to escape the conclusion that a more cautious dividend policy would, under present conditions, have been a wiser course to pursue. The value of stocks in 3½ years has risen from £193,664 to £274,827, or by 42%, and now such businesses as the Company is engaged in are face to face with the difficulties of falling markets as opposed to the recent money-making circumstances of rising values. Yet liquid assets, excluding stocks, amounted at the end of February to £30,291 less than current liabilities. Goodwill figures for £275,073.

The price of the Ordinary shares is about 21*s.*

MEETINGS
OF PUBLIC COMPANIES.

COMMERCIAL BANK OF LONDON, LIMITED.

THE sixth annual general meeting of the above Company was held on May 1 at 6 Austin Friars, E.C., the Right Hon. Sir Charles Hobhouse, Bart., P.C., Chairman of the Company, presiding.

The Secretary (Mr. W. Ernest Treweek, F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman, in the course of his address, said: As you will see, we have made a gross profit for the year of £204,250 12*s.* 2*d.*, which is rather more than 40% on our paid-up capital. You will also observe that this very satisfactory profit is arrived at after writing £50,000 off the value of our investments and bringing up the reserve against our pre-War foreign debts from £41,000 to £59,000. After making these provisions, and paying all expenses, there remains a net profit for the year of £157,399 15*s.* 6*d.* We have paid a dividend at the rate of 7% per annum on the Cumulative Participating Preference shares, absorbing £33,250, and a similar amount on the Deferred shares, leaving the substantial sum of £99,140 11*s.* 4*d.* to be carried forward to next year's accounts. It is obvious that we could have made a very substantial further distribution, had we wished to do so, but your board unanimously decided that at the present time it was in the best interests of the shareholders to carry this forward to strengthen the position of the Bank.

The Balance Sheet.

I will now deal with the balance sheet. Taking the debit side first, our capital account, as you know, stands unchanged. The next item is current and deposit accounts, where we have to record a very satisfactory expansion, this figure showing a total of £706,691, as against £136,282 last year. As regards the next figure, £59,168 reserve for pre-War debts, all I need say is that the business to which these figures refer was undertaken before the present board took office, and in our opinion the figure in question is ample for the purpose. Now I turn to the assets side of the balance sheet. Here we have cash in hand and at call £280,635, as against £121,941 last year, a more than satisfactory increase. But what is even more satisfactory, and the point I wish to emphasise to our shareholders and our customers, is the fact that against a liability of £706,691 for current and deposit accounts, we hold this sum of £280,835 in cash, or the equivalent of cash, a proportion of liquid assets of over 39%, a proportion which I venture to say will compare favourably with the figures of any banking institution in the United Kingdom. I should like to repeat what I said at our last meeting, viz., that we realise that our credit is our most valuable asset, and that our first aim and object is to improve that asset, in order that the name of this Company shall stand in the front rank in the City of London. The remaining chief figure, £472,371 investments, is taken at a conservative figure. Part of it speaks for itself, and the remainder consists of participations in industrial undertakings, the financing and reconstruction of which, as you know, provide us with one of our chief—and by no means the least profitable—sources of business.

Industrial Issues.

I will now turn to the industrial side of our business, the success of which, as I have told you more than once, is very largely due to the brilliant abilities and indomitable industry of our managing director, Mr. Clarence C. Hatry. During the past year we entirely reconstructed and placed with the public the shares of the following industrial undertakings: Messrs. Clarke, Chapman and Co., the well-known marine engineers; Messrs. Jos. T. Eltringham and Co., a rapidly growing shipbuilding and repairing business on the North-East Coast; the old-established wholesale business of Messrs. Burton, Son and Sanders, at Ipswich; and Messrs. G. H. Hirst and Co., of Bradford, one of the oldest and best known manufacturers in the woollen trade. All these transactions resulted satisfactorily to your Company from a financial point of view, but what is even more satisfactory is that in all these cases—as is the case with every other business which we have handled—the shares of those companies are now standing in the market at a substantial premium on the prices at which we placed them with the public; and the business of all those companies has largely increased since our disposal of them to our friends. That is a good record, and one which, I am sure, you will appreciate, for it means that investors can rely on the genuineness of any investment emanating from this institution. Just as, on the banking side of our business, strength must be the first and last consideration, so, as an issuing house, must we at all costs maintain our reputation for putting before the public nothing but sound and remunerative propositions.

The Future.

It is a commonplace remark to say that the future is full of difficulties. But I doubt if any two years will be more difficult for an institution such as this than the two we have just passed through, which coincide with the time your present board have directed the affairs of the Bank. By our hard work and adherence to sound principles we have overcome these difficulties in the past, and we confidently expect to overcome those that may confront us in the future. While as a banking institution we are not directly concerned with manual labour, it is a matter which very closely concerns us when we have under consideration the purchase of big industrial enterprises, and in such instances we do everything in our power to develop the spirit of community between capital and labour, by allowing the employees to take up as large a proportion as possible of the shares of the business for which they are working, on specially favourable terms. I think I have now dealt at sufficient length with the results of our work for the past year, and of our prospects for the future, so far as I can judge them. As regards the former, I have already alluded to the good work done by Mr. Spear, and I cannot conclude without expressing my thanks to Mr. Arthur H. King, who has been with us from the commencement, and whose assistance has been invaluable in every department of our business. As for the future, I will only say that I hope and believe that the participation in surplus profits which our Preference shares carry will, in the near future, turn out to be a very real and valuable one. I will now move that the report and accounts as audited be received, approved, and adopted, and I will ask Mr. Clarence Hatry to second the motion; but before putting it to the meeting I shall be pleased to receive any questions which shareholders may wish to put.

Mr. Clarence C. Hatry (managing director) seconded the motion, which was unanimously adopted. The retiring directors—the Earl of March and Mr. Henry Pelham-Clinton—were re-elected, and Messrs. Deloitte, Plender, Griffiths and Co. were reappointed, and the proceedings terminated.

STANDARD BANK OF SOUTH AFRICA, LIMITED.

THE 106th ordinary meeting of this Bank was held on April 30 at the Cannon Street, Hotel, E.C.

The Right Hon. Lord Sydenham presided, and in the course of his speech said: The balance sheet submitted shows a remarkable expansion in the figures under almost every heading, resulting in an increase of over 21% in the total as compared with a year ago. The notes in circulation in South Africa have increased from a little over two millions to just over three millions. There has been a steady demand for notes throughout the half-year, and the persistent efforts made by the banks, in which the Government have assisted, to popularise the use of small notes instead of gold coin, have met with considerable success among the public generally, although coin has still to be provided to a considerable extent for payment of native wages. Our deposits have increased by nearly seven millions, and now stand at well over 39 millions, as against 22 millions at the commencement of the War. Our cash position compared with last year is stronger by over a million pounds, and our investments, which have been valued at or under the market prices, have increased by £400,000. Bills of exchange show a satisfactory increase of nearly a million and a quarter, and our advances have risen by almost 5½ millions, due to a great extent to the advances we have made against produce in South Africa awaiting shipment.

Profit and Loss Account.

The net profits for the year amounted to £540,357, which, with the £204,333 brought forward, gives us £744,690 to dispose of. Of this sum, £108,396 was paid as an interim dividend at the rate of 14% per annum. The directors have considered it prudent to add £200,000 to the reserve fund and apply £50,000 to the writing down of Bank premises, and this leaves us a balance of £386,293 to deal with. The directors recommend that this sum be disposed of as follows: £108,397 in paying a final dividend at the rate of 14% per annum; £38,713 in paying a bonus of 2*s.* 6d. per share, making a total distribution for the year of 16½%; and £40,000 to officers' pension fund, leaving a balance of £199,183 to be carried forward. We have every confidence in the future of South Africa; but the conditions to be faced during the next few years defy any forecast, and it is of the utmost importance that we should take advantage of the present opportunity to increase the reserve fund and thus to strengthen the position of the Bank. If, as we hope, it will not be necessary in the future to encroach upon our reserves, the strengthening of the fund will add to the revenue-earning resources of the Bank. Last year, in addition to the usual dividend of 14%, we paid a bonus of 1*s.* 4*d.* per share,

making a total distribution at the rate of 15½% for the year. This year, owing to the satisfactory increase in our profits, we are able to recommend a bonus of 2*s.* 6*d.* per share, making a total of 16½% for the year.

Branches or Agencies Opened.

Since our last meeting we have opened branches or agencies of the Bank at French Hoek in the Cape Province, Nelspruit in the Transvaal, Lusaka in Rhodesia, Limbe and Zomba in Nyasaland, and Elisabethville in the Belgian Congo. An agency has recently been established in Rotterdam, and we are just completing arrangements to open an office in Amsterdam. We have been appointed at Rotterdam as official consignees to the War Trade Department for shipments to places in the occupied territory in Germany, in Belgium, in Alsace-Lorraine, and in Switzerland, and we recently handled on behalf of the British authorities the shipment of £5,000,000 German gold, sent through Holland, in payment for foodstuffs supplied to Germany. We recently opened a branch of the Bank at No. 17 Northumberland Avenue, adjoining the Royal Colonial Institute, and I am sure that this will be of great convenience to visitors from South Africa staying in the West End of London.

Manufacturing Industries.

Having referred to the progress made by the chief agricultural and mining industries in South Africa, the Chairman proceeded: Manufacturing industries have continued to advance under the stimulus of war conditions, and the industrial census for 1916-17 shows that capital to the extent of nearly £50,000,000 was invested and that 123,443 persons were employed in the industries of the Union. With regard to future production, it must be remembered that the world is now in the transition stage from war to peace, and until the effects of changes, which must be felt in South Africa as elsewhere, become known it is impossible to predict the conditions of trade with any certainty.

In conclusion, I will only say that, while the past year has been marked by a satisfactory extension of the business of the Bank and the future holds out the promise of further activities, there are inevitable uncertainties arising from the general upheaval and the destruction of capital, which German ambitions have imposed upon the world's commerce, that demand prudence and watchfulness.

The report was unanimously adopted, and at an extraordinary general meeting the shareholders authorised an increase of the capital of the Bank to £10,000,000, the Chairman stating that the directors did not contemplate that they would need to issue the whole of this additional capital for some time; but they thought it quite possible that in the near future it might be desirable to increase the subscribed capital to £8,000,000, making the paid-up capital £2,000,000.

LONDON AND BRAZILIAN BANK, LIMITED.

THE forty-eighth annual ordinary general meeting of the shareholders was held on April 29 at the offices, No. 7 Tokenhouse Yard, E.C., Mr. John Beaton (the Chairman) presiding.

The Secretary (Mr. A. W. Saunders) having read the notice convening the meeting,

The Chairman said: Ladies and Gentlemen,—As regards the report and balance-sheet presented to this meeting, which I suppose you will, as usual, take as read, it must be as pleasing to you as it is to us that the result of our operations for the year ended last January is a net profit of £307,000, being an increase of £70,000 on the outturn of 1918. This gratifying result is not, I am glad to say, the consequence of any special transactions, but of a steady business here in London and at our branches in the several countries in which the Bank is established, and, I should also add, to freedom from any bad debt of importance. We have informed you in our report that we have opened a branch of the Bank at Maranham, the capital of the State of that name. It is a port to the north of Ceará, where we have been established since 1908, and it was evident from our experience there that it would be to our interest to have our own establishment at Maranham. I must, however, express our sincere appreciation of the good services rendered to the Bank by our late agents, Messrs. Oliveira Neves & Co.

Brazil.

The country suffered during last year from widespread severe attacks of influenza, which proved very fatal; then unheard-of floods occurred in the State of Bahia, causing great devastation, and last June the State of São Paulo was visited by a frost of unusual severity, the damaging effect of which was very much exaggerated in the first instance. It was, nevertheless, a real disaster, for it is now stated with certainty that one-third of the 750,000,000 bearing coffee trees in the State have been seriously affected, a vast number being killed, and that quite 40% of the trees under five years were destroyed. The last reports from the planters, however, state that the wood of the trees is promising an increased crop for 1920-21, which, barring unforeseen circumstances, should give 7,000,000 bags, an average crop being quite 10,000,000 or 11,000,000 bags. I may mention that the currency price of coffee is now about twice its value before the War. The coffee planters, with their usual energy, immediately began the further cultivation of cotton, but owing to unforeseen disadvantages it has not been so successful as was anticipated. In the early years of the War the imports of Brazil were largely reduced; last year, however, there was a marked increase thereof, particularly during the second half-year, which was mainly the cause of the value of the exports over the imports for the year 1918 being only, say, £8,000,000, against £16,000,000 in 1917. The inconvenience attending the lessened imports was met by the establishment of between 600 and 700 industrial enterprises of all classes. They have mostly, I understand, done well, the raw material being in some cases at their door.

Foreign Trade and Banking Facilities.

Then there ought not to be any lack of banking facilities to help on the great endeavour, for the object of the recent amalgamation of London joint stock banks was to afford those facilities to a larger extent than heretofore. Sir Edward Holden, in his address to the shareholders of the London City and Midland Bank last November, in claiming the advantage of such amalgamations and showing how the joint stock banks had been able thereby in the past to meet our ever-increasing foreign trade, mentioned figures, among other interesting matter, which showed that it increased from £375,000,000 in 1860 to £1,403,000,000 in 1913. Now, there can be no question about the banking facilities that have been afforded to the trade of this country by the joint stock and private banks. I claim, however, that the Anglo-Foreign, Colonial and Indian banks have also aided, and very directly so, in that remarkable foreign trade development to which I have referred. These banks, some twenty-four in number, and of which 16 were established between the years 1835 and 1866, had a paid-up capital and reserves amounting in the year before the War to, say, £45,000,000, with branches established practically all over the world to the number of 1,285. I base my claims on the long experience I have had of the facilities afforded by this Bank to our foreign trade, and the other banks have certainly done likewise. Yet it might be imagined from what has recently been publicly urged of the necessity of our banks acquiring an intimate knowledge of foreign banking and exchange business that this country was without any such class of banks as those I have named and have the honour to belong to and had no experienced cambists, which is not the case.

The Balance Sheet.

Reverting to the balance sheet, its total, £22,800,000, is an increase of £3,600,000 on that of last year. The current accounts and deposits at branches are £2,960,000 more, as also the bills for collection £892,000. On the other side cash, £6,600,000, is more by £2,236,000, cash in transitu, &c., being £842,000 less. Bills discounted and loans show an increase of £1,560,000. The bills payable and receivable are respectively less by £360,000 and £210,000, the use of cable transfers being, according to our experience, always on the increase. The gross profit, £672,000, is more by £100,000. The charges are larger by £30,000, of which £19,000 is shown in salaries and war allowances, and, frankly, you must be prepared for further increase in that respect. The available balance is £607,558. We propose, as stated in our report, to pay a further like dividend to that paid last October, making the dividend 14% for the year, and we also propose the payment of a bonus of 8*s.* per share, thus making a total distribution of 18%, less income tax. These payments will amount to £225,000, leaving a balance of £382,558.

Capital to be Increased to £3,000,000.

We have also informed you in our report that we consider it desirable that the capital of the Bank be increased by £500,000. When recommending an increase of capital we have always been guided by the measure of success that had attended the previous addition thereto, which in this instance was seven years ago—in 1912—and we have no hesitation in recommending to you that the capital of the Bank be increased to £3,000,000 by the issue of 25,000 shares of £20 each, on which £10 per share will be called up, making the paid-up capital of the Bank £1,500,000. The new shares will be offered in the first instance to the shareholders on the register to-day at a premium of £10 per share in the proportion of one new share to every five shares at present held. Where, however, the holdings do not admit of an exact rateable allotment the shares represented by the fractions will be sold and the net proceeds realised therefrom, under deduction of the amount payable on account of each share (£20), divided rateably among the shareholders entitled thereto. The new shares will participate in the profits of the Bank *pari passu* with the original shares. If the resolution is adopted by this meeting, and subject to the receipt of permission of the Treasury, allotment letters will be posted to the shareholders not later than May 9. The first payment of £3 will be due on May 20, the second payment of £6 on June 26, and £6 on July 30 next. Now, as regards the proceeds of the premium of £10 per share, amounting to £250,000, we propose on this occasion to transfer £100,000 thereof to the reserve fund, making it equal in amount to the paid-up capital of the Bank—£1,500,000—and to add the remainder, £150,000, to the balance carried forward, which is, of course, a reserve, our object being to strengthen

our cash resources here, having regard to the growing use of cable payments.

The Deputy-Chairman (Mr. W. Douro Hoare) seconded the resolution, which was carried unanimously.

The Chairman then moved the resolution providing for the increase of the capital of the Bank, which was seconded by the Deputy-Chairman and carried unanimously.

A vote of thanks to the Chairman concluded the proceedings.

GRAND TRUNK RAILWAY COMPANY OF CANADA.

The ordinary general meeting of the Grand Trunk Railway Company of Canada was held on April 28 at the Cannon Street Hotel, E.C., Mr. Alfred W. Smithers, M.P. (the Chairman), presiding.

The Secretary (Mr. H. H. Norman) read the notice convening the meeting.

The Chairman, in moving the adoption of the report and accounts, referred in some detail to the position of the Company in its relation with the Canadian Government, and said that the committee, which was appointed as a result of the special meeting held on March 21, had met in consultation with the Board, and a unanimous decision was arrived at as to the scheme they would recommend the shareholders to accept on a friendly and agreed basis. Proceeding, he said: Full details were cabled to President Kelley, and he has submitted our proposal to Sir Thomas White, the Acting Premier. Mr. Kelley has had a long interview with Sir Thomas White, and is supplying him with all the information he requires. One result of the interview was that Sir Thomas White promised that our Bill for increased borrowing powers should go forward, and it has already passed the Canadian House of Commons. (Applause.) This has relieved our financial position, as the hanging up of the Bill and the putting in of a receiver on the Grand Trunk Pacific had, of course, somewhat injured our credit. There have been two or three debates in the Canadian Parliament arising out of the Government putting in a receiver for the Grand Trunk Pacific.

Points which appear to be Ignored.

I do not wish to unnecessarily go over old ground, nor do I wish to say anything which might cause any ill feeling. I will confine myself to again putting forward some points of our case, which appear to be ignored or misunderstood. I must ask you for a moment to go back to 1903 and 1904, when the Acts of Parliament were passed authorising the building of the Grand Trunk Pacific with Government assistance. I again point out that the building of the Grand Trunk Pacific, the National Trans-Continental, and the extensions of the Canadian Pacific Railway into the territories the Grand Trunk Pacific was designed to occupy, and the subsidising of new lines for the Canadian Northern by the Government, produced such a boom in railway building that the actual cost of building amounted to three times the original estimates. It has been stated that the Canadian Northern was already in existence before the advent of the Grand Trunk Pacific. That is quite true; it was a net work of lines on the prairie, radiating from Winnipeg, but when the Government agreed to assist in the building of the Grand Trunk Pacific it never entered into our minds that the Government would seriously delay the success of the Grand Trunk Pacific by actually subsidising the Canadian Northern to parallel the Grand Trunk and Grand Trunk Pacific lines for many hundreds of miles; yet this is what they did, and, after giving that Company the equivalent of £60,000,000 in the 20 years of its existence, and then, finding what they had done was insufficient to enable the Company to carry on, the whole concern was taken over by the Government and 18 per cent. was paid for $60,000,000 of its Common stock. In 37 years the Canadian Pacific has received from the Government the equivalent of £70,000,000. We had thus to contend not only against ordinary competition, but against two companies heavily subsidised by the Government, who built lines into the very country the Government had arranged with us to occupy, and, in the case of the Canadian Northern, paralleled, with Government assistance, both the Grand Trunk and Grand Trunk Pacific, as I have said, for many hundreds of miles.

War Conditions Main Cause of Difficulties.

We have never denied our obligations with regard to the Grand Trunk Pacific, but when our inability to meet our obligations arises from causes beyond our control, we ask, why should we be treated on such an utterly different footing as compared with the other companies I have mentioned—(hear, hear)—those companies having received the generous assistance I have mentioned, and the Grand Trunk having received only £3,000,000 from the Government in the long period of 65 years? I stated in my speech on March 21 here that war conditions had been a main cause of our difficulties, and that we were the only Company, with one exception, in Great Britain, Canada, or the United States that had been left unaided to bear the impossible conditions caused by the War. The one exception was the Canadian Pacific, which has been able, up to date, to meet the strain of war conditions owing to its exceptional reserve strength. This statement has been challenged in Canada. I must repeat a few figures to prove the truth of what I said. In 1916 we earned over fixed charges £1,200,000, out of which we paid the full dividends on the Guaranteed and First and Second Preference stocks and carried £400,000 to reserve, which amount, if divided, would have paid the full dividend on the Third Preference and left over £100,000 for the Ordinary stock. We did not divide this amount of £400,000, because we wished to be on the safe side, and the shareholders allowed us to carry it to reserve. Now, look at the history of 1917. In 1916 we had carried the biggest traffic in our history, a gross increase of £1,500,000 over 1915. In 1917 we carried a gross increase of £1,000,000 over the increase of £1,500,000 in 1916, and what was the result? Instead of earning £1,200,000 over fixed charges as in 1916 with £1,000,000 increase in traffic, we only managed to meet our fixed charges, or a loss of over £1,250,000 for 1917 as compared with 1916. The operating expenses of 1917 increased £1,774,000 from increased cost of wages, coal, and material. As I stated at the special meeting, I was in Canada from May to November. We brought every possible pressure to bear to obtain an increase of rates, but we met with no success.

Results for 1918.

In 1918, the report of which year we are considering to-day, the gross receipts amount in round figures to the huge total of £12,655,000, as compared with £9,957,000 in 1917, or an increase of £2,698,000; but the working expenses amount in round figures to £10,979,000, as compared with £8,065,000 in 1917, or an increase of £2,914,000. We thus carried this enormous traffic at a net loss as compared even with 1917 of £216,000 as far as the Grand Trunk Railway proper was concerned. On the other hand, we were helped by better results on our American lines as compared with 1917 to the extent of £205,094. These lines were taken over by the United States Railroad Administration under Act of Congress—an Act passed as a War measure by the United States Government, by which that Government guaranteed the companies in the States the average net income of the three years ended June 30, 1917. The increase in the cost of fuel and of all materials accounts for some portion of this increase, but undoubtedly the largest item is the increased cost of labour. Thus in 1918 we carried a gross traffic on the Grand Trunk proper of £12,655,000 and earned nothing over fixed charges, whereas in 1913—the last complete year before the War—we carried a gross traffic of only £9,134,000, or £3,521,000 less than in 1918, and yet we earned £977,000 net more in 1913 than in 1918. In other words, we paid the full dividends on the Guaranteed, First and Second Preference, and 2½% on the Third Preference stock, as compared with only meeting our fixed charges in 1918. Well, in face of such facts and figures as these, what is it but the War that has caused such extraordinary results? And in carrying the immense traffics, increasing every year since the War began, think of the service we must have been able to render to the people of Canada.

Grand Trunk Pacific Results.

I now will ask you to look for a moment at the Grand Trunk Pacific results for the last three years. In 1916 that line was first operated on revenue account; we were thus compelled to begin to work this big new enterprise after the War had raged for two years, and, notwithstanding this, the result of the working for the six months ended June 30, 1916, showed a balance of income before deductions in respect of interest, &c., of $840,000. For the year ended June 30, 1917, the amount was $2,284,000, and for the year ended June 30, 1918, $1,944,000. This last amount showed a decrease of $340,000 compared with 1917, owing to the increase of operating expenses, which amounted to $1,400,000; so had the expenses remained even as in 1917 the balance of income would have been about $3,000,000. Looking at these figures, we considered that the $7,500,000 voted by Parliament in the last session would have cleared the Grand Trunk Pacific liabilities up to July 1, 1919, as in the previous year; but the operating expenses again increased in larger proportion than ever before, and the result was that the Government loan of $7,500,000 was exhausted at the beginning of March.

War-Time Finance.

I now come to another of the serious difficulties with regard to finance which we have had to face since the War commenced. In January 1915, we raised £1,000,000 Three-Year Five and a-Half per Cent. notes at £98½ and later in the year succeeded in raising £2,500,000 in this country and £800,000 in New York. The £2,500,000 raised in this country were Five-Year Five and a-Half per Cent. notes at £99. Remember this was in the midst of war, and we have no occasion to be ashamed of the terms on which the money was borrowed. (Hear, hear.) The £800,000 was borrowed in New York, as that was a condition that the Treasury made in giving us permission to issue the £2,500,000 in London. The £800,000 raised in New York, including commission, cost us between 6½% and 7%. In January 1918 the £1,000,000 Three-Year Five and a-Half per Cent. notes issued in 1915

matured, and we were able to provide for them by the issue of a like amount of Three-Year Six per Cent. notes at £98 10*s*. In October 1918, we had £2,000,000 of notes falling due, besides loans with our bankers, which we provided for by issuing £3,000,000 Three-Year Six per Cent. notes at £99. Now, it must be remembered that all this financing would have been accomplished in peace times by the issue of Debenture stock at a price yielding 4¼ to 4½%; therefore, in the matter of finance the Company has been hardly hit in having to pay a rate of some 1½ to 2% more than would have been paid in pre-War times.

Position of Stockholde s.

I have again put before you a statement of our position. We represent 100,000 investors in this country, the use of whose capital, lent at the rate of interest of about 4¼%, must have been of great value to Canada. The losses these people have suffered are pitiable in the extreme. In Great Britain and the United States to-day an even worse condition for railway shareholders would exist but for the action of the respective Governments. In Great Britain there has only been an increase in passenger fares, but no increase in freight rates; the consequence is that no railway in Great Britain to-day is earning its fixed charges; but Great Britain, in accordance with the high traditions of the British Government, is paying the companies the net receipts of 1913, the last complete year before the War. This statement of the case of the British railways not earning their fixed charges is really inaccurate, as all the Government work has been done by the railways without charge for the work as done, the Government getting the full use of the railways by simply paying, as I have said, the net receipts for 1913. In addition, the British Government has paid interest on all amounts of new capital spent since 1913 and on capital that was then considered as only partially productive.

A Third Offer submitted to the Government.

Now, to sum up our present position. As I stated at the special meeting on March 21, in January 1918 I received a message from the Prime Minister asking me to state on what terms the Grand Trunk and Grand Trunk Pacific could be acquired by the Government on the basis of an annual sum to be paid by the Government to be distributed by the directors. We replied with an offer as detailed in my speech here on March 21 last. On March 7, 1918, the Government submitted a counter offer; we felt we could not recommend its acceptance. It was announced in the Canadian Paliament that negotiations would be resumed during the summer on the arrival here of Canadian Ministers. As I stated in my speech on March 21 last, negotiations were resumed, and after many weeks we were told that the Ministers could make no alteration in their offer without consent of full Cabinet in Ottawa. We then, before Sir Robert Borden left for Canada, made a second offer, considerably reducing our terms. Our second offer was refused. In March this year, the Grand Trunk Pacific was put in a Receiver's hands by the Government. In consequence, we called the special meeting on March 21. The resolution I have quoted in the beginning of my speech was passed at that meeting; a committee to specially represent the shareholders was appointed. They have met the board on two occasions, and the board and committee unanimously agreed upon a third offer to the Government with still further modified terms. Remember that that offer was considered and unanimously approved by the committee, the members of which are in the front rank of banking and financial circles in London. We submitted that offer with the earnest desire of arriving at a friendly settlement, and we hope it is now receiving the favourable consideration of the Government.

The Vice-Chairman (Sir Henry Mather Jackson, Bart., C.B.E.) seconded the motion, and the proceedings then terminated.

ATLAS ASSURANCE COMPANY, LIMITED.

A Highly Successful Year.

The one hundred and eleventh annual general Court of Proprietors of this Company was held on April 29 at the Cannon Street Hotel, E.C., Mr. A. Johnston (the Chairman) presiding.

The General Manager and Secretary (Mr. C. H. Falloon) read the notice convening the meeting and the auditors' report.

The Chairman said: Ladies and Gentlemen,—It is once more my happy privilege to submit to you the results of a highly successful year, and you will, I presume, as usual, take the report and accounts as read. When we met here last year the clouds of war were black and menacing, and our minds were full of anxious forebodings. To-day the agony of destruction is over, and with thankful hearts, but with sad and bitter memories, we can contemplate the return of peace through victory. I am sure you will agree with me that it is right and proper that we, the proprietors of a great London insurance company, should here and now record our deep admiration for, and gratitude to, our incomparable countrymen, who on land and sea and in the air have won final victory; bearing especially in mind those unforgettable members of our own staff who gave their lives to achieve it. You will have read with deep regret that Mr. Herbert Brooks had passed away during the past year. Mr. Brooks had been a director of this Company for over 31 years, for 12 of which he filled with distinction and ability the position of Chairman. By his death this Company loses an experienced and valued director and his colleagues one whom they held in high regard. The vacancy caused by Mr. Brooks' lamented death has been filled by Mr. James Henly Batty, and I shall presently ask you to confirm his appointment. Mr. Batty is, as many of you are aware, connected with several important and successful commercial undertakings, and this Company will, I am sure, benefit greatly, not only by the ability and experience he will bring to our affairs, but also materially from a new and valuable business connection.

The Results for 1918.

I will now, if I may, make a few general observations on the results for 1918, and, without wearying you with too much repetition of the figures you have already studied in the report, endeavour to give you a clear conception of the position of our Company. In the life department new policies were 1,511 in number for net sums assured of £802,585, as compared with 1,457 policies for £645,594 in 1917. 1917 was a record year, and 1918 constitutes a new record, so far as the volume of new life business is concerned, whilst, judging from the figures up to date, there is some hope of setting up a fresh record figure in 1919. Included in the new business for 1918 is the sum of £262,250 for policies issued in connection with purchases of National War Bonds on behalf of the policyholders, a smaller amount of this class of business was transacted in 1917, and some further similar policies were issued in the early part of this year. Altogether we have taken up for our policyholders £425,000 nominal value of 5% War Loan and National War Bonds, and we are pleased to have been able to assist our clients to make this substantial contribution towards national finance in a time of national stress. Certain criticisms have been made in the press regarding this class of business, but, so far as this office is concerned, they are unjustified, because the life policies issued differed in principle in no way from those ordinarily granted. We regard it as very desirable that during the next few years our life fund should be increasing as rapidly as possible, and these War Bond policies will be of material assistance to that end; the business was obtainable at comparatively small cost at adequate premiums, and the loans which we have made on the combined security of our policies and the War Bonds are amply secured.

Claims.

The general death claims have been heavy, 316 for £178,205 3*s*. 11*d*., compared with 314 for £145,861 4*s*. 6*d*. during 1917, the War claims included in these figures being £15,956 6*s*. 11*d*. and £34,235 0*s*. 10*d*. respectively. The ordinary death claims during 1918 were unusually heavy, although some £20,000 less than the amount "expected," but 77 claims for £74,174 3*s*., out of a total of £162,248 17*s*., were on lives over 70 at the date of death. On the other hand, 1917, with which comparison is made, was a year of very light normal mortality. During 1918 claims due to influenza arose under 35 policies for £10,446—£8,281 14*s*. in respect of civilians and £2,164 7*s*. in respect of men on service, which latter amount is included in the War claims' figure I have just mentioned. The combined War and influenza claims for 1918 amounted to £24,238 0*s*. 11*d*. We are now in a position to assess with accuracy the loss due directly to mortality arising from the War, and on the whole it is satisfactory to find that £72,000 covers it, an average of about £17,000 a year for the 4¼ years that the War lasted. The life fund increased by £90,735 to £2,211,308 13*s*. 6*d*., the annuity fund by £36,221 to £102,590 1*s*. 8*d*., and the life investment reserve fund now stands at £285,074 17*s*. 11*d*., so the total life funds were increased to £2,474,867 16*s*. 9*d*. This year is the last of our current quinquennium, and consequently this investment reserve fund will in a few months' time be finally dealt with; at present it is much more than sufficient to meet the depreciation on our investments, which are all of a high class, and which will, we may hope, appreciate in price in the dim and distant future.

Plenty of Vitality in the Life Department.

As I said last year, the Life Department is showing plenty of vitality, and now that the War is over and our machinery for getting business approaching once more the normal, I hope we shall see in the future good and steady progress under the energetic management of our actuary. You will have perhaps noticed the appointment of a Commission to consider and report on the question of income tax, and that two gentlemen connected with life assurance are members of it. We, in common with other companies, hope for relief in the way of adjustment of the burdens upon insurance companies, more particularly life companies, which necessarily have to accumulate very large funds to carry on their business, and have to rely largely upon the interest income from those funds to meet their liabilities.

Great Expansion in Fire Business.

Turning now to the Fire Department, I have again this year to report a great expansion of business and most satis-

factory results. Indeed, the year 1918 was the finest in the history of the Company, the fire loss experience being the lowest since the "Atlas" was founded. In addition, the ratio of expenses to income showed a substantial reduction on the previous year. This was largely due to the very great increase in fire premiums. I cannot, however, hold out a promise that this reduction will be maintained. The fire premium income shows an increase of £247,000 over the previous, and is the largest increase in any one year, and brings the fire premiums for the year under review up to £1,640,606. This expansion, which is apparent in all parts of the world, is due, of course, to a large extent to the increased insurable value of merchandise and the ordinary possessions of the Company's customers owing to the great rise in prices; but apart from that fact, the Company's fire premium income continues to show healthy and progressive growth. The fire underwriting profit, after increasing the reserve for unexpired risks by £99,163 7*s*., is £296,531 18*s*. 8*d*. These are remarkable figures, and reflect great credit on the skill and judgment of our management and staff wherever we carry on our business, and I should like to record here your thanks and ours for their loyalty and devotion to this fine old Company, which they serve so well.

Other Departments.

You will notice that in other departments the employers' liability and accident figures are again satisfactory, and exhibit further healthy growth. The net premiums were £125,658 7*s*. 8*d*., against £112,177 11*s*. 3*d*. in the previous year, and the profit £21,229 4*s*., against £16,354 17*s*. 7*d*. We look with confidence to increasing development in this department, which already makes a substantial contribution to the profit and loss account. It is managed with prudence, intelligence and energy, and will, we are sure, prove a growing source of revenue. It will interest you to know that a motor department has now been opened, and we hope all our old clients will support us in this and bring us their business.

Aircraft Insurance.

You will have read in the Press that twenty-eight of the most powerful composite offices, including the *Atlas*, have combined to deal with all classes of aviation risks. The companies have felt it their duty to meet the requirements of the public in the forthcoming development of commercial aviation. The security offered will be very large indeed, since the reserves of the companies forming the pool run into many millions. This is an interesting development of our great insurance companies, and it will be watched, I believe, with sympathy and approval.

The Sinking Fund and Capital Redemption Accounts call for no comment, being, as you know, largely for the convenience of our clients in other branches of our business.

The Profit and Loss Account.

Dealing now with the Profit and Loss Account, you will notice that we have a balance of £479,457 4*s*. 9*d*. to deal with. On page 11 you will see how this is made up; £69,701 18*s*. 8*d*. of the amount is the balance brought forward from 1917, and the other items are net interest from all sources, £84,187 4*s*. 11*d*., fire profit £296,531 18*s*. 8*d*., employers' liability and accident £21,229 4*s*., percentage of life business £7,701 11*s*., and transfer fees £105 7*s*. 6*d*. We deal with the £479,457 4*s*. 9*d*. as follows: Income Tax and Excess Profits Duty, £64,015 3*s*. 11*d*.; interest on Debenture stock, £3,832 10*s*. 2*d*.; War bonus to staff, £30,775 7*s*. 10*d*.; transfer to Fire Fund, £104,901 15*s*. 3*d*., bring it up to £1,700,000; written off leaseholds, £393 13*s*. 1*d*.; dividend, £132,000; and balance forward, subject to Excess Profits Duty, £143,539 14*s*. 6*d*. As regards this last item we are uncertain as to the exact amount of Excess Profits Duty this Company will be liable for on the 1918 profits. Whatever the amount is there will, I think, be an increase in our carry-forward. In connection with the Profit and Loss Account, I should like, if I may, to make a special reference to the item of £30,775 7*s*. 10*d*., which is the amount we have voted as War bonus to the staff during the year under review. I know that that payment will have your entire sympathy and support. The staff have worked loyally and rendered unusually hard work, and the directors have not failed to recognise this, and also the greatly increased cost of living. In the present year the directors are continuing the same policy.

An Increased Dividend.

The results of the year once more justify the directors in considering the claims of the shareholders to an increased dividend, and we have decided to pay for the year 1918 a dividend of 10*s*. per share, and, in addition, in view of the exceptionally good results, an extra dividend of 2*s*. per share, free of tax. The payment of these dividends will absorb £132,000. The net interest revenue of the Company is now £84,000, and should be considerably higher at the end of this year, and the life contribution is £7,700. So that, even with things as they are, we need only about £40,000 from fire and accident profits to maintain a dividend of 12*s*. The dividend you will receive is a very substantial increase on that paid for the year ended December 31, 1917, but is one which is fully justified, not only by the exceptionally good results of the past year, but also by the general strength of the Company's finances. You will naturally ask why we pay 2*s*. per share as an extra dividend when there is, from the figures before you, every prospect of its continuance. Well, gentlemen, we may have erred on the side of caution in this matter, and, although the future at the moment seems clear enough, you will not, I am sure, quarrel with us for being a little over-prudent in these abnormal and perplexing times, and also bear in mind that in 1918 we carried £130,000 more fire profits to profit and loss than we did in 1917, which was itself a very good year.

Appreciation of the Staff.

I have already referred gratefully to the staff and to all they have done, but I should like to add one special word of thanks and appreciation of the temporary members of the staff, who have done such good work during the absence of many of the permanent staff in the several fields of war. I do not see how we could have carried on without them, and you will be glad to know that a certain number, particularly some of the lady clerks, will be retained. Up to the present about 120 of our home staff have returned or are returning to the office, leaving 71 still to come, and it is pleasant to see them back again. Of the 329 who have served their country in the field 46 will never return, and I am sure our hearts go out to their relations and friends in their bereavement. The staff who have served have a D.S.O., five M.C.s, an M.M., and the Croix de Guerre to their credit, and we sincerely congratulate those who have been decorated on their distinctions.

Mr. Pipkin.

You will have read with great regret that Mr. Pipkin, after 34 years of invaluable service to this Company, retired on July 1 last from the position of General Manager and Secretary. During these 34 years this Company has derived the greatest benefit from Mr. Pipkin's high character and able management, and it is unnecessary for me to dwell on the organising skill and the wisdom with which he laid deep and strong the foundations of our present prosperity. Such facts are, I am glad to say, familiar to you all. The inception and development of our home branches and of our extensive foreign business are entirely due to Mr. Pipkin, who visited during his management most of the countries where we now do business, seeing for himself the local conditions, and coming into personal contact with those he entrusted with responsible management. The result of Mr. Pipkin's untiring industry is seen in the figures before you to-day, and it will perhaps interest you to know that when he took charge of the Company in March 1884 the fire premiums were £95,898, and that to-day they are £1,640,606. The Company's funds, excluding life department but including paid-up capital, were £303,000—to-day they are £2,508,723. The amount distributed in dividend was £18,000—to-day it is £132,000. You will have read with pleasure that, subject to your undoubted approval, Mr. Pipkin has been appointed a director of the Company, and it will lessen the regret we must all feel at his retirement to know that he will thus still be with us to help and advise in the affairs of the great business he has done so much to develop, and I am sure we all wish him many years of health and happiness in his lessened responsibilities.

To succeed Mr. Pipkin as General Manager and Secretary the directors have appointed Mr. C. H. Falloon, who until his appointment was one of the managers of the fire department. I had the pleasure of introducing Mr. Falloon's name to you last year. He has the great advantage of being young, and he is an "Atlas," man, having joined the Company in 1896, and has been trained under Mr. Pipkin. Mr. Falloon has now held the reins for the past nine months, and we are confident that in his hands the Company's progress and prosperity will continue. I am afraid, gentlemen, that I have wearied you with too long a statement, but it is difficult to deal more briefly with the affairs of a Company of the size and importance of the "Atlas."

The Future.

Let me, however, tax your patience a little further, and in conclusion say a few words as to the future. The position of the Company was never more sound, and the prospects are good. The Company's premium income from all departments now amounts to over £2,000,000. As regards the current year, I may say that so far as it has gone the results give us nothing to complain of, although, for reasons I have already given, we cannot expect our fire premium income to continue to grow by leaps and bounds as it has done in the past two years—the trend of prices must largely govern that question. I must remind you too how insistent, for well-known reasons, is the pressure of our expense ratio. That is an influence which we in common with other companies cannot unfortunately avoid. In this connection I may mention that State and municipal taxes abroad show a rise of nearly 100%, the principal increase occurring in U.S.A., Australia, and New Zealand. We are afraid that this item will show a still further increase this year, with little likelihood of a reduction in the near future. To meet these adverse influences we shall continue unremittingly, and I hope with wisdom, to develop and extend our business wherever we see good opportunities for doing so, and shall endeavour by every means in our power to main-

tain the prestige and prosperity of this great Company. The Chairman then moved, "That the said report and accounts be received, approved, and entered on the minutes."

The Deputy-Chairman (Mr. Henry J. Gardiner) seconded the resolution, which was carried unanimously.

Shareholder's Remarks.

Mr. Frederick Smith said that, while the shareholders in this Company had enjoyed unparalleled prosperity, he thought they had been a little unmindful of the directors, whose remuneration, he believed, had been increased only once in 43 years. In his opinion the time had now come when they should ask the directors to accept a further increase, and he proposed that their remuneration, which was now 5,000 guineas per annum, should be raised to 8,000 guineas per annum, free of tax.

Mr. John Hedges seconded the motion, and congratulated the board on the very excellent report which they had presented to the shareholders.

The motion was unanimously passed.

The Chairman, in reply, said that his colleagues and himself were very gratified indeed that the shareholders had decided to offer them a little more "cake." They accepted the resolution with thanks, and in doing so he thought that their consciences would be fortified by the reflection that the shareholders' considerate action brought the directors of this Company into line, so far as their remuneration was concerned, with some of the other leading insurance companies. The Chairman then moved the election of Mr. Pipkin as a director, and remarked that they would without doubt all be very pleased that that gentleman would continue to help them in conducting the business of the Atlas.

Mr. Matthews, in seconding the resolution, said he thought he might safely say that the shareholders, not only approved and endorsed the action of the court of directors in appointing Mr. Pipkin a director, but that with one accord they acclaimed him that day a member of the court of directors. (Hear, hear.) After quoting figures showing the great progress made by the Company during Mr. Pipkin's tenure of the office of General Manager and Secretary during the past 34 years, he concluded by expressing the hope that Mr. Pipkin might enjoy the comparative relaxation of his energies for many years to come. (Hear, hear.)

The resolution was unanimously carried.

Mr. Pipkin said he keenly appreciated and gratefully accepted the very distinguished honour they had paid him in electing him as a member of the Court of Directors governing this Company. From licking stamps 51 years ago to signing policies and cheques to-day was a great change. (Laughter.) It was a welcome change, and he thought it would help to round off his life with a nice comfortable and satisfactory feeling that he had not lived quite in vain. He wished to thank the Chairman and Mr. Matthews for the very kind references they had made to him, and for the way they had spoken of what it had been his duty, as well as his pleasure, to endeavour to do for the Company. He hoped the meeting would forgive him if he said that, in addition to being extremely grateful to them, he was just a wee bit proud. (Cheers.)

The Chairman then proposed the confirmation of the appointment as a director of Mr. J. H. Batty.

The Deputy-Chairman seconded the resolution, and it was unanimously agreed to.

On the motion of the Chairman, seconded by the Deputy-Chairman, the retiring directors (Mr. J. H. Batty, Sir John Denison-Pender, the Right Hon. Lord Inchcape, and Lieut.-Col. Sir Rhys Williams, Bart., D.S.O., M.P.) were unanimously re-elected.

Mr. Percy Collins moved the reappointment of the auditors (Messrs. Price, Waterhouse and Co.), and the motion having been seconded by Mr. Coles, was carried.

The Chairman said that this concluded the business of the meeting.

Vote of Thanks to Chairman and Directors.

Sir James Murray, in proposing a cordial vote of thanks to the Chairman and directors, said that a personal friend of his had hoped to be present to move the vote, but as he was unable to do so he had sent him a few notes, in which he stated that he had the greatest possible pleasure in supporting the report, which established a record in the Company's history; and he concluded with a suggestion that the directors might, under the capable management of Mr. Falloon, favourably consider the propriety of venturing into the domain of marine business, and round off to completion the various activities of the Atlas by constituting the Company an effective composite concern, and so enabling it to take its rightful place in the front rank alongside the most powerful companies in the country. Continuing, Sir James Murray said that he had been a shareholder in the Company for only two years, but, as showing his confidence in it, he might tell them that when he left the meeting last year he at once telegraphed to his broker to buy him another 500 Atlas shares. He added that he felt sure Mr. Falloon would worthily follow in the footsteps of his predecessor, and that the future of this Company would be an assured success.

Mr. A. C. Mead seconded the vote, which was unanimously accorded.

The Chairman, in acknowledging the compliment, said the directors would bear in mind all that Sir James Murray had said. The question of marine business had been constantly before them, but they had not come to any definite decision regarding it. They would continue to do their best to carry on the Company's business to the satisfaction of all concerned. (Hear, hear.)

The proceedings then terminated.



THE ROYAL EXCHANGE ASSURANCE.

THE annual general court of the Royal Exchange Assurance was held on April 30 at the head office of the Corporation, Royal Exchange, London, Mr. Vivian Hugh Smith (the Governor) presiding.

The Secretary (Mr. Percy F. H. Hodge) read the notice convening the meeting and report of the auditors

The Chairman, in moving the adoption of the report and accounts, after expressing regret at the loss sustained by the death of Mr. William G. Rathbone, a member of the Court, in the course of his remarks, said : With reference now to the results of the year, I shall deal first with our life department. Our premium income for 1918, after deducting the re-assurance premiums, was £422,764, being an increase of £25,059 over 1917. The interest earned was £185,926, being £4 15*s*. 7*d*. per cent. on the life funds. The total income from premiums and interest, less tax, amounted to £554,612. Claims paid and outstanding amounted to £218,293. This sum was only slightly in excess of that expected on the basis of the mortality tables used in the valuation, notwithstanding the amount paid for war claims. The sum disbursed for surrenders, including bonus, was £21,319. The expenses of management and commission were £59,741, a liberal allowance having been made for all items outstanding and accrued. The life assurance fund now stands at £4,058,363. In our annuity department 45 annuities, securing £3,170 per annum, were issued in consideration of purchase money and premiums amounting to £23,002. Re-assurances of £150 per annum were effected, representing total purchase money of £1,283, 58 annuities terminated by death, and 13 by lapse and surrender, representing a total net payment of £4,796 per annum. The annuity fund amounts to £774,028.

Life, Fire and Marine Departments.

In our life department during the past year we have had to contend with the same difficulties which we have been faced with during the three previous years. Most of our inspectors and many of our agents were serving in the War, but, in spite of these difficulties, it is satisfactory to know that our business shows an expansion, both in the number of proposals and in the amount assured in completed cases. Next let us take our fire department. In 1916 our net premiums for the first time exceeded £1,000,000. In 1917 they amounted to £1,117,887, and in the year under review the total is £1,275,923, showing an increase of £158,036. With interest, the total income was £1,291,754. The losses, after providing for all claims known to have occurred on or before December 31, amounted to £595,715. After making provision for commission, expenses of management, outstanding items, &c., the profit for the year was £131,033, which we carry to our profit and loss account. The result of the year's trading by the marine department has again been most satisfactory. The net premiums amounted to £1,250,498, as compared with £1,799,400 in the previous year. This reduction in premiums was mainly, if not entirely, due to the reduction in the war rates. In the previous year the premiums on war risks for the whole 12 months were included in the accounts, whilst in the year under review the war business ran for a part only of the 12 months, and, in addition, the premiums charged during the year were in most cases lower than in the previous year. The profit shown of £200,000 is, however, eminently satisfactory, and after carrying this sum to profit and loss account our marine fund amounts to £1,400,175, as compared with £1,216,445 in 1917. Our general accident department has also had a very good year. The net premiums for the year amounted to £441,471, as against £364,447 last year. The losses paid amounted to £162,984, and the commission and expenses of management, after making full provision for outstanding items, were £168,746. We transfer to profit and loss account £59,311, and our general fund now amounts to £315,706, as compared with £259,505 a year ago.

Our trustee and executor department received fees amounting to £6,554, and the commission and expenses of management came to £6,148, leaving a balance of £406, which we carry to profit and loss account. The extra expenses incurred by reason of the War weigh very heavily on a department with a small income such as this, and it has also had to face restriction of business owing to the curtailment of capital issues during the War under Treasury regulations.

The Profit and Loss Account.

Coming now to our profit and loss account, interest, &c., less income tax, amounted to £66,922, and with the sums we have transferred from the fire department, £131,033, marine department, £200,000, general accident department, £59,311 and trustee and executor department, £406, makes a total of £457,674. Profit and loss account has been debited with expenses not charged to other accounts, £36,274, provision for losses owing to the War, £21,000, contribution to staff pension fund, £10,000. We carry £150,000 to special reserve fund and £100,000 to fire fund, this latter transfer bringing up the fire fund additional reserve to £200,000. After making these provisions and providing for a dividend to the proprietors of £65,650, there remains a balance of £801,200, as against £726,434 in 1917. Gentlemen, I have now placed before you the result of the past year's working. When we met a year ago I told you the figures we then had under review were the best the Corporation had ever known. This year they are still better. As I have explained to you, the premium income of our marine department was not so big as in the previous year, but in the case of both the fire and the accident departments the premium income was bigger. The profits of the fire, the marine, and the accident departments, however, were in each case a "record." There has been a steady development in all branches of these departments, which is a most satisfactory feature of the year's business. It is really remarkable that these results should have been achieved, in view of the enormous difficulties that have had to be faced during the War. Of course, the work never could have been got through had it not been for the loyal services rendered by the ladies.

Thanks to the Staff.

I also want to say one word of thanks to the heads of the various departments, to the managers of our branches at home and abroad, and to those members of the staff who were left to us during the War. Both the departments at the head office and the branches have had to work with greatly reduced staffs, and in looking back we wonder how it was ever possible to get through the amount of work handled by them. Including directors, local directors, and staff, 546 Royal Exchange men have served in the Allied forces since the beginning of the War. I greatly regret to say that the casualties have been heavy, as 82 have lost their lives, including some of the most promising younger members of the staff. I think you will be interested to hear that 48 military awards have been received.

During the year we have paid an interim dividend of 6%, less income tax, and we propose to pay a further 8%, less income tax, making 14% for the year. This dividend is 2% in excess of that paid in the previous year.

The Car and General Insurance Company.

I informed you last year that we had acquired the bulk of the shares of the Car and General Insurance Company. This Company has had to contend during the year with the grave difficulties arising from the restrictions on the use of petrol, but has nevertheless shown considerable expansion. I said last year that we looked forward to the future of this Company with confidence, and that we had formed the highest opinion of the gentlemen conducting its affairs. We have had another year's experience of the business and of the way in which it has been conducted, and I believe the opinion I then expressed has been fully justified. Now that motors are beginning to be used in large numbers again, I think the real expansion of the Company should commence. You will have noticed during the year that we acquired practically the whole of the shares of the Local Government Guarantee Society, Limited. This Company is doing a considerably smaller business than the Car and General, but we believe its acquisition will prove of considerable benefit to the Corporation.

You will notice, gentlemen, on your copy of the report, that a resolution will be proposed with the object of increasing the remuneration of the directors by such a sum as annually may be equivalent to the income tax chargeable for the time being upon the remuneration as now fixed. The resolution is an eminently reasonable one, I think, as with the development of the Company the responsibilities and duties of the directors have increased considerably, and now that the business is so prosperous I feel that it is not unreasonable that this resolution should be brought forward.

Total Funds Exceed £10,000,000.

Gentlemen, there is little else left for me to tell you, except to point out that our total funds for the first time exceed £10,000,000, the actual amount now being £10,269,190. You will agree with me, I feel sure, that the statement placed before you to-day is an excellent one, and I do not believe the Royal Exchange Assurance ever has been in a stronger position than at present. Before putting the resolution to the meeting I would ask any shareholder who wishes to do so to put any question or make any comment.

Mr. C. Seymour Grenfell (sub-governor) seconded the resolution, which was carried unanimously.

The Chairman moved :—"That the annual general court agree with the directors' recommendation for payment of a further dividend of 8%, less tax, making 14%, less tax, for year."

Mr. C. Seymour Grenfell seconded, and it was carried.

Mr. T. H. Woodward remarked that the balance sheet disclosed a splendid position of the Corporation, with increased dividend and stock appreciated, due to the close attention of the court of governors. He moved :—"That in the Regulation No. 16 the words 'together with income tax chargeable thereon' be inserted after the words 'fifteen thousand pounds per annum.'"

Mr. H. Ibotson Ward, who seconded the motion, said that he thought all would agree that the directors' remuneration should be paid free of income tax in order to place them on the same basis as the directors of most of the other insurance companies.

The resolution was carried unanimously.

The auditor (Mr. Nicholas E. Waterhouse) was re-elected, and the proceedings then terminated.

LONDON AND LANCASHIRE FIRE INSURANCE COMPANY, LIMITED.

THE fifty-seventh ordinary general meeting of the London and Lancashire Fire Insurance Company (Limited), was held at Liverpool on April 30, Mr. Jas. W. Alsop, the Deputy-Chairman, presiding over a full attendance of shareholders.

Mr. Alsop, in moving the adoption of the report and accounts, said: Before proceeding to our formal business, you will naturally expect a word from me about Mr. Clayton, who, for the first time since he became a director of the Company, is not able to be with us at our annual meeting. He is now recovering from a severe illness, and we sincerely hope that he will very soon regain his full strength and vigour. I now beg to submit the usual resolution confirming the report and accounts which have been sent to you. We have reached a period of the utmost importance for the country, and, therefore, for the commercial prosperity of the country. The great War is, we all hope, a thing of the past. The world is now busy taking stock of the results. We have come to the turning point, and we have to set our faces towards a new horizon.

Maintenance of Production Necessary.

With the memorable Armistice of November 11, 1918, the fight between the Great Powers virtually came to an end, and Germany's effort to dominate in Europe and throughout the world was decisively and finally destroyed. But that does not end our anxieties. The suppression of the insidious germ called Bolshevism, which has been multiplying and spreading more and more since the Armistice, is the new nightmare. A spirit of unrest is abroad, and, unless common sense and a sanity of outlook come to our relief, and speedily enable the masses throughout Europe, including our own country, to realise the wisdom of pulling together, we shall still, as nations, be little better off than when we were actually at war. We have been victors in the great fight, but we cannot reap the fruits of that victory unless the work, the activity, the ceaseless producing power goes on with the same intensity as if the War were not yet over. It is sometimes assumed that insurance business is in a privileged position, immune from many of the economic and social diseases which affect other industries. Really, however, it is the most exact epitome and reflex of commercial conditions generally, for our premium income, out of which any profits are derived, is gathered in infinitesimal items from every quarter of the globe. If, therefore, there is stagnation in any direction, that immediately affects us, and unless the producing power is continued at a high standard, we must inevitably find a diminution in our business and prosperity.

Marine, Fire, and Accident Departments.

You have before you accounts which depict eloquently the results of our operations in 1918. Those results were due to two main causes. In the first place, our marine business has been quite successful. We now transact one of the largest, if not the largest, marine business of any company, as we have the advantage of the dual efforts of "The Marine" of London and the "Standard" of Liverpool. Both of those companies have continuously for many years past enjoyed a high record, due to the quality of the business which they transact. That advantage we expect will operate to our benefit, not only in good times, but in bad times. In 1918 the fates were propitious, and both the premium income and the profit were accentuated by the plethora of war risks. That war business accounts for part of our prosperity in 1918, but this, of course, was a special and passing factor. War risks are now done with, and underwriters will be satisfied if their operations compare at all favourably with those prior to the War. But the most important feature of our success last year was the proof of the quality of our business in our other departments of fire and accident. These departments, as you are aware, have been very little affected by the War, and good results are the natural fruition of the labour and work in previous years. Our fire loss percentage of 39.4 per cent. is quite a rarity. It is true—particularly in this country and America—that there has been a rise in values, which has correspondingly affected the premium income, but this increase in values has mostly affected large properties and merchandise, and it is astonishing how little of the rise comes from the better class business, such as dwelling-houses and their contents, all of which have considerably increased in value. A few of our insured have dealt with the matter promptly and decidedly by doubling their insurances, but I should think there must be quite 90 per cent. of our insured who do not seem to have given the matter attention, and some may only do so when a loss occurs to bring it home. I hope this reference will bear fruit, as I feel quite satisfied that values have gone up for a long time to come, and that, unless action is taken, there must be many disappointments on account of under insurance.

Summary of the Accounts.

Now let me take up the summary of our accounts which have been rendered to you. Our fire premium income has increased from £2,113,560 to £2,457,223, and we carry to profit and loss account £514,649. Our accident premium income is £904,516, against £832,514, and the amount carried to profit and loss account is £165,271. Our marine premium income is £2,510,720, which, compared with £3,429,824, the aggregate premium income of the two marine companies in 1917. The amount carried to profit and loss account is £456,769. Our interest account has yielded £265,879, as compared with £152,690. Then if you turn to the profit and loss account you will find that there are several substantial liabilities which are provided for. In the first place, we make a very large provision—this time £400,000, partly for income-tax, but chiefly for excess profits duty. Last year your attention was directed to the very considerable amount which we had to provide for taxation. Before rendering our toll to the British Government, we paid in 1918 £245,000 abroad, so that the total of our taxation for the year is no less than £645,000, apart altogether from the income-tax already deducted from our interest.

We have therefore left for ourselves less than one-half of our total gross profit, and it is perfectly obvious that, if we had not done so well, our contribution to the Government would have been so much less. When the Chancellor of the Exchequer reveals his Budget this afternoon, it is to be hoped he will appreciate what such assistance has meant to the country, and that it is by the encouragement and prosperity of such enterprises as our own, dependent upon the brains of skilled experts, that the country is going to pull through in the future.

The Reserve Funds.

Our reserve funds have now reached the large total of £5,252,662, and our investments in British securities amount to the considerable sum of £5,074,580. This eloquently demonstrates the extent to which we have consistently been subscribing to the Government loans. Finally, I come to a very important item—namely, the provision for cost of goodwill of companies acquired. In 1917 we disposed of the cost of "The Marine," and I am glad to say that the provision which we made was rather more than sufficient. Since then we have been active elsewhere. Having such a predominant marine business, it was our natural desire to counterbalance this by progress in other directions.

Important New Acquisitions.

Before the close of last year we had the opportunity of acquiring an important connection in Canada, and the negotiations culminated in our securing the control of four Canadian companies which had been working for the last 50 years. At the head of those companies was the "Queen City," and from their base in Toronto they had a network



of agencies in Ontario and throughout Canada. We have no reason to doubt the wisdom of this important Canadian acquisition, which should bring us about £80,000 of premiums per annum. Canada promises to be a still greater branch of the Empire in the future, and we have confidence that this purchase will not only place us there in a very prominent position, but that our profits from the Dominion will be correspondingly enhanced.

The "Law Union and Rock" is in a different category. The negotiations in this case only commenced about two months ago, but we are now able to inform you that we have already acquired more than 97% of the shares, and small lots are still coming in from day to day. The "Law Union and Rock" is itself a combination of companies. It originally existed 65 years ago as the "Law Union," transacting fire and life business. Subsequently it took over the "Crown Life Assurance Company," and again, at a later date, the "Rock Life Assurance Company," which was established in 1806. Its connections are of the highest class. It has not been a commercial company in the usual sense of the word, but rather a legal company with a *clientèle* of the kind which generally means a high rate of profit. Their life business has been always a speciality and one of the best. We were aware of all this when proceeding with the negotiations, and we felt that, if ever we were to commence the transaction of life business, we could scarcely do so under better auspices, with a fine ready-made account, which had been watched and nurtured for many years past by capable experts.

The Net Surplus.

The accounts of our operations for 1918 which you have before you show, after providing for increased reserve for unexpired risks, for all taxation, and for dividends and interest on Debentures, a net surplus of £578,904. In the ordinary course that would be added to our funds, but we have two things to take into consideration. The capitalisation of part of our reserves, making the paid-up amount of each share £5, instead of £2 10*s*., will take from the reserves and add to capital a sum of about £350,000. It was not possible to deal with this in the present accounts, as the transaction is not yet formally confirmed. But we can make some provision for the cost of businesses acquired, although this again, in the case of the Law Union, is in advance of the actual transaction, which belongs to 1919. We have, therefore, thought it prudent boldly to charge in the profit and loss account the sum of £500,000 on account of the businesses we have purchased. This will not be the complete story, but we consider we are thus providing for the bulk of the cost involved, and that, therefore, it should, with good fortune, be practicable to dispose of the remaining balance next year.

Head Office to be Transferred to London.

There is one other special matter referred to in the report, and that is the decision that gradually the executive and the administrative staff of the head office in Liverpool should be transferred to London. This idea was really broached as a possibility 10 years ago. Now we have arrived at a stage when we think that the transfer is a real necessity, and, after much cogitation and careful discussion, your directors came to the unanimous conclusion that this change in our administrative arrangements should be put into effect. It is the natural and logical outcome of our progress. If we had been content to stay still it would not have happened. We are first and foremost a Liverpool Company. We were established here, and Liverpool has the credit for what has been done in our having made the London and Lancashire one of the greatest insurance companies in the world. But our title itself has always indicated that, from the outset, we meant to be a London Company as well as a Liverpool Company, and our advance was largely due to the steady increase in our activities and ramifications in the Metropolis. In 1907 we acquired control of the Law Accident, two years ago of The Marine, and now we have the Law Union and Rock. You will see, therefore, that it quite clinches the matter. It would not be possible for us satisfactorily to control the varied and important affairs which we now have in London unless we were on the spot. But we shall still retain quite an important staff here, and the annual meetings will continue to be held in this place. This will minimise anything in the nature of a break, and thus maintain the continuity of the directorate and our valued connections in this district.

Tribute to General Manager and Staff.

In concluding, I would like to repeat what the Chairman has said on previous occasions during the War—how much we are indebted to the staff generally for their work in keeping the Company going strong in such difficult circumstances. They have shown that they were not to be outdone by their comrades who were fighting. They realised that their work at home was their War work, and that it was for them to demonstrate that the depleted staffs could not only "carry on," but even enable the Company to forge still further ahead, as is proved by the report which we have to-day presented to you.

Mr. G. T. St. George seconded the motion, which was carried unanimously.

The Chairman then moved a vote of thanks on behalf of the meeting to the General Manager, the other officers, and the staff of the Company for their zeal in its service. He said: It is impossible to overrate the ability, the courage, the judgment, and the resource which Mr. Rutter has displayed in the general management of the Company's business, and the skill and tact with which he has conducted negotiations—often difficult and delicate—and brought them to a successful issue. But the best of generals needs a correspondngly good army, and it is one of the marks of good generalship to have one. We are fortunate in our staff. Their ability and their loyalty in trying times are beyond praise, and I am sure you will heartily support the resolution which I have proposed.

Mr. H. Wade Deacon seconded the motion, which was carried with great cordiality.

Mr. Rutter, in responding, said: I thank you for this vote of thanks and for your generous words, for in this matter there is no distinction between any of us, no distinction between senior and junior. I think we have all been trying to do our best, and it is a gratification to us that our account is such as to meet with your cordial approval.

Foundations have been Well Set.

As it is, we have now four corners to our base—fire, marine, accident, and life. We believe these foundations have been well set and that they are capable of bearing the structure which we hope in the course of years to erect. And so, gentlemen, we take this step with confidence in the ultimate result—I say "ultimate," because it may be that you will have to wait a few years before you see the full fruition. We shall go on confidently, whether in Liverpool or London, believing that we shall succeed if we have good fortune, and provided three things—first, that we have the continued support, encouragement, and sympathy of you gentlemen, the proprietors of this Company; secondly, that we can account with the same certainty upon that loyalty and earnestness of the staff and our officials all over the world which I have already emphasised; and, thirdly, that the Government of this country gives us a fair field—we ask for no favour, only a fair field—realising, as they ought to do, that a British insurance company, by its enterprise and by its operations, carefully designed and assiduously exploited in every quarter of the globe, is the best possible exponent of those principles of fair dealing and sound credit which have helped to make this Empire what it is. I thank you, gentlemen, on behalf of all. (Cheers.)

Thanks were also accorded to the boards of directors in London and elsewhere in the United Kingdom and abroad and to the representatives of the Company throughout the world.

A similar vote to the Chairman, Deputy-Chairman, and directors for their services during the past year concluded the meeting.

An extraordinary meeting followed, at which resolutions for altering the articles of association of the Company, which were passed at the extraordinary meeting on April 14, were confirmed. These resolutions give power to capitalise undivided profits.

PHŒNIX ASSURANCE COMPANY, LIMITED.

The annual general meeting of this Company was held on April 30 at Phœnix House, King William Street, London, the Rt. Hon. Lord George Hamilton (the Chairman) presiding.

In moving the adoption of the report and the payment of a proposed dividend, the Chairman said that the Company's fire business, which was the main prop of their organisation, gave the lowest loss ratio for many years past and the highest profit. Expansion was due rather to increased values than to special efforts, as the War usurped and retained the energies of so many of their propagandists. But, whatever might be the course of business as regarded commercial commodities, the cost of building and of the materials involved in building were still so abnormal that it was a question whether insurance did not require to be further increased in order to keep pace with the expense of reinstatement. If this sound maxim were accepted, they might reasonably expect to see a substantial increase in their premium income.

Marine Business.

In marine business there was, to some extent, a reaction during the year under review from the special conditions of the preceding years. The Board contemplated the future of this department without serious concern, for while the market was overcrowded with a host of competitors, attracted by the favourable experience of War business, the Company's long-established connections, and the skill of their expert advisers, might be counted upon to avoid pitfalls and give them satisfactory results. There was not much to add to the plain story told by the accounts of the accident department. Both as to premiums and profit, 1918 repeated the results of 1917 very closely.

Life Assurance Business.

It was perhaps not too much to say that a turning-point was probably reached last year in the fortunes of life

assurance business. The havoc in the ranks of their assured, caused by the War, had now ceased, and the exhausting effect of depreciation in the value of assets was, for the first time for many years, no longer experienced. Thus two great sources of weakness were stemmed, and life assurance prospects were much brighter in consequence. Heavy and unfairly apportioned taxation was, however, a danger ahead, and he need hardly point out how different was the result of new taxation on life assurance from that on other branches of their business. They had had cause to protest against the hardship involved in the high income tax deducted from the interest on their life funds, and he was happy to see that a Royal Commission had been appointed to report upon the incidence of this tax, upon which two life assurance experts of established reputation had been appointed. He felt justified in anticipating that the peculiar claim for consideration which life offices had would now receive favourable attention. He need only add that the popularity of the Company produced a much larger volume of new business than in 1917, policies for £1,420,418 having been completed, against £1,123,511 in the previous year.

Strong Financial Position.

Turning to Profit and Loss Account, he remarked that the available balance of £150,000 the Board had appropriated to writing down the value of their office premises (£25,000), to increasing the Accident Fund (42,950), and to providing the dividend payable in November next (£82,583). The dividend to be paid in 1919 had been fixed at 11*s.* per share, 5*s.* 6*d.* on May 1 and 5*s.* 6*d.* on November 1. It had been decided to provide both May and November dividends out of past profits, instead of drawing upon current and unascertained profits for the November dividend as heretofore. He hoped the shareholders would regard the progress of their dividend with satisfaction. Two years ago they were paying only 8*s.* per share, and now they had reached 11*s.* per share, and enjoyed a position of great financial strength and exceptionally bright prospects.

As most of the shareholders knew, their General Manager, Sir Gerald Ryan, met with a serious accident some two weeks back, but one which, he was glad to say, would not permanently affect his future health or activities. (Applause.) It was bad luck, to say the least of it, that he should be thus prevented from being present at the discussion of the best report ever yet submitted to the Phœnix shareholders. They all knew how largely the satisfactory results were traceable to his exceptional ability and judgment. Let them all hope that Sir Gerald might soon be fully restored to convalescence and that for many years to come the Phœnix might have the benefit of his service and co-operation. (Applause.)

Mr. Bristow Bovill (the Deputy Chairman) seconded the motion, which was carried unanimously.

A cordial vote of thanks was passed to the Chairman and to the staff, which was acknowledged by Lord George Hamilton and Mr. E. A. Boston (the Fire Manager) respectively.

OCEAN ACCIDENT AND GUARANTEED CORPORATION, LIMITED.

The forty-eighth annual general meeting was held on April 29 at 36-44 Moorgate Street, E.C., Mr. E. Roger Owen (the Chairman) presiding.

The Manager and Secretary (Mr. T. M. E. Armstrong), having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—It is with great pleasure that I present to you the accounts for the year 1918—the best in our history. The revenue amounted to £3,930,067, as against £3,304,091 in the previous year. The premiums, less reinsurances and bonus to assured, amounted to £3,769,260, as against £3,160,449. This is an increase of £608,811. It is not so large an increase as has been shown by some of our contemporaries, but it is in strict accordance with our ideas of development. We have found that the best way to build up our business is to so arrange matters that the increase of business does not develop more rapidly than we have been able to develop our organisation. Our chief revenue is derived from departments which produce a great number of claims, such as workmen's compensaion, automobile, burglary, and personal accident, consequently our organisation for dealing with these claims has to be very extensive in order that we may give adequate service to our policyholders. The claims paid and provided for amounted to £2,030,889. This represents 54.9% on our earned income, as against 53.2% in the previous year. The amount paid for commission to agents and expenses of management was £1,120,828, as against £960,380, or 29.7%, as against 30.4% on the written income.

Business Developing on Safe Lines.

In taxes (in addition to income tax deducted at the source) we paid £203,411, or 5.4% on our written income, as against 3.9%. Of course, we are glad to make our contribution towards the national need, but it is a serious thought that this enormous sum has had to be paid. Since the War began the total amount which this Corporation has paid in taxes is £564,500, not including any amount for what is called "excess profit duties." Such large figures make one very anxious in regard to the future. The assets have increased by £856,780 from £4,898,953 at December 31, 1917, to £5,755,733 at December 31, 1918. This year it is not necessary for us to make any additional reserve to cover depreciation of investments, the fund which we have already provided for this purpose being in the opinion of the directors amply sufficient to cover any loss that may be sustained. As regards the general affairs of the Corporation, our business is developing on lines which we consider safe in all parts of the world where we have branches. In connection with our home workmen's compensation business, we, in common with other insurance companies, have given to the Government, through the medium of the Disabled Sailors' and Soldiers'-Compensation Committee, an undertaking that we will not charge any additional premium to any employer insured with us because he employs disabled sailors, soldiers, or airmen, and, moreover, that we will not increase an employers' premium rate because of an adverse experience resulting from claims made by or in respect of disabled ex-service men. This undertaking will be effective for a period of at least ten years. This will unquestionably add to our future liabilities under our workmen's compensation insurance policies, but our action will—as it is intended it should—diminish the difficulties which might otherwise stand in the way of these men securing employment, and we feel sure it will be fully appreciated by our insured, as we know it is by the Government and those who represent labour.

Aircraft Insurance.

In the burglary department we have had claims experience quite out of the normal; not only have claims been more numerous, but the losses have been far heavier than in any previous year. This, however, has not been without its corresponding advantages. The public realise more than ever the necessity for insurance, with the consequent increase in new business, so that notwithstanding the heavy outgo the operations of the department have been satisfactory and profitable on the whole. The great advance in the science of aviation has not been made without the help of insurance. During the War we have insured aircraft under test and demonstration, and more recently we have issued policies to pilots and passengers, to provide compensation for bodily injury. The fact that we have been able to accept these risks is an indication of our faith in the efforts of British aircraft manufacturers and in the whole future of flying, and we are laying ourselves out to develop this class of insurance on the most practical lines. It will be interesting to the shareholders to hear that the aeroplane which was so unfortunately forced to descend near Holyhead on April 18 was insured with this office. With regard to the War, all our men have not yet been demobilised either here or abroad, but I am glad to say we have been able faithfully to keep the promise which we made when the men went away, namely, that their places would be kept open for them, and that while they were away they should receive their pay as arranged. You will remember we made this arrangement at the beginning of the War, when I am glad to say all our officials of military age volunteered. It has up to the present cost the Corporation £102,621. It is a large sum of money, but I am quite sure you will not consider that it is more than we ought to have paid in the circumstances. I now move the adoption of the report.

Sir Clarence Smith, J.P.: I appreciate, Mr. Chairman, very highly the privilege of seconding the motion which you have just made.

The resolution was carried unanimously.

Tribute to the Manager and Staff.

Sir Jeremiah Colman, Bart., moved: "That the thanks of the meeting be tendered to the directors for their services during the year and to the Chairman for his conduct in the chair, and to the manager and staff, both at home and abroad, for their services during the year." He said that, as Chairman of the Commercial Union Assurance Company and as a director of that Company of 33 years' standing, he might perhaps claim to have some knowledge of the relations between the directors, the

The SUPER PIPE TOBACCO

Spinet

Smoking Mixture

Fine Natural Flavour.

1/11 for 2 oz.

R & J. MILL LTD. LONDON

management and the staff of an insurance company, and, so far as his observation went, they could not possibly be better or happier than they were at the Ocean Company. They had one advantage which could not be claimed by the Company over which he presided, and that was that they had a Chairman who had technical knowledge of insurance business. What Mr. Owen did not know about insurance management and business was not worth knowing. They were happy in their Chairman, and he was quite sure they were very happy in their Manager, Mr. Armstrong. For very many years past Mr. Armstrong had had grave responsibilities in connection with the Company, and he was quite sure the Board would acknowledge that its present happy position was in a large measure due to his care and to the way in which he had worked. In mentioning the name of the Chairman he also included the directors, who had been on the Board for many years, and to whom it must be a great satisfaction to see the growth of the Company and the satisfactory balance sheet presented—the most satisfactory in the Company's history. The staff had most nobly carried out their duties during the period of the War, including the lady clerks and the lady managers, who had come in and very often done work for which they had not been trained.

The Hon. A. H. Holland Hibbert seconded the vote, which was unanimously accorded.

The Chairman acknowledged the compliment on behalf of himself and his colleagues, remarking that he was quite sure he was voicing the opinion of the other directors when he stated that they were perfectly satisfied with the management of the Company.

The proceedings then terminated.

EAGLE, STAR AND BRITISH DOMINIONS INSURANCE COMPANY, LIMITED.

THE ordinary general meeting of the Eagle, Star, and British Dominions Insurance Company, Limited, was held on May 1 at the offices of the Company, 32 Moorgate Street, E.C. 2, Sir Edward M. Mountain, the Chairman and Managing Director, presiding.

The Secretary (Mr. J. Gardiner, A.C.A.) having read the notice convening the meeting and the report of the auditors, the Chairman, who was received with applause, said: Ladies and Gentlemen,—When I had the privilege of addressing you last year, I was able to express the great pleasure it gave me to be able to place before you a balance sheet which showed such good results. This year I address you under even happier circumstances, because the conditions which the valour of this country, coupled with that of our Allies, has brought about, enable me to speak for the first time in five years without the overhanging menace of war. We are looking forward to a gradual return to normal times, although I think these must be more strenuous than in the past.

Before going into any details of the balance sheet, I am sure you will be interested to hear that, whilst the whole of our staff has not yet returned from active service, we have found a position for every demobilised man who has desired to return to us. This policy will be continued towards those who still remain with the Colours. I think we all know this is a debt we are under to our brave men who have risked all in the defence of their country. Exhibited in this room is a Roll of Honour of members of our staff who have upheld the honour of the Empire. It contains no less than 324 names. Many well-earned distinctions have been gained, but I have to say with sorrow that no less than 39 of our men have made the last sacrifice for their country. Ladies and gentlemen, I trust that this Roll of Honour will be a treasured possession as long as the Company shall last. Of the remainder of the staff who have carried on the business of the Company whilst their brothers have been fighting, I propose to speak later on, and I shall now deal with the balance sheet as presented to you.

Amalgamations.

Last year I announced to you the completion of the amalgamation of two important companies with our own, and this year I have to report that two other companies, the English and Scottish Law Life Assurance Association, Limited, and the British Crown Assurance Corporation, Limited, have joined their fortunes with ours. Both of these companies possessed important connections in this country, and will materially increase our connections at home.

The Marine Department.

I now take the accounts of the balance sheet seriatim, and shall therefore, commence with the Marine Department. Regarding hull insurance, as I have mentioned on previous occasions, whether this class of insurance is profitable or not is almost entirely dependent on the cost of repairs, the great majority of claims that have to be met being of this nature. Ever since the outbreak of war the cost of repairs has steadily increased. After the most careful inquiries last November, and from information collected all over the country, we came to the conclusion that the increased cost of repairs over prewar prices was at least 160 per cent. Since then various shipping repair yards have combined to still further increase the cost, and quite recently there has been a further advance of about 20 per cent. Underwriters are also suffering from the difficulty that, owing to the demand for tonnage and the scarcity of docking accommodation during the War, a very large number of steamers, which have met with accidents and should have been repaired and the bills paid for by underwriters long ago, have had their repairs delayed. This has had the effect of making it impossible for underwriters to form any estimate as to whether they are making a profit or a loss on this class of business, and it will probably be at least another two or three years before they will know what the result of the last few years' underwriting on this business has been. It behoves shipowners and underwriters to combine together to prevent excessive charges in repairs. A vast number of shipowners, being fully insured, and not having to bear this increase out of their own pockets in the first instance, have been apt to become lethargic. I am absolutely convinced that never in the past has this class of business wanted more careful watching and organisation than during the present period.

Cargo Insurance Business.

Dealing with cargo insurance, this class of business also required much putting in order. In the first place, during the War, where the merchant had to pay a very heavy premium, including war risks, to cover his cargo insurance, underwriters, owing to the great pressure of business, shortage of staff, &c., gradually drifted into the habit of including a great many extra risks which they had not accepted in the past, but as the premium for the cargo and war risk combined was so large, they included it without additional charge. Now that there are practically no more war premiums, and only a small cargo premium left, underwriters find that merchants have become so accustomed to these extra risks being included, and competition being so keen, they cannot rid themselves of these extra liabilities, and cannot get reasonable additional premium for covering same. Competition has become very much keener by reason of the large number of new insurance companies formed to transact marine insurance business and of old companies who have come into the marine insurance market who previously were not there. Perhaps, particularly owing to the War and disorganisation, the claims for theft have become heavier than they have ever been before, in fact, in certain quarters so great have been the thefts that there seems to have been palpable negligence on the part of those authorities whose business it was to prevent them.

Another difficulty that underwriters have met with is that shipowners are taking every opportunity, by constant amendments in their bills of lading, to contract themselves out of every liability that can possibly arise, throwing the whole burden on the shoulders of underwriters. To such an extent has this arisen that underwriters are seriously considering whether it will not become necessary in future to have a standard bill of lading which would not permit the shipowner to contract himself out of these liabilities which it is right he should run.

Large Increase in American Tonnage.

A further difficulty that will arise in the future will be that a fall in the value of cargo means less business, and also increase in particular average claims during the fall in prices. The bulk of cargo business is done by means of annual contracts, by which underwriters are obliged to accept any steamers of a certain type at a fixed premium. There has been, during the war, a very large increase in American tonnage, built with great rapidity, and it has yet to be proved from an underwriter's experience how this will compare with pre-War built steamers. There has also been a large number of wooden steamers and auxiliary wooden vessels put on the market. Another point which is likely to be adverse to underwriters for some little time is that several of our best-known lines, owing to the difficulty of building, have had to replace their lost tonnage during the War by an inferior type of vessel to that which they previously possessed, and, moreover, have had to distribute their vessels over many trades instead of, perhaps, being in the special one for which they were built.

War Risk Insurances.

Respecting War-risk insurances, these naturally now consist of mine risks only, but, unfortunately, it is the custom in war risk to include the risk of damage by riots, civil commotion, &c. Practically the highest rate that can be obtained for covering these risks per voyage is 2*s.* 6*d.* per cent. Considering the great unrest all over the world, we have considered that the premium is not adequate, and we are only accepting this risk where we are obliged to conserve our old connections.

Fire and General Business.

The next item in the statement of accounts is the fire and general, which embraces all transactions outside of the marine and life business. Progress of a most gratifying nature has, I am glad to say, been made in all departments, and we are able to show a premium income within measurable distance of £1,000 000. Very great care has been exercised in the selection of our business, and I think you will agree with me that this is reflected in the loss ratio of 37.58%, which, so far as I can see, is the lowest loss ratio of any

account yet published. After providing 40% for unexpired liability, which, in the opinion of your directors, is, in all probability, more than would be required, there is a balance of £162,929 9*s.* 1*d.* Your directors have decided not to draw any of this profit from this account, but to leave it as an additional reserve. In our fire and general departments we do not anticipate any decrease in our premium income consequent on the cessation of hostilities, because, whilst a large number of insurable risks were created in consequence of the War, considerably more were in abeyance and will be resuscitated with the opening up of trade. We expect to get a larger share of motor and employers' liability business, and we have opened new departments for the insurance of boiler and engineering and live stock insurance.

Aviation Insurance.

Realising the important part that the future of aviation has in the development of this country, we consider that we have made a very advantageous arrangement with a large number of leading underwriters at Lloyd's to form an insurance group capable of dealing with any aviation insurance that may be put on the market. We are pleased that, in conjunction with Lloyd's underwriters, our Company were the pioneers of this form of insurance. Last year I reminded you, and at the same time endeavoured to remind the public, of the necessity of increasing insurances based upon old values. From our experience of claims in the past year, I cannot impress the fact too strongly that to avoid disappointment in the event of a claim happening insurances should be increased to present-day values; in many cases more than 200% of old values—it is much better to be wise before the event than afterwards.

Life Assurance.

In regard to the life business of the Company, we have the pleasure to report that during 1918 we issued 4,648 new policies assuring £1,600,452, with annual premiums of £76,179, and single premiums of £6,710. There are very few life offices in the United Kingdom whose records for 1918 would be found to exceed this sum, and the great bulk of the amount mentioned refers to business directly transacted in the United Kingdom. At the present time the only active agency which we have on the Continent, or in other countries, is one at South Africa, where the Star has an important and influential branch, and from this connection we look forward, now that peace is restored, to a fair proportion of first-class life business.

I would like you to consider the great difficulties which all life offices have experienced during last year in endeavouring to secure a satisfactory volume of new business, as by far the greater number of the population which it is desirable to obtain as new entrants into life business were debarred from making proposals, owing to the fact that they were subjected to military risks, and also that many of our most active agents were themselves engaged in war service.

House-Purchase Scheme.

We look forward, under new and improved conditions, to an increased new life business, because on the return home of those who have been engaged in the War to take up their civil duties they will have need of life assurance for many purposes. For example, many who have married in war-time will find it necessary to provide for their wives and children, seeing that their dependants will no longer be entitled to Government pensions or allowances in the event of their death. Moreover, many of them will desire, no doubt, to purchase a house to live in, and we have prepared a special scheme enabling this to be done through the assistance of life policies on favourable terms. Our actuaries have been devising many special and up-to-date schemes of life assurance, of which I might mention those relating to the provision of educational annuities and other benefits for children and policies providing for death duties as among the most important. Life assurance appeals to all classes of the community, to the rich as well as to the poor, and the concessions which are offered to holders of life policies with regard to allowances in respect of their life-assurance premiums in their assessments for income tax are an encouragement to business of this kind. The liability to death duties, now so heavy, can also be met in this way most successfully, and we are prepared to issue policies providing for the payment of such duties directly to the Inland Revenue authorities, thus avoiding the necessity for any forced realisation of the estate before grant of probate, or of executors submitting themselves personally to risk of making advances for these purposes.

During the War we assisted the Government by inducing more than 20,000 people to take out policies in connection with subscriptions to War Loans, by means of which subscriptions of over £5,000,000 have been taken up by persons who otherwise would have found themselves unable to respond to the national appeal for aid in financing our war objectives, and we have the pleasure of knowing that our example has been followed by a great many other offices with great benefit to the Exchequer.

Largest Life Business in the Country.

You will see that our existing life business is one of the largest in the country. If you include the life premium income of the English and Scottish Law Life Assurance Association, which we took over at the close of 1918, you will find that our renewal premium income amounts to nearly £1,200,000, and, apart from offices which transact industrial business, there are only three British companies whose premium income exceeded that amount in the year 1917. The aggregate amount of the life assurance and annuity funds at the close of the year 1918 was £12,582,679, after writing off depreciation of securities to the extent of £681,750. I may say that this depreciation is sufficient in our opinion wholly to provide, not only for depreciation in Stock Exchange securities, comparing cost prices with market values, but for all depreciation in other classes of investment belonging to the "Star" and "Sceptre" closed funds, whose quinquennial valuations fell to be made at the close of the year. These valuations are made on the same stringent bases as have been employed in years previously, and, although following the universal practice of British life assurance companies which made quinquennial valuations in the year 1918, we have thought it better to make no general distribution of bonus in regard to "Sceptre" and "Star" policies, I am pleased to say that we have been able to provide interim bonuses at the rate of £1 per cent. and upwards in the case of all such policies becoming claims by death or survivance during the next five years. This result must, I think, be regarded as extremely satisfactory under the unparalleled conditions with which we have had to contend.

Future Prospects of Bonus.

In regard to future prospects of bonus in those sections, these are, of course, immensely improved by the fact that we have cleared off all the depreciation up to the close of last year, and that a large proportion of the investments are made in British Government securities, in which little depreciation is to be feared. I would also like to point out that henceforward the funds in both these societies will receive the full benefit of the reduced ratio of expenses as provided for in the amalgamation agreements.

During the past quinquennium, in addition to the loss arising through the depreciation of securities, which was partly the result of the issue of large Government loans at high rates of interest, the profits were seriously diminished by the heavy mortality arising from the War. But for these two adverse features there is no doubt that the surplus in each case would have been more than sufficient to provide the same rate of bonus as that declared on the last occasion. I have reason for hoping that, under the new conditions, that rate of bonus will be reached on the next occasion in the absence of any abnormal circumstances which are not at present anticipated. I have only alluded to the "Star" and "Sceptre" sections amongst the closed funds, because the quinquennial valuations in these cases fell due at the close of last year. The last quinquennial valuation of the Eagle Fund took place in 1916, when their securities were written down to market price at that date, and that of the English and Scottish Fund does not take place until the end of 1920.

New Business.

So much for the closed series of our life assurance business; but when I turn therefrom to the new business which the Company is transacting on its own account an even more promising horizon presents itself. The profits which life offices rely upon for their bonus are derived mainly from three sources. You know that the premiums are based upon tables which make certain assumptions in regard to mortality, interest earnings, and expenses. Now, if the business of a life office can be managed so that the mortality experience is lower than that assumed, if the interest earnings are actually greater than those anticipated, and if the actual expense ratio is less than the margin of premiums which have been actuarily reserved for this purpose, the result must necessarily be a profit varying according to circumstances for participating policyholders in each of these cases. I am happy to say that our new business holds out good prospects in all these directions. Our mortality experience in the new and active section of our life operations must necessarily be advantaged by the fact that the vast majority of our policyholders in this class have recently passed the ordeal of medical examination. The interest earnings in 1918, after deduction of income tax, are well in excess of that assumed in framing the premiums. As regards our expenses they amounted to only 12½% of the premiums which must be considered a very low ratio. But, apart from these advantages, it is not to be overlooked that the great bulk of the funds appertaining to our new series of life assurance are invested in British Government Securities in regard to which the full value of the securities is guaranteed by this great nation, and that, therefore, there is no likelihood of depreciation such as has proved such an adverse influence in affecting old-established life businesses. Indeed, looking to bonus-earning capacity, I am inclined to rank the attractions to new entrants of the new section of the Eagle, Star, and British Dominions Insurance Company as unsurpassed amongst contemporary institutions; and I think therefore that our agents may with complete confidence put forward our well-grounded claims to the confidence of the public, based upon the expectation that we ought to do as well for our participating policyholders as any existing Life Assurance Company

During the whole of the War our staff has been exceptionally depleted, and the work has been very much enhanced. Great thanks are due to our Assistant General Manager, Mr. Bennett and the heads of all our departments, and especial thanks should be given to our underwriter, Mr. Merriman, and his chiefs, and to our marine manager, Mr. Holland, who have had an exceptionally difficult time during the War and have done so well. Each department has been supported by the most strenuous work of the whole of their staffs.

In conclusion, I should like to say that so far as this year has gone we have every reason to be gratified with the results. I now propose the adoption of the report and accounts for the year 1918, and I will call upon our Deputy-Chairman, Mr. Watson, to second it.

This was seconded by the Deputy-Chairman and passed unanimously.

The Chairman next moved : "That the dividends on the Preference shares paid on July 1, 1918, and January 1, 1919, be and are hereby confirmed."

The Chairman further proposed : "That a final dividend of 10%, free of income tax, be paid on the Ordinary shares, which, with the interim dividend of 7½% paid on July 1, 1918, makes 17½%, free of income tax, for the year."

The Deputy-Chairman seconded the resolution, and it was unanimously agreed to.

On the motion of the Chairman, seconded by the Deputy-Chairman, it was also unanimously resolved : "That the payment of the dividend of 10% on the Preferred Ordinary shares, of which 5% was paid on July 1, 1918, and 5% on January 1, 1919, be and is hereby confirmed."

The retiring directors having been re-elected and the auditors re-appointed, the proceedings terminated with a vote of thanks to the Chairman and the various boards of directors.

CALEDONIAN INSURANCE COMPANY.

The 114th ordinary annual meeting of the Caledonian Insurance Company was held within the Company's office, Edinburgh, on May 1, 1919.

The Chairman, Mr. F. R. Sanderson, in moving the adoption of the report and accounts, said : Gentlemen,—From a perusal of the directors' report already in your hands you will see that the Company made very substantial progress during the past year, and that our business expanded in every direction. That these gratifying results were obtained in the final and most critical year of a prolonged and destructive War makes the directors confident that when settled peace conditions again prevail and the last of the fetters which have hampered our movements during recent years has been struck off it will be possible to accelerate very materially the Company's growth and development.

The Life Department.

The transactions of the life department both in number and amount are greatly in excess of those of any previous year. The new business placed upon our books comprised 1,453 policies for £1,324,808, the premiums thereon, including single payments, amounting to £87,383. After deduction of reassurances, the net sums assured retained by us amounted to £1,023,308, and the net new premiums to £64,135. This is the first occasion on which we have reached the million mark in sums assured, the previous highest figure being just under £750,000. The net new premiums are nearly double those for 1917, and the total net premium revenue has increased by the substantial sum of £52,861 for the year. Claims by death amounted to £162,103, including £17,000 in respect of War claims, as against £209,898 for 1917, whereof War claims amounted to £59,000. It may interest you to know that the outbreak of influenza and pneumonia at the close of the year added to our claims to the extent of £18,000. The mortality experience during the past year, however, was very favourable, the amount of the death payments being considerably within the sum expected according to the table employed in the valuation. The expense ratio was 13.25%, or a fraction under the average rate for the previous quinquennium, which I think is a very satisfactory result, especially in view of the large increase in the amount of new business placed on our books. It is also gratifying to find that the average interest return after deduction of tax upon the funds, excluding reversions purchased, works out at the favourable figure of £4 7*s.* 3*d.* per cent. The yield is slightly under that of 1917, owing to the heavier rate of income tax exigible. Before leaving the life department I should just like to point out that the addition to the funds at the end of the year, amounting to £194,377, is considerably in excess of all previous records.

Fire and other Departments.

With regard to the fire department, also, the same story of progress and increased prosperity can be told. The premium income is greater than that for the previous year by £73,388, and the trading profit for the year, after making the necessary additional provision for unexpired risk, amounted to £83,991, as compared with £55,473 for 1917. The fire loss experience was more than usually favourable, the ratio of claims to premium income being 48.96%, and the expenses of management continued at a moderate figure. The personal accident and employers' liability departments have again yielded satisfactory results, the amount carried to the profit and loss account aggregating £8,000. The business done in the general insurance department expanded very rapidly during the year, and the directors have considered it desirable to transfer the sum of £25,000 to strengthen the reserves. In the marine account, which appears for the first time, you will see that a considerable volume of business has been transacted, the premiums reaching the satisfactory figure of £185,318. It is, of course, too soon yet to form any estimate of the actual outcome of the year's business, but I may say that the results so far are very favourable.

Taking all the departments together, you will find that the total premium revenue of the Company for the past year attained the substantial total of £1,309,181, an increase of £388,320 over the revenue for 1917, and the addition to the funds during the year amounted to £412,924.

The Profit and Loss Account.

Coming now to the profit and loss account, you will notice that the amounts carried from the various insurance accounts total £91,991, and that, after paying the dividend and income tax, and providing for the transfer to the general insurance account already mentioned, and for the sum of £6,000 written off investments, the profit and loss balance stands at £177,319, representing an increase during the year of nearly £34,000. In the circumstances, the directors felt they were fully justified in recommending an increase in the dividend from 24*s.* to 30*s.* per share, subject to income tax. As a matter of fact, the amount required to meet this dividend is fully covered by the interest from the fire and general funds without encroaching upon the underwriting profit.

The directors continued to invest surplus funds in British Government War Stocks, and the amount of these securities held by the Company at the end of the year stood at £1,396,000.

During the past year we have had to deplore the loss by death of the Company's Law Agent, Mr. Wm. Stuart Fraser, W.S., and of Mr. Richard Brown, C.A., our Auditor. Mr. Fraser was a director of the Company from 1879 until 1902, when he received the appointment he held at his death. The directors much appreciated his wise counsel and guidance and the valuable services he rendered to the Company both in his capacity of director and Law Agent. In their places the directors appointed Mr. William H. Fraser, W.S., as Law Agent, and Mr. Kenneth M. Gourlay, C.A., as Interim Auditor. The latter offers himself for election by the Shareholders at this meeting.

The greatly increased business which passed through our hands last year bore somewhat heavily upon our depleted staff, and that the work has been overtaken satisfactorily reflects great credit upon their loyalty and efficiency. I may say that in connection with the staff the directors have not been unmindful of the abnormal circumstances of the times through which we are passing. Special consideration has been given to their interests, and further privileges have been added to the conditions of service. I am sure you will wish me to acknowledge the zeal and devotion they have shown. I regret to say that since our last meeting we have lost two more promising members of our staff on active service, Mr. R. C. Morris of head office, and Mr. F. Howard of Leeds office. I tender in your name our sympathy to their relatives. I now beg to move that the report be adopted, and that the dividend of 30*s.* per share, less income tax, recommended therein, be paid

Mr. Alexander Robb seconded this motion, which was unanimously agreed to.

Mr. William Blair, W.S., and Mr. F. R. Sanderson, the two directors who retire by rotation, were re-elected directors, and the motion to increase the directors' fees from £2,250 to £3,250 was also unanimously approved of.

Mr. Kenneth M. Gourlay, C.A., was elected auditor for the ensuing year, and the meeting closed with a vote of thanks to the Chairman, proposed by Mr. C. A. Buchanan, of Glasgow.

ROYAL LONDON MUTUAL INSURANCE SOCIETY, LTD.

The annual ordinary general meeting was held at the Head Offices of the Society, and immediately adjourned to the Great Hall, Winchester House, Old Broad Street, E.C., on April 29, Sir Edward Smith, J.P. (Chairman of the Society), presiding.

The Chairman said : Turning to the accounts for 1918, it will be seen that our business continues to expand at a substantial rate, notwithstanding the fact that the difficulties of administration were greater than at any previous period in our history, owing to the depletion of our staff and also many exigencies, &c., due to war emergencies. The total income from all sources amounted to £1,932,224—an increase of £96,124 over the previous year; of this amount £1,735,056 represented premiums and £197,168 interest and other items. The increase in premium income was £80,142. This is one of the largest in our history and reflects credit upon all grades of our staff who may have contributed towards this result. The

new business completed shows an improvement upon 1917 results in an increase in the contracts effected and total sum assured. The total sum paid in claims by this office exceeds £11,000,000. The total sum expended during the year in the payment of claims was £907,069, representing 52¼% of the premium income, and showing an increase of £136,587 over 1917. Two special items explain this increase and indicate the far-reaching importance of our operations in the domestic economy of our national life. The influenza epidemics cost us upwards of £150,000, and the heavy fighting cost us in claims on soldiers' and sailors' lives £137,707. The total amount paid on such claims since the outbreak of war amounted to the huge sum of nearly half a million pounds. The life funds at December 31 last were £4,981,695, an increase of £311,245 The total assets amounted to £5,481,980. During the year we have invested £459,306. Since the beginning of the present year, we have further invested £226,800 in Government War Loan, so that in these gilt-edged securities, the premier investment of the whole world, we now hold practically £2,000,000. The total interest received amounted to £222,651, being an increase of £27,387 over that of 1917. The yield upon the mean of the life funds is £4 1*s.* 9*d.* per cent., after deducting income tax. The outstanding features of the report and balance sheet are : (1st) The total income is nearly £2,000,000, of which no less than £1,750,000 represents premium income; (2nd) the total interest on investments amounted to more than £222,000, being an amount almost equalling the Society's whole income after its first 30 years' operations; (3rd) the claims paid numbered £83,360, representing a sum of £907,069, including nearly £140,000 paid in war claims; (4th) the total funds reached the handsome sum of nearly £5,500,000, of which nearly £1,750,000 is invested in British Government securities.

Mr. W. C. Martin : I have very great pleasure in seconding the resolution.

The motion was carried unanimously, and the proceedings then terminated.

MAPPIN AND WEBB, LIMITED.

The tenth annual general meeting was held on April 30 at the Princes Restaurant, Piccadilly, W., Mr. William Harris (Chairman of the Company) presiding.

Mr. Frederick Waite, one of the Joint Secretaries, having read the notice convening the meeting and the reports of the auditors,

The Chairman, in moving the adoption of the report and accounts, said : Ladies and Gentlemen,—Three years ago, when I first had the pleasure of meeting you, I had to present a balance sheet which was far from favourable. I then expressed my strong conviction in the soundness of the business, and I predicted that, given normal times, we should soon return to our former prosperity and be paying dividends. Since then we have progressed rapidly. The balance sheet for 1917 was very much better than that for 1916. That now presented to you is better still; in fact, it is the best balance sheet ever presented to you, and I am sure you are appreciative of it. During the year 1918 the difficulties of export trade were very great, and we were unable to fully supply our numerous foreign branches and many foreign customers with all the goods they required. The position is daily becoming better. Our sales for the year 1917 were the highest ever recorded in the history of the Company. The sales for 1918 were considerably higher than those for 1917.

Extensive Building Operations Contemplated.

The profit now shown is also the highest recorded in our history. The largest profit previously shown was for 1912, when we made £56,115. The net profit this year amounts to £66,975, and exceeds the profit of 1912 by £10,860. This is entirely due to increased turnover, and notwithstanding increased labour costs and very much heavier income tax. The Armistice enabled us to review the whole organisation of our interests and to direct attention to extending abroad as well as at home. In this connection we have recently concluded a lease of premises in Monte Carlo, and we shall open a branch there within a few months. Regarding the home trade, we have organised a new department for the sale of antique silver, and we have already acquired some very valuable specimens of the silversmith's art of the early seventeenth and eighteenth centuries. From these new departures we expect to reap a very fair profit. We have to provide in the near future for extensive building operations, to rebuild the premises recently acquired in Oxford Steet adjoining our present premises and to make extensive alterations at the Royal Works, Sheffield, in order that our output there may be considerably increased. The cost of building at present is very high, and we intend to postpone these operations as long as we can until prices get more normal. The finding of the necessary funds causes us no anxiety.

Balance Sheet Figures.

It may be useful if I shortly review the figures of the balance sheet and profit and loss account, and compare them with the figures for 1917. The first item, "Cash in bank and in hand," amounts to £45,178, against £35,167 in 1917, an increase of £10,011. The second item, "Investments in subsidiary companies," now amounts to £195,571, against £240,038 in 1917, a decrease of £44,467. This decrease has been brought about by the prosperity of our foreign branches and consequent remittances of large sums of money for goods supplied to them. I regret our inability to replenish their stocks as quickly and as fully as we should have desired, owing to the continued absence of skilled labour above referred to. The "Debenture sinking fund investments" now amount to £25,517, against £22,835 for the previous year, an increase of £2,682. This increase follows on the annual contribution of £2,500 and interest on the investments. The "Sundry debtors" now amount to £95,092, against £84,356 in 1917, an increase of £10,736. This increase is solely due to the very much larger business we are transacting. All bad debts have been written off and doubtful debts amply provided for. Our stocks now amount to £490,759, against £417,939 in 1917, an increase of £72,820. This is a very large figure, but not larger than the business now requires. The increase is mainly, if not entirely, due to the larger jewellery stocks now held by our three London houses in Oxford Street, Queen Victoria Street, and Regent Street, and you will be interested to learn that we now possess one of the finest jewellery stocks in London. The item of plant now stands at £44,060, against £49,544 in 1917, a decrease of £5,484. No additions to our plant have been made during the year, and the decrease is due to depreciation written off, which this year has been increased. "Leasehold premises (less mortgages)" now stand at £159,080, compared with £164,470 a year previously, a decrease of £5,390, due to the depreciation written off. Our main premises in Oxford Street are held on the long lease of 999 years—practically equal to a freehold. "Freehold land and buildings" are now £34,877, against £35,327, the difference of £450 being the amount of depreciation written off. The item of "Goodwill, trademarks and designs" remains at the same figure of £159,311. The goodwill of your business is worth, and could be readily sold, for more than this sum, but there are sentimental objections to the continuance of the item on the balance sheet, and this year we propose to reduce it by £10,000. I think we shall continue this process of reduction until the item finally disappears. This exhausts all I have to say on the assets side of the balance sheet. Turning to the liabilities side, our share capital and Debenture stock remain unaltered at £650,000 and £250,000 respectively. As already mentioned to you, a sinking fund is in operation to finally extinguish the Debentures. This sinking fund now stands at £22,095, against £18,785 for 1917, an increase of £3,310. This increase is due to the annual contribution of £2,500 and to interest on the investments. "Sundry creditors" now amount to £266,866, against £242,473 twelve months previously, an increase of £24,393. This increase is entirely due to the very much larger stocks we carried at the end of 1918, compared with the end of 1917. In 1917 a note appeared on the balance sheet that certain shares and Debentures in subsidiary companies were deposited as security for loans. This note now disappears, it being no longer necessary, as the loans in question have been paid off.

Profit and Loss Account.

Turning to the profit and loss account, you will observe that the profits from our branches and subsidiary companies amount to £112,031, against £80,146 in 1917, an increase



of £31,885. Rents receivable now amount to £1,652, against £1,576 in 1917, an increase of £76. On the other side of the profit and loss account the items, with one exception, so closely follow those of 1917 as hardly to require separate comment, the exception being income tax, which has risen from £7,834 in 1917 to £17,500 in 1918. After charging all arrears of Preference dividend up to June 30, 1918, the profit and loss account concludes with a balance of £60,485, and on the front page of the report we set out how, in our judgment, this balance should be dealt with. You will observe that, in addition to writing down the goodwill by £10,000, to which I have already referred, we propose to place £10,000 to general reserve and to pay a dividend on the Ordinary shares of 10%, less tax. We trust our recommendations will have your approval.

Elements of Progress and Success.

In conclusion, let me say you have three elements in this business which should make for its continued progress and success. You have a magnificent name—a name held in the highest repute, not only in this country but throughout the world. You have a united and harmonious Board. We have our honest differences of opinion, but good faith and good feeling pervade all our discussions; and you have a loyal, a contented, and an efficient staff—a staff I cannot speak of too warmly or commend too highly, and to whose efforts are due the splendid balance sheet we are able to present to you to-day.

Mr. Walter J. Mappin: Ladies and gentlemen, I have much pleasure in seconding the resolution.

The proceedings then terminated.

BURLINGTON HOTELS COMPANY, LIMITED.

The annual general meeting of the shareholders of the Burlington Hotels Company, Limited, was held on April 30 at the Connaught Rooms, Great Queen Street, W.C., when Mr. George Harvey (Chairman of the board) presided.

The Secretary (Mr. Herbert M. Gowar, F.C.A.), having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said that for several years prior to the War the Company was in anything but a flourishing condition. Their hotels were out of date, and their clientèle was, in consequence, gradually dying away. Some of their shareholders at one time talked about liquidation, but he had always faith that the Company could "win through" if they could bring a little determination to bear and the will to succeed. Their Cork Street hotel had had a total of £23,218 spent upon it for improvements, and in 1914 the balance due to the contractors was £16,947. At the present time this was entirely paid off, the effect being that these alterations had been paid for mainly out of revenue. He regretted that they were not able to recommend any Preference dividend payment, but it must be clear to all the shareholders that their first duty was to consolidate their position and put their credit on the best possible basis.

The Preference Dividend Arrears.

But the time now appeared to have arrived when they should consider some means of clearing off the arrears of their Preference dividend which had been accumulating for a period of seven and a-half years, and amounted to a total of £28,125. When allowance was made for income tax the net sum would be reduced to £19,688. They had carefully considered various ways of dealing with this item, and they invited certain of the larger shareholders to consult with them. The scheme which appealed to them was one which proposed to allot 1,550 £5 Income Bonds representing the unissued authorised number with a face value of £7,750. These bonds, carryin 8% interest, should be worth more than their face value. But now a difficulty appeared in the shape of a peculiar, and, he understood, uncommon clause in the Articles of Association, which clearly stated that no such compromise might be effected without the consent in writing of a majority of not less than two-thirds of the shareholders concerned. They all knew how difficult it was to get a two-thirds majority of shareholders to agree to anything in writing, or possibly to take the trouble to consider the matter at all, and before they attempted to carry out the proposal he should like to have the opinion of the Preference shareholders upon it. The effect of the operation would be a payment in 8% bonds or cash of an equivalent of 7*s.* 10*d.* in the £ on the net amount, and these bonds carried a charge ranking immediately after the payment of Debenture interest. They had, he claimed, done a great deal to straighten the affairs of the Company, and he was anxious to see it become a regular dividend-paying concern. The prospects were good, and he confidently looked forward to this and succeeding years to regularly meet their obligations.

The Hotels and Future Competition.

With regard to the business done last year, they would notice a conspicuous improvement in their gross receipts, totalling £13,182, and the total for the two hotels had rarely been exceeded, even when the three hotels were in operation. Against this provision prices had been alarmingly high, though he was glad to say the decline appeared to have set in. At the same time, they had to face an entirely new set of conditons, and commodities of all kinds, wages, and general expenses were not likely to return to pre-War standards. But their hotels were in a better condition now than ever they were since he had known them to face the competition of the future. They would see that they remained so. The net result of the profit and loss account was an increased balance of £3,879. They had used £10,000 out of the profit shown to reduce the alterations and improvements accounts, an item which they should make an effort to eliminate entirely, its present value as an asset being doubtful.

Much Spade Work Yet to be Done.

The current year's business was likely to surpass that of 1918, the present state of affairs being very satisfactory. Much spade-work had yet, however, to be done before the path was sufficiently clear to admit of the payment of back dividends, and he should personally like to see them unanimous in adopting the suggestion with regard to the Income Bonds. He was impatient to get their affairs into a perfectly satisfactory order, and he saw no reason at all why they should not be able to meet sundry items of extraneous expenditure and still continue to meet their current Preference dividend.

Mr. C. J. Phillips seconded the resolution, which was carried unanimously.

The Preference shareholders present unanimously expressed their agreement with the proposal with regard to Income Bonds.

Dr. Hosker, having been re-elected a director, Messrs. G. Dixey and Company were reappointed auditors, and the proceedings terminated.

A. W. GAMAGE, LIMITED.

All Records Broken in Turnover and Profits.

The twenty-second annual general meeting of A. W. Gamage, Limited, was held on April 30, at the Holborn Restaurant, High Holborn, W.C., Mr. A. W. Gamage (the Chairman and Governor) presiding.

The General Manager and Secretary (Mr. E. M. Gamage) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: Ladies and Gentlemen,—Your directors are very pleased to meet you again and to place before you such a satisfactory balance sheet. The turnover has largely exceeded the previous year's figures, which were thought to be high owing to several large Government contracts, but in spite of these large amounts we have broken all records both in turnover and profits, and it is gratifying to know that the business is still forging ahead, and the increase in turnover up to date is very much in the same proportion as last year. I feel confident that this will be maintained, especially when several new departments have been opened and the proposed additions and alterations to premises have been completed. I am pleased to inform you that we have practically completed the purchase of an adjoining block of buildings, which as soon as possible will be added to our existing buildings. This acquisition is most important, as it will provide space for new departments, which will complete the business as a general store. It will interest you to know that your directors intend to give special attention to provisions and catering, and that the drapery and furnishing departments will be greatly extended. The first of the new departments will be opened shortly—namely, the baby welfare salon and the ladies' and juvenile boot and shoe department.

Balance Sheet Figures.

Turning now to the figures of the balance sheet, you will see that our net profits have increased from £54,299 to £65,148. The same amount has been placed to the reserve accounts as in the previous year, £12,500, making a total of £84,500, and the usual depreciations have been made under the different headings. In looking at the profits, we must not overlook the large increase in our expenses over which we have no control, such as carriage charges, rates and taxes, catering for staff, stationery and packing materials, and many other things, with which I feel sure you are familiar, also the increase in our salaries list. In recommending the payment of a dividend of 8%, your directors feel sure that you will agree that it is a safe policy to pursue, but they wish me to point out that had it not have been for the excess profits tax, for which provision has been made to the extent of £17,000 in the balance sheet, we could have paid 18% dividend.

Goods Purchased on the Most Favourable Terms.

This result is all the more gratifying because it has been achieved in a time of great stress and difficulty; but difficulties are made to be overcome, and the great success of the business is largely due to the fact that our managers looked well ahead and seized every opportunity to purchase goods on the most favourable terms, thereby enabling us to sell at much lower prices than were being charged then

by any of our competitors; in fact, Gamage's were selling goods at lower prices than the trade could obtain them wholesale. Great watchfulness had to be kept to detect trade buyers to prevent their clearing our stocks. I mention this to show you that the old Gamage policy of giving the best value for money has been maintained, and that there has not been what is generally termed "profiteering." The results are due solely to the large volume of trade done at a small percentage of profit. Incidentally, I might mention that the whole of the interior of your business premises has been cleaned and redecorated. All machinery plants have been maintained in first-class condition, the expense of which has been charged against the past year's profits. The dividend on our investment in Benetfink's, Limited, is 10%, being the same as last year. This old-established business continues to show great vitality, and the increase of turn over up to date is most satisfactory.

Proposed Increase of Share Capital.

You will have seen by the notice accompanying the report that it is proposed to increase the share capital of the Company to £500,000 by the creation of 150,000 Ordinary shares, the proceeds of which the directors confidently believe can be profitably used, and will largely increase the earning powers of the business. These shares will be issued at a premium of 1s. per share, and preference will be given to existing shareholders in making the allotment. I should like to explain that in discussing the matter of premium it was thought that, as the price of the shares stood well up at 24s. or 25s., they would be generally absorbed by the shareholders, and that we would give them something in the way of a bonus. That is why the premium was fixed so low. It is most important that I should make it clear to you that the present net profits would more than pay 8% dividend on the proposed increased capital, as it is not generally known that the Government before arriving at the amount of the excess profits tax allow 9% interest on capital employed in a business. I have heard a whisper that in the new tax to be levied—call it by what name you please—it will be 10%, so that there is no doubt as to the wisdom of obtaining the new capital, as the Government are well aware that in a progressive business like yours the increased capital is bound to bring a good return in the tax levied.

Grants to Fighting Men.

During the period of the War, as I have told you at our previous meetings, we have continued the special grants to the fighting man's pay, and I feel sure you would be gratified if you could read the letters received and the personal expressions of gratitude for the great help this has been to the men's families, many stating that they could not have carried on without this assistance. Your directors consider that this was money well spent, as it has created a closer bond of union between the firm and the men, and this is shown by their eagerness to return to their old jobs. I think I am correct in saying that not an employee who answered their country's call (except those who have made the great sacrifice) but have expressed a desire to return to their old employment. Your directors have also distributed a "Peace" bonus to the whole of the staff of one year's service and over and to all demobilised men who have returned, which has been charged against the past year's profits. It will interest you to know that the staff voluntarily gave one penny or more per week, which amounted to over £700, for parcels for the boys. These parcels were in addition to those sent by the firm, all of which were greatly appreciated, and we are told by the men that it was a red-letter day when the well-known parcels bearing the words "Gamage's, from Blighty" arrived. They were messengers from home, and to many Gamage's meant home.

Mr. J. S. Parker, in seconding the motion, said that the Chairman had referred to the fact that Gamage's always gave good value for money. Gamage's were noted for that, and so much was the fact appreciated by Service men that they were flocking back to Gamage's to buy their civilian clothes after demobilisation. That, he thought, was excellent evidence of the fact that they did give good value.

Mr. W. F. Dingwall said he thought both directors and shareholders had good reason for congratulating themselves on the success of the past year's working. He considered that the progress of the business proved that the policy of showing the profit and loss items, which was introduced a few years ago, had certainly not damaged them in the smallest degree. There was only one question he wished to ask, and that was whether the additional premises to be bought were not the premises between their two present blocks, so that the Gamage concern would now run continuously on the Holborn frontage.

Gamage's Part in the War.

The Chairman, in reply, said that he would have to leave Mr. Dingwall to conjecture as to what premises were to be acquired. There were one or two reasons why they preferred not to specify the property. It might interest the shareholders to learn something of the part they had played in the War. They had been engaged on the supply of war equipment of some sort or another all through. They had supplied the catapult, which had served a very useful purpose until the Stokes gun came in, when it was superseded. Since then they had been making what were known as propaganda balloons, and no doubt they had read how Hindenburg had declaimed against them, almost seeming to say that they had lost the War for Germany. Altogether they were very proud of the part they had played. They had made rifle clips and petrol cans for the Ministry of Munitions; wireless had played a very important part, and they had almost been the pioneers of the wireless movement in this country. They had made thousands of pounds' worth of instruments for the War Office and the Admiralty.

The resolution was put to the meeting and carried unanimously.

On the motion of the Chairman, seconded by Mr. W. A. Vincent, the dividends paid and proposed to be paid were confirmed and sanctioned.

The auditors (Messrs. Sydney Jeffreys and Co.) were reappointed.

Increase of Capital Unanimously Approved.

An extraordinary general meeting was then held for the purpose of considering, and, if thought fit, passing the following resolution: "That the capital of the Company be increased to £500,000 by the creation of 150,000 Ordinary shares of £1 each to rank *pari passu* with the existing Ordinary shares of the Company."

The Chairman, in moving the resolution, said he had practically told the shareholders what the money was required for in his opening speech. Generally, the board felt sure that if the shareholders passed the resolution they would not regret it. As a fact, the dividend was assured before they started; the Government would pay it for them—that was to say, it would come out of the excess profits duty; so they would not be a penny poorer than they were before for having this much larger capital and these new departments, while the directors felt sure that the volume of trade would increase very largely. Shareholders would be given priority of allotment.

Mr. E. M. Gamage, the General Manager, seconded the motion, and it was carried unanimously.

A vote of thanks to the Chairman, directors, and staff terminated the proceedings.

INDO EUROPEAN TELEGRAPH COMPANY, LIMITED.

The fifty-second ordinary general meeting of this Company was held on April 29, at the Company's office, 18 Old Broad Street, E.C., Mr. J. Herbert Tritton, the Chairman, presiding.

The Acting Secretary (Mr. T. O. Stevens Perry) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said: We are following the same procedure as that adopted two years ago; that is in proposing the dividend at the usual time and leaving the publication of the accounts to a later date. As a matter of fact, we have only recently issued the Directors' Report and Accounts for 1917, owing to the postal delays and the difficulties that present themselves in the settlement of international telegraphic accounts. During the year 1918 the Company's communications remained totally interrupted between this country and Russia, but I am glad to say that our lines in Russia are being repaired, and we hope before long to have the line through between Odessa and Teheran. Owing to the unsettled state of Russia it is impossible to make any forecast. We can only deal with facts as they arise from day to day.

Difficulties in Russia and Persia.

We have had many difficulties to contend with during the War; difficulties of communication with our stations in Russia, financial arrangements for carrying on business in that country; and last, but not least, the repair and maintenance of our lines in Russia and Persia. In Persia the wires were subject to constantly recurring interruption by the marauding bands of Turks who were constantly raiding parts of the territory traversed by our line; later, after signing of the armistice, there was fighting between the Georgians and Armenians, and again our line suffered. The country south of the Caucasus has always been a danger zone owing to the large number of Kurds, who occupy many villages in that district, and these tribes have been particularly active during these troublous times. The fighting in the Northern Caucasus between the Turks and Russians also led to total interruptions, but I am glad to say that we have been able to restore communication between Odessa and Tiflis although for the moment we are again interrupted on that section. There still remains the section of line between Tiflis and the Russo-Persian frontier, but the Company is receiving every assistance from the British military authorities and Georgians, and we hope that before long we shall be able to get the line through. It will be some time before it is in a pre-War condition. The cable between Odessa and Constantinople was reopened for telegraphic traffic on December 1, 1918, and has been working satisfactorily since that date. As you are aware, the Odessa end of the cable is worked by this Company's staff, but communication is, I believe, again suspended.

The Indo Route.

Although this cable links our system with that of the Eastern Telegraph Company, the carrying capacity of the

cable is only sufficient for the local traffic, and we are unable to use it for India or Trans Indian traffic. We have made definite proposals to the British Government for the restoration and strengthening of the Indo route, and these proposals are under consideration. It is not possible to predict when the British Government will be able to come to any fixed intention on this subject, because the whole question must, to a great extent, depend upon the peace terms to be decided upon in Paris. None are more acutely alive to the shortcomings of the present telegraphic communication with India and the East than the directors of this Company, and we are extremely anxious to leave no stone unturned in our efforts to re-establish that portion which is our own concern. The directors are carefully following developments in radio communication. Great strides have been made during the War, more especially in reception, and it is quite possible that the Company may avail itself of radio communication to strengthen further our communications with the East. I have to report to you, with great regret, the loss to the Company of Colonel Cornock-Taylor, the assistant to the managing director. He did splendid work in France, serving with the General Staff for some years; he succumbed to pneumonia following influenza. He is a great loss to the Company, and the directors feel sure that the shareholders deplore his loss and sympathise with the parents in their sorrow.

The Dividend Maintained.

You will have seen from the resolution that the directors propose paying the same dividend, free of income tax, as in previous years, and have withdrawn some £25,000 from the fund for equalisation of dividends, established some years ago for this specific purpose. In these days of financial stringency and heavy taxation, the directors feel that it would be hard for the shareholders were they to cut down the dividend. The directors in the circular accompanying the notice convening the meeting refer to the fact that the accounts for 1917 have recently been issued, and that they would be considered at this meeting. There is little in these accounts that calls for comment. Owing to the liberal action of our partners in the Cis-Indian Joint Purse, there is a sufficient sum after crediting local traffic receipts and interest on our reserves to pay all expenses and provide a dividend of 7% on the share capital of the Company.

Mr. Charles Holland seconded the motion, which was carried unanimously.

HOPE BROTHERS, LIMITED.

The nineteenth annual general meeting was held on April 29 at the Cannon Street Hotel, E.C., Mr. T. E. Goodyear (Chairman of the Company) presiding.

The Secretary (Mr. F. L. Brayne, F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: The profits of the year show a very substantial increase and constitute another record in the history of the business. This has not arisen from any increase in our rate of gross profit; indeed, our rate of profit has been somewhat below that of last year, but, as you know, our policy has always been to sell at a moderate rate of profit and to rely upon securing the largest possible number of customers. In this we have been signally successful during the past year. The number of our customers and the amount of our trade have both shown large increases, and our total trade is far in excess of that of any previous year. We are thus enabled to recommend a record dividend and a substantial addition to our reserve fund. We propose on this occasion to place £15,000 to reserve, making that fund up to £75,000, in addition to our carry-forward of £21,294. With our special reserves the total now exceeds £100,000—which, I think you will agree, is a creditable sum, although not so large as I should like to see it, in view of the amount at which goodwill stands in our balance sheet.

The Deputy-Chairman (Mr. W. W. Greenslade): I have much pleasure in seconding the motion proposed by the Chairman, and I think I may also refer with satisfaction to the good result of the year's trading, but, even so, the difficulties still remain, and continue to cause us anxiety.

Mr. Retallick said he wished to congratulate the directors on submitting such a satisfactory balance sheet. It was, in fact, one of the best balance sheets they had ever presented to the shareholders. The net profit, after deducting excess profits duty, depreciation, &c., came to £64,352, or £6,182 more than in the previous year, and the shareholders were receiving the splendid dividend of 10% for the year. He hoped the directors would do all in their power in coming years to reduce gradually the large amount standing under the head of goodwill. He was glad to see that £3,000 was being placed to the employees' benevolent fund.

The Chairman said that a strong feature in connection with the business of this Company was that for some years past the employees, not only in the wholesale departments, but also in the retail departments, shared, wherever possible, in the results. He did not necessarily say "in the profits," because in some cases it would be unfair that they should be dependent upon the profits. It was upon the turnover, which was the result of their labours, that they depended, and the arrangement which had existed in this connection had, he considered, contributed very largely to the splendid increase which the Company had been able to show in its trading, especially in the last two years.

The motion was carried unanimously, and the proceedings terminated.

CONSOLIDATED WATERWORKS COMPANY OF ROSARIO, LIMITED.

The twenty-fourth ordinary general meeting was held on April 29 at the offices, 52 Moorgate Street, E.C., Mr. James Anderson (the Chairman) presiding.

The Secretary (Mr. G. Proctor) read the notice convening the meeting and the auditors' report.

The Chairman, in moving the adoption of the report and accounts, said the year 1918 was a very trying one for public utility companies in the Argentine Republic. Railway, tramway, gas, and water companies all suffered. Almost all had had to put up with reduced dividends and some without any dividend at all, and under these circumstances the shareholders of this Company must congratulate themselves that they had not been obliged to reduce the dividend. The business had not fallen off. The number of services in operation and the gross income were the highest on record. The expenses, however, had again largely increased, with the result that the net earnings showed a heavy falling off as compared with 1917. The gross income was £132,312, against £131,854 in 1917, or an increase of £458, while the expenses were £69,027, against £62,112, an increase of £6,915. They had thus a net decrease of £6,457 for the year. Some of the items contributing to the increased cost might be regarded as temporary, such as fuel and materials for filtration and pumping, the increase in which was largely due to the abnormal rise of freights, which were now showing a downward tendency, so that a gradual considerable saving might be expected. The increase in wages had to a large extent come to stay, but they would feel the incidence less as their business and revenue expanded. Last year, after providing for redemption of capital and paying the usual dividend of 8%, they were able to place £3,000 to depreciation fund and £10,000 to general reserve. This year, after providing a somewhat smaller sum for depreciation—namely, £2,546—there was nothing left for general reserve. This fund, however, stood at £116,500, equal to 38% of the Ordinary share capital, so that they need not worry if, after an admittedly bad year, nothing was added to it. Fortunately the works were well up to date at the outbreak of war, and they had been able to moderate their capital outlay; but now that war was over they would have to take in hand some extensive works involving a considerable capital expenditure. If in the meantime the Company was able to continue the payment of the 8% dividend, he did not think the shareholders would have much need to be dissatisfied.

Mr. Ross Pinsent seconded the motion, which was unanimously adopted.

GOLDSMITHS AND SILVERSMITHS COMPANY, LTD.

The twentieth ordinary general meeting was held on April 28 at the Company's premises, 112 Regent Street, W., Mr. A. T. Isaac (the Chairman of the Company) presiding.

The Secretary (Mr. J. W. Rice) having read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said: The present is the third occasion on which I have the duty and privilege, as Chairman of our Company, of giving an account to the shareholders of our operations. As you will have seen from the report and balance sheet for the year ended January 31, 1919, we propose to submit to you a resolution for your adoption authorising the payment of 5% on the Preference shares, and recommending a dividend of 7½% on the Ordinary shares, carrying forward a balance of £35,093 13*s.* 11*d.* to the new profit and loss account. The first and most important fact which I shall mention to you is that the total of our business for the year is larger than ever before in the history of the Company. This is a most satisfactory feature. If I am asked to indicate in what particular line our increase has taken place, I should say that the increase has taken place in the jewellery department, especially mentioning pearls. The total increase is made up of a vast number of transactions, but it is gratifying to mention also that we have more than maintained our record of important sales. Our silver department shows an increase of over 30%. This total is practically made up of articles of everyday use, and there are, therefore, great possibilities of expansion.

The Balance Sheet.

I will now turn to the figures of the balance sheet, on which I will make a few remarks. You will observe there is an increase in our stock of £56,387. This increase is due to the largely increased turnover, and prices are still high in consequence of war conditions. We shall, however, be the first to welcome and respond to any possibility of lowering prices. The increase of £67,979 in sundry debtors is also accounted for by the largely increased business over the whole year, and more especially during the last two months.

On the other hand, the rise in sundry creditors follows naturally from the increased total of the stock. In the profit and loss account working expenses continue to rise, as I explained in my opening remarks, but our net profit is well on the right side. The amount carried forward shows an increase of £12,068 13*s.* 11*d.*, which we are advised will suffice to cover any possible excess profits duty. In conclusion, the directors have very carefully considered the question of an increased dividend to the Ordinary shareholders. But they have reluctantly decided that an increase is not practicable at the present time. I can explain this in a word—the increased amount of our stock-in-trade, which is absolutely necessary for the conduct of our business on a large scale, makes great demands on our available resources. This is inevitable in an expanding business, and our course will, I think, be approved by every prudent business man. Finally, let me say that shareholders can rest assured that the large volume of the stock is the best guarantee for the future success and expansion of their business.

Mr. E. G. Ashwin (Deputy-Chairman) seconded the resolution, which was carried unanimously and the proceedings terminated.

JOSEPH TRAVERS AND SONS, LIMITED.

The annual general meeting was held on April 28 at the Cannon Street Hotel, E.C., Sir Edward Bowron (Chairman of the Company) presiding.

The Secretary (Mr. S. J. Loder) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said : The chief matter of interest in the balance sheet is the reduction in the amount of profit from the high level of the three or four previous years, and I will take this opportunity to give you some reasons for it. The more prudent trader must have foreseen that, as soon as peace was in sight, the price of many articles of produce would inevitably fall from the high range of values that had been reached during the War. Our policy from the beginning of the year under review right up to the Armistice day was very carefully and continuously revised, and we were prepared for and expected declines in the value of our stock. The quantities were reduced to the lowest point consistent with the requirements of our trade, and in this connection it must not be forgotten that to starve the business at such a time would have damaged the goodwill to a degree from which it might never have recovered. The consumption of some of the articles we sell, which in pre-War times were of small importance, has, for various reasons, increased considerably, and supplies had to be secured some time before they were actually required. The losses in this class of goods were heavy—in fact, greater than we expected—but you will be glad to hear that the position has been met and our cupboards are free from skeletons. The matter can be judged by the fact that our stocks, largely owing to depreciation in values, stand at £369,147 16*s.* 1*d.*, compared with £581,679 19*s.* 5*d.* in the previous year, and even with this important reduction we are able to present a report with a very satisfactory profit.

Cautious Policy Pursued.

An interesting feature of the balance sheet is the substantial increase in the reserve, which is mainly due to the cautious policy we pursued in making ample provision for the payment of War contingencies. The accumulation since the beginning of the War—namely, the important sum of £67,000—has now been transferred to its proper place in the reserve. We have, in addition, £41,566 3*s.* 9*d.* in special reserves, making altogether £261,566 3*s.* 9*d.* You will no doubt agree that a grand old business of this kind, with centuries of untarnished traditions, should never be without substantial reserves. The year has been full of matters of unusual interest, and it would be a great pleasure to report them fully to our shareholders, but we refrain from doing so, believing it to be prudent to keep silent about our various activities. We have been obliged to close our business with Petrograd and Moscow, and are glad to be able to state that our manager has succeeded in escaping, and is now in London preparing to act for us elsewhere. Owing to his foresight and good judgment, our losses have been very small in fact, almost negligible. With the release of Government control, which is progressing satisfactorily and will probably be fully acomplished during this year, important changes in all business may be expected. It is, of course, impossible to foresee the exact nature of these changes ; it is necessary to keep our future policy continuously under review so as not to miss any opportunities. Preferential treatment of imports, whether Colonial or Allied, would result in injury to business unless protected by a corresponding preference which would to the same extent increase the exports, and although we cannot regard these contemplated changes without anxiety, we are without the facts necessary to form a definite opinion. In any case the purposes of such changes would not be served unless accompanied by an increase of values considerably above pre-War standards, and with this in view we are asking your concurrence to the extension of our borrowing powers, as it is obvious that the same volume of business cannot be transacted without further financial facilities.

Transport Difficulties.

The question of inward and outward transport of our goods is causing us endless and vexatious anxiety. I will not weary you by quoting instances which are of hourly occurrence ; in fact, the whole system seems to be completely disorganised and overstrained, causing intolerable delays. Railway companies frequently refuse orders for collection of goods, and public carriers will only undertake work after selection of what will suit their arrangements ; in fact, delivery is hopelessly retarded and far below pre-War standard. The relief expected from the reduction of War requirements has been largely cancelled by new regulations from the labour unions, and the present conditions are as bad as bad can be.

The quality of all food during the War has had a tendency to decline. Manufactured substitutes have been sold in times of scarcity which, under ordinary circumstances, would not have found favour, and, it is hoped, will be discarded and replaced with the real article. I now beg to move that the payments of dividends as recommended by the directors be declared as follows : The Preference dividend at the rate of 5% per annum for the six months ended January 31, 1919, and a dividend of 10% and a bonus of 1*s.* per share on the Ordinary shares for the year ended January 31, 1919.

Mr. A. H. Stableforth (Deputy-Chairman) seconded the motion, which was carried unanimously.

At a special meeting subsequently held a resolution was passed increasing the borrowing powers of the Company from £300,000 to £500,000, exclusive of the Debentures.

The proceedings then terminated.

ARGENTINE TOBACCO COMPANY, LIMITED.

The seventh ordinary general meeting was held on April 30 at Winchester House, Old Broad Street, E.C., Mr. Francis FitzGerald, C.B.E., presiding.

The Secretary (Mr. George Frampton) having read the auditors' report,

The Chairman, in moving the adoption of the report and accounts, said : Gentlemen,—Our Chairman (Baron Emile B. d'Erlanger) very much regrets that he is detained in France in connection with Red Cross work, and is therefore unable to be present at this meeting. I have been requested to preside in his place, and I will start, as usual, with an analysis of the accounts. You will see that if we take the credit side of our balance sheet our assets on October 31 are composed of £285,000 cash, as compared with £250,000 last year. On the other hand, we have now no British Government Treasury bills, which stood at £29,000 in the balance sheet for 1917. Our debtors and debit balances amount to £342,000, as against £292,000. The value of our stocks of tobacco is larger than last year, amounting to £494,000, as against £477,000. Our fixed plant and machinery have been added to and now stand at £45,000, but are worth considerably more. Our freehold lands and buildings have been reduced from £135,000 to £131,000 through writing off depreciation. The next item—namely, goodwill—having been commented upon, we have deemed it advisable to describe it somewhat more fully in this balance sheet than in the previous ones. It must be well understood that the figure of £1,120,000, which is the same as last year, does not represent goodwill only, the value of which is a conjectural one, but also represents tangible assets, such as trade marks and registered brands, the popularity of which, having been established for many years, renders them extremely valuable. If we take the debit side of the balance sheet we find that our capital is the same as last year, £1,764,000, but our Debenture debt has been reduced from £243,000 to £125,000. The next item, £123,000, shows the amount of Debentures, with premium thereon, which had been drawn for payment in October last and have since been redeemed. Our creditors and credit balances, including reserve for contingencies, stand at £213,000, as against £154,000, this sum including a reserve for contingencies of £48,000, after a transfer of £24,000 in respect of the year under review. Bills payable and temporary loans from bankers amount to £172,000, as against £45,000, the Company having borrowed from the Anglo-South American Bank and Messrs. Erlangers a sum of £100,000. The unclaimed interest and dividends account speaks for itself, as also the next item of undivided profits, which is the same as last year. Passing to the profit and loss account, our trading profit has been £268,000, as against £276,000 last year. The general charges in Argentina have risen from £123,000 to £153,000, the increase being due principally to the charge for advertising and bad debts. The result, therefore, of this year's working is that we have a balance of profit of £48,845, as against £112,000 last year. This profit is disposed of, as shown in the appropriation account, by setting aside £5,885 for premium on Debentures redeemed, £18,791 for depreciation, and by allocating £24,169 to the reserve for contingencies. As in addition we had to disburse no less than £125,000 for repayment of Debentures on November 1, 1918, we thought it wise to obtain a loan from our bankers, the Anglo-South American Bank and

Messrs. Erlangers—who have advanced the Company a sum of £100,000, repayable by instalments, and of this £40,000 has already been repaid.

Mr. George Kitchin seconded the motion, which was carried unanimously.

The proceedings then terminated.

THE PACIFIC LOAN AND INVESTMENT CO., LTD.

THE thirty-third ordinary general meeting of the Pacific Loan and Investment Company, Limited, was held on Thursday, May 1, at the Law Association Rooms, Cook Street, Liverpool, Mr. J. Arthur Smith (Chairman of directors) presiding. The other directors present were Messrs. Hugh H. Nicholson and Alexander Guthrie.

The Chairman said: Since we last met I regret Mr. Bruce Ismay has found it necessary to retire from the directorate, owing to his inability to attend the Board meetings. I have also to mention the unavoidable absence of Mr. Allardice, who has gone to South America for a few months on his own business. You will doubtless take the report and accounts, which are in your hands, as read. You will observe from these accounts that the balance available to be dealt with is £12,954 14*s*. 7*d*., to which is added the amount of £14,543 19*s*. 5*d*. brought into the accounts from 1917, making a total of £27,498 14*s*., as against £33,400 4*s*. 5*d*. in the 1917 accounts. This reduction in earnings is chiefly accounted for by the reduced amount in agents' hands available for investment.

Investments in the United States.

As I have explained at recent meetings, your directors have been finding it increasingly difficult to invest the Company's funds in the United States to leave a sufficient margin. The high rates of interest now required on borrowed money in this country have not been reflected to a sufficient extent in the rates obtainable on mortgages on the Pacific Coast, consequently we have been paying off our terminable Debentures half-yearly as they mature, and this has necessitated bringing home considerable sums throughout the past year. Another handicap to a profitable margin is the increasing taxation in the United States. Although the capital employed in the States has been considerably reduced, the tax paid for the year is not materially reduced, and you will observe a debit of £1,083 in the accounts before you. Our agents foreshadow that this item may be increased in the 1919 accounts. There is, further, the serious question, as affecting the accounts, of the increased British income-tax.

Rates of Exchange have again favoured the Company in bringing home funds, and you will observe a gain in exchange for last year of £3,176 1*s*., making a total gain during the last few years of the considerable sum of £16,867 5*s*. 1*d*. This is held in exchange suspense account, and practically constitutes another reserve fund. The interest paid on our Debentures during the year is £14,195 6*s*. 10*d*., against £15,819 19s. 2d. in the previous year. Income-tax is increased from £11,470 to £12,008 5*s*., based on the usual three years' average. Agency expenses are reduced from £7,682 12*s*. 5*d*. to £5,320 8*s*. 6*d*., owing to the smaller business now done by the Company's agents.

Real Estate Disbursements.

Real estate disbursements are a little more than in 1917, due to necessary expenses maintaining and operating certain foreclosed properties. These properties, including outlays for improvements, are valued, as you will observe, at £17,190 19*s*. 1*d*., and the agents consider they are worth fully this amount. No new foreclosures were added during the year. No sales of properties were made during the year, so that "real estate suspense account" remains unchanged at £11,513 10*s*. 10*d*. The Company's investments in Government securities, railroad bonds, and other securities amount to £459,996 10*s*. 3*d*., as compared with £390,456 1*s*. 1*d*. in 1917. The value of these securities has been fully maintained during the year. The directors propose to continue investing in similar securities as surplus remittances become available.

Business Conditions on Pacific Coast.

I regret we cannot say that business conditions on the Pacific Coast have accommodated themselves yet to a Peace footing. The continued absence of adequate tonnage has militated materially against shipments of produce to this country. The situation, however, is now gradually improving, and there is reason to hope that by the time the new season's produce of various kinds is ready for marketing we shall see the trade gradually resuming something approaching its pre-war activity. The outlook for the leading crops of the Coast is favourable, and, as farmers are likely to obtain full prices, we may expect interest payments to be well maintained. I now move the adoption of the report and accounts for the year 1918.

Mr. Hugh H. Nicholson seconded, and the motion was carried unanimously.

The Chairman: I now move the payment of a dividend of 6%, which, with the interim dividend of 3% paid October 31, 1918, makes 9% (less income tax).

Mr. A. Guthrie seconded, and it was agreed to.

The Chairman: I move the re-election of Mr. Hugh H. Nicholson as a director of the Company.

Mr. Billson seconded, and the motion was approved.

Messrs. Blease and Sons were re-elected auditors for the current year.

The Chairman, replying to a vote of thanks, said: The directors are glad of your appreciation of their work during the past year. Of course, the business which it has been possible to do on the Pacific Coast has not been considerable. It has to be remembered that high prices have to be paid for money in this country now, and there is no possibility of re[illegible]hat money out in the States at any proper margin after paying expenses. The only course is to remit home any funds we can get, taking advantage of the present favourable rates of exchange, and making investments in this country where we can get 5 or 5½%.

PATALING RUBBER ESTATES SYNDICATE, LIMITED.

THE sixteenth ordinary general meeting was held on April 30 at the Council Room of the Rubber Growers' Association (Incorporated), 38 Eastcheap, E.C., Mr. James Lloyd Anstruther, Chairman of the Company, presiding.

Mr. J. McInnes, on behalf of the secretaries, Messrs. Harrisons and Crosfield, Limited, having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen, In the balance sheet £1,346 3*s*. 4*d*. has been written off the cost of buildings and machinery during the year. Lower down on the same side of the balance sheet sundry debtors and debit balances, £5,721 1*s*. 10*d*., is a larger amount than usual. This is due to a debit balance of income tax account of £4,903, to which I will refer later. Our capital expenditure to date, including cost of property and development expenditure, together with buildings, machinery and furniture, amounts to £47,076 3*s*. 11*d*., and this gives us a cost per cultivated acre of £26 2*s*., exclusive of our reserve account. From the report you will see that the restricted crop harvested totalled 507,813 lbs., showing a reduction of no less than 222,643 lbs. on last year's yield, but, as I mentioned in my speech to you last year that we had agreed, in common with others, to the proposal of the Rubber Growers' Association to restrict the output, the shareholders will not be altogether surprised. The tapping has been done on the single cut alternate day throughout, and the yield amounted to 352 lb. per acre. The reduced crop materially increased our cost of production per lb., and unfortunately we also had to face a greatly reduced market price, so that I think that under the circumstances our net profit for the year of 1*s*. 1*d*. per lb. is not unsatisfactory. The condition of the estate is reported as excellent. The net profit for the year is £31,227 6*s*. 2*d*., and after adding the carry-forward from last year, and making one or two adjustments, the sum we have to deal with is £51,491 14*s*. We recommend, with your consent, the payment of a final dividend of 105%, making with the interim dividends a total of 150% for the year, carrying the balance of £12,741 14*s*. forward. Mr. F. G. Harvey remained in charge of the estate throughout the year. With regard to the current year, I think that from previous estimates Mr. Harvey's forecast of 720,000 lbs. should be secured, but it will no doubt partly depend on the labour position, to which I have referred, and I believe that these restrictions have now been modified. From this crop we shall deliver against forward contracts 87 tons at an estimated net average price of 1*s*. 10.82*d*. per lb., and out of the 1920 crop we have sold forward 68 tons at an estimated net price of 1*s*. 10½*d*. per lb. I consider that with the larger crop and the rates that have been ruling for forward sales there is every prospect of the current year proving a better one than last year.

Mr. John McNeile Miller seconded the motion, which was unanimously adopted, and the proceedings terminated.

THARSIS SULPHUR AND COPPER COMPANY, LTD.

THE annual ordinary general meeting was held on April 30 in the offices of the Company, 136 West George Street, Glasgow, Lord Glenconner (Chairman of the board) presiding. The report was taken as read.

The Chairman said: Our balance sheet, I think you will agree, requires little comment from me. It shows our mines, railways, machinery and plant at very low written down values as a result of the conservative policy which we have always followed. The item "Stocks in trade in Spain, including preparatory works," now stands at 816,302*l*. This includes the amounts spent in removing overburden from the various opencasts, which will be written down, as usual, by a fixed charge per ton of ore as it is mined. Although our Calanas mine alone can regularly supply more ore than we have shipped during recent years, we have considered it advisable to continue uninterruptedly the programme of development of the Sierra Bullones and North Lode opencasts at Tharsis which we had mapped out before the War. During the whole of last year the importation of pyrites into this country and its sale to the various users was under the control of a Government Department. Generally, Tharsis ore has been supplied to those who were accustomed to use it in the past, and this Company has acted as agents for Government in its shipment and distribution. Under these circumstances there has, fortunately, been little dislocation of our business in

the United Kingdom. This control ceases at the end of next month, and we have now started importation on our own account as before. Due to the United States Government restriction on the importation of pyrites to that country and to the closing of other markets, all due mainly to the scarcity of tonnage, our export of ore from Huelva has been much reduced, and still continues at a low rate. Calanas mine supplied all the ore required, and the development of this mine continues in the most satisfactory manner. The food control which we have instituted in Spain, and to which I referred last year, is still in force, and has been a great boon to the workpeople and their families. At our four works in this country operations have been carried on without interruption, and our products have found a ready market. Our costs, however, have been very greatly increased, although we are constantly introducing improvements with the object of reducing them. Under existing circumstances, however, the acquiring and erecting of new plant is a very slow and tedious business. The extremely low rate of exchange with Spain has operated heavily against us, and would have proved a most serious loss but for the fact that we were able to borrow a considerable proportion of our requirements in Spanish money. We do not require to repay this for some considerable time, when we hope the exchange will have further improved in our favour. The increased price of coal and stores of every description has been a heavy charge on our operating costs, especially so at our mines, and I think that, considering the many adverse factors which we have had to face, we are fortunate in being able to recommend to-day a dividend of 10%, free of income tax, which, may I remind you, is equal to 14 % less tax.

Mines Equipped with most Modern Plants.

With regard to prospects, the future is very uncertain. Copper is one of the few commodities which has fallen heavily in price since the Armistice. At that date we were getting £135 a ton for our brand: to-day the price is £80, a figure which must be unprofitable for many mines. The prices obtainable for the sulphur in pyrites generally do not under the present circumstances yield a return commensurate with the high costs, due largely to high freights. This question of freight is one that affects us at every turn, because every ton of our ore is shipped and even our sales in Spain are delivered by coasting steamers. Stores for the mines are affected by the same cause, making the price, especially for coal, very high by the time it is delivered out there. Taking a longer view, I have every confidence in our position. We have enormous quantities of ore, and are prepared for a large production when the demand arrives. The mines are equipped with the most modern plants, and we are constantly striving for still greater efficiency and economy in working in all departments.

Mr. A. J. Messean (Paris) seconded, and the proceedings ended.

NORTH CAUCASIAN OILFIELDS, LIMITED.

An extraordinary general meeting was held on April 28 at Winchester House, Old Broad Street, E.C., for the purpose of considering and, if thought fit, of passing the following resolution:—"That the capital of the Company be increased to £1,000,000 by the creation of 500,000 Ordinary shares of 10*s.* each, ranking *pari passu* with the existing Ordinary shares of the Company." Mr. Francis Allen (Chairman of the Company) presided.

The Secretary (Mr. W. A. Turner, F.C.I.S.) having read the notice convening the meeting,

The Chairman said: The position is as follows: On what is called the new field practically all our derricks, our rigs and our dwelling houses are destroyed. We had burning there for fifteen months three spouting wells, and our last information was that preparation was being made to extinguish these fires. As regards our western field—the old field—things are practically intact there. We have at the moment, as far as we know, in ambars, which are really open reservoirs, some 9,000,000 poods of oil, and our first policy will be as far as possible to get rid of that oil, because as long as it exists in its present condition it does not improve. The refineries are limited by the amount they can dispose of when they have refined the oil. In the pre-War days practically all the oil from Grozny found its way up the Volga, and was distributed throughout Central Russia. The locomotives and available oil tanks are very limited in number, and, therefore, we cannot expect that the refineries will be able to handle any very large amount at the present time. It has been estimated that they can pass down something like 3,000,000 poods per month from Grozny, but whether that estimate will ultimately work out to be correct one cannot say. Mr. Taylor, one of our esteemed staff over in Russia, who has recently arrived in this country, had made an arrangement with the local administration, which is acting under General Deniken, that in the event of our delivering material at Novorossisk they would facilitate transport as far as possible up to our property, so that we should not be hung up, and they also undertook that they would not commandeer any property that arrived for military purposes. I might mention that we are the owners of 11,000,000 roubles in Petrograd, but for the moment we must look upon that as non-existent. Our advices in November last were that the money was still intact, but nobody knows whether it is intact to-day. I formally move the resolution.

Sir Reginald McLeod, K.C.B., seconded the resolution, which was carried unanimously.

The Chairman announced that the issue would not be underwritten in any way, because the directors believed that the shareholders would take the rights which were offered to them, and failing that the directors and their friends were prepared to take anything left.

The proceedings then terminated.

According to an official Italian document, the cost of the late War to Italy reached £2,504,760,000. In this sum is included no less than 320 millions sterling paid abroad for food and merchandise of all descriptions, as well as for munitions. Before the War, the total debt of Italy was £545,440,000. At the end of the past year it amounted to £2,523,720,000. The five War Loans issued by the Government brought in a sum of £589,480,000; the 5% Treasury Bonds for three and five years realised £123,080,000; other Treasury Bonds realised £369,600,000; while Treasury Bills discounted by the various Allied Governments amounted to £554,040,000. The War Loans which were issued at below par produced £403,360,000, while the nominal value was £589,480,000. On the other hand, of the £554,040,000 nominal of Italian debt placed abroad, the Italian Government received only 312 millions sterling, through the depreciation of the exchange. The Financial Commission of the Budget state that in future there will be required for the Budget £86,600,000, as well as a loan each year of 20 millions sterling. It recommends that the deficit be diminished each year for the next five years by 6 millions sterling by means of special taxes. The national organisation for the manufacture and sale of wine is estimated to produce 48 millions sterling.

THE NATIONAL BANK OF SCOTLAND LIMITED

INCORPORATED BY ROYAL CHARTER AND ACT OF PARLIAMENT.

ESTABLISHED 1825.

Capital Subscribed, £5,000,000. Paid up, £1,000,000. Uncalled, £4,000,000.

RESERVE FUND, £900,000.

Head Office—EDINBURGH.

J. S. COCKBURN, General Manager. GEORGE A. HUNTER, Secretary.

London Office—37 NICHOLAS LANE, LOMBARD ST., E.C. 4.

SIR JOHN FERGUSON, K.B.E., Manager. DUGALD SMITH, Assistant Manager.

Every description of Banking Business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.; the collection of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts, Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of Remittances to all parts.

The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.

The Officers of the Bank are bound to secrecy as regards the transactions of its Customers.

Ideal Summer Underwear at Hope Brothers

THE discriminating purchaser who selects his summer underwear at Hope Brothers ensures comfort and thorough satisfaction for many months to come.

For nearly half a century Hope Brothers have specialized in gentlemen's wear. The reliable quality and moderate prices of Hope Brothers' hygenic underwear will appeal both to your good taste and to your judgment of value.

White Scotch Gauze Merino Underwear

Superior quality, light weight, very soft and elastic; absolutely unshrinkable.

Vests. Long or short sleeves. Sizes up to 36" **10/-**
38" 10/6; 40" 11/-; 44" 12/-

Pants. Various lengths. Sizes up to 36" **11/-**
38" 11/6; 40" 12/-; 44" 13/-

Natural Scotch Gauze Merino Underwear

Combines the qualities of softness and elasticity. Light in weight and absolutely unshrinkable.

Vests. Long or short sleeves. Sizes up to 36" **11/6**
38" 12/-; 40" 12/6; 44" 13/6

Pants. Various lengths Sizes up to 36" **12/6**
38" 13/-; 40" 13/6; 44" 14/6

Gents' Half Hose

Superior quality Black Cotton Sanitary Dye, with treble heels and toes. Exceptional offer. Per pair..... **2/-**
Also a cheaper quality at 1/6

Exclusive selection of assorted Heather Half Hose with tastefully embroidered fancy Clox. Per pair **3/6**

The Mail Order Department give very special attention to orders by post, and customers can rely upon prompt and careful despatch. Carriage paid on all orders over 10/-

Hope Brothers LTD.

Complete Outfitters.

Chief Establishments:

44 & 46, Ludgate Hill, E.C.4.
84-88, Regent Street, W. 1.

Branches throughout London and the Provinces

PAPERS ON CURRENT FINANCE.

By H. S. FOXWELL, M.A., F.B.A., Professor of Political Economy in the University of London. 8vo. 10s. net.

The Financial Times:—"Professor Foxwell is a leader of modern thought on this subject, and we are glad to see these very able essays reproduced in volume form. Incidentally, they throw considerable light on the Financial peace problems that now confront us."

MACMILLAN & CO., LTD. LONDON, W.C. 2.

Under Contract with H.M. Government.

P&O & British India Mail & Passenger Services

Sailings from LONDON, MARSEILLES, &c.
Tickets Interchangeable.

MEDITERRANEAN, EGYPT, INDIA, BURMA, STRAITS, CHINA, JAPAN, AUSTRALASIA, MAURITIUS, E. & S. AFRICA, NEW ZEALAND (via PANAMA CANAL)

P. & O. Australian Tickets interchangeable one way by New Zealand Shipping Company (via Panama) or by Orient Line.

For particulars of Sailing apply P. & O. & BRITISH INDIA Passenger Dept., 122, Leadenhall Street, London, E.C. 3.

BRITISH INDIA COMPANY.—For general information apply GRAY, DAWES & Co., 122, Leadenhall Street, London, E.C. 3.

UNION-CASTLE LINE.

South and East Africa
ROYAL MAIL ROUTE.

The Cape, Natal, Transvaal, Rhodesia, East African Ports, Mauritius, etc.

For sailings and other information apply to the Head Office, 3 and 4 Fenchurch St., E.C.3. West-end Agency: Thos. Cook & Son, 125 Pall Mall, S.W.1

TO BANKERS, INSURANCE COMPANIES, ETC.

Commanding Business Premises, occupying one of the best situations in the heart of the West End, for disposal. For particulars apply to Gresham Davies & Dallas, 12 Old Jewry Chambers, E.C. 2. Principals only.

A PEACE RISK.

Who is carrying your death Risk?
Is it your Family,
or
a Life Assurance Office?
WHY NOT LET THE PRUDENTIAL CARRY IT?

EXTEND and INCREASE

YOUR TRADE

with

SOUTH AMERICA!

THE

NELSON LINES

maintain regular
MAIL, PASSENGER & FREIGHT
Services to
RIO DE JANEIRO, MONTE VIDEO & BUENOS AIRES.

Write for particulars to:

H. & W. NELSON, LTD.

Head Office:
98 Leadenhall St., London, E.C.3
& 20 Water St., Liverpool.

RMSP

SOUTH AMERICA
WEST INDIES
SPAIN PORTUGAL PANAMA BERMUDA
CENTRAL AMERICA GIBRALTAR
MOROCCO EGYPT STRAITS CHINA JAPAN &
THE ROYAL MAIL STEAM PACKET Co
18 MOORGATE STREET, LONDON EC

THE LONDON ASSURANCE.

Incorporated by Royal Charter, A.D. 1720.

7 ROYAL EXCHANGE, LONDON, E.C. 3.

INCOME £3,084,450 FIRE. MARINE.

Applications for Agencies Invited.



ASSETS £8,526,459 LIFE. ACCIDENT

All classes of Insurance.

The Corporation has granted Fire, Life and Marine Insurances for nearly Two Hundred Years.

THE **OCEAN** Accident and Guarantee Corporation, Limited.

Assets - - £5,750,000
Claims paid - £19,500,000

Accident Insurance of all kinds.
Employers' Liability. Fidelity Guarantees.
Fire and Burglary. Public Liability.
Motor Cars. Excess Bad Debt and Credit.
Boiler and Lift Insurance.
Executorships and Trusteeships.

Head Office: MOORGATE STREET, LONDON, E.C. 2.
T. M. E. ARMSTRONG, *Manager and Secretary.*

BRITANNIC
ASSURANCE CO., LTD.

One Special Ordinary Branch feature is the **CHILD'S OPTION POLICY (Table 11a),** under which a premium of £10 assures £1,091 on certain conditions.

FUNDS - - - £4,800,000.

Chief Offices: BROAD STREET CORNER, BIRMINGHAM.

LONDON & MANCHESTER ASSURANCE COMPANY, LIMITED.

Chief Office - 50 FINSBURY SQUARE, LONDON, E.C. 2.

Allied with National Amalgamated Approved Society for National (Health) Insurance.

PREMIUM INCOME exceeds ... £900,000
FUNDS exceed £2,000,000

PEARL
ASSURANCE COMPANY, LTD.

Chief Offices: High Holborn, W.C. 1.

Annual Income exceeds £5,250,000
Claims Paid exceed £23,000,000

REFUGE ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds - £4,700,000
Assets Exceed - - - - £15,900,000
Claims Paid Exceed - - - £28,000,000

SUBSCRIPTION TO "THE STATIST."

TO INCLUDE ALL SUPPLEMENTS.

Payable in Advance.

Inland.

One Year, £1 10 0 | Half-Year, £0 15 8
(Post Free.)

For Colonies and Abroad (within Postal Union).

One Year, £1 17 4 | Half-Year, £0 18 8
(Post Free.)

OFFICES: 51 Cannon Street, E.C. 4.

MAXIMUM LIFE ASSURANCE at MINIMUM COST.

LIFE ASSURANCE particularly adapted for Partnerships and for all transactions where capital is involved.

Prospectus will be sent on application to

Assets exceed £700,000 — **WESTERN AUSTRALIAN Insurance Co., Ltd.** 45 to 47 Cornhill, London, E.C. 3. — Claims Paid exceed £1,000,000

The Statist.

LONDON, SATURDAY, MAY 10, 1919.

CONTENTS.

LEADING ARTICLES— PAGE
GERMANY 835
GERMANY'S FUTURE ... 836
LIVERPOOL AND THE TRANSPORT BILL 837
UNEASY EUROPE 838
THE STOCK EXCHANGE ... 839
OUR TRADE WITH BRITISH WEST AFRICA—II. ... 840
BRAZIL 841
THE LIVERPOOL COTTON MARKET II. 842
APRIL'S TRADE 845
PRICES OF COMMODITIES ... 846
PEAT RESOURCES OF IRELAND—I. 855

S. AND CENTRAL AMERICA—
CATTLE IN ARGENTINA ... 844

THE MONEY MARKET—
NEED FOR EXPANSION ... 828

STOCK EXCHANGE 829

MINING TOPICS—
GOVERNMENT AREAS ... 850
VAN RAN DEEP 851
MASON AND BARRY 852

TABULAR APPENDIX—
I. Bank Returns, &c. ... 832
II. Current Bank Rates of Discount 833
III. Foreign Exchanges ... 833
IV. Bankers' Clearing-House Returns 833
V. Freights 833
VI. Wholesale Prices of Commodities 834
VII. Railway Revenue Statements 834
VIII. Railway and Tramway Traffic Receipts ... 834

FINANCIAL NOTES— PAGE
AFGHANS AND INDIA ... 846
THE HOUSING BILL 848

AMERICAN TOPICS—
EUROPE'S FISCAL DEBT ... 849
NORFOLK AND WESTERN RAILWAY 849
GENERAL ELECTRIC CO. (U.S.A) 850
CANADIAN PACIFIC RAILWAY 851

RUBBER TOPICS—
RUBBER SHARE PROSPECTS ... 851
BAGAN SERAI (PERAK) ... 852
SUNGEI BAIU (KEDAH) ... 853
WINDSOR (PERAK) 853

NEW ISSUES—
BRITISH MOTOR TRADING CORP., LTD. 857
FROST BROTHERS, LTD. ... 858
GREENWICH INLAID LINOLEUM 858
SUNBEAM MOTOR CAR CO. 858
BURGONS, LTD. 858
HENRY BOSTON & SONS, LTD. 858

INSURANCE NOTES—
EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LTD. 853
PROPOSED AMALGAMATION OF EMPLOYERS' LIABILITY ASSURANCE CORP. AND MERCHANTS' MARINE INSURANCE CO. 854

COMMERCIAL—
SUGAR 856

INDUSTRIAL COMPANIES—
COURT LINE, LTD. 859
DENNY, MOTT & DICKSON ... 859
JOSEPH TRAVERS & SONS, LTD. 859

REPORT—
GENERAL ELECTRIC COMPANY 860

MEETINGS OF PUBLIC COMPANIES ... 862 868

The Money Market.

Friday, May 9, 1919.

	Current Rate % Fixed	Previous Rate % Fixed
Bank of England Rate...	5 (Apr. 5, '17)	5½ Jan. 16, '17
Bank of England Rate — to Clearing Banks: 3 days' notice ...	3 (Feb. 14, '18)	4 June 19, '17
for Foreign Money*	4½ (Nov. 15, '17)	extended Jan. 2, '18

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances.

Deposit Rates :—
Banks & Discnt. Ho. (Call) 3† (Feb. 14, '18) 3½ Jan. 2, 18
Discount Houses (Notice)... 3 (June 6, '18) 3½ Feb. 14, '18

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Tr'sury Bills (Fixed Feb. 14, '18)—		3½	—	3½
Bank Bills	3½	3½	3½	3⅝
Trade Bills	—	4-4¼	4-4¼	4-4¼

NEED FOR EXPANSION.

In his Budget speech Mr. Austen Chamberlain gave, in very restrained language, a clear exposition of the London Money market for those who were really aware of its state as it exists at the present time. A journalist holding no official position is absolved from the restraints necessarily imposed upon a Chancellor of the Exchequer. The facts, however, thus publicly disclosed by the head of the Treasury upon the floor of the House of Commons, while they need not cause undue anxiety, are sufficiently grave to demand the serious consideration of all sober-minded readers.

It is futile to talk of the London Money market in the sense in which we were accustomed to talk of it in the days which preceded the outbreak of the recent War. In the sense that those of us who are no longer in our first youth were instructed in the functions for which the London Money market existed, it in reality exists no longer. From the period when England resumed the practice of specie payments after the great war now a century ago with revolutionary France to the period immediately before the War, the London Money market was the great clearing house of the world. We were accustomed to settle, either in services rendered or in commodities supplied, the trade balance existing between ourselves and the various countries of the world in which we traded. Where, for any reason, it was impossible to settle the balance either by services or the dispatch of commodities, we were accustomed to settle the balance by the actual payment of gold. Now we no longer have the gold to send. Still worse, we are no longer able to render the services to the extent that was formerly possible, nor have we the commodities to send abroad in the magnitude we were accustomed to do formerly. In the interval our circulation has expanded roughly three times over. In a sense, as Mr. Chamberlain explained, this is not inflation. This is true, however, only in a sense. It is not inflation in the sense that currency has been deliberately issued, as has been done in the past, in this as well as in other countries. It is inflation, however, in the sense that it is a draft upon future incomes yet to be earned as distinct from representing increased wealth. It is inflation in the sense that we cannot hope for a real reduction in prices of commodities until the ratio between currency and commodities has been placed upon a sound economic basis—in other words, until we are in a position either to reduce the currency to the real needs of production or to materially expand that production. The Board of Trade returns issued during the week show that we are gradually making an endeavour in that direction, but as yet our efforts have not gone very far. In addition to the great growth in the currency, the Entente Allied States of Europe owe to the United States of North America more than £2,000,000,000. Taking the expansion in the currency and the Allied debts to the United States as a whole, we shall not exaggerate much if we put the total amount at £2,500,000,000. In addition, the Chancellor stated that the total National Debt on the night of the 31st March next will, in all reasonable probability, amount to £7,680,000,000. For the moment we may leave the National Debt temporarily out of consideration, because the bulk of it is held at home.

We shall find the means somehow of meeting the interest payable each quarter to our own stockholders, and until more pressing needs are met the gradual repayment of the National Debt can wait, although it has to be borne in mind that the payment of the interest every quarter upon such an enormous debt must constitute, until it is liquidated, a very severe burden upon the industry and enterprise of this country.

Meanwhile, it is more urgently important to reduce as quickly as may be the cost of living at home and to pay our debts incurred abroad. Until this is done the London Money market as we knew it in pre-War days cannot be restored to its former position.

Taking the urgent and pressing debt which should be liquidated with as little delay as possible at £2,500,000,000, is it a crushing burden from which we cannot hope to escape in the lifetime of the present generation? It will be seen from the whole tenour of our remarks that we have no desire to minimise the seriousness or gravity of the situation, but, on the other hand, we have equally little desire to exaggerate its gravity. It must not be forgotten that the bankers' deposits have expanded during the period of the War about a thousand millions sterling. If these increased deposits represent enhanced wealth, why are we recommended to keep our ration books, and why is there a scarcity of commodities all over the world and a shortage of transportation facilities? Roughly, these debts, the increased circulation and the expansion in the bank deposits represent a thousand millions sterling in excess of the sum of, say, the income of a year and a half on a pre-War basis. In those days we really had a gold standard. We met annually all our liabilities, and even if we lived—as no doubt we did—in a somewhat extravagant style, we were able to invest abroad between £200,000,000 and £250,000,000 every year. The finances of the nation and the finances of the more enterprising and progressive portion of the population were in those days upon a sound economic basis, although, unfortunately, there was then, as now, a large measure of distress and even poverty amongst the less economically efficient portion of our people.

We are certainly not upon a sound economic basis now, either taken as a nation or taken as individuals. But we submit that the burden of these most pressing debts is not a crushing one if the English Government and the English people will make a serious effort to pay off the debts we have incurred. The expenditure of Government six months after the Armistice is extravagant to the last degree, and, although tentative efforts are being made to reduce the enormous staff of the vast number of new Government Departments brought into existence during the War, these efforts so far have resulted in puny reductions where a wholesale cutting down of expenditure is urgently needed in the national interest.

Equally extravagant is the expenditure of individuals upon luxuries which they could do without altogether, or, if this is too much to ask, they could reduce such expenditure by more than one-half without their injuring their well-being to any appreciable extent. Those of us who have ever been faced with a sudden and unexpected call upon our resources, and have been forced to retrench our expenses, know with what satisfaction we gradually see our liabilities diminishing. At first the burden appears impossible to bear, but, when seriously lifted and placed on the shoulders, one gets accustomed to its irksomeness. After a time the gradual reduction in the liabilities is itself a source of satisfaction, and the burden gradually becomes lighter and lighter, until it finally ceases to exist altogether. Everyone who is in any kind of productive employment at all can assist at the present critical position in the economic state of the nation. The workman can work longer hours, and can place his overtime money either in securities or in a bank instead of spending it upon amusements or luxuries. The employer, the manufacturer, and the merchant can likewise work longer hours and employ the increased profits derived from their various occupations in increasing the output of any industries in which they are engaged.

BANK OF ENGLAND.

Last week's large increase in "other" deposits and decline in Government securities has been followed this week by a reverse movement, due, no doubt, to heavier applications for Treasury Bills, the outstanding amount of which again exceeded £1,000,000,000 on

May 3. The decrease in Government securities amounted to £5,635,000, and in "other" securities to £2,750,000, while public deposits are up £1,761,000 on the week. These three movements, counteracted to the extent of £631,000 by an increase in reserve, account for a decline of £9,561,000 in bankers' balances, or "other" deposits. The rise in the reserve was contributed to by a reduction of £379,750 in the circulation, and a further addition of £251,600 to the stock of bullion, which at £85,927,395 compares with £79,976,000 at the beginning of the year. For the second week in succession the outstanding amount of currency notes and certificates shows a reduction, the total on May 7 being £347,140,275, against £348,339,626 on April 30 and £349,108,298 on April 23, when the high-water mark was reached.

POSITION IN NEW YORK.

THE feature in the United States in the fiscal year, which ends on the night of June 30 next, is the continued reduction in imports into the United States from Europe. The actual figures will show, as far as can at present be ascertained, about one-third of what they were in the pre-War period. This does not mean that the United States has reduced its imports during the year that will end with June by anything like two-thirds, because the fall in the imports from Europe has been accompanied by an enormous increase in the imports from nearly every other part of the world. From North America, outside the United States, the imports, as compared with the corresponding period before the War, have nearly trebled, while from South America they have increased from roughly £30,000,000 to nearly £80,000,000; from Asia from about £40,000,000 to considerably over £100,000,000; and from Africa from an almost negligible quantity to considerably over £100,000,000.

SILVER.

UNTIL Wednesday of this week the Silver market here remained in the state of lassitude which has characterised it for some time past. The price has varied according to the movements in exchange between New York and London. On Wednesday, however, the market unexpectedly received the announcement that the United States Government had decided to abrogate the maximum price of 101½ cents per oz. fixed on August 15. Not until to-day (Friday), however, did our own Government follow suit. The price of the metal has risen, and closes to-night at 52½*d*.

THE POSITION IN INDIA.

IN spite of the somewhat grave news from India on the existing state of things in Afghanistan, advices received this week in London by those in close commercial and financial touch with India report that business is gradually resuming its normal state after the recent period of unrest through which the Dependency has itself passed. Money is fairly plentiful, and business for the season of the year active on the whole. India has enjoyed, both throughout the period of the recent War and for some years before the War, a long period of abnormal prosperity. While, therefore, the last monsoon was a partial failure, the Indian population has been in a better position than in previous periods of partial drought to withstand the effects of the recent visitation. The prosperity of India in the coming season depends upon the monsoon, which, if all goes well, should break in about a month's time. A disquieting feature in the situation, as we have reported from time to time, is the hoarding silver upon an extensive scale by the native population. It is hoped, however, that if order has been restored throughout India and Government is taking measures to inform the natives of the results of the War and the policy of the Allies, this tendency to hoard silver will gradually subside. Particularly if the coming monsoon proves to be a favourable one and India is able to export large quantities of its produce so urgently needed in Europe and elsewhere, a renewed period of prosperity will, it is expected, gradually allay the recently prevailing unrest.

A feature this week has been the resumption of sales of drafts by the India Council, the figures of which we give below.

INDIA COUNCIL SALES.

	This Week			Next Week
	Offered	Applications	Allotted	To be Offered
Amount ...	... Rs.60,00,000	Rs.1,88,55,000	Rs.60,00,000	Rs.60,00,000

Allotments on Tuesday, May 6, 1919.

	Bills		Deferred T.T.		Immediate T.T.	
Applications ...	—		Rs.1,53,55,000		Rs.35,00,000	
Drafts on—	Rs.	Rate	Rs.	Rate	Rs.	Rate
Calcutta ...	—	—	21,93,000	1/5·937	2,39,000	1/6
Bombay ...	—	—	14,89,000	1/5·937	8,75,000	1/6
Madras ...	—	—	12,04,000	1/5·937	—	—
Total ...	—	—	48,86,000	1/5·937	11,14,000	1/6
%Allotted ...	—	—	31		31	

* Sales for week to Tuesday, Oct. 15, 1918 ... Rs.30,00,000 realising £223,919
Sales from April 1, 1918, to Mar. 31, 1919 Rs.15,50,00,000 „ £11,516,754

Sales from April 1, 1917, to Mar. 31, 1918 ...Rs.45,20,00,000 £31,106,219

* Last previous sales.

Stock Exchange.

THE activity which developed in the Stock markets at the close of last week has continued and become wider spread during the past five days. Second thoughts on the Budget accentuated the first feeling of relief, and the delivery of the Peace terms to the German delegates has also exerted a stimulating influence. So far only summaries of the conditions laid down for Germany's acceptance have been published, and the provisions are so intricate and comprehensive that expression of opinion at present can only be provisional. On the Stock Exchange the clauses relating to the specified indemnities to be covered by bond issues, the undertaking to pay full reparation, the supply of coal to Belgium, France, and Italy, and the general and detailed acknowledgment of obligation to do practically whatever the Allies consider possible in the way of repaying and replacing are being discussed with enthusiasm, and the common impression seems to be that the conditions and demands are about as much as Germany can stand, in view of the fact that she has already thrown her resources, including the health of her people, into the melting-pot of war.

As tending to lessen the good effect of the Peace terms, news pointing to possible trouble on the Afghan frontier of India has to be noted. This, however, except in the gilt-edged market, which has also been under the influence of new loan considerations, has not damped the cheerful sentiment to any marked extent. Throughout the week buying and profit taking—rises and set-backs—have indicated clearly a large volume of business, and this is confirmed by the experience of individual brokers. Weeks, perhaps months, may elapse between now and the actual signing of the Peace, but the fact that so great an event, so much desired for the restoration of normal conditions, is almost definitely in sight is undoubtedly acting as a stimulus to the operations of investors.

5%

NATIONAL WAR BONDS.

Although the issue of September Bonds is discontinued, they are still purchasable for a limited period by instalments from

The National Mutual Life Assurance Society

39 KING STREET, CHEAPSIDE, LONDON, E.C. 2.

under the Society's Special Scheme.

INSTALMENTS CEASE AT DEATH.

NO MEDICAL EXAMINATION OF APPROVED LIVES.

Write for particulars.

Consols have declined during the week from 55⅛ to 55, and the price of the 5% War Loan is ⅛ lower at 93⅞. The 4½% loan, however, is harder in view of the conversion right attached to it. India stocks have been dull, but several Colonial short-dated issues command better prices. In the foreign section French loans are a point up on the indemnity and coal provisions in the Peace terms, and attention has been directed to Brazilians by the coffee compensation clause. Peruvian Corporation Preference show an advance of 2½ points to 30½, and the Ordinary and Debentures have also been bought at higher prices. Russians show no further advance, being overshadowed through non-inclusion in the Peace terms.

The Home Railway market has had more business to contend with than for a long while past, and quotations show considerable improvement. How some of the principal prices compare now with those current before the threatened strike in February will be seen from the following:—

	Feb. 7	May 8		Feb. 7	May 8
Caledonian Ord. ...	54½	51	L. & S.W. Deferrd. ...	30½	26½
Glasgow & S.W. Def....	32¼	30	Metropolitan ...	30	27
Gt. Central Def. ...	9⅝	9½	,, District ...	28	25
Gt. Eastern	38	37¼	Midland Def.	61¼	58
Gt. Northern Def. ...	42½	37¾	N. Eastern	100	96½
Gt. Western Ord. ...	90	88	Sth. Eastern Def. ...	38	36
Hull & Barnsley ...	55	50½	Underground "A" ...	10.9	9.3
L. & N.W. Ord. ...	98½	95	,, Income	97	95½
L.B. & S.C.R. Ord. ...	65	58½			

The recovery in Argentine rails has made further progress, though the announcement that some of the leading shipping lines do not propose calling at Buenos Ayres until boycotting has ceased is rather a damping factor. The extent of the improvement in prices is indicated below:—

	April 11	May 9		April 11	May 8
Arg. Gt. Western (Ord.)	65	63¾	B.A. Western (Ord.) ...	67½	71
Arg. N.-Eastern (Ord.)	26	26	B.A. Central (Debs.) ...	78	77½
Arg. Transandine (Pref.)	10½		Central Argentine (Ord.)	56½	57
B.A. and Pacific (Ord.)	51	54	Cordoba Central (Ord.)	15¼	15
B.A.G.S. (Ord.) ...	67	71	Entre Rios (Ord.) ...	39	37

In the industrial and general sections the movements have been far too numerous to record separately, and it must suffice to note the principal features. Brewery securities have been very strong again. Allsopps Ordinary have risen from 56 to 65, City of London Ordinary from 146 to 166½, Guinness from 345 to 360, Meux 5% Preference from 7¾ to 8⅝, and Watney, Combe and others have been put up substantially also. Egyptians, after an early rally, were subjected to profit-taking. In shipping, Clan Line are appreciably higher. Bengal Iron and Steel, on share-splitting considerations, have advanced from 9¼ to 10¼, and Pekin Syndicate have been strong on the reduction in the excess-profits duty, which factor also explains the rise in Courtaulds from 8⅜ to 9½. Associated Cement have advanced from 7¼ to 7⅝ and British Cement from 30*s.* to 33*s.*, while Dunlop Rubber shares are as much as ⅝ higher on the week at 6¾. Motor shares have been an active market. Only a few shares in the whole list are down on the week, these including Imperial Continental Gas and Bryant and May, the latter being affected by dividend reduction.

The boom in the oil section continued for the first few days of the week, but profit-taking reaction then set in. It did not go very far, however, and having regard to the great rise that has occurred in this section, as shown in the table below, it is certainly high time that a halt was called and every endeavour made to check the activities of operators bent on blind gambling. The leading and high-class undertakings undoubtedly have solid investment merit; but their shares have risen hugely in price, and even in regard to Shells the issue of one new share for two held seems to have been pretty freely discounted:—

	Jan. 1	Feb. 6	May 8		Jan. 1	Feb. 6	May 8
Anc.-Egyptian B.	2½	3⅞	5 5/8	Mexican Eagle, Pref.	84/6x	5½	6⅞
Burmah	7¼	8⅝	11½	Shell Transport ...	6½	7⅞	9¼
British Borneo ...	11/6	13/-	14	Trinidad Central ...	33/-	2⅝	2⅝
Kern River ...	15/-	19/-	19/-	Trinidad Leaseholds	46/-	52/6	62/6
Londos	2⅛	3 3/16	3	Venezuelan Concessions	3 7/16	3 15/16	4⅛
Mexican Eagle Com.	84/3x	5⅛	6⅞				

Leaders of the World's Filing and Card Index Systems

THE Shannon LIMITED

and Modern Office Furniture

ROPEMAKER STREET, E.C. 2.

Ring up London Wall 1533.

Mining Topics.

While a number of individual shares have been in active request and show considerable appreciation in price on the week, the Mining markets have, on the whole, presented an irregular appearance. In the South African section investment and holding companies' shares have shown to advantage, especially Central Mining, which are ¾ up at 9½, Rand Mines, Anglo-French Exploration, Gold Mines Investment, and S.A. Gold Trust. Of the mines proper, Consolidated Langlaagte, Geduld, and Van Ryn Deep have been good spots, and in diamonds De Beers have risen to 20 7/16, and Jagersfontein to 5¼. Rhodesians have been irregular, and so have tin shares, with a preponderance of small declines in each case. The speech of the Chairman of the Union of Rhodesia Trust directed attention on Friday to the possibilities connected with the development of the Kirkland Lake subsidiary Company's mines. It is rumoured that a leading South African finance house is considering participation. Copper shares have been dull and Broken Hills weak on news pointing to the possibility of another strike stoppage occurring. After early strength Siberians relapsed into quietude, and quotations have given way slightly. There has been less doing in Americans. Oroville advanced sharply on Monday, but subsequently did not entirely hold the gain. Burma Corporation have recovered part of an early decline.

Geduld.—250,000 shares have been purchased from the Custodian of Enemy Property at £2 per share. Of these, 85,185 are to be retained for distribution as dividend later on, and the balance will be offered to existing shareholders at the price of purchase and in the proportion of two shares for 11 shares held. As the present price of the shares is 2½ a real bonus attaches to the offer.

Modder Deep.—Of 70,000 enemy-owned shares purchased for £6 12*s.* 6*d.* per share, 23,810 shares are being retained for distribution as dividend, and the remainder are to be offered to shareholders at purchase price, in the proportion of one share for ten shares held. The market quotation is 7½.

GOVERNMENT AREAS.

In dealing last year with the 1917 report we pointed out that the fact that stoping at this mine was being done to a width of 84 inches, or about 40% more than the average reef channel width, meant a great admixture of barren rock with gold-bearing ore, only neutralised to the extent of the waste sorted before milling. We concluded, and made clear by tabular figures, that the grade of the ore milled could be considerably raised by mining a narrower stope. The latest report shows that in 1918 the average width stoped in mining was 80 inches, while the percentage of waste sorted was increased from 7.85% to 10.28%, although a considerably smaller amount of ore came from development faces. Of the ore mined, 82.9% was broken by machines. Probably large machines only are used, and there would seem to be plenty of scope for the

employment of jack-hammers. If the stoping width can be reduced to 6 feet—and that is feasible without any loss of efficiency and with probably a reduction in costs—the grade of the ore milled could be raised appreciably above the recent level. In 1917 the recovery was 29*s.* 9*d.* per ton, in 1918, 33*s.* 2*d.*, and in the first quarter of 1919, 35*s.* 4*d.* Expenses are only slightly higher, and with increased milling, profits have expanded greatly as shown below:—

	Ore Milled Tons	Gold Yield Per Ton	Working Costs Per Ton	Working Profit £	Working Profit Per Ton	Net Profit* £	Dividends £	Dividends %
1915 ...	576,100	25/0	19/7	156,210	5/5	111,599	—	—
1916 ...	744,000	27/1	21/8	204,688	5/5	168,899	—	—
1917 ...	1,298,000	29/9	19/0	693,915	10/9	450,898	175,000	12½
1918 ...	1,303,500	33/2	19/9	876,327	13/5	519,276	385,000	27½
1919. Mar. qr. ...	321,500	35/4	21/4	225,420	14/0	—	—	—

* After payment of Government taxes and share of profits.

The full capacity of the equipment—1,600,000 tons a year—has not yet been reached; but the labour supply is now improving, and during the remainder of this year even better results than already obtained are to be looked for. Confirmation of this prospect is to be found in the ore reserve position and in the development results. During 1918 the footage of development work in payable reef again exceeded 17,000 feet, and the combined width and value result was even better than in 1917. The ore mined amounted to 1,449,226 tons, value about 32*s.*, over 80 inches stoping width, while the ore reserves were increased by 2,429,000 tons to 9,445,000 tons, and the shilling-inch value raised from 2,510 to 2,650 shilling-inches. On the 78 inches calculated width this latter figure represents 34*s.* per ton. If the width were reduced to 70 inches the value would automatically be raised to 36*s.* 5*d.* and the tonnage reduced by the exclusion of 970,000 tons of barren rock now included.

	Development Work: Payable Footage Ft.	%	Channel Width In.	Value	Shilling-Inches	Pay-ore Reserves: Tons	Value per Ton	Stoping Width In.	Shilling-Inches
1915...	9,880	69·0	48	71/4	3,424	3,665,000	29/4	68	1,994
1916...	9,910	67·8	47	55/3	2,597	4,930,000	30/7	75	2,295
1917...	17,220	75·0	51	53/6	2,728	7,016,000	31/10	79	2,512
1918...	17,230	73·6	43	68/4	2,940	9,445,000	34/0	78	2,650
1919. Mar. qr.	5,110	72·6	48	59/6	2,856	—	—	—	—

It is worth nothing that the ore developed last year was no less than 3,878,226 tons, averaging 35*s.* 5*d.* on 80 inches width, or practically the same average value as for the two previous years. These figures are not given in the report. They are arrived at by the following calculation.

	Tons		Shilling-inches Per Ton		Total Shilling-inch Contents.
Ore reserves at end 1917 ...	= 7,016,000	×	2,512	=	17,624,200,000
Add ore mined in 1916 & 1917	= 2,225,500	×	2,395*	=	5,333,600,000*
Total	= 9,241,500	×	2,485	=	22,957,800,000
Less ore reserves at end 1915	= 3,665,000	×	1,994	=	7,308,000,000
Ore developed in 2 years ...	= 5,576,500	×	2,806	=	15,649,800,000

	Tons		Shilling-inches Per Ton	Total Shilling-inch Contents
Ore reserves at end 1918 ...	9,445,000	×	2,650	25,029,250,000
Add ore mined in 1918 ...	1,449,226	×	2,550*	3,695,526,000
Total	10,894,226	×	2,640	28,724,776,000
Less ore reserves at end 1917	7,016,000	×	2,512	17,624,200,000
Ore developed in 1918 ...	3,878,226	×	2,836	11,000,576,000

* Based on official figures of value of ore milled before crushing, width of stoping, and an allowance for waste sorted. The average stoping width in 1917 was 84 inches, and in 1918, 80 inches.

As regards the dividend, it will be noted from the first table that the total distribution of 27½% for 1918 absorbed £385,000, against a working profit of £876,327, which, be it emphasised, was after providing the whole cost of developing 2½ times the amount of ore milled. This charge accounts for nearly 3*s.* of the working cost of 21*s.* 4*d.* The difference between the year's net profit of £519,276 and the working profit of £876,327 is mainly accounted for by the Government's share of £361,270 of the profit, against £238,745 for 1917. This share is based upon a fixed sliding-scale according to the percentage of profit to recovery value, with an allowance for amortisation. Without such allowance the 1918 profit proportion equalled 40.4%, and the Government's share 41.2% of the working profit, against respectively, for 1917, 36.1%, and 34.4%. It is clear from the accounts that a much higher dividend could have been paid last year on the capital of £1,400,000, for, besides charging the whole of the big excess development cost against revenue, £125,500 of surplus profit has been added to the carry-forward to the current year. The mining position is excellent, the financial position strong, and the dividend outlook good. Whether the present price of 4¾ for the £1 shares sufficiently discounts or not the potentialities must be left for the future to decide, as the directors alone can say whether they intend to work the mine on a stoping width more in accord with the reef width. In this connection it may be pointed out that the average stoping width at the Van Ryn Deep last year was 72 inches, with machine drills, and the waste sorted 21.2%, or double the Government Areas' percentage, while working costs on half the milling rate were about the same.

VAN RYN DEEP.

LAST year was again a very good one for this Far Eastern Rand mine. The value of the ore milled, according to the Consulting Engineer, was slightly above the average of the ore reserves; but from the data given the excess would appear to be quite immaterial, for the ore reserves show increases in tonnage, value, and stoping, width. The augmentation of the plant capacity to 54,000 tons per month—say 640,000 tons per year—was completed last year, but shortage of labour precluded full use, and the total milled for the year was 530,550 tons, after sorting out as waste as much as 21% of the ore mined. Increase in expenses was responsible for the working profit showing a decline of about £6,000, but no doubt in paying 45% dividend against 42½%, absorbing £3,500 more than the net profit, the directors had before them the Consulting Engineer's opinion that, given an ample labour supply, excellent results are assured for many years to come:—

	Ore Milled Tons	Gold Yield per Ton	Working Costs per Ton	Working Profit £	Working Profit Per Ton	Net Profit* £	Dividend £	Dividend %
1914 ...	483,090	33/4	16/7	406,759	16/9	369,649	299,223	25
1915 ...	508,710	37/4	17/0	517,308	20/4	410,732	388,990	32½
1916 ...	532,150	39/4	17/9	575,314	21/7	496,413	478,757	40
1917 ...	517,870	43/7	19/6	623,991	24/1	519,287	508,679	42½
1918 ...	530,550	42/10	20/7	617,081	23/3	535,130	538,601	45
1919. Mar. qr.	134,250	44/1	21/8	150,418	22/5	--	--	—

* After deduction of taxes, &c.

Development work last year was on a very much smaller scale than in 1917, but the results were appreciably better, and this accounts for the ore reserves showing increase in value notwithstanding the ore milled being of slightly higher grade than the average of the reserves. Apparently, too, a good deal of dead work was done in 1917, and only completion of blocking out was needed in many directions to bring ore into the reserve category. Otherwise it is difficult to explain how with 6,524 feet of payable reef disclosed in 1917 the addition to the pay reserves was only 90,000 tons, whereas for last year with 3,351 feet payable the addition to reserves was 187,000 tons. We show the development progress below:—

	Development Work: Payable Footage Feet	%	Width Inches	Value	Shilling-inches	Pay ore Reserves: Tons	Stoping Value per Ton	Stoping Width Inches	Shilling-inches
1915...	[Data not available.]					2,044,108	35/8	62	2,213
1916...5,687	83	21·1	124/7		2,630	2,168,851	36/11	68	2,500
1917...6,524	86	25·9	108/11		2,860	2,258,598	37/10	67	2,530
1918...3,351	84·3	38	85/-		3,230	2,445,759	38/3	70	2,677
1919. Mar. qr. 640	70	38	74/3		2,821	—	—	—	—

CANADA'S GRAND TRUNK RAILWAY

IS

10,127 MILES of

INTERNATIONAL GOODWILL,

COURTESY,

EFFICIENCY and

SAFETY.

CONSULT US ON **Travel, Exports and Imports.**

EUROPEAN TRAFFIC OFFICES

LONDON, S.W.—17-19 Cockspur Street. LIVERPOOL.—20 Water Street.

LONDON, E.C.—44-46 Leadenhall Street. GLASGOW.—75 Union Street.

F. C. SALTER, *European Traffic Manager.*

The outlook appears promising. Labour is becoming more plentiful, and if the augmented capacity of the mill can be fully employed a higher dividend payment should result. The present price of 3½ is about the same as a year ago, and seems reasonable enough for a good return to be afforded in the lifetime of the mine.

MASON AND BARRY.

SHAREHOLDERS had a good inkling a year ago of how this Portuguese copper-mining Company would fare if shipping restrictions continued, and they were also informed by interim report last October of the serious position brought about by lack of tonnage and further heavy increase in costs. Nevertheless, the report for 1918, disclosing a net profit of only £772, against £29,984 in 1917 and £110,486 in 1916, and the complete absence of a dividend, cannot but be a bitter pill to swallow, especially as, now that shipping is becoming more plentiful, the trade outlook has become uncertain and much lower prices rule for the metal. Companies which make large extra profits because of war conditions have to pay a heavy proportion in special taxation; but when war conditions, on the other hand, reduce prosperity to the vanishing-point no compensation is obtainable. The Company's profit showing would not have been so bad had it not to provide £12,078 for income tax. We show five years' results below:—

Year to December 31—	1918	1917	1916	1915	1914
Ore shipped (tons)	35,490	43,529	202,176	168,118	257,616
Average price copper ...	£115 11 6	£125 2 5	£116 1 3	£72 12 8	£59 9 9
	£	£	£	£	£
Net profit	772	29,984	110,486	59,737	31,338
Brought forward	35,120	36,138	21,298	18,113	15,550
Total available	35,992	66,122	131,784	77,850	46,888
Allocations:					
Dividend	Nil	18,517 (10%)	83,327 (45%)	55,552 (30%)	27,775 (15%)
Staff pension fund ...	1,000	1,000	1,000	1,000	1,000
Writings off	—	1,485	11,319	—	—
Carry-forward	34,992	35,120	36,138	21,298	18,113
	35,992	66,122	131,784	77,850	46,888

There are two good points to note. The first is the strong financial position with a balance sheet showing £195,381 of surplus liquid assets, as against the issued capital of £185,172. The second is that the rate of exhaustion of ore has been much less than normal, and at end of 1918 stocks on hand ready for disposal were valued at £90,307, against £77,381 a year previously and £59,341 at end of 1916. Future returns to shareholders must depend upon the price obtainable for copper, and therefore are problematical, but it certainly appears that the worst has been experienced. Evidently shareholders think so also, else the £1 shares would hardly stand at 50s. as at present. In 1917 the quotation touched 78s.

Intending Settlers To South & East Africa



are notified that the

National Bank of South Africa, Ltd., have over **300 Branches within the Union**; also Offices at **Mombasa, Nairobi, Mozambique, Dar-es-Salaam, Tanga**, etc., and in **Nyasaland.**

LONDON OFFICES:

CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office—
25, COCKSPUR STREET, S.W.—1.

Agency at—
10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, May 7, 1919.

Issue Department.

Notes Issued	£102,939,470	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	84,489,470
	£102,939,470		£102,939,470

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£49,452,735
Rest	3,106,945	Other Securities	79,477,023
Public Deposits	23,691,566	Notes	26,157,505
Other Deposits	115,161,359	Gold and Silver Coin	1,437,925
Seven-day and other Bills	12,318		
	£156,525,188		£156,525,188

Comparison with Previous Four Weeks [£0,000's omitted]

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919.	£	£	£	£	£	£	£	%	%	%
May 7	76.8	85.9	23.7	115.2	49.4	79.5	27.6	19·87	5	3½
Apr. 30	77.1	85.6	21.9	124.7	55.1	82.2	26.9	18·38	5	3½
Apr. 23	76 2	85.1	24.6	117.2	50.2	81.8	27.4	19·32	5	½
Apr. 16	76.2	85.2	27.7	116.6	56.1	78.3	27.5	19·04	5	3½
Apr. 9	74.9	85.1	30.3	116.3	58.0	77.6	28.6	19·49	5	3½
J'y 22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅛

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10% Aug. 8 8%; Aug. 8 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c

Bank of England (in £'s sterling 00,000's omitted):	May 7, 1919	May 8, 1918	May 9, 1917	May 10, 1916	May 5, 1909
Circulation	£76.8	£49.7	£38.7	£34.4	£29.2
Public Deposits	23.7	37.6	54.2	54.8	11.9
Other Deposits	115.2	128.1	119.4	83.4	43.9
Government Securities	49.4	55.9	45.0	33.2	15.4
Other Securities	79.5	97.4	111.5	79.4	30.5
Reserve	27.6	30.1	34.7	43.4	27.7
Ratio to Liabilities	9·87%	18·18%	20·02%	31·37%	49·55%
Coin and Bullion	85.9	61.4	55.0	59.4	38.5
Money					
Bank of England Rate	5%	5%	5%	5%	2½%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3⅛%	3⅛%	4⅛-4⅜%	4⅛%	1⅛-⅞%
Exchanges:					
Paris Cheque	28 86	27 15	27 24	28 27	25 16
New York 60 days	4 66	4 72½	4 73	4 73	4 86⅛
Bombay Telegraphic Transfers	1/5⅝	1/5⅛	1/4⅞	1/4 1/32	1/3 31/32
Prices:					
Consols 2½% Cash	55	56	55⅛	57⅛	85⅛
French Rentes 3% Money	62 75	58 75	61 45	63	97 47
Silver, London spot	53⅛d.	49⅛d.	37 7/16d.	37½d.	24⅛d.
Wheat, *Gazette* average qr.	73/2	73/5	77/7	55/7	42/5
Cotton, Mid Upland* lb.	16·98d.	21·36d.	12·66d.	8·43d.	5·58d.
Iron, Scotch pig ton	101/0	101/0	98/6	88/6	54/0

* Good Middling American, Official Value.

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	% of Gold to Notes %
May 7, 1919 ...	5,802,685	7,002,036	347,140,275	28,500,000	8·2
Apr. 30, 1919 ...	6,666,768	7,435,440	348,339,626	28,500,000	8·2
May 8, 1918 ...	6,679,750	3,732,870	241,004,485	28,500,000	11·8
May 9, 1917 ...	5,054,139	4,725,528	154,696,409	28,500,000	18·4
May 10, 1916 ...	3,078,091	3,675,253	116,562,403	28,500,000	24·4
May 12, 1915 ...	2,000,909	1,480,524	43,519,019	28,500,000	65·4

Balance Sheet, May 7, 1919.

Notes outstanding—	£	Advances—	£
One Pound	263,628,297	Tru-tee Savings Banks	450,000
Ten Shilling	47,371,978	Currency Note Redemption A/c—	
Certificates outstanding ...	36,140,000	Gold Coin and Bullion ...	28,500,000
		Government Securities ...	330,093,823
Total	347,140,275	Balance at Bank of England	4,246,192
Investments Reserve A/c	16,149,740		
Total	363,290,015	Total	363,290,015

PUBLIC INCOME & EXPENDITURE [000's omitted.

1918-19. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net +	Cash Balance
May 3	£14.961	£41,058	£26,097	£91,756	£85,202	£26,554	£6,589
Apr 26	13.679	32.737	19.058	75 137	50 564	24 573	6.133
Apr. 19	11.595	22.636	11.041	79.600	68.922	10.678	6.809
33 days'18	78.132	179 971	101.839	483 606	387.978	95.628	−6.210
34 days'18	62.575	263.735	201.160	654,063	459,079	194.984	−6.177
*Yr. '19-20**	*1,201,100*	*1,434,910*	*233,810*	—	—	*233,810*	—
Yr. '18-19	889,021	2.679,301	1,890,280	7,033,402	5,351,353	1,682,049	12,798
Yr. '17-18	707,234	2,896,221	1,988,987	7,499,604	3,618,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1918-19. Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profits Duties, &c.	Revenue: Other Revenue	Expenditure: Int. on Debt &c.,	Expenditure: Misc. Expend.	Expenditure: Supply Services
May 3	£3.649	£2.338	£7,141	£1.833	£12.848	£32	£28.178
Apr. 26	4,340	2,760	5.084	1.495	1.037	—	31.700
Apr 19	3.639	3.393	2.916	1.703	2.611	100	19.925
33 days'19	18.353	26 108	24 308	9.363	50 372	451	129.147
34 days 18	10,762	18,551	25.660	7.602	19.075	432	244 228
*Yr. '19-20**	*237,500*	*354,000*	*300,900*	*309,600*	*360,000*	*16,595*	*1,058.316*
Yr. '18-19	162.220	291.186	285.028	160.587	289.964	11.380	2.297.956
Yr. '17-18	110.033	239.509	220.214	137.478	189.861	11.401	2.494.988

FLOATING DEBT.	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
May 3, 1919 ...	£1,000 179	£477,492	£1,477,671	£1.703.065
Apr. 26, 1919 ...	985,941	474,492	1,460,434	1,698,835
Apr. 19, 1919 ...	978,672	470,493	1,449,165	1,692,960
Apr. 12, 1919 ...	986,199	459,993	1,446,192	1,688,514
Dec. 31, 1918 ...	1,094,740	455,180	†1,549,920	1,420,700

* Budget estimate. † Highest.

FOREIGN BANKS.‡ [In £'s Sterling—000's omitted.]

AUSTRIA-HUNGARY.	Cash Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Discounted, &c.
July 23, '14...	£51.578	£12.141	£63,719	£7,722	—	£88.740	£31.993
Mar. 7, '19...	11.600	2.369	13.969	387.957	£1,361.708	1,558.675	116.973
Mar. 14, '19...	11.600	2.372	13.972	388.410	1,375,166	1,571.211	116.968
Dec. 7, '17...	11.000	2.300	13.300	603.990	—	739.300	117.600

DENMARK.	Cash Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,100	£341	£4,441	£6.197	£786	£8.693	£47
Mar. 31, '19 ...	10,385	137	10.522	3.644	4.206	24.137	832
Apr. 30, '19 ...	10.374	136	10.510	3.425	3.977	24.115	1,026
Apr. 30, '18 ...	10.228	134	10,362	3,507	3.489	19.317	947
Apr. 30, '17 ...	9.595	131	9.726	5.084	2.080	16.717	1.364

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14 ...	£165.654		£190.667	£97.768	£267.327	£15.302	£37 903
May 1, '19 ...	142.758	79.132	234 318	36.648	1.364.012	1.634	135.369
May 8, '19 ...	142,779	79.131	234 255	35.798	1.377.187	2.484	137.535
May 10, '18 ...	133 732	81.484	225.449	47.096	1.080.473	1.879	122 081
May 10, '17 ...	132,396	77.948	220 627	21.825	771,007	1,270	100.726

GERMANY.	Cash Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14...	£67.843	£16,727	£84.570	£5.279	£40.055	£94.545	£47.198
Apr. 23, '19...	95.592	1.055	96.647	343.106	1.437.918	1.293,740	579.278
Apr. 30, '19...	87.793	1.040	88.833	363.865	1.578.048	1.331.446	726.863
Apr. 30, '18...	117.200	6.040	123.240	76.868	694.824	591.040	352.750
Apr. 30, '17...	126.628	833	127.461	25.619	436.397	415.770	199.049

HOLLAND.	Cash Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35.660	£1.437
Apr. 19, '19 ...	55.550	746	56.296	12.642	17.174	85,701	7.614
Apr. 26, '19 ...	55.279	676	55.955	13.899	18.831	86.457	7.672
Apr. 27, '18 ...	60.481	606	61.087	4.195	12.827	78.244	5.775
Apr. 28, '17 ...	49,711	571	50.282	7,836	7.391	64.466	4.958

ITALY.	Cash Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	£48.456		£25.017	£69.204	£8.887
Mar. 10, '19 ...	—	—	35 652		89.866	357.033	59.919
Mar. 20, '19 ...	—	—	35.650		87.423	358.452	59.946
Mar. 20, '18 ...	33.466	3.158	36.624	5.187	54.943	273.128	56.796
Mar. 20, '17 ...	34.210	2.737	36.947	4.540	44.226	153.817	31.401

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32.722	£13,818	£1.521
Mar. 15, '19 ...	71,155	1,277	40.949	79.055	113.481	3.349
Mar. 22, '19 ...	71.139	1,306	39,831	79.282	112.220	3,375
Mar. 23, '18 ...	65.434	3,448	22.987	63.234	66 993	2,055
Mar. 24, '17 ...	40.902	650	15.136	43.659	42.851	3,122

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest., &c.	Net Deposits Demand	Net Deposits Time	Total	Excess Reserve
Aug. 1, '14 ...	—	£89.888	£411.238	—	—	£387.165	£1.720
Apr. 26, '19 ...	£19.852†	116.446	981.956	£802.474	£31,098	892.126	7,674
May 3, '19 ...	19,492†	113,824	988,468	805.656	30.814	892 312	7.722
May 4, '18 ...	21.138*	111.892	902.902	752,010	36.812	855.448	11,848
May 5, '17 ...	84.540*	140.230	724.996	721.670	39.674	761.344	15.920

* Counted as reserve. † Not reserve.

NORWAY.	Gold	Balance Abroad	For'gn Govt. Securities	Disc'nts & Loans	Circulation	Deposits
July 31, '14 ...	£2 960	£1 678	£493	£4.868	£6.752	£793
Apr. 22, '19 ...	8.194	3.799	691	19 449	24 402	3 970
Apr. 30, '19 ...	8.190	3,805	691	19.280	23,916	4 203
Apr. 30, '18 ...	6 733	3.645	712	18.416	19.741	6 445
Apr. 30, '17 ...	7,165	4.117	706	12.438	15.685	6,703

PORTUGAL.	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
Mar. 19 '19 ...	£1 905	£3.780	£5.685	£9 661	£64.194	£4 054
Mar. 28, '19 ...	1 905	3 799	5.704	9.633	64.181	4 169
Apr. 2, '19 ...	1.905	3 856	5.761	8.859	62 871	5.186
Apr. 3, '18 ...	1.905	3 121	5.026	7.701	45.774	1.474
Apr. 4, '17 ...	1.904	1.011	2,915	15 066	32.293	877

RUSSIA.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£160.114	£14 395	£181 892	£76.081	£163.411	£6 589	£109 911
Oct. 29, '17...	129.523	230 865	378 205	1 869.559	1,836.217	15 783	345.550

SPAIN.	Cash Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits, &c.
Aug. 1, '14...	£21.804	£29 187	£50 991	£40.572	£13,778	£77.557	£18,955
Apr. 26, '19...	90 445	26 010	116 455	74 672	13,778	140,115	43 948
May 3, '19...	90 444	25.984	116 428	74 892	13.778	140 846	42 681
May 4, '18...	81 685	28.201	109.886	51 143	13,777	117 755	35 079
May 5, '17...	55.878	29 991	85,869	53.917	13,777	97,594	30,070

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14...	£5,717	£8 150	£1,558	£7,495	£39,564	£6 016
Apr. 18, '19...	15,977	7.580	3,003	18,308	39,564	6,016
Apr. 26, '19...	15.974	7.418	3.003	18,647	38.294	6.471
Apr. 27, '18...	14.316	7,632	3.886	13.027	32.882	5,917
Apr. 28, '17...	10,792	7 165	3,153	8,506	23.262	6.814

SWITZERLAND.	Cash Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14...	£7 202	£758	£7 960	£4 817	£10 716	£2 026
Apr. 22, '19...	16 789	2,625	19.414	19 672	36.407	4 487
Apr. 30 '19...	16 801	2.632	19 433	21.424	38 509	4 216
Apr. 30, '18...	15.061	2 233	17.294	13 849	28.008	3.315
Apr. 30, '17...	13 694	2 042	15.736	9.048	21.155	4 721

‡ Converted at par rate of exchange.

U. STATES FED. RES. BANKS.	Gold Held by Banks.	Gold With Agents.	Total Cash.	Bills Discount'd	Bills Acceptances.	Deposits Govt.	Deposits Total Net.	Circulation.
Apr. 26,'19...	£189,166	244.678	448,032	390.082	37.164	18.346	350.418	509.910
May 3,'19...	189,540	243,784	447.444	393.356	39.056	28.654	354,990	509.808
May 3,'18...	194.620	177.368	383,996	174.688	59.406	14.778	304.192	311.332
May 4,'17...	67,223	44.316	119,422	7,183	16.774	21.574	170,202	85.700

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Dates Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	4½	Oct. 26,'14
Berne	5½	Oct. 3,'18	Paris	5	Aug. 20,'14
Bombay	6	Mar. 27,'19	Petrograd ...	6	July 29,'14
Brussels	5	Aug. 27,'14	Rome	5	Jan. 11,'18
Calcutta	6	Mar. 27.'19	Stockholm ...	7	Mar.21,'18
Christiania ...	6	Dec. 13,'17	Tokio	6½	Nov. 25,'13
Copenhagen ...	5½	Jan. 2,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		May 9, '19	May 2, '19	Apr. 25, '19	Apr. 16, '19
Brussels	Cheques	29fr. 77½c.	29fr. 83½c.	29fr. 64½c.	29fr. 25c.
Denmark	Cable	19kr. 10	18kr. 77½	18kr. 62½	18kr. 55½
Holland	do.	11fl. 76½c.	11fl. 63c.	11fl. 55c.	11fl. 55½c
Italy	do.	35!r. 50c.	35!r. 20c.	35!r. 20c.	34!r. 55c.
Lisbon and Oporto	do.	31d.	32½d.	33½d.	33½d.
New York	do.	$4 69¼	$4 64	$4 66⅜	$4 65⅜
—	Cheques	$4 69⅛	$4 63½	$4 67½	$4 66⅛
Norway	Cable	18kr. 42	18kr. 11½	18kr. 07½	18kr. 07½
Paris	3 mos.	29 r 26 ..	28fr. 85c.	—	—
—	Cable	28fr 85c.	28fr. 45c.	28fr. 40c	27fr. 80c.
Spain (Bank places)	3 mos.	50⅛d.	—	—	—
—	Cable	23p. 13	23p. 12½	22p. 97½	23p. 08½
Sweden	Cable	18kr. 15	17kr. 46	17kr. 42½	17kr. 46½
Switzerland	Cable	23f. 40c	23f 13c.	22f. 95c.	23f. 01½c.

ON LONDON—		May 9, '19	May 2, '19	Apr. 25, '19	Par
Alexandria	Sight	97⅛pi.	97⅛pi.	97⅛pi.	97⅛pi.
Amsterdam	Cheques	11fl. 75½c.	11fl. 63½c.	11fl. 55½c.	12·107 fl.
Bombay	Transfers	1s. 5 11d.	1s. 5 13d	1s. 5 13d.	1s. 6d.
Brussels	Cheques	29f. 77½c.	29f. 79½c.	29f. 60½c.	25f. 22½c.
Buenos Ayres	Transfers	51⅛d.	51⅝ d.	51⅝d.	47.58d.
Calcutta	do.	1s. 5 13d.	1s. 5 13d.	1s. 5 13d.	1s. 6d.
Christiania	Sight	18kr. 40½	18kr. 20	18kr. 09	18.169kr
Copenhagen	do.	19kr. 07½	18kr. 77½	18kr. 64	18.159kr.
Hong Kong	Transfers	3s. 5d.	3s. 4 3d.	3s. 4 3d.	—
Italy	Sight	35!r. 58c.	35!r. 15c.	35!r. 07½c.	25!r. 22½c.
Lisbon	do.	33½ d.	32⅝d.	33⅜ d.	53½d.
Madras	do.	1s. 6 1 16d.	1s. 6 1 16d.	1s. 6 1 16d.	1s. 6d.
Madrid	do.	23p. 16	23p. 14	22p. 96	25p. 22
Montevideo	Transfers	58 3 4d.	—	—	51d.
Montreal	Cable	$4 82½	$4 80⅞	$4 78⅝	$4 86⅝
New York	Sight	$4 6 21 32	$4 67	$4 66½	—
—	60 days	$4 66	$4 63½	$4 63⅞	—
—	Cable	$4 69 11 32	$4 68	$4 66⅞	$4 86⅞
Paris	Cheques	28f. 80c.	28f. 40c.	28f. 40c.	25f.22½
Rio de Janeiro	90 days	14 1 32d.	—	13 7 8d.	18d.
Shanghai	Transfers	5s. 1d.	5s. 0d.	4s. 11d.	—
Singapore	Sight	2s. 4 7 32d.	2s. 4 1 4d.	2s. 4 1 8 d.	2s. 4d.
Stockholm	do.	18kr. 13	17kr. 46	17kr 44	18·159kr.
Switzerland	do.	23f. 37c	23f. 15c.	22f 93½c	25f. 22½c.
Valparaiso	90 days	—	10 3 4d.	10 3 4d.	18d.
Yokohama	Sight	2s. 2 3 4d.	2s. 2 1 4d.	2s. 2 1 2d.	2s. 0.58d.

* Thursday's rates.

NEW YORK ON—	Rate Current* May 7, '19	Rate Current* Apr. 30,'19	Par as usually Quoted	Rate July 3, 1[illegible]
Amsterdam, sight ...	39·90c.	40·3 16c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	35·50c.	35·63c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	41·65	44·30		
Christiania, cheques ...	25·40c.	25·65c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	24·65c.	24·90c.	26·80c. for 1 kroner	26·85c.
Greece, cheques	19·25c.	19c.	19·295c. for 1 drachma	
Hongkong, cheques ...	82c.	80c.	74·59c. for Mex. $1	46·40c.
Italy, sight	7·57.	7·50.	5·18½ lire for $1	5·17.
Lima, cheques	5·05c.	5·05c.	4·8665 $ for 1 libra	
Manila, cheques	49·75c.	49·75c.	50c. for 1 peso	49·80c.
Montreal	2 1 16% disc.	2 1 16% disc.	Premium per $100	Par
Paris, sight	6·14½fr.	6·06fr.	5·18½ francs for $1	5·18fr.
Petrograd, sight	10 nom.	12 nom.	51·48c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	26·37½	26·50c.	32·42c. for 1 milreis	
Shanghai, cheques ...	122c.	118·50c.	52·96c. for 1 tael	63·00c.
Singapore, cheques ...	56·37½c.	56c.	56·77c. for $1	57·12c.
Spain, cheques	20·18c.	20·25c.	19·30c. for 1 peseta	
Stockholm, cheques ...	26·25c.	26 80c.	26·80c. for 1 kroner	
Switzerland, cheques ...	5 02fr.	4·95fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques ...	20·50c.	19·62½c.	20·81c. for 1 peso	
Yokohama, cheques ...	51 8 c.	51 1 2c.	49·84c. for 1 yen	49·80c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.		Amount.	Inc. or Dec.*	1919 Agg.	Inc. or Dec.*	
	1919.		[In £'s sterling 000's omitted.]				
BIRMINGHAM ...	May	3	£2,347 —	£388	£43,873 —	£2.106 —	4·6
BRISTOL ...	,,	3	1.566 +	382	22.672 +	3.828 +	20·4
DUBLIN ...	,,	3	6.894 +	1,646	121.375 +	24.174 +	24·9
LEEDS ...	,,	3	1.548 +	93	19.745 +	1.915 +	10·8
LEICESTER ...	,,	3	971 +	201	15.466 +	2.758 +	21·9
LIVERPOOL ...	,,	3	10.656 +	1.932	194.856 +	37.233 +	23·6
MANCHESTER ...	,,	3	14.855 —	1.107	268.189 +	8.281 +	3·2
NEWCASTLE ...	,,	3	2,453 +	271	33.433 —	259 —	·7
NOTTINGHAM ...	,,	3	632 +	77	11,459 +	670 +	6·2
SHEFFIELD ...	,,	3	1.845 —	226	21.732 +	911 +	4·4
LONDON—	1919.						
TOWN ...	May	7	385.133 +	83.715	6.707.526 +	817.566 +	13·9
METROPOLITAN	,,	7	35.414 +	8.092	584.616 +	107.494 +	22·6
COUNTRY ...	,,	7	70.106 +	13.942	1.063.310 +	157.391 +	17·4
TOTAL ...	,,	7	490.653 +	105.749	8.355.452 +	1.082.451 +	14·9

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould and Co.

HOMEWARDS.	1919 May 9	1919 May 2	1913 May 9
Alex. to Lond. or Hull	—	—	9/0
Aust. to U.K. or Cont.	105/0	105/0	31/9
Azoff to L.H.A.R. ...	—	—	11/3
Bombay to p.p. (nom.)	90/0	90/0	l.w.23/0
Burmah o.c. (nom.)	105/0	105/0	27/0
Calcut. to p.p.(jute) ...	nom.	100/0	l.w 25/0
Danube to A.R. ...	—	—	11/0
Odessa to L.H.A.R. ...	—	—	9/6
R. Plate to U.K. Cont.	250/0	280/0	16/6

Homewards.—Contd.	1919	1919	1913
U.S.Atl.Ports to Lvrpl. (cotton, 100lb.) ...	May 9 220/0	May 2 220/0	May 9 42/6
U.S. to U.K. Cont. (grain)	14 0	14/0	3/4½
Gulf Ports to U.K. Cont. (cotton & grain) ...	$35	$35	15/9
OUTWARDS—Cardiff to			
Bombay	—	—	13/0
Colombo	—	—	12/3
Port Said	47/6	22/6	9/6
River Plate ...	47/6	47/6	18/6
St. Vincent ...	40/0	40/0	9/3

VI.—WHOLESALE PRICES OF COMMODITIES.

	MAY 9, 1919	MAY 10, 1918.	JUNE 30, 1914
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	101/0	101/0	57/0
— Middlesbro' warrants ...ton	95/0	95/0	51/0
— Hematite warrants ...ton	122/6	122/6	61/0
— Staffordshire bars, London ton	£17	£15 10	£8 10
— Common bars ...ton	£20 5—£23	£13 15	£8 10
Steel Rails ...ton	£10 17/6	£10 17/6	£8 2/6
Galvanised Sheets...ton	£30	£28	£16 17/6
Copper—Standard...ton	£77	£110—£110 10	£61
Tin—English Ingots...ton	£227	£385—£390	£142 10
— Straits ...ton	£233 10	£380—£381	£139 15
Tinplates, I.C. Coke, S. Wales...box	33/10½—35/0	31/6	11/10½—12/0
Lead—Soft Foreign ...ton	£24—£24 5	£28 10—£29 10	£19
Spelter—Ord. Foreign ...ton	£34 15—£35 5	£50—£54	£21 7/9
Quicksilver—(75lb.) ...bottle	£16 10—£17	£20	£7
Aluminium ...ton	£150	nom	£82
Antimony—Regulus Foreign ...ton	£39	nom	£27 10
— English ...ton	£45	—	—
Coal—(best) Yorkshire...ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle...ton	40/0—45/0	30/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	10/1	11/3	7/4
Soda—Crystals ex ship ...ton	129/0—130/0	87/6	42/6—45/0
Copra—Malay and Straits ...ton	£46	£45 10	£23 15—£24 7/6
Gambier—Good marks ...cwt	37/6	72/6	16/10½
Indigo—Bengal good to fine...lb.	9/0—10/6	9/0—11/0	3/2—3/8
Linseed Oil—Raw ...ton	£87 10	£58	£25 5
Linseed—Calcutta, spot ...ton	£39	£29 15	£13 16/9
— **Cakes**, U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish ...tun	nom.	—	£49 10
Palm Oil—Lagos ...ton	£66 10	nom.	£31 10
Petroleum—American...gallon	1/4½	1/10½	7½d.
Rape Oil—Refined English ...ton	£90	£71	£32
Soya Oil—Refined...ton	£75	£75	£24 10
Tallow—Imported ...cwt.	78/0—80/0	72/0	29/3—33/3
Turpentine—French ...cwt.	95/0	120/0	33/7½
Rape Seed—Toria...ton	£34 10	£29 15	£13 5
Rubber—Para, spot ...lb	2/4½	3/0½	2/9½
— Fine plantation (stnd. crepe) lb.	1/11½	2/3½	2/2
— World's Production* Mar. tons	29.000	26.205	8,467
Shellac—T.N. Orange, fair.....cwt.	265/0	375/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland† ...lb	19·96d.	21 88d.	7·53d.
— Egyptian, good fair ...lb.	28·34d.	29 41d.	8·75d.
— Pernambuco fair ...lb	19 76d.	24 46d.	7·73d.
— Mid. Upl. New York.. ...lb.	28·75c.	28 15c.	13·25c.
— Stock, Liverpool, May 2 bales	599.260	339,110	
Flax—Petrograd. Yarapol ...ton	nom	£120nom.	£28
Hemp New Zealand ...ton	£47	£93	£25 10
— Manila, Fair ...ton	£45	£85	£28 10
Jute—First Marks ...ton	£39	—	£28 15
— Red SOO ...ton	—	—	£24 15
Silk—Blue Elephant ...lb	20/8	25/8	11/3—11/8
Wool—Pt. Philip unwashed av. lb.	3/1½	nom.	11½d.—1/0
— Lincoln Half Hogs ...lb.	1/7½nom.	1/8 nom.	1/0½
Hides—Eng. Ox, best, 65lb. up. lb.	9½d.—10½d.	10½	7½d.
Leather—Dressing Hides ...lb	2/7—3/3	nom.	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	117,952,000	18,939,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	237½c.	226c.	87½c.
— English *Gazette*, aver. 480lb qr.	73/2	73 5	34/3
Flour—G.R. ...280lb.	44/3	44/3	28/8
Barley—Eng. *Gaz.*, aver. 400lb. qr.	62/8	58/5	25/4
Oats—Eng. *Gaz.*, aver. 312lb. ...qr.	48/7	47/4	20/0
Maize—N. Y. (new bushel) .. 56lb.	188½c.	nom.	76½c.
— Amer. mixed, Liverpool...480lb.	63/9	80/9	32/4
— La Plata ...480lb. qr.	63/0	76/0	25/9
Potatoes—Good English ...ton	203/0	137/6—155/0	70/0—75/0
Rice—Bassein ...cwt.	25/0	28/3	7/0—7/3
Tapioca—Pearl, medium...cwt.	42/6	76/0	14/0—17/8
Hay Best ...2,018lb....load	176/0	161/0	82/6
Hops—English...cwt	—	£5 10—£10	£6 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs....8lb.	6/8—7/2	9/3	3/8—3/10
— Scotch sides...8lb.	8/6	8/2	4/8—5/0
— English...8lb.	8/6	8/2	4/2—4/5
Mutton—Scotch wethers...8lb.	9/0	8/8	5/8—6/0
English wethers...8lb.	9/0	8/8	4/6—5/4
— New Zealand frozen ...8lb.	9/0	8/8	2/4—3/2
Pork—English and Irish...8lb.	10/8	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	190/6	188/0	60/0—74/0
— Danish...cwt.	—	172/0	58/0—68/0
— Canadian, ex Port...cwt.	180/0—190/0	—	—
— American, ex Port...cwt.	174/0—186/0	170/0—172/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	174/0—192/0	165/0	75/0—79/0
— — short cut, ex Port ...cwt.	172/0—190/0	162/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	160/0—186/0	152/0	51/9—52/9
Butter—Danish ...cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
— French ...cwt.			98/0—108/0
— Australian ...cwt.			98/0—110/0
— New Zealand ...cwt.			108/0—114/0
Cheese—Canadian ...cwt.	Controlled 144/8	—	66/0—68/0
— United States...cwt.		—	—
— Dutch ...cwt.		180/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Apr. 30 ...cwts.	9,280,239	8,894,782	19,777,254
— Home consump'n to Apr. 30 cwts.	9,057,361	6,069,772	17,272,000
— In Bond Apr 30 ...cwts.	6,691,000	6,074,000	6,306,000
— Price, Java, 98° Pol. ...cwt.	32/0	36/0	10/3
— — Yellow crystals ...cwt.	57/9	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	64/9	64/9	18/0
Coffee—Imports to Apr 30 ...cwts.	407,699	44,945	720,360
— Home consump'n to Apr. 30 cwts.	99,480	208,817	141,410
— Exports to Apr. 30 ...cwts.	69,500	16,081	340,250
— In Bond Apr. 30 ...cwt.	843,000	914,000	484,000
— Price, Costa Rica gd. to fine cwt.	130/0—142/0	122/0—137/0	80/0—93/0
— — Brazil (Santos)...cwt.	105/0—110/0	64/6	41/6
Tea—Imports to Apr. 30 ...lbs.	143,175,704	175,154,532	133,230,277
— Home consump'n to Apr. 30 lbs.	109,384,355	92,309,680	155,447,972
— Exports to Apr. 30 ...lbs.	8,519,860	451,008	28,581,765
— In Bond Apr. 30 ...lbs.	157,666,000	85,161,000	78,292,000
— Price, Indian, Pek. Soug. good lb.	1/1	—	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	1/1	—	8½d.
— — Common Congou ...lb.	1/1	—	5½d.
Cocoa—In Bond Apr. 30 ...cwt	1,019,000	602,000	309,000
— Grenada, good to fine ...cwt.	79/0—85/0	85/0	52/6—58/0

* Estimated. † G.M. American Official Value.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific	Mar.	$12,374,000	— $54,000	$1,539,000	— $1,454,000
	3 *mos.* to Mar.	*36,467,000*	+*3,675,000*	*4,074,000*	— *678,900*
Grand Trunk	Mar.	£1,132,900	+ £323,800	£172,700	+ £158,800
	3 *mos.* to Mar.	*2,877,500*	+ *936,900*	Dr.*38,100*	+ *275,600*

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant renewable weekly, i sued in pursuance of Regulation of the Forces Act*, 1871. *The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago.
Assam Bengal	Mar. 22	993	R1,72,772 +	9,176	25	43,37,317 +	4,76,486
Barsi Light ...	Mar. 31	118	49,000 +	19,800	52	9,60,800 +	1,41,800
Bengal & N.W.	Mar. 22	2,052	4,37,660 —	75,113	25	1,20,12,057 +	13,41,893
Beng. Dooars	Mar. 15	158	18,463 —	9,520	24	8,39,352 +	60,126
Beng. Nagpur	Mar. 22	2,695	15,45,000 +	2,71,000	51	5,89,83,059 +	42,28,953
Bomb. Baroda	Apr. 26	2,871	18,19,000 —	1,66,000	4	68,68,000 —	5,08,000
Burma	Mar. 15	1,342	6,07,729 +	95,109	50	2,49,32,188 +	38,27,728
Del. Um. Kalk.	Apr. 19	239	79,300 —	14,817	3	2,45,729 —	3,526
East Indian .	Apr. 26	2,767	25,73,000 —	2,21,000	4	1,00,84,000 +	4,78,000
Gt. Indian Pen.	Apr. 26	3,112½	28,66,400 +	3,08,200	4	98,89,900 +	11,83,157
Madras & S.M.	Mar. 22	3,152	11,50,000 —	60,204	25	2,62,87,832 —	4,60,981
Nizam's Guar.	Mar. 22	900	2,74,325 +	46,865	25	62,46,980 +	4,47,098
Roh.'& Kumn.	Mar. 15	564	1,11,912 —	10,888	24	25,93,593 +	1,67,108
South Indian	Mar. 22	1,829½	6,97,494 —	25,155	51	3,44,54,749 +	1,42,614
South Punjab	Dec.	718	7,97,816 +	42,119	3*m*	22,59,586 +	74,707
COLONIAL							
Can. Northern	Apr. 30	9,524	$1,245,900 +	63,500	17	14,822,299 +	2,021,599
Can. Pacific ...	Apr. 30	13,388	3,954,000 —	118,000	17	49,247,000 +	3,448,000
Gd. Trunk Pac.	Mar. 7	916	£18,481 —	1,842	9	178,169 —	27,921
Grand Trunk	Apr. 30	3,616	322,847 +	10,777	17	3,978,368 +	1,092,182
Mashonaland	Dec.	810	53,459 +	4,011	3*m*	137,931 —	35,806
Mid. W. Aust.	Feb.	277	11,110 +	2,493	3*m*	73,942 +	12,808
NewCape Cent.	Mar. 29	205	3,593 +	880	12	36,952 +	6,112
Rhodesia Rlys.	Dec.	1,397	88,906 +	5,069	3*m*	214,060 —	63,026
W.Pass. & Yuk.	Dec.	122	—	—	12*m*	$1,244,080 —	604,349
FOREIGN.							
Argentine.							
Arg. N. East. .	May 3	752	£ 13,300 +	1,800	44	432,600 +	58,200
Arg. Transand.	May 3	111	£ 4,000 +	960	44	165,620 +	19,830
B. A. & Pacific	May 3	3,536	£ 128,000 +	32,000	44	5,099,000 +	1,008,000
B.A.Gt. South.	May 4	3,792	£ 150,000 +	34,000	44	6,085,000 +	1,309,000
Do.	May 4	Net	£ 45,000 +	21,000	44	1,346,000 +	231,000
B. A. Western	May 4	1,882	£ 79,000 +	3,000	44	3,021,000 +	748,000
Do.	May 4	Net	£ 17,000 —	2,000	44	716,000 +	163,000
B. A. Central...	Feb.	190	£ 37,889 +	3,667	8*m*	322,745 +	109,162
Cent. Argent.	May 3	3,305	£ 157,000 —	14,000	44	5,792,300 +	812,100
Do.	May 3	Net	£ 30,400 —	17,500	44	834,600 —	437,273
Cord. Central	May 3	1,205	£ 46,500 +	9,820	44	1,916,380 +	552,770
Entre Rios ...	May 3	831	£ 20,900 +	1,500	44	892,400 +	197,000
Brazilian.							
Brazil Gt. South	Mar.	110	M 51,950 +	8,350	3*m*	138,140 —	1,960
Brazil Railway	Dec.	3,530	M 4,859,000 —	141,271	12*m*	57,772,000 +	7,619,243
Gt. W. Brazil	May 3	1,010	£ 17,300 +	2,800	18	345,800 +	22,500
Leopoldina ..	May 3	1,831	£ 32,768 +	2,365	18	539,423 —	24,847
Mogyana	Dec.	1,180	M 1,561,000 —	956,490	12*m*	22,267,000 —	2,474,651
Paulista	Dec.	63	M 2,650,000 —	906,038	12*m*	32,479,000 —	1,225,892
San Paulo	Apr. 27	153½	£ 29,137 +	5,681	17	495,108 —	42,819
Sorocabana ...	Nov.	1,003	M 1,128,000 —	865,148	11*m*	20,204,000 +	1,222,869
S.of BahiaS.W.	Feb.	52	M 87,000 +	11,000	2*m*	170,000 —	20,000
Chilean and Peruvian.							
Antofagasta ...	May 4	838	£ 24,365 —	25,755	18	486,425 —	274,245
Arauco	Mar.	84½	£ 10,000 —	2,500	3*m*	32,500 —	6,500
Nitrate(2wks.)	Apr. 30	390	£ 17,474 —	17,773	17	179,308 —	95,405
Peruvian Corp	Apr.	1,140	S 1,199,420 +	119,540	10*m*	10,248,956 —	153,485
Taltal	Apr.	181	£ 8,152 —	17,130	10*m*	149,499 —	100,481
Cuban.							
Cuban Central	May 3	362	£ 36,841 +	4,211	44	956,330 +	48,141
Havana Cent.	May 3	70	£ 11,886 +	837	44	408,506 +	15,915
U. of Havana	May 3	681	£ 94,549 +	15,262	44	2,517,660 —	9,348
W. of Havana	May 3	155	£ 15,888 +	2,533	44	369,373 —	28,601
Uruguayan.							
Cent. Uruguay	May 3	272	£ 25,304 +	6,684	44	961,615 +	149,478
,, (E. Ext.)	May 3	311	£ 7,281 +	1,874	44	244,020 +	19,453
,, (N. Ext.)	May 3	185	£ 4,923 +	1,498	44	167,571 +	23,495
,, (W.Ext.)	May 3	211	£ 2,531 +	597	44	117,082 +	18,539
Mid. Uruguay	Mar.	319	£ 19,574 +	4,222	9*m*	155,625 +	34,802
N.W. Uruguay	Mar.	113	$ 30,000 +	5,650	9*m*	267,829 +	27,026
Urug. Northn.	Mar.	73	£ 2,287 +	406	9*m*	18,706 +	1,649
Miscellaneous.							
Alcoy & Gandia	May 3	33	Ps. 10,000 +	500	18	179,400 +	12,060
Bilbao	Apr.	15	£ 1,417 —	4,036	4*m*	9,320 —	8,682
Bolivar	Mar.	136	£ 17,000 +	5,951	9*m*	88,099 —	12,814
Colomb. Natnl.	Mar.	86	£ 9,860 —	2,940	3*m*	30,780 —	7,320
Costa Rica.....	Mar.	189	£ 23,642 +	9,153	9*m*	200,872 +	88,809
Dorada Ext....	Mar.	71	£ 7,500 —	700	3*m*	20,300 —	3,600
Egyptian Delta	Mar. 17	559½	£ 4,675 —	1,478	50	364,593 +	85,249
Gt. S. of Spain	Apr. 26	104	Ps. 132,414 +	102,879	17	2,222,093 +	1,709,788
La Guaira & Ca.	Mar.	22½	£ 9,925 +	3,925	3*m*	25,710 +	4,87
Paraguay Cent.	Apr. 26	255	£ 4,960 +	1,730	42	176,360 +	53,10
Puerto Cabello	Mar.	24	£ 5,225 +	325	3*m*	14,750 +	1,75
Salvador ...	May 3	100	£ 2,418 —	839	44	116,282 +	21,11
Santa Fe Prov. French Rys.	Mar.	1,181	£ 163,715 +	4,647	3*m*	486,209 +	30,88
S'm'na&S'ti'go	Mar.	80	£ 7,938 —	1,696	3*m*	22,451 —	4,41
Zafra & Huelva	Mar.	112	£ 9,838 —	3,581	3*m*	30,036 —	5,87
TRAMS.							
Anglo-Argent.	Apr. 29	400	£ 65,483 +	7,762	17	984,067 +	46,38
Auckl'nd(4wk.)	Apr. 4	27	£ 24,177 +	968	20	171,521 —	8,44
Bombay Elec.	Feb.	39	R. 6,23,878 +	85,473	2*m*	1,257,923 +	1,84,04
Brazilian Trac.	Feb.	378½	M 7,972,000 +	657,000	2*m*	16,494,000 +	1,342,00
Brisbane Elec.	Mar.	40½	£ 39,380 +	3,830	3*m*	112,335 +	10,29
Brit. Columbia	Mar.	334	$ 649,120 +	138,228	9*m*	5,390,119 +	894,84
B. A. Lacroze	Apr.	51	£ 43,607 +	1,964	10*m*	434,168 +	48,12
Calcutta	Apr. 26	35½	R 80,494 +	8,625	17	14,43,045 +	2,01,07
Cape Electric	Mar.	42½	£ 28,814 +	4,478	9*m*	217,794 +	23,48
Carth. & Herr.	Apr.	9	£ 1,786 —	2,414	4*m*	10,192 —	7,30
Chatham&Dist	Apr. 17	15	£ 1,499 +	362	15	18,940 +	1,01
Havana Elect.	Jan.	88	$ 726,357 +	81,347	1*m*	—	—
Isle of Thanet	May 3	20½	£ 624 +	425	31	11,815 +	8,11
Kalgoorlie....	Dec.	20½	£ 2,848 —	196	12*m*	33,686 +	1,07
Lanarkshire ...	Apr. 24	28½	£ 861 —	2,714	16	53,006 —	6
Lima Light ...	Feb.	85	£ 46,082 +	4,161	2*m*	91,444 +	5,96
London C.O....	May 7	141½	£ 81,277 +	22,712	5	406,682 +	109,5
Madras (2wks.)	Apr. 30	15½	R. 44,706 +	1,795	17	271,568 —	49,1
Manila Electric	Jan.	55	$ 231,585 +	64,585	12*m*	2,326,884 +	825,0
Pernambuco ...	May 4	59	£ 5,566 +	1,125	18	95,369 +	12,6
Provincial.....	Apr. 26	21½	£ 3,847 +	1,043	30	77,777 +	5,6
Rangoon Elec.	Apr.	25	£ 6,217 +	332	4*m*	25,817 +	2,9
Shanghai Elec.	Mar. 5	26½	Mx.$26,330 +	4,321	9	246,874 +	23,0
SingaporeElec.	Mar. 15	28½	$ 16,307 +	2,146	11	178,525 +	31,0
U.of Montevid.	Apr.	90½	£ 37,014 +	3,310	6*m*	227,905 +	21,8

Everyday Risks Everyone Runs.

A lady passing a shop in a London suburb recently was struck down by a falling facia of heavy glass and seriously injured. Suppose you met with an accident. Are you prepared to meet your current and special expenses?

Send a postcard **to-day** for particulars of series of insurances covering accidents, etc. also the **"Property Owners' Indemnity Policy,"** covering insured's legal liabilities in respect to accidents such as above.

EAGLE STAR AND BRITISH DOMINIONS INSURANCE CO., LTD.
Head Office: British Dominions House, Royal Exchange Avenue, London, E.C.3.

The Statist.

LONDON, SATURDAY, MAY 10, 1919.

GERMANY.

To-day is the 10th of May, which almost completes the half-year since the German Army broke up and the Kaiser took shelter in Holland. It seems an extraordinary thing that it has taken a whole half-year to induce the members of the Peace Conference to offer, we will not say decisive and unalterable terms, but even to suggest the broad lines on which the terms of peace are to be framed. No doubt it is true that Germany departed altogether from European practice; introduced new principles, both in regard to her own subjects and to the terms of warfare; and that, in fact, she made so many changes in the way of falling back upon the warlike principles of the early Roman system that much may be said in justification of the members of the Peace Conference. Still, the fact remains that for almost half a century we have been feeling the consequences of Germany's new war system. And yet it has taken a full half-year to enable the members of the Conference to draw up, we will not say an acceptable, but even a tolerable, arrangement. However, the facts are now out, and it is not likely that serious changes will be made. In the first place, we congratulate the Conference on its decision to put an end once and for all to that war system which Stein and Hardenburg invented after the disaster of Jena, and, therefore, make it possible to prevent any such revolutionary changes in the future as may be attempted. We want only firmness and clearness of view to make such a system as Germany built up utterly impossible in the future.

We learn, then, that Germany in future is not to maintain such a military system as will be a standing threat to all her neighbours. It is, of course, possible that as negotiations go on some concessions may be made to Germany. But it is scarcely credible that the Entente Powers will deliberately permit such a military system to be re-formed and re-introduced as kept Europe in apprehension of war for a whole half-century. We take it that this is the really important fact of the whole negotiations. If every Power in Europe and elsewhere is forbidden to introduce anything like the military system which prevailed in Germany until last November, then we can hope that war upon the old scale will become less and less common, and that ultimately it will be completely stamped out. But it is necessary that the Great Powers, without exception, should see to it that there is no evasion by Germany of the terms laid down, no matter what excuses may be put forward. If the world ever is to be a world fit for good men and good women, then war must be stamped out; and to stamp war out it is absolutely necessary that the whole manhood of every country shall be protected from military service almost from the moment when a young man reaches the age which would enable him to act as a soldier. There are a great many other terms which we make no doubt will be carefully read and studied by our readers. But the great governing fact is that Germany is forbidden in the future to introduce under any form such a system of warfare as prevailed until six months ago, and that the prohibition is to bind all other countries. It may be thought that some of the rules laid down go into details which are unnecessary. We do not take that view ourselves. On the contrary, we believe that the War, which lasted for between four and five years, proves in the most convincing manner that war carefully prepared for through half a century may do injury to the whole world on such a scale that too much pains cannot be taken to prevent a repetition of the system. About the smaller points raised in the rules we do not mean to occupy the attention of our readers to-day. The main thing is that war should not be made the main business of any country in the world, and that where an attempt of any kind is made to re-establish such a system, it shall be put down without hesitation and without delay, so that the world in the future may be protected from a political system which keeps the world in danger of almost permanent war.

It will be noticed that we have avoided all reference to the smaller regulations laid down. We have taken the great broad principle as the main thing, and we have assumed that it is to be enforced no matter what may happen. It would seem that, sweeping as the decision arrived at is, and seriously as it prevents Germany from trying to play the bully in Europe in the future, yet some of the representatives of the Great Powers—Marshal Foch, for example—protested that the terms are not sweeping enough. Marshal Foch is a man of great judgment and great ability. We feel sure, therefore, that in making his protest he believed that he had grounds for what he said; and, therefore, that he did not speak as a mere enemy of Germany, or even as the great soldier who brought the War to a successful termination. We have no doubt, therefore, that there was reason, or at all events that it appeared to Marshal Foch that there existed some reason, for a protest on the part of France. We most sincerely hope that we are wrong in the assumption, and that Marshal Foch is only desirous to protect his country from a kind of unending preparation for war directed against Germany. He knows what the life of France has been during the past half-century, and, therefore, it is easy to understand that he desires to bind the hands of the Germans even more successfully than is proposed. But while we sympathise with our French friends, and do not wonder that even Marshal Foch asks for more stringent terms, yet we would observe that we are entering now upon a new term of European life, and, consequently, that it would be a mistake from every point of view to make the terms too sharply pointed against Germany; unless, indeed, it can be shown that a loophole even is left which will enable Germany by-and-by to set the decisions of the Conference at defiance. If that is the case, then undoubtedly Germany ought to be bound hand and foot. But if the terms seem to be as conclusive and as binding as they look at first sight, then we venture to think that it is unwise to make preparations too widely, for sometimes over-care is almost as bad as want of care altogether. It will be noticed that no other strong protest is mentioned, and that perhaps Marshal Foch is moved rather by the refusal of the Conference to restore the system which gave France control over both sides of the Rhine, than by actual fear that Germany will find the means, as soon as she gets stronger, to begin to make life unpleasant to the French. That fact must not be altogether rejected. The Germans, we may reasonably fear, will, if the old military chiefs recover ascendancy, try to make the relations between France and Germany very unpleasant. Consequently, it would be well that means should be taken that a system of persecution is not to be continued.

GERMANY'S FUTURE.

It must be admitted that the Peace Representatives in Paris, if they have been slow in settling their arrangements concerning Germany, at least have acted very forcibly and very decisively. Germany took advantage of her great victory over France in 1870 to make it clear to all Foreign Powers that if Germany had been slow in attaining a great position outside of Europe, she had then made up her mi that she would reward herself by insisting upon very large concessions in various parts of the earth. No Great Power thought it worth while to quarrel with Germany upon the point; and so Germany, in the course of little less than half a century, built up foreign possessions which gave her a most important position amongst the World Powers at the time. If the German Government had shown as much self-control after this as they had done during Prince Bismarck's rule, they might possibly have become one of the very leading, if not actually the leading, foreign Power in the world. But they were without self-control. There is nothing more remarkable in the history of Germany, especially since the time of Frederick the Great, than the ungovernable desire for foreign power which swayed that country, and prevented it from seeing how unwise was its action. For a considerable time there was no serious alarm excited, for Germany continued to be a small European Power which possessed real political authority only because of its military reputation. But when France was struck down, when Austria Hungary showed incapacity to manage her own affairs, and when the smaller states of Germany made themselves nothing more than mere supporters of the Kaiser, it became evident to all thoughtful persons that Germany was becoming too strong and might, if not carefully watched, bring about a serious state of things. The agreement between this country and France was the first great intimation that the crisis was rapidly approaching. France, for several years after the War of 1870, did not exhibit that political efficiency which in most periods of her great history she has done. On the contrary, she seemed disposed to make herself little more than an agent of Germany, and to quarrel with this country rather than to draw nearer to it, and thereby lay the foundations for a recovery of her former great position. The change came about, however; and when King Edward the Seventh brought about a clear understanding between the two countries it was evident to all really intelligent observers that unless Germany exhibited in the future greater self-control and greater knowledge of her own position than she had hitherto done, war in Europe was inevitable. The War has come and, as we all know, has ended in the result which was seen to be inevitable by all who really understood the feelings that prevailed both in this country and in France.

Now practically Germany is deprived of all the great possessions which she seized so avidly in the days of her greatness, and the question remains, How will she act during the next quarter of a century or somewhat more? It is hardly credible that she will be unwise enough to refuse to accept the conditions laid down, and so to bring on even more humiliating conditions than have been imposed upon her. But every student of history is aware that there are, and always have been, strikingly surprising changes in the relations between the leading countries of the world. It seemed as clear to careful observers as anything well could be that the true policy for France after her disasters in 1870 was to bring about a thoroughly good understanding with England; to devote all possible attention to the increase of her population; and thus to prepare for the time when German belief in her own ability to destroy all enemies would lead her to make some grave mistake. Nobody who studied the history of Germany could doubt that such a mistake would be made. Whatever may be thought of the Germans as a people, they have not that self-control in their own affairs, or, at all events, they have not given evidence of such self-control in the past couple of centuries. On the contrary, they, to all intents and purposes, abdicated all popular control over the Government and gave to the ruler an authority which exceedingly few men in the whole history of nations have shown themselves deserving of possessing. The Emperor Frederick may have had the power of self-control that was requisite. But he was in such a state of health when he succeeded that it was impossible for him to check the course upon which the country had been led. And the ex-Kaiser was so hopelessly unfitted for the position that would have suited him if he had been wise that his failure can have surprised nobody. The question that now is of real interest amounts to this: Has Germany been taught by her experiences since July 1914 that she is not able by any manœuvring to form a military convention which will prevail over the English, the American, the French, and the Italian peoples? It is quite possible that a Stein and a Hardenburg might so dress up the discredited war policy as to give a chance for a successful war. It is still more possible that if unwisdom induced France and England to quarrel with one another, and so play into the hands of Germany, another war might result. But it is difficult to believe that either the British or the French will be so ill-advised as to act in direct contradiction to the true policy of both countries; and, therefore, the question that seems most deserving of attention is, Will a sovereign of some kind be chosen who will, as far as the new condition of things makes possible, set to work to prepare for another war which shall not foolishly challenge the whole civilised world, but shall pick out some definite question to which there is strong opposition in some European countries?

It is no part either of our desire or of our intention to point to the directions in which a quarrel might, perhaps, be prepared for. What is more to the purpose is to point out that although France has received support which even her own people admit was both generous and well-timed, yet the whole of the wishes of France have not been satisfied. Perhaps it would have been difficult fully to satisfy those wishes considering how desirous many Frenchmen were for a restoration of the state of things which existed previous to the Great Revolution. However, the question which we shall now have to consider is whether danger exists that the natural desire of the French to have a wider control at the other side of the Rhine may not lead them to go too far, or whether some course of policy which it is impossible now clearly to foresee may not bring about a feeling of suspicion between this country and France and may not thus prepare the way for a more promising attack upon France in the future. Much, of course, will depend upon the course of affairs during the next 20 or 30 years. Germany will surprise most people if a very serious attempt is not made to re-establish in some form or other the military system which is just being broken down. On the other hand, it is doubtful whether there is not sufficient dislike of the recent system to create strong opposition to such a renewal of the system which has just come to an end. Still, there will be an exceedingly strong predisposition in favour of an earnest effort to make the army once more the governing influence in Germany, and if the military system is restored, then it is reasonably certain that a renewal of the War will be, if not exceedingly likely, at all events, dangerously probable. There is, of course, as everybody knows, much dislike of the practical supremacy of the Kaiser's position over all other rulers in Germany. Consequently, we may hope that the several small States will use whatever power they possess to prevent the Kaiser from recovering his old influence. If we had to consider only the danger arising from the Kaiser himself it would, no doubt, be possible to guard against it. But everybody knows that even during the past half-century the Kaiser had not the supreme authority sometimes attributed to him, but that he was the head

of a great military organisation which looked to him to carry out the policy of the military authorities, and, consequently, that whether the Kaiser is, or is not, restored to power, there will be a military influence which will exercise extraordinary influence, and which will need to be watched in the most careful manner.

LIVERPOOL AND THE TRANSPORT BILL.

Liverpool interests are naturally inclined to view the Ways and Communications Bill in the light of its possible effects on the trading pre-eminence of their port. During the consideration of various clauses in Committee Ministers were emphatic in their assurances that much of the power sought would be exercised with discretion, if at all, and, further, as opposition to the proposals developed, concessions were not infrequent. The principles of transport reform underlying the Bill have not, however, been whittled down; but the interests affected have by no means abandoned the conflict. As befits its position, the Mersey Docks and Harbour Board has been foremost in opposing the new Bill; but a full measure of assistance has not been forthcoming from other threatened interests, and the trading community is to a large extent passive, an attitude which seems to indicate hope of benefit from the Bill. Railway opposition has not been very determined despite its great Parliamentary strength, but the position of the companies is peculiar. During the War they were not, like ordinary commercial companies, allowed to increase the charge for their services according as working expenses mounted up, and these expenses were, under Government control, swollen in a manner which would not have been tolerated by private management. The financial soundness of the companies was thus undermined, and the carrying of Government traffic free or at reduced rates over the various systems, in return for guaranteed dividends, served only to obscure the real position as to earning power. In the circumstances nationalisation is not regarded with great dislike, as the controlling and shareholding interests hope to extricate themselves from an awkward position, not of their own making, with little or no capital loss. This explains the comparative calm with which the Bill has been received in railway circles.

The maintenance for a long period of railway rates at and near the peace standard dealt a severe blow to the coasting trade, which was, moreover, seriously hampered by war restrictions on shipping. The coasting lines were forced to increase their charges to meet increased working costs, which were not borne by the Exchequer, and accordingly all traders sought delivery of goods by rail. The inevitable congestion occurred, and matters were made worse by the failure of consignees to take immediate delivery, and by their continuance of the pre-War habit of using rolling-stock and transit sheds as warehouses. The Railway Executive Committee, composed chiefly of railway managers, proved itself unequal to the task of using the ports for coastwise distribution, and thereby lessening the strain on the railways. It is unlikely that the Minister-designate of Transport, reared in the railway tradition, will be any more efficient in the discharge of such an obvious duty. At present many railway rates are insufficient to cover even terminal charges for carting, and it is necessary to diminish such unprofitable traffic by the free use of sea carriage. As ocean-going vessels increase in size the tendency of overseas commerce is towards concentration in safe and commodious harbours. The pre-eminence of big ports and big ships is yearly becoming more marked, and increased coastwise distribution in small vessels is the natural corollary. Failure to appreciate this will hamper the free and inexpensive movement of goods, and will throw on to the railways traffic for which they are not suited. A Government Department whose chief preoccupation will be with railways could thus not view the general traffic problem from an unbiassed standpoint.

Sir Eric Geddes rather unwisely claimed that through the railways he has already control of one-half our ports. The proportion may be correct, but it is overlooked that the principal ports of the country are not railway property. The railway ports are engaged mainly in handling coal, iron ore, or passengers. Chief among them are Cardiff, Barrow, Grimsby, Immingham, and to a large extent Southampton, and ports on the Tyne and Tees. The list, it will be noticed, embraces none of the largest ports, and, if we exclude coal, upwards of 80% of the export and import trade of the United Kingdom is handled in the independent ports of London, Liverpool, Glasgow, Leith, Manchester, and Bristol. An attempt to interfere with the natural flow of traffic to these ports may involve serious consequences. To look at trade solely from the transit point of view is erroneous, as it exaggerates what is after all only a single factor in a many-sided problem. Transport is not even the controlling factor, and, provided trade has reasonable mobility, considerations of warehousing, grading, classifying, financing, and marketing will largely determine its course. An excellent illustration of our meaning is found in the coal distribution scheme enforced by the Government during the War. The scheme was drawn up entirely from the geographical standpoint, for the purpose of eliminating all unnecessary transportation. When put into force it was found unworkable, since a particular industrial area requires different classes of coal, all of which must be obtained, no matter how long the haulage. A procession of amending Orders followed, until the original Order was mutilated beyond recognition. In the same way a bureaucratic office in London might work out on paper a theoretically perfect transport scheme which would fall to pieces when in operation. A Government Department is naturally and inevitably out of touch with the realities of trade. It might, for example, seem a plausible proposition to discharge cotton cargoes no longer at Liverpool, but at Manchester, where they would be much nearer the point of consumption. In practice it would be found that many of the cotton boats are too large for the Ship Canal; that better warehousing accommodation is provided in Liverpool, where the cotton can be classified and can lie in pawn to the banks until it is required, and that methods of financing produce shipments have been brought to greater perfection in Liverpool. Moreover, Liverpool's importance as a passenger and general cargo port makes it a cheaper centre of import for every variety of cotton. Cotton constitutes in many cases only a part cargo, and to move a ship to Manchester after discharging passengers and other cargo in Liverpool would involve considerable expense, and merely serve to increase cotton freights to the former city.

Another claim put forward by Sir Eric Geddes is that he could effect a 75% saving by the introduction of his new scheme of management. It seems preposterous to assert that such a large margin could be saved by mere managerial reform, as any commercial concern would put the average amount of such saving at 10%. The *arrière pensée* might be attributed to Sir Eric of fusing dock and railway management, and so evening out railway losses, and perhaps turning them into a profit by the addition of dock receipts. The scheme might be possible as a mere matter of accountancy, but viewed from any other standpoint it is untenable. It would tend to stereotype unprogressive dock management by crushing out trade rivalry amongst different ports. In the light of past experience there is a strong probability that Government management would suffer from lack of initiative through the official fear of undertaking responsibility for ventures which would be gladly entered into by private citizens, or by boards comprised of them, if

some profit or public benefit could be derived therefrom. Money might in certain circumstances be procured more cheaply on Government credit, but permission for expenditure on improvements would be difficult to obtain. Treasury consent would be required in almost every case, and it could hardly be secured for a series of improvements projected annually. Provision for harbour improvements would, perhaps, be made each year by a Parliamentary vote, and the chief share of the sum so allocated would undoubtedly go to the port which raised the loudest outcry. The allocation would not be settled, as it should be, by purely trading and shipping considerations.

Big self-governing ports, which are locally controlled and worked on a non-profit basis, would suffer particularly from Government supersession. The circumstances of some of these ports are widely different, and their individual needs would hardly be catered for under Government management. Thus, Liverpool is a port of transit, while London is a port of consumption. The market in Liverpool is comparatively small, as there are only a million people in its immediate neighbourhood. Most of the goods are distributed after arrival, either coastwise or inland by rail, road, and canal. London is the centre of a thickly populated area containing over ten million inhabitants, and therefore it retains most of its imports for local consumption. It has become a marketing centre of unequalled magnitude, and its supremacy might easily be endangered by the foolhardy experiments of a Transport Minister seeking to conciliate a large section of labour or a noisy minority in Parliament. The freedom of the ports would thus be lost, and their trade endangered, in the mere desire to catch outside votes or to satisfy the clamour of irresponsibles within the House.

UNEASY EUROPE.

During the last few days there have been, apart from the special work of the Peace Conference itself, three notable developments in Europe. The most spectacular of these has been the destruction of two "Soviets"—that of Bavaria and that of Hungary. The former succumbed to the leisurely pressure of the troops of the Berlin-Weimar Imperial German Government and of the Hoffmann Bavarian Government with a similar Bourgeois-Socialist complexion. There were reports of fierce street fighting at the last; but the knife does not seem to have been driven in very far.

When cancer is suspected the patient is generally advised to seek the aid of the most expert surgeon with a view to an immediate operation, before the malignant growth has affected the whole system. Under favourable conditions such an operation may be successful. But if the poison has spread to any extent the surgeon's knife may be of little value—may, indeed, so lower the patient's vitality as to hasten death.

There are similar grave risks in the military operations undertaken by the Germans and the Allies against the Soviet systems. And in the case of the Germans we must add some doubt as to the honest handling of the knife. The Hungarian Soviet, in regard to the formation of which some mystery still remains, feebly supported by the classes and the soldiers on whom it placed most reliance, and menaced on all sides by Roumanians, Czechs, Serbians, and Allied forces, has collapsed; and for the administration of Hungary a native Government responsible to the Entente has either already been formed, or will have to be formed. To all outward appearance the Allies, with the help of their minor associates, have made a change in Buda-Pesth closely resembling that made in Munich by the Imperial German Government. But in both cases the most important question is, "Are the economic conditions favourable to stable rule?" There are important reserves of economic strength in Hungary, but the present condition of the country is so grave that the effect of armed interference by the troops of nations which are not themselves in a settled condition cannot be calculated.

The opening speeches in the provincial councils of France (the *Conseils Généraux*) generally travel beyond local affairs to national and international affairs. This year the gravity of the financial and political situation added so much to the significance of the pronouncements that we are justified in putting them among the notable European events. The majority of the Chairmen of these French County Councils (often prominent statesmen) laid emphasis on the demands for full reparation from Germany; but several significant references were made to the underlying financial troubles. M. Antonin Dubost, who is President of the Senate, speaking in the Isère Conseil Général, declared that the League of Nations could become the basis of an international financial organisation alone capable of realising, on behalf of each country, the liquidation of its terrible burdens; otherwise the task, he added, appeared to be insurmountable. At Montauban, M. de Salves, an ex-Minister of Foreign Affairs, pointed out that a Budget of 22 milliards (about £860,000,000) would be presented. How are we going to face it? he asked. That question, he went on to say, has to be put at the very time when the air is full of demands for fresh expenditure everywhere.

When we turn to Germany we get a darker picture presented to us. Herr Dernburg, the Imperial Finance Minister, in a speech to the Berlin Chamber of Commerce, at the end of last week, after a plaintive declaration that Germany had been deprived of locomotives, ships, securities, and foreign capital, and that "nothing" remained, gave an estimate of the financial burdens that would have to be borne. "We shall have he said, a total yearly taxation of 23 milliards [£1,100,000,000 at the old rate of exchange]. So far 7 milliards have been covered. Twenty-three milliards means almost the entire income of all Prussians who have incomes of over 3,000 marks [£150]. . . . We can only pay with our work. Only if our enemies grant extensive credits to support the exchange and give us time to work can we discharge the obligation of reconstruction."

This throwing up of the hands and crying "No Money" is partially a pose designed to produce certain politico-economic results, and it must not weaken the demand for the utmost practicable reparation. There is a good deal of stern reality, however, in the statement of the German Finance Minister; and it is only by facing realities that politicians and financiers can hope to begin the work of reconstruction with any chance of success. The faith in the power of a League of Nations to lay what the President of the French Senate calls "the basis of an international financial organisation" needs some qualification. After asking from the taxpayers more than £1,100,000,000 Mr. Chamberlain proposes to balance the British Budget by borrowing more than £200,000,000. France, with a Budget of £880,000,000 (which omits many liabilities), cannot make ends meet, and is increasing the paper currency from 36 milliards to 40 milliards. Her Governments, however, have not dared to ask her people to bear anything like the burdens that have been put on the British taxpayer. The deficits of the other war-stricken countries are much greater. Out of an accumulation of deficits no international credit system can be created. It is the pressure of this fact which makes the Americans unwilling to accept proposals which have come chiefly from France, that there should be a joint liability for debts. They are afraid that they will be left to pay.

But there are more hopeful factors in the European situation. We cannot expect that Allied and enemy financiers and politicians will fall on each other's necks

and kiss each other; it would not be a wholly healthy sign; but if they cease to pull against each other and begin to pull together there will be a progressive amount of wealth-creating power liberated. One small illustration of the "assets" of the War was given recently in an impartial estimate of Belgium's losses. So far as the machinery of industry, the funds of banking, and the material of commerce are concerned these losses have been great; but "the peasant has never been so prosperous. All the country has been dug by hard labour, with the result that, while before the War eight millions could be fed with the produce, ten millions can now be fed." There are parts of Germany and France, and even of Russia, that have equally benefited from the spade. Moreover, there has been developed through the munition speeding-up a capacity for work and for the handling of tools by men and women which is also a big asset.

Unfortunately, the nations and classes affected by the war have been too much inclined to say, "How can we get out of the affair with the greatest possible gain to ourselves?"—not "How can we make the biggest or the fairest contribution to the removal of the new burdens that have been created?" And it is for this reason—the mistaken attitude being as conspicuous among workers as among the controlling politicians—that the May-Day demonstrations in Paris and throughout France, the third notable event to which we refer, had such a sinister look. There was an almost complete stoppage of work throughout France, and the resistance in Paris of the authorities only increased the significance of the workmen's demonstration, the main object of which was to announce, "Here we are. Don't forget it. We are acquiring great arrestive or destructive power. We shall use it—if." If what? That is the great question—a question on which the workmen's organisations in every land are so divided that they would, if power came to them, fight among themselves, as they have done in Germany, Hungary, and Russia. Can such a result be avoided? It is a problem (bigger than any territorial problem the Council of Three, or the Council of Four, has wrestled with) which demands honest, hard thinking from statesmen and financiers, for the mere words of a treaty can do little if there is not an amount of financial security and co-operation sufficient to ensure an overawing force in favour of public order.

THE STOCK EXCHANGE.

Forced by the logic of events, the Stock Exchange, before there is nothing left to reform, is at last contemplating the reform of its constitution. But it is very far from even contemplating its reorganisation upon up-to-date lines.

It is now proposed to abolish what is known as the Dual Control—that is, the control of the Stock Exchange by the managers who represent the owners, and the control of the General Purposes Committee who are elected by and represent the members. Until the last few years the Stock Exchange was owned by a handful of people, whose interests were those of a trading company, while it lived by the energies of a vast number of members, who exercised what modest control they were able to exercise at all through the General Purposes Committee. It is now proposed to vest the control of the Institution in the latter body, which is a move in the right direction, but is a very long way indeed from going far enough.

The Stock Exchange, as an institution, goes back very nearly to the commencement of the eighteenth century. It was formed shortly after the Bank of England itself, and the object of its existence was to deal in public securities and the recently issued Bank Stock. It suddenly sprang into prominence through the gamble in the first quarter of the eighteenth century which culminated in the famous South Sea Bubble. The South Sea Company itself came to grief because it neglected its own proper business and insisted upon gambling in the then recently created National Debt. It would take us beyond our province to go into the reasons why the South Sea Company came to grief. Partly, they were due to the fact that the Company was attempting a line of business somewhat before its time. But its disastrous end was due to the cause above stated. The Stock Exchange did not take the lesson to heart.

The London Stock Exchange, although a private institution, enjoys, in fact, such a monopoly that its position proved really unassailable until it was assailed by a group of great institutions commanding vastly greater resources than those commanded by its members. In its day it performed great and valuable services. As the overseas trade of this country grew, and with it the area of what has now come to be called the British Empire, it was desirable to open up the resources of various countries; and it is only just to admit that the assistance of bankers, merchants, and gentlemen of the Stock Exchange, did in their day very materially assist in developing the British Empire as we know it. The position of the London merchant has altered materially from what it was a century ago. But with that we are not here concerned. The Stock Exchange is much older than any of the existing joint-stock banks, but it has allowed the latter to capture its business and become practically its master. If the Stock Exchange does not radically reform its whole constitution it will virtually cease to exist, except as a kind of annexe of the great joint-stock banks. Instead of shutting itself up in dignified seclusion, it should realise that it is a great public servant, living by dealing in public securities, and that it is its interest and its duty to attract as large a *clientèle* as possible. The great joint-stock banks, with their vast millions of deposits, are not too proud to advertise for further business. Why should the members of the Stock Exchange be precluded from advertising to all whom it may concern that they exist to deal in public securities and are anxious to get business? Surely there is nothing to be ashamed of. As things are the small investor has practically no resource except to go to his banker, who advises him how to invest the balance of his account over and above his common or ordinary needs, finances him, if necessary, and transacts, even though he does it through the Stock Exchange, the necessary business. Of the thousands of investors existing in this country, how many have any knowledge of even the names, not to talk of the standing, of any firm of stockbrokers, or stockjobbers, for that matter? Whereas almost everybody who has saved even a few pounds has his own notion of the relative standing of the great banks. Now that the great banks are administered almost under one hat, if the Stock Exchange does not bestir itself its position will become steadily worse and worse, while the position of the banks will become stronger and stronger. The banks have shown that they are quite able to perform the most useful functions for which the Stock Exchange exists, and, with their vast amalgamations and arrangements of one kind and another with overseas banks in different parts of the Empire, as well as with foreign countries, they will have in a very short time an international market, with which the Stock Exchange will find it very difficult to compete. If the members of the Stock Exchange who have nothing else to do would cultivate the small investor, they ought to have more leisure to look after his business than the banks. But if they continue in their present line of conduct business will tend to go more and more to the banks, and less and less to the Stock Exchange. Or, to put it differently, the Stock Exchange will be used simply as a convenient department for the banks to transact a part of their business. The banks are big enough, and strong enough, and it is not in the public interest that, in addition to their ordinary business, they should virtually absorb the Stock Exchange as well. It is, of course, the fact

of the Stock Exchange. The banks are in no way to blame for taking business as it comes along. They exist to do business, and they are quite right to refuse to draw down their blinds and pretend to be living in seclusion.

The besetting sin of the Stock Exchange, apart from affecting a haughty reserve, which is unreasonable in any class of business men, has been their undue devotion to "time" bargains. We have said above that in the past, and in the very recent past, the Stock Exchange has performed a valuable function in assisting in placing securities for the purpose of opening up, not merely the British Empire, but various other parts of the world, and they have contributed, and contributed materially, until recent events, over which they had no control, and which upset their work, in providing the food we need to consume and the materials for our manufactures. "Time" bargains, within limits, are necessary, or appear to be necessary in the placing of large amounts of securities, or what is commonly called "making a market." But to devote, as a large majority of the members, not merely a part of them, did before the War, their whole business activity to "time" bargains was inherently wrong, and bound to lead sooner or later to disaster. The great investment houses refused this class of business altogether; or, if they did not absolutely decline it, discouraged it to the utmost of their power, and put every obstacle in the way of a client who wished merely to speculate. But, unfortunately, they were a small minority, and of the members of the Stock Exchange the large majority lived upon dealing in "time" bargains. It brought a great many of them to the hammer. But a proportion succeeded in making such large commissions during the process of any particular speculation that they were enabled to face the inevitable loss when the client finally came to grief. If the Stock Exchange wishes to retain its position it should advertise on the housetops, as the members of the New York Stock Exchange do, that it is out for business, and is anxious to do the best for clients who desire to buy, or to sell, public securities, and discourage to the utmost of its power dealings in "time" bargains, except for those whose ample resources and knowledge of the markets in which they deal may make such dealings desirable.

OUR TRADE WITH BRITISH WEST AFRICA.—II.

British, French, and Spanish possessions lie in close proximity on the West African coast, and, as the task before the respective Governments of promoting native welfare is in itself sufficiently formidable, it seems a reasonable demand that all artificial barriers against the entry of whites, who are themselves the civilising agents, should be removed. This ideal of freedom of intercourse obtains as regards British and Spanish territories, but British traders in Senegal and other French possessions are subject to differential burdens. The loss inflicted is twofold, since British interests are prejudiced by exclusion from trade, and native interests by the narrowing of competition. Not only is the French metropolitan tariff applied in the case of British goods entering the Colonies, but a surtax is placed on all shipments of African produce coming to France *via* the United Kingdom. The object of the latter imposition is clearly to promote direct trade between France and her colonies, and, though the end is legitimate, the methods of attaining it are open to objection. A striking contrast is presented by the treatment of French subjects in our colonies. They trade on equal terms with British nationals, and a limited reciprocity should at least be forthcoming. The question has been raised, and is at present being discussed in Paris between the British and French Governments. The trading community has been called into council, and there appears to be a general desire for a satisfactory solution. A way out of present difficulties might be found by unifying the tariffs in all European territories on the West Coast, and such a reform would undoubtedly stimulate trade, open up undeveloped sources of wealth, help to mitigate the poverty of the native, and so set a large section of the Dark Continent on the path of prosperity.

The liquor traffic in British West Africa is being prohibited, as far as the natives are concerned, and the step is one which, despite the temporary loss of revenue, will prove of the utmost benefit to the country. Before the War a large quantity of spirits was imported from Germany and Holland, and when the trade ceased the resulting loss of revenue was made good by the imposition of export duties on palm oil, oil seeds, and cocoa beans. The duties, which are being continued, vary in different colonies, being generally about £2 per ton on palm oil and 22*s*. 6*d*. per ton on palm kernels and ground nuts. It is proposed to place a supplementary export tax on all West African produce for destinations outside the British Empire. It is hoped thereby to retain in the United Kingdom the large crushing industry established here since 1914; but the scheme, though differing in principle from French methods, since it does not affect the freedom of Frenchmen trading in British possessions, is bound to raise difficulties when it is sought, as at present, to free our trade in French colonies from repressive burdens. Besides, the ultimate effect on the native is likely to be harmful, since the circle of demand for his produce will be restricted—Germany, Holland, and other pre-War competitors being wholly or in part eliminated. Custom will, nevertheless, not be lacking, as our crushing capacity is more than sufficient to deal with an average annual output of kernels, but the buying interests are comparatively few and strong, while the selling interests are scattered and weak. A concerted abstention from buying could thus easily depress the market. In proportion as such results are felt, native discontent will grow; and it has already been seriously roused by the course of trade during the War. It is even questionable if the new tariff will ensure the permanency of our crushing industry, since it may equally well lead to the establishment of mills on the African Coast, despite previous failures in this direction. These mills would be free to send the finished products to all parts of the world, and in this way the very first object of the duty would be defeated.

In common with other British colonies, and, indeed, with all countries that coin silver, our West African possessions have of late years suffered from a great shortage of the metal, and the hampering effect on trade has been severely felt. The currency needs of the country are dealt with by the West African Currency Board, but that body can hold out no hope of any larger quantity of silver for the next twelve months than £1,200,000. This sum is totally inadequate, as it is estimated that £5,000,000 would at least be needed to meet the requirements of trade. Since the Board has up to the present cleared a profit of £2,000,000 on its operations, a more generous allocation might surely be made. A deficiency of silver is attended with more serious consequences in West Africa than elsewhere, owing to the almost wholly illiterate condition of the natives, with whom a paper currency can accordingly find no favour. Several shipments of silver to the Coast were sunk by enemy action, but the main cause of the present scarcity is hoarding. The native who brings his produce from up country returns with the silver, which is carefully buried and drawn upon very sparingly when necessity compels a purchase from some of the local traders, who are also usually natives. Unless he can obtain silver, he prefers to keep back his produce. It would obviously be useless to bring paper, and, moreover, in the inland districts in which he lives the native trader will often refuse to accept the notes. In these regions there is thus a reversion to a state of barter. At present a

paper currency is in circulation along the coast, in Lagos, Accra and elsewhere, but in this area the difficulties are not so great, as white traders freely take notes in payment, and as the level of economic education amongst the natives is not so low. The bush native, on whom the merchant relies for his produce, is entirely illiterate, and cannot grasp the notion of credit underlying a paper currency. Further, he cannot distinguish between notes of different values, especially as the values are varied, extending from sixpence or one shilling upwards. Colour and size are to some extent useful guides, but the climate rapidly affects paper, and the native has no place to keep the notes when travelling and no receptacle to store them at his journey's end. In these circumstances a premium on silver and consequent depreciation of the note issue cannot be avoided, and the partiality of the natives for the metal can be turned to profitable account by their less scrupulous brethren or by white traders.

Besides currency ills, for which silver appears to be the only remedy, British West Africa suffers at present from inadequate shipping facilities. During the War the necessary shipping was, in the national interests, provided by diverting vessels from other routes. Our needs are now less urgent, and the chief British line trading to West Africa has still to repair the extensive war losses inflicted on its fleet.

According as the damage is made good, it will be possible for merchants to ship to Europe the stocks which have accumulated in their warehouses. Market conditions here are now more favourable than they have been for some time past. Control has been in part removed, and prices have risen. Palm oil was recently decontrolled and the quotation jumped almost immediately from £44 to £60 per ton. The stocks now awaiting shipment were purchased at low prices from the natives, and it is to be feared that the latter did not, generally speaking, share to an appreciable extent in the War prosperity of the West African trade. Soon after the outbreak of hostilities purchases for European houses were by arrangement made on a more or less uniform basis. The bare price was low, and as the limited shipping space was rationed among pre-War shippers, mainly European, the natives could not send produce direct to Europe and there secure the benefit of existing market conditions. Meetings were held in Lagos and elsewhere, and, on an appeal to the Government, cargo space was allocated to purely African interests. These events gave birth to a feeling of mistrust, which has not since been allayed and which is, on the whole, a rather welcome symptom of a desire for independent trading with Europe. Methods of trading in West Africa are in many respects rather reminiscent of early days, when the East India and other companies operated in our colonies. It was not until 1900 that the Royal Niger Chartered Co., which had large adminstrative and trading interests in Nigeria, was dissolved; and at the outbreak of War practically all the trade of the Coast was centred in different European houses with their headquarters in Liverpool, London, Hamburg, Marseilles, Bordeaux, and Rotterdam. Hamburg is no longer a factor to be reckoned with, and amongst the trading associations in other cities identity of interest, particularly in regard to the purchasing of African produce, usually invites, if it does not lead to, unity of action. Further, when all trade passes through European hands enterprise on the part of Africans is limited, and the development of the country, as well as the economic education of its inhabitants, is hindered The natives cannot always be kept in leading strings, and any genuine advance in African civilisation must come from them. A mere exploitation of the continent from commercial motives will not be of permanent benefit. The natives must be taught to think and act for themselves in trade as well as in religion and other matters. It is not sought to belittle the efforts of existing traders or of the pioneer companies under whose care our West African territories have made such immense progress. The colonies must, however, continue their economic advancement, especially as their untouched possibilities are still great. But big corporations are in their nature antagonistic to any development which assails their monopoly or threatens to weaken their trading position. The present companies interested in West Africa are, indeed, to a large extent, very real competitors, but they have in the past, especially during the War, acted in close co-operation for many purposes. One interest they have decidedly in common—to keep the field to themselves and to discourage competition, whether it comes from Europeans or natives. Thus, in recent years, prices were fixed for native produce which was sold at a handsome profit in Europe, despite the control. The price in some cases showed an increase of 40 per cent., but in no case was it an equivalent of the inflated war prices which the native had to pay for clothing and for all imported articles of manufacture. A delimitation of trading areas amongst existing companies helps to reduce competition still further. To offset any evils resulting from the exercise of a monopoly which the companies naturally turn to their advantage, no extra favours or privileges should be extended to European houses already established, and natives desirous of importing and exporting merchandise should be granted every facility, and even encouraged, by the Government. All West Africans are born with a natural instinct to trade, and it should be our duty to develop this instinct and to provide the financial and other means by which it may find full and profitable expression.

BRAZIL.

Dr. Epitacio Pessoa, as generally expected, has been duly elected President of the United States of Brazil. It may be remembered that we reported that his election was regarded as virtually assured. It has still to be proclaimed by Congress in order to be confirmed, but this is regarded as merely a formality, and is expected to take place some time in June next. Dr. Pessoa is at present head of the Brazilian representatives at the Peace Conference now sitting in Paris. The British Government has it under contemplation to invite Dr. Pessoa to London as a representative head of one of the Allied States; but for some reason that only a Government can appreciate the invitation is deferred until Dr. Pessoa's election to the Presidency of the Republic is duly proclaimed by Congress.

Dr. Pessoa will come into office at a period of no inconsiderable anxiety, but one of great hope for the future of Brazil. It will readily be appreciated that the entry of Brazil into the War has led to a very serious strain upon the resources of the country. The acting President's statement, according to cable advice, shows that the foreign debt of Brazil amounted roughly to 116½ millions sterling at the end of last year. This is, of course, in addition to the internal debt, which in itself exceeds a million contos of reis. The Brazilian Government, when it joined in the War, put itself into the hands of the Allied Joint Commission, and of course had to spend vast sums, like other members of the Alliance, in the purchase of munitions of war, in addition to paying for the maintenance of the Brazilian Army in France. Possibly, if we take a broad view, and consider the effect of the War upon Brazil in the future, it has been distinctly beneficial, but the benefits have been attended by very material drawbacks. It has been very far from a case of realising war profits. Even if she had realised war profits Brazil has rendered a very material service to the Entente Alliance in furnishing food, in furnishing raw materials, and in supplying us with essential constituents of munitions of war. At the beginning of the War Brazil was quite unknown in the international meat markets of the world. She contented herself with supplying what is known as jerked or xarque beef to the neighbouring

countries of South America, for which produce there was always a ready market. During the War she supplied Europe with a small trial shipment of frozen beef in 1914, and she steadily increased her shipment of chilled and frozen meat until it exceeded 60,000 tons a year. Virtually, Europe may count upon her for a supply which should average in the near future between 60,000 and 70,000 tons. For the moment owners in the West—particularly in Matto Grosso—are demanding extravagant prices; and there is generally a shortage of cattle more or less throughout the Republic; but emissaries from various States, and particularly from Sao Paulo, Santa Catarina, and Rio Grande do Sul, are visiting India at the present time for the purpose of obtaining cattle which have a reasonable prospect of thriving in the warm climate of the great Southern Republic. The specimens, moreover, can be purchased at a price that will not inordinately add to the gross cost of the herd which it is proposed to prepare for the freezing houses which have lately been erected in the Southern States of Brazil. In addition, Brazil has supplied the Allied countries with large quantities of hides, so urgently needed during the War owing to the great shortage of leather products. Santos has been the principal source of supply for some time for coffee available for consumption in Europe. Finally, and perhaps more important than any of the various products which Brazil has been able to send to Europe during the past four years, has been her exports of manganese.

Important deposits of manganese so far developed in Brazil are found mainly in the State of Minas Geraes. Minas Geraes is one of the wealthiest and most highly developed of the States of Brazil. It has been opened up by railways, and even by roads, to an extent which is rare in the Republic outside the principal cities of Sao Paulo, the oldest settled State of any in Brazil, and Rio Grande do Sul. The mining deposits of Minas Geraes have been made accessible to the mining engineer in a sense that is not true of the other States in the Republic. Moreover, with very few exceptions, of which Burma is a striking exception, the manganese deposits of Minas Geraes are accessible in a sense in which manganese deposits are accessible in very few other parts of the world. In the years that preceded the War these deposits had been developed to such an extent that the State was already exporting some 200,000 tons per annum to meet the demands of the steel industry in various parts of the world. When the needs for manganese ore were suddenly sprung upon the various belligerent Governments Brazil, consequently, was in a position to furnish this important munition of war to an extent that very few other countries were capable of doing.

It will be seen that Dr. Pessoa assumes office at a critical but by no means an inauspicious period in the history of his country. Instead of depending upon two branches of industry, as was the case before the War, Brazil has developed at least three new industries which either did not exist at all in the pre-War period or were developed upon so modest a scale as to be virtually a negligible quantity in the international markets. Possibly an even more important result has been obtained in the training of a large body of her population to habits of steady and regularly applied labour.

In the years that preceded the War, owing mainly to the fact that the population is a very small one for the area and that the conditions of life are exceedingly easy, the native was not regarded as a very valuable asset in the labour world. Even to this day a large proportion of the labourers in the coffee plantations of Sao Paulo are Italians or the children of Italians, and more of the former than the latter. For purposes of active and applied industry it was generally considered more economical to employ European immigrants than to rely upon native labourers. The military demand of the European belligerent Governments called up a large number of such immigrants, and it became a question whether Brazilian industry was to cease altogether or the labour supply available in the country itself was to be drawn upon. In the result the latter expedient was adopted, and was highly satisfactory both to the various industries concerned and to the labourers themselves. The native has proved to be a far more efficient labourer than was generally expected when a serious demand on his industry was made and he was offered a reasonable rate of remuneration.

Dr. Epitacio Pessoa is a Northern man, coming from the State of Parahyba. Dr. Pessoa, as stated above, is at present head of the Brazilian Mission at the Peace Conference in Paris, and is what we should call a barrister by profession. Coming from the Northern corner of the Republic he should introduce a new element into Government circles in Rio de Janeiro. It is the first time that a Northern man has been selected to fill the Presidency since the establishment of the Republic. The reasons, of course, are simple. The north of Brazil, while it comprises by far the greatest proportion of the area of the Republic and infinitely the richer portion potentially, has so far, if we except the wild rubber industry of the Amazon—if it is possible to call it an industry in the economic sense at all—has been hardly developed to any appreciable extent. The reason, again, is perfectly simple. The whole north of Brazil is situated in the tropics. In fact it is practically under a vertical sun. It is subject, consequently, to the deluging rain associated with tropical conditions, and, inasmuch as it is situated on the Equator, it is subject to the rains of the Northern as well as of the Southern Hemispheres, and consequently it requires drainage more than any part of the world. It would repay such in a way that is true of no other region upon the whole surface of the globe.

Even more important than the need for drainage, which, after all, is merely a question of capital and engineering skill, which the resources of modern science are capable of handling with success, is the question of health, depending upon sanitation. Until quite recently, in fact so recently as the beginning of the present century, we were almost wholly unacquainted with the causes of what are known as tropical diseases, and as a corollary we were completely ignorant of the remedies which should be applied. Although even yet serious and arduous study is required to enable us to ascertain how tropical diseases can be dealt with upon a comprehensive scale, we do at least know how to make these regions of the earth habitable to the white man, and places where the coloured man can labour without serious injury to his physical well-being.

Dr. Pessoa, therefore, being himself a son of the North, may be expected to take an interest in the well-being of these regions, and make a serious endeavour to achieve their economic development to an extent that could not have been expected of Southern men. That such an endeavour will meet, assuming it is made, with a large measure of success there can be no reasonable doubt, and as this region comprises the largest area in Brazil, as well as potentially the richest, the labour expended will be well repaid.

THE LIVERPOOL COTTON MARKET.—II.

THE system of operating in futures has given rise to controversy on both sides of the Atlantic, but it has been shown that from a certain standpoint such dealings are defensible. That they are not alone defensible but necessary to the support of the Cotton market was shown in 1914, when futures trading was stopped in the general dislocation that followed the outbreak of hostilities. The whole of Lancashire cried out for its resumption, and the request was granted in November when the market was reopened under the ægis of Government. Want of tonnage led to a further period

of suspension in June 1917, since when operations have continued without a break. As a reminder to the more vehement apologists of the futures market, it might, however, be recalled that early in the War Mr. Runciman, in the course of a visit to the North of England, appealed to dealers in cotton not to speculate in the raw material. The emergency contract which was devised by the Board of Trade to meet War scarcity continued in force to the end of last month, when the Cotton market was practically freed from all control and futures trading for twelve months ahead of any current position was allowed. The Board's Order regulating the prices of all varieties of raw cotton has also been cancelled, except as regards Egyptian, and it naturally follows that futures trading in Egyptian is still suspended. A strong agitation is being carried on by market interests for an early removal of control, which has already been promised for July 31 next. The Government commandeered the crop each season, and till recently it was doled out to spinners on a War basis. The system of rationing has, however, disappeared, and spinners are, in theory, free to purchase any quantities they desire, but supplies are short. This measure of decontrol, combined with the disappearance of the emergency contract from the American market, will enable the raw-Cotton market to take advantage of the long-expected revival in Lancashire trade. The Budget showed the Chancellor in a lenient mood. Taxation has not materially increased, excess profits duty has been halved, and, in general, controls have disappeared. A bumper commercial harvest seems, therefore, to be promised. Shipping and exchange conditions remain the only hindrances in the way of cotton importers and of spinners and manufacturers wishing to re-enter their old markets. A daily improvement is, however, taking place in these sections, though freights are at times rather a detriment to business.

Despite the favourable outlook dealers in cotton all over the world, who have been considerably chastened by recent market experiences, do not readily take a cheerful view of the immediate future. Large sums were dropped in Liverpool owing to the fall in the price of raw cotton after the armistice. Importers had bought cotton heavily in the United States. Many hedged it in January futures, but when the cotton came they were unable to sell, and had to take in the January hedge and put out—say, a March hedge, at a loss of several pence per lb., one penny per lb. representing £2 per bale. By March the position had not improved and a further loss was incurred.

The stagnation in cotton has intensified in Liverpool warehouses the congestion due to the accumulation of Government stores, particularly of food. The problem is most serious from the point of view of merchants with goods afloat or on order from abroad; and it will be solved only by such a restoration of commercial confidence as will enable accumulated stocks to be sold in order to make way for new deliveries. Buying orders for cotton are conditioned mainly by spinners' commitments, and by their conviction as to the future course of prices. The yarn market for both home and export trade has been for some time dull, and the downward trend of quotations has been unfavourable to business. It is questionable if the limit of the fall has yet been reached, and accordingly would-be buyers are holding back. Thus Texas good middling, quoted at over 22*d.* early in November, had fallen below 18*d.* in January, and has since varied round the latter figure. Good middling American was on a recent average day in Liverpool 18.39*d.*, compared with 22.04*d.* at the same date last year—a distinct fall, but still substantially over the figures for 1917 and 1916, which were 13.11*d.* and 8.27*d.* respectively. Moreover, these were War quotations—and many are of opinion that on a peace basis they should not be much exceeded, despite the intervening rise in the cost of growing and shipping cotton. There are thus prophecies as to a further fall, but certain "bullish" factors in the situation cannot be overlooked. The American crop, besides being planted late, is certain to show a reduction in acreage, but not to the dismal extent anticipated. Estimates of a reduction as great as 30% have been made, but the best information places the figure at about 12%. Threats of a general curtailment of the cotton area have frequently been uttered, and as frequently forgotten. At local meetings the farmers decide *en masse* to plant less cotton, and then each plants a little more so as to profit by scarcity values. In Galveston, however, there was during April a rise of three cents in the price of Texas cotton, which is a good index, as Texas contributes a large part of the American crop. Evidently the guaranteed prices offered by the Government have favoured the putting in of cereals. Another factor in the present situation is that recent disturbances in Egypt during the sowing time for cotton are bound to affect the area planted; and the irrigation system, which has to work this year with a reduced supply of water, will not be as efficient as before. A smaller Egyptian crop will naturally strengthen the demand for the American staple. The shortage of clothing all over the world and the recent appreciation in the price of wool, as well as the high quotations for flax, all induce a belief that raw cotton will, on the restoration of peaceful conditions on the Continent, maintain its price, notwithstanding heavy stocks in American ports. Spinners and manufacturers must, however, make an effort to scale down prices, since otherwise buyers will not venture to satisfy more than their momentary needs, and the return of trade to a secure basis will be delayed.

The volume of the coming Continental demand for cotton can at present be the subject of only purely general estimates. Mills have to be rebuilt and machinery repaired or renewed before any stimulus reaches the Cotton market. It is urged in some quarters that this anticipated increase in demand has already been discounted in the price of cotton, which has shown a rising tendency in recent weeks. Moreover, the supply at Liverpool is large, amounting on May 2 to 399,000 bales, as against 193,000 in the corresponding week of 1918. Current stocks are, however, small compared with other years, especially with the pre-War period, when they ranged from 1 to 1½ million bales. Even as late as June 1915 they reached the figure of 1,521,000 bales; a record not touched in eighteen years. Despite the comparative smallness of Liverpool's present supplies, the visible world's stock last week, at 4,318 bales, was slightly in excess of the 1914 figure of 4,089 bales; and, as a pre-War demand is unlikely under present conditions, a further fall in the market might be expected. Such a fall will tend to be checked by the likelihood of a shortage of good staple cotton in the later months of the year. The American crop now in the ground will not be available till September, and no considerable shipments to this country will be made before November.

The volume of consumption is another incalculable factor which will depend largely on the price of cloth; and so, finally, on the price of yarn. In this connection an interesting comparison of spinners' present and pre-War margins was recently made by the Board of Trade in answer to a Parliamentary question. Middling Boweds and F.G.F. Brown Sahellaridis were taken as approximations to the old middling American and F.S.F. Brown respectively, and the margins worked out as follows:—

Year	1914	1915	1916	1917	1918	1919
	d.	*d.*	*d.*	*d.*	*d.*	*d.*
Margin between 32's twist and middling American ..	2·58	3·25	4·88	4·53	19·80	10·76
Margin between 60's twist and F. G. F. Brown Sahellaridis ..	7.43	5.50	9·59	10·50	22·44	17·41

If these figures were given with the object of showing cotton spinners' profits they are misleading, as working expenses have risen substantially. The rise

in the price of raw cotton is directly of no concern, as the table deals only with the difference at different periods between the cost of raw cotton and of cotton yarn; but indirectly it is relevant since a bigger outlay on the raw material requires a bigger profit on each unit of turnover in order to maintain the earnings of capital at the previous level. The margin will thus be necessarily widened, but the increased cost of working has chiefly contributed to its enlargement, since wages, machinery, and all items connected with the production and preparation of yarn have shown a strong upward tendency.

SOUTH AND CENTRAL AMERICA.

CATTLE IN ARGENTINA.

It will be remembered that we published some time ago a series of articles entitled "Live-stock of the World," and in these articles we estimated that the total head of cattle at that time existing in the Argentine Republic amounted to roughly 29,000,000 head. It is not probable that they have been materially reduced since then. It was recently announced that the British Government had cancelled its contracts with the various freezing companies in the Republic for the supply of chilled and frozen meat to be shipped to Allied countries for the supply of the troops in the various theatres of the War as from April 1 last. This is, of course, highly satisfactory, whether we look at the question from the point of view of the consumer in Europe or from the economic interest of the cattle producer in the Argentine Republic. Inflated prices, extravagant profits, uncertainty as to whether the cargo will ever arrive, difficulty of obtaining transportation facilities, inadequacy of storage facilities, and all the obstacles, taken together, incidental and inevitable for carrying on trade in a period of war, are only in a less measure injurious to the trade of neutrals than to the trade of belligerents. The uncertainties, some of which we have enumerated—and more will readily occur to the mind of the reader—which beset trade are injurious to its true economic interest and tend to utterly demoralise the trader himself. All over South America extravagant prices were obtained for what is known on the pampas as criollo cattle, out of all proportion to the cost of raising these beasts, which are practically allowed to feed themselves, and which receive very little care or attention of any kind. A shortage, partly natural but largely artificial, has been created by the deliberate withholding from the market beasts for which there would not be any sale at all in normal times, in the hope that the exigencies of war and the urgent need of Europe for food and by-products of the cattle trade would enable the owners of such cattle to obtain an enhanced profit upon the extravagant prices which these beasts were already commanding as the result of the causes to which we have referred above. This is purely artificial trading, and is injurious to the cattle trade taken as a whole, and especially injurious to the country which for the moment is benefiting by these extravagant prices and unsatisfactory methods of trading. It encourages the cattle farmer, cattle breeder, and the cattle trader to get into habits of expecting extravagant remuneration for inadequate services rendered. They have no interest and no inducement for the moment to use their brains or energies for improving the commodity they undertake to supply. On the contrary, the demand of the belligerents to feed their armies and to feed the civil population has been so urgent that they will buy almost anything that can pass muster under the denomination of meat. Their demand for leather being practically as great, they were willing to take hides which would have had no sale in any market in the world in normal times. When peace and settled conditions return these traders either find their occupation gone, or have very materially to mend their ways, and the result is usually, not merely in Argentina or even in South America, but in any country in the world which has experienced the so-called advantage of an active trade during a period of war, of having to pass through a corresponding period when they will have to reconstruct their whole method of trading if they are to retain the customers they had been used to serve, and still more if they are to hope to attract new business.

As said above, the total cattle population of the Argentine Republic we gave in our recent estimate is 29,000,000 head. This is by no means a large figure for a country which from the earliest colonial times has been noted for its cattle breeding, and which, in fact, is as favourably situated for cattle breeding as any country in the world. It will be remembered that, although the Government in this country did not allow us to publish the figures at the time, we were privately informed—and it was, of course, common knowledge—that very serious efforts were made to increase the herds in the United Kingdom. In spite of the enormous consumption of meat and the various by-products of the cattle trade, the herds were brought up to perhaps as high a figure as they have ever reached at any period of our history, exceeding somewhat 12⅜ million head. Bearing in mind that for our area we have perhaps the largest sheep population of any country in the world, this was a highly creditable performance for our cattle breeders, under the stimulating influence of the Board of Agriculture, to achieve. It may be well to bear in mind that the human population of this country is essentially a town population. We are engaged in town occupations, in manufactures, in trade, in banking, in insurance, in the manipulation, as distinct from the production, of primaries. Our population is engaged in these classes of occupation to the extent of some 80% of its total.

In Argentina almost exactly the reverse conditions prevail. Argentina lives almost entirely on the production of primaries. It has in its present state of economic development very few manufactures. The business of the people of the Argentine Republic is to grow food and raw material out of all proportion to the needs of the local population. This produce is deliberately raised to be consumed at a great distance from the field of production. Argentina is, roughly, 10 times the size of the United Kingdom. It has, perhaps, unrivalled facilities for the breeding of cattle upon an extensive scale. The shortage of cattle at the present time, and the demand for all the by-products of the cattle trade, is so great and so well known, not merely to those engaged in the industry, but to all the world, that there can be no doubt that an increase in the flocks and herds, provided these are of approved breeds, suitable for consumption in the great congested areas of Europe, is one of the most profitable industries to which capital and enterprise can be devoted at the present time.

Doubtless the lands most peculiarly suited in the Argentine Republic for raising fat cattle have already been allocated to the practice of tillage, as distinct from that of pasturage, but there are vast areas eminently suitable for raising cattle upon an extensive scale. To the west of the rich province of Buenos Ayres, and over nearly the whole of the south to the far distant Straits of Magellan, there is a marked deficiency in the rainfall as compared with that received in the estuary of the River Plate. But to compensate this disadvantage there are a large number of important rivers running from the Cordilleras and discharging into the Atlantic Ocean, which are eminently suitable for purposes of irrigation in the flat and extensive plains of Patagonia. In addition, if transportation can be afforded, even by means of motor lorries, which experience during the War has shown could readily be run in a country so flat and having such a modest rainfall as that of the Patagonian plains, there is room for expansion. There is an unrivalled system of lakes, stretching from about the

35th parallel almost to the Straits of Magellan. It should not, therefore, be a difficult thing to double the cattle population of the Republic during the next three or four years, when the demand for cattle, as well as for the by-products of the cattle trade, may be counted upon to continue to be very keen. It will not probably be possible to dispose either of chilled or frozen meat or of the by-products of the trade at the prices which have ruled during the War. On the other hand, transportation facilities should be materially increased and the charges for transport equally materially reduced. Above all, the immense shipbuilding programme now in progress in so many countries of the world may be counted upon to reduce freight to a very much more reasonable level than that which has prevailed during the last four years. Consequently, the cattle breeder, the cattle trader, and all those engaged in the industry should, with reasonable prudence, secure very handsome profits as a reward for their trouble.

The Council of Foreign Bondholders have received the April instalment of the debt service in respect of the half-year ending June 30, 1919, of the External Debt of Colombia.

The Council further notifies the receipt of a sight draft for £4,390 15*s.* 4½*d.*, being the moiety of the fourth fortnightly instalment of the debt service payable to the Council in respect of the half-year ending June 30, 1919, on the 3% Diplomatic Debt of Venezuela, 1905.

APRIL'S TRADE.

While we owe the United States of North America an enormous sum, and even that part of the debt which does not really form part of the British debt, we are morally, if not technically, liable for the payment of the interest. Of course, there are ample means from British investments still remaining in the United States to meet our obligations. But at the same time, it has to be remembered that we are not at the present time in a position to pay for our imports on a really economic basis. These imports, moreover, must be made, as they consist for the most part of food, without which we should starve, and of the raw materials necessary for our industries. It is satisfactory, therefore, to find that the Board of Trade Returns for April once more show that our exports are expanding, while our imports are greater than they have been for the past two months, and show a reduction of more than 7½ millions sterling compared with April 1918, when, of course, the War was still in progress. As we have said, our imports are larger than they have been in the past two months. But this is mainly due to the increased imports of raw materials, which in itself is quite satisfactory. The exports show a growth in April last as compared with April 1918 of very nearly 18½ millions sterling in value. The growth in our exports has been due to increased sales of coal, coke, and manufactures of fuel, of iron and steel, partly or wholly manufactured, of cotton yarns, and cotton fabrics, a very important increase exceeding three millions sterling, an equally satisfactory increase of nearly four millions sterling in our exports of woollen yarns and woollen fabrics, and a very welcome increase in our exports of chemicals, drugs, dyes, and colours, many of which, it will be remembered, were virtually German monopolies before the War. The reduction in our imports, amounting, as we have said, to 7½ millions sterling, has been brought about by reduced purchases of grain and flour, reduced purchases of meat, and, still more satisfactory, of reduced purchases of metals other than iron and steel, and of chemicals, drugs, and dyes. We have imported more wool and more leather, which, of course, will be useful in our manufactures, and will, in due time, yield a profit. In addition, we have increased our purchases of sugar and tobacco.

It does not, of course, matter from the economic standpoint whether we increase our exports directly to the United States of North America or to other countries. The really important fact is that we should reduce our imports as far as we can consistently with maintaining the general efficiency of the country, and that we should do everything we reasonably can to stimulate our export trade.

Course of Foreign Trade.

[000's omitted]	April 1919 Amount	Inc. or Dec. on 1918	Inc. or Dec. on 1917	Four Mos. to Apr. 30,'19 Amount	Inc. or Dec. on 1918	Inc. or Dec. on 1917
	£	£	£	£	£	£
Imports	112,211	– 7,670	+27,678	459,027	+34,089	+132,005
Re-exports ...	13,347	+11,206	+ 4,357	31,976	+20,712	– 1,506
Net imports ...	98,864	–18,876	+22,821	427,051	+13,377	+133,511
Exports	58,482	+18,411	+22,683	205,848	+40,009	+ 41,789
Excess of imports	40,382	–37,287	+ 138	221,203	–35,632	+ 91,722

Excess of Imports into United Kingdom.

Month	1919	1918	1917	1916	1915
	£	£	£	£	£
Jan. ...	82,615,000	54,202,000	35,301,000	29,348,000	32,103,000
Feb. ...	55,039,000	57,214,000	24,668,000	22,470,000	32,213,000
Mar. ...	43,715,000	68,042,000	29,465,000	39,707,000	37,219,000
April ...	40,382,000	77,621,000	40,244,000	30,805,000	31,512,000
May ...	—	77,516,000	37,852,000	25,786,000	27,739,000
June ...	—	64,176,000	35,999,000	30,780,000	33,425,000
July ...	—	63,525,000	35,703,000	22,515,000	31,593,000
Aug. ...	—	64,435,000	46,220,000	20,632,000	29,638,000
Sept. ...	—	56,094,000	39,870,000	26,842,000	30,414,000
Oct. ...	—	72,768,000	39,405,000	28,781,000	28,684,000
Nov. ...	—	70,732,000	62,621,000	39,310,000	27,670,000
Dec. ...	—	74,797,000	44,450,000	29,434,000	28,677,000

External Trade of the U.K.: Last 11 *Years* (000's omitted).

Year	Imports	Re-Exports	Net Imports	Exports	Excess of Imports
1919	£	£	£	£	£
Apr. ...	112,211	13,347	98,864	58,482	40,382
Mar. ...	105,772	8,949	96,823	53,108	43,716
Feb. ...	107,073	5,119	101,954	46,915	55,039
Jan.	134,518	4,560	129,958	47,343	82,615
Year					
1918 ...	1,319,339	30,956	1,288,383	498,473	789,910
1917 ...	1,064,164	69,677	994,487	527,080	467,407
1916 ...	948,506	97,566	850,940	506,280	344,660
1915 ...	851,983	99,062	752,921	384,868	368,053
1914 ...	696,635	95,474	601,161	430,721	170,440
1913 ...	768,735	109,575	659,160	525,245	133,915
1912 ...	744,641	111,738	632,903	487,223	145,680
1911 ...	680,158	102,759	577,399	454,119	123,280
1910 ...	678,257	103,761	574,496	430,385	144,111
1909 ...	624,705	91,345	533,360	378,180	155,180
1908 ...	592,953	79,624	513,329	377,104	136,225

Japan.—Information received from Tokyo by cable is to the effect that at the beginning of last month tax collections and other requirements for short loans caused temporary activity in the Money market there, and "call" money was quoted at 6.57%. From the middle of the month no special demand for money occurred, and owing to the repayments of the high-rate "call money" by the foreign exchange banks with their balances abroad, the supply of money became fairly abundant, and "call" money quotation declined to 2.19—2.25%. These low rates, however, immediately met with some demand, and in connection with the usual movements of money for end of the month settlement, it went back again to 7.67%. Meanwhile the 5% Exchequer bonds were applied for to the extent of £15,000,000. The raw silk market throughout April maintained its favourable conditions of the previous month, and the active demand from American sources in the latter half of the month showed some brisk transactions seldom seen of late, which effected a high price of Yen 1,680. It gave rise at the same time to a higher quotation of the price of *habutai*. Cotton yarn, too, showed an upward tendency owing to the scarcity of stocks and new purchases. The price was quoted at Yen 352. Stock markets were dull, but towards the end of the month a slight improvement took place, being influenced by the prosperous conditions of silk and cotton circles. The Tokyo Stock Exchange shares closed at Yen 236. As for the price of rice, the steadiness since the sudden fall of last month changed slightly owing to a higher price in the provinces, the closing figure being quoted up to Yen 33. At the end of the month the notes issued by the Bank of Japan amounted to Yen 789,000,000, and the advances to Yen 362,000,000. From the beginning of the year to April 20 the imports amounted to £61,700,000 and the exports to £47,000,000.

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(In Continuation of Sauerbeck's Figures.)

We have this month to record only a minute decline in our index-number of the wholesale prices of 45 commodities (average for 11 years, 1867-77, being regarded as = 100). The following table shows the fluctuations that have occurred over a long period:—

Annual Numbers		End-of-Month Numbers					
Year							
1809 [Jevons'...	189	June '14...	81.2	Mar.'17 ...	169·0	Apr.'18...	189.8
1810 adjusted...	171	Dec. „ ...	118.4	April „ ...	173.0	May „ ...	191.1
1818 Figures]	159	Jan. '16 ...	123·6	May „ ...	175.0	June „ ...	192.3
1873	111	Feb. „ ...	127.0	June „ ...	180.4	July „ ...	192.9
1880	88	Mar. „ ...	130.4	July „ ...	176.9	Aug. „ ...	195.9
1896	61	April „ ...	134.2	Aug. „ ...	175.7	Sept. „ ...	197.1
1911	80	July „ ...	130.5	Sept. „ ...	176·4	Oct. „ ...	197.8
1912-13-14 ...	85	Aug. „ ...	134.5	Oct. „ ...	180.6	Nov. „ ...	195.3
1915	108	Oct. „ ...	141.5	Nov.' „ ...	182.9	Dec. „ ...	196.0
1916	136	Nov. „ ...	150·8	Dec. „ ...	185.1	Jan. '19...	192.1
1917	175	Dec. „ ...	154.3	Jan.'18 ...	186.2	Feb. „ ...	187.5
1918	193	Jan. '17 ...	159.3	Feb. „ ...	187.3	Mar. „ ...	184.7
		Feb. „ ...	164.0	Mar. „ ...	188.0	Apr. „ ...	184 6

April witnessed the removal of restrictions on a good many commodities, both in regard to fixed prices and importation. Consequently movements in prices were more pronounced and numerous than witnessed for some time past. Textiles and miscellaneous articles were mainly affected, and on balance the rises about equalled the falls in the effect upon the index-number. In the vegetable food group oats practically recovered the decline registered in March, and potatoes were again dearer. Bacon, the only article in the animal food group without fixed price, rose a trifle in April, and of the groceries, tea and coffee dropped to quite a respectable extent. In minerals the downward movement in copper and lead made further progress. The Order freeing iron prices from control did not take effect until May 1. Wool, however, was released a month earlier, and the result is seen in a sharp rise in two out of three descriptions included in our composition. The quotation of the third is nominal pending the arrival on the market of the new clip in the summer months. In other textiles noticeable movements re small percentage rises in cotton and a considerable fall in hemp. In sundry materials, the value of imported leather and the price of soda registered sharp advances, but the effect was offset by downward movements in tallow, nitrate, linseed, and imported timber. The current month is likely to be an interesting one, as more releasing Orders will have become effective.

We append our usual comparison of index-numbers by classes:—

Comparison of War and Pre-War Monthly Index-Nos.

	Monthly Index-Nos.				+ or − % Apr. 1919 on		
	Apr 30 1919	Mar. 31 1919	Apr. 30 1918	June 30 1914	Mar. 1919	Apr. 1918	June 1914
Veg. Food...	168·8	167·1	167·1	66·5	+ 1·0	+ 1·0	+153·8
Animal Food	205·0	204·6	202·6	97·5	+ 0·2	+ 1·1	+110·2
Sugar, Coffee & Tea ...	122·5	127·6	123·7	51·8	− 4·0	− 1·0	+136·4
Foodstuffs ...	**172·4**	**172·4**	**171·0**	**74·8**	—	**+ 0·8**	**+130·4**
Minerals ...	169·9	170·5	184·1	96·7	− 0·3	− 7·7	+ 75·7
Textiles ...	201·2	197·2	222·2	80·6	+ 2·0	− 9·4	+149.6
Sundries ...	202·9	205·8	202·3	82·5	− 1·4	− 0·3	+145·9
Materials ...	**193 5**	**193·6**	**203·5**	**85·7**	—	**− 4·9**	**+125·7**
Total ...	**184·6**	**184·7**	**189·8**	**81·2**		**− 2·7**	**+127·3**

The Joint Committee of Russian Co-operative Organisations in London have chosen the present time to come forward with a Russian reference book compiled by S. Rapoport under the title "English Reference Literature." In view of the somewhat more optimist feeling concerning affairs in Russia, perhaps it is as well that such a book should be ready to hand. The volume is a guide to almost all the directories, annuals, dictionaries, and Government and other works published in England, as well as in the colonies, and is intended for the use of co-operative societies in Russia, as well as for other institutions and persons in that country who may be interested in trade and commerce with England, and in social questions dealing with the welfare of the people.

Dr. E. J. Dillon writes:—"Having for over thirty years smoked only Turkish tobacco I naturally cherished a fondness for that. However, if any other could reconcile me to its absence it would be the 'De Reszke' American Cigarettes, which have given me great pleasure."

Charles Sims, Esq., A.R.A., writes:—"There are times when a mild-flavoured cigarette is most agreeable; then a 'De Reszke' is just the thing. I like them very much."

Miss Clara Butterworth writes:—"Your 'De Reszke' Cigarettes are excellent."



CIGARETTES are all much alike—until you come to the "De Reszke." Then you know there is one brand which stands above all others. Good judges prefer them—so will you. Try a box.

"De Reszke"
The Aristocrat of CIGARETTES

Sold at all Military Canteens at Home and Overseas, also Tobacconists' and Stores.

MORE TOBACCO.

We regret that Customers have so often been unable to secure their usual supplies of our

"EARL GREY" and RHODESIAN Cigarettes,

But we hope within a few weeks to be able to meet all requirements.

JOHN WOOD & SON (Cigar and Tobacco Importers), **Ltd.**
23 & 25 Queen Victoria Street, E.C. 4.

THE BANK OF TAIWAN,
LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.
Head Office - - TAIPEH, FORMOSA.

Branches:—Amoy, Bangkok, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, Yokohama, and every important city in Formosa (Taiwan), &c. The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.

London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

Although the news from Afghanistan this week is very unpleasant, trouble in some form in that direction has been feared for some time not merely by the Government but by those in close touch with Indian affairs, and there appears to be no need for undue alarm. Ever since the assassination of the late Ameer, the Indian Government has kept a close watch on affairs on the North-West frontier. There seems no reason to doubt that in the event of the trouble becoming serious the Indian Government is in a position to take rapid and decisive measures to deal with any emergency that may arise. All through the War there has been cause for a measure of anxiety in India itself, and a very large Army has consequently been continuously embodied, and this Army is of course available and could, if necessary, be reinforced should an emergency arise.

It has to be remembered that the Ameer's subjects belong to the Mussulman faith. Considering the large number of Mahometan subjects in the British Empire, we cannot be said to have been well served by the native and vernacular Press. The Indian Government cannot be wholly absolved from blame for failing to take measures to see that the vernacular Press was better informed of the facts than it has proved to be. If the vernacular Press proved intract-

The Future of your Investments.

MANY artificial values have been created by the War. These may in time revert to their natural level. But meanwhile the prudent investor should be on his guard against purchasing at an inflated price.

Ask yourself, before you part with your money—whether it be for stocks and shares or for land or for house property—*what will this investment be worth in 5 years' time?*

It is when you apply this criterion that you realize the advantages of 5 per cent. War Bonds over any ordinary investment.

No man can say what an estate or a holding in an industrial company will fetch in 1924. But you can foresee with certainty the fact that the War Bonds redeemable in that year will be worth more than the price of issue; for you have the guarantee of the British State to repay the money invested *at a premium.*

By putting your money into War Bonds you not only ensure a safe and substantial income; you provide an effective safeguard against that serious shrinkage of capital value to which so many other investments are liable.

NATIONAL
War Bonds

Repayment and Interest guaranteed by the State.

On sale at all Banks and Money Order Post Offices. You have the choice between 5 per cent. Bonds issued at £100 and repayable in 1924 at £102; or 5 per cent. Bonds issued at £100 and repayable in 1929 at £105; or 4 per cent. (Income Tax Compounded) Bonds issued at £101 : 10 : 0 and repayable in 1929 at £100.

able it should have been the business of the Indian Government to take measures to ensure that both the Army and the people were kept informed of what was really being done.

When Turkey decided to throw in her lot with that of the Central Powers it became necessary to treat the Turks as enemies, although a certain section of the Mahometan world, yet by no means the whole, has for a long time past regarded the Sultan of Turkey as in a sense their head. Therefore, the deliberate breaking up of the Turkish Empire by the Allied Governments was bound to cause a measure of heart-searching in that section of the Mahometan world. It was clearly the duty of the Indian Government to have foreseen not merely that this would be the case, but that the enemy Powers would take every means available, whether scrupulous or otherwise, to use such heart-searching for their own purposes. Consequently it was clearly incumbent upon the Imperial Government, and especially upon the Government of India, where a large Mahometan population existed, to take particular measures to see that that population was kept informed of the real aims and objects of the Allied Governments. It should have been made clear that, far from being hostile to any section of the Mahometan world, the Allied Governments were on the very best of terms, and were, in fact, affording assistance to the authorities in the holy places of Mecca and Medina.

It should have been made perfectly clear, and whatever measures were necessary to make it clear should have been taken, that the Allied Governments were fighting Turkey purely on political grounds. They fought Turkey simply because she joined the enemies of the Entente Alliance. Neither this country nor any of the Allied countries had any intention of attacking Turkey had she been content to remain quiet. In the early days of the War we all had far too much on our hands to have any desire to add Turkey to the number of our enemies.

As far as we learn, the situation in India itself is gradually improving. Measures are being taken, of course, primarily for the maintenance of order, but also at this late date to inform the Indian population of the real intention of the Imperial Government. If India herself is kept properly informed that neither her faith nor her ancient customs are to be interfered with, there is very little doubt that she will gradually settle down, and that her people will devote themselves to their usual occupations. Assuming that this is done, the Afghan question need excite only a very modest measure of anxiety.

As far as we are able to judge from the outlines of the Housing Bill now before Parliament, the Government appears to be tackling the difficult question in the right spirit. It is by no means a simple question, and it will take time to adequately solve it upon a sound basis. From the point of view of the present state of the national finances, as well as from that of the class of tenants it is desired to benefit, due regard should be paid to the question of economic stability. Even in the interests of the poorest tenants it is undesirable that housing should be furnished without any regard to economic questions upon which all contracts of a lasting character must ultimately be based.

The real difficulty of all housing questions designed to benefit the very poorest class of tenant is that there exists in all communities, and in ours not less than in others, a residuum of the population who are not in a position to pay what is known as an economic rent. An economic rent may be very roughly defined as the return obtainable by the house builder who erects dwellings purely as a business proposition. The result of leaving the population entirely at the mercy of the purely commercial builder is that this type of tenant, who is not in a position to pay an economic rent, ultimately becomes reduced to dwelling in what are called slums in the city and unsanitary hovels in the country. This means in the sequel that the residuum of the population thus reduced to living in houses unfit for human occupation never can be healthy. The death-rate amongst their offspring tends to become abnormally high, and even those who survive the trying conditions under which they are forced to live are never healthy, and, consequently, never economically efficient, which as a natural corollary militates against their ever improving their conditions.

The Government proposes under the Bill to use existing agencies as far as possible, and in addition to provide financial help to public utility societies and to encourage them to enable them to build working-class houses which will not require them to depend wholly upon an economic rent. It is further proposed that these societies will, when formed, offer assistance to supplement the provision of working-class houses by local authorities. Existing societies—take, for example, co-operative societies—can extend their scope of operations to include the provision of working-class houses, and new societies may be formed.

Suppose, for example, that fellow-workers in a factory or workers on the land or any other group of men and women having some common interest wish to build houses and get Government assistance for the building, it is through a public utility society that they can most readily obtain it. By this means also an employer may be enabled to combine with his work-people in the provision of suitable houses, as well as others interested in housing reform can be helped to secure their object.

A public utility society is defined as a society registered under the Industrial and Provident Act of 1893, the Act under which co-operative societies are registered for carrying on any industry, business, or trade specified in or authorised by its rules.

Manchester and District Bankers' Institute.—At the twenty-third annual general meeting, held at the Institute Rooms, John Dalton Street, Manchester, on May 9, it was announced that Mr. D. Drummond Fraser had been nominated for, and had accepted, the office of President for next year.

LONDON JOINT CITY & MIDLAND BANK LTD.

HEAD OFFICE: 5 THREADNEEDLE ST., LONDON, E.C. 2.

31st DECEMBER, 1918.

Subscribed Capital	£34,428,948
Uncalled Capital	27,256,250
Paid-up Capital	7,172,697
Reserve Fund	7,172,697
Deposits	£334,898,435
Cash in Hand and Balance at Bank of England	63,756,371
Money at Call and at Short Notice	65,809,169
Investments and Bills of Exchange	100,849,947
Advances	99,213,614
Advances on War Loans ...	14,218,201

Paid-up Capital is now ... £8,171,417
Reserve Fund ,, ,, ... £8,171,417

OVERSEAS BRANCH:
65 and 66 OLD BROAD STREET, E.C. 2.
Specially organised for developing British Trade abroad. Foreign Banking business of every description undertaken.

THE FIRST NATIONAL BANK OF BOSTON, U.S.A.,

Transacts Foreign Exchange Business of every Description.

Commercial Credits.
Collections. Cable Transfers.
Purchase and Sale of Bills of Exchange.

Special Rates of Interest on Deposits — held for a Specified Time. —

Capital	**$7,500,000**
Surplus and Profits	**$19,000,000**
Resources	**$200,000,000**

Branch at Buenos Aires, A. R.

American Topics.

EUROPE'S FISCAL DEBT.

THERE is a great deal of talk and a good deal written upon the question of the investment by the United States of North America of large sums of capital in Europe. It is, however, an accomplished fact. The United States has already invested very large sums in Europe, and it is quite certain that, except by taking back her own securities formerly placed here, there are no ready means by which she could call the money in. It is estimated that Europe is already indebted to the United States to such an extent as to involve an annual charge of, roughly, £100,000,000, payable from the eastern to the western side of the Atlantic, or precisely the contrary of the case which preceded the outbreak of the recent War. In pre-War days the indebtedness of the U.S.A. to Europe was usually estimated to involve an annual payment from the United States of between £200,000,000 and £250,000,000 each year. In the early days of the War, when the exchanges of the Allied countries became dangerously adverse, arrangements were made whereby holders of American securities in this country and in different parts of Europe were required by their various Governments to hand them over for sale to the United States. In this way the United States first acquired securities valued at £500,000,000, and subsequently acquired a further batch of securities valued at a similar amount. Subsequently, when the United States Government itself joined the Entente Alliance, she lent to her European Allies a sum estimated at between £1,600,000,000 and £1,700,000,000. As a result it is estimated that Europe already owes the United States something between £2,100,000,000 and £2,200,000,000. As already said, it would not be easy for the United States to withdraw this capital even if it desired to do so. As far as we are able to ascertain, the total exports from Europe to the United States at the present time are very far from meeting the charge on this debt, and there can be little doubt that our exports, taken as a whole, in 1918 were also inadequate. Of course, there are balances over from issues previously made by Europe to the United States, the interest from which should be more than sufficient to meet the charges of the debts incurred by Europe to the United States during the progress of the late War.

If we continue to be unable through our exports to meet the charges on the debt incurred in the United States, as it is perfectly evident that Europe can neither feed herself at the present time nor provide the raw materials needed for her manufactures, it seems only too probable that this indebtedness will be very materially increased. Consequently, the investment of capital by the United States in Europe is not only an accomplished fact, but seems likely to continue as a permanent factor for a period which it is not at present possible to define. In the circumstances, there seems no reason that there should be any undue alarm that the people of the United States will seek bizarre methods of employing their surplus resources in flooding the markets of Europe with investments or with commodities. The exigencies of the case will in all probability demand the employment in Europe of quite as much capital from the United States as that country will find it convenient to spare. People who give little attention to economic matters do not always realise the methods by which capital moves from country to country, and the reasons for such movements.

Europe invested such vast amounts of capital in the past in the opening up of the newer countries because they offered a much larger return on its employment than could be obtained in Europe itself. If the European continent is not to revert to barbarism it must be fed, and it must obtain the raw materials essential for its manufactures. It is highly improbable, however, that the capitalists of the United States, having exhausted all the profitable fields for the employment of capital at home and in various countries of the world, will have such an abundant surplus remaining that they will be forced to employ it in Europe rather than see it lie idle in the vaults of the banks and the trust companies.

On the contrary, the United States, like ourselves, has just come through a great war, and perhaps owing to the fact that she came so late into it she has suffered less than any other belligerent, she will find more profitable employment at home for any surplus she may have than by employing it in Europe. It has to be remembered that she cannot rely, as formerly, upon Europe for improving her transportation facilities, which demand large sums for their improvement every year. Although the whole of the United States is occupied, in a sense it is very far from being economically developed. Hundreds of millions could be spent with profit in building roads throughout the length and breadth of the United States of North America.

NORFOLK AND WESTERN RY. CO.

GOVERNMENT management of railways in the United States does not appear to be a more brilliant success than it is in the case of this country. There is the same feature of steadily increased cost of operating the line; while, if we may judge from the columns of our contemporaries published in the United States and recently received by mail, this increased expenditure has failed to secure services duly appreciated by the trader or the traveller. The same complaints regarding the nature of the services rendered by the railways under Government control to which we have become so painfully accustomed in this country are re-echoed in the United States Press regarding the measure of service rendered in that country. Unlike so many of the reports of American railways which have been published, from which it was impossible to tell whether the railways were making a profit or being run at a serious loss, the Controller of the Norfolk and Western, whose report is before us, is to be heartily congratulated on affording a statement from which it is possible to see that the line is still being run at a profit, though a diminishing one compared with what was the case before the War. From the figures published below it will be seen that, while the gross receipts have enormously expanded, the net receipts have very materially declined. The net profit, which amounted in 1917 to nearly $19,000,000 declined last year to $15,805,000. The dividends, however, being fixed on

a pre-War basis, as is the case with our own lines, are, of course, unaffected whether the line is operated at a profit or at a loss.

If we may judge from the figures which we publish below, although the cost of working the line grows as rapidly as the receipts increase, there is no evidence that under Government management this railway is being allowed to deteriorate, as is so evident with the lines of this country. The gross receipts have nearly doubled, but so have the expenses; and although the expenditure on maintaining the road-bed has not kept pace with the increased receipts, there seems evidence that the condition of the rolling-stock is being well maintained. Assuming, therefore, that the physical condition of the line is being well maintained, stockholders of the Norfolk and Western, as we pointed out on a recent occasion, stand rather to gain than to lose by handing over their property to be operated by the Government during a period of war, when expenses are bound to be high and the difficulty of operating necessarily bound to be great. The business of this railway is the carriage of coal from Virginia and Kentucky to various manufacturing centres and for export from Norfolk. Its return traffic is furnished by the carriage of a large tonnage of manufactured goods made in the district which it serves. Depending mainly on this class of traffic freights are necessarily low, otherwise it would kill the business by which it lives. The real difficulty of the management of the line, even in normal periods, is not to get business, but to handle the business which comes to it unsought upon methods so economical that the line will not be worked at a loss.

Income Statement of Norfolk and Western.

(000's omitted.)

	1918	1917	1916	1915	1914	1913
Aver. miles	2,084	2,085	2,080	2,044	2,039	2,032
	$	$	$	$	$	$
Gross receipts	82,110	66,038	59,667	49,921	42,936	45,101
Oper. expenses	61,685	41,289	33,726	29,942	28,732	30,406
Net receipts	20,425	24,749	25,941	19,979	14,204	14,695
Misc. income (net) ...	1,000	3,344	2,477	1,599	2,355	1,383
Taxes	1,507	5,095	2,480	2,023	1,710	1,512
Net income	19,918	22,998	25,938	19,555	14,849	14,566
Fixed charges	4,113	4,052	4,138	4,617	4,693	4,153
Net profit	15,805	18,946	21,800	14,938	10,156	10,413
Div. on 4% Pref. ...	920	920	920	920	920	920
Profit for Common ...	14.885	18.026	20,880	14,018	9,236	9,493
Div. earned on do.	...(12·34%)	(14·97%)	(17·67%)	(12·84%)	(8·61%)	(9·37%)
Div. paid on do. ...	8,438	9,633	9,170	6,551	6,438	6,077
Ditto %	(7%)	(8%)	(7¾%)	(6%)	(6%)	(6%)
Surplus	6,447	8,393	11,710	7,467	2,798	3,416

Operating Expenses of the Norfolk and Western.

Year to Dec. 31	Gross Receipts.	Maintenance of—Way.	Maintenance of—Equipment.	Cond. Transportation.	Gen. & Misc. Exp.	Total Expenses.
	$	$	$	$	$	$
1918 ...	82,110,000	9,524,000	21,273,000	23,276,000	1,611,000	61,684,000
1917 ...	66,038,000	6,176,000	12,052,000	21,618,000	1,443,000	41,289,000
1916 ...	59,667,000	6,771,000	10,342,000	15,517,000	1,096,000	33,726,000
1915 ...	49,921,000	6,185,000	9,058,000	13,745,000	954,000	29,942,000
1914 ...	42,936,000	5,189,000	8,677,000	13,836,000	1,030,000	28,732,000
1913 ...	45,101,000	5,461,000	9,084,000	14,909,000	952,000	30,406,000
1912 ...	41,888,000	5,264,000	7,929,000	13,100,000	796,000	27,089,000

Ratio of Expenses to Gross Receipts, Norfolk and Western.

	%	%	%	%	%
1918	11·61	25·94	35·70	1·84	75·00
1917	9·37	18·29	32·79	2·0	62·45
1916	11·35	17·33	26·00	1·84	56·52
1915	12·41	18·14	27·53	1·91	59·98
1914	12·08	20·21	32·22	2·24	66·91
1913	12·10	20·14	33·06	2·11	67·41
1912	12·57	18·92	31·27	1·90	64·66

The basis of the Government guarantee is that during the period of Federal control the Company shall receive as compensation a sum, payable from time to time in reasonable instalments, for each year, and *pro rata* for any fraction of a year, not exceeding a sum equivalent as nearly as may be to the average annual railway operating income for the three years ended June 30, 1917.

GENERAL ELECTRIC CO. (U.S.A.).

Issued Capital: $118,190,272 Common Stock.
$15,000,000 6% Notes, due July 2, 1920.
$10,000,000 6% Notes, due Dec. 1, 1919.
$12,047,000 of Debenture Bonds.

Account figures in thousands of dollars, 000's omitted).

Year.	Net Sales	Work Exps.	Sundry Inc.	Interest Outgo	Taxes	Profit for Divs.	Divs. Paid— $	Divs. Paid— %	Total Surplus
	$	$	$	$	$	$	$	%	$
1913 ...	106,477	96,208	3,796	1,008	—	13,058	8,149	8*	16,940
1914 ...	90,468	81,497	2,884	568	—	11,288	8,143	8*	20,085
1915 ...	85,522	76,898	5,684	570	—	11,738	8,130	8*	23,693
1916 ...	134,242	118.948	3,867	572	—	18,590	8,122	8*	34,160
1917 ...	196,926	167,922	4,512	1,113	5,500	26,904	11,166	11*	49,899
1918 ...	216,815	188,440	4,606	2,377	13,500	17,104	13,753	12*	53,250

* Actual dividend per cent.; other items, 000 omitted.

Huge strides in progress have been made by this great American undertaking during the War, and admittedly much of the expansion in business done has been in connection with naval and military contracts. It is very clear from an analysis of the accounts, however, that the policy has been to work at a low ratio of profit, and by means of heavy depreciation provision and additions to surplus (carry-forward) to expand and strengthen the structure without additional Common stock issues. The full report for 1918 will be found on another page, and above we give an analysis of the results compared with the five previous years' figures omitting, be it particularly noted, 000's from each item except the dividend percentage. The gross profit last year was $28,375,000, against $29,004,000 for 1917; but this was after providing $16,492,000 for plant depreciation, against $13,287,000 in the preceding year. Interest charges were $1,264,000 higher, due to $27,757,721 of short-term notes being issued in 1917 to finance the greatly extended order book, and excess profits and other taxation called for $13,500,000 against $5,500,000. In consequence the profit available for dividend amounted to $10,200,000 less than the 1917 figure of $26,904,000, but by reducing the addition to surplus from $15,700,000 to $3,400,000 sufficient profit was freed to raise the total dividend for the year from 11% to 12%, including 4% in stock. Distributions of 2% quarterly in cash and of 2% half-yearly in stock were made in the year.

The immense strength of the Company is clearly apparent from details given in the report and from the recent balance-sheet figures. Thus, whereas in 1914 the factory floor-space was 14,840,000 sq. feet, by the end of 1918 the measurement had grown to 19,580,000 sq. feet. In the same period—four years—$57,200,000 was expended on extensions, plant, and equipment, and $44,000,000 written off out of profits, besides the addition of $33,000,000 of unappropriated profits to surplus. In four years, therefore, profits totalling $77,000,000, equal to 65% on the Common stock, have been put into the business. Such a policy in a progressive country like the United States is certain to redound to the advantage of stockholders in the years to come. The strength of the Company's financial position is shown in the following table:—

Year	Capital Expenditure for Year	Depreciation Provision	Net Book Value of Plant, &c.	Stock and Work in Progress	Amt. of Surplus Liquid Assets.*
	$	$	$	$	$
1913 ...	11,373,118	6,502,060	29,427,168	100,808,106	60,184,000
1914 ...	6,006,955	4,370,792	31,063,332	84,797,000	71,566,600
1915 ...	4,485,069	5,985,069	29,563,332	89,827,950	75,579,225
1916 ...	8,828,255	8,486,822	29,904,764	124,882,424	51,596,139
1917 ...	22,320,895	13,287,249	38,938,410	88,096,001	77,417,951†
1918 ...	21,593,997	16,492,253	44,040,154	94,831,984	64,840,238‡

* Excluding stock and work in progress.
† $27,757,721 of notes issued in 1917.
‡ $2,757,000 of notes were repaid in 1918.

The Common stock is now quoted in America at 160, against 147 a year ago. This year business may not be on so large a scale as last year, as following the Armistice orders estimated at $30,000,000 had been cancelled or suspended at December 31; but unfulfilled orders then stood at $80,000,000; and, as already shown, the margins of unappropriated profit in recent years have been very large.

CANADIAN PACIFIC RAILWAY.

FOLLOWING on the recent experience of the Grand Trunk Railway Company, it is noteworthy that at the meeting of the Canadian Pacific Railway Company at Montreal on May 7 the President, in his address, according to Reuter's cable, dealt with the Government's railway policy, and what he stigmatised as serious and continuing blunders. He said:

The National Railways and the Canadian Pacific were the only large companies with resources sufficient to provide additional railway facilities to any substantial extent. Serious and continuing blunders in railway policy had resulted in the Government being required to assume the ownership at present of 11,400,000 odd miles of railway, with the prospect of the acquisition of an additional 6,400 miles. When this acquisition had been accomplished the principal competing systems in Canada would be the Canadian Pacific and the Canadian National Railways.

"I have no apprehension," continued the Chairman, "as to the ability of the Canadian Pacific, with its splendid facilities and equipment and loyal and efficient officers and men, to obtain a fair share of the traffic and to handle it expeditiously and well. I have no fear of Government ownership, but Government ownership apparently has some fears of private competition under equal conditions. It has recently been found necessary to give the National Railways privileges in the matter of construction not enjoyed by private companies and to exempt them from complying in other respects with the existing laws respecting railways. I sincerely trust that this policy of making one law for the National Railways and one for the Canadian Pacific and other private enterprises will neither be continued nor extended, because nothing would, in my opinion, be calculated to destroy confidence in Canadian railway enterprise more than a policy which confers exclusive and peculiar rights on the National Railways designed to make the competitive conditions unequal. The subject of Government ownership has received much attention recently, but not nearly as much as the importance of the subject justifies. Notwithstanding our previous experience and that of the United States and Great Britain, Government ownership and operation of railways is to be attempted on a large scale. The situation is full of danger, which cannot be avoided or even minimised, except by rigorously independent and non-political administration, which is at least difficult of establishment under our system of government."

Continuing, the President said he was satisfied that the Government recognised the difficulties, and that a sincere and determined effort would be made to meet the situation, but it seemed to be obviously wise that the assumption of further obligation should at least be deferred until the practicability of Government administration or administration under the ægis of the Government had been demonstrated.

"The New Zealand Official Year-Book, 1916." By Malcolm Fraser, New Zealand Government Statistician. (London: Eyre and Spottiswoode). As was the case with the 1915 issue, the present volume has been delayed by the abnormal demands upon the Statistical Office owing to the War. Statistics are given respecting the various aspects of the Dominion's life, resources, and activities, supplemented by a considerable number of diagrams rendering comparisons and progress in certain respects more readily apparent.

"The Income Tax Act, 1918." By F. W. W. Kingdon, LL.D., and Hugh Emerson Kingdon, both of the Middle Temple, Barristers-at-Law. Price, in cloth, 9*s.* 6*d.* net. (London: Waterlow and Sons, Ltd.) The Act consolidates the law relating to income tax, and this book is intended to elucidate the sections of the Act in the light of the decided cases.

Lever Brothers, Limited.—We are informed that the new issue of 6½% "B" Preference capital, the prospectus of which appeared in our pages last week, has been largely over-applied for, and the subscription list was closed on Tuesday evening. Applications received by any of the receiving bankers by the first post on Wednesday last will have consideration. We are further informed that Mr. E. Leonard Cook (Chairman of Edward Cook and Company, Limited, soap manufacturers, London), Mr. Ernest Walls (Chairman of Christopher Thomas and Brothers, Limited, soap manufacturers, Bristol), and Mr. C. R. Baker (director of Joseph Watson and Sons, Limited, soap manufacturers, Leeds) have been elected to seats on the board.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue. Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

THE outburst of buying of rubber shares following the reduction of the excess profits duty continued unabated until well into the past week, then quotations all round having been raised appreciably, profit-taking caused a set-back. Too fast a rise is not a good feature, and the fact that business has continued active is attributable to the greater willingness of sellers to meet the requirements of new buyers. Linggis have been one of the principal features, the price of the shares fluctuating sharply on the capitalisation of reserve proposal referred to below.

Linggi Plantations. — It is proposed to capitalise £345,000 of the £351,822 share premium reserve of this Company by distributing to Ordinary shareholders three additional shares for each share now held. The issued capital will accordingly be raised from £125,000 to £470,000, of which £10,000 will be in 7% Preference shares as now, and £460,000 in Ordinary shares. The authorised Ordinary capital will be raised to £740,000, of which £280,000 will be unissued. At the same time it is proposed to convert the 2*s.* Ordinary shares into the denomination of £1. There will still remain reserves totalling over £100,000. In 1918 the planted area was increased by 408 acres to 8,774¾ acres, of which 7,502¼ acres as an average were in bearing during the year. The crop was restricted to 1,782,052 lbs., against 2,533,572 lbs. in 1917, and the net profit amounted to £40,604, as compared with £141,514, the all-in cost showing a rise from 1*s.* 2.3*d.* to 1*s.* 6.9*d.* per lb. Including 37½% final, Ordinary shareholders receive a total dividend of 50%, against 116⅔% for 1917. The 2*s.* shares are now quoted at 31*s.* *cum* dividend, and the equivalent value of the £1 shares of the increased capital works out at 3⅞ *cum* dividend, equal to £200xd per planted acre, as at present.

RUBBER SHARE PROSPECTS.

THE sudden development of activity in the market for rubber shares is attributable mainly to the halving of the excess profits duty and the foreshadowed withdrawal of the impost next year, but it is also to a considerable extent due to recognition of the fact that the change has come at an opportune time for the industry. The Peace terms have been handed to the German delegates. Their signature will be hailed with satisfaction. Whether this when it comes will be reflected in Stock Markets remains to be seen, but, apart from that, there is another consideration of importance to the investor in rubber shares. The industry has been carried on—and has progressed rapidly in production—during the last few years despite the elimination of Germany and, later, of

Russia as consuming factors. There is no doubt at all that stocks of rubber, both unmanufactured and manufactured, in Germany have practically disappeared. True, Germany is said to require food very desperately, but there is a widely prevalent idea that she has hidden supplies available for release after the people have agreed to the Peace terms. But, if she does urgently require food, it is essential also for her to obtain raw materials. Else she cannot provide her people with employment and pay her indemnities. Transport must be one of her crucial problems. A great part of her rolling-stock has been handed over to the Allies, and from all accounts her railways are in bad condition. In the use of the motor Germany learnt as much as any country in the War, but for motor traction to solve the transport problem, upon which resuscitation of her industries to a large extent depends, she must have rubber. Stocks on the Continent are estimated to be small and in this country we have about 18,000 tons. Hence the lifting of the blockade is a matter of considerable importance.

Recently the price of rubber in London has shown a sagging tendency, touching under 1*s.* 11*d.* per lb. for spot. Forward sales have been made, and can be made, for next year at round 2*s.* per lb., which is a significant indication of how the prospects are viewed by the consuming interests. Reports from America show that activity reigns in the motor manufacturing world. Here at home, the dropping of the licence duty on petrol and—more distantly—the freeing of benzol, should give an impetus to motoring for pleasure purposes. As regards motor transport, the economic factors favour the extended use of the commercial lorry. Big plans to meet anticipated expansion in demand for motors are known to have been made and to be in course of execution by the manufacturers. The increase in their number and the great extensions of their works during the War promise keen competition and that degree of price-cutting which is good for business. The tyre manufacturers have to watch the progress of the rubber producing industry very closely, else they cannot gauge their market, and it must have been with full knowledge of the increase in production and the abandonment of restriction that the large business has recently been done for forward delivery into next year. Already it is easy to see that many more motor-driven commercial vehicles are on the roads than a few months ago, and when the Army lorries and cars for disposal are all in civil occupation the difference in the description of traffic to be seen on the streets will be very great. The horse 'bus has long disappeared in London, and the fact that the London General Omnibus Co. are to place an additional 1,000 motors at the service of the public indicates the need, even though it does not signify the fulfilment of requirements.

In gauging the rubber outlook of this year we have in these columns several times pointed out the uncertainty attaching to the period between the Armistice and the signing of the Peace, between the end of fighting and the elimination of war conditions. In six months a large proportion of trade restrictions have been removed. If all goes well, there should be practically none left in a month's time. And manufacturers, particularly in America and in this country, have had six months to turn from war to peace work, and to perfect their plans for supplying arrears. In the time that they were turning out munitions, the number of men—and women—drivers and motor mechanics grew out of all recognition, so that one of the great drawbacks to rapid expansion in motoring and motor transportation that would have existed before the War has disappeared.

All these factors explain the faith of investors in the future of the rubber plantation industry, and the maintenance of share quotations despite the poorness of the past year's results.

Good estates can produce when fully mature 400 lb. of rubber per acre, and under normal conditions at an average cost of 1*s.* per lb. A profit of 6*d.* per lb. on 400 lb. represents £10, which is 10% on a capitalisation of £100 per acre. The product is one of the very few raw materials for industry selling at a lower price than before the War. It is produced by native labour, and the cost of production has not risen to anything like the same extent as the cost of other products. Last year's costs and, for that matter, 1917 costs too, are nothing to go by. In the one case tapping was restricted, and in the other very many of the companies were subject to such heavy excess profits duty that they had every inducement to spend liberally on upkeep to reduce their assessments.

In our issue of January 11 last we gave an analysis of 30 good and well-managed estates, and from the point of view of investment, coupled with potentialities, it would now, as it was then, be difficult to make a better selection. This week many of the lower-priced shares have been in demand, and we append for the guidance of readers the following list of estates with market valuations per acre of round about £100. The position and prospects of each individual concern should be separately investigated, and we have only space to help to the extent of placing an asterisk against those which might be looked into first.

	Issued Capital	Rubber Planted Area	Par Capital per Acre	Approx. Mkt. Valuat'n	Highest and Lowest Share Prices—1918		1917	
	£	Acres	£ Shs.	per Acre	H.	L.	H.	L.
Anglo-Johore ...	60,000	1,162	51⅛ 4/3†	117	4/3½	3/0	4/7	2 6
Batang Malaka ..	60,000	1,600	37½ 5/0†	96	5/0	3/9	5/9	3 7½
Batu Matang ...	83,876	1,121	75 28/0	105	—	—	—	—
Bernam Perak...	55,000	1,132	48⅝ 4?/0	106	2⅞	1⅞	49/6	37,3
Bukit Selangor...	82,430	1,602	51½ 4/6†	114	4/5	2/9	5/1	2,5
*Castleteld (M.)	45,000	2,821	15⅞ 6⅜	106	7⅜	5½	8⅛	6
Cheras (M.) ...	50,000	1,237	40½ 58/0	116	2¾	1⅞	2⅝	40 0
Chimpul (M.) ...	71,950	1,138	63 3/1†	96	3/4	2/5	3/11½	2.3
,, Loan...	8,000							
*Cluny (M.) ...	70,000	988	71 25/0	89	1⅝	1⅛	38/0	1 5/8
,, Debs. ...	10,700							
Diasinga (J.) ...	405,000	4,935	81 28/0	113	27/9	19/6	28,6	19 1½
*Emerald (M.) ...	133,779	2,264	58⅜ 40,0	117	41/6	28/10	45,0	31 0
,, Debs....	5,726							
*Glenshiel (M.) ...	35,000	1,638	21⅜ 100/0	110	5⅜	3⅝	5½	3⅜
Henrietta (M.)	82,180	1,724	48 48/0	115	45/0	30/6	46/6	33 6
Hong Kong (M.)	30,000	750	40 40,0	80	41/0	1⅜	2⅝	1½
,, Debs....	3,970							
Insulinde (S.) ...	55,000	1,525	36⅛ 6,0†	109	7/0	3/11	7,2	4 0
Johore Para ...	60,000	852	70½ 26/0	101	1½	1⅛	1⅜	1½
K.M.S. Malay ...	85,000	1,345	63⅛ 34 0	107	53 0	25/0	38/2	18/2
Kenny (M.) ...	44,500	1,661	26⅞ 78 0	104	3½	56 0	3⅜	2⅜
*Klabang (M.) ...	50,000	1,266	39½ 15/0	89	44'0	1⅜	2⅜	36 6
Kuala Nal (M.)	60,000	1,399	43 1 9†	102	4/10	3/6	6/1	3/0
Lubok (M.) ...	56,000	1,253	45 4/6†	102	3/10	3 0	4/3	3,0
*Malay R.P. ...	100,000	1,360	31½ 61/0	96	—	—	—	—
*Manchester (B.)	170,000	3,000	57 1⅝	92	1⅞	26 6	1⅞	29/6
,, Loan ...	19,600							
Mendaris (S.) ...	219,828	6,044	68⅜ 35/0	116	1⅝	1 5/32	35,9	23,3
,, Loan ...	195,000							
*Merchiston (M.)	40,000	811	48 40/0	96	—	—	—	—
Moondy Valley (J.)	180,280	4,350	41 17 0	102	2⅛	1⅞	19 0	1 1/16
*Oriental (M.) ...	55,000	2,290	24 85 0	102	-	-	—	—
Pahang Para ...	30,500	1,129	27 7/0†	105	6 7½	5 0	7,0	4,5
Pegoh (M.) ...	130,000	3,707	35⅛ 63/0	111	63 3	2⅜	3⅜	2⅛
Rim (M.) ...	67,000	1,500	44⅞ 45/0	100	2⅛	1⅝	2⅜	25/3
Selangor United	80,000	2,258	49⅜ 3,9†	100	3/10½	2,6	3/9⅜	2,10
Sumatra Prop....	70,000	1,386	50 35/0	85	39/0	1⅛	2⅛	23/3
	40,000							
Sungei Bahu (M.)	110,565	2,201	50 40/0	100	2	28/0	2⅜	38/3
*Sungei Batu (M.)	55,000	1,507	36½ 55/0	100	50/6	2	58/6	2⅜
Sungei Buava(M)	85,000	2,280	37⅜ 64/0	118	2⅜	2⅛	66/9	40/3
Sungei Choh (M.)	50,000	1,680	29 86/0	115	86/6	64 0	4⅜	3⅛
*Sungei Krutt(M.)	65,000	1,466	44⅓ 48/0	106	2⅝	2	2⅜	2 7/32
*Tamiang (S.) ...	178,741	3,981	46 44/0	102	2⅝	1 9/32	2⅝	1 13/32
*Tenom (B.) ..	100,000	2,450	41 50 0	102	50,0	33/9	51/6	42,6
*Third Mile (M.)	41,500	1,130	29 7 3†	94	7/0	5/7½	8,2	6,9
* Toerangie (S.)	135,000	3,047	44⅓ 48,0	107	42,6	1⅛	2⅝	1 5/8

* See Letterpress. † 2/- shares.

(B.) Borneo; (I.) India; (J.) Java; (M.) Malaya; (S.) Sumatra.

NOTE.—Share capital includes options or shares at par or convertible Debentures. Planted acreage excludes extensions since last report.

ANNUAL REPORTS ANALYSED.

BAGAN SERAI (PERAK).

Issued Capital: £50,000.

Results for Years to December 31

	Av. Total Planted Acres	Av. Area in Bearing Acres	Rubber Output lb.	Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...	1,085	611	277,505	430	2,5½	1/0.2	20,607	12,500	25
1916...	1,168	941	362,788	386	2,5.8	1,0.2	28,990	15,000	30
1917...	1,168	1,050*	411,726	392	2 4.3	1,1⅛	27,525	10,000	20
1918...	1,221	-	333,167†	—	1,7‡	1/0½	13,582	10,000	20

* Estimated. † Output restricted. ‡ Net.

Price of Shares, 60/- c.d. Market Capitalisation per planted acre, £120xd.

It will be seen from the above that shareholders of this Straits group Company do not suffer on account of the 50% fall in profit due to restriction of output

and low price of rubber. From £14,591, or 54% of the profit in 1917, the liability for excess profits duty comes down to near the vanishing-point in respect of 1918 earnings. Hence the surplus available for shareholders is not very different, and the financial position warrants a little liberality in cash distribution. The balance sheet, after allowing for the dividend, but subject to small excess profits duty, shows £12,600 of surplus liquid assets. This year's output is estimated at 380,000 lb., and restriction having terminated it seems probable that the 1917 rate of production of 412,000 lb., or 393 lb. per acre, will be exceeded presently. The shares at 60*s* *cum* 20% dividend are an attractive purchase, the market valuation of £110 being low for a Perak estate capable of giving such results as shown above.

SUNGEI BATU (KEDAH).

Issued Capital: £55,000 in £1 Shares.

Results for Years to December 31

	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Acre	Price Realised	"All-in" Cost	Net Profit	Dividend Amt.	
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1915...	1,200	700*	176,260	250*	2/5.6	1/3¼	11,290	7,434	15
1916...	1,424	800*	236,057	295*	2/6.1	1/3¼	15,002	8,250	15
1917...	1,465	850	286,565	337	2/4.3	1/4.2	15,399	6,875	12½
1918...	1,507	—	241,707†	—	1/10.4‡	1/?¼	9,662	8,250	15

* Estimated; large proportion of young rubber in tapping.
† Out restricted. ‡ Net.

Price of Shares, 56/- c.d. Market Valuation per acre, £100.

Such a sustained dividend record as this Company has for the past four years is rather unique among plantation concerns, and especially is the increased distribution on account of 1918 an exceptional experience for shareholders. In respect of 1917, £5,207, or one-third of the profit, had to be paid in profits tax, but for 1918 there is no liability, and possibly a small refund can be claimed. Expenditure on capital account in excess of depreciation provision is covered by placing £1,500 to reserve. The balance sheet does not show a strong financial position, but this can easily be made good this year, seeing that, with tapping unrestricted, the output is estimated—probably conservatively—at £320,000 lb. The prospects appear good enough to justify expectation of an eventual much higher market valuation for the estate than the present figure of about £100.

WINDSOR (PERAK).

Issued Capital: £60,000 in £1 Shares.

Results for Years to December 31

	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Acre	Price Realised	"All-in" Cost	Net Profit	Dividend Amt.	
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1915...	1,301	—	156,589	—	2/4.66	1/4¼	8,323	5,500	10
1916...	1,301	800	276,188	346	2/4.59	1/4.1	15,048	10,500	17½
1917...	1,375	1,100	404,208	367	2/4.4	1/3.2	22,681	12,000	20
1918...	1,413	1,153	323,099	—	1/9.2	1/3¼	10,579	12,000	20

The results for 1918, with tapping restricted, compare with previous years as shown above, and it will be seen that, despite the profit being less, half that of 1917, the dividend is maintained at 20%, payable on May 6. This is possible because the liability for excess profits duty is only £1,730, against £6,031. After placing £1,000 to reserve the carry-forward is reduced from £4,872 to £721. However, after allowing for the dividend and excess profits tax, the balance sheet shows £5,200 of surplus cash resources. Production this year is estimated to reach 450,000 lb., and further expansion should occur as the immature area comes into bearing. The price of the shares is 3⅛.

Bekoh Rubber Estates.—It is proposed to raise the issued capital of this Company from £95,000 to £105,000, and to offer 100,000 2*s*. shares to shareholders at 4*s*. per share in the proportion of one new share for every ten shares held, but not to holders of less than 100 shares. Applications must be made by May 15, with remittance of 2*s*. per share. The new capital is to be devoted to increasing the planted area to 2,000 acres. In addition, the Company holds a half interest in the Tanah Gemok Rubber Estates, which, when fully opened, will comprise an area of 1,008 acres. The present price of Bekoh shares is about 5*s*.

SCOTTISH UNION & NATIONAL INSURANCE COMPANY.

ESTABLISHED 1824.

ASSETS Exceed £11,000,000.

FIRE, INCLUDING LOSS OF PROFITS, LIFE, ACCIDENT, ILLNESS, ANNUITIES, PENSIONS, LEASEHOLD, BURGLARY, GLASS BREAKAGE, TRANSIT OF SECURITIES, FIDELITY, PROPERTY OWNERS' RISKS, MOTOR-CAR RISKS, HORSE DRIVING ACCIDENTS, THIRD PARTY, EMPLOYERS' LIABILITY and MARINE INSURANCES effected on the most favourable terms.

Edinburgh: 35 St. Andrew Square.
London: 5 Walbrook, E.C. 4, & 4 St. James's St., S.W. 1.

Insurance Notes.

EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED.

The business of this Company has progressed during the last two years by leaps and bounds. For certainly an advance in the premium income in 1917 from £2,456,204 to £3,396,631 may be described as a leap, and a similar advance in 1918 from £3,396,631 to £5,095,302 as a bound. In the revenue account for 1918 the premiums in the fire, marine, and accident departments are differentiated, which was not the case in the account for 1917; and the increase seems largely attributable to the accident sections, where the premiums amounted to £4,512,709, which in itself exceeded the premium income in 1917 in all sections of business by £1,116,078. The fire premiums in 1918 amounted to £250,347 and the marine premiums to £332,246.

Some of the expenses and charges are debited to the profit and loss account in 1918, and from a combination of that statement with the revenue account, and after the adjustment of the reserve for unexpired risks, the net outcome of the year's operations before provision for dividend appears to be a profit of £426,665, of which £255,411 (or about 5% of the year's premium income) seems to be attributable to trading, after deduction of the enormous sum of £419,470 for taxes (including a special provision of £250,000 in respect of liability for excess profits), and £171,254 to receipts from net interest earnings and profits from adjustments of exchange.

The capital amounts to £1,000,000, of which £200,000 is paid up, in 100,000 shares of £10 with £2 paid on each, and a dividend is declared for 1918 at the rate of 28*s*. per share, or 70%, as compared with a declaration of 20*s*. per share, or 50%, for 1917. In both years the dividend was free of income tax. The dividend for 1918 requires £140,000 for distribution and £42,000 for income-tax payments, and it will be noticed that the combined amount is very little more than the interest and exchange earnings. It therefore seems to be a conservative distribution. Thereafter the general reserve fund is increased by £286,665 (or more than twice the amount required by the dividend, apart from tax) to £1,170,251.

The balance sheet as at December 31, 1918, shows total assets of £6,142,072, of which £815,887 is represented by British Government securities. The auditors certify that a valuation of the investments has been made, based on the prices current at the close of last year, and that the balance standing at the credit of the investment reserve (£213,766) is sufficient to cover the depreciation disclosed by such valuation. The assets include sums due by German, Austrian, and Russian companies approximating to £42,500, the value of which the directors state cannot at present be estimated; but looking at the magnitude of the Company's resources it will be seen that this is a comparatively unimportant item.

Apart from capital, reserves for outstanding losses, investments, reserves, and special reserves for the excess profits taxes above referred to, and after provision for the full dividend to shareholders in respect

of the 1918 account, the other reserves appear to be as follows:—

General reserve	£1,170,251
Reserve for unexpired risks	2,084,419
	£3,254,670

This represents about 60% of the year's premium income.

The shares of the Company have been in considerable demand during the past few months, and the large advance in their quotations which has taken place seems justified by the very flourishing report under review. It will no doubt be the purpose of the directors to increase the reserves to an even higher standard, but from sheer weight of metal dividends may be expected to increase from enhanced interest earnings alone, and in due course the trading profits from such a vast business may be expected to be utilised to some extent for purposes of distribution, in the absence of unlooked-for and unfavourable contingencies.

The Company was founded in 1880, and seems to have been admirably managed throughout. It was originally formed with the view of transacting the kind of business indicated in its title, the profitable working of which in those days was by no means an easy matter, as the rates for these new hazards had to be experimentally fixed. The development of legislation regarding workmen's compensation all over the world has led to great extension of the Company's business, particularly in America.

The foregoing review of the Company's position refers to the facts as disclosed in the annual report for 1918. Some modification will, however, have to be allowed for should the provisional agreement for the purchase of the shares of the Merchants' Marine Insurance Company, Limited, which was announced on the 3rd inst., be carried out. Particulars of the proposed arrangement are given hereunder in a separate article.

PROPOSED AMALGAMATION OF EMPLOYERS' LIABILITY ASSURANCE CORPORATION AND MERCHANTS' MARINE INSURANCE CO.

The following announcement appeared in the daily Press of May 3, 1918:—

"A provisional agreement has been arrived at for the acquisition of the Merchants' Marine Insurance Company, Limited, by the Employers' Liability Assurance Corporation, Limited, on the basis of a cash payment of £15 per share to the shareholders of the Merchants' Marine Insurance Company. The business of the Merchants' Marine Insurance Company will continue to be administered at 37 Cornhill by the existing board and staff, and Mr. W. Irwin will remain as underwriter."

The report of the Employers' Liability Assurance Corporation for 1918 is discussed above, and that of the Merchants' Marine Insurance Company for the same year was reviewed in these columns on March 15, 1919. It was pointed out in the latter article that the Merchants' Marine was one of the very few existing companies restricting their operations to marine insurance, control of which had not been acquired by other institutions engaged in other fields of underwriting. Indeed, apart from itself, the only other companies of the kind remaining are the Sea and the World Marine. The Merchants' Marine capital amounts to £500,000, of which £125,000 is paid up, in 50,000 shares of £10 with £2 10*s.* paid on each. Thus the price which the Employers' Liability will have to pay for the acquisition of the shares, should the arrangement referred to be carried out, will be £750,000. The dividend on Merchants' shares declared for 1918 was 6*s.* 3*d.* per share, free of income tax. Including provision for income tax this distribution involved a sum of about £22,740, which is equivalent to about 3% on the proposed purchase price. But, as was pointed out in these columns on March 15, 1919, the dividend paid by the Merchants' Marine Company in respect of 1918 was declared on a very conservative basis. Its distribution, inclusive of provision for income tax, was less by about £7,000 than the net earnings of the Company from interest alone, without encroachment upon trading profit of £68,105, disclosed from the closing of the underwriting account for 1917 at the end of 1918, which was carried forward as unappropriated. It should not be difficult, therefore, for the Employers' Liability Corporation to earn quite a good rate of interest on its investment if the fusion eventuates. Indeed, at the annual meeting in 1919 of the Merchants' Marine Company the Chairman announced his opinion that in the absence of abnormal circumstances some increase in the dividend might be made in respect of the present financial year.

So far as the break-up value at the end of 1918 of the Merchants' Marine Company is concerned, it was pointed out in our article on March 15, 1919, that the paid-up capital, reserve fund, and balance of profit and loss account carried forward represented in themselves alone nearly £8 per share. Beyond this, a balance of £370,159 was carried forward in the underwriting account, which represents about £7 10*s.* per share more. Out of this would, of course, have to be defrayed claims in respect of 1918 and previous years; but, on the other hand, the value of the goodwill of such a fine and well-managed business should be very considerable. The Employers' Liability Corporation has an existing marine business which in 1918 produced £332,246 of premiums, as compared with the Merchants' Marine premium income of £525,503, which might have been made much larger if the Marine Company had not set its face against writing war risks. The fusion of the connections should benefit the business generally.

While the terms of the proposed fusion do not, therefore, seem unreasonable from the point of view of the purchasing Company, we should think there is no doubt that they will prove acceptable to the Merchants' Marine Company's shareholders, for it is unlikely that the shares would reach that value were the Company to be continued as an independent concern, unless the present distribution dividend were nearly doubled, with a likelihood of its being maintained, which could scarcely be looked for under the most favourable circumstances in the course of the next few years.

Republic of Nicaragua Sterling Loan of 1909.—The Council of Foreign Bondholders announce that the sum of £28,303 3*s.* has now been received from New York, which, after providing for the amortisation of all Funding certificates and fractions issued in respect of Coupon No. 16, leaves a surplus of £6,048 for redemption of certificates issued in respect of Coupon No. 17, due on January 1, 1918. Payment of the above will be made on and after May 31, together with interest accrued.

At a meeting of the Board of Directors of the Oriental Telephone Company, Limited, held this week, it was decided to recommend to the shareholders at the annual general meeting, which is to be held on the 29th inst., that, subject to the final audit of accounts, the following final dividends for the year ended with December last should be paid: 3% on the Preference shares (less income tax), making a total of 6% for the year; and 6 % on the Ordinary (free of income tax) making 10% for the year. The share transfer books will be closed from the 16th to the 29th inst., both days inclusive.

Last week the *Stock Exchange Gazette* published its annual British, Colonial and Foreign Banking Number, which, in addition to including figures showing the progress of individual banks and kindred undertakings, contains comprehensive reviews of banking in the principal countries of the world. The whole issue, covering 216 pages, is obtainable for 1*s.*

PEAT RESOURCES OF IRELAND.—I.

STEADY efforts have been made of late years to utilise the peat resources of the Empire to commercial advantage, and in some directions they have been attended with a certain degree of success. Apart altogether from the possibility of commercial exploitation, the necessity of a detailed scientific investigation of this problem in view of the urgency of conserving our available coal supplies is too apparent to need insistence. This aspect of the question no doubt led to the appointment of the Inquiry Committee which has now completed its examination of the peat resources of Ireland. Within the Empire are considerable deposits of peat. Canada possesses immense tracts of which no useful estimate can be made, and Great Britain alone possesses 3,500,000 acres, large areas occurring in Huntingdon, Norfolk, Suffolk, and Lancashire. The acreage of the Irish peat bogs has been variously estimated between two and three millions, but it is probable that the former is the more correct figure. Of this area almost half is taken up with mountain bog, which is formed chiefly by the mosses, heather, and wool-grasses, and affords peat containing little ash and with a good calorific power. The depth of the peat deposit naturally varies greatly; on an average it is about 16 feet, though on mountain hollows and on flat high ground the depth may be much greater, 50 feet having been recorded in some of the Wicklow bogs. Such depths graduate to much smaller thicknesses of peat when it clothes hillsides. As a consequence, the estimation and mapping of peat-covered areas cannot be carried out with any degree of accuracy. Mountain bogs are divided into clearing, brown turf, black or stone turf, and black mud, and cover large areas in the mountainous West of Ireland. Low or flat bog is formed by grasses, sedges, rushes, and gives peat containing more ash and of a lower calorific power than that obtained from mountain bog. In the low grounds most of the peat deposits—red bogs—occupy the sites of former lakes or expansions of rivers and their tributaries. The unequal denudation of the Central Plain, and the uneven distribution of the Drift, have left innumerable hollows which were originally filled with water. The margins of these lakes and of the streams draining them became lined with vegetable growths, which gradually encroached upon the water area, to the ultimate displacement of the latter in many instances. Along the course of the Shannon is a large area of peat, in or about 176,000 acres, from Lough Allen southward to the ocean, which would represent the former expansions of that river. Of the great Bog of Allen, which covers a large part of central Ireland, 15,000 acres have accumulated along the borders of the Shannon and its tributaries. In some places the depth of the flat bogs exceeds 50 feet; they are chiefly located in the central counties and in the West of Ireland. Lowland peat is subdivided into clearing or growing surface; white turf, somewhat similar to the clearing but capable of being cut into parts on account of its consistence; brown turf, a variety that can be manufactured into meal and inferior peat-moss litter; black or stone turf, the best variety for the manufacture of fuel, and black mud or buddagh, which is found at the bottom of the bog and has hitherto proved of little use for anything.

Peat is found in all parts of the earth where the conditions of moisture are favourable; in Ireland its great extent is due to the regularity and abundance of the rainfall and to the fact that the relative humidity of the air is constantly high. Another important factor in determining the relative frequency of occurrence of deposits of peat is the form of the land surface; thus the depressions in the Central Plain of Ireland furnished places such as the Bog of Allen, where accumulations were kept from desiccation and complete decomposition. According to its origin and the conditions under which it accumulates peat varies in colour from brown to black. In texture it varies from light, spongy matter that is porous, coarse, fibrous, or even woody, and easily falls to pieces when dry, to forms that are nearly or quite devoid of structure and which when wet are as plastic as clay, and when dry form dense, hard masses resembling lignite. When dry, peat is generally lighter in colour than when freshly dug, and will usually float if placed in water, although this is not always true of the dark-coloured, plastic kinds that are high in ash, and when thoroughly dry are as compact and nearly as hard as coal. Except for such types, raw or untreated peat is easily crumbled to powder when handled, and makes bulky and unsubstantial fuel that does not bear transportation well.

As found in undrained bogs peat is a mixture of water and of partly decayed vegetable matter of varied origin. The amount of water present is generally sufficient to saturate or super-saturate the vegetable material, and constitutes from 80 to 90% or even more of the weight of the mixture. Even in drained bogs a short distance away from the ditches the water content seldom falls below 80%, as the rain falling on the surface is quickly absorbed by the mass of the peat, through which it drains very slowly. The slow movement of the water to the ditches in peat beds is shown by the fact that for a considerable distance above the water-level in the ditches, or even when no water is standing in them, water can usually be squeezed from the material taken from their walls. Apart altogether from this generally high water content, which militates against its employment as a fuel, peat is exceedingly variable, so that scarcely any two deposits contain material which is similar in all its physical properties. This is easily understood on account of the differences existing not only in the conditions of accumulation, but also between the vegetable forming matters.



THE

Lister-Bruston

AUTOMATIC

Electric Lighting Plant

At once the simplest, most efficient and most reliable system of electric lighting, and offering all the advantages of direct lighting, whilst eliminating the disadvantages of the heavy accumulator plants. It will not only light your house with the minimum of trouble and expense and the maximum of comfort and efficiency, but will provide power at any time for pumping, cooking, vacuum cleaning and other purposes.

Write for Catalogue and Estimate to the Sole Makers:

R. A. LISTER & CO., LTD.

Dursley, Glos., England.

(Established 1867.)

London Office (where plants can be seen at work):—
47 VICTORIA STREET, WESTMINSTER, S.W. 1.

Furthermore, the upper layers of peat in a given deposit are often distinct in many of their properties from those below them, and this is especially noticeable in the bogs that fill depressions. As regards peat prepared for fuel by any of the simpler methods this variability is not of great practical importance, but it has to be carefully considered when a specific quality of the material is required for any special purpose. In the latter case the available quantity of the desired material must be taken into account, and when fibre is sought for in connection with the manufacture of certain kinds of products there must be considered also the quantity and probable condition of the fibre, and the proportion that can be used as compared with the material to be excavated and handled to recover the usable part. In addition, the cost of production and the value of the final product must be carefully considered when compared with that of other substances already in use.

Various methods are employed in prospecting and estimating the contents of peat bogs; and the need of a careful test is very desirable, especially in the case of the smaller bogs, as in the case of the larger the risk attending exploitation for any particular purpose is not so great on account of the large quantity of the material available. With the aid of simple instruments the depth and character of any peat bed may be accurately learned with a relatively small expenditure of time and labour. Chemical tests may also be carried out, but experience has shown that an examination into the mechanical structure and qualities of peat is of more utility, and this is noticeably the case when the material has been selected for a single specialised use demanding a large outlay of money for a properly equipped plant. An examination of peat in this manner would involve the use of selected machines, which could either be utilised at their place of manufacture or else specially set up at the bog. This procedure is costly, but it possesses an advantage in the fact that the thorough investigation into the costs of production and the qualities of the peat can be carried out before an expensive factory plant is installed. Experience has shown that the failure of many factories was due to the unsuitability of the machinery for the purpose for which it was designed.

The provision of a drainage system is an important consideration, especially when peat is dug by hand, and where, therefore, the greatest economy is desirable. Drainage may, however, be unnecessary when the material is dug by dredges, loaded on barges, and towed in them across the water-filled openings already made to the factory. In the United States, the utility of draining peat bogs in general is held in doubtful consideration by some experts on account of the expense involved. It is pointed out that this expenditure, added to that entailed by digging operations by hand, has frequently led to the failure of many plants.

"The Limits of State Industrial Control." A Symposium edited by Mr. Huntly Carter. (Price 15s. net. London: T. Fisher Unwin.) Mr. Huntly Carter has attempted to learn the views of a number of representative public persons in this country on the problem of State control. The questions he submitted to these eminent gentlemen were as follows:—(1) What in your opinion will be the situation immediately after the War as regards State control? (2) What in your view is the limitation of State control to be maintained? and (3) What in your view is the best policy of control to be pursued in the highest interests of commerce, trade, and industry? He has received expressions of opinion from the Prime Minister, Mr. Bonar Law, Lords Bryce, Parmoor, Inchcape, and Selborne, Sir C. Macara, General Smuts, Mr. Bernard Shaw, and many others. These make up interesting reading.

Life Assurance at Minimum Rates.

A
PLAN of ASSURANCE
SPECIALLY ADAPTED
for PRESENT TIMES.

For particulars address the

GRESHAM LIFE ASSURANCE
SOCIETY, LIMITED,
ST. MILDRED'S HOUSE, POULTRY, E.C. 2
Founded 1848. Funds £10,500,000.

THE GRESHAM FIRE & ACCIDENT INSURANCE SOCIETY, LIMITED.
Transacts all classes of Fire and Accident Business.
Chief Office: St. Mildred's House, Poultry, London, E.C. 2.

HEAD OFFICES: LIVERPOOL AND LONDON
ROYAL
INSURANCE COMPANY, LIMITED
ALL CLASSES OF INSURANCE EFFECTED

COMMERCIAL UNION
ASSURANCE COMPANY, LIMITED.
Head Office: 24/5/6 CORNHILL, LONDON, E.C. 3.
Total Assets (including Life Funds)—£31,801,986.

Commercial.

SUGAR.

One of the few features in Mr. Austen Chamberlain's Budget speech was the introduction of a very modified form of what has come to be called Colonial Preference. No material change being made in our methods of taxation, it was only possible for the Chancellor of the Exchequer to give a preference of any kind upon very few articles. One of the features of British taxation for many years past now has been the remarkably small number of sources from which it is derived. Practically the whole of it comes from the income and allied taxes and Custom and Excise, meaning by Customs and Excise the drink and tobacco taxes. There are, however, a few taxes on beverages and articles of consumption derived mainly from tropical or semi-tropical countries other than wines, spirits, and beers. The most important of these produced in the British Empire is sugar. In itself Colonial Preference is to be welcomed in so far as it will assist in opening up and generally developing the tropical parts of the British Empire. We have pointed out again and again in these columns that it is only quite recently we have been put in possession of facts which would justify us in seriously attempting the opening up of the tropical regions of the earth, whether belonging to the British Empire or outside of it. Until the beginning of the present century we had no knowledge of the causes of tropical diseases; and, consequently, it was impossible to find a remedy. What the United States Government has achieved in the Panama Canal zone of Central America, what has been achieved by the various Governments of South America, and what we ourselves are doing in India, prove that the tropical regions of the earth can be made quite healthy provided modern discoveries of science are properly applied. This being so, there is every inducement to open up to the greatest extent possible the immense tropical regions belonging to the British Empire. Of course, it will be necessary to guard against Colonial Preference becoming what some of its critics dread that it may become, merely an opportunity of inducing a

form of protection. We do not think that this question need cause any real alarm. It has to be remembered that this country is preponderantly a town population engaged in the manipulation as distinct from the production of primaries. We have to import more than two-thirds of the whole food we consume, and practically the whole of the materials for our manufactures; and a country so situated could not adopt protection with any prospect of success, and maintain it for any considerable time. It would mean the devoting of an undue proportion of our realised assets, which is commonly called capital, and the diverting of an undue proportion of labour from more productive industries to producing commodities which we could obtain upon a sounder economic basis from outside.

As yet, as the Chancellor of the Exchequer pointed out, the sugar production of the British Empire available for import into this country is exceedingly small. It amounts only to about 7% of our total imports of sugar. It may be well to bear in mind that the United Kingdom is an exceptionally good customer for the sugar-growing countries of the world, owing not merely to the fact that we grow no sugar here, or practically none, and are large consumers, but even to a still greater extent because we were, in the period that preceded the recent War—and it is to be hoped we shall be in the coming period of the so much talked of reconstruction—engaged in the confectionery trade to a greater extent than other countries. Practically, our imports of sugar while our merchants were free to import as much as they desired to amounted to 2 million tons per annum. Next to the United States of North America we were the greatest consumers of sugar per head of population. The people of the United States consume, roughly, about double what we do in the United Kingdom; and it is probable that they are larger individual consumers than we are owing to the fact that such a large part of our sugar imports were formerly used in the confectionery trades as already stated. The people of the United States, however, obtain their sugar either wholly from their own country, or from some of their colonies, while we import the greater part from places outside the British Empire. Until the War we imported the greater part of our consumption from Germany, Austria, Russia, and the Low Countries, very much in the order given. In the early days of the War we imported mainly from Java, and during the past two years we obtained our supplies from the island of Cuba, in connection with a credit arrangement arrived at between our own Government and that of the United States.

Assuming that the resolution for granting Colonial Preference passes the House of Commons, to what extent should it benefit the sugar-growing parts of the British Empire? As at present existing the 7% comes mainly from the West Indies, and from our possessions in Africa. The West India Islands no doubt could materially increase their area under sugar. But it has to be remembered that the British West India Islands are very small, even taken altogether. If we include, as is usually done, British Guiana, there is, of coursre, an extensive field there for expansion upon a great scale. But that could only take place to any material extent provided British Guiana were opened up by means of railways and the building of roads. At present the whole of the interior of British Guiana is inaccessible owing to the rapids and the dense forests. There is, of course, a great field for increased sugar-growing in Queensland in the Commonwealth of Australia. But there the labour difficulty and the unwillingness of the Australian Government to admit coloured labour would probably check any great expansion.

There remains the great Dependency of India. India, owing, perhaps, to the fact that she is not to any extent a meat-eating country, is one of the greatest sugar consumers in the world. It is said that every Indian *ryot* has a bit of cane in his back garden. Whether this be so or not, the area under sugar in India is enormous. It is estimated that the amount of sugar-cane grown in British India is more than adequate to supply the whole needs of the United Kingdom, and possibly of the British Empire, after satisfying those of India itself, if the Indian cultivator could be induced to use modern machinery, which would enable him to extract any reasonable proportion of the essential juice from the cane when cut. As things are, he obtains very little more than about one-third of the juice per unit of cane cut; and the result is that, although the area under sugar-cane in India, as we have said, is enormous, India is not able at the present time to grow sufficient sugar for her own native consumption; and, consequently, she is reduced to the expedient of purchasing sugar from the island of Java. We give below a short table, which we have previously published, showing the total production of cane-sugar in the British Empire in the season 1917-18:—

	1917-18 Tons
Demerara	120,000
Trinidad	75,000
Barbados	65,000
Jamaica	20,000
Antigua	30,000
Other British West India Islands	10,000
Total, British West Indies	320,000
Australia	350,000
India	3,200,000
Egypt	120,000
Mauritius	250,000
Natal	110,000
Total tons produced in British Empire	4,350,000

New Issues.

BRITISH MOTOR TRADING CORPORATION.

The idea actuating the promotion of this new Company is one that will especially appeal to a wealthy section of the public, and while it has to be remembered that the setting up of a new and extensive business on the lines proposed must take time to fructify and become revenue producing, nevertheless there appears likely to be so great an expansion in the use of the motor-car in the next few years as to provide plenty of scope for the Company's operations. Organisation and management probably will make or mar the venture, and it is an earnest of high endeavour and of the application of the skill essential to success that four of the six directors are intimately associated with the administration and management of the Motor Union Insurance Company, Limited, under whose auspices the Company has been formed. The authorised capital is £2,000,000 in £1 shares, of which 1,000,000 shares are offered for subscription at par in terms of the prospectus printed on another page. Briefly, the purpose is to create and maintain a widespread organisation at home and abroad for the purchase, sale, repair, maintenance, letting on hire, and garaging of motor-cars, cycles, commercial vehicles, and agricultural motor machinery, and the provision of motor accessories of all kinds. The extensive experience, organisation, and connection of the Motor Union Insurance Company are to be

HARRISONS & CROSFIELD, LTD.

1-4 GREAT TOWER STREET, LONDON, E.C. 3.

BRANCHES.

Colombo	Quilon	Calicut	Cochin
Calcutta	Kuala Lumpur	Medan	Batavia
Bandoeng	Kobe	Montreal	Tangier

Estate Management
Estates' Supplies
Engineering
General Exports and Imports
Shipping Agencies
Sales of Produce
Insurance

utilised for furthering the objects of the new venture. The scheme, as outlined in the prospectus, and separated as it is into home organisation and the development of export trade, certainly conjures up visions of great potentialities, and though, of course, the venture is quite speculative at the present untried stage, there seems the prospect of an ultimate return to subscribers commensurate with the risk involved. The issue has not been underwritten, and the faith of the promoters in the success of the undertaking is also indicated by their own and their friends' application for 600,000 of the shares. The list closes on Monday.

FROST BROTHERS, LIMITED.

The business of this rope-manufacturing and yarn-spinning concern has increased substantially during the last three years, and with a view to providing for further expansion and the erection of a new and up-to-date factory 150,000 of 5% (free of income tax) Cumulative and Participating Pre-preference shares were recently created. These shares have been purchased by the British, Foreign and Colonial Corporation for 21*s.* per share, and are now offered for sale at the same price. The Corporation receive a commission of 7½%, and pay an underwriting commission of 9*d.* per share, and an over-riding commission of 3*d.* per share. The Company bears the expenses connected with the issue. Turnover and profits of the past six years have fluctuated as follows:—

Year to Sept. 30—	1918	1917	1916	1915	1914	1913
	£	£	£	£	£	£
Turnover ...	547,101	356,947	277,256	185,333	207,682	209,354
Profits * ...	51,938	27,715	14,148	14,159	14,072	18,947

* After charging interest, plant depreciation and directors' remuneration, but not Excess Profit duty.

Up to and including 1917 no liability for profits tax was incurred, but for 1918 the duty is estimated at £25,000. Debentures outstanding for £56,988 will be paid off out of the proceeds of the present issue, and the issued capital will then consist of the 150,000 Preference shares, £38,560 of 6% Cumulative Preference £10 shares, and 75,000 Ordinary £1 shares. On the average profits of the last six years, the Pre-preference fixed interest is covered more than twice over. In addition, the holders will be entitled, after the 6% dividend on the Preference shares has been paid, and the Ordinary shares have received 5% non-cumulative dividend, to 25% of the remaining profits distributed. The shares, in view of their priority rank, appear to be an attractive industrial investment. There may be the drawback of a restricted market on the Stock Exchange.

THE GREENWICH INLAID LINOLEUM (FREDERICK WALTON'S NEW PATENTS), CO., LTD.

It is seldom that the ordinary investor has the opportunity of subscribing for short-term notes of an industrial company, and obviously it is only in special circumstances that it is necessary to place 7½% five-year convertible notes at 97½% such as this Company offers for subscription, in addition to Ordinary shares of 10*s.* each at par. The Company did very well up to 1911, but profits fell 50% in the three following years. For explanation of this, and the position at the present time, the prospectus printed on another page should be referred to. Suffice it here to say that shortly after August 1914, owing to the uncertainty of the outlook, the Company ceased manufacture, and the premises at Greenwich were to a large extent taken over by the Government. Manufacturing has not yet recommenced, but the plan is to do so shortly. There seems every probability that good results will be obtained, but it will be understood that at the present stage the Ordinary shares can only be looked upon as a speculation. The Notes, however, carrying the right to convert into 10*s.* Ordinary shares at 12*s.* 6*d.* each within four years, look like proving a remunerative investment, though not, of course, devoid of risk.

SUNBEAM MOTOR CAR COMPANY, LIMITED.

This week the opportunity has been available of purchasing £350,000 5% (income-tax free up to 6*s.* in the £) First Mortgage Registered Debentures of this well-known Wolverhampton concern. The National Provincial and Union Bank purchased the Debentures at £96 10*s.* per cent., and offered them for sale at par, itself, not the Company, bearing the whole expenses of the offer for sale. No underwriting was done, and, indeed, in view of the security and attractiveness of the tax-free yield, there was naturally no need for this. Profits, after provision for depreciation, income tax, and all other charges, except directors' fees, averaged £75,288 in the three years to end August 1914, and for the four years 1915 to 1918, £123,044. The service of the Debenture issue, including redemption by 15 annual drawings at par, commencing in 1924, interest and income tax requires £35,482. An additional £150,000 of the Debentures are authorised, and if issued the service charge would be raised to £50,688. The Company's works and equipment have been greatly extended during the war, stocks of raw materials, &c., held aggregate in value nearly £1,000,000 and orders exceeding £700,000 are on the Company's books, mainly representing post-war trade in respect of "Sunbeam" cars and aero engines. It is announced that the issue has been over-subscribed.

BURGONS, LIMITED.

To Lancashire and Cheshire readers this Company, engaged in the business of grocers, provision merchants, &c., will be quite familiar, and they will be aware of its expansion in recent years. By the offer for subscription of 105,000 Ordinary shares this week it will more than double its issued capital, which now consists of 50,000 5% Cumulative Preference shares, 45,000 Ordinary shares of £1 each, and 5,000 Founders' shares of £1 each. After payment of the 5% dividend on the Preference shares and a fixed non-cumulative dividend of 50% on the Founders' shares, the Ordinary shares are entitled to a fixed dividend of 5% and to one-half of any further profits distributed. Before deducting directors' remuneration, excess profits duty, and income tax, profits have risen as follows and the dividends shown have been paid on the Ordinary shares:

Year to April—	1914	1915	1916	1917	1918	Average
Profit ..	£15,349	£15,602	£13,914	£17,724	£23,658	£17,249
Ord. div.	8¾%*	8¾%*	7½%†	8¾%†	10%†	

* Free of tax. † Subject to tax.

The directors estimate that the employment of the new capital will result in additional profit enabling the Company to pay dividends on the Ordinary shares of at least 10% per annum. To do this, however, £27,500 would need to be distributed. Under the articles of association holders of Preference and Ordinary shares are not entitled to vote.

HENRY BOSTON AND SONS, LIMITED.

Without reckoning on the continuance of the specially prosperous conditions under which leather merchants' and tanners' businesses have been conducted during the War, there seems to be sufficient security and margin of profit for adverse contingencies behind the sum required for the 150,000 7% Cumulative Preference shares, which this Company has offered for subscription this week, to make them an attractive industrial investment of somewhat speculative character. At present the issued capital consists of £257,500, in 157,500 7% Cumulative Preference shares and 100,000 Ordinary shares of £1 each and no Debentures. The issue of additional 150,000 Preference shares, offered at par, is made to provide the cost of proposed extension of the present tannery and the erection of a new tannery, and for further working capital. The effect should be to extend the business and increase the earning power. Before allowance for income tax and excess profits duty, profits of the last four years have fluctuated as follows:—

1915	1916	1917	1918	Average
£38,568	£115,181	£100,274	£52,344	£76,591

The amount required to pay the cumulative dividend of 7% upon the Preference share capital, including the new issue, is £21,525, and it is a good point that the articles of association of the Company are to be altered so as to limit the dividend on the Ordinary shares to 10% in any one year until the Company's reserve funds shall have amounted to a sum of £100,000. The present amount of the reserve fund is not stated, nor are figures given of tax payments or liabilities. The reduction of the excess profits tax to 40% seems likely, however, to prove a favourable factor.

LLOYDS BANK LIMITED,

with which is amalgamated

THE CAPITAL & COUNTIES BANK LTD.

HEAD OFFICE: 71, LOMBARD STREET, E.C. 3.

CAPITAL SUBSCRIBED	£55,962,850
CAPITAL PAID UP -	8,954,056
RESERVE FUND - -	9,000,000
DEPOSITS, &c. - -	267,966,438
ADVANCES, &c. -	81,072,134

FRENCH AUXILIARY:

LLOYDS BANK (FRANCE) AND NATIONAL PROVINCIAL BANK (FRANCE) LTD.

Industrial Companies.

COURT LINE, LIMITED.

Issued Capital: £485,000, in £1 Shares.

Year	Net Profit‡	Ord. Div. £	Ord. Div. %	Added to Reserves	Carry-forwd.	Steam-ships, &c.	Surplus Liquid Assets.
	£	£		£	£	£	£
1914 ...	22,975	25,757	10	—	14,358	197,197	271,430*
1915 ...	107,906	65,826	16	43,550	12,978	240,000	480,868*
1916(a) ...	202,716	97,000	20	71,000	47,694	768,442†	668,244*
1917 ...	94,170	48,500	10	50,000	43,363	648,685†	713,914*
1918 ...	109,539	58,200	12	60,000	34,702	905,894†	788,556*

* Includes book valuation of fleet and investments not separately shown in 1916, 1917 and 1918 accounts.
† Includes investments.
‡ Net profit after provision for income tax and excess profits duty.
(a) Capital increased in 1915 by issue of 77,660 shares at 21/0 per share.

When a Company's accounts are rendered in such a way that additions to reserve funds can only be calculated by comparing two years' balance sheets, and profits are struck after provision of unstated amounts for depreciation, war and income taxes and reserve, it is difficult to gauge even approximately, and quite impossible to gauge accurately, the degree of progress achieved. So it is with the Court Line, Limited: We show as true a picture as possible above, but the net profit figures, though adjusted in regard to reserve allocations, probably do not truly reflect the true fluctuations in fortune. The Company during 1916 and 1917 lost one and sold two of its fleet, which at end 1915 numbered seven vessels of 53,010 tons deadweight. If, as this would seem to imply, only four vessels, totalling 30,850 tons, earned the results of 1918, they must have been very profitably employed. That result, irrespective of addition of £60,000 placed to reserves and presumably representing excess insurance value of book value of the ship sunk in 1917, was a net profit of practically £50,000, which suffices to raise the dividend to 12%, with the help of £11,400 from the carry-forward. The book value of the seven ships at end of 1915 was £240,000, or £4 10s. per ton, and the surplus liquid assets plus book value of the vessels totalled £510,318. The corresponding items at end of last year—three years later—aggregated £788,556, and, taking the four ships remaining at the same figure per ton as the original seven vessels, their book value would be £149,000, included with investments in the comprehensive item of £905,894. The surplus liquid assets alone at end 1918 apparently equalled £637,000, after provision for taxation and a bonus dividend of 10%. Such a sum as this should go a long way in bringing the Company's fleet up to, and even in excess of, its previous status and size, but presumably the directors have the possibility of still bigger development in mind, for it is proposed to increase the nominal capital of the Company by the creation of 500,000 new shares. There is no intention to issue these shares immediately, but if and when it is deemed advisable they will be offered to shareholders in proportion to their holdings. The price of the existing £1 shares is 35s. 6d.

DENNY, MOTT AND DICKSON.

Issued Capital: £300,000, in 20,000 Preferred Ord. £10 Shares, and 10,000 Ord. £10 Shares.

Year to Mar. 31	Net Profit†	Pref. Div. £	Pref. Div. %	Ord. Div. £	Ord. Div. %	Added to Reserve	Carry-forward	Stocks	Surplus Liquid Assets*
	£	£		£		£	£	£	£
1915	61,307	20,000	10	14,000	14	25,000	2,988	228,007	269,230
1916	66,389	22,000	11	16,000	16	25,000	6,378	325,934	204,374
1917	117,443	36,000	18	30,000	30	25,000	30,821	417,364	161,353
1918	56,819	20,000	10	14,000	14	—	51,640	132,032	467,674
1919	54,044	24,000	12	18,000	18	0,000	11,684	142,292	467,628

* Excluding stocks and reserve for bad and doubtful debts.
† After payment of excess profits duty and income tax, and providing for bad and doubtful debts.

The restrictions on the import of timber having recently been removed interest attaches to the position and prospects of this Company, which is one of the few timber merchant concerns whose shares are purchasable on the Stock Exchange. In the year just ended trade was also restricted by Government control. Nevertheless, the profit earned suffices to cover an increase in dividends, and it is proposed to pay Preferred Ordinary shareholders 12% for the year, against 10% for 1917-18, and Ordinary shareholders 18%, in comparison with 14%. However, to enable £50,000 to be placed to reserve the carry-forward has to be encroached upon to the extent of £40,000. A year ago, when smaller dividends were proposed, nothing was placed to reserve, but the carry-forward was increased by £21,000. Financially the Company's position is a very strong one. True, the value of its stocks at March 31 last was only £142,292, against £417,364 two years previously, but with importation allowed now that deficiency can be made good, the requisite capital resources being in hand.

At March 31 surplus liquid assets amounted to £467,628, and together with value of stocks totalled a sum more than double the issued share capital of £300,000. The reserve fund now amounts to £300,000, and it is proposed to capitalise £200,000 of this into 6% Cumulative Preference shares, which will be distributed to Ordinary and Preferred Ordinary shareholders registered on May 5, 1919, in the proportion of one Preference share for every two Preferred Ordinary shares, and one for each Ordinary share held. The Ordinary shares are quoted at about £27, and the Preferred Ordinary at about 16½, both *cum* rights. At these prices the capitalisation is £600,000, whereas at March 31 the value of stocks and surplus liquid assets totalled £610,000. In view of the shortage of timber and the great demand expected in connection with building and reconstruction work the Company appears likely to continue to do well.

JOSEPH TRAVERS AND SONS, LIMITED.

Issued Capital: £325,000 in 12,500 5% Cum. Pref. £10 shares and 200,000 Ordinary £1 shares. Debentures: £100,000 4% Mort.

Year to Jan. 31	Profit	Depre. &c.	Deb. & Loan int.	Pref. Div.	Ord. Div. £	Ord. Div. %	Sundry Allocns.	Carry-forwd.	Stocks	Surplus Liquid Assets*
	£	£	£	£	£		£	£	£	£
1915...	87,541	14,557	11,886	6,250	20,000	10	36,000	18,212	330,800	152,198
1916...	133,648	23,204	17,445	6,250	20,000	10	86,000	22,165	449,462	133,710
1917...	119,675*	9,529	18,185	6,250	20,000	10	73,303	24,138	489,146	192,912
1918...	151,379*	6,873	16,108	6,250	30,000	15	98,005	25,153	582,680	63,276
1919...	96,111*	7,031	16,669	6,250	30,000	15	46,351	21,994	369,148	296,684

* After provision for excess profit duty and depreciation.

The considerable fall shown in the profits of this wholesale grocery firm in the year ended January 31 must be read in conjunction with the sharp diminution in the value of stocks and consequent very satisfactory improvement in cash assets. Notwithstanding the 36% reduction in the profit the margin over after paying 15% on the Ordinary shares was more than equal to the amount of the dividend. The reserve funds now total £261,566, against £55,000 on January 31, 1914. The 4% Debentures are quoted at approximately 70, the 5% Cumulative Preference £10 shares at £8, and the Ordinary £1 shares at 33s.

GENERAL ELECTRIC COMPANY.

TWENTY-SEVENTH ANNUAL REPORT—FOR THE YEAR TO DECEMBER 31, 1918.

BOARD OF DIRECTORS.

GORDON ABBOTT
OLIVER AMES
A. W. BURCHARD
C. A. COFFIN
GEORGE P. GARDNER
HENRY L. HIGGINSON
ROBERT TREAT PAINE, 2D.
MARSDEN J. PERRY
SEWARD PROSSER
E. W. RICE, JR.
CHARLES STEELE
PHILIP STOCKTON
B. E. SUNNY
M. F. WESTOVER

EXECUTIVE OFFICERS.

C. A. COFFIN, *Chairman of the Board.*
E. W. RICE, JR., *President.*
A. W. BURCHARD, *Vice-President.*
G. E. EMMONS, *Vice-President.*
J. R. LOVEJOY, *Vice-President.*
G. F. MORRISON, *Vice-President.*
O. D. YOUNG, *Vice-President.*
HENRY W. DARLING, *Treasurer.*
C. E. PATTERSON, *Comptroller.*
M. F. WESTOVER, *Secretary.*
FRANCIS C. PRATT, *Assistant to the President.*

COUNSEL.

ALBERT G. DAVIS, ALLAN H. JACKSON, } Schenectady.
CHARLES NEAVE, New York.

Schenectady, N. Y., April 15, 1919.

To the Stockholders of the General Electric Company.

The value of orders received by your Company in the year 1918 was $234,134,037, compared with $246,778,491 for 1917. A considerable portion thereof was represented by contracts with the United States Navy Department. The time and energies of many of your officers, engineers and experts have been devoted to work of a distinctly national character, and every department and facility of the Company have at all times been at the service of the Government throughout the period of the War.

In order to expedite the completion of Government and other contracts essential to the prosecution of the War, your Company was forced to make heavy expenditures for additional manufacturing facilities, which are further referred to on page 6. As a result, the rate of production had reached the highest point in the Company's history when the armistice was signed on November 11, 1918. The cessation of hostilities resulted in suspensions and cancellations of orders, estimated, at the date of closing the accounts, at $30,000,000.00, leaving a balance of approximately $80,000,000.00 of unfilled orders at the end of the year.

The amount of sales billed was $216,815,277.53, an increase of $19,888,959.74 over the year preceding.

The net result was a profit of		$28,375,755 60
To which was added income from other sources amounting to...		4,606,315 38
Total net income		$32,982,070 98
Less: Interest on debentures	$571,644 96	
Interest and discount on notes payable ...	1,805,443 72	
		2,377,088 68
Available for federal taxes and dividends ...		$30,604,982 30
Federal income & excess profits taxes estimated	$13,500,000 00	
Dividends paid in cash	9,165,622 34	
		22,665,622 34
Surplus for the year		$7,939,359 96

The expenditures for additional land, buildings, machinery and other equipment aggregated $21,593,996.90. As these facilities were required for the manufacture of apparatus and supplies urgently needed in the prosecution of the War, it was imperative that they be provided with the least possible delay, and under circumstances which made economy of construction impossible.

In view of the fact that a portion of the recent additions to manufacturing facilities will for a considerable time be unused, and having regard to the high cost of such additions, the sum of $15,224,162.54 has been written off the plant account, and $3,186,792.94 will be included in the cost of unfinished contracts.

Of the total of $18,410,955.48, the sum of $1,918,702.71 was charged against the general plant reserve, leaving an increase of $5,101,744.13 in the book value of plant and equipment, as follows :—

	Gross Book Value.	General Plant Reserve.	Net Book Value.
	$	$	$
Real estate and buildings	43,146,598 68	15,061,826 05	28,084,772 63
Machinery	31,810,044 97	15,864,665 34	15,955,379 63
Patterns	1,900,750 13	1,900,749 13	1 00
Furniture and fixtures ...	3,083,396 19	3,083,395 19	1 00
Total	79,940,789 97	35,900,635 71	44,040,154 26

On January 31, 1893, the book value of the manufacturing plants was	$3,958,528 21
During the twenty-five years ended December 31, 1917, additional expenditures were made aggregating	110,955,804 61
Expended during the year 1918	21,593,996 90
Total	$136,508,329 72
Written off or carried to "General plant reserve" during the twenty-six years	92,468,175 46
Book value of all plants, December 31, 1918	$44,040,154 26

The total factory floor space in recent years has been as follows :—

	Square Feet.		Square Feet.
1908	7,000,000	1914	14,840,000
1909	7,180,000	1915	14,830,000
1910	8,530,000	1916	15,300,000
1911	9,770,000	1917	17,573,000
1912	12,160,000	1918	19,581,000
1913	13,900,000		

The increased prices of material and much higher labour costs have resulted in increasing the inventory accounts. After providing proper reserves and making adjustments in recognition of the decrease in market prices since November 1918 the inventories in factories, district warehouses and consignment stocks are carried at $88,305,680.71, an increase of $6,454,369.95 as compared with 1917.

Customers' accounts and notes receivable have been carefully valued in accordance with the usual practice, and, after allowing for necessary reserves, are carried at $41,548,688.34, an increase of $3,141,695.26 over the amount shown in December 1917.

The book value of investment securities is $40,830,213.46, an increase of $3,481,605.00 as compared with December 31, 1917. The principal increases represent the balance of your Company's investment in Liberty Bonds and in the capital stock of the Edison Electric Appliance Company, Inc.

Advances to subsidiary companies have been increased chiefly by advances to the Lawrence Park Realty Company, of Erie, Pa., made at the request of the Government for the purpose of erecting houses for the increased force of workmen engaged on contracts with the Navy Department. The Government co-operated by a loan to your Company of $1,000,000.00 of the required amount, to be liquidated within ten years.

The Government has also advanced to your Company $500,000.00 as part of the cost of power and transportation facilities in the city of Erie, urgently needed for the production of machinery and apparatus for the Navy. This sum your Company in turn loaned to the public utility companies of Erie, receiving their obligations therefor. The total of your Company's debt to the Government is thus $1,500,000.00, as shown in the balance sheet.

In order to provide additional facilities for the manufacture of incandescent lamps, your Company has leased the Sandusky works of the Libbey Glass Company, with contract to purchase. Pursuant to the terms of the contract, the General Electric Company has deposited with a trustee its 5 per cent. Debenture bonds of the par value of $2,265,000.00, as shown in the balance sheet.

The patent account is, as heretofore, carried at a net value of $1.00, that proportion of the actual cost which represents the unexpired life of patents and franchises being offset by a reserve of like amount.

At the close of the year, after careful consideration, the Board of Directors decided that the interests of your Company would best be served by segregating its investments and activities in foreign countries in manufacturing, selling, engineering and utility enterprises, &c., and transferring them to a separate company. For this purpose the International General Electric Company, Inc., was organised in January 1919. It will at once take over the investments and conduct the activities above described in all foreign fields. Mr. Charles Neave, a valued member of your Company's legal staff, has been elected Chairman of the Board of the new International Company. Mr. Gerard Swope, formerly Vice-President of the Western Electric Company, has been elected President, and Mr. M. A. Oudin, for many years Manager of the Foreign Department of the General Electric Company, has been chosen as Vice-President. The offices of

the Company will be located at 120 Broadway, New York City.

In the year 1918 dividends were declared as follows :—

Cash dividends, 8% (2% quarterly)	$9,165,622 34
Stock dividends, 4% (2% semi-annually)	4,587,398 00
	$13,753,020 34

The outstanding capital stock of your Company has been increased from $101,512,500.00 to $115,874,800.00 in the following manner :—

Subscriptions by shareholders in January, 1918, at par, on the basis of one additional share for each ten shares then outstanding	$10,061,218 00
Amounts of the semi-annual stock dividends of January 15 and July 15, 1918	4,301,082 00
Increase	$14,362,300 00

Of the employees of the Company, 8,421 joined the military or naval forces of the United States during the war. Of these, 1,880 have already returned and have been reinstated. All returning employees honourably discharged from military or naval service have been, or will, whenever possible, be re-employed, and when so re-employed will be held to have been continuously in the service of the Company in regard to participation in pension and other benefits.

The customary certificate of the chartered accountants, testifying to the correctness of the published financial statements will be found in the next column.

The devotion of the employees in all branches of your Company's service during the strain and high pressure of war-time demands is worthy of high praise, and the Board of Directors cannot conclude this report without making grateful acknowledgment of their splendid co-operation.

By order of the Board of Directors.

C. A. Coffin, Chairman of the Board.

CONDENSED BALANCE SHEET, December 31, 1918.

ASSETS.

Fixed investments:		
Manufacturing plant, including land, buildings and machinery $79,940,789 97		
Less: General plant reserve 35,900,635 71		
Net book value	$44,040,154 26	
Real estate, buildings, warehouses, &c., other than manufacturing plants ...	672,465 69	
Furniture and appliances (other than in factories)	1 00	
Patents and franchises ... $4,304,973 17		
Less reserve 4,304,972 17	1 00	
		$44,712,621 95
Investment securities:		
Stocks, bonds and other securities ...		40,330,213 46
Current assets:		
Merchandise—at factories $71,841,208 37 —at district offices, in transit, on consignment, &c. 16,464,472 34	$88,305,680 71	
Installation work in progress	6,526,303 68	
Notes and accounts receivable	41,548,688 34	
Advances to subsidiary companies ...	7,997,688 95	
4½% U S. Treasury Certificates	7,500,000 00	
Deferred charges to income	4,410,345 72	
		156,288,707 40
Libbey Glass Company contract (per contra)		2,265,000 00
Cash		24,010,024 42
		$268,106,567 23

LIABILITIES.

Debenture bonds:		
3½% series of 1902	$2,047,000 00	
5% ,, ,, 1912	10,000,000 00	
		$12,047,000 00
Bonds deposited under Libbey Glass Company contract (per contra)		2,265,000 00
Notes payable:		
6% notes, maturing July 2, 1920 ...	$15,000,000 00	
6% notes, maturing December 1, 1919 ...	10,000,000 00	
		25,000,000 00
Current liabilities:		
Accounts payable	$9,716,157 14	
Accrued taxes, estimated	15,099,184 65	
Accrued interest payable	284,268 72	
Dividend payable January 15, 1919 (cash)	2,316,472 00	
		27,416,082 51
United States Government Loan ...		1,500,000 00
Advance payments on contracts		22,336,551 27
Dividend payable January 15, 1919, in stock		2,316,472 00
Capital stock issued		115,874,800 00
General reserve		6,100,000 00
Surplus:		
At January 1, 1918	$49,898,699 49	
Added during year	7,939,359 96	
	$57,838,059 45	
Less: 4% dividends paid in stock ...	4,587,398 00	
		53,250,661 45
		$268,106,567 23

CONDENSED PROFIT AND LOSS ACCOUNT, December 31, 1918.

Net sales billed		$216,815,277 53
Less: Cost of sales billed, including all operating, maintenance and depreciation charges		188,439,521 93
		$28,375,755 60
Sundry Income:		
Interest and discount	$2,112,279 59	
Income from securities	2,325,781 95	
Sundry revenue	168,253 84	
		4,606,315 38
Net income		$32,982,070 98
Less: Interest on debentures	$571,644 96	
Interest and discount on notes payable ...	1,805,443 72	
		2,377,088 68
		$30,604,982 30
Less: Federal income and excess profits taxes, estimated		15,500,000 00
Profit available for dividends		$17,104,982 30
Less: 8% cash dividends		9,165,622 34
Surplus for the year		7,939,359 96
Surplus, January 1, 1918		49,898,699 49
		57,838,059 45
Less: 4% dividends payable in stock ...		4,587,398 00
Total surplus		$53,250,661 45

IN MEMORIAM.

SYLVANUS L. SCHOONMAKER.

On August 18, 1918, your Company suffered a grievous loss in the death of Mr. Sylvanus L. Schoonmaker, a valued member of the board of directors since 1907. At a meeting of the board held on September 13, 1918, the following resolution was adopted :—

"Whereas Mr. Sylvanus L. Schoonmaker, for many years esteemed member of this board, recently passed away, it was, upon motion duly seconded,

"Resolved that the directors of this Company do hereby record their appreciation of the valuable services rendered by Mr. Schoonmaker to the Company, their admiration of the ability and wisdom displayed by him as a director, the affection with which they regarded him because of his fine personal qualities, and their deep regret at his loss.

"It was further

"Resolved that the sympathy of this board be extended to Mr. Schoonmaker's family, to whom the Secretary shall transmit copies of these resolutions."

Marwick, Mitchell, Peat & Company,
Chartered Accountants,
79 Wall Street, New York, April 3, 1919.

To the Board of Directors of the
General Electric Company,
120 Broadway, New York.

Dear Sirs,—We have examined the books and accounts of the General Electric Company for the year ended December 31, 1918, and hereby certify that the condensed profit and loss account and balance sheet are in accordance with the books, and, in our opinion, correctly record the results of the operations of the Company for the year and the condition of its affairs as at December 31, 1918.

We have verified the cash and securities by actual count and inspection or by certificates which we have obtained from the depositaries. The valuations at which the investment securities are carried have been approved by a Committee of the board of directors, and, in our opinion, are conservative. Our audit has not included the examination of the accounts of companies which are controlled through stock ownership, but balance sheets of these companies have been submitted to us.

We have scrutinised the notes and accounts receivable, and are satisfied that full provision has been made for possible losses through bad and doubtful debts.

The merchandise, work in progress, and materials and supplies on hand at December 31, 1918, are based on book figures, other than the more important raw materials which were inventoried at all factories and the materials at the Sprague, National and Edison Lamp Factories, and district offices, certified inventories for which were submitted to us. We have satisfied ourselves that the book figures are conservatively stated, and at or below cost price, after applying adjustments to cover reductions in market prices of the principal raw materials, and that the certified inventories have been taken in a careful manner, that they have been valued at or below cost price, and that full provision has been made for old or inactive stocks. Provision has also been made for possible allowances, or additional expenditures on recently completed contracts and on installation work in progress.

Expenditures capitalised in the property and plant accounts during the year were properly so chargeable as representing additions or improvements. Ample provision has been made in the operating accounts for repairs, renewals, and depreciation, as also liberal reserves for contingencies.

Yours truly,

Marwick, Mitchell, Peat & Co.

MEETINGS
OF PUBLIC COMPANIES.

FRIENDS' PROVIDENT INSTITUTION.

THE eighty-sixth annual general meeting of the Friends' Provident Institution was held on May 9 at the Great Eastern Hotel, Bishopsgate, Mr. Alfred Holmes (the Chairman) presiding.

Change of Name.—New London Offices.

Immediately before the annual meeting a special meeting of the members of the Institution was held for the purpose of making certain changes in the rules. These alterations included giving the directors power to change the name of the Institution from the "Friends' Provident Institution" to "Friends' Provident and Century Life Office"; to remove the head office of the Institution from Bradford to London; and the creation of a joint head office in Edinburgh. The Chairman announced that for the headquarters in London the building 42 Kingsway had been acquired, and, with a view to future development, the premises in the rear of that building had also been bought (No. 63 Lincoln's Inn Fields). The change in the name and the removal of the head office to London will probably not be made until later in the year.

Advantages of the Amalgamation.

In moving the adoption of the report and accounts, the Chairman said that since the last annual meeting of the members of the Institution very important events had taken place. The union of the interests of the Institution and the Century Insurance Company, made possible through the acquisition by the Institution of the whole of the proprietary interest in the Century, was the outstanding feature of the year. By one step the Institution had been developed into an office with a widespread organisation producing a greatly increased volume of new business of excellent quality. Important new sources of profit had been secured, without adversely affecting those characteristics which had given the Institution its reputation as a mutual life office of high bonus-earning capacity. The commercial developments of recent years had indicated the need of a change in the former methods of conducting the affairs of purely life offices. Their connections were exposed to a policy of insidious sapping by the representatives of composite insurance companies undertaking that class and in addition other classes of insurance. The consequent loss of business to the purely life office did not arise from a comparison of the life assurance benefits obtainable. The convenience of placing all transactions of a somewhat similar character through one office, instead of having dealings with different insurance offices for different kinds of insurance, was appreciated by the public. Frequently such considerations obscured, if they did not outweigh, the intrinsic merit of the mutual life office. This competitive pressure had been felt for many years past by purely life offices generally. As the result of an exhaustive survey of conditions and future prospects definite action appeared to be advisable, and in the view of the directors there were two feasible solutions of the problem open to the Institution, namely :—

(1) To form a company undertaking classes of insurance other than life to work in close alliance with the institution, or

(2) To negotiate an alliance with a well-established composite insurance company, and by acquiring a controlling interest in its share capital to ensure the satisfactory working of the alliance and secure to the Institution the profit arising from insurances introduced to such composite insurance company by the Institution's members.

Experience had shown the first method to be of a somewhat speculative character. The second method—an investment in the shares of an established company—was free from this objection, subject to a suitable price being arranged. After full consideration of the subject the directors decided to proceed under the second alternative, and the alliance with the Century Insurance Company was the result. The arrangement, when announced, caused much interest in the financial and insurance world, giving rise, as the opening up of new paths always did, to considerable comment. Moreover, it was interesting to observe that since the action of the Friends' Provident Institution was taken one life office after another had given indications of the intention to extend its interests to general classes of insurance.

First Combined Report.

It afforded the directors pleasure to submit their first report subsequent to the taking of the step referred to, and it would be seen that the results of the past year showed the beneficial influence of the new conditions. It was desirable to issue the accounts of the institution in conjunction with those of the Century, and it would be observed that the concluding date of the financial year was December 31, instead of November 20. He hoped the members would appreciate the new form in which the report was presented and the extended information given of the institution's interests.

New Business.

The new business for the financial period (one year and 41 days) ended December 31, 1918, retained by the institution at its own risk was £763,794, as compared with £270,152, an increase of £493,642. £58,848 of this increase was accounted for by the improved productivity of the institution's organisation and the longer period included, and £434,794 was obtained from the Century by reassurance in accordance with an agreement between the two offices. The combined new business of the two offices for the calendar year 1918 was £120,000 in excess of the combined figures for 1917. The working together of the two offices had undoubtedly been beneficial to both. The life premium income of the institution had increased by almost £45,000. The gross rate of interest had progressed to £5 2*s.* 10*d.* per cent., as compared with £4 18*s.* 3*d.* for 1917. In the meantime the income tax had been increased from 5*s.* to 6*s.* in the £, but nevertheless the rate of interest after deduction of the tax had risen by 1*s.* 3*d.* per cent. to £3 17*s.* 8*d.* per cent., which gave a clear margin of 17*s.* 8*d.* per cent., as compared with the net interest rate of 3 per cent. assumed in the actuarial valuation.

Favourable Mortality Experience.

Notwithstanding war claims numbering 30 for £23,726 (including bonuses) and influenza claims, the mortality experience of the institution continued to be favourable and to furnish a substantial contribution to profits. The actual number of deaths under whole life and endowment assurances (including war claims) for the year and 41 days ended December 31, 1918, was only about 80 per cent. of the number expected by the British offices mortality table. Excluding war claims the ratio of the number of actual to expected deaths was reduced to about 65%.

Valuation of Assets.

They had this year increased the stringency of the valuation of their assets in one important respect. In no instance had a security quoted on the Stock Exchange been valued at more than the lower of the two prices quoted as at December 31, 1918, while the considerably lower prices at which many stocks stand in the institution's books had been maintained. Ground rents and certain municipal and other stocks (unquoted) have been valued on a basis calculated to yield 6% interest and upwards. It is gratifying to find that this year, for the first time for many years past, there is no depreciation to provide for. The rate of interim bonus had under the conditions stated on page 5 of the report been increased to 25*s.* per cent. compound, as compared with the rate of 20*s.* per cent. compound applicable to 1918. The directors would again consider before the close of the current year whether it is advisable to have a further valuation as at December 31, 1919, with a view to a distribution of surplus for the period which would have elapsed since the date of the last valuation on November 20, 1917.

The directors desired gratefully to acknowledge the great assistance they and the institution's officials had received from many members during the past year.

The report and accounts were unanimously adopted.

THE NORTHERN ASSURANCE COMPANY, LIMITED.

SUMMARY of proceedings at the annual general meeting held on May 7, 1919, at the Company's office, Aberdeen :—

The Chairman pointed out that the accounts before the meeting included, for the first time, the figures of all the allied companies of the "Northern," and now showed its full strength and progress. The assets had increased from £8,600,000 in 1916 to £15,000,000, and the premium income from £2,000,000 to £5,700,000. The fire premiums of £1,912,413 showed an increase of £215,588, and resulted in a profit of £304,349, or more than £100,000 in excess of any previous record. The accident premiums amounted to £469,145, and showed an underwriting profit of £104,405, of which £32,000 had been retained as additional reserve and £72,405 carried to profit and loss. The marine account, which included the figures of the Indemnity Mutual Marine Assurance Company, now occupied the pride of place with premiums for 1918 amounting to £3,019,707, while the profit resulting from the 1917 account had enabled the sum of £453,657 to be transferred to profit and loss. The new life business had also constituted a record, 1,101 policies having been issued for sums assured of £577,013.

The total underwriting profit of the Company was consequently over £862,000, and the interest on shareholders' funds £206,000, so that they had over £1,000,000 to deal with in the profit and loss account. The directors had added £200,000 to the fire reserve fund, which now stood at £2,356,000 £125,000 had been added to investment

reserve to cover depreciation on the non-participating life and shareholders' funds, and the directors had written off £300,000 from the amount standing in the books for the goodwill of the acquired companies. They now proposed to pay a final dividend upon the Ordinary shares of 7*s.* 6*d.*, less tax, making a total payment of 12*s.* for the year, against 9*s.* previously, and a corresponding further dividend of 2*s.* 8.238*d.* per share upon the Six Per Cent. Participating Preference shares in accordance with the terms of issue. The total payments on account of Debenture interest and Preference and Ordinary dividends were more than covered by the interest received on the shareholders'funds. A new feature which was likely to become an important branch of the Company's business in future years was aviation insurance, and arrangements had been made to cover the various risks of aviation under expert guidance.

SCOTTISH UNION AND NATIONAL INSURANCE CO.

MR. COLIN MACKENZIE BLACK, W.S., presiding at the annual meeting of shareholders of the Company, held in Edinburgh on May 7, after referring to the conclusion of the War and to personal losses sustained by the Company, said: I appear before you to-day to present the greatest report which in its long history the Company has been able to produce. Whether viewed from the volume of turnover or the volume of profit, no accounts of the past have ever approached those now before you. I will touch only lightly upon some of the salient points.

The Life Department.

In the life department the net sums assured on new policies exceed those of the previous year by nearly £174,000, and the net premiums on these show an increase of over £17,000. While the claims in this department exceed those of the previous year by £38,000, partly due to war losses and partly to the influenza epidemic, these are within the actuarial expectation. It has been thought wise to add £150,000 to the investment reserve fund in view of depreciation in the value of investments, which may have to be provided for when the Company makes its quinquennial investigation at the end of the current year.

Fire and Subsidiary Accounts.

If you turn to the fire account you will find that the premiums have been increased during the year by £121,000, and that for the first time they exceed the magic million. The profit, including interest, has increased by £63,000, and there is carried to profit and loss account the very substantial sum of £163,000. The subsidiary accounts next shown in the statements now before you do not call for comment except to remark that these together show a profit improved by £2,600, and a total profit of £28,000, which in itself is a useful contribution to the aggregate result of the year's trading.

The marine profit of £200,000, against £80,000 a year ago, is in itself a striking illustration of how our underwriter made most excellent use of opportunities which only the War could present. I am sorry to say that Mr. Sumner desired to take life more leisurely, and at the beginning of last month we, with sincere regret, lost his services as underwriter, but in his capacity as a director of the "Maritime," which he has now become, we will continue to benefit by his wide experience and sound judgment. We owe him a debt of gratitude for what he has done in the past.

The Profit and Loss Account.

The profit and loss account summarises in clear form the total of the Company's operations for the year so far as they affect the shareholders. On the revenue side it will be observed that interest on the funds has increased by £13,700, and the profit from all accounts by £186,000, and after paying the previous year's dividend and making provision for all known or estimated liabilities, the directors had to deal with the large sum of over £342,000. It will be a great satisfaction to the shareholders to realise that, even after increasing the dividend by 50% over the rate paid last year which is recommended, the carry-forward in the account is greater by no less than £150,000.

The Balance Sheet.

Turning to the balance sheet, it will be noted that the total assets of the Company have increased during the year by £722,000, and now amount to over £12,250,000. I would point out that the Company continued its support to the Government of the country by increasing its holding of Government securities by over £1,000,000, bringing its total holding of these securities up to over £3,750,000, and it is worthy of mention that in the accounts before you there has either been paid or provided for in the form of excess profits duty or income tax a sum of no less than £349,000—surely a very substantial contribution to the national finances. Gentlemen, all these figures are eloquent of progress; they do not require eulogy from me, and the directors offer you their congratulations. Our special thanks are due to the various boards of the Company throughout the world and to all the officials and staffs at home and abroad who, by their united efforts, have enabled us to place before you what the directors hope the shareholders will consider to be an excellent report.

GODFREY PHILLIPS, LIMITED.

THE tenth annual general meeting of the Ordinary shareholders was held on May 8 at Winchester House, Old Broad Street, E.C., Mr. Joseph Phillips presiding.

The notice convening the meeting and the report of the auditors having been read,

The Chairman said: Taking the liabilities side of the balance sheet, the share capital is the same as before. As you are aware, we passed a resolution on April 22 increasing the nominal capital to £900,000, and an issue of 200,000 "B" Cumulative Preference shares of £1 each will be made immediately, which will provide the Company with the extra working capital it so greatly needs. We are convinced that we shall be able to make good use of this new capital, and a perusal of the balance sheet will show it to be a fine investment from the subscribers' point of view, as there are already sufficient assets over and above the liabilities and the existing Preference capital to cover the new issue without the cash brought in thereby, while the profits of last year were sufficient to pay the existing Preference dividend and leave enough to pay the interest on the new capital four times over. "Mortgage of lands and buildings" remains the same. "Loans from bankers and others" now amount to £264,000—an increase of £160,000, all of which was obtained from the Company's bankers, and which may be regarded entirely as having been spent in stock. "Trade creditors" are less than last year by about £17,000. As I mentioned last year, we are often compelled to pay cash for things which we formerly bought for credit. The amount under the heading of "Preference shareholders" needs no comment, but the next item, "Special reserve against contingencies, £50,000," requires explanation.

Messrs. Cavander's, of Portsea.

Some time ago the Company acquired the old-established and big business of Messrs. Cavander's, of Portsea, and for a time manufactured and sold their brands. We then formed a company with a capital of £50,000, to whom the whole of Cavander's business was sold, your Company subscribing for 47,998 shares. The rest was subscribed for by other individuals for cash. The arrangements made resulted in a capital profit for your Company, and the directors decided that this should form the nucleus of a special reserve to meet contingencies, and they have increased the amount out of profit to the figure at which it stands to make it a round sum. The shares are included in the asset "Investments in associated undertakings and War Loan," but, as the accounts of Cavander's, Limited, are made up to the



same date as our own, no return is included in last year's accounts for dividend, although there is a substantial one to come.

Goodwill and Brands.

On the asset side, the first asset is that of goodwill and brands, and I wish to lay emphasis on the nature of this asset. I think your Company enjoys a unique position in the respect that I, personally, and very many more people, would be pleased to give the sum of £127,000, and even more, for one brand alone, namely, B.D.V. You would still have left, after selling that brand, many others, and a very big business. The stock has increased by £180,000, and, as I said, explains why the loans have so increased. During the War we were perforce unable to carry as much stock as we should have liked. It is now our intention, as and when the markets are favourable, to build up the stock again.

Allocation of Profit.

Dealing now with the profits, the net profit shows an increase of £17,000, due to a very great extent to the public demand for higher-grade products. As you are aware, during the whole of the year the Tobacco Control Board was in existence and restricted the amount of our sales to those of 1916, so that the opportunity of adding to our profits by increasing our output was denied us last year. We consider, in all the circumstances, that the result is highly gratifying, and the Company can be congratulated upon its success. After the payment of the Preference dividends, interim Ordinary dividend, and the final Ordinary dividend which you will be asked to sanction, we shall propose to place a further £20,000 to reserve. The reserve will then be £60,000, and we shall carry forward £94,000, subject to the payment of excess profits duty in respect of the profits of the year 1918.

The Future.

Now, gentlemen, with regard to the future. I am reminded that the year under review brings to an end the first decade of the Company's history, and it is perhaps not unfitting that I should attempt, on the experience of the past and the present outlook, to forecast the future. The past has shown us, I think, unmistakably that the business is a sound, live, going concern. To-day it is strong and vigorous, and, with the control finally withdrawn, I see no limit to the possibilities in store. I do not wish to burden you with statistics, but I should like to say that the volume of trade done in the first three months of this year (1919) was 30% greater than that of the corresponding period of 1918. I think that speaks for itself. Comparing our present position with that of ten years ago, when the Company was formed, I am sure you will be interested to know that the value of our sales in 1918 was five times greater than in 1909.

Mr. Philip Phillips seconded the resolution, and a vote of thanks to the Chairman concluded the proceedings.

INDIAN ELECTRIC SUPPLY AND TRACTION CO., LTD.

The annual ordinary general meeting of this Company was held on May 6 at Orient House, New Broad Street.

Mr. John G. B. Stone, who presided, said that the Company had been fortunate, in view of the very difficult conditions prevailing, in securing an increase in profits—a result which would not have been obtained but for the very efficient work of the staff in Cawnpore. The sales for the year had amounted to 4,105,126 units, an increase of 112,827 over last year. This increase was made up as follows: 72,395 for lighting and fans, 85,106 for power, 11,907 for public lighting, and 6,275 more units were used in the car-sheds and offices, while the special contracts were less by 62,856 units. The lighting and fan units realised about ½*d.* more per unit, the power a fraction more than last year, and the public lighting a fraction less. Practically everything on the expenditure side showed an increase—an experience, he believed, common to all undertakings in these days. The capital expenditure for the year was £2,610, being on account of machinery and additions to generating station. As regarded the future, the directors considered the prospects favourable to the gradual development of the business and its earning capacity. They were making a small increase in the dividend of ½%, placing £6,000 to depreciation and renewal account, and had written off £1,000 from Debenture issue expenses. Out of the 11,979 shares offered to shareholders a short time since at par, under Treasury sanction, only 8,795 were subscribed; of these 3,591 were taken by the directors, and there remained 3,184 unissued. That the shareholders failed to absorb this small amount brought forward the necessity, in the interest of the general body of shareholders and of the undertaking, which had obligations to fulfil, that there should be powers for the board to pay an underwriting commission to secure the subscription of capital when it was required.

The report was unanimously adopted, and a final dividend of 5½%, making 8% for the year, was declared.

At an extraordinary general meeting a resolution was passed altering the Articles of Association with a view to giving powers to the directors to pay an underwriting commission up to 10% on the issue of any new capital.

THE KADUNA SYNDICATE, LIMITED.

The eighth annual general meeting of the shareholders was held on May 7 at the registered office, 16 St. Helen's Place, E.C., Commander C. J. R. Livingstone-Learmonth (the Chairman) presiding.

The Secretary (Mr. Frederick Lee) having read the notice convening the meeting and the auditors' report,

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—Before I proceed to describe the year's work at the mine it is desirable that I should allude in some detail to the Company's financial position as shown by the accounts. Your directors have consistently avoided the policy of paying dividends up to the hilt, preferring to write the assets down out of profits, and to retain in hand substantial resources, so that advantage may be taken of such opportunities as present themselves for profitable employment of our funds. It takes time, of course, for the effect of such a policy to reveal itself, but the point has now been reached at which the undivided surplus of the Company stands at a sum considerably in excess of the issued capital, and the directors are accordingly of opinion that as this surplus has as a matter of fact been retained and dealt with as if it were part of the Company's capital, the greater part of it should now be definitely capitalised by distributing among the shareholders as a bonus fully-paid shares equal to the amount of the issued share capital as it stands to-day. The effect of the distribution of the bonus will be that the issued capital will stand at £27,800, and apart from the balance carried forward on profit and loss account, the greater part of which will be required to meet the liability to excess profits duty for the past year, there will still remain an undivided reserve of more than £5,000. The Company's liabilities are not large, and after providing for the final dividend less tax, and for excess profits duty, the total demands on our resources amount to less than £12,000.

A Sound Financial Position.

Turning to the assets side of the balance sheet it will be observed that we are in a position which, I believe, is almost unique among mining ventures, of having our valuable properties written down to the nominal sum of £1 after effect has been given to the appropriations recommended to-day. If we leave out of account the buildings, plant, and equipment, the expenditure on bridges, roads, and paths, and the stock of stores in Nigeria and in transit, our remaining assets are of a liquid character, consisting as they do of a stock of tin, book debts, cash, and investments, amounting together to nearly £39,000. If we deduct from the total of these liquid resources the whole of our liabilities and the final dividend, there remains a sum of £27,000 in net liquid assets, which is substantially equal to the enlarged capital after allotment of the bonus shares. It cannot be said in these circumstances that our capital is being watered, for it is represented by cash or its equivalent. Such, Gentlemen, is the position of the Syndicate from the financial point of view, and I think you will agree with me that it is a sound one.

Kaduna Prospectors, Limited.

Since I last addressed you we have entered into arrangements of a mutually beneficial character with Kaduna Prospectors, Limited, under which we transferred to that Company certain properties which we ourselves were not working, and we have since then acquired at a cost of £5,000 another property, which has also been transferred. We have received back from Kaduna Prospectors, Limited, in cash what we had spent on the properties, and we also took an option at par on 5,000 shares. We have lent the Company £2,500 at a satisfactory rate of interest, with the right of converting our loan into 10,000 shares at par, so that with our present holding of 4,000 shares of 5*s.* each we have quite a substantial stake in their undertaking. I now beg to move "That a final dividend at the rate of 30%, less tax, making 60% for the year, be declared and paid."

Mr. F. W. Crookshank seconded the motion, which was carried unanimously.

At a subsequent extraordinary general meeting the following resolutions were passed:—(1) That the capital of the Company be increased to £30,000 by the creation of 60,000 shares of 5*s.* each. (2) That the sum of £13,900, being part of the undivided profits of the Company standing to the credit of the Company's reserve account, be distributed among the shareholders of the Company registered on May 1, 1919, in the manner hereinafter provided, namely:—(3) That the said sum of £13,900 be capitalised and that the directors be and they are hereby authorised to issue and allot as fully paid up 55,600 shares of 5*s.* each of the new shares in the Company to the last-mentioned shareholders in proportion to the number of shares held by them respectively, and in satisfaction of the said distribution of reserve. (4) That the said 55,600 shares shall rank for dividend and in all other respects *pari passu* with the existing shares of the Company, after payment to the holders of the existing shares of the Company of the

final dividend in respect of the financial year ended October 31, 1918. (5) That Mr. Frederick Lee, the Secretary of the Company, be and he is hereby authorised on behalf of the said holders of the shares of the Company entitled to participate in the said issue and allotment to enter into an agreement with the Company providing for the allotment to them of the said 55,600 shares.

CAAMANO TENGUEL ESTATE, LIMITED.

THE ninth annual ordinary general meeting of the Caamaño Tenguel Estate, Limited, was held on May 8, at the registered office of the Company, Orient House, New Broad Street, E.C., Mr. A. Simson (the Chairman) presiding.

The representative of the Secretaries (Messrs. Kilburn, Brown and Company) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen, you will no doubt allow me to take the report as read. (Agreed.) From the accounts before you, you will have seen that the net profit of the past year was £5,296 3*s.* 11*d.*, against £16,471 10*s.* 9*d.* in 1917, and, in view of the complete disorganisation of trade which continued throughout the year, and the absence of shipping facilities, such a poor result cannot come to us as a surprise. With the balance of £12,038 6*s.* 7*d.* brought in we have a sum of £17,334 10*s.* 6*d.* available, and, although this is not an amount we should in ordinary circumstances consider sufficient for a liberal distribution among shareholders, we are still of opinion that the dividend on the Preference shares should be paid. We therefore recommend this course, and have no doubt you will support our recommendation.

Improvement in Shipping Facilities.

The carry-forward will be reduced to £7,822 13*s.* 7*d.*, but we have, I think, reasonable grounds for hoping that circumstances this year will be more propitious to us, in view of the fact that shipping facilities have lately been improving, and exporters have been taking an active interest in the Guayaquil cocoa market, whence shipments of considerable volume have been made to France and America. With this country trade has been impossible, owing to the restrictions imposed and maintained longer than in other countries. It is, of course, too early in the year for us to form any opinion of what the crop is likely to be, as its harvesting falls mainly into the latter half of the year.

The "Monilla" Blight.

The "Monilla" blight is creating considerable damage over the plantations, especially on trees of the Venezuela variety, which, although a tree of earlier and more prolific yield, yet seems to be somewhat more susceptible to blights than the "National" variety. The latter is therefore being once more given the preference in the new plantations. The damage by blights on cocoa estates generally in Ecuador is being systematically studied by an expert who hopes to find means to mitigate the evil. Our crop last year was 25,552 quintals, against 36,145 quintals in the previous year, showing thus the heavy decrease of 10,593 quintals, whilst the price was about 1½ sucres lower. We may thus be thankful that the results have worked out as well as they have done.

Cocoa and Preferential Treatment.

You will have noticed in the new Budget statement that among various other staples, cocoa is to be accorded preferential treatment within the Empire, and, although this is a British Company, its estates are in foreign territory and its produce is sold there. The import of its cocoa into this country will thus be handicapped to the extent of the differential duty, viz., one-sixth of 42*s.* a cwt., or 7*s.* This, however, I do not think will affect our trade to any appreciable extent, since but little Guayaquil cocoa comes here, and, the comparatively small imports being of finer quality than the general bulk, and being required for special purposes we may reasonably hope they will not diminish. I have no further remarks to make, but before putting the resolution to the meeting I shall be very glad to answer any questions which any shareholder may wish to put. In the meantime, I will propose: "That the directors' report and accounts for the year ended December 31, 1918, be and are hereby received and adopted."

Mr. Enrique Stagg seconded the motion, which, in the absence of questions, was put to the meeting and carried unanimously.

The Chairman next moved: "That a final dividend of 4%, making 8%, for the year, be paid upon the Preference shares."

Col. A. G. A. Durand, C.B., C.I.E., seconded the motion which was unanimously adopted.

On the proposition of the Chairman, seconded by Mr Enrique Stagg, Col. A. G. A. Durand was re-elected a director of the Company.

Mr. W. Ricketts proposed the reappointment of the auditors (Messrs. Deloitte, Plender, Griffiths and Company) which was seconded by Mr. H. J. Owens and unanimously agreed to.

The proceedings then terminated

BAGAN SERAI COMPANY, LIMITED.

THE ninth annual general meeting of the Bagan Serai Company, Limited, was held at Winchester House, Old Broad Street, E.C., on May 9, Mr. E. L. Hamilton (Chairman of the Company) presiding.

The Secretary (Mr. F. E. Maguire) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—The report and accounts have been in your hands for the usual time, and I presume it is your wish I should take them as read. In my address a year ago I referred to the curtailment of production consequent upon our adherence to the restriction scheme of the Rubber Growers' Association. You will, therefore, have been prepared for a reduction in the crop, which, as you will see from the report, was 333,167 lb., against a crop harvested in 1917 of 411,726 lb.; but you will not, after what I said last year, have anticipated that this crop would be produced at a lower free-on-board cost than the crop of the previous year. It was produced at the very satisfactory low figure of 9.50*d.* per lb., against 9.99*d.* per lb. in 1917. (Hear, hear.) This, I need hardly say, reflects great credit on our Manager, Mr. Rankin, and his staff, and I am sure you will wish me to convey to them your hearty congratulations and cordial thanks for such good results.

Excess Profits Duty.

I have on previous occasions referred to the very large sums this Company has had to pay for excess profits duty. You will see from the report that for 1917 we have paid £14,591, equivalent to over 29% on our issued capital, and that, although our profits for the period under review are just half the profits for the previous year, we are able to maintain the dividend of 20%. This is due to the fact that our liability for excess profits tax for 1918 is estimated at £3,200 only, for which ample provision is made in the carry-forward. I might mention that if the decision in the Merlimau case is upheld we shall not only be exempt from any liability for excess profits duty for last year, but we shall have a claim for a refund of duty paid in previous years. This, however, is a contingency we cannot take into our calculations to-day. Owing to a large proportion of the crop having been sold either locally or for shipment to America, it is difficult to arrive at the London equivalent, and we have given you the net price realised at port of shipment. This was 1*s.* 6.97*d.*, which, after deducting London charges, shows a net profit of 8.41*d.* per lb.

Increase in Planted Acreage.

The planted acreage of rubber was increased during the year by 53 acres, and we now have 1,221 acres under rubber, of which 1,085 acres are mature and 136 acres immature. A further 16 acres are in course of preparation and will be planted this year. The area planted with coconuts is 119 acres, all in bearing, from which a satisfactory revenue was obtained. The labour force is sufficient for all requirements, and, except for the influenza epidemic, the health was, as usual, excellent.

"Very Satisfactory" Financial Position.

The General Manager, Mr. W. Duncan, in his annual report says that he is satisfied with the condition of the property, which is well equipped with buildings and machinery, and, as I have already mentioned, the results



show that the estate can produce rubber as cheaply as any in the Malay States. I have nothing special to say in regard to the accounts; they are presented in the usual form and are self-explanatory. The financial position, as you will see, is very satisfactory, and our capital resources are more than sufficient to bring the planted area to maturity without encroaching on revenue. I now have pleasure in moving: "That the statement of accounts and balance sheet at December 31, 1918, and the reports of the directors and auditors be received and adopted."

Mr. C. R. Hoare seconded the motion, which was carried unanimously.

The Chairman then moved: "That a dividend of 20%, less tax, be and it is hereby declared, payable on the 9th day of May, 1919, to the shareholders on the books of the Company on the 30th day of April, 1919."

The resolution was seconded by Mr. Hoare and unanimously agreed to.

The retiring director, Mr. E. L. Hamilton, was re-elected, and the auditors, Messrs. McAuliffe, Davis and Hope, were reappointed.

A vote of thanks to the Manager and staff in the East terminated the proceedings.

SUNGEI BATU (MALAYA) RUBBER ESTATES, LTD.

The sixth annual general meeting was held on May 6 at the registered offices of the Company, 149 Leadenhall Street, E.C., Mr. E. L. Hamilton (the Chairman) presiding.

The representative of the Secretaries (Messrs. Ed. Boustead and Co.) having read the notice convening the meeting and the auditors' report,

The Chairman, in moving the adoption of the report and accounts, said: You will observe in the report that the cultivated area is now 1,507 acres. We have, therefore, completed the programme we have had before us for several years past—viz., to bring the planted area up to 1,500 acres. Of the area under cultivation 854 acres are mature, and we hope to bring the balance to maturity without encroaching to any appreciable extent on our revenue account. We consider it will be sufficient to set aside to-day out of profits a sum of £1,500 for development, against £4,000 appropriated a year ago, and, although the net profit is only £9,662, as compared with £15,398 in 1917, we are able to increase the dividend for the period under review to 15%, against 12½% paid for the previous year. The crop harvested under the restriction scheme of the Rubber Growers' Association was 241,707 lb., against the original unrestricted estimate of 320,000 lb. As a consequence of the restricted output, I foreshadowed when I addressed you a year ago a higher cost of production, but I am glad to be able to tell you that the free-on-board cost, 11.80*d.* per lb., is practically the same as in 1917, when it was 11.77*d.* per lb., for which the Manager deserves our congratulations and thanks. The greater part of the crop having been sold for shipment to America, it is difficult to arrive at the London equivalent; we have, therefore, given you the average net sale price at port of shipment, which was 1*s.* 10.38*d.* per lb., which I venture to say is very satisfactory and reflects great credit on our selling agents. There will be very little new rubber brought into tapping during the current year, and the Manager has estimated for a crop of 320,000 lb. A considerable portion of the crop has been sold forward at satisfactory prices, and the prospects for this year are quite good. The estate is reported by the visiting agent to have an exceptionally healthy appearance all round, and he says the growth of the young rubber is excellent. Every effort is being made to increase the labour force, which is insufficient for present requirements. Now that the restrictions for the importation of labour from India have been modified we hope our efforts to get more labour will meet with success. I think the shareholders are to be congratulated on possessing a fine property, and I look forward to their getting very satisfactory returns on their investment.

Mr. H. E. Snagge seconded the motion, which was carried unanimously.

WINDSOR (F.M.S.) RUBBER ESTATE, LIMITED.

The ninth annual general meeting was held on May 6 at the registered offices of the Company, 149 Leadenhall Street, E.C., Mr. E. L. Hamilton (the Chairman) presiding.

The representative of the Secretaries (Messrs. Ed. Boustead and Company) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: The total cultivated area of the estate is now 1,413 acres, against 1,374 acres a year ago. This is due to the planting up of 70 acres and to the abandonment, on the advice of our visiting agent, of 31 acres planted in 1910 on low-lying ground, which were never likely to be of any value. The net increase is, therefore, 39 acres. A further 70 acres are felled, and our programme provides for the planting up of this area during the current year. This will bring the total cultivated area up to 1,483 acres. The proposed appropriation of profits provides for the setting aside to-day of a further £1,000 to development account, which, with depreciation to be written off during the current year, will be sufficient to provide for capital expenditure up to end of 1919. The further amount required to bring the 1,483 acres to maturity is estimated at approximately £3,500, spread over the next four years. In my address a year ago I told you we had agreed to curtail our output in accordance with the restriction scheme of the Rubber Growers' Association, and I prepared you for higher costs of production in consequence. We harvested a crop of 323,099 lb., against our original unrestricted estimate of 410,000 lb., and this crop was produced at a free-on-board cost of 1*s.* 0.49*d.*, against 10.81*d.* in the previous year, an increase of 1.68*d.* per lb., which, under the circumstances, may be considered quite satisfactory. The greater portion of the crop having been sold for shipment to America or locally, it is difficult to quote the London equivalent, and we have therefore given the net price realised at port of shipment, which was 1*s.* 9.20*d.* per lb. The profit for the year was £10,579, and, although this is less than half the profit earned during the previous year, we are able to pay the same dividend—namely, 20%—as we paid a year ago. The prospects for the current year are quite good. The manager estimates the crop at 450,000 lb., a considerable portion of which has been sold forward at remunerative prices. We have the excess profits duty still with us, but in a modified form, as you know. The estate is in excellent condition, the labour force is sufficient for ordinary requirements, and the health of the force, apart from the influenza epidemic, has been good. Our manager, Mr. Pike, has carried out his duties satisfactorily under difficult conditions, and the thanks of the shareholders are due to him and the staff for the good results obtained.

Mr. H. E. Snagge seconded the motion, which was carried unanimously, and the proceedings then terminated.

ANGLO-FRENCH EXPLORATION COMPANY, LIMITED.

The twenty-ninth ordinary general meeting of this Company was held on May 7, at Salisbury House, E.C., Mr. F. A. Robinson (the Chairman) presiding.

The Chairman, in the course of his speech, said: Turning to the balance sheet, our cash assets may be taken at the substantial figure of £220,000. Our holdings in companies operating in South Africa represent £503,020, whilst our holdings and interests in other parts of the world amount to £89,877.

The Profit and Loss Account.

Turning to the profit and loss account, we at once see the effect of the bad times through which we have been passing. The amount received in dividends, interest, &c., is £66,366, showing a falling-off, as compared with last year, of about £11,000. The reduced dividends paid by the mines in consequence of the higher working costs, shortage of labour, &c., have adversely affected our revenue, whilst the profit on realisation of shares is only £9,800, as compared with £30,000 last year. The net profit, after payment of Debenture interest, is £32,545, as compared with £57,969 last year. The balance brought forward was £41,705, which makes the balance to credit of appropriation account £74,250. We propose to pay the same dividend as last year, viz., 7½%, leaving £34,275 to be carried forward. The valuation of the Company's assets at the end of the year amounted to £817,917, showing a surplus over our capital and liabilities of £62,917. I think we are justified in claiming that, after all, we have not done so badly during the War period. Including the dividend we are recommending to-day, we shall have paid out 33% in dividends on the Ordinary capital during the War period, or an average of about 3% per annum. These dividends, together with the dividends on the Preference shares until they were finally cancelled in 1916, and interest upon Debentures since that date, represent a total of upwards of £240,000. In addition to this, we have repaid capital to the amount of £245,000, so that altogether we have distributed during the War period close upon half a million sterling.

The Mining Industry in the Transvaal.

Our main interests are still in the Transvaal mines, but we have "irons in the fire" in several other directions. It is a matter of common knowledge that the mining industry in the Transvaal has been carried on under great difficulties. The financial burden thrown upon the mines during the year 1918, due directly to the War, has doubled since 1916, and amounted to the enormous sum of £6,000,000, of which £4,000,000 is represented by the increased cost of supplies, and £1,200,000 by increase in wages, War bonuses, and allowances to men on active service, whilst £800,000 represents the increased cost of realisation and War levy. The effect of all this on the working costs is that they have increased from 17*s.* in 1914 to 21*s.* 7*d.* in 1918 per ton crushed, or over 25%. The result of these adverse conditions was that the value of the gold produced on the Witwatersrand declined from £37,017,633 in 1917 to £34,823,017 in 1918, and in weight from 8,714,686 oz. to 8,198,029 oz., showing a falling off in value of £2,194,616, and in quantity of 516,657 oz., whilst the dividends declared declined from £6,556,188 to £5,144,077, which is the lowest for many years past, and, as compared with the year before the War, shows a falling off of £3,000,000, or very nearly 40%.

Mines of the Far East Rand.

Writing a few weeks ago, our Manager in South Africa said, regarding the mines of the Far East Rand—I quote his own words: "In spite of all the troubles of the past year, steady progress has been made in this district both by the expansion of operations on the mines which have been producing for some years, and by further development on the mines which have not yet reached the producing stage. The results of the past year's work in this district, viewed as a whole, and taking into account the exceptional difficulties experienced, are undoubtedly most satisfactory, and fully justify the belief that the Far East has a great future." I think you will agree with me that this is a very satisfactory and encouraging statement. At the same time it must be regarded as applying to the district as a whole. In the natural order of things it is hardly to be expected that there will be no disappointments. You will have seen by our report that we have holdings in several of the mines in this district. Our principal holdings in the Central Rand are in the City Deep and Crown Mines, as to which our Johannesburg Manager writes: "The improvement in development on the Crown Mines, and the consistent development returns from the City Deep, are very favourable features." These two mines have suffered severely from shortage of labour and the increased working costs. Upon a return to normal conditions they should be amongst the first to show better results.

The Labour Position.

Another satisfactory factor is that the labour difficulties amongst the white employees seem to be already smoothing themselves out, which is largely due to the conciliatory attitude adopted by Sir Evelyn Wallers and his colleagues on the Chamber of Mines. The native labour position shows considerable improvement since the beginning of the present year. The natives are getting over their fright of the influenza, and are returning in increasing numbers to the mines. During the first three months of this year an increase of 23,000 was shown upon the December figure. The gain has been a substantial one, and it looks as though the improvement would continue. With an increase in the labour supply an increased output may be expected, as well as an increase in the amount of development work done.

The Price of Gold.

Then, again, it looks, from recent events, as though there is a possibility that the mines may, after all, obtain a better price for their gold. Without attempting to go into the abstruse questions involved, it may be of interest to some of you if I make a brief reference to this matter. As you probably are aware, 20 lb. weight of standard gold is coined into 934 sovereigns and one half sovereign, being equivalent to £3 17*s.* 10½*d.* per oz. of standard gold, which is the price paid by the Mint—or what amounts to the same thing, £4 4*s.* 11½*d.* per oz. for fine gold. The Mint price is fixed and invariable, so long as the law remains as it is. This fixed price has undoubtedly been a great advantage to the gold producers, as one of the elements of uncertainty in mining—*i.e.*, the price obtainable for the product is thereby eliminated. The gold producer could ignore the fluctuations of the Metal market, he could always get the standard price for any quantity he could produce, but with working costs going up by leaps and bounds owing to conditions over which he had no control, and which he was powerless to prevent, the fixed price of gold has lately proved a great advantage. In the case of tin, copper, lead, zinc and other metals the increased cost of production was covered, and in some cases considerably more than covered, by the higher prices obtained, but not so in the case of gold. A committee of representatives of the gold producers within the Empire was formed about the middle of last year, under the leadership of Lord Harris and Sir Lionel Phillips, with a view of obtaining temporary assistance from the Government by way of bonus or subsidy on the gold produced, it being pointed out, amongst other things, that the gold was costing about 12*s.* 6*d.* more per oz. to produce, whilst it was paid for in a depreciated currency. The Government appointed a Commission under Lord Inchcape, upon which our colleague Mr. William Frecheville acted as technical adviser. As you know, the Commission reported against giving the mines assistance, but one good thing at least has resulted. It is now understood that the mines are to have a free market for their gold, and are shortly to be at liberty to sell it to the best advantage. The Chancellor of the Exchequer stated, in the House of Commons, about three weeks ago, that there was nothing in the Inchcape Report to suggest that producers of gold are not entitled to obtain for their produce the best price available in the most favourable market, and that he was considering in what manner this can be best secured. It is suggested that the gold will still come to the Bank of England, the Bank paying the same price at which it could be sold in the most favourable markets. If this comes about it will certainly help the mines, especially the low-grade ones, and further progress will be awaited with much interest. Without being optimistic, it seems to me, therefore, that there are several hopeful features in the situation which point to an early improvement in the gold-mining industry.

The Transvaal Coal Industry.

With regard to the coal industry in the Transvaal, in which we are particularly interested, the collieries belonging to the Transvaal Coal Owners' Association sold 5,941,000 tons, as compared with 6,096,000 in 1917, the comparatively small decrease of 155,000 tons being chiefly due to lack of shipping at Delagoa Bay. The requirements of general industries, other than the mines, showed an improvement of 137,000 tons for the year, but it is towards export and bunker trade that we must look for expansion, the principal market for the former being the East Coast of Africa up to the Sudan and India. The Anglo-French (Transvaal) Navigation Coal Estates, Limited, in which we retain our large interest, both in Preference and Ordinary shares, produced 318,092 tons, and made a profit of £16,652. The full 7% dividend was paid on the Preference shares, and the Ordinary shares received their first dividend of 7%, as forecasted last year. The somewhat lower output and profit in 1918 were due to exceptional difficulties, such as the influenza epidemic, shortage of labour and rolling-stock, combined with higher costs. As trade settles down and labour and shipping become more plentiful it is expected that this colliery will share in a larger export trade, thereby increasing its profits. Our Canadian interests are well looked after by Mr. J. B. Tyrrell, who ably represents us in that country, where we still retain an interest in the Hollinger mine, and we have acquired interests in the Kirkland Lake district, which we hope will turn out satisfactorily.

Interests in Cornwall.

Nearer home, in Cornwall, we have interests, including a holding in the East Pool and Agar mine, which is described as one of the "romances of mining," and also smaller interests in Dolcoath and in the newly-formed Tehidy Minerals, Limited. A good deal of attention has been drawn to Cornwall of late, owing to the discovery of the Rogers Lode at the East Pool mine, which is one of the oldest mines in Cornwall. In the opinion of eminent engineers it seems to be quite possible that similar discoveries may be made in the district, and a scheme of exploration is being worked out by the engineers, the idea being to drive under the old workings and so save the heavy costs of pumping out the old mines and of shaft sinking. But at the present time Cornish tin-mining is under a cloud owing to the enormous increase in working costs, and the heavy fall in the price of tin. Efforts have been made to get assistance from the Government for this national industry, so far without success, but further efforts are being made.

The Anglo-French Matabele Company.

There is one other company which I should like to mention—viz., the Anglo-French Matabeleland Company, Limited—which is one of our subsidiaries. This Company owns some 350,000 acres of land in Southern Rhodesia, suitable for ranching and farming. On its Belingwe property is has been running a ranch for some years. A co-operative canning factory is being started in Rhodesia, and the export of frozen meat to the London market is also aimed at. Should this reach the eye of anyone who wants to go in for farming or ranching in Rhodesia, or has a friend who does, he can, upon application to Mr. Thomson, the Secretary of the Company in London, or to Major Jesser Coope, the Company's Manager in Buluwayo, obtain full information as to the terms upon which land can be obtained. The problem of what to do faces many a young man returned from the War; here is an opportunity of a healthy open-air life which might perhaps suit some.

Oil Property in Trinidad.

Many shareholders will have seen statements in the Press as to our having interested ourselves in oil property in the

BARCLAYS BANK LIMITED.

Head Office:

54 LOMBARD STREET, LONDON, E.C. 3.

This Bank is in close touch with leading Bankers in all parts of the world, and provides facilities for the financing of every description of Overseas business.

Traders interested in the Foreign Markets are invited to correspond with

THE FOREIGN MANAGER.

Foreign Branch:

168 FENCHURCH STREET, E.C. 3.

Island of Trinidad. About eighteen months ago we employed a well-known oil expert to go to Trinidad to report upon a particular property there and to inform us generally regarding the oil industry of the island. This property was acquired by us in conjunction with certain friends, but in addition we became possessed of very valuable information. This led us to pursue the matter further, and we acquired an option, in which we are jointly interested with others, upon another property, which we believed, from its surroundings, was favourably situated for the production of oil. Jointly with our friends we have had this property inspected by an engineer, but his report has not yet reached us. Should we decide, in conjunction with our associates, after the receipt of the report, to go on with the business, the next step will be to prove the property by putting down boreholes, which will, of course, take time.

The report and accounts were unanimously adopted.

KAWIE (JAVA) RUBBER ESTATES, LIMITED.

The eighth ordinary general meeting of this Company was held on May 9 at Winchester House, Mr. R. F. McNair Scott, the Chairman, presiding.

The Chairman said that, in addition to an estates reserve of £12,000, £37,094 had been reserved against excess profits duty as a precautionary measure. The figure was only an estimate, and was subject to such final determination as the result of Merliman appeal and other legal decisions might entail. The Company had liquid assets of £54,713, which was a very satisfactory financial position. The net profit for the year ended March 31, 1918, was £34,526, as compared with £60,042 in the previous year, and the decline was due to adverse conditions brought about by the War, aggravated by the lack of organisation in the rubber-planting industry. Shareholders would not be suprised to find this more deeply reflected in the accounts, still to be published, of the financial year just ended. The year 1918 was one of the worst in the history of the industry, but it seemed to be generally agreed that, with the expansion of motor traction and other sources of consumption, the future was promising. Their Sumatra plantings represented a joint scheme in which the Company held one-fifth interest. Up to the end of 1918 they were very disappointed with the progress made, and a serious cholera epidemic, followed by influenza, made it very difficult to keep the labour force together. The manager of the Java estates, with another first-class agriculturist, had visited the Sumatra estates and made a very exhaustive report thereon, from which it was clear that, while the original programme had been retarded, the preliminary work of roads, bridges, dwelling-houses, &c., had been well advanced, and, according to latest reports, just over 1,000 acres should be planted with Hevea rubber and Robusta coffee. An extension of a further 2,000 acres was contemplated, and a large part of that area had been felled and was being cleared. The whole work was in charge of a well recommended and qualified British planter; the general agency had been placed in very experienced hands, and the manager of Kawie (Java) Estates had been appointed visiting agent of the Sumatra plantations. The joint report referred to stated that the soil was magnificent and the climate perfect. Therefore there was no reason why they should not look forward to a very promising future. The rubber had been widely planted, to admit of prolonged revenue from the interplanted coffee.

Estates in very Good Condition.

From the Java estates the crop was 543,570 lb., against 502,185 lb. in the previous year, and realised just under 2*s.* per lb. f.o.b. For the year ended March 31, 1919, the output was 425,300 lb., the reduction being due to the voluntary curtailment of output inaugurated by the Rubber Growers' Association. The coffee had been value at 21*s.* per cwt., but on recent realisation had secured prices considerably over the original valuation, and the benefit of the increase—probably something over £7,000—would come into the next accounts. The manager reported that the estates were in very good condition, and Mr. Fox, an independent visiting agent and an agriculturist of recognised standing, spoke of them in the highest terms. The Company's combined net profits for the two years 1916-18 amounted to £94,568, or approximately 140% on the issued capital of £68,000. Yet, owing to the unfair incidence of excess profits duty, the Company had only been able to distribute £34,000, or 25% for each of these two years. With the lifting of excess profits duty and the knowledge that the estate was in the front rank of rubber producers, they could confidently look forward to prosperity, which peaceful trade must assuredly bring. Through the drain of excess profits duty their capital was overspent, and, subject to Treasury sanction, the balance of unissued capital, £7,000, would be offered to the shareholders at a premium yet to be decided.

The report and accounts were adopted, and a final dividend of 15%, making 25% for the year, was declared.

THE UNION AND RHODESIAN TRUST, LIMITED.

The sixth annual general meeting of this Company was held on May 9 at the Registered Offices, Finsbury Pavement House, E.C., Mr. H. G. Latilla, the Chairman, presiding.

The Secretary (Mr. F. J. Asbury) read the notice convening the meeting and the report of the Auditors.

The Chairman, in moving the adoption of the report and accounts, said that the change in the fortunes and the outlook of the Company since the last meeting had been very marked. In some ways that change had been more apparent than real, because they had always possessed assets of intrinsic value, but the contrast was, nevertheless, a very striking and a very real one, presented as it was over a relatively short time. It was due to three causes, one being the settlement of the litigation in connection with the Kirkland Lake interests, in which the Company was heavily involved. That had been a long, tedious, and expensive affair, imposing a great strain not merely upon their resources, but upon their time and patience. It had now ended in a way which had given them practically all that they, and the companies with which they were associated, had ever contended for. Another factor was the end of the War, and a better outlook for several of their enterprises. The third was to some extent personal to himself. Old shareholders would remember that the outbreak of war five years ago had come at a peculiarly unfortunate moment for them. They had not long started business; many of their interests, particularly in Canada, had been promising well, but had not had time to reach the productive stage, and then came the hopeless confusion and practical stoppage of all work caused by the War. He was by far the largest shareholder in the Company, and therefore took no credit for the fact that during those years, when the situation seemed least promising, he had given a large amount of time and attention to the Company's affairs, treating them as he would have done had they been his own personal business. It had been necessary not only to straighten out existing businesses, but to break loose from others and to acquire fresh ones. He had put in several assets in Nigeria and elsewhere, and, when the tide turned, as it had begun to do last year, the Company's affairs improved at once, with the consequence that in a few months not only had their debit balance, accumulated during the lean years, been wiped off, but they had been able to make the substantial realised profit which enabled them to give the shareholders a dividend on the present occasion. He regarded the permanent success of the Company as, for himself, a matter of much more than commercial interest, and they might accept his assurance that its welfare during the past few years had received, and in the years to come would receive, his very closest personal care and attention.

The Accounts.

With regard to the accounts, he proposed to deal only with the balance sheet to March 31. With regard to the creditors, £6,835 out of the total amount of £30,902 were ordinary creditors, and part of them was for calls on shares which had been made but not paid at that date. The amount of £24,066 was for shares purchased, but not paid for, and would be cleared off very shortly as the shares were delivered. They had no commitments open on the Stock Exchange for twelve months after the War, having taken up and paid for such shares as they had open. On the other side, of course, they had to give to certain firms the privilege of waiting until the expiration of the moratorium in respect of shares which they had sold to or through them for the end of July 1914. On the other side of the balance sheet, shares, interests, etc., amounting to £120,260, represented their holdings in various companies, and comprised amongst others their holdings in the various Kirkland Companies, which would represent 100,000 shares in the Kirkland Lake Proprietary Company as and when the scheme of amalgamation had been sanctioned by the different bodies of shareholders. They also held 120,000 shares in the Kwall Tin Fields of Nigeria, Limited.

The Profit and Loss Account.

With regard to the profit and loss account, which had shown a debit of nearly £65,000 at the end of December, they had placed to the credit of that account the premium on the issue of shares, amounting to £37,189. The profit for the three months was £34,894, and the account now showed a credit balance of £7,093. Since March 31 further profits had been made, and the directors were thus enabled to recommend an interim dividend of 2*s.* 6*d.* per share, less tax. The credit to profit and loss arose chiefly from sales of shares, but they confidently expected to earn substantial and regular dividends from now onwards from other sources.

Kirkland Lake Goldfields.

The Chairman proceeded to review in detail the more important of their interests. Dealing with the Kirkland Lake Goldfields, he said that they had been instrumental in introducing to the London market the shares of the Kirkland Lake Proprietary Company, and through that Company the Tough Oakes, Burnside, and other ventures. After four years' heavy litigation this Company and the others just mentioned had emerged successfully, and it was anticipated that the future might be viewed with great

confidence. A considerable amount of development had been done on the Kirkland Lake Goldfields, and the consensus of opinion was that in all cases where work had been properly conducted the results went to establish the fact that that field would be an important producer of gold. Its features were numerous parallel veins carrying high values; in fact, in many cases, phenomenal values. During 15 months—and not by any means due to efficiency of working—£400,000 worth of gold was taken out of one vein on the Tough Oakes property, and on the five claims held by the Tough Oakes Company there were no fewer than 14 known veins. It was largely because veins could be traced running from one property to another that Lieut.-Col. Johnson had recommended the amalgamation of all the properties into one company. For some months past work had been proceeding on the assumption that that would be done.

Terms of the Amalgamation.

In the opinion of several engineers of repute there was little doubt that the ore bodies lived down to considerable depths. As to the terms of the amalgamation, the Kirkland Lake Proprietary Company would increase its capital to £1,000,000, and would absorb the following companies upon the terms mentioned, the basis being in all cases £1 shares of that Company taken as worth £2 per share. Firstly, the Kirkland Lake Proprietary shareholders would receive a bonus of one share for every share held. Shareholders in the Tough Oakes Gold Mines would receive one share for each two shares held in that Company. Shareholders in the Burnside Gold Mines would receive one share for each two shares held in the Burnside Company. Shareholders in the Sudbury Syndicate would receive one and a-quarter shares for each share held in the Syndicate, and shareholders in the Aladdin Cobalt Company would receive two shares for every seven held in that Company. Of course meetings had to be held and the details legally arranged. The result was that the Kirkland Lake Proprietary's issued capital would be something under £800,000. It would have about £100,000 in cash, and would possess a property in Cobalt which had good speculative chances. Of the 800,000 shares the Union and Rhodesian Trust would own 100,000.

The Trusts' Nigerian Interests.

As to the Trust's Nigerian interests, they had purchased a block of properties from Messrs. Hawkes Brothers, which a well-known consulting engineer thought should produce at least 120 tons a year for several years to come. They expected to be able to pay good substantial dividends out of the proceeds of that property. They also owned a 30% interest in a silver lead deposit which might prove to have enormous possibilities. With regard to their oil and carbon products interest, the plant was being erected by the British Government at their own expense, and was the only low distillation plant which they had erected on such terms. Experts reported that the plant was easily first of the various plants they had experimented with. Both the American and the Japanese Governments were also interested, and there were many collieries in England which, under the new conditions of high wages, shorter hours, etc., would have to erect plants for the treatment of their coal. Many inquiries for estimates, etc., had been received. This Company's interest was considerable, and they hoped it would prove remunerative.

New Business.

With regard to new business, the directors had in view the acquisition of certain further assets. The shareholders were offered the opportunity of purchasing a one-third interest in the Farm Maraisdrift in the Far Eastern Rand; 500,000 fully paid shares of 3*s*. each in the Rhodesia Exploration Company; also a 30% interest in the Turkois Mine in Rhodesia, which would almost immediately enter the producing stage. If the shareholders decided not to accept that offer, they were not imperilling the future of the Company, as they had valuable interests and a sound position. It was through him that the offer was made, and he did not propose to vote upon the subject. They were prepared to accept 60,000 fully paid shares of £1 each, or their equivalent in shares of 5*s*. each. A scheme had been promulgated for the development of the Farm Maraisdrift jointly with the adjoining farm Klipoortje, owned by the H.E. Proprietary. Active development work was to be commenced forthwith, and, if the results were encouraging, a company would be formed. The value of the Rhodesia Exploration interest was estimated at £68,750, and the Turkois mine was expected to produce very nice dividends. To sum up, the position of the Company, as against their issued capital of £100,000, they had assets conservatively valued at £416,000.

Mr. R. Simpson seconded the resolution, which was carried unanimously.

The Chairman next moved: "That an interim dividend of 2*s*. 6*d*. per share, less income tax, for the current year, be declared."

This was seconded by Mr. S. Fortescue, and unanimously agreed to.

Messrs. Hall, Baxter and Company were reappointed auditors.

An extraordinary general meeting was then held, at which the Chairman formally moved: "That each of the existing £1 shares be divided into four fully paid 5*s*. shares." He stated that if the resolution were passed at the confirmatory meeting the directors would submit a resolution for the increase of the capital.

Mr. Simpson seconded the resolution, which was passed unanimously.

LIVE-STOCK OF THE WORLD.—III.

The total pig population of the whole world, as known to the international markets, is, as will be seen from the table below, only a little over 109 millions. It is, of course, an exceedingly low figure, when we bear in mind the ease with which pigs are kept in almost every country from the Tropical to the Arctic regions, and, moreover, how exceedingly prolific the pig is as a breeding animal. It is not possible quickly to replace a sheep population if it has been materially reduced by drought, by any of the diseases to which sheep are subject, or if an undue proportion of the young lambs have been slaughtered owing to a great demand for sheep, and, consequently, a great rise in prices. This has been shown in the case of England, where the sheep population was materially reduced by the great drought of 1911. Practically, it may be said that this country has never recovered from the effects of that drought. In the eight years that have elapsed there would, of course, have been ample time for recovery had it not been for the fact that the demand for English fleeces and for English mutton increased rather than diminished in the years which followed the drought. Nearly all the countries from which we were accustomed to obtain fleeces and mutton were increasing their area under tillage; and, consequently, it became imperative to draw upon all sources readily available. The result has been that the English flockmasters have had to dispose of rather than conserve an undue proportion of their flocks. Difficult as it is to increase the sheep population, it is still more difficult to increase that of cattle. But with pigs a comparatively short time will suffice. In one or two seasons the depleted styes can be rapidly refilled, and where there has been, as in England during the War, exceptionally heavy killing off a rapid recovery is possible if means are taken to secure that end. This does not justify the policy pursued by the Board of Agriculture, which, we think, was thoroughly ill-advised. But, all the same, it is a hopeful factor that it is one of those mistakes which can be more readily remedied than most of those made by the Government during the recent War. It will be seen from the table that the really great source of supply of pigs known to the international markets is the United States of North America. After that comes European Russia, in the years that preceded the War, other sources of supply of any serious importance being France, Canada, the United Kingdom, Algeria, and the Argentine Republic. Of course, it has to be remembered that in the total only those which are returned either in some official source of information or are known to the trading community are included. Those who know South America well, for example, are aware that pigs are kept in various places for local consumption, none of these ever coming upon either the European market or the markets of the United States of North America. This is the case more or less over various parts of the world. But it has to be remembered that these pigs are not available for international consumption, and, consequently, they have no interest for the European reader.

In the series of live-stock articles we have been publishing during recent weeks we are indebted to various publications issued by different Governments and to various sources of private information, and we especially tender our thanks to Messrs. Weddell and Co. and to Messrs. Dalgety, the well-known Australian wool firm.

	Year	Pigs No.
United Kingdom	1917	3,001,000
Belgium	1912	1,349,000
Holland	1917	1,186,000
Denmark... ...	1917	1,651,000
Norway	1916	221,000
Sweden	1917	1,030,000
Russia in Europe	1912	11,945,000
Russia in Asia ...	1912	1,564,000
Spain	1916	2,811,000
Switzerland ...	1916	544,000
France	1917	4,200,000
Algeria	1911	3,862,000
Tunis	1916	10,000
Morocco	1916	29,000
Canada	1917	3,619,000
United States ...	1917	67,453,000
Argentina ...	1911	2,900,000
Chili	1912	166,000
Uruguay ...	1908	180,000
New Zealand ...	1917	278,000
Australia... ...	1913	1,082,000
		109,084,000

Springs Mines.—Issued capital £1,153,500 in £1 shares; £131,785 6% Debentures. Capital being increased to £1,500,000. Plant capacity 40,000 tons per month. Trial crushings started January 1917:—

Year to Dec. 31	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per Ton	Expenses Amt. £	Expenses Per Ton	Profit Amt. £	Profit Per Ton	Price end of Period
1917 ...	313,065	12½	610,140	39,0	345,998	22/1	264,442	16/11	3½
1918.									
Mar. qr.	94,200	16·5	198,836	42/2	102,920	21/10	95,966	20/4	3¹¹/₁₆
June qr.	115,570	20·5	236,678	40/11	124,375	21/4	113,223	19/7	3¹⁵/₁₆
Sept. qr.	121,590	18·6	257,286	42/4	131,151	21/7	126,135	20/9	3¹⁵/₁₆
Dec. qr.	96,250	19·2	213,027	44/2	118,631	24/7	94,393	19/7	3¹⁵/₁₆
12 mos.	427,610	18·7	935,777	42/4	476,060	22/3	429,717	20/1	3¹⁵/₁₆
1919.									
Mar. qr.	106,000	—	211,210	39/11	131,923	24/10	79,287	15/1	3¹⁵/₁₆
Apr. —	34,940	—	67,297	38.6	44,526	25/6	22,771	13/0	3¹⁵/₁₆

Development charge reduced from 3s. to 2s. 6d. per ton milled as from Jan. 1, 1918.

Dividend—1918, June (Springs West shares); Dec. 12½ per cent.

HONGKONG AND SHANGHAI BANKING CORPORATION.

CAPITAL, all paid up $15,000,000
STERLING RESERVE, HELD IN LONDON AT EXCHANGE OF 2s. PER $—£1,500,000 ... $15,000,000
SILVER RESERVE ... 21,000,000
$36,000,000
RESERVE LIABILITY OF PROPRIETORS $15,000,000

Head Office—HONGKONG.
Chief Manager—N. J. STABB.
BRANCHES and AGENCIES.

Amoy, Bangkok, Batavia, Bombay, Calcutta, Canton, Colombo, Foochow, Hankow, Harbin, Hongkew (Shanghai), Ipoh, Johore, Kobe, Hiogo, Kuala Lumpur, London, Lyons, Malacca, Manila, Nagasaki, New York, Peking, Penang, Rangoon, Saigon, San Francisco, Shanghai, Singapore, Sourabaya, Tientsin, Tsingtao, Vladivostok, Yloilo, Yokohama.

LONDON COMMITTEE.
Henry Keswick, Esq., M.P. A. M. Townsend, Esq.
Managers in London:
SIR CHARLES ADDIS. H. D. C. JONES.
JOHN MACLENNAN, Sub-Manager.
W. M. BLACKIE, Accountant.
9 Gracechurch Street, London, E.C.

THE YOKOHAMA SPECIE BANK, LIMITED.

(Registered in Japan.) Established 1880.
Subscribed Capital ... ... Yen 48,000,000
Capital Paid up... ... ... ,, 42,000,000
Reserve Fund ... ... ,, 25,000,000

HEAD OFFICE: YOKOHAMA.
Branches and Agencies at

Batavia	London	Shanghai
Bombay	Los Angeles	Shimonoseki
Buenos Ayres	Lyons	Singapore
Calcutta	Fengtien (Mukden)	Sourabaya
Changchun	Manila | Nagasaki	Sydney
Dairen (Dalny)	Newchwang	Tientsin
Hankow | Harbin	New York Osaka	Tokio
Hong Kong	Peking Rangoon	Tsinanfu
Honolulu	San Francisco	Tsin tau
Kai Yuan | Kobe	Seattle	Vladivostock

The Bank buys and receives for Collection Bills of Exchange, issues Drafts and Telegraphic Transfers and Letters of Credit on above places and elsewhere, and transacts General Banking Business.
Deposits received for fixed periods at rates to be obtained on application.
T. OKUBO, Manager
London Office—
7 Bishopsgate, E.C. 2.

Under Contract with H.M. Government.
P&O & British India Mail & Passenger Services
Sailings from LONDON, MARSEILLES, &c.
Tickets Interchangeable.
MEDITERRANEAN, EGYPT, INDIA, BURMA, STRAITS, CHINA, JAPAN, AUSTRALASIA, MAURITIUS, E. & S. AFRICA, NEW ZEALAND (via PANAMA CANAL)
P. & O. Australian Tickets interchangeable one way by New Zealand Shipping Company (via Panama) or by Orient Line.
For particulars of Sailings apply P. & O. & BRITISH INDIA Passenger Dept., 122, Leadenhall Street, London, E.C. 3.
BRITISH INDIA COMPANY.—For general information apply GRAY, DAWES & Co., 122, Leadenhall Street, London, E.C. 3.

BANQUE NATIONALE DE CREDIT.

CAPITAL .. .. Frs. 150,000,000
RESERVE FUND „ 36,000,000

Head Office:
16 BOULEVARD DES ITALIENS, PARIS.

BRANCHES at Lyons, Marseilles, Havre, Angers, Dijon, Nantes, Orleans, Rouen, Saint-Etienne, Toulouse, Tours, Troyes, Bordeaux, and 140 others in the chief centres of France.

GENERAL BANKING BUSINESS.

UNION-CASTLE LINE.
South and East Africa
ROYAL MAIL ROUTE.
The Cape, Natal, Transvaal, Rhodesia, East African Ports, Mauritius, etc.
For sailings and other information apply to the Head Office, 8 and 4 Fenchurch St., E.C.3. West-end Agency: Thos. Cook & Son, 125 Pall Mall, S.W.1

EXTEND and INCREASE
YOUR TRADE
with
SOUTH AMERICA!
THE
NELSON LINES
maintain regular
MAIL, PASSENGER & FREIGHT
Services to
RIO DE JANEIRO, MONTE VIDEO & BUENOS AIRES.
Write for particulars to:
H. & W. NELSON, LTD.
Head Office:
98 Leadenhall St., London, E.C.3
& 20 Water St., Liverpool.

NEW ZEALAND.

A Wealthy Country, Splendid Climate, Fertile Soil, Plenty of Water.
An Ideal country for the farmer, the percentage of grain and lambs being phenomenally high.
New Zealand, a country as large as the United Kingdom, with but a million population, has an annual export of raw products exceeding Twenty Million Pounds sterling.
NEW ZEALAND is rich in COAL, IRON, TIMBER, GUM, GOLD & SILVER. Total yield of Minerals, over One Hundred and Twenty Million Pounds.
Over Eighteen Million Pounds have been advanced by Government to Farmers and Workers for Improvements and Buildings at a low rate of Interest.
The Railways, 3,000 miles, Telegraphs and Telephones, 124,000 miles, are owned and operated by the State.
New Zealand has the highest wealth-rate and the lowest death-rate in the World.
To those desirous of making a home in a new country New Zealand offers solid advantages.
Excellent Steamship Services are run direct to New Zealand by the Shaw, Savill and Albion Company, Limited, New Zealand Shipping Company, Limited, and the Federal and Shire Lines.
Full information is supplied free by
THE HIGH COMMISSIONER FOR NEW ZEALAND, 413-416 Strand, W.C.

PERRY'S
TRADE PROTECTION OFFICES
(Established 1776)
12 COLEMAN STREET, E.C. 2.
Status enquiries made as to the position and standing of Traders and others.
PERRY'S GAZETTE & LIST OF CREDITORS
are published Weekly, and are valuable to everyone in business.
Debts recovered and paid over promptly.
Particular attention is called to the fact that this is the only Trade Protection Society that possesses at its offices in London Registers containing full Bankruptcy and other Registered Information, together with Status information FOR THE WHOLE OF THE THREE KINGDOMS.
TERMS from £1 1s. upwards, according to requirements. PROSPECTUS and further particulars on application.

PROVIDENT ACCIDENT AND GUARANTEE COMPANY, LIMITED
Formerly known as the
Provident Clerks' & General Guarantee & Accident Co., Ltd.
Head Office, - **61 Coleman Street, London, E.C.**
Temporary Offices, **52/5 Coleman Street, E.C.**
West End Office, **199 Piccadilly, W.**
Established 1865.

GUARANTEES FOR FIDELITY.
The Company ISSUES BONDS for TRUSTEES in BANKRUPTCY, RECEIVERS and LIQUIDATORS in CHANCERY, and for all GOVERNMENT or Commercial Appointments in which security is required.
ACCIDENT INSURANCE OF EVERY KIND.
LANDLORD AND PROPERTY OWNERS' INDEMNITIES.
WORKMEN'S COMPENSATION, FIRE, BURGLARY, MOTOR CAR, DRIVERS' INDEMNITY, CONTINGENCY, PLATE GLASS, LIVE STOCK.
C. A. FREEMAN, Manager & Secretary.
Telephone: LONDON WALL 5306 (4 Lines).

N. P. I.
PEACE LEAFLETS.

1. **Peace Savings Certificates.**
2. **Paterfamilias and the Peace Problem.**

Copies of these Leaflets will be sent post free on application to the
NATIONAL PROVIDENT INSTITUTION,
48 GRACECHURCH STREET, LONDON, E.C. 3.

THE
BRITISH GENERAL
INSURANCE COMPANY, LIMITED,
CAN GIVE YOU
SOME ADVANTAGES
In connection with your Insurances. Ask for Particulars.
Head Office - 66 CHEAPSIDE, LONDON, E.C.

REFUGE
ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds -	**£4,700,000**
Assets Exceed - - - -	**£15,900,000**
Claims Paid Exceed - - -	**£28,000,000**

SUBSCRIPTION TO "THE STATIST."
TO INCLUDE ALL SUPPLEMENTS.
Payable in Advance.

Inland.
One Year, £1 10 0 | Half-Year, £0 15 8
(Post Free.)
For Colonies and Abroad (within Postal Union).
One Year, £1 17 4 | Half-Year, £0 18 8
(Post Free.)
OFFICES: 51 Cannon Street, E.C. 4.

IMPORTANT NOTICE.
All Editorial communications should be addressed to the Editor.
Business communications should be addressed to the Manager, THE STATIST,
51 Cannon Street, London, E.C. 4.
Telegrams: "Statist Cent. London." Telephone 5258 5259.

The Statist.
LONDON, SATURDAY, MAY 17, 1919.

CONTENTS.

LEADING ARTICLES— PAGE
A TIME OF TRIAL 879
INDIA 880
BANKING IN THE NORTH OF ENGLAND.—I. 880
MARINE INSURANCE ... 882
FOREIGN OPINION ON PEACE TREATY 883
CHILI 884
DRILLING FOR PETROLEUM IN DERBYSHIRE 885
PEAT RESOURCES OF IRELAND—II. 887
THE TOBACCO INDUSTRY ... 888
THE AGRICULTURAL WAGES CONFERENCE 889
SILVER 894
RAILWAY WORKING DURING THE WAR 894

S. AND CENTRAL AMERICA—
NORTHERN BRAZIL 892

THE MONEY MARKET—
FREE CAPITAL 871

STOCK EXCHANGE... ... 873

MINING TOPICS—
CITY DEEP 874
RANDFONTEIN CENTRAL ... 875
ANGLO-FRENCH EXPLORATION 875
RAND GOLD OUTPUT ... 876

TABULAR APPENDIX—
I. Bank Returns, &c. ... 876
II. Current Bank Rates of Discount 877
III. Foreign Exchanges ... 877
IV. Bankers' Clearing-House Returns 877
V. Freights 877
VI. Wholesale Prices of Commodities 878
VII. Railway Revenue Statements 878
VIII. Railway and Tramway Traffic Receipts ... 878

FINANCIAL NOTES— PAGE
VICTORIAN LOAN CONVERSION 890
AUSTRALIAN RAILWAYS ... 890

AMERICAN TOPICS—
UNITED STATES EXPORTS ... 895
OTIS STEEL COMPANY ... 896

RUBBER TOPICS—
ANGLO-MALAY 897
LANGEN (JAVA) 897
EDINBURGH (SELANGOR) ... 897
KUALA (SELANGOR) 898
RIVERSIDE (SELANGOR) ... 898
SUNGEI WAY (SELANGOR) ... 898
KLANANG PRODUCE ... 898

NEW ISSUES—
THE GENERAL REINSURANCE COMPANY 901
A. W. GAMAGE & Co., LTD... 901
JURGENS, LIMITED 902
GODFREY PHILLIPS, LIMITED 902
ROYAL SOVEREIGN STEAMSHIP CO., LTD. 902
AYRTON, SAUNDERS & Co. 903

INSURANCE NOTES—
GENERAL ACCIDENT FIRE AND LIFE ASSUR. CORP., LTD. 899
WEST OF SCOTLAND INSURANCE OFFICE 899

COMMERCIAL—
LANCASHIRE COTTON INDUSTRY 895
COCOA 899

INDUSTRIAL COMPANIES—
BRITISH COTTON AND WOOL DYERS' ASSOCIATION ... 903
SPILLERS AND BAKERS, LTD. 903
BRITISH WESTINGHOUSE ELECTRIC & MANUFACTURING CO. 904
JOHN BARKER AND COMPANY 904

MEETINGS OF PUBLIC COMPANIES ... 905-920

The Money Market.

Friday, May 16, 1919.

	Current Rate % Fixed	Previous Rate % Fixed
Bank of England Rate...	**5 (Apr. 5,'17)**	**5½ Jan. 18,'17**
Bank of England Rate — to Clearing Banks: 3 days' notice ...	**3 (Feb. 14,'18)**	**4 June 19,'17**
Bank of England Rate — for Foreign Money*	**4½ (Nov. 15,'17)**	**extended Jan. 2,'18**

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances.

Deposit Rates :—		
Banks & Discnt. Hó. (Call)	**3† (Feb. 14,'18)**	**3½ Jan. 2, 18**
Discount Houses (Notice)..	**3 (June 6,'18)**	**3¼ Feb. 14,'18**

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Tr'sury Bills (Fixed Feb. 14,'18)—		3⅛	—	3⅛
Bank Bills	3⅛	3⅛	3⅛	3 7/16
Trade Bills	—	4-4¼	4-4¼	4-4½

FREE CAPITAL.

As we explained last week, in addition to a debt of considerably over £7,000,000,000, we have pressing liabilities exceeding £3,000,000,000, made up of the increase in our currency which has trebled during the period of the War; further, of enhanced bank balances, which, far from representing increased wealth, are really accounted for by a shortage of commodities and an extravagant growth in their value measured by a money standard; and lastly, of the unpaid balances of our debts incurred to the United States of North America, for supplies of food and raw materials and for munitions needed in connection with the recent War. Now all these latter are pressing liabilities which, until they are met and liquidated, will continue to keep our exchanges adverse in our

dealings with those countries from which we have lately received accommodation. The urgent problem before the London Money market, if it is ever again to be a money market in the sense we knew it during the generation that preceded the outbreak of the recent War, is to reduce these liabilities. Our difficulties are accentuated by the fact that we are essentially a town population. Our people are such to an extent of something like 80% of the total, that is to say we are engaged in the manipulation of primaries as distinct from being employed in their production. Consequently, in spite of the urgent necessity of economy in every possible direction, it is essential for our existence that we expend vast sums represented by some form of value in the purchase of something like two-thirds of the food we eat, in addition to importing the bulk of raw material for our manufactures. Without this expenditure, we could not go on at all if we are to maintain our present population. Consequently, a reduction in this direction is impossible because it would mean disaster to our economic system. On the other hand, it is evident that we cannot go on indefinitely living upon borrowed money.

The urgent liabilities above described should, and, indeed, must be, liquidated with as little delay as possible, if we are to regain in any reasonable time, our position as one of the great economic factors in the markets of the world. Every year's, and, indeed, every month's, delay is adding to our difficulties and will increase the trouble which we shall sooner or later have to face.

In the years that preceded the outbreak of the recent War, we were accustomed to pay, and pay with ease, for our imports of food and raw materials, partly by services rendered and partly in cash. We were in those days the world's greatest carriers, our mercantile marine representing, for practical purposes, nearly 60% of the aggregate mercantile tonnage of the world. We exported to a greater extent than any other country immense quantities of textiles, some of the raw materials for which are virtually a monopoly of the British Empire. Besides these services and exports of commodities, we were entitled every year to very large sums in the form of interest on former investments, and these were paid to us by exports from the countries owing this interest in food and raw materials. Any balance due from us which was not met either by services rendered or by exports of commodities was paid in gold. We were easily able to do this, partly, because the British Empire then, as now, was the greatest gold producer in the world, and partly because our trade and investments and the various services rendered were so great that nearly every country in the world was more or less indebted to us.

Now how are we to get out of our present difficulties, and make the London Money market a real money market, enjoying a real rate of interest in which money is employed in a sense that it was formerly, but is not now, and has not been, during the period of the late War. When we have got out of our present difficulties it will be time to tackle the problem as to whether it is possible that we can regain the eminent position as the Money market of the world which London formerly enjoyed. Now one of the first necessities of recuperation is that the Government should at the earliest possible date remove all the Control Boards which exist, and have existed, throughout the War period for the practical, although not the theoretical, object of hampering trade. Shipping, for example, although nominally free, is at present in actual practice allocated by the Government for purposes connected with the late War to an extent that makes it impossible for us to act as the world's carriers to the extent that we formerly did. In a sense it may be pleaded, and with truth, that this is unavoidable. War stores must be brought home and troops from overseas recently serving with our armies must be conveyed back to their homes. This plea is sound if it is not carried too far, but in the present state of our urgent necessities, the process might be expedited to a very much greater extent than is at present being done. We might add a number of examples to strengthen our argument, as for example, where manufacturers are urged to increase their output of exportable commodities, but are restricted as to where and how they are to obtain the raw materials from which the goods are to be made, if they are to be manufactured at all.

Our object to-day, however, is to urge the de-control of capital to a very much greater extent than it has already been carried. What we would urge is Free Capital altogether, and allow the banker, the trader, the manufacturer and the investor to employ his resources where his long experience and knowledge of his business tells him that those resources can be employed to the best advantage. The trader, the banker and the manufacturer and the investor of this country have pulled the chestnuts of many an English Government out of the fire in the past, and they may be counted upon to do so in the present and the future if they are allowed freely to use their experience and knowledge of the various businesses they follow, but not if they are bound hand and foot in what is called the red tape of Government Departments. Quite recently the Government has freed capital to the extent of permitting issues connected with home industries and with various parts of the British Empire, but investments outside the British Empire, however profitable they may appear to the trader proposing to make them, are only possible if they are approved by the wisdom of Whitehall. Now it may be many times more profitable to the lasting interest of home industries and the wider interests of the British Empire, taken as a composite whole, to invest in some foreign country than to restrict employment of resources within specified areas which may meet with the approval of the particular Government Department concerned. We do not desire specially to introduce the vast and rich Continent of South America in this column, but there are many raw materials obtainable in South America which either are not produced at all within the confines of the British Empire or would require a large expenditure of available resources and would involve great delay in their development before they could be available for the needs of our manufacturers here at home. Now it is the business of the trader to know these things, but it is not the business of the officials in a Government Department in Whitehall, and unless they are expected to know everything it would be utterly unreasonable to demand such expert knowledge from them.

If the London Money market is to become once more a real thing as distinct from the shadow of its former self, as it is at present, one of the first requisites for its restoration is to free Capital.

BANK OF ENGLAND.

Every item in this week's Bank Return showed a decline, the largest being a fall of £3,682,000 in "other" deposits. Government securities were reduced in the week by a further £3,018,000 to £46,434,000, which is the lowest returned since Octo-

ROYAL EXCHANGE
ASSURANCE.
Incorporated A.D. 1720. Governor: VIVIAN HUGH SMITH, Esq.
FIRE, LIFE, SEA, ACCIDENT, and GENERAL INSURANCES.
The Corporation is prepared to act as TRUSTEE and EXECUTOR.
Apply for full particulars of all classes of Insurance to the Secretary—
Head Office: ROYAL EXCHANGE, LONDON, E.C. 3.
West End Branch: 44 PALL MALL, S.W. 1.

ber 23 last year, and "other" securities also are nearly back to the low level to which we referred five weeks ago. Public deposits at £22,807,000, showing a diminution of £884,000, are nearly the lowest since the beginning of 1915. A decrease of £353,763 in bullion was nearly balanced by a reduction of £294,880 in the note circulation, so that the total reserve was only a little lower, while, on account of the reduction of liabilities, the proportion of reserve thereto improved to 20.5%, which, though not quite the best figure of the year, compares well with 11.7% on January 1, and is higher than in any week of 1918.

The Treasury Note issue return for the week again showed an excess of cancellations over the amount issued, reducing the total outstanding, including certificates, to £346,665,595.

POSITION IN NEW YORK.

A REPORT has been current in London that the American Government is inclined to differentiate in its acceptance of securities in payment of the indebtedness of Europe to the United States in the securities which it is willing to take as between those allotted between themselves amongst the various Allies. The report referred to is to the effect that the American Government is unwilling to accept its proportion of German securities, and demand an undue proportion of payment in the form of South American securities. In the form in which the report is circulated we cannot believe, according to the best information, that we have been able to obtain, that the report is well founded. The idea underlying the report is that the United States is anxious to take advantage of the present difficulties of Europe to push economic interests in South America. The United States has so many ways of pushing its trade in South America if it is desirous of doing so, that we cannot think that the report has any real foundation in fact. That the United States business man is anxious to increase his trade in South America as well as elsewhere we can readily believe, but the United States Government has shown throughout, since that Government joined the Entente Alliance, that that Government has no intention of doing anything likely to seriously embarrass the money markets of the Western European Powers.

SILVER.

As we were going to press last week, and after business hours, it was announced that the Government had removed its control of the Silver market to the extent that it no longer fixed prices. The market was also informed that, although for the present, at any rate, export licences would be required, no serious obstacles would be placed in the way of bullion dealers desirous of obtaining it. The result was a rapid rise in the price of silver to 58*d* per ounce, a figure which has not been reached for a period of more than 40 years. Owing to the fact that speculation in silver has been so long forbidden in this market there were no stocks available, and, in order to meet a sudden demand for the Continent, brokers and dealers found it necessary to offer tempting prices to those who were able to obtain silver from overseas, mainly from the United States of North America. The price of silver to-night closes at 54*d*. per ounce.

(India Council sales are shown on page 904.)

Stock Exchange.

BUSINESS on the Stock Exchange has been very brisk again this week. Many substantial advances in quotations are to be recorded, and even the gilt-edged section has been buoyant. Needless to say price changes have not been all one way. If they had the movement could be considered spasmodic, and likely to be short-lived. As it is, there seems to be good ground for believing that the activity which first developed on account of the favourable view taken of the Budget is fed by the desire of investors—many of whom are new possessors of wealth—to employ remuneratively their surplus resources, which as a rule have been greatly expanded during the War and the coincident inflation of credit. The Budget is out of the way, the excess profits duty is reduced by half, the international situation has cleared perceptibly, and the date for the Peace demonstrations is provisionally announced for August 3, 4, and 5. At the same time, trade has not yet developed to a degree requiring the employment of anything like the full financial resources available, and dealers report shortage of stock.

In the gilt-edged market, the fear of a new funding loan being issued on terms adverse to existing securities having proved unfounded, a much better feeling has developed. Consols on the week are 1⅝ up at 56½, the several War Loans all command better prices, Local Loans have jumped 1¾, and India 3% and 3½% are ½ and ¾ higher respectively. In the colonial section numerous issues are harder. For the most part foreign stocks have been comparatively neglected. Brazil 4% Rescission have been a feature of strength, and close at 71, against 68 a week ago, the buying being reported as partly on American account. The 4% 1911 are also higher priced. One or two Japanese stocks are a trifle down also, and Russians have shed a point or so, the market being as yet unconvinced of the quick overthrow of the Bolshevists.

The rise in Home Railway stocks which followed relief at the absence of increase of the income tax in the Budget has proved temporary, and this week the majority of quotations have declined ½ to 1½ points. A few American rails are harder on the week in sympathy with improvement in New York, but interest in this section naturally remains at a low ebb in view of the paucity of stock to deal in. Argentine rails started the week badly, prices sharply reacting after last week's rise. On Thursday, however, the market was greatly cheered by news that a further increase of 10% in rates had been granted, and in consequence quotations were put up practically all round. United of Havana, however, have dropped back again. Elsewhere Brazilian Traction are a little higher, and Cities Service have risen another 10 points to 435.

Bank shares have been quietly firm, with Hong Kong and Shanghai $125 shares outstanding, with an improvement of 5 points to 108, connected probably with the exchange position. The activity in Brewery shares has continued unabated. Allsopps Ordinary have advanced a further 17½ points to 80½; City of London are 9½ points higher at 173½;

BARCLAYS BANK
LIMITED
(with which is amalgamated the LONDON PROVINCIAL & SOUTH WESTERN BANK Ltd.).
Trade with the U.S.A.
Increased Banking Facilities are available to Traders and Manufacturers, doing business with the U.S.A., by means of a reciprocal arrangement with the Irving National Bank, New York City.
INQUIRIES FROM INTERESTED PARTIES ARE INVITED.
Address:
The Foreign Manager, 168 Fenchurch St., E.C. 3.

and the price of Watney Combe Deferred at 160 compares with 140½ a week ago. Egyptian securities have remained more or less in the background, and the same may be said of Nitrate shares. Several land descriptions, however, have been favoured with strong speculative support. Buying of Hudson's Bay, induced by the high prices realised for skins at the sales, is reflected in the advance in the price to 9⅞. Niger shares, on the agreement with Pyrotan Leather in regard to African trading rights, have risen from 64*s.* 3*d.* to 70*s.*, and Forestal Land are 6*s.* higher at 57*s.* 6*d.* Pekin Syndicate, the earnings of which considerably benefit from the rise in the Chinese Exchanges, are up to 45*s.* for the 2*s.* Ordinary shares. In shipping, Court Line, P. and O., Prince Line, and Royal Mail have been bought at improved values. Elsewhere Imperial Continental Gas have recovered further, and one or two insurance issues command better prices. All Seas Marine and Salvage Preference are now 25*s.* 6*d.* In Telegraphs, Marconi issues were very actively bought in the first part of the week, but eased later on profit-taking. Iron, Steel, and Engineering shares have moved irregularly, with no particular outstanding feature. Activity in textile shares has been confined to a few concerns. Coats' Ordinary stand out with a rise of £1 to 8⅞, and Courtaulds, while not holding the best price touched, close at 9¾, against 9⅜. British Cotton and Wool Dyers have been good on the report, and Fine Cotton spinners on the share bonus. Among Industrials Dunlop Rubber at one time advanced to 7¼, but eased later. Imperial Tobacco Ordinary are 5*s.* higher at 84*s.*, and British American Tobacco have also risen on the announcement of the directors' proposal to offer Ordinary shares to shareholders at par in the ratio of one to three. Magadi Soda, Pyrotan Leather, and Wall Paper deferred have been other good features. In the majority of cases the driving force has been the improved prospects through the reduction of the excess profits duty. In this connection the position of the Chinese Engineering and Mining Company seems worth considering. In the year to June 30 last, of the net profit of £522,000 after deduction of income tax, provision for excess profits duty required £350,000 and 15% dividends, free of income tax, on the shares called for £150,000. The Company benefits greatly by the high Hong Kong exchange. The average rate at which profits were brought over in 1917-18 was 3*s.* 2⅛*d.* The present quotation is about 3*s.* 6¼*d.* The rise in silver is a favourable factor. The Company's £1 shares are quoted at about 62*s.*

In the early part of the week Oil share prices again went ahead on renewal of speculative buying. On Wednesday profit-taking became noticeable, but on balance rises predominate. Lobitos have been the subject of large buying on rumours of Shell control. At the close Anglo-Egyptian B are ⅛ up at 5⅞, Lobitos are £4 ex rights, against 3¼, Shells are 9½, against 9⅞, Mexican Eagle Common have risen from 6⅛ to 6⅝, and Trinidad Leaseholds from 62*s.* 6*d.* to 69*s.*

NOTICE TO BANKERS.

Advances upon STOCKS AND SHARES will be entertained upon favourable terms by the

LEGAL & GENERAL LIFE ASSURANCE SOCIETY.

The transactions can be carried out expeditiously and cheaply, and full particulars will be sent upon application to

No. 10 Fleet Street, London, E.C. 4.

VENUS PENCILS

made of pure smooth as satin graphite, tempered to perfection and absolutely free from grit.

17 grades blacklead from 6B (Softest) to 9H (Hardest), at 4d. each, also 3 styles of copying at 5d. and 6d. each.

Of all Stationers, Stores, etc., throughout the World.

"VENUS," 173/5 Lower Clapton Road, E. 5.

VENUS

Mining Topics.

It is a long time since the Mining markets experienced such an active week as the past has been. The better news as to the labour situation, in conjunction with the thought of the mines being able shortly to sell their gold in the best market, and the possibility of reduced prices for stores and materials being reflected in working costs, attracted attention, and speculators with disposition to favour any section of shares which seems to afford a chance of remunerative gambling appear to have taken a hand. We say this because to those who really understand the position it seems absurd to raise in a few days the prices of such shares as City and Suburban by 4*s.* 6*d.*, Knights by 6*s.* 6*d.*, Knight Central 1*s.*, Knights Deep 2*s.*, Nourse Mines 3*s.*, and Witwatersrand Deep 2*s.* 6*d.* Such a pace is too hot and much in advance of any improvement that has so far occurred in conditions. There is more reasonableness in the higher values placed upon the investment companies' shares, because, besides deriving benefit from any increase in dividends which may accrue from improved circumstances on the Rand mines generally, they usually make a good deal of profit on share dealings in active markets. City Deep have been slow to respond to the excellent report of the Consulting Engineer regarding the underground position and developments. Among Eastern Rand descriptions Springs and Brakpan are exceptionally lower, but otherwise rises have been numerous. East Rand Mining Estates, Geduld, and Modderfontein Deep have been prominent, the latter being favourably affected by the decision to split the shares by giving four new for one old. In Rhodesians, Chartered, Lonely Reef, and Tanganyika have been good. De Beers are up ¼ in the diamond group. There has not been much activity in tin shares, though Kwall and Nigerian Tin Corporation have been put up appreciably, and Malayan Tin Dredging have advanced nearly 10*s.* Broken Hills were a falling market in the early part of the week, and the recovery that occurred later was insufficient to regain last week's level of quotations. Siberians are lower where altered, but American descriptions remain firm, with Camp Birds, Exploration Company, and Kirkland Lakes strong spots and appreciably higher on the week. Burma Corporation have recovered to over 7. The big rise in the price of silver should add considerably to earnings.

CITY DEEP.

From several points of view the City Deep report is interesting and also very encouraging. We have not space this week to give a considered examination of the position and prospects. We reserve that for next week, but, meantime, would direct attention to the summary of the Consulting Engineer's report printed on another page, and particularly to his expla-

nation of the reasons for the increase in the value of the ore reserves from 9 dwt. to 9.6 dwt. The total working profit for the year was £220,959 below the 1917 level, but then labour shortage and a further rise in the cost of white labour and stores was experienced; and, moreover—which is particularly important—the ore mined was considerably under the average value of the ore reserves, *i.e.* 8.4 dwt. for ore mined against 9.6 dwt. for ore reserves. This difference is appreciable, and points to substantial improvement being shown presently in the grade of the ore milled, assuming, of course, that the recent good development disclosures continue.

RANDFONTEIN CENTRAL.

When such a huge mining concern—a conglomeration of seven mines—has to be got out of a bad mess, resulting from a lengthy period of mismanagement in the past, amidst white labour strikes, floods, native labour shortage and influenza epidemic, the marvel is that a very much worse showing is not made than the report of the Randfontein Central for 1918 discloses. The state of affairs when the Barnato group took over control and management was chaotic—underground, on the surface, and in the accounts. The process of straightening things out, reorganising, disposing of "white elephant" plant, systematisation development, making good woefully deficient shaft accommodation, &c., &c., has unmistakably commenced, and if the financial results do not reflect the change yet, it is not at all remarkable. Good grade ore in mines cannot be shown in the mill results if stope faces and shafting are not available and pumping plant is inadequate to keep the workings sufficiently dry. All this should be borne in mind in noting the fact that the ore milled last year was very much below the mill capacity, and that the average value was considerably under the average of the ore reserves:—

Year ends Dec. 31	Ore Milled Tons	Gold Yield Per Ton	Working Costs Per Ton	Working Profit £	Working Profit Per Ton	Sundry Revenue £	Total Profit £
1916 ...	2,209,622	25/8	18/4	811,488	7/4	581	812,069
1917 ...	2,017,181	24/5	19/10	459,697	4/7	50,178	509,875
1918 ...	1,745,900	22/8	21/6	108,072	1/2	118,149*	226,221*
1919.							
Mar. qr.	421,000	22/10	21/6	26,915	1/4	—	—

	Appropriations: Taxes and Phthisis	Deb., &c. Interest	Deb. Redemption	Depreciation, &c. Written off	Capital Expenditure	Total	Year's Surplus
	£	£	£	£	£	£	£
1916...	113,371*	166,256	91,600	2,060	260,930†	634,217	177,852
1917 ..	39,889	213,223‡	97,100	3,751	223,464	577,427	Def.67,552
1918...	9,889	156,928	102,900	1,602	262,252	533,571	Def.317,350

* Includes £23,957 on account of taxes provided by over-deduction in 1915.
† Includes £186,548 of development expenditure not provided out of profits.
‡ Includes four months of 1916 interest not charged.

It will be seen from the above that, in addition to Debenture interest being provided, heavy capital expenditure—mainly on shaft sinking and reorganisation and repair work—has had to be met, and that in consequence a large deficit between revenue and outgoings is shown for 1918. This reduces the credit balance carried forward to £27,669. The serious part of the business is the drain on the financial resources and the resultant bad financial position. At December 31 the balance sheet shows current liabilities, including loan of £301,872 from the Randfontein Estates Company, to exceed current liabilities by £333,000. In the absence of adequate profits from milling operations to meet the reorganisation expenditure further financial help will obviously be necessary, and it may be so large as to necessitate a reconstruction of capital and the issue of fresh Debentures or other obligations. That is the dark side of the picture. The bright side is the extremely satisfactory manner in which the reefs in the great extent of ground operated upon appear to be developing. The percentage payability of the last 2¼ years has averaged over 80%, and the value has been quite good, as will be seen from the following table of the quarterly returns with comparison of ore reserves added:—

	Payable Development Results: Feet	Per Cent. of Total	Assay Value	Width Inches	Shilling-Inches	Ore Reserves: Tons	Value	Width In.	Shilling-In.
1916 ...	—	—	—	—	—	4,955,256	28/10	51	1,474
1917:									
Mar. qr.	14,030	86	74/6	28	1,715	—	—	—	—
June qr.	12,215	81	83/0	20	1,660	—	—	—	—
Sep. qr.	13,305	81	85/10	20·2	1,720	—	—	—	—
Dec. qr.	14,695	77	91/0	19·0	1,738	—	—	—	—
Year	54,245	80·86	—	—	—	5,185,000*	28/19	52	1,530
1918:									
Mar. qr.	9,383	79	99/0	17	1,683	—	—	—	—
June qr.	7,813	76·8	72/0	21	1,510	—	—	—	—
Sep. qr.	8,998	85·7	90·6	17	1,538	—	—	—	—
Dec. qr.	8,910	95·3	99/0	16	1,683	—	—	—	—
Year	35,104	83·0	—	—	—	4,254,000†	28/10	50	1,445
1919:									
Mar. qr.	8,770	88·3	111·0	15	1,665	—	—	—	—

* Includes 910,000 tons, then only just payable, average 4·6 dwt. (19/6) per ton.
† Large tonnage of low-grade ore eliminated.

In 1917, with 54,245 feet of payable reef disclosures, the ore developed amounted to 2,033,659 tons, and the ore reserves, mainly through a large proportion of the ore milled coming from areas not included in the reserves, showed considerable increase. Apparently last year's development work brought into sight considerably less ore than the quantity used. The pay ore reckoned in the reserves showed a diminution for the year of 931,000 tons. Perhaps 910,000 tons of this was the ore referred to in 1917 reports as only just then payable and having an average value of 19*s.* 6*d.* per ton. The directors might, especially in the circumstances, be a little less niggardly in supplying information. It is impossible, for instance, to reconcile the diminution in the shilling-inch value of the ore reserves—due to decreased stoping width calculated—in face of the elimination of 900,000 tons—one-fifth—of low-grade ore, and the fact that the ore milled averaged before crushing only 24*s.* per ton over 50 inches width, against the ore reserve value of 28*s.*10*d.* over 50 inches. The inference is that the value of fresh ore developed in 1918 must have been very much lower than the average of the ore reserves at end of 1917—which is quite contrary to the indications of the published development disclosures. The discrepancy is not a small one, and we think shareholders should have an explanation.

As to the future, obviously patience must be exercised. If it is, there seems to be a good prospect of the undertaking being pulled round by able management to give a good return to shareholders, even allowing for reconstruction and the possible necessity of raising further capital. The shares, at present priced at 14*s.* 6*d.*, stand at a discount of 27 per cent. The area is of great extent, the reef dip steep, and with two Main Reefs and several subsidiary ones worked the ore contents per claim are very large. Add to that the high percentage of payability and the good values reported in development work and it is difficult to escape the conclusion that the mines ought to be highly payable propositions with native labour available. The introduction of jack-hammer drills has commenced, and another good point is the location recently of the true West Reef in No. 9 section of the property.

ANGLO-FRENCH EXPLORATION.

During the last few years the policy of writing off or disposing of interests in dying or unpayable mines has been pursued by nearly all the South African investment companies, and, besides replacing same with interests in more promising Eastern and South-eastern Rand undertakings, there has been a noticeable tendency to participate in ventures further afield. There is one exception to the general rule, but it is not the Anglo-French Exploration. Time was when this Company had a large stake in the East Rand Proprietary, but that was before reconstruction of the capital in 1915. Now the principal investments are in the best of the Central Rand mines and the younger and more progressive of the Eastern Rand concerns, as well as in the Hollinger mine in Canada, the East Pool and Agar of Cornwall, and the Magadi Soda in East Africa. Quite recently interests have been

acquired in the Kirkland Lake Goldfield, and investigation is proceeding of an oil property in Trinidad. The Company's earnings last year were on a smaller scale than for 1917; but it will be remembered that labour and war conditions seriously reduced the dividend payments of many of the Rand mines. The financial position is strong, as will be seen from the following table:—

Year to December 31—	1918		1917		1916	
	£		£		£	
Income.						
Dividends, interest, &c.		66,367		77,703		88,513
Profits realised on shares, &c.		9,841		30,071		17,330
		76,208		107,774		105,843
Expenditure.	£		£		£	
Administration, &c. ...	21,958		22,743		23,335	
Realised losses, &c. ...	9,345		11,777		7,378	
Writings off depreciation	—		24,764		—	
Interest under scheme with Pref. shareholders	—				4,528	
Preference dividend .	—				—	
Debenture charge ...	12,360		13,035		11,607	
		43,663		72,319		46,848
		32,545		35,455		58,995
Balance brought forward		41,705		48,512		44,247
Total available		74,250		83,967		103,242
Dividend, Ord.	37,500 (7½%)		37,500 (7½%)		50,000 (10%)	
Directors and commission	2,475		4,762		4,730	
		39,975		42,262		54,730
Carried forward ...		34,275		41,705		48,512

The balance sheet at December 31, 1918, shows:—

	£
Cash	37,736
Treasury bills, Government and other securities	201,243
Shares in South African companies	463,879
,, Rhodesian companies	44,141
,, companies and properties in other countries	89,877
Debtors and loans	20,109
	856,985
Less—Total creditors (including dividend and commission) ...	68,677
Surplus	788,308

Contingent Liabilities in connection with participation in new business, &c., £111,059 at end 1917, and £91,337 at end 1918

Issued share capital	£500,000
Outstanding Debentures	255,000

The £1 shares are now quoted at 1916 against 16/- a year ago.

RAND GOLD OUTPUT.

	Tons Milled and Yield per Ton Tons	Yield	Value	Working Costs† per Ton	Working Profit Per Ton	Profit £	Dividends Paid £	Native Labour Roll*
1915	28,314,539	26/4	37,764,992	17/5	8/5	11,931,062	7,619,416	209,438
1916	28,525,252	26/8	38,107,909	18/1	8/2	11,630,001	7,095,066	191,547
1917	27,251,960	27/1	37,017 633	19/2	7/6	10,225,638	6,556,188	172,742
1918.								
1st half	12,764,768	27/6	17 568 400	20/11	6/3	4,001 698‡	2,738,215	179 028
July ...	2,167 869	27/ 0	3,041 ·19	21/2	6/6	702,360	—	178 4 2
Aug. ...	2,158,431	28/1	3 057.7 3	21/7	6/3	676,146	—	179 390
Sept. ...	2 0 0,635	28/2	2,918,032	22/0	5/10	603,430	—	179,399
Oct. ...	2.015.144	28 0	2 837 2 4	22/5	5 3	531,774	—	173.153
Nov. ...	1,899,925	28/5	2,721.932	23/1	4'0.102	5/1	—	1f0.275
Dec. ...	1,855,991	28/7	2 678.217	23/0	507,806	5/6	2.274,112	152,606
Total, year 1919.	24,922,763	27/11	34,823,017	21/7	7.500.270	6/0	5,144,077	—
Jan. ...	2,167,411	27/1	2 8 2,867	20/7	703.665	6/4	—	160,599
Feb. ...	1,816,352	28/9	2 638 838	23/2	488,2c4	5,6	—	172,359
Mar. ...	—	—	2.9 1, 28	—	—	—	—	175.620
Apr. ...	—	—	2,874,447	—	—	—	—	175,267

* Number of natives employed at end of period.
† Excluding expenditure on capital account, taxation and certain other expense items.
‡ Adjusted total.

Intending Settlers To South & East Africa



are notified that the

National Bank of South Africa, Ltd., have over **300 Branches within the Union**; also Offices at **Mombasa, Nairobi, Mozambique, Dar-es-Salaam, Tanga**, etc., and in **Nyasaland.**

LONDON OFFICES:

CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office—
25, COCKSPUR STREET,
S.W.—1.

Agency at—
10, WALL STREET,
NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, May 14, 1919.

Issue Department.

Notes Issued	£102,463,240	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	84,013,240
	£102,463,240		£102,463,240

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£46,433,817
Rest	3,105,747	Other Securities	77,984,317
Public Deposits	22,807,099	Notes	25,976,155
Other Deposits	111,479,248	Gold and Silver Coin	1,560,392
Seven-day and other Bills	9,587		
	£151,954,681		£151,954,681

Comparison with Previous Four Weeks [00,000's omitted]

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919	£	£	£	£	£	£	£	%	%	%
May 14	76.5	85.6	22.8	111.4	46.4	77.9	27.5	20·50	5	3⅛
May 7	76.8	85.9	23.7	115.2	49.4	79.5	27.6	19·87	5	3⅛
Apr. 30	77.1	85.6	21.9	124.7	55.1	82.2	26.9	18·38	5	3⅛
Apr. 23	76 2	85.1	24.6	117.2	50.2	81.8	27.4	19·32	5	⅛
Apr. 16	76.2	85.2	27.7	116.6	56.1	78.3	27.5	19·04	5	3⅛
J'y 22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅛

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 8 8%; Aug. 8 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	May 14, 1919	May 15, 1918	May 16, 1917	May 17, 1916	May 12 1909
Circulation	£76.5	£50.0	£38.5	£34.7	£29.1
Public Deposits	22.8	41.5	53.0	60 6	14.8
Other Deposits	111.4	133.8	117.2	78.6	40.8
Government Securities	46.4	57.3	45.0	33.2	15.4
Other Securities	77.9	105.5	108.2	79.9	30.6
Reserve	27.5	30.2	34.8	43.8	27.4
Ratio to Liabilities	20·50%	17·22%	20·43%	31·51%	49·20%
Coin and Bullion	85.6	61.7	54.8	60.1	38.1
Money					
Bank of England Rate	5%	5%	5%	5%	2½%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3⅛%	3⅛%	4⅛%	4⅛%	1⅛%
Exchanges:					
Paris Cheque	29 57½	27 14½	27 26½	28 23½	25 15½
New York 60 days	4 63½	4 72⅜	4 73	4 73	4 86⅛
Bombay Telegraphic Transfers	1/7 5/16	1/5 15/16	1/4 7/16	1/4⅛	1/3 11/32
Prices:					
Consols 2½% Cash	56½	56	55½	57⅛	85⅛
French Rentes 3% Money	62 60	58 75	61 50	62 50	97 65
Silver, London spot	54	48⅞d.	37 7/16d.	36 9/16	24 5/16d.
Wheat, *Gazette* average	73/2	73/5	78/0	55/5	40/9
Cotton, Mid Upland*	17·23d.	21·70d.	13·03d.	8·66d.	5·78d.
Iron, Scotch pig	161/0	101/0	98/6	86/6	64/1½

* Good Middling American, Official Value.

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	% of Gold to Notes %
May 14, 1919 ...	6,207,244	6,681,924	346,665,595	28,500,000	8·2
May 7, 1919 ...	5,802,685	7,002,036	347,140,275	28,500,000	8·2
May 15, 1918 ...	6,885,042	3,806,620	244,062,907	28,500,000	11·7
May 16, 1917 ...	4,976,668	3,725,421	155,947,656	28,500,000	18·3
May 17, 1916 ...	4,069,611	3,450,407	117,181,607	28,500,000	24·3
May 19, 1915 ...	2,271,359	1,995,055	43,795,323	28,500,000	65·0

Balance Sheet, May 14, 1919.

	£		£
Notes outstanding—		Advances—	
One Pound	263,027,715	Trustee Savings Banks	430,000
Ten Shilling	46,877,880	Currency Note Redemption A/c—	
Certificates outstanding ...	36,760,000	Gold Coin and Bullion ...	28,500,000
		Government Securities ...	329,592,365
Total	346,665,595	Balance at Bank of England	4,335,626
Investments Reserve A/c	16,192,396		
Total	362,857,991	Total — —	362,857,991

PUBLIC INCOME & EXPENDITURE [000's omitted.

1918-19 Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.— Cr.	Dr.	Net +	Cash Balance
May 10	£11 380	£24.811	£13.431	£78.756	£65.096	£13.660	£6.819
May 3	14 961	41 058	26.097	91.756	65.202	26.554	6.589
Apr 26	13 6·9	32·737	19 058	75.137	50 564	24 573	6.133
40 days '19	89 512	204 781	115 259	562 363	453.074	109.289	−5.980
41 days 18	71 851	321 195	249.344	765.483	522.864	242.619	−6.725
Fr. '19-20	*1,201.100*	*1,434.910*	*233,810*	—	—	*233,810*	—
Yr. 18-19	889.021	2.579.301	1.690.280	7.033.402	5.351.353	1.682.049	12.799
Yr '17-18	707.234	2.696.221	1.988.987	7.499.604	3.616.023	1.983.581	21.030

Principal Items of Revenue and Expenditure.

1918-19. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services
May 10	£3.820	£2.064	£4 159	£1.337	£751	£10	£24.050
May 3	3.649	2.338	7.141	1.833	12.848	32	28.178
Apr 26	4.340	2.760	5 084	1 495	1.037	—	31 700
40 days '19	22.173	28 172	28 467	10.700	51.122	462	153 197
41 days 18	13 380	19.266	30.337	8 868	21.540	442	299 213
Fr. '19-20	*237,500*	*354,000*	*300,000*	*309,600*	*360,000*	*16,595*	*1,058.315*
Yr 18-19	162.220	291.186	285.028	160.587	269.964	11.380	2.297.958
Yr. 17-18	110.033	239.509	220.214	137.478	189.851	11.401	2.494.968

FLOATING DEBT		Treasury Bill	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
May 10, 1919	...	£1.013,135	£470.992	£1,484.127	£1.707 662
May 3, 1919	...	1,000 179	477.492	1.477.671	1.703.065
Apr. 26 1919	...	985.941	474.492	1.460.434	1.698.835
Apr. 19, 1919	...	878.o72	470.493	1,449.165	1,692,960
Dec. 31, 1918	...	1.094.740	455.180	†1,549.920	1,420,700

Budget estimate. † Highest.

FOREIGN BANKS. [In £'s Sterling†—000's omitted.]

AUSTRIA-HUNGARY.	Cash Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Discounted, &c.
July 23, '14	£51,578	£12,141	£63,719	£7,722	—	£88,740	£31,993
Mar. 7, '19	11,600	2,369	13,969	387,957	£1,361,708	1,558,675	116,973
Mar. 14, '19	11,600	2,372	13,972	388,410	1,375,166	1,571,211	116,968
Dec. 7, '17	11,000	2,300	13,300	603,990	—	739,300	117,600

DENMARK.	Cash Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14	£4,109	£341	£4,441	£6,197	£786	£8,693	£47
Mar. 31, '19	10,385	137	10,522	3,644	4,206	24,137	832
Apr. 30, '19	10,374	136	10,510	3,425	3,977	24,115	1,026
Apr. 30, '18	10,228	134	10,362	3,507	3,489	19,317	947
Apr. 30, '17	9,595	131	9,726	5,084	2,080	16,717	1,364

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14	£165 654		£190,667	£97,768	£267,327	£15,302	£37,903
May 8, '19	142,779	79,131	234,255	35,798	1,377,187	2,484	137,536
May 15, '19	142,801	79,131	234,262	36,469	1,372,975	6,714	132,337
May 16, '18	133,755	81,484	225,489	43,656	1,082,561	3,582	120,718
May 18, '17	132,629	77,948	220,866	19,334	773,762	2,714	100,462

GERMANY.	Cash Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
Apr. 23, '19	95,592	1,055	96,647	343,106	1,437,918	1,293,740	579,278
Apr. 30, '19	87,793	1,040	88,833	363,865	1,578,048	1,331,446	726,863
Apr. 30, '18	117,200	6,040	123,240	76,868	694,824	591,040	352,750
Apr. 30, '17	126,628	833	127,461	25,619	436,397	415,770	199,049

HOLLAND.	Cash Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
Apr. 26, '19	55,279	676	55,955	13,899	18,831	86,457	7,672
May 3, '19	55,236	605	55,841	14,351	19,331	90,646	3,690
May 4, '18	60,153	611	60,764	5,647	14,216	81,297	5,072
May 5, '17	49,669	580	50,248	7,998	7,755	65,452	4,242

ITALY.	Cash Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14	—	—	£48,456		£25,017	£69,204	£8,887
Mar. 10, '19	—	—	35,652		89,866	357,033	59,919
Mar. 20, '19	—	—	35,650		87,423	358,452	59,946
Mar. 20, '18	33,466	3,158	36,624	5,187	54,943	273,128	56,798
Mar. 20, '17	34,210	2,737	36,947	4,540	44,226	153,817	31,401

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
Mar. 29, '19	70,797	4,966	35,393	86,573	106,488	4,161
Apr. 5, '19	70,743	2,243	35,543	82,439	107,374	3,680
Apr. 6, '18	64,632	5,246	24,375	65,114	65,511	2,308
Apr. 7, '17	40,594	650	17,051	43,928	44,196	1,325

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest., &c.	Net Deposits Demand	Net Deposits Time	Net Deposits Total	Excess Reserve
Aug. 1, '14	—	£89,888	£411,238	—	—	£387,165	£1,720
May 3, '19	£19,492†	113,824	988,468	£805,656	£30,814	892,312	7,722
May 10, '19	19,652†	114,804	1,001,822	812,448	31,132	897,282	7,756
May 11, '18	21,906*	107,430	906,310	743,134	35,942	849,842	8,582
May 12, '17	86,558*	147,444	716,234	711,704	38,197	769,902	24,796

* Counted as reserve. † Not reserve.

NORWAY.	Gold	Balance Abroad	For'gn Govt. Securities	Disc'nts & Loans	Circulation	Deposits
July 31, '14	£2,960	£1,678	£493	£4,868	£6,752	£793
Apr. 22, '19	8,194	3,799	691	19,449	24,402	3,970
Apr. 30, '19	8,190	3,805	691	19,280	23,916	4,203
Apr. 30, '18	6,733	3,645	712	18,416	19,741	6,445
Apr. 30, '17	7,165	4,117	706	12,438	15,685	6,703

PORTUGAL.	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
Mar. 19, '19	£1,905	£3,780	£5,685	£9,661	£64,194	£4,054
Mar. 26, '19	1,905	3,799	5,704	9,633	64,181	4,169
Apr. 2, '19	1,905	3,856	5,761	8,859	62,871	5,186
Apr. 3, '18	1,905	3,121	5,026	7,701	45,774	1,474
Apr. 4, '17	1,904	1,011	2,915	15,066	32,293	877

RUSSIA.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14	£160,114	£14,395	£181,892	£76,081	£163,411	£6,589	£109,911
Oct. 29, '17	129,523	230,865	378,205	1,869,559	1,836,217	15,783	345,550

SPAIN.	Cash Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits, &c.
Aug. 1, '14	£21,804	£29,187	£50,991	£40,572	£13,778	£77,557	£18,955
Apr. 28, '19	90,445	26,010	116,455	74,672	13,778	140,115	43,948
May 3, '19	90,444	25,984	116,428	74,892	13,778	140,846	42,681
May 4, '18	81,685	28,201	109,886	51,143	13,777	117,755	35,079
May 5, '17	55,878	29,991	85,869	53,917	13,777	97,594	30,070

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14	£5,717	£6,150	£1,558	£7,495	£39,564	£8,016
Apr. 26, '19	15,974	7,418	3,003	18,647	38,294	6,471
May 3, '19	15,967	7,227	2,880	20,276	40,319	6,039
May 4, '18	14,307	7,600	3,885	13,502	34,292	4,925
May 5, '17	11,280	6,828	3,150	9,243	24,073	6,705

SWITZERLAND.	Cash Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14	£7,202	£758	£7,960	£4,817	£10,716	£2,025
Apr. 30 '19	16,801	2,632	19,433	21,424	38,509	4,216
May 7, '19	16,810	2,648	19,458	22,440	37,397	4,918
May 7, '18	15,070	2,220	17,290	14,300	27,904	4,181
May 7, '17	13,691	2,031	15,722	9,302	20,819	5,226

Converted at par rate of exchange.

U. STATES FED. RES. BANKS.	Gold Held by Banks.	Gold With Agents.	Total Cash.	Bills Discount'd	Bills Acceptances	Deposits Govt.	Deposits Total Net.	Circulation.
May 3, '19	£189,540	243,784	447,444	393,356	39,056	28,654	354,990	509,808
May 10, '19	182,976	251,834	448,558	393,880	36,403	17,952	351,062	511,350
May 10, '18	194,104	182,524	388,502	187,808	57,208	26,706	330,264	313,924
May 11, '17	111,720	88,202	207,164	79,007	19,431	48,484	161,112	87,644

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Dates Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	4½	Oct. 28,'14
Berne	5½	Oct. 3,'18	Paris	5	Aug. 20,'14
Bombay	8	Mar. 27,'19	Petrograd ...	8	July 29,'14
Brussels	5	Aug. 27,'14	Rome	5	Jan. 11,'18
Calcutta	6	Mar. 27,'19	Stockholm ...	7	Mar.21,'18
Christiania ...	6	Dec. 13,'17	Tokio	6½	Nov. 25,'18
Copenhagen ...	5½	Jan. 2,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		May 16, '19	May 9, '19	May 2, '19	Apr. 25, '19
Brussels	Cheques	30fr. 60c.	29fr. 77½c.	29fr. 83½c.	29fr. 64½c.
Denmark	Cable	19kr. 23	19kr. 10	18kr. 77½	18kr. 62½
Holland	do.	11d. 73⅛c	11d. 76⅛c.	11d. 63c.	11d. 55c.
Italy	do.	37lr. 50c.	35lr. 50c.	35lr. 20c.	35lr. 20c.
Lisbon and Oporto	do.	31½d.	31d.	32½d.	33¼d.
New York	do.	$4 66	$4 69½	$4 63	$4 66½
—	Cheques	$4 66⅜	$4 69⅞	$4 68⅛	$4 67½
Norway	Cable	18kr. 47½	18kr. 42	18kr. 11½	18kr. 07½
Paris	3 mos.	30fr. 01c.	29fr 26c.	28fr. 85c.	—
—	Cable	29fr 60c.	28fr 85c.	28fr. 45c.	28fr. 40c.
Spain (Bank places)	3 mos.	50⅛d.	50⅛d.	—	—
—	Cable	23p. 05	23p. 13	23p. 12½	22p. 97½
Sweden	Cable	18kr. 18	18kr. 15	17kr. 46	17kr. 42½
Switzerland	3 mos.	23fr. 77½c.	—	—	—
—	Cable	23f. 37½c.	23f. 43c	23f. 13c	22f. 95c.

ON LONDON—		May 16, '19	May 9, '19	May 2, '19	Par
Alexandria	Sight	97⅛pi.	97⅛pi.	97⅛pi.	97⅛pi.
Amsterdam	Cheques	11d. 74c.	11d. 75½c.	11d. 63½c.	12·107 fl
Bombay	Transfers	1s. 7⅜d.	1s. 5⅛d.	1s. 5⅛d.	1s. 6d.
Brussels	Cheques	30f. 75c.	29f. 77½c.	29f. 79½c.	25f. 22½c.
Buenos Ayres	Transfer	51⅜d.	51⅛d.	51⅜d.	47.58d
Calcutta	do.	1s. 7⅛d.	1s. 5⅛d.	1s. 6⅜d.	1s. 6d.
Christiania	Sight	18kr. 49	18kr. 40½	18kr. 20	18.159kr
Copenhagen	do.	19kr. 27	19kr. 07½	18kr. 77½	18.159kr.
Hong Kong	Transfers	3s. 6¼d.	3s. 5d.	3s. 4⅜d.	—
Italy	Sight	37lr. 20c.	35lr. 58c.	35lr. 15c.	25lr. 22½
Lisbon	do.	31⅜d.	33¼d.	32⅜d.	53½d.
Madras	do.	1s. 8⅛d.	1s. 6⅛d.	1s. 6⅜d.	1s. 6d.
Madrid	do.	23p. 05½	23p. 16	23p. 14	25p. 22
Montevideo	Transfers	—	58½d.	—	51d.
Montreal	Cable	$4 79	$4 82½	$4 80⅜	$4 86⅝
New York	Sight	$4 65⅞*	$4 67½	$4 67	—
—	60 days	$4 63½*	$4 65½	$4 63⅜	—
—	Cable	$4 66⅛	$4 69⅛	$4 68	$4 86⅜
Paris	Cheques	29f. 68c.	28f 80c	28f. 40c.	25f.22½
Rio de Janeiro	90 days	14⅜d.	14⅛d.	—	18d
Shanghai	Transfers	5s. 2½d	5s. 1d.	5s. 0d.	—
Singapore	Sight	2s. 4 7/16d.	2s. 4 3/16d.	2s. 4¼d.	2s. 4d.
Stockholm	do.	18kr. 17½	18kr. 13	17kr. 46	18·159kr.
Switzerland	do.	23f. 38c	23f. 37c	23f. 15c.	25f. 22½c.
Valparaiso	90 days	10 1/16d.	—	10⅛d.	18d.
Yokohama	Sight	2s. 2⅛d.	2s. 2 3/16d.	2s. 2½d.	2s. 0.56d.

* Thursday's rates.

NEW YORK ON—	Rate Current* May 14, '19	Rate Current* May 7, '19	Par as usually Quoted	Rate July 3, 14
Amsterdam, sight	39·75c.	39·90c.	40·20c. for 1 guilder	40·26c.
Bombay, cheques	40c.	35·50c	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques	44·40c.	44·85c.		
Christiania, cheques	25·15c.	25·40c.	26·80c. for 1 kroner	
Copenhagen, cheques	24·20c.	24·85c.	26·80c. for 1 kroner	26·86c.
Greece, cheques	19·15c.	19·25c.	19·295c. for 1 drachma	
Hongkong, cheques	87c.	82c.	74·59c. for Mex. $1	48·40c.
Italy, sight	7·82½.	7·87½.	5·18¼ lire for $1	5·17½.
Lima, cheques	5·05c.	5·05c.	4·8665 $ for 1 libra	
Manila, cheques	49·75c.	49·75c.	50c. for 1 peso	49·50c
Montreal	2⅛%disc.	2 3/16%disc.	Premium per $100	Par
Paris, sight	6·34½.	8·14½.	5·18¼ francs for $1	5·16½.
Petrograd, sight	11 nom.	10 nom.	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	27·50c.	26·37½c.	32·42c. for 1 milreis	
Shanghai, cheques	124c	122c	52·96c. for 1 tael	63·00c.
Singapore, cheques	55·24c.	56·37½c.	56·77c. for $1	57·12c.
Spain, cheques	20·18c.	20·18c.	19·30c. for 1 peseta	
Stockholm, cheques	25·85c.	26·25c.	26·80c. for 1 kroner	
Switzerland, cheques	5·02½.	5·02½.	5·18¼ francs for $1	5·16¼fr.
Valparaiso, cheques	20·50c.	20·50c.	20·81c. for 1 peso	
Yokohama, cheques	51½c.	51½c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1919 Agg.	Inc. or Dec.*
	1919.	[In £'s sterling 000's omitted.]			
BIRMINGHAM	May 10	£2,562	+ £647	£46,435	— £1,459 — 3·0
BRISTOL	,, 10	1,261	+ 200	23,933	+ 4,028 + 20·2
DUBLIN	,, 10	7,885	+ 1,742	129,260	+ 25,916 + 25·1
LEEDS	,, 10	1,105	+ 313	20,850	+ 2,228 + 12·0
LEICESTER	,, 10	882	+ 202	16,348	+ 3,080 + 23·0
LIVERPOOL	,, 10	10,497	+ 1,056	205,353	+ 38,289 + 22·9
MANCHESTER	,, 10	13,545	— 1,314	281,734	+ 6,967 + 2·5
NEWCASTLE	,, 10	1,913	+ 211	35,376	— 48 — ·1
NOTTINGHAM	,, 10	683	— 94	12,122	+ 578 + 5·0
SHEFFIELD	,, 10	1,086	+ 277	22,818	+ 1,188 + 5·5
LONDON—	1919.				
TOWN	May 14	391,253	+ 75,572	7,098,779	+ 893,138 + 14·4
METROPOLITAN	,, 14	34,364	+ 8,760	618,980	+ 116,254 + 23·1
COUNTRY	,, 14	63,434	+ 11,748	1,126,744	+ 169,139 + 17·7
TOTAL	,, 14	489,051	+ 96,080	8,844,503	+ 1,178,531 + 15·4

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould and Co.

HOMEWARDS.	1919 May 16	1919 May 9	1913 May 16
Alex. to Lond. or Hull	—	—	9/0
Aust. to U.K. or Cont.	105/0	105/0	31/3
Azoff to L.H.A.R.	—	—	10/3
Bombay to p.p. (nom.)	90/0	90/0	d.w.23/0
Burmah o.c. (nom.)	105/0	105/0	26/6
Calcut. to p.p. (jute)	nom.	nom.	25/0
Danube to A.R.	—	—	11/0
Odessa to L.H.A.R.	—	—	9/0
R. Plate to U.K. Cont.	225/0	250/0	16/6

Homewards.—*Contd.*	1919 May 16	1919 May 9	1913 May 1
U.S.Atl.Ports to Lvrpl. (cotton, 100lb.)	220/0	220/0	47/6
U.S. to U.K. Cont. (gr.)	14/0	14/0	2/9
Gulf Ports to U.K. Cont. (cotton & grain)	$35	$35	15/0
OUTWARDS—Cardiff to			
Bombay	—	—	13/0
Colombo	—	—	12/6
Port Said	47/6	47/6	9/6
River Plate	45/0	47/6	16/0
St. Vincent	40/0	40/0	8/3

C

VI.—WHOLESALE PRICES OF COMMODITIES.

	MAY 16, 1919	MAY 16, 1918.	JUNE 30, 1914
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	161/0	101/0	57/0
— Middlesbro' warrants ...ton	155/0	95/0	51/0
— Hematite warrants ...ton	180/0	122/6	61/0
— Staffordshire bars, London ton	£20 10	£15 10	£8 10
— Common bars ...ton	£20 10	£13 15	£8 10
Steel Rails ...ton	£15	£10 17/6	£6 2/6
Galvanised Sheets...ton	£30	£28	£18 17/6
Copper—Standard...ton	£78 5	£110—£110 10	£61
Tin—English Ingots...ton	£238—£239	£369—£372	£142 10
— Straits ...ton	£244 10	£364—£365	£139 15
Tinplates, I.C. Coke, S. Wales...box	33/10½	31/6	11/10½—12/0
Lead—Soft Foreign ...ton	£24 10	£28 10—£29 10	£19
Spelter—Ord. Foreign ...ton	£35 15—£36 5	£50—£54	£21 7/9
Quicksilver—(75lb.) ...bottle	£16 10—£17	£20	£7
Aluminium ...ton	£150	nom	£82
Antimony—Regulus Foreign ...ton	£42	nom	£27 10
— English ...ton	£45	—	—
Coal—(best) Yorkshire...ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle...ton	40/0—45/0	30/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	9/6	11/3	7/4
Soda—Crystals ex ship ...ton	129/0—130/0	87/6	42/6—45/0
Copra—Malay and Straits	£55	£45 10	£23 15—£24 7/6
Gambier—Good marks ...cwt	38/6	72/6	16/10½
Indigo—Bengal good to fine...lb.	9/0—10/6	9/0—11/0	3/2—3/8
Linseed Oil—Raw ...ton	£91 5	£58	£25 5
Linseed—Calcutta, spot ...ton	£42	£29 15	£13 16/9
— **Cakes**, U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish ...tun	nom.	—	£49 10
Palm Oil—Lagos ...ton	£70	49	£31 10
Petroleum—American...gallon	1/4½	1/4	7½d.
Rape Oil—Refined English ...ton	£99	£71	£32
Soya Oil—Refined...ton	£75	£75	£24 10
Tallow—Imported ...cwt.	78/0—80/0	72/0	29/3—33/3
Turpentine—French ...cwt.	98/0	120/0	33/7½
Rape Seed—Toria...ton	£34 10	£29 15	£13 5
Rubber—Para, spot ...lb.	2/4½	3/0	2/9½
— Fine plantation (stnd. crepe) lb.	1/11½	2/3	2/2
— World's Production* Mar. tons	29,000	26,205	8,467
Shellac—T.N. Orange, fair.....cwt.	300/0—320/0	340/0	83/0—84/0
TEXTILES.			
Cotton—Middling Uplandt ...lb	17·28 l.	22·23 l.	7·53d.
— Egyptian, good fair ...lb.	28·34 l.	29·15 l.	8·75d.
— Pernambuco fair ...lb	20·18 l.	24·48 l.	7·73d.
— Mid. Upl. New York.. ...lb.	29·75c.	26·70c.	13·25c.
— Stock, Liverpool, May 9 bales	553,100	331,840	
Flax—Petrograd, Yarapol ...ton	nom	£120 nom.	£28
Hemp—New Zealand ...ton	£47	£93	£25 10
— Manila, Fair ...ton	£47	£85	£26 10
Jute—First Marks ...ton	£46	—	£28 15
— Red SOO ...ton	—	—	£24 15
Silk—Blue Elephant ...lb	20/6	25/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb	3/1½	nom.	11½d.—1/0
— Lincoln Half Hogs ...lb.	1/7½ nom.	1/6 nom.	1/0½
Hides—Eng. Ox, best, 65lb. up lb	9½d.—10½d.	10½	7½d.
Leather—Dressing Hides ...lb	2/7—3/3	2/4—3/0	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	87,399,000	18,725,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	237½c.	226c.	87½c.
— English *Gazette*, aver. 480lb qr.	73/2	73 5	34/3
Flour—G.R. ...280lb.	44/3	44/3	28/6
Barley—Eng. *Gaz.*, aver. 400lb. qr.	63/1	56/6	25/4
Oats—Eng. *Gaz.*, aver. 312lb. ...qr.	48/5	47/6	20/0
Maize—N. Y. (new bushel) .. 56lb.	195½c.	nom.	76½c.
— Amer. mixed, Liverpool...480lb.	63/9	80/9	32/4
— La Plata ...480lb. qr.	63/0	76/0	25/9
Potatoes—Good English ...ton	213/0	130/0—150/0	70/0—75/0
Rice—Bassein ...cwt.	25/0	28/3	7/0—7/3
Tapioca—Pearl, medium...cwt.	45/0	80/0	14/0—17/8
Hay—Best ...2,016lb....load	176/0	161/0	82/6
Hops—English...cwt	—	£5 10—£10	£6 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs....8lb.	6/8—7/2	9/3	3/8—3/10
— Scotch sides...8lb.	8/6	8/2	4/6—5/0
— English...8lb.	8/6	8/2	4/2—4/5
Mutton—Scotch wethers...8lb.	9/0	8/8	5/8—6/0
— English wethers...8lb.	9/0	8/8	4/6—5/4
— New Zealand frozen ...8lb.	9/0	8/8	2/4—3/2
Pork—English and Irish...8lb.	10/8	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	190/6	188/0	60/0—74/0
— Danish...cwt.	—	172/0	58/0—68/0
— Canadian, ex Port...cwt.	180/0—190/0	—	—
— American, ex Port...cwt.	174/0—188/0	170/0—172/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	174/0—192/0	165/0	75/0—79/0
— — short cut, ex Port ...cwt.	172/0—190/0	162/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	160/0—187/6	152/0	51/9—52/9
Butter—Danish ...cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
— French ...cwt.			98/0—108/0
— Australian ...cwt.			98/0—110/0
— New Zealand ...cwt.			108/0—114/0
Cheese—Canadian ...cwt.	Controlled 144/8	—	68/0—68/0
— United States...cwt.		—	—
— Dutch ...cwt.		160/0	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Apr. 30 ...cwts.	9,280,239	8,894,782	19,727,254
— Home consump'n to Apr. 30 cwts.	9,057,361	6,069,772	17,272,000
— In Bond Apr 30 ...cwts.	6,691,000	6,074,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	32/0	36/0	10/3
— — Yellow crystals ...cwt.	57/9	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	64/9	64/6	18/0
Coffee—Imports to Apr 30 ...cwts.	407,689	44,945	720,360
— Home consump'n to Apr. 30 cwts.	99,480	208,817	141,410
— Exports to Apr. 30 ...cwts	69,500	16,081	340,250
— In Bond Apr. 30 ...cwt.	843,000	914,000	484,000
— Price, Costa Rica gd. to fine cwt.	125/0—135/0	122/0—137/0	80/0—93/0
— — Brazil (Santos)...cwt.	105/0—115/0	64/6	41/6
Tea—Imports to Apr. 30...lbs.	143,175,704	175,154,532	123,230,277
— Home consump'n to Apr. 30 lbs.	109,384,355	92,309,680	155,447,972
— Exports to Apr. 30 ...lbs.	8,519,860	451,008	28,581,765
— In Bond Apr. 30 ...lbs.	157,666,000	85,161,000	78,292,000
— Price, Indian Pek. Soug. good lb.	9½—9½d.	—	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	9½—9½d.	—	8½d.
— — Common Congou ...lb.	9½—9½d.	—	5½d.
Cocoa—In Bond Apr. 30 ...cwt	1,019,000	602,000	309,000
— Grenada, good to fine ...cwt	79/0—85/0	85/0	52/6—56/0

* Estimated. † G.M. American Official Value.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific ...	Mar.	$12,374,000	— $54,000	$1,539,000	— $1,454,000
	3 *mos. to* Mar.	*36,167,000*	+*3,675,000*	*4,074,000*	— *678,000*
Grand Trunk ...	Mar.	£1,132,900	+ £323,800	£172,700	+ £156,800
	3 *mos. to* Mar.	*2,877,500*	+ *936,900*	Dr.*38,100*	+ *275,600*

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago.
Assam Bengal	Mar. 31	993	R2,59,789	+ 39,109	26	6,37,106	+ 5,15,595
Barsi Light ...	Apr. 12	118	63,900	+ 46,300	2	—	—
Bengal & N.W.	Mar. 31	2,052	8,91,210	+ 2,95,667	26	1,29,03,267	+ 16,37,560
Beng. Dooars	Mar. 31	158	25,970	— 5,246	26	9,06,843	+ 66,516
Beng. Nagpur	Mar 31	2,695	20,43,000	+ 4,05,000	52	6,10,26,059	+ 46,33,517
Bomb. Baroda	May 3	2,871	20,62,000	+ 81,000	5	89,30,000	— 4,27,000
Burma	Mar. 31	1,342	7,54,868	+ 1,00,475	52	2,63,01,139	+ 40,26,434
Del. Um. Kalk.	Apr. 26	239	73,500	— 25,559	4	3,19,229	— 29,085
East Indian .	May 3	2,767	27,87,000	+ 1,02,000	5	1,28,71,000	+ 5,80,000
Gt. Indian Pen.	May 3	3,112½	27,99,900	+ 5,46,000	5	1,26,89,800	+ 11,45,376
Madras & S.M.	Apr. 12	3,152	19,00,000	— 1,58,104	2	—	—
Nizam's Guar.	Mar. 31	900	6,85,789	+ 1,72,422	23	9,32,769	— 4,40,024
Roh. & Kumn.	Mar. 22	572	1,08,788	— 2,584	25	27,02,381	+ 1,64,524
South Indian	Mar. 31	1,829½	10,33,977	— 20,554	52	3,55,23,153	+ 1,56,487
South Punjab	Dec.	716	7,97,816	+ 42,119	3*m*	22,59,586	+ 74,707
COLONIAL							
Can. Northern	May 7	9,524	$988,950	+ 161,450	18	15,811,249	+ 2,183,049
Can. Pacific ...	May 7	13,388	2,856,000	— 177,000	18	52,103,000	+ 3,271,000
Gd. Trunk Pac.	Mar. 7	916	£18,481	— 1,842	9	178,169	— 27,921
Grand Trunk	May 7	3,616	232,264	+ 12,401	18	4,210,632	+ 1,104,583
Mashonaland	Dec.	810	53,459	+ 4,011	3*m*	137,931	— 35,806
Mid. W. Aust.	Feb.	277	11,110	+ 2,493	8*m*	73,942	+ 12,808
New Cape Cent.	Mar. 29	205	3,593	+ 880	12	36,952	+ 6,112
Rhodesia Rlys.	Dec.	1,397	86,906	+ 5,069	3*m*	214,060	— 63,026
W. Pass. & Yuk.	Dec.	122	—	—	*m*	$1,244,080	— 604,349
FOREIGN.							
Argentine.							
Arg. N. East .	May 10	752	£ 11,300	+ 1,100	46	443,900	+ 59,300
Arg. Transand	May 10	111	£ 3,820	+ 970	45	169,440	+ 20,800
B. A. & Pacific	May 10	3,536	£ 129,000	+ 29,000	45	5,228,000	+ 1,037,000
B.A. Gt. South.	May 11	3,792	£ 147,000	+ 14,000	45	6,232,000	+ 1,323,000
Do.	May 11	Net	£ 36,000	+ 1,000	45	1,382,000	+ 232,000
B. A. Western	May 11	1,882	£ 82,000	— 4,000	45	3,103,000	+ 744,000
Do.	May 11	Net	£ 18,000	— 2,000	45	734,000	+ 161,000
B. A. Central .	Feb.	190	£ 37,889	+ 3,667	8*m*	322,745	+ 109,162
Cent. Argent	May 10	3,305	£ 154,000	— 6,000	45	5,946,300	+ 806,100
Do.	May 10	Net	£ 28,000	— 4,000	45	862,600	— 441,273
Cord. Central	May 10	1,205	£ 50,700	+ 9,590	45	1,967,080	+ 562,360
Entre Rios ...	May 10	831	£ 22,600	— 1,200	45	915,000	+ 185,800
Brazilian.							
Brazil Gt. South	Mar.	110	M 51,950	+ 8,350	3*m*	138,140	— 1,960
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12*m*	57,772,000	+ 7,619,243
Gt. W. Brazil	May 10	1,010	£ 18,200	+ 3,700	19	364,000	+ 26,200
Leopoldina ..	May 10	1,831	£ 40,402	+ 10,339	19	579,825	— 14,508
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12*m*	22,267,000	— 2,474,651
Paulista	Dec.	66	M 2,650,000	— 906,038	12*m*	32,479,000	— 1,225,892
San Paulo	May 11	153½	£ 35,822	+ 13,185	19	561,626	— 20,439
Sorocabana ...	Nov.	1,003	M 1,128,000	— 865,148	11*m*	20,204,000	+ 1,222,869
S.of Bahia S.W.	Apr.	52	M 55,000	+ 15,000	4*m*	284,000	— 7,000
Chilean and Peruvian.							
Antofagasta ...	May 11	838	£ 21,965	— 30,625	19	508,390	— 304,870
Arauco	Mar.	84½	£ 10,000	— 2,500	3*m*	32,500	— 5,500
Nitrate (2wks.)	Apr. 30	390	£ 17,474	— 17,773	17	179,306	— 95,405
Peruvian Corp	Apr.	1,140	S 1,199,420	+ 119,540	10*m*	10,248,955	— 153,485
Taltal	Apr.	180	£ 8,152	— 17,130	10*m*	149,499	— 100,461
Cuban.							
Cuban Central	May 3	362	£ 36,841	+ 4,211	44	956,330	+ 48,141
Havana Cent.	May 3	70	£ 11,886	+ 837	44	408,506	+ 15,915
U. of Havana	May 10	681	£ 93,976	+ 15,060	45	2,611,636	+ 5,712
W. of Havana	May 10	155	£ 15,823	+ 3,077	45	385,196	— 25,524
Uruguayan.							
Cent. Uruguay	May 10	272	£ 20,589	+ 1,627	45	982,204	+ 151,105
,, (E. Ext.)	May 10	311	£ 6,786	+ 150	45	250,806	+ 19,603
,, (N. Ext.)	May 10	185	£ 3,497	+ 560	45	171,068	+ 22,935
,, (W.Ext.)	May 10	211	£ 2,285	+ 245	45	119,367	+ 18,784
Mid. Uruguay	Apr.	319	£ 17,021	+ 3,479	10*m*	173,199	+ 38,834
N.W. Uruguay	Mar.	113	$ 30,000	+ 5,650	9*m*	267,829	+ 27,026
Urug. Northn.	Apr.	73	£ 1,809	+ 231	10*m*	20,776	+ 2,141
Miscellaneous.							
Alcoy & Gandia	May 10	33	Ps. 8,000	— 4,500	19	187,400	+ 7,500
Bilbao	Apr.	15	£ 1,417	— 4,036	4*m*	9,320	— 3,882
Bolivar	Apr.	136	£ 13,000	+ 18	10*m*	101,099	— 12,826
Colomb. Natnl.	Mar.	86	£ 9,860	— 2,940	3*m*	30,780	— 7,329
Costa Rica.....	Mar.	189	£ 23,642	+ 9,153	9*m*	200,872	+ 88,606
Dorada Ext....	Mar.	71	£ 7,500	— 700	3*m*	20,300	— 3,600
Egyptian Delta	Mar. 17	559½	£ 4,675	— 1,478	50	364,593	+ 85,248
Gt. S. of Spain	May	104	Ps. 105,201	+ 78,353	18	2,327,294	+ 1,788,141
La Guaira & Ca.	Apr.	22½	£ 7,230	+ 1,265	4*m*	32,940	+ 6,140
Paraguay Cent.	May 3	255	£ 5,140	+ 1,940	43	181,500	+ 55,040
Puerto Cabello	Apr.	24	£ 4,700	+ 700	4*m*	19,625	+ 2,625
Salvador ...	May 10	100	£ 3,553	+ 984	45	119,835	+ 22,098
Santa Fe Prov. French Rys.	Mar.	1,181	£ 163,715	+ 4,647	3*m*	486,209	+ 30,882
S'm'na&S't'go	Apr.	80	£ 9,330	— 52	4*m*	31,781	— 3,667
Zafra & Huelva	Mar.	112	£ 9,838	— 3,581	3*m*	30,036	— 5,876
TRAMS.							
Anglo-Argent.	May 6	400	£ 56,085	— 2,943	18	1,040,152	+ 43,450
Auckl'nd (4wk.)	Apr. 11	27	£ 24,177	+ 968	40	171,521	— 6,445
Bombay Elec.	Feb.	39	R. 6,23,878	+ 85,473	2*m*	1,257,923	+ 1,64,048
Brazilian Trac.	Mar.	378½	M 9,330,000	+ 1,236,000	3*m*	25,824,000	+ 2,578,000
Brisbane Elec.	Apr.	40½	£ 38,775	+ 3,245	3*m*	151,110	+ 13,541
Brit. Columbia	Mar.	334	$ 649,120	+ 138,228	9*m*	5,390,119	+ 894,848
B. A. Lacroze	Apr.	51	£ 43,607	+ 1,964	10*m*	434,168	+ 46,122
Calcutta	May 3	35½	R 83,269	+ 7,831	18	15,26,314	+ 2,08,847
Cape Electric	Mar.	42½	£ 28,814	+ 4,478	9*m*	217,794	+ 23,662
Carth. & Herr.	Apr.	9	£ 1,786	— 2,414	4*m*	10,192	— 7,368
Chatham & Dist	May 8	15	£ 1,567	+ 266	18	23,650	+ 2,079
Havana Elect.	Feb.	86	$ 703,156	+ 86,085	2*m*	1,429,514	+ 167,433
Isle of Thanet	May 10	20½	£ 769	+ 553	32	12,584	+ 6,735
Kalgoorlie.....	Jan.	20½	£ 2,562	+ 40	1*m*	—	—
Lanarkshire ...	May 8	28½	£ 1,881	+ 1,582	18	55,979	— 4,386
Lima Light ...	Feb.	85	£ 46,082	+ 4,161	2*m*	91,444	+ 5,962
London O.O....	May 14	141½	£ 82,695	+ 22,620	6	489,385	+ 132,223
Madras (2wks.)	Apr. 30	15½	R. 44,706	+ 1,795	17	271,568	— 49,168
Manila Electric	Mar.	55	$ 207,792	+ 35,042	3*m*	650,745	+ 142,995
Pernambuco ...	May 11	59	£ 5,806	+ 1,504	19	101,175	+ 14,107
Provincial.....	May 3	21½	£ 2,888	+ 203	31	80,665	+ 5,837
Rangoon Elec.	Apr.	25	£ 6,217	+ 332	4*m*	25,817	+ 2,954
Shanghai Elec.	Mar. 26	26½	Mx. $27,550	+ 3,844	10	331,759	+ 35,238
Singapore Elec.	Mar. 15	26½	$ 16,307	+ 2,146	11	178,525	+ 31,018
U. of Montevid.	Apr.	90½	£ 37,014	+ 3,310	4*m*	227,905	+ 21,868

Shop at
LIPTON'S
for QUALITY.

LIPTON, LTD., the largest Tea Distributors, Manufacturers, and Retailers of Food Products in the World.

Head Office CITY ROAD, LONDON, E.C.1.
Branches and Agencies throughout the United Kingdom.

SCOTTISH TEMPERANCE LIFE ASSURANCE CO., LTD.
London Office: 3 CHEAPSIDE, E.C. 2.

Total Assets - - - - - - Nearly £3,000,000.

The special features of the Company are—
Reduced Premiums to Total Abstainers—10% discount on Whole Life Policies. Very favourable rates under Life, Accident, and all Sickness Policies.

House Purchase Scheme with Life Insurance.
Send for full Prospectus.

The Statist.

LONDON, SATURDAY, MAY 17, 1919.

A TIME OF TRIAL.

GERMANY is, naturally, trying every device known to diplomacy, and to the peculiar type of diplomacy with which German methods have been associated ever since the time of Frederick the Great, to do what she can to mitigate, even if only to a small extent, the severity of the peace terms imposed upon her—and rightly imposed upon her—by the Allies. Like a defendant in a court of law, she offers two pleas. One is that she is not responsible, and, alternatively, that even if the late Imperial Government is to be blamed for the War, the present administration can in no sense be held responsible for the atrocities which Germany is charged with having committed. We witnessed in London this week a procession in connection with the funeral of Miss Cavell, the heroic nurse who was brutally murdered for her attempt to assist the escape of British and Belgian soldiers under sentence of death. An atrocity of this kind, like the murder of the Duc D'Enghien by Napoleon, is one of the horrors which shock the conscience of the civilised world, and give the impression that the nation which commits them is composed of a people who, as yet, have hardly emerged out of barbarism. It is not, however, by such atrocities that we are to measure the justice, or otherwise, of the terms of peace imposed upon Germany. Germany, for the moment, is in a sense crippled from the effects of the War. But, in another sense, she has emerged with far greater strength than could have been expected. If we can trust the official figures of her casualties, they have been extraordinarily light, when we remember that she had to fight upon so many fronts and was opposed, practically, by the whole civilised world.

There seems to be a measure of doubt in some quarters whether the German plenipotentiaries will ultimately be authorised to sign the peace treaty. That she will endeavour to delay, in the hope of modifying the terms, even if only to a small extent, is quite possible. But Germany has, for the time being, received such a crushing defeat that it is hardly conceivable that she will even attempt to delay the signing of peace for any considerable time. She has already been compelled to surrender her fleet, and, in addition, practically the whole of her mercantile marine. Her navy was so completely lacking in materials and munitions for fighting that in the end she gave up the struggle without striking a serious blow. The army, after facing Western Europe, Italy, the greater part of the East, the British Colonies, and, finally, the United States of North America, gave up the struggle because they had neither munitions nor food to go on fighting. At the present moment Germany, according to the showing of her own Government, is in such a desperate position that she is begging and praying for food in order to prevent large masses of her people from perishing from starvation. This being the position, it seems hardly possible that she will seriously attempt to delay the signing of peace, even for a short time. If she does, it is perfectly evident that the Allied Governments have a remedy in their hands, and a remedy so effective that it cannot reasonably be doubted that they will compel her to sign peace at no distant date; and the peace may be even more onerous than the one to which she is now invited to put her signature. It is no longer a secret confined to the Council Chamber of the Paris Conference, but is openly admitted that the French Government was very reluctant to give consent to any peace that did not give France complete control of the right, or German, side of the River Rhine. France, like a good and loyal Ally, ultimately consented when it was pointed out to her that ample assurance would be taken, both by the Governments of the United States of North America and that of the United Kingdom, to ensure that Germany should not use the right bank of the Rhine for the purpose of renewing the War, at any rate for many years to come. If, therefore, Germany hesitates, for any considerable time to sign the peace treaty, it is reasonably to be expected that those Allies who do not think they have received ample security for the future should demand that fresh guarantees should be enforced upon Germany to prevent her from renewing the War for generations. The blockade is not even yet removed, and it is well within the power of the Allies to raise the spectre of famine to force her into submission. Assuming, therefore, that the German Government has a reasonable appreciation of facts as they exist, and after trying for a brief period to see if she can get the terms in any way mitigated in her favour, signs the peace treaty, as expected, what is it really desirable that the Allies should insist upon exacting? What the Allies should insist upon seems perfectly clear. So far as it is possible for human foresight to provide for the future, it should clearly be the policy of the Allies to make it impossible for the German Government to renew the struggle at an early date; to give France and Belgium ample time in which to recuperate from the effects of the recent devastating war; and to compel Germany to make restitution, particularly to those two Allies, to the extent that she is reasonably able to do so. Although it should clearly be the policy of the Allied Governments to prevent, as far as may be, the military party from having the means of preparing for another war, there does not seem to be, and there certainly should not be, any desire to humiliate the German people as a people. The fault of Germany was that the economic elements upon which the real prosperity of Germany—and, indeed, of every country—rests were not permitted under her constitution to exercise their due share of influence upon the policy pursued. It is now evident that the ex-Kaiser, far from being what is understood by an Absolute Monarch, was little more than the figure-head of a party which he was never able adequately to control. That party was drawn almost exclusively from the military caste. And the whole life of Germany was, consequently, directed by military men to attain military objects. This part of the German system must be crushed once and for all if Western Europe is to enjoy peace during our time. On the other hand, when peace is once signed—and we take it for granted, for the very cogent reasons which we have endeavoured clearly to demonstrate above, that peace will be signed, and signed at no distant date—Western Europe will still

have to live with Germany. It is not desirable that she should be so impoverished that her people will be almost desperate. Provided always that adequate guarantees are taken that she is not in a position to resume her military propaganda as in the past, and that she is compelled to make restitution for wanton outrages, she should be afforded every reasonable facility for endeavouring to recuperate herself upon sound economic lines.

INDIA.

On the whole, the news this week from India is reassuring. We said last week that the general opinion in the City, particularly those in close financial and commercial touch with the Dependency, was that the Government was taking ample means to deal with the threatened trouble on the North-West Frontier. Although it has been reported since that the Afghans crossed the border line, it is also announced that a force of Anglo-Indian troops, amply munitioned, and accompanied by aeroplanes armed with bombs and quickfiring guns, rapidly dispersed the tribesmen. The unrest in Afghanistan is not the real difficulty. The real difficulty with which the Indian Government has to cope is the unrest in India itself. It appears, as far as we are able to gather, to be due to two causes. It has always to be remembered that it is exceedingly difficult, even in Europe, to measure the true causes of unrest existing at any particular time, and it is still more difficult when a western and alien nation is endeavouring to ascertain the real mind and feeling of an eastern people situated at an immense distance from the principal seat of Government. The important thing which we should endeavour to do, and which we appear to be endeavouring to do up to a point, is to convince the Indian that we are really trying to appreciate his aspirations and wishes, and, in so far as they are consonant with the common welfare of the British Empire taken as a composite whole, we are honestly desirous and are honestly endeavouring to give effect to those desires. It may be taken as an axiom that the higher and the bulk of the more intelligent classes in India do appreciate the fact that we are really anxious to govern India for the good of the Indian people and the development of her economic resources. If that feeling could be generated throughout the minds of the mass of the Indian population, a very large part of our difficulties would already have been overcome. Unfortunately, during the period of the War neither the Home Government nor that at Calcutta took the requisite means to keep Indian native opinion well informed as to the progress of the War, and our aims and aspirations in carrying it on. We endeavoured to introduce what we regarded as important and far-reaching reforms in the administration of India itself. Here, again, however, the Indian Government, as the Prime Minister said upon a recent occasion, does not appear to have had the advantage of a good Press. Certain it is that adequate measures were not taken to impress upon the Indian mind the scope and aims of the reforms introduced. Still less was an endeavour made to ascertain whether the scope and aims coincided with the aspirations of the more intelligent of the Indian community, and did it above all tend to ameliorate the condition of the very poor cla-es of the Indian community. A difficulty for which the Indian Government can hardly in fairness be held responsible, and the Home Government only to a very limited extent, has been the measures which it has been necessary for the Allies to take against what was recently the Turkish Empire. Rightly or wrongly, a large section of Mohammedan feeling sympathised with the Turks, not because they were an enlightened Government, for all Indians knew very well that they were not, but merely from the fact that Turkey, such as it was, was an independent Mohammedan Power. Now it should clearly have been the duty, as it was the interest, both of the Imperial and of the Indian Government to make it very clear why the Allied Governments of Europe made War upon Turkey. There seems no possibility of doubt that the enemy took very energetic measures to misrepresent the objects for which the Allies were waging war on Turkey. It should have been our policy clearly to have pointed out that we were in no sense hostile to Turkey as a Mohammedan Power, but we were hostile to Turkey and to any other Power which aided and abetted our enemies in the late war, and threw in its lot with them. That we were not in any sense hostile to any Mohammedan Power, or to the Mohammedans taken as a whole, as so many members of that faith are our fellow subjects, was proved, and has been acknowledged by the authorities at Mecca and Medina, who willingly accepted our assistance, and acknowledged their obligations when they threw off the paralysing shackles of Turkish rule.

BANKING IN THE NORTH OF ENGLAND.—I.

The increase in deposits, which has been the most obvious effect of the War on banking, is apparent in the case of the North of England banks from even a fleeting glance at their reports, and further examination shows that the increase has in not a few instances been proportionately greater than in London. This may seem surprising, as London is the pivot of our banking system; but its monetary operations, being largely of an international character, suffered a severe check during the War. In the North of England the banks are concerned mainly with financing the textile, engineering, coal-mining and allied trades, and in facilitating the importation of raw materials and foodstuffs. Thus the War severely penalised London for its internationalism, but benefited the North owing to the greater activity of its ports and the increased intensity of productive effort demanded. Its local banks were called upon to help the speeding-up process in industry, and in addition to aid the Government in placing its numerous war issues. Though their twofold task was difficult, it has been discharged with no little skill. The business was, indeed, lucrative, but only legitimate profits have been reaped, and deposits have risen remarkably. The most striking instance is that of the Bank of Liverpool, in which deposits increased from £18,785,000 in 1913 to £50,232,000 in 1918, a rise of 168%. Banking deposits, of course, consist in varying degrees of credits granted to customers, but in the five war years the Bank of Liverpool increased its loans and advances by only 45%, while its cash holding rose by 140%. The liquidity of its position has thus been maintained. The other Northern banks have not made such striking progress, but they have one and all touched record figures as regards deposits. The chief banking centres in the North are Manchester and Liverpool, the former city being the headquarters of six important banks, and the latter of the bank above mentioned, which lately absorbed a member of the London Clearing. The Manchester people take a natural pride in their banks, as they have elevated the city to a position of importance in banking and finance. Some of the Manchester institutions could vie in strength with London houses up to a few years ago, but they have been largely outstripped since the amalgamation fever set in. Even before the War the Northern banks were conspicuous by the interest which they displayed in industrial development, and their efforts facilitated in no small degree the rapid expansion in our trade that then took place. We were far from being in pre-War days in the effete condition represented by some critics, and the following table helps to disprove many calumnies that have been uttered about the state of industry at that period.

General Export Trade of the United Kingdom and of other Countries, 1907-09 (in thousands of pounds).

Year	United Kingdom £	France £	U.S.A. £	Germany £
1907	517,997	290,244	391,844	365,913
1908	456,728	264,812	387,661	345,116
1909	469,525	299,292	346,461	352,791
Total Value	1,444,230	854,348	1,125,966	1,063,820
Average annual value	481,410	284,782	375,322	354,606

General Export Trade of the United Kingdom and of other Countries, 1910-12.

	£	£	£	£
1910	531,146	321,196	363,559	397,252
1911	556,828	320,488	426,942	451,585
1912	598,691	352,956	459,234	456,140
Total Value	1,689,985	997,640	1,249,735	1,304,775
Average annual value	563,328	-	—	—
Increase in annual value in 1910-12 as compared with 1907-09	81,918	17,761	41,219	80,319
Percentage increase	17.0%	14.8%	11.0%	22.1%

To the excellent results here shown the North of England contributed the lion's share, and its banker, directed by manufacturers and merchants, who had already made their mark in the industrial world, played a most useful part. All the more credit is due, since industrial finance is complicated, and calls for the exercise of the greatest discretion, requiring, as it does, an intimate knowledge, on the one hand, of those engaged in the import and export trade, and, on the other, of the various foreign markets and their ever-changing conditions. The Manchester banks are called upon mainly to meet the needs of cotton-spinners, manufacturers, and merchants, and, though large sums are involved in some cases, the business done chiefly represents small individual transactions. Banking is here seen at its best, since the dual function of the banker is admirably carried out—to borrow from the public and to lend to the public. The money, which is received from the body of the people, finds its way back to them, and is not reserved for powerful companies and corporations which can afford substantial collateral. At the same time, the growth of combinations in the textile trade, amongst fine spinners, dyers, printers, and manufacturers of sewing cotton, naturally tends to increase the volume of business done with big concerns. In Liverpool the financing of exports and imports, especially of the latter, engages the attention of the banks. They accept against wheat and other imported produce, and, in particular, do a large acceptance business in respect of cotton. The bills may come to Liverpool directly from America and other centres, or *via* London, but eventually they are, in nearly all cases, held by London bankers and financial houses for themselves or their correspondents. The bills kept in Liverpool till maturity are usually remittance bills, or bills between brokers and merchants; but all the big finance bills in connection with imports generally find their way to the Capital.

The efficiency with which banking functions have been discharged in the North of England, in the face of many difficulties, would seem to refute the chief arguments advanced in favour of amalgamation, as the banks which have emerged so successfully from the severe trials of war conditions, are mostly local institutions. In Liverpool, indeed, the number of independent banks has fallen to one; but in Manchester a more sturdy spirit has evinced itself, and the desire is stronger amongst the banks to retain their individuality. Moreover, their clients are unalterably opposed to a change of status, and, in the case of a fusion with London interests, recently proposed by one of the banks, threatened to show their disapproval in such an emphatic manner that the proposal was withdrawn. It is recognised, indeed, that larger banks are required to cater for the increased needs of industry, and to help trade expansion abroad; but, at the same time, it is felt that the modern type of amalgamation of one big joint-stock bank with another does not secure this object, but tends rather to restrict competition, and to place in the hands of a few banking directors a power over trade and industry which, if arbitrarily exercised, might inflict considerable local, or even national harm. The considered opinion of northern manufacturers is that, while amalgamation was, at one time, natural and inevitable, in order to keep pace with the growth of industry, it has now reached the stage of a mere competitive race for size amongst the big joint-stock concerns—a race in which the interests of depositors, of bank officials, and of the general public may unwittingly be sacrificed.

The prosperity of manufacturing and trading centres, like Manchester and Liverpool, can best be measured in terms of their clearing-house returns and banking deposits. Manchester is easily the most important of the provincial clearings, as the adjoining table shows, and during the War it has materially increased its lead over Liverpool:—

Returns of the Chief Provincial Clearing-Houses, 1913-18.
(000's omitted.)

Year	Manchester £	Liverpool £	Birmingham £	Newcastle £
1913 ...	370,703	238,122	75,776	62,336
1914	322,694	221,450	75,599	57,826
1915	351,705	290,264	88,933	77,992
1916	445,087	365,109	96,129	89,267
1917	561,781	427,155	110,450	88,874
1918	767,619	488,892	126,055	85,248
Percentage increase 1918 over 1913 ...	107%	105%	66%	36%
Margin in favour of Manchester, 1913	£132,281			
1918	£278,727			

In regard to deposits the same increase is noticeable in Lancashire as elsewhere throughout the United Kingdom. For the whole country the figures rose from one to two thousand millions sterling, and for the leading Lancashire banks the ratio of increase was equally great, and in some instances greater, as can be seen from the following table:—

Manchester and Liverpool District Bank.

Year to Dec. 31	Deposits £	Cash in Hand & at Short Notice £	Bills Discounted £	Investments £	Loans & Advances £	Net Profit £	Div. %	Placed to Reserve £
1913...	25,916,689	7,221,622	4,806,296	3,530,352	13,571,143	398,989	18 6	40,000
1914...	27,412,987	7,395,064	4,762,626	4,502,552	13,977,811	580,759	18 1	20,000
1915...	28,666,699	6,813,585	1,682,944	10,839,262	13,118,378	380,804	17½	-
1916...	35,346,576	9,546,138	6,646,967	9,900,237	12,417,274	367,196	17½	70,000
1917...	40,592,886	9,218,955	11,075,009	8,942,616	14,608,120	441,042	17½	50,000
1918...	44,530,512	10,754,888	14,705,232	8,903,719	13,412,863	468,835	17 9	100,000

Deposits percentage increase 1918 over 1913—71%.

Lancashire and Yorkshire Bank.

Year to Dec. 31	Deposits £	Cash in Hand & at Short Notice £	Bills Discounted £	Investments £	Loans & Advances £	Net Profit £	Div. %	Placed to Reserve £
1913...	11,793,738	3,170,486	1,547,053	2,358,952	5,968,884	165,268	17	15,000
1914...	12,305,479	3,048,540	1,165,725	3,084,426	6,258,345	153,079	16½	5,000
1915...	13,358,112	2,768,118	474,956	4,875,824	6,398,686	153,416	16	5,000
1916...	15,763,230	4,862,517	1,955,096	4,718,824	6,309,826	178,276	16	25,000
1917...	18,045,419	4,592,590	3,587,038	4,347,445	6,754,496	191,022	17½	10,000
1918...	21,650,311	6,762,901	5,208,785	4,618,799	6,363,809	202,984	18	20,000

Deposits percentage increase 1918 over 1913—85%.

Union Bank of Manchester.

Year to Dec. 31	Deposits £	Cash in Hand & at Short Notice £	Bills Discounted £	Investments £	Loans & Advances £	Net Profit £	Div. %	Placed to Reserve £
1913...	6,428,858	1,592,993	801,779	795,345	3,884,297	108,983	12½	48,000
1914...	6,594,015	1,344,255	736,095	718,005	3,440,240	100,948	12½	35,000
1915...	7,053,582	821,664	2,166,738	520,747	4,204,289	120,821	12½	21,000
1916...	9,117,392	2,048,042	2,366,536	1,376,968	5,999,731	152,023	12½	40,000
1917...	11,127,088	1,715,031	1,876,180	3,105,205	5,113,620	178,254	18½*	28,500
1918...	15,212,193	2,393,457	4,212,890	4,093,485	5,508,559	223,534	20*	70,000

* Less tax.

Deposits—percentage increase 1918 over 1913—136%.

Bank of Liverpool.

Year to June 30	Deposits £	Cash in Hand & at Short Notice £	Bills Discounted £	Investment £	Loans & Advances £	Net Profit £	Div. %	Placed to Reserve £
1913...	18,785,010	3,813,618	3,058,447	1,968,490	12,413,894	258,177	15	60,000
1914...	19,447,817	3,861,806	3,252,838	2,140,500	12,973,230	259,534	15	25,000
1915...	32,364,853	10,635,115	7,223,907	2,319,564	16,985,897	363,938	15	75,000
1916...	33,238,515	10,125,275	10,156,464	1,773,000	14,407,028	362,556	15	75,000
1917...	43,717,717	8,675,676	10,783,873	1,924,342	17,830,852	404,017	15	145,000
1918...	50,231,817	9,121,255	15,098,574	2,271,033	18,025,820	414,657	15	65,000

Deposits—Percentage increase, 1918 over 1913—168%.

This remarkable growth in deposits has, of course, been the direct result of the Government's method of financing the War, a method which, though open to criticism, was devised on the assumption, shared by many, that the War would be of short duration. In all other belligerent countries similar increases have taken place, and even in the United States, which entered hostilities at a late date and which enjoyed ample gold resources, banking power increased in the four years up to June 1918, according to the Comptroller of Currency, from $21,340,000,000 to $39,082,000,000, a rise of 60%.

The main difficulty at present confronting Lancashire banks is the profitable disposal of their funds. In recent years business has come to be too restricted

increasingly on a cash basis, and the necessity for banking credit has accordingly dwindled. The increase in loans, discounts, and advances shown in the above table may seem to contradict this, but the advances have been made chiefly to customers desirous of taking up war issues, and not for purposes of trade, while the discounts have been swollen by the inclusion in some cases of Treasury bills. Commercial bills in Lancashire have fallen off owing to the diminution in some of her staple exports, such as coal, chemicals, fertilisers, and iron and steel products. Many of the credits which the traders habitually had from their banks are no longer required, and a large proportion of the outstanding debts has been liquidated. In addition, industry and commerce have been stagnant for several months past. Consumption has diminished appreciably, and a slackening in productive effort has followed, while the falling markets have hindered manufacturers from producing for stock. For these various reasons banking business in Lancashire has not been at all brisk. It is now recovering, and with the anticipated revival in foreign trade the Lancashire banks, which are so intimately concerned in the movement of our imports and exports, anticipate a period of profitable activity.

MARINE INSURANCE.

The reports of the various marine insurance companies for 1918 indicate a continuance of the prosperity which has attended their operations all through the War period. Owing to the great increase in marine risks and a simultaneous rise in values, the Government early in the War came to the assistance of the market. Their scheme was based originally on a flat rate, but in 1918, by a more logical arrangement, a schedule of differential rates for various voyages was fixed. The whole scheme was well devised and yielded the Government a handsome profit at the close of their operations. Some Government business still remains to be liquidated, but the market is again free and only the existing companies compete for business. These have practically doubled in number since the War. New arrivals were attracted to the marine insurance field by the chances held out of speedy profit, and they took up a rather speculative business which turned out successfully. The increase in insurance facilities thus provided during years of plenty will, however, accentuate the leanness of coming years when premium income is bound to undergo substantial diminution. War risks have disappeared, and with them the high rates covering such risks. At one time five guineas per cent. were paid across the Atlantic, 10 guineas for the Mediterranean, and 15 guineas for the North Sea; but now a nominal premium of 2*s.* 6*d.* to 5*s.* insures against the sole remaining risk of damage from mines, or in the course of strikes and riots. Further, capital values of both hulls and cargoes will necessarily fall from their inflated war level, and premiums, which are assessed on the value, will decline accordingly. Thus, the immediate indications as to future business are not very encouraging. A large portion of the underwriting profits made during the War has, however, been put into reserve, and the sums so accumulated, though much reduced by excess profits duty, may help to smooth the sudden transition from war to peace premiums and the consequent contraction in income. The adjoining table shows the balances of several of the leading companies in 1918 as compared with a typical pre-War year:—

First-Year Results.

Company	Premiums Less Returns and Re-insurances	Settlements, &c.	Expenses	Balance Carried Down	
				Amt.	Per cent. of Premium
	£	£	£	£	%
Union Marine, 1911 ...	472,026	154,964	34,728	282,334	59
" " 1918 ...	1,390,970	549,919	70,094	770,957	55
Sea " 1911 ...	355,351	100,746	21,732	232,853	65
" 1918 ...	1,234,060	377,278	40,938	815,844	66
British and Foreign, 1911	471,598	130,022	49,843	291,733	61
" " 1918	1,055,052	266,742	107,801	680,508	64
Maritime, 1911	259,402	76,865	15,894	166,643	64
" 1918	816,574	475,655	78,660	262,259	32

The results shown are in the case of both years "first-year results." Marine insurance is sharply distinguished from other classes of business owing to the peculiar conditions of ocean transport; and it is impossible, after the close of an accounting period, to strike immediately the balance of profit or loss. Marine insurance accounts in respect of a particular year are usually kept open till the close of the following year, and in Lloyds the accounts are frequently not closed till after two years from the date to which they refer. The procedure is reasonable, since a large number of claims in respect of risks insured against, say, in 1918, still remain to be adjusted, and other claims, not yet notified, are likely to be received. The experience of recent years has been that, even when an account is closed at the end of the second year, provision must be made for settlements coming still later. Such third-year settlements were, before the War, adequately provided for by setting aside between one-sixth and one-seventh of the premium income, but now fully one-fifth has to be so earmarked. Hence the profits for 1918 cannot be gathered from the above table, and before the final closing of the 1918 account they will be much lower than they appear at present. On the first-year results the general balance carried down shows a decrease of 8%. The year 1911 has been selected for comparison because at that time marine insurance interests were making normal profits, having emerged from a period of depression in which the premium income of many companies had proved insufficient to cover losses. The disaster in 1912 to the "Titanic," a ship deemed almost unsinkable and therefore insured at a low rate, followed by the equally remarkable disaster to the "Volturno" in 1913, resulted in a further general stiffening of rates to cover marine risks; and at the beginning of the War companies were in fairly comfortable circumstances. The War heightened their prosperity, despite the attention devoted by the Government to the market, and the increased competition from newcomers. The extent of this added prosperity may be gathered from an examination over a number of years of the accounts of one of the old-established companies. The examination shows that the average annual income from 1914 to 1917 was more than four times in excess of the average for 1910-13. Though there was a tremendous increase in aggregate profits, the percentage of profit earned on the premium income was reduced, and this has been the case with most companies, as the following table goes to show:—

First-Year Results.

Company	Premiums		Settlements, &c.		Percentage of Settlements, &c. to Premiums	
	1911	1918	1911	1918	1911	1918
	£	£	£	£	%	%
Union Marine ...	472,026	1,390,970	154,964	549,919	33	40
Sea	355,351	1,234,060	100,746	377,278	28	30
British and Foreign ...	471,598	1,055,052	130,022	266,742	27	25
Maritime	259,402	816,574	76,865	475,655	29	58

Losses have naturally been greater in view of the dangers to which shipping was exposed, but the percentage of settlements will probably revert to the old standard, thus off-setting, to some extent, the decrease in revenue which is generally expected. Though risks decrease, the fall in the value of hulls and cargo will be only gradual, and this will also tend to check the diminution in income. Unless there is a dramatic fall in values, the amount of business passing will thus be the sole determinant of income; and from this point of view underwriting interests may not be so seriously affected by the sweeping transformation in the market since the signing of the Armistice. The Armistice has also brought into operation certain other factors which will ultimately benefit the market. The crippling influence of war on trade will soon be no longer felt, shipping all over the world will be released from naval and military tasks, and Government restrictions on trade and commerce will everywhere have disappeared. In the circumstances, a revival in international trade seems certain, with consequent profit to underwriters. Moreover, the shipyards of the world

are rapidly turning out vessels, and an increase in insurable matter is daily taking place. British shipping will quickly be brought up to pre-War strength by new construction, by purchase, and by the receipt of enemy tonnage; and from this source, too, additional business may be expected. If there is enough business to go round, compensation may be afforded for the reduction in rates. If business is insufficient, there may be an attempt by the various companies to undercut, and a lowering of rates to a non-paying basis may follow. This danger is increased in view of the number of companies now undertaking to cover marine risks, twice the pre-War figure. Big war profits may be lightly scattered if an optimistic view is taken of risks, and a corresponding reduction made in quotations. Taxation has, indeed, been much lightened, affording general relief; but the strain of the uncertain future will undoubtedly be best borne by those companies which have amalgamated with composite offices, and which, accordingly, have large funds at their disposal and a secure income from other sources. The old-established, independent companies, inconsiderable in number but of great importance, will also be in a position to withstand a period of adverse fortune, owing to their accumulation of funds and their strong and well-invested reserves. Those concerns which have started business since the War are likely to find their path less smooth, but many of them have already sought shelter in amalgamation with general offices. The examples of the *Titanic* and of the *Delhi*, as well as dearly bought experience in other cases, have proved to underwriters the foolhardiness of undercutting in the attempt to attract business, and it is not unreasonable to hope that the salutary lesson has been sufficiently well learnt to prevent any folly of this kind from being practised, or even countenanced, in the marine insurance market.

FOREIGN OPINION ON PEACE TREATY

The Peace Treaty presented by the Allies to Germany has brought forth opinions in every country which all who wish to make any contribution to the restoration of political and financial security ought to study. Let us look first of all at France. Three main sets of opinion are discoverable. At one end we have those who are violently dissatisfied with the financial provisions. They have the support of a section of the Press which is generally regarded as the possessor of much influence. It says, "The honour of France has been satisfied, but in regard to the costs of the War, apart from special reparations, she has been deceived. These costs she will have to pay herself; and how can she pay?"

This point of view was put very forcibly to a representative of *Le Matin* by M. Raoul Péret, President of the Budget Commission of the Chamber of Deputies, although he is disposed to preach moderation to those who are inclined to condemn the Treaty. "After having been told, in all tones," he said, "that Germany would pay, which signified that she would repair all the consequences of the War, for which she is solely responsible, we are faced with this sad fact, that we shall have to bear all the war expenses (ordinary). That means perhaps 10 milliards (£400,000,000) that will have to be asked from the French taxpayers. How are we going to find these milliards?"

This is, to be candid, the chief question which is troubling all French parties. There is, however, a Governmental middle party which is favourable to the acceptance of the Treaty as the best obtainable under the existing conditions, and this party will in the meantime, there can be no doubt, control the actions of France. Its point of view was put philosophically by M. Steeg, an ex-Minister. "We were entitled to expect more," he said, "especially in regard to our financial burdens, and on this account we may expect difficulties in the future. But they are the very difficulties of life; we should not have known them if France had been conquered, for then France would have been dead. . . . From the territorial point of view we are satisfied."

In the third party we include all in France who are dissatisfied with the Treaty for idealist reasons. They include the majority of the Socialist politicians (men who have always to be reckoned with in France). Still, with the exception of an extreme wing, there is evident reluctance to express dissatisfaction. Not one is prepared to say that France will get too much money. A Socialist member of the Budget Commission, who has specialised in finance, put stress, as his colleagues on the Right had done, on the heavy burdens of the future. "We shall get four milliards a year," he said, "but we shall have more than 25 milliards (£1,000,000,000) of annual liabilities." To the Socialists, however, the chief danger lies in the territorial changes. In former days they were inclined to cry, even in the presence of their Russian allies, "Vive la Pologne." To-day they are afraid that there is being taken from Germany in the East large strips of territory the government of which by inexperienced and quarrelsome Polish politicians will be a source of trouble for the future. The interregnum in the occupied territory west of the Rhine, extending from five to fifteen years, they also regard as an obstacle to the international Socialist rule they are striving to attain. But no practical alternative has yet been suggested.

Pretty full reports of opinion in Germany have been sent to this country, and at the present moment, when extreme fluctuations are visible, little need be said on the subject. The old militarist factions are endeavouring to utilise public discontent to cultivate hate and to recover a part of the political ground they have lost. In the vast unsettlement that prevails there is always a danger of violent oscillation from one extreme end to the other, but there is not much likelihood of any Imperialistic mischief-makers obtaining the upper hand. Their only chance would lie in the willingness of the people to attempt further military resistance. Of this willingness there are no signs at present. Count Brockdorff-Rantzau was not merely playing a diplomatic game, he was telling the truth, when he said at Versailles, "We know that the German Army is broken."

The numerous memoranda that are being poured forth by the German delegates at Versailles and the manifestoes that are appearing in Berlin and Weimar are all parts of tactics that were designed before the Germans appeared at the Peace Conference. The terms of the Treaty did not surprise them. They were prepared, and what they have done since is part of a plan. This does not mean that all the party attitudes have been foreseen. The unexpected may happen in Germany as easily as elsewhere. The greatest possible unexpected has already happened there—defeat. But the shout of indignation from every part of Germany is a preconceived policy, designed to compel the Council of Four or Five to allow the German delegates to discuss with them not only details of application, but principles of accommodation.

As there does not seem to be much chance of success, the great question which the Germans have to solve is "To Sign or Not to Sign?" From some unpected quarters the advice not to sign is being given, and party politicians, looking only at immediate effects, are engaged in the not very heroic endeavour to throw the responsibility on others. The statesmen who would sign such a pact would be driven from power in a few weeks, it is said. The people know, however, that the real responsibility will not rest merely with those who attach their signatures to a document. There may be changes in the Government before the dreaded day arrives, but the risk of decisive action does not seem to be very great at present. Two significant tem-

porising [illegible] Steeg and Péret for the [illegible] and financial confusion in every

land"; (2) "sign and wait for the inevitable speedy coming of revolutionary Socialism."

When we turn to neutral countries we get a criticism which, although not wholly disinterested, has some practical value. On the whole, the neutral Press seems to regard the Treaty as too hard, the financial clauses and the Polish settlement being specially condemned. In estimating the value of this criticism we must not forget that Germany owes a good deal of money to neutrals, and that if she were compelled to repudiate all debts save those due to the Allies there would be serious financial perturbation in Scandinavia, Holland, and Switzerland. Many traders, moreover, in these countries are anxious, for selfish reasons, to witness the rehabilitation of German trade and German credit. The interdependence of the world has increased to such an extent that the submergence of a great nation will inevitably cause dislocation everywhere.

Remembering these fears and desires in neutral countries, we can study calmly the criticism of their chief organs of opinion. The cumulative effect of the financial and territorial terms will, it is said, become unbearable. Germany will lose 34,500 square miles of territory, with seven and a half million inhabitants. For nearly five years her trade with foreign countries has been cut off. Every possible obstacle has been put in the way of reconnection. One-third of her coal, three-quarters of her iron, and nearly all her ships will be taken away. If there is a partial or entire repudiation of Germany's internal debts, due to the priority of the Allies' heavy claims, the productive capacity of the German people will be decreased. The security on which profitable trading depends will be non-existent. To pay off the claim of £5,000,000,000 in 30 years, with interest, involves an annual payment of £350,000,000, bringing Germany's Budget up to £1,000.000,000, apart from the interest on her own debt. Moreover, there is held over the people the threat that their burdens will be increased by the Allies the more they are able to pay off their outside debts. It is not a full bill that is presented, but a temporary demand, which will grow into something bigger if Germany shows any marked power of recuperation. This is an unendurable slavery, say many neutral organs which were not markedly sympathetic towards Germany during the War. Even in the United States, in quarters which were most sternly patriotic, there is a manifest tendency to demand a reconsideration of the financial demands, or of the methods adopted to satisfy them.

To all this criticism the French reply is: "Germany has caused immeasurably greater damage than that for which she is asked to pay. Her works are intact; many of France's works have been destroyed, and France will be left with a burden almost as great as Germany's. Instead of having 850,000 men under arms Germany will have only 100,000. If she works hard she can pay. But works and men do not alone make trade. There must be credit and raw material. And it is precisely for this reason that financial terms which are purely punitive tend to defeat their own object. Germany must be helped in order that she may be able to make good some of the losses she has caused. That is the view even of the most moderate of the neutral Press.

CHILI.

A MEASURE OF UNREST.

Cable advices from Santiago report the formation of societies amongst Chilian army officers for the purpose of improving the Government. The Government soon became aware of the existence of these societies, and it is also reported that certain officers, some of them of high positions in the army, have been removed from their posts. So far as foreigners are able to judge, and looking at the question from the standpoint of a Western European, it would appear desirable that the Chilian Government should be placed, if possible, upon a broader basis than that upon which it rests at present. But such a movement as that described in the cables is by no means a promising way of making the attempt. As far as we are able to understand the question, it would look very much as though the first effort towards placing the Chilian Government upon a broader basis than that existing would be to develop Chili's economic wealth. It has to be remembered that our information from Chili is at the present time very scanty. Practically all information is censored. Europe has never been put in full possession of what actually took place some months ago at Antofagasta. It is known that there were strikes and considerable alarm amongst the nitrate interest, as well as on the part of the Government itself. But the real facts are known neither in South America nor in Europe. Consequently, it has to be borne in mind, in judging Chilian affairs at present, that we have to endeavour to form an opinion upon very inadequate information, supplied from a source that has every interest in minimising whatever gravity the situation may present.

Now that Balmaceda has been dead for some 20 years, and that we are in possession, to some extent, of the aims of the party which supported him, there can be little doubt that his real policy was to endeavour to broaden the basis on which the Chilian Government rests. The great mistake which Balmaceda made, and which ensured in a sense his failure from the very outset, was not so much that he attempted the impossible as that he failed to consider what means existed for accomplishing his object. Before it is possible to broaden the basis of anything it is necessary that there should be some solid foundation on which to build any contemplated structure. Balmaceda was not in a position to appeal to any solid economic force existing in the country; while, on the other hand, he was opposed by all the great economic forces then in existence. Although, so far as the facts are known, it seems that he had no real desire to make himself a dictator for the purpose of obtaining personal advantages, amassing a fortune, and spending his declining years in Europe, as so many South American dictators had done before him, it seems that he had a real policy, which, had it been based upon any reasonably sound foundation, would have received a large measure of support from a great body of opinion both in Europe and in the United States of North America. Balmaceda failed, as said above, because he had no basis on which to build. In fact, if we could imagine that with his really inadequate resources the faults and mistakes of his opponents had been so great that success had become possible, he would, in effect, have become simply a dictator during his own life, and at his death the country would have been wholly at the mercy of the leaders of the army. Far from accomplishing the aim which, as far as the facts have ever been allowed to leak out, he honestly desired to achieve, he would in reality have accomplished nothing, because he had no basis on which to build. Practically, Balmaceda was trying, if we judge his aims aright, to broaden the basis of the Chilian Government with nothing to support him except the discontented element in the army. Even if—and we are very far from throwing doubt on the contention which his admirers believed during the period of his later Presidency, and which the survivors have continued to believe ever since—he really had patriotic aims his success would have been nothing short of a disaster for Chili. He relied for support wholly on the army, or a discontented portion of the army, while he had against him the whole of the landed interest and the great nitrate interests in the North. Although the nitrate interests are economically the most highly developed in Chili, and afford the major part of her exports, and a very large proportion—in fact, one-half—of the revenue of her Government, we may, in reality, leave the nitrate interests very largely out of account in considering its

influence on Balmaceda's failure and its support of the Congress. The reason is that the nitrate is very largely, although, of course, not wholly, foreign-owned, and the foreign owners of the nitrate fields of Chili supported Congress and opposed Balmaceda not because they desired to take sides in a purely Chilian domestic quarrel, but they were anxious to continue the business for which they were in Chili at all. They foresaw from the outset that Balmaceda had no basis to support his schemes; and they consequently supported Congress in the interests of law and order, as the party most reasonably certain to secure their own economic advantages.

In judging the prospects of any change in Chili it has to be remembered that the great economic factors which dominate the whole situation are the Church and the great landowners. Foreigners, whether at Valparaiso or at Iquique, may be counted upon to support that party which from the outset is evidently strongest. Foreigners rarely in any country interfere in the domestic affairs of the place in which they may for the time being be located except to protect the interests for which they are there. Before, therefore, any serious attempt is made at broadening the basis upon which the Chilian Government rests it should first be necessary to broaden the basis of Chilian economic life.

Now, what are the assets which Chili possesses which would enable her to broaden her economic life? Chili may conveniently be divided into three zones. There are the mining fields of the North, owned and worked for the most part by great foreign interests; there is the centre, or agricultural zone, a large part of which—in fact the larger part—is in the hands of great native landowners, who are, however, not sufficiently wealthy to work the lands they own; and, in fact, only a small proportion of agricultural Chili is really developed; and, finally, there is the vast forest region of the South, which, for the purposes of this article, may be said not to be developed at all. There are, of course, as those who are well acquainted with Chili know, isolated exceptions to our last statement. But those who are really acquainted with Chili will bear us out that they are not of sufficient importance to affect our argument one way or another. It will be seen, therefore, that there is no trading class in Chili, and nothing in the nature of what we should call here in Europe and what is called in the United States of North America a middle class. Chili, outside the mining area, is practically a country of great landowners and what we should call agricultural labourers.

In order to broaden the basis on which the Government rests it would be necessary to call into existence a new economic entity of some kind. Now the Chilians themselves realise that even if the whole of the agricultural zone were fully occupied and properly cultivated, it is not large enough to afford a great agricultural industry in the sense that certain of Chili's neighbours carry on agriculture. Therefore, industrialism of some kind should be developed. It has to be remembered, on the other hand, that Chili is very little developed for the purpose of carrying on manufactures; and, consequently, it would appear that it would be more desirable for her to develop her raw materials, either in the rough or in a partially manufactured state, than to attempt a manufacturing industry properly so called. The total population of Chili is only about four millions, while the area of the country is, roughly, one-and-a-half times that of France. She has never succeeded in attracting immigrants in the sense that other South American countries have done, mainly because there is so little to attract immigrants. Practically the only opening for immigration in Chili is for great capitalists and poorly paid labourers. There are undoubtedly excellent openings for capital judiciously invested. But as that is true of nearly every South American country, Chili can hardly be said to offer advantages which are not also offered by the nine other republics of the continent. The railways are largely State-owned, and, consequently, partake rather of the nature of Government Departments than of industrial enterprises strictly so called. Efforts have recently been made to develop the sugar-beet industry in Chili. But it has to be remembered that Chili is situated at a very great distance from any of the consuming markets, and that the tropical regions of the earth are already developing the sugar-cane industry to an extent which should more than satisfy the requirements of these consuming markets. In addition, beet sugar, with the possible exception of tobacco, is one of the most exhausting crops it is possible to grow on the soil of any country; and although in countries having an immense population and close to consuming markets it offers certain advantages, though undoubtedly accompanied by serious drawbacks, it does not appear a very promising enterprise for Chili to engage in. A far more satisfactory field, it would appear, for the employment of Chilian capital and Chilian labour would be the development of her rich mineral resources other than the nitrate industry. Coronel and Lota have shown what can be done in the way of coal production. The Coronel and Lota collieries have already made one great Chilian family very wealthy; afford a large measure of employment for Chilian labour and for Chilian ships; and, in addition, they supply an excelent coal, which has been very useful to the west-coast ports during the recent War. The copper mines of Chili have during the past four years somewhat more than doubled their output. And if efforts are made to develop Southern Chili there should gradually be built up an industrial class such as exists in other countries, to whom the Government could appeal to counterpoise the perhaps undue influence of the great landed magnates of the Republic.

DRILLING FOR PETROLEUM IN DERBYSHIRE.

The nation is indebted to the enterprise and experience of Lord Cowdray for the systematic search for petroleum in Great Britain, which was commenced in North Derbyshire last October, after three and a-half years' painstaking preliminary study of oil possibilities in this country by American oil experts. As a result of their inquiries, certain geological indications were found which justified the most sanguine expectations of success, subject only to the right localities being discovered for tapping the oil, which, in their opinion, exists in commercial quantities between 2,000 and 4,000 feet below the surface. Lord Cowdray has been for many years deeply impressed with the importance of finding a home supply of petroleum, and was extremely hopeful of being able to discover it in Derbyshire, as his scientific advisers were so confident, and he had the greatest faith in the accuracy of their conclusions, based on the geological formation of North Derbyshire, which is precisely similar to those abroad, which yield petroleum in vast quantities. His chemists, who specialise in oil studies, have been able to prove chemically that certain indications below ground must be due to the presence of crude oil; it was on the strength of this discovery, prominently mentioned by him during the House of Lords debate, November 7, 1918, and considered extremely important, that he undertook, early last year, to devote no less than £500,000 to a systematic petroleum exploration. Preliminary arrangements were made with several landowners for the use of their land to test the possibilities of North Derbyshire as an oilfield, more especially with a view to augment the supply of liquid fuel for the Navy, which is now entirely dependent on imported petroleum fuel oil for its requirements. The Admiralty were duly informed of the discovery mentioned above, and hastened on the search as a matter of grave national urgency. Equipment for ten wells to be sunk to a minimum depth of 4,000 feet was imported from the United States,

and 40 picked drillers were brought over to drill on the most up-to-date system, under the guidance of managers who have been continuously engaged on petroleum search abroad.

No search for petroleum has ever been undertaken in a more thorough and systematic manner. In the course of last year the Government decided that the search for petroleum was of such importance that it could not be left to uncontrolled private enterprise, also that, in the national interest, it must be made under official supervision; it was essential that the Crown should have the exclusive right of getting petroleum within the United Kingdom. It was further decided to increase the proposed expenditure to £1,000 whilst Lord Cowdray's firm undertook the search as contractors and petroleum development managers for the Government. To give effect to this modified scheme, a Petroleum Production Bill was introduced into Parliament early last year to define and lease petroliferous areas so as to prevent waste; it provided for the payment of oil won by means of fixed royalties. But, as this proposal led to considerable opposition, the Bill was withdrawn and another one was introduced during the autumn, which in effect deprived the owners of land, as regards petroleum, of everything but their surface rights; at the same time it was generally understood that the question of royalties was merely postponed pending the conclusion of the War and the actual discovery of petroleum. Details of the American plant imported and the operation of drilling for petroleum need not be given here, but it may be interesting to note that the mechanical devices, derrick mode of working, and so on, are very similar, but on a larger scale, to the boring for water by the engineering section of our troops behind the fighting lines in both France and Italy. Innumerable bore holes to provide water for our troops have been sunk in French and Italian villages, lined with metal tubes from top to bottom, precisely as the bore holes which are now being drilled in North Derbyshire, the only difference being, whilst the latter are to be thousands of feet in depth and of large diameter, the former are only hundreds of feet and of less diameter. These French and Italian water bores are now a permanent and most highly valued asset of the villagers. When the first Italian disaster occurred a section of our engineers engaged in water-boring very narrowly escaped capture; they just cleared out in time. Just as in North Derbyshire American oil experts went in advance to select sites for the boring, so, in France and Italy, water diviners went in front to select the most likely places for the discovery of water. If the search for oil should be only half as successful as this search for water, our British oilfield would be first in the world and our petroleum imports would cease at once. The writer has been authoritatively told that our water diviners were nearly uniformly successful in their selection of sites likely to yield water; by next autumn we shall know whether the American oil prospectors, on whose judgment the authorities are relying, will have established a similar record.

The probable discovery and withdrawing of huge quantities of petroleum from below ground has suggested to many people the possibility of land subsidence on a large scale, which might endanger buildings, sewers, water supply, and other surface structures, also roads and railways; but it has been authoritatively stated in the House of Commons that there would be no likelihood of land subsidence from mining petroleum, there was no more danger of subsidence from obtaining oil than there had hitherto been from obtaining water supplies from the depths of the earth, as was constantly done by water companies in many parts of the country. The area which has been specially selected by the American oil experts for the first series of experimental boreholes is that portion of North Derbyshire having Chatsworth on the west, and Mardwick Hall and Bolsover Castle on the east. A coalfield averaging eight miles or so in width extends southward from Sheffield, and a string of seven sites was selected last year along it, commencing a few miles south-east of Sheffield, averaging 2½ miles or so apart, forming roughly a north and south line of boreholes about 18 miles in length. So that a very considerable stretch of country will be explored. More recently another site not very far from Nottingham was added to the list. We may assume that the results obtained and the outlay involved will be announced in Parliament during the autumn. When work was started last year the American experts were most confident of success; unlimited funds have been placed at their disposal, they had *carte blanche* to select sites anywhere in the country, landowners were most eager to provide every facility, and many of our most prominent scientists concurred in the opinion that oil-bearing strata occurred in many parts of the country and extended over large areas of ground. Sir John Cadman, one of our greatest petroleum authorities, very recently summarised our British petroleum prospects as follows:—

"The theories advanced in support of the existence of petroleum in this country may be summed up as follows:—

"There existed beneath the coal measures geological structure eminently suitable for the concentration of petroleum-porous rock with impervious cover suitably folded. Indeed all the physical conditions were admittedly present for the conservation of the product. (2) There was evidence that an oil phase had existed in the rocks of this geological horizon. This evidence occurred in the shape of the oxidised remains of petroleum in the outcropping rocks and the percolation of small quantities of oil in certain coal mines in this country. (3) That in the one case where suitable structure existed, and a borehole had penetrated into this horizon, natural petroleum had been discovered." Obviously, American oil experts and great British authorities agree as to the probable existence of petroleum in this country, and we may expect to hear any day of its discovery in vast quantities; we should all, then, commend the enterprise and foresight of Lord Cowdray, who originated and organised the search. But (there is always a "but") there is another side to the question. The Institution of Mining Engineers has just published its "Transactions," and in Vol. LVII., Part 1, pages 25-37, it is stated that no petroleum exists in commercial quantities in this country, either in Derbyshire or anywhere else, that none will be found; in effect, that the money spent in the search is being wasted. With such drastic differences of opinion, an authoritative statement in Parliament of the actual results of the Derbyshire petroleum search will be eagerly looked forward to next autumn, when all the boreholes will probably have reached the intended 4,000 feet in depth.

The discovery of oil in quantity in this country is all-important. During the period 1913-1918, both years inclusive, our aggregate imports of petroleum reached the colossal amount of £155,641,000; the price per gallon increased from fivepence to more than double, vast and increasing quantities are used by the Navy, whilst for lubricating and motor purposes it is indispensable.

The world's output of crude petroleum for 1917 was 70,066,500 tons, distributed as follows: From America, 54,020,000 tons; Europe, 11,557,000 tons; Asia, 4,350,000 tons; Africa, 134,000 tons; Australia, 5,500 tons; total, 70,066,500 tons. In addition a small quantity of petroleum is obtained from the distillation of oil shales, more especially in Scotland. As a fuel petroleum possesses many advantages over coal, especially for shipping; it takes up less space. As a fluid it can be more readily loaded, a given weight of petroleum will produce more steam than the same weight of coal. Thus 66 tons of oil are equal to 100 tons of coal. Even assuming that the cost of oil is double that of coal, the earning capacity of a large steamer bunkered with oil is much greater than it would be if

bunkered with coal, varying according to size from, say, £50,000 to more than four times that quantity.

The following statistics show the vast and growing extent of our petroleum imports:—

	1912	1914	1916	1918
	Gallons	Gallons	Gallons	Gallons
Lamp oils ...	146,030,000	150,131,000	127,339,000	148,021,000
Motor spirit ...	79,590,000	119,030,000	161,410,000	193,074,000
Lubricating oils ..	65,327,000	66,646,000	83,167,000	102,244,000
Gas oils	73,273,000	83,105,000	57,074,000	41,079,000
Fuel oils	48,135,000	212,675,000	22,556,000	842,356,000
	Values			
	£	£	£	£
Lamp oils ...	2,106,000	2,501,000	3,071,000	8,501,000
Motor spirit ...	2,092,000	4,301,000	9,974,000	18,430,000
Lubricating oils...	2,059,000	2,340,000	5,296,000	10,837,000
Gas oils	635,000	977,000	1,064,000	2,307,000
Fuel oils	426,000	2,479,000	373,000	23,984,000

The most notable point of these figures is the 17 fold increase in our imports of fuel oils, whilst the value has increased 56 fold.

PEAT RESOURCES OF IRELAND.—II.

The variety of products that can be obtained experimentally from peat covers a very wide range, but hitherto, except in comparatively few instances, the cost of production does not admit of their commercial exploitation. Many ambitious enterprises have been projected, and actually launched, in Ireland of late years, but failure has been the keynote of the majority. In several directions, however, work has been carried on energetically and has met with a fair degree of success. In the case of peat litter, for example, the exports increased in quantity from 3,758 tons in 1915 to 6,101 tons in 1916, or 38.4 per cent., and in value from £5,167 to £8,389, or 38.3 per cent., the increase being mainly the result of military requirements. In addition, a considerable quantity was retained by the Irish market. The most important centres of manu- Umeras, Castle-Connell, and Turraun. Economy Magher, Enfield, Rahan, Portglenone, Monasterevan, Umeras, Castle-Connell, and Turraum. Economy of production is secured by the fact that the works are located on the bogs, and that canals, in most cases, furnish a cheap means of transit. The importance of this branch of the peat industry is not fully appreciated in Ireland, and there appears to be no doubt that it is capable of a much larger extension. The demand for moss litter is steadily growing in Great Britain, where it is used in increasing quantities by omnibus and railway companies. The following table shows the value of moss litter imported into the United Kingdom from foreign countries in the years 1913 and 1917, together with the country of origin.

Country of Origin	1913	1917
	£	£
Sweden, Germany and Belgium	6,692	—
Netherlands	107,527	9,025
	114,219	9,025

The Trade Accounts for 1918 make no mention of moss litter imports from any foreign countries, but it is obvious that old connections will be resumed with a return of more stable conditions. Thus an opportunity presents itself to the Irish manufacturer to extend his business, provided he is in a position to increase his output and display a little enterprise. Mention might also be made of the fact that the United States, in normal times, imported a considerable quantity of moss litter from the Netherlands and Sweden, and there is no reason to believe that they possess any marked advantages over Ireland in supplying the needs of this particular market. Any class of peat which contains a certain percentage of fibre can be converted into peat litter, but the value of the substance thus produced will depend largely on the nature of the plant from which the peat has been formed. Mountain bogs are generally formed by the decomposition of sphagnum moss and other herbaceous plants, and as these plants are capable of absorbing a very large amount of moisture the most valuable kind of peat moss litter is generally obtained from these particular peat bogs. In Ireland, however, the flat bogs are usually worked for this purpose, and when the peat litter is obtained from grass peat it does not possess the high quality of that derived from moss peat. Moss peat is of a yellow colour, sometimes slightly tinged with brown, very light, and contains a low percentage of ash; while grass peat, on the other hand, is of a darker colour, heavier, more decomposed, contains a larger percentage of ash, and has a lower absorptive power for water. The best peat moss districts in Ireland are said to be around the southern shores of Lough Neagh and in King's County and Queen's County. Strictly speaking, peat litter can hardly be classed as a manufactured product of peat, since the common processes of manufacture consist chiefly of cutting the peat into large blocks, spreading them on the bog to dry, gathering the peat blocks in a partly dried condition and macerating them by the use of simple machinery. The shredded material is then separated from the finer parts, or peat powder, and, after some more processes, is packed in bales ready for the market. The use of peat powder for various packing, absorbent and deodorising purposes, is steadily growing, and it finds much favour as a substitute for more expensive chemical substances, especially where comprehensive sewer systems have not been constructed. An export trade from Ireland to places as far abroad as the Canary Islands is springing up in this material, where it is employed on account of its suitability for packing tomatoes. Peat litter could be used to a greater extent in city stables and dairy barns, as, owing to its absorbent and disinfecting qualities, it is much more suitable than straw litter. Weight for weight peat litter remains drier for a longer time than straw, and with the addition of 5% kainit it furnishes more valuable manure than the latter. The cost of equipping and establishing a plant for making moss litter is not large when compared with that of the more complicated fuel-making plants, because the machinery is comparatively inexpensive and of considerably lighter construction. On the whole, peat litter and powder products, simple as they are, and requiring no large outlay of capital, present the greatest possibilities for paying investments to owners of peat deposits of suitable character, because they are easily and cheaply made, are already on the market, and are favourably known to many dealers and consumers. In Ireland there are practically only four months in the year in which peat can be cut and dried by natural means, but in connection with this industry frost has a beneficial effect on the cut sod, and cutting for litter purposes can consequently be carried on for a much longer period.

Many concerns have taken up the manufacture of paper from peat fibre, but in the majority of cases no commercial success was achieved. Some small success has, however, attended the working of plants in the United States in late years. There are various difficulties connected with the conversion of peat into fibre. In the first place, there is much waste of material, including water and mineral matter, which must be handled before it can be eliminated. Then the fibrous matter is often very small in quantity, and, owing to weakness caused by decay, has often to be enriched with wood pulp or other paper stock to produce even poor grades of paper. Secondly, the fibre is difficult to bleach, and the methods of doing so are costly; consequently only coarse brown papers and cardboard can be manufactured. Probably the only kind of bog that may be considered suitable for this purpose is one which has been built up from the bottom by successive layers of grass-like plants to a considerable depth and over a large area. In 1903 a factory was established at Celbridge, County Kildare, for the utilisation of peat moss in the manufacture of paper. A brown wrapping-paper of a strong texture and excellent quality, containing about 60% of peat fibre, was turned out, and in 1905 it was declared that the Company produced yearly more wrapping-paper than all the other paper mills in Ireland combined. The concern finally ceased business in 1905, and its lack of success was due to various circum-

stances. The turf was brought at considerable cost to the factory, which was situated at a distance of several miles from the bog, and a large proportion of this turf was unsuitable for paper-making purposes. This addition to the cost of production made it extremely difficult to compete with papers made from cheap materials like straw and wood pulp. It has been stated that the enterprise would have met with a larger share of success if more of the preliminary operations had been undertaken at the bog, especially in the direction of sending carefully selected turf to the factory. Another cause of the failure was the lack of provision for utilising the by-products. Had the plant been in running order this business would, in all probability, have reaped a rich harvest during the past four years, owing to the high cost and scarcity of paper.

At the present moment experiments with a view to the production of coke from peat are being conducted at Turraun, King's County. There is now no doubt that a good quality of coke can be made from dense, thoroughly decomposed peat that has been machined and air-dried, and experience has shown that it is quite as strong as good hardwood charcoal in its resistance to crushing. The conversion of peat into coke is accomplished in the same manner as wood, by means of heaps, kilns, and retorts. Peat coke is made and used in Germany, Sweden, and the West of England. It has a calorific value of about 6,000 calories, contains nearly 90 per cent. of combustible matter, and can be obtained sufficiently dense for metallurgical purposes. Its cost per ton in the West of England was formerly about one-third of that of coke, and no doubt the present high cost of coal has increased that advantage. In order, however, to produce this commodity in Ireland at a price which will compete successfully in the market of Great Britain, the obstacles to be surmounted are the expense entailed in winning the peat and the provision of a satisfactory method of air-drying. A solution, or a partial solution, of these problems would, no doubt, lead to the establishment of a flourishing industry in Ireland. As another aid to securing the best financial results, the importance of accompanying the process of coking by the recovery and profitable sale of chemical by-products, and the utilisation of the non-condensible gases as fuel for heating the retorts and for drying the peat preliminary to coking, is too obvious to need insistence.

THE TOBACCO INDUSTRY.

The advent of the American Tobacco Trust into the United Kingdom at the beginning of the century, and its speedy defeat at the hands of the Imperial Tobacco Company, were turning-points in the history of tobacco manufacture in these islands. Hitherto, competing interests came into close amalgamation, and, though many important firms remained outside the new Combine, it controlled upwards of three-fourths of the total output of manufactured tobacco. The position has undergone little alteration since. The Imperial Tobacco Company, with an issued capital of nearly 21¼ millions, has quietly consolidated its business and has not used its power unscrupulously, while the independent firms have established themselves more securely. The headquarters of the Combine are in Bristol, which is probably the largest centre of tobacco manufacture in the United Kingdom, though, lately, the British-American Tobacco Company has vacated large works in that City. The factory has, however, been taken over by a local Bristol firm, one of the largest in the tobacco trade, and so Bristol's primacy will not be lost. It is possible that, if manufacturers both great and small were included, the first place on the list would go to London, where numerous little tobacco factories are to be found. Liverpool is another centre of manufacture of almost equal importance, and it is followed at some distance by Belfast and Glasgow. The Combine has practically no footing in Ireland, but in both England and Scotland it controls most of the large firms. In Liverpool, of the four chief manufacturers, three are associated with the Imperial and one is independent. In this reckoning the British-American Tobacco Company, which carries on an extensive manufacture in the City, has not been included. It occupies a somewhat anomalous position, as it was formed by the American Trust and the British Combine to take over the export business of both, and does not participate at all in the home trade. Its Head Offices are in London; but it manufactures chiefly in Liverpool, where the leading brands of the Imperial Tobacco Company are made and packed for export. In Belgium, India, South Africa, Australia, and elsewhere it has factories, many of which are run by subsidiary companies, owned exclusively or controlled by the parent company. In the setting up of these factories economy in distribution has been primarily considered. Obviously, a point is reached when it becomes more economical to manufacture tobacco within a country than to supply its needs from a distant centre. Tariffs have also affected the policy. In certain cases—for example, on the Continent—the heavy duty on imported tobacco manufactures has led to the establishment of factories within the tariff wall, as competition from outside would have no reasonable chance of success. The British-American Tobacco Company has even a more extensive export business in the United States—the other chief seat of its activities. The independent firms in the United Kingdom also carry on a large foreign trade; but it is impossible to say for what proportion of our exports they are responsible. In 1913 the total export trade was valued at £3,376,472, and afterwards it showed steady expansion until 1916, when it reached £4,765,777. Since then it has fallen, and in 1918, at £3,483,413, it was but little over the pre-War figure, despite the intervening increase in values.

The War has, on the whole, given a decided impetus to the tobacco trade, despite the heavier taxation on the raw material and the difficulty of securing supplies owing to the shortage of shipping. The duty has risen from 3*s.* 2*d.* per lb. in 1914 to 8*s.* 2*d.*, and at one time during the War freights from North America were as high as 6½ dollars per 100 lb., or 3¼ per lb. Further heavy charges were incurred in connection with insurance, and it was not unusual to have English vessels quoted as high as 5 guineas per cent. and American 12 guineas. The cost of bringing over the leaf from the States, including freight, insurances, and dock charges, rose to nearly 9*d.* per lb., as compared with 1*d.* per lb. before the War. Added to this was an increase in the price of leaf, which rose for the better-known types to three times the pre-war figure. Happily freights have now dropped to two dollars per 100 lb., and war risks to 2*s.* 6*d.* There is also a chance that leaf prices will fall, as attempts are being made to grow a bumper Virginian crop this year. Further, previous sources of supply, such as Turkey, Portuguese East Africa, Java, Netherlands, Belgium, and France, all of which were cut off or seriously curtailed during the War, will again become available. The United States, however, will remain our chief source of the raw material, and during the War they have materially improved their position, having contributed 87% of our supplies in 1913 and 96% in 1918. Liverpool, as the terminal port for the North Atlantic trade, naturally leads as a tobacco importing centre. The following table shows the chief seats of tobacco manufacture in the United Kingdom, and the extent of their imports of unmanufactured tobacco, including, for purposes of comparison, the total imports for the United Kingdom.

Imports of Unmanufactured Tobacco.

	1913 Lb.	1914 Lb.	1915 Lb.	1916 Lb.	1917 Lb.
Liverpool ...	111,743,519	105,201,473	114,601,643	106,455,211	31,088,070
London	32,520,585	28,106,502	33,072,173	31,007,804	8,427,489
Bristol	5,967,479	7,688,737	5,435,400	3,434,653	1,680,336
Glasgow	4,562,133	3,371,553	18,887,603	8,766,457	1,005,022
Belfast	4,525,151	8,319,491	11,655,461	6,109,848	548,604
United Kingdom	162,365,925	158,692,857	202,650,863	164,265,861	46,452,001

The imports, which fell away considerably in 1917, recovered in 1918 to 173,256,552 lb.

The consumption of tobacco in the United Kingdom had been steadily increasing in the half-century before the War, having risen from 1 lb. 3 oz. to over 2 lb. per head; and in recent years, despite the rapid advance in price, the demand has more than kept pace with supply. This increase may be accounted for by large requirements for the Army and by the presence of many overseas troops who, in normal times, would have drawn their supplies from sources outside the United Kingdom. The tobacco was supplied duty-free to the forces, and the reduced price, together with the ample leisure available, considerably increased the consumption. Besides, the high wages at home encouraged smoking amongst all classes of workers, and the habit spread particularly amongst women. Consumption has, indeed, fallen off since the Armistice, partly because of demobilisation, partly because money is less plentiful owing to the cessation of well-paid war work and consequent unemployment. On the whole, however, amongst the classes that smoke heavily, money is and will continue to be more plentiful than in pre-War days, and consumption is therefore likely to settle down at a figure permanently in excess of the pre-War average. Hence in the home trade the prospects of manufacturers are bright, especially in regard to cigarettes, which are now consumed to an extent unknown before. In the export section it is important to observe that, though the figures of quantity (including snuff) show a decrease from 32,993,905 lb. in 1913 to 22,247,696 lb. in 1918, our forces have popularised American tobacco, particularly in cigarette form, in many countries where formerly it was almost unheard of. Up to the present Continental countries have exclusively encouraged the consumption of home-grown tobacco; but with a change of taste an increased demand for American tobacco will set in, and our tobacco factories and our ports will benefit by the additional trade. As a large centre of manufacture Liverpool will profit materially from these developments, deriving further gain from its importance as a distributing centre for British-made tobaccos throughout the world. In the latter respect it claims precedence of Bristol, London, and all the other tobacco-manufacturing centres in the United Kingdom, and statistics are seen to bear out this claim.

Exports of Tobacco and Snuff.

	1913	1914	1915	1916	1917
	Lb.	Lb.	Lb.	Lb.	Lb.
Liverpool ...	13,736,101	14,739,599	21,088,642	14,703,283	14,195,070
London	14,571,931	14,502,846	10,012,449	12,161,626	8,934,091
Bristol	2,398,075	3,159,948	1,998,175	1,260,390	1,682,399
Glasgow	Not separately recorded.				
Belfast	Not separately recorded.				

THE AGRICULTURAL WAGES CONFERENCE.

The 39 districts into which the 52 counties of England and Wales are divided for agricultural wages assessments under the Corn Production Act were summoned to a Conference in London on Wednesday last, and the question of agricultural wages may be said to have been fairly well threshed out, with the result that in future the wage will average 40*s.* a week instead of 33*s.* 6*d.* The districts keep a considerable degree of local freedom, and Northumberland pays a much higher wage than Dorset, the Holderness and East Yorkshire region substantially more than Worcestershire or the Wye country. The average wage for the 39 regions, however, works out under the new settlement at almost exactly 40*s.*

Farmers are on the whole remarkably well resigned to the higher payment, but they are at serious issue both with labourers' representatives and with the officials of the Board of Agriculture over the hours of necessary work. They complain that as these are now to be fixed on an average farm there will in most weeks be as much as eight hours' overtime to be paid for at a specially high rate—namely, four hours spread in the ordinary week, two hours extra on the Saturday, and two hours extra on the Sunday. If this brings up the total wage to 47*s.* or 48*s.* weekly, the profits on forms of farming which call for extended hours will almost certainly vanish. It will be impossible to keep dairy cattle at anything like the present fixed milk and cheese prices, and crops that require to be harvested at just the right moment and no other, such as malting barley, beans, peas, farm-seeds, and some vegetables, will entail so much overtime payment, except where the farmer has "all the luck," that they can scarcely be expected to pay a dividend.

The average agriculturist will probably increase his heads of cattle and, since they require fewer men to look after them, his flocks of sheep. The pig would return to favour if the use of skim milk and good middlings as food should once more be allowed. On the other hand, poultry, with their troublesome hours for feeding, will become an impracticable case unless the farmers' own womenfolk can look after them.

Men employed on unskilled jobs, such as weeding, must now be paid the full minimum wage, and crops which do not grow quickly away from the weeds therefore will hardly pay to cultivate. The dry counties—we do not use the term in an American sense—will with their rapid harvests have a great pull over the rainy ones, for the men will earn their wages in the one case and will be standing about for many remunerated unworking hours in the other. Pedigree stock will probably gain ground, because, where the man who tends animals is highly paid and works only a reduced number of hours, profit can only attach to his care of valuable stock, his wages must not exceed a specific percentage of the money which such animals bring in.

Will the new high rate of country wages keep men in the rural districts, and will the greatly extended leisure hours permit youths from wishing to migrate to the towns? The matter is not one upon which prophecy is easy, nor shall we attempt a forecast. What may, however, be foreseen is that the total area of the country under ordinary agricultural cultivation will diminish; poor land will not pay. Crops requiring much hand labour—to weed, to wash, or to harvest—will become unprofitable, and those who used to work on them will perforce be driven to the towns. With respect to wheat growing and Lord Lee's dream of an England growing corn to meet its wants for 40 weeks out of the 52, all that need be remarked is that a 48*s.* wage for labour on wheat growing means, roughly speaking, wheat at 96*s.* per quarter, which in turn indicates a shilling loaf. Whatever the Government chooses to encourage by the payment of this price is entirely for the Government itself to say, but with America able to grow all the wheat we want at probably 50*s.* per quarter the acquiescence of the taxpayer in a 50 million subsidy may have its limits. The Food Controller, by the way, made an odd blunder in his statement to the House of Commons when he said that bread was much dearer in the United States than here. That, of course, is not the case. With wheat at 72*s.* in America bread can be made at 9*d.* the quartern loaf, which is the price in England. But the Americans can get a ninepenny loaf without a 50 million wheat subsidy, and Englishmen at present cannot. Bread, therefore, apart from subsidy, is threepence per quartern loaf cheaper in the United States than it is here.

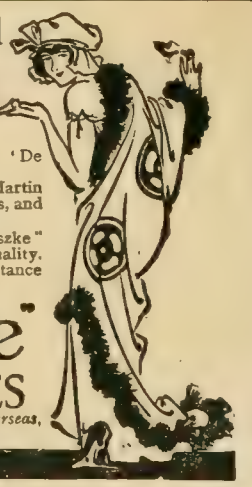
"Odd Time-Tables." For the economical calculation of short periods on annual payments, more particularly designed for the calculation of fire insurance "odd times," reinsurance and guarantee "considerations," and "returns." By William A. Robertson and Alan Fisher. Price 8*s.* 6*d.* net. (London: Oliver and Boyd, 33 Paternoster Row, E.C.)

Sir Valentine Chirol writes:—"As a confirmed smoker of Turkish cigarettes, I can pay your 'De Reszke' Americans no higher compliment than by saying that they would almost wean me from Turkish and convert me to Virginians."

Louis Raemaekers, Esq., writes:—"Your 'De Reszke' Cigarettes are very nice indeed."

Martin Harvey, Esq. writes:—"Mr. Martin Harvey has tried your 'De Reszke' Cigarettes, and he and his friends find them 'tip-top.'"

SOONER or later you will buy "De Reszke" Cigarettes, because of their better quality. Why wait? Why not make the acquaintance of the World's best cigarettes now?



"De Reszke"
The Aristocrat of CIGARETTES
Sold at all Military Canteens at Home and Overseas, also Tobacconists' and Stores.

THE BANK OF TAIWAN,
LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.
Head Office - - TAIPEH, FORMOSA.

BRANCHES:—Amoy, Bangkok, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, Yokohama, and every important city in Formosa (Taiwan), &c. The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.

London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

MR. W. M. MCPHERSON is at present in this country on a mission concerned with the conversion of a loan issued by the State of Victoria, of which Mr. McPherson is the Treasurer, of 4 millions sterling, which falls due in October next. Victoria is about to pay off 1 million of this loan, and Mr. McPherson is only concerned with the conversion of the remaining 3 millions. Victoria is one of the oldest and most settled parts of the Australian Commonwealth, and, during the past dozen years or so, the policy of the State has been to raise its loans, as far as possible, in Australia itself in preference to coming, as formerly, to London whenever it desired to borrow money.

The total loan liability of the State is now 79 millions sterling. Of this amount 43 millions belong to English bondholders, and 36 millions to Australian. So recently as 1906 the English investor owned 81% of the loans of this State, whereas, at present the British investors' proportion of the total is only 55%. A favourable feature of the total loan liability, which, as we have said, amounts to 79 millions sterling, is that 74 millions of it is in some measure earning interest. In the last financial year the difference in interest paid on loans and interest received from railways and public works amounted to only a little over a quarter of a million sterling, which had to be found out of the taxes. The loan indebtedness of the State of Victoria is represented by investments in railways, which have cost 56 millions sterling; in irrigation schemes and waterworks, in which is invested 11 millions; in connection with closer settlement on the land, 5 millions; and on the development of country roads, the purchase of coal mines, and freezing works, the State has incurred liabilities somewhat exceeding 6 millions sterling.

In the past twelve years the revenue earned by the railways has increased by considerably over 50%, and now exceeds 6½ millions sterling. The money spent on irrigation works and water conservation schemes should prove eminently profitable, as the great need not merely of Victoria but of the whole Commonwealth is population, particularly population which is willing to settle upon the land, and without irrigation works over a large part of Australia this is impossible. Victoria has a population of a million and a half, or about seventeen persons to the square mile, comparing with 379 persons to the square mile in the United Kingdom. This, however, compares favourably with the Commonwealth taken as a whole, which has under two people to the square mile.

The pastoral and agricultural products of the State for the year 1917 were valued at very nearly 40 millions sterling. The total output of her manufacturing industries were valued still higher at 60 millions sterling. The annual value from the cultivation of wheat, oats, barley, potatoes, and fruit varies between 16 and 20 millions sterling; dairying and pastoral products 22 millions sterling; mining, 1½ millions sterling; forest products, 1 million; and miscellaneous, 2 millions. The overseas trade of Victoria amounts in value to 44 millions sterling, represented by imports at 25 millions, and exports at 19 millions.

Owing, perhaps, to the fact that we have so many Colonial visitors in our midst at the present time, in connection with the recent War, an interesting paper was read on Tuesday night last on "Railway Development in Australia," by Mr. T. R. Johnson, formerly Chief Commissioner for Railways in New South Wales. Australian railways, as they exist at present, have three great defects. One is that, for the most part, they are coast lines connecting the various coast towns, and only stretching a short distance into the interior. The second is that hardly any two railways have the same gauge, and, consequently, it is impossible to travel for any distance without changing trains. Finally, with the exception of the Transcontinental Railway, to which we will refer briefly later, the Australian railways seem to have been designed as a supplement to the coast trade rather than built for the purpose of opening up a great continent about half as big again as India.

Mr. Johnson began his paper by pointing out that when the late Mr. Gladstone was Colonial Secretary, in the early days of railway building in Australia, he recommended the standard, or 4 ft. 8½ inch, gauge which was common here, and which was generally being adopted, more or less, all over the world as the gauge that should be selected as the one for the new colonies in Australia. Unfortunately, prevailing opinion in New South Wales, which in those days was the only colony in a position to build a railway, took into its head that the broad gauge of 5 ft. 3 inches, for which in those days there were advocates, both in England and in other parts of the world was adopted.

New South Wales, having adopted the broad gauge, advised the Governors of Victoria and South Australia of the step they had taken, and certain railways were constructed both in Victoria and in South Australia of the width which had been adopted in New South Wales. Meanwhile, New South Wales made up its mind that the broad gauge was a mistake, and decided to adopt the "standard" or 4 feet 8½ inch gauge. Queensland, which in those days was a very poor State, with a very small population, built its railways on the line of a glorified tramway, with a narrow gauge of 3 feet 6 inches. Consequently, from that day to this the various States, having more or less all different gauges, it is necessary to tranship both passengers and goods when crossing from one State into another. In some States all three gauges are used on different lines.

Queensland enjoys the distinction of having a narrow gauge of 3 feet 6 inches, and also a short line with a 2-foot gauge. At the present time, Queensland has by far the longest railway mileage, and the mile-

Certain to Rise in Value

STUDY the prices of Investment Stocks for the last ten or fifteen years and you will be struck by the shrinkage in capital value which many of them have undergone. Holders who bought at 100 or 120 have seen the price of their securities falling gradually to 95, 90, 80, or even less; and in many cases there is no prospect of a recovery to the original market value.

But the very reverse is true of the present issue of 5 per cent. War Bonds. They are certain to rise in market value. For the whole of the money invested in these Bonds must be repaid by the State in 5 or 10 years; and it will be repaid not only in full but with a premium added.

It is this that enables the holder of War Bonds to regard the future with so enviable a sense of security. He knows that for every £1,000 invested in Five per cent. War Bonds the State will repay £1,020 in five years or £1,050 in ten years. And meanwhile he is drawing a safe five per cent. interest, and has retained the power to sell at any moment, should he so desire.

If you have any money available for investment you cannot do better than to put the whole of it into Five per cent. War Bonds. Your Banker or Stockbroker will do what is necessary as soon as he receives your instructions telling him how much you intend to invest.

NATIONAL
War Bonds

Repayment and Interest guaranteed by the State.

On sale at all Banks and Money Order Post Offices. You have the choice between 5 per cent. Bonds issued at £100 and repayable in 1924 at £102; or 5 per cent. Bonds issued at £100 and repayable in 1929 at £105; or 4 per cent. (Income Tax Compounded) Bonds issued at £101 : 10 : 0 and repayable in 1929 at £100.

age of lines either owned or worked by the State is 5,357 miles. In addition, there is a short line of 277 miles owned by local authorities, making a total of 5,634 miles. As the population of Queensland is 669,467, Queensland has only 119 persons for each mile of railway. As in this State, as nearly everywhere in Australia, the population is not only small, but is for the most part located in the large cities, there are only 119 persons for each mile of railway opened, and, in reality, over the greater part of the length of the line there are very few people indeed. Of course, it has to be borne in mind that in a new country like Australia, without railways it is difficult to expect settlement, and to this question we shall refer when discussing the opening of the Transcontinental line.

The State of Victoria is almost exactly the same size as the island of Great Britain. It has a population of 1,400,000, and a total railway mileage of 4,150. Ninety-seven per cent. of this mileage is of 5 feet 3 inches, and 122 miles 2 feet 6 inches gauge. South Australia has an area of about 380,000 square miles, a population of 432,000, and a total railway mileage of 2,720. Western Australia has an area of 976,000 square miles, a population of 309,000, and a railway mileage of 3,425, with a gauge of 3 feet 6 inches. Fortunately, it was decided to construct the Great Western, as it is commonly called, or the Transcontinental railway, on a 4 foot 8½ inch gauge, which is known as the "standard" gauge in most parts of the world. Consequently, rolling-stock used in most countries would be available for use on the Transcontinental of Australia.

The Transcontinental runs from the Eastern seaboard to Western Australia, and is really a transcontinental line so far as the southern part of the continent is concerned. It does not open up Central Australia; and, of course, it can hardly be said to have any influence on the vast territories of the North. Nevertheless, so far as it goes it is a great advance on railway building in Australia. The great defect, as said above, of all the lines until this one was completed was that they were merely coast lines, in addition to the defect of being of various gauges. The Transcontinental line has only just been completed, and, consequently, it is impossible to say what its influence upon the development and future trade of Australia will be. But that it will ultimately, either directly or indirectly, lead to the economic development of Australia admits of very little doubt. On the whole, the experience gained during the construction of the line was more favourable than was generally expected by those who followed the reports of the early period of surveying the proposed course of the line. It was said that a large proportion of the line would pass through a sandy desert. Now experience shows that there is nothing of the kind. Over a certain part of the line the soil is undoubtedly light, and not of very great depth, and rests upon a rocky limestone bed. Even what is known as the granite portion appears to have an ample and regular rainfall, quite adequate for pastoral purposes, if somewhat below that needed for purposes of agriculture proper.

The great need of Australia is admitted, of course, to be population. But even a greater need is a better division of the population than exists at present. Such as it is the population of Australia is congested in a few large towns, and the bulk of the continent is a vast empty waste. It will be only a slight exaggeration if we describe Australia as representing on a large scale something like England might be if its population consisted of the inhabitants of Margate and Brighton and Cardiff, and the greater part of the rest of the island of Great Britain was virtually unoccupied. The Transcontinental line should at first attract sheep farmers, and ultimately should lead to a largely increased settlement along the line.

SOUTH AND CENTRAL AMERICA.

NORTHERN BRAZIL.

In an article recently on the election of the new Brazilian President we pointed out that Dr. Pessoa comes from Parahyba; and, consequently, for the first time the Presidential Chair at Rio will be occupied by a Northern man. Brazil, so far, has been almost entirely developed by the Southerners. The earliest part of Brazil to be settled was the State of Sao Paulo, now so pre-eminently associated with the coffee interests. The early settlers in Brazil, coming from Portugal, were accustomed to a warm, but still a European climate, and in early days they did not flourish or care to settle much above the sub-tropical zone. They preferred, in fact, those regions between the 30th and the 20th parallels, which afforded approximately the climatic conditions to which they had been accustomed. South America, taken as a composite whole, owing probably to its position of isolation between the two greatest oceans of the world, presents the feature of a more equable climate in any given latitude than that usually found in the other continents of the world where the land surface is concentrated in one great mass.

We have explained from time to time the reasons which, until the beginning of the present century, have militated against the development of equatorial Brazil, although this part of the Republic is in area by far the most extensive, and potentially, by far the richest, not merely of the Republic of Brazil, but is, in fact, potentially one of the very richest parts of the earth. We will not here, therefore, labour the subject. Suffice it to say that until quite recently neither white men nor coloured, native nor foreigner, could hope to labour under healthy conditions in the tropical parts, either of South America or anywhere else. While not wishing to exaggerate what has been accomplished in Northern Brazil, we will content ourselves with pointing to the growth of a city like Para, with a population of over a quarter of a million inhabitants, situated only one point south of the Line, as evidence that even in equatorial Brazil the conditions of life cannot be alarmingly unhealthy; while, if we go a thousand miles inland, we have the great city of Manaos, with a population of considerably more than half that of Brighton in England, showing that, surrounded as it is by virgin forest and suffering from drawbacks which would be materially remedied if the country were opened up, it is evidently not a deadly place to live in. We have said enough to recall to the mind of the reader what has been done in recent years to make these areas, once the favoured home of yellow fever and of malaria, comparatively healthy places of residence for the foreign immigrant, as well as for the native worker.

We will not labour the point of the importance to Brazil in particular, and to the world in general, of opening up this vast area, which comprises some two-thirds of the total area of Brazil, for agricultural and economic purposes. There exists, so far as we are aware, no area of this extent in any part of the world which offers such favourable opportunities for the extensive development of tropical agriculture at the present time. It is at present covered with some of the richest forests known, and is subject, over an extent of country comprising roughly twice the size of France, to inundation at recurring periods of the year. Consequently, in order to settle Northern Brazil in the sense that the coast States are settled at present two great engineering works must first be accomplished. One is the drainage of this area, and the other is to afford transportation facilities. At present this immense area depends upon two branches of industry. One is rubber gathering on the high plateau above the Tapajoz River, and the other is the rearing of cattle. Neither of these industries can be really developed to any appreciable extent as things are. The rubber industry is extravagantly expensive, because there are no

proper means of carriage. And the cattle industry is carried on under the disadvantage that it is necessary to drive the cattle twice every year from the inundated areas to the uplands. Consequently the herds practically require two distinct ranges of pasturage—that is, pasturage during the rainy season, and pasturage during the dry season. During the dry season the inundated area, of course, floods exceptionally rich pastoral land for cattle, and during the rainy season they get ample pasturage by being driven on to the uplands in the Amazon basin. Industry, however, carried on under these conditions cannot hope to develop to any appreciable extent, because square leagues are required to accomplish what it ought to be possible to do in the space of one or two acres. The difficulty of the problem to be attacked is primarily economic, as distinct from physical or engineering. From the purely engineering point of view the difficulties are not serious. From the economic point of view it would be necessary to obtain the means of doing the work from some outside source, not necessarily outside Brazil, but from some source outside the Amazon basin, because in its present state of development the Amazon basin cannot, and does not, afford a revenue which would enable the work to be undertaken. That it would amply reward those who undertook it, whether they be foreigners or natives, there can, of course, be no reasonable doubt. But it is equally evident that the State of Amazonas itself lacks the economic means which would make it possible for the local Government itself to undertake the work. Whether it should be done by foreign capitalists or by the Government itself at Rio is, of course, for that Government to consider. But it is interesting at the present time that the incoming President should be a man coming from tropical Brazil, and, therefore, presumably specially interested in the development of that part of the Republic which was the home of his childhood. Moreover, and perhaps more important, Dr. Pessoa coming, of course, not from the Amazon region, but from Northern Brazil, should have an appreciation of the needs of the North which could not be expected in every Brazilian President. Particularly, the predecessors of the incoming President were, nearly all of them, men either from Sao Paulo or Minas Geraes, where the conditions are almost as different from those of Northern Brazil as the conditions of life in Western Europe and Central Africa.

If it is proposed seriously to open up the area of the Amazon valley the proposition presents serious formidable difficulties. As we have said, they are primarily economic as distinct from engineering. But even from an engineering point of view they are sufficiently formidable. Above all, as far as our present knowledge goes, they do not admit of being built up from small beginnings which would be the desirable process in a country of enormous extent in area, but having little or no population, and still less any readily realisable wealth. It has to be remembered that the Amazon in the neighbourhood of Manaos rises each season above 60 feet, and its tributaries, or what is commonly called the Amazon basin, inundates an area, as already said, of roughly about twice the size of France. Now for purposes of drainage exactly the reverse process of what is required for irrigating dry land should be pursued in this area. There are an enormous number of rivers and a still more enormous number of creeks. These would all require to be deepened in order to carry off the surface waters. It would, of course, be an exceedingly costly process. Moreover, the whole country, or nearly the whole country, is covered by forests, with small patches, or comparatively small patches, here and there of open savannas. These are the grazing grounds on which the cattle population now live. In some parts of South America where the rainfall is light it might be possible—and we are ourselves so convinced that it is not only possible, but practicable, that we have advocated the use of motor lorries for assisting transportation until Europe or North America is in a position to find the capital for railway building in these regions upon a great scale. In the Amazon basin, in its present state of lack of transport, nothing in the nature of motor lorries would be possible, because the rivers and creeks are too numerous and the inundations are too great. Consequently, the only reasonable method that appears to present itself would be the building of some sort of light railway. Even the construction of a light railway would be accompanied by a very considerable measure of expense, because it would be necessary, in the neighbourhood we are thinking of, where the inundations rise to some 8 or 10 feet, to build the railway for several miles in the neighbourhood of the great rivers upon trestle bridges. The timber is there already, and it consists of hard wood, eminently suitable for the building of such bridges. The labour only exists to a very modest extent. The bulk of it would have to be obtained either from Para or from the West Indies; and although iron mines exist to the south of this area, they are not worked, and, consequently, it would be necessary to convey nearly the whole of the railway plant, with the exception of the timber, to Manaos. Manaos itself, moreover, is an importer of food, and would not, therefore, be able to afford any appreciable amount of sustenance for the labourers; and, consequently, in addition to conveying plant, it would be necessary to furnish the labourers, engineers, and so on, with practically the whole of their requirements during the period of building the line. Meanwhile, drainage operations could, of course, be proceeded with.

It may reasonably be asked, What immediate source of revenue would be available to a railway so constructed, assuming that it was built and the lands drained? Now, in the period that preceded the outbreak of the recent War, one of the main sources of wealth of the United States of Brazil was the gathering of raw rubber immediately to the south-west of the area we are here writing of. Brazil grows what is known as "black" rubber in this particular area, and this "black" rubber, notwithstanding the difficulty of obtaining it, still commands the highest price in the rubber markets of the world. Unless transportation facilities are afforded Brazil must tend more and more to lose its position as a source of supply for rubber. Rubber production, carried on as an organised industry in the East and in various other parts of the world, is, in fact, gradually displacing the rubber of the Tapajoz region, owing to the fact that the latter is becoming increasingly difficult to obtain owing to the extravagant cost of transportation. Consequently, assuming that the area we are describing were properly drained, and some sort of light railway constructed which would convey it rapidly to one of the ports of shipment, an immediate traffic would be afforded for the line practically from the time it was completed. Another important source of revenue which would almost immediately be available is that from the cattle trade and the by-products thereof. On the north side of the Amazon the country rises rapidly towards the Guianas, and there are already considerable herds of cattle, more or less of the criollo variety. Nevertheless, they exist, and with the import of beasts of approved strain they could be gradually improved. Meanwhile, their flesh is available for the making of what is commonly known as *xarque* beef. And, of course, there are the skins, which would be very valuable as hides in the present state of shortage of the leather market. The beasts on the southern side are of somewhat better quality owing to the fact that the pasturage is more succulent and sustaining. Consequently, it will be seen that as soon as some means of transportation were afforded there would at least be a measure of revenue, which could gradually be developed.

RAILWAY WORKING DURING THE WAR.

THE official statement issued this week supplies information which has long been required to reveal the true position of the railways following the War, and to rectify not a few misleading ideas which have become prevalent as the result of uninformed discussion in Parliament. For instance, the impression gained wide currency that the loss on railways had now reached £100,000,000 per annum. As a matter of fact, that figure was originally mentioned as the extra cost of working during the two years of extended operation under Government guarantee, as compared with the cost in 1913. We show below in summarised table form how, after allowing for compensation paid to the railway companies, on the one hand, and on the other hand, for estimated amounts of revenue that would have been received for Government traffic if charged for at pre-War authorised rates, the Government's gain by the arrangement in the period of four years and five months to end 1918 aggregated £117,927. This, however, is subject to provision for extra wear and tear arising from the additional traffic carried, which is roughly estimated at £40,000,000—possibly less.

[000's Omitted]	Year 1913 £	5th Aug. 1914 to Dec. 31 1914 £	Year 1915 £	Year 1916 £	Year 1917 £	Year 1918 £
Traffic Receipts—						
Passenger train	54,096	19,091	52,577	54,954	59,710	69,819
Goods train	68,551	26,862	71,754	74,810	74,311	72,396
Total	122,647	45,953	124,331	129,764	134,021	142,215
Less Collection and Delivery Expenses ...	5,093	1,951	5,342	5,711	6,572	7,846
Net Traffic Revenue ...	117,554	44,002	118,989	124,053	127,449	134,369
Miscellaneous Income ...	1,146	416	1,090	1,170	1,132	1,298
Total Revenue ...	118,700	44,418	120,079	125,223	128,581	135,667
Expenses—						
Traffic	23,260	9,405	24,739	27,398	32,773	41,622
Locomotive	17,131	6,919	19,195	22,604	24,742	29,974
Maintenance of Way ...	11,818	4,624	11,598	11,924	13,266	16,145
Maintenance of Rolling Stock	13,258	5,494	13,741	15,212	17,621	21,888
Maintenance of Way Arrears to be done ...	—	800	2,985	5,056	6,282	6,485
Maintenance of Stock, Arrears to be done ...	—	315	2,477	3,203	3,668	3,327
General charges ...	2,598	1,095	2,636	2,692	2,886	3,141
Compensation	1,158	294	1,177	1,251	1,275	1,456
Other charges	5,904	2,837	6,480	6,417	6,364	7,288
Total Expenses ...	75,127	31,783	85,028	95,757	108,878	131,326
Surplus Revenue ...	43,573	12,635	35,051	29,466	19,703	4,341
Est. Amts. which would have been received for Govt. Traffic if charged at pre-War authorised rates	—	3,500	10,279	20,649	35,699	41,917
Total surplus of Revenue earnings over Expenditure	43,573	16,135	45,330	50,116	55,402	46,258
Compensation Paid by Government	...	—	15,947	14,040	24,076	41,251
Government's gain*		16,135	29,383	36,076	31,326	5,007

* Before providing for extra wear and tear, estimated to amount to a considerable sum.

For the financial year ending March 31 next the increased cost of working the railways, compared with the cost in 1913, is estimated at from £104,000,000 to £109,000,000, made up as under:—

	£
War wage and other concessions	57,000,000
Eight-hour day and new concessions recently granted or still under discussion	20/25,000,000
Extra cost of materials and coal	27,000,000
Total	104/109,000,000

SILVER.

As was the case in the preceding year, we can only estimate in a very rough way the world's output of silver during 1918. The figure we have arrived at for last year is 183 million ounces, comparing with 167 million ounces in 1917, just under 162 million ounces in 1916, 184 millions in 1915, 171 millions in 1914, and, as will be seen from the table given below, 224¼ million ounces in the last clear year before the War. That is to say, in the past five years the world's total production of silver has never in one single year reached 200 million ounces; and even in the year before the War only exceeded it by 24 million ounces. It may be recollected that in a recent article on India we explained that during the War period the United States had sold practically 400 million ounces—or, that is to say, considerably more than two whole years' output of silver for the whole world, including, of course, in that figure the mines of which silver is merely a by-product. Of this immense sum of practically 400 million ounces imported into India, either directly from or through the good offices of the United States of America, India has absorbed practically 400 millions; and according to our information a very large proportion of this vast sum has disappeared from circulation. Even granted that India enjoyed extraordinary prosperity during the recent years of the late War, and for several years before the outbreak of the War, it is absolutely incredible that she could be in a position to absorb this vast sum of money, bearing in mind what a poor country India is, simply for purposes connected with the arts. The conviction is forced upon us, therefore, that she was practising hoarding upon a gigantic scale—upon a scale, in fact, that she has not practised hoarding since the Pax Britannica, as it is called, became an established fact in India, and has, in fact, been recognised by the bulk of the Indian people. Not satisfied with taking this vast sum of silver during the period of the War, we understand, as we reported last week, that a further 200 million ounces—that is to say, considerably more than the total output of the whole world's silver mines—has been engaged to be shipped from the United States to India. And even so it is reported that there is an extreme scarcity of silver currency. Apparently, as soon as the rupee is coined, and the native succeeds in getting hold of it, he either converts it into bullion or hides it away in some place for safe keeping.

This is an exceedingly grave state of things, and is likely to become increasingly serious if the Indian population persist in hoarding as they have done during the past few years. It has to be remembered that in very few countries of the world now is silver the standard of value. Consequently, in nearly all countries it is simply used as token money. With ourselves, at present it is difficult to say exactly what is the standard of value. But we have come to regard the 20*s*. Treasury note as representing the golden sovereign of pre-War days, although everybody knows that it has long since ceased to have the purchasing power of a sovereign. Owing, therefore, to the enormous increase in the cost of living, and to what we commonly call high prices, there is a demand for token money out of all proportion to what existed in the years that preceded the War. After the death of Queen Victoria there was a large consumption of silver in this country, owing to the fact that one of the first acts of King Edward's reign was to order a re-coinage of the old defaced currency which had existed in Queen Victoria's time, and in a short time the consumption of silver rose in value from about 2 millions sterling to between 6 and 7 millions. The increased coinage of silver has been going on all through King George's reign, and has been greatly accentuated by the demands in connection with the War. And now at the coming of peace there is at last evidence of demands in England for silver in connection with the arts.

The price of silver although it is nominally free is to a large extent fixed by the conditions prevailing in New York. This is partly due to the fact that nearly 60% of the world's output of silver comes from the United States and Canada, and is partly due to the fact that, so far as it can be said that there is any free Money market in the world at the present time, it is in New York. There is, of course, at the present time no free Money market existing anywhere in the sense that London was the great gold market in that long period from the resumption of specie

payments after Waterloo up to the outbreak of the recent War. The United States figures for 1918, as far as they are known, are just under 68 million ounces, as compared with 74¼ million ounces in 1917, while Canada produced 20 million ounces last year, compared with 22 million ounces in 1917. Mexico, which at one time produced as much as 70 million ounces, and which, owing to the long period of the revolution, fell to about 27½ million, is again becoming an important producer, having contributed to the world's total some 35 million ounces in 1917; and it is estimated that last year her output reached 40 million ounces. Europe, meaning mainly Russia, contributed 8 million ounces in 1917; New South Wales, 8 million ounces; Japan, a little over 5 million ounces; Peru, nearly 9½ million ounces; and Africa a little over a million ounces.

World's Silver Production in Each of the Last Six Years.

1918	1917	1916	1915	1914	1913
Oz.	Oz.	Oz.	Oz.	Oz.	Oz.
183,000,000(*a*)	167,237,180(*a*)	167,894,385	184,073,427	171,183,147	224,248,582

(*a*) Estimated.

LANCASHIRE COTTON INDUSTRY.

THERE is a healthier outlook in the Lancashire cotton industry. During the last few weeks spinners and manufacturers have booked orders on a freer scale than at any time since the signing of the Armistice last November. Prices, after steadily falling for many months, are now much firmer, and it is not now possible to purchase on the same terms as at the beginning of April. The Government have recently removed many restrictions and regulations relating to imports and exports. Values in American cotton have tended to advance, partly owing to increased trade support, and partly as a result of persistent advices from the United States that the acreage for next season will be reduced.

In the cloth section the first market abroad to show confidence in Manchester prices has been China, and a few weeks ago a buying movement sent in, which is being maintained. In addition to substantial orders being placed for Shanghai,, an increased business has been done for several minor outlets of the Far East, such as Java, Singapore, and the Straits Settlements. Lancashire manufacturers are anticipating a much bigger trade with the Far East in the years to come. The Manchester market, however, is seldom healthy without demand for India, and buyers for Calcutta and Bombay have been rather slow at making up their minds to operate. Of late there has been a larger turnover in light fabrics, such as dhooties, mulls, and jaconets.

Prices are now about 4*d*. a pound higher than the bottom. There is still plenty of room for improvement in the demand for Egyptian spinnings, and buyers distrust current rates. Increased activity has recently shown itself in yarns suitable for abroad, there being a larger turnover for India and several European countries.

The National Bank of Commerce in New York has opened an office in London at 17 Sherborne Lane, King William Street. Mr. Kenneth H. Rockey is in charge.

At the meeting of the Standard Life Assurance Company on Tuesday the chairman, Mr. W. J. Dundas, was able to say that, though the whole year to November 15 covered by the report was under war conditions, the results obtained were highly satisfactory. New assurances accepted and retained at the Company's own risk were £267,157 in excess of the amount completed in 1917. Death claims were £42,195 less and the addition to the funds reached £266,973. Since the signing of the Armistice new business results have been very encouraging and the Company's figures are well in advance of those at the corresponding date last year.

HEAD OFFICE: 1 Dale Street, LIVERPOOL.

THE LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY LIMITED 1836

LONDON: Chief Office, 1 Cornhill, E.C. 3.

TOTAL ASSETS exceed - £16,000,000
TOTAL CLAIMS PAID over £89,000,000

FIRE. LIFE. ACCIDENT. MARINE.

Annuities, Leasehold Redemption, Burglary, Fidelity Guarantee, Motor Car, Plate Glass, Personal Accident, Workmen's Compensation, Sickness, Live Stock, Loss of Profits, &c.

OFFICES IN ALL THE CHIEF COMMERCIAL CENTRES.

American Topics.

UNITED STATES EXPORTS.

WE estimated last week that the United States had made loans to the various European countries, for which we in this country are mainly responsible, for various sums estimated at between two thousand and 25 hundred millions sterling. Now the trade returns of the United States just issued from the Bureau of Statistics at Washington show very clearly how a portion, and indeed a very appreciable proportion, of these loans were made. Until the United States Government joined the Entente Alliance, the United States, being herself a neutral, could only assist the Allied belligerents in Europe by means of furnishing them with various commodities which they required in the ordinary course of trade and which, in the language of commerce, are called exports from the country from which they are sent and imports by the country to which they are consigned. Since the United States joined the Allies she has granted numerous advantages in the form of what are called credits, but even these credits have, for the most part, in reality been advanced as exports, payment being deferred until some indefinite period when it may suit the Allies to make payment. This payment may ultimately take the form of exports from Europe to pay for the immense quantity of commodities and munitions of war which the United States sent to Europe during the period of the recent struggle. They may, on the other hand, be finally settled by the United States buying back, as it it is called, the securities which she placed in this country in former years. It is, in fact, at the option of the United States to take payment in whatever form best suits her convenience. It may be taken for granted, however, on the other hand, that she will do nothing likely to embarrass the already trying economic conditions at present existing in Europe.

Those who have never followed very closely the actual process of making loans upon a great scale by one country to another rarely realise that it is by means of exports, and not the sending of specie, by which these loans are made. In the years that preceded the War, as the reader is aware, having met all the expenses in connection with the maintenance of some 46 millions of people, the estimated population of this country, and having found the means necessary for the renewal of plant, rebuilding of ships, which had become obsolete or worn out, repairing and building houses and factories, and so on, there was usually a balance over varying between 200 and 250 millions

sterling, which we were accustomed to employ abroad mainly for the purpose of insuring a continued increase of food and raw material required for the consumption of our people. It was in this way that we were enabled year by year to obtain these necessaries upon an economic basis. Had we ceased investing while our population continued to grow, prices of food and raw materials would have increased abnormally, and the cost of living here would have increased to such an extent as to threaten our existence as an economic State. This is what, in fact, happened when the War broke out. Instead of being in a position to employ our resources for the purposes of obtaining increased food and raw materials, we devoted them all, or at least such surplus as we had after paying for our rations, to the purposes of war, and consequently, supplies diminished and prices rose. In those years, however, when we were accustomed to invest abroad, we did not send out ships laden with hundreds of millions of sovereigns, because, even in times of peace, hundreds of millions of sovereigns are not obtainable, nor are they required for increasing food and raw materials. What we actually did was to send either exports from this country, or, if we had nothing suitable here, we instructed our debtors abroad to consign certain goods, not to this country, where they were owing, but to some other country in which we proposed to make an investment. Say, for example, we were building a railway in the Argentine Republic, we had not a sufficient available supply of steel rails in this country, but the United States in those days owed us a large sum of money in the form of interest on previous investments in the United States. We instructed those, therefore, who owed us money in the United States to consign the steel rails on our account to Buenos Ayres.

This is precisely what the United States has done on our account since she has become so large a creditor of Europe. In the three years, 1917, '18, '19, the United States has exported very little gold, although very large sums in gold have been consigned to the United States in order, in some measure, to liquidate the balance due to that country. She has, however, exported very considerable sums of silver, mainly to India, but this has been principally to assist the Allied cause, as we in Europe have been unable to liquidate the balance of trade as existing between ourselves and India. The great bulk of the loans, however, which the United States have made to Europe have been in the form of sending commodities. In the three months, January, February, and March of the years 1917-18, and '19, the exports from the United States have varied between 411 and 622 million dollars. In the nine months ending March last the total value of United States exports amounted in value to very nearly five thousand million dollars and in the 12 months ending March last amounted to six thousand five hundred million dollars. In the nine months the excess of the value of the exports over the imports amounted, as shown below, to over 2,700 million dollars and the excess of exports over imports in the longer period amounted to more than three thousand four hundred million dollars.

The exports of the United States during the first three months of the current year, with the totals for the period above referred to are given in the annexed table, as well as the excess of exports over imports for the period of nine and twelve months ending respectively on March 31 last.

	1918	1919
January	504,797,306	622,674,083
February	411,361,970	588,080,394
March	522,900,238	604,945,546
Total nine months ended March 31 ...	4,384,544,275	4,990,560,958
Twelve months ended March 31	6,037,613,424	6,525,728,054
Excess of exports nine months ended March	2,301,073,168	2,789,605,075
Twelve months ended March	3,112,856,248	5,462,587,875

OTIS STEEL COMPANY.

Issued Capital: $165,500 5% Gold Bonds, $2,373,500 7% Cum. Preferred and $4,802,800 Common Stock.

	Trading Profit	Interest and Discount &c.	Added to Reserves	Dividends—Preferred	Dividends—Common	—	Carry Forward
	$	$	$	$	$		$
1915 ...	439,915	267,443	172,469	-	--		
1916 ...	2,363,937	265,076	2,390,863	190,057	480,280	10	37,660
1917 ...	5,691,624*	348,069	4,080,280	185,829	960,560	20	157,543
1918 ...	2,876,579	26,844	2,050,175	167,356	600,350	12½	189,399

For some years past American interests have been desirous of acquiring the British-owned control of this Cleveland, Ohio, Steel Manufacturing Company, and at last would appear to have succeeded. On April 16 an offer was made to Preferred and Common stockholders to purchase their stock respectively at 120 and 210 net London terms, the offer being a binding one provided 60% of both classes of stock were deposited before May 15, 1919. It has been announced this week that this has been done. On the face of it, such premiums on par value offered for the stock, and the fact that the Common Stock stood at about 180 before the offer, would seem to indicate very generous terms of purchase. But then the report for 1918 shows very clearly that the Americans know well enough what they are doing. In fact, so strong is the position that from its standpoint alone it might be said that the purchase prices are inadequate. But there are other factors to bear in mind. The Company's prosperity, as will be seen from the table at head hereof, has been war-born and developed, and while under conditions of insatiable demand for shipplates—the Company's main product—as recently experienced, the future might be viewed with confidence, it has to be remembered that a British-controlled undertaking up against such much more powerful American concerns as the United States Steel Corporation, Bethlehem Steel and Lackawanna Companies would be very badly placed in keen competition for peace business. Under those conditions a fight for control would probably end in disaster for British interests.

We show below how strong the Company's condition has become in the short space of three years:—

Summary of Balance-sheet Figures at December 31.

	Total Issued Capital	Total Reserves and Carry Forward	Fixed Assets Tools, Goodwill, &c.	Stocks	Excess of Liquid Assets over Current Liabilities*
	$	$	$	$	$
1915 ...	11,367,900	675,214	11,041,525	823,409	678,179
1916 ...	11,517,900	3,212,564	11,168,623	1,763,996	1,797,856
1917 ...	7,761,000	7,034,255	11,178,412	2,677,064	939,780
1918 ...	7,341,800	9,095,328	11,365,705	2,064,405	3,007,019

* After deduction of taxation and excluding stocks.

At the prices of purchase the value placed upon the whole of the issued capital works out at about $13,000,000. Of that total the value of merchandise stocks and surplus liquid assets at December 31 represent $5,300,000, including the final dividends of 5% payable on July 1. Hence less that 60% of the purchase value is left for book value of fixed assets, &c., *i.e.* $7,300,000, against $11,365,700, showing excess of assets of $4,000,000, or an additional 30% on the purchase price. As regards the conservativeness of the book value of the assets, it need only be pointed out the total at end of 1918 was little more than at December 31, 1915, despite the War extensions and improvements to equipment, which, of course, have been written off out of profits.

The current number of *The Bulletin of the Federation of British Industries* contains some figures showing the remarkable development of the paper industry of Japan during the War. In the year 1913 the total output, in pounds, was somewhat over 295¾ millions. In 1917 this had grown to a trifle under 455 millions. Japan imported paper to the amount of well over 83 million lb. in 1913, and only slightly less than 17½ million lb. in 1917. Japanese exports of paper in 1913 slightly exceeded 34¾ million lb., while in 1917 they had grown to well over 96 million lb.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue.
Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

RUBBER "FORM" AT A GLANCE.

By H. K. Calder. **A GUIDE TO INVESTORS.**

Estimate of profits and comparative share values at £100 per acre of 420 Rubber Companies.

5/- P/Free. EFFINGHAM WILSON, 54 Threadneedle Street, London.

Rubber Topics.

THE burst of activity in the Share market last week has been followed by quieter conditions during the past few days. The tone remains firm, however, and though price movements have been irregular, giving an undecided appearance, there is nothing like a distinct set-back to record.

ANGLO-MALAY.

THE following comparison of the outcome of the past year's operations with the results of the previous four years speaks for itself, and we need only to emphasise the fact that tapping was severely restricted to account for the poor showing made.:—

	1918	1917	1916	1915	1914
	Acres	Acres	Acres	Acres	Acres
Planted area	4,476	4,452	4,430	4,430	4,443
Uncultivated area	2,090	2,114½	2,128	2,124	2,111
Average acreage tapped ...	—	3,785	3,580	3,210	3,132
	Lb.	Lb.	Lb.	Lb.	Lb.
Rubber output	1,386,264	1,720,247	1,762,430	1,543,697	1,384,382
Yield per acre tapped ...	—	455	492	480	442
Gross price realised per lb. ...	1/10·6	2/5½	2/5·47	2/5·4	2/1·39
"All-in" cost per lb. ...	1/2	1/0·85	–/11·23	–/11	1/0·38
Profit per lb.	–/8·6	1/4·9	1/6·24	1/6·4	1/1·01
	£	£	£	£	£
Value of rubber	130,554	204,907	211,619	184,924	146,677
Total expenditure	80,251	80,233	76,926	66,446	71,863
Net rubber profit	50,303	124,674	134,693	118,478	74,814
Sundry receipts	5,386	5,673	5,176	2,646	2,116
Brought forward	56,447	30,491*	24,512	9,543	8,505‡
Total available	112,136	160,838	164,381	130,667	85,435
Allocations—					
Capital expenditure written off	4,329	6,365	5,865	16,155	22,892
Placed to reserve	10,000‡	—	—	—	5,000‡
Dividends paid	67,500 (45%)	97,500 (65%)	127,500 (85%)	90,000 (60%)	48,000 (32%)
Carry-forward	30,307	56,973	31,016	24,512	9,543
	112,136	160,838	164,381	130,667	85,435
Net capital expenditure ...	Nil†	Nil†	Nil†	Nil†	Nil†
Issued capital (2s. shares) ...	150,000	150,000	150,000	150,000	150,000
Surplus liquid assets ...	40,630	66,970	42,365	35,733	18,259

* After providing donations to war charities.
† Capital expenditure written off out of revenue. ‡ For income tax.

Present Price of Shares, 14/6c.d. Market Capitalisation per planted acre, £234.

The strength of the financial position will be remarked, and also the fairly large area of reserve land. If it were not for these two conditions we should feel inclined to gauge the market valuation of £234 per planted acre as much too high; and, indeed, it will prove to be so unless costs can be reduced again and a price in the neighbourhood of 2*s.* per lb. as an average can be obtained for the produce. This year's crop is estimated at about 1,600,000 lb., which seems distinctly conservative in the light of pre-restriction performance.

LANGEN (JAVA) RUBBER.

COMING into large production, as this Company's estates did after the War commenced, it has had to pay heavily in excess profits duty, and even with restricted tapping and the low price ruling last year, causing the profit to fall from £50,000 to £21,600, a liability for special duty of £2,000 has still to be met. However, shareholders do not come off so badly as they receive 12½%, against 15% for 1917-18. The following is a comparison of four years' results:—

	Years ended Aug. 31—			
	1918	1917	1916	1915
	Acres	Acres	Acres	Acres
Planted area	2,276	2,188	1,979	1,979
Average acreage tapped ...	1,979	1,979	1,897	1,897
	Lb.	Lb.	Lb.	Lb.
Rubber output	698,281	774,375	773,187	505,255
Yield per acre tapped ...	—	394	407	266
Gross price realised per lb.	1/9½	2/9·77	2/8·3	2/2·82
"All-in" cost per lb. ...	1/3½	1/3·96	1/2·93	1/3·7
Profit per lb.	–/6½	1/5·81	1/5·37	–/11·12
	£	£	£	£
Value of produce	63,332	101,254	101,568	54,578
Total expenditure†	44,426	43,773	46,357	31,461
Net rubber profit	18,906	57,181	55,211	23,117
Sundry receipts	2,699	2,599	1,698	181
Brought forward	6,520‡	3,939	5,264	2,309
Total available	28,125	64,019	62,173	25,607
Allocations—				
Excess profits tax... ...	2,000	30,729	34,350	—
Directors' commission ...	321	128	777	411
Placed to reserve	5,568	10,771	34,350	3,500
Dividend paid	12,838 (12½%)	15,405 (15%)	23,107 (22½%)	16,432 (16%
Carry-forward	9,398	6,986	3,939	5,264
	28,125	64,019	62,173	25,607
Net capital expenditure ...	Nil	3,526	2,264	1,199
Issued capital (£1 shares) ...	102,700	102,700	102,700	102,700
Debentures in issue	—	—	—	7,060
Surplus liquid assets ...	9,496*	4,768*	645*	10,312

* After deducting excess profits tax. † Including Debenture interest.
‡ After making donations.

Present Price of Shares, 50/0. Market Capitalisation per planted acre, £108xd.

The Company has a reserve of £33,000, and £22,300 of this is being capitalised by the distribution of fully paid shares to shareholders as far as possible in proportion to holdings. The price of the shares has risen in consequence and now stands at 50*s.*, as compared with 37*s.* 6*d.* a year ago. The market valuation of £108xd, however, is still a reasonable one, and though the cost of production looks high, this should be read in conjunction with the fact that the whole of the year's outlay, despite the curtailment of production, was charged against revenue. Production for the current financial year will also be affected, as tapping continued to be restricted until December 31. The crop is estimated at 680,000 lb., and consequently, if the accounts a year hence make a better showing than those now presented, it will be due to an improved average price being realised for the rubber.

ANNUAL REPORTS ANALYSED.

EDINBURGH (SELANGOR).

Issued Capital: £42,500 in 2/0 Shares.

	Results for Years to December 31—								
	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Acre	Price Realised	"All-in" Cost	Net Profit	Dividend Amt.	
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1915...	1,011½	930	300,208	322	2/7¼	–/11.3	26,424	19,125	45
1916...	1,011½	930	426 364	458	2/6·7	– 10·1	39,838	25,500	60
1917...	1,069½	930	446,184	479	2/3½	– 9·9	31,999	21,250	50
1918...	1,033½	891	211,425	—	1/8½	1,0½	10,389	12,750	30

* Before deduction of income tax.

Price of Shares, 11/- c.d. Market Capitalisation per planted acre, £220xd.

THIS Company's plantations are noted for the ability they displayed prior to tapping restriction to give a high all-round yield per acre at a low cost of production. Last year, of course, was an exceptionally adverse one, but in noting that the dividend payment absorbs more than the profit it has to be borne in mind that to end of 1917 the Company paid £19,500 in excess profits duty, and, its standard of calculation being about £22,000, a refund of something like £8,000 is claimable on account of the past year. This is not taken credit for in the latest statement; but still the balance sheet shows, after payment of the final 20% dividend, a surplus of £7,670 of liquid assets

over current liabilities. For this year the crop is estimated at as much as 500,000 lb., which is equal to over 500 lb. per bearing acre. The estate is deservedly highly valued.

KUALA SELANGOR.

Issued Capital: £30,600 in 2/0 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...	1,717	1,470	577,147	393	2/5·4	-/9·2	49,148	42,075	137½
1916...	1,818	1,493	623,337	417	2/6·5	-/9·3	56,193	45,900	150
1917...	1,828	1,658	630,994	344	2/1·4	-/8·5	44,843	41,010	133⅓
1918...	1,828	1,658	506,075*	—	1/6·6	-/9·0	20,579	19,375	62½

* Production purposely curtailed.

Price of Shares, 24/6xd. Market Capitalisation per planted acre, £200xd.

Despite the severe curtailment of tapping the Kuala Selangor Company's all-in cost last year was 9*d.* per lb., and the profit sufficed to pay 62½% in dividends without taking credit for refund claimed on account of past excess profits duty payments. These to end 1917 totalled £18,000, and as the datum line is about £38,000, against the past year's profit of £20,579, it looks as if the refund will be in the neighbourhood of £15,000—quite a respectable nest-egg for shareholders next year. The reserve already amounts to £35,000 and share premium account to £9,722, while the balance sheet at December 31 shows £18,485 of surplus liquid assets, allowing for the final dividend payment of 9*d.* per share, but without including profit tax refund. The development of the property acquired in New Guinea for cocoanut cultivation is proceeding actively. The first 500 acres have been planted and a further 500 acres are being cleared. Apart from this, the rubber estate alone is valued at the present price of the shares at £200 per acre. This figure, in view of the low cost of production, is a much more moderate one than placed upon other nearly mature plantations. Production for 1919 is estimated to reach 625,000 lb. and the profit-earning outlook is good.

SUNGEI WAY (SELANGOR).

Issued Capital: £58,666 in £1 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...	1,961	1,192	453,663	381	2/5·9	1/0	35,033	30,800	52½
1916...	2,029	1,192	511,305	429	2/6·3	1/0·2	39,666	35,199	60
1917...	2,100	1,192	565,372	475	2/2½	1/0½	34,435	26,400	45
1918...	2,201	—	455,655	—	1/7·6	1/0	15,297	14,666	25

Price of Shares, 5⅜c.d. Market Capitalisation per planted acre, £140xd.

A well-managed Scottish company is Sungei Way, and though as yet nothing like so highly valued as its stable companion, the Selangor Rubber Company, it promises to be nearly, if not quite, as good in course of time. Probably the reason why the market valuation is not more than £140 per planted acre is because the £1 shares look dear at over £5; but then development has been carried out to a considerable extent out of profits, and besides the issued capital of £58,666, representing only £26⅜ per acre, excluding 594 acres of reserve land, reserve and share premium account amount to £44,177. Cost of production is low, and, what with considerable expansion now taking place in rubber production and a regular revenue coming in from tribute working of the Company's recently discovered tin-bearing land, the profit-earning prospect seems particularly good. Indeed, it would not be surprising if the dividend payment of 1919 reverts to the level of 1917, and possibly even of 1916, when 60% was paid to shareholders. The crop estimate of 620,000 lb. will probably be exceeded. In 1917, 1,192 acres in bearing gave an average yield of 475 lb., and now 2,257 acres are six to 20 years old. In January the Visiting Agent reported that he found the estate in very good order and the rubber trees generally, young and old, looking wonderfully healthy. He concluded: "The future prospects are extremely good." The financial position of the Company is sound.

KLANANG PRODUCE.

Issued Capital: £31,625 in 2/0 Shares.

Results for Years to December 31

	Total Rubber Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...	1,484½	1,381	459,891	333	2/8	-/10·9	42,001*	31,506	115
1916...	1,564	1,427	403,220	280	2/8½	1/1	34,207†	28,067	100
1917...	1,567	1,484	502,010	338	2/3½	1/1	29,609	25,300	80
1918...	1,574½	1,495½	379,834	—	1/9½	1/0	18,160	15,812	50

* Including £1,710 from coconuts. † Including £2,280 from coconuts.

Price of Shares, 18/0. Market Valuation per acre, £170, excluding 586 acres under coconuts.

By the capitalisation of £31,625 out of £35,000 standing to credit of reserve fund this Company's issued capital is to be doubled to £63,250. As against that, the value of property and buildings and machinery, less depreciation reserve of £12,810, stands in the balance sheet at £59,882, while liquid resources exceed current liabilities by £19,642. The big drop in profit last year is attributable to tapping restriction, and as this year a production of 500,000 lb. of rubber is estimated for, a return to something like the former degree of prosperity seems likely to be witnessed.

RIVERSIDE (SELANGOR).

Issued Capital: £75,000 in £1 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...	2,252	1,082	330,756	305	2/7:85	-/10:97	29,209†	18,843‡	30
1916...	2,252	1,572*	405,520	258*	2/5:65	-/11:57	31,468†	19,659‡	35
1917...	2,252	1,572	372,000	237	2/1:7	1/0:58	21,294†	11,250‡	20
1918...	2,206	1,588	326,852	—	1/10:3	1/2:36	11,745†	10,687‡	20

* Estimated. † Before paying income tax ‡ After deduction of income tax.

Price of Shares, 70s. Market Capitalisation per planted acre, £119.

As in the case of a number of other 1918 reports which already have come under our notice, so in the case of the Riverside Company the fact stands out that despite restriction of tapping the whole of the year's expenditure has been charged against revenue. In this particular case there is also the circumstance that drastic thinning out operations are in progress. Nevertheless, the all-in cost was only 1*s.* 2⅛*d.* per lb. Maintenance of the dividend, as set out above, is due to £4,500 of excess profits duty being returnable by the Government, instead of £2,124 having to be paid on this account as in 1917. On the other hand, income tax calls for £6,256, against £4,984, and consequently there is a net reduction in the carry-forward from £3,404, to £2,500. This is not of much moment, however, as surplus liquid assets at December 31 amounted to £10,000 after allowing for the payment of the final dividend of 10% income tax and directors' fees. This year 620 acres planted in 1912 will be tapped. The crop for 1919 is estimated at 405,000 lb. The directors consider this conservative, and as it is equal to less than 200 lb. per acre, it certainly gives the impression that the plantations are not in the same high class as the majority of Selangor estates. We rather fancy, however, that would be an erroneous conclusion to draw and that it will presently be shown that the 305 lb. per acre yield obtained in 1915 from 1,082 acres will be considerably bettered in the future and costs again reduced to well under 1*s.* per lb. The profit-earning power, therefore, seems good and the shares look to be reasonably valued, from the lock-up point of view, at their present price of 69*s. cum* 10% dividend.

"The New Way to Pay Old Debts, Find New Money, and Reduce Taxation." By John T. Day, Editor of the *Shoe and Leather Record*. Price 6*d.* The substance of this pamphlet has appeared recently in the *Shoe and Leather Record*. The subject treated is of importance to all trades, and, in fact, for all interested in the reduction of taxation. Mr. Day endeavours to explore new paths in the hope that they may lead to a greater prosperity than we have yet known. The pamphlet is worth reading.

CALEDONIAN

INSURANCE COMPANY.

FIRE. LIFE. EMPLOYERS' LIABILITY.

PERSONAL ACCIDENT AND ILLNESS. BURGLARY.

HEAD OFFICE—19 GEORGE STREET, EDINBURGH.

LONDON OFFICES { 82 KING WILLIAM STREET, E.C. / 14 WATERLOO PLACE, PALL MALL, S.W.

Insurance Notes.

GENERAL ACCIDENT FIRE AND LIFE ASSURANCE CORPORATION, LTD.

THE operations of this Company have always been characterised by boldness in enterprise. It was founded in 1885 in Perth, and in a comparatively short period built up one of the largest accident businesses in the country. Its chief offices are now in Perth and London; it is represented by a network of agencies in all the leading commercial centres in the United Kingdom, and it has a large number of colonial and foreign branches, some of the most important of which are in America.

The subscribed capital amounts to £1,153,000, of which £403,000 is paid up, in 200,000 Ordinary shares of £5 with £1 5*s*. paid on each, and 153,000 fully-paid 5% Preference shares of £1 each. During the last few years antecedent to 1918 the Ordinary shareholders (whose dividends had been at the rate of 10% for a series of years ended with 1913) did not fare very well. No dividends on Ordinary shares were paid for 1914 and 1915, and although distributions at the rate of 5% per annum were made in respect of 1916 and 1917, we ventured to express in these columns the view that, looking to the comparatively low standard of the Company's reserves as compared with its premium income, it might have been of greater advantage to the shareholders if the dividend had also been withheld on both these occasions, for the reason that it is very desirable to protect proprietors against risks of calls resulting from untoward circumstances, such as conflagration hazards. The dividend for 1918 has, however, gone up with a jump, having been increased to 15%. Undoubtedly the position of the Company seems much improved as the result of the operations in the course of last year. The bad spot in the accounts for some of the preceding years seems to have been American casualty business, in which the Company is largely interested. During 1916 and 1917 the Company seems to have lost about £200,000 in this section. On the other hand, a substantial profit is said to have been made by the Company in 1918, not only in this particular sphere, but from every other branch of its operations. Still, we cannot help thinking on a review of the accounts as presented that the somewhat sensational increase in dividend has been rather overdone.

The accident and general account for 1918 shows a total premium income of £1,521,720, of which £438,797 relates to monthly and other short-term policies, on which there can have been but little unexpired risk at the close of the year. After payment of claims and provision for those outstanding, and adjustment of the reserve for unexpired risks on the basis of one-third of the annual premiums and the full amount, less commission, in respect of long-term insurances, a sum of £76,593 is transferred from the accident and general to the profit and loss account.

The fire premiums amounted in 1918 to £251,163, and the trading surplus for the year, after adjustment of the reserves for unexpired risks on a 40% of the premiums basis, was £47,991. This is a quite satisfactory proportion; and it is especially gratifying looking to the fact that the fire operations in 1917, owing to losses from the Salonika conflagration, had shown a considerable deficiency on that year's working.

No profits were taken into account in 1918 from the life and cognate sections, where they are quinquennially computed, or from the comparatively recent marine account, where, though the results are stated to have been satisfactory, the whole balance has been carried forward. The life premiums amounted to £40,030, the capital redemption premiums to £2,038, and the marine premiums to £37,100. At the close of the year the life, annuity, and capital redemption funds amounted to £278,346, and the marine fund to £23,045.

The profit and loss account is directly credited with net interest earnings of £32,212 and transfer fees of £205, as well as with the departmental transfers of £76,593 from the accident and £47,991 from the fire sections, but the same account is debited with various items amounting to £24,820. The net profit taken into account from the operations of 1918 is thus reduced to £132,181.

The amount required for the dividends on Ordinary shares at the declared rate of 15% and for the Preference dividend is £45,150, while £51,820 is applied as an addition to the reserve for depreciation in investments, which is raised to £92,331, an amount which appears from a note to the balance sheet to be sufficient to cover the existing shrinkage at the close of the year, comparing book prices with market values of securities. There remains an unappropriated balance of profits amounting to £41,341, inclusive of £6,130 carried forward from 1917.

This looks well on the face of it; but another side of the shield is shown when the position of the reserves is considered. Apart from capital and the life, annuity, capital redemption, and marine funds, and depreciation reserve, the reserves carried forward to 1919, after the adjustments referred to and excluding reserves for outstanding liabilities, appear to be as follows:—

(1) Accident and general insurance fund			£948,056
Less reserve in this section for outstanding claims...			560,923
			£387,133
(2) Fire fund		£165,553	
Less reserve for outstanding claims		32,779	
			132,774
(3) Balance of profit and loss account			41,341
			£561,248

This is equivalent to only about 42% of the combined premium income in 1918 in the accident section (excluding that relating to short-term policies) and the fire section, which is by no means a high standard. Moreover, it is stated by the directors in a note to the balance sheet that the insurance laws of certain of the Colonies and foreign countries in which the Corporation transacts business require that reserves for unexpired risks and outstanding claims at arbitrary and higher rates than those provided in the accounts should be set aside in respect of the business in these countries. Furthermore, the auditors point out that "no specific reserve has been made for war contingencies." On the whole, it seems to us that the directors would have done better in the real interests of their shareholders, apart from those of speculators, had they shown more moderation in the dividend declaration. The Company's total assets as appearing in the balance sheet amounted on December 31, 1918, to £2,280,646.

WEST OF SCOTLAND INSURANCE OFFICE.

A good report for 1918 is presented by this Company, which transacts fire, employers' liability, and general insurance business. The premium income, £145,184 (fire, £95,302; employers' liability, £4,831; and general, £45,051), shows an increase of £37,350, the greatest part of which is in the general section. After adjustment of reserves in respect of unexpired risks the trading profits are as follows:—

Fire department	£8,141
Employers' liability	2,260
General	975
	£11,376
To which have to be added earnings from interest, less income tax, and fees, amounting to	5,427
	£16,803

The share capital consists of 35,000 shares of £5 each with £1 paid, the amounts subscribed and paid up being respectively £175,000 and £35,000. In respect of 1918 a dividend at the rate of 25% (as compared with 20% for 1917) is declared, less tax. This requires for distribution £6,125. £5,000 is added to general reserve fund, and the balance of profit and loss account carried forward after provision for dividend, is increased by £5,678 to £13,481.

After these adjustments the reserves carried forward to 1918 (apart from industrial reserve fund of £20,899) are as follows:

General reserve fund	£35,000
Fire fund	58,121
Employers' liability fund (after deduction of amount reserved for outstanding claims)	6,932
General insurance fund	27,939
Balance of profit and loss account	13,481
	£141,473

The total assets as shown in the balance sheet on December 31, 1918, amounted to £249,365.

This discloses a remarkably strong financial position—especially for so comparatively young a Company—and it reflects great credit on its directors and management. It will be seen that the reserves above indicated are but little short of the total premium income for the year; and as the assumption is that the unexpired risks would be covered by the usual proportion of 40% of the premiums, or £58,074 (although £67,992 is specifically set aside in the Company's accounts for 1918 for this purpose), there remains a balance of £83,379—apart from paid and uncalled capital of £175,000—which in relation to the commitments seems very satisfactory. It will be seen that the amount required for the distribution of the dividend only slightly exceeded the interest earnings.

"Housing by Public Utility Societies" shows in simple terms how small groups of people, whether of workers, or of workers acting jointly with employers, or of other individuals, may band themselves together for the purpose of promoting housing schemes and obtaining financial assistance from the State. Copies of this booklet can be obtained from the offices of the Local Government Board.

According to the latest estimate to hand of the Indian wheat crop for 1918-19, the total revised area for all India stood at the beginning of last month at 23,294,000 acres. This is a decrease of 439,000 acres compared with that reported in the second forecast. The condition of the crop generally is reported good in the irrigated parts. In the unirrigated, especially in Bombay and Delhi, the crop is poor, owing to the failure of last year's monsoon and the winter rains. The unirrigated area under wheat, on the average of the five years ended 1916-17, is about 48% of the total wheat area in the Punjab, 48% in the United Provinces, and 71% in the North-West Frontier Province. Harvesting has not yet begun in the Punjab and the North-West Frontier; it has commenced in the Eastern districts of the United Provinces, in Sinde, Delhi, and Ajmere-Merwara; and it is in full swing in the Central Provinces and Berar, in Bihar and Orissa, and in Bengal, and is almost completed in the Deccan and in the Karnatak in Bombay. In certain districts threshing has begun. Some rain in the third week of February, and again on and after March 23, proved very beneficial to the crop in the Punjab. Harvesting will continue later than usual, and the prospects are satisfactory. The average outturn is estimated at 105% of the normal on the irrigated and 75% on the unirrigated areas. No rust or disease has so far occurred. Harvesting has begun in the eastern districts of the United Provinces. The condition of the crop deteriorated owing to the hot winds at the beginning of March. The average outturn is estimated at 85% of the normal. The average is estimated at 90% in the British districts of the Central Provinces and Berar, and also in Bombay, although in the latter there has been no rain of value and [illegible] deficient.

THE PIONEER LIFE
Assurance Company Limited.

RECORD OF PROGRESS.

Life Premium Income.	Life Assurance Funds.	Total Claims Paid to Date.
1901—£22,308 ...	£9,175 ...	£39,900
1909—£72,680 ...	£47,623 ...	£172,000
1918—£111,163 ...	£169,154 ...	£484,000

Head Office .. .. 67 DALE STREET, LIVERPOOL
J. BEDMAN ORMEROD, Manager.

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Subscribed Capital £543,666
Paid-up Capital £120,000
FOR REINSURANCE BUSINESS.

Fire, Marine and General Department.
ST. SWITHIN'S HOUSE, ST. SWITHIN'S LANE, LONDON, E.C. 4.
Manager J. HERBERT E. LAKE.

Registered Office and Life Department.
9 FLEET STREET, LONDON, E.C. 4.
Actuary and Secretary: CHAS. WILKINSON.

Commercial.

COCOA.

In pursuing the scheme for granting a preference to certain colonial, and particularly to tropical, products, we will consider this week what will be the effect upon cocoa. Mr. Austen Chamberlain in his Budget speech stated that half our imports of cocoa already come from British possessions. Consequently, holding such a commanding position to start with, it would seem that a small preference such as the Chancellor of the Exchequer proposes to grant would have a material influence in increasing our supplies from our overseas Dominions. The principal source of supply of cocoa is, and has been for many years, the Republic of Ecuador. Ecuador owes its position almost entirely to the richness of its soil and the suitability of its climate for the growth of cocoa—we will not say for the cultivation of the cocoa plant, because the Ecuadorian planters take, perhaps, as little trouble in the growth of their principal product as any producers in the world having a valuable commodity for sale. The favourable position to which we have already attained in the growth of cocoa is, on the other hand, mainly due to the comparative care of our planters in the growth of this excellent fruit. Of course, it has to be borne in mind that very many considerations enter into any proposal for increasing the supply of any specified commodity, either from any part of the British Empire or from anywhere else. Merely to grant a preference to any particular article might be simply to increase its cost on the market, and especially to the consumers situated in that country which granted the preference. If this was proposed it would be manifestly a policy opposed to sound economic principles. Cocoa, however, grown in the tropical parts of the British Empire seems to be a commodity on which a preference may reasonably be granted without materially affecting those principles. The greater part of our tropical possessions have up to the present been very little used. And, consequently, it is of the utmost importance that, in so far as a Government may without detriment to the interests of the home market, or of any other part of the Empire, encourage the development of every kind of enterprise to the utmost of its power in these unused parts of the British Empire. The cocoa plant is an exceedingly delicate shrub, and requires for its successful cultivation peculiar advantages, which are only found in certain specified regions of the earth. In the first place, it is absolutely essential that cocoa, unlike coffee, should be grown in some region absolutely safe

from frost. Consequently, even in the tropics it cannot be grown at any considerable elevation above sea-level. It requires four or five years before any return can be expected from the outlay of planting a cocoa plantation. In order to develop to any appreciable extent it needs a rainfall of roughly 100 inches, or about four times the average rainfall of the United Kingdom. It must not, however, be planted in a marsh, because if it is insect pests promptly destroy the young and delicate shoots. It requires exceedingly careful tending, as the large percentage of losses in places like Ecuador, where the plant does not receive such attention as it demands, amply demonstrates. Even in Ecuador, indifferent as the planters appear to be to the importance of their principal industry, they do at least carefully weed the land on which the plant is growing, and constantly spray the growing and delicate stems. The cocoa plant, for its successful growth, requires considerable heat—in fact, great heat. But it cannot stand the direct rays of the sun, and, consequently, it is very common to plant cocoa trees immediately under the shade of a forest belt. It will thrive up to a point in a humid atmosphere. But all the same it demands a certain amount of bracing from sea breezes. But experience appears to have clearly demonstrated that it is fatal to fix a cocoa plantation immediately adjacent to the sea-shore, as it cannot stand anything in the nature of rough sea breezes coming in immediately from the ocean. It will be seen that anyone who will engage in cocoa planting as an industry will require ample capital and large resources; and if the industry is pursued as a business is subject to very serious vicissitudes. As we have already shown, considerable time must elapse before any return of any sort can be expected from a cocoa plantation; and although, if the plantation is a success, is well managed, the site has been well chosen, and the particular plants are of suitable quality for the locality, the return obtainable is very handsome, it is by no means certain that in the early years the returns will be adequate to the expense and labour incurred.

The principal sources of supply within the Empire are British West Africa and the British West India Islands, including in the latter, as is usually done, British Guiana and British Honduras. The growth of cocoa in neither of these two latter places is what it should be; and particularly in British Honduras, which is perhaps one of the most neglected of all British Colonies. Little or nothing has been done in British India since the War in the growth of cocoa, and, consequently, we have not included in the brief table at foot British India as a source of supply of cocoa. But British India has in the past grown a considerable amount of cocoa, and it is capable, particularly, of course, in Southern India, of increasing its supply to a very material extent. In the years before the War we imported only a part of that which we consumed, and a still smaller part of that we used in the confectionery trades in the form of raw cocoa. A very large part of our imports in pre-War days was in the form of partly prepared cocoa. Since the War preparations of cocoa have fallen to so small a proportion that they may be wholly neglected. As a result, our imports of raw cocoa have increased enormously, and, as said above, the main source of supply has been British West Africa. Assuming the resolution for preference being finally agreed to by the Budget Committee, the cocoa industry in the British Empire, taken as a composite whole, should be very materially modified. It should have the effect of increasing to an enormous extent our imports of raw cocoa from various parts of the British Empire, notably increased supplies from the West Indies, and a resumption of shipments from India, as well as, of course, increased supplies from West Africa. It should have the further effect in this country of employing a larger amount of plant in the preparation of cocoa, as cocoa imported from British possessions is nearly wholly raw cocoa.

We give the following short table, taken from the Board of Trade returns, which shows the imports of cocoa from British possessions in the years 1916 and 1917:—

	1916 Cwt.	1917 Cwt.
British West Africa	953,825	826,695
Ceylon and Dependencies	38,378	21,767
Australia	291	622
New Zealand	125	—
British West India Islands	226,556	148,286
British Honduras	98	—
British Guiana	247	69
Other British Possessions	1,736	109
Total British Possessions	1,221,266	997,548

New Issues.

A. W. GAMAGE, LIMITED.

Issued Capital: £350,000, in 175,000 5½% Cum. Pref. £1 Shares and 175,000 £1 Ord. Shares.

Debentures: £100,000 4½%. Mortgages on Property, £32,000.

Year to Jan. 31	Gross Profit†	Expens., &c.	Net Income	Deb. Int. & Pref. Div.‡	Ord. Div.	Special Alloca-tions	Carry-Forwd.	Stocks	Deficiency of Liquid Assets(a)
	£	£	£	£	£ —	£	£	£	£
1915	157,805	124,900	32,905	14,125	10,500 6	6,500	5,151	241,937	*85,201*
1916	163,481	129,549	33,182	14,125	10,500 6	7,500	5,457	246,267	*75,948*
1917	164,672	130,271	35,401	14,125	10,500 6	7,500	5,753	216,397	*38,302*
1918	197,393	155,593*	41,800	14,125	14,000 8	12,500	6,908	261,689	*67,546*
1919	237,299	194,151*	42,148	14,125	14,000 8	12,500	8,431	286,808	*74,087*

* Includes provision for excess profits duty (£12,500 1917-18; £17,000 1918–19).

† Includes rents, dividends and sundry receipts.

‡ Deb. interest, £4,500; Pref. Div., £9,625.

(a) Excluding value of stocks and *per contra* £32,000 of mortgage on property, but including £41,000 cost of investment in Benetfink and Co.

VERY few readers require an introduction to Gamages of Holborn, and not many will be surprised that last year was a record one for the business, in view of the acknowledged enterprise of the moving spirit and the generally active trade conditions appertaining to the period. The turnover established a new record, and the profit was the highest yet reported. After deducting £22,000 for income tax and excess profits duty, against £12,500 for 1917, the net profit amounted to £43,148, in comparison with £41,800. Debenture interest and Preference dividend call for £14,125, leaving £29,023 available for dividend on the Ordinary capital of £175,000. The distribution to shareholders has been maintained at 8%, and the allocation to reserve at £12,500, while the carry-forward is increased by £1,523 to £8,431. But for the excess profits duty the ordinary dividend could have been increased to 18% or the liquid cash position improved. As the above analysis clearly shows, more capital is needed for the business under present conditions. The value of stocks is naturally higher than in the past, and shareholders have been assured that the goods have been well bought. Additions and alterations to premises have been made, and the purchase has practically been completed of an adjoining block of buildings to provide space for new departments. An increase of capital has been sanctioned to the extent of 150,000 new Ordinary shares, which are now offered for subscription at 21*s.* as per terms of prospectus printed on another page. The existing Ordinary shares are quoted at about 24*s.*

GENERAL RE-INSURANCE COMPANY, LIMITED.

RE-INSURANCE businesses, when conducted on sound lines and by experienced administration capable of selecting risks, have proved highly profitable in the past,

HARRISONS & CROSFIELD, LTD.

ISSUED CAPITAL £1,225,000

1-4 GREAT TOWER STREET, LONDON, E.C. 3.

With

BRANCHES and ALLIED COMPANIES in

Australia, Borneo, Canada, Ceylon, China, India, Japan, Java, Malaya, Morocco, New Zealand, South Africa, Sumatra, U. S. A.

The Company acts as Agents for the storage, shipment and sale of produce.

and the increase in the value of everything as a result of the War points to greater scope existing now for the operations of a new company, especially in view of the fact that the many German concerns which made a speciality of re-insurance in the old days will find it extremely difficult to regain their lost foreign custom. Given expert management, therefore, there seems to be a very good prospect of this Company proving a profitable venture to those who, before proof is afforded, have sufficient confidence to subscribe for the 250,000 of £1 shares offered for subscription this week at par, and forming part of an authorised capital of £350,000. On application 2*s.* 6*d.* per share is payable and 7*s.* 6*d.* per share on allotment. The directors have no intention of making any further calls at present. Figures are given in the prospectus showing the dividends paid by the German re-insurance companies, which hitherto have almost monopolised this class of business. Thirty concerns in 1916 paid dividends averaging more than 23%. No doubt the German companies will do all they can to compete successfully with the new Company, and for that reason it will probably be better not to calculate on too high a return until a secure footing is obtained. However, the directors are men of standing in banking, finance and trade, and may be relied upon. They and their friends have underwritten and will be allotted 125,000 shares. Indeed, the whole issue has been underwritten for a reasonable commission. Exclusive of this, the preliminary expenses are estimated at £5,000.

ROYAL SOVEREIGN STEAMSHIP COMPANY, LIMITED.

A pleasure shipping service is a very different thing to commercial shipping, and, though the palmy days of the Margate tripper have come again, and should henceforth be more palmy than of yore in view of the generally increased level of wages; still, the business of carrying passengers to Margate is fruitful of revenue for only part of the year, and is dependent too upon weather and public taste. Hence the 60,000 £1 Ordinary shares of this Company, formed with a capital of £100,000 to acquire and run the well-known steamer *Royal Sovereign*, cannot be deemed other than very speculative, though it should be added that, if the profit calculations given in the prospectus are confirmed, the return to shareholers will be substantial. The shares are offered for subscription at par by Munroe, Wadham and Company, Limited, who receive a commission of 10% and pay an underwriting commission of 5% per share and an over-riding commission of 2½%. The purchase price of the steamer and the working resources available are not stated. Only 60,000 shares will comprise the issued capital at first, the balance of 40,000 being reserved for issue in case the opportunity occurs of acquiring further vessels for similar service.

GODFREY PHILLIPS, LIMITED.

Smokers have good cause to know how profitable the tobacco trade has been during the past few years, what with almost unlimited army demand, curtailed supplies, and unfixed prices. But when subscribing for a new issue of capital of a tobacco, cigar, and cigarette manufacturing company, not within the ring of the great trust, it is as well to consider, not only the very profitable years recently experienced, but also the possibility of much less lucrative conditions in the future. It is that consideration which leads one to think the 200,000 "B" 6% Cumulative Preference shares (free of income tax up to 6*s.* in the £) of this Company speculative, though having undoubted attractions as an offset. The Imperial and Foreign Corporation have purchased the shares at the same price as they are offered to the public, receiving as remuneration a commission of 8%. Profits in recent years have been as follows:—

Net Profits						
1912	1913	1914	1915	1916	1917	1918†
£	£	£	£	£	£	£
13,210	4,253	30,708*	45,141*	57,105*	48,378	60,000*

* After deducting excess profits tax. † Estimated.

The issued capital will be raised to £600,000 in 200,000 6% Cumulative Preference £1 shares, the 200,000 shares now offered and 200,000 Ordinary shares. The First Preference dividend calls for £12,000, and the dividend on the new issue, probably £12,000, free of tax up to 6*s.* in the £.

JURGENS, LIMITED.

It is difficult to imagine an industrial new issue more attractive—and yet withal well backed—than the 1,000,000 7% Guaranteed Cumulative Participating Preference £1 shares of this Company offered at par. Of course there is a spice of speculation in them, but the chance of loss seems less than the counter-attractions. Anton Jurgens' Vereenigde Fabrieken, an old-established Dutch firm of margarine manufacturers—the first in the field—formed the new Company in November 1914 for the purpose of continuing, so far as relates to Great Britain, the parent Company's business and to erect factories here for the manufacture of margarine. One such factory, in process of erection, has had £500,000 expended upon it, and, when completed, will "probably be the largest in the world," embodying the latest and most hygienic features. It is to complete this work and to provide funds for the general purposes of the Company, that the new issue is made. The authorised capital is £4,000,000 in 2,000,000 Preference shares as described above and 2,000,000 Ordinary shares. Of the latter, 1,000,000 shares are owned by the parent Company, 950,000 having been subscribed for in cash at par, while the present is the first issue of Preference shares. Their 7% Cumulative Preferential dividend is guaranteed by Anton Jurgens Vereenigde Fabrieken, and in addition holders will be entitled to a further dividend of ¼% for every 1% of dividend above 7% paid on the Ordinary shares. At the exchange of 12 florins for £1 the capital and profits of the parent Company have risen as follows:

	Paid up Capital	Net Profits	Ord. Div.		Paid-up Capital	Net Profits	Ord. Div.
	£	£	%		£	£	%
1912 ...	833,333	150,127	20	1916 ...	3,733,333	501,397	25
1913 ...	1,333,333	227,343	20	1917 ...	4,865,000	600,432	25
1914 ...	2,200,000	267,030	20	1918 ...	5,042,750	647,890	15
1915 ...	2,833,333	376,842	25	(Carry forward £303,828.)			

Thus the average profits of the parent Company for the last five years have been sufficient to cover the guaranteed dividend on the subsidiary Company's 1,000,000 Preference shares more than six times over. The issue has been underwritten for a reasonable commission. The shares will probably command a good market at a premium, based on their fixed dividend at first and, later, possibly on an extra distribution, if real success is

"Beautifully Cool and Sweet Smoking."

PLAYER'S
NAVY CUT
TOBACCO

Packed in varying degrees of strength to suit every class of smoker.

PER OZ.
Player's Gold Leaf Navy Cut
Player's Medium Navy Cut
Player's "Tawny" Navy Cut
10½D.

Per Oz.
Player's "White Label" Navy Cut
9½D.

Also PLAYER'S NAVY CUT DE LUXE a development of Player's Navy Cut packed in 2-oz. and 4-oz. airtight tins at 2/1 and 4/2 respectively.

This Tobacco is also supplied at Duty Free Rates for the purpose of gratuitous distribution to wounded Soldiers and Sailors in Hospital. Terms and particulars on application to

John Player & Sons,
Nottingham.

Branch of the Imperial Tobacco Co. (of Great Britain and Ireland) Ltd.



P574

achieved. As to this, we do not overlook the great increase in the output of margarine during the War and the possibility of some falling-off in consumption when butter can be had instead, but much of the margarine now supplied is a very indifferent article compared with the best Dutch brands. The issue has been oversubscribed.

AYRTON, SAUNDERS AND COMPANY, LIMITED.

An issue of 75,000 7½% Cumulative "A" Preference shares of this Liverpool Company of wholesale and export druggists is offered for subscription at par, part of an atuhorised amount to £150,000. The issued capital at present is £87,663 in 40,000 5% Cumulative Preference shares and 47,663 £1 Ordinary shares. There are also £24,000 of outstanding Debentures, and it is to redeem these and provide funds for the further extension of the business that the new issue is now made. The profit for 1918, before provision for excess profits duty, amounted to £24,309.

FROST BROTHERS, LIMITED.

The British, Foreign, and Colonial Corporation, Limited, announce that the issue of 5% (free of income tax) Cumulative and Participating Pre-Preference shares has been oversubscribed.

Industrial Companies.

BRITISH COTTON AND WOOL DYERS' ASSOCIATION.

Issued Capital: £387,083, in 5/0 Ord. Shares.
Debenture Stock: Issued, £620,000 4% First Mortgage.

Year to Mar. 31	Net Income	Deprec., Repairs, Renwls.	Deb. Int.	Ord. Div. £	Ord. Div. %	Reserve	Carry-forward	Stocks	Surplus Liquid Assets†
	£	£	£	£	%	£	£	£	£
1915	125,991	55,980	27,714	22,566	7	—	32,455	155,687	118,183
1916	190,023*	68,947	27,552	32,600	10	50,000	43,382	192,284	130,670
1917	234,722*	93,308	24,960	57,620	15	50,000	49,216	251,879	136,777
1918	247,616*	96,036	24,800	38,708	10	50,000	45,914	245,995	186,337
1919	262,477*	109,007	24,800	38,708	10	50,000	40,259	250,602	225,467

* After providing for income and excess profits taxes.
† Excluding stocks.

NOTWITHSTANDING provision for heavier taxation, this Company is again able to report that a fresh record was established in earnings for the year ended March 31 last. Before providing for depreciation the net income comes out at £262,477, against £247,616. The total depreciation provision is raised from £96,036 to £109,007, and after paying the same amounts for Debenture interest and dividend of 10% on the share capital, there remains a balance profit of £44,345, equal to another 11% on the Ordinary shares. The addition to reserve is again £50,000, and the carry-forward is reduced from £45,914 to £40,259. The value of stocks in the balance sheet shows an increase of nearly £5,000, and the amount of surplus liquid assets is £39,000 higher at £225,467. These figures indicate very clearly the strength of the Company's position, and it is instructive to note the extent of the improvement during the War. In the five years from March 31, 1914, to March 31 last, the net expenditure on capital account in respect of fixed assets has aggregated £136,795, as against which the depreciation provisions have totalled £423,278, showing a surplus of £286,483. In the same period the value of stock-in-trade has risen from £117,050 to £250,602, and the amount of surplus liquid assets from £121,230 to £225,467. The reserve fund now stands at £250,000, and the depreciation fund at £88,198, after writing £171,802 this year off the value of fixed assets.

The trade prospects appear to be good, and, in view of the Company's strong position, the 5*s.* shares seem reasonably valued at 7*s.* 9*d. cum* 10% dividend. The 4% Debentures are quoted at 64½ and yield about 6¾%, allowing for accrued interest.

SPILLERS AND BAKERS, LIMITED.

Issued Capital: £1,006,678, in 506,678 6% Cum. Pref. Shares and 500,000 Ord. £1 Shares.

Year to Feb. 28	Profit	Excess Profits Tax*	Pref. Div.	Ord. Div. £‡	Ord. Div. %	Added to Reserve Funds	Carry-forward	Stocks	Surplus Liquid Assets†
	£	£	£‡	£‡	%	£	£	£	£
1915	377,865	100,000	27,562	91,875	20	60,000	258,112	870,681	299,985
1916	227,416	50,000	25,667	64,167	15	60,000	285,684	508,682	751,585
1917	202,708	70,000	25,750	56,875	15	15,000	323,778	694,230	603,705
1918	182,745	70,000	22,570	56,250	15	100,000	257,703	32,135	1,333,587
1919	209,200	75,000	21,407	52,812	15	150,000	167,684	32,239	1,412,108

* Amounts set aside as reserve for excess profits duty.
† Excluding stocks and after deducting reserve for excess profits tax, but including investments in loans to allied companies.
‡ After deduction of income tax.

The year ended February 28 was another very profitable one for this Welsh and West of England firm of millers. As will be seen from the above, the net profit, after providing, presumably, for depreciation as well as for income tax, of unstated amounts, reached £209,200, against £182,745 for the previous year, and after deducting the excess profits tax provisions, the balance profit available for distribution comes out at £134,200, in comparison with 112,745. The dividends on the Preference and Ordinary capital are the same in percentage, but the total sum required is £4,600 less at £74,219, owing to larger deductions for income tax. After paying the 15% Ordinary dividend, a balance profit remains for the past year of £60,000, equal to 17% additional dividend. This balance, together with £90,000 from the carry-forward, is added to reserve. The smallness of the profit distribution to shareholders has been the outstanding feature of the last five years. Second to that, from the point of view of the conduct of the business, is the reduction of stocks almost to the vanishing point, and the piling up of investments in allied and insurance companies, which seem to point to operations now being carried on more through other channels than in the past. In five years £385,000 of profits has been added to reserves and £6,000 to the carry-forward. Against this total of £391,000, the value of stocks shows a reduction in the same period of £399,205, and fixed assets a decline in book value of £18,000, while surplus liquid assets show an expansion of £807,035. This latter figure, it is instructive to note, is arrived at after including investments in and loans to allied companies and in the British Oak Insurance Company, together figuring at February 28 for £1,501,155, as against £485,505 at February 28, 1914. The nominal capital is being increased from £1,500,000 to £4,000,000. At present the issued capital is £1,006,678, of which £500,000 is in Ordinary £1 shares. It is apparently proposed to distribute to Ordinary shareholders 250,000 new Ordinary shares and 500,000 Deferred shares, the latter ranking for 15% dividend after the Ordinary shares have received 15%, and thereafter *pari passu* with the Ordinary in regard to remaining distributable profits. To make these capital distributions apparently £750,000 of the reserves and unappropriated profits are to be capitalised. At present the reserve fund stands at £550,000, the insurance reserve at £210,000, and the carry-forward at £167,684, total £927,684. This proposed step, on the face of it, looks like reducing the reserves to inadequate proportions, but the directors presumably know that the hidden reserves vested in the subsidiary concerns which the Company controls and owns are sufficiently substantial to justify the arrangement. The name of the undertaking is to be changed to Spillers Consolidated Industries Limited.

The price of the existing £1 Ordinary shares is 3½, and the 6% Preference are quoted at 20*s.*

BRITISH WESTINGHOUSE ELECTRIC AND MANUFACTURING COMPANY.

Issued Capital: £2,395,000, in 685,000 8% Cum. Pref. £2 Shares, 1,000,000 Ord. £1 Shares and 500,000 Deferred 1/0 Shares.

Debentures: £165,092 6% Prior Lien and £1,241,353 4% Mortgage (stock).

Yr. to Dec. 31	Net Income* £	Depen. £	Net Profit £	Deb. Int. £	Pref. Div. £	Re serve £	Carry-forward £	Stocks £	Surplus Liquid Assets‡ £
1914	264,997	68,716	196,281	69,654	75,000	50,000	8,121	759,279	650,831
1915	290,753	104,588	181,165	69,654	75,000	5,000†	44,632	1,000,585	581,048
1916	307,889	108,132	189,757	69,654	75,000	10,000†	89,735	1,159,121	533,412
1917	191,139	81,361	99,778	69,654	68,625	10,000†	51,234	1,488,790	409,127
1918	246,575	72,318	174,257	69,654	78,090	—	77,747	1,433,132	542,684

* Subject to special taxation (if any).
† Reserve for employers' liability. ‡ Excluding stocks.

In the past this Company has never achieved success adequate to the amount of capital sunk in it. To the outside observer it has seemed that a large proportion of the funds provided in the early days must have been expended in directions which have proved unremunerative. Probably this, as much as anything, explains the inability of the concern to profit to the extent similar undertakings have done from War work. We show the results above, and need only, in explanation of the figures, refer to one or two points. First there is the fact that in four years £366,000 of the profits earned have been written off for depreciation, whereas the net additions to plant and fixed assets in the same period have amounted to no more than £102,000, the excess depreciation allowed thus being £264,000. This, together with £212,000 of additional capital, £70,000 increase in profit carried forward, and diminution of £108,000 in surplus liquid assets, explains how the great expansion in the value of stocks from £759,279 at end of 1914 to £1,433,132 at December 31, 1918, has been financed. Last year the Preference share dividend rights were modified so as to allow of the raising of a large amount of Ordinary capital, and the direction of the undertaking passed to the Vickers-Metropolitan Carriage combine. As a result, the above-shown £1,000,000 of Ordinary share capital has been subscribed since the closing of the accounts, and the avowed object of developing the electrical side of the business on great lines is being proceeded with. As required, further Ordinary shares up to the authorised amount of £5,000,000 will be taken up. In these circumstance there seems to be every prospect of the dividend on the Preference shares—reduced last year to 8% cumulative—being easily earned and regularly paid. The price now is 53*s.* 6*d.*, while the 4% Mortgage Debenture stock is quoted at 70.

JOHN BARKER AND COMPANY.

Issued Capital: £550,000, in 37,000 5½% Cum. Pref. £5 Shares, 440,000 Ord. £1 Shares and 5,000 £1 Management Shares.

Debenture Stock: £150,000, 4½% First Mortgage, £250,000 of 4% and £150,000 of 4½% Deb. Stock.

Year to Feb. 10	Net Income £	Depen., &c. £	Deb. Int. Pref. Div.* £	Ord. Div.a £	Manage-ment Div. £	Special Alloca-tions £	Carry-Forward £	Stocks £	Surplus Liquid Assets† £
1915	121,442	21,876	33,675	36,000	10,800	17,000	20,212	220,752	31,554
1916	115,317	31,175	33,675	32,400	7,200	11,000	20,079	221,643	59,953
1917	118,434	29,934	33,675	32,400	7,200	11,000	24,305	266,877	31,935
1918	144,802	39,019	33,675	36,000	10,800	17,000	32,613	343,591	*15,714*‡
1919	167,751	41,479	33,675	39,600	14,400	17,000	54,210	491,609	*109,735*‡

* Deb. interest, £23,500; Pref. div., £10,175.
† Excluding stock ‡ Deficiency.
(a) Ord. div. 9%, 1916 and 1917; 10%, 1915 and 1918; 11%, 1919.

The prosperity of the great West End Stores in the last two or three years has been very conspicuous—whether on account of the general inflation of credit or by reason of the profits made out of war conditions by a large section of the public it is not necessary to discuss here, though the fact that conditions have been abnormal and may prove ephemeral has to be borne in mind. It is satisfactory from the point of view of shareholders to note, therefore, the considerably increased provisions made by the directors of John Barker and Co. in the matter of depreciation, reserve allocation, and carry-forward. The gross profit made in the year ended February 10, 1919, amounted to £501,857, showing an increase of nearly £83,000 on 1917-18, but expenses were £60,000 higher and the increase in the net income was therefore £23,000, at £167,751. Nearly one-fourth of this was allocated to depreciation, renewals, redemption of leaseholds, and provision for bad and doubtful debts. Thereafter the net profit of last year amounted to £126,272, Debenture interest being covered 5½ times and the Preference dividend nearly 9 times. The profit available for the Ordinary and Management shares was £92,600. The Ordinary dividend was raised from 10% to 11%, calling for £39,600, the Management received £14,400, against £10,800, £17,000 was placed to reserve, and £21,600 added to the carry-forward, increasing same to £54,210, or nearly 10% on the total share capital. The value of stocks during the year showed a substantial further expansion, viz. £148,000, and this explains the increase in the deficiency of surplus liquid assets as shown in the analysis above. Shareholders were assured at the meeting a fortnight ago that the stocks had been very carefully taken and that the directors felt confident of being able to realise approximately their value. One would, however, have a greater feeling of security if, assuming such a great increase in the value of stock as has occurred in four years is essential, the funds available for financing the business were increased in reasonable proportion. The £1 Ordinary shares are quoted at about 33*s.* xd and afford a yield of less than 7% on the past year's high dividend

INDIA COUNCIL SALES.

Following upon the removal of control of exports of silver by the United States Treasury the Secretary of State of India has raised the price of council drafts from 1*s.* 6*d.* to 1*s.* 8*d.* for immediate telegraphic transfers, and to 1*s.* 7⅞*d.* for deferred telegraphic transfers.

	This Week			Next Week
	Offered	Applications	Allotted	To be Offered
Amount ...	... Rs.60,00,000	Rs.2,03,20,000	Rs.60,00,000	Rs.60,00,000

Allotments on Tuesday, May 13, 1919.

	Bills		Deferred T.T.		Immediate T.T.	
Applications ...	—		Rs.1,78,20,000		Rs.25,00,000	
Drafts on—	Rs.	Rate	Rs.	Rate	Rs.	Rate
Calcutta ...	—	—	16,37,000	1 7·9375	3,74,000	1/8
Bombay ...	—	—	20,40,000	1/7·9375	3,65,000	1/8
Madras ...	—	—	15,84,000	1/7·9375	—	—
Total ...	—	—	52,61,000	1/7·9375	7,39,000	1/8
%Allotted ...	—	—	29		29	

Sales for week to May 12, 1919 ... Rs.60,00,000 realising £448,727 (1/6)
Sales, Apr. 1, '18, to Mar. 31, '19 Rs.15,50,00,000 „ £11,516,754 (1/5·8)
Sales April 1, '17 to Mar. 31, '18 Rs.45,20,000,000 „ £31,106,219 (1/4·5)

For the moment imports of silver into India are prohibited. As a general principle we are strongly opposed to the interference of Government, with a view to regulate the exchanges, because such interference is almost always ineffective if not actively injurious. The present instance may in some measure be an exception, because the imports of silver into India during the War, and even since the Armistice in November last, have been on an immense scale. Experience has shown, moreover, that it has not assisted in augmenting the currency to the extent that was expected, and, indeed, was the object for which the large imports were permitted if not actually encouraged by the authorities. The object of the present measure seems to be to discourage the hoarding of silver as much as possible. Experience in India, however, in the past, seems to show that though the Government has never succeeded in stopping hoarding altogether, in periods of confidence it becomes very little in evidence, while periods of unrest tend to accentuate the Indian's tendency to hoard. It would seem, therefore, that the real remedy is to find out and check the causes which lead to unrest in India.

The Mexican Eagle Oil Company, Limited.—Holders of Mexican Eagle Oil Sterling Convertible 6% First Mortgage bonds are reminded that the first annual drawing of bonds will take place on Friday, May 30, 1919, at 3 p.m. The bonds drawn—which now stand at 203—will be repayable at 105, and the conversion rights attached to such bonds will terminate immediately they are drawn.

MEETINGS
OF PUBLIC COMPANIES.

LONDON BANK OF AUSTRALIA, LIMITED.

THE ordinary general meeting of the proprietors was held on May 14 at Winchester House, Old Broad Street, E.C., Mr. George Slade (the Chairman) presiding.

Mr. W. H. Barber (London Manager and Secretary) having read the notice convening the meeting and the report of the auditors,

The Chairman said: We have come through the War and find ourselves in a strong and healthy position. In part of New South Wales there is a severe drought, but as we have disposed of our interests in pastoral properties at one time in our hands, we are only interested and affected in a general way as part of the community. The rest of Australia, fortunately, is having good rain, though the wheat harvest is not expected to be large. Trade is active, but the irregular shipping service is very disturbing to business houses. Exporters find themselves with accumulating stocks awaiting ships, and importers are suddenly called on to take in one large consignment the goods they expected to receive at intervals in smaller consignments, which could have been financed by them with greater ease. All this will right itself in time, but meanwhile it would be unwise to depart from a policy of prudence under which our strength is growing, and the benefit of which you are experiencing. Your directors propose to recommend a dividend of 9% for the half-year on both classes of shares, making 8% for the year, which we consider justified by the figures now before you. Gross profits are greater by £31,000 than last year. Deducting salaries and expenses in Australia and London, which are higher by £13,940, and taxes, which are heavier by £9,577, there is in the net figure £90,765 13*s.* 5*d.*, an increase of £7,520. The total net figure is nearly £20,000 better than the profits in 1892, just before the crisis, when the Bank was considered to be at the height of its prosperity. In 1894 the net profits were £5,986. This increase has been made notwithstanding, as I told you at our last meeting, that the Bank had had to pay off the sum of over £5,000,000 fixed deposits, and did so three years within the time limit. The sum of £3,000 is again granted to officers' provident and guarantee fund, a well-deserved tribute to the work done by our staff here and in Australia, and £35,000 is carried to reserve fund, which will then be £420,000. In 1903 there was no reserve fund. This reserve fund is not only a source of strength, but also attracts business, and I shall be glad to see it a great deal larger still.

Balance Sheet Figures.

The figures in the balance sheet show an expansion in assets and liabilities of £1,100,000 in the year, and at £9,405,031 5*s.* 4*d.* are £650,000 larger than in 1892. Coin and money at call, together £1,760,000, though a satisfactory figure, is £500,000 less than last year; but this £500,000, with approximately £1,030,000 increased money from deposits and £80,000 from bills receivable, is absorbed by the increase of £1,600,000 in advances. The increase in advances is principally due to trade conditions to which I have alluded, to advances made by us in common with other banks to finance Government purchases of wool, wheat, meat, and other commodities, and to meet the legitimate requirements of our regular clients. Our recent issue of capital will enable us to expand a little, but the amount of unissued capital we had to offer was not large enough to enable us to deal with all the business which would come to us, and before many years I anticipate that we shall come to you again and ask you to assist us with further capital to take advantage of opportunities for expansion.

Mr. Andrew Cunningham seconded the resolution.

LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY, LIMITED.

THE eighty-third annual general meeting of members was held at Liverpool on May 13, Col. J. P. Reynolds, D.S.O., the Chairman, presiding.

In moving the adoption of the report and accounts for 1918, the Chairman referred to the removal of the incubus of War. During five years they had been harassed with difficulties of every description, both personal and commercial. At last, like a bad dream, it had all passed away, and they met under the gleam of a Victorious Peace—proud of their country, their fellow-citizens, and their comrades in the Company, who had faced the worst that Britain, and all that she and the Empire stood for, might triumph.

A Record Year.

Although taken unawares by the Great War, with organisation and resources steadily drained as it went on, it was truly remarkable that each successive year of the War had found insurance enterprise and prosperity steadily increasing, culminating, in the case of the Liverpool and London and Globe, in a record year. This general prosperity was the more noteworthy inasmuch as it might be said that insurance protection was practically the only commodity that had not gone up in price during the War. True, there had been sectional advances in rates to meet imperative demands of increased hazard, or in view of unprofitable results, but the great bulk of the business carried the same rates as before the War.

A Harder Fight for Pre-eminence Anticipated.

The resettlement of the industrial conditions of the world following upon the signing of Peace would involve many anxious moments to underwriters of every kind. In addition to this, British companies who had hitherto led the way in world-wide insurance development would, under the new order of things, have to fight harder for their pre-eminence, as new and powerful competitors from the United States and Allied and neutral countries were about to spring up in all the well-recognised fields of insurance. Taxation, both at home and abroad, would also continue to put a heavy burden on insurance; but, whatever the problems that lay ahead, he felt certain that the splendid organisation of British insurance enterprise throughout the world, which had endured with such magnificent results the great trial of the War, would be found equal to the demands of the future. All they asked was to be allowed to work out their own destinies in the future as they had done in the past, unimpeded by legislative control or sectional restrictions. The Chairman then referred to the accounts, and on the question of total income and surplus, said the operations in 1918 had resulted in a further increase to the income of the Company of £707,210, so that they had now reached the record amount of £7,368,050. The underwriting surplus in the Fire, Accident, and Marine Department had in itself passed the million mark, being £1,007,019, and, adding to this the interest on the funds (apart from life funds), the total surplus of the Company was £1,307,571.

The Fire Department.

In the Fire Department they had a very substantial increase to report, the premium income having exceeded that of 1917 by £503,368, now amounting to £4,060,777. The losses, which amounted to £1,981,647, on the other hand, had only increased by the moderate sum of £62,737, which brought about the satisfactory position of showing a reduction in the loss ratio from 53.94% to 48.80%. The expenses had increased from £1,209,582 to £1,472,954, accounted for by increased taxation and necessary increases of salaries. Also all expenditure necessary for the business had been on a higher scale. They therefore did not regard the increased ratio of expenses, 36.27, as against 34% in 1917, as unwarrantable. The underwriting surplus on this account was £606,175, which largely exceeded the previous record of £444,567 in 1910. After adding £201,347 to the reserve for unexpired risks, they were able, with the addition of interest, to bring £510,798 to the credit of profit and loss account, as compared with £409,201 in 1917. The satisfactory condition of the profit and loss account had enabled them to transfer out of it the sum of £100,000 to strengthen the additional reserve in this department, making that now £1,100,000.

The Accident Department.

In the accident department they had again had a good year. The underwriting surplus was £243,524, as against £166,161, and the ratio 14.31%, as against 11.22%.

After allowing for interest, and adding reserves to the extent of £90,424, the profit and loss account was benefited by £188,600, as against £159,908 in 1917. In order, however, to strengthen the reserves in the personal accident, the sum of £6,000 had been transferred from profit and loss account.

Although in marine underwriting they had not done quite so well as in the previous year, the results were entirely satisfactory. The surplus represented 21.18 of the premiums received. In 1917 it was 27.79. Premiums showed a decrease of £66,456 on the year, but, as previously explained, it was the policy of the Company all along, in dealing with War risks, to avoid too great a dislocation of income when they ceased to come on the market. The loss of that source of premiums, therefore, would affect them in but a slight degree.

Claims.

The claims, which include full provision for every casualty which occurred during the year, showed a reduction of about £3,500 on those of 1917. The expenses were £32,833, as against £28,179. There was still, especially round these Islands, in the North Sea, and in the Mediterranean, a by no means inconsiderable danger from floating mines, for which the meagre war premium now obtainable hardly compensated. Further, a serious element was the continuance

of the increase in the cost of repairs to damaged vessels, amounting in some ports to more than three times the pre-war rate.

Continued Popularity of Life Policies.

In the life branch, the total net new sums assured of £725,253 again constituted a record for the Company, which was a sure indication of the continued popularity of their life policies. The net death claims, paid and outstanding, for the year, amounted to £276,246, including bonuses. These claims included a sum of £15,292 due to the War, and also a sum of £30,683 from influenza and diseases resulting therefrom or connected therewith. The total claims paid through the War since its commencement amounted to £111,714.

Investments.

In regard to investments, the Chairman remarked with satisfaction that no further allowance had to be made for depreciation. On the contrary, during the year their investments in British Government securities had increased from £2,094,953 to £2,484,501, whilst their foreign Government securities had increased from £412,804 to £956,782, largely representing their response to the war obligations of the United States Government.

The Profit and Loss Account.

After reference to the capitalisation of reserves and the subdivision of shares, and also to the increase of dividend, the Chairman, dealing with profit and loss, said the amounts transferred to this account from the various departments totalled £1,005,049. The balance at credit of this account, viz. £890,358, would automatically be reduced to £624,833 by the addition of £265,525 to paid-up capital. After taking from this the final dividend at the increased rate of 15*s.* per share, less tax, the net balance at credit of this account would still be slightly in excess of that shown in the last report, viz. £485,483, as against £471,226.

With regard to 1919, he was pleased to say that so far they had every reason to be satisfied, and he trusted good fortune might continue so as to produce a report approximating to the present one.

Mr. R. C. Hart-Dyke, of the London board, seconded the resolution, remarking upon the progress of the Company, notwithstanding the difficulties encountered. He eulogised the services of the staff, both those whose lot it had been to fight for their King and country and those who had remained to carry on the business of the Company.

Mr. G. C. H. Dunlop, having paid a tribute to Mr. Dove and the other directors whose death had been announced,

The motion for the adoption of the report was carried unanimously.

Messrs. A. K. Barnes, Alfred Fletcher, and Col. J. P. Reynolds, the retiring directors, were re-elected, and Messrs. Stead, Taylor and Stead, chartered accountants, were re-appointed auditors.

Capitalisation of Part of Undivided Profits.

The Chairman then moved a resolution providing for the capitalisation of £265,525, part of the undivided profits of the Company standing to the credit of the reserve accounts, and the application thereof as a payment of £1 per share on account of the uncalled up capital.

Mr. A. K. Barnes seconded, and the motion was unanimously adopted.

Thanks Accorded to the Board.

Thanks were accorded to the Board of Direction, to the various local boards of directors at home and abroad, and to the officers of the Company for their services during the year.

Mr. J. C. Rimmer, sub-manager, responded on behalf of the staff, in the absence of Mr. A. G. Dent, Secretary and General Manager, who is in America on the business of the Company. He expressed the sorrow which had permeated the whole staff of the Company at the news received the previous day of the death of Mr. J. M. Dove, their former chief. He was a great manager, whose name would always be associated with the history and progress of the Company, and who won the affection and admiration of every man who served under him. For the staff generally he could declare that they had a loyal attachment to and pride in the Company, and they gave it of their best.

A vote of thanks to the Chairman for presiding concluded the meeting.

THE CITY EQUITABLE FIRE INSURANCE CO., LTD.

THE tenth annual general meeting of the City Equitable Fire Insurance Company, Limited, was held on May 14 at Winchester House, Old Broad Street, E.C., Mr. Gerard Lee Bevan (the Chairman) presiding.

The Secretary (Mr. F. J. Witts) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—I suppose that in the usual manner I may take the accounts as read. I must start by apologising for the absence of two of my colleagues—Colonel Grayson, who has again had to go abroad on behalf of H.M. Government, and Mr. Haig Thomas, who is most unfortunately absent owing to a family bereavement.

The Fire Account.

We will now begin by looking at the fire account, where you will see that the premiums for the year amount to £613,483, with a loss ratio of 48.88 per cent. The latter happens to be unusually low, but you must not apply it as a standard of comparison for the future, as these percentages tend to average themselves out over a term of years. The figure, however, does go to prove that our business is all of sterling quality. Compared with last year, the premium income shows an increase of no less than £155,000. This may be accounted for to some extent by higher values, but in the main it is due to fresh business, an expansion in several cases of old treaties, with the initiation of many new ones. Whether at home or abroad, our fire business continues to give evidence of a strong upward tendency, and it is widening in so many directions that we have to exercise unusual discrimination in the selection of our treaties.

The American Field of Business.

One problem in particular of this kind has recently presented itself. Working from the cardinal principle of spreading our risks, we have again cast our eyes across the Atlantic, and wondered whether we ought to enter the American field. We have been approached by various parties inviting us to take the plunge, and leading insurance papers on the other side of the water have even gone so far as to make positive statements on this point. However, I can assure you that we examined the subject without any prejudice, and have weighed both sides with the utmost care. On the one hand, it was represented to us that there was an unusual opportunity for a good English company. The magnates of the reinsurance world, so we were told, the great German companies, like the Munich, the Cologne, and the Magdeburg, had been dethroned without prospect of reinstatement. Consequently there was a vacuum, and we were the right people to fill it.

Those Good Steeds, "Opportunity," and "Skill."

This was the psychological moment, and no such chance was likely to offer itself again. Without question there was much force in this line of argument. It would, in many ways, be a favourable moment to found reinsurance relations in the United States. But then we looked at the reverse side of the medal. Thanks to those good steeds, "Opportunity" and "Skill," we have now reached the winning-post, but we are still in our youth, and even the most vigorous frame may suffer irretrievable damage by being made to carry heavy weights before its prime. If we went to America obviously we could not content ourselves with one or two contracts; to get any spread at all we should have to take at least half a dozen. This would soon involve us in heavy commitments. We might, and undoubtedly should, start out with the intention of limiting our American writings to a certain proportion of the total volume of our fire business, but in practice it would be exceedingly difficult to adhere to this, and we might end by finding ourselves in the awkward predicament of the tail that wagged the dog. Then again, it would throw fresh responsibilities upon, and absorb the precious time of our Manager and his assistants. It is easy to keep in touch with our European friends by periodical visits across the Channel, but if we started business in the States it would naturally require very careful watching, and the next thing we should learn would be that Mr. Mansell had taken a season-ticket to New York, and as he disliked solitude I should not be surprised if he included me in his booking—(Laughter). In any case, I am inclined to think we should add to our overhead charges out of all proportion to the profits we made. Our attitude, therefore, at the present time as regards America is that, unless the attraction of American business to us is greater than has so far appeared, we should not undertake the very considerable liability which reinsurance of United States business entails, and we certainly should not do anything in the matter until the General Manager and myself can pay a visit to America.

The Marine Account.

Now, turning to the marine account, the premiums for the year have taken another sweeping stride forward, and have reached the large figure of £1,351,000. Let me, however, at once qualify this by certain observations. Those of you who study insurance accounts will have noticed that the leading marine companies, generally speaking, show a material diminution in their premiums for the past year. This is easily explained by the fact that the underwriting of War risks has terminated. Our figures will naturally follow in the same direction, but we have to wait until we receive advices from the companies who cede business to us, and you may take our figures as about six months behind theirs. Consequently the reduction in our premium income due to the cessation of war risks will only show itself in next year's accounts. Let me add that the falling off, when it comes, need not in any way disturb your minds. Our marine business is in an eminently healthy and satisfactory condition, and it would be difficult to imagine a more representative group of treaties.

The Desperadoes of the Sea.

As to the underwriting of war risks, I shall not have occasion to allude to it again, so I should like to add a few

words more before it finally passes out of our accounts. Roughly speaking, it underwent three different stages. In the early period of the War the companies who entered the field at the outset, and pursued a uniform and undeviating policy, must assuredly have reaped a rich reward. But that phase does not concern us. Then came the time within the memory of all of us, and perhaps the gravest in the history of our race, when the enemy flung the last shreds of conscience and humanity to the winds, and respecting neither sex nor child, nor even the sacred flag hoisted over their hapless victims by the Sisters of Mercy, they became the desperadoes of the sea. This campaign was launched in the winter of 1916, and reached its culminating point during April 1917, when over 900,000 tons of shipping were torpedoed, with an actual loss ratio of 93%. From then onwards there was a gradual declension in losses, and during the closing months of the War we witnessed the phenomenon of a steadily falling rate, with sustained or even increasing profits. War underwriting turned out to be better business at two guineas per cent. than it had been a few months previously at five or even six guineas per cent. All honour to our sailors who made this possible! In common with others we sustained heavy losses during the crisis of 1917, but, fortunately, we were able to recuperate them afterwards, and the reasons which originally prompted us to play our part in the underwriting of war risks turned out to have been justified by the ultimate results.

Increased Reserve for Unexpired Risks.

As to the future, you will notice that, faithful to the policy which I foreshadowed last year, we have increased our reserve for unexpired risks to £824,000, which represents over 60%. Again I must emphasise the necessity of so doing. Not only has the cost of repairs risen beyond all experience, but both the execution of the work and the settlement of claims are much more protracted than they used to be. It is, therefore, incumbent upon companies doing marine business to hold larger balances than heretofore in reserve. The third source of our revenue consists of the income from our accumulated funds, and this has more than doubled itself during the past year, rising from £21,425 to £42,999. This will easily become apparent to you if you turn and study the balance-sheet.

The Balance Sheet.

On the liability side there is really nothing calling for special comment, but with the assets the case is very different. Last year, of the total assets—viz., £1,228.000—as much as £625,000, or just over one-half, was represented by outstanding premiums, and one of our shareholders, in quite a friendly spirit, expressed the hope that we should be able to reduce this figure in subsequent years. Now, with assets totalling £1,794.000, the outstanding premiums are down to £413,000, and whereas last year our investments and cash in hand amounted in round figures to £600,000, they have now risen to £1,380.000. This is a truly remarkable change, and it is a matter of legitimate satisfaction and pride that our conservative policy of the past three years has at length borne such fruit, and that, notwithstanding the rapid growth of our premium income, our reserves have more than kept pace with it.

The Year's Results Summarised.

Summarising the year's results, we have a profit of £54,000 from the fire fund, £105,000 from the marine fund, and £42,000 from our investments, and after providing £12,500 for income-tax and excess profits account, we remain with a net profit for the year of £187,787. Adding to this the balance brought in from last year, £7,137, we reach the grand total of £194,925. Out of this an interim dividend has already been paid of 4½*d.* a share on the Preference shares, and 1*s.* 6*d.* on the Ordinary shares. We now propose to pay a final dividend of 1*s.* 1½*d.* on the Preference shares, and 4*s.* 6*d.* on the Ordinary shares, making a total of 1*s.* 6*d.* for the year on the Preference, and 6*s.* on the Ordinary shares. After providing for this there remains a balance in hand of £163,237. How shall we allocate it? If we wish to attract the best class of fire business we must demonstrate that our shoulders are broad enough to bear it. We therefore propose to transfer to our additional fire reserve £120.000. This makes the additional reserve up to £200,000, and brings up our total fire reserve to over 75% of our premium income. Of the remainder we propose to transfer £30,000 to additional reserve on marine account, and the balance—viz., £13,237—we carry forward to next year.

Thanks to Manager and Staff.

Gentlemen, It has been remarked that optimism only becomes necessary when you get into a hole. It seems to me, therefore, that it would be a work of supererogation on my part to indulge in rhetorical flights as to our future. You have heard my story of the year's doings, and I prefer to let the facts unadorned speak for themselves. I wish, however, before concluding and I know you all share my desire once more to congratulate the manager and his staff on the zeal, insight, and intelligence they have shown in the conduct of our business during the past year. The seven-hour day—or is it six?—may burrow under ground, but it shows no sign of ascending to No. 3, Lothbury, and both on your behalf, and on behalf of the board, I should like to express my most cordial and heartfelt thanks to all our staff for their unremitting energies during a highly critical period. I now beg formally to move the adoption of the report and accounts, but before I submit it to the meeting perhaps some of the shareholders would like to put some questions.

No questions being asked, the Chairman proceeded: Then I formally submit the resolution, gentlemen, and ask Mr. Barclay to second it.

Mr. Charles Theodore Barclay: I beg to second the adoption of the report and accounts.

The resolution was carried unanimously.

The Rt. Hon. Lord Ribblesdale, P.C.: I beg to move: That the retiring directors—namely, Mr. H. R. Grenside, Mr. D. M. M. Milligan, and Mr. C. T. Barclay—be re-elected.

Col. Sir Douglas Dawson, G.C.V.O., C.B., C.M.G., seconded the motion, which was unanimously adopted.

The Chairman: I ought to take this opportunity of mentioning that Lord Clanmorris has retired from the board owing to his military duties and will not seek re-election.

On the moton of Sir M. Fenton, seconded by Major F. S. Cartwright, Messrs. Langton & Lepine were reappointed auditors.

Mr. Rendtorff: I consider it my duty and special privilege to propose a vote of thanks to the Chairman for the able and considerate manner in which he has conducted the meeting to-day. I have had the privilege of meeting the Chairman, not only in the conduct of the business here in London, but also abroad, and I can testify to the single-minded manner in which he has been looking after the Company's interests. I therefore feel it to be my special duty to propose this vote of thanks to the Chairman. We owe very much to Mr. Bevan for the manner in which he has looked after the Company—(Hear, hear).

Mr. E. H. Tootall seconded the vote, which was unanimously accorded, and the Chairman briefly thanked Mr. Rendtorff for his kind remarks.

Consolidation of Share Capital.

A meeting of the holders of the Preference shares of the Company was then held for the purpose of considering and, if thought fit, passing, with or without modification, the following extraordinary resolution: "That the holders of the Preference shares of the Company approve the consolidation of the said Preference shares and the Ordinary shares of the Company into shares of one class, to be called Ordinary shares, ranking for dividend, capital, and in all other respects *pari passu*, and the distribution among the holders of the Ordinary shares in the initial capital of the Company of the sum of £45,000 out of the moneys standing to the credit of the general reserve of the Company to the intent that the moneys so to be distributed may be applied by the holders of the said Ordinary shares subscribing new Ordinary shares of the Company in or towards payment of the further shares so to be subscribed."

The Chairman: Gentlemen,—As you know, special resolutions are now going to be submitted, in the first place, to the Preference shareholders, and, in the second place, to the Ordinary shareholders; but so as to avoid going over the ground twice, I hope that the Preference shareholders will, as a matter of courtesy, allow the Ordinary shareholders to remain in the room, so that they will hear what I have to say and I need not repeat it. The Ordinary shareholders, of course, will not vote at the first meeting.

The Secretary then read the notice convening the meeting.

The Chairman: Gentlemen, this meeting has been called with the object of making certain modifications in the share capital. Without in any way criticising the action of the board in the past, let me go back a little and remind you how our capital has been created.

How Share Capital was Created.

I want you to follow me very closely, because some misconception seems to have arisen in the minds of certain shareholders as to what we are actually proposing. Originally there was a small Ordinary share issue. Subsequently it was decided to raise fresh capital, and an issue of Preference shares was made four times in amount the number of the Ordinary shares. When this was decided upon I daresay it was the only feasible method of procedure, but there can be no difference of opinion about one point—that is, that our capital as at present constituted is peculiarly ill-balanced, and without parallel among insurance companies, or, so far as I know, any other company. There are now 300,000 Preference shares and 75,000 Ordinary shares; both are £1 shares with 4*s.* paid up. The Preference shares are, in the first place, entitled to a cumulative preferential dividend of 6%. This amounts to exactly £3,600 a year. The next £3,600 a year goes to the Ordinary shares—that is, 24% on the 75,000 Ordinary shares. Any further profits that it is decided to distribute are divided equally between the two classes of shares. In other words, provided the profits of the Company are as much as, or more than, £7,200 a year, the buyer of one Ordinary share acquires precisely the same interest in the Company as the buyer of four Preference shares, but with this important difference, that a buyer of one Ordinary share only incurs an uncalled liability of 16*s.* on each share, whereas a buyer of four Preference shares

incurs a liability of four times that amount—viz., 64*s.* on the four shares. Under the scheme which is being submitted to you to-day we propose to have one class of share only—viz., Ordinary shares. We are advised that unification of capital can only be brought about by declaring a dividend of 12*s.* a share on the Ordinary shares, and for this purpose utilising £45,000 of the general reserve fund. The Ordinary shareholders will then be invited to subscribe for three new Ordinary shares for every one they now hold. When this has been done their liability will then have been brought up to exactly the same level as yours, while you on your side are being asked to waive your Preference rights. Please note that the Company is not really losing any cash, since the sum which it pays out of reserve comes back to it in the form of increased capital, and though, of course, I am aware that the Preference shares are preferential as to capital, the prospect of the Company ever going into liquidation, and this right ever arising, is so remote that it is not worth while contemplating in view of the other advantages that the Preference shareholders get under the scheme.

Preference and Ordinary Shareholders asked to Make a Sacrifice.

You will see, then, that in theory I am asking each of you to make a sacrifice. I am asking the Preference shareholders to give up their preferential rights of £3,600 a year; but these, as must be quite evident to you from a perusal of the year's accounts, have ceased to be of any practical value, seeing that the income from investments alone amounts to many times this figure, quite apart from any profits we derive from our insurance business. As to the Ordinary shareholders, I am asking them to take on an increased liability of 16*s.* a share on 225,000 shares—i.e., £180,000—so that, if anything, they are helping the Preference shares more than the Preference are helping the Ordinary, and you are both assisting each other for the common good.

I want you to understand that the scheme has not been decided upon in a hurry or without due regard to both classes of shares. After reviewing various alternatives, your board came to the conclusion that this plan was the only one which they could see their way to recommend to the shareholders. It was then submitted to the late Sir Frank Crisp, the ablest company lawyer of his day, and received his unqualified approval. Subsequently, it was submitted to the Treasury New Issues Committee while the restrictions on the issue of fresh capital were still in force, and it received their sanction also.

Advantages of Unification of Capital.

The unification of the capital will undoubtedly be of assistance to those in conduct of your Company's business. If you approve it, instead of having two classes of shares, four-fifths consisting of Preference and one-fifth of Ordinary, you will have 600,000 Ordinary shares 4*s.* paid, and the capital will thus be constituted on normal lines. One advantage of the scheme is that the Company will have behind it a further £180,000 of uncalled capital, which means a substantial addition to its stability.

Another great advantage is that, whereas at present the Preference shareholders, who form a considerable majority, have no voting power except on questions directly affecting their preferential rights, they will in future stand on equal terms. But the principal reason why we desire to make the change is that the present complications of our capital are often misunderstood, more especially abroad. You must appreciate that with the growth of our business Mr. Mansell and myself often have to travel to negotiate treaties, or to get into touch with new companies from whom we hope to obtain them. We may fairly claim that we have met with a considerable measure of success. In the course of our negotiations we are constantly asked what our capital is, and I assure you it is no easy matter to explain. Last November, for instance, Mr. Mansell and myself visited Italy with the idea of opening up relations there. It was, I may tell you, not exactly a joy ride, and once in Milan we had no difficulty in keeping within our rations. But our troubles began with our visits to the insurance companies. The smallest dwarf-sized dictionary would easily comprise our joint knowledge of Italian, and the Italians themselves did not seem to us particularly good linguists. The first question the managers invariably asked was: "What is your capital?" After a few ineffectual struggles, Mr. Mansell suggested to me that under the circumstances it would not be immoral to forget the existence of the Ordinary shares. (Laughter.) What happened then I really have not a notion. The fact is we used to say what we could. Anyway, after leaving our photographs and our mother's maiden name at no less than three different Consulates, we managed to return with a treaty or two in our pockets.

Gentlemen, we should have to make many other similar visits. We have relations with numerous foreign companies, French, Italian, Dutch, Spanish. We are out to get all the business, that is, all the good business, we can for you; but we want you to help us by making it as easy as possible, and that is why I have no hesitation in asking you to consent to the simplification of the share capital as submitted to you in this resolution. (Applause.) I shall be pleased if any gentleman will make any remarks he would like to make.

Views of Shareholders.

Mr. Passmore: Mr. Chairman, the concluding portion of your preference certificate reads: "On a winding up the assets available for distribution among the members shall be applied in the first place in the payment of the capital paid up on the Preference shares, and all arrears of the said fixed Preferential dividend thereon, whether declared or not, up to the commencement of the winding up, and in the next place in paying the capital paid up on the Ordinary shares. Any assets remaining shall be distributed as to one-half thereof among the holders of the Preference shares rateably in proportion to the number of Preference shares held by them respectively, and as to the other half thereof among the holders of the Ordinary shares rateably in proportion to the number of Ordinary shares held by them respectively." I submit that you are not dealing with your Preference shareholders in a fair way, because you raised this capital at a time when capital was difficult to be raised, in 1915—(hear, hear)—and I do contend that those Preferential rights are worth some considerable sum if we are to part with them now, and I ask that it shall be taken seriously into consideration that you should not force through a scheme of this kind unless you can assure us that Lord Ribblesdale and all the members of your board have given that point their very serious consideration. (Hear, hear.)

Mr. Cox: I should like to say, sir, that I quite agree with your principle of unification of shares in this Company: I think it will add very greatly to the stability of the Company to have a unification of shares in the City Equitable at the present time. I also noticed, sir, in your remarks that you said you were asking the two classes of shareholders to give up something on each side; you were asking the Preference shareholders to give up their Preferential claim of 6%, and also asking the Ordinary shareholders to take upon themselves a larger responsibility. But I think the Preference shareholders have been carrying a very large responsibility, for they have had the responsibility of having a call of 16*s.* per share upon them for a greater number of shares than the Ordinary shareholders have had. I think there is a 16*s.* call on the Preference shares at the present time, is there not?

The Chairman: Yes; 16*s.* uncalled liability.

Mr. Cox: They have had a bigger liability on them than the Ordinary shareholders have had, inasmuch as there are more Preference than Ordinary shares.

The Chairman: That is what we are trying to obviate.

Mr. Cox: They have had a bigger liability resting on them during these last years than the Ordinary shareholders have had, and it seems to me an extraordinary conclusion for the board to have come to when a sum of profits has been accumulated, half taken away from the Preference shareholders and half from the Ordinary shareholders, and the Preference shareholders have had the larger liability at the same time to carry. I should like to know what made the board come to the conclusion that they thought it fair that they should divide the whole of the accumulated profits, which—I do not want them to lose sight of this fact—were, to the extent of one-half, accumulated from the Preference shareholders at the same time as they were from the Ordinary shareholders. I should like to know on what ground they should divide the whole of those profits among the Ordinary shareholders or, rather, not let the Preference shareholders have any interest in them whatever, although, as I have already said, they have been accumulated partly from the Preference shareholders themselves, while at the same time the Preference shareholders have been carrying a very much larger liability than the Ordinary shareholders have. I am very pleased with the soundness of the Company, but, should anything adverse have happened, the Preference shareholders stood to sustain much more financial loss than the Ordinary shareholders during all those years. Having taken that risk, and the profits having been accumulated from the Preference shareholders, I really think the board might have considered that they should allow the Preference shareholders to have some proportion of the profits which have been so accumulated. (Hear, hear.)

Mr. H. O. Larsen: I should like to support the preceding two speakers. Not only do I agree with all the remarks they have made, but I think, personally, that the previous treatment of the Preference shareholders was not at all fair. In 1915 you issued new capital, and you passed two resolutions. One was to create new capital, and the other was that the Preference shareholders should agree to the directors allotting the new shares to anybody they thought fit. Previously the Preference shareholders had the right to take up any new issues, but your second resolution read like this: "That the directors be and they are hereby authorised to allot the said 100,000 Preference shares and the said 25,000 new Ordinary shares to such persons and upon such terms as the directors may think fit." I

had taken up Preference shares in this Company, and I attended the meeting held at the Company's office—or, rather, the meeting which was not held. I was there at six minutes to three, and was told the meeting was over. The meeting was appointed for 3 o'clock, and I was there six minutes earlier and was then told the meeting was over. I wrote and complained to Mr. Mansell, who no doubt remembers it, and he explained to me that the best thing was being done for the interests of the shareholders. But I do object to our not having been given an opportunity of taking up more Preference shares when we already held a considerable part of the capital, and, personally, I am not prepared to waive my right as a Preference shareholder. (Hear, hear.)

Mr. Clifford: I am acting as proxy for four gentlemen in Aberdeenshire. I am instructed to put this motion to the meeting: "That the resolutions Nos. 1, 2, and 3 embodied in the Secretary's notice of May 2 be not approved of, and that the articles of association of the Company in respect of Article 58 be not rescinded, and that the Preference shares remain as at present, ranking preferentially to the extent of 6% Cumulative, with half the Preference in surplus assets in the event of a division of the assets, and that no division of any reserve or assets of the Company be allowed in any way without the Preference shares having equal rights with the Ordinary shares." (Hear, hear.) Then I am asked also to move the following resolution: "That a Committee of Preference shareholders be appointed to investigate the financial position of the Company and to confer with the present directors to make what rearrangement of capital may be thought equitable and fair to both existing classes of shareholders, and that four of their number be appointed directors of the Company to look after the interests of the Preference shareholders."

Mr. Larsen: I second that.

The Chairman: Do I understand that you wish to put that as an amendment to the resolution, because that is the only way you can submit it to the meeting?

Mr. Clifford: That is just how it is given to me.

The Chairman: The only way you can put it forward is as an amendment to the resolution.

Mr. Larsen: I take it that it will not be an amendment, because it is a direct negative.

The Solicitor (Mr. Charles Crisp): If it is simply a direct negative, that is dealt with, of course, on the putting of the resolution, and therefore it is not necessary to move any amendment.

Mr. Clifford: My instructions are to vote against the resolution.

The Solicitor: This should come up at the extraordinary general meeting. Resolutions Nos. 1, 2, and 3 are not before this meeting. We are now a Preference shareholders' meeting, which has no Nos. 1, 2, and 3 resolutions before it. Therefore, that at this meeting is not in order.

The Chairman: I am legally advised that this motion does not come before this meeting at all, and, as far as a committee is concerned, I am advised that your suggestion to form a committee is also not in order on this resolution. It has nothing to do with this resolution.

Mr. Passmore: There was a letter addressed to you recently by Messrs. Kennedy, Lindo and Co., and that letter was published in the Press. We have not had any explanation from you in answer to that letter. Could you give us one now?

The Chairman's Reply.

The Chairman: Are there any further remarks? Well, I need hardly say I have received this letter, but I think it would be quite out of place to notice a letter which concludes by attacking the board. It does not merely attack their business ideas, but it attacks the motives which underlie them, and it is quite out of place to recognise a gentleman who writes and says, "It seems obvious that the real object is to benefit Ordinary shareholders at the expense of the Preference." As regards the letter, I think it embodies most of the things that have been said here to-day, and I will therefore deal with the two or three main points made in that letter. Allusion is made in it to the accumulation of £90,000 as a general reserve. It says, "During the last few years a general reserve of £90,000 has been accumulated out of undivided profits, to which the Preference shareholders have contributed one-half," and it goes on to say that this has been accumulated over a term of years. There seems to be some lapse of recollection as to what occurred, and how that £90,000 was raised. All except £2,020 of it represents the premium on the last issue of shares. I am aware that one shareholder, Mr. Larsen, who has spoken at this meeting, took objection to the board having powers to place those shares. Gentlemen, I venture to say it was the best step ever taken in the interests of the Company. At that time, as one or two shareholders here have remarked this morning, it was a matter of great difficulty to raise fresh capital. The shares stood in the market, I think, nominally at about 15s., and it is quite clear that if you had tried to raise fresh capital by issuing shares *pro rata* to the Preference shareholders and Ordinary shareholders you would have had to do so at a very low price. It will be within the recollection of some of you that those shares were placed at a high premium, which enabled us to put over £87,000 to general reserve—if I may say so, entirely through the efforts of myself and a few of my friends. (Hear, hear.) Messrs. Kennedy, Lindo and Co. then go on to make their main points. The main point that they make in their letter is that you are giving the Ordinary shareholders a bonus of £45,000 out of the funds of the Company, and that you are taking away all the preferential rights of the Preference shares and giving nothing as compensation therefor. Gentlemen, that is an entire misrepresentation. You are receiving a very valuable *quid pro quo*, which consists of the Ordinary shareholders taking upon themselves a further liability of £180,000, which, I venture to submit, is a more valuable retrocession on their part than any retrocession that the Preference shareholders are making. (Hear, hear.)

What is Likely to Happen if Resolution is Withdrawn.

If you will allow me to do so, I am very anxious to convince you and to carry this meeting unanimously. I am now going to illustrate what is likely to happen if it were decided to withdraw this resolution, or if you should vote against it. At the present moment, as you know, one Ordinary share receives exactly the same as four Preference shares, provided always the profits are as much as or more than £7,200 a year. I think you will agree—I think all reasonable business men must agree—that on the balance sheet submitted to you to-day there can be no question of that preference £3,600 a year and the next £3,600 a year being covered for all time.

A shareholder remarked that it must be remembered that much of the premium income had been built up during the War, and that it was impossible to say that the marine fund was going to be as large in the future.

The Chairman: I still maintain my point, sir, that with the accumulation of funds we have there can never be any question, whether we have good or bad years ahead of us, as to that £7,200 a year being covered with a very large margin. I maintain that, and submit that any reasonable business man with a knowledge of insurance affairs will support me on that point. Now, I want you to allow me to illustrate what is likely to happen in the future if you do not agree to this resolution. I think you will all bear me out in this, that the tendency in business to-day is to pay up uncalled liabilities on shares which were created some time ago with liabilities upon them. Several such schemes have been before the public in the course of the last few months. It is especially apparent in the case of insurance companies, most of which carry a heavy liability. Now, supposing we grow in strength in future years, it is highly probable we should wish to do something of the same kind. Let me point out to you what would then occur. Supposing it was decided to declare a bonus, enabling part of the uncalled liability to be paid up. The total uncalled liability on the Ordinary shares is 16*s.* a share on 75,000 shares—that is, £60,000. The total uncalled liability on the Preference shares is four times that amount: therefore, if we declared a bonus enabling the Ordinary to be paid up in full, we should be only able to declare an equal sum—£60,000—on the Preference shares. We should then be in the position that, by distributing £120,000 as bonus, the Ordinary shares would be fully paid, and the Preference shares would be 8*s.* paid up, and would still have a liability of 12*s.* a share, and you would have no votes on such a question.

Now let me take it a step further. Suppose we did that—it is highly probable that something of the kind will be done in the future if this resolution is not carried—the next step will very likely be that the Ordinary shareholders may say, "Our shares stand at a high premium. They are not as marketable as they would be if they stood at a lower figure. Let us split them into four shares." If we split the Ordinary fully paid share into four shares the capital would then stand as follows: there would be 300,000 Preference shares with a preferential right to £3,600 a year, and with a 12*s.* liability, and there would be 300,000 Ordinary shares fully paid. I put it to you, gentlemen, which of these shares, do you think, would stand best in the market? There would be a permanent advantage in favour of the Ordinary shares of fully 10*s.* per share. That is indisputable. There is a case at present—I ought not to name the company, but it is well known to all of you—of a leading insurance company with millions and millions of reserves behind it, so much so that the liability on its shares is out of the question altogether. It has two classes of Ordinary shares, one fully paid and one partly paid. The fully-paid shares always command an advantage of 12*s.* 6*d.* to 15*s.* a share. In the face of that can anyone say that the Ordinary shareholders are not giving up something? I submit, gentlemen, that this is a perfectly reasonable proposal. It has had the consideration of all the board, and it has their unanimous support. It is not the idea of any one of us; it is the idea of all of us; it has been supported by the late Sir Frank Crisp, and it has been passed by the Treasury. I say, and Mr. Mansell will bear me out—Mr. Mansell and myself, after all, take the most active part in the conduct of the Company's business, Mr. Mansell, of course, by far the most active part (that when we have been abroad I have sometimes been without him, but generally we have been together—he will bear me out in what I say that you have no idea of the disadvantage it is to have a large Preference share issue and a small Ordinary share issue. It is a very great and

permanent disadvantage from the working point of view. We are not asking either of you to give up anything which is of any practical value; we are asking you to make a sacrifice which is only nominal, and therefore, gentlemen, in spite of the criticisms which have been made, I must insist upon submitting this resolution to the meeting.

Mr. Zeitlyn: May I ask what proportion of the Ordinary shares is held by members of the board?

The Chairman: I cannot answer that question offhand, and I do not consider it my duty to do so. If you want to know my personal position, I am the largest Ordinary shareholder in the Company, and I am also very much the largest Preference shareholder. That is my business.

Mr. Zeitlyn: I may mention that my question was addressed in order to clear up the misapprehension which has arisen out of the letter of Messrs. Kennedy and Lindo.

The Price of the Shares.

Mr. Harvey: Can you tell me the price at which the shares have recently been transferred? There is no quotation on the market for the Ordinary shares. Can you tell me the price at which the last transfer went through?

The Chairman: I cannot tell you the price at which the last transfer went through, but I can tell you this, that the Ordinary shares have always commanded a price equal to four times the value of the Preference shares, but in several important cases they have changed hands at a figure materially higher than four times the amount of the Preference.

Mr. Harvey: You have probably notified that since this proposal was put to the Preference shareholders there had been a fall in the price of the Preference shares.

The Chairman: No. I have not. You will forgive my saying so. I cannot agree with it. I do not consider there has been a fall at all since this resolution has been before the Company. I must ask you to bring evidence to bear on that, because I can only say it is not so.

Mr. Harvey: I am only quoting from the financial papers.

The Chairman: If you are quoting from any financial papers, it is a misstatement. Forgive me for saying so. I have had the curiosity to look at the markings in the papers, and I noticed they marked an unusual number of times; they may have marked once as low as 6*s.*, but they have marked as high as 7*s.* The highest price the shares have ever changed hands at is 48*s.* 6*d.*

Mr. Larsen: I should like to clear up one point. When you read the newspaper cutting you mentioned my name. I wish to make it perfectly clear that I had nothing whatever to do with that letter.

The Chairman: I am quite aware of that.

Mr. Larsen: You mentioned my name in connection with it.

The Chairman: Because it covered some of the statements that had been made.

Mr. Larsen: My statement is true that two years ago you called a meeting to rescind the Preference shareholders' rights to take up new capital. That is my grievance. I say, why should not the Preference shareholders be allowed to take new shares according to their rights?

The Chairman: You are dealing with something that happened two years ago; I do not think it is worth discussing now. It does not really arise.

Mr. Larsen: It only seems to me that you are now taking their rights away from them.

The Chairman: You are going into something that is past history, and which is of no use to-day.

Mr. Larsen: There is another point; this gentleman has moved a resolution. May I ask if it can be taken as an amendment?

The Solicitor: It is an amendment to another resolution which is to be put to another meeting. There are no resolutions Nos. 1, 2, and 3 at this meeting.

Mr. Larsen: I do not quite follow you.

The Solicitor: The resolutions referred to are resolutions which are to be proposed at the extraordinary general meeting which is to follow this meeting. That motion would obviously not be in order.

The Chairman: I now beg formally to submit the resolution to the meeting, and I will call upon Mr. Theodore Barclay to second it.

Mr. C. T. Barclay: I shall be very glad to second the resolution.

A shareholder: I suppose the meeting understands that only Preference shareholders are to vote?

The Chairman: That is so.

The resolution was then put to the meeting, when 22 voted in favour and 13 against.

The Chairman said as they wanted a three-quarters majority the resolution was lost, but he would demand a poll. A polling paper would be on the table at the conclusion of the meeting, and the poll would remain open until four o'clock that evening at the offices of the Company. The result of the poll would be declared at the offices of the Company at 12 o'clock on Friday next, and would be advertised in the financial papers.

Extraordinary General Meeting.

An extraordinary general meeting of the Company was then held to consider the following resolutions:—

1. That the Articles of Association of the Company be varied by the omission therefrom of Article 58 to the intent that the existing Preference and Ordinary shares of the Company be consolidated into shares of one class to be called Ordinary shares, ranking for dividend capital, and in all other respects, *pari passu.*

2. That the capital of the Company be increased to £600,000 by the creation of 225,000 new shares of £1 each, ranking for dividend capital, and in all other respects, *pari passu* with the Ordinary shares of the Company.

3. That the said new Ordinary shares be offered for subscription to the holders of the Ordinary shares in the initial capital of the Company in proportion to the number of such Ordinary shares held by them respectively—that is to say, three new Ordinary shares for each Ordinary share now held—and that the sum of 4*s.* per share be payable on application therefor, and that the sum of £45,000 out of the monies standing to the credit of the general reserve of the Company be distributed by way of dividend among the holders of the said Ordinary shares to the intent that the same may be applied by the holders of the said Ordinary shares subscribing such new shares in payment of the amounts payable on application therefor.

The Secretary read the notice calling the meeting.

The Chairman: I have to submit the three resolutions separately. I suppose there are no more remarks to be made, so I will put the first resolution.

Mr. Barclay seconded the resolution.

The resolution was then put to the meeting, and the Chairman announced that there were 22 votes in favour and six against; therefore the resolution was carried.

Mr. C. J. Clifford said he represented four shareholders, and he was instructed to vote against the resolution for each of them.

The Chairman: We can only take the vote of the shareholders at the meeting on a show of hands.

The Chairman then proposed the second and third resolutions, and these were seconded by Mr. Barclay.

Mr. Penny: There have been several remarks on the part of Preference shareholders in the sense of objecting to this resolution, but I, as an Ordinary shareholder, wish to say that, looking at it from our point of view, we think that we are asked to make a much greater sacrifice than the Preference shareholders are asked to make. We are asked to incur a greater liability.

A shareholder: We should like an equal chance with you.

Mr. Penny: I certainly feel that we are asked to make a much bigger sacrifice than the Preference shareholders, and I think we owe so much to the way the board has managed this Company—I couple the Chairman and the

London and Brazilian Bank, Limited.

Branches:

LISBON and OPORTO

and Agents at all the Principal Towns and Villages in the Country.

The Bank offers special facilities for the financing of

EXPORTS and IMPORTS

Issues Travellers' and Commercial Credits, Drafts, Telegraphic Transfers; negotiates approved Bills of Exchange, receives and advances against Bills for Collection, and transacts general Banking Business connected with the **Peninsula.**

BRANCHES AND AGENTS throughout U.S.A., FRANCE, SPAIN, BRAZIL, ARGENTINA, and URUGUAY.

Head Office:

7 Tokenhouse Yard, London, E.C. 2.

General Manager particularly—that I am willing to support the board's proposals, though I feel it is a large sacrifice.

A shareholder: Are both classes voting now?

The Chairman: Yes.

The resolutions were then put, when 22 voted for and seven against, and the Chairman declared them carried.

The Chairman: That concludes the business of the meeting; there will be a polling paper on the table now, if you will kindly sign respectively for and against the resolution.

YORKSHIRE INSURANCE COMPANY.

Mr. Edwin Gray, Chairman of the directors, presided at the ninety-fifth annual meeting of the Yorkshire Insurance Company, which was held at the head offices of the Company, York, on May 13.

In moving the adoption of the report and balance sheet, the Chairman said the results of the year's working were generally satisfactory. The sky was not to-day dark with war clouds, yet, with the economic situation in this country and throughout the world in such an uncertain state, it behoved them to walk warily and to take no step without the fullest consideration, lest by chance they lessened the financial stability they now possessed. These were times to make the most confident pause. At the close of the present year they would be making their quinquennial valuation, when the whole situation would have to be reviewed with more exact knowledge and after a rigid valuation of their securities as against their liabilities.

The Accounts.

Dealing with the accounts in detail, the Chairman said that in the life department the new business had exceeded that of the previous year by £65,000 net sums assured; whilst the total net premium income was increased by £19,000, the annuities sold had been reduced by nearly £11,000. On the other hand the claims by death were £11,000 less than the previous year, notwithstanding the fact that the war claims were £5,000 more than that year, and they had suffered by the ravages of influenza. The total claims by the war to the end of 1918 amounted to about £115,000. The expense ratio had been reduced by decimal 5%. The life and annuity fund now stood at £3,079,456, an increase of £157,629. The sinking fund and capital redemption account fund had been increased by £16,000, and now stood at £90,294.

The Fire Department.

In the fire department the premium income had increased by £84,000 to £693,708, whilst the loss ratio was 50.9, as compared with 48.5 last year. The expense ratio was also slightly higher. This increase in expenses was anticipated, and applied generally to the other accounts; it was likely still to grow. The amount carried forward for unexpired liability at the rate of 40%, of course, caused an increase—£33,000—to £277,000, but the amount carried to profit and loss—£57,000—was £10,000 more than last year. Comment had been made with regard to this account that whilst in the other department accounts that followed they carried forward an additional amount to the 40% for unexpired liability, here they contented themselves with the 40% only. This was really a continuation of a very old practice, as they had had a much longer experience in fire than in the other departments, and in which, when they created them, they decided to have an additional balance if possible. But he might say that they proposed to reconsider the question, and, it might be, make all the accounts uniform by providing an additional balance in the fire department. Of course they would bear in mind that, in addition to this 40% reserve, and the additional credit balances, they had the very respectable general reserve fund available of close on £70,000, so that in fact it was very much a matter of bookkeeping.

General Insurance.

As last year a considerable increase was shown in the workmen's compensation and employers' liability account, the income reaching £131,000, largely due to the continued increase in wages on which the premiums were based. The experience had been good and they were able to carry £20,000 as last year to the profit and loss account, whilst, at the same time, increasing the amount carried forward by £14,000 to £68,000, in addition to the increased amount for unexpired liability. An increase of £60,000 in premiums in the account for general insurance enabled them to shew an income of £371,000, whilst the claims ratio was reduced, but the expense was increased. They carried £20,000 as compared with £25,000 to profit and loss account, and increased the amount carried forward by £33,000 to £111,000.

The Marine Account.

In the marine account, with the cessation of hostilities, a considerable reduction of premium income, as was anticipated, had to be recorded (net total being £1,220,000, or £318,000 less than in the previous year. This represented the cessation of war risks which commenced immediately after the Armistice in the beginning of November, and they might, of course, expect a further considerable reduction this year. The claims are naturally higher, following the larger premium income of the previous year, but in the result they had carried to profit and loss as large a sum as in the previous year, viz. £250,000, and £40,000 to underwriting profit reserve as against £80,000 in 1917, whilst the balance carried forward was slightly more than in 1917, viz. £1,260,000. He had no doubt they would have already appreciated the connection between this £250,000 carried to profit and loss and the £200,000 in that account on the contra side, being the estimated provision for income tax on profits and excess profits tax, it being manifest that it was mainly to the marine business that the excess profits tax of 80% applied. They knew also that in making up that profit account they waited till all the risks had run off, so that two or three years must elapse before the actual profit was ascertained; the amount was, therefore, only an estimate, made as carefully as possible.

The Profit and Loss Account.

Dealing with the profit and loss account, which now totalled £463,000, the Chairman said that, after payment of the dividend for the previous year and provision for estimated taxation, they had carried £80,000 to the general reserve, and a balance remained of £115,000. Out of this balance the dividend to be declared that day would absorb £64,526, and included the new shares issued in purchasing the Ulster Marine Company. It also provided for half the present dividend to meet the proposed interim dividend in October, and the balance left was about equal to the similar surplus of previous years. The dividend now about to be paid with income tax came to over £90,000, an increase of 32% beyond the same rate of dividend paid before the War. If they had been able to divide up the income tax on profits and excess profits charges into the various departmental accounts, then the balance brought into profit and loss account from these accounts would have been much smaller. But they had to deal with it in profit and loss, and it amounted to a very large sum, so far about half a million. Though they were glad they had made profits enabling them to provide such a large amount, and thereby help the country in its special war expense, the net profit was very largely reduced to a much less figure than he feared some shareholders realised.

The Reserves.

The Chairman went on to say that several insurance companies had recently been dipping into their reserves, and adding the amount extracted to their paid-up capital, thereby reducing the uncalled liability of each share. This matter, with its objects and effects, had not been lost sight of by the directors, who felt it required careful consideration at the proper time, that time being the valuation period. There were, however, two sides to the question, and they had to remember that the fact of a large uncalled capital was a strong asset. Clients of a Company, trading far away from home as they did, regarded such an asset with especial favour. Then, again, insurance companies had had more than one experience, due to large conflagrations, when millions had to be provided out of the reserves so carefully guarded in order to satisfy the claims made upon them. Before they recommended any action they would carefully consider in what proportion their reserves, when ascertained at the valuation, stood to the different departmental accounts represented, along with the advantages and disadvantages of the change to which he had referred. Their holdings of British Government securities had increased by just on half a million and now totalled £1,895,000, nearly one-fourth of their assets, showing how they had supported the Government in their trying financial times.

"Acquisition of an Excellent Connection."

Referring to the purchase of the shares of the Ulster Marine Insurance Company of Belfast at a fair price by means of an exchange of some of the Yorkshire's unissued partly paid shares, the Chairman congratulated the shareholders on the acquisition of an excellent connection, and association with the fine body of men connected with that Company, which would help them considerably in the North of Ireland and elsewhere. The directors recommended that Mr. James Hamilton, their general manager, should, after 25 years' service, he appointed a director with the title of either managing director or general manager at a salary to be fixed by the board. This appointment would be for the advantage of the Company and a public acknowledgment by the shareholders of their appreciation of Mr. Hamilton's services. The directors, also on personal grounds, would welcome his presence on the board. In connection with Mr. Mackay's election to the board, he being the last member of the Shareholders' Auditing Committee, the directors felt, in view of the fact that they had professional auditors, there was no need for a continuance of that Committee, and they recommended its discontinuance.

Considerable Increase in Business.

They must again congratulate themselves, said the Chairman, on the considerable increase in business, except in the marine department, the rapid increase in which they all knew would terminate with the cessation of war risks, and a very considerable reduction ensue, of which they had so far only two months' effects in 1918. The increase was general over nearly all the business; the largest proportion in the fire department, however, coming from the United States, where

their managers had worked diligently and intelligently. He was glad, however, to say that at home, and specially in the big corner of ngland peculiarly their home, the increase went on.

Col. Sir G. A. Duncombe, Bart., seconded, remarking that during the past four anxious years the Yorkshire had proved itself a progressive company, and at the end of the War they came out with a report and balance which spoke most favourably for the stability and flourishing condition of the Yorkshire.

The report was adopted.

On the motion of Mr. J. J. Hunt, the meeting confirmed the election of Mr. D. S. Mackay as a director, and re-elected Mr. R. de Neufville, the Hon. N. de Yarburgh-Bateson, and Mr. G. Grinnell-Milne as directors. They also agreed to raise the directors' remuneration from £4,000 to £6,000.

The meeting agreed to the election of Mr. James Hamilton as a director.

Messrs. Turquand, Youngs and Company were re-elected auditors, their remuneration being raised from 300 to 400 guineas.

On the motion of Sir Arthur Lawley, the local directors and staff at home and abroad were heartily thanked, and on the motion of Mr. J. H. Stirling, Belfast, seconded by Lord Cottesloe, the Chairman was thanked for presiding.

THE POTTERIES ELECTRIC TRACTION COMPANY, LIMITED.

The twenty-first ordinary general meeting was held on May 12 at the Manchester Hotel, E.C., Mr. R. J. Howley, M.Inst.C.E. (the Chairman), presiding.

The Chairman, in moving the adoption of the report and accounts, said that the traffic receipts for the year 1918 showed an increase of £46,491, as compared with the previous year, which was largely accounted for by the general increase in fares made in June of last year, and also by an increase in the total number of passengers carried. Of the total increase the omnibus section contributed £4,139. Parcels net receipts amounted to only £612, as compared with £1,028, owing to the enormous increase in the wages of the boys used to distribute the parcels carried on the tramways. Interest and dividends on investments amounted to £15,009, as compared with £13,826. Power and running expenses showed an increase of £21,906, administration and general expenses an increase of £2,892, and repairs and maintenance an increase of £5,949. Of the increase in administration and general expenses, rates and taxes accounted for £2,072. The wage and war bonus of a motorman to-day worked out at 15.81*d.* per hour, as compared with 7*d.* per hour in 1914—an increase of 126%. War stock and other investments amounted to £75,379, as compared with £41,702. The increase of £33,677 was principally made up of War Bonds and of small amounts of Debentures of the Company purchased during the year. The renewals account now amounted to £65,737, and was more than covered by liquid assets. The directors recommended that £25,000 should be added to the reserve fund; that the balance of the dividend of 5% on the Preference shares should be paid, and that a dividend at the rate of 5% per annum should be declared on the Ordinary shares, leaving £12,441 to be carried forward. The addition of £25,000 to reserve brought this fund up to £82,740. Mention was made in the directors' report that the Company had been approached by the Stoke-on-Trent Corporation with a view to the purchase by agreement of the Company's undertaking. At the moment the negotiations had not progressed very far, but he was hopeful that the more reasonable atmosphere in which they were being carried on would lead to the conclusion of some agreement which would be satisfactory to both parties.

Mr. Stephen Mear seconded the motion, which was carried unanimously.

ARMY AND NAVY CO-OPERATIVE SOCIETY, LIMITED

The annual meeting was held on May 12 at Caxton Hall, Westminster, Rear-Admiral J. De Courcy Hamilton, M.V.O. (Chairman of the Company), presiding.

The Secretary (Mr. W. Workman) read the notice convening the meeting and the auditors' report.

The Chairman, in moving the adoption of the report and accounts, said: It is very gratifying to your directors to be able to present to you a result which, I trust, you will regard as satisfactory seeing that it is an advance upon all the previous records of this highly successful Society. The Society's assets, after writing off the necessary depreciations, show a total increase of £69,000, which amount is reflected in the increase in the Society's cash balance and investments. The stock shows a slight reduction, more than accounted for by the fact that considerable supplies were held in the previous year to meet contract requirements in connection with the War. As regards the proposed distribution of profits, it will be seen that the directors recommend a bonus of 6*d.* per share, in addition to 2*s.* per share final dividend for the past year, or 2*s.* 6*d.* in all. This is as against the final distribution of 2*s.* 4*d.* per share last year and involving an additional sum of £10,000. The next item refers to the War bonus for staff, which, on the lines of the previous year, works out at £31,850, an increase of £6,150, due to the fact that rates of pay have been increased and more of the staff have qualified by remaining for the prescribed period in the Society's service. This sum is approximately equal to the bonus of 6*d.* per share which is recommended to be paid to you this year in addition to the usual final distribution of 2*s.* per share. In conclusion, the Chairman moved the adoption of the report and balance sheet.

The Vice-Chairman, Commander L. A. de Sausmarez, A.M., R.N., seconded the resolution, which was carried with one dissentient.

An extraordinary general meeting was then held to consider the proposed amalgamation with the Army and Navy Auxiliary Co-operative Supply, Limited. The Chairman stated that the preliminary details of the scheme were the subject of full discussion by the executives of the two companies, and their respective views and claims were considered by the board and referred, with full particulars, to the Society's auditor for reference to Sir William Plender, and the joint recommendations contained in their report were adopted by the board.

The Chairman next proposed: "That the capital of the Company be increased to £100,000 by the creation of 800,000 additional shares of 1*s.* each."

The Vice-Chairman seconded the resolution.

RIO DE JANEIRO CITY IMPROVEMENTS CO., LTD.

The fifty-seventh ordinary general meeting was held on May 13 at Winchester House, the Hon. Herbert C. Gibbs (the Chairman) presiding.

The Secretary (Mr. Henry Haggett) read the notice and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said that there was an increase last year of 559 in the number of houses on the Company's books. The balance of profit was almost exactly the same as in 1917, and though this result had been brought about by various circumstances and corresponding entries which might not all recur, it looked as if it might be taken as a fair guide to future results. On the one hand the receipts were increased by the recovery of a difference in exchange at which the revenue was paid in the first half of 1917, which amounted to £4,830, and by a provision against doubtful debts of £7,394, which was found to be unnecessary and was therefore written back. Those items increased the receipts by about £12,000, and, on the other hand, while they made a provision of £10,000 less against excess profits duty in the 1918 accounts, they paid £17,700 more for income tax and they increased the sinking fund by £4,000, so that under those headings their expenditure was increased by about £12,000. They had in cash or liquid assets about £446,000, which showed a considerable improvement even over last year; but with those liquid assets they had to carry on the expenditure of the Company until the half-yearly revenue was received in July, as well as to pay any final dividend which might be distributed and to meet any of the "sundry amounts payable" which might become due. They ought also to provide cash or securities for the sinking fund, and as these two latter items—namely, "sundry amounts payable" and sinking fund—amounted together to about £434,000, their liquid assets were none too large for their liabilities, so that they ought still to continue to improve the cash position as opportunity offered. At the same time, the cash position was so much more nearly satisfactory than it had been that the necessity for setting aside large sums for reserve was less than formerly, except as regarded the general reserve account, which stood at £250,000 and was formed to counteract any increase in capital expenditure. Thus the board considered the time had come when some increase in dividend was justified, and they recommended that the 5% which the shareholders had received with such commendable patience for so many years should be increased to 6%, and he must admit that when they considered the large sums set aside out of profits for the various reserves, on which no dividends were payable, a dividend of 6% on the actual capital was a very modest return.

Mr. Herbert K. Heyland seconded the motion, which was carried unanimously.



THE PEOPLE'S REFRESHMENT HOUSE ASSOCIATION, LIMITED.

THE twenty-second annual general meeting was held on May 12 at the offices, St. George's House, 195 Regent Street, Mr. C. R. Seymour in the chair. The report and accounts were passed.

The Chairman congratulated the shareholders on the continued progress of the association, in face of the many difficulties caused by the innumerable war regulations as to supplies of food, maintenance of food registers, beer and spirit prices, hours of sale, &c. It was greatly to the credit of the local managers that the work of the inns in town and country, ranging from Northumberland and Lancashire to Kent and Cornwall, was carried on almost as smoothly as in peace time. The smaller country inns, far from stations, had suffered greatly in the matter of catering and lodging, owing to the restrictions on railway and motor traffic, but Easter week this year showed that movement on the roads was coming back to the old level, and it was evident that many of our old cycling and motoring friends who had sampled the P.R.H.A. houses in pre-war days had taken again to their old haunts. One such customer, who had visited more than a dozen inns, wrote a few days ago that the P.R.H.A. sign was to him a guarantee of comfort and good management.

Potato Clubs.

Owing to the food scarcity in the spring of 1918 the committee had encouraged the formation of local potato clubs. Fifty-six clubs were formed, and £294 distributed by the association as prizes for potatoes grown without the aid of paid labour. The scheme would be continued this year, with exhibits not only of potatoes, but also of other useful vegetables.

The association had lost through the deaths of Sir Thomas Dyke Acland and Mr. Walter Hazell two staunch supporters of reasonable public-house reform, who had followed the work from its small beginnings, when management by a company of this kind was a perfectly untried experiment. The success of this venture had led to the formation of local public-house trusts, but the P.R.H.A., with its 145 licensed houses, held a larger number of inns than any similar company in the world.

Maximum Dividend Continuously Paid since 1899.

Financially, the year ended December 31, 1918, had been most satisfactory; the maximum dividend of 5% (which had been continuously paid since 1899) could be declared as usual, £500 added to public utility fund, £2,005 to reserve fund, £2,000 to income-tax reserve, £700 to repairs reserve, and £1,442 carried forward. The balance sheet showed that the financial position was most encouraging, investments standing at nearly £44,000 and reserve funds at £15,000, in addition to depreciation reserve on furniture, &c., of £23,000. It was most desirable to have plenty of available cash, as an unusually large number of suitable licensed houses were being offered for sale, The association therefore invited applications for Ordinary £1 shares, and also for Five per Cent. Loan stock, in order that there might be no check in the steady development of the work.

BRYANT AND MAY, LIMITED.

THE thirty-fifth annual ordinary general meeting was held on May 14 at the Fairfield Works, Bow, E., Mr. Wm. A. Smith (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the directors had followed their usual plan of setting forth very clearly and succinctly the true financial position of the Company. Taking all circumstances into consideration—some of which were very trying—the result of the general trading for the year was eminently satisfactory. The match control terminated synchronously with the close of the accounts presented. As everyone who knew him could testify he was virulently opposed to all interference by Government officials with business, but it must be freely admitted that, had all control been exercised in the same manner as the match control, then his objections must fall to the ground.

New Factory at Glasgow.

As to their new factory at Glasgow, he visited it with Mr. Wright, their Liverpool manager, and he was more than ever convinced that they had taken a step in the right direction. They had got a most excellent site on the Forth and Clyde Canal, with a dock built for them on the Company's own property, ample ground for extensions, and in a good situation to obtain a sufficiency of workers. The saving in carriage alone would be considerable, and he felt sure it would speedily be a satisfactory and paying investment.

Profit-Sharing Scheme under Consideration.

As to the paragraph referring to a new departure which the board proposed to take in regard to sharing with the workers some of the profit they hoped to earn, he was sure that that would meet with the cordial approval of the shareholders. Their colleague, Mr. Bartholomew, had specially devoted much time, thought, and labour in collating various plans which had been more or less successfully adopted, and had placed before the directors the outlines of a proposal which greatly commended itself to his (Mr. Smith's) judgment, but he recognised that by the arrangement of its capital this Company presented difficulties in regard to that not often met with in large business organisations of a similar nature. The matter was being carefully studied, and when what was considered a feasible plan had been evolved it would be submitted for the judgment and approval of the shareholders.

The Balance Sheet.

Dealing with the balance sheet, the Chairman said that the cash in hand amounted to £24,484, against £3,198, while sundry debtors and debit balances and stocks in trade had largely increased, being £744,765, against £385,430. On the other hand, investments had decreased by £113,299. This, he was glad to say, did not mean that their holdings in kindred concerns had decreased; on the contrary, they had rather increased, and the return from them last year amounted to no less than 9.6%.

Mr. George W. Paton (Deputy-Chairman and Managing Director), in seconding the resolution, said the net profit had considerably improved, and carried them back to where they were in 1910. At the same time the shareholders would be pleased to know that the workers had shared in the prosperity of the Company. The shareholders had received increased dividends of £18,000 to £22,000 per annum, and the direct wages paid to the workers each year had been on an increasing basis, this year amounting to £110,000 more than in 1914. Plant, premises, &c., totalling £766,000, was much below the actual value of the property, premises, and machinery at present costs. In Glasgow they had a nice compact factory, erected very economically, notwithstanding these expensive times, and when completed it should be able to supply the entire requirements of Scotland in matches.

A Forty-Seven-Hour Week.

The match industry had adopted a 47-hour week, and this Company had arranged the hours whereby they still maintained the Saturday off. This had worked admirably, and was much appreciated by all. During the year a joint industrial council for the match manufacturing industry had been formed under the Whitley Report, and was composed of an equal number of employers' and workers' representatives. The Council arranged the introduction of the 47-hour week, which was granted to everyone in the trade without loss of pay. The Council had also just agreed to a scheme where full pay would be given for all Bank Holidays, and that a week's holiday (in August in the case of this Company's factories) should be granted with full pay. There were necessarily conditions and terms under which this was given, but he was glad to say that the whole of the negotiations and arrangements had been carried out with the utmost harmony and goodwill. As to the future he was often asked by shareholders, and sometimes by his colleagues, as to the prospects and as to future dividends, and his invariable answer, which was not very satisfying, was that he was a match manufacturer, and not a prophet. At the present time he was an optimist in regard to the match business.

The resolution was carried unanimously.

CITY OF SANTOS IMPROVEMENTS COMPANY, LTD.

THE thirty-eighth annual general meeting was held on May 14 at Salisbury House, E.C., Mr. F. Henderson (the Chairman) presiding.

The Secretary (Mr. E. H. Sulman) having read the notice convening the meeting and the report of the auditors,

The Chairman said: The Brazilian coffee plantations had suffered much damage by unprecedented frost in June last, and the result would undoubtedly be reflected in the Company's earnings. Their net revenue in Santos, £100,382, showed an increase of slightly over £10,300 as compared with 1917, and £8,500 of the increase went to the credit of net revenue account. The currency income from all their undertakings in Santos had increased by only 7 per cent. in the last five years, which was far below what might have been anticipated in normal times. Working expenses had been cut down to a minimum, but to some extent the future must pay for the present impossibility of maintaining the property in the state of efficiency hitherto aimed at. Many extraordinary expenses had been sustained, and revenue had suffered by the low rate of exchange prevailing during the War. Before any real improvement in the Company's revenue could be anticipated normal trade conditions must be established, with a higher and steadier exchange, and until the prices of engineering material and coal and freights fall considerably they could not earn the rate of profit which shareholders in such a Company were justified in expecting. Their gas undertaking again showed a working loss, which was inevitable: they were suffering from circumstances entirely beyond their control. Coal, which in 1913 cost £2 16s. 1d. per ton, averaged £8 12s. 9d. in 1918. Receipts from private lighting showed a small decrease, but for cooking and heating there was an increase of 14 per cent., and further expansion under this heading was hoped for. The present gas

concession expired in February next, and it was essential that in any new contract such charges for gas should be fixed as were consistent with interests of consumers and shareholders alike. Railway rates had not been raised except on Government-owned lines, and from the point of view of this Company it would be but bare justice that rates should be reconsidered. The number of houses supplied with water had slightly increased, and the revenue from tramways and electric light and power supplies showed slight increase also. The result of the year's trading was £81,164, and £11,490 was brought forward. They transferred £5,000 to reserve account and £4,000 to tramways renewal account, and a dividend of 4 per cent., less income tax, would leave £13,785 to be carried forward. He moved the adoption of the report and accounts and the declaration of a dividend accordingly.

Mr. H. U. Wollaston seconded the motion, and a vote of thanks to the Chairman concluded the proceedings.

JOHNSON AND PHILLIPS, LIMITED.

THE fourteenth annual general meeting was held on May 15 at Winchester House, Old Broad Street, E.C., Mr. W. Claude Johnson (Chairman of the Company) presiding.

The Secretary (Mr. H. J. Sheppard) having read the notice convening the meeting and the report of the auditors,

The Chairman said: The trading profit for the year under consideration, after charging an amount of £13,985 for maintenance of buildings, plant, &c., amounts to £80,275 17*s.* 6*d.*, an increase of £10,000 odd over that of the previous year. To this we have to add the balance brought forward from 1917, amounting to £13,564, making up a total which we have to deal with at this meeting of £94,055 18*s.* 1*d.* From this sum we have to deduct the remuneration of directors, auditors and trustees, £1,678 13*s.* 6*d.*, interest on Debenture stock to December 31, 1918, £4,540 5*s.*; reserve *re* Debenture sinking fund, £8,354 14*s.*; interest on Second Debentures to December 31, 1918, £2,500; depreciation on machinery, plant, &c., £14,423 9*s.* 5*d.*; interest on loans, £1,099 19*s.* 11*d.*, income tax and excess profits duty, £10,126 14*s.* 4*d.* In addition your directors have thought it advisable to write a further £2,500 off patents, which reduces this item to £2,500, as shown in the balance sheet, and also to transfer a further £10,000 to reserve account. These deductions amount in all to £55,223 16*s.* 2*d.*, leaving a balance available amounting to £38,832 1*s.* 11*d.* Your directors recommend the payment of a dividend of 10 per cent. per annum upon the shares of the Company, which will absorb £17,500, leaving to be carried forward to next year a balance of £21,332 1*s.* 11*d.* Turning to the balance sheet, it will be noticed that rather more than half of the First Mortgage Debenture stock has been redeemed and paid for out of profits and that the assets of the Company now exceed the liabilities by the sum of £332,987, which, I think you will agree, shows very clearly that our business is in a thoroughly sound position.

Proposed Increase of Capital.

I am now coming to item No. 3 on the agenda—namely, the increase of our capital by 175,000 new Ordinary shares—for which we are asking your sanction. We mean to issue this new capital almost at once, and, subject to your passing the resolution, we have made arrangements with a well-known issuing house to purchase the whole of the 175,000 shares from us at a premium. I would like to mention that since the formation of the Company in 1905, fourteen years ago, £95,500 has been set aside out of the profits of the business for depreciation, while during the same period over £95,000 has been expended (and charged against profit and loss account) for the repairs and maintenance of our property. Further, and I am sure you will appreciate the importance of this fact, during these fourteen years a sum of over £166,000 has been spent on new plant, machinery and buildings.

Mr. G. E. Davis seconded the motion, and the proceedings terminated.

WATFORD MANUFACTURING COMPANY, LIMITED.

THE twenty-first ordinary general meeting of the shareholders was held on May 14 at the Cannon Street Hotel, Cannon Street, London, E.C., Mr. G. Havinden (Chairman and Managing Director) presiding.

The Secretary (Mr. Francis J. B. Hemming, F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—You have the accounts for the last year before you, from which it will be seen the net profit was £35,193, against £31,009 for 1917, £17,491 for 1916, and £13,584 for 1915, and from these figures you will observe that the Company has been consistently progressive. After providing adequately for depreciation and paying the "A" Preference and the Preferred Ordinary dividends it is proposed to pay a dividend of 7½% on the Ordinary shares, calculated from the dates of the respective payments thereon.

The Balance Sheet.

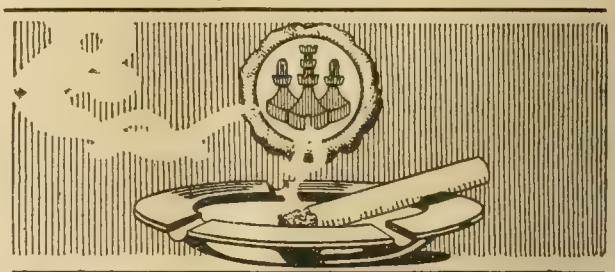
Turning to the balance sheet, the issued capital has been increased by £250,000 in accordance with the resolutions passed last year, the outcome of the negotiations with Lord Leverhulme, which has had a material effect on the success and conduct of the Company, as in addition to Lord Leverhulme's financial holding we have the advantage of his wonderful experience and matured judgment. Of this £250,000, £200,000 had been paid up at December 31, and the balance of £50,000 has since been received. In comparing the 1918 balance sheet with that for 1917 it will be noticed that the overdraft at the bank was liquidated by means of new capital introduced. On the assets side there is a very large increase in the item of stock and buildings, but this shows how necessary it was to take the step last year of introducing additional capital, especially when taken in conjunction with an amount of over £26,000 which has been expended on additional plant and machinery.

Difficulties in Conducting Business.

It is sometimes alleged that unrest in the labour world is due to the disproportion between the benefits derived by labour and those who provide the capital. It may interest you to know that, while a considerable amount is paid to you as shareholders in total dividends during the year, a sum many times that amount was paid in salaries, wages, bonuses, amenities, and benefits. It has also become a commonplace for chairmen of public companies to refer to the difficulties in conducting business during the past year, and I can assure you they have been very real in our trade, but we have met them courageously and been able to overcome them and maintain our works at full pressure so far as the available labour would permit, resulting in a record turnover in tonnage and value. This, however, would not have been possible were it not for the earnest co-operation and unremitting energy of the whole staff, and in this connection I should now like to acknowledge the valuable assistance the shareholders rendered me by their resolution of two years ago in support of my schemes for the welfare of the employees. This is now being reflected in the bright and happy atmosphere which pervades the whole of Delectaland.

Activities at Delectaland.

As your Chairman and Managing Director responsible for the safe administration of the money entrusted by you to this Company, may I very briefly acquaint you with the activities at Delectaland, in which you must necessarily feel more than a passing interest? Not only as members of the investing public are you interested, but as members of the



general public, consumers of our goods, for it is of paramount importance in the interest and well-being of the nation at large that foodstuffs of all kinds, and particularly those for human consumption, should be produced under ideal conditions in every sense of the term. In realising, as I am sure we all do, this moral obligation to the general public, we must establish for the workers conditions of security, health, and happiness, so that the purchasers of our goods may know that "Made in Delectaland" is a guarantee of good faith, and by buying our goods and recommending them to others they are not only safeguarding their individual and personal interests, but associating themselves by their support with all that is most desirable in industrial working conditions. The first essential to obtain these conditions must be recognition and appreciation on the part of the buying public, encouraging whole-hearted sincerity on the part of our directors and shareholders, so that the managerial and executive staffs in our business are unfettered in their desires to enlist the enthusiastic co-operation on the part of our workers on whose behalf the efforts are made. When these essentials exist all is well, and I again thank you for your resolution making it possible to create such a state of affairs. I have no hesitation in saying that the balance sheet it is my privilege to present to you to-day is the healthiest for some time past in the Company's history, due in a large measure to the co-operation and strenuous efforts that have been exercised by my colleagues in their varying capacities, actuated by a real desire for the improvement of industry and industrial conditions, and whom I desire to thank in your name and for myself.

Sir William P. Treloar, Bart., J.P., seconded the motion, which was carried unanimously. A vote of thanks to the Chairman and directors closed the proceedings.

STRAITS RUBBER COMPANY, LIMITED.

The ninth annual general meeting of this Company was held on May 16 at Winchester House, Old Broad Street, E.C., Mr. E. L. Hamilton (the Chairman) presiding.

The Secretary (Mr. F. E. Maguire) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—Since I had the pleasure of addressing you a year ago we have passed through a critical period in the history of the rubber industry, and I hope that the report and accounts which we submit to you to-day—and which, with your permission, I shall take as read—will be considered by the shareholders as satisfactory. Although the profit earned during the period under review is only £108,104, or just about half that earned during the previous year, I think it reflects credit on all concerned that this should have been attained with a reduced crop under the restriction scheme of the Rubber Growers' Association, to which we gave our adherence, considering that at one time during the year rubber was selling in Singapore below cost of production.

F.O.B. Cost and Net Selling Price.

The rubber was produced at a free-on-board cost of 9¼*d.*, against 9*d.* per lb. in the previous year—an increase of only ¼*d.*, which is much less than I anticipated when I warned you a year ago that restricted crops meant increased cost of production. The crop realised an average net price of 1*s.* 7¾*d.* per lb. A large proportion of the crop having been sold for shipment to America, it would only be misleading and serve no useful purpose to endeavour to arrive at the London equivalent terms, as in previous years. We have, therefore, given you the free-on-board cost and the net selling price. After deduction of London charges, only ½*d.* per lb., the profit is 10*d.* per lb. In addition to the profit earned on our rubber, we have, as you will see if you turn to the profit and loss account, the dividend on our holding in the Rubana Company, interest on War Bonds and deposits, also an amount realised in excess of valuation on the 1917 stock of rubber.

The Development Reserve Account.

The dividend received from the Rubana Company is less than in former years, only £5,006, against £18,656 in 1917, due to the fact that that Company, in common with many others, as a matter of prudence distributed no interim dividends last year. In the critical period to which I have referred all well-managed concerns deemed it wise to conserve their financial resources. I told you last year that we had a substantial margin on capital account to carry out the development programme which we were committed to, and that remains the position to-day; but, all the same, we propose to take this opportunity to add the comparatively small sum of £5,000 to development reserve, as it will then bring that account up to £175,000—just one-half of our issued capital. When this Company came into existence in 1910 we had, with an issued capital of £350,000, a total cultivated area, including the Rubana Estate, which we then owned, of 5,377 acres—viz. 5,087 acres under rubber and 290 acres under coconuts. To-day we have, including our interest in Rubana, a cultivated area of 10,775 acres of rubber and only 60 acres of coconuts. The capital cost per acre, excluding coconuts, is to-day £32 9*s.* 7*d.*, against £68 16*s.* in 1910. This has been achieved out of profits, and you have received up to and including 1917 an average dividend of 44½% per annum. To-day we recommend the payment of a dividend of 30% for the period under review.

Income Tax.

You will have observed that it has been necessary to set aside the substantial sum of £20,000 for provision for income tax. This is due, as you probably know, to the income tax being assessed over a period of three years, and as the profit earned during this year is less than in the previous years, we shall have to pay to the Treasury a larger sum than we shall recover from the shareholders. We have, however, brought forward from 1917 a very much larger balance than usual to provide for contingencies, and consequently, after making the necessary provision for income tax, our carry-forward to-day of £17,057 is about the usual sum, and quite sufficient under ordinary circumstances.

The Planted Area.

With regard to the planted area, I have told you that we have 10,775 acres under rubber. This is represented by 9,033 acres on our own estates and by 1,742 acres on the Rubana Estate, the proportion of our holding in that Company. This compares with, a year ago, a cultivated area of 8,244 acres on our own properties and 1,675 acres on the Rubana Estate—an increase of 856 acres of rubber. The coconut area, you will have observed, has been reduced from 540 acres to 60 acres, the coconuts having been cut out and the area replanted with rubber. We still have an uncultivated area of 1,500 acres on the Nova Scotia Estate suitable for growing rubber, and it is our intention to plant up this area as circumstances permit.

General Manager's Report.

In his annual report Mr. William Duncan, our General Manager, says that during several years past it has been our policy to preserve the health and improve the vitality and yielding-powers of the trees by the destruction of timber, improved methods of cultivation and drainage, selective removal of superfluous trees, and modified tapping, and this policy was continued without stint during 1918. The results of these works have been satisfactory in all respects, but particularly so in improved bark conditions, following thinning out and reduction in the intensity of tapping. Mr. Duncan is of the opinion that a continuance of the single cut on one quarter of the tree may be found after a time to be too conservative, but there is evidence on all sides that the amount of rubber obtained per unit of bark excised is, by this system, increasingly greater than that obtained by the double-cut system, and while such increase continues it would be unwise to depart from it. Thinning out was continued during the year, and the average number of trees remaining per acre is now on Nova Scotia 85, and Gedong 82.

Fewer Trees Lost from Disease.

In future thinning out we shall be guided by circumstances, but it is unlikely that we shall find it desirable during the next year or two to remove more than a few trees per acre which may from disease or wind storms become useless. The loss of trees from pests has gradually grown less with the destruction of timber, and is not now a serious matter. The older forms of disease, such as fomes, now give little trouble; but new ones (or in some cases old diseases under new names) from time to time appear, the latest being that known as brown bast. The available mycologists have been concentrating their attention on this disease, but so far their efforts have not been productive of much additional knowledge of it. In the districts in which this Company operates we have not so far felt any shortage of labour. Our Managers, Mr. Cruickshank on Gedong and Mr. Phillips on Nova Scotia, carried out their respective duties to the entire satisfaction of our General Manager in face of many difficulties of an unforeseen nature. To these gentlemen, and to our General Manager, Mr. William Duncan, we owe our cordial thanks for the excellent results obtained. During the War, which is now happily over, it was found impossible to grant home leave to any except those who were ordered home by a medical officer, but local leave was given whenever possible. Those of our staff who joined H.M. Forces are being gradually demobilised, and on their return to the estates we hope to release those who remained and carried out their increased duties with loyalty and without demur, and to whom our special thanks are due.

Forward Sales.

With regard to the prospects for the current year, I am not going to commit myself to figures, but I can say that the outlook is quite good. Restriction of output ceased on December 31 last, and we estimate to produce a crop in 1919 of 2,682,000 lb. on the conservative system of tapping to which I have already referred. A considerable portion of this crop has been sold for forward delivery at remunerative prices, and on a similar basis a proportion of the 1920 crop has been sold. I shall not detain you by giving statistics of the industry as this subject was recently so fully dealt with by Sir John Anderson, the retiring Chairman of the Rubber Growers' Association, and those of you who are interested in the subject have, no doubt, read his very able address, which was published in *The Times* of April 28 last.

Appreciation of Services Rendered by the Rubber Growers' Association.

Before closing my remarks I think it would be appropriate for me to record my appreciation, on behalf of the Group of Companies which I represent, of the important services rendered to the industry by the Rubber Growers' Association, especially during the period in which this country has been at war. I am sure those services are recognised by all who have an inside knowledge of the working of the Association, but, unfortunately, there are some—a minority, I am glad to say—belonging to the Association, and a number who have remained outside, who have unfairly criticised the Association's work, forgetting that the Association has no executive power and can only endeavour to guide its members as to the course most beneficial to the industry as a whole. I have in my mind the action of the Association in connection with the restriction of output scheme. That scheme was necessarily a voluntary one, for the reason, as I have just said, that the Association has no executive power, and, although the scheme was only supported by a section—70% of its members—and by few, if any, outside the Association, it nevertheless was a great benefit to the whole industry, and if those who stood aloof had joined in the scheme, instead of standing outside and reaping the benefits derived from the action of the few, the position would have been very different, and I venture to say the price of rubber would not have fallen to the very low level it did during the critical months of last year, for, instead of a curtailment of 20,000 tons, we should, if all, both inside and outside the Association, had come into the scheme, have had a reduction of something like 60,000 tons or more.

Happily the necessity for restriction of output is not pressing at the moment, but it may come later and we should be prepared for it. The supplies of plantation rubber will, during this and next year, show considerable increases, but there is every indication that, with the expansion of the motor industry, particularly of mechanical haulage for commercial purposes in the United States and elsewhere, all the rubber produced will be required and will, I hope, sell at remunerative prices.

I now beg to move :—"That the statement of accounts and balance sheet at December 31, 1918, and the reports of the directors and auditors be received and adopted."

Mr. Thomas Cuthbertson seconded the motion, which was carried unanimously, and it was further resolved :—"That a dividend of 30%, less tax, be and it is hereby declared payable on the 16th day of May, 1919, to the shareholders on the books of the Company on the 8th May, 1919."

The Chairman next proposed the re-election of Mr. Arthur Young as a director of the Company, which was seconded by Sir John F. Ramsden, Bart., and unanimously agreed to.

Messrs. McAuliffe, Davis and Hope were reappointed auditors, on the motion of Mr. Robert Smith, seconded by Mr. J. W. Reid, and a hearty vote of thanks to the Chairman and directors as well as to the staff in the East concluded the proceedings.

THE EDINBURGH RUBBER ESTATE, SELANGOR, LTD.

The tenth annual general meeting of shareholders was held in the Registered Office of the Company, 102 Hope Street, Glasgow, on Wednesday, May 14, Mr. John Wishart, the Chairman, presiding.

Mr. Macdonald, for the Secretaries, read the notice calling the meeting and the auditors' docquet.

The Chairman, in moving the adoption of the directors' report and accounts, said : With your permission, as usual, the report and statement of accounts will be held as read. You would observe from the directors' report that the yield of rubber was over 43,000 lb. short of our estimate, and, as the report pointed out, the deficient yield was accounted for by the influenza outbreak and a certain shortage of labour. Further, the weather experienced during 1918 was unfavourable. The output for the present year has been estimated at 500,000 lb., and there appears to be no doubt this will be secured. It will be observed from the report that the "all-in" costs were twopence and one-third of a penny more than last year's cost. The low output, of course, and the higher cost of labour accounted for this.

While the results for last year are less favourable than we had hoped for, it is satisfactory to note that Mr. Harvey, the visiting agent, states in his last report that the estate has probably gained considerably by the light tapping during the year. You will note from the report that the final dividend recommended will encroach to a considerable extent on the sum carried forward from last year. In the ordinary course this is not a policy that we should have recommended to you, but we are entitled to receive from the Inland Revenue authorities in repayment of excess profits duty a sum which, when added to our profits for the year, will give us a substantial balance. The definite figure has to be adjusted with the assessor after the shareholders have passed the balance sheet.

The Future of the Industry.

As to the future of the industry, the position is clearer than when we met last year. Restrictions as to shipping and as to export to America have been removed. Freights have been considerably reduced, and vessels are more plentiful, while war risk insurance—which has cost us a considerable sum of money during the last few years—is practically a thing of the past. As against this, however, I am not satisfied with the present method of disposing of our produce. The position is that, although the British Empire is now producing the great bulk of raw rubber, only a small proportion is being used within the Empire. In these circumstances it would seem reasonable, from our point of view, that there should be a combined method of selling. As matters at present stand, hundreds of producers are endeavouring to dispose of their produce to a limited number of buyers, who are practically able to dictate what prices the producer will receive. Until something in the way of an international combination of producers can be arranged the price of rubber will, to a large extent, be at the mercy of the buyer. I believe this view is gaining ground, and I hope, now that the War is over, some satisfactory solution of the problem may be effected during the present year; but if the solution is to be satisfactory a lead must be given by London.

I now beg to move that a final dividend of 20%, less income tax (making 30% for the year), be declared, and that the report and accounts be adopted.

The adoption of the report and accounts was formally seconded by Mr. Hoggan and unanimously agreed to.

Messrs. Meikle and Dougal were unanimously re-elected directors.

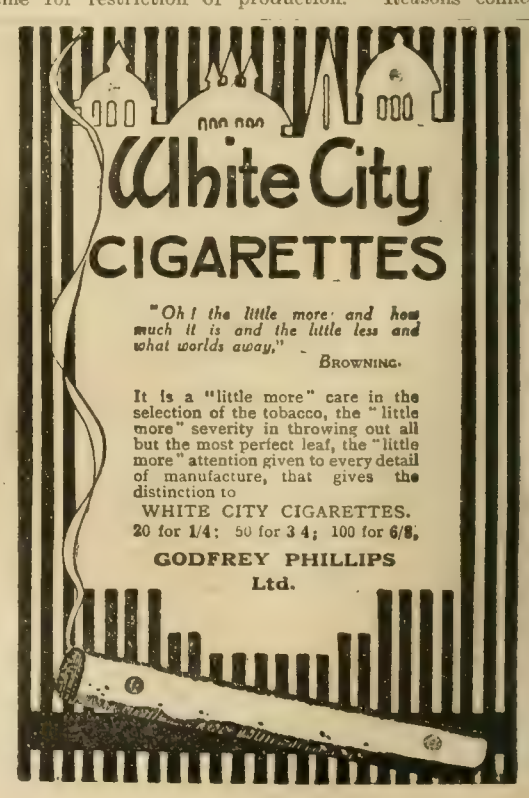
The auditors, Messrs. Gibson and Anderson, C.A., were also unanimously re-elected.

LANGEN (JAVA) RUBBER ESTATES COMPANY, LIMITED.

The ninth ordinary general meeting was held on May 15 at 38 Eastcheap, E.C., Mr. C. E. Welldon, the Chairman, presiding.

Mr. J. Mitchell Thom, on behalf of the Secretaries, Messrs. Harrisons and Crosfield, Limited, having read the notice convening the meeting and the report of the auditors,

The Chairman, in the course of his address, said : Our issued share capital is the same as in the last balance sheet—namely, £102,700. Our reserve account stands now at £33,000. The cost of the estate is still £115,862 15*s.* 1*d.* The capital expenditure on buildings and machinery during the past year has been slightly more than met by the amount of depreciation written off. At August 31, 1918, our capital expenditure, excluding live stock, amounted to £135,680 1*s.* 1*d.*, which, after allowing for our reserve account, but without placing any value on the reserve land, gives a capital cost of £41 2*s.* 3*d.* per acre for the 2,449 acres under cultivation. If the proposals to capitalise part of the reserve are passed, the cost per acre will amount to about £50. An addition of 61 acres was made to the planted area during the year under review, which, with survey adjustments, brings the total area under rubber up to 2,276 acres. During the current year this acreage will be increased by about 100 acres. The rubber crop harvested during the year under review amounted to 698,281 lb., compared with 774,375 lb. in the previous year. The decrease in the crop was due to our adhering to the Rubber Growers' Association scheme for restriction of production. Reasons connected



with the difficulty of shipping and marketing rubber in 1918 prevent us from quoting a reliable figure for the all-in cost of our rubber in London. We therefore quote in the report the f.o.b. cost, which was 11.09*d.* per lb., exclusive of loss on exchange. The average net sale price, including the estimated value of the unsold portion of the crop, was 1*s.* 7.20*d.* per lb. I should mention that in the f.o.b. cost quoted above we have included the cost of upkeep of immature areas and of work on new clearings, amounting to .99*d.* per lb., and a charge for Java income tax of 1.28*d.* per lb. You will therefore see that, in spite of our restricted crop, our f.o.b. cost was quite reasonable. The coconuts again yielded only a small profit, the crop being 266,913 nuts, compared with 329,622 nuts in the previous year. Our intention is gradually to replace these with rubber in the near future. The net profit for the year amounted to £21,605 3*s.* 9*d.* After payment of excess profits duty for the year ended August 31, 1917, amounting to £30,728 10*s.*, and after transferring to reserve accounts the amounts appropriated at last annual meeting and making donations to War charity as voted, the net carry-forward from 1916-17 was £6,519 12*s.* 2*d.*, making available £28,124 15*s.* 11*d.* The crop this year will, therefore, not be as large as it would have otherwise been, but I hope to see the Manager's estimate of 680,000 lb. slightly exceeded. For the eight months to April 30 we have harvested 449,162 lb. We have sold 220,165 lb. of this, at an average net price of 1*s.* 8.80*d.* per lb. f.o.b. Batavia. We have still to deliver 72 tons, or 161,280 lb., out of the current year's crop, at an average net price of approximately 1*s.* 10.48*d.* per lb. We have also sold forward 120 tons, or 268,800 lb., at an average net f.o.b. price of 1*s.* 9.97*d.* for delivery out of the 1919-20 crop.

Mr. H. Eric Miller seconded the motion, which was unanimously adopted.

A dividend of 12½ per cent. was declared.

At an extraordinary general meeting which followed a resolution was passed altering the articles of the Company to enable the proposal of the directors to be carried out—namely, to capitalise £22,300, part of the amount standing to the credit of reserve account.

LANGKAT SUMATRA RUBBER, LIMITED.

The eleventh annual ordinary general meeting of this Company was held on May 14 at the registered offices of the Company, Mincing Lane House, 59 Eastcheap, E.C.

Mr. Frank Copeman (the Chairman) presided, and in moving the adoption of the report and accounts, said the accounts were submitted in a new and, he thought, rather improved form as compared with that previously adopted. In the trading account the estates expenditure was £20,021, against £20,888 for the previous year. The fall in crop did not bring a corresponding fall in expenditure, but he should add that the item included the substantial sum of £925 paid for War profits tax in the Netherlands Indies. The difference in exchange was only £143 18*s.* 8*d.* The bulk of their crop was sold in the East, and paid for there, and they did not therefore have to remit a very large sum to Medan. The net proceeds of sale of rubber was £27,989, as compared with £44,738. Last year he had to record a reduction in their receipts of £16,000, so that shareholders would see what the restricted crop and the low price of rubber had done.

The Balance Sheet.

With regard to the balance sheet, the sundry creditors might appear to be rather large, but they included mainly the items for income tax for two years and a large payment which had to be made in Medan for income tax and War profits duties. The estate now stood in the books at £68,201, and buildings were depreciated by £1,000, bringing them down to £1,610. The rubber on hand unsold, valued at £7,878, was taken in at the very safe figure of 1*s.* 4*d.* per lb. net. Sales have since been made at a higher figure, and that would, of course, appear in the next balance sheet. In regard to loan account, that would cease to appear in that form in future account, as shares would be issued to represent their investment in Tamiang Planting Syndicate. Application had been made to the Treasury, and they anticipated that sanction would be given. Their investments showed a substantial appreciation, and he would mention that the Tamiang shares which were valued at par now stood at about 2½. As to the accounts, they had followed what for them was a very unusual course in recommending the distribution of a larger sum than they had made during the year, but they felt justified in taking that course.

A Very Much Better Position.

Last year, owing to the conditions which then prevailed—the American restriction, the restriction on output, and such like—they felt constrained to recommend a small dividend and a large carry forward. Their position was now very much better, and they felt justified in trespassing to some extent on the carry forward, especially as they had a claim for excess profits duty, amounting to rather over £9,000, which was not taken into these accounts, but would appear in the next. The total amount paid to the Government in excess profits duty in the past had been £13,850, and last year £667 had been returned to them. He would like to draw their attention to the very satisfactory way in which Langkat rubber was made. They had a first-class name for quality, for which their Manager deserved great credit. Their first-grades ribbed smoked sheet and crêpe came to 85% of their total crop, and their first compound scrap took 12%. The visiting agent in his last report stated that crêpe was beautifully made and unblemished, while the two composition grades were as good as any he had ever seen. That statement was borne out by the reception of their brands on the market. The estimate for the current year was 480,000 lb.

The Rubber Growers' Association Scheme.

During the past year they had been working under the Rubber Growers' Association scheme for the restriction of output, which came to an end at the conclusion of last year. That scheme had been described by some as a failure. In one sense it was, but it would have been a great success if a greater number of producers had joined this scheme. The effect on the market was undoubtedly beneficial, as at the time the armistice was signed they had very large stocks, and but for the voluntary scheme of restriction there must have been about 25,000 to 30,000 tons more on the market. They had thus been able to give the trees a rest, and to pay close attention to disease work. It might be asked why they did not estimate for more than 480,000 lb. during the current year. In answer to that he would say they were not pressing for crop, they would rather this year exercise close care in the harvesting of the crop in order that the trees might benefit, and that they might benefit in future years by the increased crop. The yield per tree was 4.61 lb., which he thought would be regarded as satisfactory. The estate had been kept in a thorough state of cultivation, and at a very moderate cost. They had spent £2,717 during the year on plant sanitation, and the weeding worked out at 4*s.* 3*d.* per acre per annum. The cost per planted acre, including the buildings, worked out at £38 8*s.* per acre. If they deducted the reserve fund of £20,000 it made £27 8*s.* per acre, and with the further sum of £1,500 they now proposed to place to reserve, the cost would be brought down to £26 11*s.*

The report and accounts were unanimously adopted.

KUALA SELANGOR RUBBER COMPANY, LIMITED.

The ordinary general meeting was held on May 13 at Winchester House, Old Broad Street, E.C., Mr. William Austin Horn (Chairman of the Company) presiding.

The Secretary (Mr. S. L. Thompson) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—Before moving the adoption of the report and accounts I should like to offer a few words of explanation as to the present position of the Company. Since I last had the pleasure of addressing you we have gone through, as you know, a very strenuous time. Owing to the extraordinary demands made by the Government for shipping we have had great difficulty in getting our produce home; in fact, we were not able to get a great amount of it brought over. In addition to that the Rubber Growers' Association, or the bulk of the companies that they represent, agreed to a restricted output, so that the limited shipping facilities should be equal to the quantity that was being sent home.

Restricted Output.

In spite of this restricted output stocks accumulated in the East, and in Singapore the markets became congested. The buyers, with that business capacity which distinguishes buyers, when they saw that stocks were accumulating beyond the normal amount, refrained from bidding; consequently prices fell, and rubber was actually at one time below 1*s.* per lb. in Singapore. As we could not get the rubber home we had to sell at whatever we could get for it there, the same as other companies had to do, consequently our returns were so much less than they have been in previous years. The one thing in our favour was that our production costs were so remarkably low that, even with the restricted output, with a small amount, which, of course, costs more per lb. than a large amount, we were able to get the costs, including freight charges, insurance and all London charges down to 9*d.* per lb., and, having done this, it has enabled us to pay you a final dividend of 9*d.* per share for this year. The crop, which was estimated by our manager at 680,000 lb., was reduced, in consequence of the restriction, to 506,000 lb., which meant a falling off of nearly 180,000 lb. in the output which under normal conditions we should have obtained. There is another question, gentlemen, which crops up. The excess profits duty was levied on profits made in excess of what were made prior to the War, but in the Act which imposed that tax there is a provision that if your profits fall below the pre-War profits the Government have to refund the difference between the two; consequently, as our profit have been reduced so much, we have a claim upon the Government for a considerable amount of money a refund of the excess profits duty which they imposed upon us and this sum we propose, when received, to pass to a dividend suspense account, so that we can use

it in the future if we need to. Our manager estimates that this year he can produce 625,000 lb. of rubber at a cost of 7½*d.* per lb., which, I think, is a figure that it will be hard to beat. The visiting agents also reports that the property is in first-class condition and that all the new plantations are looking remarkably well.

Increase in the Demand for Copra.

The demand for copra is increasing enormously. I do not know whether any of you have tasted the nut butter which is being sold in London now, and for which there is an enormous demand. A few weeks ago it was being sold at 8½*d.* per lb., but it is now up to 1*s.* in consequence of the enormous demand there is for it. In one of the retail shops of one of the makers of margarine they assured me they had sold in one week a ton and a-half in that small shop. Now, to back my individual opinion, I myself am planting, on land adjoining the Abau property, coconuts. I planted 1,500 acres last year, and am still going on, so that there is evidence in that fact that I personally have no doubt as to the future of coconuts. It is well known that there is a great shortage of fat all over the world, which is likely to continue for some years to come. But, at any rate, if people can buy a substitute for butter which many of them say is quite equal to the dairy article, they are not going to pay 2*s.* a lb. when they can get it for 1*s.* I think the future of coconuts, as far as one can possibly see, is assured.

Sir Edward W. Wallington, K.C.V.O., C.M.G., seconded the motion.

Mr. Gautier de Ste. Croix suggested that some scheme should be evolved by the directors for putting the capital of the Company on a basis which would more nearly represent the present value of the property, and the Chairman promised that the matter should have the Board's consideration.

The resolution was then put to the meeting and carried unanimously.

The Chairman next moved: "That a final dividend of 37½ per cent. (9*d.* per share), less income tax, be paid on May 31, 1919, out of the profits for the year ended December 31, 1918, making 62½ per cent. in all, to shareholders registered on May 5, 1919."

The Hon. Sir John McCall, M.D., LL.D., seconded the resolution, and the proceedings terminated.

KLANANG PRODUCE COMPANY, LIMITED.

THE twenty-first ordinary general meeting was held on May 13 at 38 Eastcheap, E.C., Mr. D. K. Michie (the Chairman) presiding.

The Secretary (Mr. A. C. Wylie) read the notice and the auditors' report.

The Chairman said: Their estimate of rubber for the year was restricted, under the Rubber Growers' Association scheme, to 402,000 lb., and tapping was arranged to produce that result economically, but owing to a more than usually protracted dry season in the second quarter of the year and to partial, and indeed for several days complete, stoppage of work during a severe visitation of influenza in October, even that reduced estimate was not secured. The crop of rubber amounted to 379,834 lb., while the coconuts gathered totalled 1,499,450 nuts, producing 332 tons of copra, against an estimate of 1,400,000 nuts. The past year's was the largest crop of nuts they had so far gathered. The revenue for the year amounted to £40,381 and estate expenditure on revenue account to £22,221, comparing with £56,394 and £25,785 respectively in 1917, while the profit of £18,159 compared with £30,609 in the previous year, and an average of £31,031 for the preceding eight years. The cost of producing rubber last year worked out at 9.62*d.* per lb. f.o.b. Port Swettenham, and of copra £8 13*s.* 3*d.* per ton. The latter, owing to the large crop and to there having been no application of manure during the year, was lower than usual. The directors recommended the payment of a final dividend of 37½%, less tax, making 50% for the year, and that £689 be transferred to depreciation of buildings and machinery account, leaving £1,898 to be carried forward, subject to staff bonuses. An extraordinary general meeting had been convened for the purpose of making certain alterations in the articles of association and increasing the nominal capital to £100,000, with the object of distributing to the shareholders in the form of shares £31,625 out of the £35,000 at credit of reserve account, or one new share for each share now held. The issued share capital would thus be doubled and brought more nearly into line with the cost of developing the Company's property. The outlook for the year now current was quite encouraging. From the agricultural point of view they had nothing to fear, and satisfactory markets for their produce might reasonably be expected. The estimated outputs for the year were: Rubber, 500,000 lb., and coconuts 1,250,000 nuts. They had made forward sales out of this year's crop for 68 tons, equal to 152,320 lb., at rates which averaged about 1s. 9½*d.* per lb. delivered into godown Singapore, and for delivery in 1920 they had sold a further 60 tons at 2*s.* 1*d.* per lb. c.i.f. London or Liverpool. To the end of April the crop of rubber harvested exceeded that harvested to the same date last year by about 60,000 lb.

The report was unanimously adopted, and at the extraordinary general meeting the proposals outlined by the Chairman were unanimously approved.

GLOBE AND PHŒNIX GOLD MINING COMPANY, LTD.

THE annual general meeting of the shareholders was held on May 12 at Cannon Street Hotel, E.C., Earl Russell (the Chairman) presiding.

The Secretary (Mr. Tom Priest) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—I propose to deal first with the development. Mr. D. P. McDonald, who, you will remember, gave evidence for us in our law case, laid out a comprehensive scheme of exploratory development, and this was taken in hand. Before he sailed he met us, and we asked him to go thoroughly over the mine and make a comprehensive report and send it to us in time for publication in the annual report. Unfortunately this was not received in time to allow us to do so, but we have received a preliminary report. That also does not amount to a report which is really very informing. It deals with two or three places where we have been working and where we have been exploring, but which have not produced anything.

Ore Reserves.

I now propose to go on to the paragraph in the directors' report dealing with the ore reserves. You will notice that our estimate at present is 159,913 tons, containing 235,308 oz. That compares with 184,000 tons containing 266,000 oz., and the value is now given as £988,293, against £1,119,111. The development has not been particularly productive, but there is a sentence in our report to which I desire to call your attention and with which I must deal rather more fully under the heading of "Ore reserve." We say "Recent milling results have indicated that the estimate of ore reserves is substantially exceeded in crushing." These are the figures that I have had taken out: For the first half-year the tons mined were 41,663. Out of that there were sorted as waste material 4,740 tons. The tons milled were 36,923—that is the balance between those two figures—and they produced 45,691 oz. As against that production the ore reserves were only depleted by 12,698 tons, valued at 16,691 oz. The corresponding figures for the second half-year are: Tons mined, 33,762; sorted out, 4,309; milled, 29,460; oz. produced, 36,553; ore reserves depleted by 11,442 tons, valued at £14,456. Now, you will see that this gives the very remarkable result that for a reduction in estimated value of the ore reserves of only £31,000 we have produced £82,000 of gold from the tons actually crushed. These figures are founded on Mr. McArthur's report, and the



THE

Lister-Bruston

AUTOMATIC

Electric Lighting Plant

At once the simplest, most efficient and most reliable system of electric lighting, and offering all the advantages of direct lighting, whilst eliminating the disadvantages of the heavy accumulator plants. It will not only light your house with the minimum of trouble and expense and the maximum of comfort and efficiency, but will provide power at any time for pumping, cooking, vacuum cleaning and other purposes.

Write for Catalogue and Estimate to the Sole Makers.

R. A. LISTER & CO., LTD.

Dursley, Glos., England.

(Established 1867.)

London Office (where plants can be seen at work):—
47 VICTORIA STREET, WESTMINSTER, S.W. 1.

explanation is contained in his letter. I may say that this is dealing with only one half-year—that in which 11,442 tons were taken from our ore reserve sheet. "There was an increase in the ends of blocks outside the originally calculated ore which accounts for 5,545 tons. The ore developed was only 940 tons." The tonnage from the increased stoping width was 10,654, and then there was some ore from development, 979 tons.

In giving you these figures I must at once give you this caution—that you must not take them at their arithmetical value. You must not assume from them that our £988,000 of ore reserves really represent about £2,000,000; if you did that you would be making a too optimistic estimate. With regard to the copper location, you see that the dyke has been cut through and we have again picked up the lode.

The Finance Company.

I now come to a matter which has been the subject of some animadversion, and that is the formation of another, or subsidiary, company called the Phœnix Mining and Finance, Limited, with a nominal capital of £250,000, for dealing with various classes of business. What we did in regard to that was this: we circularised all the shareholders and asked them whether or no they were in favour of our going on with this scheme, and we received an overwhelming response in favour of it. I think you will be glad to hear that we received a response from the shareholders to the extent of £60,000. It ought to have been larger, and I hope it will be larger, and that all the shareholders here to-day who have not yet subscribed will do so. The Globe and Phœnix Company itself has subscribed £25,000 to that Company, and I wish to take this opportunity of removing, if I can, a misapprehension which is constantly cropping up, that that £25,000 in some way affects your dividend or comes out of the profits which would otherwise be distributed to you. It does not; it comes out of your reserve; it is a change of investment. We had £50,000 in War Loan not long ago and we now have £25,000 in the Phœnix Mining and Finance Company. It in no way affects the amount to be distributed out of profits; it is an investment of your reserve.

The net profit for the year amounted to £124,742, and that compares rather badly with that of the previous year. You must not suppose that the profit for the previous year was the £288,000 shown in the balance sheet, because that included £70,000 which was brought in as a result of the litigation. The profit is down for two reasons—first of all because we have lost a quarter's output, and, secondly, because we have been working to a lower grade. We now propose to pay a dividend of 1*s.* per share free of tax, and that will leave £4,742 to carry forward. The gold production for the year was £343,171, making the total production up to the end of last year £5,667,684.

The motion was then put to the meeting and carried unanimously, and a vote of thanks to the Chairman concluded the proceedings.

IVANHOE GOLD CORPORATION, LIMITED.

Presiding on May 12 at the twenty-second ordinary general meeting, Mr. Francis A. Govett said: Last summer, at the meeting of the Lake View Mine, I delivered a dissertation on gold, which was then under consideration by a Commission which had been appointed. I do not propose to reproduce that here, but I wish to add a few notes to what I said.

The Commission's Report on Gold.

It was then hoped that the Commission would recommend that, at the worst, some small premium should be granted for the production of gold within the Empire on its purchase by the Imperial Government; this, indeed, was all that I considered myself was either justifiable or desirable, for I do not think that the simple fact that low-grade mines could no longer produce at a profit, or that gold was depreciated in relation to commodities, was any justification for relief, or likely to get relief; but the fact that this country badly needs gold to help redress its adverse balance of trade, I did, and do, consider ample justification for the payment of a small premium on purchase, to take the place of the commandeering of our product, even with the consent of the Overseas Dominions in which it was produced, and paying for it at the par of depreciated paper. This, indeed, has been the rule under D.O.R.A. since the commencement of the War, for we have not been allowed to sell to other countries, and thereby get the increased profit represented by exchange; that is, to sell our produce in the best market We have been condemned to sell here at the par of English paper, and that was our only real justification for our claim for fair treatment. If they would not give us some small premium, they should logically and fairly have allowed us to sell in other countries. It is not of relief at all of which I wish to speak. So far as it relates to giving relief to a struggling industry, the Commission was probably right in turning down the appeal; but it was not, I think, on those grounds that it really was turned down.

A Question of "Paramount Importance.

It appears that it was the considered judgment of the Commission that it was not of importance, or at any rate of sufficient importance, for any steps to be taken in order that the country should be made sure of getting the gold, which they could have certainly done by conceding the smallest premium. This I think was not wise. What is commonly needed by humanity to bring conviction is an object-lesson, and just as Labour appears not to be convinced without an object-lesson that Socialism and Syndicalism are impracticable, and that all vast changes in social and industrial conditions can only be the work of gradual growth in the sociological education of all classes, and cannot be abruptly established by violence and revolution, and even the object-lesson of Russia is too far off, and not sufficient, so an object-lesson is needed here to convince the experts on gold that at this juncture, and for a long period after the close of War, the control and ownership of gold production is of paramount importance. This country is now faced, and I think increasingly will be faced, for many years, with an adverse balance of trade. We can now, with the present exchange, only buy and pay for, say, $4.66 or thereabouts of American goods with every British pound in paper, but if we had the gold we could pay for $4.87 worth of goods instead, less the cost of exporting gold. This is, of course, a loss of only about 5%, which does not sound enormous, but when your indebtedness runs into hundreds of millions its importance is apparent. In Spain the position has been and is far worse than that. For quite a period it cost us 30*s.* or thereabouts to pay a debt of 20*s.* in Spain, which was always payable by 20*s.* in gold. Is not, then, the possession of gold of paramount importance?

The Object Lesson.

Now, then, for the object-lesson. At last, in Australia, a Daniel has come to judgment, and for an experimental three months has allowed the export of gold to other countries instead of England. The day that this was first, somewhat obscurely, reported in the Press I cabled out to avail ourselves of this, and through a combination in Melbourne we have actually been making some small additional profit from this source. But England is not getting the gold. That is the object-lesson. Probably this Australian total alone is of too small amount to prove an effective object-lesson, though there are some signs that it has been noticed; but if the Cape would have the sense to follow suit, and stop the commandeering of its gold for the profit of this country, the object-lesson would become a good deal more effective. I commend this suggestion to the care of the mining financiers and those who look after the political welfare of the Cape. At present we are limited in our sales to Allied countries, but that does not seem sense, for once we abandon the principle of commandeering, there would seem no reason why we



ASBESTOS

Turner Brothers' Asbestos Co., Ltd.

MANUFACTURERS

ROCHDALE, ENGLAND

should not get the highest price by selling, for instance, to Spain: not to enemies, of course, and there is this to be said—that in a measure this would help this country, for as soon as Spain obtains the gold she wants, the exchange would rise to the benefit of this country on her imports. I now beg to move the adoption of the report and accounts.

Sir George A. Touche seconded the motion, which was carried unanimously.

After several days spent in negotiation the whole of the claims of the workers in the rice fields of Vercelli have been granted. The fields are the most important in Italy, if not in Europe. Under the new conditions a 30% increase in wages has been granted and the eight-hour day has been adopted, with the exception of the months of December and January, when the number of working hours will be reduced to seven per day. By the use of the agricultural tractor and more scientific methods of culture it is believed that such an increase in the quantity of the crops can be obtained as will compensate for the higher wages and the shorter hours. The agricultural tractors were immediately available in the Fiat machine, which was produced several months ago on the suggestion of the Italian Ministry of Agriculture. This machine has been found most efficient for all classes of agricultural work.

Crown Mines.—Capital £1,000,000, in 2,000,000 shares of 10s. each; issued, 1,880,212. £573,500 Five per Cent. Debentures. Milling capacity about 230,000 tons per month:

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	660	2,100,000	8¼	2,700,095	25/9	2,026,129	19/4	673,966	6/5	2 3/32
1918 ...	660	1,861,800	9¾	2,528,760	27/1	2,118,055	22/8	410,705	4/5	2¼
1919.										
Mar. qr.	—	424,000	—	675,100	28/6	548,282	25/10	56,818	2/8	2 5/16
Apr. ...	—	158,000	- -	217,122	27/6	185,015	23/5	32,107	4/1	2¼

Accumulated slimes profits included.

Dividends—1917, June, 20; Dec., 20 per cent. 1918, June, 15; Dec., 5 per cent.

UNDERGROUND

A1 P 18

THE EIGHT HOURS DAY.

The Railways are open from about 4.30 a.m. to 1.30 a.m. This is more than two shifts of employees working 8 hours. It therefore means more men and more expense.
It is estimated to cost - £128,000.

The Motor-Buses run on the streets from about 5 a.m. to 1 a.m. This again is more than two shifts of employees working 8 hours. It therefore means more men and more expense.
It is estimated to cost - £300,000.

EIGHT HOURS WORK,
EIGHT HOURS PLAY,
EIGHT HOURS SLEEP,
MAKE UP THE DAY.

VERY GOOD:
BUT IT COSTS MORE!

The London Electric Railway Co.,
Electric Railway House, Broadway, Westminster, S.W.1
Reg. 35

THE AUSTIN
QUALITY
STANDARD

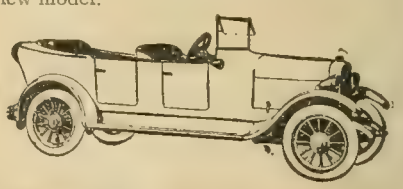
Austin quality as revealed in continuous and prolonged motor service is the true standard of Austin value.

Even those who are experienced in the costs of high-grade materials such as are employed in the making of the

Austin

"Twenty"

chassis can hardly appreciate to the full the qualities of the car until they have tested it by experience. Records of pre-war cars still running to-day and giving excellent service are constantly coming to hand, and the same admirable wearing qualities will be found in even greater abundance in the new model.



THE AUSTIN MOTOR CO. LTD.
HEAD OFFICE:
NORTHFIELD, BIRMINGHAM.
Telephone: King's Norton 230.
Telegrams: "Speedily, Northfield."
LONDON ... ... 479-483 OXFORD ST., W.1.
MANCHESTER ... ... 130 DEANSGATE.
AND AT PARIS AND BRUSSELS.

THE NATIONAL BANK OF SCOTLAND LIMITED
INCORPORATED BY ROYAL CHARTER AND ACT OF PARLIAMENT.
ESTABLISHED 1825.
Capital Subscribed, £5,000,000. Paid up, £1,000,000. Uncalled, £4,000,000.
RESERVE FUND, £900,000.

Head Office—EDINBURGH.
J. S. COCKBURN, General Manager. GEORGE A. HUNTER, Secretary.

London Office—37 NICHOLAS LANE, LOMBARD ST., E.C. 4.
SIR JOHN FERGUSON, K.B.E., Manager. DUGALD SMITH, Assistant Manager.

Every description of Banking Business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.; the collection of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts, Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of Remittances to all parts.

The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.

The Officers of the Bank are bound to secrecy as regards the transactions of its Customers.

THE LONDON ASSURANCE.

Incorporated by Royal Charter, A.D. 1720.

7 ROYAL EXCHANGE, LONDON, E.C. 3.

INCOME £3,084,450 FIRE. MARINE.

Applications for Agencies Invited.



ASSETS £8,526,459 LIFE. ACCIDENT

All classes of Insurance.

The Corporation has granted Fire, Life and Marine Insurances for nearly Two Hundred Years.

BRITANNIC

ASSURANCE CO., LTD.

One Special Ordinary Branch feature is the **CHILD'S OPTION POLICY (Table 11a)**, under which a premium of £10 assures £1,091 on certain conditions.

FUNDS - - - £4,800,000.

Chief Offices: BROAD STREET CORNER, BIRMINGHAM.

LONDON & MANCHESTER ASSURANCE COMPANY, LIMITED.

Chief Office - 50 FINSBURY SQUARE, LONDON, E.C. 2.

Allied with National Amalgamated Approved Society for National (Health) Insurance.

PREMIUM INCOME exceeds ... £900,000
FUNDS exceed £2,000,000

ROYAL LONDON

INSURANCE OFFICES.

ROYAL LONDON MUTUAL INSURANCE SOCIETY, LTD.
ROYAL LONDON AUXILIARY INSURANCE COMPANY, LTD.

LIFE, FIRE, ACCIDENT.

Head Office:
ROYAL LONDON HOUSE, FINSBURY SQUARE, LONDON, E.C. 2.
JOHN PRICE, HORACE DUFFELL, *Managing Directors.*

PEARL

ASSURANCE COMPANY, LTD.

Chief Offices: High Holborn, W.C. 1.

Annual Income exceeds £5,250,000
Claims Paid exceed £23,000,000

ABSTAINERS AND GENERAL INSURANCE COMPANY LTD.

Head Offices:—BIRMINGHAM.

LIFE ASSURANCE.

Reduced Rates for Abstainers.

Fire, Burglary, Plate Glass, Personal Accident.

Forward postcard for Company's popular booklets, "Total Abstinence an Asset in Life Assurance" and "Homes and How to Own Them."

REFUGE ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds - £4,700,000
Assets Exceed - - - - £15,900,000
Claims Paid Exceed - - - £28,000,000

SUBSCRIPTION TO "THE STATIST."

TO INCLUDE ALL SUPPLEMENTS.

Payable in Advance.

Inland.

One Year, £1 10 0 | Half-Year, £0 15 8

(Post Free.)

For Colonies and Abroad (within Postal Union).

One Year, £1 17 4 | Half-Year, £0 18 8

(Post Free.)

OFFICES: 51 Cannon Street, E.C. 4.

MAXIMUM LIFE ASSURANCE at MINIMUM COST.

LIFE ASSURANCE particularly adapted for Partnerships and for all transactions where capital is involved.

Prospectus will be sent on application to

Assets exceed £700,000 | WESTERN AUSTRALIAN Insurance Co., Ltd. 45 to 47 Cornhill, London, E.C. 3. | Claims Paid exceed £1,000,000

The Statist.

LONDON, SATURDAY, MAY 24, 1919.

IMPORTANT NOTICE.

BRITISH BANKING NUMBER.

Next week we shall publish a Special Section dealing with the position of the Banks of the United Kingdom.

It will contain information of great value to all interested in our Banking Institutions, and deals particularly with the developments since War began.

CONTENTS.

LEADING ARTICLES— PAGE
IS WAR ENDED? 931
PRESIDENT WILSON'S POSITION... 932
AMERICAN TAXATION ... 932
MARINE INSURANCE.—II." ... 933
PEAT RESOURCES OF IRELAND. —III. 934
MEXICO.—I. 935
THE WOOL INDUSTRY.—I. ... 937
PAPER PULP 939
IRISH POPLIN INDUSTRY ... 941
THE SHIPBUILDING OUTLOOK 943
LIVE-STOCK OF THE WORLD.—IV. 948

S. AND CENTRAL AMERICA—
CENTRAL RAILWAY OF CHUBUT 938

THE MONEY MARKET—
NEED FOR CREDITS 922

STOCK EXCHANGE... ... 924

MINING TOPICS—
VILLAGE DEEP 926
CITY DEEP 926

TABULAR APPENDIX—
I. Bank Returns, &c. ... 927
II. Current Bank Rates of Discount 928
III. Foreign Exchanges ... 928
IV. Bankers' Clearing-House Returns 928
V. Treasury 928
VI. Wholesale Prices of Commodities 929
VII. Railway Receipts Statistics 929
VIII. Railway and Tramway Traffic Receipts ... 929

FINANCIAL NOTES— PAGE
TELEGRAPHIC DELAY ... 940
CONDITIONS IN ROUMANIA ... 942
WEALTH OF U. KINGDOM ... 942
DUPLICATE TAXATION ... 942

AMERICAN TOPICS—
UNITED STATES CROPS ... 943
CITIES SERVICE COMPANY ... 944

RUBBER TOPICS—
SERAJOS RUBBER CO. ... 946
LANGKAT SUMATRA 946
DUSUN DURIAN 947

NEW ISSUES—
GOVT. OF VICTORIA 5½ PER CENT. CONVERSION LOAN ... 952
LIVERPOOL CORPORATION ... 952
CITY GENERAL TRUST, LTD. 952
WILLIAM GOSSAGE & SONS, LTD. 952
KENNETH DURWARD, LTD. ... 952
OWEN CARRY, LTD. 953
JOHNSON AND PHILLIPS, LTD. 953
GENERAL REINSURANCE CO., LTD. 953

INSURANCE NOTES—
LONDON ASSURANCE CORPORATION 947

COMMERCIAL—
RUSSIAN TEA 950

INDUSTRIAL COMPANIES—
LTD. (SPINNERS AND DOUBLERS' ASSOCIATION ... 949
J. MANDERSON & CO., LTD. 954
D. NAPIER & SONS, LTD. ... 954

MEETINGS OF PUBLIC COMPANIES ... 953-954

The Money Market.

Friday, May 23, 1919.

	Current Rate %	Current Rate Fixed	Previous Rate %	Previous Rate Fixed
Bank of England Rate...	5	(Apr. 5,'17)	5½	Jan. 18,'17
Bank of England Rate — to Clearing Banks: 3 days' notice ...	3	(Feb. 14,'18)	4	June 19,'17
Bank of England Rate — for Foreign Money*	4½	(Nov. 15,'17)	extended	Jan. 2,'18

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances.

Deposit Rates :—

Banks & Discnt. Ho. (Call)	3†	(Feb. 14,'18)	3½	Jan. 2, 18
Discount Houses (Notice)...	3	(June 6,'18)	3¼	Feb. 14,'18

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates :—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Tr'sury Bills (Fixed Feb. 14,'18)—		3½	—	3½
Bank Bills	3½	3⅝	3⅝	3 15/16
Trade Bills	—	4–4¼	4–4¼	4–4½

NEED FOR CREDITS.

Doubtless readers will have observed the somewhat violent fluctuations in the Paris exchange on London. Adverse as the exchange has been to France for some time past, it has become very much worse this week. The reader need not be alarmed, because France is pursuing a sound economic policy, having regard to her permanent welfare and the rehabilitation of the 10 provinces devastated by, and recently in the occupation of, the enemy. The fact that the exchange is peculiarly adverse with reference to London is simply due to the fact that the transactions are taking place through London. London is acting as banker, as she has done so often in the past. France is not incurring liabilities in a spirit of extravagance. She is steadily pursuing sound economic aims.

She is importing commodities urgently needed for reconstructing industrial plant in the devastated provinces, which in due course will enable her to export in return various goods for which there is a market here, in other parts of Europe, and in the United States of North America. We would suggest that, since France has regained those industrial provinces sometime in the occupation of Germany, and as she is already expert in the manufacture of high-grade gloves, would it not be possible for her to specialise in the manufacture of cheap fabric gloves which Germany supplied practically to the whole world in pre-War days?

France is an illustration at the moment—and perhaps the most striking illustration—of the essential need for credits upon an extensive scale. There are, however, unfortunately many devastated countries which need credits in order to enable them to reconstruct their industries which were brought to an end during the War. We illustrated recently the case of Poland. We illustrate this week, in another column, the position in which the once prosperous country of Rumania is placed as a result of the War. Various countries in different parts of Europe are similarly embarrassed as a result of the long period of devastating war through which this continent has recently passed. France, although temporarily embarrassed, is naturally a very rich country, and her people are throughout the world renowned for their thriftiness and saving propensities. Other devastated countries in Europe are not in such a favourable position to obtain credit as is the case with France; but if Europe as a composite whole is rapidly to recover from the effects of the recent War it is desirable that assistance should be given to the various peoples needing assistance and who give tangible evidence that they intend to work and are desirous of reconstituting their industries. Now the peoples of these several countries are not in a position at present to offer such security as would enable them to obtain the various credits from bankers in the ordinary course of trade without special assistance. If they could there would be no need to mention the matter. It is the interest of the international industrial world to assist these people if they are willing to assist themselves. Of course, we should not urge either our own Government or the wealthier members of the Allied Governments to allow these States to draw blank credits. What we would urge is that either the British Government or a group consisting of the said wealthier members of the Allied Governments should, in cases where the various peoples are able to show that they are willing to offer certain assets, that trades and bankers are willing to accept a reasonable proportion of the risk, that the said Governments should be willing to give a guarantee for the balance or part thereof.

BANK OF ENGLAND.

This week's Bank return again showed a substantial increase, namely £3,297,000 in the public deposits, which, together with small decreases of £94,184 and £103,092 respectively in Government securities and reserve and an increase of £50,000 in the "Rest," make up a total market loss of £3,544,360, as reflected in a rise of £2,398,000 in "other" securities and a decline of £1,146,388 in bankers' balances. The reduction in reserve consisted of £53,000 increase in circulation and a diminution of £50,000 in coin and bullion. The proportion to liabilities at 20.10% compares with 20.5% last week.

On Monday week the half-yearly dividend on the War Loan is payable.

Cancellations of Treasury notes again exceeded issues, the reduction in the outstanding amount for the week ended May 21 being £1,826,757. In four weeks there has been a decline from the record figure of £349,108,298 on April 23 to £344,838,838 on May 21.

STANDARD BANK OF SOUTH AFRICA, LTD.

Bankers to the Government of the Union of South Africa in Cape Province; to the Imperial Government in South Africa, and to the Administration of Rhodesia.

Subscribed Capital ...	**£6,250,000**	**Reserve Fund ... ...**	**£2,200,000**
Paid-up Capital	**£1,562,500**	**Uncalled Capital... ...**	**£4,687,500**

BOARD OF DIRECTORS.

WM. REIERSON ARBUTHNOT, Esq. | ROBERT E. DICKINSON, Esq. | WILLIAM SMART, Esq.
SIR DAVID M. BARBOUR, K.C.S.I., K.C.M.G. | JAMES FAIRBAIRN FINLAY, Esq., C.S.I. | Rt. Hon. LORD SYDENHAM, G.C.S.I., G.C.M.G., G.C.I.E., G.B.E.
EDWARD CLIFTON BROWN, Esq. | HORACE PEEL, Esq.

Head Office : 10 CLEMENTS LANE, LOMBARD STREET, LONDON, E.C. 4.

West-End Branch : 17 NORTHUMBERLAND AVENUE, W.C.2 (Adjoining the Royal Colonial Institute).

New York Agency :—68 WALL STREET.
Rotterdam Branch :—15 COOLSINGEL.

Over 260 Branches and Agencies in South and East Africa.

BANKING BUSINESS OF EVERY DESCRIPTION transacted at all Branches and Agencies.
CURRENT ACCOUNTS opened on the usual terms, and **DEPOSITS RECEIVED** for fixed periods at rates which may be ascertained on application.
SAVINGS BANK ACCOUNTS opened on terms, particulars of which may be obtained at Branches.
BILLS NEGOTIATED and **COLLECTED.**
DRAFTS issued, **MAIL** and **TELEGRAPHIC REMITTANCES** made.

LETTERS OF CREDIT and **COMMERCIAL CREDITS** established.
TRAVELLERS' LETTERS OF CREDIT issued available in all parts of the world.
PURCHASE and **SALE** of Stocks and Shares effected.
DIVIDENDS, ANNUITIES, &c., received and **COUPONS COLLECTED.**
STRONG ROOMS provided for the safe custody of Securities and Valuables of Customers.
ASSAY DEPARTMENT.—Gold, &c., and all Mineral Ores assayed and realised.
EXECUTOR AND TRUSTEE business undertaken.

The Officers of the Bank are bound not to disclose the transactions of its customers.

FRANCIS SHIPTON, *London Manager.*

POSITION IN NEW YORK.

On the whole sterling exchange as between New York and London remains remarkably steady, but it remains also adverse to London and must continue to do so until such time as we are in a position to pay off something like £1,000,000,000 which we have obtained for urgently needed imports, and which we are neither able to liquidate by means of exports from this country, by rendering services or by sending gold. Nor is this the whole of the story. We shall have to continue importing from the United States and importing from the United States on credit, because we are in need of food and certain raw materials for our manufactures which only the United States can supply. Fortunately the United States looks like having a wheat harvest something like double the amount what it has been during recent years, and this enormous supply should tend to reduce economic values to a more reasonable limit than has lately obtained. We shall hope gradually to reduce our indebtedness to the United States partly by exports, which the state of the Exchanges should tend to assist, partly by services rendered, and partly by the large number of visitors who may be expected from the United States to Europe in the future.

THE POSITION IN INDIA.

A valued correspondent writes us that the disorganised telegraphic service between London and India is causing great inconvenience. Telegrams are taking one week in transit from India. In ordinary circumstances India would have now (the note was written on Thursday last) been aware of the fall in the price of silver on the 21st inst. of 51 pence per oz., but the mercantile community there are at present in the dark and upset by not knowing of the decline. Until a telegraphic communication is again on a normal basis business ever will continue to be severely hampered in its operations. The correspondent is intimately connected with Anglo-Indian financial and commercial circles, and is thoroughly well acquainted with the subject on which he writes.

The Government may have good and sufficient reasons for reserving the cable service to the extent that they are doing for purely Government business. We offer no comment on the matter in its present stage of development, provided a period is put to the restrictions now imposed on the use of the cable by the financial and commercial community. We simply state the facts as they have been disclosed to us, and invite Members of Parliament who represent our great trading centres and our colleagues of the Press to inquire if we have overstated the facts. A cable was shown to us in the course of the present week dated from Calcutta and received in London on Thursday morning, a week after it had been dispatched. That the reader may appreciate what this means to financial and commercial operations between India and this country we may state that in pre-War days a cable sent from Calcutta by a merchant just before going to lunch would, because the cable travels quicker than the sun, have been received in London at ten in the morning of the same day when bankers and merchants are opening their offices for business. Virtually the cables between this country and different parts of the Empire, as well as other portions of the world which were formerly so valuable an asset to trade, have largely ceased to be an asset. As the writer of the above letter says neither India or London can take advantage of current prices. Practically the merchant in Calcutta wishing to buy in London has to instruct his agent "buy certain goods at the best price obtainable." This means that only urgent business for wealthy customers, who are so anxious to obtain any particular commodity they may require and are comparatively indifferent to the price paid provided they obtain the goods, can be transacted. It goes without saying that the merchant giving such an order on what amounts to a blank cheque has a definite order to execute. He ceases to be a merchant in any true sense of the term, and is merely employed at all because the buyer wishes to avail himself of the merchant's knowledge of exchanges and of the international markets. It is impossible for the merchant to take advantage of what is technically known as a turn of the market. He cannot, for example, buy cotton goods, say, in Manchester because the exchanges are favourable, and dispose of them in Calcutta at a higher rate than that he has to pay in Manchester because his knowledge of the price is already a week old and, by the time his cable arrives in England, the price at which he proposed to deal was that ruling a fortnight ago, which may and probably will be very different from to-day's quotations.

The chaotic state of the cables, as our correspondent points out, affects the silver market very seriously and most injuriously. This is an important international question at present owing to the extreme scarcity of silver. We will discuss the question more fully on a short paragraph on silver, but it will be evident that the cable difficulties are accentuating the demand for silver in India, which is already exceedingly difficult to supply.

Recent movements in the Currency returns are shown below:

		—Silver—			—Gold—		% of Reserve to Notes	Government Securities—	
1919	Note Circulation	In India Lacs	Elsewhere Lacs	Total Lacs	In India Lacs	Elsewhere Lacs		Indian Lacs	British Lacs
May 15 ...	15,507*	3,893	—	3,893	1,106	150	36·4	1,608	8,250
May 7 ...	15,416	3,749	53	3,802	1,606	150	36·0	1,608	8,250
April 30 ...	15,372	3,474	285	3,759	1,455	300	35·9	1,608	8,250
April 22 ...	15,352	3,453	285	3,738	1,444	312	35·8	1,608	8,250
April 15 ...	15,409	3,511	285	3,796	1,443	312	36·0	1,608	8,250
April 7 ...	15,346	3,235	504	3,739	1,437	312	35·7	1,608	8,250
Mar. 31 ...	15,346	3,235	504	3,739	1,737	12	35·7	1,608	8,250
Mar. 23 ...	15,341	2,750	984	3,734	1,737	12	35·7	1,608	8,250

* Highest since war began.

INDIA COUNCIL SALES.

	This Week— Offered	Applications	Allotted	Next Week To be Offered
Amount ...	Rs.60,00,000	Rs.2,03,55,000	Rs.60,00,000	Rs.60,00,000

Allotments on Tuesday, May 20, 1919.

	—Bills—		—Deferred T.T.—		—Immediate T.T.—	
Applications ...	—		Rs.1,78,55,000		Rs.25,00,000	
Drafts on—	Rs.	Rate	Rs.	Rate	Rs.	Rate
Calcutta ...	—	—	21,08,000	1/7·9375	6,63,000	1/8
Bombay ...	—	—	20,12,000	1/7·9375	74,000	1/8
Madras ...	—	—	11,43,000	1/7·9375	—	—
Total ...	—	—	52,63,000	1/7·9375	7,37,000	1/8
%Allotted ...	—	—	29		29	

Sales for week to May 19, 1919 ... Rs.60,00,000 realising £498,629 (1/7·9)
Sales, Apr. 1, '19, to May 19, '19 Rs.1,20,00,000 „ £947,356 (1/6·9)
Sales, Apr. 1, '18, to Mar. 31, '19 Rs.15,50,00,000 „ £11,516,754 (1/5·8)
Sales, Apr. 1, '17, to Mar. 31, '18 Rs.15,20,00,000 „ £31,106,219 (1/4·5)

SILVER.

It will be remembered that just over a week ago, when the Silver market both in New York and London was decontrolled, the price bounded up to 58*d.* per ounce. It gradually fell from this somewhat extravagant figure, and has ranged during the week between 54*d.* and 51*d.* per ounce. To-night's price is 51¾*d.*

The market deduces from this rapid fall in the price of silver that the urgent demand for India is for the moment satisfied. The market is inclined naturally to be somewhat disappointed, but if it will consider the more permanent economic interests of the Silver market it will see that it is eminently desirable that the extravagant demand of India, which has been a feature of the International Silver market practically since the beginning of the late War, should come to an end is a factor to be welcomed. We reported recently that India took during the past four years 400,000,000 ounces of silver—that is, considerably more than double the annual production in the whole world. It was stated in the House of Commons this week that very nearly another 200,000,000 ounces have been, or are to be, delivered to the Government of India by the United States of North America.

The market need be under no apprehension that the demand for silver in India will fall below the real and permanent economic interests of the world's Silver market. We know pretty accurately indeed—more accurately than in normal times—what have been the actual silver imports into India in recent years, owing to the fact that private imports of silver

into India have been prohibited for a long time past. This accounts for the alleged melting of rupees. The demand for silver in India is continuous. India, it should be recollected, is half as big as Europe, and has a population of 315,000,000, who have been accustomed to use silver for coinage and for the Arts since time immemorial.

The Chancellor of the Exchequer stated in the House of Commons that silver coins of the United Kingdom issue, including such coins when supplied for sterling-using Colonies, have been minted in the first 14 years of the present century to the value of £16,931,703, and since the War to the extent of £31,460,461.

Stock Exchange.

After the activity and numerous substantial rises in quotations which we had to chronicle last week, it was to be expected that quieter conditions would follow, with profit-taking in evidence. On Monday a large week-end accumulation of orders had to be disposed of, but they were by no means all of one character, as the irregularity of quotations showed. However, further rises in prices predominated, and it was not until later in the week that the profit-taking—much to be desired to prevent too fast a pace in speculation—was really noticeable. On the whole, however, there is no doubt that the markets have held up extremely well, and, considering the extent of last week's rise, the reaction of the last few days has been slight, excepting in Oil shares, where the gambling has been furious for months past, and prices had begun to look top-heavy. But even there there can hardly be said to have been anything like a slump. New issue successes and talk of the near approach of the long-anticipated Government loan notwithstanding, the investing public, according to all reports and indications, shows no signs of really slackening its demand for securities for the employment of almost universally large spare resources.

In the gilt-edged section, Consols are ½ lower at 56¼, but, on the other hand, the 5% War Loan is up another ¼ to 94⅝. The Government's intentions in regard to a new funding loan, and the date thereof, continues to be canvassed. In market circles the belief is growing that it will not make its appearance until the end of July or beginning of August. There is, of course, no actual information available upon which this view is based, but it is said that the Bank's staff have had to arrange their holidays so as to leave the end of July and August free. India stocks have remained firm, despite the more serious news from Afghanistan. Among Colonials the Victorian 5½% Government Conversion Loan has had no ill-effect. In fact, the market has been distinctly harder, and quite a number of stocks are a half-point or so higher. As a rule there has not been much business transacted in foreign securities. Belgian and French loans have weakened, French 5% dropping at one time to 80 on the further rise in exchange to over 31fr. Brazilian Recission are a little lower at 70, but otherwise a number of small improvements in quotations have been recorded, notably in Chinese 5 per cents. of 1912 and 1913, Japanese 4½% 1905, and in Mexican Fives. Russians have failed to benefit from the progress of operations against the Bolshevists.

The Home Railway market has again been an uninteresting one, movements in quotations generally being to lower levels, though only to the extent of a half-point or so. American securities, in the unrequisitioned list, have firmed up in sympathy with New York advices, particularly Chicago Great Western Common and Preference, which now stand at 11¼ and 31 respectively. International Mercantile Marine, on the announcement that the offer of the British Syndicate to purchase the British tonnage controlled by the American undertaking has been accepted, show a sharp advance on the week. Foreign rails have moved irregularly. Argentine descriptions, in the absence of confirmation that the 10% increase in freight rates has been granted to all the lines, have not wholly maintained last week's improved prices. Several of the Debenture stocks, however, are up a point or so. Anglo-Argentine Tramways 5½% First Preference have been a strong feature, rising from 3¼ to 3¾. Among Colonials, Canadian Northern 4% Guaranteed Debentures have improved to 85, and Grand Trunk 4% Consolidated Debenture stock to 70.

In the industrial and general sections, profit-taking in a few of the recent favourites is reflected in quotations, but not to a marked extent, and *per contra* several important rises have to be noted. Among banks, Hongkong and Shanghai have dropped a portion of their last week's sharp rise, but London and Brazilian, Imperial of Persia, Lloyds and National Provincial have been bought at higher quotations. Brewery stocks have been much less active than of late. The Government's decision to increase the output allowed from 20,000,000 to 26,000,000 barrels without any alteration in the fixed price would be a bull point by itself, but it was accompanied by a statement that additional taxation would be considered. Guinness Ordinary have been the outstanding feature of strength, rising to 390, and Alsopp Preference have put on 3 points to 74, the Ordinary, however, being a like amount lower at 79. Why, in present circumstances, the Ordinary should be higher than the Preference is difficult to understand. American Breweries, which have been a poor market for some time past on the prohibition movement in the United States, became brighter on hopes engendered by President Wilson's message to Congress. St. Louis £10 Ordinary have risen ¼ to 1⅛, and the Preference are ½ better on the week at 4¼.

Egyptian securities, if anything, have shown a tendency to harden, but the steam seems to have gone out of Sudan Plantations for the time being. In the iron, steel, and engineering section Armstrong and Vickers have dropped a few pence, but, on the other hand, Bengal Iron, John Brown, Dorman Long, Guest Keen, and Pearson and Knowles command better prices. Pekin Syndicate, in the Land group, have relapsed somewhat on profit-taking. In telegraphs, Marconi Ordinary and Preference were very active in the middle of the week, and close respectively 7/16 and ¼ higher at 6¼ and 5½. Marines, too, have advanced, their latest price being 3½, against 3⅜ a week ago, but the American and Canadian Companies shares have been quoted lower. Small declines are recorded in Associated Cement, British and American Tobacco, Dunlop Rubber, Imperial Tobacco, and Magadi Soda, all of which were among the good spots last week.

5%

NATIONAL WAR BONDS.

Although the issue of September Bonds is discontinued, they are still purchasable for a limited period by instalments from

The National Mutual Life Assurance Society

39 KING STREET, CHEAPSIDE, LONDON, E.C. 2.

under the Society's Special Scheme.

INSTALMENTS CEASE AT DEATH.

NO MEDICAL EXAMINATION OF APPROVED LIVES.

Write for particulars.

British Oil and Cake Mils, however have risen 2*s.* 6*d.* further to 40*s.*, Callender's Cable are ¼ up at 10¼. Chinese Engineering have improved to 68*s.*, while Edison and Swan and International Paint have been new features of strength. A rise in Hudsons' Consolidated to 1½ is connected with rumours of a pending new issue of shares to shareholders at an attractive price. Activity in shipping shares has been stimulated by the International Mercantile Marine's acceptance of the British offer to purchase the tonnage flying the British flag, and on talk of a possible coincident big fusion of shipping companies taking place. The principal price improvements have been in P. and O. and Prince Line. There has been considerable less business passing in textile and dry goods shares. Coats and Courtaulds are each ¼ down, but Fine Cotton Spinners' price is maintained at 45*s.* on the good report dealt with on another page.

In the Oil-share market there has been a pronounced bout of profit-taking, but on Friday the market again developed activity, and prices recovered sharply. Lobitos have fluctuated on the denial of rumours of acquisition of control by the Shell group. The following is a comparison of closing prices:—

	Last Week	This Week		Last Week	This Week
Anglo-Egyptian "B" ...	5 1/8	6 1/4	North Caucasian ...	28/9	29/ 1/2
Burmah Oil	11	10 7/8	Shell Transport... ...	9 1/2	9 3/8
Lobitos	4 1/2xr	3 1/2xr	Trinidad Central ...	3 1/16	58/0
Mexican Eagle Com. ...	6 1/8	6 1/4	„ Leaseholds ...	3 3/8	68/9
„ „ Pref. ...	6 1/16	6 1/8	Venezuelan Concessions	4 1/16	83/0

Oil Cake Combine.—A big new issue of capital by a combination of five companies engaged in the oil-cake manufacturing trade is expected immediately under the auspices of the Imperial and Foreign Corporation. The United Premier Oil and Cake Company, Limited, has been registered with a capital of £1,500,000 in £1 shares, half in Preference and half in Ordinary, to acquire interests in Wray Sanderson and Company, Limited, the Premier Oil Extracting Mills, Limited, Sowerby and Company, Limited, John L. Seaton and Company, Limited, and the Universal Oil Company, Limited. The board is a strong one.

The Dutch Government propose to ask authority at the next meeting of the Chamber for the issue of a new loan to the Dutch East Indies of the nominal maximum amount of 180 million florins—say, roughly, 15 millions sterling—to carry interest at the rate of 6%. The price at which the loan is to be issued will be fixed later. The loan is to be redeemed within 40 years from the beginning of 1920. The floating debt of the Dutch East Indies at the end of April last stood at 209,898,000 florins—or, say, £17,491,500.

We regret to announce that Mr. C. E. Dewey, Freight Traffic Manager, Grand Trunk Railway, Montreal, died suddenly on Friday, the 16th inst. He was one of the most popular railway officials in Canada. The deceased gentleman was a nephew of Sir Thos. Dewey, Chairman of the Prudential Insurance Company, Limited.

Rim (Malacca).—Shareholders of 15 shares and over in this Company are offered 13,000 £1 shares at 35*s.* per share, in the proportion of one new share for every complete five shares held, fractions excluded. Application must be made by May 31. The issued capital of the Company will be raised to £80,000. The planted area is 1,500 acres, of which 1,050 have been planted more than six years. The present price of the shares is 45*s.*, and if this is maintained on the larger capital the market valuation per planted acre will be £120. The proceeds of the new issue, it is stated, are to be applied to increasing the area under rubber and providing additional machinery; but readers of our analysis of the report on August 3 last will have been aware that the Company's financial position required strengthening.

PLAYER'S
NAVY MIXTURE
"Pipe Perfect"
IN THREE STRENGTHS
White Label 9½d. PER OZ.
Mild and Medium 10½d. PER OZ.
JOHN PLAYER & SONS, Nottingham.
Branch of the Imperial Tobacco Co. (of Great Britain and Ireland) Ltd.

Leaders of the World's Filing and Card Index Systems
Shannon
and Modern Office Furniture
ROPEMAKER STREET, E.C. 2.
Ring up London Wall 1533.

Mining Topics.

Though not so active as last week, the Mining markets, with the exception of base metal, West African and miscellaneous descriptions, have presented a generally firm appearance with a distinctly good tone. On reopening on Monday a large accumulation of buying orders for practically all Kaffir shares had to be put through, and, as a result, further rises in quotations were numerous and in some cases substantial, investment companies' shares being prominent and also some of the favourite Eastern Rand counters. Later, profit-taking was freely indulged in, but still the support was such as to prevent any really material set-back. On the week numerous further appreciations in prices are recorded, though more particularly in the solid shares than in the low-priced gambles. Modderfontein stand out with a rise to 28, Consolidated Mines Selection have advanced to 30*s.*, and Union Corporation to 20*s.* on the annual reports, while Brakpan are well up at 3⅞. Springs Mines derived benefit from the reassuring report of the new Consulting Engineer cabled over, and the statement that the stope faces show an improvement of about 1 dwt. as compared with the position in March. In Rhodesians, Chartered have been strong and Tanganyikas good, though not maintaining the best price. Cam and Motor have been flat on the prospect of reconstruction. De Beers have been a feature, rising to 21¼. Broken Hills have continued to dwindle on the possibility of the glut of available lead leading to such disorganisation of the market as to necessitate curtailed production. Despite the set-back in silver, Santa Gertrudis have continued their advance, and now stand at 29*s.*, and Camp Bird, in sympathy, were good at one time. The cable to hand late in the week in regard to the development indications looks rather disappointing, though there is plenty of scope yet for something good to be found. Good buying of El Oro has raised the price to 25

VILLAGE DEEP.

If we say that the Village Deep is the deepest mine on the Rand it may not convey much to some readers, but if we add that the lowest working level is 5,635 feet vertical beneath the surface—that is 255 feet more than a mile deep—anyone with commonsense will realise the high degree of efficiency required to work profitably ore yielding barely 28*s.* per ton milled. When, added to the natural difficulties, the management has to contend with flooding of the lower levels, as in the early part of last year, influenza epidemic as in the latter part, and withal war conditions causing increased wages and higher cost of all mining requisites, it will not be wondered at that the margin of profit in 1918 was very much reduced. Labour shortage coupled with the other circumstances necessitated the mill dealing with 65,000 tons less than its full capacity and expenses were 25*s.* 10*d.* per ton. The working profit fell from £217,046 in 1917 to £66,256, and the dividend had to be reduced from 16¼% to 3¾%. How seriously war conditions and other exceptional factors have diminished the Company's prosperity will be seen from the following table:—

Issued Capital (£1,060,671 in £1 shares).

	Ore Milled Tons	Gold Yield per Ton	Working Costs per Ton	Working Profit— £	Working Profit— Per Ton	Net Profit* £	Dividend— £	Dividend— %
1914 ...	600,400	27/11	17/8	308,404	10/3	278,413	225,392	21¼
1915 ...	622,200	28/6	19/0	295,827	9/6	254,871	225,392	21¼
1916 ...	626,900	29/6	21/0	266,713	8/6	229,234	198,875	18¾
1917 ...	612,800	29/10	22/9	217,046	7/1	212,761†	172,359	16¼
1918 ...	562,300	28/2	25/10	66,256	2/4	70,241	39,775	3¾
1919.								
Mar. qr.	148,000	26/1	24/10	8,952	1/3	—	—	—

* After deduction of taxation and including sundry revenue, but before provision for capital expenditure (£39,543 in 1918).

† Including £9,618 Bewaarplaats receipts and £11,049 of profits previously appropriated for capital expenditure and transferred back.

The development results of 1918 were good from the point of view of quantity of pay ore opened up, but the value was again appreciably lower. Consequently the ore reserves, while showing an increase in tonnage, are lower in average gold contents.

Development Results.

	Main Reef Leader— Sampled Feet	Av. Value	Av. Width	Shilling-inches	South Reef— Sampled Feet	Av. Value	Av. Width	Shilling-inches
1914* ...	7,557	72/8	28·2	2,040	1,237	36/7	24·0	870
1915* ...	5,361	64/11	23·0	1,490	2,873	36/11	21·0	770
1916† ...	4,476	86/9	23·0	1,990	600	74/4	20	1,480
1917† ...	5,871	84/2	22·0	1,850	70	55/8	30	1,680
1918† ...	10,585	64/0	26·0	1,664	158	41/8	24	1,000
1919.								
Mar. qr.	1,172	61/11	26·0	1,610	—	—	—	—

* Payable and unpayable combined. † Payable footages only.

	Ore Mined— Tons	Aver. Value* per Ton	Stoping Width Inches	Ore Developed— Tons	Ore Developed— Value	Ore Reserves— Tons	Ore Reserves— Av. Value	Ore Reserves— Av. Width	Ore Reserves— Shilling-inches
1914...	674,101	29/1	62	624,564	34/0	2,353,470	28.7	59·8	1,700
1915 ...	719,654†	29/6	62	360,600	34/5	2,631,600	28/0	59·9	1,680
1916 ...	723,98‹‡	31/6	57½	343,900	34/5	2,378,100	28/11	59·9	1,730
1917 ...	722,209§	31/6	60¾	377,140	2 /4	1,874,000	28/0	63	1,760
1918 ...	633,671	26/9	62¼	840,740	26/9	2,327,200	26/9	62	1,660

* Before crushing and after discarding waste sorted.
† Including 122,919 tons from reclamation work.
‡ Including 81,194 tons from reclamation work.
§ Including 72,487 tons from reclamation work.

The hope of the future lies in amelioration of war conditions and a better labour supply. Improvement in these respects can only gradually occur, and it has to be remembered that with so deep a mine capital outlay is a continuous drain. Of course, if a sudden and marked change for the better occurred in the reef values disclosed by development work, one would feel more assurance as to the outlook for shareholders. The adjoining City Deep mine is preparing to attack the reef series at 7,000 feet vertical depth, but in its case the reef disclosures have averaged nearly half an ounce of gold to the ton.

The price of Village Deep shares has risen to 19*s.* Last year they stood as low as 12*s.* and in 1915 as high as 45*s.*

CITY DEEP.

After standing as high as 4½ in 1917 the £1 shares of the City Deep last year at one time fell to 50*s.* Two reasons may be said to account for the fall. First a period of relatively poor—though not actually bad—development results led to fears of serious impoverishment in depth; and, secondly, milling operations were so interfered with last year by native labour shortage, influenza epidemic, and war conditions detrimentally affecting costs, as to entail a reduction of the year's dividend from 45% to 27½%. The ore milled in 1918 was only 670,100 tons, against 744,100 tons in 1917, and a mill capacity of 960,000 tons, which is also, be it noted, according to the consulting engineer's report, within the capacity of the mine, given its full complement of labour. Costs, partly by reason of the much curtailed rate of milling and partly on account of war conditions increasing wages and the cost of materials, rose from 21*s.* 7*d.* to 24*s.* 8*d.* per ton, and the gold yield per ton was 1*s.* 6*d.* less at 38*s.* The effect of these adverse factors and circumstances on profits and dividends is shown below, and it will also be noted that provision for capital expenditure was £44,636 last year, against £28,441 in 1917:—

(*Issued Capital*: £1,250,000 *in* £1 *shares.*)

	Ore Milled Tons	Gold Yield Per Ton	Working Costs Per Ton	Working Profit— £	Working Profit— Per Ton	Net Profit* £	Dividend— £	Dividend— %	Carry-forward† £
1915 ...	677,200	38/7	20/5	615,422	18/2	531,007	421,875	33¾	206,648
1916 ...	725,700	39/7	20/2	704,390	19/5	605,056	562,500	45	111,215
1917 ...	744,100	39/6	21/7	665,998	17/11	596,189	562,500	45	216,462
1918 ...	670,100	38/0	24/8	447,294	13/4	386,831	343,750	27½	214,941
1919.									
Mar. qr.	135,500	39/6	28/11	71,764	10/7	—	—	—	—

* After deducting taxes.
† After provision for capital expenditure of £42,231 in 1915, £18,229 in 1916, £28,441 in 1917, £44,636 in 1918.

We have explained the rise in costs and why the mill ran to only 70% of its capacity. The principal causes are temporary, and the indications are that improvement will be noticeable henceforward. There remains the reduction of the gold yield. Here the explanation is clear too—native labour shortage. But what will appeal particularly to shareholders and strengthen their confidence in the future is the unmistakable indication in the technical reports that the mine was not last year worked up to its proper grade any more than it was worked up to its producing capacity. From the manager's report we learn that 742,383 tons of ore were mined (94% from M.R. Leader); that 73,483 tons, value .3 dwt., were sorted out as waste, and that the balance of 668,900 tons, together with 1,200 tons from the bins, were milled and had an average value before milling of 9.3 dwt. From these figures it follows that the value of the total ore mined was only 8.4 dwt. (35*s.* 8*d.*) per ton, against the average value of 9.6 dwt. (or 40*s.* 9*d.*) per ton attaching to the ore reserves at end 1918. Had ore equal to the average value of the ore reserves been mined in the year the working profit would have been £134,000 larger than obtained. Partly as a result of under-average ore being treated, partly by reason of good development results, and partly through further work in certain areas proving them to contain more

CANADA'S GRAND TRUNK RAILWAY
IS
10,127 MILES of
INTERNATIONAL GOODWILL,
COURTESY,
EFFICIENCY, and
SAFETY.
Consult us on Travel, Exports and Imports.
EUROPEAN TRAFFIC OFFICES
London, S.W.—17-19 Cockspur Street. Liverpool.—20 Water Street.
London, E.C.—44-46 Leadenhall Street. Glasgow.—75 Union Street.
F. C. SALTER, *European Traffic Manager.*

ore and higher values than at first reckoned upon, the underground position has improved greatly as shown below:—

Values of Ore Developed and Mined.

	Payable Development on M.R. —Leader— Width			Pay-Ore D'lopd	—Total Ore Mined— Stoping Width		Shil-	Ore Reserve Value Shilling-
	Feet	Value	In.	Inches	Tons†	Value	In.	In.	In.	Inches
1916	8,785	*105·0	30·6	3,212	935,248	829,659	26 3	—	—	2,300
1917	6,095	107/0	24·0	2,580	570,100	835.475	36 4	—	—	2,450
1918	6,460	89/4	30·0	2,680	617,400	742,383	35/8	67	2,190	2,650

* Percentage payable in 1916, 77%; in 1917 66 %; in 1918, 76%.
† Includes 41,321 tons of Main Reef ore developed in 1916, but nil since.
‡ Includes 180,534 tons from Main Reef in 1916, 70,869 tons in 1917, and 47,196 tons in 1918.

Pay Ore Reserves.

	—Main Reef Leader—		Width	—Main Reef—		Width	—Total—		Width	Shil-
Dec. 31	Tons	Value	In.	Tons	Value	In.	Tons	Value	In.	ling in-
1915 ...	3,276,858	40/1	62	383,629	19.1	44	3,660,487	38 3	60	2,300
1916 ...	3,134,250	39/6	65	192,650	20/5	56	3,326,900	38/3	64	2,450
1917 ...	3,252,900	41/2	65*	89,800	25/1	56*	3,342,700	40/9	65	2,650

* Estimated on assumption of previous calculation.

The ore reserves are equal to three years' supply for the full capacity of the mill, and, barring some of the rich mines at the eastern end, there are few Rand mines other than the City Deep that can boast of being half-ounce per ton producers. That costs will come down if native labour is adequate is almost certain, especially when jack-hammer drills are available in sufficient numbers. Of course the mine is a deep one, and must steadily get deeper; but it is also wide along the strike of the reef—in fact, between 10,000 and 12,000 feet. Plans for opening up the deep-level section have been made, and the sinking of a new vertical shaft to 7,000 feet depth has been commenced. Its entire cost and permanent equipment will entail an outlay of £500,000, of which £400,000 will fall to be provided out of the profits of the next four or five years. Still, if development results keep good and the mill can be run to something like its capacity and fed with average grade ore, the increase in profits, given only gradual reduction of the present high cost of materials, seems likely to be sufficient to pay for capital outlays, as well as to substantially increase the shareholders' dividend. At £3⅛ the shares appear to have investment merit as well as speculative possibilities.

Daggafontein.—As the result of the Government's approval of the Company's application for additional mining ground, the Company's claim area will now be approximately as follows:—Mynpacht area, say, 1,257 gold claims; discoverers' claims, 179; exchange for New Geduld Deep mynpacht, 173; lease from the Government, 450; total, 2,059 claims. This total is subject to survey. The western boundary of the Daggafontein property now extends as far as, and immediately adjoins, the eastern boundary of the Springs mine.

Intending Settlers To South & East Africa



are notified that the

National Bank of South Africa, Ltd., have over **300 Branches within the Union;** also Offices at **Mombasa, Nairobi, Mozambique, Dar-es-Salaam, Tanga,** etc., and in **Nyasaland.**

LONDON OFFICES:

CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office— 25, COCKSPUR STREET, S.W.—1

Agency at— 10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, May 21, 1919.

Issue Department.

Notes Issued	£102,374,825	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	83,924,825
	£102,374,825		£102,374,825

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£46,339,633
Rest	3,155,582	Other Securities	80,382,249
Public Deposits	26,104,348	Notes	25,834,710
Other Deposits	110,332,860	Gold and Silver Coin	1,598,745
Seven-day and other Bills	9,547		
	£154,155,337		£154,155,337

Comparison with Previous Four Weeks [00,000's omitted]

Date	Circulation	Coin & Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919.	£	£	£	£	£	£	£	%	%	%
May 21	76·5	85·5	26·1	110·3	46·3	80·4	27·4	20·10	5	3⅛
May 14	76·5	85·6	22·8	111·4	46·4	77·9	27·5	20·50	5	3⅛
May 7	76·8	85·9	23·7	125·2	49·4	79·5	27·6	19·87	5	3⅛
Apr. 30	77·1	85·6	21·9	114·7	55·1	82·2	26·9	18·38	5	3⅛
Apr. 23	76·2	85·1	24·6	117·2	50·2	81·8	27·4	19·32	5	3⅛
J'y 22,'14	29·3	40·2	13·7	42·2	11·0	33·6	29·3	52·40	3	2⅛

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 8 8%; Aug. 8 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c

Bank of England (in £'s sterling 00,000's omitted):	May 21, 1919	May 22, 1918	May 23, 1917	May 24, 1916	May 19, 1909
Circulation	£76.5	£50.2	£38.7	£34.7	£29.2
Public Deposits	26.1	38.4	47.1	54.2	14.9
Other Deposits	110.3	127.6	131.6	81.4	41.0
Government Securities	46.3	55.6	45.0	33.2	15.4
Other Securities	80.4	97.3	116.6	76.4	30.6
Reserve	27.4	30.8	34.8	43.7	27.7
Ratio to Liabilities	20·10%	18·57%	19·49%	32·24%	49·50%
Coin and Bullion	85.5	62.6	55.1	60.0	38.5
Money					
Bank of England Rate	5%	5%	5%	5%	2½%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3⅛%	3⅛%	4⅛-4⅜%	4⅛%	1⅞%
Exchanges:					
Paris Cheque	30 62½	27 16	27 26½	28 22	25 16
New York 60 days	4 60½	4 72½	4 73	4 72½	4 86
Bombay Telegraphic Transfers	1/7⅛	1/5⅛	1/4⅞	1/4½	1/3⅛
Prices:					
Consols 2½% Cash	56¼	56¼	55⅜	57⅝	85
French Rentes 3% Money	62 30	59 75	61 25	62 50	96 71
Silver, London spot	51⅞d.	48⅞d.	37⅞d.	34 3-16d.	24½d.
Wheat, *Gazette* average qrs.	73/3	73/4	77/11	55/0	41/6
Cotton, Mid Upland lb.	18·55d.	20·88d.	13·65d.	8·53d.	5·95d.
Iron, Scotch pig ton	161/0	101/0	98/6	88/6	54/1½

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	% of Gold to Notes ℅
May 21, 1919 ...	5,969,652	7,796,409	344,338,838	28,500,000	8·2
May 14, 1919 ...	6,207,244	6,681,924	346,665,595	28,500,000	8·2
May 22, 1918 ...	5,786,493	2,654,318	247,195,082	28,500,000	11·5
May 23, 1917 ...	5,365,515	4,268,301	157,044,870	28,500,000	18·1
May 24, 1916 ...	3,986,373	3,632,008	117,535,972	28,500,000	24·2
May 26, 1915 ...	2,712,908	1,348,597	45,159,634	28,500,000	63·1

Balance Sheet, May 21, 1919.

Notes outstanding—	£	Advances—	£
One Pound	261,834,766	Trustee Savings Banks	365,000
Ten Shilling	46,144,072	Currency Note Redemption A/c—	
Certificates outstanding ...	36,860,000	Gold Coin and Bullion ...	28,500,000
		Government Securities ...	328,088,573
Total	344,838,838	Balance at Bank of England	4,188,568
Investments Reserve A/c	16,303,303		
Total	361,142,141	Total	362,142,141

PUBLIC INCOME & EXPENDITURE [000's omitted.

1918-19. Week to	Revenue	Expenditure	Excess of Expenditure	—Loans, Advances, &c.— Cr.	Dr.	Net +	Cash Balance
May 17	£13,223	£18,749	£5,526	£72,903	£67,522	£5,381	£6,673
May 10	11,380	24,811	13,431	78,756	65,096	13,660	6,819
May 3	14,981	41,058	26,097	91,756	65,202	26,554	6,589
47 days'18	102,735	223,530	120,795	635,266	520,596	114,670	—6,126
48 days'18	79,864	378,474	298,620	881,038	588,540	292,498	—6,122
*Yr. '19-20**	*1,201,100*	*1,434,910*	*233,810*	—	—	*233,810*	—
Yr. '18-19	889,021	2,679,301	1,690,280	7,033,402	5,351,353	1,682,049	12,789
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,809	3,816,023	3,683,581	31,030

Principal Items of Revenue and Expenditure.

1918-19. Week to	—Revenue— Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	—Expenditure— Int., &c., on Debt	Misc. Expend.	Supply Services
May 17	£5,694	£1,036	£5,042	£1,451	£1,174	—	£17,575
May 10	3,820	2,064	4,159	1,337	751	£10	24,050
May 3	3,649	2,338	7,141	1,833	12,848	32	28,178
47 days'19	27,867	29,208	33,509	12,151	52,296	462	170,772
48 days'18	16,482	19,596	33,826	9,950	24,219	442	353,813
*Yr. '19-20**	*237,500*	*354,000*	*300,000*	*309,600*	*360,000*	*16,595*	*1,058,318*
Yr. '18-19	182,220	291,188	285,028	160,587	289,984	11,380	2,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,494,968

FLOATING DEBT.	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
May 17, 1919 ...	£1,018,789	£470 892	£1,489,681	£1,712 392
May 10, 1919 ...	1,013,135	470,992	1,484,127	1,707 682
May 3, 1919 ...	1,000,179	477,492	1,477,671	1,703,065
Apr. 26, 1919 ...	985,941	474,492	1,460,434	1,698,835
Dec. 31, 1918 ...	1,094,740	455,180	†1,549,920	1,420,700

* Budget estimate. † Highest.

FOREIGN BANKS. [In £'s Sterling‡—000's omitted.]

AUSTRIA-HUNGARY.	Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Discounted, &c.
July 23, '14	£51.578	£12.141	£63.719	£7.722	—	£88.740	£31.993
Mar. 7, '19	11.600	2.369	13.969	387 957	£1.361.708	1.558.675	116.973
Mar. 14, '19	11.600	2.372	13.972	388.410	1.375.166	1.571.211	116.968
Dec. 7, '17	11.000	2.300	13.300	603.990	—	739.300	117.600

DENMARK.	Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14	£4.100	£341	£4.441	£6.197	£786	£8.693	£47
Mar. 31, '19	10.385	137	10.522	3.644	4.206	24.137	832
Apr. 30, '19	10.374	136	10.510	3.425	3.977	24.115	1.026
Apr. 30, '18	10.228	134	10.362	3.507	3.489	19.317	947
Apr. 30, '17	9.595	131	9.726	5.084	2.080	16.717	1.364

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14	£165 654		£190.867	£97.768	£267.327	£15.302	£37.903
May 15, '19	142.801	79.131	234 262	36.469	1.372.975	6.714	132.337
May 22, '19	142.822	79.131	234 247	32.058	1.365 344	6.537	128 000
May 23, '18	133.785	81.434	225.488	43.153	1.082.926	2.620	126 486
May 24, '17	129.417	81.350	221 067	18.496	775.780	3.248	105.152

GERMANY.	Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14	£67.843	£16.727	£84.570	£5.279	£40.055	£94.545	£47.198
Apr. 30, '19	87.793	1.040	88.833	363.865	1.578.048	1.331.446	726.863
May 7, '19	87.513	1.029	88.542	365.595	1.457.702	1.336.100	612.795
May 7, '18	117.260	5.988	123.248	77.703	679.183	590.117	342 852
May 7, '17	126.646	879	127.525	23.779	435.990	415.180	197.605

HOLLAND.	Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14	£13.496	£249	£13.745	£13.422	£10.332	£35 660	£1.437
May 3, '19	55.236	605	55.841	14.351	19.331	90.646	3.690
May 10, '19	55.199	613	55.812	14.538	18.840	88.726	5.949
May 11, '18	60.148	624	60.772	5.540	12.540	79.585	4.859
May 12, '17	49.636	585	50.221	6.628	7.397	63.998	3.336

ITALY.	Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14	—	—	£48.456		£25.017	£69.204	£8.887
Feb. 28, '19	32.715	3.001	35.716	13.480	65.638	358 621	59.727
Mar. 31, '19	32.716	2.940	35.656	16.192	59.315	366.432	59.921
Apr. 10, '19	32.750	2.944	35 694	26 840	59.063	373.059	58.878
Apr 10, '18	33.462	3.169	36.630	4.796	54 431	284.350	60,120
Apr. 10, '17	33.944	2.627	36.571	3.180	38.305	158.764	32.266

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14	£21.867	£1.829	£7.863	£32.722	£13.818	£1.521
Mar. 29, '19	70.797	4.966	35.393	86.573	106.488	4.161
Apr. 5, '19	70.743	2.243	35.543	82.439	107.374	3.680
Apr. 6, '18	64.632	5.246	24,375	65.114	65.511	2.308
Apr. 7, '17	40.594	650	17.051	43.928	44.196	1.325

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest., &c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
Aug. 1, '14	—	£89.888	£411.238	—	—	£387.165	£1.720
May 10, '19	£19.652†	114.804	1.001.822	£812.448	£31.132	897.282	7.756
May 17, '19	20.138†	114.230	1.004.796	821.626	30.068	889 450	7.764
May 18, '18	21.480†	106.354	918.978	725.044	35.408	862.902	9.908
May 19, '17	93.134*	152.683	724.280	715.613	39.647	755.262	29.326

* Counted as reserve. † Not reserve.

NORWAY.	Gold	Balance Abroad	For'gn Govt. Securities	Disc'nts & Loans	Circulation	Deposits
July 31, '14	£2.960	£1 678	£493	£4.868	£6.752	£793
Apr. 30, '19	8.190	3.805	691	19.280	23.916	4 203
May 7, '19	8.189	3 838	691	19.106	23.749	4.033
May 7, '18	6 731	3.549	712	18.488	19.777	6.352
May 7, '17	7,163	3.799	706	13.141	15.615	7.021

PORTUGAL.	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
Mar. 26 '19	£1.905	£3.799	£5.704	£9.633	£64.181	£4 169
Apr. 2, '19	1.905	3 856	5 761	8 859	62 871	5 186
Apr. 9, '19	1.905	3 883	5.788	8 826	64.505	3 487
Apr. 10, '18	1.905	3 191	5.096	7 818	45.502	1.575
Apr. 11, '17	1.904	1.002	2.906	15 011	32 394	838

RUSSIA.	Gold In Bank	Gold Abroad	Total Cash incl'g silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14	£160.114	£14 395	£181 892	£76.081	£163.411	£6 589	£109 911
Oct. 29, '17	129 523	230 865	378 205	1 869.559	1.836.217	15 783	345.550

SPAIN.	Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits, &c.
Aug. 1, '14	£21.804	£29 187	£50 991	£40.572	£13,778	£77.557	£18.955
May 10, '19	90.443	25 856	116.299	74 140	13.778	141.204	42 312
May 17, '19	90,443	25.899	116,342	75.399	13.778	141.075	43 026
May 18, '18	82 104	28 271	110.375	52 348	13,777	117 429	36 460
May 19, '17	57,103	30 120	87,223	52.027	13.777	99.350	30.063

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14	£5,717	£6 150	£1.558	£7.495	£39.564	£6 016
May 3, '19	15.967	7.227	2.880	20.276	40.319	6.039
May 10, '19	15.961	7.494	2.880	18.392	38.991	5.084
May 11, '18	14.661	7.407	3.880	13.443	33.659	5.446
May 12, '17	11,281	7 080	3,282	9.288	23.733	7.199

SWITZERLAND.	Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14	£7 202	£758	£7 960	£4 817	£10 716	£2 026
May 7, '19	16 810	2.648	19.458	22.440	37.397	4.946
May 15 '19	17.228	2.668	19 896	19 596	36 088	5.267
May 15, '18	15.056	2.251	17.307	13.266	27.248	4.058
May 15, '17	13 688	2.046	15.754	7.062	20.273	3 587

‡ Converted at par rate of exchange.

U. STATES FED. RES. BANKS.	Gold Held by Banks.	Gold With Agents.	Total Cash.	Bills Discount'd	Bills Accept-ances.	Deposits. Govt.	Deposits. Net.	Circulation.
May 10, '19	£182.976	251.894	448.558	393.660	36.408	17.952	351.062	511.350
May 17, '19	176.836	258.332	449.172	407.788	36.944	37.168	373.084	506.408
May 17, '18	190.074	188.806	390.542	168.454	55 978	9.750	304.890	313.890
May 18, 17	107.647	90.213	203.349	8.969	20.035	20.533	158.405	89.300

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Dates Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	4½	Oct. 26,'14
Berne	5½	Oct. 3,'18	Paris	5	Aug. 20,'14
Bombay	6	Mar. 27,'19	Petrograd	6	July 29,'14
Brussels	5	Aug. 27,'14	Rome	5	Jan. 11,'18
Calcutta	6	Mar. 27,'19	Stockholm ...	6½	Apr.24,'19
Christiania ...	5½	May 12,'19	Tokio	6½	Nov. 25,'18
Copenhagen ...	5½	Jan. 2,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		May 23, '19	May 16, '19	May 9, '19	May 2, 19
Brussels	Cheques	30fr. 82½c.	30fr. 60c.	29fr. 77½c.	29fr. 83½c.
Denmark	Cable	19kr. 67½	19kr. 23	19kr. 10	18kr 77½
Holland	do.	11fl. 77c.	11fl. 73½c	11fl. 76½c.	11fl. 63c.
Italy	do.	39l. 75c.	37l. 50c.	35l. 50c.	35lr. 20c.
Lisbon and Oporto	do.	30d.	31½d.	31d	32½d.
New York	do.	$4 64⅞	$ 66	$4 69½	$4 68
—	Cheques	$4 65½	$. 66⅝	$4 69½	$4 68½
Norway	Cable	18kr. 40	18kr. 47½	18kr. 42	18kr. 11½
Paris	3 mos.	30fr. 71c.	30fr. 01c.	29fr 26c.	28fr. 85c.
—	Cable	30fr. 40c.	29fr. 60c.	28fr. 85c.	28fr. 45c.
Spain (Bank places)	3 mos.	50½d.	50d.	50½d.	—
—	Cable	23p. 10	23p 05	23p. 13	23p. 12½
Sweden	Cable	18kr. 21	18kr. 18	18kr. 15	17kr. 46
Switzerland	3 mos.	24fr. 15c.	23fr. 77½c.	—	—
—	Cable	23fr 75c.	23fr. 37½c.	23fr. 40c.	23fr. 13c.

ON LONDON—		May 23, '19	May 16, '19	May 9, '19	Par
Alexandria	Sight	97¼pi.	97¼pi.	97¼pi.	97¼pi.
Amsterdam	Cheques	11fl. 76c.	11fl. 74c.	11fl. 75½c.	12·107 fl.
Bombay	Transfers	1s. 7 3/16d.	1s 7 3/16d	1s. 5 15/16d.	1s 6d.
Brussels	Cheques	30f. 77½c.	30f. 75c.	29f. 77½c.	25f. 22½c.
Buenos Ayres	Transfers	51⅝d.	51⅝d.	51⅜d.	47.58d.
Calcutta	do.	1s. 7 3/16d.	1s. 7 3/16d.	1s. 5 15/16d	1s. 6d.
Christiania	Sight	18kr. 42	18kr. 49	18kr.40½	18.159kr
Copenhagen	do.	19kr. 67½	19kr. 27	19kr. 07½	18.159kr.
Hong Kong	Transfers	3s 6d.	3s 6 1/16d.	3s. 5d.	—
Italy	Sight	40l. 05c.	37l. 20c.	35lr. 58c	25lr. 22½c.
Lisbon	do.	30½d	31⅜d.	33½d.	53½d.
Madras	do.	1s 8 1/16d	1s 8 1/16d.	1s. 6 15/16d.	1s. 6d.
Madrid	do.	23p. 07½	23p. 05½	23p 16	25p. 22
Montevideo	Transfers	—	—	58⅜d.	51d.
Montreal	Cable	$4 78½	$4 79	$4 82½	$4 86⅝
New York	Sight	$4 62⅜*	$4 65⅛	$4 67½	—
—	60 days	$4 60·*	$4 63½	$4 65½	—
—	Cable	$4 64⅛	$4 66 7/16	$4 69 11/32	$4 86⅝
Paris	Cheques	30f. 62½c.	30f. 68c.	28f 80c	25f. 22½
Rio de Janeiro	90 days	14 3/32d.	14⅜ i.	14 3/32d.	18d.
Shanghai	Transfers	5s 1 1/16d.	5s. 2 1/16d	5 1o	—
Singapore	Sight	2s. 4 1/16d.	2s. 4 3/32d.	2s. 4 3/32d.	2s, 4d.
Stockholm	do.	18kr. 22½	18kr. 17½	18kr. 13	18·159kr.
Switzerland	do.	23f 80c.	23f 78c	23f. 37c	25f. 22½c.
Valparaiso	90 days	11 5/16d.	10 11/16d.	—	18d
Yokohama	Sight	2s. 2 3/16d.	2s. 2⅛d.	2s. 2 3/16d.	2s. 0.58d.

* Thursday's rates.

NEW YORK ON—	Rate Current* May 21, '19	Rate Current* May 14, '19	Par as usually Quoted	Rate July 3, 14
Amsterdam, sight	39·10c.	39·75c.	40·20c. for 1 guilder	40·26c.
Bombay, cheques	39⅜c.	4j·	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques	44·15c.	44·40c.		
Christiania, cheques	24 90c.	25·15c.	26·80c. for 1 kroner	
Copenhagen, cheques	23·40c.	24·85c.	26·80c. for 1 kroner	26·86c.
Greece, cheques	19·90c.	19·15c.	19·295c. for 1 drachma	
Hongkong, cheques	83 50c.	87c.	74·59c. for Mex. $1	48·40c.
Italy, sight	8·62½	7 82½	5·18½ lire for $1	5·17½
Lima, cheques	5·05c.	5·05c.	4·8665 $ for 1 libra	
Manila, cheques	49 50c.	49·75c.	50c for 1 peso	49·80c.
Montreal	2 1/32 % disc.	2 1/32 % disc.	Premium per $100	Par
Paris, sight	6·70fr.	6·34fr.	5·18½ francs for $1	5·16fr.
Petrograd, sight	10m m.	10·00m.	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	28 50c.	27·50c.	32·42c. for 1 milreis	
Shanghai, cheques	125c	124c	52·96c. for 1 tael	53·00c.
Singapore, cheques	55·50c.	55·24c.	56·77c. for $1	57·12c.
Spain, cheques	20·05c.	20·18c.	19·30c. for 1 peseta	
Stockholm, cheques	25c.	26 85c.	26·80c. for 1 kroner	
Switzerland, cheques	5·10fr.	5·02fr.	5·18½ francs for $1	5·18½fr.
Valparaiso, cheques	21c	20 50c.	20·81c. for 1 peso	
Yokohama, cheques	51½c.	51½c.	49·84c. for 1 yen	49·80c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1919 Agg.	Inc. or Dec.*
	1919.	[In £'s sterling 000's omitted.]			
BIRMINGHAM	May 17	£2,652	+ £1.048	£49.087	— £411 — ·9
BRISTOL	,, 17	1,658	+ 690	25.591	+ 4.628 + 22·1
DUBLIN	,, 17	7,449	+ 2.574	136.709	+ 28.490 + 26·3
LEEDS	,, 17	1 303	+ 460	22.153	+ 2.688 + 13·8
LEICESTER	,, 17	1,166	+ 405	17.514	+ 3.465 + 24·7
LIVERPOOL	,, 17	11.767	+ 4 450	217.120	+ 42.739 + 24·5
MANCHESTER	,, 17	14.732	+ 1.497	296.466	+ 8.464 + 2·9
NEWCASTLE	,, 17	1.838	+ 597	37.214	+ 549 + 1·5
NOTTINGHAM	,, 17	634	+ 230	12.756	+ 806 + 6·8
SHEFFIELD	,, 17	998	+ 200	23.816	+ 1.388 + 6·1
LONDON—	1919.				
TOWN	May 21	409.259	+ 171.431	7.508.038	+1.064.569 + 16·5
METROPOLITAN	,, 21	35.417	+ 15.206	654.397	+ 131.460 + 25·1
COUNTRY	,, 21	71.136	+ 35.576	1 197.880	+ 204.715 + 20·6
TOTAL	,, 21	515.812	+ 222.213	9.360.315	+1.400.744 + 17·6

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. O. Gould and Co.

HOMEWARDS.	1919 May 23	1919 May 16	1913 May 23
Alex. to Lond.or Hull	—	—	—
Aust. to U.K. or Cont.	105/0	105/0	31/3
Azoff to L.H.A.R.	—	—	10/6
Bombay to p.p. (nom.)	90/0	90/0	d.w.22/6
Burmah o.c. (nom.)	112/6	105/0	27/0
Calcut.to p.p.(jute)	—	nom.	25/0
Danube to A.R.	—	—	10/9
Odessa to L.H.A.R.	—	—	9/3
R. Plate to U.K. Cont.	260/0	225/0	16/8

Homewards.—*Contd.*	1919 May 23	1919 May 16	1913 May 23
U.S.Atl.Ports to Lvrpl. (cotton, 100lb.)	May23 220/0	May16 220/0	May 23 41/3
U.S.toU.K.Cont. (gr.)	14/0	14/0	2/9
Gulf Ports to U.K.Cont. (cotton & grain)	$35	$35	15/0
OUTWARDS—Cardiff to			
Bombay	—	—	13/0
Colombo	—	—	12/6
Port Said	47/6	47/6	10/3
River Plate	47/6	45/0	19/3
St. Vincent	40/0	40/0	10/3

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	MAY 23, 1919	MAY 24, 1918	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	161/0	101/0	57/0
— Middlesbro' warrants ...ton	155/0	95/0	51/0
— Hematite warrants ...ton	180/0	122/6	61/0
— Staffordshire bars, London ton	£20 10	£15 10	£8 10
— Common bars ...ton	£20 10	£13 15	£8 10
Steel Rails ...ton	£15	£10 17/6	£6 2/6
Galvanised Sheets...ton	£30	£28	£18 17/6
Copper—Standard...ton	£78 15	£110—£110 10	£61
Tin—English Ingots...ton	£230	£359—£364	£142 10
— Straits ...ton	£233	£355—£357	£139 15
Tinplates, I.C. Coke, S. Wales...box	33/6	33 0	11/10½—12/0
Lead—Soft Foreign ... ...ton	£23 15	£28 10—£29 10	£19
Spelter—Ord. Foreign ...to	£36 5—£36 10	£50—£54	£21 7/6
Quicksilver—(75lb.) ...bottle	£18—£18 10	£20	£7
Aluminium ...ton	£150	nom	£82
Antimony—Regulus Foreign ...ton	£40—£42	nom	£27 10
— English ...ton	£48	—	—
Coal—(best) Yorkshire...ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle...ton	40/0—45/0	30/0	14/8
CHEMICALS, OILS, &c.			
Nit. of Soda—f.o.b. Chile, per quintal	9/6	11/3	7/4
Soda—Crystals ex ship ...ton	129/0—130/0	87/6	42/6—45/0
Copra—Malay and Straits ...to	£58 10	£45 10	£23 15–£24 7/6
Gambier—Good marks ...cwt	40 0	72/6	16/10½
Indigo—Bengal good to fine...lb	9/0—10/6	9/0—11/0	3/2—3/8
Linseed Oil—Raw...ton	£99	£58	£25 5
Linseed—Calcutta, spot ...ton	£45	£29 15	£13 16/9
— **Cakes**, U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish ...tun	nom	£200	£49 10
Palm Oil—Lagos ...ton	£72	£49	£31 10
Petroleum—American...gallon	1/4½	1/10½	7½d.
Rape Oil—Refined English ...ton	£100	£71	£32
Soya Oil—Refined...ton	£75	£75	£24 10
Tallow—Imported ...cwt	82/6—90/0	72/0	29/3—33/3
Turpentine—French ...cwt	100/0	118/0	33/7½
Rape Seed—Toria...ton	£40	£29 15	£13 5
Rubber—Para, spot ...lb	2/5	3/0	2/9½
— Fine plantation (stnd. crepe) lb	1/10½	2/3½	2/2
— World's Production* Mar. tons	29,000	26,705	8,467
Shellac—T.N. Orange, fair.....cwt	315/0	340/0	83/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb	18 55 l.	21 41 l.	7·53d.
— Egyptian, good fair ...lb	28 34 l	28 89 l.	8·75d.
— Pernambuco fair ...lb	20 95 l	21 02 l.	7·73d.
— Mid. Upl. New York.. ...lb.	31·55c.	26 45c	13·25c.
— Stock, Liverpool, May 16 bales	533,080	321,590	
Flax—Petrograd. Yarapol ...ton	nom	£120 nom	£28
Hemp—New Zealand ...ton	£49	£99	£25 10
— Manila, Fair ...ton	£48	£100	£28 10
Jute—First Marks ...ton	£47 10	—	£28 15
— Red SOO ...ton	—	—	£24 15
Silk—Blue Elephant ...lb	20/8	25/8	11/3—11/6
Wool—Pt. Philip unwashed av. lb	3/1½	nom.	11½d.—1/0
— Lincoln Half Hogs ...lb	1/7½ nom.	1/7½	1/0½
Hides—Eng. Ox, best, 65lb. up lb	9½d.—10½d.	10½	7½d.
Leather—Dressing Hides ...lb	2/7—3/3	2/4—3/0	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	87,399,000	17,707,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	237c.	226c.	87½c.
— English *Gazette*, aver. 480lb qr.	73/3	73 4	34/3
Flour—G.R. ...280lb.	44/3	44 3	28/8
Barley—Eng. *Gaz.*, aver. 400lb. qr.	62/4	56/8	25/4
Oats—Eng. *Gaz.*, aver. 312lb. ...qr.	47/11	46/4	20/0
Maize—N. Y. (new bushel) .. 56lb	197½	nom.	76½c.
— Amer. mixed, Liverpool...480lb.	83/9	79/9	32/4
— La Plata ...480lb. qr.	83.0	76/0	25/9
Potatoes—Good English ...ton	208/0	160/0—175/0	70/0—75/0
Rice—Bassein ...cwt.	25/0	28/3	7/0—7/3
Tapioca—Pearl, medium...cwt.	48/0	79/0	14/0—17/8
Hay—Best ...2,018lb....load	178/0	161/0	82/6
Hops—English...cwt	—	£5 10—£10	£8 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs....8lb.	8/3	9 3	3/8—3/10
— Scotch sides...8lb.	8/4	8/2	4/8—5/0
— English...8lb.	8/4	8/2	4/2—4/5
Mutton—Scotch wethers...8lb.	8/10	8/8	5/8—6/0
— English wethers...8lb.	8/10	8/8	4/6—5/4
— New Zealand frozen ...8lb.	9/0	8/8	2/4—3/2
Pork—English and Irish...8lb.	10/8	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	190/6	188/0	80/0—74/0
— Danish...cwt.	—	172/0	68/0—68/0
— Canadian, ex Port...cwt.	180/0—190/0	—	
— American, ex Port...cwt.	174/0—186/0	170/0—172/0	72/0—74/0
Hams—Amer.long cut, ex Port cwt.	174/0—192/0	165/0	75/0—79/0
— — short cut, ex Port ...cwt.	172/0—190/0	162/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	160/0—189/0	152/0	51/9—52/9
Butter—Danish ...cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
— French ...cwt.			88/0—108/0
— Australian ...cwt.			98/0—110/0
— New Zealand ...cwt.			108/0—114/0
Cheese—Canadian ...cwt.	Controlled 144/8	130/6	66/0—68/0
— United States...cwt.		130/6	—
— Dutch ...cwt.		—	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Apr. 30 ...cwts.	9,280,239	8,894,792	19,777,254
— Home consump'n to Apr. 30 cwts.	9,057,361	6,069,772	17,272,000
— In Bond Apr 30 ...cwts.	6,691,000	6,074,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	32/0	31/0	10/3
— — Yellow crystals ...cwt.	57/9	41/7½	12/8—14/0
— — Tate's Cubes, No. 1 ...cwt.	64/9	64/9	18/0
Coffee—Imports to Apr 30 ...cwts.	407,899	44,945	720,360
— Home consump'n to Apr. 30 cwts.	99,480	208,817	141,410
— Exports to Apr. 30 ...cwts.	69,500	16,081	340,250
— In Bond Apr. 30 ...cwt.	843,000	914,000	484,000
— Price, Costa Rica gd.to fine cwt.	128/0—137/0	125/0—140/0	80/0—93/0
— — Brazil (Santos) good ...cwt.	105/0—115/0	64/6	41/8
Tea—Imports to Apr. 30 ...lbs.	143,175,704	175,154,532	123,230,227
— Home consump'n to Apr. 30 lbs.	109,384,355	92,309,690	155,447,972
— Exports to Apr. 30 ...lbs.	8,519,860	451,008	26,581,765
— In Bond Apr. 30 ...lbs.	157,668,000	85,161,000	78,292,000
— Price, Indian, Pek. Sour. good lb.	9½—9½d.	1/4	8½d.
— — Ceylon, Pek. Sour. Ord. lb.	9½—9½d.	1/4	8½d.
— — Common Congou ...lb.	9½—9½d.	1/4	5½d.
Cocoa—In Bond Apr 30 ...cwt	1,019,000	602,000	309,000
— Grenada, good to fine ...cwt.	118 0—121/0	85 0	52/6—56/0

* Estimated.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Cuba Railroad ...	Feb.	$1,165,474 +	$909	$328,203 —	$123,593
	8 *mos. to* Feb.	7,298,169 +	350,255	1,672,128 —	430,113
United RR. of Yucatan	Dec.	Mex.$734,338 —	19,337	111,077 —	63,667
	12 *mos. to* Dec.	8,536,346 +	1,811,369	1,280,719 +	283,114

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

**** No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks.	Aggregate Receipts.	+ or — on Year Ago.
Assam Bengal	Apr. 12	993	R2,84,066 +	38,402	2	—	—
Barsi Light ...	Apr. 19	118	41,790 +	22,400	3	1,08,600 +	68,700
Bengal & N.W.	Apr. 12	2,052	9,11,120 +	61,684	2	—	—
Beng. Dooars	Apr. 12	158	39,940 —	4,834	2	—	—
Beng. Nagpur	Apr. 12	2,695	19,33,000 —	1,35,826	2	—	—
Bomb. Baroda	May 10	2,871	22,35,000 +	2,62,000	6	1,11,65,000 —	1,65,000
Burma	Mar. 31	1,342	7,54,868 +	1,00,475	52	2,63,01,139 +	40,26,434
Del. Um. Kalk.	May 10	239	76,900 —	228	6	4,60,729 —	53,925
East Indian ..	May 10	2,767	26,86,000 —	1,15,000	6	1,55,57,000 +	4,65,000
Gt.Indian Pen.	May 10	3,112½	29,21,000 +	7,22,900	6	1,56,10,800 +	18,60,305
Madras & S.M.	Apr. 19	3,152	12,00,000 —	12,179	3	31,00,000 —	1,70,283
Nizam's Guar.	Mar. 31	900	6,85,789 +	1,72,422	26	69,32,769 —	4,40,024
Rob. & Kumu.	Mar. 31	572	1,58,471 +	4,260	26	28,60,855 +	1,68,784
South Indian	Apr. 12	1,829¾	12,46,459 +	98,892	2	—	—
South Punjab	Jan.	716	7,42,072 —	13,827	4*m*	30,01,658 +	60,880
COLONIAL							
Can. Northern	May 14	9,524	$1,030,300 +	223,000	19	16,891,549 +	2,406,049
Can. Pacific ...	May 14	13,388	2,959,000 —	150,000	19	55,062,000 +	3,121,000
Grand Trunk	May 14	3,616	£242,700 +	12,844	19	4,453,332 +	1,117,427
Mashonaland	Dec.	810	53,459 +	4,011	3*m*	137,931 —	35,806
Mid. W. Aust.	Mar.	277	10,740 +	1,145	9*m*	84,683 +	13,954
NewCape Cent.	Apr. 12	205	2,419 +	106	13	42,229 +	6,882
Rhodesia Rlys.	Dec.	1,397	86,906 +	5,069	3*m*	214,060 —	63,026
Temiscouata ..	Mar.	—	$31,271 —	6,870	3*m*	83,955 +	27,460
W.Pass. & Yuk.	Dec.	122	—	—	12*m*	$1,244,080 —	604,349
FOREIGN.							
Argentine.							
Arg. N. East.	May 17	752	£ 12,800 +	2,900	46	456,700 +	62,200
Arg.-Transand	May 17	111	£ 4,390 +	1,280	46	173,830 +	22,080
B. A. & Pacific	May 17	3,536	£ 133,000 —	7,000	46	5,361,000 +	1,030,006
B.A.Gt. South.	May 18	3,792	£ 136,000 —	1,000	46	6,368,000 +	1,322,000
Do.	May 18	Net	£ 27,000 —	12,000	46	1,409,000 +	220 000
B. A. Western	May 18	1,882	£ 82,000 +	1,000	46	3,185,000 +	745,000
Do.	May 18	Net	£ 21,000 +	2,000	46	755,000 +	163,000
B. A. Central ..	Feb.	190	£ 37,889 +	3,667	8*m*	322,745 +	109,162
Cent. Argent.	May 17	3,305	£ 142,800 —	14,200	46	6,089,100 +	791,900
Do.	May 17	Net	£ 20,300 —	10,900	46	882,900 —	452,173
Cord. Central	May 17	1,205	£ 38,500 —	2,590	46	2,005,580 +	559,770
Entre Rios ..	May 17	831	£ 21,500 +	100	46	936,500 +	195,900
Brazilian.							
BrazilGt.South	Apr.	110	M 51,800 +	800	4*m*	189,940 —	1,160
Brazil Railway	Dec.	3,530	M 4,859,000 —	141,271	12*m*	57,772,000 +	7,619,243
Gt. W. Brazil	May 17	1,010	£ 19,000 +	4,400	20	383,000 +	30,600
Leopoldina ..	May 10	1,831	£ 40,402 +	10,339	19	579,825 —	14,508
Mogyana	Dec.	1,180	M 1,561,000 —	956,490	12*m*	22,267,000 —	2,471,651
Paulista	Dec.	65	M 2,650,000 -	906,038	12*m*	32,479,000 —	1,225,892
San Paulo ...	May 18	153½	£ 32,836 +	7,601	20	594,432 —	12,838
Sorocabana ...	Dec.	1,003	M 1,749,000 —	246,168	12*m*	21,953,000 +	976,692
S.of BahiaS.W.	Apr.	52	M 55,000 +	15,000	4*m*	284,000 —	7,000
Chilean and Peruvian.							
Antofagasta ..	May 18	838	£ 23,620 —	31,050	20	532,010 —	335,920
Arauco	Mar.	84½	£ 10,000 —	2,500	3*m*	32,500 —	6,500
Nitrate(2wks.)	May 15	390	£ 16,188 —	17,670	18	195,494 —	113,075
Peruvian Corp	Apr.	1,140	S 1,199,420 +	119,510	10*m*	10,248,905 —	153,485
Taltal	Apr.	180	£ 8,152 —	17,130	10*m*	149,499 —	100,481
Cuban.							
Cuban Central	May 10	362	£ 37,750 +	2,861	45	994,080 +	49,002
Havana Cent.	May 17	70	£ 13,449 +	3,344	46	434,928 +	21,018
U. of Havana	May 17	681	£ 86,105 +	9,122	46	2,697,742 +	14,834
W. of Havana	May 17	155	£ 17,736 +	4,400	46	402,932 —	21,124
Uruguayan.							
Cent. Uruguay	May 17	272	£ 25,511 +	5,921	46	1,007,715 +	157,026
,, (E. Ext.	May 17	311	£ 6,506 +	585	46	257,312 +	20,188
,, (N. Ext.)	May 17	185	£ 4,963 +	831	46	176,031 +	23,766
,, (W.Ext.)	May 17	211	£ 2,439 +	481	46	121,806 +	19,265
Mid. Uruguay	Apr.	319	£ 17,021 +	3,479	10*m*	173,199 +	38,834
N.W. Uruguay	Apr.	113	$ 27,000 +	4,211	10*m*	296,865 +	33,273
Urug. Northn.	Apr.	73	£ 1,809 +	231	10*m*	20,776 +	2,141
Miscellaneous.							
Alcoy & Gandia	May 17	33	Ps. 8,000 —	2,000	20	195,400 +	3,500
Bilbao	Apr.	15	£ 1,417 —	4,036	4*m*	9,320 —	8,682
Bolivar	Apr.	136	£ 13,000 +	18	10*m*	101,099 —	12,826
Colomb. Natnl.	Apr.	86	£ 13,160 +	1,200	4*m*	43,940 —	6,120
Costa Rica... ..	Mar.	189	£ 23,642 +	9,153	9*m*	200,872 +	88,606
Dorada Ext....	Apr.	70	£ 10,000 +	500	4*m*	30,300 —	3,100
Egyptian Delta	Mar. 17	559½	£ 4,675 —	1,478	50	364,593 +	85,246
Gt. S. of Spain	May 10	104	Ps. 84,123 +	56,261	19	2,411,417 +	1,844,402
La Guaira&Ca.	Apr.	22¾	£ 7,230 +	1,265	4*m*	32,940 +	6,140
Paraguay Cent.	May 3	255	£ 5,140 +	1,940	43	181,500 +	55,040
Puerto Cabello	Apr.	24	£ 4,700 +	700	4*m*	19,625 +	2,625
Salvador ...	May 17	100	£ 2,820 +	653	46	122,655 +	22,749
Santa Fe Prov. French Rys.	Mar.	1,181	£ 163,715 +	4,647	3*m*	486,209 +	30,882
S'm'na&S'ti'go	Apr.	80	£ 9,330 +	52	4*m*	31,781 —	3,667
Zafra & Huelva	Apr.	112	£ 10,789 —	3,949	4*m*	40,825 —	9,825
TRAMS.							
Anglo-Argent.	May 13	400	£ 64,295 +	7,661	19	1,104,447 +	51,111
Auckland(4wk.)	May 9	27	£ 24,279 +	1,049	44	195,890 —	5,396
Bombay Elec.	Feb.	39	R. 6,23,878 +	85,473	2*m*	1,257,923 +	1,64,048
Brazilian Trac.	Mar.	378½	M 9,330,000 +	1,236,000	3*m*	25,824,000 +	2,578,000
Brisbane Elec.	Apr.	40½	£ 38,775 +	3,245	3*m*	151,110 +	13,541
Brit. Columbia	Mar.	334	$ 649,120 +	138,228	9*m*	5,390,113 +	894,848
B. A. Lacroze	Apr.	51	£ 43,607 +	1,964	10*m*	434,168 +	46,122
Calcutta	May 10	35½	R 82,452 +	7,769	19	16,03,766 +	2,16,616
Cape Electric	Mar.	42½	£ 28,814 +	4,478	9*m*	217,794 +	23,662
Carth. & Herr.	Apr.	9	£ 1,786 —	2,414	4*m*	10,192 —	7,368
Chatham&Dist	May 8	15	£ 1,567 +	266	18	23,650 +	2,079
Havana Elect.	Feb.	86	$ 703,156 +	86,085	2*m*	1,429,514 +	167,433
Isle of Thanet	May 17	20½	£ 856 +	593	3	13,440 +	7,328
Kalgoorlie.....	Jan.	20½	£ 2,562 +	40	1*m*	—	—
Lanarkshire ...	May 8	28½	£ 1,881 —	1,582	18	55,979 —	4,968
Lima Light ...	Feb.	85	£ 46,082 +	4,161	2*m*	91,444 +	5,962
London C.C. ...	May 21	1411	£ 84,039 +	11,950	7	573,422 +	144,171
Madras (2wks.)	May 15	15½	R. 46,525 +	4,622	19	318,193 —	44,534
Manila Electric	Mar.	55	$ 207,792 +	35,042	3*m*	650,863 +	142,995
Pernambuco ...	May 18	59	£ 5,688 +	1,365	20	106,863 +	15,472
Provincial.....	May 10	21½	£ 3,324 +	438	32	83,990 +	8,325
Rangoon Elec.	Apr.	25	£ 6,217 +	332	4*m*	25,817 +	2,954
Shanghai Elec.	Mar. 26	26½	Mx.$27,550 +	3,844	12	331,759 +	35,238
Singapore Elec.	Mar. 15	26½	$ 16,307 +	2,146	11	178,525 +	31,018
U. of Montevid.	Apr.	90½	£ 37,014 +	3,310	4*m*	227,905 +	21,868

A Copy of this Prospectus has been duly filed with the Registrar of Joint Stock Companies.

This issue is made under Licence of His Majesty's Treasury under Defence of the Realm Regulation 30F, dated the 14th April, 1919, but it must be distinctly understood that in granting such Licence the Treasury does not thereby take any responsibility for the financial soundness of the proposal or for the correctness of any of the statements made or opinions expressed with regard to it.

The special permission of the Committee of the Stock Exchange has been granted for dealing in the Shares offered below, after allotment.

The Subscription Lists will be opened on the 23rd day of May, 1919, and will Close on or before the 29th day of May, 1919.

WILLIAM GOSSAGE & SONS, Ltd.,

WIDNES.

(Incorporated under the Companies Acts, 1862 to 1890.)

CAPITAL.

Authorised.			Issued and Paid up.
£ 450,000 in	450,000	5% First Cumulative Preference Shares of £1 each	£450,000
£2,000,000 in	2,000,000	6½% Cumulative Preference Shares of £1 each	
£ 500,000 in	50,000	Ordinary Shares of £10 each	300,000
£2,950,000		Issue of	£750,000

750,000 6½% Cumulative Preference Shares of £1 each at Par.

Being part of the above mentioned class of 2,000,000 such Shares.

Payable 1s. on Application. 19s. on the 27th June, 1919.

The Shares carry a fixed Cumulative Preferential Dividend at the rate of 6½ per cent. per annum on the Capital for the time being paid up thereon, and rank, both as regards Capital and Dividend, in priority to the Ordinary Shares, but without any further right to participate in profits or assets.

Dividends will accrue from the 1st day of July, 1919, and will be paid Half-Yearly on the 1st day of January and the 1st day of July. The first Half-Yearly Dividend will be paid on the **1st day of January, 1920.**

DIRECTORS.

WILLIAM WINWOOD GOSSAGE (Chairman).
CYRIL HASLAM (Acting Chairman). GILES HUNT (Deputy-Chairman).
EDWARD FRANKLAND ARMSTRONG. FREDERICK HENRY HARRIS.
JOHN FOWLER LEECE BRUNNER. ROBERT VENEMORE JONES.
CHARLES HENRY HAMILTON. GEORGE HOLMAN KENT KINGDON.

BANKERS.

THE LONDON COUNTY WESTMINSTER & PARR'S BANK, LIMITED.
WIDNES, LIVERPOOL, MANCHESTER, LONDON.
or other Branches.

BROKERS.

LONDON—SHEPPARDS, PELLY, PRICE & POTT, 57 Old Broad Street, E.C. 2.
MANCHESTER HENRY COOKE & SONS, St. Anne's Churchyard.
LIVERPOOL—T. & T. G. IRVINE, Rumford Street.

SOLICITORS.

HOLMES, SON & POTT, Capel House, New Broad Street, E.C. 2.

AUDITORS.

EDMUND D. WHITE & SONS, Chartered Accountants, 17/18 Brown's Buildings, Liverpool, and 841/2 Salisbury House, London Wall, E.C. 2.

SECRETARY AND REGISTERED OFFICES.

J. A. STIRLING, The Soapery, Widnes, Lancashire.

PROSPECTUS.

The business of William Gossage & Sons, Limited, was founded in the year 1855 by the late Mr. William Gossage, and in 1894 it was formed into a Private Limited Company with the object of developing and carrying on the business of manufacturers of Soap, Glycerine, Silicate of Soda, and other Chemicals.

In 1911 the whole of the Share Capital then issued was purchased by **BRUNNER, MOND and CO. LTD.,** who in 1914 sold to the Public the then existing 450,000 5% First Cumulative Preference Shares.

Ever since its formation the business has been eminently successful, and the Company has established and maintained, particularly in the Export Trade, a very high reputation and a valuable connection.

The Exports of the Company to countries outside Europe of Household and Laundry Soaps have for many years exceeded 45 per cent. of the total of such Exports from the United Kingdom.

The Factories both in Widnes and Liverpool are fully equipped with the most modern machinery, which has been maintained in a state of the highest efficiency.

The Land, Buildings, and Plant, the property of the Company, stand in the Company's books at but little more than one-third of their cost.

The expansion of the business carried on by the Company has continued in spite of the War, and has necessitated the provision of very considerable sums of Capital.

The Capital outlay, which has been provided by the Company either out of Profits Reserved in the business or through Banker's advances, since the 1st December, 1914, has been as follows:—

Land, Buildings, Plant and Machinery	£22,589
Investments in Allied Companies	223,413
Other Investments	40,441
Stocks	424,106
Making a total Capital outlay of	£710,519

Further working Capital is required to provide for the repayment of Banker's advances and for future expansions of business, especially in the development of the Export Trade in the Far East and India.

The following Certificate has been furnished by the Company's Auditors:—

"TO MESSRS. WILLIAM GOSSAGE & SONS, LTD.

"We certify that the Assets and Liabilities of the Company as set forth in the Balance Sheet at the 30th November, 1918, were:—

ASSETS.

Land, Buildings, Plant and Machinery	£353,990	
Less Reserve for Depreciation	221,720	
		132,270
Investments		292,895
Stocks on hand (Certified by the Directors)		849,053
Sundry Debtors after providing for Discounts		301,727
Cash		5,744
		£1,581,689

LIABILITIES.

Sundry Creditors (including provision for Excess Profits Duty and Ordinary Dividend)	£481,392	
Banker's Advances	235,283	716,675

Surplus of Assets over Liabilities after deductin the very large eserve for Depreciation £865,014

"No value is included in the Assets of the Company for Goodwill, Patents, or Trade Marks.

"We also certify that the Annual Profits of the Company for the last five years, after providing for Depreciation of Buildings, Plant, Machinery, &c., and making full provision for Munitions Levy and Excess Profits Duty, but before charging Income Tax, Allowances paid to the Company's Employees whilst serving in H.M. Forces, or to their dependants, and Interest on Banker's Advances which we understand are to be repaid out of the proceeds of the forthcoming issue, were as follows:—

Year ended 30th Nov. 1914, £115,223; 1915, £160,307; 1916, £124,846; 1917, £155,105; 1918, £157,195; Total—£710,674. Average—£142,134.

EDMUND D. WHITE & SONS, Chartered Accountants.

Liverpool, 19th May, 1919."

The principal Investment in Allied Companies is that in the China Soap & Candle Co., Ltd., which was formed in January 1917 by this Company, Joseph Crosfield & Sons, Ltd., and Price's Patent Candle Co., Ltd., and in which this Company owns one-half of the issued capital.

The China Soap & Candle Co., Ltd., took over the trade in China of each of those Companies as from the 1st May, 1916, and from the commencement of its operations considerable profits were realised.

The fall in the profits of the Company in 1916 was due to the fact that the profits in respect of that year of the China Soap & Candle Co., Ltd., which acquired the business of this Company in China, were not divided until after the close of this Company's financial year.

The annual amount required to pay the Dividends upon the existing 5% First Cumulative Preference Shares and the 750,000 6½% Preference Shares now offered is **£71,250.** The average of the profits for the last five years amounts to **£142,134,** which gives ample assurance for the due payment of the Dividends upon the Preference Shares, and the provision of a margin sufficient to enable substantial sums to be placed to Depreciation and Reserve and provide Dividends upon the Ordinary Share Capital.

The following information is given in compliance with the Companies Consolidation Act, 1908:—

No holder of Preference Shares, except he be a Director of the Company for the time being, shall be entitled to have notice of, or to attend or vote at, or to join in any requisition requiring the Board to convene any General Meeting, Extraordinary General Meeting or other Meeting of the Company, unless and until the dividend on such Preference Shares shall then be in arrear or anything is proposed to be done at such meeting which shall directly affect the interests of the holders of such shares.

Subject to any special terms as to voting upon which new Capital may be issued, every member shall have one vote in repect of each share held by him, other than a Preference Share. At every meeting at which the holders of the Preference Shares are entitled to vote in respect thereof, every member shall have one vote for every £10 in nominal amount of such shares held by him.

Holders of the Ordinary Shares are entitled to one vote in respect of every Ordinary Share held by them.

On the 12th May, 1919, 22,500 Ordinary Shares each of £10 were offered to the existing Ordinary Shareholders for subscription at par for cash, and the whole thereof allotted.

The undermentioned Contracts have been entered into within the last two years, in addition to Contracts in the ordinary course of business:—

(1) Dated 12th July, 1917, between Lever Bros., Ltd., of the first part; Associated Enterprises, Ltd., of the second part; Brunner, Mond & Co., Ltd., of the third part; Joseph Crosfield & Sons, Ltd., of the fourth part; and William Gossage & Sons, Ltd., of the fifth part.

(2) Dated 20th May, 1919, between the Company of the one part and Sheppards, Pelly, Price & Pott, of the other part, underwriting the present issue of 750,000 Shares for a commission of 2½ per cent. including overriding commission.

The above-mentioned Contracts, or copies thereof, and the Memorandum and Articles of Association of the Company, can be inspected at the Registered Offices of the Company at any time during ordinary business hours, whilst Subscription Lists are open.

The minimum subscription on which the Directors will proceed to allotment of the present issue of Preference Shares is 750,000 Shares.

A brokerage of 3*d.* per Share will be paid on allotments made in respect of applications bearing a Broker's stamp.

Applications for Shares must be made on the accompanying form and forwarded with the amount due on application to the Company's Bankers. The London County Westminster & Parr's Bank, Ltd., Widnes, Liverpool, Manchester, London, or other Branches.

Where the number of Shares allotted is less than that applied for, the balance of the deposit will be repaid to the applicant.

Failure to pay the final instalment due June 27th, 1919, will render the amount previously paid liable to forfeiture and the allotment to cancellation. Interest may be charged on any amount in arrear at the rate of 10% per annum.

Application will be made to the Committees of the London and Provincial Stock Exchanges for an official quotation of the Shares now being issued.

Copies of this Prospectus and Forms of Application can be obtained at any branch of the London County Westminster & Parr's Bank, Ltd., or from the Brokers named herein.

22nd May, 1919.

APPLICATION FORM. No. 18.

WILLIAM GOSSAGE and SONS, LTD., Widnes.

Issue of 750,000 6½% Cumulative Preference Shares of £1 each at Par.

TO THE DIRECTORS OF No. .....
WILLIAM GOSSAGE & SONS, LIMITED.

Having paid to the Bankers of the Company the sum of £..... being a deposit of 1*s.* per Share on application for Shares of the above issue, I/we request you to allot the same to me/us upon the terms of your Prospectus, dated the 22nd May, 1919, and the Memorandum and Articles of Association of the Company, and I/we hereby agree to accept the same or any less number that you may allot to me/us and authorise you to place my/our name(s) on the Register of Members of the Company in respect of the Shares so allotted. I/we hereby declare that this application is not made by or for the benefit of any enemy subject within the meaning of the Trading with the Enemy (Amendment) Act, 1916.

PLEASE WRITE DISTINCTLY
Usual Signature .....
Name in full .....
(Giving title (if any) or stating whether Mr., Mrs., or Miss.)
Address in full .....
Description or Occupation .....

Date ..... *May,* 1919.

Cheques to be made payable to BEARER and crossed "NOT NEGOTIABLE." (If "ORDER" Cheques are altered to "BEARER" the alteration must be signed.)

The Bankers of the Company will not acknowledge receipt of the deposits paid upon application for Shares, but letters of Allotment or Regret will be posted in due course.

This Application should be sent entire with Remittance to THE LONDON COUNTY WESTMINSTER & PARR'S BANK LIMITED, WIDNES, LIVERPOOL, MANCHESTER, LONDON or other Branches.

ONE PERSON OUT OF EVERY SEVEN

MEETS WITH ACCIDENT EACH YEAR.

These figures clearly show the need for insurance. Send a post-card to-day for full particulars of the "British Dominions" series of Insurances. There are ten different tables, with premiums ranging from 2/- per annum (covering fatal accidents only) upwards, providing for liberal benefits, which vary according to premium and risks covered. Please ask for "Accident, Sickness and Disease" prospectus.

EAGLE STAR AND BRITISH DOMINIONS INSURANCE CO., LTD.

Head Office: British Dominions House, Royal Exchange Avenue, London, E.C. 3.

BRITISH BANKING NUMBER.

Next week we shall publish a Special Section dealing with the position of the Banks of the United Kingdom.

It will contain information of great value to all interested in our Banking institutions, and deals particularly with the developments since War began.

The Statist.

LONDON, SATURDAY, MAY 24, 1919.

IS WAR ENDED?

WHETHER the advocates of the League of Nations are as confident as heretofore they have professed themselves to be respecting the influence of the general engagement to make war on those who break the peace in the future we will not take upon ourselves to say. But in very many directions there is evidence that the confidence was not always as widespread as it professed to be, and that it is rapidly declining since the proposal itself was adopted. Of course, the greatest danger is to be apprehended from Germany. Ever since the Thirty Years' War Prussia has been preparing, in one way or another, for a war which would strengthen the country; and it had succeeded so well in 1914 that if the Prussian Government had been guided by even moderate knowledge of the world it might reasonably have expected that ultimately it would succeed. It refused, however, to take the warnings which occurred from time to time, and now it is required to make concessions to its enemy which, naturally, are most hateful to those who are called upon to renounce the policy of the country. It is not the practice of THE STATIST to engage in predictions. Therefore, we shall not be so foolish as to give any definite opinion as to what we ourselves expect during the next 20 or 30 years. But we may safely say, without predicting, or affecting to predict, that the rulers of Prussia will have an exceedingly strong motive for preparing, as soon as they safely can, for another great world struggle; and that, consequently, instead of a permanently peaceful view, the probability seems at present to be that we shall have to arm more fully and more determinedly than ever we have done in the past. Prussia has, of course, the greatest temptation of any country; firstly, because of the extraordinary progress she made during the 40 or 50 years immediately preceding the War, and, secondly, because a little further preparation and waiting would have greatly strengthened Prussia. It will, therefore, be exceedingly surprising if, as soon as it is considered safe, Prussia does not begin to arm once more, and, consequently, that she will have many a chance by-and-by to attempt to recover what she has lost. Everybody who has followed the proceedings of the Conference must be aware of the deep feeling that is aroused in Germany, and of the very large party which is determined, if it can, to renew German preparations.

Much, of course, may happen to prove even to Prussia that a new war would not benefit the country. On the other hand, there is a very great deal in the present condition of Europe, which, at the moment, at all events, seems to be favourable to those who look forward to some period in the future when the consequences of the War just ended will be undone. In this Journal we have called the attention of our readers again and again, both while the War itself was going on and since Germany gave way, to the strong feeling that exists in Italy in regard to Fiume. We do not intend to repeat our warnings or to point out the dangers. But our readers cannot fail to remember how often this Journal has called attention to the matter. The feeling is exceedingly strong both in Italy and amongst the Jugo-Slavs. Consequently, if Germany arms as she armed during the past half-century, there will be a strong motive for casting in one's fortunes on the side of Germany. Unfortunately, the discontent with what the Conference has done, and is doing, is not confined either to the cases of Germany and Austria-Hungary, or to Italy and the Jugo-Slavs. On the contrary, there is very much discontent in a great many quarters. Of course, there may be at present a temporary exaggeration of feeling. As time goes on people may change opinions; may recognise that the time for war has passed; and may endeavour to increase home prosperity and avoid war. On the other hand, we must never forget that there is in every country a party which is always in favour of war; and consequently, that those who urge preparations for a future struggle will be able to count on a considerable amount of support. Furthermore, nobody can seriously deny that the decisions of the Conference are anything but wise—in many cases, indeed, would seem to be almost intended to give offence to some of the most representative in the Conference. Take, for example, the treatment of Poland. Perhaps there never has been a more shameful or condemnable policy pursued by three Great Powers than that which has been carried on by Germany, Austria-Hungary, and Russia. And yet, although the case of Poland is, perhaps, one of the most flagrant of our time, the Conference has grudged to do anything really fair in regard to the Poles, and has sacrificed Poland even to Prussia.

It would be easy to point out many other cases where justice is not done even to States which endeavoured before the War to check Prussian greed. These things are not forgotten, and are very unlikely to be forgotten in the future. Therefore, we would call the attention of our readers before it is too late to make a change in the unwise and undemocratic conduct pursued by the Conference, so that even yet some alteration for the better may be carried out. Then there is the serious condition of Russia. It is quite possible, of course—and we need hardly add we sincerely hope it will take place—that the Russian people may change their minds and may adopt a policy more consonant to their own interests. But wishes are one thing, and realities are another. At the present time the condition of Russia certainly is not such as to make us feel that those who desire war will find no inclination to assist them elsewhere. It would be easy to add other examples. But perhaps it will be enough to say that the condition of the larger part of Europe is not exactly calculated to nourish a confidence in peace. Look, for example, at what once were the possessions of the House of Hapsburg. We do not propose to discuss the point, for the decisions of the Conference will soon have to be made. But we presume that few persons who have any knowledge of the German-speaking provinces of the Hapsburgs are likely to be enamoured of the peace that is now about to be concluded. Turn from the German-speaking Austrians to the Magyars, and we would ask if it seems to our readers to be absolutely impossible to get up a great War League in which will be found both

Austria and Hungary as well as several others? It is hardly necessary to go on merely heaping example upon example. Everybody who knows the real condition of Europe knows that there is widespread discontent in almost every country, and that a really capable man would find little difficulty in stirring up a desire for war in most parts of Europe and Asia. Mentioning Asia, we would remind our readers of the condition of Egypt, Mesopotamia, and India, while it will be sufficient to note in passing that the attitude of the Afghans is not exactly calculated to convince us all of the deep love of peace that prevails throughout the world. In conclusion, we would remark that our own Empire, of which we are so proud, is not exactly a model of loyalty and contentment at the present moment.

PRESIDENT WILSON'S POSITION.

The position of President Wilson has changed decidedly for the worse. Heretofore he has been able to count upon the support of a majority both in the Senate and in the House of Representatives. The last Congress that will sit during his Administration has now met, and there is a majority—not a very large one, it is true, but still a majority—against him in both Houses of Congress. It is a complete change from the condition of things that has existed hitherto, and it opens the door to difficulties which may perplex members of the Peace Conference by-and-by. It is very difficult just now to form anything like a clear opinion respecting the probable action of Congress. Many questions will have to be dealt with which affect both the credit and the policy of the United States. Particularly, the Senate will have to pass judgment upon the League of Nations. Heretofore the best opinion seems to have been that the Senate will find it, if not impossible, at all events very difficult, to approve the League. That may be a complete mistake. It is hardly necessary to remind the readers of The Statist that the question has not come before the Senate as yet—may not come before it for a longer time than most of us anticipate. Therefore, it would be foolish in the extreme for any man, however intimate he may be with the members of the Senate, to affect to form an opinion on the subject. Probably even the members of the Senate themselves have not a clear decision in their minds. Some of them are loyal to the President, and will support his policy. Others belong to an adverse party, and are likely to take an adverse view.

Over and above all this, the work of the Peace Conference is not completed—cannot possibly be completed for a considerable time yet. And nobody can foresee what changes may take place in opinion, partly from a revision of what has been done and partly from a consideration of what yet remains to be done. We venture, therefore, to offer no definite opinion. All we wish to do is to remind our readers that the power of the Senate of the United States is unquestioned and unquestionable. It has a perfect right to reject the League of Nations if it so chooses. And, therefore, it is out of the question to judge what the ultimate decision will be when the whole work of the Conference is carried through. But there are broad distinctions of policy between the Senate and the President. Suppose the Senate rejects the League of Nations, one matter which was warmly advocated by President Wilson, and, indeed, was carried through Congress largely because of his advocacy, will have disappeared. It is difficult to believe that it will not make any difference whether it is sanctioned or not. Suppose it is not sanctioned, how will the work of the Conference look, and what will be the opinion of Europe in regard to that work? Is it not possible, if a matter to which the President of the United States attaches so much importance is rejected, that it will have an impression upon European opinion? In any event, whatever the result may be, there is a very important question that must be approved by the Senate if it is to work, and nobody knows at present what the feelings of the Senate are. There are other questions that are sure to arouse a good deal of difference of opinion. Probably Americans are not sufficiently interested in the struggle that is going on between Italy and the Jugo-Slavs to attach overmuch importance to that question. Yet it must not be misunderstood that it is a question which will have considerable bearing upon the probability of war within the coming half-century. There are many other questions which might likewise be quoted. But it is sufficient to point out that the President is no longer the *bona-fide* ruler of the United States; and, consequently, that nobody knows what sudden difficulties may arise to damp the ardour of those who have been so loudly applauding the work of the Conference.

AMERICAN TAXATION.

In an address to the public of the United States President Wilson declares for a very remarkable and very important change in the financial legislation of the great Republic. The reader will naturally remember that the United States as one great republic is very new, that it was recognised generally throughout the world only in 1782, and, consequently, that it is not yet a century and a half old. It is quite true, of course, that several of the States are much older, some dating as far back as the reign of Queen Elizabeth, and others coming down to the time of the Guelphs. Still, the United States is an exceedingly new country. At the outside it cannot claim a greater antiquity than about four centuries, and a great part of it is quite new. Already, however, it has made such extraordinary progress that its population at present will probably be proved, when the coming Census is taken next year, to be at least 110 millions, if not more. And after that we may reasonably look for an extraordinary rapidity in the growth of population. It is reasonably to be assumed that, as an immediate consequence of the War, there will be a very considerable migration from the older to the newer countries. It is quite true, of course, that there are now very many countries even newer than the United States, and that many of these offer splendid rewards to labour and enterprise. Therefore there will not be that almost confinement of migration to the United States which a little time ago was so remarkable. On the contrary, we may reasonably look for a great increase in the removal of Europeans to British territories, and even to French. Nevertheless, the United States will be able to offer prospects so brilliant that it is reasonable to anticipate that the migration will be upon an exceptionally large scale. The reader who wishes to understand for himself the probable course of events in the early future will do well to bear carefully in mind that several great inventions have just been made, and, although even during the War they played a great part in the struggle, no man living at present can undertake to say what will be the results of those inventions in the course of a quarter of a century, and still more if we extend our view to a later date. We can see already how almost certain it is that air locomotion will play a great part in the development of nations during the next century. He would be a very rash, as well as a very foolish, man who would undertake to say in what directions the greatest changes will be effected, and in what special form they will make themselves most observable. But it is certain that travelling through the air must have a great effect before very long.

Then there comes the submarine. Owing to the peculiar employment of the submarine by the Germans during the War, people in general are apt to look upon the submarine as a mere instrument of destruction. Unquestionably, it is a very formidable instrument of

destruction. And quite possibly it will be found to be even more formidable than at present is at all generally recognised. But that the effect of the invention will only occasionally be destructive we venture to lay down. Its real influence will be in directing human enterprise in manners hitherto never thought of. How the submarine, during the remainder of the present century, is to be developed we shall not be rash enough to undertake to say; nor shall we affect to see the directions in which certainly some great changes will be made. But it may be stated with confidence that as yet we have only the mere beginning of a great invention which is destined to play a most important part in the development of human affairs. We have, then, two inventions which seemed the other day so incredible that when we wished to denounce anything we were apt to compare it with travelling great distances under water, or some similar figure of speech. There can be no reasonable room for doubt, then, that we are about to see a very great change in much of the economic work of the world. The development of these great inventions may be delayed. Even Watt's great invention was not applied on any large scale for a considerable time after it had been made known. It is quite possible, therefore, that the new inventions for some time may not have much effect. But sooner or later they will go far towards changing the whole aspect of human affairs. It is as certain as anything can be that the influence upon the United States will, in consequence, be enormous. In the long run the British Dominions must grow at a rate now unthought of. But the development of the United States will precede that of the Dominions, and therefore will make the United States the first of existing nations in a surprisingly short time. It has been remarked above that probably next year's Census will show that the population of the United States now exceeds 110 millions. If the great inventions referred to are rapidly developed, the influence upon the United States must be exceptionally great, and therefore, before the current century comes to an end, the United States, in all reasonable probability, will yield in numbers only to India and China. The British Empire is certain to grow at an extraordinary rate likewise. But it will be a long time before, let us say, Australia will be any match for the United States. And it is not, perhaps, too much to assert that South Africa, with all its great advantages, will likewise lag behind greatly.

The first great development, then, will be in the United States. And, unless something now entirely unforeseen—indeed, even entirely unthought of—occurs, the United States will be, before the present century comes to an end, the most powerful single State in the world. The growth of the British Empire, unless extraordinary ignorance and extraordinary fatuity are practised, ought likewise to be surprisingly great. Look at British North America, Australia, South Africa, and so on, and one cannot hesitate to say that the growth of population of the British Empire must be wonderfully rapid. On the other hand, we have, unless our political genius is greatly improved, the disadvantage that the British Islands are very small; that in, let us say, a century the British Islands will be the original home of the British people, but they will no longer be the real Government of the British Empire. There are, then, great dangers threatening the British Empire unless the people develop a foresight and a statesmanship never hitherto shown. We must, for one thing, settle with Ireland, and make the British Islands heartily united. And we must, for another thing, recognise that every year that passes will make us count for less within the British Empire; and, consequently, we must begin to practise greater moderation and modesty than we usually show. Still, the countries that at present seem likely to benefit most rapidly and decisively from the great inventions referred to will be the English-speaking peoples. Are we sure that we have the statesmanship, the foresight, the knowledge, the self-control, that will enable us to benefit entirely from all that is coming to help us, and to avoid, as far as mere human weakness renders possible, the disadvantages that will accompany them? One thing, at all events, is clear; that the United States is about to adopt a financial policy which is well worthy of consideration, always assuming, of course, that Congress follows the lead of the existing President. Apparently President Wilson decides to carry, if he can, a system of taxation which will, as far as can be, relieve the poor man and throw the real burden of taxation upon the rich. It is a most wise and far-seeing policy. It ought to be watched with the greatest care by our people. And if the President, as he seems inclined to do, brings forward any of his plans in the Session which has just begun, we ought to study every proposal of his with the greatest care, and to follow the development both of support and of resistance that will be made manifest. We are about to see a policy attempted which is often spoken of but rarely attempted. And we would especially recommend all the labouring classes of every kind—the men who really make the wealth and the prosperity of the Empire—to watch what is about to be attempted in the United States, and to watch with a carefulness and a desire to understand it that admit of no doubt.

MARINE INSURANCE.—II.

During the War a remarkable development took place in the facilities for marine insurance. In the United Kingdom the number of concerns dealing with this branch was doubled, and, in addition to British companies, Swedish, Norwegian, Dutch, and French interests participated in the expansion. Developments in neutral countries were on a similar scale despite the restrictions on shipping. Even the German and Austrian companies, faced with an almost complete stoppage of the overseas trade, came fairly well out of the last five years, having obtained business from neutrals. The increase in the merchant fleet has promoted marine insurance activity in the United States. Hitherto the tremendous amount of tonnage on the Great Lakes and other inland waterways, though nominally insured in the New York market, was really covered in London; but the Americans will now try to carry the necessary insurance not only for these craft, but also for their new ocean-going fleet. It is from this quarter that our insurance interests must anticipate the keenest competition, since the companies started recently both here and on the Continent will serve mainly to replace those that operated formerly from enemy countries. The American companies have large funds behind them, and several of the big composite offices have taken up marine insurance, having come into the business either on their own account, or indirectly by the purchase of existing marine concerns. Like changes have been witnessed here, and where entry is effected through buying out an established business, the share capital is simply taken over, and the company generally allowed to continue on its own lines under its old name. Competition in insurance from the United States is no novelty, as they already transact an extensive life business here and a smaller fire business. Their marine offices have now found their way to this side and are working against us in our own markets. We have for many years handled an immense amount of insurance of every class in the United States, and we must not now be alarmed if Americans come over to do a little business with us. The balance is still very much in our favour. Most of the British marine companies that date from pre-War days have, through their branches and agents, established a good connection in the United States, where the home market is certainly not big enough at present to take all the new insurance. It is possible that some Government scheme will be finally adopted for covering American hulls, especially as British underwriters do not look upon them with favour.

Many of the American ships are wooden, and whether of steel or wood we have very little experience here of their sea-going qualities. No abuse is anticipated of the insurance contract, which is, from the legal point of view, a contract of indemnity to protect the insurer against loss, and not a transaction from which the insurer is expected to derive a profit; but knowledge of the ships and their equipment, and of the manner in which they are handled, is absolutely essential to underwriters before assessing rates. In the course of time such knowledge will become more widespread here, and our underwriters will be able to quote more freely and more finely. A large amount of new business may then be expected for British companies, particularly in regard to cargoes. Hulls may possibly be covered by any Government scheme that is adopted, but cargo business is more likely to be left to private underwriters, who, in the past, have been chiefly British.

London, the insurance market of the world, is also the chief market for marine business owing to the world-wide influence of Lloyd's Association of Underwriters and the pre-eminence of London as a trading and financial centre. If the Metropolis fails to maintain its high place its marine business will decline, but the process would necessarily be very gradual, as underwriting cannot be learned overnight. The present tendency of provincial composite offices in the United Kingdom to move to London shows that they at any rate do not fear a sudden displacement of the City from its pivotal position. Liverpool is another great centre for marine insurance, especially in regard to importations from the United States and West Africa. As the chief cotton-importing centre, it carries the biggest raw-cotton insurance in the world, but the volume of marine business transacted in London is undoubtedly greater owing to the number of foreign companies represented in the capital, the number of head offices established there, and the traditional standing of Lloyd's in the marine insurance world. Moreover, the companies started since the War have set up mainly in London, while the absorption of the older companies by London general offices has hastened the centralising tendency, of which clear evidence had previously been given. Marine companies left to themselves were slowly gravitating towards the capital.

The absorption of marine interests by composite offices, though it has proceeded apace in the last four years, was not brought about by the War. The first important instance occurred in 1907, the second in 1909, and the policy was continued because of the increasing desire of individual offices to be able to transact all kinds of insurance and to afford clients protection against all classes of risk. When marine business became so profitable, after the outbreak of war, a further inducement was held out to enter it, and the venture proved, in the majority of cases, very successful. Thus, the Indemnity Mutual Marine was purchased by the Northern Assurance Company in 1917, and in 1918, out of a total premium income of £5,700,000, the marine account contributed nearly £3,020,000. Amalgamation was to some extent a necessity for the marine companies, owing to the heavy values bound up in hulls and cargoes. Even before the War these values were constantly increasing with the growth in the size of ships. They rose to an unprecedented figure after the outbreak of war, and risks at the same time became greater. The Government stepped in to assist the market, but the companies wished to be able to undertake business on their own account under more secure conditions, and this brought about their consent to amalgamation at a time when record profits were being made. Risks were not computable with accuracy under the uncertain war conditions, and it was desirable to extend the resources from which claims might be met. For these reasons amalgamation, though initiated as a policy long before the War, has come strongly into favour in recent years.

The question of reinsurance occasioned some difficulty during the War. A large amount of this business had gone to Germany in the old days, in respect not only of marine, but of other insurance risks. Millions of pounds in premiums, especially for fire, went annually to enemy companies, which reaped a rich harvest; but our loss did not end even there. The Germans insisted on the fullest particulars being given on the reinsurance registers of hulls and cargo, and so they obtained information in regard to the volume and extent of British trade which they are said to have passed on to German trading interests. When the War broke out the new companies established here helped to fill up the gap which it had created in our reinsurance system, and many of them lived almost solely on the reinsurance contracts, which they got from those who formerly sent their business abroad. Our reinsurance market at home was thus extended, and, in addition, the companies began to keep bigger lines, because, with the larger premiums and the consequent expansion in resources, they were able to take more risks. In the circumstances it is probable that we need have no further recourse to the reinsurance interests of Germany and Austria, and the saving thereby effected to us will be considerable.

PEAT RESOURCES OF IRELAND.—III.

Amongst the factors operating against a fuller utilisation of the peat resources of Ireland in the past may be mentioned the high cost of winning the turf, and the expenses involved in its transport and storage. The outlay thus involved made it a difficult matter to compete against coal for fuel and power purposes, but the prevailing scarcity and high price of that mineral hold out a hope that peat may be commercially utilised to more advantage in the future. In no part of the United Kingdom is cheap power more needed than in Ireland, for the purpose of stimulating manufacture and industrial progress. With the object of satisfying that need to some extent, an ambitious scheme was projected in 1908, the promoters obtaining the necessary powers from Parliament under the terms of the Central Ireland Electric Power Bill. The object of the undertaking was to generate and supply cheap electric power and gas for power and heating purposes to local authorities and other large consumers throughout the city and county of Dublin, with portions of Kildare and King's and Queen's counties, traversed by the Grand Canal. This area of country contains the extensive peat bogs known as the "Bog of Allen," which affords a practically inexhaustible supply of peat. According to the Bill, it was proposed to erect the generating station alongside the Grand Canal, not far from Robertstown, about 25 miles from Dublin. Great importance was attached to the recovery of the by-products, and it was calculated that this station would be capable of producing 3,000 tons of sulphate of ammonia per annum, in addition to quantities of acetate of lime, methyl-alcohol, and tar, containing paraffin wax and oils. From the tar it was assumed that an excellent waggon grease could be obtained, the output of which at Robertstown was estimated at 2,000 barrels per annum. The monetary value of these by-products was reckoned to be about equal to that of the sulphate of ammonia, and the profit would at least cover the cost of getting and drying the peat. Little progress was, however, made with this undertaking, and one of the chief causes of its failure was the fact that at the time turf could not compete very successfully with coal for the economical generation and supply of electric power and gas. The question of the utilisation of peat for gas-making and the production of cheap power has not, however, been allowed to lapse in Ireland. A producer-gas plant, using peat instead of anthracite coal, has been, for example, erected at a weaving works at Portadown, Co. Antrim, and successful results have been recorded. The fuel for this

plant is brought from the peat moss litter works at Maghery by barge to Portadown.

Relying on experience as a guide, it seems probable that large peat deposits can be most profitably used, and the largest percentage of their stored-up energy recovered as power, by converting the peat into producer gas and using this gas in properly designed gas engines. The power thus obtained may be employed by factories on the spot, or in the form of electric energy may beused at a distance. In connection with the use of producer gas the recovery of the by-products usually enters into consideration, but, ignoring that aspect of the question, there is no doubt that, wherever peat beds are to be used as sources of fuel for power installations of more than 100 horse-power, the possibilities of a producer-gas plant should be given serious attention. Gas obtained from peat in this manner has been used in the Swedish steel industry for a number of years, and is preferred to coal-gas because of its low sulphur content. It may also be adapted to firing kilns for brick, porcelain, lime, and probably cement manufacture, for all of which industries there are possibilities of expansion in Ireland. Producer gas is obtained by gradually converting the solid fuel to the gaseous state by the heat given off from the complete combustion of a part of the fuel. The character and composition of the resulting gas varies according to the kind of fuel and the type of gas-producer used. As compared with the manufacture of gas for lighting, fewer limitations are imposed on the generation of gas for burning under boilers and for direct use in gas engines. The process, too, of making gas in a gas producer also differs from that of making illuminating gas, as a part of the fuel is burned inside the producer to furnish the heat necessary fof gasification, and as no fixed carbon or coke remains. Several types of gas producers are in use throughout Europe, but, according to a report issued by the American Bureau of Mines, the down-draft or inverted-draft type, in which the heavier products of distillation are all decomposed and changed into simple permanent gases, seems to be the one most successfully used in Europe for peat gasification. The use of air-dried peat in the down-draft gas producer led to the discovery that the variable water content of the fuel made difficult the keeping of the fire in the proper place at the top of the fuel bed. This trouble was, however, obviated by the construction of the double-zone gas producer, in which fires are maintained at both the top and bottom of the fuel bed, and the air blast is turned in at the top or bottom as conditions require. Amongst the various makes of gas producer may be mentioned the Crossley, Mond, Ziegler, and Frank-Caro.

Of the substances of commercial value which may be recovered from the gases generated in gas producers are sulphate of ammonia, acetate of lime, waggon grease, tar and tar oils. The value of sulphate of ammonia as a fertiliser is being gradually appreciated in England, the estimated home consumption having increased from 97,000 tons in 1913 to 128,000 tons in 1915, or 30% of the total production of 426,000 tons in the latter year. In 1913 the United States, France, and Belgium consumed more of this product than they produced, while Germany utilised 84% of her total manufacture of 500,000 tons. Practically all our present supply is derived from the nitrogen of coal, which averages only about 1.4% for English coals. The yield of sulphate of ammonia from peat naturally depends on the amount of nitrogen the peat contains. From experiments conducted in Italy some years ago the sulphate recovered from a ton of dry peat was put at 118 lb.; subsequent tests in Norfolk peat conducted with Moore gas producers raised the figure to 168 lb., which compares with a recovery of 80 lb. from bituminous coal. An analysis by Professor Gray gave 1.6% as the average amount of nitrogen present in the peat deposits of the Bog of Allen, and in connection with the Irish power scheme it was estimated that, assuming the capacity of the producers was placed at 65,000 tons of dry peat per annum, the yield of sulphate of ammonia would approximately be 3,000 tons per annum. An advantage of the recovery of ammonia as a sulphate is that it required a very intimate contact with dilute sulphuric acid, and as this ensures a very perfect washing of the gas the principal trouble with large gas engines occasioned by the presence of tar and dust is not likely to occur. The incomplete combustion of peat in the producer leads to the formation of a certain proportion of tar, which is collected in the hydraulic scrubbers of the plant. At the Portadown works the amount of tar produced yearly is put at 100 tons. According to Professor Morgan, samples of this waste product were examined in the Royal College of Science for Ireland, and the examination showed that a fractional distillation of the tar resulted in the isolation of substances of industrial importance. A greatly increased output of the peat tar is, however, it is held, the first essential towards commercial success in this direction, and this result would be achieved from an increase in the number of factories using gas fuel derived from peat. An annual output of 1,000 tons of peat producer tar would thus furnish a practical basis for the industrial exploitation of the derivatives from this tar, which include various oils suitable for use as lubricants and for the manufacture of antiseptics and waxes.

MEXICO.—I.

In the course of two short articles we propose to deal very briefly with the political and economic causes which have brought Mexico to her present position.

When the Spaniards, towards the end of the fifteenth century, commenced to conquer and to colonise what has now come to be called Spanish America, they found in both continents only two great civilised States; and these States, up to a point, were very highly civilised. In a sense, their peoples were more civilised than the Spaniards themselves, although their civilisation was entirely distinct from, and would not at all be appreciated by, the civilisations of Europe as we know them at the present day. Nevertheless, according to their own standards they had reached a comparatively high stage of development. Both had a great Court; both possessed a wealthy and powerful nobility; they had a thoroughly well organised system of society; had long since passed the primary stage of agricultural development; possessed important manufactures, and were well acquainted with mining and with engineering. So excellent were their manufactures, particularly of woollen fabrics, that it is on record that the conquerors both of Mexico and Peru sent woollen garments woven from local wool and by native workmen as a present to the Emperor Charles the Fifth. These woollen fabrics were pronounced by the manufacturers of Europe of that day, who were mainly situated in what we now call the Low Countries, to be superior in lightness of texture and in the fineness of the wool to anything which the looms of Flanders were at that time capable of turning out.

Excellent as was their civilisation from certain points of view, it wholly lacked what in the sequel proved to be the dominant factor in the struggle with the incoming invaders from Europe. The two countries of North and South America which Cortes in Mexico and Pizarro in Peru found in existence were the countries which we now call Mexico and Peru. North of Mexico the native tribes of Indians were small, scattered, and hardly any of them had emerged from the nomadic stage of existence. In South America it was somewhat different. To a certain extent the ancient Peruvians did exert an influence more or less over the whole of the South American continent. And even to this day, after nearly four centuries since the Kingdom of Atchualpa was

destroyed, the influence of ancient Peruvian civilisation is apparent both on the west and on the east sides of the Andean chain of mountains. Cortes was in some ways not unlike Cæsar. Having spent his patrimony in riotous living, he succeeded, through his influence at the Spanish Court, in getting himself appointed commander of a band of followers nearly as desperate as himself to the government of the island of Cuba, which at that time, and throughout the colonial period, belonged to Spain. Hearing of a great and rich empire existing in what we now call Mexico, and being drowned in debt and anxious at any cost to mend his fortunes, he determined on the desperate enterprise of attempting to conquer Mexico at the head of an army of 400 foot soldiers, 15 mounted men, or what we should call cavalry, and some seven or eight pieces of comparatively small-calibre artillery. With this tiny force, and with the assistance of some 10,000 men recruited from a race which had inhabited Mexico previous to the coming of the dominant one in Cortes' time, he succeeded in completely overthrowing the Mexican Empire as it then existed; took their king prisoner, slaughtered their nobles, and made himself master of what we now call Mexico City. With the overthrow of the Central Government Cortes found himself practically master of the whole country. And Mexico remained a part of the Spanish dominion until the Spaniards and the Mexicans threw off the Spanish yoke in 1821.

The Spanish conquest proved a qualified advantage for Mexico. They converted the natives to the Roman Catholic religion. But they did hardly anything to improve their economic development. It was hardly possible that they could have done so. Except in military organisation, as far as we are able to ascertain the actual condition of Mexico and Peru in the dawning years of the fifteenth century, the Spaniards were inferior rather than superior to the natives they conquered. On the whole, one is forced to the conclusion that the coming of the Europeans to America so early as the beginning of the sixteenth century was a misfortune for the Indians, and only a doubtful advantage to themselves. Europeans at that time were neither civilised enough nor had they the economic development which would really have enabled them to take advantage of the valuable assets which they thus acquired by conquest. The causes which drove the Europeans to seek their fortunes in North and South America during the latter part of the fifteenth, sixteenth, and succeeding centuries were the closing of the ancient trade routes between the East and Asia Minor, as a result of the conquests of Western Asia by various more or less barbarous tribes, whom we commonly call the Turks. These conquests of Western Asia deprived Western Europe of the markets of the East, and there can be very little reasonable doubt that the Europe of the seventeenth century was economically poorer and politically more backward than the Europe of the Middle Ages. It became almost imperative, if Europe itself was not to relapse into barbarism, to find some counterpoise for the loss of the trade routes to Europe, which had been open until about the middle of the fifteenth century from time immemorial.

All the same, whatever may have been the necessities of the Europeans, it was most unfortunate for North and South America, taken as a composite whole, and particularly for the civilisations of Mexico and Peru, that they should have fallen into the hands of a people who were themselves too barbarous to appreciate the civilisation which the Mexicans and the Peruvians had developed. No European race had at that time any adequate means of transportation. And the result was that when the Spaniards conquered Mexico there was nothing in the nature of what we should call a colonisation. People did not go out from Spain to settle and cultivate the lands of Mexico. Nor did they go out even as traders. Practically what happened was a series of adventurers, very much of the type of Cortes, although inferior probably in intelligence, and, above all, in native ability, landed, their object being to acquire wealth, as they understood it, as rapidly as possible and to return to Europe, if successful, in the hope of ending their days as great Spanish magnates, having acquired a fortune in the distant western possession of Spain. Their notion of acquiring a fortune, however, was very different from what the term signifies to the modern world. Hosts of people to this day go out from Europe and from various other places in the hope of acquiring a fortune in some distant land, and coming home to live in splendour in their native country. But their idea of acquiring a fortune is to engage, at least in some measure, in a useful occupation. This was very far from being the idea of the Spanish adventurers who conquered Mexico. Their conception of the road to fortune was to turn the natives into slaves, and to compel them to work in the gold and silver mines, with the idea that the most desirable form of wealth consisted in the acquisition of gold and silver. So ignorant were they of what we have come to appreciate as sound economic principles that, although Mexico is naturally a very rich country and would yield readily to cultivation, all through the colonial period bishops, monks, and the higher clergy of the Roman Catholic Church generally were never tired of complaining that the type of people who came out from Spain to make their fortunes devoted themselves so exclusively to the acquisition of gold and silver, by compelling gangs of slaves to work for them in their mines, that insufficient food was produced in the colony season after season, and there were constantly, in the City of Mexico itself, riots owing to the shortage and high price of bread. And many of the higher clergy, to their credit be it said, petitioned again and again the authorities of the Council of the Indies, both at Madrid and at Cadiz, to find some remedy for this disgraceful economic condition of the colony.

As we have said, this condition of things went on until the Spaniards, Mexicans, and half-breeds ultimately succeeded in throwing off the Spanish yoke. Having thrown off the Spanish yoke the question arose as to what form of Government it was desirable to substitute in the place of that of Spain. Taking their example from the recently instituted great Republic to the north of them, they decided upon a Republican form of Government. The people of what we have now come to call the United States of North America are, nearly all of them, European in descent, and are accustomed to European methods, European forms of government, and European ways of looking at things. The Government of the United States of North America differs very little from that of most of the European Governments. And the people, being themselves descended from Europeans, are accustomed to, and adapted themselves to, European methods.

Mexico is as big as France and the two late Empires of Germany and Austria put together, and part of Spain thrown in. It has, however, a population, as far as it can be estimated, for the Census figures are very far from being reliable, of about 15 millions. Seventy-five per cent. are descended from the ancient Mexicans. There are some negroes; but the dominant class which forms the 25% are either Spanish by descent or partly Spanish and partly Mexican. With a history such as we have described it is not in the least surprising that the Mexicans have found the form of Government they adopted from the New England States of North America very ill-suited to their requirements. Practically, with the exception of the short period when they were ruled by a nominal President, but a real despot, in the late Porfirio Diaz, Mexico has been more or less in a state of anarchy throughout the whole of the Republican period.

We hope next week to discuss the economic conditions which account to a large extent for the present

political condition of Mexico. We would point out, before leaving the political aspects of the question, that the great danger of Mexico, in its present state of anarchy, is that it may do something which will offend its powerful neighbour to the north. President Wilson has been most forbearing in his relations with Mexico. But that Republic should be urged to put her house in order, as a day may come when a less long-suffering President will occupy the White House at Washington.

THE WOOL INDUSTRY.—I.

The wool industry of the present day draws its raw materials from many other sources besides sheep, but the name given to it in the early days, when woollen cloths were made only of wool, still clings, despite the ever-widening range of materials pressed into service. Mohair and alpaca are used, as well as camel hair, cow's hair, and even horse's hair, though to a small extent. Such materials, however, have this in common with wool—that they are animal products; but the vegetable world is also drawn on to supply cotton, silk, and ramie. Wool still remains the predominant material, and it has to be largely imported, despite the immense sheep flock of the United Kingdom, a flock much denser in proportion to our area than that of other countries where sheep-rearing is almost exclusively followed by farmers. Our sheep produce mainly a long-stapled wool which is used to a large extent in the making of "worsteds," while merino and the shorter Colonial wools are employed in the manufacture of "woollens." Overlapping, indeed, occurs, especially as improvement in manufacturing methods has placed most of the different classes of wool at the disposal of both worsted and woollen manufacturers. These two main divisions of the industry are now distinguished not so much by a difference in the quality of the raw material used as by a difference in methods of manufacture. Woollen yarns, such as Saxony and Cheviot, may be fine or coarse, and worsted yarns may vary from smooth to rough. The arrangement of the fibre in the thread is the chief point of distinction. In woollen yarns these fibres are crossed and interlaced by the carding process; in worsted yarns they are arranged parallel by the combing process; and thus it follows that woollen goods are those made from carded wool, and worsted those made from combed. In effect carding and combing are simply two different ways of making a thread from wool. The thread is in either case quite different both in appearance and structure, and is put to quite different uses, though its value and strength may be the same. Worsted spinning is rather more troublesome than woollen, since the preparatory processes are longer and more involved, and the wool must be carefully handled as a preliminary to combing. A further distinction is that the finishing processes for worsted cloths is not so elaborate as for woollen. When the former cloth emerges in the woven state from the looms it is more nearly ready for the market than the woollen cloth, which is put through a severe milling or fulling process. In this process its surface is subjected to strong intermittent pressure, or the cloth is alternately compressed and extended until the wool fibres become merged in one another and the original structure is indistinguishable. The cloth thereby acquires a fresh surface, soft to the touch, and is rendered thicker and more substantial to handle. Though these broad distinctions between the two branches of the wool industry remain, a certain amount of overlapping occurs, even in methods of manufacture. Worsted cloth may be felted as well as woollen, while short and medium wools, if required for worsted yarns, may not, as is usual, be combed, but can be carded, as if intended for woollen yarns.

Wools possessed of good felting qualities are naturally more suited for woollen cloths, and their length is obviously not of great importance, since the thread structure is practically destroyed by milling. Worsted cloth is not usually milled, and the original texture is always discernible. The threads lie parallel, and thus the longer wools are clearly necessary to impart strength and consistency to the material.

Yorkshire and the wool industry are nowadays almost synonymous terms, but there was a time not far back when Yorkshire's supremacy was open to question. Like all our industries, the woollen was at first purely domestic. Our wool manufactures, however, became famous on the Continent, and the necessity for increased output roused the inventive genius of Kay, Hargreaves, Arkwright, and Crompton. With the growing use of water-wheels, sites had already been sought for mills adjacent to water power, and the power difficulty was finally solved by Watt's steam engine of 1782. From wool-washing to tentering there were, however, many processes, such as scouring, steaming, and shrinking, that still called for an ample supply of pure water. The desired quantity and quality had, before Watt's time, been found in abundance in Lancashire and Yorkshire, where the natural configuration of the country rendered the streams valuable for power purposes. Moreover, the high rainfall and the damp climate were assets which undoubtedly appealed to manufacturers. Hand-spinning and weaving had been practised there, and to a greater extent than elsewhere in England, because of the poverty of the soil and its scanty return to agriculturists. Thus a large supply of skilled labour was assured, and when, in the full blaze of the Industrial Revolution, steam power was applied to spinning and weaving, the additional advantage of large coal deposits swung the balance decisively in favour of the north of England, which was henceforth to be the home of woollen manufacture. Towards the end of the eighteenth century both Lancashire and Yorkshire were equally interested in the industry, for the protection of which it had been declared illegal to wear all-cotton garments. After the withdrawal of this restriction, the cotton industry came gradually into prominence in Lancashire, and its development was assisted by the more regular communications established with North America and the increased supplies of the raw material. Manufacturers are said to have found cotton more profitable, and its popularity rapidly extended in Lancashire, while the manufacture of wool withdrew more and more to the east of the Pennines. To-day the Pennine Hills form the dividing line between two of England's greatest industries, though in isolated Lancashire towns, such as Rochdale, wool still retains a partial foothold.

The Yorkshire of the wool industry is practically the West Riding, and so highly industrialised and thickly populated is this area that it accounts for five-sixths of the total wool consumption of the United Kingdom. The other centres of manufacture include some districts in the west and south of England, in Somerset, Gloucester, and Wiltshire, where the making of specialised lines in fine cloths has for various reasons continued. In Scotland, the Valley of the Tweed, including Galashiels, Selkirk, and Hawick, produces the well-known Scotch tweeds, or Cheviots. The industry was originally located here because of the excellent water supply, and despite its distance from productive coalfields it has managed to survive and even to flourish. In Ireland both tweeds and woollens are made, the manufacture being largely confined to the south, especially Cork, though a peasant industry is located in Donegal and in the poorer districts along the western seaboard. The Scottish peasants also work up wool, but in both cases the yarns used are to a large extent machine spun. The old spinning wheel and hand loom have been fast disappearing, owing to the depopulation of the rural districts, and many of the "cottage tweeds" now advertised are in reality factory made

A revival in recent times in the demand for the genuine article has postponed for a while the destruction that will inevitably fall on the textile handicrafts.

On account of its predominance as a consumer of wool the West Riding of Yorkshire naturally exercises the greatest influence at the wool auctions held periodically, in normal times, in London and Liverpool. Nearly all the colonial wool is brought to London, as the shipping lines to Australia, New Zealand, and South Africa are centred in the port, and since these countries produce annually about 1,000,000,000 lb. of wool, out of a world production of 3,000,000,000 lb., the London wool sales have assumed a position of the greatest prominence in the economy of the wool industry. The decline in number of our sheep flock from 31,000,000 in 1900 to less than 28,000,000 in 1917 has tended to magnify the importance of colonial wools, which, moreover, furnish our spindles almost exclusively with the high-grade merino required for the better-class fabrics. Continental and American buyers have recourse to the London sales, and also, to a lesser extent, to the wool auctions of Liverpool, where East Indian varieties are mainly offered. Mohair and alpaca also come under the hammer at these sales, as well as miscellaneous parcels of wool from the countries bordering on the Mediterranean and from South America. Home-grown wools are not disposed of by auction, but are purchased by Yorkshire or other interests from the farmers, generally through the medium of local dealers. Wool merchants usually operate in the raw material, and the merchanting interests are in most cases separate from the manufacturing, though some of the combers and spinners insist on the saving of intermediary profits by direct purchases of imported and home-grown wools.

SOUTH AND CENTRAL AMERICA.

CENTRAL RAILWAY OF CHUBUT.

It would not be reasonable to consider the present position of the Central Railway of Chubut apart from the land scheme, of which although, in fact, a separate Company, it really forms part. The Chubut Railway should not be judged as a separate entity contributing in any material extent to the opening up of the Patagonian regions of the Argentine Republic. It contributes, of course, in a sense to the opening-up of Patagonia, but it contributes as a country road might. It is not, and never was intended to be, a great main line of track running for miles through a rich and fertile region, whose produce it hoped to carry to a port of shipment. The line was originally intended to make possible the development of the Port Madryn Company's estancias. Some day the line may come to be a great terminus, because it is built to a port. At present it runs practically from nowhere to nowhere, and it is not big enough in its present form to develop a great traffic for itself. It is rather a railway built to supplement important land and sheep-raising propositions than a great railway company assisting, developing, and financing various enterprises situated in the various districts in the country through which it runs. Its down traffic consists of sheep and wool, and the by-products of the sheep-raising industry. Originally it had no traffic at all except that obtained from the various estancias which had combined for the purpose of promoting the line. Gradually it has come to develop, as the various estancias have themselves been developed, a certain measure of independent traffic. This traffic consists of importing the various articles required by a new country in a very primitive state of development. Barbed wire fencing, cement, or rather some of the materials for making cement, for there is a valuable calx found locally which is found exceedingly useful for mixing with certain important materials imported principally from this country. Since the outbreak of the War the up, or imported, traffic has virtually come to a standstill, simply because the articles required could not be obtained from Europe. In some cases, as in that of nearly all metal products as well as Portland cement, or materials composing Portland cement, the export was simply forbidden. In other instances, where no objection was raised to the export from Europe of any particular article required for this part of Southern Argentina, shipping facilities could not be afforded; and, consequently, so far as the traffic of the railway was concerned, the result was just the same as if they had applied for permission to export steel rails. The result has been that the traffic of the line has so seriously diminished that the Company has had to reduce its dividend practically by one-half. It has had for the most part a large traffic one way and little or nothing to carry back. This in itself is sufficient to double the cost of actually working the traffic; but it is by no means the only difficulty with which this small Company has had to contend during the period of the War. Those who are interested in the district in which the Chubut Railway works will be aware that fuel is exceedingly difficult to obtain locally. There is no coal, hardly any timber, and the oil fields to the south have not so far been developed to such an extent as would supply the deficiency. Consequently the line has had to rely upon imported coal where and when it could obtain it, and to pay in some instances as much as £10 and £12 per ton for fuel.

Gradually as Port Madryn and Trelew, as they are now growing, and have grown to a large extent since the line was constructed, the Central of Chubut Railway will develop a large traffic. The past year was a wholly exceptional one, owing to the fact that, as we have partly explained above, it was dependent upon its down traffic, and had little or no return traffic up country. We are here using the term "down" traffic, meaning the traffic carried from the interior to the port, which is probably not strictly the sense in which railway men would use the term. The great dominating factor, in considering the position of the Central Railway of Chubut, is that it is not a great railway developing lands adjacent to the line, but was built for, and is mainly owned by, the Port Madryn Company, and the real object of its existence is to afford facilities for opening up the estates of that Company. It runs through, for Southern Patagonia, an exceedingly rich and fertile, and above all a well-watered, region. Chubut is naturally a rich province. But over a large extent of its area it suffers from lack of water. In some places there is an average rainfall of 10 or 12 inches. But in some districts it is as low as 5 or 6 inches.

In this particular area, which belongs to the Port Madryn Company, and through which this line runs, there is a fairly good average rainfall, and, as the greater part of the property is adjacent to the Chubut River, it enjoys two advantages. One is, as is always the case in lands adjacent to rivers, these rivers attract rain; and, secondly, in the event of a shortage of rain it is conveniently situated for cheap and facile irrigation works.

The first issue of *Commerce Monthly*, a journal of commerce and finance, has just reached us from the National Bank of Commerce in New York. The contents of the magazine present a comprehensive survey of business. The leading article is entitled "Apportioning American Capital," being a discussion of the best employment of American investments from the point of view of good business and good citizenship. Other articles are: "Legislation Affecting Business Men"; "Tax Exemptions of U.S. War Obligations"; a table of wholesale prices showing the actual trade quotations of leading commodities from 1913 down to the present; "The Money Market"; a general "Market Letter"; "The Loan Act and Foreign Exchange"; and an exhaustive article on the "American Woollen Industry."

PAPER PULP.

To those engaged in the production of newspapers, as well as to those who read them, the paper-pulp industry is of the greatest importance as well as of the greatest interest.

To the reader it is of interest because he could not get the paper as we produce it without this industry. To ourselves it is a necessary instrument in obtaining our means of livelihood. Doubtless, great corporations, and, to some extent, very wealthy individuals, could obtain a large part, and the great bankers and the great merchant princes of the past did, in fact, obtain at their own expense a large part of the information now furnished by the regular Press of the various countries of the world. It was in the past, and in some ways will be still more so in the present, a very costly process, and as a general rule the information was confined to certain specified subjects in which financiers and mercantile houses were especially interested. Governments, of course, then as now, obtained a large part of their information at their own expense, which means at the expense of the community as a composite whole. Those of us who are engaged in the production of newspapers know that Governments in our day rely for an appreciable part of their information upon the Press. The Press makes it a business to obtain information on various subjects in which their readers are interested from all parts of the world, and great organisations exist which are very expensive to found, but being continuously employed, do not press heavily upon the resources of any individual newspaper. Consequently, the Press is able to obtain a variety of information at a comparatively moderate cost. Speaking generally, the sale of papers as they are distributed to the reader, yield only a very modest revenue. And it would be impossible to carry on the Press upon the scale it is now produced were it not for the large revenue derived from advertisements. It may surprise many of our readers that during the recent rise in the price of paper, the actual cost of material was barely covered by the price charged per copy. And the production of the information we were able to afford had, therefore, to be charged to other sources of revenue.

In these times the principal source from which we obtain the wood pulp out of which the material for making newspapers is furnished is the Dominion of Canada. We have before us as we write an official document compiled by the Dominion Bureau of Statistics in Canada showing the great increase in the production of wood-pulp, and, above all, the enormous increase in the cost of that production. In 1915, or the second year of the recent War, there were 80 mills making wood-pulp, and the value of the production was then estimated at nearly 40½ million dollars, or somewhat exceeding 8 millions sterling. In 1917 the mills engaged in this production amounted to 83, but the value of the produce had increased to nearly 96½ million dollars, or by nearly 140%. In order to produce this wood-pulp there was a very large increase in the consumption of pulp-wood. In 1915 this amounted to a little under 1½ million cords, according to the returns furnished by the Forestry Department. In 1917 this production had increased to somewhat over two million cords, or very nearly 50%. The total cut of pulp-wood was somewhat over 2¼ million cords in 1915, and somewhat exceeding 3 million cords in 1917. Exports of pulp-wood rose from nearly 950,000 cords in 1915, to a little over a million cords in 1917.

It may be of interest to show the large amount of capital invested in the production of paper pulp. In 1917 this amounted to 186¾ million dollars, being nearly 40 per cent. more than in 1915. This sum was made up as to 84½ million dollars, represented by lands, buildings, and fixtures; machinery and tools amounted to 59¼ million dollars; materials in hand, with stocks partly converted into pulp, to say, roughly, 28 million dollars; and the balance was made up of cash, trading, and other accounts. Lands and buildings showed an increase in the two years of 13½ per cent.; machinery and tools, as the reader will readily appreciate, for it was at this time the shortage of munitions was discovered, increased to the extent of 86 per cent. in value; and materials in hand, stocks, and so on, when the shortage of paper itself became apparent, increased in value by 61 per cent. The increase in the total capital invested in this industry was, as we have already said, practically 40 per cent. For what purposes was all this expenditure of capital used? Mainly, as we have already indicated, for the production of paper intended for the newspaper Press. Newsprint paper was manufactured from the total which we have already given to the extent of 690,000 tons, of a value of practically 39 million dollars. That is to say, of the total tonnage more than 80 per cent. was intended for the production of newspapers and of the total value some 62½ per cent. For making book and writing paper, pulp was converted to the extent of 48,000 tons of a value of 9¼ million dollars, or 5½ per cent. of the tonnage, but 15 per cent. of the value. It will be appreciated that paper intended for printing books and for making writing paper must necessarily be of a finer texture than that on which ordinary newspapers are printed. What is known as wrapping paper was manufactured to the extent of over 50,000 tons of a value of 5½ million dollars, being some 6 per cent. of the total tonnage produced, and 9 per cent. of the value. The balance was made up of what are known as boards, and other paper products representing respectively, 6 per cent. of the tonnage and 5¾ per cent. of the value, and 1 per cent. of the tonnage and 5½ per cent. of the value.

As already said, the Dominion of Canada, taken as a whole, is the principal source of supply of paper pulp. But from what part of Canada do we derive the bulk of our resources? The Province of Quebec is by far the most important source of supply of the woods from which our paper pulp is crushed. This Province accounts for over a million cords, or more than half the total production. Ontario comes next with 735,000 cords, virtually, one-third of the production. British Columbia is third with 135,000 cords. New Brunswick fourth with 105,000 cords; and Nova Scotia last with 18,000 cords out of the total production. Now from what type of wood is paper pulp manufactured? Spruce has to a very large extent displaced the once famous pine. The spruce forests alone account for more than 79½ per cent. of the total production of 1917. Fir and hemlock come next in order of importance. There was a large increase in the cuttings of these three woods in 1917, as compared with the two preceding years. Pine, as we have indicated, shows a considerable decrease from previous years; and poplar trees, which at one time were considered to furnish a valuable source of paper pulp is finding less favour than formerly. A notable feature is that lumbermen in British Columbia are cutting down tamarack trees, and even cedar trees, for the production of paper pulp. It is sincerely to be hoped that the Forestry Department is taking careful measures to see that this latter tree at any rate is not being wantonly destroyed. We are not in any way suggesting that this is the case, because the true methods of conserving forests, as of conserving everything else, is to use when ripe the material to hand. All that is necessary is to see that precautions are taken to ensure that what is cut down shall in due course be replaced.

Formerly wood pulp was made entirely by mechanical processes. But recently, various chemical processes have been adopted, and although the mechanical process still accounts for by far the vast proportion of woods destined for making paper pulp, nevertheless, there is a steady increase in the chemical processes year by year.

Captain Bruce Bairnsfather

writes:—"I greatly appreciate your 'De Reszke' American Cigarettes. I never smoke anything but Virginia cigarettes myself, and I think yours very good indeed."

"Peace Proclaimed."



J. St. Loe Strachey, Esq., writes:—"Your 'De Reszke' Cigarettes are very mild and pleasant."

Madame Ada Crossley writes:—"This gentle 'smoke' I find both stimulating and soothing to the throat."

PLEASURE comes with quality—not quantity. Thus if you enjoy a good cigarette, take the advice of people who know and put "De Reszkes" to the test. They are sure to satisfy you.

"De Reszke"
The Aristocrat of CIGARETTES

Sold at all Military Canteens at Home and Overseas, also Tobacconists' and Stores.

For over a Century the Claims paid under Whole-life Policies have, on the average, been more than

Doubled

in amount by addition of Bonuses.

EQUITABLE Life Assurance Society,
Mansion House Street, E.C. 2.

MORE TOBACCO.

We regret that Customers have so often been unable to secure their usual supplies of our

"EARL GREY" and RHODESIAN Cigarettes,

But we hope within a few weeks to be able to meet all requirements.

JOHN WOOD & SON (CIGAR AND TOBACCO IMPORTERS), Ltd.
23 & 25 Queen Victoria Street, E.C. 4.

THE BANK OF TAIWAN,
LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.
Head Office - - TAIPEH, FORMOSA.

BRANCHES:—Amoy, Bangkok, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, Yokohama, and every important city in Formosa (Taiwan), &c. The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.

London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

WE do not desire to labour the point here, because we go fully into the question of telegraphic delays in the front part of the paper in our reference to Indian financial matters. But it is not merely India that is affected by the abnormal telegraphic delays of the present time. We are constantly receiving letters on the subject. The Government's point of view is that for the moment national business is so important that it is impossible to avoid delaying commercial and financial cables. This explanation may be satisfactory, and we have no desire to make any complaint until Peace is signed. Those responsible, however, should clearly bear in mind that it is not the Government that is earning the money to pay the taxes, but the commercial community, and that these restrictions of trade, as we explain fully in the column referred to, are checking business to an alarming extent.

To take, as we explain in our comments on India, a whole week to get a cable message through from Calcutta is practically to nullify the value of the cable as a trade instrument at all. It takes one back to a period that—we will not say that no one living remembers, because no doubt many elderly people still living do remember—but we may say without fear of contradiction that no one still young enough to be in active business remembers such extraordinary delays. Of course, it was of very brief duration, and only occurred during the early period of the construction of the cable, when messages were sent partly by telegraph, and first by what were called clippers, or quick-sailing vessels, and later by steamers. Since the cable was completed there has been, so far as we are aware, no instance of such delays as have occurred during the recent War and since the signing of the Armistice. Apparently, although we are now getting on for seven months since the signing of the Armistice, there is no improvement, and no apparent sign of improvement so far as we are able to judge.

As we say, the Government know best at the moment, provided those responsible clearly understand what they are doing, and that they are, in fact, delaying the economic recovery of the country from the effects of the recent War. If these delays continue after the signing of Peace it would clearly be the duty of Members of Parliament representing trading and financial constituencies, as well as the various Chambers of Commerce of the country, to call the Government's attention to the very grave delay in communications, not merely between different parts of the Empire, but with all parts of the world, which is having a very injurious effect on the development of trade and industry between this and other countries.

A valued friend permits us to give the following extract from a private letter giving the economic condition of Roumania at the present time. The letter was written in the middle of April. The "lei" mentioned below may be taken to represent the French franc, while the "bani" is of the approximate value of one penny:—"The country here is at present in a very bad situation, especially regarding the transport of food situation. The Germans have taken away all the locomotives, railway cars, and other available supplies. The prices are terribly high, and it is simply a marvel how people can live. As an instance, I give the following prices:—

Maize	7-8 lei pr. ko.	Normal time	15- 20 bani
Flour	14-15 „ „	„ „	45- 50 „
Shoes	600-650 „ „ pair	„ „	20- 45 lei
Suit of cloth ...	1,400-1,600 lei	„ „	100-140 „
Sugar	50-70 lei pr. ko.	„ „	1.20-1 30 „

"The exchanges are very unfavourable to this country, and for the present are a great hindrance to conclude business with foreign countries. The exchanges to-day are as follows:—

Lg	1= 60- 70 lei	Normal ...	25= 25 lei
French frcs. ...	100=240-260 lei	„ ...	100=100 „
$	1=10-11 lei	„ ...	1= 5 „
Swiss frcs. ...	100=260-270 lei	„ ...	100=100 „

"I understand that the Allies are considering the exchange situation with a view to come to an arrangement."

Dr. J. C. Stamp, C.B.E., read an interesting paper before the Royal Statistical Society on Tuesday last on "The Wealth and Income of the Chief Powers." Dr. Stamp estimated the wealth of the United Kingdom at 14,300 millions at the outbreak of the War, against the higher figures of Mr. Crammond and others, and put the income of the country at 2,250 millions sterling. We do not, it will readily be appre-

More than £600,000 is invested in War Bonds every 24 hours

SINCE Feb. 1st the average daily investment in National War Bonds has exceeded £600,000.

Why is it, at a time when so many attractive new issues are before the public, that these immense sums continue to be employed in the purchase of War Bonds, week after week ?

The reason is that War Bonds are a supremely good investment—far better than you may have realised.

The man who puts his money into 5 per cent. War Bonds gets his income guaranteed by the State. And if he keeps the Bonds till they mature, he will receive the whole of his money back with a substantial premium.

On sale at all Banks and Money Order Post Offices. You have the choice between 5 per cent. Bonds issued at £100 and repayable in 1924 at £102; or 5 per cent. Bonds issued at £100 and repayable in 1929 at £105; or 4 per cent. (Income Tax Compounded) Bonds issued at £101. 10. 0 and repayable in 1929 at £100.

ciated, wish to throw cold water on, or in any sense to depreciate, such work as that upon which Dr. Stamp is engaged. His paper was very interesting, and we are pleased to have an opportunity of drawing attention to it. Only by careful study, widespread criticism, and after many mistakes have been made, will it be possible to arrive at any reasonable conclusion of what the wealth of any country is. Equally difficult will it be to arrive at the national income taken as a composite whole. We must endeavour, however, to realise what we mean by wealth and income, and try to have some clear conception of what we are talking about. Do we mean money or token values? Do we mean commodity values? Or what real conception have we of the wealth of a country taken as a whole, or of its national income?

According to Dr. Stamp, the total wealth of the United Kingdom just before the outbreak of the War was 14,300 millions. The Chancellor of the Exchequer stated in his Budget speech that the total debt for which this country will be responsible on the night of March 31 next will be 7,680 millions sterling. In the last few weeks we have devoted the major part of our Money article to showing the importance of paying off what we have described as the urgent liabilities of this country, amounting in all to some 3,500 millions sterling. These liabilities consist in enhanced bank balances, which represent not increased wealth, but the need of increased token money for dealing with enhanced money values as distinct from commodity values. They consist, further, of unliquidated balances due to the United States for urgent needs—for food and raw material, without which we can neither feed ourselves nor feed the industries upon which we live. And, finally, by the trebling of the currency to meet enhanced money values. Three thousand five hundred millions and 6,760 millions give a total of over 10,000 millions. Consequently, according to Dr. Stamp, if we were sold up, lock, stock, and barrel, we have only 4,000 millions left to start again on a desert island; or, to put the matter more reasonably, we have mortgaged more than two-thirds of the whole wealth of the country. Surely Dr. Stamp, or any other economist, cannot want us to believe that we are hopelessly bankrupt. What would be the position of a business which had lost two-thirds of its whole capital?

Dr. Stamp puts the income of this country before the War at 2,250 millions. Now in the present financial year, as stated in Mr. Austen Chamberlain's Budget, we are spending 1,500 millions; that is to say, after providing to meet the charges on our various loans, to live, to renew our plant, and to make some sort of preparations, presumably, for reconstructing our businesses after the devastating influence of the War, we have 750 millions. It was commonly estimated before the War that, on the then basis of prices, we spent in living about 1,200 millions a year; that the cost of Government, Imperial and municipal, amounted to between 400 and 450 millions a year; that we spent practically as much on the renewal of plant; and, finally, that we had between 200 and 250 millions sterling as a surplus to invest in overseas securities, principally for the purpose of increasing our supplies of food and the raw materials of our manufactures. Dr. Stamp, we take it, cannot mean that by calling up the bulk of our young men and by drafting a large proportion of those above military age and some three millions of women into shell-making factories we have increased the wealth of the nation.

It follows, then, that we have to spend, according to Dr. Stamp, about three times the amount of the last pre-War Budget; and we require to do this three times the currency we had before the War. Surely such an argument confuses the issue between real or commodity values and token or money values. Gold, or international values, have for the moment disappeared from every country. The wealth of a country surely consists in its people and the natural resources which they are able to develop. It may have been reasonable when the world enjoyed, at least to a certain extent, a gold or international standard of value, to estimate the wealth of the several countries. But in a period like the present, when there is no common standard by which we can measure values, it seems hopeless to attempt to ascertain either the wealth or the income of any country.

At the April meeting of the Association of Chambers of Commerce of the United Kingdom, Sir Algernon Firth, Bart., moved a resolution, "That the present system of duplicate payment of taxes on profit of businesses and on incomes of individuals levied by this country on our Dominions and our Allies is unjust, and that His Majesty's Government be urged to make arrangements with the Governments of our Dominions and Allies to avoid the duplicate payment of such taxes."

Messrs. R. and J. Hill, Limited, tobacco manufacturers, write us that, while appreciating our article last week on the tobacco industry, they wish to correct an error which they point out. We stated that the duty on tobacco in 1914 was 3*s*. 2*d*. per lb. "This should be," say Messrs. Hill, "3*s*. 8*d*. per lb., Mr. Lloyd George having raised the rate from 3*s*. 2*d*. to 3*s*. 8*d*. in his Budget of 1909."

"The Economic Foundations of Reconstruction." By Alfred Milnes, M.A.(London). Price 6*s*. 6*d*. (London: Macdonald and Evans.) Last autumn Mr. Milnes was invited by the Committee of the Political and Economic Circle of the National Liberal Club to deliver a short course of lectures in the Lincolnshire Hall of the Club on the economics of those problems of reconstruction which it was even then, before the Armistice was arranged, obvious must arise on the conclusion of peace. The change in the world position has, in his opinion, called for no alteration in the exposition of the economic principles laid down in those lectures, and he has now reissued them in a more permanent form.

LONDON JOINT CITY & MIDLAND BANK LTD.

HEAD OFFICE: 5 THREADNEEDLE ST., LONDON, E.C. 2.

31st DECEMBER, 1918.

Subscribed Capital	£34,428,948
Uncalled Capital	27,256,250
Paid-up Capital	7,172,697
Reserve Fund	7,172,697
Deposits	£334,898,435
Cash in Hand and Balance at Bank of England	63,756,371
Money at Call and at Short Notice	65,809,169
Investments and Bills of Exchange	100,849,947
Advances	99,213,614
Advances on War Loans ...	14,218,201

Paid-up Capital is now ... £8,171,417
Reserve Fund ,, ,, ... £8,171,417

OVERSEAS BRANCH:
65 and 66 OLD BROAD STREET, E.C. 2.
Specially organised for developing British Trade abroad. Foreign Banking business of every description undertaken.

American Topics.

UNITED STATES CROPS.

After the long war with revolutionary France, now somewhat more than a century ago, the gravity of the situation in which this country in particular, and Europe in general, found itself as a result of that war was accentuated by a series of exceedingly bad crops in Western Europe. In those days we had neither the telegraph nor the steamship, and we were lacking, therefore, information as to where food might be plentiful as well as means of transportation to bring it to our shores. Even if we had been in a position to know of its existence, we had to depend almost wholly upon local sources of supply. To a certain extent we were able to obtain, and did, in fact, import, a certain quantity of wheat from North Russia and other parts of the Baltic countries. Still, for the most part, we were dependent upon what we could raise within the confines of our own shores. With the discoveries and inventions which have been made during the past century we are now enabled to draw supplies, more or less, from all parts of the world. True, there is a lack of shipping; and the transportation facilities which we enjoyed in pre-War days are not available for the moment to the extent that was formerly the case. Nevertheless, we have long passed the period when we were dependent for our food upon home sources, or upon places adjacent to the home market.

The shipping shortage is being gradually made good, and it is hoped that with the home construction of ships, with purchases which we are making, and shall probably continue to make, in various parts of the world, and with the shipping from enemy sources which it is expected will be obtained as a result of the Peace Treaty, the shipping shortage should come to an end in about a year or 18 months' time. The general estimate, as far as we can gather, is that if the harvests of the present season in the northern hemisphere are favourable, and if these are supplemented by equally favourable crops in the southern hemisphere during the coming winter—which is the season of harvest south of the Line—the food shortage, which has been one of our great difficulties for nearly five years now, will at last disappear.

We have before us the report of the Bureau of Crop Statistics issued by the United States Department of Agriculture, giving estimates of the principal cereal crops of the United States for the present season. According to the official figures, the acreage under wheat, which is the cereal in which we are most particularly interested in these islands, at 49 million acres is, roughly, the same as it was last year. The custom of the Bureau on the first working day of each month during the period when the crops are growing, is to take a percentage estimate of their condition, and as a corollary of their probable yield. This season the Bureau took its usual census of the condition of the crops in the United States on May 1, and the return forwarded to the Bureau gives the condition of the wheat throughout what is known as the wheat belt as 100.5. This is regarded as an exceedingly high yield and a magnificent crop throughout the wheat-growing area of the United States of North America is expected.

The figure 100.5 compares with a percentage of 86.4 on May 1, 1918, and with 73.2 on May 1, 1917, from which it will be seen how promising are the wheat prospects. These figures are, of course, for winter wheat, which, in the United States, as distinct from Canada, is by far the predominant crop. Of the spring wheat it is as yet too early to give anything in the nature of an estimate of probable yields. All that it is possible for the Department to publish is the area in the more Northern States sown with spring wheat.

From the figures given above of the estimated yield of winter wheat the calculations made by the Bureau of Statistics are for a crop approximately of 900 million bushels. For home consumption the people of the United States will require some 600 million bushels. In addition, there will be a certain proportion of the surplus which it will be necessary to reserve for seeding purposes, but it seems not improbable that, if the figure just given is realised in the coming harvest, there may be a surplus available for export from winter wheat of 250 million bushels. It has to be remembered that these figures are the official figures of the United States Board of Agriculture, and, consequently, as is the case with official figures, they are estimated upon a conservative basis. Market estimates in the United States and private sources having less responsibility than the Board of Agriculture, estimate a yield of wheat alone of over 1,000 million bushels, which, of course, if it is attained, will be a record for winter wheat in the United States.

From the figures published in the United States the condition of the rye crop appears to indicate a yield of nearly 123 million bushels. This compares with 82½ million bushels, the estimated yield of the crop on May 1 last year, and 89 million bushels, the actual for 1918. Of spring ploughing, 72.7% was completed up to May 1, comparing with 77½% on May 1, 1918, and 72.4% on May 1, 1917. Of spring planting, 61% was completed on May 1 this year, being approximately the same as the work accomplished on the same date 12 months ago, but considerably better than what had been done on May 1, 1917.

It may be of interest to conclude, after reviewing, as we have already done, the highly favourable conditions of the crops throughout the wheat belt of the United States, with a brief summary of the condition of live-stock in that important source of supply of the world's market. On February 1 of the present year there were 68 million head of cattle throughout the Union. There were over three million young cattle born during the month, and very nearly two million brought on to the farms. This shows an increase of some 900,000 head during the first two months of the year. On February 1 there were 50 million sheep throughout the Union. Nearly five million were born during the month and nearly half-a million brought on to the farms. This shows that in the first two months of the current year there was an increase of the sheep population amounting to over 3⅜ million fleeces. On February 1 there were nearly 67 million hogs throughout the Union. Seven million were born during the month, and over three million brought on to the farms. The farm supply of swine decreased some 4%, or about 2⅜ million head, during the month of February, comparing with a decrease of 2,800,000 head during February last year.

From January 1 to the end of February swine decreased some 15%, or, roughly, 11¼ million head, as compared with a decrease of 8½ million head during the corresponding period of last year. The net result was that at the end of February there were only some 64¼ million hogs throughout the Union, or a decrease of over 11 million head during the period from January 1 to the end of February of the present year.

The Legislative Commission in Spain has decided to renew the privileges of the Bank of Spain for 25 or 30 years. The maximum amount of notes to be issued by the Bank is fixed at 6 milliards of pesetas—or, say, 240 millions sterling, against which the Bank must hold gold to the extent of 35% and silver 15%. The Bank will also advance to the Treasury a sum of 150 million pesetas—or, say, 6 millions sterling, free of interest. The capital of the Bank now stands at 6 millions sterling.

CITIES SERVICE COMPANY.

A considerable business has been transacted lately on the stock exchanges in the junior securities of this great American enterprise, the growth and prosperity of which we commented upon at length in our issue of April 26. Further particulars will be found printed on another page, particularly the names and locations of the 102 subsidiary companies operating in the United States and Canada. Besides its widespread business of supplying gas, electric light, power, traction, and other utilities, the Company has also a big stake in the oil industry, being one of the largest producing and refining operators in the United States.

THE IRISH POPLIN INDUSTRY.

The Irish poplin industry is at present in a prosperous position, and with the return of more normal conditions should be capable of further development. There are now five firms engaged in its manufacture, and all are located in Dublin. From 1890 onwards the history of this branch of the textile trade has recorded even increasing evidences of material prosperity. In 1898 it demanded the services of 87 looms; this number had increased to 193 in 1911; and at the present moment the number of looms in Dublin is estimated at 250. There are two kinds of loom in use—the plain loom, used for poplin of a simple pattern, and the Jacquard loom, for figured poplin. Patterns of very intricate design can be woven by means of the latter loom with the same facility as the ordinary pattern. The introduction of the power loom, with the object of cheapening production and expanding output, has not been countenanced by the Dublin manufacturers, for the following reasons. In the first place, modification in the motions of the power loom are comparatively difficult to make; in the combination of silk and wool required for poplin it is necessary to weave a material not of one thread, such as silk or wool, but of both, and in combining these two it is found that the power loom leads to more breakages than the hand loom. Furthermore, the unweaving operation can be performed more readily by the latter. Secondly, it is stated that the light dust engendered by the working of the power loom would cause injury to the finer fabrics. Thirdly, it is held that as much greater delicacy in figure designs is secured by the hand loom, and that the excellence of Irish poplin is in a large measure due to the fact that it is hand woven.

As matters stand at present, Dublin manufacturers of poplin have enough orders on hand to keep them busily engaged for the next few months. The question of filling these orders is, however, intimately bound up with the provision of an adequate supply of skilled labour. A large supply of material has accumulated which has been put through the preliminary operations of winding and warping by the use of female labour, and now demands the attention of the weavers for the weaving process. The slow progress of demobilisation furnishes a partial explanation for the absence of the latter. In connection with this Dublin trade a peculiar custom exists, for, while most industries are open to all who wish to engage in them, the Dublin poplin weavers refuse to allow anyone except the son or grandson of a weaver to become an apprentice. The rule is very rarely relaxed in favour of outsiders, and this naturally tends to a certain inelasticity so far as the labour supply is concerned. Consequently, great difficulty is sometimes experienced in satisfying an increased business demand.

The principal markets for Irish poplin are Great Britain, Australia, Canada, New Zealand, and the United States. The Colonial market is growing steadily in importance, and during the War a small export trade was kept up with the United States. Heavy tariff duties in the latter country and in the Colonies offer a certain hindrance to an increase in the exports figure, which in 1916 was placed at £20,000—the Irish output of poplin in 1911 being valued at £70,000. Imitation poplin turned out by foreign competitors has always proved a serious rival to the high-class Irish product. These imitations are generally composed of silk and cotton, or even of mercerised cotton alone; and "poplin ties" were sold in London at the rate of one penny each before the War. Regarding what might be termed the genuine poplin article, the Dublin manufacturers have by no means a monopoly of the trade. They have rivals in England, France, Switerland, and Germany. The foreign manufacturers make a material composed of silk and wool, which is variously known as bengaline or ducape; it differs, however, from the Irish poplin in the fact that it is woven on the power loom, and not hand woven as is the Dublin article. There seems no reason to think that the full effect of foreign competition will be felt immediately by the Irish maker. As regards Germany it is unlikely that the silk industry will be established on a solid basis until a reign of stability replaces the present chaotic political and economic conditions. In France, of course, Lille and other important centres of the silk trade suffered severely; but though silk, both raw and manufactured, was always obtainable in small quantities from Lyons during the entire course of the War, it is unlikely that the French pre-War output will be approached for some time. Irish poplins are steadily increasing in favour on the Continent, and a steady export trade, which was maintained with Holland up to 1917, is now being resumed. The intention of some of the manufacturers is to cultivate the overseas markets more systematically in future, but, at the same time, the possibilities of the home market should not be neglected.

As explained above, poplin is a combination of silk and wool. The article is woven with a silk warp and a woollen weft, and it is so made that the surface on both sides of the cloth is all silk. The wool is used as a foundation, and the combination of the two textiles gives a material of good appearance and great durability. The "thrown silk" utilised is imported from England, but is not subjected to the weighting process. As a matter of fact, the thread used by the Dublin makers is returned to them much lighter than it was when first delivered into the dyer's hands. The result is that a pound of thrown silk is returned as 12 ounces of pure dyed silk thread. In this connection it should be pointed out that the Germans have derived great advantages from their very successful methods of adulterating, or weighting, silk with salts of tin in the process of dyeing. Silk has a great affinity for tin salts and can easily be weighted up to 100%. The result is that goods of heavier weight and more fulness in the hand can be produced with a much smaller expenditure of actual silk than when pure dyes are used. Fabrics made in this manner are far less durable, and it is owing to their use that silk has been to some extent discredited as an article of dress, but they attract customers who are more taken by cheapness than by durability. Prior to the outbreak of war, the silk industry was almost entirely dependent upon foreign sources for its supplies of dyestuffs, about 80 per cent. being derived from Germany and 15 per cent. from Switzerland. Silk, as used in poplin, is always dyed in the thread and never in the piece. The dyeing process is undertaken in England and the Lancashire dyestuffs now used give as much satisfaction, it is stated, as did the German dyestuffs before the War. The operation of dyeing also takes place in Dublin, but to an insignificant extent. In former years, the demands of the industry for worsted spun from the longer-stapled Australian merino wools was met, to some extent, by a group of spinners at Wicklow, but now the needful supplies are all imported. During the War wool was, of course, under strict control, but now that the control has been partially removed raw supplies are coming in fairly plentifully.

A slump on the output of poplin took place in 1914-15, but the demands of the Army were respon-

sible for a revival of trade. Most of the concerns were thenceforward engaged in filling Army contracts, consequently the civilian demand was not fully met. Poplin is chiefly used for two purposes, the manufacture of gentlemen's neckwear, and the making of dresses, blouses, mantles, and other articles of ladies' attire. Ties were originally made of this article in order to use up remnants of the material which could not be utilised for dresses. Of the total amount of poplin turned out now by the looms, 95% is used for this purpose. The demand for poplin in connection with ladies' dress reached its zenith about 1907, but has since shown a steady decline. The trade in this way has fallen a victim to the caprice of fashion, because poplin, on account of its durable qualities, was not suitable for the quick changes demanded. An objection to poplin dresses on account of their weight has been met by the production of a material of lighter texture known as "gossamer poplin," or "marchioness," which is made of silk and very fine wool. This venture may have the effect of bringing back this branch of the trade to its former healthy condition. As regards the production of very fancy coloured dresses, poplin cannot, however, expect to compete successfully with silk, as it is naturally incapable of assimilating the brilliant hues of the latter.

THE SHIPBUILDING OUTLOOK.

The statement regarding the mercantile marine made by Colonel Leslie Wilson in the House of Commons this week did not present a very encouraging outlook; but things are better than they seem, and, when the Shipping Controller has completed the freeing of tonnage and the restrictions on trade have been all removed, signs of healthy development should be more conspicuous. There need be no fear that the German ships that can be immediately transferred, or that will be built for the Allies, will interfere with the British shipping or the British shipbuilding trade in the near future. It is scarcity, not superabundance, from which the world is suffering.

Still, there are some serious facts that must be noted. Through the accidents and stoppages of the War the world's tonnage has fallen from 40,000,000 to 36,500,000, a fall of 3,500,000 tons. Great Britain's share has decreased from 18,500,000 tons to 15,300,000 tons, that is, by 3,200,000 tons. In other words, the loss of tonnage would seem to be almost entirely British. Account, however, must be taken of the remarkable gain of the United States, whose pre-War fleet was 1,700,000 tons and whose fleet to-day is 6,400,000 tons, an addition of 4,700,000 tons. If this gain is added to the net non-British loss we find that other countries, Allied, neutral, and enemy, must have lost 5,000,000 tons. To be more correct, they are behind in tonnage to this amount. If quality is taken into account, and if allowance is made for the expansion of tonnage which would have taken place if there had been no war, we shall, of course, find that the total world loss is much greater.

But if the capacity of construction has increased, and if the trading facilities have not been seriously diminished, the future outlook ought not to be dark. Unfortunately, the half-year that has followed the cessation of hostilities has not witnessed the British development that was anticipated. During the first four months of the year ships to the amount of only 327,000 tons were completed. This is equivalent to an annual output of less than a million tons, or about a half of the 1913 output. Moreover, Norwegian contractors, and some French, have, in order to fulfil Government promises, made while the submarine peril was worst, received precedence in construction. There were, it must be noted, several exceptional circumstances that interfered with production. Repair work was very heavy. For fully two months half the yards in the country were idle; and the weather, up to the end of April, was very unfavourable. Still, when one remembers that Lord Pirrie held out, at the end of last year, the prospect of a 3,000,000 tons output, one must confess that a bad beginning has been made.

Considerable improvement, however, has been witnessed during the last few weeks. There certainly is, in the meantime, plenty of work to be done. A good deal of it is on foreign account, British shipowners holding off because they fear a fall of freights and because builders will not quote definite prices, owing to uncertainty regarding Labour demands and the price of steel; but the continuance of peace conditions should progressively remove these difficulties. The fear of immediate American competition in shipbuilding is passing away. In the carrying trade the ships of the United States will, assuredly, be a little more conspicuously on certain routes, but the British preponderance will still be great. For every two American there will be five British ships. True, one cannot confine the outlook to the immediate future. At present there is little haggling as to prices. Two or three years hence only the yards that can build cheaply and well will get the business. And in the estimates that are given the price of steel will be an important factor. In the production of cheap steel the Americans have certainly pushed ahead. They realised what was to be gained by the speediest possible removal of restrictions, and they have already reached something approaching to normal conditions of work.

The capabilities of the American shipyards have been overestimated. There are several parallel American stories to the Chepstow one in which the House of Commons interested itself this week. But if steel is produced much cheaper in the United States our shipyards will have formidable competitors there, for, after deducting many failures, there is a capacity of output that is not far short of that of the British yards, which is estimated to be a third greater than it was in 1913. The Japanese, too, must not be overlooked. They have lost few boats, and they have greatly increased their building power.

There remains the fundamental question: "To what extent will the development of the carrying trade support work in the yards?—a question which cannot be answered until we know the steadying effect on politicians, financiers, and workmen of the peace that is to be. Inquiries made among shipbuilders, shipowners, and workmen reveal a widespread uneasiness or jumpiness." The reduction of hours in the shipyards has, so far as the test has gone, led to a reduction of output, affecting both time and piece workers, and there is an increased listlessness, attributed to a feeling that a crisis is not far-distant. The tendency to make much of small grievances must also be noted. At the same time, the desire among employers and among the more moderate Labour leaders to find a workable agreement never was greater. If "nerves" and the half-conscious belief that the millennium can be reached by a rush could be overcome, the danger-points should be cleared.

Cadbury and Fry Cocoa Fusion.—Following the announcement a short while ago of negotiations being carried out with a view to the amalgamation of the interests of J. S. Fry and Sons, Limited, and Cadbury Brothers, there has been registered at Somerset House the British Cocoa and Chocolate Company, Limited, with a nominal capital of £2,500,000 in £1 shares. This concern is to acquire all the Ordinary shares of Cadbury and the "A" and "B" Deferred Ordinary shares of Fry and Sons.

Holders of £750,000 Debentures of the Bengal-Nagpur Railway and of £100,000 Debentures of the Madras and Southern Mahratta Railway, which fall due for repayment on June 1 at 99¼, can renew the Debentures for two years with interest at 4¾% per annum. Acceptance of the offer must be notified before noon on May 29.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue. Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

QUIET, with a tendency of quotations to ease, best describes the rubber share market of the past week. In Mincing Lane there is a disposition to mark time pending developments in the commodity market. The tone, taken all round, however, continues very firm and such declines as have occurred in quotations are not appreciable.

Bertam Extended Rubber Company, Limited.—This new Company has been formed with a capital of £75,000, in 2*s.* shares, to take over and develop into a rubber plantation 2,643 acres belonging to the Straits Bertam Company. In 1917 and 1918, 238 acres were planted and about 213 acres have been planted this year. Some 60 acres of older trees have been allowed to get grass-grown and a fair amount of replacement will be required. By 1920 it is hoped to have 1,500 acres completed. The purchase price payable to the vendor Company is £15,000 in shares and £1,596—the cost of recent developments—in cash. This is equivalent to about £6 3*s.* per acre on the total area, and it is estimated that the 1,500 acres can be brought to bearing at a cost of £30 to £35 per acre. This seems low in these days. Allowing £50 per acre, and reckoning five years before dividends commence, the ultimate return on the capital, with rubber saleable at, say, 1*s.* 6*d.* per lb., should make the venture a profitable lock-up investment. Shareholders of the Straits Bertam Co. are offered 500,000 2*s.* shares at par, and the unissued 100,000 2*s.* shares are optioned to the vendor Company, or its nominees, at 2*s.* 3*d.* per share for five years. The subscription has been guaranteed in consideration of a 75% participation in the option.

STRAITS RUBBER COMPANY.

THE Straits Rubber Company is the leading member of the Straits group of rubber plantation undertakings. It was formed in 1909, but was the successor of an old-established concern engaged for many years in tropical agriculture and trading. Ten years ago it had 5,000 acres under rubber; now it has 9,033 acres planted on its own estates and holds 135,000 shares out of 250,000 shares of the Rubana Rubber Estates, consisting of 4,901 acres, of which 3,226 acres are planted with rubber. The two properties adjoin, and, situated in the State of Perak, stand in the front rank as regards quality. The older Company has not itself been liable for excess profits duty, but has lost considerable revenue on account of the heavy assessments of the younger Company. Last year was an abnormally poor one. The Straits Company's own production was reduced by 600,000 lb. to 2,291,930 lb., and the gross price was only 1*s.* 9.1*d.* per lb. However, the all-in cost was no more than 11.1*d.* per lb., including substantial depreciation provision, and the profit per lb. came out at 10*d.*, which in the circumstances cannot be considered other than very satisfactory. Dividends on the Rubana shareholding fell from £18,656 to £5,006, a decline which was partially offset, however, by increased income from interest and a surplus amount realised in excess of valuation of the 1917 stock. The net profit amounted to £108,105, or a little more than half the figure of the previous year. A sum of £5,000 is placed to reserve, the dividend is reduced from 55% to 30%, and to provide £20,000 for income tax the carry-forward is lowered from £38,953 to £17,058. During the year 477 acres under coconuts were cut out and replanted with rubber, together with 312 acres of jungle. The outlay on development was £13,375, and on buildings and plant £5,699, against a depreciation allowance of £9,917. The results of the last five years, compared below, reflect the high quality and good management of the estate and the strong financial position, the latest figure of £72,000 surplus liquid assets being after deduction of income-tax provision and irrespective of the value of 135,000 Rubana shares, now quoted on 'Change at 35*s.* 6*d.*

	1918	1917	1916	1915	1914
	Acres	Acres	Acres	Acres	Acres
Planted area (rubber)* ...	10,775	9,919	9,765	9,520	9,342
Planted area (coconuts) ...	60	540	540	540	540
Uncultivated area* ...	1,809	2,119	3,337	3,582	3,756
Av. rubber acreage tapped†	—	6,440	5,924	4,556	4,067
	Lb.	Lb.	Lb.	Lb.	Lb.
Rubber output† ...	2,291,930	2,895,065	2,500,071	2,061,216	2,194,782
Yield per acre tapped† ...	—	443	422	452	539
Gross price realised per lb.	1/9·1	2/4·4	2/5·27	2/3·88	2/2·17
"All-in" cost per lb. ...	-/11·1	1/0·58	-/11·76	-/11·70	-/10·35
Profit per lb.	-/10	1/3·82	1/5·51	1/4·18	1/3·82
	£	£	£	£	£
Value of rubber	201,729	319,303	304,748	239,977	239,705
Total expenditure ...	106,810	127,346	123,752	100,565	94,687
Net rubber profit	94,919	191,957	180,996	139,412	145,018
Dividends on Rubana shares	5,606	18,656	14,545	16,048	16,927
Sundry receipts	8,180	4,530	4,313	2,219	2,805
Brought forward	38,953	16,310	18,956	11,277	6,527
Total available	147,058	231,453	218,810	168,956	171,277
Allocations—					
Placed to reserve ...	25,000*a*	—	10,000	10,000	20,000
Dividend paid	105,000 (30%)	192,500 (55%)	192,500 (55%)	140,000 (40%)	140,000 (40%)
Carry-forward	17,058	38,953	16,310	18,956	11,277
	147,058	231,453	218,810	168,956	171,277
Net capital expenditure ...	9,143	3,273	5,638	8,723	26,996
Issued capital (£1 shares)...	350,000	350,000	350,000	350,000	350,000
Surplus liquid assets‡ ...	72,088	98,373	59,757	59,921	50,052

* Including proportion of Rubana Company's acreage represented by shareholding. † Straits only.

‡ Excluding value of shareholdings. (*a*) Including £20,000 for income tax.

Price of Shares, £5¼c.d. Market Capitalisation per planted acre, £186xd.

The Straits Company's production this year with a conservative system of tapping is estimated at 2,682,000 lb., of which a considerable portion has been sold for forward deliveries at remunerative prices. As regards further development the limit has not been reached. Quite 4,000 acres have yet to come into bearing, and it is intended also to gradually plant up the 1,800 acres of reserve land.

ANNUAL REPORTS ANALYSED.

LANGKAT SUMATRA.

Issued Capital: £75,000.

	Total Planted	Area in Bearing	Av. Yield per Bearing Acre	Price Realised	"All-in" Cost	Net Profit	Dividend— Amt.	
	Acres	Acres	lb.	per lb.	per lb.	£	£	%
1916...	1,800	1,150*	500,608 400*	2/8¼	-/11.8†	37,358	24,375	32½
1917...	1,821	1,400*	447,983 320*	2/4	1/4¾	20,968	3,750	5
1918...	1,821	—	403,000 —	1/6.2	1/2¾	6,396	9,375	12½

* Estimated. † Excluding selling charges.

Price of Shares, 56/0. Market Capitalisation, £114 per planted acre.

IT is rather curious to notice that this Company, which, by the way, should not be confused with the Langkat, pays a higher dividend for 1918 than for 1917, notwithstanding a 70% fall in profit, due to restriction of production and low price realised. The explanation is simple. Last June, when the report was issued and the directors had to decide their policy, the outlook was very obscure. America had just started severe curtailment of rubber imports, and rubber producers had agreed to restrict tapping. Hence, though after providing for special taxation the balance profit for 1917 was equal to 17½% on the capital, the directors

deemed it wise to pay only 5% and strengthen the financial position against unpleasant eventualities. The outcome of 1918 operations is a profit of only £6,396, or about 8% on the capital, but instead of any excess profits tax liability a refund of about £9,000 is being claimed. By reducing the carry-forward from £6,941 to £3,347 it is possible to pay 12½% dividend and place £1,500 to reserve fund, increasing same to £21,500. Financially the Company's position, allowing for the excess profits tax refund, is strong, and from the point of view of physical condition of the plantation the inference of distinct improvement is to be drawn from the report. Therein it is stated that during 1918 87,414 trees, as an average, were in the tapping round, and yielded at the rate of 4.61 lb. per tree. In December 1917 123,368 trees were in tapping, so evidently last year more than 35,000 tappable trees were rested. The beneficial effect on their yielding power and on the general condition of the estate should presently be manifest. The Manager estimates the crop of the current year at 480,000 lb., and possibly the profit balance may not enable much increase to be made in the dividend. Later, however, when fully bearing, the return to shareholders seems likely to be substantial. The recent level of costs looks high, but then the whole of the expenditure as well as excess depreciation is charged against revenue, so that with a larger production reduction is practically certain. In all the circumstances the valuation of £114 per acre indicates the prospect of considerable appreciation during the next two years, apart from what may accrue from the holding of 11,750 shares in the Tamiang Planting Syndicate, now priced at 2¼.

DUSUN DURIAN (SELANGOR AND PERAK).

Issued Capital: £250,000 in £1 Shares.

Results for Years to December 31

	Rubber Area in Planted Acres	Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...	2,544	1,633†	413,980	254†	2/4	–/11¾	33,188	18,750*	7½
1916...	2,544	2,330	732,271	314	2/5	1/0½	50,171	37,500	15
1917...	2,544	2,500	790,643	316	2/2½*	1/0½*	48,734	31,250	12½
1918...	2,544	—	587,996	—	1/9½†	1/2½†	16,627	18,750	7½

* Excluding freight insurance and selling charges.
† Gross and all-in figures

Price of Shares, 30/0. Market Capitalisation per acre, £147 excluding 754 acres under coconuts.

In considering the above results it should be borne in mind not only that tapping on the Company's two estates was severely restricted last year, but that that notwithstanding, the whole of the expenditure incurred was charged against revenue, and £1,691 for depreciation as well. Obviously, had production been normal, the all-in cost would have come out at a low figure. However, the effect and benefit will be very marked in the future. Even if there had been ability last year to harvest full crops and sell same at a remunerative price—which, of course, was not the case—shareholders would not have participated much in the extra profits. For instance, of the £48,734 profit shown for 1917, £19,150 had to be paid in excess profits duty. On the other hand, instead of having to pay anything for 1918, it would appear that a refund of a fair sum can be claimed on account of deficiency of earnings below the percentage standard, otherwise we presume the directors would hardly have paid in dividend more than the profit earned, especially as the balance sheet shows only about £3,000 of surplus cash resources. This year the excess profits duty will be computed at the rate of 40%, and the output is estimated at 750,000 lb., of which 268,000 lb. have been sold forward at an average of 1s. 9½*d.* per lb. ex godown at Singapore. If, as seems probable, the all-in cost of production is much lower than for the past year, it looks as if profits and dividends will make an appreciably better showing a year hence. In addition to the area under rubber, 754 acres are planted with coconuts, and 540 acres of reserve jungle remain in the Company's possession for further extensions.

SCOTTISH UNION & NATIONAL
INSURANCE COMPANY.
ESTABLISHED 1824.
ASSETS Exceed £12,000,000.
FIRE, INCLUDING LOSS OF PROFITS, LIFE, ACCIDENT, ILLNESS, ANNUITIES, PENSIONS, LEASEHOLD, BURGLARY, GLASS BREAKAGE, TRANSIT OF SECURITIES, FIDELITY, PROPERTY OWNERS' RISKS, MOTOR-CAR RISKS, HORSE DRIVING ACCIDENTS, THIRD PARTY, EMPLOYERS' LIABILITY and MARINE INSURANCES effected on the most favourable terms.
Edinburgh: 35 St. Andrew Square.
London: 5 Walbrook, E.C. 4, & 4 St. James' St., S.W. 1.

BRITISH EQUITABLE
Assurance Company, Limited.
ACCUMULATED FUNDS exceed - - - £1,600,000
SUBSCRIBED CAPITAL - - - - - - £300,000
PAID-UP CAPITAL - - - - - - - £34,500
The Company transacts the following classes of business:
LIFE, FIRE, ACCIDENT, BURGLARY, EMPLOYERS' LIABILITY AND THIRD PARTY.
Write for particulars of the New Monthly Premium Policy Without Medical Examination
To the Manager—1, 2, & 3 QUEEN STREET PLACE, LONDON, E.C. 4.

Insurance Notes.

LONDON ASSURANCE CORPORATION.

A VERY satisfactory report is presented by this important insurance office in respect of its operations in 1918. In another year the Company will complete 200 years of work from headquarters in the heart of the City of London, and it is, therefore, one of the oldest institutions of the kind in the world. The authorised capital amounts to £2,000,000, of which £1,246,550 is issued and £748,275 paid up, in 250,000 Cumulative 6% Preference shares of £1 each fully paid, and 398,620 Ordinary shares of £2 10*s.*, with £1 5*s.* paid on each. The dividend on the Ordinary shares, payable in 1919 by equal half-yearly instalments on April 1 and October 1, is declared at the rate of 6*s.* per share, free of income tax. The dividend per share declared in 1918 on the then denomination of Ordinary shares (£25, with £12 10*s.* paid) was 55*s.* These shares have since been sub-divided by ten, and the dividend declared in 1918 was therefore equivalent to 5*s.* 6*d.* per new share. The tax free dividend, in fact, has been increased from 22% of the amount paid up to 24%. It will be seen, from the following review of the accounts, that the amount required for its distribution, and also for the Preference dividend, is actually considerably less than the Company's net interest earnings (apart from those of the life fund), permitting the application of the balance of interest earnings, as well as the whole of the trading profits, which were exceptionally large, notwithstanding exceedingly heavy taxation for the purpose of increasing the reserves and providing for depreciation and contingencies. This must be considered an excellent result.

Separate revenue accounts for the Company's life, fire, marine and accident, and other business accompany the annual report, and reference may be made to these in the order in which they are presented.

In the life department new assurances of £657,729 are reported. After deduction of reassurances, the net retention was £515,229, as compared with £367,674 in 1917. The total net life premium income, amounting to £247,337, shows an increase of £19,181. The expense ratio was about 13.5% of the premiums, which is only about two-thirds of the proportion reserved at the quinquennial valuation on December 31, 1915, for costs and contingencies. The death claims amounted to £168,433, as compared with £190,660 in 1917. Endowment assurances for £30,061 matured by survivance. The sum of £53,779 was received as consideration for new annuities granted, and annuities for £1,991 were paid. Through the year's operations,

and after transfer of £15,000 to profit and loss account, the life assurance fund was increased by £143,317 to £2,897,684, and the net interest yield thereon, after deduction of income tax, appears to have been about £3 15*s.* per cent., as compared with the valuation assumption of 3%.

The fire insurance account shows a greatly increased premium income, having risen from £872,725 (in 1917) to £1,231,618. After an adjustment for unexpired risks at the usual standard of 40% of each year's premium income, the trading surplus seems to have amounted to £160,282, or about 13% of the premiums, which is quite a good result. Interest earnings, less tax, produced £30,240, enlarging the departmental profit to £190,522, and of this £146,827 was transferred to profit and loss account, while £43,695 was added to the fire reserves apart from those assigned to unexpired risks. The fire fund at the close of 1918 amounted to £1,000,000.

The marine premiums amounted in 1918 to £1,213,551. This is less by £530,278 than the corresponding income in 1917, yet the marine fund at the close of 1918, amounting to £1,300,000, only shows a reduction of £50,000, after the transfer of £376,256 to profit and loss account. The departmental interest earnings amounted to £45,360, so that the assumed marine trading profit seems to be £330,896.

The "accident and other accounts," though not dealing with large figures, show a nearly trebled premium income—£56,303 in 1918, as compared with £20,195 in 1917. Apart from net interest earnings of £1,273 in this section, the trading profit appears to have been £2,366. The accident fund at the close of the year amounted to £50,000.

Interest and dividends not departmentally credited, to the extent of £63,927, and fees of £157, appear as revenue in the profit and loss account, while the same account is debited with the enormous sum of £243,901 for taxes. Of this, £210,000 represents provision for income tax payable in 1919 and for excess profits tax, and £33,901 foreign taxes.

The total net profits taken into account for the year 1918 seem to amount to £405,600, as follows:—

Account of Department	Interest Earnings (credited to Life Fund)	Trading Profit
Life		£15,000
Fire	£30,240	160,282
Marine	45,360	330,896
Accident	1,273	2,366
Profit and loss	63,927	157
		£508,701
Less taxes		243,901
	£140,800	£264,800
	£405,600	

This is apportioned as follows:—

Preference dividend paid in 1918	£7,500
Ordinary dividends payable in 1919	119,586
	£127,086
(NOTE.—It will be seen the amount of the Preference and Ordinary dividends are less than the interest earnings taken into account by £13,714.)	
Added to departmental revenues in the Fire and Accident departments, apart from reserves for unexpired risks	43,374
Transferred to investments depreciation and contingencies account (thereafter amounting to £330,000)	122,120
Transferred to general reserve (thereafter amounting to £750,000)	100,000
Written off premises account	20,000
	£412,580
Less reduction in balance of profit and loss account carried forward after provision for ordinary dividends payable in 1919 (such balance thereafter amounting to £77,686) ...	6,580
	£405,600

The financial position at the close of 1918, after these adjustments, appears to be very strong. The total assets as shown in the balance sheet at the close of the year amounted to £8,526,459. The life and marine funds may be assumed to be at least adequate for the due fulfilment of their respective liabilities, and the other reserves are as follows:—

General reserve fund	£750,000
Fire fund	1,000,000
Accident fund	50,000
Profit and loss balance, after full provision for Ordinary dividends	77,686
	£1,877,686

This represents about 145% of the fire and accident premium income, and thus exceeds the provision for unexpired risks at the ordinary standard by 105% of such income, or by about £1,350,000, which may be considered, therefore, as a special reserve against conflagration hazards and other adverse contingencies, beyond the sum of £330,000 carried forward in the investments depreciation and contingencies account.

From a shareholder's point of view the Company's prospects appear to be most encouraging. The dividend at the increased rate seems likely to be easily maintained in the absence of unlooked for contingencies, which indeed appear to be well provided for by the special reserves already referred to. It will be noted that the dividends for 1918 were in no way assisted by the profits arising from the commercial operations, and were more than covered by the earnings on the accumulations. In due course, when the depreciation factor ceases to be insistent, it may be expected that they will be materially benefited by the trading results on a premium turnover now nearly approaching three millions sterling, and, indeed, under ordinary circumstances the dividends may be expected to be on a comfortably ascending scale within a not very distant period.

LIVE-STOCK OF THE WORLD.—IV.

WE have published in a series of articles during recent months various estimates, as far as we have been able to ascertain them, of the live-stock population of the different countries of the world. We should have liked, if space would have permitted, to give the various tables as one complete whole; but the reader will appreciate, with the present shortage of paper and the high cost of producing a newspaper at all at these times, the difficulties with which we were faced. We therefore gave a series of tables dividing the live-stock population into cattle, sheep, and pigs. In conclusion, to-day we propose to enumerate the three great classes into which the meat trade is divided.

We found that the total cattle population was considerably less than 400,000,000. That is to say, including some very indifferent specimens of criollo, there are not existing in the world, as far as we have been able to estimate them from official returns and from figures obtained from private sources, quite one beast to every four human beings. If the fact were not sufficiently well known already, it proves conclusively that a large proportion of the human race are not meat eaters at all. It also affords ample evidence why any sudden demand for an increased supply of meat like the recent War should almost immediately lead to a shortage and an extravagant rise in prices. Those who have the table by them and will care to turn it up will see that there is no reserve to call upon anywhere. Even India, which is not itself a meat-eating country to any great extent, and has the largest cattle population of any in the world, although the cattle in many cases are not of very first-class quality, is very far from being in a position to restock the depleted herds of Europe, North and South America, and the rest of Asia. Brazil, which, as the reader is aware, has lately entered upon the frozen-meat trade upon an extensive scale, is at the present time importing cattle from India. The object of these imports is to improve the breed of the criollo cattle, because, owing to the demand in connection with the War from Brazil her herds of first-class beasts have been very seriously depleted there as elsewhere. The latest census we have of the number of head of cattle in Brazil was taken early in 1917, when Brazil was seriously entering into the chilled and frozen-meat trade. The total number of heads for a country bigger than the United States is certainly not an adequate supply. It may be remembered that in our table we deliberately refrained from including certain herds of cattle of the criollo type known to exist in the more inaccessible parts of the Andean region, and belonging to Colombia, Peru, and Ecuador; while we also refrained from making any estimate of the cattle known to exist in the

Guianas. These cattle, however, are in no sense available for the international markets, except in so far as—and this only to a limited extent and at uncertain intervals—they may contribute to the world's total supply of hides. There are no reliable figures published giving the numbers of these cattle, and as there are no adequate transportation facilities for reaching them they cannot in a real sense be included in the available cattle population of the world. According to our estimate the total cattle population of South America, including some very doubtful herds of criollo cattle, is under 70,000,000, or considerably less than a beast and a-half per head of the human population of that vast continent. It certainly is not a wonderful achievement for a continent which offers perhaps the finest pasturage of any extent of area in any part of the world, and which has been more or less engaged in the cattle industry or some branch of it for very nearly four hundred years.

In Europe in the period before the War no country could be said to be in a position to supply its own home consumption with the exception of Russia. Russia before the War had nearly 40,000,000 heads in Asiatic Russia. She could not have supplied her needs from her European herds; but the herds of Russia in Asia were so extensive and the consumption of beef in Russia so small, owing to the poverty of the people, that she was not only able to supply her own home requirements, but she had an appreciable surplus for export. Neither South Africa nor Australia are important contributors to the world's supply of cattle.

The world's total sheep population considerably exceeds, according to the tables we published, 600,000,000 head, which, however, only allows one sheep between two and a-half human beings on the basis of the estimated human population of the world. As in the case of cattle, when one comes to ascertain the facts, it is certainly not surprising that a sudden demand, such as that occasioned by the late War, should create a remarkable shortage both of mutton and of wool. It is perfectly evident that in normal times this consumption both of mutton and wool must be exceedingly small per head of population taking the world's population as a whole. When one realises how small the number of fleeces existing and available for the international markets is, it becomes almost amazing that within the memory of some of us the supplies of mutton and of wool in the world's great consuming markets were so large as to cause an alarming fall in prices, and this should have been attributed to what was then called over-production.

Europe, with its 400 millions of population, has under 175 million fleeces; and no single country, therefore, is able to satisfy its own demands, and is dependent either for its supply of mutton or of wool for clothing, and in a very large number of cases for both, on outside sources of supply.

The Commonwealth of Australia has some 81 million fleeces, while the Dominion of New Zealand has 25¼ million—say, altogether, 106,000,000 for the whole of Australasia taken as a composite entity. This is, of course, bearing in mind the enormous area of the Commonwealth, an exceedingly small population. Even in New Zealand there is room for a very great increase in the number of fleeces; but the Dominion has all told only an area of some 101,000 square miles, and with a sheep population exceeding 25,000,000 it is by comparison very far ahead of its enormous neighbour the Australian Commonwealth. A sheep population of some 81,000,000 fleeces, or not three times that of the fleeces of the United Kingdom, is a small number, not merely for the extent of the country, but in view of the fact that the sheep industry is the principal one of Australia.

Our kinsfolk of course are quite aware of their deficiencies, and they are hoping with the competition of the Transcontinental Railway that settlers will take up sheep-runs along the line.

One of the great difficulties hitherto has been her lack of transportation facilities; and, consequently, sheep farming, to be carried on with any prospect of success, was necessarily confined mainly to the neighbourhood of the coast towns possessing ports where shipping was available for despatching the products to the consuming markets of Europe. This is an explanation of the slow growth of the sheep industry in Australia; but it is very far from being an excuse. Experience, fortunately, along the lines of the Great Western, or Transcontinental Railway, is showing that although the water difficulty is a serious one it is susceptible of solution. It appears that nearly along the whole length of the line there is an average rainfall of about 10 inches. Now 10 inches of rain in the year is not sufficient for tillage operations, but it is ample for pastoral industry. Unfortunately, some form of irrigation will be necessary, because, although the rain, so far as experience goes, appears to fall regularly each year, owing to the nature of the soil it rapidly disappears. The sheep population of South America taken altogether is only about the same as that of Australasia, and, consequently, South America is never in a position to contribute to the world's supply either of mutton or of wool in the proportion which her vast pastures would reasonably lead one to expect.

We gave so recently the total number of pigs estimated—about 109,000,000—that we need not here again enter into the question. Practically the only country in a position to supply the world with any considerable portion of pig meat is the United States of North America. The ill-advised policy pursued by our Government during the War in connection with their slaughter has accentuated the difficulties of the position. Fortunately the pig is a very prolific animal, and, unlike the ox and the sheep, attains maturity at an early age. It will be evident to the reader without our entering into any further particulars in the matter that the pig population of the world at the present time is wholly inadequate, and nearly every country could double and, for that matter, treble its pig population with advantage to the producer looking at the matter as an industry, and with advantage to the consuming markets of the world.

FINE COTTON SPINNERS' AND DOUBLERS' ASSOCIATION.

Issued Capital: £5,900,000, in 3,000,000 5% Cum. Pref., 450,000 5% Cum. Prefd. Ord., and 2,450,000 Ord. Shares of £1 each. Debenture Stock: £2,750,000 4% First Mortgage.

Year to Mar. 31	Profits	Deprcn. &c., Written off†	Deb. Int., Pref. & Prefd. Ord. Divs.	Ordinary Div. £	Ordinary Div. %	Added to Reserves	Carry-frwd.	Stocks	Surplus Liquid Assets‡
	£	£	£	£		£	£	£	£
1915	531,657	190,000	282,500	180,000	8	—	134,868	2,304,717	2,058,938
1916	675,854	200,000	282,500	180,000	8	10,000	138,222	2,279,065	2,164,749
1917	850,077*	330,000	282,500	225,000	10	10,000	140,799	2,090,123	2,459,296
1918	1,276,132*	700,000	282,500	237,000	10	45,000	152,481	3,576,021	1,462,783
1919	1,073,659*	180,000	282,500	294,000	12	300,000	169,589	4,049,336	1,443,083

* After allowing for excess profits duty. † Including provision against loss on foreign debts and depreciation of investments and of stocks of French Company (£60,000 for 1915; £60,000, 1916; £180,000, 1917; £520,000, 1918). ‡ Excluding stocks, and after deducting reserve for loss on foreign debts and depreciation of investments and including investments in and loans to subsidiary companies (£2,499,083 at March 31, 1919).

DESPITE the difficult conditions in the cotton trade, the Fine Cotton Spinners' and Doublers' Association is able to report the maintenance of a high level of prosperity in the year ended March 31. If the trading profit figures given in the accounts are compared without question, there appears an increase over 1917 of £192,000, *i.e.*, £893,659 against £701,132. But in addition to the fact that for the later year the excess profits tax averages 65%, against 80% for 1917, which possibly may not have been taken into account in making the provisions, there are other allowances to be made which show that in reality the latest financial year was a less profitable period than its predecessor. In that year—1917-18—the trading profit was struck after deducting £180,000 for depreciation and also, as the Chairman mentioned at the meeting, after writing off £100,000, "or thereabouts," for balance of enemy debts and a further £295,000 for

the French subsidiary Company's stock which fell into German hands in Lille. No such provisions had to be made in the latest accounts. Hence, properly compared, the trading profit of £1,073,659 for the year to March 31 last, before provision of £180,000 for plant depreciation, has to be set against £1,276,132 in respect of 1917-18, the reduction thus being £202,527—possibly with excess profits tax provision reckoned at 65% in place of 80%. Whether the Association received, as was anticipated a year ago, a first dividend on its Common stock investment in the American Company working its extensive cotton plantations in the Mississippi delta, is not stated in the report, but presumably will be disclosed at the meeting on Tuesday. But in any case it would be merely an earnest of more to come. The Association is extremely fortunate in having this great cotton-producing enterprise reaching the high earning stage at the present time, for it not only helps its financial results, but also contributes supplies of raw material. Apart from that, however, the Association's physical condition and financial position are so strong as to make the future outlook, especially having regard to the prospective demand for cotton goods for the Continent and the East, appear very rosy. The cash dividend on the Ordinary shares of 12% for the past year—2% more than for 1918—absorbs only £294,000, as against £180,000 written off for depreciation, £300,000 added to reserves and special funds, and £17,000 to the carry-forward. The amount of the reserves is now £1,270,459, in addition to £335,000 investment depreciation fund, £100,000 contingencies, and £215,000 of pensions insurance and research funds. The directors propose to capitalise £490,000 of the large reserve by distributing to Ordinary shareholders one new 5% Cum. Preferred Ordinary share for every five Ordinary shares held.

From the table above it will be seen that, notwithstanding a tremendous growth of £2,000,000 in the value of stocks in two years, the surplus liquid assets, including investments in subsidiary companies, show a decline of no more than £721,000 to £1,443,000. If Germany signs and carries out the peace terms the position will be even better, for this figure of surplus liquid assets is after eliminating £820,000 provided out of profits for depreciation in, or loss of, investments and stocks of the Lille Company and enemy pre-War debts. Part, and possibly the whole, of this £820,000 may be recovered. As regards the upkeep and replacement of machinery, war conditions have prevented all but imperative work being done, but ample financial provision has been made for arrears to be overtaken as soon as practicable. A glance at the following table shows this very clearly:—

Yr. to Mar. 31	Net Outlay on Property	Expend. on Renewals of Plant, &c.	Plant Depreciation Provision	Excess of Depreciation	Added to Reserves	Added to Carry-forward	Special Allocations†	Net Addition to Liquid Resources
	£	£	£	£	£	£	£	£
1915	30,779	109,182	140,000	39	—	—121,443*	50,000	71,404*
1916	14,034	56,158	60,000	10,192*	10,000	3,354	60,000	63,162
1917	7,656	42,032	140,000	90,312	10,000	2,576	190,000	292,888
1918	17,494	31,793	180,000	130,713	45,000	11,632	520,000	707,345
1919	25,662	55,126	180,000	99,212	300,000	17,158	—	416,370

* Deficits.

† Provisions for loss of foreign debts, French stocks taken by Germans, and depreciation of investments in France.

The approximate present quotations and yields of the Company's securities are shown below, and in noting that the price of the Ordinary shares includes a cash dividend of 7% and a bonus of one-fifth of a Preferred share—representing a capitalisation of reserve of £490,000—it must also be particularly emphasised that, as already mentioned, £820,000 of recent profits has been reserved for, or written off, assets that may now be recoverable, and that the Association's great cotton plantations in America have only just reached the stage of paying dividends on the Common stock of the Company held by the Association.

	4% Extended Debs.	4% Deb. Stock	5% Cum. Pref.	6% Cum. Prefd.-Ord.	Ord. Shares
Price	71	73½	17/6	17/0	2½
Yield	5⅝%	5½%	5·8%	6%	6%*

* Allowing for share bonus and price

Life Assurance at Minimum Rates.

A PLAN of ASSURANCE SPECIALLY ADAPTED for PRESENT TIMES.

For particulars address the

GRESHAM LIFE ASSURANCE SOCIETY, LIMITED,

ST. MILDRED'S HOUSE, POULTRY, E.C. 2

Founded 1848. Funds £10,500,000.

THE GRESHAM FIRE & ACCIDENT INSURANCE SOCIETY, LIMITED.

Transacts all classes of Fire and Accident Business.

Chief Office: St. Mildred's House, Poultry, London, E.C. 2.

HEAD OFFICES: LIVERPOOL AND LONDON

ROYAL

INSURANCE COMPANY, LIMITED

ALL CLASSES OF INSURANCE EFFECTED

COMMERCIAL UNION

ASSURANCE COMPANY, LIMITED.

Head Office: 24/5/6 CORNHILL, LONDON, E.C. 3.

Total Assets (including Life Funds)—£31,801,986.

Commercial.

BRITISH TEA.

In his Budget speech Mr. Austen Chamberlain told the House of Commons that the imports of tea into this country, grown within the confines of the British Empire, amount to practically 90% of the total tea imports. The preference the Chancellor of the Exchequer proposed to give would, in his opinion, nullify the effects of war taxes upon tea in so far as that article was imported from various parts of the British Empire and consumed within its confines.

What is tea? Tea, as we know it, is a leaf grown in various parts of the world from which a beverage is infused by means of adding boiling water. There are various kinds of tea, but those best known to the different peoples of the world are the teas grown in India, Ceylon, and China, and what is called *matte*, or Paraguay, tea grown in various parts of South America, and particularly in the State of Parana in Southern Brazil, and consumed almost universally throughout that rich and sparsely populated continent. *Matte* tea is very different from the teas to which we are accustomed. It is grown from a bush belonging to the holly family, and is exceedingly hardy, requires little or no cultivation, and will grow at a high elevation. Although so universally consumed in South America, and to a certain extent in the United States of North America, it has never succeeded in finding much favour in Europe. Efforts from time to time over a period extending now for more than half a century have been made to popularise the beverage; and, although it is greatly esteemed by those who have become accustomed to it, it has never succeeded in attracting the custom of the great European public.

The table we publish below shows that for our purpose in considering British-grown tea that grown in British India is by far the most important. In the last clear year before the War the total imports of tea of all kinds into the United Kingdom amounted to 365 million lb. Of this amount, over 203 million lb. came from British India, practically 111 million lb. from Ceylon, some 16 million lb. from China, 32 million lb. from Java, imported through the Nether-

lands, and tea from other countries to the extent of a little over two million lb. Of this, we consumed within the United Kingdom practically 173 million lb. of British Indian tea, 9½ million lb. of Ceylon tea, 9½ million lb. of China tea, and 31 million lb. of teas coming from various other countries. The War has been a perfect godsend to the tea industry, partly, no doubt, owing to the shortage of nearly every consumable commodity, but especially to the restrictions in the manufacture of spirits, the import of spirits, the import of wine, and the reduction by nearly two-thirds in the standard barrellage of home-brewed beer. Even in 1914 our imports, which, as said above, amounted to 365 million lb. in 1913, increased to 371 million lb. in 1914, to 433 million lb. in 1915, to 377 million lb. in 1916, fell to 241 million lb. during the period of the submarine menace of 1917, and rose again to practically 475 million lb. in 1918. In the latter year, of the tea consumed in the United Kingdom very nearly the whole came from the British East Indies. As our table shows, tea consumed within the United Kingdom coming from British India amounted to practically 250 million lb., and that from Ceylon, we may say, 60 million lb., the whole amount consumed in the United Kingdom being 311 million lb. Consequently, it will be seen that the teas coming from places other than those within the British Empire amounted to little or nothing.

Although tea is such an important article of consumption and produces a revenue of some 16 millions sterling a year, a sum which in the pre-War period would have been an important addition to the Budget revenue, the area under tea in British India—which as we have shown, is for practical purposes the great source of supply—is only a little over 664,000 acres, and practically of this total the Province of Assam is responsible for nearly 400,000 acres. Bengal comes next with less than 170,000 acres; Southern India, with 76,000 acres; Northern India, with 15,000 acres; Bihar and Orissa, with 2,200 acres; and Burma, with 2,800 acres.

The species of tea plant grown in India from which we obtain the bulk of the supplies of what we know as tea requires for its growth a rich soil, a heavy semi-tropical rainfall, a humid atmosphere, and an equable temperature. As we have shown, the preponderating quantity comes from Assam, and the bulk of it is grown in the valley of the Brahmaputra river, the only serious competitor being the contiguous districts of Darjeeling and Jalpaiguri, in Bengal. That grown in Southern India in the comparatively elevated regions of the Malabar coast only accounts for about 10% of the Indian supply.

The tea garden is, in reality, a very small affair, and is totally unlike the vast sugar plantations with which, no doubt, many readers will be acquainted in the tropics. These gardens differ very materially from the cocoa plantations, which usually are carried on upon an extensive scale. And those readers who may be acquainted with the vast coffee estates of Sao Paulo in Brazil would be surprised at the small size of the tea gardens of Assam and Bengal, which supply the tea tables of London and the principal cities of England. Of some 800 tea plantations, aggregating in all some 400,000 acres, the average tea garden is no more than 500 acres. They vary, of course, in size. Some of them are nearly 600 acres. Some of them are 300 acres. Very many of them are under 100 acres. And in the Punjab, where tea is not cultivated for export to any great extent, they are considerably smaller. The average production per acre varies as greatly as the size of the various gardens. In the rich humid valley of the Brahmaputra river of Assam, the production per acre is 745 lb., whereas in the considerable regions of the United Provinces it falls as low as 42 lb. per acre. This is partly accounted for by intensive cultivation. But it is also due to the fact that in the favoured regions we have mentioned in Assam intensive cultivation is highly profitable; whereas in the United Provinces and the less favoured regions of India it would entail heavy expense. In Darjeeling it is over 350 lb. per acre. On the Malabar coast, again, it rises to 450 lb. per acre, falling in the hill tracks above Calcutta to 200 lb. per acre. Of course, it will be clearly understood that what we say about intensive cultivation is only true to the extent that the region is affected by the rainfall and the type of soil to be cultivated. We would not wish to give a false impression that intensive cultivation is not to be encouraged. On the contrary, we are quite of opinion that it should be encouraged to the utmost extent. On the whole, it is true to say that intensive cultivation takes place in those regions most favourable to it. But, of course, even in the most favoured regions of Assam, a badly cultivated tea garden gives a poor yield, and great care, even under unfavourable circumstances, will, upon occasion, reap an unexpected reward.

The effect of the War on the Indian tea industry in various directions throws interesting side-lights upon the influence of war upon trade. Arabia in 1917-18 took two million lb., against only 318,000 lb. in 1916-17. The trade with China, which imported Indian tea for the purpose of blending it for supplying it to the Russian market, came almost to grief altogether owing to the outbreak of Bolshevism in the Russian Empire. On the other hand, Great Britain had practically no ships to export tea; and, whereas we had done an enormous trade in shipping tea from India to this country and re-shipping it to our own colonies and to various places overseas, in 1917-18 Australia, New Zealand, and the Fiji Islands took nearly six million lb. more than they had done in the preceding season direct from India. In the same way, there was a large increase in the direct trade between India and Canada, the United States of North America, South Africa, and South America. The total exports in the season 1917-18 increased some 23 per cent. One of the most important factors influencing the trade in the season 1917-18 was the shortage of tonnage. The Food Control Office of the British Government contracted for nearly half the supply, and finally decided to take all that was offered in order to fill available tonnage as the tonnage was offered. The net result, however, has been a great growth of direct trade between India and other parts of the world, and it remains to be seen what influence the war will have upon Indian trade direct with other countries instead of passing as an *entrepôt* trade between India and the United Kingdom. How important that trade at one time was will be appreciated when we say that we imported and re-exported to various parts of the world Indian teas in the years before the War between 20 and 25 million lb.

Imports of Tea into United Kingdom (in Thousands of lb.)

Tea. (000's omitted) From—	1913	1914	1915	1916	1917	1918
British East Indies ...	203,460	203,421	229,284	215,278	148,710	374,651
Ceylon	110,936	109,898	123,757	107,594	73,411	98,105
China (including Hong Kong and Macao) ...	16,273	21,772	37,109	19,877	8,397	1,569
Java and Netherlands ...	33,053	33,176	39,169	31,433	8,102	—
Other Countries	2,322	3,667	3,718	3,484	2,643	554
Total Imports	365,044	371,934	433,037	377,666	241,263	474,880

HARRISONS & CROSFIELD, LTD.

ISSUED CAPITAL £1,225,000

1-4 GREAT TOWER STREET, LONDON, E.C. 3.

With

BRANCHES in Ceylon, F.M.S., India, Dutch East Indies, Canada, Japan and elsewhere.

Agents and Secretaries for

TEA, RUBBER AND OTHER PRODUCE ESTATES AND COMPANIES.

General consignment and commission business undertaken in London and Abroad.

Tea Entered for Home Consumption (in Thousands of lb.)

(000's omitted)	1913	1914	1915	1916	1917	1918
Of—						
British East Indies ...	172,844	174,896	182,011	188,118	167,464	249,962
Ceylon	91,518	90,736	92,729	81,123	77,401	59,829
China (including Hong Kong and Macao) ...	9,683	13,034	12,780	8,711	16,075	824
Other Countries	3,646	29,020	29,805	24,559	16,869	537
Total	305,691	317,686	317,324	302,511	277,809	311,152

New Issues.

GOVERNMENT OF VICTORIA 5½% CONVERSION LOAN.

HOLDERS of £3,964,700 outstanding amount of Victorian Government 4% Inscribed stock, maturing on October 1 next, are offered conversion at par to the extent of £3,000,000 into 5½% Consolidated Inscribed stock, repayable on October 1, 1934, or redeemable at the option of the Government at par, on or after October 1, 1924, on three months' notice being given. The balance of the maturing loan (£964,700) will be paid off in cash at the date of maturity. The bonds will be in denominations of £100, £500, and £1,000, payable to bearer, and the interest will be paid half-yearly on April 1 and October 1, the first payment being on April 20 for six months' interest. The interest on the maturing stock will be paid to October 1. The new stock is, of course, a sound as well as an attractive trustee security.

LIVERPOOL CORPORATION.

Notice is given on another page that tenders will be received at the Bank of England on Wednesday next for Liverpool Corporation bills to the amount of £1,000,000, to replace bills falling due on June 3. The bills will be in amounts of £1,000, £5,000, or £10,000; they will be dated June 3, and will be payable twelve months thereafter. Tenders must specify the net amount per cent. which will be given for the amounts applied for, and private individuals must tender through a London banker. A year ago about 66% of tenders at £96 3*s.* 1*d.* received allotment; above in full. The average price at which the bills were sold was £96 3*s.* 6.97*d.*, equal to an average discount rate of £3 16*s.* 5.03*d.* per cent. In the year that has elapsed since there has been no change either in deposit or Treasury bill rates.

WILLIAM GOSSAGE AND SONS, LIMITED.

For the third time in two months investors have this week an opportunity of obtaining a high yielding share in the soap industry at par. The firm of William Gossage and Sons, Limited, was founded 64 years ago, and in 1894 was formed into a private limited company, with the object of developing the business of manufacturers of soap, glycerine, silicate of soda and other chemicals. In 1911 the whole of the capital was purchased by Brunner Mond and Co., Ltd., who in 1914 sold the issued 450,000 5% First Cumulative Preference shares to the public. Besides these shares the issued capital consists of 30,000 Ordinary £10 shares, and now, to provide further capital for the repayment of banker's advances and for the future expansion of the business, 750,000 (part of 2,000,000 authorised) 6½% Cumulative Preference shares of £1 each are offered for subscription at par. The Company has an agreement with Lever Brothers, Brunner Mond and Co., and Joseph Crosfield and Sons, and its important share in the country's soap industry may be gauged from the fact that its exports to countries outside Europe of household and laundry soaps have for many years exceeded 45% of the total of the exports from the United Kingdom. Particulars of the Company's financial position are contained in the prospectus printed on another page, and we need here only set out the certified figures of annual profits earned in the last five years, subject to provision for income tax, allowances to employees while serving in H.M. Forces, and interest on banker's advances, which are to be repaid out of the proceeds of the new issue:

Year to Nov. 30—	1914	1915	1916	1917	1918
	£	£	£	£	£
	115,2 3	160,307	1 4,846	153,103	157,195

The fall shown in the profits of 1916 was due to the fact that the profits in respect of that year of the China Soap and Candle Co., Ltd., which acquired the business of the Company in China, were not divided until the close of the year. The dividend on the First Preference shares calls for £22,500, and, allowing for that, the balance profits of the past five years have averaged £142,134, as against the sum of £48,750 required to pay the dividend on the new Preference share issue. The security is good, and the yield, in the circumstances, attractive. The issue has been underwritten for a total commission of 2½%.

CITY GENERAL TRUST, LIMITED.

There are probably a good many private investors who will welcome the chance afforded by this new Company of participating in the considerable profits arising from the business of a general finance and banking trust under the conditions now prevailing. Of the capital of £1,000,000 in £1 Ordinary shares, 600,000 Ordinary shares are now offered for subscription at 21*s.* per share, payable as to 2*s.* 6*d.* on application, 2*s.* 6*d.* on allotment, 5*s.* on July 1, and 11*s.* on October 1. The board is a strong one, composed as it is of nine well-known business men, financiers and bankers. Subscribers will be entitled for two years to a call upon the unissued shares at 20*s.* per share to an amount equal to 15% of their subscriptions. Further, an underwriting commission of 6*d.* per share, with 3*d.* per share overriding commission, will be paid, and a brokerage of 3*d.* per share will be allowed on allotments made upon applications bearing a broker's stamp. Such brokers also will be entitled for two years to a call at 20*s.* upon further shares equal to 10% of the amount of subscriptions to the issue obtained by them. The subscription of not less than 200,000 shares has been guaranteed in consideration of a call on 250,000 unissued shares for five years at 21*s.* per share. Further particulars will be found on another page.

KENNETH DURWARD, LIMITED.

This Company has just been formed to acquire the wholesale and merchant tailor business of Mr. Kenneth Durward, conducted by him for many years in Conduit Street, W. Mr. Durward has sold his business to the Midland Industrial and General Trust for £110,000 in cash, and the Trust have resold to the Company, which they have promoted, for £110,000 in cash and 5,000 in £1 Ordinary shares. The authorised share capital is £150,000, divided into 100,000 8% Cumu-

THERE'S MONEY IN BELFAST AND ULSTER

Financial Houses, Bankers, &c., when arranging publicity for New Capital requirements, should not overlook the prosperous classes in these districts. A paper with the most influential circulation is the

Belfast Telegraph

It is read by Bankers, Brokers, Business Men and thousands interested in investments. Stock Exchange, Market and Textile Reports are a feature and appear regularly.

LONDON OFFICE:

40-43 FLEET STREET, E.C. 4. 'Phone: Holbor 118

lative Participating Preference shares and 50,000 Ordinary shares. Only 5,000 of the Ordinary shares are to be issued at present (being the intermediary vendor consideration), and the 100,000 Preference shares are now offered for sale at par by George Clare & Co., Ltd., who have purchased them from the Company at 20*s.* per share, less a commission of 1*s.* 3*d.* per share, the Company contributing also £3,750 towards the expenses of the issue. In addition preliminary expenses will amount to about £2,000. Messrs. Clare also receive an option for three years at par on the 45,000 unissued Ordinary shares. Out of their 1*s.* 3*d.* per share commission the issuing house pays 1*s.* per share for underwriting and over-riding. The Company therefore will receive £100,000 from the new issue, but will have to pay out £122,000. Thus the resources of the business will be depleted to the extent of £22,000. At January 31, 1919, the assets as appearing in the vendor's books were:—

	£
Stock-in trade	28,583
Sundry debtors	24,559
Cash	3,036
Leases, furniture, fittings	15,100
	71,278
Liabilities at January 31, 1919	1,732
Excess of assets	69,545
Add estimated profits accrued to May 15	6,500
	76,045

It will be evident that a substantial sum is being paid for goodwill. The profits of the business in the last 10 years before payment of income tax have fluctuated as follows:—

Year to Jan. 31...	1911 £ 13,954	1912 £ 16,045	1913 £ 17,472	1914 £ 15,622	1915 £ 7,112	1916 £ 6,917	1917 £ 12,253	1918 £ 12,724	1919 £ 16,305

It will be understood that from the investment point of view there are several weak features. The late proprietor takes no share in the venture, his services being engaged as managing director for two years for £2,500 per annum, plus a commission of 5% on the net profits. There are the ordinary trade risks involved, but on the other hand, in addition to 8% cumulative dividend, the Preference shares are entitled, after the Ordinary shares have received 8%, to rank equally with the Ordinary shares for a further non-cumulative dividend of 2%. In view of the earning power evidenced above, it rather looks as if the risks will be more than compensated for by the return on the shares, but we should feel more assurance on this point if the Company were left with larger liquid resources. Also there is the uncertainty in regard to labour, particularly acute just now in the tailoring trade.

OWEN PARRY, LIMITED.

The old-established business of Owen Parry, Limited, consisting of the crushing of oil seeds and the making of cattle-feeding stuffs, carried on at Millwall and Colchester, has been converted for development purposes into a public company, having an authorised capital of £400,000, half in Ordinary shares and half in 7% Cumulative Preference shares of £1 each. Of the Ordinary shares 150,000 have been applied for for cash by, and will be allotted to, the directors and their friends. The public have been offered for subscription at 175,000 of the Preference shares at par. The premises, works, buildings, and other fixed assets acquired are valued at £93,871, and, together with goodwill, placed at £100,000, are purchased by the new Company for £193,871 in cash. Stocks to the value of about £104,861 will be taken over at cost price, and it is stated that there will be a working capital of £123,629. The seed-crushing capacity of the mills, now equal to 50,000 tons per annum, is to be extended to 62,500 tons. The directors are practical men in the industry, and as the profits of the last ten years are certified to have averaged £29,009 per annum, the Preference dividend appears to be well covered, and the shares seem, therefore, a fair industrial risk. The issue has been over-subscribed.

JOHNSON AND PHILLIPS, LIMITED.

The business of this Company, consisting of the manufacture of telegraphs, telephones, electrical cables, and every description of electrical lighting, power, and transmission plant, has expanded considerably during the War. Additional capital being required to finance the largely increased value of stock and work in progress, 175,000 £1 Ordinary shares have been sold to the British, Foreign and Colonial Corporation at 21*s.* 9*d.* per share less the charges in connection with the issue. This week the shares in turn are offered for sale to the public at 23*s.* per share, payable as to 2*s.* 6*d.* on application, and 20*s.* 6*d.* on acceptance, the issue having been underwritten for a commission of 6*d.* per share, plus an over-riding commission of 3*d.* per share. For the year ended December 31, the net profit after provision of taxes, depreciation, and Debenture charges, including sinking fund, amounted to £35,267, against £25,853 for 1917, and after paying 10% dividend, against 7% on the existing 175,000 Ordinary £1 shares, and placing £10,000 to reserve, there remained a balance profit of £7,777 to be added to the carry-forward. The following table gives a comparison of earnings, allocations, dividends, and financial positions disclosed in the accounts of the last five years:—

Issued Capital: £175,000 in £1 Shares.
Debentures: £86,570 5% First Mortgage and £50,000 5% Second Mortgage.

Year to Dec. 31	Net Income £	Depren. Written Off £	Taxes £	Deb. Charges £	Net Profit £	Div. %	Div. £	Added to Reserve. £	Carry Frwd. £	Surplus Liquid Stocks‡ £	Liquid Assets† £
1914	35,107	8,158	—	15,409	11,540	8,750	5	—	15,846	154,939	26,481
1915	66,073	12,147	—	15,409	38,515	8,750	5	20,000	25,300	190,702	24,108*
1916	52,455	14,714	8,928	15,402	13,411	8,750	5	20,000	9,961	211,170	8,820
1917	66,684	14,857	10,574	15,400	25,853	12,250	7	10,000	13,565	249,161	11,880*
1918	78,712	16,923	10,127	15,395	35,267	17,500	10	10,000	21,332	341,223	85,026*

* Excess of current liabilities. † Excluding stocks, but including Debenture sinking fund reserve (£86,655 at end of 1918). ‡ Including work in progress.

In the five years shown above there has been written off out of profits for plant, and premises, renewals, and additions, a total of £110,606, against an expenditure of £101,402. Whether the employment of the additional capital will so add to earnings as to enable the dividend of 10%, as paid for 1918 for the first time, to be maintained remains to be seen. The shares are distinctly speculative, but the issue has been largely over-subscribed.

GENERAL RE-INSURANCE COMPANY, LIMITED.

The subscription lists of the offer of capital to which we referred last week were closed on Monday, the issue having been considerably over-applied for. It is announced that Sir David Yule has joined the Board.

PITMAN'S BOOKS

SELECTED LIST.

EXCESS PROFITS DUTY.

By **W. E. Snelling.** *Fourth Edition, Revised and Enlarged.*

Incorporating the provisions of the Income Tax Acts made applicable by Statute and by Regulations, also the Regulations of the Commissioners of Inland Revenue and of the Ministry of Munitions. Thoroughly revised and brought up to date in accordance with the Finance Act, 1918. **12/6 NET.**

INSURANCE.

By **T. E. Young, B.A., F.R.A.S.,** *with two practical Sections on Workmen's Compensation Insurance, by* **W. R. Strong, F.I.A.,** *and the National Insurance Scheme, by* **Vyvyan Marr, F.F.A., F.I.A.** *Third Edition.*

A complete and practical exposition for the Business Man, by an author of long-standing experience as a Manager and Actuary. **7/6 NET.**

PRACTICAL BANKING.

By **J. F. G. Bagshaw,** *Certificated Associate of the Institute of Bankers.*

With chapters on the Principles of Currency, by **C. F. HANNAFORD,** *Associate of the Institute of Bankers*; and Bank Book-keeping, by **W. H. PEARD,** *Member of the Institute of Bankers in Ireland.* **6/- NET.**

SIMPLE INTEREST TABLES

By **Wm. Schooling, C.B.E.**

Of the greatest value to all concerned in financial calculations. It enables every result that is needed to be obtained by the easiest of all arithmetical operations—that of simple addition. Interest at the rate of any penny from 1d. to £20 18s. 11d. per cent., and other rates as well, can be found from these tables. **21- NET.**

PITMAN'S LIST OF BUSINESS HANDBOOKS will be sent to you post free on application.

SIR ISAAC PITMAN & SONS, LTD.,
1 Amen Corner, London, E.C. 4.

LLOYDS BANK LIMITED,

with which is amalgamated

THE CAPITAL & COUNTIES BANK, LTD.

HEAD OFFICE: 71, LOMBARD ST., E.C. 3.

Colonial & Foreign Depts.: 17, Cornhill, E.C. 3,
And at BIRMINGHAM, BRADFORD, LIVERPOOL, MANCHESTER, NEWCASTLE-ON-TYNE.

Foreign Bills and Cheques are collected, and approved Bills purchased. Letters of Credit and Circular Notes are issued, and Foreign Currency Drafts, Telegraphic Transfers, and Letter Payments, available in all parts of the world, can be obtained from the principal Branches.

The Agency of Colonial & Foreign Banks is undertaken.

Industrial Companies.

J. MANDLEBERG AND COMPANY, LIMITED.

Issued Capital: £370,000, in 70,000 7% Cum. Pref. and 300,000 Ord. £1 Shares.

Year to Dec. 31	Profit*	Deprec., &c.	Net Profit	7% Pref. Div.	Ord. Div. £	Ord. Div. %	Added to Reserve	Carry-forw'd.	Stocks	Surplus Liquid Assets†
	£	£	£	£	£	%	£	£	£	£
1914	52,048	2,800	49,248	4,900	36,000	15	Nil	30,956	73,328	92,987
1915	74,506	3,500	71,006	4,900	48,000	20	Nil	9,062	77,526	104,850
1916	90,218	3,500	86,718	4,900	48,000	20	10,000	72,880	111,202	96,883
1917	90,021	3,500	86,521	4,900	67,500	22½	9,390	77,611	164,051	56,485
1918	91,082	3,500	87,582	4,900	67,500	22½	10,000	82,793	205,865	13,783

* After provision for taxation.
† Excluding stocks, but including investments in subsidiary and other companies at the cost (£45,479 at Dec. 19, 18).

During the past few years this Company's activities have to a large extent been connected with war work, but it would be a mistake to conclude that it has abnormally profited therefrom. That it has done extremely well is evidenced in the comparison of results shown above, which, of course, are after provision for excess profits duty—probably of substantial amounts. In several pre-war years the profits reached figures which, taking into account the smaller capital then employed, were comparatively higher than the average of the last three years. The net profit of 1918, amounting to £87,582, was only slightly more than earned in 1916 and 1917. Indeed, the closeness is so remarkable, having regard to the rise in the excess profits duty, that one feels curious as to the amount of the allowances made for "contingencies affecting the current year's profits," and deducted before striking the profit. For instance, does taxation entirely account for the balance-sheet item "Sundry liabilities, including deposits and reserves" showing an expansion last year of nearly £120,000, against an increase on the other side of less than £19,000 in sundry creditors?

After paying the 7% Cumulative Preference dividend there remained a balance profit for the year of £82,682, equal to 27% on the Ordinary share capital. The distribution, however, has been maintained at 22½%, and, besides £10,000 being added to reserve, the carry-forward has been raised from £77,611 to £82,793. The balance sheet shows that additions to plant, property, &c., came to £16,068 net, investments in subsidiary companies during the year increased £6,096, and the value of stocks rose by £41,814 to a figure nearly three times as large as at the end of 1914. In consequence, the surplus of liquid assets (excluding stocks) over liabilities, including the omnibus item of liabilities already referred to, declined from £56,485 to £13,783. The Company's business is largely that of rubber and rainproof material manufacturers and garment makers, and weaving of cotton, worsted and woollen piece-goods is done on a considerable scale. Large Government contracts have greatly increased the turnover of recent years, and reliance has now to be placed on civilian trading. However, the change over to peace conditions is reported to have proceeded smoothly, and the business of the first four months of the current year is described as highly satisfactory.

The Company's Ordinary shares are quoted at about 63*s.* 6*d.*, and the 7% Cum Preference at 22*s.* 6*d.*

D. NAPIER AND SONS, LIMITED.

Issued Capital: £650,000, in 300,000 7½% Cum. Pref. and 350,000 Ord. Shares of £1 each.
Debenture Stock: £100,000 5½% First Mortgage.

Year to Sept. 30	Net Profit*	Deb. Int.	Pref. Div.	Ord. Div. £	Ord. Div. %	Sundry Allocations	Carry-forward	Stocks	Surplus Liquid Assets†
	£	£	£	£	%	£	£	£	£
1914 ...	46,995	5,874	18,854	10,500	3	Nil	11,767	230,868	38,285
1915 ...	63,572	5,500	22,500	17,500	5	20,000	9,839	268,894	5,070
1916 ...	68,718	5,500	22,500	21,000	6	20,000	9,557	311,798	10,363(*a*)
1917 ...	127,182	5,500	22,500	70,000	20	20,000	18,738	341,437	14,468(*a*)
1918 ...	134,585	5,500	22,500	78,750	22½	35,000	6,074	506,379	187,363(*a*)

* After provision for income tax and depreciation.
† Excluding stocks. (*a*) Deficit.

In February last 105,000 new Ordinary shares of this motor-car and aëro-engine manufacturing Company were issued at 26*s.*, less underwriting commission. From the accounts now to hand, covering the year to September 30, 1918, wholly influenced by war work, it is very clear that the additional capital was needed, particularly in connection with the financing of greatly expanded stocks. Unfortunately, it is also evident—as indeed it has been ever since the Company was formed in 1913—that the existing capital is not covered by tangible assets. Since 1916 this fact has not been so noticeable in the profit results because of the extremely profitable nature of the munition work carried out, and also because of early statutory deficits precluding liability for excess profits duty. But that being the case, the directors would have been wise if, instead of raising the dividend on the Ordinary shares to 20% for 1917 and 22½% for the past financial year, they had devoted more attention to strengthening the financial position. As it is, the most prominent feature of the balance sheet is the goodwill item, valued at £300,000, or nearly half the share capital. Undoubtedly, the Company has a good trade repute, but it must be remembered that under peace conditions business will be much more competitive than it was even in the year before the War, when the Company's earnings sufficed only to pay 3% on its Ordinary capital without any addition to reserve. When the balance-sheet figures are closely scrutinised, the fact emerges that the total assets, other than goodwill, exceed current liabilities by only £551,000, as against a total Debenture and share capital of £750,000. Excluding stocks, the liquid assets at September 30 amounted to £187,363 less than current liabilities and the dividend. The book value of stocks has increased from £230,865 in 1914 to £506,379 at September 30, 1918, while the value attached to land, machinery, plant, tools, premises, &c., has risen in the same period only from £189,161 to £232,059. By the new issue of capital roughly £130,000 of additional cash capital will have been provided, and £25,000 of this will represent share premiums that can be set against the goodwill of £300,000.

To pay in these circumstances the present price of 35*s.* for the £1 Ordinary shares, based on distributions made out of war work profits and on a smaller capital than now ranks for dividend, seems like riding for a fall.

The figures just to hand of the Egyptian public debt show that for the year 1918-19 the total receipts amounted to £E.4,897,267, while the expenses reached £E.4,656,203. There is thus an excess of revenue amounting to £E.241,064.

CITIES SERVICE CO.

Incorporated in the State of Delaware, U.S.A.

President: HENRY L. DOHERTY.

Cities Service Company owns the controlling interest in the stocks of 102 companies shown below. Of these companies, 75 are engaged in supplying gas, electric light, power, traction, and other utility service to more than 200 communities in 21 States and the Dominion of Canada, having an aggregate population of over 2,250,000. The Company, through its subsidiaries, is also extensively engaged in the oil industry, being one of the largest producing and refining operators in the United States. These activities are carried on through 27 oil producing, transporting, refining, and distributing subsidiaries, operating in the States of Pennsylvania, Kansas, Oklahoma, Texas, and other Western States. The production of crude oil for the year 1918 was over 15,000,000 barrels from a proved territory of approximately 22,000 acres. In addition to this proved acreage there are very large areas of prospective oil territory under lease for future development.

CAPITAL.

The capital of the Cities Service Company on April 10th, 1919, consisted of—

Preferred Stock, of the par value of $100 ...	$70,901,024.36
Common Stock, of the par value of $100 ...	35,862,168.92
Series B Debentures	12,077,470.00
Series C Debentures	17,500,000.00

The combined capital of subsidiary companies as at January 10th, 1919, was:

	Outstanding	Owned by Cities Service Company or Subsidiary Companies.
Preferred Stock	$16,260,575	$9,908,666
Common Stock	$164,322,959	$160,353,911
Bonds	$137,735,775	$34,366,849

EARNINGS.

The Company had gross earnings for the year ending December 31, 1918, of $22,280,067.17, and net available to stock after paying its operating expenses and fixed charges on its indebtedness of $21,486,002.06, or more than five times the dividend requirement on its Preferred Stock. The balance available to the Common Stock, after the payment of the Preferred Dividend amounted to $61.97 per share. The combined gross earnings of the Company and its operating subsidiaries for the year ending December 31, 1918, after the elimination of all inter-company earnings, were $92,527,837.94, with net earnings of $31,428,221.58, after operating expenses, taxes, &c., were deducted, or more than 9.4 per cent. on all securities and indebtedness outstanding in the hands of the public, plus the combined net surplus.

During the past seven years the Cities Service Company, its predecessors and associated companies, have at different times issued and sold through English bankers and financial houses Bonds and Preferred Stock of the aggregate value of $26,000,000, of which a large amount remains in the hands of European investors.

The Preferred Stock of the Cities Service Company is officially quoted on the London Stock Exchange, and also on Belfast, Birmingham, Bradford, Leeds, and Manchester Exchanges.

SUBSIDIARIES OPERATED AND CONTROLLED.

Alliance Gas and Power Co., Ohio.
Arkansas Valley Gas Co., Kansas.
Ashland Gas and Electric Light Co., Ohio.
Athens Railway and Electric Co., Georgia.
Atlas Chemical Co., Toledo, Ohio.
Bartlesville Gas and Oil Co., Oklahoma.
Bartlesville Interurban Railway Co., Oklahoma.
Berea Pipeline Co., Ohio.
Bristol Gas and Electric Co., Virginia, Tennessee.
Brush Electric Co., Galveston, Texas.
Central Ohio Gas and Electric Co.
  Buckeye State Gas and Fuel Co., Ohio.
  Columbus Natural Gas Co., Ohio.
  Coshocton Gas Co., Ohio.
  Mansfield Electric Light and Power Co., Ohio.
  Mansfield Gas Light Co., Ohio.
  Medina Gas and Fuel Co., Ohio.
Cities Fuel and Power Co.
  American Pipeline Co., Oklahoma.
  Franklin County Pipeline Co., Kansas.
  Glenwood Natural Gas Co., Ltd., Ontario.
  Manufacturers Natural Gas Co., Ltd., Ontario.
  Sentinel Oil and Gas Co., Ottawa, Kansas.
City Light and Traction Co., Sedalia, Missouri.
City Light and Water Co., Amarillo, Texas.
Compania Emmex de Petroleo y Gas, Mexico.
Crew Levick Co., Philadelphia, Pennsylvania.
  Admiralen S. S. Co.
  Crew Levick Co., Delaware.
  Warren Company.
  Latimer County Gas Co.
Cumberland and Westernport Electric Railway Co., Maryland.
Danbury and Bethel Gas and Electric Light Co., Conn.
Denver Gas and Electric Light Co., Colorado.
Dominion Gas Company.
  Beaver Oil and Gas Co., Ltd., Ontario.
  Brentford Gas Co., Ontario.
  Dominion Natural Gas Co., Ltd., Ontario.
  Ingersoll Gas Light Co., Ontario.
  United Gas Companies, Ltd., Ontario.
  Woodstock Gas Light Co., Ontario.
Durham Traction Co., North Carolina.
Empire District Electric Co.
  Empire District Electric Co. of Oklahoma.
  Carthage Gas Company.
  Webb City and Carterville Gas Co., Missouri and Kansas.
Empire Gas and Fuel Co., Kansas.
  Empire Gas and Fuel Co., California.
  Fifty-nine Osage Oil Co.
  Indian Territory Illuminating Oil Co.
  Delmar Oil Co.
  Osage Producers Gas. Co.
  Westerly Oil Co.
  Keesage Oil Co.
  Midland Oil Co.
  Quapaw Gas. Co.
  Consumers Gas Co., Oklahoma and Missouri.
  Steyner Oil Co.
  Wichita Natural Gas Co.
  Sedgwick Oil Co.
  Winfield Natural Gas Co., Kansas.
  Wichita Pipeline Co., Cherryvale and Iola, Kansas.
Empire Gasoline Co., Kansas and Oklahoma.
Empire Gas and Fuel Co., Colorado.
Empire Gas and Fuel Co., Oklahoma.
Empire Gas and Fuel Co., Kentucky.
Empire Gas and Fuel Co., Texas.
  Texas Distributing Co., Texas.
Empire Gas and Pipeline Co., Kansas.
Empire Oil and Gas Co., Kentucky.
Empire Petroleum Co., Kansas, Oklahoma and Texas.
Empire Refining Co., Cushing, Okmulgee, Oklahoma City, Ponca City, Oklahoma.
  Empire Pipeline Co., Kansas.
  Empire Refineries, Mo., Okla.
  Producers Refining Co., Gainsville, Texas.
  Standard Asphalt and Refining Co., Independence, Kansas.
  Standard Emarex Co., Chicago, Illinois.
Fremont Gas, Electric Light and Power Co., Nebraska.
Frost Gas Co., Fredonia, New York.
  Akron Natural Gas Co., New York.
  Alden-Batavia Natural Gas Co., New York.
  Attica Natural Gas Co., New York.
  Brocton Gas and Fuel Co., New York.
  Niagara Light, Heat, and Power Co., Tonawanda, New York.
  North Buffalo Natural Gas and Fuel Co., New York.
  Ontario Gas Co., Honeoye Falls, New York.
  Silver Creek Gas and Imp. Co., New York.
  South Shore Natural Gas and Fuel Co., New York.
Knoxville Gas Co., Tennessee.
Lebanon Gas and Fuel Co., Pennsylvania.
Lincoln Gas and Electric Light Co., Nebraska.
  Havelock Electric Light Co., Nebraska.
Lorain County Electric Co., Ohio.
Massillon Electric and Gas Co., Ohio.
Meridian Light and Railway Co., Meridian, Min.
  Hattiesburg Traction Co., Hattiesburg, Missouri.
Montgomery Light and Water Power Co., Alabama.
Pueblo Gas and Fuel Co., Colorado.
Republic Construction Co., Mansfield, Ohio.
Reserve Gas Co., Oklahoma.
Richland Company.
Richland Public Service Co., Mansfield, Ohio.
St. Joseph Ry., Light, Heat, and Power Co., Missouri.
Salina Light, Power, and Gas Co., Kansas.
Southern Ontario Gas Co., Ltd.
South-Western Oklahoma Gas and Fuel Co.
Spokane Gas and Fuel Co., Washington.
Summit County Power Co., Dillon, Colorado.
Toledo Traction, Light, and Power Co.
  Acme Power Co.
  Toledo Railways and Light Co.
  Toledo, Ottawa Beach and Northern Railway Co.
  Toledo and Western Railway Co.
  Maumee Valley Railways and Light Co.
  Adrian Street Railway Co.
  Toledo Beach Co.
  Toledo Casino Co.
Trumbull Public Service Co., Ohio.
United Water, Gas, and Electric Co., Hutchinson, Nickerson, and Lyons, Kansas.
Utilities Construction Co., Lorain, Ohio.
Venture Gas Co., Morral, Ohio.
Washita Gas and Fuel Co., Oklahoma.
Watauga Power Co., Hydro-electric Generating Company in Tennessee
Western Distributing Co., Kansas.
Western Light and Power Co., Colorado.
  Cheyenne Light, Fuel, and Power Co., Wyoming.
Western Oklahoma Gas and Fuel Co.

HENRY L. DOHERTY & COMPANY,

Engineers, Operators, and Managers of Public Utility Properties,

MANAGE AND OPERATE THE PROPERTIES OF THE CITIES SERVICE COMPANY.

60 WALL ST., NEW YORK, U.S.A.; 9-11 MOORGATE ST., LONDON, E.C. 2.

MEETINGS
OF PUBLIC COMPANIES.

LONDON AND LANCASHIRE LIFE AND GENERAL ASSURANCE ASSOCIATION, LIMITED.

THE fifty-sixth ordinary general meeting was held on May 20 at the offices, 66 and 67 Cornhill, E.C., Mr. Vesey G. M. Holt (the Chairman) presiding.

The Secretary (Mr. Louis J. Jarvis), having read the notice and the report of the auditors,

The Chairman said: Gentlemen,—In the first place, I propose to refer to some of the chief features of the accounts for the year, and then to give you a brief outline of the reasons which, after the most careful deliberation, have induced your directors to recommend for your approval the resolutions which will enable us to give effect to the policy of expansion which we are convinced will be in the best interests of the Association.

Marked Improvement in Life Department.

The life department shows a very marked improvement in almost every respect. The new premium income of £56,748 is the largest ever obtained by the Association in any one year, being greater than the previous best (1917) by £8,299. One thousand eight hundred and thirty-four policies, assuring sums amounting to £956,166, were issued. Of these 1,029 policies for £549,319, producing a premium income of £41,600, represented business obtained in the United Kingdom, and the balance that obtained in the colonies. The life assurance funds have increased by £112,878, and are now £4,102,636. The mortality experience, while less favourable than was usual previous to the War, nevertheless shows a marked improvement over any year since 1913. The net rate of interest earned on the life and annuity funds amounted to £4 2*s.* 5*d.* per cent., as against £4 0*s.* 2*d.* for 1917.

Fire, Accident and General Departments.

Turning to the other departments, and dealing first with the fire department, it will be observed that the net premium income amounted to £189,328, being an increase of £87,933 as compared with 1917. The losses paid and outstanding were £90,752, being at the rate of 48 per cent.—a less favourable experience than that of the preceding years—and there remains a balance of £3,721, which is carried to profit and loss account. The accident and general departments were particularly affected by the War, and during the War years the premium income gradually decreased. Since the armistice they have shown increased activity, with the result that the net premium income for 1918 was £93,105 being in excess of that for 1917 by £6,428, and the figures for this year to date show still further improvement. The loss ratio for these departments was very satisfactory at 41.4 per cent., and, in fact, has been uniformly good for several years. After payment of all outgoings, providing for outstanding claims and reserving 40 per cent. for unexpired risks, there remains a balance of £6,200, which is carried to profit and loss account. It is interesting to note that the combined net premium income of the fire, accident and general departments amounted to £282,434, being an increase of £94,632 as compared with the previous year, and the funds of the departments have been increased by £39,494.

Total Funds and Assets.

The total funds and assets, excluding uncalled capital, are increased by £163,581, and now stand at £5,097,270. As the marine department of the "Scottish Metropolitan" was operating for such a short time before the close of the year, no special comment is called for, but it will be observed that we have made a not inauspicious start. There has been considerable development of our business during last year, particularly in Canada and South Africa. In Canada the "Scottish Metropolitan" has been established for the transaction of fire and accident business.

Capital to be Increased.

The present capital of the Association consists of a subscribed capital of £333,825, with a paid-up capital of only £66,765. It is proposed to issue a further 53,235 shares at £3 2*s.* 6*d.* per share, which would make the subscribed capital £600,000 and paid-up capital £120,000. We propose, at the same time, to increase the authorised capital to the round figure of £1,000,000, but we have no present intention of making any further issue of shares, beyond the 53,235 to which I have referred.

Your directors have entered into a provisional agreement with the directors of the London and Lancashire Fire Insurance Company, under which, subject to your approval and that of the Board of Trade, this Association will assume the title of London and Scottish Assurance Corporation, Limited.

The Deputy-Chairman (Mr. Richard S. Guinness) seconded the motion, which was carried unanimously.

An extraordinary general meeting was afterwards held, when resolutions were unanimously passed increasing the capital of the Company to £1,000,000 by the creation of 130,000 additional shares of £5 each, ranking for dividend and in all other respects *pari passu* with the existing shares of the Company.

Mr. W. Selby Coles seconded the vote, which was unanimously accorded, and, a brief acknowledgment having been made by the Chairman, the proceedings terminated.

BRITISH-AMERICAN TOBACCO COMPANY, LIMITED.

EXTRAORDINARY general meetings of this Company were held on May 19 at the Central Hall, Westminster, Mr. Joseph Hood, M.P., one of the Deputy Chairmen, being elected to the chair.

The Chairman, addressing first a meeting of both Preference and Ordinary shareholders, called to consider certain alterations in the articles of association, said that it became necessary to alter the articles, having regard to the proposed issue of further Ordinary shares, so as to enable the directors to accept a coupon as evidence of ownership of a share warrant to bearer instead of requiring the holder of a share-warrant to bearer to produce the warrant for inspection by the Company before subscribing for his *pro rata* allotment. It was a real difficulty, because many of the shares of the Company were held throughout the world, for instance, not only in the United States, but also in Australia, China, &c. It was also desirable to clear up any outstanding points with regard to the position of the directors and their remuneration. Most of the directors were the active managers of the business and occupied positions of responsibility and in those positions were paid salaries. No directors' fees were paid, and, therefore, those directors who did not occupy the positions of managers or some other responsible position did not get any remuneration from the Company in any form. They therefore desired to have powers to remunerate directors for services as mentioned by Clause No. 4 of the resolution. It was also a convenient time to take the opportunity of inserting a new Article permitting any capital assets in excess of the Company's paid-up capital to be distributed amongst the holders of the Ordinary shares, as and by way of a capital distribution. In taking these powers he did not desire to indicate that they had any intention, at any rate at present, of using the power, but they thought it desirable to have it.

The resolution submitted was unanimously adopted.

Issue of Shares to Directors.

At a meeting of Ordinary shareholders which was then held, the Chairman said: You will observe that the first part of the resolution submitted covers the proposed issue of shares to the directors at £2 per share, and the latter covers the proposed offer of shares *pro rata* to the Ordinary shareholders as of June 5 prox. at par. Dealing with the proposed issue to the directors, I would like to point out that the net profits of the Company have increased from £148,541 in the first year of its existence to £3,150,174 in the sixteenth year—namely, the last completed year up to September 30 last. Up to the year 1911 there were practically only two shareholders of the Company, viz.: The American Tobacco Company and the Imperial Tobacco Company. On the distribution of the shares of the American Tobacco Company the articles of association were altered to empower the board to allot to directors, officials or employees of the Company or of any other Company in which the Company from time to time own shares, on such terms as the board should from time to time determine, but in no case at less than par, provided that the total number of shares so allotted, including all theretofore allotted, should never exceed 10% of the Ordinary share capital of the Company at the time authorised. Whilst the directors have power to make an allotment up to 10% of the total authorised Ordinary share capital to the class mentioned, that has not been acted upon, and the number has never exceeded 10% of the actual Ordinary shares issued. In the year 1912, 449,728 shares were issued to most of the directors at 30*s.* per share on their entering into agreements to act for five years, and they were entitled to a proportion of the shares for each of the five years of service. As the total issue of Ordinary shares is now 6,254,320, the number required to make up the tenth is 175,704, which number it is proposed under this resolution to issue at the price of £2 per share. This resolution is submitted as the outcome of conferences between some of the principal shareholders. Out of the 18 directors it is proposed to make the allotments to 13 of them, in addition to the President of the Export

Leaf Tobacco Company, which is our leaf-buying organisation in America, upon the successful conduct of which the prosperity of the Company materially depends.

Terms of the Agreement.

The terms of the agreement which each director will have to enter into are, roughly, these: That a certain number of shares to be fixed by the Board will, on application within three months, be allotted to him at the price of £2 per share, a fifth of which will become his absolute property at the end of each of the five years, but if he dies in the meantime or resigns his directorship or ceases to be employed by the Company, the shares still remaining the subject of the agreement have to be sold by the Secretary of the Company, and the director is repaid out of the proceeds the sum of £2 per share, being the amount which he has paid for the shares, and the balance is appropriated for the benefit of the Company and forms part of its funds. In addition, each director has to give security for the performance of his part of the indenture. It will thus be seen that each of the directors must serve the five years before obtaining the full benefit of the shares proposed to be allotted to him. This agreement is better for the Company than the one entered into in 1912, as under those agreements a director had the option, even if he left the service of the Company, of purchasing the shares at a further amount beyond the original price paid for the shares, but in no case was that exercised except in the case of one director, who died shortly before the five years expired, and the widow exercised her option to purchase. It has been remarked to me that the names of Mr. Hignett, one of the deputy-chairmen, and myself do not appear in the resolution as directors who will participate in the proposed allotment, and I desire to say that, although the Ordinary shareholders who have had this subject under their discussion were good enough to suggest that both Mr. Hignett and I should participate, I personally did not care to enter into any obligation which would entail upon me the active duties for a further five years, apart from the fact that I have undertaken duties as a member of Parliament, and Mr. Hignett, who will second this resolution, also felt that he did not care to bind himself to undertake obligations for a further five years.

Issue to Ordinary Shareholders.

I now come to the second part of the resolution, which provides for the issue of 2,131,733 Ordinary shares to the Ordinary shareholders on June 5 proximo in the proportion of one share for every three existing Ordinary shares, ignoring fractions. We propose to issue those shares at par and the £1 per share will be payable on August 15 next. Much larger capital is now required for the conduct of the business, due to the higher cost of leaf and all other materials and of labour and production generally, and as an instance I may mention that we had to borrow from our bankers in September and October last the sum of £3,000,000 towards the expenses of the purchases of raw material. I am not suggesting that that sum in any way represented the amount we had to disburse but it was a sum required to make up the amount required for purchases of leaf tobacco. We still owe our bankers the £3,000,000, and, in addition, there are other obligations which we have to meet in the form of excess profits duty and other taxation during the summer months. It is, therefore, necessary for us to have beyond our available resources a sum of at least between two and three millions to efficiently carry on the business of the Company. Nearly eight months of our financial year have expired, and, so far as that goes, I may say that we have every hope that we shall this year be able to maintain the rate of dividend of 30 per cent., free of income tax, upon the Ordinary shares. I hope that in saying that I shall not be taken to mean that we pledge ourselves to pay that dividend, because that would be further than we are prepared to say, but we have very confident hopes. I beg to move the resolution.

Mr. L. Hignett seconded the resolution.

Viscount St. Davids Views.

Viscount St. Davids: Some of the companies of which I am chairman have a considerable holding in the shares of this great corporation, and we take the greatest possible interest in it, and on this proposal to give these shares at a low price to the directors I have very strong views. The views I hold are these: Nobody can say that the directors of this Company are guinea-pigs; they are all very high-class experts. They are men who in an ordinary business would be acting as partners on their own account. They are tobacco magnates; they are the great men of the tobacco trade, and everybody knows it. We hear a great deal in these times about democracy, and I venture to say that this Company is a very good instance indeed, one of the best instances—of democracy in finance. You have a body of experts who, instead of trading on their own account, are trading in the interests of any of the public, big or small, who like to take a stake in the Company. We have in this Company some very big shareholders; we have also some very small shareholders; and the shareholders, whether big or small, have done astonishingly well. It is a wonderful thing to think that anybody outside—a smoker, or a man who takes any interest in the tobacco trade for any reason—can come here and, for a few pounds, buy shares and participate in the whole future of this great business enterprise; and, speaking for myself, I venture to think—although I may be wrong—that people who even to-day buy any of these new shares which are being issued will probably do as well as any of the holders who originally bought. I have been told, but I hope it is not true, that there are one or two shareholders who rather disapprove of this proposal to let the directors have these shares at £2 per share. They say it is a "plum" for the directors. So it is; but think of the "plum" we are getting ourselves. As nearly as I can reckon, the shares which are being allotted to the shareholders at £1 per share are a bonus to the shareholders of something like ten millions sterling. Is not that a pretty tidy "plum" for us to divide. And when I am getting a share of a "plum" like that I do not grudge the directors getting a share of it too. I am very glad that they should do so. There is only one thing I could wish. This proposal ties a number of our directors to us for five years. I very much wish Mr. Hood and the rest of his friends had seen their way to tie themselves too. One thing which is not mentioned in the balance-sheet is one of our best assets, and that is our board of directors. I can tell you this with very great confidence: Supposing you heard of directors left this Company, any man could go round the City to-day with the names of the directors on a piece of paper, and if he said that those directors were willing to start another company of their own in opposition to this, he would have no trouble at all within 24 hours in getting five millions sterling or more for those directors to start with. Now, those are not directors we want to lose; we want to keep them. I am quite certain we are going to vote for this proposal, but I hope we are going to do it, not grudgingly, but like gentlemen, cheerfully and gladly. They have done astonishingly well for us; I hope they will do astonishingly well for us in the future, and I hope they will take many more opportunities of coming here in future years with the same proposals for their benefit and the same proposals for ours.

The Chairman, having thanked Viscount St. Davids for his kind remarks, put the motion, which was carried unanimously.

On the proposition of Viscount St. Davids, seconded by Mr. L. B. Jacobs, a hearty vote of thanks was passed to the Chairman and directors, and the proceedings then terminated.

LONDON UNITED TRAMWAYS, LIMITED.

The ordinary general meeting of the above Company was held on May 20 at the offices of the Company, Electric Railway House, Broadway, Westminster, S.W., Mr. W. M. Acworth (Chairman of the Company) presiding.

The Chairman said: The accounts show that the gross receipts of the undertaking for 1918 were £362,426, an increase of £7,954 over the gross receipts for the year 1917. The working expenses, however, were £373,831, an increase of £81,970, and the result is that the year's working left us an actual net loss of £11,404. This figure does not, however, tell the whole story. If we add thereto the Debenture and loan interest, which was due to be paid at December 31 last, the total deficiency for the year amounted to £82,451. There were deficiencies of £2,583 and £9,015 respectively in 1916 and 1917, making a total deficiency on revenue account as at December 31 last of £94,050.

Advance in Cost of Material and Labour.

In our report we attribute the increase in our working expenses to the further advance in the cost of material and labour. So far as the question of material is concerned, every one of us knows, unfortunately too well, how the price of every commodity has gone up. I need not, therefore, dwell on this point. It will be sufficient if I simply tell you that the cost of all the materials essential for the upkeep of a tramway undertaking is, on the average, well over 100 per cent. above pre-War cost. Coming now to labour, at the commencement of 1918 the War bonus payable to our employees was between 8*s.* and 9*s.* per week. By the end of the year, owing to awards of the Committee on Production, with which we were bound to comply, none of our wage-earners were receiving less than 30*s.* per week over pre-War rates of pay. In some cases, and I refer to craftsmen who receive the benefit of the 12½ per cent. War bonus of which everyone has heard, our employees are now receiving considerably more than 30*s.* per week over pre-War rates. To put it shortly, our wages bill by the end of the year was at least 60 per cent. over our pre-War wages bill.

A Steady Improvement Anticipated.

I do not need to tell you that an increase of gross receipts of some 2 per cent. does not go far to meet an increase of 60 per cent. in wages and an increase of 100 per cent. in cost of materials. It may be some comfort to you if I say that in 1918 we, I think, touched bottom, and that from now forward we may look for a steady improvement of the Company's position. And I say this with some

confidence, notwithstanding the heavy additional burden thrown on the Company since the beginning of this year by the introduction of the 48-hour week.

Advantages Secured by Act of Parliament.

In November last the Bill we promoted in Parliament passed into law. The negotiations of the directors with the First Mortgage Debenture holders for the reorganisation of the capital and rehabilitation of the Company's undertaking have been brought to a successful conclusion. Dealing first with our Act of Parliament, we have secured several important advantages. Our tramway undertaking traverses the areas of over 20 different local authorities. These authorities had the right to purchase the portions of the undertaking in their respective areas at different dates, ranging between 1924 and 1935, and on different terms. Our Act now gives us uniformity, both as to date and terms. No part of our undertaking can be taken from us until the year 1950, and the terms of purchase of every portion, if and when exercised by the local authorities, will be those prescribed by the Tramways Act of 1870. We know from our knowledge of other cases what our undertaking will be worth under the Tramway Act terms. We have thus got rid of the element of uncertainty as to the value of our undertaking and are in a position to arrange for finance in the future as and when required. On the revenue side the Act has authorised a substantial increase in our statutory fares, and in consequence of the raising of the fares there has been a marked increase in our weekly receipts—Easter Monday was a record in the history of our Company. If this increase is maintained, as we have every reason to suppose it will be, we shall expect to close the year with a revenue balance on the right side.

Reorganisation of Capital.

Our Act provided that the Company's capital should be reorganised, and while the Bill was passing through Parliament an agreement was come to between the Company and the secured creditors for this reorganisation of the capital on the lines laid down in the Act. The formal scheme was in due course submitted and approved by the Debenture-holders and shareholders, and received the sanction of the High Court on April 8, 1919. We are, therefore, now assured of all the benefits secured by the Act, some of which were contingent on the adoption of the scheme. Under the scheme our total capital has been reduced by more than £1,500,000, and our Debenture debts by nearly £900,000. Of the new capital the following amounts are allocated to the old First Mortgage Debenture shareholders—£857,841 in 4% First Mortgage Debenture stock, £857,841 in 5% Preference shares, and £82,500 in Ordinary shares. The holders of the old Second and Third Debentures receive in the place of them £34,307 and £70,693 respectively in Preference shares. Of the old share capital, consisting of £1,250,000 Preference shares and £1,000,000 Ordinary shares, the whole of the Ordinary shares have been extinguished. The £1,250,000 of Preference shares have been reduced to £656,250, then divided into 2,625,000 shares of 5*s.* each, and then finally converted into Ordinary shares. It will be remembered that no interest on the 4% First Mortgage Debenture stock was paid for 1917 or 1918. The arrears for 1917 are cancelled by the scheme. For the year 1918 the scheme provided that interest was only to be paid on the reduced amount of Debenture stock. That interest, amounting to £34,313, was duly paid on May 6. The whole of the arrears of dividend on the old Preference shares have also been cancelled. The 963,000 new Preference shares are not to be cumulative until the expiration of five years after the termination of the War. It follows, therefore, that the only fixed charge which we must face during the next few years is that on the First Mortgage Debenture stock as reduced by the scheme. This interest on the amount at present issued will only amount to £34,313—the same amount as we have just paid in respect of the year 1918.

Reconstruction Work to be Carried Out.

This is a very important point, as before the undertaking can recover its full earning powers and receive the full benefit of the increased fares a considerable amount of reconstruction work must be carried out. Not only is this necessary in the general interest of the shareholders, but our Act expressly provides that, until £400,000 has either been expended on reconstruction of the tracks and equipment, or reserved for that purpose, no dividends are to be paid on the share capital. The Company is also placed by the Act under an obligation to set aside each year—so far as the profits permit—additional sums to reserve for renewals in future years. It is an important feature of the agreement with the Debenture-holders as sanctioned by the Court that the £235,000 representing the purchase price payable by the London County Council for the Hammersmith Tramways undertaking is to be set free by the Debenture-holders and placed at the Company's disposal as part of the £400,000 to be devoted to purposes of reconstruction. The Chairman concluded by moving the adoption of the report and accounts, which was carried unanimously.

J. MANDLEBERG AND COMPANY, LIMITED.

THE thirtieth annual general meeting of the shareholders of J. Mandleburg and Company, Limited, was held in the hall of the Manchester Society of Chartered Accountants, 60 Spring Gardens, Manchester, on Monday, May 19, Sir G. Charles Mandleberg (Chairman and a Managing Director of the Company) presiding. The Secretary read the notice convening the meeting and the auditors' report and certificate. The Chairman, in moving the adoption of the directors' report and accounts, said: Gentlemen, I have to express regret that one of your directors, Captain P. L. Rothband, is unable to be with us this morning, as he has not yet been relieved from military duties in France.

The report and accounts show a net profit for the year 1918 of £91,081 19*s.* 11*d.*, to which must be added £77,610 13*s.* 10*d.* brought forward from the year 1917, making a total available balance of £168,692 13*s.* 9*d.* The net profit is arrived at after making provision for excess profits duty, income tax, managing directors' remuneration, etc.

Allocation of Profits.

The Preference share dividend for the year requires £4,900; £3,500 has been transferred as special depreciation, and your directors propose to increase the reserve fund to £90,000 by transferring to it £10,000. They recommend a dividend of 15 per cent. on the Ordinary shares (including the interim dividend for the half-year at the rate of 10 per cent. per annum paid in September last) and a bonus of 7½ per cent. in addition, making a total distribution for the year on the Ordinary shares of 22½ per cent., less income tax. There will remain to be carried forward the substantial sum of £82,792 13*s.* 9*d.* In conjunction with the reserve fund of £90,000, this makes the total of the accumulated and undivided profits £172,792 13*s.* 9*d.*, as compared with £157,610 13*s.* 10*d.* last year.

The Balance Sheet.

The balance sheet is, I think, very clear, self-explanatory and satisfactory; it presents also some features of interest to which I should like to draw your attention. You will see that the total book value of the assets is shown by the balance sheet to be a little over £1,000,000, but I may mention that, as the investments in subsidiary and other companies are only shown at the net cost, the figure of £1,000,000 does not fully cover the value of assets which were controlled by the Company. With regard to the character of the assets, the cash assets shown in the balance sheet, you will observe, are: Cash, £67,711; bills receivable, £13,287; War Loans, £75,408—a total of £156,413. The circulating liquid assets are: Book debts, £305,539 and stock-in-trade £205,865—a total of £511,404. Together, the liquid and cash assets give a grand total of £667,817, which is equal to two-thirds of the total assets employed, leaving only one-third in machinery, plant and other fixed assets. These relative proportions are, I have no doubt you will agree, very satisfactory. Turning to the liability side of the balance sheet, the only item which calls for mention is the "sundry liabilities," etc., which stand at £446,148. You will doubtless have surmised already, and quite correctly, that a substantial portion of this sum represents an adequate provision to cover the liability for excess profits duty and income tax. One last point about the balance sheet is, I think, deserving of mention—namely, the comforting absence of any Debentures or mortgages on the Company's assets.

Assets in Enemy Countries.

The question of the Company's assets in enemy countries is one that should not be lost sight of. You will no doubt remember that several years ago the value of these assets was wholly written-off out of profits. A claim was filed with His Majesty's Government covering the value of the property, and there the matter at present stands, awaiting the action which it is expected the Government will take on the conclusion of the Peace Treaty. In accordance with the practice which has been followed every year since the formation of the Company, the whole of the works and machinery have been maintained in a state of complete efficiency, the cost being charged against the revenue of the year. With regard to the operations of the Company last year, the net profit of £91,082 cannot be regarded as abnormal considering the large amount of additional assets employed in the business. In several pre-War years, as you may remember, the profit stood at a figure which, taking into account the smaller amount of capital then employed, was comparatively higher than the average profit of the last three years.

Steps Taken to Meet Peace-Time Needs.

The signing of the armistice in November was followed soon after by the stopping of all Government contracts, and your directors naturally took all the steps necessary to adapt the extended works and plant to peace-time needs. There has been a continuous effort in this direction, both as regards home and foreign trade. You are aware, of course, that there have been, and still are, many difficulties to be overcome in respect of materials. I think the time is opportune to remind you that the Company does not confine its manufacturing to one class of trade or to one market. Your

directors have always been keenly alive to the need for expansion, both geographically and as regards variety in the nature of their manufactures. Besides being rubberproofers and rainproofers on a large scale, the Company weave cotton, woollen and worsted piece goods, they are dyers and finishers of cotton, woollen and worsted fabrics, and they are makers up of every kind of rubberproof and rainproof garments. Each of these trades may be looked upon as a separate business. But you will readily understand that they are mutually helpful in many respects, and that the very diversity of our manufactures places the Company in a position of advantage to meet and deal with seasonal and other fluctuations. To enable us to market our goods successfully we have efficient selling organisations covering many countries, and these form valuable sources of demand for our products.

The Different Classes of Work Undertaken.

At this point it may perhaps be of interest to give you a very brief summary of the different classes of work undertaken by the Company in connection with the War, some of it being of an entirely new and perhaps unexpected nature. In addition to ground-sheets and rubber-proofed equipment generally, which of course we produced in large quantities, we undertook research work on gas masks, and produced large quantities of satisfactory gas-mask fabric. In the early days we were able, I am glad to say, to be of considerable help by making up the masks at very short notice at a time when they were urgently needed. But perhaps the most interesting part of our War work was the production of aircraft.

Your director, Mr. J. Harold Mandleberg, after serving six months at the Front as an Infantry Officer, was retained at the request of the Admiralty to carry out important research work in our laboratory. His efforts proved successful, and one of the results of his work was that we were enabled to manufacture enormous quantities of a most satisfactory impermeable balloon fabric, which was very urgently required. In addition we made up and delivered airship envelopes and complete kite balloons, the latter in very large quantities. The kite balloons were towed by ships at sea and were of the greatest value, we have been informed, in the anti-submarine campaign. In leaving the subject of the Company's activities during the War I am sure I am representing the wishes of the meeting in expressing our deep sympathy with the relatives of those of our employees who have fallen and with those who have suffered disablements. I should also like to congratulate those whose gallantry has been rewarded by distinctions.

Rates of Wages and Conditions of Labour.

You will be pleased to hear that we have little difficulty in respect to labour at the present time. We have reinstated all our employees who have been demobilised, taking due cognisance of the increased cost of living, and I am glad to say we have been able to find employment also for a number of disabled soldiers. For one of our manufacturing departments, hours, rates of wages, and conditions of labour have been agreed upon by the body formed under the Whitley Report, namely, the "National Joint Industrial Council of the Rubber Manufacturing Industry," and the new conditions are now in operation. This Council, of which I am a member, represents the whole rubber-manufacturing industry of the United Kingdom, both employers and employed. One of the conditions agreed to was as follows: "That the Unions agree to discourage any restriction of output, but rather to expedite and increase production."

Unrestricted Output Imperative.

I venture to hope that similar agreements where necessary will be come to in all trades throughout the country, and further that the parties will have a single eye to the national interest in loyally carrying out such arrangements when once they are made. As a nation we can only hold our own in neutral markets if our costs of production compare favourably with those of our foreign competitors. Given loyal observance of such agreements as I have referred to, making limitation of output a thing of the past, it will be possible for British manufacturers to compete successfully and give to labour shorter hours with higher rates of pay than have ruled in the past. But to achieve this result the same condition of unrestricted output which obtains in competing countries is essential and, indeed, imperative. In the alternative there is nothing before us but declining exports, with consequent unemployment. I venture to hope that the logic of the matter will appeal to labour's common sense, just as I trust that manufacturers will realise that it is in the national interest that there should be an enormous extension of the British export trade if we are to meet the obligations arising out of the War, and with this object in view I hope that manufacturers will take advantage of the facilities which have recently become available.

With regard to the Company's work during the past year, the directors wish to acknowledge the whole-hearted co-operation of the staff and employees.

Prospects for the Current Year.

With reference to the prospects of our Company for the current year, you will readily understand that it is peculiarly difficult to make a forecast. I may go so far as to say that the difficulties of changing over to peace conditions are being gradually but surely overcome, and that the turnover for the first four months of this year is highly satisfactory. I think we may look forward, assuming no great change in the conditions, to satisfactory results when the accounts are made up for 1919.

I now formally propose: "That the report and accounts for the year ended December 19, 1918, presented to this meeting, and as printed and issued to the shareholders on May 7, 1919, be, and they are hereby received and adopted."

The resolution was duly seconded and carried unanimously. The dividend recommended by the directors was unanimously adopted; the retiring director, Captain P. L. Rothband, and the auditors were re-elected; and the meeting concluded with a vote of thanks to the Chairman.

SPILLERS AND BAKERS, LIMITED.

THE thirty-first (adjourned) and thirty-second annual general meetings of Spillers and Bakers, Limited, were held at Cardiff on May 17, Mr. William Edgar Nicholls (Chairman of the Company) presiding.

Before commencing the formal business, the Chairman alluded to the great loss sustained by the directors, staff, and shareholders of the Company by the death of Mr. Henry Woolcott Thompson, the last life director of the Company, whose services to the Company had been inestimable, and the memory of whose public benefactions would live after him. Turning to the business of the adjourned thirty-first annual meeting, the Chairman briefly recorded the reasons for the delay in presenting the accounts for 1917-18, which were formally approved and adopted.

Anxious Times Ahead.

In dealing with the report and accounts for 1918-19, he reminded the meeting that although peace was expected to be concluded within the next few weeks, abnormal conditions arising out of the War were not thereby removed, and anxious times were ahead of the Company and all other traders. The profit for the year under review amounted to £209,200, to which must be added the amount brought forward from last account, £357,703. There had already been paid the usual Preference dividend and interim Ordinary dividend, and the directors recommended the payment of a final dividend and bonus on the Ordinary shares, making the distribution on this class up to 15% for the year. In addition, it was proposed to transfer to Inland Revenue account £75,000, to carry to reserve in respect of



the year 1917-18 £100,000, and in respect of the year 1918-19 £150,000, and to carry forward the balance of £167,684. The subscribed capital of the Company had increased during the year by £3,550, this representing the Preference shares issued to co-partners.

Subsidiary Companies.

Originally purely a flour milling concern, Spillers and Bakers, Limited, now carried on a large number of other industries, and a point had been reached when it was, in the opinion of the board, absolutely necessary to reorganise the whole constitution of the business. It was proposed that the different subsidiary companies, at present capitalised mainly on nominal bases, and trading through the parent Company, should be properly capitalised and trade in their own names as separate commercial entities, the parent Company becoming a controlling and shareholding Company only. In the event of this capitalisation being effected, the assets of the subsidiary companies would be over £3,000,000, and it was therefore proposed that the nominal capital of the parent Company should be made £4,000,000; £500,000 of the reserves would, if the recommendations of the board were accepted, be capitalised as Deferred Ordinary shares, and issued share for share to the holders of the present Ordinary shares, while 500,000 new Ordinary shares would be issued at 30*s.* each, and offered in the first instance at that price to the same shareholders in the same proportion, and any not taken up by them would be available for the Preference shareholders and the staff. The reasons for seeking increased capital were ascribed to higher working costs in all directions, the natural development of industries, and, above all, to the increased values of cereals, these averaging about 152% over pre War figures. On this account alone the shareholders might have been called upon to provide £2,000,000 extra working capital instead of the £750,000 asked for. Subject to special conditions for the current year, the new Ordinary shares would rank *pari passu* with the old Ordinary shares, and the Deferred Ordinary shares would rank for dividend up to 15%, after 15% had been paid on the Ordinary shares, and thereafter *pari passu* with them. It was intended that on the completion of the reorganisation the employees should become co-partners in their respective companies instead of in the parent Company as at present.

Proposed Change of Name.

It had been proposed to change the name of the Company to "Spillers Consolidated Industries Limited," leaving the name of "Spillers and Bakers Limited" to be used by the Flour Milling Company. For some incomprehensible reason the Board of Trade had refused to allow this alteration in the name of the parent Company, and it was therefore necessary to put an alternative resolution before the shareholders, the proposal being to make the name "Spillers Industrial Investments Limited," subject to the Board of Trade's consent, or, failing such consent, to "Spillers Milling and Associated Industries Limited," a name of which the Board of Trade had already approved.

Scarcity and High Prices.

Mr. Nicholls then dealt with the world's requirements of wheat and the prospects of decontrol of the milling trade, especially alluding to the United States Government's guaranteed price of 72*s.* per quarter for wheat grown by American farmers, and the averred intention of that Government to allow no wheat to leave their country at less than the equivalent of about 118*s.* per quarter. The dangers arising from scarcity and high prices were sufficiently exemplified in Russia to-day, and he called upon the Government either to take steps that we should do without American wheat or alternatively to negotiate with the United States Government on the matter without delay.

Of the Company's employees, 1,258 had joined H.M. Forces during the War, and of these 108 had lost their lives and 115 had been wounded. It was intended to establish a fund as a memorial to those who had fallen, which would be utilised in the first place for the assistance of their dependents, and also to supplement the pensions of those wholly or partially incapacitated. As payments under these heads ceased in course of time the fund would be devoted to such charitable, educational, or other project as might be decided upon, for the benefit of their employees.

Capital and Labour.

Dealing with the agitation for nationalisation of industry, Mr. Nicholls called attention to the necessity of complete understanding between Capital and Labour if the country was to hold its own in the great fight for the world's trade. So far as the coal inquiry was concerned, he urged that the distributors and exporters were entitled to be heard as well as the colliery owners, as each class was, by itself, only a section of the trade as a whole. He concluded with a tribute to the work of the staff during the year.

The reports and accounts were adopted, and the retiring directors and auditors were re-elected.

At the extraordinary general meeting which followed the resolutions submitted for reorganisation of the capital of the Company and the change of name were adopted.

TRAMWAYS ET ELECTRICITÉ DE CONSTANTINOPLE SOCIÉTÉ ANONYME.

An extraordinary general meeting of the Société Belge des Tramways et Électricité de Constantinople was held in Brussels recently, Sir D. Heineman, Chairman of the board, presiding. The meeting was for the purpose of receiving the resignations of or removing directors and commissaires and the election of new directors and commissaires. In opening the meeting, the Chairman announced that two directors had sent in their resignations, Mr. Ernest Kritzler and Mr. Robert Haas, and they had been replaced by Mr. Maurice Despret, advocate in Brussels, and Mr. Daniel Gauchat, the former becoming Chairman of the council. The meeting decided to remove the following German directors: Mr. Erich Alexander, Mr. Alfred Blinzig, Mr. Alfred de Ullmann, Mr. Herbert Guttmann, Mr. Jean Hamspohn, Mr. Ferdinand Kautz, Mr. Jules Klein, Baron Paul Kornfeld, Mr. Oscar Olivien, Mr. Claude Sebesta, and Mr. Paul Steiner, and the following commissaires:—Mr. Karl Herstatt, Mr. Paul Prager, and Mr. Wilhelm von Duffel.

This undertaking—a big trust representing a combination of important international interests—had just been established when the War broke out. Founded originally under the name of the "Syndicat," which had already unified all the tramways and electric services at Constantinople, it began its present official existence on June 30, 1914, by the consolidation of the Belgian, French, German, and Swiss firms which were interested in the various enterprises now centralised by the Company. The concern was founded under the supervision of the Société Financière de Transports et d'Enterprises Industrielles, a Brussels company. The original capital of the Société "Tramways et Electricité de Constantinople" was fixed at 18 millions of francs in 72,000 shares of 250 francs each, fully subscribed. It was increased to 27 millions of francs on November 30, 1916, by the creation of 36,000 new capital shares. The capital is at present represented by 108,000 Capital shares, while an equal number of Dividend shares have the right to the super-dividends of the Capital shares above 4½%. The War has naturally handicapped most of the projects fostered by the promoters of this group, but as nothing vital to the various properties was destroyed the realisation of the programme of 1914 may be looked upon as feasible, but with a delay of five years. A *résumé* of the position was given some time ago in Brussels, from which the impression gathered is that the crisis is essentially the result of the high cost of living in the Turkish capital, and not due to the lack of customers for the different public services. The coming changes of the map of Europe will perhaps allow these properties to be notably developed.

In the meanwhile the following statistics will permit of the formation of a more or less correct idea of the actual state of development of the different services.

To take them in their order,

The total receipts of the Tramways de Constantinople for 1917 were ...	£T342,118
And for 1916	£T285,500
The increase is thus	£T56,618 or 20%

The tramways transported 41,826,870 passengers in 1917, or 4,910,621 more than in 1916, while they ran over 5,814,763 car-kilometres, or 321,541 more than in 1916. This rate of progress was satisfactorily maintained in 1918 with £T173,896 of receipts for the first half-year, instead of £T158,295 in 1916, which shows an improvement of 10%. No new line had been operated in 1917, and the rolling stock had only been slightly reinforced. The rolling stock was composed of 112 motor cars and 62 trailer cars, while at the present moment 120 motor cars are in service. In Constantinople, as in Brussels at the present moment, the cars are overloaded and the conductors do their work with the greatest difficulty, especially as the general mobilisation had taken away the experienced men. As against the favourable traffic situation comes the less pleasant one of the running expenses. As a recent official report on this subject stated: "All material is steadily increasing in price, and on various occasions the salaries have had to be considerably raised; the personnel is still demanding further increases." The Société des Tramways alone has nevertheless been able to distribute a 5% dividend on its shares for 1917. No dividend is contemplated for the present working year.

The receipts of the Chemin de Fer Metropolitain de Constantinople between Galata and Péra amounted to £T54,074 for 1917, as against £T36,989 in 1916—that is, an increase of £T15,085, or 39%. This funicular carried 10,383,277 passengers, as compared with 7,657,940 in 1916. For the first half of 1918 the receipts amounted to £T53,515, as against £T21,700 for the corresponding period of 1917, the increase being thus 146%, largely as the result of the fares being increased since January 1, 1918. This Company distributed in 1917 a dividend of 10%.

The receipts of the Société Ottomane d'Electricité for 1917 were ...	£T222,758
And for 1916	£T137,509
An increase of	£T85,249, or 62%

The central power station produced 21,443,000 kwh. in 1917, as against 14,818,000 kwh. in 1916, the number of

customers being 10,821, as against 6,616. This number might have been considerably increased but for the lack of material. The great increase in the cost of fuel, which absorbed £T160,000 in 1917, as against £T80,000 in 1916, is the cause of this Company not showing a profit; the balance sheet on December 31, 1917, showing a loss of £T34,972.10. For 1916 up to May 31 the Company had 12,012 customers and took in receipts £T186,396 up to July 31. The latter figure shows an increase of 60 , over that of the corresponding period of 1917. The operating results, however, remained unfavourable, the expenses increasing month by month. This state of affairs should change as the result of an agreement which the Société Ottomane d'Electricité has just made with the municipal authorities, allowing it, from May on, to progressively increase its tariffs, taking the increase in the price of fuel as a basis. However, it must be pointed out that the customers have opposed this arrangement, the application of which would permit of the realisation of a satisfactory profit. The balance sheet of the Société "Tramways et Electricité de Constantinople" was on June 30, 1918, as follows :—

ASSETS.

	Frcs.
Land and buildings	730,821.55
Shares half of subsidiary Companies	30,310,386.08
Enterprise Gas Stamboul	4,952,13.27
Cash at bankers and in hand	26,098,379.89
Sundry debtors	2,507,417.73
Deposits, including qualification shares	32,958,858.00
	97,557,976.52

LIABILITIES.

	Frcs.
Capital	27,000,000.00
Legal reserves	85,328.40
Loans	25,078,730.60
Sundry creditors	12,435,426.66
Deposits, including qualification shares	32,958,858.00
Profit and loss account	1,653.46
	97,557,976.52

PROFIT AND LOSS ACCOUNT.

	Frcs.
General expenses	152,187.61
Amortisation account	442,000.00
Balance	1,653.46
	595,841.07
Previous balance sheet	736.83
Dividends on Investments, interest and sundries	595,104.22
	595,841.07

JOHN SHAW AND SONS (WOLVERHAMPTON), LTD.

AN extraordinary general meeting of John Shaw and Sons (Wolverhampton), Limited, was held on May 19 at Winchester House, Old Broad Street, E.C., to consider two resolutions—namely, (1) for the subdivision of the 12,000 shares of £10 each into ten fully-paid shares of £1 each; and (2) for authorising the creation of an issue of 120,000 Seven per Cent. Cumulative Preference shares of £1 each. Mr. Frederic Palmer presided.

Mr. F. S. Tomkins (one of the joint secretaries) read the notice convening the meeting.

The Chairman said: Gentlemen,—This is an extraordinary general meeting of the Company for the purpose, in the first place, of authorising the splitting of the present £10 shares into ten fully-paid shares of £1 each. When some of us at the end of last year acquired from Sir Chas. Shaw and others practically all the Ordinary shares of this Company it was always our intention to avail ourselves of the first opportunity of splitting these shares. It is obvious that, from the holders' point of view, the shares of £1 each will command a much freer market, and for this reason the market price should be more in accordance with the intrinsic value of the shares. Out of the profits for the financial year which ends on June 30 next you have already received an interim dividend of 10%, free of income tax, and I am glad to inform you that up to the present the profits of the Company have been well maintained. I do not think I need add anything further with regard to the first resolution, which we recommend for your acceptance.

New Issue of Capital.

I now come to the second resolution, whereby we ask you to authorise an increase in the capital of the Company to £240,000 by the creation of 120,000 Seven per Cent. Cumulative Preference shares of £1 each. We have told you shortly in our circular of May 9 the reasons why we deemed it expedient to secure this amount of further working capital for the Company. During the last few years the business in England has been continually increasing, and it is our intention to further expand this part of our business in channels which are not inconsistent with the class of business which we are at present carrying on. This will involve a certain amount of capital expenditure and also the provision of further working capital for carrying the necessary stock-in-trade. I might point out in the ordinary way that all businesses of this character at present, if they are desirous of maintaining the same turnover as in the past, have to carry a greater value in their stock in-trade because of the increased value of the various articles in which they deal. We are going further than that, because we wish to deal with certain new lines which we feel will be profitable for your Company.

T. E. Thomson and Co., Limited.

In addition to this programme at home the firm of T. E. Thomson and Company, Limited, in Calcutta, all the shares of which are held by your Company, has, with the concurrence of your directors, been incurring certain capital expenditure in connection with the extensions to their business which, in our opinion, will bring further profitable results. We also have in mind that they will require more working capital on account of the enhanced value of stocks which they carry, and for that reason it might not have been convenient for them to remit their profits to this side in the same way in which they have done in the past. We have examined the whole position closely, and have come to the conclusion that the proceeds of this £120,000 Preference shares will enable us to maintain a satisfactory position from the financial point of view. We have thoroughly considered the best method of obtaining this further working capital and have taken into consultation some of the largest shareholders, with the result that we recommend this issue of Preference shares as being the most beneficial course in the interests of the Ordinary shareholders of the Company.

Earning Power of New Money.

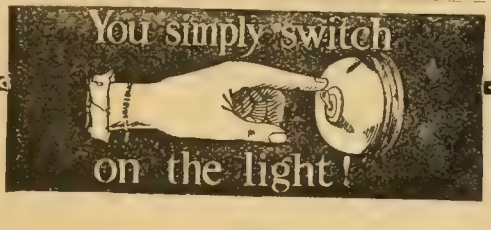
We might have issued new Ordinary shares at a premium of, say, 100% in the proportion of one share for every two issued, but this is a very big proportion, and it is more than possible that in a share which is a comparatively new share the holders would not have desired to take up their proportion, with the result that their interest in the Company would have been proportionately decreased. At any rate, this was the view of some of the more important shareholders, and I must say that I sympathise with the idea that many shareholders would not be prepared, from a financial standpoint, to further increase their holding. As a financial proposition the Preference issue is best from the point of view of the Company, and in this case, having regard to the profits of the Company, the Preference dividend is a very small burden. You may be quite sure that in making this recommendation we consider that the new money will do far more than earn the profits necessary to pay the Preference dividend. I do not know that I have anything further to add, but I shall be very pleased to answer any questions in my power. I now move the first resolution.

Mr. H. Guedalla seconded the resolution, which was unanimously carried.

The Chairman next proposed the second resolution.

Mr. J. C. Williamson seconded the resolution, which, after some discussion, was agreed to.

The proceedings then terminated.



THE

Lister-Bruston

AUTOMATIC

Electric Lighting Plant

At once the simplest, most efficient and most reliable system of electric lighting, and offering all the advantages of direct lighting, whilst eliminating the disadvantages of the heavy accumulator plants. It will not only light your house with the minimum of trouble and expense and the maximum of comfort and efficiency, but will provide power at any time for pumping, cooking, vacuum cleaning and other purposes.

Write for Catalogue and Estimate to the Sole Makers.

R. A. LISTER & CO., LTD.

Dursley, Glos., England.

(Established 1867.)

London Office (where plants can be seen at work):—
47 VICTORIA STREET, WESTMINSTER, S.W. 1.

W. P. LOWRIE AND COMPANY, LIMITED.

THE fourteenth ordinary general meeting of the Company was held within the registered office, 44 Washington Street, Glasgow, on Tuesday, May 20, 1919. Mr. Wm. Harrison occupied the chair.

The Chairman, in submitting the directors' report and accounts for year ending March 31, 1919, said he was glad to meet the shareholders again under conditions of peace. The British Empire had emerged victorious from the Great War. The time of watching and waiting was over; the time for reconstruction was now with us. The embargo on distilling has now been removed after a lapse of almost two years, and during that time the trade has, so to speak, been liquidating its stocks and goodwill. The price of new whiskies, due to the high cost of labour and materials, will make the future financing of stocks relatively more difficult.

The Effect of the Additional Duty.

The impost of 20*s.* additional duty per proof gallon, bringing the duty to 50*s.* per proof gallon, is a very heavy tax upon the industry, and will naturally reflect itself in the price to the consumer, who, however, is not made to carry the whole 20*s.*, as, under the new order of the Food Controller, a proportion of the duty has to be borne by the distiller and blender. This incidence of taxation which is being imposed upon the distiller and blender, whilst the larger firms may be able to bear it, will hit very hardly the great majority of firms who have not been accustomed in pre-war times to carry large stocks, but have bought on the market to meet their actual requirements. The position may arise that these firms will not be able to satisfy the demands of their customers except at a loss, and may, therefore, refuse to trade under such conditions, the result being that there may be a smaller supply given out to the general public. The present situation is certainly a difficult one, and one hesitates to hazard a conjecture as to what the future holds.

Position of the Whisky Trade.

The position of the whisky trade to-day is naturally much altered from that of pre-war days. The operation of the Immature Spirits Act, a most excellent guarantee and protection to the consumer, the cessation of distilling for nearly two years, and the shortage on the market of useable whiskies, have created a situation which is only thoroughly appreciated and understood by those in the trade, and I trust that on some early occasion the trade, as represented by its Association, will have published in the press a statement of the true facts of the case.

During the last five years 512 members of the staff and employees in the several departments of the business had been engaged in the War. Fifty-five had made the supreme sacrifice, and ten distinctions were gained for valour on the field. In our works at home we had engaged extensively in work of national importance both for the army and the navy, and all our contracts were timeously executed to the entire satisfaction of all concerned.

He then moved the adoption of the report and the accounts and confirmation of the directors' recommendations as to disposal of the balance of profit, amounting to £147,929 6*s.* 8*d.*, viz: To carry to reserve fund (which will then amount to £175,000) £10,000; to pay a dividend on the Ordinary share capital to March 31, 1919, of £1 15*s.* per share, making, with the interim dividend, 25% for the year, £35,000; leaving a balance to be carried forward of £102,929 6*s.* 8*d.*

Mr. John Risk seconded, and the report and accounts were unanimously adopted.

Messrs. Wm. Harrison, A. J. Cameron, and E. Stern were re-elected to the board, while Messrs. J. W. Stewart and Co., C.A., were re-elected auditors of the Company.

BRUSH ELECTRICAL ENGINEERING COMPANY, LTD.

THE thirtieth general meeting was held on May 19 at the Manchester Hotel, Aldersgate Street, E.C., Mr. E. Garcke (the Chairman) presiding.

The Secretary (Mr. F. M. Hodson) read the notice and the auditors' report.

The Chairman said that the gross profits on trading for the past year were £157,000, as compared with £89,000 in the preceding year, an increase of £68,000. The sum of £15,000 was being placed to general reserve and £25,000 to a special reserve in respect of buildings and plant installed for war purposes, and after paying a further 4%, making 10% for the year, on the Prior Lien Participating Second Debenture stock, they had a balance of £53,600. The directors proposed to pay a dividend on the Ordinary stock of 18%, being 6% per annum for the three years of the War period for which no dividend had been paid, and there would be left to carry forward to the next account £34,714, subject to assessment for income-tax. The capital and the assets of the Company were written down heavily some years ago, so that they had now a very strong financial position. There was £75,000 in National War Bonds and about £26,000 in liquid cash. They were engaged during the past year in turning out war material at full pressure for practically the whole of the period, and in addition to being kept busy on steam and electrical power plant, dynamos, motors, and transformers, they had the advantage, from the manufacturing point of view, of large Government requisitions for standardised aeroplanes, seaplanes, mine-sweeping devices, shells, &c. With the signing of the Armistice the break clause was applied to important war contracts which they had in hand, and agreements were reached with the Government Departments concerned either for cancellation outright or for deliveries to be reduced to the minimum basis that would assist them in carrying on while changing over to their normal manufacturing lines. On the engineering side the demand for the Company's standard production had been active during the War, and notwithstanding the present hold-up of numerous electrical power station extensions, pending settlement of the legislation for the centralisation of the electricity supply, they found themselves immediately called upon for an increased output of Brush Ljungstrom turbo generator sets, transformers, and other auxiliaries. Further extensions of buildings and plant to cope with this situation were well in hand at Loughborough.

The report and accounts were unanimously adopted.

ANGLO-AMERICAN DEBENTURE CORPORATION, LTD.

THE twenty-ninth ordinary general meeting was held on May 22, at the Cannon Street Hotel, E.C., Mr. Vesey G. M. Holt (the Chairman) presiding.

The Secretary (Mr. A. H. Wynn) read the notice and the auditors' report.

The Chairman, in moving the adoption of the report and accounts, said that the directors recommended an increase of 1 per cent. in the dividend on the Ordinary stock, thus replacing this stock upon a 7 per cent. basis. For many years prior to the War they were able to recommend this distribution, but owing to a fall in revenue at the outbreak of the War the dividend was reduced to 6 per cent. The valuation of the securities this year showed a depreciation of £187,750 on the book cost of the investments, but with the transfers to reserve accounts which it was proposed to make out of this year's revenue the total reserves and balance carried forward now amounted to £212,274. The depreciation, therefore, was more than covered by the reserve accounts, and consequently the capital was intact. The net income for the year available for dividends, after paying the interest on Debenture stock, amounted to £35,073. The Preference stock dividend and the 7 per cent. dividend on the Ordinary stock, both less tax, required £31,261, and in view of the position of the capital account and the amount they were able to transfer to reserve account the directors felt justified in recommending a return to the pre-War dividend of 7 per cent. Turning to the revenue account, the interest and dividends received and accrued amounted to £85,414, against £86,081 last year. Although the amount credited this year showed a small reduction compared with last year, the actual revenue applicable to the year showed an increase, as in the previous year the arrears of dividend amounted to £1,840, which gave £84,240, as the actual gross revenue from interest and dividends, whereas this year, out of the figure of £85,414, only £390 was included for arrears of interest, so that the interest and dividends applicable to the year amounted to £85,024, or an increase of about £800. The commission and syndicate profits were about £1,000 lower than they were in the year ended March 1918. The profit on exchange showed a small reduction, as the income from American sources was slightly less than it was in the previous year. The trusteeship and agency fees showed a small increase, and he anticipated that during the coming year the revenue from this source would show a further increase. The Corporation now had investments in the United States of a book cost of nearly £600,000, which compared with over £1,000,000 in pre-War days. Many of these securities were deposited with the Treasury under the scheme for establishing the exchange, and the Corporation received an extra ½ per cent. commission annually on all such deposited securities. Although this ½ per cent. was an additional source of revenue, the American income tax fell as a heavy charge against their profits. At the present time they could not ascertain what their exact liability was in respect of this tax. It was, however, clear that they were entitled to deduct certain of their expenses against their American income, and recently they had heard that dividends on Preference and Ordinary stocks would be paid without deduction of tax; but in view of the uncertainty of the position the directors had made a reserve for what they considered was the full extent of the liability. He hoped, however, that the eventual payment which they might be called upon to make would not be so much as they had reserved, in which event, of course, the surplus would be carried to the benefit of next year's account.

Mr. Joseph Liddell seconded the motion, which was carried unanimously.

A donation of £210 to the British Red Cross Society was confirmed, and the retiring directors and auditors were re-elected, a vote of thanks to the Chairman and directors concluding the proceedings.

BRITISH ELECTRIC TRANSFORMER COMPANY, LTD.

THE sixteenth ordinary general meeting was held on May 22 at Salisbury House, London Wall, E.C., Mr. A. F. Berry (Chairman of the Company) presiding.

The Chairman, in moving the adoption of report and accounts, said: On the debit side of the balance sheet you will see that we had at December 31 issued the balance of our Ordinary and Preference shares to the full authorised amount of £200,000. The cost of this issue has been deducted from our reserve account, which now stands at £45,729. This reserve we propose this year to increase by adding a further sum of £7,500. Sundry creditors are some £10,000 more than last year. This figure naturally increases with the larger volume of work in hand. With regard to the credit side of the balance sheet, you will notice that we have expended £6,104 in the purchase of more freehold land, plant and machinery and office furniture. These assets now stand at about £65,000. On the debit side of the balance sheet we have a sum of £15,300 as a reserve for depreciation against these items, and you will see in the directors' report we suggest transferring a further sum of £2,000 this year. This amount of £17,300 we consider ample depreciation, and our auditors agree with us. With regard to the stock of materials, &c., this is about £33,500 more than last year.

With regard to the profit and loss account, the general charges have increased by about £1,900—not by any means a large increase when we bear in mind the amount of the work carried out during the year and the increased charges prevailing during the year. You will notice that the gross profit on the credit side of the profit and loss account is about £6,000 more than last year, while the net profit is over £5,000 in excess of that for the year 1917—a satisfactory increase in view of all attendant circumstances. As usual we recommend the payment of the 6% Preference dividend. In some ways we should feel happier with a dividend of 7% on these shares, because as things are to-day a Six per Cent. Cumulative Preference share does not stand at par. With regard to the distribution on Ordinary shares, you will no doubt remember that for three years during the War period the dividend on our Ordinary shares was reduced to 7½% and as much cash as possible put back into the business to help carry on. Last year we were able to revert to our pre-War rate of 10%, but, as I have previously pointed out, 10% may not now be considered a full and sufficient dividend. It is pleasant, by payment of the small bonus of 2½%, to afford some special recognition of the rights of Ordinary shareholders, and an indication as to what should be hoped for in the way of Ordinary dividend. With regard to the "capital" position, you are all aware that in view of the extent of the work in hand we recently obtained Treasury sanction for the issue of 125,000 shares, half Ordinary and half Preference. This brought our issued and authorised capital to £325,000.

Mr. T. Rowe seconded the motion, which was carried unanimously, and the proceedings terminated.

BANGAWAN RUBBER, LIMITED.

THE ninth ordinary general meeting was held on May 21 at the registered offices of the Company, 3 and 4 Great Winchester Street, E.C., Mr. W. J. Cotterell (Chairman of the Company) presiding.

The Secretary (Mr. R. Lawrence Spicer, F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman said: As you will see from the note on the balance sheet, the arrangement with the Chartered Company, by which our liability to them of £29,895 16*s.* 8*d.* for guaranteed dividends has been reduced to one of £20,000, has been completed, so that all the shares are automatically placed upon the same footing. This necessitates the issue of fresh certificates, the words "guaranteed" and "non-guaranteed" being henceforth dispensed with. The opportunity thus afforded has led your directors to comply with the representations which have been made to them to sub-divide the shares of the Company into 2*s.* shares—that is, ten shares for each £1 share now existing. To carry this arrangement into effect I should be obliged if those present will remain after the business of this meeting is completed, for the extraordinary general meeting, to pass the necessary resolution. Turning to the position of the estates, Mr. Bewsher writes:—"1. The property is clean throughout, and the trees have a bright and healthy appearance. They show a good growth during the year." "2. Tapping on the whole has been well carried out and wounding and bark consumption have been carefully supervised, and the board may rest assured that this very important work is being kept up to the mark." "3. The property is generally in first-rate condition, and has improved immensely during the last year." The prospects for this year are favourable, and if our Manager's estimate of a crop of 400,000 lb. at a cost of 10.2*d.* f.o.b., including all expenditure, is realised, as it should be, our next accounts will show a further step in the right direction. We take a hopeful view of the future of the market for rubber, and in view of the fact that it is possible to-day to sell the whole of our crop up to the end of 1920 at a price that would leave us with a good profit, this confidence seems justified; but in order to secure our position we have sold forward to the end of 1920 sufficient rubber to cover practically all estimated expenses. The price realised for these sales ranges from 1*s.* 10*d.* to 1*s.* 10¾*d.* into godown Singapore for standard sheet, and covers something under one-third of our crop, so that the position to-day is that we have insured all expenses until the end of 1920, and approximately all other sales will represent clear profit. I now propose "That the report and accounts to December 31, 1918, be received and adopted, and that a dividend of 3%, less income tax, be paid."

Mr. T. A. Gallie seconded the resolution, which was carried unanimously.

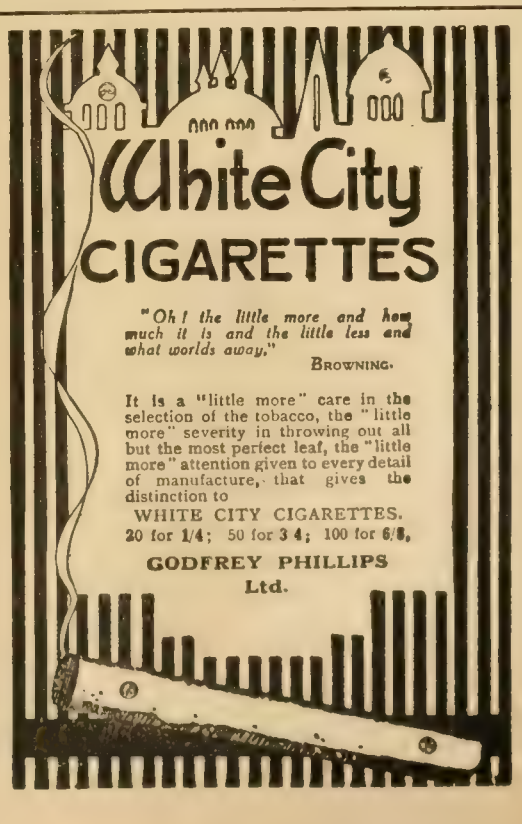
At an extraordinary general meeting which was afterwards held it was resolved: "That each of the 125,000 issued shares of £1 each and each of the 75,000 unissued shares of £1 each in the Company be divided into ten shares of 2*s.* each."

LINGGI PLANTATIONS, LIMITED.

THE twenty-third annual general meeting of the members was held on May 20 at Winchester House, Old Broad Street, E.C., Mr. Noel Trotter (the Chairman) presiding.

The representative of the secretaries (Messrs. Guthrie and Company, Limited) having read the notice convening the meeting and the report of the auditors,

The Chairman said: The average price obtained for our rubber was nearly 2*s.* per lb. London terms, or about 4*d.* a lb. less than in 1917; on the other hand, the "all-in" costs increased by 4½*d.* per lb., and the net result was a profit of just under 5*d.* per lb.—by far the lowest figure in the Company's history. The total profit was £40,603 17*s.* 9*d.*, as compared with £143,136 12*s.* 9*d.* in 1917. It would have been possible to have maintained a higher level of profit by drastically cutting down expenditure to skeleton proportions; but, instead of doing that, notwithstanding many unusual difficulties, we have endeavoured to maintain your property in the highest state of cultivation and efficiency, including the construction of improved roads, and we have adopted as bold a policy of extensions as the labour supply would allow. Owing to the artificial and abnormal conditions which obtained in connection with compulsory restrictions on exports and voluntary curtailment of crop, it is useless to put the statistics for the year under review in juxtaposition to those for 1917 for the purpose of comparison; but I hope you have read in the annual report the illuminating supplementary report contributed by Mr. E. G. Wilde, the visiting agent, on the year's work, giving interesting information on many points. That able *résumé* has lightened my duties to-day. The primary cause of the remarkably high cost of production is that the crop harvested was 1,100,000 lb. less than should have been secured under ordinary circumstances. The smaller crop meant not only less gross revenue, but also a considerably higher ratio of cost per lb. for harvesting; thus we worked under a double financial disadvantage. It has too often been said that the old producers, with their large and cheaply gathered outputs, are reluctant to participate in any scheme for co-operation among rubber companies. It is probably quite true that an old-established estate or group of estates, such as Linggi, is in better fettle to meet adversity than are estates commonly known as "young producers"; but I think the sacrifice in crop I have just mentioned clearly proves that Linggi has not taken undue advantage of its position, and, in fact, experience rather tends to show that it is usually the juvenile producers who fail to come into line. With 7,500 acres in bearing we tapped approximately only 5,000 acres last year. I am glad to say your estates are singularly free from serious trouble from pests and diseases. The following forward sales have been



made: 325 tons at an average of 2*s*. 1½*d*. per lb. for 1919 and 240 tons at 2*s*. 0¾*d*. per lb. for 1920.

Mr. Gilbert F. Traill seconded the resolution, which was carried unanimously.

An extraordinary general meeting was then held for the purpose of considering and, if thought fit, passing the following resolutions:

(1) "That the capital of the Company be increased to £750,000 by the creation of 5,500,000 new shares of 2*s*. each, ranking *pari passu* in all respects with the existing Ordinary shares."

(2) "That when and so soon as 3,450,000 of the said new shares shall have been allotted as fully paid, the whole of the Ordinary shares of 2*s*. each, both issued and unissued, be consolidated in such manner that every 10 of such shares be consolidated into one share of £1."

(3) "That the regulations contained in the printed document submitted to this meeting, and for the purposes of identification subscribed by the Chairman thereof, be and the same are hereby approved, and that such regulations be and they are hereby adopted as the regulations of the Company, to the exclusion of and in substitution for all the existing regulations thereof."

FERREIRA DEEP, LIMITED.

(Incorporated in the Transvaal.)

The seventeenth ordinary general meeting of shareholders was held in Johannesburg, on Wednesday, March 26, 1919.

The Chairman (Mr. M. Honnet), in moving the adoption of the report and accounts, said: Gentlemen,—The scale of operations during the 12 months ended September 30 last, dealt with in the report before you, showed a natural decrease owing to the lesser number of stope faces available, and was also influenced by the poor native labour supply throughout the year and the interruptions experienced at intervals in No. 1 Shaft. In all, 508,200 tons were milled, or some 78,000 tons less than during the preceding year. This, combined with further increase in the cost of stores and labour, raised the costs per ton milled to 23*s*. 5*d*., an advance of 2*s*. 2*d*. per ton, while the yield was 11*d*. per ton lower owing to the reduced amount of higher grade blockground available.

The working profit was £211,715 and the net profit £216,190, after allowing for the items of sundry revenue and expenditure detailed in the accounts. In addition, £40,505 were received in Union 5% Loan and cash as our share of the Bewaarplaats Moneys, leaving £35,000 to be received over a period from the same source. Dividends and bonuses absorbing in all £220,500 were declared, Government taxes amounted to slightly under £32,000, and an unappropriated balance of £147,893 was carried forward, of which £53,819 were net cash and investments in Government loans. As usual, the Consulting Engineer's and Manager's reports contain full information regarding the year's work in the mine. The use of the outcrop shaft was finally abandoned, and the stoping of the pillars will be commenced before long. An unusually large number of earth tremors were experienced, some sufficient to interfere with hoisting in No. 1 Shaft, the most serious trouble in this respect being experienced in January, when, following a heavy fall of ground, the shaft was out of commission for 16 days, and the profit for the month was reduced to £1,563. But for the precautionary stoping of reef where it occurred above or below the incline, the shaft would undoubtedly have been more seriously affected than it was. No serious trouble was experienced in other parts of the workings.

Ore Reserves.

3,184 feet of development were accomplished, practically completing the main development of the mine, but about the same footage has yet to be driven to ensure the thorough prospecting of the reefs in the poorer eastern section of the mine. Only 143,700 tons of an average value of 6.6 dwts. were developed; the reserves were therefore appreciably encroached upon, and with increased costs it was necessary to assume a higher pay limit when the ore reserves were recalculated at the end of the financial year. Consequently, 39,500 tons which would formerly have been included were cut out and the reserves were reduced to 932,400 tons of an average value of 8 dwts., 375,800 tons of this total being contained in shaft and boundary pillars and isolated blocks. The elimination of the above tonnage and the narrower stope width on which it was possible to base the estimate raised the general value of the reserves by 4 dwt. per ton. In addition, there were 307,660 tons of broken ore packed in the stopes; this may be regarded as a conservative figure. At the beginning of the current financial year progress was made with the reorganisation of the hoisting arrangements in No. 2 Shaft. One hoist is now operating in the deepened vertical in two compartments, and the other continues for the present to hoist from the incline round the bend and up the old portion of the vertical shaft; considerable benefit has been derived from the change, and before long it is hoped that the shaft pillars in the incline, above the sixth level, will be released for stoping and thus add to the available faces. The outcrop reduction plant will probably be finally closed down at the end of this month, when operations will be concentrated at the deep plant, where we aim at milling 36,000 tons monthly. Disused machinery and plant is being disposed of as opportunity arises. As the accounts indicate, over £8,000 were realised in this respect towards the close of last year, and further sales are now being effected. Arrangements are well advanced for the acquisition for the sum of £17,500 cash from the Robinson Deep of the right to mine portion of the boundary pillar and neighbouring areas in their property. This will release the corresponding pillar in our ground, and will be of mutual benefit to the two companies; the Robinson Deep realising a latent asset at an earlier date than could otherwise be possible, and our Company adding to its number of points of attack in good value ore.

The recovery per ton so far this year compares favourably with that of last year, but costs per ton have again increased appreciably owing to lesser tonnage milled, and it is necessary to call your attention to the warning contained in the Consulting Engineer's report that with the now dwindling mine a reduced scale of profit must be looked for.

Mr. H. A. Rogers seconded the motion, which was carried unanimously.

The proceedings then terminated.

ANGLO-MALAY RUBBER COMPANY, LIMITED.

The thirteenth ordinary general meeting of this Company was held on May 23 at the Council Room of the Rubber Growers' Association, 38 Eastcheap.

Sir Frank A. Swettenham, G.C.M.G., who presided, said: We are able to advise the payment of a final dividend at the rate of 35%, which is the same as you received at this time last year. Whereas for 1917 we produced 1,720,247 lb. of rubber, which sold at a net average of 2*s*. 1.38*d*. and left us with a profit of £130,346; in 1918 our restricted harvest of 1,386,264 lb. at actual and estimated prices will realise only 1*s*. 7.34*d*. per lb., and the year's profit will be £55,687. The profit per lb. is, therefore, in round figures, nearly two-thirds of that earned in the previous year, and, as the production was 333,000 lb. less, the total profit is not half that of 1917, and does not equal the amount we carried forward from that year's accounts after paying 65% in dividends. Notwithstanding these facts, for which no one connected with the Company is in any way responsible, you will, I feel sure, be satisfied that, under such circumstances, we are able to recommend a final appropriation which makes the dividend for the year 45%. It has only been possible to do that and to make the necessary provision for capital expenditure and income tax because of the large sum brought forward from the last account. If you agree with our proposals we shall have £30,306. The property is reported to be in good order throughout; much has been done to clear away fallen timber and roots, and this work has added to the cost of production. On the four estates there are now 4,476 acres of rubber, but it may be necessary to replant about 300 acres in the older areas, which, owing to original close planting and early tapping on methods less careful and skilful than those now employed are becoming worn out. Weeding has been done at a moderate cost, and the labour force was only sufficient for our needs. The harvest was secured from 3,979 acres in tapping, with an average yield of 349 lb. per acre. The profit per bearing acre was £13 4*s*. 4*d*., against £32 13*s*. 3*d*. in 1917. The f.o.b. cost for 1918 was just over 2*d*. per lb. higher than in the previous year, and this was mainly due to restriction of output and the expense of clearing timber. After a prolonged period of crop restriction it is not possible to get back at once to full production, but the manager's estimate for the current year is practically 1,600,000 lb. at an estate cost of 9*d*. per lb., which under peace conditions would mean an "all-in" cost of about 1*s*. The board do not pretend to foresee the trend of rubber prices during the next 18 to 24 months, but, believing it would be in your interest to sell forward a portion of this and next year's harvests at the prices available, they have sold 211 tons of first-grade rubber for delivery out of the 1919 production at an average net price of 1*s*. 9.92*d*. per lb., and, for delivery out of the 1920 harvest, 90 tons at an average net price of 1*s*. 10.76*d*. Those prices, on the estimated output for 1919, should give a satisfactory return, provided the cost of production is kept within the estimate. Whilst the capital of the Company still stands at £150,000, we have spent an additional £189,556 on the property, the whole of that sum having come out of profits earned in past years. From the year 1906 the Company has, including the distribution now proposed, paid 709% in dividends, making an average annual payment of 54½%. Of course, the real capital invested in the property was £150,000 for only a short time; it is now, roughly, £340,000, and it may be necessary within the next few years to spend a further £30,000 in renewal of worn-out buildings, additional machinery, and the bringing into bearing of immature rubber; but with a return to peace conditions we feel confident that this Company will be able to do whatever is necessary to maintain the property in the best conditions without any serious call on the profits we hope to earn in future years.

The report was unanimously adopted.

NATIONAL BENEFIT
ASSURANCE COMPANY, LTD.
All classes of INSURANCE, including LIFE, FIRE, MARINE, ACCIDENT, PROPERTY INVESTMENT, WAR RISKS, EMPLOYERS' LIABILITY, &c., at very favourable rates.
PROSPECTUS ON APPLICATION.
ASSETS EXCEED £1,500,000.
MANAGING DIRECTOR: J. FRANCIS, J.P., F.S.S.
Head Offices: NATIONAL HOUSE, NEWGATE STREET, LONDON, E.C. 1.
Marine Underwriting Rooms: 74 CORNHILL, LONDON, E.C.3.

REFUGE
ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.
Annual Income Exceeds - £4,700,000
Assets Exceed - - - - £15,900,000
Claims Paid Exceed - - - £28,000,000

IMPORTANT NOTICE.

WHITSUNTIDE HOLIDAY ARRANGEMENT.

"THE STATIST" will be published on Friday next, June 6, instead of on Saturday.

The Statist.

LONDON, SATURDAY, MAY 31, 1919.

CONTENTS.

	PAGE
LEADING ARTICLES—	
THE PEACE CONFERENCE ...	973
FRENCH TAXATION	974
THE UNEMPLOYED	974
INDUSTRIES OF THE WEST RIDING	975
MEXICO.—II	976
THE WOOL INDUSTRY.—II....	977
BANKING IN THE NORTH OF ENGLAND.—II.	978
PEAT RESOURCES OF IRELAND. —IV.	981
FOREIGN COMPETITION IN WOOL MANUFACTURE.—I.	982
COMMERCIAL INTELLIGENCE	983
DEVELOPING FRENCH TRADE	984
S. AND CENTRAL AMERICA—	
THE DEMERARA RAILWAY AND BRITISH GUIANA	979
THE DE BUNSEN MISSION ...	980
THE MONEY MARKET—	
A DEPRECIATED CURRENCY...	965
STOCK EXCHANGE... ...	967
MINING TOPICS—	
HOLLINGER	968
CONSOLIDATED MINES SELECTION	969
UNION CORPORATION ...	969
LONELY REEF	970
TABULAR APPENDIX—	
I. Bank Returns, &c. ...	970
II. Current Bank Rates of Discount	971
III. Foreign Exchanges ...	971
IV. Bankers' Clearing House Returns	971
V. Freights	971
VI. Wholesale Prices of Commodities	972
VII. Railway Revenue Statements	972
VIII. Railway and Tramway Traffic Receipts ...	972
FINANCIAL NOTES—	
FOOD CONTROL	985
MR. VANDERLIP'S SPEECH ...	986
BRITISH WAR LOAN ON THE CONTINENT	986
FOREIGN EXCHANGE... ...	986
AMERICAN TOPICS—	
INTERNATIONAL HARVESTER	987
REVIVING TRADE	987
RUBBER TOPICS—	
ANGLO-DUTCH PLANTATIONS	988
UNITED SUA BETONG ...	989
NORDANAL (JOHORE) ...	989
KOMBOK (NEGRI SEMBILAN)	989
NEW ISSUES—	
ABYSSINIAN CORPORATION ...	993
CUBITTS' ENGINEERING CO.	993
UNITED PREMIER OIL AND CAKE CO., LTD.	993
THE JAMES PATENT TRACTOR PLOUGH (ENGLAND), LTD.	994
THE PENCISELY STEAMSHIP CO., LTD.	994
W. S. LAYCOCK, LTD. ...	994
LIVERPOOL CORPORATION BILLS	994
JAMES PASCALL, LTD. ...	994
WILLIAM GOSSAGE & SONS	995
INSURANCE NOTES—	
EQUITABLE LIFE ASSURANCE SOCIETY	990
UNIVERSAL LIFE ASSURANCE SOCIETY AND EQUITABLE LIFE ASSURANCE SOCIETY	990
COMMERCIAL—	
THE BISCUIT INDUSTRY ...	991
INDUSTRIAL COMPANIES—	
ROYAL MAIL STEAM PACKET	995
BURNAT AND MAY [...	...1028
REPORT—	
INTERNATIONAL HARVESTER COMPANY	996
MEETINGS OF PUBLIC COMPANIES ...	1000-1028

The Money Market.

Friday, May 30, 1919.

	CURRENT RATE %	CURRENT RATE FIXED	PREVIOUS RATE %	PREVIOUS RATE FIXED
Bank of England Rate...	5	(Apr. 5,'17)	5½	Jan. 18,'17
Bank of England Rate — to Clearing Banks: 3 days' notice ...	3	(Feb. 14,'18)	4	June 19,'17
Bank of England Rate — for Foreign Money*	4½	(Nov. 15,'17)	extended	Jan. 2,'18

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances.

Deposit Rates :—

Banks & Discnt. Ho. (Call)	3†	(Feb. 14,'18)	3½	Jan. 2, 18
Discount Houses (Notice)...	3	(June 6,'18)	3¼	Feb. 14,'18

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates :—

	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Tr'sury Bills (Fixed Feb. 14,'18)—		3½	—	3½
Bank Bills	3½	3½	3½	3 7/16
Trade Bills	—	4–4¼	4–4¼	4–4½

A DEPRECIATED CURRENCY.

WE refer very briefly in our Financial Notes to a prevailing impression, in circles from which one would think it would be absent, to a confusion of mind as to the effect of a depreciated currency upon exports. Quite a considerable number of traders in this country seem to be under the impression that because the German mark is heavily depreciated upon the European exchanges and the exchanges of the world Germany will be in a position as soon as peace is concluded to flood the markets of Europe with her manufactures at prices which it will be impossible for other countries to compete. A depreciated currency by itself never yet led to a large export trade in any country. Assuming that the Peace is signed within the next week or so, and Germany agrees to pay the indemnity asked, or such proportion of it as is agreed to by the Allies in the instrument constituting the Treaty of Peace, she will, of course, have to export goods upon an immense scale.

Presumably, when the Treaty is signed Germany will bring out a great loan, partly for clearing up the balance of her expenditure in connection with the war not already covered by her present issues, and partly to meet the indemnity exacted. Now it is perfectly evident that she will have no means of paying off such a loan immediately. All that she can hope to do for some time to come is to pay the interest upon such a loan which will satisfy the requirements of the Allies.

A depreciated currency by itself would not assist her in paying such interest. The only method by which she can pay it is by producing upon such an economic scale as will enable her to export upon a lower economic basis than is practicable to her competitors. In other words, the Germans will have to live upon a poorer scale than the people of the Allied countries to whom the debt is owed, but this is not assisted by a depreciated currency *per se*. The confusion which arises in certain peoples' minds regarding the influence of a depreciated currency is due to failure to appreciate why the exchanges are in favour of some countries and are adverse to others. Whatever the currency of Germany might be while she is indebted to the extent of the indemnity to the Allied countries, the exchanges will continue adverse to Germany with reference to those countries simply because she owes more to the Allies than the Allies owe to her.

Although this country is working in close alliance with the United States of North America, and the British currency is only depreciated to a very small extent, the exchange as between New York and London is steadily adverse to London. So adverse was it during the later stages of the recent War that our Government instructed its agents in New York to spend vast sums of money simply for the purpose of bolstering up the exchange, which it was feared would depreciate to an alarming extent were it left to find its

natural level. This, notwithstanding the fact that the United States, both as a Government and as a nation, was doing all she could to assist us and her other Allies to win the war. Now, why was the exchange between New York and London so adverse to London? The reason was perfectly simple and has nothing to do with our currency. It was adverse to London simply because we were buying food and raw material as well as munitions of war from the United States to a greater extent than we were either supplying commodities or rendering services to that country, and hence the exchange market put the rate down with regard to us because it saw that we were heaping up a heavy burden of indebtedness, which we were not then, and are not now, in a position to liquidate. The pressing burden of the debt, as we explained last week, is about £1,000,000,000. Now, suppose that any circumstances could arise which would enable us during the course of the next few weeks to liquidate this debt to the United States exchange would at once recover to what is called par. It would recover just the same even if the process involved an increase in our paper issue, which might have the effect of further depreciating our currency here at home. All it would mean is that so far as the United States are concerned we had paid off a pressing debt.

An adverse exchange between countries is like a bill or demand to pay between individuals. An individual heavily in debt might be in a position to sell some property which would enable him to pay his debt, but although he might have nothing left there would be no bill of debt out against him. In the years that preceded the recent War the United States were accustomed to send us produce of various kinds each year to the value of about £100,000,000, being interest on various investments which we then had in the United States. The rate of exchange, as it was called, remained about par because the services rendered by this country and the produce which the United States was accustomed to send us about balanced one another, and, if they did not upon any occasion, either London sent gold to New York or New York sent gold to London. As a rule the services rendered on the one side and the produce sent on the other virtually balanced each other, and consequently maintained the par of exchange.

Now Germany, whenever the Peace is signed and she determines to set her house in order and to pay off the indemnity, can only hope to do so by working hard and living poorly—or saving as it is called. As said above, she will have to issue some form of loan which will take the form of obtaining food and raw materials which will enable her to manufacture goods with which to pay the indemnity. There are no exportable assets in the country which would enable her to pay the interest on the loan, assuming that it is anything like the figure demanded by the Allies, by any other means. The total gold holding in Germany is only about £80,000,000, and this would go a very short way even in the paying of one year's interest upon a large indemnity. If Germany is enabled through hard work and economy in living, not merely to pay the interest upon her indemnity, but to buy back from the Allies, or whoever holds her loan, a proportion of that loan, her exchanges will gradually improve.

It has to be remembered that Germany for more than four years has been engaged in fighting something like three-quarters of the estimated population of the world, and consequently is greatly impoverished. Although relatively, considering the enormous odds against her, her casualties were light, they were, in fact, with reference to her population, very severe. She has lost a greater proportion of her young men than is the case with any of the other belligerents, and her wounded, disabled, and otherwise economically inefficient part of her population is enormous. Consequently, it is hardly conceivable that she will be in a position to obtain the means or possess the man-power to manufacture on such a scale as appears to be apprehended by those who argue that a depreciated currency will of itself stimulate exports.

BANK OF ENGLAND.

The principal movement indicated by the week's Bank return is the transfer of over £11,000,000 from Government account to the credit of the market. Thus, Government securities were £6,183,000, up and public deposits £5,070,000 lower, while "other" deposits showed an expansion of £11,250,000. Public deposits at £21,034,000 are lower than shown in any return since December 2, 1914, and the Government has this week to distribute £50,000,000 by way of dividends on the War Loan. The note circulation for the week showed a further small increase which carries the total very nearly back to the record figure reached on April 30. However the increase in the stock of coin and bullion was only £64,616 less than the expansion in the note circulation, and the reduction in reserve was consequently very small, though the proportion to liabilities shows a decline of nearly a point to 19.19%.

For the fifth week in succession the currency note circulation shows a contraction, cancellations exceeding issues by £626,000. This reduces the total outstanding to £344,212,731, including £36,190,000 of certificates.

POSITION IN NEW YORK.

The New York Stock Exchange was closed yesterday and is closed again to-day, but the week has been an exceedingly active one on the Wall Street market. The United States has come out of this War with increased political prestige and enormous economic advantages. New York is looking forward to being one of the world's great financial centres in the sense that she has not been a financial centre in the past. In addition, the crops so far promise to be of the greatest magnitude ever gathered in that fortunate country. If the harvest actually realises expectations, the United States will be in a position to sell unprecedented quantities of food and raw materials at prices brought about by the worldwide shortage both of food and raw material. She will thus obtain balances which she will be able to withdraw at her option sooner or later in all the great markets of the world.

THE POSITION IN INDIA.

India appears to be gradually settling down after the period of political unrest through which it has lately passed. The most important factor in the immediate economic future of India is the coming monsoon, which should burst in a few weeks' time. If this is favourable, and the rains continue well into September, India will once more resume the period of prosperity she has enjoyed for so many years and which has only been interrupted by the partial failure of the monsoon last season. Apart from the political changes which are taking place in India, the country is experiencing the influence of remarkable economic changes. During the recent War, and owing to the fact that British shipping, which had formerly supplied the bulk of the carrying capacity of the world, was engaged in the War, India was brought into contact with various countries with whom she had formerly dealt only through the medium of England. This was due to the fact that England offered banking facilities, insur-

ROYAL EXCHANGE
ASSURANCE.
Incorporated A.D. 1720. Governor: VIVIAN HUGH SMITH, Esq.
FIRE, LIFE, SEA, ACCIDENT,
and GENERAL INSURANCES.
The Corporation is prepared to act as TRUSTEE and EXECUTOR.
Apply for full particulars of all classes of Insurance to the Secretary—
Head Office: ROYAL EXCHANGE, LONDON, E.C. 3.
West End Branch: 44 PALL MALL, S.W. 1.

ance facilities and transportation facilities which could not be found elsewhere. India herself had neither the accumulated capital, the trained insurance experts, or the shipping which would have enabled her to do the trade herself. Circumstances due to the War have forced her into direct trading with various countries, but, of course, at very enhanced expense. India, it has to be remembered, is a very poor country, and she lives on the export of food and raw materials, and it is probable that when conditions become normal, she will find it more economical to transact the bulk of her trade through England as formerly. All the same, her experiences during the recent War are likely to have far-reaching influences, which in due time will bear fruit.

INDIA COUNCIL SALES.

	This Week			Next Week
	Offered	Applications	Allotted	To be Offered
Amount...	Rs.1,00,00,000	Rs.2,05,55,000	Rs.1,00,00,000	Rs.1,00,00,000

Allotments on Tuesday, May 27, 1919.

	Bills		Deferred T.T.		Immediate T.T.	
Applications ...	—		Rs.1,80,55,000		Rs.25,00,000	
Drafts on—	Rs.	Rate	Rs.	Rate	Rs.	Rate
Calcutta ...	—	—	30,85,000	1/7·9375	10,95,000	1/8
Bombay ...	—	—	41,1.,000	1/7·9375	1,22,000	1/8
Madras ...	—	—	15,83,000	1/7·9375	—	—
Total ...	—	—	87,83,000	1/7·9375	12,17,000	1/8
Allotted ...	—	—	48%		48%	

Sales for week to May 26, 1919 ... Rs.60,00,000 realising £498,150 (1/7·9)
Sales, Apr. 1, '19, to May 26, '19 Rs.1,80,00,000 „ £1,415,986 (1/7·2)
Sales, Apr. 1, '18, to Mar. 31, '19 Rs.15,50,00,000 „ £11,516,754 (1/5·8)
Sales, Apr. 1, '1., to Mar. 31, '18 Rs.45,20,00,000 „ £31,106,219 (1/4·5)

SILVER.

For reasons which we explained last week, there has been a sharp recovery in the Silver market and the price of the metal has been well over 52*d.* per oz., nearly all the week. The price closes to-night at 52½*d.* Owing partly to the long prosperity which India has enjoyed now for so many years, and partly to the absence of means of remittance from this country to India, India has been, during the long period of the War and since the Armistice, the dominating influence on the international market, as, indeed, she has to a large extent, or at any rate to an appreciable extent, on the Gold market of the world. She has imported during the War over 50 millions worth of gold and, not satisfied with this, she has, in addition, imported nearly wholly through the medium of the United States 400,000,000 oz. of silver, and in addition she is obtaining nearly £200,000,000 worth of silver. This silver is said to be required for the coining of rupees, but there seems little possibility of doubt that the native, although it is illegal to do so, as soon as he gets the rupee from the mint, promptly melts it into bullion for the purpose of hoarding. Indian women from time immemorial have been accustomed to wear silver ornaments round their necks, on their arms, and round their ankles, and it is now reported by those in close touch with India that they are wearing gold chains concealed under their clothing about their persons. This is economically unfortunate, and it is, of course, in addition, a disquieting political feature.

Stock Exchange.

An appearance of tiredness after their previous fortnight's activity has characterised the Stock markets of the past week, though one or two sections have proved mild exceptions to the general rule and among Industrials there has been nothing like a pronounced set-back. Indeed, the higher prices have on the whole been well maintained. The principal influences affecting business continue to be the uncertainty both as to the date and the terms of the expected new loan and the prospects in regard to the signing of Peace. One day it is forecasted that Germany will sign, and on another we are told they will not. This fluctuation of newspaper correspondents' opinions, however, does not disturb dealers, or for that matter the investing public, to a great extent. Everyone knows that Germany has little option in the matter, and is, naturally enough, striving for better terms. Still, absence of knowledge as to the final clearing-up date acts as a restraining factor in regard to Stock Exchange business. The date of the appearance of the new loan, too, must make a considerable difference to the course of markets, and the terms, of course, closely concern the gilt-edged section. We are still without official information on either point, and forecasts in such matters have too often proved wrong and misleading to be worth serious consideration. It is to be noted, however, that the Chancellor of the Exchequer will on Monday next ask the sanction of Parliament to the raising of a new loan. Next week will witness the disbursement of the big dividend on the War Loan, and reinvestment of a large proportion in Stock Exchange securities may have a noticeable effect on conditions.

On the week practically the whole of the gilt-edged list exhibits lower quotations, Consols being ¾ down at 55¼ and the 5% War Loan, despite some buying being reported on Continental account, showing a decline of 7/16 to 94 7/16. As usual there is practically no change to report in Colonial Government stocks. In the foreign section French issues have fluctuated slightly with the exchange. The 5% stand at 81, against 80½. Brazil Rescission have put on another 2½ points to 72½, and Japanese 1905 series are better again, and the same can be said of Peruvian Corporation Ordinary. Russian bonds have been bought on hopes of Petrograd being taken by anti-Bolshevist forces, and command higher quotations.

The Home railway market turned better in mid-week, the stocks of the heavies, more particularly, showing to advantage. No particular reason is assigned for the improvement, but probably the possibilities connected with the striking of oil in Derbyshire have been the stimulating factor. Undoubtedly it is an occurrence full of potentialities, and though as yet no information is available beyond the actual fact of oil having been struck at about the expected point, 3,000 feet beneath the surface, it is difficult to keep the imagination from becoming fired. Kent coal has long been a market influence in regard to Kentish railway stocks; but past mismanagement has disheartened even the optimists. With oil it may be very different, for the Government has control of the operations, which are in the expert hands of S. Pearson and Sons. Everything depends upon the quantity, of course, but no great vision is required to foresee the revolutionising effect upon industry if the first find is followed by others and large-scale development ensues.

American railway stock prices have further appreciated somewhat, in line with the active market conditions in New York. Foreign rails, however, have continued neglected and weak in tendency, especially Argentine issues. While Brazil Common are a little higher, San Paulo have dropped back to 173½. Guayaquil and Quito bonds have been put up two and a-half points on the recommencement of interest remittances.

BARCLAYS BANK
LIMITED
(with which is amalgamated the LONDON PROVINCIAL & SOUTH WESTERN BANK Ltd.)

Business with France.

Barclays Bank Limited, by means of its subsidiary French Banking House, with offices at Paris and the principal centres, offers exceptional Banking Facilities to traders with France.

INQUIRIES ARE INVITED.

Address:
The Foreign Manager, 168 Fenchurch St., E.C.3.

In the industrial and general sections quotations have well resisted the effect of rather idle business conditions. Alterations either way are relatively few in number and unimportant in extent. In banks, Hongkong and Shanghai have again shown to advantage, and Lloyds are also well up on the week. Breweries have inclined to be dull, especially Allsopps. Of Egyptian securities there is little to be said. Elsewhere Imperial Continental Gas show further improvement, and among insurance issues Royal Exchange have been a feature of persistent strength, rising from 385 xd to 430. Norwich Union, too, are up 4½ points at 67. Iron and steel shares, where altered, are in the majority of cases quoted a little lower. Babcock and Wilcox, however, have risen on the report, and Cammell Laird are ½ better at 6⅝. In the land group Forestals and Pekin Syndicate have dropped a trifle of their last week's gains, but the higher price attained by Nigers has been well maintained. A few motor shares have continued in demand, but otherwise Industrials have as a rule displayed an easier tendency, though unmarked by any pronounced decline. Dunlops, Maypole Dairy, and Chinese Engineering and Mining have been features of strength. Hudson Consolidated are a little lower. Shareholders are offered 70,000 7½% Cumulative and Participating Preference shares of £1 each at par and 141,693 Ordinary shares at 25*s*. The bonus is small. In regard to textiles, improvement in the cotton trade is reported, and the prices of the leading securities have, if anything, inclined to firmness. Fine Cotton Spinners have recovered a portion of the dividend and bonus deduction.

Quotations of the leading oil shares have dropped back, but not to a particularly marked extent. Exceptionally, British Burmah have risen another 3s., and North Caucasian have been good on the announcement of the issue to shareholders of 268,800 Ordinary shares at par (10*s*.), which compares with the market quotation of 30*s*. for the existing shares.

The directors of the Antofagasta (Chili) and Bolivia Railway Company announce that the accounts have only just arrived from Chili and Bolivia, but sufficient information is available to warrant the directors in recommending a final dividend of 7½%, less income tax, for 1918, on the Deferred Ordinary stock, making a total of 10% for the year. In addition, a bonus of 2% in fully-paid Deferred Ordinary stock is to be distributed to both Preferred Ordinary and Deferred Ordinary stockholders without deduction of income tax. To reserve £100,000 is to be added, and to Staff Benevolent Fund £25,000, the balance carried forward being approximately the same as a year ago. In respect of 1917 the same dividend and bonus distributions were made, but the additions to reserve and Benevolent Fund totalled £175,000. For the current year the traffic receipts show a heavy falling off, the aggregate from January 1 to May 25 being only £554,130, against £980,685.

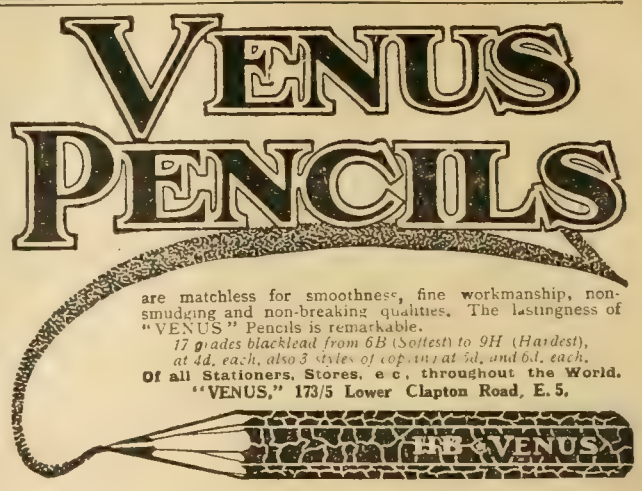
NOTICE TO BANKERS.

Advances upon STOCKS AND SHARES will be entertained upon favourable terms by the

LEGAL & GENERAL LIFE ASSURANCE SOCIETY.

The transactions can be carried out expeditiously and cheaply, and full particulars will be sent upon application to

No. 10 Fleet Street, London, E.C. 4.



Mining Topics.

UNTIL Thursday the principal sections of the Mining market were dull and reactionary on profit-taking sales. South Africans were rather upset by the cable giving particulars of a letter addressed by the President of the Chamber of Mines to the Acting Prime Minister, stating that the situation in regard to the mining industry is one of the utmost gravity. There is just a possibility, however, that the serious warning which Sir Evelyn Wallers has addressed to the Union Government and his statement "that the crisis would be increased or decreased in proportion as consideration was shown to the industry by the Government" may have a good effect. Whether it was through thought being given to this aspect of the matter, or because of natural recovery, the market took on a better appearance towards the close of the week, under the lead of Johnnies, which have now advanced to 29*s*. 6*d*. Their rise, however, is probably connected with the strength of diamond descriptions. De Beers Deferred have risen to 22, and Jagersfontein to 6¼. In Rhodesians Lonely Reef have shown up well on the good report. Early weakness in tin shares has been succeeded by a little buying of Nigerians, to which quotations responded a little. Broken Hills have continued on the dull side and some of the recent American favourites have receded a little on profit-taking. Siberian mine shares, however, have been a better market than for some time past and quotations are well up on the week on hopes of the capture of Petrograd from the Bolshevists being imminent.

HOUTPOORT.

PROSPECTING for the Van Ryn Reef series on this Company's South-eastern Rand property is proceeding, and though the monthly progress report for the month of March, just received from the Consulting Engineer, seems to hint in ambiguous language and with pronounced diffidence that it has been found, we think the majority of people interested in the subject will prefer to wait for evidence. It is stated that the same body of reef has been discovered as found on the Townlands, and that this reef body is lying several hundred feet below the reef that was being worked and is very much closer to the shales. Further—we had better quote the statement—"Its position relative to the shales, also its characteristics, are more in conformity with a normal section of the Van Ryn series than the reef which was being worked above it, and it is now evident that work done previously on this side of the fault was being done on the 'Chimes' series, and not the Van Ryn Reef, as was believed." After stating that enumerated comparative sections are enclosed with the report, and are similar to those found on the Van Ryn series at New Kleinfontein, New Modderfontein, and Sub Nigel, it

is added: "The reef where opened up on this new line [undefined] contains large pebbles, and No. 1 shaft—just started—gives the following sections:—

Top 3 inches	Sandstone	... ...	5 dwt.	— 15 inch-dwt.	
„ 6 „	Reef	... ...	10 „	— 60 „	„
„ 210 „	Pebbly Sandstone	...	2 „	— 40 „	„
„ 3 „	Reef	... ...	10 „	— 30 „	„
				145	

If these are supposed to be consecutive measurements across the width—which one would surmise to be the case from the totals being given—they can hardly all be "top," and the values are very poor.

The Rhodesia Broken Hill Development Company.—The following borehole results have been reported this week:—*Borehole No. A* 6 (situated 130 feet East of No. 1 Kopje) cutting good body of zinc ore and lead ore, the latter containing 28% lead from 56 feet to 72 feet. *Borehole No. A* 7 (situated 320 feet East of No 1 Kopje) cutting large bodies of zinc ore and lead ore, the latter containing 23% lead from 125 feet to 148 feet. *Prospecting Shaft* is down to water-level in high-grade lead ore, midway between these boreholes, both of which are inclined 60° to horizon.

CONSOLIDATED MINES SELECTION.

Last year was a favourable one for this Rand mining finance Company owing to several new opportunities occurring for making profits. In the first place, the transaction involved in the sale of the Schapenrust claim area to the Brakpan Company came into the year's accounts. Then there was the flotation of the West Springs, in respect of which the Company as one of the guarantors received a commission of 5%, and an arrangement was come to for providing funds for the Daggafontein Mines at a cash commission of 2½%, plus option rights. The Company also obtained a participation in the subscription of capital for the West Springs, and, further, received a dividend in West Springs shares from its large holding in Springs Mines. It is true that the Brakpan Mines paid a considerably smaller dividend, but, on the other hand, the Springs Mines commenced cash distributions which tended to balance the Brakpan falling off. These circumstances serve to explain the figures in the accounts. Profit on security sales for 1918 amounted to £103,647, against £98,876, while dividends and interest were £5,700 larger at £94,931. Administration expenses were about the same as in 1917, but a special provision of £9,854 having to be made for writing off the cost of sundry investigations, &c., the net profit for the past year comes out only a little more—viz. at £181,896, against £180,261. This easily sufficed for the maintenance of the dividend on the £552,500 of share capital and the allocation again of £20,000 to reserve. The following table shows the course of earnings for three years, and also gives a comparison of the balance-sheet items:—

Yr. to Dec. 31	Profit on Security Sales	Divs. and Int., &c.	Net Profit*	Directors' Extra Income Tax	Re-muntn.	Deb. Int.	Added to Reserve	Div.		Amt. of Carry-frw'd.
	£	£	£	£	£	£	£	£	%	£
1916	48,952	90,670	131,390	2,208	11,585	5,109	15,000	96,342†	22½	9,216
1917	98,876	88,934	180,261	11,189	18,838	4,826	20,000	124,313‡	30	10,311
1918	103,647	94,931	181,896	17,037	19,000	4,523	20,000	118,037‡	30	13,550†

* After deduction of administration and office expense, &c. (£8,302 in 1916; £6,849. 1917; £16,682, 1918).
† Estimated after allowing for estimated directors' extra remuneration.
‡ After deduction of income tax.

Balance-Sheet Items.

ASSETS. Dec. 31	Estate and House Property	Sundry Properties*	Investments—S African Concerns	Other Concerns	Sundry	Debtors & Advances	Cash, War Bonds
	£	£	£	£	£	£	£
1916 ...	4,638	11,354	521,846	62,307	7,321	101,353	186,693†
1917 ...	5,809	19,238	441,412	61,546	7,321	110,235	319,293†
1918 ...	6,297	545	593,513	45,046	6,742	134,295	334,389†

LIABILITIES.	Share Capital	Debentures	Reserve	Creditors	Contingent Liability	P. & L. Acct Balance
	£	£	£	£	£	£
1916 ...	552,500	96,520	45,000‡	48,917	21,030	132,144†
1917 ...	552,500	90,460	60,000‡	77,457	11,475	173,461†
1918 ...	552,500	84,100	80,000‡	123,079	117,000	170,647†

* Deep-level claims, farms, &c.
† Before payment of year's dividend and directors' extra.
‡ Before adding the year's allocation.

It will be observed that the distribution to shareholders has depended to the extent of about 50% upon profits on share sales, and from this it is apparent that to continue 30% payments the receipts from cash dividends must be higher unless share profits continue at the rate of £100,000 per annum. As to this, it may be observed that the temporary shortage of labour and other abnormal factors largely accounted for the drop in the Brakpan's dividend last year, while the outlook is that the Springs distribution will be increased. Last year only one half-year's payment was in cash. The C.M.S. Company has also a large holding in the Rand Selection Corporation, and is engaged in the financing of the Daggafontein, and partially also the West Springs. Moreover, while it has contracted to take up Brakpan shares at £5—considerably above the present price—it has with its associates, on the other hand, an agreement to subscribe for Springs Mines shares at £3, and has itself a call on 100,000 Rand Selection Company's shares at £3¼ for five years from July 1916.

It appears from all these main factors that if the Mining-share market is fairly active this year profits on share transactions will again be high, while the cash dividend outlook is also good. Later potentialities are substantial in view of (1) the future expansion of operations at the Brakpan and Springs through the development of the leased areas, (2) the opening up of the Daggafontein and West Springs mines, (3) the association with American capitalists and engineers of the Anglo-American Corporation, and (5) the substantial interests in the Burma Corporation and the Itabira iron-ore deposits in Brazil. The following is a comparison of the present price with the recent highest and lowest quotations of the shares of the Company and of principal concerns associated with it:—

Highest and Lowest Prices,

	1914 H.	1914 L.	1915 H.	1915 L.	1916 H.	1916 L.	1917 H.	1917 L.	1918 H.	1918 L.	Present Price
C.M.S. (10/0) ...	11/3	6/9	15/0	6/1½	26/0	13/0	30/0	19/	31/6	25/6	30/0
Rand Selection (£1)	1⅜	⅝	2 7/16	1 7/16	3½	46/0	5	3	4 13/16	3⅞	4¼
Brakpan (£1) ...	3 1/16	1 5/16	3½	2¼	5 5/16	3 3/16	6⅞	4⅜	5 13/16	3 15/16	3⅞
Daggafontein (£1)...	—	—	—	—	—	—	22/9	12/3	33/10	22/6	29/0
Springs	¾	½	38/9	9/9	68/9	36/0	4 1/16	2¼	80/0	66/0	3⅛

UNION CORPORATION.

Thanks to the higher dividends paid last year by the two Eastern Rand subsidiary companies—Modder Deep and Geduld—and partly, probably, to a larger revenue accruing from share dealings, the Union Corporation's report for 1918 compares very favourably with that of previous years. The net profit amounted to £145,380, against £114,984, and the dividend is raised from 8% to 12%. This will involve the distribution of £105,000, as compared with £70,000 last year. The allocation to reserve is maintained at £20,000, and about £4,600 less is added to the carry-forward, which, however, now stands at £45,364. The balance sheet shows that a good proportion of the business is financed by loans, sundry creditors at December 31 standing at £628,101. Besides this, current liabilities comprised £224,000 for dividends. On the other side, share and Debenture holdings at or under cost figured for £777,816; advances to subsidiary companies £174,883; claims, real estate, sundry participations, &c., £32,661; while cash, Treasury bills, Government securities, sundry debtors, and other liquid assets totalled £727,335. Contingent liabilities for uncalled capital on investments amounted to £62,194.

The results obtained, it should be particularly noted, were without any assistance from the interests in Mexican mining companies—the La Fe and the San Francisco mines—both of which are in a position to produce silver and other metals on a large scale, but have not been able to operate in consequence of the internal conditions in Mexico. When these undertakings can be restarted the high price of silver should enable considerable profits to be earned, though prob-

ably it will be some little time before a return to Debenture and share holders eventuates. The price of the 12*s.* 6*d.* share has risen lately to 20*s.*

LONELY REEF.

THE outstanding feature, and a highly satisfactory one, of the report of the Lonely Reef Company for 1918 is the substantial improvement shown in the ore reserve position, as represented by an expansion of 30,481 tons in quantity and an increase of 5.4 dwt. in value. From the point of view of operating results the year was not so good as 1917, but this was owing to the severe influenza epidemic seriously interfering with the operations in the last quarter of the year. Mainly in consequence of increased working costs the working profit of the year was £15,000 less than for 1917. After providing £2,000 more for income tax and setting aside £15,963, against £17,335, for depreciation, the net profit comes out at £53,513, in comparison with £87,739. The dividend for the year is reduced from 30% to 25%, and £5,240 added to reserve, as compared with an addition to that item last year of £17,762. It is to be noted, however, that against the depreciation allowance of £15,969 capital expenditure amounted to no more than £6,756, and the financial position at December 31 was well maintained from the point of view of liquid resources, notwithstanding an increase of £13,000 in the value of stores to £38,571. There should be a reduction of this item now that war conditions are departing. The current year's working results seem likely to show very material improvement on last year's outcome. Already the increased gold value of the ore reserves is reflected in the yield of the ore being milled, which for the first four months to end April averaged over 108*s.* per ton. The progress of the last 6½ years is indicated below:—

Year	Ore Milled	Total Receipts Per Ton	Working Costs Per Ton	Working Profit* £	Working Profit* Per Ton	Ore Reserves Tons	Ore Reserves Assay Value Dwt.	Depth of Lowest Level Ft.
1913...	58,903	74/4	31/5	126,392	42/11	172,557	17·0	1,150
1914...	61,590	63/3	32/10	93,934	30/5	140,042	14·6	1,400
1915...	56,910	53/6	33/1	60,973	21/5	157,279	15·0	1,800
1916...	59,240	59/3	36/3	68,188	22/0	145,309	20·0	2,050
1917...	57,870	75/6	40/5	106,142	35/1	145 '16	18·7	2,425
1918...	54,320	77/0	43/5	91,294	32·7	176,'97	24·1	2,550
1919. 4 Mos.	18,630	108/8	47,2	57,303	61/6	—	—	—

* Before allowance for depreciation, income tax and directors' extra.

It is necessary to note that the method of calculating the ore reserves has been changed, and instead of reef width plus 24 inches of waste being taken, only 12 inches of waste are added to the reef width. However, both value and actual width of reef have improved appreciably. Thus, whereas at December 31, 1917, 88,481 tons of actual reef ore were in sight, averaging 30 dwt. over 34.7 inches, at end 1918 the reef tonnage was 130,959, value 32.1 dwt. over 48 inches.

Intending Settlers To South & East Africa



are notified that the

National Bank of South Africa, Ltd., have over **300 Branches within the Union;** also Offices at **Mombasa, Nairobi, Mozambique, Dar-es-Salaam, Tanga,** etc., and in **Nyasaland.**

LONDON OFFICES:

CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office— 25, COCKSPUR STREET, S.W.—1.

Agency at— 10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, May 28, 1919.

Issue Department.

Notes Issued	£102,922,355	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	84,472,355
	£102,922,355		£102,922,355

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£52,522,633
Rest	3,185,675	Other Securities	80,476,924
Public Deposits	21,033,711	Notes	25,760,990
Other Deposits	121,583,297	Gold and Silver Coin	1,607,849
Seven-day and other Bills	12,713		
	£160,368,396		£160,368,396

Comparison with Previous Four Weeks [00,000's omitted]

Date	Circulation	Coin & Bullion	Deposits Public	Deposits Other	Securities Govt.	Securities Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919	£	£	£	£	£	£	£	%	%	%
May 28	77.2	86.1	21.0	121.6	52.5	80.4	27.4	19·19	5	3½
May 21	76.5	85.5	26.1	110.3	46.3	80.4	27.4	20·10	5	3½
May 14	76.5	85.6	22.8	111.4	46.4	77.9	27.5	20·50	5	3½
May 7	76.8	85.9	23.7	125.2	49.4	79.5	27.6	19·87	5	3½
Apr. 30	77.1	85.6	21.9	114.7	55.1	82.2	26.9	18·38	5	3½
J'y 22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 8 8%; Aug. 8 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	May 21, 1919	May 29 1918	May 30, 1917	May 31, 1916	May 26 1909
Circulation	£77.2	£51.0	£39.0	£35.4	£29.4
Public Deposits	21.0	41.1	57.4	53 5	14.5
Other Deposits	121.6	135.3	119.5	82.9	42.3
Government Securities	52.5	56.7	45.1	38.2	15.4
Other Securities	80.4	106.5	115.1	72.7	32.0
Reserve	27.4	30.8	34.5	43.3	27.2
Ratio to Liabilities	19·19%	17 50%	19·52%	31·72%	47·84%
Coin and Bullion	86.1	63.4	55.1	60.2	38.1
Money					
Bank of England Rate	5%	5%	5%	5%	2½%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3½%	3½%	4⅛%	4⅜%	1⅛%
Exchanges:					
Paris Cheque	29 93	27 15½	27 22	28 16½	25 17½
New York 60 days	4 60¾	4 72½	4 73	4 72½	4 86½
Bombay Telegraphic Transfers	1/7 9/16	1/5 15/16	1/4 7/16	1/4 5/8	1/3 15/32
Prices:					
Consols 2½% Cash	55½	56½	55½	67 1/4xd	85
French Rentes 3% Money	62 10	60 00	61 00	62 75	97 17
Silver, London spot oz.	52 3/16	48 1/16	38 1/16	31 1/16	24 1/16d.
Wheat, *Gazette* average qr.	73/2	73/3	78/0	54/7	42/8
Cotton, Mid Upland lb.	20·44d.	21·33d.	14·53d.	8·47d.	5·87d.
Iron, Scotch pig ton	161/0	101/0	98/6	88/0	54/3

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	% of Gold to Notes %
May 28, 1919 ...	6,476,867	7,102,974	344,212,731	28,500,000	8·2
May 21, 1919 ...	5,969,652	7,796,409	344,838,838	28,500,000	8·2
May 29, 1918 ...	5,529,352	4,933,973	247,790,461	28,500,000	11·5
May 30, 1917 ...	6,155,657	4,097,755	159,102,772	28,500,000	17·9
May 31, 1916 ...	4,838,802	3,825,199	118 549,575	28,500,000	24·0
June 2, 1915 ...	2,717,224	2,186,345	45,690,513	28,500,000	62·3

Balance Sheet, May 28, 1919.

	£		£
Notes outstanding—		Advances—	
One Pound	262,244,447	Trustee Savings Banks	360,000
Ten Shilling	45,778,284	Currency Note Redemption A/c—	
Certificates outstanding ...	36,190,000	Gold Coin and Bullion ...	28,500,000
		Government Securities ...	327,089,521
Total	344,212,731	Balance at Bank of England	4,796,856
Investments Reserve A/c	16,533,646		
Total	360,746,377	Total	360,746,377

PUBLIC INCOME & EXPENDITURE [000's omitted.]

1918-19. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c. Cr.	Loans, Advances, &c. Dr.	Loans, Advances, &c. Net +	Cash Balance
May 24	£13.009	£15.545	£2.536	£78,109	£75.514	£2.595	£8.734
May 17	13.223	18.749	5 526	72 903	67 522	5 381	6.673
May 10	11 380	24.811	13.431	78.756	65.096	13.660	6.819
54 days'18	115.744	239.075	123.331	713.375	596.110	117.265	—6.065
55 days'18	89.542	422.246	332.704	970.919	643.495	327.424	—5.280
*Yr. '19-20**	*1,201,100*	*1,434,910*	*233,810*	—	—	*233,810*	—
Yr. '18-19	889.021	2.579.301	1,690.280	7,033.402	5,351.353	1,682.049	12.799
Yr. '17-18	707.234	2.696.221	1.988.987	7.499.804	3.816.023	1.983.581	21.030

Principal Items of Revenue and Expenditure.

1918-19. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services
May 24	£5.163	£1.390	£4.737	£1.719	£7.515	—	£8.030
May 17	5.694	1.036	5.042	1.451	1.174	—	17.575
May 10	3.820	2.064	4.159	1.337	751	£10	24.050
54 days'18	33.030	30 598	38 246	13.870	59.811	462	178.802
55 days'18	19.493	20.362	38.580	11.107	24.791	692	396.763
*Yr. '19-20**	*237,500*	*354,000*	*300,000*	*309,600*	*360,000*	*16,595*	*1,058.315*
Yr. '18-19	182.220	291.186	285.028	160.587	269.984	11.380	2.297.958
Yr. '17-18	110.033	239.509	220.214	137.478	189.851	11.401	2.494.968

FLOATING DEBT.	Treasury Bills	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
May 24, 1919 ...	£1.022.097	£459.392	£1.481.489	£1.718.233
May 17, 1919 ...	1.018.789	470 892	1.489.681	1,712.392
May 10, 1919 ...	1.013,135	470.992	1.484.127	1.707 662
May 3, 1919 ...	1.000.179	477.492	1.477.671	1.703.065
Dec. 31, 1918 ...	1.094.740	*455.180	†1.549.920	1.420.700

* Budget estimate. † Highest.

FOREIGN BANKS. [In £'s Sterling‡—000's omitted.]

AUSTRIA-HUNGARY.	Cash Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Discounted, &c.
July 23, '14	£51.578	£12,141	£63,719	£7,722	—	£ 88.740	£31,993
Mar. 7, '19	11.600	2,369	13.969	387 957	£1,361,708	1,5 58.675	116.973
Mar. 14, '19	11.600	2,372	13,972	388.410	1,375,166	1,5 71.211	116.968
Dec. 7, '17	11.000	2,300	13,300	603.990	—	7 39,300	117.600

DENMARK.	Cash Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14	£4,100	£341	£4.441	£6.197	£786	£8.693	£47
Mar. 31, '19	10,385	137	10.522	3.644	4.206	24.137	832
Apr. 30, '19	10.374	136	10.510	3.425	3.977	24.115	1.026
Apr. 30, '18	10,228	134	10,362	3.507	3.489	19.317	947
Apr. 30, '17	9.595	131	9.726	5.084	2.080	16.717	1.364

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14	£165.654		£190.667	£97.768	£287.327	£15.302	£37.903
May 15, '19	142.801	79.131	234.262	38.469	1,372.975	6.714	132.337
May 22, '19	142.822	79.131	234 247	32.058	1.365.344	6.537	128.000
May 23, '18	133.785	81.484	225.488	43.153	1.082.926	2.620	126.486
May 24, '17	129.417	81.350	221.067	18.496	775.780	3.248	105.152

GERMANY.	Cash Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14	£87.843	£16.727	£84.570	£5.279	£40.055	£94.545	£47.198
May 7, '19	87.513	1.029	88.542	365.695	1,457.702	1,336.100	612.795
May 15, '19	86.252	1.057	87.309	371.584	1,431.759	1,347.892	564.522
May 15, '18	117.270	6.021	123.291	77.991	727.613	590.193	387.568
May 15, '17	126.855	1.087	127.742	23.356	464.393	410.315	229.634

HOLLAND.	Cash Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14	£13,496	£249	£13,745	£13,422	£10.332	£35.660	£1,437
May 10, '19	55.199	613	55.812	14.538	18.840	88.726	5.949
May 17, '19	55.180	629	55.809	15,079	19.043	86.889	8.446
May 18, '18	59.937	646	60.583	5,253	11,274	78.132	4.938
May 19, '17	49.882	594	50.276	6.412	7.214	63.349	4.719

ITALY.	Cash Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14	—	—	£48.456		£25.017	£69.204	£8.887
Feb. 28, '19	32,715	3.001	35.716	13.480	65.638	358.621	59.727
Mar. 31, '19	32.716	2.940	35.656	16.192	59.315	366.482	59.921
Apr. 10, '19	32,750	2.944	35.694	26.840	59.063	373.059	58.878
Apr. 10, '18	33.462	3.169	36.630	4.796	54.431	284.350	60.120
Apr. 10, '17	33.944	2.627	36.571	3.180	38.305	158.764	32.266

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14	£21.867	£1,829	£7,863	£32,722	£13,818	£1,521
Apr. 5, '19	70.743	2,243	35.543	82.439	107.374	3.680
Apr. 19, '19	70,873	1,358	34.737	78.609	109.762	4.413
Apr. 20, '18	65.378	4.088	25.531	62.576	68.362	3.289
Apr. 21, '17	41.121	417	12.735	43.913	45.167	1.909

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest., &c.	Net Deposits Demand	Net Deposits Time	Net Deposits Total	Excess Reserve
Aug. 1, '14	—	£89.888	£411.238	—	—	£387.165	£1.720
May 17, '19	£20.138†	114.230	1.004.796	£821.626	£30.068	889.450	7.764
May 24, '19	19,774†	117,166	987.230	820.094	29.632	877,308	7.634
May 25, '18	20.978†	106.870	912.730	735.814	33.324	859.304	9.084
May 26, '17	89.526*	152.442	734.004	728.982	37.726	780.013	26.776

* Counted as reserve. † Not reserve.

NORWAY.	Gold	Balance Abroad	For'gn Govt. Securities	Disc'nts & Loans	Circulation	Deposits
July 31, '14	£2.960	£1.678	£493	£4.868	£6.782	£793
May 7, '19	8.189	3.838	691	18.106	23.749	4.033
May 15, '19	8.188	4.121	691	18.762	23,479	4.485
May 15, '18	6 618	3.823	712	18.058	19.640	6.214
May 15, '17	7,163	3.971	706	13.085	15,571	7.486

PORTUGAL.	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
Apr. 9, '19	£1.905	£3.883	£5.788	£8 826	£64.505	£3.487
Apr. 18, '19	1.905	3.918	5.823	8.518	64.330	3.395
Apr. 23, '19	1.905	3.901	5.806	8.836	63.878	3.818
Apr. 24, '18	1.905	3.303	5.208	7.765	45.214	2.025
Apr. 25, '17	1.904	1.016	2.920	15.049	32.272	918

RUSSIA.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14	£160.114	£14.395	£181.892	£76.081	£163.411	£8.589	£109.911
Oct. 29, '17	129.523	230.865	378.205	1.869.559	1,836.217	15.783	345.550

SPAIN.	Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits, &c.
Aug. 1, '14	£21.804	£29.187	£50 991	£40.572	£13,778	£77.557	£18.955
May 17, '19	90.443	25.899	116,342	75.399	13.778	141.075	43.026
May 24, '19	90.652	26.110	116.762	75.082	13.778	140.571	43.732
May 25, '18	82.435	28.347	110,782	54 523	13,777	117.070	39.381
May 26, '17	57.764	30.295	88.059	51.688	13,777	96.872	30,773

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14	25,717	£8 150	£1,558	£7.495	£39,564	£6 016
May 10, '19	15.961	7.494	2.880	18.392	38.991	5.084
May 17, '19	16.200	7.256	2.880	18.398	37.931	6.433
May 18, '18	14.408	7.211	3.874	13.294	33.065	5.844
May 19, '17	11,278	7.005	3.271	8.751	23.484	7.069

SWITZERLAND.	Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14	£7.202	£758	£7 960	£4.617	£10.716	£2 026
May 15, '19	17.228	2.668	19 896	19.598	36 066	5.267
May 23, '19	17 232	2.689	19.921	19.412	35.509	5.497
May 23, '18	15.046	2.271	17,317	12.932	26.873	4.110
May 23, '17	13.679	2.068	15,767	7.095	19.872	3.834

‡ Converted at par rate of exchange.

U. STATES FED. RES. BANKS.

	Gold Held by Banks.	Gold With Agents.	Total Cash.	Bills Discount'd	Bills Accept-ances.	Deposits. Govt.	Deposits. Total Net.	Circulation.
May 17, '19	£176.836	258.332	449.172	407.788	38.944	37.188	373.064	506.408
May 24, '19	183.980	251.768	449.586	387.774	38.638	20.000	359.502	500.850
May 24, '18	187.748	191.858	391.210	184.660	55.644	24.470	311.524	315.724
May 25, '17	66.853	37.299	111.530	9.517	21.475	15.222	159.234	90.880

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	4½	Oct. 28,'14
Berne	5½	Oct. 3,'18	Paris	5	Aug. 20,'14
Bombay	8	Mar. 27,'19	Petrograd	8	July 29,'14
Brussels	5	Aug. 27,'14	Rome	5	Jan. 11,'18
Calcutta	6	Mar. 27,'19	Stockholm ...	6½	Apr.24,'19
Christiania ...	5½	May 12,'19	Tokio	6½	Nov. 25,'18
Copenhagen ...	5½	Jan. 2,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		May 30,'19	May 23,'19	May 16,'19	May 9,'19
Brussels	Cheques	30fr. 55c.	30fr. 32½c.	30fr. 60c.	29fr. 77½c
Denmark	Cable	19kr. 80	19kr. 67½	19kr. 23 .	19kr. 10
Holland	do.	11fl. 84c.	11fl. 77c.	11fl. 73½c	11fl. 76½c.
Italy	do.	38lr. 50c.	39lr. 75c.	37lr. 50c.	35lr. 50c.
Lisbon and Oporto	do.	30½d.	30⅝d.	31½d.	31d.
New York	do.	$4 64¼	$4 64¾	$4 66	$4 69½
—	Cheques	$4 65	$4 65½	$4 66⅜	$4 69⅛
Norway	Cable	18kr. 40	18kr. 40	18kr. 47½	18kr. 42
Paris	3 mos.	29fr. 91c.	30fr. 71c.	30fr. 01c.	29fr 26c.
—	Cable	29fr. 50c.	30fr. 40c.	29fr 60c.	28fr 85c.
Spain (Bank places)	3 mos.	50⅛d.	50⅛d.	50⅛d.	50⅛d.
—	Cable	23p. 10	23p. 10	23p. 05	23p. 13
Sweden	Cable	18kr. 20	18kr. 21	18kr. 18	18kr. 15
Switzerland	3 mos.	24fr. 25	24fr. 15c.	23fr. 77½c.	—
—	Cable	23f. 85c.	23f. 75c.	23f. 37½c.	23f. 40c.
ON LONDON—		May 30,'19	May 23,'19	May 16,'19	Par
Alexandria	Sight	97⅛pi.	97⅛pi.	97⅛pi.	97⅛pi.
Amsterdam	Cheques	11fl. 83½c.	11fl. 76c.	11fl. 74c.	12·107 fl.
Bombay	Transfers	1s. 7½d.	1s. 7⅜d.	1s. 7⅜d.	1s. 6d.
Brussels	Cheques	30f. 35½c.	30f. 77½c.	30f. 75c.	25f. 22½c.
Buenos Ayres	Transfers	61 11/16d.	61⅝d.	61⅝d.	47.58d.
Calcutta	do.	1s. 7 3/16d.	1s. 7 3/16d.	1s. 7 3/16d.	1s. 6d.
Christiania	Sight	18kr. 39½	18kr. 42	18kr. 49	18.159kr
Copenhagen	do.	19kr. 77½	19kr. 67½	19kr. 27	18.159kr.
Hong Kong	Transfers	3s. 6 1/16d.	3s. 6d.	3s. 6 1/16d.	—
Italy	Sight	38lr. 42½c.	40lr. 05c.	37lr. 20c.	25lr. 22½c.
Lisbon	do.	30⅝d	30⅝d.	31⅜d.	53½d.
Madras	do.	1s. 8 1/16d.	1s. 8 1/16d	1s. 8 1/16d.	1s. 6d.
Madrid	do.	23p 09½	23p. 07½	23p. 05½	25p. 22
Montevideo	Transfers	57⅜d.	—	—	51d.
Montreal	Cable	$4 76⅜	$4 78½	$4 79	$4 86⅜
New York	Sight	$4 63 1/16	$4 63⅞	$4 65⅛	—
—	60 days	$4 60⅜	$4 61½	$4 63⅛	—
—	Cable	$4 64⅛	$4 64 1/16	$4 66 1/16	$4 86⅜
Paris	Cheques	29f 05½c.	30f. 62½c.	29f. 68c.	25f. 22½
Rio de Janeiro	90 days	Hol.	14 1/32d.	14 1/32d.	18d.
Shanghai	Transfers	5s. 2d.	5s. 1½d.	5s. 2⅛d.	—
Singapore	Sight	2s. 4 1/32d.	2s. 4 1/32d.	2s. 4 1/32d.	2s. 4d.
Stockholm	do.	18kr. 19	18kr. 22½	18kr. 17½	18·159kr.
Switzerland	do.	23f. 77½c.	23f. 80c.	23f. 38c	25f. 22½c.
Valparaiso	90 days	11 1/16d.	11 5/16d.	10 11/16d.	18d.
Yokohama	Sight	2s. 2⅝d.	2s. 2⅝d.	2s. 2⅛d.	2s. 0.58d.

* Thursday's rates.

NEW YORK ON—	Rate Current* May29.'19	Rate Current* May 21.'19	Par as usually Quoted	Rate July 3, 14
Amsterdam, sight ...	39·10c.	39·10c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	40⅛c.	39⅛c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	44c.	44·15c.		
Christiania, cheques ...	24·90c.	24·90c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	23·35c.	23·40c.	26·80c. for 1 kroner	26·85c.
Greece, cheques	19·10c.	18·90c.	19·295c. for 1 drachma	
Hongkong, cheques ...	83·25c.	83·50c.	74·59c. for Mex. $1	46·40c.
Italy, sight...	8·47½.	8 62½.	5·18½ lire for $1	5·17½.
Lima, cheques	5·15c.	5·05c.	4·8665 $ for 1 libra	
Manila, cheques	49·75c.	49·50c.	50c. for 1 peso	49·80c.
Montreal	2⅜ %disc.	2⅛ %disc.	Premium per $100	Par
Paris, sight	6·49½.	6·70½.	5·18¼ francs for $1	5·16fr.
Petrograd, sight	10·nom.	10·nom.	51·48c. for 1 rouble	51·37½.
Rio de Janeiro, cheques	27·25c.	28·50c.	32·42c. for 1 milreis	
Shanghai, cheques ...	125c.	125c.	52·96c. for 1 tael	63·00c.
Singapore, cheques ...	56·75c.	55·50c.	56·77c. for $1	57·12c.
Spain, cheques	20·03c.	20·05c.	19·30c. for 1 peseta	
Stockholm, cheques ...	25·25c.	25c.	26·80c. for 1 kroner	
Switzerland, cheques ...	5·16fr.	5·10fr.	5·18¼ francs for $1	5·16¼fr.
Valparaiso, cheques ...	20·70c.	21c.	20·81c. for 1 peso	
Yokohama, cheques ...	51·65c.	51½c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1919 Agg.	Inc. or Dec.*
	1919.	[In £'s sterling 000's omitted.]			
BIRMINGHAM ...	May 24	£2,076	+ £409	£51.163	+ £8 —
BRISTOL ...	,, 24	1,343	+ 474	26.934	+ 5.102 + 23·4
DUBLIN ...	,, 24	7,357	+ 2,312	144.066	+ 30.802 + 27·2
LEEDS ...	,, 24	1,161	+ 294	23.314	+ 2.982 + 14·7
LEICESTER ...	,, 24	727	+ 248	18.241	+ 3.713 + 25·6
LIVERPOOL ...	,, 24	11.294	+ 2,918	228.414	+ 45.857 + 25·0
MANCHESTER ...	,, 24	13.467	+ 2,219	309.933	+ 10.683 + 3·6
NEWCASTLE ...	,, 24	2.235	+ 360	39.449	+ 909 + 2·3
NOTTINGHAM ...	,, 24	521	+ 16	13.277	+ 822 + 6·5
SHEFFIELD ...	,, 24	732	+ 171	24.548	+ 1.559 + 6·7
LONDON—	1919.				
TOWN ...	May 28	422,490	+ 116.854	7.830.528	+ 1.181.223 + 17·5
METROPOLITAN	,, 28	31.875	+ 4.284	686.272	+ 135.744 + 24·6
COUNTRY ...	,, 28	57.473	+ 3.372	1.255.353	+ 208.087 + 19·8
TOTAL ...	,, 28	511.838	+ 124,310	9.872.153	+ 1.525.054 + 18·2

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould and Co.

HOMEWARDS.	1919 May 30	1919 May 23	1913 May 30
Alex. to Lond. or Hull	—	—	—
Aust. to U.K. or Cont.	225/0	105/0	31/3
Azoff to U.K. or Cont.	...	—	10/3
Bombay to p.p. (nom.)	90/0	90/0	d.w. 20/6
Burmah o.c. (nom.)	200/0	112/6	27/0
Calcutta to p.p. (jute)	nom.	—	24/6
Danube to A.R.	—	—	10/9
Odessa to L.H.A.R.	—	—	9/3
R. Plate to U.K. Cont.	240/0	260/0	16/6

Homewards.—*Contd.*	1919	1919	1913
U.S.Atl.Ports to Lvrpl. (cotton, 100lb.)	May 30 220/0	May 23 220/0	May 30 41/3
U.S. to U.K. Cont. (gr.)	14/0	14/0	2/9
Gulf Ports to U.K. Cont. (cotton & grain)	$35	$35	15/0
OUTWARDS—Cardiff to			
Bombay	—	—	13/0
Colombo	—	—	12/4½
Port Said	47/6	47/6	10.0
River Plate ...	50/0	47/6	19/0
St. Vincent ...	40/0	40/0	10/6

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	MAY 30, 1919	MAY 31, 1918.	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	161/0	101/0	57/0
— Middlesbro' warrants ...ton	155/0	95/0	51/0
— Hematite warrants ...ton	180/0	122/6	61/0
— Staffordshire bars, London ton	£20 10	£15 10	£8 10
— Common bars ...ton	£21	£13 15	£8 10
Steel Rails ...ton	£15	£10 17/6	£6 2/6
Galvanised Sheets...ton	£28—£30	£28	£16 17/6
Copper—Standard...ton	£79—£79 5	£110—£110 10	£61
Tin—English ingots ...ton	£230—£231	£354—£356	£142 10
— Straits ...ton	£237 10	£350—£352	£139 15
Tinplates, I.C. Coke, S. Wales...box	32/6—33/0	33/0	11/10½—12/0
Lead—Soft Foreign ...ton	£23	£28 10—£29 10	£19
Spelter—Ord. Foreign ...ton	£35 15—£36	£50—£54	£21 7/9
Quicksilver—(75lb.) ...bottle	£18 10—£19	£20	£7
Aluminium ...ton	£150	nom.	£82
Antimony—Regulus Foreign ...ton	£41—£43	nom.	£27 10
— English ...ton	£45	—	—
Coal—(best) Yorkshire...ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle...ton	40/0—45/0	30/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	9/6	11/3	7/4
Soda—Crystals ex ship ...ton	129/0—130/0	87/6	42/6—45/0
Cegra—Malay and Straits ...ton	£58 10	£45 10	£23 15—£24 7/6
Gambier—Good marks ...cwt.	40 0	72/6	16/10½
Indigo—Bengal good to fine...lb.	9/0—10/6	9/0—11/0	3/2—3/8
Linseed Oil—Raw ...ton	£106	£58	£25 5
Linseed—Calcutta, spot ...ton	£46 5	£29 15	£13 16/9
— **Cakes**, U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish ...tun	nom.	£200	£49 10
Palm Oil—Lagos ...ton	£75—£76	£45	£31 10
Petroleum—American...gallon	1/4½	1/10½	7½d.
Rape Oil—Refined English ...ton	£101	£71	£32
Soya Oil—Refined...ton	£75	£75	£24 10
Tallow—Imported ...cwt.	80/0—100/0	68/0	29/3—33/3
Turpentine—French ...cwt.	102/0	118/0	33/7½
Rape Seed—Toria...ton	£41	£29 15	£13 5
Rubber—Para, spot ...lb.	2/5	3/1½	2/9½
— Fine plantation (stnd. crepe) lb.	1/10½	2/2½	2/2
— World's Production* Mar. tons	29,000	21,200	8,487
Shellac—T.N. Orange, fair.....cwt.	330/0	335/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb	20·44d.	21·33d.	7·53d.
— Egyptian, good fair ...lb.	28·34d.	28·89d.	8·75d.
— Pernambuco fair ...lb.	23·24d.	24·85d.	7·73d.
— Mid. Upl. New York... ...lb.	33·15c.	29·40c.	13·25c.
— Stock, Liverpool, May 23 bales	516,030	302,980	
Flax—Petrograd Yarapol ...ton	nom	£120nom.	£28
Hemp—New Zealand ...ton	£47	£99	£25 10
— Manila, Fair ...ton	£48 10	£100	£28 10
Jute—First Marks ...ton	£49	—	£28 15
— Red SOO ...ton	—	—	£24 15
Silk—Blue Elephant ...lb	22/6	25/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb	3/1½	nom.	11½d.—1/0
— Lincoln Half Hogs ...lb	1/7½nom.	1/7½	1/0½
Hides—Eng. Ox, best, 65lb. up. lb	9½d.—10½d.	10d.	7½d.
Leather—Dressing Hides ...lb	2/7—3/3	2/4—3/0	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	87,399,000	15,978,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	237½c.	226c.	87½c.
— English *Gazette*, aver. 480lb qr.	73/2	73/3	34/3
Flour—G.R. ...280lb.	44/3	44/3	28/6
Barley—Eng. *Gaz.*, aver. 400lb. qr.	62/7	56/6	25/4
Oats—Eng. *Gaz.*, aver. 312lb. ...qr.	47/11	47/8	20/0
Maize—N. Y. (new bushel) ... 56lb.	193	nom.	76½c.
— Amer. mixed, Liverpool...480lb.	83/9	79/9	32/4
— La Plata ...480lb. qr.	80/0	76/0	25/9
Potatoes—Good English ...ton	208/0	160/0—175/0	70/0—75/0
Rice—Bassein ...cwt.	25/0	28/3	7/0—7/3
Tapioca—Pearl, medium...cwt.	46/0	80/0	14/0—17/8
Hay—Best ...2,018lb...load	178/0	161/0	82/6
Hops—English...cwt	—	£5 10—£10	£6 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs...8lb.	6/8—7/2	9/3	3/8—3/10
— Scotch sides...8lb.	8/6	8/2	4/6—5/0
— English...8lb.	8/6	8/2	4/2—4/5
Mutton—Scotch wethers...8lb.	9/0	8/8	5/8—6/0
— English wethers...8lb.	9/0	8/8	4/6—5/4
— New Zealand frozen ...8lb.	7/8	8/8	2/4—3/2
Pork—English and Irish...8lb.	10/8	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	190/6	188/0	60/0—74/0
— Danish ...cwt.	—	172/0	58/0—68/0
— Canadian, ex Port...cwt.	180/0—190/0	—	—
— American, ex Port...cwt.	174/0—186/0	170/0—172/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	174/0—192/0	165/0	75/0—79/0
— — short cut, ex Port ...cwt.	172/0—190/0	162/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	160/0—189/9	152/0	51/9—52/9
Butter—Danish ...cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
— French ...cwt.			98/0—108/0
— Australian ...cwt.			98/0—110/0
— New Zealand ...cwt.			108/0—114/0
Cheese—Canadian ...cwt.	Controlled 144/8	130/6	66/0—68/0
— United States...cwt.		130/6	—
— Dutch ...cwt.		—	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Apr. 30 ...cwts.	9,280,239	8,894,782	19,777,254
— Home consump'n to Apr. 30 cwts.	9,057,361	6,069,772	17,272,000
— In Bond Apr 30 ...cwts.	6,691,000	6,074,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	32/0	36/0	10/3
— — Yellow crystals ...cwt.	57/9	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	64/9	64/9	18/0
Coffee—Imports to Apr 30 ...cwts.	407,689	44,945	780,380
— Home consump'n to Apr. 30 cwts.	99,480	208,817	141,410
— Exports to Apr. 30 ...cwts.	69,500	16,081	340,250
— In Bond Apr. 30 ...cwt.	843,000	914,000	484,000
— Price, Costa Rica gd. to fine cwt.	130/0—138/0	125/0—140/0	80/0—93/0
— — Brazil (Santos) good ...cwt.	110/0—120/0	64/6	41/8
Tea—Imports to Apr. 30 ...lbs.	143,175,704	175,154,532	133,230,277
— Home consump'n to Apr. 30 lbs.	109,384,355	92,309,680	155,447,972
— Exports to Apr. 30 ...lbs.	8,519,860	451,008	26,561,785
— In Bond Apr. 30 ...lbs.	157,666,000	85,161,000	78,292,000
— Price, Indian Pek. Soug. good lb.	9½—10½d.	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	9½—10½d.	1/4	8½d.
— — Common Congou ...lb.	9½—10½d.	1/4	5½d.
Cocoa—In Bond Apr 30 ...cwt.	1,019,000	602,000	309,000
— Grenada, good to fine ...cwt.	116/0—120/6	85/0	52/6—58/0

* Estimated.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Canadian Pacific ...	Apr.	$13,109,000	— $220,000	$2,089,000	— $1,367,000
	4 mos. to Apr.	49,576,000	+ 3,455,000	6,162,000	— 2,045,000
Grand Trunk ...	Apr.	£1,100,800	+ £155,200	£155,300	+ £19,100
	4 mos. to Apr.	3,978,300	+ 1,092,100	117,200	+ 294,700

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 6, 1914, the Government assumed control of the railways of Great Britain under warrant renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago.
Assam Bengal	Apr. 19	993	R1,79,594	+ 29,246	3	4,63,660	+ 67,648
Barsi Light ...	Apr. 26	118	23,900	— 1,400	4	1,32,500	+ 67,300
Bengal & N.W.	Apr. 19	2,052	5,39,970	— 28,322	3	14,61,090	+ 33,362
Beng. Dooars	Apr. 19	158	26,591	— 3,043	3	66,531	— 7,877
Beng. Nagpur	Apr. 19	2,695	11,48,000	— 43,000	2	30,81,000	— 1,79,024
Bomb. Baroda	May 17	2,871	21,15,000	+ 1,41,000	7	1,32,80,000	— 24,000
Burma	Apr. 12	1,342	9,66,329	+ 375	2	—	—
Del. Um. Kalk.	May 10	239	76,800	— 228	6	4,60,729	— 53,925
East Indian ,,	May 17	2,767	27,43,000	— 72,000	7	1,83,00,000	+ 3,93,000
Gt. Indian Pen.	May 10	3,112½	29,21,000	+ 7,22,900	6	1,58,10,800	+ 18,60,305
Madras & S.M.	Apr. 26	3,152	12,00,000	— 23,883	4	43,00,000	— 1,94,166
Nizam's Guar.	Mar. 31	900	6,85,789	+ 1,72,422	26	69,32,769	— 4,40,024
Roh. & Kumn.	Apr. 12	572	1,83,962	— 62,617	2	—	—
South Indian	Apr. 26	1,829½	7,60,106	+ 60,510	4	27,42,086	+ 1,94,186
South Punjab	Jan.	716	7,42,072	— 13,827	4m	30,01,658	+ 60,880
COLONIAL							
Can. Northern	May 21	9,524	$1,038,960	+ 172,600	20	17,930,449	+ 2,578,649
Can. Pacific ...	May 21	13,388	2,957,000	+ 110,000	20	58,019,000	+ 3,231,000
Grand Trunk	May 21	3,618	£249,548	+ 9,698	20	4,702,880	+ 1,127,125
Mashonaland	Dec.	810	53,459	+ 4,011	3m	137,931	— 35,806
Mid. W. Aust.	Mar.	277	10,740	+ 1,145	9m	84,683	+ 13,954
NewCape Cent.	Apr. 19	205	2,478	+ 102	14	44,708	+ 6,984
Rhodesia Rlys.	Dec.	1,397	86,908	+ 5,069	3m	214,060	— 63,026
Temiscouata...	Mar.	—	$31,271	+ 6,870	3m	88,955	+ 27,460
W.Pass.& Yuk.	Dec.	122	—	—	12m	$1,244,080	— 604,349
FOREIGN.							
Argentine.							
Arg. N. East.	May 17	752	£ 12,800	+ 2,900	48	456,700	+ 62,200
Arg. Transand.	May 24	111	£ 4,450	+ 890	47	178,280	+ 22,970
B. A. & Pacific	May 24	3,536	£ 137,000	+ 1,000	47	5,498,000	+ 1,031,000
B.A. Gt. South.	May 25	3,792	£ 149,000	+ 24,000	47	6,517,000	+ 1,346 000
Do.	May 25	Net	£ 36,000	+ 9,000	47	1,445,000	+ 229 000
B. A. Western	May 25	1,882	£ 76,000	+ 5,000	47	3,281,000	+ 750,000
Do.	May 25	Net	£ 19,000	+ 2,000	47	774,000	+ 185,000
B. A. Central...	Feb.	100	£ 37,889	+ 3,667	8m	322,745	+ 109,162
Cent. Argent.	May 24	3,305	£ 140,200	— 9,800	47	6,229,300	+ 782,100
Do.	May 24	Net	£ 25,200	— 4,100	47	908,100	— 456,273
Cord. Central	May 24	1,205	£ 46,500	+ 8,900	47	2,052,080	+ 568,670
Entre Rios.....	May 17	831	£ 21,500	+ 100	46	936,500	+ 195,900
Brazilian.							
BrazilGt.South	Apr.	110	M 51,800	+ 800	4m	189,940	— 1,160
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12m	57,772,000	+ 7,619,243
Gt. W. Brazil	May 17	1,010	£ 19,000	+ 4,400	20	383,000	+ 30,600
Leopoldina ...	May 24	1,831	£ 39,658	+ 5,641	21	852,245	— 6,875
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12m	22,267,000	— 2,474,651
Paulista	Dec.	66	M 2,650,000	— 906,038	12m	32,479,000	— 1,225,892
San Paulo	May 18	153½	£ 32,806	+ 7,601	20	694,432	— 12,838
Sorocabana ...	Dec.	1,003	M 1,749,000	— 246,168	12m	21,953,000	+ 976,692
S.of BahiaS.W.	Apr.	52	M 55,000	+ 15,000	4m	284,000	— 7,000
Chilean and Peruvian.							
Antofagasta ...	May 25	838	£ 22,120	— 30,635	21	554,130	— 366,555
Arauco	Mar.	84½	£ 10,000	— 2,500	3m	32,500	— 6,500
Nitrate(2wks.)	May 15	390	£ 16,188	— 17,670	19	195,494	— 113,075
Peruvian Corp.	Apr.	1,140	S 1,199,420	+ 119,540	10m	10,248,956	— 153,485
Taltal	Apr.	180	£ 8,152	— 17,130	10m	149,499	— 100,461
Cuban.							
Cuban Central	May 24	362	£ 32,586	+ 6,439	47	1,063,907	+ 62,567
Havana Cent.	May 24	70	£ 10,818	— 139	47	445,746	+ 20,879
U. of Havana	May 24	681	£ 81,375	+ 15,342	47	2,779,118	+ 30,176
W. of Havana	May 24	155	£ 15,113	+ 1,943	47	418,045	— 19,181
Uruguayan.							
Cent. Uruguay	May 24	272	£ 23,139	+ 4,343	47	1,030,854	+ 161,369
,, (E. Ext.)	May 24	311	£ 6,132	+ 662	47	263,443	+ 20,850
,, (N. Ext.)	May 24	185	£ 4,544	— 288	47	180,575	+ 23,478
,, (W.Ext.)	May 24	211	£ 2,658	+ 727	47	124,464	+ 19,992
Mid. Uruguay	Apr.	319	£ 17,021	+ 3,479	10m	173,199	+ 38,834
N.W. Uruguay	Apr.	113	$ 27,000	+ 4,211	10m	286,665	+ 33,273
Urug. Northn.	Apr.	73	£ 1,809	+ 231	10m	20,776	+ 2,141
Miscellaneous.							
Alcoy & Gandia	May 17	33	Ps. 8,000	— 2,000	21	195,400	+ 3,500
Bilbao	Apr.	15	£ 1,417	— 4,036	4m	9,320	— 8,683
Bolivar	Apr.	136	£ 13,000	+ 18	10m	101,099	— 12,826
Colomb. Natnl.	Apr.	88	£ 13,160	+ 1,200	4m	43,940	— 6,120
Costa Rica.....	Mar.	189	£ 23,642	+ 9,153	9m	200,872	+ 33,606
Dorada Ext....	Apr.	70	£ 10,000	+ 500	4m	30,300	— 3,100
Egyptian Delta	Mar. 17	559½	£ 4,675	— 1,478	50	364,593	+ 85,246
Gt. S. of Spain	May 17	104	Pa. 75,086	+ 44,024	20	2,486,503	+ 1,680,436
La Guaira&Ca.	Apr.	22½	£ 7,230	+ 1,265	4m	32,940	+ 6,140
Paraguay Cent.	May 17	255	£ 4,480	+ 1,380	46	191,180	+ 57,890
Puerto Cabello	Apr.	24	£ 4,700	+ 700	4m	19,625	+ 2,625
Salvador ...	May 24	100	£ 3,795	+ 1,895	47	128,450	+ 24,644
Santa Fe Prov. French Rys.	Apr.	1,181	£ 162,888	+ 48,698	4m	649,097	+ 77,580
S'm'na&S'ti'go	Apr.	80	£ 9,330	+ 52	4m	31,781	— 3,667
Zafra & Huelva	Apr.	112	£ 10,789	— 3,949	4m	40,825	— 9,825
TRAMS.							
Anglo-Argent.	May 20	400	£ 60,808	+ 6,704	20	1,165,255	+ 57,815
Auckl'nd(4wk.)	May 9	27	£ 24,279	+ 1,049	44	195,800	— 5,396
Bombay Elec.	Feb.	39	R. 6,23,878	+ 85,473	2m	1,257,923	+ 1,84,046
Brazilian Trac.	Mar.	378½	M 9,330,000	+ 1,236,000	3m	25,824,000	+ 2,578,000
Brisbane Elec.	Apr.	40½	£ 38,775	+ 3,245	3m	151,110	+ 13,541
Brit. Columbia	Mar.	334	$ 649,120	+ 138,228	9m	5,390,119	+ 894,848
B. A. Lacroze	Apr.	51	£ 43,607	+ 1,864	10m	434,168	+ 46,122
Calcutta	May 17	35½	R 85,927	+ 12,769	20	16,94,693	+ 2,29,385
Cape Electric	Mar.	42½	£ 28,814	+ 4,478	9m	217,794	+ 23,682
Carth. & Herr.	Apr.	9	£ 1,786	— 2,414	4m	10,192	— 7,366
Chatham&Dist	May 15	15	£ 1,687	+ 386	19	25,337	+ 2,464
Havana Elect.	Feb.	88	$ 703,156	+ 86,085	2m	1,429,514	+ 167,433
Isle of Thanet	May 24	20½	£ 913	+ 500	34	14,363	+ 7,828
Kalgoorlie.....	Jan.	20½	£ 2,562	+ 40	1m	—	—
Lanarkshire ...	May 15	28½	£ 3,692	+ 33	19	59,671	— 4,933
Lima Light ...	Feb.	85	£ 48,082	+ 4,161	2m	81,444	+ 5,962
London O.O....	May 28	141½	£ 82,946	+ 19,532	8	656,382	+ 163,717
Madras (2wks.)	May 15	15½	R. 46,625	+ 1,823	19	318,183	— 44,534
Manila Electric	Mar.	55	$ 207,792	+ 35,042	3m	650,746	+ 142,895
Pernambuco ...	May 18	59	£ 5,688	+ 1,385	20	106,863	+ 15,472
Provincial.....	May 17	21½	£ 3,505	+ 493	33	87,495	+ 6,854
Rangoon Elec.	Apr.	25	£ 6,217	+ 332	4m	25,817	+ 2,854
Shanghai Elec.	Mar. 28	26½	Mx. $27,550	+ 844	12	331,759	+ 35,238
Singapore Elec.	Mar. 15	26½	$ 16,307	+ 2,146	11	178,525	+ 31,018
U.of Montevid.	Apr.	90½	£ 37,014	+ 3,310	6m	227,905	+ 21,866

Shop at

LIPTON'S

for QUALITY.

LIPTON, LTD., the largest Tea Distributors, Manufacturers, and Retailers of Food Products in the World.

Head Office CITY ROAD, LONDON, E.C.1.

Branches and Agencies throughout the United Kingdom.

SCOTTISH TEMPERANCE LIFE ASSURANCE CO., LTD.

London Office: 3 CHEAPSIDE, E.C. 2.

Total Assets - - - - - - Nearly £3,000,000.

The special features of the Company are—
Reduced Premiums to Total Abstainers—10% discount on Whole Life Policies. Very favourable rates under Life, Accident, and all Sickness Policies.

House Purchase Scheme with Life Insurance.

Send for full Prospectus.

WHITSUNTIDE HOLIDAY ARRANGEMENT.

"THE STATIST" will be published on Friday next, June 6, instead of on Saturday.

The Statist.

LONDON, SATURDAY, MAY 31, 1919.

THE PEACE CONFERENCE.

To-day the fifth month of the current year ends, and the breakdown of Germany occurred very nearly two months before the year began. Consequently, it is somewhat more than six and a half months since the War came to an end; and he would be a bold man who would, even now, venture to predict when the negotiations will be concluded. Nearly every country in Europe is in one way or another profoundly interested in the negotiations. The United States and other countries outside of Europe were likewise parties to the conflict, so that it would be to exaggerate only very slightly if we were to say that every country of any real importance in the world is directly interested in the negotiations going on; and yet even Austria and Hungary have not been informed officially what terms will be proposed to them; while there is a very large number of States, heretofore deprived of the management of their own affairs, which are now gifted with authority, or at all events will be gifted with authority, to take care of everything that interests themselves. How long, then, the negotiations will still last he would be a very bold man who would undertake to say. And the negotiators are comporting themselves in Paris as if it did not matter a jot whether peace is or is not concluded, or whether the conditions granted to the combatants will be easy or difficult. The behaviour of the Congress of Vienna has for more than a century been a source of amazement that the Europe of the beginning of the nineteenth century could have tolerated such disregard of the most serious interests of the time. Yet here we are now in a condition very little different, unable, in fact, even to guess when we shall be assured whether peace is or is not secured. Germany, it is quite true, surrendered her fleet, and practically laid herself at the mercy of her enemies. But there are numerous observers who think that during the six months and more that have since elapsed Germany has been preparing to meet her difficulties, and that it will be a considerable time before peace even with Germany is secured. We are unwilling to believe that even the Germans are so unwise as to rush now into a fresh war. That they will fight when they think themselves prepared we do not doubt for a single moment. And that they may choose a time when circumstances promise to be more favourable to them is at least possible. But that even the rashest Germans will now provoke another war we cannot believe. Therefore, we still cling to the hope that the War is ended. But how soon shall we be able to say that the difficulties of the world have been arranged at least for the time, and that we can with considerable certainty reckon upon a peace of at least a quarter of a century? For all that, there are authorities of all kinds who declare that the leaders in Germany are preparing for war; and, consequently, that our difficulties are not ended. We shall not continue this kind of discussion. We ourselves believe that even the wildest German must see that he would plunge his country into still greater difficulties if he provoked a new war. But when we say so, and when we look around us, we are compelled to add that the prospects for, say, 20 or 30 years hence are not equally satisfactory. Indeed, it would be difficult to frame a condition of things much less satisfactory than those which we see around us.

To begin with, even taking into account the proposals made by the Conference to strip Germany of certain possessions, she will remain, assuming that she accepts peace without further quarrel, a population of probably 70 millions, or very nearly. Then there is the prospect that she may attract to herself Austria and Hungary, which would add, let us say, 20 millions more. Assuming, that is to say, that Austria and Hungary are allowed to coalesce with Germany, there will be under the supreme German authority, whatever it may then be, a population of very nearly, if not quite, 90 millions, which would be, roughly, twice the population of the United Kingdom, and, if we except Russia and the United States, would make Germany the greatest of military Powers, looking only to the population. Then there is, in addition, Spain. He would be a bold man who at the present time would attempt to predict what will be the condition of Spain, say, in a quarter of a century. Most certainly we shall not attempt the task. But there is an exceedingly strong democratic party in Spain; and there is also an exceedingly strong autocratic party. The latter is practically under the control of the army; and, therefore, it is a very nice question to consider what will be the attitude of Spain if she makes up her mind to take part in the next great European war. It is at least possible that Spain may decide to take part in the struggle. And everybody who is familiar with the history of Spain knows that when she is thoroughly aroused, and has even a tolerably capable Government, she is by no means an enemy to be despised. Over and above all this, who can say what is to be the future organisation of Russia; and, consequently, what will be her policy should another great war begin? And if we turn from these States to the new countries that are to be given the management of their own affairs, what shall we say of all the countries to whom it is proposed to give the complete disposal of their own interests, internal and external? Looking at the real condition of Europe, and not contenting ourselves with a mere reminder of what will be pleasant for us and our Allies, is there a well informed man, who has a well-considered estimate of the inherent policy of the great European States, who can look forward to what will happen when Germany is again in a position to risk everything upon the battlefield?

Just now we in this country have the misfortune to be governed by a party which never had a real policy and is incapable of forming one. The Prime

Minister having—we will not stop to inquire how or why—lost the confidence of the Liberals, threw himself foolishly into the arms of a party which has neither policy nor *bona-fide* authority. The fortunes of the Liberal party and of the working classes are by no means destroyed; and we presume there is not one man in ten who seriously believes that the present Coalition Government will long hold together. Therefore, we have before us a reasonable certainty that we shall have in a very short time a Government entirely different from the present Government, and that nobody living can form even a guess as to what will be the character of those who dispose of the fortunes of the other chief States. At the moment there is a belief that the Republican party in the United States is reorganising itself, and that the next election, which is now rapidly approaching, will be fiercely fought. Since the rebellion of the slave-owners in the South the Democratic party, powerful as it unquestionably is, has never been able to retain authority in the Republic for more than eight years at a time. If it is beaten in the coming election and a Republican party under an entirely new man comes forward, is there either in America or in Europe a really well-informed person who would undertake to say what the probabilities are of the next election in the United States?

THE UNEMPLOYED.

The Minister for Labour on Wednesday depicted in glowing language the decision of the Government in respect of those who are crying out for work. It is something that the facts are recognised, and that a promise of amendment is given. But we are afraid we are too old and too much accustomed to Government procrastination to accept everything we are told like children. We wait, therefore, for evidence that the promises are to be carried out. Meanwhile, the condition of things is bad. But it is only an indication of what may be apprehended if the condition of the country is not taken into serious consideration and if the demands of the people are not responded to. When the War broke out in the middle of 1914 the world was taken by surprise at the enthusiasm with which the working classes all over the country came forward to defend the national honour. And as the struggle went on, and even the most careless and thoughtless were impressed by the magnitude of our unpreparedness, the enthusiasm grew, until practically all men from mere boyhood up to 50 years of age were freely offered to maintain the honour and the influence of the Empire. We will not here say anything of the utter failure of the Asquith Government. But even Mr. Lloyd George did not come up to the national expectations. It would be both untrue and unfair to deny that he was the only man who showed himself ready, willing, and capable of adopting the measures that were urgently necessary. In consideration of that we pass over all errors of every kind, and we are ready to join with those who recognise the immense services he rendered to the country by at last accepting the word of the people who were actually engaged in the fighting, and providing them with the means of not merely defending themselves, but of showing that when the country is really aroused it has the will, the means, and the capacity to beat its enemy both in preparations for the field and in the actual work on the field. But the Prime Minister conceived that the immense popularity he had won made him an autocrat, and that practically it did not matter who his colleagues were since he could command. Already we have superabundant proof of the mistake he made, and we see a great Government in office with a chief at its head the most popular, perhaps, the country has ever known; and the result is that the men who so gallantly and splendidly maintained the honour of the country are being left, we will not say to questionable measures, but to use threats to make their Government understand that they are not willing to starve in the richest country in Europe. Let us have an end to this kind of thing once and for all. The present Government was an absurdity when formed. It has become a danger and a nuisance now. It should go absolutely and quickly, and men should be called to every office of importance to carry out what is really needed in the interests of the country and the Empire. We want an end to the shameful and disgraceful condition of things existing in Ireland. We want an end to the complaints of the men who fought so gallantly for us that they are left to starve. And we want a thorough heartfelt understanding that we are at the parting of the ways; that it depends upon the policy now adopted whether we are to continue one of the greatest of the Powers, or whether, like Spain, we are about to sink. The first thing, then, that ought to be done is to sweep away the present Government. The second is to call into office men who are not partisans, men whose real interest is the welfare of the Empire; and, above and before all, men who are determined, however they may fare themselves, that the interests of the country and of the men who fought so splendidly for it are to be safeguarded and that we are at last about to show what a united Empire can be at its best.

FRENCH TAXATION.

The French Government proposes to add 50 millions sterling in one clean sweep to the taxation of the French people. To understand the circumstance clearly it will be well for readers to bear in mind that the French Government was, strange to say, taken by surprise by the German declaration of war in 1914; that, therefore, no effective preparation had been made for the occurrence; and that, in fact, parties in the Chamber were ill-prepared in every respect for the contingency. Taxation was not increased as might have been expected during the conflict. Therefore, there is no cause for surprise that so enormous an addition is made at once. We do not doubt that a people so patriotic as the French will see the necessity for what is proposed, and will prepare themselves for a condition of things which undoubtedly is disturbing. On the other hand, it is to be recollected that not only has Alsace-Lorraine been given back to France, but that in a great many ways France has been afforded an opportunity, which she admirably utilised, to show that she is as distinguished a military Power as she always has been in the past. The immediate future of France, nevertheless, will be a trying one. It may be doubted whether even the addition to the taxation of 50 millions sterling will prove to be sufficient. In any case, the immense expenditure necessary to make good the damage done by the invading Germans will add very seriously to the difficulties of the country. Still, we do not doubt that France will show herself once more equal to the occasion. In the first place, she, of all the combatants engaged in the War, proved herself as great as her old reputation prepared people to expect; and, in the second place, the recovery of her lost provinces, and the proof she has given of her old military qualities, give us a right to conclude that she will rise superior to all her difficulties, great as they undoubtedly are.

We hope we may add with confidence that the wonderful new inventions which became known so very short a time before the War broke out will help France, as well, indeed, as all the combatants, to overcome the trials she has to meet and overcome in the early future. It would be rash of anybody to affect to point out how those new inventions will influence the course of trade in the early future. But it would be contrary to all experience to assume that the influence exercised will not be great; and, therefore, we hope that France will meet her difficulties more easily than now seems probable. If

the French people are wise they will not content themselves with merely financial measures. They will have to economise in every way possible so as to meet and reduce their obligations. But they ought, in addition, to reform their constitution so as to ensure that the best opinion of the whole country will be brought to bear upon the condition of things, which, when everything is said, cannot fail to be exceedingly difficult. France gained greater distinction than any of the combatants in the War. She has now to prove that she can gain greater reputation in peace by so arranging all her circumstances that she may meet her present difficulties with the greatest possible ease. The great difficulty of France heretofore, which perplexed her friends, has been the stationariness, not to say the tendency to a reduction, in the population. The evidence at present seems to be that now births are more numerous and more promising than had been anticipated. If families increase, as the best friends of France now hope, it will not be surprising if in another quarter of a century France will be able to take a position upon the Continent which during the past half-century has been growing apparently more and more hopeless.

INDUSTRIES OF THE WEST RIDING.

Amongst textiles cotton has displaced wool as the chief article of human clothing, and this displacement has relegated our woollen industry, despite its much greater antiquity, to a rank of secondary importance. Cotton is *par excellence* a machine industry, but the high degree of organisation and specialisation reached in Lancashire is duplicated on the other side of the Pennines, and the wool industry of the West Riding enjoys, as compared with cotton, a bigger margin of superiority over its foreign rivals. This superiority is to be attributed not so much to the natural advantages of Yorkshire as to the capabilities of her gifted sons. No doubt the climate, the water resources, the coal supply, and the presence of labour already trained in the textile handicrafts contributed to the development of the industry, but these do not altogether explain Yorkshire's present position at the head of the wool-working districts of the world. A long line of inventions and improvements in spinning and weaving machinery, made by Yorkshiremen or adopted by them, was chiefly responsible for elevating the industry to a pre-eminence which has not anywhere been seriously challenged. The proximity of Lancashire with its cheap supply of the cotton and cotton yarns required in the production of union goods also favoured the rise of the West Riding, which now possesses most of the machinery in the worsted trade, and at least one-half of the spindles and nearly three-fourths of the looms engaged in the woollen trade in the United Kingdom.

Within the comparatively small area of the Riding specialisation has been carried to a high pitch. The woollen industry is associated chiefly with Huddersfield, which is the centre of the heavy woollen district, but other towns to the north and north-east, including Dewsbury and Leeds, are also identified with the production of woollens. The making of flannel and blankets is extensively carried out in Dewsbury, though Rochdale in Lancashire, Witney in Oxfordshire, and a few Welsh towns are also well known in this connection. In the worsted industry the pre-eminence of the West Riding is much more marked, and the activities of Bradford in combing and spinning are particularly noticeable. As in the case of woollens, the different articles in the worsted trade are, broadly speaking, manufactured in different centres. Thus, Bradford concentrates on light-weight cloths suitable for dress materials, and Huddersfield on heavy cloths suitable for men's wear. The weaving machinery in each case is different, Bradford having light, narrow looms, and Huddersfield broad, heavy looms. As khaki and overcoatings require the heavier machinery, the Huddersfield district was in the last four years more occupied than the Bradford in turning out the cloths required for our own and Allied armies. The shoddy and mungo trade of Dewsbury, Batley, and Morley is of more recent growth than the other two sections, the woollen and worsted, and is intended principally to cater for those who desire a cheaper article than goods made first hand from wool. "Shoddy" cloth is manufactured from rag-wool. It is simply the original wool put twice through the process of manufacture. Woollen and worsted rags are ground up and worked again into cloth, and though it is possible to utilise the shoddy rags themselves, the process of remaking cannot be indefinitely continued, as the wool shrinks and becomes useless on the third rehandling. The industry has reached considerable dimensions in the towns named, and it gives employment to many thousands of persons.

To supply its wants rags are brought to it from the most remote corners of the globe, and an interesting development of this world-wide traffic is seen in the Rag Exchange at Dewsbury, which serves precisely the same functions for the shoddy business as cotton and corn exchanges do for their respective trades.

The three main divisions of the wool industry have been outlined, but the centres with which they are identified possess other economic interests, generally connected with wool. Thus, heavy cloths are woven also in Bradford, and they are frequently sent to Huddersfield or Leeds to be dyed. At Saltaire, in the immediate neighbourhood of Bradford, alpaca and mohair goods are spun and woven, and these are eagerly sought after, both in the yarn and cloth stage, for the making of linings, braids, and dress materials. In addition, the city is the headquarters of a great combination of wool and cotton dyers, the most powerful organisation of its kind in the British textile industry; while it can further claim to be the chief centre in the United Kingdom for the manufacture of hosiery yarns. It likewise possesses silk, plush, and velvet mills and dyeing factories, and has an important and rising engineering industry. In consideration of these varied attainments, and of its importance in wool combing and worsted spinning, Bradford can without exaggeration be described as the pivot not only of the British, but of the world's wool industry. It is one of the great trinity of industrial towns in the North of England, and stands in the same relation to wool as Manchester does to cotton or Sheffield to iron and steel. Though Leeds enjoys a larger population, it is a commercial rather than a manufacturing centre. It is the headquarters of the ready-made clothing trade, an offshoot of the wool industry, and contains a number of woollen mills. It has other interests in the manufacture of leather, especially textile leather, and in general engineering; and its importance is enhanced by its excellent communication both by rail and canal with all parts of Lancashire and Yorkshire. Huddersfield, originally a centre of woollen manufacture, has now become identified chiefly with worsteds, both plain and fancy, and the quality of its productions, particularly for men's wear, is renowned in all countries. The subsidiary industries of dyeing and finishing have also sprung up, and Huddersfield is the headquarters of the chief British concern engaged in the manufacture of dyewares, and founded after the outbreak of war with the express purpose of rendering our dye users independent of foreign supplies. The chemicals, such as the heavy acids and bleaching powder required in dyeing and finishing, are also manufactured locally, while textile machinery making and electrical engineering are other features associated with the town.

From the examples given it is apparent that the so-called "wool towns" of the West Riding have many interests only remotely bearing on wool. Specialisation has nowhere been carried to such an extent as to make a branch of the wool industry the exclusive pursuit of any of the large towns. Such a result would

in itself be undesirable; but the fact that it has not arisen is due chiefly to what might be called the "vertical" organisation of the woollen industry. The typical woollen manufacturer carries out under one roof the different processes of carding, spinning, and weaving. Even the large firms of worsted manufacturers often do their own combing, as well as spin and weave; and these factors have helped to maintain a desirable variety of industrial pursuits. The bulk of the worsted industry is, however, organised on horizontal lines—that is, the different operations from combing onwards are carried out by units working independently of each other. A large share of the business, especially in combing, is done on a commission basis by firms working on a small margin of profit. Specialisation is thus fostered, but as it is an evolutionary product of the industry, and one which has been a great power for good, its development cannot be regarded otherwise than with favour.

MEXICO.—II.

We showed last week not merely that the political condition of Mexico was deplorable, but we gave various reasons, taken from its history and present condition, which illustrate from the political side why the country has drifted into such an unsatisfactory state. We propose this week to show the economic influences which have acted, and reacted, partly as a cause of the present political condition, and partly militating against improvement.

The basis on which the social system rests in Mexico is an exceedingly narrow one. It has been said that Mexico is still in the feudal stage. But that conveys no real meaning to the reader who is steeped in the traditions of mediæval Europe. It is not, in fact, really true unless one has to attribute a somewhat altered meaning to the word "feudal" from what we understand by the term in the period in Europe which ended, roughly, with the discovery of the mariner's compass, and coincided, one may say for convenience, with the end of the fifteenth century. Probably it would be more correct to say that Mexico, economically considered, presents all the disadvantages, or most of them, of the feudal system, with none of its safeguards. The feudal system is impossible in the modern world, particularly for a country with the United States of North America on one side of it and Central America on the other. It presents, as we have said, many of the disadvantages of the feudal system, and upon that system has been added industrialism. But it is industrialism with nearly all the drawbacks, and scarcely any of the advantages, which industrialism offers, at least to the enterprising and successful. Modern economic Mexico combines the faults of feudalism and the faults of industrialism without any adequate compensating advantage which might enable one to defend either system. Mexico has, in fact, as far as one can see, as a result of the Spanish conquest, and as a result of throwing off the yoke of Spain in 1821, contributed perhaps as little as any community in the world to our knowledge of economic science, or to offer us any examples in any department of industry which it would appear to be desirable to copy.

Mexico is naturally one of the richest countries in the world. It is a little more than three-quarters of a million square miles in area, or, as we said last week, as big as France, the Central Empires, and part of Spain added together. It has unrivalled agricultural, pastoral, forest, and mineral resources. None of them have been properly developed; and, in so far as they have been developed at all, they have been developed in the wrong way.

As we said above, the basis on which society rests in Mexico is an exceedingly narrow one, and is also a very unstable one. Seventy-five per cent. of the population are descended from the people whom Cortes found there when he conquered Mexico in the early years of the sixteenth century. They have been going down the hill, to use a figurative expression, for the past four centuries. As far as we can judge from the writings of the monks, and particularly of the Jesuits, which have come down to us, the great bulk of the Mexicans are less civilised, worse educated, and economically in a worse position as a result of four centuries of European or semi-European rule. The Spanish yoke, as we have said, was thrown off in 1821; but the Republic has done nothing either in the matter of education, economically, or in improving the status of the country to any material extent.

The basis of society in Mexico is the great landed proprietors. South America, taken as a composite whole, is a continent of vast estates. Mexico does not form a part of the continent of South America, but it does form part of Spanish America; and Mexico is a country of vast estates in a sense unknown in any other part of the world, and certainly in any other part of America, either North or South. These estates are very vast, and were either acquired during the Spanish colonial period, or for political services since. They are held by men who have no adequate resources to cultivate such immense domains. Some of them are actually bigger than English counties. We talk of the big estancias of South America, but they are veritable allotments compared with the vast estates of a Mexican landowner of the first class. As we have said, in hardly any single instance has a landowner any adequate means for cultivating these vast estates. Indeed, if he had, he would require to be what our friends across the Atlantic call "a multi-millionaire." To cultivate properly some of the Mexican estates would require the revenue of some of the new States which are emerging in Europe as a result of the recent War. Consequently, the landowning class, taken as a whole, are more or less always in difficulties. They never know where to turn for money; and they are nearly always trying to find the means to do something which they know perfectly well ought to be done, but which they have not the means of accomplishing. These people work their estates by means of very poor peasants, ignorant and backward to a degree. These peasants are called peons. Peasants all over South America are called peons. But a peon of Mexico is a totally different person to a peon of the more progressive States of South America. He, like his master, is practically in debt from the cradle to the grave. He usually marries early, and the means to set up his little home are usually advanced to him, and he is never in a position to get out of debt. Between these two classes there is nothing in the nature of what we call here in Europe a middle class. Practically the whole business, enterprise, and money existing in the country is held by foreigners, which is never a healthy state of things in any country. The Church is not what it was; but it still has great influence. Consequently, we have a country about a quarter the size of the whole of Europe with a population of 15 millions. Seventy-five per cent. of these are as ignorant and as backward a peasantry as, perhaps, it would have been possible to find in any part of the world within historical times. We have over them an impoverished aristocracy, who are trying to cling to properties that they have no means of using, and no prospect of ever getting the means of using to any real advantage—properties so extensive that they would require to be financed by a great State bank if they were to be adequately developed. Then we have the Church, which, as we have said, is not what it was. And, finally, we have mining, transportation, and trade carried on by foreigners.

It will be seen that the elements of stability which make it possible to work a constitutional system are lacking in Mexico to an extent which is hardly true, perhaps, of any State on either the South or the North American continent. Foreigners rarely, or never, in any country, interfere with the internal

affairs of the country in which they are located for the purpose of carrying on trade or developing its economic resources. In Mexico, as elsewhere, the foreigner sides with what appears to be the strongest party, and the one that he hopes will be more or less in a position to maintain law and order. He does not, of course, wish to get himself into trouble with the authorities. He is in the country either for trade purposes or to develop certain interests—mining, or the fruit industry, or whatever it may be. But in Mexico the foreigner is the only person who has any ready money. Consequently, the warring elements which constitute the kind of society we have endeavoured to describe are always anxious to draw the foreigner in, to get his assistance for their various schemes of improving or despoiling the country according to their inclination. Practically, as we have said, the foreigner supports the side which in the judgment of the foreign community will soonest bring anarchy to an end.

It may be asked, How does a country in such a position live at all? Well, as we have said, Mexico is about a quarter the size of Europe. It is only just outside the tropics. It enjoys perhaps one of the finest climates existing in the world. And it has the most extensive resources for its area of, perhaps, any country. Its mineral deposits, wherever foreigners are allowed to work them, are prolific to an unparalleled degree. Its petroleum wells are, of course, as the reader knows, proverbially rich. And, finally, there is its agriculture. Nearly every kind of food known to man, from the sugar cane to the fir tree of the mountains, will grow in Mexico, according to the degree of altitude of the particular locality in which the seed is sown. Mexico always grew, and still grows, large quantities of cocoa and coffee. It was from Mexico that Europe learnt the use of cocoa. It is said that the last Emperor of Mexico, whom Cortes conquered, was accustomed to have 300 cups of cocoa served at his table every day. Internationally, probably the most important industry still in native hands, and on which the natives themselves live, is the cattle industry. The estates, as we have said, are not cultivated, but the herds are magnificent, and very extensive. And the landowner and his peons manage to carry on existence from generation to generation mainly by means of the sale of cattle, of hides, and of some of the by-products of the cattle industry.

THE WOOL INDUSTRY.—II.

At the end of March 30 Army Council Orders relating to the wool industry were rescinded, and from that date Government control ceased to be a very important factor in the home trade. Control had first seriously been felt in the early part of 1917, when the Government took possession of some wools and fixed the prices of all. The importation of wool on private account then practically ceased. The Government had in the meantime taken over all cross-bred tops produced or to be produced, and a schedule of top prices was issued. The wool industry was thus tightly enmeshed in the net of control, and the "passing" of the numerous Orders at the end of March occasioned little regret. Government operations in the raw material have not, however, concluded. British wool has, indeed, been decontrolled, but the 1919 and 1920 Australasian clip is to be purchased by the Government at the price agreed on for previous clips, 55% above the 1913-14 figure. The advisability of thus continuing control up to a period when it is hoped that the last vestiges of it will have disappeared from all other industries has been questioned, but the interests of the growers and users of wool will be served by the assurance of transport facilities that Government control will involve, and by the guarantee of an adequate supply of the raw material at reasonable prices.

From to-day onwards the Government obligation to issue tops to spinners will cease. These tops are simply bundles of combed wool with all the fibres arranged parallel, and weighing, on an average, from 5 to 7 lb. They are the raw material of the worsted spinner and are free from short fibres, which are separated in the combing operation and sold as "noils." A demand has been put forward that the system of distribution of Government tops, undertaken for the first time during the War, should continue for a further period, and the demand is likely, under present conditions, to be conceded. To prevent a further rise in the price of woollen and worsted goods, and consequent damage to the two great sections of the industry, some such step seems necessary. The recent marked advance in the raw material has been due to a shortage of fine combing wools, combined with a disinclination on the part of consumers to accept low-grade cloths. It is incorrect to attribute the high prices fetched at the London and Liverpool sales to any withholding of supplies on the part of the Government. Such shortage as exists is aggravated by the twin difficulties of inland transport and of the auction system. It is officially estimated that up to the end of September next the shipments of wool from Australia and New Zealand will average 225,000 bales per month, of which, however, only 200,000 can be passed through the auctions. Even the smaller amount will not find ready transport to the centre of manufacture from the warehouse where it is stored pending sale; and congestion is thus threatened at the wool ports of London and Liverpool. By holding longer or more frequent auctions, and speeding up distribution through a proper use of coastwise shipping facilities, it should be possible not only to avert congestion, but to render supplies so plentiful that the *pro rata* method of distribution could be brought finally to an end.

The Colonial wool passing through the sales now held is Government property, and at present those engaged in working up wool have two sources on which draw—the War Office, which supplies them with a varying ratio of their consumption in the datum year, and the wool sales, where they may purchase the raw material in any quantity desired. The Government issue prices have proved to be from 8% to 40% less than those realised at the sales, which have, however, been but recently resumed after a prolonged period of suspension. The difference is sufficiently great to cause an outcry, especially among the consuming interests, against the proposal to return to conditions of competitive trading. It would appear that the Government were somewhat premature in handing over portions of their stocks of wool for disposal by public auction, since the scarcity, especially of the better-class wools, is still considerable enough to justify the complete retention of the system of *pro rata* issues of the raw material at fixed prices. Interference with the natural action of the law of supply and demand may be resented, especially by the wool-growing interests, but as no benefit accrues from high prices in the United Kingdom to Colonial growers, who have parted long since with their clips at a fixed price, interference can be justified. Supplies should certainly become more plentiful before the system of price fixing and allocation is finally set aside.

Worsted spinners are suffering at present from a distinct scarcity of fine combing wools, and their requirements have not been met to the same extent as those of the woollen spinners. In the recent London auctions clothing wools have been plentiful, but superior merinos have rarely found a place in large lots in the catalogue, and have fetched prices which render their purchase impossible for the independent topmaker who desires to sell after combing to the spinner. If the quality of the London offerings could be improved, the present steep gradient in wool prices might be reduced. It is expected that American buying interests will be allowed to operate in London later on, when wool is becoming plentiful. They have already been admitted to the East India

auctions at Liverpool; but their anxiety is not yet appeased, as they fear a hold-up of South American importations owing to transport troubles in Argentina and elsewhere. At present, however, our stocks are not sufficient to supply to our European Allies the small quantities which they require of the finer sorts, and it would obviously be unwise to extend our obligations further.

The May series of sales has seen the surprising prices realised in the April series still continued and in some cases even increased. Top makers are able to dispose freely of their output and there is a premium for delivery in the near months. The scarcity of good combing wools has favoured a rise in the price of fine tops, and makers are accordingly inclined to mark up the figure at which they will do business. In the circumstances the time is not ripe for the resumption on a large scale of our re-export trade in wool, though the anxiety of the United States manufacturers can readily be understood. In 1914 they received from the United Kingdom 85,842,000 lb. of Colonial and foreign wool, and last year their imports were nil. Carbonised and low-grade wools were amongst their takings in 1914, but merino qualities were also exported. Since the tremendous reduction of over 40 millions in the number of Australian sheep by the great drought of 1902, and the consequent increased scarcity of fine Colonial wool, the Americans have been purchasing their requirements at Sydney, Melbourne, Brisbane, and the other great wool auctions on the coast. To this extent they have dispensed with the services of the London Wool market, where the quantities on offer have accordingly shown little tendency to expand. The decline was, indeed, partly inevitable owing to the decimation of the Australian flock and the growing importance of the frozen-meat trade; but Yorkshire is unanimously of opinion that allocations to the United States should not be made with a lavish hand until the requirements of all our manufacturers have been fully satisfied.

BANKING IN THE NORTH OF ENGLAND.—II.

THE handling of foreign exchange business by British banks has been a remarkable innovation of the War, and the northern banks have been prominently associated with the new departure. Prior to 1914 the field was almost entirely neglected by us and left to foreign bankers. In London particularly, branches of the three principal German banks were deriving large profits from exchange business, which they thoroughly understood and handled with great skill. The northern banks, in common with other British banks, have been astonished at the lucrative character of the business which they so long neglected, and they look forward to its development in the post-War period as affording a sure and ample source of revenue. The banks, besides working directly through foreign agents, are in some cases financially interested in the British Trade Corporation or the British Overseas Bank, or in houses identified with particular foreign countries, such as Italy.

Although we owe an immense amount of money abroad, we are owed nearly as much, and this, combined with the interest on such foreign investments as we retain, the earnings of our mercantile fleet, insurance companies, and financial houses, will suffice to make us, nominally at any rate, still a creditor nation. Whether we will actually be one depends on the willingness and ability of our foreign debtors to meet their obligations. Whatever happens, our pre-War credit credit balance will be substantially reduced, and an increased portion of our annual outturn of goods and services will find its way abroad. Our manufacturing activity being largely focussed in the North of England, it is but natural that the banks in that area should make timely provision for the anticipated increase in our foreign trade, and the consequent growth in productivity at home. Amalgamation has to some extent given the desired increase in strength, but this process, as already explained, has not proceeded very far, partly because of local objections to the loss of independence involved in union with London institutions, and partly because the local banks are in most cases sufficiently powerful to meet the demands even of large-scale modern industry. The developments in foreign business in the North were the outcome of a policy previously shaped in London under various influences. The incursion of London banks, not only into Ireland and Scotland, but into foreign countries, notably France and South America, has strengthened the position of the Metropolis as our centre for the settlement of international transactions; and it is with no intention of setting up in rivalry to the capital that the northern banks have adopted a forward policy as regards foreign business. They have not gone so far as to acquire or establish foreign subsidiaries or open up branches abroad, but they have entered into close working arrangements with a number of foreign banks for the direct transaction of business that previously passed through London.

On another point, in regard to which the banker's conscience has recently been awakened, the progress made by some of the northern banks is disappointing. During the War, because of the rapid growth in deposits, the ratio to them of the paid-up capital has been declining, and even if we include the reserves the ratio is smaller than it was before the War, as the following table shows:—

Year to Dec. 31	Bank	Paid up Capital £	Reserve Fund. £	Total £	Deposit, Current & other Accounts £	Ratio of Paid up Capital & Reserve Fund to Deposits %
1913	Man. & County Bank, Ltd. ...	1,092,040	850,000	1,942,040	10,875,578	17·8
1918	,, ,,	1,092,040	600,000	1,692,040	17,679,775	9·5
1913	Williams Deacon's Bk., Ltd. ...	1,250,000	650,000	1,900,000	17,188,008	11·0
1918	,, ,,	1,250,000	850,000	2,100,000	31,778,651	6·6
1913	Man. & L'pool Dist. B'king Co., Ltd.	1,896,000	1,600,000	3,496,000	25,916,688	13·4
1918	,, ,,	1,896,000	1,550,000	3,446,000	44,530,512	7·7
1913	Lancas. & Yorks. Bank, Ltd. ...	862,660	650,000	1,512,660	11,793,738	12·8
1918	,, ,,	862,660	580,000	1,442,660	21,650,310	6·6
1913	Union Bank of Manchester, Ltd.	550,000	350,000	900,000	6,428,857	14·0
1918	,, ,,	750,000	525,000	1,275,000	15,212,193	8·3
1913*	Bk. of L'pool, Ltd.	1,412,500	850,000	2,262,500	18,785,011	12·0
1918*	,, ,,	1,733,890	900,000	2,633,890	47,866,760	5·5

* Year to June 30.

Prior even to 1914 the decline had been noticeable. It was in the main a result of the policy of absorption, which, being pursued chiefly in the shareholders' interests, was in many instances responsible for a reduction in the uncalled liability of the shares, or in the total paid-up capital. If banks are in the future to play an active part in the financing of industry, it will be necessary to increase the shareholder's stake and so help to guard the interests of depositors, while at the same time enabling a bolder trade policy to be pursued. It is, indeed, undesirable that our banks should take upon themselves the multiplicity of functions discharged by the German banks, which promoted new enterprises, handled capital issues, and discounted freely. They even shared in the risks of trade; but such a departure would not be considered here a legitimate use of banking funds. The other functions which they discharged can best be performed in the United Kingdom by the separate institutions which already exist for the purposes. If it is desired, however, to afford longer and more ample credits to trade, and to maintain a high degree of liquidity, the necessary additional strength must be obtained by building up the reserves from profits or by making a further call on the shares.

A feature common to the accounts of the various northern banks is the small increase in profits compared with the increase in banking strength. The

following tables, as well as those published with our previous article, serve to bring out this point:—

Manchester and County Bank, Limited.

Year to Dec. 31	Deposits	Cash in Hand at Call, and at Short Notice	Bills Discounted	Investments	Loans and Advances	Net Profit	Div.	Placed to Reserve, Depreciation of Investments and Bank Premises Acc'nts
	£	£	£	£	£	£	%	£
1913	10,875,578	3,373,192	1,983,745	1,765,881	5,573,186	193,929	14⅔	35,000
1914	11,047,390	4,272,077	1,401,834	1,877,738	5,284,062	171,042	13¾	Nil
1915	11,431,429	2,717,817	704,392	4,646,456	5,171,105	166,900	13⅓	Nil
1916	13,181,812	4,191,087	1,750,489	4,391,011	4,699,802	188,094	12⅔	Nil
1917	14,505,740	4,343,306	1,778,691	3,745,211	6,491,836	197,554	14⅔	40,000
1918	17,679,775	5,434,490	4,439,006	3,810,278	5,852,169	206,415	15	40,000

Percentage increase in deposits, 1918 over 1913, 62.

Williams Deacon's Bank, Limited.

1913	17,188,008	5,460,704	4,599,039	1,464,866	6,274,778	243,286	15	55,000
1914	18,349,551	6,263,973	2,784,057	3,360,103	7,577,650	221,480	14½	Nil
1915	19,855,853	4,703,701	1,911,110	7,090,884	7,712,871	238,048	14	125,000
1916	24,419,300	7,849,520	4,846,937	6,780,830	6,540,785	280,187	14	100,000
1917	28,443,615	8,734,969	5,100,815	6,130,644	10,179,795	297,915	14	120,000
1918	31,778,651	11,550,870	5,549,518	6,586,806	9,943,797	319,190	14⅔	125,000

Percentage increase in deposits, 1918 over 1913, 84.

By reason of the much larger sums at their command, and the exceptional opportunities for investment during the War, bankers' earnings must in many cases have exceeded the figures shown on the face of their financial statements, and it can only be concluded that, in addition to the ordinary reserve provision, inner reserves were built up in the many ways known to accountants. It is easy to cloak such reserves in a balance sheet which does not descend to minutiæ, and few balance sheets of English companies, whether of banks or others, sin in this direction. Manipulation of figures for the purpose not of misleading, but of concealing the true position from competing concerns, is so commonly practised to-day that the published balance sheet of many companies is not an exact guide to their financial standing. By the simple method of increasing creditors or writing down debtors, stocks or premises, the true position can be concealed in such a manner as to defy detection without recourse to the books of the company. Items treated in this manner frequently hide valuable reserves. It might, indeed, seem to a concern's interest to reveal all that is favourable; but company finance is instinctively conservative, especially where a company is long established or of high standing. In the case of banks hidden reserves are almost invariably tucked away in innocent guise in some part of the balance sheet, and it is a matter of pure guesswork to locate them or to estimate their amount. We suspect the existence of these reserves amongst the northern banks, but the larger they are the more ample security is afforded to depositors, and the easier will be the strain if a period of deflation sets in and banking resources show contraction instead of the customary expansion of past years.

During 1918 there was a welcome revival in Government securities, and the northern banks were not compelled to make the annual large provision for depreciation, which causes such a serious inroad into profits. The upward trend of securities has been even more marked in the present year, and if the increase is maintained a still greater measure of relief will be forthcoming to bankers. Their investments consist to a large extent of Government securities, and besides this direct interest in their appreciation many of the banks have made advances on war issues, and are thus loth to see any downward movement in values. A type of Government security of a different kind now held by the banks of the North is the Treasury bill, which found little or no place in their pre-War accounts. Many of the banks do not distinguish their purchases of these bills from the ordinary trade bills, but there is every reason to believe that from one-half to three-fourths of their total holding of bills represents the Government variety. Owing partly to patriotic motives and partly to the falling off in the number of trade bills, the banks sought profitable employment for their extensive funds in short-dated Government issues. Similarly the North of England people, who before the War were wedded to industrial shares, and could scarcely be aroused to a pretence of interest in any other department, have now become large holders of War Loans, War Bonds, and War Savings Certificates. The change is creditable alike to the banks and the public, and is one of which they need not repent, as Government securities seem likely to maintain their value. The result will be for the banks a large surplus in the investments depreciation and contingencies account and a corresponding improvement in their financial position.

SOUTH AND CENTRAL AMERICA.

THE DEMERARA RAILWAY AND BRITISH GUIANA.

As the growth of sugar during the War in that rich low-lying alluvial soil between Georgetown and New Amsterdam has nearly doubled, naturally the Demerara Railway has increased its traffic. During the year 1918 the goods traffic increased by some 6,000 tons, but the passenger traffic hardly increased at all. Since the War the goods traffic has practically doubled, but the passenger traffic has not increased to any appreciable extent. The railway consists of the Demerara Railway proper, running, as we have said, from Georgetown to New Amsterdam, the little Berbice Railway, and that still smaller extension commonly called the West Coast Line. The Demerara Railway throughout its long existence has passed through many vicissitudes, but it never at any time can be said to have enjoyed any real prosperity. It runs along a perfectly flat surface some 4 feet below the sea-level, through the rich sugar cane area of British Guiana, and has along the whole of its course the canals which are essential for the drainage of this low-lying land, subject every season to a rainfall often exceeding 100 inches. There is a road traffic which is practically as efficient as that of the line, because the sugar cane does not require to be carried at express speed, even if the Demerara Railway were capable of running trains at express speed; and also the canals afford, and always have afforded, ample facilities for the sugar estates. The Demerara Railway can never hope to be a really successful line until it is absorbed by, and becomes a component part of, a great system for the opening up of British Guiana as a whole.

British Guiana is considerably larger than the island of Great Britain. It is not an island. It is an integral part of the great continent of South America, and it is the only British colony actually situated upon that continent. It is nearly like British Honduras in Central America, included as part of the West Indies, but, whereas the British West Indies are islands, British Guiana and British Honduras are situated, as already said, upon the mainland. As things are, the Demerara Railway is only complementary to the traffic facilities which existed before it was built, and which have proved powerful and effective competitors throughout its existence. British Guiana, as we know it, is an alluvial mud flat between 300 and 400 miles in extent on the southern shore of the Caribbean Sea. Beyond the inhabited portion, which contains, all told, some 350,000 people, there is an arid sandy plain, and above that again is a rocky escarpment over which the various rivers of British Guiana tumble in cascades, which are commonly called locally the rapids. It is these rapids and this escarpment which have prevented British Guiana from ever having been opened up so far. Above the escarpment, which is situated at a distance varying between 30 and 50 miles from the coast, there are vast forests which are the great dominating factor of the colony.

The colony is believed to be rich in many precious metals, and certainly gold and diamonds have been found and have been worked to some small extent.

The difficulty of working the mines is that all expeditions designed to work them have to climb up the escarpment and drag their boats up the rapids, with the result that mining operations in British Guiana have never grown to any appreciable extent.

Whether the gold and diamond mines are as rich as was at one time thought will only be discovered if and when the colony is opened up by means of a railway running right into the interior. Certain it is that whether the colony contains valuable gold and diamond deposits, it undoubtedly does contain some of the choicest timber found on the continent of South America, which contains some of the finest timber known in any part of the world. Drought, or what passes for drought, in British Guiana is not absolutely unknown. But it is, of course, never of the intensity of a drought in the arid parts of the world, where the rainfall is comparatively trifling. Of course, it has to be remembered that the whole of British Guiana is situated between the six parallels north of the Line, and consequently, the evaporation is very great, and a rainfall comparable to that we experience in these islands does mean a virtual drought in a tropical country. Nevertheless, as there are three principal, and innumerable secondary, streams throughout the colony, if British Guiana were opened up irrigation could be carried on with the minimum of expense which irrigation would be likely to cost anywhere. Beyond the forest region, and, for that matter, intersecting the forests in various parts, are important open savannas. It would not be altogether true to say that they were rich in the sense that most of the great plains of South America are rich, because the land in these regions is of a peculiar character resembling a chalky clay. The rivers, even in the southern part of British Guiana, are whitened by this chalky clay soil. The result is that the grass, although it grows very tall, is exceedingly coarse and sharp. And although cattle of the rough variety flourish, and flourish well on it, it would virtually require to be ploughed up if it were proposed, and if British Guiana is ever opened up it will almost certainly be proposed, to breed cattle of an improved quality upon this land. Owing to the configuration of the land, the rich soil which formerly existed has been carried down the rivers and out to sea, and, as the shore is very shallow, it would be easy to dredge and to carry back, if transportation facilities existed, valuable manuring material which would rapidly enrich these lands; and upon them, under a tropical sun and with a rainfall varying between 80 and 110 inches, it would be possible to grow almost any produce known to the tropical regions of the earth.

THE DE BUNSEN MISSION.

Mr. Follett Holt, who was a commercial member of Sir Maurice de Bunsen's Mission to South America in 1918, has written a report on the trade prospects of the various States in South America visited by the Mission. It will be remembered that the itinerary of the Mission was from Rio de Janeiro to Montevideo, thence to Buenos Ayres, from there by the Transandine Railway to Santiago and Valparaiso; and from there the Mission visited Peru, Ecuador and Columbia, and passed through the Panama Canal. From the point of view of Mr. Holt's visit the route chosen was an excellent one. It gave the Mission an opportunity of coming in contact with the principal people in the great commercial centres of the various States of South America. Mr. Holt is himself by profession an engineer, and his observations on the railways, docks, and other engineering works in the principal countries visited, and in which this country is so largely interested are exceedingly useful reading. It is, however, from the commercial rather than the engineering side that Mr. Holt's report is intended to give information on the prospects of trade between this country and the various States of South America in which we are already interested. Mr. Holt is of opinion—as indeed most competent authorities are—that it will be some time before we are in a position to invest upon any great scale on the South American continent, at any rate upon the scale which we were accustomed to do in the decades that preceded the outbreak of the recent War. Mr. Holt takes a very favourable view of the prospects of our trade if our traders handle the question diplomatically and with energy, even without materially increasing our investments upon that continent. He says, and says truly, that our interests in South America are already very great. Although we have been compelled to dispose of or mortgage a certain proportion of our South American investments, our interests remain greater than those of any other country, with the possible exception of the United States of North America. That North American interests should in a sense preponderate, and tend perhaps to preponderate still more in the future, is only natural owing to the geographical position of the United States and its important interests in the Panama Canal. Fortunately we do not compete to any great extent, in the articles which we are desirous of disposing of in South America, with the United States. For the most part the exports of the United States, as we have shown from time to time in an extended series of articles upon the subject, are such as we could not supply in any case. Those articles, on the other hand, which we send principally to South America, as indeed to other countries, are such as the United States is not likely, at any rate in the early future, to compete with us to any very serious extent. The imports both of ourselves and of the United States are so enormous that the total imports both of North America and of Europe hardly seriously affect the vast supplies which South America is able to dispose of after supplying the modest requirements of her own local consumption.

Having arrived at this satisfactory conclusion, Mr. Holt sketches a plan of procedure which he thinks will be helpful to British traders in increasing the commerce between this country and the various South American States. On the whole we agree with his proposals. But he makes one proposal which seems unnecessary, and that is that a special Consular Department should be created for the purpose of dealing with South American trade. In an introductory preface Sir Maurice de Bunsen, who was head of the Mission, writes on the whole commending Mr. Holt's proposals, but entirely dissenting from the necessity of creating any special department to deal with South American trade. The reader is, of course, aware that a scheme is being put into operation for the purpose of increasing the importance of our commercial attachés, and linking up the Diplomatic and Consular services to an extent that has not been done hitherto. That this should be done all competent authorities, whether writing or speaking on the subject, seem to be agreed. But there does not seem any adequate reason for creating a special department to deal with South American trade. Mr. Holt naturally calls attention, as, indeed, is done in every Consular report, to the importance of recollecting that Brazil is Portuguese-speaking, and that the rest of the States of South America are Spanish-speaking. This by now should be so well known to traders that it should not be necessary to labour the point. We hope, as so much has been said on the subject, that our merchants and manufacturers will finally drop the old bad practice of sending out circulars and catalogues printed in English to non-English-speaking countries. So far as the Consular and Diplomatic service is concerned, what our traders really want to know is what are the requirements of the different States, whether of South America or elsewhere, to which our representatives are accredited. Our traders should be kept informed of the needs of the local markets; the economic standing of the bulk of the customers which it is proposed to attract; and the class of goods likely to appeal to them.

If the majority of prospective purchasers in any particular district are small wage-earners with very limited resources, it is evident that it would be useless to send out expensive classes of goods, although there may be an excellent demand and a highly profitable business to be done in some particular article made up in a way to appeal to the local customers and sold at such a price as they could afford. An excellent illustration occurs to us in the gramophone, which in the years which preceded the War was very largely in the hands of the Germans. The gramophone is an instrument that has acquired, if possible, greater popularity in South America than it already enjoys in North America and in Europe. But speaking generally, and allowing, of course, for exceptions, the demand is for a very cheap type of gramophone. Even in the remote districts of Brazil and in the Chaco of the Argentine the traveller meets with gramophones in huts and habitations which otherwise have hardly any furniture at all. These people in the case of Brazil are for the most part peons engaged on local plantations, or, in the case of the Chaco of Argentina, as carters or collectors, or in some branch of transportation connected with the quebracho industry. Naturally these people have only a small sum to spend upon such an instrument as a gramophone. But were gramophones manufactured capable of playing the tunes they like, suitable to their requirements, and at a price which they are able to afford, they are exceedingly anxious to obtain them.

PEAT RESOURCES OF IRELAND.—IV.

At present the only producer gas plant in Ireland using peat as a fuel is established in Portadown, and the power obtained is utilised in connection with a weaving factory. For the particulars relating to this plant we are indebted to the Journal of the Department of Agriculture. The peat used is dried in the open air by the usual method of stacking; as a rule it contains from 85% to 90% of water, but can be dried to 25% or 30% during a fairly good season; and owing to specially favourable climatic conditions this percentage was reduced to 19 during the summer of 1911. A plant of similar nature operating in Veenhuizen in Holland has as a result of careful tests given a consumption of 3 lb. of peat per horse power, with a fuel of 45% moisture. Although this is the average moisture content of the fuel employed in these particular plants, there have been periods during the winter when peat containing 70% of moisture has been fed to the producer with favourable results. The suction gas plant working at Portadown has a capacity of 400 brake horse-power, and was installed in 1911 by a prominent firm of Manchester engineers who have devoted much attention to the subject of peat in Ireland. It supplies gas to two engines, one of 120 B.H.P. and the other of 150 B.H.P. The producers are two in number, and each has a capacity of 200 B.H.P. By means of a conveyer the peat blocks are elevated and carried to the feed hoppers on the top of the producers, from which they pass into the generators where gasification takes place.

The following statement as to the comparative cost of running the factory on coal and on peat was supplied by Mr. Pegg, A.M.I.C.E., and Mr. Mullen in a paper read before the Institute of Mechanical Engineers in 1912:—

Cost of running the factory on coal per week	£	s.	d.	Cost of running the factory on peat per week	£	s.	d.
3½ tons of anthracite, at 35/0 ...	14	17	6	Say up to 50 tons at 6/0	15	0	0
2·9 tons of steam coal, at 17/0 ...	16	3	0	Weekly saving... ...	16	0	6
	31	0	6				

Allowing 15s. for extra labour, the net weekly saving figures work out at £15 5s. 6d. It might be mentioned that the bog which supplies the necessary fuel is situated about 10 miles from the factory with which it is connected by the river Bann; a cheap means of transit is thus afforded. This enterprise was to a great extent a practical experiment, but the results attending it have been so successful that the promoters have already contemplated an extension. Furthermore, in considering these results it must be remembered that no attempt was made to recover and utilise any by-products as the comparatively small capacity of the plant did not encourage this undertaking. The outcome of the Portadown experiment carries an important lesson which should not be lost on the users of power elsewhere in Ireland. There are many places in that country which possess quite as good facilities in the line of cheap water transport as Portadown and, even where these advantages do not exist, an opportunity might be found for installing the gas producer at the bog itself and transmitting this power in the form of electricity to the point where it is required.

Under the terms of the Bill recently introduced in Parliament the organisation and extension of electricity supply has been made a matter of national concern. It is certain that industrial competition in the future will be more highly organised and more acute than in the past, and in order to regain and extend our position in the world's market the utmost economy in production in so far as it is compatible with efficiency will have to be a national aim. The provision of abundant and cheap supplies of power would be a long step in this direction, but the success attending State enterprises in other fields has not been so marked during the past few years as to justify the extravagant hopes held out by the supporters of the new scheme. In all probability the proposed Electricity Commission will be set up and will take into account the peculiar circumstances that differentiate Ireland from Great Britain so far as the sources capable of supplying electricity are concerned. The generation of electricity in Great Britain has hitherto depended largely on coal; the proved coal deposits in Ireland are, however, on a very small scale and with the object in view would need to be largely supplemented by supplies from Great Britain. For the year 1913 the gross output of coal from Irish mines was 72,124 tons, or nearly 2% of an average yearly import of 4½ million tons. It is of importance, therefore, so far as Ireland is concerned, that careful investigation should be made of alternative sources of power supply. Peat possesses possibilities in this direction as also does water. The peat deposits occur in all parts of the country, but the water resources of practical importance are chiefly found in the West of Ireland. Proposals in the Bill contemplate the division of the country into a large number of supply areas which will be fed with current from a comparatively small number of super-stations which it is anticipated will enable very low prices to be quoted to customers. It is, however, doubtful considering the present distribution of industrial areas in Ireland and the need of developing new industries, whether the establishment of super-stations will be the most practicable idea. In the opinion of many experts the moderate-sized generating station equipped with modern plant can perform the work better and can supply current on terms as low as could be afforded by the huge generating centres which the scheme proposes to set up.

In the manufacture of peat briquettes cut peat of the more compact kind is generally used as raw material, because it can be ground more quickly and thoroughly than the tougher machine peat. The peat is treated until the water is reduced by evaporation to 40%, or 50%; it is then taken to the plant and ground, while still moist, into a powder of about 15% moisture. The powder is afterwards dried and shaped into briquettes by the use of specially designed briquetting presses. These peat briquettes possess advantages in the fact that they are clean to handle and, owing to their compactness, are more easily transported and stored than the same weight of peat. During recent years the industry has been placed on

a more intelligent basis, and the cheapness of its production on a large scale enables it in many localities to compete even with coal. During the War briquettes were used for ordinary fires to a considerable extent by householders in England, apparently with satisfactory results. It is claimed that the peat gives out great heat with little or no smoke, and leaves only a small quantity of ash. For firing steam boilers briquettes are coming into more general use, and for this purpose possess an advantage over coal in the fact that they do not produce dense black smoke and lessen the liability of wasting of the plates and tubes owing to the absence of sulphur in the fumes. A drawback to their employment in the past is their tendency to crack and crumble when handled roughly, to break down in the fire into a powder, and to disintegrate on exposure to harsh weather. It is understood, however, there have been improvements in the process of manufacture of late years, and as practically none are produced in Ireland at present, there is hope that it could now be undertaken with some prospects of success. Another process for converting peat into fuel was tried at Kilberry, Co. Kildare, some years ago. The fundamental idea was to pass electric currents, either direct or alternating, through the wet peat, with the object of liberating the water by breaking up the cells and fibres of the vegetable remains in the peat. Afterwards the peat was formed into bricks and the drying was finished by contact with the air as in ordinary air-drying. This experiment, however, proved a failure, seemingly because the electric treatment was not justified by the success achieved in freeing the peat of its moisture content. Such "electro-peat-coal" is still, however, manufactured in several countries; it is hard and dense, weighing 75 lb. per cubic foot, and comparatively smokeless. It is doubtful, however, whether it is capable of commercial exploitation, as according to a report by Dr. Haanel the product is hygroscopic, and has a tendency to crumble to powder. Other methods have been tried, in which the peat is treated with chemicals such as sodium carbonate and lime, so as to enable the moisture to be afterwards freed by pressure. The latest proposal is to freeze the peat and to subject it afterwards to heat, in the hope that the cells will burst and liberate the water.

One of the chief difficulties in the way of successfully utilising the peat deposits of Ireland is that of winning the peat. An industry dependent on this material would naturally require a sufficient store to keep it going the whole year round. Under present circumstances it would be difficult to realise that aim, as there are only four months in the year in which peat can be cut and dried by natural means. It may be suggested that this difficulty could be met by the employment of a sufficiency of labour during the four working months, but there are two objections to this course—one the high cost of labour in the summer months, and the other the difficulty of obtaining the necessary supply. No machinery really suitable for the purpose of substituting hand labour has yet been devised, and there is no doubt that its introduction would simplify the peat problem to a great extent.

FOREIGN COMPETITION IN WOOL MANUFACTURE.—I.

Of the normal output of the wool industry in the United Kingdom about one-half was in pre-War days annually sent abroad. Though the values involved were considerable the export trade was not nearly so important as in the case of the cotton industry, in which three-fourths of the annual production was disposed of in foreign markets. Neglecting the trade in wool, which is mainly one of re-export, the wool goods shipped abroad fall into three main sections—tops, yarns, and piece-goods; and their value over a series of years is shown in the following table:—

Exports from the United Kingdom.
(000's omitted.)

	Tops	Woollen and Worsted Yarns	Piece Goods, &c.	Total
	£	£	£	£
1910	4,508	9,046	23,962	37,516
1911	4,066	8,920	25,338	38,324
1912	3,476	8,226	26,071	37,773
1913	3,652	8,040	25,985	37,677
1914	3,164	5,552	22,822	31,538
1915	1,786	3,190	27,864	32,838
1916	3,254	6,444	37,205	46,903
1917	2,628	5,660	44,556	52,844
1918	3,231	6,392	40,111	49,734

While the total exports have shown an increase in value, but a decrease in quantity, the import of manufactured wool goods has considerably declined both in value and quantity.

Imports into the United Kingdom.
Wool, Yarns, and Fabrics.
(000's omitted.)

Year	1910	1911	1912	1913	1914	1915	1916	1917	1918
	£	£	£	£	£	£	£	£	£
Value	9,599	9,587	10,112	10,490	7,648	1,725	923	252	149

The year 1910, at which these tables begin, saw the commencement of a revival in trade, which had been depressed all over the world owing to the financial panic in America in 1907. The wool trade shared in this revival, but it was hampered to some extent by the increase in the French and Japanese tariffs. An offset was provided by a reduction of the United States import duties under the Wilson Tariff Act of 1913; but encouragement was at the same time given to raw wool imports in America by placing them on the duty-free list. The home production of wool goods was thus helped, and it received a further impetus on the outbreak of war, when European competition in the American markets came to an abrupt end. Certain factors had militated against development in the United States, especially the fall in the sheep flock from 61½ million head in 1900 to 52½ million in 1910. Moreover, the tendency to breed more for mutton than for wool had caused a scarcity of raw material, which the Wilson Act was designed to remedy, and after the 1907 crisis up to 1913 the industry was accordingly rather stagnant. From the American census we learn that the output of woollen and worsted goods diminished from £84,000,000 in 1909 to £76,000,000 in 1914. The decline seems to have been immediately due to inactivity in the woollen section, as the following figures of the working machinery would indicate:—

Year.		Woollen.	Worsted.
1909	Spindles	2,156,800	1,742,800
1914	Spindles	2,079,600	2,227,700
1909	Power-looms	33,100	39,500
1914	Power-looms	28,900	46,600

The American industry has in the past been handicapped by the inferior quality of the home-grown wool, and the attempts made at improvement having met with little success, agricultural opposition to the free admission of foreign wool was withdrawn shortly before the War. The events of the last four years conferred a twofold benefit on American industries. European competition ceased to be a formidable factor in both home and foreign markets, and, further, a demand arose even in European markets for American products. The American export trade consequently increased as the War went on, and its expansion has not yet stopped. The woollen articles sent from the States before the War were largely picked rags and waste forwarded to manufacturers in other countries, and their value was only about half a million pounds per annum. In 1918 the total value reached nearly £4,000,000. This rapid increase was, however, largely due to artificial conditions that will soon pass, and as the Americans possess no advantage over us in respect of raw material, machinery, or general working, a permanent encroachment on our foreign markets need not be feared.

The British export trade in wool products is not confined to any particular group of markets, and any trade lost through competition in one country may easily be compensated by increased trade elsewhere.

Some of our pre-War markets have been lost wholly, or in part, but the loss has so far not been felt on account of the great demand for military purposes. Thus, enemy countries took 50% of our pre-War export of tops, but our full top production was during the War absorbed in filling home, Allied, and neutral needs. Similarly, woollen and worsted yarns, and mohair and alpaca yarns, of which Germany purchased several millions annually before the War, have, without any disturbance to the continuity of trade, found other outlets at home and abroad. Thus, the hosiery trade in Leicester, which imported German-made yarns to a great extent before the War, had to seek its supplies from home sources, and this helped to keep the machinery going. In the same way, though our most important piece-goods markets on the Continent, in North and South America, and in various parts of the Empire, could not be reached, compensatory outlets were found by manufacturers in supplying the military demand. When normal conditions are fully restored, and the military demand, which is still considerable, comes to an end, there may be a surplus of production. Our pre-War export trade in tops and yarns was mainly to Allied and enemy countries; but at present the machinery necessary for working up these semi-manufactured articles is being restored but slowly on the Continent. It would, from every point of view, be to our advantage if the weaving section of our industry could be expanded and the yarns formerly exported could be woven at home.

Our chief immediate competitor will, as in the past, be France. French dress goods, linings, and fancy articles opposed ours in every market. The steps already taken for the ostensible protection of French interests by excluding British manufactures, and even by revoking contracts that on any fair standard of commercial dealing would be reckoned as binding, indicate how serious French intentions are. Before the War the woollen industry was centred in the Northern Departments, principally at Roubaix, Tourcoing, Mazamet, and Rheims, but the German invasion put most of the mills out of action. To meet the situation other mills had to be erected in less favourable positions in the south and west. The War immensely enhanced the cost of construction and equipment, and this, combined with the naturally disadvantageous conditions under which the new mills operate, make the period ahead one of peculiar difficulty for them. All will agree that they deserve some measure of protection. At the suggestion of manufacturers the French Minister of Reconstruction has made impossible the complete fulfilment of contracts between French merchants and Bradford exporters, overlooking the fact that though French machinery may be ready to start suitable wool will be difficult to get. Again, the looms will for a long period be unable to keep pace with the production of yarn, and thus the importation of woollen and worsted goods on a large scale is a necessity if the French wish to maintain their own export trade. Moreover, French combs will certainly not be able to keep the worsted spindles fully employed, and as the combing industry on the Continent, outside Italy, is generally at a low ebb, since costs are prohibitive, the demand for tops and yarns from the West Riding is likely to continue even when the demand for piece goods has fallen away. Our topmakers and spinners will then be inclined to give preference in cases where engagements were honestly met and no attempt was made to evade them under the cloak of a Government veto.

COMMERCIAL INTELLIGENCE.

One hesitates at a time like this, when economy is so urgently needed both on the part of the private individual and of the nation, to urge expenditure that would lead to anything in the nature of an increase in the burdens which this country already has to bear.

It has to be borne in mind, however, that our trade has largely to be reconstructed from the position into which it fell during the prolonged period of the late War. The calling up of so many men and women from productive to unproductive employment, not merely in the Army, but into those ever-growing departments which succeeded in absorbing an ever-increasing proportion of the most active part of our population, was in itself sufficient to check the production of supplies from which exports were possible. As if these difficulties were not sufficient, shipping, except such as was urgently needed for keeping the civil population going somehow, was reduced by the seizure of the bulk of that shipping for the requirements of the Army and Navy, as well as for the various departments of Government. Finally, exports in some instances were actually forbidden in order to divert the energies of those employed in certain particular trades into other channels selected by the Government. The final result has been that the magnitude of our exports, as compared with the pre-War period, has fallen off to a very alarming extent, and at a time when it is urgently needed that we should be in a position to export as large a quantity of our home manufactures as possible.

There is a greater need at the present time for reconstructing our foreign trade and increasing our exports as far as possible than has been the case for a very long period of time in our past history. All through the eighteenth century we were practically the only great manufacturing country in Europe, and as a result of the great revolutionary war in France at the end of that century we came out of the war the greatest maritime, trading and financial State existing at that time in the world. One has to read and, indeed, study carefully the memoirs of diplomatists and distinguished people who lived in the first half of the last century to appreciate the position which England occupied at that time. As the result of our enormous trade our great maritime, financial, banking and insurance industries we were enabled to invest as no other country was able to invest capital for the purposes of opening up the newer countries of the world. It is estimated that in the period immediately preceding the War the London Money market was annually receiving interest which was distributed amongst our investing classes upon past savings, which are believed to have accumulated to the extent of between £4,000,000,000 and £5,000,000,000 sterling. The interest upon such vast sums enabled us to import immense quantities of commodities, for which the people of this country year by year had to render no services at all. With the sale of 25% of these securities one-quarter of what we may call these free imports has gone; and, in addition, we have incurred a debt of more than £1,000,000,000 in order to obtain imports urgently needed during the progress of the late War. Before the War we obtained a large part of our imports in exchange for the services we rendered in shipping. To what extent we shall be the world's carriers in the after-War period remains to be seen. Besides this, we did by far the lion's share of the insurance business of the world, and particularly marine insurance. A shipper in India or the Colonies, or in North or South America, employed a British ship to carry the produce to England, insured it in London with a British insurance agent, and drew a bill on London for financing the shipping—all of which services had to be paid for. They were paid for by sending us large quantities of food and raw materials. It is because we rendered such a multiplicity of services and had such enormous investments abroad that we obtained the necessaries of life, as well as the materials for carrying on our manufactures on such economically easy terms, or, as it is commonly said in ordinary conversation, so cheap. How soon we shall be able to liquidate our indebtedness for recent imports, as distinct from paying off the National Debt, how soon we shall be able to re-invest abroad, and to what extent it will be possible for us to render services to the world on the scale we were accustomed to in the generation that preceded the outbreak of the recent War time alone will show. It may be that we shall soon recover,

but if we do not it is urgently important that we should increase our export trade to the utmost extent.

Nothing that we know of stimulates exports as does investment; but it is exceedingly doubtful if we are in a position to invest for the purpose of developing the outlying parts of the British Empire, and still less of foreign countries, upon such a scale as will ensure a large export trade in the present and the return of immense quantities of food and raw materials for an indefinite period in the future. If we cannot, it is of the utmost importance that we should cultivate the markets of the world, and especially those where there is likely to be a real demand for the classes of goods we are able to manufacture.

Our trade in the past was built up partly by the fact that for two centuries at least we have been the greatest manufacturing, the greatest trading, and the greatest maritime country on the globe.

To a very large extent those peoples of the earth who required particular articles of manufacture—textiles, machinery, and so on—found that practically the only people capable of supplying these goods upon an economic basis which the rest of the world was able to afford were the English. To some extent, but to a limited extent, this is true still, but is very far from being true in the sense that it was so in the recent past. In so far as we are still able to invest, or likely to be able to invest in the near future, it may be taken as an axiom that trade will follow investment; but in those numerous countries in which we cannot hope to invest to any considerable extent other methods will have to be sought.

Now, the first essential for our manufacturers and traders to discover is what their respective customers in different countries of the world are desirous of buying and about what price, to use a convenient term, they are able and willing to pay. Our banks trading overseas are doing an excellent work in collecting information in the various countries they serve of the trade and industries of the particular districts in which they operate. This information is collected and furnished to the head offices in London. Naturally, however, such information, when put at the service of traders, is exceedingly valuable, but it is primarily collected by the agents of bankers for the purpose of extending banking business. Now we want something to supplement this information, valuable and excellent of its kind as it is. In nearly all the important countries there is a British Ambassador or a British diplomatic agent accredited to the various Governments abroad. In addition, in most countries there is a British Consul-General and various Consuls and Vice-Consuls. Some of our embassies and agencies already have commercial attachés forming part of the diplomatic staff. They are attached, however, to only certain of the more important embassies; and as a general rule they have neither the rank, the accommodation, nor a sufficient number of assistants to enable them to afford the kind of information that is wanted. The Consuls, in addition, might be required to furnish the commercial attachés with the trading conditions of the various districts forming their sphere of work, which should enable those attachés with a competent staff to remit constantly to London full reports of the trade requirements and the demand for British imports in the various countries with which they are connected.

The information we have in mind should furnish a clear picture of the kind of locality in which the embassy or consulate is situated, the general economic resources of its population, what they themselves produce, what they require, their methods of doing business, and what, in, fact, their imports from abroad actually consist of and where obtained, what our competing rivals are doing in the various districts, if anything—the language spoken in the district, and the general conditions under which trade is carried on. Finally, the attachés and consulates should keep the English trades informed as to climatic conditions at the different seasons of the year—whether, for example, there is a good demand for rubbers in the wet season, and to avoid sending blankets to a place having an average temperature of 80 degrees.

DEVELOPING FRENCH TRADE.

Now that so large a proportion of the money available in the various countries of Western Europe for trade development has been transferred to the United States of North America, the United States is itself taking measures to develop the trade between itself and those countries which have been most seriously affected as a result of the recent War. Amongst the countries which have felt the effects of the War to the fullest extent is France. A group of bankers, therefore, in New York, acting in conjunction with a similar group in Paris, are forming a Corporation for the purpose of developing trade between France and the United States. For this purpose a Company called the French American Banking Corporation was incorporated in the State of New York at the end of April. The Corporation has a capital of $2,000,000, or £400,000, with a surplus or working capital of £100,000, which has been called up. The American interests represented are the National Bank of Commerce and the First National Bank of Boston. The French banking interest is headed by the Comptoir National d'Escompte de Paris. The President will be Mr. Maurice Silvestre, who is the American representative of the Comptoir National d'Escompte de Paris in the United States. Half the stock is held by American interests, and half by French shareholders. There are other interests represented, of which the most important is, outside those of the United States, the Banque de L'Indo-Chine of Paris. This institution represents French colonial interests. The aggregate capital of these great institutions, representing various interests in the United States of North America as well as in France and her Colonies, which is enormous, should ensure the success of the new institution. There will be vast sums available on the American side for financing various commodities which it will be necessary to ship from the United States to France for the reconstruction of her devastated Departments, lately in the occupation of the enemy. In addition, it will probably be found necessary to improve the means of transportation existing in France generally, which have been so heavily strained during the War. As has been the case with all the belligerent countries engaged in the recent War, it has not been possible in France, any more than elsewhere, to allocate during the war period the capital required to keep French transportation facilities in an efficient condition, as would naturally have been done had the War not taken place. This great Allied Corporation, which commands, of course, far greater resources than the actual amount of the capital implies, should be of very material assistance in the reconstruction of France from the effects of the late War, as well as developing trade between France and the United States of North America. It will do more, because in the effort to improve the trade of the United States, as well as to restore France once more to the state of prosperity she enjoyed in pre-War days, fresh wealth will be created, which will tend to increase trade not merely between the United States of North America and France, but with the various trading and commercial countries of the world as well.

France is at present suffering severely from the effects of the recent War; but she has immense valuable assets, which merely require development to enable her to liquidate the heavy burden she has incurred in connection with the War, and to restore her to a state of real prosperity.

At the moment, one of the most formidable difficulties with which France is faced is that, in spite of the heavy burden she has to bear in connection with the War, she has hardly anything available for export. Moreover, so disorganised are international means of transportation, as well as the facilities offered by France herself, that she is unable to welcome the vast influx of visitors who contribute in normal times to such an important extent towards her prosperity. Such corporations as the one just formed will assist France in tiding over the period of anxiety and difficulty which must elapse before she is in a position to reconstitute her economic resources upon normal lines.

As we have said, the resources of the Corporation will assist American exporters in forwarding food and various articles needed for reconstructing French industry, such, for example, as steel rails and raw cotton; and will, in addition, assist France to provide the exports which will ultimately enable her to recover. France in her newly acquired provinces will have a certain amount of coal and iron needed for her home industries. In addition, with the assistance of such corporations as that under discussion she should be able to reconstruct her industries in North-Eastern France in the future, which largely consist of the cheaper textiles. The fabric from which the covering of the silk hat of commerce is made comes almost exclusively from those Departments of France recently in the occupation of the enemy; and it was to the impossibility of manufacturing this fabric that was due the scarcity of the silk hat during the war period. France in this industrial part of her dominions has an opportunity at the present time to capture a very large part of the trade in the cheaper textiles formerly enjoyed by Germany and Austria. Germany before the War was the world's great manufacturer of cheap fabric gloves; but there seems no reason why France should not take her place. France is *par excellence* the great exporter of the choicest kinds of wines, which command the highest prices in the international markets of the world. Lyons and its district manufacture some of the finest long-stapled silk known to the international market. Paris and its district manufacture, and have manufactured for generations, various articles of adornment which have come to be known in the markets of the world as *articles de Paris*. Paris is, moreover, the great costumier of the fashionable woman of the world; and in Cambrai and district are manufactured the fabric and laces which take their name from this Department, and which are in demand in every country of the world where realised wealth admits of at least a portion of the population adorning themselves with foreign imported luxuries.

France pre-eminently ministers to the world's luxury trade; and it is in a time of peace and general prosperity that France is herself most prosperous. Last, but by no means least, the gaiety of her population, the beauty of her climate, and the attractions which her pleasure and health resorts offer throughout the year in normal times draw wealthy visitors from nearly every country of the world.

The Standard Bank of South Africa, Limited, announce that a branch of the Bank will be opened at 69, Rokin, Amsterdam, on June 2.

British Dyestuffs Corporation.—A Company with this title has been registered with a capital of £6,000,000, in £1 shares, to acquire all or any part of the assets and undertakings of British Dyes, Limited, and Levinstein, Limited. The directorate consists of Mr. Herbert Levinstein, Sir H. D. McGowan, Mr. George P. Norton, Mr. Joseph Turner, and two directors to be appointed by the Board of Trade. Lord Moulton, it is understood, will be Chairman.



Sir F. H. Cowen, Mus. Doc., writes: "I have tried 'De Reszke' American Cigarettes and find them excellent—mild, and at the same time with a most pleasant flavour. For a Virginia cigarette I could desire nothing better."

Miss Victoria Cross writes:—"I find your 'De Reszke' American Cigarettes exquisite. The blend seems to be absolutely perfect."

JUDGE a man by the company he keeps—a cigarette by those who smoke it. By this test "De Reszke" are easily best. Try a box—their quality will win your admiration.

"De Reszke"
The Aristocrat CIGARETTES

Sold at all Military Canteens at Home and Overseas, also Tobacconists' and Stores.

THE BANK OF TAIWAN,
LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.
Head Office - - TAIPEH, FORMOSA.

Branches:—Amoy, Bangkok, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, Yokohama, and every important city in Formosa (Taiwan), &c. The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.

London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

It is to be regretted that the Food Control Office has decided to stop the process of demobilisation which was in full swing, and to continue its operations for the present. It is even said that the Food Control is to be maintained until such time as normal conditions are restored by the natural growth of the world's harvests. If this project is carried on the Food Control will exist for practically two years more. As we said at the time when the Food Control was instituted, it could not in the nature of the case be effective. And experience has shown that the forecast was fully justified.

It has been known, at least from the beginning of the Armistice, that anything like normal conditions in the world's food production cannot be restored until we are in possession, at the very least, of the harvests of the Northern Hemisphere of this season, and the harvests of the Southern Hemisphere, although they are comparatively small, which will be reaped in the spring of next year. Unless these two harvests are exceptionally bountiful it is evident that even then we may have to wait until the Northern harvests are gathered in the autumn, some fifteen months hence. And possibly for the harvest of the following spring. If the Food Control is maintained, therefore, for eighteen months or two years one of the most important interests contributing to what for convenience has come to be called "the reconstruction period" will be affected by departmental interference. Trade in the prime necessities of life will be subject to the vagaries inseparable from departmental control, and a real recovery may be delayed even for a longer period than that now contemplated.

The real objection to control is that it can never be made effective. Even in the past, when such food and raw materials as the sea could not produce, or could be practically all produced locally, it was found impossible to exercise an effective control, and in these days when we draw, practically this country, our supplies of food and of raw materials from all parts of

the world, anything like an effective control is absolutely out of the question. The supplying of the United Kingdom with food and raw materials is a business carried on by traders and producers in different parts of the world with the object of making a profit. It is not a philanthropic enterprise, and, consequently, is not susceptible to philanthropic appeals.

The Food Control Office, even if it partakes in some measure of an international character, is not itself a producer, and only to a limited extent even a distributor. Consequently, if it attempts to fix prices below the level which the producers think adequate stocks at once disappear from the market, and the result is that those who succeed in obtaining supplies pay even a more extravagant price than would be the case if control did not exist; while those who are either unable or unwilling to pay the high prices demanded fail to obtain supplies at all. We saw what happened in the case of matches, butter, eggs, and even of meat when the various control departments decided to fix prices below those at which the producers or owners were willing to sell. At one time, it will be remembered, potatoes were unobtainable in London, although it was notorious that there were large stocks in existence in the country. A food control could only be effective if it were possible for the controller to produce the commodities at prices which he decided were reasonable. But to fix prices while people over whom he has no control are responsible for the production must in the nature of the case remain completely ineffective.

Mr. Frank A. Vanderlip, President of the National City Bank of New York, made a remarkable speech before the Economic Club in New York on Monday night. From its tenor we gather that the speech was intended rather for local consumption than as a sound contribution to the history of the economic state of Europe as it exists at the present time. We learn by cable that the New York Stock Exchange regards the speech with great disfavour, and treats it as more sensational than sound. When Mr. Vanderlip, according to the cabled report, says that in February last, when he was here, he thought England was on the verge of revolution, we must understand the phrase rather as a flight of rhetoric to call the attention of his countrymen to the really grave position as it exists in Europe than as reflecting his real opinion.

We have, of course, nothing but the cabled summary of Mr. Vanderlip's speech. But, judging from the reports we have received, it would appear that Mr. Vanderlip was of opinion, or wished to impress his countrymen that he was of opinion, that all Europe was hopelessly bankrupt. After four years of war—and four years of mismanaged war at that—it was inevitable that economically Europe should be in a very bad way. No good purpose, however, is served by painting a rhetorical picture in the darkest colours which those who are actually living in the countries affected cannot recognise. Europe is only bankrupt in the sense that if she were suddenly called upon to meet her liabilities within a specified date she is not in a position to do so. But a great banker like Mr. Vanderlip knows that that is often true of many great trading institutions, which, far from being bankrupt, are highly prosperous.

Even Belgium, Serbia, and Roumania, although they are suffering, and suffering very severely, from the effects of the recent War, are very far from being really bankrupt. They have great and valuable assets if those assets are properly nursed; and there is no reason, so far as we can understand the question, why even those countries which have suffered, perhaps, more as a result of the recent War than any other of the European countries, should not be highly prosperous in the course of ten or twelve years if time is given for recuperation and their resources are carefully nursed. No doubt Mr. Vanderlip would admit the facts as we state them, but he would probably reply that, stated in that impartial way, his speech would have failed to attract the attention of the vast body of the United States public who are very slightly acquainted with European conditions, and it was his deliberate object to paint a lurid picture in order to attract the attention of that public.

We learn on excellent authority that there has been buying this week of the British War Loan for various parts of the European Continent. Doubtless this buying is by those who will hereafter have sterling engagements to meet. But all the same, it is a compliment to the War Loan, as it argues that those who are purchasing now have no apprehension of a fall in price.

With the purely exchange position we deal somewhat fully in our Money article in the front part of the paper; but it may not be without interest to discuss the question of exports and imports of a country which has a seriously depreciated currency, due to heavy losses in connection with the recent War. There seems to be amongst a large class of people who should be thoroughly well-informed a measure of confusion as to what stimulates exports, to the causes which affect the exchanges, and to attach wholly exaggerated importance to the fall in the value of the German mark and of the Austrian kroner. It is commonly said that a depreciated currency tends to stimulate exports. This is true in certain cases. But it can only be true where a country has a large surplus over and above its own needs of consumption which it is able to produce at an economically lower rate than the countries which are competing with it. We are thinking of a confusion of ideas amongst people actually engaged in trade, not merely the general public, who perhaps never had an opportunity of studying the question of exchange, and have no real practical acquaintance with trade. But it is surprising that those who themselves live by trade—manufacturers, importers, and exporters of commodities—should have such vague notions of the causes that regulate exchanges as have recently been brought to our notice.

Most of the men who are of an age now to be prominently identified with the various trades of the country remember the Argentine crisis of the nineties. It was commonly said in those days that the great depreciation in the paper *peso* stimulated the exports of Argentina produce. In a sense it was true, but only in a sense. It was maintained, and to a certain extent it was true, that the Argentine *peso* had lost very little of its buying capacity in Argentina proper as a result of the crisis of 1890. In so far as it was true, it was due more to the fact that the crisis, following a great boom, led to a heavy depreciation in the prices of nearly all commodities, and people who had been accustomed to live in great style in Buenos Ayres sold off nearly everything they were able to sell, and the more enterprising removed either to Rio, or to some other part of America, or came to Europe in the hope of improving their fortunes.

What really caused the immense quantity of exports, and what really enabled Argentina to take the position as a source of supply for food and raw materials which she has held ever since in the European markets was the fact that Argentina had lately been opened up upon an immense scale by means of railways. Practically in those days the opening up of Argentina meant the rich Province of Buenos Ayres, and the cattle estancias and corn-growing fields and estancias in which linseed was grown on a great scale which had formerly been wholly out of reach of transportation, suddenly found themselves in close contact with the great consuming markets across the Atlantic. The result was that production was stimulated out of

all proportion to the consuming power of the local Argentine population. Hence Argentina was able to sell upon an immense scale and at a level of prices to which they have never fallen since, and never fell during the period of six centuries for which we have records in this country.

American Topics.

INTERNATIONAL HARVESTER COMPANY.

Capital: $140,000,000, in $60,000,000 of Preferred and $80,000,000 of Common Stock.

(Account Figures in Thousands of Dollars, 000's omitted.)

Yr. to Dec. 31	Net Oper. Income	Add. to Res. Deprecn. & Maintenance Loan	Int.	Other	Profit for Div.	Divs. Paid Preid.	%	Common	%	Total Amt. of Carry Forwd.
	$	$	$	$	$	$		$		$
1913...	33,642	2,994	3,098	2,479	15,071	4,200	7*	4,000	5*	38,457
1914...	19,536	2,833	2,746	2,231	11,726	4,200	7*	3,000	3¾*	42,982
1915...	20,796	1,968	3,138	5,034†	12,297	4,200	7*	2,000	2½*	47,459
1916...	25,603	1,495	3,548	7,778†	12,782	4,200	7*	2,000	2½*	54,042
1917...	30,417	973	3,285	13,149†	14,100	4,200	7*	2,800	3½*	61,050
1918...	31,649	882	3,053	12,728†	14,935	4,200	7*	3,800	4¾*	68,057

* Actual dividends per cent.; other figures "000" omitted.
† Includes reservations and sums written off for foreign war losses.

The action brought by the United States Government against the great International Harvester Company of Chicago under the Anti-Trust Law, which caused the concern to be split into two separate companies in 1913, was settled last year, and in consequence the separate companies have again been merged into one whole. The final decision in the case had been postponed for three years, and as it seemed likely to drag on for a further long time the directors considered it advisable to agree to the Government's terms. These stipulated (1) that after December 31, 1919, the Company shall not have more than one agent or representative in any city or town in the United States for the sale of its agricultural implements; (2) that it shall sell within one year after the close of the War, three of its five lines of harvesting machine plants; and (3) that if competitive conditions in agricultural implements shall not have been established at the end of eighteen months after the War, the Government shall have the right to such further relief as may be necessary to secure such conditions. Two lines of harvesting machines have already been sold to competing manufacturers. These conditions, needless to say, were accepted with reluctance, but the directors believed that the losses resulting from the partial disintegration of the business in harvesting machines would be largely compensated for by the reuniting of the domestic and foreign resources and business of the two companies. On another page will be found a reprint of the report for the year 1918, containing the combined results of the two concerns. To gauge the progress which has been made during the War it is necessary to put together the figures of the separated companies from 1913 to 1917 inclusive. Accordingly, we show a true picture in the table at head hereof, omitting, on account of space, "000" in each case, excepting in respect of the dividend percentages. It will be seen that after falling away very severely in 1914 and 1915, the operating income of the combination thereafter improved to such an extent that 1918 witnessed almost the attainment of the 1913 level, despite the fact of Russia and the Central European Powers, which used to be very large customers indeed for the Company's manufactures, being out of business. To a considerable extent the loss of orders from these quarters was made up by war work and the enhanced demand for labour-saving devices for farmers denuded of much of their labour. It will be noted that in 1915 and 1916 the combined dividend on the Common stock was reduced to half the 1913 percentage, not because of the fall in earnings so much as on account of the very large additions to carry-forward and reservation of profit for foreign war losses in connection with funds in Russia and works in that country, Germany and France. In five years the surplus carried forward has been increased by as much as $30,000,000, while $66,000,000 has been set aside to reserve and provided for plant depreciation. How greatly in consequence the physical and financial strength of the undertaking has been increased is clearly shown in the following comparison of the summarised balance-sheet items:—

Year	Capital Expenditure for Year	Depreciation Provision*	Net Book Value of Plant	Stock and Work in Progress	Amount of Surplus Liquid Assets†	Aggregate Reserve for Bad Debts & War Losses‡
	$	$	$	$	$	$
1913	2,799,265	—	65,381,015	85,712,943	37,311,572	6,002,664
1914	1,901,149	2,118,073	65,164,090	70,263,270	58,690,273	7,006,369
1915	770,966	2,602,891	63,332,165	50,215,580	88,535,480	7,306,223
1916	1,680,772	3,369,661	61,643,276	62,291,901	92,121,861	9,318,910
1917	4,513,190	3,646,062	62,510,404	78,632,825	83,236,110	16,860,737
1918	6,467,267	3,283,421	65,694,250	114,516,302	51,910,643	31,503,608

* Including sums realised for plant sales and amortisation written off.
† Excluding stock and work in progress, and after deducting short-term notes outstanding, and also the reserves for bad debts and war losses shown in last column.
‡ Deducted from bills receivable and funds in Europe (Russia) in arriving at surplus liquid assets.

It has been mentioned above that the Company has to part with three of its five lines of harvesting-machine plants. On the other hand, it has purchased the entire stock of the Oliver Chilled Plow Works of Canada, Ltd., and the plant and business of the Parlin and Orendorff Company at Canton, Illinois, which purchases give the Company a complete line of ploughs for the domestic, Canadian, and export trade. Permanent plans have been made also for adequate development of foreign trade. Works near Lille, after four years in German hands, have been restored to French control. The buildings suffered little damage, but the whole of the equipment has been removed or destroyed. New equipment is being secured in the United States. The German works on the west bank of the Rhine are now within the region controlled by the Allies. The position as regards the Russian works is obscure, but they are believed to be still in operation. The Company holds approximately 90,000,000 roubles in bank credits, worth at the normal rate of exchange about $45,000,000. By the writings off out of profits these credits are now carried in the balance-sheet at approximately $16,600,000. Notwithstanding these great prospective losses, however, the balance sheet at December 31 showed liquid assets to exceed current liabilities by $51,910,000, against $37,311,500 at end 1913, in addition to stock and work in progress valued at $114,516,300, in comparison with $85,713,000. It is abundantly clear that the Company is in a position to profit by the great demand that may be expected for agricultural implements of all kinds to make good the world's deficiency in food supplies.

The Company's Common stock is priced at about 131½, equal to 141½ London parity.

REVIVING TRADE.

There is a remarkable resemblance, although, of course, with a difference and many modifications, between the economic situation in the United States of North America and that in England, and, indeed, in the British Empire taken as a composite whole, as a result of their common co-operation in the recent War. While the European continent has been devastated by war, and the period of recuperation has as yet made little perceptible progress, the United Kingdom, which never at any time after the first months of the War was in serious danger of invasion, and the United States, which came in when we in Europe were approaching exhaustion, are already showing signs of recovery from the terrible results of the contest. Of course, the United States came in so late; spent so little compared with the magnitude of her resources; and her casualties were, compared with those of ourselves and other European countries, so comparatively small, that she is in a position to recover with a rapidity to which no European State can pretend. We were in the War from the very beginning; munitioned it,

financed it, and played common carrier to it until we were well-nigh exhausted by the process. But even so we are already showing signs of recuperation, and if our own Government can only be induced to act with prudence and bring to an end the enormous number of departments which control and cripple trade we shall, no doubt, in due course recover.

We passed, and the United States passed, through a period of considerable trial when the Armistice brought the war trade of the country to an end, and as yet there were neither the facilities nor the inclination to resume peaceful occupations. For some months in both countries there was marked stagnation. The activity of what we may call the munition shops and the extravagant profits earned had come to an end. There was no demand for shells, and plant had not been adjusted either to the building of houses or to the making of motor cars. Gradually, in both countries a serious effort has been made at reconstruction. The Americans have been much quicker in getting rid of their trade controls, and they have also facilitated demobilisation with a rapidity which we might copy with advantage. In all these ways they have had great advantages over ourselves. Nevertheless, the resemblance between the two countries is striking. There is as yet hardly any recovery in either country in house building. But all reports agree that the outlook for the textile trades, both here and in the United States is excellent, while the dry goods stores, both small and large, at both sides of the Atlantic were probably never doing so large a business as at the present time, which testifies to the general prosperity of the mass of the people. Of course, it has to be remembered that both England and the United States are living to a large extent on borrowed money. A great deal of the money that has been so lavishly spent in the dry goods stores was collected by the sale of War Bonds in this country and Victory Bonds at the other side of the ocean. And it must not be assumed, because trade appears to be resuming normal conditions, that there will be an indefinite period of prosperity following upon the long strain of war.

We have this week received from Rome the first edition of a new quarterly financial, commercial, and economic review entitled *The Italian Gazette*. It is printed in English, and is dedicated to strengthening and developing the economic, political, and commercial relations between Italy and Great Britain. The Editor is Roberto Lombardo, and the Sub-Editor Edward Storer, and the journal will have the collaboration of the most authoritative writers and publicists of the two countries. A foreword has been written by Sir Rennell Rodd, the British Ambassador to Rome, while the first article is a very complimentary one to this country from the pen of Signor Luigi Luzzatti. The address is Piazza Cavour 17, Rome.

Baku Oil Amalgamation.—Negotiations are proceeding with a view to amalgamating the Baku Russian Petroleum Company, the Bibi Eibat Oil Company, European Oilfields Corporation, and the Russian Petroleum Company. The scheme under consideration contemplates the reduction of capitalisation, the elimination of Debentures, the provision of working capital, and the purchase of plant and machinery in anticipation of the time when development and drilling operations can be resumed at Baku. Particulars have been circulated this week of the productions and trading profits of the four companies for the years 1913-16, since when operations have been interfered with by revolutionary disturbances and other abnormal conditions. Shareholders and Debenture-holders have been informed that in allocating the shares of the new Company regard will be paid to the comparative earning capacity and present financial position of each Company rather than to existing capitalisation, and full details will be furnished should the negotiations be brought to a successful conclusion.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue.
Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY
Ltd.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

Apart from the sharp rise in Anglo-Dutch on the news regarding the Dutch Government's offer of compensation for expropriation of two-thirds of the property the Rubber-share market has been quiet with a rather dull tendency. The price of the commodity has been as low as 1*s*. 10¼*d*. for standard crêpe.

ANGLO-DUTCH PLANTATIONS.

Subject to the approval of the Second Chamber in Holland, the Dutch Government in Java has offered compensation of 17,000,000 guilders, equal, at 12 guilders to the £, to £1,416,666, for expropriation of about two-thirds of the Company's lands, covering, roughly, 340,000 acres, including the rice fields cultivated by the natives who pay tribute to the Company. The directors have authorised acceptance of the offer, which undoubtedly is unexpectedly generous. We pointed out in our issue of November 30 that compensation on the basis of capitalisation of revenue at 10% would amount to about £550,000, and at 5% to £1,100,000. The actual offer is equal to between £4 and £5 per acre, and to about 22*s*. per £1 share of the Company's issued capital of £1,287,290. The market, following the publication of the news, put the price of the shares up to over 56*s*., and they are now quoted at about 50*s*. It is advisable to gauge the position after the elimination of the assets to be expropriated. There will remain to the Company about 180,000 acres, a large proportion of which is under forest. The Company has itself under cultivation about 21,000 acres—viz., about 4,000 acres under tea, 14,000 acres under Hevea rubber, partly interplanted with coffee, 1,334 under coffee only, and 1,624 under cinchona for quinine production. The market capitalisation of the undertaking at present price of 50*s*. is £3,220,000. Deducting the full amount of the compensation there would remain £1,800,000, giving a valuation of the total cultivated acreage of about £85, and of the rubber alone of about £130 per acre. To the uninitiated that may appear a low valuation, but in reality it is not. In 1916 the revenue from the rice lands to be expropriated contributed one-third, and in 1917 more than one-half of the total income, and the net receipts were sufficient only to pay dividends of 8% and 5% respectively on the issued capital. The land on which the rubber plantations are, which must be the main reliance for dividends in the future, has been heavily cultivated in the past, and thereby denuded of some of its fertility, and is not expected to give anything but a relatively poor yield per acre. Cost of production, too, is high. If we calculate that 250 lb. per acre will be the maturity yield from 14,000 acres, the output will reach in the course of a few years 3,500,000 lb., against 1,389,648 lb. in 1918. The f.o.b. cost of producing 600,000 lb. in 1917 was as high as 1*s*. 5*d*. per lb. Ten per cent. dividends on the balance market valuation of £1,800,000 would require a distributable profit of £180,000 per annum. If tea, cinchona, and coffee bring in £40,000 a year

as an average the Company will be lucky. That would leave £140,000 to come from rubber, or about 9*d* per lb. on the estimated full production of 3,500,000 lb., which is probably rather an over- than an under-estimate. Costs perhaps will be reduced to 1*s*. 3*d*. per lb., all in—the figure is bound to be high with a low yield per acre—so that the average selling price on these hypotheses would require to be 2*s*. per lb. In course of time, no doubt, the application of a portion of the compensation to further development of cultivation would increase the earning power of the Company, but in the meantime shareholders would be without the money and the interest thereon. As regards last year's results the following comparison of productions should be noted:—

	Twelve Months to Dec. 31. 1918	Twelve Months to Dec. 31. 1917
Tea	1,842 256 lb.	2,190,008 lb.
Coffee	10,201 cwt.	18 474 cwt.
Rubber	1,399,648 lb.	598,672 lb.
Cinchona (half-kilos)	674,263	618,989
Rice	13,170,648 lb.	21,253,536 lb.

ANNUAL REPORTS ANALYSED.

UNITED SUA BETONG.

Issued Capital: £111,999 in £1 Shares. Debentures, £60,000. 38,000 Shares under option at 55s. each.

Results for Years to December 31

	Total Planted	Area in Bearing	Av. Yield per Rubber Output	Bearing Acre	Price Realised	"All-in" Cost	Profit	Dividend Amt.	
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1915...	3,074	1,560	442,354	300	2/9·1	1/2¾	32,654	16,8[illegible]0	22½
1916...	3,482	2,013	817,389	406	2/7½	1/1·15	61,545	25,415	35
1917...	4,207	2,228	933,349	419	2/4	1/2·9	50,940	19 584	17½
1918...	5,162	2,296	785,405	—	2/1½	1/4·6	30,284	19,584	17½

Price of Shares, 80/0. Market Capitalisation per planted acre, £116, including Shares under option.

The programme planned for the extension of this Company's plantations is proceeding rapidly. Besides 955 acres placed under rubber in 1918 a further 214 acres are in course of being planted. There will still remain 8,200 acres of reserve land, building sites, &c., the bulk of which is available for development. As regards cash resources, the balance sheet at December 31 shows £59,000 of surplus liquid assets after allowing for the year's dividends, but subject to excess profits duty, which the carry-forward of £46,938 is considered more than adequate to cover. Of course the results of 1918 were influenced by exceptional circumstances. Nevertheless, with tapping restricted and only 40% of the planted area in bearing, the net profit was equal to £27,598, or 23% on the share capital, after payment of Debenture interest for about eight months. Shareholders are lucky, in view of the Company's low percentage standard for calculating excess profits duty, to again receive 17½% in dividends. With the duty reduced to 40% this year their share of earnings should be considerably higher, though income-tax—in respect of which £8,608 is debited in the accounts against the carry-forward from 1917—will probably call for larger allocations in future. However, the current year's crop is estimated at 1,015,000 lb., and costs should be appreciably lower. The depreciation provision included in the 1918 figure of 1*s*. 4.6*d*. per lb. all in was £4,307, or about 1¼*d*. per lb. Expenditure on immature area called for £21,448, and in view of the large recent plantings this item will continue to be a heavy one for the next few years. Outlay on buildings, plant and machinery totalled £16,072, doubtless in preparation for dealing economically with the great expansion in output presently to be witnessed. This year the planting of a further 1,083 acres has been authorised, and if carried out the total area under rubber a year hence will be about 6,400 acres. The outstanding Debentures are redeemable in 1928 at 105%, and the funds for same will doubtless be provided by exercise of the options on 38,000 shares at 55*s*. running until 1923. In that case the issued capital will be £150,000, against a planted area next year of 6,100 acres, thus representing £23 10*s* per acre. At the present price of £1 the market valuation will be £95 per acre, which, of course, is a low figure for such class of estate, and indicates substantial scope for appreciation as the recently planted areas progress towards maturity. Meantime, it is well not to forget that upkeep expenses will be heavy, and must to a considerable extent—depending upon how much of the cash resources are required for accumulated profits tax—be provided out of earnings. Still, if a reasonable price rules for rubber, substantial dividends appear likely to be paid before full maturity.

NORDANAL (JOHORE).

Issued Capital: £280,000 in £1 Shares.

Results for Years to December 31

	Total Planted	Area in Bearing	Av. Yield per Rubber Output	Bearing Acre	Price Realised	"All-in" Cost	Net Profit	Dividend Amt.	
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1915...	2,485	1,230	590,828	480	2/3.74	1/0·41	39,918	36,400	13
1916...	2,485	1,370	606.511	442	2/4·55	1/1·79	40,926	36,400	13
1917...	2,485	1,600	639,552	400	2/5.85	1/3·55	40,870	31,800	11
1918...	2,676	2,125	523,435	—	1/9½	1/3½	14,633	14,000	5

Price of Shares, 22/0. Market Capitalisation per planted acre, £115.

The causes of the severe tumble in profits and curtailment of dividend reported for 1918 will be easily recognised from the figures given above. Like most Johore estates, the undertaking is a relatively high-cost proposition, but under normal conditions it is capable of being run much more economically than a cost of 1*s*. 3½*d*. per lb. indicates. This year's production will probably be 100,000 lb. more than last, and next year more than 800,000 lb. should be the output. In respect of the past year income tax called for £7,974, and to pay 5% dividend the carry-forward has to be reduced from £14,311 to £6,969. However, the balance sheet shows £28,000 of surplus liquid assets after allowing for the dividend payment, and as profits duty need not be bothered about, the increase in production this year and next should result in considerable improvement of dividend. The Company has 1,573 acres of uncultivated land, and at 22*s*. the shares seem somewhat cheaply valued on prospects.

KOMBOK (NEGRI SEMBILAN).

Issued Capital: £90,000 in 2/– Shares.

Results for the Years to December 31

	Total Planted	Area in Bearing	Av. Yield per Rubber Output	Bearing Acre	Price Realised	"All-in" Cost	Net Profit	Dividend Amt.	
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1915...	1,295	934	351.542	376	2/8½	1/1.59	28.144	13,500	15
1916...	1,541	1,176	542,000	461	2/8.1	-/11.88	46,855	18,000	20
1917...	1,792	1,295	612,020	472	2/3.78	1/0.83	39,629	11,250	12½
1918...	1,792	—	479,038	—	2/0½	1/3.14	18,711	7,500	8

* Estimated.

Price of Shares, 6/4. Market Capitalisation per planted acre, £155.

A mere glance at the above comparison of four years' results suffices to show how considerably shareholders of this Company stand to benefit from the reduction of the excess profits duty to 40% as from January 1 last and its promised withdrawal next year. Even with production severely restricted, and costs as a consequence considerably raised, the profit earned in 1918 was 20% on the issued capital. The amount of expenditure not provided for in costs was only about £2,400, and this is more than covered by allocating £5,000 of the profit to reserve, which now stands at £30,000, or one-third of the capital. The planted area was not increased during the year, but as 240 acres have been felled preparatory to planting, and restrictions in force last year on labour immigration have been removed, the area under rubber will presently be over 2,000 acres. Then the issued capital per acre planted will be £45, and 1,665 acres of jungle will remain for extensions. As to the financial position, it is to be noted the balance sheet at December 31 shows £39,000 of surplus liquid assets, subject to excess profits tax. Apparently the liability in this respect is amply provided for. Production this year is estimated at 620,000 lb., or [illegible] per bearing acre, and [illegible] excess profits duty the dividend outlook is good.

NORWICH UNION
LIFE INSURANCE SOCIETY.
Combination of
AGE, MAGNITUDE, RESERVE BASIS,
and PROFIT-EARNING CAPACITY
THE STRONGEST IN THE WORLD.
Perusal of War-time Prospectus makes that fact very clear.
Write or telephone to Head Office, Norwich,
or to any Branch or Agency.

Insurance Notes.

EQUITABLE LIFE ASSURANCE SOCIETY.

The fame of the old Equitable Society as an historic institution is known far and wide. If not actually the oldest life office in the world, it can justly claim to be the first which transacted life assurance business on scientific principles. Apart from this it has a splendid reputation as a producer of profits. As it never has employed agents or paid commission for the introduction of business or the collection of premiums, it cannot expect to obtain a vast amount of new assurances, but it certainly is intrinsically one of the most attractive institutions of the kind to new entrants, whether judged by its past bonus history or its apparent profit-earning capacity.

Mere magnitude of operations is a matter of minor consideration to the participating policyholders or members of the Society so long as there is a sufficient volume of new business to replace wastage and to allow the continuance of free play to the laws of average. It is satisfactory to see from the annual report of the Society for 1918 that this condition was happily fulfilled so far as that year's business was concerned. The new life assurances, after deduction of reassurances, amounted to £357,196, as compared with £220,624 in 1917, and the total life premium income was increased by £19,307 to £240,607. Indeed, the Society is well maintaining its position. During the last 30 years, which is less than one-fifth of the period of the Society's existence, we see that the premium income has been increased by about £100,000. One great advantage that the Society enjoys is a low expense ratio, such as no life office which employs agents can point to. In 1918 the percentage of premiums absorbed by expenses was only 6.8%, which is less than one-third of the proportion of premiums on policies in force at the date of the last quinquennial valuation then actuarially reserved. Another fruitful source of profit arises from interest on the Society's funds in excess of the rate of 2½% which was assumed for valuation purposes. After deduction of heavy income tax, the net interest yield on the Society's funds in 1918 is reported to have been £3 15*s.* per cent., which means that one-third of the whole of the net revenue from interest (representing the difference between the assumed and the actual interest earnings) was profit.

The next quinquennial valuation falls due on December 31, 1919. Under normal circumstances a very fine surplus would naturally have been looked for, but all life offices have, of course, suffered from war mortality and by depreciated securities, largely caused by new Government issues, and to what extent this will affect the forthcoming investigation remains to be seen. But whatever may be the result from these causes, these adverse conditions must happily be considered to be only of a temporary character, and the Equitable may be trusted to pass through the ordeal which it has to face as satisfactorily as the great majority of its contemporaries.

The information given in regard to death claims in the annual reports of the Society is always interesting. In 1918 the sum of £322,899 was paid in this way. A list of the whole-of-life policies which became claims by death is appended to the report. The original sum assured by these policies was £163,460, which had been increased by bonus to £287,616, while bonuses of £19,313 had been commuted in connection with these contracts during the life of the assured. The original sum assured has been increased, taking all these policies together, by nearly 90%; and an even higher standard would have been attained but for the fact that the total included a number of claims due to the War on policies which had been only a short time in force. In six cases the original sum assured was quadrupled by bonus, and in 18 cases it was trebled. This sufficiently attests the merit of the Society's profit-earning achievements. The total assets of the Society amounted on December 31, 1918, to £5,203,277.

Subsequent to the issue of the annual report of the Society for 1918, dated May 7, 1919, the announcement has been made that a provisional agreement has been entered into for the purchase by the Equitable of the shares of the University Life Assurance Society, as described in the following note:—

UNIVERSITY LIFE ASSURANCE SOCIETY AND EQUITABLE LIFE ASSURANCE SOCIETY.

Proposed Amalgamation.

A circular letter, signed by Lord Stuart of Wortley, Chairman of the University Life Assurance Society, dated May 21, 1919, announces that the directors of that institution have entered into a provisional agreement with the Equitable Assurance Society under which, if the arrangement is confirmed in the usual manner, and subject to certain empowering alterations in the constitution of the two Societies being carried into effect, the "Equitable" will acquire the share capital of the "University" by purchase, and will guarantee certain advantages to University policyholders.

The University life office was founded in 1825, and has always had a select and high-class connection. The business of the Society has been restricted to the assurance of the lives of past or present members of the universities, public schools, and other approved educational institutions. Its business, in consequence, has not been of comparatively large dimensions, but the effect of the restriction referred to has proved beneficial so far as the average longevity of the general body of its policyholders is concerned, for the Society has earned more than the usual amount of profit from a favourable incidence of mortality amongst its assured. The bonus history of the Society for many years was remarkably good. For a long period prior to 1900 the reversionary bonuses declared at successive quinquennial valuations were at the exceptionally high rate of 50*s.* per cent. per annum, and, indeed, on one occasion (in 1895) they reached 60*s.* per cent. per annum. Owing mainly to depreciation in securities, this rate has been subsequently reduced, the corresponding quinquennial bonus additions per cent. per annum declared at the last three investigations having been 45*s.* (in 1905) and 30*s.* (in 1910 and 1915). The last annual report of the "University," for the financial year ended April 30, 1918, showed a new business of £45,536 in sums assured; a total net premium income of £66,886, of which expenses of all kinds absorbed about 10.8%; a net interest yield during the year of £3 16*s.* 8*d.* per cent. (as compared with the valuation rate of £2 15*s.* per cent.); and the total life funds at the end of that financial year amounted to £886,027. The subscribed capital amounted to £598,000, of which £29,000 was paid up, in 5,980 shares of £100 with £5 paid on each. Under the constitution of the

Society the shareholders are entitled to one-tenth of the divisible valuation surplus. Their profits from this source have diminished during the last few quinquenniums. On each of the last two quinquennial occasions they amounted to £1 4*s.* per share, providing annual dividends of 5*s.* per share. The shares, partly owing, perhaps, to the heavy proportionate uncalled liability (£95 per share), are not very readily marketable. In the circular above referred to it is stated that the prices at which the shares (few in number) have changed hands since the last quinquennial valuation have ranged from £4 4*s.* to £5 15*s.* per share.

The terms offered by the Equitable are £8 per University share, together with the dividend of 5*s.* payable in June 1919. The expenses of management of the University Society are to be limited to an amount not exceeding (*a*) 10%, reducible after three years to 9%, of the premium income, or (*b*) three-tenths of 1% of the total net sum assured, whichever should be the greater. Moreover, the participating University life policyholders are to be guaranteed reversionary bonuses after the current quinquennium, ending April 30, 1920, at the rate of 30*s.* per cent. per annum (increasing after 10 years to 35*s.* per cent. per annum), less the bonus, if any, for the current quinquennium. From the guarded way in which this announcement is made it would look as if the effect of the War may necessitate the passing of a bonus at the end of the current quinquennium, in conformity with a very general practice; but even in that case the guarantee of future bonuses is attractive, and the provisional arrangement seems favourable both to University policyholders and shareholders.

Otis Steel Corporation.—It is announced that the offer of Messrs. William Salomon and Company of 120, net London terms, for the Preferred stock and 210, net London terms, for the Common stock (subject to commission and ex-dividends) having been accepted by the requisite majority of the stockholders, and having consequently become binding on the purchaser, they have agreed to purchase on the same terms any further stock (of both classes) deposited subsequent to May 15 and before June 14, 1919.

Standard Bank of South Africa.—An extraordinary general meeting of shareholders was held on Wednesday, May 21, when resolutions passed on April 30 were confirmed authorising the Bank's nominal capital to be increased to £10,000,000, and giving the Bank power to establish a Colonial share register. Lord Sydenham, who presided, intimated that there was no immediate intention of issuing new shares, but that the board wished to have powers to increase the capital of the Bank whenever the demands of South African business made such a step necessary. He added that when the board decided to increase the capital the new shares would be offered on such terms as would secure a substantial benefit to the shareholders at the time. In conclusion, Lord Sydenham promised that the board would give careful consideration to the wishes expressed by some shareholders that the new issue should be in the form of fully-paid shares.

"The Directory of Directors, 1919." By Thomas Skinner. Price 20*s.* net. (London: Thomas Skinner and Company, 76 Gresham House, E.C.2.) This work has now attained its fortieth yearly issue, and during that time it has become so well known as an indispensable work of reference that little commendation is needed here. It is of exceptional value now that new companies are being formed, and existing ones enlarged and reorganised on a scale not experienced for many years. The names included in the new volume number nearly 25,000, the additions during the past year having exceeded the number of those withdrawn, for various reasons, by 1,500.

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1908.

Subscribed Capital £543,666
Paid-up Capital £120,000
FOR REINSURANCE BUSINESS.

Fire, Marine and General Department.
St. Swithin's House, St. Swithin's Lane, London, E.C. 4.
Manager J. Herbert E. Lane.

Registered Office and Life Department.
9 Fleet Street, London, E.C. 4.
Actuary and Secretary: Chas. Wyndham.

Commercial.

THE BISCUIT INDUSTRY.

The modern industry of biscuit and cake manufacture may be said to have come into being in 1841 with the provision of cheaper flour and sugar. Its progressive development was greatly accelerated by the abolition of the sugar duty in 1874, and by the introduction of cheap and rapid methods of transit during the 'eighties, which enabled us to readily tap the great wheat-growing areas of the Old and New Worlds. The introduction of beetroot sugar on the Continent was another important aid to the progress of this industry, as it was only then that good refined sugar came into general use. Up to that time the low-grade sugar turned out known as "pieces" was irregular in quantity and inferior in colour, and was not well fitted to form the basis of any manufacturing industry of considerable dimensions. In 1913 the British biscuit possessed a world-wide reputation, due not only to its own inherent excellence and to the purity of its components, but also to the perfection of the "selling" system organised in its connection—a system that other industries might profitably imitate. From the following table a comparison can be made between the quantities and values of the exports of biscuits and cakes from the United Kingdom in the years 1913 and 1917:—

	1913		1917	
	Quantity Cwt.	Value £	Quantity Cwt.	Value £
Exports to foreign countries... ...	224,157	837,171	78,386	415,636
Exports to British possessions ...	257,314	724,469	23,668	121,861
Total	481,471	1,561,640	102,054	537,497

It will be observed from a glance at the figures of the earlier year that the British manufacturer finds as ready customers in foreign countries as in home possessions. His exports, however, found particular favour in 1913 in the countries mentioned below:—

	Foreign Countries			British Possessions	
	Quantity Cwt.	Value £		Quantity Cwt.	Value £
France	42,451	211,009	British India & Straits Settlements... ...	81,978	327,573
Netherlands and Dutch Possessions... ...	31,059	127,241	Canada...	15,897	60,187
Turkey	12,446	40,634	Ceylon & dependencies	9,612	32,543
Total ...	85,956	378,884		107,487	420,103

Thus of the total exports, valued at £1,561,640 from the United Kingdom in the stated year, the above-mentioned foreign countries claimed a share equivalent to 24%, while the home possessions named accepted a percentage of 27. The Trade Returns for that year also show other interesting features. For example, we do a large trade with the East generally, but our exports to China are very small, amounting in value to only £15,829. The figure relating to South America is also disappointing, bearing only a value of £36,738 in 1913, while that relating to Russia stood at £9,722. During 1917 large increases in the exports to France and Italy were due, in the main, to military requirements.

Before the War there were hundreds of varieties of biscuits on the market, ranging from the hard, plain

lunch and cabin biscuit to the numerous fancy kinds—shortbread, containing a very large proportion of butter and sugar, mixed kinds in which almond paste, cocoanut, and flavouring essences and dried fruits are pressed into service, and biscuits which might better be described as little cakes. In addition there were dog biscuits, some quite plain and others containing meat fabrine; charcoal biscuits, a medicinal variety with a black colour and of considerable benefit in certain forms of digestive trouble. A multiplicity also obtained in the forms of cakes, but within the past four years manufacturers were forced to revise their price-lists ruthlessly, and divert their activities to the turning out of plain biscuits for the Army and Navy. Very few fancy kinds of cake or biscuits were produced during the War, and these comprised altogether about 20 or 30 varieties. Further restrictions were placed on the maker by the high prices and scarcity of butter, eggs, milk, dried fruits, and flavouring essences and other essential ingredients, but with freedom of trade and a return to normal conditions an improvement will be shown in this direction Generally speaking, biscuits and cakes may be divided into two groups—those into which flour enters as an essential constituent and those of which sugar is the basis. The flour used by the biscuit maker differs from that used by the bread maker. In the main, the latter wants a flour of some strength, that is to say, a flour capable of absorbing a considerable proportion of water and capable of making a loaf of more or less volume. With the former, however, the moistening ingredients are in most cases more expensive than his flour, and consequently it is to his interest to use a flour which shall obtain the desired degree of moistness with the minimum of those more expensive materials. Further, the weaker and softer flours lend themselves more readily to the manipulation and working necessary than do those of stronger nature. A selection is, therefore, generally made of a weak and somewhat soft flour, containing much starch and comparatively little gluten, the latter being of a soft, ductile, and silky character. For the sake of the colour of the cakes or other goods, a flour of a white or delicate creamy tint is preferred. Amongst flours fulfilling these conditions are finest flours from English wheats, Hungarian flours, and those from the softer white wheats of North America. The flours used by firms of established reputation in England, Scotland, and Ireland are sifted as a precaution against the presence of foreign bodies, and, like the butter, sugar, and other raw materials, are carefully inspected and tested before being accepted. During the War there was no great difficulty experienced in obtaining the needful supplies of flour, especially as quantities, though at an enhanced price, were continually arriving from America. Regarding the wheat milled at home the percentage of extraction increased from 70 before the War to 80 or 90 during 1918, and resulted in a flour which was not too suitable for manufacturing purposes. This percentage has now been reduced, but the wholesale biscuit maker is handicapped by the fact that not only has he to pay 44*s*. 6*d*. per sack of flour, but he is, in addition, charged 36*s*. for the licence to obtain it. While he is thus differentiated from the ordinary consumer in this respect, it is curious to observe that he is not subjected to this impost so far as flour, having cake manufacture for its object, is concerned.

Plentiful stocks of sugar are now available for manufacturing purposes, as from January supplies of sugar to all manufacturing trades were fixed at 100% of their consumption in 1915. The Sugar Commission steadily built up supplies during the War, and last September had sufficient material on hand to tide the country over another year's hostilities, assuming, of course, distribution on the basis of 25% of the 1915 sugar consumption. For supplies of this commodity we were mainly indebted to the United States, Mauritius, East and West Indies, but, unfortunately, large stores went to waste in Java on account of lack of transport. Considerable supplies will, however, shortly be *en route* from that Island owing to developments in the freight market. The recent steps taken in the matter of licensing tonnage for the carriage of cargoes on the free list has, of course, led to a sharp restriction of outside chartering, which has been fully availed of by the Sugar and Wheat Commissions. Boats of all sizes up to 11,000 tons d.w. have been diverted from the upper Mediterranean to Java for sugar and to Australia for wheat. According to control regulations the quantity of sugar content in biscuits was not allowed to exceed 15%, but in practice this limit was very rarely reached. Manufacturers were at times allowed quantities of "invert" sugar—produced from cane sugar by heating with dilute acid—1¼ tons of which was reckoned as one ton sugar on the ration scale, on account of its lower saccharine content. With regard to dried fruits, increased supplies should now be ready for distribution on account of the heavy importations recently arranged for by the Ministry of Food.

In the building up of our unique position in the biscuit world market every part of the United Kingdom has done its share. Scotland is represented by Edinburgh and Glasgow, England relies on Reading, Carlisle, and London, and Ireland's chief centres are Dublin, Belfast, Derry, and Limerick. The Irish exports of biscuits in 1915 had a quantity of 335,602 cwt., and a value of £637,644. It is estimated that about four-fifths of these exports were intended for consumption in Great Britain. The Irish branch of this industry always did a high-class family trade with Great Britain in the pre-War period, but during 1915, it was mainly engaged in turning out biscuits for the Army into the composition of which sugar did not enter to any appreciable extent. This fact was naturally reflected in the returns of sugar consumption of the various firms engaged in this business for the stated year, and as a result they suffered, in some

"Beautifully Cool and Sweet Smoking."

PLAYER'S
NAVY CUT
TOBACCO

Packed in varying degrees of strength to suit every class of smoker.

PER OZ.
Player's Gold Leaf Navy Cut
Player's Medium Navy Cut
Player's "Tawny" Navy Cut
10½D.

Per Oz.
Player's "White Label" Navy Cut
9½D.

Also PLAYER'S NAVY CUT DE LUXE a development of Player's Navy Cut packed in 2-oz. and 4-oz. airtight tins at 2/1 and 4/2 respectively.

This Tobacco is also supplied at Duty Free Rates for the purpose of gratuitous distribution to wounded Soldiers and Sailors in Hospital. Terms and particulars on application to:

John Player & Sons,
Nottingham.

Branch of the Imperial Tobacco Co. (of Great Britain and Ireland) Ltd.

PLAYER'S NAVY CUT

P574

measure, on the subsequent allocation of supplies. At various times during hostilities Ireland was virtually cut off from England by submarine action, and not only the manufacturing interests, but the community in general, would have fared badly so far as obtaining sugar supplies was concerned had it not been for the far-sighted action of a well-known Liverpool sugar refinery in establishing three depots in the island and in pursuing a policy which aimed at the steady building up and improvement of stocks.

New Issues.

UNITED PREMIER OIL AND CAKE CO., LTD.

The Imperial and Foreign Corporation has promoted this Company for the purpose of acquiring the bulk of the share capitals of five oilcake manufacturing and seed-crushing companies, including concerns well known in the trade. The authorised capital is £1,500,000, half in 7% Cumulative Preference shares and half in Ordinary shares, in addition to £500,000 of 6% Debenture stock. The issued capital is to consist of 500,000 Preference and 500,000 Ordinary shares, as well as £400,000 of Debenture stock, redeemable on or before December 31, 1949, at par by drawings or by purchase in the market at under par. Subscriptions are invited for the Debenture stock at 96% and for 376,438 of the Preference shares at par. The following table shows the proportions of the share capitals of the five companies which it is proposed to acquire:—

		Total Issued Shares	To be Purchased Shares
Wray, Sanderson and Co., Ltd. ...	Pref. £1 shares	35,841	27,500
	Ord. ,,	80,552	75,300
John L. Seaton and Co., Ltd. ...	Pref. £10 shares	3,000	3,000
	Ord. ,,	9,000	8,514
Premier Oil Extracting Mills, Ltd.	Pref. ,,	2,000	1,853
	Ord. ,,	7,000	7,000
Sowerby and Co., Ltd.	Ord. £1 shares	93,000	91,740
Universal Oil Company	Ord. ,,	26,300	13,142

The agreements for purchase are so many in number and intricate in regard to terms that it is practically impossible to arrive at the profit which the promoting Corporation makes on the deal, but it appears to be substantial. The Company itself has to pay £1,309,943, as to £686,381 in cash, £123,562 in Preference shares, and £500,000 in Ordinary shares of the Company. The Debentures constitute a specific mortgage on the shares acquired, while the Preference shares, of course, rank before the £500,000 Ordinary shares forming part of the purchase price. The combined profits of four of the companies are certified to have been as follows, after provision for excess profits duty but not income tax:—

1915	1916	1917	1918	Average
£	£	£	£	£
161,929	177,765	169,264	151,422	165,095

The above average profits are sufficient to meet the Debenture stock interest and sinking fund four times over, and the Preference dividend, after allowing for the Debenture service, more than three times over. The Debenture stock seems to be well secured, judging from the certified valuation of the assets of the combined companies, irrespective of goodwill, and yielding, as it does, more than 6%, may be classed as a good investment. The Preference shares are, of course, somewhat speculative, but not more than is compensated for by their yield of 7%.

CUBITTS' ENGINEERING COMPANY, LIMITED.

The directors of Holland & Hannen and Cubitts Limited, engineers and contractors, of 258 Gray's Inn Road, being satisfied that after lengthy experiment and testing they have produced a standard motor car, "made of first-class materials, more attractive and comfortable than any car on the market at a similar price," seek financial help from the public in their enterprise centreing in an ambitious scheme of "mass production." The aim is to have an annual output of at least 5,000 of the particular standard type of car, 16/20 h.-p. 4-cylinder engine, and four-seated touring body, complete with latest accessories. It will, if present conditions continue, be sold, the prospectus says, at £298. One car has been completed and thoroughly tested, and the prospectus states that applications have already been made from prospective buyers in the trade and from the public for 3,000 cars. For the purpose it is proposed to utilise and extend the works and equipment on the freehold property known as Southern Works, Aylesbury, which, having been purchased by the vendor Company for £70,000 in cash, is to be transferred to the Company, together with all the rights of the vendor Company in the car and all their designs, certain specified (but not valued) buildings, machinery, and plant for a purchase consideration of £169,285, payable as to £25,000 in Preference shares and £144,285 in Ordinary shares of the new Company. The vendors are stated to have expended £140,000 in cash (presumably including the £70,000 paid for the Aylesbury Works) in respect of the assets to be transferred and in the production of the car. The share capital of the new Company is £600,000, in 225,000 7½% Cumulative Participating Preference shares and 375,000 Ordinary shares of £1 each. The public are invited to subscribe for 200,000 of the Preference shares and 100,000 of the Ordinary shares at par in terms of the prospectus printed on another page. The issue has been underwritten for a commission of 6½%. That there is the prospect of great development in the demand for a cheap, comfortable, and yet efficient motor car in this country may be admitted, and if all that the inventors of the "Cubitt" claim for it is confirmed an investment in the undertaking might be recommended as a "good thing"; but the mass production aimed at has to prove the accuracy of theories based on the perfection of one car, upon which no doubt much money has been spent. Therein is the rub which must label both classes of shares as speculations—with the possibility of turning out well, provided the organisation and management is capable of attaining the end in view. The past working experience of the managing director, manager, assistant manager, and works manager proposed to be engaged by the Company tend to give confidence. Competition, of course, will be severe.

ABYSSINIAN CORPORATION, LTD.

To develop the trade and natural resources of Abyssinia is the object of the formation of this Company. The authorised capital is £1,005,000 in £1 shares, of which 1,000,000 shares are Ordinary and entitled to the whole of the profits in every year in which the amount thereof is not more than sufficient for the payment of a non-Cumulative dividend of 6%, and otherwise to 90% of the profits available in any year. £5,000 of the capital is in Deferred shares, entitled to the balance of profits not applicable to the Ordinary shares. Messrs. Erlangers, on behalf of the Corporation, offer 500,000 of the Ordinary shares for subscription at par. The board includes men well known in connection with African administration, finance, and land development. There seems good reason to believe that the scope for trading and pro-

HARRISONS & CROSFIELD, LTD.

ISSUED CAPITAL £1,225,000

1-4 GREAT TOWER STREET, LONDON, E.C. 3.

With
BRANCHES and ALLIED COMPANIES in

Australia, Borneo, Canada, Ceylon, China, India, Japan, Java, Malaya, Morocco, New Zealand, South Africa, Sumatra, U. S. A.

The Company offers the services of its organisation to manufacturers and others desirous of establishing new connections in the East and elsewhere.

fitable work in connection with the opening up and exploitation of the country's resources is considerable, but it is also quite plain that it will take time—probably years—judging from pioneering experience elsewhere, during which earnings will be small and dividends nil. Thereafter, perhaps there will be a commensurate reward, but from knowledge of what has practically always happened in the case of similar ventures in the past, we should not be surprised if the shares are purchasable a good deal below par before the ultimate reward of the pioneering effort is transmuted from the prospective to the tangible. The promoting syndicate, the issuing house, and those of the directors participating with them, are being well paid for their services both in cash and options on shares at 21*s*. The Deferred shares are to be allotted to the promoting syndicate.

THE JAMES PATENT TRACTOR PLOUGH (ENGLAND), LIMITED.

Quite apart from the obvious drawbacks to investment in this new Company, indicated from a brief scrutiny of the prospectus, would-be subscribers of the 35,000 Ordinary shares offered at par will get a good idea of the competition in the particular line of business from a perusal of the report of the International Harvester Company appearing on another page. The shares offered for subscription are part of an authorised capital of £100,000. Of the balance of 65,000 shares, 40,000 shares will be required to satisfy part of the purchase consideration for the invention and patent rights in Great Britain of the James Patent Tractor Plough. There is in addition a cash consideration of £12,500. Also, the Company is to purchase the business and assets of W. Randall and Sons, Vulcan Works, Bletchley, for £8,750 in cash and 2,500 in shares. Judging from the particulars given these works appear very inadequate in their present form for a Company with £100,000 capital; and it may be remarked that if the 35,000 shares are fully subscribed the cash working capital available after paying purchase considerations will be only £14,000. There are other unattractive features.

THE PENCISELY STEAMSHIP COMPANY, LIMITED.

This is a new Company, with head office in Cardiff, formed with a capital of £100,000 to purchase the steamship *Usworth*, formerly belonging to the Gordon Steam Shipping Company, Limited, of London, and built in August 1910. The public have been invited this week to subscribe the capital in £1 shares at par, 10,000 shares being the minimum upon which the directors may proceed to allotment. The vessel, which is to be renamed in accordance with the title of the Company, is stated to have a carrying capacity of 5,140 tons deadweight, to be in first-class condition, classed A 1 at Lloyd's, with a speed of 9 knots on a coal consumption of 18 to 19 tons. The vendor Company, a Cardiff firm of shipowners, the two partners of which are to be the directors and managers, have contracted to purchase the steamer for £97,000 and to resell to the Company for the same figure, and they propose to time-charter it for two years at a gross freight of 25*s*. per ton per month, realising an estimated £77,100 per annum, or a total sum of £154,200. This, it is calculated, should leave a profit of over £40,000 per annum after allowance for expenses, which it is considered will suffice to pay half-yearly dividends at the rate of 12½% per annum, free of income tax, with a large margin over for depreciation, income tax and excess profits duty. The remuneration of the managers depends, the prospectus states, on the trading profits, and not on gross earnings; but the percentage is not disclosed, neither is it specifically stated that the issue has been underwritten, though it is provided that the Company may "pay a commission not exceeding 10% on any shares offered to the public for subscription." The Company's assets will be all in one boat, and it can hardly be supposed that the owners are selling it cheaply under present conditions. The earnings quite probably will be high for a time; but there is the uncertain future to bear in mind and the obvious risks, which make the venture unsuitable except as a speculation for those investors with particular knowledge of the shipping business.

W. S. LAYCOCK, LIMITED.

Before the War this Company's business of railway-carriage, waggon, steamship, and tramcar fittings was a remunerative one in relation to its comparatively small capital, but war conditions prevented profits being earned in the three years to June 30, 1918. During that period Charron, Limited—a motor-manufacturing Company with works located in France—acquired control of the undertaking and proceeded to equip it with works capable of aeroplane construction. For the purpose buildings were erected during 1918 and plant laid down costing £149,000. Government contracts terminate about June, and thereafter the works will be devoted to motor-car construction. To provide the wherewithal to pay off outstanding Debenture charges, repay advances in connection with the new works, &c., the public has this week been asked to subscribe for £220,000 5½% (income tax free) guaranteed First Debenture stock at par, redeemable by 10 equal annual instalments at 102½%, commencing in 1920. The stock is guaranteed as to interest, redemption, and capital by Charron, Limited, so that the merits of the issue as an investment depends upon the earning power and financial position of that concern. Its latest report covered the year to September 30, 1917, but instead of giving the profits for a series of years in detail, the prospectus states that the average profits for the three years ended September 1917 amounted to over £42,000. The issued capital of the Laycock Company consists of £150,000 in 50,000 £1 Preference shares, and 100,000 Ordinary £1 shares. Quite probably the interest and redemption requirements of the Debentures will be duly met, but personally we should require more and later information than the prospectus gives before thinking of the issue as a safe security.

JAMES PASCALL, LIMITED.

An issue of 100,000 7% Cumulative Preference £1 shares of this confectionery manufacturing Company have been offered for subscription this week, the purpose being to provide funds for financing extensions of factories and the increasing turnover. The existing share capital consists of 20,000 similar Preference shares and 100,000 Ordinary £1 shares, of which 30,470 are only 5*s*. paid. In addition £25,000 of 5% First Mortgage Debenture bonds are outstanding. Profits, after provision for excess profits tax and Debenture interest, but not income tax, have risen from £11,838 in 1914 to £37,381 and £36,440 in 1917 and 1918, the average of the last seven years being £23,241. One feels curious to know why the liability on the partly-paid Ordinary shares held by the directors and members of the Pascall family has not been called up to satisfy part of the financial requirements. Also why certain land acquired from the Pascalls was not settled for in shares. Further, it is to be noted that 41,295 £1 Ordinary shares were allotted on May 19 as fully paid to the Ordinary shareholders.

Of course the Preference shares are decidedly speculative.

LIVERPOOL CORPORATION BILLS.

The applications for the £1,000,000 one-year bills for which tenders were invited last week amounted to £3,644,000. Tenders at £96 0*s*. 3½*d*. were accepted to

PROSPECTUSES

are not only read, but also seriously considered, when published in the

Belfast Telegraph

—the paper with the live financial news and the biggest circulation amongst Irish Investors.

London Office: 40-43 Fleet St., E.C. 4

the extent of about 12%; above in full. The average rate of discount was £3 18*s.* 1.22*d.* per cent. A year ago applications for a similar amount of bills reached £5,740,000, and about 66% of tenders at £96 3*s.* 1*d.* received allotment; above in full. The average rate of discount was £3 16*s.* 5.03*d.* per cent., so that the latest terms are not quite so favourable.

WILLIAM GOSSAGE AND SONS, LIMITED.

We are informed that the new issue of 6½% Cumulative Preference shares, to the investment merits of which we referred last week, have been largely over-subscribed, the lists being closed on Tuesday night.

Industrial Companies.

ROYAL MAIL STEAM PACKET CO.

Issued Capital: £5,000,000 in £900,000 of 5% Pref. Stock and £4,100,000 Ord. Stock.

Debenture Stock: £1,400,000 4½% and £3,100,000 5%.

Year	Net Income*	Deb., &c., Intrt.	Added to Reserve	Added to Insur. Fund	Pref. Div.	Ord. Div.	%	Value of Stores, &c.	Surplus Liquid Assets.†
	£	£	£	£	£	£		£	£
1914	62,624	213,658	*200,000*‡	8,945	45,000	—	—	119,754	*1,932,678(a)*
1915(b)	842,096	313,033	200,000	58,365	45,000	197,406	6	160,903	*976,214(a)*
1916(b)	788,597	229,358	200,000	35,178	45,000	263,416	7	181,618	*661,409(a)*
1917	801,053	218,000	200,000	61,603	45,000	237,000	7	258,235	*464,703(a)*
1918	742,445	218,000	150,000	45,973	45,000	237,000	7	208,204	1,303,973

* After writing off new stock issue expenses and providing for superannuation fund allocations.

† Excluding value of stores and also book value of fleet, combined with investments in allied companies and war securities (together £8,914,812 at end 1918).

‡ Taken from Reserve.

(*a*) Deficit.

(*b*) £523,160 of Deb. stock issued in 1915 and £550,000 redeemed in 1916 and £800,000 of Ord. Stock issued in 1916.

A good deal of close investigation of the accounts and comparison with past results is necessary before a true idea of the position and progress of the Royal Mail Steam Packet Company during the War can be gauged, but when properly looked into, one cannot help but appreciate the great strength of the undertaking. From the fact that the net income of 1918, as shown above, comes out £58,600 less than for 1917, it might be surmised that the results were less profitable, but probably there is not much in this, for the true position is not disclosed, inasmuch as depreciation and income tax are provided before striking the profit balance. The depreciation allowance in the past has been calculated at 5% of the original cost of the fleet. The Company's own tonnage, and the tonnage owned by the Companies closely affiliated with it, have been greatly reduced during the War and many of the Company's best ships have been in Admiralty employ instead of plying on its own behalf. There is no doubt that the Company has not profiteered at all. In fact, it appears to have come off badly, in comparison with most shipping concerns. Perhaps this is the result of not obtaining insurance value for lost vessels much in excess of their book cost. However that may be, dividends have undoubtedly been maintained at a low level and substantial sums set aside both by special reservations and undisclosed depreciation allowances to place the Company in possession of funds for obtaining new ships and generally, greatly to develop its post-War business. To illustrate this we give below a table showing how immensely the liquid position has been improved. The figures show the amount of new capital since 1913, the profit additions to reserve and carry-forward, how the item in the balance sheet representing the book value of fleet, investments in Allied companies and war securities has been reduced, and the extent of the increase in surplus liquid assets other than those included under the combination heading of stores and war securities:—

Year.	Net New Capital Issued.	Profit Added to Reserves.	Inc. or Dec. in Carry For-ward.	Total New Money Shown.	Book Value of Fleet and Invest-ments.	Premises and Plant.	Stores	Surplus Liquid Assets.*
	£	£	£	£	£	£	£	£
1914	—	*191,055*‡	—*4,878*‡	*195,933*‡	10,269,154	689,525	119,754	‡*1,932,678*†
1915	523,160	258,345	+28,058	809,583	10,161,116	609,540	160,903	*976,214*†
1916	£50,000	235,178	+15,643	500,821	10,364,949	671,007	181,618	*661,409*†
1917	—	261,603	—*11,553*‡	251,055	10,437,769	575,860	258,295	*464,703*†
1918	—	195,973	—*528*‡	192,445	8,914,812	572,675	208,204	1,303,973

* Excluding Investments included with book value of fleet and also stores.

† Deficiency.

‡ Reductions

It will be seen that, comparing the figures at May 27, 1919, with those at May 1, 1915, the book value of the fleet and interests in Allied companies, plus war securities, shows a reduction of £1,355,0000 to £8,914,812. In the same period the gross registered tonnage of the Company's own vessels has declined from 342,538 to 266,644 tons, despite some new boats being put into service. At £30 per ton the Company's own fleet alone would be worth £8,000,000. But the item of £8,914,812 includes war securities as well as investments in affiliated companies. Probably the war securities are large in amount, but apart from that we know that at end 1914 the investments in Allied Companies were valued at £4,563,126 and new interests have been obtained since then. At May 27, 1919, the tonnage of the allied companies totalled 1,120,060, against 1,350,218 four years earlier. Probably the Company's tonnage and the tonnage which its interests in other companies represent have a value two, and possibly three, times as great as that for which credit is taken. Then it will be seen in the last column of the table that there has been an improvement in the liquid position of as much as £3,230,000. By these calculations we can arrive at something like an approximate idea of the value of the Company's assets. Their total value, though the tonnage owned directly and indirectly is probably valued at one-third of its worth, showed at end of 1918 an excess of nearly £1,500,000 over the outstanding Debenture Preference and Ordinary capital stock, as witness the following figures:—

Dec. 31	Capital				Excess of Total Assets over Current Liabilities.	Total of Reserve Funds and Carry Forward.
	Debenture Stock.	Pref.	Ord.	Total.		
	£	£	£	£	£	£
1914	4,426,839	900,000	3,300,000	8,626,839	9,045,755	418,916
1915	4,950,003	900,000	3,300,000	9,150,000	9,956,345	800,345
1916	4,500,000	900,000	4,100,000	9,500,000	10,556,165	1,056,165
1917	4,500,000	900,000	4,100,000	9,500,000	10,807,221	1,307,221
1918	4,500,000	900,000	4,100,000	9,500,000	10,999,664	1,499,665

Now that shipping control is being rapidly released, ships returned to their owners, and old shipping lines can be re-established and new ones opened, the prospects of such an undertaking with both passenger and freight space being clamoured for, must be good. That the Royal Mail is prepared to build up a stronger position than it ever had before seems pretty clear. The present price of 153 for the Ordinary stock, holders of which received 7% for 1918, discounts to some extent the prospects of a larger distribution. Security prices and yields are given below:

	4½% Deb.	5% Deb.	5% Pref.	Ordinary
Price	83	90	85	153
Yield	£5 1*s.*	£5 14*s.*	£6 1*s.*	£4 14*s.* 6*d.*

For twenty-five years up to and including 1914 the well-known Liverpool firm of Bigland Sons and Jeffreys, Ltd., have issued an interesting annual circular on the "Situation and Outlook of Foreign Produce." Owing to the outbreak of the War the issue has been suspended. Now, as it is hoped that we are within sight of the Peace Treaty being ratified, Messrs. Bigland Sons and Jeffreys have resumed the publication and have favoured us with a copy of the new edition. It is an interesting review of business prospects in the immediate future.

INTERNATIONAL HARVESTER COMPANY.

ANNUAL REPORT FOR THE YEAR TO DECEMBER 31, 1918.

To the Stockholders.—The Board of Directors submits the following report of the business of the International Harvester Company and affiliated companies for the fiscal year ending December 31, 1918, together with a statement of the financial condition at that date. The report embraces the operations of International Harvester Company of New Jersey and International Harvester Corporation for the period of January 1, 1918, to September 19, 1918, on which date these two companies were merged into the International Harvester Company.

INCOME ACCOUNT FOR 1918.

Income from operations, after providing for taxes, but before making deductions for Interest on loans, plant depreciation, losses on receivables, and other reserves and appropriations	$31,648,856 77
Deduct: Interest on loans	$882,454 22
Ore and timber extinguishment	447,631 93
Reserve for plant depreciation	2,385,942 45
Reserve for special maintenance	219,637 34
Reserve for losses on receivables	999,865 71
Appropriation for Pension Fund	1,000,000 00
Appropriation for employees' savings plan	250,000 00
	$6,185,531 65
	$25,463,325 12
Deduct: War losses charged off in 1918	10,478,000 00
Net profit for season 1918	$14,985,325 12

SURPLUS, DECEMBER 31, 1918.

Balance at December 31, 1917:	
International Harvester Company of New Jersey	$43,140,217 95
International Harvester Corporation (Subject to foreign war losses not yet determined and not covered by reserves	17,911,119 60
	$61,051,337 55
Add: Net profit for season 1918	$14,985,325 12
Deduct Dividends: On Preferred stock of I. H. Co. of N. J., $1,050,000; on Common stock of I. H. Co. of N. J., $1,400,000; on Preferred stock of I. H. Corporation, $1,050,000; on Preferred stock of I. H. Company, $2,100,000; on Common stock of I. H. Company, $2,400,000	$8,000,000.00
	6,985,325 12
Surplus at December 31, 1918 (Subject to foreign war losses not yet determined and not covered by reserves)	$68,036,662 67

COMBINED BALANCE SHEET, DECEMBER 31, 1918.

ASSETS.

Property: Real Estate and plant property, ore mines, coal and timber lands, etc., $86,274,716.11. Deduct: Reserves for plant depreciation, $20,580,465.72	$65,694,250 39
Deferred charges	335,934 04
Reserve Fund Assets: Fire Insurance Fund, $1,258,950.00; Pension Fund, $1,000,000.00	2,258,950 00
Current Assets:	
Inventories: Raw materials, work in process, finished products, etc.	$114,516,302 28
Receivables: Farmers' and dealers' notes, $25,311,096 96; accounts receivable, $16,405,637.22; Total, $41,716,734.18.	
Deduct: Reserves for losses, $5,915,808.63	35,800,925 55
Funds withheld in Europe by war conditions: At normal exchange rates, $45 432,972.18; less war losses charged off, $20,598,000 00	24,834,972 18
Investments: Liberty Bonds, $9,6 6,710 40; Canadian and Australasian War Bonds, $870,823.53; Miscellaneous, $1,240,062.70	11 737 596 63
Cash	28,040,060 47
	$214,929,857 11
	$283,218.991 54

NOTE.—In addition to the funds withheld in Russia and enemy countries, the Company's investment in those countries, included in the balance sheet, is plant property and inventory at Lubertzy Works, Russia, $4,750.000, and at Neuss Works, Germany, $2,100,000. This investment is carried at the same amount as last year.

LIABILITIES.

Capital Stock: Preferred	$60,000,000 00
Common	80,000,000 00
	$140,000.000 00
Current Liabilities: Bills payable	$10,370,000 00
Accounts Payable: Current invoices, payrolls, tax provisions, interest accrued, etc., $35,882,911.60; Preferred stock dividend (payable March 1, 1919), $1,050,000.00. Common stock dividend (payable January 15, 1919), $1,200,000.00	38,132,911 60
	$48,502.911 60
Reserves (Appropriated Surplus):	
Special maintenance	$2,761,757 27
Collection expenses	2,000,000 00
Fire Insurance Fund	6,223,551 23
Pension Fund	4,237,391 00
Industrial Accident Fund	950,000 00
Employees' Savings Plan	1,100,000 00
Contingent, for foreign war losses not yet determined	9,406,717 77
	$26,679,417 27
Surplus (Subject to foreign war losses not yet determined and not covered by reserves)	68,036,662 67
	$283,218.991 54

PROPERTY.

Balance at December 31, 1917:	
International Harvester Company of New Jersey	$51,938,175 65
International Harvester Corporation	28,999,383 35
	$80,937,559 00
Capital Additions during 1918:—	
Works and Twine Mills—	
United States: McCormick Works: Oil-storage tanks; equipment for artillery wheels, shells, and grenades. Deering Works: Equipment for gas shells and grenades. Tractor Works: Completion new manufacturing building; new grey iron foundry; forge shop equipment. Weber Works: Additional dry kilns for lumber for artillery wheels, gun-cart wheels, escort wagons, and army motor-truck boxes. West Pullman Works: Equipment for manufacturing steel chain and trench mortars. Milwaukee Works: Completion new core building; new forge shop; machinery and equipment for tractors and engines. Akron Works; New intermediate storage building; equipment for increasing motor truck manufacture. Rock Falls Works: Extension of sprinkler system; additional power facilities. Springfield Works: Dry kilns; machinery and equipment for manufacturing motor-truck bodies. Twine Mills; Equipment for manufacturing twine from American hemp; oil and tar tanks; additional power machinery	$3,957,936 43
Canada: Hamilton Works: Cold drawing plant; equipment for manufacturing threshers	122,707 54
Foreign: No capital additions at foreign works in 1918. Arrangements for the restoration and re-equipment of Croix Works, France, were, however, completed soon after the Armistice was signed.	
Branch Houses—	
United States: 3-story concrete warehouse and brick tractor shed at Salt Lake City, Utah; brick tractor shed and service station at St. Louis, Mo.; 4-story concrete warehouse and brick tractor shed at Watertown, S.D.; purchase of warehouse site at Omaha, Neb.; extensions and improvements to warehouses and tractor sheds at East St. Louis, Ill.; Fargo, N.D.; Little Rock, Ark.; and Toledo, Ohio. *Canada*: Improvements to warehouse buildings at North Battleford, Sask.; Saskatoon, Sask.; Winnipeg, Man.; and Yorkton, Sask. *Foreign*: 4-story warehouse at Trondjhem, Norway; purchase of warehouse properties at Bahia Blanca, Buenos Aires, and Rosario in the Argentine Republic	444,795 66
Raw Material Facilities: Coal Mines and Coke Works: Mine haulage equipment; development work to increase coal production for by-product coke ovens at South Chicago, Ill.; additional dwellings and village improvements at Benham, Ky. Ore Mines: Purchase of Sargent Mine lease, stripping and development work, Keewatin, Minn; purchase of town lots and dwellings; completion of locomotive house and carpenter shop at Hawkins Mine, Nashwauk, Minn. Blast Furnaces and Steel Mills: Completion of extension to office building; new building for ingot moulds; new locomotive crane; railroad track scales, South Chicago, Ill. By-product Coke Plant: Clearing site, preparing foundation, and part construction of by-product coke oven plant, South Chicago, Ill. Steamship *The Harvester*: New frames and alterations to cargo hold and hull. Timber Lands and Saw Mills: Land drainage and property improvements, Deering, Mo.; commissary building at Rives, Mo.; log railroad extension; installation of equipment in lumber yards. Fibre Plantation: Development work at Matanzas, Cuba	1,827,605 57
Railroads, etc.: Chicago, West Pullman & Southern Railroad: Land for storage yard at West Pullman, Ill.; eight gondola cars. Deering South-western Railway: Ballasting and cribbing main truck roadbed; two flat cars. Illinois Northern Railway: Bridge and tracks over Chicago River establishing direct connection with Tractor Works; two gondola cars	114,221 41
	$87,404,825 61
Deduct: Property sold, charged off, etc., during 1918, $682,477.57; provision for amortisation of iron ore, coal, and timber during 1918, $447,631.93	1,130.109 50
Balance at December 31, 1918	$86,274,716 11
Deduct: Reserves for plant depreciation	20,580,465 72
Net balance at December 31, 1918	$65.694,250 39

WORKING CAPITAL.

Current Assets:	
Inventories	$114,516,302 28
Receivables (net)	35,800,925 55
Investments	11,737,596 63
Cash	28,040,060 47
	$190,094 884 93
Deduct: Current Liabilities	48,502.911 60
Net working capital at December 31, 1918 (not including funds withheld in Europe by war conditions)	$141,591,973 33

INVENTORIES.

At Works and Twine Mills at close of manufacturing season:	
United States: Raw materials and supplies, $8,204,834.98; work in process of manufacture, $15,094,265.60; finished machines, repair parts and twine, $16,046,987.08	$51,346,085 66
Canada: Raw materials and supplies, $1,301,108.56; work in process of manufacture, $1,097,704.01; finished machines, and repair parts, $959,817.17	3,358,629 74
Europe: Raw materials and supplies, $1,342,465.75; work in process of manufacture, $840,847.86; finished machines and repair parts, $502,676.80	2,685,990 41
	$57,390,705 81

At Branch Houses, Local Agencies, and Distributing Points: United States, $20,907,864.68; Canada, $7,915,271.45; Foreign (excluding Russia and enemy countries), $6,851,753.88	35,674,890 01
At Mines, Furnaces, and Steel Mills	4,148,443 43
At Saw Mills	339,277 27
Railroads	130,278 13
Miscellaneous	719,879 14
	$98,403,473 79
Add: Net material purchases, etc., after close of manufacturing season	16,112,828 49
	$114,516,302 28

NOTE.—The "basic" inventory representing a normal quantity of raw materials, work in process, and finished products has been valued at 1916 inventory prices (being the actual cost of that year), which were adopted in 1917 as a fair and stable basis for inventory valuations during the period of the War. The "excess" inventory (that is, the quantity in excess of normal) has been valued at reasonable market prices. In addition, the Company is carrying the general inventory reserve previously accumulated, which has been deducted from "Net Material Purchases," etc., after close of manufacturing season.

"Net Material Purchases," etc., after close of manufacturing season, include purchases and manufacture at works between inventory-taking and December 31, 1918, less the manufacturing cost of goods shipped from the works during that period, which were either sold in 1918 season or included in the country inventory.

The character of the Company's business requires that large stocks of agricultural implements be carried at convenient locations throughout the world, in order to meet the urgent local necessities of uncertain crop conditions. Therefore, a large amount of working capital is constantly invested in inventories. By this investment the Company aims to give adequate service to the farmer and to meet the varying demands of a trade which is frequently unable to forecast its needs until the crops are assured and the harvest is at hand.

CAPITAL STOCK.

The agreement of merger between the International Harvester Company of New Jersey and the International Harvester Corporation was adopted by the substantially unanimous vote of the stockholders of each Company at the special Stockholders' meetings held on September 10, 1918; the merger and consolidation was approved by the Public Utilities Commission of New Jersey on September 18, 1918; and those two companies on September 19, 1918, became merged and consolidated into a new Company—International Harvester Company—having a capital stock equal to the sum of the capital stocks of the two merging companies. The Preferred stock is preferred both as to dividends and assets, precisely as were the Preferred stocks of the merging companies.

The authorised and issued Capital Stock of the International Harvester Company at December 31, 1918, was: Preferred Stock, 7% Cumulative: 600,000 shares of $100 each, par value, $60,000,000; Common Stock: 800,000 shares of $100 each, par value, $80,000,000; total, $140,000,000.

No portion of the Capital Stock was issued for Goodwill or Patents. The Company's properties are unencumbered, and it has no bonded indebtedness.

CURRENT LIABILITIES.

Bills Payable:	
Loans maturing 1921	$10,000,000 00
Purchase money obligations	170,000 00
Fibre drafts discounted in Manila, P. I.	200,000 00
	$10,370,000 00
Accounts Payable:	
Current invoices, payrolls, etc.	$15,571,623 20
Tax provision Federal, State, and Foreign	17,469,991 64
Interest accrued	91 666 66
Employees' savings plan subscriptions	1,877,816 37
Employees' Liberty Bond instalments	871,813 73
Preferred stock dividend, payable March 1, 1919	1,050,000 00
Common stock dividend, payable January 15, 1919	1,200,000 00
	$38,132,911 60
Total current liabilities at December 31, 1918	$48,502,911 60

RESERVES.

PLANT DEPRECIATION.

The annual appropriations from earnings for plant depreciation reserves constitute the necessary provision for the impairment and consumption of the plant assets utilised in production. Such depreciation is based on rates established by recognised authorities and confirmed by past experience in this industry, and should prove sufficient to reproduce the properties as their replacement becomes necessary. Balance at December 31, 1917: International Harvester Company of New Jersey, $13,166,164.82; International Harvester Corporation, $5,260,939.08—$18,427,153.90. Add: Provision for 1918, $2,385,942.45—$20,813,096.35. Deduct: Replacement charges, &c., during 1918—$232,630.63; balance at December 31, 1918, $20,580,465.72.

REPAIRS, RENEWALS, AND MAINTENANCE.

In accordance with the Company's policy liberal expenditures have been made for ordinary repairs and renewals, in order to maintain the properties at their maximum efficiency. All such expenditures are charged to operating expenses and have been included in the cost of production. A comparison of these expenses for the last two seasons is:

Harvester Works and Twine Mills	1918	1917
United States	$5,467,806 62	$4,[illegible] 9 91
Canada	1,[illegible] 95	2[illegible] 9[illegible] 75
Foreign	550,[illegible] 03	5[illegible] 17 85
	$[illegible] 2 65	$4,[illegible] 0 09
Furnaces and steel mills	1,[illegible] 74	[illegible] 75
Railroads	195,086 09	153,630 70
Branch houses and miscellaneous	1,[illegible] 14	193,770 67
	$7,682,171 90	$5,[illegible] 6

SPECIAL MAINTENANCE.

These reserves provide for relining of blast furnaces, maintenance of docks and harbours, conversion of power systems, and other renewal work, the expenditures for which occur at irregular intervals. To provide for such renewals when they become necessary, the future cost of the work is apportioned over current earnings. Balance at December 31, 1917: International Harvester Company of New Jersey, $1,784,973.46; International Harvester Corporation, $905,986.37—$2,690,959.83. Add: Provision for 1918, $219,637.34—$2,910,597.17. Deduct: Relining, renewal, and other charges during 1918, $148,839.90; balance at December 31, 1918, $2,761,757.27.

LOSSES ON RECEIVABLES.

The annual deductions from earnings to provide for losses which may ultimately be sustained in the realisation of bills and accounts receivable taken on each season's sales are based on long experience and are adequate to cover bad debts incurred in the ordinary course of business.

Collections for 1918 have been uniformly good, both in the domestic and in the active trade portion of the foreign field. The net value of the receivables in the balance sheet does not include any amount for bills and accounts in Russia and enemy countries; while such bills and accounts in the sum of $1,550,000 are still carried as receivables, provision sufficient to retire the entire amount has been made in the Reserve for Losses. Balance at December 31, 1917: International Harvester Company of New Jersey, $2,567,447.99; International Harvester Corporation, $4,172,884.78—$6,740,332.77. Add: Provision for 1918, $999,865.71—$7,740,198.48. Deduct: Bad Debts charged off during 1918: United States, $673,563.52; Canada, $344,530.53; Foreign, $806,295.80—$1,824,389.85; balance at December 31, 1918, $5,915,808.63.

COLLECTION EXPENSES.

In most lines of business the time which elapses between the date of a sale and the collection of the proceeds in cash is comparatively short, and the need of a reserve to meet the future cost of collecting receivables outstanding at the date of the balance sheet would arise only in the event of liquidation. In the agricultural implement business, where long credits in some lines are extended to the farming community, conservative management has adopted the principle of providing a reserve to meet future collection expenses. Balance at December 31, 1917: International Harvester Company of New Jersey, $1,000,000; International Harvester Corporation, $1,000,000; balance at December 31, 1918, $2,000,000.

FIRE INSURANCE FUND.

The Company pursues the policy of carrying a reasonable portion of its own fire insurance. It is estimated that the Fire Insurance Fund should now be sufficient, with the annual accretions from regular insurance charges to operations and the income from the fund, to provide ample protection for the risk which the Company assumes. Balance at December 31, 1917: International Harvester Company of New Jersey, $3,377,268.21; International Harvester Corporation, $2,318,837.80—$5,696,106.01. Add: Credit for 1918 from regular charges to operations, $249,930.89; income from Fund for year 1918, $305,314.05—$6,251,350.95. Deduct: Losses by Fire, &c., during 1918, $27,599.73; balance at December 31, 1918, $6,223,751.22.

At December 31, 1918, $1,258,950 of the Fire Insurance Reserve was invested in income-bearing securities.

INDUSTRIAL ACCIDENT FUND.

Since the Company originated its plan of compensation for industrial accidents to employees regardless of legal liability, all States in which the Company has its principal plants have enacted workmen's compensation laws, which now supersede the Company's plan.

Payments for accidents are absorbed directly in operating expenses, and no portion is charged against the permanent Industrial Accident Fund, which is maintained at a reasonable amount as a safeguard against future contingencies. Balance at December 31, 1917: International Harvester Company of New Jersey $500,000; International Harvester Corporation, $450,000; balance at December 31, 1918, $950,000.

CONTINGENT.

This reserve is held principally for protection against foreign war losses not yet determined. Balance at December 31, 1917: International Harvester Company of New Jersey, $3,000,000.00; International Harvester Corporation, $6,406,517.78; balance at December 31, 1918, $9,406,517.78.

GENERAL.

This report of the International Harvester Company, formed by the merger, effective September 19, 1918, of the International Harvester Company of New Jersey and the International Harvester Corporation, records the combined results of the business of the two previous companies from January 1st to September 19, 1918, and of the new Company for the remainder of the year.

Settlement of the "Harvester Case."

In January 1913, the Supreme Court of the United States, on motion of the Attorney General, ordered the Harvester case and other anti-trust cases then pending before it "The

Harvester case had already been pending in that court for three years, had been twice argued there, and was awaiting the third argument. The decree of the Lower Court was entered in August, 1914. Two judges held against the Company, while the third filed a strong dissenting opinion upholding the legality of the Company. Even the adverse opinion was not based upon any wrongful practices or injurious acts, but upon the Company's alleged, though unexercised, power to dominate the agricultural implement trade. The action of the court in postponing the case on account of war conditions made it plain that no decision could be expected until after the return of peace.

This further delay left a very serious situation. The assets and business of the International Harvester Company had been equally divided in January, 1913, between the original Company and a new Company, the International Harvester Corporation, the latter taking over the foreign plants and business and the new lines, such as tractors, gas engines, wagons, cream separators, &c. The War had seriously impaired the Corporation's assets in Europe, especially in Russia and the Central Empires, and it lacked the capital required adequately to develop the new lines and prepare for business abroad at the end of the War. No dividend had been paid on its common stock for four years. At the same time, the uncertainties of the litigation with the Government had prevented the old Company from making any permanent plans for the development of its trade.

In view of this situation, the Company felt constrained to dismiss its appeal to the Supreme Court upon the terms of an agreement made with the Government in July, 1918, under which an agreed decree was entered in the District Court at St. Paul on November 2, 1918. This decree provided: (*a*) that after December 31, 1919, the Company shall not have more than one agent or representative in any city or town in the United States for the sale of any of its agricultural implements; (*b*) that it shall presently endeavour to sell, and shall sell within one year after the close of the War, three (the Osborne, Champion, and Milwaukee) of its five lines of harvesting machines, and, in connection therewith, if possible, its Osborne and Champion harvesting-machine plants; and (*c*) that if competitive conditions in agricultural implements shall not have been established at the end of eighteen months after the expiration of the War, the Government shall have the right to such further relief as may be necessary to secure such conditions.

Two lines of harvesting machines have already been sold to competing manufacturers—the "Osborne" line to Emerson-Brantingham Company of Rockford, Illinois, and the "Champion" line to B. F. Avery & Sons, of Louisville, Kentucky.

Merger of the two Harvester Companies:

While the terms of the settlement with the Government were accepted with reluctance and regret by the directors, they believed that the losses resulting from the partial disintegration of the Company's business in harvesting machines would be largely compensated for by the reuniting of the domestic and foreign resources and business of the two companies.

Such a reunion was immediately effected by an agreement of merger made by the directors of the two companies in July, and duly approved and ratified by the almost unanimous vote of their respective stockholders on September 10, 1918. It was approved by the Public Utilities Commission of New Jersey on September 18, 1918, and became effective September 19, 1918, in the International Harvester Company, a new corporation under the laws of New Jersey.

The reunion has enabled the Company to make permanent plans for adequate development of foreign trade, and of new lines as to which there can be no complaint of insufficient competition. Thus the Company has established a firm basis for its business at home and abroad.

1918 *Earnings:*

Earnings from the year's operations show a slight increase over the combined results of the two merging companies for the year 1917. The percentage of earnings from the current year's operations to the net investment before deducting war losses is about 11%. After deducting war losses charged off in 1918, it is less than 7%.

A considerable portion of the earnings was derived from the steel properties, including extensive sales in the general market, from sales of motor trucks, and from Government contracts. On the sale of farm implements the percentage of profit to the capital engaged in that branch of the business exhibits only slight variation from former years.

The inventories are abnormally heavy. Three principal factors have caused this condition: the stimulation of production in certain lines required under the Government's War programme; the high prices of materials, coupled with further advances in labour costs; and the continued dullness of the implement trade, due to the belief that prices of materials and labour would soon recede after the cessation of hostilities—a belief not yet realised. In the balance sheet the "basic" inventory, representing a normal quantity, has been valued at 1916 inventory prices, which were adopted in 1917 as a fair and stable basis for inventory valuations during the period of the War. The "excess" inventory has been valued at reasonable market prices.

Manufacturing Conditions:

Manufacturing operations prior to the Armistice of November 11, 1918, were carried on with great difficulty owing to shortages of labour, material, and transportation caused by the country's war demands. The reliance of the Allied countries upon the United States for foodstuffs, imposed upon the agricultural implement industry the responsibility of furnishing labour-saving farm machines that were peculiarly needed after the nation called to the Colours hundreds of thousands of men from the farms.

It is gratifying to look back upon the war period and to see how well, in spite of the manufacturing difficulties, this industry was able to meet the demands of the American farmer and, to a large extent, the needs of our Allies.

The basic eight-hour day was made effective April 1, 1918, at all the Company's works in the United States. There were two general increases in wages during 1918, with the result that the average hourly earnings are now 100% above those of 1914.

Industrial Relations:

As a further development of the Company's policies looking to the improvement of working conditions, and of the relations between the employees and the management, the "Harvester Industrial Council Plan" of employee representation was formulated. The purpose of the Plan is to establish the relations of the employees and the Company "upon a definite and durable basis of mutual understanding and confidence." The means of reaching this basis is a system of Works Councils wherein the employees and the management have an equal voice and vote in shaping the Company's policies as to working conditions, health, safety, hours of labour, wages, recreation, education, and other similar matters of mutual interest, while the execution of such policies remains with the management. Provision is made by the Plan for the calling of General Councils to consider matters affecting more than one Works, and for arbitration by mutual consent of matters not otherwise decided.

This Plan was submitted to the employés of each Works in March, 1919, and, upon secret ballot, was adopted by majority vote at all but one of the Company's 20 plants in the United States and Canada. In the nominating ballot for employé representatives which followed, 93% of the employés voted, and in the election itself 99%. The average age of employé representatives elected is 38 years, and the average length of service is seven years.

The Plan is now in full operation at these 19 plants. One or more meetings of the Councils have already been held at each of these plants, and some important matters, involving wages, hours of labour, and working conditions, have been discussed. The early results indicate intelligent acceptance and fair-minded use of the Plan by employés as a practical means toward industrial betterment and continued industrial peace.

Safety and Health:

The Company's long experience in its "Safety First" work has produced some instructive and encouraging results. In 1911 there were 8,146 accidental injuries to works' employés; in 1918, with practically the same average number of employés, there were only one-third that number of accidental injuries, or 2,728. Owing to the higher scale of wages and higher rates of compensation for accidents, the total cost to the Company in 1918 was actually greater than in 1911.

Believing that what "Safety First" has done for preventable accidents can be done for preventable illness, the Company is constantly enlarging its health programme. It is hoped that the average annual loss of time and wages through illness and the resulting expense to the employé will be considerably reduced.

Pension and Savings Plans:

The Company's Pension Plan aims to reward veteran employés for loyal and long-continued service. Effective January 1, 1919, the minimum rate of pension was increased from $21 to $30 a month and the maximum from $1,200 to $2,500 a year. The previous requirements of 20 years' continuous service and 65 years of age were modified so as to make employés pensionable at 65 with 20 years' service, at 60 with 25 years' service, and at 55 with 30 years' service. Pensions will be computed in the following manner: for each year of service, 1½% of the average earnings during the consecutive 10 years of service in which the employé received the highest wages, instead of 1% of the average annual earnings during the last 10 years of service.

The third year's experience under the Employés' Savings and Profit Sharing Plan of 1915 has furnished increased proof of its great value as an incentive and means for promoting thrift and encouraging stock ownership among employés. At December 31, 1918, notwithstanding the abnormal conditions due to the War, 17,692 employés were subscribers for certificates, aggregating $5,226,000. The maximum subscription under the plan is $1,000, and the average current subscription is approximately $300. Common stock of the Company to the amount of 15,354 shares acquired under the plan is held by subscribers still in the Company's service. In addition $1,878,000 has been accumulated to the credit of subscribing employés. More than 3,000 employés have now become stockholders under this plan.

Government Contracts:

Government contracts for various war supplies were entered into during the year, and on many of them substantial deliveries had been made at the time the armistice was signed. Claims under all uncompleted contracts are now nearing settlement.

The most important of these contracts, entered into last July at the Government's request, involved the erection of 88 by-product coke ovens at the Steel Mills at South Chicago, in order to furnish the facilities for certain materials urgently needed by the Government in making explosives. To provide the additional supply of coal necessary for this coke plant large expenditures were also required at the Company's mines at Benham, Kentucky. The construction of this plant and work at the mines involve a total investment by the Company exceeding $5,500,000.

Plow Business:

Near the end of the year negotiations were concluded for the purchase of the entire stock of the Oliver Chilled Plow Works of Canada, Limited, at Hamilton, Ontario. This property is now in full operation under Harvester management.

More recently the Company has purchased the plant and business of the Parlin and Orendorff Company at Canton, Illinois, one of the oldest and most successful plow manufacturers in the United States. These purchases give the Harvester Company a complete and well-established line of plows for the domestic, Canadian, and export trade.

Foreign Business and Conditions:

Scarcity of shipping space for commodities other than war materials and food, and the demoralisation in Europe, especially in Russia and Siberia, greatly restricted the Company's exports of farm machinery and twine. In view of all the conditions, however, the volume of trade secured may be regarded as fairly satisfactory.

The Croix Works, near Lille, France, after four years in German hands, has been restored to French control. The buildings had suffered little damage, but the equipment, tools and materials had been wholly removed or destroyed. New equipment is being secured in the United States, and every effort is being made to resume operations at an early date.

The Works at Neuss, Germany, on the west bank of the Rhine opposite Dusseldorf, is undamaged, and has manufactured implements continuously under German control. The plant is now within the territory controlled by the Army of Occupation. Its final disposition depends upon the terms of the Peace Treaty.

The Russian Works at Lubertzy, near Moscow, so far as we are informed, is still being operated by the Company's Russian representatives. Nearly all the American managers in both the manufacturing and sales organisations were obliged to leave Russia last year. The operation of the Works has called for the utmost skill, tact, and courage on the part of the Company's employés. Most of the Russian branch houses are closed, although a few are still managed by American citizens, who loyally remain at their posts in the face of daily hardships and dangers. The directors specially desire to record their appreciation of the courage and fidelity which has been shown during a year of the greatest conceivable difficulty and danger by all the members of its Russian organisation.

Because of increasing disorder in Russia's internal affairs, and a consequent depreciation in the value of its indebtedness and currency, the directors found that a revaluation of the Company's holdings of approximately 90,000,000 of paper roubles in bank credits—which, valued at normal rates of exchange for gold roubles, would be $45,000,000—required a further depreciation. Therefore, they have directed that $10,478,000 be charged off for that purpose against the year's earnings, making the total amount charged off against these holdings to December 31, 1918, $24,205,000. The net value at which these credits are now carried in the balance sheet is approximately $16,600,000. The Russian investment in plant properties, equipment, and inventories, as carried on the Company's books and in the balance sheet, is $4,750,000, which includes the plant properties and equipment at original cost after standard deductions for depreciation from year to year.

War Subscriptions and Activities:

In response to the urgent need and to assist the Government's war programme, the Company in 1918 subscribed $300,000 to the American Red Cross, and $550,000 to the United War Work Fund, making the total of such contributions during the war $1,350,000.

The Company subscribed for a total of $7,700,000 of the Third and Fourth Liberty Loans issued during 1918. It also financed subscriptions of employés for purchases of these bonds, amounting to $5,500,000. Ninety-seven per cent. of the Company's employés subscribed for bonds of the Fourth Liberty Loan, a record of which the entire organisation is proud.

But our deepest pride comes from the fact that employés of this Company, to a number exceeding 5,000, served in the Army or Navy of the United States or with its Allies. Positions with the Company are being offered to all these men as they return to civil life.

Organisation Changes:

Within the past year there have been important changes in the organisation of the International Harvester Company to meet new circumstances and changed responsibilities. Mr. Cyrus H. McCormick, who had been President of the Company from its organisation, became Chairman of the Board of Directors, and was succeeded as President by Mr. Harold F. McCormick. Mr. Alexander Legge was elected Vice-President and General Manager, and Messrs. Herbert F. Perkins, William V. Couchman, Addis E. McKinstry, Henry B. Utley, and Philip S. Post have been elected Vice-Presidents. Mr. Perkins becomes Vice-President, retaining charge of manufacturing and steel and lumber properties in the United States and Canada. Mr. Couchman becomes Vice-President in charge of European business, embracing all manufacturing and selling operations, with headquarters in Europe. Mr. McKinstry becomes Vice-President in charge of sales, collections and advertising, except in Europe. Mr. Utley was promoted to Vice-President in charge of purchases, traffic, engineering and patents. Mr. Post was promoted to Vice-President in charge of specially assigned executive duties, particularly concerning the Company's public relations. In general the duties of the other officers and heads of departments remain the same. An Executive Council, comprising the President, the recently elected Vice-Presidents, the General Counsel, the Secretary-Treasurer, and the Comptroller, has been created to consider the general policies of the Company, and to exchange views and information upon the Company's business.

The directors desire to express to the entire organisation, at home and abroad, their warm appreciation of the continued loyalty and energy, and of the ability, fidelity and zeal displayed in meeting the abnormal conditions under which the Company's business was carried on during the year 1918.

By order of the Board of Directors,
HAROLD F. McCORMICK,
Chicago, May 2, 1919. President.

We have received from the Special Intelligence Branch of the Ministry of Reconstruction a pamphlet entitled "Electrical Development." This is only one of a series of pamphlets now being issued by the Ministry in connection with reconstruction problems. Power and transport are the fundamental agencies of modern economic life. An adequate and cheap power supply, wisely distributed throughout the country, will open up possibilities comparable with those of the industrial revolution a century and a half ago.

Our contemporary *South Africa* has just issued an excellent map in colours of Central and South Africa. The Union of South Africa is, of course, shown in bright red, and includes Namaqualand and Damaraland, and all that so lately was known as German South-West Africa. The map takes one from Cape Town and Port Elizabeth in the south up to the Cameroons, the Congo, and British East Africa, right across the centre of Africa. Great pains must have been spent in the compilation of the map, which is very detailed, showing the railways in operation, under construction, and proposed, as well as the boundaries, coach routes, and the telegraphs and telephones. It is an excellent work, and is very cheap at the price of 1*s.*, or, mounted on cloth, half a crown. Copies can be obtained at the offices of *South Africa*, 83 Bishopsgate, E.C. 2.

Sir William L. Allardyce contributes an interesting article to the current number of the *Bulletin* of the Federation of British Industries on "The Falkland Islands and their Dependencies." Sir William was Governor of the Colony at the time when the islands came into prominence in December, 1914, as a consequence of the naval action which resulted in the destruction of three German cruisers by Admiral Sturdee. The islands are lonely outposts of the Empire, about 300 miles east of the Straits of Magellan. They have a population of only some three thousand people, whose prosperity, it is said, is, *per capita*, greater than that in any other country. The principal industries are sheep farming and whaling, the latter being almost entirely in the hands of Norwegians. In 1917 nearly more than half the imports of the islands came from the United Kingdom, while we received nearly the whole of her exports.

CANADIAN PACIFIC RAILWAY COMPANY.

Address of the Right Hon. Lord Shaughnessy, K.C.V.O., Chairman of the Company, to the Shareholders at the Thirty-eighth Annual Meeting, held at Montreal on May 7, 1919.

REPORT of the proceedings at the thirty-eighth annual meeting of the shareholders, held at Montreal on Wednesday, May 7, 1919 :—

The meeting assembled, in conformity with the notice convening the same, at noon, at the general offices of the Company at Montreal. The Chairman of the Company, Lord Shaughnessy, presided, and the Secretary of the Company acted as Secretary of the meeting. The notice calling the meeting having been read by the Secretary,

The President, Mr. E. W. Beatty, in moving the adoption of the report on the affairs of the Company for the year ended December 31, 1918, which had been printed and distributed to the shareholders, said : I have the honour to submit on behalf of the directors the thirty-eighth annual report of the Company's affairs for your consideration and approval. The results of the year's operations were, on the whole, and under the conditions which existed, satisfactory, notwithstanding the shrinkage in the net earnings of $12,043,630, due to the extraordinary increase in wage scales and cost of materials of all descriptions. Over 77% of the total increase in operating expenses was due to increases in wages alone. The volume, both of freight and passenger traffic, decreased in comparison with 1917, the increase in gross earnings of $5,148,363 being due to increases in rates granted in March and July of last year. The fact that, notwithstanding the heavy increases in the cost of operation, there was a surplus after payment of all charges and dividends, is another satisfactory evidence of the foresight and wisdom of the shareholders in having approved substantial expenditures in previous years, which undoubtedly permitted the operations of the Company to be carried on with a cheapness which would not have been possible had such adequate facilities not been provided. A conspicuous example of the results of such foresight is found in the difference in the cost of rolling stock acquired during the years 1911 to 1914, and the approximate market value of an equivalent amount if required to be purchased in 1918. The rolling stock purchased during the former years, if required to be furnished at the 1918 prices, would have represented an increased cost of approximately $96,000,000.

Excellent Physical Condition of Property.

After four years of war, and the existence of times of the most severe climatic conditions, I am happy to say that the physical condition of your property is excellent, and it will not require more than usual maintenance expenditures to ensure its usual efficiency. The results of the operations of the three months subsequent to the conclusion of the fiscal year have been disappointing, but not unexpectedly so in view of the falling-off of general traffic during the months of February and March, and the inevitable heavy costs of maintenance and operation, due to high wages and the high prices of materials. In view of the uncertain conditions which succeeded the conclusion of hostilities and the need of providing as much employment as possible, your directors did not think it wise to make drastic reductions in the number of men employed by the Company, and the shops of the Company have been maintained at full pressure, always on necessary work, but in some cases on work which might have been postponed if the general conditions had warranted it. The financial position of the Company at the end of the fiscal year, as indicated in the annual report, was, on the whole, extremely gratifying.

Additional Branch Line Construction.

Your directors are of the opinion that a reasonable amount of additional branch-line construction should be gone on with as soon as conditions warrant, and the necessary statutory authority is obtained. Resolutions will be submitted for your approval for the construction of the lines which are most urgently required. In this connection I should point out that in the matter of railway construction the country is faced with a condition quite unprecedented in the recent history of Canada, in that the national railways and your Company are the only large Companies with resources sufficient to enable them to provide additional railway facilities to any substantial extent. Serious and continuing blunders in railway policy have resulted in the Government's being required to assume the ownership at present of 11,400 miles of railway, with the prospect of the acquisition of an additional 6,400 miles. When this acquisition has been accomplished, the principal competing systems in Canada will be your Company and the Canadian National Railways. I have no apprehension as to the ability of your Company, with its splendid facilities and equipment and loyal and efficient officers and men, to obtain a fair share of the traffic and to handle it expeditiously and well.

Government Ownership of Railways.

I have no fear of Government ownership, but Government ownership apparently has some fear of private competition under equal conditions. It has recently been found necessary to give the national railways privileges in the matter of construction of railways not enjoyed by private companies and to exempt them from complying in other respects with the existing laws respecting railways. I sincerely trust that this policy of making one law for the national railways and one for the Canadian Pacific and other private enterprises will neither be continued nor extended, because nothing would, in my opinion, be calculated to destroy confidence in Canadian railway enterprise more than a policy which would confer exclusive and peculiar rights on the national railways designed to make the competitive conditions unequal. The subject of Government ownership has received much attention recently, but not nearly as much as the importance of the subject justifies. Notwithstanding our previous experience and that of the United States and Great Britain, Government ownership and operation of railways is to be attempted on a large scale. The situation is full of danger, which cannot be avoided or even minimised except by rigorously independent and non-political administration, which is at least difficult of establishment under our system of Government. This fact must, however, be obvious—that in no other way can the people of Canada obtain a correct appreciation of the results of Government operation of the systems which are or which may hereafter come into its possession than by their being administered in strict accordance with the laws of the country under which other companies have to operate, by their financial and accounting methods being made as precise and as accurate as the law now requires of private corporations, and by the exact financial results being submitted to Parliament each year. Different views may conceivably be held as to the wisdom of public ownership and operation of railways. My own views are sufficiently well known not to require repetition, but the fact is public ownership is already here, and experience only will show whether the difficulties I have mentioned in securing efficient and non-political administration can be overcome, and the country receive an adequate service at a minimum of loss. I am satisfied the Government recognise these difficulties, and that a sincere and determined effort will be made to meet the situation. It would seem, however, to be obviously wise that the assumption of further obligations should at least be deferred until the practicability of Government administration, or administration under the ægis of the Government (which is quite inseparable from Government ownership) has been demonstrated. In the end, the burden of the enterprises must be borne by the people, and the people are entitled to know whether the method of administration provided and the results of that administration are such as warrant their approval of the continuance or extension of them in the interests of Canada.

Largest Land Sales in the Company's History.

The returns from sales of land during the fiscal year just closed have been the largest in the history of your Company, and it is a matter of great gratification to your directors, as no doubt it is to the shareholders, that the incessant activities of the Company in the matter of sale and colonisation of lands and the promotion of immigration to Canada has had such far-reaching and beneficial results. As a direct consequence of the efforts of the Company, more than 21,000,000 acres of land have been sold to settlers, and more than half a million settlers induced to come to Canada and settle in the Canadian West. The contribution to the exchequer of the country has been thereby increased by many millions. With return to peace conditions I should expect a considerable increase in immigration, and with the vigorous development of the country's natural resources and the necessary extension of the markets of Canada we have every reason for confidence in the future prosperity of the country, even though the present year may be one during which the commercial expansion may be only moderate. Your directors look forward with confidence to the development of the Trans-Atlantic and Trans-Pacific steamship business of your Company, particularly the latter, and adequte provision for

the needs of the immediate future has been made, as indicated in the annual report.

Tribute to Lord Shaughnessy.

It would not be proper that I should conclude my remarks without a personal reference to your former President, Lord Shaughnessy, who retired from the presidency during the last fiscal year. It is, perhaps, not necessary that I should reiterate the inestimable value of his services to the Company from the beginning of his connection with it, but more particularly during the last 20 years, during which time he occupied the position of chief executive officer. It will, however, be gratifying to the shareholders to know that, great as has been the success of Lord Shaughnessy's administration of the Company's affairs, viewed from a purely commercial standpoint, greater still has been the influence and force of his personal character and ideals and his high sense of duty on the officers and men of the Company, with the result that the Canadian Pacific enjoys an *esprit* and an ambition for efficiency among all ranks which I venture to think is unequalled, and certainly not excelled, in any corporation in the world. It must be a source of great gratification to Lord Shaughnessy to know, on his retirement from the active work of the presidency to the more advisory work of Chairman of the Company, that not only was his administration extraordinarily successful, and that he leaves the property in excellent physical condition, but that he created during his tenure of office an organisation the ambition of which, and every member of it, is to utilise that property in the closest co-operation and to the full extent of their powers for the benefit of the country and the shareholders.

The report having been considered, it was moved by Mr. E. W. Beatty, seconded by Mr. Richard B. Angus, and unanimously resolved, that the report on the affairs of the Company for the year ended December 31, 1918, now submitted, be and the same is hereby adopted.

Lease of the Kaslo and Slocan Railway Approved.

The following resolution relating to the lease to this Company of the Kaslo and Slocan Railway, referred to in the annual report, was submitted, and on the motion of Sir Thomas Tait, seconded by Mr. W. B. Blackader, was unanimously adopted, viz. : Resolved, that the indenture of lease from the Kaslo and Slocan Railway Company as lessor to this Company as lessee, of which a draft is submitted to this meeting endorsed by the Secretary for the purpose of identification, be and the same is hereby sanctioned and approved, which indenture, amongst other things, demises to this Company, for the term of 99 years, the whole of the railways and branches which the said Kaslo and Slocan Railway Company has been by law authorised to construct, whether constructed or to be constructed, including the railway now in operation and extending from a point of junction with the Whitewater Creek Branch of the Nakusp and Slocan Railway at Retallack to Kaslo, a distance of 17.7 miles, all in the Province of British Columbia, and all such extensions, branches, and additions to the railway above described as the Kaslo and Slocan Railway Company is now or may be hereafter authorised to construct, together with their appurtenances, at an annual rental of one dollar, and in addition thereto an annual rental equal to the interest payable on the outstanding bonds or other securities issued or which may be issued hereafter by the Kaslo and Slocan Railway Company with the consent of this Company expressed in writing under its corporate seal, the total of all such bonds or other securities unpaid or unredeemed not exceeding at any time the sum of $30,000 per mile of the said demised railways, and to bear interest at a rate not exceeding 5 per cent. per annum, payable half-yearly, the payment of such interest being guaranteed by this company. And further resolved, that the President and Secretary be and they are hereby authorised to execute the said indenture on behalf of and under the corporate seal of this Company with such verbal changes, if any, as they may deem proper, not altering the substance thereof as above described.

Agreement with the Grand Trunk Pacific.

The following resolution relating to an agreement with the Grand Trunk Pacific Railway Company, referred to in the annual report, was submitted, and on the motion of Mr. J. M. McIntyre, seconded by Mr. Alfred Piddington, was unanimously adopted, viz. :—

Resolved, that the agreement, dated September 2, 1918, between the Grand Trunk Pacific Railway Company and this Company providing for the use of that company, for a term of 21 years, of this Company's railway from a point east of Sutherland to a point west of Saskatoon, together with the use of this Company's passenger, express, and freight facilities at Saskatoon Station, which agreement, amongst other things, provides for the payment by the Grand Trunk Pacific Railway Company by way of rental of a sum equal to one-half the interest at the rate of 5% per annum on the amount of the agreed value of the lands comprised in the joint section and of the improvements thereon and the payment of the maintenance and operation expenses on a wheelage basis as defined in the agreement, be and the same is hereby approved and the execution thereof by the president and assistant secretary ratified and confirmed.

Construction of Branch Lines and Issue of Debenture Stock.

The following resolution relating to the construction of branch lines and the issue of Consolidated Debenture stock in respect thereof was submitted, and on the motion of Mr. Robert W. Reford, seconded by Mr. Henri Jonas, was unanimously adopted, viz. :—

Whereas an extension of the Moose Jaw South-westerly Branch has been constructed from mileage 35 to mileage 66, and it is in the view of the directors expedient that the following other branch lines and extensions of branch lines be constructed in the near future, namely :—.

1. An extension of the Bassano Easterly Branch from Empress North-easterly to Milden, a distance of 132 miles;

2. An extension of the Langdon North Branch from Acme to a point on the projected extension of the Swift Current North-westerly Branch near Empress, a distance of 132 miles;

3. A part of the Moose Jaw South-westerly Branch from Vidora easterly, a distance of 35 miles;

4. A branch of the Manitoba and North-Western Railway from Russell northerly, known as the Russell North Branch, a distance of 15 miles;

5. A branch from Lanigan North-easterly, and known as the Lanigan North-easterly Branch, a distance of 150 miles:

It is therefore resolved that the construction of the said extension of the Moose Jaw South-westerly Branch from mileage 35 to mileage 66 be and the same is hereby approved, and that the directors be and they are hereby authorised to proceed with the construction of the said other branch lines and extensions of branch lines when in their opinion conditions warrant, and after statutory authority, where any be necessary, shall have been obtained therefor, and that to aid in the construction and equipment of all such railways the directors be and they are hereby authorised to issue and dispose of Consolidated Debenture stock to such an amount as they may deem expedient, but not exceeding in respect of any of said lines the amount which the Company is or may be empowered by statute to issue.

By-law Alterations.

By-law No. 97, enacted by the directors on February 10, 1919, and amending in certain respects the General Train and Interlocking Rules, as required by Orders of the Board of Railway Commissioners, was submitted, and on motion of Sir Vincent Meredith, Bart., seconded by Mr. Alister F. Mitchell, it was unanimously

Resolved, that By-law No. 97 now submitted be and the same is hereby approved and adopted.

By-laws Nos. 2, 4, 5, 7, 10, 18, 20, and 20a, enacted by the directors on October 10, 1918, and embodying the verbal amendments made necessary by the separation of the positions of chairman of the Company and president, were submitted and on motion of Mr. Wilmot D. Matthews, seconded by the Hon. Frederick L. Béique, K.C., it was unanimously

Resolved, that By-laws Nos. 2, 4, 5, 7, 10, 18, 20, and 20a now submitted be and the same are hereby approved and adopted.

Re-election of Retiring Directors.

The meeting then proceeded to the election of directors to replace the four retiring directors, and on motion of Lord Shaughnessy, seconded by Mr. E. W. Beatty, the following resolution was unanimously adopted, viz. :—

Whereas in pursuance of By-law No. 6, Mr. Richard B. Angus, Sir Edmund B. Osler, Sir Herbert S. Holt, and Brigadier-General Frank S. Meighen, C.M.G., directors of the Company, retire from office at this meeting;

And whereas four directors to replace the said retiring directors, who are, however, eligible for re-election, must be elected at this meeting for the term of four years as provided for in the said by-law;

It is resolved, that a ballot be now taken for the election of four directors for the term of four years to fill the vacancies created as above stated; that Mr. William R. Miller and Lieutenant-Colonel George R. Hooper be appointed scrutineers to take such ballot, and that the poll be closed when five minutes shall have elapsed without a vote being cast at such election.

The ballot having been taken and no further votes having been cast within the specified time, the Secretary read the report of the scrutineers, which declared that Mr. Richard B. Angus, Sir Edmund B. Osler, Sir Herbert S. Holt, and Brigadier-General Frank S. Meighen, C.M.G., had been unanimously elected directors of the Company for the term of four years from the date of this meeting, and the report was adopted.

Mr. Huntly R. Drummond, speaking on behalf of the shareholders of the Company, paid a tribute to the services rendered by Lord Shaughnessy during the term of his presidency, and proposed the following resolution, which, seconded by Mr. Colin Campbell, was unanimously carried :—

Shareholders' Appreciation of Lord Shaughnessy's Services.

Resolved, that there be inscribed in the record of this meeting an expression of the appreciation of the shareholders of the great service rendered to the Company and to the Dominion of Canada by the Right Hon. Lord Shaughnessy, who has recently retired from the presidency and assumed

the chairmanship of the Company. The outstanding position held by the Canadian Pacific Railway, not only in the markets of the world, but also in the respect and affection of the Canadian people, provides the greatest of all tributes to the genius with which Lord Shaughnessy has directed the affairs of the Company; but the shareholders cannot let this occasion pass without the further tribute of their thanks for the services he has rendered during the 36 years with which he has been associated with this enterprise. Through Lord Shaughnessy's financial skill and executive ability an immense transportation system has been built up and consolidated with such efficiency and economy that the Canadian people have enjoyed efficient service at moderate rates, have seen their resources developed beyond all expectation, and have been encouraged during normal years by a steady flow of immigration, while the financial returns of the Company itself have amply justified the confidence placed by investors in Canadian industry and management. It is particularly gratifying to the shareholders that under Lord Shaughnessy's presidency the Canadian Pacific Railway Company should not only have rendered such signal services to the cause of the Allies during the recent Great War, but should also have maintained its efficiency and financial standing in the face of the difficult conditions created by that war. The shareholders consider it due largely to his far-sighted policy that under such circumstances the Canadian Pacific Railway Company should not only have required no assistance from the Canadian Government, but should actually from its reserves have been able to provide substantial aid to that Government in maintaining the high standard of Canadian credit. The shareholders deeply appreciate and honour the spirit of self-sacrifice with which Lord Shaughnessy maintained the arduous duties of the presidency during the anxious years of the War, in spite of physical disabilities. They rejoice that these disabilities have been ameliorated, and that with renewed vision he can once more enjoy the beauties of that Canadian landscape which the Canadian Pacific Railway has made accessible to the world. When the prospect of peace enabled him to hand over the more active duties of the presidency with clear conscience to a younger man, it was with genuine pleasure that the shareholders heard of Lord Shaughnessy's decision to remain as Chairman of the Company, not only because they realised that the Company would thereby continue to have the benefit of his counsel and advice, but also because they are proud to retain as their titular head one who is held in such universal honour. The shareholders trust that the indomitable spirit which has been so characteristic of Lord Shaughnessy's whole splendid career will be rewarded with many years yet to come of health, prosperity, and happiness. It is further resolved, that a copy of the foregoing resolution, suitably engrossed, and signed by the Secretary under the corporate seal of the Company, be forwarded to the Rt. Hon. Lord Shaughnessy.

Lord Shaughnessy's Reply.

Lord Shaughnessy replied as follows: I appreciate most heartily and thank you, Mr. President and fellow-shareholders, for the complimentary remarks referring to myself in the President's address, and in the resolution adopted by the meeting. I would be lacking in candour if I failed to admit great pride in the progress of the Company during my presidency and in its present splendid position, physically and financially, and equal pride in the faith and confidence of the shareholders, who, with marvellous unanimity, responded to calls for new capital by subscribing for additional issues of stock, even on occasion when, in deference to popular clamour, the issue price was less favourable to the subscribers than it might properly have been. My predecessors, Lord Mount Stephen and Sir William Van Horne, who carried the responsibilities of the chief executive through the periods of construction and the first few years of operation, had a most difficult task, as is well known to our senior colleagues on the board of directors, Mr. Angus, Sir Edmund Osler, and Mr. Matthews, but it was my good fortune to become President just when the tide was turning and when Canada was coming into her own. The expansion in the country's business and the consequent increase of traffic compelled capital expenditure on a large scale to furnish improved transportation facilities presently required and to anticipate the future, and the money for these purposes was provided year by year from 1900 to the outbreak of war. The policy of your directors was bold and forward. There was never any hesitation, and, looking back over that period, they are justified in the conviction that few, if any, mistakes were made; and that conviction is, I am sure, shared by the great body of the Canadian people and of the Company's shareholders. It was fortunate, indeed, that when the time arrived to transfer the responsibilities of chief executive to younger and more vigorous shoulders, your directors had available for the post a man so capable, so energetic, so conscientious, and so well versed in matters relating to the Company's policy as the new President, Mr. Beatty. I shall not hurl back at him such compliments as he paid me in great profusion, but I may be permitted to say that he enjoys the complete confidence and respect of the directors and of the Canadian people. The shareholders' interests could not be in safer hands. After so many years of business and personal association, it was somewhat of a wrench to my fellow-directors, as it was to me, to alter our relations by permitting me to retire from the presidency, but they felt, as I did, and as I hope you feel, that it was best for the future of the Company.

The proceedings then terminated.

At a meeting of the board, held immediately after the shareholders' meeting, the Right Hon. Lord Shaughnessy, K.C.V.O., was elected Chairman of the Company, Mr. E. W. Beatty President, and Mr. Grant Hall Vice-President, and the following were appointed the Executive Committee: Mr. Richard B. Angus, Mr. E. W. Beatty, Mr. Grant Hall, Sir Herbert S. Holt, Sir Edmund B. Osler, and the Right Hon. Lord Shaughnessy, K.C.V.O.

MEETINGS
OF PUBLIC COMPANIES.

ROYAL INSURANCE COMPANY, LIMITED.

THE seventy-fourth annual meeting of the Royal Insurance Company, Limited, was held on May 26 at Liverpool, Mr. Thomas Woodsend, chairman of the Company, presiding over a numerous attendance.

The Chairman moved the adoption of the report and accounts for 1918. He said: Ladies and gentlemen, my first duty is a sad one. My predecessor in the office of chairman of this Company, Mr. Herbert W. Hind, died in the month of December last. Mr. Hind became a director of the Queen Insurance Company so long ago as the year 1888, and was associated continuously with us for a period of over 30 years. He filled the office of chairman for the five anxious years which ended in April 1918, and I am sure that it will be your wish that we should at this annual meeting pay a fitting and well-deserved tribute of respect to his memory, and place on record our deep sense of gratitude for the valuable and assiduous service which he rendered to our interests over that long period. During the past year we have sustained a further loss through the death of Mr. Edward F. Beddall, who will be remembered by some of the older generation in the room, and who had been connected with the Company for no less a period than 55 years. Mr. Beddall had for many years filled the highly responsible position of general attorney of the Company in the United States, where his high character and business aptitude had largely contributed to our success in that important field. The directors elected Mr. J. Cyril Cunningham to the board in July last, and his name will be submitted to you for re-election with the other retiring directors at this meeting.

"The Reconstructing of the World."

We meet in circumstances very different from those of a year ago. Then we had fresh in our minds the murderous raid from which London had suffered in the previous week, and on the very day of our meeting our armies in France had to give way before an overwhelming attack. But now, by the grace of God, those dark days have passed, and we have entered upon the reconstructing of the world. On the English speaking peoples the chief part in this great enterprise will fall, and however great may be the difficulties of the future, I refuse to think that the courage and the resolution which have carried us victoriously through the most tremendous ordeal of our history will be found wanting in dealing with the perplexities of Peace. The ravages of war must be repaired, and this will involve an unexampled demand on all the great trades of construction for years to come. New industries, new processes, and new machines will have to be introduced, and great improvements will be needed in our methods of transport and distribution. We have seen in the war the greatest outburst of energy the world has ever known for purposes of destruction; and I think we are reasonably justified in looking forward to an unparalleled effort of energy for the purposes of peaceful development—an effort which will go on increasing for a prolonged period through stages of continued improvement, and will bring in its train to all branches of the business of insurance vast opportunities of expansion.

The accounts which are presented to you speak for themselves, and I am sure they need neither words of commendation nor explanation from me. The year, as you will see, has been an exceptionally good one, for the actual total profits of the Company accruing from all the various fields

of our operations, after making the necessary reserves, amount to a new record figure of over a million and a-half sterling. I do not propose to take you in detail through the accounts, but I will refer to those features which I think may prove of special interest to you.

Fire Premiums Exceed £5,500,000.

We show a very considerable increase in fire premiums, which is, as you will understand, largely due to increase in value of the buildings and commodities which we insure throughout the world, and it is interesting to note that our premiums in this department now exceed five and a-half millions sterling. The good ratio of profit which we have obtained is not attributable to our home business, where, in point of fact, our experience, notwithstanding the most watchful care, has been somewhat less favourable than usual. And while making a reference to this particular section of our operations, I would say that in my judgment it is of the highest importance that there should be a more general realisation of the necessity of increasing the amounts of insurances in order to bring them into correspondence with actual present values. In the United States of America the premiums have been advanced by 10 per cent. to meet the new taxation and increased working expenses, while in the general foreign field the incidence of fires has been lighter than we usually experience.

The Life Department.

We are now able to measure our military losses caused by death arising out of the War. The total claims from the beginning of the War up to the close of last year amounted to £359,000, involving, after deduction of the reserves actually held against these policies, a net loss of £254,000. Apart from war claims, the mortality among our policyholders in 1918 was very favourable, and we were not seriously affected by the epidemic of influenza which occurred towards the close of the year. The premium income has made satisfactory progress, and in spite of the depletion of our outdoor staff the new business reached a higher level than in any year since 1913. Looking back to that year, it is noticeable that there has been a marked increase in the average amount of the policies issued. We are determined to keep our place in the front rank of companies which transact the business of life insurance, and we have every hope that the figures of the present year will surpass all previous records. In this connection I may say that the new estate duties make it more than ever necessary that successful commercial men should be well insured, and we look for your support and recommendation in this regard.

Marine Department: War Risks and Premium Income.

Our 1917 account shows high-water mark in our history in regard to both premiums and profit, and as regards the latter we have closed the account and transferred to profit and loss no less a sum than £532,600. It will be observed that the premium income for 1918 shows some diminution, and with the cessation of war risks insurance a very material further fall in premium income is to be looked for. We have also to remember that the inflated demand for marine business attracted a large number of competitors into the field, and while the present high values of both hulls and commodities, and a revival of export trade, may help in minimising the anticipated fall in the volume of our business, it is clear that we cannot look for the maintenance of so large a turnover or so satisfactory an amount of profit in future as we have had in the past few years.

Accident and General Departments.

You will doubtless be interested to observe that the combined premium income of these departments has now nearly reached the two millions mark—the exact amount being £1,939,565, which is £388,615 in advance of last year's total —while claims paid and the provisions for outstandings equal £899,239, showing a claims ratio of 46.37%, against 55.74% for 1917. The surplus on the year's trading, exclusive of interest, is £357,715, while the total actual profit exceeds £200,000, and is more than double that of the previous year. You will observe that only £50,000 has been transferred to profit and loss, the balance going to strengthen the reserves. I may add that each of three departments has contributed towards this "record" result. As in recent years, the principal increase in the premium income in the general insurance department has been derived from the operations of our allied company, the Royal Indemnity of New York, and you will be pleased to know that a substantial part of the trading profits shown was secured by our American company. Notwithstanding the fact that, like every other trading corporation, we have experienced the pressure of greater cost in many directions in conducting our business, the ratio of expense, due to our larger turnover, shows no appreciable increase, but I cannot disguise from myself, and must not from you, the possibility that should the present high premium accounts not be maintained, then there must result a higher comparative cost, but you may have reliance upon your directors that they will continue to watch this feature of our business.

The Staff.

Our men are continuing to return from their military and naval duties, and it has been the policy of the board to treat them with consideration and liberality in their reabsorption into business life, for I am sure that would be your wish. Substantial bonuses have been granted to our staff, in accordance with a carefully thought-out scale, to meet the increased cost of living, which is so marked a feature of present-day conditions. We are now engaged upon the working out of what I may call our "After-the-War Organisation," and we confidently anticipate that we shall be able to take full advantage of the opportunities for extending and developing our business which increased industrial activity will provide, and to give the public that efficient service which is our main claim to their consideration.

The Profit and Loss Account.

Now, ladies and gentlemen, I turn to that very important part of our accounts which is always the main centre of your interest—the profit and loss account. Taxation is, as you will know, an ever-growing charge, not only in our own country, but in all parts of the world, and, while it is impossible to state with accuracy and definiteness the amount which we shall eventually be called upon to disburse under this head for 1918, we have found it necessary to provide out of our profits no less a sum than £700,000—which should be remembered when our profits are being considered—as against the £400,000 which we estimated to be required last year, and which, while there are certain adjustments to be made, we consider to be sufficient for the purpose for which it was set aside. These figures refer only to taxes on our profits, for in addition we, during the year 1918, have borne the burden of a deduction of £240,000 from our interest receipts in all departments on account of income tax. We have thus provided in one year nearly a million sterling for the Exchequers of the world. Fortunately, depreciation in the value of our securities is no longer a factor, as it has been for so many years past. The valuation as at December 31 shows an appreciation when compared with the close of the previous year, but we consider it undesirable to take any advantage of that fact, and we have contented ourselves with leaving the situation as certified by our auditors, that the value of our assets is in excess of the amount at which they stand in our balance sheet when our contingencies fund is taken into account. The favourable results of the year have enabled us to write off the cost of the acquisition of the British Engine, Boiler, and Electrical Insurance Company, Limited, of Manchester; the Legal Insurance Company, Limited, of London; and the Mutual Fire Insurance Company, of Tasmania, whose shares in each instance are solely vested in the "Royal," and this, as you will see, has required £200,000. In this connection I am sure that you will be pleased to know there is now no goodwill item in our balance sheet. We have also increased our fire fund by £300,000 and our marine fund by £100,000, to provide the further reserves necessary, and have made an increased allocation of £30,000 to the superannuation fund.

Increase in Dividend.

There is another aspect of the account which closely concerns the shareholders, to which I next refer. As regards the dividend, the important growth of the interest received on the Company's investments has justified the recommendation of an increase being made in this connection. The interim dividend was increased by 2*s.* per share in November last, and it is now proposed that the final dividend should be increased to 19*s.*, making a total increase of 6*s.* for the year. I am sure that this will meet with general approval, and will be recognised as being in conformity with the general principles which I laid down as the policy of the directors last year, of keeping the dividend distribution at a point which should not involve any important drain upon the profits of the Company in view of the necessity for strengthening the financial position commensurately with the continued expansion in the Company's operations in all parts of the world. Before concluding my remarks on the past year, may I say that the directors have thought, in view of the attention which has been directed in many quarters to the advantages which flow from reducing the uncalled liability upon shares, that the present time might afford an opportunity for doing something in this direction. If their proposals are agreed to our shares will then stand at £10 each with £2 10*s.* paid thereon, instead of 30*s.*, as at present, and after the close of this meeting you will be called upon to consider the board's proposals in this regard.

The Current Year.

In the present year so far as it has gone, we have no reason to be dissatified with our position, but it must be remembered that the world is in process of reconstruction, and, without venturing on any prophecies, I will simply say that the many and varied problems which must necessarily come before us will have that careful thought which the directors have in the past continuously accorded to your interests. This, ladies and gentlemen, concludes my comments on the accounts.

"Gallant Deeds" of the Staff.

It has been our practice to render account to you of the gallant deeds of our men, and I have still further additions to make to that list. The Military Cross, with the added distinction of a Bar, has been awarded to the late Captain

and Adjutant R. C. Hobson, Captain G. Bottoms, and Captain S. T. Tandy, all of London office; also to Captain G. H. Noblett, of Dublin branch. Captain H. E. Emery, of our Hanley branch, was promoted to major, awarded the Military Cross and a Bar to this decoration, and was also mentioned in despatches. The Military Cross has been awarded to Captain R. E. Noon, Lieutenant G. L. Barclay, and the late Second-Lieutenant Richard Stanley Clarke, of head office; Lieutenant F. C. P. Stanton, of London office; Lieutenant K. E. Pearson, Maidstone office, and to the manager of our Brighton branch, Second-Lieutenant S. M. Lampard; to Captain D. G. Bird, of Manchester office, Captain A. Andrews, of Nottingham branch; Captain F. M. Hughes, of Birkenhead branch; Captain C. R. Rigg, of our New Zealand staff, and to Captain Lord Cranworth, the chairman of our Ipswich local board of directors, as well as to Captain K. L. Mortimore, Captain A. P. Smith, and Lieutenant H. A. Benwell, all of the Legal Insurance Company, Limited. A Bar to his Military Medal has been awarded to Lance-Corporal J. D. Minty, a member of our Melbourne office staff; and the Military Medal has been awarded to Lance-Sergeant V. B. West, of Leeds branch, and to Gunner H. Hammond, Lincoln office. Regimental Quartermaster-Sergeant L. Harrison, of head office; Corporal G. A. Willett, and the late Corporal E. D. Ridley, both of London office; Captain R. P. Carter, Lincoln office, and Gunner J. R. Fox, Derby branch, were mentioned in despatches. The Croix de Guerre has been awarded to Sergeant A. E. Mackay, of our Vancouver office, and also the Belgian Croix de Guerre to Second-Lieutenant Harold J. Deas, of the British Engine Company, Limited. Captain and Adjutant H. A. Bennett and Major F. V. Shaw, both of head office, have been mentioned in despatches, the former for the third time and the latter for the second time. Major Shaw has also been awarded the Greek Military Cross.

The full list of decorations and distinctions awarded to our men is a very gratifying one—viz.: One Victoria Cross, three Distinguished Service Orders, one Distinguished Service Cross, 36 Military Crosses, 12 Military Medals, 12 Mentioned in Despatches, one French Medaille Militaire, four Croix de Guerre, one Order of the White Eagle (Serbian), one Greek Military Cross.

Total Number of Staff who have Served.

The total of our men who have served in the Forces of the Crown in one field of war or another numbers 1,884, but it is our melancholy reflection that no fewer than 226 of them will no more be seen amongst us. Their memories, however, will always be very dear to us, for they have suffered and died in our defence. Their glorious achievements helped to bring us to the happy conclusion of a war waged in defence of the principles of life and liberty, which have always been the watchwords of our nation, and to the dawn of a new life, when they may be more firmly established in our hearts. We can but proudly bear memory of our gallant men in recollection. To those who come back to us bearing their laurels we extend a friendly hand of fellowship, determined to see that every opportunity shall be given them to enjoy that scope for advancement in our profession which the future may afford.

I will now move the first resolution :—" That the report of the directors be approved and adopted, and that a dividend of 19*s.* per share, less income-tax, be payable on or after Tuesday, the 27th instant, making with the interim dividend paid in November last, 36*s.* per share, less income-tax, for the year 1918."

Mr. T. H. Jackson, one of the vice-chairmen, seconded the motion, which was carried unanimously.

Progress made between 1913 and 1918.

Mr. John Temple, C.B., moved the re-election of the retiring directors, Messrs. Charles Alcock, G. B. Heyworth, A. A. Paton, John Rankin, and J. Cyril Cunningham. He quoted figures showing the progress of the Company as between 1913, the pre-war year, and 1918. In 1913 the premiums were 6¾ millions, in 1918 10¼ millions; in 1913 the total funds were 19½ millions, in 1918 23¼ millions; the interest account in the same time had grown from a little over £315,000 to nearly £400,000. It would be the feeling of the shareholders, in view of such figures, that the directors had worthily fulfilled their trust. As a corollary he proposed, in moving the reappointment of the retiring members of the board, to suggest an increase in the fees voted to them. He accordingly, attached to his resolution an addition sanctioning the payment as from January 1 in the present year of remuneration at the rate of £12,000 per annum, subject to income-tax. It was a considerable fee, but the directors thoroughly deserved it. (Hear, hear.)

Mr. Allan Bright seconded, and spoke of the necessity of a company such as the Royal having upon its board men well known for their integrity and zeal and standing high in the commercial community. He thought the proposed fee did not exceed what ought to be suggested. In 1913 the dividend was 28*s.* per share, it was now 36*s.*, and who could say they had yet arrived at the limit? Moreover in 1913 the value of a share was £29, whilst to-day it was worth £46. The work of the board was constantly increasing, and the anxiety and responsibility entailed were also increased. He felt that in augmenting the directors' fees the shareholders were doing not an act of generosity, but one of somewhat tardy justice.

The motion was carried unanimously.

Messrs. Harmood-Banner and Son having been reappointed auditors,

Mr. W. M. Simpson moved, and Mr. G. E. Fairburn seconded, a vote of thanks to the London board of the Company, the local boards, and officers and agents at home and abroad, and the directors and officials of the allied companies.

The Chairman, in putting the motion to the vote, desired to endorse it more especially in regard to the services of the higher officials, and he especially mentioned those of Mr. Chappell, the general manager, who had recently paid a five weeks' visit to New York. The amount of excellent work done by Mr. Chappell was a matter which he (the chairman) felt it his duty to mention.

The resolution was passed with great cordiality.

An extraordinary meeting followed, at which a resolution was unanimously passed providing that the sum of £294,468 out of undivided profits be applied in discharge of £1 per share of the uncalled liability on the shares of the Company.

The proceedings closed with a vote of thanks to the chairman for presiding.

THE BRITISH EQUITABLE ASSURANCE CO., LTD.

The sixty-fourth annual general meeting was held at Cannon Street Hotel, London, E.C., on May 28, Mr. Alfred Conder, F.R.I.B.A. (chairman of the Company), presiding.

The Chairman, in moving the adoption of the report, said: Gentlemen, taking first the life department, the new business is in excess of that of the preceding year by more than £55,000, and that year showed an increase on the one before it. Not only is this satisfactory, but I am able to tell you that the speed ahead has been accelerated since the close of the year dealt with in the report. During the four months which have gone by since then our new life business amounts to approximately two-thirds of the total for 1918. The premium income shows a considerable increase, not only from the facts stated, but also because the claims, surrenders and lapses in the past year were considerably lower than usual. The claims of the year have included £5,000 for War claims, but notwithstanding that, the death claims have been less in the past year than those experienced in any year for a very long time back. It may interest you to know that the influenza epidemic of 1918 had very little effect on the outgo for death claims. The fire department has made remarkable progress in the year since we last met. The premium income has advanced from £42,000 up to £70,000. Not only so, but the increase has been accompanied by a low loss ratio—namely, only 45 per cent. Mr. Gladstone may be congratulated on the result of his work. The whole of the necessary reserve for unexpired risk on this increased business has been found in the year. In the fire department, like the life, the current year gives good promise of next year being an increase upon the advance of last year. In the accident and general department, and also in the employers' liability department, the position is very much the same as it has been during the past few years.

The Quinquennial Valuation.

Perhaps the most important part of the past year's report and accounts is that which refers to the quinquennial valuation. In common with every other insurance company we have suffered from heavier taxation, war mortality and depreciation of invested securities, each of them being consequent upon the War, now happily coming to an end. It must be borne in mind that this Company shows, in the five years of the present valuation the whole of the results which have been brought about by the four and a-half years of the war period—all our war claims having thus to be met out of the one quinquennial period, whereas if our valuation had come, say, two years ago, they would have had to be spread over two valuations. On the whole, I think it is preferable to take all the strain into one period, rather than into two, so long as the fact is kept in mind. It may be some consolation to know that the amount which, under ordinary circumstances, we might have had to distribute as bonus has gone to help in carrying on, and, eventually, in winning this gigantic struggle against merciless foes. But though a bonus cannot now be declared the directors recommend, in order that existing policyholders may not unnecessarily suffer, under present circumstances, that an interim bonus, as outlined in the report before you, be paid in those cases where the amounts of the participating policies which mature or become claims are payable during the next five years; such interim bonus to date as from 1914. The high rate of income tax at the present time, as affecting the revenue from the securities, leads me to call attention again to a subject that I mentioned a few years ago on an occasion similar to the present—I refer to the way in which life assurance companies like our own are assessed for payment of income tax. We are still assessed on our interest income, less certain expenses of management recently conceded, instead, as other businesses are, upon our profits, which nearly always are much less than the interest income amounts to. The interest is, of course, derived from money

invested and set apart for the payment of claims when life policies mature or become payable. To tax a fund of that character imposes, to some extent, a tax on capital. The fairest method would be to assess the life assurance institutions upon their earnings. The present method creates a grievance which, it is to be hoped, our legislature will, before long, have come to take into consideration and to remedy.

A Marine Department Opened.

At the meetings which were held a year ago you sanctioned some alterations in our Articles of Association for the purpose of enabling the Company to transact all kinds of insurance business. In due course the directors made application to the Courts for the necessary powers, and these were granted towards the end of 1918, or about three or four months before the Company's year finished. No time was lost by the directors in making good use of the new powers obtained, and two kinds of insurances have since been undertaken which we could not previously transact. Especial care has been taken in entering upon the business of a marine department, and it has been undertaken in the most approved and cautious manner. The results attained have exceeded expectations and have already justified the steps adopted. We have received in premiums during the current year several thousand pounds in that account, and we have, up to the present time, only had one claim, of a few hundred pounds, to set off against the receipts. It is, of course, much too early to speak of results, but I am happy to say the account is one of great promise for the future. The Company enters upon the next quinquennium in a strong position, and with a growing business.

SCOTTISH WIDOWS' FUND LIFE ASSURANCE SOCIETY.

The 105th annual general court of the Scottish Widows' Fund Life Assurance Society was held on May 27 in the Society's office, Edinburgh, Mr. James A. Fleming, K.C., the Chairman of the ordinary Court of Directors, presiding.

The Chairman, after referring to the unavoidable absence of the Earl of Rosebery, the President, said that during 1918 the new business was not only much in excess of that for the previous year, but also greater than in any year since 1914, only part of which was affected by the War conditions. The directors desired to acknowledge very cordially the good work of the officials and agents throughout the country in securing this very satisfactory result. The new policies were 2,623 in number, assuring a total amount of £1,873,849, of which £144,500 was reassured with other offices, leaving a net total of £1,729,349, bringing in new premiums of £78,960 per annum, in addition to single premiums amounting to £23,152.

Claims.

The death claims for the year were very favourable when it was considered that they included a large amount—viz., £133,000—of War claims; and yet the total amount—viz., about £1,174,000—was not only well within the amount anticipated and provided for according to the Society's valuation tables, but also less than in any other year since the War broke out. The figures he had mentioned included bonus additions, and it was interesting to note that under with-profit policies the Society paid on an average £1,496 for each £1,000 originally assured. The year's claims were specially swollen by about £85,000 as the result of the severe epidemic of influenza and pneumonia.

Premiums and Rate of Interest.

The total premiums for the year amounted to about £1,470,000, as compared with £1,429,000 in the previous year, showing a satisfactory increase of £41,000. There was a moderate increase in the gross interest income and in the corresponding gross rate of interest, calculated on the funds as they stood before adjustment in respect of depreciation, and that adjustment would in itself produce a considerable automatic increase in the rate in the future. The net rate of interest, after deduction of income tax was reduced in consequence of the further increase in the rate of tax of 6*s.* in the pound last year. This was one of the most serious questions affecting the work of life offices in general. A Royal Commission to deal with the whole question of income tax had been appointed, and the offices would take the opportunity to lay their case before the Commission in the hope of securing some revision of a method of assessment which bore so heavily upon them. They could not but regard it as unfair that the offices, and through them their policyholders, should be taxed at the full nominal rate, although the great bulk of the policyholders were individually liable to a much lower rate, and that no allowance whatever should be made for the heavy losses which the offices had sustained through the War. The expenses of management and commission showed some increase for the past year, but the total rate of expenses stood at the low figure of 10.46% on the premium income, or 6½% on the total income of the Society. The Society's total income during the year amounted to £2,354,509, and its total ordinary outgo to £1,910,690, showing the very satisfactory surplus of £443,819 of income over outgoings.

The Effect of the War.

Bearing in mind that the Society was working under abnormal conditions owing to the War for nine-tenths of the quinquennium now past, the members would not be surprised to find that the War had made a heavy mark upon the results of that quinquennium. The inevitable result of an unprecedentedly long and wasteful war was a considerable rise in the rate of interest, which necessarily carried with it a corresponding fall in the market value of securities. On a fair and prudent valuation of the Society's assets there was a total depreciation of £1,171,500 to be provided for. That was in itself a large sum, but it represented only 5% of the Society's total funds. This depreciation had been dealt with by the absorption of the investment reserve fund of £500,000 created in 1917, and the balance of £671,500 had been written off through the revenue account for 1918. The next greatest item of war loss was that of claims arising from naval or military service. The total amount of these up to the end of last year was £671,000, and the corresponding net loss to the Society, after making allowance for the extra premiums received for war risk and the reserves held against the policies, was, as nearly as they could estimate, £495,000. Another serious loss directly attributable to the War arose from the reduction in the net yield of interest on the funds in consequence of the greatly increased income-tax, the total loss over the quinquennium being about £320,000. Adding together these three items of loss—depreciation, War claims, and tax—the total was £1,986,500.

The Funds.

The result of a preliminary calculation on what he might call a peace-time basis was to bring out a total liability of £21,382,000 in round figures. The audited balance-sheet showed that, after making full provision for depreciation, the funds on December 31 last amounted, in round figures, to £22,140,000, showing a balance of £758,000. If they added to that balance the amount of the War losses, it would be seen that had those War losses not been incurred, the quinquennium would have shown a surplus of about £2,745,000. That would have been considerably in excess of the actual surplus five years ago, and would have enabled them, apart from the War, to declare the same high rate of bonus that was actually declared for many years past, and to have left a considerable amount to be added to the reserves or to have been carried forward. But the conditions during the quinquennium were, unfortunately, abnormal to a degree without precedent, and must still be regarded as very far from being either normal or stable.

In the judgment of the directors it would be very imprudent to add to the Society's liabilities by declaring a bonus for the past quinquennium on the footing of the surplus that would be disclosed by valuation on a pre-war basis, making no special provision for such contingencies as he had referred to. They had therefore decided to add to the reserves brought out by a valuation on a pre-war basis the sum of £700,000 as a special reserve for contingencies, and to carry forward the surplus then remaining—namely, £58,720. That course would put the Society in a very strong position to meet any adverse factors in the future, whether known or unknown. The Society's existing statutes provided that the intermediate bonus for a new investigation period should not be at a higher rate than that actually declared for the past investigation period, and accordingly the directors were not at present in a position to declare any intermediate bonus. Beginning the new period as they did, with full provision made for all the losses incurred up to December 31, 1918, and with a special reserve for the contingencies of the future, they thought that it was proper and equitable that such intermediate bonus should be granted unless some adverse change of circumstances should arise; and they were therefore applying to Parliament for the necessary powers. Subject to their being obtained, they proposed to declare such intermediate bonuses as would be justified from time to time, and for the current year to fix the intermediate bonus at the old rate of 34*s.* per cent. per annum, and in addition to pay a supplementary intermediate bonus in case of claims under policies effected before the close of the past quinquennium, in order to protect their interests.

The directors were sure that the members would share their satisfaction that the Society had come through this period of severe test financially unshaken, and that they were able to go forward, as they did, in a very strong position and with every confidence in the future prosperity of their great institution.

The Chairman concluded by moving the adoption of the report and accounts.

Sir Henry Cook said that as he entirely concurred with the course the directors proposed in their report he would content himself with formally seconding the motion.

The Chairman declared the motion carried.

Election of Directors.

Mr. R. Cockburn Millar, C.A., next moved that the vacancies in the direction be supplied by the election or re-election of the following gentlemen recommended by the Extraordinary Court—viz. as Vice-President, the Rt. Hon. the Earl of Strathmore and Kinghorne; as extraordinary

directors, Sir Thomas G. Glen-Coats, Bart., Sir Richard Lodge, LL.D., Sir Richard J. Graham, Bart., Brig.-Gen. Archibald Stirling, of Keir; as ordinary directors, Lieut.-Col. Lord George Scott, the Hon. Hew Hamilton Dalrymple, David Cowan, Esq., A. W. Robertson Durham, Esq., C.A., F.F.A. With the exception of Mr. Robertson Durham, these gentlemen had all previously served the Society, and served it well. They, along with Mr. Robertson Durham and the other directors, were all men of great ability, energy and courage, with sound judgment, wide experience, and absolute impartiality. The directors had acted with courage in time of great stress, and he felt sure that all the members of the Society would have greater confidence in it. They had put the Society on a good solid foundation for the future, and he had no doubt that if they took advantage of the opportunities that lay before them in extending the membership of the Society they would not be long in making up for all the troubles they had had to endure during these last few years. They would have for some time to come a higher rate of interest, and he sincerely hoped that there would be some reasonable and just arrangements made in this matter of income tax which would relieve these life assurance companies of the burden that had been unfairly placed upon them in the past. He hoped there would be a continued stream of new assurers to enable the Society to invest the money, and to get the benefit of those high rates of interest, and restore the bonus-providing power to what it had been for so many years. He had no doubt whatever that that would be the case, and he had great confidence, therefore, in moving that these gentlemen be appointed to the positions he had just enumerated.

Major J. F. Fraser Tytler, D.S.O., said he had much pleasure in seconding the motion. The fact that these gentlemen had taken part in the management of the Society for the past five years—a management which, despite the great difficulties that had been met, had been so extremely satisfactory—was more than sufficient to recommend them for re-election at the present time. As for Mr. Robertson Durham, he was sure his great business experience and ability would make him a useful addition to the direction of the Society. (Applause.).

Tribute to Directors and Office Bearers.

The motion was duly carried.

Mr. Robert Watson said that the proceedings would be very incomplete without the motion which he had been asked now to submit, and which was to this effect: That the thanks of the meeting be given to the directors, ordinary and extraordinary, and the office bearers of the Society, for the manner in which they had respectively discharged their duties during the past year. The members were more or less familiar with the conditions under which business had been conducted during recent years, and when they thought of the magnitude of the funds of the Society, and the range and variety of its business interests, it was very difficult indeed to estimate the burden of responsibility that must have lain upon the shoulders of their directorate and managers. In addition to the normal business of the year, the directors had had to deal with the quinquennium investigation—no light task at any time, but in such a time of unprecedented experience as they had been passing through, really a veritable *magnum opus*—which really must have made great demands upon their capacities. Those who had to do with investment business and with the oversight of securities knew what a delicate and anxious charge that had been, and he was sure the members were satisfied that in the work of the investigation the directors and managers had given them services that had been of the very greatest value to the Society, and must have meant no little anxiety for them. That they should have the wisdom and the courage to deal with the situation as they had done was, he thought, a fresh mark of their calibre, and one that would inspire confidence. It was, therefore, an honour and a pleasure to ask the cordial acceptance of this motion by the members.

Mr. R. K. Anderson said he wished very briefly to second the motion which had been so well proposed by Mr. Watson, expressive of the feelings of the policyholders towards the directors on this occasion. As an old policyholder for nearly 30 years in the Society, he would like to say that considering the outlook, political and industrial, he thought that the directors were to be congratulated on having adopted a very wise and prudent course in setting aside £700,000 towards possible contingencies, and those in charge of the Society's affairs were deserving of the gratitude of the members for the way they had met a very difficult situation

The motion was passed unanimously.

The Chairman, on behalf of his brother directors and office bearers of the Society, thanked the members very heartily indeed for the way in which they had received the motion.

The proceedings then terminated.

THE SCOTTISH PROVIDENT INSTITUTION.

MUTUAL LIFE ASSURANCE.

Accumulated Funds, £16,000,000.

The eighty-first annual general meeting was held in Edinburgh on May 28, Sir George M. Paul, D.K.S., LL.D., in the chair.

Extracts from the Chairman's Speech.

The new assurances completed in 1918 after deducting sums re-assured were £1,300,000, as compared with £1,142,000 in 1917. The new premiums were £66,517, as against £50,955, and the total premium income £819,200. as against £789,200. The mortality experience also was favourable, the total claims having been £880,000 only, as against £998,000 in 1917. Even taking into account the "war claims" and the deaths from the influenza epidemic which raged so fiercely in the later months of the year, the mortality experience was considerably lower than is provided for in the office calculations.

I propose to pass on at once to that part of the report which must naturally be of outstanding interest to members and especially to those of the oldest class—I refer to that part which deals with the results of the investigation just completed. Most of you must have been prepared for the board's decision on this occasion to carry forward the whole available surplus instead of declaring a bonus. The War began in the first year of the quinquennial period under review, it did not end till the close of its fifth year—and as time went on it became more and more apparent that the surplus must be seriously affected. It is shown in the report that if the conditions had been normal, the surplus would have been a large one, admitting of correspondingly large bonuses. But the heavy War claims and income tax paid during the five years, amounting together to a million sterling, with, moreover, the heavy depreciation in the market value of high-class securities carrying a comparatively low rate of interest, have had the inevitable effect of correspondingly reducing the surplus. The higher rate of interest which is now procurable has not yet had time to have full effect, although later on, as the older securities fall in, it should have a counterbalancing influence in favour of the policyholders. But financial affairs are not yet by any means in a settle state, and no one can forecast with any certainty what may be the conditions in the near future. The board, therefore, had no hesitation in following the example of the great majority of the offices whose valuations have taken place in recent years and who have adopted the prudent course of deferring declaration of a bonus. If this be the right course in the case of offices which charge high premiums—admittedly "loaded" for the purpose of affording bonus additions—much more must it be so in the case of this Institution, whose distinctive feature is to charge rates as low as is consistent with safety—without holding out the prospect of large bonus additions to all its members.

Changes in the Laws.

The chief concern of the directors, and of their actuarial advisers, has been how best to meet the case of those members who under ordinary conditions would have participated in surplus at this division for the first time—and very much with this object in view it was deemed desirable that certain changes in the laws should be made. These alterations, which have been adopted and confirmed by an extraordinary general meeting of members specially called for the purpose, do not infringe on the fundamental principles of the office, and their effect is clearly explained in the report before you. The object desired to be achieved was to fix a definite *uniform* measure which will regulate the extent to which policies sharing for a first time will, as from the beginning of the year, be entitled to participate in the surplus—and, instead of the actuarial value at the date of the investigation as hitherto, the *duration* of the policy is now to be that measure. It was not expected that the amount of the reserve which will be provided under the new arrangement for policies which have not yet arrived at the participating stage will differ materially from that provided under the former method of reserving a more or less indefinite and approximated amount, while the alteration will have the advantage of simplifying the distribution of surplus and of placing all policies on a more uniform and equal footing. It will also greatly facilitate the procedure for providing that those policies, which under ordinary conditions would have had allotted to them first shares at this investigation, shall have the right at next division (if then in force) to share in the surplus in respect of the number of years of their duration (excluding the period for which no bonus has been declared) and not in respect of the preceding five years only. Moreover, in event of such policies becoming claims before the next investigation they will, assuming they have completed their "accumulation period," be entitled to a special intermediate bonus addition corresponding to a first addition calculated on the method just explained.

The Special Endowment Assurance Fund.

Our policies under the special endowment assurance fund are, as you know, on a different footing. Their premiums are loaded to provide a bonus which, in their case, as con-

trasted with policies under the common fund, is allotted from the date of entry on the ordinary annual compound system. It is true that the available surplus from this fund might have admitted of a moderate bonus being declared; but the war mortality was exceptionally severe under this class, which is composed in great proportion of relatively young lives, and it is impossible to gauge what may be the effects of the War on the mortality for some years to come. It was therefore considered advisable that the declaration of any bonus under this class also should be deferred, but that in event of death before next investigation an interim addition be allotted in respect of each annual premium paid since the end of 1918.

I think, gentlemen, that these are the more salient points connected with the investigation. But I should like to impress on the members generally that the fact of not declaring a bonus strengthens the position of an office, and that it should be realised that all surplus carried forward remains for future distribution.

The Future of Life Insurance.

On the whole, and taking a wide survey, it would appear that the new conditions which have arisen from the War are generally favourable to the future of life assurance. The increased cost of the necessaries of life renders it incumbent on the heads of families to make larger provision for those who are dependent on them than was necessary before the War, and fortunately the higher rate of pay now prevailing as a rule puts such increased provision in their power to effect; and, if we may judge by our own experience during the last few months (which I believe is the experience of other offices also) of the increased number of new assurances being effected, it is to the credit of a large number of the community that this duty is already being realised and acted upon. It has been truly said that life assurance is one of the very few necessities of life the cost of which has not "gone up," and there are other conditions which lead one to anticipate prosperous times for insurance offices—depreciation in the value of high-class securities it may fairly be expected has reached its limit—and there will probably be a gradual appreciation as political and economic questions become more settled. Then it is hoped there may be relief to some exent in regard to the admittedly inequitable manner in which life offices are assessed for income tax. At any rate, that question is now under consideration of the Royal Commission now sitting, and it is almost inconceivable that relief in some form or degree can be withheld altogether. The associated offices are representing the interests of the policyholders before the Commission, but the question is one of great importance to the policyholders individually, and no doubt they will keep a watchful eye on the question when new legislation is introduced.

Another consideration I should like to bring to the notice of those who contemplate taking out new assurances is that new entrants into this institution will be in a specially fortunate position, because, while getting the full benefit of the low premiums charged, it may reasonably be expected that by the time they will have become entitled to share in surplus the adverse financial effects of the War will to a large extent have passed away, and the full effect of the improved conditions will then be felt. Young men who have returned from Service and are now settling down to their civil occupations would do well to keep this in mind, while the wealthy man, who can hardly contemplate with equanimity the increased estate duties to be imposed, will find exceptional advantages and attractions in the system of the Scottish Provident.

EXTRACTS FROM THE REFORT.

Quinquennial Investigation.

Assets.

The customary examination of the investments and securities held by the institution was, as usual, entrusted to a committee of the directors specially appointed for the purpose, and was completed in a thorough and exhaustive manner. As was to be expected, and as foreshadowed in last year's report, a heavy depreciation in the quotations of the marketable securities has followed on the War and the consequent high rate of interest prevailing. To meet the depreciation, from which in all probability there will be substantial recovery, the directors have decided to maintain the investment reserve fund at its present amount of £400,000 and to write off £385,953, which sum also covers any depreciation on the heritable securities.

Valuation of Liabilities

In valuing the liabilities, the directors have not made any material change in the procedure followed at last investigation. The British Offices Table, with 3% interest throughout, has been used as the basis, the net premiums only being taken credit for the whole "loading" or difference between the premiums payable and the net premiums being reserved for expenses and contingencies. Ample additional reserves have been provided for expenses in connection with assurances effected by terminable premiums, which form a large portion of the Institution's business.

On these data the investigation was made, and the following are the results as reported by the Committee of investigation, whose recommendations have been unanimously approved and adopted by the board :—

The funds as at December 31, 1918, amounted to		£16,367,479
Investment Reserve Fund ...	£400,000	
Amount written off investments	385,953	
		785,953
Leaving		£15,581,526
The net liability under assurances and annuities amounted to		15,215,230
Showing a surplus, in addition to £60,749 paid as intermediate bonuses during the quinquennium, of ...		£366,296

Of that amount £310,645 belongs to the common fund, and £55,651 to the special bonus endowment assurance fund.

Had the conditions been normal the surplus would have been a large one, but the effects of the War have fallen upon the Institution in each year of the quinquennial period under review. The war claims and income tax actually paid have amounted to over £1,000,000, while the amount set aside for depreciation has been more than £60,000.

Taking into account the still unsettled financial conditions, and on a careful consideration of all the circumstances, the directors have decided that no surplus in respect of the past five years should be divided, and that declaration of any bonuses should be deferred. They have, however, made the following special provisions for

INTERMEDIATE BONUSES.

Common Fund: Whole of Life Assurances.

Policies which in ordinary circumstances would have been entitled to a first bonus as at December 31, 1918, will be entitled to share at the division at end of 1923, if then in force, as if they were participating for the first time in terms of the Laws as now altered In the case of claims arising under such policies before next division, assuming the accumulation of premiums to have been completed, special intermediate bonuses corresponding to first additions will be allotted. In this way "first participators" will not suffer more by the passing of the bonus than other participators. Further, all policies which had previously participated, and which shall become claims before next investigation, will receive an ordinary intermediate bonus in respect of each completed year after December 31, 1918. The rates of all intermediate bonuses shall be fixed from time to time by the directors.

Special Fund: Endowment Assurances.

All policies under this fund becoming claims before next investigation will also be entitled to interim compound bonus, in respect of each annual premium paid after December 31, 1918, at such rate as may be fixed from time to time by the directors.

The directors regret that the adverse circumstances during the entire quinquennium have been such as to preclude any division of surplus being made. They would, however, remind the members that the *Distinctive System* of the Institution is to charge rates as low as is consistent with absolute safety, thus securing the largest measure of protection to the assured from the outset. The premiums are not specially "loaded" for the express purpose of providing bonus additions, as is usual elsewhere, and are, in fact, so low as to approximate closely to ordinary 'non-profit' rates. The earning power of the Office has, however, been so remarkable that it has been able to declare a long series of substantial bonuses. The strain of war, and that alone, has now, for the first time in the Institution's history, interrupted these regular distributions. With the arrival of peace the directors look forward with confidence to a return to normal conditions, and to the Institution's increased prosperity.

EQUITABLE LIFE ASSURANCE SOCIETY.

The 157th annual general meeting was held on May 28 at the Society's House, Mansion House Street, E.C., Sir Thomas Lane Devitt, Bart., the President, in the chair.

The Actuary and Manager (Mr. W. Palin Elderton) read the notice convening the meeting and the auditors' report.

The President, in moving the adoption of the report and accounts, said the new business was satisfactory and showed improvement on recent years, and the premium income and funds showed increase. The claims included a number of War claims, which, with bonuses, after deducting reassurances, were £134,550. Allowing for reserves, the cost of these War claims was £87,764, of which rather over £40,000 was provided at the last valuation. This result was rather lighter than the experience of most other offices. The expenses showed a small increase due to the War, but the interest expense was income tax. In 1913 the cost of tax was £63,000, or £50,000 more than the pre-War figure; it reduced the gross rate of interest of £5 2s. per cent to about 3¾%. No sum had to be written off for depreciation.

The Vice-President (Sir Evan Spicer) seconded the motion, which was unanimously adopted.

An extraordinary general meeting was then held to consider a proposed alteration in No. 61 of the Society's articles of association.

The President said that at present the directors could invest in any security if not less than two-thirds of the directors voted for it, and provided they did not make an investment with a liability. The proposal was to exclude that limitation and give the directors power to buy shares with a liability, provided that not less than two-thirds of the whole number of directors voted for it. He would explain why it was thought the change should be made. It was recently brought to the directors' notice that they could obtain the shares of the University Life Office, which, although small—its funds were just under £1,000,000—had a good connection capable of being worked with that of the Equitable and to the advantage of the latter. The University shares had a liability, and the purchase could only be made if the members of the Equitable gave the directors power to hold the shares. As shareholders in the University Life Office the Equitable would guarantee certain bonuses and make arrangements as to expenses, &c. The Equitable would buy a large majority—all if they could get them—of the £100 shares, £5 paid, of the University at £8 per share, with interest from April 30, and would receive dividends and share in the quinquennial surplus just as an ordinary shareholder. The total cost if all the shares were acquired would be £49,090.

The Vice-President seconded the resolution, which was adopted, Mr. Wallwyn Shepheard dissenting, and the proceedings terminated.

ALLIANCE ASSURANCE COMPANY, LIMITED.

THE annual general court was held on May 28 at the head office, Bartholomew Lane, under the presidency of the Hon. N. Charles Rothschild, the chairman of the Company.

The secretary (Mr. Sidney T. Smith), having read the notice convening the meeting and the auditor's certificate,

The Chairman, in moving the adoption of the report and accounts, said: The first of the accounts, taking them in the order in which they appear in the report, is, as usual, that of the life department. The salient feature is, of course, the valuation at the close of the Company's nineteenth quinquennial period. For the reasons given in the extract from our actuary's report, it will be seen that on this occasion—the first in the history of the Company—our with-profit policyholders are not receiving a bonus. These reasons may be summed up in the one word—war, but for which, as the report points out, the usual bonus could have been paid with ease and the carry-forward large increased. I need not labour the point that this temporary eclipse of the bonus is due to the War. It will be a pleasanter and, I hope, more profitable occupation to turn our thoughts towards the coming years of peace. Already in 1918 the new business showed signs of reviving, being well over £100,000 in advance of that of 1917, and I may say that, so far as this year has gone, the indications are that the new business will reach the figures of pre-war years. The War has also cast its shadow over the accounts of the Economic fund, with the result that we have had to pay out a considerable sum in order that the Economic with-profit policyholders might receive the bonus which we guaranteed to them when we took that office over. Although we treat this payment in our accounts like any other outgoing, we hope that at the next valuation the Economic will be able to provide the bonus at the rate guaranteed without further assistance from the Alliance, and to repay a large proportion of the amount we are now parting with.

Fire and Marine Departments.

The next of our accounts which calls for attention is the fire account, and here I am pleased to say that our favourable experience continues. No conflagration occurred during 1918 to necessitate a heavy call on our funds. The increase in the cost of building material, cost of labour, and in the values of commodities generally continues to call for increased insurance, but there is another side to the picture, in that we have to pay more to make good the damage when fires occur. The result of our business in this department is that we carry just under £400,000 to profit and loss account, which we venture to think is not unsatisfactory. As was to be expected, the close of the War has brought about a diminution in our marine income, and this will no doubt be accentuated in this year's accounts when they come to be made up. We are looking forward to keener competition in this department, but we hope that our competitors—rather numerous now—will temper their eagerness for business with discretion, and not reduce rates to a non-paying basis. From the results already ascertained of our transactions in this department, we have felt justified in carrying the sum of £400,000 (besides interest) to profit and loss account, and, without undue optimism, we think we may safely anticipate further substantial contributions from this source. But, as there is still abnormal delay in dealing with ship repairs, we think it right to deal with this account in a conservative way. The underwriting account for 1917 has not yet been closed, and no amount has been taken from the 1918 account and placed to profit and loss account.

The Accident Accounts.

The several accounts which I may group under the nomenclature of accident continue to show good results. We are hoping that the resumption of motoring will bring us some business, and no doubt our shareholders can help the Company—and incidentally themselves—by bringing their motor insurances here. Before passing from accident topics, I might refer to the paragraph in the report dealing with the agreement entered into with the Bankers' Guarantee Trust. This transfer is, in effect, a reinsurance of the Fidelity Bonds granted by that Society. The Trust will pay the Alliance a premium as consideration for the Alliance undertaking the Trusts liabilities as from a certain date. Apart from any profit which we may make from the actual transaction, the directors hope that accession of business may accrue from the connection. The shareholders may have noticed in the newspapers that the leading offices have formed a pool for the purpose of providing insurance against the risks arising out of aviation, of which pool the Alliance is a member. This class of insurance being new, we have but little experience to guide us. It is, however, quite clear that insurance will be required, and the directors felt that the Alliance ought to take its share in granting the facilities necessary.

The Profit and Loss Account.

I have already referred to the principal items which appear on the credit side of the profit and loss account. Turning to the debit side, the shareholders will observe amounts totalling nearly a quarter of a million for taxation, and over £450,000 for depreciation of investments in the shareholders' accounts.

Mr. Charles Edward Barnett seconded the motion, and the proceedings terminated.

NORWICH UNION LIFE INSURANCE SOCIETY.

THE 111th annual general meeting was held at Norwich on May 28. The President (Mr. Haynes S. Robinson) said: Though the European situation to-day has reached an acute stage, and it is impossible to speak with any degree of confidence as to the outcome, financial and otherwise, of that "good peace" which surely must in the long run crown the labours of these anxious months, I think we at all events may congratulate ourselves on meeting under altogether brighter conditions that have so far prevailed since our annual gathering five years ago. I think you will agree with me it is specially appropriate that, before dealing with the report and accounts now before us, we should pause for a moment to pay our tribute to the memory of the members of our staff at head office and at the branches who have been called on to make the supreme sacrifice during these desolating years. We have to mourn the loss of 22 members of our staff—13 out of 90 who joined the Colours from this office, and a further nine from our branch offices.

The Report and Accounts.

Turning now to the report and accounts, I think you will find that the figures, and any that occur to me by way of further explanation, have about them a genuine pre-war ring, except, of course, as regards the one unavoidable reference to war mortality. Dealing first with the new-business figures of the year, under that head you will see we placed on the books no less than four and a quarter millions of business—actually £700,000 more than in 1917. That, I think you will agree, is a notable record for the fifth year of the greatest war the world has ever known—a year which one might reasonably in theory have expected to be "the darkest hour before the dawn" in the matter of new business activity. The figures are all the more striking because we did not issue what are known as war loan or war bond policies. I need hardly tell you that, as usual, our total, and even the total of our purely home business alone (£2,636,000), was much in excess of that of any other home office not transacting business of an industrial type. There is no harm in my telling you that our new-business figures for the first 19 weeks of the current year, after deduction of re-assurances, amount to more than two and a-half million pounds, an excess of fully one million pounds over the corresponding figures for 1917—but you must not consider this as a ratio for guidance in connection with the work of the next seven months.

Cost of Management

Following on a new business expansion of £700,000 for the year, one approaches the next item of our review—cost of management—with very special interest, for the cost of almost everything except your life insurance policies has steadily gone up, and, as you all know, even in the case of the most economical of offices, it is the new business which costs, while a standard of expenditure which ignores that fact is apt to press very severely on the office showing a big new business expansion for any year. If you refer to the revenue accounts in your hands you will see our total premium income was £1,775,648, while the total of the corresponding items of expenditure was £232,765. That

produces the moderate expense ratio of 13.1%, just .4% in excess of the figure for 1917, notwithstanding the very large increase of new business. I think you will agree that that record is very satisfactory—when, in advance of the preparation of our revenue accounts, I learned of the new-business total for the year I was prepared for a very substantial increase of the expense ratio rather than such a quite fractional difference.

You will note with satisfaction that the net rate of interest earned was the excellent one of £4 6*s.* per cent.—specially excellent in contrast with our exceptionally low valuation rate of 2½%. Our auditor's certificate, appended to the accounts, relates, as usual, to the values at June 30, 1916, the date of our last quinquennial investigation, but after having had our Stock Exchange figures worked out as at December 31 last, I am glad to be able to inform you that their values then were actually in excess of the figures at which they stand in the accounts before you. For many years past I, and those who have preceded me in this chair, vary rarely indeed have had the satisfaction of making such a statement—except, of course, on the occasions of our quinquennial valuations—because, as you are aware, for a long time before the War—from the days, indeed, of the South African War—there was a general tendency for high-class Stock Exchange values slightly to decrease year by year. It will interest you to know that, including some £800,000 of fund expansion, we have had occasion during the year to invest 2¼ millions. Our mortality experience has, you will see, not been up to the standard which in pre-war days we got into the way of reckoning on almost as a matter of course from year to year. The normal mortality was fairly up to our past standard, being only 70% of "expectation," but the total for 1918 includes no less than £136,330 of influenza and £110,194 of war claims.

Sir George Chamberlin, D.L., Lord Mayor of Norwich and a Vice-President of the Society, in proposing a vote of thanks to the staffs at head office and at the branches, paid a high tribute to the efficiency and loyalty of all connected with the management of the Society's business, both indoor and outdoor.

SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY.

THE eighty-eighth annual meeting of this Society was held at the Head Office, in Edinburgh, on May 26, 1919, Mr. James C. Pitman, Advocate, the senior ordinary director, in the chair, when the results of the year ended March 1 last were reported.

The Chairman, in moving the adoption of the report, said: At our general meeting last year the directors had to report that the exceptional circumstances created by the War precluded any declaration of bonus for the quinquennial period then brought to a close. The inflation of credit and rise in the rate of interest, with the consequent depreciation of capital values, hit hardest at what we have been accustomed to call first-class securities, with the result that our assets when written down to bedrock values were sufficient only to meet our prospective liabilities (estimated on the strict basis we adopt), and leave a sum of £64,000 over, which we set aside as a reserve. The first item in the report which I submit for your approval to-day goes a long way towards proving that the course adopted last year was a most prudent one. The public have been quick to realise that when, in spite of war conditions and depreciated securities, we were able to show ample provision for our liabilities and have a substantial balance over, we were in a very healthy condition for future operations. The new business has beaten all records in the history of the Society. For the first time the new assurances exceed £1,000,000, and, after deducting reassurances, the net business is very little short of that round figure. Other causes have assisted in producing the increased amount of new business. For one thing, there has unquestionably been a revival of interest in life assurance. In view of the lower purchasing power of money, people are realising more than ever the wisdom of making provision for the future, and making it on a larger scale than they have hitherto contemplated, and they are turning to life assurance, and particularly to endowment assurance, as the best means—in many cases the only practicable means—of accomplishing that object. Then the high rate of income tax has brought into greater prominence the advantage of the rebate allowed on life assurance premiums—a wise provision of the State, by which thrift and foresight are encouraged. An immediate effect of the increased new business has been a substantial increase of our premium revenue, which, notwithstanding claims, surrenders, and withdrawals, has gone up from £458,932 to £488,907.

Interest and dividends also show an increase, but this is unfortunately nullified by an increase of nearly £12,000 in the amount of income tax, owing to the rise of 1*s.* in the rate, which came into force during the year. The result is that our net revenue from interest and dividends is reduced, but on the lower book values of investments the average net rate is £4 1*s.* 4*d.*, as compared with £3 19*s.* in the previous year. The full rate of tax is hardly a fair burden to put on a business whose chief object is to encourage saving. The tax is deducted from our interest at the maximum rate, whereas a large majority of the members to whose credit, so to speak, the interest is put would be entitled to abatement if the interest received were divided between them every year. The Royal Commission now engaged in reviewing the whole system of income tax will, no doubt, have the case of life assurance societies before them, and it is to be hoped that as a result of their recommendations we may be relieved from some part of this unduly heavy burden in future.

The claims have increased by about £80,000. Nearly £25,000 of this increase is due to the maturing of endowment policies, but the death claims show an increase of £56,000. The military operations in the closing year of the War entailed upon us heavier losses than we had before experienced, and this was followed by the influenza epidemic, which carried off so many of the civilian population at home. At one time it looked as if we should have the unusual experience of exceeding the calculated "expectation," but in the end we came just short of it.

Surrenders continue below the level of pre-war times, and are again this year below the amount for the year preceding. We take this to be another sign of the increased importance of life assurance in the eyes of the public.

Expenses of management remain practically the same. The commission account is increased, owing mainly to the larger amount of new business, but our whole expenses, including commission, amount only to £13 0*s.* 7*d.* per cent. of the premium revenue, as compared with £13 0*s.* 4*d.* last year. In this connection the real question for us as members of the Society is, do we get value for our money? If I may be allowed to say so, I think we do.

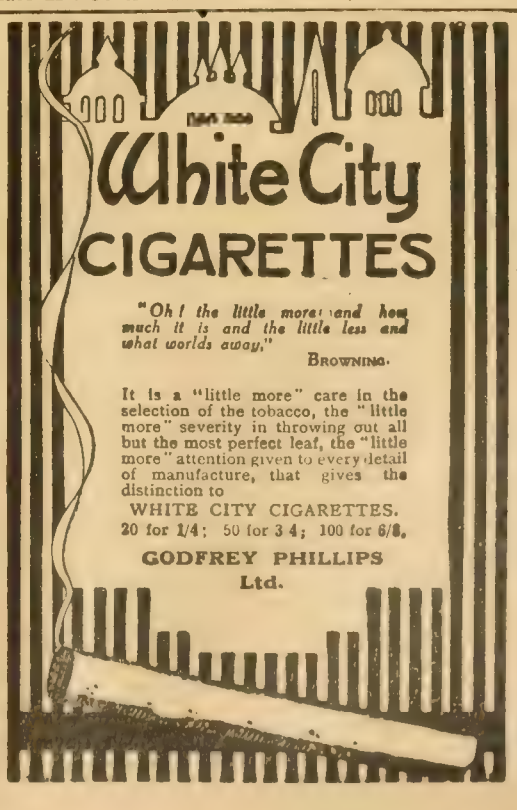
Our Secretary, Mr. M'Lauchlan, saw the year out before retiring, as he was well entitled to do, after a long and honourable career in the service of the Society. His successor, Mr. Warden, is a well-tried member of our staff, and we feel sure that he will worthily fill Mr. M'Lauchlan's place.

The life assurance fund, which had fallen below £6,000,000 owing to war-time depreciation, has again risen above that figure. I have reminded you that at the investigation last year the directors thought it prudent to set aside in reserve a sum of £64,000 after writing down the investments to their depreciated values. The War was then still in progress, and the whole financial outlook remained uncertain. It cannot be said that the financial outlook is particularly cheering even now, but in the meantime we have secured, as the accounts show, a fairly substantial surplus over book values by realising certain securities where opportunity offered, and a revaluation of the investments at the date of the balance showed that they were worth appreciably more than the sums at which they appear in the accounts. In the circumstances, it has not been thought necessary to retain the £64,000 as a separate item in the balance sheet, and it has been merged once more in the life assurance fund, to which it properly belongs.

The adoption of the report was seconded by Mr. J. R. N. Macphail, advocate, and unanimously agreed to.

Sir Alexander Kay Muir, Bart., and Edward J. Brook, Esq., Hoddom Castle, Ecclefechan, were elected extra-ordinary directors, and Mr. J. G. Pitman, Advocate, and Mr. D. A. Stevenson were re-elected ordinary directors of the Society.

Mr. Edward Boyd, C.A., was elected auditor in room of the late Mr. John Hamilton Buchanan, C.A.



THE FINE COTTON SPINNERS' AND DOUBLERS' ASSOCIATION, LIMITED.

ANNUAL MEETING OF SHAREHOLDERS.

THE ASSOCIATION'S SPLENDID RECORD.

THE twenty-second ordinary general meeting of the shareholders of the Fine Cotton Spinners' and Doublers' Association, Limited, was held in the Memorial Hall, Albert Square, Manchester, on Tuesday last, May 27, 1919.

Sir A. Herbert Dixon, Bart., Chairman of the Company, presided. There were also present on the platform Mr. John W. McConnel and Mr. Wm. Eckersley, Vice-Chairmen; Mr. Herbert W. Lee, Managing Director; Mr. Vernon Bellhouse, Mr. Archibald E. Dixon, Mr. A. W. Bramall, Mr. Robert W. Bennett, Col. R. V. D. Phillips-Brocklehurst, Mr. Walter H. Eckersley, Mr. John I. Higson, Mr. Wm. Howarth, Mr. James Marsden, Mr. H. Ross Marsden, Mr. Herbert E. Musgrave, Mr. Peter Musgrave, Mr. E. Lomas Oliver, Mr. Edwin Oliver, Mr. John R. Oliver, Mr. Louis Rivett, Mr. James Taylor, Mr. John A. Wanklyn, Directors; Mr. Claude H. Blair, Secretary; Mr. H. P. Addleshaw, Solicitor; and Mr. F. T. Woolley, of the firm of Messrs. E. Guthrie and Company, Auditors.

The Chairman: I call upon the Secretary to read the notice convening the meeting.

The Secretary read the notice, and was followed by Mr. Woolley, who read the auditors' certificate and report.

The Chairman's Speech.

The Chairman then said: Ladies and Gentlemen,—To-day our Association comes of age, so to speak, and the balance sheet which I have the honour to present to you goes far to prove that the first 21 years of its life have not been mis-spent. The figures go to show that the past year has been a record of all time; but what to my mind is of far more importance is that the general balance sheet indicates that the Company, whilst paying good average dividends to the shareholders, has succeeded in strengthening the general position, and to-day's figures show a considerable amount of assets over liabilities. We have passed through four very anxious years, and it is indeed a cause of mutual congratulation to think that we are at last enjoying the blessing of peace—(applause)—a peace that we all hope to see definitely signed during the next few weeks, leaving us free to give once again our whole time and attention to the Association's work. We have reason to feel proud that, as a company, we have emerged from the difficulties and trials of the recent War stronger in every respect than we were five years ago. (Hear, hear.) At the risk of repeating myself, I must warn you that it is very easy to make profits in a rising market, which profits have a knack of disappearing again when the inevitable fall takes place. To turn from war to peace conditions is no easy matter, and your Directors are fully alive to the fact that there are rocks ahead, rocks, however, that are plainly marked on the commercial chart, and rocks which, with experienced and capable men at the helm, we have every chance of steering clear of.

Items in the Balance Sheet.

There are a few points in the balance sheet that it will be perhaps interesting to you to have explained, but I only propose to touch upon such items as show a marked alteration from last year. You will see that we are still unable to spend our depreciation, and that our properties stand therefore virtually 100,000*l.* lower than last year. The textile machinists are, however, now changing over again from munitions to their ordinary work, whilst builders also will shortly be able to take contracts, and thus we hope shortly to put in hand various repairs and renewals which have perforce been obliged to stand on one side.

Stocks.

The crux of the whole position lies in the valuation of our very large stocks, which amount to £4,049,336, and I wish to be perfectly candid upon this head when I tell you that had we had only ourselves to consider we should have written off a considerable sum to cover the almost certain depreciation in values, despite the apparently safe guarantee of an order book sufficiently large to cover the stocks three times over; but we had the Government requirements to consider, and the White Paper issued by them was perfectly distinct as to what we had to do. It left us no option, and thus, although we do not look upon it as sound to build up a fictitious profit upon which excess profit has to be paid, yet we had no other course open to us except to follow instructions, and meantime to leave a large "carry forward," so as to find ourselves in a position to meet any deficiency in the coming years. I felt it my duty to point this out to you, as it will help me later on to explain the distribution of the amount standing to the credit of profit and loss account. Financially, we are infinitely stronger than last year, as we owe the banks some £960,000 less than at that period, whilst our investments in British war funds are nearly half a million more. Sundry creditors stand at a very high figure, mainly due to a large sum put by to meet our French losses, a sum which is in no sense of the word ours, because the moment we receive compensation from the French Government it automatically becomes excess profit, and as such is the property of the Government.

The Profit and Loss Account.

This brings me to the item which is of more vital importance to this meeting than the ones I have referred to—*viz.* the balance of £1,046,089, standing to the credit of profit and loss account, and the proposals for dealing with the same. After paying our debenture interest, we suggest carrying to insurance account £10,000, making that fund into £85,024 18*s.* 8*d.*; to the research fund, £15,000, making £25,000 in all; to the pension fund, £75,000, bringing this fund up to £100,000; and, in addition to this, we have deemed it well to open a special contingency fund, and have placed £100,000 to its credit. I have already pointed out to you, when speaking about our stocks, that the demands of the White Paper issued by the Government are not altogether in accord with our views as to pricing of stocks in a very high market, and our yarn stocks, which represent two-fifths of our total, although fully covered by orders and apparently fairly priced, will be, in our opinion, safer with this £100,000 behind them, and, should the amount be not required, it will come in handy to equalise dividend, or for any desirable object. After providing for these reserves there is a figure left of £736,089 17*s.* 11*d.*, out of which interim dividends on all classes of stock, amounting to £208,750, have been paid, there remains the sum of £527,339 17*s.* 11*d.* to be dealt with. From this sum we propose to allot £100,000 to our reserves, bringing these up to £1,370,459 7*s.* 6*d.*, and to pay a dividend at the rate of 10% per annum, together with a bonus of 2%, which payments will require in all the sum of £357,750, leaving the sum of £169,589 17*s.* 11*d.* to carry forward to next year's account—(Applause). You may think that the proposed distribution is rather less than you hoped for, but I must ask you to couple it with the bonus shares to which I am about to refer, and I am sure that, on further deliberation, you will feel with me that our decision is a wise one, inasmuch as you all participate in a very handsome manner without unduly trespassing upon the finances of the Association

Bonus Shares.

I have now come to a point of special interest to you all—viz. the proposals to distribute part of our reserve fund in the shape of bonus shares—(Applause). The reserve fund, which after adding the sum of £100,000—the amount to be carried to its credit out of this year's profits—will stand at £1,370,459, and our proposal is to transfer the sum of £490,000 into Preferred Ordinary 5% shares, and allot one of each such shares to each holder of five Ordinary shares and upwards in the ratio of one share to five Ordinary shares—(Applause). Last year I rather foreshadowed this policy as likely to be adopted as soon as the War was over, and I am convinced that it will give general satisfaction. The reserve belongs by right to the Ordinary shareholders, and we feel that they have something much more tangible in the shape of scrip than is apparent in the vested interest that is undoubtedly theirs. This distinction in no way weakens the financial stability of the Company, excepting as to its liability to pay 5% dividend upon the £490,000 each year. The stock is already created, and it only remains for you to assent to this distribution, which will then be made at the earliest possible date. I have the greatest sympathy with the Ordinary shareholder in these hard times, and have no small pleasure in making this announcement.

The French Mills.

Perhaps the most interesting matter that I have to speak about is our position to-day with regard to our Lille properties. As you are all aware, Lille was in the hands of the Germans for about four years, and, although the town was not actually besieged, yet much damage was done by German guns prior to occupation, and by aeroplanes afterwards, apart altogether from wanton destruction and theft of stocks and machinery. In January 1915 a terrific explosion of accumulated ammunition took place, and this explosion broke thousands of windows over a very large area, and, there being no glass to replace these windows, the machinery in the mills was exposed to wind and weather, and much of it ruined. We ourselves came in for a full share of the damage, despite our being fortunate enough to have faithful and devoted men attached to all our properties, who did all in their power to make temporary repairs and safeguard our interests. We have at Lille some half million spindles in all, and own virtually three separate concerns, two of which are French companies (Sociétés Anonymes), whilst the third is a registered English limited liability company. They consist of about seven mills in all, and we find on inspection that one of these mills is very little damaged and is working to-day; another is partially damaged, but will soon be in full swing again; whilst a third, although seriously injured, is not likely to take many months to get running again. This brings me to the more serious cases, which, curiously enough, although not altogether unexpectedly, prove to be the English mills, and here we found almost complete clearance of every machine, though, apart from windows and roof, the structures were uninjured. In these cases it means a much longer period before we can possibly get to work, and, although we are straining every nerve to push things on, and hope to commence running, say, in six months' time, yet I fear it will be nearly 18 months before we are at full work again. The French law for reparation of

damages by war and bombardment applies at the moment only to our purely French companies, or, in other words, about half our properties, although I have every reason to believe that a covention between our mutual Governments will eventually be arrived at, bringing our English company into line. In any case, we have made full provision in our accounts for reinstating all our properties, and are pushing the work with all our energy; but it must not be forgotten that this law makes no provision for loss of profit, and to this extent we have suffered very grave injury, which, however, is written off up to date. (Applause.)

The Mississippi Delta Planting Company.

Nothing in my report to-day gives me more pleasure than being able to tell you that at last the Mississippi Delta Company has eventually decided to pay a dividend upon their ordinary stock, and, although it was declared too late to be included in this year's balance sheet, it will be very helpful in the coming year. It is not a large dividend, being only 5% on the common stock, but you must always bear in mind that they have never failed to pay 5% on the gold bonds, which means 5% on the investment. This dividend on the common stock, although small, will be very useful to us, and is an earnest, I trust, of better things ahead. The Company has had a record crop, and but for the demands of the American Government, under the head of excess profits, demands very nearly as exigeant as those of our own Government, there would have been a record profit. We are, however, grateful to our friends abroad for even this small dividend, and doubly grateful when we realise that the property has been vastly improved entirely out of profits, and, what is more important still, that land in the Mississippi to-day is worth more than double what it was when we purchased it some seven years ago. I do not wish to exaggerate, but I honestly believe that our estate is one of the most complete, most developed, and, let me add, better managed, than almost any other cotton estate in the United States of America. (Applause.) Such conditions must, and will, bear fruit in the near future.

The Labour Position.

In my opening remarks I said that there were rocks ahead; and one of the most dangerous, and a danger to which we cannot shut our eyes, is the position of labour to-day. Owing to the war demands, shortage of men, and high cost of living, the wages have been forced up to a very high level, especially in a trade like ours, which is so largely dependent upon its export business. I, for one, welcome a shorter day, and I do not for a moment grudge paying high wages, for it is a well-known fact that high wages and efficiency of labour go together; but, at the same time, I am absolutely convinced that, unless capital and labour also combine together to increase production, this improvement in wages can never be more than a temporary one. The inevitable outcome of high wages and minimum output is decrease in trade, increase in competition, and, finally, enforced short time, or large reduction in wages to restore the equilibrium. Now that the War is over, we have to rebuild and make reparation for the wastage of our wealth; and to do this, production must be increased, not diminished. The relations between employer and employed in the cotton trade are distinctly friendly, and Lancashire people are justly celebrated for their common sense, so that I am not without hope that fair and proper arrangements can be made by which the output can be raised, thereby rendering it possible to maintain a high rate of wage despite the shortened hours, especially if competing nations also shorten their working day. Partnership or profit-sharing have constantly been suggested as a panacea for all labour troubles, and in some trades I can well imagine the possibility of a successful scheme; but, for many reasons, no such method could be applied to the textile industries of Lancashire. Gauged by the profits of the last 21 years made by this Company, which claims to be a successful concern, the whole amount earned, after a fair allowance for capital, would not, if divided between shareholders and workpeople, represent 10% advance in wages at the best, whilst in lean years there would be no surplus. To-day the advance in wages is 100%, or more, whilst the further menace of shorter hours and further advances may bring them to possibly 125% above pre-war standard. To make the position clearer, I might add that this would involve an additional payment in wages of a sum equal to four times the amount of that paid in dividend to our Ordinary shareholders, so the division of surplus profit would be trivial, and, if we are to maintain our trade and run our mills full time, there is nothing for it but a real partnership with labour, a partnership for our mutual good, and for the good of the country. It must be founded upon mutual trust and mutual co-operation, with the strong desire on the employers' side not to reduce wages, but rather to maintain them on the highest plane, backed up by strenuous effort on the operatives' side to produce as much as possible, and thus enable us to keep our mills fully running, and to maintain our trade, especially our export trade, upon which we depend so largely, and without which we, as an industry, are lost. (Applause.)

Tribute to Managing Director and Executive.

Before formally moving the adoption of the report, I should like to pay a tribute to your managing director and the other members of the executive for the work done during the past year, although no words of mine can speak as plainly as the present balance sheet. When I cast my thoughts back to August 1914, and remember the grave position of affairs, I do indeed feel that we owe them a debt of gratitude, and not only them, but the splendid body of men who manage the 50 odd concerns which this Association controls. We were faced with the loss of half our trade on the day war was declared; we were confronted also with obligations in cotton and yarn placed to cover the orders which no longer existed, showing apparently ghastly losses in a market which fell day by day. Difficulties bristled on all sides. Everything pointed to a stoppage of spindles, and a desperate effort to prevent a complete collapse. The position was boldly faced, the mills were ordered full steam ahead, the contracts for cotton and yarn were honourably met, and to-day we emerge from the War infinitely stronger than the day it started—(applause)—which I look upon as full justification for the tribute that I so gladly pay. The future, as I have said, contains many anxieties, and will require careful handling; nevertheless, I am very hopeful that the period of depression prevailing since the Armistice was signed is drawing to a close, and there are not wanting indications of a healthier demand for our products, a demand which may develop largely as time goes on. It will find us, you may rest assured, quite ready to meet it, and I have every hope that when we meet next year we shall have no reason to apologise for our remarks. (Applause.) I now beg to move the adoption of the report and balance sheet, and will ask my colleague, Mr. John W. McConnel, to second the resolution.

Mr. J. W. McConnel, who was received with applause, said: I have great pleasure in seconding the resolution that has been proposed. There are only two matters on the balance sheet on which I think it is desirable that something more should be said than in the interesting and eloquent speech we have just heard from the Chairman.

The Pension Fund.

I wish to say a word or two about the pension fund, to which we have just voted £75,000, making a total sum at our disposal of £100,000. Referring to what was said last year, I find I cannot do better, in order to make you understand exactly what we have in view, than read to you the words the Chairman spoke on that occasion. He spoke then of a new item that we had put into our balance sheet that year of £25,000 for a pension fund. "This idea emanated from our managing director, Mr. H. W. Lee. He was constantly being called upon to find some new provision for old and valued servants, and he maintained—and I may tell you the whole of our executive directors thoroughly agreed with him—that it was our duty to recognise these old servants who had given their lives virtually to our service. Some of these people had worked for us for 30, 40 and 50 years. They have not had much scope for saving, and we agreed we should put by a fund so that these people, after a certain number of years of service, should have a pension, not as a charity, but as a right. I am quite sure you will all agree with that. Later on a proper scheme will be worked out, one which will deal with the matter thoroughly. I hope we shall be able to use this pension fund so that any workman or any one of our employees working for us will know that we shall not turn them away in their old age simply to fend for themselves."

Difficulties in the Way

Now, gentlemen, that is the ideal we have before us. In trying to work out what Sir Herbert called "a proper scheme," we found that there were several very great difficulties in our way. We started out with the desire that we should be able to announce publicly and let all our workpeople know that any of them who served us for a definite number of years—30 years—we had aspirations of 20—after a certain number of years—should receive, in the case of their being disabled by ill-health from following their employment, a pension that would keep them from being in any difficulty or in want for the rest of their lives. But the first difficulty we found was that there were no accurate figures on which we could base such a promise. There are large tables of mortality on which insurance companies calculate their risks, but it does not seem ever to have been considered by any insurance company exactly what proportion of people after a certain period of life became disabled, and are, therefore, proper recipients of pensions such as we intended to give, and it was quite obvious that the Fine Cotton Spinners' Association cannot make any public announcement of that kind unless they can see their way for certain to fulfil it.

It would be, not a kindness, but an unkindness to our workpeople to say anything that we found after all it was too difficult to perform. One thing that is perfectly clear is that the [illegible] and certainly since [illegible] to deal with, in my opinion is very large indeed.

The Shareholders' Position.

There is a peculiar feature about these limited companies and their power of giving money. In the first place,

we directors are only trustees for the shareholders, but we are tempted, of course, to be liberal when people come and ask us for contributions for all kinds of purposes. But, after all, we are your business managers and we have, in the first instance, to consider what your wishes would be. Now, we are sure you will wish to do all you can to support our old workers when they become infirm. (Hear, hear.) But even with regard to that we have to consider the proportion between the amount that may be required from us an dthe amount of money that you shareholders are able to give for this purpose. Sir Herbert has referred to this matter in another connection, but really the fact is this, that the amount of wages that are drawn by our workpeople is enormously larger than the total amount of profits that are received by the shareholders in this or any other similar undertaking. Our workeople number somewhere about 24,000 or 25,000 people. That is not counting those concerns in which we are only part shareholders, and not counting, in particular, that large proportion that we have on our Mississippi Estates, for which we derive, of course, a very considerable sum of money every year, and which is part of the profits we pay you

Wage Bill of Nearly 2½ millions

Our wages amount in peace time to over one million sterling, and at the present time to nearly 2½ millions. Against that all we can consider we have for the shareholders—if you consider the fine spinners as being a 10 per cent. investment—in normal times is somewhere about £250,000. You can easily see we cannot in reason ask the shareholders to give an amount similar to their own dividend. The old Jewish law said something about one-tenth. That would be about £25,000 and that would be a very heavy tax. But when you come to look at the figures you will find that the figure of £25,000 is almost certain to occur in any system of reasonable pensions after 30 years' service. Therefore, while we are anxious to do what we can, we do not feel, until we get full information, that we dare venture to make any absolute terms of that kind. What we have done, in fact, as you know now, is to put this sum of £100,000 definitely aside for that purpose—earmarked for that purpose. And that has two aspects. In the first place, it is a very definite and clear announcement and earnest of our intentions to treat this matter in a serious and liberal way. But it has another effect even more important, and that is that every pension we grant should be granted without any possible danger of it ever having to be recalled for any purpose whatever. (Hear, hear.) And so, when we tell an old man or an old woman that we are going to give them 15s. or £1 a week for the rest of their lives, there must be no question of whether we are earning a profit, or whether the Fine Cotton Spinners are going to continue. We must have the sum that represents the capital value of that annuity—we must have that fund definitely put to reserve, so that it is absolutely secure. (Hear, hear.) This £100,000 will represent a security for a very large number of these pensions. I might have told you that out of the people we employ one man in every ten has served with us for 30 years out of the total number we employ. (Hear, hear.) And it is a fact that of the great many boys who enter the spinning industry in Lancashire half leave it before being ten years at the job. That is a very serious matter for the consideration of employers of labour. But, notwithstanding that constant running out of our younger members, we have the feature that one in ten of our male population has been with us for more than 30 years. The women are not quite the same as the men, because so many of them go away to be married, but of the whole population one in every 20 has been with us for 30 years. So that the number of pensions we shall have to give—of course, it is not to people who are still with us, but to those who have gone away after that period that we shall have to give pensions, and it is those people we do not know. But on the best estimate we can make there will be some hundreds of them—300, 400, 500, or, perhaps, 600. But, at any rate, this £100,000 will enable us, without fear of ever possibly failing to pay, to make as many as 300 pensions, in all probability. At any rate, it will enable us to fix a large number of pensions, and to be perfectly sure of being able to make them perfectly safe of all eventualities. What we have been doing in the last year is to seriously consider the applications made to us by the managers of all our mills and to grant pensions to all cases that come within the category we have set up before us—the long period of service and inability to follow employment; and we propose to continue that for the present in the same way, without committing ourselves to do it absolutely if we find the burden is more than we can ask the shareholders to undertake. The £100,000 will give us a certainty of paying 200, or probably 300. If we find we want more we shall have to come to you, like Oliver Twist did, and ask for more on some subsequent occasion.

The Research Fund.

The only other thing I want to say a word about now is the other grant of £15,000 to the Research Fund, making it £25,000. Now, this money does not represent what we are spending on research any more than the pension fund! What we spend upon it is charged against our ordinary expenses. The £100,000 for pensions will remain intact as security for all time. Just in the same way the research fund of £25,000 does not represent our annual expenditure on research, which, again, is charged to our ordinary expenses. The £25,000 is there to be spent as soon as we are able to set up a definite institute for the purpose of conducting research on a scale which we consider adequate. We hope that this year we may be able to make a beginning and to put up either temporary or permanent buildings, in which we can carry out the research we find we want to do. What we are actually doing is this: we have an eminent scientist, Dr. Balls; we have several very capable assistants—we have far more than we had a year ago—and we are spending quite a considerable sum of money. And we are spending this, not for any altruistic purposes, but entirely in the idea that eventually these researches will benefit ourselves. We are very sanguine that we shall in time—we make no promises about this year, or next year, or any particular year—but we are very sanguine that in time we shall find some scientific development which will enable us to add to the profits of the Association. (Hear, hear.)

Formation of the Research Association.

You have already read in the papers that the Research Association for the Cotton Trade has now definitely come into existence. Our Fine Spinners Association has, of course, subscribed its share towards the foundation of the Association. Our relations to the Association will depend entirely on what proves to be possible between us and those people who are directing the Association. It seems to me there may be difficulties in doing research work in cotton. There may be difficulties. We shall have to judge the occasions as they occur. There is one line of work, however, which should be undertaken by the Research Association for the cotton industry, in which we shall be able to co-operate and be interested, and that is research into the principles underlying the growing of cotton. (Hear, hear.) That is a line in which there can be no clash of interests between private and public work. It is a line of research more wanted in the cotton trade than in any other. There is, as you know, an Empire Committee for considering and developing the growing of cotton throughout the Empire. There is also the British Cotton Growing Association, ready to receive new life and make new developments, and there is now this new Research Association, which ought to devote a large portion of its fund to research into the principles of growing cotton. In anything to do with the extension of cotton-growing, or, alternatively, with the finding out of the principles which will improve the growing of cotton in the Empire, the Fine Spinners will be able cordially and enthusiastically to join. (Applause.) I have great pleasure in seconding the resolution.

The resolution was carried unanimously.

Dividends.

The Chairman: I now move:—

"That the following dividends be now declared out of the profits of the undertaking, viz.: A dividend for the half-year ended March 31, 1919, at the rate of 5% per annum on the £3,000,000 Preference shares, numbered 1 to 3,000,000 inclusive. A dividend for the half-year ended March 31, 1919, at the rate of 5% per annum on the £450,000 Preferred Ordinary shares, numbered 1 to 450,000 inclusive. A dividend for the half-year ended March 31, 1919 at the rate of 10% per annum, and a bonus of 2%, on the £2,450,000 Ordinary shares, numbered 1 to 2,450,000 inclusive." I think I have said all I want to say on this matter, but I do not think it needs any strong words of mine in proposing this. I will ask my colleague, Mr. William Eckersley, a Vice-Chairman of the Association, to second this resolution.

Mr. W. Eckersley: I have very great pleasure in seconding the resolution. It is always pleasant to receive something that is acceptable. This year we are to receive something very acceptable indeed. We are to receive a bonus and an extra share. I can assure you that all this has been well considered. Sir Herbert has referred to the work of the Executive. Well, he has taken the principal part in the work. He has attended the meetings very regularly. Upon scarcely any occasion has he been absent. An enormous amount of work has had to be dealt with from time to time, and it has been sometimes almost impossible for us to cope with it. To-day we have the pleasure of seeing the gratifying results of the year's work. In addition to that I should like to point out that the Executive Board has always had behind it a large number of most competent mill managers who have given most loyal assistance. A great deal depends upon those men and upon the working of the mills. I do not think I need say any more. Mr. McConnel has spoken of our pension and research funds. I second the resolution.

This was put to the meeting and passed unanimously.

Capitalisation of Reserve.

The Chairman: I beg to move the following resolution:—

"That it is desirable to capitalise the sum of £490,000,

which forms part of the Company's reserve fund, and is not required for the payment of dividend on any shares ranking in priority to the Ordinary shares, and accordingly that such sum be distributed as a bonus, free of income tax amongst holders of Ordinary shares in proportion to the capital paid up on the Ordinary shares held by them; that the amount of such bonus, so far as it is possible to do so without issuing fractional certificates, be satisfied in fully paid Preferred Ordinary shares, that such fractions be paid in cash; and that the directors be authorised to distribute and satisfy such bonus accordingly." In moving this resolution I need add nothing to what I have said before, namely, that I consider that the reserve fund belongs to the shareholders, and I have always got the idea the shareholder prefers to have it in his hand if he can—(Hear, hear and laughter). Therefore I am quite sure that it is the right and proper thing to do, and it enables us to assist the Ordinary shareholder without in any way weakening the financial position of the Company. I have very much pleasure in moving the resolution, and I will ask our Managing Director, Mr. H. W. Lee, to second it.

Mr. Herbert W. Lee: I am not certain that, after the able speech of our Chairman and the explanation he has just given you on the subject of this resolution, that I need add anything to it. I need only say the matter has been very carefully considered by the Board, and that they were unanimously in favour of carrying this out, and very pleased indeed that they were able to offer it to the shareholders. I have pleasure in seconding the resolution—(Applause).

The resolution was accepted with acclamation.

Re-election of Retiring Directors.

The Chairman: I am going to ask Mr. Vernon Bellhouse now to propose the re-election of the retiring directors, but before doing so I should be very wrong if I did not refer to the very serious loss which the Association has suffered in the death of the late Colonel Geoffrey Swindells. Colonel Swindells was a splendid soldier and a splendid director. He was one of the most valuable assets we had in this Association, and I cannot tell you how much we miss him nor how deeply we regret his death. I will now ask Mr. Bellhouse to move the resolution.

Mr. Vernon Bellhouse: I have great pleasure in moving:—"That Messrs. Peter Eckersley, Herbert E. Musgrave, Percy Musgrave, E. Lomas Oliver, and R. W. D. Phillips Brocklehurst be and they are hereby re-elected directors of the Association."

Mr. A. E. Dixon: I have much pleasure in seconding this resolution.

The resolution was passed unanimously.

New Directors.

The Chairman: I now call on Mr. H. W. Lee to propose the appointment of certain new directors.

Mr. Lee: The resolution I have to propose is:—"That Messrs. Harold Marsh Harwood, Philip Bruce Whitehead, Ernest Mather, Francis Iredale Dixon, Claude Herbert Blair, and John Wallace Adam be and they are hereby elected directors of the Association." The Chairman was so kind in his speech as to pay a compliment to the Executive on the work they had done during the past year. It was a compliment which I must say that my colleagues and I value highly. We value it because he is one of the Executive and knows the work we have to do, and we value the wa yyou received it. But you must not run away with the idea that this Association is run by a few men. It is run by a considerable number of men of very considerable commercial ability—(Hear, hear)—and it is to these men, your directors in the first place, and what we call the mill managers in the second place, that you owe your greatest debt for the returns that your Chairman has just been going through with you. Well, now, we have, of course, to see that our board of directors is kept up to date, and that from time to time new blood is introduced. It looks a big board, and you may think that adding six more men to it is a big addition, but we have not added many men lately, and when you take the size of the concern, even with those gentlemen added, it is neither an unwieldy nor too big a board, especially when you take into consideration that the board looks upon the election of a man to its directorate as the greatest honour that the Fine Spinners' Association can give, and is therefore very careful whom it invites to join it—(Hear, hear). Now these gentlemen have all been very carefully considered by the board, and I am glad to tell you that the recommendation to you to appoint them as directors was absolutely unanimous. Perhaps it would be well for me to say one or two words about them, because they do not come quite into the same class as we have had in former appointments. For instance, Captain Harwood was the managing director of one of the best known fine spinning mills in Lancashire. He has retired from that position. He has not sufficient time to give to be managing director of a great Company, but he has sufficient time to give us very excellent service on our board, and, as he is not only a most competent fine spinner, but a man of great ability, we have been very glad indeed to be able to obtain his consent to serve on our directorate. I now come to the next three names in the list—Mr. Whitehead, Mr. Mather, and Mr. Dixon. There is one thing that will interest you, and that is that Mr. Dixon is the first apprentice of the board. He was appointed apprentice 20 years ago, and these gentlemen are managers of large mills and have distinguished themselves for many years at these mills, and have made good returns and good profits for you out of the mills. I am quite certain you will approve of their being appointed directors of the Association—(Hear, hear). The two other names that I have mentioned are a new departure—Mr. Blair and Mr. Adam. We have never before elected any of our chief men at the central office on to the directorate, but I am quite sure that in Mr. Blair, who is our Secretary, and whom many of you know, and in Mr. Adam, who is possibly as well known on 'Change as any man there—he is the head of our yarn department—you will consider we are making excellent additions to the board—(Hear, hear). I have great pleasure in moving the resolution.

Mr. William Howarth: I have great pleasure in seconding the resolution proposed by our managing director. The reason for the appointments have been properly explained, and I think you will realise that in each case the reward of a directorship has been the reward of merit, and, as such, it must stimulate all these young men—ambitious young men—whom the Fine Cotton Spinners employ. I take it most of you will agree with me that it is the hope of reward which sweetens labour, and I am quite sure that among the thousands of young men we employ there are some with visions, and the fact that these six gentlemen have been this day elected as directors of this concern will stimulate them to give their best energies and endeavours to the work of this Association.

The resolution was carried.

Mr. W. Bannister moved: That Messrs. Edwin Guthrie and Co., chartered accountants, of 71 King Street, Manchester, be and they are hereby appointed auditors of the Association until the next ordinary general meeting of the Association, and that they be paid the sum of £1,500 as remuneration for their services, exclusive of out-of-pocket, travelling, and hotel expenses.

Mr. D. Q. Henriques seconded the resolution, which was passed.

Mr. J. B. Walker moved: "That the thanks of this meeting are due and are hereby tendered to Sir A. Herbert Dixon, Bart., for the ability and courtesy with which he has presided over this meeting." He said: I have been at every meeting of this Association, with one exception, for the last 21 years, and I think I am voicing your views and sentiments when I say to the board who are with us here that our congratulations are due to them for the successful results of the last year's trading. And I think I may say for those who have been shareholders of the Association in those 21 years, as I have been myself, that I think we have also to congratulate ourselves most sincerely upon the excellent results during all those 21 years. (Hear, hear.) The Association has progressed in every sense. It has been progressive in its dividends, it has been progressive in its equipment, and it has



That is all that is necessary to start immediately the

Lister-Bruston

AUTOMATIC

Electric Lighting Plant

At once the simplest, most efficient and most reliable system of electric lighting, and offering all the advantages of direct lighting, whilst eliminating the disadvantages of the heavy accumulator plants. It will not only light your house with the minimum of trouble and expense and the maximum of comfort and efficiency, but will provide power at any time for pumping, cooking, vacuum cleaning and other purposes.

Write for Catalogue and Estimate to the Sole Makers:

R. A. LISTER & CO., LTD.

Dursley, Glos., England.

(Established 1867)

London Office (where plants can be seen at work):—
47 VICTORIA STREET, WESTMINSTER, S.W. 1.

been progressive in the very best sense of the term. (Hear, hear.) These results have been attained by the careful work of Sir Herbert Dixon and his lieutenants. (Hear, hear.) I think it would not be inappropriate on an occasion like this to look back and analyse somewhat what the Ordinary shareholders have got. I have no doubt there are many of you who from time to time have thought we ought to have had a bigger share of the money. (Laughter.) However, I think you will agree with me that, looking over the 21 years, the policy, which must have been a definitely wise policy, has turned out to be, after all, the best policy for a progressive Association like this. (Hear, hear.) The result is that to-day, while under the system that I, perhaps, might have followed you would have had your stock rising and falling, you would certainly not have had the intrinsic value of your stock to-day—your Ordinary stock standing to-day, as it does, almost equal to the very best Debentures in industrial concerns. That, I think, is the best proof that the policy of the board has been a wise one, putting aside the reasonable reserves that have been so productive of good to the Association. I think we might look back now and see what has been the average return of the ordinary shareholders. In times like these, when people are talking so much of what is due to capital and labour, one was very much interested to hear what Sir Herbert had to say of the relation between the wages and the actual returns to the Ordinary shareholders. It was most interesting. I certainly never grasped that the wages represented such an enormous proportion of the total earnings of the Association, and I presume that is typical of the whole trade of Lancashire. We have, if you like to look back, a return of something like 8¾%—that is, crediting the Ordinary shareholders with the dividends paid on the Preferred and Ordinary stock. But I think there is a point worthy of notice in a meeting like this, being such a representative Association in the Lancashire trade—namely, that the critics of the returns due to capital never seem to take notice of this important fact, that in a large Association like this and in all large industrial concerns the Ordinary stock only represents sometimes a very small proportion of the capital involved. And in this Association it is so to a degree that is worthy of notice. You have your Preference stock and your Debenture stock, and if you take the average return between the Preference stock at 5% and the Debenture stock at 4%, you will find the average return to capital throughout the 21 years. We have every reason to be grateful to the board, nevertheless it could not be said that we have exploited our capital or exploited labour, for the average return for the 21 years is only something better than 6%, and, after all, with the careful management such as we have had here. People are talking of the nationalisation of industries. They have not very much margin in a 6% return. I will not detain you much longer, and I will only say this, that as long as Sir Herbert and his able lieutenants are there, I am satisfied the very best interests of the Association will be looked after in the future as well as they have been in the past. (Applause.)

Mr. J. S. Robertson : I endorse all the proposer has said, and have great pleasure in seconding the resolution.

The resolution was passed with acclamation.

The Chairman : I thank you very much indeed, ladies and gentlemen. I will not worry you with another speech. I would only like to say one word. I am very much indebted to the proposer of this resolution. I know he came down here under great difficulties to do this. He has had a very serious and severe illness, and I believe nothing but his love for the old Association and his friendship for all of us would have brought him down here. Therefore I wish to turn this from a vote of thanks to myself to a vote of thanks to him for coming here to propose this resolution.

Extraordinary Meeting.

An extraordinary meeting of the Association was then held, Sir Herbert Dixon, Bart., again presiding.

The Secretary (Mr. Claude H. Blair), at the request of the Chairman, read the notice convening it as follows :—

Notice is hereby given, that an extraordinary general meeting of the above-named Company will be held in the Memorial Hall, Albert Square, Manchester, on the 27th day of May, 1919, at 11.30 o'clock in the forenoon, or at the close of the ordinary general meeting, for the purpose of considering, and if thought fit, passing (with or without amendment) the following resolution, namely :—

1. That the Company's articles be altered in the manner following, that is to say :—
   By cancelling the figure £5,000 in the last line of Article 94 and substituting therefor the figure of £2,000.

Should the above resolution be passed by the requisite majority, it will be submitted for confirmation as a special resolution to a further extraordinary general meeting which will be held on Tuesday, the 17th day of June, at eleven o'clock in the forenoon at the registered office of the Company, 6 St. James's Square, Manchester.

The Chairman formally moved the resolution, Mr. John W. McConnel seconded, and it was carried unanimously.

The meeting then terminated.

MANAOS HARBOUR, LIMITED.

The adjourned sixteenth annual general meeting of this Company was held on May 27 at 11 Adelphi Terrace, Strand, W.C., Mr. George M. Booth (the Chairman) presiding.

The Secretary (Mr. Arthur Fletcher) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said : As you will have gathered from the circular which we addressed to the shareholders in December last, the delay which has occurred in the presentation of the directors' report and accounts for the year ended June 30, 1918, has been due to lack of postal facilities and the shortage of staff, both at London and Manáos, but these conditions are now happily improving. As anticipated, there has been a falling-off in the Company's revenues, the currency receipts for 1917-18 amounting to 1,792 contos, as compared with 2,146 contos for the previous year. This shrinkage has been primarily due to decreased shipping facilities. The exports of rubber from Manáos amounted during 1917-18 to 18,347 tons, as against 25,543 tons for the previous year. Since then, however, there has been an improvement, the exports of rubber for the first half of the new financial year (1918-19) being no less than 11,981 tons. Exchange has improved during the year under review, the average rate at which we were able to remit during 1917-18 being 13½*d.*, as compared with 12½*d.* for 1916-17. It is satisfactory to note that this improvement has been maintained, up till now, during the new financial year. The working expenses amounted during 1917-18 to 1,146 contos, as compared with 1,194 contos for the previous year. The maintenance charge for the year was 137 contos, as against 152½ contos for the previous year. As foreshadowed in my last address to you, extensive repairs have been found to be necessary recently, and a higher rate of expenditure will probably have to be maintained for some time. The cash expenditure under this heading for the first 10 months of the current financial year has been 132 contos, as compared with 81 contos for the corresponding portion of the year preceding. I am not yet in a position to speak with any degree of detail of the results for the current year (1918-19), but I may mention that, while the net receipts for the first *seven* months amounted to 203 contos, as compared with 461 contos for the first *seven* months of 1917-18, representing a decrease of 258 contos, the results for the first *ten* months give 609 contos, as against 628 contos for the corresponding portion of 1917-18, reducing the decrease to 19 contos, this improvement being due to the gradual restoration of normal trading conditions. The nut harvest has been very good, and, should this be maintained, we are in hopes that the results for 1918-19 may at least be up to those for the year under consideration. Since we last met we have lost, through death, the services of Mr. F. N. Chapple, services of much greater value than his position as our legal adviser might suggest. A link with the past has also been broken through the death, in August last, of Mr. D. M. Fox, who was for so many years associated with this Company's directorate. Our relations with the Brazilian Authorities, Federal State and Municipal, remain good. We continue to be most effectively served at Rio de Janeiro by Dr. Alvaro de Carvalho and his colleague, Dr. Ricardo Xavier da Silveira.

Mr. Bernard Byrne seconded the motion, which was carried unanimously.

The proceedings then terminated.

THE BRITISH TABULATING MACHINE CO., LTD.

The eleventh ordinary annual general meeting of this Company was held at the registered office, 2 Norfolk Street, Strand, W.C., on May 27, Mr. Ralegh B. Phillpotts, Chairman of the Company, presiding.

The General Manager and Secretary (Mr. C. A. Everard Greene) having read the notice convening the meeting and the report of the auditors,

The Chairman said : Gentlemen, you have heard the notice calling the meeting and the auditors' report, and I take it we may accept the report of the directors as read. I am going to detain this somewhat jejeune meeting for a few minutes because I think it is important at this stage of the Company's progress to have a little publicity as regards the success we have achieved. The Company has had a struggle. I was looking in my letter-book a week ago and found that in January 1903 I first wrote to Mr. Greene to see whether he could come and be manager of the Company. Sixteen years is a long time. We have struggled through the wilderness, and it is rather a satisfactory thing to have arrived at this stage, and I think it will be useful if the gentlemen of the Press will help us to give a little publicity to what we are doing. With regards to the actual accounts, as generally happens when things look flourishing, there is probably very little question to be raised. The net profit for the year amounts to £7,838, which, after making provision for excess profits tax, is reduced to £5,838, and it is rather interesting to compare that with £3,427 last year and £941 for the year 1913. I think, perhaps, a more dramatic illustration of the progress of the Company is that as compared with 1913 the revenue of the Company has grown nearly five times, whereas the administration charges have increased by something under 50%, and—subject to a

hint that has reached us that some shareholder may propose to vote us a little more liberal remuneration—I think, if anything, the directors' fees have rather decreased during that time. To be able to increase the revenue by, as I say, approximately five times, and to find the administration charges are not even doubled, or anything like doubled, is really rather a triumph, and it is a very great tribute to the excellence of the staff, about whom I am going to say more presently.

Class of Work Done by the Company.

The point I rather want to emphasise, not for the benefit of such shareholders as are here, because they know all about it already, but for those people who are not here, is the class of work that this Company does. In the first place, we are not in any shape or form competitors with the ordinary calculating and adding machine, of which there are some very good ones on the market. In fact, on more than one occasion lately we have been enabled to place one or other of those machines as the result of inquiries that came to us, because we found that the inquiry was not for the special class of work we do. Last week, particularly, a very large institution indeed applied to us, and as the result we turned them on to the Comptometer people. Why I say we do work which no other, or perhaps only one other concern does, is that our machine is the only one that enables statistics of factory costs, of railway costs, of general stores sales, of gasworks costs, of insurance statistics, and every five years' census statistics, to be got out, and having been got out to be used in such ways as the concern may want to develop. Let me put an example before you. Supposing a manufacturer of electrical apparatus found that he had made a 1,000 h.p. dynamo for the Manchester Corporation this year on the same lines that he made one to exactly the same pattern for the Liverpool Corporation last year, and after allowing for the ordinary rise in material and labour he found that for some reason the one this year had cost more than it should, if he has taken his costs by the use of our machine he is able, literally, by a turn of the handle, to dissect the costs taken in individual departments in shops and put his finger down on exactly where the rise or decrease, as the case may be, has arisen. That class of work is what is done by no other machine of the kind, with the exception of one that I shall speak of presently. That is why I ask for a little further publicity to be given to the company.

"Great and Growing Scope."

We think there is a very great and growing scope for our business by reason of the fact that manufacturers and others are realising that if they are going to compete in the markets of the world, they must keep closer analyses of costs, of manufacturing data of all kinds, and we are bound to say that the inquiries made of us constantly lead us to think that that is likely to be the case. When we started, as I say, 14 or 15 years ago, Mr. Greene, the manager, met often a good humoured smile from the powers that be in various works, "Oh, you are the young man who is going to teach us to keep our costs by the aid of a Yankee sewing machine —(Laughter). Well, we have changed all that a great deal; we are not met in that way now, but we are met—and it is very gratifying to know that we are met—by the large concerns we chiefly deal with sending us repeat orders. We have now about 100 customers on our books, and I may tell you, without giving details, that they are of the best, whereas our American parent company have got about 1,000, so you see there is a good deal of scope for development. We number amongst our customers five of the main line railways, two or three of the largest insurance companies, and two or three of the largest gasworks in the country. But what interests us perhaps more is that a growing number of large manufacturers and other commercial concerns are beginning to use our machine. We believe that it would pay any engineering or other manufacturing concern that does not make only plain run articles—I mean to say that does not only, for example, make such simple things as steel rails —any concern that makes any manufacture with different processes of construction in it and employs 1,000 hands and upwards it would without question pay to instal one of our machines. Now, if that is so, you must see what a scope there is for this Company. We are helped considerably by the good relations which exist between our American parent concern and ourselves. They have more money and they have a better research establishment, but under our arrangements with them they communicate to us all the improvements they make from time to time in the machine, and we are glad to be able to say that although we cannot as yet afford any research department ourselves, our working staff has been able on more than one occasion to contribute very useful inventions from this side. I should like to emphasise the fact that our success in putting the Company on a reasonably sound dividend paying basis is not due to war conditions; on the contrary, we have been faced with every kind of difficulty during the War.

The Keynote of the Machine.

The keynote of this machine is to be able to get cards of proper substance and purity of manufacture. People think that these little manilla seven inch cards are easy things to make. All we can say is that during the war we found that no English papermakers either could, or, anyhow, would, make them at all, and, therefore, we had to face all the difficulties of shipping troubles and delays in order to keep our business going. The accurate and pure manufacture of these cards is an extremely important thing. It is rather interesting to note that in the old days when we tried to get cards made here we found that cards made in the smoky atmosphere of the North had in the pulp of which they were made little carbon particles, hardly visible to the naked eye, but that was quite enough to put the working of the machine wrong, until an ingenious invention, which was worked out here, enabled us to detect impurities. But we do not find these impurities in the American cards, and we hope we will find English makers who will manufacture them successfully. I have rather emphasised that point because people, when they first used our machines and we stipulated that they must buy the cards from us or we would not undertake to keep the machines in order, sometimes objected to buy them from us, but as a rule they did not object long. We have, I am glad to say, some competition. I say "I am glad to say" because in a business of this kind which is introducing a system into this country, and which was at one time, as I said, a struggle, it is a very good thing to have other people who are also helping education. I am not quite sure what has become of the competitor, but I hope they are still doing something. At all events, we do not fear them; we do not fear them for this reason, amongst others, the success of this machine, while it is covered by patents and by accurate manufacture, depends almost entirely upon an efficient and loyal staff. We have taken 15 years to build it up, and it is an asset which I do not think anyone else is going very easily to acquire. We are extremely lucky. Many members of the staff are quite young fellows; they have been with us since they were boys, and they are most efficient and loyal. I do not think it is possible to say too much in their praise.

Staff to Share in Prosperity of Company.

This leads me to a point which I hope shareholders here will support; in fact, I am sure they will. The board have recently been considering what method might be adopted to make the staff feel that they were sharing more in the prosperity of the Company, and while we have not worked out details yet, we are trying to formulate a scheme whereby for every 1 per cent. of dividend paid on each of the Ordinary and Preference shares after 7 per cent. there should be 2 per cent. paid on the aggregate wages of the staff; that is to say, the staff who are in receipt of weekly salaries and those who have been with the Company for three years and upwards. As I say, we have not worked out the details yet, but that, roughly, is the line which we propose to take. Further, if that class of staff wishes to nominate a representative on the board my colleagues and I would be very glad to welcome him or her there. (Hear, hear.) This Company aims at being a little ahead of the times, and I think that is a movement which is to be encouraged. I think that is all I have to say, except formally to move: "That the report and accounts for the year ended December 31, 1918, as printed and circulated to the shareholders, be, and they are, hereby received, approved and adopted."

Captain J. L. Hunter seconded the resolution.

A shareholder asked whether the Company was still dependent upon America for its supply of cards.

The Chairman, in reply, stated that the Company made its own cards, but up to now they had found that the best place to get the raw material from was America.

The resolution was carried unanimously.

The Chairman next moved: "That a dividend of 7 per cent. per annum be paid upon 9,000 participating Preference shares Nos. 25,001 to 34,000, requiring the sum of £630, and that a dividend at the rate of 7 per cent. upon 15,784 Ordinary shares Nos. 1 to 15,784, requiring the sum of £1,104 17*s.* 7*d.*, be paid for the year ended December 31, 1918, to all shareholders whose names appear in the Company's register on December 31, 1918, or to transferees of such shares since that date."

Mr. G. E. Chadwyck-Healey seconded the motion, which was unanimously agreed to.

The Chairman further moved the re-election of Mr. W. G.



Dunstall, the retiring director, and the motion was seconded by Mr. H. P. Chadwyck-Healey and passed unanimously.

It was resolved, on the motion of Mr. H. P. Chadwyck-Healey, seconded by Mr. Philip Greene, that the remuneration of the board be £50 to each of the ordinary directors and £150 to the Chairman, to be paid free of tax.

The auditors (Messrs. Deloitte, Plender, Griffiths and Company) were re-elected, and a vote of thanks to the Chairman, the directors and the staff concluded the proceedings.

LA GUAIRA HARBOUR CORPORATION, LIMITED.

THE ordinary general meeting was held on May 28 at Winchester House, Old Broad Street, E.C., Mr. J. G. B. Stone in the chair.

The Secretary (Mr. E. J. Summers) read the notice and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said the figures must be regarded as satisfactory. In the first part of the past year they had heavy decreases, but from July to the end of the year they recovered their position to a considerable extent, and for the first four months of the present year their traffic receipts had been very satisfactory, showing a gross increase of £9,440 and an increase on the net receipts of £7,400. They hoped that now the War was over and business was getting back into proper grooves their receipts would benefit considerably. The gross receipts were £69,849, as compared with £74,085, and the total expenses, including £1,130 for depreciation of plant, amounted to £35,872, as compared with £39,876, so that the decrease in gross receipts was nearly offset by the saving in expenditure, as the net receipts were practically the same as in the previous year. The surplus for the year was £34,273. The interest on the First Mortgage Debenture stock absorbed £20,999, leaving £13,274 to be carried to the Second Mortgage stockholders' account, to which had to be added 10*s.* 8*d.* for interest on deposit, leaving the amount required to make up the 2½% Cumulative interest short by £1,181. The total amount now placed to the credit of the Second Mortgage stockholders' account was £21,141. The directors, using the powers given last year, were postponing a distribution and utilising the money on work necessary for the economical working of the harbour. Later on it would be necessary to provide further money under this head, and it was hoped by that time the Treasury restrictions would be removed from the issue of capital for enterprises in foreign countries. In the meantime they were considering the most urgent things which required to be done, bearing in mind that the net earnings for this year, after providing the First Mortgage interest, would have to be payable to the Second Mortgage stockholders under the arrangement made with them. If they could make sufficient to cover the interest on the First Debenture stock in the first half of the year or thereabouts, the Board would consider the advisability of making a cash distribution to the Second Mortgage stockholders, as they desired to resume interest payment at the earliest date compatible with safety. The profit on exchange had amounted to £6,524, as compared with £1,274, and they had a new source of income from the agency for the Leyland Line of steamers. The gross receipts were increasing very satisfactorily, and the current year's profits should show a very marked improvement.

Brigadier-General F. M. Carleton, D.S.O., seconded the resolution, which was carried unanimously.

BRAZILIAN WARRANT COMPANY, LIMITED.

Steady Progress of the Undertaking.

THE annual general meeting of the Brazilian Warrant Company, Limited, was held on Tuesday, May 27, at Winchester House, Mr. Reginald Eden Johnston (Chairman of the Company) presiding.

The Secretary (Mr. A. MacDonald) having read the notice convening the meeting and the report of the auditors,

The Chairman said: My first words must refer to the misfortune which has befallen us since we last met the shareholders by the death of our much-esteemed friend and colleague Mr. F. N. Chapple. Those who knew Mr. Chapple will well understand what his death has meant to us. He never spared himself, and his sound legal knowledge, combined with his clear judgment and practical common sense, were of the greatest value and assistance to us. He was always able to go straight to the point and to say without circumlocution what could be done or could not be done. It would be difficult for any Board to have had a pleasanter, a more loyal or a more upright colleague to work with, and we deplore in him the loss of a true friend and a wise counsellor. I will now turn to the report, which, I presume, you will, as usual, take as read.

The Brazil Coffee Crop.

Our business, as you know, hinges mainly upon the Brazil coffee crop. The crop now coming to an end has been considerably less than the preceding one, and I think we may congratulate ourselves that, notwithstanding this, and in spite of the difficulty of transport and the hindrances to distribution with which foreign trade has had to contend in consequence of the War, we have been able not only to add a substantial amount to our reserve fund, but also to recommend a higher dividend for the past year. We are also, as you will see by the accounts, carrying forward an increased balance at the credit of profit and loss account, which will serve as a provision against possible contingencies in the future, and I hope that you will approve of our conservative policy in this respect. In this connection, I would call attention to the statement in the accounts that our capital employed in Brazil is calculated at the exchange of 16*d.* There has been a gratifying rise in the rate of exchange since our accounts were closed, but it is still some way below 16*d.*, and it is well that the difference in the rate should be remembered when considering the figures in the balance sheet. Another point to be borne in mind as regards the future is that owing to the severe frost in San Paulo last June the coffee crop for the season 1919-20 is expected to be an unusually small one, and this, of course, means a smaller prospective turnover for us. Then, again, as you know, the restrictions on business as a result of the War are by no means at an end yet, and we have still to see what the demand for coffee in the conquered countries will be after peace has been signed. One of our hopes has been that when all restrictions on foreign trade have been removed the London coffee market may become a more important distributing centre for Continental markets than it was previously, but for the present business is still impeded by the regulation that only 70% of the foreign arrivals may be offered for re-export. I make these remarks so that you may not allow yourselves to be carried away too much by the improvement in our figures as compared with those of last year. But with an organisation such as we now have, although there may sometimes be disappointments, there are also good opportunities for business, and I think that we are in a favourable position for taking advantage of such opportunities whenever they may occur. Before I sit down there is one matter which I ought to mention. When we acquired the Ordinary shares of E. Johnston and Company, Limited, we also secured the option of taking over at par before the end of the present year the £50,000 of E. Johnston and Company's Seven per Cent. Preference shares, and we have now decided to exercise that option. To assist us in doing so we have applied to the Treasury for permission to issue the remainder of our authorised capital—namely, 75,000 shares of 10*s.* each—and we have made arrangements for placing these shares as soon as the necessary permission shall have been obtained. I will leave it to my friend Mr. Greene to go into the details of the accounts and the general situation. (Applause.)

The Accounts.

Mr. Edward Green (Managing Director) said: Gentlemen,—In accordance with our usual practice you will perhaps wish me, before discussing other matters, to refer briefly to the various items on the accounts. The totals on each side of the balance sheet are the largest in the history of the Company, and thus demonstrate the steady progress of the undertaking. To go into greater detail I will ask you to glance at the assets side of the balance sheet. The first item, Santos premises and land, has been further written down—that is, the machinery which is in the premises has been written down to the extent shown. As regards the next item, investments, you will notice that we have changed the form in which this item is set forth in the accounts, and we think you will find this an improvement. As I have frequently explained to you, our holdings in subsidiary and connected companies, standing at £516,785, form the nucleus, or foundation, on which a very large portion of our business is based, and without these subsidiaries we should find it difficult to carry on. These holdings are not of an easily realisable nature, nor do I think that, so long as our business continues to prosper, we shall ever wish to realise any of them. On the other hand, our holdings in British Government and other Stock Exchange securities, standing at £126,411, are liquid and could be easily realised if the requirements of our business should render such a course necessary or advisable. The next item, sundry debtors and debit balances, is very large—in fact, far larger than we have ever had it before. These balances represent, of course, our trading turnover, and are all well secured. That these figures are large is not surprising when I tell you that the milreis price of coffee in Brazil is three times higher than it was when I addressed you at this time last year. In consequence of this great rise in the value of coffee, the granting to our customers of the financial accommodation which they have been accustomed to get from us in the past has been a considerable strain on our available resources. The next item, stocks and stores, is for the same reason larger than last year. The book value of office furniture and fittings, you will notice, has gone considerably up during the past year. This is accounted for by the fact that with our increased business at Rio we found it quite impossible to continue in our old premises there, and we were forced to equip new offices in order to augment the accommodation for our growing staff. Also at San Paulo we have moved into new offices, the fittings of which entailed expense. We will now take the liabilities side of the balance sheet. The issued capital remains unaltered. The issue of the balance of 75,000 Ordinary shares to which the Chairman has referred will, of course, only figure in next year's accounts.

The Reserve Fund.

The next item is the reserve fund, which has been brought up to £200,000 by an appropriation of £40,000 out of the profits of the past year. All of you, I am sure, will approve of this policy of the Board in continually strengthening year by year the financial position of the Company. Turning to the profit and loss account, some of you will remember that last year I spoke of our prospects in a more hopeful tone than I had been in the habit of doing at these gatherings, and I trust you will all agree that events have borne out my anticipations, for the net profit for the year under review comes out at £128,420, as compared with £75,729 for 1917. This satisfactory result has allowed us to recommend the distribution of 5% as a final dividend on the Ordinary shares, making 7½% for the year, and to transfer £40,000 to the reserve, and further to increase the carry forward from £58,043 to £75,620. This increase in the carry forward, the Chairman has told you, must be regarded as a contingency fund, and I quite agree with this view, for with the extraordinary readjustment in the values of all produce which is going on as a result of the armistice and cheaper freights, it is possible we may be hit in some quarter. With the whole world heaving and struggling to find a safe basis on which to resume normal trade, it will not surprise you if I say that in the settlement of certain accounts I am feeling some anxiety, especially taking into consideration the very violent falls which have taken place during the last few months in some of the European exchanges.

Subsidiary Concerns.

I think we may now leave the accounts, and I will tell you what I can of the progress of our subsidiary concerns. The business of E. Johnston and Company has proved a most helpful feeder to all our activities, and I may say that I consider that department, as I may now call it, of our business as one of our most valuable assets. The export business of that concern brings grist in some shape or form to practically every branch of our various enterprises, and I do not know how we could carry on to-day if we were deprived of the impetus which the export business exercises on our operations in every direction. In connection with Messrs. E. Johnston and Company's business at Santos and Rio, we have distinct departments for the handling and chartering of steamers on an agency basis, and these departments had a very busy time of it during last year. We are well equipped at these ports for handling steamers, and, with the growth of South American business generally, we hope to see considerable development in this branch. As regards the Cartage Company, I regret to say that we have been deprived of dividends this year, the high cost of all foodstuffs for our animals, and the ever-growing demand for higher wages by our labourers having very much reduced the Company's ability to earn profits. I hope that Santos exporters will soon recognise the justice of the request we have put forward for a higher tariff to compensate us for the great growth in expenses. As to the warehousing companies, they have done a very steady business and fulfilled their functions, and there is little more to say about them. The Registradora Company at Rio has had a very active year, and I am pleased to say that wherever and whenever we are left to ourselves in this branch of business we do well, and we can meet all reasonable competition; but at Santos, where, as I have before told you, the San Paulo Government has established a Caixa Liquidacao, we have only been able to get a very small share of the large business which has resulted from the enormous and rapid rise in coffee prices. The Registradora Company at Santos was the pioneer in establishing a clearing house for coffee futures in Brazil, and for several years efforts were made by competing companies to oust us from the position we had attained by our own initiative and energy, but without avail. But I regret to say that under the new conditions the business has finally almost gone past us.

"Disaster" or Blessing?

As regards the coffee trade, the outstanding feature of the year has been the frost, to which the Chairman has alluded, and occurred throughout the State of Sao Paulo last June. This unprecedented cold spell did incalculable damage to the coffee trees, and has been described as a "disaster." If you will refer to what I told you last year about the position of coffee at that date, how stocks were accumulating at all centres, and what great difficulties were being experienced in warehousing the mass of coffee which was pouring into the ports, there to await buyers and tonnage, I ask myself what would have happened if this frost had not occurred, and whether the so-called "disaster" was not a blessing in disguise so far as Brazil was concerned? Brazil has pinned her faith to the great demand which, it is believed, will arise for coffee in Europe when peace is signed; but at the prices which have now been reached it is difficult to see how the Central European Powers, with the value of their currencies so greatly depreciated, can be in a position to import much of the article, which must remain a luxury in those countries for some time to come. The future is full of difficult problems for the article. If one frost might be described as a blessing to Brazil under the special circumstances which were ruling last year, a second frost this year, following on last year's, would indeed be a veritable calamity not only for Brazil, but for the whole world. The thermometer, therefore, will be very closely watched by all those in the coffee trade during the coming cold season in Brazil, and let all of us present here to-day hope that the country may get through without a further calamitous frost, for, so far as the interests of this Company are concerned, what we want are large supplies and free markets. If we get through this cold season all right, we can, I think, look forward to larger supplies for the 1920-21 crop than some people have predicted. All those who know Brazil recognise that Nature there has wonderful recuperative powers, and the damaged coffee trees will perhaps bear fruit again sooner and more prolifically than has been estimated in some quarters.

Preferential Duties.

Another matter of general interest to which I may perhaps be permitted to refer is the proposal of the Chancellor of the Exchequer that preferential duties be granted to certain articles grown within the Empire. Among the articles which will be affected figures British-grown coffee, which will pay 7*s.* per cwt. less duty on entry into this country than Brazilian coffee. The Committee of the Coffee Trade Association of London appear to view these proposals with disfavour, and have unanimously carried the following resolution:—

"That the principal interest of this market being the entrepot trade, we consider that the imposition of any preferential duty would be detrimental to its interests as tending to discourage the importation of foreign-grown coffees and to hamper the export trade."

In support of this resolution the Association has put forward some interesting figures, which I take the liberty of quoting. Up to the outbreak of the War the total annual consumption of all kinds of coffee in the United Kingdom was about 13,000 tons. The British Dominions produce annually about 20,000 tons, of which 3,000 tons only have been consumed in the past in the United Kingdom. Supposing, therefore, that the British-grown coffees consumed in this country obtained the full advantage of the preferential duty, the preference would be worth about the small sum of £21,000 per annum. It may be said, however, that the consumption of British-grown coffee in the United Kingdom will largely increase as the result of the preferential duty, but I am inclined to think that British-grown coffee, even if it were to give away the whole of the preferential duty, would have a difficulty in making the English consumer take a quality of coffee to which he has not been accustomed. But there are other important considerations, and really what the Coffee Trade Association of London is mostly concerned about and views with some alarm is the danger that these preferential duties may strike a blow at the hope we all have that London may wrest from Hamburg the entrepot trade in coffee. Certainly the present situation offers a great opportunity to establish that trade in London, and in this aspect of the question this Company is vitally interested. There is nothing which we at this table should more urgently desire to support than a movement having for its object to make this port the centre of a large distributing trade. Any movement in this direction, to be effective, must, I venture to suggest, take the form of united action by all interested parties—that is, coffee exporters and importers, finance houses, and more especially the docks and the great steamship companies. The latter should offer facilities for what I may call the continuous voyage—that is to say, grant bills of lading from Brazil to London, with an option clause giving the right of further shipment, within one year, to a specified list of Continental ports at fixed rates. I am sure that if the steamship lines could see their way to put forward suggestions for the consideration of the coffee trade with the object of establishing this entrepot trade in London they would be heartily welcomed.

The Prospects.

In conclusion, I have only a few more words to say to you. The armistice brought a changed condition of affairs to the world and opened a door, which had been closed during the War, to the possibility of visiting some of our old friends and customers in Allied and neutral countries, of picking up broken threads, and of forming new connections in those spheres to which the new tendency of trade will probably bring activities. Although travelling under present circumstances is by no means pleasant, I considered it my duty to make various visits in your interests, and in February last I went to France, in March to Belgium, and in April I left for Norway and Sweden, from which countries I only returned last week. In June I have planned to leave for the United States, where, I may inform you, we have established a branch at New York under the style of the Brazilian Warrant Company, Incorporated; and from New York I shall proceed to Brazil, visiting our branches there. I sincerely trust that these visits may prove to be of benefit to the Company in the new era we are about to enter with the signing of peace.

The Chairman: Well, gentlemen, you have heard Mr. Greene's very interesting remarks, and now it is for you to put any questions you wish before I propose the resolution. (After a pause.) As there are no questions, I will move: "That the directors' report and balance sheet for the year ended December 31, 1918, be received and adopted, and that

the following final dividends (less income tax) be and are hereby declared—namely, on the 7% Cumulative Preference shares, 3½% (making, with the interim dividend, 7% for the year), and on the Ordinary shares, 5% (making, with the interim dividend, 7½% for the year)."

Lieut.-Colonel C. E. Johnston, D.S.O., M.C., seconded the resolution, which was carried unanimously.

The retiring directors and the auditors were re-elected.

A vote of thanks to the staff was unanimously accorded.

In reply to a vote of thanks to the Chairman and directors, the Chairman said: Thank you, gentlemen. We are very grateful to you for recognising what we have been able to do. You have, at any rate, in your directors a very large body of shareholders in themselves. That will be a guarantee to you that we shall always do our best to carry the business of the Company to a successful conclusion. Perhaps, as I am on my legs again for the last time, I may say that I hope now my son has been relieved of military duties he will be able to resume the position of Chairman of the Company and enable me to retire to the well-earned rest for which my years entitle me to ask.

The proceedings then terminated.

LEOPOLDINA RAILWAY, COMPANY, LIMITED.

THE ordinary general meeting was held on May 27 at River Plate House, Finsbury Circus, E.C., Mr. Oliver R. H. Bury (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the gross receipts for the year amounted to £1,645,249 and the working expenses to £1,200,344, leaving net receipts £444,905. The net available balance totalled £263,455, out of which the directors proposed to pay a balance dividend of 2¾% (less income tax) on the 5½% Preference shares, making 5½% for the year, and a dividend of 1% (less income tax) on the Ordinary stock, carrying forward £116,501, against £137,027. The epidemic of influenza in Rio and throughout the district served by the railway was a veritable plague. Traffic was practically brought to a standstill for want of staff, and for four or five weeks during October and November last the receipts of the railway showed quite alarming decreases. The passenger traffic continued to improve. Last year they carried 8,900,906 passengers, or 4.10% more than in the previous year, and nearly 13% more in weight of parcels and baggage. Coffee continued to be their most important traffic, the receipts being £435,027, or £22,903 less than in 1917. Sugar gave £13,227 less, while in maize they had a decrease of £8,394. On the other hand, sugar-cane, salt, beans, timber, firewood and livestock all showed increases over the previous year. Expenditure was still increasing and the cost of all material necessary for working a railway had been and was higher than ever. The general manager informed them that they had a good coffee crop in sight, that there would be 20% more sugar, and that the prospects for the current year were quite encouraging.

WILLIAM BEARDMORE AND COMPANY, LIMITED.

SIR WILLIAM BEARDMORE, BART., ON A GREAT ACHIEVEMENT.

THE seventeenth annual general meeting of Wm. Beardmore and Company, Limited, was held on May 26, in Glasgow. Sir William Beardmore, Bart. (the Chairman and Managing Director), presided.

The Chairman said: Gentlemen,—Before submitting to you the report of your board of directors for the year ended December 31 last, I have to express the board's regret that they have found it impossible to close the accounts for the year and submit them to this the seventeenth annual meeting of the Company. This inability to publish completed accounts is due, as I explained at the two preceding general meetings of the Company, to the continued absence of a settlement with the Government of various matters arising under the Munitions of War and the Finance Acts, but it is hoped that with the return of peace a final settlement will not long be delayed. During the year under review, the high level of output attained in 1917 was considerably exceeded in practically every department, and the output for the year constituted a "record," being the highest reached in the history of the Company.

The Company's War Work.

During the four and a-half years of war it was not possible for me to disclose to you the nature and details of the work that was being executed by the Company for the supply of our own and our Allies' fighting services. It is now, however, permissible to give you some account of the enlargement of the scope of our operations following upon the large extensions to buildings and plant which have been carried out at Parkhead, Dalmuir, Mossend, and elsewhere, as well as a general indication of the output from the various works during these strenuous years. It will be of interest to you to know that in 1914, just before the War broke out, the total number of employees in the firm was 11,080, and that when the armistice was declared in November last the number had risen to 42,500. The weekly wages paid in 1914 averaged £22,800; in 1918 this weekly wage figure had reached £145,000. The total sum paid in wages during the war period was only a few thousand pounds short of eighteen and a-half millions sterling. The total turnover of the firm during the period of the war was approximately £68,275,000. The total steel produced during the period was 1,100,000 tons, of which 17,700 tons were heavy armour plating, 24,000 tons special bullet and bomb-proof material for the protection of tanks and armoured cars and for pedrail shoes for tanks, and over 11,000 tons of forgings, consisting of shafting for war vessels and of air vessels for torpedoes. Contracts were received for mines, shells, shell fuses, naval and howitzer guns, and field artillery, also for tanks and the Lewis and Hotchkiss gun mountings used in tanks, and the following figures of our output in these manufactures will not be without interest: Of mines, about 1,000 were produced. Of shells of all sizes, from 18-pounders up to 15-inch naval shells, the output was 11,500,000. Of shell fuses we produced 1,171,000 at our Anniesland Factory. Of the various sizes of guns manufactured, complete with their mechanisms, the number was 4,607, including 15-inch and 12-inch naval guns, 9.2-inch and 8-inch howitzers, 18-pounder field-gun equipments, 6-inch howitzer equipments, and two-pounder anti-aircraft gun mountings, 12-pounder 12-cwt. naval guns, and 6-pounder 5-cwt. guns for tanks. Fifty Mark IV. tanks, complete in every respect, were built, and we manufactured all the spherical gun mountings for Lewis and Hotchkiss guns used in tanks, the total number delivered being about 20,000. The shoes in all tanks, both British and American, were produced by us, the total number being just under 1,000,000. From Coatbridge Works we supplied the Admiralty with 63 sets of triple-expansion engines for trawlers and minesweepers, besides installing in trawlers 28 sets of machinery supplied by the Admiralty.

Number of War Vessels Built and Refitted.

At Dalmuir we turned out complete 73 vessels of various sizes with a displacement of 120,000 tons and 687,000 engine horse-power. Included in these were two first-class battleships, the *Benbow* and the *Ramillies*, three light-armoured cruisers, namely *Galatea*, *Inconstant*, and *Royalist*; a seaplane-carrier, viz., *Argus* (this is the first seaplane-carrier built for the British Government, and has proved a great success); and a large number of torpedo-boat destroyers, as also a number of submarines, up to the largest type. We also overhauled and refitted 20 warships of various classes, including the *Hannibal*, *Gloucester*, *Mars*, *Magnificent*, &c. Several oil engines for submarines, as also several Beardmore oil engines for small craft, were turned out.

The Aviation Department.

The aviation department provided 650 aeroplanes altogether, of types ranging from Baby Sopwiths, with 80-h.p. engines; B.E. 2 C.s, with 70-h.p. engines; to the large Handley-Page bomber, with four engines of a total of 2,000 h.p. The first aeroplane was delivered on March 8, 1915. Possibly, however, the most interesting and important development of all has been the construction of rigid airships. Our first ship, R. 24, 970,000 cubic feet capacity, was laid down on July 21, 1916, and her flight trial took place on September 20, 1917. The second ship, R. 27, with 1,000,000 cubic feet capacity, was laid down on March 16, 1917, and went through her flight trials on April 8, 1918. Our third ship, R. 34—the one about which so much has been written in the newspapers—has a capacity of 2,000,000 cubic feet; it was laid down on December 9, 1917, and had her flight trial on March 14, 1918. Other two airships are in hand, one being practically the same as R. 34, and the other 50% larger, namely, 3,000,000 cubic feet capacity.

Appreciation of Staff and Workmen.

Such in brief is our record for 1918; a great achievement and one beset with so many difficulties that its accomplishment reflects the very highest credit upon all concerned. I had the pleasure some weeks ago to meet the management and members of the staff at dinner and to welcome and entertain them in celebration of the termination of the War. I was proud to tell the staff on that occasion what an encouragement to me in the administration of the business during the War their loyalty and devotion had been, and I take this opportunity formally to convey to the management and members of the staff and to the workmen in the various works the sincere thanks of the board for their great efforts, and the expression of the board's appreciation of the loyal and whole-hearted co-operation of all who have contributed to the brilliant record of which I have just given you an outline. Prior to the eventful year 1914, the Germans had almost succeeded in wresting from out our hands, as a nation, the commercial supremacy of the world; they hoped to complete their dream of world-domination by force of arms. How that dream of conquest by arms has been shattered by the glorious deeds and valiant sacrifices of our fighting services we all know, but I wonder if we all yet realise the full extent and effect of the victory which has been won, the opportunities it has provided and will provide for the expansion of British trade over all the world, and the great responsibility that rests upon us to ensure that these opportunities are turned to good account. This is our part of the great fight—let us do it to the best of our ability and show that we are worthy of those who laid the opportunities at our feet.

Resumption of Pre-War Manufactures.

The record of our achievements in production as a firm during the War reflects the enormous capacity of the Company, and it is your board's earnest endeavour to divert that capacity to the manufacture of ordinary commercial products. We have established a department for the manufacture of small tools and jigs, and are giving careful attention to the production of special steels of all classes. Our experience during the War in alloy steels places us in the forefront of this latter class of work. We have actively taken up the manufacture of motor vehicles of all types, and intend further developing the manuacture of aero engines. At Dalmuir we have secured several important contracts on favourable terms for large high-class passenger liners. Provision has been made to extend the scope of our enterprise by securing the rights to manufacture marine Diesel engines, and we have undertaken a fresh campaign with the improved "Beardmore" marine crude-oil engines. We have resumed at Parkhead the manufactures for which these works have been famous for over three-quarters of a century; that is, all types of shafting for marine and land purposes, solid and hollow, and our capacity for this class of work is now so great that we are in a position to undertake and fulfil speedily the utmost demands that may be made upon us. In the very large markets for this class of work, both at home and abroad, we have secured large orders, and confidently anticipate a continuance of these. The works at Mossend have been reconstructed, and large extensions have been carried out, comprising a complete range of furnaces of large capacity for the production of Siemens-Martin open-hearth acid and basic steel, cogging mills, bar mills, section mills, and plate mills, all of the latest approved design and capable of enormous output. A foundry for the production of the largest sizes of steel castings has also been laid down. These extensions are not yet complete, but on completion the capacity of our Mossend Steel Works will very greatly increase the total capacity of the firm for the production of manufactured steel.

The Wheel Works.

For the production of railway material—the demand for which must be enormous for some time to come—we are in a most favourable position. Our wheel works have been reorganised and extended, and are now turning out weekly large quantities of finished wheels and axles. The orders for these, which we have now on hand, are sufficient to keep our plant fully employed for some considerable time to come. In addition to our established trade in wheels, tyres, and axles, we have recently taken up the manufacture of complete locomotives, for which we have secured several important contracts for home and colonial railways.

I have already alluded to the Aviation Department at Dalmuir and Inchinnan, but at the moment it would be hazardous to speak of the probable developments of aviation in the near future. I consider, however, it is at least safe to say that the possibilities in this direction are great, and that we may fairly lay claim to be ready to meet any demands that may be made upon our resources.

The Commercial Side of the Business.

On the commercial side of the business, developments have also taken place, arrangements having been made for the adequate representation of the Company in all parts of the world, which should ensure our obtaining our fair share of colonial and foreign trade. From the foregoing, therefore, gentlemen, you will see, and I think agree with me, that your board have been active and alive to the best interests of the great business committed to their care. For the successful prosecution of the schemes which I have briefly outlined to you, it is essential we should have the hearty co-operation of all classes of our employees, and I feel confident this will be extended to us through the realisation by our workpeople of the fact that it is to our mutual best interests to work together in a spirit of conciliation and comradeship towards the ultimate supremacy of British trade, to which I have already alluded and which is our main goal.

Gentlemen, I have pleasure in moving the adoption of the report of your board of directors for the year to December 31, 1918.

The motion for the adoption of the directors' report was seconded by Mr. David Johnston and unanimously agreed to by the shareholders.

Confirmation of the payment of the dividend on the 6 per Cent Cumulative Preference shares of the Company for the half-year to June 30, 1918, and for the half-year to December 31, 1918, at 6% per annum, free of income tax up to 1*s.* 2*d.* in the £, was moved by the Chairman, seconded by Mr. David Girdwood, and agreed to. The meeting then declared a dividend on the Ordinary shares of the Company at the rate of 6% per annum, free of income tax, for the year ended December 31, 1918, on the motion of the Chairman, seconded by Mr. David Johnston.

Mr. Albert Vickers, the retiring member of the board, was re-elected.

Messrs. W. B. Peat and Company, and Messrs. J. Wyllie Guild and Ballantyne were re-elected auditors.

A vote of thanks to the Chairman concluded the proceedings.

ALBION MOTOR CAR COMPANY, LIMITED.

THE seventeenth annual general meeting was held at Glasgow on May 28 in the Accountants' Hall, Dr. T. Blackwood Murray (Chairman of the directors) presiding. The directors' report, balance-sheet, and profit and loss account, having been duly circulated, were taken as read.

The Chairman, in moving the adoption of the accounts, stated that, while it had been impossible this year to hold their annual general meeting early in April—as was their aim in pre-war days—the delay had not appreciably exceeded a month, and they hoped that in future years it might be possible to present the accounts about the date they had indicated. While the exact liability of the Company for excess profits duty had not been finally ascertained, their accountants were satisfied that the provision they had made was sufficient, and, therefore, the accounts for the year 1918 might be taken as substantially correct. The four previous annual general meetings had been held while the nation was in the throes of the greatest war the world had ever known, and fighting for her very existence; and, although the blessings of the cessation of hostilities had been enjoyed by us for the past six months, it was only fitting that they should to-day give expression to their thankfulness as a company that they were once more engaged in peaceful industry. He desired, too, to remind the meeting of the deep debt of gratitude due to those brave men who had faced the unprecedented perils and hardships of modern warfare, and had won an overwhelming victory for Great Britain and her gallant Allies. The nation would ever remember with deep and loving respect the memory of those who had made the supreme sacrifice on her behalf. For over ten months of the year 1918 the business of the Company had been conducted entirely under war conditions, and, as the change from war to peace conditions could not immediately follow the signing of the Armistice, the cessation of hostilities might be said to have affected only the last month of the year, when the selling of vehicles for civilian purposes became once more possible. It should be borne in mind that the change-over from war work to peace conditions, carried out as it had been with a reduced staff, had presented many difficulties both in the works and in the administrative departments, and had necessarily resulted in a diminution of output. These difficulties, however, were being successfully met and dealt with, and the business might now be said to be reorganised on normal lines, and on behalf of the company he expressed their thanks to the staff, who had so ably assisted throughout the last year



ASBESTOS

Turner Brothers' Asbestos Co., Ltd.

MANUFACTURERS

ROCHDALE, ENGLAND

of the War period and through the trying reconstruction period.

The Accounts.

There were some points in the accounts to which he wished to draw attention. While the net profit this year was £76,511, as against £78,720 for the previous year—or, in other words, was £2,200 less—this reduction was not accounted for by a reduction in the gross profit for the year. As a matter of fact, the gross profits for the year were substantially greater than for the previous year, but, owing to various circumstances, the incidence of the excess profits duty was considerably heavier than in the previous year, so that, in spite of a gross turnover for the year, 25% greater than in the previous year, there was actually left a smaller net profit. He was of opinion that any apparent advantage to the State from this tax was more than counterbalanced by the increase in prices it had undoubtedly caused all round. It was, therefore, extremely satisfactory to note that in the present Budget this tax had been decreased to half its present rate. No tax could have been devised which would have had a more paralysing effect on a developing business or on an enterprising firm. Taking everything into consideration, the directors had thought it wise to recommend the payment this year of the same rate of dividend on the Ordinary shares as for last year. From the net profits they had transferred to the reserve fund the sum of £30,000, which brought the reserve fund up to a total of £135,000 as at December 31, 1918. Early in the present year, however, it would be remembered that £96,895 of the reserve fund had been capitalised and distributed to the Ordinary shareholders in the form of bonus shares, in the proportion of three new shares for each four Ordinary shares then held, fractions of a share being paid in cash. This had reduced the reserve fund to £38,168 the amount at which it stood in the books at the present day; 32,229 Ordinary shares had also been issued to the existing Ordinary shareholders, in the proportion of one share for each four Ordinary shares held, for payment in cash at a premium of 5*s*. While, therefore, at the date of this balance-sheet the number of Ordinary shares issued had been 129,194, the number issued to-day was 258,256. There had been no change during the year in the number of Preference shares issued, and these still stood at 133,866.

Increase of Capital.

As had already been fully explained, at the extraordinary general meetings convened for that purpose, the Board had decided to raise further capital, as this had been found necessary to carry on the increasing volume of the Company's business, and, after due consideration of various schemes, it had been resolved to issue £200,000 Six per Cent. First Mortgage Debentures, and a prospectus had been drawn up and issued on December 17 last. The Debentures had been issued at the purchase price of 97½%, and were redeemable at 102½%. This issue had been applied for nearly twice over. At the time the accounts for the year 1918 were closed the sum of £18,322 10*s*. had been paid along with the applications for these Debentures, and this sum appeared in the accounts. It would also be noticed that the directors had provided £5,000 as provision for Debenture discount and expenses fund. Finally, Dr. Murray pointed out that this year the sum of £25,152 17*s*. 9*d*. had been carried forward, a very much larger sum than had been carried forward in past years; but, in view of the many expenses incidental to the reconstruction period and inseparable from the transition period through which the Company was passing, the directors had thought it a wise policy to keep this substantial sum in a liquid state.

Albion Lorries, "One of the Most Successful and Reliable Types."

Dealing with the models which the Company were manufacturing, they were at the present moment building 50-cwt., 3-ton, and 4-ton lorries, fitted with the famous 32-h.p. Albion engine, which had established such a splendid record for itself in war service as well as in ordinary commercial work. Information had been received on the highest authority that, owing to the special patented system of lubrication employed on Albion vehicles, the wear and tear on these engines under the most strenuous war conditions had been remarkably small. He quoted three short paragraphs from an article on military transport vehicles which appeared in March last in "The Automobile Engineer," the leading technical paper of the industry :—

"Designed to fulfil industrial requirements, the Albion lorries used by the War Department have proved to be one of the most successful and reliable types operated overseas, many of the vehicles originally impressed at the outbreak of war still continuing to operate in columns in company with those of a later series. . . ."

"Thanks to the ample bearing surfaces provided and to the special system of lubrication, to be discussed later, the whole crank-shaft was practically free from wear, and no spring or distortion could be detected. No grinding or even lapping was, therefore, required before refitting the bearings, a somewhat rare state of affairs in lorry engines after continuous service under active-service conditions. . . ."

"Considered as a whole, the Albion chassis is remarkably free from defects, and no serious inconvenience was encountered during the overhaul, the amount of time and labour involved being very small indeed when compared with most other makes."

The Company had also placed upon the market a 20-h.p. 30-cwt. model fitted with a live axle. This new model had been excellently received, and the output of it was already booked up many months ahead.

Excellent Demand for Albion Commercial Vehicles.

The demand for Albion commercial vehicles was excellent. It exceeded the supply, and deliveries could only be given several months ahead. He was satisfied that this demand was in no small measure due to the splendid record which Albion vehicles had established under the most trying war conditions, and believed that at the signing of the armistice there were more Albion 3-ton motor transport lorries in France than of any other British make. The Albion Company had been one of the largest suppliers of motor transport vehicles to the War Office—as a matter of fact, during the War they had supplied about 6,000 Albion vehicles for war purposes. So far as they could judge, the prospects for the present year were good, but they were considerably handicapped by the continual rise in the cost of materials. The labour situation, too, was by no means as satisfactory as one could desire. It was to be hoped, however, that the sound commonsense, which is undoubtedly the backbone of the British nation, would prevail, and that the country would enjoy a long period of peace and prosperity. Dr. Murray thereupon moved the adoption of the report and accounts before the meeting, and called upon Mr. N. O. Fulton, managing director, to second this

Mr. N. O. Fulton thereupon formally seconded the motion before the meeting, which was carried unanimously.

The retiring director, Mr. G. M. Young, was re-elected, as were also the auditors, Messrs. Moores, Carson and Watson, C.A.

The meeting closed with a vote of thanks to the Chairman.

NITRATE PRODUCERS' STEAMSHIP COMPANY, LTD

THE annual general meeting of the shareholders was held on May 28, at 20 Billiter Buildings, E.C., under the presidency of Mr. John Latta, the Chairman of the Company.

The Secretary (Mr. James A. Walker) read the notice convening the meeting and the auditors' report.

The Chairman said : Gentlemen, since last I had the pleasure of addressing you the finances of this Company have undergone reorganisation. The form of the balance sheet follows the lines hitherto adopted, the only material difference in the figures being the absence of the value of the accumulated assets paid out. Our position to-day is similar to that of the early stages of the Company's history, when our policy was to pay moderate dividends and to build up strong reserves. You have had demonstration of the wisdom of that policy, and will, I think, be prepared to approve of its continuance. There is a substantial sum at the credit of reserve building account, but not so large as will admit, at to-day's inflated prices, of our replacing the tonnage we have lost, which we hope will be possible by biding our time.

British shipowners have always been enterprising; this has never been more convincingly demonstrated than by the praiseworthy action of our principal lines in contracting to the full capacity of British shipyards for new tonnage at to-day's unprecedentedly high prices. To-day's high prices do not surprise me, as three years ago I prognosticated that such an inflation was inevitable in view of the unlicensed rein given to national finance. The Chancellor of the Exchequer has taken the only practicable means of correcting rampant expenditure by reducing the excess profits tax. The argument generally used, viz., "What does it matter, 80% of it is being paid by the Government," will disappear, and it will now be to the personal interest of the commercial community to economise. Apart from high prices, America has seriously seized this opportunity of becoming a great shipping nation, and to a lesser extent Japan. The Governments of these countries, with their increasing and ambitious populations, are fully alive to the importance of shipping, and are assisting their shipowners in a businesslike way. I fear we have little to expect from our Government; in fact, I have the impression that their feelings are more hostile than otherwise. Another disturbing aspect which, in my opinion, this War has demonstrated, is that the officials of our permanent departments are stronger than the Government. Recently Sir Leo Chiozza Money urged the nationalisation of shipping, and I imagine there are a large number of our permanent officials who hold Sir Leo's socialistic views. Many believe that the Royal Commission now sitting will recommend the nationalisation of mines. Whatever is decided, it is obvious that the price of coal will be far higher than before the War; but, apart from high prices, our exporters have to face the fact that during the cessation of contracts many foreign gas, railway, and kindred companies have per *force majeure* discovered that they had lying to their hand unsuspected and cheaper substitutes than coal, even at pre-war prices. When this Company started operations, the price of best Cardiff coal was round about 9*s*. f.o.b., equivalent in quite another, but well-understood

sense, to, say, a suit of artisan's clothes at £3 3*s*. To-day's lowest price of best Cardiff coal is 37*s*., or, roughly, equal to £12 12*s*. for a suit of clothes. It is therefore obviously highly probable that only those consumers who cannot get substitutes will continue to use our coal. It seems to me unfortunate that at this time of the country's distress the advisers of the miners should make issue with an interest that may prove illusory.

I have now the pleasure to propose the adoption of the report and accounts, that a dividend at the rate of 10% per annum for the last six months, together with a bonus of 2½ per cent., both free of income tax, be now paid, and that the balance of £20,185 5*s*. 3*d*. be carried forward to next year's account.

Mr. Gamble North seconded the resolution, which was unanimously carried.

The Chairman then paid a tribute to the memory of Captain F. Parslow, of the Anglo-Californian, who was killed during an attack on his vessel by a German U-boat. He said it was very gratifying that the Victoria Cross had been conferred upon him.

The proceedings then terminated.

INDIA GENERAL NAVIGATION AND RAILWAY COMPANY, LIMITED.

THE annual ordinary general meeting of this Company was held on May 28 at the offices of the Company, Orient House, New Broad Street, E.C., Mr. A. Simson (the Chairman) presiding.

The representative of the Secretaries (Messrs. Kilburn, Brown and Company) having read the notice convening the meeting and the report of the auditors,

The Chairman said: As our report has been distributed to shareholders, you will perhaps allow me to take it as read. The result of the past year's working will no doubt be as gratifying to you as it is to your directors, the net profit amounting to £139,462 10*s*. 11*d*.; and this, with the balance from 1917 of £26,485 0*s*. 7*d*., gives us a sum of £165,947 11*s*. 6*d*. to dispose of. In making the liberal allocations to the various reserve accounts enumerated in our report, we have been influenced by the fact that this record profit must be regarded as exceptional, resulting, as it does to a large extent, from the difficulties the railways have experienced in rendering efficient service owing to the preferential obligations imposed upon them by the War, to the great improvement in our interest account, and to the necessarily diminished charges against depreciation, as likewise against repairs, due to the impossibility of carrying them out.

The Mymensingh-Jagannathganj Railway.

Such conditions are not likely to continue, and it behoves us, therefore, to strengthen our position while we are in the way of doing so, especially as the cost of both material and labour must continue high for a long time to come. We shall also, unfortunately, shortly have to sacrifice our surplus profit from the Mymensingh-Jagannathganj Railway, as we have received notice from the Government of India that it will be taken over at the end of the year. We shall recover capital and premium thereon to the amount of about £80,000 after paying off the Debentures; but the interest on this will not make up for the loss of profit we shall suffer. The railway has been a valuable addition to our business, and since its construction was completed it has yielded a surplus profit of Rs. 21,00,000 after paying all interest on Debentures and loans.

The Balance Sheet.

I will now take up the chief items in the balance sheet which seem to require comment. The reserve funds, you will notice, have been increased from £352,000, in round figures, to £417,000 by the appropriations referred to in our report. Besides the ordinary additions to general and insurance reserves, £10,000 has been put aside as a contribution towards the more extensive repairs to the fleet which we now hope to take in hand, and which during the War have unavoidably fallen into arrear. Another £10,000 has been reserved to ensure, so far as possible, the maintenance of dividends, and £20,000 has been appropriated towards the formation of a pension fund, the Company's provident fund being inadequate for the provision of reasonable necessities for officers retiring after long and faithful service. We feel sure you will approve of this first step towards so laudable and desirable an object. The item sundry balances is somewhat exceptionally high, but, as I have explained on other occasions, this is a temporary and constantly changing account. The increase in London liabilities is a healthy sign of movement in the purchase of stores and material after a long period of stagnation. On the other side of the balance sheet the most noticeable items are the investments and cash, which show substantial increase. These funds, however, will be fully needed to meet the requirements of fleet replacement.

The Profit and Loss Account.

In the profit and loss account the most important figures requiring notice are those of depreciation, which is lower by about £3,000, of the interest accounts. In the latter there are credit balances in the Calcutta and London accounts amounting together to about £13,400, against a debit of about £2,400 in 1917 and a debit of about £14,500 in 1916.

Condition of the Fleet.

The condition of your fleet, I am sorry to say, has not been maintained as we should have wished, owing to *force majeure*, and the number of vessels docked falls far short of what it should be. I can only say that as conditions improve every possible effort will be put forth to make up the lost ground. In the report you will have noticed the small additions which have been made to the fleet. A small number of new vessels are on order, and these will be increased as opportunities occur and prices show some tendency to become reasonable again. For the present there seems to be no likelihood of any of our vessels being resold to us from Mesopotamia.

The Dividends.

From the accounts you will see that the general freight and charter accounts show an increase of about 50 per cent. over 1917, but how far this increase will be maintained and at what cost on the other side, it will be difficult to foretell until conditions generally become more settled. Taking all the circumstances carefully into account, the board have decided to recommend payment of the usual Preference dividend of 5 per cent. for the year and 10 per cent. on the Ordinary shares, of which 4 per cent. has already been distributed as an interim dividend. These dividends, being free of income tax at 6*s*., are equal to over 7 per cent. and 14 per cent. respectively. I now beg to propose: "That the report and accounts as presented for the year ending December 31, 1918, be and are hereby adopted, and that the following dividends be declared, free of income tax, to shareholders now standing on the register—viz., on the Preferance or 'A' shares 2½ per cent., making 5 per cent. for the year, and on the Ordinary, or 'B' shares 6 per cent., making 10 per cent. for the year." After that resolution has been seconded I should be very glad to answer to the best of my ability any questions which may be put.

Mr. G. C. Kilby seconded the motion.

The Directors Congratulated.

Colonel J. S. Young said he had no question to ask, but he felt that the report submitted deserved some comment from the shareholders' side of the table. He wished to congratulate the directors most heartily upon the unprecedented state of prosperity which the report disclosed. It was highly gratifying that the shareholders should be receiving a dividend of 10 per cent. and that substantial sums should be placed to reserve. Having questioned the policy of paying dividends free of income tax under existing circumstances, he went on to say that the directors were to be commended for the way in which they had engineered the Company through the difficult times which had been experienced. He was afraid that with the high cost of everything needed for repairs and the renewal of the fleet the directors still had an arduous task before them.

The Chairman, in reply, explained that when the old Company was transferred to London it was an understanding with the Preference shareholders that their dividend should be paid free of income tax as italways had been in Calcutta, and it was therefore considered right that the arrangement should apply to both classes of shareholders.

The motion was carried unanimously.

The retiring director (Mr. C. C. Kilburn) was re-elected and Messrs. W. A. Browne and Company, having been reappointed auditors, a vote of thanks to the Chairman and directors concluded the proceedings.

SALAR DEL CARMEN NITRATE SYNDICATE, LIMITED.

THE twenty-second annual general meeting was held on May 29 at Winchester House, Old Broad Street, E.C., Mr. H. W. Sillem (the Chairman) presiding.

The Secretary (Mr. F. W. Bishop, F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman said: The profits of the Company last year were again satisfactory. The net earnings amounted to £70,679 14*s*. 4*d*., or an increase of £18,127 13*s*. 10*d*. on those of 1917. We brought forward from the previous account the sum of £2,665 10*s*. 10*d*., and there is therefore a total at credit of profit and loss account of £73,345 5*s*. 2*d*. An interim dividend of 10%, less income tax, was paid in November last, absorbing £15,675, and it is now proposed to pay a final dividend of 10%, less income tax, making 20% for the year. It is further proposed to transfer to reserve account the sum of £20,000, thus increasing the credit to that account to £30,000, and to set aside £15,000 to income tax reserve account. After making these appropriations there will be £6,995 5*s*. 2*d*. to be carried forward to the current year. The figures indicate that a larger distribution than 20% could be made, but your directors think it prudent to deal conservatively with the Company's resources, having regard to the abnormal conditions ruling in the nitrate trade at the present time. To revert again to the profit and loss account, the allocation of £20,000 to general reserve needs

no explanation. With regard to the provision of £15,000 for income tax reserve, this is made because if, as seems certain, our revenue for 1919 should be small, it will be most desirable to have a reserve of this kind to fall back upon, in view of the fact that our tax assessment is made on the three years' average. The production at the Company's oficina in 1918 amounted to 789,930 qtls of nitrate, as against 616,180 qtls. in the previous twelve months. In common with all nitrate producers, our working costs were higher last year, but this was more than offset by the better market prices obtained. Our cost of production compares favourably with any oficina in Chile, and I am glad to say that our new grounds continue to yield caliche of a very satisfactory quality. I will now direct your attention for a moment to the balance sheet. The position disclosed is a strong one. The value of realisable assets (excluding property, plant, and machinery) is, in round figures, £139,800, against which we have cash liabilities of approximately £64,500, thus showing a surplus of £75,300. There is one item in the balance sheet to which I wish particularly to refer, and that is share premium account. You will recollect that 110,000 new shares were issued in January 1918 at 35*s.* per share, and the premiums received thereon, together with premiums on 500 of the old shares sold at the same time, altogether amounted to £83,800. The whole of this amount has been applied to the reduction of property account, which now figures at the relatively small sum of £146,867 13*s.* 10*d.*

Mr. A. Naylor seconded the motion, which was carried unanimously.

The proceedings then terminated.

BATANG MALAKA RUBBER ESTATES, LIMITED.

The ninth annual general meeting was held on May 26 at the Council Room of the Rubber Growers' Association, 38 Eastcheap, E.C., Sir Ernest Birch, K.C.M.G. (Chairman of the Company), presiding.

The Chairman said: Please look at the profit and loss account. Government rent and duty on rubber are less by £225 than last year. Income tax is £2,321 more than last year. Turning to the other side of this account, you will see that the sales of rubber brought in £14,337 less. It is some palliation that the cost of production and the selling charges were £2,204 less; but this loss of £12,133 reduces the balance carried to balance sheet to £1,010. Looking at the balance sheet, the item sundry creditors is chiefly made up by an overdraft of £8,000 on December 31 in the East with the Mercantile Bank of India, which had been reduced on April 30 last to £6,779. The gross average selling price fell from 2*s.* 4*d.* to 1*s.* 8½*d.*, per lb., or a decrease of 7½*d.*, and the cost of production was one halfpenny per lb. more. Your directors have been greatly disappointed in the output, which was only 265,000 lb., whereas 320,000 lb. was estimated, and Mr. O'Connor has estimated only 275,000 lb. for the current year, whereas we confidently anticipated at least 350,000 lb.

Mr. V. R. Wickwar seconded the motion, which was carried unanimously.

An extraordinary general meeting of the Company was then held for the purpose of submitting the following resolution: "That the capital of the Company be increased to £75,000 by the creation of 150,000 new shares of 2*s.* each, and that such new shares be offered to the members in the proportion of one share for every four shares held by such members, and that the directors be authorised to dispose of any shares not taken on such offer in any manner they may think proper."

UNITED SUA BETONG RUBBER ESTATES, LIMITED.

The tenth annual general meeting was held on May 27 at the offices of the Rubber Growers' Association, 38 Eastcheap, E.C., Mr. James Henry Renton, chairman of the Company, presiding.

Mr. J. H. Jennings, F.C.I.S., on behalf of the secretaries, Messrs. Guthrie and Company, Limited, having read the notice convening the meeting and the report of the auditors, in moving the adoption of report and accounts,

The Chairman said: If you will turn to the accounts and take the balance sheet first, you will notice that the Debentures, which I informed you last year it was our intention to issue, appear now on the liabilities side. These Debentures are repayable in 1928 at 105 and are subject to options over the unissued shares of the Company. From the assets side you will observe that our expenditure on the immature area amounted to £21,448. This includes the cost of opening up the extensions referred to in the report and to which I will refer later, and upkeep of 2,860 acres immature rubber. Expenditure on buildings and machinery, amounting to £16,071, was mainly on three new factories, smokehouse, coolie lines and assistants' bungalows. The last two items in the balance sheet emphasise the strong financial position of the Company, as, in addition to our cash balance of £36,250, we have £32,500 invested in Government securities.

Full details as to the results of the year's trading are given in the profit and loss account. The profit amounted to £30,284 0*s.* 2*d.*, from which, however, has to be deducted interest on Debentures, leaving £27,597 15*s.* 3*d.* After making provision for the balance of income tax due to the end of the preceding accounting period, writing off the cost of issue of Debentures and bringing in the carry-forward from last year, the total amounts to £46,938 0*s.* 9*d.* On January 9 an interim dividend of 5 per cent. was paid, and it is now proposed to make a final distribution of 12½ per cent., bringing the total for the year to 17½ per cent. The balance to be carried forward will amount to £27,353 19*s.* 3*d.* The decline in profits as compared with the preceding year is due primarily to the restricted output, which at 785,405 lb. is lower than the previous year by nearly 150,000 lb. The "all-in" cost, at 1*s.* 4.59*d.*, shows an advance of 1.69*d.* per lb. That we managed to secure as satisfactory an average price as 2*s.* 1.56*d.* is due to some good forward sales. The estimated output for 1919 is 1,015,000 lb., of which 535,000 lb. is to be harvested from 1,659 acres in bearing on Sua Betong estate and 480,000 lb. from 1,268 acres on Sengkang. I may here mention that we have sold for delivery out of the 1919 crop approximately 268,000 lb. at an average price of 2*s.* per lb., equivalent London landed terms, and for the year 1920 we have already sold 134,400 lb. at an average price of 2*s.* 1*d.*

Mr. J. A. Macgregor seconded the motion, which was unanimously adopted.

An extraordinary general meeting was then held to consider the adoption of new articles of association, and the proceedings terminated.

GRAND CENTRAL (CEYLON) RUBBER ESTATES, LTD.

The ninth annual general meeting was held on May 28 at the offices of the Ceylon Association in London, 6 Laurence Pountney Hill, Cannon Street, E.C., Mr. John G. Wardrop (Chairman of the Company) presiding.

Mr. A. R. Wintle, representing the Secretaries (Ceylon and Eastern Agency, Ltd), having read the notice and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—I shall first deal with the capital position of the Company as at December 31 last. Our expenditure on the Company's estates last year was small and brings their cost—inclusive of land purchase and coast advances—to an aggregate of £1,245,873 13*s.* 2*d.* Our issued capital and reserve accounts aggregate £1,310,000, so that we have a surplus on capital account of £64,126 6*s.* 10*d.* This is available for future extensions to our planted area. This brings me to the consideration of our trading account for 1918. You will observe that for the purposes of the Company's accounts exchange remains at 1*s.* 4*d.* per rupee. As the shareholders will recollect, we adopted for 1918 the scheme of voluntary restriction of crop proposed by the Rubber Growers' Association—namely, to 80 per cent. of that harvested in 1917. This policy, inaugurated by the Rubber Growers' Association, was, to our minds, the correct one to meet the abnormal conditions in the East brought about by the War. It was effective and would have been much more so had it been supported by the industry as a whole. Working under these conditions, the actual crop secured for 1918 was 3,982,936 lb. of rubber. A small crop is of necessity an expensive crop, but by the adoption of certain economies which the abnormal condition of affairs justified we produced this crop at the comparatively low cost of 10.27*d.* per lb. On the other hand, the crop realised the London equivalent of 1*s.* 11.12*d.* per lb., which is a very satisfactory price, considering the low figure then ruling for rubber in the East. We were very fortunate in having sold forward a considerable portion of our crop, and also in getting a share of the limited amount of freight available for London.

Result of the Year's Working.

The net result of the year's working is a profit of £97,750 2*s.*, which, added to the balance brought forward from last year, gives us a sum at the credit of our working account of £178,990 0*s.* 6*d.* Out of this balance the directors recommend a dividend of 9%, less income tax, which will absorb £110,250 and enable us to carry forward the sum of £68,740 0*s.* 6*d.* to the new year. We shall have little, if any, excess profits duty to pay for 1918. We welcome the reduction in this war tax from 80% to 40%. It has been a heavy burden on us in the past. The appeal of the Commissioners of Inland Revenue in the case of the Merlimau Company has not yet been decided in the Law Courts. We are deeply interested in that case, as if the decision of the Commissioners is upheld we shall benefit to a large amount on account of excess profits duty through the fact of our being able to include our Vallambrosa expenditure in arriving at our capital standard. For the current year we have budgeted for a crop of 5,064,300 lb. of rubber, and the crop secured to April—namely, 1,477,779 lb.—warrants us in anticipating that this quantity will be fully secured. Of this crop we have already sold head 370 tons at an average price of Rs.1.25 per lb. delivered *ex* warehouse Colombo, and 325 tons at 1*s.* 10*d.* per lb., delivered *ex* warehouse Colombo. We have also contracted ahead for 600 tons rubber, delivery in 1920, at an average price of 1*s.* 11½*d.* per lb., delivered *ex* warehouse Colombo. So the forward position is well secured.

The rupee contracts are particularly valuable, owing to the recent rise in exchange from 1*s.* 6*d.* to 1*s.* 8*d.* per rupee.

Satisfactory Condition of the Estates.

Mr. William Forsythe (Managing Director): Mr. Chairman and Gentlemen.—I returned from Ceylon a few days ago and will now give you my impressions of the estates which I formed after three years' absence. The growth of the rubber trees is satisfactory in every respect, and I observed excellent girth and lateral expansion on all areas. The policy of thinning out has been steadily carried out, and we have now an average of 100 trees per acre over the whole cultivated area; no further removals will be undertaken at present. Tapping has now reached a high standard of perfection, and calls for nothing but favourable comment; bark consumption is moderate, and there are ample supplies for future seasons' tapping. The general estate works are well attended to, including upkeep of roads and drains. The important work of terracing proceeds, and we hope by the end of this year it will be completed. The estates are entirely free from weeds. For 1919 the full cultivation programme has been reverted to, and this work is well advanced. The areas of young rubber planted from 1912 onwards are growing well. The various well-known rubber diseases—canker, fomes, ustulina and bark rot—receive close attention, and the treatment of them is well understood. In view of the reduced crop and the loss on rice issued to estate labour, the cost of production is satisfactory. All buildings and machinery are in good condition and we are well equipped in this respect, but some further additions will be required as crops increase. The labour supply is sufficient for requirements, and the epidemic of influenza has now passed away; 120 acres of new land will be planted during the present season, and now that our staff who have been serving with the forces are returning to work, the directors hope that in 1920 large extensions can be undertaken. Crop prospects for 1919 are excellent, and the estimated returns mentioned by the Chairman are likely to be realised, and shareholders may rest assured that the group of estates which constitutes this Company are as fine as any I saw in Ceylon.

The resolution was then put to the meeting and carried unanimously, and the proceedings terminated.

GENERAL CEYLON RUBBER AND TEA ESTATES, LTD.

The twenty-second annual ordinary general meeting was held on May 27 at the offices of the Company, 4 Lloyd's Avenue, E.C., Mr. T. C. Owen (Chairman of the Company) presiding.

Mr. E. Langley, representing the Secretaries (Messrs. Rowe, White and Company, Limited), having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—The trading account shows a credit balance of £17,758, and included in the estates working account there is a sum of £7,118 representing capital expenditure, and this includes the upkeep of the 600 acres of young tea and rubber that we have and various other items. Following our usual course, we have debited the whole to the trading account and made no addition on that account to the estates account in the balance sheet. The profit and loss account, after taking into account the various London expenses, shows a balance of £18,205, against £34,831 last year. The amount in question is added to the balance from last year of £30,313, and we have a sum of £48,519 to deal with. We have already paid 5%, free of income tax, and we now propose paying 10%, less income tax, putting £10,000 to reserve and carrying forward a balance of £11,069. The dividends in question amount to slightly over 17%, and in view of the fact that income tax is now becoming so high it has been thought advisable to revert to our usual system of paying dividends less tax. The liability for last year, based on the three years' average, is about £15,000, but inasmuch as we have a certain claim against the Government for a refund of tax in respect of a certain legal decision, and inasmuch as this claim exceeds the amount of our liability, it did not appear necessary to make any charge on that account in the profit and loss account. As regards excess profits duty, we are this year below our pre-War standard, and in consequence of this the £6,417 debited to appropriation account last year has not fallen to be paid. We have a claim against the Government, for £4,182, the amount in cash which we have actually paid away, and in due course we shall no doubt receive that sum. In the balance sheet you will see an addition of £6,000 on account of the purchase of the Goomera (Ceylon) Tea Estates, Limited, to which I will allude in a minute, and the reserve fund, entered as £130,000, now becomes £140,000 with this year's addition.

The profit per lb. of tea amounts to 1.51*d.*, against 1.43*d.* last year, or, in other words, it is slightly better than it was for 1917. The rubber crop is very short. The actual profit per lb. amounted to only 3.66*d.*, against 1*s.* per lb. for 1917. You will see that we have purchased the Goomera estate during the year at a cost of about £16 per cultivated acre. This estate is situated in the Knuckles district, and not very far from Hatale. The production of tea at the present moment is costing us 4½*d.* per lb. to put in London more than it did before the War, and this is due to the freight and other charges, now costing 3¼*d.* between f.o.b. and London, against about a penny before the War, and the other 2*d.* is due to exchange and increased cost of working.

Mr. L. R. Rudd seconded the motion, and the meeting terminated.

NORDANAL (JOHORE) RUBBER ESTATES, LIMITED.

The seventh annual general meeting of shareholders was held on May 27 in the Council Room of the Rubber Growers' Association, 38 Eastcheap, E.C., Mr. Thomas Cuthbertson, Chairman of the Company, presiding.

The representative of the Secretaries, Messrs. Ed. Boustead and Company, having read the notice convening the meeting and the report of the auditors,

The Chairman said: The production of the estate during the year amounted to 523,435 lb., at an f.o.b. cost of 1*s.* 2.82*d.*, as against 10.84*d.* in 1917. Of this increase 2.18*d.* is due to the cost of liming and drilling about 750 acres, to which I referred when I last addressed you, and the balance of the excess is mainly caused by the increased cost of labour. Our Manager is satisfied that the liming and drilling programme will be of great benefit to our older areas, and that the expenditure will justify itself. The crop sold for an average net price of 1*s.* 9.43*d.* per lb.—a satisfactory figure. As only a small proportion of the crop was sold on London landed terms, we have, in common with many other companies, discontinued the practice of bringing the figures to the equivalent of London conditions. During the year 190 acres have been planted up, and a further 110 acres will be dealt with as labour becomes available. When this is completed our planted area will amount to 2,785 acres. Turning to the accounts, you will observe that the profit for the year amounted to £6,658 8*s.* 8*d.*, a very considerable reduction on previous figures, as was to be expected from war conditions and a restricted output. The amount required for income tax is very large—£7,974—and this arises from the fact that we have to provide in these accounts for tax on three very good years, while we recover but a small amount from our shareholders on the dividend now proposed to be made. Including the amount brought forward from 1917, we have at our disposal a sum of £20,969 10*s.* 1*d.*, and the directors recommend that a dividend be declared for the year of 5%, absorbing £14,000, and that £6,969 10*s.* 1*d.* be carried forward. I hope that better results may be shown during the current year. Much depends on the supply of labour, and every effort is being made by the Manager to recruit his labour force now that the restrictions on the import of Indian labour have been withdrawn. I am sure it is only right that we should express our sympathy with our Manager and his staff in the difficulties they have encountered during the last year. I now beg to move: "That the statement of accounts and balance sheet and the reports of the directors and auditors, now submitted, be received and adopted."

Sir Ernest W. Birch, K.C.M.G., seconded the motion, which was unanimously adopted, and the proceedings terminated.

BUKIT SEMBAWANG RUBBER COMPANY, LIMITED.

The eighth annual general meeting was held on May 29 at Winchester House, E.C., Sir Ivor Philipps, K.C.B., M.P. (Chairman of the Company), presiding.

Mr. F. M. Jones, representing the Secretaries (British North Borneo Rubber Trust, Limited), having read the notice convening the meeting and the report of the auditors,

The Chairman in moving the adoption of the report and accounts said: If you will turn to the balance sheet you will observe that the capital remains the same. The amount reserved for income tax does not show much change. Lower down in the balance sheet you will find a deduction from the general profit and loss account of £4,748 14*s.* 3*d.*, which is the amount of income tax appropriate to the year under review; but should we be successful in our claim for refund under the Boustead decision this sum should be considerably reduced. Sundry creditors, £30,996, against £20,687 last year, show an increase of about £10,000, which is due to the increase in the amount of our loan account. If you will now turn to the items on the assets side of the balance sheet you will see that we have spent some £8,800 on development, about £2,400 more than in 1917, this increase being made up by £1,000 on weeding and changkolling, £300 on pest and vermin, £300 on manuring, and £800 proportion of general expenditure. We have done our utmost to keep these development expenses down, and, in fact, propose that in future practically all expenditure on upkeep of planted areas will be charged against revenue.

If you will now turn to the profit and loss account, this shows only a small profit of some £1,500, against a profit last year of nearly £22,000. For a considerable portion of this difference, at any rate, no one connected with the Company can be held responsible. Had our crop of 630,289 lb. fetched the same average net price as that of 1917 we should have been £11,500 better off, the price realised dropping from 2*s.* 0.95*d.* per lb. to 1*s.* 8.60*d.*, and that drop would have been still greater if we had not been fortunate in the prices obtained under forward contracts which we had made. A similar drop of just over 4*d.* per lb. occurred between our

1916 and 1917 sales, but this is an experience which is unfortunately common to practically all rubber companies. There is an increase in the cost of production of about 2½*d.* per lb., of which upkeep of rubber in bearing (due to nearly £3,000 increased expenditure on weeding and manuring) accounts for about 1½*d.*, the other 1½*d.* being due to general expenditure. The percentage of general expenditure charged against revenue remains the same—namely, 75%—but the total amount has gone up just over £3,000, of which increase in salaries in the East accounts for £2,100. The increased cost of production accounts for £6,500 in the difference in profits between this year and last. The third cause is the decrease in our output by some 128,000 lb. We have 581,000 trees in tapping, and we had an average yield of 1.08 lb. per tree, while the yield per acre is 151 lb. The actual tapping cost, notwithstanding war difficulties, was reduced in 1918 to 7¾*d.* per lb, as against 8½*d.* per lb. in 1917.

Mr. James Gibson seconded the resolution, and the proceedings terminated.

CONSOLIDATED MINES SELECTION COMPANY, LTD.

The twenty-third ordinary general meeting of the shareholders was held on May 27 at Winchester House, Old Broad Street, E.C., Mr. Walter McDermott (Chairman of the Company) presiding.

The Secretary (Mr. Charles W. Moore, F.C.I.S.) having read the notice convening the meeting, and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: Ladies and Gentlemen,—In the accounts you will see that the capital is unchanged at £552,500, in 10*s.* shares, and outstanding Debentures are reduced to £84,100. Sundry creditors at £119,394 9*s.* 5*d.* are higher than last year by £44,741 7*s.* 4*d.*, and contingent liabilities have increased by the large sum of £105,525. The advances in these two items, while requiring consideration as serious obligations, must also be looked at as evidence of active current business and of provision for coming operations in the properties which chiefly interest us and which require growing capital outlays. Against the liabilities you will find on the credit side of the balance-sheet debtors and debit balances amounting to £134,294 14*s.* (inclusive of dividends due to us); also cash and liquid assets of £334,388 13*s.* 6*d.* Properties and securities stand in the books at a total of £658,143 13*s.* 6*d.*, and are taken on our usual basis of valuation of cost or under.

Reserve Increased.

The profit on the year's working, at £160,335 8*s.* 5*d.*, is only about £4,000 less than that of the preceding year, although at our last meeting I warned you not to expect a repetition this year of the dividend we were then able to recommend. We may consider ourselves fortunate, I think, that the warning proved unnecessary by reason of certain successes we had in our business; and, furthermore, I am able to repeat this year that our earnings were obtained without any reduction in the extent of our principal dividend-earning holdings, which represent the chief mining interests we have shown our confidence in for so many years. We have again applied £20,000 out of profits to increasing the reserve account, which will bring this up to £100,000. I shall put to you a resolution to declare a dividend of 30%, less income-tax, which—if you approve of the declaration—will leave a carry forward to next year's accounts of £32,550 0*s.* 1*d.*, including the balance from last year, and subject to further remuneration to directors and managing directors in London and Johannesburg.

Brakpan and Springs Mines.

Probably you will all have noticed that the shares of Brakpan and Springs Mines have both suffered at times a marked falling off from their high-water marks, and you may have remarked also that in the estimates of ore reserves there have been on occasions unfavourable readjustments of former calculations by our consulting engineer. The two facts have, of course, some relationship. On several occasions I have explained at these meetings the nature of the Rand gold deposits in our eastern areas, which results in a remarkable regularity of average productiveness over long periods, but this is made up of considerable variations between short periods of development. If you consider that market fluctuations over short periods represent the general public appreciation of the temporary variations in development results, you can take a chart of the ups and downs of share prices in a single mine—say, the Brakpan—as representative of local irregularities and general regularity in productiveness of the areas of ground as developed and worked out. This history of our Company, interested as we have been in several large properties for many years, may be taken as a still wider illustration of the fluctuations in the progress of development of the Far East Rand. I have more than once pointed out that our Company sinks or swims with the large mining areas we are interested in, and in which our steadily increasing commitments have been pointed out to our shareholders year after year. To prevent our attaching too much importance to the readjustments of calculations on ore reserves, I will explain that in the system of opening out a mine like Brakpan some very large blocks of ore have to be assumed as put in sight, and have to be taken as of a value indicated by the assays made in the course of the various openings around them; but in the cutting up of these large blocks during subsidiary development local variations in thickness and value of reef come to light, which necessitate changes in tonnage and value calculations of the profitable reserves either one way or the other.

Satisfactory Average Results.

During the years we have been successfully working the Brakpan the average results have been so satisfactory over the large area explored that we were induced to take up the Government Deep Level Areas, in belief of a continuance of the past regularity of productiveness into the new ground—a policy which was explained fully at our meeting of May 12, 1917—and this policy was again pursued in the case of Springs, which was laid before you at our meeting of May 25, 1918. If we are ever proved to have erred in these hopeful long-view policies by the future course of developments of the new areas absorbed, we shall be disappointed in good company, for the State Mining Engineer of the South African Government recently made an estimate that the Government's share of profits of working should aggregate for Brakpan £2,500,000, for Springs £5,500,000, and for West Springs £6,250,000. The particular form of nationalisation of mining constituted by our partnership with the Government is not quite like that we have heard so much about in England of late. It is a kind which permits of optimism on the part of Government officials, because the Government takes no risks, has no management troubles, and shares only in the profits. The calculation of the Government engineer as to West Springs sheds—by inference—a reflected light of optimism on the future chances of the Brakpan deep level ground; and it represents the strong local confidence in the extended generosity of nature in the distribution of gold values through the undeveloped areas.

The West Springs Property.

The mention of West Springs suggests that you will expect to hear something of this property, in which we are now interested both as shareholders and as managers of the operations of the mine. The property lies between Brakpan and Springs mines, and was a Government area, secured by the new West Springs, Limited, on a sliding scale profit-sharing basis. The Springs Mines, Limited, were in a very favourable position to drive at once into the West Springs ground, and thus begin development of the new mine long before any shafts sunk from the surface could reach the reef. A cablegram just received gives the latest driving as showing for the last 35 feet an average assay value of 8.7 dwt. over 44 inches. The advantage thus gained by West Springs, Limited, is recognised in the working agreement entered into with Springs Mines, and set out in the directors' report which you have received. It was also described in my address to you last year. Two shafts are now sinking on West Springs, but, of course, as in the case of Brakpan and Springs, it will take time before the property will be opened enough to allow of estimating its value, and still longer before it will be producing. The large capital of £1,400,000 required for the development and equipment of this mine was secured by the efforts of the Anglo-American Corporation of South Africa, assisted by our Company, the Rand Selection Corporation and financial friends of ours who are accustomed to following our lead in such matters.

Gold Mining Risks and Taxation.

In connection with what I have said about the fluctuations in productiveness of mining areas and of the large sums which are risked in their development and equipment, I cannot resist the temptation of saying that I hope continued efforts will be made by those interested to educate our governors and the public on the necessity of recognising the risks and many losses incidental to gold mining when question of taxation are under consideration. For instance, when it is considered how much mining adventure has done in opening distant parts of the Empire; what the industry means in the way of affording highly paid occupation directly to thousands of our workers abroad, and indirectly to tens of thousands of workers at home; what a vast wealth is actually added to the Empire; what heavy losses are made by the adventurers against the prizes which are the inducement to take the risks—when these points alone are considered, it is seen that anything like a system of excess profits taxation is absolutely unjustifiable except during the existence of a war requiring every available immediate source of money to be drawn on.

During the last few months of 1918 mining in South Africa has suffered from the ravages of influenza. This has reduced output and increased working costs, which were already well above those of 1914. In the case of Brakpan our working costs for 1918 were 4*s.* 8½*d.* per ton above pre-war figures, and this year development charges per ton will be raised in order to meet the requirements of the mine and prepare for increased milling tonnage.

Springs and Daggafontein Mines.

The developments in the Springs mine have proceeded, on the whole, with quite satisfactory results, and they afford very good promise for the future of the Company; but, as in the case of Brakpan, we shall probably not reach the estimates of capacity increases at the dates expected originally, and we shall very likely have periods of slower growth in the profitable ore reserves. The work already done to the south in the new lease area and developments generally this year have confirmed our favourable opinion of the prospects in this ground. In the case of Daggafontein mine we have had a rather unfortunate year's experience, due to a succession of accidents to machinery and special water difficulties. The latest advices give encouraging results of the resumed developments. Both at this and the other mines under our management we have been successful in the adoption of the François system of cement impregnation around the various shafts, and have thus met the difficulties as they arose; but water has nevertheless caused long delays in the prosecution of much of our preliminary work on all our properties. A readjustment of the boundaries with the Government and the purchase of certain adjoining claims have now increased the area controlled by the Daggafontein Company from 1,436 to 2,059 claims, and it now immediately adjoins the Springs Mines area. This readjustment has been obtained on the reasonable terms of the issue of 69,000 additional shares and the granting of a small share of any future profits of the Company to the Government on a sliding scale.

Mr. F. W. Green seconded the motion.

The proceedings then terminated.

ANGLO-CONTINENTAL MINES COMPANY, LIMITED.

THE ninth ordinary general meeting of the Anglo-Continental Mines Company, Limited, was held on May 28 at Winchester House, Old Broad Street, E.C., Mr. W. F. Turner (Chairman of the Company) presiding.

The Secretary (Mr. Alfred W. Berry) having read the notice convening the meeting and the report of the auditor,

The Chairman said: Gentlemen,—We submit to-day the directors' report for the year ended December 31, 1918, together with the balance sheet and profit and loss account. A year ago I said that we hoped that when the time came the results for the year would be found to be at least equal to those of the year which was past, and that is practically what has happened. You will see from the balance sheet that the amount standing to the credit of profit and loss account is £29,365, which is only about £200 less than the corresponding figure of the previous year. Consequently, last year's dividend is maintained—that is, 15%, free of income tax, or, expressed in other words, something over 21%, less income tax. This requires £23,250. We have to provide £1,332 for income tax and £1,104 for directors' further remuneration. This last item requires a word of explanation. Under the articles of association the directors are entitled to a further remuneration of 10% of all dividends paid in excess of a cumulative dividend of 10% per annum. This provision has been in abeyance owing to the fact that no dividend was paid for 1914, the year of the outbreak of the War, and only 7½% for the year 1915, but the increased dividends for the years 1917 and 1918 bring it into operation again. It is interesting to know that the average dividend paid during the nine years of the Company's existence is 11% per annum, free of income tax, or 13%, less tax. The amount to be carried forward to the current year is £3,677.

Realisations of Shares on Smaller Scale.

The earnings for the year are somewhat less than those of the preceding year, but that is due to the fact that our realisations of shares have been on a smaller scale. It would have been an easy matter to have increased these realisations and so to have produced a larger dividend, but taking all the circumstances into account we preferred to content ourselves with the result which is before you. That this was a wise course is proved by the fact that the realisations which might have been made last year can now be effected at considerably better prices. As regards the other side of the profit and loss account, the expenses are somewhat higher than the year before, as I predicted they would be. On the other hand, the losses written off are only £920, against £3,434 in the preceding year. The balance sheet also corresponds pretty closely with that of the preceding year, and I think it can be regarded as entirely satisfactory. The creditors, £4,579, were almost exactly the same amount as in the preceding year. The cash and War Bonds amounted to £45,461, as against £58,426 the year before, which is due to our having increased our investments. The debtors on loan, and other accounts, £10,401, are about £750 less than in the preceding year. The investments, £132,582, show an increase of about £13,000. I will refer to these later. The next paragraph of the report states that no provision has been required for depreciation, as the Company's investments show on balance a considerable increase in value. There have been fluctuations, of course, but where the movement has been downwards it has been quite unimportant, and where it has been upwards it has been appreciable. A valuation on the basis of market prices at December 31 last would show a large surplus, and a valuation on the same basis to-day would show a still larger one.

Output of Tin.

The next paragraph deals with our affairs in Nigeria, and it states that the output of tin concentrate from the Company's properties was 207 tons. This compares with an output of 271 tons in 1917, a reduction of about 25%. I explained at the last general meeting that considerable difficulties had existed in connection with the change of management in Nigeria and that these difficulties had persisted into the year 1918 with which we are now dealing. I also mentioned that as time goes on in working these alluvial and surface deposits in Nigeria the tin becomes more difficult to win at a profit, and that has proved to be the case in regard to the past year. Another difficulty has been the scarcity of labour, due largely to influenza, while another disadvantage was that at one time, owing to the rains, we were unable to get considerable quantities of tin to the railway for shipment, the consequence being that we did not get the benefit of the high price of tin which ruled at one time during the past year. I mention these things because it is so easy to be led away by temporary high quotations for the metal into the assumption that large profits are necessarily being made. This part of the subject, however, is not so important as might be supposed, for in our case it is dominated by the question of prospecting for new properties.

Prospecting Work.

I said at the last meeting that we had made special arrangements for prospecting outside the properties which we already held. That particular effort, however, was not successful. It was cut short by the fact, which is stated in the report, that in the month of July the Nigerian Government issued a regulation withholding the grant of any mining rights outside the existing mining areas, and the regulation continued in force until January 1 this year. This regulation did not actually prohibit prospecting outside existing areas, but in effect it practically amounted to a prohibition, and it was a great disappointment to us. What the gain of this regulation was to the Government I have not yet heard, and it is difficult to imagine. As I have said, it was withdrawn on January 1, and our manager, who had been actively preparing for the opportunity, immediately set to work to secure new ground. In this he has been quite successful. We have applied for or acquired the benefit of applications for exclusive prospecting licences over two groups, one in the Monguna district of 19.3 square miles, the other in the Jos district of about 17½ square miles, together nearly 37 square miles. In the former case we applied for an area of 8 square miles, and we subsequently bought the rights over two adjacent areas of 11.3 square miles, one of these being necessary to us on account of the water supply. The amount of prospecting done is limited, but tin has been proved to exist over the whole area. One of the areas includes some waterfalls, which may prove to be valuable for working our own ground or that of other companies. They are only about 13 or 14 miles from Ropp Main Camp. The other group in the Jos district also consists of three areas, which have been applied for by ourselves, one of 8.75 square miles, one of 5.6 square miles, and one of 3.25 square miles—a total of 17.6 square miles. We have also applied for two mining leases, one of 110 acres and one of 218 acres, and for five mining rights over various streams having a total length of over 4,000 yards. A good deal of preliminary prospecting work has been done over these areas, and the manager has expressed himself as thoroughly satisfied with the results.

Jos Areas.

In reference to one of these Jos areas, the manager says: "I find it difficult to write about this ground without becoming enthusiastic. There is literally tin all over it where not covered by rocks, but not, of course, all payable. I consider this area very valuable." Speaking of these recent acquisitions as a whole, he says: "You will see that our properties have radically improved, and we now have good reason to believe that some of the new areas—in fact, all of them—are likely to be very valuable." Elsewhere at our Murchison property we have taken up a mining lease over 126 acres, and five mining rights extending over 7,380 yards of streams, and also two others a few miles away extending over 2,500 yards. At the Rafin Gora property we have applied for eight mining rights over a length of 9,010 yards. There is still a good deal of ground to be prospected at Rafin Gora. It must be remembered that we are now in the rainy season, but when active prospecting work is resumed in the autumn I think we may look for important results. The next paragraph of the report refers to the Mongu (Nigeria) Tin Mines, Limited, stating that the Company's interest is unchanged; in other words we have not sold a single share during the past year or down to the present time. The annual meeting of the Mongu Company will be held some time during next month, and in the meantime I need only say that its position and prospects are perfectly satisfactory.

Investments.

Reverting to the subject of the investments, I have already stated that we retain the whole of our interest in the shares of the Mongu Company, which amounts to

about half the total issued capital. The present market price is appreciably higher than it was at the end of December last. We have also retained nearly the whole of our Trinidad Leasehold shares. These shares have had a marked rise since December last, and, as you will know from the newspapers, the Company is about to make an issue to the shareholders of one new share for every two old shares at the price of 45*s.*, which is about £1 below the present market price. This issue is stated to be made in order to extend the development of the Company's properties, and to enlarge the plant so as to cope with the increasing demand for oil, fuel and other products. Having regard to what this Company has already accomplished, the large areas it holds, and to all that is going on in Trinidad, there would seem to be plenty of room for still further appreciation in the price of the shares. We have also retained our holding of shares in the Ropp Tin Company, which have increased in value since last December. We have made an investment in the American Trona Corporation, a concern of which you will doubtless have read something in the newspapers, and which should have a great future before it. We have invested in the Rhodesian Broken Hill Development Company, which is developing into a very important enterprise of a permanent character, and we have made other investments, but, as some of them are in course of realisation at this moment, I do not refer to them. We have underwritten a part of two recent issues of capital of the Tin Areas of Nigeria, Limited, and part of a forthcoming issue of capital by the Northern Nigeria (Bauchi) Company, and we have made some small investments in certain low-priced Kaffir shares.

Mount Oxide Mines Holding.

I must mention once more our holding in the Mount Oxide Mines, Limited. It consists of about 50,000 shares, which are entitled to about 8,000 shares of the Mount Elliott Company of £5 each. The exchange of these shares has not yet been effected, owing to the fact that the sanction of the Treasury could not be obtained during the War, nor is it yet forthcoming. We have always regarded this as a very promising investment, the Mount Oxide mine being probably the richest copper mine in Australia. The difficulties which have attended it have been due entirely to the War. The Mount Elliott and Mount Oxide mines, like nearly all the Australian copper mines, are at present shut down owing to the impossiblity at the present moment of effecting any sales of copper. In the meantime, the raising of fresh capital is under consideration, together with a scheme for extending the railway from the Mount Elliott to the Mount Oxide mine. The realisation of this investment on advantageous terms appears to be only a question of time.

Prospects.

Looking at the position of our affairs as a whole at December 31 last, I must describe it as having been very satisfactory, and looking at it to-day, I can only say that it is still more so. There are one or two spots on it, but these are so trifling that they are not worth mention. As regards the current year and the prospects of dividend, I cannot, of course, make any promise, but I can say that at no time in the Company's history has the prospect, whether as regards capital or dividends, been so good. (Applause.) I now beg to move: "That the directors' report and accounts, as at December 31, 1918, be and they are hereby received and adopted, and that the dividend of 15 per cent., free of income tax, recommended by the Board, be and it is hereby declared payable on the 31st instant."

Mr. Edmund Davis seconded the motion, which was carried unanimously.

On the motion of the Chairman, seconded by Mr. Davis, the retiring director (Mr. E. W. Janson) was re-elected.

Mr. Hetherington White proposed that the managing directors (Mr. Edmund Davis and Mr. W. F. Turner) be re-elected.

Mr. Janson, in seconding, said it was entirely owing to the efforts of these two gentlemen that the Company was in the successful position in which it found itself on that occasion.

The motion was unanimously approved.

The auditor (Mr. Ralph M. Everett) having been reappointed, the meeting terminated.

THE ORIENTAL TELEPHONE AND ELECTRIC COMPANY, LIMITED.

THE twenty-fifth ordinary general meeting of this Company was held at the Great Eastern Hotel, Bishopsgate, E.C., on May 29, Sir H. Babington Smith, K.C.B., G.S.I. (the Chairman), presiding.

The Chairman, in moving the adoption of the report, said that during the whole of 1918 the business of this Company and of the companies in which it was interested was conducted under war conditions. The Government restrictions which were enforced in India and elsewhere prohibited the installation of new services except where they were required for war purposes. It was impossible to obtain or ship instruments and material except in very limited quantities, and at very high prices. The result was that the normal expansion of their business was arrested, while at the same time there was an increase in expenses. In spite of those unfavourable circumstances, the Bombay and Bengal Companies, and also the China and Japan Company, were able to pay dividends at the same rate as in the previous year, and to carry substantial sums to reserve. Their own exchanges in Singapore, Mauritius, Rangoon, Moulmein, and Madras, had had similar difficulties to contend with. The gross revenue from subscriptions, rentals, sales, &c., had risen from £68,152 to £71,584; but this small increase was far from representing the normal state of growth of the telephone business. In consequence of the restrictions under which they had worked, there was a long waiting list of subscribers whom they had been unable to serve; but they were now doing their best to obtain the necessary material as rapidly as possible, and the return to normal conditions was already showing itself in satisfactory increases in their receipts.

The Balance Sheet

The year had brought considerable changes in their balance sheet, mainly as the result of the sale of the Egyptian undertaking and the liquidation of the Telephone Company of Egypt. The item of dividends from subsidiary companies had fallen from £41,034 to £21,418. The difference of £20,000 represented the loss of dividend of the Egyptian Company. It would be remembered, also, that the Ordinary share capital of the Oriental Company had been increased by £110,000 by the recent capitalisation of reserves, and that the dividend was payable on the increased amount. Taking those circumstances into account, it was satisfactory that they were able this year to recommend a continuation of the dividend at the rate of 10%, free of income tax, although the contribution to the reserve account was reduced, and a smaller amount would be carried forward. It must not, however, be assumed that it would be possible to continue the dividend at the same rate in future years. That would depend upon the expansion of their business and the extent to which it would be possible to check the increase of expenses. As regarded expansion, the prospect was favourable, for there was a very active demand for fresh services, and the gradual return to peace conditions was making it possible to supply the demand. In considering the position of the Company the shareholders would, of course, bear in mind that they had received back the capital represented by the Egyptian investment, while at the same time the capitalisation of the reserve had increased their share capital. It could hardly be expected that the earning power of the systems that remained would suffice to show the same rate of profit as before on a larger capital, and if it should be found possible to maintain the same dividend, that would be due to the prudence and conservative policy followed by the Company in the past and to the expansion which they hoped to see in the future.

Investments in Subsidiary Companies

As reported by their auditors, the investments in subsidiary companies, which stood in previous balance sheets at a figure considerably less than their true value, have now been written up to an amount which represents, in the opinion of the directors, a conservative estimate of their present worth." A revaluation of those investments was obviously necessary, since when the amount actually realised in respect of the shares of the Egyptian Company had been deducted from the old valuation, their remaining investments stood at a minus quantity. With regard to the liquidation of the Telephone Company of Egypt, the distribution of 26*s.* per share to the shareholders in the Oriental Company, which the shareholders authorised, had been effective, and had amounted to £376,220. The liquidation was not yet completed, and they did not know the precise sum that still remained to be handed over to them. A further distribution might be possible, but he was able to say at once that the amount of any distribution would not exceed 2*s.*, or at the very most 2*s.* 6*d.*, per Ordinary share.

Mr. G. Parker Ness (Vice-Chairman) seconded the motion, which was carried unanimously.

The retiring directors and auditors were re-elected, and a vote of thanks to the Chairman, directors, and staff at home and abroad concluded the proceedings.

STRAKER-SQUIRE, LIMITED.

THE fifth annual general meeting of this Company was held at the Cannon Street Hotel, E.C., on May 30, Mr. Sidney Straker, A.M.I.C.E., the Chairman and Managing Director, presiding.

The Chairman said that, notwithstanding the difficulties brought about by the method of control pursued by Government in respect to the Company's business, the profits had been progressive, and again a dividend at the rate of 10% per annum was recommended, leaving a carry-over of £6,940. The cash at bank, £7,774, represented the balance after the payment of a deposit on account of Edmonton; and £151,179, sundry creditors, included the balance payment still owing

to Government in settlement of this factory. The purchase price of the Edmonton works was £139,700, of which £20,000 had been paid out as a deposit, and arrangements were at that time made whereby no interest on balance was chargeable to the Company up to the end of June of this year. The acquisition of this factory really represented an important epoch in the Company's history. From the Company's inception the want of extensive manufacturing facilities had been seriously felt, and the directors considered it to be a subject of some congratulation to the shareholders that the purchase of a factory of this magnitude and complete character had been accomplished; likewise that the Twickenham factory, which had been in the occupation of Government since September 1916, had been disposed of for £33,500—a profit of no less than £13,000 above the figure at which it stood in the Company's books, whilst they had still a sum to collect from Government as compensation already agreed upon for disturbance of business. As the directors were out for a policy of working and controlling the entire business from the one centre—Edmonton—they were negotiating for the sale of the Nelson Square works and offices, which they were confident would shortly be disposed of at a good profit. It was quite certain that the sum of £139,700 was a very low figure for the Edmonton property. No valuation had been made on behalf of the Company, but it was evident from observation that they had made a most excellent bargain. Irrespective, however, of the value, the directors recognised that in order to maintain the trade and reputation of the Company it was essential to possess the necessary facilities to enable a perfect system of standardisation to be established, so that a production on altogether larger lines might be accomplished. It would be difficult to find a better location for the works. The factory adjoined Angel Road, Edmonton, passenger station, and sidings were already laid, so that material coming from the north was trucked right into the works. A more important or imposing works, standing in 14 acres, it would be difficult to conceive, and it certainly must be ranked as one of the most important motor factories in the country. The purchase included a very complete equipment. They were now busily engaged in installing their plant from their two other works, and would in the course of the next month have the bulk of this machinery working, producing their new specialities. The directors looked forward with the utmost confidence to the future when the factory reached the production stage. At the meeting of the Company in May 1918 he stated that during the War they had developed a new type of lorry or 'bus chassis. Orders for this chassis had been booked up to a value of £280,000, and their new touring car, which would be produced entirely at their own works, was sold up to a value of £500,000. At the extraordinary general meeting held on April 16 the shareholders elected to increase the capital of the Company from £175,000 to £500,000, and an agreement had been entered into with Messrs. George Clare and Company whereby an immediate issue was to be made of £225,000. These shares would in the course of the next few days be offered for sale, ranking for dividend as from April 1 last *pari passu* in all respects with the existing shares, and a preferential allotment would be given to the shareholders. With their new splendid factory, their well-established and capable staff, together with their enthusiastic managers and well-filled order book, they had a most excellent chance of keeping Straker-Squire products in the very forefront of the motor world.

The report and accounts were unanimously adopted.

TRINIDAD LEASEHOLDS, LIMITED.

An extraordinary general meeting of Trinidad Leaseholds, Limited, was held on May 30 at the London Wall Buildings, E.C., for the purpose of considering the following resolution: "That the capital of the Company be increased to £1,500,000, by the creation of 650,000 new shares of £1 each." Mr. T. J. Milner (Chairman of the Company) presided.

The Secretary (Mr. R. A. Macqueen) having read the notice convening the meeting,

The Chairman, in moving the resolution, said that the production from Forest Reserve field for the six months from July to December last was 75,850 tons, as compared with 70,130 tons in the corresponding period of the previous year. The Company took over the Barrackpore field as from January 1, 1918. The production from the two fields for the first four months of this year amounted to 52,260 tons, as compared with 57,533 tons. This slight falling off in the production had been just about made up by an increase in the present month. The Company had, from time to time, encountered on Forest Reserve a heavy flow of oil, with great gas pressure, at a depth of between 1,500 and 1,700 feet, and on every occasion that they tapped this horizon the well had, sooner or later, been lost. They had long been endeavouring to find a means of tapping this known large body of oil without the disadvantages which had so far attended it, and various proposals had been considered by the board. Well 61 was drilled down to a point immediately above the oil sand, and it was brought in on May 6 and produced 17,000 barrels in about 60 hours, and then sanded up, but was brought in again on May 10, and had continued producing to the present time. The total production to the 26th inst. was 31,000 barrels. There was considerable satisfaction in the fact that, after its first gush, they had been able to produce for about three weeks without damage to the well. Although they could not say that with well 61 they had solved the problem, he believed that they had at least taken a step in the right direction, and he hoped it would lead to further results. They had, in addition to the fields they were now operating, very large areas, and they thought their proper course was to develop one or more of these with as little delay as possible.

Extensions in Contemplation.

The opening up of a new field required the expenditure of a large amount of capital, and important sums would also have to be expended upon increased storage facilities and upon extensions to the refinery plant. Although they had made considerable profits during the past two years and had only paid one 10% dividend, they were at the present time in debt to the Central Mining Investment Corporation to the extent of something over £100,000. They desired to liquidate this debt, and also to release a proportion of the current year's profits for distribution to shareholders. They calculated that the balance of the sum raised would be sufficient to finance the extensions in contemplation. The fields they now intended to open up were in the neighbourhood of their pipe-line and shipping port. They did not propose to undertake any immediate development of their large areas in the S.E. of the island. The fact that they did not reach the producing stage until after the outbreak of war had naturally been a severe handicap to them. They were, however, about to make arrangements with the Admiralty who, between August 1916 and August 1917 shipped 55,000 tons of crude oil, which was treated in this country. It was not until September 1917 that the Company were able to make the first bulk shipment of fuel oil. At the last meeting he foreshadowed an issue of shares, and stated that it was the board's intention to offer them to shareholders at a price which would compare favourably with the market quotation at the time of issue. The board's idea in doing this was to provide shareholders with a bonus in view of their having only received a very modest return on their investment. Since the board's circular was issued on the 16th inst. they had received letters from one or two shareholders complaining that they went to the expense of having their issue underwritten in view of the disparity between the market price of the existing shares and the issue price of the new shares. The directors gave this matter serious consideration, and came to the conclusion that they would be lacking in their duty towards shareholders if they did not ensure the new issue being fully subscribed.

The Oil Share Market.

The oil share market was a favourite one just now, but they could not ignore the fact that it was of a speculative character. In 2½ months, the price of their shares had risen from 50*s.* without any extraordinary change in the aspect of affairs. The directors arranged with the Central Mining and Investment Corporation, Limited, to underwrite the new issue for a commission of 1*s.* 3*d.* per share, or 2¾%, which, he thought the shareholders would agree, was a very modest rate. The Treasury had consented to the issue, and if the resolution were passed the Company would issue provisional allotment letters and forms of renunciation as soon as possible. The books would close on June 11, and all shareholders registered at that date would be entitled to their participation in the new issue. The board proposed to call up 30*s.* on acceptance, and the remaining 15*s.* a month later.

Mr. R. H. McCarthy, C.M.G., seconded the resolution.

Mr. J. B. Dobbin moved an amendment to add to the resolution the words "and that the proposed issue of 349,750 shares to shareholders be offered to them by the Company free from all underwriting commission."

Mr. J. S. Moon seconded the amendment, which, on being put to the meeting, was negatived, and the original resolution was carried with only three dissentients.

ARMY AND NAVY AUXILIARY CO-OPERATIVE SUPPLY, LIMITED.

The annual general meeting was held on May 30 at Caxton Hall, Westminster, Rear-Admiral J. de Courcy Hamilton, M.V.O. (the Chairman of the Company), presiding.

The Chairman said that during the past year the Company's business in the fresh provision departments was subject to very severe restrictions imposed by the Food Controller on both quantities and prices, with the result that several of the departments were run at a loss. The recent relaxation of these restrictions had been promptly reflected in the sales, which had increased during the last three months by over 25 per cent. These unfavourable results had been counteracted by the favourable results obtained for other sections of the Company's business, notably in the cases of the warehousing branch and the boot department, in which a considerable demand had to be met in connection with

war-time requirements. The final result was that the Company had for the past year been able to secure an increase of some £4,000 in trading profit as compared with 1917-18. Adding £7,180, the balance brought forward, to the profit for the year, £47,710, a total of £54,890 was arrived at. The interim dividend of 2*s.* 6*d.* per share had absorbed £10,000 of this, leaving £44,890 now to be dealt with. A final dividend of 7*s.* 6*d.* per share was recommended, and would absorb a further £30,000. This was the seventeenth meeting in succession at which a 50 per cent. dividend had been proposed from the chair.

Commander L. A. De Sausmarez, A.M., R.N. (Vice-Chairman), seconded the motion, which was carried unanimously.

An extraordinary general meeting was then held for the purpose of considering resolutions giving effect to the proposed amalgamation with the Army and Navy Co-operative Society, Limited.

The Chairman said that the business was of a momentous character, inasmuch as if the proposals made by the Board were duly carried and confirmed, this Company would cease to exist, and its interests would be merged into those of the Army and Navy Co-operative Society, Limited. The relations that had existed between these two Companies had always been of the cordial character originally intended, a result which the board had been successful in maintaining. He felt that the union of forces and interests by these two Companies would be beneficial to both. The directors had taken the best independent opinion they could obtain before deciding upon the terms of amalgamation, and they strongly recommended acceptance of the scheme as set out, providing for three Army and Navy shares of one shilling each to be allotted in exchange for each £1 share of this Company. The question of amalgamation was, they would remember, before the meeting last year, on which occasion a very large majority of those present favoured the proposition. He concluded by moving: "That it is expedient to effect an amalgamation of this Company with the Army and Navy Co-operative, Limited, and with a view thereto that this Company be wound up voluntarily and that Colonel Sir Wodehouse Richardson, K.C.B., be and is hereby appointed Liquidator for the purpose of such winding-up."

Commander L. A. de Sausmarez seconded the motion, which was carried *nem. con.*

A further resolution was passed approving the conditional agreement.

BRITISH AND SOUTH AFRICAN INSURANCE CORPORATION, LIMITED.

The first annual general meeting of this Company was held on May 30, at the Company's office, 27 Royal Exchange, E.C., Mr. George E. R. Adair (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—In view of the special conditions which prevailed during the past year, the shareholders will, I think, feel satisfied with the report and statement of accounts which it is my pleasure to submit to them this afternoon. The Company commenced business at a time when the great volume of war business, which reached its high-water mark in 1917, was already falling away, and the writing of war risks practically came to an end with the signing of the Armistice. Bearing these facts in mind, it is gratifyng to note that, after deducting all reinsurances, the net amount of premiums received during the year reached the very substantial figure of £142,424 15*s.* 3*d.* The claims paid during the year, after deducting amounts received under reinsurance policies, amounted to £57,292 14*s.* 8*d.*, being equal to 36.01% of the net premiums. Keeping their eyes upon the future, and bearing in mind the importance of making the finacial position of the Company as strong as possible, the directors have decided to transfer no part of the underwriting balance to profit and loss account, but to carry forward the full amount of £74,009 13*s.* 2*d.* The shareholders will, I am sure, approve of this prudent and conservative policy, and in the meantime the directors are pleased to be in a position to recommend a dividend of 5%, less income tax, on the amount of the paid-up capital out of the proceeds of the interest received on investments. The results achieved in our first year's working could not have been secured if the Company had not been accorded the confidence and support of the leading firms of marine insurance brokers, both in London and the provinces. I feel assured that we can depend not merely on the continuance, but on the steady extension of this support, and, relying upon this and upon the business which the directors and many of the shareholders are themselves in a position to control or influence, we feel that we can face with confidence the keen competition which all marine insurance companies will have to meet now that war risks are a thing of the past, and profits would have to be earned out of the development of ordinary marine business. The shareholders are fortunate in possessing the services of a very capable underwriter, in whose judgment the directors have full confidence—(hear, hear)—who may be relied upon to support the directors in their policy of steadily building up the business on a sound basis, and who would not be tempted by the prospects of large profits to accept unduly dangerous risks. The importance of widening the basis of the Company's business is fully recognised by the directors, and with this object in view they are adopting the policy of appointing substantial representatives in the United Kingdom, in the Dominions, and in Allied countries. The full effect of this policy will, of course, not be felt for some considerable time, but the business already being received is sufficient to indicate the soundness of the course which we are pursuing. The shareholders will also remember that special meetings were recently called for the purpose of amending the Company's memorandum of association, so as to enable us to undertake fire and accident business. The necessary resolutions for this purpose were unanimously adopted, and the Court of Chancery has now made an Order confirming the alteration. We are consequently now in a position to commence fire and accident business as soon as the requisite organisation has been completed, and the directors take a very hopeful view of the prospects of the proposed new departments.

Captain H. Newton Knights, M.P. (Vice-Chairman), seconded the resolution, which was carried unanimously.

Bila (Sumatra, Rubber Lands.—Shareholders are offered 1,000,000 2*s.* shares of this Company at par in the proportion, as nearly possible of 38 new shares for every 10 shares held, fractions being ignored. This will increase the capital in issue to £126,000, and leave in reserve 240,000 2*s.* shares. In the balance sheet, as at August 31, 1918, loan account figured for £66,244, and the directors' report stated that the arrangement with the secretaries, Messrs. Harrisons and Crosfield, for the temporary financing of the Company expired on March 31, 1919, and negotiations were proceeding for an extension of the arrangement, pending Treasury sanction, to the issue of further capital. The area planted with rubber and available for development was as under:—

	1909 & earlier	1911	1912	1913	1914	1917	Total	New Clearings	Available Reserves
Acres ..	40	205	450	315	300	150	1,460	650	2,800

The present price of the 2*s.* shares is 7*s.* 9*d.* Reckoning £100 per planted acre, including the new clearings, but ignoring the reserve land, the value of the shares comprising the increased capital would be 3*s.* 4*d.* each. The output for the year to August 31 next is estimated at 220,000 lb.

BRYANT AND MAY, LIMITED.

Issued Capital: £1,280,000, in 480,000 14% Cum. Pref. Shares and 800,000 Ord. Shares of £1.
4% Debenture Stock: £180,909.

Yr.	Net Income	Deprecn., &c.	Profit	Deb. Int. & Pref. Div.†	Ord. Div. £	Ord. Div. %	Reserve	Carry-forw'd.	Stocks	Surplus Liquid Assets*
	£	£	£	£	£	%	£	£	£	£
1915	139,531	25,000	114,531	74,596	30,000	7½	Nil	29,709	98,198	504,100
1916	147,554	25,000	122,554	74,596	48,000	12	Nil	29,667	167,913	449,931
1917	175,140	25,000	150,140	74,596	48,000	12	30,000	27,211	164,546	472,765
1918	134,529	25,000	109,529	74,596	48,000	12	Nil	14,244	162,680	475,381
1919	156,582	25,000	131,852	74,596	52,000	9	Nil	19,600	237,908	695,922

* Excluding stocks, but including investments in subsidiary companies, &c. (£531,183 at March 31, 1919).
† Debenture interest, £7,296; Pref. dividend, £67,200.

In considering the results of this match-manufacturing Company and the reduction in the rate of dividend for the year to March 31, it has to be borne in mind that in October the issued Ordinary share capital was doubled to £800,000, partly by distribution of 160,000 shares through capitalisation of a portion of reserves, and partly by the issue of 240,000 shares at 25*s.* per share. The cash brought in by the new issue was £300,000, and is seen reflected above in the increase in stocks and surplus liquid assets. After paying a slightly larger sum in Ordinary dividend on the increased capital a balance of less than £5,000 remains to be added to the carry-forward. The price of the Ordinary shares is now 37*s.*, which certainly seems high, and indicates anticipation of even better profit results in the future than obtained in the recent past. Possibly there is justification for this view, inasmuch as Government control of the industry has been removed and the Company's manufacturing activities are being expanded. In course of time foreign competition seems bound to be acute again, however, helped as it is by the relative cheapness of timber and labour on the Continent. The 14% Cumulative Preference shares are quoted at about 43*s.* 6*d.*, and yield about 6½%.

THE LONDON ASSURANCE.

Incorporated by Royal Charter, A.D. 1720.

7 ROYAL EXCHANGE, LONDON, E.C. 3.

INCOME £3,084,450 FIRE. MARINE.

Applications for Agencies Invited.



ASSETS £8,526,459 LIFE. ACCIDENT

All classes of Insurance.

The Corporation has granted Fire, Life and Marine Insurances for nearly Two Hundred Years.

THE OCEAN Accident and Guarantee Corporation, Limited.

Assets - - £5,750,000
Claims paid - £19,500,000

Accident Insurance of all kinds.
Employers' Liability. Fidelity Guarantees.
Fire and Burglary. Public Liability.
Motor Cars. Excess Bad Debt and Credit.
Boiler and Lift Insurance.
Executorships and Trusteeships.

Head Office: MOORGATE STREET, LONDON, E.C. 2.
T. M. E. ARMSTRONG, *Manager and Secretary.*

BRITANNIC
ASSURANCE CO., LTD.

Policies are issued at Yearly, Half-Yearly, Quarterly, Monthly and Weekly premiums.

FUNDS - - - £4,890,000.

Chief Offices: BROAD STREET CORNER, BIRMINGHAM.

LONDON & MANCHESTER ASSURANCE COMPANY, LIMITED.

Chief Office - 50 FINSBURY SQUARE, LONDON, E.C. 2.

Allied with National Amalgamated Approved Society for National (Health) Insurance.

PREMIUM INCOME exceeds ... £1,000,000
FUNDS exceed £2,000,000

PEARL
ASSURANCE COMPANY, LTD.

Chief Offices: High Holborn, W.C. 1.

Annual Income exceeds £5,250,000
Claims Paid exceed £23,000,000

REFUGE ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds - £4,700,000
Assets Exceed - - - - £15,900,000
Claims Paid Exceed - - - £28,000,000

SUBSCRIPTION TO "THE STATIST."

TO INCLUDE ALL SUPPLEMENTS.
Payable in Advance.

Inland.
One Year, £1 10 0 | Half-Year, £0 15 8
(Post Free.)

For Colonies and Abroad (within Postal Union).
One Year, £1 17 4 | Half-Year, £0 18 8
(Post Free.)

OFFICES: 51 Cannon Street, E.C. 4.

MAXIMUM LIFE ASSURANCE at MINIMUM COST.

LIFE ASSURANCE particularly adapted for Partnerships and for all transactions where capital is involved.
Prospectus will be sent on application to

Assets exceed £700,000 | WESTERN AUSTRALIAN Insurance Co., Ltd. 45 to 47 Cornhill, London, E.C. 3. | Claims Paid exceed £1,000,000

The Statist.

LONDON, SATURDAY, JUNE 7, 1919.

CONTENTS.

LEADING ARTICLES— PAGE
THE NEW LOAN 1037
THE AUSTRIAN TREATY ... 1038
EUROPEAN PROSPECTS ... 1038
THE SHODDY TRADE ... 1039
GUATEMALA 1040
THE WOOL-COMBING INDUSTRY 1041
FOREIGN COMPETITION IN WOOL MANUFACTURE. II. 1042
LIGNITE DEPOSITS IN IRELAND 1043
THE AERATED WATER INDUSTRY 1045
THE PIPE INDUSTRY ... 1079

S. AND CENTRAL AMERICA—
ARE WE NEARING THE LIMIT OF PRODUCTION? 1044

THE MONEY MARKET—
THE COMING LOAN 1030

STOCK EXCHANGE 1031

MINING TOPICS—
CROWN MINES 1032
LANGLAAGTE ESTATE ... 1033
ANGLO-CONTINENTAL MINES 1034

TABULAR APPENDIX—
I. Bank Returns, &c. ... 1034
II. Current Bank Rates of Discount 1035
III. Foreign Exchanges ... 1035
IV. Bankers' Clearing-House Returns 1035
V. Freights 1035
VI. Wholesale Prices of Commodities 1036
VII. Railway Revenue Statements 1036
VIII. Railway and Tramway Traffic Receipts ... 1036

FINANCIAL NOTES— PAGE
THE NEW LOAN 1046
WOMEN IN INDUSTRY ... 1047
SIR BOVERTON REDWOOD ... 1047
ANGLO-STH. AMERICAN BANK 1048

AMERICAN TOPICS—
THE RAILROADS UNDER GOVERNMENT CONTROL ... 1049
CHICAGO AND NORTH WESTERN 1049
THE CHICAGO, MINNEAPOLIS AND OMAHA 1049
CHICAGO, MILWAUKEE AND ST. PAUL 1049
WABASH RAILWAY ... 1050

RUBBER TOPICS—
LONDON ASIATIC .... N. 1051
BATU CAVES 1051
SUNGEI BULOH (SELANGOR)... 1051
SUNGEI KRUIT (PERAK) ... 1051
SUNGEI KAPAR (SELANGOR)... 1052
HIGHLANDS AND LOWLANDS... 1052

NEW ISSUES—
STRAKER-SQUIRE, LTD. ... 1056
MORRIS AND JONES, LTD. ... 1057
AMALGAMATED INDUSTRIES 1057
JOHN COOPER AND SONS (BEEHIVE), LTD. 1057
LOTUS, LIMITED 1057
HOME & COLONIAL STEAM FISHING CO. 1057

INSURANCE NOTES—
SCOTTISH AMICABLE LIFE ASSURANCE SOCIETY AND THE SCOTTISH INSURANCE CORPORATION, LTD. ... 1052

COMMERCIAL—
SILK.—I. 1054
PRODUCTION IN TEXTILE TRADES 1055

INDUSTRIAL COMPANIES—
BELL'S UNITED ASBESTOS ... 1053
BABCOCK & WILCOX... ... 1058
MAYPOLE DAIRY CO., LTD. ... 1058

MEETINGS OF PUBLIC COMPANIES ... 1059-1078

The Money Market.

Thursday, June 5, 1919.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate...	5	(Apr. 5,'17)	5½	Jan. 18,'17
Bank of England Rate — to Clearing Banks: 3 days' notice ...	3	(Feb. 14,'18)	4	June 19,'17
— for Foreign Money*	4½	(Nov. 15,'17)	extended	Jan. 2,'18

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances.

Deposit Rates:—

Banks & Discnt. Ho. (Call)	3†	(Feb. 14,'18)	3½	Jan. 2, 18
Discount Houses (Notice)...	3	(June 6,'18)	3½	Feb. 14,'18

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—

	60 Days.	3 Mos.	4 Mos.	6 Mos.
	%	%	%	%
Tr'sury Bills (Fixed Feb. 14,'18)—		3½	—	3½
Bank Bills	3½-⅝	3⅝-¾	3¾-⅞	3¾
Trade Bills	—	4	4-4¼	4-4½

THE COMING LOAN.

As we say in our financial notes, the man who has established a sound and well-deserved reputation for stinting himself where necessary in order to pay his debts is never pressed by his creditors, but it is for that man himself, being a man of integrity, to see to it that no unnecessary delay be incurred until he shall have liquidated his liabilities to the full amount owed. Those of us who are not in the confidence of the Chancellor of the Exchequer cannot, of course, pretend to say what will be the exact amount of the forthcoming loan. We have reason to believe that its terms will be attractive, and that the investor will be offered a sound and reasonable investment bearing in mind the conditions of the time, but it is evident that, in view of the enormous magnitude of national issues already in existence, it is to the patriotism of the British public and the British investor and his realisation of the importance of maintaining the national integrity and the national credit that the lasting and final appeal must be made. It is at least as evident that the coming loan will not and cannot be a clearing-up loan in the sense that one had looked for a clearing-up loan when we talked four years ago of the period that would eventuate when the War was over. It is evident to the junior who has hardly yet mastered the elementary facts upon which economic science is based, and has only a rudimentary knowledge of the present conditions of the London Money market, and, indeed, of the international Money market, that it would only be courting disaster to bring out such a loan as one would desire to see in order to enable us at least to pay off our floating debts, and to meet the deficit Mr. Austen Chamberlain recently estimated on the current year's Budget. The figures are upon such a colossal scale that it is futile to hope that such a loan could be issued with any prospect of success. It has to be remembered the conditions now in June of 1919 are very different and far less favourable than they were, say, two years ago. At that time the Government was pouring out money as though it had a factory capable of producing an inexhaustible supply. Trade was restricted in every direction, and there was little or no opportunity of employing our resources except for the purposes connected with carrying on the War. We are now practically seven months from the Armistice, and it is highly satisfactory to see that trade is gradually reviving, and especially that while our imports are being curtailed, our exports are gradually expanding. Every effort is being made to make up for the enormous loss of tonnage we incurred during the War, and consequently money is urgently required for purposes which it has become the fashion to call reconstruction. Although it is quite true that such a loan as one would desire to see issued is impossible, it is equally true, if we are to maintain the national credit, that the money has got to be paid at some time. Consequently, the less we pay now the more we shall have to pay later. It is, of course, for the Chancellor of the Exchequer and his competent financial advisers to decide what shall be the actual magnitude of the loan, bearing in mind the many pressing demands exigent on the market at present, and, above all, not to issue more than the investing public are capable of taking up. We would urge the Chancellor of the Exchequer to take his courage in both hands and trust to the public to the utmost extent that he deems safe. The investing public at home, like our boys at the Front, proved themselves during the late War patriotic to a degree and willing to make any reasonable sacrifices in order to carry on the War and maintain the national integrity and national credit.

It is, as we have said, for the Chancellor of the Exchequer to decide what the magnitude of the loan shall be. He has means of information which cannot be available to the press, or indeed, to any other individual in the country, and, lastly, he is responsible in a sense that is not the case with any other individual. We will, therefore, content ourselves with making a suggestion. Now the outstanding non-consolidated debt amounts roughly to £2,000,000,000. There is £1,000,000,000 of Treasury Bills, which are simply Government I.O.U.s, and in addition, there is very nearly £500,000,000 of private borrowings, which are officially known as Ways and Means loans, which are very little better than a private individual asking his friend to lend him a few shillings for a day or so. Besides these, the Chancellor of the Exchequer told the House of Commons in his Budget speech that there would be a deficit of over £230,000,000 on the current Budget, and he naturally proposed to borrow a little more for contingencies, making a loan roughly of £250,000,000. It will be seen that we owe already a total of £1,700,000,000 with practically nothing over for contingencies, and our readers in the City and those outside who follow the course of the national finances will have noted that we have said nothing about Exchequer Bills, some hundreds of millions of which will fall due during the coming twelve months. We have intentionally omitted them because we think the market will probably be quite willing to renew them, as they are, in fact, very convenient instruments of credit, and are available for international purposes.

Leaving these, then, wholly out of consideration, it will be evident that, if the conditions of the Money market would admit of it, a clearing-up loan of at least £2,000,000,000 would not be too much. Things being as they are, however, there can be little reasonable doubt that the competent advisers of Mr. Austen Chamberlain would tell him that such a loan is impossible. The market has been talking this week of a loan of £750,000,000. This is roughly about one-third of what is required. Of course, it would be better to have £750,000,000 over-subscribed than to issue a larger loan and not get the money. As we have said, no private individual is in a position to estimate the capabilities of the Money market at the present time, and it is for Mr. Austen Chamberlain in the final results to decide what it is best to do in the interests of the country, and, indeed, of the British Empire taken as a composite whole, at a time of economic stringency like that through which we are passing. It is always better for a debtor to pay even £10 in the £100 than to issue a cheque for an amount which his bank balance does not justify, but it has to be remembered that if he is an honest man and desires to maintain his credit the £100 has to be paid sooner or later. If he can make the £10 into £20 by making his winter coat last through this brilliant summer he is getting nearer the time when he can look his creditors in the face as a man of integrity who, having got into difficulties, has done his best to meet his liabilities, and so it is with our country at the present time. If Mr. Austen Chamberlain, having taken into consideration the many demands pressing upon the London Money market, can see his way to bring out a loan for £1,000,000,000 we shall be nearer that period when the country can seriously tackle the proposition of extending our trade.

Cable advices from New York report the resumption of gold shipments to the States from Canada, discontinued since 1917. On June 3, the first shipment after the interval of two years arrived, the value being, it is said, $6,000,000. Confirmation of a statement that additional shipments to the extent of $44,000,000 have been arranged, is not yet forthcoming, nor is it definitely known for what particular purpose the movement, which, of course, must be on Government account, in view of the prohibition of gold exports, is intended.

BANK OF ENGLAND.

THE movements reported in this week's bank return are of much the same character as we referred to in our last issue, but, despite the disbursement of upwards of £50,000,000 in dividends on War Loan and

Consols, the extent of the market's gain is not so considerable as might have been expected. As partly accounting for this, it may be noted here that the Treasury return for the last week of May showed an increase of £14,000,000 in Treasury bills and of £13,500,000 in Ways and Means Advances. As to the actual figures of the return, it is merely necessary to mention an increase of £6,200,000 in Government securities—practically the same as last week—and a rise of nearly £6,000,000 in "other" deposits. Otherwise movements were small, the reserve declining by £178,000 in consequence of an expansion of £1,033,000 in the note circulation and an increase of £854,000 in the value of the bullion. The proportion to liabilities is again lower at 18.25%, and to find a parallel with this percentage we have to go back to the second week of the year.

POSITION IN NEW YORK.

Dealings upon Wall Street, nearly every day during the past week have been upon a colossal scale, and one would say that prices were rising out of all proportion to economic values. If such a state of things had occurred before the general War against Germany, one might confidently have predicted a heavy fall as a result of the recent extravagant rise, but the economic conditions in the United States have been very materially altered as the result of the general War. In pre-War days the United States had to send to the United Kingdom alone every year commodities valued at £100,000,000 merely to meet the interest upon subscriptions formally made to the United States from this country. Now we alone owe the United States the annual interest upon £1,000,000,000, not to speak of the principal. In addition, the conditions in Europe have changed for the worse to at least as great an extent as they have improved in the United States for the better. In pre-War days there was an immense demand for products of the United States, both raw and manufactured, throughout Western Europe, and particularly in this country. This demand no longer exists to the extent that was the case formerly.

The gold holdings of the banks of the United States are upon an unprecedented scale, and capitalists in the United States have not the same opportunity for employing their resources to meet the demands of Europe as they had before the War. New York has become an international financial centre in a sense that she has not been in her previous history. As a result New York has larger balances seeking employment than in any previous period.

THE POSITION IN INDIA.

If the cables were working normally, which the reader is aware they are very far from doing at the present time, we might hear at any moment now that the monsoon had burst in India, and burst with such good purpose that we might reasonably hope that the rains would continue well into September. It will be remembered that the last monsoon was a partial failure; indeed, so serious was the failure that there was famine in various parts of India—not comparable, indeed, to famines such as we have known them in the recent past, but still sufficiently serious to accentuate the grave unrest already existing in India.

It has been announced this week that a Commission has been appointed to re-consider the fiscal policy with reference to closing the mints for the free coinage of silver adopted by the Indian Government, now nearly a quarter of a century ago. As we pointed out quite recently, it is evident that the present condition of things cannot be allowed to continue indefinitely. Whether the Commission will recommend the re-opening of the mints for the free coinage of silver, and whether, if it does, the Indian Government will be inclined to adopt that policy, remains to be seen. As our readers are aware, we were opposed to the policy when it was adopted, and we submit that the course of events since has amply justified our opinion that the policy was ill advised. Nominally a gold standard was adopted, but it has never been even partially effective because the economic condition of India does not justify, and never has justified, in our time, the adoption of a gold standard. 98% of the Indian population of 315 millions are engaged in the production as distinct from the manipulation of primaries. The mass of the people are very poor, the transactions outside the Exchange Banks are very small, and the real currency of India has always been upon a silver basis. Those who have given careful thought to the subject are almost unanimously agreed that the policy adopted has in reality been a form of indirect taxation upon the Indian native population.

It has been announced this week that the negotiations which have been proceeding between the Indian Government and the group of gold mining companies operating in Mysore and the Anantapur district of Madras, have ended in an arrangement whereby about one-half the monthly production of the mines will be bought by the Government and paid for in rupees. At the present rate of exchange of 1*s*. 8*d*. per rupee, this arrangement will be of considerable advantage to the mines. As local expenses account for quite half, if not more than half, of the value of the gold production of the districts, the former method of shipping the gold here and then remitting funds for expenses back to India occasioned a big loss on exchange. The Indian Government, for its part, having a regular supply of gold to deal with itself, will be in a better position in regard to financing.

SILVER.

There has been a good demand for silver throughout the week, and the price, which fell sharply about a fortnight ago, has shown steady signs of recovery, and the price to-night is 53$\frac{1}{8}$*d*. per ounce. It could not be otherwise with the extraordinary demand for silver which has existed in India ever since the outbreak of the recent War. India, it will be remembered, as a result of the War, and until the failure of the monsoon last year, has enjoyed exceptional prosperity not merely during the War, but for many years before. During the War particularly India has been absorbing silver upon a very great scale. It will be remembered that we reported some time ago that India had taken 400,000,000 ounces of silver during the War period, and quite recently it was announced in addition that the Indian Government has arranged in the United States for a further shipment of silver amounting to very nearly 200,000,000 ounces—that is to say, in five years or less than five years India has absorbed very nearly 600,000,000 ounces of silver, or three times the annual production of silver throughout the world during the period.

Stock Exchange.

A marked diminution of activity has taken place on the Stock Exchange during the past week. Quotations as a rule may be said to have held up remarkably well, considering the substantial improvements that have occurred in many directions in recent weeks. There

5%

NATIONAL WAR BONDS.

Although the issue of September Bonds is discontinued, they are still purchasable for a limited period by instalments from

The National Mutual Life Assurance Society

39 KING STREET, CHEAPSIDE, LONDON, E.C. 2.

under the Society's Special Scheme.

INSTALMENTS CEASE AT DEATH.

NO MEDICAL EXAMINATION OF APPROVED LIVES.

Write for particulars.

has been scattered selling, of course, but probably more on professional account in preparation for the effect of the issue of the new War Loan than on behalf of private investors. On balance Consols, allowing for the dividend deduction, are $\frac{1}{16}$ lower on the week at 54¼, and the 5% War Loan shows a fractional decline also. The same is to be said of the 4½% War Loan, despite its right of conversion into the new loan. The terms of issue of the latter are still unknown, and consequently it remains to be seen to what extent the stock will mar the attractions of existing securities. Colonial Government stocks remain at about last week's closing prices, but Home Rails have lapsed again into depression, and the improvements of last week have been lost. Here and there quotations of Foreign Government stocks have been marked down, French issues being weak on the renewed upward movement in the exchange, which has again touched 30f. Both the 5% French Loan and the 4½% Rentes show a drop of over a point on the week at 79½ and 63½ respectively. The more active of the Chinese and Japanese issues, too, have dropped back a little, and Mexicans—Government, railway and tramway securities—have weakened further on reports of possible renewal of internal strife, Villa being said by American advices to be on the war-path again. The downward movement of prices of South American railway securities has continued unchecked, though the extent of the fall can only be considered important if taken in conjunction with the previous course of the market. Brazilian Traction have again shown to advantage, registering a further advance of 1½ points on the week to 62. There has not been much doing in Colonial rails. Canadian Pacific rose 1½ points on Tuesday, but subsequently declined nearly as much. Lower prices are quoted for one or two Canadian industrial stocks, in consequence, as much as anything, of nervousness as to the outcome of labour troubles in the Dominion.

In the industrial and general sections outstanding features of strength have been few in number, it is true, compared with experience of recent weeks, but anything like a pronounced set-back in values has not occurred. Several shipping descriptions have been in demand, particularly Royal Mail stock which has risen to 157½, P. and O. Deferred, and Ellerman Line 4½% Preference shares. In the Commercial-Industrial list Imperial Tobacco Ordinary stand out, having risen from 82*s.* 6*d.* to 91*s.* Nigers, too, in the land section, have continued a strong market, and close a further 7*s.* to the good at 78*s.* Chinese Engineering and Mining have dropped back to 71*s.*, and there are numerous other small set-backs recorded. Included in these are the Marconi group of securities, in which interest has flagged a little pending the decision in the compensation case against the Government, in connection with which a sum of no less than £7,000,000 has been mentioned. Iron, coal, and steel issues have remained fairly firm as a whole, though the report on the coal-mining position, indicating a big falling off in production and an estimated deficiency of £46,000,000 on the working of the industry for the year from July next, is disconcerting. The serious effect of the declining productivity of labour since the Armistice is emphasised in the report of Pease & Partners just issued.

The tendency in the oil market has in the main been against holders, with the exception of those interested in Shells, Anglo-Egyptian, B Lobitos, and Mexican Eagles. They have shown resistance to profit-taking. On the week, however, most of the minor shares are lower.

In the House of Commons on Wednesday the Chancellor of the Exchequer, in reply to a question, said that, having regard to the extensive demands on the resources of the Local Loans Fund for housing and similar purposes, it had been necessary to lay down the rule that authorities with a rateable value exceeding £200,000 must raise their requirements in the open market.

PLAYER'S
NAVY MIXTURE
"Pipe Perfect"
IN THREE STRENGTHS
White Label 9½d. PER OZ.
Mild and Medium. 10½d. PER OZ.
JOHN PLAYER & SONS, Nottingham.
Branch of the Imperial Tobacco Co. (of Great Britain and Ireland) Ltd.

Leaders of the World's Filing and Card Index Systems
Shannon
and Modern Office Furniture
ROPEMAKER STREET, E.C.2.
Ring up London Wall 1533.

Mining Topics.

As in other departments of the Stock Exchange, the past week in the Mining markets has been marked by dullness, speculation being restrained by the approach of the holidays and the knowledge of the impending funding loan. The majority of price movements have been to lower levels, and only a very few shares have been prominent in the other direction. On Thursday the Central Mining Corporation declared an increased dividend which created a better feeling in the South African section.

CROWN MINES.

Will the results reported by this great conglomeration of mines on the Central Rand for 1918 prove to be the bottom of the fall in prosperity due to war conditions? is the question most shareholders will be asking themselves, now that Peace is on the point of being signed. The milling equipment is capable of dealing with 2,500,000 tons of ore per annum, but in 1918 only 1,861,000 tons were put through. Then as against a gold yield of 29*s.* 7*d.* per ton in 1913, last year's figure was 27*s.* 2*d.* and the working cost of 25*s.* 10*d.* compares with 16*s.* 5*d.* per ton in the pre-War year. The net profit has fallen during the War from £1,358,287 in 1913 to £384,657 for last year, and dividends have had to be steadily reduced from 110% to 20%. There is no doubt that in the main this great diminution in prosperity has been due to native labour shortage and high cost of materials and wages. Last year further exceptional interference with working occurred in the shape of extraordinary rainfall flooding the lower levels early in the year and influenza epidemic in the last quarter. At the same time that all these troubles have existed, the management has had to proceed with its plan of opening up the very deep level section of the property south of the great dyke which cuts across right from east to west. The carrying out of the plans is, of course, now behind schedule time and leeway has to be made up. The richest ore ground in the upper section has been

exhausted and the future is dependent upon the quality of the reef disclosures in the large tract of deep level ground below the south dyke. As to the prospects in this connection, it is not possible yet to speak with certainty, but there seems to be good ground for confidence.

We show below the milling results for the last six years and the first four months of this year:—

	Ore Milled Tons	Revenue per Ton	Expenses per Ton	Working Profit £	Working Profit Per Ton	Net Profit* £	Dividends Amount £	Dividends %
1913	2,195,660	29/7	16/5	1,442,472	13/2	1,358,287	1,034,116	110
1914	2,287,000	26/0	15/7	1,191,628	10/5	1,118,809	799,090	85
1915	2,497,000	25/4	16/2	1,146,552	9/2	1,099,196	611,069	65
1916	2,266,000	25/6	18/4	815,630	7/2	773,233	470,053	50
1917	2,100,000	25/9	19/4	674,004	6/6	628,898	376,042	40
1918	1,861,000	27/2	22/9	410,642	4/5	384,657	188,021	20
1919.								
Mar.qr.	424,000	28/6	25/10	56,817	2/8	—	—	—
Apr...	158,000	27/6	23/5	32,107	4/1	—	—	—

* After deduction of miners' phthisis contribution and Debenture interest, but not taxation.

A distinct improvement in the labour supply commenced early this year and the effect is seen in the lowering of costs and the increase in working profit for April. The possibilities of further improvement, it will be recognised are great, even if only a return to the 1917 level of tonnage treatment and costs can be made, for since then development work has raised the average value of the ore reserves and the introduction of jack-hammer rock drills has enabled the stoping width to be reduced. As more of these drills are installed and greater concentration of effort brought about, the prospects are that mining will be much more economically conducted. If we turn to the development work we find the footage done was greatly curtailed last year, but the values opened up—especially on the Main Reef Leader, which, every year becomes more and more the principal source of profit-earning—were very encouraging. The ore mined was 2,054,451 tons, value 6¾ dwt., and the ore developed 1,343,200 tons, value 6.8 dwt. In consequence, a considerable reduction occurred in the ore reserves, but in noting this, it has also to be said that funds have been set aside to cover deficiency of development work and that substantial increase in the rate of development is shown by the March quarter's results. The following tables show the progress of development and the ore reserve position:—

	Total Footage Sampled on Reef	Payable Footage Feet	Payable Footage %	M.R. Leader Dist. Exposed Feet	M.R. Leader Width In.	M.R. Leader Assay	Shil-ling In.	South Reef Dist. Exposed Feet	South Reef Width In.	South Reef Assay
1916	29,450	—	—	15,220	23	72/3	1,660	14,230	26	50/7
1917	19,270	11,270	58	8,340	32	80/0	2,560	2,930	25	83/0
1918.										
Mar.qr.	3,320	2,290	69	1,700	26	94/0	2,444	590	30	56/9
June qr.	2,700	1,630	60	1,150	13	250/0	3,250	480	27	70/0
Spt. qr.	4,460	3,100	69	1,850	18	153/0	2,754	1,250	28	62/4
Dec. qr.	4,230	3,280	77½	2,330	17	161/0	2,730	950	28	68/10
Yr. '18	14,760	10,300	70	7,030	19	146/6	2,785	3,270	28	63/10
1919.										
Mar.qr.	5,020	4,100	81½	3,260	26	79/6	2,067	840	28	59/0

Ore Reserves at December 31.

1918 Tons	1918 Value per Ton	1917 Tons	1917 Value per Ton	1916 Tons	1916 Value per Ton	1915 Tons	1915 Value per Ton
8,298,100*	27/2	8,988,000	26/9	11,429,000	25/1	9,338,000	26/6

* Including 1,194,800 tons, value 31/9 per ton, in shaft and safety pillars not available for use at present.

The ore reserves, excluding the unavailable tonnage, are equivalent to 3 to 4 year's supply for the mill. There is still a good area of undeveloped ground north of the dyke and there seems reason to expect the opening up of the southern ground will be in time to keep the mills fed with ore. Of course, everything depends upon the values encountered. So far, they are quite encouraging, but work south of the dyke has only just commenced. Progress will be watched with interest and if disclosures continue up to the recent average of the mine, there is a distinct prospect that relaxation of war conditions will be reflected in the milling results, and, if it goes far enough, in the return to shareholders. The present price of 2⅝ for the 10s. shares does not appear to over-value the position and prospects. Just before the War the quotation was 5½.

LANGLAAGTE ESTATE.

THE beneficial effect of good management which superseded the old Robinson regime as from the end of 1916 is beginning to be reflected distinctly in the operating results of this mine. Despite the difficulties due to flooding, labour shortage and influenza epidemic, profits for 1918 sufficed for a further increase to be made in the dividend, and progress since augurs well for the outcome of the current year. Costs have not yet commenced to fall, but an encouraging improvement is manifest in the gold yield per ton milled as will be seen from the following:—

	Ore Milled Tons	Gold Yield per Ton	Working Costs per Ton	Working Profit £	Working Profit Per Ton	Net Profit* £	Dividends £	Dividends %	Carry-forward £
1914	589,619	24/0	18/0	179,414	6/0	146,852	88,650	10	40,385
1915	612,297	22/10	17/10	155,427	5/0	118,019	132,975	15	6,801
1916	595,507	23/5	18/3	148,928	5/2	110,698	44,325	5	62,480
1917	539,618	23 0	18/10	112,961	4/2	112,448	88,660	10	75,557
1918	533,690	24 3	19/1	139,082	5/2	128,105	110,813	12½	70,898
1919.									
Mar.qr.	125,330	25/6	19/10	35,562	5/8	—	—	—	—
Apr....	40,000	26/2	21/2	10,206	5/0	—	—	—	—

* Including sundry revenue and after provision of miners' phthisis contribution, taxes, &c., but not capital expenditure.

The important fact that emerges from a close analysis of the mining position is that there is still room for improvement in the gold yield before the average value of the ore reserves is equalled. Development work was hampered last year for the reasons already mentioned, but the disclosures were quite satisfactory. The rate of reef exposure has been expedited, and presuming this to continue now that more labour is available a considerable betterment of the ore reserve position seems likely to be shown a year hence. Last year there was a slight reduction in the quantity of ore in sight, but the value was well maintained. The value of the ore mined, 21% of which came from reclamation work, was as an average appreciably below the value of the ore reserves, which in turn was less than the value of the payable reef disclosures. The following shows the position in this connection:—

	Sampled Feet	Payable Ft.	Payable %	Assay Value	Width Inches	Shilling Inches
1918.						
Mar. qr.	1,305	717	—	79/0	25	1,975
June qr.	623	226	—	66/0	23	1,558
Sept. qr.	2,483	1,924	—	133/0	19	2,527
Dec. qr.	2,124	1,353	—	139/9	15	2,090
Year	6,535	4,220	—	—	—	—
1919.						
Mar. qr.	2,400	1,402	—	156/0	14	2,180

	Ore Mined in Year Tons	Value	Stoping Width Inches	Shilling-Inches	Pay Ore Reserves at Dec. 31 Tons	Av. Value	Width Inches	Shilling-Inches
1917	535,783	24/6	56	1,370	1,060,594	29/3	54	1,580
1918	534,000	25/8	52	1,325	1,036,200	29/3	52	1,520

It will be seen that the average width of stoping in 1918 and the calculated width of the ore reserves was slightly reduced. Thereby hangs a tale which promises to have a good ending. The use of hammer-drills was extended, and one needs only to glance at the following comparison to see at once the scope for further extension in this direction:—

Stoping Measurements.

	1918 Square Fathoms Stoped	1918 Stoping Width Inches	1917 Square Fathoms Stoped	1917 Stoping Width Inches
Work by 3½-inch rock drills ...	3,559½	69	5,983	66
„ hammer drills	1,900	49	62	65
„ hand drilling	26,292	50	26,728	52
	31,751½	52	32,773	56

For the hammer-drills to stope to a narrower width than hand-drilling is an achievement that has been

CANADA'S GRAND TRUNK RAILWAY
IS
10,127 MILES of
INTERNATIONAL GOODWILL,
COURTESY,
EFFICIENCY, and
SAFETY.
CONSULT US ON Travel, Exports and Imports.
EUROPEAN TRAFFIC OFFICES:
LONDON, S.W.—17-19 Cockspur Street. LIVERPOOL.—20 Water Street.
LONDON, E.C.—44-46 Leadenhall Street. GLASGOW.—75 Union Street.
F. C. SALTER, European Traffic Manager.

striven for on the Rand for years past. Unfortunately owing to the War this new form of drill has been costly to buy and difficult to obtain. Now, however, its extended use all round is certain to be witnessed, and the results judging by performances so far made known are likely to be a big factor in renewing prosperity by taking the place of hand-drilling, especially in the poor mines which must have a narrow stope width. This is not quite the case with the Langlaagte, but a further reduction in stoping width would be a very distinct advantage in view of the reef width of 14 to 25 inches, and the desirability of releasing labour for other purposes.

In all the circumstances and in view of the remaining life of the mine being fairly long—two years have been added by the purchase of 22 additional claims last year—there appears to be room for appreciation in the present price of 22*s.* for the £1 shares. On the full mill capacity of 600,000 tons per annum a saving of 1*s.* per ton in costs or improvement in yield, through extension of jack-hammer drilling, represents 3⅓% dividend on the capital of £886,500.

ANGLO-CONTINENTAL MINES.

The accounts show gross profits for 1918 at £28,488, against £31,738 in 1917, and a net profit of £22,972, against £24,251. The dividend is maintained at 15%, free of income tax, but the carry-forward has to be reduced from £6,393 to £3,677 to cover income tax and directors' further remuneration. The Company's principal dividend-paying investment is in the Mongu Tin Mines, while it also operates a tin property of its own in Nigeria, production from which last year was 207 tons of black tin, against 271 tons in 1917 and 300 tons in 1916. Apart from revenue from these two sources, which is not separately shown, and small receipts from interest, income is derived largely from share dealings. At present the 10*s.* shares are priced at 17*s.* 6*d.*, which compares with 16*s.* 6*d.* a year ago. There are speculative chances connected with possible good developments resulting from the opening up of mining "prospects" in which the Company is interested, and the balance sheet shows a sufficiently good position for financing purposes.

Directors and secretaries of Transvaal land-holding companies, as well as investors and others interested, may like their attention called to an elaborate map of the Transvaal, compiled and drawn to scale by Mr. A. J. Clevely, Globe Printing Company, Limited, Scrutton Street, Finsbury, E.C. It shows very clearly and in various colours the farms held by the different companies, and the districts, towns, rivers, spruits, and railway communications. A detailed list of the farms and their areas is printed in the margin. The price is £1 1*s.*

Intending Settlers To South & East Africa



are notified that the

National Bank of South Africa, Ltd., have over **300 Branches within the Union;** also Offices at **Mombasa, Nairobi, Mozambique, Dar-es-Salaam, Tanga,** etc., and in **Nyasaland.**

LONDON OFFICES:

CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office— 25, COCKSPUR STREET, S.W.—1.

Agency at— 10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, June 4, 1919.

Issue Department.

Notes Issued	£103,669,120	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	85,219,120
	£103,669,120		£103,669,120

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£58,721,376
Rest	3,166,046	Other Securities	60,800,772
Public Deposits	21,441,103	Notes	25,474,495
Other Deposits	127,532,038	Gold and Silver Coin	1,716,680
Seven-day and other Bills	20,136		
	£166,712,323		£166,712,323

Comparison with Previous Four Weeks [00,000's omitted]

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919.	£	£	£	£	£	£	£	%	%	%
June 4	78·2	86·9	21·4	127·5	58·7	80·8	27·2	18·25	5	3½-¼
May 28	77·2	86·1	21·0	121·6	52·5	80·4	27·4	19·19	5	3½
May 21	76·5	85·5	28·1	110·3	46·3	80·4	27·4	20·10	5	3½
May 14	76·5	85·6	22·8	111·4	46·4	77·9	27·5	20·50	5	3½
May 7	76·3	85·9	23·7	125·2	49·4	79·5	27·8	19·87	5	3½
J'y 22,'14	29·3	40·2	13·7	42·2	11·0	33·6	29·3	52·40	3	2⅞

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 8 8%; Aug. 8 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	June 4, 1919	June 5, 1918	June 6, 1917	June 7, 1916	June 2 1909
Circulation	£78·2	£51·9	£39·0	£35·5	£29·6
Public Deposits'	21·4	38·7	48·0	50·3	13·5
Other Deposits	127·5	131·9	120·8	82·3	43·9
Government Securities	58·7	56·4	45·2	42·2	15·4
Other Securities	80·8	101·6	106·7	63·6	33·5
Reserve	27·2	30·4	34·6	44·5	28·2
Ratio to Liabilities	18·25%	17·82%	20·48%	33·59%	45·60%
Coin and Bullion	86·9	63·8	55·1	61·6	37·3
Money					
Bank of England Rate	5%	5%	5%	5%	2½%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3 13/16 %	3½%	4 1/16-⅛%	4⅛%	1½%
Exchanges:					
Paris Cheque	30 08	27 16½	27 27	28 15½	25 18½
New York 60 days	4 60	4 72½	4 73	4 72½	4 86½
Bombay Telegraphic Transfers	1/7 11/32	1/5 11/32	1/4 7/16	1/4 7/16	1/3 11/32
Prices:					
Consols 2½% Cash	54¼xd.	56xd	55	60½	84 7/16xd
French Rentes 3% Money	61 50	60 00	60 65	63 00	98 10
Silver, London spot oz.	53⅛	48 7/16d.	38 3/16d.	30 1.	24 11/16d.
Wheat, *Gazette* average qr.	73/3	73/8	78/0	53/3	42/6
Cotton, Mid Upland lb.	19·85d.	21·54d.	15·57d.	8·49 1.	5·83 1.
Iron, Scotch pig ton	166/0	101/0	98/6	88/6	54/9

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	% of Gold to Notes %
May 28, 1919 ...	6,476,867	7,102,974	344,212,731	28,500,000	8·2
May 21, 1919 ...	5,969,652	7,796,409	344,838,838	28,500,000	8·2
May 29, 1918 ...	5,529,352	4,933,973	247,790,461	28,500,000	11·5
May 30, 1917 ...	6,155,657	4,097,755	159,102,772	28,500,000	17·9
May 31, 1916 ...	4,838,802	3,825,199	118 549,575	28,500,000	24·0
June 2, 1915 ...	2,717,224	2,186,345	45,890,513	28,500,000	62·3

Balance Sheet, May 28, 1919.

Notes outstanding—	£	Advances—	£
One Pound ...	262,244,447	Trustee Savings Banks.	360,000
Ten Shilling	45,778,284	Currency Note Redemption A/c—	
Certificates outstanding ...	36,190,000	Gold Coin and Bullion ...	28,500,000
		Government Securities ...	327,089,521
Total	344,212,731	Balance at Bank of England	4,796,856
Investments Reserve A/c	16,533,646		
Total	360,746,377	Total	360,746,377

PUBLIC INCOME & EXPENDITURE [000's omitted.]

1919. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.— Cr.	Dr.	Net +	Cash Balance
May 31	£12 236	£19,094	£6,858	£104,998	£97,547	£7,451	£7,325
May 24	13.009	15.545	2.536	78,109	75,514	2,595	5,774
May 17	13.223	18.749	5.526	72.903	67.522	5.381	6,673
61 days'19	127.980	258.169	130.189	818.373	693.657	124.716	−5.474
62 days'18	100.480	502.782	402.302	1,115,426	723,514	391,912	−10,390
*Yr. '19-20**	*1,201,100*	*1,434,910*	*233,810*	—	—	*233,810*	—
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,799
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,604	3,816,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1919. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services
May 31	£4.159	£1.043	£4.909	£2,125	£798	£313	£17.983
May 24	5.163	1.390	4.737	1.719	7.515	—	8.030
May 17	5.694	1.036	5.042	1.451	1.174	—	17.575
61 days'19	37.189	31.641	43.155	15.935	60.609	775	196.785
62 days'18	21.798	22,421	42.131	14.130	62.692	712	439.379
*Yr. '19-20**	*237,500*	*354,000*	*300,000*	*309,600*	*360,000*	*16,595*	*1,058.315*
Yr. '18-19	182.220	291.186	285.028	150.587	289.964	11.380	2.237.958
Yr. '17-18	110.033	239.509	220.214	137.478	189.851	11.401	2.494.986

FLOATING DEBT.	Treasury Bills	Ways & Means Advances	Total	Natl. War Bond Repts.
May 31, 1919 ...	£1.036.131	§ £457.892	£1,494.023	£1,723.216
May 24, 1919 ...	1,022,097	459.392	1,481.489	1,718.224
May 17, 1919 ...	1,018,789	470.892	1,489,681	1,712.383
May 10, 1919 ...	1.013,135	470.982	1,484.127	1,707.853
Dec. 31, 1918 ...	1,094.740	§ 455.180	†1,549,920	1,420.709

* Budget estimate. † Highest.

FOREIGN BANKS.

[In £'s Sterling‡—000's omitted.]

AUSTRIA-HUNGARY.	Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Discounted, &c.
July 23, '14	£51,578	£12,141	£63,719	£7 722	—	£88.740	£31,993
Apr. 30, '19	10.923	2,376	13.899	385.355	£1,373,083	1,643,282	117,009
May 15, '19	10.926	2.382	13,308	384,226	1,373,083	1,652,024	117,038
Dec. 7, '17	11,000	2,300	13,300	603,990	—	739,300	117,600

DENMARK.	Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Mar. 31, '19	10,385	137	10,522	3,644	4,206	24,137	832
Apr. 30, '19	10,374	136	10,510	3,425	3,977	24,115	1,026
Apr. 30, '18	10,228	134	10,362	3,507	3,489	19,317	947
Apr. 30, '17	9,595	131	9,726	5,084	2,080	16,717	1,364

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14	£165,654		£190,667	£97,768	£267,327	£15,302	£37,903
May 22, '19	142,822	79,131	234,247	32,058	1,365,344	6,537	128,000
May 30, '19	142,848	79,131	234,255	35,865	1,362,450	5,849	136,078
May 30, '18	133,813	81,484	225,459	44,824	1,093,735	1,843	133,593
May 31, '17	129,597	81,350	221,251	20,886	779,177	5,089	105,124

GERMANY.	Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
May 15, '19	86,252	1,057	87,309	371,584	1,431,759	1,347,892	564,522
May 23, '19	76,324	1,026	77,350	386,643	1,294,254	1,364,324	423,436
May 23, '18	117,276	6,018	123,294	76,187	700,398	585,012	366,666
May 23, '17	126,659	1,420	128,079	26,471	461,497	406,604	232,034

HOLLAND.	Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
May 17, '19	55,180	629	55,809	15,079	19,043	86,889	8,446
May 24, '19	55,165	644	55,809	12,758	17,690	85,403	6,859
May 25, '18	60,120	650	60,770	4,797	10,798	76,792	5,905
May 26, '17	49,689	616	50,305	6,473	7,109	62,546	5,493

ITALY.	Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14	—	—	£48,456		£25,017	£69,204	£8,887
Feb. 28, '19	32,715	3,001	35.716	13.480	65,638	358,621	59,727
Mar. 31, '19	32,716	2,940	35,656	16,192	59,315	366,482	59,921
Apr. 10, '19	32,750	2,944	35,694	26,840	59,063	373,059	58,878
Apr. 10, '18	33,462	3,169	36,630	4,796	54,431	284,350	60,120
Apr. 10, '17	33,944	2,627	36,571	3,180	38,305	158,764	32,266

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14	£21,887	£1,829	£7,863	£32,722	£13,818	£1,521
Apr. 12, '19	70,722	1,548	34,312	78,588	109,762	3,112
Apr. 19, '19	70,873	1,358	34,737	78,609	109,762	4,413
Apr. 26, '19	70,663	1,773	35,643	81,391	108,531	3,692
Apr. 27, '18	65,903	4,887	24,910	64,999	67,832	2,447
Apr. 28, '17	40,877	1,092	14,369	47,619	44,580	1,650

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest., &c.	Net Deposits Demand	Net Deposits Time	Net Deposits Total	Excess Reserve
Aug. 1, '14	—	£89,888	£411,238	—	—	£387,165	£1,720
May 24, '19	£19,774†	117,166	987,230	£820,094	£29,632	877,308	7,634
May 31, '19	19,170†	115,138	978,066	823,672	30,044	875,516	7,732
June 1, '18	20,234†	108,364	904,740	744,810	32,258	843,278	9,424
June 2, '17	89,826*	147,716	743,730	724,743	37,176	761,920	22,764

* Counted as reserve. † Not reserve.

NORWAY.	Gold	Balance Abroad	For'gn Govt. Securities	Disc'nts & Loans	Circulation	Deposits
July 31, '14	£2,960	£1,678	£493	£4,868	£6,752	£793
May 15, '19	8,158	4,121	891	18,762	23,479	4,485
May 22, '19	8,187	4,204	578	19,167	23,292	4,960
May 22, '18	6,618	3,812	712	17,771	19,513	8,155
May 22, '17	7,162	4,496	706	12,852	15,352	7,189

PORTUGAL.	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
Apr. 8, '19	£1.905	£3.883	£5,788	£8.826	£84,505	£3.487
Apr. 16, '19	1.905	3,918	5,823	8.518	64,330	3.395
Apr. 23, '19	1.905	3 901	5.806	8.836	63 878	3.818
Apr. 24, '18	1.905	3 303	5.208	7.765	45.214	2.025
Apr. 25, '17	1.904	1,016	2,920	15.049	32.272	910

RUSSIA.	Gold—In Bank	Gold—Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14	£160.114	£14.395	£181.892	£76.081	£163.411	£6.589	£109.911
Oct. 29, '17	128.623	230.865	378.205	1.869.559	1,836,217	15.783	345.550

SPAIN.	Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits, &c.
Aug. 1, '14	£21.804	£29 187	£50 991	£40.572	£13.778	£77.557	£18.955
May 24, '19	80.652	26.110	116.762	75.082	13.778	140.571	43.732
May 31, '19	80.652	26.216	116.868	75 968	13.778	140.635	42.740
June 1, '18	82 675	28 340	111.015	53.390	13.777	117.142	39.946
June 2, '17	58.969	30 262	89.231	51.821	13,777	96.989	30.711

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14	£5,717	£6 150	£1,558	£7,495	£39,584	£6 016
May 17, '19	16.200	7,256	2.880	18.396	37.931	6.433
May 24, '19	16.186	7.613	2.880	12.515	36.947	6.333
May 25, '18	14.404	7.124	4.004	13.025	32.429	6.297
May 28, '17	11.276	7.368	3.244	8.343	23.119	6.854

SWITZERLAND.	Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14	£7.202	£758	£7 960	£4.817	£10.716	£2 026
May 15, '19	17.228	2.668	19 896	19.598	36.086	5.267
May 23, '19	17 232	2.689	19.921	19.412	35.509	5.497
May 23, '18	15.046	2.271	17.317	12.832	28.873	4.110
May 23, '17	13.879	2.088	15.767	7.069	19.872	3.034

‡ Converted at par rate of exchange.

U. STATES FED. RES. BANKS.	Gold—Held by Banks.	Gold—With Agents.	Total Cash.	Bills Discount'd	Bills Acceptances.	Deposits—Govt.	Deposits—Net.	Deposits—Total.	Circulation.
May 24, '19	£183,980	251,768	449,586	387,774	38,638	20,090	359,502	359,502	500,850
May 31, '19	186,672	250,876	451,020	397,878	36,730	28,298	366,184	366,184	503,858
May 31, '18	186,782	196,784	395,142	179,472	51,274	33,238	317,322	320,184	
June 1, '17	97,358	94,004	198,685	10,171	23,220	19,285	154,556	92,973	

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Dates Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	4½	Oct. 28,'14
Berne	5½	Oct. 3,'18	Paris	5	Aug. 20,'14
Bombay	6	Mar. 27,'19	Petrograd	7	July 29,'14
Brussels	5	Aug. 27,'14	Rome	5	Jan. 11,'18
Calcutta	8	Mar. 27,'19	Stockholm ...	6½	Apr.24,'19
Christiania ...	5½	May 12,'19	Tokio	6½	Nov. 25,'18
Copenhagen ...	5½	Jan. 2,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—	June 5,'19	May 30,'19	May 23,'19	May 16,'19
Brussels ..... Cheques	30fr. 85c.	30fr. 55c.	30fr. 82½c.	30fr. 60c.
Denmark ..... Cable	19kr. 70	19kr. 80	19kr. 67½	19kr. 23
Holland ..... do.	11fl. 86½c.	11fl. 84c.	11fl. 77c.	11fl. 73½c.
Italy ..... do.	37lr. 75c.	38lr. 50c.	39r. 75c.	37lr. 50c.
Lisbon and Oporto ... do.	30½d.	30½d.	30⅜d.	31½d.
New York ..... do.	$4 63	$4 64½	$4 64⅜	$4 66
— ..... Cheques	$4 63½	$4 65	$4 65½	$4 66⅜
Norway ..... Cable	18kr. 38	18kr. 40	18kr. 40	18kr. 47½
Paris ..... 3 mos.	30fr. 50c.	29fr. 91c.	30fr. 71c.	30fr. 01c.
— ..... Cable	30fr. 09c.	29fr. 50c.	30fr. 40c.	29fr. 80.
Spain (Bank places) 3 mos.	50⅛d.	50⅛d.	50⅛d.	50⅛d.
— ..... Cable	23p 07½	23p. 10	23p. 10	23p. 05
Sweden ..... Cable	18kr. 00	18kr. 20	18kr. 21	18kr. 18
Switzerland ..... 3 mos.	24fr. 62	24fr. 25	24fr. 15c.	23fr. 77½c.
— ..... Cable	24fr. 22c.	23f. 85c.	23f. 75c.	23f. 37½c.

ON LONDON—	June 5,'19	May 30,'19	May 23,'19	Par
Alexandria ..... Sight	97⅛pi.	97⅛pi.	97⅛pi.	97⅛pi.
Amsterdam ..... Cheques	11fl. 86c.	11fl. 83½c.	11fl. 76c.	12·107fl.
Bombay ..... Transfers	1s. 7⅜d.	1s. 7⅜d.	1s. 7⅜d.	1s 6d.
Brussels ..... Cheques	30f. 82½c.	30f. 35½c.	30f. 77½c.	25f. 22½
Buenos Ayres ..... Transfers	51d.	51 1/16d.	51⅛d.	47·58d.
Calcutta ..... do.	1s. 7⅜d.	1s. 7⅜d.	1s. 7⅜d.	1s. 6d.
Christiania ..... Sight	17kr. 98½	18kr. 39½	18kr. 42	18.159kr.
Copenhagen ..... do.	19kr. 70½	19kr. 77½	19kr. 67½	18.159kr.
Hong Kong ..... Transfers	3s. 6¼d.	3s. 6¼d.	3s. 6d.	—
Italy ..... Sight	37lr. 72½c.	38lr. 42½c.	40lr. 05c.	25f. 22½c.
Lisbon ..... do.	30⅝d.	30⅝d.	30⅜d.	53½d.
Madras ..... do.	1s. 8 3/16d.	1s. 8 3/16d.	1s. 8 1/16d.	1s. 6d.
Madrid ..... do.	23p. 08½	23p 09½	23p. 07½	25p. 22
Montevideo ..... Transfers	57⅛d.	57⅜d.	—	51d.
Montreal ..... Cable	$4 76½	$4 76⅝	$4 78½	$4 86⅝
New York ..... Sight	$4 61⅝*	$4 63½	$4 63⅝	—
— ..... 60 days	$4 60*	$4 60⅜	$4 61½	—
— ..... Cable	$4 63	$4 64½	$4 64 15/16	$4 86⅝
Paris ..... Cheques	30f. 08c.	29f. 05½c.	30f. 62½c.	25f. 22½
Rio de Janeiro ..... 90 days	14½d.	Hol.	14 3/32d.	18d.
Shanghai ..... Transfers	5s. 3d.	5s. 2d.	5s. 1½d.	—
Singapore ..... Sight	2s. 4⅛d.	2s. 4 7/16d.	2s. 4 5/16d.	2s. 4d.
Stockholm ..... do.	18kr 36	18kr. 19	18kr. 22½	18 159kr.
Switzerland ..... do.	24f. 25½c.	23f. 77½c.	23f. 80c.	25f. 22½c.
Valparaiso ..... 90 days	11 3/32d.	11 1/16d.	11 5/32d.	18d.
Yokohama ..... Sight	2s. 2 1/16d.	2s. 2⅛d.	2s. 2 1/16d.	2s. 0.53d.

* Wednesday's rates.

NEW YORK ON—	Rate Current* June 3,'19	Rate Current* May 29,'19	Par as usually Quoted	Rate July 3, '14
Amsterdam, sight ...	38·75c.	39·10c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	40·70c.	40⅛c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	43⅞c.	44c.		
Christiania, cheques ...	25·10c.	24·90c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	23·35c.	23·35c.	26·80c. for 1 kroner	26·85c
Greece, cheques	18·93c.	19·10c.	19·295c. for 1 drachma	
Hongkong, cheques ...	83c.	83·25c.	74·59c. for Mex. $1	46·6
Italy, sight	8 07/8.	8·47/8.	5·18½ lire for $1	5·17
Lima, cheques	5·05c.	5·15c.	4·8885 $ for 1 libra	
Manila, cheques	49·25c.	49·75c.	50c. for 1 peso	49·8
Montreal	2⅛% disc.	2⅛% disc.	Premium per $100	Par
Paris, sight	6·44½ fr.	6·49fr.	5·18½ francs for $1	5·16fr.
Petrograd, sight	10nom.	10nom.	51·48c. for 1 rouble	51·87c.
Rio de Janeiro, cheques	27·85c.	27·25c.	32·42c. for 1 milreis	
Shanghai, cheques ...	123½c.	125c.	32·96c. for 1 tael	63·00c.
Singapore, cheques ...	55·25c.	56·75c.	56·77c. for $1	57·12c.
Spain, cheques	19·88c.	20·03c.	19·30c. for 1 peseta	
Stockholm, cheques ...	25·45c.	25·25c.	26·80c. for 1 kroner	
Switzerland, cheques ...	5·23fr.	5·16fr.	5·18½ francs for $1	5·16½fr.
Valparaiso, cheques ...	22c.	20.70c.	20·61c. for 1 peso	
Yokohama, cheques ...	50·65c.	51·85c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1919 Agg.	Inc. or Dec.*
	1919.	[In £'s sterling 000's omitted.]			
BIRMINGHAM ...	May 31	£2,546	+ £493	£53.709	+ £491 + 1·5
BRISTOL	,, 31	1,426	+ 413	28,360	+ 5.515 + 24·1
DUBLIN	,, 31	7,032	+ 1,693	151,098	+ 32,495 + 27·4
LEEDS	,, 31	1,199	+ 120	24,513	+ 3,112 + 14·5
LEICESTER	,, 31	706	+ 227	18,947	+ 3,940 + 26·3
LIVERPOOL	,, 31	12.701	+ 3,790	241,115	+ 49,447 + 25·8
MANCHESTER ...	,, 31	14.827	+ 2,381	324,760	+ 13.064 + 4·2
NEWCASTLE ...	,, 31	2.330	+ 712	41.779	+ 1.821 + 4·0
NOTTINGHAM ...	,, 31	534	+ 35	13.811	+ 857 + 6·6
SHEFFIELD	,, 31	1.170	— 17	25.718	+ 1,542 + 6·4
LONDON—	1919.				
TOWN	June 4	406,991	+ 93,893	8,337,519	+1,275,116 + 18·1
METROPOLITAN	,, 4	33,198	+ 8.836	719,470	+ 142,580 + 24·7
COUNTRY	,, 4	59,917	+ 5.475	1,315,270	+ 213,562 + 19·4
TOTAL	,, 4	500,106	+ 106,204	10,372,259	+1,631,258 + 18·7

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould and Co.

HOMEWARDS.	1919 June 5	1919 May 30	1913 June 6
Alex. to Lond.or Hull	—	—	—
Aust. to U.K. or Cont.	105/0	225/0	31/3
Azoff to L.H.A.R. ...	—	—	9/6
Bombay to p.p. (nom.)	90/0	90/0	1.w.21/0
Burmah o.c. (nom.) ..	220/0	200/0	25/0
Calcut.to p.p.(jute) ...	—	nom.	23/3
Danube to A.R. ...	—	—	—
Odessa to L.H.A.R. ...	—	—	9/6
R. Plate to U.K. Cont.	260/0	240/0	16/0

Homewards.—Contd.	1919 June 5	1919 May 30	1913 June 6
U.S.Atl.Ports to Lvrpl. (cotton, 100lb.) ..	220/0	220/0	41/3
U.S.toU.K.Cont. (gr.)	14/0	14/0	2/9
Gulf Ports to U.K.Cont. (cotton & grain) ...	$35	$35	14/8
OUTWARDS—Cardiff to			
Bombay	—	—	13/0
Colombo	—	—	12/6
Port Said	47/6	47/6	19/0
River Plate ...	51/3	50/0	19/0
St. Vincent ...	40/0	40/0	19/3

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JUNE 5, 1919	JUNE 7, 1918.	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	168/0	101/0	57/0
— Middlesbro' warrants .....ton	160/0	95/0	51/0
— Hematite warrants .....ton	190/0	122/6	61/0
— Staffordshire bars, London ton	£20 10	£15 10	£8 10
— Common bars .....ton	£20 10	£13 15	£8 10
Steel Rails .....ton	£15	£10 17/6	£8 2/6
Galvanised Sheets.....ton	£28—£30	£28	£16 17/6
Copper—Standard.....ton	£79	£110—£110 10	£81
Tin—English Ingots.....ton	£231	£354—£360	£142 10
— Straits .....ton	£238	£351—£354	£139 15
Tinplates, I.C. Coke, S. Wales...box	33/0—34/0	33/0	11/10½—12/0
Lead—Soft Foreign ....ton	£22 15—£23	£28 10—£29 10	£19
Spelter—Ord. Foreign .....ton	£35 15—£35 15	£50—£54	£21 7/9
Quicksilver—(75lb.) .....bottle	£18—£18 10	£20	£7
Aluminium .....ton	£150	nom.	£82
Antimony—Regulus Foreign ...ton	£42—£43	£78—£85	£27 10
— English .....ton	£45	—	—
Coal—(best) Yorkshire.....ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle.....ton	40/0—45/0	30/0	14/8
CHEMICALS, OILS, &c.			
Nit. of Soda –f.o.b. Chile, per quintal	9/8	11/3	7/4
Soda—Crystals ex ship .....ton	129/0—130/0	87/6	42/6—45/0
Copra—Malay and Straits .....ton	£57	£45 10	£23 15–£24 7/6
Gambier—Good marks .....cwt	42/6	72/6	16/10½
Indigo—Bengal good to fine.....lb.	9/0—10/6	9/0—11/0	3/2—3/8
Linseed Oil—Raw .....ton	£113	£58	£25 5
Linseed—Calcutta, spot .....ton	£46 5	£29 15	£13 16/9
— **Cakes**, U.K. made, ex mill..ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish .....tun	nom.	£200	£49 10
Palm Oil—Lagos .....ton	£75 10—£76	£45	£31 10
Petroleum—American.....gallon	1/4½	1/10½	7½d.
Rape Oil—Refined English .....ton	£102	£71	£32
Soya Oil—Refined.....ton	£75	£75	£24 10
Tallow—Imported .....cwt.	90/0—103/0	68/0	29/3—33/3
Turpentine—French .....cwt.	100/0	120/0	33/7½
Rape Seed—Toria.....ton	£43	£29 15	£13 5
Rubber—Para, spot .....lb.	2/5	3/0½	2/9½
— Fine plantation (stnd. crepe) lb.	1/9½	2/1½—2/2	2/2
— World's Production* Apr. tons	31,166	21,736	8,467
Shellac—T.N. Orange, fair.....cwt.	332/6—335/0	335/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland .....lb	19·85 l.	21·54 l.	7·53d.
— Egyptian, good fair .....lb.	26·34 l.	28·57 l.	8·75d.
— Pernambuco fair .....lb.	22·25 l.	25·02 l.	7·73d.
— Mid. Upl. New York.....lb.	31·70 c.	30·20 c.	13·26c.
— Stock, Liverpool, May 30 bales	534,310	307,050	934,600
Flax—Petrograd, Yarapol .....ton	nom	£120 nom.	£28
Hemp—New Zealand .....ton	£48	£99	£25 10
— Manila, Fair .....ton	£48—£49	£100	£26 10
Jute—First Marks .....ton	£49 10—£50	—	£26 15
— Red SOC .....ton	—	—	£24 15
Silk—Blue Elephant .....lb	23/6	25/6	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	3/5½	nom.	11½d.—1/0
— Lincoln Half Hogs .....lb.	1/7½	1/7½	1/0½
Hides—Eng. Ox, best, 85lb. up. lb.	9½d.—10½d.	10½	7½d.
Leather—Dressing Hides .....lb	2/7—3/3	2/4—3/0	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	—	14,961,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	237½c.	226c.	87½c.
— English *Gazette*, aver. 480lb. qr.	73/3	73/8	34/3
Flour—G.R. .....280lb.	44/3	44/3	28/6
Barley—Eng. *Gaz.*, aver. 400lb. qr.	62/7	60/0	25/4
Oats—Eng. *Gaz.*, aver. 312lb. ...qr.	48/3	44/9	20/0
Maize—N. Y. (new bushel) .. 56lb.	191½c.	nom.	78½c.
— Amer. mixed, Liverpool...480lb.	63/9	79/9	32/4
— La Plata .....480lb. qr.	63/0	76/0	25/9
Potatoes—Good English .....ton	208/0	160/0—175/0	70/0—75/0
Rice—Bassein .....cwt.	25/0	28/3	7/0—7/3
Tapioca—Pearl, medium.....cwt.	48/0	80/0	14/0—17/8
Hay—Best .....2,018lb....load	178/0	161/0	82/6
Hops—English.....cwt	—	—	£8 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs....8lb.	6/8—7/2	9/3	3/8—3/10
— Scotch sides.....8lb.	8/6	8/2	4/6—5/0
— English.....8lb.	8/6	8/2	4/2—4/5
Mutton—Scotch wethers.....8lb.	9/0	8/8	5/8—6/0
— English wethers.....8lb.	9/0	8/8	4/8—5/4
— New Zealand frozen .....8lb.	7/8	8/8	2/4—3/2
Pork—English and Irish.....8lb.	10/8	10/8	3/6—4/0
Bacon—Irish, delivered .....cwt.	190/6	188/0	60/0—74/0
— Danish.....cwt.	—	—	58/0—68/0
— Canadian, ex Port.....cwt.	180/0—190/0	—	—
— American, ex Port.....cwt.	174/0—188/0	169/0—172/0	72/0—74/0
Hams—Amer.long cut, ex Port cwt.	174/0—192/0	165/0	75/0—79/0
— — short cut, ex Port .....cwt.	172/0—190/0	162/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	160/0—189/9	152/0	51/9—52/9
Butter—Danish .....cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
— French .....cwt.			96/0—108/0
— Australian .....cwt.			98/0—110/0
— New Zealand .....cwt.			108/0—114/0
Cheese—Canadian .....cwt.	Controlled 144/8	—	66/0—68/0
— United States.....cwt.		—	—
— Dutch .....cwt.		—	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to Apr. 30 ..cwts.	9,280,239	8,894,782	19,777,354
— Home consump'n to Apr. 30 cwts.	9,057,381	6,089,772	17,373,000
— In Bond Apr. 30 .....cwts.	6,691,000	6,074,000	6,306,000
— Price, Java, 96° Pol. .....cwt.	32/0	36/0	10/3
— — Yellow crystals .....cwt.	57/9	57/9	12/6—14/0
— — Tate's Cubes, No. 1 .....cwt.	64/9	64/9	18/0
Coffee—Imports to Apr. 30 ...cwts.	407,889	44,945	720,380
— Home consump'n to Apr. 30cwts.	99,480	208,817	141,410
— Exports to Apr. 30 .....cwts.	69,500	16,081	340,250
— In Bond Apr. 30 .....cwts.	843,000	914,000	484,000
— Price, Costa Rica gd.to fine cwt.	130/0—138/0	125/0—140/0	80/0—93/0
— — Brazil (Santos) good ....cwt.	112/0—117/0	64/6	41/8
Tea—Imports to Apr. 30.....lbs.	143,175,704	175,154,532	133,230,277
— Home consump'n to Apr. 30 lbs.	109,384,355	92,309,680	155,447,972
— Exports to Apr. 30 .....lbs.	8,519,860	451,008	26,581,785
— In Bond Apr. 30 .....lbs.	157,666,000	85,161,000	78,292,000
— Price, Indian, Pek. Soug. good lb.	9½—10½d.	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	9½—10½d.	1/4	8½d.
— — Common Congou .....lb.	9½—10½d.	1/4	6½d.
Cocoa—In Bond Apr. 30 .....cwt.	1,019,000	602,000	309,000
— Grenada, good to fine .....cwt.	118/0—122/0	85/0	62/6—68/0

* Estimated.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Cuba Railroad.....	Mar.	$1,283,088	+ $49,584	$420,028	— $83,018
	9 *mos. to* Mar.	*8,581,258*	+ *399,339*	*2,032,156*	— *498,132*
Grand Trunk	Apr.	£1,100,800	+ £155,200	£155,300	+ £19,100
	4 *mos. to* Apr.	*3,978,300*	+ *1,092,100*	*117,200*	+ *294,700*

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant renewable weekly, issued in pursuance of Regulation of the Forces Act,* 1871. *The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago.
Assam Bengal	Apr. 26	993	R1,79,965	+ 26,660	4	6,43,625	+ 94,270
Barsi Light ...	May 3	118	26,500	+ 14,400	5	1,59,000	+ 81,700
Bengal & N.W.	Apr. 26	2,052	4,81,710	— 55,262	4	19,32,800	— 22,900
Beng. Dooars	Apr. 19	158	26,591	— 3,043	3	86,531	— 7,877
Beng. Nagpur	Apr. 26	2,695	12,19,000	+ 94,000	3	43,00,000	— 84,561
Bomb. Baroda	May 17	2,871	21,15,000	+ 1,41,000	7	1,32,80,000	— 24,000
Burma	Apr. 12	1,342	9,66,329	+ 375	2	—	—
Del. Um. Kalk.	May 10	239	76,900	— 228	6	4,60,729	— 53,925
East Indian ...	May 24	2,767	26,54,000	— 93,000	8	2,09,54,000	+ 3,00,000
Gt.Indian Pen.	May 10	3,112½	29,21,000	+ 7,22,900	6	1,56,10,800	+ 18,80,305
Madras & S.M.	May 3	3,152	12,30,000	— 53,752	5	55,30,000	— 2,47,918
Nizam's Guar.	Apr. 26	900	2,95,311	+ 35,445	4	11,30,838	— 1,91,140
Roh. & Kumn.	Apr. 12	572	1,83,962	— 62,617	2	—	—
South Indian	May 3	1,829½	7,86,574	+ 9,968	5	35,28,660	+ 2,74,154
South Punjab	Jan.	716	7,42,072	— 13,827	4*m*	30,01,658	+ 80,880
COLONIAL							
Can. Northern	May 21	9,524	$1,038,900	+ 172,600	20	17,930,449	+ 2,578,649
Can. Pacific ...	May 21	13,388	2,957,000	+ 110,000	20	58,019,000	+ 3,231,000
Grand Trunk	May 31	3,616	$358,789	+ 48,983	21	5,061,669	+ 1,176,108
Mashonaland	Dec.	810	53,459	+ 4,011	3*m*	137,931	— 35,806
Mid. W. Aust.	Mar.	277	10,740	+ 1,145	9*m*	84,683	+ 13,954
New Cape Cent.	May 3	205	2,049	— 434	16	48,778	+ 6,100
Rhodesia Rlys.	Dec.	1,397	86,906	+ 5,089	3*m*	214,060	— 63,026
Temiscouata ..	Mar.	—	$31,271	+ 6,870	3*m*	88,955	+ 27,480
W.Pass.& Yuk.	Dec.	122	—	—	12*m*	$1,244,080	— 604,349
FOREIGN.							
Argentine.							
Arg. N. East ..	May 24	752	£ 12,000	+ 1,600	47	468,700	+ 63,800
Arg. Transand.	May 24	111	£ 4,450	+ 890	47	178,280	+ 22,970
B. A. & Pacific	May 31	3,536	£ 137,000	+ 4,000	48	5,635,000	+ 1,035,000
B.A. Gt. South.	May 25	3,792	£ 149,000	+ 24,000	47	6,517,000	+ 1,348,000
Do.	May 25	Net	£ 36,000	+ 9,000	47	1,445,000	+ 229,000
B. A. Western	May 25	1,882	£ 76,000	+ 5,000	47	3,261,000	+ 750,000
Do.	May 25	Net	£ 19,000	+ 2,000	47	774,000	+ 185,000
B. A. Central...	Feb.	190	£ 37,889	+ 3,667	8*m*	322,745	+ 109,162
Cent. Argent.	May 24	3,305	£ 140,200	— 9,800	47	6,229,300	+ 782,100
Do.	May 24	Net	£ 25,200	— 4,100	47	908,100	— 456,273
Cord. Central	May 24	1,205	£ 46,500	+ 8,900	47	2,052,080	+ 568,670
Entre Rios	May 24	831	£ 21,300	+ 800	47	957,800	+ 196,700
Brazilian.							
Brazil Gt. South	Apr.	110	M 51,800	+ 800	4*m*	189,940	— 1,160
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12*m*	57,772,000	+ 7,819,243
Gt. W. Brazil	May 17	1,010	£ 19,000	+ 4,400	20	383,000	+ 30,600
Leopoldina ...	May 24	1,831	£ 39,658	+ 5,641	21	852,245	— 6,875
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12*m*	22,267,000	— 2,474,651
Paulista	Dec.	86	M 2,650,000	— 906,038	12*m*	32,479,000	— 1,225,899
San Paulo	June 1	153½	£ 32,383	+ 10,347	22	663,926	+ 7,321
Sorocabana ...	Dec.	1,003	M 1,749,000	— 246,168	12*m*	21,953,000	+ 976,692
S.of Bahia S.W.	Apr.	52	M 55,000	+ 15,000	4*m*	284,000	— 7,000
Chilean and Peruvian.							
Antofagasta ...	May 25	838	£ 22,120	— 30,635	21	554,130	— 386,555
Arauco	Mar.	84½	£ 10,000	— 2,500	3*m*	32,500	— 6,500
Nitrate(2wks.)	May 31	390	£ 15,137	— 22,796	21	210,631	— 135,871
Peruvian Corp	Apr.	1,140	S 1,199,420	+ 119,540	10*m*	10,248,955	— 153,485
Taltal	Apr.	180	£ 8,152	— 17,130	10*m*	149,499	— 100,461
Cuban.							
Cuban Central	May 24	362	£ 32,586	+ 6,439	47	1,063,997	+ 82,587
Havana Cent.	May 24	70	£ 10,818	— 139	47	445,746	+ 20,879
U. of Havana	May 24	681	£ 81,375	+ 15,342	47	2,779,116	+ 30,176
W. of Havana	May 31	155	£ 14,380	+ 4,494	48	432,425	— 14,687
Uruguayan.							
Cent. Uruguay	May 24	272	£ 23,139	+ 4,343	47	1,030,854	+ 181,369
,, (E. Ext.)	May 24	311	£ 6,131	+ 682	47	263,443	+ 20,850
,, (N. Ext.)	May 24	185	£ 4,544	— 288	47	180,575	+ 23,478
,, (W.Ext.)	May 24	211	£ 2,658	+ 727	47	124,464	+ 19,992
Mid. Uruguay	Apr.	319	£ 17,021	+ 3,479	10*m*	173,199	+ 38,834
N.W. Uruguay	Apr.	113	$ 27,000	+ 4,211	10*m*	296,885	+ 33,273
Urug. Northn.	Apr.	73	£ 1,809	+ 231	10*m*	20,776	+ 2,141
Miscellaneous.							
Alcoy & Gandia	May 17	33	Ps. 8,000	— 2,000	21	195,400	+ 3,500
Bilbao	Apr.	15	£ 1,417	— 4,036	4*m*	9,320	— 8,882
Bolivar	Apr.	136	£ 13,000	+ 18	10*m*	101,039	— 12,826
Colomb. Natnl.	Apr.	86	£ 13,160	+ 1,200	4*m*	43,840	— 6,120
Costa Rica.....	Mar.	189	£ 23,642	+ 9,153	9*m*	200,872	+ 88,608
Dorada Ext....	Apr.	70	£ 10,000	+ 500	4*m*	30,300	— 3,100
Egyptian Delta	Mar. 17	559½	£ 4,675	— 1,478	50	364,593	+ 85,248
Gt. S. of Spain	May 24	104	Ps. 74,773	+ 47,728	21	2,561,276	+ 1,936,154
La Guaira & Ca.	Apr.	22½	£ 7,230	+ 1,265	4*m*	32,940	+ 6,140
Paraguay Cent.	May 24	255	£ 4,830	+ 1,600	47	196,010	+ 59,490
Puerto Cabello	Apr.	24	£ 4,700	+ 700	4*m*	19,625	+ 2,625
Salvador	May 24	100	£ 3,795	+ 1,895	47	126,450	+ 24,644
Santa Fe Prov. French Rys.	Apr.	1,181	£ 162,888	+ 48,698	4*m*	649,097	+ 77,590
S'm'na & S'ti'go	Apr.	80	£ 9,330	+ 52	4*m*	31,781	— 3,667
Zafra & Huelva	Apr.	112	£ 10,789	— 3,943	4*m*	40,825	— 9,825
TRAMS.							
Anglo-Argent.	May 27	400	£ 65,786	+ 10,797	21	1,231,041	+ 68,612
Auckl'nd(4wk.)	May 9	27	£ 24,279	+ 1,049	44	195,800	— 5,396
Bombay Elec.	Feb.	39	R. 6,23,878	+ 85,473	2*m*	1,257,923	+ 1,84,048
Brazilian Trac.	Mar.	378½	M 9,330,000	+ 1,236,000	3*m*	25,824,000	+ 2,578,000
Brisbane Elec.	Apr.	40½	£ 38,775	+ 3,245	3*m*	151,110	+ 13,541
Brit. Columbia	Mar.	334	$ 649,120	+ 138,228	9*m*	5,390,119	+ 894,849
B. A. Lacroze	Apr.	51	£ 43,607	+ 1,964	10*m*	434,168	+ 46,122
Calcutta	May 24	35½	R 83,720	+ 12,412	21	17,78,413	+ 2,41,797
Cape Electric	Apr.	42½	£ 28,140	+ 5,101	10*m*	245,934	+ 28,763
Carth. & Herr.	May	9	£ 3,226	— 1,801	5*m*	13,418	— 9,167
Chatham & Dist	May 22	15	£ 1,657	— 8	20	26,993	+ 2,454
Havana Elect.	Feb.	88	$ 703,156	+ 88,085	2*m*	1,429,514	+ 187,433
Isle of Thanet	May 31	20½	£ 1,002	+ 717	35	15,355	+ 8,545
Kalgoorlie.....	Jan.	20½	£ 2,562	+ 40	1*m*	—	—
Lanarkshire ...	May 22	28½	£ 4,045	+ 67	20	63,716	— 4,868
Lima Light ...	Mar.	85	£ 50,716	+ 8,640	3*m*	142,160	+ 14,802
London O.O....	May 28	141½	£ 82,948	+ 19,532	8	658,382	+ 163,717
Madras (2wks.)	May 15	15½	R. 46,825	+ 4,622	19	318,193	— 44,834
Manila Electric	Mar.	55	$ 207,792	+ 35,042	3*m*	650,745	+ 142,393
Pernambuco ...	May 18	59	£ 5,688	+ 1,385	20	108,863	+ 15,472
Provincial.....	May 24	21½	£ 3,567	+ 369	34	91,062	+ 6,447
Rangoon Elec.	Apr.	25	£ 6,217	+ 332	4*m*	25,817	+ 2,954
Shanghai Elec.	Mar. 26	26½	Mx. $27,550	+ 844	12	331,759	+ 35,239
Singapore Elec.	Mar. 15	26½	$ 16,307	+ 2,148	11	178,525	+ 31,018
U. of Montevid.	Apr.	90½	£ 37,014	+ 3,310	6*m*	227,905	+ 21,869

THE "B.D." 1919 EMPIRE MOTOR POLICY.

THIS policy is the most effective and comprehensive devised, and in addition to covering damage and Loss of Car, Tyres, Lamps, and Accessories through accident, it also provides a comprehensive cover in respect to Fire, Theft (including loss of Motor Coats, &c.), Third Party risks (including Passengers and Property), Medical Expenses, and most liberal benefits in respect of Mechanical Breakages, Accidents to Chauffeurs, &c.

Send a postcard to-day asking for the "'B.D.' Empire Motor Policy" Prospectus, and insure yourself and your car to the best possible advantage.

EAGLE STAR AND BRITISH DOMINIONS INSURANCE CO., LTD.

Head Office: British Dominions House, Royal Exchange Avenue, London, E.C. 3.

The Statist.

LONDON, SATURDAY, JUNE 7, 1919.

THE NEW LOAN.

On Monday the Chancellor of the Exchequer introduced the new Finance Bill, which has been expected since the breakdown of Germany. For reasons which were considered good at the time, a large part of the funds necessary to carry on the War were raised by temporary loans. The Chancellor of the Exchequer now is persuaded that the system, however convenient at the moment, has ceased now to be so; and, therefore, he asks the consent of Parliament, firstly, to the bringing out of a new loan, to be immediately expended; and, secondly, to substitute a more lasting system for the present temporary arrangements. It would be mere waste of time to criticise past action. The circumstances of the time induced Chancellors of the Exchequer to adopt what seemed to be the easiest way of obtaining the money, and now a method more in consonance with the interests of the State is about to be substituted. Immediately, there is need for a loan of 250 millions sterling, which will have to be laid out without delay. That was intimated in the Budget statement; and nobody can be surprised that it is now asked for. Indeed, Mr. Chamberlain excuses himself for not having introduced the measure somewhat earlier, on the ground that he hoped the Peace negotiations would not occupy so much time; but now he feels it necessary to take action. Consequently, the 250 millions which he asks for is an entirely new loan, intended to meet expenses which have to be provided against; and, therefore, it is a clear addition to the borrowings occasioned by the War. Moreover, there is an immense sum, amounting roughly to 2,936 millions, which at present is carried in a temporary form, but which the Chancellor of the Exchequer deems it desirable to replace in a more permanent form. Consequently, the proposal of the Chancellor of the Exchequer amounts to this: an entirely new loan to cover the expenses of the present year, amounting to 250 millions sterling, and the substitution in a permanent form of existing debt, amounting to the enormous sum of 2,936 millions, so that practically the proposal is to put in a more permanent form not far short of 3,000 millions of existing debt, and to add to all the existing debt a new loan of 250 millions sterling.

Many readers, no doubt, are asking themselves "Why did not the Prime Minister, when he had to fill up the Chancellorship of the Exchequer, summon to his aid a financier admittedly of great reputation and great ability?" Mr. Chamberlain may have very great virtues, but he is not exactly a financial genius; and we want a financial genius exceedingly at present. What is the plan of the Prime Minister we do not presume to know. But we think it would have been better even for the Government, and infinitely better for the State, if the best possible candidate for the Chancellorship had been invited to take office, and had been charged with the task of making the debt press as lightly as circumstances render possible without delay. The Prime Minister, however, has his own plans. He has asked to join him a gentleman who may have more virtues than we should venture to attribute to him, but who, to speak quite moderately, is not a shining light in regard to national finance. Consequently we have had nearly four and a-half years of a very great war; we are loaded with a debt the like of which has never hitherto been known; and we are asked to put up with all the inconveniences without an attempt of any kind being made to lessen our troubles. The Prime Minister is an able man, and presumably he is anxious to do the best he can for the country. And the Chancellor of the Exchequer, no doubt, desires to dazzle the country by the brilliancy of his measures. The sum total of the exertions of both gentlemen is that not a single penny is to be taken off the charge upon us. On the contrary, a new debt of 250 millions is to be heaped upon us. We have a multitude of proposals for incurring further debt. There is everything that is necessary to restore those who fought so gallantly for us to something like reasonable prosperity. There is, furthermore, all the changes that four and a half years of war have proved to be necessary. And all the comfort we get is a new debt of 250 millions. The Poor Law has to be swept away. The land system has to be reformed. The demands of the working classes have to be met and provided for. And all the innumerable improvements in every department of the State have to be carried through. There is not a word respecting the payment of debt. But there is a new addition to this enormous debt. If this sort of thing goes on, how is it to end, and what is to be the result to the country of a Cabinet which cannot produce a capable Chancellor of the Exchequer and of a Parliament that supports a Government that can do nothing but add to our embarrassments?

Everybody knows how enormous the debt was even before this new borrowing, and everybody knows equally how much has to be done to put the country in an even moderately satisfactory state. The debt, according to the Budget statement, amounted even then to 7,435 millions, and now 250 millions more is added. Will there be another 250 millions next year, or shall we be called upon to provide the means for improving the houses of the people? Will 250 millions be sufficient for that? And then think of all the other things that ought to be done. And there is not even a whisper as to what is to be attempted to relieve the taxpayers. Suppose we go on as we are asked to go on now adding year by year to a crushing debt, where shall we be in ten years time? Or are we merely amusing the public by talking of planting a great population upon the land and by promising houses that will protect the health and the brains of the population in the future? Or are we, also, playing the fool when we talk of abolishing the Poor Law? Is all that mere talk? And if it is not mere talk, how are we to get on? Is it real statesmanship to ask a gentleman of the very best intentions, no doubt, to undertake to do what, we mean no disrespect when we say, he is as utterly incapable of doing as a baby? Is England absolutely without a man capable of dealing with its finances? We boast of being the leading business people in the world. Is there not amongst the whole business population of the United Kingdom one single man capable of regulating the finances of the Empire? And if there is what excuse is there for asking a very well-intentioned man to do what he has not, even in his dreams, a plan for doing? We are steering straight for bankruptcy if we continue this sort of thing. We have fought a war at enormous cost, and at a terrible loss of life, with utter incompetence, to speak quite frankly; and now we appear resolved to carry on our peace policy with equal absurdity. We do not ask any man capable of taking care of our finances to come forward; and so we are

drifting from danger to danger. It is time that we should recognise how we stand. The debt is enormous, and must be reduced somehow or other. If it is not, the dangers we have experienced up to now will be seen to be mere trifles compared with what is coming. We have millions of men to provide for somehow or other. And we have in some way to recover the trade which has been thrown completely out of gear by the War. By way of preparing for all that, we ask Mr. Chamberlain to undertake a business for which he is quite unfitted, and we send a large proportion of our Ministers over to Paris where, no doubt, there are abundant means of amusing themselves. But it is not for amusement that we sent them. Paris is a very charming place, and in some period of our lives we have all felt its charms. But there are times for everything, and just now it is not the amusements of Paris that we deem necessary for our statesmen. We want real business, real hard work, real seriousness, to help us to recover our trade and to restore the nation to prosperity. And that is not to be done by, no doubt, a very pleasant stay in the pleasantest city in Europe.

THE AUSTRIAN TREATY.

It is not surprising that the partial publication of the proposed treaty with Austria-Hungary is somewhat severely criticised by not a few persons, inasmuch as Austria-Hungary is treated by the Conference much more severely than Germany. It may be replied that, as a matter of fact, Austria was quite as guilty as Germany; that it was she who was especially hostile to Serbia; and that it was she who began the conflict with Serbia. But the answer to that is simple—namely, that Austria would not have dared—probably would not have even thought of—such a thing as a war against all the other Great Powers of Europe, were she not egged on by Germany. It is further contended that Germany, as she will remain, will practically consist of German-speaking peoples; whereas the subjects of Austria who are set free are, for the most part, aliens in the Austro-Hungarian Empire. The real answer, however, is twofold: firstly, that the misgovernment of Austria-Hungary has been so long continued and so gross that it could not with any decency be longer continued; and, secondly, that the desire of the non-Austrian portion of the late subjects of the Austro-Hungarian Empire could not, in consonance with self-respect, be compelled to remain in the condition in which they were under the late Emperor. The truth, moreover, is that Austria-Hungary is a weak State which was able to retain its great position in Europe only by leaning upon Germany; and that it is from every point of view a matter for congratulation that a combination such as the Austro-Hungarian Empire has been ended once for all. Every person who desires decent government in Europe must rejoice that a system so bad as the Austro-Hungarian is ended, and must earnestly pray that nothing like it will again be set up either in what was formerly Austria-Hungary or elsewhere. In real truth Austria was a danger to the peace of Europe; and it is well that she should be got rid of, while Germany is so strong that a war really to get rid of her would be a very serious undertaking.

What is truly to be desired in future is that the various States which are set free from Austrian misgovernment shall be able to establish good systems of administration, and shall devote themselves to the full development of their resources. Those countries ought to be, and are capable of being, great helps in Europe They can assist the development of civilisation. They can add immensely to the wealth of the whole Continent. What we have to desire is that the new system of Government shall be wisely constituted, and that the various peoples shall set themselves earnestly to the task of adding largely to the prosperity of the Continent. It is matter for sincere congratulation that the Hapsburg Monarchy has ceased, we hope for ever, and that the various Slav and Latin races which were so oppressed are now given a chance to secure their prosperity in future. It would be out of place here to refer to the condition of Germany. We shall have to deal with that when the real settlement comes. The main thing now is that Europe is at last free from a condition of things in the very centre of the Continent which was always a danger to the peace of the world. One of our contemporaries the other day, quoting a very silly and a very mischievous statement which used to be paraded when it was the fashion to look upon the Hapsburg rule as something that was favourable to British interests, reminded us that it used to be said that if the Austro-Hungarian Empire did not exist it would have to be invented—which is very much like saying that if Satan and his empire did not exist it would be desirable to invent something of that nature. Austria has been a danger to Europe for time out of mind, and it is matter for sincere congratulation that we are rid of her at last. With regard to Germany, we shall have something to say on a future date. Here it is enough to remark that, according to present appearances, Germany is about to be allowed to remain a very great Power after doing so much mischief for nearly four and a half years to the whole Continent. It is something that if we have to make preparations against the Germany of the future, at all events for ten or twenty years at least, there is little danger of a serious new war from that country.

EUROPEAN PROSPECTS.

We have had a complete cessation of warlike action for, roughly, almost seven months, and we seem, according to our ordinary guidance, as if at least another seven months would pass before we can say that we have attained peace. For example, the Peace Conference set out with a measure for Germany which we were all expected to welcome in the fullest manner. The German Government took us very coolly, and when the three weeks allowed them for consideration had passed demanded of us a further consideration. And now we are warned that in all reasonable probability concessions will be made to the country which spent half a century in preparing for the War, and which selected a moment when it could hurl not only all its own admirably constructed forces, but those of Austria-Hungary, Turkey, and Bulgaria as well, upon all who dared to oppose. Practically, Germany, that is to say, is unable to fight; but we are so much afraid of her even yet that we shrink from enforcing our demands; and, apparently, if she has only the courage to insist we shall abate and abate until practically she gets everything she insists upon. It is a most encouraging system—for Germany we mean. And we look on at it utterly helpless to do anything. We turn from Germany to see if, somewhere else at least, the agents of the Entente Powers are not able to summon up a little courage and a little consistency, and we find that at the end of practically seven months we have not even yet made up our minds what we are to ask from Austria-Hungary. True, we are told the old Austro-Hungarian Government is at an end, and will never again be allowed to exist. But when we turn to what is going on in the negotiations with Germany have we real encouragement for believing that, or, indeed anything else that implies courage and constancy? We do not know in the least what is to be done with either Turkey or Bulgaria. Apparently, the Peace Conference has not even begun to consider those points; and so with nothing settled at the end of nearly seven months, we are looking forward to a time when we really can say that we have peace. We say advisedly "looking forward," for, in truth, we cannot say anything more substantial. We are looking forward, but what do we see—inconsistency and want of

courage. We turn next to the countries attacked, and what has been done? Certain concessions have been promised to France. But seeing how we are afraid to stand by our promises in regard to Germany are we sure that the Conference will insist even upon the concessions to France? Next we turn to Belgium and, so far as the general public is concerned, it might almost seem that such a country as Belgium has ceased to exist. The Germans began the War with a most outrageous breach of their own Treaty engagements, and yet, so far as the world knows, nothing has been done at the end of nearly seven months to get any kind of compensation for Belgium.

It is hardly worth while to continue our examination. So far as we know, no definite agreement except, perhaps, the stupid League of Nations, has been agreed upon in a manner that must stand. Italy is clearly not satisfied with her treatment. And as for the new nations that are being called into existence, how many of us can give even a nearly correct guess as to what the Conference will ultimately decide respecting them. Where are the boundaries of Russia to be drawn for example? Is everything that the Bolshevists rejected to be cut off from Russia? Or, suppose a really able man does form a strong Russian Government, are we to see Russia insisting that the Russia of the Tsars is to be restored? And, if so, what is to become of such countries as Finland? The whole conduct of the Conference is disappointing, if not worse; and we have to make up our minds that so far from having secured peace it is quite uncertain whether peace will be attained even in the current year. Meantime, the whole of the belligerents of every kind, and, indeed, we might add the neutral nations as well, are in a quandary. Nobody can be sure that the struggle will not begin again. And still less can anybody be sure that even when peace is attained anything that will satisfy the fair demands of all parties will be secured. So far the Conference is a failure, and if we may argue from what we know to what we fear, the end will not be very satisfactory. The Congress of Vienna was largely under the influence of the Austrian Government; and from that day to this it has remained a monument of the waste of time and want of statesmanship of militarist Governments. It looks as if the Paris Conference would obtain a character not much more satisfactory. Nothing is settled, except the one thing that ought not to have been agreed upon. And the best informed person is unable even to point to a time when the danger of immediate war will be removed. The Chancellor of the Exchequer, our readers will observe, on Monday last excused himself for not making his statement earlier on the ground that he had hoped the Conference would be ended, and that everybody would be in a position to consider his proposal carefully and with abundance of time. The Chancellor of the Exchequer himself has to admit that he has been utterly disappointed, and that even now he is so uncertain of the course the Conference will take that he thinks it necessary to put forward his proposals at once. If that is the case in regard to a great Cabinet Minister, is it any wonder that there is universal discontent regarding the Conference, and that a feeling is growing that so incompetent are those who affect to guard the interests of the several nations concerned that nobody is prepared to believe that even the whole year 1919 will be sufficient to end the Conference.

THE SHODDY TRADE.

PRESENT conditions in the shoddy trade are far from encouraging. A slump in demand has caused unemployment in Batley, Mosley, and other districts associated with the manufacture of cloth from waste materials. Such a shrinkage in the volume of inquiries may seem surprising at a time when the long-pent civilian demand is in process of being satisfied. The public, however, are now seeking high-class goods, and the cheap ready-made trade in both ladies' and men's garments, on which the shoddy industry depends, suffers somewhat from neglect. The existing unemployment and short time should come to an end when the full force of the Continental demand is felt on the raising of the blockade, and the steadily mounting prices of superior goods turns a portion of the home demand back again into the old channels. To most people the term 'shoddy' signifies something cheap and nasty, but goods made from the best class rags are superior to many cloths made from low-grade wools. Fear of some uncleanliness in connection with the raw material probably deters many from patronising shoddy; but the rags used are to an appreciable extent new, and, besides, the most ample precautions are taken during manufacture to eliminate any possibility of infection being conveyed to the wearer. The good health enjoyed by the operatives in the shoddy trade is, perhaps, the best proof of freedom from risk of contamination.

A revival in demand is the more likely as one of the great offices of the shoddy trade is to keep down the level prices for wool goods. The use of substitutes for wool has in the past been due to the insufficiency of the world's supply of wool to make all the clothing demanded, and this insufficiency is very marked at the moment in Europe. The tendency during the War was to use more wool and less rags. Many of the normal sources of supply of rags, on the Continent and elsewhere, were cut off from our manufacturers, and new rags, such as tailors' clippings, remnants and patterns were scarce. Thus there was a check to the manufacture of shoddy, using the term to cover all kinds of regenerated wools. In a restricted sense shoddy denotes the soft rag wool obtained by tearing up long-fibred, unfelted goods, but in a wider sense it signifies all manufactured wools, as contrasted with natural wools, and includes mungo, which is got from short-fibred rags; extract, obtained from cloths of mixed cotton and wool in which the cotton is reduced to cellulose by the action of sulphuric acid and the wool fibre preserved, and finally, the flocks and wastes of different kinds which are collected in the woollen and worsted factories from the carding-rooms, weaving sheds, and fulling-mills. These machine wastes are usually sold direct from the factory. The manufacturing processes for shoddy are elaborate. The rags are first freed from dust, and dry-cleaned in a mechanical shaker, and then sorted according to their colour or the quality of the material used in making them. Buttons and seams are removed, and the rags pass to the grinding machine, where the fibres are teased out, preserving as far as possible their original length. With a mixture of New Zealand or other strong wool, shoddy makes a good yarn, while mungo is used in many of the best fabrics, chiefly in the weft thread, or is employed along with a cotton warp in the cheaper cloths. Rag wool thus finds its way into many sections of the woollen trade, and its total consumption is estimated to exceed two hundred million lb. per annum.

One of the great difficulties confronting the industry is lack of proper standards for the raw material. Rags vary infinitely in quality, colour and condition, since every class of cloth, serge and tweed, as well as limited materials such as stockings, are pressed into service. Uniform grading is unattainable, especially as the work of the rag-sorters must vary. The blending of rag wool is important since the combination of colours secured by proper blending is eagerly sought after. In the natural wool industry, coarse wools are mixed with fine wools to cheapen the cloth, and in like manner regenerated wools of various colours are put together to secure attractive effects. To ensure a correct blend requires a fine taste and a sense of colour harmony which are comparatively rare.

Prior to the War the shoddy industry was drawing

its raw materials from an ever-widening circle, though the importation of rags fluctuated violently from year to year. At first London was the great centre, as its vast population ensured an ample supply of tailors' clippings and cast-off clothing, while the country collections were generally sent for disposal to the capital. After some time, as the industry, which celebrated its centenary just before the War, expanded, materials had to be sought further afield, and Berlin, Rotterdam and other Continental cities sent large consignments of rags into this country viâ Hull and other ports. Soft, non-felted rags supply the best grade of recovered wool, since the scales of the fibres are more or less undamaged. In fulled or felted rags the scales are not so well preserved, and the fibres are shorter and more brittle. Russia, Germany and Turkey furnished a great number of "softs," Russian stockings in particular being in great request, while the other class of rags, generally called mungo rags, came from Austria, Italy and America. The following table shows the imports of pulled rags, shoddy and mungo, into the United Kingdom in 1913 and 1917:—

Pulled Woollen Rags, Shoddy or Mungo.

Country	Imports. 1913 Lb.	1917 Lb.
Germany	968,468	—
Netherlands	59,576	—
Belgium	168,896	—
France	1,244,631	806,810
Portugal	142,050	—
Austria-Hungary	7,056	—
United States	47,698	103,570
Other foreign countries	785 851	3,360
British Possessions	300,847	105,957
Total	3,724,973	1,019,697

In 1917 the imports showed a decline of 73% compared with 1913, but 1918 they rose to 1,208,741 lb., a slight increase, but still far below the pre-War figure. During the War the scarcity of unpulled rags was also very marked, chiefly because of our inability to find new sources of supply to replace those we had lost. The amount of unpulled rags purchased from abroad in 1913 was 52,800 tons, and by 1918 it had fallen to 9,700 tons. In the interval values soared from £19 to £81 per ton, while pulled rags rose from 3*d.* to 10*d.* per lb. The consequent advance in the price of cloth made from re-manufactured materials has been so great as to deflect demand to articles made first hand from wool. Rag values have recently tended to fall, though as much as £15 per cwt. was lately paid for new black worsteds. Old black worsted and Cheviots, as well as Berlin stockings and coarse stocking, show a sagging tendency, which has spread to all grades with the possible exception of light-coloured goods. A decline in the cost of raw material should be helpful to the industry, which under the fillip of the increased demand that would result could restart machinery at present lying idle and absorb the unemployed workpeople.

GUATEMALA.

President Carrera, in his Message to Congress at its opening last month, says, that the earthquakes which visited Guatemala at the end of 1917 and the beginning of 1918 naturally affected adversely the economic development of the country; but on the whole the devastation was much less than was at first thought. It will be remembered, as we stated at the time, that only a small part of the coast was affected. Nevertheless, the visitation was a serious one, and called for the sympathy and active co-operation of those States friendly to and allied with the Republic. The President, in his Message, speaks in warm terms of the assistance rendered, particularly by the United States of North America, Great Britain, France, and the neighbouring States of Central and South America, and he also pays tribute to the assistance afforded by the American Red Cross and the Rockefeller Institute. Partly as a result of the earthquake there was an epidemic of yellow fever; and this was followed by influenza, which caused a larger number of deaths.

After so serious a visitation as that of an earthquake and the troubles through which the country has had to pass as a natural consequence, we would not be understood to offer any criticism. It has to be borne in mind, however, that the Republic is for the most part an elevated plain. Except on the coastal lands, both on the Pacific and on the Atlantic sides, the country is naturally healthy. But in these areas of the coast neither malaria nor yellow fever have ever been completely extirpated as the resources of modern science has shown that they could be. Of course, it is very easy to criticise a country nearly as big as England and having a population less than half of that of the Administrative County of London. It will be manifest to the reader that such a country has not the resources which would enable it to take the expensive measures which are necessary to drain the coastal lands, and no other measure would be really effective. Of course, it is easy to point to what has been done in the Panama Canal zone, so close to Guatemala itself. But it has to be remembered that the Panama Canal zone forms for practical purposes part of the United States of North America, and enjoys, therefore, the advantages of the vast revenue and vast resources of that great Republic.

Central American statesmen, and those members of the community who have the education and the leisure to give careful attention to the subject, are well aware of the disadvantages at which the Five Republics are placed in their division into such comparatively small States. Central America, even if it were united as one great State, with its present population and the backward state of its economic development, would find it difficult to obtain the necessary resources to make the whole isthmus healthy in the sense that the Panama Canal zone now is. But if Central America ever is to develop, as she is capable of developing, it will be essential some day or other for the Five Republics to unite, even if they cannot form one composite State, for the purpose of thoroughly draining their lands and making the country really healthy.

Central America taken as a whole, although it is subject from time to time to earthquakes, particularly on the West Coast, as recent events have shown, is naturally a very fertile country. Being situated within the Tropics, it is capable of growing various kinds of tropical produce. In addition, as is the case with the neighbouring continent of South America, nearly every State of the Five Republics has a great diversity of climate owing to the varying altitudes of the different parts of each of the countries. In Guatemala, for example, although the principal product is coffee, and the State also grows cocoa and sugar and other tropical products, President Cabrera states in his Message that efforts have been made with success to grow large quantities of wheat, maize, and other staples. And as at the very time the earthquake occurred there was a great scarcity of shipping every effort was made to increase the production of those essential foods. Thanks to those efforts, neither bread nor any other food were lacking, in spite of a general disorganisation of trade, commerce and transportation facilities occasioned by the earthquake. So successful have been these efforts that the President remarks that with the restrictions on shipping facilities from abroad, there were at the time the Message was delivered nearly three seasons' harvests available in Guatemala; and, consequently, there is a large amount of produce awaiting export as soon as sufficient shipping facilities are afforded. The result of the surplus has, for the time being, caused a considerable fall in prices; but, of course, whenever shipping facilities are afforded prices will recover, although there may be a surplus in Guatemala.

Guatemala is a very small State, and its surplus would not be sufficient to materially affect the world's food shortage which exists more or less everywhere.

The revenue last year showed a decline of 24½ million dollars. But there was a decrease in the expenditure of more than 53¾ million dollars, owing to the suspension for a period of more than eight months of various public services on account of the earthquake. The total revenue last year was just under 111 million dollars, and the expenditure amounted to 77½ million dollars. Consequently, the Republic has a handsome credit balance in hand. The Government made ample provision for the service of the internal debt, and provided the amount due for interest, making payment in advance in order to maintain the credit of the country. Owing to the fact that the earthquake occurred during the period of the European War, just happily ended, it was impossible for Guatemala to obtain any serious financial assistance from overseas; and, consequently, it had to rely almost wholly on the public revenue which it was possible to raise in the country itself. In order to do this, legislation was pushed forward to increase the taxation; but in the circumstances it is not surprising that the yield has been considerably less than was anticipated. An increase, for example, of three dollars per bottle on spirits gave for the year a total of $11,300,000; but the ordinary duty on liquor decreased by nearly 3 million dollars owing to the falling off in consumption. In addition, as it was necessary to exempt building material from duty owing to the necessity of rebuilding houses destroyed during the earthquake, the receipts of the Treasury suffered to this extent. The foreign trade of Guatemala, according to the Customs statistics, amounted altogether to 19¾ million dollars, being an increase of nearly 3 million dollars over the previous year. Active steps are being taken for the establishment of the National Bank recently authorised by Congress, and it is hoped that before the end of the year arrangements will have been completed for this purpose. This arrangement would have been carried out earlier but for the interruptions occasioned by the difficult conditions prevailing in Guatemala itself, and by the European War. On the whole, economic progress has been well maintained. In mining, about 4,000 tons of iron, chrome and other ores were obtained in the Departments of El Progreso and Jalapa. Work has also been carried on in the gold mines of Las Quebradas, and the lead deposits have been worked to a considerable extent in the Department of Huehuetanango. On the whole, the railway service was comparatively little interfered with by the earthquake, and the Central Railway has continued its operations towards completing a terminal station at the Capital. There has naturally been considerable activity in the Public Works Department as a result of the earthquake. A large number of roads had to be practically reconstructed, and some 80 bridges rebuilt. In all the devastated districts, reconstruction work has been carried out in the houses, schools and offices during the year. The main streets of the capital have been entirely cleared of debris, a light railway having been constructed and motor lorries brought into service to clear away the wreckage.

The long-pending question of boundary as between Guatemala and Honduras seems at last in process of settlement. An arrangement has been come to whereby delegates from both Republics are to meet at Washington and submit their differences to the arbitration of President Wilson. Guatemala has an area of between 48,000 and 50,000 square miles according to the decision which, no doubt, will shortly be given when President Wilson return to the United States. The population is roughly about two million, some two-thirds of which are descended from the natives who were found in Central America when that country was discovered by the early Spanish colonists. The dominant race is of Spanish or Spanish-American descent. The Republic, it will be remembered, is the most northerly of those of Central America.

THE WOOL-COMBING INDUSTRY.

Combing is one of the early stages in the manipulation of wool, prior to spinning, and the worsted spinner is entirely dependent on the output of the combs for raw material for his frames. In the United Kingdom, Bradford, which contains about 90% of our total combs, is the centre of the wool-combing industry, and its importance in this respect is, indeed, unrivalled in any part of the world. The function of the comber is to parallelise the wool fibres so as to prepare them for the subsequent operations of drawing and spinning. In its passage through the combs the long wool is separated from the short, and any impurities left behind after washing, scouring, or carbonising are removed. The "noils," or short wool, are used in making woollen cloths, such as tweeds, flannels and blankets. The "tops" or long wool go into worsted cloths. These tops are sold by weight, and the weight varies according to the quality of the wool used, the finer wools producing the lighter tops.

Though wool-combing is only one of several processes in the manufacture of wool into worsted cloth, it is carried on so extensively in Bradford that it has developed in a variety of ways. The chief interests connected with it are, first, the topmaker, who owns no combs, but simply buys wool and gets it combed on commission; second, the commission comber, who owns no wool but combs wool for others at so much per lb., the charge varying for different wools; third, the topmaking comber, who is generally a wool merchant, owns a combing plant, and disposes of his tops to a spinner; and fourth, a spinning comber, who both combs and spins, and sells his yarn to a weaver. Besides this difference in organisation the trade is also to some extent sectionalised because of the different classes of wool requiring to be combed. Thus, long wools, after being washed and dried, are prepared for combing by passing through preparer gill boxes, and short wools by passing through worsted carding engines. Owing to this difference in treatment the tops that finally result are said to be either "prepared" or "carded," and the terms signify a difference in the length of fibre used as well as a difference in the resulting top. Yarns made from a prepared top are of superior lustre, because the fibres are more effectually arranged parallel. Carding is somewhat more costly, but a preparing comb cannot work short wools; and some firms accordingly specialise in one kind of wool. Others, however, handle all three varieties, merino, crossbred, and preparing wools, providing, of course, the different types of machinery necessary in each case. When these preparatory stages have been passed, the actual combing begins, and here again a variety of machinery may be required. Some general-purpose combs can be used for all classes of wool, and the Noble comb, having been found serviceable in this way, is now most commonly used in the West Riding. It seems to give all-round satisfaction, though it is certainly at its best on medium wools. For very long wools the "nip" comb is favoured, and for very short wools the French comb. The last-named comb was introduced from the Continent, where it has long been well known. The "square motion" comb, chiefly used in Bradford by what is probably the biggest single firm of commission wool-combers in the world, is not very popular, though for short staple wools it gives excellent results, producing a top of good appearance and spinning quality.

The combing machinery in use in the United Kingdom has almost all been invented and built at home. Any improvements in design suggested by foreign experience have been speedily adopted here, and plants have been kept at a high level of efficiency. During the War there was great difficulty in regard to repairs and renewals, as most of the machine shops were engaged on munitions. Extensions of plant were altogether out of the question, despite the great activity in business, since the cost of building and equipping was prohibitive and machinery was almost unprocurable.

The combing trade is known in Bradford as "the trade of exceptions." It is the only section of the worsted industry in which a double shift is worked. While hostilities lasted much of the woollen and worsted machinery in the country was running night and day, but pre-War practice has now been generally restored, though the relation of the combing branch to other sections of the industry has in the meantime undergone a change. With the existing machinery for combing, the double shift is an absolute necessity to keep spindles going, apart altogether from the question of supplying the export demand. The top-making capacity of all the English combing machinery is probably between 350 and 400 million lb., if worked continuously. The consumption of British tops abroad has shown a considerable falling-off. During the first four months of the current year our exports amounted to only 3,474,800 lb., or 868,700 lb. per month, compared with 3,636,000 lb. per month in 1913. Despite this decrease in foreign consumption, the scarcity of tops for home requirements is not relieved since the reduction in hours from 55½ to 48 has severely curtailed output. It may be objected that since the reduction in hours is to be uniform throughout the industry it will thus affect all sections equally. The combing trade is, however, doubly hit as it works two shifts, both of which are shortened, and the result is a working loss of fifteen hours per comb per week. A further fall in output has been caused by the enforced withdrawal of female labour from night work. The employment of women on night duty was during the War permitted by the Government owing to shortage of labour and the necessity for increased output, but at the commencement of May this general permission was withdrawn on pressure from the Trade Unions. Women combers can now work at night only on receipt of a special permit, and this permit will not be given for a longer period than three months. The number of women employed varied in different mills, and their disappearance would not matter had it not proved so difficult to replace them. Night labour is impossible to get, and woolcombers who have been in the Army are, in many cases, seeking occupations which are more lucrative or more pleasant. In wool-combing a certain amount of heat and humidity is required, and the working temperature is rather too high for personal comfort. Technical conditions make this inevitable, and, moreover, call for continuous running. Under the old hours an uninterrupted run was assumed, as night workers came to the machines within ten minutes after the day shift. Now the interval between the two shifts is 3¼ hours, and in that time the wool has dried in the machines, and working conditions have not been maintained. A full half-hour must elapse before combing is again in full swing. It might be possible to adjust the present difficulty of making 48 hours the normal week and paying overtime rates for the difference between it and 55½ hours. Operators, however, object to overtime, but the problem cannot be set aside in this summary fashion, mainly because of the enhanced price of tops. Wool is dear, but not in proportion to the tops that are made from it. The quotation for the latter is now so high as to discourage spinning and manufacturing, and, with the resulting increase in prices, the export trade in piece goods is jeopardised.

FOREIGN COMPETITION IN WOOL MANUFACTURE.—II.

THE resumption and development of the pre-War foreign trade is a problem now forcing itself upon the attention of many merchants and manufacturers in the British wool industry. The lines along which the solution will be found were happily revealed while hostilities lasted. The War broke down many old-time barriers between different sections of the trade, and between traders in the same section. Merchants and manufacturers shared secrets which they had hitherto zealously guarded, and no one was averse to adopting other methods when he found them superior to his own. This interchange of ideas was prompted not by philanthropy but by the overwhelming pressure of war, and there may be a reversion to the old-fashioned conservative aloofness now that Peace seems assured. Such a reversion would be undesirable, and it seems unlikely in view of the system that has been devised for trade protection and for the furtherance of other common interests. Nowhere is the field for joint activity more promising than in the foreign trade, and exporters could effect substantial economies and at the same time increase the volume of business by the adoption of a partial or complete measure of pooling in their foreign sales departments. Before the War a useless duplication of expenditure was incurred by sending travellers abroad, each with a few special articles to sell, or by working through foreign houses. Before the traveller's journey commenced to show a profit large initial expenses had to be made, and where the show of goods was limited, the difficulties of making a profit were much increased. These difficulties will now be greater than ever, owing to higher travelling and maintenance expenses. Further, many countries have raised to an almost prohibitive figure the tax ordinarily levied on commercial travellers coming from abroad. But distributed over a number a burden which would crush one is lightly borne. Co-operation of the kind suggested would, of course, be difficult in the case of firms which produce or deal in identical articles, unless, indeed, the business obtained by their joint representatives were shared amongst them in an agreed proportion. In the wool industry, however, specialisation is carried to such an extent that the finished products are almost innumerable, covering as they do the different departments of ladies' wear, men's wear, and tropical clothing, in each of which woollen and worsted goods of every variety are turned out. If samples of such goods were sent to a central office and entrusted to a common representative travelling abroad, not only would the economies above-mentioned be effected, but a large saving in freights and insurance could be made by means of combined shipments. Intermediate profits might also be eliminated or reduced, and more extensive markets could be reached. The Bradford trade certainly possesses a greater degree of enlightenment now than it did before the War, and the manifold advantages of this arrangement should be obvious. Of course, it would not do to overload the representative. Be his ability ever so great a salesman can sell only one article at the time, and a limited number per day; and, moreover, if his range is too wide, he will not have that expert knowledge of his goods which is necessary to ensure confidence in himself and respect in the possible buyer. A central office such as that suggested might also be a clearing house for information as regards exchanges, customs, and the standing of foreign firms, and should help in many ways to insure against bad debts, fear of which drives many traders out of foreign business, and deters others with merchantable articles from taking a hand.

Combined selling would prove more difficult in regard to semi-manufactured goods, such as tops and yarns, as these are made to certain standard weights and qualities and are turned out alike by the majority of firms. Nevertheless, co-operation is possible, especiallly if a basis for the division of business can be arranged. At the present time agents from the United States are busy selling tops in the Scandinavian market which we formerly supplied. Yet according to the best information available, the cost of combing in the United States is 25% greater than in the United Kingdom, while as regards freight the advantage is also heavily in our favour. Exchange and length of credits may be against us, but still the Scandinavian market should remain ours if it is carefully looked after. The necessary degree of care

could most cheaply and most effectively be provided by a joint selling agency.

It has been maintained in several quarters that the cost of production of tops in America is less than here. The wages of British combers have advanced by 110 per cent. compared with the pre-War period, and the cost of upkeep of factory and machinery has also been steadily rising. The cumulative effect of these changes is shown in the following comparison between the combing charges current now and on July 1, 1914, for different classes of wool:—

Commission Combing Tariffs.

Merinos.	1914. per lb.	1919. per lb.	Percentage increase 1919 over 1913. %
	d.	*d.*	
Tearing 5 to 1 and over	2¼	5½	140
Tearing 4 and under 5 to 1	2¼	6½	145
Tearing 3 and under 4 to 1	2⅞	6⅞	140
Tearing 2 and under 3 to 1	3	7	133
Tearing under 2 to 1	3½	7½	130
CARDING CROSSBREDS.			
50's.			
Tearing 7 to 1 and over	1⅜	4½	135
Tearing 5 and under 7 to 1	1⅞	4¼	126
Tearing under 5 to 1	2	4⅜	118
30's to 46's.			
Tearing 8 t 1 and over	1½	3⅝	141
Tearing 6 and under 8 to 1	1⅝	3⅜	130
Tearing under 6 to 1	1¾	3⅞	121
Carding, Backwashing and Gilling only ...	1⅝	3	118
PREPARING.			
32's, 36's, 40's	1½	2⅞	130
Over 40's	1¾	3	118
Scotch Wools	1⅜	3½	127

The increases range from 118 to 145 per cent., but though the advance has not been so great in the United States, the initial figure was higher and we still have the advantage. French combing charges are heavier again than American, but they will undoubtedly fall below their present level. The combing section is not, of course, organised in the same manner in all countries since the commission system of Bradford is not so common in France or in the combing districts of the United States, around Boston and New Jersey.

Before the War there was an intimate connection between our low yarn production and the wool industry in Germany. Many interests in the West Riding were bound up with the German trade, and its permanent loss, after the present shortage is made good, would mean their definite withdrawal from business. In this market, again, much could be done through organised salesmanship as soon as the difficulty in regard to exchange has been settled, and satisfactory arrangements made for providing the raw and semi-manufactured materials necessary to set German industry on its feet. The present intensity of the home demand in various sections of the trade, outside mohair and alpaca yarns and shoddy and mungo cloth, tends to blind many to the day when production will overtake demand, and the manufacturer with a diversity of outlets will alone be able to dispose of his goods to advantage. There is reported to be a great volume of inquiry for labour-saving machinery owing to the rise in wages, and this is praiseworthy, but in the selling end, no less than in the manufacturing end, the margin of profit may be widened by a system of joint working that will reduce selling costs and at the same time increase turnover by bringing wider markets within reach.

LIGNITE DEPOSITS IN IRELAND.

THE term *lignite* or brown coal is usually applied to all coals which occur in formations more recent than the true carboniferous period, although brown coal of the better sort sometimes so closely resembles good bituminous coals as to be indistinguishable by any marked difference of composition in appearance. As a rule brown coal has a very variable calorific value on account of its fluctuating content of water and ash; 4,000 to 6,000 calories are the ordinary limits. Extensive deposits of this mineral occur in Germany and Austria; in the former it forms nearly one-third of the total amount of coal raised, while in the latter it is responsible for half the yearly output. The German beds are rarely of any depth, and are usually worked in open quarries. In the hills that form a semi-circle about Cologne is a belt 3 miles in width by 15 miles in length, containing a seam of lignite, the thickness of which varies from 20 yards to over a hundred. The average thickness of the seam is about 100 feet, and although they may be worked overcast, mining on an important scale was not initiated until the early 'nineties. The development that then took place was chiefly due to the discovery of a practical process for converting the raw lignite into briquettes, and this industry was encouraged by the existence of cheap methods of transport in the shape of an excellent system of canals and waterways. For each ton of briquettes it was calculated that approximately 2¼ tons of lignite was required, and that the heating value of 3 tons of briquettes was equal to that of 2 tons of bituminous coal. Despite the latter fact, however, lignite sold more cheaply than coal, this being in large measure due to the less expense entailed in working; consequently, the industry was on a very sound foundation before the War. Austria and Germany hitherto represent the only two countries where lignite has been commercially exploited on a large scale. Immense stores, however, exist within the Empire, and their development is only a matter of time. The coal deposits of Canada are estimated to be one-seventh of the world's known supplies; a very large amount of this total is, however, lignitic, and this is especially so in Alberta, where the total supply of all classes of coal is estimated to run to 1,000,000 tons. Amongst the Australian States Victoria possesses immense deposits of brown coal.

In England the lignite obtained from the Bovey-Tracey field in Devonshire is utilised for various processes of manufacture, especially at the neighbouring potteries. Large resources are also known to exist in the Weald of the south-east of England, and, although the mining operations which were carried on at one time at Heathfield, Bexhill, and other places were failures so far as the actual discovery of true coal was concerned there seems to be no reasonable doubt that the value of these lignitic deposits will appreciate to an important extent in the future. It is also stated that there are evidences of an extensive deposit of tertiary lignite near Brighton. The prevalence of lignite in Ireland is noted in a certain number of places, but many of them are unimportant. Near Moneyneaney, Co. Londonderry, it exists associated with limonite and white limestone, and at Island Magee the seams of lignite assume considerable thickness. In County Down beds also occur, which have not, however, in the past been accounted of much value. It is possible that more detailed investigation might reveal the presence of new lignite deposits and give more data concerning the old. In this connection up to a very recent period it was assumed that no lignite beds of any value existed in the vicinity of Lough Neagh, and it was left to later investigation to disprove that theory. At the present moment there are several companies actively engaged in prospecting and boring operations in that neighbourhood, and the possible future manner of the utilisation of the lignite, if discovered in workable quantities, is looked at from different points of view by the various parties concerned. For example, one of the companies has in mind the practicability of making lignite briquettes. The lignite around Lough Neagh occurs in the interbasaltic formation and in the pliocene clays. It is stated that the most important deposits are to be found on the eastern and the north-western sides of the lake. Towards the centre of the lake basin the mineral is fairly deep, but outcrops at the margins. At Cologne the overburden is from 10 to 15 yards, but there is reason to believe that this thickness will not be recorded on the Irish field. It is probable that in working the clays the same difficulties will be experienced as on the

Bovey-Tracey field in Devonshire, although it seems to be fairly conclusively established that the lignite in the Irish area is not interspersed amongst them. No useful estimate can naturally be given of the quantity or extent of the lignite formation as the experimental operations will not be completed for some time. Furthermore, while a coal seam may retain its original width and thickness for a considerable distance, it is not wise to make any assumption of this nature in connection with lignite, as the seam is very variable. It is interesting to note that borings for bituminous coals are also being carried on in this neighbourhood, and present indications, at all events, would seem to point to a successful outcome.

As a domestic fuel most lignites are unsatisfactory on account of their comparatively high sulphur content, and in Canada they have proved an unsuitable substitute for anthracite coal, for which many household stores are properly designed. In the same country the use of the former for firing locomotives has been forbidden by the Railway Commission on account of its property of emitting dangerous sparks. To render the fuel saleable for both purposes, locomotive and domestic, experiments so far made with the object of modifying the lignite by special treatment, and then converting it into briquettes have not met with any pronounced success. At present the Fuel Research Board is making experimental inquiries into the preparation and use of fuels from brown coals and peat, and the results of these experiments will naturally be of the highest importance to Ireland. So far it seems to have been demonstrated that lignite and peat, when pulverised, are thoroughly satisfactory for use as fuels. Lignites, for example, of which 20% may, in spite of all precautions, be left in the mine as smalls, can be dried quite satisfactorily for working in the pulverised form, and their use with locomotives has met with a remarkable degree of success. The application of peat in the same form is all the more remarkable considering its high water content. This pulverised fuel may also be used in other directions, and provided the experiments are successful from the commercial point of view, sources of power in Ireland which have hitherto been neglected to a great extent may prove of the greatest utility in the future. It is now generally admitted that peat can be employed not only for generating steam but also as a power and fuel gas; the gas generated from low-grade coal is also used for industrial purposes, and no doubt lignite, with these objects in view, would give equally satisfactory results. To determine the value of some western Canadian lignites as fuel for producing power gas in a non-by-product recovery gas producer tests were made a few years ago with commercial samples from five producing mines, and the result showed that lignite could be profitably used for this purpose, especially where cheap hydro-electric energy was not available. At Edmonton, in the province of Alberta, the municipal power plant consists of several steam-power units, and one producer gas-power unit, and uses lignite coals almost exclusively obtained from mines in the vicinity. The producer gas plant has answered most expectations, although, in this case, the producer installed was not entirely suitable for burning lignite. Better results would, in all likelihood, be recorded with a properly designed gas plant. Some experts are of opinion that the Lough Neagh deposits could best be employed for the production of distillates. The nature of these products varies according to the age of the geological formation in which the coal occurs. In the older coals the original grouping of the elements in the parent vegetable matter which gives rise to acid products of distillation are alkaline from the presence of ammonia and other nitrogenous bases; but lignite coals, belonging to a later period, have been less completely altered from the original composition of the woody matter from which they have been derived, and, like wood and bituminous shales, yield products of the paraffin series. Some lignitic coals have, however, a high nitrogen content, and this could be recovered as ammonium sulphate, which would naturally find a ready sale in an agricultural country like Ireland, whose imports of that fertiliser amounted to £61,268 in 1915. With the commercial exploitation of the Lough Neagh beds a profitable chemical industry should spring up in the neighbourhood of Belfast—the lake being only 20 miles from that city, with which it is connected by railway and canal.

SOUTH AND CENTRAL AMERICA.

ARE WE NEARING THE LIMIT OF PRODUCTION?

It is now considerably more than twenty years since we published in The Statist a series of articles on the subject, "Is Capital Losing Value?" Those of our readers who are old enough to remember the period will recollect that money was almost unlendable in the Short Loan market of Lombard Street. The investor who desired a security which he hoped to be able to sell without appreciable loss of capital had to be content with a rate of interest rarely exceeding, and sometimes not equal to, 2% per annum. The prices of what were known as the higher classes of investment securities on the bourses and stock exchanges of Europe were extravagantly high, and it became almost a subject of witticism the little inducement which the rising generation of young men in those days had to save anything out of their earnings. Immediately afterwards came the enormous increase in the world's production of gold, due to the development of the mines in South Africa. This was followed by the Spanish-American War; that by the South African War; then came the war between Japan and Russia; and, finally, the recent general war against Germany. In the sequel, instead of capital losing value, the difficulty has been for many years now to obtain capital on any reasonable terms for the development of urgently-needed enterprise. It cannot be said that the rising generation of our time have little inducement to save. On the contrary, unless the world, taken as a whole, does economise it is threatened for years to come with partial famine, and a serious shortage in the production of raw materials.

Now the question we set ourselves to answer, as stated at the head of this article, is: "Has the world reached, or is it reaching, the limit of production?" We think we may say with the utmost confidence that there is no more reason for believing that the world, taking it as a whole, has reached the limit of production than there was reason twenty years ago to believe that capital was losing value. Twenty years ago capital appeared to be losing value because enterprise had opened up so large a part of the producing countries of the world that food and raw materials had for the moment become more plentiful than was really needed at the moment by the world's consuming markets. In fact, prices, to use a convenient economic term; had fallen below anything of which we have a record since the prices of commodities had been kept; and they extend, particularly in this country, for a period exceeding five centuries. Wheat, the reader will recollect, fell at one time as low as a halfpenny per lb. on the London market, and cotton was down to a little over 3½*d.* per lb. It was most unfortunate, for it had the effect of stimulating wars, of checking the opening up of the producing countries, as distinct from the consuming countries, meaning by producing countries, those which produce food and raw materials, and a large part of the population of those countries, notably the United States of North America, turned their energies from the production of food and raw materials into fields of activity which converted them from producers of raw materials into consumers; and, consequently, into competitors with the congested markets of Europe.

It is estimated that the total land area of the earth is a little more than 25% of the total area of the globe. But considerably less than half of this land

area is believed to be habitable; and a still smaller proportion is capable of producing food and raw materials upon the basis of prices to which the world has hitherto been accustomed. Even a still smaller proportion is actually fertile, and capable of giving us raw products upon, to use a convenient term, a cheap basis. Very much of the land that is now regarded as either uninhabitable, or only capable of supporting life on what we may call an expensive basis of production, will doubtless, as time goes on, be found to be more productive than was generally assumed. But it is evident that methods which are known as "dry" farming, the necessity of having recourse to irrigation, and similar methods, cannot fail to add to the cost of production unless, of course, improvements in the methods of irrigation which are, or may be possible, are discovered which will render these areas fertile on a comparatively reasonable economic basis of value. In our present knowledge, at any rate, it is reasonable to assume that as the more arid parts of the world are taken up the cost of our products will increase. But this need not concern us at present, as it is a comparatively, or should be a comparatively, remote contingency. A time may, of course, come when the food and clothing of the population of the earth may be a strain upon the resources which the planet is capable of furnishing. Those, however, who will calculate for themselves the area of the habitable parts of the globe with the estimated population will see that it works out at considerably under thirty people to the square mile; and, consequently, there is no immediate danger of production becoming exhausted. Moreover, the most fertile parts of the earth are hardly inhabited at all. That vast stretch of land which we call the continent of North and South America, and which occupies an area of between 14 and 15 million square miles, has a population, all told, of under 180 millions. The continent of Africa, which is about half the area of that just given, has a population altogether little exceeding 200 millions of human beings. A large part of the continent of Africa is, of course, unfertile. But more than 80 % of the two continents of North and South America are fertile. And it has to be remembered that South America is probably the most fertile of all the continents. But that part of Africa which is fertile is very fertile indeed. All that really can be said to have happened is that just as production twenty years ago had outstripped the demand which existed at that time, the world during the past quarter of a century has devoted its energies to increasing consumption, and in many cases to actual destruction rather than to increasing the aggregate of consumable commodities available in the world. Hence, there is at the moment a shortage of food and raw materials to an extent which Europe has not experienced for at least a century.

Unfortunately, the shortage of food and raw materials is not confined to Europe. It is, in fact, world wide. In one or two specified commodities there is an apparent surplus, as indicated by a low level of prices in some particular place where shipping facilities have been denied during recent months. But the shortage is so acute even for those specialities, that, as soon as the aggregate of freights is stored to pre-War level, there will be a rapid recovery in the price of any specific article at any distant centre owing to the demand for the particular article by the advanced countries of the world taken as a whole. Consequently, even the restoration of shipping to the pre-War level will not immediately lead to what we call a fall in prices or an indication that supplies are once more abundant. This will not come about until a greater proportion of the world's population deflect their energies from what we may call "consuming" occupations to purposes of production, and particularly to the production of food and raw materials. Just as 20 years ago capital and enterprise had produced more than the consuming countries were able to dispose of upon an economic basis, at the present time the demands of the consuming countries are out of proportion to the productive capabilities of those areas of the earth which yield raw products.

An illustration which will appeal to those readers interested in South and Central America is offered at the present time by the meat industry, and the by-products of the cattle trade. Those readers who habitually see the Buenos Ayres papers will have noted that freezing house cattle has been quoted on occasions as high as the equivalent of £40 sterling, and that the common or criollo cattle of the Camp has changed hands at prices ranging from £18 to £20. Now these latter are only fit for *zarque* beef, or more commonly for the canned meat industry. These prices, if they are at all general, are so extravagant that they must check, and are, in fact, checking, the consumption of meat in all the meat-consuming countries of the world. Argentina is especially associated with the early development of the cattle industry in South America, and it is natural that at a time of scarcity prices in Argentina should rise to an extravagant level. But all over South America, as those are aware who constantly see quotations, private letters, and other documents from South America, the prices for beasts, which even ten years ago would have had little or no value except for their hides, are sold at extravagant prices to fill the depleted stocks of those countries which are now competing as breeding grounds for the markets of Europe. It is estimated that while all the armies engaged in the late War were embodied, the world's consumption of meat very nearly quadrupled. As those armies are now rapidly being disbanded it may be assumed that the consumption of meat will be reduced to a more modest level, and, in addition, that the cattle countries of the world in general, and South America in particular, will do what in them lies to increase the production of cattle, and the by-products of the cattle trade.

THE AERATED WATER INDUSTRY.

Strictly speaking, the term aerated waters includes both natural and artificial aerated waters, although in practice the former are often described as mineral waters on account of the mineral salts dissolved in them. The point, however, is not of much importance, as custom has sanctioned the use of the word *mineral* in connection with a large number of spring waters not because the total quantity of foreign matter in solution is excessive, but rather because they contain an abnormally large proportion of a few special substances. Thus large quantities of magnesium sulphate and chloride are found in such springs as those at Epsom and Friedrichshall, and the sulphur springs of Harrogate hold in solution a gas such as sulphuretted hydrogen as well as alkaline sulphides. Generally speaking, aerated waters consist in the main of water containing more or less saline and flavouring matters, and charged with an excess of carbon dioxide. The artificial variety includes the ordinary waters of commerce such as soda water, ginger ale, and lemonade, and many of them owe their continually increasing popularity to their effervescing properties and to the flavour imparted by a quantity of some salt such as sodium bicarbonate or a little fruit syrup. From the economic point of view the aerated-water industry is of considerable importance, as in pre-war days it was estimated that upwards of £30,000,000 was invested in that connection, the wages bill alone amounting to over £4,000,000 per annum. As regards the exports of aerated and mineral waters, the following table shows the value of the business done with foreign countries and British possessions for the year 1913 as compared with 1917:—

	1913 Value £	1917 Value £
Exports from United Kingdom to Foreign countries ...	225,494	120,109
Export to British possessions ...	56,332	56,620
Total	281,826	176,729

Amongst foreign countries the United States, Belgium, and Chile were in that order, our best customers taking in 1913 £130,200, or 58% of the total foreign export, whilst, with reference to the other category, Canada, British West Africa, and the Cape of Good Hope were for the same year responsible for £33,423, or 59% of the total Colonial export.

Considerable leeway will now have to be made up by this industry before it is re-established on its old footing so far as the export trade is concerned. During the past few years permission was granted to exporters to ship one-quarter of sweetened beverages and one-third of unsweetened calculated on the basis of the average yearly export for the five years before the War. This permission was, however, availed of to the extent of shipments of a total value of £114,559 during 1918. In common with other industries difficulties were experienced lately in procuring the requisite raw materials, but on the whole the demands of the home market were fairly well met. Carbon dioxide, for example, which enters in a marked manner into the manufacture of artificial aerated waters, is produced by the action of sulphuric acid on whiting or chalk. The available supplies of the acid were, however, largely pre-empted by the Government during the period of hostilities, with the result that manufacturers had to fall back on nitre cake, a by-product of munition manufacture from which a small quantity of sulphuric acid was procurable. Many thousands of tons of this nitre cake went to waste before any use could be discovered for it. Shortage of sugar exercised, of course, a restrictive effect on the output of sweetened beverages, and substitutes in the shape of saccharine and glucose gave mixed satisfaction. Bicarbonate of soda went up 300% in price, and, in common with other needful salts, the supply was insufficient to meet the demand. The hunt for siphons proved a continual source of worry to manufacturers, and an Irish concern eventually found its quarry in Buenos Aires. This shortage illustrates the extent of our dependence on foreign sources of supply, especially Bohemia, for these articles. In pre-War years we received a considerable supply of aerated and mineral waters from foreign sources. For 1913 this registered a value of £377,191, but fell away to £39,501 in 1918. The bulk of our imports in the former year came from France, Germany, and Austria-Hungary, with respective contributions of £173,063, £161,692, and £34,005, the two last-named countries contributing £195,697, or 52%, of our total imports. These imports embraced a great variety of table waters of a medicinal nature, charged with a large amount of carbon dioxide, but otherwise only slightly mineralised. A noteworthy step was taken in 1916, when imported artificial and mineral waters were made liable to duty as from May 1 of that year. The incidence of the duty varied according to the classification under which the water came. Unsweetened waters suffered most, while sweetened waters or fermented beverages were taxed more heavily than herb beer. None of the latter reached this country during 1917, and it is likely that the tariff will have the effect of restricting the importation of foreign waters to some extent in the future. It is doubtful, however, whether any permanent check will be placed on the demand for certain foreign table waters possessing medicinal qualities on account of the confidence placed in them by their users.

The principal centre of the manufacture of aerated and mineral waters in Ireland are Belfast and Dublin, and the prosperous condition of the industry is largely due to the suitability of the waters and to the method of production employed. For 1914 the Irish export trade was valued at £217,251. This figure fell to £192,639 in 1915, but even then was equivalent to 97% of the total export trade from the United Kingdom for that year. These particulars serve to give an idea of the importance of this particular Irish industry and the popularity of its product—a popularity that is not confined to Great Britain alone, but is also very much in evidence in France and the United States. During the later years of the War the Irish export figure naturally still further decreased, but this was due in the main to the various restrictions and to the high cost of freight. Thus the freight to Liverpool increased from 7*s.* per ton in 1913 to 37*s.* per ton in 1918. One Irish concern which always did a large business with the United States established a factory in New York over 18 months ago with the object of maintaining old connections as far as possible. Throughout the War the demands of the Irish market were met to a great extent, and a rationing system was only had recourse to during the months of July and August, of 1918. Amongst some manufacturers the belief is held that aerated water is not an article which will bear any further increase in price. This increase is already approximately 100%, but up to the present it is noticeable that while an increase in price slackens demand for about a month, it has not so far exercised any permanent ill effect. Makers generally look forward with confidence to the future, although they realise the fact that there are certain circumstances which tend to limit the demand for their particular products. As a flavouring matter for certain spirits, such as whiskey, considerable quantities of soda water and ginger ale are used. The heavy duty recently imposed on whiskey will, it is anticipated, lead to a further decline in its consumption, and this cannot fail to have a reflex action on the aerated-water traffic. There are, however, certain influences said to be at work which will in all likelihood restore the balance. It is held in some quarters that the past scarcity of beer was the cause of a marked growth of taste for prepared waters, and that this will be permanent enough to secure a larger home market in the future. The question of climate also enters, of course, into the consumption of these beverages, and from the aerated-water manufacturers' point of view a dry summer is infinitely preferable to a wet.

The National Federation of Iron and Steel Manufacturers have forwarded us a copy of a "Memorandum on the World's Output of Iron and Steel in 1918," toegther with a leaflet showing the output of iron and steel in the United Kingdom in 1919. The most noticeable feature of the tables is the fall during the War in the output of iron and steel in France and Germany. The United States, on the other hand, shows a very big increase, while Great Britain shows a fairly constant output of pig iron, and an increased output of steel. The figures, which are compiled from returns furnished to the Federation by individual firms and from other sources are well worth keeping for reference.

Mr. H. Gardner, of 2 Metal Exchange Buildings, E.C. 3, informs us that he has taken out a licence under the Non-Ferrous Metals Industry Act, and intends to deal in metals for his own account and in his own name. He will have the co-operation of his son, Walter Gardner, and of several of his former associates in business.

A report on the wheat crop of India, made up to the last day of April, which has just been received, states that the total revised estimates for all India now stand at 23,415,000 acres and 7,448,000 tons. In acreage there is a slight decrease, but the yield is expected to be just a thousand tons more than in the previously issued special forecast. The condition of the crop is generally fair or good, except in Bombay, Hyderabad, and Rajputana, where the crop was adversely affected by the unfavourable character of the season. Harvesting has been completed in the Central Provinces and Berar, Bihar and Orissa, and Bengal, and is approaching completion in the Punjab, the United Provinces and Ajmer-Merwara.

Dr. E. J. Dillon writes:—"Having for over thirty years smoked only Turkish tobacco I naturally cherished a fondness for that. However, if any other could reconcile me to its absence it would be the 'De Reszke' American Cigarettes, which have given me great pleasure."

Charles Sims, Esq., A.R.A., writes:—"There are times when a mild-flavoured cigarette is most agreeable; then a 'De Reszke' is just the thing. I like them very much."

Miss Clara Butterworth writes:—"Your 'De Reszke' Cigarettes are excellent."

CIGARETTES are all much alike—until you come to the "De Reszke." Then you know there is one brand which stands above all others. Good judges prefer them—so will you. Try a box.



"De Reszke"
The Aristocrat of CIGARETTES
Sold at all Military Canteens at Home and Overseas, at Tobacconists' and Stores.

NORWICH UNION
FIRE INSURANCE SOCIETY LTD.
FOUNDED 1797.
FIRE. ACCIDENT. MARINE.
EMPLOYERS' LIABILITY.
Head Offices { NORWICH and 50 FLEET STREET, LONDON, E.C.

MORE TOBACCO.
We regret that Customers have so often been unable to secure their usual supplies of our
"EARL GREY" and RHODESIAN Cigarettes,
But we hope within a few weeks to be able to meet all requirements.
JOHN WOOD & SON (CIGAR AND TOBACCO IMPORTERS), Ltd.
23 & 25 Queen Victoria Street, E.C. 4.

THE BANK OF TAIWAN,
LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.
Head Office - - TAIPEH, FORMOSA.
BRANCHES:—Amoy, Bangkok, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, Yokohama, and every important city in Formosa (Taiwan), &c. The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.
London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

WE discuss at what length our space admits of under the heading "Money" the proposed new loan as it affects the London Money market and the London Money market's international relations. It is impossible even there to avoid its economic effects upon this country in its relations with other civilised communities of which, in reality, we form a component part. It was never wholly possible—and with the growth of transportation facilities and, consequently of international trade and finance, it is less so than ever in these times—for any State to live unto itself alone, and the influence of the way we act now that the War is over in endeavouring to reconstruct our financial and economic position from the effects of the recent War will for a very long time determine the position we occupy in the comity of nations.

Honesty in business, it is commonly said, is the best policy. And those who have watched England's position in her economic relations with the rest of the world will have observed that we have proved the truth of the saying to an uncommon extent. For generations, English traders, and even the English Government—since, at any rate, the time when Charles the Second appropriated the money of the goldsmiths—have uniformly kept faith with their creditors. Consequently, we have reaped the reward, during a period of unparalleled extravagance, of a high reputation for commercial interity, as well as integrity in paying all dues incurred on our national finances.

We discuss elsewhere the magnitude of the loan which it is proposed to raise, and the pros and cons for issuing a big loan, a small loan, or a loan of comparatively modest dimensions. The English exchanges throughout the War, and even now, some seven months after the Armistice has been signed, are by no means as unfavourable as our present liabilities would lead one to expect. The feeling everywhere is that in the past we have had the good sense to realise that, having entered into an obligation, it is sound policy to meet it, and that we can be depended upon in this instance to make whatever efforts are necessary to liquidate our liabilities, if not immediately, then with as little delay as possible. Nearly every creditor, whether public or private, if he sees that his debtor is determined to do all that is possible to liquidate his debts, is quite willing to wait a reasonable time. There is no reason to expect pressure from outside. But, it is for ourselves to realise the importance, not merely of assuring our creditors that with the utmost good faith we will pay our debts in the future as we have in the past, but that we should seriously make up our minds to pay them, and pay them quickly.

At the present time, in addition to a liability of 1,500 millions sterling, on what is practically a Government note of hand, we have the pressing liabilities which we have discussed during recent weeks in our Money article of the immense sums we owe for produce for which, moreover, we have no means of paying in the immediate future. Until we have made some real effort to consolidate our unfunded debt, large sums of money which should be available for the purposes of trade and for helping us to reduce our liabilities will be from time to time required by the Government in order to meet its own liabilities in connection with this debt which has never been consolidated. It has to be remembered that our floating debt is quite independent of what is commonly called the War charges, which Mr. Austen Chamberlain stated in his Budget would amount at the end of next year to 7,685 millions sterling. How the National Debt itself is to be dealt with is a question for the future. But for the moment it is of the utmost importance to relieve the Money market from the need of finding means to assist the market from short loan borrowings.

We have before us the Report of the Committee on Women in Industry. The report itself deals mainly with the evidence collected as it has affected the rise in wages during the progress of the War. The primary cause of the rise in wages has, of course, been the calling up from productive to destructive employment of the major portion of the able-bodied men in the belligerent countries. But there can be no reasonable doubt that the extravagance of the Ministry of Munitions in its haste to supply shells and other requisites for carrying on the War did contribute, and contribute powerfully, to the difficulties in which we

now find ourselves. The question, however, of the employment of women in industry, looked at from its broad national aspect has a far wider range than its effect upon the rate of wages. If the object aimed at by society were that everybody, to use common language, should have as much money as possible, it would be desirable that everybody capable of working should work to their utmost capacity and that families should be kept down well within the means of economic subsistence within a given standard.

It is evident, however, with our present economic development, that such a policy would so materially reduce the population that it would be impossible not merely to defend the British Empire, but even to defend England itself. Consequently, the primary policy must be to maintain the race as distinct from getting as much work as possible out of every member of the community. It follows, therefore, that that race will survive which maintains itself in such a state of efficiency that it is able to defend itself from aggression, and to maintain its economic equilibrium. If that be admitted, it is evident that the business of the vast majority of women in the generations to come, as in the generations that are past, will be domestic, or in the home, as we commonly express it, rather than working at high pressure in munition factories or, for that matter, in any other branch of industry.

At the moment it will not be desirable to press that argument too far, because there is an excess of marriageable women over men in these islands estimated at between 2½ and 3 millions. Consequently, it follows that a large proportion of the women of the country will be dependent upon their own exertions for their maintenance, as the killed alone in the late War amounted to very nearly 700,000; and, in addition, there are something like a million of men who have been discharged from the Army in a state of health and physical well-being below the standard which they enjoyed when they were first called to the Colours. Many of these men, no doubt, are young; and it is to be hoped that after a period in civil life their health will be more or less restored. But it is evident both to our common sense and to our knowledge and observation amongst our friends and acquaintances that there is a very large proportion of men who are hardly likely ever to be in a position to maintain a wife and family. Consequently, openings for female labour will be required during the present generation upon a somewhat abnormal scale. At the same time, it is desirable to bear in mind the importance of the national policy of restoring to civil employment the men recently with the Colours, and giving facilities to those whose health and inclinations admit of it to marry and settle down to domestic life.

The death of Sir Boverton Redwood, perhaps the best-known of our English oil experts, is particularly regrettable at the present time, when the enterprise of Lord Cowdray, with the support of the Government, seems to promise a supply of oil from home sources. It is, of course, too early to regard the experiments in Chesterfield with undue optimism, as their commercial value has yet to be established. Nevertheless, the experiments, so far as they have gone, prove conclusively that oil exists, and to those who are acquainted with the working of oil fields the rapid rise of oil in the cases gives ground for hope at least that we have either struck, or may shortly strike, what the whole world knows as a "gusher." In addition to the experiments being made in the Chesterfield district, further experiments are to be made in Nottinghamshire and elsewhere. It looks as though an important field is opening up for trained oil experts in this country.

While discussing the oil question, it may be of interest to note that the territory lately in dispute, and still the subject of fierce controversy, between Italy and the new Slav State which has been cut out of the late Austro-Hungarian Empire is essentially an oil country. Practically the whole of the Istrian Peninsula is petroliferous, although, as a matter of fact, oil has never been found there, at any rate has never been worked. But paraffin wax has long been obtained from the various districts of the peninsula. Probably the reader is aware that the whole of the opposite Dalmatian coast on the eastern side of the Adriatic is also oil-bearing, although, as in the case of the peninsula, no oil wells have in recent times been worked there.

Mr. Robert Hose presided at a meeting on Wednesday, convened to authorise the Anglo-South American Bank to take a portion of the share capital of the new British Overseas Bank, Limited. As the new Bank proposes trading abroad—is, of course, formed for the very purpose of trading abroad—it was necessary under the Defence of the Realm Act to apply for the consent of the Treasury. But, to their surprise, the Treasury, when giving its consent, required the Anglo-South American Bank to obtain the consent of its own shareholders, under the impression that the proposed Bank was an amalgamation. The object of the new Bank is to promote British trade with places over-sea, to carry out very much the functions which the continental banks have so long performed in fostering the trade of the various continental countries, and which until the War broke out we, in this country, have neglected to such a large extent.

One result of the War has been that the principal countries in South America have come to deal direct with the various countries oversea which were accustomed to transact their business mainly through this country, because we offered better banking facilities and better transportation facilities than they could themselves afford, or than could be obtained by any other country. During the War we could neither offer the freightage nor the banking facilities to the same extent, and these countries have got into the way of trading direct with various States in different parts of the world. The object, therefore, of the Anglo-South American Bank in taking an interest in the new Overseas Bank is to secure for its shareholders and for British trading interests its share of the South American business with different parts of the world.

LONDON JOINT CITY & MIDLAND BANK LTD.

HEAD OFFICE: 5 THREADNEEDLE ST., LONDON, E.C. 2.

31st DECEMBER, 1918.

Subscribed Capital	£34,428,948
Uncalled Capital	27,256,250
Paid-up Capital	7,172,697
Reserve Fund	7,172,697
Deposits	£334,898,435
Cash in Hand and Balance at Bank of England	63,756,371
Money at Call and at Short Notice	65,809,169
Investments and Bills of Exchange	100,849,947
Advances	99,213,614
Advances on War Loans ...	14,218,201

Paid-up Capital is now ... £8,171,417
Reserve Fund ,, ,, ... £8,171,417

OVERSEAS BRANCH:
65 and 66 OLD BROAD STREET, E.C. 2.
Specially organised for developing British Trade abroad. Foreign Banking business of every description undertaken.

THE FIRST NATIONAL BANK OF BOSTON, U.S.A.,

Transacts Foreign Exchange Business of every Description.

Commercial Credits.
Collections. Cable Transfers.
Purchase and Sale of Bills of Exchange.

Special Rates of Interest on Deposits — held for a Specified Time. —

Capital - - - - $7,500,000
Surplus and Profits - - $19,000,000
Resources - - - $200,000,000

Branch at Buenos Aires, A. R.

American Topics.

RAILROADS UNDER GOVERNMENT CONTROL.

We said last week that in many ways the conditions in the United States of America at the present time resemble those prevailing here, although the conditions in the United States are far more favourable than ours. We were in the War from the very beginning, and by calling up an enormous number of our able-bodied young manhood we have strained our resources to an extent that has not been the case for a very long period of our history. The national resources have been unduly strained in the past, but we cannot recollect a period in our history when the Central Government was in a position to act with almost despotic power as it did during the recent War when it deliberately decided to impose so great a strain upon the national resources. We fought, it is true, for nearly a generation against Revolutionary France more than a century ago now, but in that war we contented ourselves with acting as the bankers, carriers, munitioneers, and fought only on land with a small number of troops. Consequently we came out of that war the creditors of the whole of Europe and laid the foundation of the long era of prosperity we enjoyed right up to the outbreak of the recent War. The United States of America came so late into the War when the European belligerents were exhausted by the strain on their economic resources as well as upon their man-power, that the United States suffered but little.

Although, therefore, as we have said, the United States suffered only to a comparatively small extent compared with the economic conditions and loss in man-power upon the European continent, owing to the extravagance of the Government in connection with the War, which even yet has not come to an end, there are evidences of extravagance, both public and private, which gives the appearance, although a fictitious one, of prosperity. One of the results has been the extraordinary amount of travelling as well as the carriage of munitions to an unprecedented extent, and consequent congestion upon the railways of the country. Very much the same conditions prevail on the railroads of the United States of America. In both countries, immediately they became belligerents, their respective Governments took over the railways and guaranteed a certain dividend whether it was earned or no. While the result of Government management of our railways has been wholly unsatisfactory, it will be seen from the figures given subsequently that Government management has attained no better results on the other side of the Atlantic.

CHICAGO AND NORTH WESTERN.

It will be seen from the figures we give below that very similar conditions to those we have just described above have prevailed in working the Chicago and North Western during the war period under Government management. As is the case with ourselves and other railways in the United States, the cost of working has increased in a very much greater proportion than the increased receipts, enormous as they have been in nearly every line of the Union.

One result has been that the amount carried to profit and loss is very little more than half what it was in the preceding year.

Chicago and North Western Railway Company.

Year to Dec. 31—	1917	1918	Inc. or Dec.
	$	$	$
Net operating income	24,241,320	—	−24,241,320
Accrued compensation	—	23,201,016	+23,201,016
Miscellaneous income	3,012,825	2,262,661	− 750,164
Gross income	27,254,145	25,463,677	− 1,790,468
	$	$	$
Miscellaneous deductions	1,217,821	2,164,860	+ 947,039
Interest on funded debt	8,911,293	8,816,106	− 95,187
Total deductions	10,129,114	10,980,966	851,852
Net income	17,125,031	14,482,711	− 2,642,320
Sinking funds	170,881	111,480	− 59,401
Dividend on Preferred stock	1,791,600 (8%)	1,791,600 (8%)	
„ „ Common stock	9,897,367 (7%)	10,160,675 (7%)	+ 263,308
Total appropriations	11.859,848	12,063,755	+ 203,907
Balance carried to profit and loss	5,265,183	2,418,956	−2,846,227

THE CHICAGO, MINNEAPOLIS AND OMAHA.

It will be seen that this subsidiary line of the Chicago and North Western has been less affected, either than its principal or than the majority of the important lines of the United States. All the same its balance carried to profit and loss is very much smaller than it was accustomed to be before it was taken over by the Government. The line is a small one as railroads go in the United States, but it would be considered a great system in most countries of Europe. The total length of the line considerably exceeds 1,700 miles, and it runs through the States of Wisconsin, Minnesota, Nebraska, Iowa, and South Dakota. The main line runs from Duluth and Ashton on Lake Superior through St. Paul and Minneaoplis to Omaha. It was for this reason it was taken over some thirty years ago by the Chicago and North Western, as it both brings traffic to the controlling road and connects with various subsidiaries of the Chicago and North Western.

Chicago, St. Paul, Minneapolis and Omaha Railway Company.

Year to December 31—	1917	1918	Inc. or Dec.
	$	$	$
Net operating income	4,296,597	—	−4,296,597
Accrued compensation	—	4,934,789	+4,934,789
Miscellaneous income	184,962	65,581	− 119,381
Gross income	4,481.559	5,000,370	518.811
Miscellaneous deductions	96,949	244,609	+ 147,660
Interest on funded debt	2,262,870	2,260,475	− 2 395
„ „ unfunded debt	3,151	89.105	+ 85,954
Total deductions	2,362,970	2,594,189	+ 231.219
Net income	2,118,589	2,406,181	+ 287 592
Dividends on Preferred stock	788,151 (7%)	788,151 (7%)	—
„ „ Common stock	927,835 (5%)	927,835 (5%)	—
Total dividends	1,715,986	1,715,986	-
Balance carried to profit and loss	402,603	690,194	+ 289,591

CHICAGO, MILWAUKEE AND ST. PAUL.

Until Sir Auckland Geddes' full statement of the position was published three weeks ago, a general impression existed that the working of British railways had resulted in a big loss to the Government under the control arrangement. As a matter of fact, in the four years and five months to December 1918, before allowance for extra wear and tear (estimated at £40,000,000), the Govern-

ment's net gain was £5,872,000, and, including what would have had to be paid for transportation on Government account, the gross gain for the period was £118,000,000. In contra-distinction to this it will be remembered that the United States Government did not take over the control of American railways until three years after the War commenced, and that compensation was based on the net operating income for the three years to June 30, 1917, which included two exceptionally favourable periods. Hence the rate of compensation has been high, and, in view of the great increase in expenses, it is not surprising that, as recently announced, the deficit falling on the Government reached $236,000,000 (say £48,000,000) for 1918. A good idea of how well some of the less profitable roads fare under the arrangement is to be gleaned from the report of the Chicago, Milwaukee and St. Paul Railway Company. In 1918 its gross receipts were $132,894,000, against $113,739,000 in 1917, but operating expenses and taxes amounted to $128,382,000, showing an increase of $37,000,000, and net receipts consequently remained of only $4,512,000, in comparison with $22,026,000 in 1917. In respect of that year dividends of 7% and 4½% were paid respectively on the Company's Preferred and Common stocks, but only by encroaching to the extent of $11,272,000 on the surplus brought forward from 1916. On account of 1918, though the net receipts were only $4,512,000, the Company receives as compensation from the Government $27,595,000. Unfortunately for the stockholders, heavy financing charges had to be incurred, partly through delay in receiving the compensation, and in consequence interest outgoings were much higher than in 1917. Still, the net profit comes out at $5,531,000, against $8,109,000. This is equal to about 4% on the Preferred, and no doubt holders of that stock would have received some distribution but for the excessive dividend payments of the previous year. Four years' results and dividends are compared below:—

Results of Milwaukee Railway.

	1918	1917	1916	1915
	$	$	$	$
Gross receipts	132,894,000	113,739,000	110,610,000	97,048,000
Operating expenses and taxes	128,382,000	91,713,000	79,245,000	67,206,000
Ratio	(91·4)	(80·63)	(71·64)	(69·25)
Net receipts	4,512,000	22,026,000	31,365,000	29,842,000
Net receipts	27,595,000†	22,026,000	31,365,000	29,842,000
Int. and other charges, less miscellaneous income	22,064,000	19,906,000	15,297,000	13,284,000
Net profit	5,531,000	2,120,000	16,068,000	16,558,000
Div. on 7% Preferred	Nil	8,109,000	8,109,000	8,109,000
Do. %	—	(7%)	(7%)	(7%)
Profit for Common	—	Nil	7,959,000	8,449,000
= % on Common	—	Nil	(6·78%)	(7·18%)
Dividend on Common	Nil	5,283,000	5,870,000	5,258,000
Do. %	—	(4½%)	(5%)	(4½%)
Surplus	5,531,000	*11,272,000*	2,089,000	3,191,000

* Deficit.

† Amount of compensation accrued under Government control.

THE WABASH RAILWAY.

We have before us a report of the Wabash Railway for the year ending December 31 last. We give below a short table showing the results of working. We have only taken the figures for the past two years, as no useful purpose would be served by showing the figures for the preceding years, for no comparison is possible, as the conditions of working have completely changed. The figures show a great decrease in the receipts, and a large increase in the cost of operating the line, and consequently a heavy falling-off in the net receipts. Formerly the Wabash was perhaps one of the worst managed of all the lines of the American system. It belonged to the Gould group, and the interest in its stocks was more as a gambling counter for the operators of Wall Street and the London Stock Exchange than as a great railroad system. It fell on various occasions into the hands of receivers, but shortly before the War the line was reconstructed and put into really sound working condition. Just before the War the Wabash was earning the largest income and making the largest profit of any period of its history. The greater part of its system has in recent years been doubled tracked, and it is now a really valuable asset to the transportation facilities of the United States. It runs through some of the richest and most populous States of the Union. It runs from Buffalo, at the head of Lake Erie, to Kansas City, and is connected with Chicago, St. Louis, Omaha, Detroit, and Toledo. As we have said, before the entrance of the United States of America into the War the Wabash was doing extremely good business. It had materially reduced the cost of conducting transportation, as it is called in the United States, or had done before the United States entered the War. The line was constructed with steel rails, double-tracked, and the bridges were materially strengthened. It also improved its rolling stock, with the result that in spite of an enormous increase in the traffic carried over the line in connection with the European War, there was only a slight increase in the train mileage.

Wabash Railway Results.

	Year to Dec. 31—1918	1917
	$	$
Compensation from Government	5,867,268	—
Total operating income	—	10,543,882
Miscellaneous income	263,242	302,517
Gross income	6,130,510	10,846,399
Deduct: Rent, taxes and miscellaneous outgoings (less receipts)	1,863,524	3,549,588
Profit balance	4,266,986	7,296,811
Interest charges and sinking fund	3,162,653	3,161,151
Net profit	1,104,333	4,135,660
Dividend on Preferred stock "A"	462,000 (1%)	1,848,000 (4%)
Surplus of year	642,333	2,287,660
Brought forward	7,938,388	5,650,728
Carried forward	8,580,721	7,938,388

A branch of the Colonial Bank has been opened at Winnebah, Gold Coast Colony, West Africa.

The directors of Carreras, Limited, have declared an interim dividend at the rate of 8% per annum, free of income tax, for the half-year ended April 30, 1919. Warrants will be posted on June 19.

The Eagle, Star and British Dominions Insurance Company, Limited, in association with Messrs. Cox and Company, Bankers, have acquired at South Norwood Park extensive recreation grounds for their respective staffs. In all, the grounds cover 67 acres, and in addition to a lake for boating and swimming include an 18-hole golf course, tennis courts, cricket and bowling greens, and club houses. At the inaugural sports held on Saturday, May 31, some 4,000 guests spent an enjoyable day.

"A Primer of Foreign Exchange." By William F. Spalding, Lecturer in foreign exchange to the City of London College. Price, 3*s.* 6*d.* net. London: Sir Isaac Pitman and Sons, Limited. This is a very welcome little work at the present moment, when so much ignorance prevails as to the meaning and use of the foreign exchange tables which are published daily in the Press. This ignorance has, no doubt, in the past been largely due to the desire of the average Englishman to avoid what appears to him "dry reading." Now, however, that the prices of everything he buys and consumes have reached extravagant levels, when he reads of the colossal figures which represent the debt of this country to other countries which used to be our debtors, he is in search of information which will throw some light on the subject. We are essentially a commercial and industrial nation and depend almost entirely upon our exports of manufactured goods for the means of paying for the food and raw materials which we draw from other countries. Anything affecting the exchange position, as between this country and other countries, is consequently always full of interest. Therefore, we think Mr. Spalding's book will be welcomed by many who have neglected the study in the past, and who are desirous of being posted in the matter.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue. Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

FURTHER dwindling of prices has characterised the Rubber-share market of the past week. The volume of business continues to be small, and there does not appear to be much prospect of improvement until the new Government loan is out of the way and the trade outlook is clearer.

ANNUAL REPORTS ANALYSED.

LONDON ASIATIC.

Issued Capital: £159,762 in 2/- Shares.

Results for the Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...	4,135	3,474	1,248,910	359	2/5	1/3	74,840	63,905	40
1916...	4,178	3,946	1,484,936	376	2/5·36	1/2¼	97,565	71,893	45
1917...	4,843	3,850	1,569,021	407	2/6¼	1/5¼†	91,931	63,905	40
1918...	5,145	—	1,177,919	—	1/11⅛	1/5½	36,368	39,940	25

* Including 2·17d. war risk insurance.

Price of Shares, 11/0c.d. Market Valuation per acre, £168xd.

IN view of the very obvious effect of restriction of tapping last year, not much heed need be paid to the poorness of the results shown above. Neither is the reduction of the dividend from 40% to 25% of much moment either, because £26,000 refund claimed on account of previous excess profits duty payments is not taken credit for and shareholders are to receive some compensation by a capitalisation of reserve. Of the estimated tax refund, £10,000 is reckoned to be required for income tax, but the balance of £16,000, if distributed, would have made the year's dividend 35%. However, it will go to swell the cash resources, already considerable inasmuch as the balance sheet, without including the claimed refund, shows surplus liquid assets to amount to £26,200, after payment of the final dividend of 15%. Development Reserve fund stands at £130,963, and of this it is proposed to capitalise £95,857 and to distribute fully paid shares to shareholders, in the proportion, apparently, of about 60 shares for each 100 shares held. The issued capital will thereby be raised to £255,620, or not quite £50 per acre at present planted. If the market valuation is maintained at £168, the price of the shares comprising the increased capital will be about 6*s.* 9*d.* This year's rubber output is estimated at 1,428,500 lb. Prospects are considerably discounted, but the Company has 1,632 acres of uncultivated land and the future earning power may be substantially enhanced by extension of plantations.

BATU CAVES.

Issued Capital: £26,750 in £1 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...	1,741	1,243	664,055	494	2/6	- 8884	54,231	49,487	185
1916...	1,744	1,509	792,350	510	2/7	- 7/0·29	67,243	56,174	210
1917...	1,751	1,291*	780,814	596†	2/5	-/10½	61,243	48,150	180
1918...	1,751	—	595,664	—	1/10·1	- 9½	32,521	29,424	110

* Average in full tapping. † Yield per acre in full tapping.

Price of Shares, £13½c.d. Market Capitalisation per planted acre, £208xd.

The fact that this Company in such a bad year for the industry as was 1918 netted a profit of over 1*s.* per lb. on restricted production alone stamps it as a front-rank undertaking, and the extremely high yielding capacity of the plantations and the low cost of production add emphasis to the fact. When it is considered that on the past year's reduced dividend the shares at their present price afford a return of about 8%, it is easy to see that the market valuation of £208 is not quite so high as it looks. This year 720,000 lb. is the estimated production, but if the season is ordinarily good an appreciably larger crop seems likely to be obtained. An excellent profit result is assured, for as much as 664,800 lb. have been sold forward at the equivalent of about 1*s.* 10¼*d.* per lb. The financial position may be gauged from the fact that at December 31 liquid assets exceeded liabilities, including the year's dividends and £23,273 of taxation reserve, by £17,670.

SUNGEI BULOH (SELANGOR).

Issued Capital: £50,000 in £1 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...	1,788	1,413	539,298	381	2/8⅛	-/10·66	50,419	30,000	60
1916...	1,845	1,413	590,066	417	2/8·6	-/10¾	54,933	32,500	65
1917...	1,845	1,560*	615,160	400*	2/4	-/11·8	38,740	20,000	40
1918...	1,866	—	491,670	—	1/8½	1/0¾	16,891	15,000	30

* Estimated.

Price of Shares, 103/0. Market Capitalisation per planted acre, £136.

In each of the years to 1917 this Company was liable for excess profits duty, the total aggregating £48,688, including £6,826 for 1917, for which year the net profit was £38,740. The datum line would appear to be in excess of £25,000, and as the net profit for 1918, owing to restriction of production and low prices, comes out at £16,891, including sundry revenue, it appears that a substantial claim for refund of duty can be made—probably near to £8,000. No credit is taken for this in the accounts. If it had been included, in accordance with the practice of some Companies, the dividend could have been maintained at 40%, unless of course there happens to be a heavy *per contra* liability for income tax not mentioned in the report. However, in any case the troubles which have caused so severe a contraction of dividends in the last three years are to a large extent past. The excess profits tax has been reduced to 40%—with the prospect of withdrawal next year—and normal tapping in the current financial twelve months is expected to result in a record output of 600,000 lb. Such a fine estate, with a demonstrated low cost of production, cannot be considered too highly valued at £136 per planted acre, which is the equivalent of the present price of 103/0 for the £1 shares. The balance sheet shows £14,000 of surplus liquid assets, excluding anything for excess profits duty refund.

SUNGEI KRUIT (PERAK).

Issued Capital: £65,000 in £1 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...	1,316	917†	255,776	270	2/8·3	1 3	18,786	13,0 0	20
1916...	1,316	1,103	368,271	334	2/6·3	1 1	27,845	14,625	22½
1917...	1,466	1,300*	442,264	340	2/4½	1 2	24,754	11,375	17½
1918...	1,466	-	357,342	—	1,10½	1 4	11 165	6,500	10

* Area in bearing includes 186 acres, 1912, and 212 acres, 1913, plantations.
† Approximate.

Price of Shares, 48/0c.d. Market Capitalisation per planted acre, £105xd.

It may seem rather absurd to think of a £1 share standing at 48*s.* as cheap, when a dividend of only 10% is paid, but a less superficial view of the circumstances in this Company's case places a different complexion on the matter. First of all, it is to be noted that the Sungei Kruit estate is in Perak, and all except 150 acres of the 1,466 acres cultivated are more than 5 years old. Then there are 161 acres in course of planting, which will increase the planted area to 1,627 acres. Without counting that, however, the

market valuation, at present price of 48*s.* cum dividend, works out at £105 per acre. This year's output is estimated to exceed—probably considerably—400,000 lb., and later on, further expansion is indicated, until 525,000 lb., and ultimately, 650,000 lb. is attained. The cost all-in was reduced to 1*s.* 1*d.* in 1916, and with a high yield per acre, as usual in Perak, and normal tapping, there appears good ground for expecting a cost figure of under 1*s.* per lb. A profit of 9*d.* per lb on 525,000 lb. output would bring in about £20,000, or 30% on the capital, and on 650,000 lb., £24,000, or 37%. Hence, with the excess profits duty now reduced to 40% and expected to be withdrawn next year, the dividend outlook is good. The financial position is sound.

SUNGEI KAPAR (SELANGOR).

Issued Capital: £100,000 in 2/0 Shares.

Results for Years to December 31

	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Bearing Acre	Price Realised	"All-in" Cost	Net Profit	Dividend Amt.	
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1915...	2,554	2,000*	667,169	333*	2/10	-/10	67,535†	52,000‡	60
1916...	2,554	2,300*	789,882	343	2/8	-/10	73,638†	54,250‡	70
1917...	2,554	2,450*	841,494	343*	2/2·35	-/10	57,090†	37,500‡	50
1918...	2,559	—	680,286	—	1/7·88	-/11·8	24,652†	16,031‡	22½

* Estimated. † Before deduction of income tax.
‡ After deduction of income tax.

Price of Shares, 9/0. Market Capitalisation per planted acre, £175.

The causes necessitating the severe reduction of this Company's dividend for 1918 are partly apparent from the above comparison of results, showing the effect of tapping restrictions and low gross price realised for the rubber. In addition, income tax, insufficiently provided for in 1917, called for £19,691 in respect of 1918, *i.e.* £3,660 more than shareholders received. The liability has been covered partly out of the year's earnings and partly by reducing the carry-forward from £15,364 to £4,294. The current year's crop is estimated at 751,000 lb., which seems conservative in view of the much larger output obtained in 1916 and 1917. The whole of the 2,559 acres planted are now well over bearing age, and at 350 lb. per acre should presently yield about 900,000 lb. per annum. With a low cost of production the dividend prospects are good. This is to a considerable extent discounted by the premium on the price of the shares.

HIGHLANDS AND LOWLANDS.

Issued Capital: £309,481 in £1 Shares.

Results for Years for December 31

	Total Planted	Area in Bearing	Rubber Output	Av. Yield per Bearing Acre	Price Realised	"All-in" Cost	Net Profit*	Dividend Amt.	
	Acres	Acres	lb.	lb.	per lb.	per lb.	£	£	%
1914...	4,164	3,670	1,137,853	310	2/3·5	-/11·12	84,144	68,550†	24
1915...	4,068	3,444	1,209,434	351	2/9·69	-/11·22	121,268†	93,876†	35
1916...	4,322	3,415	1,350,479	396	2/7·8	1/0	118,982†	91,142†	38
1917...	4,505	3,566	1,428,343	400	2/4	-/11¾	101,600	54,159*	17½
1918...	4,752	—	1,123,799	—	2/1½	1/3	54,789	54,159*	17½

* Before paying income tax. † After deduction of income tax.

Price of Shares, 52/6. Market Capitalisation per planted acre, £160, allowing for interest in Ayer Kuning Company.

Shareholders of the Highlands and Lowlands have to thank the conservative policy adopted by the directors in 1917 (when £47,441 of the profit was added to the carry-forward), for the maintenance of the distribution of 1918 at the same rate as paid for 1917. Instead of there being any income-tax liability for the past year something is expected to be recovered on account of previous over-payment. Hence, as the financial position is strong, the directors were warranted in distributing the profits earned up to the hilt. Those profits were the lowest in the Company's history, and if no prospect existed of improvement the shares would, of course, be over-valued at their present price of 52*s.* 6*d.* Conditions now, however, are better all round. This year's production is estimated to be 1,400,000 lb., and there are still about 1,000 acres of young rubber trees to add their quota to output and also 3,000 acres of land available for further extensions. In this connection it is to be noted that the Company has substantial surplus resources wherewith to finance further development.

SCOTTISH UNION & NATIONAL INSURANCE COMPANY.
ESTABLISHED 1824.
ASSETS Exceed £12,000,000.
FIRE, INCLUDING LOSS OF PROFITS, LIFE, ACCIDENT, ILLNESS, ANNUITIES, PENSIONS, LEASEHOLD, BURGLARY, GLASS BREAKAGE, TRANSIT OF SECURITIES, FIDELITY, PROPERTY OWNERS' RISKS, MOTOR-CAR RISKS, HORSE DRIVING ACCIDENTS, THIRD PARTY, EMPLOYERS' LIABILITY and MARINE
INSURANCES effected on the most favourable terms.
Edinburgh: 35 St. Andrew Square.
London: 5 Walbrook, E.C. 4, & 4 St. James' St., S.W. 1.

Insurance Notes.

SCOTTISH AMICABLE LIFE ASSURANCE SCTY. AND THE SCOTTISH INSURANCE CORP., LTD.

In The Statist of February 15 last particulars were given of a provisional agreement whereby the Scottish Amicable Society proposed to acquire the undertaking of the Scottish Insurance Corporation through the purchase of that Company's shares. The annual reports of both of these institutions have subsequently been published.

The Scottish Amicable is one of the most successful mutual life offices in the country, and it is satisfactory to learn from the explanations given by its Chairman at the annual meeting on March 26 that no change in its constitution is contemplated. The acquisition of the 30,000 shares of the Scottish Insurance Corporation of £5 with £1 paid on each at a price of £270,000 is contemplated as an investment, and beyond liability of £120,000 representing the uncalled capital of the Corporation, which is less in amount than 2% of the Scottish Amicable assets, the members of the S.A. Society are not responsible for any ultimate loss arising from the transactions of the S.I. Corporation relating to fire, accident, and other forms of insurance which the S.A. Society does not itself undertake. From the proposed purchase, the S.A. Society hopes to obtain a satisfactory yield upon the amount invested, and at the same time to strengthen and enlarge its agency organisation. Meanwhile steps are being taken to obtain Parliamentary powers for the purpose of giving effect to the agreement which has been approved by its policyholders—as well as by the S.I. shareholders.

The Scottish Amicable report for 1918 shows a largely increased new business. Policies were issued for £894,377, of which £166,000 was reassured, the net retention at the Society's own risk thus amounting to £728,377, as compared with £613,255 in 1917. The new premiums, including single payments of £33,752, amounted to £75,997, and their high amount as compared with the sums assured is explained by the fact alluded to by the Chairman at the annual meeting that a large number of endowment-assurance policies were issued enabling policyholders to purchase National War Bonds by instalments, in conformity with schemes which were issued by many life offices for that purpose. The total net life premium income was increased by £60,168 to £494,080, of which about 11.4% was absorbed by expenses of management, inclusive of commission. Claims by death amounted to £325,441, and of these £43,107 directly arose from war casualties, yet the total amount was less by about 12% than that anticipated under the O^{M} Mortality Table. The total amount of claims due to the War from the commencement of hostilities to the close of last year was £194,000, and the actual net loss thereby after deducting reserves held in respect of the policies on which these claims arose was about £132,000. Endowment assurances for £43,898 matured by survivance in the course of last year. The sum of £25,371 was received as consideration for new annuities granted, and annuities of £43,772 were paid. Through the year's operations the life assurance and annuity funds

were increased by £276,375 to £6,549,926. The gross interest yield in the funds during 1918 was about 5%, but after deduction of income-tax this is reduced to about £3 17*s.* as the net yield. The rate assumed for the accumulations at the last quinquennial valuation at December 31, 1915, was 3%.

Although, as will be seen from the above review of the figures for 1918, the Society, in common with all other life offices, has suffered to some extent from special war burdens relating to mortality and taxation, it is satisfactory to hear that it has been but little affected since the last quinquennial valuation by further depreciation in securities. Out of total assets of £6,777,501 appearing in the balance-sheet dated December 31, 1918, more than one-half (£3,482,316 in exact figures) represented recent investments in British Government securities, which, to say the least, are not likely to diminish in value to any great extent. The Society has a very fine bonus record. Never in its long history, which extends over 93 years, have the reversionary bonus additions to its participating policies been at a lower compound rate than 30*s.* per cent. per annum on the occasion of a quinquennial distribution; and on the last four of these occasions the bonus standard has been increased to, and maintained at, 35*s.* per cent. per annum. The Society is therefore one of the most attractive life offices to new entrants. At the annual meeting the Chairman said: "The future is still uncertain, and I will not venture on any prophecy. I am glad to be able to state, however, that up to this point the finances of the Society have proved equal to the strain that has been thrown on them, and that a substantial surplus has accrued towards the provision of bonuses for the current quinquennium."

The accounts of the Scottish Insurance Corporation for 1918 have now only an academic interest from a public standpoint, apart from that of the Company's policyholders, but the business has evidently yielded a satisfactory profit, and the result justifies the expectation that its purchase by the Scottish Amicable will prove a sound investment. The profits of the year in the Company's fire and accident departments appear to have been as follows, after adjustment of reserves for unexpired risk on the usual 40% of the premiums basis:—

Account	Premium Income	Interest Earnings	Trading Profit
	£	£	£
Fire	42,469	779	4,026
Accident	64,391	1,375	10,468
Employers' liability	61,980	1,519	8,460
	168,840	3,673	22,954
Profit and loss—Transfer fees	—		14
Interest not credited to other accounts ...		2,861	—
		6,534	22,968
			£29,502
Less income tax on profits and estimated excess profits duty to Dec. 31, 1918		£ 8,501	
Expenses and bad debts charged to profit and loss account		3,359	
			11,860
Total net profit for 1918			£17,642

The dividend in respect of 1918 (at same rate as for previous year) payable to Scottish Insurance shareholders is 25%, less tax, the distribution of which acquires £5,348, leaving £12,294 to be added to the profit and loss account balance carried forward.

The total net profits of the year, if maintained, would be equivalent to about 6½% on the purchase price paid by the Scottish Amicable. Apart from this the Scottish Insurance Company has a considerable life-assurance business and a marine department. In its life branch new assurances for £291,287 effected in 1918, after deduction of reassurances, and the connections of the Company in this section should materially assist the procuration of Scottish Amicable life business. The Scottish Insurance marine premium income in 1918 amounted to £46,829, the whole balance of the marine account, amounting to £23,714, after inclusion of interest earnings and deduction of expenses, is carried forward to 1919.

The Scottish Insurance Corporation's assets on December 31, 1918, amounted to £740,584, of which £292,815 was invested in British Government securities. After the adjustments already referred to, the following reserves (apart from paid-up capital of £30,000, life fund of £428,844, marine fund of £23,714, and investment reserve fund of £17,251, and after deduction of outstanding losses in the accident and employers' liability departments) are carried forward to 1919:—

Fire insurance fund	£21,987
Accident fund	29,085
Employers' liability fund	29,792
General reserve fund	32,000
Profit and loss balance	32,112
	£144,976

This represents about 86% of the aggregate premium income in the fire, accident, and employers' liability sections; or more than twice the usual provision for unexpired risks. The departments seem, therefore, to be established on a thoroughly sound basis, and with the assistance of the Scottish Amicable connection and agency organisation may be expected to show important and satisfactory development under the control of that Society.

BELL'S UNITED ASBESTOS.

Issued Capital: £200,000 in 60,000 6% Cum. Pref. Shares and 140,000 Ord. Shares of £1 each.

5% Debentures: £54,500.

Yr. to Dec. 31	Net Profit* £	Deb. Intrst. £	Pref. Div. £	Ord. Div. £	Ord. Div. %	Added to Reserve £	Amt. of Carry-Forwd. £	Stocks £	Surplus Liquid Assets† £
1914	47,159	3,415	3,600	24,390	17½	20,000	8,447	81,294	179 779
1915	42,189	3,188	3,600	20,936	15	15,000	7,942	93.131	179 035
1916	47,898	3.120	3,600	20,906	15	20,000	8.214	121,167	173,160
1917	43,224	2,948	3,600	20,906	15	15,000	8,984	108.829	169,808‡
1918	42,941	2,800	3.600	20,906	15	15,000	9,556	149,457	142,268

Note.—Debentures redeemed: £4,000 in 1915; £900 in 1916, £4,900 in 1917 and £3,000 in 1918.

* After provision for depreciation, income tax and excess profits duty.

† Excluding value of stock and without deducting mortgages on property (£28,000).

‡ Value of investments written down by £14,727 out of reserve.

Despite the fact that following the Armistice the requirements of Government Departments for this Company's speciality "Poilite" fell off, and the general trade demand had not to the end of the year expanded to an equivalent extent, the directors are able to present a report showing a net profit very little less than that of 1917. The dividend on the Ordinary shares is maintained at 15%, £15,000 is again placed to reserve, and a small addition made to the carry-forward. The value of stock exhibits an expansion of £41,000, or about 36%, which, however, is financed, thanks to the reserve allocation, with only a comparatively small reduction in the surplus liquid resources, which, at £142,268, compare very favourably with the Debenture and share capital, totalling £254,500. In four years £20,000 of the Debentures have been redeemed, and as the value of plant, buildings, &c., has been maintained by depreciation provisions, the position and progress of the concern during the War can be accurately described as satisfactory. With the activity developing in the building trade the Company should continue to do well. Apparently the directors have in mind the possibility of employing resources in new directions, for the Articles of Association are to be altered so as to permit the Company to carry on the business of builders and contractors and to manufacture and deal in building materials and accessories of all descriptions, as well as engines, rolling stock, and general engineering goods, &c. Power has also been obtained to capitalise undistributed profits, and to increase the capital from £200,000 to £400,000. Further information in regard to these matters will be found in the report of the meeting printed on another page. The Ordinary shares are quoted at about 50*s.*, and the 6% Cumulative Preference at par.

Life Assurance at Minimum Rates.

A
PLAN of ASSURANCE
SPECIALLY ADAPTED
for PRESENT TIMES.

For particulars address the
GRESHAM LIFE ASSURANCE
SOCIETY, LIMITED,
ST. MILDRED'S HOUSE, POULTRY, E.C. 2
Founded 1848. Funds £10,500,000.

THE GRESHAM FIRE & ACCIDENT INSURANCE SOCIETY, LIMITED.
Transacts all classes of Fire and Accident Business.
Chief Office: St. Mildred's House, Poultry, London, E.C. 2.

The **DISTINCTIVE SYSTEM** of the

Scottish Provident Institution

secures the advantage of **Non-Profit Premiums** with the right to share in Surplus.

It is **the ideal system** for the present time.

Accumulated Funds £16,000,000.

London: 3 LOMBARD ST., E.C. 3. West End: 17 PALL MALL, S.W. 1.
HEAD OFFICE:
6 ST. ANDREW SQUARE, EDINBURGH.

HEAD OFFICES: LIVERPOOL AND LONDON
ROYAL
INSURANCE COMPANY, LIMITED
ALL CLASSES OF INSURANCE EFFECTED

COMMERCIAL UNION
ASSURANCE COMPANY, LIMITED.

Head Office: 24/5/6 CORNHILL, LONDON, E.C. 3.

Total Assets (including Life Funds)—£31,801,986.

Commercial.

SILK.—I.

A POTENTIAL BRITISH INDUSTRY.

We propose in the course of two short articles to deal with silk production and the silk industry as it is known to the reader in its finished state. In our issue of March 29 we wrote an article which brought us a large measure of correspondence on the potentialities of British tropical Africa as a source of supply for raw silk. We pointed out at the time that all that had really been done in Africa was due to the enterprise of a German company which worked from Entebbe on the Victoria Nyanza, and had, of course, its headquarters in Europe. We explained that for large capitalists and those who had ample resources engaged in the silk industry and having the necessary knowledge there was a great field in British Africa for the development of a great British industry in the production of raw silk upon an enormous scale. This has never been done either by the Germans or by anyone else. Certainly the British interest, far for attempting to develop the silk industry of British equatorial Africa, has rather taken up the attitude of throwing obstacles in the way of its development.

We do not propose to enter once more into a full explanation of the potentialities of equatorial Africa as a source of supply. As far as we know, nothing has been done since the War; and, no doubt, whatever little was done by the German company in the years that preceded the War has been lost. Suffice it to say that the silk cocoon exists in a wild state over some hundreds of thousands of square miles in the hottest, potentially the most fertile, and the broadest part of Central Africa.

The total world's production of silk, according to an estimate made by Sir Frank Warner about 1911, is between 24½ and 24¾ million kilogrammes; and as the world's consumption is estimated at 24½ million kilogrammes, it will be seen that production and consumption were already about equal in the years that preceded the outbreak of the recent War. This fact alone is sufficient to account for the extravagant rise in price which took place on the outbreak of War, when it was ascertained that silk waste, and even artificial silk, when neither of the former were available, were required in the production of munitions of war.

Of the total world's production of silk between 20% and 25% is produced in China. In this country, although, as we hope to show later, our silk manufactures are nothing like what they might be, nor do they bear that proportion to other branches of our manufacturing industry which was the case up to about 60 years ago, we obtain the bulk of our supplies and raw materials from China. Between half and three-quarters of the supplies of raw silk used in British manufactures comes to us annually from the Chinese Republic. We showed some time ago the potentialities of Africa as a source of supply of raw silk, but surely sericulture in India might be developed to an enormous extent. Our total imports of silk, as we propose to show when dealing with the silk industry, are not large; but our total imports from India are ridiculously small. This, it will be pointed out, is due to the fact that the Indian cocoon has suffered from disease; but surely if proper skill were employed the resources of the agricultural chemist, who is an expert in sericulture, can show how the parasite which is an enemy to sericulture in India can be combated. India in latitude and climatic conditions, and in the nature of its population, greatly resembles, if it cannot be said to be like, China. It is hardly conceivable that in the long history of Chinese sericulture Chinese silk producers have not had to face the very difficulties which have menaced the industry in India during the past generation.

It may be taken, although we have no definite figures beyond those already quoted as estimated by Sir Frank Warner about two years before the outbreak of the recent War, that there has been, in fact, an appreciable, if not a large, increase in the production of silk, silk waste, and, particularly, in various kinds of artificial silk. Sensational advances in the prices of the shares of various companies dealing especially in artificial silk during the War will occur readily to the mind of the reader. The War undoubtedly stimulated the demand for silk to a surprising degree. "Blue Elephant," which is a standard of quotation, and which had been considered dear at between 8*s.* and 9*s.* per lb. in the years that preceded the War, was hardly obtainable, and for a time was absolutely unobtainable without Government permission at 25*s.* and even 30*s.* per lb. The extraordinary increase in the demand for silk and the stimulation which the silk industry received from the war was, in fact, one of its surprises. Even those who are best acquainted with the ramifications of the silk industry and the demand for silk which would be inevitable in the event of a great War were taken by surprise. Those who did not pay any

special attention to the silk industry were, of course, still more surprised. As was the case with most commodities, the immediate result of the outbreak of the War was to check the demand for silk; and, in fact, for a short time to cause almost a slump in the market. It was argued by those not thoroughly acquainted with the purposes to which silk came to be put that silk necessarily and essentially was a luxury trade, and as a great European War would check entertainments and, in fact, all industries ministering in any way to luxuries, the demand for silk must be checked. Everyone now knows how completely wrong was the assumption. It was found when the War broke out, that far from the demand for silk ceasing, it became impossible to supply the urgent calls on the market for pure silk, for silk waste, and even for the artificial products of the silk market. Silk was found to be required for the manufacture of cartridge bags, for balloons, for parachutes, for making and ornamenting uniforms, and it was tried, and with a certain measure of success, as a protection against explosive shells. That silk could have been used to a much greater extent for protective purposes, experiment certainly indicated if it did not absolutely prove. But the demand was so great and the supply so comparatively limited that for economic reasons it became impossible to pursue the experiment to the extent that was originally intended by the various Allied governments. The importance of silk both for purposes of peace and of war should stimulate efforts to ascertain if the supply cannot be greatly increased. India, which was in the remote past a great source of the world's supply of raw silk, and there seems no reason that it could not again be made an important source of supply, if, as we suggested above, the agricultural chemist, and particularly that branch of agricultural chemistry which has specialised in sericulture, would set itself to work to ascertain the causes of the decline of raw silk production in India. At present the demand is far greater than the supply—so much greater, in fact, that as any reasonable advance in price apparently fails to stimulate increased production the inability of the producing countries to add to the world's general stock acts as a real and effective check to production. It is usually found that if a commodity is in demand a modest rise in price will stimulate production to a material extent in various parts of the world. But this has not been the case with silk, and although war experience shows that the uses of silk have greater potentialities than have been realised in the past, those potentialities cannot be translated into facts unless the production is very materially increased. There seems no reason to doubt that if the matter is tackled in a practical spirit, not necessarily either by the Indian Government nor by the Home Government, but with a benevolent assistance from the authorities, and active efforts on the part of those engaged in silk production, the world's supply could be increased by at least 50 per cent. In the lasting economic interests of the industry it is doubtful if it would not be an advantage to increase the production considerably more than this. But on the present basis of prices it is evident that an increased production of only 50 per cent. would allow so handsome a margin of profit that no producer need hesitate to increase the production at least to this extent. Assuming the present production, say, at 25 million kilogrammes—and from inquiries we have made we cannot think it can be much less, and are inclined to think that we are taking a very conservative estimate—about 20 per cent. of the total world's supply comes from China: and more than half the silk consumed in this country is obtained from the same source. We have already indicated two important sources of supply within the British Empire, that is to say, the greater part of equatorial Africa an the hill States of India, which corresponds very largely to that part of China where the bulk of the silk now produced is grown. The British Empire, taken as a composite whole, occupies a very favourable position in the textile industries, taking them as a whole, and it would be of immense advantage to the Empire, as well as rendering a service to the world at large, if we could become an important source of supply, as we ought to do, in the production of raw silk upon such a scale as would materially reduce the cost of production to the consumer.

PRODUCTION IN THE TEXTILE TRADES.

It has been estimated that one of the results of the War, terrible as it has been in many respects, has been to add enormously to the productive machinery of this country. Numerous estimates have been made, more or less reliable, as to the value of this increased machinery, and to what extent it may enable us, whenever the Peace Conference concludes its labours and it is possible to really start in earnest upon that period of reconstruction which has been often discussed and so long deferred, to enter such a period with any prospect of success. It must be clearly borne in mind that the estimates are merely estimates. They cannot be put forward as wholly reliable. They indicate, however, that we have increased our capacity for production. Various inventions have been made, not one of which perhaps has been very startling, but, taken in the aggregate, they should in the future assist materially in increasing production. Instances have been brought under our notice, not merely in these trades but in the munitions shops as well, where one or two machines, which before the War were operated by a skilled and highly paid mechanic, can be, and were in fact during the War, connected with other machines by a simple contrivance, and it was practicable by means of automatic machinery to operate the various units as a composite whole by means of female and wholly unskilled labour. The estimates of the actual value of this increased machinery placed at the disposal of British manufacturers, as the result of the exigencies brought about in connection with the War vary between 200 and 250 millions sterling.

While it is desirable that not merely the manufacturers themselves and traders of this country, but the whole public should have it clearly brought home to them that not merely are we heavily in debt, but that we cannot, in fact, at the present time, pay for the imports so urgently needed for our food and for the purposes of our manufactures except by means of foreign credits, no good purpose is served by painting the picture in darker colours than are really justified by the facts. There seems no reasonable doubt that, in spite of the difficulties before us, we have, in fact, obtained a valuable asset in the form of increased machinery of production. In addition, we have a still more valuable asset in the knowledge of how to use that machinery to greater advantage than before the War, even if it should be necessary to scrap a great deal of the existing machinery. The very fact that we obtained from our Allies, and even through

HARRISONS & CROSFIELD, LTD.

ISSUED CAPITAL £1,225,000

1-4 GREAT TOWER STREET, LONDON, E.C. 3.

With
BRANCHES and ALLIED COMPANIES in

Australia, Borneo, Canada, Ceylon, China, India, Japan, Java, Malaya, Morocco, New Zealand, South Africa, Sumatra, U. S. A.

The Company acts as Eastern Agents for manufacturers and others, and invites correspondence with a view to developing foreign trade.

the United States of North America, extensive contracts particularly valuable to our textile trades is in itself evidence that we are peculiarly well situated to engage in the clothing trades perhaps on a more extensive scale than any existing country in the world. Of course we must not overdo it, and assume that our position is unassailable. It has to be borne in mind, that, with the exception of the United States, we were one of the few belligerent countries engaged in the late War who never were in any real danger of invasion, and consequently industry in England could be, and was, in fact, carried on under peaceful conditions which did not exist in those countries having no real barrier between themselves and the enemy. While it is always desirable to refrain from underrating the formidable difficulties with which we are faced, it is equally desirable to realise that we have throughout the War, and still retain, many valuable assets.

One of the very first contracts obtained at the outset of the War was one to supply boots for the soldiers of our gallant French Ally, and this was immediately followed by clothing contracts for the French, Russian, and other Allied Armies. So extensive was our plant, and upon so sound an economic basis did we work, that even the United States, when that Power became a belligerent towards the end of the War, placed an important Army clothing contract with British manufacturers. It will be remembered that before the War England was the fashionable men's tailor for the great proportion of the Western world, and for a large part of the Eastern world which had adopted Western fashions. We were particularly well situated to obtain such a trade, and it is desirable that in the years to come we should do everything in our power to retain it. We had before the War, and we retain still, enormous advantages which materially assist in realising that object. We were and are the greatest textile manufacturers in the world. Of some 150 million spindles estimated as engaged in the cotton trade of the world some 60 millions are generally estimated as belonging to this country. Satisfactory as these figures are taken by themselves they are really more satisfactory than the actual numbers indicate, because we are engaged in spinning the finest counts of cotton goods known to the world's market. We do not control the raw material on which these spindles work except to a small extent. We are dependent, in fact, upon the United States of North America for nearly 80% of the raw materials on which the staple trade of Lancashire is based. We do, however, control the raw material, and the source of supply of that cotton from which the finest counts known to the international markets of the world is made and made in Lancashire. Egypt and our possessions in the West Indies supply that long-stapled fine cotton upon which our mills depend for turning out their finest fabrics. These fabrics are in demand throughout the civilised world wherever the finest counts of cotton goods find a market. We export nearly 80% of our cotton manufactures. While we manufacture so appreciable a proportion of cotton goods consumed in various parts of the world, and control so small a proportion of the raw material from which these goods are manufactured, our position in the woollen industry is still more satisfactory.

The British Empire, taken as a composite whole, is a source of supply of nearly 80% of the wools upon which the woollen textile trades of the world depend. It could, and should be, greatly increased, inasmuch as we have vast pastures which are at present raising sheep only to a part of their capacity. Moreover, British wools are essential for the manufacture of most of the finer counts known to the international trade. Practically the only important source of supply for wool outside the British Empire, and this only to the extent of 20% available for the international market, are the various countries of South and Central America, and South and Central America are not at present manufacturers of woollen goods to any appreciable extent.

Although we control such a preponderating proportion of the total world's supply of wool, we do not manufacture woollen goods in the proportion that is the case with Lancashire's staple. Here again, however, we do manufacture, as will be inferred from what we have already stated above, nearly all the finer counts connected with the woollen manufacturing trade. There are, of course, as we have indicated from time to time in this column, certain important exceptions, but these are nearly all of them connected with smaller and subsidiary branches of the industry, and do not in any way affect, or at any rate affect to a very small extent, the dominating factor that in the production of the finer counts of woollen manufactures and woollen goods we have succeeded up to the present in maintaining the leading position we have so long held. The very fact that our manufacturers were so largely employed by the various Allied Governments during the War upon Army clothing contracts is in itself testimony of the relatively satisfactory position we have succeeded in retaining. Of course it has to be borne in mind that both in the woollen trade, as well as in the cotton trade, of Lancashire, we were pioneers and have long held the position we still retain. As a result, our manufacturers, merchants, and bankers have an acquaintance with the world's markets and how these goods can be placed and financed, which is the result of long experience extending over many generations.

Of course it is contended that as a result of the War and the high pressure our manufacturers worked under, wages in the textile trade have risen enormously. This, while a great advantage to the individual, need not necessarily be any drawback to the industry taken as a whole. If the individual is paid more and simply produces the same output as the operative he replaces, it is naturally a burden on the industry. We have endeavoured to show, however, that with the application of automatic machinery, the individual operative is, or ought to be, in a position to produce a great deal more than was the custom before the War. If that be the case and he continues to do so in the years to come, while he is as an operative better off and in a better position to improve his style of living, the proportion of his wages to the total cost of the output may be relatively less rather than more when compared with the period before the outbreak of the recent War.

New Issues.

STRAKER-SQUIRE, LIMITED.

In April shareholders of this Company sanctioned an increase of the capital from £175,000 to £500,000, and the public have this week been offered 225,000 Ordinary £1 shares at 21*s.* by Messrs. George Clare and Company. The Company's business of motor-car and commercial-lorry manufacturing has expanded greatly since 1913, when the undertaking was given public limited liability form, and the additional capital is required for the acquisition of a freehold national factory at Edmonton purchased for £139,700, and to finance the largely-increased business as indicated by orders in hand amounting to approximately £800,000 on which deposits of £600,000 already have been paid. The new factory, to which effects from the existing works at Twickenham will be transferred, is equipped with modern plant for economical production, covers some six acres and has adjoining freehold land attached of about seven acres available for extensions. Profits, before provision of directors' fees, income tax, and interest charges, have fluctuated as follows:—

12 Mos. to June 30, 1913	18 Mos. to Dec. 31, 1914	9 Mos. to Oct. 4, 1915	15 Mos. to Dec. 31, 1916	Year to Dec. 31, 1917	15 Mos. to Mar. 31, 19 9
£13,086	£23,752	£21,938	£20,861	£21,322	£30,522

Dividends at the rate of 10% have been paid on the capital since the Company was formed, but on the increased issued capital of £400,000 the sum required for the maintenance of such dividends is £40,000 (including

income tax), against £17,500 hitherto. In view of the Company's reputation and the large volume of business on hand and the known demand for motor vehicles, there seems good reason to anticipate successful employment of the additional capital. But as yet it is not a proved venture on the large scale planned, and therefore the shares must be considered more speculative than usual for an industrial investment. Apparently the issuing house is of the same opinion, for in addition to purchasing the shares for 1*s.* less than they are offered to the public, and receiving a commission of 6*d.* per share net and £4,625 towards advertising, an option is obtained on the 100,000 reserve shares at 22*s.* each for three years. The issuing house in its turn pays underwriting and overriding commission totalling 1*s.* per share.

MORRIS AND JONES LIMITED.

There must of necessity be an element of speculation in a wholesale grocery business dependent, as earnings are, upon the quality of the management, the skill with which goods are bought, and the course of the various markets. But, if that is recognised, there are circumstances connected with the development of this Liverpool house which make the 120,000 7% Cumulative "A" Preference £1 shares rather attractive as a high-yielding industrial investment. The goods dealt in consist mainly of commodities required daily in every household and are bought in bulk by the Company and sold direct to retail grocers, bakers, &c. Ten thousand customers in the North of England and Wales are supplied. Profits have been as follows after providing for excess profits duty, but before charging depreciation, income tax, interest, and directors' fees:—

1914	1915	1916	1917	1918	Average
£31,767	£27,764	£30,950	£43,367	£44,038	£34,977

The issued capital at present consists of £66,423 of 5% First Preference and £70,862 of Ordinary shares, and there will now be the £150,000 of 7% Cumulative "A" Preference shares offered for subscription this week at par. The average surplus profits of the last five years after paying the First Preference dividend have been equal to three times the sum required to pay the 7% dividend on the new shares, and the balance sheet at December 31, 1918, showed debtors, stocks, and cash to exceed creditors' and bank overdraft by £129,406. Arrangements have been made with Messrs. J. E. Morris and E. E. Morris, respectively chairman and deputy-chairman, to secure the continuance of their services to the Company for five years, and these two gentlemen have underwritten the new issue for the moderate commission of 6¼%, out of which they pay all the expenses of the public issue.

AMALGAMATED INDUSTRIALS LTD.

To finance and extend British industrial enterprises and to carry on the business of an investment finance company are the main objects for which this new Company has been formed with an authorised capital of £3,000,000 as to £5,000 in £1 management shares and the balance in £1 Ordinary shares. The board includes directors of well-known banking and industrial companies, and it bespeaks confidence on the part of interested parties that firm applications have ben received for 600,000 shares. Public subscriptions for 1,600,000 shares are invited, and the directors have applied for the 5,000 management shares. What particular plan, if any, the directors have in mind for remuneratively employing the capital, is not disclosed, though it is stated they believe "that there are very profitable openings for capital lying a little outside the scope of the established joint-stock banks"—in other words, business more speculative than the banks care to transact. That gives a clue to the investment characteristics of the shares, which parenthetically it may be noted are entitled to a 10% Cumulative Preferential dividend and then to 60% of the remaining divisible profits, the Management shares taking the other 40%. Assuming that it is not intended to invest a large proportion of the capital in industrial shares at the present high level of prices, but rather to turn over the capital in skilful financing, there seems a chance in view of the qualifications of the directors, of a substantial measure of success being obtained.

LOTUS, LIMITED.

The two Companies, Edwin Bostock and Company, Limited, and Frederick Bostock, Limited, are well known in the boot trade, the one for the manufacture of boots and shoes for ladies and the other for men. Each has a small subsidiary company and another subsidiary common to both has hitherto been Lotus Limited, organised for the sale and distribution of the parent Companies' boots. Now this subsidiary has had its capital increased to £1,000,000 in 350,000 7% Cumulative Preference shares and 650,000 Ordinary shares of £1 each, and is to take over the parent concern and the two small subsidiaries. Ninety thousand Ordinary shares have previously been issued for cash and are fully paid up, 161,850 7% Cumulative Preference shares, and 468,890 Ordinary shares are to be transferred in satisfaction of purchase consideration, and 188,150 Preference shares are offered for public subscription at par. Included in the purchase price is a total of £175,936 for goodwill. The assets taken over are stated to have a value of £545,993 in excess of liabilities, which the proceeds of the issue will increase to £734,143, exclusive of goodwill. The combined profits of the last seven years, after providing for excess profits duty, but not income tax or Debenture and loan interest, are certified to have been as under:—

1912	1913	1914	1915	1916	1917	1918	Average
£	£	£	£	£	£	£	£
38,592	45,059	45,444	58,892	66,904	70,531	75,955	57,339

It would appear from this that the interest on Preference capital is well covered, and in the circumstances the 7% yield makes the shares attractive as an industrial risk. The fact that a large part of the purchase consideration consists of Ordinary shares shows the confidence of the vendors, and the directors, four out of six of whom belong to the Bostock Companies, also sub-underwrite a fair number of Preference shares for a commission of 7½*d.* per share.

JOHN COOPER & SONS (BEEHIVE), LTD.

This Company has been formed with a share capital of £310,000 as to £175,000 in 7½% Cumulative Preference shares of £1 each and as to £135,000 in Ordinary £1 shares, to acquire the business of boot and shoe manufacturers carried on by a private company of the same name. The purchase price is fixed at £270,000, of which £135,000 will comprise the Ordinary share capital. The remaining half will be in cash. The assets taken over include freehold and leasehold property, plant, &c., valued at £95,058, subject to a mortgage of £20,000 at 5½% interest; stocks of materials and goods valued at £91,255; and goodwill and trade-marks valued at £103,686. Hence the net value of the assets, other than goodwill, is considerably less than the amount of the Preference share issue. Turnover and profits, before charging income tax and excess profits duty of unstated amounts, are stated in the prospectus to have been as under:—

	Sales Value	Proportion— Government Work	Civilian Work	Profit
	£	%	%	£
1913	131,059	—	—	—
1914	162,015	28·6	71·4	—
1915	389,858	70·6	29·4	43,715
1916	325,631	38·	62·0	36,225
1917	470,352	34·5	65·5	62,614
1918	514,709	21·4	78 6	71,116

The substantial increase in the ratio of profit to sales indicates that considerable benefit has been derived from the rise in prices, and though the interest on the Preference shares requires only £13,125, its regular payment can hardly be considered absolutely safe. The issue has been underwritten for a commission of 6¼%, calling for £11,000, and preliminary expenses are estimated at £15,000. Hence the Company will have to pay out under these heads £26,000, and with goodwill appearing for £103,000, the first balance sheet will not make a pretty showing against the issued capital. However, that is more the concern of the Ordinary shareholders who are now, as vendors, obtaining a large cash payment. But the smallness of the cash resources is a matter that may closely concern the Preference shareholders. Against the mortgage of £20,000, the net cash proceeds of the new issue will be £14,000. Cash belonging to the vendor Company is not included in the assets transferred.

HOME AND COLONIAL STEAM FISHING CO, LTD.

A hazardous venture such as the establishment of a new fish-supplying business requires a high rate of interest to be offered on securities designed to attract public support. The above-named new Company invites subscriptions for 100,000 10% Cumulative Participating Preference shares of £1 each, forming part of an authorised 195,0000 such shares, which, beyond the 10% Preference dividend, are entitled to half the remaining divisible profits, the other half being applicable to 100,000 Founders' shares of 1*s.* each. The majority of the directors are either on the board of another recently-formed fishing company or are engaged in the trade. The shares are not a security one can recommend to investors lacking special knowledge of the business.

LLOYDS BANK LIMITED,

with which is amalgamated

THE CAPITAL & COUNTIES BANK, LTD.

HEAD OFFICE: 71, LOMBARD ST., E.C. 3.

Colonial & Foreign Depts.: 17, Cornhill, E.C. 3,
And at BIRMINGHAM, BRADFORD, LIVERPOOL, MANCHESTER, NEWCASTLE-ON-TYNE.

Foreign Bills and Cheques are collected, and approved Bills purchased. Letters of Credit and Circular Notes are issued, and Foreign Currency Drafts, Telegraphic Transfers, and Letter Payments, available in all parts of the world, can be obtained from the principal Branches.

The Agency of Colonial & Foreign Banks is undertaken.

Industrial Companies.

MAYPOLE DAIRY COMPANY.

Year	Profit on Share Sales	Net Income on Trading A/c.	Deprcn. Written off	Pref. and Prefd. Div.	Deferred Div.	%	Carry Forwd.	Stocks	Total Excess of Assets†
	£	£	£	%	£	%	£	£	£
1914...	—	597 109	116,147	107,500	370,000	100	62 017	288,597	1,449,197
1915...	—	544.159	13,544	107,500	370,000	100	55,132	470,916	1,492,233
1916...	—	451,287	12,237	107,500	92,500	25	334,082	449,957	1,741,182
1917...	—	998,550	262,196	107,500	95,[illegible]4 6	225	12.520	316,575	2,036,568
1918...	783,764*	714,744	11,576	107,500	555,000	100	43,188	514,445	2,861,953

* Placed to Suspense reserve fund and mostly re-invested *per contra*.
† Including stocks, property, fixed assets, trading investments, and creditors, less current liabilities, and excluding goodwill.
NOTE.—Issued capital increased by £185,000 in 1917.

WE remember very distinctly hearing a great deal about the injury anticipated to be done to this Company through the Government controlling its great margarine production and causing same to be distributed by the retail shops at large, and perhaps it is too early yet to say that the fears were absolutely groundless. Still, apart from the probability that, left alone, the business would have been much more profitable than actually experienced, there is not a shadow of doubt that the Company has come extremely well out of the War. True, the dividend on the deferred-share capital in 1916 was reduced to 25%, but this was more than made good in 1917, when shareholders also received a substantial bonus by having the opportunity to subscribe for one new deferred share at par for every deferred share held. For 1918 the net income comes out at £714,744, against £998,550, and after setting aside £11,576 for depreciation, against £262,196 in 1917, the net profit amounts to over £700,000. The profit available for the deferred shares is £595,000, or about 107%, and, after paying 100% in dividends, there remains a balance of £40,000, of which £10,000 is added to reserve and £30,000 to the carry-forward. In addition to these huge earnings on trading account a profit of no less than £783,764 was realised last year on sales of shares, which sum has been placed to a special reserve and re-invested, together with considerable additional surplus funds, in shares and loans to subsidiary companies, shops, and other trading assets. As a result of these transactions and the employment of about £350,000 of surplus profits and of £185,000 additional capital, the book value of the assets, excluding goodwill, has expanded greatly, the total excess over current liabilities having increased in four years from £1,449,117 to £2,861,953, or by not quite 100%. Goodwill is valued at £422,900. The price of the 5% Cumulative Preference shares is 18*s.*, the 20% Cumulative Preferred Ordinary 5*s.* shares are quoted at 10*s.*, and the 2*s.* Deferred at about 23*s.* 6*d.*, representing a total market valuation of the undertaking of £8,200,000. This, of course, is far above the excess book value of the assets. For a time, until the deficiency in supplies of fat foods in Europe has been made good, the Company's great prosperity seems likely to continue. It was one of the first large purveyors of margarine in this country, and has an enormous number of retail shops in practically every locality. But while, as a result of the War, the consumption of margarine has enormously increased, so also has the number of makers, and the margin of profit is so attractive that competition in the future cannot but be much more severe than in the past. Hence the 2*s.* Deferred shares at 23*s.* 6*d.* must be looked upon as a very speculative holding. On the other hand, the 5*s.* 20% Cumulative Preferred shares appear an attractive investment at 18*s.*, in view of the yield afforded of nearly 7%, allowing for the half-year's dividend, usually paid on July 1, and the enormous margin of profit behind the dividend.

BABCOCK & WILCOX.

Issued Capital: £1,939,056 in 100,000 6% Cum. Pref., 179,056 5% Cum. 2nd Pref., and 1,660,000 Ordinary Shares of £1 each.

Year	Net Profit	Inc. Tax &c.	Pref. Div.	Ord. Div.	%	Added to Reserves	Amt. f Ca y-Frwd.	Stocks† &c.	Surplus Liquid Assets‡
	£	£	£	£		£	£	£	£
1914 ..	441,183	38,236	14,890	232,400	14*	160,000	69,492	684.211	1,419,104
1915...	468,572	72,021	14,918	249,000	15*	160.000	42.125	871,416	1,336,099
1916...	560,400	122,078	14,952	249,000	15*	160,000	56.495	1,144,055	1,230.018
1917...	569,358	124,845	14,952	249,000	15*	160,000	77,[illegible]56	1.378.447	1.237,092
1918..	614,135	175,151	14,952	249,000	15*	160.000	92,088	1,229,502	1,603,149

* Free of Tax. † Including work in progress. ‡ Excluding stocks.

Babcock and Wilcox boilers are world-famous, so much so in fact that it is probable that no other make is so often specified for new works or mentioned in reports on industrial plants, mining equipments, marine engines, etc. Last year was another very prosperous one for the Company. Indeed, irrespective of allowance for larger excess profits duty, the net profit of £614,135, showing an increase of £45,000 over 1916, is unprecedented in the history of the Company, which was formed in 1891 to take over the British assets and goodwill of the original American concern. Its financial history is remarkable for the evenness of the progress in earnings. Since 1907 there has been only one break—and that a relatively slight one in 1914—in the continuous growth of net profit. In 1908 the figure was £317,500, or little more than half last year's level, after deduction of excess profits duty. With the rate of the special tax now reduced to 40%, and the great demand for boilers for overtaking arrears of depreciation, erecting new works on the Continent and elsewhere, and building new ships, locomotives, etc., there seems no room for doubt as to the brightness of the Company's prospects. Analysis of the accounts amply confirms this idea. It will be seen above that by merely maintaining the dividend on the Ordinary shares at 15% free of income tax for the last four years and steadily setting aside £160,000 per annum to reserves—including £10,000 yearly to staff pension fund—not only is the Company able to carry nearly double the stock and work in progress that the balance sheet showed four years ago, but at the same time to exhibit an even stronger position from the point of view of liquid resources. In the period new plant has been installed and new works acquired, and yet the value of the fixed assets in the latest balance sheet appears at £503,493, against £609,533 at end of 1914. The margin behind the dividend payments is shown by the substantial additions to reserve and carry-forward, and to complete the picture we need only note below the prices of and yields afforded by the Company's securities:—

6% Cum. Pref.		Ordinary Shares	
Price	Yield	Price	Yield
21/6	5½%	78/0	5¼%*

* Subject to income tax.

MEETINGS
OF PUBLIC COMPANIES.

IONIAN BANK, LIMITED.

THE annual general meeting of the proprietors of the Ionian Bank, Limited, was held on June 4 at the Bank's premises, Basildon House, Moorgate Street, E.C., Mr. Falconer Larkworthy, C.O.R. (the Chairman), presiding.

The Secretary (Mr. John Lindsey) read the notice convening the meeting and the auditors' certificate.

The Chairman, in the course of his address to the proprietors, said: Gentlemen,—This is the eighty-first year of the existence of the Bank, and the fifth time we have met since the beginning of the great European War. We are living in historic days, days of which the Allied countries, particularly the British Empire and Greece, will have good reason to be proud in future generations.

The Year's Operations.

You will note from the report of your directors and the accounts that accompany it that our operations during the year 1918 have continued to be of a progressive character. This progress has been accomplished whilst our business has been handicapped by conditions of a most trying character. Our difficulties may be defined as (1) staff conditions arising out of war conditions and from the influenza epidemic; and (2) the lack of a satisfactory international banking system in Greece, Egypt, and in this country, greatly aggravated by domestic legislation in Greece, which, on the one hand, has paralysed the movement of our funds, and, on the other, has caused the formation of a number of local banks.

To deal with the staff question first. Mobilisation and the formation of these new banks have led to so great a demand for experienced clerks that this Bank has been deprived practically of the whole of its experienced staff of the lower grades, and its reduced business has been carried on by ladies and apprentices at great risk of loss. It has been physically impossible to supervise and check the daily work, and to carry out the bank's safeguard against fraud and indiscretion by regular inspection of branches and agencies. Every step has been taken to induce the Greek and Egyptian Governments to demobilise those officers whose services are absolutely necessary to conserve the interests of the Bank, but, in the case of Greece, with little practical result hitherto. National interests no doubt come first, but the War position has been so favourably affected of late that we may hope for some relaxation of those regulations which are crippling our work, and, if maintained, are almost certain to be productive of further refusals of business and of possible loss.

Accumulations of Unemployable Currency.

In regard to the difficulties which exist from the lack of a satisfactory banking system and adverse legislation, if it had not been for these, which could be readily removed, I do not hesitate to say your net profits for 1918 might have been largely increased. During the last year the Bank has been obliged to hold funds unemployed in the shape of currency at island branches, &c., consisting of notes issued either under the G.X.M.B. Law or on the National Bank's own account up to one million sterling. These accumulations arose in small measure through payments received for foodstuffs, and mainly from the increase of deposits on which the Bank paid interest. Had the existing Greek system been worked disinterestedly as a national one, and not by means of a rival institution, or had our currency reform scheme been in existence on an international basis, these accumulations of unemployable currency would not have occurred. Transfers to Athens, London, Paris, or New York would have been made as the funds accumulated on any spot, and at least £50,000 extra profit would have accrued to the Bank. For that million sterling 20*s.* in the pound of actual wealth was given by the Bank in the shape of local currency, and presumably this wealth has contributed to swell the National Bank's large foreign balances, upon the investment of which they have earned a large profit.

The Bank's "Memorandum" on Currency Questions.

In my last year's address I mentioned that the Bank had been honoured by his Excellency Mr. Venizelos by being asked to state his views in regard to the desirability of incorporating the United States banking system with the Greek currency system, and that the recommendations made by the Bank in the shape of a memorandum and draft Bill were under the consideration of banking experts at Athens on behalf of the Government. The claims upon Mr. Venizelos's time and attention have been so great that it has been physically impossible for him hitherto to attend to the matter. There is, however, I am glad to say, a great ray of hope that steps which are being taken in the United States and at the Conference will result in the realisation of this Bank's aims. It seems a pity, with the ball at our feet, that the United States should again be allowed to take the initiative in a matter which should have emanated from the Government of this country, and which, when accomplished, will be beneficial both to your Bank and the public generally.

The Greek Currency System Adopted in Northern Russia.

Indeed the British Government did not need to go to the United States for a lead in this matter. The materials for drafting a scheme for its own exchange and currency system lie now ready to its hand. This Bank has furnished one such draft partly in the "Memorandum" with which you are acquainted, and again by way of *résumé* in the "Evidence" which, on behalf of your directors, I have had the honour of submitting to the Currency Committee. Apart from this our Government has now its own war experience to guide it. For during the last three years it has not only controlled our American exchange by means of a credit pool in New York, and also enabled France and Italy to control their English exchange by means of a credit pool in London, but it has even, in its establishment of a sixpenny rouble scheme at Archangel, paid your Bank the compliment of imitating our proposed scheme.

In the establishment at Archangel of a system based not on gold but on liquid securities, to raise the value of the rouble, and supply a reliable paper currency, both in the home and international sense, the British Government, and, following it, the United States and French Governments, have implicitly adopted, and therefore must be held to have accepted, that reform in our exchange system which we have advocated so long. The scheme adopted at Archangel is point by point our scheme; it is as follows:—Liquid wealth is its basis. The new rouble is of the value of about 6*d.*, or 40 roubles to the £ sterling. To the extent of the issue of the new rouble notes issued by the Controller in Archangel, the local equivalent will be deposited with the Bank of England, not in gold coin, but in securities, exchange, or in other forms of wealth. This liquid wealth will be held there as a reserve against the new rouble notes issued in Northern Russia actually to ensure a fixed exchange at 40 roubles to the £, and, nominally, to ensure the convertibility of the notes, not into gold coin, but into London sterling. Gold coin in Russia is thus demonetised. Nor is this Archangel rouble scheme the last evidence of the increasing adoption of the views advocated by your directors. We are on the eve of still more far-reaching developments. For some such scheme as your directors have proposed is receiving consideration, and when elaborated will become part of the permanent mechanism of the League of Nations.

Pan-American State-Governed International Exchange System.

Further and quite independently of the arrangements as to the Russian exchange and of the adumbrated permanent League of Nations exchange system, the United States have taken the initiative in the establishment of an international exchange system between herself and all the States of South America. This scheme is to operate by means of a gold pool and on the clearing house principle exactly on the lines we have advocated. In addition it proposes to institute an international Pan-American unit coin of the value of 20 cents. In such a proposal the United States of America has taken almost the last needful step towards a completely international system. It will only require the teaching of experience to show her that the ideal international unit taken must ultimately be a paper token and not a metallic one.

Doubtless it has been the stern necessities of war, rather than the advocacy of any individual, which has brought the modern world to this point. The adoption of a paper currency by Great Britain was a war measure, so have been the joint Allied control of the exchanges and the virtual pooling of the Allied resources. But when so much is said it still remains a great satisfaction to me that the advance in international financial practice which is now being made is on the lines which we have projected, and which I believe to be fundamentally sound as well as beneficial, alike to commerce, industry, and mankind. Yet in this moment of the approaching triumph of the cause which your directors have advocated we do not exult. We merely claim to have foreseen and to have sketched in rough the main outlines of such an international system as is now taking shape under our gaze. I feel sure, too, that every Greek shareholder of this Bank will feel a deep pride and satisfaction in the fact that one of the greatest economic developments in the world's history is being silently accomplished on the lines of the system invented by Mr. Valaoritis; and that the exchange system of their motherland is being adopted by half the civilised world to-day, inevitably destined to be followed by the other half to-morrow.

Turning now from this subject of the exchanges, I propose in this address to direct your attention more particularly to those domestic questions of banking and credit which are agitating us so profoundly, and which are so pregnant with

good or ill for our national well-being. As you well know during the last few months four reports dealing with these subjects have been issued by the British Government—viz., that on currency and exchange, that on financial facilities, that on gold production, and, lastly, that on the holding of trade stocks. If the course of action outlined in these four reports is insisted upon, a serious and irreparable damage will be done to our economic structure.

The Currency and Exchange Committee's Report.

The theory which this report expounds (and it is the same with the other three reports) is simply that of the text books and of the Bullion report. Even the Committee's own survey of the actual facts of the present situation makes no impression on their fidelity to that creed. Nothing, indeed, could be more engaging than the frank admission which the Currency and Exchange Committee makes, as to the defects of our pre-war system. "There were no means by which the legal tender currency could be increased except the importation of gold from abroad . . . and no means by which it could be diminished except the export of gold or sovereigns." But there the courage of the committee ends. Instead of perceiving that the circumstances of the War had driven us to the adoption of the only possible system, the members of the committee start one and all with the assumption that war measures are necessarily of a temporary and makeshift nature, abnormal and risky, justifiable only as war measures, and necessary to be abandoned and reversed as soon as possible. The Currency and Exchange Committee proposes to retrace their steps, and to contract forcibly the uncovered currency note issue, until a central gold reserve of 150 millions has been not only built up, but has proved itself maintainable against the action of the exchanges. The only sense in which the committee uses the phrase "automatic currency" is in the utterly mischievous sense of a currency the supply of which is governed by the automatic action of the Bank rate, working through the free international flow of gold, completely regardless of the unending friction, waste and cost of such a so-called automatic system. The second group of the committee's recommendations concern Government borrowings, the cessation of which they advocate "as soon as possible," a sentiment not very enlightening. The third group of recommendations concerns only matters of detail, relating to the mechanism of the currency, note issue, and minor banking regulations.

As against the Currency Committee's findings I wish to record a deep conviction that our present currency note system is sound in itself, completely acceptable to the community, perfectly elastic and properly and fully covered, and that neither the Government nor the banking world need trouble themselves for a moment with the questions of redemption or convertibility. For the reasoned exposition of this conviction I can only at this moment refer you to the Bank's "memorandum" and my "evidence." And, further, our currency note system is capable of immediate adaptation to the international system which we have advocated so long, and which is now being realised so swiftly.

The Report on Financial Facilities.

The problem before this committee was perfectly simple, and could have been stated in a single paragraph. There are only two factors involved in it. (1) For the financial assistance of trade and industry during the reconversion of works period, and the control of raw material period, and the restoration of normal trade period, and the rebuilding of Europe period, a certain fund—a large one indeed—will be required. Call this factor X. (2) There is in existence a large fund (call it Y) of capital, liquid and applicable to the need of X. In mere amount it is much larger than it was before the War; for it is not restricted to the 2,000 millions of bank deposits, which is all that the committee refers to; it embraces also the Government securities, say, 6,000 millions more than in 1914, as well as a certain part still of the ordinary liquid securities existing before 1914.

These are the factors of the problem. Now, as everybody knows, before the War the floating capital fund (call it the Lombard Street reserve if you like) was not available ordinarily for financing industry so much as for financing commerce. You know the reason as well as I do. A deposit banker has to keep his assets liquid because he may have to meet a run of his depositors. Therefore he will lend on bills of exchange and other forms of short credits or call credits, but he dare not lend on plant, and ought not to lend on land. And so it came about that the German banker could get credit from Lombard Street and apply that credit to the support of German industry, while all the time such credit was stinted by the banker to British industry. If we return to the old system we shall see the same results. But the national consciousness is so aroused that it will not tolerate the same results. How then are we to obviate this? That is the problem. How can Y, the existing fund of floating liquid capital, be made applicable to the needs of X, of British industry? The Financial Facilities Committee avoids the problem out of timidity. But it has to be faced. The real trouble which lies at the root of the question can only be removed by direct Governmental action. There can be only one effective solution. The right which industry has to a share in the national reserves of credit must be legally recognised and admitted and a proper provision must be made for the putting that right into operation. As to the legalising of the right: No customer, as banking law stands at present, has any legal right to accommodation that he thinks he ought to have, but without doubt within certain limits he has a moral claim, and this should be made a legal right.

As a matter of principle deposit banks should not supply working capital to any customer, but, adequate working capital for his business being supplied by himself and his business being that of production, a customer should be entitled to enjoy the use of the bank credit by being able to discount long maturities for the increase of his business. This legal right is recognised by the U.S.A. Federal Reserve Act in connection with a certain type of securities—viz., commercial bills—and it is this feature of the American system which the London Chamber of Commerce and others are now prepared to adopt. As to this I may say incidentally that I attach no weight whatever to the charge of multiplication of credit which is brought against this proposal; for the whole argument by which that charge is supported rests on a fallacy. But my own proposal goes much further. When once the legal right is formally recognised the proper provision for putting it into operation is comparatively simple. The banks must have a guarantee from the State that it is prepared to stand behind them if they will make loans on plant for the upholding of industry. In effect this will be and must be Governmental compulsion, but in the matter of form it will be of the usual British compromise type of enactment. Briefly, it might take the form of an enactment or proclamation that the Bank of England is prepared to advance on securities (including plant) as per schedule to be appended thereto, for such and such periods and at such and such rates of interest. Without the direct outward form of compulsion this action will of necessity drag the joint stock banks to follow suit, and they will be certain to compete under the scheduled Bank of England rate of interest, feeling themselves safe with the contingent cover of the Bank of England behind them. The adoption of the proposal would actually draw the deposit banker into that close touch with industry which was so beneficial a feature of the German system.

The Committee on Holding Trading Stocks and the Gold Committee's Report.

This Committee was a little more bold. It makes a definite proposal—viz., that in order to extend relief to the trader the excess profits duties instalments now due and unpaid should be retained by qualified firms as long-dated loans for the reconstruction period. But why make the State do for a few as a pittance that which the banks can do for the whole as a matter of business, if protected by a State guarantee? And why give as a dole or as charity that which national industry is of right entitled to—viz., its proper share in the national credit?

Just one further reference to these reports, and I have done. The Gold Production Committee had a comparatively simple problem before it. Under our Mint Law the Mint price of gold is fixed, and the universal quotation of the sterling rate has made the pound sterling into a world-wide unit. But, on the other hand, the cost of production of gold has gone up as all other production costs have, and the Mint price no longer equals such cost of production in the case of low-grade mines. If the production of gold is a national necessity, it is as a result essential either that the low-grade mines be subsidised (a proposal which is open to gravest objection), or that the Mint price be advanced (a proposal which is almost impossible as implying an alteration of the equivalence of the most widely quoted unit standard), or, finally, that gold should be cut loose from State currency monopoly and should be allowed to find its level, and its outlet in the world at large, as freely as any other commodity of commerce. This last alternative is not merely the only one left, but it is also in itself ideally feasible and innocuous, provided that the State adopts the currency system which we advocate and which I have expounded to you. Under that system gold is demonetised, and becomes simply an article of commerce. It thereby claims its full freedom as a commodity, to sell itself at its true market value, whatever that may be, and to sell itself in the best market, wherever that may be. Once our reform is granted there would not be the slightest difficulty in acquiescing in the claim of gold to rank as a commodity and to enjoy fullest free trade as such. As things are at present its price would undoubtedly go up, and we therefore claim that the whole gold-producing industry is vitally interested in our scheme of reform.

The Balance Sheet.

The question of increasing the capital of the bank continues to occupy the attention of your directors, but so far the general national conditions have not permitted the issue. If you adopt the report now presented, the reserve fund will be increased from £85,000 to £120,000. Deposits and current accounts show a further increase of £491,092, and now stand at £6,427,197 7*s.* 9*d.* Other accounts show a reduction during the year from £2,739,391 14*s.* 5*d.* to £2,340,321 6*s.* 3*d.* Cash in hand, notes of other banks, money at call in London and with the National Bank of Greece,

amount to £1,540,854 14*s.* 10*d.*; investments, exclusive of the £76,900 bonds of the Greek Government 2½ per Cent. Guaranteed Loan held by the Bank and deposited with the Bank of England under the Greek Law of 1898, £1,441,040 7*s.*; bills receivable, £682,395 2*s.* 6*d.*; or a total of £3,664,290 4*s.* 4*d.* The above are all of a liquid character and are equivalent to over 70% on the demand liabilities of the Bank, totalling £5,193,643. In commercial bills there has been an increase of £49,009 7*s.* 2*d.*, making the total now £285,859 16*s.* 7*d.* In conclusion, the Chairman moved the adoption of the report and accounts.

Mr. Charles S. S. Guthrie seconded the motion, which was unanimously carried; and the proposed dividend and bonus, making with the interim dividend 7% for the year, free of income tax, payable on and after to-day, were also agreed to.

The proceedings then terminated.

THE ANGLO-SOUTH AMERICAN BANK, LIMITED.

In order to comply with a condition imposed by the Lords Commissioners of His Majesty's Treasury, an extraordinary general meeting of the shareholders was held on June 4 at Winchester House, Old Broad Street, E.C., for the purpose of passing a resolution authorising the directors, on behalf of the Company, to subscribe for or otherwise acquire any part of the share capital of the British Overseas Bank, Limited, a company about to be incorporated for the purpose of providing increased banking facilities at home and abroad. Mr. R. J. Hose (Chairman of the Bank) presided.

The Secretary (Mr. James Paull) having read the notice convening the meeting,

The Chairman said: Gentlemen,—The purpose for which we have asked you to attend to-day, as explained in the circular which was enclosed with the notice of the meeting, is to consider the desirability of our taking an interest to the extent of £250,000 in a new Bank which is being formed under the title of "The British Overseas Bank, Limited." As you may remember, our then Chairman, Sir Robert Harvey, at the general meeting in October 1917, referring to the establishment of new branches, pointed out to you that our policy was that of developing the territories in which we were already established, linking up our branches in those countries when necessary by establishing new ones, but not to encroach upon districts or countries which do not come within our direct sphere of operations. This policy we propose to adhere to, and it is in pursuance thereof that we make to you the proposition which is now before you.

The course of trade during the period of the War has caused a marked development in direct business between South America and neutral countries in Europe, such as Spain, Holland, Belgium, Denmark, Sweden, and Norway, and it is probable that a large proportion of business which has become so diverted will be retained there. It therefore became a question whether the Anglo-South American Bank, Limited, should, in order to follow up the business originating in, say, the Argentine and Chile, establish itself in those countries (I can omit Spain, where we already have branches), or whether it should endeavour to conserve its interests in some other manner than by so extending its sphere of operations. While we were considering this matter, and were already at work on a scheme offering what appeared to us a practicable solution, a proposition came before us based on somewhat similar considerations, though regarded from the home rather than the Oversea Bank point of view. Negotiations between the two groups resulted in our joining hands, and before very long the combined efforts culminated in the formation of the British Overseas Bank.

The Banks Associated with the Scheme.

You will observe that there are associated with us in the formation of the Bank the following institutions:—

Messrs. Glyn, Mills, Currie and Company.

The Northern Banking Company, Limited, of Belfast.

The Union Bank of Scotland, Limited, with its Head Office in Glasgow and Branches in Scotland.

Messrs. Williams Deacon's Bank, Limited, Manchester and district.

And I may add that the new adherents, to whom we referred in our circular, represent powerful interests in other parts of the world, so that the combination can, we think, be fairly considered as an extremely strong one, with ramifications of a very broad and effective character. Co-operation with such a body of banks cannot fail to strengthen and broaden our usefulness to the commerce of Great Britain and the South American Continent. Individually the constituent banks will accord to one another conditions for business which will enable them to compete with any of their neighbours. Very important commercial, industrial, and other interests will also be associated with the British Overseas Bank as shareholders, and will be represented on its Governing Council and Directorate.

Should the resolution to-day be approved by yourselves and by the shareholders of the other banks, as I have no doubt whatever will be the case, a prospectus will be issued shortly from which you will glean further particulars which I am not entirely at liberty to mention to you to-day. But I may state that, in addition to the capital which is being taken by the constituent banks, there will be an issue of shares to the public, and the shareholders of our own and the other banks will have the opportunity of subscribing if they so desire. We indeed hope to arrange that they shall have preferential consideration in their allotment.

The Treasury and the Proposal.

I have now to detail the reasons which have necessitated our troubling our shareholders to attend this meeting for the purpose of approving of the investment by this Bank in the British Overseas Bank capital. According to our articles of association, the board of directors have ample power to take this participation without our having to trouble you to come together for that purpose, but the Lords Commissioners of His Majesty's Treasury, in granting a licence for the issue of the capital, have stated that "after consulting the Standing Committee on Bank Amalgamations, my Lords must stipulate that the consent of the shareholders of the promoting banks shall be obtained to their respective subscriptions before the issue takes place." We do not understand on what ground the Treasury has considered it necessary to refer the matter to the Committee on Bank Amalgamations, since this is in no sense an amalgamation, being, in fact, precisely the opposite, viz., the creation of a new Bank for the purpose of increasing facilities by means of an addition to the existing banking capital available for that purpose, instead of the disappearance of an existing institution involving usually a decrease in the total capital. Apart, however, from this question of principle, on which we need only say that we consider reference to the Amalgamation Committee entirely uncalled-for and illogical, we are glad that the stipulation referred to has given us this opportunity of placing before you at the earliest possible moment our reasons for participating in a new enterprise, which we believe contains all the elements of prospective usefulness and success, and our contribution towards which, I feel confident, will meet with your unanimous support.

The Resolution.

That it will meet with the hearty support of His Majesty's Government can hardly be doubted, for it is based upon the lines on which, in a report dated July 1, 1916, a Committee appointed by the Board of Trade, and consisting of gentlemen extremely well known in the financial and commercial world, recommended that the hiatus which they considered to exist between the operations of the English and British-foreign banks should be filled by creating new institutions of this character. With these few preliminary remarks I have the pleasure to move the following resolution: "That the meeting hereby approves of the formation of the British Overseas Bank, Limited, and authorises the directors on behalf of the Company to subscribe for or otherwise acquire, as soon as it is incorporated, such number of shares up to 50,000 shares of £5 each in the capital thereof, and such further number of shares at any future time on such terms as the directors may think fit." After this resolution has been seconded we shall invite from you any observations or criticisms that you may have to offer.

Mr. Andrew Geddes seconded the resolution.

Mr. J. S. Austen remarked that it sometimes happened that the Chairman of a meeting was bound by his position to practise a certain reticence, and not to tell the whole story. He had a feeling that that was the case on the present occasion. They all remembered how some time ago the Chairman of one of the big banks was seized with a violent attack of megalomania which took the form of bank amalgamation. The contagion spread, and the public became alarmed. It was then that the Government appointed a Committee to regulate bank amalgamations, but, so far as he knew, that Committee proceeded to sanction every scheme of the kind put before them. Speaking as an irresponsible person, he believed that one of the reasons why they were brought together that day was that the banks whose names appeared on the notice were feeling the effects of the amalgamations that had taken place. These banks transacted certain foreign business which had not been transacted by what he might call the amalgamating banks, and it was felt that the only way they could bear up against the competition which had thus been brought about was to form a new company, which was the proposal now before them. Any reasonable person would have thought that the Treasury would have welcomed such a proposal as this, but anyone who thought that did not know the Treasury. He would just tell them what had apparently happened. The Anglo-South American Bank put this proposal before the Treasury. As they knew, no Government Office ever took any decision on its own account, but left it to someone else. In this case it happened that the Official of the Treasury who attended to this Department did not know the difference between a new issue and an amalgamation, and so he sent the proposal on to the Amalgamation Committee. It might be said that what the Committee and the Treasury really wanted to know was whether the shareholders of this Company approved the investment which the directors proposed. If that were the case it was quite apparent that they held a very low opinion of the board of this Company. He thought he might say that the shareholders were entirely

satisfied with the board and that the Chairman and his colleagues enjoyed their full and entire confidence. (Hear, hear.) There were probably about 10,000 shareholders in the banks named in the circular, and he believed he was speaking for 99% of them when he said that they resented the slur which had been cast upon the directors. (Hear, hear.)

Mr. Fenner asked if the Chairman could state the approximate date when the prospectus would be issued.

The Forthcoming Prospectus.

The Chairman, in reply, said he had to thank Mr. Austen for his assurance that the shareholders had confidence in the board, and his colleagues and himself hoped they would always merit it. As regarded Mr. Austen's remarks respecting the course of procedure and his criticisms upon Government Committees and Departments, he was unable to confirm or deny that the course of procedure had been precisely that indicated, and he was certainly unwilling to join him in any criticisms or strictures on them, because he considered it outside the course of his ordinary duties. He could only tell them that this Bank, and the other banks concerned in the scheme, had had to summon their shareholders—the number of whom, in the aggregate, was nearer 20,000 than 10,000—and he believed the expense was one that had been quite needless At the same time it had enabled the board to fortify themselves with the knowledge that, in an investment amounting to a quarter of a million sterling, they had the shareholders' entire approval. The question asked by Mr. Fenner touched a spot on which he had found more anxiety evinced by the shareholders than on any other, namely, when was the prospectus coming out, and how much were they going to get? That rather suggested that the shares to be offered to them would be keenly sought for. He could not say whether that would be the case or not, but the directors believed the shares would be worth having. He had already told them that, so far as was in their power, the directors were going to see that the shareholders of the constituent banks had, if possible, preferential treatment, but at all events reasonably good treatment. The directors would watch their interests with every care in that matter, and he saw no reason why, as all the banks' meetings were being held that day or the previous day, and no confirmatory meeting was necessary, the prospectus should not be issued within the next week or two. He hoped it would be, and they would take every care that a copy of the prospectus was sent to each one of those now present, and also, of course, to the other shareholders who were not at that meeting.

The resolution was then put to the meeting and carried unanimously.

The Chairman added that it might be interesting to mention, the resolution having been passed, that, without any effort on the part of the directors, proxies were returned to them in favour of the scheme representing more than 50% of the shares, while the proxies against the scheme were nil.

A vote of thanks having been accorded to the Chairman, on the motion of Mr. Thomas Ford, seconded by Mr. Fenner, the proceedings terminated.

NORWICH UNION FIRE INSURANCE SOCIETY, LTD.

THE annual general meeting was held on June 3 at the head office, Surrey Street, Norwich, Mr. G. Hustler Tuck, D.L., in the chair.

The General Manager and Secretary, Mr. John Large, having read the advertisement convening the meeting,

The Chairman, in moving the adoption of the report and accounts, stated that they had before them the very best report that the Society had ever presented to its shareholders. The total net premium income was now £2,706,185, being an increase of £480,677 over the previous year, and, after providing the usual reserves for unexpired liability, £397,043 net trading profits were transferred to profit and loss. The income from interest and dividends had increased by £23,108, while, for the first time for some years, there was an appreciation of investments of nearly £11,000, and, to complete the tale, the total assets had increased by £852,259. Dealing first with the fire account, the premium income, £1,602,962, showed an increase of 237,718, and the loss rate, 44.03%, was the lowest for 50 years. The underwriting balance of £333,236, being 20.79% of the premium income, was the largest in the Society's history, as was also the amount of £238,149 carried to profit and loss, and the fire fund was increased by £295,087. In addition to the usual 40% of the increased premium income—viz., £95,087—£200,000 had been added to the additional reserve in this fund. The accident department had again had a very fine year, the premium income showing an increase of £92,281, which came from practically every one of the numerous classes in this important department. The losses and expenses were only 76.30% of the premium income, and there was a surplus of £112,311 carried to profit and loss, which was £25,000 more than the highest previous contribution. The marine premium income was £473,599, as compared with £322,921 in the previous year, and the claims and expenses were at the moderate rate of 40.68%. The underwriting account for 1917 had been closed, and the ascertained profit of £46,582 added to the additional reserve in this account. The total of the marine funds was now £490,452, being an increase of £178,973 over the previous year. The departmental funds were increased by £553,280, the total assets as shown in the balance sheet by £852,259, and the balance in profit and loss of £337,508 was £65,390 more than was brought into that account at the beginning of the year. It was proposed to give the shareholders 50*s.* per share for the year, instead of 42*s.* per share in the previous year.

The Chairman then called attention to Mr. Large's resignation of the general managership. Mr. Large had spent his working life in magnificent service to the old office. It gave the board the utmost satisfaction to hear that he would continue to live in Norfolk and would accept a directorship, a position it was sincerely hoped he would enjoy for many years.

The report was then unanimously adopted.

A vote of thanks to the Chairman for presiding closed the proceedings.

ROYAL MAIL STEAM PACKET COMPANY.

SIR OWEN PHILIPPS ON THE BRITISH SHIPPING POSITION.

THE annual general meeting of the proprietors of the Royal Mail Steam Packet Company was held at the Cannon Street Hotel, E.C., on June 4, Sir Owen Philipps, G.C.M.G., M.P. (the Chairman), presiding.

The Secretary (Mr. D I. Conradi) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—Before passing to the ordinary business, I must refer to several losses in the Company's personnel which have befallen us since last we met. My friend and colleague, Mr. Alfred S. Williams, our Deputy-Chairman, who had been a director of the Company for over 15 years, passed away in July last, and his loss is keenly felt. We also regret that another valued colleague on the board, Mr. William C. Kenny, owing to continued ill-health, retired after 47 years' association with the Company. Mr. R. L. Forbes, the Company's senior General Manager, has, I much regret to say, been obliged through illness to relinquish his position, whilst we have also lost another old and faithful official by the death of Mr. Bennett, our late Secretary. I would like to say a word in appreciation of the services rendered by these gentlemen, who, each in his own sphere, played a prominent and useful part in the affairs of the Company. Their activities contributed in no small measure to the success that has been achieved. To-day we meet under very different circumstances to those under which I addressed you a year ago, but the position as regards shipping remains very difficult and complex, on account of the delay in getting back our steamers from Government service; of the uncertainty caused by the continuance of Government restrictions in commerce and industry; and of the obscurity surrounding the question of the future economic policy of the country. The financial position of the Company is clearly shown in the accounts which are before you, which I think everyone will agree indicate a thoroughly sound state of affairs. Our fleet and investments are, of course, worth to-day more than the figure at which they stand in the books. (Hear, hear.) The fact that the Company's Ordinary, Preference, and Debenture stock and reserves now amount to over ten and a-half million pounds sterling conveys some idea of the extent of our world-wide operations.

Part Played by Mercantile Marine in the War.

Great Britain has especial reason to be proud of the part played by its mercantile marine in the conduct and successful issue of the war, and the Royal Mail Company has done its full share in this connection. Our vessels have acted as armed merchant cruisers, hospital ships, transports, &c.; we have carried great numbers of troops, enormous quantities of munitions of war, meat, and foodstuffs, whilst our sea and shore staffs have served in large numbers in His Majesty's Forces. The Royal Mail and its associated companies have suffered heavily in the War, and whilst I will not to-day deal with the losses of the associated companies, I may mention that the Royal Mail Steam Packet Company has lost 13 steamers—viz., *Alcantara*, 15,831 tons; *Amazon*, 10,037 tons; *Aragon*, 9,588 tons; *Asturias*, 12,002 tons; *Arcadian*, 8,939 tons; *Brecknockshire*, 8,422 tons; *Caroni*, 2,652 tons; *Drina*, 11,483 tons; *Merionethshire*, 4,308 tons; *Potaro*, 4,378 tons; *Radnorshire*, 4,302 tons; *Tamar*, 3,207 tons; and *Tyne*, 2,909 tons. The high-class liner companies have been particularly hard hit by the War, owing to the dangerous nature of the services in which their steamers were engaged, and to the fact that the German submarines concentrated very largely upon the destruction of the most valuable passenger and cargo vessels. Whilst the total tonnage lost by Great Britain is being in a large measure replaced by rapid building, it must be borne in mind that many of the new ships are of the tramp type, and that the construction of high-class liner tonnage has been practically at a standstill.

We are now faced with a very difficult problem as regards the replacement of the fine steamers which we have lost, as although the amounts received through insurance have been considerable, they will only suffice to meet part of the now greatly increased cost of replacing the vessels destroyed. We are pursuing a forward policy with regard to shipbuilding,

and we intend to provide adequately for the requirements of our various trades. Many of our larger steamers are now undergoing reconditioning after the strain of War service, and their redelivery to us as soon as they have been thoroughly overhauled should ease the situation to a considerable extent. Naturally, now that the War is over and the high seas are comparatively safe, there is pressure of passenger traffic both outwards and homewards, and, in consequence of the paucity of ships, passengers are meeting with unavoidable delay in securing accommodation. Your directors have continued to do their utmost to safeguard and consolidate the position of the Company. During the present year the Company has become interested in the old-established MacIver Line of steamers, trading between Liverpool, Buenos Ayres, and Rosario.

The Royal Mail and South America.

For over three-quarters of a century this Company has been intimately associated with the South American Continent, and its fortunes have varied in large measure according as the great Republics of Argentina, Brazil, Uruguay, &c., have prospered or suffered temporary reverses. As you know, one of our principal trades is the running of mail, passenger, and cargo services to and from the South American ports. The exigencies of war have greatly curtailed these services, but they are now gradually being resumed. I trust it may not be very long before we are able to recommence our mail service between Southampton and Brazil and the River Plate, together with other important services which we have been obliged, either partially or wholly, to discontinue for the time being. Throughout the War Great Britain and her Allies have enjoyed the sympathy of the vast majority of the people of South America, and the supplies of meat, cereals, and other essential commodities which they have sent have helped us materially in these difficult times. The great South American Republics, with their vast resources and immense potentialities, will in the future be largely depended on by the nations of Europe as sources of supply of many of the necessaries of life. It is particularly gratifying that the President of Brazil, his Excellency Dr. Epitacio Pessoa, should have taken the earliest opportunity after the War of visiting this country, where he is assured a very cordial welcome. In the spring of 1917, when the submarine menace had reached its most destructive point, the Republic of Brazil severed relations with Germany and joined the Allies in the fight for freedom, affording valuable practical assistance, especially with her naval forces in the South Atlantic. Dr. Pessoa presides over the destinies of 25 millions of people, inhabiting a vast area of over 3¼ million square miles. Brazil is a country full of promise for the future. Considerable industrial development has taken place in the last four years, and Brazil presents great opportunities for British enterprise, to which the policy of the Brazilian Government during the War is a great encouragement. I trust the President's visit will strengthen the feelings of mutual goodwill and esteem which exist between our two nations. In South America agriculture is carried on scientifically, resulting in the production of vast herds of the finest cattle and huge quantities of surplus grain for export oversea. Bound up as the Royal Mail and many of its associated companies are with the development of South America, I think we may look forward to the future with confidence, in the belief that our services will tend to bind still closer the ties of friendship and commerce which exist between the British people and these great Republics. Like other parts of the world, South America, and especially the Argentine is passing through a phase of labour unrest. There have been serious disturbances and delays in the port of Buenos Ayres, which add considerably to the cost of carrying on the service. I trust matters may speedily be settled satisfactorily, and that the Argentine Government will handle this difficult problem with impartiality and statesmanship.

Position of Shipping in the West Indies.

Just 80 years ago, in September 1839, the Company was incorporated by Royal Charter to carry the West Indian mails, and up to the beginning of the War we carried on, as you know, a fortnightly mail service to and from the West Indies. After War broke out this service was maintained for a considerable time, in spite of the unprecedented conditions which then arose. It eventually had to be relinquished owing to the Government requisitioning the steamships engaged in the service. Since that time we have with difficulty maintained a very intermittent service to and from West Indian ports, but we hope it may be possible to establish a more regular service at no distant date. A Departmental Committee is at present sitting at the Colonial Office to consider the position of shipping in the West Indies, and I trust that as the outcome of its deliberations some solution will be found whereby a satisfactory mail service may be provided, with adequate Government support.

The Royal Mail Company cannot fairly be expected to continue to make a heavy annual loss in carrying on the West Indian mail service. You may be interested to know that the Royal Mail Company have laid before the Departmental Committee now sitting a statement giving the actual figures of the revenue and receipts and the actual losses for the last 20 years, and out of those 20 years only two or three showed a profit.

The relations between Canada and the West Indies continue to grow closer and more intimate. Our mail service under contract with the Canadian Government has been continued throughout the War, although two of the vessels performing the service were requisitioned by the British Government, necessitating reduced sailings. These two ships have now been released, and the full fortnightly service is again in operation. We look forward to the trade between

THE

ANGLO-SOUTH AMERICAN BANK,

LIMITED,

having their own

Branches in SPAIN, at Barcelona, Bilbao, Madrid, Vigo and Seville

(opening shortly in Valencia),

with Agents and Correspondents throughout that Country,

are in a position to offer

Exceptional Facilities for Business to Merchants, Manufacturers and Shippers.

FOREIGN EXCHANGE IN ALL BRANCHES.

Head Office: - - OLD BROAD STREET, LONDON. E.C.2.

22 Branches in the principal cities of ARGENTINA, CHILE and URUGUAY, also in PARIS and NEW YORK.

the great Dominion and the British West Indies being still further increased.

Position of British Shipping.

Colonel Leslie Wilson, the Parliamentary Secretary to the Ministry of Shipping, recently gave some interesting figures in the House of Commons comparing the proportion of the total tonnage of the world owned by Great Britain before the War with the proportion owned at the present time. In 1914 Great Britain possessed within 1½ million tons of one-half of the world's total tonnage. Notwithstanding that we lost in the War, through German atrocities, over 7½ million tons, the net result is that Great Britain still owns nearly one-half the total tonnage of the world, or to be precise, Great Britain now owns only 3¼ million tons less than one-half the world's tonnage. The relative position of this country is therefore not so bad as some people seem to think. A number of my friends are very concerned as to the position of British shipping, and they fear it will be impossible for us to hold our own in the future in competition with other nations. Well, gentlemen, I for my part have confidence in the ability and capacity of my countrymen to give a good account of themselves in any fair competition—(hear, hear)—provided the Government of this country, whilst continuing to do everything possible to ensure safety at sea, does not hamper industry and commerce by maintaining War restrictions in times of peace, and provided it takes steps to see that British shipowners have the same facilities in all countries of the world as are afforded to the ships of other nations in British ports.

Some people also appear to be very alarmed at the fact that the great sister nation of America has again entered the ocean shipping business after many years of practical abstention from steamship enterprise, which abstention was probably due partly to the fact that the profits to be made by developing their vast areas of productive land were far greater than the moderate revenue which in normal times is to be secured from investment in shipping. The whole American nation, in defence of the high ideals for which all the Allies fought, threw their wonderful energy into constructing shipyards and building new steamers in a manner that will always be remembered by Britons with admiration and gratitude. (Hear, hear.) It was a marvellous example of organised effort and enterprise to meet a dangerous emergency, with the result that they materially assisted in supplying the new tonnage necessary to make good the losses caused by the ruthless German submarine warfare. As the natural outcome of these successful efforts to create a mercantile fleet, the entire American nation naturally became intensely interested in the question of the development and expansion of their own merchant navy.

The American Mercantile Marine.

The American mercantile marine, which in 1914 was under two million tons, increased to a total of about 6½ million gross register tons at the beginning of this year. I understand they are actually building ships at present at a faster rate than Great Britain. There is room in the ocean trades of the world for the great American nation to share the place forfeited by Germany as the result of her gross breaches of international law. The ocean is, and always will be, free to all who observe the elementary rules of the sea and of humanity. As Great Britain has never owned quite half the tonnage of the world, I personally am pleased to welcome the new American mercantile marine, as our American friends will be much more desirable and straightforward colleagues to work with in all parts of the world than our late German competitors. (Applause.) In pre-War days the German ideas of commercial integrity in connection with shipping were such that I, for one, was not so surprised as some of my countrymen at the way the Germans conducted the War, because I had previously had practical experience of German methods of commercial advancement and "peaceful penetration" in many parts of the world. It was on my advice that our Company were the first British shipowners to fit 4.7-inch guns on our ships, in April 1913—more than a year before the War—at our own expense.

Sea and Shore Staffs.

During the year under review, our sea staff continued to perform their duty under the exceedingly trying conditions which prevailed until the Armistice. We will always have reason to be proud of the manner in which the insidious submarine peril was faced by the officers and men of the mercantile marine. In the report we have given the names of those members of the sea and shore staffs who have laid down their lives in the service of their King and country, whose memory we shall always cherish. The report also includes a list of those who have won distinction for gallant deeds in the War. Many members of the office staffs are now returning to their former places, which we promised to keep open for them. Our thanks are due to those who have carried on during these difficult years of war, and I would like to express once again the appreciation of the Court of Directors of the way in which the General Managers and members of the Companies' staffs at home and abroad have carried out their duties. Superannuation is a matter in which I personally have always taken a great deal of interest, with a view to suitable provision being made for members of the sea and shore staffs to enjoy a period of retirement after long and faithful service. We have this year contributed a special donation of £10,000 to the superannuation fund, which we are endeavouring to build up on a thoroughly sound financial basis. This Company and four of its associated shipping companies have established superannuation funds within the last 10 years, under the control of Committees appointed by directors and staff, having a total membership of about 4,000, with invested funds amounting to over a million pounds sterling, which is all invested in the names of trustees, and a gross income from investments alone of £40,000 per annum. In this way we are endeavouring to benefit our employees and to give them that sense of security as regards their future which is so conducive to well being.

The Future.

Under the conditions which exist to-day I doubt if anyone can foresee with any degree of accuracy what the future will bring for British shipping and British trade and commerce. Changes are everywhere taking place, and it is inconceivable that we should go back to the conditions which prevailed prior to the War. The enormous cost of shipbuilding and ship-repairing, the vastly increased expense of running vessels, not to mention the heavy taxation imposed, as a result of the War, in the form of income tax and excess profits duty, tend inevitably to perpetuate a high level of fares and freights. Other nations have obtained a strong footing in trades that formerly were entirely British, and competition on the ocean is bound to be exceedingly keen. I think it is certain that great developments will take place in all parts of the world, and your directors are determined to take all possible advantage of every opportunity that presents itself of safeguarding and protecting the Company's interests in all directions and of extending the great business that has been built up in the past 80 years. (Applause.)

I now formally move: "That the report of the directors and the accounts and balance sheet submitted to this meeting be and the same are hereby received and adopted, and that a dividend of 2½%, less income tax (making with the interim dividend 5% for the year), be and the same is hereby declared on the Preference stock, and that a dividend of 5%, less income tax (making with the interim dividend 7% for the year), be and the same is hereby declared on the Ordinary stock."

The Deputy-Chairman (Sir Joseph Savory, Bart.) seconded the resolution.

Sir Fortescue Flannery, Bart., M.P., said he was sure all the shareholders were very gratified to hear that the Company, which was one of the oldest shipping companies, was moving in the very van of shipping progress, and that there was no point of shipping interest at the moment which was not receiving the attention of the directors. They were very pleased to hear of the efforts that the Company was making to re-establish its mail and passenger services upon the broad footing which it held before the war, and to avoid losses in carrying His Majesty's Mails. He hoped that they would soon get rid of the war restrictions which still clung round and hampered shipping, particularly the one to which the Chairman called attention in Parliament, namely, that foreign-owned ships still called at British ports picking up passengers which ought to be carried by British ships. In conclusion he expressed the hope that this good old Company would have as much prosperity under the chairmanship of Sir Owen Philipps in the coming years as it had had in the past. (Applause.)

The resolution was then put to the meeting and carried unanimously.

The retiring directors, Sir Joseph Savory, Bart., Mr. A. N. Lubbock and Mr. H. E. Wright, were re-elected, and Mr. Charles Lee Nichols, C.B.E., F.C.A., and Mr. Harold John Morland, M.A., F.C.A., were re-appointed auditors.

On the motion of Mr. H. Matthews, seconded by Mr. D. W. Allport, a hearty vote of thanks was accorded to the Chairman, the directors, the general managers and the staff both ashore and afloat.

The Chairman acknowledged the compliment, and the proceedings terminated.

THE LOTHIAN COAL COMPANY, LIMITED.

The Sankey Report.

THE thirtieth annual general meeting of the Lothian Coal Company, Limited, was held within Dowell's Rooms, No. 18 George Street, Edinburgh, on May 30, Mr. James A. Hood, J.P., Rosewell, Chairman and Managing Director, presiding.

The Chairman, in moving the adoption of the report, a summary of which has been published, said: Gentlemen,—As you are aware, the collieries still continue under the direction of the Coal Controller. The period has been an eventful one. Nationally, it has witnessed the triumph of the Allies over the Central Powers, and the signing of an Armistice, and our hope is that at no distant date the Peace Treaty may be signed. As far as the coal trade is concerned, our hope was that control would soon be at an end, but apparently there is no prospect of this at present, but, on the contrary, further controlling conditions are being

sought to be imposed on the industry, but this position I shall deal with later in my remarks. During the year work has proceeded steadily; indeed, practically without any interruption, the collieries have been fully employed, and the output has been disposed of. A feature of the year was the strong demand for all classes of coal for home consumption, Admiralty account, and for the Allies. A large percentage of our output was thus absorbed. Nevertheless, we were able to take a small share of the neutral export business. On the instructions of the controller a large portion of our stock was lifted during the year. During the year the wages of all colliery workers have been further advanced to the extent of 1*s.* 6*d.* for men and 9*d.* for boys. During the previous year they received a similar advance. The Controller has now assumed liability for the whole of this war wage, amounting to 3*s.* for men and 1*s.* 6*d.* for boys. To meet it the coalowners were instructed to contribute 4*s.* per ton on all coal sold, the difference between the war wage and the contribution being either a debt due to, or due by, the Controller. Wages continued at this level until the month of February, when, as the result of demands made by the miners, a Royal Commission, under the Chairmanship of Mr. Justice Sankey, was appointed by the Government to consider the whole question of wages and hours, &c. The result was a further advance of wages to the extent of 2*s.* for men and 1*s.* for boys, as from January 9, 1919.

The Question of "Wages and Hours."

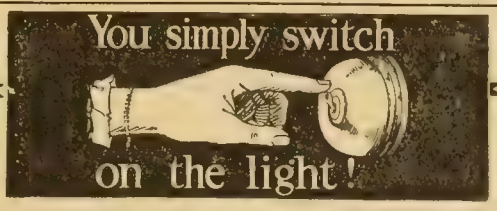
I feel it to be of importance to emphasise the fact that the question of "Wages and Hours" was to occupy the first part of the Inquiry. In a letter dated February 27, 1919, addressed to the Coalowners' and Miners' Association, the Secretary of the Coal Commission stated that the first part of the Inquiry would be confined "to preliminary investigation into the question of 'Wages and Hours,'" and the witnesses were informed, "as far as possible to confine their evidence on the points indicated, namely, 'Wages and Hours.'" Notwithstanding these instructions, the Chairman did not prevent certain representatives on the Commission from going far beyond these two questions. The coalowners adhere to the instruction to prepare evidence on these two questions, and were only allowed to give evidence by one witness, as far as Scotland is concerned. The Chairman's Report made certain findings as to hours and wages, but the report was not confined to those two points as had been promised, but amongst other things it contained a finding which, to use the words of the Report, "condemns the present system of ownership and working in the coal industry." No rebutting evidence was allowed from the coalmasters' side, as it was stated time did not permit. This the coalowners, and I think all who can look at the matter impartially, can only regard as a travesty of justice and contrary to all conceptions of British fair-play. In perusing the evidence (or as much of it as is available to the public), one was struck with the fact that most of the official Government witnesses endeavoured to paint the coalowners in as black a light as possible. The whole trade has been built up by individual effort, and it is extraordinary to think that all the methods of the past should be so hastily and lightly condemned by men who have no practical experience of it, and without hearing a particle of evidence on the subject by those who were engaged in it, and whose capital was invested in it.

To deal with certain portions of the Report, such as Housing, it is not contended by the coal owners that all houses occupied by miners are in a satisfactory state, but it is contended that they are no worse, as a whole, than many of the houses in towns and those of other industries. This matter should only form a part of the whole question of national housing. Much has been done recently to improve the houses of miners, and, but for the War, much more would have been accomplished. It might be here remarked that the Royal Commission on Housing in Scotland, in their Report, emphasised the satisfactory nature of the houses in some of the mining villages in Midlothian. It may not be out of place for me to quote from that report, as far as it refers to ourselves. "Provost Brown claimed that the houses at Newtongrange (Midlothian) were probably the best miners' houses in Scotland, as they contained a kitchen and four or five rooms with "conveniences and gardens."

Mr Justice Sankey's Report also refers to the question of hours. The working hours are to be reduced as from July 1, and while one cannot take exception to this, in view of the reduction of working hours in other industries, yet the result will mean a reduced output. The Report also contains a recommendation that 1*s.* 2*d.* per ton of output should be the limit of profit allowed collieries in the future, although no evidence was taken on this subject. As far as any explanations have been given, this means at least 40% reduction on our pre-war standard profit. Moreover, the effect of working on a 1*s.* 2*d* basis founded on output, cannot be satisfactory. The tendency will naturally be to work seams of coal where a large output per man can be obtained, irrespective of other considerations. The coalowners are bound to resist this 1*s.* 2*d.* basis, as many collieries could not exist at all under it, and in substance it is a proposal of partial confiscation of the property of the coalowners. On such a vital question as this, affecting the whole coal industry, which is the basal factor of all other industries, the fullest and most minute inquiry should have been made, whereas there was no evidence taken on the subject at all. The Report further recommends dual control, but this is not clearly defined. If it is intended, as it is believed, that the miners should have joint control with the managers in the conduct of the mine, then I think everyone connected with the management of collieries will come to the unanimous conclusion that such a position is impossible. The workmen have little knowledge of the elaborate management of the mine. They have not been educated to this, and no self-respecting manager would undertake the responsibility, if he is to be controlled by the workmen. It does not state in the Report that there will be joint responsibility. If the question of dual control, as we understand it, should be insisted upon, then the only course open for coalowners is to demand that the collieries be nationalised at once, as being the lesser of two evils. Nationalisation of collieries, the coalowners believe, would be a national calamity, but on this subject we prefer to say little, as we could be met with the reply that we are interested parties, and, therefore, not fair judges. Many coalowners, we believe, would prefer nationalisation from the purely selfish point of view; but, in condemning it, they believe they are taking a patriotic view of the situation. If nationalisation were carried out, there would undoubtedly be a heavy increase in the cost of production, and consequently an increase in the selling price, and we believe that present troubles with the miners, which are already great, would not in any way be allayed, but, on the contrary, would be increased. We have already some evidence as to where things are leading in the demand for £26,000,000 made by the Controller in order to meet the present increase in wages.

The Position of Coalowners.

As I have already indicated, it is very difficult to say what the future holds in store for the trade. We shall have to await the development of events, but I think you may take it from me that your directors are fully alive to the fact that they are face to face with an attempt of at least partial confiscation of your property, and that they will leave no stone unturned, nor spare themselves any effort in defending to the utmost the interests of the shareholders. We coalowners, as a body, feel that we have been condemned without a hearing in Mr. Justice Sankey's first Report. This in our country has never been done before, even to the worst criminals. The clear position I wish to put before you is that other industries are now being put in a more advantageous position than they were during the War. The excess profit duty to them is being reduced, whilst they are allowed to retain their pre-War standard. The coalowners, as I understand the position, will receive no benefit from the reduced excess profit duty. The 5% presently allowed is proposed to be taken away by the Government,



That is all that is necessary to start immediately the

Lister-Bruston

AUTOMATIC

Electric Lighting Plant

At once the simplest, most efficient and most reliable system of electric lighting, and offering all the advantages of direct lighting, whilst eliminating the disadvantages of the heavy accumulator plants. It will not only light your house with the minimum of trouble and expense and the maximum of comfort and efficiency, but will provide power at any time for pumping, cooking, vacuum cleaning and other purposes.

Write for Catalogue and Estimate to the Sole Makers.

R. A. LISTER & CO., LTD.

Dursley, Glos., England.

(Established 1867)

London Office (where plants can be seen at work):—
47 VICTORIA STREET, WESTMINSTER, S.W. 1.

but this is not all. Instead of allowing our pre-War standard of profits to remain as in other industries, it is proposed to confiscate 40% of it. Can anyone see any fairness whatever in such a proposal? On what grounds is it sought to penalise the coal industry, as against other industries in the country? I claim that the coalowners, as a body, are most patriotic, and are willing to contribute their just and fair share of their country's obligations, but they decline, and I am sure you all will agree with me, to allow themselves to be specially penalised, and have their property partially confiscated. The only course open to the coal owners is to fight those conditions, which are sought to be imposed upon us through Parliament; and I cannot conceive that Parliament will sanction a proposal which violates elementary justice, which demands that in matters of national taxation the burden shall be equally borne, and that no particular industry or enterprise shall be specially penalised.

I would like you to think over those matters and to ventilate them amongst your friends, so as to obtain all assistance possible by the education of public opinion, and to use your influence with any members of Parliament, to endeavour to obtain some measure of fair play. The coal industry is the basal industry of all others, and any hampering or lack of development, which would undoubtedly result from the imposition of such conditions, will ultimately affect all other industries and every one in the country.

Mr. John Morison, M.Inst.,C.E., Newcastle-on-Tyne, in seconding, said: I support everything that Mr. Hood has said in his remarks on the Sankey report. The evidence was taken, in my opinion, in a most unjust manner. That has been pointed out by Mr. Hood in detail, and I confirm every word that he has said upon the subject from more or less personal experience. I think, indeed, that Mr. Hood's remarks are most moderate and fair, and cannot be taken exception to in any respect, except, perhaps, that they are too moderate and too fair. It is suggested to nationalise the mines or to give joint control. Neither of these is, in my opinion, workable, unless at a very great disadvantage to the country generally. Possibly it may suit a few individual coalowners from a selfish point of view, to fall in with the suggestion of nationalisation, but, if it were so, I would like to say that, in my opinion, after long experience, I think it would end in national disaster. It would add very greviously to the burdens of poor people in the shape of small consumers and, not only that, but it would react on the general industries of the country. This nationalisation cannot be carried through without increasing the cost and increasing the prices and decreasing the output; and, I think, therefore, that it is up to all of us, including shareholders, however small their holdings may be, to bestir themselves and put a stop to it in any form. It should be stopped, and we should not allow Government officials who have not the necessary practical experience to take control of a complex industry of this sort. It is proposed to make all collieries, more or less, and to a large extent more, Government-managed by these inexperienced officials in London. They expressed views before this Commission which the coalowners have not had an opportunity of contradicting, and they are neither competent to express those opinions nor to manage the mines as they propose.

The resolution was unanimously carried; and Major Charles H. Sanford, J.P., Beeslack, Midlothian, was re-elected a director.

WILSONS AND CLYDE COAL COMPANY, LIMITED.

THE annual general meeting of the shareholders of Wilsons and Clyde Coal Company, Limited, was held on May 30 in the offices of the Company, 75 Bothwell Street, Glasgow, Mr. Robert M. Wilson, Chairman of the Company, presiding.

In presenting the directors' report and relative statement of accounts to February 28 last, the Chairman said: Since meeting you last year we have had the misfortune to lose our Chairman. I am sure you all appreciate the great loss this has been to our Company. The board have elected Mr. W. H. Telfer, M.E., to fill the vacancy thus created.

Owing to high shipment prices, and especially the enormous price of coal obtained from shipments to neutral countries, we have had a successful year. These prices have been fixed under the Coal Control, and we are compelled to sell at them. It must, however, be borne in mind that it is very unlikely we shall continue to receive £3 10s. to £4 per ton for coal from neutrals in the future. This price is bound to drive these countries into using oil fuel, and we shall also have the competition of Germany to face in the Scandinavian markets. It is through high-priced shipments that the price of coal in this country has been kept down to its present level. If all the coal produced in the country had to be sold at the prices now obtaining here, the great majority of collieries would not be able to continue working, the cost of production having risen to such a height. We are all apt to forget that this country cannot find work for its population unless it can get 1,000 millions a year of foreign trade. That trade can only be obtained in competition with other countries, and cheap coal being the basis of all manufacturing, I cannot but regard the future of trade in Britain as being jeopardised through the present cost of producing coal. The worst feature is that the output per man, in spite of increased coal-cutting machinery, conveyors, &c., is still falling, and is now far below what is produced per man employed in other coal-producing countries. I fear there is very little prospect of relief for the industries of Britain.

High Cost of Coal.

I shall give you a concrete instance. The difference in price between 1914 and to-day to the Highland Railway Company means an increased cost of coal of £75,000 per annum, or nearly 3% on the capital of that railway company. As the Highland Railway Company pays 2½% on its capital, this means that the increased coal bill alone brings about an actual loss. It does not end there, however, as every article used by a railway company is also increased in price by the high cost of coal. Can one wonder that Sir Eric Geddes estimates the loss on the railways at 100 millions yearly? Every person in this country is a consumer of coal, and is therefore strongly interested in the cost of coal production. Any increased cost has to be borne by him not only directly in his domestic consumption, but in the increased cost of every article he uses. There is no likelihood of coal becoming cheaper in the future; on the contrary, it is certain to be scarcer and dearer owing to the further decrease in output through the reduction of working hours to seven per day.

As far as our Company is concerned, we are rather apt to forget that our share capital of £320,000 by no means represents the actual money invested in the concern. It is much more like £800,000. We have been fortunate so long now that we are also apt to forget that our shares were at one time £10 shares, and through the risks of mining so much money was lost that £7 per share of each £10 had to be written off as lost. Our trade has been passing through troublous times, and we have been, on what I must say seems scanty evidence, pronounced to be inefficient as a body of business men. There is a great deal of cant going about, and I think we should endeavour to clear it away.

The Miner's Life.

If we are to believe Mr. Smillie, the miner of to-day is a poor, down-trodden, unhealthy man, whose life is dragged out under the most wretched conditions. Well, that is not my experience, nor, I am bound to say, the experience of anyone knowing miners, and is put forward to gull the general public, who only know that miners work underground. I have known miners all my life, as well as other classes of workmen. Among all the classes of workmen I have had to do with the miners are the sturdiest, most independent set of men I have ever met, well able and willing to look after themselves. I should not like to be the man to tell miners what Mr. Smillie has told the public about them. I should expect to find myself in Queer Street if I did. It is a fact that the occupation is a healthy one and that the death-rate from all causes, including accidents, is below the average of the country. How is it if the miner's life is such a poor affair that there has never been any dearth of men willing to be miners? Why is it that it is almost impossible to get a miner to take a job above ground and stick to it? I am certain every colliery manager in the country will bear me out in this, that miners who do take jobs on the surface almost never stick to them, but return to work underground.

"The Cant about Housing"

Then there is the cant about housing. Many people outside the working class have been of opinion for years that the minimum size of house should be two rooms and a kitchen and scullery. Then why were they not built? The reason is simple: it has been impossible to get working men to take them. The favourite house in Scotland has been the room and kitchen and scullery house. Some years ago I had to build houses, not for miners, but for another class of workmen. I was anxious to build two-room and kitchen and scullery houses, but before doing so inquired as to the likelihood of being able to let them. Every factor I went to told me plainly the demand was for room and kitchen and scullery houses, and if I built the two-room and kitchen houses I should not be able to let more than a small proportion of them. Let us clear our minds of cant. There may be a demand now for larger houses, but if there is, it is a new one and certainly not general among the working classes. Why, in Glasgow, which is not a mining centre, 14% of the population live in one-roomed houses, while in the County of Fife, which is a mining centre, the percentage is 4%. This being so, why settle on the mining industry as the one wicked, immoral business in the country as regards housing? We do not deny there are some poor houses in mining centres, but not more so than in other industrial centres. These houses are as a rule very old, and houses built in recent years by colliery owners compare favourably with houses built during the same period for workers in other industries. If the class of house demanded now by some of the witnesses before the Coal Commission is to be built, viz., three bedrooms, bathroom, parlour and kitchen with scullery, heaven help the poor wife who has to cook and wash and bring up a family and keep a house of this size clean and comfortable. Then the present cost of building such a house is so great that, to yield 5% interest on the money invested and pay taxes, feu duty, &c., would mean a rental of about £70 per annum.

Mr. Justice Sankey's Report.

Then there is the talk about wealthy coalmasters. In this concern there are 1,400 shareholders, and the men employed underground number 2,815, or one shareholder to every two

men employed underground. In the whole country there are 200,000 shareholders, practically one to every five men employed. Seeing their numbers are so great it is high time the shareholders wakened up to the present state of affairs and showed a united front in defence of their interests. I therefore move that this meeting of shareholders in Wilsons and Clyde Coal Company, Limited, emphatically protests against the proposals of the Government to penalise the coal trade as compared with other industries in the country, and urges that no legislation shall be introduced embodying the financial proposals based on Mr. Justice Sankey's report, which must have a prejudicial and destructive effect on the interests of one of the primary industries in this country, and that a copy of this resolution be sent to the Prime Minister, the Right Hon. Mr. Bonar Law, the Chancellor of the Exchequer, the Right Hon. Sir Auckland Geddes, M.P., and the Controller of Coal Mines.

The report and balance sheet were approved, and final dividends for the year declared at the rate of 7% per annum on the Preference shares, less income tax, and 4s. per share on the Ordinary shares, free of income tax. £60,000 was placed to reserve fund and £39,287 carried forward to next year.

Mr. Robert M. Wilson and Sir James R. Wilson, Bart., were re-elected directors, and Messrs. Carswell, Murray and Lauder, C.A., were also re-appointed auditors.

EAGLE OIL TRANSPORT COMPANY, LIMITED.

The eighth ordinary general meeting was held on June 2 at Winchester House, Old Broad Street, E.C., Captain the Hon. B. C. Pearson (the Chairman) presiding.

The Secretary (Mr. C. H. M. C. Wilson) having read the notice convening the meeting and the auditors' report,

The Chairman, in moving the adoption of the report and accounts, said: The trading profits at £259,756 show, as you will observe, an increase of some £5,000 over those of the previous year. Considering the conditions under which the fleet was operating, I think you will agree that this result is satisfactory. The revenue of the Company, as you will remember, is derived from the long term charter of its steamers to the Mexican Eagle Oil Company, and the profits, therefore, are not affected by the fluctuations of the freight market. On the other hand, despite the continued increase in the cost of operating, the profits of the Company have not been unduly affected thereby, the charterers, as in previous years, having again generously recognised the exceptional conditions. From a wider outlook than the Company's own position it is sincerely to be hoped that conditions may become more normal now that, as we trust, the international atmosphere is clearing. The cost of building vessels and of operating them has gone up by leaps and bounds. Without grudging in any way the increase in wages effected by the National Maritime Board, the present cost of wages and the greatly increased cost of provisions, stores and repairs are such that competition by British vessels with those of other countries will in future be most difficult.

Allocation of Profits.

You will see from the report that the profits of the year, including the balance brought forward, amount to some £318,903. From this there has been deducted the transfer of £92,736 to depreciation reserve. This figure has been calculated on the same basis as in previous years, but owing to the loss of vessels during 1917 it is rather less than the corresponding figure transferred in that year. After this deduction there remains for disposal £226,167. A 6% dividend on the Preference shares for the year, absorbing £120,000, has already been declared and paid, and there is consequently available a further sum of £106,167. Consequent upon the greatly increased cost of repairs during the past war period and under present conditions, the repair account does not show the reserve which it is considered should exist at the present stage of the life of the vessels. Moreover, the cost of putting vessels through their periodical surveys will, in the future, be certainly greater than originally expected, and your directors therefore consider it prudent to transfer an amount of £40,000 out of profits to repair reserve account. It is proposed to pay a further 1% on the Preference shares, making 7% for the year, and to pay a dividend of 7% on the Ordinary shares. These allocations will leave £29,567 to carry forward to next year.

The Balance Sheet.

Turning to the balance sheet, the share capital remains at the same figure as last year. The depreciation reserve now stands at £163,135. The great bulk of the amount standing at the credit of replacement, insurance and other reserve accounts represents, as referred to at our last meeting, sums recovered by way of insurance in excess of the book value of vessels lost through enemy action. The remainder of this balance consists, first, of an insurance reserve, which shows an increase over last year, and, secondly, of a special reserve arising out of the sale of the "San Isidoro" and the loss of the "San Wilfrido" in 1914. Upon the conclusion of the Armistice and release from internment at Rohlehen of the crew of the "San Wilfrido" it was considered right to recognise the loss of earnings by the crew during their internment, and certain awards were made to the crew which, we are sure, will have your approval. Being wholly exceptional, this expense has been charged against special reserve. Now that the "Wilfrido" men are happily released, there will be no further charges on this account, and we propose, therefore, to add the balance—some £10,663—to the special transfer to repair reserve of £40,000 from profits already referred to. The amount shown as due to creditors of £651,510 shows a large increase over the previous year; this is entirely owing to the increase in amounts due to builders in respect of the new ships. On the credit side of the balance sheet the amounts shown under the heading of cost of steamers, etc., show an increase of some £396,000 over last year, all in connection with the new tonnage. As referred to in the directors' report, the first of the 18,000-ton vessels—the "San Florentino"—was delivered in April last, and has already made one voyage to Mexico and back; the second—the "San Fernando"—I am glad to say, was successfully launched last Tuesday. The debtors at £340,960 show a decrease over last year. This is accounted for by the payment to the Company during the year under review of certain amounts included in the previous year's balance sheet in respect of amounts due from underwriters on account of lost vessels. Cash remains at about the same figure as last year.

World's Oil Production.

With regard to the future of the oil and oil-carrying trade, when the first ships of the Eagle Oil Transport Company's fleet were ordered the world's production of oil was only 40,000,000 tons per annum, whereas the production for 1918 was over 68,000,000 tons. In Mexico, in particular, great strides have been made, the production being 6¾ million tons in 1916, 8½ million tons in 1917, 9½ million tons in 1918, and had it not been for the shortage of material, and particularly of ocean tonnage due to the War, this production would have been appreciably greater. The market for oil and its products is an ever-growing one, and owing to the manifold benefits derived from its many products there is no question but that the world's growing oil production will be readily absorbed. Resolutions will be submitted to you later in the meeting upon the election of directors. It will be within your knowledge that the control of the Mexican Eagle Oil Company, to whom your vessels are under charter, has passed recently from Messrs. S. Pearson and Son to the "Shell" group, and Mr. Waley Cohen, representative of those interests, has accepted a seat on the Board. Now that the regulations are so far relaxed that the movements of our vessels can be published, it will be of interest to you to know how our fleet came through the War. Four of our tank steamers, including the "San Wilfrido," which was actually sunk on the day before



War was declared, and our only cargo steamer, have been sunk by enemy action.

Mr. John Purdy (Vice-Chairman) seconded the resolution, which was carried unanimously.

The proceedings then terminated.

WHITEAWAY, LAIDLAW AND COMPANY, LIMITED.

THE annual meeting of this Company was held on June 3 at 5 Cripplegate Buildings, E.C., Mr. Mence Wilkinson (the Chairman) presiding.

The Chairman said that the profit for the year, which had been substantially helped by favourable exchange, amounts to £178,236. From this sum they deducted directors' fees and managing directors' remuneration, income tax and depreciation, and a balance was left of £143,469. This, with the addition of £14,938, the balance brought forward from the previous year, made a total of £158,407. The dividend on the Preference shares to December 31, 1918, was deducted from this amount, also the interim dividend on Ordinary shares paid in December 1918, and there was a balance for disposal of £112,876, which the directors recommended should be appropriated as follows: to pay a final dividend of 5%, free of tax, on the Ordinary shares (making 10% free of tax for the year), £21,534; to carry to the reserve account £69,349; to the employees' provident fund £2,500; and to carry forward to the next year's accounts the balance of £19,492. In the last balance sheet the reserve account was shown as amounting to £176,135 15*s*. An allocation to reserve last year of £67,428 raised this account to £243,564, of which sum £143,564 was absorbed for payment of the bonus shares issued, leaving £100,000 in the reserve account. The allocation now proposed of £69,349, *plus* the premium realised on shares issued to the staff, would raise the reserve account to £170,000. The directors had recently purchased a commanding site at Taiping in the Federated Malay States, and proposed to build suitable premises to replace the out-of-date accommodation in which business had been carried on there during the past few years. Their new premises in Bangkok were opened on March 31 by His Royal Highness the Prince of Nakorn Sawan, and the trade reports received from the manager were most satisfactory. Going still further East, he was pleased to tell them that the new branch at Hankow had made a good beginning. Reviewing their business in British East Africa and Uganda, he said the Nairobi branch, which was opened in their own new premises some seven years ago, had expanded to such an extent that a large additional building scheme was already necessary. Further development was also in progress at Mombasa. As regarded Uganda, business was commenced in temporary premises at Kampalm about a year ago. They had received a liberal amount of support, and new premises of their own were being built. The directors were considering whether it might not be desirable to increase the capital of the Company in order to provide funds to consolidate its position and take advantage of any new openings for successful business that might arise. In conclusion, he moved the adoption of the report and accounts, and the appropriation of the profits as recommended.

Mr. J. H. Lewes seconded the motion, which was unanimously carried, and the proceedings terminated with a vote of thanks to the directors, managers, and staff.

D. DAVIS AND SONS, LIMITED.

Meeting of Shareholders

AT the Cannon Street Hotel, London, on June 3, a special meeting of the shareholders of D. Davis and Sons, Limited, was held to consider the probable effects upon the coal and allied industries of the Sankey Award in regard to the wages and hours of work of the miners.

Mr. Archibald Mitchelson, the Chairman of the Company, presided, and stated that the question they were considering affected not merely the interests of shareholders, but those of the nation as a whole. Their object was not to offer opposition to reasonable, or even generous, concessions to the miners with a view to the improvement of the conditions of their lives, but what he desired to emphasise was the extreme one-sidedness of the recommendations in the Sankey Award. The many thousands of shareholders who constituted the so-called coal-owners, and of whom there were about 5,000 interested in the collieries of D. Davis and Sons, Limited, not only received no consideration, but, if the interpretation of the award given by leading authorities be correct, the income from their investments was to be reduced to a point which was nothing short of wholesale confiscation. The proposals were so glaringly unjust as to make it inconceivable that they should be enacted, otherwise public confidence would be so undermined that it would probably be impossible ever to obtain the capital necessary to the future development of the industry.

The Proposed Profit Limitation.

Broadly speaking, the proposed profit limitation would mean the reduction of profits to a level equal to only about 60% of the pre-War profits—in other words, a reduction of the pre-War profits by two-fifths, or 40%. A colliery with a pre-War standard of profit of 2*s*. 6*d*. per ton would be allowed under the award only 1*s*. 6*d*. per ton, while a pre-War profit of 5*d*. per ton would be reduced to 3*d*. per ton. Moreover, this reduced limited profit included the profit derived from coke ovens and by-product plant. The effect of such a proposal would be that every £100 derived before the War from colliery investment would be reduced to about £60, and as the purchasing power of money had in the last five years been at least halved, that £60 would to-day provide in the necessaries of life no more than £30 would have been sufficient to purchase in 1914. No one could have any difficulty in understanding to how grave an extent the vital interests of the investor would be jeopardised by such an arrangement. As the question of nationalisation was still *sub judice*, he had no intention of dealing with it, but as the suggestion had been made by theorists that the mines should be purchased by the State on the basis of 10*s*. per ton on output, he desired to point out what such a proposal involved. In their own undertaking they had an output of 1,250,000 tons, which would mean a purchase price of £625,000, or less than the par value of the Ordinary share capital without taking into account the Debenture and Preference capital or the large additional sums of money which had been put into the development of the properties, and a reasonable valuation of which to-day, on a share basis, would represent considerably more than double the par value of the Ordinary shares. Such a proposal must be resisted to the uttermost, not only in their own interests as shareholders, but seriously in the interests of the entire community.

Probable Effects of Sankey Recommendations.

Dealing with the probable effects of the Sankey recommendations on industry generally, the Chairman stated it was their considered opinion that the enactment of those proposals would bring the nation face to face with problems of production and economic stability of the most serious and far-reaching character. If the only explanation so far obtainable of those proposals represented the true position, their passage into law would bring the country to a situation in which probably it would no longer be possible for anyone to carry on this great industry with any prospect of success. Moreover, it was a gross injustice to single out the coal trade for specially onerous treatment, and, if in the case of the coal mines these ruinous and confiscatory methods received the sanction of the law, there was no important industry in the land that would be immune from similar treatment. Then, again, the view of the signatories to the Sankey report that the recommendations might be realised without any increase in the price of coal was entirely fallacious. The report itself estimated a loss of £13,000,000 exclusive of the additional £7,500,000 in respect of the retrospective application of the wage increase as from January 9 last, while the cost of the shorter working day during the second half of the year brought the total estimated deficit for a whole year to over £33,000,000. The report estimated the profit for the current year on an output of 250,000,000 tons at £54,000,00, which was roughly £30,000,000 in excess of the pre-war standard of profits. Under existing conditions the bulk of this excess profit would go to the Government, but under the Sankey proposals, the whole was required to meet the increased wages, and, in addition to this loss to the exchequer, it was proposed to reduce the collier pre-war standard rate of profit by two-fifths, or £9,000,000, to subsidise the exportation of coal. Unless outputs were increased this huge and probably increasing deficit would have to be met out of the pocket of the taxpayer. He hoped that the view of Mr. Justice Sankey that this deficiency would be made up by increased energy on the part of the miners would be realised, but he was sorry to say that signs of greater outputs were by no means auspicious. There was certainly little prospect of a reduction in the price of coal; on the contrary, the tendency must be in the upward direction, but higher prices injured home industries as well as the coal export trade upon which our commercial stability as a nation largely depended, and the danger of the partial extinction of these trades had to be countered boldly and without delay. There must be an irresistible demand that justice and fair play shall prevail, and it was their confidence in the sense of justice and fair play of the British people which left them hopeful, nay, confident, of the issue of the present great controversy.

The Problem of Declining Outputs.

In conclusion, Mr. Mitchelson referred to a recent article by Mr Vernon Hartshorn, M.P., in which it was admitted that the problem of declining outputs had to be faced without further delay, if very serious and irremediable consequences were to be averted. Mr. Hartshorn pointed out that the production in 1918 was 60,000,000 tons less than it was in 1913, and then, basing his estimate for the present year upon the figures for the first quarter, he calculated that even with an eight-hour day throughout the present year the total output was not likely to exceed 220,000,000 tons, a figure which was 30,000,000 tons below the estimated output on which the Coal Commission based their financial estimate for the current year with the seven-hour day operating only during six months of the year. Even this was not all, according to Mr. Hartshorn. Everybody realised, he said, that the introduction

of the seven-hours day would mean a further considerable falling off in output, and he thought that such a falling off might be safely put even as a moderate figure at 10,000,000 tons for the current year. If, therefore, they were unable to maintain the export trade, a very substantial deficit would have to be made good either by increasing the price of coal for the home consumer, or by subsidising the industry to an enormous extent from taxation. The entire article was well worth their reading, and he trusted it would also be carefully considered by the great body of miners throughout the land. It struck a note which filled him, the chairman, with hopefulness that the light of day would after all dispel the darkness which threatened the industry.

Emphatic Protest against Government Proposals.

Mr. Mitchelson then proposed the following resolution :—

That this meeting of shareholders in D. Davis and Sons, Limited, emphatically protests against the proposals of the Government to penalise the coal trade as compared with other industries in the country, and urges that no legislation shall be introduced embodying the financial proposals based on Mr. Justice Sankey's report, which must have a prejudicial and destructive effect on the interests of one of the primary industries of this country, and that a copy of this resolution be sent to the Prime Minister, the Right Hon. Bonar Law, M.P., the Chancellor of the Exchequer, the Right Hon. Sir Auckland Geddes, M.P., and the Controller of Coal Mines.

The Viscountess Rhondda, in seconding the resolution, laid emphasis on the fact that the whole industrial, commercial, and financial fabric of this country was based on the foundation of coal, and that any differential form of control, or taxation calculated to discourage the employment of capital in the coal mining industry, must necessarily react on every other form of economic enterprise in the United Kingdom.

After a brief discussion, in which the views expressed by the Chairman and the Viscountess Rhondda were endorsed, the resolution was adopted unanimously.

RICHARDSONS, WESTGARTH AND COMPANY, LIMITED.

A Ship Engined every Week.

THE annual meeting of Messrs. Richardsons, Westgarth and Co., Limited, of Hartlepool, Sunderland, and Middlesbrough, the well-known marine engineers and builders of marine and land steam-turbines, was held at the head offices of the firm at Hartlepool on June 3.

Mr. D. B. Morison, the Chairman, presided, and, in moving the adoption of the directors' report and balance sheet—which indicate that, after providing for the Government taxes, there remains a profit on the year's working of £133,275—stated that during the war period the Company engined 146 vessels, of which 49 were ships of war, ranging from patrol boats of 3,000 h.p. to destroyers of 30,000 h.p. The total horse-power of the engines manufactured was 603,000, 503,000 being for ships and 100,000 for the generation by steam-turbine of electric power on land. In addition, a 25,000 h.p. rolling-mill engine and considerable steelworks plant had been supplied, including Talbot metal mixers, one of which was capable of holding 750 tons of molten steel. During the past year the output of the Company aggregated 235,000 h.p., whilst the ships engined numbered 51—practically one ship per week.

Taxation Demands of the Government.

After pointing out that, with the further payment of arrears now proposed by the directors, there would, within a period of nine months, have been paid to Preference shareholders four years' dividends, or 24%, Mr. Morison stated that a greater distribution of profits could not be made in consequence of the taxation demands of the Government. Of every £1,000 earned above the firm's extremely low pre-War standard, there was, after the deduction of profits tax and income tax, only left to the Company £140—a mere remnant.

Lack of Interest of War Departments.

There was—perhaps naturally in the circumstances—an acute desire on the part of the taxing authorities to get money from any available source, but this should, in common fairness, be tempered with an adequate appreciation of the mighty efforts which were put forth by manufacturers during the entire period of the War and the equally strenuous exertions which must still continuously be made if we were to win out in the industrial world competition—a competition that was bound in the future to be infinitely keener than ever before. As an instance of the lack of interest of the War Departments to the welfare of industry under peace conditions, Mr. Morison mentioned that permission to extend the firm's boiler works at Middlesbrough was refused by the Government, and as a consequence Messrs. Richardsons, Westgarth had now to face a very heavy expenditure in order to meet the requirements of their business, and this despite the fact that up to the end of 1918 the excess profits paid and payable to the Government by the Company amounted to some hundreds of thousands of pounds. In regard to heavy stampings, the working and financial results had been satisfactory, but here again the taxing authorities seemed to be reluctant to allow even "a living wage," and a settlement had been delayed; but since January a commencement had been made with the repayment of the Debentures held by Messrs. Richardsons, Westgarth and Co. in this undertaking.

The Industrial Outlook.

"With regard to the industrial outlook," said Mr. Morison in conclusion, "provided that labour, in striving for the immediate realisation of high ideals, is not forgetful of the frightful financial obligations that this country has to face, and provided also that capital and labour work together with a determination to win out in the coming industrial world-struggle, then we can say 'All's well.' If, on the other hand, we refuse freely to recognise that the highest productivity possible, in association with correspondingly high pay, is a governing factor in the attainment of success, then the realisation of this economic fact will be forced upon us by the dire experiences of an industrial cataclysm of the first magnitude. As between these two alternatives and their inevitable consequences a decision must be made by capital and labour, together, and together only, capital and labour will stand or fall, and on the choice of these alternatives depends the future of manufacture in this country."

Mr. T. Westgarth seconded the adoption of the report and balance sheet, and after some criticism and questions, to which the Chairman replied at length, the motion was put and carried by 33 votes to 23.

The payment of Preference dividend, as already indicated, was agreed to; the retiring directors, Sir John Esplen and Mr. Alfred Harrison, were re-elected, and the confirmation of the appointment of Mr. R. S. Middleton on the Board carried by a show of hands. A poll was demanded in respect to the adoption of the balance sheet, and the appointment of Sir John Esplen and Mr. Middleton as directors, and the Chairman directed that the poll be taken forthwith. The legal adviser to the Company, Mr. T. H. Tilly, pointed out that the taking of the poll was a waste of time as the directors already held proxies for an overwhelming number of votes.

MADRAS ELECTRIC SUPPLY CORPORATION, LIMITED.

THE ordinary general meeting was held at 1 Queen Victoria Street, E.C., on June 4, Mr. James Gray (Chairman of the Corporation) presiding.

The Chairman, in moving the adoption of the report and accounts, said that those indicated an improvement which might be regarded as satisfactory, considering that the restrictions regarding supplies of materials remained in operation for practically the whole of the year, and that in other respects their operations were considerably retarded. A perusal of the accounts showed that the revenue from every source had improved. Lighting and fans, which represented the major part of their revenue, had increased 7.4%, and power 5.2%; meter rents, miscellaneous receipts, and profit on exchange had also improved. Miscellaneous receipts had benefited exceptionally by the purchase of a supply of copper at a low price, which had been issued for service connections at the market price prevailing from time to time during the year. The total revenue for the year was £66,112 11*s.* 4*d.*, compared with £59,057 11*s.* 2*d.* for 1917, being an increase of £7,055 0*s.* 2*d.* The total expenditure for the year amounted to £29,546 11*s.* 6*d.*, compared with £26,532 15*s.* 2*d.* for 1917, being an increase of £3,013 16*s.* 4*d.* Their revenue was 2.48*d.* per Board of Trade unit, exclusive of profit on exchange, and the total cost of production, including administration in London, was 1.16*d.* The figures for 1917 were respectively 2.35*d.* and 1.07*d.* per Board of Trade unit sold. As to the future, he saw no reason why they should not continue to show improved results year by year, as there was still ample scope for extensions.

The report and accounts were adopted.

BARCLAYS BANK LIMITED.

Head Office:

54 LOMBARD STREET, LONDON, E.C. 3.

The Bank issues Drafts and Letters of Credit on all the principal towns of the World; makes Mail and Telegraphic Transfers; effects Foreign Collections; establishes Documentary Credits, and generally undertakes every description of BRITISH AND FOREIGN BANKING BUSINESS.

Special attention is given to the financing of produce in transit.

Foreign Branch:

168 FENCHURCH STREET, E.C. 3.

ARMY AND NAVY CO-OPERATIVE SOCIETY, LIMITED.

An extraordinary general meeting was held on June 3 at 1 Howick Place, Westminster, S.W., to confirm, if thought fit, as special resolutions, the extraordinary resolutions which were passed at the extraordinary meeting held at Caxton Hall, Westminster, on May 12, making certain alterations in the articles of association. Rear-Admiral J. De Courcy Hamilton, M.V.O. (Chairman of the Company), presided.

The Secretary (Mr. W. Workman) having read the notice convening the meeting,

The Chairman said that the resolutions which were to be submitted that day for confirmation were circulated in detail to the shareholders prior to the last meeting, when they were very fully discussed and carried in their present form. The business to-day was to confirm, or reject, them as they stood, it not being competent to amend them in any way. If it was necessary, as he (the chairman) hoped it would not be, to take a poll to-day, the directors, although they sent out only a limited number of proxies for that occasion, with a view to curtailing expense, had received a very generous response, and they were consequently in a position to carry out the policy which had been fully and clearly defined to the shareholders generally, and, having been duly carried at the extraordinary general meeting, should no longer be the subject of controversy. In view of the very full discussion which took place at the recent meeting, he proposed, unless it was the wish of those present to go over the ground in detail again, to move that the resolutions, as passed at the extraordinary general meeting on the 12th ult., be confirmed. He moved accordingly, and called upon Sir Wodehouse Richardson to second it.

Colonel Sir W. D. Richardson, K.C.B., seconded the resolution.

Mr. W. Montgomery White stated that, according to the verbatim report of the last meeting, the resolution, as amended, was not put to the meeting.

The Chairman pointed out that the minutes of the meeting were the official record, and they were signed.

Mr. White said he would record his vote under protest, reserving to himself power to deal with the matter thereafter. He then proceeded to refer in detail to the circular issued recently by members of the late Inquiry Committee.

The Chairman, in reply, said that the statement as to a definite increase of £1,600 a year in the board's remuneration omitted all reference to the fact that the directors, on amalgamation, would lose the Auxiliary fees of £2,900 a year. The fees for each ordinary director would be £800, as against £950 for the two companies.

The resolution was then put to the meeting, and carried.

The proceedings then terminated.

THE ALL-SEAS MARINE AND SALVAGE CO., LTD.

The statutory meeting of the All-Seas Marine and Salvage Company, Limited, was held on Wednesday, June 4, at Winchester House, Old Broad Street, E.C., Mr. H. B. Sedgwick (Chairman of the Company) presiding.

The Chairman said: Your Company has been formed and is at work, and our salvage vessels are now actively employed. We have had a small success in assisting to pull off a big American transport, for which services we receive £4,800. We are actively engaged in salvage operations in connection with another American transport called the *Lake Erie*, which is ashore off Penarth, and, I am informed by our salvage office, that so far the work is progressing satisfactorily, and I trust it may be successful. We have had a wire from our salvage officer there to say that all the nine-inch wires are under the *Lake Erie*, and they hope to have the first lift on Sunday next, which is satisfactory. One of our ships is getting ready to sail for the White Sea, where our managing director, Major Young, is already investigating thoroughly all the prospects and making precise preparations so as not to delay the work when the steamer arrives. We are acting there with the sanction and approval of the Admiralty, and, in some instances, we shall probably take charge of salvage operations in connection with vessels owned by underwriters. Another of our ships has been just fixed on remunerative salvage work on the basis of hire pay. We also purpose investigating the Mediterranean field, and, on that account, we are despatching there shortly a small salvage boat. I think we are very fortunate in having secured in good time the vessels and all up-to-date plant that we have, and our undoubtedly excellent salvage officers—including Captain Wilkinson, Lieutenant-Commander Bayford, and others, who for years have been engaged on salvage work for the Admiralty, and our managing director, Major Young. It appears to me that we have prospects of doing successful work, and I think we shall, but I notice the shares are being daily quoted at a considerable premium. Over this, of course, we have no control, and, although, as I said before, we have great confidence in the managers and officers of the Company, shareholders must not forget that all salvage operations are necessarily speculative, and anyone who may be tempted to pay a high premium for shares must not lose sight of that fact.

Mr. H. Hanford asked whether the board had any idea in the near future of issuing the balance of 1,100,000 Preference shares; if so, would they give the old shareholders the first option?

The Chairman, in reply, said that they had no intention at the present moment of issuing the uncalled capital. When they did the shareholders would be consulted.

Mr. Hanford said that the prospectus referred to an option or something of the kind of another salvage company. It struck him that to make very large profits they would have to employ a number of other companies. The Company seemed to have got hold of men of ripe experience, and one of the papers stated that a Cunard director had joined the board. Was that correct?

The Chairman replied in the affirmative.

The proceedings terminated with a hearty vote of thanks to the Chairman.

BELL'S UNITED ASBESTOS COMPANY, LIMITED.

The thirty-first ordinary general meeting of the shareholders of this Company was held at the Cannon Street Hotel, E.C., on June 5, Mr. J. Alfred Fisher (Chairman and Joint Managing Director) presiding.

Death of the late Chairman.

The Secretary (Mr. George W. Giles), having read the notice convening the meeting and the auditors' report,

The Chairman said: Ladies and gentlemen, at our meeting last year I said that the protracted illness of Mr. Herbert Bell continued to cause anxiety. We deeply regret that it has now become our duty to record his death, which took place in October last. The members of the board and officials of the Company feel that they have lost in him an able colleague and considerate chief, a kind and genial friend. Eulogistic references to his great and valued services to the Company would not be consonant with his wishes nor with those of his family. The most appropriate monument to his memory in connection with those services has been already erected by himself in the shape of a record of progress and prosperity, with which any business man might feel satisfied. I may, however, just say that Mr. Bell was appointed managing director in 1890. During the first ten years of his management the average rate of dividend paid was a little over 7 per cent. per annum, besides which £22,500 was placed to reserve. In the next ten years the average dividend was rather over 9 per cent., while £26,600 was added to reserve out of trading profits, and a further £40,000 from profits realised by the sale of property in Canada—a transaction initiated and carried through by Mr. Bell. In 1909 he became Chairman, the United Asbestos Company's business was absorbed, and in the four years preceding the War the dividend was further increased from an average of 9 per cent. to 12½ per cent., with £20,000 added to reserve.

A Record of Real Progress.

During the War period—viz., from 1914 to 1918—if the resolution which I shall presently submit is adopted, the average rate of dividend will have further increased from 12½ to 15½ per cent., with £85,000 more added to reserve. (Hear, hear.) I think you will agree that this is a record of real progress and sound finance, for if we had not availed ourselves of the opportunities to liberally strengthen the reserves we should not have been able—owing to Treasury Regulations—to meet necessary capital outlays or to provide for the larger requirements of the business without exhausting our invested funds. Although Mr. Bell was not able in recent years to take an active part in the management he cordially supported the policy advocated by his colleagues.

Now, gentlemen, you will not expect me to say much about the paragraph in the report regarding his successor. It is perhaps natural that after 55 years of strenuous work, over 40 of which have been spent in the Asbestos trade, I should place a high value on the compliment that has been paid to me. I realise that this also imposes additional responsibilities, and unless the appointment had received the generous support of my colleague, Mr. Charles Bell, as well as of the other members of the board, I should not have been considering the best interests of the Company in accepting the honour. The task is not made less onerous by the chair of this and its allied company having been occupied by such men as the late John Bell, Henry Heywood, Herbert Bell, Sir James Allport, of the Midland Railway, Edward Gellatly, known in shipping circles, and Mr. Ellice-Clarke. It has been my privilege to serve under nearly all these gentlemen, and I will only say that, inspired by their example, and with the advice and guidance of my colleagues, and the encouragement of your confidence, such qualifications as I possess will be devoted, to the best of my ability, in promoting the interests of this Company. (Hear, hear.)

Future Policy.

It is hardly necessary to remind you that conditions have been greatly changed by the War. Having successfully surmounted the difficulties of the past four years, we have entered upon the still more exacting duties of reconstruction, which are making large demands on our resources in time, energy, and money. While, therefore, we shall be guided by the example of our predecessors, it would hardly be correct to say that the lines of policy followed in the

past can be exactly adhered to in the future, but I can say, on behalf of my colleagues and myself, that no scheme involving large outlays or risks will be embarked upon without very careful consideration.

The removal of trade restrictions will help us, and it is refreshing to hear at last of the initiation by the Government of a small measure of Imperial Preference and of a definite undertaking to take steps to prevent dumping. (Hear, hear.)

The reduction in the excess profits duty will stimulate trade, but a partial or total abolition of the duty should not deprive those firms whose exceptional profits have been taxed to the extent of 80% of the right conferred when it was enacted of recovering exceptional losses during the transition period.

While we may hope that exceptional losses will not be incurred by this Company, we must not feel surprised if in the next year or two we have to face, in common with other manufacturers, a decline in profits, although we have the important advantage of possessing a clean balance sheet and strong financial position. (Hear, hear.)

Labour Questions.

Reference is made in the report to the labour and housing questions at Harefield. Your directors have endeavoured to meet reasonable aspirations of the Company's employees in a sympathetic and liberal spirit. Higher rates of wages and reduced hours of labour have been conceded. During the past two or three years we have expended over £25,000 in improving their working conditions, and, while the wages bill has been more than doubled, the average annual amount of profits distributed in dividends and interest in the past four years has only been about £4,000, or 15% more than in the year preceding the War—over 100% increase to labour and 15% increase to capital. Further, if income tax be taken into account, the net average profit distributed has been even less than it was before the War, while shareholders, like the workers themselves, have had to meet the increased cost of living. It can hardly be said, therefore, that this Company has profited at the expense of labour. We do not grudge these concessions to workers, nor reasonable outlays in bettering their working conditions. We want to see them satisfied and contented, and only ask in return that they should realise their own responsibilities. We can meet increased payments for labour if we get correspondingly increased production, and, if the employees in every department will take a really intelligent interest in their work, do what they can to get the best results out of their machines, economise time, and prevent waste. If workers generally, and their Unions, will recognise these obligations and earnestly co-operate with those who have risked their capital—which, after all, in most cases is only the accumulated savings resulting from their own labour—then the country will be able to maintain its position; but, if not, the export trade will be seriously compromised, we shall be under-sold in our own markets, and, as an eminent authority has said, the nation will head straight to disaster, the effects of which the workers themselves will be the first to feel. (Hear, hear.) Recognising the importance of co-operation between capital and labour, your directors have participated in the formation of a Joint (Whitley) Industrial Council for the asbestos trade. Before this could be done it was necessary to organise the trade. Accordingly, an Association of *bona-fide* British manufacturers was formed and registered. This is a consultative body, and not a profit-sharing or price-regulating combination, although wide powers are taken in the Memorandum of Association. Each concern preserves its independence of action and policy. The Council consists of representatives of the manufacturers elected by the Association and an equal number of representatives of the workers. By means of the formation of works committees and regular meetings of the Council it is hoped to remove causes of friction and establish even better relations than those which, I am pleased to say, already exist between our own workpeople and ourselves, largely because of the tact and consideration shown by my colleague, Mr. Charles S. Bell, and our excellent works manager, Mr. Cann, and his assistants. (Hear, hear.)

Housing.

Reference has been made in the past years to the housing difficulties and to the possibility of further outlays under this head. Such outlays, I am sorry to say, only give us a very small direct return on the capital, but the expenditure is necessary. We must attract workers into the locality of the factory, and do the best we can to keep them there by providing, or assisting them to provide, suitable accommodation and means of recreation. There appears to be little or no prospect of much being done to help us in this direction by the local authorities, which I feel sure is not due to any lack of goodwill. Proposals are under consideration for the acquisition of additional land and the erection of 50 to 100 more houses under the Government utility scheme, and if the proposals prove to be workable, I hope they will help us to solve a difficult problem on the most economical lines possible.

"Poilite."

You are aware that we have supplied enormous quantities of "Poilite" to Government Departments for buildings of a temporary and permanent character during the War. This practically ceased soon after the Armistice. Although the immediate outlook is uncertain, we think that with the revival of building operations the general demand, which is gradually developing, should be large.

Alterations in Memorandum and Articles of Association.

With regard to the proposed alterations in the Memorandum and Articles of Association of the Company, although the resolutions on these matters will be submitted for your consideration and, as we hope, approval at the special meeting to be held at the close of the present meeting, I touch upon them now because they are referred to in the directors' report, which you will be asked presently to confirm. You are aware that the operations of the Company have been considerably extended, and the alterations are proposed because your directors are advised that both the Memorandum and Articles are in some respects out of date and not adapted to present requirements. For many years, for example, we have carried on a profitable business in engineers' tools, fittings, machinery, and stores other than asbestos, and more recently we have entered into the "Poilite" business, which frequently necessitates the carrying out of roofing and other contracts where "Poilite" is used, and which partake more or less of the nature of building operations. Of course, we prefer to confine our business to the supply of "Poilite" materials and to leave their actual application to others, but it frequently happens that customers and builders themselves require us to do the fixing, and so we become roofing or building contractors. These operations were not contemplated when the Memorandum of Association was originally drafted, and although the Company's powers as then settled are fairly comprehensive, it is desirable that they should be made perfectly clear and that nothing should be left in doubt. Accordingly, in addition to the matters just referred to, powers to co-operate with other concerns, to enter into profit-sharing arrangements, to promote or form auxiliary agency or other companies, to subscribe capital therein, to support schemes or associations calculated to benefit employees or advance the interests of the Company—all of which are usual in companies like ours—are provided for and clearly defined in one of the resolutions which will be proposed.

Capitalisation of Reserves.

With regard to the Articles of Association, apart from some minor alterations in the nature of necessary corrections, you will be asked to sanction additional clauses authorising the capitalisation of reserve funds. This is a matter which has already received the attention of your directors, but while preserving an open mind on the subject, they do not propose—at any rate at the present moment—to recommend more than the taking of the necessary powers in case it should at any time be deemed desirable to put them into operation. If, however, it should be decided to deal with a portion of the reserves invested in the business in this way it would be necessary to increase the capital of the Company. Therefore, as the one thing is dependent upon the other, and as it is probable that extensions of the factory, housing accommodation, and other projects which are not sufficiently matured to bring before you at present may entail further outlays, your directors recommend that the nominal capital of the Company be now raised from £200,000 to £400,000.

The Accounts.

Now, Gentlemen, I am afraid I have wearied you by this exceptionally long, though necessary, statement, and my reference to the accounts for the past year will be brief. There is a saying that "good wine needs no bush," and I think that good wine, in the form of a satisfactory balance-sheet and an equally satisfactory dividend, plus bonus, is again placed before you to-day. (Hear, hear.) The figures require very little explanation. The Ordinary shares now stand at £140,000, an increase of £627, representing shares issued at a premium of £1 per share in part payment for cottages bought about a year ago. The premium is added to reserve. Debentures have been reduced by a further £3,000. The item due to creditors (£77,000) shows an increase of nearly £10,000, owing to the fact that something was kept in hand on account of excess profits duty and income-tax, the assessments having only recently been settled and the balances paid. Investments (£60,000—the same amount as last year) are now again appreciating in value, the lowest market quotations on December 31 last averaging about 4% more than the balance-sheet figures. Cash, bills receivable, debtors, and stock-in-trade, together amounting to £316,000, show an increase of about £20,000. The valuation of the stocks was made on the conservative basis adopted in previous years. The times have not been propitious for expenditure on machinery, and after writing off depreciation this asset shows a reduction of a little over £2,000. Land and buildings at Harefield show an increase of £11,000, for which the purchase of cottages and the completion of the hostel and canteen are responsible. This is after deducting one moiety of a substantial sum allowed towards the cost of the hostel and canteen by the Ministry of Munitions. As it has not been possible, through shortage of labour and material during the past two or three years, to carry out all necessary repairs to buildings, an amount has been reserved from profits to cover this outlay. The leasehold premises at Greenwich have been sold; this asset has, therefore, disappeared from the balance-sheet.

Net Profit, Dividend, and Bonus.

The net profit for the year is again a little over £40,000. I have often seen it stated that the excess profits duty has been largely accountable for the increased prices of commodities, but in the case of this Company the duty has never entered into our calculations when regulating prices. It has been left to take care of itself, and prices have been increased only by so much as was necessary to meet actual increased costs, with the result that we have retained old and valued customers, and believe that, on the whole, we have given them satisfaction. When addressing you last year we were afraid that it might be necessary to discontinue the payment of a bonus for 1918, but as we have again done rather better than we expected, your directors are glad to be able to propose its renewal for still another year, to place £15,000 to reserve, and to carry forward £9,566 11*s.* 2*d.*

The Staff—New Director.

Before closing I must again express, on behalf of the Board, appreciation of the untiring zeal and ability of the staff. I have pleasure in introducing to you Mr. Kenneth Lightfoot, who has been elected a director of the Company. Mr. Lightfoot was strongly recommended for this position by our late Chairman. He is an engineer of considerable experience, and the son of Mr. T. B. Lightfoot, who, both as a director and customer, has given valuable support to the Company for many years. I now move : "That the report of the directors and of the auditors, and the financial statements submitted to this meeting, be and the same are hereby approved, adopted, and confirmed, and that in addition to the dividend at the rate of 6% per annum paid upon the Preference shares, a dividend at the rate of 1*s.* 6*d.* per share and a bonus of 6*d.* per share be paid out of the profits on the Ordinary shares, making, with the interim dividend of 1*s.* per share already paid, 15% for the year." (Applause.)

Mr. A. J. Burnett seconded the resolution, which, in the absence of question or comment, was put to the meeting and carried unanimously.

Mr. G. R. T. Upton next proposed the re-election of the retiring directors, Mr. H. J. Enthoven and Mr. T. B. Lightfoot.

Mr. C. S. Bell (Joint Managing Director) seconded the motion, which was unanimously agreed to.

The auditors (Messrs. Cooper Brothers and Company) were reappointed for the ensuing year, on the motion of Mr. Ellice-Clarke, seconded by Mr. J. McCallum

Extraordinary General Meeting.

The Secretary having read the notice convening the extraordinary general meeting,

The Chairman said that he had already given the reasons of the board for proposing the resolutions set out in the notice. The whole of the resolutions had been settled by eminent counsel, under the instructions of the Company's solicitors, Messrs. Herbert Smith, Goss, King and Gregory. He was informed that after the first and second resolutions had been approved by the shareholders and confirmed at the further meeting to be held on the 26th inst. it would be necessary to obtain the sanction of the Court to the alterations in the memorandum of association. He then formally moved that resolution No. 1, relating to the alterations in the memorandum of association of the Company, be approved and adopted as an extraordinary resolution.

Mr. T. B. Lightfoot seconded the resolution, which was carried unanimously.

Resolution No. 2, relating to the modifications in the articles of association, was also approved and adopted as an extraordinary resolution, on the motion of the Chairman, seconded by Mr. Enthoven.

The Chairman then moved : "That the capital of the Company be and the same is hereby increased to £400,000 by the creation of a further 200,000 shares of £1 each."

Mr. Bell seconded the resolution, which was also carried unanimously.

Mr. N. Herbert Smith, in proposing a vote of thanks to the Chairman, referred to that gentleman's qualifications for the position which he occupied, and remarked that he and his colleagues had for many years made a uniformly good showing. The satisfaction of the shareholders was reflected in the fact that they did not feel it necessary to attend these meetings in large numbers to criticise the actions of their executive; in fact, the proposals of the board had always been received with complete unanimity. He regarded the Chairman as being the right man in the right place. (Applause.)

Mr. Ellice-Clarke seconded the proposition, and in doing so said he thought the Chairman and the directors deserved all the praise which the shareholders could give them. He was pleased to hear the Chairman speak so nicely of the staff, for, after all, whatever the Chairman or the directors might do, unless their efforts were supported by the whole of the staff with good work the concern could not prosper. (Hear, hear.)

The vote was unanimously accorded.

The Chairman, in acknowledging the vote, said he was very glad that the staff had been coupled with the resolution, because he did not think that any company in London had a more zealous, hard-working, and devoted staff than the one which this Company possessed, and they fully deserved the best thanks of the shareholders. (Hear, hear.)

The proceedings then terminated.

R. AND J. HILL, LIMITED.

The annual general meeting was held on June 5 at Winchester House, E.C.

Sir Herbert B. Mackworth Praed, Bart., presided, and in moving the adoption of the report and accounts said that the profit on trading of £70,003, as shown in the accounts, compared with £53,249 a year ago. That was a satisfactory result. Proceeding, he dealt in detail with the accounts, and then went on to recall that, when the Company was formed in 1897, the duty on tobacco had been at the rate of 3*s.* 2*d.* per lb. only, as against the present rate of 8*s.* 2*d.*, whilst since that year labour and packing materials had advanced in cost at least 100% and leaf tobacco fully 300%. Such conditions called forth a very much larger amount of working capital, but, as shareholders were aware, there had been no corresponding increase in the Company's capital, which was inadequate for present requirements. That condition of affairs was detrimental to all progress, as it restricted expansion, and, in addition to their having had to employ profits to meet the requirements of working capital, shareholders would also notice that the Company had had to call on their bankers to a very considerable extent for loans. That state of affairs could only be remedied by the introduction of further capital into their business. It was a recognised and acknowledged fact that the taste of smokers throughout the British Isles had of recent years, and more particularly so during the past two years, turned to a very large extent in the direction of cigarettes. The directors had been fully alive to those changed conditions of trade, and, so far as lay in their power, had provided machinery and accommodation for the increased cigarette business, of which he was pleased to be able to say they were securing a fair share, especially in their leading high-grade brands, and in particular "Spinets." The demand for their cigarettes had been far in excess of their output, although the factories had been working to their fullest capacity. It was hoped, however, that they would very shortly have the advantage of additional cigarette-making machinery, which would enable them considerably to increase their present large cigarette sales. Their efforts to establish a brand of high-class pipe tobacco had met with success; sales of "Spinet" mixture, and of "Spinet" cigarettes were extending throughout the whole of the United Kingdom. Now that conditions were becoming more or less normal, and the difficulties of the export trade were clearing away, they were devoting particular attention to that lucrative part of the business. A special representative had been appointed to travel to the Colonies and foreign countries with a view to extending that section of their trade by securing first-class distributing agents and importers for their tobaccos, cigarettes, and cigars in all the markets of the world. In Mr. Archer, their Managing Director, he could say without hesitation that they had the best-known man in the tobacco world. All sections of the trade had the highest respect for Mr. Archer, whose knowledge of the various details connected with the manufacture of tobacco was unique. Mr. Archer had served on the Advisory Committee of the Tobacco Control Board, which had recently ceased its functions owing to the termination of war conditions. Generally, the result of last year's trading, coupled with the success with which they had established a popular demand for their better-grade brands, together with the recently proposed reduction of excess profits duty, gave them every reason to look to the future with confidence. The position and prospects of the Company had never been more promising.

Mr. H. G. Archer, the Managing Director, in seconding the resolution, spoke of the importance of securing a full and adequate supply of raw material, and called attention to the greatly increased amount of capital which was necessary to conduct the business nowadays.

The report was adopted.

SHANGHAI ELECTRIC CONSTRUCTION, CO., LTD.

The thirteenth annual general meeting was held at Basildon House, Moorgate Street, E.C., on June 5, Sir Alfred Dent, K.C.M.G., Chairman of the Company, presiding.

The Secretary (Mr. L. W. Hawkins) having read the notice convening the meeting and the report of the auditors,

The Chairman said : Gentlemen,—Our gross receipts for the past year (1918 show an amount of £172,082, against £161,363 last year. The loss on native coinage amounts to £39,037, against £35,477 last year, and after deducting that amount there is a total of £133,044. We then have to add an amount of £491 for rents and advertising, which leaves us with a total of £133,535, against £126,326 last year, and after deducting working expenses in Shanghai there remains an operating profit of £51,822. The profit on exchange account was £22,878, against £17,852 last year, or an increase of £5,026. We have again adopted a rate of 2*s.* to the dollar, which enables us to compare better one year with another. Dividends on War stock and interest on deposit account for London and current account (Shanghai) amounted to £863 13*s.* 11*d.*, against £127 in 1917, and the balance brought forward from last year was £14.264.

After charging interest on unclaimed dividends (£915), London directors' fees, and general expenses (London), the

balance carried down amounts to £71,537, against £67,504 last year. This leaves standing to credit of profit and loss account, before making any appropriations, an amount of £85,801. We have transferred to renewals account £10,000, and £8,000 to preliminary expenses account (which extinguishes that account in our books). We paid an interim dividend of 5%, less income-tax, which cost £16,000. These amount together to £34,000, which leaves us for disposal a balance of £51,801. We recommend payment of a final dividend of 5%, making 10% for the year, and a bonus of 5%, both less income-tax, which together absorb £32,000, leaving to be carried forward for next year (subject to excess profits duty) an amount of £19,801. The loss of £39,037 on native currency shows an increase over 1917 of £3,580.

Reserve for renewals now stands at £73,690, against £64,170 in 1917, or an increase of £9,520. At some future time we shall no doubt have some heavy charges against this reserve, and as the cost of the renewals will be higher for some time to come (and perhaps permanently) by reason of the general rise in the cost of materials, it may possibly be desirable in future that the annual appropriations for this account should be somewhat increased.

The cash on deposit in current account and in hand in London and Shanghai amounts to £37,347, against £21,769 in the last account, or an increase of £15,578, besides which we have our £5,000 5% War stock, which cost £4,750.

We have, as in former years, received from our general manager, Mr. McColl, a detailed and exhaustive report on the Company's operations during the preceding year, in which he has marshalled, with his usual ability, all the important factors, and given us comparative statements showing in the most convincing manner the progress to which his work has so largely contributed. The local board has devoted unremitting attention to the Company's affairs, and I am sure that I shall have the support of the shareholders in placing on record, on behalf of my co-directors and myself, our appreciation of the valuable services rendered by the Shanghai staff, the local board, and Mr. McColl. I now move the adoption of the report and accounts.

Mr. J. S. Haskell seconded the motion, which was unanimously adopted.

A final dividend of 5%, less income tax, for the year 1918 (making 10% for the year) and a bonus of 5%, less income tax, was declared.

The retiring director, Sir Alfred Dent, K.C.M.G., was unanimously re-elected, and in returning thanks said that in connection with schemes which the directors had in mind it might be necessary to raise some additional capital.

Mr. A. M. Marshall, who joined the board on January 1, 1919, was confirmed in his office.

The auditors, Messrs. Deloitte, Plender, Griffiths and Co., were reappointed.

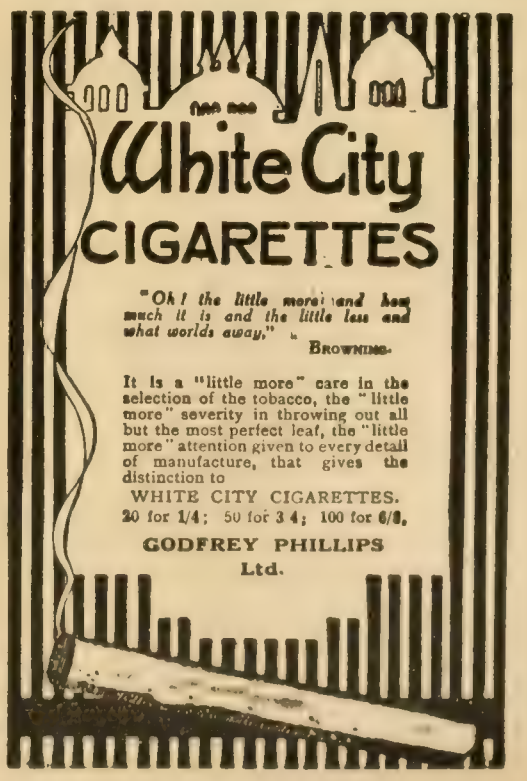
A vote of thanks to the Chairman and directors, and to the local board, manager, and staff in Shanghai, concluded the proceedings.

CALGARY AND EDMONTON LAND COMPANY, LIMITED.

THE ordinary general meeting was held on June 5, at Salisbury House, E.C., Mr. Ernest Chaplin (Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: The profit and loss account shows that after adding the profit for the year, £12,243, to the sum of £11,718 brought forward, and deducting the amount of the dividend of 4*d*. per share, paid in March, 1918, there remains £20,943. Part of this amount is invested in National War Bonds as a floating reserve against the capital of the Company as now reduced, and part has been utilised in paying the dividend of 9*d*. per share, distributed last April. Turning to the credit side, and taking the land account, you will observe that, as the result of the careful and conservative policy inaugurated at the inception of the Company for working the land reserve account, the total cost of the whole of the land acquired by the Company has now been entirely written off. The effect of this is that the 62,600 acres of land which remained unsold at the end of 1918 do not now stand at any cost whatever in our books, in addition to which the whole of the remaining instalments still to be received in respect of land sales already made, will, as they come in, be profit to the Company, and will not be subject to any deductions for reserve as in the past. This position, I think you will agree, is an extremely satisfactory one. Debts due to the Company, £97,792, speaks for itself. Turning to the profit and loss account, on the debit side, the total expenditure in both Winnipeg and London amounted to £10,797. Deducting from this sum the item of £1,233 for income tax, which is an expense outside our control, there remains a balance of £9,564 as representing the year's expenditure, which compares with £10,127 for the preceding year. The amount of £3,277 paid for farmland taxes for 1918 compares with £3,418 in 1917. The reason for the 1918 taxes exceeding those of the preceding year, notwithstanding the smaller area remaining unsold in 1918, was, owing to the assessed value of our lands for wild land tax being considerably increased over the 1917 assessment. In many cases we have appealed against assessment valuations which we considered too high, but so far all such appeals have been of no avail. The town-sites taxes for 1918 amounted to £1,231, as against £1,569 for 1917. This reduction is brought about by the smaller area of town-site lands now belonging to the Company. If we are unable to sell the balance of approximately 700 acres of unsubdivided town lands now remaining unsold, we propose applying to the authorities for the withdrawal of those lands from the boundaries of the town sites, making them farm lands, which should considerably reduce the taxes payable thereon.

During the year ordinary land sales aggregated 11,556 acres, which area, in view of the smaller acreage now remaining available, must be considered as quite satisfactory. The average price realised—namely, $10.35 per acre—showing, as it does, an increase of 33 cents per acre over the price obtained in 1917, is equally satisfactory; 533 acres of town site lands were also disposed of, realising an average price of $45.92 per acre, a substantial and satisfactory increase of $14.34 per acre as compared with the preceding year. Sales of 27 town site lots were likewise made at quite good prices, although not quite so high as those obtained in 1917. For the first five months of the current year we have disposed of 3,766 acres of ordinary land at an average price of $10.69 per acre, an increase of 34 cents per acre as compared with the average price obtained for 1918. No new petroleum leases were granted during the past year, and in the case of nearly all the existing leases the lessees are in arrear with their rents. Our agents advise that they may possibly be able to collect these arrears, which amount to some $10,000, but that it may be difficult owing to the fact that up to the present time oil has not been found in paying quantities. They understand, however, that one of the lessees is still prospecting in the hope of finding oil, and we can only express the wish that his efforts may meet with success. At our last meeting I told you it was rumoured that the Dominion Government might possibly be disposed to take an active part in the development of the oil deposits in Western Canada, but that we could not then vouch for the truth of the rumour. We have since learned that a very powerful English group interested in the oil industry did make certain proposals to the Government for a thorough and systematic exploitation of the oil resources of the Province of Alberta, but they were not accepted by the Government. From certain recent references in the Press, however, it would appear as though the matter is again under consideration. We hope this is so, and that in this instance some satisfactory arrangement for the proposed exploratory work will be come to, as there is little doubt in our minds that if this work were entrusted to the group in question, or some other equally powerful concern, they would, with the great expert and financial resources which they control, be able to settle beyond doubt the debatable point of whether oil in paying quantities exists in the Province or not—a matter of such



vital importance to the Dominion, and one also which incidentally would have far-reaching benefits for our Company if the suggested investigations resulted favourably on or contiguous to our property. In regard to coal I have nothing fresh to report. No sales of coal rights were made in 1918, and we must just continue to exercise patience in waiting for the time to come—as come it must—when there will be a demand for the undoubtedly valuable asset which the Company possesses in the coal on their property. It may probably interest you to know the present financial position of the Company. We have unpaid instalments, cash, securities, &c., amounting to £120,000; approximately 60,000 acres of land and sundry town site lots still unsold, and the mineral rights (coal, oil, gas, &c.) on approximately 1,200,000 acres.

The resolution was unanimously adopted.

INVESTMENT TRUST CORPORATION, LIMITED.

THE thirty-first annual general meeting of the shareholders was held on June 5 at the offices of the Corporation, Gresham House, Old Broad Street, E.C., Mr. Robert Fleming (the Chairman) presiding.

The Secretary (Mr. Hildred Carlisle) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—We have no longer to deplore the daily loss of thousands of our most precious lives. What we set out to do—namely, to protect ourselves from the menace of an overbearing militarism—has been, at terrible cost, accomplished. Let us hope that the end will soon come in a peace that will last and help to restore the bonds of amity among the nations. Last year I said that, as far as we could see, there would, subject to income tax, be as great a revenue available for dividend now as for the previous year, and that is practically the result. The figures show £1,043 less, but this is more than accounted for by the extra income tax of the year. The Company is still very much in the War, in that one-fourth of our capital is in Government bonds and another fourth lent to the Government in securities. This restricts our operations and profits, naturally, but we will, I hope, gradually be freed from these drawbacks.

Investments in U.S. Railroads.

Some of you may not remember that in the formation of the Company 31 years ago we said that it was intended to invest a large proportion of the funds in the bonds of railroads in the United States of America, and, speaking generally, our investments, as the summary in the report has always shown, have been in bonds or preferential securities bearing fixed rates. Although during these 31 years (except during an exceptionally prolonged period of cheap money, culminating in 1896, when Consols were 114 and 3% British Railway Debenture stocks 126) the tendency has been towards higher rates of interest and lower prices for securities bearing fixed rates of interest or dividend, I think I am correct in saying that, on the whole, that resolution, which has been adhered to throughout, has not been to our disadvantage. On our original capital, which has never been reduced, we have always paid dividends not less than 5%, and, since 1899, steadily increasing dividends till 1913, when the rate was made 12½%. Since then we have come through Armageddon without any reduction of dividend, but with some reduction in the annual surplus beyond. But the War's demands compelled the realisation of the great bulk of our American Railroad bonds, these being the most important item in the country's foreign holdings realisable in the hour of its greatest needs. On August 1, 1914, we had about 70% of our capital invested in the United States; to-day that is reduced to 36%, and of that the greater part is lent to the Government. The proceeds of these realisations were mainly reinvested in the bonds of our own Government, and beyond them in home industrial securities. We have so far invested scarcely at all in the Ordinary stock of industrial concerns, and that has undoubtedly kept us out of many opportunities of profit during the War. Another rule we have observed is not to have any investment on which there existed an uncalled liability, such as banks, which have done extremely well of recent years. I am ready to admit that, had we, when the War began, abandoned these rules, which are no part of our constitution, we should have done better for the Company.

The Outlook.

To-day, with labour and other prospects by no means assured, and with an artificial ease in the Money market maintained by constant additions to our paper currency, and with investments abroad practically prohibited, it is very difficult to say what is the wise thing to do in the matter of making investments. If commodities remain high and taxes remain high, and business is actively resumed, it would appear inevitable that the rate of return on investments must also be high, and probably higher than under existing artificial conditions. In a recent visit to New York I found bankers most willing and anxious to help our finances, but, though they are rich and we are poor compared with them, securities of like standing in many cases sold lower there than in London, and money is dearer there than here. I do not quite see in what direction this country can hold out adequate inducements on the basis of the present comparative level of prices, altogether apart from the income-tax difficulty. It is different on the Continent of Europe. There the great depreciation in currency may tempt the American dollar.

After the American Civil War Europe bought huge amounts of United States Government bonds with gold, which was at a high premium over United States greenbacks, which, with National Bank Notes, were then the currency of that country. But we must hope that no similar speculative temptation will arise through a heavy depreciation in our pound sterling. The long-pent-up tendency among the dwellers in North and South America for European travel should soon bring some partial return of the golden stream to its old direction; but a resumption—let us hope a prompt resumption—of our export trade must be our main reliance.

"The Old World in Debt to the New."

One result of this, the greatest war the world has ever seen, has been the transfer of capital and of debt from one country to another; it is almost true now to say that the Old World is in debt to the New, and this sudden transformation has brought about a total disorganisation of the exchanges of the world. It is to be hoped that a financial readjustment with a view to a general restarting of industry everywhere will be fully considered at the Peace Conference, and that countries that have profited by the War, neutrals as well as combatants, will help liberally in that direction. The repayment of money lent by rich Allies to weak ones must take a subordinate place in the final settlement if the world is ever to be restored. It will be an evil basis for a League of Nations if, as between the Allies themselves, the cost of making the world "safer for democracy" should continue a millstone round the necks of those who have been in the colossal struggle from the beginning and so have well-nigh exhausted both life and treasure. But this I do not doubt will be fully realised. But it is futile with regard to ourselves to indulge in hopeful anticipations unless without delay the whole nation sets to work. Our island is small: it is not self-contained, and 45,000,000 of people cannot comfortably live on it unless, year by year, we make things to exchange for the things that we must buy from other nations. We cannot continue, as during the past five years, blowing into the air the things we make and living on our capital. But the world wants our goods and is ready to give us theirs in exchange with much goodwill. Let us then produce all that we can, so that we may get the more in exchange. Trade is barter, and what we can buy and distribute depends entirely on what we can sell. If we are ever to reduce the crushing debt which the War has left us, we must sell more than we buy. We must save. Taxation of the old rich is inevitably very heavy, and the result must be that they will be unable, to the same degree as before the War, to furnish funds to expand the country's trade. Let us hope that their place will be taken by the new war wealthy, whose name is legion, and by the very numerous class which the savings campaign, conducted by Sir Robert Kindersley's organisation, has created. These new millions of investors should be educated to invest not only in Government bonds but in home industrial securities.

Conditions in Argentina and Mexico.

In the Argentine, though the crops have been excellent and the prices high, political conditions are not satisfactory, and a port strike has practically tied up the export of the country for many weeks. I am glad to see that quite lately the railways have been permitted to advance their rates. In Mexico, where we have a total book value of about £100,000 spread over a dozen securities, the country keeps advancing economically in spite of grave political conditions. If practical men take charge in the United States, a new Mexican prosperity, based on a recognition of existing obligations, must ensue. It should not be forgotten that to a very large extent Mexico's obligations represent productive properties.

The fluctuating market value of your securities is, as you know, of subordinate importance in a trust company, as in a private trust, but the directors have always liked to extend to the shareholders what knowledge they themselves possessed, whether favourable or otherwise. On May 1 the market value, as near as we could estimate (for, as you know, some of so many as 338 securities have no quoted market value), was less than the book value by £337,100, but against that our reserve fund and carry-forward was £753,000. Compared with the fall from pre-War prices in investment securities generally, this cannot be considered unfavourable. The depreciation, which is 7%, compares with last year's 11%. Having thus briefly dealt with the Company's position both from the revenue and capital point of view, I beg to move: "That the directors' report and the accounts of the Corporation for the year ended May 1, 1919, be received, approved, and adopted, and that final dividends of £2 per cent. on the Preferred stock, making, with the interim dividend, £4 per cent. for the year, and at the rate of £7 per cent. on the Deferred stock, making, with the interim dividend, £12 10s. per cent. for the year, both less income tax, be and the same are hereby declared."

Mr. H. A. Vernet seconded the motion, which was carried unanimously.

The retiring director (Sir Henry S. Cunningham, K.C.I.E.) was re-elected, and the auditors (Mr. Cecil Oscar Webb

and Mr. Osmond Maskell, chartered accountants) were re-appointed.

The proceedings terminated with a vote of thanks to the Chairman and the directors.

MAYPOLE DAIRY COMPANY, LIMITED.

THE twenty-first annual general meeting of the Ordinary shareholders of this Company was held on June 5 at Winchester House, Old Broad Street, E.C., Sir W. George Watson, Bart (the Chairman), presiding.

The Secretary (Mr. W. J. Latty), having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: Ladies and Gentlemen,—With your permission we will adopt our usual procedure and take the report and accounts as read. We have had a somewhat difficult year. We were troubled with queues in the early months, before the adoption of a public rationing scheme. The only way to stop queues, when essential foods are in very short supply, is to ration the public. Unfortunately, for a time our Government did not ration the public themselves, and they prevented Maypole or other private traders from rationing, it being held to be "making a condition" for a retailer to confine his sales to his own customers. Under these circumstances the only retailer, who could legally prevent queues were the Co-operative Societies, who were held to be legally entitled to ration by confining their sales to their own members. The net profits for last year amount to £713,566 5*s.* 3*d.*, which compares with £747,249 9*s.* for the previous year. The volume of trade done during the last nine months of the year shows a large decrease, but this decrease has been partially compensated for by the higher rate of profit per lb. yielded by the controlled retail prices of tea and margarine. Now that the control is lifted, we are again free to sell at competitive prices, and we hope, by charging low prices, to regain all the customers we lost when we were for a time forbidden to retail margarine because we had not retailed sugar.

Rise in Prices of Raw Materials.

I am sorry to say that, since the blockade was partially lifted and the markets of the world opened, there has been a great advance in the price of raw materials owing to the competition from those countries where food is scarce. This has caused the cost price of margarine to advance considerably, but we are doing our utmost to keep down the retail price in our stores. We do not give credit or deliver goods. We must, therefore, give advantages in price or quality over most other traders to induce customers to come to our branches and carry away their purchases, and so enable us to obtain a large trade and turnover. Before the War it was impossible for any British margarine manufacturer to build up a large business in this country unless he distributed his margarine through his own retail stores and thus protected himself from "foreign dumping." During last year we sold our Danish share interests, which also included our interests in the copra-buying stations at Colombo, Penang, and Singapore.

Profit-Sharing and Co-Partnership with Employees.

We have given special help to the employees interested in the trading results from those shops where our trade and supplies were transferred to the sugar retailers. We have also modified our co-partnership scheme. After our difficulties during control we decided not to continue to take the responsibility of having an obligatory co-partnership scheme for our employees. We did this with regret, as we think that profit-sharing and co-partnership with employees is the only sound and permanent solution of labour problems. We have always considered that our employees should become shareholders. Positions on our board of management are attainable by any employee of exceptional ability and initiative. We try to give all our employees an equal opportunity of advancement, and the growth and success of our business proves the soundness of this policy. We have reduced the hours of work in our factories by the adoption of the shift system. We tried by the same means to shorten the hours of work of our shop assistants and extend the hour of closing at our branches to seven o'clock on the earlier week days, so that the public could, when necessary, shop after they had finished their work. Unfortunately, this shift system has met with objection in certain districts, although it was necessary to enable us to carry out our promise to re-employ all our demobilised men, and shorten the hours of work.

Increase of Capital.

We are asking you to give us power to increase the registered share capital of the Company to £3,000,000. We propose to issue new Deferred shares at par (12*s.*) *pro rata* to Deferred shareholders, as, judging from our experience, and present conditions, it was a mistake to issue 2*s.* shares at a premium of 20*s.* per share, as was formerly done by our Company. This procedure gave some members of the public a false impression of the actual percentage yield on the capital invested in our Company.

In conclusion, I must express our heartfelt thanks to our staff, who have, one and all, done their best to increase our output and overcome the great difficulties caused by the vain attempts of our enemies to stop our supplies. I should like also to express our appreciation of the efforts of the Food Controller to ensure supplies to every member of the community. We are proud to think that we have been able to do our share to assist him in this respect. I will now formally move: "That the report and balance sheet for the financial year ended December 28, 1918, as certified by the auditors, Messrs. Whinney, Smith and Whinney, be and is hereby confirmed and adopted, and that the interim dividend of 1*s.* 3*d.* per share (less income tax) paid on the Deferred Ordinary shares on May 1 is confirmed and approved."

Mr. J. Barber seconded the motion.

Interest in Copra Plantation.

Mr. Herbert asked whether it was the policy of the Company to purchase its raw materials in the market, or whether it had taken any steps to provide its own supplies.

The Chairman, in reply, said that the policy of the Board was so framed as to enable the Company to get its raw materials at the lowest possible price. They both bought in the market and went to the country of production. Taking one article, ground nuts, they had, through one of their subsidiary companies, 60 stores along the river Gambia, where they sold calico and other things to the natives, and in return received from them ground nuts, which were brought to their warehouses along the river and shipped to their crushing and refining ground. With regard to copra, the Company had a small interest in a copra plantation. It would, however, be too large an undertaking for them to think of growing all the copra they used. It would necessitate their having an immense territory, capital, and personnel, which was very difficult to get at the present time. They took an interest in the copra plantation referred to more with the idea of seeing how they could improve the quality of the copra than for anything else, their idea being, after having gained a certain amount of experience in that direction, to inform other copra plantation owners how they could improve the quality and thereby supply the Company with a better article than that with which they had been supplied in the past. Up to a few years ago, the oil from copra was chiefly used for the manufacture of soap, and the question of quality was not then of such great importance, but now that it was used so largely for edible purposes, they looked at the matter from a different point of view. They were making an article, in margarine, which was in competition with butter, and it was of the highest importance that they should do all that was possible to improve its



quality. In that way they hoped that the success they had achieved in the past would be enhanced in the future.

The New Capital.

Mr. M. Speakman asked to what extent the directors proposed to issue the new capital which they were taking powers to raise.

The Chairman said he did not wish to commit himself, but it would be the policy of the Board to issue the new capital as and when it was required. Some of it would probably be issued very promptly, because, with the extension of the business, it was very necessary that they should have a large amount of capital available. Their reason for issuing the new capital at par was easily explained. If they had issued the shares at, say, 22*s*., and paid a high rate of dividend, they would lay themselves open to be attacked as profiteers. Replying to further questions, the Chairman said that the Board's view, as at present advised, was that subsequent issues should be made on the same terms, although, of course, it would be open to them, if they thought it advisable, to issue some of the shares at a premium. They could not issue the new shares to the Preference and Preferred Ordinary shareholders at par, but he would point out that shareholders of those classes would be having more capital put behind them, and therefore their position would be strengthened. With regard to the utilisation of the new capital, they required some of it for the extensions made during the last two or three years, when they could not issue fresh capital without permission, or at all events, when they did not think it would be serving the interests of the country to do so. Large sums had been spent on factories and developments in various parts of the world, with a view to increasing the supply of raw materials and the production of margarine. They had not, during the period of the War, opened many new shops, as they considered it unwise to do so. It would be impossible, or, at any rate, unwise, to bind themselves as to the exact way in which they would employ fresh capital in the future.

After further discussion the resolution was unanimously carried.

Mr. Douglas Hankey then proposed the re-election of the retiring directors (Sir W. George Watson, Bart., and Mr. A. E. Watson), and in doing so remarked that the phenomenal success of the Company was due to the valuable services of these gentlemen and their colleagues on the board. It was certainly satisfactory to the shareholders, as it must also be to their customers, to know that the Company's profits were not due to what was commonly called profiteering, but to the enormous turnover. He believed that the profit represented only one farthing per lb. on the turnover.

Col. Hans Hamilton seconded the motion, and it was unanimously agreed to.

The auditors (Messrs. Whinney, Smith and Whinney) were reappointed.

On the motion of Mr. C. H. Watson, seconded by Mr. G. F. Jackson, J.P., it was then resolved "That the capital of the Company be increased to £3,000,000 by the creation of 16,000,000 new shares of 2*s*. each, such new shares to be called Deferred Ordinary shares and to rank for dividend and in all other respects *pari passu* with the existing Deferred Ordinary shares in the Company."

Mr. Haigh moved a cordial vote of thanks to the managing directors and to the assistant managing directors and also to the staff.

This was seconded by Mr. P. O. Watson and unanimously accorded, and a brief acknowledgment was made by Mr. C. H. Winterbourne.

A vote of thanks having been passed to the Chairman and directors, the proceedings terminated.

DOOLGALLA (CEYLON) RUBBER ESTATES, LIMITED.

The annual ordinary general meeting was held on June 3 at the London Chamber of Commerce, Oxford Court, Cannon Street, E.C., Mr. F. O. Streeten (the Chairman) presiding.

A representative of the Secretaries (Messrs. Spence, Wallis and Company) having read the notice convening the meeting and the report of the auditors,

The Chairman said: The year that we have under review has been in many ways the most difficult one of all the long years of war, and it was only during the very end of the period which is dealt with in the accounts that we began to receive any benefits from the armistice. I think that in many ways the situation is considerably easier, and that we do think that, as time goes on, it will become still easier, and that the Company become more prosperous. Following our usual habits, we have given you very full statistical details in the report of the working of the estate and as to the disposal of our produce. The net result that we have arrived at is that our profit for the year under review amounted to 3.68*d*. per lb., as against a profit of 3.04*d*. per lb. for the preceding year. As you will have noticed, our crop has increased during the year under review, and I think that it reflects considerable credit on the management of the estate on the other side. I told you last year that we had had no fewer than five changes of managers during the year we were then considering, two on Doolgalla and three on Parawatte. During the past year we have been fortunate in securing Mr. Orchard and Mr. Morgan, and we have reaped the benefit of continuity of management. According to reports we have received from the most capable visiting agents, both these gentlemen have put in most excellent work on the estates. The yields, we consider, are satisfactory. From Doolgalla it was 359 lb. per acre and from Parawatte it was 236 lb. You will see the estimate that we have put before you for next year, and from that you will observe that we expect to put down rubber in Colombo at 9*d*. per lb., as compared with 10½*d*. for the year under review. I may say that we have calculated these two prices on the exchange at 1*s*. 8*d*. per rupee. Of course, an exchange at that rate hits us very hard, as compared with one of 1*s*. 4*d*. per rupee, which we used to think was the fixed rate. It is quite possible that in the near future that rate of exchange may even grow more unfavourable for us. You know what the cost of production is going to be; we have given you an estimate of what our output for next year is likely to be, and the only uncertain matter before us is as to what the price of rubber is going to be. Upon that, of course, the success of our estates depends, but, apart from that, I think that our future is quite as bright as our outlook has been at any time since I have had the honour of being connected with the Company.

Major S. K. Bousfield seconded the resolution, which was carried unanimously.

On the motion of the Chairman, seconded by Mr. W. Loveday, a dividend of 5% was declared.

The proceedings then terminated.

SUNGEI KRUIT RUBBER ESTATE, LIMITED.

The ninth ordinary general meeting was held on June 3, at the offices of the Company, 30 Mincing Lane, E.C., Mr. William Antrobus Luming (Chairman of the Company) presiding.

Mr. W. E. Crane, on behalf of the Secretaries (Messrs. M. P. Evans and Company), having read the notice convening the meeting and the report of the auditors,

The Chairman said: The balance remaining of £15,912 we recommend should be dealt with in the following manner: Provision for income tax and excess profits duty, £4,500; and the payment of a 10% dividend, less income tax, which will absorb £6,500, leaving to carry forward, subject to the manager's and assistants' commission, the sum of £4,912. We harvested 357,340 lb., as compared with our estimate of 450,000 lb. Our manager estimates 400,000 lb. for the current year, which amount we consider is well on the conservative side and will undoubtedly be exceeded. The "all-in" cost to produce was 1*s*. 4*d*. per lb., and it was sold at an average price equal to a London gross equivalent of 1*s*. 10¾*d*. The corresponding figures for 1917 were 1*s*. 2*d*. per lb. and 2*s*. 4½*d*. per lb. respectively. Now a few words in regard to the condition of the estate. In February our visiting agent and trusted friend, Mr. Patrick Hadow, at the request of your board, made a special visit to the estate. Mr. Hadow states that all the rubber that was immature four years ago has been brought into bearing, and, though some of it is not being tapped at present, all has been under tapping, and should give a good yield as soon as tapping is recommenced. Tapping has been well done—there is any amount of bark space, and bark renewal is good. Immature rubber and new clearings look well and show good growth. The property has been enormously improved by the construction of new roads and the improvement of old ones through the planted area. Mr. Hadow concludes his report in the following words: "Your property is even more attractive than it was four years ago, but it is not producing the crop which it could and ought to do." Your directors distinctly recognise the advantages which will accrue to shareholders by the splitting of the shares and putting them on to a 2*s*. basis. We have, therefore, determined to put before you the proposal to carry this into effect at an extraordinary general meeting to be held at the conclusion of this ordinary meeting. The proposal to increase the directors' remuneration by way of a commission on profits, &c., is now so general a custom that we have no hesitation in asking you to give it your assent.

Mr. H. A. Barrett seconded the motion, which was unanimously adopted, and a dividend of 10%, less income tax, was declared.

An extra-ordinary general meeting was afterwards held, at which resolutions were adopted making certain changes in the articles of association.

The proceedings then terminated.

JAVA RUBBER PLANTATIONS, LIMITED.

The eleventh annual ordinary general meeting was held on June 4 at the offices of the Company, Mincing Lane House, 59 Eastcheap, E.C., Mr. Frank Copeman (the Chairman) presiding.

The Assistant Secretary (Mr. R. Moden) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said that the dividend proposed should be regarded as a distribution of profit earned in the year 1917 as well as in 1918. In 1917 the amount available for distribution was £6,299, and he need not remind them why the directors had decided to withhold the payment of a dividend for that year.

This year, however, in view of the improved financial position in which the Company found itself, he thought that they were fully justified in paying a larger amount out than had been earned during the year 1918. The amount available at December 31 last was £8,523, and a dividend of 10% would absorb £5,718, leaving to be carried forward a larger sum than usual. During the year they had invited the shareholders to make deposits with the Company, and the Treasury had now licensed the issue of shares in exchange for those deposits.

The net proceeds from rubber for the year 1918 showed a a decrease as compared with the previous year of £6,544. On the other hand, coffee showed a slight increase of £671. Estate expenditure was some £2,134 less, despite the fact that their crop had been considerably larger than in 1918. During the very trying period through which they had passed it had, however, been incumbent upon them to reduce expenditure in every possible form without detriment to the future welfare of the estate. They had had to give up to a great extent their deep cultivation, but they were now able to resume proper cultivation in every respect. Certain of the economies which had been effected would, however, remain permanently.

Their crops for the year had exceeded the estimates, but the rubber crop was not so great as it would have been, as they joined the restriction of output scheme promoted by the Rubber Growers' Association. At the last meeting he had spoken of the poor prices they had obtained, but he had then had no idea that in the following year he would have to state that the prices obtained for their produce had been so low as had actually been the case in the year under review. Part of their rubber crop had been sold at a small loss and part at a small profit, but in all the circumstances the trading of the Company had been very satisfactory. (Hear, hear.) Thanks to the deposit scheme, they had been able to hold up the 1918 coffee crop for better prices, with the result that they had just sold 1,200 cwts. at 75*s.* per cwt., as against 64*s.* 7*d.*, at which they were taken into the accounts. As to the current year, given reasonable climatic conditions, they might anticipate that they would attain their estimated rubber crop. He also anticipated that the coffee estimate would prove to be a safe one, and, if prices kept up, they would have a very handsome profit from that product.

The report and accounts were adopted.

INSULINDE (SUMATRA) RUBBER ESTATES, LIMITED.

The eighth ordinary general meeting was held on June 4, at Winchester House, Old Broad Street, E.C., Mr. E. H. Parry (Chairman of the Company) presiding.

The Secretary (Mr. A. H. Doherty) read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said: In the balance sheet there is still an item of £3,500 against Debentures, but, as the report tells you, the whole of the issue of £15,000 Seven per Cent. First Mortgage Debentures has been paid off in full. Since the last accounts were presented options on unissued shares have been exercised, and the Company's issued capital now stands at £55,000. At the last annual meeting I referred to the sale of 2,500 acres of this Company's reserve land to the Sungei Tiga (Sumatra) Rubber Estate, Limited, a company registered in London. The transfer formalities have not yet been completed, but the Sungei Tiga Company has been allowed to carry on its planting programme. Estate expenditure is £10,654 7*s.*, against £9,650 13*s.* 10*d.* for the previous year—no great increase considering the general advance in prices and the larger output of rubber. Through the fall in exchange there was a loss of £1,432 19*s.* 8*d.* on remittances to the estate. The other items, such as depreciation £415 10*s.* 8*d.* and war-risk insurance £303 3*s.* 11*d.*, speak for themselves. The net profit for the year is £4,102 16*s.* 5*d.*, against £17,374 13*s.* 4*d.* for the previous year, the difference being accounted for by much lower realisations of stocks, the total receipts for the year being £20,284 14*s.* 5*d.*, against £31,397 9*s.* 4*d.* for the previous corresponding period. I should inform you that your directors found it necessary to entirely reorganise the management of the estate, and probably the reactionary period in the industry was the most suitable time for making such changes.

The output for the year under review was 269,182 lb. of rubber. Before putting the resolution to the meeting I would mention that, after allowing for the final dividend of 20% paid to you on the previous year's accounts, making in all 30% for that year, there is brought into the present accounts the sum of £4,846 9*s.* 3*d.*, to which is added the profit for the year under review—namely, £4,102 16*s.* 5*d.*—making a total of £8,949 5*s.* 8*d.*, out of which your directors recommend the payment of a dividend of 10%, less tax, for the year ended June 30, 1918.

Sir Ivor Philipps, K.C.B., D.S.O., M.P., seconded the resolution.

Mr. H. B. Carritt said that, having regard to the difficulties with which the board had had to contend, he considered the report a very satisfactory one. Many rubber companies were passing their dividends at the present time, and it was very gratifying that Insulinde should be in a position to pay a dividend of 10%.

The Chairman, in reply to the last speaker, said that the total costs for the year 1917-18, including 1¼*d.* loss on exchange, amounted to 1*s.* 1.36*d.* per lb., and the net price realised was 1*s.* 6.07*d.* per lb. Those figures compared with 1*s.* 0.96*d.* and 2*s.* 4.88*d.* respectively in the previous year. With regard to the estimated production for the current year, the directors had not got the figure yet owing to the reorganisation which had been going on, but they hoped it would not be less than an average of approximately 30,000 lb. a month.

The motion was carried unanimously.

The Chairman: I now beg to move: "That the capital of the Company be increased to £100,000 by the creation of 400,000 new shares of 2*s.* each, ranking *pari passu* with the existing shares of the Company."

Mr. H. L. Coghlan seconded the resolution, which was carried unanimously, and the proceedings terminated.

SOUTH WANARAJAH TEA ESTATES, LIMITED.

The ordinary general meeting was held on June 4 at the office of the Company, 30 Mincing Lane, E.C., Mr. Charles E. Shuttleworth presiding.

The Secretary (Mr. P. E. Hervey) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: At our last meeting our Chairman mentioned that the Government had become the sole importer of tea into the United Kingdom, and as the necessities of war had also brought all British shipping under Government control, you will understand that transactions dependent upon overseas commerce continued to be quite abnormal. Thus for the past year our affairs have directly and indirectly been under Government control, as more than half of the tea produced on our estates went to the Tea Controller, either by way of consignments to him in England or by tender to his representative in Colombo, while the balance of the crop had to be sold there for export to other countries, owing to the fact that the Government would only spare freight space for its own imports into the United Kingdom.

The tea produced on the estates amounted to 927,289 lb., and, adding 17,510 lb. bought leaf, the total handled was 945,499 lb. The amount from bought leaf has fallen off in recent years owing to native competition for its purchase, and is so small now that it is hardly worth dealing in. As stated in the report, the cost of production in Ceylon and the price obtained are respectively 6.07*d.* per lb. and 8.52*d.* per lb. The price paid by the Tea Controller was the same as that arranged in 1917—namely, a price equal to that which

Both your Family and your Business

can benefit by the protection offered by the Scottish Widows Fund. Life or Endowment policies for yourself and wife; Educational Endowments for your children; a special policy for your business to extend credit, protect partners and create a fund for emergencies.

Please state requirements, when full particulars will be sent.

Scottish Widows Fund

The largest British Mutual Life Assurance Office.

FUNDS: 22 MILLIONS.

CLAIMS PAID: 47 MILLIONS.

Head Office: 9 St. Andrew Square, Edinburgh
(G. J. LIDSTONE, Manager and Actuary).

London Offices:
28 Cornhill, E.C. 3, and 17 Waterloo Place, S.W. 1.

had been obtained on average for the three years 1911-1913, this plan being in force for the whole year. One of the many difficulties caused by the War was a rise in the cost of rice supplied to the coolies at one time being, in the Manager's words, almost at famine price. This involved the Company in a loss of Rs.17,858, equal, at the exchange of 1*s.* 6*d.* to the rupee, to £1,339, which sum is, of course, included in the outlay in Ceylon. This represents ½*d.* per lb. on the crop. For income tax there is provision to the extent of £1,779 to complete the assessment of £4,021 on the Company for 1918-1919 at the rate of 6*s.* in the pound, the amount of £1,779 being supplementary to the amount deducted from shareholders' dividends. After writing off the usual sums of £400 for coast advances reserve, and £500 for depreciation, there remains a profit of £6,217, to which has to be added £2,038 brought forward, putting at our disposal a total of £8,255. Out of this there has been paid a sum of £2,920, being £780 for Preference dividend and £2,140 for the interim dividend of 4% on the Ordinary shares, leaving a sum of £5,335, and it is from this balance that the board now recommend payment of a final dividend of 8% on the Ordinary shares, making 12% for the year. To meet the final dividend £4,280 will be required, and there will then be a carry-forward of £1,055. Considering the many difficulties which have had to be met—namely, the excessive income tax and the price of rice, the complications in exchange, the high price of silver and the enforced sale price of the Company's produce—it is a matter of congratulation that your board is enabled to recommend a dividend at the same rate as that for 1917.

Mr. William Dunn seconded the motion, which was carried unanimously.

LONELY REEF GOLD MINING COMPANY, LIMITED.

The ninth ordinary general meeting was held on June 3 at the offices of the Company, Threadneedle House, 34 Bishopsgate, E.C., Mr C. F. Rowsell (Chairman of the Company) presiding.

The Secretary (Mr. A. D. Owen, F.C.I.S.) read the notice and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said that the profit for the year was £91,293, as against £106,142 last year. They had paid two dividends, one of 10% and one of 15%, less tax. Dealing with the cash resources on the same basis as last year, it would be remembered that they had a total of £99,727, with liabilities amounting to £69,400, so that the cash position then was a very strong one. This year they had cash resources amounting to £111,139 and liabilities of £64,589, so that the financial position was again a very strong one. Shareholders would have read with great interest the very complete report presented by the consulting engineer. The most salient feature of it was the position of the ore reserves. These at the end of December 1917 amounted to 145,616 tons, of the value of 18.69 dwts. At the end of December 1918 they were 176,097 tons, of an average value of 24.10 dwts. He thought they would agree with the consulting engineer that the increase in the average grade of the ore was remarkable. The quarterly report to March 31 had just been received, and from this it appeared that the ore reserves to March 31, 1919, were 182,788 tons, of an average grade of 24.36 dwts., thus showing an increase of 6,700 tons in quantity and an increase of .26 dwt. in value. Mr. Kingston stated that the increase in the average grade was due in part to the high grade of reef developed and in part to the change in method of calculating the reserve which was made possible by the altered method of stoping. Another striking fact which appeared from the consulting engineer's report was the remarkably satisfactory developments which they were securing in the lowest levels. The average value between the 15th and 16th levels was 24.90 dwts., and the value increased in depth until between the 20th and 21st levels it was 34.24 dwts. The constant values in depth were extremely reassuring as to the future of the mine and justified a very hopeful view. Turning to the question of the mill, it could not be said that the working costs were a source of satisfaction. They were 30*s.* 4.3*d.* per ton during the year under review, as against 28*s.* 9.5*d.* in 1917. The total working costs amounted to 42*s.* 6.9*d.*, as against 39*s.* 0.6*d.* in 1917, being an increase of 3*s.* 6.3*d.* per ton. This was largely explained by the recent epidemic of influenza, the direct expenditure in connection with the epidemic being £2,556, equal to 11.29*d.* per ton. Since the end of the year they had for the four months crushed 18,630 tons at a working cost of 47*s.* 2*d.* and a working profit of 61*s.* 6*d.* per ton.

Mr. W. F. Andrewes seconded the resolution, and it was carried unanimously.

RHODESIA GOLD MINING AND INVESTMENT. COMPANY, LIMITED.

The ninth ordinary general meeting was held on June 3 at 34 Bishopsgate, E.C., Mr. C. F. Rowsell (the Chairman) presiding.

The Secretary (Mr. A. D. Owen, F.C.I.S.) read the notice and the auditors' report.

The Chairman, in moving the adoption of the report and accounts, said that during the past year they had realised a profit on shares sold of £5,397; interest and dividends amounted to £10,713, against £5,708 last year, and rentals and royalties to £1,376, against £1,032, the total revenue being £17,540. Deducting expenses, British income tax and depreciation, there was a net profit of £12,506, against £4,405 last year. Properties, &c., stood at £103,009, against £90,271, the increase being due mainly to the purchase of the Huntsman property. Shares amounted to £227,638, against £234,073, the reduction being due to the sale of a small number of Lonely Reef shares. Loan accounts stood at £36,532, against £35,203. The £12,250 due by the Cam and Motor would be repaid under the reconstruction scheme which had just been approved by that Company. The cash resources amounted in all to £13,000, against £7,600 last year. The credit to the profit and loss account now stood at £55,412, against £42,905 last year. Dealing with the Company's various assets, he stated that they owned 27,861 shares in the Lonely Reef Gold Mining Company. The position of that Company was undoubtedly a very sound one. There had been a considerable increase in the value of their ore reserves, which stood at March 31 last at 182,788 tons of the average value of 24.36 dwts., as compared with 145,616 tons at the end of 1917 of an average value of 18.69 dwts. He anticipated a very prosperous year for the Lonely Company, and he had no doubt that the dividend paid would be extremely satisfactory. The Cam and Motor Company, in which they owned 43,000 shares, had passed a reconstruction scheme which would place the Company in a sound financial position, as they would be enabled to repay the whole of the Debentures, the bank overdraft and other debts, including £12,000 advanced to them by this Company. The consulting engineer, Mr. Kingston, had a very high opinion of the property and believed that it would become a prosperous and dividend-earning Company. The Sabi Company was now receiving a revenue on a fairly substantial scale from its tribute, and this Company was receiving from the Bernheim mine also a satisfactory revenue from the tribute of that mine. Mr. Kingston, after very careful consideration of the development of the property, advised the directors to exercise their option on the Huntsman claims, and they had accordingly done so. The property had ore reserves, calculated over reef width, plus 12 in., of 12,029 tons of the average value of 13.77 dwts. Mr. Kingston, in his report, stated that it was too early to determine the real value of the mine, but a prospect that developed ore during the option period of sufficient value to pay for the purchase of the mine and the cost of development and equipment was a prospect of exceptional merit, and its further development was looked forward to with special interest.

Mr. Lewis seconded the motion, which was carried unanimously, and the retiring directors and auditors were re-elected.

NATIONAL BANK, LIMITED.

We regret that owing to a printer's error on page lxxxiv of our Banking Number the postal address of the Head Office of this Bank was given as "13 Old Broad Street, London, E.C. 1." It should be, of course, E.C. 2. The principal Irish Office of the Bank is in Dublin; but this is not the Head Office, which, as above stated, is in London, where the Bank has now 13 branches, besides several offices in the provinces. We are sorry these misprints should have escaped notice.

Mr. Ronald Peake has been appointed Chairman of the Frederick Hotels, Limited, on the retirement of Mr. Arthur Bird from the Board. Major Lawrence Wilfred Bird, D.S.O., son of the late Chairman, has been appointed a director to fill the vacancy, and the Secretary, Mr. A. Macmurchy, has been appointed Secretary and General Manager.

We are asked to call attention to the fact that a movement is on foot to raise £100,000 to benefit dependents of all ranks of the Royal Army Service Corps. It is the intention of the founders of the present fund to honour those of the corps who have fallen, and to commemorate the work of all. Two schemes have been formulated, one to give philanthropic local benefits, such as the endowment of hospitals, &c.; the other to give educational benefits, in the form of scholarships, to various localities. Only a very small fraction of the sum subscribed will be spent upon a structural memorial, the object being to do practical good. H.R.H. the Duke of Connaught is patron, and the General Committee is presided over by Major-General Sir F. W. B. Landon, the senior serving officer of the corps. Donations may be sent to Messrs. Sir C. R. McGrigor, Bart., and Company, 39 Panton Street, S.W., marked "R.A.S.C. Memorial."

THE PIPE INDUSTRY.

Amongst our lesser industries the manufacture of tobacco pipes excites little attention, but it is, nevertheless, of considerable importance and is annually responsible for a large turnover of money. As was the case with most branches of manufacturing activity it was considerably hit by the restrictions placed on imports during the War and the consequent difficulty of obtaining raw materials, which forced manufacturers to draw largely on existing stocks, in some cases to the point of exhaustion. The following table shows the course of trade in this particular line for the year 1913, as compared with 1917:—

	1913	1917
	£	£
Exports from United Kingdom to foreign countries ...	36,602	27,934
" " " British possessions...	115,837	99,318
	152,439	127,252
Total imports into United Kingdom	322,898	390,615

France is largely responsible for the large size of the import figure—the imports from that country increasing from £260,777 in 1913 to £379,999 in 1917—an increase of 46%. From her favourable position in regard to easy access to the chief raw materials and to other circumstances she has long held a commanding position in the making of briar pipes, and was thus in an advantageous position to supply the immense demands of our Army during the past few years. In 1913 our import of pipes from Austria-Hungary was valued at £42,905, meerschaum pipes largely accounting for this figure. Prior to the War Vienna monopolised the European trade in this branch of pipe manufacture, the principal contributory cause of her success being the low cost of the labour employed, and for this reason it is doubtful whether home concerns will be able to open up a new field of activity in this direction, except, perhaps, in the turning out of highly priced articles. It is interesting to note that, while we received no imports from Germany during 1915, a quantity valued at £285 stands to her credit in that connection for 1916. Turning to the export trade we find that British Possessions are our best customers. Of the total figure of £115,837 in 1913, Australia and Canada were jointly responsible for £80,571, or 70%. A noticeable expansion in the clay-pipe business with British West Africa is revealed in the two contrasted years, a jump from £2,597 to £11,349 being recorded. During the past four years the demand for pipes of all descriptions reached very large proportions owing to the necessity of satisfying the needs of the Allied armies. So far, however, as the British Army was concerned a large part of this demand was naturally satisfied by the various countries in which the troops were stationed. French manufacturers in particular reaped a rich harvest from the abnormal conditions of the market and filled many orders which, in more normal circumstances, would have been met by makers in the United Kingdom. Roughly speaking, the prices of pipes doubled during the War, the increase being particularly evident in amber-stemmed pipes and meerschaums, mainly as a result of the stoppage of imports from Austria and Prussia. Furthermore, the difficulty of obtaining raw materials and labour resulted in a certain deterioration in quality.

The regular pipe-making industries divide into many branches, but amongst the most important may be cited the clay-pipe, meerschaum, real and artificial, and the wooden-bowl trades. Clay pipes are made in prodigious numbers by hand labour with an iron mould and a steel wire for forming the tube of the stem. The moulding operation in pottery is very simple and requires very little time. Automatic machines have been devised for this purpose, but the operations of hand labour are so quick that little saving has been effected by the introduction of machinery. Clay pipes are made in many places in the United Kingdom; they are gradually being supplanted by briar-root pipes, but, nevertheless, their annual production registers a value of about £100,000. The clay used in their manufacture is supplied in the main by Staffordshire and Devonshire. The briar-root branch of the trade is by far the most important in these countries. In England the chief centres are London and Manchester, and Ireland credits Dublin with her only pipe factory. Irish pipes have long enjoyed an extensive reputation not only in England, but in South Africa, Canada, and Australia. Their success in the world's market is largely due to the excellence of their design. The Irish exports amounted to £35,000 in 1916, or 28% of the total export trade of £124,982 from the United Kingdom; in reality, however, this percentage is much greater, as the figure relative to the United Kingdom already includes the Irish export figures. Meerschaum pipes are also made in Ireland and Great Britain; the demand, however, for this particular pipe has fallen off to a great extent in these islands of late years. The demand for pipes of all classes for the home market is naturally large, and makers' output cannot have fallen far short of £400,000 per annum in the pre-War period.

At present a pronounced shortage exists as regards the supply of raw materials and cannot fail to exercise a restrictive effect on output for some time. Pipe manufacture demands a considerable supply of skilled hand labour, and as several English firms are for the moment forced to a partial suspension of manufacturing operations, a certain amount of unemployment exists. The material for the making of the favourite wooden pipe or briar-root comes from the roots of the tree heath, which is found in Italy and France and other Mediterranean countries. Marseilles and Leghorn are the chief centres of this trade. There the roots are shaped into blocks, each suitable for a pipe, and the cutting of the wood so as to avoid waste requires considerable skill. These blocks are simmered in a vat for 12 hours, which gives them the much appreciated yellowish-brown hue of a good briar-root, and so prepared they are exported for boring and finishing. It very often occurs that flaws existing in this wood are only detected when ready for the manufacturing process, with the result that 1½ dozen blocks out of a gross may only be directly suitable for pipe-making. Other varieties of wood have been tried by the pipe-maker, but with unsatisfactory results. It is a difficult matter to find a substitute for the wood of the heath on account of its hard close grain, durability, and adaptability to treatment. Germany in large measure supplied our demands for vulcanite, a combination of sulphur and caoutchouc, before the War. Factories in the North and South of England are now filling the pipe trade's orders in this direction. As regards sheet vulcanite, the quality turned out in England is, of course, excellent, but with reference to the moulded variety a further improvement of processes will result in the production of an article more suitable for the pipe manufacturer's needs. The requisite supplies of amber were furnished chiefly by Prussia in former years; small supplies are also found in Catania and Galicia. Ambroid, which is largely used in the manufacture of pipes and cigar-holders, is prepared from chips of natural amber, fused under hydraulic pressure. The waste amber from the pipe factory is utilised in the preparation of certain varnishes. Length and thickness of a piece of amber are valuable considerations from the pipe-maker's point of view, but the former is especially so, as the length increases in value more in geometrical than in arithmetical progression. Amber is often imitated by other resins like copal and kauri, and also by celluloid, and these imitations are likely to have an increased sale owing to the difficulty of obtaining the genuine article. Supplies of meerschaum are rather short at present, and are likely to remain so for some time. The principal source of supply is Asia Minor, and some of the very best qualities were formerly sent to Vienna for the manufacture of smoking appliances.

Generally speaking, prices of raw materials have shown an increase ranging between 100% and 600%.

Under these conditions it is unlikely that the cost of the manufactured article will show any tendency to decrease for some time. The spread of the smoking habit in these islands as a result of the War will undoubtedly call for an increased output from home manufacturers in the future, but this is not likely to be realised until general trade conditions more closely approach the normal. In comparison with makers in England the Irish manufacturer suffers under the handicap of extra freight charges for raw materials. This, however, did not prevent him from doing a large and successful business in the past, and it is unlikely to do so in the future.

An adequate supply of office printed matter is a small problem confronting every bank. One London bank has solved this problem by installing one of the miniature rotary printing presses known as the "Gammeter Multigraph." This machine produces multiple typewritten lefters by means of metal type printing through a typewriter ribbon on to a rubber platen, exactly as on a typewriter. These it does at the rate of 4,000 an hour, and every letter so perfectly matching individually typed letters that none but an expert could detect the difference. Fuller information about these machines may be obtained from The International Multigraph Company, 59 Holborn Viaduct, London, E.C. 1.

Rubber Facts and Figures.—The sixth half-yearly issue of this useful little work of reference has just been published by Messrs. F. C. Mathieson & Sons, 16 Copthall Avenue, E.C., at the price of 2*s*. The information given includes highest and lowest share prices, capitals, planted areas, crops (annual and monthly), dividends, costs, &c., and a list of forward contracts.

City Deep.—Capital £1,250,000, in £1 shares. 200 stamps and tube-mill accessories. Capacity 80,000 tons per month.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue* Amt. £	Revenue* Per ton	Expenses Amt. £	Expenses Per ton	Profit* Amt. £	Profit* Per ton	Price end of Period
1917	...154	744,100	14¼	1,469,953	39/6	796,137	21/5	665,569	17/11	3⅜
1918	...154	670,100	9¾	1,274,970	38/0	821,768	24/6	453,202	13/6	2⅛
1919.										
Mar. qr.	—	135,500	—	267,742	39/6	195.977	28/11	71,765	10/7	2⅛
Apr. ...	—	48,500	—	97.209	40/1	68,010	28/1	29,199	12/0	2⅜

Dividends—1917, June, 22½; Dec., 22½ per cent.
1918, June, 20; Dec., 7½ per cent.

Consolidated Langlaagte.—£950.000, in £1 shares. £100,000 5½% Debentures. 100 stamps and 10 tubes. About £400 monthly sundry revenue included below.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit* Amt. £	Profit* Per ton	Price end of Period
1917 ...	100	585,650	¼	729,933	24/11	501,385	17/1	231,226	7/11	21/0
1918 ...	100	503,300	—	635,853	25/2	478,113	19/0	157,740	6/2	20/0
1919.										
Mar. qr.	—	129,500	—	157,131	24/2	128,024	19/8	29,107	4/6	17/9
Apr. ...	—	46,000	—	55,546	24/8	44,504	19/11	11,042	4/9	18/3

* Includes slimes profit and sundry revenue.

Dividends—1916, June, 12½; Dec., 10 per cent.
1917, June, 10; Dec., 7½ per cent.
1918, June, nil; Dec., 5 per cent.

East Rand Proprietary Mines.— Capital issued, £2,445,897, in £1 shares; £835,620 Convertible Five per Cent Debentures in issue. Twenty-five tube mills.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1916 ...	820	1,939,200	9¾	2,365,107	24/4	1,867,943	19/3	497,164	5/1	12/3
1917 ...	820	1,741,000	7⅜	1,885,648	21/7	1,721,451	19/8	164,197	1/11	5/9
1918 ...	600	1,372,300	10	1,597,075	23/2	1,544,160	22/6	52,915	-/8	4/10
1919										
Mar. qr.	—	330,500	—	425,785	25/9	396,415	24/0	29,370	1/9	7/9
Apr. ...	—	110,000	—	138,201	25/3	128,181	23/5	10,020	1/10	5/9

Accumulated slimes profits included throughout.

Dividends—1916, June, 2½ per cent.; Dec., nil.
1917, June, nil; Dec., nil.
1918, June, nil; Dec., nil.

The efficient way to do Bank printing

An adequate supply of printed departmental and routine forms, summaries, paying-in slips, acknowledgments, post-cards, etc., is a small problem confronting every Bank: the Gammeter Multigraph solves this problem because it produces all such printed matter quickly, privately, and in exactly the quantity that is convenient; and it saves on an average 40% on ordinary charges for such work.

The Gammeter Multigraph turns out 4,000 printed forms an hour: it is on the spot to meet any sudden shortage or emergency. The Gammeter Multigraph is built to be worked by any office girl or youth of ordinary intelligence: it takes up less room than a roll top desk. The Gammeter Multigraph prints in printer's ink from type or electros—two colours if you need them. Also it types letters from typewriter type, through a ribbon on a rubber platen exactly the same as a typewriter—but a page at a time instead of a character at a time: 4,000 sheets an hour. Write to the address below for information about how other Banks are finding the Gammeter Multigraph efficient in meeting their printing problems.

THE INTERNATIONAL MULTIGRAPH COMPANY

Head Offices (London):
59*s*, HOLBORN VIADUCT, E.C.1
Telephone - City 5085

MANCHESTER: 49, Arcade Chambers, S. Mary's Gate
BIRMINGHAM: 25, Guildhall Chambers Navigation St.
and most large towns.



PROVIDENT ACCIDENT AND GUARANTEE COMPANY, LIMITED
Formerly known as the
Provident Clerks' & General Guarantee & Accident Co., Ltd.
Head Office, - **61 Coleman Street, London, E.C.**
Temporary Offices, **52/5 Coleman Street, E.C.**
West End Office, **199 Piccadilly, W.**
Established 1865.

GUARANTEES FOR FIDELITY.
The Company ISSUES BONDS for TRUSTEES in BANKRUPTCY, RECEIVERS and LIQUIDATORS in CHANCERY, and for all GOVERNMENT or Commercial Appointments in which security is required.
ACCIDENT INSURANCE OF EVERY KIND.
LANDLORD AND PROPERTY OWNERS' INDEMNITIES.
WORKMEN'S COMPENSATION, FIRE, BURGLARY, MOTOR CAR, DRIVERS' INDEMNITY, CONTINGENCY, PLATE GLASS, LIVE STOCK.
C. A. FREEMAN, Manager & Secretary.
Telephone: LONDON WALL 5306 (4 Lines).

THE BUDGET
Provides for an increase in **DEATH DUTIES.**
THE NATIONAL PROVIDENT
Provides the best means of meeting this **INCREASED BURDEN.**
Full particulars will be sent post free on application to
48 Gracechurch Street, E.C. 3.

THE BRITISH GENERAL INSURANCE COMPANY, LIMITED,
CAN GIVE YOU
SOME ADVANTAGES
In connection with your Insurances. Ask for Particulars.
Head Office - 66 CHEAPSIDE, LONDON, E.C.

REFUGE ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.
Annual Income Exceeds - £4,700,000
Assets Exceed - - - - £15,900,000
Claims Paid Exceed - - - £28,000,000

SUBSCRIPTION TO "THE STATIST."
TO INCLUDE ALL SUPPLEMENTS.
Payable in Advance.
Inland.
One Year, £1 10 0 | Half-Year, £0 15 0
(Post Free.)
For Colonies and Abroad (within Postal Union).
One Year, £1 17 4 | Half-Year, £0 18 8
(Post Free.)
OFFICES: 51 Cannon Street, E.C. 4.

IMPORTANT NOTICE.
All Editorial communications should be addressed to the Editor.
Business communications should be addressed to the Manager, THE STATIST,
51 Cannon Street, London, E.C. 4.
Telegrams: "Statist Cent. London." Telephone 5258 5259.

The Statist.

LONDON, SATURDAY, JUNE 14, 1919.

CONTENTS.

LEADING ARTICLES— PAGE
THE UNITED STATES ... 1089
GERMANY 1090
THE POPE AND BELGIUM ... 1091
OUR BRAZILIAN GUESTS ... 1091
IRISH CHEESE INDUSTRY ... 1091
MEXICO 1093
TRADE OF PARIS AND THE WAR 1094
THE CLEVELAND IRON TRADE AND AMERICAN COMPETITION... 1095
INDIAN TRADE AND THE WAR 1099
MAY TRADE 1097
PRICES OF COMMODITIES ... 1100
THE IRISH PIG INDUSTRY ... 1101
COMMERCIAL BANK OF SCOTLAND 1105
THE LEATHER TRADE.—I.... 1139

S. AND CENTRAL AMERICA—
ARGENTINE TRADE 1096

THE MONEY MARKET—
THE FUNDING LOAN AND VICTORY BONDS 1081

STOCK EXCHANGE 1083

MINING TOPICS—
CENTRAL MINING AND INVESTMENT 1084
LENA GOLDFIELDS 1085
BRITISH BROKEN HILL ... 1085
SOUTH CROFTY 1086

TABULAR APPENDIX—
I. Bank Returns, &c. ... 1086
II. Current Bank Rates of Discount 1087
III. Foreign Exchanges ... 1087
IV. Bankers' Clearing-House Returns 1087
V. Freights 1087
VI. Wholesale Prices of Commodities 1088
VII. Railway Revenue Statements 1088
VIII. Railway and Tramway Traffic Receipts ... 1088

FINANCIAL NOTES— PAGE
FOOD CONTROL 1102
U.S. CROPS 1102
LONDON WOOL SALES ... 1103
CANADIAN POPULATION ... 1103

AMERICAN TOPICS—
PRESIDENT REA'S ADDRESS... 1104
ATCHISON, TOPEKA & SANTA FE RAILWAY 1104

RUBBER TOPICS—
THE RUBBER INDUSTRY'S GROWING IMPORTANCE ... 1106
CHANGKAT SALAK (PERAK) ... 1107
PELMADULLA (CEYLON) ... 1107
SELANGOR RUBBER 1107
KAJANG (SELANGOR) ... 1107

NEW ISSUES—
4% FUNDING LOAN, 1960-90 1109
4% VICTORY BONDS 1109
LONDON AND LANCASHIRE LIFE AND GENERAL ASSURANCE CO., LTD. 1110
HERBERT MORRIS, LTD. ... 1110

INSURANCE NOTES—
LONDON LIFE ASSOCIATION AND CLERGY MUTUAL SOCIETY 1108

COMMERCIAL—
SILK, II. 1110
LANCASHIRE COTTON INDUSTRY 1098

INDUSTRIAL COMPANIES—
PEASE & PARTNERS, LTD. ... 1112
BLEACHERS' ASSOCIATION ... 1113
J. LYONS & CO., LTD. ... 1113

REPORT—
ATCHISON, TOPEKA & SANTA FE RAILWAY 1114

MEETINGS OF PUBLIC COMPANIES ... 1117-1139

The Money Market.

Friday, June 13, 1919.

	Current Rate %	Fixed	Previous Rate %	Fixed
Bank of England Rate...	5	(Apr. 5,'17)	5½	Jan.18,'17
Bank of England Rate — to Clearing Banks: 3 days' notice ...	3	(Feb. 14,'18)	4	June 19,'17
Bank of England Rate — for Foreign Money*	4½	(Nov.15,'17)	extended	Jan.2,'18

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances.

Deposit Rates :—

Banks & Discnt. Ho. (Call)	3†	(Feb. 14,'18)	3½	Jan. 2, 18
Discount Houses (Notice)...	3	(June 6,'18)	3¼	Feb. 14,'18

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates :—

	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Tr'sury Bills (Fixed Feb. 14,'18)—		3½	—	3½
Bank Bills	3⅛	3⅛ ¼	3⅜ ¼	3¼ ⅜
Trade Bills	—	4	4-4¼	4-4½

THE FUNDING LOAN AND VICTORY BONDS.

UNDER New Issues will be found a full explanation of the terms of the two great loans which the Government is offering in the hope of obtaining a really substantial sum for the purpose of funding our floating debt, which has now grown to really alarming proportions.

Urgent as is the need of Government, and urgent as is the need of the national credit, it must be frankly admitted that as an investment the Loan, in the cleverly framed Memorandum which invites subscription, offers very real attractions. The Funding Loan is issued at the price of £81 per £100 of stock. Stocks

of the 4½ % War Loan of 1925-1945, 5 % Exchequer Bonds, 6 % Exchequer Bonds, 4 % National War Bonds, First, Second, and Third Series, and 5 % National War Bonds, First, Second, and Third Series, will be accepted at par as the equivalent of cash in payment. Where the stock or bonds surrendered do not represent the exact sum required for an allotment which must be a multiple of £50 the required balance must be provided in cash. A further provision is that stocks and bonds of the issue will be accepted by the Commissioners of the Inland Revenue as the equivalent of cash on the basis of £80 cash for each £100 stock or bonds surrendered, with due adjustment on account of interest in satisfaction of amount due on account of death duties, provided that the stock or bonds surrendered have formed part of the estate passing on death of the deceased continuously up to the date of death from the date of the original subscription, or for a period of not less than six months immediately preceding the date of death. The interest on both issues at the rate of 4%.

The Victory Bonds are issued at the price of £85 per £100 stock. In this case also the old loans above enumerated will be accepted at par as the equivalent of cash in payment, with the proviso mentioned relative to multiples of £50. In the case of both issues persons not commonly resident within the United Kingdom will be exempt from British income tax. In the case of the Victory Bonds these will be accepted at their full par value by the Commissioners of Inland Revenue as the equivalent of cash in payment of death duties. A very attractive feature of the Victory Bonds is that a certain amount to be advertised in the *London Gazette* from time to time will be applied to the redemption of these bonds at par, beginning with September 1, 1920, a certain proportion of these bonds, to be announced as stated, will be drawn at a figure which will give the holder a premium of £15 per Bond.

No limit is fixed of the amount to be subscribed for these loans, but it will be evident that an appeal is made to the patriotism of the British public to do all they possibly can to enable the Government to fund as large a proportion as possible of our unfunded debt. Until this heavy burden is taken off the Money market it will not be possible for our bankers and financial classes, who are accustomed to provide for the finance of trade and making preparations for increased supplies of food and raw material, to do what is urgently necessary in the common interests of the Empire taken as a composite whole.

Leaving out of account the heavy debt incurred to the United States for urgently-needed supplies of food and raw material, which we are not in a position to liquidate, we estimated last week that the unfunded debt, which should be funded as soon as possible, amounts, approximately, to well over £2,000,000,000. This does not include the whole amount, but it does include a burden which is weighing upon the Money market, and which is preventing that market at the present time from exercising its proper functions. It is not, of course, expected, nor would it be reasonable to expect, that even the patriotism of the British public, assisted by our Allies and well-wishers abroad will be able for a single issue to find a sum as large as £2,000,000,000. A great campaign is to be initiated in London early next week, and to be carried on all over the country, to explain to the investor, from the wealthy who can subscribe for large amounts of stock to the wage-earner who is only able to buy a 15*s.* 6*d.* certificate, the urgent need in which the country stands at the present time for assistance which will enable us to maintain the national credit. It is hoped when the country is made aware, through the medium of the campaign referred to and with the assistance of the Press in all parts of the United Kingdom, that the public will make such sacrifices as will enable us to subscribe at least £1,000,000,000.

BANK OF ENGLAND.

AGAIN this week the movements indicated in the Bank return were in favour of the market, "other" deposits showing an increase of £3,260,000, following on a gain of £5,550,000 last week and of £11,250,000 a fortnight ago. Government securities were up £2,771,000, and the reserve showed an improvement of £280,000, due to a decrease of £186,000 in circulation and an increase of £94,000 in the stock of coin and bullion. To the extent of nearly a million the gain of the market was neutralised by an increase in "other" securities.

POSITION IN NEW YORK.

THERE is growing alarm in the United States at the magnitude of the speculation both in produce and in stocks and shares in the Wall Street market. So serious is the situation regarded by the United States Government that it is proposing to take steps to check this speculation, both in produce and in stocks and shares. To deal in two million shares, representing hundreds of million of dollars, has long since ceased to be an occasion for surprise on the Wall Street market. Formerly such an incident, when it rarely occurred, was cabled all over Europe, attracted widespread notice, and generally heralded an approaching crisis. The situation, however, in the United States, as we said last week, has materially changed as a result of the War; but, although the United States Government fully appreciates the change that has taken place, it regards the speculative fever now evident in the produce and stock markets with a real measure of anxiety.

The basis on which it rests is the extraordinary prosperity which the United States is enjoying, and has enjoyed now for nearly five years, as a result of the general war against Germany. Instead of being a debtor country needing each year to remit to Europe produce or its equivalent to the value of something like £200,000,000, the United States is now in the fortunate position of receiving interest from her various Allies in the recent war, upon loans which she made to them during the period of struggle. Moreover, as the United States came into the War only towards its close, she was in a position to engage in international trade to an extent that was not possible for the belligerent States of Europe. In consequence, she came into direct trading contact with the British Colonies and with various countries in different parts of the world with whom she had formerly traded only through the medium of others. In very many cases the trade was transacted and financed through London and the goods carried in British ships, and Great Britain, in addition to earning the freightage for their carriage, also enjoyed the benefit of insuring the ships and cargoes. Practically, the result, stated in dollars as distinct from quantities, is that the United States' exports of manufactures have trebled in value during the period of the War. This feature has continued since the signing of the Armistice, showing that it was not wholly due to war conditions. In a sense this is true, but it is only true in a sense. The real explanation is that, whereas before the War the non-manufacturing countries of the world were accustomed to rely for their supply of manufactured goods upon Europe, which was in a position to furnish the articles required upon

ROYAL EXCHANGE
ASSURANCE.
Incorporated A.D. 1720 Governor: VIVIAN HUGH SMITH, Esq.
FIRE, LIFE, SEA, ACCIDENT, and GENERAL INSURANCES.
The Corporation is prepared to act as TRUSTEE and EXECUTOR.
Apply for full particulars of all classes of Insurance to the Secretary—
Head Office: ROYAL EXCHANGE, LONDON, E.C. 3.
West End Branch: 49 PALL MALL, S.W. 1.

a lower economic basis than was the case with the United States. During the War it was manifestly impossible for Europe to supply these needs. Since the signing of the Armistice Europe has not been able to reconstruct her manufacturing plants to the needs of peace conditions to enable her to supply the wants of her former customers. It does not follow, therefore, that the conditions at present existing will be permanent; but the fact remains that for the present manufacturers in the United States have practically trebled the value of the manufactures which they supply to the rest of the world. It is not merely that manufactured goods upon an immense scale have been sent from the United States to Europe, but they have also been sent in even greater proportion to Asia, Africa, Oceania, and South America.

THE POSITION IN INDIA.

THOSE who are in close touch with financial and commercial interests in India are anxiously awaiting news of the bursting of the monsoon. Upon the result of the monsoon depends the prosperity of India or otherwise in the immediate future. The first cable that gets through will, it is hoped, tell us that the monsoon has burst in full force, and we shall also hope to hear, as each cable arrives week by week, until late into September, that the heavy rains of summer are still continuing. If this hope is realised India will once more enjoy another season of prosperity, such as she has enjoyed now for nearly 20 years, with the one short break of last season, when the rains were a partial failure. If the rains are favourable there can be no reasonable doubt of the revival of prosperity in India, for there is an enormous—we had almost said unprecedented—demand for the food and raw products which India is so eminently calculated to supply. If the Peace Conference in Paris speedily brings its deliberations to an end there should be an outburst of activity in nearly all the countries of the world, which will not merely mean a demand for the foodstuff and certain of the raw materials grown in India, but will stimulate a demand for jute, in the production of which India enjoys a virtual monopoly. A revival of trade in the various countries of the world will create an enormous demand for jute gunny bags, which is the cheapest textile known for package purposes.

Recent movements in the Currency returns are shown below:

1919	Note Circulation	Silver: In India Lacs	Silver: Elsewhere Lacs	Silver: Total Lacs	Gold: In India Lacs	Gold: Elsewhere Lacs	% of Metallic Res. to Notes	Government Securities: Indian Lacs	Government Securities: British Lacs
May 21 ...	15,518	3,899	—	3,899	1,611	150	36·4	1,608	8,250
May 22 ...	15,558*	2,943	—	3,943	1,607	150	36·5	1,608	8,250
May 15 ...	15,507	3,893	—	3,893	1,606	150	36·4	1,608	8,250
May 7 ...	15,416	3,749	53	3,802	1,606	150	36·0	1,608	8,250
April 30 ...	15,372	3,474	285	3,759	1,155	300	35·9	1,608	8,250
April 22 ...	15,352	3,453	285	3,738	1,414	312	35·8	1,608	8,250
April 15 ...	15,409	3,511	285	3,796	1,443	312	36·0	1,608	8,250
April 7 ...	15,346	3,235	504	3,739	1,437	312	35·7	1,603	8,250

* Highest since war began.

INDIA COUNCIL SALES.

	This Week: Offered	This Week: Applications	This Week: Allotted	Next Week To be Offered
Amount...	... Rs.1,00,00,000	Rs.1,03,55,000	Rs.1,00,00,000	Rs.1,00,00,000

Allotments on Tuesday, June 10, 1919.

Drafts on—	Bills: Rs.	Bills: Rate	Deferred T.T.: Rs.	Deferred T.T.: Rate	Immediate T.T.: Rs.	Immediate T.T.: Rate
Calcutta ...	—	—	72,16,000	1/7·937	11,06,000	1/8
Bombay ...	—	—	46,05,000	1/7·937	—	1/8
Madras ...	—	—	9,50,000	1/7·937	1,23,000	—
Total ...	—	—	87,71,000	1/7·937	12,29,000	1/8
Allotted ...	—	—	49%		49%	

Sales for week to June 9, 1919 .. Rs 1,00,00,000 realising £8 1,076 (1/7·9)
Sales, Apr. 1, '19, to June 9, '19 Rs.3,80,00,000 ,, £1,108,079 (1/7·5)
Sales, Apr. 1, '18, to Mar. 31, '19 Rs.15,50,00,000 ,, £11,616,754 (1/5·8)
Sales, Apr. 1, '17, to Mar. 31, '18 Rs.15,20,00,000 ,, £31,106,219 (1/4·5)

SILVER.

OWING to the high level of prices for silver, there is a slackening of demand for silver for purposes connected with the Arts. On the resumption of business, however, after the Whitsuntide holidays, it was found that there was a keen demand for silver for China and other parts of the Far East, as well as for South America. This naturally tends to a further hardening of the market. It will be remembered that in addition to the immense quantities of silver recently purchased from the United States by India during the War, there has been a further engagement of silver of nearly 200,000,000 ounces, which is now being taken from the United States to India. The United States, always the largest producer of silver, is at the moment practically the only source of supply, and it was expected before the holidays that Europe would obtain some supplies from the United States. It has been ascertained, however, that these supplies have already been intercepted for the destination above stated, and the price closes to-day at 54*d*. per ounce.

Stock Exchange.

THE Stock markets have passed a quiet week with business continuing to be restricted and overshadowed by the advent of the new Government loans. There has been some selling of fixed-interest-bearing securities, which in the matter of yield compare, or were thought likely to compare, unfavourably with the new issues. Possibly preconceived ideas in this connection may be altered by more mature consideration. Consols have been the chief sufferers, though it has long been apparent that in comparison with war securities their price has been maintained at an absurdly high level. The 3½% Loan flattened on it becoming known that no exchange rights were given to holders in the new issue prospectuses. The price of the 5% Loan has been comparatively well maintained, which is not at all surprising. At 94¼ the yield obtainable, allowing for redemption in 1947, is £5 8*s*. per cent. To get this yield from the new Victory Bonds the purchaser would have to obtain repayment in 17 years. It is true that he has a chance—1 in 200, at first— of obtaining a 15% bonus any year after the present, but, as a matter of fact, the sinking fund and drawing provision will require 41¼ years to redeem half the bonds and 56 years to repay the whole. As regards the Funding Loan the yield, exclusive of redemption, is 5%, and allowance for redemption can only add a shilling or so to this.

We have said that fixed-interest-bearing securities have tended to decline on account of the anticipated counter-attractions of the new loans. Several Colonial issues and foreign Government stocks, as well as home rails, are included under this head. The French 5% Loan has been down to 79, which is the lowest price this year, and the 4% Rentes are no better than 63½. Foreign railway issues, including Argentine descriptions, have presented a firmer appearance, but on balance quotations are little better.

Home Brewery shares have received renewed support, and quotations in several directions show improvement, as for instance, Allsopps and City of London.

BARCLAYS BANK
LIMITED
(with which is amalgamated the LONDON PROVINCIAL & SOUTH WESTERN BANK Ltd.).
Business with Switzerland.
BARCLAYS BANK LIMITED having made special arrangements with several of the leading Swiss Banks, are prepared to afford increased banking facilities for business with Switzerland.
INQUIRIES ARE INVITED.
Address:
The Foreign Manager, 168 Fenchurch St., E.C.3.

Some profit-taking in American breweries, however, has taken place, notably in St. Louis Ordinary and Preference. Several insurance shares have continued active; but the chief feature in the industrial and miscellaneous sections of the market has been the buoyancy of shipping securities. P. and O. Deferred have advanced on the week from 467½ to 505, Royal Mail are 3½ points up at 175xd, while Furness Withy have risen from 4 3/32 to 5. There have also been appreciable improvements in the prices of Court Line, London and Maritime Trading, and Prince Line. Among land shares the feature has been provided by Forestal Ordinary and Preference. The former have risen to 56*s.* 3*d.* Meetings will shortly be convened for the purpose of sanctioning plans for the rearrangement of the capital, the main feature being the extinguishing of the entire mortgage debt and the computation of the participating rights of the Preference shareholders, involving the issue of Ordinary shares. An issue of Ordinary shares will also be required to provide funds to redeem the Debentures. Niger shares close at 75*s.*, after being higher at one time.

In the industrial section declines have predominated, but they have not been important in extent, and several instances of improvement are to be noted. Chief among these may be mentioned Brunner Mond, on the report and notification of intention to increase the capital from £10,000,000 to £15,000,000. Liptons and Raphael Tuck also have improved in price. Among textiles, Bleacher's Ordinary have slipped back a little on the report and Listers have weakened. On the other hand, however, there has been large buying of Courtaulds, and after nearly touching 10 the price is ⅜ up on the week at 9¾. In iron and steel shares business continues to be restricted by the uncertainty surrounding the future of coal, and Marconi issues in the telegraph section, which recently have frequently been the centre of speculative activity, have merely marked time pending the decision in the compensation claim case against the Government.

The Oil-share market as a whole has been more subdued than for a long while past. British Burmah, Lobitos, and Ural Caspians, however, show further improvement on the week, and Maikop combine shares have hardened. According to a circular issued by the British Maikop Oil Company, communications have been received from Russia advising that the properties, plant and machinery in the Maikop field are intact and have not suffered to any material extent. It is proposed to issue the unissued shares of the Company, and guarantee negotiations are proceeding.

The Drapers' Organiser, hitherto published as a monthly journal, is appearing as a sixpenny weekly newspaper from June 7. The Seaside Number, the first of the new series, contains a large number of fine colour illustrations, and exhibits skill and care at every point.

NOTICE TO BANKERS.

Advances upon STOCKS AND SHARES will be entertained upon favourable terms by the

LEGAL & GENERAL LIFE ASSURANCE SOCIETY.

The transactions can be carried out expeditiously and cheaply, and full particulars will be sent upon application to

No. 10 Fleet Street, London, E.C. 4.

VENUS PENCILS

set the standard for the World.

Obtainable in 17 degrees. Blacklead, 6B to 9H, 4d. each.

HB or F for general writing. | H or HH: hard firm writing.
B or BB for a softer lead. | Venus Copying: 5d. and 6d. each.

Of all Stationers.

"VENUS." Lower Clapton Road, London.

HB VENUS

Mining Topics.

The Mining markets have been subdued, as have most departments of the Stock Exchange, by War Loan anticipations, and recessions in quotations, though not marked in extent, have been the rule. There have been a few exceptions, prominent among which may be mentioned Johannesburg Consolidated and Government Areas, the latter Company's record profit being the stimulating factor. In the diamond group De Beers have outstood, rising at one time to the highest price for 12 years. Elsewhere Hampden Cloncurry copper have advanced sharply, and Aramayo Francke tin show an appreciable rise on the week, as a result of attention being directed to the prospects connected with expected large expansion in silver production. Siberian mining shares looked sick early in the week on the news of the Bolshevik occupation of the Lena Goldfields region, but later on advices came to hand of good progress by the anti-Bolshevik forces in the south, and the market regained confidence.

CENTRAL MINING AND INVESTMENT CORPORATION.

From every point of view, save perhaps one, it is a good report which shareholders of the Central Mining Company have just had issued to them. The exception we have in mind is the indication that the increase reported in the profit is attributable more to share dealings than to improvement in return on investments. In fact, having regard to the higher expenses, lower profits, and smaller dividends of the Rand mining companies as a whole, there seems no doubt that of the 1918 earnings share realisation profits provided an appreciably larger proportion than in 1917. In the profit and loss account the revenue derived from dividends, interest, commission, &c., is not separated as formerly from the profits realised on investments after providing for depreciation. Instead, the whole is given as £466,993, which compares with £422,970 for 1917. In that year £115,083 represented the net credit on investment realisations, being 27% of the total earnings. The net profit, after provision of about £70,000, against £74,000, for general expenses, directors' fees, and taxes, comes out at £397,023, in comparison with £349,090 for 1917. An allocation of £150,000 is again made to general reserve, and £10,000 is set aside for the first time to staff pension and benefit fund, while £24,600, against £29,000, is added to the carry-forward, after raising the dividend for the year, free of tax, from 5% to 6¼%. Investments are now shown in the balance sheet in greater detail than formerly, and it is interesting to note the proportions in gold and diamond mining, base metals and minerals, oil, coal and industrial interests, as well as land shares and estate and properties, as shown below. The table we give also reflects the Company's strong financial position, and generally indicates the alterations which took place in the assets last year:—

	1918 £	1917 £
Shares, interests, and investments—		
British Treasury bills, Exchequer bonds, 5 per Cent. War Loan and National War Bonds ...	1,942,186	2,836,092
English railways, public board and colonial stocks	128,513	123,061
Allied and Neutral Government securities ...	135,589	134,499
Mining Debentures	79,014	103,449
	2,285,302	3,197,101
In enemy countries or with enemy banks	200,799	200,799
Gold and diamond mining	2,076,182	
Base metals and minerals	418,905	2,724,480
Oil, coal, industrial and sundry	564,764	
Land shares and interests in estates and property	194,237	
	5,740,189	6,122,381
Deduct—		
Excess of current liabilities over other liquid assets	1,755,662	2 322,428
Net surplus	3,984,527	3,899,953
Issued capital	3,400,000	3,400 000
Reserves	460,000	300,000
Credit balance, profit and loss account	124,527	99,953
	3,984,527	3,799,953
Contingent liabilities	469,083	178,540

It is evident that the Company's interests are much more diverse than a few years ago. It has, so to speak, more irons in the fire (such as, for instance, the interests in Magadi Soda, Trinidad Oil, Burma Corporation, Rhodesia Broken Hill Development and Springs West mine), from which large profits seem likely to accrue in the future. Given improvement in the labour supply on the Rand mines and reduction in costs in consequence of this and of the prospective lower prices for stores and mining requisites in the future, the large investments in the gold mines should be capable of an appreciably higher dividend return than recently obtained. The present price of 9⅞ *cum* 2*s.* dividend compares with the highest and lowest quotations of the last six years as under:—

	1918	1917	1916	1915	1914	1913
Highest	£[illegible]	7⅛	7½	7⅛	[illegible]	11
Lowest	£[illegible]	[illegible]	5⅝	5½	6¼	7¼

BRITISH BROKEN HILL.

Following the policy announced by other Broken Hill mining companies, the directors of the British Broken Hill have decided not to distribute any dividend on account of the half-year ended December 31 owing to the uncertainty regarding the future of the market for lead—the chief product. The Associated Smelters, through whom the Broken Hill mines now dispose of their silver-lead concentrates, have experienced such difficulty in effecting sales since the munitions contract with the Imperial Government terminated on March 31 that they are unable to make advance payments against such concentrates. Shareholders of the British Company are informed that the resumption of dividends depends upon the market for lead, and at present it is essential to conserve resources, which, of course, will be required for the purpose of financing production. It is rather a lucky circumstance than otherwise that, as a result of a dispute between certain of the labour unions, operations at the British mine, as well as at others on the field, have been shut down since May 8. Stoppage of production will tend to reduce the excess of supply over demand. The mine's production in the second half of last year, both of lead and zinc concentrates, was a little less than in the first six months, and as costs were materially higher, the net profit comes out at £99,384, against £114,782. Provision for taxes for the whole year calls for £60,000, and £39,384 is added to the carry-forward, which is accordingly increased to £83,954. Dividends totalling 30% were paid in respect of the first half-year's profits, and these distributions must be looked upon as being on account of the whole year, as they absorbed practically the whole of the first half-year's net profit, leaving the heavy taxation to be provided out of the succeeding six months' earnings. The balance sheet at December 31 shows cash, sundry debtors, and holdings of Government bonds and Treasury bills to exceed current liabilities by £53,640. In addition, stocks on hand are given a value of £75,361, and shares in the Associated Smelters' and Zinc Producers' Association figure for £30,720. From the financial viewpoint, therefore, the Company is in a comfortable position.

The labour situation at Broken Hill is of paramount importance to shareholders, and for information on this subject the speech of the Chairman at the meeting, which is reported on another page, should be referred to.

LENA GOLDFIELDS.

Almost simultaneously with the issue of the annual report of the Lena Goldfields for the year to September 30, 1918, comes the announcement that Bolshevik forces are again in occupation of the region where the extensive gold bearing and producing properties of the Russian "Lenskoie" Company are situated. This is not the first experience of Bolshevik rule in the neighbourhood of the "mines," nor is it such a serious matter for the English Company and its shareholders as it would have been a few years ago. In November 1917 Bolshevik rule was established; in July 1918 a Bolshevik Commissary was appointed, and in October the mines were nationalised and the offices in Petrograd confiscated by the Soviet Government. However, while nationalisation was taking place in Petrograd the anti-Bolshevik forces in Siberia succeeded in overthrowing the Soviet Government in the mining region. Now, apparently, they in turn have been driven out again. In September 1915 the Lena Goldfields (the English holding Company) owned 65,665 shares, or about 60%, of the capital of the Russian operating Company, which were valued in the English Company's balance sheet at £1,397,692. Since then the English Company has sold about 56,000 shares, the Russian Company's capital has been doubled, and the English Company has acquired 9,892 new shares, making its total unsold holding 19,474 shares, or barely 9% of the capital. Also, however, 41,000 shares sold remain to be paid for in roubles and in instalments spead over two years from March 1 last. In addition, the English Company is owed 5,238,000 roubles by the Russian Company in respect of advances. The Russian Company has paid no dividends in recent years. The last accounts cover the year to September 30, 1916. The gross working profit was £954,190 (taking the rate of exchange at 9.45, against the normal of 9.52 roubles to the £ sterling). The net profit is given as £371,712, but of this £251,981 was reserved for depreciation, and the balance applied to taxes and bonus to directors and employees. In the year to September 30, 1917, gold production reached a value of £1,445,014, against £1,318,445 in the preceding year. Costs have risen enormously, and as the gravels treated have comparatively low gold contents there is not much probability of profits having been earned under recent conditions. The English Company's financial position is given in the report as follows, the rouble assets being converted into sterling at the assumed exchange of 38 roubles to the £:—

Lena Goldfields (English Company).

	Roubles	Sterling £
London assets—		
War Loan and Bonds and interest	—	375,115
Cash	-	232,809
Sundry investments	—	49,971
Total in sterling		657,195
Russian Company's shares—		
41,000 shares (sold but not paid for)	18,450 000	
9,892 shares valued at Rs. 1,000 each	9,892,000	
9,892 new shares value at Rs. 1,000 each... ...	9,892,000	
Bank balances, debts, &c.—		
Russian banks (Treasury bonds included) ...	3,498,786	
In hands of Russian Company	5,238,138	
Sundry debtors	42 848	
Total in roubles	46,673,772	
Equivalent sterling at exchange of 38		1,225,624
		1,882,819
Deduct creditors and unclaimed dividends		83,273
Surplus		1,799,546

The Lena Company's issued capital is £1,405,000, in £1 shares, and the market price being 1⅝ the market valuation of the assets is £2,283,000.

SOUTH CROFTY.

STEADILY diminishing production has been a feature of this Company's reports of recent years, due to decline in the metal contents of the ore found. In 1918 nearly as large a quantity of ore was milled as in 1917, but the black tin output was only 581 tons against 610 tons, the wolfram output 71¾ tons against nearly 88 tons, and the arsenic output 562 tons against 828 tons. Fortunately for shareholders extraordinarily high prices were realised, and, consequently, though costs rose greatly from 25*s.* 7*d.* per ton to 34*s.* 11*d.*, the working profit amounted to £77,029, in comparison with £49,737 in 1917 and £24,604 in 1916. The total cash dividend to shareholders has merely been maintained at 70%, calling for £35,000, but provision for income tax has been raised from £10,534 to £14,800, and a balance profit of £25,054 added to the carry-forward, subject to excess profits duty.

	Years ended December 31					
	1918	1917	1916	1915	1914	1913
	Tons	Tons	Tons	Tons	Tons	Tons
Ore crushed	67,588	70,055	71,706	70,790	69,842	69,366
Black tin output ...	581	610	607	627	644	633
Wolfram output ..	71¾	87¾	95¾	97	113½	117¼
Arsenic output	562	828	783½	660	706¾	744¼
	£	£	£	£		£
Tin value	113,043	84,438	63,708	59,440	58,567	78,412
Wolfram value	12,522	14,725	14,773	10,087	9,391	11,009
Arsenic value	69,300	40,388	24,391	13,023	10,600	10,635
Total produce value ...	195,283	139,551	102,872	82,550	78,558	100,85
Av. price per ton tin...	196¾	129	104	94½	91½	125
,, ,, wolfram	175¾	165½	151½	89¼	88½	93¼
,, ,, arsenic...	10 4	52 3	27 5	16	12½	15
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Produce value (per ton)	57 9	39 10	27 8	23 4	22 10	28 10
Mine costs (per ton) ...	34 11	25 7	22 0	21 0	20 7	22 3
	£	£	£	£	£	£
Working profit ...	77,029	49,737	24,604	11,666†	7,296	22,851

The capital of the Company, formerly £50,000, in 5*s.* shares, has been doubled by the capitalisation of £50,000 of the reserve funds, reducing same to £3,500.

Development work in 1918 was curtailed through labour shortage; but the more hopeful points were no doubt attacked, and it cannot be considered other than disappointing, therefore, that the results generally were not good. There are considerable possibilities attaching to the showings of boreholes numbered 245 and 290, but actual cross-cutting and development must be awaited for further information. Unless something good is discovered, so that the steady fall in metal yield is checked and a set-off to the high operating costs is thus afforded, the prospect is for a much smaller profit to be earned than in the recent past, now that the price of metallic tin has fallen substantially.

Intending Settlers To South & East Africa



are notified that the

National Bank of South Africa, Ltd., have over **300 Branches within the Union;** also Offices at **Mombasa, Nairobi, Mozambique, Dar-es-Salaam, Tanga,** etc., and in **Nyasaland.**

LONDON OFFICES:

CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office—
25, COCKSPUR STREET, S.W.—1.

Agency at—
10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, June 11, 1919.

Issue Department.

Notes Issued	£103,677,585	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	85,227,585
	£103,677,585		£103,677,585

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£61,492,376
Rest	3,169,182	Other Securities	79,879,089
Public Deposits	20,314,830	Notes	25,669,410
Other Deposits	130,791,974	Gold and Silver Coin	1,801,643
Seven-day and other Bills	13,612		
	£168,842,498		£168,842,498

Comparison with Previous Four Weeks [00,000's omitted]

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919.	£	£	£	£	£	£	£	%	%	%
June 11	78.0	87.0	20.3	130.3	61.5	79.9	27.5	18 18	5	3½-⅝
June 4	78.2	86.9	21.4	127.5	58.7	80 8	27.2	18·25	5	3½-¼
May 28	77.2	86.1	21.0	121.6	52.5	80.4	27.4	29·19	5	3½
May 21	76.5	85.5	26.1	110.3	46.3	80.4	27.4	20·10	5	3½
May 14	76.5	85.6	22.8	111.4	46.4	77.9	27.5	10·50	5	3½
J'y 22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅝

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 8 8%; Aug. 8 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	June 11, 1919	June 12, 1918	June 13, 1917	June 14, 1916	June 9 1909
Circulation	£78.0	£52.0	£38.8	£35.4	£29.4
Public Deposits	20.3	43.0	49.8	52 3	13.9
Other Deposits	130.8	126.6	125.8	87.5	42.3
Government Securities	61.5	56.1	45.2	42.2	15.4
Other Securities	79.9	100.9	113.1	70.7	31.1
Reserve	27.5	30.3	35.0	44.7	27.4
Ratio to Liabilities	18·18%	17 87%	19·94%	31·95%	48 70%
Coin and Bullion	87.0	63.9	55.3	61.6	38.3
Money					
Bank of England Rate	5%	5%	5%	5%	2½%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3⅜-½%	3⅜-3½%	4⅛-⅛%	5⅛-½%	1⅛%
Exchanges:					
Paris Cheque	29 75	27 16½	27 36	28 16½	28 20⅜
New York 60 days	4 60	4 72½	4 73	4 72½	4 85½
Bombay Telegraphic Transfers	1/7⅝	1/5⅛	1/4⅞	1/4⅛	1/3½
Prices:					
Consols 2½% Cash	53½	56	54⅞	60½	84⅞
French Rentes 3% Money	62 30	60 00	61 00	63 00	98 00
Silver, London spot oz.	54d.	48⅞d.	39 7-16d.	30 ½d.	24⅜d.
Wheat, *Gazette* average qr.	73/2	73/11	78/0	51/2	43/1
Cotton, Mid Upland lb.	19·87d.	21·93d.	17·32d.	8·26d.	5·79d.
Iron, Scotch pig ton	166/0	101/0	98/6	88/6	54/9

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	% of Gold to Notes %
June 11, 1919 ...	5,932,694	4,939,037	347,120,632	28,500,000	8·2
June 4, 1919 ...	8,004,071	5,939,827	346,276,975	28,500,000	8·2
June 12, 1918 ...	5,337,414	4,116,669	249,225,802	28,500,000	11·4
June 13, 1917 ...	5,656,674	3,961,916	160,523,073	28,500,000	17·7
June 14, 1916 ...	4,252,461	3,587,758	120,551,145	28,500,000	23 6
June 16, 1915 ...	1,961,283	1,938,952	45,641,692	28,500,000	62 4

Balance Sheet, June 11, 1919.

Notes outstanding—	£	Advances—	£
One Pound	265,237,292	Trustee Savings Banks	360,000
Ten Shilling	46,023,340	Currency Note Redemption A/c—	
Certificates outstanding ...	35,860,000	Gold Coin and Bullion ...	28,500,000
		Government Securities ...	331,339,451
Total	347,120,632	Balance at Bank of England	3,989,675
Investments Reserve A/c	17,068,494		
Total	364,189,126	Total	364,189,126

PUBLIC INCOME & EXPENDITURE [000's omitted.]

1919. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net +	Cash Balance
June 7	£14,014	£68,756	£54,742	£138,780	£85,171	£53,609	£9,193
May 31	12,236	19,094	6,858	104,998	97,547	7,451	7,325
May 24	13,009	15,545	2,536	78,109	75,514	2,595	6,734
68 days'18	141,994	326,925	184,931	957,152	778,328	178,324	−6,606
69 days'18	109,650	567,552	457,902	1,258,791	806,069	452,722	−5,180
*Yr. '19-20**	*1,201,100*	*1,434,910*	*233,810*	—	—	*233,810*	—
Yr. '18-19	889,021	2,579,301	1,690,280	7,033,402	5,351,353	1,682,049	12,798
Yr. '17-18	707,234	2,696,221	1,988,987	7,499,804	3,816,023	1,983,581	21,030

Principal Items of Revenue and Expenditure.

1919. Week to	Revenue: Customs & Excise	Revenue: Income Tax, &c.	Revenue: Excess Profits Duties, &c.	Revenue: Other Revenue	Expenditure: Int., &c., on Debt	Expenditure: Misc. Expend.	Expenditure: Supply Services
June 7	£3·535	£2·864	£5·012	£2 603	£48,195	£41	£20 520
May 31	4·159	1·043	4·909	2,125	798	313	17 983
May 24	5,163	1,390	4,737	1,719	7,515	—	8·030
68 days'19	40,724	34,505	48,167	18,598	108,804	816	217,305
69 days'18	24 341	22,914	46,444	15 951	83,380	757	483,415
*Yr. '19-20**	*237,500*	*354,000*	*300,900*	*309,600*	*360,000*	*16,595*	*1,068,315*
Yr. '18-19	182,220	291,186	285,028	150,587	269,964	11,380	2,297,958
Yr. '17-18	110,033	239,509	220,214	137,478	189,851	11,401	2,434,968

FLOATING DEBT.	Treasury Bill	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
June 7, 1919 ...	£960 219	£581,892	£1,542,111	£1,728,301
May 31, 1919 ...	1·033 131	457,892	1,494.023	1 723 216
May 24, 1919 ...	1,022.097	459.392	1,481.489	1,718.224
May 17, 1919 ...	1,018,789	470,892	1,489,681	1,712,383
Dec. 31, 1918 ...	1,094,740	455,180	†1,549,920	1,420,700

* Budget estimate. † Highest.

FOREIGN BANKS. [In £'s Sterling‡—000's omitted.]

AUSTRIA-HUNGARY.	Cash Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Discounted, &c.
July 23, '14	£51,578	£12,141	£63,719	£7 722	—	£88.740	£31,993
Apr. 30, '19	10.923	2.376	13.299	385.355	£1,373.083	1,643.282	117.009
May 15, '19	10.926	2.382	13.308	384.226	1,373.083	1,652.024	117.038
Dec. 7, '17	11.000	2.300	13.300	603.990	—	739.300	117.600

DENMARK.	Cash Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14	£4.100	£341	£4.441	£6.197	£786	£8.693	£47
Apr. 30, '19	10.374	138	10.510	3.425	3.977	24.115	1.028
May 31, '19	10.355	138	10.493	4.399	3.563	24.109	950
May 31, '18	10.228	136	10.364	3.004	3.703	19.163	986
May 31, '17	9.996	136	10.132	4.528	2.437	16.590	1.436

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Treasury Bills	Circulation	Deposits Public	Deposits Private
July 30, '14	£165.654		£190.667	£97.768	£267.327	£15,302	£37.903
June 5, '19	142.870	79.131	235 084	37.657	1,374.835	1.142	140.122
June 12, '19	142.881	79.131	234.241	34.237	1,377.941	2.626	137.702
June 13, '18	133.942	82.484	226.568	59.103	1,129.283	2.129	155.051
June 14, '17	129.885	81.391	221.600	20.124	791.751	1.378	103.759

GERMANY.	Cash Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14	£87.843	£16,727	£84.570	£5.279	£40.055	£94.545	£47,198
May 23, '19	76.324	1.026	77.350	386.643	1,294.254	1,364.324	423.436
May 31, '19	75.805	1.018	76.823	403.625	1,433.264	1,412.245	499.393
May 31, '18	117.284	6.021	123.305	81.134	727.587	600.134	381.740
May 31, '17	126.661	1.695	128.356	22.495	468.711	414.258	226.908

HOLLAND.	Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14	£13.496	£249	£13.745	£13.422	£10.332	£35.660	£1.437
May 24, '19	55.165	644	55.809	12.758	17.690	85.403	6.859
May 31, '19	55.164	661	55.825	12.079	19.512	85.497	6.829
June 1, '18	60.022	650	60.672	4.700	11.104	77.541	4.916
June 2, '17	49.693	625	50.318	5.505	7.593	63.091	4.095

ITALY.	Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14	—	—	£48.456	—	£25.017	£69.204	£8.887
Apr. 20, '19	32.716	2.948	35.664	27.340	56.916	373.701	60.232
Apr. 30, '19	32.716	2.955	35.671	25.792	59.928	375.564	59.792
Apr. 30, '18	33.449	3.142	36.591	6.422	54.922	290.108	59.650
Apr. 30, '17	34.057	2.608	36.665	6.147	37.367	160.240	33.279

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14	£21.867	£1.829	£7.863	£32.722	£13.818	£1.521
Apr. 19, '19	70.873	1.358	34.737	78.609	109.762	4.413
Apr. 26, '19	70.663	1.773	35.643	81.391	108.531	3.692
Apr. 27, '18	65.903	4.887	24.910	64.999	67.832	2.447
Apr. 28, '17	40.877	1.092	14.369	47.619	44.580	1.650

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest., &c.	Net Deposits Demand	Net Deposits Time	Net Deposits Total	Excess Reserve
Aug. 1, '14	—	£89.888	£411.238	—	—	£387.165	£1.720
May 31, '19	£19.170†	115.138	978.086	£823.672	£30.044	875.516	7.732
June 7, '19	19.676†	117.902	1,010.546	827.166	29.998	910.890	7.716
June 8, '18	19.972*	107.304	900.696	749.394	31.288	840.068	7.498
June 9, '17	78.570*	136.988	749.472	723.216	35.581	777.611	12.190

NORWAY.	Gold	Balance Abroad	For'gn Govt. Securities	Disc'nts & Loans	Circulation	Deposits
July 31, '14	£2.960	£1.678	£493	£4.868	£6.752	£793
May 22, '19	8.187	4.204	678	19.167	23 292	4.960
May 31, '19	8.185	4.196	[678	19.258	23.661	4.831
May 31, '18	6 617	3.708	712	18.137	19.647	6.265
May 31, '17	7.161	4.480	708	12.640	15.382	6.949

PORTUGAL.	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
Apr. 16, '19	£1.905	£3.918	£5.823	£3.518	£64.330	£3 395
Apr. 23, '19	1.905	3 901	5.806	8.836	63 878	3.818
Apr. 24, '18	1.905	3 303	5.208	7.765	45.214	2.025
Apr. 25, '17	1.904	1.016	2.920	15.049	32.272	918

RUMANIA.	Cash	Discounts	Advances	Total	Circulation
Mar. 23, '19	£35.581	£5.613	£1.745	£7.358	£104.348
Mar. 30, '19	35.581	6.223	1,795	8.018	105.537
Mar. 31, '18	29.000	4.667	1.789	6.456	85.332

RUSSIA.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Discts	Circulation	Notes in Reserve	Total Deposits
July 21, '14	£160.114	£14.395	£181 892	£76.081	£163.411	£6 589	£109 911
Oct. 29, '17	129.523	230 865	378 205	1 869.559	1,836.217	15.783	345.550

SPAIN.	Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits, &c.
Aug. 1, '14	£21.804	£29 187	£50 991	£40.572	£13.778	£77.557	£18.955
May 31, '19	90.652	26 216	116.868	75.968	13.778	140.635	42.740
June 7, '19	90.652	25.948	116.600	76.200	13.778	141.940	42.353
June 8, '18	82 930	28.160	111.090	53 098	13.777	117 538	40 112
June 9, '17	59.394	30.090	89.484	51.743	13.777	97.748	30.828

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14	£5.717	£8 150	£1.558	£7.495	£39.564	£6 016
May 24, '19	16.186	7.613	2.880	12.515	36.947	6.333
May 31, '19	16.111	8.080	2.880	13.237	39.031	6.653
June 1, '18	14.371	7.058	5.384	13.131	35.416	5.250
June 2, '17	11.273	7.292	3.242	8.759	24.557	6.795

SWITZERLAND.	Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14	£7 202	£753	£7 960	£4 817	£10 716	£2 028
May 23, '19	17.232	2.689	19.921	19.412	35.509	5 497
May 31, '19	18.340	2.704	21.044	19.612	38 824	5.393
May 31, '18	15.243	2.294	17.537	14.223	28.201	4 239
May 31, '17	13.870	2.083	15.753	7.628	20.522	3.743

* Counted as reserve. † Not reserve.
‡ Converted at par rate of exchange.

U. STATES FED. RES. BANKS.	Gold Held by Banks.	Gold With Agents.	Total Cash.	Bills Discount'd	Bills Accept-ances.	Deposits. Govt.	Deposits. Total Net.	Circul'n tion.
May 31, '19	£186.672	250.876	451.020	397.878	36.730	28.296	368.184	503.858
June 7, '19	187.204	253.158	454.068	362.224	39.662	5.212	342.464	502.608
June 7, '18	188.516	197.336	395.544	196.898	49.908	35.976	315.272	327.916
June 8, '17	107.177	95.586	210.202	19.604	27.054	45.398	237.414	96.294

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	4½	Oct. 28,'14
Berne	5½	Oct. 3,'18	Paris	5	Aug. 20,'14
Bombay	6	Mar. 27,'19	Petrograd	6	July 29,'14
Brussels	4	June 5,'19	Rome	5	Jan. 11,'18
Calcutta	6	Mar. 27,'19	Stockholm ...	6½	Apr.24,'19
Christiania ...	5½	May 12,'19	Tokio	6½	Nov. 25,'18
Copenhagen ...	5½	Jan. 2,'19	Vienna	5	Apr.12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		June 13,'19	June 5,'19	May 30,'19	May 23,'19
Brussels	Cheques	30fr. 80c.	30fr. 85c.	30fr. 55c.	30fr. 82½c.
Denmark	Cable	18kr. 90	19kr. 70	19kr. 80	19kr. 67½
Holland	do.	11fl. 82c.	11fl. 86½c.	11fl. 84c.	11fl. 77c.
Italy	do.	36lr. 25c.	37lr. 75c.	36lr. 50c.	39. 75c.
Lisbon and Oporto	do.	30½d.	30½d.	30½d.	30¾d.
New York	do.	$4 62	$4 63	$4 64½	$4 64¾
—	Cheques	$4 62½	$4 63½	$4 65	$4 65½
Norway	Cable	18kr. 20	18kr. 38	18kr. 40	18kr. 40
Paris	3 mos.	39fr. 85c.	30fr. 50c.	29fr. 91c.	30fr. 71c.
—	Cable	29fr 50	30fr. 09c.	29fr. 50c.	30fr. 40c.
Spain (Bank places)	3 mos.	50¾d.	50¼d.	50½d.	50¾d.
—	Cable	£2p 20	23p 07½	23p. 10	23p. 10
Sweden	Cable	17kr. 70	18kr. 00	18kr. 20	18kr. 21
Switzerland	3 mos.	24fr. 8 c.	24fr. 62	24fr 25	24fr. 15c.
—	Cable	24f. 50c	24fr. 22c.	23f. 85c.	23f. 75c.
ON LONDON—		June 13,'19	June 5,'19	May 30,'19	Par
Alexandria	Sight	97⅛pi.	97½pi.	97½p.	97½pi.
Amsterdam	Cheques	11fl. 82½c.	11fl. 86c.	11fl. 83½c.	12·107fl.
Bombay	Transfers	1s. 7⅜d	1s. 7⅜d	1s. 7⅜d.	1s 6d.
Brussels	Cheques	30f. 75c.	30f. 82½c.	30f. 35c.	25f. 22½
Buenos Ayres	Transfers	50⅝d.	51d.	51 ⅛d.	47·58d.
Calcutta	do.	1s. 7⅜d.	1s. 7⅜d.	1s. 7⅜d.	1s. 6d.
Christiania	Sight	18kr. 17½	17kr. 98½	18kr.39½	18 159kr.
Copenhagen	do.	18kr 90	19kr. 70½	19kr. 77½	18.159kr.
Hong Kong	Transfers	3s 6¾d.	3s. 6¾d.	3s. 6¾d.	—
Italy	Sight	36lr. 25c.	37lr. 72½c.	36lr. 42½	25f. 22½c.
Lisbon	do.	30½d.	30⅝d.	30⅝d.	53½d.
Madras	do.	1s 8⅛d.	1s. 8⅛d.	1s. 8⅛d.	1s. 6d.
Madrid	do.	23p 39	23p. 08½	23p. 09½	25p. 22
Montevideo	Transfers	56⅛.	57½d.	57½d.	51d.
Montreal	Cable	$4 74½	$4 76½	$4 76⅝	$4 86⅝
New York	Sight	$4 61⅝	$4 61⅝	$4 63½	—
—	60 days	$4 60	$4 60	$4 60⅝	—
—	Cable	$4 62⅜	$4 63	$4 64½	$4 86⅝
Paris	Cheques	29f. 51c.	30f 08c.	29f 05½c	25f. 22½
Rio de Janeiro	90 days	14⅛d.	14½d.	Hol.	18d.
Shanghai	Transfers	5s 4½	5s 3⅛	5 . 2d.	—
Singapore	Sight	2s. 4⅞d.	2s. 4¾d.	2s. 4 9/16d.	2s. 4d.
Stockholm	do.	17kr. 75	18kr. 36	18kr. 19	18 159kr.
Switzerland	do.	24f. 50c	24f 25½c.	23f. 77½c.	25f. 22½c.
Valparaiso	90 days	10⅜d.	11⅜d.	11⅛d.	18d.
Yokohama	Sight	2s. 2⅛d.	2s. 2 5/16d.	2s. 2 1/16d.	2s. 0.53d.

* Thursday's rates.

NEW YORK ON—	Rate Current* June 11,'19	Rate Current* June 3,'19	Par as usually Quoted	Rate July 3, 14
Amsterdam, sight	38·87½c.	39·75c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques	42c	40·70c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques	43⅛c.	43⅜c.		
Christiania, cheques	25·25c.	25·10c.	26·80c. for 1 kroner	26·85c
Copenhagen, cheques	23·75c.	23·35c.	26·80c. for 1 kroner	
Greece, cheques	18·95c.	18·10c.	19·295c. for 1 drachma	
Hongkong, cheques	83·50c.	83c.	74·59c. for Mex. $1	48·4
Italy, sight	7 92/.	8·07/.	5·18½ lire for $1	5·17
Lima, cheques	5·11c.	5 05c.	4·8665 $ for 1 libra	
Manila, cheques	49·75c.	49 25c.	50c for 1 peso	49·8
Montreal	2 3/32 disc.	2⅛% disc.	Premium per $100	Par
Paris, sight	8·43fr.	6·44½fr.	5·18½ francs for $1	5·16fr.
Petrograd, sight	10 nom.	10 nom.	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	28c.	27·65c.	32·42c. for 1 milreis	
Shanghai, cheques	123½c.	123½c.	52·96c. for 1 tael	53·00c.
Singapore, cheques	56·75c.	56·25c.	56·77c. for $1	57·12c.
Spain, cheques	19·95c.	19 93c.	19·30c. for 1 peseta	
Stockholm, cheques	26·75c.	25·45c.	26·80c. for 1 kroner	
Switzerland, cheques	5·29fr.	5·23fr.	5·18½ francs for $1	5·16½fr.
Valparaiso, cheques	21⅛c	22c	20·81c. for 1 peso	
Yokohama, cheques	51·50c.	50·85c.	49·84c. for 1 yen	49·90c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1919 Agg.	Inc. or Dec.*
	1919.	[In £'s sterling 000's omitted.]			
BIRMINGHAM	June 7	£3,686	+ £852	£57.395	+ £1.343 + 2·4
BRISTOL	,, 7	1,512	+ 469	29.872	+ 5.984 + 25·0
DUBLIN	,, 7	7,453	+ 1,139	158.551	+ 33.634 + 27·0
LEEDS	,, 7	1,329	+ 149	25.842	+ 3.261 + 14·4
LEICESTER	,, 7	1.072	+ 326	20.019	+ 4.266 + 27·2
LIVERPOOL	,, 7	12.852	+ 3.753	253 967	+ 53.200 + 26·5
MANCHESTER	,, 7	18.729	+ 2,106	343.489	+ 15.170 + 4·6
NEWCASTLE	,, 7	2.460	+ 635	44.179	+ 2 258 + 5·4
NOTTINGHAM	,, 7	711	— 27	14.592	+ 810 + 6·1
SHEFFIELD	,, 7	1.866	+ 341	27.584	+ 1.883 + 7·3
LONDON—	1919.				
TOWN	June 11	333.908	+ 30.028	8.671.425	+ 1,305.144 + 17·7
METROPOLITAN	,, 11	28.422	+ 2.444	717.892	+ 145.024 + 24·1
COUNTRY	,, 11	58.686	+ 5.231	1.373.956	+ 218.783 + 19·0
TOTAL	,, 11	421.014	+ 37.703	10.793 273	+ 1.668.961 + 18·3

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould and Co.

HOMEWARDS.	1919 June 13	1919 June 5	1913 June 13
Alex. to Lond.or Hull	—	—	—
Aust. to U.K. or Cont.	225/0	105/0	32 0
Azoff to L.H.A.R.	—	—	8 9
Bombay to p.p. (nom.)	90/0	90/0	4.w.20·6
Burmah o.c. (nom.)	220/0	220 0	25/0
Calcut. to p.p. (jute)	nom.	—	22/6
Danube to A.R	—	—	—
Odessa to L.H.A.R.	—	—	—
R. Plate to U.K. Cont.	270/0	260/0	15/7½

Homewards.—Cont'd	1919	1919	1913
U.S.A. ch. Ports to Liverpl.	13	5	13
(cotton, 100lb.)	220 0	220·0	40.6
U.S. to U.K. Cont. (gr.)	14·0	14/0	2/8
Gulf Ports to U.K. Cont. (cotton & grain)	$35	$35	14/6
OUTWARDS—Cardiff to			
Bombay	—	—	13/0
Colombo	—	—	12/6
Port Said	47/6	47/6	10.0
River Plate	51/3	51/3	21/6
St. Vincent	40/0	40 0	10·9

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JUNE 13, 1919.	JUNE 14, 1918.	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	168/0	101/0	57/0
— Middlesbro' warrants ...ton	160/0	95/0	51/0
— Hematite warrants ...ton	190/0	122/6	61/0
— Staffordshire bars, London ton	£20 10	£15 10	£8 10
— Common bars ...ton	£20 10	£13 15	£8 10
Steel Rails ...ton	£15	£10 17/6	£8 2/6
Galvanised Sheets...ton	£28—£30	£28	£18 17/6
Copper—Standard...ton	£81 15	£110	£61
Tin—English Ingots...ton	£233	£329—£332	£142 10
— Straits ...ton	£240	£329—£330	£139 15
Tinplates, I.C. Coke, S. Wales...box	33/0—34/0	33/0	11/10½—12/0
Lead—Soft Foreign ...ton	£23	£28 10—£29 10	£19
Spelter—Ord. Foreign ...ton	£36—£37	£57	£21 7/9
Quicksilver—(75lb.) ...bottle	£18—£18 10	£20	£7
Aluminium ...ton	£150	nom	£82
Antimony—Regulus Foreign ...ton	£41—£42	£78—£85	£27 10
— English ...ton	£45	—	—
Coal—(best) Yorkshire...ton	23/6—24/6	23/0	17/6
— Steam (best) Newcastle...ton	40/0—45/0	30/0	14/6
CHEMICALS, OILS, &c.			
Nit. of Soda—f.o.b. Chile, per quintal	9/6	11/3	7/4
Soda—Crystals ex ship ...ton	129/0—130/0	87/6	42/6—45/0
Copra—Malay and Straits ...ton	£58 10	£45 10	£23 15—£24 7/6
Gambier—Good marks ...cwt.	47/6	72/6	16/10½
Indigo—Bengal good to fine...lb.	9/0—10/6	9/0—11/0	3/2—3/8
Linseed Oil—Raw ...ton	£120	£75	£25 5
Linseed—Calcutta, spot ...ton	£48	£28 15	£13 16/9
— **Cakes**, U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish ...tun	nom.	£200	£49 10
Palm Oil—Lagos ...ton	£85	£45	£31 10
Petroleum—American...gallon	1/4½	1/10½	7½d.
Rape Oil—Refined English ...ton	£104	£71	£32
Soya Oil—Refined...ton	£75	£75	£24 10
Tallow—Imported ...cwt.	93/0—103/0	68/0	29/3—33/3
Turpentine—French ...cwt.	104/0	120/0	33/7½
Rape Seed—Toria...ton	£41 10	£29 15	£13 5
Rubber—Para, spot ...lb.	2/5	3 0½	2/9½
— Fine plantation (stnd. crepe) lb.	1/9	2/1½—2/2	2/2
— World's Production* Apr. tons	31,165	21,736	8,467
Shellac—T.N. Orange, fair.....cwt.	340/0	340/0	83/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb	19 39d.	21 93d.	7·53d.
— Egyptian, good fair ...lb.	27 09d.	28 57d.	8·75d.
— Pernambuco fair ...lb.	21·78d.	25 41d.	7·73d.
— Mid. Upl. New York...lb.	32·95d.	30 03d.	13·25d.
— Stock, Liverpool, June 11 bales	507,180	270,900	931,600
Flax—Petrograd, Yarapol ...ton	nom	£120nom.	£28
Hemp—New Zealand ...ton	£43 10	£99	£25 10
— Manila, Fair ...ton	£49 10—£50	£100	£26 10
Jute—First Marks ...ton	£51	—	£28 15
— Red SOO ...ton	—	—	£24 15
Silk—Blue Elephant ...lb	24/0	26/0	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	3/5½	nom	11½d.—1/0
— Lincoln Half Hogs ...lb.	1/7½	1/7½	1/0½
Hides—Eng. Ox, best, 65lb. up. lb	9¾d—10½d.	9½d.—10½d.	7½d.
Leather—Dressing Hides ...lb	2/7—3/3	2/4—3/0	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	—	13,475,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	237½c.	226c.	87½c.
— English *Gazette*, aver. 480lb. qr.	73/2	73 11	34/3
Flour—G.R. ...280lb.	44/3	44/3	28/6
Barley—Eng. *Gaz.*, aver. 400lb. qr.	62/6	59/2	25/4
Oats—Eng. *Gaz.*, aver. 312lb. ...qr.	47/10	45/5	20/0
Maize—N. Y. (new bushel) ... 56lb.	193½c.	nom.	78½c.
— Amer. mixed, Liverpool...480lb.	63/9	nom.	32/4
— La Plata ...480lb. qr.	63/0	76/0	25/9
Potatoes—Good English ...ton	193/8	165/0—180/0	70/0—75/0
Rice—Bassein ...cwt.	25/0	28/3	7/0—7/3
Tapioca—Pearl, medium...cwt.	50/0	80/0	14/0—17/8
Hay—Best ...2,018lb....load	176/0	161/0	82/6
Hops—English...cwt	—	—	£8 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs...8lb.	6/3—7/2	9/3	3/8—3/10
— Scotch sides...8lb.	8/6	8/2	4/8—5/0
— English...8lb.	8/6	8/2	4/2—4/5
Mutton—Scotch wethers...8lb.	9/0	8/8	5/8—6/0
— English wethers...8lb.	9/0	8/8	4/8—5/4
— New Zealand frozen ...8lb.	7/8	8/8	2/4—3/2
Pork—English and Irish...8lb.	10/8	10/8	3/8—4/0
Bacon—Irish, delivered ...cwt.	190/6	188/0	60/0—74/0
— Danish...cwt.	—	—	58/0—68/0
— Canadian, ex Port...cwt.	190/0	—	—
— American, ex Port ...cwt.	186/0	169/0—172/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt	192/0	165/0	75/0—79/0
— — short cut, ex Port ...cwt.	194/0	162/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	170/0—191/9	152/0	51/9—52/9
Butter—Danish ...cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
— French ...cwt.			96/0—108/0
— Australian ...cwt.			98/0—110/0
— New Zealand ...cwt.			108/0—114/0
Cheese—Canadian ...cwt.	Controlled 144/8	—	86/0—68/0
— United States...cwt.		—	—
— Dutch ...cwt.		—	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to May 31 ...cwts.	13,303,535	10,975,591	19,777,254
— Home consump'n to May 31cwts.	12,387,203	7,705,699	17,272,000
— In Bond May 31 ...cwts.	7,196,000	6,210,000	6,306,000
— Price, Java, 98° Pol. ...cwt.	32/0	36/0	10/3
— — Yellow crystals ...cwt.	57/9	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	84/9	84/9	18/0
Coffee—Imports to May 31 ...cwts.	583,219	48,336	720,360
— Home consump'n to May 31cwts.	129,725	243,749	141,410
— Exports to May 31 ...cwts	107,671	18,636	340,250
— In Bond May 31 ...cwt.	952,000	878,000	484,000
— Price, Costa Rica gd. to fine cwt.	132/0—138/0	125/0—140/0	80/0—93/0
— — Brazil (Santos) good ...cwt.	116/0—118/0	64/6	41/6
Tea—Imports to May 31...lbs.	186,141,577	214,984,505	123,230,277
— Home consump'n to May 31 lbs.	144,914,140	118,184,346	155,447,972
— Exports to May 31 ...lbs.	10,870,350	674,470	26,561,765
— In Bond May 31 ...lbs.	162,217,000	92,957,000	78,292,000
— Price, Indian, Pek. Soug. good lb.	9d.—10d.	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	9d.—10d.	1/4	8½d.
— — Common Congou ...lb.	9d.—10d.	1/4	5½d.
Cocoa—In Bond May 31 ...cwt.	1,144,000	505,000	309,000
— Grenada, good to fine ...cwt.	120/0—122/0	85/0	52/6—58/0

* Estimated.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Cuba Railroad	Mar.	$1,283,083	+ $49,584	$120,028	— $68,018
	9 *mos. to* Mar.	*8,581,258*	+ *399,839*	*2,032,166*	— *498,132*
Grand Trunk	Apr.	£1,100,800	+ £155,200	£155,300	+ £19,100
	4 *mos. to* Apr.	*3,978,300*	+ *1,092,190*	*117,300*	+ *291,700*

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 6, 1914, the Government assumed control of the railways of Great Britain under warrant renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago.
Assam Bengal	May 3	993	R1,69,286	+ 17,826	5	8,12,911	+ 1,12,104
Barsi Light ...	May 10	118	27,100	+ 12,400	6	1,86,100	+ 94,100
Bengal & N.W.	May 3	2,052	5,68,750	+ 63,284	5	26,01,550	+ 42,384
Beng. Dooars	May 3	158	20,517	— 14,291	5	1,07,304	— 39,204
Beng. Nagpur	May 3	2,695	12,60,000	+ 44,000	4	55,60,000	— 40,314
Bomb. Baroda	May 31	2,871	20,13,000	+ 40,000	9	1,74,18,000	+ 1,68,000
Burma	Apr. 26	1,342	6,19,456	+ 63,335	4	20 86 120	+ 1 06,397
Del. Um. Kalk.	May 31	239	83,600	+ 15 009	9	7,13,729	— 13,959
East Indian ...	May 31	2,767	26,24,000	— 48,000	9	2,35,78,000	+ 2,52,000
Gt. Indian Pen.	May 31	3,112½	30,54,700	+ 7,07,700	9	2,46,44,900	+ 31,27,656
Madras & S.M.	May 10	3,152	12,20,000	— 75,680	6	67,50,000	— 3,23,599
Nizam's Guar.	May 3	900	3,14,713	+ 52,758	5	14,45,541	+ 1,92,458
Roh. & Kumn.	Apr. 26	572	1,15,597	— 13,119	4	4,05,585	— 1,08,024
South Indian	May 10	1,829½	8,19,907	+ 1,23,836	6	43,48,467	+ 3,97,980
South Punjab	Feb.	716	7,57,666	+ 99,060	5m	37,59,324	+ 1,59,940
COLONIAL.							
Can. Northern	June 7	9,524	$782,700	— 64,400	22	19,942,749	+ 2,532,949
Can. Pacific ...	May 31	13,388	4,505,000	+ 470,000	21	62,853,000	+ 3,418,000
Grand Trunk	June 7	3,616	£229,993	+ 21,949	22	5,291,662	+ 1,196,057
Mashonaland	Dec.	810	53,459	+ 4,011	3m	137,931	— 35,896
Mid. W. Aust.	Mar.	277	10,740	+ 1,145	9m	84,683	+ 13,954
New Cape Cent.	May 17	205	2,050	— 201	18	52,847	+ 5,907
Rhodesia Rlys.	Dec.	1,397	86,906	+ 5,069	3m	214,080	— 63,026
Temiscouata ...	Mar.		$31,271	+ 6,870	3m	88,955	+ 27,460
W.Pass.& Yuk.	Dec.	122	—	—	12m	$1,244,080	— 804,349
FOREIGN.							
Argentine.							
Arg. N. East.	June 7	752	£ 10,300	— 800	49	491,800	+ 64,400
Arg. Transand	May 24	111	£ 4,450	+ 890	47	178,280	+ 22,970
B. A. & Pacific	June 7	3,536	£ 142,000	+ 6,000	49	5,777,000	+ 1,041,000
B.A. Gt. South	June 8	3,792	£ 142,000	+ 21,000	49	6,803,000	+ 1,383,000
Do.	June 8	Net	£ 36,000	+ 33,000	49	1,516,000	+ 269,000
B. A. Western	June 8	1,882	£ 87,000	+ 16,000	49	3,435,000	+ 780,000
Do.	June 8	Net	£ 26,000	+ 8,000	49	926,000	+ 182,000
B. A. Central...	Mar.	190	£ 42,132	+ 3,021	9m	365,209	+ 116,515
Cent. Argent.	June 7	3,305	£ 137,500	— 2,500	49	6,507,400	+ 769,200
Do.	June 7	Net	£ 22,700	— 28,400	49	955,000	— 491,873
Cord. Central	June 7	1,205	£ 60,730	+ 7,250	49	2,150,070	+ 583,350
Entre Rios ...	June 7	831	£ 17,500	— 200	49	936,400	+ 199,600
Brazilian.							
Brazilian South	Apr.	110	M 51,800	+ 800	4m	189,940	— 1,160
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12m	57,772,000	+ 7,619,243
Gt. W. Brazil	May 31	1,010	£ 22,000	+ 7,700	22	426,800	+ 45,100
Leopoldina ...	June 7	1,831	£ 40,082	+ 4,947	23	734,649	+ 8,134
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12m	22,267,000	— 2,474,651
Paulista	Dec.	66	M 2,650,000	— 906,038	12m	32,479,000	— 1,225,892
Sau Paulo	June 8	153½	£ 38 101	+ 10,418	23	792,027	+ 17,739
Sorocabana ...	Dec.	1,003	M 1,749,000	— 246,164	12m	21,963,000	+ 976,692
S.of Bahia S.W.	Apr.	52	M 55,000	+ 15,000	4m	284,000	— 7,000
Chilean and Peruvian.							
Antofagasta ..	June 8	838	£ 21,840	— 32,595	23	597,230	— 435,000
Arauco	Apr.	84½	£ 9,800	— 3,200	4m	42,300	— 8,700
Nitrate (2wks.)	May 31	390	£ 15,137	— 22,796	21	210,631	— 135,871
Peruvian Corp	May	1,140	S 1,059,150	+ 37,030	11m	11,308,105	— 116,455
Taltal	May	180	£ 8,640	— 14,528	11m	158,139	— 114,989
Cuban.							
Cuban Central	June 7	362	£ 27,730	+ 8,139	49	1,119,883	+ 75,481
Havana Cent.	May 31	70	£ 11,384	+ 908	48	457,110	+ 21,787
U. of Havana	June 7	681	£ 75,390	+ 24,471	49	2,932,333	+ 81,583
W. of Havana	June 7	155	£ 18,392	+ 8,676	49	450,817	— 5,811
Uruguayan.							
Cent. Uruguay	June 7	272	£ 21,009	— 110	49	1,076,096	+ 164,914
,, (E. Ext.)	June 7	311	£ 6,557	+ 496	49	276,874	+ 21,937
,, (N. Ext.)	June 7	185	$ 3,633	— 1,484	49	138,009	+ 21,470
,, (W.Ext.)	June 7	211	£ 2,359	+ 482	49	129,189	+ 20,617
Mid. Uruguay	May	319	£ 18,511	+ 6,376	11m	191,710	+ 45,510
N.W. Uruguay	May	113	$ 29,000	+ 8,605	11m	326,856	+ 42,870
Urug. Northn.	May	73	£ 1,936	+ 480	11m	22,712	+ 2,021
Miscellaneous.							
Alcoy & Gandia	May 31	33	Ps. 8,500	+ 1,800	22	214,400	+ 7,300
Bilbao	May	15	£ 2,791	— 1,358	5m	12,111	— 10,040
Bolivar	Apr.	136	£ 13,000	+ 18	10m	101,099	— 12,826
Colomo. Natn.	Apr.	86	£ 13,160	+ 1,200	4m	43,940	— 6,120
Costa Rica... ..	Mar.	189	£ 23,642	+ 9,153	9m	200,872	+ 88,808
Dorada Ext....	May	70	£ 13,400	+ 3 900	5m	43,700	+ 800
Egyptian Delta	Mar. 17	559½	£ 4,675	— 1,478	50	364,593	+ 85,248
Gt. S. of Spain	May 31	104	Ps. 89,722	+ 60,048	22	2,650,998	+ 1,996,208
La Guaira & Ca.	Apr.	22½	£ 7,230	+ 1,265	4m	32,940	+ 6,140
Ottoman Ry ...	May 24	379	£ 13 639	— —	—	—	—
Paraguay Cent.	May 31	255	£ 4,820	+ 1,530	48	200,830	+ 60,990
Puerto Cabello	Apr.	24	£ 4,700	+ 700	4m	19,625	+ 2,625
Salvador	June 7	100	£ 2,387	— 206	49	131,497	+ 24,058
Santa Fe Prov.							
French Rys.	Apr.	1,181	£ 162,886	+ 46,698	4m	649,097	+ 77,580
S'm'na & S'ti'go	May	80	£ 17,960	— 8,120	5m	49,741	+ 4,453
Zafra & Huelva	Apr.	112	£ 10,789	— 3,949	4m	40,825	— 9,825
TRAMS.							
Anglo-Argent.	June 3	400	£ 21,250	— 34,245	22	1,252,291	+ 34,387
Auckl'nd (4wk.)	May 9	27	£ 24,279	+ 1,049	44	195,800	— 5,396
Bombay Elec.	Mar.	39	R. 6,91,453	+ 1,13,350	3m	19,49,375	+ 2,77,398
Brazilian Trac.	Apr.	378½	Mg.208,000	+ 878,000	4m	35,032,000	+ 3,456,000
Brisbane Elec.	May	40½	£ 34,225	— 3,385	4m	185,335	+ 10,156
Brit. Columbia	Apr.	334	$ 631,988	+ 116,571	10m	6,022,107	+ 1,011,419
B. A. Lacroze	May	51	£ 47,317	+ 6,002	11m	481,503	+ 52,123
Calcutta	May 24	35½	R 83,720	+ 12,412	21	17,78,413	+ 2,41,797
Cape Electric	Apr.	42½	£ 28,140	+ 5,101	10m	245,934	+ 28,783
Carth. & Herr.	May	9	£ 3,226	— 1,801	5m	13,418	— 9,167
Chatham & Dist	May 29	15	£ 1,631	+ 310	21	28,824	+ 2,784
Havana Elect.	Feb.	88	$ 703,156	+ 86,085	2m	1,429,514	+ 187,433
Isle of Thanet	May 31	20½	£ 1,002	+ 717	35	15,355	+ 8,545
Kalgoorlie.....	Jan.	20½	£ 2,562	+ 40	1m	—	—
Lanarkshire ...	May 29	28½	£ 4,204	+ 491	21	67,520	— 4,371
Lima Light ...	Mar.	85	£ 50,716	+ 8,640	3m	142,160	+ 14,602
London O.O....	June 11	141½	£ 92,615	+ 27,311	10	833,409	+ 208,331
Madras (2wks.)	May 31	15½	R. 45,675	+ 4,723	21	364,068	+ 39,812
Manila Electric	Mar.	55	$ 207,792	+ 35,042	3m	650,745	+ 142,985
Pernambuco ...	June 1	59	£ 5,605	+ 1,523	22	118,193	+ 18,420
Provincial.....	May 31	21½	£ 3,673	+ 429	35	84,735	+ 6,307
Rangoon Elec.	Apr.	25	£ 6,217	+ 332	4m	25,817	+ 2,959
Shanghai Elec.	Apr. 9	26½	Mx. $29,891	+ 8,224	14	390,525	+ 47,451
Singapore Elec.	Apr. 26	26½	$ 14,013	+ 1,155	17	267,992	+ 38,837
U. of Montevid.	May	90½	£ 37,382	+ 5,081	7m	265,287	+ 26,949

Shop at
LIPTON'S
for QUALITY.
LIPTON, LTD., the largest Tea Distributors, Manufacturers, and Retailers of Food Products in the World.
Head Office CITY ROAD, LONDON, E.C.1.
Branches and Agencies throughout the United Kingdom.

SCOTTISH TEMPERANCE LIFE ASSURANCE CO., LTD.
London Office: 3 CHEAPSIDE, E.C. 2.
Total Assets - - - - - - Nearly £3,000,000.
The special features of the Company are—
Reduced Premiums to Total Abstainers—10% discount on Whole Life Policies. Very favourable rates under Life, Accident, and all Sickness Policies.
House Purchase Scheme with Life Insurance.
Send for full Prospectus.

The Statist.
LONDON, SATURDAY, JUNE 14, 1919.

THE UNITED STATES.

THE preparations for the coming elections for the Presidency and for Congress have already begun. It has been somewhat of a surprise to many observers who are careful watchers of movements in the United States that they had not begun earlier—firstly, because the questions that will have to be decided are of an importance which it would be difficult to exaggerate; and, secondly, because one of the proposals is that the Senate should approve of the League of Nations. Now the League of Nations is eminently contestable. There are many people who are persuaded that it would exercise an influence in making war less frequent than in the past. Few persons, we think, who have a right to expect that their opinions carry weight entertain the conviction that if the League of Nations is not merely approved, but is entered into warmly, and even enthusiastically, it will prevent wars in the comparatively near future. But one can readily understand that thoughtful men may hope that a League of Nations, if taken up seriously, will act as a check upon any movement lightly entertained to plunge into a conflict. However that may be, the great majority of persons who have really studied the history of the past are convinced that until man is very greatly reformed wars will break out from time to time, and will be more desolating in proportion to the increase of civilisation. Therefore it was almost certain that as soon as President Wilson declared himself so enthusiastically in favour of a League of Nations his action would have an effect in making the suggestion less favoured by his political opponents. In saying this we do not mean that the Republicans are moved by mere faction in the course many of them are taking, but simply that a proposition which never has been tried, which no man can, therefore, truthfully say will have certainly this or that influence, is almost inevitably looked at with suspicion when it is taken up enthusiastically by the leader of a party which Republicans honestly believe to be wrong in the measures they would like to see adopted, both at home and abroad. It was inevitable, therefore, that there should be a strong opposition. And as the Democrats have now held office for very nearly eight years it would be strange indeed if their opponents did not think it their duty to remove from power a party which they considered to be acting injuriously to the Commonwealth. Therefore no one who has followed the course of American history can be surprised at the bitterness of the conflict which has sprung up, and very few will at the present time venture upon a definite opinion as to what the result will be. We of this Journal do not favour prediction. We shall be very careful, therefore, not to commit ourselves to any definite view. But we may allow ourselves to say that there are very strong arguments on the Republican side. As far back as we can trace human history war has raged in some part of the world, and he must be a strangely enthusiastic man who believes that the human race just now is more committed to peace than ever before in the past. Consequently, it is as probable as anything that has not happened can be that wars will continue for a considerable time yet. They may be ended if the destructiveness of war is so increased that mankind will be frightened from engaging in it. But that mere preaching or mere precept will prevent war may be a doctrine which enthusiasts may take up, but it is one which men of the world will treat with scant courtesy. While, therefore, we pretend to know no more than our readers what will be the result of the contest, we shall not be in the least surprised if the Republican party takes a course not agreeable to President Wilson.

In the first place, President Wilson, rightly or wrongly, is believed to be too favourable to this country. We do not believe that the Chief Magistrate of the United States is determined in the policy he pursues by consideration for other countries. We are convinced that he is persuaded that the policy he is pursuing is the wisest and the best for his own country. But that is our personal opinion, and we are well aware that all who think Democrats utterly wrong in the policy they wish to impose upon the United States are almost compelled to believe that a plan which has been so strongly, and even enthusiastically, favoured by the President must be one which it becomes good Republicans to look upon with the gravest suspicion. We anticipate, therefore, that the opposition to the League of Nations will increase; and, without committing ourselves to any opinion, we shall not be in the least surprised whatever the decision ultimately adopted may prove to be. But that is only the least powerful of the reasons which compel us to look upon what is happening in the United States as by no means favourable to the relations of the two countries. In the first place, it is most natural that Irishmen at home and abroad should do their utmost to put difficulties in the way of the British Government; and it is to be recollected that the Irish in the United States are a very numerous party, and a well-organised one to boot. In addition to this, it is not to be forgotten that since the revolutions on the continent of Europe in the middle of last century there has been a very large emigration from Germany to the United States; and, consequently, the German element is even stronger than the Irish element. We have, therefore, two very powerful national sentiments combined to do their utmost to punish England. It is unnecessary to point out other causes. But, in the first place, it is very natural that Republicans should object to a plan which involves the United States in every quarrel that may spring up in Europe. In the second place, it is natural that a policy which seems to invite European to meddle in American affairs inasmuch as America is invited to meddle in Europe should be much disliked at the other side of the Atlantic. And, lastly, the condition of the Southern States of the great American Republic is sufficiently

unsatisfactory to make thoughtful Americans object to any kind of policy which may seem to invite European intervention. In all reasonable probability, then, the League of Nations is likely to render the relations between this country and the United States less cordial than they have been for the last year or two; and, furthermore, there are Republican policies which seem to forbid a League of Nations and to recommend a different policy. The ultimate result that appears likely at present is that the improved feeling which the War with Germany brought about between the two great divisions of the English-speaking peoples has received a damaging blow; and, remembering how strong party spirit grows, we are likely to see coolness increase between now and November, and, consequently, an immense help will be afforded to every party and every person who desires to lessen the feeling of friendship on the part of the United States towards England.

GERMANY.

The War which has desolated Europe and Asia during nearly four and a-half years was forced upon the Entente by the unprovoked attack of the two Central European Empires upon France, Russia, and Serbia. The fighting was mainly done by the Germans. In complete fairness it must be said that the German rank and file behaved with distinguished courage and national devotion, but that the Austrians did not display the courage and the resource which generally were expected, and that neither Turkey nor Bulgaria proved to be of as much help as was anticipated. It would, of course, be unfair to make too little of the help rendered by Germany's allies. But it is quite within the truth to say that the danger came almost exclusively from Germany, and that it was German discipline and German attachment to the cause it was fighting for that constituted the real danger of the situation. A few days more than seven months ago the German Army felt itself so hopelessly defeated that it broke up, and the Kaiser fled from his own palace and took refuge in Holland, as if an evil conscience reminded him that he had justly incurred the vengeance of those he attacked without provocation. Naturally one would expect, therefore, that the Peace Conference would direct all its efforts to bringing about at the earliest possible moment an arrangement with Germany. Germany made the War; Germany constituted the danger of the War; and, therefore, peace with Germany was the main subject for consideration. A little over seven months have passed, and we are as much in ignorance now as we were last November as to what will be the conduct of Germany. We do not know whether she is fully convinced that she no longer is in a position to fight. We do not know whether any portion of the army even is disposed to try another combat. We have not the remotest conception as to the real feelings of the soldiery who broke up last November and so ended the conflict. That is bad enough. But it might be excused if it could be said that Germany was unmanageable, or that great events had occurred elsewhere which compelled the attention of the Entente Powers. But no such great events have occurred; and, so far as we know, Germany is convinced that she is as incapable now as she was last November to carry on the struggle further. The whole responsibility for our uncertainty, then, rests upon the Conference in Paris. When we say "Conference" we use language which may be complimentary, but which has no real meaning. Practically, there are only four Powers represented in Paris which have the influence and the authority to say what the terms imposed upon Germany are to be, and to carry them out at all costs. Presumably Japan is not very deeply concerned. Necessarily, she is represented. And where she has a cause that really interests her her representations are sure to receive natural attention. But Japan did not take a foremost part in the fighting, and, as far as the world knows, is not taking a leading part now in the decision of the terms of peace. It is doubtful whether Italy exercises much influence. Certainly her attitude respecting Fiume seems to tell us that the delay does not rest upon the shoulders of Italy. Consequently, we are forced to conclude that the fault rests either with this country, France, and the United States in combination, or with some one or two of them. France, we take for granted, is not specially favouring Germany. It would be little short of a miracle if she did. The world at large would be prepared to hear that France was pressing for even harder terms against Germany than have been proposed. But that she is trying to lighten the burdens of Germany does not seem, to say the least, very probable. Consequently, we are forced to the conclusion that the delay is traceable mainly to our own country and the United States.

We have no intention to address ourselves to either the Government or the Legislature of the United States. The people of the United States are clearly interested enough; and in any case a foreigner has no right to expect that his criticism will carry much weight. We are forced, therefore, to look to our own country as one at least of the Powers which have brought about a state of things that leaves us doubtful when peace will be fully restored. We would, therefore, ask our readers to consider with us the unwisdom of the conduct which is creating so much dissatisfaction at both sides of the Atlantic, and which, to speak quite frankly, is likely to result in consequences which will not be pleasant to us. The first terms suggested to Germany naturally offended that country. None of us would like, even though we recognised in our hearts our own guiltiness, a sentence so unpleasant. Consequently, we are not in the least disposed to censure the military men who first provoked the War and now are keeping alive the hatred of their enemies. Their plans have failed. They are sick of the consequences, and it would be strange if they did not rail against their opponents. But let us just consider what Germany will be supposing that the terms first proposed are insisted upon, and that Germany has to look forward in the future to all the losses proposed in that communication. As a matter of fact, Germany is let off with a mildness which is well calculated to cause surprise. She is left with territory that only a little more than a century ago she wrung from Austria. And, likewise, she is left with territory which, beyond all yea and nay, was Polish, and even to-day is largely Polish. We do not know the actual losses of the Germans. There have been figures published, but for ourselves we do not quite accept them as beyond doubt. And to all intents and purposes we are ignorant of the practical incapacity from wounds and sickness of men who have not actually died. It is possible, therefore, that the admitted losses are only a small part of the real diminution of German strength. However that may be, we seem justified in saying that when the War began Germany had a population of round about 67 millions; and, to guard against all charges of being too anxious to diminish German losses, we shall suppose that killed and incapacitated have amounted to the apparently impossible number of seven millions. Even so there would be in Germany still a population of about 60 millions; and to this number we may reasonably conclude that there will be added both German Austria and that part of Hungary which is mainly Hungarian. Let us say that Germany will thus add nearly 20 millions to her numbers, or, to make the matter a little clearer to our own minds, that Germany, if she is increased as suggested, will have a population round about 90 millions, or, say, double the population of the United Kingdom when the Census was taken in 1911.

That, however, is not all. There are north of Germany territories which, if not German, at least

are inhabited by populations which are very nearly akin to the Germans. And it is to be presumed that Germany will do her best to win as many of these as she can. Furthermore, nobody knows at present what will be the condition of Russia, or what we used to call Russia before the conflict began. Will Germany with a possible population of 90 millions sit down quietly and make up her mind that the English-speaking populations are to do as they please with the whole world? And if she does not, if she insists that she also will have a say in the disposal of the world, what will be the future of those parts of Europe which, without being in the least Russian, yet constituted a valuable part of the Russian Empire a few years ago —such, for example, as Finland, and others? Then there is the question as to what is to be the future of Spain. The history of Spain is one of the most difficult to understand of any in Europe. The Spaniards only a few centuries ago were reputed to have the finest infantry of any European nation. And the Spaniards, remember, not only drove the Moors out of their territory, but they discovered America, and colonised the greater part of it. Is the present state of Spain, then, to be considered the permanent state? And if it is not, what will be the policy of Spain by-and-by? Suppose that she gets rid of her present constitution altogether, and makes up her mind to do her utmost to win back the great position she held when, let us say, she made a captive of a French king. We have no intention here to examine the policies which are favoured by great parties in Spain. But we would point out that Spain considers that she has been ill-treated in regard to Morocco, and that altogether her future is being seriously compromised. Therefore, would it be a very great wonder if Germany, having attracted German Austria and the Hungarian Magyars, were to ally herself with Spain? Then there is the condition of Finland, Courland, and so on. And, over and above all these, there is the uneasiness of Italy at seeing the Jugo-Slavs monopolising the great ports facing the Adriatic coast; and, of course, there are above all the Turks and the Bulgarians. Is it necessary to examine in detail the motives which would dispose many neighbours to join Germany? Still less do we feel called upon to consider what will be the condition of Europe if a powerful Russia is reconstructed and great territories which used to be Russian set up for themselves.

THE POPE AND BELGIUM.

In a Pastoral Letter issued last Sunday Cardinal Mercier made known to the people of Belgium how he was received by the Pope after he had incurred the enmity of Germany, and while Germany was endeavouring to shut him out altogether. The Pastoral naturally has given great satisfaction to the Belgian people. It has strengthened the Papal influence, and no doubt it has added, if possible, to the great reputation which the Cardinal naturally possesses. There is nothing that can be considered of political influence in the Pastoral. But it is worth while recording, firstly, that the Pope obtained from the German Government a promise that the Cardinal should not be prevented from returning to Belgium, and that although the German Government did not completely act up to its promise, the Pope succeeded in carrying out his own arrangements. It is natural, considering what risk the Cardinal took, that his popularity should be very great in Belgium, and that the whole course of his conduct has strengthened the Church of which he is an ornament. Moreover, the light that is thrown upon the affair cannot fail to have an unfavourable influence upon the negotiations that are going on in Paris. Germany just now is in need of all the good feeling that she can possibly evoke. At the moment, therefore, the light that is thrown upon the conduct of the German Government is sure to have an unfavourable effect, and it will add to the difficulties of those who are trying to favour Germany just at present. It may be objected, of course, that the old militarist Government is displaced for ever. That is as it may be. It is fully seven months now since the Germans disbanded, and the Kaiser himself took refuge in Holland. Short as the period is, a considerable influence is being exercised in Paris in favour of Belgium. The new light thrown upon the conduct of Germany in those times will not favour either the fallen Government nor the advocates that it may still retain in the defeated country.

OUR BRAZILIAN GUESTS.

Following so closely the visit of Dr. Pessoa, the new Brazilian President, the Federation of British Industries are to be heartily congratulated for inviting a representative body of distinguished Brazilian gentlemen, well known in the financial and economic world of Brazil, who are about to visit this country, to make a tour of our principal centres of industry, particularly in the North of England. How eminently representative they are will be gathered when we give the following list of their names: Dr. Pandia Calogeras, ex-Minister of Finance and Commerce; Dr. Souza Bandeira, M.I.C.E., engineer (iron and steel), Chief Inspector of Ports and Rivers; Dr. Manuel Carvalho, hydro-electric and textile industries, State Senator of Minas Geraes, interested in cattle and transportation problems, tractors, and motors; Sr. José Andonias de Araujo, produce exporter (cotton and sugar) and general merchant; Dr. Roberto Simonsen, ex-municipal engineer, Director of Municipal Abattoir Cold Storage; Sr. Felix Guisard, textile expert; Dr. Hannibal Porto, Amazon Valley expert, Sub-Director of Brazilian Food Control, Secretary of Agricultural Society; and Dr. Ferreira Almeida, civil engineer. It will be seen that we have an ex-Finance Minister; an inspector of ports and rivers of Brazil; Dr. Carvalho, well-known as a Senator for the mining State of Minas Geraes, who is, in addition, eminently well calculated to study with interest the transportation problem, the solution of which in every country of the world, at the present time, is of such pre-eminent importance. Trade is represented by Señor José Andonias de Araujo and Dr. Simonsen, the well-known engineer, whose views on cold-storage matters should be of interest. In Señor Guisard we have a textile expert; the engineering representation is strengthened by the presence of Dr. Almeida. The presence of Dr. Porto will be exceedingly welcome, and contribute much to our information on the little-known subject of the agricultural potentialities of the Amazon Valley. It is intended, under the auspices of the Federation of British Industries, to make a tour of Birmingham, Bradford, Bristol, Edinburgh, Glasgow, Leeds, Leicester, Liverpool, Manchester, Newcastle, Nottingham, Sheffield, and Swansea; and in these great centres of industry the Federation have arranged that our guests who are about to visit these shores shall have an opportunity of coming in contact with representative men and representative industries associated with these various districts. Members of the Federation who desire to meet these well-known Brazilian gentlemen are invited to put themselves into communication with the Secretary of the Federation, as a luncheon has been arranged to meet them on the 27th inst.

THE IRISH CHEESE INDUSTRY.

As a first step towards the decontrol of cheese the Ministry of Food lately announced that after May 26 no British and Irish Cheshire cheese would be accepted by the Government pool, but would be allowed to find its own market, subject to a maximum price of 1s. 6d. per lb., to operate until full decontrol should take effect. At present this is the only brand to which this liberty is allowed, but there is reason to believe that at the end of this month all varieties of cheese,

imported and home made, will be free of control so far as the wholesale price is concerned, although it is probable that the maximum retail price will be retained for some time. Regarding the future, there is no reason to anticipate any shortage of supplies. In last March the Ministry held stocks of various brands of cheese amounting to 7,000 tons, and these stocks will be further strengthened owing to the fact that the Government of New Zealand has purchased the cheese output of the Dominion, on behalf of the British Government, for the period July 1, 1918, to July 1, 1920. The important part played by New Zealand in satisfying our demand for this material may be judged by the import figures, which in 1917 registered a quantity of 609,700 cwt. with a value of £4,000,665. Below is a table showing the quantity, total value, and principal contributors of the cheese imported into the United Kingdom during the years 1907, 1913, and 1917:—

Country of Origin	1907 Cwt.	1913 Cwt.	1917 Cwt.
Canada	1,687,789	1,293,768	1,757,949
New Zealand	192,304	547,182	609,700
Netherlands	241,060	291,895	244,865
U.S.A.	125,358	22,449	267,138
Italy	88,691	101,794	371
All other sources	37,031	40,252	66,043
	2,372,031	2,297,340	2,946,066
Total value	£6,905,509	£7,035,039	£19,462,390

The effect of the War as a whole in quickening our demand for cheese may be seen by comparing our total imports for the years 1913 and 1917; the figure shown in the latter year is, of course, abnormal, and will not in all likelihood be approached for some time to come, the returns for 1918 revealing a drop to 2,357,822 cwt. with a value of £15,910,041. During the past few years large purchases of cheese were made direct by the British Government in Canada and New Zealand, and the extent to which they answered the home demand is ample evidence of the tremendous impetus given to dairying in those countries. It should not, however, be forgotten that Canada does a considerable business with the United States in this line, and in the future we cannot reckon her such a constant factor as New Zealand in satisfying our needs. Furthermore, the diversion of milk to milk-condensing and milk-powder is becoming increasingly popular in Canada, and necessarily curtails the quantity of cheese turned out. Temporary exigencies offer the explanation of the fillip given to exports from the United States in 1917, which declined in a marked manner between 1907 and 1913, and the producers of that country will in all probability find plenty of scope in filling the orders of the home industrial centres. Turning to Italy, it is probable that the demands of Central Europe will absorb a larger portion of the production of Parmesan cheese than usual for some length of time.

The annual production of cheese in the United Kingdom is about 600,000 cwt., and this falls far short of a normal consumption of nearly 2,900,000 cwt. In Great Britain a large proportion of the cheese is made on the farm, but in Ireland the farmer confined his attention for the most part to the manufacture of butter, and until comparatively recent years but little attention was paid to cheese. The home market, too, did not afford any special encouragement to the production of the latter, as the consumption was on a small scale. Evidence, however, of the nutritious qualities of this article of diet is gradually creating a larger demand, and this furnished one explanation of the increasing favour with which cheese-making is held by the Irish farmer. In the past certain objections to the extension of this industry had considerable weight with the agricultural population, and no doubt they bore a certain validity. In the first place, cheese-making requires a considerable amount of skill, and Ireland thus lacked an essential which is comparatively common in Great Britain. Secondly, the farmers and creameries did not relish the idea of locking up capital in an enterprise which, in the production of a Cheddar cheese, for example, would require a curing or ripening period of possibly three months. Thirdly, it was alleged that milk could not be obtained in a sufficiently sweet and clean condition for cheese-making. So far as the first objection was concerned, the Department of Agriculture came to the rescue and provided means for obtaining the necessary skilled assistance. Regarding the second, the farmer was finally brought to realise that the turning out of a brand like Caerphilly cheese would give quick returns and consume very little time in working. Caerphilly can be made from summer or winter milk, and the addition of separated milk, a by-product of the butter industry—which is usually made, tends to increase the profits. The yield is good, as it contains a higher percentage of water than any hard cheese and most semi-hard cheese. Not many years ago the milk produced on Irish farms could scarcely be termed suitable for the manufacture of cheese, but now, with the excellent supervision and system of working prevailing in most Irish creameries, co-operative and otherwise, the milk obtained as a rule fulfils all the requisites for the new purpose for which it is destined. In 1901 practically the first effort was made to establish this new industry in Ireland; it languished, however, for a number of years, and it was only during the period of the War that it was realised that the making of cheese possessed certain advantages over that of butter, in the fact that it offered higher profits, provided more food, and was better adapted for storage. In cheese-making it was pointed out that not only the fat but also the casein could be recovered from the milk, with the result that while it takes 2.4 gallons of average milk to make a pound of butter, the same quantity of milk would yield 2.4 to 3 lb. of cheese. Regarding the by-product of cheese—whey—it was at first difficult to convince the farmer that it could be utilised as a food for pigs, and this prejudice, which still exists to a great extent, is akin to the prejudice against separated milk, which hampered the development of the co-operative creameries in the old days. The year 1917 witnessed twenty-seven cheese factories in operation, and in 1918 this number had increased to 121. During the year 1915 Irish cheese exports stood at 15,711 cwt., while for the month of April alone of the present year the quantity exported came to 8,960 cwt. Many co-operative creameries have practically dropped butter-making in favour of its rival, while others are going on with both branches of the business. As, owing to the absence of winter dairying, the output of Irish butter is greatest during the summer months, it has been suggested that its price could be kept at a more uniform level if a proportion of the milk were converted into cheese, partly of a rapid-curing variety for ready disposal and partly of a slow-curing variety. At present chief attention seems to be directed to the turning out of the Caerphilly type, which finds a ready sale, especially in South Wales, but there is a possibility that with increased competition this product will not now find so ready a sale as formerly. To provide for this contingency it would be a wise move to pay more attention to the cultivation of the slower-curing varieties, such as Cheddar or Derby, which are ready for the market after six weeks' course and which can also be made from winter milk. In order to produce a high-class Irish Caerphilly, it is now proposed to establish a standard of fats—45% for whole milk and 35% for partially skimmed. It is needless to remark that the consumer in these islands is now educated to the point of demanding a uniform quality and quantity in any cheese he favours, and if the Irish article does not meet his requirements it will undoubtedly suffer the same fate as Irish butter in the 'eighties. The cheese industry in Ireland is still in its infancy, and no doubt with more experience it will be able to indulge in the variety of types turned out in Great Britain—Cheshire, Lancashire, Derby, Stilton, Gloucester and several others. All these distinctions arise from the difference in composition

of the milk operated upon and from variations in methods of preparing and curing, and a considerable degree of skill and knowledge are prior requisites for their successful production. If the Irish maker needs any encouragement to persevere in the development of his industry he will readily find it on contemplation of the market across the water with the huge annual bill for imported cheese.

MEXICO.

IS SHE DRIFTING?

At the beginning of the present year it looked as though Mexico was really taking to heart the lesson that no nation can afford to play at politics in these times; still less can it play havoc with the economic interests of the country. Mexico appeared until quite recently to be settling down politically and advancing in an economic sense. After months of anarchy it became possible last January to travel by Pullman car over the National Railways right through from the United States to Mexico City. Now this is no longer possible without a break of some 150 miles, as the line has been torn up to prevent the advance of the Federal troops from the South. To complete the journey it is now necessary to leave the train and travel over the distance mentioned by motor car. The reason of this sudden change was that Villa found himself out of funds, and his bands of marauders once more started plundering the workers at the silver mines. His method of procedure is to send one of his bands to a particular district to demand a specified sum from some particular mine. If they have not got it the marauders take as much as they can get, and select one of the employees from the mine and carry him off as a hostage to their stronghold in the mountains. The mine manager, in the course of the next day or so, sends to the neighbouring town for the amount required. The money is then paid over to the bandits, and the employee is released. Lately Villa himself has occupied the district, and is endeavouring to capture the principal towns or villages. This year he was quite successful, and he ordered a general levy to be made on the various mines, which was paid. He does not kill anybody connected with the mines, and he urges the mine managers to go on producing in order to afford him a revenue for his questionable trade. The managers are quite willing, as the profits on silver mining are at present very large. But Villa, as above stated, in order to prevent the advance of the Southern troops, has destroyed about 150 miles of the principal railway in the Northern territory which he occupies. It has been pointed out to him that unless he restores the railway it will not be possible for several of the mines to work; and, in fact, certain of them have been closed down. Villa has never been recognised by the United States, nor by any other Government. He is regarded outside Mexico as a bandit; and, of course, by the Federal Government as well. But in his own district of the North he maintains a large following by the methods we have described. It will be remembered that in the early days of his Administration President Wilson sent General Pershing, who later commanded the United States contingent in France, to Mexico with instructions to bring Villa to the United States dead or alive. Various interests were brought to bear; no serious attempt was made to capture the bandit; and General Pershing and his force were recalled over the Texan border.

Carranza has been recognised by the United States, but not by Great Britain, as President of Mexico. But it will be seen from what we have said already that he is totally unable to maintain order. Villa does as he likes in the North; and, as we shall show presently, Carranza is very far from being able to maintain his authority even in the South.

President Carranza is by no means a fool; and he is well aware that the existing state of things in Mexico cannot continue indefinitely—and that if he cannot succeed in maintaining law and order, sooner or later some form of intervention from the United States may be regarded as almost inevitable. His position, however, is exceedingly difficult and very precarious. He relies practically for his support upon a band of followers who support him mainly for the purpose of making their own fortunes. Mexico has neither a 6*s*. income tax nor an excess profits duty; but carrying on business in Mexico is very far from being a simple matter. The best elements in Mexico refrain from having anything to do with politics. The great landowners are not merely impoverished, but have largely lost their influence. Those of them who have accumulated fortunes invested in foreign securities have to a very large extent left the country, and are now residing in Europe; while those who remain at home are exceedingly poor. It need hardly be said; from the description we have recently given of the peon, that their abject condition is such that they have practically no more influence on national affairs than the cattle grazing on the wide plains of Mexico. Mexican society consists of the landowners, the richer of whom have already fled the country, and the peons, or serfs. There is no native middle class of any kind. What, then, is the source on which Mexico lives, and which maintains such Government as exists at all in Mexico? The two dominant factors are the petroleum and the mining interests of the interior, and particularly in the North. We have already explained the conditions under which silver mining is carried on in Villa's territory. Accounts of mining in Mexico, as we have endeavoured to show, read like a chapter from an old Spanish novel of the seventeenth or eighteenth century. Petroleum mining conditions are not so bad; but they also leave a very great deal to be desired. Petroleum mining in Mexico has only been known as an industry during the past 20 years. Some highly competent authorities believe that Mexico is capable of becoming the world's principal source of supply of petroleum. At the present moment various small syndicates are being formed, mainly in the United States of North America, for the purpose of exploring for petroleum on the Western or Pacific Coast of Mexico, so favourable are the indications. There seems ground, in fact, to believe that oil probably in payable quantities exists all along the Pacific Coast both of North America, from the icefields of Alaska, through sunny California, Mexico, and down the West Coast of South America to the far South in Tierra del Fuego. However this may be, the indications of oil-bearing strata on the West Coast of Mexico are sufficiently promising to lead, as we have just said, to exploring parties being authorised.

Oil-winning, as we know it in Mexico to-day, is carried on mainly on the Atlantic Coast, a few miles inland from Tampico Bay. The two interests engaged are those of the Shell Company and of the Standard Oil Company, that is to say, the British and the United States interests. Some sort of order is maintained in Tampico Bay by the Federal Government; but it is only partial. The United States Government keeps a warship constantly stationed in Tampico Bay in order, if necessary, to be able to land bluejackets. President Carranza undertakes to afford a measure of protection; but so ineffective is this protection that a well-known firm in Tampico acts as agents for the local bandits, and something like £200,000 is paid each year to the bandits through this firm for the protection of the oil wells of Tampico. Owing to the high price of petroleum, this procedure acts really as a tax which might be collected by any ordinary well-established Government. But the method of collecting, it will be noticed, is somewhat irregular.

Now Carranza, as we have said, is a highly intelligent and educated man, and is perfectly well

aware that he is attempting to skate on very thin ice indeed. Why does he permit the country to drift in this hopeless way, apparently inviting intervention from his great Northern neighbour? The President has paid nothing for years in the way of interest on the National Debt, neither does he pay any interest on the bonds of the National Railway; and the railways, and the various mining interests outside Villa's territory from which he is able to collect supplies, yield him a revenue nearly twice as big as that enjoyed by the late President Porfirio Diaz. With such a revenue why does he not collect an army which would restore the country to some semblance of law and order, as, in fact, the late President Diaz did? President Carranza is a landowner, or farmer as he is called out there, and is not himself a soldier. He is supported by, and owes his position entirely to, a group of generals who support him for the purpose of making their own fortunes. When the United States of North America was fully engaged with its European Allies in the late general war against Germany, Carranza conceived the idea of taking the opportunity of crushing Villa once more. The method he took for attaining this end was to send up one of those generals who was a leading supporter of his administration. This general had no resources of his own, but he determined that the opportunity of making provision for his declining years was not to be lost. Taking up with him a small force he charged the Central Government with the maintenance of a large army, the various units of which existed only in the returns furnished by the General to the Central Government. The maintenance, munitioning and rationing of this great army which did not exist to consume the supplies enabled the Generals to accumulate in the course of a very short time a sum generally estimated in Mexico City at £300,000. Needless to say, Villa's operations were very little interfered with by this phantom army. More recently Carranza sent up another general who is believed to be of a more satisfactory type than the one described. Inasmuch, however, as President Carranza is only able to maintain partial control of the country he nominally occupies, it remains to be seen what will be the effects of his military operations against Villa. President Wilson has been very long-suffering with Mexico; but the period for the election of a new President in the United States is approaching, and unless President Carranza can succeed in restoring some sort of order in Mexico, the Mexican question may at any moment be raised as a plank in the platform of the next Presidential campaign in the United States of North America.

TRADE OF PARIS AND THE WAR.

Under the heading "Developing French Trade" the reader of our issue of May 31, 1919, may have been thinking over the following words: "Amongst the countries which have felt the effects of the War to the fullest extent is France." Indeed, France has been suffering severely from the effects of the recent War; but, as was said, "she has immense valuable assets, which merely require development to enable her to liquidate the heavy burden she has incurred in connection with the War and to restore her to a state of real prosperity."

It is all very well to praise so highly "doulce France," but what has become of Paris, the heart of France, during that fearful period of the War? One knows, at least, the military events recalled in Viscount French's "1914" and other public criticisms, since the German menace in September 1914 up to the heavy shelling and bombing of July 1918. Recalling such accounts would not satisfy the reader of these pages, who is much more interested in Parisian trade, either in connection with international or with home markets.

Paris, it is well known all over the British Empire, had no special branches of trade, nor particular industries, peculiar to the French capital and its neighbourhood, as was the fact with other French towns. Lille, Roubaix, Tourcoing had their wool or cotton spinning and weaving mills, for instance. Amiens had, and still has, its fine duck pies. Sedan had won its reputation through its cloth that could not be worn out, and yet the Germans have put an end to it. Havre cannot be thought of without its shipbuilding yards, Rheims without its world-renowned champagne, Nice without its divine flowers.

One might say that Paris and its district have manufactured for generations "various articles of adornment which have come to be known in the markets of the world as *articles de Paris.*" One may add that Paris, moreover, is the "great costumier of the fashionable women of the world." It is true that Paris pre-eminently ministers to the world's luxury trade, but the War has led to some profound changes up to the present day.

Not to speak of those *articles de Paris* which had to be stopped more or less by deficiency of workmen and of raw materials, among which there might be said much of the lack of tinplates, during the War, let us glance upon fashion. Who among the thousands of British people who have recently met at Epsom believed for one moment that the light grey silk costume and hat with cerise patches which their gracious Queen Mary wore came over from Paris? No; *la mode Parisienne* has received a hard blow during the War and is on the eve of starting afresh.

In consequence of those hardships of the War the luxury trade in Paris has issued no returns nor public statement, and we cannot have even an idea in round figures of what has been produced during the last five years. Even those who have been lucky enough to dwell in the French capital at the time of the opening of the so-called exhibition of Parisian products, *la foire de Paris*, could not have learned much about the whole Parisian trade, neither about *bijouterie* (jewellery), nor about *verrerie* (glassware), nor even about automobiles (motor-cars).

As to the latter industry, it has been courageously helping the army in starting shell fabrication and furnishing millions of tons of ammunition, guns and aeroplanes to repel the Germans from invaded France. Every Londoner knows Clément-Bayard, Delaunay-Belleville, de Dion, Panhard, or Renault cars. All these works, with many others in Paris or suburbs, have produced intensively. We could say the same with other concerns which have been expelled from Northern France and compelled to fix themselves out of the reach of the Germans. As an instance we may give the name of a firm, "Forges et Estampage de Suresnes," which has been established in 1917.

The principal owners of the firm were conducting ironworks at Charleville, near Mézières. When the enemy approached they succeeded in bringing away with them nearly all machinery, leaving the buildings and a huge *chabotte*, an anvil block weighing several hundred tons. Would you think that, after the Armistice, they found out that the Germans had taken away this *chabotte*? As soon as they could find the opportunity they started new works at Suresnes, and worked so hard that they were able to furnish all kinds of forgings for ordnance and for aërial forces, and also to pay reasonable profits to their shareholders.

Those profits were so extraordinary among a good number of industries in France that, like in England, several laws were passed concerning a tax on war profits. The whole matter involved has been settled, till now, through four laws, dated July 1 and December 30, 1916, June 2 and December 31, 1917, and through two decrees dated July 12 and August 3, 1916. It may interest the British reader to know that the tax rate has been increased from 50% of the net profit in 1916 up to 80% at to-day's date.

While the manufacturer or trader was thus taxed

on war profits, the workman was not satisfied with his wages. Not only men, but also women. Disorders occurred in various industrial centres which have never been heard of through the French Press. Referring to Paris, there was, for instance, disorderly behaviour at Levallois-Perret on June 14, 15, and 16, 1917, when women attacked numerous works.

In order to face those difficulties a good number of prominent manufacturers or traders of the Paris district entered into contact with the French authorities, grouping themselves and forming the "Groupe des Industriels de la Région Parisienne," where are represented by the heads of each trade metals, motor-cars, goldsmiths, opera-glasses, boxes, chemicals, electricity, &c. This group, together with others already established or newly formed, such as the "Chambre de Commerce de Paris," the "Comité des Forges de France," the "Association Nationale d'Expansion Economique," the "Union des Industries Métallurgiques et Minières et des Industries qui s'y rattachent," studied the new conditions of production and, as much as possible, the means of standardising wages. Thanks to their efforts, in connection with those of the French Government, after an understanding was signed by owners of works and workers of metallurgy on April 17, 1919, a law was passed on April 23, 1919, ruling the new "eight hours a day" working order.

What will be the future of Parisian trade under those rules? Nobody knows. Yet, for the present, wages have increased as much as 100% as compared with those of July 1914 before the outbreak of the War. At the time of Armistice wages in the Paris district were running thus per hour (war bonus inclusive):

Skilled worker: highest 3*s.* 8*d.* (skilled smith), lowest 3*d.* (boy); ordinary worker (man): highest 2*s.* 2*d.*, lowest 7*d.*; woman: highest 1*s.* 8*d.*, lowest 5*d.*; girls of 16 to 18: highest 1*s.* 3*d.*, lowest 6*d.*; girls under 16: highest 10*d.*, lowest 5*d.*; boys of 16 to 18: highest 2*s.* 1*d.*, lowest 3*d.*; boys under 16: highest 1*s.* 9*d.*, lowest 1*d.*

It is in a time of peace and general prosperity that Paris is most prosperous. In these days, when war is nearly over, the trade of Paris is getting daily more prosperous, and one can foresee what good it will bring to British trade when more normal conditions will be restored.

CLEVELAND IRON TRADE AND AMERICAN COMPETITION.

At no place was there a more firmly based anticipation of trade revival after the War than in Middlesbrough, the centre of the Cleveland iron and steel trades, and the largest producing iron centre in the United Kingdom. During the War all the works in the districts were fully employed, and some important extensions and revivals were effected. The shipbuilding trade of the Tees was also active and progressive. Dock extensions on both sides of the river were made to meet the growing demand, and there are important schemes for further expansion. On the north side of the river there is a considerable stretch of land, hitherto waste, which is being made available for works and houses by reclamation and the making of roads; and as the policy of the Tees Conservancy Commission has been to improve steadily the navigable channel, so that all but the very largest Atlantic liners might enter the harbour, there is a firm belief that the proximity of coalfields, only a few miles distant, and of the largest ironworks of the Kingdom will make the banks of the Tees one of the largest industrial centres of the world.

The municipalities of Middlesbrough and Stockton, impressed by the prospects of development, have been contending before a Parliamentary Committee on behalf of rival schemes of tramway and motor-bus facilities for the undeveloped part of the north bank of the Tees, and not without difficulty has a division of authority, to exploit the needs of the population that is to be, been effected. Before their work can be prosecuted on a large scale, however, the readjustment of the iron industry of the Cleveland district to the conditions of peace must be satisfactorily achieved. On the whole, it may be said that a good beginning has been made. Up to the end of April the trade was affected by the knowledge that the Government subsidies, which were given chiefly for the purpose of facilitating shipbuilding, would be discontinued. As the amount of iron that was allowed to be used for purposes other than shipbuilding was small, the effect of the increased prices could not be accurately estimated. At the beginning of the "free" period, that is, May 1, the ironmaster fixed 140*s.* per ton for No. 3 Cleveland G.M.B., as a fair price at which they could do unrestricted, unsubsidised business. Very soon, however, they discovered that the demand was much larger than the supply, and within a fortnight the price was increased by 20*s.* a ton—a rise unprecedented in the history of the trade.

The rise in prices had little effect on the demand, but there was a resultant unsteadiness which was not helpful to the trade. Consequently, the ironmasters at the end of the month announced that 160*s.* per ton for No. 3 G.M.B. shall be regarded as the maximum price demanded from home consumers, 5*s.* per ton being added in the case of all exports abroad. This exportation, however, has been virtually stopped by the refusal, during the last two or three weeks, of export licences. The control authorities have evidently come to the opinion that the home demand for pig-iron must first be satisfied before this raw material, as it may be called, of the steel trade is supplied to foreigners.

The development of the steel trade itself since the Armistice has been more regular, and from it the best estimates can be obtained of the future. The shipments of manufactured iron and steel from the Tees have steadily increased each month, with one exception (February) since the signing of the Armistice. The chief demand has come from the Far East, India, Ceylon, Japan, and the Straits Settlements being the largest buyers. When there is a veritable famine of raw material, there can be no complaint against the Government for restricting or virtually prohibiting the export of pig-iron, while leaving the highly manufactured articles to be exported more freely. But stability within the trade will not be reached until all the branches of it are allowed freely to find normal equilibrium.

In the iron and steel trade the interference in the United States was less extensive than it was in the United Kingdom, and it was removed more quickly and more completely, with the result that competition has brought prices and demand into a more normal relationship.

This speedier readjustment has produced some alarm in this country—alarm which found expression in a question in the House of Commons about the pushing of cheaper American steel in British markets. Here, as in the shipbuilding trade, there is little cause for anxiety as to the near future. If there are no serious labour troubles (and the steel trade has a record of pacific adjustment extending over nearly a generation), there is a prospect of orders from neutral countries and from the East and Far East sufficient to keep the furnaces and mills going at full speed for four or five years to come. Political disturbances at home and abroad, with the financial shocks which inevitably accompany them, may cause partial checks. Until there is something like order in Central and Eastern Europe a completely reliable estimate even of immediate industrial development is impossible; for the unrest which the economic vacuum there produces has repercussions everywhere. But on can say that every step towards a settlement will aid the revival of normal business, which is already visible in the centre of the British iron and steel industry

The labour factor, both independently and in relation to American competition, must not, however, be lightly dismissed, for its financial significance is of the greatest magnitude. The tendency to make the smallest grievance an occasion for sectional dislocations is undoubtedly far more conspicuous than it was before the War. The greatly increased cost of machinery, and especially of coal, and the much larger outlays for all types of repair, have made cheap production for the time being impossible; and it is not yet possible to see a way out of the vicious circle in which wages, profits, and prices are revolving. But what is happening in Canada shows that the Western Hemisphere has troubles, actual or threatening, that are as great as those with which the older industrial communities in the United Kingdom are struggling. The British iron trade has a good record for commonsense adjustment of labour troubles; and although there will be anxious moments during the next few months, there is no cause as yet to assume that British exporting or producing power will, in comparison with that of the United States, be disproportionately hampered.

But labour troubles and other troubles can only be overcome if there is the greatest possible use of scientific implements and scientific methods of co-ordination and combination. In the Report of the Departmental Committee appointed by the Board of Trade to consider the position of the iron and steel trades after the War there occurred the following statements: "The efficiency of the iron and steel plants of Great Britain is far behind that of their competitors in the United States and Germany," and "To organise upon modern lines the iron and steel production of Great Britain demands a radical reconstruction of the commercial and industrial system." Without accepting some of the ideas which may have been behind these statements, and with no wish to increase reliance on Government support, certain Cleveland firms have been combining for joint or co-operative production and the introduction of the most efficient plant and the most efficient methods of trading. A virtually new series of works has been created between Middlesbrough and the sea; and whatever the future may contain of uncertainty and perturbation, the Cleveland centre of the British iron trade should be able to hold its own.

SOUTH AND CENTRAL AMERICA.

ARGENTINE TRADE.

We give below some figures of the trade of Argentina for the six months to June 30, 1918, compared with the corresponding period of the preceding year, issued by the British Board of Trade. The figures, unless they are read with a clear understanding of the facts, are liable to give a totally erroneous impression. They appear to show a greater measure of prosperity than the Republic has really enjoyed; and, still more, they indicate an apparent growth in trade greater than really took place. What they really show is that Argentina, in common with most of the new countries of the world capable of supplying the warring nations of Europe during the recent period of hostilities with food and raw materials upon a great scale, did a large, or at least comparatively large, business, and obtained very high prices for the commodities it was able to send. It does not follow, however, that the actual producer obtained the full prices shown in the figures below. On the contrary, as every reader is aware, a very large proportion of the enhanced values we have been paying for consumable commodities, both food and raw materials, has been due to the shortage of food and consequent high rates of freight. The Governments of the belligerent countries only afforded shipping accommodation where they required specific articles to be shipped with as little delay as possible in connection with the War. Consequently, exporters in distant countries like the Argentine Republic constantly found themselves unable to obtain shipping accommodation at all. In very many cases the shipping services upon which they had been accustomed to rely had been taken over by the British or Allied Governments. If the shipper in Argentina was desirous of sending his goods to Europe he had to rely upon the services of ships furnished by some neutral Power; and as these neutrals were offering their services in what practically amounted to a monopoly market, and as they had to take enormous risks, both from the submarine and from other incidents occurring in a state of war, they demanded very high rates for those services. It is not reasonable to unduly criticise shipowners thus placed for demanding high rates, as in the nature of the case they could not be expected to act as philanthropists; and, in fact, many of them were only in the trade at all, because having purchased the ships at very high prices, they hoped to recoup themselves after a few months, if the War lasted so long, by the high rates which are inevitable under war conditions.

The figures, being official, do not come down to a very late date. In fact, the War went on for several months beyond the period included in the tables. Consequently, they do not show the trade of Argentina since the Armistice, and what effect the very serious strikes at Buenos Ayres and Rosario and the restrictions placed by the Federal Government upon the Port of Bahia Blanca have had upon trade during the past year. They are, in fact, war-trade figures. But, so far as they go, they are illustrative of the conditions which have prevailed all through the period of war in Argentina and are affecting and checking her development since the Armistice, and, indeed, up to the present time. As we have pointed out upon several occasions in these columns, the economic development of the Argentine Republic, although it has been extraordinarily rapid, has presented some very peculiar features, which have occurred to the same extent, perhaps, in no other part of the world. These peculiar features account to a very large extent for the grave state of unrest existing in the Republic, and they illustrate also the remarkable difficulties which face both the Federal and the Provincial Governments at the present time. It may be contended, and with perfect truth, that the rapid economic development of Argentina would never have occurred but for the peculiar nature of the demands upon her resources. Although this is perfectly true so far as it goes, it does not alter the fact that a large proportion of the population has suffered throughout the War, and is suffering still, owing to the peculiar nature of the economic development of the country. Neither does it lessen the difficulties with which the Government is faced.

On the right bank of the Rio de la Plata lies an immense stretch of territory which we now call the Province of Buenos Ayres, and which is in extent considerably larger than—in fact, nearly 10,000 square miles larger — the whole area of the United Kingdom. It is of alluvial origin, having been formed from deposits coming down, as geologists tell us, in a remote past from a river which at one time occupied the site now filled by the Uruguay-Panama. This immense expanse of alluvial territory forms a little more than one-tenth part of the whole area of the Republic, and is, perhaps, as fertile as any similar extent of country in the whole of South and Central America. When it was first taken up for rapid development it was nearer and more accessible to the great consuming markets of Europe than any similar area capable of supplying such immense quantities of meat and cereals upon a similar economic basis. Moreover, from the nature of the country and its configuration, it lends itself to rapid and comparatively cheap development in a sense that cannot truly be said of any other country so readily accessible to the markets of Europe. North America had already

developed various industries, and its growing population was creating a demand for home produce which was affecting the economic basis upon which home produce could be raised, or, as we say in common language, caused an advance in prices. Now the greater part of South America, even on the East Coast, is faced by a coastal range of mountains. But this is not so in Argentina. Consequently, all that it was necessary to do was to build railways upon what practically amounted to a perfectly flat surface, and to sail up a river, not very deep, it is true, but at its mouth nearly as broad as the English Channel at Dover. When one got up to the City of Buenos Ayres the river was, in fact, very shallow. But, again, it was exceedingly easy to deal with transport. In the early days ships remained safely anchored about half a mile from the town, and lighters and carts could, and did, convey produce from the City to the shipping. As the trade grew to a sufficient magnitude to make it economically worth while, the great docks and the great grain elevators to which the visitor to Buenos Ayres is accustomed at these times were constructed, which in their turn enabled produce to be brought down to the port of shipment and placed on board the steamers at an exceedingly low level of cost. The net result was that this large area has been very extensively opened up, and gradually the meat interest has been pushed further west and further south to give place to the growing of cereals more and more in the Province itself.

It will be evident that a country opened up from abroad, and by means of foreign capital, for the purpose of supplying food and raw materials cheaply to the foreign markets, would naturally have an abnormal proportion of its population employed in industries other than those of actually producing the commodities raised for consumption. One of these industries was the transportation trade. The produce raised was out of all proportion to the consuming needs of the Republic. And one of the principal needs of the industry, if it was to be carried on with success, was to give rapid and extensive means of transportation. This in itself led to a large number of people being diverted from country to what we may call "town" occupations. As a corollary of the need of rapid means of transportation it was equally essential that facilities should be afforded that those means of transportation could be readily extended as the demands of trade required. The net result has been that an immense number of foreign immigrants has been attracted to the Republic, and for the most part, as immigrants are so prone to do everywhere, these people have settled in the towns. They found ample work while things ran upon the lines on which the rapid development of Argentina had been organised. But when the War prevented England remitting money from what we may call the subsidiary trades necessitated by the production of food and raw materials, a large proportion of these people found themselves out of employment. While these difficulties were accumulating the cost of living in Argentina, as in Europe and in other parts of the world, was steadily increasing at the very time when these people, even if they succeeded in finding employment, failed to find the same demand for their services which had existed in the pre-War period.

Those interested, financially or otherwise, in the Argentine Republic will be well advised not to attach undue importance to the sensational reports which have appeared from time to time regarding the state of things prevailing at the Port of Buenos Ayres in the early months of the present year. That there was grave unrest, and that shipping was practically held up for weeks together, need not be denied, indeed, cannot be denied. But it has to be remembered that Buenos Ayres is not the Argentine Republic. Nor does the feeling of Buenos Ayres necessarily indicate the general state of things throughout the Republic. It has to be remembered that the Republic, taken as a whole, is some ten times the size of the United Kingdom. One of the greatest defects of the economic system which has grown up in Argentina, as in so many of the newer countries of the world, is the preponderating proportion of the population located in its large cities. These are naturally more or less a migratory population, and they are dependent upon industries which are sometimes prosperous and sometimes very much the reverse. The interior of Argentina is essentially agricultural, and the existence of the Republic as a great State depends upon its ability to raise food and raw produce. Its minerals so far have only been developed to a very small extent, mainly, no doubt, because they are situated at places which have so far not been opened up by railways. The agricultural population of the interior are the real source of wealth of the Republic, as it is they who are developing the vast herds of cattle, the hundreds of thousands of acres of cereals, and the immense plains which carry the wool and the mutton which clothe and feed the consuming markets of Europe, and for which there is always a steady and ever-growing demand.

Value of Argentine Trade for Six Months to June 30, 1918 *compared with Corresponding Periods of* 1917 *and* 1916.

	June 30—1918	1917	1916
	£	£	£
Imports*	15,755,000	17,767,000	20,993,000
Exports	76,339,000	61,054,000	49,211,000
Excess of exports... ...	60,584,000	43,287,000	28,218,000

* Figures based wholly or mainly on price of some earlier year than that under which they are shown.

Value of Principal Exports from Argentina for Six Months to June 1918, *Compared with Corresponding Periods of* 1917 *and* 1916.

Six Months to June 30—1918*	1917*	1916*
	£	£
Wheat	17,923,000	9,769,000	10,058,000
Linseed...	4,200,000	847,000	4,172,000
Hides of cattle (salted) ...	3,001,000	4,232,000	3,183,000
Frozen beef	11,197,000	8,543,000	8,421,000
Preserved meats	8,067,000	3,381,000	385,000
Wool, in the grease	12,153,000	10,783,000	6,869,000

* Converted at 5 pesos to the £.

The Council of Foreign Bondholders have received the June instalment of the debt service of the Consolidated External Debt of Colombia for the half-year ending June 30, 1919.

The Council of Foreign Bondholders notify the receipt of a sight draft for £4,390 15*s.* 4½*d.*, being the moiety of the eighth fortnightly instalment of the debt service of the 3% Diplomatic Debt of Venezuela, 1905, payable to the Council in respect of the half-year ending June 30, 1919.

MAY TRADE.

THERE is evidence that the improvement shown in the Board of Trade returns for April has been more than maintained in the trade figures for the past month. Our total imports, as the tables below show, exceeded 135½ millions sterling in value. As the re-exports amounted practically to 11½ millions, our net imports were practically only of a value of 124 millions. Our exports exceeded in value 64¼ millions sterling. Consequently, the excess of imports over exports has been reduced to virtually 60 millions. Of course, this is still a very serious figure, bearing in mind the fact that we are not really in an economic position to pay for our urgent imports of food and raw materials from the United States and other of the newer countries without the assistance of credits. Nevertheless, the figures, so far as they go, are encouraging, as they show that the growth in our exports is gradually assisting us to reduce the heavy indebtedness incurred.

We give also below two tables taken from the Board of Trade returns showing the quantities and values of our imports as well as of our exports in May last, as compared with May 1918. It will be seen that since the signing of the Armistice there is a marked increase

in the growth of quantities as distinct from the growth in values. Up to the eve of the signing of the Armistice it may be said that the feature of the trade returns was the abnormal growth in the cost of our imports, even compared with the magnitude of the imports themselves. In the months that have elapsed since, as will be seen from the table, we are getting in common language better value for our money. In the imports of wool, for example, there is a growth in the quantity of 919%, but an increase in value of very little more than 1,000%. While in the case of hides, which to the consumer means leather, there is an actual growth in quantity of 229%, with an increase in value of only 210%.

With regard to the exports, these were so small during the War years that it is difficult to say that the increase in value is offset by an expansion in quantity. Of course, it is to our interest for the moment to get as good a price as we can for our exports. On the other hand, our traders, it may reasonably be assumed, are too well aware of the importance of increasing our trade to do anything that might threaten to kill the goose which lays the golden eggs. Cotton piece goods show a decrease in quantity, but only a very small decrease in value; coal, an increase in quantity, and a very large increase in value; woollen tissues, an increase of 118% in quantity, and of 191% in value; while jute piece goods show an increase of 762% in quantity, and an increase of over 1,000% in value.

Course of Foreign Trade.

[000's omitted]	May 1919 Amount	Inc. or Dec. on 1918	Inc. or Dec. on 1917	Five Mos. to May 31,'19 Amount	Inc. or Dec. on 1918	Inc. or Dec. on 1917
	£	£	£	£	£	£
Imports	135,657	+ 9,750	+48,031	594,413	+43,695	+179,899
Re-exports ...	11,495	+ 8,095	+ 5,159	43,471	+28,808	+ 3,653
Net imports ...	124,162	+ 1,655	+42,872	550,942	+14,887	+176,246
Exports	64,344	+19,377	+20,907	270,193	+68,386	+ 62,697
Excess of imports	59,818	−17,722	+21,965	280,749	−53,499	+113,549

Excess of Imports into United Kingdom.

Month	1919	1918	1917	1916	1915
	£	£	£	£	£
Jan. ...	82,615,000	54,202,000	35,301,000	29,348,000	32,103,000
Feb. ...	55,039,000	57,214,000	24,668,000	22,470,000	32,213,000
Mar. ...	43,715,000	68,042,000	29,465,000	39,707,000	37,219,000
April ...	40,382,000	77,621,000	40,244,000	30,805,000	31,512,000
May ...	59,818,000	77,516,000	37,852,000	25,786,000	27,739,000
June ...	—	64,176,000	35,999,000	30,780,000	33,425,000
July ...	—	63,525,000	35,703,000	22,515,000	31,593,000
Aug. ...	—	64,435,000	46,220,000	20,632,000	29,638,000
Sept. ...	—	56,094,000	39,870,000	26,842,000	30,414,000
Oct. ...	—	72,768,000	39,405,000	28,781,000	28,684,000
Nov. ...	—	70,712,000	62,621,000	39,310,000	27,670,000
Dec. ...	—	74,797,000	44,450,000	29,434,000	28,677,000

External Trade of the U.K.: Last 5 *Years* (000's omitted).

Year	Imports	Re-Exports	Net Imports	Exports	Excess of Imports
1919	£	£	£	£	£
May ...	135,657	11,495	124,162	64,344	59,818
Apr. ...	112,211	13,347	98,864	58,482	40,382
Mar. ...	105,772	8,949	96,823	53,108	43,715
Feb. ...	107,073	5,119	101,954	46,915	55,039
Jan.	134,518	4,560	129,958	47,343	82,615
Year					
1918 ...	1,319,339	[30,956	1,288,383	498,473	789,910
1917 ...	1,064,164	69,677	994,487	527,080	467,407
1916 ...	948,506	97,566	850,940	506,280	344,660
1915 ...	851,983	99,062	752,921	384,868	368,053
1914 ...	696,635	95,474	601,161	430,721	179,440

Quantity and Values of Exports for May 1919, *with percentage Increase or Decrease compared with May* 1918.

	Quantity* May 1919	Quantity* May 1918	Inc. or Dec. %	Value† May 1919 £	Value† May 1918 £	Inc. or Dec. %
Cotton piece goods (yards)	258,327	403,191	— 35·9	13,522	13,788	— 1·9
Coal, coke, &c. (tons)	4,087	3,051	+ 33·9	8,027	4,290	+ 87·1
Iron and Steel (tons)	206	140	+ 47·1	5,321	3,395	+ 56·7
Woollen tissues (yds.)	10,468	4,789	+ 118·5	4,516	1,551	+ 191·1
Cotton yarn & twist (lb.)	16,058	8,914	+ 80·1	2,893	1,787	+ 61·9
Linen piece goods (yds)	5,672	4,978	+ 13·9	540	495	+ 9·1
Boots & Shoes (doz. pairs)	58	39	+ 48·7	393	147	+ 167·3
Worsted tissues (yds.)	3,028	2,594	+ 16·7	1,018	594	+ 71·3
Oils, seed (tons) ...	13	1	+ 1,200·0	926	45	+ 1,957·8
Spirits (pf. gallons) ...	275	330	— 16·0	301	390	— 22·7
Paper (cwt.) ...	62	51	+ 21·5	319	283	+ 12·7
Linen yarn (lb.) ...	859	95	+ 804·2	165	19	+ 768·4
Woollen and worsted yarn (lb.)	2,489	1,072	+ 132·1	1,019	420	+ 1,426
Jute piece goods (yds.)	7,292	845	+ 762·9	388	34	+ 1,041·1
Soda compounds (cwt.)	573	469	+ 22·1	291	249	+ 17·0
Manures chemical (tons)	4	2	+ 100·0	113	29	+ 289·6
Beer and ale (barrels)	11	10	+ 10·0	79	71	+ 11·2

* 000's omitted.
† In thousands of £'s—000's omitted.

Quantity and Values of Imports for May 1919, *with Percentage Increase or Decrease, compared with May* 1918.

	Quantity* May 1919	Quantity* May 1918	Inc. or Dec. %	Value† May 1919 £	Value† May 1918 £	Inc. or Dec. %
Cotton, raw (100 lb. cwtals)	1,249	937	+ 33·2	10749	10,132	+ 6·1
Petroleum (gallons) ...	74,722	106,678	— 29·9	3,636	5,482	— 33·6
Wool (lbs.)	183,336	17,978	+ 91·8	17,074	1,511	+ 1,029·2
Wood & timber (loads)	413	218	+ 89·4	3,641	2,312	+ 57·4
Rubber (100 lb. cwtals)	226	32	+ 606·2	2,286	381	+ 500·0
Flax (tons)	2	—	+ 2,434·4	279	12	+ 2,225·0
Hides (cwt.)	229	71	+ 222·5	1,809	582	+ 210·9
Iron & Steel (tons) ...	31	25	+ 24·0	814	591	+ 37·7
Leather (cwt.) ...	246	10	+ 2,360·0	2,725	242	+ 1,026·0
Hemp (tons)	11	7	+ 57·1	688	926	— 25·7
Pulp of wood (tons) ...	76	27	+ 181·5	1,015	943	+ 7·6
Palm kernels (tons) ...	19	16	+ 18·7	504	408	+ 23·5
Seeds (flax or linseed) (qrs.)	55	9	+ 511·1	317	122	+ 159·8
Palm oil (cwt.) ...	94	54	+ 74·1	247	125	+ 97·6
Tin (tons)	2	1	+ 100·0	504	258	+ 95·3
Copper (tons) ...	11	12	— 8·3	984	1,472	— 33·1
Tallow (cwt.) ...	174	5	+ 3,380·0	651	17	+ 3,729·4

* 000's omitted.
† In thousands of £'s—000's omitted.

LANCASHIRE COTTON INDUSTRY.

THERE has been a striking improvement in the position of cotton spinners and manufacturers in Lancashire during the last few weeks. Instead of producers being short of work to go on with, as was the case a couple of months ago, demand has been active, with the result that engagements have been extended and sellers are now able to present a strong front to their customers. A marked upward movement has occurred in American cotton prices. On May 1 Fully Middling qualities on the spot in Liverpool were quoted at 17.55*d.*, whilst on May 28 the figure was 21*d.*, a rise in less than a month of 3½*d.* per pound. The higher values are due to unfavourable reports from the United States belt as to the progress of the crop, there having been heavy rains, which have damaged the plants. A much larger demand, at the same time, has been experienced for the article, both from American and Lancashire spinners. According to private advices there seems to be a probability of the acreage being reduced from 10 to 15%.

Manufacturers of cloth have strengthened their position without receiving support from certain markets which are large users of cotton fabrics. An encouraging business has been done for India, but buyers have not operated to the fullest extent. Negotiations have been rendered very difficult by the serious delays in the receipt of cables, and it has been almost impossible to arrange transactions by the ordinary means of price and acceptance. Certain Manchester merchants, nevertheless, have purchased speculatively. China has given very healthy support, the buying being well spread over a wide range of goods. A feature of the recent activity has been the free operations for numerous minor outlets, such as Java, Singapore, the Straits Settlements, Egypt, and the Levant. Home-trade buyers have been rather slow to pay the advances in prices. Production is being increased in all weaving districts as quickly as possible. Some firms are experiencing a shortage of men operatives, such as tacklers. As an indication of the rise in prices it may be said that a well-known make of bleached shirtings was sold at the beginning of April for 38*s.* a piece, whilst manufacturers are now wanting 50*s.* a piece.

An extensive buying movement has been met with in yarns of all kinds. In American qualities for home use a big turnover has taken place at hardening rates. At the end of March 32's twist yarn was sold at 25½*d.* per pound, whilst the quotation now is 35½*d.* While raw cotton has advanced in quotation about 4½*d.* a pound, yarn has been put up 10*d.* a pound, so the margin of profit for spinners has been definitely widened. Certain marks in twists are now quite scarce, and cannot be obtained for quick delivery. A rather increasing trade, especially during the last week or two, has taken place in Egyptian yarns, and Bolton firms are getting busier. A substantial business has been done in yarns for India, and for the Continent, especially Holland.

INDIAN TRADE AND THE WAR.

We publish below somewhat lengthy tables showing the movements of Indian trade in the years 1913-14 and 1918-19, and a summary table giving the overseas trade of India for the past six years. We have given the tables at some length to enable the reader interested in the subject to see for himself not merely the magnitude of India's trade, but the remarkable influences which have been at work upon the overseas trade of India during the period of the War. Comparing the trade figures 1913-14 with those of the concluding year of the War, it will be seen that the most striking feature is the diversion of trade as between India and the United Kingdom and various countries with which India has either for the first time, or at any rate to any appreciable extent, come to trade direct. Formerly trade as between India and the principal countries of the world passed through the United Kingdom as a form of *entrepôt* trade. This was natural, because we were in those days to the extent of very nearly 60% the world's international carriers. It was one of those instances which, though an apparently roundabout practice, was perfectly natural, perfectly legitimate, and eminently beneficial. Had it been enforced by law it would have been impossible to say whether it was for the benefit of the United Kingdom or the trade of India that England should thus have acted as a centre of distribution for various trades in which India and the different countries of the world were interested. But inasmuch as it came about quite naturally, it is evident that it was the most convenient method of distribution.

Formerly, where a country stood, as India does, in the relation of a colony to the centre of the Empire, laws were deliberately enforced for the purpose of directing trade in such channels that the central country should gain a benefit. But no such laws were enforced either in England or in India; and, consequently, the practice to which we have referred came about quite naturally. It was before the War of immense benefit to this country, and also to India, because it manifestly enabled India to purchase goods at a lower rate than she would have been able to obtain them of her own motion. The reason for this is, of course, evident when one is acquainted with the methods by which trade is carried on. England has been for centuries, and practically remained so up to the outbreak of the recent War, the greatest trading, maritime, and financial country in the world. Consequently, our merchants and bankers purchased goods upon an immense scale, and in doing so we were able to purchase them upon more economic terms than almost any other country. Being, at the same time, the world's bankers, we were able to finance goods as between the Western world and England and England and the East at a price at which no other bankers of the world could hope to make a profit. As the world's carriers we were equally able to work at a rate of freight which would have been impossible to any other shipping nation. It will be observed, for example, from the table below that while India formerly imported her dyestuffs through us, she imported a large amount direct from the United States during the last year of the War. But she paid very much more for them, and if she had attempted to do so in the years that preceded the War she would have paid still more for them. The reason she did it through us was because we were constantly sending ships between this country and the United States, and between this country and India. If India had desired for any reason to obtain a shipment of dyestuffs from the United States, in all reasonable probability she would have had to send out a ship only partly freighted to the United States to bring back this precious cargo of dyestuffs, with the result that the returning cargo would have had to pay the freight for both voyages.

Our table being concerned merely with commodities does not mention the precious metals. But it would be almost incomprehensible to the reader unless we referred very briefly to the movements of the precious metals during the period covered. It will strike the reader that the exports from India were out of all proportion to the imports into India, notwithstanding the fact that the rise in prices, to use a convenient term, of Indian imports was excessive compared with the rise in prices of India's exports. Nevertheless, so enormous was the difference that it had to be settled in some way. Owing to the shortage of shipping India owed us comparatively little for shipping facilities. Consequently, gold and silver upon a colossal scale were imported into India. The net imports of gold, or the absorption of gold, during the quinquennium ended with March 1918 exceeded 50 millions sterling in value, or more than half the whole world's yearly production of gold. We need only briefly refer to India's enormous imports of silver because we have called attention to them week by week for several weeks past. It will be remembered that during the war period India took some 400 million ounces of silver, which she obtained from the United States of North America. This, as the reader doubtless is aware, is considerably more than double the whole world's annual production of the white metal. In addition, as was announced about a fortnight ago, India has arranged with the Government of the United States for a further shipment of silver amounting in value to very nearly 200 million dollars.

Seaborne Trade of British India for the Past Six Years.

March 31 –	1918-19	1917-18	1916-17	1915-16	1914-15	1913-14
(000's OMITTED).	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Imports ...	1,69,03,30	1,50,42,51	1,49,63,52	1,31,34,36	1,37,92,89	1,83,24,79
Re-Exports ...	14,55,31	9,12,09	8,07,70	4,84,59	4,10,67	4,67,73
Net Imp. ...	1,54,47,99	1,41,30,42	1,41,55,82	1,26,49,77	1,33,82,22	1,78,57,06
Exports ...	2,39,29,63	2,33,43,44	2,37,07,36	1,92,37,41	1,77,48,49	2,44,20,15
Excess of Exp.	84,81,64	92,13,02	95,51,54	65,87,64	43,66,27	65,63,09

Value of Imports from Various Countries into British India of Principal Articles for Year to March 31, 1919, compared with Year to March 31, 1914.

(000's OMITTED)	United Kingdom Rs.	United States Rs.	Japan Rs.	France Rs.	Italy Rs.	Other Countries Rs.	Total Rs.
Apparel:							
1913-14 ...	72,12	—	10,26	44,90	—	43,86	1,71,15
1918-19 ...	86,68	—	31,71	37,16	3,94	23,98	1,83,47
Coal Tar Dyes:							
1913-14 ...	4,67	—	—	—	—	1,01,34	1,06,01
1918-19 ...	54,30	50,57	—	—	—	12,06	1,16,93
Glass, &c.:							
1913-14 ...	26,20	—	15,81	4,35	4,89	1,43,27	1,94,53
1918-19 ...	30,84	—	82,80	38	1,05	9,53	1,24,60
Hardware:							
1913-14 ...	2,25,75	38,22	—	—	—	1,30,84	3,94,81
1918-19 ...	1,15,11	99,46	92,63	—	—	13,63	3,20,83
Elec. Appliances, &c.							
1913-14 ...	81,85	—	—	—	—	25,62	1,07,47
1918-19 ...	38,73	35,65	41,68	—	11,92	15,25	1,43,23
Machinery, &c.:							
1913-14 ...	6,95,78	25,21	—	—	—	54,84	7,75,83
1918-19 ...	3,02,81	1,39,24	24,63	—	2,04	13,62	5,00,34
Metals and Ores:							
1913-14 ...	11,64,97	31,06	—	25,50	—	6,31,96	18,53,49
1918-19 ...	4,07,65	4,10,94	80,81	3,45	—	2,67,94	11,70,79
Oils:							
1913-14 ...	—	1,83,34	—	—	—	1,02,30	2,85,64
1918-19 ...	—	88,55	—	—	—	17,67	1,06,22
Paints and Colours:							
1913-14 ...	51,16	—	—	—	—	12,91	64,07
1918-19 ...	38,81	20,34	49,18	—	—	3,55	1,11,88
Printing Paper, &c.:							
1913-14 ...	50,56	—	—	—	—	37,54	88,10
1918-19 ...	26,55	42,19	18,07	—	—	52,81	1,39,62
Provisions:							
1913-14 ...	1,50,99	—	—	—	—	96,37	2,47,36
1918-19 ...	33,18	61,92	4,81	—	—	93,90	1,93,81
Sugar:							
1913-14 ...	2,59	—	29	—	—	14,14,18	14,17,06
1918-19 ...	3	—	—	—	—	15,36,77	15,36,80
Textiles							
Twist and Yarn:							
1913-14 ...	3,56,75	—	13,91	—	8,71	37,05	4,16,42
1918-19 ...	3,35,71	—	5,32,91	—	—	18,00	8,86,63
Cotton Piece Goods:							
1913-14 ...	54,29,15	25,14	14,05	—	84,76	2,06,51	57,59,61
1918-19 ...	37,28,27	13,87	10,64,09	1,41	16,74	39,02	48,54,40
Silk and Silk Piece Goods:							
1913-14 ...	23,19	—	1,17,60	24,33	9,07	87,18	2,61,37
1918-19 ...	8,18	—	1,59,75	22,25	4,37	1,10,70	3,05,26
Wool Piece Goods:							
1913-14 ...	1,74,83	—	—	21,91	—	55,91	2,52,65
1918-19 ...	1,57,03	—	15,33	1	—	2,87	1,75,24

Value of Exports to Various Countries from British India of Principal Articles for Year to March 31, 1919, *compared with Year to March* 31, 1914.

(000's OMITTED)	United Kingdom Rs.	United States Rs.	Japan Rs.	France Rs.	Italy Rs.	Other Countries Rs.	Total Rs.
Chemicals :							
1913-14 ...	5,83	3,32	—	—	—	21,69	30,84
1918-19 ...	65,13	20,11	—	—	—	8,01	93,25
Coffee :							
1913-14 ...	55,34	—	—	57,42	—	40,90	1,53,66
1918-19 ...	38,54	—	—	14,87	—	65,97	1,19,38
Indigo ;							
1913-14 ...	6,39	1,18	—	28	—	13,44	21,29
1918-19 ...	25,57	23,72	49,29	—	29	25,98	1,24,85
Grain Flour, &c. :							
1913-14 ...	11,99,41	—	1,69,29	2,38,49	43,17	28,39,93	44,90,29
1918-19 ...	2,60,15	53,37	1,90,54	1,53,47	1,65,39	29,16,98	37,39,90
Hides and Skins :							
1913-14 ...	47,26	3,54,90	—	28,98	84,46	6,53,03	11,68,63
1918-19 ...	2,01,96	5,37,71	—	53,66	70,39	69,85	9,33,57
Leather, &c. :							
1913-14 ...	3,65,20	30,46	13,26	—	—	13,65	4,22,57
1918-19 ...	9,05,27	40,46	10,76	—	- -	10,47	9,66,96
Manganese Ore ;							
1913-14 ...	42,17	16,01	—	19,15	—	43,98	1,21,31
1918-19 ...	58,19	1,67	4,17	9,79	33	1,08	75,23
Coconut Oil :							
1913-14 ...	4,76	9,46	—	—	—	9,04	23,26
1918-19 ...	1,14,17	—	—	—	—	32,28	1,46,55
Opium :							
1913-14 ...	2,76	—	17,98	—	—	2,21,26	3,42,00
1918-19 ...	—	—	64,49	—	—	2,48,42	3,12,91
Paraffin Wax :							
1913-14 ...	19,41	—	8,66	—	—	39,24	67,31
1918-19 ...	27,43	1,09	8'86	—	—	71,47	1,11,85
Raw Rubber :							
1913-14 ...	50,41	—	—	—	—	28,26	78,67
1918-19 ...	1,74,31	1,51	—	—	—	74,61	2,50,43
Castor Oil Seeds :							
1913-14 ...	81,65	—	—	31,08	17,10	70,67	2,00,50
1918-19 ...	1,74,77	—	—	48,57	2,58	3,22	2,30,14
Copra :							
1913-14 ...	1,40	—	—	13,71	—	1,40,86	1,55,97
1918-19 ...	—	—	—	—	—	—	2,09
Ground Nuts :							
1913-14 ...	—	—	—	3,93,08	—	95,06	4,88,14
1918-19 ...	1,71	—	3,32	9,09	7,85	15,51	37,48
Linseed :							
1913-14 ...	2,47,22	6,15	—	1,90,00	48,70	1,76,63	6,68,70
1918-19 ...	5,52,75	21,11	—	16,80	30,52	37,53	6,58,71
Rape Seed :							
1913-14 ...	26,97	—	—	91,83	24,46	2,84,49	4,27,75
1918-19 ...	93,77	—	18,51	22,13	10,08	83	1,45,32
Spices :							
1913-14 ...	11,78	9,67	—	—	9,16	60,80	91,41
1918-19 ...	26,78	12,42	—	—	5,64	64,40	1,09,24
Tea :							
1913-14 ...	10,84,72	10,32	—	—	—	4,02,47	14,97,51
1918-19 ...	14,78,86	9,30	—	—	—	2,89,40	17,77,56
Textiles :							
Raw Cotton :							
1913-14 ...	1,43,60	—	19,40,13	2,02,38	3,18,17	—	41,01,25
1918-19 ...	2,05,30	5,99	23,37,40	29,56	4,16,15	1,03,96	30,98,36
Twist and Yarn :							
1913-14 ...	—	—	—	—	—	—	9,83,23
1918-19 ...	6,47	—	—	—	—	7,15,86	7,22,33
Cotton Piece Goods :							
1913-14 ...	—	—	—	—	—	—	2,13,68
1918-19 ...	—	—	—	—	—	—	6,45,19
Raw Hemp :							
1913-14 ...	44,20	—	—	9,15	14,67	34,35	1,02,35
1918-19 ...	1,21,41	6,88	—	8,98	14	9 38	1,46,79
Raw Jute :							
1913-14 ...	11,73,95	3,68,55	16,48	3,06,76	1,70,75	10,46,15	30,82,64
1918-19 ...	6,70,86	1,90,19	16,91	1,54,93	91,03	1,48,09	12,72,01
Gunny Bags :							
1913-14 ...	92,02	1,51,24	13,79	—	—	9,95,96	12,53,01
1918-19 ...	1,54,77	2,20,64	90,89	26,92	7,84	17,32,34	22,33,40
Gunny Cloth :							
1913-14 ...	83,66	10,22,41	—	—	—	4,53,35	15,59,42
1918-19 ...	1,93,08	19,72,58	—	1,30,53	—	6,73,48	29,69,67
Raw Silk :							
1913-14 ...	1,59	—	—	13,68	—	1	15,28
1918-19 ...	19,83	—	—	31,66	—	2,09	53,59
Raw Wool :							
1913-14 ...	2,43,17	4,20	—	—	—	3,08	2,50,45
1918-19 ...	5,39,24	—	—	—	—	1	5,39,25

A letter signed by a number of holders, representing a large proportion of the Turkish 4% Guaranteed Loan of 1855, has been addressed to the Corporation of Foreign Bondholders, expressing the opinion that immediate steps should be taken to safeguard the bondholders' interests in view of the general rearrangement by which the revenues specifically hypothecated to the service of this loan may be removed from the control of the Turkish Empire. All the bonds have been drawn for redemption, but have not been paid, notwithstanding the provision of a sinking fund, and it is pointed out that the interest and sinking fund are secured by a specific charge on the Tribute of Egypt and on the receipts from the Customs of Smyrna and Syria, in addition to being a general charge on the revenues of Turkey, but that no portion of these revenues has been applied to a sinking fund since 1875. The signatories to the letter say they understand there have been yearly surpluses available for this purpose, and they would like some explanation as to the amount of these funds and how they have been employed. They ask the Corporation to represent the bondholders' case to the proper authorities.

PRICES OF COMMODITIES.

"THE STATIST'S" INDEX-NUMBERS.

(In Continuation of Sauerbeck's Figures.)

LAST month witnessed a marked rebound in the prices of a number of important commodities, due to the freeing of markets through the removal of Government control and trade restrictions. The reflection is to be seen in our index-number of the wholesale prices of 45 commodities (average for 11 years 1867-77 being regarded as equal 100). The figure as at May 31 comes out at 194.6, or 10 points higher than at the end of April. Just before the Armistice was signed the record level of 197.8 was reached, and until the close of the year the trend was undecided. Then, however, the reduction of Government purchases for war purposes commenced to have effect, and, with general trade remaining stagnant, our index-number of commodity values declined in the first quarter of the year to 184.7, or 13 points below the highest. The delay in trade revival called forth loud and imperative demands for Government control to be removed, and in April a start was made to comply. However, there were still restraining influences at work in the shape of the coal miners' unrest, cotton trade dislocation, Budget nervousness, and uncertainty as to the Peace terms, and, consequently, the month of April saw little change on balance. Last month was very different. It opened with knowledge general that the Budget gave no cause for uneasiness under the head of taxation; indeed, the demand for reduction of the excess profits duty in the interests of industrial enterprise had been acceded to. There followed the publication of the main outlines of the Peace terms, which also set at rest many doubts; and later still came orders relaxing the blockade regulations, followed by the withdrawal of limitations on the import of foodstuffs into neutral countries, the granting of permission to consign direct to neutrals, and the allowance of export from neutral countries into Germany. Coincident with these and other trade-stimulating occurrences, the removal of Government control and maximum prices of some of the most important commodities came into force, as, for instance, iron and steel and wool, quite at the beginning of May.

The following table shows the fluctuations that have occurred in the index-number over a long period :—

Annual Numbers— Year		*End-of-Month Numbers*—					
1809 [Jevons'...	189	June '14...	81.2	Mar.'17 ...	169·0	Apr.'18...	189.3
1810 adjusted...	171	Dec. „ ...	118.4	April „ ...	173.0	May „ ...	191.1
1818 Figures]	159	Jan. '16 ...	123·6	May „ ...	175.0	July „ ...	192.9
1873	111	Feb. „ ...	127.0	June „ ...	180.4	Aug. „ ...	195.9
1880	88	Mar. „ ...	130.4	July „ ...	176.9	Sept. „ ...	197.1
1896	61	April „ ...	134.2	Aug. „ ...	175.7	Oct. „ ...	197.8
1911	80	July „ ...	130.5	Sept. „ ...	176·4	Nov. „ ...	195.3
1912-13-14 ...	85	Aug. „ ...	134.5	Oct. „ ...	180.6	Dec. „ ...	196.0
1915	108	Oct. „ ...	141.5	Nov.' „ ...	182.9	Jan. '19...	192.1
1916	136	Nov. „ ...	150·8	Dec. „ ...	185.1	Feb. „ ...	187.5
1917	175	Dec. „ ...	154.3	Jan.'18 ...	186.2	Mar. „ ...	184.7
1918	193	Jan. '17 ...	159.3	Feb. „ ...	187.3	Apr. „ ...	184.6
		Feb. „ ...	164.0	Mar. „ ...	188.0	May „ ...	194·6

In the vegetable food section the chief movement last month was a further rise in potatoes in continuation of the previous trend of the market, accentuated by the late prospect of the new crop. Meat became dearer through higher prices for both beef and mutton. Of the groceries, tea dropped back a trifle on the reduction of the duty on Colonial produce; but sugar improved in value, and the rise in coffee made further progress. In this connection the reader will be aware of the special circumstances arising from the widespread damage to the Brazil plantations by severe frost several months ago, and will also bear in mind that the Continent, when it can get it—as it should presently be able to do—consumes coffee in large quantities. In the mineral group a very sharp advance in iron prices, following the removal of Government control, was the outstanding feature; while of the textiles, cotton, wool, and, to a less extent, silk, exhibited sharp advances in price. Finally, turning to sundry materials, the fats—particularly tallow, palm oil, and linseed—command

appreciably higher values, which is not surprising in view of the known denudation of supplies in Central Europe and the Continent generally.

We append our usual comparison of index-numbers by classes:—

Comparison of War and Pre-War Monthly Index-Nos.

	Monthly Index-Nos.				+ or −		% May 1919 on
	May 31 1919	Apr 30 1919	May 31 1918	June 30 1914	Apr. 1919	May 1918	June 1914
Veg. Food...	170·0	168 8	167·8	66·5	+ 0·7	+ 1·3	+155·6
Animal Food	207·1	205·0	202·6	97·8	+ 1·0	+ 2·2	+112·4
Sugar, Coffee & Tea ...	126 5	122·5	123·9	51·8	+ 3.2	+ 2·1	+144·2
Foodstuffs ...	**174·5**	**172·4**	**171·4**	**74·8**	**+ 1·2**	**+ 1·8**	**+133·2**
Minerals ...	195·8	169·9	187·7	96·7	+15·2	+ 7·1	+102·4
Textiles ...	213·2	201·2	221·4	80·6	+ 6·0	− 3·7	+164.5
Sundries ...	215·0	202 9	208·5	82·5	+ 6·0	+ 3·1	+160·6
Materials ...	**209·3**	**193·5**	**205·5**	**85·7**	**+ 8.1**	**+ 1·8**	**+144·2**
Total ...	**194·6**	**164·6**	**191 1**	**81·2**	**+ 5.4**	**+ 1·8**	**+139·6**

THE IRISH PIG INDUSTRY.

THE important part the pig plays in Irish agronomy may be appreciated from the monetary point of view by the fact that it was responsible for an annual turnover of £8,000,000 in pre-War years. This importance is naturally reflected in the numbers of the animal, which in 1918 were reckoned at 974,385, as compared with 128,007 in Scotland and 1,541,553 in England. In Ireland pig-raising is mainly confined to small holders, and this is mainly due to the fact that the industry as a rule is intimately connected with tillage or mixed farming. Except in purely tillage districts large holders generally confine their attention to the raising of store cattle or the production of beef, and their disinclination to undertake the other branch of farming activity is explained, to a certain extent, by the difficulty of obtaining the necessary labour—a difficulty which does not naturally confront the smallholder, on account of his reliance on his own exertions. The small farmer has also the advantage that, as a result of his comparatively greater tillage operations, he is able to utilise his home-grown foods with great advantage for the feeding of pigs. While in Denmark the development of the dairy industry has led to a large increase in pig-keeping, this result has not been so marked in Ireland, owing to the far greater dependence of the latter on the raising of store cattle, which gives the farmer a choice of feeding his separated milk, either to calves or pigs. Under these circumstances there is very little disposition in Ireland to embark on pig-feeding on the large scale practised in Denmark and in Great Britain, where droves totalling 300 or 400 are not uncommon, with the consequent production of the costs of labour and food to a minimum.

The pigs produced in Ireland are either handled by Irish bacon curers and killed for home consumption or are shipped, generally alive, to English and Scotch markets. The former ramification of the trade is of large dimensions, as there are upwards of fifty firms, the principal centred at Dublin, Belfast, Limerick, Waterford, Cork, and Londonderry—engaged in its pursuit. Approximately four-fifths of the cured bacon and hams dealt with are exported, the balance being detailed for home consumption. A difference exists between the northern and southern curing firms, not only in the quality and form of their products, but also in the nature of the market supplied. The custom has prevailed amongst southern curers to send their bacon in long sides (known as the Wiltshire cut) to the London market; these sides are forwarded as mild-cured green bacon, and on arrival in London are smoked. Amongst northern curers the practice has been to take out the bones from the sides before curing and to put their bacon on the market in the form of rolls. The rolled bacon so produced is more strongly cured than the "mild cured" bacon, which finds most favour in the South of England, whereas the northern-cured product has a ready sale in the large industrial districts of the North and Midlands of England. Shipments of live and, to a lesser extent, dead animals to England amounted in 1917 to practically 200,000 pigs, or 21 per cent. of the total production for that year. The bulk of the fat pigs shipped alive from Ireland are known as heavy weights—that is, pigs weighing from 2½ to 3 cwt. upwards—and the greatest activity in this branch of the trade is manifested during the late autumn months. These weights are unsuitable for Irish curers, but they are in demand in English provincial centres for consumption as fresh pork and for making into sausages. Fat pigs of lighter weights known as "sizeable" are also shipped from southern ports to the large curing establishments in the South of England where there is a demand for these weights. A similar trade of the same description from the North of Ireland is carried on with the South of Scotland and the North of England. There seems, however, to be an imperfect appreciation of the fact that light pigs are in strong demand towards the end of the year, when small hams are required for the Continental and Christmas trade, and that heavier pigs are in demand during the summer months, when supplies of those are small. Turning to the export trade in bacon, hams, and pork, the value thereof, together with the percentages they represent of the total import of these commodities into the United Kingdom in 1915, are set out in the following table:—

	Value £	Irish Exports expressed as a Percentage of Total Imports into U.K.
Bacon (exported from Ireland) ...	4,562,883	16
Hams " " " ...	677,877	13
Pork " " " ...	396,810	50
Total	5,637,570	18

From the above it would appear that the future of the Irish industry is largely bound up with the supply of bacon and hams. For a number of years the chief supplies of these commodities outside Ireland have been Denmark, Canada, and the United States, and with the establishment of normal conditions, there is no reason to doubt that the pre-War conditions of competition will be completely restored. Prior to 1914 Danish bacon was the chief rival of prime quality Irish on the British market and owed its position to the endeavours made to ensure uniformity of quality. Danish exporters were the largest suppliers to the British market, and consequently exerted the strongest influence in fixing prices. During the past five years, however, imports from Denmark steadily fell, and in 1918 accounted for only 21,491 cwt., as compared with 2,063,221 cwt. in 1915. It would, however, be an exceedingly sanguine person who would expect to see a repetition of the former figure. The swine population in Denmark has been reduced of late years owing to shortage of feeding stuffs, but its restoration is only a matter of time. It is possible, however, that the situation in Central Europe will have the effect in the immediate future of absorbing a larger proportion than usual of the Danish bacon output. Previous to 1913 the British market was receiving a steadily decreasing annual supply of bacon and hams from the United States, but a jump was recorded from 2,563,938 cwt. in 1913 to 10,064,326 cwt. in 1918. An expansion from 333,604 cwt. in 1913 to 1,829,465 cwt. in 1918 was also registered by Canada. Of late years increasing attention is being paid to the production of pork in Ireland, and there is reason to believe that this branch of the industry will yield a greater return in the future. The progress being made in this direction was, unfortunately, impeded by the events of the past few years, but it is satisfactory to note that breeders are exercising more care in the selection of stock animals and there seems to be a general desire to aim at the production of a better type of pig. The number of swine in Ireland declined from 1,060,360 in 1913 to 974,385 in 1918 or 8%. In making up this balance it would be advisable to aim at an improved breed. Under the County Live Stock scheme instituted by the Department of Agriculture a large amount of useful work has been done, the object aimed at being to produce an animal suitable for the English and Irish

markets. There is no reason why Ireland should not secure a commanding position so far as the British market is concerned. She lies within easy reach of the great industrial centres of northern England and southern Scotland, and with due attention to the turning out of a uniform high quality product, accompanied by regularity in distribution, she would strengthen her position with regard to foreign competition. The pig trade, however, is still governed by the Food Controller. Special permission must be obtained in order to export pigs or pig products to Great Britain, and an allocation of supplies both in Great Britian and Ireland is made only to registered persons. Futhermore, the sale of pigs is governed by a maximum price which is subject to variation.

The shortage and high price of feeding stuffs, especially maize and its products which are most in favour with Irish farmers for fattening purposes, led to a falling off in the number of swine kept during the past few years. The decline would have been greater were it not for the abundant stocks of potatoes available as a result of the extra tillage. The use of "waste" potatoes for feeding purposes has always been fairly general in the west of Ireland, although this practice has not been quite so common in other parts of the country. In all probability, maize will return to favour with the growth of facilities for increased imports. Experiments have shown that while maize and barley are approximately equal in value for pig fattening, a slightly greater increase in weight seems to be obtainable from a given quantity of the former, although the latter is credited with the production of a better quality of pork. Under normal conditions, therefore, the decision of the pig feeder in selecting one or other of these grains should rest on a comparison of their prices. A barley grower might find it more profitable to sell his barley and buy maize to feed his pigs if the price of barley is higher than maize; if lower, barley should be kept and fed in preference to maize. Notwithstanding the fact that barley is said to produce a high quality pork, no inducement is held out to farmers to substitute that cereal for other feeding stuffs as there is no increased price payable on that count. The selection of the most economical method of fattening swine might reasonably claim more attention from farmers in the future than it has in the past. In many parts of Ireland the custom obtains of using cooked meals, although it seems to have been fairly well demonstrated that pigs fed either in summer or winter on raw meals give a higher daily gain than those fed on cooked meal, and, furthermore, yield a quality of pork which is in no way inferior. A more general adoption of this system would undoubtedly make for great savings in the costs of fuel and cooking and would entail considerably less labour. There is room also for a larger development in the output of pigs. In large areas in the South young pigs farrowed in the early spring months are allowed to run as stores during the summer and are only put into fatten when the potato crop becomes ready for use, consequently only one lot of finished pigs is turned out each year. In Ulster, on the contrary, they are put to fatten from the time they are weaned, thus even three lots are marketed during the year. The imitation of the latter system would make for greater uniformity in supply, which would be of great value not only to the trade but to the general public.

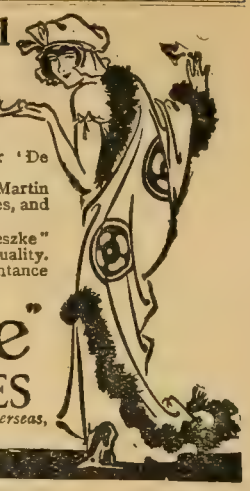
HARRODS STORES, LTD.—An extraordinary meeting has been convened for June 27 for the purpose of considering a resolution for the increase of the capital of the Company to £3,000,000, by the creation of 850,000 new Ordinary shares of £1 each, of which it is intended to issue 475,000 shares forthwith. Ordinary shareholders are to be offered the new shares in the proportion of one new share for every two shares held, at a price to be announced at the meeting, and the remaining fractions will be offered to the employees of the Company.

Sir Valentine Chirol writes:—"As a confirmed smoker of Turkish cigarettes, I can pay your 'De Reszke' Americans no higher compliment than by saying that they would almost wean me from Turkish and convert me to Virginians."

Louis Raemaekers, Esq., writes:—"Your 'De Reszke' Cigarettes are very nice indeed."

Martin Harvey, Esq. writes:—"Mr. Martin Harvey has tried your 'De Reszke' Cigarettes, and he and his friends find them 'tip-top.'"

SOONER or later you will buy "De Reszke" Cigarettes, because of their better quality. Why wait? Why not make the acquaintance of the World's best cigarettes now?



"De Reszke"
The Aristocrat of CIGARETTES
Sold at all Military Canteens at Home and Overseas, also Tobacconists' and Stores.

THE BANK OF TAIWAN, LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.
Head Office - - TAIPEH, FORMOSA.

BRANCHES:—Amoy, Bangkok, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, Yokohama, and every important city in Formosa (Taiwan), &c. The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.

London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

Two of the most important considerations affecting the food and otherwise, so often that we wil lnot again physical well-being of the world in the immediate future will be the result of the coming monsoon in India—the breaking of which, assuming that it has broken, we ought already to know if the cables were working as they should be working—and the state of the crops in the United States of North America. It is commonly reported that Mr. Roberts, the Food Controller, is about to visit the Prime Minister in Paris to consider the question of continuing the food control. We have expressed our opinion with regard to controls, food and otherwise, so often that we will not again burden the reader with the subject. Suffice it to say that the very fact that the Food Controller wishes to consult the Prime Minister on the subject shows the anxiety which naturally exists regarding the food problem. It is, indeed, perhaps one of the most important of the underlying causes which are leading to so much unrest in every part of the world at the present time. The best expert opinion, as far as we can gather, is that it will not be possible to regard the world, particularly the civilised world, as altogether out of the wood for very nearly two years.

Assuming good harvests in the northern hemisphere this season, the cropping of which is now approaching, and also good harvests in the southern hemisphere in their approaching summer, followed by good harvests twelve months hence, normal supplies of food and raw materials, it is generally hoped, may be expected. The southern hemisphere contributes only about 10% of the world's foodstuffs, but considerably more of the raw materials. Although the contribution of the southern hemisphere in feeding-stuffs is comparatively small, nevertheless, owing to the fact that reaping time south of the Equator falls in what we call here in the north the spring, we are able to obtain crops

grown in the south just at the period when our supplies are beginning to fail. Consequently, the importance of really good harvests, and particularly of a bountiful harvest in the southern hemisphere, is very much more material than would appear from the magnitude of the crop stated in a statistical table.

Of course, even yet it is a little early to be too confident with regard to the United States crops; but we are already in the middle of June, and the reports are exceedingly favourable. According to the Crop Reporting Board of the Bureau of Statistics of the United States Department of Agriculture, the average condition of winter wheat on June 1 was 94.9, as compared, it will be remembered, with 100½—that is, just a little above par—on May 1 of the present year. But the figure 94.9 compares with 83.8 on June 1 of last year and 70.9 on June 1, 1917. This, again, compares with the figure of 80.2, the average of the past ten years on June 1. Practically the same area as last year was sown under wheat. The average condition of spring wheat on June 1 is given as 91.2, comparing with 95.2 on June 1, 1918, and 93.5 as the ten-year average.

Assuming that the above figures are realised, the total wheat crop of the United States alone should be equal to a return somewhat exceeding 12¼ million bushels. This is, of course, a record, and if the results now hoped for are maintained, will materially relieve the situation. Roughly, we may say that the home consumption in the United States is about 6½ million bushels. Take off 10% for seed from the gross, it should give an exportable surplus of something over 400 million bushels, or something like twice what we ought to require in the United Kingdom for our total annual consumption, making no deduction for the sixty or seventy million bushels which we were in normal times able ourselves to raise within the confines of these islands.

The June Series of Government wool auctions will commence next Monday, and will last until Friday, July 4. The total quantity to be offered will amount to about 140,000 bales, and will consist of various quantities which will be distributed equally throughout the Series. Amongst Australian wools, greasy merino combing amount to 32,000 bales, greasy cross-bred combing to 25,000 bales, and scoured merino combing to 13,000 bales. Of New Zealand wools, greasy crossbreds will take the first place to the extent of 30,000 bales, and scoured crossbreds 10,000 bales. There will be only small lots of South African wools offered, one comprising super-scoured wool of a thousand bales, and another of various, black, grey, and others, 350 bales.

There is a very considerable measure of anxiety, both here at home and in Canada, regarding the composition of the Canadian population. The question opens up very wide issues, and clashes with strongly held prejudices. But unless it is solved satisfactorily it will lead to trouble sooner or later in the British Empire, not merely in Canada, but in nearly all of our overseas Dominions. Practically, it may be said that Old, or Eastern, Canada, that is to say, Canada east of a line drawn across Lake Superior, is half French and half British. West of that line, that is to say, what is commonly called Western Canada, the population is about one-third British and one-third composed of citizens of the United States, and one-third composed of various nationalities mainly originating from South-eastern Europe. Many of these latter people are not able even to speak our language; and, naturally, they have none of our traditions, ideas, or ideals. Of course, in the case of those who have children the common schools will teach them English, and to some extent give them British notions. There, again, two difficulties present themselves. One is the scarcity of teachers and the difficulty of manning the teaching staffs. Secondly, arises the question of the conflict between the influence of the school and the influence of the home upon the future of the children.

As things are at present, it cannot be said that the predominant portion of the population, numerically at any rate, in Canada is British. And the Imperial Government and the Dominion Government are regarding the future, as already said, with no small measure of anxiety. It will be remembered that for some years in the past the tendency was for Canadians, particularly in the West, to emigrate to the United States. In recent years the tendency has been the other way, and American citizens have crossed the border. The total population of Canada now is just under nine millions. Leaving out 1915, 1916, and 1917, which, of course, were affected by the War, and taking the figures for 1914, emigrants from Great Britain amounted to 142,622; from the United States, 107,530, having been in the previous year 139,000; and from various countries, mainly South-Eastern Europe, 134,726. The total immigrants into the Dominion in 1914 amounted to 384,878. Of course, the difficulties have been accentuated during the years the figures for which we have not quoted. Practically, emigration from this country was forbidden during the War. The War, however, is over at last, and steps are to be taken to endeavour to increase the proportion of the British population in Canada.

So far as people are able and willing to emigrate from these islands no difficulty should be experienced, although we do not desire to lose our population at the very centre of the Empire. At the same time, it would not be sound economic policy to prevent British subjects who are anxious to settle in some other part of the Empire from doing so. The Canadian Government is now proposing to assist people born in these islands who are willing to emigrate to Canada, and especially those born in the agricultural districts of these islands, which, by the way, are a class of the population which we can ill spare. But when one enters upon the question of British subjects, it is of the first importance to understand what one means by "a British subject." Surely the correct definition is "all persons born within the confines of the British Empire, without distinction of creed or colour," or of "people living in any part of the world which at a given time forms part of the British Empire." Unfortunately, very few of our colonies are willing to accept this definition; and while they do not repudiate it absolutely, they put various restrictions in the way of those who, while not of the Caucasian race, are desirous of emigrating to those colonies.

Now if it is hoped that the British Empire will continue to exist as a composite whole, we submit that such a policy cannot be permanently maintained. The British Empire comprises now practically 13 million square miles, and 75% of the population are composed of people other than those belonging to what are called the white races. An Empire which restricts the free movement of its people to one quarter of its total cannot expect to permanently exist. Sooner or later it seems reasonable to anticipate that unless the population of our Australasian colonies grows at a far more rapid rate than seems likely at present, we shall be faced with the necessity of fighting a great war for their retention. Surely, it is not contended that the present population of the Australian colonies, or even if that population was doubled, could defend the whole of the vast area of Australasia. Assuming that the Empire holds together, and that we retain the economic resources to maintain the fleet, it seems inevitable that Australia will have to be defended very largely by coloured troops. And if this proves to be the case, how is it possible to refuse to 75% of our population their right to free migration within the confines of the Empire?

HEAD OFFICE:
1 Dale Street,
LIVERPOOL.



LONDON:
Chief Office,
1 Cornhill, E.C. 3.

TOTAL ASSETS exceed - £17,000,000
TOTAL CLAIMS PAID over £93,000,000

FIRE. LIFE. ACCIDENT. MARINE.

Annuities, Leasehold Redemption, Burglary, Fidelity Guarantee, Motor Car, Plate Glass, Personal Accident, Workmen's Compensation, Sickness, Live Stock, Loss of Profits, &c.

OFFICES IN ALL THE CHIEF COMMERCIAL CENTRES.

American Topics.

PRESIDENT REA'S ADDRESS.

Mr. Samuel Rea, President of the Pennsylvania Railway Company, read a paper on the last day of April before the Chamber of Commerce of the United States, at St. Louis, on the railway problem of the United States. The President, being one of the most distinguished railroad men in the United States, confined his remarks to the difficulties and dangers confronting the railroad problem in his own country, but those remarks have a far wider application than even the extensive railroad system of the United States of North America demand. The problem that President Rea set himself to solve was whether what is called nationalisation of the railways—that is to say, railways worked by Government officials—or railways worked as private enterprises best serve the economic interests of the various countries in which they exist. President Rea came to the conclusion that private enterprise best serves those interests. Certainly the experience of the United States and of the United Kingdom during the period of the late general War against Germany is a severe indictment against Government administration. Of enterprises primarily intended to work upon an economic basis and to serve economic purposes Mr. Rea argued that in the nature of the case this must be so.

Government enterprises must necessarily be controlled by what in England we have come to call red-tape; or alternatively autocratic individuals would be able to do whatever they liked with property belonging to the nation. The system which we in England call red-tape gradually grew up as an antidote to the corruption which it was alleged characterised Government administration in the eighteenth century. The system grew throughout the whole of last century, and appears to be growing still. The result is that no decision on any subject can be arrived at quickly. Usually the practice is that any decision must be submitted to a hierarchy of officials, and generally in the final result to a board, the prime object being that the man who handles the money or gives the order shall not have the final decision. It probably costs the country three or four times as much directly without allowing for the indirect cost incurred by the delay, but it avoids the charges of corruption which were formerly levied against officials in the employment of the Government. When a Government Department undertakes to run the railways it has not merely the whole travelling public as well as the trading public to draw upon, but it has in the final result the revenue of the State. Even if a statement is called for to show whether the railways are or are not being worked upon an economic basis, the answer depends upon the method of bookkeeping adopted. For example, an auditor instructed to charge certain items to capital expenditure and certain others to cost of working will present a totally different balance sheet from an audit made under a different plan. In a privately owned railway like the system over which President Rea presides there is the concrete proposition—Is the line able to earn a dividend or is it not? Under Government, both here and in the United States, the Government itself has undertaken to pay a certain specified sum to the stockholders of the various railway systems who were in fact earning a dividend in a specified half-year. This will be paid whether the line is worked at a profit or at a loss. It is admitted in both countries at the present time that the railways of both the United States and the United Kingdom are not being worked at a profit.

President Rea illustrates his argument by showing the difficulty the United States railways had, speaking generally, of obtaining new capital in the years that preceded the War. This he attributes wholly to political influence, and he argues that were the railways placed under Government control they would, on the one hand, be used as great electioneering machines in the interests of the existing Administration, whatever it might be, and, on the other, maladministration would afford an opportunity of attack for those who sought the plums of office. President Rea takes maladministration as a thing granted under Government administration in any form. Those who favour State ownership will not, of course, admit this. They would argue that it depends entirely upon the administrators chosen. On the other hand, it has to be admitted that there are no ready means of checking the economic efficiency of the management, as is the case with private ownership; while, as we have shown above, an official audit may be made to show almost any results according to the instructions given to the auditors.

ATCHISON, TOPEKA AND SANTA FE.

In our advertisement columns appears a full report of the working of the Atchison, Topeka and Santa Fe Railway for the fiscal year ended December 31 last. It will be seen that no figures are published which would enable us to make any comparison of the working of the lines last year with previous years in the history of the Company. The total mileage of the Atchison system amounted last year to 11,456. The lines comprising this great system were, in common with the principal lines of the United States, taken over by the United States Government under President Wilson's proclamation on December 26, 1916, since when the whole system has been operated by the Board constituted for operating the various railway systems of the United States. In addition to the mileage above given, over 60 miles of railway track have been completed and will be operated in the near future. The Company is further interested jointly with others, through the ownership of stock and bonds, in other lines giving an aggregate of more than 556 miles. The total charges to capital account is shown in the balance sheet aggregated at the end of last year nearly 783,000,000 dollars, or an increase of more than 25,000,000 dollars during the year. The outstanding capital stock, including the Common and Preferred, amounted to 344,629,200 dollars.

The Atchison, Topeka and Santa Fe Railroad is one of the very greatest of the American railroads. It comprises, as we have already said, a system extending to considerably over 11,000 miles of track. It runs from Chicago through to the Pacific Coast at San Francisco. This is the main trunk system; but beyond this it owns another great trunk line which connects San Francisco with Galveston on the Gulf of Mexico. In addition it owns a line running north to south from Kansas City to Galveston. The line has been almost trebled in the past 20 years, and its earning capacity

has expanded to even a greater extent. Its business consists in the carriage of cereals, live-stock, and other agricultural produce, as well as deriving a large part of its revenue from an enormous coal traffic. Since the War its passenger traffic has expanded to an enormous extent. In the years that preceded the European War the Atchison system, as was the case with nearly all the great trunk lines in the United States, was dependent for its revenue almost wholly upon freight traffic, the business derived from the carriage of passengers being of comparatively small value. Even before the United States joined the Entente Alliance travelling to Europe for American citizens became exceedingly dangerous owing to the submarine menace, and extremely difficult from the shortage of shipping. When the United States entered the War these difficulties were accentuated. As we have said, this great system connects the important populous and industrial cities of the North with the sunny coast of the Pacific at California and Los Angeles, and moreover, as shown above, conveys passengers to Galveston on the Gulf of Mexico within easy reach of the West Indian Islands. As travelling to Europe, if not exactly impossible, was certainly both dangerous and difficult, the American tourist, as has been the case with his European *confrère*, finding it imprudent to visit foreign lands, has been content to explore the beauties of his own native country, the extent and variety of climate afforded within its own borders giving him ample opportunity to choose a locality suitable to his taste, either in pursuit of health or enjoyment.

Very large sums have been spent by the directors of this important system in what are known as betterments, and the line was handed over to Government control in perhaps a better state of physical condition than at any previous period in its history. It is generally understood that, whatever may be the fault of Government operation on the other side of the Atlantic, as with ourselves on these shores, the Government has made efforts to maintain the Atchison in a high state of efficient working. Moreover, the Government Department responsible for working the railroads has entered into a contract to restore it to its owners in a sound physical state. So excellent was the condition of the road at the time it was taken over by the United States Railroads Administration that the Atchison was one of the few properties whose net earnings have shown a profit for the Government above the compensation which it has agreed to pay to the stockholders. Of course, it will be remembered that, in spite of the enormous business done by the American railroads as a result of the War, the stockholders only obtain an agreed rate of compensation, whatever may be the earnings of the various systems, as indeed has been the case with nearly all the railways taken over by the several Governments in connection with the War.

The operating expenses exceeded $187,000,000, and the net result of operating the line yielded a revenue exceeding 51⅛ million dollars.

President Ripley, in his report for the year, says "the major part of the year was occupied by negotiations as to the forming of a contract, which was signed after being first formally approved of by the stockholders." The negotiations which preceded the signing of the contract were, says the Atchison's President, more or less one-sided, because the Administration insisted on certain conditions which seemed unfair to the officers of the line. In view of all the circumstances, however, it was considered best to execute the document, though there may later be differences of opinion and possibly litigation as to some of its provisions. Among these is the allocation to the Company over its protest of a number of cars which the officers of the Company objected to receiving or paying for out of the corporate funds of the Company. In addition, the contract provides that the property should be returned to the stockholders in as substantially good condition as when taken over, and it is hoped that this stipulation may be fulfilled; but during the first year of Federal control it was not possible for the Government to furnish the amount either of labour or material used in previous years. President Ripley adds that it will be the duty of the corporate officers of the Atchison system to watch the physical condition of the property, and also to work for the adequate protection of its interests hereafter.

COMMERCIAL BANK OF SCOTLAND.

Shareholders have been informed this week that the directors consider, in view of the marked increase in the Bank's business during the past few years, and of the additional facilities that are likely to be required for the reconstruction and development of industry in the near future, that the time has come when an increase in the paid-up capital of the bank is desirable. Accordingly, it is proposed that the nominal capital of the bank be increased from £5,000,000 to £5,500,000 by the creation of 500,000 new shares of £1 each to be issued for payment in cash of £1 10*s*. These new shares will rank for dividend according to the number of shares in issue *pari passu* with the present capital, but subject to the limitation that the rate of dividend on the new shares shall not exceed 10%. The shares will be issued to shareholders in the proportion of ten new shares for each one existing share of £100, £20 paid, at present held. The premium of £250,000 will be carried to reserve fund and the directors then propose to declare a bonus out of the reserve of £5 per share on the existing 50,000 shares, equivalent also to a payment of £250,000. This will make the shares £25 paid. Of the remaining liability of £75, £35 will be callable for purposes of business and the balance of £40 only for the purpose of liquidation. It is expected that the amount of dividend receivable by shareholders will not be less than in recent years, though the rate of dividend will be altered. On completion of this transaction the £100 shares, £25 paid, will be subdivided into five shares of £20, £5 paid. Presuming the proposals are sanctioned by shareholders the paid-up capital will be increased from £1,000,000 to £1,750,000, comprising 500,000 fully paid £1 shares and 250,000 shares of £20 each, £5 paid. The additional cash capital provided will be £750,000, and the reserve will remain unaltered at £850,000.

Rover Company, Ltd.—Shareholders of this Company are offered 150,000 new shares of £1 each at £3 5*s*. per share, which will raise the issued capital from £200,000 to £350,000. The additional funds are required for the purpose of extending the manufacture of the Company's 12 h.-p. Rover car and for the purchase of a large modern factory already equipped with machinery and ready for commencing the manufacture of a new model light car, which has been tested and found satisfactory, and for which the directors are convinced there will be a practically unlimited demand for many years to come.

Mr. A. D. Webster, whose book on "Seaside Planting" we noticed recently, has just published another work on "National Afforestation," in which he urges the Government without delay to not only replant areas that have been denuded for war purposes, but to afforest at least a million acres of waste, or otherwise unprofitable, land. He says: "We have fully 15,000,000 acres of mountain and heath land, where timber could be successfully and profitably cultivated, and yet the sum-total of our woodlands previous to the War was only 3,035,590 acres, a smaller percentage than that of any other country." It is a subject well worth considering, and Mr. Webster's book will be read with much interest. Messrs. T. Fisher Unwin are the publishers, and the price is 6*s*. net.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue. Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

THE recent neglected appearance of the Share market has been accentuated this week, in consequence of general attention being diverted to consideration of the new War Loans, and at the same time the fall in the price of the commodity to a fresh low record has been a depressing factor. Improvement in shipping facilities has resulted in heavy importations of rubber, and, with trade still in process of improving and export restrictions to the Continent only just beginning to be removed, stocks of rubber have increased. All indications point to this being a temporary phase, for the prospect of activity in the motor industry was never greater. In the immediate future course of prices the signing of Peace and removal of the blockade will probably play a large part.

THE RUBBER INDUSTRY'S GROWING IMPORTANCE.

THE great and rapid growth of the rubber plantation industry in the last few years is well known to readers of these columns, and it is, of course, the business of directors, estate managers, traders, and large manufacturers of rubber goods to follow the subject closely. But, outside those interested circles, the growing importance of the commodity as a raw material, and the high position which the cultivation of rubber has attained in the industries of the world, is not yet as widely recognised as the facts warrant. Speak to an ordinary business man, or even to a prominent banker, and ten chances to one he will not know that in 10 years the area under rubber plantations has increased from under 700,000 acres to 2,760,000 acres, that the yearly production in the same period has risen from 1,800 tons to the rate of nearly 300,000 tons, and that the British Empire controls three-fourths of the world's rubber plantations, while the United States consumes about 70% of the total production.

A few months ago we noticed an elaborate review which a leading American banking institution had circulated for the purpose of informing its clients, with the aid of detailed statistics and facts, of the industrial importance of rubber. That review, no doubt, had the effect of opening the eyes of many people, particularly in America. A similar step has now been taken in this country by the Federation of British Industries. For some time past its members have been kept posted on trade matters by a weekly bulletin, and with the latest issue commences a series of supplements dealing with the raw materials of the world. It is not without significance that the first of the series is devoted to a survey of rubber in Malaya, divided into eight sections and running into 23 pages, including a map. Naturally, much of the information contained in the memorandum, as it is called, especially in regard to history, plantation, and production statistics, is familiar to our readers; but special interest attaches to the opening paragraphs, and a table showing the populations of the chief rubber-consuming countries, together with their consumption of rubber and its productive value in respect of the year 1917.

After remarking that one of the most important of the world's raw materials is rubber, and that the British Empire produces about five times as much as all the other nations put together, the writer says, in view of the unlimited uses to which rubber can be put, that "every effort should be made to further the industry, so that as far as possible this British raw product can be manufactured and produced within the Empire, and the surplus, whatever it is, be exported to the greatest advantage." We have in this Journal frequently emphasised the same necessity, especially last autumn, in advocating the combination of producers in selling the commodity in competition with the highly organised American consumers. The table to which we have referred, and which is given for the purpose of illustrating the fact that America has made herself the chief rubber manufacturing country of the world, is as follows:—

Consumer	Population	Rubber Consumed Tons	Per Cent.	Productive Value £
United States	92,000,000	177,088	69·0	177,000,000
Great Britain	45,000,000	25,983	10·2	26,000,000
France	40,000,000	17,000	6·7	17,000,000
Italy	35,000,000	9,000	3·5	9,000,000
Russia	174,000,000	7,500	3·0	7,000,000
Canada	7,000,000	6,287	2·7	6,300,000
Scandinavia	—	5,323	1·9	4,500,000
Japan and Australia	—	4,500	1·8	3,000,000
Germany and Austria	117,000,000	3,000	1·2	—

This week, also, have come to hand the annual reports of the National Association for Rubber Cultivation in the Netherlands Indies and of the Planters Association of Malaya, and, so as to help on the work of spreading wider the knowledge of the industry's progress, we give below statistics culled from these two reports, trade returns, and other sources of information:—

Netherlands Indies.

	Area Planted Acres	Rubber Production Metric Tons	Exports (in Metric Tons) to— Holland	England	America	Japan, Singapore, &c.	Total Exports
1916 ...				8,206	15,769	9,346	33,321
1917 ...	728,776	53,521	Nil	5,996	28,906	8,698	43,600

Malaya.

	Area Planted Acres	Rubber Production Long Tons	Exports to— U.K. Long Tons	Europe Long Tons	America Long Tons	Other Countries Long Tons	Total Long Tons
1916 ...	940,000	99,063	39,911	5,439	42,546	3,976	91,872
1917 ...	1,050,000	129,923	40,320	4,259	85,372	4,426	134,737
1918 ...	—	133,364	23,211	5,828	94,169	3,844	127,052

*World's Production of Rubber.**

	From Plantations Long Tons	From Other Sources Long Tons	Total Long Tons	London Average Price of Plantation Rubber Per Lb.
1916	152,650	48,948	201,598	—
1917	213,070	52,628	265,698	2/9¼
1918	200,950†	40,629	241,579	2/3½

* According to Messrs. W. H. Rickinson and Sons' estimate.
† Tapping restricted on many estates owing to war conditions.

United States Imports of Raw Rubber.

	1916 Quantity Centals of 100lb.	1916 Value $	1917 Quantity Centals of 100lb.	1917 Value $	1918 Quantity Centals of 100lb.	1918 Value $
From—						
U.K. ...	581,577	39,414,267	714,668	48,517,761	66,271	3,723,993
Brit. E.Ind.	1,243,340	74,675,174	1,957,390	113,727,663	2,276,958	101,973,396
Dutch E.I.	265,083	15,479,866	596,899	36,671,226	373,148	18,204,689
Brazil ...	492,818	24,589,208	569,825	23,678,755	403,326	13,378,588
Other Countries	118,084	5,586,961	217,601	10,624,499	139,590	6,097,647
Total ...	2,700,902	159,745,476	4,056,383	233,220,904	3,259,593*	146,378,313*

* Imports restricted in 1918.

In conclusion, it is advisable to note that while the area under plantations is estimated at 2,760,000 acres, probably not more than 2,000,000 acres is of bearing age. This year production is estimated to reach 300,000 tons (to which has to be added about 45,000 tons of wild rubber to get the world's total), and a steady increase in plantation output—but not in wild rubber yield—is anticipated until about 450,000 tons is attained after 1923. Obviously, if there is not to be an excessive surplus of production a further great expansion in the consuming trades must be witnessed in the coming years. The substitution of rubber, which is lower in price than before the War, for leather and other materials which are scarce and dear, will

be a helpful factor; but, above all, everything will depend upon the extension of the use of the motor car, and whether the motor lorry proves to be the ideal solution, as is widely anticipated, of the road transport problem.

ANNUAL REPORTS ANALYSED.

CHANGKAT SALAK (PERAK).

Issued Capital: £87,442, in 42,500 Preferred Shares and 44,942 Deferred Shares of £1 each.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915 ...	2,407	1,612	550,000	335	2/7·16	1,1·39	40,911	28,944	40* 30†
1916 ...	2,407	2,014	805,810	400	2/5	1/0½	57,281	21,296	30* 20†
1917 ...	2,574	2,400	1,016,070	423	2/3¾	1/0·1	67,556	17,224	25* 15†
1918 ...	2,810	—	810,000	—	1/9¼	1/3¾	25,271	30,110	35 25

* Preferred dividend. † Deferred dividend.

In dealing last July with the 1917 report of this Scottish Company we drew attention to the features which together warranted the classification of its estate in the first class. In 1918, with restriction of production, consequently high cost, and a poor market for rubber, the profit showed a sharp decline. Curiously enough, however, shareholders receive an appreciably higher distribution, for which probably they have to thank the removal of uncertainty in regard to the future of the excess profits duty. This in the past few years has taken a very large proportion of the earnings. The actual liability for the years 1917 and 1918 has not been determined, but £25,000 has been paid on account. If, after having now been reduced to 40 %, the duty is altogether lifted next year there seems good reason to anticipate much bigger dividends for shareholders. In the first place, the manager this year estimates the crop at 1,100,000 lb., or equal to not far short of 450 lb. per bearing acre, and, secondly, the visiting agent, after reporting that the estate is looking particularly well, says that if the policy hitherto pursued of getting the fields into really irreproachable order is continued next year, when all should be completed, "there is not the least question of cheap working costs being resumed hereafter." In addition to the 2,810 acres under rubber the Company has 1,000 acres of good planting land, of which 200 acres are to be placed under rubber this year.

PELMADULLA (CEYLON).

Issued Capital: £86,400 in £1 Shares.

Results for Years to December 31

		Total Acres Planted	Output Lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916	Rubber	2,340	704,685	2/9	—	63,704	17,360	20
	Tea ...	1,138	609,964	62c.	—			
1917	Rubber	2,340	843,197	2/3¾	—	51,024	17,360	20
	Tea ...	1,138	705,966	51c.	—			
1918	Rubber	2,322	688,411	2,0½	—	33,609	23,760	27½
	Tea ...	1,134	803,912	45c.	—			

Shareholders of this Ceylon rubber-cum-tea plantation Company must feel thankful for the good management which enabled last year's restricted rubber crop to be sold for over 2s. per lb. It bespeaks a cautious policy in the palmy years 1916 and 1917, when extra heavy provisions were made for excess profits duty, that for the comparatively poor year 1918 the dividend is the highest. Still, the 27½% is a conservative distribution, leaving £10,000 over for covering tax liability of about £8,500. The prospects are good. Both rubber and tea estates are reported to be in fine condition, and the current year's crops are estimated to rise to 815,000 lb. of tea and 890,000 lb. of rubber. Moreover, forward contracts have been made of 89,600 lb. at 1s. 9½d. per lb. Colombo and 320,320 lb. at 2s. 0⅝d. per lb. London or Liverpool. In addition, 268,800 lb. have been sold for delivery over the whole of 1920 at an average of 1s. 11½d. per lb. Colombo. Obviously shareholders' interests are protected by these transactions at good prices. The shares are now priced at 80s.

SELANGOR RUBBER.

Issued Capital: £120,000 in 2/0 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...	2,267½	1,641	626,930	382	2/6·9	—/9·8	56,007	48,750	162½
1916...	2,327½	1,745	769,630	441	2/6·15	—/9·52	68,858	65,000	216⅔
1917...	2,111	1,850*	829,092	448	2/2·4	—/10	57,631	41,250	137½
1918...	2,511	—	669,108	—	1/8·1	—/9⅞	31,551	30,000	100†

* Estimated. † Percentage on old capital.

Price of Shares, 8/6. Market Capitalisation per planted acre, £203.

Last year, when this Company issued a report for 1917 declaring a total dividend of 137½%, the 2s. shares comprising the issued capital of £30,000 stood at 30s. Since then the issued capital has been increased to £120,000 by the capitalisation of reserve, and though the dividend for 1918 has been reduced to 100%, the price of 8s. 6d. for the 2s. shares is equivalent to 34s. on the old basis. Thus, coincident with the increase of capital, the market valuation per planted acre has been raised from £200 to £203, including the addition of 100 acres to the cultivated estate. The limit of development has about been reached, as only 60 acres of reserve land now remain. The 1918 profit, it will be seen above, was much below the level of previous years; but, in view of the special circumstances, it is obvious that the rate of dividend, equal to 25% on the present issued capital, is no criterion of what shareholders may expect to receive under normal conditions. The board considers that the Manager's crop estimate of 800,000 lb. for the current year should be easily secured, and, judging by past experience, it should not be long before a full maturity output of 1,200,000 lb. is attained. Cost of production is low, and the balance sheet shows £22,000 of surplus cash resources.

KAJANG (SELANGOR).

Issued Capital: £75,000 in £1 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit† £	Dividend Amt.* £	Dividend %
1916...	1,502	—	263,779	—	2/6	1/2	17,000	9,375	12½
1917...	1,576	1,228	390,706	318	2/3·85	1/3·2	20,992	8,437	15
1918...	1,576	946	307,600	325	1/9·42	1/2·56	9,612	5,343	10

* After deduction of income tax.
† Before deduction of income tax.

Price of Shares, 47/0. Market Capitalisation per planted acre, £110.

In the past year this Company's results were obviously under the influence of abnormal conditions. The young estates—1,113 acres out of 1,576 acres were planted in the years 1910 to 1912—were estimated to be ripe for a production of 425,000 lb., but tapping was restricted so as to obtain only 307,600 lb. Nevertheless, the whole of the expenditure with the exception of £1,328 was charged to revenue account and consequently the all-in cost figure of 1s. 2½d. per lb. cannot be considered other than quite as satisfactory, as one expects from a Scottish-managed estate. The smallness of the profit and the dividend payment need not be given much heed to, and in fact are not, judging from the price of the shares, which doubtless is based on the prospects. The estimate for the current year is 460,000 lb. and next year the output will probably exceed 500,000 lb.

Gas Stove Combine.—The businesses of John Wright and Eagle Range, Ltd., the Richmond Gas Stove and Meter Co., Ltd., and the Davis Gas Stove, Ltd., are to be amalgamated. A new Company, with the title of Radiation, Ltd., has been formed for the purpose with a nominal capital of £2,750,000, in 1,350,000 Preference and 1,400,000 Ordinary shares of £1 each.

The Manchester and Liverpool District Banking Company, Limited.—We regret that owing to a misprint in our Banking Issue the date of the foundation of the above Bank was given as 1839, whereas it was established in 1829.

CALEDONIAN

INSURANCE COMPANY.

FIRE. LIFE. EMPLOYERS' LIABILITY.

PERSONAL ACCIDENT AND ILLNESS. BURGLARY.

HEAD OFFICE—19 GEORGE STREET, EDINBURGH.

LONDON OFFICES { 82 KING WILLIAM STREET, E.C. 14 WATERLOO PLACE, PALL MALL, S.W.

Insurance Notes.

LONDON LIFE ASSOCIATION AND CLERGY MUTUAL SOCIETY.

In conformity with provisional agreements entered into between these Societies in the course of 1918, the management of the affairs of the Clergy Mutual became vested in the London Life as on January 1, 1919. The accounts of the Clergy Mutual for the last seven months of 1918 are appended to those of the London Life for that year.

The London Life reports a new life business of £704,290 in sums assured, there being no reassurances, in respect of 1918. This is a large amount for a Society that does not pay commission. It was less by £201,138 than had been transacted in 1917, but excluding War Loan policies the record shows an increase of £14,000. The total net life premium income, increased by £43,474, amounted to £527,294, apart from a sum of £93,947 received as consideration for new annuities granted. The expenses of management are reported as £4 11*s.* 11*d.* per cent. of the premiums. In this estimate some adjustment seems to have been made for the annuity business. In addition to the ordinary expenses, which alone seem to be taken into account in this calculation, the sum of £24,941, representing an additional £4 14*s.* 7*d.* per cent. of the premiums, is charged to revenue, but it will be noted that this is not an annual expense. The claims by death amounted to £309,246, and although they included war claims of £63,421, and influenza claims of £16,630, the total sum is reported as only about 76% of the amount "expected" according to the valuation mortality table. Endowment assurances for £13,965 matured by survivance. Through the year's operations the assurance and annuity funds were increased by £238,848 to £5,703,172, and the net interest yield is reported as £3 16*s.* 3*d.* per cent., after deduction of income tax. The endowment certain revenue account shows a premium income of £23,443, and the relative fund at the close of the year amounted to £140,526.

The annual valuation as at the close of 1918 was made for assurances by the $O^{M(5)}$ Table of Mortality, the rates of interest employed being 3% for the reduction of premiums and general system, and 2½% for the reversionary bonus fund. In the previous year the whole business was valued on a 3% basis, so that the stringency of valuation has been increased. The rates of reduction of premiums for the various series of policies entitled thereto are increased by 1%, ranging from 51 on the last series, in which seven years' payments have been made, to 125% in the earliest series, in the latter cases no payment being made by the assured, while the equivalent of 25% of the premiums is accumulated for their benefit. In the reversionary bonus section the addition of 35*s.* per cent. on the sums assured and existing bonuses is declared, as in every year since this series (under which bonuses are guaranteed at the compound rate of 30*s.* per cent. up to June 1925) was opened in July 1914. After provision for these bonuses, an unappropriated surplus of £40,540 is carried forward. The London Life balance sheet (excluding Clergy Mutual business) as at December 31, 1918, shows total assets of £6,089,277, the Stock Exchange securities being taken at market prices, less accrued interest. The directors certify that in their belief the assets exceed in the aggregate the value stated.

The report is a very fine one, and should increase the attraction of the Society to new entrants. Notwithstanding war conditions, its exceptionally high bonus standards have been maintained throughout the period of hostilities in the case of participating policies of all classes. The Society's annuity and non-profit rates are amongst the most favourable now offered to the public. In the view of the great and ever-increasing competition of powerful composite companies transacting all classes of insurance business, it is pleasant to see that a purely life office, which by its regulations is debarred from employing agents, is able to hold its own and to obtain such a large measure of public support. The saving of expense through non-payment of commission enables the Society to quote tempting rates of premium, and constitutes what may be called a good "selling point." But the great bulk of the life assurance transactions of this country must necessarily be obtained by agents who fill a legitimate sphere in the business, and it is by no means easy to obtain policies without interested but often justifiable intervention.

The revenue account of the Clergy Mutual Society for the year ended May 31, 1918, disclosed a premium income of £260,127 and a fund of £4,346,829. The corresponding report for the seven months to December 31, 1918, published by the London Life shows a new business of £51,370, a premium income of £130,318, and a fund of £4,346,649, which is reduced by £99,000 through the writing down of securities to £4,247,649. The Stock Exchange securities were taken at market prices on December 31, 1918, less accrued interest, while the freehold ground rents were valued on a 5%, the leasehold ground rents on a 6%, and reversions on a 6% (Carlisle Table of Mortality) basis. A valuation of the Clergy Mutual liabilities, made on December 31, 1918, on the same basis as had been employed for the quinquennial valuation in this Society on May 31, 1916—viz., the $O^{M(5)}$ Table of Mortality in combination with 3% interest—discloses a liability of £4,177,913, leaving a surplus in the life fund of £69,736. The London Life directors express their opinion that under the most favourable circumstances only a moderate bonus can be expected on December 31, 1920 (the date fixed for the next distribution of the Clergy Mutual profits), "such, for example, as the scale for interim bonus declared in 1916 for each year's premium paid between June 1, 1916, and December 31, 1920." That scale commenced at £1 per cent. of the sum assured in respect of each premium paid since May 31, 1911, if the age at the date of claim did not exceed 65, being increased by 1*s.* per cent. for each year of age over 65 at the date of death or survivance. The London Life directors state, further, that they believe that the future bonus-earning capacity of the Clergy Mutual is little less than before the War, but that they fully realise that genuine cases of hardship have been occasioned by the passing of the bonus in 1916, which would be accentuated by the declaration of a reduced bonus as at December 31, 1920. They therefore offer to any individual holder of a whole-life participating policy, who can show a good title to their satisfaction, to take over his right to all future bonuses, including interim bonuses, and to give him in exchange a substantial reversionary bonus vesting immediately (and ranging according to age from £5 to £5 10*s.* per cent.), to be followed by guaranteed yearly reversionary bonuses (similarly ranging from £1 10*s.* to £3 7*s.* 6*d.* per cent.).

The London Life directors are of opinion that those policyholders who do not accept this offer (which is open for acceptance in writing before September 30 next) will obtain better results should their life be pro-

longed, but they recognise that, on the other hand, a fixed scale of bonus guaranteed by the London Life may appeal to many. The offer, in our judgment, is well worthy the consideration of policyholders at whose age the normal expectation of life is less than 12 years.

To our mind this proposal removes the main objection which, as pointed out in these columns last year, might have been urged against the proposed amalgamation. That the London Life directors, on their own initiative, should have taken this action is highly creditable to them, and this voluntary concession should be gratefully appreciated by that section of Clergy Mutual policyholders who were subjected to what certainly appeared to us at the time to be a legitimate grievance, arising from the terms of the arrangement entered into by the two Societies.

New Issues.

4% FUNDING LOAN, 1960-90. 4% VICTORY BONDS.

On another page will be found the full prospectuses of the two new forms of security offered by the Government with the aim of completing the financing of the War and funding as much as possible of the huge floating debt resulting from the four years' conflict. On Monday a great campaign for stimulating subscriptions will commence and be continued until the lists close on July 12. In the three weeks the appeal to patriotism, as well as to self-interest, will be insistent and incessant. We need, therefore, merely examine here the terms from the purely business standpoint. Both securities have features in common which may conveniently be noted first before proceeding to the differences.

Principal and interest will be a charge on the Consolidated fund of the United Kingdom. Applications must be for sums which are multiples of £50, and may be for either fully-paid allotment or instalment allotments. British Treasury bills issued prior to June 1, 1919, will be accepted (under discount at 3½% per annum as from June 21) in lieu of cash in payment for fully-paid allotments provided that the entire proceeds of the bills are so applied, and the following existing issues of stock and bonds will be taken as cash at their par value in payment in whole or in part for fully-paid allotments:—

4½% War Loan, 1925-45.
5% Exchequer Bonds, 1919, 1920, 1921, and 1922.
6% Exchequer Bonds, 1920.
4% and 5% National War Bonds, 1st, 2nd and 3rd series.

Interest accrued to June 21 will be paid on holdings surrendered, and allotments of the new issues will receive the first dividend applicable to fully-paid allotments as set out hereafter. In the case of the 6% Exchequer Bonds, 1920, additional interest at the rate of 1% will be paid from June 21, 1919, to February 16, 1920, this making up for the loss of interest that otherwise would be incurred.

The stock and bonds of the two issues and interest thereon will be exempt from all British taxation if belonging to persons not domiciled or not ordinarily resident in the United Kingdom. In such cases coupons will be payable without deduction of income tax. For other minor common features we must refer the reader to the text of the prospectuses and turn now to the principal differences between the two issues.

The *Funding Loan*, bearing interest at 4% payable half-yearly on May 1 and November 1, is issued at a price of 80%, and is redeemable at par within 71 years by means of a sinking fund. At the close of each half-year a sum equal to 2½% on the nominal amount of the loan *originally created* is to be set aside, and after deduction therefrom the amount required for interest on the loan for the half-year the balance will be carried to a sinking fund which will be applied in the ensuing half year to the purchase of the loan if the price is at or below par, and if above par it will be either similarly applied or otherwise invested. Any unredeemed portion of the loan will be repaid at par on May 1, 1990, or, at the option of the Government, on or after May 1, 1960. These two dates are respectively 71 years and 51 years hence, but it is necessary to observe that ½% sinking fund redeems at 4% loan at par in 56 years, and as no doubt in the earlier years the purchases of the loan will be made at considerably less than par, the period of repayment can be appreciably less than 56 years.

The *Victory Bonds* bear the same rate of interest of 4%, payable on March 1 and September 1, but the issue price is 85% instead of 80%, and in this case redemption is provided for by an exactly similar sinking fund, to be applied however to the redemption of the bonds at par by means of annual drawings determined by lot. Bonds drawn will be repaid on September 1 each year, commencing next year. There is another important difference. For the purpose of death-duty payments the Funding loan will be accepted as the equivalent of cash on the basis of £80 cash for each £100 stock or bonds, whereas the Victory Bonds will be accepted at their face-value for the same purpose. Subscriptions to the two issues are payable as follows, and the first dividends are as shown:—

Funding Loan.	%	*Victory Bonds.*	%
1. For fully-paid Allotments—			
On Application	£80		£85
2. For Instalment Allotments—			
On Application	5	On Application	5
„ July 29, 1919	10	„ Aug. 8, 1919	10
„ Aug. 21, „	10	„ Sept. 4, „	10
„ Sept. 18, „	10	„ Oct. 2, „	15
„ Oct. 16, „	10	„ Oct. 30, „	10
„ Nov. 13, „	10	„ Nov. 24, „	10
„ Dec. 11, „	15	„ Dec. 11, „	10
„ Jan. 8, 1920	10	„ Jan. 8 1920	15
	£80		£85

	Funding Loan: First Dividend Nov. 1, 1919.				*Victory Bonds: First Dividend March 1, 1920.*			
	"Fully-paid" Per cent.			"Instalment"	"Fully-paid" Per cent.		"Instalment" Per cent.	
	£	s.	d.	s. d.	£	s. d.	£	s. d.
On Allotments applied for on or before June 21 ...	1	9	2	2 3*	2	15 9	1	8 3
From June 23 to June 28...	1	7	7	1 6*	2	14 3	1	6 2
„ June 30 to July 5 ..	1	6	1	0 9*	2	12 8	1	6 1
„ July 7 to July 12...	1	4	6	Nil*	2	11 2	1	6 0

* On each complete £1,000 in allotments of £1,000 and upwards.

The Funding loan affords a yield (without allowing for redemption) of 5% and allowing for redemption at par in 56 years, the return is £5 1*s.* 10*d.* per cent. The sinking fund provision should have a similar effect in keeping up the price of the stock as the depreciation fund of the existing 5% War Loan, which security, it will be remembered, was issued at 95% and is redeemable at par in 1947.

The Victory Bonds yield, excluding redemption, £4 14*s.* 2*d.* per cent. Each year one-half of one per cent. on the original amount of the issue will be allocated to redemption of bonds, and holders of bonds so drawn will get a bonus of 15% on the nominal amount of the bond and of 17½% on the subscription price. In the first year the average chance of a lucky draw will be 1 in 200, and this proportion will improve as the interest charge deductible from the half-yearly sinking fund, and the amount of the outstanding bonds, diminishes. To a large section of the public the chance of an early bonus will doubtless appeal, but it is worth noting that to give a return of £5 8*s.* 7*d.* per cent., which is the yield obtainable on the existing 5% war loan at the present price of 94¼, the Bonds would require to be drawn in 17 years' time. If drawn before that date the yield is higher. Therein lies the inducement to transfer from the existing stock and bonds enumerated above. The reverse is, of course, true if the chance (starting at 1 in 200) is long delayed in fructifying. By the sinking fund provision and annual drawings at par only half the bonds can be repaid in 41¼ years and the whole in 56 years.

The first, second, and third series of existing 5% War Bonds, it should be remembered, are convertible into the existing 5% War Loan at the rate of £100 of loan for every £95 of bonds, and moreover the bonds are redeemable at premiums in a comparatively very few years, while in regard to the 4% War Bonds the question of income tax is, of course, the principal factor. In the case of the 4½% War Loan, however, the new issues now offered will in all probability be the last chance of exchanging into a higher-yielding security.

LONDON AND LANCASHIRE LIFE AND GENERAL ASSURANCE ASSOCIATION, LIMITED.

An issue of 53,235 £5 shares of this well-known assurance office has been offered for subscription this week at the price of £3 2*s.* 6*d.* –£2 2*s.* 6*d.* per share being premium—leaving a sum of £4 uncalled on each share. The authorised capital is £1,000,000, of which £333,825 is subscribed in £5 shares and £66,765 is paid up in the shape of £1 per share. By the new issue the subscribed capital will be raised to £600,000 and the paid-up capital to £120,000. The business of the Association in recent years has developed well, and it is considered that the income derived from the funds, the interest upon which is distributable among the shareholders, will be more than sufficient to maintain the present dividend of 15% without resort to the general profits of the business available for distribution among the shareholders. The amount required to pay 15% dividends on the increased paid-up capital is £18,000. The paid-up capital is entitled preferentially out of all life assurance profits of each quinquennium, and before any division of such profits among policy-holders, to receive a Cumulative dividend for each quinquennium at the rate of 5%, and in addition shareholders are entitled to share with the holders of life policies in the divisible profits of the life business then remaining to the extent of 10% thereof. The present market price of the existing shares is 73*s.* 6*d.*

HERBERT MORRIS, LIMITED.

The position of this well-known Company, manufacturing electric and hand cranes, and other lifting and transporting machines, is shown by its balance sheet dated July 31, 1918, to be a strong one, while the profit and loss accounts reveal the maintenance of a fairly uniformly high level of prosperity in the last five years. It is not surprising, therefore, that when the Company requires to raise additional capital it is able to do so on relatively easy terms. The issued capital at present consists of £183,737 divided into 18,755 6% Cumulative Preference shares of £5 each and 89,962 Ordinary £1 shares. This week Messrs. Robert Benson and Company have offered for sale 150,000 (part of an authorised 200,000) 5% (income tax free up to 6*s.* in the £1) Cumulative Preference shares of £1 each at par, they having bought the shares at the same price, receiving as consideration a commission of 5⅝%, out of which have to be paid the expenses connected with the offer and 2½% underwriting and overriding commission. The profits of the past five years averaged £56,845, which sum, allowing for directors' fees and the 6% Preference dividend, covers the dividend on the new capital five times over. The shares, yielding as they do about 7% subject to income tax, appear to be attractive as an industrial investment.

African Association, Limited.—An extraordinary meeting of shareholders is convened for June 16, for the purpose of sanctioning special resolutions connected with a proposal to amalgamate the African Association's business with the businesses of Millér Brothers (of Liverpool), Limited, Millers, Limited, and F. and A. Swanzy, Limited (of London), all carrying on the business of West African merchants. The combine will be effected by exchanging, at an agreed valuation, shares of the African Association for the shares of the three other companies, which comprise 464,141 Preference and 754,131 Ordinary. With this end in view it is proposed to increase the authorised capital of the Association to £10,000,000 and to change the name to African and Eastern Corporation, Limited. At present the authorised capital is £1,600,000, of which £878,776 is issued, consisting of 578,776 Ordinary and 300,000 Preference shares of £1 each. For the year 1917 the accounts showed a profit of £133,049 and the Ordinary dividend paid was 20%.

COUNTY FIRE OFFICE,
LIMITED.

50 REGENT ST., W., and 4 LOMBARD ST., E.C., **LONDON.**
THE BUSINESS OF THIS OFFICE IS CONFINED TO THE UNITED KINGDOM.
Full Particulars on application to the Head Office, Branches, and Agents of the Company.
APPLICATIONS FOR AGENCIES INVITED.
JOSEPH ROONEY *Secretary.*

Fire,
Consequential Loss following Fire,
Personal Accident & Disease,
Workmen's Compensation,
Domestic Servants,
Third Party & Drivers' Risks,
Burglary, Plate Glass,
Fidelity Guarantee, and other classes of Insurance.

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Subscribed Capital £543,666
Paid-up Capital £120,000
FOR REINSURANCE BUSINESS.

Fire, Marine and General Department.
St. Swithin's House, St. Swithin's Lane, London, E.C. 4.
Manager J Herbert E. Lane,

Registered Office and Life Department.
9 Fleet Street, London, E.C. 4.
Actuary and Secretary: Chas. Windett.

Commercial.

SILK.—II.

We dealt quite recently with the silk trade from the the producing side, and we endeavoured to show that, whereas we are at present—that is the British Empire taken as a whole—quite a negligible quantity in the production of raw silk, there seems no reason why we should not take, if not actually a predominant position as producers of the raw material, at least a very different position from that which we occupy in the international silk markets of the world. At the present time, China furnishes some 25 per cent. of the total production of silk as known on the world's markets; and so far as this country is concerned, we are dependent upon China for very nearly 60 per cent. of the silk manufactured in this country. The two most promising sources of supply appear to be India and Central Africa, including the new colonies which we have taken over from Germany as a result of the late general war against Germany. The conditions of cultivating the cocoons in India should be, for any reason we can see to the contrary, at least as favourable as they are in China. Political and economical conditions in India should, one would think, be very much more favourable than they are in the Far Eastern Empire. But the fact remains that whereas India was at one time a great source of supply of raw silk, she has fallen away in these latter days to a lamentable extent. Efforts are now being made in certain of the Hill States of Northern India to improve the conditions under which the cocoons are produced. But, of course, if the former position which India held as a producer of raw silk is to be again attained, very much more in this direction will require to be done. As we said recently, the difficulties which the raw silk producer has had to face in India, must have occurred from time to time in the long history of the silk industry in China, and it should be only a question of employing competent agricultural chemists who would show what were the reasons which had virtually destroyed the silk production in India, and restore it to the position it once enjoyed. If this condition were once attained, there can be no reasonable doubt that the production of India would not only attain the position it once held, but would become in

a comparatively short time one of the great sources of the world production. The population of India is so enormous, the rates of wages are so low, and the difficulty of finding adequate employment is so great that Indians are continually anxious to emigrate to other parts of the Empire as well as to foreign countries. Consequently, it cannot be said that India is lacking in an adequate supply of labour. It may be contended that there is not at present an adequate supply of trained labour, which, no doubt, is true. But this is merely a question of appointing competent experts, whose business would be to train a competent staff capable of producing silk upon a great scale. As we have said quite recently, the Government has taken the matter in hand, and has undoubtedly improved conditions very materially. But all the same, the output of silk in India is quite small. From all we can gather, the Hill States are particularly suitable both for climatic conditions, and from other causes, for the production of silk; and every encouragement, and, indeed, assistance, which the Indian Government is capable of giving should be afforded to attract capital and enterprise into this industry which is, to a large extent, a luxury trade, but which, as the recent war has shown, is required to an extent that was hardly appreciated before the War for purposes other than those of ornamentation. The great difficulty of the silk market as it exists at present is that the supply practically remains stationary from year to year and from decade to decade. Consequently, although the price of silk not merely rose extravagantly during the war period, but has tended to rise over a long period of years, there has been no increased production commensurate with the rise in prices. It is true, of course, that we are largely dependent upon estimates, none of them of recent date, of the actual magnitude of the silk production. It is assumed to be that about 25 million kilogrammes of the world's consumption is within a very small amount equal to the annual production. Bearing in mind that this is accompanied, not merely recently, but over a series of years, by a steady advance in prices, there can be no reasonable doubt that the extravagant cost of silk, and the absence of any material increase in the aggregate of production is checking the industry to a real extent. In most industries experience shows that a steady and well-sustained advance in prices increases the production to meet the growing demand. But this has not been the case in the silk industry. The next important source of supply of raw silk within the British Empire is, as we have said, Central Africa. There the cocoon grows wild over an immense area of country extending from, say, roughly, the Soudan to about Northern Rhodesia. Of course, the difficulties of developing an industry in a country situated as Central America is at present are very great. In the first place, there is an almost complete lack of suitable labour. The country is wholly tropical; it has never been drained; it is almost wholly unsettled, and, consequently, is a prey to all the tropical diseases which we have only learnt the means of fighting with success during the present century. Consequently, Central Africa, as a source of supply of raw silk could only be gradually developed. We pointed out, however, upon more than one occasion, that this was done to a limited extent by a German company operating from Entebe on Lake Nyanza in the years before the War. All the same, there seems, as far as we can gather, no reasonable doubt that Central Africa could become a great source of supply, and add one more to the list of textiles in which the British Empire plays a predominant part.

We will turn now to the silk industry as it is practised in England at the present time. It does not, of course, follow that even if the British Empire became one of the world's great sources of supply we should take a predominant position in the silk manufacture, or, for that matter, even regain the position in the silk manufacture which we held between, say, the period of Elizabeth, and the Treaty with France which was concluded in the year 1860. Between Elizabeth's time and the middle of last century we held, not a predominant, but a very much greater position in the silk markets of the world than we have done in the past half-century. This was due to the fact that owing to the persecutions in France and in the Low Countries large numbers of French Huguenots and Flemish Protestants acquainted with the silk industry fled from their own country, and developed a trade here. From the very outset the trade in this country was protected, and as experience has shown, in spite of a protection extending over nearly three centuries when the Treaty was concluded with France, we were only able to hold our own in certain specified directions. It should be pointed out, however, to the reader who is not himself engaged in the silk industry and is not very well acquainted with the facts that in certain specified branches of the silk industry we not merely hold our own, but hold a commanding position in the markets of Europe and in the United States of North America. Since that is so, there seems reason to hope that the silk manufacturing industry in this country is capable of development, particularly if by the development of the production of raw silk in India and in Africa the British Empire was to become, if not the greatest source of supply, at least one of the great sources of the world's supply. Even if we attain that position it is not, of course, at all certain that we should become great silk manufacturers. The two great textile industries in which we are predominant are cotton and wool. Now, as the reader is aware, the British Empire is only a producer of cotton to the extent of about 15%, although we produce in Egypt and in the West India, perhaps, the finest counts of cotton known to the international markets. Although, therefore, we are dependent upon foreign sources of supply for our raw materials, nevertheless, we are the greatest cotton manufacturers. And we manufacture cotton upon such an enormous scale that in the years that preceded the outbreak of the recent War, we exported practically 80% or our total manufactures, retaining only 20% for our home consumption. Now, on the other hand, we are out of all proportion the predominant element in the production of wool consumed by the international markets. The countries of Europe and of the United States of North America do not grow within their own confines anything like enough wool for their local needs. Consequently, they are dependent primarily upon the British Empire; and to some extent upon the various South American countries. But our position is, or at any rate was, and no doubt will remain, so predominant that we virtually control the wool markets of the world so far as the supply of raw material is concerned. We import practically one-fourth of the merino wools, and nearly 70% of the cross-breds. But of our total imports we consume about half for our home manufactures. Consequently, although we virtually control the world's produce of raw wools, we by no means take the same predominant position as manufacturers of woollen fabrics as is the case with cotton goods. It will be seen, therefore, that even if we increased our supply of raw silk to an enormous extent

HARRISONS & CROSFIELD, LTD.

ISSUED CAPITAL £1,225,000

1-4 GREAT TOWER STREET, LONDON, E.C. 3.

With

BRANCHES and ALLIED COMPANIES in

Australia, Borneo, Canada, Ceylon, China, India, Japan, Java, Malaya, Morocco, New Zealand, South Africa, Sumatra, U. S. A.

Manufacturers desiring representation in any of the above Countries are invited to communicate with the Company.

it would not necessarily follow that we should become great silk manufacturers.

Except for a small trade in specialities, we have practically ceased to maintain what are known as dress silks—that is, robes manufactured from the long-stapled silk of China, Japan, India, and Lyons. It is in certain specialities that we hold, as said above, not merely an important, but a predominant position. Probably in the manufacture of heavy silk brocades suitable for furniture and hangings we hold a position superior to that of any other country. Certainly in the manufacture of what is commonly called men's wear, like ties, silks, men's cravats, mufflers, and handkerchiefs, we have really no competitors so far as the higher grades are concerned. That is to say, for silk goods of this type of manufacture, where provided style and finish and the demands of the consumer are met as we have so far succeeded in meeting them from this country, no other country has attempted to assail our position.

Before the War Germany did manufacture a type of goods which, in a sense, may be said to have competed with those of this industry. But they were sold at a trifling price compared with that obtained for our goods in the various markets of the world. And it cannot be said that they really competed with the class of goods which we were able to furnish to the world's markets.

PEASE AND PARTNERS, LTD.

Issued Capital: £1,530,000 in £10 Shares.

Debenture Stock: £400,000 4% and £175,000 5%.

Year Apr. 30	Net Income‡ £	Depreen. &c. £	Net Profit £	Deb. Int., &c. £	Dividend on Share Cap. %	Added to Reserve £	C rry Frwd. £	Stocks, Stores, &c. £	Surplus Liquid Assets(b) £
1915	248,216	100,186	148,030	22,775	130,000 10*	—	62,244	232,705	*11,971 (a)*
1916	435,772	125,024	310,748	£4,750	195,000 15*	70,000	83,232	266,472	139,429
1917	490,149	126,201	363,848	24,750	227,500 17½*	100,000	94,839	305,142	277,654
1918	464 014	112,055	351 959	25,750	227.500 17½*	80,000	104,548	361.881	299,263
1919	491,228	91,528	399,700	24,750	273,215 17⅞†	100,000	106,192	419,923	487,416

* Dividend percentages less income tax; 1919 dividends, paid free of tax 12½%.

(a) Deficit.

† Capital increased from £1,300 000 to £1 530 000 by capitalising reserve.

‡ After provision for contingencies, excess profits duty and income tax, excepting tax on dividends and debenture interest

(b) Excluding stores and fixed assets and property.

If allowance is made for the dividends being paid free of tax, it appears from the report just published that this well-known coal and iron company attained a degree of prosperity in the year to April 30, 1919, unprecedented in its history of thirty-seven years. After providing for excess profits duty, income tax, and contingencies, the net income, subject to depreciation allowance, amounted to £491,000, against £464,000. The allocations for depreciation and renewals total £91,528 (£20,500 less than in respect of 1918), and the net profit available for return on capital comes out at nearly £400,000, or £38,000 above the previous year's figure. After paying debenture interest there remains a balance of £375,000, equal to not quite 26½% on the share capital, which has been raised from £1,300,000 to £1,530,000 by the capitalisation of reserve last year. The total dividend paid is 12½% free of income tax, including 7½% final distribution, which is equal to 17⅞% less income tax in comparison with 17½% for the preceding two years. This dividend requires £45,715 more on the increased capital, but sufficient balance remains to add £100,000 to reserve and to raise the carry-forward from £104,548 to £106,192. The balance sheet is now one of quite remarkable strength, testifying to the cautious policy pursued during the War, for, as a result of the liberal depreciation provisions out of profits and the substantial allocations to reserve, stocks and stores at April 30, 1919, had a value of £420,000, against £292,700 at end 1915, and in the same period an excess of not quite £12,000 of current liabilities over liquid assets, excluding stocks and stores, has been turned into a surplus of liquid assets of £487,416. Also the value of properties, minerals, and fixed assets, less depreciation, figures for £2,084,244 now, in comparison with £2,104,997 five years ago. The total of surplus assets is thus £2,984,000, and, if we deduct from this the Debenture indebtedness there remains £2,319,000 to set against the share capital of £1,530,000. This is equivalent to £15⅔ per £10 share, excluding £525,000 deducted from the valuation of properties, and fixed assets by way of depreciation provisions.

As regards the current year's prospects, the report states that since the Armistice there has been a serious falling off in profits, not because of any diminution in the demand for the Company's products, which indeed has been in excess, but because of shortage of labour and a severe decline in the output per man employed at the collieries and ironstone mines. This, however, is much in accordance with the anticipations of the Chairman at the meeting last year. In addition the uncertainty in regard to the future of coal mining is a disconcerting circumstance. Including 15*s.* per share tax-free dividend, the price of the Ordinary £10 share, which are forthwith to be split into £1 shares, is about 16½, and the yield on the recent rate of dividend is over 10%. The 4% Debenture stock is quoted at 70 and the 5% at about 93.

Lippincott's Training Series. "The Training of a Salesman." By William Maxwell, Vice-President of Thomas A. Edison, Inc. Six Illustrations. Price 6*s.* net. (Philadelphia and London: J. B. Lippincott Company.)

The old-established foreign coaling business of Messrs. Hull, Blyth and Company, of 1 Lloyds Avenue London, E.C., is about to be registered as a Limited Company, and will henceforth be known as Hull, Blyth and Company, Limited, with a share capital of £1,000,000.

Player's Navy Cut

Tobacco

"BEAUTIFULLY COOL & SWEET SMOKING."

Packed in varying degrees of strength to suit every class of smoker.

Player's Gold Leaf Navy Cut.
Player's Medium Navy Cut.
Player's "Tawny" Navy Cut.

PER 10½d. OZ.

Player's "White Label" Navy Cut.

PER 9½d. OZ.

Also PLAYER'S NAVY CUT DE LUXE, a development of Player's Navy Cut packed in 2oz. and 4oz. airtight tins at 2/1 and 4/2 respectively.

JOHN PLAYER & SONS, Nottingham.



Branch of The Imperial Tobacco Co. (of Great Britain and Ireland), Ltd.

P. 791

THE DIRECTORS OF

LLOYDS BANK LIMITED

desire to call the attention of their customers and others to the advisability of investing all available moneys in the

VICTORY LOAN.

Industrial Companies.

BLEACHERS' ASSOCIATION.

Issued Capital: £4,822,596, in 2,472,500 5½% Cum. Pref. Shares and 2,350,096 Ord. Shares of £1 each.
Debenture Stock: £2,250,000 4½% First Mortgage.

Year to Mar. 31	Net Income†	Depreciation, &c.‡	Deb. and Pref. Int.	Ord. Div.	Ord. Div. %	Added to Reserve	Amt. of Carry-forw'd	Value of Stocks	Surplus Liquid Assets*
	£	£	£	£		£	£	£	£
1915	526,769	227,684	236,233	70,078	3	50,000	116,731	397,254	*34,424a*
1916	774,072	256,428	237,237	141,006	6	65,750	180,343	444,283	123,413
1917	921,246	304,414	237,237	176,257	7½	130,000	263,681	542,651	367,240
1918	975,894	346,890	237,237	176,257	7½	130,000	349,091	745,903	500,246
1919	934,588	357,826	237,237	235,009	10	164,718	288,889	746,615	569,674

* Including value of stocks. † After providing for taxation.
‡ Including repairs and maintenance. (*a*) Excess of current liabilities.

The extremely prosperous condition of the Lancashire cotton industry last year is clearly reflected in the trading results of the Bleachers' Association for the twelve months ended March 31. The net income, as we show it above, comes out at a little under the record established in 1917-18, but an accurate deduction cannot be made from this fact, inasmuch as profits from sale of investments are not given separately in the accounts. However, considering the dislocating effect on business of the period between the signing of the Armistice last November and the quite recent removal of Government restrictions on exports to the Continent, the results cannot but be considered very satisfactory. The sum charged for repairs and maintenance for the year is £252,825, against £251,890 for 1918-19, and the special provision for depreciation and writing down leasehold and sundry properties has been raised from £95,000 to £105,000. There remains a net profit of £576,762, and, after meeting Debenture interest and Preference dividend, the profit available for Ordinary capital comes out at £339,525, against £391,664. The Ordinary dividend is raised from 7½% to 10%, and with the help of £60,000 from the carry-forward a total of £164,718 is added to reserve funds, including a first provision of £20,000 for superannuation. A year ago the total allocation to reserve was £34,000 less, but then £86,000 was added to the carry-forward, which item it was considered advisable to expand so as to cover extra cost, arrears of maintenance, and renewals due to war conditions.

Since March 31, 1915, the Association's financial position has been very greatly strengthened. The depreciation fund has been increased by £300,000 to £590,000 (in addition to £915,558 spent on maintenance and renewals); £60,000 has been written off leasehold and other property; the general reserve fund has been raised from £700,000 to £1,050,000; and, with the addition in the period of £100,442 to fire insurance fund, the total of the reserves (excluding the depreciation and superannuation funds) has been expanded from £779,838 to £1,230,282. Including £172,158 added to the carry-forward, the total reservations out of profits have amounted to £992,600. As a result of this the Association has been able not only to cover a total net outlay of £442,369 on additions to works and new businesses purchased, but also to finance an increase in the value of stocks from £397,254 to £746,615. These heavy stocks should stand the Association in good stead now that the removal of trade restrictions will permit the Continent to replenish depleted wardrobes. The £1 Ordinary shares, *cum* 7½% final dividend, are quoted at about 26s., and the 5½% Cumulative Preference stand at par

J. LYONS AND CO., LTD.

Issued Capital: £2,027,250, in 646,840 5% Cum Pref. Shares, 400,000 6% Preferred Ordinary Shares, 80,410 "A" Ordinary Shares, 500,000 Proportional Profit Shares, and 400,000 Ord. Shares of £1 each.

Debentures: £300,000 4% First Mortgage, £42,569 4½% First Mortgage, £125,000 4½% and £30,000 5% Second Mortgage.

Yr. to Mar. 31	Net Income	Deprecn.	Deb. Int.	Pref & Prefrd. Ord.	Crd.Div.	Crd.Div. %	Added to Rsrve.	Amt. of Carry-Frwd.	Stock Value	Liquid Assets†
	£	£	£	£	£	%	£	£	£	£
1915	276,403	109,482	21,236	49,000	121,071	32½	7,062	28,456	925,426	478,991
1916	278,293	108,584	21,185	49,000	99,393	25	—	28,657	875,670	486,440
1917	268,475	105,419	21,213	49,000	100,000	25	—	21,500	964,487	415,692
1918	316,292	120,835	21,154	49,000	100,000	25	40,000	6,803	945,847	465,614
1919‡	—*	—*	21,037	51,447	168,123	35	—	45,310	1,341,629	597,878

* Not given in accounts.
† Including stocks and investments in associated companies (£518,723 at Mar. 31, 1919).
‡ £469,000 of fresh capital raised in 1918-19.

The financial results of this Company last year created a fresh record, the profit, as shown above, being considerably larger than in 1917-18, particularly so bearing in mind the Chairman's statement at the meeting this week that the depreciation provision has been again increased. After paying Debenture interest, Preference, and Preferred Ordinary dividends, there remains a balance profit of £206,500, against £125,000 for 1917-18, an increase of £81,000. Hence the Ordinary dividend is raised from 25% to 35% on a larger capital, and still the surplus profit reserved shows an increase from £25,000 to £39,500, as reflected in the additions to reserve and carry-forward. During the year property account was increased from £1,940,383 to £2,312,291, in connection with the extension of the business and the acquisition of land for further expansion, while stocks showed a jump of nearly £400,000. Not enough fresh capital was raised during the year for financing purposes owing to the restriction of new issues, and consequently borrowing on mortgages and from bankers had to be resorted to. The position in this respect has been eased since the close of the financial year by the issue of £500,000 of Proportional Profit shares, and resolutions have just been passed authorising the issue forthwith of an additional £1,000,000 of capital in 7% Cumulative Preference £1 shares, ranking after the 5% Preference shares and before the remaining share capital. The funds are to be devoted, in accordance with plans in course of being carried out, to the extension of the business. Obviously, from the results obtained in recent years without the aid of additional capital, the new shares are well secured and an attractive investment. But whether the employment of the large new capital—£1,500,000 will have been raised this year—will be so swiftly remunerative as to enable the Ordinary dividend to be maintained at 35%, is another matter. One cannot help observing that there will presently be five different classes of shares and three different classes of Debentures in existence, and even remembering the very skilful management of the undertaking hitherto, it is difficult not to feel a little uneasy on the score of too rapid expansion possibly resulting in unwieldiness.

ATCHISON, TOPEKA AND SANTA FE RAILWAY.

TWENTY-FOURTH ANNUAL REPORT—FOR THE FISCAL YEAR TO DECEMBER 31, 1918.

To the Stockholders:

Your directors submit the following report for the fiscal year January 1, 1918, to December 31, 1918, inclusive.

The lines comprising the Atchison System which were taken over under the President's proclamation of December 26, 1917, and which have been operated throughout the year by the United States Railroad Administration, are as follows:

	Dec. 31, 1918. Miles	Dec. 31, 1917 Miles
Atchison, Topeka & Santa Fe Railway	8,624·67	8,629·59
Grand Canyon Railway	64·09	64·11
Gulf, Colorado & Santa Fe Railway	1,917·95	1,937·25
Kansas South Western Railway	61·51	61·51
Panhandle & Santa Fe Railway	767·63	703·77
Rio Grande, El Paso & Santa Fe Railroad ...	20·22	20·22
	11,456·07	11,116·45*

* The mileage for the fiscal year ending December 31, 1917, used for comparative purposes, is not the same as shown in the last annual report but is revised to cover lines included in the compensation contract with the Director General of Railroads.

Increase during the year, 39.62 miles. The average mileage operated during the fiscal year ending December 31, 1918, was 11,458.74 miles, being an increase of 49.61 miles as compared with the average mileage operated during the preceding fiscal year. In addition to lines covered by this report there were completed on December 31, 1918, 61.08 miles of additional line, which will be ready for operation in the near future. The Company is also interested, jointly with other companies through ownership of stocks and bonds, in other lines aggregating 556.92 miles.

INCOME STATEMENT.

The following is a summary of the transactions of the System for the year ended December 31, 1918:

Compensation under federal control contract Accrued ...	$42,885,310 80
Other income	4,310,951 70
Gross corporate income	$47,196,262 50
Taxes	3,095,398 38*
Rentals and other charges (exclusive of equipment and joint facility rents)	4,056,239 44
	$40,044,624 68
Interest on bonds, including accrued interest on adjustment bonds	11,696,191 79
Net corporate income (representing amount available for dividends and surplus)...	$28,348,432 89

From the net corporate income for the year the following sums have been deducted:

Dividends No. 40 and No. 41 on 5% Preferred Stock ...	$6,208,685 00
Dividends Nos. 52, 55 (6) on Common Stock	13,289,595 00
Appropriation for Fuel Reserve Fund	59,910 13
California Arizona Lines Bonds Sinking Fund	19,628 03
S. F. & S. J. V. Railway Bonds Sinking Fund	10,032 22
	$19,587,850 38
Surplus carried to Profit and Loss	$8,760,582 51
Surplus to credit of Profit and Loss, December 31, 1917 ...	33,230,068 11
	$41,990,650 62
Surplus appropriated for Investment in Physical Property ...	$110,587 05
Sundry Adjustments	82,428 38
	$193,015 43
Surplus to credit of Profit and Loss, December 31, 1918 ...	$41,797,635 19

* The items of "Other Income" and "Rentals and Other Charges," for the year 1918 include lap-over revenues and expenses and adjustments of prior years' revenues and expense resulting in a net debit to the Company's income of $2,620,483.25.

Income from sources other than earnings from operation consisted of interest on cash in banks and sums collected as interest and dividends upon bonds and stocks of companies, the operation of which are not included in the System accounts. During the year the sum of $700,000 in cash was received as the net proceeds of sale of land embraced in the Santa Fe Pacific Land Grant, but this was directly written off the book value of railroads, franchises and other property, and the transaction does not appear in the income account.

CAPITAL EXPENDITURES AND REDUCTION OF BOOK VALUES.

The total charges to capital account, as shown by the general balance sheet at December 31, 1918, aggregated $782,829,303.18, as compared with $757,360,443.71 at December 31, 1917, an increase during the year of $25,468,859.47, which analyses as follows:

Construction and acquisition of new mileage, including the acquisition of bonds and stocks of other railway and terminal companies:—Barton County & Santa Fe Ry., $231,408.45; Eastern Ry. of New Mexico, $7,676.32; Grand Canyon Ry., $2,000.00; Gulf & Interstate Ry. of Texas, $689.08; Kansas City Terminal Ry. Co. Capital Stock, $83,333.33; Minkler Southern Ry., $52,239.56; North Texas & Santa Fe Ry., $210,290.21; Oil City Branch, California, $114,251.43; Oklahoma Central RR., $2,082.00; Osage County & Santa Fe Ry., $629,827.55; St. Joseph Terminal RR., $175,000.00; South Plains & Santa Fe Ry., $97,907.06; Tulsa & Santa Fe Ry., $574,487.00; Verde Valley Ry., $345,000.00. Total, $2,526,251.99.

Additions and Betterments—System Lines: Fixed Property, $9,383,632.78; Equipment, $11,753,229.92; Betterments to Equipment, $19,570.95. Total, $21,156,433.65.

Fuel Lands and Other Properties:—Ice and Power Plant, Winslow, $97,162.93; Real Estate held for future use, $149,941.99; Tie and Timber lands, $106,673.88; Santa Fe Tie & Timber Preserving Plant, $28,598.29. Miscellaneous Items, Cr. $95,757.65 - $280,979.44. Other Investments, including Sinking Fund, $2,234,566.20. Total Charges, $26,204,171.28.

Reduction of Book Values:—Sunset Ry., $8,000.00; Santa Fe Pacific RR.—Land Sales, $700,000.00; Ice Plant, Belen, $4,564.37; Ice Plant, San Bernardino, $22,747.44. Total, $735,311.81. Net Increase in Capital Account during the year, $25,468,859.47.

The item of $11,753,229.92 for "Equipment" analyses as follows:

62 Locomotives, $3,984,929.47; 2,844 Freight-train cars, $7,728,786.77; 17 Passenger-train cars, $311,041.18; 128 Miscellaneous Work cars, $274,642.74; 1 5-ton Automobile truck, $5,207.50—$12,304,607.66. *Less*—Value of Equipment retired during the year as follows;—9 Locomotives, $50,694.49; 664 Freight-train cars, $408,015.35; 21 Passenger-train cars, $62,366.10; 61 Miscellaneous Work cars, $30,301.80—$551,377.74. —Total, $11,753,229.92.

The 664 freight-train cars reported as retired, and the 128 miscellaneous work cars added, include 103 cars, which, being permanently assigned to work service, were relettered in work service equipment series during the year and transferred from freight equipment to work service equipment at their depreciated value at time of relettering.

CAPITAL STOCK AND FUNDED DEBT.

The outstanding capital stock (deducting stock in treasury) on December 31, 1917, consisted of:

Common, $220,455,500.00; Preferred, $124,173,700.00.—Total, $344,629,200.00.

Issued during the year:—Common Stock issued in exchange for Convertible Bonds retired, $1,330,000.00. Capital Stock outstanding December 31, 1918. Common, $221,785,500.00; Preferred, $124,173,700.00.—Total, $345,959,200.00

The number of holders of the Company's capital stock on December 31, 1918, and the changes in number for the year were as follows:

Number of Stockholders: Preferred, 18,749; increase for the year, 1,147; Common, 30,892; increase for the year, 2,223. The outstanding Funded Debt of the system (deducting bonds in the treasury) amounted on December 31, 1917 to $287,969,989·20. The following changes in the Funded Debt occurred during the year: *Obligations Retired:* Convertible 4 % Bonds, $1,330,000.00. Total system Funded Debt outstanding December 31, 1918, $286,639,989.20.

Interest charges for year ending December 31, 1919, will be approximately $11,676,000, or an average monthly charge of about $973,000.

TREASURY.

Neither this Company nor any of its auxiliaries has any notes or bills outstanding except $9,500,000 of notes given in connection with purchase of $10,000,000 of Fourth Liberty Loan Bonds.

The Company held in its treasury on December 31, 1918, $5,599,773.41 cash, of which amount $2,345,215.54 was held as banker for its affiliated companies. In addition, the Company and its affiliated railway companies own $4,436,250 or short-term notes, and $17,491,450 of Liberty Loan Bonds, including the $10,000,000 referred to above.

FUEL RESERVE FUND.

The fund has been increased during the year by appropriations of income as follows:

Amount to credit of Fund December 31, 1917	$1,973,774 12
Added during the year	59,910 13
In Fund December 31, 1918	$2,033,684 25

CONSTRUCTION OF NEW LINES.

The completion of the several new lines mentioned in the last annual report has been retarded, and in some cases postponed by order of the Railroad Administration. The present status of these lines is briefly outlined in the following:

BARTON COUNTY AND SANTA FE RAILWAY.

The construction of this line extending from Holyrood to Galatia, Kansas, a distance of 31.20 miles, has now been substantially completed and will soon be turned over for operation.

MINKLER SOUTHERN RAILWAY.

The extension from Porterville to Ducor, about 13 miles in length, was ordered deferred by the Railroad Administration early in the year 1918, hence the progress made during the year was negligible.

NORTH TEXAS AND SANTA FE RAILWAY.

This line, which is projected westerly from Shattuck, Ellis County, Oklahoma, to terminus at Spearman, Hansford County, Texas, a distance of about 85 miles, has been constructed for a distance of 29.59 miles to the station of Darrouzett. West of that point work has ceased by order of the Railroad Administration.

OIL CITY BRANCH.

In the last annual report, reference was made to negotiations with the Southern Pacific Company looking to the purchase of an undivided one-half interest in this line, extending from Oil Junction to Ainrof, Kern County, California, a distance of 6.07 miles, with a branch of 2.40 miles in length, extending from said line at Treadwell Junction to Porque, Kern County. This purchase was completed during the year and transfer of the half interest duly accomplished.

OSAGE COUNTY AND SANTA FE RAILWAY.

No important progress has been made during the year in the construction of this line from Owen, Washington County, Oklahoma, to a connection with the Eastern Oklahoma Division of your main line between Remington and Fairfax, Oklahoma, a distance of about 62 miles.

SOUTH PLAINS AND SANTA FE RAILWAY.

The extension of this line from Lubbock south-westerly to a terminus at Seagraves, Gaines County, Texas, a distance of about 64 miles, was completed and the line turned over for operation on July 1, 1918.

ADDITIONAL MAIN TRACK MILEAGE.

The mileage of second tracks in operation as of December 31, 1918, was 1,036.60 miles, with additional tracks under construction as follows :

	Miles
At Camden Junction, Missouri	89
Eldorado to Augusta, Kansas	9·90
Winfield Junction, Kansas, to Newkirk, Oklahoma	24·98
At Bagdad, California	63
	36·40

It is expected that this second track work now in progress will be completed during the year, increasing the mileage of second track in operation to 1,123.00 miles.

GOVERNMENT CONTRACT.

After extended negotiations a contract between the Director-General of Railroads, on behalf of the United States Government, and this Company with other companies comprised in this System, was executed under date of November 22, 1918. The contract fixes the annual compensation from January 1, 1918, for the property taken over at noon December 28, 1917, at $42,885,310.80, and allows the Company a reasonable rate of interest, to be fixed by the Director-General from time to time, upon the cost of additions and betterments, less retirements in connection therewith, and upon the cost of road extensions, for work done during Federal control. So far no settlement has been effected under the contract, and at December 31, 1918, no payment on account of compensation had been received by the Company. The status at that date of accounts subject to quarterly settlement was as follows :

DUE FROM THE UNITED STATES GOVERNMENT :	
Annual Compensation	$42,885,310 80
Cash transferred December 31, 1917	7,918,850 95
Agents' and Conductors' Balances December 31, 1917 ...	2,288,919 82
Assets December 31, 1917, collected	12,052,685 39
Revenue prior to January 1, 1918	692,526 86
	$65,868,293 82
DUE TO THE UNITED STATES GOVERNMENT :	
Liabilities December 31, 1917, paid	$25,344,806 57
Payments for Corporate Transactions	1,080,201 18
Expense prior to January 1, 1918, paid	1,777,998 95
Expended for :	
Additions and Betterments	9,936,000 21
Equipment	12,201,327 00
Road Extensions	1,791,606 80
	$52,131,940 71
Balance due from the United States Government ...	$13,736,353 11

Until an agreed basis of settlement is reached no satisfactory computation of interest accrued on overdue balances or expenditures for additions and betterments and road extensions can be made, and therefore no interest is considered in the above items.

The above statement does not include amount due from the Government for revenue earned on through traffic in transit at December 31, 1917, where the System Companies' part of the service had been performed, nor on carload lots destined to points on System lines which reached destination prior to midnight of December 31, 1917, but the accounting for which had not been accomplished at the time the accounts were closed for the year. The compilation of this data is not yet completed, but is under way, and, when determined, will be settled for as of the close of the quarter in which the collection of the revenue took place.

Other accounts with the Government as of December 31, 1917, but not subject to quarterly settlement, were as follows :

DUE FROM THE UNITED STATES GOVERNMENT :	
Accrued Depreciation—Equipment	$5,311,533 22
Equipment Retired	294,080 17
Road Property retired and not replaced	286,821 18
Accrued Depreciation—Miscellaneous Physical Property	77,847 23
	$6,000,282 10

In addition to the above, material and supplies on hand at December 31, 1917, valued at $23,557,613.63, were transferred as of that date, for which, material and supplies, equal in quantity, quality and relative usefulness are to be returned at the end of Federal control, any differences in quantities to be accounted for at prices then prevailing. At December 31, 1918, the Government was carrying a charge against the Company for expenditures for additions and betterments not approved by it and not reflected above, but the amount is comparatively small, being but $49,153.79

The retired property (road and equipment) and accrued depreciation accounts are tentative as of December 31, 1918, and are subject to adjustment to conform to the construction that shall be finally placed upon the "up-keep" section of the contract. Minor adjustments may also be required in the accounts subject to quarterly settlement.

These various accounts are grouped in the general balance sheet as United States Government accounts under current and deferred assets, deferred liabilities, and unadjusted debit and credit accounts.

Since the close of the year the Company has received from the Government on account of compensation the aggregate sum of $8,500,000.

GENERAL.

As is well known to all of you, the railway operations of your Company were conducted, during the calendar year 1918, by the United States Railroad Administration, and in a certain sense the net results were a matter of indifference, since the compensation received by you was not affected thereby.

But it is a matter of satisfaction that yours is one of the few properties whose net earnings showed a profit for the Administration, over and above the compensation it agreed to pay. A summary of the operating results for 1918 is as follows :

Operating revenues	$187,658,222 95
Operating expenses	135,793,059 42
Net operating revenues	$51,865,163 53
Taxes, less War taxes	7,812,629 78
Uncollectible railway revenues	27,605 68
Railway operating income	$44,024,928 07
Equipment and joint facility rents	*181, 10 55*
Railway operating income as defined in Federal Control Act	$44,206,338 62

The major part of the year was occupied by negotiations as to the forming of a contract which was signed after being first formally approved by you.

The "negotiations" above mentioned, and which preceded the signing of the contract, were more or less one-sided because the Administration insisted on certain conditions which seemed not wholly fair to your officers; but in view of all the circumstances it was considered best to execute the document, though there may be later differences of opinion and possible litigation as to some of its provisions.

Your directors call attention to these possible differences of opinion which may result in future contention and litigation.

Among these is the allocation to this Company over its protest of a number of cars which we have objected to receiving or to paying for out of our corporate funds.

And the question of maintenance : The contract provides that the property shall be returned in substantially as good condition as when taken over, and it is not impossible that this stipulation may be fulfilled, but during the first year of federal control it was not possible for the Government to furnish the amount of either labour or material used in previous years. Thanks to the excellent condition of your property when taken over, such deterioration as has occurred is not yet serious, but will become increasingly so as time goes on unless checked by large expenditure.

It will be the duty of your Corporate officers to watch the physical condition of your property, and also to work for adequate protection of its interests hereafter. There seems little doubt that the public is dissatisfied with Government control and opposed to Government ownership, but as it seems to be universally conceded that return of your property without protection from pre-war laws would not be feasible, it is fair to assume that Congress will formulate some legislation which will not be confiscatory in its results, and which you may conscientiously support.

EDWARD P. RIPLEY, President.

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY SYSTEM.

Comprising The Atchison, Topeka and Santa Fe Ry. Co., Gulf, Colorado and Santa Fe Ry. Co., The Grand Canyon Ry. Co., The Kansas South Western Ry. Co., Panhandle and Santa Fe Ry. Co., and Rio Grande, El Paso and Santa Fe RR. Co.

INCOME ACCOUNT FOR 12 MONTHS ENDING DEC. 31, 1918.

Dr.		
Corporate Operating Expenses		$ 294,533 20
Taxes		3,061,598 69
Rent for Leased Roads		154,450 78
Miscellaneous Rents		163,723 47
Miscellaneous Tax Accruals		33,799 69
Interest on Funded Debt		11,696,191 79
Interest on Unfunded Debt		60,957 05
Miscellaneous Income Debits		3,382,574 94
Dividend No. 40 on Capital Stock, Preferred	$3,101,342 50	
,, ,, 41 ,, ,, ,, ,,	3,104,342 50	
		6,208,685 00
,, ,, 52 ,, ,, ,, Common	$3,313,242 50	
,, ,, 53 ,, ,, ,, ,,	3,323,707 50	
,, ,, 54 ,, ,, ,, ,,	3,325,762 50	
,, ,, 55 ,, ,, ,, ,,	3,326,782 50	
		13,289,595 00
Appropriation for Fuel Reserve Fund		59,910 13
California-Arizona Lines Bonds Sinking Fund		19,628 05
The S. F. & S. J. V. Ry. Co. Bonds Sinking Fund ...		10,032 22
Balance, being Surplus for 12 months ending December 31, 1918, carried to Profit and Loss Account		*8,760,582 51*
		$47,196,262 50
Cr.		
Compensation under Federal Control Contract—Accrued ...		$42,885,310 80
Income from Lease of Road		294,742 40
Miscellaneous Rent Income		292,996 20
Miscellaneous Non-operating Physical Property		126,611 88
Separately Operated Properties—Profit		86,174 35
Dividend Income		38,117 00
Income from Funded Securities		1,425,761 10
Income from Unfunded Securities and Accounts		571,691 36
Income from Sinking and other Reserve Funds		62,201 83
Miscellaneous Income Credits		1,412,319 58
		$47,196,262 50

PROFIT AND LOSS ACCOUNT TO DECEMBER 31, 1918.

Dr.	
Surplus appropriated for investment in physical property ...	$ 110,587 05
Sundry adjustments	82,428 38
Balance carried to General Balance Sheet	*41,797,635 19*
	$41,990,650 62
Cr.	
Balance brought forward from December 31, 1917	$33,230,068 11
Surplus for 12 months ending December 31, 1918	8,760,582 51
	$41,990,650 62

GENERAL BALANCE SHEET, DECEMBER 31, 1918.

Balances Dec. 31, 1917. $	ASSETS.	Balances Dec. 31, 1918. $
694,003,996 74	Railroads, Franchises and other Property, including Stocks, Bonds, &c. (Exhibit A)	710,071,807 79
14,844,078 05	Expenditures for Additions and Betterments, Construction and other Capital Purposes during Current Fiscal Year (Exhibit B)	22,916,443 02
708,848,074 79		732,988,250 81
627 50	Sinking Fund	5 53
13,098,120 98	Investments, New Acquisitions (Exhibit C)	12,192,238 23
35,413,620 44	Other Investments	37,648,808 61
757,360,443 71		782,829,303 18
124,761,254 51	Balance brought down	150,230,113 98
	Current Assets:	
	U.S. Gov't Accrued Compensation ...	42,885,310 80
36,015,608 06	Cash	5,399,773 41
1,751,000 00	Time Deposits	200,000 00
231,124 02	Special Deposits	251,664 61
2,575,507 59	Loans and Bills Receivable	1,512,680 10
2,726,948 07	Traffic and Car Service Balances ...	187,371 22
2,288,908 00	Agents and Conductors	
7,791,708 87	Miscellaneous Accounts Receivable ...	1,016,495 76
23,701,611 01	Material and Supplies	197,192 36
39,923 34	Interest and Dividends Receivable ...	53,370 55
4,614 74	Other Current Assets	122 56
77,126,983 70		51,703,981 37
	Deferred Assets:	
35,739 27	Working Fund Advances	34,941 13
	Guaranty Trust Co. of New York:	
1,973,774 12	Cash Deposit for Fuel Reserve Fund ...	2,033,684 25
116,418 40	Other Deferred Assets	134,468 53
2,125,931 79		2,203,093 91
—	U.S. Government—Deferred Assets ...	46,510,596 65
	Unadjusted Debits:	
280,656 63	Rents and Insurance Premiums Paid in Advance	201,421 71
1,000,962 33	Other Unadjusted Debits	1,148,983 57
1,281,618 96		1,350,405 28
—	U.S. Government—Unadjusted Debits ...	6,000,282 10
205,295,788 96		258,028,473 29

NOTE.—The large variations in current assets and current liabilities are occasioned by the transfer of certain accounts at December 31, 1917, to the United States Government and the collection and payment of others since that date by the Government for account of the Company, the charge and credit to and against the Government respectively therefor being carried as U.S. Government deferred assets and liabilities under instructions of the Interstate Commerce Commission. In connection with these accounts and the U.S. Government unadjusted debit and credit accounts, reference is made to pages 12 to 14 of the report.

Balances Dec. 31, 1917. $	LIABILITIES.	Balances Dec. 31, 1918. $
344,629,200 00	Capital Stock: Outstanding (Exhibit D)	345,959,200 00
287,969,989 20	Funded Debt: Bonds Outstanding (Exhibit E)... ...	286,639,989 20
124,761,254 51	*Balance carried down ... ...*	*150,230,113 98*
757,360,443 71		782,829,303 18
	Current Liabilities:	
	Loans and Bills Payable	9,500,000 00
1,090,472 18	Traffic and Car Service Balances ...	42,427 66
17,211,068 55	Audited Accounts and Wages Payable...	314,226 96
3,025,986 89	Miscellaneous Accounts Payable ...	595,160 87
1,330,181 26	Interest Matured Unpaid	1,706,182 31
125,714 40	Dividends Matured Unpaid	153,952 50
202,000 00	Funded Debt Matured Unpaid	115,000 00
6,412,750 00	Unmatured Dividends Declared... ...	6,431,125 00
3,166,659 18	Unmatured Interest Accrued	3,162,225 85
89,625 06	Unmatured Rents Accrued	39,560 47
32,654,457 52		22,059,861 62
444,282 58	Deferred Liabilities	264,112 18
—	U.S. Government—Deferred Liabilities ...	52,131,940 71
	Unadjusted Credits:	
6,217,062 09	Tax Liability	3,159,573 27
3,328,550 53	Operating Reserves	3,194,579 32
36,217,617 60	Accrued Depreciation—Equipment ...	41,320,240 60
5,046,952 95	Other Unadjusted Credits	5,693,874 47
50,810,183 17		53,368,267 66
—	U.S. Government—Unadjusted Credits ...	49,153 79
	Corporate Surplus:	
86,085,091 81	Additions to Property through Income and Surplus	86,196,225 99
12,082 50	Funded Debt Retired through Income and Surplus	25,263 69
72,694 65	California-Arizona Lines Bonds—Sinking Fund Reserve	92,322 68
13,154 50	The S. F. & S. J. V. Ry. Co. Bonds—Sinking Fund Reserve	10,005 53
1,973,774 12	Reserve for Fuel Lands	2,033,684 25
88,156,797 58		88,357,502 14
33,230,068 11	Profit and Loss—Balance	41,797,635 19
121,386,865 69		130,155,137 33
205,295,788 96		258,028,473 29

We have examined the books and accounts of The Atchison, Topeka and Santa Fe Railway and System lines, and certify that the above Balance Sheet and relative Income and Profit and Loss Accounts are properly drawn up therefrom, and show the correct income of the Company's System for the year and the true financial condition at the close of the year, subject to such adjustment as may be required in settlement of U.S. Government accounts referred to in the President's report. We have been provided with satisfactory certificates from the Trustees as to the securities pledged under the different mortgages, and we have also verified the cash items.

PRICE, WATERHOUSE AND CO., *Auditors.*

Chicago, April 12, 1919.

EXHIBIT A.—RAILROADS, FRANCHISES AND OTHER PROPERTY.

Amount December 31, 1917		$694,003,996 74
Expenditures for Additions and Betterments, Construction and Other Capital Purposes during fiscal year ending December 31, 1917		14,844,078 05
Total		$708,848,074 79
Transferred from Exhibit C.:		
Grand Canyon Railway	$1,023,869 45	
Kansas South Western Railway... ...	199,863 55	
		1,223,733 00
		$710,071,807 79

EXHIBIT B.—EXPENDITURE FOR ADDITIONS AND BETTERMENTS CONSTRUCTION AND OTHER CAPITAL PURPOSES DURING YEAR TO DEC. 31, 1918.

Name of Road.	Additions and Betterments. $	Construction. $	Other Expenditures. $	Total. $
Atch., Top. & Santa Fe Ry. ...	4,399,276	—	*Cr. 66,243*	4,333,033
Ditto (Coast Lines)	2,357,838	114,251	—	2,472,089
Barton County & Santa Fe Ry. ...	—	231,408	—	231,408
Cali., Ariz. & Santa Fe Ry. ...	1,255,348	—	—	1,255,348
Cane Belt RR.	21,731	—	—	21,731
Concho, San Saba & Llano Valley RR.	*Cr. 2,976*	—	—	*Cr. 2,976*
Dodge City & Cimarron Valley Ry.	3,946	—	—	3,946
East. Ry. of New Mex. System ...	172,048	7,676	—	179,724
Garden City, Gulf & N. RR. ...	11,341	—	—	11,341
Grand Canyon Ry.	20,233	—	2,000	22,233
Gulf & Interstate Ry. of Texas ...	3,523	—	689	4,212
Ditto, Santa Fe Dock & Channel Co.	2,768	—	—	2,768
Gulf, Beaumont & Gt. N. Ry. ...	43,673	—	—	43,673
Gulf, B. & Kansas City Ry. ...	32,542	—	—	32,542
Gulf, Colorado & Santa Fe Ry. ...	728,599	—	—	728,599
Jasper & Eastern Ry.	24,887	—	—	24,887
Kansas City Terminal Ry. Co.—Stock	—	—	83,333	83,333
Kansas South Western Ry.... ...	*Cr. 12,448*	—	—	*Cr. 12,448*
Laton & Western RR.	165	—	—	165
Minkler Southern Ry.	8,313	52,300	—	60,613
North Texas & Santa Fe Ry. ...	—	210,290	—	210,290
Oil Fields & Santa Fe Ry.	39,095	—	—	39,095
Oklahoma Central RR.	—	—	2,082	2,082
Osage County & Santa Fe Ry. ...	—	629,828	—	629,828
Panhandle & Santa Fe Ry. ...	106,553	—	—	106,553
Rio Gr., El Paso & Santa Fe RR.	16,458	—	—	16,458
Rocky Mountain & Santa Fe Ry....	5,840	—	—	5,840
St. Joseph Terminal R.R.	—	—	175,000	175,000
Santa Fe Land Imp. Co.	11,871,332	—	—	11,871,332
South Plains & Santa Fe Ry. ...	2,366	97,907	—	100,273
Texas & Gulf Ry.	10,487	—	—	10,487
Tulsa & Santa Fe Ry.	—	574,487	—	574,487
Verde Valley Ry.	32,551	—	345,000	377,551
Western Arizona Ry.	946	—	—	946
	21,156,434	1,918,148	541,862	23,616,443
Deductions: Land Sales	—	—	—	700,000
				22,916,444

EXHIBIT C.—INVESTMENTS—NEW ACQUISITIONS.

Expenditures to Dec. 31, 1917		$13,098,120 98
Transferred to Exhibit A:—		
Grand Canyon Ry., $1,023,869.45; Kansas South-Western Ry., $199,863.55		1,223,733 00
		$11,874,387 98
Expenditures during the Year ending December 31, 1918:— Tie and Timber Lands, $106,673.88; Real Estate held for future use, $149,941.99; Ice and Power Plant, Winslow, $97,462.93; Santa Fe Tie and Lumber Preserving Co., $28,598.29		382,677 09
Deductions: Ice Plant, Belen, $1,564.37; Ice Plant, San Bernardino, $22,747.44; Rails and Fastenings leased to various parties, $29,515.03; Sunset Ry., $8,000.00... ...		64,826 84
		$317,850 25
		$12,192,238 23

EXHIBIT D.—CAPITAL STOCK, DECEMBER 31, 1918.

	Issued.*	In Treasury.	Outstanding.
Common	$221,830,000 00	$44 500 00	$221,785,500 00
Preferred	124,199,500 00	25,800 00	124,173,700 00
	$346,029,500 00	$70,300 00	$345,959,200 00

* Not including $4,800,000 Preferred Stock placed in special trust for certain purposes by the Reorganisation Committee and not yet used, nor $2,486,500 Preferred Stock in custody of the Central Union Trust Company of New York as Trustee but held subject to the Company's order.

EXHIBIT E.—FUNDED DEBT, DECEMBER 31, 1918.

Class of Bond.	Rate of Interest. %	Issued. $	In Treasury. $	Outstanding. $
Gen. Mort.—Due Oct. 1, 1995 ...	4	152,562,500	1,928,000	150,634,500
Adjust. Mort.—Due July 1, 1995 ...	4	51,728,000	382,000	51,346,000
Convertible—Due June 1, 1955 ...	4	7,975,000	—	7,975,000
Convertible—Due June 1, 1960 ...	4	11,159,000	—	11,159,000
Transcontinental Short Line—Due July 1, 1958	4	22,545,000	—	22,545,000
California-Arizona Lines—Due March 1, 1962	4½	18,524,268	14,599	18,509,669
Eastern Oklahoma Division—Due March 1, 1928	4	9,603,000	—	9,603,000
Rocky Mountain Division—Due Jan. 1, 1965	4	3,000,000	—	3,000,000
San Francisco & San Joaquin Valley Ry.—Due Oct. 1, 1940	5	5,976,000	27,000	5,949,000
Santa Fe, Prescott & Phœnix Ry.—Due Sept. 1, 1942	5	4,940,000	—	4,940,000
Chic., Santa Fe & California Ry.—Due Jan. 1, 1937	5	560,000	—	560,000
Hutchinson & Southern Ry.—Due Jan. 1, 1928	5	192,000	—	192,000
Prescott & Eastern RR.—Due April 1, 1928	5	224,000	—	224,000
Miscell. Bonds	—	2,820	—	2,820
		288,991,588	2,351,599	286,639,989

Copies of the full Pamphlet Report may be obtained upon application from Messrs. Baring Bros. and Co., Limited, 8 Bishopsgate, London, E.C. 2.

MEETINGS
OF PUBLIC COMPANIES.

PEASE AND PARTNERS, LIMITED.

THE ordinary general meeting of the shareholders was held at the Company's registered offices on Wednesday, June 11, Mr. Arthur F. Pease, Chairman of the directors, presiding.

The Secretary having read the notice convening the meeting and the auditors' report,

The Chairman said: Gentlemen,—I will assume that you will take the report and accounts as read. When I last had the pleasure of addressing the shareholders we were still actively engaged in the terrible War against Germany and her Allies, and it was passing through one of its most desperate phases. We are all thankful that the main struggle has now come to a successful end, but we are still faced with many and great difficulties, both at home and abroad, which will require courage, confidence, and co-operation to overcome.

Before dealing with the accounts I must refer to the great loss the Company have sustained through the death of the Vice-Chairman, Mr. Frank Stobart. Only those who had to work with him knew what the value of his mature judgment was to the board, especially in times of difficulty and anxiety, and the directors feel they have lost a friend and trusted colleague.

I told you last year that the number of our staff and workmen who had lost their lives in the service of the country was 383. I regret to say that the total number has now reached 451. We mourn the loss of those who have given their lives for their country.

The number of fresh distinctions which have been won by employees of Pease and Partners since last year is 29. The full list to date is as follows: Victoria Cross, 1; Military Cross, 1; Distinguished Conduct Medal, 20; Military Medal, 62; Military Medal Bar, 3; Meritorious Service Medal, 3; French Military Medal, 1; Croix de Guerre, 2; Serbian Medal, 1; Russian Order of St. Michael and St. George, 1; a total of 95.

The Balance Sheet.

Turning now to the balance sheet:—

Share capital—after giving effect to the resolutions which you passed at the last annual meeting the Ordinary share capital stands at £1,530,000. As stated in the report, we are now proposing to carry out the pledge given to the shareholders to divide the £10 shares into ten shares of £1 each, and you will be asked to pass the necessary resolution at an extraordinary general meeting of the Company which will be held at the conclusion of this meeting.

Employees' deposits—show an increase of £35,057. We have now revised the rules of the deposit scheme to take effect from July 1. These provide for practically the same return being given to the depositors when paying the dividend free of tax as they received under the old scale. We have also altered some of the rules with regard to the power of paying off deposits which we thought it desirable to have in these times of uncertainty, and there are other minor alterations.

Sundry creditors and outstanding accounts—decrease £105,804. This is chiefly owing to the reduction in our liabilities to the Government.

Damaged land, insurance and pension funds—has increased by £5,500, the automatic additions having been made to these funds.

General reserve.—This stands at £150,000, and we are proposing to add £100,000 out of the profits of the year, bringing it up to £250,000.

Reserve for renewals and improvements. We are proposing to add a further £25,000 to this account, bringing it up to £275,000.

On the assets side of the balance sheet:—

Minerals, land, &c.—The capital expenditure during the year has been £26,282. The chief items are:—

Rebuilding coke ovens at St. Helens	£9,192
Additions to purple ore brick plant at Normanby	4,600
Purchase of land and houses	5,036

On the other hand, we have realised assets to the extent of £4,215.

The depreciation of plant is, as I have previously told you, the amount we expect to be allowed by the Inland Revenue Authorities, no depreciation being made in respect of leasehold properties.

I now want to explain the item £525,256 which is added to the value of minerals, land, &c., and, as you will see, is carried to a depreciation reserve account on the other side of the balance sheet. The amount is arrived at in this way—it is the total amount of depreciation and special expenditure which we have written off minerals, land, &c., but which has not been allowed by the Income Tax Authorities since Pease and Partners became a public Company in 1898. The alteration has been made with the approval of our auditors. There is a practical as well as a technical justification for showing our assets at full value, and we must admit that in the past we have to some extent over-depreciated our leasehold property. We have had the estimates of the workable minerals remaining in our collieries, mines and quarries in Durham and North Yorkshire revised, and we find that we have considerably more workable minerals than the quantities on which our depreciation scheme was based. According to the estimates of coal in Durham which I have given you on previous occasions, after deducting the workings to date, we should have 82 million tons of coal, whereas on the revised figures we have 127 million. The old figures for ironstone show 47 million tons, whereas the revised estimates give 50 million tons. With regard to limestone, I rather hesitate to give you an actual figure as the character of the stratification in our quarries in the east of Durham varies very quickly, but we have very large resources for many years to come. Further, the depreciation scheme was based on the minerals which were workable during the existence of our main leases; these have been renewed from time to time as the termination drew near, and a number of small further leases have been acquired. These estimates do not include the coal resources in the royalties connected with Thorne and the Allerton Main Collieries, which we acquired recently; the workable coal at these collieries probably exceeds the total quantity of coal in our Durham collieries.

The "minerals, land" account is based on a valuation made in 1896, and when we have acquired or realised properties from time to time we have added to or deducted from this account, but I have felt for some time that a new valuation of all our properties is desirable as soon as conditions become more settled. I feel confident that any valuation would fully substantiate the figures at which the properties stand in the balance sheet.

History of Company from 1882 to 1898.

This firm will probably not escape the attacks which are made on Capital, owing to the conservative way in which their resources have been preserved with a view to continually improving the position of the Company, and I am now going to give you some figures which have not been published before—namely, the history of the private limited Company of Pease and Partners from its formation in 1882 down to 1898. The capital of the Company was £1,100,000 Ordinary shares and £500,000 Five Per Cent. Debenture stock. The average dividend on the Ordinary shares during the 16 years of the Company's existence was only 2.24 per cent. In many of the early years there was no dividend at all, though there was considerable improvement during the later years of the period.

The total amount distributed in dividend during the 16 years was £394,000, but during that period the total amount of

Depreciation written off amounted to	£702,000
and in addition there was Special Expenditure written off to the extent of	103,000
making a total of	£805,000

No income tax was allowed in respect of the depreciation.

At the time the old Company was sold to the new Company in 1898 £300,000 was added to the value of the assets and allotted as part of the purchase consideration to the old partners in the form of Deferred shares. Deducting this, therefore, from the £805,000 we have the net result that during the 16 years £394,000 was paid in dividends and £505,000 was written off the value of the assets.

The old firm owned very little besides collieries, ironstone mines, and limestone quarries, whereas we now have a large amount of capital invested in chemical works, ironworks, and outside securities; but the same conservative policy has been continued since the Company was sold to the public, and this accounts for the strong position in which it finds itself to-day.

ROLLING STOCK, TOOLS, &c. Shows an increase of £67,578.

There are variations in the different items, but practically the whole of the increase is accounted for by increased stocks of ore and other minerals at the furnaces. We have been compelled to depart from our old practice of upholding our stocks at pre war values, and have had to value

them for excess profits and income tax purposes at cost or market price; but for the purpose of the profit and loss account the sum of £121,000 has been placed to reserve, which maintains them at about pre-war values.

Coal, Coke, &c., Sundry Debtors, Shortworkings.—The variations in these items do not call for any special comment.

A point which will require watching in case minerals are nationalised is that we should be allowed the benefit of working up our shortworkings without further payment. These amount to millions of tons, including coal, ironstone, and limestone.

Investments.—These have been carefully examined, and the amount at which they now stand in the books is considerably below the present market value.

Special Expenditure.—£30,851. This is the amount which we estimate will be allowed by the Inland Revenue. With the present abnormal prices it represents a much smaller amount of work as compared with the same expenditure prior to the War. Shortage of labour and materials have prevented our carrying out any renewals which were not immediately necessary. The expenditure has been chiefly upon new washery and condensing plant at Eldon, aerial rope-way at Loftus Mines, which was necessary owing to our having used up our existing shale tip, and relining furnaces, and other improvements at the ironworks.

Turning to the profit and loss account, the increase in "Interest on unpaid purchase moneys and employees' deposits" is due to the increase in the amount deposited by our employees.

"War subscriptions and allowances" shows a reduction and will naturally be further considerably reduced during the coming year, as the bulk of our men have now returned.

With regard to the profits, the gross profit on coal, before providing for special expenditure or renewals, amounts to 2.48*d*. per ton over the year.

There is a considerable reduction in the profit on coke. Profit on chemical works and fireclay works remains practically the same.

On ironstone the profit has almost disappeared, and for the year only amounted to ¾*d*. per ton.

The profit on limestone shows an increase of about 10%.

Cottage rents show a slight increase.

The ironworks have done well, although there is a reduction in profit of nearly 25%; the best results are shown by the hematite blast-furnaces, foundry, and refined-iron plant.

Sundries show an increase of about £4,000.

Extra Wages Payable under Sankey Award.

In calculating the profit on coal the extra wages payable under the Sankey Award have been excluded. These amount from January 9 to April 30 to £60,000, which, if included, would have turned the profit of 2.48*d*. into a loss of 6.85*d*. per ton averaged over the whole year. The award was only in respect of about four months; taking this period only, the loss per ton would be very much more.

In connection with the profit on ironstone, I might mention that the Cleveland mine owners feel they have been unfairly treated by the Ministry of Munitions. As costs went up the Government, in spite of strong protests by the ironmasters, subsidised pig iron rather than allow the prices to be placed on an economic level. In fixing the amount of the subsidies which were in force up to April 30, when they were abolished, no account was taken of the Sankey Award, which would entail an additional cost of rather over 1*s*. per ton on ironstone for the four months, which is equal to about 4*s*. per ton on pig iron. Our claim against the Government is only in respect of the period up to April 30, the mineowners making no claim beyond that date, but up to the present we have not succeeded in getting the Government to meet this additional cost. In the case of this firm the amount is about £14,000, which will entail a loss on working Cleveland ironstone for the year.

The Cleveland mineowners consider the men are entitled to the same treatment as the colliers, as, on the instructions of the Ministry of Munitions, their wages have followed the wages in the coal trade since the coal mines were controlled. The position of Cleveland ironstone is very serious. As you know, the Cleveland stone is a lean ore, and the better ores are gradually working out. The cost now is so high, especially in the older mines, that unless reductions can be effected in some way it will be possible to make iron of the Cleveland quality cheaper by using foreign ore or ironstone brought in from other parts of the country.

The Profit and Loss Account.

The two general features of the profit and loss account are that everything in connection with mining has done worse than for many years past, and that the profits all round were much lower in the second half of the year ending April 30 than they were in the half-year ending October 31. With regard to T. and R. W. Bower, Limited, in which we hold the whole of the shares and whose year ends on September 30, the late partners were entitled to the profits up to December 31, 1917. A dividend of 7½% was paid for the nine months ending September 30, 1918, but no profits have been included in our accounts for the half-year ending March 31 last.

I ought to tell you that we have taken into our profits £50,000 which our auditors considered as excessive provision for excess profits duty in respect of previous years; on the other hand, we have not included claims against the Coal Controller, which have not been verified, of £50,000 for the year 1918 and £150,000 for the year 1919 and a claim against excess profits over the whole concern of £54,000 for the year ending April 30, 1919. It makes very little difference to us whether we follow up the claims with the Coal Controller or not, as if we obtained the money from him, nearly the whole of it would have to go back to the revenue in the form of excess profits.

There is a further question of doubt, and that is that the Government have been paying the extra 2*s*. per shift to the coal miners from January 9 without prejudice to whatever may be the permanent settlement under the Sankey Award. This would amount in the case of our collieries to about £60,000, which has been excluded from the accounts but is fully provided for by the reserves which we have in hand; in any case it will be due from the Coal Controller, as we are not up to either our guaranteed standard or the proposed new one, which I will explain later.

The Coal Trade and Coal Prices.

You will realise from what I have told you how fully justified is the first paragraph in the report, and how difficult it is to present to you a balance sheet with any certainty that it takes into account every circumstance prevailing at the time, but having regard to the very special position in which the industry is placed at the present time I thought it only due to you that I should give you very full particulars of the Company's position.

It seems to me that the coal trade has on the whole been more hardly treated than any other trade in the Kingdom. If you take only the case of the Price of Coal (Limitation) Act, the price we are allowed to charge to-day for unscreened coking coal, including the 4*s*. per ton which the Coal Controller takes direct, is about 22*s*. per ton at the colliery, whereas with pig iron at, say, 145*s*., the price under our sliding scales, which the Coal Controller terminated, would have been over 40*s*. Then again in regard to coke, the price we are charging for our Peases West coke for blast-furnace purposes is 39*s*. per ton at the ovens; we had no sliding scales running immediately prior to the War, but taking the last sliding scale we had in force a few years previously the price of coke would have been 60*s*. I do not know how the iron works could afford to pay such prices at the present time, as I have had a careful estimate prepared by the ironworks department of the cost of making Cleveland iron based on present market prices of materials and assuming that pig iron is 145*s*. per ton, and this gives a cost, working under existing conditions, of 148*s*. 9*d*. per ton. The price for future sales of pig iron has advanced since this estimate was prepared, and leaves some margin of profit unless it is swallowed up by further advances in wages and materials.

The greatest economy would be effected all round if we could work up our outputs to what they were before the War.

With regard to the dividend, with the explanations I have given you I think you will agree that the dividend which we recommend of 12½% for the year, free of tax, is fully justified.

With regard to the future, a considerable part of our business is now released from control, and I am confident that we shall soon be able to manage it with increased efficiency and economy. With regard to the other part—the collieries—it is in the "lap of the gods," but, as you will see from the balance sheet, our reserve funds with the additions proposed will amount to £1,300,000. Some of these are earmarked for special purposes and will have to be used some day or other; but we are in an extremely strong position, and I feel every confidence that sooner or later we shall be placed again on an economic basis and be able to develop our business without any hindrance to efficiency and economy.

A great part of the time of your directors is now taken up in attending the different Wages Boards, several new ones having come into existence during the War, and Joint Committees of a temporary character have been appointed in various trades with a view to helping trade during the transition period, which all require the attendance of a director or a responsible official who can give a prompt decision.

The Sulphate of Ammonia Association in London have arranged with the Board of Agriculture and the Food Control for fixed prices for sulphate of ammonia for home consumption; the price is low as compared with other materials, but there was a strong feeling, with which we entirely agreed, that we ought to encourage the use of this valuable manure by the British farmer.

We have joined the National Benzole Company; we consider it is necessary for benzol for motor purposes to be dealt with nationally for two reasons—firstly, to organise the distribution so that benzol may be available for motorists over the whole country at fixed prices; and secondly, so that the benzol sold is of a satisfactory and standard quality.

It will still take a few months to get the complete organisation established, but I am confident that we shall be able to bring the use of this home product within the reach of all motorists in the country.

Output of Minerals.

I usually give you the output of minerals for the year on this occasion. I propose to give you the figures for our Durham Collieries for the two pre-War years and similar statistics for the Allerton Main Collieries. These are as follows :—

DURHAM COLLIERIES.

Year ending 30th April	1913	1914	1915	1916	1917	1918	1919
	Tons	Tons	Tons	Tons	Tons	Tons	Tons
Coal ...	2,209,812	2,173,641	2,107,177	1,997,404	2,029,669	1,849,147	1,662,825
Ironstone...	1,152,471	1,181,330	1,155,503	914,754	884,424	936,820	804,889
Limestone	459,722	451,262	416,253	388,306	399,498	418,159	422,025
	3,822,005	3,806,233	3,678,933	3,300,464	3,313,591	3,204,136	2,789,739
Coke derived from above Coal ...	780,844	781,423	673,229	665,285	761,504	742,661	687,303

ALLERTON MAIN COLLIERIES.

Year ending 30th Sept.	1912	1913	1914	1915	1916	1917	1918
	506,236	533,470	462,325	458,834	413,686	416,992	381,603

Certain figures have been placed before the Coal Commission showing the fall in output recently. These are curiously borne out by the figures at our own collieries. The average number of persons employed at our Durham collieries during the year ending April 30, 1919, was 7,137, as compared with 7,988 on April 30, 1914, a decrease of 10%, whereas the output has fallen by 28%. The serious point is that the output per man per day worked has fallen to the extent of 20%. The number of persons now employed is 8,116, and the output per week is about 34,000 tons, as compared with 42,000 tons per week in 1914; therefore, though we have more men employed than before the War, the output is down over 7,000 tons per week. There are contributory causes affecting the output from time to time, such as men returning from the front not being able at once to do a full day's work and the influenza epidemic in July and November, but these taken over a year would only account for a small proportion of the reduction. Another way I have checked this shows that at the whole of our Peases West Collieries the number of men on the minimum wage was only 10% in 1914, whereas for the year ending April 30, 1919, the percentage was 51. This is in spite of the fact that the owners are practically debarred from applying for any reduction in the hewing price list owing to the Joint Committee rules having been suspended to encourage the men to do their best and that a considerable number of advances have been granted to men in the "getting prices." Mr. Hartshorn, one of the Welsh miners' leaders, pointed out in a letter to the papers that the minimum wage was so close up to the wage a man could earn if he was doing a fair day's work that there was no inducement for him to exert himself. Then, apart from the minimum wage, the coal-hewer is receiving 5*s.* per day under the recent awards before he begins to work.

I do not wish to make a charge against the whole of the men—no doubt there are thousands of men still doing a good day's work, but none of the reasons given above can account for anything like the falling off in output which has taken place. At the time the negotiations took place with regard to the minimum wage it was understood that the minimum wage was a wage which prevented a man who had a bad place temporarily from receiving less than a living wage, but it has come to be interpreted, both by employers and employed, as a kind of standard wage. The rules and safeguards of the Act have become to a large extent a "dead letter" owing to the difficulty, amounting almost to an impossibility, of enforcing them, and in my opinion nothing has contributed so greatly to the loss of output and inefficiency of production as the Minimum Wage Act.

Proposed New Works.

With regard to new works, I returned from London after the end of the War hoping that we would be really able to get a move on in bringing up the capacity of our works with a view to recovering the ground which has been lost during the five years of war, though I realised it would be necessary to proceed with caution owing to the abnormal prices of labour and material, but at every point one is held up by the difficulties of the present situation.

Some of the proposals which we have before us are :—

(1) To continue the sinking at Thorne. We were on the point of signing a contract with Mr. Francois to sink by the cementation process which he was willing to undertake at a price substantially less than the amount for which we could sink by the freezing process. Some of you may remember that in the early stages of Thorne we entered into a contract with Mr. Francois to sink by the cementation process, the terms being that we paid him nothing unless he was successful, but that the result proved unfavourable. Since then, however, the process has been developed and improved, and the Hatfield Main Colliery has been successfully sunk by the process under very similar conditions to those prevailing at Thorne. At the request of Mr. Greener we had also arranged with Mr. Berry, the manager of Hatfield Main, with the consent of his directors, to act as consulting engineer in connection with the sinking. We have arranged to put in the plugs, but unless the Government can in some way guarantee that we shall not be deprived of the results of our efforts the board would not feel justified in proceeding with the sinking at Thorne. We have been most courteously treated by the Hatfield Main Colliery Company, whose colliery is the nearest to Thorne, being three or four miles distant, who have given us the fullest information with regard to their underground developments. According to present indications, there is some doubt as to how far the Barnsley bed may extend north of Thorne borehole, where it was proved some little distance north of the pits, but even if the Barnsley seam does change into the Warren House within a short distance north of the borehole, it appears certain, as far as anything can be certain in mining, that there ought to be a very large area of good coal to the south which would be sufficient to maintain the estimated maximum output for many years.

2. Allerton Main Colliery. This is an old colliery but with large mineral resources, and we were negotiating with our landlord to give us security of tenure and were proposing to modernise and electrify the whole colliery, probably sink one or two additional pits and erect coke ovens and a waste-heat station. The colliery is paying better than the Durham collieries under existing conditions, though we have been confining our workings almost entirely to the thicker seams in order to obtain the maximum output, but we do not feel justified in incurring this further expenditure, which would amount to at least £200,000, until we know where we are.

3. In connection with the ironworks, we have important schemes under consideration, such as enlarging and improving the wharf at Normanby so that we can deal with large vessels with quicker despatch. Whether we shall proceed with this depends upon the tenders which have been called for. We are also negotiating with the Electrical Power Company for using up our waste heat at the furnaces and generally modernising the plant. Here, too, one is working under difficulties, because of the Electric Bill which is before Parliament, which makes us desirous of not having arrangements with outside companies of which the Government may resume control, but even if the cost is rather higher I would prefer to put up our own generating plant so that we may be free from the octopus of Government control.

I have only outlined above two or three of the larger schemes; it would be impossible in the time at my disposal to give you an account of the many others which our engineers are recommending with a view to increased efficiency and economy.

As you will all realise, the coal trade is at present overshadowed by the Coal Commission, which is now sitting, and I will endeavour to explain to you as clearly as I can the position and my views thereon.

It seems to me that I was justified in my view when the Commission was appointed that this should have been an independent impartial body and not one on which the parties interested should be largely represented, but the coalowners had little or no say with regard to the Act of Parliament and the directions given thereunder for the appointment of the Commission.

The coalowners are charged with not having put up a good case during the first phase of the inquiry. That many of the points raised were not met fully by counter-evidence must be admitted, but it is impossible for evidence to be prepared to cover such a vast field as the coal trade in a few days. Further, the Secretary of the Coal Commission, I presume on the authority of the Chairman, issued a circular letter, which speaks for itself. The circular was as follows :—

COAL INDUSTRY COMMISSION.

Circular letter to District Coalowners and Miners' Associations.

Very urgent.

2 Queen Anne's Gate Buildings,
Westminster,
London, S.W. 1.
February 27, 1919.

SIR,

I am directed by the Chairman of the Commissioners to inform you that he desires your Association to send one witness to give evidence before the Commissioners upon the first part of their inquiry, which it is intended to conclude by March 20. That part of the inquiry will be confined to a preliminary investigation into the questions of wages and hours.

The wages claim of the Miners' Federation of Great Britain is that the workmen should receive a 30 per cent. increase on the present earnings, exclusive of the present War wage, which would then be added to the total.

The hours claim of the same Federation is that "six"

should be substituted for "eight" in the Eight Hours Act, and that a similar reduction should be made in the hours of surface workers.

I should make it clear in the first instance that what you are now being asked to do is merely to provide evidence of a preliminary character, and that a further opportunity will be accorded to you in the later stages of the inquiry to supplement that evidence and to deal with matters which are not immediately germane to this part of the inquiry.

For the purpose of reducing to some common form the evidence from the various districts, I am to request that your witness should give attention to the following questionnaire, and, as far as possible, confine his evidence to the points indicated therein, while feeling at liberty, should he consider it necessary, to depart from or supplement this questionnaire at any material point.

1. What, in the opinion of the witness, would be the probable increase in working cost per ton of conceding—

(*a*) A 30% increase on the present earnings of workmen exclusive of war wage;

(*b*) The reduction in hours above referred to. (See Question 5.)

2. Would there be, in his opinion, any compensating factors which, if these concessions were made, would tend to diminish the working cost per ton, for instance, more regular daily attendance in consequence of shorter hours?

3. Would there be, in his opinion, any aggravating factors which, if those concessions were made, would tend to increase the working cost per ton, for instance, an increase in voluntary absenteeism?

4. Supposing the reduction in hours claimed, or some less reduction to be conceded, what consequential re-arrangement of shifts would, in his opinion, be necessitated—

(*a*) as between surface workers and underground workers;

(*b*) as between the various classes of workers, surface or underground?

5. What further number, if any, of workers, surface or underground, would it be necessary in his opinion to employ if the word "six" were substituted for the word "eight" in the Eight Hours Act, and a similar reduction were made in the hours of the surface workers?

6. Face Workers.—The present winding times as approved by H.M. mines inspectors are being obtained from them, and the collieries have been asked to furnish the present average time consumed in travelling from the shaft bottom to the coal face and back from the coal face to the shaft bottom.

(i) What is, in his opinion, the present average time spent at the coal face in your district?

(ii) What, in his opinion, would be the percentage reduction (if any) in output involved by conceding the claim for the substitution of "six" for "eight" in the Eight Hours Act?

(iii) Would there be, in his opinion, any compensating factors which, if this concession were made, would tend to diminish any reduction in output, for instance, increased effort resulting from shorter hours.

(iv) What, in his opinion, would be the net reduction (if any) in output resulting from the suggested amendment in the Eight Hours Act:

(*a*) Assuming the present number of coal-getting shifts to remain the same; or

(*b*) Assuming the present number of coal-getting shifts to be increased in your district, if possible.

(v) What is the probability in your district of an increase in the number of coal-getting shifts by mutual agreement?

7. Apart from the considerations of working cost per ton and of output, what, in his opinion, would be the chief advantages (if any) in point of health and risk of accident, or otherwise, likely to accrue from the concession of the reduction of hours?

The Commission have been instructed by the Prime Minister to make an Interim Report upon the Wages and Hours claim not later than March 20, and therefore the taking of evidence will begin on Monday, March 3. You are requested as soon as possible after the receipt of this letter to telegraph to me the name and address of your witness and he will receive in the course of a day or two a telegram notifying him when and where he should appear before the Commission. Meanwhile, the Chairman will be obliged if you will at once put the matter in hand and request your witness to prepare a summarised proof upon the lines of this letter.

The Chairman fully realises that it will not be possible in the time afforded to the witness to prepare anything in the nature of an elaborate proof, but he instructs me to say that it will greatly facilitate and expedite the taking of evidence if the witness would forward to me at the earliest possible moment a skeleton proof which could be in the hands of the Commissioners at the time he is giving his evidence.

A similar letter has been sent to the corresponding Owners / Miners District Association.

Owing to the urgency under which the first section of the inquiry is being conducted it has been necessary to combine your district with for the purpose of evidence, and you are therefore requested to get into immediate touch with the Association representing this district (who has also received a copy of this letter) and concur in the selection of a witness.

I am, Sir,
Your obedient Servant,
Arnold D. McNair.

The Evidence and the Report.

The coalowners, therefore, devoted the whole of their energies to preparing statements in regard to wages and hours and employed a very large staff under the direction of Mr. Finlay Gibson, of South Wales, in taking out figures. I should also mention that the coalowners severely felt the loss of Sir Thomas Ratcliffe Ellis, the Law Clerk and Secretary to the Mining Association of Great Britain, who was unfortunately laid up with influenza. I am glad to say he is now restored to health. When, however, the Commission commenced its sittings the cross-examination of witnesses ranged over the widest possible field, embracing nationalisation, housing, and so forth, which the owners had understood would be excluded from the preliminary enquiry. I am told that the Chairman did endeavour to confine the enquiry to the subjects mentioned in the circular, but the miners' representatives threatened to withdraw from the Commission if the preliminary enquiry were confined to these subjects. The consequence was that the coalowners had no real chance of preparing evidence to rebut many of the charges which were made.

I have read most of the evidence in the first part of the enquiry, and I have no hesitation in saying that the Report deals with matters which it was clearly understood from the circular issued by the Secretary would not be dealt with at this stage.

Further the evidence put in by the Coal Control Department and Dr. Stamp was some of it very indefinite, as accurate and up-to-date figures were not available. Sir Arthur Lowes Dickinson based his figures on the profits for the quarter ending September 30 last. We knew, and I stated so when in the witness-box, that the whole conditions had altered in the coal trade since the Armistice, but the Report was based on figures which were quite inadequate for dealing with so large a subject. The recent statement as regards total quantities and costs put forward by the Coal Controller shows that the whole report was based on wrong premises. One point seems to have been overlooked, and that is that these profits are drawn up without making allowance for the fact that the coalowners were all asked to concentrate their workings in the thicker seams, to the permanent disadvantage of the collieries, and large renewals, and even ordinary repairs, could not be carried out owing to the shortage of materials and labour. At present prices this must have amounted to many millions over the whole country.

The Report itself was drawn up under the most extraordinary conditions. I have had some experience of Government Committees and so forth, and I have never known any case in which the draft of the Chairman was not submitted to and discussed by the full Commission or Committee. In this case the coalowners' representatives, although some of the points were no doubt discussed in private, never had an opportunity of seeing the Chairman's draft report or the final one until it was actually signed by the Chairman and three other members of the Commission.

The evidence brings out very clearly that, instead of coal owners always having made very large profits, the average profit over a long period of years has been lower than for other industrial enterprises; but what the coalowners feel most of all is the statement that "the present system of ownership and working in the coal industry stands condemned," whereas, as far as I am able to ascertain, there is no industry in the country which has kept on the whole more abreast of the times than the coal trade, and been ready to adapt every new invention of science to increase efficiency and production so far as they were allowed to do so by the men. Both by direct negotiation with the workmen's representatives and by legislation wages have been increased and hours reduced. Of course, out of 3,000 collieries in the country there must be some which are badly managed, but a year or two ago Sir Richard Redmayne, His Majesty's Chief Inspector of Mines, told me that the collieries in Great Britain were the best managed and equipped in the world, especially underground, possibly with the exception of the collieries in Belgium, and I cannot comprehend how anybody could make such a sweeping condemnation of the coal trade on the evidence submitted to the Commission.

The Question of Nationalisation.

The question of nationalisation and other matters is still *sub judice* before the Commission. I am certain that if Parliament were to decide in favour of nationalisation this would be disastrous for the community and the miners. Whether it would be bad for the shareholders in colliery companies as shareholders depends on the terms, but I am sure that if they did secure a temporary advantage they would lose in the long run as citizens of this country.

With regard to the directors of companies, I should think many of them would be only too glad to be relieved

of the constant worry that we have had to submit to in recent times. Personally it would be a great wrench to sever my connection with the business which has been developed by successive generations of my family, but if coal control is to continue for any long period, with all its vexations and worries, and perhaps most of all the impossibility of efficient and economical management during its continuance, one would have to seriously consider whether one would be justified in continuing to try and manage where success was impossible.

With regard to the miners, it is conceivable that they might be so strong as to secure for themselves for a time a privileged position at the expense of the community, but even if they did so I feel sure that State control would not be in their permanent interest. I cannot put the present position under the Coal Control better than by quoting from the annual report of the directors of one of our chief managers, which says—

> "The effect at the moment of all the uncertainty as to the future is disastrous in every way. Neither the men nor the officials can settle down to work."

I have been asked from time to time whether I considered that the men have "played the game." My answer to this is that I think in the early years of the War they did, except possibly in one district. I am referring now to the question of working in the mines, and not to the magnificent way in which the miners responded to the country's call to fight. They agreed to the limitation of prices which to some extent affected their wages, and responded to appeals for increased output, but I do not think they have been playing the game since the mines were controlled by the Government, and especially since the Armistice. Their recent demands for increases in wages have been exorbitant, and such as neither the coal trade nor other industries of the country can permanently bear, but the most serious thing of all is the reduction in output. Not only have they not worked reasonably well since the Armistice, but they are insisting on shorter hours, which the Coal Commission have reported will reduce the output by 10%—if the six-hours' day is ever adopted, it will mean a reduction of at least 20%—when they know that it is a vital necessity for the country to keep up the output. The men's contention is that, the hours having been revised in other industries, the miners' working time should be proportionately reduced, and they have been promised a Bill to give effect to this. Now that the facts have been so clearly brought out by recent statistics, whatever may be the cause of the reduction, is it too much to hope that the miners will take a large and patriotic view and ask the Government to temporarily suspend the operation of the 7-hours' day? The Government's promise could be carried out and the men's position safeguarded by the Bill being passed into law, but by agreement its operation could be suspended until the output of coal is approximately equal to our necessities.

The Increase in the Price of Coal.

There is one other matter I would like to refer to which has been mentioned over and over again but still seems not to be appreciated by the public, and that is a great point was made about the £25,000,000 which it was stated was given to the coal trade by the increase of 2*s.* 6*d.* in the price of coals in June 1918. It has been pointed out that 95% of this, plus income tax and super tax on the remaining 5%, went into the Exchequer and not into the coal-owners' pocket. The exact facts are that where the coal owner has already reached his pre-War standard profit the above statement is correct, but where the coal owner was not up to his standard, as was the case in a large number of collieries, the whole of the money went towards the deficiency which had to be made up by the Government on the guaranteed standard. The only exception to this is where a coal owner would have been below the standard if the 2*s.* 6*d.* had not been granted, but who with the addition of the 2*s.* 6*d.* was able to make his pre-War standard instead of having to come under the Coal Controller's "guaranteed standard."

I was one of the advisers of the Coal Controller, and recommended the increase of 2*s.* 6*d.*, knowing that if it was too much nearly the whole of it would go to the Exchequer one way or another; if the advance was too little there would be a very heavy call on the Exchequer to pay up the deficiency on the guarantees.

Another point brought out was that large profits were not earned out of the home consumer, but out of the high prices obtained from both Allies and neutrals; but there is a question of history which I have never seen brought out, and that is that a scheme was put forward in 1916 on a Government Committee, of which I was a member, that steps should be taken so that the Government should take nearly the whole of the difference between the export price of coal and the home price. The coal owners' representatives agreed to this, subject to the concurrence of the men, but before it could be further developed there was a change of Government and the collieries were taken under control.

I have always looked upon the matter that neither the coal owners nor the miner should profiteer out of the very high shipment prices, which could only be obtained owing to the War conditions, but that these should go into the pocket of the Exchequer and the inland price should be kept at such a figure as would about maintain the pre-War standard.

Effect of Proposals.

The above treats rather with the general proposition, but I will now endeavour to explain shortly what is understood to be the effect of the proposals put forward. The Coal Commission have recommended that the maximum profit over the whole country shall be 1*s.* 2*d.* per ton multiplied by the output of the country, whatever that may be, the amount to be apportioned between the companies in proportion to their pre-War standards. The proposal of the Government to interpret this was to reduce the standard profit under the Excess Profits Act by 40% and at the same time to make us no allowance for the increased capital which has been put into the business. The existing agreement, which I told the late Coal Controller, as one of his advisers, I considered exceedingly harsh on the coal owner, was submitted to by the trade because it was felt that during war time we should do everything we could to meet the Government's wishes; but I cannot conceive anything more unjust than to place the coal trade in a position different from all other trades in the country, and while these other trades are allowed to earn and retain their standard profit plus at the present time 60% of any excess, the coal trade should be even mulcted of 40% of their standard.

The coal trade are not applying as supplicants to the Government for subsidies, as seems to be assumed by some people. The fact is that if the coal trade were set free from control it is perfectly able to stand on its own feet and earn the standard profit without any assistance from the Government. In other controlled industries during the War prices have been fixed or subsidies granted so that they could maintain their pre-War standard of profits, and it seems to me there is no reason why the coal trade should be treated differently if it is intended to continue control beyond the end of the War.

Free Market in Coals Needed.

My personal view is that the only way out of the whole difficulty is that the coal control should be removed at the earliest possible date, with one exception, which I will refer to later; and that there should be a free market in coals from a date to be fixed, say September 30, or some later date. It is important that the date should be fixed a few months ahead, as was done in the case of the steel trade, so that we can get back to dealing on an economic basis and enter into ordinary contractural relationships with our customers at home and abroad. The one exception I make is in regard to household fuel. I do not think the household consumer is in a position to protect himself under existing conditions, and I would be quite prepared to continue the rationing for the householder for a minimum quantity for say another year, the Coal Controller requisitioning sufficient coal at a fixed price for the household consumer, but leaving him free to purchase in the open market at full market price coals in addition to his ration if he desired to do so. Each industry has got to go through a difficult time when the coal control is removed, and the longer this is put off the greater, in my opinion, will be the difficulties to be surmounted.

The question has been raised whether the bye-product coke ovens and chemical plants should not be included. These are not included in the present agreement, and all the accounts have been separated from the coal accounts on a fair basis. These are open to the examination of any Government accountant, and I have every confidence that the Government will not agree to such an injustice being perpetrated as this industry being brought under control when the Government have declared that their policy is to liberate industries from control at the earliest possible date.

In dealing with these points I have pointed out the injustice, but I would like to put the question on a broader basis. If you limit the profit to a fixed rate per ton there is no inducement to the coal owner to manage his collieries with regard to anything but the maximum output which can be obtained. There is no inducement to efficiency or economy in production or the expenditure of capital in developing a colliery on scientific lines if that expenditure does not increase output.

The Question of Profit on Coal.

It seems to me the whole basis on which this question of profit on coal is being looked at is absolutely wrong. As regards the miners, the higher-paid men have at least doubled their earnings, and the lower-paid men have far more than doubled their pre-War wage, largely on the ground of increased cost of living and the reduced purchasing power of the sovereign. There seems to me no reason why if the sovereign has decreased in value, the shareholder, who has frequently less income than the miner, should not be allowed to double his dividend. It may interest you to know that we have 3,808 shareholders and 892 debenture-holders. Of the shareholders 34 have a holding of 1 share each, while the total number of shareholders who own 5 shares or less is 321. If you take the case of the wealthy man, whether he

is a coalowner or derives his income from other sources, not only has he to pay double for all his requirements, the same as the poor man, but on the actual income he receives he has now to pay about one-half in direct taxation compared with about one-twelfth before the War. The miner even grumbles at the small amount of income tax which he has to pay, but, broadly, the miner is in as good as or better position than he was before the War, taking everything into account; if a wealthy man receives the same salary or return on his capital as before his purchasing power is reduced to about one-fourth.

Future Trade Development and Taxes.

But assuming for the moment that the larger proportion of the taxes must be met by the property owner, what is to be the effect on the development of future trade?

To sink and equip a colliery to-day would cost more than twice as much as before the War, possibly three times, say two and a-half. It has been proved, as I stated before, that the return on the coal trade has been very moderate, and I think the average profit over a number of years was estimated at 1*s.* per ton. If, therefore, the 1*s.* was sufficient for the return which induced investors to put money into the coal trade in the past, and the capital cost is going to be two and a-half times as much, the profit will have to be 2*s.* 6*d.* to give the same return on the capital. This does not apply merely to new collieries but also to some extent to old ones, as collieries have now to be equipped very differently from what they were in the past as regards machinery, both for working the pits efficiently, saving labour and preparing the coals for market, and even if it is only a question of renewing existing plant the cost will be two or three times the pre-War figure, so that unless the Inland Revenue and the Coal Controller allow the whole of the renewals to be written off before arriving at the fixed profit there will be a constantly increasing capital account, and my fear is that if such a policy is pursued we shall get into the same position as we have on the housing question, and that is by limiting the return on houses we have made it impossible for any private owner to provide houses on an economic basis, with the result that very few houses have been built. Can you imagine for one moment what will be the position of the country in a few years time if all extensions are held up because the profit on coal is limited to a figure which will not give a reasonable return on the capital invested?

Before I leave the subject may I give you one illustration. If we proceeded with Thorne it is estimated that the further expenditure, without making provision for houses or coke ovens, would be £552,846. We have already expended £393,900, but the value of the work done, now that we are adopting an alternative method of sinking, is £377,333, a total of £930,179.

If this work were carried out and 6% interest on the expenditure were added during construction, assuming that the work already done could be carried out in two years, the total cost would amount to £1,700,000.

We estimate that the maximum output of Thorne will be 1,200,000 tons per annum. If we are only allowed to earn 1*s.* 2*d.* per ton this would give a return on our capital, taking nine years to develop the colliery, of 4.12%.

If we were to get 3*s.* per ton the return would only be a little over 10%.

The advantage in Thorne Colliery is that the cost is in the capital expenditure on the sinking and when the coal is reached you have, as far as we can judge, a thick seam which ought to earn large profits per ton as compared with the shallower and thinner seams which are worked in other parts of the country and where the cost is in the actual getting of the coal.

Further, we chose the Thorne site originally because, although we knew we were sinking to a great depth, it was peculiarly favourably situated as regards the export trade as compared with other South Yorkshire Collieries.

Bye-products.

With regard to bye-product or chemical works in connection with the collieries, the position is even more serious, as I believe we are only at the beginning of fresh inventions and discoveries with regard to products of coal, and if the coke ovens were to be included there would be no inducement whatever for research or progress to be made at the coke ovens which are connected with collieries. The capital which is invested in coke ovens throughout the country is enormous; this Company was particularly fortunate in having completed large installations in the years preceding the War, and we have been of immense assistance to the Government in providing them with materials for explosives and so on during the war. How important to the Government our supplies have been you will realise from the fact that we have supplied 4,000,000 gallons of benzol, toluol, &c., to the Government for making explosives during the War. It is a little difficult to separate the capital expenditure on new oven plants from the old coke ovens, as we made use of parts of the plant belonging to the old batteries, but I have taken out the figures as exactly as possible, and we have expended on coke ovens and chemical plants together about £750,000. The only assistance we have received from the Government is in regard to 15 ovens at St. Helens and a concentrated ammoniacal liquor plant towards which they provided two-thirds of the cost, but which has now been dismantled.

How large the capital involved is you will realise from the following figures:—

The cost of the complete new plant of 120 ovens which we erected at Bowden Close, including washery, benzol plant and the necessary accessories, but exclusive of land, was £213,000 or £1,775 per oven.

I have been given the figures for an installation which is entirely separate from any collieries or iron or steel works, which was finished just after the commencement of hostilities, and the cost was £1,901 per oven without a refined benzol plant.

The managing director of another firm, which more recently completed a new battery of ovens, told me that the cost per oven was over £2,500.

The price to-day to build ovens with all the necessary subsidiary plant is, I understand, at least £3,000 per oven—I have heard it put as high as £4,000.

My point is that this industry cannot be considered as a subsidiary part of the coal trade, and there is no more reason why it should be included than blast-furnaces and steelworks, which in some places adjoin the collieries.

Sir Auckland Geddes and the Coal Controller suggested that the coalowners should negotiate a revision of the Coal Mines Agreement based on Mr. Justice Sankey's award. If they had come to an agreement they would have been bound in honour to support it in Parliament, but they did not feel justified in agreeing to the terms recommended by the Sankey award, which they considered to be confiscatory and unjust, and I cannot but hope that Parliament and the nation will see that the coalowners are treated with simple justice.

Housing.

How little the Coal Commission knew what their recommendations entailed is borne out by their suggestion that 1*d.* per ton on coal raised should be applied for housing. I have looked into this matter carefully, and in Durham, where we have to provide a house or an allowance to the men, in the majority of cases the houses available limit the number of men we can employ, and as a consequence the output of coal, and if the output is reduced by the restriction of working-time and so forth, it will mean that houses must be erected either by the colliery owner or by the local authority. If it is the local authority a very large part of the cost will come back on the taxpayers or the ratepayers in the coal trade and other industries, so that it is really only camouflage and the real question is what is the economic rent of a house at the present time. Taking £450 as the cost of a house, which is a low figure, and assuming a rate of interest of 5½%, plus 1% for redemption, the economic rent would be:—

6½% on £450	£29	5	0 per annum
Add for rates, taxes (excluding income tax), repairs, empties, management, &c 33⅓% or 25% of gross rental	9	15	0
Giving a total of	£39	0	0 per annum

or 15*s.* per week.

According to the Durham custom, all married men are entitled to free house or house allowance except a few classes of labour on the surface. Each colliery house, in addition to the man who has the house free, provides accommodation for, on the average, ½ to ¾ of another worker. Assume that in the case of new houses there are two workers to each house.

The output in the United Kingdom for 1913 was 259 tons per person employed above ground and below ground—say 260; therefore the output per house would be 520 tons.

£39 divided by 520 gives a cost for housing per ton of coal worked of 1*s.* 6*d.*

If, on the other hand, you estimate the cost of a house at £550, which seems, as far as I can gather, a much more likely price, and assume that you only get 1¾ workers per house, the cost of the housing would be 2*s.* 1*d.* per ton.

These figures indicate the very serious nature of the problem with which we have to deal. The housing question is a national one, and I fail to see how 1*d.* per ton is going to touch even the fringe of the subject.

Pease and Partners cannot be considered to have been backward in providing houses, and have always adopted the policy of continuously improving their property. During the ten years before the War we spent £68,000 on the erection of new houses in connection with the collieries and the purchase of others, and, exclusive of ordinary repairs, painting, &c., £13,000 on re-modelling old houses, and even during the early days of the War we spent on the erection and purchase of houses £12,000. We had various schemes ready for going on with the erection of new houses, and also schemes for modernising a number of other houses which are antiquated, but if the State is going to become responsible for the housing of the people we do not think we should be justified in spending the shareholders' money in building a large number of houses for our workmen while we are taxed to provide houses for the workmen at other collieries and

in other industries. The housing of the people is far the most important social question before the nation at the present time, and I feel sure that the State will not be able to meet the requirements of the nation in any reasonable time, and until some scheme is adopted which will give confidence to private enterprise to build houses the arrears of houses required will not be overtaken.

I have told you before that the success of this country has been due to three facts—(1) that we have had the best labour in the world, taking it in its broadest sense; (2) security of capital; and (3) a climate in which it is possible to work more days in the year than any other country. I fear that no one can say that labour is as efficient now as it was in the earlier times; if the wild schemes with regard to Nationalisation and other projects that are before us are carried out, investors will not feel that they have got security of capital, and the sole resource we shall be left with is that we have a good climate for work if we wish to work.

One is apt to get depressed with all the difficulties and dangers of the moment, and it is only natural that both employers and employed should be on edge after the severe strain that we have passed through, but I have every confidence that although we may have difficult times to face we shall in the end win through.

There are one or two other matters which I have to mention. I am sure you will all agree with me that the directors have done wisely to elect Mr. Hustler as a member of the board. He is not only a pleasant colleague, but his wide knowledge of the coal trade and commercial matters generally will make his counsel most valuable.

The directors are also proposing that Mr. Joseph Pease should be elected to the one vacancy remaining on the board. He has been fighting for four years, chiefly in Gallipoli and Salonica. Prior to the War he had obtained his First Class Certificate as a mining engineer and was manager of our Bowden Close and Wooley Collieries; since he was demobilised he has been working in the office on the commercial side, giving special attention to our ironstone mines and limestone quarries.

Referring to the staff, I have to record the loss through death of two of our chief officials—Mr. Horsley, who had been with the Company for 53 years and chief salesman for the last 14 and who served the Company during the whole of that period most loyally and faithfully, and Mr. Christopher Heslop, the manager of Upleatham and Ayton Mines and until quite recently also of Lingdale, who had also served with the firm for 53 years. He never had any other employer, and was one of the best managers that Pease and Partners ever had; he had hardly any other interests than his work; he was popular with his men, and a man of great ability and resource.

I have again to emphasise the debt we are under to the officials of the Company for their efforts during the year which has been a period of great stress and anxiety.

With regard to myself, I wish to thank both the directors and the shareholders for the consideration shown me in allowing me to accept the honourable position at the Admiralty which was offered to me. I had the most intensely interesting, and, I hope, useful time while I was there, and received every consideration and assistance from my colleagues on the Board of Admiralty and the staff with whom I was closely in touch. It was necessary for me to stay some little time after the Armistice, as I could wind up with least loss to the nation some of the War works for whose initiation and construction I had been responsible, but having either completed or got these matters in trim I asked the First Lord to release me, and returned to my duties at Pease and Partners early in March.

I now formally move :—

"That the directors' report, the balance sheet, and the profit and loss account now submitted be received and adopted."

Lord Gainford's Speech.

Lord Gainford : Mr. Chairman, I beg to second the motion you have proposed.

I do not want to detain you after the very exhaustive speech of your Chairman, but there are just two points which he has not alluded to which I should like, if I may, to emphasise. When the Executive of the Mining Association was asked to give evidence I was authorised to put forward a scheme of a certain character, and we put it forward on our own behalf, believing that we had behind us not only the Executive of the Mining Association of Great Britain, but that behind us we also had the support of the shareholders. Now, I think it is due to you that if you are interested in the scheme which we have put forward that you should be able to read it in print as put forward on behalf of the coal trade. It has been published in a handy form by the Coal Owners and issued by the Coal Association, at Aldwych, London, W.C., so that anyone who would like to see the scheme *in extenso* can have an opportunity of securing it. I need not dwell on its details. It provides for the working of the mines with a view to securing the most economic coal production in the interest of the State.

The authority which is suggested as the sanctioning authority would be the Mines Department of the Home Office, to whom all questions of boundaries, barriers, pumping and other matters would be submitted, and would have compulsory powers to deal with these matters in the interest of the nation as a whole.

The other point is that we should try and find means of increasing wages not merely in raising prices upon which wages hitherto have been based, but by increasing the production of coal, and if this were done the miners are intelligent enough to know that that would do more to reduce the cost of production than anything else. If we reduce the cost of coal production they will profit in regard to the percentage basis. That is the scheme which we have put forward. It is a scheme not merely put forward as an eleventh-hour repentance on the part of the coalowners, but had been arranged with the miners of the County of Durham, and would have been put into operation before but for the fact that the miners as a whole went in for something else, and the miners of Durham remained loyal to their Union.

The question of nationalisation was very serious for the whole country. The Government last year did not meet their liabilities, and I see very little prospect of their meeting them.

In the coal trade the profits had gone down and operations had been very largely suspended in regard to development and working. The prospect is not at all encouraging so long as they remain under control. In the Supplementary estimates the Chancellor of the Exchequer has just asked for £26,400,000 as required from the taxpayers to meet a deficit in connection with the coal control. If the Government are going to take over the collieries under a system of nationalisation the output will cost more and there will be no profit. It would mean that stock would have to be issued in order to pay for the property taken over and upon that more taxes would have to be raised if the interest was to be paid. I do not think we are in a condition as a country to bear any increased taxation if industry is to be reproductive, and, therefore, so far as my voice can reach—I should like it to reach a wider public—I wish to say that if the Government are going to take over roads and transports, electric power, coal mines and railways, if they do so as a policy, honestly I can see the danger of certain bankruptcy sooner or later. The miners are not an unintelligent body of men, and I trust they will realise the situation. I only trust that Mr. Leslie Scott's speech which will be issued will be read giving the facts of the case.

The motion was then put and carried.

The Chairman next moved that the dividend be paid as recommended. This was seconded by Lord Gainford and agreed to.

Mr. Claud E. Pease, Mr. E. Lloyd Pease, and Mr. Arthur F. Pease were re-elected Directors, and the Honourable Joseph Pease was also elected a Director of the Company.

Messrs. Price, Waterhouse and Company were re-elected auditors.

An extraordinary general meeting was then held.

The Secretary having read the notice convening the meeting, the Chairman proposed the following resolution, which was seconded by Lord Gainford, and carried unanimously : "That each of the existing £10 shares be divided into ten fully paid £1 shares."

Sir John G. Harbottle proposed a vote of thanks to the Chairman and Directors of the Company, which was seconded by Mr. C. J. Coleby and carried unanimously. In response the Chairman expressed the thanks of his colleagues and himself.

J. LYONS AND COMPANY, LIMITED.

A RECORD YEAR.

THE twenty-fifth ordinary general meeting of this Company was held on June 11 at the Trocadero Restaurant, Shaftesbury Avenue, W.C., Mr. Montague Gluckstein (Chairman of the Company) presiding.

The Secretary (Mr. Geo. W. Booth) read the notice convening the meeting and the report of the auditors.

The Chairman, who was enthusiastically received, said : Ladies and Gentlemen,—This being our first annual meeting since the Armistice was signed, we may congratulate each other upon the glorious victory achieved by us and our Allies in stamping out, as I hope for ever, the peril to which we were exposed of becoming slaves to our enemy. But alas! the cost in blood has been such as to leave but few, if any, homes free from mourning the loss of someone dear to them. I am confident of your satisfaction with our year's showing; it is, in fact, our record year. You will have observed that this is the twenty-fifth anniversary of our annual meeting. In the first year the profits, subject to depreciation, were £11,404. This year they are, after providing for depreciation, £258,076. A fact of which we all are proud is that from the very birth of the Company right through up to 1914 the profits of each year overtopped those of the previous year, with one trifling exception. Then came the War, and for nearly the whole of its duration we experienced a diminished

profit. Now, however, we are making rapid headway towards what we all hope may be a permanent renewal of our prosperity, of which this year's figures are a happy augury. We know we have the confidence of our millions of customers, for they are ever growing more numerous. The great British public is an infallible judge of value. We are their servants and give them what they want—quality first and then honest value. Those have been the secrets of our success throughout all our history, and the policy will be strictly adhered to.

Tribute to the Staff.

Before entering into the details of the Company's figures for the year, I feel that we must all pay a tribute to the thousands of our valiant members of the staff who so nobly did their share in this greatest and most terrible of all wars. Over 4,000 of them joined the Colours. Unhappily, our records show that 200 men made the great sacrifice with their precious lives, and there is yet a number of whom we have not, and probably never will have, any records. Many hundreds also are badly maimed, and a large number will require time and care to bring back to them their former vitality and health. You and we can have nothing but admiration and pride for such a body of heroes. We are busy now with the still more grateful task of reinstating them as fast as they are demobilised. (Hear, hear.) They are not coming back as rapidly as we should like, but I am pleased to say that 1,279 have returned up to June 1 and have resumed their employment with the Company. (Hear, hear.) I should like to take the opportunity of saying here that until the claims of all our old servants to be reinstated have been satisfied we can give no ear to outside applications. Our men have the first call upon us, and will be found suitable employment as fast as they are able to resume by obtaining release from their military duties.

And now to deal with the figures before us. You will note that this year we have made a change in the manner of presenting them and have brought our accounts into a form more in accord with modern practice. The figure which appears first in the report—namely, the amount of profit—is a net figure after paying all expenses of every description and after paying interest upon our Debentures and Debenture stock and providing for depreciation of premises and plant. It thus shows a net figure available for distribution or for adding to reserve at discretion. This year you will see that we have added nothing to reserve from this profit, but that, after increasing the dividend to the Ordinary and "A" Ordinary shareholders, we have carried forward some £45,000, practically equal to the amount we last year set aside to reserve. I may mention in passing that, although the figure is not stated for depreciation, as hitherto, this has been provided for on the usual liberal scale, the figure being considerably larger than it was last year, and, of course, much larger than in any previous year.

Balance Sheet Figures.

I will now deal with the figures of the balance sheet, commencing with the property and assets. The first item, "freehold land and buildings, leasehold premises, fixtures, plant, machinery, fittings," etc., stands at £2,312,291, as compared with £1,940,383 last year. The additions made thereto have been occasioned by the acquisition of several properties—the property known as the Arundell Estate, which lies between the Trocadero Restaurant and our Coventry Street Corner House, land at Greenford for the purpose of erecting factories; the purchase of the freehold of our leasehold premises at Piccadilly, Manchester, etc. I shall have more to say about these later. The stock in trade now stands at £1,341,629, as against £945,847. This represents more increase in money than it does in goods, because, as you are aware, prices are higher in many commodities than last year, and, of course, with the colossal turnover of the Company it is necessary to maintain substantial stocks. Although this is such an enormous figure of stock it represents supplies for a comparatively short period of the year, and is sold many times over in the course of the year. The goodwill was written off many years ago. We simply bring forward the note on the balance sheet in order that you may be reminded that the assets are not swollen by anything of this character. Sundry debtors stands at £268,568, as against £80,274 last year. The great difference in this figure is mainly occasioned by transactions with our associated companies. The ordinary credit business of the Company is extremely small, and is no larger than it has been hitherto. The next item is investments in associated companies, &c., standing at £518,722. This includes the comparatively small figure of "sundry investments," which stood on the balance sheet last year at £69,752. An ample figure has been provided for depreciation of the sundry investments. Cash at bankers and in hand, £155,176, as against last year, £104,090, does not call for any comment. The additional sum, cash at bankers, £30,286 represents the amount paid in before March 31 on account of the applications for the proportional profit shares. I may mention at this point that this issue of proportional profit shares was largely over-subscribed. The amount paid in respect of it to date is, in round figures, £380,000, and there still remains the final call of 5*s.* per share to come in as on July 1, subject, of course, to payments in advance. On the capital and liability side of the balance sheet, the authorised capital is now £2,500,000, as against £1,650,000 last year, the difference being in the creation of 200,000 "A" Ordinary shares, 500,000 Proportional Profit shares and 150,000 Five Per Cent. Preference shares.

Capital and Reserve Account.

Now, as to capital issued, the Ordinary share figure at £400,000 stands as last year, there being still a small balance of £61 outstanding. Under war conditions we have taken no steps for forfeiture, but on the signing of peace we shall be compelled to take whatever proceedings may be requisite to clear this balance. In pursuance of the arrangements made last year 80,410 "A" Ordinary shares have been issued in exchange for shares in associated companies. The Five Per Cent. Cumulative Preference shares at £646,840 are increased by the issue of 146,840 out of the creation of 150,000; the Six Per Cent. Preferred Ordinary shares are the same as last year—namely, £400,000. The reserve account now stands at £840,000, as against £600,000 last year. The shares issued in exchange for those of associated companies were issued at a premium. Including the small balance from previous premium account the total available is £242,244 1*s.* We utilised the old £2,244 1*s.* further to write down plant, leaving a round figure of £240,000, which we transferred in its entirety to reserve account. The figures of the premium account are shown next on the balance sheet, and are as I have just stated.

Liabilities.

Debenture stock and Debentures are the same as last year, subject to the small sums written off in the ordinary course of redemption. Mortgages and advances stand at £390,981, as against £341,067 last year. The increase is of a temporary nature and will probably have disappeared before the next balance sheet is presented to you.

The Bank loan of £250,000 is an increase of £175,000 on the figure of last year. In the absence of Treasury permission to make capital issues, the Company had to have recourse to its bankers from time to time during the War. With the issue of the £500,000 in Proportional Profit shares early in the current financial year this necessity is removed, and, as a fact, our Bank loan is now paid off, so that if we were making up a balance sheet at the present moment that liability would be non-existent. Trade and other creditors, bills payable, credit balance and reserves now stand at £894,778, whereas last year it was £460,824; the major part of this increase is due to the purchase of properties, which I have already mentioned, which were not completed at the date of the balance sheet, but as we were under binding contracts the vendors appear in our accounts as creditors for the several sums agreed to be paid. Included in the foregoing item are sundry provisions which we have made for accruing expenses such as repairs and renewals, which have fallen into arrear during the last five years, and which must be dealt with if we are to maintain our properties in good condition, and it was only proper that the profits of the years in question should bear their due proportion, and that the burden should not fall upon subsequent earnings. The ordinary trade creditors are, of course, larger than last year, but these are only in the normal way of business. Dividends unclaimed do not call for any comment. The item Proportional Profit share applications is the same figure as was given on the assets side of the balance sheet, and appears as a liability because until we allotted the shares the money received on application was not properly claimable by the Company. The profit and loss account I have already dealt with. This figure does not, therefore, call for further comment.

Properties Purchased.

In dealing with the first figure of the assets I referred to the purchase of certain properties and said I would deal with them later. I told you last year of our contract for acquiring the freehold of the Arundell Estate, adjoining the Trocadero Restaurant in Shaftesbury Avenue and also adjoining the Corner House in Coventry Street. It is a very valuable piece of land measuring some 34,000 feet. We are now engaged upon a scheme for the development of this unique site, which is intended for the extension of the Trocadero Restaurant and the Coventry Street Corner House. I referred to property at Greenford on the outskirts of London. There we have acquired a freehold site of 30 acres, where it is intended to erect factories for the relief of our factories at Cadby Hall. Owing to the great increase in the Company's business, which I have already mentioned, these factories are becoming very congested. They are not adequate to the Company's present requirements, and as we are looking forward to continued increase it is necessary to provide further factory space. The property in question is conveniently situated between railway and canal. It will be possible to receive and despatch goods by both forms of transport directly from the Company's own ground. In the one case we shall have our own siding practically coupled to the main railway line, and in the other shall have our own private dock. It is intended first to provide for the tea, coffee and cocoa sections of the business, thus enabling the factories at Cadby Hall now occupied by these departments

to be utilised for the preparation of the more perishable goods which must be manufactured and delivered daily to the Company's establishments and through our roundsmen. The State Popular Café at Manchester is another such item. That excellent property was held by us on lease. An opportunity to acquire the freehold on very favourable terms presented itself and accordingly we purchased it. The effect of this purchase is that, whilst we shall be paying no more per annum in interest and redemption than we have hitherto paid in rent, the entire purchase price will be paid off within 40 years, when the freehold asset will stand on our books as *nil*.

Memorial to War Heroes.

I now wish to mention another matter in connection with properties. I have already told you that over 200 members of the staff have paid the supreme sacrifice in the field. The debt we all owe to these brave men can never be fully discharged, and the directors carefully considered many suggestions for a memorial that would be a permanent record of their noble services to the country. It was felt that, could we inquire of those who are gone, they would ask for no fitter tribute to their memory than a piece of the dear land for which they died—for the enjoyment of those left behind for whose safety they sacrificed, willingly, I believe, man's greatest possession. I think the shareholders will agree that, in adopting this suggestion, we shall be carrying out some part of our obligation to our gallant dead, and at the same time conferring a considerable benefit on those who remain with us. It will also serve as a tribute to the loyalty and unrelaxing energy of the staff during the difficult years that are past.

Playing Fields for Employees.

With this object in view, therefore, the Company have acquired nearly 70 acres at Sudbury Hill—one of the most picturesque districts of Middlesex—the full use of which the directors have placed at the disposal of the staff as recreation grounds and playing fields. (Applause.) It has already been laid out with the requisite dressing-rooms, bathing facilities, etc., and this we have acquired with the intention of granting the free use of it to the staff. The provision of suitable means for obtaining fresh air and recreation is, I am sure you will agree, of vital importance to the employees of the Company. We feel it is a duty, and certainly it is a pleasure to endeavour to add to their health and to their happiness. (Hear, hear.) Prior to the War the staff had formed an Athletic Club, of which Club practically every male employee was a member. It is now intended to extend the Club to include the very large female staff, and, as the total staff numbers approximately 15,000 persons, it was necessary to have a site of considerable extent to be able to cope with their requirements in this direction. There are several cricket fields, numerous lawn tennis courts, bowling green, etc., ornamental gardens and large refreshment pavilion and premises suitable for indoor social amenities. We shall probably add substantially to its attractions in many ways. We believe it will be a great boon to the staff, who have received it, I may say, very enthusiastically; and we believe it will be an equal boon to the Company, and that we shall find the money laid out in acquiring this veritable park to be well spent. At a later date we shall hope the Club may be able to offer facilities to shareholders to visit to the grounds and see for themselves what has been done for the welfare of the Company's staff, who are thoroughly deserving of anything that can be done for them in this direction, for they have shown themselves to be devoted to the Company's service, and it is only due to their exertions that the Company is in the pre-eminent position it holds to-day. (Hear, hear.) With your permission I will take this opportunity of recording your and the directors' thanks for their services.

Additions to the Board.

Since the last annual meeting, when I notified you of our intention to increase the number of directors, we have added to the Board three of our young gentlemen who have each served many years of comparative apprenticeship in the Company's business and are thoroughly expert in their trades and capable men of business. They are Mr. Maurice Salmon, Major Montague I. Gluckstein, and Mr. Julius Salmon. In accordance with the Articles, these gentlemen retire at this meeting, and a resolution will be put in due course for their re-election. We have also added two gentlemen as employee directors: Mr. George Dee, who has acted as the Company's accountant during the past 25 years, and Mr. George A. Pollard, the manager of the Tea Agents' department, who has been in the service of the Company for 14 years. Their services, like those of many other members of the staff, are very highly valued by the board. These gentlemen, too, are retiring, and will be proposed for re-election.

Creation of New Capital.

You all know that it requires more capital to run a business to-day than ever before. I indicated our need for more capital when last we met. The figures I quoted you from our balance sheet are ample testimony of the fact. It is vitally necessary for us to remain in the best markets for buying, and we must continue our freedom to be able to hold from time to time large stocks of various kinds. Apart from actual consumables, the cost of plant, of buildings, wages—in fact, everything—has advanced to nearly double those of pre-war periods. For these reasons and to enable us healthily to expand our business, as we feel it can and should be done, we need more capital. Therefore we are submitting the resolution containing in the notice convening this meeting for the creation of £1,000,000 7% Preference share capital. I am quite confident of your giving as ready support to this as you have always given to our propositions as to capital—indeed, all our propositions. On our part we shall never fail you in watching, as we have hitherto done, over your best interests, and leading you, as we hope, from success to success. These resolutions will be proposed following the several resolutions which make the ordinary business of the meeting, and if they be adopted it is our intention within the next couple of weeks or so to make a public issue at a premium of 1s. per share, and, needless to say, due consideration will be given to shareholders' applications. (Applause.) I now beg to propose the following resolution: "That the payment of interim dividend at the rate of £20 per cent. per annum on the issued Ordinary and 'A' Ordinary share capital of the Company for the half-year ending September 30, 1918, be and is hereby confirmed; that the report of the directors and the balance sheet submitted to this meeting be and is hereby adopted; and that a dividend be paid for the half-year ending March 31, 1919, at the rate of 5s. per share on the issued Ordinary and 'A' Ordinary share capital of the Company." I will ask a shareholder to be kind enough to second that resolution.

The Twenty-fifth Anniversary.

Mr. John Balfour said he had great pleasure in seconding the resolution. He remarked that they had just listened to one of the most interesting speeches that had ever fallen from the Chairman of this great Company during the 25 years of its existence. This 25th anniversary marked a very memorable milestone in the life of the Company, and the report submitted was a highly interesting one. From what the Chairman had told them it was clear that the board were not only concerned with making money for the shareholders, but were very much alive to the welfare of the men and women who helped to earn the dividends. (Hear, hear.) He thought it would be unanimously agreed that the provision they had made, and had in contemplation, for the recreation and physical enjoyment of the employees was the right thing to do. (Hear, hear.) With regard to the proposed new capital, he would like to suggest that steps should be taken to enable



every man and woman in their employ to take up some of it. (Hear, hear.)

Mr. A. J. Wood said that in the past he had taken exception to what he had designated the ultra-conservative policy of the board in the matter of the distribution of profits, and he was therefore glad to see that this year the shareholders were receiving a larger proportion of the amount available. The outstanding features of the account, it seemed to him, were an increase in the value of the properties and assets of £1,486,327, that the goodwill had been entirely written off, that the reserve account had been raised to £840,000, or over 50% of the present paid-up capital, and that they were carrying forward £45,309, or £38,506 in excess of the previous year's figure. With these figures before them he ventured to say that Lyons and Co. was in a stronger financial position than ever before in its history. (Applause.)

Mr. J. P. Hurst inquired whether the Company had profited, and if so to what extent, from the purchase of the tea businesses of Horniman and Black and Green.

Mr. Jacobs said he was delighted to hear what the Chairman had said as to the allowances which had been given to the families of the Company's employees who had fallen in the War, and he also wished to express his cordial support of their policy of making provision for the recreation and happiness of the men and women in their employ.

Acquisition of Tea Businesses.

The Chairman, in reply, said that the crux of Mr. Hurst's question was whether the acquisition of the tea businesses which the shareholders assented to last year had been justified. Of course it had, and the directors had told the shareholders as much in the report, where they said that the business done by the associated companies had been satisfactory. To carry the matter a stage further he might say that a large portion of the profits made in the Horniman business had not been brought into the present accounts, so that there was something in hand for the current year. He further stated that not only had they sold more of Lyons's packed teas during the past year, but also more of both Horniman's and Black and Green's teas. With regard to the suggestion that the employees should participate in the issue of the new shares, he might say that the board had always given them first consideration in any issue, and in connection with the forthcoming issue of Preference shares they would be willing to help them to take up as many as they required by making them temporary advances.

The resolution was carried unanimously.

On the motion of Mr. S. Ponder, seconded by Col. O'Brien, Mr. I. Gluckstein and Mr. J. Browne Martin, the retiring directors, were re-elected.

The Chairman then proposed the re-election of Mr. Maurice Salmon, Major M. Gluckstein, and Mr. Julius Salmon as directors of the Company. He remarked that the board had always been inspired with the importance of introducing young blood into the business in order to keep it up to date, and it was with that object that they had brought the three gentlemen named on to the directorate. The new directors were no strangers to the business, having been with the Company ever since they left school, and served a long apprenticeship covering every department.

Mr. Dewey seconded the motion, which was unanimously adopted.

Mr. G. W. Booth and Mr. C. W. Oatley were re-elected employee directors of the Company; and Mr. G. Dee and Mr. G. A. Pollard were also re-elected employee directors, the Chairman explaining that the last-named gentlemen had been appointed since the previous meeting. He added that Mr. Dee had occupied the position of accountant to the Company for the past 25 years, while Mr. Pollard had for the past 14 years been manager-in-chief of the sales department of the cocoa, coffee and tea section of the Company.

Messrs. Turquand, Youngs and Co. were reappointed auditors.

The New Shares.

The Chairman next moved the following resolutions:—

1. That the capital of the Company be increased to £3,500,000 by the creation of 1,000,000 new shares of £1 each, to be called 7% Preference shares.

2. That the following provisions in regard to the said 7% Preference shares shall have effect, that is to say—

(*a*) The 1,000,000 7% Preference shares hereby created shall carry the right to a fixed cumulative Preferential dividend at the rate of 7% per annum on the capital for the time being paid up or credited as paid up thereon respectively, and such dividend shall be payable half-yearly on October 1 and April 1 in each year.

(*b*) The said 7% Preference shares shall rank both as regards dividend and return of capital to the extent of the amount paid or credited as paid thereon next after the 5% Preference shares in the capital of the Company already or hereafter to be created or issued and in priority to all other shares in the capital of the Company, but shall not have any further right to participate in profits or assets.

(*c*) The Company is to be at liberty from time to time to create and issue further 7% Preference shares ranking in all respects *pari passu* with the said one million 7% Preference shares.

(*d*) The said 7% Preference shares shall not confer on the holders the right to attend or vote either in person or by proxy at any general meeting of the Company, nor to have notice of any such meeting unless the dividend on such 7% Preference shares or any part thereof is and so long as it is in arrear for 28 days in any year, nor shall such 7% Preference shares qualify any person to be a director of the Company.

(*e*) That the directors be and they are hereby authorised to issue the said 1,000,000 7% Preference shares to such persons at such time or times and on such terms as the directors shall from time to time determine.

Mr. Alfred Salmon seconded the resolutions, which were carried unanimously, and a cordial vote of thanks to the Chairman, directors, and staff concluded the proceedings.

LOUISE AND COMPANY, LIMITED.

THE twenty-fourth annual general meeting of this Company was held on June 11 at Winchester House, E.C., Mr. Edgar Cohen (the Chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: If you take the assets and expenditure side of the balance-sheet you will find the usual reserves. The stock-in-trade has increased by between £2,200 and £2,300, and the debts due to the Company have been increased by about £4,000; this is due to the increased trading. The cash at bankers at the date of the balance-sheet showed an increase of a little over £5,000. Then, on the liabilities side of the account, you have an item of £55,000 loan from bankers. Since these accounts were made up, I am pleased to inform you, £5,000 has been paid off that item, and that will leave the sundry creditors standing at about the same figure as a year ago. The great feature of the account altogether is the improvement on last year of £8,572. A great portion of this was brought about by the trading from the date of the Armistice until the making up of these accounts on December 14. It is very gratifying to know that our trade is very much better than we have had it for a good number of years. I may tell you that the pre-War figures have been reached and passed, so that in the not distant future—next time we meet, I hope—the account will be one which will afford as much pleasure to the shareholders as it will to the directors. In the usual course of business we have had a good deal to contend with in the nature of increased expenditure all round. That is only natural, seeing that everything is tending that way. I may say that there is nothing in connection with the business at all that need give you the slightest alarm: everything is going on in its usual calm manner. Had I known, when the War first broke out, that it was going to last for a period of between four and five years, I should undoubtedly have advised the shareholders to put the Company into voluntary liquidation. Luckily for them I was unaware of it, and therefore we traded on. I could hardly have believed that we could have gone through such a period with so little disruption of business and so small a loss. The total deficiency over the period of 4½ years amounted to a little over £24,000, and this year, after payment of all expenses, the accounts presented show a profit of very nearly £1,300. This has been written off the figure which was standing to the debit of the account, and in the not very distant future we hope to get that wiped right off, and then we shall be in a dividend-earning position.

Mr. J. E. Hillbrook seconded the motion, which was carried unanimously.

The Chairman next proposed the re-election of Captain F. R. Brighten as a director of the Company. In doing so he remarked that Captain Brighten was a very hard-working man and was very anxious for the prosperity of the business. Those who knew him and who also knew the business realised how well he had served its interests.

Mr. Hillbrook seconded the motion.

FORESTAL LAND, TIMBER AND RAILWAYS CO., LTD.

THE thirteenth ordinary general meeting of this Company was held on June 12 at River Plate House, Finsbury Circus, E.C., the Hon. Sir Arthur Lawley, G.C.S.I. (the Chairman), presiding.

The Chairman said: Ladies and gentlemen,—Since our last meeting one event has occurred transcending all others in importance and magnitude—to wit, the victory of the Allies and the termination of the War. Several men belonging to the Forestal have served in various capacities, all with credit, some of them with distinction. Their names were published in last year's report, and I am glad to say that those who were wounded have now recovered, and that the one man who was taken prisoner by the enemy has returned safe and sound. A goodly number have already gone back to the Argentine, and it is our endeavour to secure for those who wish to return a position in the Company's service no less remunerative than that which they occupied before the War. All single men have been in continuous receipt of half their salary from the time they left Buenos Aires to join the Army, whilst to all married men three-fourths of their salary has been paid. It is with great regret that I have to record the death of Mr. T. E. Preston, my colleague on the board of directors, who for fifteen years was associated with

the Forestal Company or its predecessor. He had a lengthy and varied experience of the Argentine, and was able to render valuable services to the Company, of which I would here and now express my high appreciation.

The Balance Sheet.

Turning to the balance sheet, you will observe that, while the net financial result of our operations for the year 1918 is almost precisely the same as for the year 1917, there are certain variations in the items which go to make it up, to which I will call your attention. As was the case last year, the share capital account remains unaltered at £3,091,699, while the Debenture debt, as was also the case last year, shows a slight reduction due to redemptions. Depreciation account now stands at over £1,004,000 sterling, which has been built up entirely out of profits. General reserve account remains the same as previously, but we carry to special reserve account the sum of £150,000, bringing the reserve funds to a total of £1,522,924, or approximately 50% of the paid-up share capital. Sundry credit balances are up on the previous year by £406,893. This increase is represented, first, as to £244,000, by overdrafts at banks in Buenos Aires, it being the wish of the Treasury that we should finance our requirements in the Argentine from local banks as much as possible, and avoid making remittances from here so as to assist the exchange rate; and, secondly, by a larger amount due to the Commissioners of Inland Revenue for income tax.

Taking the other side of the balance sheet, you will observe that the first item, representing the value of your freehold lands, plant, &c., is up by £143,750. This increase is accounted for principally by the increased value of working bullocks, representing in number 5,000 and in value £40,000, by extensions to railways to the amount of £55,000, and by additions to fences, wells, and watering-places, alfalfares on the estancias, of £40,000. Investments are down by £23,467, which reduction is due to the sale of certain minor securities. The value of livestock is up by £59,477, due to an increase in the number of animals over the previous year by 6,090, the figures being 111,139 in 1918, against 105,049 in 1917. These figures include a certain number of cattle bought for invernada purposes, for which high prices had to be paid. Stocks of timber and extracts are down—timber by £216,529, and extract by £573,691—which reduction is caused by the diminution in quantity of our stocks. Our resources in War Loans, Treasury bills, and cash total £1,977,424. You will, I think, allow that the balance sheet discloses a financial position which is eminently satisfactory. (Hear, hear.)

The Profit and Loss Account.

Passing to the profit and loss account, the trading profit amounts to £1,146,614, as compared with £1,148,509 last year. London charges are £56,419, interest on debentures £147,913, and depreciation £126,823, leaving a balance of profit of £815,979, which, after providing £200,000 for excess profits duty, income-tax, &c., leaves a net figure of £615,979. This we propose to allocate as follows: To special reserve, £150,000; to the Preference shares, £186,058; and to the Ordinary shares, £279,921. On the amounts set aside to shareholders we recommend the payment of a final dividend of 6% on the Preference shares (making a 12% dividend for the year), and a final dividend of 12% on the Ordinary shares (making a total of 18% for the year), and, including the amounts carried over from previous years, we carry forward £48,777 to the credit of the Preference shareholders, and £146,310 to the credit of the Ordinary shareholders. This proposal is in accordance with the prediction that we would maintain a constant dividend at this particular rate. It will be apparent to you that in consequence of the high figure ruling for income-tax, there will be a considerable annual sum to be paid by the Company in respect of tax on the amount of profits placed to reserve and carried forward. With regard to excess profits duty, I am pleased to inform you that, on application made by your Board for an increase in the statutory percentage, the Board of Referees have allowed us a further 3% in respect of the manufacture of quebracho extract.

In my speech last year I mentioned that the selling price of extract for 1918 was lower than for 1917, and this remained so throughout the year. But although the average profit per ton was lower, we were able, by a substantial increase in the quantity sold, to maintain satisfactory results from this important source of our business.

Labour Troubles.

The element of uncertainty which has, during the year 1918, marked the progress of events in Europe, has been no less remarkable in South America, whether in the world of commerce, of labour, or of shipping. Our labour troubles began in August 1918 by a strike in our factories, the men demanding an increase of pay and shorter hours of labour. The strike was not of a very serious nature, and the men returned very promptly and unconditionally to their work on the assurance that their petition would have fair consideration. Ultimately the management granted increases of wages to the Company's workmen in every section, the scale increasing to a maximum of 30% and a minimum of 15%, and a satisfactory settlement with our own men was come to. Though from time to time there has been a recrudescence of labour trouble, we do not anticipate any serious trouble from our own people.

We are endeavouring to improve generally the conditions of life in and around our various factories. We are constantly adding to the number of our houses and improving their structure. We have increased the number of doctors, so as to ensure the presence of fully-qualified practitioners in each district. Our schools are from time to time being enlarged. We are encouraging the formation of clubs, &c., so as to increase the facilities for recreation of every kind. Thus we hope that we are leaving nothing undone to secure the well-being and consequent contentment of our men.

All this necessarily means an increased cost of working, not only in our wages bill, but also in other directions, and it is consequently inevitable that the cost of production, both of extract and logs, will tend to increase rather than diminish.

Railway Construction.

We have carried out a certain amount of railway construction, and have extended the system by linking up Colmena and Tartagal. We have also begun the extension of our railway line which runs north of Guillermina up towards the Delfino camp, from which we hope to extract a lot of valuable timber. Due to the scarcity of tonnage and the high rates of freight ruling, the export of logs, which has in other years been an important source of our revenue, was practically altogether arrested, only 1,204 tons being exported. The cutting of timber in the forests has been confined as far as possible to those areas which we hold under leasehold, under agreements which necessitate the cutting of the timber within a given period of time. A much greater quantity has been cut than we were able to move, owing to the congested state of traffic on the French Railway's Company's line—which is the only line serving the whole district—brought about to some extent by the imperious need, insisted upon by the Argentine Government, to meet the urgent demand for firewood. The extension of our railways, to which I have already alluded, will enable us at an early date to remove the cut timber from leased camps to the deposits on our own lands.

Tonnage Dealt With.

To give you an indication of the tonnage handled by the Company during the year, I may mention that over our railway and Decauville lines, and at our up-river ports, and at the port of Santa Fé, we dealt with some 962,000 tons of wood and extract, compared with 584,000 tons in the previous year. The sale of firewood assumed an important position during 1918, principally due to the practical impossibility of obtaining coal, which was severely felt in the previous year, and continued throughout last year. In this portion of our industry the movement averaged over 1,000 tons per day throughout the year, and, in addition to the direct profit arising from the sale, there are indirect benefits accruing from this source, to which I drew your attention in my speech a year ago.

Nothing in the direction of sales of land has been accomplished beyond the colonisation scheme, which has just come into active operation. Under that scheme we have disposed of land to the extent of some 4,000 to 5,000 hectareas in the region of San Cristobal and Polvareda, by the disposal of 21 lots of 200 to 300 hectareas in each lot, at from $50 to $60 per hectarea. It is a condition of the scheme that the colonists who take up the land shall be immediately responsible for the construction of a house, the putting up of fences, and the digging of a well, while on our part we supply cattle by instalments, but only when the colonists, who are all selected men, have fulfilled their part of the bargain. If, as time goes on, this scheme achieves for itself the success which we anticipate, we are prepared to extend it in other directions, and to that end other lands are now being selected which are likely to prove suitable for close occupation.

The reports from our estancias are very satisfactory, in spite of the fact that during the year 1918 considerable portions of our estate suffered from a severe drought. The Southern estancias purchased by us a few years ago are turning out to our entire satisfaction, having been put under alfalfa, which is coming up well and providing us with fattening camps fully adequate to receive all the cattle that we can breed in our northern camps. Indeed, we have this year been short of our own young steers owing to a decrease in the number of calves marked, so that we have spent a considerable sum of money in the purchase of invernada cattle. It is satisfactory to be assured that these lands are to-day reckoned to be of high value compared with the prices at which we purchased them. (Applause.)

The Calder and Mersey Extract Company.

Early in the year the opportunity presented itself to your directors to acquire a direct and substantial interest in the Calder and Mersey Extract Company, whose works are established at Ditton, near Liverpool, which is the largest manufacturing company in the United Kingdom of liquid quebracho extract and other tanning materials. We thus acquire outside the Argentine an additional source of revenue and adopt, in regard to the United Kingdom, the

same policy which has proved eminently successful in the United States of America. At the same time we establish our industry more and more as a British enterprise, and get into closer and closer touch with the tanning industry in the United Kingdom. (Applause.) Mr. Baldwin, your managing director, paid a visit to the Argentine during the autumn of 1918, and was successful in entering into a very important and satisfactory agreement with other manufacturers for the control and despatch of extract from the various factories to Europe and elsewhere. The agreement so successfully concluded should redound to the advantage of the industry in the Argentine and also of your Company.

Changes in Buenos Aires Board.

There have been certain changes in the constitution of the local board at Buenos Aires. To fill the vacancies caused by the lamented death of Mr. Victor Negri and the resignation of Mr. Ernest Jewell, we have secured the services of Mr. McKerrow and Mr. Gomez. The former is the head of the Anglo-South American Bank in Buenos Aires, while Mr. Gomez is an Argentine gentleman of high repute practising as a lawyer, who was at one time the Argentine Minister to Chile. I am confident that the presence of those two gentlemen on our board will be a source of great strength to the Company and do much to enhance its prestige. (Applause.) To the vacant chairmanship of the local board Mr. Berduc has been appointed. His name is well known in the Argentine as perhaps the ablest of the many able men who have filled the office of Minister of Finance. He is the author of our colonisation scheme, to which I have already referred, which has been received with general applause. I am glad to say that we have here to-day not only Mr. Baldwin, but also Mr. Lindop, our local managing director. (Applause.) His labours since he assumed the reins of office in Buenos Aires have been of the most arduous and difficult nature, involving the elimination of the alien enemy element and the practical readjustment of the administrative machine, and I should like to take this opportunity of conveying to him and to his colleagues on the local board the expression of our high appreciation of the admirable work which he has done in the interests of the Company. (Applause.)

Ever since the dawn of the new year the political sky in the Argentine has been overcast, and still the clouds hang darkly on every horizon. Strikes and lockouts have alternated. The transport service on the quays at Buenos Aires has been paralysed, and this paralysis has spread to the river transport and railway services. During the first quarter of the year shipments of quebracho extract to the United States of America were nil, and to Europe in very meagre quantities only. This is the more tantalising as the demand for the material is keen in every market of the world that is not still closed by the arresting hand of war. For the moment the prospects are much brighter, and unless we have to face unexpected disappointments we hope that in the matter of production and sales of extract our present record of successful years may remain unbroken. (Applause.) The Chairman concluded by moving the adoption of the report and accounts.

Baron Emile B. d'Erlanger seconded the motion, which was carried unanimously, and the dividends recommended were declared.

The Chairman afterwards stated that the board had under consideration a scheme for the re-arrangement of the capital of the Company. The main features were to extinguish the entire mortgage debt and to commute the participating rights of the Preference shareholders by issuing to them Ordinary shares as fully paid, which would yield them the same income as they enjoyed at present. An issue of Ordinary shares would be necessary to provide funds to redeem the debentures. Full details of the scheme would be announced at meetings of both classes of shareholders which would shortly be convened.

J. C. AND J. FIELD, LIMITED.

THE ordinary general meeting of this Company was held on June 12 at Winchester House, Old Broad Street, the Right Hon. Sir Harry S. Samuel, M.P. (the Chairman of the Company), presiding.

The Secretary (Mr. George M. Barker) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—Before I begin to talk business of any sort or kind, I want to express, and I do express—as we all do—my deep sense of gratitude that we are meeting here at last, after all these anxious years that we have gone through. I cannot say in peace, but, at all events, with that terrible anxiety which all of us have felt for the lives and safety of those near and dear to ourselves and to our friends, off our minds. At all events, that great load of anxiety has gone for the present, but the cessation of hostilities has nevertheless found us, shall I put it, in an anxious condition. I do not think it is saying too much to use the words "very anxious condition." You know perfectly well that when I met you at the time when we entered into a state of war I told you plainly that it was impossible to see very far ahead, and that it was necessary to take every possible precaution to meet things which might arise and which one could not foresee.

"New Conditions and Fresh Anxieties."

I am thankful to say that we have been able to do so successfully, but now that we come from the state of war into the state of peace I do not think I can express the situation better than by saying that exactly the same condition of affairs has arisen again. We have gone into a perfectly new world, with new conditions and with fresh anxieties, and unfortunately under a heavy load of debt. I do not say that in connection with our own business, of course; what I mean is national debt. There is the national debt over all of us, and all of us have largely increased taxation to face, and in addition to that there is very serious labour unrest throughout the whole of the civilised world. It is not very astonishing that we should have to face this state of things, because, after all, we have been in a state of suspended animation for four and a-half years. Everything has had to be more or less controlled; nothing has been going through the usual easy ebb and flow which takes place in peace-time. Suddenly that Government control is taken off, and no one knows exactly where to go or what to do, while the price of things fluctuates madly from day to day. That is the position that business firms have found themselves in at the end of the War, and we in "Fields" have to face exactly the same problems.

The Outlook.

There are anxious moments facing all of us. I, myself, have never been a pessimist. From the very first moment I joined "Fields" I always said we should get through it all, and we have got through. When we went into the War I never had the smallest anxiety as to what was going to happen; I was perfectly confident that the great valour and heroism of this Empire of ours, helped as it has been by our Allies, would pull us through, and I am equally sanguine as to what is ahead of us now. But we have to go very slowly and very carefully, and I say that we must proceed with infinite forethought and infinite care. I think it is my duty to speak clearly and plainly to you, because, with a load off one's mind, one is apt to become a little bit light-hearted. We see so much money being thrown about all round us that one begins to think that there is more money than ever there was before. There cannot be; there is no doubt that there is a great deal less money; the nation is living on borrowed money, and that is not a very sound financial position.

The Excess Profits Tax.

All of us are much more heavily taxed than we have ever been before in our lives. We all have to pay very heavily to the Government. Take our own case: I may tell you that last year we have absolutely had to pay £12,000 to the Government by way of excess profits tax, which is a much larger sum than we were able to distribute amongst our shareholders, many of whom unfortunately had for many years before the War been starved in regard to dividends. Still, "Fields" have lived through it; we have been able to pay every single thing and to pay our dividend in full. We are also able this time to tell you that we are going to put money to reserve and to proceed with the drawings in connection with our funded bonds. We are doing all that, although we have had to pay £12,000 by way of excess profits duty, which I am glad to note has now been somewhat reduced.

A Record Turnover.

In regard to our own affairs, I want to explain to you what has happened during the year. On November 11 we had the Armistice; then we went into the period of reconstruction. Now, our accounts are made up to March 31, while other businesses of a like character make up their accounts to December 31. I am glad to be able to tell you that we have had a record year so far as turnover is concerned. We have beaten last year's turnover, and if the accounts had been made up to December 31 instead of March 31, I should again have been able to put before you a record net profit as well as a record turnover. It is to explain this that I am drawing your attention to the date of the Armistice—November 11. Shortly after the Armistice was declared business began to fall off; people naturally reflected that they had stocked themselves fully up with soap and candles and things of that kind, and expected that now we had entered into peace prices would probably fall. The result was that unquestionably there was an immediate slump in business, and there was more than that. Where you have large contracts you have to provide yourself with raw materials to carry them out, especially when these contracts are for national necessities for the Government. The natural result of the Armistice was that all contracts must cease, as they did cease, and those who were protecting the nation found themselves left with heavy amounts of raw material. The Government control was taken off, with the natural result that prices of raw material went down. I am simply explaining to you what we have had to contend against in the way of difficulties since November 11, and that is why I say to you again that if we had been able to make up our accounts at December 31 we should have shown to you a record net profit, as well as a record turnover.

The Balance-sheet.

I am giving you all these details because it is my duty to do so, and it is right that you should have them. As to the balance sheet, however, I think that really it speaks for itself. There is nothing in it to which I need draw your attention. Last year I told you that our bad debts were a fraction of a penny in the pound. This year they practically do not exist at all; in other words, we had no bad debts. Therefore, if we had a record with regard to bad debts last year, we have beaten that record again. The plant and machinery has been liberally depreciated. I have nothing to say to you except that, as Chairman of the Company, and a very anxious Chairman, and one who expects and hopes a great deal, I am perfectly satisfied with the balance sheet. I certainly should have liked to have shown you another record in the way of net profits, but, taking all things into consideration, I think we must be perfectly satisfied with what we have got.

Loyalty of the Staff.

As usual, we owe a deep debt of gratitude to our Manager and, in fact, to the whole of our staff for their work. Without their absolute loyalty and without their co-operation I do not think it would be possible for a Company of this nature to be carried on successfully. I must also say that we likewise owe a very deep debt of gratitude to those splendid fellows of ours who went out and fought for us and helped to win the great victory which ultimately fell to the lot of the Allies. I am quite certain no thanks are more due than they are to those men. Personally, I am meeting you with a very great deal of pleasure, and I only hope that as the years go on we shall be more and more successful.

Conservative Policy to be Continued.

I think we are on a perfectly sound basis, and I think we are proceeding on perfectly sound lines. I am ambitious for the future, but I shall pursue the same conservative policy which has brought us through our very difficult times. You have been good enough to trust me and to trust the board through all this period, and I hope and think that you will have no reason to be dissatisfied. I wish also to thank my colleagues, one and all, for the support they have always given me. I now beg to move the adoption of the balance sheet and report, and I will ask Mr. Campbell to second that.

Mr. J. D. Campbell seconded the motion.

Contingent Liabilities.

The Chairman, in reply to questions, said that they had already wiped out £14,000 of the contingent liabilities. When they reflected that they had achieved that during the war years, and in addition to that they had paid those very large sums for excess profits duty to the Government, they had not done so badly. With the £3,000 they were redeeming this year the contingent liability would have been brought down to £23,000, in place of the original figure of £37,000. The directors had always that item before their minds, and he hoped that before long they would be able to devise some scheme of getting rid of it altogether.

The motion was put to the meeting and carried unanimously.

Resolutions sanctioning (1) the payment in full, less income tax, on the Preference shares; (2) a dividend of 5%, less income tax, on the Ordinary shares; (3) the redemption of funded bonds to the extent of £3,000; and (4) the placing of £2,000 to the reserve fund were unanimously approved.

The retiring director (Mr. Joseph Gee) having been re-elected, and the auditors (Messrs. Smallfield, Rawlins and Company) having been reappointed, a hearty vote of thanks to the Chairman, directors, Manager, and staff terminated the proceedings.

JOHN I. THORNYCROFT AND COMPANY, LIMITED.

The adjourned general meeting of the members of this Company was held at Winchester House, Old Broad Street, E.C., on June 13, Sir John E. Thornycroft, K.B.E., M.Inst.N.A. (Managing Director), presiding.

The Chairman, in moving the adoption of the report and accounts for the year ended July 31, 1918, said that the profit, after deducting the estimated liability for munitions levy, excess profits duty, and income tax, was £101,723, as against £109,794 for the previous year. After paying Debenture interest and dividends, the directors recommended a transfer of £25,000 to reserve account, and a contribution of £5,000 to the benevolent fund, leaving a balance of £46,902 to be carried forward, as against £26,546 brought in from the previous year. Dealing with the shipbuilding and ship-repairing business which was carried on at the Company's Wooliston Works, Southampton, he said that during the War this branch had been responsible for the construction of the third largest output in the country of destroyers and destroyer leaders, and, as regarded the indicated horse-power of turbine machinery for this class of vessels manufactured at the works, the Company occupied second place of all firms in the country. Not only had they been able to handle this large output of destroyers and destroyer leaders and their engines, but they had been working on a different basis to most of their competitors, in that they had been allowed by the Admiralty to build to their own designs—a policy which had resulted in improvements in the design and performance of the vessels, which their Lordships had appreciated, as was shown by a letter (which he read) received from the Secretary of the Admiralty. In addition to the destroyer work to which he had referred, they had built some submarines, submarine engines, and other odd craft, the most noteworthy perhaps being the "Q" ship *Hyderabad*, which had been described at considerable length in the Press, and which, due to her specially designed shallow draught, was practically immune from the enemy's torpedoes.

The Southampton Works.

The Company's Southampton works had also undertaken a very large amount of ship-repair work during the War, some 525 vessels having passed through their hands for this purpose. They had now a number of destroyers under construction at Southampton, which would be finally completed during the next year. The yard had been much extended and its facilities increased, and there appeared to be no reason why the Company should not be able to undertake the construction of the smaller type of merchant vessels. As to ship-repair work, they had erected new premises in the Southampton Docks to deal with this class of business, and, unless anything unforeseen happened, the directors were of opinion that it should be a useful and profit-earning part of their work in the future, as it had been in the past. At the beginning of the War, and for two years thereafter, the Company was supplying quite a large number of engines of various powers to the Admiralty, War Office, and other Government Departments. During the latter part of the War, however, practically all the Company's energies had been centred on the coastal motor boats. This business had been handled from London, and owing to the difficulties as regarded facilities for building wooden boats and the extreme urgency for delivery of the boats, it became necessary for the Company to employ a considerable number of sub-contractors. The whole programme was placed in the hands of John I. Thornycroft and Company, as it was recognised that to get satisfactory results it would have to be handled by a specially trained staff such as they had at their disposal. The marine motors built for other purposes and for the coastal motor boats were undertaken at the Company's Basingstoke works, and in this connection they undertook the manufacture of the Thornycroft depth-charge thrower—an invention of their own which proved to be one of the most successful weapons in anti-submarine warfare.

Motor Vehicles.

During the War the Company supplied for war purposes close upon 5,000 motor vehicles. These supplies to the War Office consisted, after the first months, of the "J" type lorry—a vehicle which had proved so satisfactory that it was almost true to say that the design had been scarcely modified as a result of War experience. In conjunction with Lord Montagu, the Company also evolved during the War a special design of vehicle, type "X," suitable for Indian conditions, which had also proved suitable under peace conditions for other overseas countries. The Company's sales organisation had been arranged for some time previously, and was ready directly they were free to sell. Thanks to this, they had done a very large amount of business, and were continuing to take orders for deliveries more than a year ahead. In addition to their works at Southampton and Basingstoke, they had vehicle repair depôts in London,



Manchester, Leeds, and Glasgow, and these, coupled with the repair facilities of some 60 agents in the United Kingdom, offered the most complete and comprehensive facilities for the supply of spare parts and repairs to purchasers of the Company's vehicles all over the country.

Sir Edwin Grant Burls, C.S.I., seconded the motion, which was carried unanimously.

BRITISH, FOREIGN AND COLONIAL CORPORATION, LIMITED.

The eighth ordinary general meeting was held on June 12, at the registered offices of the Corporation, 57 Bishopsgate, London, E.C. 2, Lord Hindlip presiding. The following is the official report :

The Chairman, in moving the adoption of the directors' report and accounts, said : Gentlemen,—Before dealing with the usual survey of our year's work I wish to make a few remarks concerning the accounts, which, as you notice, are drawn in exactly the same way as in previous years. On the debit side the item of "sundry creditors and loans" needs explanation, as you may think that it is unduly large. Out of the £420,000, £400,000 represents two special loans which we negotiated in connection with the pool in Dunlop shares. Those of you who have participated in the pool know that we financed £3 per share on all shares taken up by our clients, and in order to cover ourselves we had recourse to our bankers. These loans have since been liquidated. This explanation, of course, relates also to the item of "loans" in "sundry debtors." The other item under the same heading—namely "General," also on both sides of the balance sheet—represents transactions we are carrying out for our clients; it is money owing to us from them where stocks have not yet been delivered, and *vice versa*. The usual trade creditors and debtors of the Company are also included in these items, but represent only a very small amount of the total. Our securities stand at £90,000, and are valued in the usual conservative way which we have adopted for past years, and can not only be easily realised at the amount shown in the balance sheet, but at to-day's market prices, which show a substantial surplus. In this item, therefore, there is a reserve for contingencies. The year's profit is practically the same as last year, but there may be a liability for excess profits duty; if so, the liability will probably not be more than two or three thousand pounds. For the third year in succession we propose to pay the same dividend of 9 per cent. on the Ordinary shares and 3*s*. per share on the Deferred shares of the Company. The gross profit for the year is somewhat larger than in the previous year, but expenses have also increased.

Successful New Issues of Capital.

The year 1918 has been the most anxious one in our experience since the Company was established, and we need only cast our memory back to the events of a year ago to appreciate what I mean. A heavy additional call was made on our male staff by the calling up of every available able-bodied man for service, and their replacement became increasingly difficult. At the same time, most urgent calls were made upon our services by the fact that many of our clients who had to perform military service left their investments in our hands to look after during their absence. The Armistice only came towards the end of our financial year, and, if anything, tended still further to disorganise business; it is only during the current year that the beneficial effects of the cessation of hostilities are beginning to be felt in financial matters. During the past year we have made some successful new issues of capital with Treasury consent; these were largely over-subscribed, and promptly attained a substantial premium. Now that Treasury control has virtually ceased, competition in this line of business has greatly increased; still, as you all know from the offers we have been able to make to you during the past few months, we have not been idle in this branch of our business, and have continued to enjoy unbroken success in our new issues, so that we can look back on 22 successive issues, representing over three millions of new capital, being largely over-subscribed.

Further Growth of Business.

The gross turnover of our business has also increased so considerably that, although we have the most ample facilities from our bankers, to whose unfailing courtesy and help I wish to pay tribute, we have come to the conclusion that it is time to increase our capital. We are consequently making arrangements to issue the balance of our authorised capital, roughly £100,000 in 5*s*. shares, at a small premium. We have a very long waiting list of clients who wish to become shareholders, and we have decided to give an opportunity to these clients to take up the majority of the available capital, but we must reserve a certain amount for the few important financial friends whose support we value. We have decided not to accept subscriptions for less than £100 worth of shares. A prospectus in pamphlet form has been prepared dealing with the "Origin, purpose and position" of our Company, and this, accompanied by a letter giving a *résumé* of the position, will be sent to certain of our clients, and also to such of the shareholders who intimate their desire to receive it. As a proof of the further growth of our business, I may mention that the securities held by our clients and entrusted to our care now amount to well over £12,000,000, and in comparison with previous years there is a marked increase noticeable in investments in purely British securities; as far as Colonial securities are concerned, they remain fairly steady; but foreign securities have declined.

Major H. Maitland Kersey, D.S.O., seconded the resolution, which was carried unanimously, and the proceedings terminated.

NEW TRANSVAAL CHEMICAL COMPANY, LIMITED.

The twenty-third ordinary general meeting was held on June 6 at Winchester House, Old Broad Street, E.C., Baron Emile B. d'Erlanger (the Chairman) presiding.

The notice convening the meeting was taken as read, and the Secretary (Mr. J. M. B. Stubbs) read the report of the auditors.

The Chairman: We have had another very prosperous year, and can, therefore, both congratulate and are under the duty of thanking our staff in Johannesburg and in Natal for the strenuous work and zeal they have displayed on our behalf. We have had a succession of very prosperous years, which are really only a continuation of the long record of prosperity of this Company ever since its inception. As in all other human affairs, in the course of some 25 years we have had one or two bad years, but you cannot expect things to be always at the very height of prosperity. I am looking forward to a little falling off next year, although I do not think it will affect the shareholders very much. It must be taken into account that at the time the Armistice was proclaimed those engaged in all industrial enterprises—and all industrial enterprises live one upon the other—had made their preparations for the continuance of the War, and had stocked themselves so as to be safeguarded against the perils of the future. Therefore, we must expect the people who had been buying our candles and soap to live on their stocks for a certain time and to exhaust them before entering into any new large purchases and commitments. The falling off in all businesses of this kind was very great immediately after the Armistice, amounting in some cases to even 50 per cent. or more, but the ground is gradually being recovered, and sales are again creeping up. I have used the word "creeping," though I might say it is faster than creeping. I am convinced that this Company is assured of a great many prosperous years, and that the firm of Levers will reap all the benefit they deserve from their enterprise in joining hands with us. I beg to move: "That the report and accounts now presented be, and the same are, hereby received and adopted."

Mr. Cæsar Schlesinger seconded the motion, which was carried unanimously.

Resolutions were also passed authorising the payment of dividends, making a total distribution for the year of 6 per cent. on the First Preference and 8 per cent. on the "A" Preference shares, and of a dividend at the rate of 20 per cent. per annum on the Ordinary shares.

The Chairman then moved the re-election of the retiring director, the Hon. Cecil A. Campbell.

Mr. Schlesinger seconded the motion, and the proceedings terminated.

UNITED SUMATRA RUBBER ESTATES, LIMITED.

The tenth annual ordinary general meeting was held on June 12 in the Council Room of the Rubber Growers' Association, 38 Eastcheap, E.C., Mr. P. E. Hervey (Chairman of the Company) presiding.

The representative of the Secretaries (Messrs. M. P. Evans and Co.) having read the notice convening the meeting and the report of the auditors,

The Chairman said: As foreshadowed at our last meeting, exchange during 1918 has been a disturbing factor and has caused us no little anxiety. Opening in January at about Fl.10.82, it steadily declined until in August it touched the neighbourhood of Fl.19.15—a low figure. This, however, does not affect our 1918 figures, as the improvement in the position took place too late for that, but it should be of assistance to us during the current year. The amount of rubber crop from the Company's estates, as detailed in the report, was 868,723 lb., being about 130,000 lb. less than that for 1917, and it is a source of disappointment that the reduction was necessary. I quote a few figures for what they are worth, but as they are mostly abnormal, owing to war conditions, they are of little value for comparison with previous accounts. Taking them in their order in the profit and loss account, they are : Estate cost, 11.50*d*. per lb.; income tax in Sumatra, absorbing £4,989—a reminder that taxation follows us round the world—is 1.37*d*. per lb.; war risk insurance—an item which, I trust, has disappeared for good—is .42*d*. per lb.; London charges, .41*d*. per lb.; and depreciation, .55*d*. per lb.; together, 1*s*. 2½*d*. per lb., and, adding an estimated figure for account sale charges, including freight and warehousing, the "all in" cost to London would be estimated at 1*s*. 5½*d*. per lb.

The area under rubber has been increased by another 100 acres on Serapoh Estate, and the figures for the separate

estates are Bangoen Poerba 1,810 acres, Serapoh 1,292 acres, and Tanah Abang 560 acres, a total of 3,662 acres, all of this being in tapping except about 300 acres in Serapoh. As to the condition of the estates, it is satisfactory to know that the visiting agent reports them to be in good order, and, with the exception of a small area of about 90 acres on Serapoh, which grows but slowly, the trees are well developed. I spoke of the estimated cost of the production of rubber at 1*s.* 5½*d.* per lb., and the gross price landed in London is estimated at 1*s.* 10½*d.* per lb., the actual net price, after deduction of charges, being 1*s.* 7.11*d.* per lb.—a big drop on the 1917 price—but in the circumstances it may be said that a fair average was obtained for the year's crop. I am glad to say that, although the fates have been against us, the profits justify a moderate distribution. The profits and loss account shows a profit of £17,410 on the working of the year, but as this is far below the standard of excess profits duty, in respect of which the Company has previously paid duty to a large amount, we have put in a claim on the Inland Revenue to the extent of £13,832. This amount has been agreed with the Surveyor of Taxes, and I expect will shortly be repaid to the Company. The total at the disposal of the Board would then, with the amount brought forward, be £43,221, from which we recommend a dividend of 16⅔%, so absorbing £18,333, less income tax. To reserve there would be a transfer of £8,500, and provision for income tax will require £4,500, leaving a balance of £11,888 to carry forward. For the reasons already stated, the dividend is somewhat smaller than that paid in previous years, but we may look forward with some confidence to better times, bearing in mind the good condition of the property and its high yields of rubber and cocoanuts and the general improvement in market prospects, which should come about when the economic position is restored. Mention is made in the report of the Board's desire to increase the issued capital, and it is proposed, as soon as the sanction of the Treasury can be obtained, to offer the remaining 100,000 shares, representing £10,000, the balance of the authorised capital of £120,000. The new shares would be issued at a premium of 4*s.* per share, making a total of 6*s.* per share.

Mr. H. D. Arbuthnot seconded the motion, and the meeting closed with a hearty vote of thanks to the Chairman, directors, and to the staff in the East.

BUKIT PANJONG SYNDICATE, LIMITED.

The thirteenth ordinary annual general meeting was held on June 12 at the registered office, 107 Fenchurch Street, E.C., Mr. Charles Blair presiding.

The representative of the agents and secretaries (Messrs. Taylor Noble and Co.) having read the notice convening the meeting and the auditor's report,

The Chairman said: Dealing with the accounts, the profit earned for the period now under review amounts to £8,468 18*s.* 11*d.*, equivalent to over 19% on the Syndicate's capital, compared with £21,593 13*s.* 11*d.*, for 1917, equivalent to 50¼%. The decrease in profit is caused by smaller yield, owing to voluntary restriction of crop, lower selling price, and extra cost of production. The cultivated acreage of the estates remains the same as it was last year at 1,795.70 acres. The capital cost of the cultivated area of our estates works out at the equivalent of £24 per acre. The balance of profit and loss account, after writing off depreciation of buildings and machinery, is £8,468 18*s.* 11*d.*, to which has to be added the balance of 1917 profit and loss account shown in the appropriation account namely, £20,312 17*s.* 2*d.* From this we have to deduct £10,981 for 1917 excess profits tax. This leaves us a balance of £17,800 16*s.* 1*d.*, and after deducting the 5% dividend paid in November 1918, which absorbs £2,142 10*s.* 7*d.*, there is a balance left over of £15,652 5*s.* 6*d.*, out of which, with your sanction, we propose to pay a final dividend of 10%, free of tax, making the dividend for the year 15%. There will then be left over £11,355 4*s.* 4*d.*, subject to excess profits tax for 1918, the amount of which has not yet been adjudicated, out of which we also propose paying off £5,000 of the loan account of £9,550.

The total crop of dry rubber harvested amounted to 426,818 lb., 371,928 lb. of which have been sold in London and Singapore at a gross average of 1*s.* 10.16*d.* per lb. The net price realised, after deducting loss of weight and all sale and warehouse charges, is 1*s.* 8.90*d.* per lb. The stock of 56,890 lb. unsold has been taken into the accounts at cost. The cost of rubber c.i.f. Port Swettenham, including harvesting, transport, superintendence, upkeep, freight and general charges, amounts to 1*s.* 0.63*d.* per lb., compared with 9.10*d.* per lb. in the previous year. As I have already stated, the extra cost is due to restricted output, lower selling price, and increased cost of all materials required for harvesting crop. The "all in" cost, including depreciation, amounts to 1*s.* 3.07*d.* per lb., against 1*s.* 0.24*d.* per lb. for 1917. The estimated crop for 1919 is 580,000 lb. It has always been our custom to sell a certain proportion of our crop forward to meet estate expenditure, and we have sold the following for forward delivery for this year. For 1919, 5 tons per month at 1*s.* 10½*d.* per lb. ex store Singapore, for delivery March-December; for 1920, 5 tons per month at 1*s.* 10*d.* per lb., ex store Singapore, for delivery January-December. Sales for 1921 are 5 tons each month at 2*s.* 1*d.*, delivered London, January-December. Colonel Fox visited the estate in January 1919, and was thoroughly satisfied with the condition of it.

The excess profits tax for 1914 amounted to £1,172; for 1915 the tax amounted to £12,010, equivalent to over 27% on our issued capital, and over 5*d.* per lb. of rubber harvested that year. In 1916 the amount we had to hand over was £14,300 18*s.* 10*d.*, and for 1917 the amount was £10,918.

Mr. Richard C. Wright seconded the motion, which was carried unanimously, and the proceedings terminated.

PELMADULLA RUBBER COMPANY, LIMITED.

The fourteenth ordinary general meeting was held at the Council Room of the Rubber Growers' Association, 38 Eastcheap, E.C., on June 12, Mr. John McEwan (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: Our last annual meeting was held on September 12, so we have been able to shorten by three months the interval of time between the close of our trading year and the presentation of accounts. As the influence of war exigencies lessens, I trust we may be in a position next year to call the shareholders together by the middle of April, as was the case in 1914. When addressing you last I called attention to the very large amount of money the Company had paid in taxation to the Imperial and Colonial Governments—viz., £94,937—in the four years 1914-17, against £80,598 received by the shareholders. It is satisfactory to know that for 1918 the proportions are altered and that we are able to pay a dividend of 27½%, against one of 20%. The reduction of the Ceylon export duty as applied to the whole of our crops (whether sold in the Colony or shipped home) amounted in the year to £2,320, and our liability for home taxation fell in proportion to our reduction in net revenue. The relief to be expected during 1919 by the excess profits duty being only 40% instead of 80% upon all our earnings over the pre-War datum line will, we hope, add substantially to our possible distribution from the current year's working.

Fall in Profits.

On comparing the revenue account with that for 1917 it will be seen that our profit fell from £51,300 to £33,600, the difference being almost entirely on the credit side. The prices obtained for both our products showed a substantial reduction, while our rubber yields were voluntarily cut down in accordance with the general arrangements I described to you at our last meeting. Our tea yields over all showed an increase, but Geragama Estate indicated the effect of replacing tea by rubber by a considerable falling off in the volume of the tea crop. Our expenditure at Nilagama was rather higher than formerly, and the cost of bringing home and realising our produce in general continued on the War scale. That the figures shown in the accounts for these items



That is all that is necessary to start immediately the

Lister-Bruston

AUTOMATIC

Electric Lighting Plant

At once the simplest, most efficient and most reliable system of electric lighting, and offering all the advantages of direct lighting, whilst eliminating the disadvantages of the heavy accumulator plants. It will not only light your house with the minimum of trouble and expense and the maximum of comfort and efficiency, but will provide power at any time for pumping, cooking, vacuum cleaning and other purposes.

Write for Catalogue and Estimate to the Sole Makers:

R. A. LISTER & CO., LTD.

Dursley, Glos., England.

(Established 1867)

London Office (where plants can be seen at work):—
47 VICTORIA STREET, WESTMINSTER, S.W. 1.

are less than before arises merely from the fact that we sold so large a proportion of our crop for delivery in Ceylon.

Allocation of Profits.

You will observe that we propose to set aside sums of money as formerly for various reserve funds, and the directors consider that the provision for all of those is at present reasonably adequate. We have in hand as reserve for coast advances about half the total of these, which brings our average per head down to Rs.27.75, a very moderate figure. Our development reserve, if written off our capital expenditure, would reduce the latter to some £6,000 under the total of our issued capital. Our taxation reserve is referred to specifically in the report, and there are contingent claims on the Inland Revenue authorities for which no credit has been taken that may result in ultimately improving the position for the shareholders.

Prospects.

Our estimates are for a substantial increase upon both our crops, and should we have no unforeseen contingency, such as the influenza epidemic of last year, they are likely to be realised. Tea is at present selling at satisfactory prices, and if these continue throughout the year it will help us materially. We have sold forward about half our estimated rubber crop at prices that should yield us nearly the same net per pound as our average for 1918. The cost of transit and insurance is now considerably less, and we hope it may fall still lower. There is rather a serious point against us in the current rate of exchange—viz., about 1*s.* 8*d.* per rupee, against a normal for many years of 1*s.* 4*d.* per rupee. This adds most seriously to our cost of production, and unfortunately the high price of silver affords little ground for looking to a possible reduction in the rates now current. Ceylon is handicapped in this way as against Malaga, where the exchange has been maintained at about the previous level.

Condition of Estates.

I must direct your attention to the remarks of Mr. Forsythe, a very experienced planter of sober judgment, whose visit to Pelmadulla was one of the last he paid before leaving the island; and when he states, after viewing many properties, that our "1905 plantings are, without exception, the finest rubber I have yet seen," he gives us encouragement to hope for much greater things than we have yet experienced. His report is very valuable, as he knows our estates well and, coming after an interval in visits of three years, bears the highest testimony to the work of Mr. Ingram and his staff in doing originally what was good work and in successfully maintaining things at a high level throughout all the trying times of the War. The War has interrupted the various schemes of the Rubber Growers' Association for fostering and encouraging new applications; but these are now being resumed, and your board are prepared to give liberal assistance to those initiating and carrying out anything of the kind, in the firm belief that work of the sort is likely to prove more lasting and profitable than attempts to bolster up prices by restrictive combinations of producers.

Mr. T. G. Hayes seconded the resolution, which was carried unanimously, and the proceedings terminated.

LONDON ASIATIC RUBBER AND PRODUCE CO., LTD.

THE eleventh ordinary general meeting was held on June 13 at the Rubber Growers' Association, 38 Eastcheap, E.C., Mr. H. J. Welch (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report, said: We have spent during the year rather more than £9,900 on estate development, and about £4,650 on buildings, machinery, and furniture. The sum of £6,158 has been written off the various capital items for depreciation and charged against revenue, leaving—after a small adjustment—net addition to capital account of £8,317. The crop harvested during the year was 1,177,919 lb. The yield was at the rate of 297 lb. per acre in bearing, against 407 lb. for the previous year. This decrease was due to the restriction of output and the influenza epidemic. The yield per tree was slightly lower at 4.37 lb., against 4.62 lb. The f.o.b. cost was 1*s.* 1.64*d.*, against an equivalent figure of 1*s.* 0.28*d.* last year. The smaller crop is responsible almost entirely for the increase. Included in the cost of production are substantial sums for cultivation, the thinning out of over 15,000 rubber trees, and the expense incidental to the manurial experiment on Simpang Estate. The net price realised for our rubber was 1*s.* 8.38*d.* per lb., against 2*s.* 1.55*d.* last year, the profit per lb. being 6.74*d.*, compared with 1*s.* 1.27*d.* The net profit for the year was £36,367, against £91,931 for 1917. The causes of this fall in the profits are well known to you. They were general, affecting the whole industry and not particular to this Company. An interim dividend of 10% was paid in January this year, and we now recommend the payment of a further dividend of 15%, making 25% for the year. Owing to our reduced profit we expect to recover about £26,000 of the excess profits duty paid in previous years. Of this sum we shall have to allocate about £10,000 to making good the deficiency on income tax account, which will arise later owing to the operation of the three years' average and the higher rate of tax.

Estates in Excellent Order.

All our estates were reported to be in excellent order at the end of 1918, except certain fields on Plang Estate and on the outlying portion of Diamond Jubilee, where insufficiency of labour resulted in the weeding getting somewhat behind. Since the end of the year this has been remedied, and regular weeding-grounds re-established. Pests and diseases have not given much cause for anxiety except in two instances. On Simpang Estate pink disease has again been troublesome, but is being effectively dealt with. The other disease to which I refer is Brown Bast, which is prevalent to some extent on all our estates, in common with most other rubber plantations in the Malay Peninsula and elsewhere. We have conducted tapping experiments on Semenyih Estate during the last four and a-half years, with the co-operation of Mr. Sidney Morgan, of the F.M.S. Research Branch of the R.G.A. The results so far obtained demonstrate that daily tapping with one cut on a quarter of the tree is the best of the various systems of tapping with which we have experimented. The net addition to the planted acreage during the year was 302 acres, making the total planted area 5,145 acres. During the current year we expect that a further 230 acres will be cleared and planted. The labour force showed a decrease of about 200 coolies from last year, but was sufficient for all estate requirements except on Plang, and to a small extent on Diamond Jubilee. The supply of tamils should increase now the Indian Government have removed the restriction on emigration, which was introduced as a war measure. Apart from the influenza epidemic, health generally was good except on Plang Estate, where conditions were not quite so satisfactory. Unfortunately we lost 81 coolies from influenza upon our different estates.

Forward Sales.

With regard to the present year, the crop is estimated at 1,428,500 lb. The restriction scheme inaugurated by the Rubber Growers' Association ceased as from January 1, but owing to the labour position the return to normal tapping was deferred until after the wintering season. This means that the estates will be producing at their full capacity for about eight months only of 1919. Had it been possible to institute normal tapping over the whole year we should have obtained a much larger crop. The crop for the first four months was 446,000 lb. We have sold forward for delivery out of the 1919 crops 517,000 lb. at an average net price of 1*s.* 10.05*d.* per lb., and out of the 1920 crop 510,000 lb. at 1*s.* 10.73*d.* per lb. These sales should show a substantial margin of profit. I am going to the East in the latter part of this year, and I hope to have visited all your properties before we meet again. The outlook for the Company's estates and their future prospects were never, I believe, better than they are to-day. The only factor of uncertainty is the future of the market for our product. The industry still has to face many problems inseparable from a tropical cultivation, but the great problem for our industry, the solution of which can only be guessed at, is, "Will the increasing supply of the raw material be equalled by the increasing demand for it?" Rubber growers cannot devote their time, energy, and money to a more important object outside their immediate concerns than the increase of the normal demand for our product and the consequent maintenance of its price at a remunerative figure.

The Outlook.

The Rubber Growers' Association are quite alive to this, and are preparing shortly to raise a special fund to encourage new uses and the extension of the present uses of rubber. Your directors, on behalf of the Company, will give any such scheme their hearty sympathy and support. There is no trade object to which rubber companies can more properly subscribe than one which has for its purpose the increase of the demand for rubber and the consequent maintenance of its price. The period of most uncertainty is probably that immediately ahead of us in the next few months, but speaking for myself, and I believe I also speak for my colleagues, I have no doubt that when the world gets its industries fully to work again under peace conditions and has rid industry of the blighting effect of Government control, inseparable from a great war, all the rubber which can be produced by the present planted areas will be readily absorbed. In other words, we may suffer from difficulties caused by temporary over-supply, but unless and until the world's present planted area is much increased, in our opinion you may rely upon the Company being able to realise its produce at a satisfactory profit.

The resolution was carried unanimously, and the dividend as recommended was declared.

At an extraordinary general meeting held subsequently resolutions providing for an increase of capital to £260,000 were carried.

KASINTOE RUBBER ESTATES, LIMITED.

THE fifth ordinary general meeting of the Kasintoe Rubber Estates, Limited, was held on June 13 at the registered office of the Company, 1-4 Great Tower Street, E.C., Mr. H. Eric Miller (Chairman) presiding.

Mr. J. Mitchell Thom, on behalf of the Agents and Secretaries (Messrs. Harrisons and Crosfield, Limited), having

read the notice convening the meeting and the report of the auditors.

The Chairman said : I am glad we have been able to get the result of 1918 working presented to you more promptly than in recent years. Now that War conditions are no longer operative, we hope to have our meetings regularly in the first half of the year. There are no items in the balance-sheet calling for particular reference. Owing to the difficult conditions prevailing, we did not undertake any further reclamation work beyond the 10 acres mentioned in the report, but have sanctioned 175 acres being cleared up this year, for which work, we understand, there is sufficient labour available. Our visiting agent, Mr. Schrieke, considers that we will find a fair proportion of good trees in this area. The transport road has at length been completed at a cost of over £15,000, and for reasons which I explained at the last meeting we have written off depreciation, so that the book cost now stands at £12,000. I have no further news for you with regard to the application to the Java Government for a subsidy towards the cost of the road, as no decision has yet been taken by the responsible authorities.

The Labour Force.

Our labour force has been well maintained, and I am glad to say that the influenza epidemic which wrought such havoc throughout the world passed comparatively lightly over our estate, owing to the care which was taken of those infected. During the year we introduced a system of paying our tapping coolies by results, and this has worked out advantageously, the cost of tapping per lb. of rubber having been reduced to 14½ cents, notwithstanding the fact that we were not pushing for crop, having agreed to fall in with the restriction voluntarily undertaken by the majority of the members of the Rubber Growers' Association. A young producer like Kasintoe had to make a relatively heavy sacrifice of crop, but we have no reason to regret the decision we took under the exceptional circumstances which prevailed. Our trees are reported to be thriving, and bark reserves are adequate. We are undertaking now further terracing in the steeper gardens with a view to conserving the surface soil, and a carefully thought out system has been laid down for this work. Pests and diseases have given but little trouble.

Owing to the reduction in output our f.o.b. cost of production naturally showed an increase—actually of 1¾d. per lb.—over the previous year. This is exclusive of loss in exchange, which cost us during the year under review no less than £5,700 sterling, equivalent to over 3*d.* per lb. on the rubber produced, against just over 1*d.* per lb. in 1917. Loss in exchange has been a very serious item during the last couple of years for estates operating in the Dutch East Indies, the adverse balance of trade between this country and the Dutch East Indies, having driven exchange against the United Kingdom to an exceptional degree. I am glad to say that since the Armistice the position in this respect has rapidly improved, and the current rate of exchange is 11.85 guilders, as against our average rate last year of 10.20 guilders to the pound sterling.

Java and Trade Prospects.

Java in particular is a country with a dense population, which ought to be very good customers of British manufacturers if trade with that country is properly developed. A step in the right direction has been taken by the inauguration of a British Chamber of Commerce for trade with the Dutch East Indies, which organisation, when completed will merit the active support of all British manufacturers and traders who realise the importance of the encouragement of our trade with friendly foreign countries. The Dutch have always welcomed British capital and enterprise within their territories, and, although competition there is bound to be severe, the high repute which British merchants enjoy for fair dealing in every sense should stand them in good stead if they cultivate these markets energetically. Owing to the shipping difficulties we had to face considerable delay in the realisation of our crop last year, and had to make use of Eastern markets. The average price realised, however, compares quite favourably with that of other companies. After payment of London office expenses and Debenture interest there is a debit balance on the year's working of just over £1,000, and our balance is thereby reduced to £7,870, which amount we recommend should be carried forward.

The Current Year's Crop.

Our crop for the current year is estimated at 700,000 lb., of which 316,757 lb. have been secured in the first five months of the year. We have made substantial forward contracts, and out of the 1919 crop about 127 tons are to be delivered at a net average price of 1*s.* 8¾*d.* per lb. f.o.b., while 92 tons of the 1920 crop have been sold forward at 1*s.* 10*d.* net per lb. f.o.b. As mentioned in the report, your directors are making an application to H.M. Treasury for consent to issue the 2,693 unissued shares of the company, and if this is granted it is our intention to offer them at par to the shareholders in proportion to their existing holdings. An opportunity presented itself of strengthening the board by the appointment of Mr. Eric Macfadyen, who is well known in the East, having been one of the leading rubber planters in the Malay Peninsula. His services will be of very considerable assistance to the board, and we have no doubt you will endorse the confidence we have in him by unanimously re-electing him as a director. He is at present on a visit to the East, and will take the opportunity of thoroughly inspecting your estate. I now beg to move that the directors' report and statement of accounts for the year ended December 31, 1918, be and are hereby adopted.

The retiring directors, Mr. Ernest Andrews and Mr. Eric Macfadyen, and auditors, Messrs. Tribe, Clarke, Painter & Co., were re-elected, and the proceedings terminated with the vote of thanks to the manager and staff in the East and the Eastern agents.

MAHAWALE RUBBER AND TEA COMPANY, LTD.

The twenty-third annual general meeting was held at the office of the Company, 10 Lime Street, E.C. 3, on June 12. Mr. L. F. W. Davidsen (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts said : I regret to say that the profit earned by the Company in 1918 has decreased from about £20,000 in 1917 to £9,877, but we realised £2,300 more for unsold rubber of 1917 crop than we estimated, and we have to set aside a very much smaller amount for taxation than was necessary previously. We have gone through a year of peculiar difficulties, and expect that our profits for the current season will show a material increase on those earned last year.

The tea crop last year was somewhat short, being 36,000 lb. under the estimate, due partly to the influenza epidemic. The rubber crop was restricted in common with the crops of other companies, which agreed to restrict their output on the basis of the recommendations made by the Rubber Growers' Association. The estimates for the current year are for a crop of 430,000 lb. tea, compared with 393,000 lb. secured last year; and 355,000 lb. rubber, compared with 255,000 lb. secured last year; and we have made certain forward sales in respect of the latter product, 35,000 lb. having been sold at 1*s.* 9*d.* per lb. delivered in Colombo, and 127,000 lb. at 2*s.* per lb. delivered in this country. We have also sold forward 134,400 lb. of rubber on account of 1920 at the price in Colombo of 1*s.* 11*d.* per lb.

With regard to forward sales, your board have considered the matter carefully, and have decided that by selling a certain proportion of the crop forward at an assured profitable price they are studying the best interests of the shareholders, and I have no doubt you agree with this policy. We have made sufficient provision for depreciation, and have passed £250 to reserve for doubtful coast advances, and have provided £1,500 for taxation reserve, which will cover all the requirements under that heading for the year.

London and Brazilian Bank, Limited.

ESTABLISHED 1862.

Subscribed Capital - £2,500,000
Paid-up Capital - - £1,250,000
Reserve Fund - - £1,400,000

Manchester Agency:
WILLIAMS DEACON'S BANK, LTD.,
Foreign Exchange, Shipping and Agency Dept.,
YORK STREET, MANCHESTER.

Belfast Agency:
NORTHERN BANKING CO., LTD.

BRANCHES in Brazil, Argentina and Uruguay, and also in Lisbon, Oporto, Paris and New York (Agency).

AGENTS and Correspondents throughout the World.

BILLS negotiated, advanced upon, or sent for collection.

Exceptional Banking facilities offered through the Branches of the Bank and its numerous Agents and Correspondents for the promotion of Trade with South America and Portugal.

7 Tokenhouse Yard, London, E.C. 2.

Your directors propose to-day, with your approval, to pay a final dividend of 15%, making, with the interim dividend of 5%, 20% for the year, or 5% more than last year, and I am hopeful, now that the War is over, we will be able to carry on the cultivation of the estate under proper conditions and to earn and pay dividends more appropriate to a valuable and well-cultivated property like Mahawale.

The only matter of gravity in regard to the future of Ceylon and Indian cultivation is the enormous rise in the value of the rupee. The sterling value of the rupee a short time ago was 1*s.* 4*d.*; to-day it is 1*s.* 8*d.*, and this will materially increase the cost of production. But, apart from this, I think the future for both rubber and tea is much better to-day than it was at the time of our last annual meeting, and we have maintained our property in a high state of cultivation, so that we should reap the benefits from the better conditions now prevailing.

Mr. McEwan seconded the motion, which was carried unanimously, and the proceedings terminated.

BISICHI TIN COMPANY (NIGERIA) LIMITED.

The eighth annual general meeting was held on June 11 at the Cannon Street Hotel, E.C., Mr. James Gardiner, the Chairman, presiding.

The Secretary (Mr. W. W. Evans) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: Taking first the principal factor, that of production, the output is only three tons less than that of 1917. The assay value of the ore was maintained at a high figure (71.95%), and the prices realised for a fair proportion of our produce were very favourable. During the first week of August the metal attained the record price of £398 10*s.* per ton, but stood at this only for a day or two, when a steady decline set in. By the end of December it had fallen to £232 10*s.*, and in February the low level of £200 was reached. Since then there has been an improvement. It was fortunate for us that scarcity of tonnage on the coast delayed our shipments, and we thus escaped the lowest level of the market. For the 217 tons of ore already marketed we secured an average of £219 9*s.* 11*d.*—equal to £305 per ton metallic—and the balance, although it will reduce this average, bids fair to be realised at a favourable price so far as the market stands at present. Turning to the mining account, although the tonnage won was approximately the same as in 1917, the item tin winning shows an increased expenditure of £2,440. The "all-in" costs work out at £129 14*s.* 7*d.*, leaving a profit on that portion of ore already realised of £89 15*s.* 4*d.* Now, in regard to what is of the greatest importance to all of us—that is, the acquisition of new ground. As you are already aware, we owned, jointly with the Forum Company, some 3¾ square miles in the Bukuru district. In addition to this, we have since acquired, also on joint account, further exclusive prospecting licenses of 5.4 square miles on the Leri River, 2.08 square miles in the South Bukuru district, and 1 square mile in the Kuru district. On our own account we have also taken up the following in the Bassa district: Eleven mining rights, covering 10 miles 700 yards of stream courses, one mining lease of 61.72 acres in extent, and two exclusive prospecting licenses, of which one is 5.2 square miles and the other 3.72 square miles in extent. I will only venture to add that, although we may have occasional setbacks in the future as we have had in the past, in my humble opinion there are more prosperous times ahead of us than we have experienced hitherto, and these, I think, on the whole, you will agree with me have not been unsatisfactory.

Mr. Wm. Graham seconded the resolution, which was carried unanimously.

On the motion of the Chairman, seconded by Mr. W. S. Coutts, a dividend of 7½%, less tax, making 12½% for the year, was declared.

The proceedings then terminated.

LENA GOLDFIELDS, LIMITED.

The ninth ordinary general meeting was held on June 11 at Salisbury House, Lord Harris, Chairman of the Company, presiding.

The Secretary (Mr. Hy. Richards) having read the notice convening the meeting and the report of the auditors:

The Chairman, in moving the adoption of the reports for 1917 and 1918, said: Before running through the accounts we have to ask you to indemnify us for not presenting the report and accounts for 1917 within the proper period. You will, I am sure, understand that the cause of the omission was the distracted state of Russia and the non-receipt of reports from there and from the Lenskoie mine. Our colleague, Mr. Grigori Benenson, was in Russia from June 1917 to December 1918, and Mr. Gernet, director of Lenskoie, only arrived in England recently. Mr. Gernet and the Russian directors were able to communicate with us only occasionally, and their own information from the mines was fitful and incomplete. They did everything in their power to protect the interests of the shareholders of Lenskoie, and and a large measure of gratitude is due to them for their courage in facing a most difficult and dangerous situation. They have our sincere felicitations on their escape from a position of great hazard, when they found they could do no more for the Company. Cablegrams from the manager at Lenskoie have recently got through, briefly indicating that the mines are being worked but that supplies are very short, intimating what is needed, and suggesting routes by which supplies might be transmitted; and these matters are receiving close attention from those members of the Lenskoie board who are in England.

The Dredging Policy.

It is obvious that it must be of the greatest importance to the Siberian Government that Lenskoie gold should be produced in the largest quantity possible, but what the exchange value of it for obtaining goods is is not quite clear; neither do we know if the ore bodies are being mined scientifically. We have every reason, however, to hope that means of communication will improve as the gallant Admiral in command of the forces of law and order restricts the mad orgy of lawlessness under the tyranny of which large areas of Russia still suffer, and we shall then be able, after many months of silence, to learn what is the position at Lenskoie, and what are the prospects of the minefields. Of course we know that dredging policy approved before the War cannot be introduced for some years yet, though the first dredge has been built and is waiting in the United States for shipment; but we have hopes that the Chanchik channel is giving indications of rich deposits, which will make up, to some extent, for the postponement of dredging operations. The position, therefore, is—and we must infer most of it from experience—that there is still much gold to be got out by drifting, that it must be of the utmost importance to the Government to get it, and, therefore, that the Company may be earning profits. The information in yesterday's papers that a Bolshevist force had seized the minefield is very discouraging, but in absence of confirmatory advice I decline to accept the statement as an established fact. It would obviously be to the advantage of the Bolshevists to spread such rumours. I understand that the directors of Lenskoie who are in England received a cablegram only yesterday in which no mention whatever is made of any disturbance on the minefield.

Important Transactions.

Turning to the accounts, I will not weary you with a verbal comparison of receipts and expenditure, for that is provided for you on page 3 of the report, from which you will see that whereas we started in 1915-16 with a cash balance of about £613,871, we closed the year of 1917-18 with a cash balance of £862,505. The transactions during that period have been of considerable volume and of some importance. Amongst them are the sales of Lenskoie shares and the issue of Lena Goldfield shares to the group composed of the Imperial and Foreign Corporation, the Russian and English Bank, and Mr. Benenson. The policy of these sales and the issue has been set before the shareholders at previous meetings and has been approved. You will find the result of the first sale in 1915-16—namely, about £245,634 in sterling—in 1916-17 you will find the amount received was about £321,721 in sterling; and also the premium on the issue of 246,703 Lena Goldfield shares, and in 1917-18 you will find the receipts from that issue—namely, £241,703 odd in sterling. These sales have produced a very distinct change in the assets and liquid position of this Company. Whereas previous to 1915-16 it was a Company interested in one asset only—namely, its holding in Lenskoie looked to by that Company for financial assistance to enable it to carry on from year to year its purchase of stores, and only able to provide the assistance by ourselves borrowing in this country—we are now in a very strong financial and in a very liquid position.

Change in Mining Operations.

You may remember that one of the reasons which finally induced the British directors to accept the offers from the group I have referred to was the recommendation of the expert committee, which strongly recommended a change in mining operations from drifting to dredging. That policy having been decided on—and it was the only method, as it appeared to the committee, by which a long life could be assured to the mines—it was necessary to look forward and arrange for the provision of considerable sums of money for the purchase of the dredges which it was contemplated should be established on the minefield. The War has, of course, upset the whole scheme for the time being, but, at the time when this method of financing it was recommended by the majority of the board and was approved at the annual general meeting, the Lenskoie Company had no prospects of itself being able to finance the provision of dredges and depended upon Lena Goldfields doing so. Since then Lenskoie has been successful in doubling its capital, and, subject to what may happen as regards Russian currency, should be in a much better position in the future to finance the provision of a second and a third dredge, as well as to purchase in advance the goods it needs for mining. The postponement of the provision of further dredges and the utter inability during the war of this Company to finance Lenskoie as regards mining necessaries have, of course, resulted in this Company having large liquid resources in British sterling, which it has used partly for the purchase of War Loan and partly,

since the end of the financial year, in investment in various mining and industrial concerns, ensuring a handsome profit if we thought it wise to realise, or, if we think it wiser to hold them, showing every promise of satisfactory dividends.

Profit on Investment.

Since the close of the financial year we have realised some of these investments at a considerable profit. In purchasing War Loan we felt thoroughly justified. It assisted towards bringing the War to a conclusion, and it followed on the precedent of a large purchase of Russian Treasury bonds. The drawing of these latter for payment has resulted in a large rouble deposit in Russia, which we had no means of withdrawing, and all we can do is to await events as regards the future Russian currency question. The same applies to our last sales of Lenskoie shares to the group. They had to pay us in roubles at 450 roubles per share, and elected to do so in London as regards the first payment for one-third of the transaction. We shall still hold nearly 20,000 Lenskoie shares after the transaction I am referring to is completed, and until it is completed we hold the scrip. On page 5 of the report we have set forth a schedule of assets, as at the date of the report, showing that our liquid resources were £657,195, a very different position, as I have already pointed out, to what it was previous to the sales and issue referred to, a position which enables us to take any opportunity of investment in any part of the world, and of which we are taking advantage. The schedule, continued on page 6, also sets forth our share holdings in Lenskoie, which, I regret to say, have produced us no dividend since 1915-16; and also our bank balances, and other deposits in Russia, as regards which I regret I can give you only this information. We gathered, however, that late in 1918 a part of these balances was successfully withdrawn from Russia to Scandinavia, and we have just heard that the Swedish kronor resulting from this operation have been converted into sterling, and we expect to receive the definite figures showing the rate at which this conversion was effected. Shortly, but roughly, we know that by this operation our sterling balances in London have been increased by rather more than £100,000.

The Value of the Rouble.

It has been, of course, a problem how best to present the accounts to you as regards the value of the rouble. For some years past that has been a difficulty as the rouble depreciated; and it has been of course seriously increased in the last two years. The auditor's notes on the balance sheet give you information as to the rates at which certain assets have been taken, and the only and the best excuse for the rates taken and the differentiation between the two sorts of assets is that we have followed previous practice. But in order to help you to a valuation at a single assumed rate of exchange, but warning you that all we can say of its reliability is that it may be approximate, we present you with the valuation on page 6. It is open to anyone interested to take the rouble at any exchange value he thinks most probable and work out his own valuation; but taking it at 38—which corresponds, by the way, rather closely with the realisation of the kronor to which I have just referred—and valuing the Lenskoie shares on the latest information we have, we at any rate save you the trouble of making your own calculation. He would be a bold man who would risk an estimate of the present or of the future value of a rouble note, but I submit that we are entitled to expect that our rouble assets, whether here or in Russia, must be of use, and should help us to finance the many propositions, mining and industrial, in Russia which we know need capital. I regret very much to have to refer again to the disputes that occurred between Messrs. Poutiloff and Wischnegradski and your directors resident in England. I alluded to them at great length at our last meeting, and will not weary you with a repetition. Their resignation, which they contemplated at the time, was withdrawn, and they remained members of the board until quite recently, when, owing to the attitude of persistent unfriendliness which their alternates, by their discretion, took towards the Russian and English Bank we felt bound to ask them for an explanation. That, in our opinion, has not been forthcoming, or, such as it was, was entirely insufficient and unsatisfactory. The result has been that both Mr. Wischnegradski and Mr. Poutiloff have retired from our board.

Mr. G. Benenson seconded the resolution.

The Russian Directors and the Board.

Mr. C. Inchbald: I hoped that the differences of opinion between the English Board of Directors and their Excellencies Messrs. Poutiloff and Wischnegradski would not have been alluded to again at to-day's meeting. I came here not intending to speak unless the Chairman referred to the past disputes. In view of the fact that Lord Harris has referred to that dispute, I think it is only fair, in the absence of their Excellencies, that I should say a few words. Their Excellencies' only dissension with the rest of the Board was in connection with the sale of Lenskoie shares to the Benenson Syndicate. With that one exception, I think it is fair to say that there had been no difference of opinion whatever. As regards the sale, they did object. They objected very strongly; they thought it was unwise, and they think so still. Now, as regards the sale, what I think most brought out the feeling of irritation which exists between their Excellencies and the other members of the Board was the fact that when the first lot of 10,000 shares was sold to the Benenson Syndicate, although their Excellencies telegraphed their objection in regard to the matter, the next thing they heard was that the sale had been completed without their having had the time to go more fully into the question and give their reasons for their dissension. However, that is past history; but when, a year later, I, as the alternate for Mr. Poutiloff, telegraphed to Mr. Poutiloff in Petrograd that an offer had been made for the remaining 41,000 shares, again by the same Benenson Syndicate group, on that occasion the offer was accepted by the Board in London without even their Excellencies having a chance of expressing an opinion at all. It was impossible, within the limits of time fixed by Mr. Benenson for his offer to remain in force, that their Excellencies could be communicated with; and they did, and they do to-day, feel that their opinion (being Russians and on the spot, knowing the whole history of Lenskoie, knowing its developments and its future) should not have been ignored by the Chairman of the Board in London and his colleagues without their even having an opportunity of expressing their views. That, I think, has left behind a feeling of irritation which I do not think anyone here present in this room can find out of place. As regards the actual sale and the terms of the sale, their Excellencies object still more strongly than as regards the first sale. The terms of that second sale are that the Benenson Syndicate should pay either in sterling at £30 or in roubles at 450; that is to say, they had the option of paying either in sterling or in roubles at 450. Time has gone on and the first lot of those 41,000 shares has been delivered. Naturally the Benenson Syndicate has not paid in sterling at £30 per share; naturally they have chosen to pay in roubles at 450. Well, gentlemen, if you work it out at the present rate of exchange you will find that, whereas the first 10,000 shares were paid for at £30 apiece, the last 10,000 shares delivered (the first third of the 41,000 shares) have been paid for at what, put into sterling at the rate of the day, amounts to something like £4 to £5, or a sixth part of the price paid for the original 10,000 shares. Surely that fact shows that their Excellencies were right in the opinion they expressed after the deal was concluded (they never had an opportunity of expressing their opinion before. To-day they feel, in view of the fact that the 41,000 shares have been sold at, say, between £4 and £5 (based on present exchange), that the shareholders have the strongest right to complain of the way in which their interests have been cared for. Then, again, to go back a bit further, I have been, until yesterday, the alternate of Mr. Poutiloff on the Board. Mr. Poutiloff's resignation went in yesterday, and to-day I am here not as a member of the Board, but as a shareholder, and I think if I give my expression of opinion about the Lena Goldfields it may be of some use at the present time.

The Lenskoie Company's Mine.

When I first came to the Board I found it extremely difficult to come to any opinion as to the value of the mine owned by the Lenskoie Company, of which the Lena Goldfields were the stockholders. As time passed on I found it still more difficult to come to any definite view. And then a curious thing happened: three offers were received by the Board. One (I think I am right in saying, but I am open to correction) was made through Lord Harris. Another was made through Mr. Baker and brought before the Board by him; and a third came from Mr. Purington, chief engineer to the Company and a well-known mining expert. Well, at that time I must say I began to see daylight. It seemed to me remarkable that we should receive three offers, all of which I believed at the time—I may have been wrong, but all of which I believed were inspired by Americans; and it did seem to me to show very plainly that the Lena Goldfields property, after all was said and done, was in all probability extremely valuable, and that it was more a question of management than a question of value as to the future of the enterprise. Those offers were made to take over the mines for a certain number of years and work them on a commission, and that still left in my mind the possibility that those mines had a short life, say, a ten years' life, and perhaps even less. Then the next thing that happened,

The SUPER PIPE TOBACCO
Spinet
Smoking Mixture
Fine Natural Flavour.
1/11 for 2 oz.
R & J HILL LTD. LONDON

which had a greater effect on me than anything that had occurred, was the offer of the Benenson Syndicate. Mr. Benenson was a Russian himself, and had just come from Russia. He had the reputation of being very intelligent. He knew all about Russia. He had his own experts, and here he comes over and offers to buy 10,000 shares. The deal took place, and a year later the same syndicate (Mr. Benenson's syndicate) offers to buy out the entire remaining interest of the Company in Lenskoie. That made me think that property must be extremely valuable. Mr. Benenson was a very capable man, and here he was coming along and buying up at a good price the Lena Goldfields property in Russia. Was it not logical to deduce from this fact of Mr. Benenson's offer, following on the offers made, as I believed—inspired, at all events—by Americans, was it not almost certain that these Lena Goldfields properties must have not a short career in front of them, but a very big career indeed if the properties were properly managed? The moment Mr. Benenson first came with his offer I saw the property gradually passing into the hands of the Benenson Syndicate, and that it had a tremendous potential value in the future. That that gentleman should come here and make such a purchase at such a time, and even, as regards the second lot of the shares, if you will remember, right in the middle of the world War, which has not yet come entirely to its logical sequence of peace, I think proves this contention. I do not think I need say any more. I am speaking to-day as a shareholder, and I do think it right to defend, if defence be necessary, their Excellencies' point of view. Personally, I agree with the views of their Excellencies, that it would have been a great deal better to have held on to the Lenskoie shares, and I believe the future history of Lenskoie will be such as will justify the opinion I have expressed.

Mr. Herbert Guedalla said ever since he joined the Board he had noticed an attitude, he would not say of open hostility, but of passive resistance, on the part of representatives of their Russian colleagues. He was afraid that the cause of the antagonism was that when Mr. Benenson acquired the shares he took the control away from certain banks in Russia, which no doubt had had profitable transactions through the Company.

Mr. Inchbald said that there was one statement of Mr. Guedalla's which he disputed. Mr. Guedalla had said he thought the reason for the trouble was largely that from the time the Benenson Syndicate became interested in the Lenskoie shares the two Russian banks represented by the Russian directors had had the business transferred from their banks. What he wanted to say, because it entirely cut away the ground from under Mr. Guedalla's feet on that point, was that he had acted in his opposition on his own initiative—being, indeed, entirely cut off from communication with their Excellencies during that time.

The retiring directors and the auditors were re-elected and the proceedings then terminated.

THE MODDERFONTEIN DEEP LEVELS, LIMITED.

The eighteenth ordinary general meeting of shareholders of the Modderfontein Deep Levels, Limited, was held in the Board-room, Consolidated Building, Johannesburg, on Wednesday, April 23. Mr. H. Newhouse (Chairman of the Company) presided.

The notice convening the meeting having been taken as read, and the Secretary having read the auditors' report, the Chairman, in moving the adoption of the report and accounts, said :—Gentlemen,—The reports for the past year of the Directors, Consulting Engineer, and General Manager will have confirmed to you what the monthly and quarterly reports issued during the course of the year indicated, namely, that last year was again one of progress. The only unfavourable feature was an increase in costs of 1*s.* 2*d.* per ton milled, due chiefly to the further rise in the price of mining supplies and the higher wages paid to the white employees. This, however, was more than balanced by an increase in the yield to 40*s.* 11*d.* and an increase in the tonnage by 11,700 tons to 506,100, the effect of the two being an increase in the working profit by £32,685 to £593,851. I would call your attention to the high efficiency of the mill, which crushed an average of no less than 23.7 tons per stamp per day and ran 98% of the maximum time. I venture to think this is typical of the work on the mine. Adding interest to the sum of £593,851 and deducting taxation, charges, donations, &c., the amount available for distribution enabled dividends totalling 19*s.* 6*d.* per share, or £487,500, to be paid, the carry-forward being increased by £31,201 to £157,676.

Mining Companies and the Supreme Court.

For reasons given in the annual report, no provision in respect of the Transvaal Provincial profits tax is made in the accounts before you. As you no doubt have seen, the Supreme Court has decided against the mining companies, but the matter is not yet at an end, as it will be carried to the Court of Appeal. The liability in the case of the Modderfontein Deep Levels is £21,680, which, of course, is more than covered by the increase in the carry-forward just referred to. Before leaving the accounts, I would point out that, as foreshadowed last year, there was no charge to capital account during 1918, all expenditure, including additions to machinery and plant as well as buildings, having been charged to working costs. The quarterly report which has just been issued details the results for the first three months of this year. These, you will note, show no variation in character from those obtained in 1918, except that the working costs at 17*s.* 5.8*d.* are 2.4*d.* less than those for the last quarter of 1918.

Development Work.

The development work done during the year totalled 5,425 feet, which was somewhat less than the 1917 total, the deficiency being due to the necessity for economy in explosives during the early part of the year, and the comparative shortage of native labour in the last quarter. The footage was, however, more than sufficient to maintain the ore reserves, which at the end of the year totalled 3,450,000 tons, with a value of 8.8 dwt. over a stoping width of 78 inches. This compares with 3,320,000 tons a year previously, when the stoping width was the same, but the value a trifle less at 8.7 dwt. The policy indicated in the directors' report of reducing the quantity of stores carried is being continued. The reduction is not taking place quite so rapidly as was hoped for, but, comparing March 31 with September 30, the decrease in value amounts to £11,000. Except during the period when recruiting operations were disorganised owing to the Spanish influenza epidemic, the native labour available was sufficient for all requirements, your mine continuing to be a popular one with the natives. Health conditions have been as satisfactory as in previous years, though the death-rate from sickness is of course not comparable owing to the influenza epidemic. The nil death-rate from accidents achieved in 1917 was not maintained, but the rate was well below the average of these fields—only two deaths being due to this cause, equal to 0.9 per 1,000. The insurance against interruptions of hauling, in the shape of the dump of ore on the surface, has been practically maintained, only 474 tons having been drawn from this stock during the year, leaving the quantity available at 39,395 tons from stopes and 146,000 tons from development.

Tribute to Staff and Employees.

During the War 68 in all of your Company's white employees enlisted for active service, this total being equivalent to about 27% of the average number employed. Of these, four have made the great sacrifice and four have received wounds. It is the intention of the board to commemorate the gallant services of these men by means of a simple though permanent memorial on the mine. The payment of allowances to those who were still serving during last year and to their dependents was continued throughout the year.

In conclusion, let me voice your board's, and I am sure also your appreciation, of the excellent services rendered to the mine by the Consulting Engineer and Mr. Overbeek, his *locum tenens* during his absence, Mr. Hill, the Manager, as well as by the staff and employees. You, naturally, realise that the low level of costs is indicative of a high standard of efficiency. I now beg to move : "That the directors' report and audited statements of account, as laid on the table, be approved and adopted, and that all matters and things undertaken and discharged by the directors on behalf of the Company be and they are hereby confirmed."

Mr. W. S. Saunders seconded, and, on being put to the meeting, the Chairman declared the motion to be carried unanimously.

The Chairman stated that since the issue of the notic convening the meeting Mr. W. R. Crowhurst had resigned his seat on the Board, and Mr. H. Strakosch had been appointed to fill the vacancy.

This appointment was confirmed.

The retiring directors, namely, Messrs. V. J. Ronketti and H. C. Boyd, were re-elected unanimously, the Chairman stating that no other nominations had been received.

The remuneration of the retiring auditors, Mr. Chas. Stuart and Messrs. F. W. Diamond and English, was fixed at 125 guineas each.

The meeting then terminated.

GEDULD PROPRIETARY MINES, LIMITED.

The eighteenth ordinary general meeting of shareholders was held in Johannesburg on April 23.

Mr. H. Newhouse (Chairman of the Company) presided.

The notice convening the meeting having been taken as read, and the Secretary having read the auditors' report, the Chairman, in moving the adoption of the report and accounts, said : Gentlemen,—The most important event in the history of this Company for 1918 was the decision arrived at in October last to raise new capital for the purpose of sinking and equipping the vertical shaft to which reference was made at the last annual meeting. The method decided upon was to issue to shareholders 180,000 shares at 35*s.* each, the subscriber of each share being entitled to an option to take up a further share at any time prior to December 31, 1921, at 40*s.* The issue was guaranteed by the Union Corporation, Limited, for a commission of 5%. It was one of the terms of the contract that, if permission was given by the Governments of the United Kingdom and France, the offer in question should be made not only to South African shareholders, but also to the shareholders resident in those countries. Such permission was given after considerable

delay, with the result that the guarantors did not know the extent of their obligation until approximately three months after the date of the guarantee agreement. It was somewhat disappointing to find that only about 65% of the shares were accepted by shareholders. All the new shares, except 2,834, have already been taken up, and this small balance will be subscribed whenever the Company requires the money, or earlier if the guarantors so decide. The present capital is therefore £1,147,166, which will be increased to £1,150,000 when the foregoing 2,834 shares are taken up. The new issue provided £299,250 of new money, but, before indicating how this is to be spent, I propose briefly to review last year's operations.

Working Profit.

The tonnage milled has continued to increase, the total for 1918 being 513,200 tons, or, say, 20% more than in 1917. The revenue per ton, however, was 6*d.* less at 29*s.* 2*d.*, and the costs 4*d.* higher at 20*s.*, with the result that the working profit at 9*s.* 2*d.* per ton did not show an increase proportionate to that of the tonnage, the rise being nevertheless the substantial one of £21,404 to a total of £234,242. In addition, £10,443 was obtained from sundry revenue. As against this, excess mine development, taxation, interest, donations, &c., accounted for £24,598, leaving a balance of £220,085 for disposal. A considerable amount of capital expenditure was again incurred, the total, including £13,392 carried forward from the previous year and excluding £13,814 spent out of the new capital raised by the foregoing issue of shares, was £83,307. The balance was, however, large enough to enable dividends totalling 11½% to be declared. Owing, however, to the application list in Paris not closing until after the turn of the year, the final dividend was not formally declared until January 28. The amount payable in respect of that dividend was £71,698, and the dividend tax upon it amounted to £6,626, or a total of £78,324, which amount must be deducted from the balance shown as unappropriated at the end of 1918 in order to obtain a true view of the year's operations. After such deduction the amount carried forward is seen to be £8,154. This amount is more than enough to cover the liability of £5,070 under the Provincial Gold Profits Tax Ordinance, 1918, for which, for reasons stated in the directors' report, no provision is made in the accounts. You will have seen in the Press that the Supreme Court has now decided that the levy of the tax was not *ultra vires*. This decision is, however, being appealed against. You will notice that the Consulting Engineer reports that the burden to working costs directly due to conditions brought about by the War had reached a total of 3*s.* 11*d.* per ton milled at the end of 1918, of which increase 1*s.* 3*d.* accrued during the year. Nevertheless, as already mentioned, the average working costs only increased 4*d.*, a result which indicates very considerable efficiency, but which has also undoubtedly been helped by the large increase in the tonnage milled. The results for the first quarter of this year are in your hands. The reduction of 7.7*d.* in working costs as compared with the previous quarter is very satisfactory.

Development Work.

During the year development work was pushed as much as circumstances permitted. Owing, however, to the necessity for economy in the use of explosives at the beginning of the year and the decreased labour supply at the end of the year caused by the epidemic of Spanish influenza, the total accomplished, including incline shaft sinking, was only 17,343 feet, or 3,894 feet less than in 1917. Two points deserve additional mention, because they open up entirely new ground. I refer to the No. 5 winze from the 2nd level north drive and to the 7th level drive east from the No. 3 incline shaft. The winze was started to open up a block of ore the existence of which was indicated by the drive from which it is being sunk. Its further object was to penetrate towards the ground of its neighbour, the Modder East, which, as stated at the last annual meeting, was obtaining good values on the Geduld boundary. The winze up to end of March had been sunk a distance of 750 feet. At a depth of 400 feet it ran into very good ore, which continued for a distance of 300 feet, the average value for that footage being 13.9 dwt. over 35 inches. The values tailed off at the end of this footage and the winze is now in dyke, but it is reasonable to expect that the good values indicated by the Modder East development will be met with in a short time. I would point out that the ground already opened up and to be opened up by this winze is quite virgin, so that the disclosure is one of considerable importance. Similar remarks apply to the 7th level east from the No. 3 incline shaft, which is developing ground of which nothing has hitherto been known. Its total length at end of March was 785 feet, and the last 435 feet averaged 10 dwt. over 65 inches.

Expressed in terms of ore reserves, the effect of the development done during the year has been to leave width and value unaltered at 61 inches and 7½ dwt. respectively, but to increase the tonnage by 310,000 tons to 2,510,000 tons. It may be well to add that this tonnage does not include anything in respect of the work done on the drive just mentioned, and only a portion of the ore body disclosed by the winze.

Since the conclusion of the Armistice steps have been taken to reduce the abnormal stock of ores carried during the War period. At the end of last month the total value on hand was £93,600, excluding material for the new shaft, as compared with £106,000 at September 30 last.

Mr. W. Ross seconded, and, on being put to the meeting, the Chairman declared the motion to be carried unanimously.

The meeting then terminated.

BRITISH BROKEN HILL PROPRIETARY COMPANY, LIMITED.

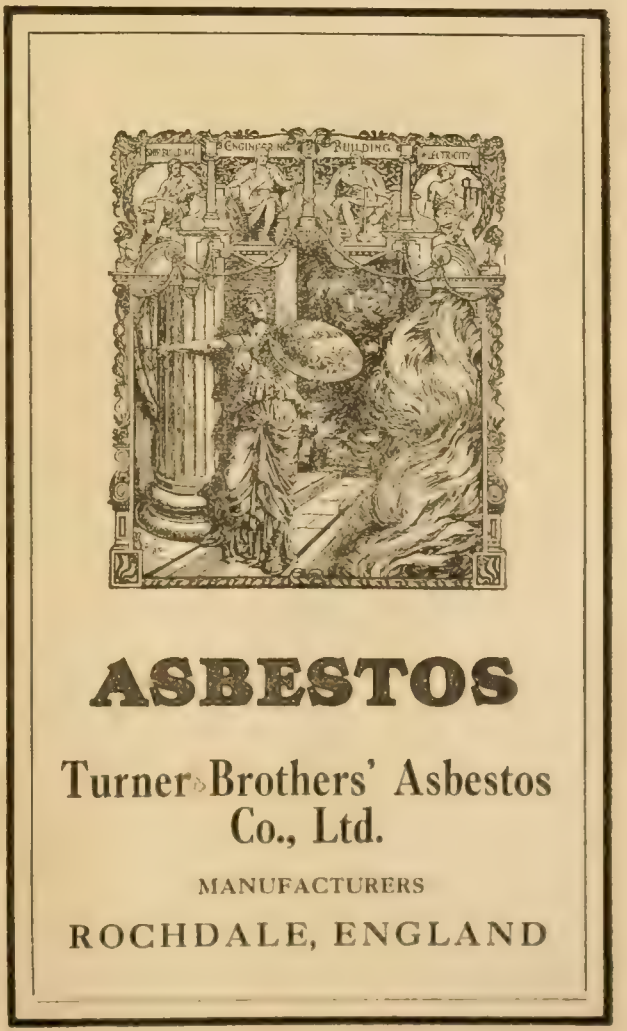
THE thirty-ninth ordinary general meeting was held on June 12 at Salisbury House, London Wall, E.C., Mr. J. S. Smith-Winby, Chairman of the Company, presiding.

The Secretary *pro tem.* (Mr. Edward E. Garner) then read the notice convening the meeting and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said: Taking the accounts for the two half-years together, a profit is shown, after providing for administration, depreciation of plant and loss on realisation of investments, of £214,166. This amount is about £80,000 in excess of the previous year, but is subject to a big deduction for income tax and War taxes under various denominations, that we are called upon to pay both in Great Britain and Australia. We are advised that no less than £60,000 should be reserved for that purpose, and in the accounts for the second half of last year this provision has accordingly been made. It is, of course, a very heavy imposition, but we and other Anglo-Colonial companies are still suffering from the obligation of paying double income tax. In respect to the results of last year, we have, as you know, already distributed two dividends free of income tax, the first of 2*s.* per share at the end of June last and the second of 4*s.* per share in December. We had every hope and expectation of being able to recommend another dividend this June, but circumstances have arisen during the last few months which make it necessary to defer for the present any further distribution.

The Lead Position.

You will remember that we and the other Broken Hill Mines had combined through the medium of the Broken Hill Associated Smelters Company, and had placed our lead business unreservedly in the hands of the British Government, with the object of assisting them in every possible way. In fact, the output was placed at the Government's disposal for War purposes, provided the cost of production alone was assured, and Broken Hill can



claim to have been the one centre producing an essential of war that did not ask for or seek to obtain the full market price for its commodities. The lead contract with the Government expired on March 31, and, though the Associated Smelters had reason at one time to think it would be continued at any rate for some months, this was not done. We have no complaint to make in this respect, as the Government stock of lead was a heavy one, and civilian consumption, owing to the continuance of the general dislocation of business, represented only a small fraction of the normal requirements. The situation was consequently full of difficulty, but, so far from assisting it, the Government laid down a policy which did not appear to have any regard to our interests, and, while we feel sure that they recognise the assistance they have received from the Australian mines during the War, and are kindly disposed to us, their actions have resulted greatly to our disadvantage. Their first move in the direction of liquidating their surplus holding was to raise the price of lead to £40 a ton. Thus, in the face of exceedingly poor consumption, they took a step which could only, and did, have the effect of encouraging increased production by competitors who had no reason to particularly consider the wishes of the British Government, or, at any rate, were not subject to the same restraint or restriction as the Associated Smelters. On November 11 the Government price of lead was £29. On the 26th it was raised to £40. Clearly it could not stop there long, and it has since dropped away to £23, and is now still lower. The Associated Smelters have a plant capacity, with the smelters and contributing mines working full time, that would turn out rather more than 300,000 tons of lead per annum for export, a quantity sufficient to supply all the requirements of the United Kingdom and leave some margin over.

Ore Reserves.

At the end of December last Mr. Emery estimated the reserves at 1,095,015 tons of ore of an average assay value of 6.7 ozs. of silver, 12.8 per cent. lead and 11.6 per cent. zinc, a net increase in quantity of about 40,000 tons, with a slight falling off in average value of contents. Comparing the first and second portions of last year, we find that the working costs per ton to the end of June were 20*s*. 8.62*d*. for ore raising, 7*s*. 0.26*d*. for lead mill treatment, and 5*s*. 1.67*d*. for zinc mill treatment. The corresponding figures to December were 22*s*. 3.73*d*., 7*s*. 8.25*d*., and 5*s*. 5.66*d*., or a total increase of nearly 3*s*. 3*d*. per ton. Every effort is being made to keep down these costs, and they may favourably be compared with those published by our neighbours, but you will appreciate the seriousness of the matter when I remind you that in pre-War days the corresponding costs, taking an average of three years, amounted to 25*s*. 3*d*. per ton, as against 34*s*. 3*d*. last year, or a difference of over 9*s*. per ton.

Mr. F. S. Saunders seconded the motion.

DE TREY AND COMPANY.

The seventh annual general meeting was held on June 13, at the offices, 13-14 Denman Street, Piccadilly Circus, Mr. C. De Trey (Chairman and Managing Director) presiding.

The Chairman said that the report now submitted was the more satisfactory in view of the losses incurred by the Company in the early period of the War, all of which had been fully provided for; and, in addition, the reserves had been materially strengthened and the dividends improved. Their business had not been a war business, nor had the success resulted from fortuitous circumstances of a favourable nature, but rather from a greater appreciation by the general public of the benefits of dentistry. Even now the part played by dentistry in public health was insufficiently realised by the community at large. The War had done much to reveal the extent to which public health depended on proper dentition. In this country alone hundreds of thousands suffered to-day from the disease known as pyorrhœa, which in an average case caused deleterious discharge of matter amounting to two or three cubic centimetres every 24 hours, all of which was absorbed into the system and was thereby the cause of disease.

Defective Teeth and Disease.

That a large number of diseases were to be attributed to defective teeth there was no longer the slightest doubt. To-day, if they consulted their oculist, what did he do? In all probability, before examining the eyes he examined the teeth, and if he found them defective he would have already found the probable cause of the trouble. Pernicious anæmia also was in most cases due to defective dentition, and especially to pyorrhœa, as decayed or defective teeth compelled the digestive organs to attempt to do work which the teeth ought to accomplish through mastication. The whole efficiency of a nation might be affected through ignorance or neglect of this all-important subject, and until the authorities had made compulsory the proper care of teeth, starting with the children at school, no real progress could be gained. Very few dental firms, if any, had played a greater part in the development of dentistry than this Company, for a good deal of its activity was devoted to educational work. The directors believed that demonstration was the best form of advertisement and they were spending considerable time and money in demonstration and lecture campaigns, the ultimate object of which was to improve the efficiency of artificial dentures through the use of superior teeth. The fact that dental surgical goods could be obtained by the dental profession throughout the War at moderate prices, and that "profiteering" was entirely prevented, was due mainly, if not entirely, to the policy pursued by this Company, as they had always made certain of being in possession of ample supplies. The prices for their goods, which they knew to be the best obtainable, had advanced, of course, but the increase had been strictly within bounds, and reflected only the actual enhanced cost of production. The increase in the available profit was wholly due to the larger turnover.

Business Prospects on the Continent.

He had just returned from a business trip to France and Switzerland, and was pleased to say that the prospects on the Continent for their business offered great possibilities. They were still debarred, however, from trading freely in several countries. Russia alone would eventually absorb an enormous quantity of dental material as soon as political circumstances became more normal, for there were practically no dental goods there at the present time, with the exception of some which had been obtained from Germany. The German dental industry, which had been active throughout the War, was unfortunately able to compete against the Company in specific articles in certain countries, owing to Germany's pressing requirements to realise goods, and thereby obtain means to pay for articles of immediate necessity, but the directors were not despondent, as, owing to the vastly superior quality of the Company's goods, they had no reason to fear the ultimate result of German competition. They had this year opened branch houses in Spain, Italy and Belgium, the reports received so far were highly satisfactory. They had taken steps to manufacture in this country a number of lines which in the past had to be imported. They had entered into an important arrangement with the North British Rubber Company, of Edinburgh, of world-wide fame, for the exclusive world agency of their dental rubber products. He had no hesitation in saying that to-day the superior quality of the Company's lines over any other dental lines stood out more prominently than ever throughout the civilised world. Dealing with the accounts, the Chairman pointed out that the reserve, exclusive of the carry-forward and the substantial premium on shares of the new issue made in 1919, stood at over £148,000. A staff pension fund had been started by the allocation of £10,000. A large proportion of the amount of £192,000 under the heading of investments was represented by holdings in important dental manufacturing organisations, which had once more proved to be invaluable to the Company, and from which they anticipated ultimately interesting developments. The remainder represented British and French War Loan investments. The directors recommended a final dividend of 5 per cent., plus a bonus of 1*s*. per share, making a total of 17½ per cent. for the year, and an average dividend of about 11 per cent. per annum since the formation of the Company. The turnover for the first period of the current year showed a material increase over the corresponding period of last year, which up to then had been their record.

The report was unanimously adopted.

THE KURAU RUBBER ESTATE, LIMITED.

The tenth annual general meeting of the Kurau Rubber Estate, Limited, was held at Winchester House, Old Broad Street, E.C., on June 13, Mr. E. L. Hamilton (Chairman of the Company) presiding.

The Secretary (Mr. F. E. Maguire) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—You will have gathered from the report and accounts which are before you, and which, with your permission, I shall take as read, that your property is in excellent condition, and that it is well managed and economically worked. When I addressed you a year ago I warned you that a smaller crop arising out of our adherence to the Rubber Growers' scheme for curtailment of production would mean higher costs, but, contrary to my expectation, the costs, instead of being higher, are lower, our manager, Mr. Macdonald, having produced his rubber at 10.13*d*. per lb. free on board, as against 10.50*d*. per lb. in the previous year. A large proportion of the crop having been sold either for shipment to the United States or locally, no useful purpose would result by our endeavouring to bring the sale price to the equivalent of London terms, and we have, therefore, given you the average net price realised at port of shipment, which was 1*s*. 6.68*d*. per lb.

Profit per Lb.

After deduction of London charges, the profit is 7½*d*. per lb. on a crop of 262,126 lb., as compared with a profit of 1*s*. 0.64*d*. per lb. on a crop of 284,575 lb. in 1917. This explains the falling off in the profit, which is £7,923, against £15,072 in the previous year. We have no liability for excess profits duty in respect of the accounts before you; in fact, we have a claim for refund in respect of duty paid in previous years; but in making our recommendations to-day we can only deal with the funds we have in hand, and we propose a dividend of 25%, against 35⅓% paid a year ago.

On this occasion it is necessary to set aside £2,000 to income tax reserve account. I need hardly tell you that income tax is assessed on the average of three years' profit, and, with a smaller profit, we are liable this year for a larger amount than we shall recover from the shareholders; hence the allocation to which I have just referred.

The accounts are submitted in the usual form, and I do not think there is any item calling for explanation from me.

Condition of the Estate.

In my opening remarks I told you that your estate is in excellent condition and well managed. It is remarkably so, and I cannot do better than give you a few extracts from the annual report of our visiting agent, Mr. William Duncan. With regard to management, he says :—

"Mr. Macdonald has the details of the management at his fingers' ends, and to these details, as well as the essentials, he devotes untiring energy. The supervision is all that is desirable, and no field overseers are employed—a feature of management I should like to see prevailing on more estates. The labourers come in contact with the Europeans for instructions, and good results are obtained. The relationship between the manager and his labour force appears to me to be particularly happy."

With regard to the condition of the estate, Mr. Duncan says :—

"I am entirely satisfied with the improvement which took place in the appearance of the trees in 1918 and with present bark conditions. The cultivation has been beneficial; in fact, so much so that I see no need to carry out at present the liming programme previously mooted.

"The tapping all over is excellent, and reflects the most careful supervision on the part of the staff."

The manager himself says in his report :—

"The conservative method of tapping now obtaining on the estate has given results fully up to expectation, and the trees, as regards their bark and general appearance, are better than I have ever seen them."

Forward Sales.

I think, gentlemen, that is a very satisfactory state of affairs—(hear, hear)—and I am sure you will wish me to convey to Mr. Macdonald and his staff your cordial thanks and appreciation of the zealous manner in which he has looked after your interests. (Applause.)

With regard to the current year, the manager has estimated for a crop of 325,000 lb., and, as 128,000 lb. have been harvested up to the end of May, it is likely that the estimate will be obtained.

Following our usual custom, when we can get remunerative prices for forward delivery, we have sold a considerable portion of the current year's crop at prices which should give us a satisfactory profit. (Hear, hear.)

I will now move : "That the statement of accounts and balance sheet at December 31, 1918, and the reports of the directors and auditors, be received and adopted."

Mr. Thomas Jaffrey : I have very great pleasure in seconding the adoption of the report. I think during these troublous years the record of this Company has been by no means unsatisfactory, and, with the return of more normal times in the near future, I feel certain that the shareholders will participate to a greater extent. (Hear, hear.) We are fortunate in the fact that the ship is piloted by such a gentleman as Mr. Hamilton, our Chairman, than whom we could have no better, for he is a tower of strength in the rubber industry in particular. (Applause.)

The resolution was carried unanimously.

The Chairman next moved : "That a dividend of 25%, being 6*d.* per share, less tax, be and it is hereby declared payable on the 13th day of June, 1919, to the shareholders on the books of the Company on the 5th day of June, 1919."

Mr. Edgar A. Bennett seconded the motion, which was unanimously agreed to.

The Chairman, in moving the re-election of the retiring director, Mr. Edgar A. Bennett, said that that gentleman represented large interests in the Company. He was well known to most of the shareholders, and was in daily touch with the affairs of the Company, and he (the Chairman) had no hesitation in recommending his re-election.

Sir James Murray seconded the motion, which was passed unanimously.

The auditors (Messrs. McAuliffe, Davis and Hope) were reappointed, on the motion of Sir James Murray, seconded by Mr. S. Verschoyle.

Sir James Murray said he had great pleasure in proposing a vote of thanks to the Chairman, the board, and the staff in the East. He was sure that a better team never worked under the Chairman on the board than those who represented the Company in the East. Those men were far from home, with few opportunities of getting leave, and he thought the Company had trespassed upon their good nature and patience beyond the limit; still, perhaps these conditions were not beyond their power to rectify. He was sure the shareholders generally would heartily support him in his proposal that a very hearty vote of thanks be given to the Chairman, the board, and the staff in the East. (Hear, hear.)

Mr. Verschoyle seconded the vote, which was unanimously accorded.

The Chairman thanked the shareholders on behalf of himself and his co-directors, and stated that it would give him great pleasure to convey the thanks and appreciation of the shareholders to the staff in the East. They had had a very strenuous time during the past four years, and he was sure they would appreciate very much what the shareholders thought of them here.

The proceedings then terminated.

SCHWEPPES, LIMITED.

The twenty-second annual ordinary general meeting was held on June 13 at Prince's Hotel, Jermyn Street, S.W., Sir Ivor Philipps, K.C.B., D.S.O., M.P., presiding.

The Chairman, in moving the adoption of the report and accounts, pointed out that in the accounts presented the directors had given for the first time the figure at which goodwill stood in the books, and had shown freehold and leasehold premises, plant and machinery, horses, harness, vans and motors, and furniture as separate items. Until the report of the Investigation Committee was submitted to the shareholders in January this year, the shareholders had no knowledge of the figure at which the goodwill stood in the books—namely, £1,050,000. Had that item been shown in previous years it would have been quite impossible for the late board to have issued 100,000 Ordinary shares, thus placing that heavy charge for all time in front of the Deferred shares. The directors had employed the reserve account to write down this item of goodwill to £900,000, at which it now stood in the balance-sheet. The financial position as shown in the accounts was distinctly easier than it had been for many years. The loan from the bank of £18,000 had been paid off, and available cash had increased from £29,100 to £48,500. Stock had, however, decreased from £190,800 to £161,900, mainly owing to the delays in transport, cases and empty bottles in customers hands not having been returned owing to the difficulty of obtaining railway transport. Investments stood at £43,600, as against £39,000 in 1917. The estimated value of the investments on December 31, 1918, was £42,700. The Company has now got possession of the Hendon factory, which had been commandeered by the Government for munition work, and they were hard at work reinstating the machinery. They hoped to have it in full working order within the next few months. The directors had paid the interest on the Debenture stock, and recommended a full dividend of 5% on the Preference shares, and a full dividend of 7% on the Ordinary shares. They had also set aside £14,309 to the reserve account, and had written the whole of that account—namely, £139,309—off goodwill. The Board fell sympathised with the disappointment of the Deferred shareholders in again finding themselves without a dividend, but he believed that with careful management and sound finance the value of the Deferred shares would gradually increase. Their present position was the result of the financial methods of previous years, which necessitated 100,000 Ordinary shares being placed in front of them.

Mr. C. Williamson Milne seconded the motion, which, after a short discussion, was carried unanimously.

THE LEATHER TRADE.—I.

For several months past the burning question of the hour has been "When will the 'control' be removed?" and for several weeks past the trade has been waiting, almost daily, to receive the official notification which would do so much to stabilise matters, and permit operators to more definitely gauge the immediate probabilities, thereby encouraging business in all sections, which, through lack of confidence, has fallen very flat. It is also very noteworthy to observe the almost unanimity of the trade Press in finding good in the Government's scheme of control. It is admitted, for instance, that leather producers have enjoyed a period of protection by the restriction of imports—even of raw hides and skins—that has far exceeded anything that might have been demanded. It is also conceded that the War-time boot scheme has educated the public up to higher prices more effectually than any amount of private effort could ever have done, and has therefore established a better rate of profit. Control has also apparently improved manufacturers' and tanners' methods of costings by the training they have received in supplying the many elaborate official "Returns" required by the departments. Finally, the various sections of the industry are now well organised, some groups being formed at the definite wish of the Department, and are now well established for the purpose of self-protection. It is

well to point out that THE STATIST in July 1917 then gave a *résumé* of the work of the Department for 1916, which showed that to provide the leather, footwear, clothing, &c., required so immediately for the greatly increased and then still growing Navy and Army, there was only one practical way to do it, and the Department wisely preferred that way. We further stated that, "in view of the immense saving that has thereby been effected, it cannot be doubted that the step has been amply justified." The general view then was to "slate" the scheme, and THE STATIST seemed to be the voice in the wilderness that saw the National point of view and did not hesitate to indicate it. To-day it is admitted that it "has been irksome, but it has not been without its advantages."

In so vast an undertaking as the control of the leather trade—which is, after all, only one of several of greater importance—it is quite clear that the scheme could not be dissolved at once, any more than it could be brought at once into working order. The Department is, therefore, by cancellation of orders, &c., lopping off the branches in steady rotation and in order of practical convenience. The Department has immense supplies of leather to deal with, as is only reasonable, in view of the suddenness of the cessation of fighting, and naturally do not intend to sell at a loss if such can be avoided. They have already freed imports from the Colonies upper leathers and offals from America; but the freeing of sole leathers, for instance, although rumoured, is not yet accomplished, as stocks on this side are considerable, and unrestricted exportation not yet practicable. Further, there are very heavy stocks of sole leather, curried leathers (*e.g.* kips), lying in America and India on Government account, consequently the Department has to proceed somewhat cautiously. It must also be borne in mind that Peace is not "un fait accompli," and it therefore behoves the Department to be prepared for eventualities; moreover, there is an "Army of Occupation" and a Russian Expeditionary Force to be provided for, as well as the possibility of making heavy supplies to our Allies. Still, things are moving steadily, and it is hoped that the scheme will be definitely concluded by the end of June; already the manufacture of the War-time boot has been stopped, and the stocks are being disposed of in the normal way. The output of Army boots has also been curtailed, all with the view of cessation of "control."

Raw Goods Section.—This highly important branch of the industry is so greatly dependent upon the free and unrestricted flow of imports—as well as the unrestricted outflow of undesirable hides and skins, &c.—that the great improvement that has, so far, this year been recorded in receipts of material reflect the greatest credit upon the shipping community. Thus for the four months ending April 1917-19 we have it officially stated that our imports of *hides and undressed skins* were:—

	1917	1918	1919
Exports	£5,843,316	£6,565,373	£9,445,208
Re-exports	1,746,113	992,859	1,006,955
	£4,097,203	£5,572,514	£8,438,253

English market hides and skins (calf) are still controlled, of course, but the imported goods are not, and the chief feature of the trade during the past month or two has been the big advances that have been paid in America for suitable hides, "Packer" and South American—and which are still firm. Packer hides have been sold to the end of the year at 41*c.*—they were 35*c.* two months since. The view is that there will be a great call for sole and upper leathers in Europe as soon as formalities are passed. Certain it is that there are very big stocks sold to Britain, a good deal of which, in the way of shoulders, bellies, heads, etc., has already been received. There are, without doubt, equal, if not larger, quantities sold to Allied and neutral countries, so that, in arranging for their own home demand for leather, and the replacement of these important sales, the American tanning trade is not working speculatively at present.

A1 GENERAL L 1. 4

ASPECTS OF LONDON TRAFFIC, No. 4.

THE OWLS.

During the War we kept good hours, but now the night birds are about again and London has a longer day. The movement for an eight-hour day has not been noticeable in connection with our pleasures.

As you go home in an almost empty Motor-Bus or in one lightly filled, have you thought that the cost of running was maybe more than the sums of the fares paid. Yet it is so over and over again.

The early and late Motor-Buses on many routes are not the profitable ones. Each day the L.G.O.Co. and its associates run approximately 25% of the trips not for their own gain but for the gain of the community. They seek to give the best of service.

Think of this the next time you find yourself standing in a crowded motor-bus, and if you complain, also give thanks.

The London General Omnibus Co., Ltd.
Electric Railway House, Broadway, Westminster, S.W.1
Reg. 47

The Product of Perseverance.

THIS is what prolonged effort and constant growth in scientific knowledge and in manufacturing resources has produced as the ideal peace model car of medium power and medium weight.

The New 1919

Austin

"Twenty"

is the very acme of modern motor car design.

It conforms to the most modern engineering practice and its standard specification includes such items as electric starter and lighting installation.



THE AUSTIN MOTOR CO., LTD.
HEAD OFFICE:
NORTHFIELD, BIRMINGHAM.
Telephone: King's Norton 230.
Telegrams: "Speedily, Northfield."
LONDON ... ... 479-483 OXFORD ST., W.1
MANCHESTER ... ... 130 DEANSGATE
AND AT PARIS AND BRUSSELS

As regards the world supply of raw material, it has been the vogue to refer to this as being quite inadequate to the demand; but it is, or should be, of interest to note that, except perhaps for home and continental classes of certain high-grade stock, it is not so serious as is generally supposed. Taking a broad point of view, there are undoubtedly big accumulations of hides and skins at all the chief world centres, where shipping facilities have been almost withdrawn. Thus in China there are known to be important supplies, and particularly of goatskins. It has been estimated by American authorities that, in the matter of these skins alone, that are so necessary for the glace kid trade, there are nine million skins in foreign ports, 7½ millions of which are expected to be destined for the United States. There is no doubt that for years past—practically through the War period—American tanners have been securing the cream of the market to come along as soon as ever possible, to the obvious disadvantage of British tanners. Then, in the matter of hides, apart from the vast African and Indian accumulations, it is reported that, owing to vast speculative buying in Italy and the heavy supplies in the Italian Government's hands through the Armistice, and the inter-Allied scheme of purchase, there are at least 2 million hides—it has been stated that the equivalent of hides is nearly 4 millions, and is sufficient for two years' work in the Italian tanning trade. Naturally Italian interests are pressing their Government to prevent importation and permit exportation to Greece and Roumania, and also enemy countries. Further, the cattle population of Brazil, which may be considered as a comparatively new and rising cattle-raising country, is estimated to be 25 millions cattle, 17 million pigs, besides horses, mules, sheep and goats. Upon these facts alone, and also considering the great incentive to breeding that undoubtedly exists in the very satisfactory prices obtainable for hides and skins, not only in the above-mentioned centres, but also in all the old-established markets, Argentina, Australia, New Zealand, etc., there does not appear to be any reason at present for an alarmist view of the raw goods supplies for the leather trade.

Government Areas.—Capital £1,400,000, in £1 shares. 200 stamps, 20 tube mills; 5 tube mills being added to increase mill capacity to 135,000 tons a month. Plant capacity now raised to rate of 1,300,000 tons a year. The returns include sundry revenue.

Year ends Dec. 31	Tons Milled	Sort-ing %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1916	744,000	12¾	1,008,779	27/1	804,091	2 /7	216,400	5/10	51/3
1917	1,298,000	8	1,940,657	29/9	1,236,741	19/0	700,439	10/10	3⅛
1918	1,303,500	10¼	2,159,642	33/1	1,282,226	19/8	877,416	13/5	4⅛
1919.									
Mar. qr.	321,500	13.34	567,517	35 4	342,127	21 4	225,420	14 0	4⅜
Apr.	116,000	—	204,4 0	35 3	119,395	20 3	85,065	14 7	4⅜
May	125,000	—	218,767	35 0	125,482	20 2	93,305	14/10	5⅛

Dividends—1917, Dec., 12½ per cent
1918, June, 12½; Dec., 15 per cent.

EXTEND and INCREASE
YOUR TRADE
with
SOUTH AMERICA!
THE
NELSON LINES
maintain regular
MAIL, PASSENGER & FREIGHT
Services to
RIO DE JANEIRO, MONTE VIDEO & BUENOS AIRES.
Write for particulars to:
H. & W. NELSON, LTD.
Head Office:
98 Leadenhall St., London, E.C.3
& 20 Water St., Liverpool.

Under Contract with H.M. Government.
P&O & British India
Mail & Passenger Services
Sailings from LONDON, MARSEILLES, &c.
Tickets Interchangeable.
MEDITERRANEAN, EGYPT, INDIA, BURMA, STRAITS, CHINA, JAPAN, AUSTRALASIA, MAURITIUS, E. & S. AFRICA, NEW ZEALAND (via PANAMA CANAL)
P. & O. Australian Tickets interchangeable one way by New Zealand Shipping Company (via Panama) or by Orient Line.
For particulars of Sailing apply P. & O. & BRITISH INDIA Passenger Dept., 122, Leadenhall Street, London, E.C. 3.
BRITISH INDIA COMPANY.—For general information apply GRAY, DAWES & Co., 122, Leadenhall Street, London, E.C. 3.

P A
A PEACE RISK.
Who is carrying your death Risk?
Is it your Family,
or
a Life Assurance Office?
WHY NOT LET THE PRUDENTIAL CARRY IT?
C La

UNION-CASTLE LINE.
South and East Africa
ROYAL MAIL ROUTE.
The Cape,
Natal,
Transvaal,
Rhodesia,
East African Ports,
Mauritius,
etc.
For sailings and other information apply to the Head Office, 3 and 4 Fenchurch St., E.C.3. West-end Agency: Thos. Cook & Son, 125 Pall Mall, S.W.1

PERRY'S
TRADE PROTECTION OFFICES
(Established 1776)
12 COLEMAN STREET, E.C. 2.
Status enquiries made as to the position and standing of Traders and others.
PERRY'S GAZETTE & LIST OF CREDITORS
are published Weekly, and are valuable to everyone in business.

THE NATIONAL BANK OF SCOTLAND LIMITED
INCORPORATED BY ROYAL CHARTER AND ACT OF PARLIAMENT.
ESTABLISHED 1825.
Capital Subscribed, £5,000,000. Paid up, £1,000,000. Uncalled, £4,000,000.
RESERVE FUND, £900,000.
Head Office—EDINBURGH.
J. S. COCKBURN, General Manager. GEORGE A. HUNTER, Secretary.
London Office—37 NICHOLAS LANE, LOMBARD ST., E.C. 4.
SIR JOHN FERGUSON, K.B.E., Manager. DUGALD SMITH, Assistant Manager.
Every description of Banking Business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.; the collection of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts, Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of Remittances to all parts.
The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.
The Officers of the Bank are bound to secrecy as regards the transactions of its Customers.

BANK OF MONTREAL

Established in 1817.
Capital Paid up, $20,000,000.
Reserve Fund, $20,000,000.
Undivided Profits, $1,661,614.

BOARD OF DIRECTORS.

Sir Vincent Meredith, Bart., President.
Sir Charles Gordon, G.B.E., Vice-President.
R. B. Angus, Esq., Lord Shaughnessy, K.C.V.O., C. R. Hosmer, Esq., H. R. Drummond, Esq., D. Forbes Angus, Esq., William McMaster, Esq., Lt.-Col. Herbert Molson, M.C., Harold Kennedy, Esq., H. W. Beauclerk, Esq., George B. Fraser, Esq., Colonel Henry Cockshutt, J. H. Ashdown, Esq., F. W. Beatty, Esq.
Head Office: Montreal.
General Manager: Sir Frederick Williams-Taylor.
Assistant General Managers: F. J. Cockburn, H. B. Mackenzie, G. O. Cassels, D. R. Clarke.

LONDON OFFICES:
47 Threadneedle Street, London, E.C. 2.
9 Waterloo Place, Pall Mall, S.W. 1, and
24 Cockspur Street, S.W. 1.
London Committee: Sir Thomas Skinner, Bart., Lieut.-Col. F. R. S. Balfour.
Manager: George Cyril Cassels.

Financial Agents of the Government of the Dominion of Canada.

Branches and Agencies through Canada and Newfoundland; also at New York, Chicago, San Francisco and Spokane in the United States, and at Mexico City.

The Bank undertakes monetary business with all Allied and Neutral countries, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, and Mexico.

THE ROYAL BANK OF CANADA.

Capital Paid up $15,000,000
Reserve Fund and Undivided Profits $16,000,000
Total Assets $430,000,000

Head Office—MONTREAL.

Sir HERBERT S. HOLT, President. E. L. PEASE, Vice-President & Managing Director.
C. E. NEILL, General Manager.

510 Branches in Canada and Newfoundland.
44 Branches in Cuba, Porto Rico, Dominican Republic, Guadeloupe, Martinique, Costa Rica and Venezuela.
17 BRANCHES IN BRITISH WEST INDIES.
ANTIGUA—St. John's; BAHAMAS—Nassau; BARBADOS—Bridgetown; DOMINICA—Roseau; GRENADA—St. George's; JAMAICA—Kingston; ST. KITTS—Basseterre; TRINIDAD—Port of Spain, San Fernando; BRITISH GUIANA—Georgetown, New Amsterdam, Rose Hall; BRITISH HONDURAS—Belize.

BARCELONA, SPAIN ... Plaza de Cataluna 6.
NEW YORK AGENCY ... 68 William Street.
LONDON OFFICE ... ... Princes Street, E.C. 2.
T. B. WHITLEY, Manager. JAMES MACKIE, Joint Manager.

BANK OF NEW SOUTH WALES.

Established 1817.
LONDON OFFICE: 29 Threadneedle Street, E.C.2.

Paid-up Capital	£3,904,860
Reserve Fund	3,025,000
Reserve Liability of Proprietors ...	3,904,860
	£10,834,720
Aggregate Assets, 30th Sept., 1918	£62,115,135

The London Office issues Drafts on demand on its Head Office and Branches in Australia, New Zealand, Tasmania, Fiji and Papua, and on its Correspondents in Tasmania. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for fixed periods on terms which may be known on application; and conducts every description of Australasian Banking Business.

H. MELDRUM, Assistant Manager.

NATIONAL BANK OF NEW ZEALAND,

LIMITED.
HEAD OFFICE—17 Moorgate Street, E.C.2.

AUTHORISED CAPITAL	£3,000,000
SUBSCRIBED CAPITAL	2,250,000
PAID-UP CAPITAL	750,000
RESERVE FUND	730,000
UNCALLED CAPITAL	1,500,000

Receives Deposits of £50 and upwards for 1, 2 or 3 years at rates to be ascertained on application.
Drafts, Letters of Credit and Wire Remittances granted, and Bills on New Zealand purchased or sent for collection.
ARTHUR WILLIS, Secretary & London Manager.

Ernesto TORNQUIST & Co

LIMITADA,
BUENOS AIRES.
Established 1830.

Oldest Business Establishment in the River Plate.

CAPITAL FULLY PAID UP AND RESERVES
£2,679,785.

GENERAL FINANCIAL, BANKING AND COMMERCIAL BUSINESS.

THE MECHANICS AND METALS NATIONAL BANK

OF THE
CITY OF NEW YORK.
ESTABLISHED 1810.

CAPITAL (FULLY PAID) $6,000,000
SURPLUS AND UNDIVIDED PROFITS ... $11,000,000

THIS BANK RECEIVES ACCOUNTS OF BANKS, BANKERS, CORPORATIONS, FIRMS, AND INDIVIDUALS ON FAVOURABLE TERMS, AND GRANTS TO ITS DEPOSITORS EVERY FACILITY CONSISTENT WITH PRUDENT AND CONSERVATIVE BANKING METHODS. CORRESPONDENCE INVITED.

FOREIGN DEPARTMENT.

Finances Exports and Imports, buys and sells Foreign Exchange. Telegraphic Transfers, &c., and makes Collections on all parts of the world.

LONDON BANKERS:
LONDON JOINT CITY AND MIDLAND BANK LIMITED.
LONDON COUNTY WESTMINSTER & PARR'S BANK LIMITED.

IMPERIAL BANK OF CANADA.

Head Office—TORONTO.

Capital Paid up - - - $7,000,000
Reserve Fund - - - $7,000,000

Over one hundred Branches in the Provinces of Ontario, Quebec, Manitoba, Saskatchewan, Alberta and British Columbia.

Cable or Mail Remittance readily made to and from Great Britain and Canada.

Agents in Great Britain:
ENGLAND—Lloyds Bank Limited, London, and Branches.
SCOTLAND—The Commercial Bank of Scotland, Limited, Edinburgh, and Branches.
IRELAND—Bank of Ireland, Dublin, and Branches.

Agents in France:
Crédit Lyonnais. Lloyds Bank (France) and National Provincial Bank (France) Limited.

THE MERCANTILE BANK OF INDIA, LTD.

Head Office: 15 Gracechurch St., London, E.C. 3.

Capital Authorised & Subscribed...	£1,500,000
Capital Paid-up	750,000
Reserve Fund & Undivided Profits	785,793

Branches:
INDIA, BURMAH, CEYLON, STRAITS SETTLEMENTS, CHINA, AND PORT LOUIS, MAURITIUS.

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes, and transacts Banking and Agency Business in connection with the East on terms to be had on application.

Fixed Deposit Rates will be quoted upon application.

On current accounts interest is allowed at 2 per cent. per annum on daily balances.

THE BANK OF ADELAIDE.

(Incorporated by Act of Parliament, 1865.)
Authorised Capital, £1,000,000 Subscribed Capital, £625,000

Paid-up Capital	£500,000
Reserve Fund	570,000
	£1,070,000
Uncalled Capital	125,000
Reserve Liability of Proprietors...	625,000
	£1,820,000

London Office—11 LEADENHALL ST., E.C. 3.
Bills on Australasia purchased or collected.
Drafts issued and **Remittances** cabled.
Deposits received for fixed periods at rates to be ascertained on application.

PERCY ARNOLD, *Manager.*

THE FOURTH STREET NATIONAL BANK, PHILADELPHIA.

CAPITAL FULLY PAID ... $3,000,000.00
SHAREHOLDERS' LIABILITY $3,000,000.00
SURPLUS AND PROFIT ... $7,500,000.00

Bills of Exchange
Telegraphic Transfers
Letters of Credit
Travellers' Checks
available throughout the World.

Collections made everywhere. Acts as Agent for Foreign Banks to draw on the United States.

Correspondence solicited.

LONDON AGENTS—
SAMUEL MONTAGU & CO.
LONDON JOINT CITY & MIDLAND BANK, LTD
LLOYDS BANK LIMITED.

Cable Address—"FOURBANK."

NATIONAL BANK OF INDIA,

LIMITED.

Bankers to the Government in British East Africa and Uganda.

HEAD OFFICE:
26 BISHOPSGATE, LONDON, E.C. 2.

BRANCHES:

Calcutta	Cochin (S. India)	Zanzibar	
Bombay	Chittagong	Mombasa	British East Africa
Madras	Rangoon	Nairobi	
Karachi	Mandalay	Nakuru	
Cawnpore	Aden and	Kisumu	
Lahore	Aden Point	Entebbe	Uganda
Amritsar	Colombo	Kampala	
Delhi	Kandy	Jinja	
Tuticorin	Newera Eliya		
	Dar-es-Salaam, Tanga		Occupied Territory, German East Africa.

SUBSCRIBED CAPITAL ...	£2,000,000
PAID UP CAPITAL	£1,000,000
RESERVE FUND	£1,550,000

LONDON BANKERS.—Bank of England; National Provincial Bank of England, Limited; National Bank of Scotland, Limited.

The Bank conducts every description of Eastern Banking business.

Deposits received for fixed periods at rates to be obtained on application. Interest payable June 30 and December 31.

Current accounts are opened, and provided they do not fall below £200 interest is allowed on the minimum monthly balances at the rate of 2 per cent. per annum.

THE EASTERN BANK,

LIMITED.

Head Office:
4 CROSBY SQUARE, LONDON, E.C.

Subscribed Capital	£1,500,000
Called up	£600,000
Reserve Fund	£110,000
Reserve Liability of Shareholders	£900,000

BOARD OF DIRECTORS.

The Right Hon. LORD BALFOUR OF BURLEIGH, K.T. (Chairman).
SIR EDWARD SASSOON, Bart. J. S. HASKELL, Esq.
G. BROMLEY-MARTIN, Esq. J. LEIGH WOOD, ESQ., C.B., C.M.G.
EMILE FRANCQUI, Esq.

Branches:
BOMBAY, CALCUTTA, BAGDAD, BASRA, AMARA, HILLAH.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, Negotiates and Collects Bills of Exchange, and transacts Banking and Agency business in connection with the East.

Deposits are received for fixed periods at rates to be ascertained on application. On current accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, *Manager.*

BANK OF NEW ZEALAND.

Bankers to the New Zealand Government.

CAPITAL.

Authorised, £5,500,000 Subscribed £2,779,988

PAID UP.

Four per Cent. 1934 Guaranteed Stock ..	£529,988
Preference Shares issued to N.Z. Government ..	750,000
Ordinary Shares, £6 13s. 4d. each, £3 6s. 8d. paid up	500,000
Ordinary Shares, £6 13s. 4d. each, fully paid	500,000
Reserve Fund and Undivided Profits	£2,345,702

London Office: 1 Queen Victoria Street, E.C. 4.

Issues Drafts and Letters of Credit, makes Telegraphic Transfers, Negotiates and Collects Bills of Exchange.

ALEXANDER KAY, Manager.

Printed by SPOTTISWOODE, BALLANTYNE & CO., LTD., at 1 New Street Square, E.C. 4, and Published by the Proprietors of "The Statist" at their Offices 51 Cannon Street, E.C. 4, in the City of London, England.—*June* 14, 1919.

THE LONDON ASSURANCE.

Incorporated by Royal Charter, A.D. 1720.

7 ROYAL EXCHANGE, LONDON, E.C. 3.

INCOME £3,084,450 FIRE. MARINE.

Applications for Agencies Invited.



ASSETS £8,526,459 LIFE. ACCIDENT

All classes of Insurance.

The Corporation has granted Fire, Life and Marine Insurances for nearly Two Hundred Years.

BRITANNIC
ASSURANCE CO., LTD.

Policies are issued at Yearly, Half-Yearly, Quarterly, Mo thly and Weekly premiums.

FUNDS - - - £4,890,000.

Chief Offices: BROAD STREET CORNER, BIRMINGHAM.

LONDON & MANCHESTER ASSURANCE COMPANY, LIMITED.

Chief Office - 50 FINSBURY SQUARE, LONDON, E.C. 2.

Allied with National Amalgamated Approved Society for National (Health) Insurance.

PREMIUM INCOME exceeds ... £1,000,000
FUNDS exceed £2,000,000

ROYAL LONDON
INSURANCE OFFICES.

ROYAL LONDON MUTUAL INSURANCE SOCIETY, LTD.
ROYAL LONDON AUXILIARY INSURANCE COMPANY, LTD.

LIFE, FIRE, ACCIDENT.

Head Office:
ROYAL LONDON HOUSE, FINSBURY SQUARE, LONDON, E.C. 2.
JOHN PRICE, HORACE DUFFELL, *Managing Directors.*

PEARL
ASSURANCE COMPANY, LTD.

Chief Offices: High Holborn, W.C. 1.

Annual Income exceeds £5,250,000
Claims Paid exceed £23,000,000

ABSTAINERS AND GENERAL
INSURANCE COMPANY LTD.

Head Offices:—BIRMINGHAM.

LIFE ASSURANCE.
Reduced Rates for Abstainers.

Fire, Burglary, Plate Glass, Personal Accident.

Forward postcard for Company's popular booklets, "Total Abstinence an Asset in Life Assurance" and "Homes and How to Own Them."

REFUGE
ASSURANCE COMPANY LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

Annual Income Exceeds - £4,700,000
Assets Exceed - - - - £15,900,000
Claims Paid Exceed - - - £28,000,000

SUBSCRIPTION TO "THE STATIST."

TO INCLUDE ALL SUPPLEMENTS.

Payable in Advance.

Inland.
One Year, £1 10 0 | Half-Year, £0 15 0
(Post Free.)

For Colonies and Abroad (within Postal Union).
One Year, £1 17 4 | Half-Year, £0 18 8
(Post Free.)

OFFICES: 51 Cannon Street, E.C. 4.

MAXIMUM LIFE ASSURANCE
at
MINIMUM COST.

LIFE ASSURANCE particularly adapted for Partnerships and for all transactions where capital is involved.

Prospectus will be sent on application to

Assets exceed £700,000 | WESTERN AUSTRALIAN Insurance Co., Ltd. 45 to 47 Cornhill, London, E.C. 3. | Claims Paid exceed £1,000,000

The Statist.

LONDON, SATURDAY, JUNE 21, 1919.

CONTENTS.

LEADING ARTICLES— PAGE
THE LOAN 1151
THE UNITED STATES ... 1152
THE PORT OF HULL. I. ... 1153
BRITISH DYEWARES. I. ... 1156
ARGENTINA 1155
MOLYBDENITE DEPOSITS IN IRELAND 1157
THE IRISH SHEEP INDUSTRY 1159
WOOL-COMBING INDUSTRY II... 1165
PRICES IN THE WOOL TRADE 1154
PAINT-MAKING MATERIALS IN IRELAND 1166
AFRICA AND AUSTRALIA ... 1164

S. AND CENTRAL AMERICA—
MEAT FOR THE FREEZING-HOUSES 1158
THE MEXICAN RAILWAY CO. 1172

THE MONEY MARKET—
UNREALITY 1174

STOCK EXCHANGE 1145

MINING TOPICS—
RAND MINES, LTD. 1146
MONEY (IN 1147
ZINC CORPORATION 1147
RAND GOLD OUTPUT ... 1148

TABULAR APPENDIX—
I. Bank Returns, &c. ... 1148
II. Current Rates of Discount 1149
III. Foreign Exchanges ... 1149
IV. Bankers' Clearing-House Returns 1149
V. Fixtures 1149
VI. Wholesale Prices of Commodities 1150
VII. Railway Revenue Statements 1150
VIII. Railway and Tramway Traffic Receipts ... 1150

FINANCIAL NOTES— PAGE
REPORT ON GREENWICH OBSERVATORY 1161
ADMIRALTY TIME KEEPING... 1161
SUMMER-TIME ACT 1161
FRENCH STATE CONTROL ... 1161
SOUDAN DEVELOPMENT ... 1162

AMERICAN TOPICS—
INTERNATIONAL MERCANTILE MARINE 1167

RUBBER TOPICS—
CHERSONESE (F.M.S.) ... 1169
LANADRON 1169
STRATHMORE (CEYLON) ... 1169
AYER KUNING (F.M.S.) ... 1170
KURAU (PERAK) 1170
CEYLON (PARA) 1170

NEW ISSUES—
HARRISONS AND CROSFIELD, LTD. 1176
DEVELEY, LTD. 1177
MAIDENHEAD BRICK AND TILE CO., LTD. 1177
JOSEPH NATHAN & CO., LTD. 1177
PICTURE PLAYHOUSES, LTD. 1177
CLYDE VALLEY SHIP WELDERS, LTD.... 1177
BRITON MOTOR CO., LTD. ... 1178
E. G. WRIGLEY & CO., LTD. ... 1178

INSURANCE NOTES—
EXCESS INSURANCE CO., LTD. 1171
BRITISH GENERAL INSURANCE CO., LTD. 1171

COMMERCIAL—
SILK TRADE, II. 1173

INDUSTRIAL COMPANIES—
BURMAH OIL COMPANY, LTD. 1167
BRUNNER, MOND & CO. ... 1175
WM. COBB & SONS, LTD. ... 1175
EAGLE OIL TRANSPORT CO., LTD. 1176

MEETINGS OF PUBLIC COMPANIES ... 1179-1190

The Money Market.

Friday, June 20, 1919.

	Current Rate % Fixed	Previous Rate % Fixed
Bank of England Rate...	5 (Apr. 5, '17)	5½ Jan. 18, '17
Bank of England Rate — to Clearing Banks: 3 days' notice ...	3 (Feb. 14, '18)	4 June 19, '17
Bank of England Rate — for Foreign Money*	4½ (Nov. 15, '17)	extended Jan. 2, '18

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances.

Deposit Rates:—			
Banks & Discnt. Ho. (Call)	3†	(Feb. 14, '18) 3½	Jan. 2, 18
Discount Houses (Notice)...	3	(June 6, '18) 3½	Feb. 14, '18

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates:—	60 Days. %	3 Mos. %	4 Mos. %	6 Mos. %
Bank Bills	3⅛	3⅛	3⅛	3⅛
Trade Bills	—	4	4-4¼	4-4½

UNREALITY.

Money, as our tables show, both in the short-loan and the discount market in Lombard Street, appears cheap and plentiful, and is in a sense too cheap if not too plentiful. It is almost as cheap and appears to be as plentiful as in pre-War days; but the position of the London market is artificial to a degree. London has almost ceased to be a Money market in the sense we knew it in the period that preceded 1914, and it cannot recover its position until we are really able to pay for our urgently needed imports of food and raw material. The London Money market at present is very much in the position of an individual who has come to certain arrangements with his creditors and has for the time being ample supplies of small change for pocket money, but whose balance at his bankers is totally inadequate to pay off heavy debts which he has incurred in the recent past. Until we can devise some means, either by increasing our exports or rendering a larger measure of service to our creditors than we are able to do at the present time, the London Money market must continue to be a purely artificial one. Meanwhile, the New York Exchange and those of most of the neutral countries are against us because we have imported from those countries more than we have been able to render of economic value in return, while the exchanges of a large proportion of our Allies are in our favour because we have rendered them greater services than they are able for the moment to return.

POLAND.

It is to be regretted that the Polish Diet, alarmed at the abnormal growth in the note circulation to which we shall refer very briefly in a minute, is absorbed in questions of currency reform rather than attending to the imperative needs of the country to obtain the means of importing such raw materials as would give her some prospect of improving the economic condition of Poland. The proposals before the Diet would involve an expenditure which the present economic condition of the country is unable to meet. At the moment she has not the wherewithal to pay for her urgent needs of foodstuffs and raw materials. Nor can she obtain the necessary credit abroad. Even if Poland could cancel a large proportion of her excessive note circulation, this might bring about a fall in prices in the country itself, but her adverse exchange would still be governed by her capacity to export either goods or raw materials. An improvement in her exchange could only be brought about if she could arrange matters so that her exports appreciably exceeded her imports. The internal currency can only affect the export value of commodities to the extent that labour and locally purchased raw materials are paid for on a lower basis of value than elsewhere. The inflated currency of the country is out of all proportion to the requirements of the country. To remedy this state of things there is a proposal before the Diet to create a monetary unit to be called a Gold zloty, 3,100 of which would weigh 1 kilogram of gold. It is further proposed to issue a proportion of gold pieces called ducats, of the equivalent of 20 zlotys, and there would also be half-ducats struck. This is all very fine on paper, but, bearing in mind the fact that the country is not in a position to pay for its urgently needed imports, how is it proposed to find the means to obtain such an amount of gold as would enable the Government to reform the currency.

BANK OF ENGLAND.

Two big movements are shown in this week's Bank return. "Other" deposits declined by £6,500,000, and per contra the Government was able to reduce its securities by £8,289,000. Other movements indicated were of subsidiary and minor importance, excepting an increase of nearly a million in the reserve brought about by a further reduction of £285,000 in the note circulation and an addition of £700,696 to the stock of gold. The amount of this in both departments now totals over £87,000,000, and shows an increase of £7,000,000 in the first six months of the year. The note circulation in the same period has also increased a little over £7,000,000, and the proportion of reserve to liabilities at 19.71% is not much below the highest since the year commenced.

The largest cancellation recorded for six months is shown in the Currency note return for the week ended June 18, in consequence of which the total notes and certificates outstanding declined by £2,341,000 to £344,779,000.

POSITION IN NEW YORK.

Whether by design or through accident, money rates have risen sharply in New York; and whereas two-million share deals were of daily occurrence recently, the New York Stock market has been comparatively inactive on one or two occasions this week, and a deal of more than a million and a-half shares has been considered a very active day. It will be remembered, as we mentioned last week, that the extravagant growth in speculation in the Wall Street market, as well as in the Produce Exchanges of New York, Chicago, St. Louis, and other cities, had created widespread alarm, not merely among the commercial and trading classes, but in Government circles, and over a wide area of the country. Measures were threatened in Congress which were designed to check the extravagant speculation. We pointed out at the time that if such speculation had occurred in the years that preceded the outbreak of the recent War it would have almost certainly heralded a decided slump. But

STANDARD BANK OF SOUTH AFRICA, LTD.

Bankers to the Government of the Union of South Africa in Cape Province; to the Imperial Government in South Africa, and to the Administration of Rhodesia.

Subscribed Capital ...	£6,250,000	Reserve Fund	£2,200,000
Paid-up Capital	£1,562,500	Uncalled Capital... ...	£4,687,500

BOARD OF DIRECTORS.

WM REIERSON ARBUTHNOT, Esq. | ROBERT E. DICKINSON, Esq. | WILLIAM SMART, Esq.
SIR DAVID M. BARBOUR, K.C.S.I., K.C.M.G. | JAMES FAIRBAIRN FINLAY, Esq., C.S.I. | RT. HON. LORD SYDENHAM, G.C.S.I., G.C.M.G., G.C.I.E., G.B.E.
EDWARD CLIFTON BROWN, Esq. | HORACE PEEL, Esq.

Head Office: 10 CLEMENTS LANE, LOMBARD STREET, LONDON, E.C. 4.

West-End Branch: 17 NORTHUMBERLAND AVENUE, W.C.2 (Adjoining the Royal Colonial Institute).
New York Agency:—68 WALL STREET. Rotterdam Branch: 15 COOLSINGEL. Amsterdam Branch:—69 ROKIN.
Over 260 Branches and Agencies in South and East Africa.

BANKING BUSINESS OF EVERY DESCRIPTION transacted at all Branches and Agencies.
CURRENT ACCOUNTS opened on the usual terms, and **DEPOSITS RECEIVED** for fixed periods at rates which may be ascertained on application.
SAVINGS BANK ACCOUNTS opened on terms, particulars of which may be obtained at Branches.
BILLS NEGOTIATED and **COLLECTED.**
DRAFTS issued, **MAIL** and **TELEGRAPHIC REMITTANCES** made.
The Officers of the Bank are bound not to disclose the transactions of its customers.

LETTERS OF CREDIT and **COMMERCIAL CREDITS** established
TRAVELLERS' LETTERS OF CREDIT issued available in all parts of the world.
PURCHASE and **SALE** of Stocks and Shares effected.
DIVIDENDS, ANNUITIES, &c., received and **COUPONS COLLECTED.**
STRONG ROOMS provided for the safe custody of Securities and Valuables of Customers.
ASSAY DEPARTMENT.—Gold, &c., and all Mineral Ores assayed and realis d.
EXECUTOR AND TRUSTEE business undertaken.

FRANCIS SHIPTON, *London Manager.*

the position of the United States has materially changed in the interval that has elapsed since the breaking out of hostilities in August 1914. Whereas in the days that preceded the War the United States was compelled to send abroad something like 200 millions sterling worth of produce every year to meet the interest upon investments formerly made in the United States, she has now become a creditor nation; and, consequently, she is no longer under the necessity of sending produce to pay interest upon securities. It is not absolutely true, however, to say that Europe has realised the whole of its securities. On the contrary, in this country we have only realised about 25% of our holdings of various foreign securities, although in the case of American securities the percentage is very much higher. Nevertheless, British capitalists still have very large interests in American securities. Consequently, there is not the same necessity as formerly for devoting the available capital of the Union to producing, first, to pay off its indebtedness; and, secondly, to meet the demands of its trade, renewal of plant, and, above all, the development of the United States itself. The United States of North America has, perhaps, more than any other country, with the possible exception of Japan, benefited from the recent War. Nevertheless, great material progress has its drawbacks as well as its advantages. Whereas in the years that preceded the War she had to find every year very large sums of money to pay interest on her debt, on the other hand she could obtain from Europe large sums of money at very cheap rates of interest to pay for the development of her natural resources. And as prosperity increased in the United States she could, and did, redeem a large part of her various loans formerly held in Europe. At one time the bulk of the United States National Debt was held in Europe. But very few men in active business in the City in our time remember the period when United States Government securities were held to any extent upon our market. As things are, the United States will require for some time to find the bulk of the money necessary for the development of her own natural resources, as well as the resources of those parts of Central America for which the United States interests in the Panama Canal make that country virtually responsible. We shall hope to discuss at a later date the effect of this change in the development both of North and of South America, and to consider whether the trading classes of the United States would be well advised in entering into competition with similar interests in Europe.

SILVER.

It was recently stated in Parliament that during the period of the War over 100,000,000 oz. of silver were coined in the English Mint. It will be remembered that during the same period India took, mainly through the medium of the United States, some 400,000,000 oz. of silver, which has been absorbed by that country. In addition, India recently engaged a further 200,000,000 oz. of silver for shipment from the United States, and part of this silver is, we believe, still in course of transit. This gives an aggregate during the period of five years of something over 700,000,000 oz. of silver coined in this country and absorbed by India. It may be remembered that we published some time ago an article giving the figures of silver production raised from the mines in the different countries of the world. In the aggregate the annual amount raised was considerably less than 200,000,000 oz. That is to say, out of a total production amounting to between 900,000,000 and 1,000,000,000 ounces England and India between them absorbed somewhat over 700,000,000 oz., leaving considerably less than 300,000,000 oz. to supply the requirements of all the rest of the world.

It may be remembered that we described recently the difficulties under which silver mining was carried on in Mexico, which in normal times is the world's second largest source of supply. The sending of United States troops into Mexico this week has further aggravated those difficulties. It will be seen that the supply is inadequate to the world's requirements at the moment. The price of silver has ranged during the week between 54*d.* and 54⅞*d.* per oz. A further rise in the price will depend upon a continuance of the demand for China and the Far East. The price closes to-night at 54½*d.*

THE POSITION IN INDIA.

Owing to the extraordinary delay in the working of the cables between this country and India we learn from Bombay that some ten days ago the monsoon burst. According to advices received in financial and commercial circles in the City in close touch with India the monsoon so far is of a very favourable character. This is excellent so far as it goes; but in order to accomplish its purpose in restoring prosperity in India it will be necessary for the heavy summer rains to continue all through June, July, and August and well into September. If this occurs India may be assured of another year of great prosperity, added to the many she has already enjoyed and which were only interrupted by the partial drought of last year. There is an urgent need all over the world for the food and raw materials India is capable of supplying, and provided heavy rains continue during the next three months the prosperity of India is assured for another season, and we shall probably hear very little more of the recently prevailing unrest.

INDIA COUNCIL SALES.

	This Week			Next Week
	Offered	Applications	Allotted	To be Offered
Amount...	Rs.1,00,00,000	Rs.2,05,55,000	Rs.1,00,00,000	Rs.1,00,00,000

Allotments on Tuesday, June 17, 1919.

	Bills		Deferred T.T.		Immediate T.T.	
Applications ...	—		Rs. 1,80,55,000		Rs. 25,00,000	
Drafts on—	Rs.	Rate	Rs.	Rate	Rs.	Rate
Calcutta ...	—	—	30,31,000	1/7·9375	10,95,000	1/8
Bombay ...	—	—	40,09,000	1/7·9375	1,22,000	1/8
Madras ...	—	—	17,43,000	1/7·9375	—	—
Total ...	—	—	87,83,000	1/7·937	12,17,000	1/8
Allotted ...	—	—	48%		48%	

Sales for week to June 16, 1919	Rs.1,00,00,000	realising	£831,049 (1/7·9)
Sales, Apr. 1, '19, to June 16, '19	Rs.4,80,00,000	,,	£3,939,128 (1/7·9)
Sales, Apr. 1, '18, to Mar. 31, '19	Rs.15,50,00,000	,,	£11,516,754 (1/5·8)
Sales, Apr. 1, '17, to Mar. 31, '18	Rs.15,20,00,000	,,	£31,106,219 (1,4·5)

Stock Exchange.

The desire of many investors to exchange from existing securities into the new Government loans has been the principal factor affecting the Stock markets of the past week. Consols and War Loan have both fallen, the War Loan to under 94, but Colonial stocks have been the chief sufferers. Some of the stocks sold no doubt compare unfavourably with the attractions of the new loans, but it is patriotism more than business acumen which accounts for the selling of the 5% War Loan, and in the case of numerous sales of 1927 and 1928 War Bonds the actuating impulse must be tinged with ignorance, seeing that they are convertible into the new loans on the basis of par. As regards the 5% War Loan, it may be pointed out that when the price is below the issue figure of 95

5%

NATIONAL WAR BONDS.

Although the issue of September Bonds is discontinued, they are still purchasable for a limited period by instalments from

The National Mutual Life Assurance Society

39 KING STREET, CHEAPSIDE, LONDON, E.C. 2.

under the Society's Special Scheme.

INSTALMENTS CEASE AT DEATH.

NO MEDICAL EXAMINATION OF APPROVED LIVES.

Write for particulars.

the depreciation fund which the Treasury must provide has to be applied to purchases in the market. The argument advanced in favour of an exchange into the new War Loans is that the Government may exercise its option of repayment at par in 1929, and that the investment then of released funds may quite possibly have to be done on terms much less attractive than obtainable in the new Government War Loan. There is a good deal, of course, to be said for that point of view, and undoubtedly a 5% yield on a Government security certain for over 50 years is attractive to the private investor. On the other hand, however, it is pointed out that at 94 the 5% War Loan yields £5 6*s.* 5*d.* per cent., irrespective of premium on redemption. Even if, then, the Loan should be repaid in 10 years' time, in that period the excess yield over the new Government Funding Loan would be worth about £3¾ at compound interest. If we add that to the £6 premium on redemption above the present price the total gain comes out at £9¾, so that the new Loan would have to rise to approximately that extent in 10 years to make the exchange now profitable. Then there is the possibility that before 1929 the Money market may experience a period of greater stringency than at present—for instance, in case of great trade activity—when a long-term 5% Loan would be less in demand than a higher yielding short-dated security. But when all has been said, we come back to the vital factor which is of the greatest moment to everyone. In the country's interests it is above all necessary that the new Loans should be an unqualified success, and to that end all who can afford to make a little sacrifice should not look too closely at the narrow business aspect. Moneyed interests in particular stand to gain greatly from the clearing up of the financial position created by the War. What the Government urgently requires is new money, and, more urgently still, the funding of the short-dated obligations such as Treasury bills, Exchequer Bonds, and the first three series of War Bonds.

Foreign stocks throughout the week have been a dull market, with Chinese issues outstandingly weak at one time on fears of trouble with Japan. Japanese bonds, too, have given way a point or so. The French 5% Loan has been as low as 77¾, and the 4% Rentes are no better than 63½xd. In the Home railway sections dealers continued to mark down quotations until late in the week when a partial recovery occurred. In Foreign rails the downward trend has been uninterrupted. Among Colonials, Canadian Pacific rose sharply in mid-week, but did not quite hold the improvement.

Most of the departments comprising the commercial, industrial, and general sections have displayed a reactionary disposition, and business has been slack. However, nothing like a serious set-back in prices has occurred, while, on the other hand, there have been several features of strength. Shipping shares restarted well following last week's activity; but on the announcement from America that the stockholders of the International Marine had refused to ratify the directors' proposal to sell the interest in British shipping companies, the market turned round and prices in several instances dropped appreciably. Furness, Withy, however, have well withstood the general trend, and close at 5, against 5⅜ a week ago. Elsewhere Courtaulds have been the outstanding feature, continued large buying sending up the price to over 10½ at one time, while Maypole Dairy shares have also risen to a fair extent.

Contrary to the experience of most sections of the Stock Exchange the Oil-share market has had another active week. Burmah shares on the report, Mexican Eagles on the increase of capital, and British Burmah have been prominently good, and minor rises in quotations are numerous.

PLAYER'S
NAVY MIXTURE
"Pipe Perfect"
IN THREE STRENGTHS
White Label 9½d. PER OZ.
Mild and Medium. 10½d. PER OZ.
JOHN PLAYER & SONS, Nottingham.
Branch of the Imperial Tobacco Co. (of Great Britain and Ireland) Ltd.

Leaders of the World's Filing and Card Index Systems
Shannon
and Modern Office Furniture
ROPEMAKER STREET, E.C.2.
Ring up London Wall 1533.

Mining Topics.

For the major part of the week the Mining Share market, in common with most other sections of the Stock Exchange, showed the effects of realisations on the part of investors wishing to take up the new Government loans. Considering the sharp rises that occurred in many shares since the commencement of the year, this is a good feature. As to movements, those in favour of holders have been relatively few and not of much importance, and it cannot be said either that the declines have been very appreciable. In the course of the next week or so the dividends of the Rand mines will be announced, and it is probable that on the whole the declarations will compare unfavourably with those of a year ago.

RAND MINES, LIMITED.

To find a parallel for the comparatively small profit shown by the accounts of the Rand Mines, Limited, for 1918 one has to go back as far as 1906, when, it will be remembered, the industry had not fully recovered from the effects of the Boer War and the Eastern Rand mines had not proved their capabilities as dividend payers. Now the Company has just emerged from another war which, though distant and less paralysing to the South African mining industry, has, nevertheless, greatly affected the operations of all the mines. The older and deeper properties have been the hardest hit, and it is just that class of undertaking in which the Rand Mines, Limited, has its greatest interests. For instance, in Crown Mines it has 865,112 10*s.* shares, in Nourse Mines 388,592 £1 shares, in Ferreira Deep 385,218 shares, in Geldenhuis Deep 282,493 shares, in Rose Deep 269,224 shares, and in City Deep 197,587 shares. Of course substantial interests have been obtained and retained in the newer East Rand mines—for instance, 25,000 Modderfontein shares and 54,700 Modder B shares are held; but the financing of the mines of the group situated on this rich section of the Rand has been left to the Central Mining Company. In a word, therefore, the progress of the Rand Mines, Limited,

itself is bound up with the question as to what extent the future course of working costs will permit the older mines to work profitably at greater and greater depths. With its large holding of Crown Mines shares, naturally much will depend upon the gold-bearing quality of the ground to the south of the dyke, the opening up of which has as yet only commenced. We described the position in this respect a fortnight ago, and we dealt with the City Deep on May 24. The development situations of both these mines are interesting, and the outlook appears to promise better results than recently obtained. But much depends upon the amount of labour available, and whether the increased employment of jack-hammer rock drills on these and other of the older mines will result in such economies as to offset the rise in the cost of materials, wages, &c., that has occurred since the War commenced. It is rather too much to hope that there will be a rapid fall in costs, but there seems good ground for anticipating a gradual reduction to a limited extent; and it must not be forgotten that where large tonnages are dealt with, as at the Crown Mines and City Deep, 1*s.* per ton decline in costs makes a big difference in the profits. The Crown Mines Company for 1918 paid 20% in dividends, against 40% for 1917, and the Rand Mines distribution of 85% compares with 145%. We show the recent course of earnings and dividends below:—

	Profits			Dividends Paid		Amount of Carry-forward
	On Investment Sales	From Divs., &c.	Total*			
	£	£	£	£	%	£
1914 ...	27,576	1,139,957	1,166,533	1,067,997	200	339,103
1915 ...	15,732	870,657	886,389	850,398	160	320,289
1916 ...	97,169	856,126	953,295	797,248	150	334,091
1917 ...	124,319	739,229	863,538	770,673	145	348,898
1918 ...	34,932	494,490	529,422	451,774	85	361,075

The Rand Mines, Limited, obtained the bulk of its interests in the industry in the shape of undeveloped properties and, therefore, on "ground-floor" terms. Hence the Company's relatively small capital of £531,499 in 5*s.* shares. These shares in the last 10 years have stood as high as £10¾ and as low as 2¼, and it is instructive to note how the fluctuations have largely coincided with the movements in Crown Mines 10*s.* shares, as shown below:—

	1914	1915	1916	1917	1918
Crown Mines, highest	6¾	4¾	3⅞	3⅜	2 3/32
Rand Mines „	6 3/16	5¼	4 11/32	3 1/16	3 9/16
Crown Mines, lowest	5¼	3	2¼	1¼	1 13/32
Rand Mines „	4½	4 1/16	3⅜	2 1/8	2¼

Present prices: Rand Mines, 3⅛; Crown Mines, 2¼.

MONGU TIN.

The treatment of low-grade ground in times of high prices is obviously a good policy for an alluvial tin proposition. It is, of course, not always possible to choose between rich and poor material; but this is not the case with the Mongu, and last year low-grade ground not included in the ore reserves was dealt with, whether wholly or only partially is not definitely stated in the report. Despite a falling-off in the quantity of tin concentrates produced, due to the shortage of labour and the above-mentioned circumstance, the net profit earned rose from £37,928 to £59,788, equal to over 50% on the capital of £115,153 in 10*s.* shares. As, however, excess profits duty is estimated to require £35,000, against £14,526 in 1917, shareholders only derive extra benefit from the larger earnings to the extent of receiving 25% dividends in comparison with 22½ for 1917. The progress made by the Company to end 1918 is shown below, and it may be noted in addition, that the output of tin concentrates in the first five months of the current year has amounted to 210 tons, compared with 170 tons for the corresponding period of last year:—

Year to Dec. 31	Tin Output Tons	Value of Produce* £	Net Profit† £	Excess-Profit Tax £	Dividends £	Dividends %	Carry Forward £
1915 ...	490	47,835	17,288	—	13,457	12½	3,502
1916 ...	557	63,457	17,765	—	17,273	15	4,294
1917 ...	571	84,228	37,928	14,526	21,012	22½	6,685
1918 ...	476	109,030	59,788	35,000	23,138	25	8,336

* A portion of a year's production is sold in the succeeding year.
† After providing depreciation and royalty

Each year the Company has added considerable areas to its mining rights, and the total surface measurement of these is now very extensive. Of course, a good proportion consists at present of prospecting ground; but the proved tin-bearing portions contain large quantities of material, and from the point of view of "life" the position seems to be good. This, however, must be qualified by laying emphasis on the fact that payability depends to a great extent upon the price of tin. On the other hand, against the big fall that has already occurred in the price since the high level of last year may be set the reduction in the excess profits duty this year from 80% to 40%, and the good prospect of its withdrawal next year. At present the 10*s.* shares are quoted at 21*s. cum* the final dividend of 12½%.

ZINC CORPORATION.

Shareholders of this Broken Hill undertaking were prepared for a reduction of dividend last month, when they received a notification that, the contract with the Government for the sale of lead having terminated, all sales of the metal were henceforth dependent solely on the small commercial demand. Anyone who gave thought to the subject at all would have foreseen the situation of the market, following the sudden termination of the War, in view of the stocks of the metal, both old and scrap, in the hands of all the belligerent Governments. Really, in the circumstances there is no need to apologise for a reduction of dividend such as the Zinc Corporation directors recommend. Indeed, the distributions are high, and testify to the strength of the physical and financial condition of the concern. The Preference shareholders receive 35% instead of 40%, and Ordinary holders 30% instead of 40%, and, after setting aside a substantially larger amount for depreciation and extra development redemption allowance, the carry-forward is reduced from £7,220 to £727.

Year to December—	1918	1917	1916	1915	1914
	£	£	£	£	£
Value of output... ...	742,693	692,345	573,459	319,972	448,734
Working costs	461,185	417,544	316,705	157,218	300,851
Working profit	281,508	274,801	256,754	162,754	147,883
Sundry revenue ...	21,011	21,956	12,350	7,697	10,700
	302,519	296,757	269,104	170,451	158,583
Office and sundry charges	11,750	14,869	16,415	8,780	6,910
Gross profit	290,769	281,888	252,689	161,671	151,673
Taxes	54,299	20,471	21,950	25,111	8,036
Net profit	236,470	261,417	230,790	136,560	143,637
Brought forward ...	7,220	25,970	19,327*	98,884	26,660
Total available ...	243,690	287,387	250,766	235,444	170,297
Allocations—					
Depreciation, &c.† ...	59,000	36,262	18,262	21,031	22,275
Purchase of Smelting Co.'s shares... ...	—	—	—	100,000	—
Reserve	—	15,000	—	—	—
Preference dividends...	85,992 (35%)	98,278 (40%)	92,134 (37½%)	61,424 (25%)	49,138 (20%)
Ordinary dividends ...	97,971 (30%)	130,627 (40%)	114,300 (35%)	32,657 (10%)	Nil
Carry-forward ...	727	7,220	25,970	20,332	98,884
	243,690	287,387	250,766	235,444	170,297

* After payment of directors' extra remuneration for 1915.
† Includes special depreciation and extra development allowance.

As regards the milling operations, the quantity of mine ore put through the lead mill was 135,580 tons, against 134,618 tons in 1917, and thanks to higher metal contents and improved extraction the lead con-

CANADA'S GRAND TRUNK RAILWAY
IS
10,127 MILES of
INTERNATIONAL GOODWILL,
COURTESY,
EFFICIENCY and
SAFETY.
CONSULT US ON Travel, Exports and Imports.
EUROPEAN TRAFFIC OFFICES
LONDON, S.W.—17-19 Cockspur Street. LIVERPOOL.—10 Water Street.
LONDON, E.C.—44-46 Leadenhall Street. GLASGOW.—75 Union Street.
F. C. SALTER, European Traffic Manager

centrates output reached 28,351 tons, against 24,829 tons. The zinc mill, fed with mine as well as dump tailings and slimes, dealt with 257,300 tons—about the same as in 1917—but the output of zinc and lead concentrates was smaller. Cost of working rose a further 3*s.* 2*d.* per ton to 25*s.* 4*d.* per ton, excluding zinc mill working. However, it would appear that the unsold stock of concentrates was largely reduced, and possibly the prices realised, as an average, were somewhat higher than in 1917, for the value of sales for the year 1918 shows an increase of £50,000, and after allowing for large working expenditure the profit before payment of taxes comes out at £9,000 higher.

Development work in the mine was again attended with satisfactory results, and the ore reserves at end of 1918 showed an increase of 189,000 tons to 2,076,000, the average lead and zinc contents being fractionally higher. This excludes ore on what is called the zinc lode, situated in Block 5 shaft section of the mine. Here the work of the year does not appear to have resulted in much addition to the large quantity of ore reckoned previously to have been brought into sight.

The Corporation's prospects in the immediate future depend upon the attitude of labour—which has long been the cause of intermittent working and loss on the Broken Hill field—and the course of the markets for the metals. The position in these connections will doubtless be fully dealt with at the meeting on Monday.

RAND GOLD OUTPUT.

	Tons Milled and Yield per Ton		Value	Working Costs† per Ton	Working Profit		Dividends Paid	Native Labour Roll*
	Tons	Yield	£		£	Per Ton	£	
1915	28,314,539	26/4	37,264,992	17/5	11,931,062	8/5	7,619,416	209,438
1916	28,525,252	26/8	38,107,909	18/1	11,630,001	8/2	7,095,066	191,547
1917	27,251,960	27/1	37,017,633	19/2	10,225,638	7/6	6,556,188	172,742
1918.								
1st half	12,764,768	27/6	17,568,400	20/11	4,001,698‡	6/3	2,738,215	179 028
July	2,167,869	27/10	3,041,419	21/2	702,360	6/6	—	178,402
Aug.	2,158,431	28/1	3 057,723	21/7	676,146	6/3	—	179,390
Sept.	2.0 0,635	28/2	2,918,032	22/0	600,330	5/10	—	179,399
Oct.	2.015.144	28/0	2.837.294	22/5	531.774	5/3	—	173.153
Nov.	1,899,925	28/5	2,721.932	23/1	480.102	5/1	—	160,275
Dec.	1,855,991	28/7	2,678,217	23/0	507,806	5/6	2,274,112	152,606
Total, year	24,922,763	27/11	34,823,017	21/7	7,500,270	6/0	5,144,077	—
1919.								
Jan.	2,167,411	27/1	2 812,867	20/7	703.665	6/4	—	160,599
Feb.	1,816,352	28/9	2,638.638	23/2	498,204	5/6	—	172,359
Mar.	2,082,469	28/2	2,951,428	22/6	573,582	5/6	—	175,620
Apr.	—	—	2,874,447	—	—	—	—	175,267
May	—	—	2.999,566	—	—	—	—	173,376

* Number of natives employed at end of period.
† Excluding expenditure on capital account, taxation and certain other expense items.
‡ Adjusted total.

The June issue of the *Industrial League Journal* contains an article on "International Labour Conditions," by Mr. G. J. Wardle, C.H., M.P., (Parliamentary Secretary, Ministry of Labour) and another on "Workers and Costing," by Lieut. C. Lathan. The issue includes a verbatim report of a "Workmen and Shop Stewards," Meeting addressed by the Rt. Hon. J. R. Clynes, M.P., and the Rt. Hon. G. H. Roberts, M.P. (Food Controller).

Intending Settlers To South & East Africa



are notified that the

National Bank of South Africa, Ltd., have over **300 Branches within the Union**; also Offices at **Mombasa, Nairobi, Mozambique, Dar-es-Salaam, Tanga**, etc., and in **Nyasaland.**

LONDON OFFICES:

CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office—
25. COCKSPUR STREET, S.W.—1.

Agency at—
10, WALL STREET, NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, June 18, 1919.

Issue Department.

Notes Issued	£104,246,515	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	85,796,515
	£104,246,515		£104,246,515

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£53,203,376
Rest	3,199,569	Other Securities	80,420,885
Public Deposits	20,017,177	Notes	26,523,590
Other Deposits	124,297,626	Gold and Silver Coin	1,933,409
Seven-day and other Bills	13,888		
	£162,081,260		£162,081,260

Comparison with Previous Four Weeks [00,000's omitted]

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919.	£	£	£	£	£	£	£	%	%	%
June 18	77.7	87.7	20.1	124.3	53.2	80.4	28.4	19·71	5	3 5/16-1/2
June 11	78.0	87.0	20.3	130.8	61.5	79.9	27.5	18·18	5	3 1/2-5/8
June 4	78.2	88.9	21.4	127.5	58.7	80 8	27.2	28·25	5	3 1/2-5/8
May 28	77.2	86.1	21.0	121.6	52.5	80.4	27.4	29·19	5	3 1/2
May 21	76.5	85.5	26.1	110.3	46.3	80.4	27.4	10·10	5	3 1/2
J'y 22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2 5/8

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 8 8%; Aug. 8 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	June 18, 1919	June 19, 1918	June 20, 1917	June 21, 1916	June 16 1909
Circulation	£77.7	£52.4	£38.8	£35.2	£28.1
Public Deposits	20.1	36.1	50.1	51.2	13.0
Other Deposits	124.3	125.2	119.4	91.5	44.7
Government Securities	53.2	53.7	45.2	42.2	15.4
Other Securities	80.4	95.0	105.9	73.4	30.8
Reserve	28.4	30.3	36.2	44.9	29·3
Ratio to Liabilities	19·71%	18·77%	21·37%	31·48%	50·65%
Coin and Bullion	87.7	64.2	56.6	61.7	39,9
Money					
Bank of England Rate	5%	5%	5%	5%	2½%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3 1/16-3/8%	3 1/8%	4 1/8-1/4%	5 1/16-1/4%	1 15/16%
Exchanges:					
Paris Cheque	29 98	27 15½	27 43	28 14½	25 20
New York 60 days	4 60	4 72½	4 73	4 72½	4 85½
Bombay Telegraphic Transfers	1/7 5/32	1/5 31/32	1/4 31/32	1/4 7/16	1/3 5/8
Prices:					
Consols 2½% Cash	53¼	56	54 11/16	59½	84 5/16
French Rentes 3% Money	61 90	59 45	60 15	82 15	97 45
Silver, London spot oz.	54 3/16d.	48 7/16d.	39 3/16d.	31 3/16d.	24d.
Wheat, *Gazette* average qr.	73/3	74/3	78/2	48/10	42/11
Cotton, Mid Upland lb.	19·46d.	22·04d.	19·39d.	8·22d.	5·98d.
Iron, Scotch pig ton	166/0	101/0	98/6	88/6	54/6

CURRENCY NOTE ISSUE.

Week to	Notes Issued	Notes Cancelled	Notes Outstanding	Gold Coin & Bullion	% of Gold to Notes
	£	£	£	£	%
June 18, 1919	5.618,244	7.959,983	344.778.893	28.500.000	8·2
June 11, 1919	5.832 694	4.989,037	347.120.632	28.500.000	8·2
June 19, 1918	6.306.305	5.464.621	250.067.486	28.500.000	11·4
June 20, 1917	4.31o.123	4.286.366	160.551.830	28.500.000	17·7
June 21, 1916	4.482.477	3.554.082	121 479.540	28.500.000	23·4
June 23, 1915	2.013.273	1.757.925	45.897.040	28.500.000	62·1

Balance Sheet, June 18, 1919.

Notes outstanding—	£	Advances—	£
One Pound	263,921,142	Trustee Savings Banks	360.000
Ten Shilling	45,667,751	Currency Note Redemption A/c—	
Certificates outstanding	3.519.000	Gold Coin and Bullion	28.500.000
		Government Securities	329.345.076
Total	344,778,893	Balance at Bank of England	3.681,592
Investments Reserve A/c	17,107,775		
Total	361,886,668	Total	361.886.668

PUBLIC INCOME & EXPENDITURE [000's omitted.]

1918. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.— Cr.	Dr.	Net +	Cash Balance
June 14	£9.754	£19.534	£9.780	£88.616	£78.971	£9.645	£5.995
June 7	14.014	68 756	54 742	138 780	85.171	53 609	6.193
May 31	12 236	19.094	6.858	104.998	97.547	7.451	7.325
75 days'18	151.749	346 459	194 710	1,045.769	857.862	187.907	—6.804
76 days'18	128.996	616.529	487.533	1.374.750	896.168	478.584	—3.949
*Yr. '19-20**	*1,201,100*	*1,434,910*	*233,810*	—	—	*233,810*	—
Yr. '18-19	889.021	2.579.301	1.690.280	7.033.402	5.351.353	1.682.049	12.798
Yr. '17-18	707.234	2.696.221	1.988.987	7.499.604	3.816.023	1.983.581	21.030

Principal Items of Revenue and Expenditure.

1919. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services
June 14	£3.625	£819	£3.676	£1.835	£2.182	£8	£17.344
June 7	3.535	2.864	5.012	2.603	48.195	41	20 520
May 31	4.159	1.043	4.909	2,125	798	313	17.983
75 days'19	44.349	35.124	51.843	20.433	110.986	824	234.549
76 days'18	27.041	23.231	53.075	25.649	88.700	784	527.065
*Yr. '19-20**	*237,600*	*354,000*	*300,900*	*309,600*	*360,000*	*16,593*	*1,058.315*
Yr. '18-19	182.220	291.186	285.028	160.587	269.864	11.380	3.297.956
Yr. '17-18	110.033	239.509	220.214	137.478	189.851	11.401	3.494.968

FLOATING DEBT. [000's omitted.]	Treasury Bill	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
June 14, 1919	£891.208	£654 892	£1,546.100	£1,731.174
June 7, 1919	960 219	581.892	1,542,111	1.728 301
May 31, 1919	1.036 131	457.892	1.494.023	1.723.216
May 24, 1919	1,022.097	459.392	1.481,489	1,718.224
Dec. 31, 1918	1.094.740	455.180	†1.549,920	1.420.700

* Budget estimate. † Highest.

FOREIGN BANKS. [In £'s Sterling‡—000's omitted.]

AUSTRIA-HUNGARY.	Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Discounted, &c.
July 23, '14	£51,578	£12,141	£63,719	£7 722	—	£98,740	£31,993
Apr. 30, '19	10,923	2,376	13,299	385,355	£1,373,083	1,643,282	117,009
May 15, '19	10,928	2,382	13,308	384,228	1,373,083	1,852,024	117,038
Dec. 7, '17	11,000	2,300	13,300	603,990	—	739,300	117,600

BELGIUM.	Gold.	Silver	Total	Discounts	Circulation	Deposits
Aug. 6, '14	£10,977	£633	£11,610	£41,925	£51,800	£6,263
June 12, '19	10,614	1,008	11,622	13,711	188,804	91,505

DENMARK.	Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14	£4,100	£341	£4,441	£6,197	£786	£8,693	£47
Apr. 30, '19	10,374	136	10,510	3,425	3,977	24,115	1,026
May 31, '19	10,355	138	10,493	4,399	3,563	24,109	950
May 31, '18	10,228	136	10,364	3,004	3,703	19,163	986
May 31, '17	9,998	136	10,132	4,528	2,437	16,590	1,436

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14	£165,654		£190,667	£97,768	£267,327	£15,302	£37,903
June 12, '19	142,881	79,131	234,244	34,237	1,377,941	2,626	137,702
June 19, '19	122,894	79,131	214,214	34,332	1,377,982	2,445	132,060
June 20, '18	134,414	82,484	227,141	53,396	1,136,572	2,715	157,124
June 21, '17	130,000	81,391	221,747	19,592	791,117	4,453	103,697

GERMANY.	Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14	£67,843	£16,727	£84,570	£5,279	£40,055	£94,545	£47,198
May 31, '19	75,805	1,018	76,823	403,625	1,433,264	1,412,245	499,393
June 7, '19	65,120	1,017	66,137	413,405	1,372,352	1,410,892	457,533
June 15, '18	117,298	6,021	123,319	81,764	747,308	802,103	395,237
June 15, '17	126,688	2,491	129,159	26,630	474,220	411,201	240,815

HOLLAND.	Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14	£13,496	£249	£13,745	£13,422	£10,332	£35,660	£1,437
June 7, '19	55,164	681	55,845	12,175	18,003	84,638	6,435
June 14, '19	55,164	708	55,872	10,807	16,975	84,116	5,298
June 15, '18	59,815	652	60,467	4,407	9,875	76,208	4,881
June 16, '17	50,218	631	50,849	5,016	6,936	61,771	5,393

ITALY.	Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14	—	—	£48,456	£25,017	£69,204	£8,887	
Apr. 20, '19	32,716	2,948	35,664	27,340	56,916	373,701	60,232
Apr. 30, '19	32,716	2,955	35,671	25,792	59,928	375,564	59,792
Apr. 30, '18	33,449	3,142	36,591	6,422	54,922	290,108	59,650
Apr. 30, '17	34,057	2,608	36,665	6,147	37,367	160,240	33,279

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
May 3, '19	70 642	4,330	37,493	83,730	108,780	4,797
May 10, '19	70,595	2,722	40,175	79,148	115,908	4,041
May 11, '18	65,706	2,580	22,698	61,934	87,605	3,802
May 12, '17	41,828	176	12,097	43,726	46,082	3,250

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest., &c.	Net Deposits Demand	Net Deposits Time	Net Deposits Total	Excess Reserve
Aug. 1, '14	—	£89,888	£411,238	—	—	£387,165	£1,720
June 7, '19	£19,676†	117,902	1,010,546	£827,166	£29,998	910,890	7,716
June 14, '19	19,886†	114,494	1,022,618	823,588	30,116	929,250	7,674
June 15, '18	20,240†	110,866	909,352	753,170	31,518	844,168	10,850
June 16, '17	72,002*	133,272	760,254	714,654	34,532	777,424	10,020

NORWAY.	Gold	Balance Abroad	For'gn Govt. Securities	Disc'nts & Loans	Circulation	Deposits
July 31, '14	£2,960	£1,678	£493	£4,868	£6,752	£793
May 31, '19	8,185	4,198	878	19,258	23,681	4,831
June 7, '19	8,184	4,114	678	19,088	23 593	4,608
June 7, '18	8 616	3,686	712	18,127	19,623	6,074
June 7, '17	7,160	4,377	708	13,052	15,348	7,318

PORTUGAL.	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
May 14, '19	£1,905	£3,928	£5,833	£8,308	£84,737	£3,169
May 21, '19	1,905	3 937	5,842	8,192	83,766	3,731
May 22, '18	1,905	3 430	5,335	8,155	46,838	2,198
May 23, '17	1,904	1,033	2,937	14 830	32,693	869

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Apr. 19, '19	£35,980	£6,492	£1,766	£8,258	£107,106
Apr. 26, '19	35,980	6,880	1,660	8,540	106,842
Apr. 27, '18	28,000	4,660	1,831	6,491	88,316

RUSSIA.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14	£160,114	£14,395	£181 892	£76,081	£163,411	£6,589	£109 911
Oct. 29, '17	129,523	230 865	378,205	1 869,559	1,836,217	15 783	345,550

SPAIN.	Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits, &c.
Aug. 1, '14	£21,804	£29 187	£50 991	£40,572	£13,778	£77,557	£18,955
June 7, '19	90,652	25,948	116,600	76,200	13,778	141,940	42 353
June 14, '19	90,650	25,940	116,590	77,962	13,778	141,732	42,389
June 15, '18	83 380	28,154	111,484	52,398	13,777	116 922	40 672
June 16, '17	60,347	30,166	90,513	51,278	13,777	97,909	31,125

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14	£5,717	£6 150	£1,558	£7,495	£39,564	£6 018
May 31, '19	16,111	8,060	2,880	19,237	39,031	6,653
June 7, '19	16,103	7,856	2,880	20,057	38,703	6,356
June 8, '18	14,362	7,528	5,371	13,804	34,761	6,539
June 8, '17	11,270	7,285	3,220	8,004	24,116	5,608

SWITZERLAND.	Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14	£7 202	£758	£7 960	£4 817	£10,716	£2 026
June 7, '19	18,288	2,724	21,012	18,180	31,064	4,416
June 14, '19	18,348	2,740	21,088	17,240	35,238	4,482
June 15, '18	15,386	2,327	17,713	13,867	27,058	4,919
June 16, '17	13,632	2,108	15,740	8,376	20,001	4,764

* Counted as reserve. † Not reserve.
‡ Converted at par rate of exchange.

U. STATES FED. RES. BANKS	Gold Held by Banks	Gold With Agents.	Total Cash	Bills Discount'd	Bills Accept-ances.	Deposits. Govt.	Deposits. Total.	Circulation. Net
June 7, '19	£187.204	253.158	454.068	382.224	39.662	5.212	342.464	502.608
June 14, '19	187.688	251.086	452.398	375.834	48.908	49.050	356.954	499.856
June 14, '18	193.250	198.130	401.052	203.208	48.584	31.108	317.754	330.300
June 15, '17	117.398	92.780	215.081	40.564	22.905	51.826	203.165	98.323

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	4½	Oct. 26,'14
Berne	5½	Oct. 3,'18	Paris	5	Aug. 20,'14
Bombay	6	Mar. 27,'19	Petrograd ...	6	July 29,'14
Brussels ...	4	June 5,'19	Rome	5	Jan. 11,'18
Calcutta	5	June 5,'19	Stockholm ...	6	June12,'19
Christiania ...	5½	May 12,'19	Tokio	6½	Nov. 25,'18
Copenhagen ...	6½	Jan. 2,'19	Vienna	5	Apr. 12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		June 20,'19	June 13,'19	June 5,'19	May 30,'19
Brussels	Cheques	30fr. 55c.	30fr. 80c.	30fr. 85c.	30fr. 55c.
Denmark	Cable	19kr. 25	18kr. 90	19kr. 70	19kr. 80
Holland	do.	11fl. 81c.	11fl. 82c.	11fl. 86½c.	11fl. 84c.
Italy	do.	39. 05c.	36lr. 25c.	37lr. 75c.	38lr. 50c.
Lisbon and Oporto	do.	30d.	30⅛d.	30¼d.	30⅛d.
New York	do.	$4 61½	$ 62	$4 63	$4 64½
—	Cheques	$4 62½	$4 62½	$4 63½	$4 65
Norway	Cable	18kr. 30	18kr. 20	18kr. 38	18kr. 40
Paris	3 mos.	29fr 82½c.	39fr. 85c.	30fr. 50c.	29fr. 91c.
—	Cable	29fr. 37½c.	29fr. 50	30fr. 09c.	29fr. 50c.
Spain (Bank places)	3 mos.	50⅜ l.	50⅛d.	50¼d.	50½d.
—	Cable	23, 00	22[illegible] 20	23p. 07½	23p. 10
Sweden	Cable	17kr. 85	17kr. 70	18kr. 00	18kr. 20
Switzerland	3 mos.	24fr. 85c.	24fr. 8 c.	24fr. 62	24fr 25
—	Cable	24f. 50c.	24f. 50c	24fr. 22c.	23f. 85c.

ON LONDON—		June 20,'19	June 13,'19	June 5,'19	Par
Alexandria	Sight	97⅛pi.	97⅛pi.	97⅛pi.	97⅛pi.
Amsterdam	Cheques	11fl. 80½c.	11fl. 82½c.	11fl. 86c.	12·107fl.
Bombay	Transfers	1s. 7⅜d.	1s. 7⅜d.	1s. 7⅜d.	1s 6d.
Brussels	Cheques	30f. 70c.	30f. 75c.	30f. 82½c.	25f. 22½
Buenos Ayres	Transfers	51d.	60⅝d.	51d.	47·58d.
Calcutta	do.	1s. 7⅛d.	1s. 7⅛d.	1s. 7⅜d.	1s. 6d.
Christiania	Sight	18kr. 29	18kr. 17½	17kr. 98½	18.159kr.
Copenhagen	do.	19kr. 31½	18kr 90	19kr. 70½	18.159kr.
Hong Kong	Transfers	3s. 6⅛d.	3s 6⅜d.	3s. 6¾d.	—
Italy	Sight	37lr. 20c.	36lr. 25c.	37lr. 72½c.	25f. 22½c.
Lisbon	do.	30½d	30¼d	30⅜ l.	53½d.
Madras	do.	1s. 8⅛d.	1s. 8⅛d.	1s. 8⅛d.	1s. 6d.
Madrid	do.	23p 03½	23p. 39	23p. 08½	25p. 22
Montevideo	Transfers	—	56d.	57½d.	51d.
Montreal	Cable	$4 74½	$4 74½	$4 76½	$4 86⅝
New York	Sight	$4 61½	$4 61½	$4 61⅝	—
—	60 days	$4 60	$4 60	$4 60	—
—	Cable	$4 61⅝	$4 62,⅜	$4 63	$4 86⅜
Paris	Cheques	29f 47½c.	29f. 51c.	30f. 08c.	25f. 22½
Rio de Janeiro	90 days	Hol.	14½d.	14½d.	18d.
Shanghai	Transfers	5s. 4⅛d.	5s 4⅛	5s. 3f	—
Singapore	Sight	2s. 4⅜d.	2s. 4⅜d.	2s. 4½d.	2s. 4d.
Stockholm	do.	17kr. 81	17kr. 75	18kr. 36	18 159kr.
Switzerland	do.	24f. 50c.	24f. 50c	24f 25½c.	25f. 22½c.
Valparaiso	90 days	11d.	10⅞d.	11⅜d.	18d.
Yokohama	Sight	2s. 2⅛d.	2s. 2⅛d.	2s. 2⅛d.	2s. 0.53d.

* Thursday's rates.

NEW YORK ON—	Rate Current* June 18,'19	Rate Current* June 11,'19	Par as usually Quoted	Rate July 3, 14
Amsterdam, sight ...	39·15c.	38·87½c.	40·20c. for 1 guilder	40·25c.
Bombay, cheques ...	41·75c.	42c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	—	43⅛c.		
Christiania, cheques ...	25·15c.	25·25c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	23·95c.	23·75c.	26·80c. for 1 kroner	26·85c
Greece, cheques	19	18·95c.	19·295c. for 1 drachma	
Hongkong, cheques ...	83·50c.	83·50c.	74·59c. for Mex. $1	48·4
Italy, sight	8 00l.	7·92l.	5·18l. lire for $1	5·17
Lima, cheques	5·10c.	5·11c.	4·8665 $ for 1 libra	
Manila, cheques	49·25c.	49·75c.	50c. for 1 peso	49·8
Montreal	2⅛ %disc.	2⅛ %disc.	Premium per $100	Par
Paris, sight	6·46fr.	6·43fr.	5·18¼ francs for $1	5·16fr.
Petrograd, sight	10nom.	10nom.	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	28 d.	28 d.	32·42c. for 1 milreis	
Shanghai, cheques ...	122½c.	123½c.	52·96c. for 1 tael	63·00c.
Singapore, cheques ...	56·50c.	56·75c.	56·77c. for $1	57·12c.
Spain, cheques	19·95c.	19·95c.	19·30c. for 1 peseta	
Stockholm, cheques ...	26·85c.	25·75c.	26·80c. for 1 kroner	
Switzerland, cheques ...	5·34fr.	5·29fr.	5·18¼ francs for $1	5·18¼fr.
Valparaiso, cheques ...	21½c	21½c.	20·81c. for 1 peso	
Yokohama, cheques ...	51·50c.	51·50c.	49·84c. for 1 yen	49·80c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1919 Agg.	Inc. or Dec.*
	1919.	[In £'s sterling 000's omitted.]			
BIRMINGHAM ...	June 14	£1 994	+ £7	£59.389	+ £1.350 + 2·3
BRISTOL ...	" 14	1,320	+ 250	31.192	+ 6.234 + 25·0
DUBLIN ...	" 14	6,794	+ 2,388	165.345	+ 36.002 + 28·0
LEEDS ...	" 14	939	+ 25	26.781	+ 3.288 + 14·0
LEICESTER ...	" 14	872	— 44	20.871	+ 4.222 + 25·4
LIVERPOOL ...	" 14	10.939	+ 1.834	264.908	+ 55.034 + 26·2
MANCHESTER ...	" 14	11.499	— 3.696	364.988	+ 11.474 + 3·3
NEWCASTLE ...	" 14	2.049	+ 633	48.228	+ 2.889 + 6·7
NOTTINGHAM ...	" 14	588	+ 37	15.110	+ 867 + 6·1
SHEFFIELD ...	" 14	711	— 83	28.295	+ 1.801 + 6·8
LONDON—	1919.				
TOWN ...	June 18	389.598	+ 68.510	9.041.021	+1.373.854 + 17·9
METROPOLITAN	" 18	34.853	+ 8.754	782.745	+ 153.778 + 24·4
COUNTRY ...	" 18	67.890	+ 12.681	1.441.846	+ 231.474 + 19·1
TOTAL ...	" 18	472.339	+ 89.945	11.285.612	+1.758.906 + 18·5

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould and Co.

HOMEWARDS.	1919 June 20	1919 June 13	1913 June 20
Alex. to London or Hull	—	—	—
Aust. to U.K. or Cont.	225/0	225/0	32/0
Azoff to L.H.A.R. ...	—	—	8/9
Bombay to p.p. (nom.)	90/0	90/0	1.w.20·6
Burmah o.c. (nom.)	220/0	220/0	25/0
Calcut. to p.p (jute) ...	—	nom.	22/6
Danube to A.R. ...	—	—	—
Odessa to L.H.A.R. ...	—	—	—
R. Plate to U.K. Cont.	240/0	270/0	15/7½

Homewards.—Cont.	1919 June 20	1919 June 13	1913 June 20
U.S.Atl.Ports to Liverpl. (cotton, 100lb.)	220/0	220/0	40/6
U.S.toU.K Cont. (ex.)	14/0	14/0	2/9
Gulf Ports to U.K Cont. (cotton & grain) ...	$35	$35	14/6
OUTWARDS—Cardiff to			
Bombay	—	—	13/0
Colombo	—	—	12/6
Port Said	47/6	47/6	10/0
River Plate ...	51/3	51/3	21/0
St. Vincent ...	40/0	40/0	10/3

VI.—WHOLESALE PRICES OF COMMODITIES.

METALS, MINERALS, &c.	JUNE 20, 1919	JUNE 21, 1918.	JUNE 30, 1914
Iron—Scotch pig warrants ...ton	188/0	101/0	57/0
— Middlesbro' warrants ...ton	160/0	95/0	51/0
— Hematite warrants ...ton	190/0	122/6	61/0
— Staffordshire bars, London ton	£220 10	£15 10	£8 10
— Common bars ...ton	£20 10	£13 15	£8 10
Steel Rails ...ton	£15	£10 17/6	£8 2/8
Galvanised Sheets...ton	£27 10—£28	£28	£18 17/6
Copper—Standard...ton	£88 5—£88 10	£110—£110 10	£61
Tin—English Ingots ...ton	£236	£332—£335	£142 10
— Straits ...ton	£243	£329—£330	£139 15
Tinplates, I.C. Coke, S. Wales...box	32/6—33/0	33 0	11/10½—12/0
Lead Soft Foreign ...ton	£22 10—£22 15	£28 10—£29 10	£19
Spelter—Ord. Foreign ...ton	£37 5—£37 15	£50—£54	£21 7/9
Quicksilver—(75lb.) ...bottle	£18—£18 10	£30	£7
Aluminium ...ton	£150	nom	£82
Antimony—Regulus Foreign ...ton	£42	nom.	£27 10
— English ...ton	£45	—	—
Coal—(best) Yorkshire...ton	28/6—31/6	23/0	17/6
— Steam (best) Newcastle...ton	40/0—45/0	30/0	14/6
CHEMICALS, OILS, &c.			
Nit. of Soda—f.o.b. Chile, per quintal	9/4	12/6½	7/4
Soda—Crystals ex ship ...ton	129/0—130/0	87/6	42/6—45/0
Copra—Malay and Straits ...ton	£57	£45 10	£23 15—£24 7/6
Gambier—Good marks ...cwt	47 6	72/6	16/10½
Indigo—Bengal good to fine...lb.	9/0—10/6	9/0—11/0	3/2—3/8
Linseed Oil—Raw ...ton	£122	£75	£25 5
Linseed—Calcutta, spot ...ton	£48 5	£29 15	£13 16/9
— **Cakes**, U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish ...ton	nom.	£220	£48 10
Palm Oil—Lagos ...ton	£80	£45	£31 10
Petroleum—American...gallon	1/4½	1/10½	7½d.
Rape Oil—Refined English ...ton	£104	£71	£32
Soya Oil—Refined ...ton	£75	£75	£24 10
Tallow—Imported ...cwt.	80/0—105/0	68/0	29/3—33/3
Turpentine—French ...cwt.	102/0	118/0	33/7½
Rape Seed—Toria...ton	£44 10	£29 15	£13 5
Rubber—Para, spot ...lb.	2/5	3 1½	2/9½
— Fine plantation (stnd. crepe) lb.	1/9	2/2½—2/3	2/2
— World's Production* Apr. tons	31,168	21,736	8,467
Shellac—T.N. Orange, fair...cwt.	347/0	340/0	63/0—64/0
TEXTILES.			
Cotton—Middling Upland ...lb	19 46d.	22 04d.	7·53d.
— Egyptian, good fair ...lb.	26 84d.	28 57d.	8·75d.
— Pernambuco fair ...lb	21 88d.	25 43d.	7·73d.
— Mid. Upl. New York ...lb.	33 80d.	30 70d.	13·25d.
— Stock, Liverpool, June 11 bales	507,180	270,900	934,600
Flax—Petrograd Yarapol ...ton	nom.	£120nom.	£28
Hemp—New Zealand ...ton	£43 10	£99	£25 10
— Manila, Fair ...ton	£50 15	£100	£28 10
Jute—First Marks ...ton	£52—£52 10	—	£28 15
— Red 900 ...ton	—	—	£24 15
Silk—Blue Elephant ...lb	25/0	26/0	11/3—11/6
Wool—Pt. Philip unwashed av. lb.	3/5½	nom.	11½d.—1/0
— Lincoln Half Hogs ...lb.	1/7½	1/7½	1/0½
Hides—Eng. Ox, best, 85lb. up lb.	9½d.—10½d.	9½d.—10½d.	7½d.
Leather—Dressing Hides ...lb	2/7—3/3	2/4—3/0	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	36,437,000	4,591,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	237½c.	226c.	87½c.
— English *Gazette*, aver. 480lb. qr.	73/3	74/3	34/3
Flour—G.R. ...280lb.	44/3	44/3	28/8
Barley—Eng. *Gaz.*, aver. 400lb. qr.	52/8	57/9	25/4
Oats—Eng. *Gaz.*, aver. 312lb. ...qr.	41/11	45/7	20/0
Maize—N. Y. (new bushel) ...56lb.	202c.	nom.	78½c.
— Amer. mixed, Liverpool...480lb.	63/9	nom.	32/4
— La Plata ...480lb. qr.	80/0	78/0	25/9
Potatoes—Good English ...ton	193/8	175/0	70/0—75/0
Rice—Bassein ...cwt.	25/0	28/3	7/0—7/3
Tapioca—Pearl, medium ...cwt.	49/8	81/0	14/0—17/8
Hay—Best ...2,018lb...load	178/0	161/0	82/6
Hops—English ...cwt	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs....8lb.	6/8—7/2	9 3	3/8—3/10
— Scotch sides...8lb.	8/8	8/2	4/8—5/0
— English...8lb.	8/8	8/2	4/8—4/6
Mutton—Scotch wethers...8lb.	9/0	8/8	5/8—6/0
— English wethers...8lb.	9/0	8/8	4/8—5/4
— New Zealand frozen ...8lb.	7/8	8/8	2/4—3/2
Pork—English and Irish...8lb.	10/8	10/8	3/6—4/0
Bacon—Irish, delivered ...cwt.	190/6	188/0	60/0—74/0
— Danish ...cwt.	—	—	58/0—68/0
— Canadian, ex Port...cwt.	190/0	—	—
— American, ex Port ...cwt.	186/0	169/0—172/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	190/0—192/6	165/0	75/0—79/0
— — short cut, ex Port ...cwt.	188/0—190/0	162/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	170/0—194/0	152/0	51/9—52/9
Butter—Danish ...cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
— French ...cwt.			98/0—108/0
— Australian ...cwt.			98/0—110/0
— New Zealand ...cwt.			108/0—114/0
Cheese—Canadian ...cwt.	160/0—164/0	—	66/0—68/0
— United States...cwt.	Controlled 144/8	—	—
— Dutch ...cwt.		—	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to May 31 cwts.	13,303,535	10,975,581	19,777,254
— Home consump'n to May 31cwts.	12,387,203	7,705,699	17,273,000
— In Bond May 31 ...cwts.	7,198,000	6,210,000	6,306,000
— Price, Java, 96° Pol. ...cwt.	32/0	36/0	10/3
— — Yellow crystals ...cwt.	57/9	57/9	12/6—14/0
— — Tate's Cubes, No. 1 ...cwt.	64/9	64/9	18/0
Coffee—Imports to May 31 ...cwts.	593,219	48,336	720,380
— Home consump'n to May 31cwts.	129,795	243,749	141,410
— Exports to May 31 ...cwts.	107,671	18,698	340,250
— In Bond May 31 ...cwt.	952,000	878,000	484,000
— Price, Costa Rica gd. to fine cwt.	133/0—139/0	125/0—140/0	80/0—93/0
— — Brazil (Santos) good ...cwt.	118/0—123/0	64/6	41/6
Tea—Imports to May 31 ...lbs.	186,141,577	214,981,505	123,230,277
— Home consump'n to May 31 lbs.	141,914,140	118,194,348	155,447,972
— Exports to May 31 ...lbs.	10,870,350	67,470	26,561,765
— In Bond May 31 ...lbs.	162,217,000	92,957,000	78,292,000
— Price, Indian Pek. Soug. good lb.	9d.—10d.	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	9d.—10d.	1/4	8½d.
— — Common Congou ...lb.	9d.—10d.	1/4	5½d.
Cocoa—In Bond May 31 ...cwt	1,144,000	505,000	309,000
— Grenada, good to fine ...cwt.	124/0—126/0	85/0	52/6—56/0

* Estimated.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or −	Net	+ or −
Cuba Railroad	Mar.	$1,283,088	+ $49,584	$420,028	− $83,018
	9 *mos. to* Mar.	*3,581,258*	+ *399,819*	*2,032,158*	− *493,112*
Grand Trunk	Apr.	£1,100,800	+ £155,200	£155,300	+ £19,100
	4 *mos. to* Apr.	*3,978,300*	+ *1,092,100*	*117,200*	+ *294,700*

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 5, 1914, the Government assumed control of the railways of Great Britain under warrant renewable weekly, issued in pursuance of Regulation of the Forces Act,* 1871. *The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or − on Year Ago.	No. Wks	Aggregate Receipts.	+ or − on Year Ago.
Assam Bengal	May 10	993	R1,76,423	+ 39,398	6	9,89,334	+ 1,51,500
Barsi Light ...	May 17	118	27,400	+ 7,500	7	2,13,500	+ 1,01,600
Bengal & N.W.	May 10	2,052	5,60,060	+ 43,246	6	30,61,610	+ 84,830
Beng. Dooars	May 10	158	21,059	− 14,081	6	1,27,963	− 53,265
Beng. Nagpur	May 10	2,695	11,70,000	− 59,000	5	67,30,000	− 99,354
Bomb. Baroda	May 31	2,871	20,13,000	+ 40,000	9	1,74,18,000	+ 1,68,000
Burma	May 3	1,342	5,18,410	+ 36,419	5	26,04,530	+ 1,42,816
Del. Um. Kalk.	June 7	239	82,700	− 14,334	10	7,96,429	− 28,293
East Indian	June 7	2,767	27,86,000	− 49,000	10	2,83,64,000	+ 2,03,000
Gt. Indian Pen.	May 31	3,112½	30,54,700	+ 7,07,700	9	2,46,44,900	+ 31,27,856
Madras & S.M.	May 17	3,152	11,75,000	− 1,16,500	7	79,25,000	− 4,40,098
Nizam's Guar.	May 3	900	3,14,713	+ 52,756	5	14,45,541	+ 1,92,458
Roh. & Kumn.	Apr. 26	572	1,13,597	− 13,119	4	4,05,585	− 1,08,024
South Indian	May 10	1,829½	8,19,807	+ 1,23,836	6	43,48,467	+ 3,97,990
South Punjab	Feb.	716	7,57,866	+ 99,060	5m	37,59,324	+ 1,59,940
COLONIAL							
Can. Northern	June 7	9,524	$782,700	− 84,400	22	19,942,749	+ 2,532,949
Can. Pacific ...	June 14	13,388	3,062,000	+ 148,000	23	68,872,000	+ 3,747,000
Grand Trunk	June 14	3,616	£240,282	+ 11,434	23	5,531,944	+ 1,209,491
Mashonaland	Jan.	810	43,632	− 9,160	4m	181,593	− 44,968
Mid. W. Aust.	Apr.	277	10,259	+ 1,728	13m	94,940	+ 15,681
NewCape Cent.	May 17	205	2,050	− 201	20	52,847	+ 5,307
Rhodesia Rlys.	Jan.	1,397	71,879	− 6,336	4m	285,939	− 69,362
Temiscouata ..	Mar.	—	$31,271	+ 6,870	3m	83,955	+ 27,480
W.Pass. & Yuk.	Dec.	122	—	—	12m	$1,244,080	− 804,349
FOREIGN.							
Argentine.							
Arg. N. East.	June 14	752	£ 12,800	+ 2,800	50	504,600	+ 67,200
Arg. Transand.	June 14	111	£ 430	− 3,990	50	186,670	+ 19,550
B. A. & Pacific	June 14	3,536	£ 150,000	− 10,000	50	5,927,000	+ 1,031,000
B.A.Gt. South	June 15	3,792	£ 149,000	+ 17,000	50	6,952,000	+ 1,400,000
Do.	June 15	Net	£ 29,000	+ 15,000	50	1,545,000	+ 284,000
B. A. Western	June 15	1,882	£ 88,000	+ 15,000	50	3,523,000	+ 795,000
Do.	June 15	Net	£ 41,000	+ 23,000	50	867,000	+ 205,000
B. A. Central ..	May	190	£ 40,587	+ 4,119	11m	443,763	+ 115,485
Cent. Argent.	June 14	3,305	£ 137,800	− 4,200	50	6,645,200	+ 765,000
Do.	June 14	Net	£ 22,300	− 29,500	50	977,300	− 521,373
Cord. Central	June 14	1,205	£ 54,000	+ 10,110	50	2,204,070	+ 593,460
Entre Rios	June 14	831	£ 19,600	+ 1,400	50	1,016,000	+ 201,000
Brazilian.							
Brazil Gt.South	Apr.	110	M 51,800	+ 800	4m	189,940	− 1,160
Brazil Railway	Dec.	3,530	M 4,859,000	− 141,271	12m	57,772,000	+ 7,619,243
Gt. W. Brazil	June 14	1,010	£ 16,800	+ 2,300	24	432,600	+ 54,100
Leopoldina ...	June 14	1,831	£ 43,225	+ 8,584	24	777,874	+ 16,898
Mogyana	Dec.	1,180	M 1,561,000	− 956,490	12m	22,287,000	− 2,474,651
Paulista	Dec.	66	M 2,650,000	− 906,038	12m	32,479,000	− 1,225,892
Sao Paulo	June 15	153½	£ 36,727	+ 13,003	24	738,754	+ 30,739
Sorocabana ...	Dec.	1,003	M 1,749,000	− 246,183	12m	21,953,000	+ 876,892
S.of Bahia S.W.	Apr.	52	M 55,000	+ 15,000	4m	284,000	+ 7,000
Chilean and Peruvian.							
Antofagasta ...	June 15	838	£ 28,515	− 25,795	24	626,745	− 460,795
Arauco	Apr.	844	£ 9,800	− 3,200	4m	42,300	− 9,700
Nitrate(2wks.)	June 15	390	£ 12,600	− 22,502	22	223,231	− 158,373
Peruvian Corp	May	1,140	S 1,059,150	+ 37,030	11m	11,308,105	− 116,455
Taltal	May	180	£ 8,640	− 14,528	1m	158,139	− 114,988
Cuban.							
Cuban Central	June 1	362	£ 24,236	+ 7,271	50	1,144,119	+ 83,752
Havana Cent		70	£ 12,652	+ 2,130	49	469,762	+ 23,917
U. of Havana	June 1	681	£ 74,058	+ 18,602	50	3,006,389	+ 83,165
W. of Havan		155	£ 13,770	+ 5,782	50	464,587	− 29
Uruguayan.							
Cent. Uruguay	June 14	272	£ 23,657	+ 3,844	50	1,099,753	+ 168,758
,, (E. Ext.)	June 14	311	£ 6,693	+ 1,699	50	283,567	+ 23,636
,, (N. Ext.)	June 14	185	£ 4,423	− 103	50	192,432	+ 21,367
,, (W.Ext.)	June 14	211	£ 2,470	+ 733	50	131,659	+ 21,350
Mid. Uruguay	May	319	$ 18,511	+ 6,676	11m	191,710	+ 45,510
N.W. Uruguay	May	113	$ 29,000	+ 8,605	11m	326,858	+ 42,870
Urug. Northn.	May	73	£ 1,936	+ 480	11m	22,712	+ 2,621
Miscellaneous.							
Alcoy & Gandia	June 14	33	Ps. 10,000	+ 2,000	23	231,400	+ 8,300
Bilbao	May	15	£ 2,791	− 1,358	5m	12,111	− 10,040
Bolivar	May	138	£ 12,000	+ 411	11m	113,178	− 12,338
Colomb. Natnl.	May	88	£ 14,080	+ 2,380	5m	58,020	− 3,748
Costa Rica....	Apr.	189	£ 22,033	− 19,183	10m	222,955	+ 69,453
Dorada Ext....	May	70	£ 13,400	+ 3,900	5m	43,700	+ 800
Egyptian Delta	Mar. 17	559½	£ 4,675	− 1,478	50	364,593	+ 85,248
Gt. S. of Spain	June 7	104	Ps. 83,413	+ 59,336	23	2,734,411	+ 2,055,538
La Guaira&Ca.	May	22½	£ 9,060	+ 2,820	5m	42,000	+ 8,960
Ottoman Ry...	May 31	379	£ 14,848	—	—	—	—
Para Guay Cent.	May 31	255	£ 4,820	+ 1,530	48	200,830	+ 50,930
Puerto Cabello	May	24	£ 5,300	+ 800	5m	24,925	+ 3,425
Salvador	June 7	100	£ 3,684	+ 1,684	50	135,181	+ 25,740
Santa Fe Prov.							
French Rys.	Apr.	1,181	£ 162,888	+ 48,698	4m	649,097	+ 77,560
S'm'na&S'ti'go	May	80	£ 17,960	+ 8,120	5m	49,741	+ 4,453
Zafra & Huelva	Apr.	112	£ 10,789	− 3,949	4m	40,825	− 8,825
TRAMS.							
Anglo-Argent.	June 10	400	£ 22,535	− 34,219	23	1,274,826	+ 148
Auckland Elec.	June 8	27	£ 24,831	+ 1,324	48	220,631	− 4,072
Bombay Elec.	Mar.	38	R. 6,91,453	+ 1,13,350	3m	19,49,375	+ 2,77,398
Brazilian Trac.	Apr.	378½	M 9,208,000	+ 878,000	4m	35,032,000	+ 3,458,000
Brisbane Elec.	May	40½	£ 34,225	− 3,385	5m	185,335	+ 10,156
Brit. Columbia	Apr.	334	$ 631,988	+ 116,571	10m	6,022,107	+ 1,011,419
B. A. Lacrose	May	51	£ 47,317	+ 6,002	11m	431,503	+ 62,123
Calcutta	June 7	35½	R 80,143	+ 7,403	23	19,09,189	+ 2,62,725
Cape Electric	Apr.	42½	£ 28,140	+ 5,101	10m	245,934	+ 28,763
Carth. & Herr.	May	9	£ 3,226	− 1,801	5m	13,418	− 9,167
Chatham&Dist	June 12	15	£ 2,057	+ 708	23	32,412	+ 3,717
Havana Elect.	Mar.	86	$ 657,000	+ 15,000	3m	2,087,000	+ 183,000
Isle of Thanet	June 14	20½	£ 1,694	+ 1,393	36	18,191	+ 10,767
Kalgoorlie.....	Feb.	20½	£ 4,840	+ 2,467	2m	7,402	+ 2,507
Lanarkshire ...	June 12	33½	£ 4,081	+ 385	23	76,171	− 4,068
Lima Light ...	Apr.	55	£ 49,968	+ 6,411	4m	192,128	+ 21,013
London O.C....	June 18	141½	£ 82,933	+ 18,475	11	916,411	+ 226,825
Madras (2wks.)	May 31	15½	R. 45,875	+ 4,723	21	361,068	− 39,811
Manila Electric	Apr.	55	$ 212,638	+ 49,133	4m	883,383	+ 182,133
Pernambuco ...	June 15	59	£ 5,763	+ 1,370	24	129,347	+ 20,772
Provincial.....	June 7	21½	£ 3,804	+ 393	36	98,539	+ 7,284
Rangoon Elec.	Apr.	25	£ 6,217	+ 332	4m	25,817	+ 3,954
Shanghai Elec.	Apr. 9	28½	Mx. $29,894	+ 8,224	14	390,525	+ 47,457
Singapore Elec.	Apr. 28	28½	$ 14,013	+ 1,155	17	267,992	+ 38,837
U.of Montevid.	May	80½	$ 37,382	+ 5,081	7m	265,287	+ 26,849

OWN THE HOUSE IN WHICH YOU LIVE.

WRITE to-day for particulars of a specially advantageous plan devised by the "British Dominions," whereby you can secure your house free of debt for yourself at the end of a term of years, or for your family in the event of your earlier death. Ask for the "B.D." plan of House Purchase. Applications for advances of not less than £400 are invited. Address, Life and Investments Department.

EAGLE STAR AND BRITISH DOMINIONS INSURANCE CO., LTD.
32 Moorgate Street, E.C. 2.
Head Office: British Dominions House, Royal Exchange Avenue, London, E.C. 3.

The Statist.

LONDON, SATURDAY, JUNE 21, 1919.

THE LOAN.

It is to be hoped that the answer of the public to the Government's appeal for a large new loan will be as liberal as is requested, for there is a large amount of unfunded debt, a very considerable part of which has to be renewed every three months; and it is unnecessary to remind men of business that from every point of view it is bad that the Government should be three or four times in the year borrowing in the market. But we say this on the assumption that the Government is appealing once more for a very large subscription with the express intention of losing no time in adopting measures for paying off the enormous debt we have heaped up during the last five years as quickly as the circumstances will permit. It is to be recollected that the total amount of debt due by this country is 7,738 millions sterling. It is true, of course, that a considerable part of that debt has been borrowed for the purpose of obtaining the means of lending to Allies. But we may take it as certain that those who borrowed will not be in a position for a considerable time to repay; and, therefore, that under the most favourable conditions we shall be responsible for this enormous debt unless vigorous measures are taken for paying it off as speedily as circumstances render possible. Furthermore, it is never to be forgotten that we shall have to borrow very large amounts in the immediate future. We have committed ourselves to an abolition of the existing land laws; to the building of houses for the working classes on an enormous scale; to an increase of the old-age pensions; to an abolition of the Poor Laws; to a large increase of the Army; and we are making an immense addition to our already vast Empire. It is as clear as anything can be, therefore, that the debt will continue to grow very steadily and very rapidly; and, consequently, nobody will be surprised if, assuming that proper measures are not adopted, that debt before long reaches 10,000 millions. It is unnecessary to point out what a weight that will be upon the Empire; and, therefore, without wasting time we shall assume that every reader of The Statist is agreed that measures ought to be taken without a moment's avoidable delay for the extinction as quickly as may be of this crushing debt.

We do not propose to-day to urge any particular measure for paying off the debt. We think that at present what is most requisite is to show that the burden can be got rid of if we have the courage and the self-sacrificing spirit requisite for the occasion. Therefore, we shall confine ourselves for the moment to showing that there are a large number of plans which, if carefully, judiciously, and intelligently carried out, will enable us to reduce the debt with great rapidity. It will be time enough on a future occasion to examine which of these several plans promises to be most adapted to our peculiar circumstances. The first, then, we shall mention is a tax sufficient within a very short time—say two or three years—for clearing off a couple of thousand millions. It will be in the recollection of our readers that when the Baring Crisis occurred an agitation was started for the purpose of inducing all our banks to accumulate large gold reserves, and, with the exception of the London City and Midland Bank, they all refused. Therefore, we think every reader will agree with us that the banks, which are allowed to carry on so immensely profitable a business, and which refused to do their duty so as to secure the safety of the Empire, may with perfect justice be called upon now to pay to the Government in two, or three, or possibly four instalments, let us say, two thousand millions. It will be in the recollection of our readers that as soon as the War broke out the present Prime Minister, who was then Chancellor of the Exchequer, hurried into the City and promised, as the mouthpiece of the Government, that if harm occurred the banks should be guaranteed against loss by heaping the whole liabilities upon the innocent taxpayers. The promise was given not only to the banks proper, but to all acceptors of bills, and to the Stock Exchange as well. Therefore, we conclude that the banks, the acceptors of bills, and the Stock Exchange should all be called upon to pay off a large portion—say two thousand millions—out of their own funds, which would enable the Government immediately to organise such a system for the redemption of the debt as would speedily, not only relieve us from the oppressive load, but place our credit all the world over upon a sounder and a more unquestionable basis than ever before.

If the proposal just set out is widely objected to, then there is another plan equally just and equally desirable. It is the complete abolition of the existing land laws, and the substitution of a system which would make the entire soil of the United Kingdom available for supplying both employment and food to as many as possible of the whole population. The old opposition to such a plan is rapidly dying out. Conservatives and Liberals alike are agreed that it is only just that the nation should reward the gallant men who risked their lives for us during the War by conferring on them landed property. There will be, of course, strong opposition. But, as a matter of fact, the great landowners are proving in the most efficacious and convincing manner that the existing land laws are unjust, injurious, and oppressive, for they are very wisely selling their estates as rapidly as they can, before even a hint has been given of an intention on the part of the Government to undertake the reform of the land laws.

Assuming that this measure is also opposed by a party powerful enough to prevent its being carried into effect, there remain a considerable number of other plans which can be recommended to all who consider them, not in a spirit of prejudice, but with the honest desire of arriving at the truth. Of these we would mention, first, the abolition of the Established Church. One of the interested and foolish persons who opposed the suggestion when it was made in this Journal some months ago asked: How are the properties of the Church to be turned into cash? And he specially singled out Westminster Abbey as a property that could not be disposed of. We do not represent the whole people of England, and, therefore, we shall not be either vain enough or silly enough to answer emphatically. But we would point out to readers who may doubt whether such buildings as Westminster Abbey could be profitably sold that there are other Churches in the world besides the Church of England; and, furthermore, that there are numerous bodies of wealthy people who would gladly obtain such buildings as Westminster Abbey, or Canterbury Cathedral, or York Minster, or, in fact, any of the famous buildings which are now in the possession of the Church. Without any consultation with

any body of Roman Catholics, we take upon ourselves to say that the Roman Catholic Church, for one, would, if allowed, buy Westminster Cathedral; and we do not doubt that buyers who would pay handsome prices could be found for all the other buildings. Besides, we do not doubt that amongst the large body of persons who are attached to the Church of England there are enough to buy the great buildings like Westminster Abbey at a fair price.

Thirdly, we would remind our readers that Democracy—by which is meant not a mere name, but the actual organisation of the people of the United Kingdom on democratic lines—has made so much progress in the minds of the British people that to-day all our idle rich are claiming the support of the country on the ground that the Government of the United Kingdom now is a democratic Government, and, consequently, that it should be earnestly supported at any cost by the people. Now we of this Journal do not regard the organisation of the United Kingdom as democratic. Very far indeed from that. But we are quite willing to accept the statements of our aristocratic friends, and believe that they are not merely posing for the purpose of deceiving the public. Apparently, then, to take the members of the Government and their supporters in Parliament at their word, the Government of this country is, or at all events desires to become, truly democratic; and we urge, therefore, that the best way of showing that they are really and truly democratic is for those amongst them who are rich to come forward and undertake to pay off a large portion of the debt. A thousand millions would be a handsome payment; two thousand millions would be more handsome still. If the wealthy would do this we feel sure that there would be no haggling about terms. If the rich are really willing to prove their patriotism they will be given, we feel confident, whatever reasonable time they ask—say, anything from one to five years—to pay off, let us suppose, a thousand millions, or, still better, two thousand millions. If the rich would do that they would give proof to the public of their true democratic feelings; and, at the same time, they would convince us all that they are patriotic not in the mere sense of those who drink healths with great spirit, but in the true desire to show that they are so firmly attached to the welfare and the future prosperity of the Kingdom and the Empire that they are ready to give up money enough to pay off, let us say, two thousand millions. If such a thing were done there would be a saving of, let us say, 100 millions a year; and, with a clear 100 millions to begin reducing the debt, we could all see our way to such a diminution in a short time as would prove to the whole world that the wealth of England is not a myth, and that, as the great body of the people came forward voluntarily to fight in 1914, so the small body of rich men were willing to surrender a very considerable portion of their wealth for the sake of placing the Empire in a position which would ensure to it a great, a prosperous, and a long-continued leadership. It would be easy to add other plans, but we fear that we should weary the reader. We have said enough to make it clear that there are several plans which would unquestionably reduce the debt very quickly, and that it needs only self-denial on the part of the rich and courage on the part of the Government to pay off the debt in a time so short as would make it reasonably certain that England would continue to be one of the very greatest of the Powers of the earth.

American Pigs.—The Washington May-June Report (Ministry of Agriculture), V. 5, has just reached us, and shows the unprecedented increase of 11,892,000 in the porcine population of the United States. Incidentally this fact may explain to a material degree the great falling-off in maize shipments from the American ports.

THE UNITED STATES.

The agitation which has sprung up in the United States in opposition to the League of Nations seems to have surprised a very large number of people. We of this Journal expected the opposition, firstly, because, to speak quite frankly, we think a League of Nations as silly as anything done by the Congress of Vienna; and, secondly, because we are now at the commencement of the great agitation to restore the Republicans to power. It will be in the recollection of our readers that while slavery was a bone of contention between the real lovers of liberty in the North and the owners of slaves in the South the Democratic party, which always was supported by the Southerners, practically ruled the great Republic. When the Civil War came, the Democrats of the North could not brace themselves to such an opposition to the South as would satisfy the majority of Northerners; and, consequently, from that day to this, while the Democrats have occasionally regained power, the government of the Republic has been mainly in the hands of the Republicans. President Wilson has had two terms, and it looked not very long ago as if he might be induced to try for a third; or, if he refused to do that, that he might be strong enough to get one of his friends and supporters into office. Naturally, the Republicans desire to regain the government of the Republic. We say "naturally" because while we are as well aware as other people that, as in every country in the world, there are men in the United States who wish for power for power's sake, yet we are convinced that the majority of the American people think first of the welfare of their country, and that if they are persuaded that President Wilson is the best man they can have for the present, they will re-elect him, or else will elect somebody who is in his confidence and sure to follow out the broad principles of his policy. Therefore, while we are aware that on both sides there are, as there are in every country, men who would fight partly for the love of fighting, and partly from an innate belief in the superiority of their own special party, yet the great body of the American people will vote when the time comes for the man they honestly believe to be best suited for the United States at the present time and under present circumstances. The fight, therefore, is so natural—we will go so far as to add so inevitable—that we have been expecting it for a considerable time; and we anticipate that it will be continued to the last moment. Who will win it would be foolish to predict. For who can tell what are the opinions of a population of considerably over a hundred millions? But that the agitation will be pushed to its extreme limit, and that every man will be aroused to support it we do not doubt. The Republicans have this great advantage—firstly, that theirs was the partly which maintained the Union; secondly, that theirs was the party which did not shrink from setting the negroes free and reforming the whole of the constitutions of the States which rebelled. That cannot fail to have weight; and it is strengthened by the fact that all Irish and German citizens in the United States who really feel strongly for Ireland and for Germany are dead against President Wilson and strongly in favour of his opponents. That, of course, may have the result of driving many Americans who are not quite firm in their attachment to either party to support the Democrats, in the desire to ensure that American votes alone shall determine who is to be the chief ruler of the United States for the following four years.

The election, then, is very likely to be fought with the keenest rivalry, and every man who is even inclined towards a party will probably vote with that party. It would be exceedingly foolish to venture upon an opinion as to the result. It will depend upon many things. But perhaps it will depend most of all upon the voting in the South. The opinion of the present writer is that the Republicans, confining our attention

for the moment to white men alone, are pretty freely divided between the two great parties; but that, upon the whole, the majority is Republican. In the South, however, the coloured men are in a majority, and they almost universally are Republican. Heretofore the whites, who usually are the employers of the blacks, have ordinarily refused leave to those they employed so as to prevent them from voting when election day came round. If this is done next November it will be very doubtful indeed how the election will end. But if the Republicans, being well aware of the condition of things in the South, can by any means make sure that the negroes are allowed to vote, then it is reasonably certain that the Republicans will win. Many of the writers in America for London papers are so English in their sentiments that they either shut their eyes to some of the important facts, or they are so new to the country as to be ignorant of its real condition. We would advise our readers, then, to bear in mind that the South can determine the voting beyond yea or nay in favour of the Republicans, always assuming, of course, that the coloured men are allowed to vote. The real question is, Will such measures be adopted as will ensure to the coloured men freedom to vote? If that happens, then the next President of the United States will be a Republican. Who he will be is not yet determined. There will, of course, be a candidate shortly chosen, and the consequences of the popular vote will depend to a considerable extent upon the character of the candidate, assuming that the Southern coloured men vote; and, consequently, the Republicans are extremely likely to be victorious. These are points now uncertain. We are writing rather to suggest to our readers how best they can form an opinion as to what will happen in the United States. Let them by all means allow the different papers to write as they think proper in the interests of their country, of their party, and of themselves. But a man who wants to make as sure as it is possible to be before the thing has happened who will win, will have the best chance of being right if he can inform himself as to whether the coloured men will, or will not, be allowed to vote when the day comes.

THE PORT OF HULL.—I.

CENTURIES back Hull was a famous port, and its record is almost unique in that it has maintained, and even increased, its importance in modern times. Founded by King Edward I., it was called Kingston-upon-Hull, now shortened to Hull, which is really the name of the small stream on which it was built. The importance of the port in early times was due to its convenient situation for the Continental trade, which then almost solely engrossed the attention of our foreign merchants. The development of the eastern and southern ports was, indeed, a feature of our early history, and it was not until the Atlantic trade was opened up that the ports on the west coast, Liverpool and Glasgow, for example, became prominent. Hull has, however, unlike many of the earlier ports, continued to maintain its eminence, and to-day it ranks as the third port in the United Kingdom. Its position in regard to our import and export trade is shown in the following table, which gives the recent trading figures for our six leading ports:—

Name of Port		Imports	Exports, U.K. Produce	Exports, Foreign and Colonial Produce	Total	% of Tot Trade of the United Kingdom
		£	£	£	£	%
London ...	1913	253,879,289	99,104,682	58,808,178	411,792,149	29.3
	1916	359,382,178	128,036,395	60,406,970	547,825,533	35.3
Liverpool ...	1913	175,491,584	170,096,468	25,191,361	370,779,413	26.4
	1916	280,023,728	169,306,373	26,855,859	476,185,960	30.6
Hull	1913	49,840,283	29,290,174	5,543,960	84,604,417	6.0
	1916	54,155,257	29,389,912	3,221,165	87,766,334	5.6
Glasgow ...	1913	18,486,383	35,917,397	353,846	54,756,626	3.9
	1916	33,804,247	41,080,709	994,438	75,879,394	4.8
Manchester ...	1913	35,290,606	20,630,339	378,107	56,299,052	4.1
	1916	47,967,835	20,892,794	1,289,503	70,150,132	4.5
Newcastle, N. Shields and S. Shields	1913	11,349,000	13,191,398	26,272	24,566,670	1.7
	1916	11,706,702	17,518,382	984,073	30,209,157	1.9

As in early days, so in modern times, the bulk of Hull's trade is carried on normally with the Continent, especially with the German ports of Hamburg and Bremen, which lie almost due west. Traffic is brisk also with France, Belgium, Holland, Denmark, Scandinavia, and Russia. Hull's prosperity is, in fact, bound up with the Baltic and the North Sea, and to the latter its obligation is twofold. Onwards from a remote period the North Sea has been remarkable for the abundance and variety of its edible fish, and Hull, lying only 20 miles from the open sea, with a deep-water channel up its noble river, and at the same time situated close to important consuming centres, naturally became one of our chief centres for landing fish. Though the port is accessible only for a limited period in each tide, this connection with the fishing trade has persisted because of the rapid means of transit provided from Hull to the thickly populated hinterland. Its importance has, however, been overshadowed by other local developments, and Grimsby, on the opposite side of the Humber, is to-day the chief English fishing port. The Scottish fisheries also have immensely developed, but they are mainly concerned with herrings. Even still Hull is second on the English list of landing ports for fish; and its variety adds a special value to the catch, which comprises herring, and, in addition, sole, cod, haddock, mackerel, and turbot.

Hull is the only "railway port" amongst the six chief ports in the United Kingdom. In both the extent and diversity of its trade it differs from other railway ports, where coal and iron-ore are chiefly handled. The North-Eastern and the Hull and Barnsley Railways control the ordinary and graving docks and a large part of the warehousing accommodation. Its connection with Barnsley and with the Yorkshire coalfield generally through the medium of these lines accounts for the large shipments of coal annually made from Hull. It is naturally the chief outlet on the East Coast for the products of the West Riding, and it therefore plays a big part as an exporter of machinery, iron, and steel manufactures, and woollen and worsted goods. Even of cotton and cotton goods Hull's exports are surprisingly large, as the following table shows:—

Export of Cotton and Cotton Goods from Hull, 1913.

	£
Raw cotton	954,000
Cotton waste (all kinds)	69,000
Cotton yarn	2,414,000
Cotton manufactures—Piece-goods	2,379,000
" " Other than piece goods... ...	406,000
	6,222,000

The export trade in cotton and cotton goods alone reached a total value of £6¼ million. This may seem strange, as both Liverpool and Manchester, the centres of cotton importation and manufacture, are well linked up with the Continent. Hull, however, sends raw and fabricated cotton chiefly to Scandinavia and to countries bordering on the Baltic and on the North Sea, which are not so easily accessible from the west coast. The Pennine Chain does not, as might be supposed, interpose any effective barrier to cheap and expeditious communication with Lancashire. Through the Aire and Calder Navigation both Hull and Goole are brought into touch with the three lines of canal now laid across the Pennines; and so with all the chief Lancashire towns as far west as Liverpool. Hull thus possesses a system of canal communication extending right across England, which enables coal, ores, timber, grain, machinery, and other low-class, bulky, and non-perishable traffic to be conveyed cheaply to and from the port. The railways cater for the fast, perishable traffic, and these various factors, combined with its excellent Continental connections, account for its comparatively large share of raw and manufactured cotton exports. Continental countries are, of course, amongst the chief consumers of our cotton yarns, and in 1913, out of a yarn export of £15 million, Europe received more than £10½ million.

In the wool section the exports from Hull, valued in 1913 at over £6 million, are even larger, as might be expected, since Hull is the most obvious overseas outlet for manufactures of the West Riding. By its cheap rail and canal communication the port is brought into touch on the west with the leading wool towns of Dewsbury, Halifax, and Bradford, and with engineering towns such as Leeds, Keighley, and Rochdale, on the south with Sheffield and Doncaster, and on the north with York and Ripon. It thus acts as a collecting and distributing centre for a very populous area extending northwards to the Hartlepools, westwards into Lancashire, and southwards as far as the Wash, and containing over 10 million souls.

The growth of the hinterland has led to an extension of Hull's trade beyond European ports, and the extension is the more welcome from the commercial point of view as much of the North European trade, especially in the Baltic area, is seasonal. Thus navigation to Petrograd is usually open only from April to September. In all our East Coast ports, even in London, an appreciable slackening is noticed as the Baltic closes, and about the same time our western ports are getting busy with arrivals of wheat from the North American continent. It would be impossible to solve the labour and other problems thus created in Hull unless its trade were more diversified. With the increased population in the hinterland requiring to be fed Hull has become an important centre not only for the provision trade, which draws its supplies mainly from Denmark, but also for the corn and grain trade. In 1913 the imports of wheat, barley, oats, and maize were valued at nearly £10½ million. The wheat is brought mainly from the United States, Canada, and India, and the maize from the River Plate, and as a natural concomitant to this trade a milling industry has sprung up. The growing importance of edible oils has also led to the establishment of a great seed-crushing industry, which prior to the War was the foremost of its kind in the United Kingdom. This industry has brought Hull into close and intimate association with the West African trade, as the necessary supplies of palm and palm-kernel oil and of oil-bearing nuts and seeds are drawn mostly from Gambia, Sierra Leone, Nigeria, and the Gold Coast. The industry started originally with the expression of oil from imported Egyptian cottonseed, but now all kinds of seed are crushed and oil of every variety is refined.

PRICES IN THE WOOL TRADE.

THOUGH there is an immense amount of wool actually afloat from the Colonies or awaiting transhipment there for the United Kingdom, the price of the raw material has continued to rise in our markets. Recent statements by Sir Arthur Goldfinch are apparently being treated as of little weight. He asserted that by the end of the year fully three million bales of wool would have been conveyed to these islands. The rise has no doubt mainly affected the finer varieties, and has been particularly favoured by the presence of a strong speculative element, which seems to derive a certain spurious confidence from the acknowledged shortage of raw material both on the Continent and in the United States. Speculators, however, are inclined to forget that this shortage is not world-wide, but occurs mainly at the centres of consumption, and that as the shipping position becomes more normal the scarcity of supplies can be speedily rectified. The tonnage problem is, indeed, as yet far from solved, and the latest reports from New Zealand and Australia indicate a fall in the price of both wool and mutton, due to congestion in the wool warehouses and in refrigerating stores. The difficulty in regard to transport should, however, be almost completely solved by the time the new clip is appraised and ready for shipment, and then Europe will no longer suffer severe embarrassment from wool shortage. It is a matter of common knowledge that though the European clip was before the War greater than the Australasian, the sheep flocks in enemy countries showed on the whole a gradual contraction. The War made further inroads into their numbers, as both mature and immature beasts were indiscriminately slaughtered all over the Continent for food purposes. The resulting total decrease has not yet been accurately estimated, but it will no doubt be serious. Foreign demand for wool in our markets is not, however, to be allowed full play, since wool exports will for some time to come require a licence. Those who anticipate a lengthy continuation of high wool values point out that the supply of wool, unlike the supply of a mineral fibre such as asbestos, or even of vegetable fibres such as cotton and jute, cannot undergo sudden expansion, but they overlook again the priority which, according to the declared policy of the Government, is to be given to home consumers in regard to wool, a product coming largely from Imperial sources. The permission which was recently granted to export certain wools, chiefly East Indian and South African varieties, seems to have been taken as an indication that all restrictions on export would soon be withdrawn, but this interpretation of the Government's action is certainly too liberal.

More wool will be required on the Continent as French, Belgian, Polish, and enemy machinery is restarted and the increase in the Italian wool-working industry takes effect. The United States, which during the past few years have been largely denied their customary supplies of various classes of Colonial wool, will also be a strong buyer; but the very strength of the outside buying interests, on which our wool speculators rely so confidently, makes Government control over the exportation of wool all the more necessary. In the absence of such control the interests of British manufacturers would suffer while the public would undoubtedly be hit. The resumption of wool sales in Antwerp may ease the demand on supplies of wool coming to these islands, but as South American and Continental varieties were in pre-War days almost solely on offer, the wants of many merchants, combers and spinners will have to be satisfied elsewhere, and they will be forced to seek supplies in the United Kingdom. Although every country in Europe produces wool to some extent, not a single one is self-supporting as regards the raw material. Progress in manufacturing methods and the demands of consumers for finer and more varied cloths has led to an increased use of blended wools, and Europe, as the wool-manufacturing centre for the world, has inevitably to turn to the less advanced countries, which have large exportable surpluses of the raw material, and which, moreover, enjoy a practical monopoly of the finer wools.

The buoyancy of the speculative element may seem justified in view of the high prices for wool that ruled for several years after the American Civil War, and again after the Franco-Prussian War. In the former case, however, the outbreak of hostilities in 1861 was followed by a cotton famine that lasted for a long period, while in the latter a tremendous demand arose on the Continent for English woollen goods during and after 1870-71. The statistical position at present is that a fall in wool appears inevitable on account of the big stocks held in various parts of the world, and even in Great Britain some of the port authorities are refusing to warehouse any more wool, which has accordingly to be sent inland for storage.

In contrast with the optimism of speculators a certain nervousness is noticeable amongst merchants, who are carrying large quantities of finished goods, which they are holding for high prices. The figure demanded acts as a drag on both the home and export trade, and though conditions are now in favour of the sellers, a change may come unexpectedly. The charges of profiteering made with such freedom against manu-

facturers might be levelled more justly against wholesalers, who are, in many cases, not satisfied with a legitimate margin of profit. The War proved fatal to the habits of cautious buying which were in the past so characteristic of the great distributing interests in the wool trade. Scarcely a purchase made during hostilities failed to be lucrative, as the market was always rising. Its sudden break at the time of the Armistice found buyers with large commitments which at other times they would have considered it foolish to carry. They endeavoured to get rid of their obligations, with more effrontery than grace, and in many instances succeeded, but at the expense of unsettling the market. Prices again hardened, and even rose above the pre-Armistice level, to the dismay of those who had so eagerly cancelled their engagements. Their mistaken policy of caution was not, however, wholly abandoned, and complaints are still made by manufacturers of hedging conditions being attached to contracts by buyers with the view solely of protecting themselves from any loss incurred by unskilful buying. Their action is not altogether different from that of the French buyers, who made the fulfilment of many of their Bradford contracts dependent on the will of the French Government, which was in turn mainly influenced by the advice tendered to it on behalf of biassed French manufacturers. Every section of the trade must, of course, look after its own interests, but it is only by harmonious co-operation between all that the present period of unhealthy inflation can be brought to a close without calamity.

ARGENTINA.

THERE is amongst a large section in this country interested as investors in Argentina, and even amongst a section of those who are interested in the Republic as traders and financiers, a considerable measure of anxiety at the growing unrest. There can, of course, be no doubt that the serious strikes which characterised the opening months of the present year in Buenos Ayres were an exceedingly unfortunate feature, and undoubtedly interfered materially with the country's export trade, upon which the welfare of the Republic depends. It cannot be too often repeated that Argentina lives by raising food and raw materials out of all proportion to the needs of her own consuming population, for the purpose of selling those products at far distant places of consumption. At the moment, it may be contended, she is selling those products very largely upon credit. But she is selling them to creditors who in due course will be able to meet their bills. The time of payment will be delayed, and may be delayed somewhat longer than is expected. Meanwhile, those who are granting the credits will get the market rate of interest upon their loans; and, finally, they will be paid in full. Consequently, although the business is not regular in the sense that it was in the years that preceded the outbreak of the recent War, at the same time it is a highly profitable business. In the first place, the credits themselves naturally command commissions and rates of interest, while the goods, inasmuch as payment is deferred, obtain an exceptionally high rate of profit. The intelligent Argentine business man is as well aware of these facts as we are here in Europe. He is carrying on the trade because he is a good business man. He might prefer to obtain immediate payment, as he was accustomed to do in pre-War days, which would enable him to turn over his capital more rapidly than is practicable under existing circumstances. But he is perfectly well aware, at the same time, that the buyers of the commodities he has to sell have to pay him large compensation for the delays to which he is subjected. He is a business man, and not a philanthropist, and it is not from him that agitation is emanating or is likely to emanate. He is perfectly well aware that the best way to develop the economic resources of a country in the condition of the Argentine Republic at the present time is to sell abroad as large a quantity of food and raw materials as he is capable of raising. And if he cannot get immediate payment he is perfectly willing, for a consideration, that payment should be deferred until it suits the convenience of his customers to meet their obligations, which will be done in due course with a handsome rate of interest paid in addition. It is not so certain that all classes of the Argentine population are as well informed; and it is from the agitation that is being worked up amongst these classes that the anxiety of our investors and traders interested in Argentina arises here at home.

It has to be remembered that Buenos Ayres is a great city with, perhaps, one of the most cosmopolitan populations anywhere on earth. The business classes are composed of people of Argentine descent or of wealthy foreigners. But the vast bulk of the working population are nearly all immigrants from Southern Europe, and for the most part people of very little education. They are told that the transportation facilities of the Republic are nearly wholly in the hands of foreigners, and that Argentina each year has to raise immense quantities of produce in order to pay the interest due on those transportation facilities. But they are not told that without these facilities it would be impossible to maintain the population of Buenos Ayres; or, for that matter, the Argentine Republic itself, at its present level upon the economic basis which it enjoys.

Buenos Ayres contains about one-sixth of the total population of the Republic. But Buenos Ayres is very far from being Argentina. The most solid and conservative portion of the Argentine population only reside for a very small part of the year in the capital at all. The real Argentina, which makes the Republic what it is, is out on the Pampas or on the sheep runs of Southern Patagonia. It is the wheat of the Metropolitan Province, the linseed grown in the neighbourhood of Rosario, the cattle to the south of La Plata, and the sheep of Chubut and the Rio Negro, which enable the city of Buenos Ayres to exist in the state of magnificence which it displays to the incoming visitor.

There is a feeling amongst certain classes here that the political ferment which has for some time been brewing in certain districts of Argentina, and particularly in the capital, will ultimately force the Government to take some step which will materially injure the economic welfare of those who have staked a large part of their fortunes in building up the economic resources of the Republic. Those who take this view have little real appreciation of the sound common-sense of the economic classes in Argentina, and the strong conservative instincts which exist in the Republic, which would rally to the support of the Government were it threatened with the alarming conditions which the fears of some of our more timid investors picture as probable. These classes may be counted upon to rally with overwhelming force to the support of the Argentine Government were it threatened with anything like Bolshevism. Those who fear that because the politician harangues excited crowds about the vast sums that are exported overseas for the purpose of keeping the foreigner in luxury, need not be alarmed that the conservative classes to whom we have referred have any intention, or any desire, to repudiate their obligations solemnly entered into. They are too patriotic, in the first place, to desire to injure the credit of Argentina; and they are too well acquainted with the sound principles of business to desire for a temporary gain to wreck the credit of the Republic for a generation. These classes are very little in evidence in the politics of the Argentine Republic, as they are little in evidence in the politics of any modern democratic country. It is a common cause of complaint in all the modern democratic States that the sound law-loving elements, and what are generally called the best classes, feel merely socially, but from an economic point of view as well, that

politics as they shun the plague. The reason is probably to be found in the difficulty in the roar and din of politics in a democratic State of anyone being able to attract sufficient attention to raise himself above the crowd without resorting to bizarre tactics, from which the best elements in all countries shrink. Moreover, the men of really sterling character as a rule can do better work by attending to the economic development of their country than in shouting themselves hoarse in the arena of politics, whether it be in Argentina or in any other country.

Another aspect of the question which must not be lost sight of is that those who have recourse to the most violent language for the purpose of attracting attention in addressing crowds at political meetings are people in opposition. They have none of the responsibilities of government. It does not follow, therefore, that they have no appreciation of the importance of Argentina's credit. Neither does it follow that if they had the remotest prospect of getting into even a minor office, which would involve any kind of responsibility, they would be any more inclined to repudiate the debts which Argentina has incurred abroad than the most conservative of the business classes or the great estancia-owners of the Pampas. From the necessity of their position they are compelled to make proposals likely to attract as widespread attention as possible. But it by no means follows that were they in a position of responsibility they would not repudiate their own speeches before repudiating the debt of the Republic. Of course, there may be, and no doubt are, elements in the Argentine Republic, as in other countries, which have no real appreciation of the importance of national credit and which really believe that it would be to the interest of Argentina to seize the property of foreigners and exploit it to the best of their ability. But the number of people of this type of mind who are ever likely to get to positions of authority is exceedingly small in any country. Very few people, whether they be millionaires or day labourers, have any serious doubt of the importance of fulfilling contracts once solemnly entered into.

In any case, the investor and the trader interested in Argentina may be assured that the sound business elements and the sound elements in the interior have no doubt whatever of the importance of maintaining the contracts into which the Republic, with its eyes open, entered during the past generation. The very fact of so much unrest and of the grave strikes of January, February, and March of the present year are, of course, themselves indications that all is not well with the Republic. But we have explained again and again that Argentina is passing through a very severe crisis due to causes over which she has really no control. Argentina, as we have explained on more than one occasion, has been rapidly built up on a peculiar economic basis for the purpose of supplying food and raw materials to distant parts of the earth. She supplies this food and raw material in immense quantities; and inasmuch as something like 80% of it requires to be sent abroad, it is one of the conditions of the economic state of the country that an abnormal proportion of the population should be engaged in the transportation business, as distinct from the actual production of the primaries upon which man lives, and the prime articles upon which he works. The development of these secondary industries, although of great importance in a country like Argentina, has been checked by the difficulty which the European belligerents, and especially this country, experienced from the necessity of devoting the major part of their resources in fighting the recent war. We were not able to assist Argentina in the development of her transportation facilities. And while those who are actually engaged in the production of commodities of prime necessity have done an exceedingly good business during the War, and continue to do an exceedingly good business, a very large proportion of the Argentine population—indeed, a larger proportion than one would expect in a country which lives almost wholly on the production of primaries—is dependent upon secondary occupations, mainly for the transporting of these primaries. As a result, in Buenos Ayres and certain other large cities there is an exceptionally large proportion of the population who find themselves reduced from regular occupations to earning a living from more or less irregular employment.

BRITISH DYEWARES.—I.

In the recent ambitious efforts to promote the artificial colour industry in this country some see an attempt to elevate an industrial offspring of the War, young and not over lusty, to a position out of keeping with its age and strength, and accordingly, if not anticipating disaster, they are at least not sanguine of success. The truth is, however, that we have an historical claim to hegemony in the dye-making world. In regard both to research and to production on a commercial scale we were first on the field last century, when the displacement commenced of natural dyes and dye-woods by artificial products. Faraday discovered benzine, which was subsequently obtained from coal-tar by Mansfield, who also succeeded in winning from it nitro-benzine. In 1856 mauve, the first coal-tar dye, was discovered by Perkin. We distilled more coal-tar than all the other countries in Europe put together, and our dye-users were the first to employ aniline colours on a large scale. The reasons for our failure to follow up these initial successes were various. Perkin's discovery had been to some extent accidental, but as the dye industry developed there was less room for accidents and more need of systematic and painstaking research into the chemical problems which confronted the dye-makers. This entailed prolonged intellectual application, as well as a certain amount of drudgery, both of which were alien to the British genius. Moreover, men with the requisite chemical knowledge were scarce in these islands, owing to the failure of our universities to grasp the importance of chemistry, especially in its industrial applications. The manufacture of alcohol, an essential material in the preparation and purification of certain classes of dyes, was discouraged here by Governmental regulations, which, regardless of injury to other interests, had been drawn up with the object of protecting the revenue derived from the taxation of potable alcohol. Our patent laws also were defective, as they failed to ensure to the patentee adequate protection for his patent, and so tended to remove one very powerful stimulus to invention and research.

In view of the manner in which these factors impeded our progress in the past, it may be pertinent to consider how far they have now ceased to operate. Our educational institutions have certainly become fully alive to the necessity for improvement in chemical studies, especially in organic chemistry and in the innumerable departments where co-operation between the chemist and the industrialist is essential to success. The manufacture and denaturation of alcohol has been freed from many annoying restrictions, but the precautions still taken to safeguard the revenue are excessive and burdensome to the manufacturer. Our patent laws were amended before the War, and the former policy of allowing German and other nationals protection here for patents worked elsewhere was reversed. As a result a German-owned factory for the production of dyes was set up in England. The protection given to British patents in Germany was of a very imperfect character, especially during the early days of the German Empire, when the patent laws of the different States had not been unified, and when the aniline dye industry was rapidly advancing. The mistakes on our side are not likely to be repeated, as all German and Austrian patents in this country were revoked after the outbreak of war.

Material progress has been made since 1914 in supplying our colour users with British-made dyestuffs, but our dependence on foreign supplies is as yet not nearly at an end. Our imports last year were valued at nearly £2,500,000, and, though a large export trade has sprung up, we would have fared badly during the War had it not been for Switzerland. It must be remembered, however, that the occasion was against us. A period of war is inimical to the development of an industry such as dye-making, in which much preliminary inquiry is essential, and in which, moreover, complicated plant is required and manufacturing methods are but slowly perfected. As it was, our achievements are a justifiable cause of pride, but they must not blind us to the still more serious task that lies ahead. War conditions are in a certain measure protective, and enable even the inefficient to flourish, but after international competition is fully resumed the supreme test for our dye industry will come. When this test is passed, but not till then, we may congratulate ourselves on a really splendid achievement. The leeway we have still to make up is immense, and it is of little use to pretend that during four and a-half years of war we could equal the German achievement in 50 years of peace. Our supply of many essential colours is still short, and other colours have not yet been produced. Direct cotton colours, vat colours, and developed colours are required. In a few words, the need of our textile manufacturers is for low-priced dyewares of the best quality in adequate amounts and varied shades, and this need must be met if they are to overcome the competition of foreign manufacturers. Otherwise all countries which have access to Continental dyewares will be able to produce fabrics more cheaply, and with a greater variety, fastness, and elegance of colours than we can in the United Kingdom. A tremendous responsibility thus rests on British dye-producers, since on the quality of their wares will depend the saleability of our enormous textile production. Most of the textile goods which we send abroad, with the chief exception of grey yarn and cloth, are dyed, and unless the exacting requirements of consumers are satisfied no repeat orders are likely to come our way. A single instance will indicate our meaning. Wool may be dyed in the loose state or in any of the various stages of manufacture, and thus we have slubbing dyeing, hank dyeing, cop dyeing, piece dyeing, and other more or less specialised systems of dyeing, each calling for particular qualities in the dyestuff. A dye must be fast to acids, as in carbonising, or, again, fast to steam, milling, rubbing, and other manufacturing processes. The finished material must be fast to light, to rain, to perspiration, and, perhaps, to washing. Any defect in respect of these desiderata in the wool yarns and fabrics sent by us to foreign countries would inevitably damage our reputation and lead to serious loss of trade. The question of fastness had received special attention in Germany in the years before the War, and thus our chemists and manufacturers will have set to them a high standard of excellence.

Besides the scientific and manufacturing difficulties which must be faced, the problem of finance is also important. German dye interests are closely consolidated and possess enormous capital resources, while their factory equipment and their laboratories—the outcome of many years of labour and thought—are probably unexcelled. Against this imposing array we will soon have a strongly capitalised concern representing the combined interests of two of our leading dye-manufacturing firms. This amalgamation, unlike many others in the business world, is one which should command approval from all shades of opinion. In 1914 we had in this country only five small firms engaged in dye manufacture, of which one was controlled by German and one by Swiss interests. We will now have a powerful combine, together with some independent firms, and between them they should in course of time perfect a selling organisation such as the Germans had, with ramifications all over the globe. There is, perhaps, a danger that the secure possession of a large home market, protected by import restrictions, may breed supineness or indifference to progress. Such a possibility might indeed be present if dye-using, as well as dye manufacturing, interests were not represented on the Imports Licensing Committee. Fear of foreign competition at their doors should thus provide an incentive to improvement, though it may be granted at once that our chemists and chemical engineers have shown themselves since the War both progressive in their ideas and quick to put them into execution.

MOLYBDENITE DEPOSITS IN IRELAND.

Only two compounds of molybdenum are of commercial importance; the sulphide, molybdenite and the molybdate of lead known as wulfenite. The former produces at least 96% of the molybdenum metal or its alloys or compounds consumed, and the latter is less common but has occasionally been obtained in marketable quantities. At the present time Australia and Norway are the chief sources of molybdenite, but production commenced in Canada in 1914, and the United States is a considerable producer both of molybdenite and wulfenite. One of the most important discoveries of molybdenite in 1916 was that of Quyon, Quebec, and this mine, which has been newly opened out, is the largest molybdenite mine in Canada, and probably the largest in North America. The ore, with a molybdenite content of 2% to 5%, is already being shipped at the rate of 200-300 tons per week. A large concentrating mill to deal with 120 tons of rock per day was under construction at the mine in 1918, and preference is given as regards the method of concentration to the wood-water flotation process. As regards Canada the export of molybdenite was prohibited to other than British destination, except under licence and from September 23, 1915, the British Government requisitioned all molybdenite arriving in the United Kingdom at a price of 105*s.* per unit of 22.4 lb. It is probable that in the future Canada will become a very important source of supply; in 1918 it is estimated that the molybdenite content of ores and concentrates shipped was 377,850 lb., as against 288,705 lb. in 1917. Quebec was responsible for about 88% of this production. In Australia North Queensland contains some of the principal known sources of molybdenite, where it occurs in connection with tungsten ore and bismuth. In some mines the greater part of the output is obtained by picking the wolframite dumps. The Norwegian deposits, which are mostly situated along the south and south-western coast in a triangular belt, contain from 1% to 3% molybdenite. Two of the most important producing mines here are controlled by an English company. The production of molybdenum concentrates in 1916 in Norway, Queensland, and New South Wales amounted to 100, 58.75, and 54 tons respectively, as compared with 12, 68, and 80 tons in 1913. Referring to the United States it is stated that the output has shown a marked increase since 1915, although in previous years the production was intermittent.

Coming to these islands the occurrence of molybdenite, it is stated in small quantities, has been noted in seven Scotch shires and in Cornwall, Leicester, and Westmorland in England, where it chiefly occurs in granitic or closely allied rocks. It is also found in conjunction with iron and copper in the metamorphic rocks near Castle Caldwell, in the County Galway; and in the County Donegal it is recorded at Lough Laragh, near Glenties, and at Lough Anure. So far as we know there does not seem to have been any detailed survey of these deposits, and it is quite possible that they would repay a closer examination. It should be remembered that the grade of the ore in various parts of the world runs from 1% to 6% molybdenite;

in various parts of British Columbia it runs to 10%; but, taking into account all the molybdenite deposits of the world together, it is stated that 1% would be high-grade ore, while ½% ore is profitable provided it can be easily worked. It is at Roundstone, County Galway, however, that the prospects are brightest for starting an industry of this description. There the mineral appears to occur in rather considerable quantities, disseminated in a wide granitic vein. The indications were so promising that prospecting and boring operations were being actively pursued in 1915 with the object of proving the lode as to surface and depth. Work has now been, unfortunately, suspended on account of a difficulty regarding the title of the lands in question, and it is to be hoped that this matter will soon be satisfactorily adjusted, as the explorations, so far as they have gone, seemed to be of a promising nature. The molybdenite in the Galway field is often found with molybdite, which results from the former by oxidation. Assuming that the Galway mines would be worked successfully, its only serious rival in Europe would be Norway, and it is probable that the output of the former would be easily absorbed by the steel industry of Ireland and Great Britain. It would, however, be necessary, in all probability, to concentrate the ores on the spot, as the cost of transportation would have the effect of practically eliminating all profit. As the County of Galway abuts on the centre of the western seaboard it should be in a position, by utilising ocean communications, to dispose of its products with a minimum of transit expenses.

Various methods have been adopted with a view to concentrating molybdenite ores. Modification of the rolling and screening process have been employed in the United States; but, according to the United States Bureau of Mines, all have proved inefficient when used as the sole method of recovery, and more of the mineral has been thrown on the scrap-heap than has been saved. Generally speaking, this process consists of partially freeing the ore from the gangue—the stony substance—by mechanical methods, comprising hand-picking to remove large lumps, followed by reduction to coarse powder and separated by levigation. The oil flotation process is at present in successful operation for treating molybdenite ores at two mines in Norway. The material to be treated is mixed with oil, the adhesion of which to sulphides and gangue material is the reverse of that shown by water. Moreover, oil, being lighter than water, is itself an active agent of flotation, and, in addition, serves to agglomerate the sulphide particles. By generating gas from the minerals by the addition of acid to the tank in which the ore is being treated, the small rising bubbles selectively attach themselves to the particles of metallic sulphide and float themselves to the surface, where they are drawn off as a metallic scum, the gangue settling to the bottom. With ore containing 5.67% molybdenite a concentrate with 68% can be obtained, the extraction being 93.2%. Treatment by electrostatic methods has also been applied in countries where the absence of water supply has prevented the adoption of the flotation process.

The war exercised a great effect on the sale of molybdenite. Up to 1914 it was difficult to sell molybdenite concentrates containing less than 80% MoS_2 (molybdenite), but in 1916 molybdenite concentrates containing as low as 20% MoS_2 could be marketed without any difficulty, and in August, 1917, the price of molybdenite with 90% MoS_2 minimum was 105*s.* per unit (22.4 lb.), and of ferro-molybdenum 16*s.* per lb.; the latter alloy is usually made by melting together Swedish iron, charcoal, and molybdenum powder in a furnace. Copper, it might be mentioned, is particularly undesirable, even in high-grade molybdenite concentrates, and a greater amount than 1% is sufficient to make the material unmarketable.

The principal use of molybdenum is in the manufacture of alloy steels, a small portion of the metal being added to the molten steel. Special alloy steels, known as air-hardening and high-speed tool steels, which are revolutionising our machine-shop practice, contain alloys of tungsten-chromium or chromium-molybdenum, and are largely made in the crucible by melting suitable mixtures. The resistance of these steels increases with a rise of temperature as the presence of the above-mentioned elements prevents the natural softening effects. Regarding the action of molybdenum on iron but little is known. It seems, however, that its effect on air-hardening steels seems to be very similar to that of tungsten, except in that of activity. In practice, however, molybdenum seems to be far more active than tungsten, as 2% molybdenum is said to be equal to 8% tungsten. Tungsten is a strong market rival of the other metal, and its price would naturally have a certain effect on the demand for molybdenum. Air-hardening steels are hardened by quenching from a dazzling white heat in a blast of air, and it is claimed that the use of molybdenum seems to lower the quenching temperature. In addition, Mr. Horton, of the United States Bureau of Mines, states that this metal, used in conjunction with chromium, produces steels with a wider heat-treatment range, and with a greater tensile strength than are possessed by chrome-nickel steels. On account of their high resistance to the erosive action of gases, molybdenum steels can be usefully employed in making guns of large calibre and rifle barrels. This particular steel was largely used by the Germans during the War for lining their enormous howitzers. It has also been found suitable for the manufacture of strong wire and propeller shafts, and wherever great strength is needed. The pure metal molybdenum is softer than steel, and yields readily to forging and welding.

SOUTH AND CENTRAL AMERICA.

MEAT FOR THE FREEZING-HOUSES.

It is not always so, but just at present, according to the latest reports received from Buenos Ayres, the highest prices are being paid for cross-bred Lincoln sheep destined for the freezing-houses. Rambouillet wethers come next, and Rambouillet ewes third. In the table before us no other dealings are mentioned. But the prices quoted in local currency are extravagantly high; and as they refer to the last week of April and the early weeks of May, it does not look as though a serious fall in prices can be hoped for in the immediate future, bearing in mind that we obtain so large a proportion of our supplies of meat from the Argentine Republic, and have done ever since the outbreak of the recent War. Until the War began, practically, this country was the only serious importer of chilled and frozen meat for home consumption. Germany had begun to come into the market to some extent, but she was not a serious competitor compared with the enormous quantities of meat imported by this country. France generally supplied her own home requirements. Italy occasionally took a little. And, of course, seasonal accidents did from time to time cause various countries of the world to purchase chilled and frozen meat. Since such an enormous trade had been developed principally by English capital, to meet the requirements of the great consuming and manufacturing markets of England, it was so convenient to purchase frozen or chilled meat in the British markets that any of the European countries which for the moment had a shortage in their home supplies had nothing to do but send a cable here and, without in any way disarranging any of the usual methods of trade, they could secure some of the abundant supplies which were always in existence in the cold-storage factories of Liverpool, Southampton, or London. Although this is perfectly true, it is equally true to say that, except for supplying the great towns of England and Scotland, the Argentine meat trade never could have grown up as it did grow in

the years before the War. There was no other great market of sufficient magnitude that would have justified the enormous expenditure necessary in providing the plant essential for the development of the chilled and frozen meat trade upon an economic scale, and, for that matter, of furnishing the capital necessary for supplying sheep and cattle themselves suitable for the freezing-houses. It has to be remembered that, although it is commonly said there are so many thousand head of cattle—or so many million head of cattle if one prefers—on the plains of some uninhabited and wild district, those cattle are not fit for consumption in the European markets. They are not fit for consumption in the great centres even of the countries in which they are situated. In fact, they are only fit for consumption by people who consume them in a particular form, and who live a kind of life that would enable their digestive organs to assimilate exceedingly hard and slowly digested food. The very names we have quoted for the higher prices obtained on the last few days of April and during the first few weeks of May will at once strike the reader as not Argentine, but European terms. The cross-bred Lincoln, of course, derives its name from the county of Lincoln, in England; and Rambouillet is equally a European derivative, coming from the well-known breed of sheep associated with a particular district of France. In the early days of the industry the cattle that roamed the pampas outside Buenos Ayres were of the type we have described so often as criollo, and were practically valued for very little beyond their hides. When a demand for chilled and frozen meat arose in England, the very first thing that was necessary was for the cattle-breeders to improve the cattle on their estancias, and this could only be done by crossing the criollo with approved breeds purchased in Europe. Spanish and French sheep were purchased. And as from the outset the trade was almost exclusively English, it was natural that English specimen bulls and English specimen sheep should be imported from here. At first it was thought doubtful whether sheep and oxen reared in England, and used to a climate north of the 50th parallel, could thrive in the comparatively warm atmosphere of the province of Buenos Ayres. Consequently, Spanish sheep and Spanish cattle were tried first. But experience has shown that not only do British-born cattle thrive exceedingly well in the province of Buenos Ayres, but they can thrive exceedingly well in latitudes very far north of Buenos Ayres. Apparently sheep and cattle are very similar to human beings. If proper care is taken, and the animal gradually adapted to the requirements of the country in which it is intended it shall live, it can with very little difficulty be acclimatised either in Buenos Ayres or elsewhere. Our own people are accustomed to adapt themselves to the conditions prevailing on the shores of Hudson Bay, and equally to the conditions demanded at Colombo, in Ceylon, according as necessity demands. And, apparently, our sheep and cattle are equally able to adapt themselves to circumstances, provided adequate care is taken. It has to be remembered that for breeding purposes only a small number of sheep and cattle are required from the importing country, and provided care is taken of the imported cattle or sheep, the young cattle are really of native birth; and on one side at least of native descent.

The extraordinary rise in prices which has taken place, not merely in Argentina, but in all the other countries of South America, has, indeed, occurred in all the great producing countries of the world. If the rise in prices were confined to Argentina, and due to exhaustion of Argentine stock alone, it would be quite possible to seek other markets. But the drain of Europe for food supplies has extended to every market in the world; and, as far as we can make out from very careful inquiries which we made on the subject at the time we published a whole series of articles on the cattle and sheep population of the world, there is no known source that has not been tapped, provided, of course, they were able to supply sheep and cattle suitable for the consuming markets of Europe. The wild cattle of the world are, of course, merely estimated. But they are estimated with a surprising degree of accuracy, provided the reader really appreciates what is meant by an estimate, as distinct from a mathematical calculation. But these wild cattle, it is evident, are not available for consumption either in Europe, or in North America, or, indeed, in any of the more advanced parts of the countries in which they are produced. Consequently, for the purpose we are here considering we were going to say they were of no value; but that is not quite true, because it is from them very largely we shall ultimately hope to derive our supplies in the coming years of the present century. By improving the pastoral conditions in the wilder parts of the world, and by importing fresh cattle of approved breeds from some of the great stocks of Europe, it will, of course, be quite possible to repeat the process which has been carried to so great a success in Argentina itself. But it would be quite true to say that, although it would not be right to regard the wild cattle as of no value for the present season's supply, they are not available. Only those animals which are suitable for the freezing-houses within a given time are available for consumption, say, between now and next Christmas. As we have said, before the War England alone could be counted upon as a regular importer of meat year in and year out and every year. Virtually we raised within our own borders about half of what we consumed, and the other half was imported from the different countries of the world. The other countries of Europe might, for economic purposes, and in general terms, be described as self-supporting. At the present time, with very few exceptions, it may be said that no country in Europe is self-supporting. And, consequently, whereas we were the only, or the principal, drawer of supplies from Argentina, and, of course, from the other South American countries, practically, that proportion of 400 millions of the population of Europe who are meat-eaters and have the means of paying for meat are competing with us. This in itself would be sufficiently trying to the market if it merely meant a great increase in the customers for the meat-supplying countries of the world. But the difficulty of those meat-supplying countries is accentuated by the fact that all through the war period Western Europe was in the same position. None of the countries engaged in the War as belligerents were capable of supplying sufficient cattle and sheep for their own consumption; and, consequently, they were drawing to an ever greater extent upon the resources of South America. Now the War is over they are still unable to increase their flocks and herds to such an extent as will enable them to feed themselves; and it is hardly surprising that the already denuded stocks, thinned almost to their utmost capacity to supply the needs of war in Europe, are not sufficient to feed the European population upon an economic basis since the signing of the Armistice, which is only seven months.

THE IRISH SHEEP INDUSTRY.

Within the remembrance of old farmers the wool crop was the most important on the farm and the production of mutton was only a subsidiary interest. The contrary is now in great measure the case, and this result is mainly due to the tremendous increase in foreign and colonial production of low-priced wool. Between the years 1867 and 1918 the sheep-flock in England and Wales had declined from 22,025,498 to 16,475,000, or 25%. During the War the decrease was accentuated owing to the scarcity and high cost of feeding-stuffs and to the high prices ruling for live stock. A glance at the following table reveals the fact that in Ireland alone an increase in the total

number of sheep was recorded for the year 1918 as compared with 1914:—

	1914	1918	Percentage Increase or Decrease
England and Wales ...	17,260,000	16,475,000	−4·5
Scotland	7,026,000	6,878,000	−2·1
Ireland	3,600,000	3,627,000	+0·8
Total	27,886,000	26,980,000	−3

During the past few years little difficulty was experienced in disposing of home-grown wool, although dissatisfaction with the controlled price was often very evident. There is, however, a possibility that in the future its production may claim more attention. Ample evidence exists of a serious decrease in the world's production of wool, and this has been attributed to the following causes. In the first place, the succession of droughts in Australia is estimated to have reduced the number of sheep in the Commonwealth from 93 million head in 1911 to 66 million in 1918. Secondly, the continual expansion of the frozen meat trade, emphasised since the outbreak of war and, thirdly, the encroachment of arable upon pastoral land in South America due to the gradual settlement of the Argentine, and the strong demand for wheat which was specially evident during the period of hostilities. In the case of Australia, the foremost sheep-raising country in the world, there are other factors at work which tend to reduce the numbers of that animal. There is the loss through the destruction of food by rabbits which, calculated at pre-War prices for wool, it is said to be not less than £5,000,000 per annum, equal to 20% of the total value of the clip. Furthermore, it is feared that the gradual dispersal of large flocks may check the application of the scientific methods of farming which have been productive of such beneficial results in the past. The United States and Japan have need at present of large supplies of wool—the scarcity of the material is marked in the former, while the latter's consumption of the choicest merino wools shows an increase of nearly 500% on normal pre-War consumption.

Sheep-breeding in Ireland is carried out more universally throughout the country than in any of the other stock-breeding industries, and considering the advantages which the natural conditions confer on the pursuit of this industry, there is undoubtedly considerable room for development before the English standard is reached. Owing to the coldness of the climate, a longer grass season can be calculated upon than is to be found in most other parts of the United Kingdom, and in the lambing season in the early spring there is rarely the same snow or frost often experienced in Great Britain. The Roscommon, which is classed as a long-wooled variety, is the only native breed that Ireland can claim. As the name indicates, this particular type of sheep had its origin in the County Roscommon where, it is understood, flocks have been handed down from one generation to another. They have long been regarded in Ireland as an established breed; but it was not until the year 1896 that a Flock Book was instituted for Roscommons. Fixity of type goes a long way to ensure success in pedigreed stock-breeding, and the institution of a Flock Book has done much in fixing the type of the Roscommons in every flock, and has enhanced the value of the breed far beyond its native country. Thus, before the War, orders for representative specimens of this type were frequently preferred by South American breeders. The Roscommon matures early, yields good mutton, carries a substantial covering of long staple wool, and attains a high quality on grass food only. As to size, it is not uncommon to find a Roscommon ram, one year old, weighing 294 lb. The Wicklow Cheviots are about the best class of mountain sheep bred in Ireland, and are akin to the Scotch Cheviot. They possess the advantage of not being so slow to fatten as the other mountain breeds, carry more finish and make more weight, and produce mutton of the finest quality. It is said, however, that this breed is capable of considerable improvement and that an expenditure in the direction of breeding and feeding would repay the cost. The mountain sheep of the County Mayo are still more of the Cheviot type than those of the County Wicklow; they are smaller in size, longer in the neck, and much less symmetrical and slower to fatten. Improvements could with advantage be made in this breed, as inbreeding is very prevalent and proper attention is not paid to feeding and the same might be said of the Scotch Hornies, which predominate in the North of Ireland and vary considerably in size and quality. Of the pure breeds of English sheep there are numerous flocks in Ireland, but these flocks are only of limited extent, and are mostly kept for the purpose of breeding rams for sale. It is a matter of essential importance with ram-breeders to maintain the purity of their respective flocks, and, at the same time, not to allow their sheep to degenerate in size, which is a characteristic usually attendant on the continual in-breeding of pure breeds of English sheep in Ireland. To obviate the latter, drafts of new blood are imported each year, or every alternate year, into the flocks either from England or from the flocks of noted Irish breeders. The Shropshire and the Oxford Down are now the most extentively bred in Ireland, particularly in the good grading districts, where they are largely used as rams to cross with native Irish ewes, for the production of early-market lambs. The importance of improving the quality of the sheep produced in Ireland has not in the past claimed the attention it deserved, though a distinct improvement is noted in later years. To improve rapidly the wool of a breed of sheep intercrossing should be accompanied by rigid elimination. Recently the Merino has been used to improve the native sheep of East Africa, and in Australia Merino ewes are being crossed with Lincoln and other breeds with a view to obtaining new strains capable of yielding good mutton as well as fine wool. Intercrossing is widely carried on in Great Britain particularly, but for years no serious attempt has been made to blend into one breed the desirable traits of two or more breeds, *e.g.*, to produce a Blackface strain which should produce fine wool and good mutton. In many parts of Ireland sheep are never hand-fed, and are allowed to roam on the mountain sides in winter to pick what herbage they can; this practice cannot but seriously impair their value in the following summer.

Exports of raw wool from Ireland in 1915 totalled 10,175,536 lb., valued at £741,966. The wool produced is generally of the coarse variety, and a considerable quantity is retained by home mills and worked up into coarse cloth. In normal times a fairly large export trade was maintained with the United States, where it was employed for the same purpose. As regards sheep exports the value was estimated at £1,189,972 in 1915, fat sheep and lambs accounting for the greater portion, while it is satisfactory to note that store sheep only claimed £42,998. An indication of the important part played by the sheep in Irish agriculture is furnished by these export figures, which in all attained a total of £1,931,938. At present high prices rule for sheep in Irish markets, but they are now inclined to show a falling tendency on account of the glut of supplies. The prices prevailing for the past few months have precluded many English bids, as buyers were unable to realise any profits on their purchases, owing to the existence of a control price on mutton. The conditions under which the trade is carried on in Ireland reveal an interesting division of labour. The western graziers, who own the higher lands, breed the sheep and rear them to two or three years old, and then sell them to the eastern, midland, or southern graziers, either as ewes for breeding purposes, or as wethers to be fattened off. This system is explained by the fact that the grasslands of the east, middle, and south are very well fitted for fattening sheep of any age or class.

Captain Bruce Bairnsfather writes:—"I greatly appreciate your 'De Reszke' American Cigarettes I never smoke anything but Virginia cigarettes myself, and I think yours very good indeed."

"*Peace Proclaimed.*"



J. St. Loe Strachey, Esq., writes:—"Your 'De Reszke' Cigarettes are very mild and pleasant."

Madame Ada Crossley writes:—"This gentle 'smoke' I find both stimulating and soothing to the throat."

PLEASURE comes with quality—not quantity. Thus if you enjoy a good cigarette, take the advice of people who know and put "De Reszkes" to the test. They are sure to satisfy you.

"De Reszke" CIGARETTES

Sold at all Military Canteens at Home and Overseas, also Tobacconists' and Stores.

MORE TOBACCO.

We regret that Customers have so often been unable to secure their usual supplies of our

"EARL GREY" and RHODESIAN Cigarettes,

But we hope within a few weeks to be able to meet all requirements.

JOHN WOOD & SON (CIGAR AND TOBACCO IMPORTERS), Ltd.
23 & 25 Queen Victoria Street, E.C. 4.

THE BANK OF TAIWAN,
LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.
Head Office - . - TAIPEH, FORMOSA.

BRANCHES:—Amoy, Bangkok, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, Yokohama, and every important city in Formosa (Taiwan), &c. The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.

London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

ACCORDING to the report on the Royal Observatory, Greenwich, for the year ended April 30 last, the mean temperature in these islands was 49.5 degrees, or 0.1 degree below the average of the 75 years, 1841 to 1915. The highest temperature in the shade was 89.8 degrees on August 22 last, and the temperature exceeded 80 degrees on six days of the year. The lowest temperature was 15.5 degrees on February 9, and on 55 days it fell below freezing point. The duration of bright sunshine registered by the Campbell-Stokes instrument was 1,436 hours, out of a possible 4,456 hours, or 32.2%. The rainfall exceeded 31 inches, or 6.90 inches above the average for the 75 years, 1841-1915. The number of rainy days was 194, the largest number for 36 years. It is commonly said that in these islands every other day is a wet one. That is to say, we have rain for six months of the year. It will be seen that this was exceeded in the year which ended with April last. June last, with less than half an inch of rain, was the driest month of the year. But July, with nearly 7¼ inches, was the wettest month, and September with 4½ inches was also very wet.

A Conference appointed by the Admiralty was held in June 1917 to consider the advisability of adopting a system of time zones for timekeeping at sea. On the report of this Committee, the Admiralty have decided to establish in His Majesty's Navy a uniform method of timekeeping by what is known as zone time at sea, very much as is practised on land—that is to say, altering the clock by one hour for each 15 degrees. The Conference also recommended that a day commencing at midnight should be substituted in all nautical publications for the astronomical day commencing at noon. The Admiralty have decided, after consulting the Royal Astronomical Society, to adopt this recommendation, and the necessary alterations will be made in the Nautical Almanac commencing in the year 1925, and in the Admiralty Tide Tables for 1920.

Surely the time has arrived when it is desirable to reconsider our position with regard to the Summer Time Act. Assuming, as we all do, that our highly intelligent astronomers at Greenwich Observatory are capable of ascertaining what the time really is, it is surely an anomaly that an artificial time should be fixed by Members of Parliament, who admittedly are not astronomers, and do not profess to know anything about the subject. That we begin our day too late even now, and waste a great deal of coal in the production of artificial light, is really not pertinent to the question. In the long period that lies before us of reconstruction from the effects of the recent War, it seems eminently desirable that we should begin our day's work earlier than in the period that preceded the War. This, however, can only be really attained by altering our habits, and not by fixing an artificial time by Act of Parliament, which, in reality, is turning Acts of Parliament into ridicule. Both on the Continent and in the United States of America the day's work begins much earlier than is the custom in England. If it is desirable, and we think it is, that our offices should open at nine o'clock instead of at 10 o'clock as heretofore, all that is necessary is for the Government to authorise their own Departments and the banks to open at that hour, which would have the effect of practically compelling all active business men to be in their offices by that time without the necessity of enforcing such a regulation by law.

The principal objection to the Act, as we have stated, is that it is ridiculous. Those of us who are not astronomers believe that our astronomers are capable of telling the time, and yet we allow Members of Parliament, who do not profess to know anything of the subject, to fix an artificial hour as the correct time. The practical objection to the scheme is that, while it saves an hour in offices and certain other places where the hour could be equally well saved by other means, it inflicts a real measure of hardship on some of the greatest industries of the country. In any case the farmer and his men must be up at daylight, and to fix an artificial hour for such very early risers is a serious inconvenience, and unduly lengthens their day, because they have to work until after sundown. Moreover, it is impossible to make an artificial day created by Act of Parliament synchronise with the movements of the sun at sea. We had during the War the anomaly of telegrams coming to the Admiralty in London, marked "Greenwich meridian time"—such a time. "Received at the Admiralty 'British summer time'"—such another hour. If by any accident the officer-in-charge failed to state whether he was sending his despatch by British summer time or by Greenwich meridian time, it was not possible for the Admiralty officials to ascertain how long the message had taken in transmission.

M. Klotz, the French Finance Minister, is about to introduce into the French Parliament a Bill whereby he proposes to make petrol a State monopoly. The Bill has already been submitted to the Ministerial Council. Whether it is desirable to make petrol a State

monopoly in France is, of course, for the French Government to decide, and is a question which does not concern this country. But if the telegraphed summary of M. Klotz's reasons for introducing the Bill is accurately recorded, it may lead to a very erroneous impression. According to the summary, the Finance Minister is alleged to have stated what is quite as true of this country, and, indeed, of most of the countries engaged as belligerents in the late War as it is of France. The allegation is that private sources of supply of petroleum completely broke down on the outbreak of hostilities, and it became necessary for the Government to take over the control of petrol because private sources were quite unable to supply the civil as well as the military demands.

Surely this is not a fair way of stating the case. If Government control, either here or in France, had resulted in an adequate supply of petrol it might be a conclusive argument for Government control. But, in fact, what happened was that the various belligerent Governments took control of petrol, as they did of nearly every other consumable commodity, and secured as much as they could for Governmental purposes and left the private consumer to fare as best he could. In reality, we submit that Government control broke down as completely as private enterprise had done before it. Under Government control Government officials and Government requirements were unduly favoured at the expense of the great body of the public in each and all of the belligerent countries. Had any of the private companies acted in such a way, they would promptly have been brought to book by the various Governments concerned. It was a case of those having control taking full advantage of their favourable opportunities at the expense of the vast body of the consumers.

Those who have followed carefully the work that has been done by the British Cotton Growing Association during the past 15 or 16 years would be the last to deny that it has rendered, and still more endeavoured to render, a real service to the British Empire in its untiring attempts to increase cotton growing within the confines of the Empire. Neither the Government nor the cotton-trade interests of this country have supported the Association to the extent that might have been expected. We think, however, in their advocacy of a scheme for growing cotton upon a great scale in the Gezieh district of the Soudan they are hardly well advised. That cotton could be grown to a great extent, and, perhaps, some of the finest cotton in the world, is not questioned. But the Association admits that it would not be possible without the construction of a great barrage in the Upper Nile Valley. The purpose of such a barrage would be to conserve a sufficient supply of Nile water for growing cotton in this particular district of the Soudan.

Now it has to be remembered that, apart from the Nile, Egypt is a veritable desert. The Nile depends entirely for its supply of water upon the melting of the snows in the Abyssinian Mountains; and, consequently, there is in any season only a given supply of water available. Sometimes there is an actual shortage, or what is known as a low Nile. That being so, it seems evident that to construct at great expense a barrage in the upper reaches of the Nile would be to increase the water supply of the Soudan at the expense of Egypt proper. Surely this is not a sound economic proposal. Moreover, cotton, the growth of which has only been introduced into Egypt upon a great scale during the past half-century, is already Egypt's principal crop. Is it desirable that Egypt and the Soudan, taken as a composite whole, particularly now that Egypt as well as the Soudan form part of the British Empire, should be dependent so wholly upon a single crop?

It is a common practice for all economists to condemn as unsound the condition of any country which is dependent for its existence to a very large extent upon one or two crops, and Egypt at present is unduly dependent upon the growth of cotton. A large cotton crop means a prosperous Egypt. A partial failure of the cotton crop means widespread distress. Surely it is desirable that a greater variety of crops than is the case at present should be grown both in Egypt and in the Soudan.

A much more promising field for increasing the supply of cotton, we submit, is India. Of course it will be replied that Egypt is capable of growing perhaps the finest cotton known on the world's markets, and suitable for the Lancashire spindles. This is true; and it can also be replied that Indian cotton is grown under such unsatisfactory conditions that very little of it is suitable for the Lancashire mills. It is one of the misfortunes of India that scarcely any of her crops are grown under satisfactory economic conditions. But surely it is possible, in a country with over 300 millions of people, and of the extent of India, to increase enormously her cotton crops, and to improve the condition of the seed and make it suitable for spinning in Lancashire. It is, of course, admitted that the present state of the cotton industry, in so far as sources of supply are concerned, is most unsatisfactory both from the Lancashire and from the Imperial standpoint. Lancashire is dependent upon the United States for its supply of cotton practically to the extent of 75%, and in the United States the consumption is growing at a very rapid rate. The Empire at present only supplies about 15% of the cotton consumed in our manufactures. The importance of the cotton industry to this country will be appreciated when we say that our cotton exports in the last clear year before the War represented very nearly one-third of our total exports of manufactured goods.

"Income Tax." How to avoid overcharges and obtain repayments. By A. D. Macmillan, formerly Surveyor of Taxes. Price 1*s*. 6*d*. net. (London: Effingham Wilson.)

LONDON JOINT CITY & MIDLAND BANK LTD.

HEAD OFFICE: 5 THREADNEEDLE ST. LONDON, E.C. 2.

31st DECEMBER, 1918.

Subscribed Capital	£34,428,948
Uncalled Capital	27,256,250
Paid-up Capital	7,172,697
Reserve Fund	7,172,697
Deposits	£334,898,435
Cash in Hand and Balance at Bank of England	63,756,371
Money at Call and at Short Notice	65,809,169
Investments and Bills of Exchange	100,849,947
Advances	99,213,614
Advances on War Loans ...	14,218,201

Paid-up Capital is now £8,289,072
Reserve Fund ,, ,, £8,289,072

OVERSEAS BRANCH:
65 and 66 OLD BROAD STREET, E.C. 2.
Specially organised for developing British Trade abroad. Foreign Banking business of every description undertaken.

The Great New Victory Loan Explained

THE FUNDING LOAN 1960-1990.

Issued at £80 per cent., to be repaid at par in 1960-90. Interest 4 per cent., making the total yield 5 per cent.

Repayment at par will give the holder a Bonus of 25 per cent. in addition to the whole of the Capital originally invested.

Stock or Bearer Bonds may now be purchased through any Bank, or at any Money Order Post Office.

This is the best of all securities for permanent investment. The fact that it cannot be redeemed before 1960 is an advantage not to be overlooked by the investor who desires to place his financial position on a secure and stable foundation, and to make provision not only for himself but for his heirs. To buy the Funding Loan is to create an Estate.

On every £1,000 invested in the Funding Loan the State will pay interest amounting to £50 per year until the Capital is repaid. The holder will then get £1,250 for the £1,000 originally invested.

The rate of interest on other securities may fall in years to come. But the 5 per cent. yield on Funding Loan is an asset upon which the investor can safely count as long as he retains his holding.

His dividends are guaranteed by the State for at least 40 years; and when his money is repaid the capital sum returned to him will be larger by 25 per cent. than the amount which he invests now.

HERE is the finest opportunity that has ever been offered to the investing public; a British Government Loan which, in addition to the high rate of interest guaranteed by the State, gives to every holder the certainty of sooner or later receiving a very substantial sum of money over and above the repayment of the whole of the capital invested.

In Victory Loan you have a choice of two kinds of security, offered you on terms without parallel in the whole history of British Finance.

VICTORY BONDS.

Issued at £85 per cent. Repayable at par (£100 per cent.) by annual drawings, determined by lot, which will begin in September of next year.

Interest 4 per cent., making the total yield £4 14s. 1d. per cent., exclusive of the money received by every holder when his Bonds are drawn.

Victory Bonds of the par value of £50, £100, £200, £500, £1,000 and £5,000 may now be purchased at any Bank.

Victory Bonds of the par value of £5, £25, and £50 are on sale at all Money Order Post Offices.

Victory Bonds are as safe as Victory Loan. They are offered at a slightly higher price because they carry the very attractive right to repayment by annual drawings with a Cash Bonus. The first draw will take place in September of next year.

The following Table shows exactly what each denomination of Victory Bonds costs, what the holder will receive in interest each year, and what he will get when his Bond is drawn:—

Actual Cost of Victory Bonds at £85 per cent.	Dividends paid for each full year.	Bonus received when Bond is drawn.	Total sum repaid when Bond is drawn.
£ s. d.	£ s. d.	£ s. d.	£ s. d.
4 5 0	0 4 0	0 15 0	5 0 0
21 5 0	1 0 0	3 15 0	25 0 0
42 10 0	2 0 0	7 10 0	50 0 0
85 0 0	4 0 0	15 0 0	100 0 0
170 0 0	8 0 0	30 0 0	200 0 0
425 0 0	20 0 0	75 0 0	500 0 0
850 0 0	40 0 0	150 0 0	1000 0 0
4250 0 0	200 0 0	750 0 0	5000 0 0

If, for example, you buy a Bond for £850, you may get back the whole of the money within 15 months, plus an added cash Bonus of £150. Even if your Bond is not drawn in the first year or the first few years, you still have a Government Security which will go on paying you a safe £40 per annum, and you have also the certainty that sooner or later your Bond must be drawn and the Cash Bonus paid.

Put all your Money into Victory Loan.

Make up your mind to buy Funding Loan or Victory Bonds, or both, to the full extent of your resources. Whether you have thousands of pounds, or a few hundreds, or only a small sum, here is the opportunity you have been waiting for.

Get a full Prospectus and Application Form from your Banker or your Stockbroker, or at the nearest Money Order Post Office, and take full advantage of your right to complete the purchase by instalments.

V.L. 4

AFRICA AND AUSTRALIA.

THE DEVELOPMENT OF OUR RESOURCES.

SOMEWHAT more than a century ago we were, in a sense, in a position analogous to that in which we find ourselves at the present time. The civilised world had banded itself in a war lasting for nearly a whole generation against revolutionary France very much as the civilised world banded itself in the War that has just ended in a general league of defence against the ambitious policy of Germany. We came out of that war loaded with debt, and suffering from a severe strain upon our economic resources. Then, as now, we were an economic State, our prosperity depending upon trade, manufactures, the successful employment of our savings, and the seafaring profession. There was this difference between the War which ended in 1815 and that which came to a conclusion in November last, that of all the States engaged in the War, we came out relatively with less injury to our economic resources than any of the other belligerents. That, of course, cannot be said to anything like the same extent with regard to the position in which we are endeavouring to make peace now. Nevertheless, the strain upon our resources as a result of the Napoleonic wars was very severe. Then, as now, there was unrest more or less all over the world. Strikes were frequent, rioting intermittent, and the troops were constantly being called out for the purpose of maintaining order. To the people living at that time the outlook must have appeared—and from the letters that have come down to us, did appear—at least as unpromising as it does at present. We recovered by developing transportation facilities and means of communication; and the method adopted was the building of railways and steamships, and the laying of the electric cable. It took, however, the better part of a generation before we had recovered from the effects of those long and devastating wars. To what extent the airship will enable us in the near or distant future to improve the transportation facilities of the world, of course, remains to be seen. We have, however,, a great asset that we did not possess to the same extent a hundred years ago, and recent medical discovery has put into our hands the means of developing certain parts of the Empire which were unknown until the commencement of the present century. The tropical world was regarded, and quite rightly, until within the recent past, as the white man's grave. Enterprising individuals in search of fortunes risked it. But even they could only act as directors and overseers of any enterprise in which they engaged. It was not possible for white men to work in the tropics, and even those in the favoured position of directors or overseers usually obtained their fortunes, where they were successful, at the expense of their health and by laying the seeds of an early death. Through the work of various eminent doctors and pathologists we now know the causes of the two most dangerous diseases which affect not merely white men, but all human beings living in tropical countries. We do not, of course, know all the causes of tropical diseases.

Many of these causes, no doubt, will be discovered by future research. But we do know enough to make it possible for people of European origin to do actual manual labour in regions which so recently as the South African War had a death-rate of over 150 per thousand, and where the death-rate has been reduced to about the level of that common in the great manufacturing towns of the North of England. In other words, the discoveries made during the present century have shown that there is no reason why the white man should not live and enjoy health in the tropics practically as easily as he does in the temperate zone. With this aspect of the question, however, we do not propose to deal to-day. We refer to it simply to recall to the reader's mind the important discoveries which have been made with regard to life in the tropics, so that he may not dismiss from his consideration the tropical countries of the world as virtually barred to white men.

Africa and Australia have one striking characteristic which is common to both. If the vast continent of Africa and the very large island of Australia are ever to be fully developed, in an economic sense, with our existing knowledge it seems certain that irrigation works upon a greater scale than have ever yet been attempted, at any rate in modern times, will be required for their proper exploitation. We have not space here to deal with Australia to-day. But we mention the fact because a great deal of what we propose to say about Africa is also true of our Australian colonies. Assuming that we add to the British Empire those parts of Africa which were lately in the occupation of our recent enemies, the British Empire in Africa will comprise between 25% and 30% of the total area of that continent. Consequently, it will be seen that it is one of the largest single areas comprising the British Empire in any part of the world.

The continent of Africa, taken as a composite whole, is only about a million square miles in area less than the total extent of the British Empire. It may be described as consisting almost wholly of a great elevated plain. It has for its size the smallest coast line of, perhaps, any country in the world owing to the fact that there are hardly any harbours, with a few exceptions which will readily occur to the mind of the reader. The reader, however, is aware that one may sail for a thousand miles and more down the coast of Africa without encountering anything that could properly be described as a harbour. Another peculiarity of Africa is that, with few exceptions, it has no mountains. There are, of course, the Atlas Mountains in the north-west; the Abyssinian Mountains to the south of Egypt, the floods from which annually fertilise that country; and, of course, there are great isolated mountain peaks like the one in East Africa. Speaking generally, however, Africa is a country without mountains, but with a great elevated plain. Nearly the whole of the territory of what we call the Union of South Africa will require irrigation in some form or other if it is ever to be a populous and rich country, capable of affording material assistance in its defence in the event of attack from outside. One of the great difficulties that the British South Africa Company has encountered from its inception has been the impossibility of raising sufficient money to enable it to carry on urgently needed irrigation works which would enable it to convert the arid lands which form so considerable a proportion of the whole of its area to the purpose of growing some kind of produce for which there is always a ready market in Europe. Unlike the Transvaal Colony, the gold mines of Rhodesia have so far mainly been what is technically known as of a pocket character. There has been nothing like the great Main Reef of the Witwatersrand, which would have enabled the Chartered Company to gradually accumulate a large revenue which would ultimately have enabled it to irrigate its immense extent of territory. What is true of South Africa is true of the continent taken as a whole, with the exception of a certain favoured area in the equatorial regions of Africa.

Africa enjoys two peculiarities which Australia does not, and which should make its economic development comparatively easy if it were undertaken on sound business lines with the assistance of competent engineers. Perhaps the most striking peculiarity of the continent of Africa is that with its enormous extent something like 75% of its area is within the tropics. While this is true, it would be a mistake to jump to the conclusion that the whole of this tropical area is fertile. A very great part of it is, but not the whole. If it were so it would be potentially one of the richest, if not par excellence the richest, unexploited area in the world. Another striking peculiarity of Africa is that while a very large proportion of the continent appears to be more or less arid desert, at any rate at certain seasons of the year, there is only too plain evidence of

an insufficiency of rainfall. But, in fact, there are few areas in Africa, with the exception of the Sahara Desert, that do not enjoy a very considerable rainfall during the year. But the difficulty hitherto has been to conserve that rainfall. The rivers in South Africa, for example, are roaring torrents at one period of the year and small brooks at another. The real reason of the arid appearance of so much of Africa is due, of course, to its position so near to the Equator. Only the rich provinces of the central tropical zone enjoy what may be described as an adequate rainfall. It will be readily understood that an adequate rainfall is a relative term. Now, in this country we have an annual rainfall on the average of about 25 or 26 inches. It was a good deal more in the seasonal year ended with April 30 last, but last winter was exceptionally wet in these latitudes. The reason, however, we are able to maintain a large measure of fertility in these islands with a precipitation of well under 31 inches, taken on the average, is that owing to the fact that we are between the 50th and 60th parallels there is very little evaporation, except, of course, during a short period of the year. Now in Africa, on the contrary, which we have described as an elevated plateau, lying approximately between the 35th parallels north and south of the Line, the evaporation is enormous. And, consequently, a rainfall quite adequate for northern latitudes disappears after a few weeks, partly below the surface and partly into the atmosphere, under the only slightly deflected sun's rays over a large part of the continent.

Africa possesses large rivers, which, if of little value for purposes of navigation, would be of enormous value for the purposes of irrigation. The soil is not naturally unfertile, but over a large part of the country it presents that arid appearance to which travellers are accustomed simply because owing to the evaporation it is dried up. We have shown from time to time the possibilities of silk-growing in Africa. The equatorial provinces of Africa are capable of growing all the usual tropical products, such as cocoa, coffee, and cotton. And those parts of Africa which are semi-tropical, or outside the tropics, owing to their great elevation, are in nearly every case well calculated to grow the cereals which are produced in Europe and which are at the present time so urgently needed by the European populations.

THE WOOL-COMBING INDUSTRY.—II.

The combined effect of labour scarcity and diminished hours has been to reduce the output of British combs to such a level as to cause a scramble amongst spinners for available tops and to lead to an undue inflation of top values, as compared with the value of the original wool. Extensions of plant to cope with the increased demand are rendered impossible, owing to the difficulty of securing either machinery or skilled operatives, and while present conditions last the only feasible method of preventing a further rise in prices is an increase in working hours and a corresponding increase in output. The home demand for tops received a temporary check after the Armistice, when a fall in prices affecting all industries was believed to be imminent. This adverse movement, however, lasted scarcely long enough to be seriously felt in the combing section, though manufacturers were seriously inconvenienced by the sudden falling-off in the volume of inquiries from their usual channels of distribution. The prospective Continental demand, coming on top of the present home demand, is expected to enhance prices still further, unless steps are taken to increase the outturn of combed wool. Failing this, the British consumer of worsted goods will be further penalised, even though an effort is made to confine the export trade within narrow limits. The holding up of the worsted section through scanty output from the combs is felt all the more severely because of the intensity of the civilian demand. This demand is much more effective than in past years, owing to the amount of money at disposal and to the removal of the patriotic impulses towards economy that operated during the War. Again, it has been, and still is, necessary to supply our home requirements of woollen and worsted goods to a greater extent than hitherto out of home production. Continental supplies of both finished articles and unfinished materials, which were considerable before the War, have been almost wholly cut off, and will not be available in the near future. Foreign dress goods, stuffs, and flannels were imported on a large scale, chiefly for women's wear, France and Germany being the principal exporters, with France leading the way because of the dominant position of Paris in the world of fashion. A large amount of woollen and worsted yarn for weaving also came from abroad. These yarns were made principally from noils and waste imported from the United Kingdom, and from burry Australasian and South American wools, which had previously been carbonised. The following table indicates the extent of our pre-War and of our present supplies of Continental yarns and finished articles made from wool:—

Imports of Woollen and Worsted Yarns into the United Kingdom.

	Weaving Yarns	Yarns for Other Purposes	Total
	£	£	£
1913	3,452,000	83,000	3,532,000
1918	2,743	525	3,268

Imports of Manufactures of Wool.

	Stuffs	Cloths	All other Kinds	Total
	£	£	£	£
1913	4,905,000	439,000	1,613,000	6,957,000
1918	49,000	31,000	66,000	146,000

The combined total of imports has fallen from £10,489,000 to £149,268, and this serious deficiency reveals a potent cause of the current high prices for British wool manufactures. The new plant laid down here to supply the demand that could no longer be satisfied from the Continent was quite insignificant. In worsted mule-spinning alone was there any noticeable extension, and at the present time combers are quite unable to meet a demand that would keep their combs busy even at the maximum rate of production. Reduced production and increased demand are, in brief, the leading causes of the dearness of tops, and as the demand is not likely to slacken for a long period, the only sure way to prevent a further undesirable rise in prices is to increase production.

In the preparing section of the wool-combing industry the demand has not been so brisk as in the fine section, since the superior class of goods sought by consumers naturally entailed a call for fine tops. The deficiency in the supply of the latter was due more to lack of combs to cope with the demand than to shortage of raw material, and as approximately one-half of the combs in the Bradford district are engaged on merino wools, a fair idea may be gathered of the intensity of the demand for fine tops. Some of the combs engaged on preparing wools have, in fact, not found sufficient employment for the double shift owing to scarcity of orders. The preparing combs handle English and Scotch wool chiefly, and certain long New Zealand varieties, and cannot be worked on short wools. Demand is now more brisk, as spinners are unable to procure fine tops or unwilling to pay the high prices demanded. They see at the same time that inquiries for clothing will revert to the old channels as cheapness becomes a desideratum, and that this reversion will be helped by the more extravagant prices daily being asked for fine goods. Fortunately, it may be taken for granted that there will be no lack of preparing wools, as shearing has already commenced in the United Kingdom. It is to be hoped, however, that the reckless disregard for probable future values displayed by buyers of fine Colonial wools at the various English auctions will not be manifested when it comes to purchasing the English clip. The unhealthy conditions at present prevalent in some

sections of the trade would then only become more widespread, and the impending fall in values would be greater and attended by more disastrous consequences.

PAINT-MAKING MATERIALS IN IRELAND.

PAINTS may be described as mixtures of dry powder colours, known as pigments, with an oil or varnish vehicle. In most cases, where paint is to be applied as a preservative, it is essential that the vehicle should be capable of forming a coating or varnish-like film upon the surface, thus attaching the pigment firmly thereto. For artists' use water is frequently employed as a vehicle, as no preservative effect on the surface painted is desired, but for industrial purposes a drying oil is requisite. The oil most commonly used is linseed oil, both raw and boiled (though other drying oils, such as walnut oil, are also employed), the paints being ground in raw oil and mixed with boiled oil. Linseed oil, which is manufactured in Ireland, is extracted from the seed of the flax plant, which contains 30 to 35 % of oil, the yield by pressing being about 26 %. Obtained by simple pressure and refining, it is known as *raw oil*, but when the oil has been heated to enhance its drying properties it is termed *boiled oil*. The pigments employed are of mineral or animal and vegetable origin; amongst the former are native products, such as ochres and oxides of metals, and artificial products, including chromates of lead and emerald green. The practice of mixing them with other materials, such as barytes, silica, lime and chalk, is steadily growing, as it results in the turning out of a cheaper paint.

In various parts of Ireland occur materials which might be utilised for paint-making. Thus barytes, which is principally used as an adulterant for other pigments, is comparatively abundant; it is found near Bantry and Duneen Bay, near Clonakilty, in large accumulations and veins, where it is being worked very successfully at present, and also in Monaghan. At Gleniffe, Co. Sligo, it is also being mined, and active prospecting operations recently undertaken in that country rest on a solid foundation, as it is well known that large deposits are found at Glencarberry, which have been worked from time to time during the last century. It is prepared by grinding and levigating the mineral barytes—the dark colour due to iron and other impurities being removed by sulphuric acid and the tint of the washed product improved by the addition of a little ultramarine—or is made by precipitating the solution of a barium salt with one of a sulphate. In many industries precipitated barium salt is a by-product, and is said to possess a greater covering power than the native material. According to the Report of the Chief Inspector of Mines, barium, to the quantity of 11,936 tons, with a value of £32,028, was produced from mines in Ireland in 1917—the quota of Cork amounting to 11,432 tons, while that of Sligo came to 504 tons. Ochre is found in the north and south of Ireland, but it is difficult to indicate at the moment the precise degree of richness of these beds. Cavan, and especially Londonderry, were accounted to have rich deposits of this mineral. At present it is worked in Antrim and Wicklow. In the latter country the industry is centred in the Vale of Avoca, and a mill was erected some years ago for the treatment of the material. In England Oxfordshire and Derbyshire furnish a first-class ochre. As found in nature ochres contain hydrated ferric oxide, which is associated with clay and sand. In colour they vary from yellow to brown, according to the condition of the ferric oxide which they contain. It is believed that their formation is due to the decomposition of pyrites and other ferruginous minerals. Ochres are permanent pigments, and are frequently adulterated with barytes and other substances. Umber, another iron pigment found in Ireland, is simply ochre with an appreciable amount of manganese. As to the output of ochre in Ireland, it is difficult to make any estimate, as no separate classification is made in the Mines Report for 1917; the export of ochre from Ireland in 1915, however, amounted to 9,710 tons, with a value of £2,428. Many years ago attention was directed to the fact that pyritous shales suitable for the manufacture of copperas existed amongst the coal measures of Leinster, Munster and Tyrone. It was pointed out that this pyrite oxidises much more rapidly on exposure to the air than the pyrite of the primitive clay slate or other rocks, so much so that it became in a short time coated with a crystalline covering of green copperas. For the manufacture of red oxide of iron, which is the commonest iron pigment, certain hæmatites of good colour are ground, and ferric oxide prepared artificially is also employed. The principal source of the artificial variety is copperas or green vitriol. Near Castleisland, Co. Kerry, the pyritous shales were at one time utilised for the manufacture of copperas at Tralee. In combination with red prussiate of potash and sulphuric acid copperas produces the best and purest variety of the Prussian blue pigment known commercially as Chinese blue.

White lead, the best white pigment known as regards its colour and covering power, is, on account of its high price, very frequently adulterated with barytes and other minerals. Many lead pigments are on the market as white lead, but the genuine article is produced from lead nitrate, with the addition of sodium or potassium carbonate. Lead nitrate, in its turn, is derived from litharge, which occurs native as lead ochre, but is chiefly derived from the working of lead. A small amount of lead ore is mined in Armagh and Sligo. Zinc white is produced by the combustion of zinc, the fumes being led into condensing chambers, where the oxide collects. This pigment is largely used in the place of "white lead" as a pigment; although it does not equal it in covering-power, or body, it possesses the advantage of not being blackened by exposure to atmospheric sulphuretted hydrogen. In the County of Sligo zinc is smelted from the ores, but the annual output is, at present, inconsiderable. Gypsum is known to exist in several Irish counties, and it is possible that some of the deposits may result in the establishment of thriving industries. Although used for the purpose of paint-making, it finds a wider field in the manufacture of plaster of Paris, pottery, and certain kinds of glass. This mineral has been discovered generally in association with salt in a number of districts in Antrim, amongst them the valley of the Lagan, where veins are numerous, though it is doubtful whether any are thick enough to repay the cost of working. Down and Monaghan also record the existence of veins, and in the latter country plaster of Paris was manufactured at the works at Knocknacran, which were burned down about the year 1869. According to old records, the gypsum in this locality is reputed to have a thickness of sixty feet. Whether this is so will shortly be proved by investigation, as it is said that boring operations are about to be undertaken by a syndicate. The manufacture of whiting is carried on on a large scale in the County Antrim, and was responsible for an export figure of 156,853 cwt. in 1915. Whiting is prepared from chalk by grinding and levigating. In connection with the paint industry, its principal use is as an adulterant and diluent for other pigments and for preparing whitewash, which is simply whiting suspended in water by the aid of a little size. It also furnishes a kind of putty.

For the year 1915 the exports of paints and painters' materials from Ireland came to 292,175 cwt., with an estimated value of £48,079, while the imports, under the same head, amounted to 212,294 cwt., valued at £315,222. The most important centres of the paint-making industry are Belfast, Dublin and Cork, all situated on the sea-coast and consequently possessing facilities for obtaining the necessary raw

materials. The industry would, in all probability, be capable of considerable extension provided it was possible to utilise materials produced at home to a greater extent in the future than in the past. This may easily be brought about by the intense re-awakening of interest in industrial matters—an interest, too, that is manifesting itself in various practical ways in spite of the ferment caused by the present political situation. Turning to the United Kingdom we find that the imports of paints and paints' materials registered a value of £1,952,012 in 1913. The most remarkable feature of this figure is the high proportion supplied by Germany, who was responsible for £978,985, or approximately 50%. In the same year, however, the external trade done by the United Kingdom in this line amounted to £3,286,391, which was almost equally divided between British Possessions and foreign countries—the former taking £1,599,046, and the latter £2,687,345. Our best customers were represented in Europe by France, Germany and Belgium, and in South America by the Argentine Republic and Brazil, whilst among the home possessions British India, Australia, and the Union of South Africa were well to the fore.

BURMAH OIL COMPANY.

THOUGH last year Ordinary shareholders of the Burmah Oil Company received a share bonus of 50% through the capitalisation of £952,500 of reserve, so great has been the further rise in profits that their dividend is only reduced from 32½% to 30%, free of income tax, which calls for the distribution to them of nearly £240,000 more than in 1917. The gross profits show an expansion of no less than £693,000, the bulk of which must have come from the Company's own operations, as the dividend received on its large holding of nearly 1,000,000 Anglo-Persian Oil Company's Ordinary shares was 8%, free of income tax, against 6%, less tax, for 1917. We showed, in dealing with the Anglo-Persian Oil Company's report on March 29 last, that its dividend distribution was extremely conservative, and that the development of the enterprise promised further large increase in earnings. This week a "gusher" is reported to have occurred on the New Brunswick oil lands in which the Company is interested, so that the Burmah Oil Company altogether stands to gain very appreciably from its Anglo-Persian shareholding in the near future. But, apart from that, the progress of its own operations can hardly be described with moderation. Of the 1918 gross profit of £1,675,512, £491,021 is allocated to depreciation, income tax absorbs £268,927, and excess profits duty £1,580,000, or £345,000 more than for 1917. The net profit comes out at £1,335,564, in comparison with £1,070,020, and it will be seen from the following table that, after paying the Preference dividends and the 30% tax-free distribution, £286,695 is added to reserves and £47,000 to the carry-forward:—

Yr. to Dec. 31	Gross Profit	Depreciation	Income Tax	Excess Profits Tax	Net Profit	Pref. Divs.*	—Ord. Div.— (Tax free) £	%	Added to Reserves.
	£	£	£	£	£	£			£
1914	1,390,163	464,013	50,508		870,642	55,375	523,875	27½	340,000
1915	1,686,758	590,400	176,992	90,940	778,426	52,000	523,875	27½	200,000
1916	2,061,522	592,713	192,226	344,167	932,416	46,500	571,500	30	300,000
1917	2,982,329	471,838	205,360	1,235,111	1,070,020	45,000	619,125	32½	300,000
1918	3,675,512	491,021	268,927	1,580,000	1,335,564	42,752	857,250	30	286,695

* After deducting income tax.

On turning to the balance sheet the financial strength of the Company is seen to be impressive. The issued capital is £3,857,500, divided into 250,000 First Preference £1 shares, 75,000 Second Preference £10 shares, and 2,857,500 Ordinary £1 shares. Reserves and carry-forward, after allowing for the enormous excess profits tax liability and the final dividends, amount to £2,787,558. How this total of £6,645,058 is made up on the other side is shown below:—

Balance Sheet Analysis.

Dec. 31	Issued Capital	Reserves and Carry-forward	Total	Value of Fixed and Permanent Assets*	Value of Stocks†	Excess of Debtors and Cash over Current Liabilities	Investments	Total
	£	£	£	£	£	£	£	£
1914	2,905,000	2,417,757	5,322,757	2,665,087	1,214,430	450,540	992,700	5,322,757
1915	2,905,000	2,594,276	5,499,276	2,592,348	1,558,669	224,791	1,123,459	5,499,276
1916	2,905,000	2,933,660	5,838,660	2,507,760	1,551,470	197,106	1,582,324	5,838,660
1917	2,905,000	3,378,221	6,283,221	2,453,432	2,064,113	361,860‡	2,122,536	6,283,221
1918	3,857,500	2,787,558	6,645,058	2,455,010	1,981,073	461,068‡	2,870,043	6,645,058

* Including refineries, oil wells, pipe lines, lands, tanks, machinery, tank steamers, &c.
† Including stocks of plant and stores.
‡ Deficiency.

We have shown in the first table that in the last four years £2,146,000 has been provided out of profits for depreciation. Nevertheless the value of fixed assets, plant, machinery, wells, &c., has been reduced in the period by only £590,000, so that nearly £1,500,000 has been laid out under this heading. Then stocks have risen in value by £665,000, and investments at December 31 last stood at £2,870,000, in comparison with less than £1,000,000 at the end of 1915. A large proportion of these investments represents the Anglo-Persian holding, the balance being Government securities, which amount to considerably more than the excess of current liabilities over debtors and cash.

To deal fully with such an enterprise in the confines of a short article is impossible, and we have perforce to confine ourselves to showing the financial progress alone. However, shareholders will, as usual, be informed of the field working and trading results at the meeting next week. Meantime, in regard to the future, we need only point out that the world's demand for oil and its by-products has reached great dimensions, and there seems every probability that the removal of trading and shipping restrictions will more than make up for the falling-off of military and naval requirements, at any rate in respect of the immediate future. Then, in regard to the Burmah Company's own particular outlook, the reduction of the excess profits tax from 80% to 40% must result in a substantially larger proportion of the gross earnings being available for distribution to shareholders. How much larger dividend the Anglo-Persian Company will pay cannot, of course, be forecasted.

The Company's £1 shares have now risen to £11, which includes 5*s.* tax-free dividend.

American Topics.

THE INTERNATIONAL MERCANTILE MARINE.

A FURTHER stage, if not a final one, has been reached in the long-drawn-out proposal to sell the ships of the International Mercantile Marine which still sail under the British flag to British owners. During the week the proposal was defeated at a meeting of stockholders held in New York. The history of the transaction is exceedingly interesting, and illustrates very clearly how modern international finance affects the trading interests of the different countries of the world. The desire of the people of the United States to possess a real mercantile marine, upon which alone a great navy can permanently be sustained, is no new thing. In fact, in the early years of last century the United States did possess a large and very important mercantile marine for the size of her population in those days and for the magnitude of her trade. After the Civil War, the pressing needs of opening up, developing, and settling the great Western territories, the ownership of which had been the occasion of the War, absorbed for a generation not merely the interests of the people of the United States, but their available economic resources as well. Having more important interests on hand near at home, they devoted less and less of their resources to the development of shipping; and, as a result, the carrying trade of the

world fell more and more into British hands. Shipping is essential for this country. It is very largely a luxury for the United States. Nevertheless, the experience of the Spanish-American War convinced the people of the United States that it was desirable to have a nursery and training-ground for their navy. And, in order to obtain one, they determined to build up almost from nothing a mercantile marine. Owing to the comparatively small size of the population of the United States, and the enormous area of its territory, wealth had grown in the 40 years that had elapsed between the Civil War and the Spanish-American War to an enormous extent. And although they had allowed their mercantile marine almost to disappear from the seas, their resources were so enormous that no difficulty was experienced in purchasing a large fleet as soon as they desired to possess one. The late Mr. Pierpont Morgan, head of the well-known banking firm, undertook to purchase in Europe a great fleet already prepared to take the seas at the request of those who were anxious to see the United States possess a great fleet of trading vessels. Amongst the ships purchased were those about which the vote was taken in New York this week. They comprise the White Star Line, the Atlantic Transport Company, the Dominion Line, and certain other smaller British interests. These were amalgamated together into what was called the International Mercantile Marine; and a shipbuilding yard was constructed, capable of turning out great ocean-going liners; to add to the fleet as circumstances might demand. But the people of the United States were desirous of seeing a great mercantile marine in their harbours at once, and this was accomplished by means of the purchase we have already described. As price was no object, provided the United States obtained a mercantile fleet, the shares of these various companies were rushed up to extravagant figures. But for various reasons it was decided to allow the ships to remain upon the British Register. Purchased at such extravagant figures, it is no matter for surprise that for years the International Mercantile Marine had an exceedingly chequered career. But the recent War, which has made so many changes in the fortunes of nations as well as of individuals, rapidly enriched the International Mercantile Marine, which in the years that preceded the War had had a desperate struggle for existence. In fact, it is doubtful if it could have existed at all but for the fact that it was owned by people who, provided the United States had the ships, were in no way influenced by questions of profit and loss.

Although no official statement has been made on the subject, there is a strong feeling amongst a section of the public of the United States to retain in the United States ownership of the tonnage secured from the enemy during the War, or rather which had taken refuge in United States harbours during the period when the United States was a neutral. A large section of our public are equally anxious to obtain this tonnage; and inasmuch as we lost nearly 7½ million tons of shipping during the War, and shipping is vital to us, and, as we say above, little more than a luxury to the United States, the feeling here will excite no surprise at the other side of the Atlantic. Although we lost during the War nearly 7½ million tons, about half of this has been replaced by ships allotted to us from the enemy tonnage and also by new construction. Shipping is so vital an interest to the British Empire, which is scattered all over the world, and the centre of which is dependent for its very existence on importing its food and raw materials, that we should do all we can to endeavour to restore ourselves to pre-War conditions.

The question for discussion is: Is the United States well advised in creating an enormous mercantile marine? Europe is about one-quarter the size of the two Americas, and she has a population more than double that contained in the western continents. Speaking broadly, the business of those western continents is to supply Europe with food and raw materials, and to accept in return services from Europe in payment. It is not a question of cost. As we have shown, the United States maintained a mercantile marine before the War as a luxury; and if she is desirous of doing so she can maintain a very much larger mercantile fleet, whether it paid, or whether it did not. But is it sound economic policy in the interests of the eastern and western hemispheres? We imported from the two Americas in the years that preceded the War the bulk of our food and raw materials; and, in return, we acted as carriers, bankers, insurance agents, and rendered various other services, besides supplying a certain proportion of manufactured goods. The late President Roosevelt said that we had performed the functions of common carriers so satisfactorily and so cheaply that it was not worth the while of anybody else to compete against us. As we have said, the two Americas, taken as a composite whole, are, roughly, four times as big as the whole area of Europe, and they have less than one-half of the population. They have altogether enormous undeveloped natural resources. And they can supply food and raw materials in a proportion and at an economic cost that is impossible in Europe. Would not the United States be serving a sounder purpose to develop the economic resources, first, of the United States itself—places, for example, like the Mississippi Valley, which is hardly developed at all—and if its available capital proves so enormous that there is no longer a profitable field for employment within the United States itself, then extend its activities to the development, say, of Central America, in which its interests are already so large and the potential resources of which are so enormous.

Japan.—Financial circles in Japan, having passed through the most cautious days since the Armistice, inclined last month to expect world-wide prosperity when Peace is settled. Economic conditions as a whole are indicative of a gradual rearrangement. During the early days of May, owing to the absence of tax collections, which usually cause temporary tightness, and to the smooth repayment of advances carried over from the end of April, the Tokio Money market had plenty of "short-term" funds. In spite of the issue of a considerable public loan, "call" money was quoted at 2.19—2.56% per annum, the lowest discount rate being 6.57%. From the middle of the month the conditions thus maintained were relaxed indirectly through the buying by the Government of balances accumulated abroad by the exchange banks. Towards the end of the month, however, "call" money rose 7.3% through the demands for end-of-the-month circulation. Meanwhile, the Bank of Japan decided to open the re-discount business of Bank acceptance bills. The raw-silk market continued brisk, and owing to the recent scarcity of stocks the price went up to Yen 1.730 at the middle of the month. Habutaye, too, was fairly active. In the cotton-yarn market the high price of raw material caused a rise to Yen 439 in "futures." Owing to the generally prosperous conditions, stock markets improved, and at the end of the month several of the principal stocks rose considerably. The Tokio Stock Exchange shares closed at Yen 305, and "Kanebo" spinning shares advanced by Yen 51 up to Yen 373. The price of rice was quoted at an increased rate of Yen 37.90, which is attributed to the firm attitude in the places of production. To meet this situation the Rice Exchange declared the intention of taking a certain remedy, if necessary; and, at the same time, the Government reduced by 30% the special railroad tariff for rice. At the end of the month the notes issued by the Bank of Japan amounted to £92,700,000, and the advances to £42,000,000. From January 1 to May 31 the imports amounted to £87,000,000 and the exports to £67,300,000.

ESTABLISHED 1887.

Telephones: 455, 4084, 2662 Avenue.
Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

A FIRMER price and better business demand for the commodity has been reflected in the Share market, and, though dealings have been on a small scale—which is not surprising in view of the War Loan appeal and Ascot races—the Share market has borne a distinctly harder appearance than in recent weeks. Recovery is noticeable in many of the shares which investors usually favour.

ANNUAL REPORTS ANALYSED.

CHERSONESE (F.M.S.).

Issued Capital: £225,000 in 2/0 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Profit £	Dividend Amt. £	Dividend %
1915...	2,038	1,941	654,900	337	2/7·83	-/11·44	59,603*	45,000	20
1916...	2,038	1,941	691,760	356	2/6	-/10·58	64,060†	32,812	14¼
1917...	2,041	2,020	688,944	340	2/1¼	1/0·48	47,296‡	14,062	6¼
1918...	2,084	—	554,389	—	1/8½	-/11	28,667§	28,125	12¼

* Including £10,280 sundry revenue, of which £4,035 from coconuts.
† Including £8,073 sundry revenue, of which £6,853 from coconuts.
‡ Including £6,166 sundry revenue, of which £3,905 from coconuts.
§ Including £7,590 sundry revenue, of which £5,640 from coconuts.

Price of Shares, 3/10. Market Valuation per planted acre of Rubber alone, £200.

COCONUT plantations hitherto have proved very much of the nature of "white elephants," and the Chersonese Company's second string—it has 1,324 acres under coconuts, as well as 2,084 acres of rubber—has been no exception. Dearth of shipping necessitated the sale locally of the bulk of the copra productions of Eastern estates during the War, and barely remunerative prices had to be accepted. Now, however, the position is very different, and with freight rapidly becoming available the outlook appears to be better than for many years past. Thus the price of copra in this country is now £56 10*s*., as against about £24 before the outbreak of the War, and the demand for margarine-manufacturing purposes is enormous. Last year the Chersonese obtained a crop of 4,491,000 nuts, and the resultant copra production of over 1,000 tons had to be sold for an average of £15 2*s*. 9*d*. per ton. There was, nevertheless, a profit on working of £5,600, or, say, £5 10*s*. per ton. If £40 per ton were realised for a production of 1,000 tons of copra and costs remained at last year's figure the profit would be about £30,000. Last year, it will be noted above, a much-restricted rubber crop was produced at a cost of under 1*s*. per lb., and that, despite the fall in the profit, the dividend to shareholders has been doubled. This is largely the outcome of the improved position in regard to excess profits duty. From the carry-forward from 1917, after paying £20,335 for excess profits tax, £11,000 is allocated to income-tax reserve, and the amount carried forward is £4,451, against about £15,000 brought forward. Financially the Company's position is a strong one, as, after allowing for the dividend payment and income-tax reserve, liquid assets exceed current liabilities by £16,000. This year 653,000 lb. of rubber and 4,000,000 coconuts are estimated for, and from what has been said it will be recognised that the profit-earning prospects are good. Forward contracts for rubber cover 15 tons at 1*s*. 3*d*. per lb. f.o.b., 60 tons at 1*s*. 9¼*d*. f.o.b., and 30 tons at 2*s*. per lb. delivered London, while on account of next year 60 tons have been sold for 1*s*. 11*d*. per lb. delivered Singapore.

STRATHMORE (SELANGOR).

Issued Capital: £75,000 in £1 Shares.

Results for Years for December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...	1,534	970	367,656	379	2/7½	-/10·9*	32,863†	19,499‡	30
1916...	1,753	1,100	427,034	388	2/6·12	-/9·18	38,838†	17,437‡	30
1917...	1,753	1,110	437,403	394	2/3·19	-/11·64	29,829†	11,250‡	20
1918...	2,066	—	349,773	—	1/9	1/2½*	12,032†	8,016‡	15

* Including depreciation. † Before deduction of income tax.
‡ After deduction of income tax.

Price of Shares, 66/0. Market Capitalisation per planted acre, £108.

This Scottish Company's development programme, planned about two years ago, is being rapidly carried out. Since 1917 313 acres have been planted, and a further 218 acres are to be placed under rubber this year. Then the total planted area of the estates will be 2,284 acres, against an issued capital of £75,000, which means a low capitalisation of about £33¼ per acre. As regards the results of 1918, probably the increase in costs will tend to disturb shareholders more than the falling off in profits and the reduction of dividend; but if the shares are regarded from the investment point of view, with prospects based on development, there is no reason to be at all anxious. The fact that the management has under normal conditions demonstrated ability to produce at a very low cost is the principal factor, and this year, with tapping in full swing once more, there is every probability that economy of working will again be shown. The crop is estimated at 465,000 lb., but this will be from not much more than half the presently planted area. The scope for increase in profits and dividends is obvious, and in view of the market valuation of less than £110 per acre—allowing for the additional area to be planted this year—the shares will probably command a considerably higher price in the course of the next few years.

LANADRON.

Issued Capital: £295,000 in £1 Shares.
Convertible Loan, £65,000.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...	5,200	4,159	1,291,974	260	2/8·8	1/1·3	107,436	73,750	25
1916...	5,187	4,255	1,282,158	301	2/8½	1/4	87,468	29,500	10
1917...	5,205	4,596	1,401,373	304	2/4	1/8½	44,809	14,750	5
1918...	5,322	—	1,121,362	—	1/10½	1/7	13,105	17,700	6

Price of Shares, 34/0. Market Capitalisation per planted acre, £116, including loan convertible into shares at par.

Cases of rubber companies being able, in respect of the last two years, to pay dividends because of substantial refunds of excess profits duty have been fairly numerous, but few, if any, concerns have been able to claim so substantial an amount as the Lanadron does for 1918. Up to 1916 its profits were on a high scale, but to a considerable extent at the expense of the maintenance of condition, and when the management changed hands, two years ago, it was found that the making good of previous shortcomings entailed heavy addition to costs. If the excess profits duty had not existed excessive dividends would doubtless have been paid in the fat years, and the process of making good would have been a tremendous burden for shareholders to bear. As it is there has been no stoppage of dividends. Thus, in respect of 1918, with a restricted production realising 1*s*. 10½*d*., and an all-in cost figure of 1*s*. 7*d*., the profit comes out at only £13,105, of which loan and Debenture charges absorb £2,628 and income tax £9,000, leaving a balance of no more than £1,500. However, refunds of excess profits duty for 1917 and 1918 total £28,740,

so that after paying the year's dividend of 6% there will be a substantial surplus to add to the carry-forward.

As regards future prospects, it is necessary to note that the high cost figure of the past year includes the whole expenditure both on revenue and capital account. This year the estate cost is estimated to be 10*d.* per lb., against 1*s.* 2.8*d.* for 1918. That reduction, if realised, will make a big difference in profits, especially as production is expected to be increased to 1,420,000 lb. Financially the Company's position is now very strong, and, inasmuch as surplus liquid assets at December 31 amounted to £86,435, including estimated tax refund, it certainly appears that the capital commitments were unnecessarily increased last year by the raising of £65,000 from shareholders by way of loan, convertible into shares at par within six months after peace. As the price of the shares is 34*s.*xd, an increase of the share capital presently to £370,000 seems certain. The Company has 5,000 acres of plantable land, but with labour rather scarce it will take time to remuneratively employ, the large surplus profits in development. Meantime profits will be applicable to a large capital, and it may be noted that to pay 17% dividends to afford a 10% return on the share price will require £56,000. There is little chance of that amount of profit being earned this year, but perhaps a year hence the withdrawal of the excess profits duty will be an accomplished fact, justifying a distribution out of surplus earnings. Forward contracts comprise 202 tons of this year's crop at 1*s.* 9.35*d.* per lb. net, and 150 tons of next year's output at 1*s.* 10.44*d.* net.

CEYLON PARA.

Issued Capital: £70,000 in 2/– Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...	2,954¼	2,651	682,075	267	2/9	1/4¼	45,636	28,000	40
1916...	3,179½	2,652	868,357	327	2/8½	1/4½	58,667	28,000	40
1917	3,237¼	2,743	1,056,584	388	2/5⅜	1/6†	47,511	17,500	25
1918...	3,261½	—	811,382	—	1/10⅝	1/6‡†	17,302	19,250	27½

* Including expenditure incurred.

Price of Shares, 10/3. Market Capitalisation per planted acre, £110.

It will be seen from the above analysis that the falling-off in this Company's profits last year was very severe, but this should not cause shareholders much concern. It is a temporary phase, due to the exceptional conditions arising out of the War. Indeed, it is pretty certain that, had prosperity been maintained at the high level of 1917, and had there been no reduction this year in the excess profits duty, shareholders would have been less well off than they are, for the Company's standard for calculating the tax is a low one. In respect of the 1918 profit a refund of £1,900 is claimable; but more than this is required to meet income tax of £3,765, and, consequently, the payment of 27½% dividends necessitates a reduction of the carry-forward, which, however, is quite justified by the financial position, the fact that the excess profits duty has been halved, and the prospect of its withdrawal next year. Production for the current year is estimated to reach 1,160,000 lb., and there seems a possibility of a further increase in dividend.

KURAU (PERAK).

Issued Capital: £37,500 in 2/0 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...	921	756	287,308	380	2/6·3	1/0	22,576	16,875	45
1916...	987	900	327,010	371	2/5·88	1/0½	25,065	17,812	47½
1917...	987	—	284,575	—	2/3·15	1/2½	15,072	12,500	33⅓
1918...	983	—	262,126	—	1/8·1	1/1.4	7,924	9,375	25

Price of Shares, 7/0. Market Capitalisation per planted acre, £133.

Considering the difficulties under which operations had to be conducted last year, particularly in regard to the disposal of produce, most shareholders probably will feel well satisfied with dividends totalling 25%, looking to the future prospects of a first-class Perak estate to make good the temporary shortcomings in the War era. That the carry-forward has to be encroached upon to a small extent to pay the dividend is not of much moment, seeing that the balance sheet shows £12,000 of surplus cash resources, without taking credit for a refund claimed on account of past excess profits tax payments. This year 325,000 lb. of rubber is the estimated crop, and later on probably near to 400,000 lb. will be harvested at a low cost. Then a reversion to something like the 1915-16 level of dividends will be possible with rubber selling at about 1*s.* 9*d.* per lb.

AYER KUNING (F.M.S.).

Issued Capital: £129,391 in £1 Shares.
Loan: £10,000.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1914...	2,040	1,430	225,107	157	2/1¼	1/6¾	4,834	—	—
1915...	1,940	1,584	426,119	270	2/9½	1/3	31,609	—	—
1916...	1,996	1,856	724,457	390	2/8½	1/0·3	61,095	38,817	30
1917...	1,995	1,901	825,083	434	2/4½	1/0·38	57,008	25,878	20
1918...	2,322	—	609,360	—	2/4	1/3¾	33,184	19,409	15

Price of Shares, 54/0. Market Capitalisation per planted acre, £150.

By judicious—and no doubt rather lucky—forward sales last year, this Company was able to dispose of its restricted output at an average value of 2*s.* 4*d.* per lb. gross, which is as good as many plantations received for their 1917 productions. The rise in costs is no more than was to be expected seeing that though the tapping area was reduced to about 1,520 acres, and 327 acres of land were planted, no part of the year's outlay was charged to capital account. Only £1,363 was expended on buildings and machinery, and this was more than covered by the depreciation provision of £1,363. Another good feature is that unsold crop appears in the balance sheet for only £3,279. Having reached the stage of large production, since the War the Company is liable for heavy excess profits duty. On this account £48,631 has been paid in respect of 1916 and 1917, while, notwithstanding the much reduced earnings of 1918, a further liability of about £15,000 has to be provided. Hence the reduction in the dividend for the year from 20% to 15%. Now that the excess profits tax has been halved shareholders may expect to receive a larger proportion of the earnings, and as the crop is expected to reach 805,750 lb. this year the dividend outlook appears a good one even supposing, as seems likely to be the case, that the average sale price is much less favourable than that just reported. On the older of the two divisions of the estate the yield per acre was 509 lb. last year. It looks, therefore, as if in a few years' time there will be an annual production of over 1,000,000 lb. To pay 15%, as for 1918, a sum is required to be distributed equal to only 6*d.* per lb. on 800,000 lb. production. Besides the planted area, valued now at £150 per acre, the Company owns 3,882 acres of reserve land, including building sites, &c., unavailable for planting. There is scope, therefore, for considerable development in the future. Financially the Company's position is none too strong, for, after payment of estimated excess profits duty, liquid assets exceed current liabilities by only £1,562. This will require rectification out of future earnings.

"National and International Right and Wrong." Two Essays. By Henry Sidgwick. With a preface by the Right Hon. Viscount Bryce. Price 3*s.* net. (London: George Allen and Unwin, Limited.) The first of these essays is on "Public Morality," and was read on January 26, 1897, at a meeting of a Cambridge essay club called "The Eranus." The second, on "The Morality of Strife," is an address delivered to the London Ethical Society in the year 1890.

SCOTTISH UNION & NATIONAL
INSURANCE COMPANY.
ESTABLISHED 1824.
ASSETS Exceed £12,000,000.
FIRE, INCLUDING LOSS OF PROFITS, LIFE, ACCIDENT, ILLNESS, ANNUITIES, PENSIONS, LEASEHOLD, BURGLARY, GLASS BREAKAGE, TRANSIT OF SECURITIES, FIDELITY, PROPERTY OWNERS' RISKS, MOTOR-CAR RISKS, HORSE DRIVING ACCIDENTS, THIRD PARTY, EMPLOYERS' LIABILITY and MARINE
INSURANCES effected on the most favourable terms.
Edinburgh: 35 St. Andrew Square.
London: 5 Walbrook, E.C. 4, & 4 St. James' St., S.W. 1.

BRITISH EQUITABLE
Assurance Company, Limited.
ACCUMULATED FUNDS exceed - - - £1,600,000
SUBSCRIBED CAPITAL - - - - - - £300,000
PAID-UP CAPITAL - - - - - - £34,500
The Company transacts the following classes of business:
LIFE, FIRE, ACCIDENT, BURGLARY, EMPLOYERS' LIABILITY AND THIRD PARTY.
Write for particulars of the New Monthly Premium Policy Without Medical Examination
To the Manager—1, 2, & 3 QUEEN STREET PLACE, LONDON, E.C. 4.

Insurance Notes.

EXCESS INSURANCE COMPANY, LIMITED.

This Company, ably directed by some of the most experienced underwriters at Lloyd's, began its operations in 1894 with the small paid-up capital of £5,000. It has made quite remarkable progress, and its development during the difficult days of the War has been somewhat phenomenal. Its directors adopted a bold policy: they took big war risks, and their enterprise has been extraordinarily successful. The method of accountancy shows very accurately what the trading results of each underwriting year ultimately are. It is based on the usual Lloyd's method of keeping each year's account in a separate compartment, with the modification, which has been adopted owing to war circumstances, of not closing the account till the expiration of three, in place of the usual two, years.

The three underwriting accounts appended to the annual report for 1918 relate, therefore, to 1916, 1917, and 1918 respectively.

The 1916 underwriting account (premium income, £1,739,996) was closed at the end of last year with a balance in hand of £89,040, which was transferred to profit and loss account. The total underwriting profit of that year was reported as £350,542, but from this has to be deducted expenses and very heavy taxes. The net result for 1916, after taking interest on investments into account, is said to be roughly represented by the amount added to the Company's reserves in 1917, namely, £150,000.

The 1917 account (premiums, £2,451,644), after transfer of £270,000 to profit and loss, shows a balance at the close of 1918 of £598,116, which is carried forward to meet further claims and expenses.

The 1918 account (premiums, £1,599,549) allows of a balance of £1,028,617 being carried forward after payment of the first year's settlements.

After deduction of expenses and dividends and addition of interest received, the balance in the profit and loss account at the close of 1918 amounted to £223,893 net, of which £200,000 was applied in increasing the reserve to £600,000. For the first time for many years it was found necessary in 1918 to make any provision for depreciation of investments.

The paid-up capital now amounts to £50,000, and the dividend for 1918 is declared at the rate of 35%, as compared with 25% for 1917. How conservative this declaration is may be gathered from the fact that the amount required for the distribution was little more than one-fourth of the revenue from investments, which amounted to £67,487.

The Company's balance sheet at the close of 1918 showed total assets of £2,387,370; and we are informed, though the fact is not stated in the accounts, that nearly three-fourths of this amount was invested in British Government securities.

At the annual meeting on February 28, 1919, the Chairman, Mr. Cuthbert Heath, alluding to the large reduction of the premium income in 1918, as compared with that of the preceding year, stated that he did not think the amount of risk assumed had varied to any great extent. He attributed the fall in rates of premium for marine insurance to the gradual after-effects of the battle of Jutland in keeping the submarine menace within measurable bounds and inspiring greater confidence in the minds of underwriters. He regarded it as probable that some further profit might be obtainable from the eventual winding-up of the 1917 underwriting account, and expressed his opinion that the 1918 underwriting account had begun well. As regards the future, he stated that he was hopeful that the Company would continue to make satisfactory profits in peace time, though it could not be expected that these would be as large as had been obtainable during the War. In his view, new opportunities for insurance were likely to present themselves from circumstances essential to the profitable development of the trade of the country. He even hinted at insurance assisting the amelioration of labour troubles.

BRITISH GENERAL INSURANCE CO., LTD.

Most fire and accident insurance companies founded on non-tariff lines have had but a brief existence; but there are some conspicuous exceptions, amongst which is the British General, the progress of which, since its formation 15 years ago, has been steady and satisfactory. The capital is of comparatively modest dimensions, £200,000 being subscribed, with £50,000 paid up in shares of £1, with 5*s.* paid on each. The best proof of the successful working of the business is the fact that consistently with increase in reserves the dividend has been doubled during the last three years. For 1914 and 1915 it was 10%; for 1916, 12½%; and for 1917, 15%; whilst in respect of the operations in 1918 it has been raised to 20%, and the amount required for the resulting distribution has been covered by interest earnings, apart from trading profits.

The Company commenced life business in 1914, and an interesting feature of the Company's annual report for 1918 is the announcement of the result of the first quinquennial valuation. This section of the business is still of comparatively small dimensions, but it holds out fair prospects of successful development. The new business in 1918, amounting to £144,230 in sums assured, was approximately double that of 1917, and the total net life premium income was increased from £8,987 to £25,473, inclusive of single payments for £5,633. The expense ratio over the quinquennial period was 13.5%, and the average net interest yield, after deduction of income tax, was £4 4*s.* 6*d.* per cent. The quinquennial valuation was made for life assurances by the O^{M} Table of Mortality in combination with net premiums and 3% interest. The assurance and annuity funds on December 31, 1918, amounted to £46,031, as compared with a liability of £43,589 shown by these methods, showing a surplus of £2,442, apart from the special life reserve fund of £10,000. Out of the surplus £1,621 is distributed, one-tenth, or £162, going to shareholders, and £1,459 providing reversionary bonuses on participating policies at the rate of 30*s.* per cent. on sums assured in respect of each full year's premium paid during the valuation period, while £821 is carried forward (in addition to the special reserve of £10,000) as unappropriated. The valuation of the capital redemption account (premiums, £401) shows a surplus of £31 transferred to profit and loss account, the

relative fund thereafter on December 31, 1918, amounting to £706.

The following are the main results as shown in the Company's other accounts for 1918, after adjustment of the reserves for unexpired risks at the close of each year on the basis of 40% of the premiums.

Fire Department.—Premium income (increased by £13,710), £63,113; net interest earnings, £1,177; trading profit, £2,065.

Accident Account.—Premium income (increased by £60), £1,753; net interest earnings, £30; trading profit, £474.

Employers' Liability Account.—Premium income (increased by £22,858), £103,267; net interest earnings, £3,075; trading profit, £13,278.

General Account.—Premium income (increased by £5,580), £38,416; net interest earnings, £830; trading profit, £6,718.

Marine Account.—Premium income (increased by £41,230), £147,162; net interest earnings, £1,693. No profit is taken credit for in this account, the whole balance, after payment of claims and expenses, being carried forward as a provision for further settlements. The marine fund, amounting to £86,439 at close of 1918, shows increased strength, its ratio to premium income being 58.7%, as compared with 44.9% at the close of 1917.

Profit and Loss Account.—Net interest earnings of £5,062 and transfer fees of £33 have been credited to this account, which is debited with the following items: income tax, £666; and loss on sales of investments, £40.

The total net profits taken into account in all sections as above shown for 1918 amount to £32,229, of which £10,174 is attributable to interest earnings and £22,055 to trading.

The following apportionments and adjustments were made:—

(1) Dividend at 20 %		£10,00
(2) Added to fire reserve	£5,000	
Less transferred from profit and loss account	5,000	
(3) Amount written off investments		15,441
(4) Added to general reserve fund		25,000
(5) Added to staff pension fund		2,000
		£52,441
Less written off Investment reserve fund ...	£20,000	
Reduction in profit and loss balance (after provision for dividend)	212	
		20,212
		£32,229

The total assets as shown in the balance sheet on December 31, 1918, amount to £539,670.

Apart from capital, marine fund, life fund, capital redemption fund, and staff pension fund, the reserves carried forward to 1919, after deduction of those set aside for outstanding claims, appear to be as follows:

Fire insurance fund	£30,245
Accident ,, ...	701
Employers' liability fund	50,450
General fund	15,367
General reserve fund	75,000
Balance of profit and loss account (after provision for divs.)	2,587
	£174,350

This represents about 76% of the aggregate premium income (£229,409) in the fire, accident, employers' liability, and general insurance departments, which is nearly twice the standard usually applied for the specific purpose of running off unexpired risks. The Company's financial position seems, therefore, to be exceptionally strong, looking to its comparative youth.

THE MEXICAN RAILWAY COMPANY.

Like most of the enterprises of Mexico, the English Mexican Railway Company is having a particularly bad time at present. In fact, all the railways are having an exceedingly bad time. For the reasons we explained in a recent article on Mexico, President Carranza is dependent for his revenue upon fleecing the mines and the petroleum interests, and on the revenue he derives from running the railways for the benefit of his Government and *entourage*, without paying anything to those who found the capital for building the various systems. Inasmuch as he can neither work the mines nor the petroleum interests himself, he is compelled to make certain concessions with regard to these enterprises. The petroleum interests that are so far worked in Mexico are situated on the Atlantic seaboard, and nearly all of them in the immediate neighbourhood of Tampico Bay. These interests are partially guarded by a United States warship; and, consequently, beyond a certain point it is not possible for the Mexican Government to go without embroiling itself with its powerful neighbour at Washington. As we have explained, the native interests controlled by the President are not capable of working the silver mines; and, consequently, beyond taking a certain amount from the various mines, neither Carranza himself, nor even Villa, will go, because it is evidently their interest to maintain the working of the mines.

With the railways, however, it is entirely different. They have their trained European staffs and trained native staffs for the purpose of actually running the trains; and all the Government has to do is to seize as much of the revenue derived from the carriage of minerals, merchandise, and passengers, and particularly from minerals and such merchandise—largely products of the cattle trade—which are intended for foreign consumption, and to pay absolutely nothing either in the way of Debenture interest on the loan capital or in the way of dividend on the share capital. The experience of the Mexican Railway Company gives a very fair idea of the difficulties under which enterprise is carried on in Mexico. The directors of the Mexican Railway are at present proposing an arrangement whereby what is called a "moratorium" on the line shall be continued until the year 1922. A moratorium was declared when the Mexican Railway was seized by the Mexican Government in 1914. In 1916, however, the Mexican Government handed back the railway to the Company, and the railway people proposed to bring the moratorium to an end on July 1 next, under the natural assumption that the line, having been restored by the Mexican Government, would remain in the possession of the Company. This, however, has not proved to be the case. On March 31 last the President of the Mexican Government issued an order whereby for the provision of a good service, and to the end that the Constitutional Government may guarantee the passenger and goods traffic on the Mexican Railway, whose management was in the hands of the Company, affording all military service that may be necessary in the trains between the capital and Vera Cruz, the Company is instructed to hand over the line to the Secretary of Communications and Public Works. The net result has been that the Mexican Government worked the line from December 18, 1914, to September 1, 1916, a period of 21½ months, and from April 3, 1917, up to date, or a period of over two years. The result, so far as President Carranza is concerned, is that from the amount he exacts from the petroleum interest and the mines, and from the enormous sums he obtains from the railways, which he does not bother to keep in repair, and the interest and dividends which he never pays, he has a revenue practically double that enjoyed by the late Porfirio Diaz in his most prosperous days. This revenue he uses for maintaining more or less phantom armies, which enable generals and others who support his authority to gradually accumulate fortunes or provision for their declining years at the expense of the Mexican public, and still more at the expense of the foreign bondholders.

Life Assurance at Minimum Rates.

A
PLAN of ASSURANCE
SPECIALLY ADAPTED
for PRESENT TIMES.

For particulars address the
GRESHAM LIFE ASSURANCE
SOCIETY, LIMITED,
ST. MILDRED'S HOUSE, POULTRY, E.C. 2
Founded 1848. Funds £10,500,000.

THE GRESHAM FIRE & ACCIDENT INSURANCE SOCIETY, LIMITED.
Transacts all classes of Fire and Accident Business.
Chief Office: St. Mildred's House, Poultry, London, E.C. 2.

HEAD OFFICES: LIVERPOOL AND LONDON
ROYAL
INSURANCE COMPANY, LIMITED
ALL CLASSES OF INSURANCE EFFECTED

COMMERCIAL UNION
ASSURANCE COMPANY, LIMITED.
Head Office: 24/5/6 CORNHILL, LONDON, E.C. 3.
Total Assets (including Life Funds)—£31,801,986.

Commercial.

SILK.—III.

At last the authorities are waking up to the importance of increasing our supplies of raw material from sources within the confines of the British Empire. A Committee has been appointed to inquire into what can be done to make India once more a great source of supply of raw silk, which she was formerly, but has not now been for many years. The same Committee has already made progress in the study of the problem of how to utilise for commercial purposes the immense quantity of raw silk which is already produced in the equatorial provinces of Africa, and which is now being hardly utilised for any purpose.

We believe we are right in stating that experiments are at the present time being made with a view to improving the colour of the raw material produced in Africa. A report on these two important questions may shortly be expected, and it will be eagerly read by those interested in the silk industry, not merely in this country, but in various parts of the world elsewhere.

One of the most remarkable features in the production of silk in the raw state is that it has so far been always conducted as subsidiary, and generally for domestic, industry. Silk has never been cultivated in great plantations, as is done in the case of cotton. Everywhere the tendency appears to be for seri culture to give way to what are regarded as more profitable products. This in spite of the fact that the economic value of silk has been steadily rising for years; and during the progress of the recent general war against Germany, and since the signing of the Armistice in November last, the price has risen to such extravagant figures as one would think would threaten the existence of any industry. Raw silk, which was purchasable before the War at, say, 10*s.* per lb., commands, we understand, four times that price in the markets of the world to-day, and the supply even at this figure is quite inadequate to meet the demand. During the War, silk was required for purposes connected with the War and for making various articles connected with the production of munitions. Since the signing of the Armistice, no doubt owing to the high wages earned by female labour during the War, and since, no doubt, owing to the shortage of male labour, the markets have been kept busy in supplying silk for various articles of female clothing. How long this can continue on the present basis of value remains to be seen.

It is a remarkable fact that while both France and Italy are so largely interested in the production of silk as a textile fabric, both countries tend more and more to rely upon overseas sources of supply rather than increase the production of silk in its raw state within their own borders. Hence China and Japan remain the great sources of world supply for the best classes of silk.

Raw silk, for its proper cultivation, requires a highly intelligent population, and it is usually grown in those countries where an intelligent population exists, and where they do not see more promising openings for the employment of their intelligence. The forthcoming report will, we believe, recommend that India should be exploited as the most promising source of supply. That everything possible should be done to encourage sericulture in India is, we venture to think, admitted by every intelligent person in the Empire; but whether it is the fault of the Government or whatever be the reason, the fact remains that no single industry in India has yet been developed to anything like its reasonable capacity. If India is to become a really great source of supply for raw silk totally different methods from those practised in other Indian industries will require to be employed, and in this remark we do not feel justified in excepting even the jute industry, in which India enjoys a practical monopoly.

Now the production of silk in Africa upon a great scale is one of extraordinarily great potentialities. There seems to be a consensus of expert opinion that African silk as it is produced in the wild state over immense areas of tropical Africa at present will never be anything more than a sort of glorified silk waste. Now the crux of the whole position, if Africa is to become a real source of supply, is, Is it, or is it not possible, say as a plantation industry, to produce the *Bombyx mori* of commerce, raised from cocoons specially imported? If it is possible to produce the *Bombyx mori* upon a great scale in Africa, there seems no reasonable doubt that the production of silk can be doubled, trebled, and quadrupled, to the great advantage of the silk industry of the world taken as a whole, and to the advantage of the British colonies in various parts of Central Africa in particular. From all we can gather from various inquiries we have made, we have arrived at the conclusion that the best expert opinion is that all available evidence is sufficiently favourable to justify the experiment of attempting to cultivate the *Bombyx mori* in the equatorial provinces. There remains the question of labour and transportation. So far as labour is concerned, no serious difficulty is anticipated by those well acquainted with the African native in those regions and with the requirements of the silk industry. The native of Central Africa, far from being a savage, is found to be an intelligent and tractable worker. From time immemorial he appears to have been more or less in touch with Egyptian civilisation. Seri culture is no new thing to him. To introduce the *Bombyx mori* would simply mean a new variety of a product which he has known in the wild state for time out of mind. The wages he would ask are very modest compared with European standards, and the production of raw silk and the cultivation of the cocoon is an industry in which whole families can be employed, even including small children.

The question of transportation might present more serious difficulties, but these are not regarded as by any means insurmountable. Railway building in the

regions where the cocoons would have to be raised was in active progress before the outbreak of the late War, and roads have already been made opening up very extensive regions. Of course, if the cocoons had to be transported just as they are collected, they would form a bulky article of freight, but there seems every reason to believe that with very little instruction an appreciable proportion of the natives could readily be instructed in the preliminary stages of preparing the silk for market, which would greatly reduce the bulk of the freightage to be carried.

City and Suburban.—£1,360,000, in £4 shares. Two tube mills. Yearly profit is exclusive of accumulated slimes revenue.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	150	306,450	15½	527,076	34/4	367,604	23/11	159,472	10/5	1 5/8
1918 ...	150	248,730	12½	416,923	33/6	369,516	29/8	47,407	3/10	¾
1919.										
Mar. qr.	80	45,683	11.37	77,374	33/10	90,301	39/6	12,927†	5/8	⅜
Apr. ...	80*	17,342	—	28,374	32/9	30,797	35/6	2,423†	2/9	11/6
May ...	80	18,270	—	32,036	35/0	31,960	35/0	76	—	25/32

* 70 stamps shut down owing to labour shortage. † Loss.

Dividends—1917, June, 6¼ · Dec., 3¾ per cent.
1918, June, 1⅞ per cent.; Dec., nil.

City Deep.—Capital £1,250,000, in £1 shares 200 stamps and tube-mill accessories. Capacity 80,000 tons per month.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue* Amt. £	Revenue* Per ton	Expenses Amt. £	Expenses Per ton	Profit* Amt. £	Profit* Per ton	Price end of Period
1917	...154	744,100	14¼	1,469,953	39/6	796,137	21/5	665,569	17/11	3⅜
1918	...154	670,100	9¾	1,274,970	38/0	821,768	24/6	453,202	13/6	2⅛
1919.										
Mar.qr.	154	135,500	9.17	267,742	39/6	195 977	28/11	71,765	10/7	2⅛
Apr. ...	—	48,500	—	97,209	40/1	68,010	28/1	29,199	12/0	2 7/32
May ...	—	50,000	—	98 556	39/5	71,069	28/5	27,487	11/0	3 5/16

Dividends—1917, June, 22½; Dec., 22½ per cent.
1918, June, 20; Dec., 7½ per cent.

Consolidated Langlaagte.—£950,000, in £1 shares. £100,000 5½% Debentures. 100 stamps and 10 tubes. About £400 monthly sundry revenue included below.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue* Amt. £	Revenue* Pr. ton	Expenses* Amt. £	Expenses* Pr. ton	Profit* Amt. £	Profit* Pr. ton	Price end of Period
1917 ...	100	585,650	½	729,938	24/11	501,385	17/1	231,226	7/11	21/0
1918 ...	100	503,300	—	635,853	25/2	478,113	19/0	157,740	6/2	20/0
1919.										
Mar. qr.	100	129,500	—	157,131	24/2	128,024	19/8	29,107	4/6	17/9
Apr. ...	—	46,000	—	55,546	24/8	44,504	19/11	11,042	4/9	18/3
May ...	—	45,800	—	56,606	24/9	44,555	19/6	12,051	5/3	21/0

*** Includes slimes profit and sundry revenue.**

Dividends—1916, June, 12½; Dec., 10 per cent.
1917, June, 10; Dec., 7½ per cent.
1918, June, nil; Dec., 5 per cent.

The Prudential Assurance Company, Limited, has come for ward with a plan whereby clients may secure Victory Bonds by means of payments spread over a selected term of years. The bonds are to be redeemed by annual drawings determined by lot. Numbered bonds will be allotted to these policies, and the full £100 per £100 bond paid on drawing will be at once handed to the policy-holder, whose future premiums will then cease. Under one scheme, the policy will become payable at the date of drawing or at death, if previous to that date; while the other scheme makes the policy payable at date of drawing or death, or expiration of selected terms, if previous. Full particulars can be had on application to the Company's offices, 142 Holborn Bars, E.C. 1.

Messrs. Selfridge and Co., Ltd., offer to every applicant for £100 nominal, that is to say £80 in the case of the Funding Loan, and £85 in the case of a Victory Bond, an opportunity of making one calculation of the total amount of the Loan which will be subscribed during the period of the campaign from June 12 to July 12. The competitor will have to estimate the total amount which will be subscribed to the Loan, to include new money, the conversion of other loans and bonds, and the amount obtained for War Savings Certificates. Over a hundred prizes will be awarded ranging from £10,000 to £20

Market information must be accurate.

Lists of shares, advices to buy, and all other confidential printed matter issued by

stockbrokers to their clients must be accurately printed. Small fractions are often involved. There should be no doubt about such fractions; unless they are quite distinctly printed such information may well be valueless. Only two printing methods are infallible in producing sharp, clear fractions: printing in printers' ink from metal type: printing from metal type through a typewriter ribbon on to a platen. Only one machine prints satisfactorily by both methods—the Gammeter Multigraph. Any ordinary intelligent girl can produce your printed matter (either in printers' ink or typewriting) on the Gammeter Multigraph, privately, in your own office, when you want it and in the quantity that is convenient.

Write for interesting information about how other stockbrokers are finding the Gammeter Multigraph an efficient office printer, it will be promptly sent on request.

THE INTERNATIONAL MULTIGRAPH COMPANY

Head Offices (London):
59s, HOLBORN VIADUCT, E.C.1
Telephone - City 5685

MANCHESTER: 49, Arcade Chambers, S. Mary's Gate
BIRMINGHAM: 25, Guildhall Chambers Navigation St.
and most large towns.



THE DIRECTORS OF

LLOYDS BANK LIMITED

desire to call the attention of their customers and others to the advisability of investing all available moneys in the

VICTORY LOAN.

Industrial Companies.

BRUNNER, MOND AND COMPANY.

Issued Capital: £9,456,605, in 150,000 7% Preference £10 Shares and 7,956,605 £1 Ord. Shares.

Year to Mar. 31	Net Profit*	Pref. Div.	Ord. Div.		Add'd to Reserve	Added to Suspense Account†	Stocks	Surplus Liquid Assets‡
	£	£	£	%	£	£	£	£
1915...	796,822	105,000	640,584	25	—	50,000	860,022	928,415
1916...	1,009,090	105,000	738,202	27½	—	150,000	1,011,375	1,039,525
1917...	1,112,653	105,000	8 4,972	27½	—	100,000	1,173,959	1,409,755
1918 ..	1,109,751	105,000	851,907	11	250,000	—	1,3 4,436	4,009,578
1919 ..	1,010,081	105,000	785,753	10	—	100,000	1,604,056	4,059,999

* Before deduction of excess profits duty.
† Includes provision for excess profits duty.
‡ Excluding stocks, but including trade investments (£5,319,990 at March 31, 1919).

In the matter of heavy chemical supply—acids, alkalis, &c.—probably no single undertaking helped the nation during the War more than Brunner, Mond and Company. Shareholders were told at the meeting a year ago that much extra Government work had been done at practically no profit. That statement, in view of the general knowledge of the high level of prosperity attained by Government contractors the whole country over, and the heaviness of the excess profits tax payments, might be viewed with incredulity; but it cannot be in this case, for the position is clearly shown in the accounts, which, contrary to a growing custom in many directions of recent years, show no signs of "wangling" with the object of obscuring facts. For instance, the profits of the Company are shown before deduction of excess profits duty, provisions for same being shown under the heading of suspense account; and, considering the great demand for chemicals for war purposes, the increases in profits and the additions to suspense account cannot be described as at all sensational. Nor have the distributions of profit to shareholders shown any large expansion. Of course, the financial and physical conditions have been strengthened, but to a large extent by the raising of additional capital at considerable premiums and the judicious acquisition of new assets, development of works and controlled businesses, &c. A re-valuation of the trade investments in 1917 showed a big appreciation had occurred in their value over book cost, and accordingly, to the extent of £2,797,243 plus £1,849,561 from the reserve fund, the issued capital was increased early last year by the distribution of shares to shareholders. There has, however, been no attempt to maintain a high percentage dividend in consequence. As a matter of fact, the 10% dividend on the enlarged capital for the past year absorbs £29,000 less than the payment of 27½% on the smaller capital existing in 1916-17. This of itself, having regard to the conditions generally appertaining in trade during the period, is sufficient indication that the directors have carefully nursed the business, and that, therefore, a great reserve earning power exists in the undertaking, which, it will be known to readers, has attained now to huge proportions, and is a power not only in the heavy chemical trade, but also in the soap-manufacturing industry. Provision for further expansion is indicated by the proposal, sanctioned at this week's meeting, to increase the amount of the nominal capital from £10,000,000 to £15,000,000.

The price of the Ordinary shares stand at £2, while the 7% Preference £10 shares are quoted at about 11¾.

WILLIAM CORY AND SON, LIMITED.

Issued Capital: £3,720,328, in 170,000 5% Cum. Pref. £5 Shares, 2,850,094 Ord. £1 Shares and 20,234 Employees' £1 Shares.

Debentures: £700.000 of 4% First and £200,000 of 4½%.

Year to Mar. 31	Net Profit*	Deb Int & Pref. Div.	Ord. Div.		Added to Reserve, &c.	Amount of Carry-forward	Stocks Value	Surplus Liquid Assets†
	£	£	£	%	£	£	£	£
1915...	215,328	85,500	116,108	10	—	58,231	91,840	234,831
1916 .	439,817	79,500	174,578	15	155,000	88,970	89,160	635,692
1917 .	447,689	79,500	175,062	15	151,199	130,898	132,031	836,581
1918	492,733	79,500	231,047	20	175,000	135,084	13 ,895	184,692
1919..	528,616	79,600	322,046	20	85,000	177,154	136,025	652,066

* After provision for depreciation and taxes. † Excluding stocks.

During the past four years this well-known coal firm's business has been greatly expanded, and its ramifications extended to parts of the country not previously touched, and important export businesses have been purchased. The issued share capital has been increased from £2,013,127 to £3,720,328, and the new money put into the business has been nearly as much, for, though £820,094 of reserves have recently been capitalised, large premiums have been received in respect of cash issues. Much of this new capital has but recently been employed, and the effect on profits, therefore, has been as yet only partially reflected in the accounts. Stocks have not risen to the extent that might have been expected in view of the rise in the value of coal, &c.; but then it has to be remembered that much of the business is transacted through the medium of controlled companies. The value of fixed assets and trading investments at March 31 has grown from £3,014,686 at end of March 1915 to £4,513,578 at March 31, 1919, and still the surplus liquid assets at the latter date amounted to £652,000, against £234,831 four years previously. As regards earnings, it is not possible to gauge exactly the progress achieved, for the profit is given in the accounts after deduction of depreciation allowance and excess profits duty. But it will be seen above that the dividend has been increased from 10% for 1914-15 to 20% for the last two years, while the carry-forward has been raised from £58,231 to £177,154, and substantial allocations have been made to reserve, insurance, staff pensions, and employees' war funds. In this connection we must explain that as the balance sheet discloses an addition of £60,000 to insurance fund not specifically allocated out of the shown profits, we have included such £60,000 in the amount of net profit and in the reserve allocations of the year. Obviously it is necessary to do this, seeing that in the previous years given in the table above no additions were made to the insurance fund.

The prospects of the coal trade in the immediate future are rendered uncertain by the severe contraction that has occurred in the production of the coal mines and the increase in cost and price. The Company's business, however, embraces a large trade in foreign countries, particularly in regard to South African and American coal, and further development is expected in this connection. Then, too, the reduction of the excess profits tax to 40% is a factor not to be lost sight of, and in view of the prospective extra earnings likely to accrue from the employment of the recently subscribed additional capital, and having regard to the margin of undistributed profits in recent years, the

dividend prospects seem to be fairly good, though it will be understood that much depends upon the outcome of the inquiry of the Coal Commission into the question of nationalising the mines.

The Company's Ordinary shares are priced at about 45*s.* and yield approximately 9%.

EAGLE OIL TRANSPORT CO., LTD.

Issued Capital £2,240,000 in 400,000 Cum. 6% Participating Pref. £5 shares, 10,000 Ord. Fully-paid £5 shares and 190,000 Ord. £5 shares, £1 per share paid.

Year Dec. 31	Net Income†	Additn. to Reserve‡	Special Writings off*	Net Profit	Pref. Div.	Ord. Div.	Ord. Div. %	Carry Frwd.	Cost of Fleet (*a*)	Surplus Liquid Assets
	£	£	£	£	£	£		£	£	£
1914	284,655	128,520	50,000	141,149	120,000	14,400	6	15,942	2,199,501	111,394
1915	314,821	132,149	50,000	152,484	120,000	14,400	6	34,025	2,345,354	118,259
1916	304,869	115,867	45,711	143,291	120,000	14,400	6	42,916	2,434,515	219,435
1917	264,101	70,145	—	162,606	140,000	16,800	7	48,922	2,281,323	1,007,501
1918	270,182	145,267	—	137,446	140,000	16,800	7	29,368	2,677,432	735,461

* Preference share issue expenses.

† Excluding excess value over book cost received for vessels lost, but before providing for depreciation.

‡ Includes excess insurance value and sundry reservations amounting to £35,013 for 1914; £9,812 for 1915; £599,650 for 1917; and £12,531 for 1918, the balance being depreciation provision.

(*a*) Includes investments in San Antonio Steamship Company, Limited.

This Company was formed in February 1912 for the purpose of providing tank steamers for the carriage of oil for the Mexican Eagle Oil Company. Its development has proceeded apace, and there is no doubt that but for the War the Company would now have a greater carrying capacity than is actually the case. Shareholders are extremely fortunate, however, in that, not only have earnings been well maintained, but that, partly on account of the insured value of lost tankers being largely in excess of book cost and partly by reason of substantial profit allocations to depreciation reserve and the issue of £1,000,000 of additional capital in 1914, the physical and financial condition of the undertaking is now of great strength. This is clearly brought out in the table above, which shows that, despite the book cost of the fleet, plus investment in the San Antonia Steamship Company, Limited, having risen since 1914 from £2,199,501 to £2,677,432, surplus liquid assets, excluding the value of the fleet and investments aforesaid, have increased from £111,394 to £735,461. There is more in it than this, too, for the Company can now more easily proceed with the policy laid down of running extra-large tankers. The first 18,000-ton vessel was delivered in April, and the second was successfully launched towards the end of May. The whole fleet is under charter to the Mexican Eagle Oil Company until 1930, and that Company has so far provided the continually increasing cost of operating. The oil production of Mexico has risen from 6¾ million tons in 1916 to 8½ million tons last year. Control of the Mexican Eagle has now passed to the Shell group, and future development, therefore, is in good hands. As regards the Oil Transport Company, with which we are dealing, it is only necessary to point out that the book cost of fleet plus surplus liquid assets at end 1918 aggregated £3,413,000 against the total issued capital of £2,240,000, to show that the Preference shares, comprising £2,000,000, which received 7% dividends for 1917 and 1918, are very well secured. Their present price is 5⅞. If the Ordinary shares receive 8% the Preference are entitled to 8% also, but do not participate beyond that.

"The Safety of the Nation." Showing how our security rests upon our industries. By Ian D. Colvin. Price 6*s.* net. (London: John Murray.) Mr. Colvin in this work argues that security before opulence should apply to every trade and industry. He holds that organisation, not division, of labour is the true principle of modern industry, and that a nation is strong when its industrial organisation supports its national organisation. By way of illustration he traces the struggle between the rival economic systems of Germany and England, and shows the bearing of this struggle upon the foreign policy of both nations.

New Issues.

HARRISONS AND CROSFIELD, LIMITED.

The high standing of this Company will be familiar to that section of our readers who have followed with us the progress of the rubber plantation industry. Its business is that of Eastern and general merchants and dealers in foreign and Colonial produce, and includes the development and general management of tea, rubber, and other produce estates in the middle East. The steady progress and strong position of the Company is shown in the following comparisons of profit and loss account and balance sheet items:—

	1918	1917	1916	1915	1914	1913	1912
	£	£	£	£	£	£	£
Net profit*	206,276	181,976	149,717	148,949	130,912	121,723	167,551
Income of Pref. reserve fund	5,914	5,205	4,534	3,354	3,357	3,244	2,608
Total profit	212,190	187,181	154,251	152,303	134,269	124,967	170,159
Reserve Allocations:							
General	27,500	25,000	20,000	—	26,118	20,000	30,000
Staff	6,500	7,000	—	—	1,500	2,000	7,500
Property	—	5,000	5,000	—	30,000	—	—
Preference	—	7,756	4,771	22,393	—	2,856	2,882
Income tax	40,000	25,000	25,000	22,500	4,500	3,000	3,500
Writings off	—	—	—	5,595	—	—	10,535
Total	74,000	69,756	54,771	50,488	35,118	27,856	54,417
Balance	138,190	117,425	99,480	101,815	99,151	97,111	115,742
To Dividends:							
Preference (*a*)	33,000 (5½%)	33,000 (5½%)	38,910† (5½%)	27,500 (5½%)	27,500 (5½%)	27,500 (5½%)	25,896 (5½%)
Pref. Ord.	30,000 (10%)	30,000 (10%)	30,000 (10%)	30,000 (10%)	30,000 (10%)	23,982 (10%)	15,000 (10%)
Def. Ord. ‡	15,000 (10%)	—	—	—	—	—	—
Management	60,000	52,500	37,500	37,500	30,000	45,000	67,500
Total divs.	138,000	115,500	106,410	95,000	87,500	96,482	108,396
Balance	190	1,925	Dr.6,(3	6,815	11,651	629	7,346
Brought forw'd	37,340	35,415	42,345	35,530	23,879	23,250	15,904
Carried forward	37,530	37,340	35,415	42,345	35,530	23,879	23,250

* After providing for bad and doubtful debts, depreciation, and, in respect of 1916, 1917, and 1918, for excess profits tax.

† Including accrued dividend to June 30.

‡ New capital.

(*a*) Preference dividend now increased to 6 per cent.

ASSETS.	1918	1917	1916	1915	1914
	£	£	£	£	£
Property	423,946	392,180	365,300	316,029	306,523
Plant and machinery	28,938	28,407	45,128	28,348	33,869
Furniture and fittings	9,261	11,163	13,625	15,840	16,478
Stocks at cost or under	356,245	611,636	476,998	338,567	226,831
Loans	388,655	242,402	162,477	185,630	132,879
Debtors and bills	378,720	598,822	411,880	304,810	241,672
Investments at cost or under	713,829	549,167	497,089	515,899	474,577
Cash	57,023	90,460	69,933	15,746	15,119
Pref. reserve fund (investments & deposit)	102,500	102,500	102,500	102,500	85,000
Acceptances, *per contra*	239,406	240,431	253,890	255,673	—
New issue expenses	—	—	—	5,595	—
Total	2,698,523	2,867,168	2,398,820	2,084,637	1,532,948
LIABILITIES.					
Issued capital	907,500	907,500	907,500	894,398	807,500
Reserve funds	346,000	309,000	281,000	281,000	235,882
Mortgages	98,500	100,500	103,000	105,500	108,000
Sundry depositors	119,141	157,414	161,538	155,911	29,463
Creditors and bills	641,525	821,949	399,133	268,316	251,110
Bank overdraft	189,921	178,534	162,969	15,899	345
Acceptances, *per contra*	239,406	240,431	253,890	255,673	—
P. & L. account balance*	156,530	151,840	129,790	107,940	100,648
Total	2,698,523	2,867,168	2,398,820	2,084,637	1,532,948

* Subject to payment of final dividends.

Since June 30 last the issued capital has been raised to £1,248,356 divided into 611,000 6% Preference £1 shares, 450,000 10% Preferred £1 Ordinary shares, 162,356 £1 Deferred Ordinary shares, and 500,000 Management Shares of 1*s.* each. Of the increase in capital £179,856 was subscribed for cash and £150,000 in Deferred Ordinary shares was issued by way of capitalisation of undivided profits. Now the public have an opportunity of subscribing for 150,000 of the unissued 550,000 Preferred Ordinary shares at the price of 27*s.* 6*d.* per share. These shares rank for a 10% Cumulative Preferential dividend after the 6% Preference shares, of which 611,000 shares out of a total authorised of 1,000,000 shares have been issued. The surplus profits of the last three years after paying the Preference dividend have averaged £143,705, while the dividend on the Preferred Ordinary shares, including the new issue, will absorb only £60,000 per annum. The security is ample, and, seeing that the return afforded is nearly 7¼%, the shares

can fairly be described as an excellent industrial investment. The underwriting commission paid is only 2½%.

REVILLE, LIMITED.

This Company has been formed to acquire the business of Reville and Rossiter (1912), Limited, dressmakers, ladies' tailors, milliners, and furriers. The authorised capital is £325,000, divided into 175,000 7% (income-tax free) Cumulative Preference £1 shares and 150,000 Ordinary £1 shares. The Preference shares are being offered for subscription at par. The Ordinary shares form the purchase consideration for the business including £38,818 for goodwill. Temporary loans for £19,500 have to be paid off, and £49,500 in cash is required to buy the leases of premises at 297 Oxford Street and 15 Hanover Square, held for 99 years from March 1904. The profits of the business have increased as shown below:—

13 mos. to Jan. 31, 1914	11½ mos. to Jan 15, 1915	Years to January 15			
		1916	1917	1918	1919
£	£	£	£	£	£
20,286	19,345	14,715	20,859	31,949	40,371

These profits are before charging directors' fees, interest on loans, income tax, and depreciation. The annual amount required to pay the Preference dividend will be only £12,250, plus income tax, and it looks as if the high return is sufficient compensation for the risks incidental to the venture.

The formation and issue expenses are estimated to amount to £23,000, and though this is not a matter of particular concern to holders of Preference shares it is, nevertheless, advisable to note that the balance sheet of the new Company will show a big amount of intangible assets, *i.e.* £61,818, or nearly 19% on the share capital. The issue of Preference shares is underwritten for a total commission of 5% by the British Industrial Corporation which also receives an issuing fee of £1,750.

MAIDENHEAD BRICK AND TILE COMPANY, LIMITED.

The demand for building bricks in connection with the large official schemes afoot for overtaking arrears of house construction all over the country is undoubtedly enormous, and it is well known also that the Government has placed, and is placing, large contracts for future delivery wherever proof can be afforded of quality and quantity being forthcoming. It would seem, therefore, assuming the information given in this new Company's prospectus is correct, that business will be easily obtained. It is formed to acquire brickworks at Pinkney's Green, near Maidenhead, owned by J. K. Cooper and Sons, Ltd., and to extend the business of brick and tile manufacturers. The capital authorised is £100,000 in 65,000 £1 10% Participating Preference shares, and 200,000 Ordinary shares of 1*s.*, each of which 50,000 Preference and the whole of the Ordinary shares are now offered for subscription at par. The Preference dividend is not cumulative, but holders will be entitled, in addition to the 10% dividend, to 40% of the remaining distributable profits. Half the Ordinary shares (£5,000) have been applied for at par by the directors, and subscribers of the Preference shares have the right to apply for two Ordinary shares for each Preference share taken up. The vendors sell the property, of the capabilities of which they must be fully aware, for £20,000 in cash, but a report is quoted in the prospectus, which states that the Company has secured "a great bargain at a very low cost." Time must be allowed to prove the accuracy or otherwise of that view, and in the meantime the shares must be classed as quite speculative, with the chance of a fair return being obtained for the risk taken.

JOSEPH NATHAN AND COMPANY, LIMITED.

This Company, which carries on a general merchant and dairy produce business in New Zealand and the Colonies, besides manufacturing the well known baby food "Glaxo," has greatly increased its profits during the War, and now, to provide funds for extension of works, has sold to the Imperial and Foreign Corporation 223,000 7% Cumulative Preference £1 shares at par, less 8% (£17,840) commission. The purchasing Company has this week offered the shares for sale at par. The profits from trading and land sales, before charging interest on loans and overdrafts, but after provision for depreciation, have been as under:—

Year to Sept. 30	Profits From Trading	Profits From Land Sales	Profits Total
	£	£	£
1914 ...	21,794	633	22,427
1915 ...	19,273	2,832	22,105
1916 ...	21,665	13,327	34,982
1917 ...	38,422	9,169	47,591
1918 ...	48,693	6,897	55,590

The capital at present consists of 27,000 5% Cumulative Preference shares, 74,025 Preferred Ordinary shares, and 120,000 Ordinary shares, in respect of which £99,740 has been paid. Why the balance of the issued Ordinary capital is not called up to provide part of the additional funds required is not stated. The balance sheet at September 30, 1918, showed £262,777 of assets, excluding goodwill, and as in respect of the earnings from these assets and the additional capital to be provided the new shares will rank after the existing 5% Preference shares of only £27,000, principal and interest appear to be well secured. There is a speculative element in the shares, of course, for profits seem to depend for the most part upon the popularity of the special food preparation, and there have often been instances in the past where such popularity has waned. However, the 7% return is a distinct attraction.

PICTURE PLAYHOUSES, LIMITED.

In asking the public this week to subscribe £1,000,000 for this new enterprise the directors do not put forward any detailed plan, but apparently rely for attraction upon their association, or the connection, to be exact, of five out of six of them with the "Famous Players—Lasky British Producers, Ltd.," and subsidiary enterprises. It is proposed to finance the erection and operation of large modern picture playhouses, "such as have been in successful operation in the United States for some years past," mention being made of the "best centres of London, Manchester, Glasgow, and so on." The immediate intention is to form and acquire a controlling interest in a company to purchase the site of the old Tivoli Theatre in the Strand and to erect a picture playhouse thereon. The £1,000,000 capital is divided into 999,700 Ordinary and 300 Management £1 shares, the former being entitled to 6% Cumulative Preferential dividend, and thereafter to two-thirds of the remaining net profits, the balance being distributable among the holders of the Management shares. Of the Ordinary shares, 250,000 have been underwritten by interested parties for a total commission of 3½%, say £8,750, and preliminary expenses in addition are estimated at £9,000. The venture, of course, is a highly speculative one. It is not a going concern and cannot get going for a considerable time. Moreover, such erections now will cost far more than existing houses. In the circumstances a 6% dividend on the Ordinary shares would be a quite inadequate return, and it is to be noted that to pay 10% a total of £120,000 would require to be distributed, of which the Management shares, allotted presumably to the directors, would receive £20,000, or over 6,500%.

CLYDE VALLEY SHIP WELDERS, LIMITED.

Until recently, electrically-welded ships were classed at Lloyd's as experimental, but in future ships constructed on the semi-welded principle of this Company will be classed "A 1." So says the prospectus published this week offering for subscription 45,000 8% Preference shares of £1, not Cumulative as to dividend, but entitled

HARRISONS & CROSFIELD, LTD.

ISSUED CAPITAL £1,225,000

1-4 GREAT TOWER STREET, LONDON, E.C. 3.

With

BRANCHES in Ceylon, F.M.S., India, Dutch East Indies, Canada, Japan and elsewhere.

The Company offers facilities to Plantation Companies in the development of estates and sale of produce.

Manufacturers' Selling Agents in London and Abroad.

beyond 8%. to one-third of the balance distributable profits. The concern is a new one formed to acquire the assets of the Clyde Valley Engineering Company, Limited, including works, machinery, tools, and British or foreign patents (excepting America) of the "Weldolite" process of welding steel plates by use of a patented pressure acetylene generator. The purchase price paid for this part of the business is £3,000 in cash, £5,000 in 8% Preference shares, and £10,000 in Ordinary shares. In addition the Company has acquired a shipbuilding yard at Whitstable and leasehold ship-repairing premises and workshops at Deptford for £13,000 cash, £10,000 in Preference shares, and £30,000 in Ordinary shares. The capital consists of £100,000 in 60,000 Preference, and 40,000 Ordinary shares, and will all be issued if the offer is successful and the vendor considerations are paid. The working capital available would appear to be about £25,000. The success of the venture depends upon the quality of the management, the efficiency of the patents and plant, and the suitability of the shipyards and works acquired. Under none of these heads is the necessary information available for judging the prospects, though it may be noted that contracts valued at £800,000 are stated to be "available for acceptance by the Company."

BRITON MOTOR COMPANY, LIMITED.

This Company has until quite recently worked on an issued capital of £30,882 in £1 Ordinary shares, but by the sale to Messrs. George Clare & Company of 69,118 shares, balance of the authorised capital, the total has been raised by 226% to £100,000. The purchasing house offers the new shares for sale at 20*s.* 6*d.*, having itself paid 20*s.*, less a commission of 1*s.* per share, which in turn is absorbed by underwriting and over-riding commission. Since its formation in 1912 the Company's business of motor-car manufactures has grown considerably and the works are in course of further extension. Its speciality is a light car which it is claimed can be profitably sold for £300. Profits since May 1914—practically all under war conditions—have been as under, before provision for directors' fees and taxation:—

7 Months to May 31, 1915	7 Months to Dec. 31, 1915	Years 1916	1917	1918	Average
£	£	£	£	£	£
15,192	3,650	14,043	19,725	30,465	14,608

The balance sheet at December 31, 1918, showed War Bonds, debtors, and cash to be £14,706 less than current liabilities, but stock and work in progress was valued at £23,711, land and buildings at £4,412, and machinery, tools, fixtures, &c., at £17,992, the total surplus of assets excluding £10,000 for goodwill, being thus £31,410, against the capital of £30,882. Present orders approximate £150,000 in value and the works are expected to be fully employed for a considerable time ahead. There is no means of gauging the profit-earning prospects under peace conditions with keen competition for business after present arrears have been overtaken, and consequently the shares must be regarded as a pure speculation.

E. G. WRIGLEY AND CO., LIMITED.

This Birmingham Company is a large manufacturer of motor-car transmissions and engineers' small tools. Its issued capital is £151,210 divided into £22,970 7% Cumulative Preference shares and 128,240 £1 Ordinary shares. To provide for the further development of the business and to repay loans an additional 271,760 Ordinary shares have now been sold to the Debenture Corporation, Limited, and others, who have offered them this week to the public at 22*s.* each. The intermediate profit is 2*s.* per share, 1*s.* of which, however, is absorbed by expenses. Profits since 1913 have risen as follows:—

Years to April 30					
1914	1915	1916	1917	1918	1919
£	£	£	£	£	£
12,264	7,029	21,322	27,212	32,652	75,000*

* Chairman's estimate.

The Chairman, in a letter to the purchasing Corporation, says that after making ample provision for all reserves and excess profits duty, he is of opinion that the profits "will prove amply sufficient at least to maintain the present rate of dividend—namely, 10% free of tax on the increased capital," and he expresses confidence in the attainment of even better results as soon as the contemplated extensions to works become operative. But a great many similar enterprises are also aiming at the same goal, and later on it may quite possibly be a case of the fittest only surviving the reduction of profit margins to the vanishing point. However, investors are evidently prepared to take the risk, for the issue has been over-subscribed.

The

PRUDENTIAL VICTORY BOND POLICY

secures

VICTORY BONDS

by payments spread over a selected term of years.

The Bonds are to be redeemed by Annual Drawings determined by lot.

NUMBERED BONDS

will be allotted to these Policies, and the full £100 per £100 Bond paid on drawing will be at once handed to the Policy Holder, whose future Premiums will then cease.

UNDER SCHEME A

The Policy will become payable at

(*a*) Date of Drawing, or

(*b*) Death, if previous.

UNDER SCHEME B

The Policy will become payable at

(*a*) Date of Drawing, or

(*b*) Death or Expiration of Selected term, if previous.

Under both Schemes payment of premiums will cease when the Policy becomes payable.

Should death occur before age 65, as a result of a FATAL ACCIDENT, £100 in cash will be paid in addition to each £100 Bond assured.

For full particulars apply to the:—

PRUDENTIAL ASSURANCE COMPANY, LTD., 142 HOLBORN BARS, E.C. 1.

or any of its Representatives.

MEETINGS
OF PUBLIC COMPANIES.

BRITISH BANK OF NORTHERN COMMERCE, LIMITED.

THE seventh annual ordinary general meeting was held on June 18 at the offices of the Bank, 41, 43 and 47 Bishopsgate, E.C., Mr. H. Bendixson (Vice-Chairman) presiding.

The Secretary (Mr. J. H. Roscoe) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—In meeting you and presenting to-day our seventh annual report and balance sheet we have the satisfaction of placing before you a good record of the past year's work. With us, as with other banking and financial institutions of this country, the last war year proved successful and profitable, despite the special difficulties and restrictions from which we suffered, perhaps more than any other similar institution, owing to the fact that our business is carried on principally with the Scandinavian countries. These restrictions have been gradually relaxed since the Armistice, and when peace is at last signed we hope they will all be withdrawn, so as to set trade and finance free again. One of the effects of the War has been the accumulation of capital in neutral countries, a natural and inevitable result of the high prices obtainable for their products, coupled with the enormous freights earned by such of their shipping as escaped the inhuman submarine campaign of our enemies. But the accumulation of capital in such circumstances does not necessarily mean prosperity, and it is still uncertain and questionable to what extent neutral countries will have been found to have really benefited from the War.

New Interests in Norway—Issue of Shares.

The balance sheet indicates that the Scandinavian deposits in this country during the year under review have again largely increased, and our business generally shows considerable expansion in all directions. It is our intention to do all in our power to further such growth and to attach to ourselves as closely as possible the banking and trading interests of the Scandinavian countries. In pursuance of this policy our General Manager visited Norway during May, and he reported to us that there was a feeling there that their interests as shareholders in our Bank were not in due or equitable proportion to the large amount of business they did with us In order to meet this legitimate desire of our Norwegian friends, your directors have decided to give them the opportunity of greater participation by issuing as soon as convenient the remaining 50,000 unallotted shares of the Company. 25,000 of these shares we propose to allot to largely new interests in Norway, and thus secure a consequent valuable extension of business. The remaining 25,000 shares we propose to offer to all shareholders at present on the register in the proportion of one new share to each six old shares. The price of issue will be £8 10*s.* per share—namely, £2 10*s.* per share on capital account and £6 per share on premium account, such premium being, of course, as was the case with previous issues, added to reserve. Our authorised and subscribed capital will then amount to 200,000 shares of £10 each. Our paid-up capital will be 200,000 shares at £2 10*s.*, equal to £500,000, and our reserve will stand at £1,050,000, or more than double the paid-up capital. I have now to refer to a new item in our accounts—namely, "Bank premises, £225,000." When the Bank was formed in 1912 we opened business, as you know, in these premises, but very soon we had to acquire from Messrs. Dalgety and Co., Limited, all additional space available, which, however, is not sufficient for our requirements. We have, therefore, been looking out for better accommodation, and I am glad to inform you that we have succeeded in acquiring this freehold site and building. Our dividend remains as before—namely, a total distribution of 18% for the year, free of income tax, and in this connection I should like to point out that the dividend paid, although at the rate of 18% on the paid-up capital, is in reality 6[illegible] on the capital employed, by which I mean the amount paid up on share capital account and the premium paid on shares. Being payable free of income tax, the distribution is equivalent to an ordinary dividend of about 5½ per annum, which, I think you will agree, will be considered a good return under present circumstances.

The Balance Sheet.

Our paid up capital and reserve remain as before—a total of £1,125,000. Current, deposit and other accounts show the large total of £27,810,666, as against £22,754,517 a year ago. This is a satisfactory growth and compares with £9,408,026 two years ago. Our acceptances are £1,032,264, as against £66,424 last year and £196,616 the year before. Our guarantees are £1,148,501, against £822,451, and are in every case supported by counter-guarantees of first-class banks abroad. On the assets side of the balance sheet our cash in hand and money at call or at short notice totals £16,193,750, against £9,038,528 a year ago. We hold, further, British Treasury bills and bills of exchange to an amount of £1,791,462. Our investments are £8,361,624, against only £1,316,505 the previous year, and as £7,753,542 is represented by British Government securities, this makes a total of about £25,000,000 in liquid form. Loans and advances are £2,456,131, against £1,395,057. The profit and loss account shows a profit for the year of £235,904 6*s.* 5*d.*, arrived at after payment of all expenses, making provision for rebate on bills, bad and doubtful debts and depreciation on investments and foreign currency. Adding the carry-forward from last year, £28,897 12*s.*, we have a total of £284,805 19*s.* 5*d.*, subject, however, to £160,000 set aside for contingencies.

Mr. J. Jörgensen seconded the motion, which was carried unanimously, and the proceedings then terminated.

GRESHAM FIRE AND ACCIDENT INSURANCE SOCIETY, LIMITED.

THE ninth annual general meeting of the Gresham Fire and Accident Insurance Society, Limited, was held on the 12th inst. at the chief office of the Society, St. Mildred's House, Poultry, E.C., Sir Reginald Macleod, K.C.B. (the Deputy-Chairman) presiding.

The Chairman said: Gentlemen,—It falls to me to-day to move the adoption of the report and accounts. It is a great disappointment, I can assure you, to me and to my colleagues, and I am sure it is to you, that the Chairman (Sir Charles A. Hanson, Bart., M.P.) has been compelled to go away to his home in Cornwall and to remain there for a few days owing to a very severe shock he received by being knocked down by a motor-lorry in Piccadilly last Thursday night. Mercifully, no serious injury was sustained, and he informed me to-day that he has every hope of being able to return to London and to his duties in the course of next week. It has been a very severe shock, and I am sure you will authorise me to convey your sympathy to him in the injuries he has sustained and in his disappointment at not being able to meet you to-day. (Hear, hear.) On the occasion of our last meeting we had no hope or expectation that the disastrous War in which we had been engaged for four or five years would be happily terminated at so early a date. In meeting you to-day we are fortunately free from many of the anxieties of the terrible War, and I am sure everyone present must feel profoundly thankful that we can now look forward to a period of peace and to reorganisation of our industrial affairs. The result of the demobilisation of the Army, Navy, and Air Forces has been to liberate for our service a large number of the members of our staff who have been engaged in His Majesty's Forces during the War. I need hardly say it has been a great pleasure to us to welcome these men back to our midst. It has been extremely difficult, as you will appreciate, to carry on our business throughout the country with a totally inadequate outdoor staff, and I think it speaks volumes for those members of the staff who remained in our service, being unfit for military duties, and others who were temporarily employed, that the Society's interests have been sustained so well.

Fire Insurance Account.

Turning to the report and accounts, I will first refer to the fire insurance account. The premium income in this department for the year ended December 31 last amounted to £124,067, as compared with £98,997 in 1917. This shows an increase of £25,070, or 25% of the previous year's income, which I think you will regard as showing very satisfactory progress in the business of this department. Coming now to the other side of the account, the claims paid and outstanding amount to £60,746, or 49% of the fire income, as compared with £54,368, or 55%, for the previous year. The loss ratio has returned to a normal figure from the heavier experience of the year 1917, when, you will remember, we suffered from the conflagration in Salonika. The next item in the accounts is the commission charged, which is shown at £28,821, or 23.2%, as compared with £22,417, or 22.6%, in 1917. You will see, therefore, that the commission charged is slightly in excess of the previous year. The expenses of the management amount to £19,582, or 15.7%, as against £16,325, or 16.5%, in 1917, which shows a reduction of nearly 1%. Taking the commission and expenses item together, there is a trifling reduction as compared with the previous year. The total expenses of this department have now reached a ratio—namely, 38.9%—which compares most favourably with the expenses of the leading fire and accident companies. The amount of reserve for unexpired risks at the end of the year has been increased from £32,999 at the end of 1917 to £41,355 for 1918, and a balance of profit amounting to £6,031 has been transferred as a result of the year's operations to the profit and loss account.

The Accident Department.

The premiums in the accident department amount to £54,701, as compared with £50,311 in 1917, which represents an increase of [illegible] on the previous year's income. This is the

most satisfactory rate of progress we have had in this department during the War, as you are aware of the obvious restrictions which have existed in the sources of income of this department as a result of the War. You will remember that we suffered very severely in our motor business during the War, and this is only now beginning in any large measure to return to us. I might mention that since the signing of the Armistice the new business returns in the accident department have much improved, and the directors consider the present position and prospects in this respect are very satisfactory. Turning to the other side of the account, the claims amount to £22,851, or 41.7%, as against £21,102, or 42%, in 1917. This, again, is a favourable ratio of claims in this department. The next item is commission, which amounts to £7,935, or 14.5%, as compared with £7,225, or 14.3%, for 1917, the ratio being almost exactly the same. Coming to the expenses of management, there is an actual reduction in the amount of the expenditure compared with 1917. You will see that the figure before you is £17,331, or 31.7% of the premium income, as against £18,203, or 36%, in the previous year. I am sure you will regard the reduction of nearly 5% in the expenses of this department with satisfaction. We are anxious to keep the expenses down to as low a ratio as possible consistent with efficiency, and the economy which has been effected in the year under review, accompanied as it has been by substantial progress in the business of this department, indicates, I think, that the policy which is being pursued is sound. After increasing the reserve for unexpired risks by £1,463, there is a profit on the year's working of £5,635, which has been transferred to the profit and loss account.

Important Change in the Management.

It is perhaps fitting at this point that I should refer to an important change effected in the management. Sir Thomas Polson, who has been with us as accident manager since its formation, has left the Society, and Mr. T. Brand Miller has assumed the general management of both branches. He is assisted by Mr. R. F. Richley, who has been appointed assistant manager. The board are confident the new arrangement will prove advantageous to the Society. Briefly summarising the figures I have put before you, you will find that the total income of the Society amounts to £185,139, and the outgoings to £158,455, the balance of income over expenditure being thus £26,684, which has been disposed of by adding a sum of £9,820 to the reserve for unexpired risks, the balance of £16,864 being carried to the credit of the profit and loss account, which closes now with an amount at credit of £1,983. In the Chairman's remarks to you last year he expressed the hope that unless any very serious adverse conditions appeared we might, if not entirely extinguish, yet very largely reduce, the balance which then appeared in our profit and loss account of £14,880. I am glad to be able to point out that the Chairman's forecast has been more than realised. The debit balance of £14,880 has been turned into a credit balance of £1,983. (Applause.) At our last year's meeting Mr. Macrae, in moving a vote of thanks to the Chairman, remarked that "we had turned the corner." We have left the corner a considerable distance behind. Our year's record is one of progress, steady if not spectacular—progress in volume of business, progress in percentage of claims, progress in economy of administration, progress in the value of our investments. We have had to face many difficulties in the eight years since the Society was constituted, but they have been, or are being, overcome, and the directors have confidence in the skill and devotion of the management, in the zeal and efficiency of the staff, and in the future of the Society. (Applause.) I beg to move: "That the directors' and auditors' reports be approved and adopted."

Mr. C. C. Macrae seconded the motion, which was carried unanimously.

On the motion of Lord Monk Bretton the retiring auditors, Messrs. Price, Waterhouse and Co., were reappointed.

Auditors' Congratulation.

Sir A. L. Dickinson, in acknowledging the compliment on behalf of his firm, congratulated the shareholders on the great improvement in the affairs of the Company as disclosed in the accounts. As far as auditors or accountants could judge, the affairs of the Company were in very good shape. (Applause.)

The proceedings terminated with a vote of thanks to the Chairman, proposed by Mr. Courtenay C. S. Fooks.

CALCUTTA TRAMWAYS COMPANY, LIMITED.

THE ordinary general meeting was held on June 16 at 1 Queen Victoria Street, E.C., Sir Henry Kimber, Bart. (the Chairman), presiding.

The representative of the Secretaries (Messrs. Hays, Akers and Hays) read the notice and the report of the auditors.

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—In the revenue account it will be seen that the traffic receipts show an increase of £24,803, or about 10% over last year's total—a very satisfactory figure having regard to the fact that, with an increase on mileage run of 1% only, we are comparing with the excellent figures of last year, our passengers exceeding last year's by over four millions. The other receipts, £14,962, are chiefly a profit on exchange of £14,128, and make up a total increase to our receipts of £35,460 over those of last year. With regard to the expenditure, the total Indian working expenses show an increase of £8,082, of which £5,637 is represented by a bonus of one month's salaries and wages paid to the Calcutta staff to meet the increased cost of living and in recognition of the excellent work performed by them under trying conditions. The maintenance and repairs and traffic expenses accounts are chiefly responsible for the balance of working expenses, the increase being due to the enhanced cost of materials.

Allocation of Profits.

The result of the working shows a gross profit of £151,124 over all working expenses. Adding to this the interest earned on investments and deposits, and deducting income tax and adding the amount brought forward, there remains £143,704, from which must be deducted the Debenture interest and dividends paid during the year, £45,451, leaving an available sum of £98,253. This amount the directors propose to deal with by the payment of a final dividend of 6*s.* per share, making 8½% for the year, free of income tax (against 8% for the previous year), and by the transfer of £25,000 to the reserve account for depreciation, &c., increasing the total of that account to £120,495; also by the transfer of £2,000 to the reserve for depreciation of investments and of £1,331 7*s.* 2*d.* as the contribution to the staff provident fund. We carry forward a final balance of £28,639 4*s.* 11*d.*, the major portion of which it is anticipated will be absorbed by the payment of English excess profits duty and Indian supertax, yet to be ascertained, leaving the final carry-forward at about the same figure as last year.

Substantial Improvement in Traffic Receipts.

As regards the prospects for the current year, the traffic receipts continue to show substantial improvement, the aggregate increase for the five months past over the corresponding months of 1918 being Rs.2,55,172, our mileage run since the end of the year having been increased by about 25%, while the rate of exchange still continues largely in our favour. With the continuing increase in the volume of our traffic it has become necessary to add to our rolling-stock, and we have accordingly placed an order for 15 new trams, delivery of which we hope to obtain during the current year. We have, of course, been considerably hampered, in common with all other undertakings, in obtaining the necessary material for repairs and renewal purposes. We are now, however, obtaining better deliveries, but necessarily the increased cost of this will have its effect in considerably increasing our running expenses.

Mr. John G. B. Stone seconded the motion, which was carried unanimously, and the dividend recommended was declared.

The retiring director (Mr. J. G. B. Stone) was re-elected, and Messrs. Henry Brown and Son having been reappointed auditors, a cordial vote of thanks was passed to the Chairman and directors, as well as to the staff both in the East and in London. The proceedings then terminated.

WM. CORY AND SON, LIMITED.

THE twenty-third annual ordinary general meeting was held on June 17 at the City Terminus Hotel, Cannon Street, E.C., Sir A. C. Cory-Wright, Bart., Chairman of the Company presiding.

The Secretary (Mr. R. J. Speller) having read the notice convening the meeting and the report of the auditors,

The Chairman said the balance-sheet showed that the Company was in a particularly strong financial position. The year's profit, after charging all expenses and maintenance, and making ample provision for depreciation and excess profits duty, was £468,616. The principal item in the balance sheet calling for remark was the addition lately made to the Ordinary share capital. At the last general meeting the shareholders sanctioned the increase of the capital by two million Ordinary shares, making the total Ordinary share capital authorised £3,150,000. The reason was that they found it necessary to enlarge their sphere of operations, and had acquired the important businesses of Mann George and Co. and R. and J. H. Rea, and additional capital was required to pay for and finance these undertakings.

The New Ordinary Shares.

In October 1918, with the sanction of the Treasury, they offered to holders of Ordinary and Employees' shares 880,000 new Ordinary shares, in the proportion of three new shares for every four held, at the price of 30*s.* per share, which gave a substantial bonus to the shareholders. Since then they had obtained the shareholders' approval to capitalise some portion of the special reserve, amounting to £820,094, and distribute it in fully-paid Ordinary shares to holders of Ordinary and Employees' shares, so that they might by this means hold their due proportion of Ordinary capital permanently invested in the business. This special reserve had not in any way been formed out of the undistributed profits from trading, but represented an accretion to capital accumulated by the disposal of property and plant at prices in excess of the book value. They had now brought the issued capital into closer relation with the capital actually employed in the business. The general reserve fund, gradually built up out of profits since the Company's formation, remained intact at £750,000.

entirely invested in gilt-edged securities, largely National War Bonds and War Loan. Orders had already been placed for new tugs, barges and any necessary machinery, and they were doing their utmost to reinstate the plant and bring it into an even more efficient state than it was in before the War. All their boats, with one exception, had now been released from requisition by the Admiralty.

The Attitude of Labour

The country had not long since passed through a critical labour crisis and a threatened industrial upheaval which would have completely paralysed the trade of the country at a time when there never was greater need for concentrating every effort in reconstructing and reviving British industries and commerce, so greatly crippled during the War. Fortunately common sense prevailed, and this disaster was avoided. The attitude of Labour must always be a vital factor in trade, and it was essential that good feeling, sympathy, and a proper understanding should exist between both parties. The workman had a right to expect a fair and adequate wage, while in return it was his duty to give his best and most efficient work. By this means could be obtained increased output, the only guarantee of maintaining high wages. During the last few years the trade of the Company had progressed very rapidly, and its sphere of activities had greatly expanded in many directions. Whereas a few years ago their business was more or less confined to the British Isles, it now extended all over the world, and they were continually opening out fresh fields. At the present time they were handling annually about 18,000,000 tons, including a large trade in foreign coal and other goods, of which quantity a large proportion was distributed abroad. In view of the probable diminished output of coal during the coming year, consequent on the shorter working hours granted to the miner, their export trade must necessarily suffer.

Effect of State Control on Industry.

They were, however, doing a very large and increasing trade in American and South African coal, and they might look forward to still further developments during the coming year. It was impossible at the present time to forecast the future of the coal trade. He considered there was grave danger of the enterprise and industry of the nation being sacrificed to State control. A serious responsibility rested with the members of the Commission, for should they decide to recommend nationalisation, it would be followed, step by step, by the control of each industry in turn, and this meant the end of all enterprise and initiative and encouragement to idleness and indifference. Output would disappear, and British power to compete in the world's markets be gone for ever. He hoped common sense would prevail and the country be spared such a fate. Of the available balance of £477,390, the directors proposed to set aside £25,000 to the staff pension fund, bringing it up to a total of £100,000, and they recommended a final dividend of 6%, less income tax, on the Ordinary and Employees' shares ranking for dividend from April 1, 1918, making 10% for the year, less income tax, together with a tax-free bonus of 10%, and a dividend of 5%, less income tax, with a tax-free bonus of 5% on the Ordinary shares ranking for dividend from October 1, 1918. This left £177,153 to be carried forward.

The Chairman, having answered questions, moved the adoption of the report and accounts, which was seconded by the Vice-Chairman (Sir John Duthie, K.B.E.) and unanimously agreed to.

"SANITAS" COMPANY, LIMITED.

THE annual general meeting was held at the offices of the Company on June 13, Mr. C. T. Kingzett, F.I.C., F.C.S. (the Chairman), presiding.

The Secretary (Mr. H. Springbett) read the notice convening the meeting and the auditors' report.

The Chairman observed that, apart from War Office supplies, there had been a considerable expansion of the Company's business, attributable to natural growth and to the association of the Company with Messrs. Lever Brothers, Limited. At the present time great difficulties were being experienced in obtaining adequate supplies of bottles, tins, and other materials, due, it was believed, in large measure to the seriously diminished output of coal available to manufacturers. The net result of the year's trading was a balance to the credit of profit and loss account of £30,455 4s. 7d., and after payment of the dividend on the 9% Cumulative Preference shares of the Company and income tax there was an available balance from which it was proposed to pay a dividend of 9% on the Ordinary shares, leaving a balance of £2,793 15s. to be carried to the next account. The Chairman concluded by moving a resolution to that effect, and expressed the acknowledgments of the board for the excellent services rendered by the Managing Director (Mr. N. F. Kingzett) and the staff.

The resolution was seconded by Mr. R. M. Cunningham and carried unanimously.

The retiring directors (Mr. J. L. Ferguson, Mr. J. L. Buchanan, and Mr. J. Inglis), as also the auditors (Messrs. Williams and Newman), were duly re-elected.

MARSHALLS, LIMITED.

THE sixteenth annual general meeting was held at 6 Austin Friars, E.C. 2, on June 17, Mr. S. J. Passmore presiding.

The Secretary, Mr. W. Ernest Treweek, F.C.I.S., read the notice convening the meeting and the auditors' report.

The Chairman, in moving the adoption of the report, said: The net trade profits for the twelve months, after payment of all expenses and providing for bad debts, amounted to £52,047 14*s.* 1*d.*, to which has to be added the balance brought in from the previous year's accounts, £5,270 14*s.* 11*d.*, making a total of £57,318 9*s.* After making the necessary provision for Debenture interest premium or redemption policies, directors' and auditors' fees, salaries, and commission, &c., there remains a balance of £40,761 4*s.* 9*d.* Out of this we have paid dividends amounting to 1*s.* 6*d.* per share, which absorbed £10,526 5*s.*, leaving a balance of £30,234 19*s.* to carry forward to the current year's accounts, subject to outstanding claims for excess profits duty, the amount of which is not yet agreed. These results will, I am sure, be considered satisfactory by every shareholder, but some of you may think that they are to a certain extent what may be called war profits, and that, as things settle down to peace conditions, prices and profits will contract. As to prices I shall not venture to make a forecast, but the policy of the board of this Company since they took control of its affairs has been one of development and expansion, and so far from any diminution we look forward with confidence to an ever-growing volume of business in our existing departments, and the addition of many new sources of revenue. It is obvious from the figures of the balance sheet that our nominal capital in no way represents the magnitude of the business as it at present exists, and one of the first tasks that lies before your board is the reconstruction of our capital account, with a view to bringing the nominal value of the shares more in proximity to their real value. This matter has been for a considerable time receiving our attention, and we hope to lay proposals before you at an early date. At the same time, satisfactory as the results of our trading have been, the growth of our business has been such as to clearly indicate the necessity for additional capital, if we are to do full justice to the potentialities which lie before us, and I am glad to be able to tell the shareholders that the directors hope shortly to complete arrangements as a result of which the additional capital will be found on advantageous terms to the Company. This new capital should not only be assured of a satisfactory return, but should enhance the value of the capital already in the business, and will enable the Company to carry out considerable extensions in its various branches. Since the last general meeting we have acquired the freehold of large additional premises adjacent



to our Leeds establishment, and it is proposed to reconstruct the buildings at Leeds, which, when completed, will, your directors consider, be the finest drapery stores in the provinces. Our business at Scarborough has developed beyond all expectations during the past year.

Mr. G. H. Waite seconded the motion.

The report was unanimously adopted and the proceedings then terminated.

AFRICAN ASSOCIATION, LIMITED.

Alteration in Articles of Association.

An extraordinary general meeting of African Association, Limited, was held on June 16, at the Law Association Rooms, Cook Street, Liverpool, when resolutions were unanimously adopted by the shareholders altering the articles of association and changing the name of the Company to African and Eastern Corporation, Limited. Mr. H. Cotterell (chairman of directors) presided, and the other directors present were Messrs. Mazzini Stuart, E. A. Beasley, T. Rowland Hughes, W. Nicholl, and J. Tunnicliffe.

The Chairman, after explaining to the shareholders the alterations in the articles of association for the reconstitution of the board necessary for the amalgamation, said that six of the directors were already well known, while the remaining six names were directors of the three companies with which the amalgamation was being made. It had been felt for some time that the name African Association, Limited, had not been quite a proper name for a trading company, and in practical working it had led to inconvenience on many occasions. As the reconstituted Company had the intention of extending its sphere beyond the West Coast of Africa, it had been thought advisable to adopt a name which would better indicate the extended sphere of contemplated operations in the future. The attention of the Company had been directed to prospective openings in East Africa, which, it was hoped, would be taken up in due course, and there had also been attractive propositions submitted to the Company in connection with trade in the territories of Syria and Mesopotamia, which it was anticipated would in the future be under British control. The Company intends to take full advantage of these, as it was felt that they were in the best position for purchasing and supplying goods at the lowest possible price, and also for dealing with the products imported. It had, therefore, after full consideration, been decided to alter the name of the Company to African and Eastern Corporation, Limited.

Proposed Increase of Capital.

A confirmatory meeting would be called to sanction an increase of the capital of the Company to £10,000,000 sterling, and to provide a substantial margin of unissued capital to meet the many attractive openings for development in the future. The total capital employed at the present time in the businesses of the four companies amounted to about £6,000,000 sterling. The four companies had been for many years jointly interested in various businesses connected with their trade, all of which had been successful. On a recent occasion it was reported to them that their Company, in conjunction with their friends, had purchased the business of Messrs. A. J. Caley and Son, of Norwich, which supplied them with mineral waters for export to West Africa, and in return received cocoa from them for the manufacture of chocolate. Messrs. Caley had declared a dividend of 40% for last year's working. That was only one of many developments of the Company's business which have been incorporated with their own. They had it in contemplation to do the same kind of business with the palm kernels they imported in such large quantities, and believed they could do it successfully even in competition with those manufacturing firms who were now importing their own raw materials for their own industries. Other developments, of which it would be too premature to speak, were under negotiation, which, when completed, would still further consolidate the interests of the Company.

The Chairman, in reply to questions from shareholders, said that African and Eastern was sufficiently comprehensive to allow them to go anywhere. African Association as it was would also enable them to go anywhere, but they felt that there was some inconvenience in being called an association; there was a Corn Trade Association, a Stock Exchange Association, and they were not taken as a limited liability company in the full sense of a trading company. So far as sentiment was concerned, he would have preferred that African Association could have remained. In the total capital of about £6,000,000, African Association had about 2½ millions. The African Association business was over a much larger area than the others, and they hoped to further extend with the assistance of their friends.

The Chairman then formally moved the alteration in the articles of association and the change in the name of the Company.

Mr. Mazzini Stuart formally seconded, and the two resolutions were unanimously adopted.

A vote of thanks and confidence to the Chairman was carried by acclamation, on the proposition of Mr. G. D. Killey, seconded by Mr. W. M. Mitchell.

MONGU (NIGERIA) TIN MINES, LIMITED.

The fifth ordinary general meeting was held on June 17, at Winchester House, Old Broad Street, E.C., Mr. W. F. Turner (Chairman of the Company) presiding.

The Secretary (Mr. Alfred W. Berry) having read the notice convening the meeting and the report of the auditor,

The Chairman said: Gentlemen,—At our meeting last year, speaking of the accounts for the year 1917, I said that they had three main features—substantially increased profits, a slightly increased dividend, and the advent of the excess profits duty. These are also the main features of the accounts for the year 1918, which we are submitting to-day, with this qualification, that in the year 1918 we are feeling the full weight of the excess profits duty. If you will look at the profit and loss account you will see that the surplus brought forward from the year 1917 proved to be £6,684, which is about £2,000 more than we had anticipated owing to our having over-estimated the liability for excess profits duty. The amount at the credit of profit and loss in respect of tin concentrate realised is £109,030, an increase of about £24,800, and there is also an increase of about £1,100 in the interest received. On the other hand, the Nigerian expenditure, including royalties, shows an increase of a little over £8,000. The London expenditure is practically unchanged, and we have contributed £170 to the Nigerian Red Cross Fund, a similar amount having been subscribed by the staff in Nigeria. Last year, as you may remember, we wrote off the balance of the expenditure in prospecting the property to December 31, 1914, which was, in round figures, £4,000, and also the balance of preliminary expenses, £199; consequently, there is no such charge in the accounts for this year. The depreciation written off is £1,920, against £1,771 in the previous year. The balance carried to the balance sheet, subject to income tax and excess profits duty, is £65,472. It is interesting to recall that the balance of the profit and loss account at December 31, 1916, was £21,566; the figure at December 31, 1917, was £42,222, and the figure before us is £66,472, which, I think you will agree, is a highly gratifying rate of progress.

The Balance Sheet.

As regards the balance sheet, the creditors, £5,712, are about the same figure as last year. The cash last year was nearly £22,000. This time the cash and National War Bonds together are over £51,000. The debtors show an increase of about £1,000. The tin concentrate in stock or in transit is £10,660, as compared with £21,000 last year. The explanation of this is that at December 31, 1917, we had an unusually large stock owing to circumstances which were beyond our control; it amounted to 283 tons, whilst the stock at December 31 last was 164 tons, which I think may be taken to be about the normal figure. Let me remind you once more at this point that, unlike most of the Nigerian companies, we take the stock into our balance sheet, not at its realised or estimated realisable value, but at cost price. On this occasion it is £65 per ton, and, if you are comparing our accounts with those of any other Nigerian company, you must bear that in mind in order to arrive at a true comparison. Our mining rights in Nigeria stand at the same figure as before, £92,488. You will see that we have written off £1,500 this time from the dredge account, as against £750 on the last occasion, thus reducing that asset to £5,733. We have thought it right with the results before us to deal liberally with this matter of depreciation, and I hope we shall continue to do so. The item for buildings and plant, £3,787, is practically the same as last year, the amount of depreciation written off being about the same as the additions during the year. The stores on hand and in transit show an increase of nearly £3,000, owing chiefly to certain additions to the dressing plant having been on the way at that date.

Allocation of Profits.

On the other side of the account the share capital is, of course, unchanged. The credit to the profit and loss account is £66,472. Deducting the interim dividend of 12½%, less income tax, which was paid on November 15, 1918, and income tax paid to April 5, 1918, amounting to £2,626, there remains a balance of £53,590. We propose to declare a balance dividend of 12½%, less income tax, payable to-morrow, which will make a dividend for the year of 25% less income tax. This requires £10,255, thus leaving a balance of £43,335. Out of this £4,766 will go to the Inland Revenue for balance of income tax for the year, and, in round figures, £30,000 for excess profits duty, which will leave us about £8,300 of surplus profit to be carried forward to next year. You will notice that the claim for excess profits duty has gone up from £14,526 in 1917 to £30,000 in 1918, an increase of over 100%. The upshot of the matter, in round figures, is this—that of the £66,472 shown to the credit of the profit and loss account the shareholders get £20,512, being a dividend of 25%, less tax, the Inland Revenue gets about £7,400 in the shape of income tax and £30,000 in the shape of excess profits duty, and we remain with about £8,300 to be carried forward to the next account. The Inland Revenue gets 57%, and the Company remains with 43% of the profit of the year.

The directors' report states that the output of dressed tin concentrate for the year 1918 amounted to 476 tons. Of this

299 tons were obtained by sluicing and calabashing and 177 by dredging. There is, therefore, a reduction of 95 tons compared with the preceding year. This, however, will not have occasioned any surprise, because in dealing with the prospects for the year at the last general meeting it was pointed out to you that the output for the first five months had shown a reduction of 58 tons, and the causes of that reduction were fully explained. Generally speaking, the reduction was due to scarcity of labour and to the operations having included the dealing with low grade ground not previously included in the reserves. The output for the first five months of this year is 245 tons, which is an increase of 45 tons over the output for the five corresponding months of last year, notwithstanding the scarcity of labour which has prevailed.

Mining Leases.

The next paragraph states that during the year nine new mining rights had been acquired, covering a length of 8 miles 600 yards of tributaries of the Mongu River. There is one matter to be mentioned which is not referred to in the report, and that is that we have made an arrangement with the Niger Company by which we have taken over the working of six mining leases, having an approximate area of 603 acres, covering a total river length of about four miles. The property is down-river from, and immediately adjoins, our mining lease No. 34, and is bounded at its lower end by mining leases held by the Niger Company. We are not able to say anything definite as to the value of these leases, but, so far as we know, the values will lie chiefly, if not entirely, in the river bed. We have undertaken the working upon a royalty basis, which is satisfactory to both parties. Nothing could be done last dry season owing to the scarcity of labour, but we hope to be able to make a start with it next dry season. Such, in brief, is the history of the year, but there are one or two observations which may be added. With the high price of tin an excellent opportunity presented itself for dealing with low-grade ground which had not hitherto been included in the ore reserves. The Manager was quick to take advantage of this opportunity, and the result was that a considerable proportion of the output of the year was won, either by tributing, or sluicing, or dredging, from ground which hitherto had not been regarded as payable. The effect of this is, of course, to add to the life of the mine. Then as to the prospecting of our leases, the Manager writes that, owing to the shortage of native labour and of white supervision, he had only been able to do a little drilling. Such prospecting by drilling as it was possible to carry out was practically confined to boring the margins of the present working areas, so that if new discoveries were made they could be at once incorporated in the working which was in progress. The result of this work was that about 100 tons of additional concentrate were located. The Manager states that, in his opinion, we may confidently look forward to substantial additions to the ore reserves as soon as it is possible to increase our efforts in the prospecting department. He states that the four square miles exclusive prospecting licence which was taken out in the year 1917 was only partially prospected. A new mining lease with an area of about 68 acres had been obtained, and up to the present 80 tons of tin concentrate had been located. He states also that some holes had recently been drilled adjoining certain flats at the top of one of the leases and that the results were very encouraging, and it was very probable that some useful additions to the ore reserves on that section would shortly be located. Taking these statements together that during 1918 we had been recovering tin from ground which formerly had not been regarded as payable, that where prospecting has been done the results have been almost uniformly satisfactory, that there still is a great deal of ground to be tested, and that from the outset the yield of the ground treated has exceeded the estimates—I think we may safely take it that the life of this property is going to prove considerably longer than was originally expected. So far our anticipations have been much more than fulfilled.

The Outlook.

The Company's affairs in Nigeria have been very successfully administered by our Manager, Mr. Powis, who points out that, with the shortage of staff, owing to the War, a great deal of extra work had fallen on his assistants at the mine, and he draws attention to the cheerful way in which these extra duties had been performed. Now, as regards the current year, you all know that the price of tin is considerably lower than it was this time last year, the average price for the last five months being lower than for the same period last year. That, of course, is bound to have a marked effect upon our earnings. On the other hand, there are several favourable factors to be taken into account. The first is, that we are carrying forward the substantial sum of over £8,000, which, in itself, is equal to a 7% dividend; the output for the first five months of this year, as I have already told you, shows an increase of 45 tons, or almost 25% over the same period of last year; and the excess profits duty for the current year will be at the rate of 40%, as against 80% for the year past. Having regard to the proved value of our property and the efficiency of its management we may, I think, look forward to an entirely satisfactory result of the current year's working. (Applause.) I will now move: "That the directors' report and accounts for the year ended December 31, 1918, be and they are hereby received and adopted, and that the balance dividend of 12½%, less income tax, making 25% for the year, less income tax, recommended by the board, be and it is hereby declared payable on the 18th instant."

Mr. Oliver Wethered seconded the motion, which was carried unanimously.

On the motion of the Chairman, seconded by Mr. Wethered, the retiring director, Sir Edwin H. Dunning, was unanimously re-elected; and on the motion of the Chairman, seconded by Sir Edwin Dunning, the election to the board of Mr. Alfred W. Berry was unanimously confirmed.

On the proposition of Mr. J. Dixon, seconded by Mr. A. Weston, the auditor, Mr. Ralph M. Everett, was re-appointed.

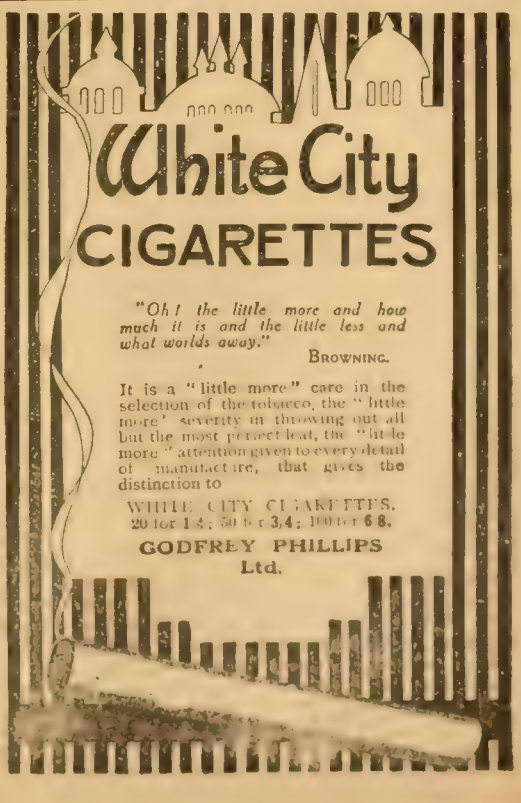
The proceedings then terminated.

EX-LANDS NIGERIA, LIMITED.

THE seventh ordinary general meeting was held on June 18, at Salisbury House, London Wall, E.C., Mr. H. G. Latilla (Chairman of the Company) presiding.

Mr. J. M. Mackay (Manager and Secretary), having read the notice convening the meeting and the report of the auditors,

The Chairman said: The only item in the balance sheet that I might draw your attention to is sundry creditors, which is higher than last year. This is accounted for by the provision for excess profits duty, &c., for 1917 and 1918. With regard to the profit and loss account, the expenditure in Nigeria is some £422 greater than last year, which we do not think excessive in view of the trying year we have gone through. The London expenditure is about £200 more than last year, which also we do not think excessive. We are, of course, carefully watching expenditure, and you may rest assured we do not pay away more than we can possibly help. You will observe that we have not written off so much this year for depreciation. The amount written off is based on the advice of our manager in Nigeria, and we thing it sufficient. The revenue side of the account is less than last year; for, although we realised more for our concentrates on the market this year, the decreased output of 342 tons, as against 375 last year, accounts for the difference, and has also naturally increased our working costs per ton. I am sorry to say that we are only able to pay you a total dividend of 12½ per cent. for 1918, as against 20 per cent. for 1917, but you will remember I pointed out to you last year that the excess profits duty takes a considerable portion of our income. We now have an assurance from the makers of our engines that they will be ready about the end of this month, and every endeavour will be made to ship the two engines from Liverpool on July 9, so that when these are installed we hope to see a steady output of 50 tons per month. Further, and lastly, I am pleased to tell you that our consulting engineer, Mr. H. F. Hueston, whom I think you all know pretty well, advises us that, in spite of all the tin won from the property since 1914, the estimated tonnage then still remains to be recovered. You will, therefore, appreciate that if I am at all optimistic I have some foundation for being so. I think, gentlemen, I have pretty well given you full information on the position of the Company, but, of course,



I shall be very pleased to give any further information any shareholder may wish. The Chairman concluded by moving the adoption of the report and accounts.

Mr. Thomas Piercy seconded the motion, which was carried unanimously, and the meeting closed with a hearty vote of thanks to the Chairman, the directors, and the staff in Nigeria.

THE CENTRAL MINING AND INVESTMENT CORPORATION, LIMITED.

THE fourteenth ordinary general meeting of this Corporation was held, on June 19, in the Board Room, at No. 1 London Wall Buildings, E.C., Sir Lionel Phillips, Bart., presiding.

The Secretary (Mr. J. L. Siddall), having read the notice convening the meeting, and also the auditors' report,

The Chairman addressed the meeting as follows: Gentlemen, I opened my address last year with a reference to the War, which, apart from the sacrifice of human life, was entailing such appalling material destruction. This year, happily, we all hope that we have passed the stage of active conflict, but the restoration of normal conditions, the resuscitation of industry and the creation of new wealth to replace the expended accumulated savings, and to meet the liabilities entailed, now face us. Unfortunately, it appears to be still necessary for the country to borrow, and, so long as the distribution of borrowed funds continues, the false picture of prosperity, especially in the minds of the less instructed, must prevail, and the nation will not be alive to the true situation. Money abounds and the unthinking are led to suppose that the State can create wealth by making use of its credit. Production is the sole foundation of wealth, and production upon the requisite scale can only be secured by settled conditions. Capital is naturally shy in the face of an indefinite Government policy and continuous labour unrest. The point which it is necessary to bring home to everyone is that we have not only sold some of our assets and pledged others, but we have also pledged the earnings of the future. A homely illustration will serve the purpose. Let us take the case of an individual earning a modest competency by his labour who possesses a small furnished house. Tired of a humdrum existence, he borrows a given sum upon the house and furniture and spends it recklessly. Having enjoyed a period of temporary opulence, he would be faced with a debt upon his possessions and no increase of revenue with which to meet it. Perhaps, in conformity with the times, his salary might have been raised, but the rise in the cost of living would counterbalance that. This is, unfortunately, the national situation, forced upon us by war. The restoration of our position can alone be accomplished by the adoption and enforcement of a wise policy, and by the individual being industrious in his work and economical in his expenditure. Pardon me for starting upon this keynote, but I do it advisedly, because, if the nation is to recover, this lesson should be carried to the mind of the rich and the poor alike It is constantly with me and my colleagues in considering your affairs. (Hear, hear.)

The Balance Sheet.

During the past year we have felt able to take a rather more active part in enterprise than we had considered prudent before, but we have maintained the same anxious care in the valuation of assets that has guided us in recent years. The capital remains unchanged. Liability to creditors in 1917 was £3,498,000, and in 1918 it was £2,985,000, showing a decrease of £513,000. Amounts on hand from South African companies on fixed deposit or current accounts are shown separately this year, and, since its close, a portion has been withdrawn by these companies for the purpose of investment on their own account in British Government securities. This method will be adhered to as long as short-dated securities like Treasury Bills, Exchequer Bonds, and National War Bonds are available. Contingent liabilities in 1917 were £178,000 and in 1918 £469,000, the increase of £291,000 being mainly due to liability on uncalled capital of the British Metal Corporation, West Springs, and our agreement to finance capital expenditure of the Trinidad leaseholds until the issue of new shares by that Company. On the credit side of the balance sheet we have made an alteration in presenting assets due to spreading interests on a broader basis, and with a view to affording more explicit information to shareholders. Cash, loans and debtors in 1917 amounted to £1,160,000 and in 1918 to £1,256,000, being an increase of £96,000. Government and other readily realisable securities in 1917 amounted to £2,724,000 and in 1918 to £2,285,000. The decrease of £439,000 is explained by repayments of amounts due to creditors. The chief alterations in the composition of these assets are the exchange of War Loan into War Bonds and of French War Loan into French Treasury Bills. Holdings in enemy countries and cash claims, heavily written down in 1916, are unaltered, no credit having been taken for interest or coupons for the whole period of the War. It is hoped that by the time of the next meeting the liquidation of these assets will at least have begun. (Hear, hear.) By far the larger portion of our gold mining interests are dividend paying. In view of present working conditions, and the elimination of tonnages hitherto considered payable, with correspondingly reduced lives, a very severe valuation has been applied to these holdings, but, before speaking upon them, I will refer to a few other items.

The Diamond Industry.

With regard to diamonds, the interest in De Beers shares, to which additions were made last year, has been substantially increased since the close of the year. Diamond-producing companies generally are doing very well. A Bill is now before the Union Parliament, having for its object the setting up of a diamond-cutting industry in South Africa. I quite appreciate the desire to establish such an industry in the country that practically has a monopoly of the production of the raw material, but I may venture to point out that the trade in both uncut and cut diamonds is of a special and very complicated nature. The trade has been built up during the last half century in Amsterdam, Antwerp and New York, which are to-day, with London, the recognised centres of the business in this article of luxury, and I think I may suggest to the South African Government that it would be wise to proceed cautiously in order that the effects may be clearly ascertained before any commitments are entered into. The success of the diamond industry has been due mainly to the control of the output and the arrangements for its sale. Any interference would, I fear, have a tendency to unsettle the trade and might adversely affect the contributions of the industry to the South African Exchequer.

Important Interests Acquired.

During the year the Corporation has acquired an important interest in Messrs. Williams, Foster and Co., and Pascoe, Grenfell and Sons, Limited, and in the British Metal Corporation, Limited. These investments have brought us into rather a new sphere of industry, the prospects of which are, we think, quite favourable. We have also interested ourselves to a less important extent in other metal and mineral projects, and in this connection I might mention the Rhodesia Broken Hill Company. A careful examination of the property of this Company has been made by our expert advisers, and favourable results have been obtained from the bore-hole prospecting work carried out by us. Similar work is being continued by the Company with satisfactory indications. The investment in the accounts now before you represents only a small sum, as the reserve shares were taken up by us only during the present year. Other mineral interests of the same kind I need hardly refer to here. Our holding in Trinidad Leaseholds is a very substantial one and will be further augmented by the shares we shall take up in the new issue. The Company has decided to enlarge the scale of its operations by opening up further fields. The prospects of this enterprise are very encouraging; in fact, the outlook for producers generally is excellent, and the growth of the demand for oil in its various forms is one of the industrial features of the times. The development, for instance, of its use as fuel for steam-raising and for internal-combustion engines is proceeding rapidly, especially for marine purposes, and will no doubt expand to an even greater extent when bunkering facilities for these classes of oil are extended to such a degree that ships can rely upon obtaining satisfactory supplies in all parts of the world. In this connection it is to be remembered that the Island of Trinidad occupies a most advantageous geographical position. In 1900 the world's production of crude petroleum amounted to 150,000,000 barrels, or a little over 21,000,000 tons. In 1916 it was about 65,000,000 tons, and the tendency is still upward. There is an immense future for the oil industry. (Hear, hear.) With regard to industrial concerns in South Africa, we are interested, among other undertakings, in Pretoria Portland Cement Company, Hume Pipe Company and the Industrial Development Company (now absorbed by the National Industrial Corporation of South Africa, Limited). Other purchases of industrial securities have since been partially or entirely realised. Our holding in Transvaal Consolidated Land Company's shares was increased last year and has again been added to this year owing to the satisfactory position and prospects of the Company. Our holding in Sudan Plantations has been reduced during the present year at satisfactory prices. Sundry holdings include our interest in the Corner House, Johannesburg, certain properties in Delagoa Bay, and an area in Mexico City; together they do not represent a large sum in our balance sheet, but they have withal a fair prospective value.

The Profit and Loss Account.

Our profit and loss account shows a net profit of £397,000, as compared with £349,000 for 1917. Income from dividends and interest was formerly shown separately from profit upon share dealings and other sources. This year only one item is shown. In view of the provision for amortisation of wasting assets, it is difficult to assess the proper proportions between the separate sources of revenue, and, instead of making an arbitrary division in writing off, we decided to give only one profit figure which bears the whole of the amortisation and depreciation of the year. We have raised the reserve fund to £450,000, and the carry forward has been increased from £100,000 to £124,000. You will see that the board recommends a final dividend of 2s. per share, making a total dividend of 10s. for 1918. I am hoping that

we shall not have to go back from the higher standard which we are now adopting. (Hear, hear.) The board also recommends the setting aside of £10,000, with a view to creating a benefit fund for employees. (Hear, hear.) Although we have for some years past desired to bring this project before you for approval, it was not until this year that we felt able to take a definite step forward. I think it will be necessary to ask you over the next year or two for further contributions, perhaps in all to the extent of double the amount now proposed, in order to place the fund on a sound actuarial basis. This fund, of course, will finally rest upon equal annual contributions by the employees and the Company, and rules for its management are now under consideration.

The Gold Mining Industry.

I shall now turn to the gold-mining industry. The value of the ore reserves of the companies in which we are interested has increased by 11*d.* per ton. This increase is due as to 2½*d.* per ton to the exclusion of lower-grade blocks, which total 850,000 tons, and the remaining 8½*d.* per ton to higher-grade development, probably due to the closer selection of areas in which development has been prosecuted, and in some measure to increase of value on re-estimation of reserves, notably in the City Deep. Development rock going to the mills constitues 4.3% of the total tons crushed; reclamation work varies within wide limits according to the conditions obtaining on each individual mine, and the reserves are proportionately increased by the tonnage drawn from this source. In 1917 the taxes were 12.2% of the profit remaining after all current expenses had been met. In 1918 they had increased to 13.8%, in addition to which there is contingent liability equivalent to 3½% of the available profit on account of the provincial gold tax, making a total liability for the year of about 17½% of the available profits. With regard to the provincial gold tax, as the matter is still *sub judice*, I will not dilate upon it, but this reference impels me to utter a word of warning on the subject of the burdens which are continually being placed upon the gold-mining industry. (Hear, hear.) Owing to the War and other circumstances, many of the mines are being worked without profit. Scant sympathy for their parlous state has been shown, and before long I fear irrevocable consequences will manifest themselves.

Bantjes Consolidated Mines.—Owing to the rise in working costs, operations could not be continued without heavy loss. The mine was therefore shut down in November last. A departmental inquiry by the Government Mining Engineer into the circumstances under which the mine ceased working supported the policy of the Company in conserving its resources for the time when it may be hoped more favourable working conditions will prevail. Meanwhile, a satisfactory arrangement was come to with the adjoining Company, the Consolidated Main Reef Mines and Estate, Limited, whereby that Company is driving into the deeper ground of the Bantjes property, in order to test its value.

City Deep.—This mine fully maintained its tonnage of ore reserves—2,916,000 in 1917, 3,036,000 in 1918—and increased their value from 38.6*s.* per ton in 1917 to 40.3*s.* in 1918. This is chiefly due to the re-estimation above noted. The deepest portion of the mine continues to give good values, and the outlook is satisfactory. Good progress is being made in the southern shaft.

Crown Mines.—No. 15 circular shaft established a record in December 1918 by sinking 279 feet in one month. The values in the western section continue good on both sides of the dyke. On the south side rises have been put up from the 19th level cross-cut which have exposed the Main Reef Leader over a distance of about 130 feet, the value being 14.7 dwt. over a width of 40 inches. The South Reef has been exposed for about 40 feet, the value being 32.5 dwt. over a width of 18 inches. Both of these exposures are considerably higher than the average of the reserves in the mine, and the results are distinctly promising.

Durban Roodepoort Deep.—The general condition of the underground workings has been much improved, and better results are hoped for, given an adequate labour supply.

East Rand Proprietary Mines.—The War has been disastrous for this Company, and the situation, as I described it last year, has not changed materially, although the life of the property may somewhat exceed previous anticipations. The Company has 2,000,000 tons of 26.9*s.* value, equal to 1.4 year's development ahead of the mill.

Modderfontein B.—In the south-east portion of the property, hitherto unexplored, a drive has been extended from the Geduld workings 355 feet into those of the Modderfontein B, and at March 31 this drive had exposed reef averaging 18.8 dwt. over 52.7 inches. A circular shaft is being started to explore the south-eastern area.

Modderfontein East.—The reef is now opened up in all three shafts. There has been a gratifying increase of tonnage and value of the ore reserves in the Cloverfield section during the current year. The present total is 600,000 tons of 34.9 shillings. The cash resources of the Company having become exhausted, a scheme was adopted last month to issue up to £500,000 6% Debentures. In the first instance the sum of £200,000 is thus being raised. The Debentures, which are being offered to shareholders at par, are redeemable on July 31, 1921, at £105. Alternatively, holders have the right to convert on or before that date into shares at par, such shares to be created for the purpose. Any Debentures not applied for by shareholders will be taken up by this Corporation and those associated with us in the business.

New Modderfontein.—This mine has a crushing capacity of 100,000 tons per month, which they are utilising to the extent of from 82,000 to 88,000 tons per month. The geographical position of the property is such that the value of the undeveloped area is of unusual certainty, and the position generally has never been so favourable. This is reflected in recent dividend declarations.

Village Deep.—The values disclosed in the deepest workings are satisfactory, but the general conditions remain much as I described them last year.

Labour Conditions in South Africa.

Some points in connection with the development of South Africa in general and the gold-mining industry in particular should, I think, be referred to on this occasion. The most important is that of native labour. A certain amount of unrest unquestionably exists amongst the native labourers. The example set by the frequent demands of the white miners and artisans for shorter hours, higher pay, and other advantages, is gradually spreading to the native workmen. Serious consequences may be expected to follow in time, possibly quite different from those which the white agitators, who are stirring up the native mind, are able to forsee. In the Transvaal Province of the Union the white man enjoys a singularly protected position. The miners are not in the habit of doing the work they are accustomed to do elsewhere, but are, indeed, mostly skilled overseers. The sphere of the natives is circumscribed, and branches of the work which their training would enable many of them to fill are closed against them by a regulation commonly known as the Colour Bar. I believe the restrictions thus imposed upon the native are unjust to him, and, in the long run, will prove disadvantageous to the white working classes. It may, I think, be stated as a proved fact that the skilled white man who puts his heart into his job is very much superior to the skilled coloured or black man, because he is more intelligent; but, of course, if he has to face the competition of inferior races, he has got to be in reality a skilled tradesman and must use his energy and intelligence. Is it conceivable, in a country with millions of aboriginal inhabitants, that they can be perpetually debarred from entering skilled occupations, when, in the course of their unskilled work, they acquire a certain measure of proficiency in the branches requiring greater skill? —(Hear, hear). That the white man of to-day should cling tenaciously to the immediate advantages provided by the law is not in the least unnatural, but that there should be any considerable body of opinion which fails to appreciate the direction in which these artificial restrictions are leading is surprising. In South Africa, of course, all questions that touch the relations between the white man and the coloured or black man are of a burning order, and those with the greatest experience approach them with hesitation and diffidence. I have studied them most of my life, and, in giving expression to any opinion, always try to take the long view unbiased by immediate considerations. For many years now there has been a controversy as to how far the development of the country and the increase of its white population is furthered or retarded by the recruiting of black labour outside the borders of the Union, Having had a practical association with labour conditions in South Africa now for the best part of half a century, I am convinced, and I believe it is proved, that the development of the country would be enormously restricted if the services not only of the adult natives of the Union but the assistance of those brought from beyond its borders were not employed. There used to be a contention that the provision of an adequate supply of black labour decreased the number of whites employed. It is, of course, a seductive doctrine which makes an appeal to the sentiment of any white man, but it is an erroneous doctrine withal. A shortness of native labour in the mines never has induced white men to supplement the deficiency.

Native Labour.

The critical situation of to-day as to output at the mines is due mainly to there being an insufficient supply of native labour, though it would not be right to ignore the serious epidemic of influenza, or the abnormal floods as contributory causes during the year under review. The effect will be apparent when I tell you that the ore treated in 1918 by the companies with which we are connected only represented 71% of the available capacity of the plants. In 1915, 92% was treated; in 1916, 91%; and in 1917, 81%. There is, as a consequence of this position of affairs, not only a decided increase in working costs per ton of ore milled, but decreased employment for white men, and a far smaller distribution of wealth throughout the country, owing to lesser demand for the commodities which the mines require. Natives, moreover, spend a proportion of their earnings among the traders. At one time the deficiency was made good by the importation of Chinese, with great advantage to the mines; but political considerations ended that source of labour supply. An attempt was made to supply the labour shortage caused by the repatriation of the Chinese by bringing down

natives from the tropical areas. Unfortunately, the death rate from pneumonia was so high that this source of labour supply was rightly abolished. Since those days, however, great progress has been made in combating the disease, which proved fatal to a very large proportion of the natives from the tropics, and which was in addition a very serious source of mortality among the natives of the Union. Sir Almroth Wright was invited by the mining industry to study the problem, and he prepared a vaccine which produced some relief, though not of a very striking character. His study, however, pointed to the further research that was carried on by Dr. Lister, who, as far as the natives south of latitude 22° S. are concerned, has practically conquered this terrible disease. It was suggested last year, in view of Dr. Lister's success, that an experiment should again be made with a smaller number of natives from latitudes north of 22° South, with a view to discovering whether, under the new treatment, men from those regions could be safely employed. The advocates of restricted native employment opposed the proposal, and it was abandoned, much to the regret of those who believe that it might have been successful and would have solved the chief difficulty from which not only the mining industry, but all the other budding industries of the country suffer. South Africa will never make the progress of which it is capable until the labour question is tackled upon its merits. (Hear, hear.) The poor white problem, as it is called in South Africa, would, I conceive, be brought much nearer a solution by the energetic development of every source of potential wealth and work than by indulging in the visionary theory that the restriction of native labour enlarges the sphere of labour for white men. I am conscious of not having said anything new upon this subject to-day, but, in view of the outlook, considered it right to take you over the ground anew.

The Inchcape Committee.

Before I close you will no doubt expect me to say something about the price obtained for the gold output. You will, I assume, have seen the Report of the Inchcape Committee and the reply of the gold producers. That the industry has suffered very serious losses owing to the inadequate value received for its product during the War is incontestable, and, in that respect, I think the report of the Committee did not deal with the case fairly on its merits. (Hear, hear.) It is quite true that, but for the British Navy, the mining industry would have had to close down, but, given that shipping had been available, a greater value could have been obtained for the product than that received. I am not oblivious of difficulties in assessing the amount that might fairly have been allowed had it been determined to give the full benefit of value to the producers, because a portion of the higher price that could have been obtained was due to the condition of the exchanges, and a portion to the currency depreciation. I think the Committee was wrong in saying that we had no case, although everyone could have sympathised with the view that it was difficult to find an equitable adjustment and that, on the ground, gold producers must rank with others who had suffered owing to the War. I am more than hopeful that arrangements will be come to at no distant date by which it will be possible to ship the gold to England as hitherto, and, at the same time, obtain for the produce its full value. (Hear, hear.)

It is too early yet to indulge in predictions as to the operations of your Corporation during the present year, but I may say that our transactions to date lead me to expect satisfactory results.

Before sitting down, may I pay a tribute to my colleagues both here and in South Africa for the active and loyal support that I have received at their hands, and, at the same time, offer testimony to the good work done by the managers and staff generally, both in this country and in South Africa, during the past year. It is only those in direct contact with large businesses who become familiar with the inexhaustible field for their labour.

I beg to move: "That the report and accounts for the year ended December 31, 1918, as printed and circulated among the shareholders, be and they are hereby received, approved, and adopted; and that the payment of a final dividend of 2*s.* per share, free of income tax, making a total dividend of 10*s.* per share, free of income tax, for the year ended December 31, 1918, be and the same is hereby sanctioned." (Applause.)

Strong Position of the Corporation.

Major Raymond W. Ffennell, in seconding the Resolution, said: It will be evident to shareholders from the printed reports and from your speech, sir, that the Corporation is in a strong position. Its oil interests have proved a valuable asset, and there is no reason why its activities should be restricted to Trinidad or any other oilfield. The interest acquired in the British Metal Corporation will appeal to our shareholders, who will also be pleased that our Chairman accepted a seat on the board. The increase of our Corporation's holding in South African diamond shares at favourable prices is a matter for congratulation; and the policy of maintaining and strengthening our interests in the best portion of the Far Eastern Rand must meet with the approval of those who are acquainted with recent developments of gold mining in South Africa. Perhaps I may be permitted to say, as one who has been absent for some years, that I entirely sympathise with my colleagues in the policy pursued, which has been cautious without lacking enterprise. The general financial and political outlook calls for care—more care perhaps than the public is willing to bestow after the long and heavy strain of the War. The War expenditure of Great Britain, estimated at just over 8,000 millions at the end of 1918, was, as far as we know about equal to the War expenditure of Germany, but we forget sometimes that as Germany's population is nearly 50 per cent. bigger than ours, our war expenditure per head of population is in consequence about 50 per cent. greater than that of Germany. (Hear, hear.) The figures indicate the stupendous nature of the efforts made by Great Britain during the War, apart from the efforts of the Oversea Dominions. We do not know yet what indemnities Germany will have to pay, nor do we know how much of such indemnities this country is likely to receive. We have, unforunately, no great reason to have confidence that much will come to us, and in the end the War expenditure of Great Britain may prove to be as heavy a burden to its victorious people as the total German war cost, including all indemnities, to the guilty and defeated Germans. That is, I fear, a not unlikely prospect. We have seen in the papers quite recently that a prominent American banker on his return from Europe made the suggestion that America might remit the loans made by her to France and Great Britain. The suggestion was apparently not received with favour in the States. (A voice: "Nor here.") It is a vast complex question, which cannot be dealt with adequately in a few words. I will only say that I believe that consideration might well be given to a scheme which has for its object the simplification of the mutual external debts of all the Allied Powers. The benefit conferred on Europe by an arrangement on these lines would be inestimable. A source of infinite difficulty, trouble, and possibly friction in future years would have been removed, and a League of Nations, if formed, would at least rest upon a sounder financial basis. How far America would deem it in her interest to meet such a situation is obviously a matter for her consideration and decision.

Looking at the position from within, we all know that the working classes here as a whole do not understand the true financial condition of the country. They have witnessed much reckless expenditure, they see paper circulating freely and many people with money who did not possess it before the War. The War, they think, not unnaturally, has enriched the country, and they must have their share. Sir, if this view is largely false, if economy, national efficiency, and production on a large scale are vital to the very existence of this country, if great national loans have to be raised and financial sacrifices made, will not the people respond most readily and most cheerfully if the truth is clearly impressed on their minds? The State itself can do a vast amount in educating the people and in setting a good example. Much has been done, for instance, during the War by the War Savings Committee to encourage thrift, and the result has been promising on a small scale; but infinitely more can be done in many ways, beginning with the education of the child at school. What would it mean to this country if the masses, who are now earning better wages, were prudent and economical as they are in France, and if they had a tangible stake in the material welfare of the land? It would be a great revolution in the best sense of the word; and it could, I believe, be effected comparatively soon if the State will realise what is at stake and will act with commonsense and vigour.

I heard a well-known Canadian suggest the other day that moving pictures of the work now being done at Japanese mills and factories would give Lancashire some idea of the reality of fresh outside competition that has arisen. Such propaganda work by means of the cinema might be multiplied a hundred-fold in an attractive way; the object lessons would not be misread, and the cost to the State would be almost nothing.

I have ventured to say that the Government can do much by example. It can do much by laying down broad lines of policy regarding matters of national and Imperial importance which have hitherto been allowed to drift. It has recently been laid down, we are glad to see, that trade within the Empire is to be encouraged. This is, of course, satisfactory as far as it goes; but there are many other points as yet untouched. Is there, for instance, a definite home policy, in regard to agriculture? Is it to be fostered? People do not seem to know. And when the Government arrives at decisions of far-reaching importance, the interests of the State will, of course, be those that are paramount. Nationalisation of the railways, for instance, may or may not be a good thing. But if nationalisation of the railways, involving vast national outlay, is suddenly announced at a political meeting in the early stages of a General Election, as actually was done on December 4 last, a bad example is set, and a dangerous precedent established.

I speak of these things because they have to do with our life, as well as with our work and our business in all parts of the Empire. The lack of financial criticism of a constructive character is noticeable in England. Most of the leaders in banking and finance are very silent on great subjects. It is sometimes difficult, I admit, to expose weaknesses and at the same time to maintain the confidence upon which national credit may depend.

I have put forward a few views and suggestions in the hope that some of them may be not without value. I hold that those who have spent their lives in helping industrial development in new countries are always optimists and never pessimists; they prefer sunshine to darkness or artificial light, and believe in the application of method, commonsense and foresight to the administration of great enterprises.

I conclude with a tribute to the South African troops that have been fighting in the field. Many of them came from our own mines. The battlefields will remain immortal—(Applause).

The resolution was carried unanimously.

The Chairman then moved the re-election of the Vicomte G. de Breteuil and M. Octave Homberg as directors of the Corporation. He remarked that it was a pleasure to have the Vicomte de Breteuil with them. M. Octave Homberg and M. de Verneuil, their other French colleague, were still very busily engaged upon French Government affairs, and were, therefore, not able to be present.

Directors Congratulated.

Mr. F. A. Robinson, in seconding the motion, said he might perhaps be allowed to offer his congratulations to the directors upon the excellent results of the past year's operations. (Hear, hear.) It was certainly no mean accomplishment in these very hard times to be able to pay a dividend of 10*s.* per share, and that 10*s.*, be it remembered, free of the 6*s.* in the £ income tax. (Hear, hear.) The results were such that every shareholder ought to feel very gratified. He was particularly pleased that the directors had formed a benefit fund for the employees, and he felt sure that every shareholder would support that action, and that, if further funds were required in the future, they would be readily forthcoming. (Applause.)

The resolution was unanimously adopted.

On the motion of Mr. David Holt, seconded by Mr. Airth, Messrs. Cooper Brothers and Company were reappointed auditors.

Mr. Holt proposed a cordial vote of thanks to the Chairman for presiding and for his services during the past year. In doing so, he remarked that the directors had done wonderfully well for the shareholders under very difficult circumstances. The Chairman himself devoted a great amount of attention and labour to the business of the Corporation and was entitled to the very hearty thanks of the shareholders for his services.

The vote was seconded by Mr. H. Strakosch and carried with acclamation, and the proceedings then terminated.

EDWARD LLOYD, LIMITED.

THE twenty-ninth ordinary general meeting of Edward Lloyd, Limited, was held on June 20, at the Head Office of the Company, 12 Salisbury Square, Fleet Street, E.C. 4, Mr. Frank Lloyd (Chairman and Governing Director of the Company) presiding.

The Secretary (Mr. Robert B. Miller) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: You will have seen in the report that the profits for the past year show an increase of £26,404 7*s.* 1*d.* over those of 1917, and £25,578 2*s.* 2*d.* more than in 1913, the last complete year before the outbreak of war. This increased profit on pre-War results represents interest at the rate of 6½% on the additional capital now employed in the business, which amounts to about £400,000, a rate which leaves room for considerable improvement. When the difficult period of reconstruction is over and things again become normal, we shall doubtless do much better.

Your directors recommend a dividend of 11¼%, on the Ordinary shares, the same rate as last year, and propose to carry forward £52,690 4*s.* 11*d.*, as against £39,923 6*s.* 9*d.* brought in. This will bring the average distribution over the whole period of the War to 8½%.

Owing to the growing value of water power for the generation of electricity, and to the low rate of exchange prevailing with Norway last year, we were able to dispose of the property at Honefos on very favourable terms. The proceeds of the sale have been invested in War Bonds, and will be available for further developments in other directions when a favourable opportunity presents itself. As in the case of the sale of the Vittingfos property of 1916, we have retained a 14 years' lease of the Honefos pulp and saw mills, so that we shall be able to rely on a continued supply of high-class pulp for some years to come.

The Accounts.

Turning to the accounts, you will observe a large increase in the value of the investments, and in sundry creditors on the other side. These are accounted for by the sale of the Honefos property and the reserve for excess profits duty, and other contingencies. The only other item to which I should like to refer is the reduction in the bank overdraft in Norway as the result of the shipment during the year of the pulp which has been held up for so long in Sweden under the embargo on the export from that country. The overdraft will probably be still further reduced during the current year.

The Problem Confronting us.

Since the beginning of the year, frequent meetings have taken place between the representatives of the employers and the workpeople engaged in the paper-making industry for the purpose of fixing a new standard rate of wages, coupled with a reduction in the hours of working of every individual in the mill. I have long advocated the adoption of the three-shift system, and hope this form of shortened hours will gradually be introduced into all mills, as this appears to me the only means whereby the higher remuneration of labour in paper mills can be permanently maintained without sacrificing the interests of the consumer. We shall heartily welcome the new order, and trust that it will bring to the workers a higher standard of living and greater opportunities for recreation.

A like movement is going on in every industry, and the first effect of the reduced hours of labour and the higher rate of pay will be to more than double the cost of production, and it is obvious that unless a large part of the increased cost can be counterbalanced by a larger production and greater efficiency, in our industry as well as in every other, nobody will be any better off than before.

It is therefore up to the captains of industry, no less than to their lieutenants, to re-examine every item in the cost of production and transport, with a view to the introduction of still more scientific methods into every department of manufacture and into the handling of raw materials and of the finished product. To make such measures fully effective, it is absolutely necessary that the co-operation of the workpeople in every branch of industry should be ungrudgingly given to help the management in their efforts to attain the utmost economy and efficiency, and I feel sure that, in our own particular case, in view of the happy relations that have always existed between us and our employees, we may confidently rely on them to support us in this direction to the very full.

Thanks to the Staff and Employees.

I should be failing in my duty if I allowed this opportunity to pass of expressing my warm thanks, and those of my co-directors, to the staff and employees, at home and abroad, for their zealous efforts to carry on during the last year, perhaps the most difficult period since the outbreak of the War. The period of reconstruction through which we are now passing calls for still further efforts on their part, and I feel that we may confidently look to them to carry us triumphantly through the few remaining weeks of special difficulty. My gratitude for past services may look like a lively sense of favours to come, but it is none the less genuine on that account.

Mr. W. J. Whyte seconded the motion, which was unanimously adopted, and a final dividend of one shilling and threepence per share (free of income tax) was declared on the Ordinary shares, making, with the interim dividend already paid, 11¼% for the year.

The retiring directors, Mr. R. D. Bell and Mr. Percy G. Denson, were re-elected, and Messrs. Turquand Youngs and Company were reappointed auditors.

The meeting concluded with a vote of thanks to the Chairman, directors, and staff.

BLEACHERS' ASSOCIATION, LIMITED.

THE twentieth annual meeting of shareholders of the Company was held at the Midland Hotel, Manchester, on Thursday, June 19.

Colonel Sir Alan J. Sykes, Bart., M.P., was in the chair, and moved the following resolution, which was seconded by Mr. Arthur K. Davies, and carried unanimously: "That the report of the directors and the statement of accounts to the 31st March, 1919, be and they are hereby approved, and

LONDON'S GREAT DAY IN A GREAT YEAR

This is a year of big events, and big efforts are being made to solve great problems and difficulties.

ON JUNE 22 A MIGHTY EFFORT IS BEING MADE

to relieve the unusually heavy after the-war burdens of 250 hospitals, dispensaries, convalescent homes, and nursing associations.

Please help us in this task by giving liberally on

HOSPITAL SUNDAY,

June 22, 1919

Our gifts will be the measure of our gratitude for VICTORY and PEACE.

10,000 in-patients and 20,000 out-patients receive attention EVERY DAY in the Hospitals of London.

Please send a contribution either to your Vicar or Minister, or to the LORD MAYOR, MANSION HOUSE, E.C. 4.

Bankers: BANK OF ENGLAND.

the shareholders hereby declare a dividend at the rate of 5½% per annum on the Preference shares to March 31, 1919, and at the rate of 15% per annum on the Ordinary shares for the half-year ending March 31, 1919 (making, with the interim dividend at the rate of 5% per annum paid in December 1918, 10% on the Ordinary shares for the year)."

The Chairman, in his speech, said: Ladies and Gentlemen. When we last met in this room I expressed the great regret we then all felt that we were still in the midst of war without being able to make any forecast as to its duration, but I also said that I entertained no doubt that the nation and Empire were more than ever determined to see things through to the end, whatever the cost, and I am glad to say that this prophecy has been fulfilled more quickly and thoroughly perhaps than we dared to hope. Let us register our grateful thanks to those gallant men who never acknowledged defeat even in the face of overwhelming odds, and worthily upheld the traditions of the Motherland and the great Empire to which we are so proud to belong.

Ladies and Gentlemen, we have won a great and overwhelming victory in the field—it now behoves us to take good care that we reap to the full the economic benefits of that victory, and I am confident we shall be equally successful in this if only the same determination is shown; but let me add that we have, in my opinion, a task not one whit easier of accomplishment than that we set out to do when we declared war, and it will require just as much dogged persistence if we are to succeed, but I have no doubts as to that dogged persistence being forthcoming any more than I have that the common-sense of the nation will assert itself, and that employers and employed will come to reasonable agreements which will enable trade to be resumed on a mutually satisfactory basis. So far as this Company is concerned, we have maintained satisfactory relations with our workpeople, and I see no reason to doubt this state of things continuing. I do hope, however, that the workpeople will recognise that we can only pay better wages by a high rate of production being maintained, which I think is fully recognised by trade-union leaders.

You will be sorry to learn that out of 5,367 of our employees who joined up 736 (or some 14%) have made the supreme sacrifice, and I am sure we all wish to offer to their relatives and dependents our very warmest sympathy and condolence in their bereavement. The number of decorations won amount to 140. I should like to call your attention to the fact, as mentioned in the report, that we have paid a sum of no less than £199,392 in payment of half-wages to the men who have gone to the War, and as this sum only brings us up to the end of March, and we are still paying some men who have not yet returned, we can say we have contributed during the war a sum of over £200,000 in helping dependents of men who have fought for us.

And now as regards the production of dyes in this country, you will no doubt be aware that the merging of British Dyes Limited and Levinstein Limited has been carried through, and the new Company has had the great good fortune of securing as its Chairman Lord Moulton, which I consider a happy augury for the success of the undertaking, and a guarantee that nothing will be left undone to hasten the establishment of this vital and essential industry in this country.

Future Prospects.

Now, as to our future prospects, I think we may say we have weathered the War better than we might have hoped, and we are in a position to resume our normal trading as soon as world conditions settle down, but we cannot shut our eyes to the fact that the next year or two will be difficult ones. With increased expenditure on wages and on all materials we use, we can see no chance of inducing extra trade by making any concessions in price to our customers. The extra price of coal foreshadowed the other day means an extra out-of-pocket charge on our business of round about £100,000 a year. Still, at the moment we see signs of increased trade, especially in the East, and we can safely say that, given not too abnormal conditions, we are in a position to take advantage of any increase.

Turning now to our balance sheet, you will see we have made our appropriations on much the same lines as in previous years. We have put the same amount to general reserve as last year. We have increased our appropriation to depreciation by £10,000—a very necessary increase in view of the appreciation of all material used for replacements. We have put aside a little more for our fire insurance fund to bring it up to the round figure of £225,000. We have this year put aside to a new fund called the superannuation fund a sum of £20,000.

We find it necessary from time to time to retire servants in managerial capacities, owing to failing energies or similar causes. We have been in the habit of making certain allowances in these cases, and we think the time has now come to put the matter on a more regular basis.

After adding our profit for the year to our carry-forward, and after dealing with our appropriations, we find ourselves in the position of not having as large a net sum to deal with as last year; but your directors, after having given most careful thought to the subject, feel that they are justified in recommending a rise in the rate of dividend. They therefore propose a dividend for the half-year at the rate of 15% per annum be declared, making with the interim dividend paid in December last a total of 10% for the year. This compares with 7½% for the previous year, which distribution, however, was made up of 6%, plus 1½% bonus.

In conclusion, Ladies and Gentlemen, I am sure you will wish to join with me in giving a hearty vote of thanks to all the officials and employees of the Company, who have worked so hard in such trying times, to whose energy and devotion we owe the fact that at our meeting to-day we have been able to consider an annual report of our Company which I think we are justified in calling eminently satisfactory.

The retiring directors and the auditors were re-elected, and a very hearty vote of thanks to the Chairman, proposed by Mr. D. Q. Henriques, was carried unanimously.

THE MARCONI INTERNATIONAL MARINE COMMUNICATION COMPANY, LIMITED.

The nineteenth ordinary general meeting of this Company was held at the Cannon Street Hotel, E.C., on June 20, Mr. Godfrey C. Isaacs (Managing Director) presiding.

The Secretary (Mr. H. W. Corby, F.C.I.S.) having read the notice convening the meeting and the auditors' report,

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—Our Chairman, Senatore Marconi, having been called by his Government to Italy on important business, is unable to be present to-day. Referring to the balance sheet, the capital account at the end of the year stood at the same figure as it did at the end of 1917. You are, however, aware that this year the capital has been increased to one million and a half, of which to-day some £1,200,000 has been issued. The Debentures stand at £111,340, as compared with £112,280 in the preceding year, 47 Debentures of a par value of £940 having been redeemed. The reserve account is unchanged, except that there now appears a reserve for obsolescence of plant of £50,000. To profit and loss account £105,417 19*s.* is carried forward from the preceding year, and the balance for last year was £186,341 17*s.* 1*d.*, making the total £291,759 16*s.* 1*d.* The profit for the year shows a slight reduction, but this is due entirely to a considerable expenditure incurred in providing and training a very large number of operators in a very short time. It was a matter of the utmost importance to the country that these operators should be provided, for, as everybody knows, the mercantile marine and the wireless upon the ships played a very important part in helping to win the War, and your directors did not hesitate to expend

PITMAN'S BOOKS

SIMPLE INTEREST TABLES

By **Wm. Schooling, C.B.E.**

Of the greatest value to all concerned in financial calculations. It enables every result that is needed to be obtained by the easiest of all arithmetical operations—that of simple addition. Interest at the rate of any penny from 1d. to £99 19s. 11d. per cent., and other rates as well, can be found from these tables. **21/- NET.**

EASTERN EXCHANGE, CURRENCY AND FINANCE.

By *W. F. SPALDING, Certificated Associate, Institute of Bankers.*

The book discusses the monetary systems of India, Persia, the Straits Settlements, Japan, China, and the small regions of the East. **12/6 NET.**

DEPRECIATION AND WASTING ASSETS,

and their Treatment in Computing Annual Profit and Loss.

By *P. D. LEAKE, Fellow of the Institute of Chartered Accountants in England and Wales, etc.*

The Author sets out the results of his exhaustive survey of the subject and indicates methods by which the annual computation of Profit and Loss would be preserved from the irregular methods and wholesale guesswork of the present. **10/6 NET.**

INDUSTRY AND FINANCE. War Expedients and Reconstruction.

Edited by *ADAM W. KIRKALDY, M.A., B.Litt., M.Com.*

Issued under the authority of the Economics Section of the British Association. Such problems as Credit, Wages, etc., are dealt with. **4/6 NET.**

EXCESS PROFITS DUTY.

By **W. E. Snelling.** *Fourth Edition, Revised and Enlarged.*

Incorporating the provisions of the Income Tax Acts made applicable by Statute and by Regulations, also the Regulations of the Commissioners of Inland Revenue and of the Ministry of Munitions. Thoroughly revised and brought up to date in accordance with the Finance Act, 1918. **12/6 NET.**

PITMAN'S LIST OF BUSINESS HANDBOOKS will be sent to you post free on application.

SIR ISAAC PITMAN & SONS, LTD.,
1 Amen Corner, London, E.C. 4.

whatever sum was necessary to provide within the shortest time possible what was asked of them. In these circumstances I feel sure that no shareholder will complain that, notwithstanding the fact that the Company did a substantially bigger business during the year, a proportion of the profit was sacrificed to the service of the country. (Hear, hear.) On the credit side of the accounts it will be seen that plant, apparatus, furniture, and stores show a substantial increase over the preceding year, which is entirely due to the increased number of installations installed and owned by the Company on board ships.

The Profit and Loss Account.

In the profit and loss account the gross profit figures at £563,205 7*s.* 3*d.*, as compared with £470,657 16*s.* 7*d.* in the preceding year, an increase of £93,000 in round figures, the net result, however, being less for the reason I have already stated, and which appears in the item of £267,707 15*s.* 2*d.* under the heading of "Expenses of Ship Telegraph Stations, including loss of Plant and Apparatus and cost of training Operators." Depreciation, of course, stands at a higher figure in consequence of the continuous increase in the number of installations. In the appropriation account it will be noted that an interim dividend of 5% was paid on the capital as it stood at the end of 1918, which absorbed £30,000, and, subject to your approval, the final dividend of 10% upon the paid-up capital will require, in round figures, a further sum of £120,000. The balance of £141,759 16*s.* 1*d.* will be carried forward, and is subject to excess profits duty for the years 1916, 1917, and 1918, which have not yet been finally adjusted.

Continued Increase in Business.

As the report informs you, the Company's business has continued to increase. The number of stations installed and worked by the Company at the end of the year was 2,549, and stands to-day at 2,638. Taking into consideration the large number of ships which have been lost during the War, I think we have every reason to be satisfied with our position. We now look forward to the benefit of our telegraphic receipts, of which, as you are aware, we have been deprived during the last four and a-half years. Having regard to the very much larger number of vessels now fitted with wireless telegraph stations, the great increase in coastal stations, and above all, the greater acquaintance which the world at large has to-day of wireless telegraphy, we have every reason to hope that our telegraph stations on board ships will be more freely used in the future than they were in the past. I will not prophesy what may be the development of wireless telegraphy upon ships as a result of navigation of the air.

The Direction-Finder.

We think it probable too that an additional source of revenue to the Company will arise from the more general use on board ships of what is known as the direction-finder, which has now been so very materially improved that it gives promise of proving of considerable value to navigators. That, together with the latest invention of Senatore Marconi, promises to prove a great boon to navigation. This new discovery provides a means whereby a ship in the densest fog may discern the approach of another ship, provided that that ship be also fitted with this apparatus, and at the same time giving an approximate idea of the distance of the approaching ship. We are at present engaged in giving a commercial shape to this new apparatus, and as soon as possible its value on board ship will be demonstrated. We have great hopes that by this means all risk of collision at sea during the thickest fogs will be eliminated, to which end, of course, every ship would have to carry the apparatus, for it stands to reason that if a great liner were fitted and a small tramp were not, the danger of collision and the loss of one or the other, or both, of the ships might result. Inasmuch as this new device should provide means of disposing of that which is so great a danger in misty and foggy weather, it is not unlikely, we think, that every ship which goes to sea will be eventually fitted with this new installation, and we shall all be spared the harrowing accounts of the terrible losses which from time to time it has been so distressing to read in the daily press, resulting from some terrible collision at sea. For all these matters some considerable capital expenditure is likely to be necessary, and we have made all the requisite provisions for these purposes.

I much regret having again to report the loss of a considerable number of operators during the past year in consequence of enemy action. During the War over 800 wireless operators in our employ were torpedoed or had their ships sunk by gunfire or striking mines, 182 of them lost their lives, and 38 were severely injured. I am sure that no men in any capacity did greater service to their country than the wireless operators, and I think we have every reason to hope that the long period of anxious and dangerous work is now a thing of the past and that in future they will carry on their vocation under peaceful and more pleasant conditions. (Applause.) The Company now employs upwards of 5,000 wireless operators, a large number of inspectors in all parts of the world, and a very considerable clerical staff, all of which are growing in numbers almost day by day. One of the first considerations of your Board is to provide for the wellbeing, good understanding and contentment, of the employees of the Company, and they have already done, and are doing, a great deal to this end. To encourage thrift a savings bank has been formed for the purpose, not only of taking care of the savings of the men, but also of furnishing facilities for the withdrawal of moneys at any of the principal seaports of the world. A welfare department has been established to look after the social, athletic, and educational interests of the men; and a service magazine is now about to be published to keep all employed in the service, wherever they may be situated, acquainted with the doings of the Company and their fellow-members of the staff.

Shares for Employees.

All these are matters which during the War we were unable to give the attention which we felt they required, but from the moment the Armistice was declared they were taken in hand. You will remember, of course, that prior to the War a pension scheme was inaugurated, and to-day there is one thing further which your Board is desirous of introducing.

We think it of the first importance that every man employed in the Company should have the opportunity, if he so wishes, of investing his savings in the business in which he is employed, and we therefore propose, and subject to its not meeting with your disapproval, reserving for and issuing from time to time in all 100,000 of the 300,000 unissued shares of the Company to all those employed in the Company who desire to interest themselves in it. (Hear, hear.) This exclusive, of course, of the directors and the managing director. We ask, therefore, for your approval of our carrying out this programme and disposing of these shares at such a price and on such other terms and conditions as the directors may think fair and proper in the circumstances. (Hear, hear.)

I have to inform you, gentlemen, that Mr. H. W. Allen, who, as you know, was appointed a member of the Board last year, has, at my request, resigned the Secretaryship of the Company in recent months, after having occupied that position since the incorporation of the Company in 1900, and he has, at my request, assumed the joint general management of the Company with Mr. W. W. Bradfield, also now a member of the Board. (Applause.) From my own knowledge a great many shareholders have been acquainted with Mr. Allen in his capacity as Secretary, and have appreciated, as highly as the Board have done, the service which he has rendered during a great number of years, and particularly through the most trying and difficult period of the Company's history, and I am sure you will join with us in giving him, as Joint General Manager, all the support and confidence which he received from you during the time he acted as Secretary. (Applause.) Mr. Corby, who has been so good a second to Mr. Allen during many years, has been appointed Secretary to the Company. (Applause.) I regret to have to inform the shareholders of the loss which we have suffered in recent weeks by the death of Mr. Henry Spearman Saunders, who had been a director of the Company since its formation. I have also to inform you that Sir Charles Stewart, K.B.E., who is known to all of you in connection with the very important position which he held for many years as Public Trustee, has joined our Board, and we look to him with great confidence to render us substantial assistance in the efficient discharge of the responsibilities which we carry in the conduct of this business. (Applause.)

Mr. M. A. Bramston seconded the motion, and there being no questions it was at once put to the meeting and carried unanimously.

The final dividend of 10%, less income tax, was declared, payable on July 14, and the other formal business was transacted.

BRITISH CYANIDES COMPANY, LIMITED.

The annual general meeting of this Company was held on June 20 at the Cannon Street Hotel.

Mr. C. F. Rowsell, who presided, said that the balance of profit for the year under review was £20,572, as against £36,725. As to the principal reason for the diminution, on the date of the signature of the armistice they were engaged in a considerable way in the manufacture of an important chemical for the Government. Where it was necessary rapidly to organise plant and acquire raw materials, if manufacture had to be suddenly abandoned, there must be considerable loss of profit and capital. The Board had confidence in the justice of the claim which, on the advice of counsel, had been put forward against the Government in that connection. As to the present position and future prospects of the business, last year he explained fully his reasons for anticipating a successful future, and the experience of the past year had by no means diminished that confidence. It had been a year of great difficulty. In the first half their efforts had been concentrated on increasing the production of essential chemicals, for which they were being urgently pressed by the Government and many of the manufacturing companies in the country. To carry out the necessary developments of processes had been a problem of great difficulty, but it had been surmounted. In the second half of the year

the difficulties had been of a different character, as they had had to contend with changing conditions of trade following the signature of the armistice, one of the first results of which was to make everyone doubtful as to the future of prices and of trade generally. There were indications, however, that the demand for their various products was again steadily on the increase, and they expected that it would continue to improve. He was convinced that they had laid the foundation of their industry on sound lines, and might look forward without fear to meeting competition in any of their special products. The future of their industry, however, was bound up in the prosperity of the trade of the country, and he hoped that the three great principles of the old Whig party—peace, retrenchment, and reform—would be the guiding principles in this country for the future. The directors were more than ever satisfied that in the purchase of Fred Danks, Limited, they had exercised a wise discretion. The acquisition of the land had been invaluable to the Company, and had helped them to develop in a way which would have been quite impossible if they had been restricted to the ground which they already had before that purchase was made.

The report and accounts were unanimously adopted, and a total dividend of 10% on the Ordinary shares for the year was approved.

KEPONG (MALAY) RUBBER ESTATES, LIMITED.

THE annual general meeting of the above Company was held on June 20 at the registered offices, 65 Bishopsgate, E.C., Sir Gordon Voules (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report, said that the directors proposed to pay a final dividend of 30%, making for the year a total dividend of 40%, and to carry forward a balance of £4,440. The dividend of 40% did not compare favourably with the 85% paid for the year 1916, and the 60% for 1917, but it should be recollected that the past year, so far as the rubber world is concerned, was one of restriction. First of all, there were great restrictions in the way of shipping facilities, and they had consequently to sell more than half of their produce in Singapore at 1*s.* 5*d.* per lb. Moreover, the output had been voluntarily confined to 80% of the crop of the previous year, in accordance with the scheme of the Rubber Growers' Association. That scheme, so far as the industry was concerned, had worked very well, and had prevented something like 30,000 tons of extra rubber being dumped down on an already congested market. They had further to contend with the restriction of the import of rubber into America, and the export of coolie labour from the South of India. Taking all those difficulties into consideration, he thought they might consider themselves fortunate in being able to propose a total dividend of 40%. The f.o.b. cost of the rubber was only just a trifle over 8d. per lb., and that reflected the very greatest credit on their manager. The planted area for 1918 remained at 1,255 acres, of which 951 acres were in bearing, as compared with 769 acres in the previous year, so that their 40% dividend had been achieved with only something like 75% of their planted area having reached the tapping stage. With regard to the condition of the estates, their visiting agent had reported that the Company was the possessor of one of the best estates in the whole country, and one run on the best lines. With regard to the current year, their estimate of rubber was 400,000 lb., and they had just received a report from their manager that the output of rubber for the month of May was 40,000 lb., which made a record for their estates. They were opening up another 100 acres out of their reserve land, and 70 acres of that had already been felled and cleared, and as the manager reported that the coolie labour was gradually increasing owing to the relaxation of the restriction with regard to its importation from the South of India, it was pretty certain that the whole of the planting up would be completed before the end of the present year. They had made no forward sales, because they believed that the price of rubber was more likely to appreciate than depreciate.

Mr. Francis M. Voules seconded the resolution, which was carried unanimously.

At an extraordinary general meeting subsequently held an increase in the share capital of the Company to £50,000 was authorised.

EXTEND and INCREASE
YOUR TRADE
with
SOUTH AMERICA!
THE
NELSON LINES
maintain regular
MAIL, PASSENGER & FREIGHT
Services to
RIO DE JANEIRO, MONTE VIDEO & BUENOS AIRES.
Write for particulars to:
H. & W. NELSON, LTD.
Head Office:
98 Leadenhall St., London, E.C.3
& 20 Water St., Liverpool.

Under Contract with H.M. Government.
P&O & British India Mail & Passenger Services
Sailings from LONDON, MARSEILLES, &c.
Tickets Interchangeable.
MEDITERRANEAN, EGYPT, INDIA, BURMA, STRAITS, CHINA, JAPAN, AUSTRALASIA, MAURITIUS, E. & S. AFRICA, NEW ZEALAND (via PANAMA CANAL)
P. & O. Australian Tickets interchangeable one way by New Zealand Shipping Company (via Panama) or by Orient Line.
For particulars of Sailings apply P. & O. & BRITISH INDIA Passenger Dept., 122, Leadenhall Street, London, E.C. 3.
BRITISH INDIA COMPANY.—For general information apply GRAY, DAWES & Co., 122, Leadenhall Street, London, E.C. 3.

PLACE YOUR PROSPECTUS
IN THE
"Northern Whig"
AND BELFAST POST.
BECAUSE
Ulster possesses over one-third of Ireland's population, about four-fifths of Ireland's industries, and two-thirds of Ireland's wealth.
BECAUSE
Belfast alone has FIVE great manufacturing concerns, each the largest in the world.
BECAUSE
Belfast invested 32 millions in the War Loan, being the FOURTH highest city in the Kingdom.
AND BECAUSE
Belfast and Ulster have still many millions waiting investment,
92 Fleet Street, E.C. 4.
The London Office is connected with the Belfast Office by Private Wire (City 9383).

UNION-CASTLE LINE.
South and East Africa
ROYAL MAIL ROUTE.
The Cape, Natal, Transvaal, Rhodesia, East African Ports, Mauritius, etc.
For sailings and other information apply to the Head Office, 3 and 4 Fenchurch St., E.C.3. West-end Agency: Thos. Cook & Son, 125 Pall Mall, S.W.1

WHERE COPIES OF THE "STATIST" CAN BE OBTAINED ABROAD
INDIA.—D. B. TARAPOREVALA, SONS & CO. Booksellers, Bombay.
JAPAN.—Z. P. MARUYA & CO., LTD., 11 to 16 Nihonbashi Tori Sanchome, Tokyo, and 28 Benten Dori Nichome, Yokohama; Y. OKURA, Nihonbashi, Tokyo.
EGYPT.—F. DIEMER, Shepheard's Buildings, Cairo; THE ANGLO-AMERICAN BOOKSELLING DEPOT, Port Said.
SOUTH AFRICA.—CENTRAL NEWS AGENCY, Johannesburg, Bloemfontein, and Durban; WILLIAM DAWSON & SONS, Capetown, Johannesburg and Durban.
AUSTRALIA.—GORDON & GOTCH, Melbourne, Sydney, Brisbane, and Perth; C. W. RIGBY, Adelaide.
NEW ZEALAND.—PRICTOR & CO., Dunedin S. & W. MACKAY, Wellington.
CANADA.—HAROLD A. WILSON & CO., LTD. 35 King Street West, Toronto; WILLIAM DAWSON & SONS, Manning Chambers, Toronto, and Montreal; A. T. CHAPMAN, 190 Peel Street, Montreal; SELLS, LTD., 302 Shaughnessy Buildings, McGill Street, Montreal.
UNITED STATES.—INTERNATIONAL NEWS CO. 83-5 Duane Street, New York; BRENTANO, Cor. 5th Avenue and 27th Street, New York, and 1,015 Pennsylvania Avenue, Washington, D.C.; SUBSCRIPTION NEWS CO., Oak Park, Chicago; OLD CORNER BOOKSTORE, 27-9 Bromfield Street, Boston, Mass.
FRANCE.—W. H. SMITH, Rue de Rivoli, Paris; Timotei, Librairie Castiglione, 14 Rue Castiglione Paris; HACHETTE, 113 Rue Reaumur, Paris; and at all kiosks on the Grande Boulevards.
HOLLAND.—J. H. DE BUSSY, Rokin 60, Amsterdam; GEBR. SCHRODER, Rokin 50, Amsterdam; E. NOORDHOFF, C Boteringestraat, Groningen.

PERRY'S
TRADE PROTECTION OFFICES
(Established 1776)
12 COLEMAN STREET, E.C. 2.
Status enquiries made as to the position and standing of Traders and others.
PERRY'S GAZETTE & LIST OF CREDITORS
are published Weekly, and are valuable to everyone in business.
Debts recovered and paid over promptly.
Particular attention is called to the fact that this is the only Trade Protection Society that possesses at its offices in London Registers containing full Bankruptcy and other Registered Information, together with Status information FOR THE WHOLE OF THE THREE KINGDOMS.
TERMS from £1 1s. upwards, according to requirements. PROSPECTUS and further particulars on application.

NATIONAL BENEFIT
ASSURANCE COMPANY, LTD.
classes of INSURANCE, including LIFE, FIRE, MARINE, ACCIDENT, PROPERTY INVESTMENT, EMPLOYERS' LIABILITY, &c., at very favourable rates. PROSPECTUS ON APPLICATION
ASSETS EXCEED £1,500,000.
MANAGING DIRECTOR: J. FRANCIS, J.P., F.S.S.
Head Offices: NATIONAL HOUSE, NEWGATE STREET, LONDON, E.C. 1.
Marine Underwriting Rooms: 74 CORNHILL, LONDON, E.C.3.

REFUGE
ASSURANCE COMPANY LIMITED.
Chief Office: OXFORD STREET, MANCHESTER.
Annual Income Exceeds - £4,700,000
Assets Exceed - - - - £15,900,000
Claims Paid Exceed - - - £28,000,000

SUBSCRIPTION TO "THE STATIST."
TO INCLUDE ALL SUPPLEMENTS.
Payable in Advance.

Inland.
One Year, £1 10 0 | Half-Year, £0 15 0
(Post Free.)

For Colonies and Abroad (within Postal Union).
One Year, £1 17 4 | Half-Year, £0 18 8
(Post Free.)

OFFICES: 51 Cannon Street, E.C. 4.

The Statist.

LONDON, SATURDAY, JUNE 28, 1919.

CONTENTS.

LEADING ARTICLES— PAGE
GERMANY 1199
THE COAL INDUSTRY ... 1201
MR. MACPHERSON 1201
THE WOOL INDUSTRY: A RETROSPECT 1202
BRITISH DYEWARES—II. ... 1204
THE TEN REPUBLICS ... 1205
THE PORT OF HULL—II. ... 1206
THE SOUTH RUSSIA SCHEME 1207
BRAZIL'S ECONOMIC MISSION 1210
CRISIS IN THE EDIBLE OILS TRADE 1214
CEMENT MANUFACTURE IN IRELAND 1216
SOUTH AFRICAN MINT BILL... 1221

S. AND CENTRAL AMERICA—
ARGENTINA PRESIDENT IRIGOYEN'S MESSAGE ... 1208

THE MONEY MARKET—
THE LOAN 1191
THE EXCHANGES 1191

STOCK EXCHANGE... ... 1193

MINING TOPICS—
RAND MINING DIVIDENDS ... 1194
RAND LOW-GRADE MINES ... 1194
BALGHAT 1195
GROUELL, NECHI AND PATO MINES 1195

TABULAR APPENDIX—
I. Bank Returns, &c. ... 1196
II. Current Bank Rates of Discount 1197
III. Foreign Exchanges ... 1197
IV. Bankers' Clearing House Returns 1197
V. [illegible] 1197
VI. Wholesale Prices of Commodities 1198
VII. Railway Revenue Statements 1198
VIII. Railway and Tramway Traffic Receipts ... 1198

FINANCIAL NOTES— PAGE
SOUDAN DEVELOPMENT ... 1211
INDIAN MONSOON 1211
WOMEN IN THE LEAD INDUSTRIES 1211
TRADE OPENINGS IN BRAZIL... 1212
CANADIAN WHEAT 1212
INSTITUTE OF PATENTEES ... 1213

AMERICAN TOPICS—
NEW YORK CENTRAL RR. ... 1215
UNION PACIFIC RR. 1215

RUBBER TOPICS—
SELANGOR RIVER 1217
MERLIMAU (MALACCA) ... 1218
GLENSHELL (SELANGOR) ... 1218
CHERAS (F.M.S.) 1218
GRAND CENTRAL (CEYLON) ... 1218
MALAYSIA RUBBER CO. ... 1219
ST. GEORGE (CEYLON) ... 1219

NEW ISSUES—
J. LYONS & CO., LTD. ... 1224
SOUTH AFRICAN COTTON AND TOBACCO ESTATES... ... 1224
WHITEAWAY, LAIDLAW & CO. 1224
SELINCOURT & SONS, LTD. ... 1224
STAR ENGINEERING CO., LTD. 1224
LEVANT CO., LTD. 1224
PROVINCIAL CINEMATOGRAPH THEATRES, LTD. 1225
METROPOLITAN RAILWAY COUNTRY ESTATES, LTD.... 1225
TYRE INVESTMENT TRUST, LTD. 1226

INSURANCE NOTES—
PHŒNIX ASSURANCE CO., LTD. 1219

COMMERCIAL—
INDIAN SUGAR 1221
THE LEATHER TRADE—II. ... 1222

INDUSTRIAL COMPANIES—
"SHELL" TRANSPORT AND TRADING CO. 1220
ANGLO AMERICAN OIL CO. ... 1221
HOWARD & BULLOUGH ... 1226
DE TREY & CO., LTD. ... 1226

MEETINGS OF PUBLIC COMPANIES ... 1232-1245

The Money Market.

Friday, June 27, 1919.

	Current Rate	Previous Rate
	% Fixed	% Fixed
Bank of England Rate...	**5 (Apr. 5,'17)**	**5½ Jan. 18,'17**
Bank of England Rate — to Clearing Banks: 3 days' notice ...	**3 (Feb. 14,'18)**	**4 June 19,'17**
for Foreign Money*	**4½ (Nov. 15,'17)**	**extended Jan. 2,'18**

* Since January 11, 1919, this rate does not apply to French, Belgian and Italian balances.

Deposit Rates :—

Banks & Discnt. Ho. (Call)	**3† (Feb. 14,'18)**	**3½ Jan. 2, 18**
Discount Houses (Notice)...	**3 (June 6,'18)**	**3¼ Feb. 14,'18**

† Foreign and Colonial banks give Special Rates only upon deposits for a year

Discount Rates :—

	60 Days.	3 Mos.	4 Mos.	6 Mos.
	%	%	%	%
Bank Bills	$3\frac{1}{16}-\frac{1}{8}$	$3\frac{1}{16}-\frac{1}{8}$	$3\frac{1}{8}$	$3\frac{1}{4}-\frac{5}{16}$
Trade Bills	—	4	4–4¼	4–4½

THE LOAN.

In order to liquidate the most pressing of the Treasury Bills and Ways and Means advances it will be necessary to raise a loan of £1,250,000,000. Of this amount only £250,000,000 is new borrowing. Serious as it is that there should be any new borrowing, the fact remains that the vast bulk of the money which it is proposed to raise has already been spent. It has been supplied by bankers, financiers, and others whose real business is the ordinary financing of the trade of the country, and consequently, until these temporary loans are repaid a large proportion of the money ordinarily available for financing the trade of the country is locked up in Government debt, and, of course, to this extent is hampering the nation's trade. Moreover, until the Floating Debt is replaced in some permanent form it will not be possible to exercise an effective check upon the extravagance of the various Departments of the Government. This loan is specifically brought out for the very purpose of liquidating the Floating Debt. While things go on as they are going at present the various Departments apply for a million here and a million there, and the Floating Debt tends automatically to grow. It is regarded as part of the cost of the War. Whenever the Floating Debt is paid off, and the amount funded, as it is called, into a permanent form, both the Treasury and Parliament may reasonably be expected to keep a sharp eye on any Department seeking to raise large sums of money, either by Treasury Bills, Exchequer Bonds, or Ways and Means advances. But until this debt is paid off no effective check is possible.

The Loan has now been before the public for roughly a week, and serious efforts will be made during the coming week to attract the attention of provincial investors to the importance of supporting the public credit. Inasmuch as the bulk of the money which it is proposed to raise has already been spent, it will have to be paid for in some permanent form sooner or later. Unless this Loan receives adequate public support it will become necessary to make another appeal to the public at no distant date. It is to be hoped, therefore, that the investing classes, both rich and poor, will endeavour to support the present appeal to the best of their ability. It has to be remembered that in its present form it is injurious to the real economic interests of the public. It is of the greatest importance that our trade should be stimulated by every legitimate means, as we already owe vast sums to the United States of North America for urgently needed supplies of food and raw material, which it is desirable in the national interest should be paid with as little delay as possible.

THE EXCHANGES.

A CABLE which appeared in the Press this week from New York announced that a contract for rails for a British municipality had been placed in the

United States, because the tenders offered were more favourable than from home sources. This is an illustration that it is very unwise to attach any undue importance to the effect of a depreciated currency by itself in securing contracts. Other things being equal, a depreciated currency, in so far as it makes wages and costs go further in one country than another, does tend to make it possible for those tendering for a contract to do the work at a lower price, but only to this extent. Now at the present rate of exchange between this country and the United States the dollar is at a premium of about 5% compared with the £ sterling. Now if a depreciated currency was all that was required to stimulate an export trade China would be in a position to secure nearly all the contracts offered by the outside world, but in fact she is not in a position to execute them. The United States secured a contract notwithstanding that her currency is at an appreciable premium compared with the currencies of nearly every other State in the world. She secures it because depreciation or appreciation of a country's currency is not now, and never has been, the dominant factor in securing foreign trade.

From the battle of Waterloo to the outbreak of the South African war England did a larger foreign trade than any other country. Nearly throughout the whole of the time the £ sterling in London was at a premium as compared with the currencies of the different civilised countries of the world. Our workpeople, generally speaking, received a higher rate of wages than the operatives in other countries, but we produced goods relatively cheaper. Now, how were we able to do this? We were enabled to carry on such an enormous foreign trade because we had during the greater part of the time more efficient plant and machinery than any of our potential competitors. Owing to the fact that England came out of the great war against revolutionary France with absolute command of the seas and was regarded as the safest place in Europe for depositing money and securities London accumulated a mobilisable capital such as was possessed by no other financial and trading centre in the world. It was estimated shortly before the outbreak of the South African war that the productive capacity of English machinery was equal to double the total of our whole population. As a result of our command of the sea we possessed a mercantile fleet far greater than that possessed by any other country, and as a natural corollary we did the lion's share of the world's marine insurance.

Consequently, although in a sense our cost of production in the aggregate was greater than that of most of our competitors, yet for the reasons we have just said we were capable of manufacturing, and did in fact manufacture, upon such an enormous scale that the cost per unit was very much less than that of any other country.

BANK OF ENGLAND.

Heavy borrowing by the Government on Ways and Means advances, the while Treasury Bill issues have been stopped and War-loan receipts remain in the hands of the Banks, is reflected in the past week's Bank of England return. Government securities are up £13,617,000, and "other" deposits show a gain only £150,000 less. "Other" securities show a rise of £382,000, and the reserve a diminution of nearly half a million. Otherwise the movements are unimportant. The fall in reserve is attributable to an increase of £578,000 in the note circulation, being offset to only a slight extent by bullion receipts. The proportion of reserve to liabilities, in these circumstances, of course, shows a drop, the percentage being 17.71%, or two points lower on the week.

Cancellation of Treasury notes again exceeded the new issues by nearly 2½ millions in the week ended June 25, the total outstanding, including certificates, being thus reduced to £342,309,770.

POSITION IN NEW YORK.

Economic conditions in the United States have not merely been modified as a result of the late War. They have been so materially changed that the relative positions of the United States and Europe have been really altered. We had hoped to discuss, and still hope on a future occasion, the advisability of the trading and financial community of the United States entering into a real competition with similar classes in Europe, but we have not space to do so here. It has to be remembered, however, that if Europe is to recover—and we take it that it is felt in the United States that it is in the interests of that country that Europe should recover—Europe can only recover if she is allowed to render those services which she is capable of rendering most effectively. Europe, taken as a composite whole, neither produces food nor raw materials adequate for her own consumption. Consequently she cannot act as a purveyor of these commodities. Europe must seek her recovery in manufacturing products, the raw materials for which are provided from outside, and by rendering services. The two great continents of America, on the contrary, are pre-eminently suited to supply the food and raw materials so urgently needed in Europe. It would appear, therefore, that the United States can best serve the common interests of the civilised world by assisting the Western continents to provide Europe with what she needs to enable this small continent to afford such services as she is capable of rendering.

SILVER.

Silver has ranged during the week from 53¾*d.* to 54⅜*d.* per oz. It closes to-night at 53¼*d.*

The market has been less active, owing to the receipt of some small supply here from the United States of North America, accentuated by the fact that the demand for China and the Far East has proved less keen than was anticipated. The enormous quantities of silver recently taken, through the instrumentality of the United States, by India has so lessened the supplies of silver available in the international markets that a high level of prices seems reasonably certain to be maintained in the near future. If this demand continues a still further appreciation in price seems inevitable.

THE POSITION IN INDIA.

Hides are the principal commodity being shipped at the present time, and in the existing shortage of leather it need hardly be added that they are obtaining highly satisfactory prices.

Latest advices received by cable from India report that the rains are less heavy than was the case when they opened at the beginning of the second week of June. Inasmuch, however, as the opening day of the monsoon produced a precipitation estimated at about 20 inches, it was hardly to be expected that the monsoon would continue for three whole months at the rate of 20 inches a day. It is said that there is a particular area in India which receives 600 inches in the course of the year, but this is a very restricted area. The average rainfall, both in Bombay and Calcutta, is only a little over 80 inches. What 20 inches

ROYAL EXCHANGE
ASSURANCE.
Incorporated A.D. 1720 Governor: VIVIAN HUGH SMITH, Esq.
FIRE, LIFE, SEA, ACCIDENT, and GENERAL INSURANCES.
The Corporation is prepared to act as TRUSTEE and EXECUTOR.
Apply for full particulars of all classes of Insurance to the Secretary—
Head Office: ROYAL EXCHANGE, LONDON, E.C. 3.
West End Branch: 44 PALL MALL, S.W. 1.

of rain really means will be appreciated by the English reader if he bears in mind that 20 inches is four-fifths of the average annual rainfall in this country during the past 10 years. Everyone interested in the welfare of India is hoping that the monsoon, which began so auspiciously, will continue well into the early weeks of September.

Recent movements in the Currency returns are shown below:

1919	Note Circulation	Silver			Gold		% of Metallic Res. to Notes	Government Securities	
		In India	Elsewhere	Total	In India	Elsewhere		Indian	British
	Lacs	Lacs	Lacs	Lacs	Lacs	Lacs		Lacs	Lacs
June 22 ...	16,078*	4,159	300	4,459	1,761	—	38·7	1,608	8,250
June 15 ...	16,006	4,087	300	4,387	1,761	—	38·4	1,608	8,250
June 7 ...	15,837	4,118	100	4,218	1,611	150	37·7	1,608	8,250
May 31 ...	15,518	3,899	—	3,899	1,611	150	36·4	1,608	8,250
May 22 ...	15,558	3,943	—	3,943	1,607	150	36·5	1,608	8,250
May 15 ...	15,507	3,893	—	3,893	1 606	150	36·4	1,608	8,250
May 7 ...	15,416	3,749	53	3,802	1,606	150	36·0	1,608	8,250
April 30 ...	15,372	3,474	285	3,759	1,455	300	35·9	1,608	8,250

* Highest since war began.

INDIA COUNCIL SALES.

Amount...	This Week — Offered	Applications	Allotted	Next Week — To be Offered
	Rs.1,00,00,000	Rs.2,05,55,000	Rs.1,00,00,000	Rs.1,00,00,000

Allotments on Tuesday, June 24, 1919.

Applications ...	Bills —		Deferred T.T. — Rs. 2,00,55,000		Immediate T.T. — Rs. 5,00,000	
Drafts on—	Rs.	Rate	Rs.	Rate	Rs.	Rate
Calcutta ...	—	—	44,12,000	1/7·9375	1,22,000	1/8
Bombay ...	—	—	37,09,000	1/7·9375	1,22,000	1/8
Madras ...	—	—	16,35,000	1/7·9375	—	—
Total ...	—	—	97,56,000	1/7·937	2,44,000	1/8
Allotted ...	—	—	48%		48%	

Sales for week to June 23, 1919 Rs.1,00,00,000 realising £831,046 (1/7·9)
Sales, Apr. 1, '19, to June 23, '19 Rs.5,80,00,000 „ £4,770,174 (1/7·7)
Sales, Apr. 1, '18, to Mar. 31, '19 Rs.15,50,00,000 „ £11,516,754 (1/5·8)
Sales, Apr. 1, '17, to Mar. 31, '18 Rs.45,20,00,000 „ £31,106,219 (1/4·5)

Stock Exchange.

PRACTICALLY no excitement outside or inside the Stock Exchange was caused by the announcement of the new German Government's acceptance of the Peace Treaty. It may the semi-final event of the Great War, but the events in Paris have been so long-drawn out, and there have been such a number of alarms, and slips between the cup and the lip, that the public, or at any rate that portion which is interested in investments, prefers to wait for the *fait accompli*. Even then it seems doubtful whether anything like general enthusiasm will be shown. The German attitude is obviously spiteful, and the reports of internal conditions are not such as to engender trust in a tranquil outlook. Then, too, the new Government War Loans continue to absorb the bulk of available investment funds, and rightly so in view of the necessity of clearing up the financial position. At the same time, there has been almost a glut of new issues of 7% and even 7½% Preference shares offered for subscription. The Treasury has now asked that all further issues should be postponed until after the Loan lists have been closed. It is a little incomprehensible why this step was not taken earlier.

After light further weakness in the early part of the week, existing British Government securities have tended to improve. On balance Consols are unchanged at 53½, but the 5% Loan is maintained at just under 94. The effect of realisation for new Loan investments has been again most marked in Colonial Government stocks, several of which are down one or two points, notably Canada four per cents. and Natal 3½% Inscribed stock. Few movements have occurred in foreign Government stocks. The active French issues advanced sharply on Monday in anticipation of the German Government's climb down, but receded later on a further rise in the exchange.

Home rails have been a better market. Following the publication of the Coal Commission reports, a fairly general advance in prices occurred, but subsequently the market lapsed into quietude. Probably this is attributable more to lack of public interest than to any uneasiness on the score of nationalisation of coal mines, though the general opinion is undoubtedly that any such eventuality would increase the already large deficiency between receipts and expenses. However, there are unmistakable signs that any measure having for its object the nationalisation of coal mines will meet with powerful, determined, and widespread opposition from trade and industrial interests.

Foreign railway stocks, especially the leading Argentine descriptions, have shown a distinctly hardening tendency. Traffic are still far from good, but the opinion is gaining ground that the very much depreciated level of prices now current discounts the prospect of a poor showing being made by the next reports, and does not sufficiently allow for increase in earnings as a result of improving shipping facilities leading to expansion of South American trade.

In the industrial and general sections, business has again been very quiet, with interest centred in only a few shares. Shipping descriptions have been easier, but became active again on Friday, P. and O. rising 18 points to 518 on announcement of power being sought to capitalise undivided profits. Courtaulds and Listers have been features of strength, the former rising to 11 at one time, closing, however, at 10¾ and the latter being 9*s.* up on the week at 57*s.* 6*d.* Dunlop Rubbers, too, have been strong and show an improvement from 7⅛ to 7⅛. Iron, coal, and steel shares have been rather neglected, and prices, where altered, are slightly lower in the majority of cases. Exceptionally Pearson and Knowles have risen to 6 and Armstrong Whitworth have been firm on the announcement of a provisional agreement having been entered into for the acquisition of control of Crompton & Co., electrical engineers, by the purchase of 250,000 Ordinary shares. At present there are only 76,769 of these shares in issue. Several textile shares have improved on the settlement of the cotton strike and, among general industrials, Eastman and Smithfield and Argentine Meat are harder, but Imperial Tobaccos have lost a fraction of their previous substantial advance. A strong spot has been Apollinaris and Johannis, doubtless in anticipation of the Company's business being restored after the signing of Peace.

The Oil share market continues to attract a good deal of speculative quotations and the past week has seen further substantial additions made to a number of quotations. A new gamble in the shape of English Oilfields has been started, and the shares run up to 1¾. Shell shares have risen further on the report, and Burmah are ½ higher at 11½. The meeting is reported on another page. Mexican Eagle issues have been actively dealt in at rising prices, but there has been a little profit-taking in Trinidad Central and Leasehold.

AMALGAMATED INDUSTRIALS, LTD.—This newly formed Company, which recently offered 1,600,000 £1 Ordinary shares for subscription, has now acquired the whole of the Ordinary capital of William

BARCLAYS BANK
LIMITED
(with which is amalgamated the LONDON PROVINCIAL & SOUTH WESTERN BANK Ltd.)

Business with Italy.

Barclays Bank Limited have pleasure in drawing attention to the increased banking facilities provided by an arrangement with the BANCA ITALIANA DI SCONTO, ROME, and the principal towns in Italy.

INQUIRIES ARE INVITED.

Address:
The Foreign Manager, 168 Fenchurch St., E.C.3

Whitwell & Co., Ltd., Thornaby Ironworks, Stockton-on-Tees, all the Ordinary shares in the North End Spinning Co. of Lancashire, and all the Ordinary and Preference shares of the Clyde Shipbuilding and Engineering Co., Ltd. The profits of the businesses, which hitherto have been privately managed, averaged for the past six years £173,000 per annum, and for the last two years £375,000. It is considered that the large extensions and additions to works that have been carried out will enable the higher rate of earnings to be maintained, and these earnings will accrue to the controlling Company, with the deduction only of small Preference share interest.

RAND MINING DIVIDENDS.

	1916	1917			1918			1919
	Total	1st Half	2nd Half	Total	1st Half	2nd Half	Total	1st Half
	%	%	%	%	%	%	%	%
Apex	10	5	7½	12½	5	5	10	5
Brakpan	45	22½	25	47½	20	12½	32½	—
Central Mining ...	5	2½	2½	5	2½	3¾	6¼	2½
City and Suburban, £4 Shares	12½	6¼	3¾	10	1¾	Nil	1¾	—
City Deep	45	22½	22½	45	20	7½	27½	10
Consolidated Langlaagte	22½	10	7½	17½	Nil	5	5	5
Consolidated Main Reef	11¼	5	5	10	3¾	2½	6¼	2½
Consol. Mines Selection	22½	—	30	30	—	30	30	—
Crown Mines ...	50	20	20	40	15	5	20	5
Durban Roodepoort Deep	2½	2½	2½	5	2½	Nil	2½	—
Geduld	10	5	5	10	5	6¼	11¼	‡
Geldenhuis Deep ...	25	12½	7½	20	5	2½	7½	2½
Ginsberg	15	5	5	10	Nil	Nil	Nil	—
Goch	10	5	2½	7½	Nil	—	—	—
Govt. Areas	—	—	12½	12½	12½	15	27½	17½
Heriot	75	30	25	55	Nil	—	—	—
Johannesburg Con. Inv.	5	5	—	5	5	—	5	7½
Jupiter	8¾	3¾	3¾	7½	Nil	1¼	1¼	—
Kleinfontein ...	5	Nil	5	5	—	—	—	—
Knights Deep	17½	5	—	5	—	—	—	—
Langlaagte Estate ...	5	5	5	10	5	7½	12½	7
Meyer and Charlton ...	100	50	60	110	50	60	110	—
Modderfontein, £4 sh....	32½	16¼	18¾	35	21¾	30	51¾	32
Modderfontein B ...	77½	40	45	85	42½	40	82½	45
Modderfontein Deep ...	67½	40	45	85	47½	50	97½	50
Nourse	11¼	6¼	6¼	12½	3¾	Nil	3¾	—
Primrose	10	Nil	5	5	Nil	—	—	5
Rand Mines, 5s. sh. ...	150	75	70	145	55	30	85	25
Rand Selection ...	27½	12½	17½	30	12½	22½	35	—
Robinson G.M., £5 sh.	8	3½	4	7½	1½	1	2½	—
Rose Deep	26½	12½	17½	30	10	7½	17½	7½
Simmer and Jack ...	7½	3¾	2½	6¼	1¼	Nil	1¼	—
Springs Mines	—	—	—	—	Scrip	12½*	12½*	—
Sub Nigel	10	7½	7½	15	6¾	5	11¾	—
Unified Main Reef ...	20	7½	7½	15	5	5	10	5
Van Ryn	35	17½	12½	30	5	5	10	—
Van Ryn Deep ...	40	20	22½	42½	22½	22½	45	22½
Village Deep	18¾	7½	8¾	16¼	3¾	Nil	3¾	5
Village Main Reef ...	25	10	10	20	10	22½†	32½	—
Witwatersrand Deep ...	22½	5	Nil	5	—	—	—	—
Witwatersrand (Knights)	50	20	15	35	10	5	15	5
Wolhuter	15	6¼	5	11¼	3¾	2½	6¼	2½

* Cash dividends. † Scrip dividend. ‡ Geduld dividend postponed.

"Social and Industrial Reform." Some international aspects. By Sir Charles Macara, Bart. Sixth edition, enlarged. Price 6s. net. (Manchester: Sherratt and Hughes). This work, originally published in August 1918, consists of a number of articles which have appeared in the Press at different intervals, and the author has brought them under one cover at the request of those specially interested in the subjects dealt with.

PATRIOTISM
PROFIT
PROTECTION
are combined in the scheme of the
LEGAL & GENERAL LIFE OFFICE
for the Immediate Purchase of
VICTORY BONDS
by a Small Initial Outlay.
Send for full particulars to
10 Fleet Street, London, E.C. 4.

VENUS PENCILS
set the standard for the World.
Obtainable in 17 degrees. Blacklead, 6B to 9H, 4d. each.
HB or F for general writing. | H or HH: hard firm writing.
B or BB for a softer lead. | Venus Copying: 5d. and 6d. each.
Of all Stationers.
"VENUS," Lower Clapton Road, London.
HB VENUS

Mining Topics.

The Mining markets have passed just as quiet a week as have other sections of the Stock Exchange. With the Government Loan campaign in full swing and the prospective signing of the peace terms engenders no general speculative enthusiasm. Quotations have moved within narrow limits, except in the case of a few manipulated West Africans. Balaghats, which last week rose sharply to 10*s.* 6*d.* on improving developments and reconstruction prospects have this week receded to 8*s.* Siberians have been steady. The recently cabled statement that the Bolshevists had occupied the region of the Lena Goldfields properties is officially refuted. De Beers have risen to 23 on the dividend of 30*s.*

Broken Hill Labour.—As has often been pointed out in these columns, the continually recurring labour strikes in Australia, and particularly at Broken Hill, are a perpetual handicap to mining and industrial undertakings. How much they have retarded the progress of the country and delayed the development of such enterprises as the iron and steel works of the Broken Hill Proprietary cannot be calculated. The outlook for shareholders depends upon settlement of unrest and the contentment of the employees, and from Mr. Smith-Winby's remarks at the British Broken Hill meeting—reported on another page—it would appear that the companies are anxious to do all they can to nullify the attempts of certain Labour leaders to increase the discontent of the rank and file.

RAND LOW-GRADE MINES.

WEST RAND CONSOLIDATED.

Last year was an exceptionally adverse one for the deep low-grade mines on the Rand, and it is for that reason—*i.e.*, because the occurrences, such as unprecedented floods and influenza epidemic, were exceptional—that there seems to be good ground for expecting better results in the future. One has, however, to differentiate between the mines which are too old to benefit and those which by reason of their large unexplored areas have not only the hope of living to enjoy better conditions and the application of new labour and cost saving devices, but also give scope for the opening up of higher-grade ore than found in the past. Such an one is the West Rand Consolidated, with its 2,000 mining claims, including water-rights, the whole containing the Main Reef series and (in respect of nearly half) the Battery reef as well. From the plan which accompanied the 1917 report it is clear that only a small proportion of the area containing either of the reefs has been developed to date. Operations in recent years have given poorer and poorer results, and it will be seen from the table below that so far increase in costs has coincided with decrease in gold yield per ton

of ore milled, and that last year the exceptional conditions brought about a loss on working:—

West Rand Consolidated Milling Results.

Year	Ore Milled Tons	Gold Yield Per Ton	Working Costs Per Ton	Working Profit £	Profit Per Ton
4 ...	310,750	24/2	19/11	66,058	4/3
1915 ...	369,400	24/4	19/3	93,530	5/1
1916 ...	402,590	23/10	19/7	85,000	4/3
1917 ...	413,310	20/2	19/10	27,566	1/4
1918 ...	379,530	21/3	21·7	*19,976* (loss)	—

On the whole, the development work of the past year appears to compare satisfactorily as regards value with precious disclosures. Large tonnages of low-grade ore have had to be excluded from the reserves, and for this reason the latest estimate of quantity in sight shows substantial decline compared with previous calculations. However, despite the higher value of the ore milled, the average grade of the reserves shows improvement as follows:—

West Rand Consolidated Payable Ore Reserves.

Year	Tons	Value per Ton	Stoping Width Inches
1915	1,838,380	25/11	52
1916	1,600,000	25/11	52
1917	1,269,918	22/6*	54
1918	1,208,315	25/11	51

* Value reduced through previous method of calculation proving wrong.

It is, of course, apparent that under the conditions recently ruling the working of ore containing only 25*s.* worth of gold per ton can only leave a very poor, if any, profit, especially with a milling capacity so small as the Company has in relation to the size of its property and capital of £2,004,424, plus a Debenture debt of £364,840. But conditions have improved, and may, in accordance with the usual experience, after the bottom of a depression has been reached be very much better a few years hence. There appears to be scope, particularly in the extension of the employment of jack-hammer drills, now that difficulties on importation of same have departed. Last year only 6% of the total ore mined on the West Rand Consolidated was obtained by hammer drills. These drills on other mines have proved capable of stoping to a narrower width than hand drilling, but at the West Rand—where narrow stoping may well make all the difference between a good profit and a bad loss—hand drilling accounted for two-thirds of the fathomage stoped, and with an average width of about 56 inches, while machine drills, mainly of the old reciprocating type—and more large ones than small—accomplished the remaining one-third of the fathomage with an average width of about 68 inches. On the Langlaagte Estate last year hammer drills stoped as an average to 49 inches width. The difference between 50 inches and 60 inches stoping, as at present at the West Rand, means a dilution of the gold contents—already low—by 20%, and the waste sorted out is only 6%. But to become a really economical and profitable producer it is evident that further expenditure on capital account is necessary, both for increasing the milling equipment, developing further ahead, and installation of new drills. The capital at present is excessive in relation to the economic developed value of the assets. But it looks as if, by a reconstruction later on, the position and prospects could be improved. Of course, before that can be thought of labour and other conditions on the Rand must be reasonably settled, and such as to warrant the confidence of investors. If conditions do so improve the price of 5*s.* attached to the £1 shares may prove a low one, but it will be realised that the "if" is very speculative.

BALAGHAT.

Following the Chairman's statement on May 29 at the meeting of this Indian gold mine, that the mining outlook was brighter than for many years past, the £1 Ordinary shares which have for long past been a depressed market at round about three or four shillings have now appreciated to 7*s.* 6*d.* In taking note of the position it has to be kept well in mind that the mine is one of the shallowest of the Kolar group. It has been the poorest of the lot, but between its lowest level at about 3,000 feet and the depth of a mile to which the neighbouring Ooregum workings have attained there is obviously scope for discoveries to change the aspect of affairs. And while no dividends have been paid since 1908, it is not the case as so often happens with poor mines, that the financial and physical condition has been allowed to become parlous. Rather has everything been well looked after. Hence it is not surprising that on the mere prospect of better results in the future, a demand should have arisen for the shares. The question is whether the wish is too much father to the thought. Operations recently have resulted as follows, and it will be seen that expenses have risen considerably:—

Year	Ore Milled Tons	Gold Yield per Ton	Working Costs per Ton	Working Profit £	Profit Per Ton	Net Profit £	Depreciation, &c., Written off £	Amount of Carry-Forward £
1915 ...	36,684	37/0	34/10	3,993	2/2	2,573	3,710	*17,782**
1916 ...	28,476	52/9	48/9	5,661	4/0	3,102	10,488	*24,968**
1917 ...	28,525	59/3	53/4	8,534	5/11	5,493	3,466	*22,940**
1918 ...	26,745	70/2	63/5	9,036	6/9	5,366	3,544	*21,152*

* Debit balance.

It will be seen from the above that higher and higher grade ore has been available for the mill, which, inasmuch as the ore reserves have been barely equal to a year's supply, indicates a substantial improvement in development results. If costs had not risen so greatly owing to war conditions, it is probable that the preference shareholders, at least, would again be in receipt of dividends after a lapse of 11 years. The ore reserves at end of 1918 showed an increase of 8,500 tons, the quantity being 38,614 tons.

The total capital is only £308,000, divided into 212,600 Ordinary £1 shares and 95,400 10% non-cumulative Preference shares. During the lean years careful husbanding of resources has enabled shaft sinking and limited plant provision for attacking reef in depth to be made, but a vigorous development policy could not be pursued, owing to lack of surplus funds. Now, however, the discovery and opening up of a new reef shoot of very encouraging value as well as the pitching of reef into the Company's property from the adjoining Nundydroog alter the complexion of affairs, and a scheme of more active development which shareholders are to be asked to finance is to be laid before them. Progress will be watched with interest, especially in view of the numerous changes of fortune experienced by the other mines of the group in the past.

OROVILLE, NECHI AND PATO MINES.

Now that the excess profits duty has been reduced to 40% and there is a distinct possibility of its removal next year, there is a good prospect that Oroville shareholders will presently receive the increased dividends that have been expected for some time past. Recently the Company's reliance for revenue has been its interests in the Pato and Nechi dredging undertakings in Colombia. The properties owned by these concerns have been proved to be rich, but of such extent only to warrant the assumption of relatively short lives. As the Companies were formed a short time before the War commenced they have no pre-War standard of profit to rely upon, and the percentage standard allowed is absurdly small in the circumstances. If the properties had been worked in the last few years according to the original plan the bulk of the value of the dredging areas would have been lost to shareholders. Hence the policy was adopted of working low-grade ground outside the tested portions known to have high gold contents. Profits, as a result, have been kept down to comparatively small dimensions, and excess profits tax has to a large extent been escaped. Income tax, however, has been substantial, and altogether the Oroville Company—which owns the major portions of the capitals of the two concerns—has been able only to pay dividends at the rate of 10% on its capital. The

following table shows dredging results of the two Colombian concerns:—

Nechi Mines (Colombia),

	Ground Dredged Cubic Yards	Value of Gold—£	Yield per Cubic Yard	Total Working Cost per Cub. Yard	Working Profit—£	Per Cubic Yard	Net Profit £
13 months to Sept. 30, 1916	1,617,975	165,669	2/0½	-/8	111,327	1/4½	113,112
Year to Sept. 30, 1917	1,883,659	190,815	1/0⅜	-/5⅜	55,949	-/7	62,107
6 mos. to Mar. 31, 1918	1,076,558	51,765	-/11½	-5½	26,428	-/5⅜	3,649

Pato Mines (Colombia).

Year to Sept. 30	Ground Dredged Cubic Yards	Value of Gold—£	Yield per Cubic Yard	Total Working Cost per Cub. Yard	Working Profit—£	Per Cubic Yard	Net Profit* £
1915 ...	1,377,194	127,342	1/10	-/8¾	74,566	1/1	77,606
1916 ...	1,484,721	148,044	1/11¾	-/9½	90,690	1/2½	104,547
1917 ...	1,181,945	133 852	2/3½	1/0½	71,334	1/2½	87,015
1918 ...	1,346, 15	54,745	-/9½	-/10½	Nil	—	12,832

* Including sundry revenue.

NOTE.—Pato Mines net profit includes revenue from Nechi Company whose dredge in the second half of 1917-18 worked on Pato ground.

We have explained in the past the somewhat intricate manner in which the Oroville Company, which has an issued capital of £686,538 in £1 shares, holds its interests in the two Colombian subsidiaries, and it will suffice now to mention that in effect it holds 74,000 £1 shares out of 100,000 issued shares of the Pato Mines and 126,000 Ordinary 10s. shares out of 140,000 Ordinary shares issued of the Nechi Mines. The latter Company has also in issue 140,000 25% Preference shares, in which the Oroville Company is not interested. As to profit and life prospects, it is to be noted that the Pato's remaining tested ground on October 1 was estimated to contain 18,441,000 cubic yards, averaging, on a conservative calculation, 29.3 cents worth of gold per cubic yard. The full capacity of the Company's dredge is about 1,500,000 cubic yards per annum, so that the normal life may be put at 12 years, during which under ordinary circumstances the profit should average £100,000 per annum. The Nechi ground is much smaller, but owing to the dredge having recently re-worked previously dredged areas, it is not possible to give the exact yardage remaining now. Five years at a very high rate of profit—from £100,000 to £150,000 per annum—would seem to be a fair calculation. The immediate future of the Oroville Company, therefore, is seemingly secure, but naturally the prolongation of profitable existence is the aim of the administration. Shareholders were informed at the end of last year that a gold-reef property in Colombia was being investigated, and they are now told that this has been acquired. It will take time to develop, and, of course, at the present stage is more or less a prospect. The reports, however, are good and the management can be relied upon to use its long mining experience to bring the property to a successful producing stage. On the result will largely depend whether the Company's shares are too highly priced now at 28s. 9d.

Intending Settlers To South & East Africa



are notified that the

National Bank of South Africa, Ltd., have over 300 Branches within the Union; also Offices at Mombasa, Nairobi, Mozambique, Dar-es-Salaam, Tanga, etc., and in Nyasaland.

LONDON OFFICES:

CIRCUS PLACE, LONDON WALL, E.C.—2.
18, ST. SWITHIN'S LANE, E.C.—4.

West End Office—
25, COCKSPUR STREET,
S.W.—1.

Agency at—
10, WALL STREET,
NEW YORK U.S.A.

TABULAR APPENDIX.

I.—BANK RETURNS, ETC.

BANK OF ENGLAND.—Accounts, June 25, 1919.

Issue Department.

Notes Issued	£104,185,485	Government Debt	£11,015,100
		Other Securities	7,434,900
		Gold Coin and Bullion	85,735,485
	£104,185,485		£104,185,485

Banking Department.

Proprietors' Capital	£14,553,000	Government Securities	£66,820,806
Rest	3,228,443	Other Securities	80,803,466
Public Deposits	20,044,176	Notes	25,883,895
Other Deposits	137,744,811	Gold and Silver Coin	2,075,041
Seven-day and other Bills	12,778		
	£175,583,208		£175,583,208

Comparison with Previous Four Weeks [00,000's omitted]

Date	Circulation	Coin & Bullion	Deposits: Public	Deposits: Other	Securities: Govt.	Securities: Other	Reserve	Ratio Reserve to Liabilities	Bank Rate *	Three Months' Bills
1919.	£	£	£	£	£	£	£	%	%	%
June 25	78.3	87.8	20.0	137.7	66.8	80.8	27.9	17·71	5	3⅜-⅜
June 18	77.7	87.7	20.1	124.3	53.2	80.4	28.4	19·71	5	3⅜-½
June 11	78.0	87.0	20.3	130.8	61.5	79.9	27.5	18·18	5	3½-⅝
June 4	78.2	86.9	21.4	127.5	58.7	80 8	27.2	28·25	5	3½-½
May 28	77.2	86.1	21.0	121.6	52.5	80.4	27.4	29·19	5	3½
J'y 22,'14	29.3	40.2	13.7	42.2	11.0	33.6	29.3	52·40	3	2⅜

* July 30, 1914 + to 4%; July 31, 8%; Aug. 1, 10%; Aug. 8 8%; Aug. 8 5%; July 13, 1916, 6%; Jan. 18, 1917, 5½%; April 5, 5%.

Comparison of Bank Returns, Exchanges, Prices, &c.

Bank of England (in £'s sterling 00,000's omitted):	June 25, 1919	June 26, 1918	June 27, 1917	June 28, 1916	June 23 1909
Circulation	£78.3	£53.7	£39.4	£35.9	£29.4
Public Deposits	20.0	35.8	39.2	49.3	13.4
Other Deposits	137.7	128.8	125.1	108.4	44.9
Government Securities	66.8	51.6	45.3	42.2	15.4
Other Securities	80.8	100.8	100.2	87.3	30.7
Reserve	27.9	30.0	36.6	43.9	29.9
Ratio to Liabilities	17·71%	18 23%	22·27%	28·22%	51·30%
Coin and Bullion	87.8	65.2	57.5	61.4	40.9
Money					
Bank of England Rate	5%	5%	5%	5%	2½%
Bank of France Rate	5%	5%	5%	5%	3%
Rate 3 months' Bills London	3⅛-⅜%	3½-3⅝%	4⅛%	5⅛-5½%	1⅞%
Exchanges:					
Paris Cheque	29 81	27 15	27 39½	28 13½	25 19½
New York 60 days	4 57	4 72½	4 73-16	4 72½	4 86½
Bombay Telegraphic Transfers	1/7⅜	1/5⅜	1/4⅞	1/4⅞	Hol.
Prices:					
Consols 2½% Cash	53¼	56	54¾	60¾	84¼
French Rentes 3% Money	62·75	60 25	60 25	62 25	97 10
Silver, London spot oz.	53½d.	48⅞d.	39½d.	31d.	24-16d.
Wheat, *Gazette* average qr.	73/3	74/4	78/1	47/6	42/7
Cotton, Mid Upland lb.	20·32d.	22·59d.	19·45d.	8·21d.	6·11d.
Iron, Scotch pig ton	166/0	101/0	98/6	88/6	54/3

CURRENCY NOTE ISSUE.

Week to	Notes Issued £	Notes Cancelled £	Notes Outstanding £	Gold Coin & Bullion £	% of Gold to Notes
June 25, 1919 ...	6,079,207	8,548,330	342,309,770	28,500,000	8·3
June 18, 1919 ...	5,618,244	7,959,983	344,778,893	28,500,000	8·2
June 26, 1918 ...	6,810,001	3,965,043	252,912,444	28,500,000	11·3
June 27, 1917 ...	5,730,570	4,613,724	161,673,676	28,500,000	17·6
June 28, 1916 ...	4,758,025	4,138,287	122 099,278	28,500,000	23·3
June 30, 1915 ...	2,403,224	1,723,463	46,576,801	28,500,000	61·2

Balance Sheet, June 25, 1919.

	£		£
Notes outstanding—		Advances—	
One Pound	262,197,910	Trustee Savings Banks	360,000
Ten Shilling	45,111,860	Currency Note Redemption A/c—	
Certificates outstanding ...	35,000,000	Gold Coin and Bullion ...	28,500,000
		Government Securities ...	327,321,264
Total	342,309,770	Balance at Bank of England	3,271,386
Investments Reserve A/c	17,142,880		
Total	359,452,650	Total	359,452,650

PUBLIC INCOME & EXPENDITURE [000's omitted.]

1919. Week to	Revenue	Expenditure	Excess of Expenditure	Loans, Advances, &c.—Cr.	Loans, Advances, &c.—Dr.	Loans, Advances, &c.—Net +	Cash Balance
June 21	£15,329	£25,739	£10.409	£93,258	£72,799	£10.359	£5,946
June 14	9,754	19.534	9.780	88,616	78,971	9.645	5.995
June 7	14.014	68.756	54 742	138.780	85.171	53·609	6.193
82days'18	167,078	372 197	205 119	1,129·027	930.761	198,266	—6.853
83 days'18	141.761	661,347	519.586	1,468,831	957.349	511.482	—8.104
*Yr. '19-20**	*1,201,100*	*1,434,910*	*233,810*	—	—	*233,810*	—
Yr. '18-19	889,021	2,579.301	1,690,280	7,033.402	5,351.353	1,682.049	12.798
Yr. '17-18	707,234	2,696.221	1,988.987	7,499.604	3,616.023	1,983,581	21.030

Principal Items of Revenue and Expenditure.

1919. Week to	Revenue: Customs & Excise	Income Tax, &c.	Excess Profits Duties, &c.	Other Revenue	Expenditure: Int., &c., on Debt	Misc. Expend.	Supply Services
June 21	£6.755	£1,212	£4,651	£2,711	£985	£54	£24.700
June 14	3.625	619	3.676	1.835	2.182	8	17.344
June 7	3.535	2,864	5.012	2.603	48.195	41	20 520
82 days'18	51.104	36.338	56.494	23.144	111.971	872	259.349
83 days'18	31,112	24.833	57,794	28.022	90.404	818	570.125
*Yr. '19-20**	*237,500*	*354,000*	*300,000*	*309,600*	*360,000*	*16,595*	*1,058,818*
Yr. '18-19	182.220	291.186	285,028	150.587	269.984	11.380	2,297.958
Yr. '17-18	110,033	239.509	220.214	137.478	189,851	11.401	2,494.968

FLOATING DEBT. [000's omitted.]	Treasury Bill	Ways & Means Advances	Total	Natnl. War Bond Rcpts.
June 21, 1919 ...	£851.831	£701.892	£1,553.723†	£1.732.021
June 14, 1919 ...	891.208	654.892	1,546,100	1.731.174
June 7, 1919 ...	960 219	581.892	1,542.111	1.728.301
May 31, 1919 ...	1.036.131	457,892	1,494.023	1.723.216
Dec. 31, 1918 ...	1.094.740	455.180	1,548,920	1,420,700

* Budget estimate. † Highest.

FOREIGN BANKS. [In £'s Sterling‡—000's omitted.]

AUSTRIA-HUNGARY.	Gold	Cash Silver	Cash Total	Advances To Public	Advances To Dual Govts.	Note Circulat'n	Bills Discounted, &c.
July 23, '14...	£51,578	£12,141	£63,719	£7 722	—	£88.740	£31,993
May 31, '19...	10.928	2.387	13.315	357,452	£1.373.083	1.684.579	117,112
June 7, '19...	10.928	2.386	13.314	365.976	1.373.083	1.673.861	117.108
Dec. 7, '17...	11.000	2.300	13.300	603.990	—	739.300	117.600

BELGIUM.	Gold.	Silver	Total	Discounts	Balance Abroad	Circulation	Deposits
Aug. 6, '14 ...	£10,977	£633	£11,610	£41,925	£51,800	£8,263	
June 12, '19 ...	10.614	1.008	11.622	13.711	183.804	91.505	
June 19, '19 ...	10.631	1.048	11.679	13.812	187.990	90.730	

DENMARK.	Cash Gold	Cash Silver	Cash Total	Discounts	Balance Abroad	Circulation	Deposits
July 31, '14 ...	£4,100	£341	£4.441	£8.197	£786	£8.693	£47
Apr. 30, '19 ...	10.374	136	10.510	3.425	3.977	24.115	1.026
May 31, '19 ...	10.355	138	10.493	4.399	3.563	24.109	950
May 31, '18 ...	10,228	136	10,364	3.004	3.703	19.163	985
May 31, '17 ...	9.996	136	10.132	4.528	2.437	16.590	1.436

FRANCE.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Bills	Circulation	Deposits Public	Deposits Private
July 30, '14 ...	£165,654		£190.667	£97.788	£267.327	£15.302	£37.903
June 19, '19 ...	142.894	79.131	234 214	34.332	1,377.982	2.445	132.060
June 26, '19 ...	142.905	79.131	234.183	34.121	1.377.680	1.973	134.480
June 27, '18 ...	134.470	82.484	227.327	54.321	1,142.017	1.485	160.770
June 28, '17 ...	130.130	81.391	221.916	22.237	792.924	1.340	109.338

GERMANY.	Cash Gold	Cash Silver	Cash Total	Treasury & Other Notes	Loans & Discounts	Circulation	Deposits
July 23, '14...	£67.843	£16.727	£84.570	£5.279	£40.055	£94.545	£47.198
June 7, '19...	65.120	1.017	66.137	413.409	1.372.352	1.410.892	457.533
June 14, '19...	57.575	1.001	58.576	422.120	1.453.419	1.413 743	524.226
June 15, '18...	117.298	6.021	123.319	81.764	747.308	602.103	395.237
June 15, '17...	126.668	2.491	129.159	26.630	474.220	411.201	240.815

HOLLAND.	Cash Gold	Cash Silver	Cash Total	Discounts	Advances	Circulation	Deposits
Aug. 1, '14 ...	£13,496	£249	£13,745	£13,422	£10,332	£35.660	£1,437
June 7, '19 ...	55.164	681	55.845	12.175	18.003	84.638	6.435
June 14, '19 ...	55.164	708	55.872	10.807	16.975	84.116	5.298
June 15, '18 ...	59.815	652	60.467	4.407	9.875	76.208	4.881
June 16, '17 ...	50.218	631	50.849	5.018	6.936	61.771	5.393

ITALY.	Gold	Cash Silver	Cash Total	Other Cash	Loans & Discounts	Circulation	Deposits
July 31, '14 ...	—	—	£48.456		£25.017	£69.204	£8.887
May 10, '19 ...	32.717	2.960	35.677	24.216	56.524	372.204	58.604
May 20, '19 ...	32.712	2.964	35.676	23.984	55.708	370.606	61.884
May 20, '18 ...	33.479	3.139	36.618	5.740	53.489	293.442	60.395
May 20, '17 ...	33.364	2.596	35.960	4.516	34.786	162.021	34.395

JAPAN.	Gold	Discounts	Advances	Notes	Deposits Public	Deposits Private
Aug. 1, '14 ...	£21,867	£1,829	£7,863	£32,722	£13,818	£1,521
May 3, '19 ...	70 642	4.330	37.493	83.730	108.780	4.797
May 10, '19 ...	70,595	2,722	40,175	79.146	115.908	4.041
May 11, '18 ...	65,708	2.580	22,698	61.934	67.605	3.802
May 12, '17 ...	41.828	178	12.097	43.726	46.062	3.250

NEW YORK BANKS & TRUSTS.	Cash Own Vaults	Aggregate Reserve	Loans, Disc'ts, Invest., &c.	Net Deposits—Demand	Net Deposits—Time	Net Deposits—Total	Excess Reserve
Aug. 1, '14 ...	—	£89.888	£411.238	—	—	£387.165	£1.720
June 14, '19 ...	£19,886†	114.494	1.022.818	£823.588	£30.116	929.250	7.674
June 21, '19 ...	19.560†	116.370	1.001.674	816.318	31.376	919.364	7.616
June 22, '18 ...	20.016†	112.350	902.182	747.413	31.786	849.582	13.128
June 23, '17 ...	61.378*	125.958	782.722	687.920	33.443	747.669	7.342

NORWAY.	Gold	Balance Abroad	For'gn Govt. Securities	Disc'nts & Loans	Circulation	Deposits
July 31, '14 ...	£2.960	£1.678	£493	£4.868	£6.752	£783
June 7, '19 ...	8.194	4.114	678	19.088	23.593	4.608
June 14, '19 ...	8.182	4.125	678	18.679	23.520	4.257
June 15, '18 ...	6.615	3.673	712	18.365	19.622	6.279
June 15, '17 ...	7.159	4.453	706	13.197	15.487	7.363

PORTUGAL.	Gold	Silver	Total	Discounts & Advances	Note Circulation	Deposits
May 21, '19 ...	£1.905	£3.937	£5.842	£8.192	£63.766	£3.731
May 28, '19 ...	1.905	3.937	5.842	8.342	64.113	3.651
May 29, '18 ...	1.905	3 442	5.347	8.569	47.267	2.845
May 30, '17 ...	1.904	1.015	2.919	15.045	32.961	1.117

ROUMANIA.	Cash	Discounts	Advances	Total	Circulation
Apr. 19, '19 ...	£35.980	£6.492	£1.766	£8.258	£107.106
Apr. 26, '19 ...	35.980	6.880	1.660	8.540	106.842
May 4, '19 ...	36.781	7.480	1.705	9.185	109.312
May 4, '18 ...	29.000	4.660	1.805	6.465	86.548

RUSSIA.	Gold In Bank	Gold Abroad	Total Cash incl'g Silver	Loans & Disc'ts	Circulation	Notes in Reserve	Total Deposits
July 21, '14...	£160.114	£14.395	£181.892	£76.081	£163.411	£6.599	£109.911
Oct. 29, '17...	129.523	230.865	378.205	1.869.559	1.838.217	15.783	345.550

SPAIN.	Gold	Cash Silver	Cash Total	Loans, &c.	Spanish 4%	Circulation	Deposits, &c.
Aug. 1, '14...	£21.804	£29.187	£50 991	£40.572	£13.778	£77.557	£18.955
June 14, '19...	90.650	25.940	116.590	77.962	13.778	141.732	42.389
June 21, '19...	90.648	26.112	116.760	126.632	13.778	139.864	35.092
June 22, '18...	83.818	28.162	111.930	53.199	13.777	116.379	41.115
June 23, '17...	81.688	30.280	91.963	51.063	13,777	98.301	31,284

SWEDEN.	Gold	Balance Abroad	Swed. & For. Govt. Secs.	Discounts & Loans	Circulation	Deposits
Aug. 1, '14...	£5.717	£8 150	£1.558	£7.495	£39.564	£6 018
June 7, '19...	16.103	7.858	2.880	20.057	38.703	6.356
June 14, '19...	16.091	7.898	2.923	17.364	37.704	6.007
June 15, '18...	14.352	7.297	5.357	12.898	35.234	7.477
June 16, '17...	11.267	7.084	4.248	7.720	24.343	8.181

SWITZERLAND.	Cash Gold	Cash Silver	Cash Total	Discounts & Advances	Circulation	Deposits
July 23, '14...	£7.202	£758	£7.960	£4.817	£10.716	£2 026
June 7, '19...	18.288	2.724	21.012	18.180	36.084	4.416
June 14, '19...	18.348	2.740	21.088	17.240	35.236	4.482
June 15, '18...	15.388	2.327	17.713	13.867	27.068	4.919
June 15, '17...	13.832	2.108	15.740	8.376	20.001	4.764

* Counted as reserve. † Not reserve.
‡ Converted at par rate of exchange.

U. STATES FED. RES. BANKS.	Gold Held by Banks.	Gold With Agents.	Total Cash.	Bills Discount'd	Accept-ances.	Deposits. Govt.	Deposits. Total Net.	Circulation.
June 14,'19...	£187,688	251,086	452,396	375,634	46,908	49,050	353,954	499,856
June 21,'19...	182,782	250,364	446,892	367,488	54,948	33,300	354,266	497,650
June 21,'18...	187,360	197,514	396 222	186,254	46,494	31,892	289,080	335,590
June 22,'17...	162,650	79,753	249,540	38,196	48,881	99,161	248,717	99,944

II.—CURRENT BANK RATES OF DISCOUNT.

	%	Date Fixed		%	Date Fixed
Amsterdam ...	4½	July 1,'15	Lisbon	5½	Jan. 15,'14
Berlin	5	Dec. 23,'14	Madrid	4½	Oct. 26,'14
Berne	5½	Oct. 3,'18	Paris	5	Aug.20,'14
Bombay	5	June 12,'19	Petrograd ...	6	July 29,'14
Brussels	4	June 5,'19	Rome	5	Jan.11,'18
Calcutta	5	June 5,'19	Stockholm ...	6	June12,'19
Christiania ...	5½	May 12,'19	Tokio	6½	Nov.25,'18
Copenhagen ...	5½	Jan. 2,'19	Vienna	5	Apr.12,'15

III.—FOREIGN EXCHANGES.

LONDON ON—		June 27, '19	June 20, '19	June 13, '19	June 6, '19
Brussels	Cheques	30fr. 90c.	30fr. 55c.	30fr. 80c.	30fr. 85c.
Denmark	Cable	19kr. 38½	19kr. 25	18kr. 90	19kr. 70
Holland	do.	11fl. 82⅛c.	11fl. 81c.	11fl. 82c.	11fl. 86⅛c.
Italy	do.	36lr. 85c.	39r. 05c.	36lr. 25c.	37lr. 75c.
Lisbon and Oporto	do.	31½d.	30d.	30⅝d.	30½d.
New York	do.	$4 59½	$4 61½	$4 62	$4 63
—	Cheques	$4 60	$4 62½	$4 62½	$4 63½
Norway	Cable	18kr. 37½	18kr. 30	18kr. 20	18kr. 33
Paris	3 mos.	30fr. 10c.	29fr. 82½c.	39fr. 85c.	30fr. 50c.
—	Cable	29fr. 68c.	29fr. 37½c	29fr. 50	30fr. 09c.
Spain (Bank places)	3 mos.	50⅛d.	50⅜d.	50⅛d.	50¼d
—	Cable	23p. 23	23p. 00	22p. 20	23p. 07½
Sweden	Cable	17kr. 80	17kr. 85	17kr. 70	18kr. 00
Switzerland	3 mos.	25fr 30c.	24fr. 85c.	24fr. 85c.	24fr. 62
—	Cable	24f. 90c.	24f. 50c.	24f. 50c.	24fr. 22c.

ON LONDON—		June 27, '19	June 20, '19	June 13, '19	Par
Alexandria	Sight	97⅛pi.	97⅛pi.	97⅛pi.	97⅛pi.
Amsterdam	Cheques	11fl. 81½c.	11fl. 80½c.	11fl. 82½c.	12·107fl.
Bombay	Transfers	1s. 7⅜d.	1s. 7⅜d.	1s. 7⅜d.	1s. 6d.
Brussels	Cheques	30f. 85c.	30f. 70c.	30f. 75c.	25f. 22½
Buenos Ayres	Transfers	51d.	51d.	50⅞d.	47·58d.
Calcutta	do.	1s. 7⅜d.	1s. 7⅜d.	1s. 7⅜d.	1s. 6d.
Christiania	Sight	18kr. 34	18kr. 29	18kr. 17½	18.159kr.
Copenhagen	do.	19kr. 42	19kr. 31½	18kr. 90	18.159kr.
Hong Kong	Transfers	3s. 6½d.	3s. 6½d.	3s. 6⅝d.	—
Italy	Sight	36lr. 80c.	37lr. 20c.	36lr. 25c.	25f. 22½c.
Lisbon	do.	30½d.	30⅝d.	30½d.	53½d.
Madras	do.	1s. 8⅛d.	1s. 8⅛d.	1s. 8⅛d.	1s. 6d.
Madrid	do.	23p. 22½	23p. 05½	23p. 39	25p. 22
Montevideo	Transfers	—	—	56 l.	51d.
Montreal	Cable	$4 73½	$4 74½	$4 74½	$4 86⅔
New York	Sight	$4 58⅜	$4 60,⅜	$4 61½	—
—	60 days	$4 57	$4 60	$4 60	—
—	Cable	$4 59¼	$4 61⅜	$4 62⅛	$4 86⅔
Paris	Cheques	29f. 72½c.	29f. 47½c.	29f. 51c.	25f. 22½
Rio de Janeiro	90 days	14½d.	Hol.	14⅛d.	18d.
Shanghai	Transfers	5s. 3½d.	5s. 4½d.	5s. 4½d.	—
Singapore	Sight	2s. 4 7/32d.	2s. 4 7/32d.	2s. 4 7/32d.	2s. 4d.
Stockholm	do.	17kr. 85	17kr. 81	17kr. 75	18.159kr
Switzerland	do.	24f. 88c	24f. 50c.	24f. 50c.	25f. 22½c.
Valparaiso	90 days	11d.	11d.	10 31/32d.	18d.
Yokohama	Sight	2s. 2 7/32d.	2s. 2⅛d.	2s. 2⅛d.	2s. 0.53d.

* Thursday's rates.

NEW YORK ON—	Rate Current* June 25,'19	Rate Current* June 18,'19	Par as usually Quoted	Rate July 3, '14
Amsterdam, sight ...	38·62c.	39·15c.	40·20c. for 1 guilder	40·26c.
Bombay, cheques ...	41·50c.	41·75c.	32·44c. for 1 rupee	33·00c.
Buenos Aires, cheques ...	102·25	102·35		
Christiania, cheques ...	24·70c.	25·15c.	26·80c. for 1 kroner	
Copenhagen, cheques ...	23·25c.	23·95c.	26·80c. for 1 kroner	26·85c
Greece, cheques	19·05c.	19·-c.	19·295c. for 1 drachma	
Hongkong, cheques ...	83·00c.	83·50c.	74·59c. for Mex. $1	46·4
Italy, sight	8 00/.	8·00/.	5·18¾ lire for $1	5·17
Lima, cheques	5·00c.	5·10c.	4·8665 $ for 1 libra	
Manila, cheques	—	49·25c.	50c. for 1 peso	49·8
Montreal	2⅜% disc.	2¼% disc.	Premium per $100	Par
Paris, sight	6·46fr.	6·46fr.	5·18¾ francs for $1	5·18fr.
Petrograd, sight	10 nom.	10 nom.	51·46c. for 1 rouble	51·37c.
Rio de Janeiro, cheques	28c.	28c.	32·42c. for 1 milreis	
Shanghai, cheques ...	123c.	122½c.	52·96c. for 1 tael	53·00c.
Singapore, cheques ...	56·25c.	56·50c.	56·77c. for $1	57·12c.
Spain, cheques	19·77c.	19·95c.	19·30c. for 1 peseta	
Stockholm, cheques ...	26·35c.	25·85c.	26·80c. for 1 kroner	
Switzerland, cheques ...	5·44fr.	5·34fr.	5·18¾ francs for $1	5·18¾fr.
Valparaiso, cheques ...	21½c.	21½c	20·81c. for 1 peso	
Yokohama, cheques ...	51·25c.	51·50c.	49·84c. for 1 yen	49·89c.

* According to Guaranty Trust Co. of New York.

IV.—BANKERS' CLEARING-HOUSE RETURNS.

Name.	Week.	Amount.	Inc. or Dec.*	1919 Agg.	Inc. or Dec.*
	1919.	[In £'s sterling 000's omitted.]			
BIRMINGHAM ...	June 21	£2.465 +	£587	£61.854 +	£1.937 + 3·3
BRISTOL ...	,, 21	1,528 +	431	32.720 +	6.695 + 25·6
DUBLIN ...	,, 23	7,291 +	1,808	172.636 +	37.810 + 28·1
LEEDS ...	,, 21	1,101 +	188	27.882 +	3.474 + 14·2
LEICESTER ...	,, 21	850 +	288	21.741 +	4.510 + 26·2
LIVERPOOL ...	,, 21	12.919 +	3.897	277.825 +	58.931 + 28·9
MANCHESTER ...	,, 21	15.456 +	1.496	370.444 +	12.970 + 3·6
NEWCASTLE ...	,, 21	1,847 +	250	48.076 +	3.139 + 7·0
NOTTINGHAM ...	,, 21	631 +	156	15.741 +	1.023 + 7·0
SHEFFIELD ...	,, 21	913 +	239	29.208 +	2.040 + 7·5
LONDON—	1919.				
TOWN ...	June 25	417.204 +	102.349	9.458.225 +	1.476.003 + 18·5
METROPOLITAN	,, 25	35.145 +	8.885	8·7.990 +	162.643 + 24·3
COUNTRY ...	,, 25	64.699 +	16.741	1.506.545 +	248.215 + 19·7
TOTAL ...	,, 25	517.048 +	127.955	11.782.680 +	1.988.881 + 20·1

* Compared with a year ago.

V.—FREIGHTS.—According to Messrs. J. C. Gould and Co.

HOMEWARDS.	1919 June 27	1919 June 20	1913 June 27
Alex. to Lond.or Hull	—	—	—
Aust. to U.K. or Cont.	225/0	225/0	32/0
Azoff to L.H.A.R. ...	—	—	9/9
Bombay to p.p.r. nom.	115/0	90/0	120 0
Burmah o.c. (nom.) ..	220/0	220/0	25/0
Calcut.to p.p.r.(jute) ...	—	nom.	—
Danube to A.R ...	—	—	—
Odessa to L.H.A.R. ...	—	—	9/0
R. Plate to U.K. Cont.	280/0	240/0	17/0

Homewards.—*Contd.*	1919 June 27	1919 June 20	1913 June 27
U.S.Atl.Ports to Liverpl. (cotton, 100lb.)	220/0	220/0	38.9
U.S.to U.K.Cont. (gr.)	14/0	14/0	—
Gulf Ports to U.K Cont. (cotton & grain) ...	235	235	12/0
OUTWARDS—Cardiff to			
Bombay	—	—	13/0
Colombo	—	—	12/6
Port Said	47/6	47/6	9/6
River Plate ...	48/3	51/3	20/0
St. Vincent ...	40/0	40 0	9/0

VI.—WHOLESALE PRICES OF COMMODITIES.

	JUNE 27, 1919	JUNE 28, 1918.	JUNE 30, 1914
METALS, MINERALS, &c.			
Iron—Scotch pig warrants ...ton	163/0	101/0	57/0
— Middlesbro' warrants .....ton	160/0	95/0	51/0
— Hematite warrants .....ton	190/0	122/6	61/0
— Staffordshire bars, London ton	£20 10	£15 10	£8 10
— Common bars .....ton	£20 10	£13 15	£8 10
Steel Rails .....ton	£15	£10 17/6	£8 2/6
Galvanised Sheets.....ton	£23—£23 10	£28	£18 17/6
Copper—Standard.....ton	£37 5—£37 10	£110—£110 10	£61
Tin—English Ingots .....ton	£233	£333—£335	£142 10
— Straits .....ton	£233 10	£333—£333	£139 15
Tinplates, I.C. Coke, S. Wales...box	32/6—33/0	32/0—33/0	11/10½—12/0
Lead—Soft Foreign ....ton	£23 5	£23 10—£24 10	£19
Spelter—Ord. Foreign .....ton	£33 10—£39	£53—£54	£21 7/9
Quicksilver—(75lb.) .....bottle	£13—£13 10	£20	£7
Aluminium .....ton	£150	nom	£82
Antimony—Regulus Foreign ...ton	£42	nom	£27 10
— English .....ton	£45	—	—
Coal—(best) Yorkshire... .....ton	28 6—31/6	23/0	17/6
— Steam (best) Newcastle.....ton	40/0—45/0	30/0	14/6
CHEMICALS, OILS, &c.			
N. of Soda—f.o.b. Chile, per quintal	9/0	12/6½	7/4
Soda—Crystals ex ship .....ton	130/0—130/0	87/6	42/6—45/0
Cocoa—Malay and Straits ... ...lb	£26 10	£15 10	£23 15–£24 7/6
Gambier—Good marks .....cwt	47/6	72/6	16/10½
Indigo—Bengal good to fine.....lb.	9/0—10/6	9/0—11/0	3/2—3/8
Linseed Oil—Raw .....ton	£122	£75	£25 5
Linseed—Calcutta, spot .....ton	£13 –£13 10	£37 10	£13 18/9
— **Cakes**, U.K. made, ex mill...ton	£19	£19	£7 17/6—£8
Olive Oil—Spanish .....ton	nom	£200	£49 10
Palm Oil—Lagos .....ton	£32	£15	£31 10
Petroleum—American.....gallon	1/4½	1/10½	7½d.
Rape Oil—Refined English .....ton	£104	£71	£32
Soya Oil—Refined .....ton	£75	£75	£24 10
Tallow—Unmortal .....cwt.	92/0—105/0	63/0	29/3—33/3
Turpentine—French .....cwt	97/0	113/0	33/7½
Rape Seed—Toria.....ton	£45	£29 15	£13 5
Rubber—Para, spot .....lb	2/4½	3/1½	2/9½
— Fine plantation (std. crepe) lb.	1/9½	2/2½–2/3½	2/2
— World's Production* Apr. tons	31,193	21,738	9,467
Shellac—T.N. Orange, fair.....cwt.	330/0—335/0	340/0	83/0—84/0
TEXTILES.			
Cotton—Middling Upland .....lb	20·32d.	22·59d.	7·53d.
— Egyptian, good fair .....lb.	26·84d.	28·57d.	8·75d.
— Pernambuco fair .....lb.	22·93d.	26·15d.	7·73d.
— Mid. Upl. New York..... .....lb.	34·95d.	31·95d.	13·25c.
— Stock, Liverpool, June 20 bales	510,240	273,980	934,800
Flax—Petrograd, Yarapol .....ton	nom	£120nom.	£28
Hemp—New Zealand .....ton	£51	£90	£25 10
— Manila, Fair .....ton	£54 10	£100	£26 10
Jute—First Marks .....ton	£55 10	—	£28 15
— Red SOO .....ton	—	—	£24 15
Silk—Blue Elephant .....lb	25/0	26/0	11/3—11/8
Wool—Pt. Philip unwashed av. lb	3/5½	nom.	11½d.—1/0
— Lincoln Half Hogs .....lb.	1/7½	1/7½	1/0½
Hides—Eng. Ox, best, 65lb. up. lb	—	9½d.—10½d.	7½d.
Leather—Dressing Hides .....lb	2/7—3/3	2/4—3/0	1/4—1/8
VEG. FOOD, CORN, &c.			
Wheat—Visible supply U.S. ...bus.	19,323,000	3,533,000	34,640,000
— Red, price, N.Y. 60lb. ...bushel	237½c.	226c.	87½c.
— English *Gazette*, aver. 480lb qr.	73/3	71/4	34/3
Flour—G.R. .....280lb.	44/3	44/3	28/8
Barley—Eng. *Gaz.*, aver. 400lb. qr.	62/9	58/5	25/4
Oats—Eng. *Gaz.*, aver. 312lb. ...qr.	49/7	47/8	20/0
Maize—N. Y. (new bushel) .. 56lb	193½	nom.	78½c.
— Amer. mixed, Liverpool...480lb	83/9	nom.	32/4
— La Plata .....480lb. qr.	60/0	78/0	25/9
Potatoes—Good English .....ton	193/8	177/6	70/0—75/0
Rice—Bassein .....cwt.	25/0	23/3	7/0—7/3
Tapioca—Pearl, medium.....cwt	53/0	81/0	14/0—17/8
Hay—Best .....2,018lb.....load	176/0	181/0	82/8
Hops—English.....cwt	—	—	£6 5—£7
ANIMAL FOOD.			
Beef—Argen. chilled hndqrs....8lb.	6/8—7/2	9/3	3/8—3/10
— Scotch sides.....8lb.	8/8	8/2	4/8—5/0
— English.....8lb.	8/8	8/2	4/2—4/5
Mutton—Scotch wethers.....8lb.	9/0	8/3	5/8—6/0
— English wethers.....8lb.	9/0	8/3	4/6—5/4
— New Zealand frozen .....8lb.	7/8	8/3	2/4—3/2
Pork—English and Irish.....8lb.	10/8	10/3	3/6—4/0
Bacon—Irish, delivered .....cwt.	190/8	193/0	60/0—74/0
— Danish.....cwt.	—	—	58/0—68/0
— Canadian, ex Port.....cwt.	190/0	—	—
— American, ex Port.....cwt.	184/0—188/0	193/0—172/0	72/0—74/0
Hams—Amer. long cut, ex Port cwt.	190/0—192/0	170/0	75/0—79/0
— — short cut, ex Port .....cwt.	183/0—190/0	170/0	71/0—74/0
Lard—Amer. boxes, ex Port ...cwt.	170/0—191/0	158/0	51/9—52/9
Butter—Danish .....cwt.	Controlled 252/0	Controlled 252/0	117/0—120/0
— French .....cwt.			98/0—108/0
— Australian .....cwt.			98/0—110/0
— New Zealand .....cwt.			108/0—114/0
Cheese—Canadian .....cwt.	160/0—164/0	—	68/0—68/0
— United States.....cwt.	144/3	—	—
— Dutch .....cwt.	144/8	—	53/0—64/0
SUGAR, COFFEE, TEA, &c.			
Sugar—Imports to May 31 ...cwts	13,333,535	10,975,531	19,777,254
— Home consump'n to May 31cwts.	12,397,293	7,705,693	17,272,000
— In Bond May 31 .....cwts.	7,198,000	8,210,000	6,306,000
— Price, Java, 98° Pol. .....cwt.	32/0	36/0	10/3
— — Yellow crystals .....cwt.	57/9	57/9	12/8—14/0
— — Tate's Cubes, No. 1 .....cwt.	64/9	64/9	18/0
Coffee—Imports to May 31 ...cwts.	583,219	48,336	720,380
— Home consump'n to May 31cwts.	129,725	243,749	141,410
— Exports to May 31 .....cwts.	107,671	18,698	340,250
— In Bond May 31 .....cwt.	952,000	878,000	484,000
— Price, Costa Rica gd. to fine cwt.	135/0—145/0	125/0—140/0	80/0—93/0
— — Brazil (Santos) good ...cwt.	125/0—128/0	64/6	41/8
Tea—Imports to May 31.....lbs.	186,141,577	214,984,505	123,230,277
— Home consump'n to May 31 lbs.	144,914,140	118,194,346	155,447,972
— Exports to May 31 .....lbs.	10,870,350	674,470	38,581,785
— In Bond May 31 .....lbs.	162,217,000	92,957,000	78,282,000
— Price, Indian, Pek. Soug. good lb.	9½—10½	1/4	8½d.
— — Ceylon, Pek. Soug. Ord. lb.	9½—10½	1/4	8½d.
— — Common Congou .....lb.	9½—10½	1/4	5½d.
Cocoa—In Bond May 31 .....cwt.	1,144,000	505,000	309,000
— Grenada, good to fine .....cwt.	125/0—128/0	85/0	62/6—56/0

* Estimated.

VII.—RAILWAY REVENUE STATEMENTS.

	Period	Gross	+ or —	Net	+ or —
Cuba Railroad	Apr.	$1,274,884	+ $60,623	$442,347	— $51,759
	10 *mos. to* Apr.	*9,856,121*	+ *499,163*	*2,171,504*	— *549,891*
Int. of Cent. America	May	$87,397	+ $9,041	£33,682	+ £1,951
	5 *mos. to* May	*307,210*	+ *$3,245*	*111,172*	+ *2,951*

VIII.—RAILWAY & TRAMWAY TRAFFIC RECEIPTS.

*** *No traffic statements are now published by the Home Railways. On August 6, 1914, the Government assumed control of the railways of Great Britain under warrant renewable weekly, issued in pursuance of Regulation of the Forces Act, 1871. The Irish railways, similarly, were taken over as from January 1, 1917.*

INDIAN.	Week or Month.	Miles Open.	Gross Receipts.	+ or — on Year Ago.	No. Wks	Aggregate Receipts.	+ or — on Year Ago.
Assam Bengal	May 17	993	R1,75,955	+ 46,629	7	11,65,289	+ 1,98,129
Barsi Light ...	May 24	118	25,800	+ 9,800	8	2,39,300	+ 2,11,400
Bengal & N.W.	May 17	2,065	5,77,700	+ 53,139	7	33,34,310	+ 1,37,769
Beng. Dooars	May 10	158	21,059	— 14,061	6	1,27,983	— 53,265
Beng. Nagpur	May 17	2,695	11,33,000	— 92,000	6	78,83,000	— 1,91,641
Bomb. Baroda	June 7	2,871	19,19,000	+ 29,000	10	1,92,36,000	+ 1,97,000
Burma	May 3	1,342	5,18,410	+ 38,419	5	26 04 530	+ 1 42,816
Del. Um. Kalk.	June 7	239	82,700	— 14 334	10	7,93,429	— 28,293
East Indian ..	June 14	2,767	26,67,000	— 2,34,000	11	2,93,31,000	— 31,000
Gt. Indian Pen.	June 7	3,112½	27,32,700	+ 5,61,900	10	2,73,77,600	+ 36,86,956
Madras & S.M.	May 24	3,152	12,50,000	— 65,694	8	91,75,000	— 5,05,792
Nizam's Guar.	May 10	900	3,34,744	+ 83,688	6	17,80,285	+ 2,76,146
Roh. & Kumn.	May 3	576	1,07,788	— 30,142	5	5,13,373	— 1,38,163
South Indian	May 24	1,329½	8,05,525	+ 72,309	8	59,54,492	+ 5,33,101
South Punjab	Feb.	716	7,57,866	+ 99,080	5m	37,59,324	+ 1,59,940
COLONIAL							
Can. Northern	June 14	9,524	$833,100	— 20,000	23	20,775,849	+ 2,512,949
Can. Pacific ...	June 21	13,338	3,024,000	+ 175,000	24	71,895,000	+ 3,852,000
Grand Trunk	June 21	3,616	$240,502	+ 1,251	24	5,772,446	+ 1,210,742
Mashonaland	Jan.	810	43,632	— 9,160	4m	181,593	— 44,966
Mid. W. Aust.	Apr.	277	10,259	+ 1,728	10m	91,940	+ 15,661
New Cape Cent.	May 17	205	2,050	— 231	20	52,847	+ 5,907
Rhodesia Rlys.	Jan.	1,397	71,879	— 6,338	4m	285,539	— 69,362
Temiscouata ..	Mar.	—	$31,271	+ 6,870	3m	83,955	+ 27,480
W. Pass. & Yuk.	Dec.	122	—	—	12m	$1,241,080	— 604,349
FOREIGN.							
Argentine.							
Arg. N. East...	June 21	752	£ 12,000	+ 2,700	51	516,600	+ 69,900
Arg. Transand.	June 21	111	£ 410	— 3,350	51	187,080	+ 16,200
B. A. & Pacific	June 21	3,535	£ 143,000	— 22,000	51	6,070,000	+ 1,009,000
B.A. Gt. South	June 22	3,792	£ 165,000	+ 38,000	51	7,117,000	+ 1,438,000
Do.	June 22	Net	£ 28,000	+ 19,000	51	1,573,000	+ 303,000
B. A. Western	June 22	1,882	£ 86,000	+ 14,000	51	3,609,000	+ 809,000
Do.	June 22	Net	£ 45,000	+ 22,000	51	937,000	+ 227,000
B. A. Central...	May	190	£ 40,587	+ 4,119	11m	443,763	+ 115,485
Cent. Argent.	June 21	3,305	£ 130,400	— 9,800	51	6,775,600	+ 755,400
Do.	June 21	Net	£ 30,000	— 21,000	51	1,007,300	— 542,373
Cord. Central	June 21	1,205	£ 50,230	+ 6,270	51	2,261,410	+ 606,870
Entre Rios.....	June 21	831	£ 19,730	+ 800	51	1,035,730	+ 201,800
Brazilian.							
Brazil Gt. South	May	110	M 56,800	— 7,300	5m	248,740	— 8,480
Brazil Railway	Dec.	3,530	M 4,859,000	— 141,271	12m	57,778,000	+ 7,810,243
Gt. W. Brazil	June 21	1,010	£ 20,500	+ 6,800	25	431,100	+ 60,900
Leopoldina ...	June 21	1,831	£ 45,554	+ 13,611	25	823,428	+ 30,509
Mogyana	Dec.	1,180	M 1,561,000	— 956,490	12m	22,267,000	— 2,474,651
Paulista	Dec.	763	M 2,650,000	— 906,038	12m	32,479,000	— 1,225,892
San Paulo	June 22	153½	£ 37,232	+ 12,803	25	775,986	+ 43,348
Sorocabana ...	Dec.	1,003	M 1,749,000	— 245,185	12m	21,953,000	+ 876,692
S.of Bahia S.W.	Apr.	52	M 55,000	+ 15,000	4m	284,000	— 1,000
Chilean and Peruvian.							
Antofagasta ...	June 22	833	£ 21,455	— 35,410	25	618,200	— 498,235
Arauco	May	84½	£ 10,500	— 2,500	5m	52,800	— 12,200
Nitrate (2wks.)	June 15	390	£ 12,600	— 22,502	22	223,231	— 158,373
Peruvian Corp	May	1,140	S 1,059,150	+ 37,030	11m	11,308,105	— 116,455
Taltal	May	180	£ 8,620	— 14,528	11m	158,139	— 114,989
Cuban.							
Cuban Central	June 21	362	£ 20,282	+ 1,175	51	1,164,381	+ 83,927
Havana Cent	June 7	70	£ 12,652	+ 2,130	49	469,762	+ 23,917
U. of Havana	June 21	681	£ 64,220	+ 14,982	51	3,070,699	+ 97,147
W. of Havana	June 21	155	£ 13,121	+ 5,497	51	477,708	+ 5,468
Uruguayan.							
Cent. Uruguay	June 21	272	£ 21,709	+ 1,170	51	1,121,462	+ 169,928
,, (E. Ext.)	June 21	311	£ 5,770	+ 726	51	289,337	+ 24,362
,, (N. Ext.)	June 21	185	£ 3,954	+ 4	51	196,386	+ 21,371
,, (W.Ext.)	June 21	211	£ 2,700	+ 280	51	134,358	+ 21,610
Mid. Uruguay	May	319	$ 18,511	+ 6,676	11m	191,710	+ 45,510
N.W. Uruguay	May	113	$ 29,000	+ 8,605	11m	326,858	+ 42,870
Urug. Northn.	May	73	$ 1,936	+ 480	11m	22,712	+ 2,621
Miscellaneous.							
Alcoy & Gandia	June 21	33	Ps. 10,000	+ 2,100	25	241,400	+ 10,400
Bilbao	May	15	£ 2,791	+ 1,359	5m	12,111	— 10,040
Bolivar	May	138	£ 12,000	+ 411	11m	113,178	— 12,336
Colomb. Natnl.	May	86	$ 14,080	+ 2,380	5m	58,020	— 3,748
Costa Rica.....	Apr.	189	$ 22,033	— 19,183	10m	222,955	+ 69,453
Dorada Ext....	May	70	$ 13,400	+ 3 900	5m	43,700	+ 800
Egyptian Delta	Mar. 17	559½	£ 4,675	— 1,478	50	364,593	+ 85,246
Gt. S. of Spain	June 14	104	Ps. 55,859	+ 30,461	24	2,760,269	+ 2,085,999
La Guaira & Ca.	May	22½	£ 5,069	+ 2,820	5m	42,000	+ 8,960
Ottoman Ry ..	June 7	379	£ 9,380	— —	—	—	— —
Paraguay Cent.	June 14	255	£ 4,820	+ 1,270	50	212,850	+ 66,010
Puerto Cabello	May	24	£ 5,300	+ 800	5m	24,925	+ 3,425
Salvador	June 21	100	£ 3,575	+ 1,443	51	138,758	+ 27,188
Santa Fe Prov.							
French Rys.	May	1,181	$ 161,586	+ 25,287	5m	810,685	+ 102,867
S'm'na & S'ti'go	May	80	$ 17,960	+ 8,120	5m	49,741	+ 4,453
Zafra & Huelva	May	112	$ 10,034	— 3,829	5m	56,909	— 13,654
TRAMS.							
Anglo-Argent.	June 17	400	£ 38,580	— 16,731	24	1,313,406	— 16,583
Auckland Elec.	June 6	27	£ 24,831	+ 1,324	48	220,631	— 4,072
Bombay Elec.	Mar.	33	R. 6,91,453	+ 1,13,350	3m	19,49,375	+ 2,77,396
Brazilian Trac.	Apr.	378½	M 9,203,000	+ 878,000	4m	35,032,000	+ 3,456,000
Brisbane Elec.	May	40½	£ 34,225	— 3,385	5m	165,335	+ 10,155
Brit. Columbia	Apr.	334	$ 631,938	+ 116,571	10m	6,022,107	+ 1,011,419
B. A. Lacroze	May	51	£ 47,317	+ 8,002	11m	481,503	+ 62,123
Calcutta	June 14	35½	R 82,650	+ 10,184	24	19,91,839	+ 2,72,757
Cape Electric	May	42½	£ 28,550	+ 5,011	11m	274,484	+ 33,774
Carth. & Herr.	May	9	£ 3,200	— 1,801	5m	13,418	— 9,167
Chatham & Dist.	June 12	15	£ 2,057	+ 706	23	32,412	+ 3,717
Havana Elect.	Mar.	86	$ 657,000	+ 15,000	3m	2,087,000	+ 183,000
Isle of Thanet	June 21	20½	£ 1,483	+ 1,204	37	15,873	+ 11,969
Kalgoorlie.....	Feb.	20½	£ 4,840	+ 2,467	2m	7,408	+ 2,507
Lanarkshire ...	June 12	28½	£ 4,081	+ 385	23	76,171	+ 4,088
Lima Light ...	Apr.	85	£ 49,983	+ 6,411	4m	192,128	+ 21,013
London O.O....	June 25	141½	£ 80,575	+ 15,665	12	997,004	+ 242,507
Madras (2wks.)	May 31	15½	R. 45,875	+ 4,723	21	364,088	— 39,811
Manila Electric	Apr.	55	$ 212,838	+ 49,138	4m	883,383	+ 193,133
Pernambuco ...	June 22	59	£ 5,841	+ 1,103	25	134,989	+ 21,875
Provincial.....	June 14	21½	£ 4,481	+ 1,477	37	103,019	+ 8,706
Rangoon Elec.	Apr.	25	£ 8,217	— 338	4m	25,817	+ 2,954
Shanghai Elec.	Apr. 30	28½	Mx. $28,590	+ 5,680	17	476,869	+ 59,415
Singapore Elec.	May 17	28½	$ 14,489	+ 1,059	20	311,817	+ 41,351
U. of Montevid.	May	90½	£ 37,382	+ 5,091	7m	285,287	+ 28,949

Shop at
LIPTON'S
for QUALITY.
LIPTON, LTD., the largest Tea Distributors, Manufacturers, and Retailers of Food Products in the World.
Head Office: CITY ROAD, LONDON, E.C.1.
Branches and Agencies throughout the United Kingdom.

The Statist.

LONDON, SATURDAY, JUNE 28, 1919.

GERMANY.

Now that the Government which tried to haggle over the terms on which it would sign the Treaty of Peace has been got rid of, and a Government has been formed which is authorised by the representatives of the people to sign the Treaty of Peace, it seems desirable that we should carefully consider how long it is likely to be before Germany is prepared for a new war. We take it for granted that it is generally recognised that Germany is signing only because she is powerless to resist invasion, and because the Peace Conference refuses to haggle any longer. That being so, it is certain that, at the present time, at all events, the feeling in favour of another war is very general, and that if the militarist party can have their way they will fight as soon as circumstances seem to them favourable for the destruction of the new Treaty. The circumstances being such, it is desirable that we should carefully consider how long it is likely to be before Germany is in a position to renew the struggle. We take it that the fear of Germany, whenever the occasion arises, will be much less general than it was in the middle of 1914; and we assume, further, that the general feeling of Europe will not be so strong against Germany as it was five years ago. Germany has not suffered in territory at all as much as those who carefully studied the history of Prussia believed to be likely and even necessary. Nobody can say with any confidence what will be the fighting population of Germany, assuming that Peace is signed as approved by the Peace Conference. The facts being so, to answer our question correctly it would be necessary that we should know not merely the loss of life and of limbs during the War, but that we should have reasonably good information respecting the injury to health. The reader will bear in mind that since Waterloo the French birth-rate has been declining, so that for a considerable time now there has been no material increase, while in many years the death-rate actually exceeded the birth-rate. But it is to be recollected that France was engaged in war with all her neighbours for, roughly, about three-and-twenty years; and that she was compelled to send considerable forces to every country where she was engaged in hostilities. The war between Germany and the Entente countries lasted barely four years and three and a-half months; whereas if we take no account of the peace that followed the Treaty between this country and France at the beginning of the nineteenth century, France was engaged in hostilities for three-and-twenty years. Practically, that is to say, France had to fight consecutively for rather more than five times as long as Germany has recently. Therefore, it is not to be assumed, without unquestionable evidence, that the losses of Germany have been anything like as great as were those of France a century ago. In other words, France had to fight for, roughly, three-and-twenty years; whereas Germany had to fight for very little more than four and a-quarter years. In addition to this, it is to be borne in mind that France for a considerable portion of the time was without allies, and at every moment such allies as she possessed fought on her side simply because they had been practically conquered by France and were compelled to fight in her favour. Lastly, it is not to be forgotten that there existed no railways and no steamships during the war that ended with Waterloo. In other words, the French armies, during that war, had to march on foot when operating against their enemies; whereas Germany has been in a position to use railways in almost every case until she came into the near neighbourhood of her enemies. In other words, the French armies had to march immense distances—as, for example, from France to Moscow—whereas the German armies were conveyed the greater part of the way by railways. The German armies, consequently, did not suffer from fatigue, exposure to all kinds of weather, and the rigours of climate whether they were advancing or retiring. The circumstances being such, the losses of France 100 years ago must have been immensely greater, taken altogether, than the losses of the Germans recently. It may be added that the Germans were able to protect themselves, to some extent, at all events, against weather, because the War was carried on mainly by bodies of troops which were in the near neighbourhood of one another for years together. Lastly, we may point out that while the drain upon the fighting portion of the German population has been exceptionally great, it is never to be forgotten that France had to hold very nearly all Europe under her control, and that the drain upon her fighting men was continued for nearly a quarter of a century, while in the case of Germany it was continued for little more than four years, or less than one-fifth as much as France.

The absence of husbands from their wives, and the hardships endured in consequence of blockade, were for a very short time in the War just ended, while they were borne by France for the greater part of a whole generation—that is to say, for roughly three-and-twenty years. The effect of the blockade in the case of Germany must, therefore, have been trifling in comparison with the effect in the case of France; and, consequently, the injury done to the virility of her manhood must have been out of all comparison greater in the case of France than in that of Germany. The War lasted in the recent struggle only for four and a-quarter years. Consequently, it did not prevent marriages and births, except for a very short period—practically for only one-fifth of the time that the influence of the War was borne by France. It would be very singular, therefore, if the losses of Germany were at all comparable to the losses of France. And it is reasonable to hope that owing to railways, steamships, aircraft, and the like, the imports into Germany as soon as peace is signed will be upon a scale vastly greater than was possible a hundred years ago. Moreover, scarcity and dearness of food lasted in the instance of Germany for a comparatively short time, whereas, to France's loss, it lasted five times as long a hundred years ago. As the War went on, and as French armies had to be stationed in the occupied countries like Spain, the Low Countries, Germany, Italy, Austria, the absence of husbands from their wives, and the shortage of food as contrasted with [illegible] was so vastly greater that we are compelled to conclude that the effects of the war upon France during the Great War were out of all proportion greater upon Germany than [illegible]. It is reasonable, therefore, to assume that as soon as peace is signed supplies of food [illegible] to enable the Germans [illegible] to provide everything that is necessary, whereas

hundred years ago the slowness with which everything could be conveyed was out of all proportion greater than it is now, and, moreover, the result fell upon the population of France for very nearly a quarter of a century. Finally, therefore, we may assume that the losses of the belligerents of every kind are small compared with those of France a century ago. In other words, Germany ought to be able to recover from her mad attack upon Europe and America in a very short time compared with what was inevitable in the case of France. Therefore, we conclude that whereas the influence of the Great War continued to weigh upon France until the present time, the influence of the war just ended cannot reasonably be expected to last beyond the lifetime of those who suffered while it was going on. Or, to put the matter a little differently, whereas every part of the French population suffered all the evils that followed an unprecedented war for three-and-twenty-years, they have been endured by Germany for only about one-fifth of that time. Therefore, the increase of the population of Germany ought to be very great compared with what happened in France after Waterloo. It is incredible that the effect of the War, great as it must be, will last for more than a quarter of a century; whereas it is easy to prove that in the case of France it has lasted for considerably more than a century. Whereas the men and women between, let us say, 16 and 60 have suffered heavily in Germany, and will continue to show the consequences of that suffering for a considerable time, the population of France was affected for nearly a quarter of a century, and, therefore, all the children that were very young when the War broke out, and all those born while it lasted, continued to suffer for practically a century. We assume, therefore, that the recovery of Germany will be much quicker than that of France after Waterloo, and that, consequently, in about a quarter of a century at the outside Germany will be in a position, if other circumstances assist her, to make war in, at the most distant time, a quarter of a century.

If our readers agree with the argument now set before them they will see that, supposing the militarists recover control in Germany, it is reasonable to anticipate that they will prepare for a war of revenge at any time after, let us say, a quarter of a century. Of course, whether they will fight immediately or postpone the conflict will depend upon many circumstances. Firstly, it will be governed by the character of those who are in political authority in Germany at the time. A very cautious man who reflects upon the folly of the proceedings of 1914 will not be in a hurry to draw the sword; whereas a very bold man who actually does resemble, or believes that he resembles, Frederick the Great will be inclined to try his luck at the earliest possible moment. Furthermore, it is reasonable to anticipate that whatever Government happens to be in power when Germany recovers her confidence in herself will be influenced in the policy it adopts very largely by its chance of securing powerful allies. With regard to that, it will consider very carefully how it can induce the United States not to take part in the struggle. And if it thinks it has a chance of doing so, it will next be influenced largely by its success in winning to its side powerful allies. Putting Russia aside, as nobody can yet see what Russia will be in a quarter of a century or more, we have to bear in mind that at least a German Government, if then thinking of aggression, will have to recognise and remember that the Europe of that time differs very greatly from the Europe of to-day. Russia, so far as we are entitled to judge, will not have the immense population she had in 1914; and, therefore, a German Government calculating chances will not have to ask itself how it can deal with a nation which can put in the field over 20 millions of men. In 1914 the weakness of the then Tsar; the treasonable conduct that was so prevalent in the Court; and the practical destruction of the Army and the Navy in the war against Japan, had reduced Russia to a position which encouraged German militarists to expect that they could very easily dispose of her. Whether they will have as much encouragement when the war of revenge is undertaken remains to be seen. So far as we are concerned to-day, our best course is to recognise that we have no means of judging what Russia will be in a position to do; and, therefore, we cannot argue with even a semblance of probability as to what Russia may decide to do. Putting aside Russia, then, there will be clearly two great non-European Powers to take into consideration—the United States and Japan. The possible, or probable, conduct of the United States cannot, of course, be foreseen by any person at the present time. The United States may be compelled, for example, to take action in America itself; and, therefore, may not be as free as she has been recently to decide her own course. On the other hand, who can say what will be the relations of the United States with the different European countries? It is best, therefore, to admit frankly that nobody can now judge what will be the conduct of the United States, for nobody can foresee what will be the feelings of the people at the end of five-and-twenty years, say. Still more difficult is it to foresee what Japan will do. She may be forced into war before then, or she may find feeling in China such as warns her not to commit herself to great dangers. The wisest plan, therefore, is to bear in mind the existence of these two great Powers, and to admit that it is impossible at present for anybody to guess what they will do if Germany endeavours to tear up the Treaty now being negotiated. If, then, we confine our attention to Europe, we can see at once that the two countries which Germany will especially be bitter against are our own and France. France has been the adversary of Germany for time out of mind; and France, therefore, is certain to be attacked; while her breakdown in the War just ended is attributed in Germany mainly to this country. We may assume clearly, therefore, that whatever other hope of assistance she may have, it will not be either from our own country or from France. Respecting Italy, it is difficult to form an opinion, for, in the first place, Italy is naturally a very poor country, and, therefore, her rulers, if wise, will not lightly enter into a great war. On the other hand, Italy is the near neighbour of Germany; and it will be difficult for her to remain really neutral. She will be expected by Germany to be at least benevolent in neutrality. On the other hand, Italy's relations with the new States that will exercise influence at the other side of the Adriatic will not be cordial. Therefore, the position of Italy will be a difficult one; and there will be no cause for surprise if Germany does her utmost to win Italy to her side. Still more reasonable is it to assume that Germany will exert herself to attract Spain. Spain believes that she has been treated badly by both France and England in their dealings with Morocco. Therefore the feeling of the Spanish people is not very favourable to those two nations. While, if the militarists are shaken off and a strong popular Government is established, it is possible that an influential Party may advocate alliance with Germany so as to secure some recovery of the great position Spain once held. With regard to the remaining Powers of Europe it is useless to speculate, for the new States, except Bulgaria, were not very cordial to Germany. What they will be when the sins of Austria are forgotten, and when the clashing interests of the new States come into collision, it is useless now to speculate. All that is certain is that in five-and-twenty years, if there is reasonably good government in Germany, she will have a vast population, probably not less than a hundred millions; for it is difficult to see how the German-speaking Austrians and the Magyars can be prevented from throwing in their lot with the State which, always, of course, excepting Russia, will be beyond comparison the most populous of European countries.

THE COAL INDUSTRY.

The members of the Commission appointed to inquire into the policy which ought to be adopted for the future in the case of getting coal from the mines has led to a number of differing recommendations. They, no doubt, have all been read with great care by every person who has a serious interest in the future prosperity of the United Kingdom. We ourselves would specially invite the attention of our readers to the report which emanates from Mr. Justice Sankey, who presided over the inquiry. There are minor points which might be improved; but we look upon his report as, in the main, the most reasonable and the most promising. We do not, of course, commit ourselves to every detail. At the same time, we must add that he does not enter into minute details. He contents himself with stating the broad principles which he thinks ought to be adopted. Speaking generally, we hold that his recommendations are sound. Stated in the most general form, they amount to this: firstly, that the mines should all be bought and worked by the State for the benefit of the whole population; secondly, that it should clearly be recognised that the working classes have as much right as any other portion of the population to reasonable leisure and such pay as will enable them and their families to lead decent lives; and, thirdly, that the State should not work the mines on the principles which usually influence private owners. These latter regard their properties as their own private affairs, and they look upon themselves as entitled to work those properties for their own special benefit. We do not say this in any spirit of hostility. We are stating facts which are known to everybody: that the man who invests, or keeps invested, his money in a business concern believes himself to be entitled to get as much as he possibly can out of that business. The State, on the other hand, is the agent, the servant, and the representative of the entire community, without deduction of any kind; and the State, therefore, ought in duty and in reason to work every business it takes into its possession for the full benefit of the entire community. Taking this view, Mr. Justice Sankey recommends that the management should be conducted under the supervision and control of agencies which shall represent the workers, the users of coal in the various industries of the country, and the general public. Each of these three great classes, he says, ought to have a real voice in the management and control. Therefore, he suggests that they should be represented, each of them, in the same proportion. With all this we most cordially agree. We cannot conceive any plan better fitted to advance the interests of the State; and we most sincerely hope that his advice will be looked upon in the spirit in which it is conceived. If it is, the causes which now lead to so many quarrels between employers and employed ought to disappear, assuming always that we can secure a reasonably good Government which honestly recognises that it is merely the agent of the whole population.

For example, if a board is formed representing the working classes, then the latter have the means of ascertaining what are the costs of working and what are the profits. Therefore, they are in a position to inform themselves as to whether in all reasonable justice they are paid as much as they can reasonably expect. If, in addition, some plan is adopted which will enable working miners to become shareholders, then all excuse for strikes ought to be removed, for the miners, if shareholders, will share in all profits secured, will know what the profits really are, and will, furthermore, be in a position to secure a reasonable portion of the profits made in the future. For example, if the plan suggested is adopted without delay, and the rate of wages is fixed in a manner to reasonably satisfy the workers, then they themselves, if any considerable number of them become shareholders, will share in every rise in prices that takes place, and, consequently, will have no reasonable excuse for demanding a rise in wages with every advance in profits. Similarly, the users of coal, whether they be shipbuilders or shipowners, or anything else, will have full means of bringing their influence to bear upon the management of the mines, and, consequently, will have no excuse for unreasonable agitation. Lastly, the great public, if they select competent men to see that the mines are properly worked, will have an opportunity to make themselves acquainted with the cost of working and the profits; also, with the share of the return which the workers obtain; and, lastly, with the consideration that is given to the great trades of the whole country. Assuming that the recommendation of Mr. Justice Sankey is adopted, and carried out in the spirit of justice which prompts it, we may hope that all legitimate cause for either agitation or unreasonable interference will be removed, and the great mass of the people will know that all interests have been consulted before anything important is done; and consequently that, as far as men can be expected to work according to justice and fair play, everything is done to secure the welfare of every portion of the community. Never in our history has it been more necessary to put all our industries on a proper footing, for we are entering upon a period of great anxiety and not a little difficulty. We can overcome all obstacles in our way if we act with prudence and foresight. But if we listen to personal or class interests it is as certain as anything can be that England has passed the period of her greatness. We have the means of maintaining our position if we act wisely. But we must not conceal from ourselves that we are face to face with exceedingly serious difficulties, and that only by prudence and judgment can we hope to overcome these and to raise the United Kingdom and the Empire to a far greater position than it ever hitherto has attained. It should be clearly borne in mind, however, that mere changes of form will do nothing. The changes must be real changes, and brought about by the full recognition that every class in the State has equal rights to State favour. It is necessary, therefore, that education be improved, and that every class in the State, without exception, is brought under its influence. If the whole people are taught what is necessary for forming and maintaining a really good Government in every Department, then there is no reason that we can imagine why such a reform as Mr. Justice Sankey recommends should not prove to be of lasting benefit to the State.

MR. MACPHERSON.

The statement published by Mr. Macpherson in reply to the charges made by the Irish-American delegation which recently visited Ireland will most certainly not increase the reputation of that gentleman. It has long been considered that a public man in this country, desiring to rise to the top of his profession, does not prove himself suited until he has given proof that he can govern Ireland with credit to himself and advantage of some kind to the country committed to his charge. Now we have no intention to examine Mr. Macpherson's publication, for, in truth, it seems to us undeserving of serious consideration. Therefore, we will call attention merely to the very opening of the statement, where a quotation is published from a speech of the late Mr. Redmond, and we think it is sufficient to show how unfitted the present Chief Secretary for Ireland is for the position he occupies. Mr. Redmond, when he made the speech referred to, had long been an advocate of the Irish agitation, and in this speech he admits most fully that great changes had been made in the government of Ireland, to the advantage of the majority of people. It appears to Mr. Macpherson that this is an unanswerable reply to the Irish-American visitors. We are not here answering the Irish-American visitors. But we desire to make [illegible]

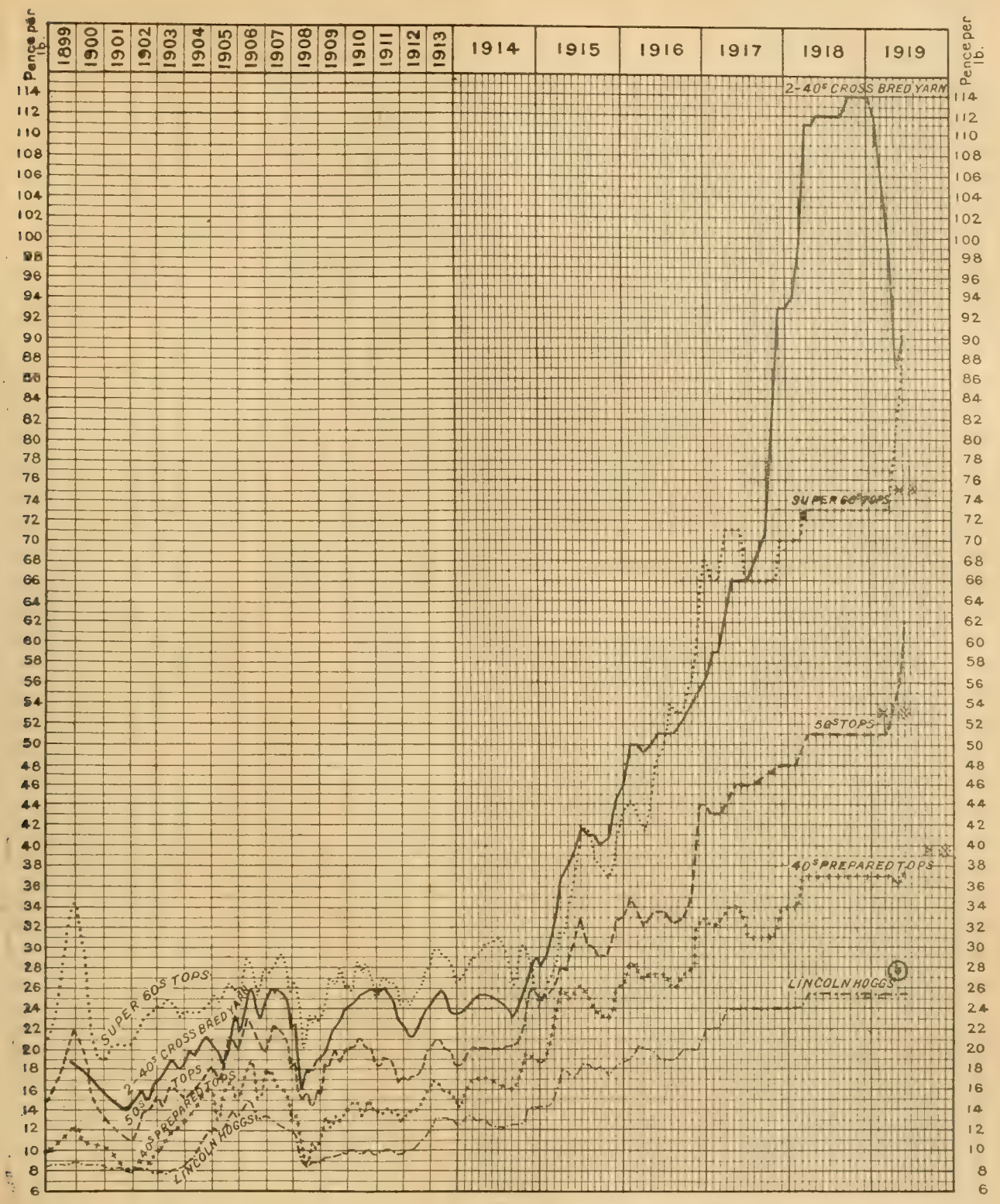
readers clearly understand the object and the meaning of Mr. Redmond's quoted speech. Mr. Redmond joined the Irish movement for very much the same reasons as Mr. Parnell had done. Both of them belonged to the landlord class. Both of them recognised clearly the abominable nature of the Irish Government. And both of them hoped that they would strengthen the position of the landlord class in Ireland if they joined the popular agitation and won great concessions. Therefore, it was most clearly the interest of Mr. Redmond to show that the agitation in which he had been engaged had been beneficial, and would contribute largely to the future welfare of the country. In reality the great change made was the sale of so much of the rented land of Ireland to the existing tenants. The tenants were enabled to purchase their farms because the Government lent the money to make it possible. And while we approve as strongly as anybody the policy of so doing, we submit that the incident itself does not in the least serve the purpose for which Mr. Macpherson quotes it; for every man who has ever given any serious attention to Irish affairs is aware that the landlord system in Ireland had provoked such popular hatred and opposition that the murdering of Irish landlords was a common incident—so common, in fact, that a deputation of the landlords themselves met a deputation of the Irish Parliamentary party to consider how the land question could be settled; and that, in fact, the landlords were driven to do so because the position of an Irish landlord had become almost intolerable. Now we submit that a Chief Secretary for Ireland who puts as the foremost plea in his defence of the English government of Ireland a speech of Mr. Redmond under the circumstances referred to, is doing what no serious-minded man can help regarding as a very bad service both to the English Government and to the Irish people; for, in fact, it is reminding the Irish people that they won the land from the landlords by shooting so many of the latter that the remainder were willing to take a moderate price to be quit of the whole affair. If that is to be regarded as the best defence of the English government of Ireland, we think that even the most violent agitator will fail to bring forward a more damning charge.

THE WOOL INDUSTRY: A RETROSPECT.

The transformation wrought in the woollen and worsted industry by the War is strikingly illustrated in the accompanying diagram, which shows the course of prices of Lincoln hogs' wool, of certain tops, and of a particular count of crossbred yarn up to the commencement of June 1919. It will be observed that, in comparison with the pre-War figures, values were lifted completely out of the old plane, and prices hitherto unheard of in the trade were touched. A movement similar in kind but not in extent took place during the South African War, and at the beginning of the century prices for the representative articles included in the diagram ruled high. With the release of the Colonial clip, which had been in part held up during hostilities, the market generally gave way, though Lincoln wool held its ground, chiefly because of the poor home clip. An upward tendency in tops and yarn began in 1902 and lasted, broadly speaking, until 1907. After some initial hesitation Lincoln hogs moved upwards in sympathy. The improvement was due in a big measure to keener competition for the available supplies of raw and semi-manufactured wool. Our imports of foreign and Colonial wool had indeed increased, but a corresponding increase took place in re-exports, and the amount left to the home market was insufficient for the demand. The market was further invigorated by the placing of large orders for army cloth consequent on the Russo-Japanese War of 1905-06. Lincoln wool showed a decided upward trend after 1904, as the home clip had been falling steadily since 1901. All sections of the trade were thus agreeably active, but the American financial panic of 1907 plunged the whole industrial world into gloom. Its vicissitudes were, however, speedily forgotten. A revival set in in the wool trade, and the year 1910 proved to be one of marked prosperity. Prices fell in the following year, mainly because the protectionist clamour in foreign countries, leading to the imposition of high tariffs, discouraged the consumption of our wool fabrics abroad. Japan in particular, our largest piece-goods market in the Far East, raised its import duties to a high level. The quotation for Lincoln hogs fell in sympathy; but it rose again in 1908 and 1909, despite the large increase in the home clip. In the latter year the production of home-grown wool reached 142 million lb., a figure it had not approached since the commencement of the century, but the amount retained for British requirements was only 79½ million lb.—less than in any of the previous years. The price showed little variation till 1912, when the upward movement which set in was shared by tops and yarn. The revival was helped by the decline in the American import duties under the Wilson Tariff Act of 1913, but on the whole trade was not markedly prosperous. A general improvement became noticeable in 1913, but it was rudely cut short by the outbreak of war.

In the opening stages of the conflict the wool industry, like all others, was acutely depressed. An important section of the trade was severely curtailed owing to the embargo on the export of wool and wool products; but, after a little time, licences to export were rather freely granted and prices improved. In 1915 they increased rapidly owing to the great military and civilian demand both at home and abroad, and the market was becoming ever more unfavourable for the placing of Government contracts. Between February 1915 and February 1916, super 60's tops rose from 26*d.* to 44½*d.*, 50's tops from 25½*d.* to 35*d.*, 40's prepared tops from 20*d.* to 29*d.*, 2-40's crossbred yarn from 30*d.* to 50*d.*, and Lincoln hogs from 14¼*d.* to 19½*d.* These increases were registered in face of the record imports of wool in 1915 and the very small re-exports, particulars of which may be seen in the table at the foot of the article.

A short Australian and South American clip came to hand in the following season. Taken into account with the strong demand on the Continent and in the United States, this made it probable that raw material would be scarce and that prices for Army clothing would move still higher. To save itself expense, and possibly disappointment in supplies, the Government stepped in, and 1916 was distinguished from all other years in the history of the wool trade by the establishment of a Government monopoly in the raw material. This necessitated the regulation of supply to the various consuming interests, and at a later stage, as military requirements increased, the produce of the mills was taken over almost completely for Government purposes. The system of control was not applied as part of a concerted scheme, but was gradually developed and extended as the exigencies of the War demanded. The Government's primary concern was naturally for the fighting forces, and early in 1916 the Army Council were empowered to requisition the output of any factory on the basis of the cost of production plus a reasonable margin of profit. Arrangements were also made to purchase the United Kingdom clip of that year at prices representing a 35% advance on those ruling in June-July 1914. Not long after the Australian and New Zealand clips were advantageously brought below the current market figure. Partly to ensure a sufficiency of supplies at home, partly to prevent the material from falling into enemy hands, wool was purchased in large quantities in South Africa, South America, and all parts of the world. By 1917 the Government had become the sole importer and distributor of the raw material,



From June 1917 to March 1919 the production of tops was under Government control, and the prices given are the fixed Government issue prices.

On April 1, 1919, Government issue prices were reduced to the following:—Super 60's, 69*d.*; 50's, 48*d.*; 40's preferred, 33 *d.* The Government ceased to make tops on May 31 The prices given from April 1, 1919, are open market prices.

After April 1919 nominal (estimated) prices. The entire British clip was purchased by the Government in 1917 and 1918, the prices paid to growers being:—1917, 18*d.*; 1918, 19½*d.* (maximum).

and had extended its control to top making. The wool was entrusted to commission combers, and then issued in the form of tops to spinners at fixed prices. Top quotations became more stable, but cross-bred yarn, not being limited in this manner, soared far above super 60's tops. From the commencement of the current year, however, the two articles rapidly approximated, and on June 1 tops at 91*d.* were quoted, 1*d.* per lb. higher than the yarn.

The Government were thus in the later period of the War the dominant factor in the wool industry in regard to both raw material and contracts. Another distinct innovation for which they were responsible was the taking of a periodical census of stocks, so as to provide the data necessary to shape their policy. A general inventory of the machinery was also made, and, in addition, costings inquiries were conducted by Government accountants to determine the prices to be paid to those engaged on Government wool work. On every side the freedom of all who handled wool from the raw material to the finished fabric was restricted. The restrictions, being necessary in the national interests, were on the whole borne with fortitude, and as a solatium for the greatly increased worry of business higher profits were commonly realised, though not retained in full on

account of increased taxation. To meet the ever-growing demand production had to be speeded up in every department, and the output from combs, spindles, and looms was substantially developed. As the War drew to a close Government contracts were more than equal to the total pre-War output of the trade, and in addition a large production for civilian purposes was maintained. The expected break in values did not come on the signing of the Armistice, but the market was at the time under rigid control. Subsequent developments under partial decontrol point, as the diagram indicates, rather to a continuance of high prices, but a downward movement is due, and it may not be long delayed.

United Kingdom.
Imports and Re-exports of Wool (Sheep's and Lams').
(000's omitted.)

	1913 Lb.	1914 Lb.	1915 Lb.	1916 Lb.	1917 Lb.	1918 Lb.
From foreign countries...	159,000	115,300	87,900	54,000	44,800	—
From British possessions	641,600	597,300	838,500	564,900	578,400	—
Total	800,600	712,600	926,400	618,900	623,200	413,400
Re-exports	306,500	295,100	122,900	45,400	30,600	20,400
Retained for home consumption	494,100	417,500	803,500	573,500	592,600	393,000

BRITISH DYEWARES.—II.

A BIG field has been very rapidly covered by British dyemakers during a period of unprecedented difficulty; and, if the dye industry were static, one could rely with assurance on their ability to cover the remaining ground with at least equal efficiency. But the industry is continually expanding, and, though the rate of development has somewhat slackened as compared with the days when important and far-reaching discoveries were of almost annual occurrence, finality has by no means been reached. When the present leeway is made up we cannot sit still. Popular taste is ever changing, and continued progress is essential to a really vital and prosperous dye industry. New colours, new shades, the perfection of existing colours and shades, and the development of manufacturing technique, all call for unremitting attention. The requirements of the dye-using trades must be assiduously consulted. Germany's advance in dye making was largely due to the careful study that she made of trade requirements, and to her success in meeting the most varied demands from consumers. The co-operation in research and manufacture promised under the new Dyestuffs Corporation should enable our manufacturers to adapt their wares to the need of every market.

On the commercial side an effective measure of co-operation should facilitate the establishment of a selling organisation embracing the principal dye-using countries in the world. The great organisation of the Germans has been broken by the War, and, in view of the antipathy of the business community everywhere, is not likely to be soon restored. The evidence that has come to hand indicates, however, that internal developments did not cease in Germany during hostilities, and the dyewares which they can in future offer will probably exceed their pre-War selection in range, variety, and general attractiveness. Feeling engendered by the War will wear off with the lapse of time, and, if German predominance in dye making continues, it is probable that textile manufacturers here and elsewhere must in self-preservation make use of German products. The task confronting the new merger of British dye-making interests—to provide wares which will suit the needs of every customer at as low a price as supplies are obtainable by competing dye users abroad—is thus no easy one, and it will require the exercise of considerable scientific, administrative, and financial skill to cope with it successfully.

Germany is not the only country from which opposition in dye making is to be expected. Both in Switzerland and the United States the manufacture of dyes is carried out on a large scale. The Swiss is the older industry of the two, and it speaks much for its vitality that it has grown and flourished despite the existence of a powerful competitor across the border. Swiss and German interests have, however, not always occupied opposing camps, and at one time, to an extent which cannot be ascertained, they were interdependent. How far this may still be so is not clear, but the loyal and willing help accorded to us from Switzerland during the War seems to show that the German connection has not been maintained. The Swiss were, in fact, penalised for helping us. On several occasions supplies of coal and of essential parts of dye-making machinery were refused to them. An important intermediate product called naphthalene was also withheld, and finally they had to import it from the United Kingdom. Much of the dyewares for which we were indebted to Switzerland during the War were thus made from intermediates supplied by us. With the new developments already in hand or foreshadowed in the home industry we should be able to work up here the greater part of our intermediate products. These intermediates represent a stage in the transformation of coal-tar into dyestuffs. Fractional distillation of the tar yields at the lower temperatures what are known as "light oils," at medium temperatures "middle oils," and at high temperatures "heavy oils." Each class of oil yields on subsequent re-distillation and treatment various intermediates. The heavy oils provide anthracene, from which are obtained alizarine and chloranthrene dyes. In very early times alizarine was prepared from the root of the madder plant, which flourished particularly in Europe, and as now made artificially it produces Turkey red and various shades of orange and violet. From the middle oils we get naphthalene, which, besides playing a great part in the manufacture of explosives, supplies a series of azo and acid dyes, and also indigo blue and scarlet. From the light oils are obtained xylol, toluol, and benzol, which yield various azo, acid, and basic dyes. Benzol is easily the most important of this group of intermediates, and from it was obtained mauve, the first of the coal-tar dyes, discovered by Perkin in 1856. Besides producing picric acid and other substances required in explosives, it gives sulphur dyes of every colour, and is also the basis of a large variety of azo, acid, and basic dyes. The utility of intermediate products does not end even here, as they furnish the starting-off point for the chemist in the making of fine chemicals, antiseptics, perfumes, and other articles which are commercially in great demand.

The plant required for the manufacture of intermediates is generally elaborate and expensive; and the heavily capitalised German industry had before the War an almost insuperable advantage in this respect over would-be competitors. It might seem advisable that the raw materials for our colour industry should be carried through one or more stages of manufacture in the gasworks and other industrial concerns which possess tar-distilling plants. In this way the naphthols and naphthylamines could be produced from naphthalene, nitrotoluol and toluidine from toluol, and chlor-benzol, nitro-benzol, and aniline from benzol. The making of these derivatives appertains more to the heavy chemical than to the dye trade, and the use of associated industries, which would relieve the dye maker of functions not really his, would be conducive to all-round progress. The recent large increase of four million pounds in the capital of the British Dyestuffs Corporation indicates the room for development in this direction. The increase betokens the necessity on the part of the Corporation to handle the raw materials at a very early stage, and the new capital will be required to meet the heavy outlay which this will involve. The extensions of plant and equipment of new laboratories should, however, have the happy

effect of enabling all by-products to be recovered and utilised, and so cheapen the cost of manufacture. From this point of view the course followed is unexceptionable, and shows that the necessity for cheapness of production is fully appreciated. In order to compete successfully abroad, British textile manufacturers not only require dyes equal in quality, variety, fastness, and elegance to those produced elsewhere, but they must have them at an equally low price. Otherwise, they will be undersold in foreign markets, and one great pillar of our industrial supremacy, the textile trades, which are largely dependent on exports, will be rudely shaken.

British dye makers appear to recognise the responsibility which rests on their shoulders, and henceforth, when projected developments are completed, our pre-War dependence on outside sources, especially Germany, for intermediate products will come to an end. The output of coal-tar from our coke ovens and gasworks is in excess of the German figure and should prove more than sufficient to meet our requirements. The new combination will be able to avoid unnecessary duplication, so far as it affects the manufacturing processes, and will be powerful enough to resist the attempts of foreign competing interests to engulf it. Before the War there were two rings in the dye trade in Germany, and though they competed against one another in the home market, they worked together against foreigners. This striking object-lesson in co-operation should not be lost on our dye-making interests, whether outside or inside the new combine. They must, however, retain their independence of foreign influence and refuse all overtures for price agreements and delimitation of markets. In this way only can a really independent home industry be built up and a lucrative export trade be won. The benefits of increased production consequent on the latter will be ensured to dye consumers at home. The conditions attaching to the financial assistance rendered by the Government should be sufficient to prevent any foreign domination in British dye making, but it is possible that by the establishment of German factories here, of the kind set up in Ellesmere Port before the War, German producers may compete with British on their own ground. Such a contingency is, however, already provided for, and as they are thus amply protected from unfair external competition our dye makers, if they fail, cannot but bear the onus of failure themselves.

THE TEN REPUBLICS.

In order to be something more than a mere passing phase, economic, as well as political, institutions must be based upon some solid foundation. The two great continents, which we call North and South America, enjoyed extraordinary advantages in supplying Europe with her urgent needs during the course of hostilities. The United States of North America, being for its area the most populous, the most highly developed, and having by far the greatest disposable wealth, benefited in a sense that none of the other Republics upon either continent benefited, or were in a position to benefit. The exports of the United States trebled during the period of the War. And even the direction in which trade moved appreciably changed. The United States was brought into direct trade communication with most of the British Colonies, in addition to various neutral countries, with whom formerly they had conducted their trade almost wholly through British financial sources in London, and carried their goods in British ships. The War interrupted this, and since the armistice the interruption has continued. But is the interruption likely to be of permanent duration? In the half-year now just concluded, which has elapsed since the armistice, the foreign-trade figures of the United States still show that her export trade has grown some three times over, compared with the business she enjoyed in the years that preceded the outbreak of the recent War.

Now in what way can the two Americas in general, and the United States of North America in particular, assist the world to recover from the effects of the recent War? Is it desirable that the United States should compete in the business for which in European skill, European trade, the great density of population in Europe, the accumulation of machinery and the knowledge of the world's markets, give her an advantage which the United States, lacking all these things, can only obtain at great expense? It is not a question whether the United States can do it if she chooses to compete with Europe; after rendering those services for which Europe is especially fitted, there can be no reasonable doubt that she can do so. What a nation can do with far less advantages than the United States we have all witnessed in the case of Germany, which compelled practically the whole of the rest of the world to array themselves against her in order to bring her to a more reasonable frame of mind than she possessed in 1914. It cannot be doubted, however, that not only has Germany inflicted a terrible disaster upon her own country, but she has acted in a way that has injured the whole civilised and partially civilised world, and that it will take all of us, even those in the remote parts of the world, many years—perhaps more than a generation—to recover from the effects of the recent War. Great as they are the resources of no country are limitless. It is commonly said that only about half the land surface of the earth is habitable with our present knowledge of the practise of agriculture. It probably will not be contested that South America is potentially far the richest continent in the world. And as the United States acquired so much of the mobilisable wealth of Europe during the progress of the recent War, no one is likely to deny that the United States is now probably the richest country in the world. Nevertheless, her resources are not illimitable. And in what way can she best render service to Europe in the present period of crisis? There can be no doubt from the expressions of opinion of all her enlightened public men, that the real desire of the people of the United States is to render service to Europe, which has suffered in fighting a great war which the American people showed that they approved of by ultimately joining in it.

Now we would submit that the United States will render the least service—if she does not actually render a disservice—to Europe by competing with us at the present time in those services which we are pre-eminently calculated to render, and to render probably upon a sounder economic basis than the United States herself. It has to be remembered that Europe is about half the size of North America, and she has a population considerably more than twice that of the two continents of North and South America taken together. Consequently, we have in a comparatively congested area—and in the developed parts of Europe a very congested area—teeming populations who are, for the most part, engaged in the manipulation, as distinct from the production, of primaries. Eighty per cent. of the population of the United Kingdom, for example, and a still larger proportion if you take England proper and Southern Scotland alone as a distinct part of the United Kingdom, upon rendering services and manufacturing raw products which we not only do not produce in these islands, but are not capable of producing. Neither our climate nor our area would admit of it. Assuming that Europe will, after a period of unrest, recover from the effects of the recent War, it is pertinent to the question to consider the relative positions of Europe and of North and South America. If Europe, through Bolshevism in the more backward countries, and continued unrest in the more progressive, is gradually to decay, the two great Western Continents must necessarily find fresh markets for their products. But if we assume, as we do assume, that Europe still retains her recuperative

capacity, how can she best be assisted to reconstruct her economic fabric, presuming that she has a real desire to continue European civilisation as she has done in the past? Now it is manifest that Europe can only produce, and can only do what she is capable of doing. She cannot grow cotton, cane-sugar, cocoa, cocoa-nuts, or even tobacco upon any important scale. On the other hand, she can act as the world's carrier, the world's banker, the world's insurance agent, the manipulator of primaries of necessity, and she cannot produce herself, probably, upon a sounder economic basis than any other area of similar extent. We do not except the Far East, because only in a limited section of the Far East are the people sufficiently trained to be able to manufacture on an important scale; and so far they have not the acquired skill, the knowledge of markets, nor the machinery or financial resources which would enable them to manufacture upon the enormous scale which Europe has manufactured during the past two generations. It is manifest that Europe can only continue these operations if she is supplied with the elementary resources on which they are based from those countries which are capable of producing food and raw materials upon an immense scale, and upon an economic basis infinitely superior to anything Europe can do.

If any part of North or South America, and particularly the United States, decide to apportion an appreciable part of their resources for the purpose of competing in those trades for which we have said Europe is particularly fitted, those resources will be locked up in this competitive business; and even if, after trying such competition, she decides after a period to abandon it, the resources thus locked up will be irrevocably lost. It has been truly said that an investment once made is exceedingly difficult to recover. Practically, only what has come to be called mobilisable resources are available for the development of new industries. Now when we say, In what way can the United States best render service to Europe, it is manifest that we are not so foolish as to imagine that the business men and the official classes in the United States exist for the benefit of reconstructing Europe. It is plain that the duty of American public men, as well as of American business men, is to consider what are the interests of the United States, including, of course, all her important dependencies. We are assuming in this argument that in assisting Europe to recover the United States is really doing a sound stroke of business, and is developing her own economic resources. If that is not so, of course, she cannot be expected to bother about the matter. It is no affair of hers. We assisted the United States of North America nearly two generations ago now to open up her territory by means of railways. But we did it, not as philanthropists in order to make the United States a great and powerful nation, but because we required food and raw materials to be supplied upon an economic basis which we were unable to supply ourselves. Now assuming, as we have done above, that Europe after a period of unrest will ultimately resume her place as one of the great progressive civilised continents, surely Europe offers one of the most magnificent markets that America can find anywhere. It is clearly her interest, on this assumption, to cultivate such a market. Now Europe, taken as a composite whole, can only buy for any length of time, if she is in a position to sell; and she can only sell those things which she has to offer, and practically they amount to services—manufacturing raw materials which she cannot produce on such advantageous terms as they can be produced in countries outside Europe, and particularly in North and South America. Even wool, for example, in which Europe has always been a comparatively large producer; at the outbreak of the War there was not a single European country capable of satisfying her own local requirements, still less of growing within her own borders sufficient wool, which would enable her to export on any appreciable scale. And we might go through nearly every raw product with certain exceptions like, for example, Cardiff hard steam coal in Wales, platinum in Russia, and a few raw products which were highly esteemed in the markets of the world. But, speaking generally, Europe is only capable of paying for her imports by services, and by the manufacture of goods the raw materials for which are obtained from outside. Now it seems to us that the United States in particular, and the various American republics, North and South in general, can best cultivate their great customer in Europe, assuming that customer to be still worth cultivating, by providing on as sound an economic basis as possible the raw materials which will primarily admit of our living at all; and, further, will give us some substance on which to practise our handicrafts. As we have said, the total population of the two Americas is considerably less than half that of Europe. On the other hand, North and South America, taken as a composite whole, are more than four times as large as Europe, and, speaking generally, with certain few exceptions both North and South America are at least as fertile as Europe. Europe would be nothing like as fertile as she is were it not for the fact that she has been continuously cultivated over the greater part of her area for a period of at least two thousand years. Now it seems impossible that even the resources of the United States, great as they are, can admit of that country competing with Europe in the services which she is capable of rendering, and also of developing the resources of North and South America for the purpose of keeping the world supplied with immense quantities of food and raw materials upon a sound economic basis.

THE PORT OF HULL.—II.

A NATURAL deep-water and practically self-scouring channel runs up the Humber estuary, and opposite the Hull docks vessels can find good anchorage in 40 feet at low water. From this roadstead to the various dock entrances connecting channels are dredged, and these are in most cases open to large vessels only at certain states of the tide, the time being limited to some hours before and after high water. There is, indeed, a deep-water jetty at Saltend, with a depth at low water of 30 feet alongside, but generally speaking the big rise and fall of the tide, ranging from 16 feet at neaps to nearly 21 feet at springs, makes the provision of closed docks an absolute necessity.

Though the water at many of the dock-sills is sufficiently deep to admit the largest cargo steamers, the trade of the Humber is not carried on by the majestic liners that form so striking and attractive a feature on the Thames and the Mersey. Little passenger traffic centres in the port, and the goods traffic, being mainly with the Continent, requires only medium-sized boats. A change has, however, come since the enterprising railway and other authorities in Hull succeeded in winning for the city a substantial share of the Colonial trade. The initiative and energy displayed in this enterprise was extraordinary, and it is paralleled only in the case of one other port in the United Kingdom—Southampton, where the efforts of a railway company raised a decaying harbour into the position of eighth port in the British Isles. As already explained, Hull is a railway port, and the railway interests were struck by the fact that boats from Australia, New Zealand, and South Africa adopted London as their exclusive sailing base, with a call to one of our Southern ports. Wool, hides, fruit, butter, cheese and other produce, intended ultimately for consumption in the North, were first brought to the Port of London and then sent northwards by rail. Similarly, the manufactures of the North, which helped to pay for these goods, had to be despatched southwards by rail to London and

thence shipped. In both cases the traffic followed an uneconomical route. The port dues in London were high, and the long railway haulage was expensive. The imported goods suffered considerably in transit, especially the frozen products, which are peculiarly liable to damage from extra handling. A vigorous propaganda was initiated to influence Colonial opinion as to the need for change. It was pointed out that the port charges in Hull were 10*s*. a ton less than in London, and that the railway rates from Hull to an important consuming centre like the West Riding were also less by 15*s*. a ton. A saving of 25*s*. per ton could thus be effected by using the more northerly port, while the extra expense of the sea journey to Hull would be comparatively small. In the case of wool alone, of which 100,000 tons imported annually into London was consumed in the West Riding, it was pointed out that an immense saving could be effected. The first serious effort to capture that portion of the Dominion trade to which the port was on its merits entitled was in 1905, when Agents-General from the various Colonies, on the strength of statistics and information supplied to them, assembled at Hull for a first-hand investigation. They were impressed by what they saw, and their visit was accordingly signalised by the opening of a publicity campaign on behalf of the Port of Hull in all parts of the world. The effect was soon felt in a gratifying increase in the volume of trade. The turnover of the port, valued at £51 million in 1904, rose to £70½ million in 1907, and by 1913 it was over £84½ million, an increase of 65% in 10 years. All the trading activities of the port showed marked development, but the most novel departure was the trade with the Dominions. So successful was the new venture that steamers belonging to the Australasian Shipping Conference began to go to Hull, after putting into London. In the northern port Conference steamers had the advantage of cheap bunkers, as the payment of the extra freights incidental to the carriage and transhipment of the coal to London was avoided.

Since the formation of the Calcutta Conference in 1875, the first of the Shipping Conferences, it has become increasingly difficult, as agreements are reached between hitherto competing lines, to divert liner tonnage from accustomed ports of call, and hence the success which attended Hull's efforts in the sphere of the Dominion trade are all the more praiseworthy. The Far East, South American, and South African Conferences did not materially affect the port.

The system of rebates given to United Kingdom shippers who over a certain period had despatched goods to various ports within the area of a conference only by conference boats, was in many cases not extended to the homeward trade from these ports. This want of uniformity was due in large measure to a difference in the extent and character of our export and import trades to and from particular countries. Thus, with regard to South Africa the homeward trade is much smaller in bulk, as it consists of ostrich feathers, gold, and diamonds; but in the case of Australasia it is much larger, being composed of wool, and a variety of foodstuffs. The competition of tramp tonnage is more effective in places like Australia and New Zealand, where large-bulk cargoes of staple articles in demand in all parts of the world can be procured; and in such cases rebates on the homeward route are more commonly given by conference steamers in order to attract cargo. A uniform rate is generally quoted from these distant places for most ports in the United Kingdom, and as Hull was suitable for landing goods intended for the North of England, Australasian shippers favoured consignment to that port. Thus, in the case of wool, buyers who attended the Australian sales on behalf of the manufacturing interests in the West Riding would naturally consign their purchases to Hull. The result has been a great increase in wool imports into the Humber; but in this, as in other articles of Dominion produce, there have been violent fluctuations in quantity. The rebate system, which ultimately operates, it is said, in favour of London, is blamed, and with some appearance of reason. During the War, on obvious grounds, the sea journey from London was as far as possible avoided, and Hull's import of wool fell from 62,700,000 lb. in 1913 to 1,991,000 lb. in 1918. The conferences, which were practically suspended because of the heavy hand the Government laid on shipping, are now being revived, and various inducements in the shape of rebates are being again held out to shippers. These rebates, usually calculated at a certain percentage of the total sum paid, will rivet the bonds of conference control more tightly, owing to the high level of freights, and it is accordingly in the interests of out-ports like Hull that abuses should be carefully watched and, if possible, remedied.

In other branches besides Colonial traffic the trade of the port, considering quantities and not values, has suffered during the War. Not alone was Germany cut off and communication with Russia rendered difficult, and finally impossible; but trade with neutrals was severely restricted. Tonnage could scarcely be had, except for Government wool, and free vessels demanded phenomenal freights. The North Sea was a favourite haunt of enemy craft, and the numerous minefields and floating mines made insurance rates high, while shipowners were naturally unwilling to risk their vessels. Most of our shipping was eventually requisitioned and sent where wanted, irrespective of danger; but as all unnecessary risk was avoided, Hull naturally suffered. Its one advantage lay in the closing of some of the East Coast ports. Harwich and Immingham were practically taken over by the Admiralty, and the trade of the former port declined from £34,297,000 in 1913 to £3,079,000 in 1917, while that of Grimsby and Immingham combined fell in the same period from £37,851,000 to £15,421,000. This temporary advantage has passed with the reopening of the ports, and Hull is now faced with the necessity either of reviving its trade with Russia and Germany, or of replacing it by increased trade with other countries. The South American connection has been largely lost, and can with difficulty be recovered from the United States, into whose hands it has fallen. The proposal to liquidate our debt to the States by handing over our large holdings of South American securities would render the prospect of its recovery still more remote. Any serious effort to revive the Hull export trade to Latin America and to other countries must depend largely on the provision of cheap tonnage from the Port, and though the restoration of the pre-War services is at the moment impossible, the main trade routes should receive immediate attention.

THE SOUTH RUSSIA SCHEME.

On the whole the South Russia Scheme supported by His Majesty's Government seems to promise as satisfactory a handling of a very difficult problem as appears to be readily available. The proposal is that the British Government should give assistance to traders who are exporting goods urgently needed for Russia; and, on the other hand, shall arrange with reliable people in Russia for despatching food and raw materials to this country in payment for the goods ordered. Owing to the Bolshevist revolution there is practically no Government in Russia. But there is in Russia a very large number of what is described in the memorandum of the scheme as "co-operative societies." Now we have a great many co-operative societies, as they are called, here in England. But they are not in the least like what the Russians mean by a co-operative society. In the district which it is

proposed to deal with under the scheme, which comprises the greater part of South Russia, something between 50 and 60 millions of people are included in the membership of these co-operative societies. It will be remembered that the late Government in Russia was simply an extension over a vast area of country of the authority of the old Khans of Moscow. To a very large extent the Russian Government failed to fulfil any of the functions which the western world has come to regard as the duties of a Government at all. Even the maintenance of law and order and the security of life and property, which we regard as the reasons why people submit to Government at all, were in Russia only partially secured. Practically, the notion of the Russian Government right up to the fall of the Tsar was that it was their duty to fight the foreign enemy if he attacked Russia, and for this service it was the duty of the subject to pay taxes. Now the real Government of Russia, so far as it can be said that Russia had a real Government, or has a real Government now, was very largely the village community; and these village communities, or "co-operative societies," as the memorandum proposing this Government scheme calls them, are the reliable entities upon which our own Government is relying for the success of this scheme.

The reader need not be alarmed at the novelty of the idea of the Government guaranteeing traders. As a matter of fact, the Government is not proposing itself to engage in trade. It is consulting competent authorities, and appears to be doing a really good work in assisting the exporters of this country to place their goods in Russia in return for the import of food and raw materials which we are urgently in need of, and which, to some extent, Russia appears to be able to supply. In reality, it is a system of barter. Russia gives oil, cereals, eggs, and meat—and Russia has the largest herds of cattle of any European State. We send the essential plant to enable the Russian peasant, the Russian oil man, and the Russian poultry farmer to raise the produce which will give our traders a profit on the deal. Without such a system it is manifestly impossible for trade to be carried on in a country in the state Russia is in at present. Practically there have ceased to be any banks in Russia. And even if there were, who could trust them in the present state of economic anarchy in which that country is weltering? All that the Government proposes to do is to assist traders and bring them in contact with these co-operative societies in exporting the manufactures which we are so anxious to export at the present time—largely plant, as we have said, to be used by agriculturists, miners, and so on, but equally largely textile fabrics of various kinds as, owing to the fact that Russia was shut up for nearly five years, there is a great shortage of textiles all over the Russian Empire. And, wherever the peasants have the means, there seems to be no reasonable doubt that they are anxious to purchase cotton and woollen goods of various kinds. As a matter of fact trade by barter is just as good as trade by bills of exchange. It is more convenient usually in civilised countries to deal through bankers with regular bills of exchange. But at the present time, when a country has passed through, and is still passing through, a period of revolution, provided she is able to deliver oil, and eggs, and meat, and cereals, and we in exchange can sell our cottons of Lancashire, our woollens of Yorkshire, and our hardware manufactures of the Midlands, and find employment for British shipping from Glasgow, the Tyne, and the Wear, what does it matter whether the trade is carried on through the channels that we were accustomed to in the years that preceded the outbreak of the recent War, or whether it was carried on virtually as a barter trade in primitive times, with the guarantee on the one side of a great Government acting in concert with various organised peasant communities in different parts of the Russian Empire?

SOUTH AND CENTRAL AMERICA.

ARGENTINA.

PRESIDENT IRIGOYEN'S MESSAGE TO CONGRESS.

ARGENTINE papers arriving by last week's mail give the full text of President Irigoyen's Message to Congress. It need hardly be added that they do not spare space in detailing the relations of the President with both Houses of Congress, the conditions under which the Message was presented, how it was received, and finally how it was virtually ignored in an almost empty House. Following upon the alarming labour troubles of January, February, and March of this year, it might reasonably have been expected that the President's Message, presented in the middle of May, would have attracted the liveliest interest in the Congress, as well as throughout the country. Very much the contrary was the fact. There can be no reasonable doubt that the difficulties of Argentina, grave as they are, and serious as they have been since Europe has been unable to invest in Argentina to its accustomed extent, have been aggravated by the relations between the Executive and Legislature. Practically anything suggested by President Irigoyen is negatived by Congress, while the President, in his turn, virtually refuses to do anything suggested to him by Congress. The National Budget remains unpassed for months, and sometimes more than a year at a time. The Government, in order to carry on, collects the taxes without waiting for the approval of Congress. The open and notorious state of friction which exists between the Executive and the Legislature has undoubtedly accentuated the unrest which exists throughout the Republic. It tends to unsettle everybody's mind, and undoubtedly acts as a very unfavourable influence upon the economic well-being of Argentina taken as a whole. At a time like the present in the fortunes of the Republic, when, one would think, the cessation of investments from Europe upon a great scale would attract the best minds in the Republic to consider Argentina's economic future, the Congress presented a deserted appearance. The President himself, possibly fearing a hostile reception, was not present in person, and left the reading of the Message to Dr. Luna, the President of the Senate. Congress was so incensed by this treatment that members refused to come into the Chamber and form a quorum. As a result the Message was never read in the ordinary sense at all. Members were more interested in the Convention to be held the next day at Cordova, where, however, they could only discuss in an academic form the urgent problems confronting the Republic.

The Message itself begins with the usual references to the relations of Argentina with foreign States, which are, of course, quite satisfactory. Then it goes on to deal with the national finances, and speaks of the recent borrowing to meet the deficit in the revenue during the last few years. The revenue is now improving however. The service of the foreign debt has been regularly maintained; and the money for the payment of the forthcoming coupon in July has, we understand, already been remitted.

So far as the Message itself is concerned with the purely economic side, there is very little which calls for criticism so far as the Government is itself able to affect matters. One of the greatest difficulties of Argentina at the present time, as we have said again and again in these columns, is her inadequate supply of transportation facilities. Practically, says the President in his Message, the railway mileage of the country has remained stationary throughout the period of the Great European War—that is to say, that roughly 21,000 miles of railway track remains very much what it was in the summer of 1914. Meanwhile, the traffic on the railways and the needs for transportation facilities throughout Argentina have been growing upon an enormous scale—in fact, upon an unprecedented scale—because of the demands for food and raw materials upon a war basis for such

an enormous proportion of the world who were not themselves engaged in production, but, on the contrary, destroying produce as fast as it was raised. It will be recollected that we mentioned some time ago a report which appeared in the Argentine papers received at that time in London, that so great was the accumulation of produce and particularly of linseed, cereals, and so on, in the neighbourhood of Rosario, that for miles the sheds and receiving-houses in every direction in and near the various railway systems were completely filled, and it was necessary to resort to tarpaulin coverings for produce which had been simply stacked on the ground. This was only partially due to the inadequate railway service. It was very largely due to the difficulty of obtaining shipping either from Buenos Ayres or Bahia Blanca, or from Rosario. But it was undoubtedly accentuated by the inadequate railway service afforded in the Republic. The President's Message says that roughly 90% of the railway mileage of the country is foreign-owned; and this foreign-owned railway service is highly prosperous, the remaining 10% is national property, and is very much the reverse. The great feature of the railway working during recent years has been the comparative stationariness of passenger traffic, the enormous growth in the volume of goods carried, and the still more enormous growth in the amount of produce passing over the lines. This, of course, has been accompanied by a very heavy increase in the cost of working, partly due to increased wages and partly due to increased cost of material. But the fact remains that the cost of operating the railways has very materially risen in Argentina, as well as in most other countries of the world. The amount of produce carried is approximately three times what it was before the War. And there seems very little doubt that it will grow still more rapidly if it were possible for the railways to afford additional facilities. Now, so far as railway building is concerned, Argentina is a victim of circumstances, and is, in reality, in no way responsible for what has occurred. Argentina, as we have said so often, has been built up for the purpose of supplying food and raw materials principally to this country upon a scale out of all proportion to the consuming power of her own people; and in order to do this a rapidly expanding transportation service was essential. As a corollary an abnormal proportion of the population is engaged in transportation work, and in other services allied thereto, as distinct from the raising of raw produce. Now with the outbreak of the War, and the cessation of investment from Europe in general, and England in particular, this railway building suddenly came to an end. It threw, in the first place, a large number of people out of employment; it disorganised the whole trade of the Republic; and it stopped the expansion of an avenue through which the trade of the Republic had been accustomed to run continuously for more than a generation. The President's Message states that, partly to remedy this unsatisfactory state of things, a serious effort is being made to improve the roads and bridges of the Republic. Roads are being built in the Provinces of Cordoba and Jujuy, and in La Rioja. This is exceedingly satisfactory, for one of the greatest defects of the two continents of America—both North and South—is the inadequacy, and generally unsatisfactory nature, of the roads. Now it happens that the Argentine Republic almost throughout the whole of its extent is peculiarly suited for road-building, and is capable of maintaining good roads on an economic basis, which it would probably be difficult to equal elsewhere. Doubtless the rains are heavy, but the gradients are nearly everywhere light, until, at any rate, one goes west of Mendoza, particularly in the Province of Buenos Ayres itself, which is in itself considerably larger than the total area of the United Kingdom, and also in the south, going right down to the Straits of Magellan, speaking generally, the country is surprisingly flat; and the construction of roads upon an extensive scale would be very easy. Of course, it has to be remembered that in the Metropolitan Province itself, owing to the alluvial nature of its soil, there are no stones; but road-making material can readily be obtained from the mountain regions west of Mendoza, and the transit dues would certainly be less than the importing, as was done formerly, of road-making material from Europe.

At the present time the demands upon the financial resources of Europe, and even of the United States of North America, are so heavy that it is doubtful if an appreciable sum will be available in the immediate future for the construction of Argentine railways upon an extensive scale. If this prove to be correct, it would be of the utmost importance that bridges should be built, as one or two are being built at present, as stated in the President's Message, and that roads should be constructed, as far as possible, all over the Republic. Experience in the recent War and particularly in Northern France and in Belgium, showed that the potentialities of motor traffic was far greater than anything we had imagined before the actual experience obtained in the late War; and provided that even moderately good roads are general, connecting the principal centres of the Republic, evidence has been accumulated which proves that motor lorries can travel over a country like the Argentine Republic to a considerable distance from the main roads.

We are glad to note that the President's Message recommends further expenditure on the item of irrigation. Outside the Province of Buenos Ayres there is annually a very deficient rainfall. Even along the Atlantic seaboard it does not often exceed 12 inches; and in many places south and west of Mendoza until one comes to the great lakes lying at the foot of the Cordilleras the average rainfall is not more than 5 inches. It will be apparent that, with an annual precipitation varying between 5 and 12 inches the growth of cereals without the assistance of

THE
UNION BANK
OF MANCHESTER
LIMITED.
Established 1836.

VICTORY
LOAN and BONDS.

The Bank's Customers and others are urged to subscribe freely to the above. Loans are granted to applicants at ½% below Bank Rate, minimum, 4½%, repayable within six months.

The Bank has 120 Branches, covering the whole of Lancashire, Cheshire and the West Riding of Yorkshire.

Agents everywhere in Great Britain and throughout the World.

irrigation is impossible. But experience shows that with the assistance of irrigation their growth can be undertaken upon a sound and sure economic basis. The soil of the greater part of the area of the Republic is quite good, although, of course, nothing to be compared with that of the Province of Buenos Ayres. Nevertheless, with the assistance of irrigation and improved transportation facilities, Argentina is capable of increasing the world's supplies of food and raw materials to an immense extent.

BRAZIL'S ECONOMIC MISSION.

At the invitation, and under the auspices, of the Federation of British Industries, a highly representative Mission from Brazil to study the economic conditions in this country, and how it is practicable to increase trade between the great Republic of South America and the United Kingdom, arrived on our shores this week. As we have said, the Mission is an exceedingly representative one, including some of the most competent exponents of the various industries of the Republic. Dr. Souza Bandeira has for years been the principal superviser for every plan for port and harbour construction on the Brazilian Coast. In Dr. Porto we have an eminent authority on the potentialities of the Amazon Valley. Dr. Almeida is the owner of a large woollen factory in the south of Brazil. Incidently, we may mention that he is greatly interested in various social questions. Dr. Carvalho Britto is well known in connection with hydro-electric development work; and he is also interested in the improvement of Brazilian roads. Dr. Cochrane Simonsen should be afforded every opportunity of studying the freezing-house system in this country, and the frozen-meat trade, taken as a whole, as this young engineer was largely responsible for the actual working of the scheme initiated by the late President Alves for the shipment of frozen meat to this country from his native State of Sao Paulo in the early years of the War. Senhor Adonias de Araujo is interested in the shipping trade of Northern Brazil. Senhor Guisard should be afforded every opportunity possible to enable him to come into contact with the real moving spirits of our textile industries here, as he is himself largely interested in cotton spinning and weaving in the State of Sao Paulo. The Mission was to have been presided over by Dr. Calogeras, but he has been recalled to Paris in connection with the Peace Conference.

On the whole, we heartily congratulate the Federation of British Industries on the work they are doing in connection with this Mission; and, inasmuch as we are heartily in sympathy with their objects, it is well to point out that there is a considerable measure of criticism, which has not, so far as we are aware, appeared in any of our papers regarding the itinerary which is being planned for the Mission. It may be interesting to show our visitors what is done in the great munition works in connection with the War; but the object of the visit of the Mission is not to buy munitions for shipment to Brazil. It is to be hoped that, at least for the present, we have done with munitions. What we should endeavour to show our distinguished visitors—for each is more or less a real expert in his own department—is what we have to offer in the way of plant and machinery which can be used in the development of the various industries of Brazil. It is exceptionally fortunate that Brazil and this country have been brought into such close contact and intimate alliance in connection with the War, for we happen to be both of us in a particular state of development in which we can mutually serve one another to an exceptional extent.

The United States of Brazil is, all told, considerably bigger than continental United States of North America; but she has a population of only 24 millions of people. Consequently, manufacturing, in the sense that we understand it here in Western Europe, is virtually out of the question upon any considerable scale in Brazil; while, on the other hand, partly owing to the extraordinary fertility of her soil, partly owing to the fact that she is situated almost wholly in the Tropics; and also to the fact of her enormous extent, she is capable of furnishing food and raw material to an unprecedented extent, and upon an economic basis which should enable us in the course of time to obtain food and raw materials at a level of prices which will materially assist the recovery of this country from the devastating influences of the recent War. Until quite recently Brazil had practically nothing to offer with the exception of raw rubber and coffee. We are certainly not inclined to depreciate the value of rubber, whether it be cultivated in plantations or obtained in the wild state, as in the Amazon Basin. Neither are we in the least disposed to depreciate the value of coffee, which most of us enjoy very much. But it is evident that a country that contents itself with supplying only two articles of commerce can never hope to develop a great trade. It is evident that we could not live on coffee while we manipulated the finest raw rubber that ever came from the Amazon Valley. Fortunately, partly as a result of the War, Brazil has made extraordinary endeavours to increase her productivity, and to develop the exceptional resources with which she has been blessed by Nature. In that fortunate country any serious effort made to develop her resources results in a remarkably prolific return. One of the members of the Commission, as we have mentioned above, is associated with the frozen-meat trade, which is only practically in the formative state in Brazil. Brazil is capable of supplying cattle for the freezing-houses upon, perhaps, a greater scale than any other country now existing. It was the late Dr. Alves, who was a great coffee magnate in the State of Sao Paulo, who realised the opportunity that offered itself for the development of the meat industry in Brazil in connection with the recent War. In peace times the European market has been so well catered for by the various countries that it was difficult for Brazil, a wholly new State in the industry, to start, except at a very heavy loss. But the War, causing an exceptional demand for meat, gave an opportunity which the late President wisely decided not to lose. Accordingly, he initiated a small trial shipment to Europe; and so successful was this that during the War the shipments developed to 60,000 tons a year. Since then, partly owing to the difficulty of obtaining beasts, and partly to the difficulty of obtaining freightage, the trade has fallen off to some extent. But it is evident that Brazil, having put her hand to the plough, has no intention to abandon her interest in chilled and frozen meat, and efforts are already being made to increase the supply and improve the breed of cattle, while, no doubt, inasmuch as the Mission includes a gentleman well known in connection with that trade in Brazil, the Mission will endeavour to acquaint itself as fully as possible with the practical side of the frozen-meat trade as it exists in this country.

The Oil and Petroleum Manual for 1919 (Walter R. Skinner) has just been issued. This year's issue contains full particulars of 500 companies —producers, refiners, carriers (pipe and steamship), and oil-finance companies operating in all parts of the world. The particulars of each company include the directors and other officials, date established, location of property, purchase consideration, number of wells sunk, oil production, and description of work in progress, capital, if offered to the public, calls, dividends and financial position as disclosed by accounts, also latest price of shares. The book is published at 11-12 Clement's Lane, London, E.C. 4, price 6*s.* net, or post free (inland) 6*s.* 6*d.*; abroad 7*s.*

General Sir R. G. Egerton, K.C.B.
writes:—"Having smoked many hundreds of your 'De Reszke' Cigarettes I am pleased to be able to testify to their pleasing qualities and the total absence of any disagreeable after-effects."



J. A. Hammerton, Esq. writes:—"I find the 'De Reszke' Virginians as satisfactory a sequel to a good dinner as Thackeray's to the immortal 'Esmond.'"

Robert Donald, Esq. writes:—"The 'De Reszke' are the best American cigarettes on the market."

GOD words like these are won on the field of merit, where outstanding quality alone can gain applause. Try these cigarettes.

"De Reszke"
The Aristocrat of CIGARETTES
Sold at all Tobacconists, Stores, and Military Canteens.

THE BANK OF TAIWAN,
LIMITED.
Incorporated by the Special Charter of the Imperial Japanese Government, 1899.
Head Office - - TAIPEH, FORMOSA.

BRANCHES:—Amoy, Bangkok, Batavia, Bombay, Canton, Foochow, Hankow, Hongkong, Kiukiang, Kobe, Moji, New York, Osaka, Semarang, Shanghai, Singapore, Swatow, Soerabaya, Tokyo, Yokohama, and every important city in Formosa (Taiwan), &c. The Bank has Correspondents in the Commercial Centres of Russia, Manchuria, Indo-China, India, Philippine Islands, Java, Australia, America, and elsewhere.

London Office - 58 OLD BROAD STREET, E.C.

Financial Notes.

It is understood that the British Government is about seriously to apply itself to the improvement of the Soudan. It has hesitated up to now because of the fear that the Soudan cannot be properly developed without depriving Egypt of some of the water which is so essential to it. But if the information which reaches us is correct, the Government is now brought to the conclusion that it is unwise and a dereliction of duty to affect to rule the Soudan and yet not to properly develop its resources. There is danger, of course, that Egypt may be adversely affected. But we venture to believe that the danger can be guarded against if the right advice is taken of persons who are qualified to speak with authority. Clearly, if we take the government of the Soudan into our own hands we prevent both the natives and other foreigners from making it as advantageous, both for its own people and for the world at large, as it might be made; and, consequently, it is our duty to do everything we can to make our rule thoroughly advantageous to the people. At the same time we fully admit that Egypt should not be injured; and, consequently, that what is done for the Soudan must be done without in any way injuring Egypt if we are to justify our own holding of both countries.

It is the opinion of persons capable of speaking with knowledge of Egypt that the political difficulties in that country are now practically ended. Such persons, of course, are not foolish enough to predict. But they feel persuaded that the student class has done nearly as much mischief as it is capable of, and that, with wisdom on the part of the Government, and an earnest effort on the part of all concerned to promote trade and prosperity, Egypt will continue to improve, and by-and-by, in spite of the consequences of the War, will become a peaceful and prosperous country. It has unquestionably advanced during recent years.

The most recent news respecting the Indian monsoon is favourable. It is lighter, we understand, in Bombay than in Calcutta, and Bombay needs rain decidedly. But it is to be recollected that we are not yet completely out of the month of June. Consequently there is abundance of time for a very plentiful and general fall. The country is doing well; politics are becoming easier; the native princes are exercising all their influence to restore good feeling; and, upon the whole, the prospects are favourable. It is to be recollected that the downfall of Turkey, after all, affects only a minority of the Indian population, and good government and an honest effort to do the best possible for the country will not fail to promote its welfare.

We have received from the Bureau of Labour at Washington a short brochure on "Women in the Lead Industries," compiled by a lady doctor. Lead, says the authoress, is by far the most common industrial poison, being responsible for no less than 95% of all the poisoning due to occupation. It is said that there are 111 occupations in France in which lead-poisoning may occur; and at the time the Commission on Occupational Diseases in Illinois made its report more than 70 occupations carried on in that State had been found to give rise to lead-poisoning. No doubt because they are stronger, it appears that men are less susceptible to lead-poisoning than women. Nevertheless, it appears that work in the lead industries is an injurious occupation to both sexes. British observers who have had much experience with women exposed to lead in the white-lead industry, and even more in the Potteries, hold that women are far more susceptible to lead-poisoning than men. Women suffer most between the ages of 18 and 23. In the case of men it occurs later; and, whereas females rapidly break down in health under the influence of lead, men can work a longer time in the factory without suffering, their resistance apparently being greater.

In Great Britain it is forbidden for women to work in some of the most dangerous occupations connected with the lead industry. The figures appear to show that women suffer more from lead convulsions and lead blindness, men from lead paralysis and lead colic. Victims to colic are 77.6% in the case of men and 69.8% in the case of women; paralysis, 57% in the case of men and 30% in the case of women; lead convulsions, 15% in the case of men and 34.9% in the case of women; total blindness, 2.3% in the case of men and 7.7% in the case of women; and partial blindness, 3.5% in the case of men and 10.2% in the case of women. Women who have suffered from lead-poisoning are liable to complete sterility. Apparently, the danger arises from inhaling the powdery dust engendered in working up the lead. It is estimated that were it possible to eliminate this dust there would be little or no danger of poisoning.

It was thought at one time that if the men carefully washed their hands after working in lead factories all danger would be removed. But experiments have proved that this is not so. Experiments have been tried to ascertain how the lead enters the body. There seems to be a considerable consensus of opinion, based upon a large amount of evidence, that lead dust and lead fumes are responsible for most of the industrial lead-poisoning in the different countries of the world where the lead industry is carried on. This is so generally recognised that it has been laid down as a rule that the dustier the work the greater the amount of lead-poisoning. It is a remarkable fact that there is apparently, so far as the figures go, little danger of lead-poisoning from obtaining the raw material from the mines unless, of course, the ore mined is so handled in the course of concentrating it or transporting it as to expose the workers to a very great deal of dust. The lead ore now mined is chiefly lead sulphide, the least poisonous compound of lead found in the industry; and although, of course, lead-poisoning

has been found amongst miners it is exceedingly rare. Practical experience seems to show that, provided the dust danger can be eliminated, there is no serious danger from the occupation. In lead smelting and lead refining the evidence points in the same direction. The danger in smelting and refining plants comes from the fumes and the dust, and in most plants every employee is more or less exposed to them, though in a clean, well-managed place there are parts which are almost free from danger. As a rule, a refinery is worse than a smelting plant. There is reason to believe, however, that this might be eliminated, owing to the fact that the smelting of ore requires a great deal more heat and produces more fumes than does the refinery. Lead in its metallic form is not absorbed by the human body; but after only a short exposure to the air it becomes covered with a coating of grey oxide, which is soluble in the human body. In order to make this industry healthy evidence appears to point to the necessity of eliminating the dust danger as much as possible, and various rules have been devised with the object of carrying this into effect.

Colonel H. B. Strang and Mr. Follett Holt, as a deputation from the British Commonwealth Union, were received by Dr. Pessoa, President of Brazil, recently. The President said there is now a great opening in Brazil for every kind of British manufactured goods, and British enterprise will be very warmly welcomed. The Brazilian Government contemplate large schemes of railway and transport development within their country, the establishment of which the President regards as the real basis of economic progress. There are splendid possibilities for the introduction of aerial transport of mails and parcels, and the Handley-Page Company are already in the field, with a most hopeful outlook for the extension of commercial aviation. The President is exceedingly sanguine that with the reduction of freight rates, which he hopes will come about in the near future, there will be large quantities of food and raw material available from Brazil for the British markets. He is very hopeful that in the course of a few years there will be a remarkable growth in the volume of British trade. The Brazilian people will warmly welcome more highly organised methods in making British products known in Brazil, as it is convinced that British commerce is "peaceful commerce," and will not be exploited, as was the case with our recent enemies, for ulterior purposes. Active measures are about to be taken for the creation of a Brazilian marine, and facilities will cheerfully be given to enable British shipbuilders to establish their own yards in Brazil.

On the subject of the exports from Brazil to Great Britain, the President drew attention to the importance of the meat industry. Immense development is now taking place in cattle breeding, and Brazil is destined to become one of the greatest meat-exporting countries of the world. With regard to rubber, the President looks for improvements in the methods of dealing with this industry in the Amazon Valley. The President is anxious that every facility should be given his country for the increasing of the cotton supply of Brazil. It is pointed out that there is a great field for extension of the sugar-cane industry in Brazil, which is already, of course, very extensive. With regard to coffee, Brazil is, as everyone knows, the world's greatest exporter of this commodity. Efforts are being made in Brazil to increase the production of cocoa as well as of tobacco. Cocoa grows in nearly all the tropical States, especially those on the Atlantic seaboard. Tobacco is grown, to some extent, in most of the States, but the State of Bahia is especially associated with the tobacco plant. There can be no reasonable doubt that a great field is opening for the extension of trade between this country and the great South American Republic.

It is, of course, notorious that there are something like a hundred varieties of wheat capable of being grown in the soil and under the climatic conditions existing in the United Kingdom. Practically only two species are, however, cultivated. When we urge so constantly the importance of adapting scientific methods to agriculture, and the employment upon a large scale of the agricultural chemist, what we mean is that these varieties should be carefully studied to see if we cannot produce better results per unit for the amount of labour, capital, and energy expended each season upon the land.

It will be evident that the sort of wheat capable of being grown in places where, only on six occasions in the last meteorological year 15 degrees of frost were registered, and where the prevailing influences are humidity, would be quite unsuitable to grow in a continental climate like Canada, where the soil freezes for several weeks together in the course of a year to five or six feet below the surface. Under such conditions it is evident that nothing like winter wheat sowing would be possible. Consequently, the Canadian farmer uses, says a short brochure recently issued from the Board of Agriculture at Ottawa, the Red Fife wheat, the origin of which, so far as Canada is concerned, is quite well known. Like ourselves, the Canadian farmer sows a White Fife wheat, the origin of which is, however, quite obscure. The impression, however, is that it was developed from the Red variety. The only appreciable difference between the two varieties is in the colour of the bran, Red Fife having rather dark, reddish-brown bran, and White Fife having a pale-yellowish bran. It is generally supposed that White Fife is inferior for bread-making purposes, but is a more productive variety than Red Fife, especially upon poor soil; and it is even believed by some people that Red Fife, when grown under favourable conditions, changes into White Fife. Whatever may be the origin of White Fife, it is certain that no changes of Red Fife into White Fife have ever occurred on a large scale. It is a remarkable fact that the hard wheats, which necessity compels the Canadian farmer to grow under the climatic conditions under which he cultivates, produces a grain that commands the highest price in the market, superior usually, to the

THE
LONDON JOINT CITY & MIDLAND BANK LTD.
recommends the new
VICTORY LOANS
as sound investments yielding a good return, and places at the disposal of Clients and others the services of any of its 1,300 Offices, through which subscriptions will be received and information supplied.
HEAD OFFICE:
5 THREADNEEDLE STREET, E.C. 2.

PEACE

Celebrate Peace in a practical manner by investing to the utmost limit of your resources in Victory Loan. Subscribe to the Victory Loan and place our credit in such an overwhelming position that we may gather the full fruits of glorious Victory.



Subscribe to the Victory Loan to create Trade, to increase employment, and to replace scarcity by plenty.

Do not let this great day in Britain's History pass without going to your Banker, your Stockbroker, or your Post Office, and buying as much as you can to signalise our triumph in War and to secure our Prosperity in Peace.

Victory Loan

You can buy Victory Loan at any Bank or Trustee Savings Bank, from your Stockbroker, or at any Money Order Post Office. Local War Savings Committees will give any information.

VL.10

price obtained for wheats grown under what one would usually regard as far more favourable climatic conditions.

A new association is being formed by patent owners and manufacturers with the object of protecting their interests. It will probably be known as the Imperial Institute of Patentees (Inc.), licence from the Board of Trade having been applied for. A preliminary meeting will take place in the Pillar Hall, Cannon Street Hotel, on Thursday, July 10, at 2.30 P.M. Mr. Godfrey Cheesman, the General Secretary of the National Union of Manufacturers (Inc.), has been asked to act as Organising Secretary to the new association. Temporary offices have been secured at 6 Holborn Viaduct, London, E.C. 4, and all interested in patents and desiring to attend the meeting should apply for tickets and other information. The Chair will be occupied by Sir Joseph Lawrence, Bart., of Linotype and Machinery, Limited.

THE CRISIS IN THE EDIBLE OILS TRADE.

WHILE the new Department set up by the Government at 15 Great George Street is dividing itself into two Committees on the one subject of the edible oils—so large is the scope of research therein found to be—the oils themselves seem to be vanishing from the markets. The scarcity exceeds anything within living memory, and the scientific world has not been forward in suggesting any new sources of supply. The problem, indeed, appears to be almost purely economic, for the eight sources of supply that we shall proceed to mention all admit of great expansion, and present no apparent insuperable obstacles to such increase of output. The cost of production has, of course, greatly increased since the War, but in neutral countries we cannot put it at more than double what it was in 1914, and in lands where plenty of coloured labour is available the rise in cost is probably not enhanced by more than 50%. In the United States and Japan the rise may be assumed at 100%. We get on this basis the following extant price comparisons:—

	What Present Price is	Price in 1914		Increased Cost	What Present Price should be
Linseed oil ...	115	26	India	13	39
Rapeseed oil ...	102	31	India	15½	46½
Cottonseed oil ...	92	30	Egypt	15	45
Soya bean oil ...	91	26	Japan	26	52
Coconut oil ...	150	46	Tropical Africa	23	69
Lard oil	120	55	U.S.A.	27½	82½
Ground nuts ...	40	16	Tropical Africa	8	24
Palm kernels ...	45	21	Tropical Africa	10½	31½
Palm kernel oil ...	90	42	Tropical Africa	21	63

All prices are in shillings per cwt. It will be seen that linseed oil presents the most startling figures, but that all the other items are surprising, and, the sources of supply being of world-wide distribution, two only explanations of currencies appear to be feasible—that which infers a great increase in consumptive requirements, and that which points to a very well-organised "corner," a speculative withholding of produce, not at places of production, but in the manufactured form in Great Britain itself.

The enormously increased use of margarine is probably a cause of some part of the trouble. This being a proprietary article, the Government simply insisting that each separate ingredient should pass its standard of edibility, the exact composition of any given supply of margarine is unknown. But we are justified in supposing that the oily nuts and their oils are largely absorbed for this use. The reliance on margarine is, however, no new thing, and one can but feel some surprise that the production of the raw material for its manufacture has not been increased to meet the new call. The pre-War text-books not only named all the oily nuts as being under requisition by margarine makers, but added that the latter were making raids on cottonseed oil, on maize oil, and on arachis oil; the last-named, however, is expressed from oily nuts. The French trade returns disclose an extensive use of sesame oil in margarine making.

What, however, becomes of the linseed oil? The Government largely held up linseed imports in 1917 and 1918, but the receipts since January 1 have been good, and prices are now 50*s.* per cwt. higher than they were in the years when the Government was holding back tonnage to a serious extent for the raw material. Is there a large purchasing for painting purposes—ships, houses, and so forth—or for oilcloth-making, a trade practically forbidden during the War? It may be; but then the amazing price of 115*s.* per cwt.—a rise of more than fourfold in five years—is such as to make the staple incredibly expensive to apply to ordinary commercial purposes. Rapeseed and cottonseed oils present their own problems.

With respect to the immediate future of the trade in edible oils a few suggestions may be made. Four neglected oils at least might be requisitioned—namely, candlenut oil, walnut oil, sunflowerseed oil, and poppy-seed oil. The waste of the first on lighting purposes is at the present price of edible oils most uneconomic. The oil has a really pleasant odour and taste. Walnut oil is fine in quality and never cheap; but 100*s.* per cwt. should bring forth supplies from all the Mediterranean countries. Sunflowerseed can be profitably diverted from the poultry yard to the cruet. It yields a mild, sweet, and good oil. Immense areas of poor land might be sown with this crop, and enterprising buyers who would send round and collect the heads might, we are convinced, do extremely well. The small growers cannot, or will not trouble to, save the ripe heads, and would sell for a very low sum to the collector. Poppyseed can equally be grown on immense areas of waste, and, while rich in oil, is not somniferous in the ordinary red poppy of our latitudes. The violet opium poppy need not, of course, be grown here.

Taking a wider view, it is manifest that three distinct steps require to be taken. In the first place, the coarser growths require to be separated from those whose oil is fit for human food. Linseed for paint and oilcloth, cottonseed for soap, lard as a lubricant, other oils for illuminants, require to be cultivated cheaply, while the more careful culture for the table should be followed from the first. The second call is for a clear and explicit Government policy over margarine. If butter is to be kept at a post-War State price of half-a-crown per lb., the Colonies which can feed the English margarine factories with wholesome nuts and oils should be guaranteed a regular supply thereof, and the growers made safe as to a market. In the third place, the oils for human consumption as oils and for cooking need to be systematically graded by scientific experts and their intrinsic qualities set forth. Statements that we may use sesame where we cannot get olive oil, or that maize oil is useful, but that many dislike its smell, will not suffice of themselves. If olive oil is not in nearly enough supply for table use let the Science Research Department at Great George Street set out for us the best substitutes in order of approach in merit to the olive itself. If maize oil has a certain odour, let us see that it is not blended with other oils, against which it may set up a prejudice. If some oils cold-drawn are good food, while not so expressed they injure digestion, let them be sold in bottles with a Government capsule guaranteeing that they are cold-drawn. In a word, let us face the edible oils crisis now that it has arisen, and make it a means to a better and more logical state of things than existed before the War.

The National Bank of South Africa, Limited, London, has opened branches at Victoria and Shabanie, both in Rhodesia.

American Topics.

THE NEW YORK CENTRAL RAILROAD.

In our advertisement columns will be found a full statement of the results of working the New York Central Railroad in the year 1918. We give below a short table showing the results of working. Speaking generally, the operating of the American railroad system by the Federal authorities has been no more satisfactory than it has been in this and in other countries. On the whole, Government control of railroads in the United States, as elsewhere—if we are to judge by the experience which has been gained during the period of the recent War—certainly is not encouraging for what we might expect to happen if the railroads of most countries were handed over to the mercies of a bureaucracy. Of course, it has to be borne in mind that the period in which the railroads were operated by the State, both in Europe and in the United States of North America, was a period of war—was an exceptional period; and that the conditions under which the Federal authorities, or the national authorities, as the case may be, were quite unprepared for taking over the working of the railroads. In many cases they might plead, and plead with justice, that they were compelled to appoint those who might be available, and who were not required in other spheres of national service, to conduct transportation, and hence that it is not a favourable, or even a fair, period in which to judge the operations of any railway system under Government control. This, of course, up to a point, is perfectly true. It has to be remembered, however, that railways operated under Government control under any circumstances must necessarily be operated by a bureaucracy. They would almost inevitably, moreover, be operated as suited the political exigencies of those who controlled the Parliament or the Chamber, as the case might be, at any given time. In addition, the control of the transportation facilities of a country by a Government would offer the Government temptations which it is hardly within the compass of human nature to resist.

Turning to the particular line under discussion, it has to be remembered that the New York Central is one of the greatest, as well as one of the oldest, of the United States railroads. Even before the War its mineral traffic formed a large proportion of the total work performed by the system. And while, on the other hand, the exigencies of war threw a large proportion of this kind of traffic—and particularly of munition traffic—over the line, it was already a line deriving so large a proportion of its revenue from the mineral traffic that it has not been affected to the extent that has been the case in various other systems. The total mileage of the New York Central exceeds 6,000. The construction of a joint terminal of the Putnam Branch at Sedgwick Avenue, New York, in accordance with an agreement with the Interborough Rapid Transit Company, whereby the Putnam Bridge over the Harlem River was surrendered for use in connection with the extension of the elevated system up Jerome Avenue, while slightly decreasing the length of the Putnam Division, has improved the terminal facilities of the line in the very centre of New York City. It will be remembered that during the whole of 1918 the operations of the Company have been controlled by officials appointed by the United States Government. A feature of the report is a statement which illustrates the effect of handing over securities from Europe into the custody of the United States Government in connection with the various loans that have been issued on European account for the purposes of the late War. Since the date of the annual meeting on January 23, 1918, says the report, the number of stockholders has grown to the extent of 1,591, the total number at the end of the year being 28,693, of whom 28,395 are domiciled in the United States and 298 abroad. Equally significant is the statement that the par value of those domiciled in the United States amounted to 247½ million dollars, whereas the value of the holdings of those abroad only slightly exceeded two million dollars, the average holdings being 87 shares and 69 shares respectively. In 1915 the numbers reported were 22,270 in the United States and 2,772 abroad, the general average holding being, approximately, 100 shares, being reduced, as above stated, to 87 at the present time.

Income Account New York Central Railway.

Operating Income:	1918.	1917.*	Inc. or Dec.
Miles operated	5,681·82	5,685·43	— 3·61
	$	$	$
Railway operating revenues	269,270,956 51	216,267,517 22	+53,003,439 29
Railway operating expenses	210,637,848 99	155,597,905 35	+57,039,943 64
Net Revenue from railway operations	58,633,107 52	62,669,611 87	— 4,036,504 35
Percentage of expenses to revenues	(78·23)	(71·02)	+ (7·21)
Railway taxes accrued ...	11,273,155 71	10,594,035 62	+ 679,120 09
Uncollectible railway revenues	17,594 44	19,395 51	— 1,801 07
Railway operating income	47,342,357 37	52,056,180 74	— 4,713,823 37
Other Income:			
Joint facility rent income ...	3,262,788 23	3,148,788 33	+ 113,999 90
Income from interest on bank balances	59,331 16	284,520 60	— 225,189 44
Revenues and expenses prior to 1918	6,194,711 69	—	+ 6,194,711 69
Total other income ...	9,516,831 08	3,433,308 93	+ 6,083,522 15
Gross income	56,859,188 45	55,489,489 67	+ 1,369,698 78
Deductions from Gross Income:			
Hire of equipment—debit balance	3,411,326 39	3,219,768 18	+ 191,558 21
Joint facility rents	1,154,583 18	1,178,790 89	— 24,207 71
Miscellaneous rents... ...	62,737 99†	—	+ 62,737 99
Interest on unfunded debt	153 21	—	+ 153 21
Total Deductions from gross income ...	4,628,780 77	4,398,559 07	+ 230,221 70
Net income	52,230,407 68	51,090,930 60	+ 1,139,477 08

* Figures for 1917 revised to agree with basis in 1918.
† Represents increase in rental of properties over amounts paid prior to January 1, 1918.

UNION PACIFIC RAILROAD.

We give below, as in the case of the New York Central, a table showing the results of working the Union Pacific system during the year ended December 31, 1918. It will, of course, be understood by the reader that during this period the Union Pacific system was wholly under the control of Departmental officials appointed to control the railways by the Government of the United States. Unlike so many railroads operated by Federal officials and under Federal law—or, rather, by proclamation of the President of the Republic—the Government succeeded in earning a very handsome profit. In earning this profit, however, it reaped, and reaped handsomely, where it had not sown, and gathered into the barn harvests to which it had not contributed. It so happens that the Union Pacific Railroad, which in the early days of its existence had a varied and chequered career, and at one time found it difficult year by year to earn the means of working the line, has in these days become exceedingly prosperous. As the United States has been gradually opened up and gradually settled the Union Pacific acquired the control of various railways on its line, until it has become a great transcontinental system connecting the two greatest oceans of the globe. With the opening up of the territory served by the line, and the gradual settling of population upon each side of the line, it has added year by year to the volume of its traffic. Wisely remembering the years of penury through which it had passed, it had for years previous to the outbreak of the recent War laid by season by season an appreciable proportion of its earnings for the improvement of the system and adding to the rolling stock. It will be remembered that for a considerable time after the War was raging in Europe the United States Government remained a neutral spectator; and during the period the United States was neutral the population of the country, as well

as the railroads, waxed rich in supplying the ever-growing and increasing urgent needs of the belligerents. As a result, when the railroad was taken over by the Federal authorities at Washington it was in an exceptionally fine physical condition, and was capable of being operated at a minimum of cost. Owing to these exceptional circumstances, the board, as representing the stockholders of the line, claim, and claim with apparent justice, that they should have received exceptional terms from the Government. This, however, they have not received—at least, so far. The officials appointed by the Federal authorities plead—and plead, as is the custom with officials appointed by Governments in all parts of the world, and, indeed, ever since we have known anything about Governments—that a uniform regulation must be adopted and adhered to to meet the general conditions provided by the law under which the various railroads are operated, and no exception can be made regarding the conditions under which any particular railway may have been taken over. It is exceedingly interesting, as throwing a flood of light on the operations of a Government Department in controlling a great industrial system like a railway. And it should afford indications of what we may expect in other countries of the world if it be decided to nationalise the various railroad systems.

The Union Pacific is a magnificent system, running from Council Bluffs and Omaha and Kansas City, in the States respectively of Iowa and Missouri, right across the continent to Portland in Oregon, to Aberdeen Bay in the State of Washington, and down south, over the system of the old Central Pacific, away to Los Angeles in the State of California.

Union Pacific Railroad Results.

[000's omitted]	1918	1917	1916	1915	1914*
	$	$	$	$	$
Gross revenue	158,845	130,102	114,412	91,952	91,845
Oper. expenses	101,205	77,295	63,704	53,788	55,140
Ratio	(63·7%)	(59·4%)	(55·7%)	(58·5%)	(60%)
Net revenue	57,640	52,807	50,708	38,164	36,705
Misc. income...	11,652	13,170	13,505	13,652	17,436
Net income	69,292	65,977	64,213	51,816	54,14
Government profit	12,486	—	—	—	—
Taxes	9,782	8,452	5,652	5,004	5,079
Company's profit	47,104	57,524	58,561	46,812	49,062
Interest and other charges	14,513	16,001	15,390	15,238	15,968
Net profit	32,591	41,523	43,171	31,574	33,094
Preferred 4% dividend ...	3,982	3,982	3,982	3,982	3,982
Profit for Common	28,609	37,543	39,189	27,592	29,112
Dividend earned	(12·9%)	(16·9%)	(17·6%)	(12·4%)	(13¼%)
Dividend paid	(10%)	(10%)	(8%)	(8%)	(9%)
Amount of dividend ...	22,229	22,229	17,783	17,783	19,781
Surplus	6,380	15,314	21,406	9,809	9,331

* Year to June 30.

CEMENT MANUFACTURE IN IRELAND.

The manufacture of cement is generally carried out by heating in a kiln limestone, marble, chalk, or marl. From "cement rock," which contains lime and clay materials, a kind of natural cement is turned out; but the fact that it is generally inferior to Portland cement explains in great measure the comparative lack of attention paid to it. While in the manufacture of Portland cement the proportion and purity of the raw materials are under constant control, thus facilitating the yield of a uniform product of good quality, the same check cannot be maintained when natural rock is ground and fired; consequently the nature of the resulting cement is somewhat uncertain.

Hydraulic lime is, however, made on a fairly large scale in these islands by burning limestone containing siliceous and clayey matter. The crystalline texture of metamorphic limestone seems to render its burning more difficult than that of carboniferous limestone, which is widely distributed through the central plain of Ireland. Hence the latter seems to be the more suitable when both are available. Good hydraulic lime serves much the same purpose as Portland cement, and, though not possessing the strength of the latter, is a useful and cheap material of construction. It possesses the advantage, moreover, of setting slowly and remaining plastic for a sufficient time to allow the slight settlement, inevitable in much new work, to occur and terminate before the joints of a structure become rigid. In the making of Portland cement, the most important of hydraulic cements, and much used for building purposes, the usual proportions are about one part of clay to three parts of limestone, the materials being thoroughly dried by heating in rotating drums. After this mixture is very finely ground it is fed into the upper end of long, rotating, cylindrical kilns set on an inclined plane and lined with firebrick. Into the lower end a very hot flame is forced, which is usually obtained by the use of finely powdered coal. During the passage the reaction takes place, and just before the product reaches the tremendous temperature of its melting-point it is removed from the kiln. It is now known as cement "clinker," which is a somewhat heterogeneous product and consists of hard, coherent, dark clinker, fallen clinker, or dust resulting from the spontaneous disintegration of clinker containing deficiency of lime and under-burnt clinker, in which complete reaction between the lime and clay has not occurred, and which contains free lime. To secure the best cement only sound clinker should be ground; but it is usual to send all except greatly under-burnt material to the crushers. It is stated that the fallen cement poor in lime and the under-burnt portion containing free lime may, nevertheless, serve as cement by mutual action on mixing with water. Reliance, however, on such a possibility is not calculated to produce sound cement, as the prime object of the cement-maker should be to effect a complete union of his raw materials. The clinker on being ground to a fine powder by the crushers is ready for use. The setting is accomplished by mixing Portland cement with water to form a paste, and this reaction thus brought about is responsible for the hardening of the cement and the attainment of its characteristically great strength. Plaster of Paris, or gypsum, which is found in various parts of Ireland, notably near Kingscourt, is often added to the cement during the grinding in order to prolong the time of setting. Gypsum yields a cement known as plaster of Paris, which is obtained by heating the raw material to a temperature of 120° to 130° C. Plaster of Paris is very often employed for plastering walls and for the reproduction of sculpture.

The manufacture of Portland cement is at present practically confined to two localities in Ireland. At Drinagh, Co. Wexford, the works are situated near the sea coast, and thus facilities are offered for an advantageous disposal of the product. To undertake the manufacture of this substance successfully the raw materials must be found in close association, and in this particular case the limestone of the neighbourhood is mixed with the silica which is obtained from the mud of Wexford Harbour. These mixtures result in the production of a good-class cement, which is capable of withstanding a high tensile strain. Although the advantages possessed by Larne for the turning out of cement were frequently pointed out, it was not until recent years that an effort was made to secure their utilisation. A large factory is now in existence, which has a capacity of 40,000 to 45,000 tons per year. The materials used are the white limestone or chalk and the clay dredged from Larne Lough. A deposit of basalt occurs over the limestone, and is crushed for road-making material and exported. The establishment of these enterprises engenders a hope that due advantage will be taken of the possibilities existing in other parts of the country for the manufacture of Portland cement. A glance at the geological map of Munster reveals the fact that the whole province, especially the county Cork, is especially rich in raw materials. Limestone and shale—laminated deposits of clay—are very widely distributed, and expert analyses carried out at University College, Cork, and at the Royal College of Science, Dublin, show that

these raw materials all over the south of Ireland, and especially around Cork Harbour, as at Little Island and Carrigaline, are most suitable for the manufacture of Portland cement. It is pointed out that a site in Cork Harbour, where the necessary storage accommodation on a large scale could be secured close to the shipping, would enable a Cork factory to supply, not only the home market, but to conduct a coasting trade with other Irish ports and with Scotland, and to export to the other parts of the United Kingdom at cheap freights in the returning colliers and other vessels which at present leave Cork under ballast. According to expert opinion, a modern plant of moderate size would undoubtedly prove a profitable undertaking in Cork. The cheapness and great strength of Portland cement has led to its use in the manufacture of various kinds of artificial stone. Concrete, which is produced at Larne, is a rough kind of artificial stone, and the preparation of both materials is conducted on the same general lines—the cementing together of an aggregate composed of fragments of limestone, granite chippings, broken brick or other like material, by means of Portland or other suitable cement. The natural stone is mixed with cement mortar, made into a plastic paste, and moulded into any desired shape. No difficulty should be experienced in obtaining the materials suitable for the turning out of the various forms of artificial stone in the vicinity of Cork Harbour. At Coal Island, near Dungannon, the clays have been utilised for the production of coarse pottery. The purity and homogeneous character of this deposit, the presence of pure carboniferous limestone near Coal Island, the inexhaustible quantity of these materials, combined with the existence of a good coal supply, if satisfactorily worked, abundance of water, and a convenient canal service, in connection with so large and important a population centre as Belfast, are considerations which seem to indicate that this district could profitably form the seat of a very large cement industry. Other advantages also exist in the shape of unlimited supplies of flints from the chalk of the region, which, when roasted, form a desirable auxiliary. An excellent cement has been prepared by Mr. Henry Reid, of London, with limestone and decomposed basalt obtained from the neighbourhood of Coal Island. It has been stated that the violet-coloured lithomarge—a compact variety of kaolin or clay—found in the iron measure of county Antrim, seems to have qualities identical with those of the Pozzuolane of the Bay of Naples. Pozzuolane is a volcanic tufa found largely in the neighbourhood of Rome and Naples, and is extensively employed in the manufacture of an hydraulic cement. In another part of Ireland there are some clays that might produce good results. Near Ballynamona, in county Galway, there is a clay that was successfully used at one period in the preparation of a cement for the waterworks at Ashford. It is very probable that the mud of Irish estuaries, hitherto unexamined, would contain the ingredients which, on combination with local limestone deposits, would be capable of producing a good cement.

Van Ryn.—£500,000, in £1 shares. Batteries, 180 stamps. Six tube mills. Present capacity about 550,000 tons a year.

Year to June 30	Stps.	Tons Milled	Sort-ing %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1916-17	140	456,450	6½	553,430	24/3	341,166	15/0	212,264	9/3	1⅝
1917-18	140	410,300	—	460,749	22/5	335,741	16/4	124,988	6/1	⅞
1918-19.										
Sept. qr.	146	98,700	3⅛	104,453	21/1	84,797	17 2	19,656	3 11	⅞
Dec. qr.	140	98,160	3½	100,760	20/6	85,006	17/4	15,754	2/2	1
Mar. qr.	140	97,700	3·19	95,632	19/7	82,852	17/0	12,780	2/7	⅛
Apr.	—	35,150	—	33,374	19/0	28,840	16 7	4,514	2 5	⅛
May	—	36,900	—	34,231	19/1	29,073	16 5	5,158	2/8	⅛

Dividends—1916-17, Dec., 17½; June, 17½ per cent.
1917-18, Dec., 12½; June, 5 per cent.
1918-19, Dec., 5 per cent.

ESTABLISHED 1887.

Telephones: 455, 4084, 3662 Avenue. Telegrams: "Infusory-Grace, London."

HARDEN BROS. & LINDSAY LTD.

Specialists in Tea & Rubber Shares,

23 ROOD LANE, LONDON, E.C.

CORRESPONDENCE INVITED.

Rubber Topics.

THE improvement in the price of the commodity which occurred last week has not been quite held, and the Share market in consequence has become dull again, with quotations here and there marked down a little. A sharp rise in rubber is not to the interest of the plantations, for it is unlikely to be held, whereas gradual improvement due to expanding demand for trade purposes and lifting of the blockade reflects a healthy condition of affairs. It cannot be said with certainty that the activity in trade demand has yet commenced, but indications are not wanting of its imminence. News from America is to the effect that motor-manufacturing interests there have lately placed very large orders for steel.

ANNUAL REPORTS ANALYSED.

SELANGOR RIVER.

Issued Capital: £49,282 in £1 Shares; £12,000 Debentures.

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend* Amt. £	Dividend* %
1915...	2,286	1,992†	458,126	230	2/8·17	-/11·77	41,672	24,641	50
1916...	2,346	2,211‡	722,600	327	2/6½	-/9·91	62,974	14,784	30
1917...	2,554	2,211	695,824	314	2/3½	1/2·4	39,081	7,392	15
1918...	2,579	—	604,260	—	1/6	1/0	16,857	7,392	15

* Dividends free of tax. † 584 acres in partial bearing.
‡ 219 acres in partial bearing.

Price of Shares, 6½. Market Capitalisation per planted acre, £120.

THE very disheartening experiences of the shareholders of this Company are nearing an end. In the four years to December 31, 1918, £82,000, or over 150% on the issued capital, has had to be provided for excess profits duty, owing to the fact that the plantations had reached only very partial bearing before the War. Income tax has also absorbed a considerable sum, while shareholders' participation in four years has totalled 110% on the capital, free of income tax. The contrast affords an idea of the relief that will be felt through the reduction of the excess profits duty to 40% this year; and if, as is generally expected, it is possible to take the impost off altogether next year, big dividends are likely again to accrue to shareholders to compensate them for their patience of the past 10 years. Moreover, if the Merlimau decision against the deduction of aggregate development expenditure from capital to arrive at the percentage standard is upheld, there will be a substantial windfall in the shape of repayment by the Exchequer. But, apart from that, it is to be noted that the crop this year, with tapping unrestricted, is estimated to reach 766,000 lb. Forward contracts cover 167,000 lb. at prices averaging about 1s. 11*d.* per lb. London equivalent, and on account of 1920 132,000 lb. have been sold for 1s. 11*d.* per lb. delivered Singapore. Then cost of production is very low. With the crop curtailed in 1918 the total all in figure was only 1s per lb., while in 1916 it was under 10*d.*; and these are real costs, for the balance sheet shows that in respect of 1918 the only charge to capital account was £1,000 excess spent on buildings and machinery over the depreciation allowance, which was a liberal one.

Next year the output should reach near to 900,000 lb., and at full maturity the 2,579 acres planted will probably produce not far short of 1,100,000 lb. Costs should revert to about 10*d.* per lb. all in, and it can be calculated that 9*d.* per lb.—say an average selling price of 1*s.* 7*d.* per lb.—would bring in £33,000, or over 60% on the capital; while on a full production of, say, 1,100,000 lb. the corresponding figure would be £41,000, or 80%. This year there will still be the 40% excess profits duty, but, in view of the increase in production, there seems no doubt that an appreciably higher distribution will be possible than made for 1918. At £6¼ the shares seem high, but for a low-cost Selangor estate this is not the case, as the market valuation of £120 per acre shows. The financial position is quite sound, for, after allowing for the final dividend payment of 10% and income and excess profits taxes, liquid assets at December 31 exceeded liabilities by £12,000.

MERLIMAU (MALACCA).

Issued Capital: £228,853 in 2/0 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916...	5,382	4,600	1,463,937	318	2/5 2*	-/9†	124,447	54,184	18¾
1917...	5,443	4,800	1,468,989	306‡	1,11¼*	-/9·9†	87,349	38,136	16⅔
1918...	5,511	—	1,248,678	—	1/7*	1/0¼†	35,047	33,460	14⅝

* Net price. † Excluding sale charges and freight, &c.

Price of Shares, 7/0. Market Capitalisation per planted acre, £159xd.

The directors are not able in their report to add anything to what is generally known in the matter of the famous excess profits tax test case. The date of hearing the Crown's appeal is still undecided. Meantime, perforce, a cautious dividend policy has to be pursued. That is to say, the huge sum which the Company has set aside in recent years to meet possible liability for excess tax is only drawn upon to the extent of £10,484, of which £6,000 covers income tax and directors' extra remuneration for 1917. The dividends of 14⅝% for the year absorb all but £1,600 of the profit actually earned, and the carry-forward is raised from £2,948 to £11,147. The amount standing to credit of excess profits duty reserve is £93,596, and, excluding this and allowing for the final dividend, the balance sheet shows further surplus cash resources of £14,560. Of course, if the excess profits tax decision of the General Commissioners is upheld the position will be very considerably bettered, and a bonus to shareholders may quite possibly eventuate. Then the reduction of the duty to 40% increases the participation of shareholders in profits by about 150%, under normal conditions, for the standard of calculation is very low. Moreover, this year the crop is estimated at 1,500,000 lb., and it looks as if the price obtained may be better than for 1918. On the other hand, with the shares now priced at 7*s.*, representing a market valuation of about £160 per acre, the prospects are obviously discounted to a considerable extent.

GLENSHIEL (SELANGOR).

Issued Capital: £35,000 in £1 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915 ...	1,323	—	230,020	—	2/5	1/4	12,056	8,750	25
1916 ...	1,444	1,223	379,813	310	2/6	1/2·6	24,657	12,125	37½
1917 ...	1,638	1,223	477,872	390	2/5	1/2·9	27,974	9,625	27½
1918 ...	1,756	—	342,695	—	2/0½	1/4	12,576	10,500	30

Price of Shares, 5⅛c.d. Market Capitalisation per planted acre, £98.

This is a Straits group estate carefully nursed in recent years, and officially considered capable of yielding 400 lb. per acre as an average at full maturity. Production last year was severely curtailed, and the all-in cost of 1*s.* 4*d.* per lb. has to be considered in that light. The profit was less than half the 1917 figure, but absence of necessity to provide for large excess profits duty—the 1917 payment was £12,000—enables a higher dividend to be paid. Beyond stating that the financial position is strong we need not do more than point out that on a full maturity production, say 700,000 lb. from the 1,756 acres of plantations, 6*d.* per lb. profit would represent 50% on the capital. There are very few cases where a valuation of under £100 per acre is attached to such a good-class undertaking. The price of 5⅛ *cum* dividend looks heavy in relation to the past year's distribution, but that was earned on less than half the full maturity production. Reserves total £37,500, and if the directors doubled the capital by capitalising £35,000 of the reserves the increased number of shares would be a freer market and command a relatively higher price.

CHERAS (F.M.S.).

Issued Capital: £50,000 in £1 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916...1,237		—	181,015	—	2/5½	1/5·4	9,231	7,500	15
1917...1,237		800*	285,061	356*	2/6	1/4·4	16,278	8,750	17½
1918...1,297		—	253,958	—	2/1·7	1/2·9	11,463	7,500	15

* Estimated.

Price of Shares, 60/0. Market Capitalisation per planted acre, £108.

Considering that this estate had to all intents and purposes reached only half-maturity last year, and that nevertheless only £1,800 of expenditure has been charged to capital account, the all-in cost of under 1*s.* 3*d.* per lb. can be considered an earnest of economical working in the future. On the whole a very good average price was obtained for the restricted production, and, as the profit was equal to more than 20% on the capital, the result cannot be described except as satisfactory. Excess profits duty explains the curtailment of the dividend to 15%. However, the financial position has been kept sound, and, with war conditions fast disappearing in shipping and marketing, and with production estimated to show more than 50% increase this year, the outlook is sufficiently good to compensate for the appearance of a high price for the shares in relation to dividends; and it is not forgotten, of course, that the excess profits duty has been reduced to 40%. Judged by the market valuation of £108, the shares appear cheap, and it may be added that the management is good.

GRAND CENTRAL (CEYLON).

Issued Capital: £1,225,000 in £1 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Rubber Output lb.	Av. Yield per Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1915...	13,026*	12,607	3,458,816	274‡	2/4·67	1/1¾	229,532	153,125	12½
1916...	13,887*	12,800‡	4,132,472	322	2/7·12	1/1·9	285,956	171,500	14
1917...	14,074*	12,800‡	4,759,400	370‡	2/4	1/1½	266,916	122,500	10
1918...	14,072	—	3,982,956	—	1/7·9	1/0¼	135,916	110,250	9

* Including small rubber and tea area. ‡ Estimated.

Price of Shares, 28/0c.d. Market Capitalisation per planted acre, £120.

This is an amalgamation of many one-time separate Ceylon estates, which, it is safe to say, if worked alone would show nothing like such good results in bulk. Efficiency of management has brought down costs to a low figure, and the average yield per acre has been greatly improved. Unfortunately, the benefit of this has so far only very partially accrued to shareholders. For 1916 excess profits duty called for £102,335 of the net profit of £285,956, and for 1917 the liability was £95,541. Earnings in 1918 were half as much as in 1917, but the dividend has only to be slightly reduced. The amount of the carry-forward is over £68,000, and the financial position is very strong. There will apparently be some excess tax to pay for 1918, but, on the other hand, a substantial windfall will come in if the Merlimau decision is not defeated. With 6,761 acres of land in reserve there is scope for the employment of surplus resources as soon as the actual position is known, and in all the circumstances the price of 28*s.* per share and the valuation of £120 per planted acre are likely to be improved upon in the future.

MALAYSIA RUBBER COMPANY.

Issued Capital: £30,000 in £1 Shares.
Debentures: £5,750.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Av. Yield per Rubber Output lb.	Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916 ...	917	—	373,525	—	2/9¼	1/3¾	24,928	10,500	35
1917 ...	917	—	422,625	—	2/2½	1/3¾	17,292	4,500	15
1918 ...	935	—	356,740	—	1/4·9*	1/4	5,497†	5,250	17½

* Net price. † Including sundry receipts.

Price of Shares, 71/0. Market Capitalisation per planted acre, £120.

Such a tumble in profit as the above comparison discloses—*i.e.*, from £25,000 to £5,500 last year—is, to say the least, disconcerting. Excess profits duty for the fat years 1915-17 has not yet been settled, and under the usual method of calculation, in accordance with the Act as read by the authorities, the liability is large. Apparently, however, the directors rely upon the Merlimau decision being upheld, as they practically distribute the past year's profits up to the hilt. The carry-forward stands at £20,000, and the balance sheet shows about £28,000 surplus resources—nearly the amount of the capital—with which to meet tax liability. The current year's production is estimated at 400,000 lb., and it is to be noted that 7*d.* per lb. profit would yield sufficient to pay 35% dividend on the present capital. The Board consider, however, the time is opportune to capitalise the reserve of £15,000, and propose to distribute shares accordingly in proportion to existing shareholdings. That should have the effect of reducing the price of the shares and making them a more marketable security. The valuation of £120 per acre is moderate, and if the cost were lowered would be attractive.

ST. GEORGE (CEYLON).

Issued Capital: £70,000 in £1 Shares.

Results for Years to December 31

	Total Planted Acres	Area in Bearing Acres	Av. Yield per Rubber Output lb.	Bearing Acre lb.	Price Realised per lb.	"All-in" Cost per lb.	Net Profit £	Dividend Amt. £	Dividend %
1916...	1,504	1,504	478,086	312	2/8·8	1/2	37,270	28,000	40
1917	1,504	1,504	533,471	355	2/0¼*	-/10½‡	31,282	24,500	35
1918...	1,504	1,504	438,753	—	1/8¼†	-/10½‡	18,418	17,500	25

* Net price. ‡ Excluding sale charges, freight, &c.

Price of Shares, 57/0. Market Capitalisation per planted acre, £129.

Cautious financing and strong liquid position are common features of practically all the principal rubber plantation companies. To this circumstance in no small degree is attributable shareholders' calm acceptance of passing temporary fluctuations of fortune. As an instance the St. George Rubber Estates stands out prominently. One almost feels inclined to think that too much cash is retained in hand, but that of course is a matter for directors and shareholders to decide. The fact is that, as against the issued capital of £70,000, the balance sheet at December 31 shows £25,230 of surplus liquid resources, besides which the Government has to return £6,000 on account of excess profits duty. There is, therefore, in hand £31,000, or 45% on the capital. The working of the estate in Ceylon has been very profitable. By judicious manuring the management has been successful in improving the yield per acre to quite a good figure, and still the cost of production has been kept down. Luckily for shareholders high profits were earned before the War, and though in respect of 1915 and 1916 excess profits tax totalled £7,163, £1,017 of this was recovered for 1917, and the balance is claimed for 1918. Credit has not been taken for this latest claim in the accounts, and the dividend of 25% for the year is, therefore, conservative. As to prospects, these seem to be good enough, seeing that 510,000 lb. is the estimated harvest, and altogether the shares appear to be well worth holding for investment purposes at the present price of 57*s.* As the whole planted area is mature there is not much scope for improvement, apart from a rise in the commodity and return to full tapping.

NORWICH UNION
LIFE INSURANCE SOCIETY.
Combination of
AGE, MAGNITUDE, RESERVE BASIS,
and PROFIT-EARNING CAPACITY
THE STRONGEST IN THE WORLD.

Perusal of War-time Prospectus makes that fact very clear.
Write or telephone to Head Office, Norwich,
or to any Branch or Agency.

Insurance Notes.

PHŒNIX ASSURANCE COMPANY, LIMITED.

THE share capital in this old-established institution, which transacts practically every kind of insurance business underwritten by joint-stock companies, amounts to £3,210,650, of which £422,855 is paid up, in 309,755 shares of £10, with £1 paid, and 113,100 fully paid (known as "Pelican") shares of £1. There are also certain Phœnix Company issues of 4% Debenture stock, of which £1,277,950 was outstanding at the close of last year. As the result of the operations in 1918 a dividend of 11*s.* per share was declared, which compares with 9*s.* per share declared as the outcome of the 1917 account. An interim dividend in respect of 1918, and amounting to 4*s.* 6*d.* per share, had been paid in November of that year, but it is stated in the annual report that the directors have decided to discontinue the payment of interim dividends in future. The intention is to declare the whole of the dividend distributed during any calendar year out of the profits of the preceding year, by which method the profits will be kept intact until the year's accounts have been made up. The dividend declared in respect of 1918 was made payable by two instalments of 5*s.* 6*d.* each on May 1 and November 1, 1919. The dividends actually paid in 1918 were 10*s.* per share. All dividends are subject to income tax. By this rearrangement of method three half-year's dividends were provided out of the profits of 1918, the sum of £82,833 necessary to cover this additional charge being included in the balance of profit and loss carried forward to 1919, which after provision therefor amounted to £265,472.

The Company's new life business has shown a marked increase during the last three years, which is very creditable to those responsible for its development, seeing that the number of eligible entrants was year by year over that period more and more restricted through the calling up of the country's youth for military service. The net new business, after deduction of reassurances, stands thus for the years 1915-18 inclusive:—

	£		£
1915	863,351	1917	1,123,511
1916	1,020,483	1918	1,420,418

In 1918 the total net life premium income was increased (compared with that for 1917) by £27,963 to £762,341, of which about 14.5%, an amount well within the proportion of premiums actuarially reserved for such purposes, was absorbed by expenses of management, inclusive of commission. The sum of £34,481 was received in addition as consideration for new annuities granted. The death claims in 1918, amounting to £562,893, included war claims of £62,565, yet their inclusive total is stated to have been within the normal mortality expectation. Through the year's operations the life and annuity funds were increased by £230,661 to £11,146,886, and the average net rate of interest realised thereon during the year was £3 17*s.* 4*d.* per cent. after deduction of income tax. Despite increased taxation this shows an improvement of 2*s.* 10*d.* per cent. as compared with the correspond-

ing rate for 1917; and the result is by no means unsatisfactory, seeing that the rate assumed for the life department's accumulations was 3% on the last quinquennial valuation on December 31, 1915. On that occasion the bonus distribution on participating policies was at the rate of 30s. per cent. on the sums assured in respect of each full year's premium paid during the quinquennium. The sinking fund and capital redemption account, which may be considered subsidiary to the life department, showed a premium income of £28,774 in that year, the relative fund at the close of the year amounting to £458,287. The life department made no contribution to profits in 1918, as the shareholders' proportion of the surplus is taken into account only at quinquennial intervals.

The Company's fire premium income in 1918 amounted to £1,994,155, showing an increase of £284,834. A trading profit of £244,155 is taken into account, after adjustment of the reserve for unexpired risks, apart from net departmental interest earnings of £63,840. The trading surplus represents about 12.2% of the premium income, which is quite a good proportion. At the close of 1918 the fire fund amounted to £2,185,000.

The most noteworthy feature of the Company's marine insurance account is the fact that the net premium income was little more than half of that which was shown in the corresponding account for 1917. The actual figures are:—

Marine premium income in 1917	£2,411,564
" " " 1918	1,273,360

The premiums in 1917 were, indeed, of quite exceptional amount. The estimated gross trading profit in this section (heavy adjustments in respect of this and other business are made, as will be seen hereunder, for taxes) amounted in 1918 to £392,000, in addition to net departmental interest earnings of £43,266. The marine fund at the close of the year amounted to £1,190,975, after transfer of profits from trading and interest to profit and loss account.

The accident section, being of comparatively minor importance, does not bulk largely in the accounts for 1918, but shows a satisfactory profit, proportionately speaking. Thus the premium income, decreased by £995 as compared with 1917, amounted to £114,342, and the estimated trading surplus, £19,844, represents 17.4% thereof. The accident fund is increased by a transfer of £42,951 from profit and loss account, and amounted at the close of the year to £128,215, apart from a provision of £33,710 in respect of outstanding losses.

In addition to profits transferred from the departmental accounts, the profit and loss account in 1918 is credited with net interest earnings not elsewhere accounted for of £59,380, and with transfer fees of £143, but it is debited with £231 for bad debts, and the enormous sum of £481,440 is charged to it for income, excess profits, and other taxes.

The net outcome, so far as profits are taken into all the accounts, in 1918 appears to be as follows:—

Account	Trading Profit	Interest Earnings
	£	£
Fire	244,155	63,840
Accident	19 844	4,138
Marine	392,000	43,266
Profit and loss	143	59,380
	656,142	170,624
Less Taxes, &c.	481,671	
	174,471	
Net surplus...	£345,095	

The dividend declared in respect of 1918 (apart from the interim dividend for that year above referred to) requires £232,570 for distribution and tax provision. The sum of £37,061 was paid in Debenture interest, less tax, in 1918, £25,000 was transferred to offices' premises account, and £42,951 is transferred, as above shown, to the accident fund.

The Company's general balance sheet at December 31, 1918, shows total assets of £19,436,543. Assuming the life, capital redemption, and marine funds to be sufficient for the purposes to which they are assigned, the other free reserves carried forward to 1919, apart from capital, appear to be as follows:—

Fire fund	£2,185,000
Accident fund	128,205
Profit and loss balance	265,472
	£2,578,677

This represents about 122% of the combined total premium income in 1918 (£2,108,497) in the fire and accident departments, or more than three times the normal provision for unexpired risks. Apart from that provision, the free reserves amount on this computation to £1,722,462, which may be regarded as a very comfortable stand-by for conflagrations and other adverse contingencies. The financial position, therefore, appears to be a thoroughly strong one, and the profit-earning capacity of the Company to be quite equal to the maintenance of the increased rate of dividend which has been declared.

"SHELL" TRANSPORT AND TRADING COMPANY.

We showed last week that, despite an increase of 50% in the Ordinary capital, in consequence of a share bonus last year, the Burmah Oil Company's dividend, free of tax, was only reduced from 32½% to 30%. Shell shareholders are still luckier, for their dividend is maintained at 35%, although the capital has been raised by 60% through capitalisation of reserve. But whereas in the case of the Burmah Company additions totalling £330,000 were made to reserve and carry-forward, after providing £1,580,000 for excess profits duty, the Shell Company's addition to reserve is only £41,172, and the carry-forward is reduced from £1,239,032 to £1,136,877, subject to excess profits duty to end of 1918. The progress of the Shell Company in the last five years is shown below:—

Yr. to Dec. 31	Inc. from Invest-ments, &c.	Total Income	Net Profit	Profit for Ord.	Div. on Ord. Tax Free %	Div. on Ord. Tax Free £	Reserve Allctns.	Carried Forward
	£	£	£	£		£	£	£
1914	1,553,484	1,657,416	1,619.084	1,519,084	35	1,427.251	—	436,795
1915	1,647,234	1,727.901	1,672.523	1,572,523	35	1,429,016	160,000	420,302
1916	1,613.725	1,607,047	1.559.099	1,459,099	35	1,429.016	—	450.395
1917	2,655,536	2.678.760	2,638,058	2,538,058*	35	1,749,411	—	1,239,032*
1918†	2,771,903	2,893,603	2,852,944	2,752,944*	35	2,813,927	41,172	1,136,877*

* Subject to excess profits duty.
† Ordinary share capital increased from £4,997,561 to £8,039,791.

The Shell Company is a holding concern, ranking in power in the oil-producing industry next to the Standard Oil Company of America. Its activities are widespread, and the scope for further development very great. Now that control has been obtained of the Mexican Eagle, it is by no means improbable that in course of time the producing capacity of the group will exceed even the largest of the American interests. How strong the Company's financial position is will be apparent from the analysis given below of the last five balance sheets:—

Balance Sheet Analysis.

	Dr.			*Cr.*		
	Issued Capital†	Reserves and Carry Forward	Total	Property Account*	Excess of Debtors Investments & Cash over Current Liabilities	Total
	£	£	£	£	£	£
1914	6,082,902	4,336,796	10,419,698	8,380,486	2,039,212	10,419,697
1915	6.082,902	4,480,303	10,563,205	10,453,017	20,188	10,563,303
1916	6,082.902	4,510,385	10,593,287	10,666,026	*72,739*(def.)	10,593,287
1917	6,997,561	5,299,032	12,296,593	9,510,859	2,785,734	12,296,593
1918	10,039,791	2,196,877	12,236,668	11,019,820	1,216,848	12,236,668

* Shareholdings in Royal Dutch and other Allied Companies.
† £2,000,000 in Preference and the balance in Ordinary Shares.

Of course the above does not exhibit the strength of the "group" as a whole. To be able to do that one would have to obtain the accounts of all the allied and controlled undertakings. But an idea of the reserve power of the principal susidiary Company, the Bataafsche Petroleum Maatschappij, can be gleaned from the balance sheet of that concern, which is printed with the Shell Company's report. This

balance sheet shows total assets, including subsidiary shareholdings, valued at Fl.589,394,032, as against current liabilities of Fl.220,000,000. Moreover, the Shell directors' report points out that the total depreciation accounts of the Dutch Company and of the Anglo-Saxon Petroleum Company amounts to £4,612,500.

Shell shares are now quoted at 9⅛, which compares with about £7 a year ago, when the capital was roughly 40% less. Recently an increase of the authorised capital to £23,000,000 was sanctioned, and a further 4,019,896 Ordinary shares are presently to be offered to shareholders at par in the proportion of one new share for every two shares held. This will represent a substantial bonus, and in view of the scope for development it is possible that in course of time the dividend return on the enlarged capital will be back again to the present rate per cent.

ANGLO-AMERICAN OIL COMPANY.

Again a very good report is presented to shareholders of this great fuel oil and motor spirit importing and distributing Company. After providing £289,900 for depreciation and £318,296 for income tax, the net profit for 1918 amounts to £1,039,711, in comparison with £803,942 for 1917. The dividend is maintained at 30%, free of income tax, but, owing to increase of capital, the sum absorbed is £900,000, against £750,000 for 1917. The balance sheet shows an exceedingly strong financial position, from which it is evident that the Company is well prepared to promote the expansion of its business. During the War supplies of oil have had to be pooled, and all the distributing companies are bound by quota arrangement until October 31 next. Thereafter there will, presumably, be free competition again, and it would seem to be in anticipation of this that the directors point out that "with the Company's very complete organisation, both on land and sea, acquired at a time when value was on a much lower basis, it is clear that the fixed cost of operation must be much below that of any company attempting to equip itself at to-day's very extravagant prices." It is added that an oil depot now costs to build and equip fully two and three-quarter times the pre-War figures. Motor vehicles are being used to replace horses in the Company's business, and every effort is being made to cope with the increased demand for fuel oil and motor spirit, and on the whole the directors regard the future with confidence.

SOUTH AFRICAN MINT BILL.

According to delayed telegraphic advices, a Bill authorising the establishment of a South African mint at Johannesburg was read a third time in the Union House of Assembly on June 19. The purpose is to mint the country's annual gold production, say £32,000,000, and it is said that the saving to the mining industry will be £500,000. That, of course, is merely an estimate, and the statement attributed to Mr. Jagger, that as a result of coinage the exchange rate will be very materially improved, is also nothing more than surmise. However, there does appear to be good ground for expecting some saving to the mines, and if the outcome only emphasises to the South African Government the importance from its own standpoint of maintaining the country's output of gold a good step forward will have been taken. It has not been at all clear lately that the Union authorities have realised the importance to South Africa of giving every help possible to enable the mines to make up for the rise in costs. For instance, permission to employ tropical natives in consequence of the proved efficacy of anti-pneumonia inoculation was not granted when applied for recently. However, it is now reported that the Special Commission on the Gold Industry has been composed, and it is reasonable to suppose that the subject will receive the careful consideration it deserves.

THE CONSOLIDATED
Assurance Company, Limited.
ESTABLISHED 1903.

Subscribed Capital £543,666
Paid-up Capital £120,000
FOR REINSURANCE BUSINESS.

Fire, Marine and General Department.
St. Swithin's House,
St. Swithin's Lane,
London, E.C. 4.
Manager J Herbert E. Lane,

Registered Office and Life Department.
9 Fleet Street,
London, E.C. 4.
Actuary and Secretary:
Chas. Windett.

Commercial.

INDIAN SUGAR.

It is a remarkable fact that, although India has a larger acreage under sugar-cane than any country in the world, India is, nevertheless, one of the world's greatest importers of sugar. Owing to the fact that a very large proportion of the Indian population are neither meat-eaters, nor do they consume alcohol in any form, they are *per capita* amongst the greatest consumers of sugar of any people in the world. The acreage under the sugar-cane in India is enormous. The actual figures of the area under cane last year are not available, but it is generally believed that from 2¾ to 3 million acres are at the present time bearing sugar-cane. Nevertheless, the supply from this enormous acreage, which should afford a surplus for export, is not nearly able to meet the demands of the home consumer. Such a serious waste of land, of capital, and of labour is one of the principal causes why India remains so poor. It means that an immense area of the country is devoted to a crop yielding a quite inadequate return. It means, further, that capital is expended which does not yield an adequate interest. Finally, it means that the labourer, whether working on his own plot, as he does in many instances in India, in the production of sugar, or whether he is employed simply as a labourer, cannot obtain an adequate wage for his labour, because the result as a realisable asset is so small when compared with that obtained in other countries employing a smaller proportion of labour.

There are, of course, many obstacles in the way of increasing the supply obtained from this terrible waste of land, of capital, and of labour. One important cause of poor yield is the inferior cane so commonly grown in those parts of India devoted to its cultivation. Another potent cause is the inferior methods of cultivation adopted in the principal cane areas. Another cause of the unsatisfactory results obtained is the fact that the holdings on which the cane is grown in these areas are usually exceedingly small. As a result, it is impossible to adopt the methods which have made the cane-growing industry successful in other tropical and sub-tropical countries. Cane-sugar, where it is produced upon a great scale, as in Cuba, in Java, in Demerara, or in Louisiana, is cultivated upon a great scale on immense plantations. In India it is grown in very small holdings, by poor peasants who cannot afford to obtain the advice of an agricultural chemist, whose business it is to be acquainted with the nature of the soil and to advise upon the various species of cane which it is advisable to grow thereon.

Great plantations, moreover, arrange the growth of their crops so as to more or less continuously feed the crushing plant at the local factory. Where the local peasant in India grows his little patch of cane without regard to what is being done by anybody

else, the crop is either marketed all at once, or there is no crop at all to feed the crushing plant.

Hence a central factory for dealing with the sugar-cane, as it is dealt with in the successful sugar-producing countries, is almost wholly lacking in India. The method adopted is to partially crush the cane, obtaining only a small percentage of its sugar contents, into what is called *gur*. This *gur*, being prepared by such an unsatisfactory process, will only keep for a short time, and, consequently, the peasant has to hurry it to market with as little delay as possible. As the crop is usually ready more or less about the same time, there is a glut of *gur* on the market at one particular season of the year, and a shortage throughout the greater part of the year. Such sugar factories as do exist in India occupy their plant in further treating this *gur* for the purpose of making what we know as sugar. The result is that while some 3½ million tons of sugar are produced annually in India by the process we have described, India requires to import in normal years nearly nine hundred thousand tons, and her average expenditure on this sugar, principally imported from Java, in the years that preceded the outbreak of the recent War amounted, in round figures, to about 10 millions sterling each year.

Now it is manifest that with an acreage of 3½ millions India could save the whole of this 10 millions, and, in addition, raise a large surplus for export, which would be available for the British market and for other places within the confines of the British Empire. Sugar is capable of being one of the great native industries of India, as is proved by the fact that India already raises so large a crop, and the Indian ryot has been accustomed from time immemorial to grow sugar. It is no new industry to him. All he wants is to be trained in improved methods of production, and to be taught that his present methods are antiquated to the last degree. During the War it will be recollected there was a very great shortage of shipping, which applied to the Indian Sea as well as those of these latitudes. Consequently, it was not possible to obtain nearly a million tons of sugar from Java. Some years, when the shipping shortage was very acute, it was only possible to obtain quite a small quantity. This undoubtedly led to a serious effort to increase the production within the Peninsula itself. This increased production, however, was obtained on the lines we have already described. The principal districts in which sugar is produced in India are Bengal, the Punjab, Bihar, and the United Provinces. A small amount of *gur*, or what may be termed native sugar, is obtained in India from palm trees, as, indeed, is done in various tropical countries. But this amount is so small when we are dealing with millions of acres under sugar and millions of tons of sugar produced that it may be entirely left out of our calculations, and we were not thinking of it in the remarks we made above, nor do we include it in India's total sugar production. Any material improvement in the cultivation of the cane over the vast area now devoted to the production of sugar would so enormously increase the crop that the amount obtained from palm trees would appear even still more infinitesimal than is the case at present.

For some years before the War the import of sugar had been steadily growing, averaging, as we have said, in value roughly ten millions sterling. During the war years, for the reasons we have explained, there was a rapid falling off in the quantity of sugar imported. But so urgent was the demand for sugar that, although India continued throughout the War to import a steadily diminishing quantity, she had to pay, owing to the rise in price, quite as much in money value for the quantity she did import.

The Indian Government, having carefully watched what has been taking place for several years, and particularly the difficulty of supplying India's need of sugar during the War, has become very much alive to the gravity of the problem. It realises that it is nothing short of a disgrace to the Administration that India, where sugar may be regarded almost as an indigenous crop, should require to import such large quantities, instead of the sugar industry being one of the great sources of revenue to the individual Indian and a source of taxation for the State. Efforts, and urgent efforts, are being made to instruct the ryot in improved methods of cultivation, and particularly to afford him facilities for irrigating the crop. Sugar requires for its most satisfactory development a moist humid soil, and, if possible, a big rainfall. We are, of course, aware that a large amount of sugar is grown in the United Provinces. But sugar grown in the north cannot be expected to yield the same average rate per acre as should be obtained in the warmer regions of India provided that an adequate supply of water was available. India, unfortunately, cannot depend upon a regular heavy rainfall season by season, as do those States, such as Demerara, for example, where sugar is cultivated with such highly satisfactory results. Another question to which the Indian Government is wisely directing attention, and which is a most important one in the cultivation of sugar, is to remember that the sugar-cane is an exhausting crop. Consequently, it requires a considerable amount of fertilising. Now, as the sugar-growing industry is practised in India by uneducated ryots with little capital, and no acquaintance with conditions existing in the sugar industry outside, they are not in a position to obtain fertilisers, nor do they really know what fertilisers are required. The Government, therefore, is wisely taking measures to inform the ryot as to what fertilisers are required and how to obtain them by the most economical methods.

THE LEATHER TRADE.—II.

Leather Supplies.—One of the many lessons that the experiences of the past five years have taught us is not only to think Imperially, but to think in millions. This applies to the leather trade very specially, as everything into which the commodity enters has been turned out in such vast quantities that there has been no more convenient factor than the "million" to quote. When, therefore, one desires to weigh up the position and outlook, he has to note, on the one hand, the stocks, either millions of skins or hides, or millions of pounds avoirdupois or cwt. and the probable demand for similar quantities if our anticipations of improved trade are to be justified.

In the matter of supply, we have the concrete fact of greatly increased imports for the past four months to go upon, which were as follows:—

	1917	1918	1919
Exports	£6,078,265	£3,629,862	£7,307,521
Re-exports	1,334,998	31,958	88,476
	£4,743,267	£3,597,905	£7,219,047

Without, however, a Census of home supplies, or of the supplies available in our overseas markets, the matter of stock is more or less conjecture, and too risky, therefore, to attempt. What is known is that our home tanners have been fully supplied with raw material all through the control period, the bulk of which has been tanned for Government purposes, and at present is stored in considerable quantities with most tanners. This applies mainly to the sole-leather section, the heavy weights of which are somewhat quiet. Shoulders and bellies—particularly the former—are hanging, but with the release which came into force at about the middle of May these are not unwieldy. In the matter of upper-leathers, the stocks of common grade East Indian kips (tanned and raw) in this country and India, the property of the Government, represent ample work for the industry for about two years. In addition there will be the new stock coming along during that period. Government supplies in the United States actually purchased are

considerable, added to which there are the important deals by importers here, judiciously made before and during the War, the latter period's purchases not yet all shipped. Then there are Colonial—Canadian and Australasian—outputs to be reckoned with, much of which has been shipped or is in course of shipment. Taken in conjunction with the home output, it is easy to see that the entire supply—purchased or in course of being tanned in this country—runs into many millions—both as regards quantities and values.

As to the demand, that promises to be very heavy, an excellent proof of which is to be found in the big increase of sales of leather so far this year, compared with 1918, viz:—

1917, £1,415,325; 1918, £548,260; 1919, £1,135,591

Our sales to France were £237,548, as against £101,340 in 1918, and to Belgium £8,319, against nil in 1918.

But it is in respect to the prospective demand that most value attaches. Notwithstanding all the gloomy statements that America, and even Japan have secured vast business on the European continent, which is partly correct, our tanners and manufacturers are doing their bit in this respect, and are pushing their wares very energetically and effectually in France, Belgium, the neutral countries, and, truth to tell, in the enemy regions also. Without doubt, fabulous quantities of all descriptions of leather are wanted, sole, upper, light and fancy, curried, rough and sheep (chamois) leathers, and are being dispatched as fast as conditions will permit. Practically every section of leather shown in the Board of Trade returns for four months to April 1919 was exported in increased volume, compared with 1918, saddlery was £105,399, against £47,865; boots £1,144,233, against £818,197 for the same period of 1918. Further, imports of gloves and footwear were reduced in quantities and values, which is all in favour of home production at any rate.

Apart, too, from the European demand, the immense accretion of wealth in far distant countries that have benefitted by the War is bound to attract imports to those places of a far more superior and valuable character than ever before. This remark applies to the multitude of varieties of fancy leather goods, footwear, bags, harness, &c. During the War, many have attempted to replace usual imported supplies by those of their own production, and, whilst better than nothing, will be largely rejected in favour of better quality and better made and finished goods as soon as they can be procured. Further, there are countries that have never taken Western ideas and manufactures at all seriously, but their awakening, together with a much-improved policy of introduction of our goods, is confidently expected to open important trade centres in China and the East Indies, which must result in heavy supplies of manufactured goods from our factories. At the present time the great practical drawbacks are mainly (1) insufficient and inefficient labour on certain lines of goods, and (2), the scarcity of new machinery and the difficulty of getting existing plant and machinery quickly and properly repaired. As regards the first-named, this should steadily right itself as men return and secure the requisite amount of training; but the fact remains that this scarcity of skilled labour—taken in conjunction with the reduced working hours per week, which, so far, are coincident with a reduced output—proves a big drawback and handicap to our manufacturers.

The second factor is equally if not more important. The improvement on existing styles brought about by the necessity of invention in order to cope with reduced manual output, must not be checked, as it is to this output of commodities, made possible by the greater and fullest increased use of machinery, that we look to to make good the loss of working hours and the increased cost of the reduced manual labour that has been universally demanded and conceded. Of this we may be quite sure, that our competitors are not so handicapped, and some of the younger manufacturing nations, like Japan, have the advantage of lower cost of labour and production generally; and unless the workers, through their leaders, practically and immediately realise these facts, we cannot hope to extend, or even retain, our export trade.

Summing up the position briefly and broadly, it is undoubtedly the case that production and sales of leather are on a larger scale than ever before, owing to the exigencies of War necessitating extensions of premises, &c., which manufacturers are laudably doing all they can to keep running. At present, results of trading are satisfactory, and, provided that cost of living can be steadily reduced, thereby necessitating no further additions to cost of production, there is likely to be a long and prosperous course before the many sections of the leather industry.

Player's Navy Cut

Tobacco

"BEAUTIFULLY COOL & SWEET SMOKING."

Packed in varying degrees of strength to suit every class of smoker.

Player's Gold Leaf Navy Cut.
Player's Medium Navy Cut.
Player's "Tawny" Navy Cut.

PER 10½d. OZ.

Player's "White Label" Navy Cut.

PER 9½d. OZ.

Also PLAYER'S NAVY CUT DE LUXE, a development of Player's Navy Cut packed in 2oz. and 4oz. airtight tins at 2/1 and 4/2 respectively.

JOHN PLAYER & SONS, Nottingham.

PLAYER'S NAVY CUT

Branch of The Imperial Tobacco Co. (of Great Britain and Ireland), Ltd.

P. 791

Aurora West United.—Authorised capital £300,000, in 600,000 10s. shares; issued, 212,705 shares.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt £	Profit Pr. ton	Price end of Period
1917 ...	80	177,250	13	212,779	24/0	168,165	19/0	44,674	5/0	12/3
1918 ...	78av.	158,550	8¼	178,462	22/6	176,053	22/2	2,409	–/4	10/6
1919.										
Mar. qr.	73	38,700	7.25	37,834	19/7	44,646	23/1	6,757*	3/6	⅞
Apr. ...	—	13,800	—	13,640	19/9	15,868	23/3	2,22*	3/6	½
May ...	—	14,830	—	16,511	22/5	16,466	22/5	45	–	9/6

* Loss.

Brakpan.—Capital issued, 791,100 £1 shares; 160 stamps. Ten tube mills now working.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt £	Expenses Pr. ton	Profit Amt £	Profit Pr. ton	Price end of Period
1917 ...	110	677,500	14¼	1,168,454	34/6	693,951	20/6	474,003	14/0	5⅞
1918 ...	111	617,100	13¼	1,089,950	35/4	723,643	23/5	366,17	11/11	3¼
1919.										
Mar. qr.	113	134,800	12.09	260,109	38/9	169,335	25/2	9 774	1/7	3¼
Apr. ...	—	47,500	—	88,908	37/5	58,851	24/8	30,057	12/9	3½
May ...	—	48,800	—	91,021	37/4	61,221	24/0	29,800	12/0	3½

The fixed charge for development has been increased from 2s. 6d. to 3s. 6d. per ton as from July 1, 1918.

Dividends—1917, June, 22½; Dec., 25 per cent.
1918, June, 20; Dec., 12½ per cent.

New Issues.

J. LYONS AND COMPANY, LIMITED.

Issued Capital: £2,027,250, in 646,840 5% Cum. Pref. Shares, 400,000 6% Preferred Ordinary Shares, 80,410 "A" Ordinary Shares, 500,000 Proportional Profit Shares, and 400,000 Ordinary Shares of £1 each.

Debentures: £300,000 4% First Mortgage, £42,569 4½% First Mortgage, £125,000 4½%, and £30,000 5% Second Mortgage.

Yr. to Mar. 31	Net Income	Deprecn.	Deb. Int.	Pref & Prefrd. Ord.	Ord. Div.	%	Added to Rsrve.	Amt. of Carry-Frwd.	Stock Value	Liquid Assets†
	£	£	£	£	£		£	£	£	£
1915	276,403	109,482	21,236	49,000	121,071	32½	7,062	28,456	925,426	478,991
1916	278,293	108,584	21,185	49,000	99,323	25	—	28,657	875,670	486,440
1917	268,475	105,419	21,213	49,000	100,000	25	—	21,500	964,487	415,692
1918	316,292	120,835	21,154	49,000	100,000	25	40,000	6,803	945,847	465,614
1919‡	—*	—*	21,037	51,447	168,123	35	—	45,310	1,341,629	597,878

* Not given in accounts.
† Including stocks and investments in associated companies (£518,723 at Mar. 31, 1919).
‡ £469,000 of fresh capital raised in 1918-19.

We dealt with this well-known catering concern's position and progress a fortnight ago. This week the 1,000,000 7% Cumulative Preference shares then referred to are offered for subscription at 21*s.* per share. They rank immediately after the existing 650,000 of 5% Cumulative Preference shares, and from the profit-record shown above it is clear enough that the dividend of 7% is covered several times. The shares have been underwritten by the London County Westminster and Parr's Bank for a commission of 1½%, and may confidently be recommended as a good, high-yielding investment.

WHITEAWAY, LAIDLAW AND COMPANY.

Anyone who has been to India, and most textile manufacturers who have not, require no introduction to Whiteaway, Laidlaw and Company, drapers, outfitters, and general dealers, having establishments in the East and Africa. With the exception of a slight set-back in 1915—the first year affected by the War—the net profits of the Company, after provision for excess profits tax, have advanced without interruption from £35,368 in 1908 to £143,469 in the year to February 28, 1919. The average for the seven years comes to £99,855. Hitherto the issued capital has consisted of 400,000 6% Cumulative Preference shares and 430,692 Ordinary shares of £1 each, and on the average profits above mentioned the annual dividend on the 6% Preference shares is covered with a margin to spare of £75,855. To provide funds for taking care of the continued growth in the Company's business, 250,000 7% "A" Cumulative Preference shares of £1 each, forming part of an authorised issue of £500,000, and ranking after the 6% Preference shares, have been offered for subscription at par. The dividend on these new shares, subject to income tax, calls for £17,500 per annum and is well covered.

SELINCOURT AND SONS, LIMITED.

The wholesale business of Selincourt and Sons, warehousemen, manufacturers of costumes, mantles, &c., and cloth and silk merchants and furriers, has been formed into a public Company with the above title and an authorised capital of £750,000, divided into 350,000 7½% Cumulative Preference shares and 400,000 Ordinary shares of £1 each, the Preference shares being offered for subscription at par. The value of the assets of the private firm at December 14, 1918, is certified to exceed current liabilities by £311,448, including £255,587 stock-in-trade. The purchase consideration amounts to £650,000, payable as to £300,000 in cash and £350,000 in fully-paid Ordinary shares. The goodwill consideration included in these figures is £338,551. That the business has been very profitable is seen from the following figures:

Periods of One Year less One Day to				
Dec. 19, 1914	Dec. 18, 1915	Dec. 16, 1916	Dec. 15, 1917	Dec. 14, 1918
£54,860	£75,366	£66,099	£72,170	£83,913

The Preference dividend is well covered, and the shares look like proving a profitable investment. 200,000 of them are underwritten for a commission of 5%, and other expenses connected with the issue will amount to £15,000. The balance sheet, therefore, besides the heavy goodwill item, will show £25,000 of other intangible assets, but as the Preference capital will be represented by solid assets, and the earning power of the concern is obviously substantial, these drawbacks only concern the holders of Preference shares in so far as they may affect the market price.

STAR ENGINEERING COMPANY, LIMITED.

Motor-car manufacturing companies one and all report full order-books, and there are great arrears of work to catch up. Consequently activity in the trade is expected to prevail for some while ahead. At the same time, it has to be borne in mind that very large extensions of works have been made during the War, and the output capacity of the manufacturers is probably several times as great as was sufficient to cope with the old-time peace business. There is bound, therefore, to come a period when severity of competition will single out the weakest undertaking and cause profit margins possibly to fall to a fraction of what they have recently been. Therein lies the speculative element in motor-car companies' new issues of capital, another of which has been offered for sale this week in the shape of 100,000 Ordinary £1 shares of the above-named Company at 21*s.* per share. Messrs. George Clare and Company are the sellers, having purchased for 20*s.* per share, less a net commission of 6*d.* per share and £5,000 for advertising and other expenses. The sellers in turn pay a total underwriting commission of 9*d.* per share. Excluding the new issue of £100,000 the issued capital is £140,000, half in 7% Cumulative Preference and half in Ordinary shares. The profits of the last 10 years, subject to directors' fees and taxes, have averaged £23,325, and for 1917 and 1918 dividends at the rate of 10% have been paid on the Ordinary shares. The amount of issued Ordinary capital, however, will now be £170,000 instead of £70,000.

LEVANT COMPANY, LIMITED.

This Company has been formed with a capital of £1,000,000 divided into 800,000 Ordinary and 200,000 Deferred £1 shares, to develop trade relations between this country and the Levant, Egypt, and the Near East, and generally to carry on any manufacturing or other business in connection therewith. The yearly profits available for distribution are to be divided by paying a dividend of 7% on the Ordinary, a like dividend on the Deferred, and the balance as to one-half to the Ordinary and one-half to the Deferred shares. The British Trade Corporation are the promoters, and have underwritten 400,000 of the Ordinary shares for a total commission of 3%. These shares have been offered for subscription this week. Agencies have been fixed up and businesses acquired as mentioned in the prospectus. Chief among these arrangements are the purchase of the business of Henderson, Lane and Company, and the whole share capital—£30,000—of Henderson (Manchester), Limited, the consideration being £30,000 cash and agreements with three members of the firm to act as managing director and commercial managers at salaries of £2,500 and £1,000 respectively. The Company has also acquired at par 7,000 Preference shares of J. W. Whittall and Company, Limited, the Constantinople business of which is stated to have attained a high reputation in the Near East. The issued share capital of Whittall and Company consists of 10,000 £10 Preference shares and 150,000 Ordinary £1 shares, the Preference shares being entitled to a cumulative dividend of 6% per annum and to a moiety of the net earnings after payment of a non-cumulative dividend of 10% per annum on the Ordinary shares and making certain payments to the management and directors. The business carried on in South Russia by three individuals has also been acquired on deferred payment terms and a 15% share of the profits. Given capable management—and it is to be noted that the services of men familiar with trading conditions in the Near East have been obtained and that the board is a strong one—there appears to be excellent scope for the Company's activities. Earnings may not be sufficient to afford much return to shareholders in the early years, but as development proceeds the chances are that adequate compensation will be forthcoming for the risks taken.

SOUTH AFRICAN COTTON AND TOBACCO ESTATES.

A prospectus, remarkably lacking in essential information, has been issued and advertised in the Midlands. Readers conversant with the South African Share market will know of the Harmony Estate (Transvaal) Development Company, the Harmony Proprietary Company, Limited—two allied land-holdings Companies, and the South African Mining Syndicate, Limited. Three of the gentlemen associated together as directors

of these ventures are the directors of the South African Cotton and Tobacco Estates, which, according to the prospectus, has a capital of £65,000 in 5*s.* shares and £10,000 of 8% Debentures. How much of the share capital has already been issued is not specifically stated in the prospectus, nor is any specific information given as to the financial position of the Company or when it was formed. A letter is printed from the Chairman, Mr. R. W. Mitchell, to the London Pioneer Syndicate, Limited, who, on behalf of themselves and others, offer 150,000 of the 5*s.* shares for sale at a premium of 10%. The Company is stated to possess 40,000 acres of excellent land in the Zoutpansberg district of the Northern Transvaal (now served by the railway), capable of growing cotton and other sub-tropical cultures to perfection. Profits ample for paying dividends increasing from 20% to 100% are estimated, and there is much talk of the great scope of the venture. We remember similar estimates of great profits relative to capital being put forward two years ago in connection with the Inkran Cotton Estates, Limited, which had the same three directors. How profitable has been that concern's progress since, we wonder? The shares were of 2*s.* 6*d.* denomination, and shareholders of the ill-fated Ilaro Rubber and Produce Estates, Limited, were, we also remember, afforded an opportunity to subscribe by paying 1*s.* per share on application and 1*s.* 6*d.* per share after the War.

PROVINCIAL CINEMATOGRAPH THEATRES, LIMITED.

Judging from a lengthy article reprinted from the *Cinema* of June 19, and distributed broadcast together with red-printed fly-sheets headed "Beware," the formation of the new Picture Playhouses, Limited, which made a big issue of capital last week, has created quite a stir in film circles, and existing interests appear to be fearing the effect of future competition. The Company with the above title, which has been before the investor this week, is not a new one. In fact it was formed 10 years ago, and owns 18 theatres in 16 of the principal towns of the United Kingdom. The issued capital at present is £400,000, divided into 100,000 7½% Cumulative "A" Preference shares, 200,000 7½% Cumulative "B" Preference shares, and 100,000 Ordinary shares, all of £1 each. To provide funds for the further extension of the business, to purchase certain leasehold and freehold properties, and repay loans from bankers, &c., 225,000 "B" Preference shares and 75,000 Ordinary shares have been offered this week for subscription at par. There are indications of good organisation and management, and the asset position set out in the prospectus is sound. Profits and dividends on the Ordinary capital and reservations for reserve and depreciation have been as under:—

For the Year ended Jan. 31	Profits	Dividends	Amount Placed to Reserve and Depreciation Fund
	£	%	£
1915	67,377	15	17,500
1916	64,715	15	26,000
1917	64,374	10	26,000
1918	95,828	15	30,000
1919	103,799	20	50,000

The business, of course, is speculative, depending largely upon the spending power of the multitude, and the effect of sharp competition has also to be remembered.

METROPOLITAN RAILWAY COUNTRY ESTATES, LTD.

Investors keen on taking an interest in the development of well-situated land have had a good opportunity this week in the shape of an issue of 400,000 10*s.* shares the whole capital of this new Company at par. The areas acquired, all served by the Metropolitan and Metropolitan and Great Central Joint Line, and within easy reach of London, comprise a total of some 627 acres ripe for laying out in building plots. The total purchase consideration is £74,303, plus certain charges, so that considerable working capital will remain for the objects of the Company, which include the laying out of the estates into plots for sale and erecting houses to suit all classes of tenants. The issue has been underwritten for a total commission of 3¾%.

TYRE INVESTMENT TRUST, LIMITED.

This Company, formed in August 1917, has assets consisting principally of holdings in the Dunlop Rubber Company (Far East), Limited, and the Dunlop Tire and Rubber Goods Company, Limited (Canada), and in the short time it has been in existence substantial profits have been shown and high dividends paid. The capital is £1,600,000, but hitherto only £600,000 has been in issue, divided into 550,000 Preferred Ordinary shares of £1 and 500,000 Ordinary shares of 2*s.* The assets were acquired by the proceeds of the issue at par of this capital and the creation of mortgages for £900,000, since reduced to £887,500. To clear off this mortgage an issue of £1,000,000 7% Cumulative Preference shares has been offered for subscription this week at par. The first balance sheet, covering 18 months to February 28, 1919, showed a gross revenue of £231,663, and after providing for income tax, expenses, and the 10% dividend on the Preferred Ordinary shares a dividend of 50% was paid on the Ordinary shares. Both the Companies, whose shares the Trust holds, are reported to have made steady and continued progress, and in view of close working arrangements with the Dunlop Rubber Company, the Preference shares of the Trust look like proving an attractive investment of their kind.

FELLOWS MAGNETO COMPANY, LIMITED.

Before the War German manufacturers had practically a monopoly of the magneto supplies for this country. That, of course, has been changed during the War and the Fellows Magneto Company has been largely instrumental in changing it. Its magnetos are claimed to be superior in reliability, accuracy of make and efficiency to all German pre-War products, and besides having its order book so full as to take care of capacity production for a long time ahead, it has also large orders for other motor accessories which it manufactures. Remembering that German makers will do all they can to get the business back again, and the pull they have in the matter of relatively low wages and a very low exchange, a little uneasiness on the score of future competition is natural, and until the Government's exact intentions in regard to protecting such "key industries" are known it would be as well not to rely upon maintenance of the dividends and profits of the Company at the high level of the recent past. For 1918 9½% dividend was paid on the Company's Preferred shares and 24% on the Ordinary shares, but then the total capital was only £114,696. A further issue of 100,000 8% Cumulative Participating Preferred shares and 25,000 Ordinary 10*s.* shares have been offered for subscription, the former at par and the latter at 15*s.* each.

MORUM'S ORIENTAL STORES, LIMITED.

The business which this Company is formed to take over was, until the War, carried on by an Austrian-controlled concern—Steins Oriental Stores, Limited. In March 1917 Messrs. Frank Young and W. E. Morum acquired it from the Receiver appointed by the military authorities, and after eighteen months' interval, during which profits are stated to have aggregated £103,000 subject to excess profits duty, the original purchasers resell to the Company for £500,000, as to £200,000 in Ordinary shares and the balance in cash. This purchase price is made up of working capital £391,037 (including £439,000 stock and goods in transit), £59,000 for fixtures, fittings, land, selling rights, &c., and £50,000 for goodwill. The vendors pay all preliminary expenses up to £20,000. The capital of the Company is £500,000 divided into 200,000 Ordinary £1 shares and 300,000 Preference shares of £1 each, which, beside a 7% Cumulative Preference dividend, are entitled to 25% of the surplus profits available for dividend. These Preference shares have been offered for subscription this week at par, having been underwritten for a total commission of 4% cash. This commission of £12,000 will have to be provided out of the working capital in the business. The shares, of course, are quite speculative.

HARRISONS & CROSFIELD, LTD.

Eastern and General Merchants.

BUYING AND SELLING AGENTS
IN LONDON AND ABROAD.

Dealers in all classes of Eastern produce.

London, Colombo, Calcutta, Bandoeng, Quilon, Kuala Lumpur, Kobe, Calicut, Medan, Montreal, Cochin, Batavia, Tangier.

Industrial Companies.

HOWARD AND BULLOUGH.

Issued Capital: £1,250,000, in 25,000 6% £10 Pref. Shares and 1,000,000 Ord. £1 Shares.

Yr. to May 31	Net Profit	Deb. Interest	Pref. Div.	Ord. Div.		Special Allocations	Carry-forward	Stocks	Surplus Liquid Assets
	£	£	£	£	%	£	£	£	£
1915	32,766	10,000	15,000	75,000	10	*75,000**	37,766	215,258	758,141
1916	136,152	10,000	15,000	75,000	10	36,220	37,698	258,105	770,408
1917	126,570	10,000	15,000	75,000	10	25,000	39,078	272,961	779,747
1918	301,152	10,000	15,000	112,500	15	111,649	91,081	327,511	882,349
1919	125,408	10,000	15,000	100,000	10	37,500	53,989	331,628	883,193

* Taken from dividend equalisation reserve.

In writing on March 29 on textile machinery we showed that the value of exports had fallen off very considerably in the war period, 1918 being the worst year with the exception of 1915. During the height of munition-making manufacturers made up for the loss of exports, but the time that has elapsed since the Armistice has perforce to a large extent been utilised in preparing for resumption of peace trade. Hence it is not surprising that the report of Howard and Bullough for the year to May 31 shows a severe decline in earnings. The net profit after provision for depreciation and taxes amounted to only £125,408, against £301,152 for 1917-18. The dividend in the Ordinary shares returns to the rate of 10% which ruled for five years prior to the exceptionally prosperous year ended May 1918, but as the Ordinary capital was raised as from May last from £750,000 to £1,000,000 by reserve capitalisation, the 10% dividend calls for only £12,500 less than the 15% distributed in 1917-18. However, in respect of that period £111,649 was added to reserves and about £52,000 to the carry-forward, whereas the carry-forward has now to be drawn upon to the extent of the addition to reserve. The value of stocks in the balance sheet cannot be considered high in view of the rise in costs, and the very strong financial position, as reflected by surplus liquid assets of £883,193, indicates preparedness for expansion of business following the signing of Peace. The arrears of renewals and depreciation requirements in the textile-manufacturing industry, as a result of short supplies in the war years, must now be very large. The market appears to anticipate improvement in the dividend, for the Ordinary shares are priced at 2⅛ *cum* 2½% final distribution, while the 6% £10 Preference shares are quoted at about £10 *cum* 3% dividend.

DE TREY AND CO., LTD.

Issued Capital: £377,666, in 75,000 7% Cum. Preference and 302,666 Ord. £1 Shares.

Year	Net Profit†	Directors' Extra Remun.	Inc. Tax	Pref. Div.*	Ord. Div.*		Added Amt. of Reserves	Carry-forward	Stocks Value	Surplus Liquid Assets‡
	£	£	£	£	£	%	£	£	£	£
1914	25,837	—	3,135	2,406	12,450	5	2,388	6,634	159,042	238,507
1915	30,791	—	3,088	4,556	18,200	7	6,622	4,969	146,259	255,769
1916	82,131	11,198	6,993	4,052	23,250	10	28,011	13,596	187,883	262,566
1917	94,733	15,657	9,365	3,937	33,850	15	34,896	10,723	248,627	202,997
1918	114,138	15,920	15,388	3,741	37,616	17½	41,208	10,988	364,460	131,339

* Amounts of dividends after deducting tax.
† After provision for excess profits duty.
‡ Excluding stocks, but including investments, mainly trade, standing at £192,665 on Dec. 31, 1918.

The uninterrupted and substantial increase in prosperity that has attended this Company's business of wholesale dealing in artificial teeth and all dental appliances during the War is truly remarkable, having regard to the difficulties of trading with the Continent, and the complete closing of the Central European markets. No doubt the elimination of German competition has been an important factor, but probably the great rise in earnings is attributable to the development of the American business of the Dentists' Supply Company of New York, in which the De Trey Company acquired a one-third interest in 1914. It will be noted that liberal allocations have been made to reserves, and that the value of stocks has been considerably more than doubled in four years. On the other hand, surplus liquid assets have declined from £238,500 to £131,339, and as this latter figure is after including £192,665 of investments, mainly trading interests, it would appear that the large increase in stocks is partly being financed by money owing to creditors. In this connection there is an important consideration to bear in mind, and that is the practical certainty that the trade investments have increased greatly in value, particularly the interests in the American Company. Shareholders have not participated in the enhanced prosperity to anything like the extent of the rise in profits, for whereas the net profit, after deduction of income tax, has risen from £27,723 in 1915 to £98,750 in the past year, the distribution to shareholders has only been increased from £18,200 to £37,616. The chief gain has accrued to the directors. Under the articles of association the net profits are applicable as to 10% to general reserve (until such reserve amounts to 25% of the issued capital); then, after the Preference dividend has been provided for and a dividend of 10% has been paid on the Ordinary capital, 25% of the balance profit is distributable to the directors. It would appear that the directors are rather shy in regard to their participation, for in the last two reports the amounts distributed to them have been lumped together in the report with the dividend paid on the Ordinary shares. After some trouble we have shown the true position above, and it will be remarked that, whereas the dividend to shareholders is after deduction of income tax, the distribution to the directors has no such deduction made by the Company. Hence the directors' participation last year was equal to over 40% of what the shareholders got. Then, too, in 1916 and 1917, in calculating the directors' participation the amount brought forward from the previous year was included, but not in 1918.

We show the calculations below:—

Mode of Calculating Directors' Extra Remuneration.

	1918	1917	1916
	£	£	£
Net profit	114,138	94,734	82,130
Deduct income tax	15,388	9,365	6,993
	98,750	85,369	75,137
Brought forward	—*	13,595	4,969
Total profit	98,750	98,964	80,106
Deduct—			
10% for reserve	9,875	9,896	8,011
Pref. div. less income tax	3,741	3,937	4,052
Ord. div., 10%, less income tax ...	21,454	22,503	23,250
Balance profit	63,680	62,628	44,793
25% to directors	15,920	15,657	11,198

* Not included in 1918 calculation.

If the 1918 method of calculating the directors' extra participation is right, then it would seem that the 1917 and 1916 methods were wrong, and in that case the question of refund to the Company arises. But, in any case, the whole matter is one that, in the interests of shareholders, should be carefully considered in view of the development and growing prosperity of the business. Capitalisation of the directors' rights on a fair basis might meet the situation. This could be done out of the reserves, which total £117,658, or by revaluing the trade investments, which must have risen greatly in value above the book figure. Or, on the other hand, shareholders could be given a larger participation by means of a share bonus, the directors' rights remaining unaltered. This year the reduction of the excess profits duty and the removal of export trade restrictions may further add to the Company's prosperity. The Ordinary shares are quoted at 56s.

HARRISONS AND CROSFIELD, LIMITED.

We are informed that the issue of Preferred Ordinary shares advertised in last week's issue has been greatly over-subscribed.

NEW YORK CENTRAL RAILROAD COMPANY

ANNUAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 1918.

To the Stockholders of the New York Central Railroad Co.

The Board of Directors herewith submits its report for the year ended December 31, 1918, with statements showing the income account for the year and the financial condition of the Company.

The operation and maintenance of the Company's road were conducted under Federal control during the year 1918.

The mileage covered is as follows :—

	Miles.
Main line and branches owned	3,699 14
Leased lines	1,920 40
Lines operated under trackage rights	456 25
Total road operated	6,075 79

The construction of a joint terminal of the Putnam branch at Sedgwick Avenue, New York, in accordance with an agreement with the Interborough Rapid Transit Company, whereby the Putnam bridge over the Harlem River was surrendered for use in connection with the extension of the elevated system up Jerome Avenue, decreased the length of the Putnam division by 23/100ths of a mile.

The Cardiff branch, Reddick to Cardiff, Illinois, 3.49 miles, was abandoned.

To correct an error in the 1917 report, 11/100ths of a mile has been added to the main-line mileage in the State of Illinois.

These changes produce a net decrease in operated mileage of 3.61 miles.

There was no change in the capital stock of the Company during the year.

Since the date of the annual meeting on January 23, 1918, the number of stockholders has grown 1,591, the total number at the end of the year being 28,693, of whom 28,395 are in the United States and 298 abroad. The par value held by those here is $247,543,855, and by those abroad $2,053,500, the average holdings being 87 and 69 shares respectively. In 1915 the numbers reported were 22,270 here and 2,772 abroad, the general average holding being, approximately, 100 shares, while now it is 87 shares.

The changes in the funded debt of the Company are shown in the following statement :—

Amount as reported on December 31, 1917, was		$711,883,086 19
Included therein were the following securities which had been reacquired or held pending their sale, and (with the exception of certain of them with a par value of $750,000) had been pledged for the company's notes :		
N. Y. C. & H. R. R. R. Co. refunding and improvement mortgage 4½% bonds	$20,000,000 00	
N. Y. C. R. R. Equipment Trust certificates o. 1917 ...	1,218,000 00	
N. Y. C. & H. R. R. R. Co. Lake Shore collateral gold bonds	10 000 00	
R. W. & O. R. R. Co. 1st consolidation bonds	2,000 00	
	21,230,000 00	
Leaving the total funded debt actually outstanding at the beginning of 1918	$690,653,086 19	
Retired during the year :		
R. W. & O. Terminal 1st mortgage 5% bonds matured and paid	375,000 00	
Payments falling due during the year on the company's liability for certificates issued under equipment trust agreements as follows :		
N. Y. C. Lines Trust of 1907, instalment due November 1918	1,492,884 74	
Boston & Albany Trust of 1912, instalment due October 1918	500,000 00	
A total decrease of	2,367,884 74	
Leaving the funded debt actually outstanding December 31, 1918	$688,285,201 45	

New York Central Railroad Equipment Trust certificates of 1917 to an aggregate amount of $6,648,000 were issued during 1918, but as all of them were concurrently acquired by the Company there is no change in the funded debt in this connection.

As was pointed out in the last annual report, the President of the United States took possession and assumed control of the railroad property of your Company on December 28, 1917. By the terms of the President's proclamation the possession, control, operation, and utilisation of the transportation systems were vested in a Director General; and it was stated that, until the Director General should otherwise determine, his powers would be exercised through the boards of directors, officers, and employees of the systems taken over. The Director General appointed Regional Directors, under whom the railroads of the several districts were unified as to control and operation. Subsequently Federal Managers and other Federal officers were appointed, and required to report through the Federal Managers to the Regional Directors and the Director General.

As of December 27, 1918, the Company, jointly with the Toledo and Ohio Central Railway Company, the Zanesville and Western Railway Company, the Kanawha and Michigan Railway Company, and the Kanawha and West Virginia Railroad Company, executed an agreement with the Director General of Railroads providing for the operation, during Federal control, of the roads of the parties to the agreement by the Director General of Railroads for an annual total standard compensation of $58,122,084.92, divided as follows :

	$
The New York Centr l Railroad Company	55,802,630 50
The Toledo and Ohio Central Railway Company ...	1,086,650 87
The Zanesville & Western Railway Company (deficit) ...	*107 595 45*
The Kanawha & Michigan Railway Company	1,295,111 37
Kanawha & West Virginia Railroad Company	45,260 63
	$58,122,084 92

Under the agreement all salaries and expenditures incurred by the Company during Federal control for purposes which relate to the existence and maintenance of the Corporation are required to be borne by the Corporation out of its compensation and other income.

Immediately upon his taking office, the Director General of Railroads appointed as Regional Director in charge of the Eastern District Mr. Alfred H. Smith, then President of the New York Central Railroad Company. This district at that time included practically all of the railroad lines north of the Ohio and Potomac Rivers, and east of the Indiana-Illinois State line. Mr. Smith assumed the duties of the Regional Director's office, which involved dealing with a complicated traffic situation and the co-ordinating of the lines for war purposes, as an addition to his obligations as President of the Company.

Early in 1918 the Director General decided that officers in charge of Federal operation should not continue their positions with the Corporation, except in special cases and where permission was given. Thereupon Mr. Smith resigned his office as President, effective May 31, and Mr. William K. Vanderbilt, jun., was elected in his stead. Later in the year the following general executive officers also resigned in order that they might continue in the service of the United States Railroad Administration : Mr. Abraham T. Hardin, Vice-President; Mr. Charles F. Daly, Vice-President; Mr. Patrick E. Crowley, Vice-President; and Mr. Howard M. Biscoe, Vice-President.

A separate corporate organisation has been formed to conduct the affairs of the Company under instructions from the President and the Board of Directors, and to take all appropriate and necessary corporate action to carry out the obligations assumed by it under the agreement. Through this organisation, the *personnel* of which is shown on the first page of this report, expenditures for additions and betterments to the property, and for the maintenance of road and equipment under Federal management, are investigated and verified, and supervision is exercised for the protection of the Company's interests, both as to the property transferred under the Federal Control Act and that remaining with the Corporation.

SUMMARY OF FINANCIAL OPERATIONS AFFECTING INCOME.

	$	Year ended December 31, 1918 $
Compensation accrued for the possession, use and control of the property of this company and its leased lines		55,802,630 50
Miscellaneous Operations -		
Revenues	1,963 59	
Expenses	4,925 78	
Net deficit		2,962 19
Other Corporate Income -		
Income from lease of road	106,121 88	
Miscellaneous rent income	904,841 70	
Miscellaneous non-operating physical property...	639,283 40	
Separately operated properties—profit...	1,147,244 01	
Dividend income	6,579,728 57	
From funded securities	500,845 06	
From unfunded securities and accounts	3,745,610 50	
Miscellaneous income	54,274 23	
Total other corporate income		13,471,252 84
Gross income		69,270,920 66
Deductions from Gross Income -		
Miscellaneous rents	689,071 60	
Miscellaneous tax accruals	300,045 83	
Rent for leased roads	9,314,910 15	
Interest on funded debt	29,479,023 35	
Interest on unfunded debt	2,004,364 10	
Amortisation of discount on funded debt	556,975 56	
Miscellaneous income charges	138,783 96	
Separately operated properties—loss ...	12,928 25	
War taxes	2,017,501 92	
Corporate general expenses	288,667 84	
Deductions from gross income ...		44,805,575 56
		24,465,345 10
Less revenues and expenses applicable to the period prior to January 1, 1918, settled for account of the corporation by the United States Railroad Administration		6,548,223 55
Net corporate income		17,917,121 55
Disposition of Net Income -		
Dividends declared 5 per cent. ...	12,479,010 00	
To sinking funds	115,963 46	
Total appropriations		12,595,173 46
Surplus for the year, carried to profit and loss		$5,321,948 09

PROFIT AND LOSS ACCOUNT.

Balance to credit of profit and loss December 31, 1917		$75,245,201 74
Additions:		
Surplus for the year 1918	$5,321,948 09	
Sundry deferred credits and adjustments	802,435 98	
Profit on road and equipment sold	27,766 74	
		6,152,150 81
		$81,397,352 55
Deductions:		
Loss on retired road and equipment	$31,054 16	
Loss on sale of capital stock of the Pennsylvania Coal and Coke Company	281,250 00	
Charging off various uncollectible accounts	29,850 40	
Readjustment of operating results of the Detroit Terminal Railroad prior to November 1, 1912	42,645 66	
Sundry deferred debits and adjustments	69,254 43	
		454,054 65
Balance to credit of profit and loss December 31, 1918		$80,943,297 90

The amount of standard compensation, $55,802,630.50, accrued under Federal control for the possession and use of the Company's property, and its leased and operated lines, was based upon the average annual railway operating income for the three years ended June 30, 1917.

As required by the Federal Control Act, this amount was certified by the Interstate Commerce Commission as agreeing with the income reported to it, subject, however, to such changes and corrections as the Commission might hereafter determine and certify to be requisite.

There were delivered in 1918 1 electric locomotive, 139 steam locomotives, 20 steel baggage and mail cars, 71 steel passenger coaches, 2 steel dining-cars, and 105 steel baggage-cars, which were provided for under the New York Central Railroad Equipment Trust of 1917 as authorised by the Board of Directors on October 19, 1916. On account of the prevailing unsatisfactory market conditions for the sale of the equipment trust certificates, and in order to procure the equipment as needed, the Company has purchased at par and accrued interest $6,648,000 of the certificates, of which $4,187,000 were pledged as security for short-term loans, and $2,461,000 carried in the treasury of the Company.

The Director-General of Railroads allotted to the Company 4,500 freight cars, estimated to cost $13,201,000, and 120 locomotives, estimated to cost $6,192,955; a total of approximately $19,393,955. Of this equipment, 2,556 freight cars and 114 locomotives were delivered during the year.

The Director-General also allotted to the Company, as lessee of the Boston and Albany Railroad, 10 locomotives, estimated to cost $622,770, for use on that road.

These allotments were accepted by the Company, and the equipment is being constructed under contracts between the Director-General and the builders, and the financing of the cost thereof is being arranged between the Director-General and the Company.

The changes in the property investment account for the year were as follows :—

Additions and betterments—Road:		
Expenditures by the Federal Manager...	$11,432,818 09	
Expenditures by the corporation	126,860 84	
	$11,559,678 93	
Less sale of land by corporation and miscellaneous credits	63,522 96	
		$11,496,155 97
Additions and betterments—Equipment:		
Expenditures by the Federal Manager, less equipment retired and transferred	$2,933,531 70	
Equipment assigned to the N. Y. C. R. R. by the United States Railroad Administration	13,002,056 00	
Expenditures by the corporation	8,511,006 80	
		24,446,594 50
Total addition to road and equipment accounts		$35,942,750 47
Improvements on leased railway property:		
Expenditures by the Federal Manager...	4,783 284 40	
Less miscellaneous credits by the corporation	11,911 68	
		4,771,372 72
Improvements on miscellaneous physical property:		
Expenditures by the Federal Manager...	18,541 61	
Expenditures by the corporation	52,293 74	
	$70,835 35	
Less credits by the corporation	50,000 00	
		20,835 35
The net increase in property investment accounts during the year being		$40,734,958 54

Pending the execution of the agreement with the Director-General of Railroads and the settlement of accounts thereunder, the Company borrowed from him $20,000,000, for which it gave its 6 per cent. demand notes. Of the notes so given $13,500,000 were secured by collateral, the balance, $6,500,000, being unsecured.

In the operation of the pension department, 107 employees were retired and placed upon the pension roll. Of these retirements, 43 were authorised because of the attainment of 70 years of age, and 64 because of total and permanent physical disability. 165 pensioners died during 1918, and at the close of the year 1,469 retired employees were carried upon the pension rolls. The average monthly pension allowance of these is $26.34, and the total amount paid in pension allowances during the year was $471,075.11, which was paid by and charged to the operating expenses of the United States Railroad Administration, as provided in the agreement with the Director-General of Railroads.

The following changes took place in the Board of Directors during the year :—

Resigned: March 13, 1918, Robert S. Lovett; April 10, 1918, Marvin Hughitt; May 31, 1918, Alfred H. Smith; September 18, 1918, Frank J. Jerome; September 18, 1918, Leonard J. Hackney.

Elected: September 18, 1918, Charles T. Lewis; September 18, 1918, Charles B. Seger; September 18, 1918, Edward S. Harkness; November 13 1918, Samuel Mather.

Re-elected: December 11, 1918, Frank J. Jerome.

The Board records, with regret, the death on August 10, 1918, of Mr. William H. Newman, a Director of this Company, and who was President of The New York Central and Hudson River Railroad Company from June 3, 1901, to February 1, 1909.

The Board also records, with regret, the death of two other of its members, Mr. Charles T. Lewis, on September 29, and Mr. Horace E. Andrews, on December 1, 1918.

As an appendix to this report will be found statements showing results of operations by the United States Railroad Administration during 1918 compared with similar results for 1917.

On subsequent pages will be found the condensed general balance sheet of the Company as of December 31, 1918, and statements giving details of capitalisation, expenditures for improvements to property, investments, equipment trusts, taxes, rentals of leased lines, equipment, description of physical property, etc.

Appreciative acknowledgment is made to all officers and employees of their loyal and efficient co-operation and service.

For the Board of Directors,
WILLIAM K. VANDERBILT, Jr.,
President.

DIVIDENDS.

Charged to income of the year 1918—	
No. 14, 1¼ per cent. on 2,495,922 shares, declared March 12, 1918, payable May 1, 1918	$3,119,902 50
No. 15, 1¼ per cent. on 2,495,922 shares, declared June 12, 1918, payable August 1, 1918	3,119,902 50
No. 16, 1¼ per cent. on 2,495,922 shares, declared Sept. 18, 1918, payable November 1, 1918	3,119,902 50
No. 17, 1¼ per cent. on 2,495,922 shares, declared December 11, 1918, payable February 1, 1919	3,119,902 50
Total for year, 5 per cent.	$12,479,610 00

CONDENSED GENERAL BALANCE SHEET, DECEMBER 31, 1918.

ASSETS.

	$	$
Investments—		
Investment in road	472,010,405 09	
Investment in equipment—		
Trust	$116,733,517 07	
Other	141,642,599 21	
	258,376,116 28	
		730,386,521 37
Improvements on leased railway property		96,903,574 44
Miscellaneous physical property		8,701,439 17
Investments in affiliated companies—		
Stocks	153,447,346 64	
Bonds	9,735,838 38	
Notes	43,500,926 84	
Advances	14,968,985 60	
		201,653,097 46
Other Investments—		
Stocks	31,140,024 32	
Bonds	3,858,079 67	
Notes	11,780,026 03	
Advances	712,514 11	
Miscellaneous	12,765 00	
		47,503,409 13
Total Investments		1,085,148,041 57
Current Assets—		
Cash	8,993,280 27	
Special deposits	981,245 14	
Loans and bills receivable	59,108 99	
Traffic and car-service balances receivable	41,509 59	
Miscellaneous accounts receivable	6,815,012 76	
Interest and dividends receivable	4,354,563 58	
Rents receivable—		
Compensation due from United States Govt.	27,672,084 92	
		48,916,805 25
Deferred Assets —		
Working fund advances	124 392 30	
Insurance and other funds	908,611 38	
United States Government—		
Cash taken over	$13,407,045 26	
Agents and conductors balances	9,616,893 94	
Materials and supplies	34,239,829 70	
Assets December 31, 1917, collected	6,919,234 06	
Other items	5,163,370 15	
	69,346,373 01	
Other deferred assets	4,097,745 84	
		74,477,122 53
Unadjusted Debits —		
Discount on funded debt unamortised	6,321,634 59	
Securities acquired from lessor companies (per contra)	457,851 00	
Other unadjusted debits	2,214,851 21	
		8,994,336 80
Securities issued or assumed—unpledged	(3,443,005)	
Securities issued or assumed—pledged	(24,687,000)	
Total		$1,217,536,306 25

LIABILITIES.

	$	$
Stock		
Capital stock		249,597,355 00
Long-Term Debt—		
Funded debt unmatured—		
Equipment obligations	41,591,201 45	
Mortgage bonds	526,194,000 00	
Debentures	105,500,000 00	
Notes	15,000,000 00	
		688,285,201 45

Current Liabilities—		
Loans and bills payable	41,963,000 00	
Traffic and car-service balances payable	2,239,089 84	
Audited accounts and wages payable	4,380,970 65	
Miscellaneous accounts payable	5,921,122 51	
Interest matured unpaid	3,955,549 15	
Dividend declared, payable February 1, 1919	3,119,902 50	
Dividends matured unclaimed	170,630 42	
Funded debt matured unpaid	4,790 00	
Unmatured interest accrued	6,241,945 73	
Unmatured rents accrued	748,207 37	
Other current liabilities	4,596,902 90	
		73,342,111 07
Deferred Liabilities—		
Liability to lessor companies for equipment	14,715,322 52	
United States Government—		
Additions and betterments $16,650,703 63		
Liabilities December 31, 1917, paid 21,512,363 92		
Corporate transactions 8,214,989 85		
Revenue and expenses prior to January 1, 1918 6,906,821 83		
Other items 5,734,017 03		
	59,018,896 26	
Other deferred liabilities	192,861 20	
		73,927,079 98
Unadjusted Credits—		
Tax liability	2,553,255 51	
Insurance and casualty reserves	565,079 82	
Operating reserves	350,029 88	
Accrued depreciation of equipment	32,806,683 77	
Liability to lessor companies for securities acquired (per contra)	457,851 00	
Other unadjusted credits	13,970,888 63	
		50,703,788 61
Corporate Surplus—		
Additions to property through income and surplus	93,924 85	
Sinking fund reserves	643,547 39	
Total appropriated surplus	737,472 24	
Profit and loss—balance	80,943,297 90	
		81,680,770 14
Total		$1,217,536,306 25

CAPITALISATION.

CAPITAL STOCK.

Number of shares authorised	4,000,000	Total par value authorised	$400,000,000 00
Number of shares issued	2,498,444 60/100	Total par value outstanding	249,592,455 00
Consolidation certificates of 1869 not converted	49	Total par value held by company	252,005 00
		Consolidation certificates of 1869 outstanding	4,900 00
	2,498,493 60/100		$249,849,360 00

Par value per share, $100.00. Dividend for the year, 5 per cent.

FUNDED DEBT.

Mortgage Bonds.	Date of Issue	Date of Maturity	Amount of Authorised Issue	Amount Issued & now Outstanding	Rate of Int.	Payable on the First Day of
					%	
Rome Watertown & Ogdensburg RR. Co. first cons.	1874	July 1, 1922	9,996,000	9,076,000	5	A&O
				419,000	4	
				500,000	3½	
Utica & Black River RR. Co. first	1890	July 1, 1922	1,950,000	1,950,000	4	J&J
New York&Northern RR. Co. first	1887	Oct. 1, 1927	1,200,000	1,200,000	5	A&O
LakeShore&Michigan Southern Ry. Co.25-year gold	1903	Sept. 1, 1928	50,000,000	50,000,000	4	M&S
LakeShore& Michigan Southern Ry.Co. 25-year gold	1906	May 1, 1931	50,000,000	50,000,000	4	M&N
Carthage Watertown& S.H.RR. Co.consolidated	1891	July 1, 1931	300,000	300,000	5	J&J
Little Falls & Dolgeville RR. Co. first	1902	July 1, 1932	250,000	250,000	3	J&J
Pine Creek Railway Co. first	1885	Dec. 1, 1932	3,500,000	3,500,000	6	J&D
N.Y.C.&H.R.RR. Co. gold debentures	1904	May 1, 1934	48,000,000	48,000 000	4	M&N
Kalamazoo & White Pigeon RR Co. first	1890	Jan. 1, 1940	400,000	400,000	5	J&J
N.Y.C.& H.R.RR.Co. gold debentures	1912	Jan. 1, 1942	9,188,000	9,188,000	4	J&J
Gouverneur & Oswegatchie RR. Co.first	1892	June 1, 1942	300,000	300,000	5	J&D
IndianaIllinois&Iowa RR. Co. first	1901	July 1, 1950	4,850,000	4,850,000	4	J&J
Chicago Indiana & Southern RR. Co. 50-year	1906	Jan. 1, 1956	15,150,000	15,150,000	4	J&J
Jamestown Franklin& Clearfield RR. Co. first	1909	June 1, 1959	11,000,000	11,000,000	4	J&D
N.Y.C.&H.R.RR. Co. Spuyten Duyvil & Pt. Morris first	1909	June 1, 1959	2,500,000	2,500,000	3½	J&D
Cleveland Short Line Railway Co. first	1911	Apr. 1, 1961	11,800,000	11,800,000	4½	A&O
Carthage&Adirondack Railway Co. first	1892	Dec 1, 1981	1,100,000	1,100,000	4	J&D
Sturgis Goshen & St. Louis Railway Co. first	1889	Dec. 1, 1989	322,000	322,000	3	J&D
Mohawk & Malone Rail. Co. first	1892	Sept. 1, 1991	2,500,000	2,500,000	4	M&S
New York & Putnam RR. Co. first consolidated	1894	Oct. 1, 1993	3,987,000	3,987,000	4	A&O
Lake Shore&Michigan Southern Ry Co. gold mtge	1897	June 1 1997	50,000,000	50,000,000	5	J&D
N.Y.C. & H.R. RR.Co gold mortgage	1897	July 1, 1997	$100,000,000	94,000 000	3½	J&J
N.Y.C. & H.R.RR.Co. Lake Shore coll.gold bonds	1898	Feb. 1, 1998	90,578,000	25,144,000	3½	F&A
N.Y.C. & H.R.RR.Co. Mich. Central coll. gold bonds	1898	Feb. 1, 1998	21,550,000	19,336,000	3½	F&A
N.Y.C.RR. Co. 4% Consolidation mtge. Series A	1913	Feb. 1, 1998	‡	65,434,000	4	F&A
Mohawk&Malone Ry. Co. consolidated	1902	Mar. 1, 2002	3,900,000	3,900,000	3½	M&S
N.Y.C. & H.R.RR. Co. refund and imp't-Series A	1914	Oct. 1, 2013	60,000,000	60,000,000*	4½	A&O
Mortgage, East Cambridge Land Co.	1917	Sept.28,1920	100,000	100,000	4½	M28S
		Total		$546,206,000		
Less securities reacquired or nominally issued and held by or for the company:						
Rome Watertown & Ogdensburg RR. Co.-First cons mtge. bonds			$2,000			
N.Y.C. & H.R.RR. Co.-L.S. coll. gold bonds			10,000			
*N.Y.C. & H.R.RR. Co. Refund and imp't mtge. bonds			20,000,000			
				20,012,000		
Total mortgage bonds actually outstanding				$526,194,000		
Debenture Bonds.						
N.Y.C.RR.Co.twenty year 6%convertible	1915	May 1, 1935	100,000,000	100,000,000	6	M&N
N.Y.C.&H.R.RR. Co.	1900	July 1, 2000	5,500,000	5,500,000	3½	J&J
				$105,500,000		
Notes—						
N.Y.C.RR. Co. two-year coll. trust gold notes	1917	Sept.15,1919	$15,000,000	$15,000,000	5	M15S
Equipment Trust Obligations—						
Equipment trust certs	1907	Nov. 1, 1922	22,393,271	5,971,538	5	M&N
Equipment trust certs.	1910	Jan. 1, 1925	21,096,206	9,844,896	4½	J&J
Equipment trust certs.	1912	Jan 1, 1927	10,325,983	6,195,590	4½	J&J
Equipment trust certs. (B & A)	1912	Oct. 1, 1927	7,500,000	4,500,000	4½	A&O
Equipment trust certs.	1913	Jan. 1, 1928	10,734,681	7,421,176	4½	J&J
Equipment trust certs.	1917	Jan. 1, 1932	19,995,000	15,524,000†	4½	J&J
		Total		$49,457,201		
†*Less* N.Y.C.RR. Equipment Trust of 1917 certificates held by the company or pledged as collateral				7,866,000		
Total equipment trust obligations actually outstanding				$41,591,201		
Total funded debt actually outstanding				$688,285,201		

‡ Authorised for $70,000,000 to take the place of a like amount of NYC HRRR Co—Lake Shore Collateral gold bonds.

INVESTMENTS.

Improvements on Leased or Controlled Railway Property—	$
Grand Central Terminal	47,637,883 63
New York & Harlem Railroad	23,949,264 60
West Shore Railroad	16,874,953 35
Beech Creek Railroad	2,119,738 59
Boston & Albany Railroad	2,173,201 45
Hudson River Bridges at Albany	1,412,716 72
Beech Creek Extension Railroad	1,049,198 51
Troy & Greenbush Railroad	164,154 50
Lake Erie Alliance & Wheeling Railroad	756,915 40
New Jersey Junction Railroad	163,139 12
Fort Wayne & Jackson Railroad	118,280 25
Ottawa & New York Railway	88 763 73
St. Lawrence & Adirondack Railway	166,927 45
Kalamazoo Allegan & Grand Rapids Railroad	42,204 51
Wallkill Valley Railroad	23,936 04
Detroit Hillsdale & Southwestern Railroad	12,543 00
Detroit Toledo & Milwaukee Railroad	5,008 18
Lansing Manufacturers Railroad	3,599 91
Erie & Kalamazoo Railroad	2,396 45
Improvements to piers on leased property	169,370 00
	$96,934,195 39
Less leased lines real estate replacement fund	30,620 95
Total	$96,903,574 44
Investments in Miscellaneous Pyhsical Property	
Apartment house, 33 East 48th Street, New York, N.Y.	362,500 00
Adams Express building, New York, N.Y.	277,399 68
American Express Building, New York, N.Y.	1,201,863 77
Hotel "Belmore" building, New York, N.Y.	2,800,000 00
Hotel "Commodore" building, New York, N.Y.	262,735 93
Merchants' Loft building, New York, N.Y.	1,033,743 09
United Cigar Stores Company building, New York, N.Y.	161,879 22
Vanderbilt Concourse Corporation building, New York, N.Y.	50,000 00
Mail and Loft building, New York, N.Y.	994,751 11
Yale Club building, New York, N.Y.	250,000 00
Water lots, Chicago, Illinois	1,041,805 17
Commercial tracks and sidings	106,788 84
Demonstration farm	17,389 29
Elevator, South Bend, Indiana	42,676 16
Gas plant, Toledo, Ohio	10,131 89
Land, Westchester county, New York	8,165 56
Land, Ashtabula county, Ohio	23,592 00
Land, Hill Isle, Michigan	26,880 37
Land in Warren and Mercer counties, Pennsylvania	34,597 79
Land, School of Applied Science, Cleveland, Ohio	42 60
Total	$8,701,139 17

	Total Outstanding $	Held by this Company — No. of Shares	Par Value $
Investments in Affiliated Companies—Stocks—			
Battle Creek & Sturgis Railway Co....	500,000 00	825	82,500 00
Beech Creek Railroad Co.	6,000,000 00	25	1,250 00
Beech Creek Extension Railroad Co.	5,179,000 00	51,790	5,179,000 00
Boston Terminal Company	500,000 00	1,000	100,000 00
Cherry Tree & Dixonville Railroad Co.	500,000 00	5,000	250,000 00
Chester & Becket Railroad Co. ...	50,000 00	288	28,800 00
Chicago Kalamazoo & Saginaw Railway Co.	450,000 00	1 800	180,000 00
Clearfield Bituminous Coal Corporation	825,000 00	16,500	825,000 00
Cleveland Cincinnati Chicago & St Louis Ry. Co. common	47,056,300 00	302,077	30,207,700 00
Detroit Terminal Railroad Co. ...	2,000,000 00	5,000	500,000 00
Detroit Toledo & Milwaukee Railroad Co.	1,060,000 00	5,300	530,000 00
Fairport & Phalanx Railroad Co. ...	1,000 00	10	1,000 00
Fulton Chain Railway Co.	21,000 00	210	21,000 00
Génesee Falls Railroad Co.	60,000 00	250	25,000 00
Hudson River Bridge Company at Albany	500,000 00	3,750	375,000 00
Hudson River Connecting Railroad Corporation	250,000 00	2,500	250,000 00
Indiana Harbor Belt Railroad Co. ...	5,000,000 00	15,000	1,500,000 00
Jefferson Coal Company	1,000,000 00	5,100	510,000 00
Lake Erie Alliance & Wheeling Railroad Co.	3,000,000 00	30,000	3,000,000 00
Lake Erie & Pittsburg Railway Co. ...	4,300,000 00	21,500	2,150,000 00
Lake Erie & Western Railroad Co. common	11,840,000 00	59,400	5,940,000 00
Lake Erie & Western Railroad Co. Preferred	11,840,000 00	59,300	5,930,000 00
Lansing Transit Railway Co.	2,000 00	10	1,000 00
Mahoning Coal Railroad Co. common	1,500,000 00	17,318	865,900 00
Mahoning Coal Railroad Co. Preferred	661,367 00	7,990	399,500 00
Merchants Despatch Transportation Co.	1,200,000 00	12,000	1,200,000 00
Michigan Central Railroad Co. ...	18,738,000 00	168,193	16,819,300 00
Mohawk Valley Company	7,500,000 00	51,143	5,114,300 00
Mutual Terminal Company of Buffalo	60,000 00	150	15,000 00
New Jersey Junction Railroad Co ...	100,000 00	1,000	100,000 00
New York & Harlem Railroad Co. Common	8,656,000 00	110,649	5,532,450 00
New York & Harlem Railroad Co. Preferred	1,343,950 00	22,829	1,141,450 00
New York State Railways Common ...	19,952,400 00	136,043	13,604,300 00
New York State Railways First Preferred	3,862,500 00	6	600 00
New York State Realty & Terminal Company	100,000 00	1,000	100,000 00
Ottawa & New York Railway Co. ...	1,000,000 00	10,000	1,000,000 00
Pittsburgh & Lake Erie Railroad Co.	35,985,600 00	359,862	17,993,100 00
Pittsburgh McKeesport & Youghiogheny RR. Co.	3,959,650 00	31,144	1,557,200 00
Pittsfield & North Adams Railroad Co.	450,000 00	722	72,200 00
Raquette Lake Railway Co.	250,000 00	2,500	250,000 00
St. Lawrence & Adirondack Railway Co.	1,615,000 00	16,150	1,615,000 00
Toledo & Ohio Central Railway Co. Common	6,500,000 00	58,463	5,846,300 00
Toledo & Ohio Central Railway Co. Preferred	3,708,000 00	37,014	3,701,400 00
Toledo Terminal Railroad Co. ...	4,000,000 00	3,872	387,200 00
Toronto Hamilton & Buffalo Railway Co.	4,512,500 00	16,766	1,676,600 00
The Trestle Realty Corporation ...	487,500 00	1,510	151,000 00
Troy Union Railroad Co.	30,000 00	150	15,000 00
Western Transit Company	1,000,000 00	10,000	1,000,000 00
West Shore Railroad Co.	10,000,000 00	100,000	10,000,000 00
Sundry inactive corporations	—	10,025	1,002,500 00
Total			$148,747,550 00

	Total outstanding $	$
Investments in Affiliated Companies—Bonds		
Beech Creek Railroad Co. 2nd mortgage... ...	1,000,000 00	500,000 00
Beech Creek Coal and Coke Co. 1st mortgage gold bonds	1,948,000 00	36,000 00
Beech Creek Ext. RR. Co. consolidated mortgage	3,964,000 00	3,964,000 00
Cherry Tree & Dixonville RR. Co. 1st mortgage—Series A	1,210,000 00	605,000 00
Cherry Tree & Dixonville RR. Co. deb. certs.	4,588 38	4,588 00
Chester & Becket RR. Co. 1st mortgage ...	50,000 00	50,000 00
Chicago Kalamazoo & Saginaw Ry. Co. 1st mort.	1,268,000 00	507,000 00
Clearfield Bituminous Coal Corp. purchase money mort.	25,000 00	25,000 00
Clearfield Bituminous Coal Corp. mort. gold bonds	2,500,000 00	700,000 00
Cleveland Cincinnati Chicago & St. Louis Ry. Co. gen. mort.	32,740,000 00	1,000,000 00
Lake Erie & Pittsburg Ry. Co. 1st mortgage ...	3,540,000 00	1,770,000 00
Ottawa & New York Ry. Co. 1st mortgage ...	825,000 00	825,000 00
Ottawa & New York Ry. Co. 2nd mortgage ...	275,000 00	275,000 00
Pennsylvania Coal & Coke Co. 1st mortgage ...	1,084,000 00	264,000 00
Toledo & Ohio Cent. Ry. Co. 1st pref. income bonds	500,000 00	206,000 00
Toledo Terminal RR. Co. 1st mortgage	4,200,000 00	24,000 00
Toronto Hamilton & Buffalo Ry. Co. cons. mort. gold bonds	2,000,000 00	500,000 00
Webster Coal & Coke Co. cons. 1st mortgage ...	2,681,000 00	75,000 00
Total		$11,330,588 38

	$
Investments in Affiliated Companies—Notes	
Chester & Becket Railroad Co.	37,3076 69
Cleveland Cincinnati Chicago & St. Louis Railway Co ...	6,000,000 00
Detroit Terminal Railroad Co.	83,261 07
Hudson River Connecting Railroad Corporation ...	300,000 00
Indiana Harbor Belt Railroad Co.	783,507 97
Kanawha & Michigan Railway Company	200,000 00
Lake Erie Alliance & Wheeling Railroad Co.	490,168 95
Lake Erie & Pittsburg Railway Co.	25,000 00
Lake Erie & Western Railroad Co.	1,000,000 00
Michigan Central Railroad Company	6,000,000 00
Mutual Terminal Company of Buffalo	276,250 00
New Jersey Junction Railroad Co.	506,340 32
New York State Realty & Terminal Company	15,914,054 54
Pittsburgh & Lake Erie Railroad Company	500,000 00
Pittsburgh McKeesport & Youghiogheny Railroad Co. ...	300,000 00
Toledo & Ohio Central Railway Co.	11,543,169 11
Toledo Terminal Railroad Co.	17,859 90
Troy Union Railroad Co.	181,366 98
Total	$44,168,316 23

	$
Investments in Affiliated Companies—Advances	
Cherry Tree & Dixonville Railroad Co.	2,207 12
Clearfield Bituminous Coal Corporation	321,464 38
Cleveland Cincinnati Chicago & St. Louis Railway Co. ...	2,266,824 93
Indiana Harbor Belt Railroad Co.	412,616 63
Lake Erie & Pittsburg Railway Co.	50,000 00
Lake Erie & Western Railroad Company	5,000 00
New York State Realty & Terminal Company	357,719 26
Pittsburgh McKeesport & Youghiogheny Railroad Co....	11,549,908 68
Troy Union Railroad Co.	244 60
Total	$14,968,985 60

	No. of shares	$
Other Investments—Stocks		
Albany Southern Railroad Co.	36	3,600 00
American Express Company	30,000	3,000,000 00
Mahoning State Line Railroad Co.	18	900 00
New York New Haven & Hartford Railroad Co.	15,456	1,545,600 00
Reading Company Common	197,050	9,852,500 00
Reading Company First Preferred	121,300	6,065,000 00
Reading Company Second Preferred	285,300	14,265,000 00
Rutland Railroad Co. Preferred	23,520 5	2,352,050 00
Syracuse Northern Electric Railway—Inc. ...	118 2	11,823 02
Wells Fargo Express Company	7,500	750,000 00
Sundry inactive companies	14,343	176,595 90
Total		$38,023,068 92

	$
Other Investments—Bonds	
Chicago Peoria & St. Louis Railroad Co....	1,000 00
Continental Coal Company	40,000 00
Dominion of Canada Victory Loan bonds 5½%	10,000 00
Jefferson and Clearfield Coal and Iron Company	300,000 00
Kanawha & Hocking Coal & Coke Company	120,000 00
Mortgage on real estate, New York City	8,500 00
New York New Haven & Hartford Railroad Co. convertible debentures 3½%	206,300 00
New York New Haven & Hartford Railroad Co. convertible debentures 3%	421,000 00
Valley Stone Company	780 00
United States Government 1st Liberty Loan bonds—3½% ...	1,700 00
United States Government 1st Liberty Loan bonds converted—4¼%	121.050 00
United States Government 2nd Liberty Loan bonds converted—4¼%	224,500 00
United States Government 4th Liberty Loan bonds—4¼% ...	2,500,000 00
Miscellaneous bonds, inactive companies	179,016 28
Total	$4,133,846 28

	$
Other Investments—Notes	
Cleveland & Youngstown Railway Co.	5,280,026 03
Notes received in partial payment for capital stock of N.Y.C. & St. L.R.R. Co.	6,500,000 00
Total ...	$11,780,026 03

	$
Other Investments—Advances	
Central Elevator Corporation	712,500 00
Mahoning State Line Railroad Co.	14 11
Total	$712,514 11

	$
Other Investments—Miscellaneous	
Membership in commercial exchanges	2,640 00
Membership in Cleveland Law Library Association	125 00
Eastern Railroad Association	10,000 00
Total	$12,765 00

SUMMARY OF INVESTMENTS.

Road and equipment			$730,386,521 37
Improvements on leased or controlled railway property ...			96,903,571 44
Miscellaneous physical property...			8,701,439 17
Investments in affiliated companies—			
Stocks, par val. $148,747,550 00	ledger value	$133,447,346 64	
Bonds, par val. 11,330,588 38	ledger value	9,735,838 38	
Notes, par val 44,158,316 23	ledger value	43,500,926 81	
Advances		14,968,985 60	
			201,653,097 46
Other investments—			
Stocks, par val. $38,023,068 92	ledger value	$31,140,024 32	
Bonds, par val. 4,133,846 28	ledger value	3,858,079 67	
Notes, par val. 11,780,026 03	ledger value	11,780,026 03	
Advances		712,514 11	
Miscellaneous		12,765 00	
			47,503,409 13
Total investments			$1,085,148,041 57

EQUIPMENT TRUSTS.

The following statement shows the character of the equipment acquired under the terms of Equipment Trust Agreements and Leases of 1907, 1910, 1912, 1913 and 1917, together with the total amount of certificates issued and the amounts now outstanding :—

NEW YORK CENTRAL LINES EQUIPMENT TRUST OF 1907.

Company	Loc. mot.	Pass. cars	Fr'ht cars	Ser. cars	Certs. issued for not to Co. exceed 90% of value $	Annual ins'ments $	Certs. redeemed $	Balance certificates outstanding Dec. 31, '18 $
N.Y.C.RR.	576	149	11,383	345	22,393,271*	1,492,885	16,421,732	5,971,539
M.C.RR....	11	17	3,487	197	3,906,382*	260,425	2,864,680	1,041,702
C.C.C.& St. L. Ry....	114	18	1,522	95	3,700,347*	246,690	2,713,588	986.759
Totals ...	701	184	16,392	637	30,000,000*	2,000,000	22,000,000	8,000,000

NEW YORK CENTRAL LINES EQUIPMENT TRUST OF 1910.

N.Y.C.RR.	231	104	17,473	249	21,096,206†	1,406,414	11,251,310	9,844,896
M.C.RR ...	135	35	3,283	—	5,909,407†	393,960	3 151,683	2,757 723
C.C.C. & St. L. Ry....	84	6	1,599	—	2,994,387†	199,626	1,597,007	1,397,381
Totals ...	450	145	22,355	249	30,000,000†	2,000,000	16,000,000	14,000,000

NEW YORK CENTRAL LINES EQUIPMENT TRUST OF 1912.

N.Y.C.RR.	63	96	10,345	150	10,325,984†	688,399	4,130 394	6,195,590
M.C.RR....	31	1	2,497	—	2,275,663†	151,711	910,265	1,365,398
C.C.C. & St. L. Ry....	53	27	1,493	—	2,398,353†	159,890	959,341	1,439,012
Totals ...	147	124	14,335	150	15,000,000†	1,000,000	6,000,000	9,000,000

NEW YORK CENTRAL LINES EQUIPMENT TRUST OF 1913.

N.Y.C.RR.	249	314	2,000	10,734,681†	742,118	3,313,505	7,421,176
M.C.RR....	88	82	740	3,697,778†	262,359	1,074,182	2,623,596
C.C.O. & St. L. Ry....	—	47	1,000	1,706,775†	116,734	539,438	1,167,337
P.&L.E.RR.	—	—	4,000	3,981,992†	265,466	1,327,331	2,654,661
T.&O.C.Ry.	3	—	3,500	3,057,774†	213,323	924,544	2,133,230
Totals ...	340	443	11,240	23,179,000†	1,600,000	7,179,000	16,000,000

NEW YORK CENTRAL RAILROAD EQUIPMENT TRUST OF 1917

N.Y.C.RR.	165	235	7,000	16,158,000†	1,117,000	634,000	15,524,000

N.Y.C. & H.R.R.R. CO.—BOSTON & ALBANY EQUIPMENT TRUST OF 1912.

Boston & Albany ...	45	61	6,605	100	7,348,000†	500,000	2,848,000	4,500,000

* Interest 5%. † Interest 4½%.

REPORT OF OPERATIONS OF THE NEW YORK CENTRAL RAILROAD (EXCLUDING BOSTON AND ALBANY RAILROAD) BY THE UNITED STATES RAILROAD ADMINISTRATION FOR THE YEAR 1918.

RESULTS OF OPERATIONS FOR BOSTON AND ALBANY RAILROAD WILL BE FOUND AT END OF THIS REPORT.

INCOME ACCOUNT.

Operating Income.	1918.	1917.*	Inc. or Dec.
Miles operated	5,681·82	5,685·43	— 3·61
	$	$	$
Railway operating revenues	269,270,956 51	216,267,517 22	+ 53,003,439 29
Railway operating expenses	210,637,848 99	153,597,905 35	+ 57,039,943 64
Net Revenue from railway operations	58,633,107 52	62,669,611 87	— 4,036,504 35
Percentage of expenses to revenues	(78·23)	(71·02)	+ (7·21)
Railway taxes accrued ...	11,273,155 71	10,594,035 62	+ 679,120 09
Uncollectible railway revenues	17,594 44	19,395 51	— 1,801 07
Railway operating income	47,342,357 37	52,056,180 74	— 4,713,823 37
Other Income -			
Joint facility rent income ...	3,262,788 23	3,148,788 33	+ 113,999 90
Income from interest on bank balances	59,331 16	284,520 60	— 225,189 44
Revenues and expenses prior to 1918	6,194,711 69	—	+ 6,194,711 69
Total other income ...	9,516,831 08	3,433,308 93	+ 6,083,522 15
Gross income	56,859,188 45	55,489,489 67	+ 1,369,698 78
Deductions from Gross Income—			
Hire of equipment—debit balance	3,411,326 39	3,219,768 18	+ 191,558 21
Joint facility rents	1,154,583 18	1,178,790 89	— 24,207 71
Miscellaneous rents... ...	62,737 99†	—	+ 62,737 99
Interest on unfunded debt	133 21	—	+ 133 21
Total Deductions from gross income ...	4,628,780 77	4,398,559 07	+ 230,221 70
Net income	52,230,407 68	51,090,930 60	+ 1,139,477 08

* Figures for 1917 revised to agree with basis in 1918.

† Represents increase in rental of properties over amounts paid prior to January 1, 1918.

RATIO OF RAILWAY EXPENSES TO OPERATING REV.

	1918	1917
	%	%
Maintenance of way and structures	11·84	9·57
Maintenance of equipment	21·28	17·78
Traffic expenses	·96	1·35
Transportation expenses	40·63	38·67
Miscellaneous operations	1·20	1·37
General expenses	2·32	2·28
Total	78·23	71·02

FREIGHT TRAFFIC STATISTICS.

UNITED STATES RAILROAD ADMINISTRATION—NEW YORK CENTRAL RAILROAD.

DESCRIPTION OF REVENUE FREIGHT MOVED.

	1918	1917	Inc. or Dec.
Tons of rev. freight carried	117,495,612	110,237,661	+ 7,257,951
Tons of company fr't carried	10,863,658	12,876,680	— 2,013,022
Total tons of fr't carried	128,359,270	123,114,341	+ 5,244,929
Tons of revenue freight carried one mile	23,851,287,933	22,542,547,774	+ 1,308,740,159
Tons of company freight carried one mile	2,120,214,957	2,226,228,646	— 106,013,689
Total tons of freight carried one mile ...	25,971,502,890	24,768,776,420	+ 1,202,726,470
Miles of road operated in freight service	5,649·40	5,649·35	+ ·05
Tons of revenue freight carried one mile per mile of road	4,221,949	3,990,291	+ 231,658
Tons all freight carried one mile per mile of road ...	4,597,251	4,384,359	+ 212,892
Average lost mile haul of one ton of revenue fr't., miles	202·99	204·49	— 1·50
Average distance haul of one ton of all freight, miles ...	202·33	201·18	+ 1·15
Average number of tons of rev. freight per train mile	891·08	843·83	+ 47·25
Average number of tons of all freight per train mile ...	970·29	927·16	+ 43·13
Average number of tons of revenue freight per loaded car mile	26·36	24·15	+ 2·21
Average number of tons of all freight per loaded car mile	28·71	26·54	+ 2·17
Average number of freight cars per train mile ...	52·87	52·56	+ ·31
Average number of loaded cars per train mile ...	33·80	34·94	— 1·14
Average number of empty cars per train mile ...	18·05	16·59	+ 1·46
Total freight revenue ...	$175,869,945 18	$135,979,337 13	+ $39,890,608 05
Average amount received for each ton of freight ...	$1 50	$1 23	+ $0 27
Average rev. per ton per mile	mills 7·37	mills 6·03	+ mills 1·34
Average rev. per mile of road	$31,130 98	$23,909 91	+ $7,221 07
Average rev. per train mile	$6 57	$5 09	+ $1 48

TRAFFIC STATISTICS.

	1918 Tons	1917 Tons	Inc. or Dec. Tons
Products of Agriculture—			
Grain	3,484,601	3,628,425	— 143,824
Flour	1,512,231	1,347,268	+ 164,963
Other mill products	1,166,115	1,033,311	+ 132,804
Hay	644,698	693,169	— 48,471
Tobacco	41,829	44,169	— 2,340
Cotton	187,512	148,275	+ 39,237
Fruit and vegetables ...	1,710,575	1,398,189	+ 312,386
Other articles...	521,468	489,377	+ 32,091
Total	9,269,029	8,782,183	+ 486,846
Products of Animals—			
Live stock	729,171	713,879	+ 15,292
Dressed meats	511,830	609,291	— 97,461
Other packing house products	759,533	365,593	+ 393,940
Poultry, game and fish ...	272,113	244,205	+ 27,907
Wool	116,929	96,174	+ 20,755
Hides and leather	189,403	210,288	— 20,885
Other articles...	554,444	724,984	+ 229,460
Total	3,533,423	2,964,414	+ 569,008
Products of Mines—			
Anthracite coal	7,445,211	7,353,210	+ 92,001
Bituminous coal	37,479,925	33,533,003	+ 3,946,922
Coke	2,162,056	2,241,826	— 79,776
Ores	11,226,379	8,914,555	+ 2,311,824
Stone, sand and other like articles	7,326,532	6,440,033	+ 886,499
Other articles...	1,415,173	1,309,066	+ 106,107
Total	67,055,070	59,798,293	+ 7,256,777
Products of Forest—			
Lumber	3,456,358	2,945,594	+ 510,764
Other articles...	1,612,829	1,389,745	+ 223,084
Total	5,069,187	4,335,339	+ 733,848
Manufactures—			
Petroleum and other oils ...	2,017,485	1,779,509	+ 237,976
Sugar	736,869	559,289	+ 177,580
Naval stores	151,543	97,672	+ 53,871
Iron pig and bloom ...	2,641,682	2,406,950	+ 234,732
Iron and steel rails	262,674	274,023	— 11,349
Other castings and machinery	2,403,181	3,289,373	— 886,192
Bar and sheet metal ...	3,810,913	3,637,045	+ 173,868
Cement, brick and lime ...	3,099,045	3,371,567	— 272,523
Agricultural implements ...	193,672	238,602	— 43,930
Wagons, carriages, tools, etc.	668,075	873,243	— 205,168
Wines, liquors and beers ...	396,207	515,255	— 119,048
Household goods and furniture	265,006	292,115	— 27,109
Other articles...	12,073,741	12,752,536	— 678,795
Total	28,721,093	30,087,179	— 1,366,086
Miscellaneous—			
Commodities not previously mentioned—Total ...	3,847,811	4,270,253	— 422,442
Total	117,195,612	110,237,661	+ 257,951

PASSENGER TRAFFIC STATISTICS.

Number of interline passengers carried ...	3,121,980	3,151,024	—	29,044
Number of local passengers carried...	30,322,876	37,876,407	—	7,553,531
Number of commutation passengers carried ...	17,676,829	16,261,005	+	1,415,824
Total number of revenue passengers carried ...	51,121,685	57,288,436	—	6,166,751
Total number of revenue passengers carried one mile	2,520,526,836	2,546,427,088	—	25,900,252
Miles of road operated in passenger service ...	5,110·93	5,116·63	—	5·70
Number of revenue passengers carried one mile per mile of road ...	493,164	497,677	—	4,513
Average distance each revenue passenger carried, miles	49·30	44·45	+	4·85
Average number of passengers per train mile	110	92	+	18
Average number of passengers per car mile ...	21·08	17·94	+	3·19
Average number of passenger-carrying cars per train mile	5·25	5·13	+	12
Average number of cars in passenger trains ...	7·82	7·28	+	54
Average number of passenger cars in mixed trains	1·62	1·69	—	·07
Total passenger revenue	$60,370,139 05	$49,987,343 25	+	$10,382,795 80
Average amount received from each passenger ...	$1 18	$0 87	+	$0 31
Average revenue per passenger per mile ...	cents 2·395	cents 1·963	+	cents 432
Total passenger service train revenue ...	$79,157,742 71	$67,426,567 39	+	$11,731,375 32
Average passenger service train revenue per mile of road	$15,487 93	$13,177 89	+	$2,310 04
Average passenger service train revenue per train mile	$2 94	$2 06	+	$0 88

TOTAL TRAFFIC.

Operating revenues ...	$269,270,956 51	$216,267,517 22	+	$53,003,439 29
Operating expenses ...	210,637,848 99	153,597,905 35	+	57,039,943 64
Net operating revenue	$58,633,107 52	$62,669,611 87	—	$4,036,504 35
Average mileage of road operated ...	5,681·82	5,685·43	—	3·61
Operating revenue per mile of road ...	$47,401 07	$38,038 90	+	$9,362 17
Operating expenses per mile of road ...	37,072 54	27,016·66	+	10,055 88
Net operating revenue per mile of road ...	$10,319 13	$11,022 24	—	$703 11

MEETINGS
OF PUBLIC COMPANIES.

BANK OF ROUMANIA, LIMITED.

THE ordinary annual general meeting of the shareholders of this Bank was held on June 25, at Winchester House, E.C., the Earl of Bessborough, K.P., C.V.O., C.B., presiding.

The Secretary (Mr. H. Locke) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—I assume that, as usual, you will take the directors' report and the balance sheet as read. In rising to move the adoption of the report and accounts up to the end of December last, I cannot refrain from expressing pleasure that I am privileged to address you in happier circumstances than has been the case on the last four occasions. I refer, of course, to the ending of the terrible conflict through which the world has recently passed. As you will see by the report, the trading accounts for the three years ending December 31, 1918, after making provision for bad debts, taxes—including British income tax—writing down investments, placing £5,000 to staff pension fund and writing off the cost of moving into new premises in London, show a credit balance of £53,339 10*s.* 10*d.*; but, owing to heavy depreciation in exchange and the general unsettled political situation in the Near East, the directors have come to the conclusion that, under the circumstances now existing, they feel unable to recommend the distribution of this amount. They have, therefore, decided that it would be in the best interest of the shareholders to carry this sum to the credit of a contingency account. I might mention that, soon after the outbreak of war in 1914, the official rate of exchange in Roumania was fixed at lei 25.22 to the £ sterling. In April of this year this rate was 50.44, and, since our report was printed, it has been fixed at 44.25.

Business Handicapped by Enemy Occupation.

When we take into account the fact that for two years we were cut off from communication with our Bucarest office, and the great handicap to business occasioned by the enemy occupation of a large portion of Roumania, the trading accounts show as favourable a result as one can expect in the circumstances, and I think that we can congratulate ourselves that our position is so satisfactory. During the two years that Bucarest was in the hands of the enemy forces, the Bank had to cope with many difficulties in handling business. With the retirement of the Central Powers from Roumania, communication with our officials in Bucarest was restored, and we were happy to find that our property there was intact. On the signing of the Armistice in November last, the solution of many business problems became necessary, and our London Manager, Mr. Locke, proceeded to Bucarest immediately in order to investigate matters on the spot, and he has since paid another visit to Roumania, and has only quite recently returned. Our late Manager in Bucarest, Mr. E. E. Goodwin, owing to his advanced age, has retired, after nearly 50 years' service. The directors desire to place on record their high appreciation of the long and able assistance that he has rendered to the Bank, and they trust that good health will enable him to enjoy for many years the rest he so well merits. I also desire to take this opportunity of expressing the special thanks of the directors to the management and staff at Bucarest for their loyalty and devotion to the Bank's interests during the two years they lived under such difficult conditions, deprived of all communication with us in London.

British-Ro manian Chamber of Commerce Formed.

An important factor in the development of Anglo-Roumanian trade relations is the recent founding in London of the British-Roumanian Chamber of Commerce, in the establishing of which your Bank took an active interest. This Chamber should, when conditions permit, be of considerable assistance to the business houses in this country connected with Roumanian trade, and its aid should also prove valuable to the many firms now wishing to extend their operations into Roumania. I beg to move:—"That the report and balance sheet now read be received and adopted."

The Viscount Goschen: I beg to second that motion.

In the absence of questions, the resolution was put to the meeting and carried unanimously.

The Chairman: I beg to move: "That the Viscount Goschen be and is hereby re-elected a member of the board."

General the Hon. Sir H. A. Lawrence: I have pleasure in seconding the resolution.

The motion was unanimously agreed to.

Mr. J. Rosselli: I beg to propose: "That Messrs. Jackson, Pixley, Browning, Husey and Company be and are hereby elected auditors for the ensuing year, and that their remuneration be fixed at 50 guineas."

Mr. J. W. Hoskins seconded the motion, which was unanimously agreed to.

The Chairman: That concludes the business.

Mr. A. Hood, in proposing, on behalf of the shareholders, a hearty vote of thanks to the Chairman for presiding, and to the directors and the management and to the staff, both at home and abroad, complimented the directors on the cautious policy that they had pursued, and expressed his entire agreement with the course they had taken.

Mr. E. C. Barter seconded the motion, which was unanimously adopted.

The Chairman: Mr. Hood and Gentlemen, on behalf of my colleagues and the staff, both at home and abroad, and myself, I thank you very much for your vote.

The proceedings then terminated.

ANTOFAGASTA (CHILI) AND BOLIVIA RAILWAY COMPANY, LIMITED.

THE annual general meeting was held on June 24 at Winchester House, Old Broad Street, E.C., the Hon. Charles N. Lawrence (Chairman of the Company) presiding.

The Managing Director and Secretary (Mr. A. W. Bolden) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said that, all things considered, he thought the year's results would be received with a considerable measure of satisfaction. The gross receipts from the combined undertakings were £2,370,200, or £130,816 higher than for 1917, which was their previous best year. That satisfactory side of the picture was somewhat marred by working expenses being £230,227 higher, the ratio of expenditure to receipts having been 62.54%, compared with 55.91% for the previous year. The increased expenditure was very largely the result of the high price of coal and all other materials. Further, with the higher value of the currency dollar all wages bills had increased in their sterling equivalent. Their international service was run without interruptions. Nitrate, of which they carried 1,076,947 tons, created a fresh record.

The working expenses were debited with £224,672 as contributions to renewals. Of that amount £69,249 was expended during the year, so that the net credit to the renewal funds was £155,423, bringing these up now to £1,382,358. It was in their opinion sound policy to have raised those funds to such a large figure, all the more essential as replacements would be at a high cost for years to come, but the Board would be quite prepared to reduce the rate of annual contributions in the future if the early development of the business did not require them and if it meant that by their continuance in full they would have a reduced dividend. The funds were large, but not too large. Adding interest on Bolivia Railway bonds, sundry investments, &c., and including the carry-forward from 1917, they had a total of £1,265,508, against which they had appropriated to reserve account £100,000, which made the very satisfactory total of £1,500,000 sterling. They had allocated to the staff benevolent fund a further £25,000, which they hoped should now be able to take care of itself, and they had had to provide for income tax £145,216. After paying all Debenture charges and a dividend of 5% on the Cumulative Preference and Preferred stocks and an interim dividend of 2½% on the Deferred Ordinary stock, they recommended a final cash dividend of 7½% on the Deferred Ordinary stock, making 10% in cash for the past year, less income tax, and a bonus of 2% in fully-paid Deferred Ordinary stock, without deduction of income tax, with a similar bonus to the Preferred Ordinary stockholders. These payments would absorb £237,600, and would leave £293,015 to carry forward. Few industries had felt the effect of war's disturbance more than the nitrate industry, with which this Company was so intimately bound up. They could not expect any improvement in traffics, but rather the reverse to some extent, until the nitrate industry did revive. They had recently instructed the Chilean manager to make application to the Government to be allowed to increase rates. The Chilean State railways had increased their rates by 20% just recently.

Sir Robert Harvey seconded the motion, which was unanimously adopted.

Resolutions were unanimously passed increasing the capital to £6,160,600 by the creation of 81,600 Deferred Ordinary £1 shares, to be converted into stock, and authorising the capitalisation of £81,600 of undivided profits as Deferred shares to be distributed as to £40,000 among the Preferred Ordinary stockholders, and as to £41,600 among the Deferred Ordinary stockholders. Consent to these measures was given at class meetings of the Preferred and Deferred holders.

RANGOON ELECTRIC TRAMWAY AND SUPPLY COMPANY, LIMITED.

The thirteenth ordinary general meeting of the above Company was held on June 25 at the registered offices, Nos. 3 and 4 Great Winchester Street, E.C., Sir Frederic W. R. Fryer, K.C.S.I. (Chairman of the Company), presiding.

The Chairman, in moving the adoption of the report, said: As regards the balance sheet, the redemption of the 4½% Debenture stock continues year by year to automatically reduce the outstanding amount of that stock. Of £221,658 stock originally issued, there now only remains £165,717. A total of £55,941 stock has been cancelled, while the total provision for the redemption of 4½% Debenture stock amounts to £62,152, and we have secured £8,018 stock, costing £7,535, on account of stock to be redeemed. The reserve for renewals now amounts to £110,000, all of which has been provided for out of the profits of the undertaking.

Profit and Loss Account.

After providing for the interest on the Debenture issues, the dividend on the Preference capital, and the allocations enumerated in the report, there remains the sum of £13,297, from which the directors recommend the payment on the Ordinary share capital of 5%, free of income tax, carrying forward to next account the sum of £4,447. The amount thus carried forward is subject to liability (if any) for excess profits duty.

Power House.

The expenses of the power house amount to £66,723, as compared with £61,545 for the previous year. It is satisfactory to note that while last year I had to report an increase in the cost of fuel of £7,500, the increase for the year under review is only £4,319, due to the adoption of paddy husk as a substitute for coal. We are still, owing to the shortage of supply of paddy husk, consuming several other vegetable substances, and, though paddy husk has been successfully used as fuel for many years in Burma, there are still some disadvantages attending its use which have to be overcome. The capital cost of alterations involved in the adoption of paddy husk as fuel have been considerable, but will not, of course, recur. The other increases in the costs of materials and labour are incidental to the times through which we are passing.

Tramways.

The improvement in the returns from our tramway service continues to show most healthy expansion. During the past year the cars travelled 63,112 miles, and carried 34.75% more passengers than they did in 1917. These highly satisfactory results are responsible for a welcome increase in the gross receipts of Rs.1,67,427.4.9, thus affording additional testimony to the policy of decreased fares and the revision of distances referred to when I last addressed you. You will have observed in the report that the time has now arrived when, in view of the expansion of the city of Rangoon, it becomes the duty of the board to make arrangements for extending the tramway system of that city. This subject has received the careful consideration of your board and of the managing agents, and arrangements are already in hand for considerable extensions of the tramway system as the necessary materials become available.

Private Lighting and Power.

The returns from the supply of energy for lighting and power continue to show a healthy increase, which has only been limited by the want of additional machinery, which I am glad to say, is now ready for despatch to Burma.

Public Lighting.

The negotiations with the Municipal Committee of Rangoon have now been completed, and the revised agreement for public lighting has been signed. The new agreement is for 12 years, the result of which will be a considerable extension of and improvement in the lighting of the city. The house wiring and supply department is, at the best, a fluctuating source of income, but it constitutes a valuable addition as a feeder to the business of the Company. It is anticipated that when the difficulties of getting supplies of material that have existed during the War are relieved, a satisfactory increase in this department will be experienced.

Renewals and Repairs.

The expenses attending renewals and repairs during the past year have been, and will continue to be, exceptionally heavy. Due provision for these have, however, been made in the accounts now presented. The cessation of hostilities has enabled some of our employees to return to their position, and we are glad to welcome them back.

Bonus System.

During the year under report a scheme whereby members of the provident fund received Ordinary shares of the Company based on the dividend on those shares came into force. Members of the staff now hold 300 shares in the Company, and have sent their proxy to the board, thereby showing their confidence in it. The board hope to see this system largely extended both by larger dividends and also by individual purchases of shares by the members of the provident fund themselves.

Mr. J. W. Darwood is now in Rangoon, after several years of arduous military service; he is at present in active superintendence of the Company's affairs there.

The retiring directors are Mr. J. W. Darwood and Mr. James Halliday, who, being eligible, will offer themselves for re-election to-day.

I think that I may congratulate the shareholders on the cessation of hostilities, for the War has been, as was only natural, a great check on the activities of the Company, and I think that everybody will agree that considerable credit is due to those who have kept our business going in spite of so many drawbacks, and especially to our Managing Director, Mr. Danson. It is very encouraging to find that we have weathered the storm, and that, in spite of it, we have considerable increase both in our tramway traffic and also in private lighting. and I can safely venture to prophesy that these increases will continue now that the restrictions due to the War have happily ceased. We are on the eve of carrying out very large extensions of our tramway lines and also of private lighting.

I now beg to formally propose: "That the report and accounts to December 31, 1918, as presented to this meeting, be received and adopted." I will ask Mr. James Halliday to second the resolution.

Mr. James Halliday seconded the motion, which was carried unanimously.

ELDER DEMPSTER AND COMPANY, LIMITED.

The ninth ordinary general meeting of this Company was held on June 24 at 23 Billiter Street, E.C.

Sir Owen Philipps, G.C.M.G., M.P., who presided, said that since the shareholders last met the world situation had undergone a stupendous and far-reaching change. The outlook was now altogether different from what it was then, and they had to readjust themselves to an entirely new state of affairs, and, as shipowners, were faced with a fresh set of problems and difficulties. The financial position of the Company, looking to the abnormal conditions under which they had been working, might be considered satisfactory. Their Ordinary, Preference, and Debenture capital and reserves now amounted to over six and a quarter millions sterling, which gave some idea of the extent and scope of the Company's operations. Throughout its long association with West Africa, the Company had always taken a keen interest in all developments affecting the advancement of trade and commerce in that country. They were naturally particularly interested in the provision of suitable harbours and wharves at the ports on the West African coast, in order that the steamers might be expeditiously handled and their services thereby improved and speeded up. Some months ago they made an offer to erect suitable deep-water wharves, at their own cost, at certain of the principal West African ports, with the right to the Colonial Governments to acquire them at cost price, less depreciation, five years after completion. This offer, he understood, was now under consideration by the Colonial Governments. Turning next to the question of coal, he said that British shipowners were intensely interested in the discussion for and against nationalisation. It was absolutely essential that coal should be produced at the lowest possible price compatible with a fair wage to the coal-winner. In Great Britain coal had been produced by private enterprise, and though there were various matters, such as housing, which left room for improvement, the pre-war system of placing coal on the market at a fair price could not be much improved upon. He pointed out that a valuable coalfield was discovered in West Africa some years ago, and the Nigerian Government in five years had developed one colliery. If they had been willing, in addition to opening a colliery themselves, to lease a reasonable area of coal-bearing land to a number of coal companies with a view to securing a maximum development, there was no doubt that, instead of having one colliery producing something under a quarter of a million tons this year, they would shortly have had at least three or four coal mines yielding coal in large quantities. On the whole, it could not be said that the West African trade had suffered heavily during the War in comparison with other trades, because the products of these vast tropical territories were in such great demand for war purposes. One result of the War was that the importance of these products was now realised in this country. It was very important, however, that greater attention should be devoted to the growth on scientific lines of tropical products, and that greater care should be devoted to the preparation of the produce for the market in order to compete with those countries which took a great deal of trouble to secure the highest possible standard of quality. In the development of West Africa he looked forward to France and Great Britain working together in the future, hand in hand, and he trusted that traders might be enabled to carry on their business on equal terms in both French and British Colonies. Their steamers had remained under requisition to the Government, but were now being released gradually, and they were looking forward to resuming their services which had to be either curtailed or suspended during the War. The Company was largely interested in the Glen Line, trading to Far Eastern ports, and in this way they were associated with the Far Eastern

trade. The business of the Glen Line was a growing one, and its trade between Great Britain, Mediterranean ports, and the Far East showed signs of healthy expansion. They suffered heavily by the loss of steamers during the War, but had taken steps to replace lost tonnage, and to provide for future expansion.

The report was unanimously adopted.

MORTGAGE AND DEBENTURE COMPANY, LIMITED.

THE ordinary general meeting of the Mortgage and Debenture Company, Limited, was held at the office of the Company, 7 Moorgate Street, E.C., on June 27, Mr. W. B. Close, the Chairman, presiding.

The Secretary (Mr. J. A. Robertson) read the notice convening the meeting and the auditors' certificate.

The Chairman said: Gentlemen,—I presume that you will as usual take as read the report and accounts, prints of which have been circulated among you. The profit for the year is £10,397 6*s.* 8*d.*, which is £2,326 9*s.* 1*d.* less than last year. This result is, of course, disappointing, and necessitates a transfer of £4,500 from the reserve account to pay the Preference dividend. There are, however, two charges in the profit and loss account, amounting together to over £5,700, which require explanation, viz.: United States taxes and British income tax. Last year, owing to the alterations and work involved through the redemption of the debenture stock, the accounts were not received from America until late in the year, and we did not know the amount of the liability for United States taxes until after the books here had been written up and closed. In these circumstances we had no option but to put a note of the liability on the balance sheet. The liability on this account existing at March 31, 1919, has, however, rightly been charged in the profit and loss account, which, therefore, has to bear two years' taxes. Next year's accounts will, of course, only have to bear one year's taxes. With regard to British income tax, the charge this year is based on the average profits of three years, in one of which they amounted to over £40,000. As stated, the present year's profit is £10,397. Next year the £40,000 profit will disappear from the average, and we shall pay on an average amount which will practically be about the same as the year's profit. After deducting the income tax from the dividend paid to the Preference shareholders, the net amount of income tax chargeable in profit and loss account next year is estimated to be only a few hundred pounds. So you will see that, with the elimination of charges amounting to over £5,000, the profit next year on the basis of the other figures being much the same, should be at any rate equal to the amount of the Preference dividend. Naturally, as the mortgages fall in and the loan in America is repaid, the Company loses the benefit of the difference between the interest received on such mortgages and the smaller rate of interest paid on the loan, and it is unfortunate that in the two years during which this process has been taking place the charge for income tax has been so heavy. The amount of the gross income will, of course, gradually be reduced until the loan is entirely paid off. But at the same time it is to be anticipated that expenses will be likewise reduced, and, with the practical elimination of the charges for income tax, the net profit should, as I have already said, be sufficient to meet the Preference dividend. With regard to the tentative offer that was made in April, 1917, by Messrs. Close Brothers and Company, of Chicago, to buy out the Preference shareholders, and was subsequently withdrawn, nothing further has yet been done in the matter; but I expect to go to Chicago in September to take it up and see what can be done. But, as you will see from the balance sheet, the assets show a large margin over the Preference share capital, and there is also a substantial reserve account to draw upon if the profit in any year is insufficient to pay the Preference dividend. I do not know that there is anything else I can usefully say on the accounts or the position of the Company, and I beg to move: "That the report and accounts presented to the meeting be received and adopted." I will ask Mr. Keyser to second the resolution, and I shall then be glad to answer to the best of my ability any questions that you may wish to ask.

Mr. C. E. Keyser seconded the motion, which was carried unanimously, without discussion.

The Chairman moved: "That the sum of £4,500 be transferred from the reserve account to the credit of profit and loss account, that a dividend at the rate of 5% per annum for the half-year ended March 31, 1919 (making, with the interim dividend paid on December 31, 1918, 5% for the year) be declared and paid on the Preference shares on the 30th instant, and that the balance of £200 9*s.* 5*d.* then remaining at the credit of profit and loss account be carried forward to next year."

Mr. E. A. Wigan seconded the motion, which was carried unanimously.

The retiring director (Mr. E. A. Wigan) was re-elected, and the retiring auditors (Messrs. Woodthorpe, Bevan and Company) were reappointed for the ensuing year.

A vote of thanks to the Chairman and directors terminated the proceedings.

TRUST AND LOAN COMPANY OF CANADA.

THE annual general meeting of shareholders was held on June 26 at the offices of the Company, 7 Great Winchester Street, E.C., Mr. Fred. W. Stobart, O.B.E., presiding.

The Secretary (Mr. Roger Kingdon) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: Gentlemen,—You will notice that the stationary reserve fund stands practically at the same figure that it did last year—namely, £600,000. Comparing revenue account with last year, expenses in London and Canada have increased some £2,000, due to the increased cost of doing business all over the world. Retiring allowances are slightly larger, but, considering the age of the Company, I do not think you will consider them unreasonable. Interest earned in Canada is down by some £6,600, due to the reduction in the amount of our mortgages in Canada, which between March 1917 and March 1918 were reduced by some $950,000. This reduction has been going on for some years now, but I am glad to say that the mortgages at last show an increase of some £22,500 as compared with a year ago. Profit on exchange is down by some £6,000. This is due to the higher quotation of the £ sterling in the autumn of 1918, when funds were being remitted home from Canada. In connection with exchange perhaps I might point out to you that, so long as exchange is so heavily against this country, the capital which we are employing in Canada is worth, so far as paying liabilities in England is concerned, considerably more than its face value, and, of course, as you know, the bulk of our assets are in Canada. The above items account for the reduction in profits which we show from £126,892 to £110,062. As against these reduced profits we have only been called on this year to provide some £8,500 for income tax; as against last year some £15,000, and we have been able to place £10,000 to contingencies account, as against £5,000 last year; and carry down in round figures £100,000. In our balance sheet you will notice that we are holding our funds which are not invested in Canada in more liquid shape, feeling that we should be of what assistance we can to national finance, and by doing so we avoid that paper loss or gain made by writing down or writing up the value of our securities from year to year, and so show more truly the actual profit made by the Company as a loaning corporation. As I mentioned before, our mortgages in Canada have been increased by some £22,500, and the properties which we have acquired by foreclosure are some £16,500 less, both of them features which, I think, will command your approval. Turning to the liability side of our balance sheet, the first item is paid-up capital, divided into three classes, all being £20 shares, but some having £5 paid, others £3 and others again £1. This is a somewhat objectionable feature, and is inclined to depress the marketable value of the shares, and is not, therefore, in the best interests of the shareholders, and I am authorised by our President to say that the Board are considering a scheme for reorganising the capital of the Company and hope to submit it to the shareholders shortly. Our Debentures have been reduced some £33,600, and if you approve of the interim dividend already paid, and of the dividend we now propose to you, we shall have some £9,800 to carry forward to next year, as against some £8,300 brought in at the beginning of the year. Unfortunately, none of your English directors were able to visit Canada during the past year, but Mr. Galt, our resident director there, and our commissioner keep us as closely in touch as possible with the position of affairs there as affecting our Company.

Mr. J. H. Newcomb seconded the motion.

The Chairman, in reply to questions, said that in view of the fact that a large amount of their Debentures were short-termed, he thought the directors were adopting a conservative policy in maintaining a considerable balance of cash in hand, particularly in England, in order to provide for those Debentures.

The resolution was carried unanimously.

A dividend at the rate of 15% per annum for the six months ended March 31 last; less income tax, was declared, and the retiring directors and auditors were re-elected.

The remuneration of the directors was increased to £3,000 per annum, and the meeting closed with a vote of thanks to the Chairman and his colleagues on the Board and to the staff in Canada.

SOUTH WEST AFRICA COMPANY, LIMITED.

AN ordinary general meeting of the shareholders was held on June 25 at Winchester House, Old Broad Street, E.C., Mr. Edmund Davis (Chairman of the Company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: We now present our report and accounts to December 31, 1918, and in doing so wish to draw your attention to some of the items appearing in the balance sheet. The issued capital and unclaimed dividends remain the same as at December 31, 1917, and sundry creditors and credit balances at £47,855 show an increase of £2,228, the difference being principally due to a further year's subsidy payable to the Otavi Mines and Railway Company, making the total reserve under this heading at the date of the balance sheet £35,625. Reserve against interest on investments inscribed or deposited and on bankers' balances in Germany received or accrued during the four years to

December 31, 1918, at £176,207, shows an increase of £43,426. There is no difference in the land sales account at £55,268, the only other item on this side of the balance sheet being balance of profit and loss, £88,841, to which has been added the balance profit for the year under review, £5,793, making a total of £94,634 to be carried to the next accounts.

Cash and Investments.

Turning to the other side of the balance sheet, we have cash at bankers and in hand, London and South-West Africa, £15,251, or a reduction of £28,332 when compared with the figure at December 31, 1917, due to increase in our investments during the period under review. Cash at bankers, Berlin, on current and fixed deposit accounts, at £474,590, shows no change. Investments at or under cost, inscribed or deposited in London, at £605,114, show a large increase, this figure comparing with £555,114 at December 31, 1917, or a difference of £50,000. Investments inscribed or deposited in Germany, at £733,759, show no change.

Shares in other companies, at £27,328, show an increase of £5,000, being the amount of calls paid in respect of our interest in the Otavi Exploring Syndicate, Limited. Our concessions account at £56,977, is brought in at the same amount as in the previous balance sheet. No reference need be made to the profit and loss account, unless it is to the note on the credit side recording the fact that no credit is taken in respect of dividends on investments and interest receivable in Germany, which for the year under review amounted to £43,425, and until we are able to take credit for the revenue from this source our profit and loss account will be very seriously affected. We have set out in the report a list of the investments standing in the balance sheet at December 31, 1918, at £1,338,874. Those represented by British securities and by securities of foreign countries in the Company's control stood in the books at £605,114, the market value of these investments at December 31, 1918, being about £548,833. The only difference in these investments, when compared with those held at December 31, 1917, is the addition of an investment of £50,000 of 5% National War Bonds. The market value of the investments referred to at December 31, 1917, having been £484,000, there is an appreciation—after deduction of the National War Bonds—of about £14,000 on the year. So far as this latter investment is concerned, we have, since the issue of the report, realised the same and subscribed for £62,500 of the new Government 4% Funding Loan.

Enemy owned Shares.

At our previous meeting reference was made to the enemy-owned shares. Since our last meeting we have seen various Government Departments on the subject, but so far we have not obtained permission to negotiate with representatives of the enemy holding. As far as our property in South-West Africa is concerned, interest is being taken in the development of the territory by residents in the Union of South Africa, and with the advent of peace we look forward to prosperity in the territory in which we are interested, a prosperity in which we hope to share.

Mr. F. Eckstein seconded the motion.

Mr. W. H. Skeel desired to know whether the Company had any land left, and if so how much.

The Chairman: We hold 1,600,000 acres of our own, and the land in that portion of the territory where we are operating is supposed to be some of the best inside the colony.

The motion was then put and carried unanimously, and the proceedings terminated.

CHERAS RUBBER ESTATES, LIMITED

THE seventh annual general meeting was held on June 24 in the Council Room of the Rubber Growers' Association, 38 Eastcheap, E.C., Mr. E. L. Hamilton (Chairman of the Company) presiding.

The representative of the Secretaries (Messrs. Ed. Boustead and Co.) having read the notice convening the meeting and the report of the auditors,

The Chairman said: It is very gratifying to find that my warning a year ago, regarding higher working costs, has proved incorrect, our Manager, Mr. Schwabe, having produced, in the year under review, a crop of 253,958 lb. of rubber at a free-on-board cost of 11·19*d.* per lb., against 11·68*d.* per lb. for the larger crop of 285,061 lb. in the previous year. With regard to the price realised for our rubber, you will have noticed in the report that the average net sale price was 1*s.* 10·98*d.* per lb., and I am sure you will agree with me that it is a very satisfactory price under all the circumstances, being only 3*d.* per lb. less than the price realised for the 1917 crop. Owing to a large portion of the crop having been sold for shipment direct to the United States of America, we cannot usefully give you the equivalent London terms as in former years.

The profit for 1918 is £11,452, as compared with £16,277 for the previous twelve months, but as it is only necessary on this occasion to make a small allocation to development account we are able to recommend to-day a dividend of 15%, as against 17½% paid for 1917. You will have observed in the balance sheet that we have set aside £3,939 as provision for excess profits duty for 1917, and we are taking into our calculations, and have provided in the carry-forward for, a liability of £3,370 for a similar duty for 1918, but both these amounts will be considerably reduced if the decision in what is known as the Merlimau case is upheld on appeal. The estate, as I have already stated, is in excellent condition in every respect, and has not suffered in any way from shortage of labour or lack of supervision. The area of the estate has been increased by a grant of 51 acres and the planted area by 60 acres. We hope to plant a further 103 acres during the current year, which will bring the cultivated area up to 1,400 acres at a capital cost of £35 15*s.* per acre. The crop for the current year is estimated at 390,000 lb., and as the yield up to the end of May is in excess of the estimate for that period, it looks as if the Manager's figures for the year will be easily obtained.

It is our custom, when we can get remunerative prices, to sell a percentage of the crop for forward delivery, and I am glad to say circumstances have allowed us to carry out this policy, not only for the current year, but also for 1920 and 1921, and to make contracts at prices which should give a satisfactory profit.

Mr. H. E. Snagge seconded the motion, which was carried unanimously.

SUNGEI PURUN (F.M.S.) RUBBER COMPANY, LTD.

THE eighth annual general meeting was held on June 24, in the Council Room of the Rubber Growers' Association, 38 Eastcheap, E.C., Mr. E. L. Hamilton (Chairman of the Company) presiding.

The representative of the Secretaries (Messrs. Ed. Boustead and Company) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—The report and accounts disclose a profit of £11,411, against a profit earned during the previous year of £20,485. This is very much as anticipated, and I think you will agree with me that the result is eminently satisfactory. Instead of a crop in the previous year of 303,251 lb., we harvested under the Rubber Growers' restriction scheme a crop of only 237,660 lb., and this smaller crop has been produced at a very slightly enhanced cost—namely, 11.21*d.* per lb., free on board, against 10.76*d.* per lb. in the previous year.

The crop realised what may be considered a very satisfactory average price—namely, 1*s.* 11.39*d.* per lb. net, as against 2*s.* 3.28*d.* per lb. for the previous year. A large proportion of the crop having been sold for direct shipment to the United States of America, it is difficult to give the London equivalent terms; we have, therefore, quoted the average net price realised. In comparing the two years we had in 1917 a crop of 303,251 lb., yielding a profit of 1*s.* 4.52*d.* per lb., less London expenses, whereas in 1918 we had a crop of only 237,660 lb., giving a profit of 1*s.* 0.18*d.* per lb. The profit per lb is quite satisfactory, and the falling off in the total profit is mainly due to the smaller crop produced, which was in accordance with our undertaking already referred to. We have, however, the satisfaction that our liability for excess profits duty is considerably less, and that there is no material reduction in the dividend, which is 15%, against 17½% paid for the previous year. For 1917 we have had to set aside £6,752 for excess profits duty, whereas for the period under review £2,240 is the amount estimated for which we may be liable, but both these amounts will be considerably reduced if the decision in what is known as the Merlimau case is upheld in appeal.

Your property has been maintained in good condition, and, as the results show, the estate has been carefully and economically managed by Mr. Leyne. The crop for the current year is estimated at 360,000 lb., and as the yield up to the end of May is well in excess of the estimate for that period, it looks as if the manager's figure for the year may be exceeded. It is our consistent policy, when we can get remunerative prices, to sell a percentage of the crop for forward delivery. We have had the opportunity to do so, and have availed of it by selling a portion, not only of the current year's crop, but also of the 1920 and 1921 crops, at prices which should give a satisfactory profit.

Mr. H. E. Snagge seconded the motion, which was carried unanimously, and the dividend recommended was approved.



GLENSHIEL RUBBER ESTATES COMPANY, LIMITED.

THE eleventh annual general meeting of the Glenshiel Rubber Estates Company, Limited, was held at Winchester House, Old Broad Street, E.C., on June 25, Mr. E. L. Hamilton (the Chairman) presiding.

The Secretary (Mr. F. E. Maguire) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—We meet you to-day at a somewhat earlier date than last year. It is not as early as I should like, but conditions, as you know, are not yet normal. The report and accounts for the year ended December 31 last have been in your hands for the usual time. You have no doubt studied them, and, with your permission, I shall take them as read. The profit earned for the period under review is £12,876, against a record profit earned in the previous year of £27,974. From the remarks I addressed to you a year ago in reference to the curtailment of production and consequent higher working costs, and to the prospect of lower prices for rubber, you will have been prepared for a reduced profit, but I venture to say you will not have expected an increase in the dividend. We recommend to-day a dividend of 30% for 1918, against 27½% paid for 1917. A year ago the immediate future was very obscure owing to the difficulty in obtaining tonnage, and it was necessary to conserve our financial resources. To-day that necessity, happily, does not exist, and we feel justified in being more liberal in our dividend recommendation, which is well within the amount earned. We propose to place £3,000 to development account in pursuance of our policy to plant up gradually the uncultivated area owned by the Company. The amount set aside is more than sufficient to provide for the capital expenditure estimated for the current year.

Income Tax and Excess Profits Duty.

Income tax, as you all know, is assessed on the average profit of three years, and as the profit for the period under review is less than that of the years on which the assessment is based, we are liable for a larger amount now than we shall recover from the shareholders; consequently, it is necessary to set aside £1,000 to reserve for income tax. The directors' commission of £525 is on the dividend, in accordance with the Articles of Association as altered at the meetings of the shareholders held on December 4 and 19, 1918. The commission in previous years was, as you know, paid on the profits of the Company. If you will refer to the balance sheet you will see that we have set aside £12,000 as provision for excess profits duty for 1917, which left £6,542 to be brought into the accounts now before you. The carry-forward to-day is £4,393, and we have no liability for excess profits duty in respect of 1918; in fact, we shall have a claim for refund of duty paid in previous years, so the finances of the Company are in a very sound position. Further, if the decision in what is known as the Merlimau case is upheld on appeal, our liability for excess profits duty in respect of 1917 will be reduced, and our claim for refund in respect of 1918 will be increased. There is nothing else, I think, in the accounts calling for comment from me, as all the items are self-explanatory.

The Crop.

I have already referred to the reduced crop. The quantity harvested was 342,695 lb., against the estimate of 480,000 lb., without restriction, and against the amount allowed under the curtailment scheme of the Rubber Growers' Association, to which we gave our adherence, of 382,297 lb., a shortage on the latter of 39,602 lb. The shortage was due to the influenza epidemic and to unusually wet weather during the latter part of the year. In 1917 we harvested a crop of 477,872 lb., at a cost free on board of 11.07*d.*, and it is creditable to the management that the smaller crop of 342,695 lb. in 1918 was produced at the very slightly enhanced cost of 11.66*d.* per lb. The 1918 crop realised a net average price of 1*s.* 9.45*d.* per lb., which may be considered satisfactory. It compares with 2*s.* 1.80*d.* per lb. for the 1917 crop. The profit per lb. in 1918 was 9.79*d.*, less London expenses, as against 1*s.* 2.73*d.* in the previous year. In giving you the price at which the crop was sold we have quoted the net average price, as, owing to a large proportion having been sold for shipment to the U.S.A., it is difficult to give the London equivalent as in previous years. During 1918 a further 118 acres were planted with rubber, and we now have a cultivated area of 1,756 acres, which, compared with the issued capital, represents under £20 per acre. We have approximately a further 250 acres suitable for planting, and we contemplate clearing and planting a further 150 acres during this year. The estates are reported by our General Manager, Mr. R. C. M. Kindersley, to be in excellent condition, and it reflects credit on the management that, in spite of the cost of every article used on the estates having continued to rise, efficiency has been maintained, combined with low working costs.

We regret that Mr. Drummond Hay's health broke down at the end of June, and he was obliged to resign the managership of Glenshiel Estate. He has been succeeded by Mr. Beaty, formerly Manager of Kajang Estate. Mr. Tyler, who was in charge of Sungei Tankas Estate, left to join the Army, and his place for the time being has been filled by Mr. Thrupp, who was on Inch Kenneth Estate.

The Outlook.

With regard to the current year, I am glad to be able to tell you that since the issue of the report we have received a cable from our General Manager increasing his estimate of the crop to 430,000 lb., as against 398,000 lb. given in the report. We have sold a considerable portion of this crop at satisfactory prices, and in pursuance of our consistent policy to sell a percentage of our output for forward delivery, when we can get remunerative prices, we have made contracts for a portion of the 1920 and 1921 crops at prices which will give a satisfactory profit.

No doubt we shall see, as soon as times are normal, considerable expansion all over the world in the use of rubber, especially for mechanical haulage; but, on the other hand, we shall have a steady increase in the output of plantation rubber for some years, and there may be times when it is not so easy as it is at present to market our produce. The future of the industry is, in my opinion, absolutely sound, and I think I can say that this Company is in a position to meet any competition.

I am sure it will be your wish that I should convey to the management and staff in the East your cordial thanks and appreciation of the zealous and loyal manner in which they have carried out their duties during a very trying and difficult time. I now beg to move:—"That the statement of accounts and balance sheet at December 31, 1918, and the reports of the directors and auditors be received and adopted."

Mr. Edgar A. Bennett seconded the resolution, which was carried unanimously.

The Chairman next moved:—"That a dividend of 30%, less tax, be and it is hereby declared payable on June 27, 1919, to the shareholders on the books of the Company on June 18, 1919."

This was seconded by Mr. V. R. Wickwar, and unanimously agreed to.

On the motion of the Chairman, seconded by Mr. Wickwar, the retiring director, Mr. Edgar A. Bennett, was re-elected, and Messrs. McAuliffe, Davis and Hope were reappointed auditors, on the proposition of Mr. J. J. Bradbury, seconded by Mr. Charles W. Goard.

The proceedings then terminated.

BURMAH OIL COMPANY, LIMITED.

ANOTHER "RECORD" IN THE COMPANY'S HISTORY.

THE Annual General Meeting of the Burmah Oil Company, Limited, was held in the Merchants' Hall, George Square, Glasgow, under the presidency of Mr. John Cargill, the Chairman of the directors.

It was agreed to take the notice convening the meeting as read; and the Secretary (Mr. F. G. Holdsworth), having read the auditors' report,

The Chairman said: When I had the pleasure of addressing you last July I was able, in referring to the prospects for 1918, to tell you that the results of the first six months had been thoroughly satisfactory, and that, provided we continued to get tonnage to move our products regularly into consumption, the second six months should be equally so. Fortunately, through the Government recognising the vital necessity of meeting as far as possible India's requirements of mineral oils of every description from Burmah, the nearest and most economical source of supply, we were put in command of a sufficient supply of tonnage to enable us to keep our refineries running steadily at not far off their maximum capacity and to transport our refined products regularly to the various Indian markets, until with the complete defeat of Germany and her Allies last November and the termination of the foul and inhuman campaign of unrestricted submarine warfare, we saw the end of the one danger that had threatened our prosperity, and that had been our nightmare during the greater period of the War. Under these conditions, then, and with prices of nearly all petroleum products continuing to advance practically all over the world until the termination of hostilities, coupled with continued improvements and economies in our processes, resulting in increased volume of the more remunerative at the expense of the volume of less remunerative products, it was only to be expected that our profits would show an increase over those for 1917, and this increase amounts to fully £500,000 in the gross—a most gratifying result, I am sure you will all agree, and one which creates another record in the history of the Company.

The Oil Industry and Prices.

Last year I explained at some length the then general conditions of the oil industry all over the world, and the enormous rise that had taken place in the price of all oil products since the outbreak of the War, and in order to meet any possible charges of "profiteering" that might be levelled against the Burmah Oil Company, I make it perfectly clear that the large increase on its profits was to a very large extent due to the world-wide rise in the prices of both light and heavy petrol and paraffin wax and candles, and that in the one direction—the kerosene market in India—in which we could exercise any control over prices we were, in order to protect the poorer native consumer, continuing to supply our "Victoria" quality of kerosene—which, as I then

told you, represents fully 50% of our refined products—at the same very low price we fixed for it when we inaugurated our maximum price policy as far back as 1905. And what I said to you then as to the directions in which our increased profits were mostly being earned and the policy we were carrying out to protect to the best of our ability the consumer in India I can repeat to you to-day; for it is to the further advance in the prices of petrol and wax and candles during the year, and to a temporary favourable modification of the arrangement under which we dispose of our export benzine, together with the refining improvements already referred to, that our increased profits are largely due, and we have continued scrupulously to adhere to our maximum price for "Victoria" kerosene, although we had it in our power any day we pleased to raise this to the parity of the all-world value of kerosene and thereby add enormously to our profits.

In support of this statement I may mention that not only the importers of foreign kerosene into India, but even some of our indigenous competitors, have for a considerable time past now refused in any way to recognise or be bound by our maximum price policy, and to the extent that we have been unable to supply the requirements of India they have exacted their own price, with the result that they have been selling at fully threepence per gallon above our price the same quality of kerosene as ours, and which in the pre-War days they sold at level prices with us. This fact, you will appreciate, has made it extremely difficult—in fact, almost impossible—for us to ensure that our kerosene, of which our output is not sufficient to meet the total requirements of India—reaches the actual consumer at our low maximum price, there of course being a great inducement and considerable facilities under the ruling conditions to "profiteering" on the part of the middleman. The Government of India have for some time past been giving this matter their most serious consideration, and as the outcome of consultations between representatives of the Government, ourselves, and our friends the Asiatic Petroleum Company an arrangement for the pooling of our own and the Asiatic's kerosenes has been evolved which should now ensure that the consumer gets the full benefit of our maximum prices, at which we are continuing to put the whole of our kerosene into that pool.

The Accounts.

Dealing now with the accounts, I would first of all remind you that through the capitalisation of £952,000 of the amounts standing at the credit of the various reserve accounts which was carried through just after the annual meeting last year, the issued Ordinary share capital was increased from £1,905,000 to £2,857,500, and the £135,805 and the £80,000 standing at the credit of share premium account and capital reserve respectively disappeared from the balance sheet, and the general reserve was reduced from £1,550,000 to £813,305. At the time I laid that scheme before you I pointed out that with the present very heavy burden of taxation it did not seem likely that your directors would be able to distribute as dividend for 1918 any very materially larger sum than they had done for 1917, and that therefore the rate of dividend would be bound to show a reduction. That with a six-shilling income tax and an 80% excess profits duty we should now be able to propose to pay on the very largely increased capital a final dividend of 25%, making with the interim dividend already paid a total distribution of 30%, free of income tax, as against 32½% for 1917, is, I venture to think, under all the circumstances a wonderful result, and one which I am sure must thoroughly satisfy the great body of our shareholders. It means that we shall be distributing in Ordinary dividend this year £857,250, as against £619,125 in 1917, and that the 30% is equivalent to 45% on the capital as it stood in 1917. Last year I drew your attention to the Company's very handsome contribution to the National Exchequer—actually £1,440,470 6*s*. 7*d*., made up of £205,359 12*s*. 10*d*. in respect of income tax, and £1,235,110 13*s*. 9*d*. in respect of excess profits duty, but this year this is going to be very largely exceeded, as United Kingdom income tax has cost us £268,926 14*s*. 1*d*., and we estimate that we shall have to pay something like £1,580,000 for excess profits duty. While on the subject of taxation it will no doubt interest you to know that, while in the four years 1915-18 we have distributed in Preference and Ordinary dividends £2,758,000, we have in these four years paid in income tax and excess profits duty—taking our estimate of the latter at £1,580,000 for 1918—no less than £4,097,115, so that in that period the Exchequer has received from the Company in taxes fully 45% more than the shareholders have received in dividends.

Provision for Depreciation: The Reserve Accounts.

You will see that the directors are continuing to carry out their settled policy of providing amply for depreciation and making liberal additions to the various reserve accounts, their strict adherence to which, from the earliest days of the Company, has undoubtedly been the most important factor in putting it in the proud position it occupies to-day of being one of the leading oil companies in the world. In a business such as ours it is absolutely essential to have the command of large cash resources if we are to keep abreast of the times and carry on our operations on up-to-date methods and bold and enterprising lines. And there never was a time in the history of the Company when it was more necessary to be in that position than is the case to-day, for with the termination of the War we are now in a position to go ahead with many important schemes—including the electrification of our principal oilfields, to which I referred last year, and to which I shall refer more fully later on—for modernising and improving our methods of working and manufacture, and the carrying out of which will call for very heavy expenditure, the electrification of the oilfields alone representing an outlay of something like £1,000,000. It will, therefore, I am sure, be at once apparent to you how advisable and necessary it is to continue to husband our cash resources on the same sound lines that have brought about such eminently satisfactory results in the past.

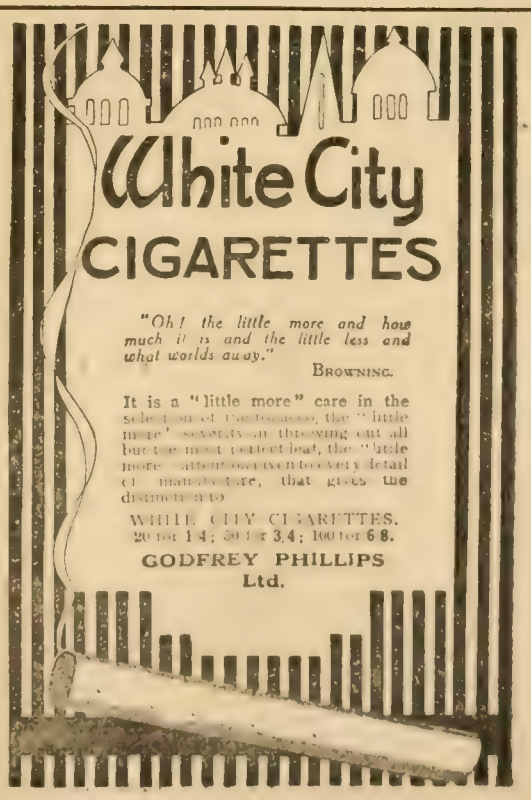
In pursuance of that policy you will see from the accounts that the directors have added £186,695 to general reserve, to bring that account up to the round £1,000,000; £80,000 to fields reserve account, and £20,000 to insurance reserve; and have written £282,452 18*s*. 11*d*. off fields account, £104,257 8*s*. 2*d*. off refineries account, £40,000 off pipe-lines account, and £64,310 6*s*. 8*d*. off tankers and tank installation account, and that after paying income tax, directors' fees, and home charges there is a balance of £2,676,229 9*s*. From this fall to be deducted the interim dividends paid in November, amounting to £164,250, leaving a balance of £2,511,979 9*s*., and this your directors recommend should be applied in payment of the final Preference dividend, amounting to £21,375, of a final dividend of 5*s*. per share, free of income tax, on the Ordinary shares, £714,375, amounting together to £735,750 making, as I have already said, the total distribution on the Ordinary shares for the year 30%, as against 32½% for the previous year on the then much smaller issued capital, and leaving £1,776,229 9*s*. to be carried forward, subject to the payment of excess profits duty, which, as I have just said, we estimate at something in the neighbourhood of £1,580,000. 30% free of income tax is, I would point out, equal to 42¾% under deduction of tax at 6*s*. in the £.

While during recent years our annual total dividend distributions have shown material increases, your directors have continued to pay the interim dividend on the same basis, but they have now decided that it would be advisable to make the interim dividend distribution on a larger scale, so as to equalise the dividend better over the year. I mention this now so that you will understand that a larger interim dividend next November will not necessarily mean a larger total distribution.

Investments and Interest Account.

Investments stand at £2,445,042 16*s*. 11*d*., as compared with £2,122,535 17*s*. 11*d*. at the previous December 31. The increase is practically accounted for by the £201,000 Anglo-Persian Debenture stock which, as I told you last year, the directors accepted in payment of that amount out of the £221,390 13*s*. 11*d*. owed us by the Anglo-Persian Company for six years' interest under the Preference Dividend Guarantee, and £100,000 of Indian War Loan taken in August 1918.

Interest account contributed the very satisfactory sum of £214,927 4*s*. 2*d*., as compared with £160,812 13*s*. 4*d*. for the previous year, the increase being almost entirely accounted for by interest on War Bonds. Last year I mentioned that we were showing these War Bonds separately



in our accounts as we are using them for the payment of excess profits duty, and they are therefore only a temporary investment and more in the nature of cash, and it will no doubt interest you to learn that during the period these Bonds were on issue we took no less than £2,750,000, of which, so far, £1,500,000 has been used in payment of excess profits duty, leaving a balance on hand to-day of £1,250,000, which will in due course be utilised towards payment of 1918 excess profits duty. You will see that we had £1,322,835 9*s*. 11*d*. in cash at December 31, and this large amount of ready money enabled us to purchase no less than £775,000 of War Bonds during the Victory Week War Bonds Campaign in Glasgow. Of War Loans we still hold £1,050,000 British Loans and £200,000 of Indian Loan, and we have just taken £500,000 in the new Victory Loan, so that altogether our contributions towards the financing of the War—in war loans and bonds, apart from the very large sum I have pointed out we have contributed under income tax and excess profits duty—have been on a most important scale.

The Anglo-Persian Oil Company.

You would all, I am sure, have read with great satisfaction the Anglo-Persian Oil Company's last report, and also the Chairman's speech at the annual meeting, in which he dealt so fully and clearly with the wonderful progress and developments of this great Company, in which we are fortunate to have such a large interest. The increase on the dividend from 6% under deduction of income tax to 8% free of tax means that our interest and dividend account for the current year receives £75,989 2*s*. 5*d*. from this investment, as against £42,743 17*s*. 6*d*. for 1918. You would, I know, all learn with much satisfaction that His Majesty had recognised the great services rendered to the nation by Mr. Greenway as Chairman and Managing Director of the Anglo-Persian Oil Company by conferring a baronetcy on him, and I should like to take this opportunity of again impressing on you how much the Empire in the first instance and our own Company in the second owes to Sir Charles Greenway, to whose devoted services the success of the Anglo-Persian Oil Company is so largely due.

The American Embargo on Exports.

Owing to the United States Government placing an embargo on the export from America of pipe and all drilling material, and to the uncertainty as to how long this embargo might not continue, it became imperative to husband carefully our stock of all drilling materials until we could count on a resumption of shipments, and our drilling programme and testing operations had therefore to be to a considerable extent curtailed during the greater part of the year. It was most fortunate under these circumstances that when the embargo came into force we were in the happy position of having ample supplies of crude oil in sight for all our requirements and a number of wells drilled to the top of the oil sand and ready to be brought into production whenever the oil was needed, and the termination of hostilities finding us so fortunately placed removed all anxiety from our minds of being forced, by a protracted continuance of that embargo, into any material curtailment of our operations owing to shortage of crude oil in the fields. Now that the embargo has been removed we are beginning to get delivery of the pipe and drilling materials ordered as far back as April 1917, and we shall therefore shortly be able to resume our drilling and testing operations on a greatly extended scale, and to carry out that programme vigorously we are adding largely to our drilling staff. All this, you will readily appreciate, means a very heavy expenditure, especially as prices of pipe and all drilling materials and stores have advanced so enormously—in many instances as much as three to four times—as compared with what they were before the War, and our fields expenditure and cost of production of crude oil will consequently show very large increases, during the next two or three years at any rate.

Fields Operations.

Principally on account of the enforced curtailment of our drilling and testing programme, I have really not very much to say to you to-day in connection with our fields operations. In common with all the other oil companies operating in Burmah, our efforts during the year were mainly concentrated on the Beme district, in the Yenangyoung field, where, as I told you last year, an unexpectedly rich sand was struck at about 2,500 feet. Already, however, the territory is showing signs of the severe drain that has been put upon it, and though some wells still come in with large initial production, they as a rule fall off very rapidly. In regard to our crude-oil position generally, though I feel it is rather superfluous for me to say anything on that subject in view of what I have said on more than one occasion in recent years, I can to-day confidently say that our drilling operations every year go to still further strengthen our belief that in our proved oil lands in Burmah we have ample reserves of oil to enable us to carry on our refining operations on their present scale for very many years to come.

Of our fields operations outwith Burmah I much regret that I cannot give you anything in the nature of cheering or encouraging news. We have finally abandoned one of the districts we were testing in India, after drilling to a depth of 2,660 feet, at a total cost of fully £40,000, without finding any oil. In another district under test in India we have reached a depth of fully 1,300 feet without encountering any oil. In the district in Assam, where, to begin with, we struck oil in fair quantities, but of very poor quality, and where during the past two years we have been struggling against water difficulties in every well, it has at last been conclusively proved that, owing to the poor quality of the oil, the small production per well, and the presence of so much water with the oil, the field cannot be made to pay under present conditions, and that the only hope of success lies in the possibility of striking oil in much larger quantities and free from water troubles at greater depths, and we are now arranging to test this possibility by drilling deeper.

Interests in Trinidad: The Yenangyoung Field.

Our interests in Trinidad, unfortunately, have continued to give disappointing results, and so far the new area briefly referred to by me last year as holding forth somewhat favourable indications—inasmuch as our operations in it were not so seriously subjected as in the older area to the sanding-up problem—has not come up to our hopes in the matter of production. At the same time active operations and the carrying out of new ideas for getting over this sanding-up trouble have been greatly retarded and hampered by both plant and labour difficulties, only recently eased by the termination of the War, and with greater facilities in these directions we and our associates in this enterprise are still hopeful of achieving success.

As I have already mentioned, we are now going ahead with the scheme for drilling and pumping by electric power in the Yenangyoung field, which but for the War we should have put in hand some considerable time ago. The delay, which was of course unavoidable, has unfortunately meant an enormous increase on the capital cost, which, as I have also mentioned, we estimate will now be in the neighbourhood of £1,000,000. Even at this figure we are confident that not only will there be a very considerable direct saving on the present extremely costly and, in fact, out-of-date method of drilling and pumping by steam power, but that there will also be many indirect savings and advantages through the use of electric power. While it will probably be three years before the scheme is completed, it will begin to come into partial operation, with resultant savings and benefits, considerably before that.

Operations at the Refineries.

As regards operations at the refineries, I have already mentioned that we were fortunately able to keep these running at not far short of their maximum capacity throughout the year, which meant that the throughput was practically identical with that of the previous year. There were, however, considerable changes in the yields of the different products, and it is extremely satisfactory that, as I have already mentioned, these changes have been, generally speaking, in the direction of increases in the yields of the more valuable products, with decreases of products of inferior grades. The fuel consumption also shows a reduction of not far short of 1,000,000 gallons as compared with 1917, in spite of the throughput being practically the same. All these results, I am sure you will appreciate, reflect the greatest credit on our refineries' managers and staff, especially as they were continuing to carry on their work under the great difficulties and disadvantages attendant on war conditions, and I am sure you will be pleased to authorise me to convey to them your hearty thanks and congratulations on these eminently satisfactory results.

I have already told you that the termination of the War means that we shall be in the position of going ahead with many schemes for modernising and improving our methods of manufacture, and this applies very specially to our refineries, where we can now take full advantage of the excellent results achieved by our works staff during the past two or three years, and which we could only take comparatively small advantage of owing to the impossibility, while the War lasted, of installing new plant on anything like a large scale.

The Company's Fleet.

I am very glad to be able to tell you that of our requisitioned fleet the four which were in service in the danger zones all came safely through, and these with the remainder of our fleet have now been returned to us. Our latest tanker, the *Aungban*, did no less than 10 double voyages across the Atlantic in the very height of the submarine campaign, carrying cargoes of various kinds of oils to both the United Kingdom and France. The bulk of the fresh capital expenditure appearing under tanker and tank installations, &c., account, has been incurred in providing a stern-wheel river steamer for our trade on the Irrawaddy and in connection with the removal and extensions of our Bombay and Madras installations. Operations at both these latter places are now practically completed, and we have two very fine up-to-date installations, which we feel sure will amply justify the large expenditure incurred on them. You will doubtless remember that on the two last occasions on which I addressed you I referred to the difficulties the Tank Storage Company (India), Limited)—a company formed by ourselves and the Asiatic Petroleum Company, Limited, in equal interests, purely for the receipt in bulk in

India of the petroleum spirit of the two companies had encountered for some years past in endeavouring to get a site for a bulk petrol depôt at Bombay, and I am very pleased to be able to inform you that the Bombay Port Trust has placed a suitable site at the Storage Company's disposal, and a depôt is now in course of construction which will enable us to put supplies of petrol in bulk into Bombay and bring that market into line with Calcutta, Madras, and Karachi, where our bulk depôts have been in operation for a considerable time now. While on the subject of petrol I would express our gratification that under the new scheme of Imperial Preference petrol produced within the Empire is to have a preference of one penny a gallon over foreign petrol imported into this country. At the moment this preference will not amount to very much in the aggregate, but anything that will help to bind the Mother Country and our Colonies even more closely together, and also in any way tend to encourage the search for and production of petroleum within the Empire, is to be most heartily commended.

The Pipe Line.

It seems almost unnecessary to tell you that the pipe-line has worked practically without a hitch throughout the year. I do so really to mention that in order to increase the capacity of the line and to enable it to be operated at a reduced pressure—a great advantage as helping materially to lengthen the life of the line—we are installing two more pumping-stations, another of these improvements which would have been carried through ere this but for the War. As a matter of fact, so convinced have we been of the necessity for this, that we made the greatest possible efforts to carry the scheme through during the War, but were refused the priority certificates which would alone have made this possible.

The Company and its Employees.

It has always been the aim of the directors since the earliest days of the Company to remunerate the employees on a liberal scale and to treat them with every reasonable consideration, so as to promote harmony and good feeling between employers and employed and to encourage the employees to give of their best to the Company, and with what a large measure of success that policy has been attended is, I think, proved by the high reputation the Company bears for the way it treats all its employees, and by the tribute I have been able year by year to pay in all sincerity to the staff throughout the entire business for their unfailing loyal and splendid services. We have made the housing of our large native staffs in our refineries and other spheres of our operations our special care, and we provide highly skilled European doctors and up-to-date hospitals and dispensaries for our employees, native as well as European, free of charge. In consequence we are not only singularly free from epidemics—not to mention labour troubles—amongst our native employees, but our service is exceedingly popular, and we can easily command all the labour we want. In this connection I may mention that recently, in consultation with some of the other principal employers of labour in Rangoon, we gave our native refinery employees an advance in wages, and at the same time reduced their working day from ten to eight hours. Amongst our European employees we have always done everything in our power to encourage saving by offering attractive rates of interest on deposits, with most gratifying results, and we have had a provident fund in operation for our office staff in the East for the past five years.

A Provident and Profit-sharing Fund.

But for some time past the directors have felt that something of a more comprehensive and far-reaching nature, which would give our employees a direct interest and share in the prosperity of the Company, was highly desirable, and we have just completed and brought into force as from January 1 of this year a provident and profit-sharing fund. In this fund—which is optional and open to all employees of British nationality three separate accounts are kept:—(*a*) To which the employee subscribes 5% of his or her salary, (*b*) to which the Company subscribes a bonus of a corresponding amount, and (*c*) to which when the Company pays a cash dividend on its paid-up Ordinary share capital at the rate of 10% per annum or more, the Company subscribes a percentage on the employees' salary equal to the difference between the 5% contributed by the Company to the (*b*) account and the dividend paid, with, however, a maximum of 45%, in any one year, making with the 5% credited to the (*b*) account a total of 50%. On the whole of these accounts the Company allows interest at the rate of 5% per annum. A maximum is placed on the amount an employee can accumulate with the Company, but this maximum is a very generous one. The fund gives every employee a direct interest and share in the prosperity of the Company, encourages saving, and makes provision for a substantial pension on retirement. I need hardly say that the scheme has been heartily welcomed by our employees, and it will undoubtedly tend still further to cement the very cordial relations that already exist between them and the Company.

A Central Chemical School at Cambridge.

You will have seen in the Press the announcement of the fund that was raised by the leading British oil companies for the purpose of endowing a school of chemistry at Cambridge University. Some criticism has been made, first, on the ground of doubts raised as to whether this expenditure will bring any direct benefit to the Company; and, secondly, on the endowment having been granted to Cambridge University rather than to our own university in Glasgow. As regards the first point, I do not share the view that our Company is unlikely to derive benefit from this gift. The handling of petroleum is becoming a more and more complex business, and it is within our knowledge that most valuable products have been discovered in certain oils entirely as a result of pure research work carried on in academic centres. Enormous sums are being spent in America upon research work into chemical problems, and these are being largely contributed by the great industrial enterprises. It is obviously of the utmost importance to this Company, whose profits are dependent upon a product of which at least 75% of the world's supplies are produced in America, that the study of the intricate chemical problems on which the progress of the oil industry is dependent should be pursued with at least equal efficiency in this country, as it is only natural that the benefit of the results obtained abroad would first be derived by our foreign competitors. And this brings me to the second point. It is hardly necessary for me to say that I yield to no one in my desire to further the work of Glasgow or the other Scottish universities, but, whilst we may hope to draw our students from all over Scotland and to give them the finest educational opportunities, the educational system of the Empire undoubtedly recognises Oxford and Cambridge as the central fountain heads of education serving the whole Empire.

We in Scotland have been in the habit throughout our history of sending our picked students on to Oxford and Cambridge to receive there the advantages which can necessarily only be derived from a central institution. I need only mention the present Principal of Glasgow University, as well as his illustrious predecessor; both were educated at Scottish universities, but, both being picked students, went on to Cambridge to complete their education and measure their talents against the picked students drawn from the whole Empire, and indeed from many other parts of the world. And so it is that we fell in with the view entertained by our friends the other contributing oil companies, that, if a great central school is to be created on which the industry can depend to carry forward its research and render it the utmost possible service, it should be located in a spot which as an academic centre serves the whole of the Empire and draws from it the best material from each of the universities spread throughout the Empire.

In addition to the general benefits which will be derived



from the establishment of a great central chemical school there, it is also likely to be of advantage to our Company that the endowment of this school by the oil industry will lead to the investigations by that centre of the scientific problems connected with our industry, which are growing in importance every day. Whilst therefore we share to the full the generous impulse which led our colleagues in the industry to join in the creation of this endowment, I do not hesitate to say, for the encouragement of those shareholders who may feel that we should look purely to material considerations, that I anticipate their deriving a full dividend in years to come from this investment.

Tribute to the Staff.

Now that, happily, the War is over, I should like to pay a final tribute, not only to those who from every branch of our service went to fight for the honour and freedom of our country, but also to those who, though just as keen to go and serve, recognised that it was their duty to remain at their posts and ensure the proper carrying on of the Company's operations, the vigorous prosecution of which was so vital for the provision of as large supplies as possible of mineral oils of every description for our Indian Empire, and also for the supplying to both our Navy and Army of large quantities of those petroleum products on which the success of their operations so largely depended. Of those who went to fight, seven—Second-Lieutenant George J. R. Brown, Black Watch; Lieutenant Charles S. Kirch, 1st Bedfordshire Regiment; Lieutenant C. M. Berlein, 5th Battalion Oxford and Bucks Light Infantry; Sergeant J. Wigston, Seaforth Highlanders; Gunner J. Ritchie, R.G.A.; Private A. S. Miller, Seaforth Highlanders; Lieutenant J. A. Miller, R.N.V.R.—made the supreme sacrifice. Of the survivors, nearly all, I am glad to say, are now demobilised and back in the Company's service in the same positions as they would have been in and drawing the same pay as they would have done had they never left the Company's service to go and fight. They were also given full pay all the time they were on service. As I told you last year, all our men who remained at their posts in the East are now long overdue leave, but we are arranging to give them this as soon as possible. This, however, will have to be done in relays, and it will be a considerable time before they have all got their long-delayed and well-earned holiday at home.

During the War it was, of course, practically impossible to make any additions to our staff, but within the past few months we have engaged a large number of new men, and I am glad to be able to tell you that in every instance these are either demobilised officers or men. All of them have lost several years of the best educational period of their lives in serving their country, but we feel sure that as they "made good" in the art of war they will be equally successful in the paths of peace and commerce.

Current Year's Prospects.

My reference to future prospects will be brief, and, I think I need hardly say, guarded, because in the present state of general unrest throughout the world, and with the certainty that taxation in this country must continue on a very high scale for a long time to come, and the uncertainty as to the basis on which it will be levied in future, I feel less inclined than ever to enter into the dangerous realms of prophecy. I will therefore confine myself to saying that as regards the prospects for the current year, the outlook at the moment is, as stated in the report, taken all over, favourable. While on the one hand since the Armistice there has been a decided weakening in the prices of some of our products—especially paraffin wax and petrol—and cost of production and working expenses generally have risen, on the other hand, the reduction of the excess profits duty to 40% should more than offset these unfavourable features, and I have every confidence that in due course your directors will be in a position to submit a thoroughly satisfactory report and statement of accounts for 1919.

Warm Tribute to Sir Boverton Redwood.

I cannot conclude my remarks without a reference to the great loss, not only our own Company, but the whole petroleum world, has sustained through the death of Sir Boverton Redwood. To what the oil industry owes to Sir Boverton I will not attempt to refer here. It will, I feel, suffice if in that connection I say that for fully 40 years he occupied a unique position in the oil world and was universally recognised as the greatest authority on all matters pertaining to petroleum. It is to his association with the Burmah Oil Company, and to the great services he rendered to it in his capacity as its confidential technical adviser from its earliest days to the day of his death, that I wish to say a few words to you. Of the value of these services I can speak with full knowledge, for as Chairman of the Company for the past 15 years and as a director for a number of years previously, I was in constant and close personal touch with Sir Boverton, and I know in a way that no one else knows what the Company owes to him.

Time and other considerations will not permit of my referring to these services in detail, but I would just like to mention that it was through his personal influence with the late Mr. D'Arcy that Mr. D'Arcy was persuaded to give the British Admiralty the first chance of his Persian Oil Concession when powerful foreign corporations were doing their utmost to get control of it, and then, in his capacity as the Burmah Oil Company's confidential adviser, that he arranged that the late Mr. C. W. Wallace and myself should meet Mr. Pretyman at the Admiralty and be introduced by him to Mr. D'Arcy with a view to seeing if the Burmah Oil Company would take up the Persian Concession in order to secure it for the British nation. The outcome of that meeting you all now know, and in that one direction alone you will realise what having Sir Boverton as our confidential adviser has meant to the Company. I well know what a pride he took in the progress and prosperity of our Company, and what a pleasure it was to him to attend our annual meetings, and the last time I saw him, just a month ago, and only a few days before his most unexpected end, he told me how much he was looking forward to being with us to-day. In addition to his great scientific knowledge and business capabilities, he was possessed of a singular charm of manner and an even temperament which it seemed impossible to ruffle or disturb. Personally I can never forget his great kindness to me and the invaluable help and encouragement he gave me when at the death of my father and the then managing director of the Company, Mr. Kirkham Finlay, within a comparatively short time of each other, I found myself 15 years ago at the head of the Company's affairs and often felt overburdened with my responsibilities, and I shall always look back on my long and intimate association with Sir Boverton as one of the happiest memories of my business career.

I now beg to propose "That the directors' report, the audited statement of accounts, including the balance sheet and the profit and loss account to December 31, 1918, be approved and adopted."

Mr. William J. Chrystal: I have very much pleasure in seconding the motion made by our Chairman.

The Chairman: Are there any questions to be asked?

Mr. Andrew Macdonald: Will you allow me to make a remark upon the donation for research in Cambridge? I am not objecting to it—I think it is right; but I think it is a pity to lose the benefit of the experience that has been gone through in Scotland, which, as you know, was the home of the oil trade. We thought Scotland was the sole source of oil, but now the whole world seems to be revolving in oil. I would like to divert a portion to the Glasgow University and Technical College in consideration of the arduous studies they have made of the subject. It would create local interest, and I think would help research very much in the afflicted home of the oil trade here.

The Chairman: I would only say what I have already said—namely, that the best of our students go to the English universities and will get the benefit there, and the trade will benefit through them. The sum has been definitely promised, and no part of it could be ear-marked, as you suggest, but, if the shareholders approve of it, the Company will be quite pleased to subscribe to any similar object promoted in the Scottish universities.

There being no further questions, the resolution was agreed to.

The Chairman then proposed the payment of the dividends recommended on the First and Second Preference shares and on the Ordinary shares, carrying forward, subject to excess profits duty—estimated at £1,580,000—the balance of £1,776,229.

Mr. D. Brodie Macleod seconded the resolution, which was unanimously agreed to.

The Chairman next moved the re-election of Mr. James Hamilton as a director of the Company.

Mr. F. L. M. Moir seconded the resolution, and it was unanimously adopted.

The Chairman moved the re-election of Mr. H. S. Ashton as a director.

Sir Samuel Chisholm, Bt., seconded the resolution, which was unanimously agreed to.

The Chairman moved the re-election of Mr. D. W. T. Cargill as a director.

Colonel D. S. Morton seconded the resolution, and it was unanimously adopted.

Mr. John Watt proposed the reappointment of Mr. R. A. Murray, C.A., as auditor of the Company at a remuneration of 300 guineas.

Mr. A. A. Smith seconded the resolution, which was unanimously adopted.

The Chairman: That is all the business, ladies and gentlemen, and I have to thank you very much for your attendance.

Mr. A. C. Anderson: Before the conclusion of the meeting I think it will be your pleasure and duty to accord to Mr. Cargill a vote of thanks, not only for his conduct in the chair, but for his magnificent management of the Burmah Oil Company. (Cheers.) He has been our Chairman now for 15 years, and the Company has progressed magnificently under his chairmanship. It is to-day a huge undertaking, and the energy and patriotism displayed by the Company are acknowledged on every hand. I therefore wish Mr. Cargill long life to conduct the chairmanship of the Company. (Cheers.)

The vote was unanimously accorded.

The Chairman: I have already detained you so long that I should like only in a word to thank Mr. Anderson

for the way he has proposed this vote of thanks to me, and you for the hearty way in which you have received it. I need hardly say that I have the interest of the Company very deeply at heart. I think I can honestly say that I have devoted the best years of my life to the interests of the Company, and so long as it is the pleasure of the shareholders that I should remain as Chairman, and so long as I am given health and strength, I shall continue to give of my best to the Burmah Oil Company, of which I am so proud.

The proceedings then terminated.

EXPLORING LAND AND MINERALS, COMPANY, LTD.

THE ordinary annual general meeting was held on June 26 at Winchester House, Old Broad Street, E.C., Mr. T. Piercy (the Chairman) presiding.

The Secretary (Mr. J. M. Mackay) having read the notice and the auditors' report,

The Chairman said: Gentlemen,—I will first deal with the accounts. Our investments in Government securities stand at £81,017, being an increase of £24,777 over the total at which they stood last year. The shares and debentures in other companies stand at £55,328, as against £66,724 last year, a decrease of practically £11,400. This is accounted for by the fact that we have disposed of our holdings in Rand shares. Last year our quoted shares and debentures showed a small depreciation as compared with the balance sheet figures of £3,860. This year there is an appreciation of £22,027, so that we are better off in this respect by nearly £26,000. Sundry debtors stand at £8,858, a reduction of £8,726. Loans on security £4,671, are practically the same, and cash in hand is £4,620, as against £2,320. Last year we received from royalties £3,703. This amount did not appear in the profit and loss account, but was deducted from the cost of property in Rhodesia and West Africa. This year, however, the amounts received from tribute are taken into the profit and loss account, and amount to £2,316. Your Board has given instructions for the herd to be increased as rapidly as possible in the future consistent with caution, and since I last had the pleasure of meeting you we have despatched from this country 34 head of Sussex and Hereford pedigree cattle, of which eight were bulls and 26 heifers. Since December 31 last we have also purchased about 120 head of grade cattle in South Africa, and given instructions for further beasts to be purchased as opportunity offers. On April 30 the total number on the ranch was 2,235 head. On the whole, I think we have every reason to be more than satisfied with the present position of our Company. In the first place, our liquid assets have increased by a sum of over £32,000, while our investments in Government securities show an increase of nearly £25,000, added to which there is an appreciation in the value of our shares and debentures of over £22,000, which, compared with the small depreciation of last year, shows us to be better off in this respect by nearly £26,000. Your Company still holds a controlling interest in the Ex-Lands Nigeria, Limited, the shares of which have appreciated considerably since I last addressed you, and the prospects of which continue to be excellent.

Mr. J. E. H. Lomas seconded the motion, which was carried unanimously, and the proceedings terminated.

GREAT BOULDER PROPRIETARY GOLD MINES, LTD.

THE twenty-fifth annual general meeting was held on June 24 at the Cannon Street Hotel, E.C., Sir George P. Doolette, J.P. (the Chairman), presiding.

The Secretary (Mr. John Gregory) read the notice convening the meeting and the auditors' report.

The Chairman, in moving the adoption of the report and accounts, said they met on the present occasion to record the twenty-fifth anniversary of the formation of the Company. Dealing with the directors' report, Sir George stated that the tonnage put through the mill during the past year was 152,196, as against 182,265 in 1917, a decrease of 30,069 tons, which was entirely accounted for by lack of labour. In spite of this decrease in tonnage the number of ounces produced was only 5,193 less than last year. The result compared with 1917 was a decrease in sterling on the gross amount received of £49,876. Owing to the lesser tonnage put through the mining expenditure was less than that of the previous year by some £16,000, and this, together with some economies in London and Adelaide and less Australian taxes payable, brought the net decrease in profits in 1918 as compared with 1917 to £28,496. The costs per ton had gone up owing to the lesser tonnage and higher prices for labour and materials, and now stood at 32*s*., as against 28*s*. 8*d*. in the previous year, or in normal years of 23*s*. or 24*s*. The available profit was £201,354, and three dividends of 9*d*. per share absorbed £196,875, so that the balance of £4,479 left very little for reserves or depreciation. The balance to credit of floating assets and liabilities was about £87,000, but this was all locked up in mining stores and shares in hand, so that their reserve of liquid funds was none too great for their extensive operations. The manager, in his report, said that from present appearances the tonnage which would be treated in 1919 would be about the same as that treated in 1918, and from this he (the speaker) inferred that the profit would be about the same. It would thus be seen that the directors would be unable to pay more than the dividends paid in 1918, so that it would be necessary to pass the September dividend as they did last year, resuming the dividends again in December next. The value of the ore reserves had not diminished very much during the past year. At the end of 1917 they were worth £1,175,000, and they were now valued at £1,060,000. They showed a reduction of 41,792 tons and 29,242 oz., the average value of the ore for 1918 being almost the same as for the year 1917. During the past 25 years the Company had had an aggregate output of gold of the net value of £11,649,970, showing a profit of £6,699,293, enabling the directors to distribute to the shareholders by way of dividends £5,531,800 after paying income and Federal taxes. The mine had very many years before it.

The Hon. Sir Newton J. Moore, K.C.M.G., seconded the motion, which was carried unanimously.

BRITISH BROKEN HILL PROPRIETARY CO., LIMITED.

AT the ordinary general meeting of the British Broken Hill Proprietary Company, Limited, held on June 12, the Chairman, Mr. J. S. Smith-Winby, in the course of his remarks, referred to the labour situation at Broken Hill. He said: It cannot be denied that all the producers at Broken Hill have displayed the greatest consideration for their men, whose wages and conditions of living have been greatly improved of late years. Unfortunately, though the miners at Broken Hill, taking them individually, are a fine lot of fellows, they are continually being misled by a group of professional agitators, whose avowed aim is to promote an epidemic of discontent, and whose occupation would be gone if their mischief-making propaganda failed to attract some response. All the mine owners at Broken Hill are prepared to pay good, and even liberal, wages for good honest work, and I believe this fact would be recognised by the men themselves if they were left alone. The situation is perhaps not quite as bad as it was, but it certainly is very disquieting still, and we can only hope that wiser counsels will soon prevail. When the present general condition of unrest has passed, our men will realise that, despite what a few irresponsible firebrands may allege, their interests, and those of their employers, are really inseparable, and that what both sides should aim at is the principle of fair give and take. Employers at Broken Hill can certainly claim to have already accepted this principle and to have displayed every reasonable desire to do what they can to improve the position of the men and harmonise the interests of capital and labour, which each have their rights as well as their obligations. If the men will only follow suit in the same spirit it will be for the general benefit of the community, and certainly to their own great advantage. In this connection it would be interesting if a statement could be got out showing the amount paid to Broken Hill shareholders by way of dividend since the opening of the field, and the amount expended in wages alone, to say nothing of expenditure on plant, machinery, rates, royalties, &c. There can be no doubt in whose favour the comparison would be, and it would not be the shareholders, whose return upon their investment from the commencement would be found very far from excessive in proportion to their risk—an aspect of the question that labour leaders will invariably ignore, but which must be taken into account if enterprise is to continue. At the present moment all the principal mines at Broken Hill, including our own, are shut down as the result of a strike which originated with a dispute between certain of the unions, and was followed by a further demand for increased wages, which is still under discussion. We have no knowledge yet when work will be resumed, and you will recognise the difficulty of carrying on when production can be entirely interrupted in this way. In conclusion, I would add that,

The Moneyed People of the Richest Province in Ireland —Ulster—look to the

Northern Whig

AND BELFAST POST

as an investment guide

¶ The insertion of your prospectus will prove this.

Put the 'NORTHERN WHIG' on the List

The London Office is connected with the Belfast Office by private wire (City 9383)

92 Fleet St., E.C.4.

although my comments on the situation may seem somewhat gloomy, and the directors are regretfully obliged to send you away empty handed to-day, there is reason to hope that before the end of this year we may be able to lay before you a more cheerful statement of our position and prospects, if only during the next few months the industrial world will settle down again to serious and solid productive work—hard work, with unrestricted production, being the only panacea for the economic troubles from which we are all suffering.

OROVILLE DREDGING COMPANY, LIMITED.

THE eighth ordinary general meeting was held on June 25 at Salisbury House, London Wall, E.C., Mr. F. W. Baker (the Chairman) presiding.

The Secretary (Mr. Henry Richards) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: We have not yet come to any settlement with the Inland Revenue on the excess profits question. So as to maintain an extremely strong financial position and to be able to meet any possible demands in connection with the excess profits duty, our advisers have recommended us, and we have adopted their recommendation, to hold £100,000 in hand, and with this fund in hand to resume operations on normal lines. This, as I just reported, we decided to do, and we cabled Mr. Prichard accordingly about two months ago. We are now and will in future continue to benefit by this radical change in policy. You will notice that we took advantage of an opportunity to acquire an additional 5,000 shares in the Pato Mines of Colombia, costing us £11,055 10*s*.

Turning now to the Pato Mines (Colombia), Limited. In consequence of the policy of dredging in the poorer and partly in the untested ground, the London accounts of Pato Company for the year show a loss of £1,568 18*s*. 6*d*., after providing for £26,140 8*s*. 11*d*. depreciation on plant and equipment. Deducting this debit balance from the sum of £183,320 0*s*. 8*d*., being the amount carried forward from last year's accounts, leaves a sum of £181,751 2*s*. 2*d*. to the credit of profit and loss to September 30, 1918, subject to excess profits duty. The whole of this sum has been employed in the redemption of income notes. Mr. Prichard, in his report, states that of the prospected area there remained at October 1, 1918, 18,441,450 cubic yards, having an average value of 29.3 cents per cubic yard and a gross value of $5,412,730, represented by an undredged area of 433 acres. You will remember we advised you that, for the purposes of working on poorer ground, an arrangement had been made with the Nechi Company whereby its dredge could be utilised for dredging some deep gravel along the banks of the river on the Pato side.

I now turn to the position at the Nechi property. The policy to work the poor ground and the policy to transfer the dredge from our own property to operate a portion of the untested area on the Pato ground on the basis of an equal division of profits was deliberate and formed for that year the policy under which we intended to work, and the results in my judgment are eminently satisfactory. We set out to earn our Preference dividend regardless of the position of this Company, who hold 125,993 of the 140,000 Ordinary shares.

Mr. A. Stanley Elmore seconded the resolution.

WAIHI GRAND JUNCTION GOLD COMPANY, LIMITED.

THE ordinary general meeting was held on June 25 at Salisbury House, E.C., Mr. H. D. Bishopp (the Chairman) presiding.

The Secretary (Mr. A. Stewart) having read the notice convening the meeting and the report of the auditors,

The Chairman said that through continued shortage of labour they were only able to treat 80,210 tons, against 116,130 tons in 1917, the value of the ore milled also showing a reduction of 4*s*. 7*d*. per ton. The bullion return was £137,243, against £211,943. The total revenue was £145,651, against £220,039. On the debit side, in addition to the ordinary costs of mining, milling, &c., there was a payment to the Waihi Company of £4,491, compensation for an inadvertent encroachment whereby this Company mined about 1,000 tons of their ore, and the administration expenses in London were increased by the costs incidental to obtaining Mr. Dixon's report and advice. The net result was a profit of £5,616, which, after making provision of £15,000 to meet income tax, resulted in a debit of £9,383. Last year they carried forward £36,479. Deducting the debit, there was £27,095 18*s*. 1*d*., from which they paid an interim dividend in November of 1*s*., free of income tax, leaving £7,877 to carry forward. In December, 1917, a stripping of the blades occurred in their big turbo generator, and deprived them of the principal source of power. It had only been possible to ship a new turbo this month. They had thus been reduced to three small turbo generators, which were not economical in use. They had been unable to employ their pumping equipment to the best advantage, and had had to pay considerable sums to their neighbours. With regard to the water question, they had entered into an agreement to leave to arbitration in New Zealand the apportionment of their respective liabilities. It had been impossible to proceed with any of the extensive development plans they had under contemplation when they sent Mr. Dixon to examine the property and advise thereon. They had, however, in accordance with his recommendation, purchased the property of the Waihi Extended Gold Mining Company immediately adjoining their own property on the north. This addition of 119 acres might contain the extension of some of their lodes, but the immediate advantage was that it provided a second shaft. By the acquisition of the Extended property they obtained a shaft sunk to 1,371 feet, which, when connected up, would afford adequate ventilation and enable them to exploit the eastern portion of their lode system.

Mr. Stanlake Lee seconded the motion, and the proceedings concluded.

NORTHERN EXPLORATION COMPANY, LIMITED.

THE ordinary general meeting of the Northern Exploration Company, Limited, was held on June 26 at the Abercorn Rooms, Great Eastern Hotel, Liverpool Street, E.C., Mr. Frederick Lewis Davis (Chairman of the Company) presiding.

The Secretary (Mr. D. Martin-Watt, F.I.S.A.) having read the notice convening the meeting,

The Chairman said: Gentlemen,—Since I last addressed you our list of shareholders has enormously increased, and I therefore think it well that I should briefly cover the period from 1910, so that new shareholders will be conversant with the operations of this Company in Spitsbergen. The Northern Exploration Company, Limited, was registered in

NORTHERN EXPLORATION COMPANY'S AREAS IN DEEP BLACK



SHOWING DISTANCES FROM DIFFERENT PARTS OF BRITAIN

November 1910 to take over certain properties in Spitsbergen (acquired by the expeditions sent out by the vendors in 1904-5-6-7-8 and 9). A certain amount of work was carried out at King's Bay, Bell Sound, Lowe Sound, and Recherche Bay. The enormous and beautiful marble deposit at King's Bay was located, and a variety of samples shipped to London for expert criticism. Coal was also discovered and opened out on our properties, and later large iron deposits were discovered in 1913 and 1914 of hæmatite iron ore and magnetite iron ore in Recherche Bay (I shall deal specially with these latter mountains later in my speech). Other valuable mineral deposits were found (17 rare metals in all), including lead, zinc, graphite, molybdenite, asbestos, and indications of gold; there were also strong indications of the existence of petroleum. From this information you will clearly see that our titles date back to early in 1905, and our records by the original prospectors who discovered these properties and staked them out have been lodged with our Foreign Office, and are recognised and protected by them as this Company's legitimately acquired interests.

"Wonderful Mineral Deposits."

I now purpose telling you all about the wonderful mineral deposits, particularly coal and iron, in this Company's terri-

tory in Spitsbergen To say nothing of all our other minerals, you have in the coal and iron two most valuable assets not only for this Company, but for this country of ours and this Empire. We are officially informed by one of the largest shipping concerns that the Swedish Company was financed by German banks for the purpose of making a railway to Norway from Gellivara; 20,000,000 tons of iron ore were sold to German blast furnaces at 13*s.* 3*d.*, and 13*s.* 9*d.* per ton c.i.f. Rotterdam for delivery over 10 years, and, as far as I know, these contracts were just completed before the War. The same ore was sold in Middlesbrough before the War at between 25*s.* and 30*s.* per ton c.i.f. The Hamburg-Amerika Line and another German firm entered into a contract to carry this ore to Rotterdam at about 7*s.* per ton, and this contract was re-let at various times at from 5*s.* 3*d.* to 6*s.* per ton; hence the Hamburg-Amerika Line would make at least 1*s.* per ton profit, or £1,000,000. Think, gentlemen, for a moment what this must mean to the steel manufacturers of Great Britain.

Coal and Iron.

We have now the most abundant evidence of the existence of this mineral, in such quantities and of such quality that if we had to rely on this product alone a great success is absolutely assured. Our last advices show that, without modern machinery either to get or load the coal, we have obtained (with a very limited number of men) several thousand tons, and stacked it ready for shipment. Given electrical coal cutters, conveyers, wire ropeways, and piers, our output of coal need have no practical limit, and when I tell you that the present price of coal ex ship in the northern ports of Norway is £6 to £8 per ton, it appears to me and my co-directors that there is room for the energies of a number of Spitsbergen companies dealing with coal alone. That coal, both anthracite and bituminous, abounds there in large seams and of good quality there is no longer room to doubt. Although development is only in its infancy, the output in 1918 was over 100,000 tons. The working of the coal seam is so simple, indeed, that coal can be shipped even now at about 7*s.* per ton f.o.b. at Lowe Sound, Spitsbergen, and when electric cutting machinery is installed the cost of production will be still less. A Swedish Company in which the Northern Exploration Company has a large interest has been successfully working coal seams at Braganza Bay, and a Norwegian Company owns and operates coal-mines in the Advent Bay district. I have already mentioned that we possess iron deposits and magnetite in Recherche Bay. This iron deposit discovered on our properties will be an invaluable asset to the British Empire. The ore is described as "an extremely rich magnetite ore, free from any deleterious impurity, and on account of the low amounts of sulphur and phosphorus it could be used for the production of the highest grade steel." As to the extent of these deposits, the ore is not in isolated patches or seams, but in veritable mountainous formations. In Recherche Bay the deposits extend for upwards of 17 miles. To the east of Recherche Bay there is a range of mountains composed of iron ore, and some 400 feet up the slope of this range the mountain side is covered with iron ore *débris* dislodged from the solid rock of the mountain by the disintegrating force of the atmospheric conditions of past centuries. Indeed, the existence of these valuable resources having been proved, the future of Spitsbergen resolves itself, broadly speaking, into a question of shipping.

The Company's Future Programme.

You will now, no doubt, be interested to learn the future programme of our Company. We are giving our earnest attention to the formation of several subsidiary companies for working separately the coal, iron, asbestos, marble, and the many other valuable minerals located on the Company's areas, as well as a store and trading bank. When these arrangements have been concluded we shall occupy the position of a parent Company. The outlook, therefore, is of the most promising character. I will now turn your attention to the question of finance. In addition to finding the necessary capital for the expedition I have already referred to, Mr. Salisbury-Jones had many interviews and much correspondence with the Foreign Office, and, as a result, Mr. Balfour wrote to the Treasury, Admiralty, Ministry of Shipping, and Ministry of Munitions stating that he considered it desirable that this Company should be enabled to visit and develop their properties in Spitsbergen in order to preserve their rights thereto, which were in danger from neutral competitors, who have free access to the islands, and urging them to give our expedition every facility. He also specially urged the Treasury to grant permission to the Company to issue the balance of their capital of £500,000, informing them that he attached political importance to the matter, and would be glad if the Company's application could be granted. For reasons which we are quite unable to understand, the Treasury Committee on New Issues of Capital refused sanction to the issue of additional capital until recently. One of the effects of this very extraordinary and very unreasonable action was to throw difficulties in the way of a settlement and quotation of our new shares on the Stock Exchange. As you already know, the nominal capital of the Company was increased on May 8, 1918, to £500,000 in shares of £1 each, all of which have now been issued and taken up. It may be of interest to the shareholders to learn that before the 1918 expedition the area owned by our Company was about 2,000 square miles. As a result of the work done by the 1918 expedition and since, our mineral areas have been very considerably increased. In concluding, I hope that I have made myself perfectly clear to you to-day as to the enormous national importance of Spitsbergen, more particularly in connection with the future supply of coal and iron. Now, gentlemen, I trust I have given you as full and explicit a report as you may desire, and it only remains for me to propose that this meeting be adjourned to a date not later than October 31, 1919, to enable the accounts to be made up in Spitsbergen to June 30, 1919, and to be duly incorporated in the London books, audited by the Company's auditors in London, and circulated in the usual manner.

Sir Harry H. Brittain, M.P., seconded the resolution, and after the Chairman had replied to a few questions it was unanimously carried.

The proceedings then terminated.

GREAT INDIAN PENINSULA RAILWAY COMPANY.

THE 139th half-yearly meeting of this Company was held on June 27 at 48 Copthall Avenue, E.C.

Sir Charles H. Armstrong, who presided, said that so far as gross receipts were concerned the six months' working had been very satisfactory, the total for the half-year having been a few rupees under 650 lacs, as compared with a little over 600 lacs in the corresponding period of the previous year. The excess was over 45 lacs, equivalent to an increase of 7.49%. For the whole year they had reached a record figure of 1,283 lacs, against 1,135 lacs in the previous 12 months, an increase of just over 13%. As regarded the current year, the gross receipts were already in excess of those of the corresponding period of last year by more than 35 lacs of rupees. Although the train mileage during the half-year under review had decreased, the expenditure had increased considerably, and, from the gross receipts, 387 lacs must be deducted as working expenses, against 324 lacs in the corresponding period, an increase of 62¼ lacs, or 19.21%. For the whole year the comparison was 736, against 605 lacs, an excess of 130 lacs, or 21½%.

Increased Expenditure.

The net revenue for the half-year was therefore less by 17 lacs, or 6%, but for the 12 months the figures showed an increase of 17⅜ lacs, or 3½%. The total net earnings for the two half-years was 506 lacs, from which interest charges of 297 lacs had to be deducted. This left a net amount of 208¼ lacs, of which the Company's share, after deduction of Indian income tax, was Rs. 9,76,293. This amount remitted at 1*s.* 8*d.* exchange had realised £81,357 15*s.*, out of which the directors were distributing 1¾%—the same as



ASBESTOS

Turner Brothers' Asbestos Co., Ltd.

MANUFACTURERS

ROCHDALE, ENGLAND

last year—in addition to the guaranteed interest for the half-year of 1½%. The expenditure during the past year, owing to the War conditions which prevailed, included hardly anything for renewals and repairs, but this and following years would have to bear a full share in this respect, and, with steadily increasing expenditure under many other heads, the ratio of expenditure to gross receipts must increase. If, however, the traffic continues to expand, they might to some extent be able to cover the increased expenditure to which they were now committed and which was already much overdue. He could only hope, therefore, that the monsoon this year would be favourable and that, notwithstanding the advance in exchange from 1s. 4*d.* to 1s. 8*d.*, which would materially help the import trade of India, there would be such a large demand for raw materials in India to replenish stocks in this country and on the Continent that the line would be kept busily employed to such an extent that the gross receipts might again show a record figure. At the moment everything tended in this direction.

For the year the ratio of expenditure to gross receipts was 57.31, and for the half-year 59.50, against 53.31 and 53.65 in the corresponding twelve and six months respectively. Arrangements by private firms were now in progress for the starting of important new works on the other side of India, from which within the next few years the Company might be able to get supplies of rolling stock, locomotives, wagons, and so forth. On the Bombay side, schemes of industrial development were also in contemplation, some to the south of Bombay to be worked by hydro-electric power, and others more or less alongside their line at no great distance from the Presidency town. The carriage of raw materials for these industries must be beneficial to their traffic, and the articles produced would have also to be distributed throughout the country by the agency of the line.

The Future.

Since the beginning of this year they had placed large orders in this country for locomotives, rails, wagons and many other very necessary articles required partly to replace equipment which had steadily deteriorated during the past four years, and partly to enable the Company to deal with the larger traffics they had now to handle. The cost of these very necessary and urgent supplies was, however, very much in excess of pre-war rates, and if high prices continued—and the probability was that they would—it was inevitable that Government would have to adjust their ideas as to the annual amount required for the development and extension of Indian Railways. As the railways were a great asset to Government and a great asset also in connection with the rapid development of the country—industrially and otherwise—no effort should be spared to grapple with the situation. Money spent on the development of railways, more especially on existing railways, to bring them up to date, would be money well spent, both from a financial and trade point of view. As regarded the future, they had many big schemes in contemplation, for which money would be required, and its provision was likely, he feared, to be a difficulty for some time to come unless some departure from the present method of financing railways could be devised. In India itself money was likely to be diverted into Indian enterprises, from which in many cases a good return might be anticipated, and, if so, it was probable that railways would have to look to the home market for funds, but so far as could be seen at present, they would have to pay a higher rate of interest than had been customary in the past.

The report was unanimously adopted.

J. G. WHITE AND COMPANY, LIMITED.

THE twentieth ordinary general meeting was held at 9 Cloak Lane, E.C., on June 27, Mr. G. M. Booth presiding.

The Chairman said that the financial year under consideration dealt with work carried on under war conditions. It was evident that the task of restoring business conditions to a pre-war basis was going to be long and difficult. He did not see how the trade of this country was to be restored to its proper place unless and until there was borne in upon the minds of all classes in this country an understanding that the War having left us poorer we must all work harder. Hours and hours might be spent by Coal Commissions in discussing whether someone had made more profit than he ought to have made or received a royalty for which he had rendered no service to the State, but never a practical suggestion was made which would result in more coal being produced more cheaply in England for the general benefit of the home consumer and for the increase of the country's wealth by its capacity to export coal in competition with fuel from other countries. If Labour and Capital would co-operate and not quarrel, the great up-hill task which we had before us was capable of fulfilment, but nothing else would enable us to win through. The business of the year had proved not unsatisfactory, and it was remarkable that they had been able to show some increase in net profits. As to the future, they were now disposing of surplus engineering stores for the American Government, but this work would soon terminate, and they must now devote their efforts to peace-time activities. They had recently been awarded a small tramway reconstruction contract, but conditions for carrying out any new work were extremely difficult. Their investment account should show better results, and their operating department was also in good shape, and as they added additional management contracts to their list they were able to reduce to some extent the expense ratio and so secure improved profits. An important addition to this section was the operating contract secured with the Chilian Electric Tramway and Light Company. The International Light and Power Company, in which they held a large block of the Ordinary and Preferred shares, was doing well. Since the Armistice the whole of the arrears of Preference dividend had been paid off, and the earnings for the current year showed an improvement over those for 1918, which were themselves the best in the history of the Company. A year ago reference was made to the formation of a subsidiary company for trading purposes. This now existed under the name of the J. G. White Commercial Company, Limited.

The report and accounts were unanimously adopted, and a dividend of 6% was declared on the Ordinary shares, payable on July 1.

NOW READY.

Published June 23, 1919. *Tenth Year.*

Contains all the latest information up to within a few days of publication.

THE

OIL & PETROLEUM MANUAL 1919.

By WALTER R. SKINNER,

Editor and Publisher,
"Mining Manual and Mining Year Book."
Established 1887.

Price 6 - net.

Post Free (Inland) 6/6 Post Free (Abroad) 7/-.

300 pages. In Demy 8vo, bound in **RED** Cloth.

The Standard Reference Book on Oil.

Contains complete and up-to-date PARTICULARS OF 500 COMPANIES

(Producers, Refiners, Carriers (pipe and steamship), and Oil Finance Companies in all parts of the World).

Special attention has been given to the principal AMERICAN and FOREIGN Companies.

Lists are also given of the Officials connected with the Companies, and comprise 1372 Directors, 264 Secretaries, 132 Consulting Engineers, Managers, Agents, etc., their names and addresses and company connections.

The Particulars of each Company include the Directors and other officials, date established, location of property, purchase consideration, number of wells sunk, production and description of work in progress, capital, if offered to the public, calls, dividends, and financial position as disclosed by accounts, also latest price of shares.

The work also contains a glossary of terms and table showing monthly production for thirteen months ending April 30, 1919, of principal producing Companies and World's Petroleum Production since 1857.

To be obtained from all Booksellers, or direct from the Editor and Publisher,

WALTER R. SKINNER,
11-12 Clements Lane, London, E.C.4.

Tel. Address: "Capitalist, London." Phone: Avenue 1323.

CHANNEL TUNNEL COMPANY, LIMITED.

AN ordinary general meeting of this Company was held on June 27 at the Cannon Street Hotel.

Baron Emile B. d'Erlanger, who presided, said: We consider the completion of the Channel Tunnel, which we began 50 years ago, one of the most important items in our national policy of reconstruction. It is essential in our eyes, from a political point of view, in order to link our destinies with those of France as closely in peace as in war. It is essential in no less a degree from the point of view of political economy. Our Empire is essentially a commercial Empire; its foundation-stones have been trade, commerce, and industry, and that is why it has grown into the biggest and strongest Empire of which the world's history has kept the record. If we are to keep this record unblemished and unchallenged, we must by all legitimate, and therefore peaceful, means maintain our position in the world's trade, commerce, and industry. Who will gainsay that in the competition for the markets of the world the question of quick, safe and cheap transportation is not a dominant factor? The speediest, the most reliable, and, I venture to assert, the cheapest access to the markets of Continental Europe will be best assured by the construction of the Channel Tunnel, and that is why I advocate its construction on national grounds of political economy. If Parliament and public opinion agree with us on this point let the question be debated at once in Parliament, and the matter be set at rest once and for all, for your expectations, gentlemen, are those of France, and as expectations grow with hope, the sooner any adverse decision is known, if it is to be adverse, the less bitter will be the disappointment. This Company has spent hundreds of thousands of pounds in preliminary work and in keeping the question of the tunnel constantly before the public eye. It has therefore vested rights in law and in equity which I feel certain that such an impartial and high-minded body as the British Parliament would be the last to ignore. The Channel Tunnel Company is prepared, at any time, to promote a Bill in Parliament for the construction of the tunnel, fully realising that it has to satisfy the House of Commons on the following points: (*a*) That not only will the construction not endanger the national safety, but will make security doubly secure; (*b*) that from a technical point of view there are no insuperable physical difficulties in the construction of the tunnel; (*c*) that the safety and comfort of the public using the tunnel will be assured; (*d*) that the tunnel scheme is a sound commercial enterprise; (*e*) that it will greatly stimulate the trade, industry and commerce of this country; (*f*) that proper control of the private enterprise by the State is assured, and that the State be given the opportunity of taking a financial interest in the same if it so desires. In conclusion, all I ask, on behalf of my constituents, before shouldering the heavy burden of work and the great expense entailed by the promotion of such a Bill, is some assurance that no *prima facie* decision has been taken by the Government against the construction by private enterprise, that the Bill is deposited with the approval of the Cabinet, and is thus assured the impartial consideration of Parliament.

The report and accounts were unanimously adopted, and Lord Sydenham of Combe and Admiral Sir Martyn Gerram were elected members of the board.

HARROD'S STORES, LIMITED.

AN extraordinary general meeting was held on June 27 on the Company's premises, Brompton Road, S.W., to consider and, if thought fit, pass a resolution to increase the capital from £2,150,000 to £3,000,000 by the creation of 850,000 new Ordinary shares of £1 each. Sir Alfred J. Newton, Bart. (Chairman of the Company), presided.

The Chairman, in moving the resolution, said: The constant growth and expansion of our business has formed one of the principal subjects of consideration whenever the shareholders of this Company have met. Within the last few weeks the Company have also arranged to purchase the freehold premises known as 78-94 Brompton Road, immediately opposite the Company's main block of buildings. This property is let on leases expiring within eight years, and will then become available for the purpose of the Company. In the meantime, the Company will have the benefit of the rents. The directors regard the acquisition of this property as extremely beneficial in view of the rapidly growing needs of the Company. Adverting to the circular, it is therein stated: "During the War the Company carried out large contracts for the Belgian Government. In the execution of these contracts the Company not only gave great satisfaction to the Belgian Government, but have also thereby become well known, and have established a high reputation in Belgium. The Company have now started wholesale branches in Brussels and Antwerp, and are doing a considerable business on satisfactory lines." You will be interested to hear that, to meet the requirements of Continental trade, a private company has recently been registered, entitled Harrods (Continental), Ltd., to develop our trade in these markets. The share are all held by Harrod's Stores, Ltd. Your directors are convinced of the possibilities of wholesale and Continental trade, and every effort is being made to secure to Harrod's its full share of hungry markets. You will readily gather that the programme put before you, including as it does, purchase of property, completion of buildings held in abeyance during the War, general extensions, internal alterations to secure enlarged counter accommodation on the ground floor; very largely increased stocks, and the adoption generally of a vigorous go-ahead, withal, cautious policy, very naturally requires expenditure of capital. The outlay of such capital in the direction indicated your directors consider will be in the best permanent interest of the Company. It is therefore proposed in the first instance to increase the capital of the Company to £3,000,000 by the creation of 850,000 new Ordinary shares of £1 each, though it is only intended to issue 475,000 shares at the present time. The balance of the unissued capital (375,000 shares) will be available as and when required for future developments. The directors propose that the opportunity of subscribing for the new shares shall be confined exclusively to the Ordinary shareholders, and employees of the Company, and therefore intend to offer the above 475,000 shares now proposed to be issued to the Ordinary shareholders on the register on June 7, 1919, in the proportion of one new share for every two shares held—excluding fractions of a share—and to offer to the employees of the Company such number of the new shares as will represent the total fractions. It is proposed that this issue of Ordinary shares shall rank for dividend and in all other respects *pari passu* with the present Ordinary share capital after the payment of the interim dividend for the current half-year ending July 31, 1919. The premium obtained upon the issue of the new shares, after payment of the expenses of and relating to the issue and allotment, and subject to the payment of £8,900 to Messrs. Cohen, Laming, and Hoare, the brokers of the Company, for their professional assistance in advising the Company as to complying with the Stock Exchange requirements in connection with the new issue of shares, and in guaranteeing the subscription of the issue will be carried to the reserve fund of the Company. I have reserved the most interesting part of my communication to wind up with. The price of issue of the new shares has given your board considerable anxiety. From the first there was no hesitation in determining that the benefit to be derived from the issue should be confined exclusively to the Ordinary shareholders of the Company, and in fixing the price of the issue at £2 10*s.* per share. (Applause.) I am satisfied the action of the board will be unanimously approved. To every shareholder on the register of the Company on June 7, 1919, there will be offered one new share in respect of every two Ordinary shares then held. Fractions cannot be dealt with, but these, as announced, will be offered to the employees of the Company at the price of £2 10*s.* per complete share. Any of the new shares lapsing or not applied for will be dealt with by the directors.

Sir Woodman Burbidge, Bart., C.B.E., seconded the motion, which was carried unanimously.

RAND GOLD OUTPUT.

Crown Mines.—Capital £1,000,000, in 2,000,000 shares of 10*s.* each; issued, 1,880,212. £573,500 Five per Cent. Debentures. Milling capacity about 230,000 tons per month.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	660	2,100,000	8¼	2,700,095	25/9	2,026,129	19/4	673,966	6/5	2⅞
1918 ...	660	1,861,000	9¼	2,528,760	27/1	2,118,055	22/8	410,705	4/5	2¼
1919.										
Mar. qr.	660	424,000	11·15	605,100	28/6	548,282	25/10	56,818	2/8	—
Apr. ...	—	158,000	—	217,122	27,6	185,015	23 5	32,107	4/1	2¼
May ...	—	164,000	—	226,079	27,5	188,612	22 10	37,467	4 7	2⅞

Accumulated slimes profits included.

Dividends—1917, June, 20; Dec., 20 per cent.
1918, June, 15; Dec., 5 per cent.

East Rand Proprietary Mines.—Capital issued, £2,445,897, in £1 shares; £835,620 Convertible Five per Cent Debentures in issue. Twenty-five tube mills.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1916 ...	820	1,939,200	9¾	2,385,107	24/4	1,867,943	19/3	497,164	5/1	12 3
1917 ...	820	1,741,000	7¼	1,885,648	21 7	1,721,451	19/8	164,197	1/11	5/9
1918 ...	600	1,372,300	10	1,597,075	23/2	1,544,160	22/6	52,915	-/8	4/10
1919.										
Mar. qr.	600	330,500	9·26	425,785	25/9	396,415	24/0	29,370	1/9	7/9
Apr. ...	—	110,000	—	138,201	25/3	128,181	23 5	10,020	1/10	5/9
May ...	—	110,000	—	141,800	25 9	135,721	24 8	6,079	1,1	6,9

Accumulated slimes profits included throughout.

Dividends—1916, June, 2½ per cent.; Dec., nil.

1917, June, nil; Dec., nil.
1918, June, nil; Dec., nil.

Geduld Proprietary.—The capital authorised is £1,500,000; issued, £1,150,000, in £1 shares.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Per ton	Price end of Period
1917 ...	77av.	425,550	7·5	631,364	29/8	418,526	19/8	212,838	10/0	38/0
1918 ...	100	513,200	10·1	747,903	29/2	513,664	20/0	234,242	9/2	1⅝
1919.										
Mar. qr.	95	125,900	3.0	183,884	29/2	121,392	19/3	62,492	9/11	2⅞xd
Apr. ...	—	42,000	—	61,920	29/5	40,303	19/2	21,617	10/3	2⅛
May ...	—	43,000	—	65,198	30/4	43,987	20/6	21,211	9/10	2⅜

Profits include sundry revenue.

The sorting in this mine is both on surface and underground; very light on surface.

Dividends—1917, June, 5; Dec., 5 per cent.
1918, June, 5; Dec., 6½ per cent.

Langlaagte Estate.—Capital £950,000; issued, 886,500 £1 shares. 200 stamps; five tubes. No sorting.

Year to Dec. 31	Tons Milled	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
	[Profits include estate, &c., revenue.]							
1917 ...	539,618	622,491	23/0	503,030	18/7	119,461	4/5	15/0
1918 ...	533,690	647,999	24/2	508,916	19/0	139,083	5/2	20/6
1919.								
Mar. qr. ...	125,730	159,706	25/6	123,728	19/10	35,978	5/3	18/3
Apr. ...	40,000	52,331	26/2	42,125	21/2	10,206	5/0	18/9
May ...	42,200	53,407	25/4	41,201	21/0	9,206	4/4	21/9

Dividends—1917, June, 5; Dec., 5 per cent.
1918, June, 5; Dec., 7½ per cent.

Modder Deep.—Capital £500,000, in £1 shares. Milling started December 14, 1914. Plant capacity 44,000 tons a month.

Year ends Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	70	494,400	4½	964,393	39/0	403,217	16/4	561,176	22/8	7⅛
1918 ...	70	506,100	5¼	1,031,475	40/9	441,614	17/5	589,861	23/4	7⅛
1919.										
Mar. qr.	70	126,900	8·63	260,234	41/0	110,687	17/5	149,447	23/7	7½
Apr.	—	41,100	—	88,943	43/5	36,9991	8.5	51,944	24/10	7⅞
May ...	—	44,200	—	92,852	41/1	38,808	16 3	54,044	24/5	7 1/16

Dividends—1917, June, 40; Dec., 45 per cent.
1918, June, 47½; Dec., 50 per cent.

Modderfontein.—Capital, £1,400,000, in £4 shares. Seven tube mills in use.

Year to June 30	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1916-17	180	656,700	14	1,423,500	43/4	638,483	19/5	785,017	23/11	20½
1917-18	195av.	684,100	8	1,559,177	45/7	725,913	21/3	833,263	24/4	2/4
1918-19.										
Sept. qr.	236	217,000	11½	491,501	45/3	220,878	20/4	270,623	24/11	26½
Dec. qr.	236	216,000	9½	484,659	44/11	218,794	20/3	265,865	24/8	26⅛
Mar. qr.	236	242,000	9·18	519,472	42/11	239,857	19/10	279,615	23/1	27⅛
Apr. ...	—	82,000	—	175,162	42/3	83,031	20/3	90,131	22/0	26⅜
May ...	—	84,500	—	177,709	42/1	85,556	20/3	92,153	21/ 0	27½

Returns include profit from accumulated slimes.

Dividends—1917, June, 16½; Dec., 18¾ per cent.
1918, June, 21⅞; Dec., 30 per cent.

Modderfontein B.—Issued capital £700,000, in £1 shares. Plant of capacity 720,000 tons per annum.

Year to Dec. 31	Stps.	Tons Milled	Sorting %	Revenue Amt. £	Revenue Pr. ton	Expenses Amt. £	Expenses Pr. ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917 ...	96	517,500	15½	1,197,650	46/2	502,535	19/5	691,115	26/9	8⅛
1918 ...	100	605,500	15⅛	1,253,614	41/5	596,103	19/8	657,511	21/9	7⅝
1919.										
Mar. qr.	101	160,000	14·99	366,786	45/10	178,394	22/4	188,392	23/6	7⅛
Apr. ...	—	54,000	—	121,206	44/10	60,144	22/3	61,062	22/7	8⅛
May ...	—	55,000	—	119,482	43/5	57,480	20/10	62,002	22/7	8⅜

Dividends—1917 June, 40; Dec., 45 per cent.
1918, June, 42½; Dec., 40 per cent.

Randfontein Central.—Capital, £4,500,000; issued, £4,500,000 in £1 shares. £2,564,330 of 6% Debentures, repayable at rate of £150,000 per annum. Sundry revenue included in earnings.

Year ends Dec. 31	Stps.	Tons Milled	Revenue Amt. £	Revenue Per ton	Expenses Amt. £	Expenses Per ton	Profit Amt. £	Profit Pr. ton	Price end of Period
1917...650av.		2,017,171	2,480,505	24/6	1,984,040	19/7	496,465	4/11	11/3
1918...	600	1,745,900	1,991,939	22/9	1,883,767	21/7	108,072	1/2	12 9
1919.									
Mar. qr.	600	421,000	480,529	22/10	451,110	1/5	29,419	1/5	13/9
Apr. ...	—	138,000	162,705	23/7	152,614	22/3	10,091	1/4	13/6
May ...	—	144,000	166,162	23/1	155,968	21/9	10,194	1/4	14/3

1916, June, nil; Dec., nil.
1917, June, nil; Dec., nil.

Weslevan & General Assurance Society.
Established 1841. Incorporated 1914.
PRINCIPAL OFFICE: BIRMINGHAM.
London Branch Office: 20-23 Holborn, E.C.1.
ANNUAL INCOME EXCEEDS ... £1,200,000.
CLAIMS PAID EXCEED ... ... £9,500,000.
All classes of Life Assurance and Annuity Business transacted.
Under the latest Tables an
Annual Bonus of £3 per cent. is guaranteed.
Write for Prospectuses or quotations to meet your individual requirements.
ARTHUR L. HUNT, General Manager

FACTORS.

JAMES TALCOTT, INC.
Founded 1854
Production of Mills Financed
Sales Cashed With or Without Guarantee
225 FOURTH AVE. New York City
Foreign Accounts solicited.
Cable Address: "Quomakel."

BANQUE NATIONALE DE CREDIT.
CAPITAL .. .. Frs. 200,000,000
RESERVE FUND „ 45,000,000
Head Office:
16 BOULEVARD DES ITALIENS.
PARIS.
BRANCHES at Angers, Bordeaux, Dijon, Havre, Lyons, Marseilles, Metz, Mulhouse, Nantes, Orleans, Rouen, Saint-Etienne, Toulouse, Tours, Troyes, and 19 others in the chief centres of France.
GENERAL BANKING BUSINESS.

BERGENS PRIVATBANK
BERGEN, NORWAY.
Established 1855.
Branches:—Aalvik Privatbank, Aalvik.
Odda Privatbank, Odda.
Sundals Privatbank, Sundalsoren.
Capital, fully paid .. Kr. 25,000,000.00
Reserve Funds .. .. „ 31,000,000.00
Capital and Reserve Funds Kr. 56,000,000.00
Every description of Banking Business.

PERRY'S
TRADE PROTECTION OFFICES
(Established 1776)
12 COLEMAN STREET, E.C. 2.
Status enquiries made as to the position and standing of Traders and others.
PERRY'S GAZETTE & LIST OF CREDITORS are published Weekly, and are valuable to everyone in business.
Debts recovered and paid over promptly.
Particular attention is called to the fact that this is the only Trade Protection Society that possesses at its offices in London Registers containing full Bankruptcy and other Registered Information, together with Status information FOR THE WHOLE OF THE THREE KINGDOMS.

THE NATIONAL BANK OF SCOTLAND LIMITED
INCORPORATED BY ROYAL CHARTER AND ACT OF PARLIAMENT.
ESTABLISHED 1825.
Capital Subscribed, £5,000,000. Paid up, £1,000,000. Uncalled, £4,000,000.
RESERVE FUND, £900,000.
Head Office—EDINBURGH.
J. S. COCKBURN, GENERAL MANAGER. GEORGE A. HUNTER, SECRETARY.
London Office—37 NICHOLAS LANE, LOMBARD ST., E.C. 4.
SIR JOHN FERGUSON, K.B.E., Manager. DUGALD SMITH, Assistant Manager.
Every description of Banking Business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.; the collection of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts, Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of Remittances to all parts.
The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.
The Officers of the Bank are bound to secrecy as regards the transactions of its Customers.

"The Statist."

BRITISH BANKING SECTION.

VOL. XCIII.—No. 2,153. SATURDAY, MAY 31, 1919.

London Joint City and Midland Bank Limited

Head Office: 5 Threadneedle Street, London, E.C. 2.

31st December, 1918.

Subscribed Capital	£34,428,948
Uncalled Capital	27,256,250
Paid-up Capital	7,172,697
Reserve Fund	7,172,697
Deposits	£334,898,435
Cash in hand and Balance at Bank of England	63,756,371
Money at Call and at Short Notice	65,809,169
Investments and Bills of Exchange	100,849,947
Advances	99,213,614
Advances on War Loans	14,218,201

Paid-up Capital is now - - - - £8,171,417

Reserve Fund „ „ - - - - £8,171,417

OVERSEAS BRANCH:

65 & 66 Old Broad Street, London, E.C. 2.

Specially organised for developing British Trade abroad.

Foreign Banking business of every description undertaken.



ALLIANCE
ASSURANCE CO., LTD.

ESTABLISHED IN 1824.

Head Office: Bartholomew Lane, London, E.C. 2.

Assets Exceed £25,000,000.

Directors—

THE HON. N. CHARLES ROTHSCHILD, *Chairman.*

SIR IAN HEATHCOAT AMORY, BART., C.B.E.
CHARLES EDWARD BARNETT, ESQ.
F. CAVENDISH BENTINCK, ESQ.
FRANCIS AUGUSTUS BEVAN, ESQ.
HON. KENELM PLEYDELL BOUVERIE.
THOMAS HENRY BURROUGHES, ESQ.
JOHN CATOR, ESQ.
LORD DALMENY, D.S.O., M.C.
BRIG.-GENERAL H. W. DRUMMOND, C.M.G.
MAJOR GERALD M. A. ELLIS.
THE MARQUESS OF HARTINGTON.
C. SHIRREFF HILTON, ESQ.
W. DOURO HOARE, ESQ.
R. M. HOLLAND-MARTIN, ESQ., C.B.
ROBERT LEWIS, ESQ.
CECIL FRANCIS PARR, ESQ.
HON. HENRY BERKELEY PORTMAN.
SIR MARCUS SAMUEL, BART.
H. MELVILL SIMONS, ESQ.
HENRY ALEXANDER TROTTER, ESQ.
RIGHT HON. THE EARL OF VERULAM.

The Operations of the Company embrace all branches of Insurance.

Full information respecting
ESTATE DUTY & CHILDREN'S EDUCATIONAL POLICIES
issued by the Company may be obtained on application to the Head Office as above or to any of the Offices or Agencies of the Company.

O. Morgan Owen, *General Manager.*

THE PROGRESS OF BANKING.

BANKING policy during 1918 has steadily pursued the path of consolidation and absorption, and in the case of the private banks the absorption has almost become extinction, for out of 37 private banks which were doing business in 1891 there remained by March 1918 only six, and as we write there comes the news of the acquisition of another private bank by a joint-stock institution—we refer to the purchasing of the business of the old Quaker banking house of Gillett and Co. by Barclays Bank. Private banking, then, will soon revert to the archives of the things that have been, while British joint-stock banking tends more and more to get into the hands of the few. The Committee on Bank Amalgamations in its Report stated that the number of English joint-stock banks was reduced from 106 in 1891 to 34 in 1918, and, taking the whole of the United Kingdom, we find, including the Bank of England and the private banks, that the number of banks has fallen from 111 in 1900 to 54 in 1918. We do not, however, find that there is any apparent decrease in the resources of the banks as the outcome of the policy of absorption; rather is it the other way, and as affording an insight into the relative position of five of the principal banks, we give two tables: (1) showing their paid-up capital, reserve, and deposits for the year 1913; and (2) a similar table for the years 1917 and 1918, from which it will be seen that considerable as were their resources in 1913, they were even more substantial in 1917, and by the end of 1918 in all cases they exceeded £200,000,000, while in one instance, that of the London Joint City and Midland Bank, the total is well over £300,000,000.

Total Capital, Reserve, and Deposits on December 31, 1913.

London, City and Midland Bank	£101,882,230
London County and Westminster / Parr's Bank	143,000,000
National Provincial Bank / Union of London and Smith's	118,864,590
Lloyds Bank, Limited	98,720,663
Barclays Bank (June 1914)	66,940,267
London Joint Stock Bank	41,678,237

Total Capital, Reserve, and Deposits on

	Dec. 31, 1917	Dec. 31, 1918
London Joint City and Midland Bank, Ltd.	£292,357,714	£349,696,710
Lloyds Bank Limited	183,076,713	284,762,195
London County, Westminster and Parr's Bank	228,000,000	277,390,963
Barclays Bank, Limited	135,676,971	253,642 356
National Provincial and Union Bank of England, Limited	185,223,173	211,191,523

Now we give these figures because we have seen it stated that after amalgamation the aggregate capital and resources of the banks remain the same, and, in consequence, it cannot be said that the general banking resources of the country are increased by amalgamation. The fact that five of the largest institutions show greatly increased resources following on their amalgamation demonstrates the incorrectness of this assertion. Again, in some quarters fears are expressed that there may be even a diminution of banking resources through this union of forces on the part of the banks. A comparison of the paid-up capital of the banks both before and after amalgamation proves such fears to be unfounded, at any rate as far as the paid-up capital of the banks is concerned. We give the figures for 1911 and those for 1918. The 1911 figures show the banks before the amalgamation, but the institutions they have absorbed are grouped in each instance:—

Paid-up Capital on December 31, 1911.

London City and Midland Bank	£3,989,238	
London Joint Stock Bank	2,970,000	
		£6,959,238
London County and Westminster Bank	£3,500,000	
Parr's Bank, Limited	2,204,780	
		5,704,780
National Provincial Bank of England	£3,000,000	
Union of London and Smith's Bank	3,554,786	
		6,554,786
Lloyds Bank	£4,208,672	
Capital and Counties Bank	1,750,000	
		6,958,672
Barclays Bank	£3,200,000	
London and Provincial Bank	800,000	
London and South Western Bank	1,000,000	
		5,000,000
Total paid-up Capital, 1911		£30,177,516

Paid-up Capital on December 31, 1918.

London Joint City and Midland Bank	£7,172,697
Lloyds Bank, Limited	8,954,056
London County, Westminster and Parr's	8 830,990
Barclays Bank, Limited	8,160,743
National Provincial and Union Bank of England	5,476,884
Total Paid-up Capital in 1918	£38,595,370

So far from any diminution in the paid-up capital as the result of the amalgamations, there is thus an increase of £8,417,854.

Concerning the extension of branch banks there are several things to be taken into account. The coming of the War and the resultant shortage of staff, lack of building materials, labour, and so on, to some extent stopped the opening of new branches, and it might have been feared that, following on the amalgamation of banks, we should have seen a falling off in the number of offices as compared with, say, 1911. As it happens, however, there is no diminution either in the total number of branches of the principal banks, or in the branches of the amalgamated concerns; there is, as a matter of fact, an increase. In 1911 we drew out a list of the number of banks doing business in the United Kingdom, from which it appeared that there were 7,756 banking offices open; in 1918, the number was 8,834, an increase of 1,078 branches. The banks which have since amalgamated had, in 1911, a total of 4,314 branches; at the end of December 1918 they had 6,171 branches, an increase of 1,857, which shows that the increase in the number of branches owned by the amalgamated banks is actually greater than the increase in the total of the principal banks in operation in the United Kingdom. The following table gives in handy form the deposits and number of offices of the principal banks in the United Kingdom at the end of 1918:—

Deposits and Number of Offices of the Principal Banks of the United Kingdom at the End of 1918.

	Name of Bank	Deposits and Current Accounts		No. of Offices
1	London Joint City and Midland	£335,350,315	£347,423,329	*1,432
	Belfast (July 31, 1918)	12,073,014		
2	Lloyds	266,808,139	328,071,844	*1,549
	National of Scotland (Nov. 1, 1918)	30,748,370		
	L. & River Plate Bank (Sept. 30, 1918)	30,515,335		
3	London County Westminster & Parr's	263,129,887	281,193,863	*919
	Ulster (Nov. 30, 1918)	18,063,976		
4	Bank of England (Jan. 1, 1919)		241,210,594	11
5	Barclays		239,381,613	1,374
6	National Provincial and Union		200,864,639	739
7	Bank of Liverpool and Martins (Dec. 31, 1918)		63,243,450	250
8	Manchester and Liverpool District		44,530,513	222
9	Bank of Scotland (Feb. 28, 1919)		32,568,495	167
10	Williams Deacon's		31,837,419	122
11	Commercial of Scotland (Oct. 31, 1918)		31,511,198	177
12	Clydesdale		30,254,001	158
13	Royal Bank of Scotland (Oct. 12, 1918)		29,738,769	168
14	National (Ireland)		28,270,257	200
15	British Linen (Jan. 15, 1919)		27,301,058	147
16	Union of Scotland (April 2, 1919)		26,931,733	162
17	Glyn, Mills, Currie & Co.		26,484,610	1
18	Bank of Ireland		23,299,555	121
19	Yorkshire Penny		23,014,201	117
20	Lancashire and Yorkshire		21,690,616	126
21	Cox & Co. (Oct. 5, 1918)		19,265,409	7
22	Baring Bros.		19,245,252	1
23	Coutts & Co.		18,426,905	2
24	Manchester and County		17,679,775	122
25	North of Scotland, Town and County (Sept. 30, 1918)		17,527,339	149
26	Munster and Leinster		15,916,897	122
27	Union Bank of Manchester		15,212,193	111
	Total, 31 Banks		2,202,095,527	8,676

* Combined figures

HIGGINSON & CO.,

80 Lombard Street,

LONDON, E.C. 3.

Correspondents of

LEE HIGGINSON & CO.,

BANKERS,

BOSTON, U.S.A.,

NEW YORK, CHICAGO.

British, American and Foreign Investments.

Purchase and Sale of Securities.

Collection of Coupons.

Commercial Credits and Foreign Exchange.

Special facilities for trade between United Kingdom and U.S.A.

INDEX
TO THE
BRITISH BANKING SECTION.

PROGRESS OF BANKING ... iii
DEPOSITS AND NUMBER OF OFFICES OF THE PRINCIPAL BANKS OF THE UNITED KINGDOM AT THE END OF 1918 ... iii
DEPOSITS, &C., OF ENGLISH BANKS AFFECTED BY RECENT AMALGAMATION ... v
LIABILITIES OF THE INDIVIDUAL BANKS OF THE UNITED KINGDOM, 1918 ... viii
ASSETS OF THE INDIVIDUAL BANKS OF THE UNITED KINGDOM, 1918 ... x
PROFITS OF FORTY-ONE BANKS IN 1918 ... xii
AGGREGATE LIABILITIES OF THE BANKS OF THE UNITED KINGDOM ... xvi
BANKS OF THE UNITED KINGDOM: AMOUNT, DIVIDEND, YIELDS ... xix
BANK OF ENGLAND ... xvii
INDIVIDUAL BANKS ALPHABETICALLY ARRANGED ... xix

INDEX TO ADVERTISERS

Addressograph Ltd ... ix
African Banking Corporation ... c
Alexander and Co., H. ... cxii
Alexanders Discount Company ... xlviii
Alliance Assurance ... ii
Alliance Bank of Simla ... xxxix
Amsterdamsche Bank ... civ
Anglo-Egyptian Bank ... cix
Anglo-South American Bank ... lxxvii
Atlantic Assurance Co. ... cxiii
Baker, Duncombe and Co. ... xx
Banca Romaneasca ... ix
Banco de Chile ... xcvi
Banco de Barcelona ... xxxvi
Banco de Roma ... vii
Banco del Bilbao ... cxxiii
Banco Espanol del Rio Plata ... cvi
Banco Italiana, Lima (Peru) ... cxi
Bank d'Orient ... lii
Banco Italiano del Uruguay ... lxiv
Bank of Madras ... lv
Banco Mercantil America o del Peru ... lxxv
Banco Nacional Ultramarino ... cvii
Bank of Adelaide ... xcvi
Bank of Athens ... cxxiii
Bank of Chosen ... xxxu
Bank of Liverpool and Martins ... xxv
Bank of Montreal ... xxxiii
Bank of New South Wales ... lxxxvi
Bank of New Zealand ... cv
Bank of Roumania ... cix
Bank of Taiwan ... xxix
Bankaktiebolaget Södra Sverige ... lvii
Bankers' Almanac and Year-Book ... v
Banque Belge pour l'Etranger ... lxxvi
Banque du Congo Belge ... xxxvi
Banque Federale &c. ... civ
Banque Populaire, Athens ... lxviii
Banque Populaire Suisse ... xliv
Barclay's Bank ... xxiii
Beckett's Banks ... xix
Bergens Privatbank ... xciv
British Bank for Foreign Trade ... xciii
British Bank of Northern Commerce ... xcix
British Equitable Assurance ... cxii
British Law Fire Insurance ... cxiv
British Trade Corporation ... xxvi
Buitenlandsche Bankvereen g-ing ... lxx
Canada Life Assurance Co. ... cxiv
Canadian Bank of Commerce ... cxviii
Central Bank of India ... lvi
Chartered Bank of India, Australia and China ... lxxxiv
Chase National Bank ... lvi
Clare and Co., George ... xiii
Clydesdale Bank ... xciv
Commercial Bank of London, Ltd. ... xcvii
Commercial Bank of Scotland ... xl
Commercial Bank of Spanish America ... lxxxvii
Commercial Banking Co. of Sydney ... lii
Commonwealth Bank of Australia ... xi
Consolidated Assurance ... cxix
Copley's, Ltd ... cvi
Credit General Liegeois ... li
Credit Lyonnais ... ix
Credito Italiano ... xi
Dai-Ichi Ginko ... xxx
Den Danske Landmansbank ... lxxxvii
Dominion Bank ... xxxii
Eagle, Star and British Dominions Insurance ... lix
Eastern Bank ... xcii
English Scottish and Australian Bank ... xc
Equitable Trust Company ... cxxi
Equity and Law Life Assurance ... cxxii
Essex Union Insurance ... cxv
Excess Insurance ... cxvi
First National Bank of Boston ... lxv
Farmers' Loan and Trust Co ... xvii
Farrow's Bank ... lx
Furukawa Mining Company ... xv
Girard Trust Co ... xcvii
Glynn, Mills, Currie & Co. Ltd. ... xxi
Guaranty Trust Co. of New York ... cxxiv
Gordon Grant and Co. ... xlv
Harrods ... cx
Higginson and Co. ... iv
Honkong and Shanghai Banking Corporation ... lxxx
Hope Brothers ... cxx
Imperial Bank of Canada ... cii
Imperial Bank of Persia ... cxxii
Imperial Ottoman Bank ... xlvii
Ionian Bank ... lxii
Lancashire and Yorkshire Bank ... xlvi
Lipton's, Ltd. ... cxx
Liverpool and London and Globe Insurance ... lxxxi
Lloyds Bank ... lxxv
Lloyds Bank (France), Ltd. ... cviii
London Assurance ... cxii
London and Lancashire Fire Insurance ... lxxxix
London Joint City and Midland Stock Bank ... i
London Merchant Bank ... xxiv
London River Plate Bank ... xxxv
MacAfee and Co. ... lxxvi
Macmillan and Co. Ltd. ... cxvii
Manchester and Liverpool District Banking ... xxvii
Manual of Electrical Undertakings ... cxxi
Marx and Co's Bank ... lxiv
Mellon National Bank ... lxix
Mercantile Bank of India ... cxviii
Metropolitan Life Assurance ... cxvii
Mitsubishi Goshi Kaisha ... lxxxvii
Molsons Bank ... xxxvii
Munster and Leinster Bank ... cii
Mitsui Bank ... liii
National Bank ... xci
National Bank of Australia ... xlvi
National Bank of Egypt ... c
National Bank of India ... ci
National Bank of New Zealand ... xxvi
National Bank of Scotland ... xx
National Benefit Assurance Co. ... xviii
National City Bank of New York ... lxxxv
National Discount Co. ... xcii
National Provincial and Union Bank ... xiii
National Shawmut Bank ... lxxxv
Nederlandsche Handel Maatschappij ... lxiii
North British and Mercantile Insurance ... xv
Panama Banking Co. ... liv
Peddie, Harker & Martin ... xxx
Phœnix Assurance Co. ... xci
Philadelphia National Bank ... lxxxv
Pioneer Life Assurance ... cxxi
Pitman's ... cx
Provincial Bank of Ireland ... xxxi
Prudential Assurance ... lxxxiii
Punjab National Bank ... xci
Refuge Assurance ... cxvi
Royal Bank of Canada ... xcv
Royal Bank of Scotland ... lx
Russo-Asiatic Bank ... liv
Scottish Amicable Life Assurance ... cxix
Seattle National Bank ... lxix
Sheffield Banking Co. ... xl
Skandinavia Insurance Co. ... ciii
Skandinaviska Kreditaktiebolaget ... lxxi
Sociedade Torlades Ltd. ... xci
Societe Generale (de Paris) ... lxi
Societe Generale de Belgique ... lxxiii
Spicer Brothers ... cxv
Standard Bank of South Africa ... lxvii
Standard Life Assurance ... cxi
Stockholms Enskelda Bank ... lxx
Stockholms Handelsbank ... xli
Sumitomo Bank ... xcviii
Sutro Brothers ... xii, xxxviii
Swiss Bank Corporation ... xlix
Swiss Banking Association ... xxxviii
Union Bank of Australia ... lxxxvii
Union Bank of Canada ... xliii
Union Bank of Manchester ... xiv
Union Bank of Scotland ... xxiv
United Kingdom Temperance and General Provident Institution ... lxxxix
West Yorkshire Bank ... lxvii
Western Australian Insurance Co. ... lxxxix
Whitehead Morris & Co. ... xv
Williams Deacon's Bank ... xlviii
Yokohama Specie Bank ... xlv

Two things strike one in running over this table: the first is the liquidity of the resources of the banks at the end of the year 1918, the second is the very large deposits now held by the banks. This is by no means confined to a few banks, for if the reader will examine the tables of the liabilities and assets of the individual banks of the United Kingdom, he will notice the substantial deposits held by practically *all* the banks.

The Bank of England, it will be seen, comes fifth in the matter of deposits with £241,210,594, while the London Joint City and Midland Bank heads the list with £347,423,329, and, like all the other banks which have enlarged their scope by amalgamation, its deposits are on a rapidly rising scale.

The following table shows that the deposits of English banks have not been unfavourably affected by recent amalgamations, the aggregate amount held by the five banks exceeding by £181,861,724, the amount of the deposits formerly shown by the 13 largest banks before they amalgamated.

Deposits, &c., of English Banks affected by Recent Amalgamations.*

	Dec. 31, 1918	June 30, 1918	Dec. 31, 1910
	£	£	£
1 London City and Midland	336,025,413	236,230,322	221,635,807
2 London Joint Stock ...		58,567,128	58,456,304
(1) London Joint City & Mid. (*a*)	336,025,413	294,797,450	280,092,104
3 Lloyds	267,96 .43	186,238,994	174,697,945
4 Capital & Counties ...		58,924,370	58,850,522
(2) Lloyds (*b*)	267,936,439	245,163,364	233,548,467
5 Lond. Co. & Westminster	263,985,617	230,425,743	147,433,697
6 Parr's			69,227,819
7 Nottingham & Notts. ...		5,723,389	5,723,389
(3) London County Westminster & Parr's (*c*)	263,985,617	236,149,132	222,384.905
8 Barclays	239,660,041	130,762,904	129,067.901
9 London & S. Western ...			38,795 039
10 London & Provincial ...		82,517,592	36,307,726
(4) Barclays	239,660,041	213,280,496	204,170,666
11 National Provincial ...	201,351,957	175 876,579	112,780,401
12 Union of London		9,605,785	64,833,218
13 Bradford District			9,317,982
(5) Nat. Prov. & Union...	201,351,957	185,482,364	186,931,601
Total for the 5 (formerly 13) Banks	**1,308,983,467**	**1,174,872,806**	**1,127,127,743**
Total for banks of U.K. other than Bank of England ...	2,040,366,000(*e*)	—	(*d*) 1,750,000,000

* Includes profit balance, which majority of banks did not show separately in their mid-year statements.

(*a*) Controls Belfast Bank: Deposits, &c., July 31, 1918, £12,159,269.

(*b*) Controls National Bank of Scotland. Deposits, &c., November 1, 1918, £30,936,198. London and River Plate Bank Deposits, &c., September 30, 1918, £30,515,335.

(*c*) Controls Ulster Bank. Deposits, &c., December 31, 1918, £18,172,710

(*d*) 62 banks. (*e*) 54 banks.

The increase in deposits was common to most, if not all of the Banks in 1918, and various reasons have been assigned for it. Many bankers incline to the opinion that many of the balances represent money awaiting employment in trade, and it is generally expected that there will be a reduction in this item when restrictions are removed and trade becomes more active. The Governor of the Bank of Ireland, however, struck the right note when he attributed the increase in deposits to the immense creation of Government credits, which in the end find their way to a great extent into the pockets of producers, traders, and wage-earners. Then, as he said, we have the increased price of commodities, due to increased purchasing power, to credit inflation, to diminution of supply, and to increased cost of production, whilst in a never-ending curve these increased prices are given as a reason for adding further to the cost of production in the form of wages. Increased prices in very many industries mean increased profits, and these increased funds, failing employment in the hands of the entrepreneurs, find their way into the banks' coffers. The Chairman of Barclays Bank also referred to the large deposits of important trading and other concerns awaiting business developments.

The aggregate figures of the bills discounted and advance also give food for reflection. As will be seen from our table; the total amount represented 44.4% of the banks' assets, as against 45.7 in 1917, and

Seventy-Fifth Year.

PUBLISHED IN JULY.

The
BANKERS'
ALMANAC
and
YEAR-BOOK
1919-20

Being the Amalgamation of "The Banking Almanac" and "The London Bankers' Year-Book."

Price 21s. Post Free.

A DIRECTORY *of* INTERNATIONAL BANKING, INDISPENSABLE *to the* BANKER, MERCHANT SHIPPER, &c.

BECAUSE:

¶ It is the World's standard work on home and internatic nal Banking.

¶ It is an "enquire within" on the banking, discount and allied business.

¶ It contains the names and full details of the principal Banks and Kindred Companies throughout the world.

¶ It is indispensable to those having financial dealings with foreign countries.

¶ It facilitates immediate reference to all Banks, no matter where situated, and their London and New York Agents.

¶ It circulates in every city or town of commercial importance in the World.

By THOMAS SKINNER,

Compiler and Editor of "The Stock Exchange Year-Book," "The Stock Exchange Gazette," "The Directory of Directors," etc.

THOMAS SKINNER & CO., GRESHAM HOUSE, OLD BROAD STREET, LONDON, E.C. 2.

52.1% in the year before the War. Bank acceptances, too, are lower; they represent only 2.5% of liabilities as compared with 3.2% in 1917 and 4.6% in 1913. When one remembers that during the last year or two a large amount of the advances represented the assistance given by the various banks to enable their clients to take up war loans, it will be perceived what a falling off there has been. The inference is plain; there has been insufficient outlets for the employment of capital, even taking into consideration the repayment to the banks of part of the money they advanced for the purchase of war loans. People all over the kingdom seem to have had sufficient for their needs, and, with plenty of what has been termed "self-sufficing capital," there has been no need to resort to the banks for assistance; as a result the banks find themselves loaded up with the vast deposits shown in our tables. It is a curious anomaly, and one over which those who are responsible for the continued restriction in our trade and commerce would do well to ponder deeply in their hearts.

As has been pointed out in more than one banker's speech, the money market, in common with the commercial markets, throughout the year 1918 was worked under artificial conditions; to all intents and purposes it was under the direct control of the Government, and the sooner the remaining fetters are removed from the market the better it will be for all parties concerned. It is admitted, however, that the banks have now reached a point at which they must look for a gradual return to normal conditions, and the probability is that they will soon have to face a shrinkage in their abnormally swollen deposits. That, as the Chairman of the London County Westminster and Parr's Bank mentioned, must be the result of the repayment of national indebtedness, and the concomitant disappearance of the existing inflation in currency.

There may be also a shrinkage in the margin between the rates at which the banks borrow and the rates at which they lend—the margin on which their profits depend.

In this connection it may be noted that the Bank of England rate remained at 5% throughout the whole of the year. Early in January 1918 the clearing banks and discount houses were quoting for deposits 3½%, and for money at call and short notice 3¾%. Three months' bills were quoted 4%. There was a continuance of this state of affairs until February 14, when the Government reduced its rate on Treasury bills to 3½% for both three and six months' paper. Then, with a view to eliminating competition with the Government's Treasury bills, the Bank of England followed suit by reducing the rate on money allowed to the clearing banks to 3%. It was also arranged that the banks themselves should not offer more than 3% for deposits on any accounts. No change of importance occurred during the next few months, but in June the Bank of England came into prominence by definitely assuming control over the rate of interest allowed on deposits. These were fixed at 3¼% as between banker and broker, and 3% to other customers, at which rates they still remain. As a result of this controlling of rates there has been a saving of about 1¼% to the Government on its borrowings from the market as compared with the year 1917. The average rate on three months' bills for 1918 was £3 11*s.* 9*d.*, and the average for short loans £3 5*s.* 6*d.*

The differential rate which the Bank of England allows for foreign money, 4½%, was introduced on November 15, 1917, and continued during the year 1918, but since January 11, 1919, this particular rate has not applied to French, Belgian, and Italian balances.

Notwithstanding the restrictive conditions in which the banks have worked during 1918, profits have been, for the most part, on a very satisfactory basis. Our table showing the profits of 41 banks during 1918 gives, in a form easily comprehensible, the analysis of the profits earned. As will be seen, upon total funds employed, amounting to £2,131,781,014, the net profits available for dividend were £18,193,731, but of this sum only £9,993,887 was actually paid away in dividends. Special appropriations took £7,538,671, and the total amount carried forward amounted to £3,707,649.

Turning to the combined balance sheet of the banks in the United Kingdom (exclusive of the Bank of England), which we give below, it will be seen that cash in hand at the Bank of England, &c., plus money at call, &c., amounts to £629,654,000, that is, 27.5% of the total assets. Similar figures last year showed a percentage of assets of 26.9%, while in 1913 the percentage was 23.3%. The combined investments at the end of 1918 amounted to £510,580,000, being 22.3% of the total assets, as compared with 21.8% in 1917, and 16.6% in 1913. Bills discounted and advances last year amounted to £1,058,869,000, representing 46.1% of total assets, as against 46.3% in 1917, and 52.9% in 1913. On the other hand, deposits and current accounts represented 88.7% of the banks' liabilities, and amounted to £2,033,518,000 as against £1,742,902,000, or 87.9% in 1917, and £1,070,681,000, or 84% in 1913. Notes in circulation continue to mount up, and are higher by £14,031,000 as compared with 1917. The total for 1918 stands at £56,324,000, as against £15,981,000 in 1913, an increase of £40,343,000.

We think some of these figures will remove the apprehension that is sometimes felt and expressed, that in the competition to pay good dividends to their shareholders English banks have been led to practise an economy in cash and other liquid resources, for if there is one thing more than another about the figures of most of the banks this year it is the liquidity of their assets. On the question of reserves, too, these show a total of £56,405,000, as compared with £46,764,000 in 1917, and £46,621,000 in 1913. So, all things considered, the margin of safety, though not as large as we should like to see it in view of the heavy increase in deposits, cannot be considered inadequate.

Combined Balance Sheet of the Banks of the United Kingdom, exclusive of the Bank of England.

LIABILITIES.

	1918 £	1918 % of Total	1917 £	1917 % of Total	Inc. or Dec. £
Capital paid up	73,856,000	3·2	72,002,000	3·6	+ 1,854,000
Reserve funds ...	56,405,000	2·5	46,764,000	2·4	+ 9,641,000
Total ...	130,301,000	5·7	118,766,000	6·0	+ 11,535,000
Notes in circulation	56,324,000	2·5	42,293,000	2·1	+ 14,031,000
Acceptances ...	65,080,000	2·8	70,630,000	3·6	— 5,550,000
Deposits & current accounts ...	2,033,518,000	88·7	1,742,902,000	87·9	+290,616,000
Profit balance ...	6,848,000	·3	7,600,000	·4	— 752,000
Total Liabilities	**2,292,071,000**	*100·0*	**1,982,191,000**	*100·0*	**+309,880,000**

ASSETS.

	1918 £	1918 % of Total	1917 £	1917 % of Total	Inc. or Dec. £
Cash in hand, at B. of Engl., &c.	354,079,000	15·5	319,504,000	16·1	+ 34,565,000
Money at call, &c.	275,575,000	12·0	214,885,000	10·8	+ 60,690,000
Investments ...	510,580,000	22·3	431,962,000	21·8	+ 78,628,000
Bills discounted...	460 781,000	20 1	368,043,000	18·6	+ 92,738,000
Advances ...	598,088,000	26·1	549,119,000	27·7	+ 48,969,000
Liabilities to customers for acceptances	65,080,000	[2·8	70,630,000	3·6	— 5,550,000
Bank premises, &c.	27,888,000	1·2	28,048,000	1·4	— 160,000
Total Assets	**2,292,071,000**	*100·0*	**1,982,191,000**	*100·0*	**+309,880,000**

LIABILITIES.

	1918 £	1918 % of Total	1913 £	1913 % of Total	Inc. or Dec. £
Capital paid up	73,896,000	3·2	71,202,000	5·6	+ 2,694,000
Reserve funds ...	56,405,000	2·5	46,621,000	3·7	+ 9,784,000
Total ...	130,301,000	5·7	117,823,000	9·3	+ 12,478,000
Notes in circulation	56,321,000	2·5	15,981,000	1·2	+ 40,313,000
Acceptances ...	65,080,000	2·8	63,458,000	5·0	+ 1,622,000
Deposits & current accounts ...	2,033,518,000	88·7	1,070,681,000	84·0	+962,837,000
Profit balance ...	6,848,000	·3	6,094,000	·5	+ 754,000
Total Liabilities	**2,292,071,000**	*100·0*	**1,274,037,000**	*100·0*	**+1,018,034,000**

ASSETS.

	1918 £	1918 % of Total	1913 £	1913 % of Total	Inc. or Dec. £
Cash in hand, at B. of Engl., &c.	354,079,000	15·5	152,308,000	11·9	+201,771,000
Money at call, &c.	275,575,000	12·0	145,632,000	11·4	+129,943,000
Investments ..	510,580,000	22·3	210,934,000	16·6	+299,646,000
Bills discounted...	160,781,000	20·1	168,396,000	13·2	+292,385,000
Advances ...	598,088,000	26·1	505,780,000	39·7	+ 92,308,000
Liabilities of customers for acceptances	65,080,000	2·8	63,458,000	5·0	+ 1,622,000
Bank premises, &c.	27,888,000	1·2	27,529,000	2·2	+ 359,000
Total Assets	**2,292,071,000**	*100·0*	**1,274,037,000**	*100·0*	**+1,018,034,000**

NOTE.—In all cases bankers do not separate their cash from their call loans or their bills discounted from their advances. To give a comprehensive view of the manner in which banking funds are employed we have assumed that the experience of banks that do separate these items one from the other is that of all the Banks and we have apportioned the amounts on this basis.

Finally, we come to the efficiency of the administration of the banks, which, as has been well said, is second only in importance to the financial strength of the banks. That there is an increase in the efficiency of the administration of the banks is unquestionable; all round we see improvements and a general adoption of more up-to-date methods. In practically every institution there is a laudable desire to throw off the old aloofness and conservatism for which British banks have so long been noted. No matter where we look we find evidence of a more progressive spirit; steps everywhere are being taken to bring our banking into line with the improved commercial methods in vogue. A better and closer connection and understanding is being slowly but surely established between the banks and the manufacturers and merchants in the United Kingdom. The assistance of the banks to our home or domestic trade is much more apparent and much more appreciated by the recipients. It is, however, in the finance of our overseas trade that the banks have made great strides. In every office of the British banks facilities are now available for foreign exchange operations, and although not so large a proportion of the bank's resources are at present employed in the finance of foreign trade as one might wish, there is no doubt a very keen and enlightened interest is being taken in this branch of banking. In fact, as soon as the restrictions on trade are entirely removed, and our trade and commerce resumes its normal aspect, we expect to see a great extension in the participation of the joint stock banks in the finance of overseas trade.

Then there is the extension of branches of our joint stock banks abroad. The outlook for these is promising, and although we fear that many London bankers have not yet realised that foreign exchange banking is one of the most difficult problems in the world, there seems no lack of enthusiasm for setting up branches in foreign cities. Without being unduly pessimistic, we might say that although we sincerely hope they will all be successful, yet foreign exchange is a business requiring the greatest possible care; it is a path in which many an exchange banker with years of experience behind him treads warily, and even then sometimes gets "squeezed." However, those banks which have gone the "whole hog," so to speak, and are catering for foreign markets through the medium of separate companies, appear to be doing

BANCO DI ROMA

Capital fully paid up
L.100,000,000

Head Office in ROME.

BRANCHES IN ITALY AND IN THE COLONIES.

Alba
Albano Laziale
Aquila
Arezzo
Avezzano
Bagni di Montecatini
Bari
Bibbiena
Bologna
Bolzano
Brescia
Camaiore
Canale
Canelli
Carrù
Castelnuovo di Garf.
Cecina
Centallo
Città di Castello
Cortona
Fabriano
Fermo
Florence
Foligno
Fossano
Frascati
Frosinone
Genoa
Grosseto
Gubbio
Leghorn
Lucca
Marciana Marina
Milan
Mondovi
Montesampietrangeli
Naples
Orbetello
Orvieto
Pinerolo
Porto S. Giorgio
Rome
Siena
Tivoli
Turin
Torre Annunziata
Trent
Trieste
Velletri
Viareggio
Viterbo
Bengasi
Tripoli d'Africa

BRANCHES ABROAD.

France—Paris, Lyons. **Spain**—Barcelona, Tarragona, Montblanch. **Egypt**—Alexandria, Cairo, Port Said, Mansourah, Tantah, Mehalla Kebira, Mit Gamr, Dessuk, Beni Soueff, Beni Mazar, Bibeh, Magagha, Minieh. **Malta**—Malta. **Palestine**—Jerusalem. **Turkey**—Constantinople.

LONDON AGENTS:

Cox and Co., C. J. Hambro and Son.

Every Description of Banking Business is transacted.

Opens Current Accounts. Deposits. Bills Negotiated and Collected. Mail and Telegraphic Transfers. Issues Letters of Credit and Travellers' Cheques on the Principal Towns of the World. Commercial Credits. Foreign Exchange. Information Bureau. Stocks and Shares. Safe Custody of Securities. Special Shipping and Merchandise Department.

Cable Address: "BANCROMA."

Liabilities of the Individual Banks of the United Kingdom, 1918.

No.	Name of Bank.	Date of Balance Sheet.	No. of Offices.	Capital Paid Up. £	Reserve Funds. £	Total Capital and Reserves. £	% *	Notes in Circulation. £	% *	Acceptance Liabilities. £	% *	Deposit and Current Accounts, &c. £	% *	Undivided Profits. £	% *	Total Liabilities. £	No.
1	B. of England (c)	...Jan. 1, '19	11	14,553,000	3,000,000	17,553,000	5.3	70,190,250	21.3	—	—	241,210,594	73.3	249,267	.1	329,203,111	1
2	B. of Ireland	...Dec. 31, '18	121	2,769,231	920,000	3,689,231	8.5	16,290,339	37.5	—	—	23,299,555	53.6	157,655	.4	43 436,780	2
3	B. of L'pool & Martin's, L.	...Dec. 31, '18	250	1,733,890	900,000	2,633,890	3.9	—	—	2,335,956	3.4	63,243,450	92.4	191,299	.3	68,404,595	3
4	B. of Scotland	...Feb. 28, '19	167	1,325,000	550,000	1,875,000	4.8	4,022,757	10.2	676,162	1.8	32,568,495	82.9	127,812	.3	39,270,226	4
5	Barclay & Co., L. (c) ...	...Dec. 31, '18	1,374	8,160,743†	6,000,000	14,160,743	5.5	—	—	4,211,796	1.6	239,381,613	92.8	278,428	.1	258,032,580	5
6	Baring Bros. & Co., L. ...	...Dec. 31, '18	1	1,025,000	100,000	1,125,000	4.9	—	—	3,064,047	13.1	19,245,252	82.1	12,658	—	23,446,957	6
7	Beckett's Banks	...Dec. 31, '18	34	600,000	(a)	600,000	5.3	2,253,720	14.6	309,603	2.8	10,194,883	90.8	—	—	11,227,416	7
8	Belfast Banking Co., L. ...	...July 31, '18	125	500,000	500,000	1,000,000	6.5	122,930	1.1	—	—	12,073,014	78.3	86,255	.6	15,412,989	8
9	Blydenstein, B. W., & Co.	...Dec. 31, '18	1	500,000	125,000	625,000	6.2	—	—	—	—	9,503,499	93.8	—	—	10,128,499	9
10	British Linen B.	...Jan. 15, '19	147	1,250,000	1,350,000	2,600,000	7.7	3,182,911	9.5	391,180	1.2	27,301,058	81.2	137,252	.4	33,612,401	10
11	British Mutual B. Co., L.	...Dec. 31, '18	1	70,603	48,500	119,103	17.5	—	—	—	—	557,180	81.7	5,390	.8	681,673	11
12	Child & Co.	...July 10, '18	1	500,000	80,082	580,082	19.4		—	—	—	2,413,564	80.6	—	—	2,993,646	12
13	Clydesdale B., L.... ...	...Dec. 31, '18	158	1,000,000	1,170,000	2,170,000	6.0	3,092,333	8.6	251,110	.7	30,254,001	84.2	172,094	.5	35,939,538	13
14	Cocks, Biddulph & Co.(c)...	...Jan 11, '19	1	200,000	(a)	200,000	15.1	—	—	—	—	1,124,911	84.9	—	—	1,324,911	14
15	Commercial B. of Scotland, L.	...Oct. 31, '18	177	1,000,000	850,000	1,850,000	4.9	3,307,838	8.8	1,023,858	2.7	31,511,198	83.3	112,390	.3	37,805,284	15
16	Co-op. Wholesale Society, L.	...Dec. 28, '18	5	3,195,736	1,759	3,197,495	25.7	—	—	—	—	9,206,033	74.0	46,517	.3	12,450,045	16
17	Coutts & Co. (c)	...Dec. 31, '18	2	800,000	700,000	1,500,000	7.4	—	—	385,243	1.9	18,426,905	90.7	—	—	20,312,148	17
18	Cox & Co. (c)	...Oct. 5, '18	7	650,000	425,000	1,075,000	5.2	—	—	447,641	2.1	19,265,409	92.7	—	—	20,788,050	18
19	Equitable B., L.	...Dec. 31, '18	5	13,500	15,575	29,075	4.9	—	—	—	—	558,842	94.4	4,296	.7	592,213	19
20	Farrow's B., L.	...June 30, '18	74	361,112	93,500	454,612	15.2	—				2,517,805	84.2	17,020	.6	2,989,437	20
21	Glyn, Mills, Currie & Co. (c)	...Dec. 31, '18	1	1,000,000	500,000	1,500,000	5.2	—	—	982,739	3.4	26,484,610	91.4	—	—	28,967,349	21
22	Guernsey Bkg. Co., L. ...	...June 30, '18	3	50,000	58,000	108,000	19.5	42,136	7.6	—	—	393,170	71.0	10,510	1.9	553,816	22
23	Halifax Com. Bkg. Co., L.	...Dec. 31, '18	19	200,000	120,000	320,000	8.9	3,515	.1	62,772	1.7	3,193,246	88.8	16,854	.5	3,596,387	23
24	Hibernian B., L.	...Dec. 31, '18	97	500,000	140,000	640,000	6.5	—	—	—	—	9,099,342	93.2	27,192	.3	9,766,534	24
25	Hoare (Chas.) & Co. ...	...July 6, '18	1	485,000	(a)	485,000	15.3	—	—	—	—	2,688,627	84.7	—	—	3,173,627	25
26	Isle of Man B. Co., L. ...	...Dec. 31, '18	8	30,000	78,000	108,000	7.6	84,174	5.6	—	—	1,306,869	86.8	7,029	.5	1,506,072	26
27	Lancashire & Yorkshire B., L.	...Dec. 31, '18	126	862,660	580,000	1,442,660	6.0	12,964	.1	491,118	2.0	21,690,616	91.0	193,144	.9	23,830,502	27
28	Lloyds Bank, L. (c) ...	...Dec. 31, '18	1,390	8,954,056	9,000,000	17,954,056	6.0	—	—	14,764,992	4.9	266,808,139	88.7	1,158,300	.4	300,685,487	28
29	Lond. &L'pool B. of Commerce...	Dec. 31, '18	1	600,000	170,000	770,000	33.7	—	—	1,211,013	52.9	278,255	12.2	27,171	1.2	2,286,439	29
30	Lon.C'nty Westm.&Parr'sB.,L.(c)	Dec. 31, '18	694	6,830,990	7,430,086	14,261,076	5.0	17,263	—	9,276,488	3.2	263,129,887	91.5	855,730	.3	287,540,444	30
31	Lond. Joint City & Mid. B., L. (c)	Dec. 31, '18	1,307	7,172,697	7,172,698	14,345,395	4.0	—	—	13,145,849	3.6	335,350,315	92.2	675,098	.2	363,516,657	31
32	London Merchant ...	...Dec. 31, '18	1	750,000	350,000	1,100,000	31.8	—	—	1,911,497	55.3	375,180	10.8	73,311	2.1	3,459,988	32
33	Manchester & County B., L.	...Dec. 31, '18	122	1,092,040	850,000	1,942,040	9.5		—	506,126	2.5	17,679,775	87.1	189,129	.9	20,317,070	33
34	Man. & Liverp'l Dist. Bkg. Co.. L.	Dec. 31, '18	222	1,896,000	1,550,000	3,446,000	6.9		—	1,567,079	3.2	44,530,513	89.3	300,189	.6	49,843,781	34
35	Mercantile B. of Scotland, L.	...Mar. 31, '18	12	14,070	[5,000	19,070	11.9		—	—	—	141,445	88.1	94	—	160,609	35
36	Munster & Leinster B., L.	...Dec. 31, '18	122	200,000	400,000	[600,000	3.6	—	—	—	—	15,916,897	96.2	30,000	.2	16,546,897	36
37	National B., L. (c) ...	...Dec. 31, '18	200	1,500,000	845,000	2,345,000	6.8	3,238,154	9.4	277,600	.9	28,270,257	82.4	157,113	.5	34,288,124	37
38	National B. of Scotland, L.	...Nov. 1, '18	126	1,000,000	900,000	1,900,000	5.2	3,167,678	8.5	1,127,175	3.0	30,748,370	82.8	187,828	.5	37,131,051	38
39	Nat. Prov. & Union B. of Eng..L.(c)	Dec.31, '18	739	5,476,884	4,850,000	10,326,884	4.8	—	—	3,891,343	1.8	200,864,639	93.2	487,318	.2	215,570,184	39
40	N. of Scot.&Town & C'nty B., L.	Sept. 30, '18	119	652,000	500,000	1,152,000	5.5	2,114,062	10.0	—	—	17,527,339	83.3	254,624	1.2	21,048,025	40
41	Northamptonshire Union B., L.	Dec. 31, '18	21	396,000	469,000	865,000	13.3	1,820	—	—	—	5,607,334	85.9	54,057	.8	6,528,211	41
42	Northern Bkg. Co., L. ...	...Aug. 31, '18	189	500,000	485,000	985,000	7.3	2,043,604	15.1		—	10,441,076	77.4	27,369	.2	13,497,049	42
43	Palatine Bank, L. ...	...Dec. 31, '18	13	125,000	11,000	136,000	11.5	—	—	34,826	2.9	1,009,168	85.1	5,493	.5	1,185,487	43
44	Provincial B. of Ireland, L.	...Dec. 31, '18	115	540,000	415,000	955,000	6.3	2,264,951	15.0	—	—	11,816,700	78.4	43,242	.3	15,079,893	44
45	Reliance Bank, L. ...	...Mar. 31, '18	32	60,000	2,305	62,305	17.2	—	—	—	—	300,515	82.8	—	—	362,820	45
46	Royal B. of Ireland ...	...Aug. 31, '18	13	300,000	122,500	422,500	12.0	—	—	—	—	3,076,893	87.1	33,467	.9	3,532,860	46
47	Royal B. of Scotland ...	...Oct. 12, '18	168	2,000,000	1,030,471	3,030,471	8.4	3,266,556	9.0	193,925	.5	29,738,769	81.9	70,000	.2	36,299,721	47
48	Sheffield Bkg. Co., L. ...	...Dec. 31, '18	29	404,075	315,925	720,000	9.3	—	—	—	—	6,930,385	90.3	26,537	.4	7,676,922	48
49	Ulster Bank, L.	...Nov. 30, '18	225	500,000	700,000	1,200,000	5.0	4,804,918	19.9	—	—	18,063,976	74.7	108,734	.4	24,177,628	49
50	Union B. of Manchester, L.	...Dec. 31, '18	111	750,000	525,000	1,275,000	7.2	—	—	1,150,084	6.5	15,212,193	85.9	71,170	.4	17,708,447	50
51	Union B. of Scotland, L.	...Apr. 2, '19	162	1,000,000	1,000,000	2,000,000	6.1	2,987,221	9.2	418,547	1.3	26,931,733	82.7	214,801	.7	32,552,302	51
52	West Yorkshire B., L. ...	...Dec. 31, '18	35	400,000	400,000	800,000	7.1	2,245	—	28,705	.2	10,413,812	92.1	64,175	.6	11,308,937	52
53	Williams Deacon's B., L. (c)	...Dec. 31, '18	122	1,250,000	850,000	2,100,000	6.0	—	—	941,030	2.7	31,837,419	91.0	129,319	.3	35,007,768	53
54	Yorkshire Penny Bank, L.	...Dec. 31, '18	117	750,000	750,000	1,500,000	6.1	—	—	—	—	23,014,201	93.9	—	—	24,514,201	54
	Grand Total		*9,357*	**88,449,287**	**59,404,401**	**147,853,688**	*5.6*	**126,514,339**	*4.8*	**65,079,504**	*2.5*	**2,274,728,926**	*86.8*	**7,097,331**	*.3*	**2,621,273,788**	

(a) Amount of Reserve not stated. B—Bank or Bkg. (c) London Clearing Bank. L.—Limited. * Per cent. of Total Liabilities.
† Includes £871,299, instalments in respect of new issue of "A" shares.

a satisfactory business, and we may hope that the experience of the next few years will prove an invaluable asset to the institutions from which they are an offshoot.

Certainly the foreign branches afford a valuable training ground for the banks' staff, and in this direction it is pleasant to record the greater interest which the banks appear to be taking in their staffs generally. Unequalled facilities are now being offered in, or in connection with, the great joint stock banks, for the education, or perhaps we should say, higher education, of their clerks, and the man who is unwilling to avail himself of the facilities now before him, or is unwilling to learn new ways, has only got himself to thank in

CRÉDIT LYONNAIS

LONDON OFFICES:
40 LOMBARD STREET, E.C. 3
4 COCKSPUR STREET, S.W. 1

CAPITAL (fully paid) - £10,000,000

BALANCE SHEET, 31st December, 1918.

As communication with some of our Agencies is interrupted we have, where this is the case, been obliged to take the last figures available.

ASSETS.

Cash in hand and at Banks	£17,702,380
Bills Discounted & French Treasury Bills	76,522,155
Loans and Advances	7,469,506
Current Accounts	27,680,866
Exchange for forward delivery as *per contra*	4,161,473
Investments in Government and other Securities	233,212
Sundries	320,924
Bank Premises	1,400,000
	£135,490,518

LIABILITIES.

Deposits at Call	£40,726,140
Current Accounts	66,011,784
Accounts payable after Collection ...	3,828,244
Exchange for forward delivery as *per contra*	4,161,473
Acceptances	397,151
Deposits for fixed periods	1,129,070
Profit and Loss Account and Sundries ...	2,236,636
Reserve Fund	7,000,000
Capital (fully paid)	10,000,000
£1 = 25 Fcs.	£135,490,518

The Addressograph

As a time and money saver Sets the pace.

A real economy in business—pace and efficiency increased :—

In the Office, Counting House, Wages Department, Transfer Office, Publicity Department, etc., Labour Saving devices are a necessity if a Real Economy is to be effected.

The Card Index Addressograph heads up Statements, Addresses Envelopes, fills in Dividend Warrants, prepares Dividend Lists, Somerset House Returns, prepares Wages Lists, Clock Cards and Pay Bags, at the rate of 2,000 different names per hour.

Mistakes are impossible and your junior can use the machine at once.

Prints direct from ink or through ribbon like typewriting.

Addressograph Limited,
91 and 92 Shoe Lane, London, E.C. 4.

BANCA ROMANEASCA.

Established 1911.

Capital Subscribed - - -	**60,000,000 lei**
Capital Paid up - - - -	**48,332,800 lei**
Reserve Fund - - - -	**9,929,028 lei**

Head Office in

BUCHAREST, 5 RUE SMARDAN.

Branches in

BRAILA, GALATZ, CONSTANTZA, TOULCEA, BAZARGIK, SILISTRIE, KITCHENEW (Bessarabia), CZERNOWITZ (Bucovine).

Council of Administration.

President: G. N. BAGDAT, former Premier, President of the High Court of Justice and Cour de Cassation.

Vice-President: G. I. STOICESCO, former Vice-President of the Senate, Professor of the University.

Board of Directors and Members.

C. G. COCIASU, Barrister, former Vice-President of the Senate.
V. BRATIANU, former Manager of the Banque Nationale de Roumanie, former Minister.
D. D. BRAGADIRU, Merchant and Manufacturer.
Al. F. BADESCU, Engineer, General Manager of the Société de Tramways de Bucharest.
I. I. STANCULEANU, Barrister, former Member of Parliament.
Al. N. STEFANESCU, former Manager of the Banque Nationale de Roumanie.
G. CORBESCO, Barrister.

Auditors.

D. MATAK, Engineer, Manufacturer.
H. FULGA, retired, former Bank Manager.
V. V. STEFAN, former General Manager of the Ministry of Industry and Commerce.
Em. DAN, former Assistant Mayor of Bucharest, Barrister.
C. DIMITRIU, former General Manager in the Ministry.

General Manager : N. P. STEFANESCO, Engineer, Inspector-General, former General Manager of the Navigation Fluviale du Danube.
Manager : I. SAVESCO.
Sub-Managers : N. BANULESCO, C. T. TEODORESCO, Ion. C. PILIDI.

Banking transactions of every description. Deposits repayable on demand and with notice. Cheques and letters of credit issued on all countries. Stock Exchange orders executed in Roumania and abroad. Advances on securities, discounts and collections. Bonds, shares and objects of value received for safe-keeping. Applications received for all issues without charge.

Telegraphic Address: ROMANEASCA, BUCHAREST.

London Agents:

Comptoir National d'Escompte de Paris. Banque Belge pour l'Étranger.

Assets of the Individual Banks of the United Kingdom, 1918.

No.	Cash in Hand and in other Banks. £	%	Money at Call and at Short Notice. £	%	Cash & Money at Call & at Short Notice — Total. £	%	Investments. £	%	Bills Discounted.a £	Advances. £	Bills Discounted and Advances — Total. £	%	Liability of Customers for Acceptances. £	%	Bank Premises, &c. £	%	Total Assets. £	No.
1	79,976,437	25.4	—	25.4	79,976,437	24.3	142,753,744	43.3	—	106,472,930	106,472,930	32.4	—	—	—	—	329,203,111	1
2	14,059,998	32.3	1,994,800	4.6	16,054,798	36.9	14,943,495	34.5	—	12,051,640	12,051,640	27.7	—	—	386,847	.9	43,436,780	2
3	10,230,206	9.2	8,955,002	18.9	19,185,208	28.1	21,555,602†	31.5	2,740,201	21,683,283	24,423,484	35.7	2,335,956	3.4	904,345	1.3	68,404,595	3
4	5,863,229	14.9	—	—	5,863,229	14.9	19,681,684	50.1	12,387,339	—	12,387,339	31.5	676,162	1.8	661,812	1.7	39,270,226	4
5	51,819,891	20.1	21,325,154	8.2	73,145,045	28.3	50,559,987	19.6	47,442,254	78,854,584	126,296,838	49.0	4,211,796	1.6	3,818,914	1.5	258,032,580	5
6	5,385,994	23.0	—	—	5,385,994	23.0	1,607,306	6.9	11,317,959	1,944,651	13,262,610	56.6	3,064,047	13.0	127,000	.5	23,446,957	6
7	2,096,491	18.7	—	—	2,096,491	18.7	3,098,516	27.6	—	5,529,903	5,529,903	49.2	309,603	2.8	192,903	1.7	11,227,416	7
8	6,205,843	40 3	—	—	6,205,843	40:3	2,875,984	18.7	—	6,259,624	6,259,624	40.6	—	—	71,538	.4	15,412,989	8
9	1,861,597	18.4	—	—	1,861,597	184	882,142	8.7	7,243,580	115,415	7,358,995	72.6	—	—	25,765	.3	10,128,499	9
10	6,608,777	19.7	—	—	6,608,777	19.7	9,578,353	28.5	14,379,306	1,823,187	16,202,493	48.2	391,180	1.2	831,598	2.4	33,612,401	10
11	112,697	16.5	—	—	112,697	16.5	142,166	20.9	29,760	392,560	422,320	62.0	—	—	4,490	.6	681,673	11
12	546,648	18.2	525,000	17.6	1,071,648	35.8	1,083,007	36.2	—	754,791	754,791	25.2	—	—	84,200	2.8	2,993,646	12
13	5,561,418	15.5	—	—	5,561,418	15.5	16,585,495	46.1	5,712,525	7,405,337	13,117,862	36.5	251,110	.7	423,653	1.2	35,939,538	13
14	588,493	44.4	—	—	588,493	44.4	398,139	30.0	—	288,279	288,279	21.8	—	—	50,000	3.8	1,324,911	14
15	6,545,787	17.3	3,430,347	9.1	9,976,134	26.4	10,216,612	27.0	11,268,826	4,793,435	16,062,261	42.5	1,023,858	2.7	526,419	1.4	37,805,284	15
16	3,080,049	24.7	—	—	3,080,049	24.7	4,287,484	34.4	—	5,079,603	5,079,603	40.9	—	—	2,909	—	12,450,045	16
17	3,616,010	17.8	3,912,011	19.3	7,528,021	37.1	4,057,905	20.0	1,999,762	6,000,917	8,000,679	39.4	385,243	1.9	340,300	1.6	20,312,148	17
18	5,384,198	25.9	4,583,334	22.0	9,967,532	47.9	4,002,743	19.3	2,017,013	4,038,003	6,055,016	29.1	447,641	2.2	315,118	1.5	20,788,050	18
19	179,283	30.3	—	—	179,283	30.3	234,705	39.7	—	178,225	178,225	30.0	—	—	—	—	592,213	19
20	216,343	7.2	—	—	216,343	7.2	894,718	30.0	1,806,111	—	1,806,111	60.4	—	—	72,265	2.4	2,989,437	20
21	4,800,548	16.6	6,605,000	22.8	11,405,548	39.4	10,747,764	37.1	—	5,461,298	5,461,298	18.8	982,739	3.4	370,000	1.3	28,967,349	21
22	158,493	28.6	—	—	158,493	28.6	174,127	31.4	9,369	205,327	214,696	38.8	—	—	6,500	1.2	553,816	22
23	713,801	19.9	—	—	713,801	19.9	783,915	21.8	—	1,995,310	1,995,310	55.5	62,772	1.7	40,589	1.1	3,596,387	23
24	1,120,497	11.5	—	—	1,120,497	11.5	4,507,880	46.2	1,577,438	2,418,645	3,996,083	40.8	—	—	142,074	1.5	9,766,534	24
25	461,586	14.5	110,000	3.5	571,586	18.0	715,286	22.6	—	1,786,755	1,786,755	56.3	—	—	100,000	3.1	3,173,627	25
26	283,328	18.8	—	—	283,328	18.8	830,297	55.1	—	361,447	361,447	24.0	—	—	31,000	2.1	1,506,072	26
27	6,762,991	28.4	—	—	6,762,991	28.4	4,618,799	19.4	5,208,785	6,363,809	11,572,594	48.6	491,118	2.0	385,000	1.6	23,830,502	27
28	48,767,706	16.2	15,570,978	5.2	64,338,684	21.4	62,522,683	20.8	74,340,196	81,072,135	155,412,331	51.7	14,764,992	4.9	3,646,797	1.2	300,685,487	28
29	49,318	2.1	200,000	8.8	249,318	10.9	452,499	19.8	—	373,509	373,509	16.4	1,211,013	52.9	100	—	2,286,439	29
30	47,476,604	16.8	33,970,158	12.8	81,446,762	29.6	49,384,942	17.1	60,528,722	80,973,192	141,501,914	49.1	9,276,488	3.2	2,930,338	1.0	287,540,444	30
31	63,756,372	17.6	67,810,656	18.6	131,567,028	36.2	61,600,651	17.0	39,249,296	114,191,506	153,440,802	42.2	13,145,849	3.6	3,762,327	1.0	363,516,657	31
32	63,705	1.9	145,000	4.2	208,705	6.1	188,547	5.4	137,884	1,013,355	1,151,239	33.2	1,911,497	55.3	—	—	3,459,988	32
33	5,434,490	26.7	—	—	5,434,490	26.7	3,810,278	18.8	4,439,006	5,852,170	10,291,176	50.6	506,126	2.5	275,000	1.4	20,317,070	33
34	7,192,479	14.4	3,562,409	7.1	10,754,888	21.5	8,903,719	17.9	14,705,232	13,412,863	28,118,095	56.4	1,567,079	3.2	500,000	1.0	49,843,781	34
35	27,788	17.3	—	—	27,788	17.3	94,058	58.6	—	38,041	38,041	23.7	—	—	722‡	.4	160,609	35
36	2,349,073	14·2	1,000,000	6.0	3,349,073	20.2	6,047,732	36.6	3,380,445	3,684,775	7,065,220	42.7	—	—	84,872	.5	16,546,897	36
37	4,794,897	14.0	12,441,504	36.3	17,236,401	50.3	4,902,230	14.2	3,087,337	8,377,388	11,464,725	33.4	277,600	.9	407,168	1.2	34,288,124	37
38	4,095,277	11.0	5,355,690	14.4	9,450,967	25.4	8,923,913	24.0	9,044,846	7,961,900	17,006,746	45.9	1,127,175	3.0	622,250	1.7	37,131,051	38
39	33,576,002	15.6	13,221,591	6.1	46,797,593	21.7	44,925,251	20.9	39,060,649	78,298,859	117,359,508	54.4	3,891,343	1.8	2,596,489	1.2	215,570,184	39
40	3,400,181	16.1	—	—	3,400,181	16.1	8,261,543	39.3	5,000,000	4,121,479	9,121,479	43.3	—	—	264,822	1.3	21,048,025	40
41	658,954	10.1	—	—	658,954	10.1	3,209,409	49.2	176,335	2,447,135	2,623,470	40.2	—	—	36,378	.5	6,528,211	41
42	3,039,796	22.6	—	—	3,039,796	22.6	4,620,493	34.2	1,500,000	4,216,760	5,716,760	42.3	—	—	120,000	.9	13,497,049	42
43	309,795	26.1	—	—	309,795	26.1	216,932	18.3	215,183	398,692	613,875	51.8	34,826	2.9	10,059	.9	1,185,487	43
44	2,120,873	14.0	945,270	6.3	3,066,143	20.3	5,790,235	38.4	—	6,121,281	6,121,281	40.6	—	—	102,234	—	15,079,893	44
45	117,738	32.4	—	—	117,738	32.4	198,178	54.7	—	31,904	31,904	8.8	—	—	15,000	4.1	362,820	45
46	517,893	14.7	—	—	517,893	14.7	1,235,444	34.9	504,179	1,242,604	1,746,783	49.5	—	—	32,740	.9	3,532,860	46
47	4,849,075	13.4	4,360,800	12.0	9,209,875	25.4	7,766,285	21.4	12,566,316	5,971,123	18,537,439	51.0	193,925	.5	592,197	1.7	36,299,721	47
48	2,966,029	38.6	—	—	2,966,029	38.6	1,164,500	15.2	1,387,797	2,083,596	3,471,393	45.2	—	—	75,000	1.0	7,676,922	48
49	6,222,771	25.7	—	—	6,222,771	25.7	9,533,541	39.4	—	8,421,316	8,421,316	34.9	—	—	—	—	24,177,628	49
50	2,393,458	13.5	—	—	2,393,458	13.5	4,212,890	23.8	4,093,485	5,508,530	9,602,015	54.2	1,150,084	6.5	350,000	2.0	17,708,447	50
51	5,382,649	10.3	3,816,321	11.7	7,178,970	22.0	7,875,340	24.2	10,640,358	5,885,432	16,525,790	50.8	418,547	1.3	553,655	1·7	32,552,302	51
52	2,216,914	19.6	—	—	2,216,914	19.6	1,831,621	16.2	1,721,211	5,402,441	7,123,652	63.0	28,705	.2	108,045	1.0	11,308,937	52
53	5,641,141	16.1	5,909,730	16.9	11,550,871	33.0	6,586,806	18.8	5,549,519	9,943,798	15,493,317	44.2	941,030	2.7	435,744	1.3	35,007,768	53
1	7,237,957	29.5	—	—	7,237,957	29.5	7,256,279	29.6	4,795,341	4,773,542	9,568,883	39.1	—	—	451,082	1.8	24,514,201	54
	183,879,585	18.2	222,750,755	8.9	709,630,323	27·1	653,333,854	24·9	421,263,565	744,078,284	1,165,341,849	44·4	65,079,504	2.5	27,888,258	1.1	2,621,273,788	

* Per cent. of Total. † Including Treasury Bills. ‡ Includes £490 Debit Balance. (a) Where shown separately.

future if he gets left behind in the competition for the higher posts. We commend to our readers the articles on the various banks which give full details of what is being done for the staff.

For the rest, we may say that the English banks have emerged from the Great War in a manner vastly creditable to all concerned; the skill with which the finance of the various institutions has been managed, the expert aid given in connection with the great financial problems with which the Empire has been so frequently faced, and the unselfish, ungrudging, and systematic way in which every banker, great or small, has come to the aid of the country during the past few years of peril, toil, and pain, make one proud to be a member, however humble, however insignificant of the profession which is second to none in the realm of finance. British banking has a brilliant record behind it, we believe a still greater one lies before it.

CREDITO ITALIANO

Capital Authorised, Lire 200,000,000; Fully Paid, Lire 150,000,000.
Reserve, Lire 32,000,000.
Deposits and Current Accounts on 31st December, 1918, Lire 2,231,120,991.

HEAD OFFICE - - - MILAN.

BRANCHES—

AREZZO	CIVITAVECCHIA	NAPLES	SAVONA
ASTI	FLORENCE	NERVI	SPEZIA
BARI	FOGGIA	NOVARA	TARANTO
BERGAMO	FRATTAMAGGIORE	ORISTANO	TERNI
BOLOGNA	GENOA	OZIERI	TORRE ANNUNZIATA
BRINDISI	IGLESIAS	PARMA	TORRE DEL GRECO
CAGLIARI	LECCE	PINEROLO	TURIN
CARRARA	LECCO	PISA	VADO LIGURE
CASALE MONFERRATO	LEGHORN	PORTO MAURIZIO	VARESE
CASTELLAMMARE DI STABIA	LUCCA	ROME	VENTIMIGLIA
CATANIA	MESSINA	SAMPIERDARENA	VERCELLI
CHIAVARI	MODENA	SAN GIOVANNI A TEDUCCIO	VOGHERA
CHIETI	MONZA		

LONDON OFFICE: 22 ABCHURCH LANE, E.C. 4.

MANAGERS—D. A. HORNER, F. N. SCHILLER. SUB-MANAGER—P. ASHER.

Correspondent of the Royal Italian Treasury and of the National Institution for Foreign Exchanges.

The London Branch transacts a General Banking Business, and is specially prepared to grant facilities for the Development of Trade between the British Empire and Italy.
Documentary Credits opened.
Telegraphic and Mail Transfers effected to all parts of the World.
Clean and Documentary Bills collected. Tariff sent on application.
Approved Foreign Bills negotiated, and Advances granted against Documents.
Freights collected at principal Italian ports free of commission.
Circular Cheques issued, payable at any Branch or Correspondent of the Credito Italiano in Italy free of charge.
Information obtained on the standing and respectability of prospective customers or agents in Italy.

CORRESPONDENCE INVITED.

Telegrams - - "ITALOCREDI, CANNON, LONDON." *Telephone* - - 7802, 7803 CITY.

Commonwealth Bank of Australia

HEAD OFFICE SYDNEY

Guaranteed by the Australian Commonwealth Government.

JAMES KELL, Deputy-Governor. **DENISON MILLER,** Governor.

BRANCHES IN

The Principal Cities and Towns of Australia

AND AT

36-41, New Broad Street, E.C., and Australia House, Strand, W.C., LONDON.

WARMINSTER, Wilts; HURDCOTT, Wilts; WEYMOUTH, Dorset; and TIDWORTH BARRACKS, Hants.

Agents and Correspondents throughout the world.

BANKING AND EXCHANGE BUSINESS OF EVERY DESCRIPTION TRANSACTED.

Bankers to:

GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA.
GOVERNMENT OF THE STATE OF SOUTH AUSTRALIA.
GOVERNMENT OF THE STATE OF TASMANIA.

SAVINGS BANK DEPARTMENT.

Branches in the Chief Centres and 2,758 Agencies at Post Offices throughout Australia.

ON 31ST DECEMBER, 1918:

447,591 Savings Bank depositors had balances.....	£16,125,050
General Bank balances.....	50,823,650
Other Items	3,183,971
Total.....	£70,132,671



Head Office:
Sydney, New South Wales

LONDON BRANCH: 36-41, NEW BROAD STREET, E.C.
C. A. B. CAMPION, London Manager.

PROFITS OF FORTY-ONE BANKS IN 1918.

Name.	Year to	Capital	Capital and Reserve.	Total Funds Employed.	Gross Profits.	Expenses.	Net Profits for Dividend.	% of Net Profit to Capital	% of Net Profit to Reserve.	% of Net Profit to Total Funds.	Divs. Paid.* Amount.	Divs. Paid.* Rate.	Special Appropriations.	Balance.	% of Gross Profits Carr'd to Total Forwd.	% of Gross Profits Carr'd to Total Funds
		£	£	£	£	£	£	%	%	%	£	%	£	£	£	—
of Ireland	... Dec. 31, '18	2,750,231	3,650,231	43,136,780	795,247(a)	271,340	523,907	18.9	14.2	1.2	304,615	11	220,000	Dr.708	41,347	1.8
of Liverpool & Martins	... June 30, '18	1,733,890	2,633,890	68,401,595‡	920,035	505,628	414,567	23.3	15.7	.6	260,083	15	65,000	89,484	191,299	1.3
of Scotland	... Feb. 28, '19	1,325,000	550,000	39,270,226	—	—	374,830	23.3	20.0	.9	212,000	16	145,000	17,880	53,612	—
relay & Co., L. ...	... Dec. 31, '18	8,160,743	14,160,743	258,032,580	4,712,803	2,579,355	2,133,448	26.1	15.0	.8	1,199,133	"A" '10 "B" 20	950,000	Dr.15,685	278,428	1.8
lfast Banking Co., L.	... July 31, '18	500,000	1,000,000	15,412,989	—	—	104,188	20.8	10.4	.7	67,083	Old 21⅓ New 8⅓	—	37,105	86,255	—
itish Linen Bank ...	.. Jan. 15, '19	1,250,000	2,600,000	33,612,401	—	—	355,640	28.4	13.7	1.0	200,000	16	170,000	Dr.14,360	67,252	—
itish Mutual Bkg. Co., L.	Dec. 31, '18	70,603	119,103	631,679	—	—	6,330	11.0	6.1	.9	5,052	8.4	1,500	78	1,790	—
ydesdale Bank, L. ...	.. Dec. 31, '18	1,000,000	2,170,000	35,939,538	547,389	231,706	315,683	31.5	14.5	.9	180,000	18	120,000	15,683	43,751	1.5
om. Bank of Scotland, L.	... Oct. 31, '18	1,000,000	1,850,000	37,309,234	605,314(a)	249,348	355,666	35 9	19.4	.9	170,000	17	185,000	4,666	49,176	1.4
quitable Bank... ...	... Dec. 31, '18	15,500	28,075	592,213	—	—	3,867	25.5	13.3	.6	2,160	16	1,000	707	2,149	—
rrow's Bank, L. ...	.. June 30, '18	361,112	464,612	2,989,437	198,733(b)	151,915	36,818	10.2	1.4	1.2	21,655	6	15,000	163	6,190	6.6
ernsey Banking Co., L.	... June 30, '18	50,000	108,000	553,816	17,065	4,275	12,790	25.5	11.8	2.3	7,875	15¾	4,600	315	1,686	3.1
lifax Com. Bkg. Co., L.	.. Dec. 31, '18	200,000	320,000	3,536 387	—	—	28,470	14.2	8.9	.8	20,000	10	7,000	1,470	4,854	—
iberman Bank, L. ...	... Dec. 31, '18	500,000	640,000	9,766,534	158,212	96,107	62,105	12.4	9.7	.6	35,000	7	27,500	Dr. 395	9,692	1.6
le of Man Banking Co., L.	... Dec. 31, '18	30,000	108,000	1,506,072	—	—	14,991	50.0	13.9	.9	6.000	20	8,500	491	3,279	—
ncashire & Yorkshire Bk., L.	Dec. 31, '18	862,660	1,442,660	23,830,502	—	—	203,934	23.6	14.1	.9	155,279	18	20,000	28,705	86,879	—
oyds Bank, L. ...	... Dec. 31, '18	8,954,955	17,954,956	300,035,437	—	—	2,767,793	33.7	13.7	.9	1,424,042	20	1,160,460	183,291	472,755	—
nd. & Liverpool B of Com	Dec. 31, '18	600,000	770,000	2,256,439	42,163	16,945	25,218	4.2	3.3	1.1	24,000	4	—	1,218	16,576	1.9
nd. C'nty Westmstr. & Parr's	Dec. 31, '18	6,800,000	14,251,076	287,340,444	—	—	2,458,912	33.0	17.2	.9	1,365,951	20	900,000	192,961	377,560	—
ndon Jnt. City & Midland ...	Dec 31, '18	7,172,697	14,345,395	363,516,657	—	—	2,582,379	33.0	18.0	.7	1,291,067	18	1,350,000	Dr.58,688	675,097	—
alba Mercantile	Dec. 31, '18	750,000	1,100,000	3,459,988	66,899	25,672	41,227	5.5	3.7	1.2	37,500	5	—	3,727	35,812	1.9
anchester & County B., L. ...	Dec. 31, '18	1,092,040	1,942,040	20,317,070	—	—	206,859	18.9	10.6	1.0	163,806	15	40,000	3,053	66,053	—
an. & Liverpl Dist. B. Co., L	Dec 31 '18	1,836,000	3,146,000	49,516,751	—	—	438,535	24.7	13.6	.9	339,700	17½	100,000	29,135	126,389	—
erc. Bank of Scotland, L. ...	Mar 31, '18	14,070	19,070	160,609	5,009(a)	5,583	Dr.574	—	—	—	Nil.	—	—	Dr.574	Dr.490	3.1
nster & Leinster B., L. ...	Dec. 31, '18	200,000	600,000	16,546,397	—	—	104,253	52.1	17.4	.6	35,000	17½	70,000	Dr.747	17,400	—
ational Bank, L.	Dec. 31, '18	1,500,000	2,345,000	31,233,124	609,959(a)	284,454	325,196	21.7	13.9	.9	180,000	12	145,000	496	24,113	1.8
ational Bank of Scotland, L.	Nov. 1, '18	1,000,000	1,900,000	37,131,051	564,326(a)	234,859	329,467	32.9	17.3	.9	160,000	16	160,000	9,467	72,429	1.5
at. Prov. & Union B. of Eng. ...	Dec. 31, '18	5,476,884	10,326,884	215,570,184	—	—	1,821,333	33.2	17.6	.9	876,301	16	850,000	95,082	487,318	—
orthamptonshire Union B., L.	Dec. 31, '18	396,000	865,000	6,528,211	—	—	74,000	18.7	8.5	1.1	54,000	13.64	26,000	Dr. 5,910	11,057	—
orthern Banking Co., L ...	Aug. 31, '18	500,000	985,000	13,497,049	—	—	106,751	21.3	10.8	.8	60,208	"A" 14.16 "B" 7.08	43,108	3,435	27,370	—
of Scot. Town & C'nty B., L.	Sept. 30, '18	652,000	1,152,000	21,048,025	—	—	158,259	24.4	13.9	.7	96,170	14.75	110,000	Dr.46,911	79,016	—
alatine Bank, L.	Dec. 31, '18	125,000	136,000	1,185,487	—	—	11,382	9.1	8.4	.9	7,187	5¾	4,500	Dr.305	1,743	—
rovincial Bank of Ireland, L.	Dec. 31, '18	540,000	955,000	15,079,893	276,853	158,212	118,641	22.0	12.4	.8	72,900	13½	47,000	Dr.1,259	17,729	1.8
oyal Bank of Ireland	Aug. 31, '18	300,000	422,500	3,532,330	113,570(a)	69,078	44,492	14.8	10.5	1.3	30,000	10	14,500	Dr. 8	8,342	3.2
oyal Bank of Scotland ...	Oct. 12, '18	2,000,000	3,030,471	36,299,721	624,304(a)	258,801	365,503	18.3	12.1	1.0	200,000	10	165,503	—	—	1.7
heffield Banking Co., L.	... Dec. 31, '18	404,075	720,000	7,676,922	—	—	85,035	21.1	11.8	1.1	64,652	16	17,500	2,933	26,537	—
lster Bank, L.... ...	... Nov. 30, '18	500,000	1,200,000	24,177,628	—	—	†224,984	45.0	18.7	.9	132,812	21¼	20,000	72,172	108,733	—
Union B. of Manchester	... Dec. 31, '18	750,000	1,275,000	17,708,447	373,190(a)	152,168	220,722	29.4	17.3	1.2	137,500	20	80,000	3,222	18,670	2.1
Union B. of Scotland ...	... Apr. 2, '19	1,000,000	2,000 000	32,552,302	575,236	290,887	284,349	28.4	14.2	.9	150,000	15	140,000	Dr.5,651	54,801	1.7
West Yorkshire Bank, L.	... Dec. 31, '18	400,000	800,000	11,308,937	—	—	96,400	24.1	12.0	.9	60,000	15	30,000	6,400	25,154	—
Williams Deacon's Bank, L.	... Dec. 31, '18	1,250,000	2,100,000	35,007,763	678,909	359,803	319,191	25.5	15.2	.9	185,156	14⅝	125,000	9,035	29,846	1.9
Total 19 Companies		25,279,046	41,623,517	674,435,766	11,883,057	5,950,341	5,932,716	23.5	14.2	.9	3,355,417	—	2,464,103	113,196	899,397	1.8
„ 22 „		38,851,505	74,902,289	1,457,345,248	—	—	12,261,015	31.6	16.4	.8	6,638,470	—	5,174,568	547,977	2,808,252	—
41 „		64,130,551	116,525,806	2,131,781,014	—	—	18,193,731	28.3	15.6	.8	9,993,887	—	7,638,671	661,173	3,707,649	—

(a) After providing for rebate on Bills Discounted and Interest Paid to Customers. (b) After providing for depreciation of Investments.
* Dividends subject to Income Tax. † 15 Months. ‡ December 31, 1918.

SUTRO BROS. & CO.

BANKERS.

120 BROADWAY, NEW YORK.

DOMESTIC AND FOREIGN SECURITIES.

London Agents:
LONDON COUNTY WESTMINSTER & PARR'S BANK.
UNION BANK OF SCOTLAND, LTD.
NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND.
R. RAPHAEL & SONS.

Special Correspondents in:
MONTREAL.
SAN FRANCISCO.

GEORGE CLARE & Co.,

LIMITED.

9 OLD BROAD STREET, E.C. 2;

79 CORNHILL, E.C. 3.

British Industrial Finance.

FOREIGN EXCHANGE.

THE

NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND,

ESTABLISHED IN 1833. LIMITED.

Subscribed Capital, £38,214,000. Paid-up Capital, £5,476,884.
Reserve Fund, £4,850,000.

DIRECTORS.

BRIG.-GEN. THE HON. EVERARD BARING, C.V.O.
C. F. CAMPBELL, ESQ.
O. C. CAVE, ESQ.
J. A. CLUTTON-BROCK, ESQ.
H. G. DEVAS, ESQ.
BRIG.-GENERAL H. H. J. W. DRUMMOND, C.M.G.
M. O. FITZGERALD, ESQ.
C. R. GILLIAT, ESQ.
W. H. N. GOSCHEN, ESQ.
C. GAPPS HAMILTON, ESQ.
THE RT. HON. LORD INCHCAPE, G.C.M.G., [K.C.S.I., K.C.I.E.
F. A. JOHNSTON, ESQ.
COLONEL SIR C. V. E. LAURIE, BART., C.B., D.S.O.
F. C. LE MARCHANT, ESQ.
S. R. PRYOR, ESQ.
SIR FELIX SCHUSTER, BART.
E. A. SMITH, ESQ.
L. E. SMITH, ESQ.

JOINT GENERAL MANAGERS.

D. J. H. CUNNICK, ESQ., FREDERICK ELEY, ESQ., A. G. HOPEWELL, ESQ.,
L. E. THOMAS, ESQ. A. E. LEWIS, ESQ.

Head Office:

15 BISHOPSGATE, LONDON, E.C. 2.

PRINCES STREET OFFICE (UNION) ... 2 Princes Street, E.C. 2.
LOMBARD STREET OFFICE (SMITHS) 1 Lombard Street, E.C. 3.
CORNHILL OFFICE (PRESCOTT'S) ... ... 50 Cornhill, E.C. 3.

The Bank has Branches or Agents throughout the United Kingdom and Correspondents in all parts of the World.
BRITISH, COLONIAL and FOREIGN Banking and EXCHANGE business transacted.
Trusteeships and Executorships undertaken
Copies of the Annual Report of the Bank, List of Branches, Agents and Correspondents may be had on application at the Head Office and at any of the Bank's Branches.

FRENCH AUXILIARY:

LLOYDS BANK (FRANCE) & NATIONAL PROVINCIAL BANK (FRANCE) LTD.

LONDON (60 Lombard Street, E.C. 3), PARIS (3 Place de l'Opéra),
ANTWERP, BIARRITZ, BORDEAUX, BRUSSELS, HAVRE, MARSEILLES and NICE.

Banks of United Kingdom: Amounts, Dividends, Prices and Yields.

Name of Bank.	Capital. Subscribed.	Capital. Paid up.	Shares Nom. Value.	Shares Paid up.	Shares Call-able.	Shares Re-srvd.	Dividends Subject to Tax. 1913.	1914.	1915.	1916.	1917.	1918.	Approx. Price Per Share.	Approx. Price Per Cent.	Approx. Yield per Cent.(a)
	£	£	£	£	£	£	%	%	%	%	%	%	£	£	£ s. d.
Bank of England Stock (T)	14,553,000	14,553,000	100	100	Nil	Nil	9.21†	10	10	10	10	10	208	208	4 16 10
Bank of Ireland Stock (T.)	2,769,231	2,769,231	100	100	Nil	Nil	10	10	10	10	10	11	225¾	225½	4 19 0
Bank of L'pool & Martins	16,371,120	2,046,390	20	2½	5½	12	15	15	15	15	15	15	7¼	290	5 5 3
Bank of Scotland Stock ...	1,987,500	1,325,000	100	66⅔	33⅓	Nil	21.24	18	16	16	16	16	300	300	5 7 3
Barclay & Co. "A" Shs. ...	3,357,332	8,747,332	4	4	Nil	Nil	13⅓	10	10	10	10	10	7⅛	187½	5 8 7
,, ,, "B" Shs. ...	10,780,000		2	1	1	Nil	—	18⅞	17½	17½	20	20	3 5/16	356¼	5 14 5
British Linen Stock ...	1,250,000	1,250,000	100	100	Nil	Nil	19.1†	18	16	16	16	16	308	308	5 5 3
Clydesdale	5,000,000	1,000,000	50	10	Nil	40	15	15	15	15	16	18	31½	315	5 15 10
Commercial of Scotland ...	5,000,000	1,000,000	100	20	40	40	20	18	16	16	16	17	64⅛	320⅝	5 12 3
Guernsey	250,000	50,000	50	10	15	25	13.65	13.65	13.65	13.65	13.65	15.75	28	280	5 14 3
Halifax Commercial ...	400,000	200,000	20	10	Nil	10	8.4	8½	8	8	9	10	17½	175	5 16 5
Hibernian	2,000,000	500,000	20	5	5	10	6.3	6.5	6.4	6.0	6.5	7.0	5⅝	117½	6 0 5
Isle of Man	150,000	30,000	10	2	1⅓	6⅔	15	15	15	15	15	20	6½	325	6 3 0
Lancs. and Yorkshire ...	1,725,320	862,660	20	10	10	Nil	17 7/10	16½	16	16	17⅝	18	33¼	332½	5 10 3
Lloyds	55,962,850	8,954,056	50	8	4½	37½	18⅛	18⅛	18⅛	18⅛	18⅛	20	26¼	334⅜	6 0 10
Lond. and Liv. of Com. ...	600,000	600,000	10	10	Nil	Nil	6.37	4.19	4	4	4	4	7	70	5 16 4
Lon. Cty West. & Parr's...	30,000,000	6,830,990	20	5	5	10	21¼	21¼	18	18	19	20	17	340	5 19 3
Lon. Jnt. City & Mid. Old Sh.	34,426,948	7,172,697	12	2½	2½	7	18.56	18.58	18	18	18	18	7⅜	310	5 11 3
,, ,, ,, New Sh.	998,720	998,720	2½	2½	Nil	Nil	—	—	—	—	—	—	8½	340	5 7 3
Manchester & County ...	5,460,200	1,092,040	20	4	1	15	14⅛	13¾	13⅓	13⅓	14⅛	15	10⅝	265½	5 14 3
Manch. & L'pool. Dist. ...	9,480,000	1,896,000	15	3	2	10	18.6	18.1	17½	17½	17½	17 9/10	9⅝	320½	5 14 0
Munster & Leinster ...	500,000	200,000	5	2	1	2	16	16	16	16	16½	17½	8¾	443¾	4 0 0
National	7,500,000	1,500,000	50	10	6⅔	33⅓	10	10	10	10	10	12	20	200	6 2 5
Nat. of Scotland Stock ...	5,000,000	1,000,000	500	100	100	300	18	18	16	16	16	16	303	303	5 7 0
National Discount ...	4,233,325	846,665	25	5	20	Nil	10.62	10½	10	10	11	11½	7¼	155	7 12 0
National Provincial ...	33,214,000	420,000	75	10½	14½	50	18	16	16	16	16	16	27	257½	6 7 0
		5,056,884	60	12	8	40							31½	262½	6 4 5
Northamptonshire Union	1,080,000	396,000	30	11	9	10	12.31	14.18	13.64	13.64	13.64	13.64	27½	247½	5 11 10
Northern "A" Shares ...	1,750,000	350,000	10	2	2	6	12.74	12.77	13	13	13	14.16	5⅞	287½	4 18 10
,, "B" Shares ...	750,000	150,000	10	2	2	6	6.37	6.38	6.5	6.5	6.5	7.08	2¾	137½	5 3 5
N. of Scot. & T. & C. ...	3,260,000	652,000	20	4	4	12	13.27	13.6	13.07	12.5	13.5	14.75	13½xd	331¼	4 16 5
Palatine	500,000	125,000	20	5	5	10	5	5	5	5	5	5¾	6½	130	4 9 5
Prov. of Ireland Old Shs.	4,000,000	500,000	100	12½	37½	50	12½	12½	12½	12½	12½	13½	25⅝	205	6 14 7
,, ,, New Shs.	80,000	40,000	20	10	Nil	10							21⅜	213¾	6 8 10
Royal of Ireland ...	1,500,000	300,000	50	10	10	30	10	10	10	10	10	10	13¼	132½	7 11 8
Royal of Scotland Stock	2,000,000	2,000,000	100	100	Nil	Nil	11	11	10	10	10	10	205	205	5 0 0
Sheffield	1,154,500	404,075	50	17½	32½	Nil	15	15	15	16	16	18	53⅛	306	5 16 0
Union of Manchester ...	1,500,000	750,000	5	2½	2½	Nil	12½	12½	12½	16⅔	18.18	20	10⅜	415	4 18 0
Union of Scotland ...	5,000,000	1,000,000	50	10	Nil	40	15	15	15	15	15	15	26 15/16xd	269⅜	5 11 5
Union Discount	2,000,000	850,000	10	5	5	Nil	13.27	13.45	13.00	14.29	14.33	14.43	11	220	6 14 0
West Yorkshire	1,000,000	400,000	25	10	5	10	13.27	13.3	13.3	13.3	13.3	15	30	300	5 1 7
Williams Deacon's, "A" Sh.	7,812,500	1,562,500	5	1	1	3	15	14.5	14	14	14	14.81	43/3	216½	7 0 3
,, ,, "B" Sh.	312,500	312,500	1	1	Nil	Nil	—	—	—	—	—	—	43/6	217½	5 15 0(b)

(T) Trustee security, January 1914. † Free of tax. (a) After allowing for accrued dividend. (b) Yield on 12½% basis.

THE

UNION BANK OF MANCHESTER, LTD.

ESTABLISHED 1836.

NOMINAL CAPITAL - - - - - - - - - - - £2,500,000

Issued, £1,500,000, in 300,000 Shares of £5 each. Paid up, £750,000.

RESERVE FUND - - - - - - - - - - - £525,000

DIRECTORS.

Lieut.-Col. the Right Hon. LORD ROCHDALE, Chairman.

GEO. C. HAWORTH, Esq., Deputy-Chairman.

J. R. OLIVER, Esq. MICHAEL CABABÉ, Esq. ALLAN H. BRIGHT, Esq.

Sir JOSEPH VERDIN, Bart., D.L. CHAS. HARDY, Esq. P. FORRESTER, Esq., Managing Director.

With a Local Board for Yorkshire.

Head Office: YORK STREET, MANCHESTER.

Liverpool Branch: 45 Castle Street, LIVERPOOL.

Bradford Branch: 13 Market Street, BRADFORD.

Leeds Branch: City Square (corner of Park Row), LEEDS.

Sheffield Branch: 2 High Street, SHEFFIELD.

Over 100 Branches in Lancashire, Cheshire and the West Riding of Yorkshire.

Comprehensive arrangements exist for the transaction of Foreign Business. All kinds of Foreign Money Exchanged.

FURUKAWA MINING CO., LTD.
FURUKAWA & COMPANY LTD.

(Established 1875.)

Copper Producers and General Merchants.

HEAD OFFICE: Tokyo, Japan.

LONDON REPRESENTATIVE'S OFFICE: 57, Bishopsgate, E.C. 2.

Telephone: London Wall: 4914.

WHITEHEAD, MORRIS & Co. LTD.

9 & 10 Fenchurch Street, London, E.C.,

And at 21 TOTHILL STREET, WESTMINSTER.

Telegrams: "WEMMEL GRACE, LONDON."

Branches - - - CAIRO & ALEXANDRIA.
Factory - - - - TOWER HILL, E.C.

Telephones: AVENUE 2028. CENTRAL 487. VICTORIA 5304. VICTORIA 5307. Westminster Branch.

SPECIALISTS IN INSURANCE AND COMPANY PRINTING.
BOND, DEBENTURE, BANK-NOTE, STAMP AND SHARE CERTIFICATE ENGRAVERS.

Patentees and Printers of the new Safety Cheque. This process is also applicable to Letters of Credit, &c., and Bankers are strongly recommended to protect themselves and their Clients by the use of this new method.

ESTABLISHED 1809.

NORTH BRITISH & MERCANTILE

INSURANCE COMPANY.

FIRE LIFE

BURGLARY ACCIDENT ANNUITIES MARINE

FUNDS - - - £24,650,000

INCOME - - £7,000,000

CHIEF OFFICES:

LONDON: 61 Threadneedle St., E.C. 2. EDINBURGH: 64 Princes St.

Aggregate Liabilities of the Banks of the United Kingdom (including Bank of England).

Year.	No. of Banks.	Capital Paid up and Reserve Funds.				Notes in Circulation.		Acceptances.		Deposit and Current Accounts.		Profit Balance.		Total Liabilities.
		Capital Paid up. £	Reserves. £	Total. £	% of Liabilities.	Amount. £	% of Liabilities	Amount. £	% of Liabilities	Amount. £	% of Liabilities.	Amount. £	% of Liabilities	Amount £
1918	54	88,449,000	59,405,000	147,854,000	5·6	126 514 000	4·6	65 079,000	2 5	2,274,729,000	86·8	7,098,000	·3	2 621.274,000
1917	63	86,565,000	49,764,000	136,319,000	6·1	88.237,000	4·0	70,630,000	3·2	1,909,083,000	86·3	7,902,000	·4	2,212,171,000
1916	65	85 250,000	46,578,000	131.828,000	6·8	74,490 000	3·8	74,336,000	3·8	1,657,705.000	85 3	6,217,000	·3	1,944,576.000
1915	67	85,176,000	47,644,000	132.820,000	7·8	63,082.000	3·7	65,831,000	3·9	1,433,374,000	84·2	6.513,000	·4	1,701,620 000
1914	70	85,184,000	49.209,000	134,393,000	8·6	56,848,000	3·6	50,770,000	3·2	1,322,267,000	84·2	6,829,000	·4	1.571,107,000
1913	77	85,755,000	49,621,000	135,376.000	9·8	45,589,000	3·3	63,458,000	4·6	1,142,038,000	81·9	6,346,000	·4	1,392,807,000
1912	82	85 518.000	49,175,000	134 693,000	10·1	44,267,000	3·3	63,689,000	4 7	1,088,614,000	81 5	6.047,000	·4	1,337.310,000
1911	84	83,766,000	48,381,000	132,147,000	10·5	43,781,000	3·5	51,020,000	4·1	1,017,707,000	81·4	6,105,000	·5	1,250,760,000
1910	83	83,516,000	49,193,000	132 709,000	10·9	43,174,000	3 6	54,242,000	4·5	982,133,000	80·6	5,602,000	·4	1,217,860,000
1905	88	83,408,000	49,185,000	132,593,000	12·1	43,456,000	4·0	42,235,000	4·0	871,165,000	79·4	5,920,000	·5	1,095,369,000
1900	111	82,194,000	45,817,000	128,011,000	12·4	45,623,000	4·4	28,291,000	2·7	825,419,000	79·9	5,838,000	·6	1,033,182,000
1895	155	85,810,000	37,234,000	122,844,000	13·2	41,339,000	4·4	27,821,000	3·0	735,394,000	79·0	4,813,000	·4	932,011,000
1890	124	70,972,000	33,278,000	104,250,000	14·5	39,477,000	5·5	27,190,000	3·8	541,405,000	75·5	5,174,000	·7	717,496,000
1885	128	68,235,000	30,151,000	98,386,000	16·5	37,623 000	6·3	16,995,000	2·8	439 894,000	73·7	4,324,000	·7	597,222,000
1880	101	56,993,000	22,823,000	79,816,000	16·2	34,843,000	7·0	19,197,000	3·9	356,070,000	72·1	3,988,000	·8	493,914,000

Aggregate Assets of the Banks of the United Kingdom (including Bank of England).

Year.	No. of Banks.	Cash in Hand and Money at Call and at Short Notice.						Investments.		Bills Discounted and Advances.				Liability of Customers for Acceptances.		Bank Premises, etc.		Total Assets.
		Cash in Hand and at Bank of England.		Money at Call and at Short Notice (Where shown separately).		Total.				Bills Discounted (Where shown separately).	Advances.	Total.						
		Amount. £	% of Assets.	Amount. £	% of Assets.	Amount.	% of Assets.	Amount. £	% of Assets.	Amount. £	Amount. £	Amount. £	% of Assets.	Amount. £	% of Assets.	Amount. £	% of Assets.	Amount. £
1918	54	486,880,000	18·2	222,751 000	8·9	709 631,000	27·1	653,334,000	24·9	421,263.000	744,079.000	1.165,342.000	44·4	65,079,000	2·5	27 888 000	1·1	2,621.274,000
1917	63	403,832,000	18·3	188,894.000	8·5	592,726.000	26 8	508,715,000	23·0	276 582.000	735,470,000	1.012,052.000	45·7	70,630 000	3·2	28.048,000	1·3	2,212,171,000
1916	65	391,590,000	20·1	121,680.000	6·3	513,270.000	26·4	512,298,000	26·4	176,154.000	639,974,000	816,128,000	41·9	74,336,000	3·8	28,544,000	1·5	1 ,944,576,000
1915	67	289,645,000	17·0	87,763,000	5·2	377,408,000	22·2	492 342.000	28·9	93,533,000	644,228.000	737,761,000	43·3	65,831,000	3·9	28,278,000	1·7	1,701,620,000
1914	70	308,191,000	19·6	105 137,000	6·7	413,328,000	26·3	274,999,000	17·5	117,513,000	686.582,000	804,095.000	51·2	50.770,000	3·2	27,915,000	1·8	1,571,107,000
1913	77	208,168,000	15·0	124,755,000	8·9	332,923,000	23·9	242,583,000	17·4	121,908,000	604,406,000	726,314.000	52·1	63,458,000	4·6	27,529,000	2·0	1,392,807,000
1912	82	190,393,000	14·2	114,813,000	8·6	305,206,000	22·8	246,338 000	18·4	110,997.000	584,034,000	695,031 000	52·0	63,689,000	4·8	27,046,000	2·0	1,337,310,000
1911	84	181,513,000	14·5	113,299,000	9·1	294,812,000	23·6	239,453,000	19·2	100,311,000	539,411,000	639,722,000	51·1	51,020,000	4·1	25,753,000	2·0	1,250,760,000
1910	83	173,072,000	14·2	106,330,000	8·7	279,402,000	22·9	242,245 000	19·9	83,924,000	532,956,000	616,880,000	50·7	54,245,000	4·5	25,088,000	2·0	1,217,860,000
1905	88	157,163,000	14·3	97,275,000	8·9	254,438,000	23·2	220,456,000	20·1	71,076,000	482,983,000	554,239,000	50·6	42,235,000	3·9	24,002,000	2·2	1,095,370,000
1900	111	151,101,000	14·6	69,143,000	6·7	220,244,000	21·3	227,425,000	22·0	66,034,000	471,391,000	537,041,000	52·0	28,291,000	2·7	20,185,000	2·0	1,033,186,000
1895	155	152,318,000	16·3	59,125,000	6·3	211,443,000	22·6	213,332,000	23·0	66,826,000	393,804,000	460,625,000	49·4	27,821,000	3·0	18,790 000	2·0	932,011,000
1890	124	97,248,000	13·5	44,986,000	6·3	142,234,000	19·8	155,576,000	21·7	64,270,000	316,017,000	380,288,000	53·0	27,190,000	3·8	12,208,000	1·7	717,496,000
1885	128	80.062,000	13·4	29,343,000	4·9	109,405,000	18·3	124,522,000	20·8	66,390,000	271,410,000	336,800,000	56·4	16,994,000	2·9	9,501,000	1·6	597,222,000
1880	101	80,231,000	16·2	26,416,000	5·4	106,647,000	21·6	90,541,000	18·3	56,580,000	212,503,000	269,093,000	54·5	19,197,000	3·9	8,436,000	1·7	493,914,00

BANK OF ENGLAND.

The history of the Bank of England is too well known to necessitate our attempting to describe it here, even did space permit, but it may be of general interest to give a few details concerning its origin. The events which led to its foundation arose, curiously enough, out of the war which was being waged in 1690, as the result of which the Government had got into inextricable financial difficulties. Attention was then turned towards the establishment of a public bank such as existed in several of the Italian States, and a willing ear was lent by the Government of the day to several schemes mooted by a Scotchman, William Paterson, the notorious individual who was subsequently responsible for the Darien scheme, which led to the ruin of half Scotland. Paterson's last proposal, which was put forward in conjunction with a Mr. Michael Godfrey, was to raise and circulate £1,200,000 upon a fund of £100,000 a year, and, after a good deal of discussion with Ministers, it was brought before the Privy Council, the scheme approved, and the Statute 1694, c. 20, was passed establishing the Bank of England.

The Act, Statute 1694, c. 20, incorporating the Bank of England received the Royal Assent on April 25, 1694. Among other things it directed that £100,000 a year should be appropriated to the encouragement of persons making a voluntary loan of £1,200,000 for the purpose of carrying on the war with France. Further, it laid down that, unless at least one-half of this capital was subscribed before August 1, 1694, the subscribers were not to be made a Corporation. The Corporation were to be allowed to deal in bills of exchange; to buy and sell bullion, gold, and silver; to lend money on the security of goods, wares, and merchandise.

Under the Act a Commission to receive subscriptions to the capital was appointed on June 15, 1694; the whole stock was subscribed for in 10 days, and the Charter of Incorporation was duly issued on July 27, 1694.

The Bank went through many vicissitudes before it ultimately stood on firm ground; alterations were made from time to time in its charter, some of them limiting, most of them extending, the scope of its powers, and by 1816 its capital had reached £14,553,000, since when it has remained unchanged. The last alteration to the Bank's charter was made in 1844, when the Act known as the "Bank Charter Act, 1844," came into operation. Whether there will be any alteration in the charter as the result of the experience gained during the War remains to be seen, but it should be noted that the matter was considered by the Committee on Currency and Foreign Exchanges after the War, who in their first Interim Report said:

"Having carefully considered the various proposals which have been placed before us as regards the basis of the fiduciary note issue, we recommend that the principle of the Bank Charter Act, 1844, should be maintained, namely, that there should be a fixed fiduciary issue, beyond which notes should only be issued in exchange for gold. The separation of the Issue and Banking Departments of the Bank of England should be maintained, and the weekly return should continue to be published in its present form.

"We recommend, however, that provision for an emergency be made by the continuance in force (subject to the stringent safeguards recommended in the body of the Report) of Section 3 of the Currency and Bank Notes Act, 1914, under which the Bank of England may, with the consent of the Treasury, temporarily issue notes in excess of the legal limit."

The capital of the Bank is, as stated, £14,553,000; the nominal value of the Bank of England stock, which is a trustee investment, is £100; it is now quoted at £209, and there is no liability on it.

The Bank publishes no report other than the weekly statements which are issued every Thursday after the meeting of the directors. The Bank's year ends with the last return for February, and half-yearly meetings

CHARTERED 1822.

The

Farmers' Loan & Trust Company,

NEW YORK.

LONDON: 16 PALL MALL EAST, S.W.1; 26 OLD BROAD STREET, E.C.2.

PARIS. BORDEAUX.

STATEMENT OF FEBRUARY 21st, 1919.

RESOURCES.	
U.S. Government Bonds and Certificates, at market value	$41,772,049.37
Bonds and Stocks, at market value	16,826,365.47
Other Investments—Short Term—at market value	9,134,020.69
Bills Purchased	28,409,503.64
Loans	30,473,802.37
Bonds and Mortgages	2,059,989.98
Real Estate	3,514,040.00
Cash on hand and in Bank	32,870,896.45
Due from Foreign Branches	25,806,131.26
Liability of Customers for Acceptances	6,205,621.55
Accrued Interest	994,350.81
	$198,066,771.59

LIABILITIES.	
Capital Stock	$5,000,000.00
Surplus and Undivided Profits	12,006,561.58
Deposits, including Foreign Branches	163,887,058.88
Domestic and Foreign Acceptances	6,259,120.36
Bills Payable	4,000,000.00
Rediscounts	5,000,000.00
Accrued Interest, and Reserved for Taxes	1,914,030.77
	$198,066,771.59

FOREIGN EXCHANGE. COMMERCIAL CREDITS.
CURRENT AND DEPOSIT ACCOUNTS.
ENQUIRIES INVITED FROM MERCHANTS AND MANUFACTURERS.

United States Government Depositary.

are held, at which dividends are announced. Profits are included with the "Rest," or Reserve, which is not allowed to fall below £3,000,000. From 1897 to 1903 dividends of 10% were paid, and between 1904 and the middle of 1913 the rate was 9%, tax free. The dividend has since been 10%, less tax.

The profits of the Bank for the half-year ended February 28 last were £507,621, after providing for all contingencies. At the half-yearly court held on Thursday, March 20, the Governor, Sir Brian Cokayne, K.B.E., made the very satisfactory announcement that the Bank of England had agreed to account to the Government for the whole of its excess profits up to February 28, 1919. This presumably includes the whole war period, and the National Exchequer will be considerably the gainer by this patriotic action. The Governor expressed his confidence that the Bank of England was the last institution in the country which would wish to make large profits out of the War, and undoubtedly, as he pointed out, the proprietors will prefer to congratulate themselves on having rendered considerable services to the State during the War at a minimum cost to the Exchequer.

Appended is an analysis of the Bank Returns for 1911, and for the years 1914-19, from which it will be seen that deposits, which were £55,920,680 just before the War began, amounted on May 19 last to £136,437,208. The authorised note issue against securities is £18,450,000, of which £11,015,000 is Government debt. Notes in excess of this sum must be covered by gold, except in so far as the provision of the Bank Act of 1844 in this matter is abrogated by the Currency and Bank Notes Act of 1914. Notes in circulation, which just prior to the War were £29,317,000, stood on May 21 at £76,540,115.

The gold coin and bullion held in the Issue Department now stands at £83,924,325, as compared with £38,564,410 on July 22, 1914. Total assets are at £230,695,452, against £103,252,229 on July 22, 1914, while the total reserve stands at £27,433,455, as compared with £30,551,673 a year ago and £29,297,051 in 1914. The reserve to total deposits is equal to 20.01%.

For comparative purposes we give the return on May 21, 1919, and similar figures for corresponding periods of 1914-18.

Liabilities and Assets of The Bank of England.

LIABILITIES. End of Feb.	Capital. £	Rest. £	Capital an —Reserve.— £	% *	Notes in —Circulation.— £	% *	Public —Deposits.— £	% *	Other —Deposits.— £	% *	Seven Day and other Bills. £	% *	Total Liabilities. £
1919§ ...	14,553,000	3,155,582	17,708,582	7·7	76,540,115	33·2	26,104,348	11·3	110,332,860	47·8	9,547	—	230,695,452
1919 ...	14,553,000	3,499,563	18,052,563	7·7	70,335,745	30·1	25,823,907	11·1	119,169,536	51·1	23,751	—	233,405,502
1918 ...	14,553,000	3,563,021	18,116,021	7·8	47,251,225	20·3	42,649,718	18·3	124,767,163	53·6	10,219	—	232,794,346
1917 ...	14,553,000	3,571,262	18,124,262	6·6	38,581,710	14·2	47,846,179	17·6	167,992,209	61·6	27,726	—	272,575,086
1916 ...	14,553,000	3,514,962	18,067,962	9·1	32,507,860	16·3	52,619,707	26·3	96,393,965	48·3	23,611	—	199,613,105
1915 ...	14,553,000	3,569,837	18,122,837	8·5	34,222,880	16·1	26,924,591	12·7	132,868,891	62·7	38,304	—	212,177,503
1914† ...	14,553,000	3,446,453	17,999,453	17·4	29,317,290	28·4	13,735,393	13·3	42,185,297	40·9	14,796	—	103,252,229
1914 ...	14,553,000	3,543,013	18,096,013	16·4	28,310,060	25·6	20,636,505	18·7	43,438,437	39·3	13,065	—	110,394,080
1911 ...	14,553,000	3,569,392	18,122,392	17·8	27,110,320	26·5	16,875,386	16·5	40,049,893	39·2	32,572	—	102,190,563

ASSETS. End of Feb.	Government —Debt.— £	% *	"Other" Securities. —Issue Dept.— £	% *	Government Securities. —Bkg. Dept.— £	% *	"Other" Securities. —Bkg. Dept.— £	% *	Gold Coin and Bullion —Issue Dept.— £	% *	Gold and Silver Coin. —Bkg. Dept.— £	% *	Total Assets. £	Notes Issued. £	Gold Coin and Bullion, both Depts. £	Total Reserve. £	Reserve to Total Deposits. %
1919§	11,015,100	4·8	7,434,900	3·2	46,339,633	20·1	80,382,249	34·8	83,934,825	36.4	1,598,745	·7	230,695,452	102,374,825	85,523,570	27,433,455	20·01
1919...	11,015,100	4·7	7,434,900	3·2	59,196,744	21·5	83,139,365	35·7	80,459,165	34·4	1,178,228	·5	233,405,502	93,900,165	81,628,393	29,742,648	20·51
1918...	11,015,100	4·7	7,434,900	3·2	56,350,082	24·2	98,641,366	42·4	58,287,275	25·0	1,065,623	·5	232,794,346	76,737,275	59,352,898	30 551,673	18·25
1917...	11,015,100	4·0	7,434,900	2·7	82,445,859	30·2	117,383,137	43·1	52,717,870	19·4	1,578,220	·6	272,575,086	71,167,870	54,296,090	34,161,380	15·08
1916...	11,015,100	5·5	7,434,900	3·7	32,839,300	16·5	93,336,312	46·7	54,216,265	27·2	771,228	·4	199,613,105	72,666,265	54,987,493	40,929,633	27·50
1915...	11,015,100	5·2	7,434,900	3·5	26,924,284	12·7	102,931,679	48·5	62,329,555	29·4	1,541,985	·7	212,177,503	80,779,555	62,871,540	48,098,660	30·10
1914†	11,015,100	10·7	7,434,900	7·2	11,005,126	10·7	33,632,762	32·6	38,564,410	37·3	1,599,931	1·5	103,252,229	57,014,410	40,164,341	29,297.051	52·40
1914...	11,015,100	10·0	7,434,900	6·7	11,252,858	10·2	37,986,182	34·4	41,336,215	37·4	1,368,825	1·3	110,394,080	52,786,215	42,705,040	32,944,980	51·42
1911...	11,015,100	10·7	7,434,900	7·3	14,830,493	14·5	30,712,918	30·0	37,090,840	33·4	1,106,312	1·1	102,190,563	55,540,840	38,197,152	29,536,832	51·85

* Percentage of total. † July 22. § May 21.

THE BANK OF ENGLAND.

ISSUE DEPARTMENT.

	Notes Issued. £	Total. £	Government Debt. £	Other Securities. £	Gold Coin and Bullion. £	Total. £
1919, May 21	102,374,825	102,374,825	11,015,100	7,434,900	83,924,825	102,374,825
1918, ,, 22	80,492,620	80,492,620	11,015,100	7,434,900	62,042,620	80,492,620
1917, ,, 23	71,146,145	71,146,145	11,015,100	7,434,900	52,696,145	71,146,145
1916, ,, 24	77,138,810	77,138,810	11,015,100	7,434,900	58,688,810	77,138,810
1915 ,, 26	78,867,580	78,867,580	11,015,100	7,434,900	60,417,580	78,867,580
1914 ,, 27	52,700,615	52,700,615	11,015,100	7,434,900	34,250,615	52,700,615
Inc. or Dec.						
1919 on 1918*	**21,882,205**	**21,882,205**	—	—	**21,882,205**	**21,882,205**
1919 ,, 1914*	**49,674,210**	**49,674,210**	—	—	**49,674,210**	**49,674,210**

BANKING DEPARTMENT.

	Proprietors' Capital. £	Rest. £	Deposits: Public. £	Other. £	7-day & Other Bills. £	Total. £	Securities. Government. £	Other. £	Notes. £	Gold and Silver Coin. £	Total. £
1919 May 21	14,553,000	3,155,582	26,104,348	110,332,860	9,547	154,155,337	46,339,633	80,382,249	25,834,710	1,598,745	154,155,337
1918, ,, 22	14,553,000	3,125,106	38,433,960	127,600,432	9,173	183,721,671	55,580,732	97,304,223	30,246,290	590,426	183,721,671
1917, ,, 23	14,553,000	3,174,592	47,119,602	131,604,304	33,960	196,485,458	45,044,406	116,610,607	32,450,170	2,380,275	196,485,458
1916 ,, 24	14,553,000	3,139,187	54,250,998	81,405,160	24,862	153,373,207	33,187,474	76,446,807	42,395,450	1,343,476	153,373,207
1915 ,, 26	14,553,000	3,140,798	132,088,558	87,742,135	49,546	237,574,037	51,043,491	139,290,022	45,920,290	1,320,234	237,574,037
1914 ,, 27	14,553,000	3,135,807	19,014,809	41,248,964	19,250	77,971,830	11,046,570	41,461,280	23,767,235	1,696,745	77,971,830
Inc. or Dec.											
1919 on 1918*	—	**30,476**	*12,329,612*	*17,267,572*	**374**	*29,566,334*	*9,2 1,099*	*16,921,974*	*4,411,580*	**1,008,319**	*29,566,334*
1919 ,, 1914*	—	**19,775**	**7,089,539**	**69,083,896**	*9,703*	**76,183,507**	**35,293,063**	**38,920,969**	**2,067,475**	*98,00)*	**76,183,507**

* Increases, black type; decreases, italics.

NATIONAL BENEFIT ASSURANCE COMPANY, LIMITED

ASSETS EXCEED £1,500,000

ALL CLASSES OF INSURANCE, including LIFE, FIRE, MARINE, ACCIDENT, PROPERTY INVESTMENT, WAR RISKS, EMPLOYERS' LIABILITY, etc., at very favourable rates.

PROSPECTUS ON APPLICATION.

Managing Director - J. FRANCIS, J.P., F.S.S.

ESTB. 1890.

Head Offices: NATIONAL HOUSE, NEWGATE STREET, LONDON, E.C. 1.

Marine Underwriting Rooms: 74 CORNHILL, LONDON, E.C. 3.

INDIVIDUAL BANKS.

ALEXANDERS DISCOUNT CO., LTD.

Head Office: 54 Lombard Street, London, E.C. 3.

THIS is the Discount Company which has hitherto appeared under the heading "Alexanders and Company." The firm was first established in 1810, and, after various changes in name and personnel, necessitated by death or retirement of successive partners, the Company opens the year 1919 under the new title. In his speech at the fifty-first general meeting, the Chairman mentioned that it was not without some hesitation that the directors of the Company had decided to recommend the change to the shareholders, but it was believed to be to the advantage of the firm to let it be known clearly what it stood for. As he says, Alexanders are a Discount Company, not a bank, and although this is well enough known in the City, it was decided to adopt the name "Alexanders Discount Company, Limited," with a view to securing an increased supply of bills from the great industrial centres of the country, in which there must be many who have not so far recognised the real functions of the firm.

Turning to the balance sheet figures of the Company, we find that, notwithstanding the difficult and anxious period the past year has been for discount houses, the figures show a general increase.

Profits of Alexander and Company, Limited.

Yr. to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Profit for Ord.(a) £	Div. on Ord. Earned %	Subject to Tax—Paid %	£	Special Allocations £	Carried Forw'rd £
9 ..	12,126	20,520	91,606	85,606	17·12	13½	53,614	30,000	25,020
917	111,746	20,078	91,668	85,668	21·41	12½	50,666	30,000	23,021
916	86,418	19,411	67,007	61,007	15·25	10	40,000	20,000	18,027
915	66,281	18,291	47,990	41,990	10·50	10	40,000	—	17,029
914	88,310	19,330	68,980	62,980	15·74	10	40,000	20,000	15,030
1913	84,476	17,552	66,924	60,924	15·23	10	40,000	20,000	12,050

(a) After provision for dividend on 6% Preference shares.

The reserve account stands at £200,000, as against £170,000 a year ago, and the carry-forward is increased from £23,000 to £25,000. A total dividend of 12%, less income tax, was paid for the year, plus a bonus of 1s. per share, tax free. On the Preference share capital £100,000, 6%, less income tax, was paid. The actual gross profit for 1918 was £112,126, as against £111,746 in 1917. The net profit for 1918 gives a proportion to paid-up capital of 17.12%, but if reserve be taken into account, it will be seen that the proportion was reduced to 12.2%, while upon total working resources the proportion was further reduced to .5%.

Liabilities to the public at the close of 1918 amounted to £15,919,403, against which assets were held in the following proportions: Bills discounted 86.7%, investments 14%, and cash at bankers 2.7%.

Liabilities and Assets of Messrs. Alexanders Discount Company, Limited.

LIABILITIES. Dec. 31	Capital Paid Up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Deposits and Loans, &c. £	% *	Bills Re-discounted. £	% *	Rebate on Bills Discounted. £	% *	Profit Balance £	% *	Total Liabilities. £
1918 ...	500,000	200,000	700,000	4·2	13,826,917	83·2	1,912,260	11·5	124,205	·7	56,021	·4	16,619,403
1917 ...	500,000	170,000	670,000	4·5	12,668,671	85·2	1,348,701	9·1	128,270	·8	54,029	·4	14,869,671
1916 ...	500,000	140,000	640,000	5·0	10,978,632	85·0	1,145,851	8·8	118,000	·9	41,027	·3	12,923,510
1915 ...	500,000	120,000	620,000	5·9	9,439,747	90·2	272,536	2·6	86,555	·9	40,020	·4	10,458,858
1914 ...	500,000	120,000	620,000	5·9	9,427,422	90·2	281,748	2·7	76,935	·8	38,030	·4	10,444,135
1913 ...	500,000	100,000	600,000	4·8	10,131,947	82·1	1,497,231	12·1	86,334	·7	35,050	·3	12,353,562
1910 ...	500,000	60,000	560,000	5·2	9,982,052	92·2	—	—	282,152	2·6	—	—	10,824,204

ASSETS.	Cash at Bankers. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Assets. £
1918 ...	420,496	2·6	2,235,363	13·4	13,798,181	83·0	165,363	1·0	16,619,403
1917 ...	409,895	2·7	1,790,859	12·0	12,616,556	84·9	52,361	·4	14,869,671
1916 ...	389,560	3·0	1,673,906	13·0	10,856,120	84·0	3,924	—	12,923,510
1915 ...	367,437	3·5	1,141,307	10·9	8,885,693	84·9	64,421	·7	10,458,858
1914 ...	350,143	3·4	1,341,713	12·8	8,684,172	83·1	68,107	·7	10,444,135
1913 ...	293,726	2·4	944,221	7·6	10,798,650	87·4	316,965	2·6	12,353,562
1910 ...	282,085	2·7	1,012,234	9·3	9,143,262	84·4	386,202	3·6	10,824,204

* Per cent. of Total Liabilities or Assets.

BECKETT'S BANKS.

HEAD OFFICE - LEEDS.

BALANCE SHEET, 31st DECEMBER, 1918.

DR.

LIABILITIES.	£	s.	d.
To Deposits and Credit Balances, including Partners' Balances	10,194,882	17	7
Notes in Circulation	122,930	0	0
Liability on Undue Drafts and on Foreign Bills negotiated	309,602	18	10
Partners' Capital *	600,000	0	0
	£11,227,415	16	5

* £80,000 India Stock is deposited with the East Riding County Council.

CR.

ASSETS.	£	s.	d.	£	s.	d.
By Cash in hand, with the Bank of England, and at Call				2,096,490	17	4
English Treasury Bills				2,200,000	0	0
Investments—						
National War Bonds, Exchequer Bonds, and War Loans	2,651,170	0	0			
Leeds Corporation short-dated Bonds, India and Colonial Government Stocks, English Railways Debenture and Preference Stocks, and other Securities	447,346	0	0			
				3,098,516	0	0
				£7,395,006	17	4
Advances to Customers and Bills Discounted				3,329,902	18	2
Bank Premises				192,905	2	1
Liability on Undue Drafts and on Foreign Bills negotiated, per Contra				309,602	18	10
				£11,227,415	16	5

We have compared the above Balance Sheet with the Books at Head Office and Branches, and find the same correctly drawn up and in accordance therewith. We have examined the Bills and the Securities representing the Investments, and find them in order, and we have verified the correctness of the Cash Balances.

Leeds 8th January, 1919.

(Signed) TURQUAND, YOUNGS & CO.
Auditors.

BAKER, DUNCOMBE AND COMPANY.

Office: 36 Lombard Street, London, E.C. 3.

THE business of this private banking and discount house was established in 1866, but it was not until September 30, 1905, that the firm was registered as a limited Company. The capital is £100,000, and consists of 16,000 fully-paid "A" shares of £5 each = £80,000, and 4,000 fully-paid "B" shares of £5 each = £20,000. Both classes of shares rank *pari passu* for dividend up to 5% per annum, after which surplus profits, subject to allocation to reserve, go to the "B" shares; but it is to be noted that since the War commenced the reserve fund has been raised from £25,000 to £70,000. In the balance sheet to March 31, 1919, the largest items are grouped under the heading of deposits, loans, and bills rediscounted, £6,144,215, as compared with £6,290,965 in the last balance sheet, and the figures, although lower, still show a remarkable increase over the total for 1914—£4,279,612. On the assets side, bills discounted are a little lower—£5,649,646 10*s.*, against £5,781,966. Loans on security and sundry accounts stand at £9,583, as against £2,718 in the 1918 balance sheet. Investments amount to £562,500, and consist of 5% National War Bonds, £515,000; 5% War Loan 1929-47, £50,000. Cash in hand and at bankers shows a small decrease at £92,515 10*s.* 2*d.*

Liabilities to the public on March 31, 1919, amounted to £6,144,245, against which assets were held in the following proportions: Bills discounted (including rediscounts) 91.9%, cash 1.5%, and investments 9.1%.

LIABILITIES.

Mar. 31	Capital Paid up. £	Reserve Funds. £	Total Capital and Reserve. £	Reserve. % *	Deposits, Loans, and Bills Rediscounted. £	Rediscounted. % *	Total Liabilities. £
1919 ...	100,000	70,000	170,000	2·7	6,144,245	97·3	6,314,245
1918 ...	100,000	70,000	170,000	2·6	6,290,965	97·4	6,460,965
1917 ...	100,000	60,000	160,000	3·1	5,056,533	96·9	5,216,533
1916 ...	100,000	50,000	150,000	3·4	4,228,255	96·6	4,378,255
1915 ...	100,000	50,000	150,000	2·0	7,143,580	98·0	7,293,580
1914 ...	100,000	25,000	125,000	2·8	4,279,612	97·2	4,404,612
1910 ...	100,000	25,000	125,000	2·5	4,882,290	97·5	5,007,290

ASSETS.

Mar. 31	Cash in Hand &c. £	Cash in Hand &c. % *	Investments. £	Investments. % *	Bills Discounted. £	Bills Discounted. % *	Advances, &c. £	Advances, &c. % *	Total Assets. £
1919 ...	92,516	1·4	562,500	8·9	5,649,646	89·5	9,583	·2	6,314,245
1918 ...	93,981	1·4	582,300	9·0	5,781,966	89·5	2,718	·1	6,460,965
1917 ...	82,151	1·6	182,200	3·5	4,951,520	94·9	662	—	5,216,533
1916 ...	73,456	1·7	393,500	9·0	3,888,647	88·8	22,652	·5	4,378,255
1915 ...	77,065	1·1	1,198,250	16·4	5,993,162	82·2	25,103	·3	7,293,580
1914 ...	58,475	1·3	604,000	13·7	3,712,827	84·3	29,310	·7	4,404,612
1910 ...	53,088	1·1	465,000	9·3	4,464,117	89·1	25,085	·5	5,007,290

* Per cent. of Total Liabilities or Assets.

In connection with the percentage of cash to public liabilities, it should be noted that the deposits of discount companies are secured largely by collateral security, and in this respect the balance sheet of March 31, 1919, points out that assets of the value of £6,205,346 10*s.* are held by bankers as cover for liabilities mentioned.

BANK OF IRELAND.

Head Office: College Green, Dublin.

Capital—
Paid up ... ... £2,769,230 15*s.* 5*d.*
Price of Stock, £225¾. *Div.*, 11%. *Yield*, £4 19*s.* 0*d.*%

Bank of Ireland Stock is a Trustee Investment.

THE Bank of Ireland, which was established in 1783, is the chief of the six Irish banks of issue. Its paid-up capital is £2,769,230 15*s.* 5*d.*, and its authorised note issue £3,738,428. The Irish Bank Act of 1845, however, permits the banks of issue to exceed their authorised note issues, provided they hold coin against the excess issue, but silver must not exceed one-fourth part of the gold held. According to the published figures the Bank of Ireland's note circulation on December 31, 1918, amounted to £16,290,339, an increase of £4,364,724 over last year's figures. Cash held against the excess note issue is £12,551,000. The causes of the continued increase in the note circulation were ascribed by the Governor of the Bank at the half-yearly meeting to increases in wages, direct expendi-

THE NATIONAL BANK OF SCOTLAND LIMITED.

INCORPORATED BY ROYAL CHARTER AND ACT OF PARLIAMENT.

ESTABLISHED 1825.

Capital Subscribed, £5,000,000. Paid up, £1,000,000. Uncalled, £4,000,000.

RESERVE FUND, £900,000.

Head Office—EDINBURGH.

J. S. COCKBURN, GENERAL MANAGER. GEORGE A. HUNTER, SECRETARY.

London Office—37 NICHOLAS LANE, LOMBARD ST., E.C. 4.

SIR JOHN FERGUSON, K.B.E., MANAGER. DUGALD SMITH, ASSISTANT MANAGER.

Every description of banking business transacted, including the purchase and sale of Stocks, Shares, Securities, &c.; the collection of Dividends and Coupons whether payable in Great Britain or abroad; the issue of Drafts, Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of remittances to all parts.

The Agency of Colonial and Foreign Banks is undertaken, and the Acceptances of Customers residing in the Colonies or elsewhere abroad domiciled in London are retired on terms which will be furnished on application.

The Officers of the Bank are bound to secrecy as regards the transactions of its customers.

BAKER, DUNCOMBE & Co., Limited,

36 LOMBARD STREET, LONDON, E.C. 3.

BALANCE SHEET, 31st MARCH, 1919.

Dr. LIABILITIES.	£	s.	d.	£	s.	d.
To CAPITAL ACCOUNT—						
16,000 fully paid "A" Shares of £5 each ...	80,000	0	0			
4,000 fully paid "B" Shares of £5 each ...	20,000	0	0			
				100,000	0	0
„ RESERVE				70,000	0	0
„ LIABILITY ON DEPOSITS AND LOANS AND BILLS RE DISCOUNTED (including Rebate and Sundry Accounts)				6,144 245	0	2
				£6,314,245	0	2

Cr. ASSETS.	£	s.	d.
BY INVESTMENTS—			
5% National War Bonds (£515,000), 5% War Loan 1929/47 (£50,000)	562 500	0	0
„ BILLS DISCOUNTED (including Re-discounts)	5,649,646	10	0
„ LOANS ON SECURITY AND SUNDRY ACCOUNTS	9,583	0	0
Assets of the value of £6,205 346 10 0 are held by Bankers and others as cover for Liabilities *per contra.*			
„ CASH IN HAND AND AT BANKERS	92,515	10	2
	£6 314 245	0	2

HERBERT SAMUELSON, D. H. S. HOWARD, } *Directors.*

AUDITORS' REPORT TO THE SHAREHOLDERS OF BAKER, DUNCOMBE & Co., Limited.

In accordance with the provisions of Section 113, Sub-section 2, of the Companies (Consolidation) Act, 1908, we report to the Shareholders as follows:

1. We have audited the above Balance Sheet and have obtained all the information and explanations we have required.
2. We have examined the Securities, Bills, and Cash in Hand, and verified those in the hands of various Banks.
3. We are of opinion that such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the Books of the Company.

36 WALBROOK, LONDON, E.C. 4, *7th April*, 1919. KEMP, SONS, SENDELL & CO., *Chartered Accountants.*

ture for Government supplies, increased old-age pensions, and the "out of work" distribution throughout the country. He also mentioned that it was possible, though not directly proveable, that the increased stamp duty on cheques may have something to do with the increased use of notes in paying transactions.

The other figures on the liabilities side of the Bank's balance sheet reveal some interesting facts. The "Rest," as the reserve fund is styled, now stands at £920,000, from which it will appear that steady allocations to it are drawing the Rest near to its former figure of £1,020,000 (1910). During the past year the Rest has been increased out of profits by £220,000. Government and other public accounts amount to £3,269,371; in December 1885 they were only £1,471,034. Deposits totalled £20,030,184, an increase of £4,601,000 for the year. The increase in deposits, as the Governor explained in his speech, is common to most, if not to all, banks, and is largely explained, as a final cause, by the immense creation of Government credits, which in the end find their way to a great extent into the pockets of producers, traders, and wage-earners. Account also has to be taken of increased prices, which in many industries mean increased profits, and Irish farming as a whole, he says, is one of the industries which has thus prospered. These influences are also noticeable on the assets side of the balance sheet. In bills discounted and advances to customers, £12,051,640, as against £11,135,103 in 1917, the increase is comparatively small in view of the general increase in the Bank's business, and the relative smallness of the total loans and advances appear to have been common to all other banks in Ireland. The reason, according to the Governor, is that working capital for agricultural and other industries has been largely self-supplied in the past year, and it was not surprising that, with past restrictions in trading and scarcity of supply of raw materials, new capital for fresh ventures should not be borrowed.

On December 31 last the Bank of Ireland's liabilities to the public, including Government and other public accounts, amounted to £39,589,894, against which assets were held in the following proportions: Cash, 35.3%; money at call, &c., 5%; investments, 31.1%; Government debt, 6.6%; bills discounted (including Treasury bills) and advances, 30.4%. The Bank's investments now amount to £12,312,726, or, if we include the indebtedness of the British Government (£2,630,769), £14,943,495, and at the last meeting the shareholders were informed that the depreciation on their securities had not continued, in fact market values were stated to show a sensible appreciation over the basis of prices taken in the last balance sheet.

The net profit in 1918 was £523,907, showing an increase of £31,248 over the 1917 figures, and no less than £109,521 over the profit earned in 1914. Increased profits naturally mean increased dividends, and as a result of this fine showing the shareholders received for the half-year ending June 30, 10% per annum, and for the period ending December 31, 1918, 12% per annum, both less income tax.

The following record shows the advancement made by the Bank of Ireland in profit-earning since the year 1913:—

Profits of the Bank of Ireland, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax—Earned %	Paid %	Paid £	Special Allocat'ns £	Carried Forward £
1918...	795,247	271,340	523,907	18·92	11	304,615	220,000	41,347
1917...	726,479	233,820	492,659	17·79	10	276,923	200,000	42.055
1916...	667,971	214,800	453,171	16·36	10	276,923	175,000	26,319
1915...	667,891	209,937	457,754	16·53	10	276,923	180,000	25,071
1914...	601,280	203,150	398,130	14·37	10	276,923	120,000	24,249
1913...	607,158	192,772	414,386	14·96	10	276,923	137,000	23,033

The proportion that the net profit £523,907 bears to capital is 18.9%, to capital and "rest" combined 14.2%, and to the total working resources 1.3%.

Glyn, Mills, Currie & Co.

67 LOMBARD STREET, E.C. 3.

ESTABLISHED 1753. REGISTERED 1885.

BALANCE SHEET, 31st DECEMBER, 1918.

LIABILITIES.

To Capital paid up	£1,000,000	0	0
Reserve Fund	500,000	0	0
Current Accounts...	18,833,898	14	1
Deposit Accounts...	7,512,974	19	2
Reduction of the Bank Premises Account	137,736	7	1

Memorandum: Liabilities on account of Acceptances, Endorsements, &c. (covered by Securities) not included in Balance Sheet, £982,739 8s. 5d.

£27,984,610 0 4

ASSETS.

By Cash in hand and at Bank of England				£4,800,547	15 4
Money at Call and at Short Notice ...				6,605,000	0 0
Investments:—					
National War Bonds 5 per cent. 1922	£1,500,000	0	0		
Securities of, or guaranteed by, the British Government	9,139,409	14	1		
(The War Loans included in this category are valued at under cost)					
Government of India and Colonial Government Securities ...	108,354	14	6		
				10,747,764	8 7
Bills discounted, Loans and other Securities				5,461,297	16 5
Bank Premises (Freehold)				370,000	0 0
				£27,984,610	0 4

LETTERS OF CREDIT and CIRCULAR NOTES issued on their Foreign Correspondents throughout the world; REMITTANCES mailed and TELEGRAPHIC TRANSFERS made to all parts of the world.
PURCHASE AND SALE OF STOCKS, BONDS and SHARES effected.
DIVIDENDS, ANNUITIES, etc. received.
COUPONS COLLECTED.
INCOME TAX recovered and STATEMENTS for TAX PURPOSES prepared.
The Bank is prepared to undertake the duties of EXECUTOR and TRUSTEE.

Liabilities and Assets of The Bank of Ireland.

LIABILITIES. Dec. 31	Capital. £	Rest. £	Total Capital and Rest. £	% *	Notes in Circulation. £	% *	Govt. & other Public Accounts. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918...	2,769,231	920,000	3,689,231	8·5	16,290,339	37·5	3,269,371	7·5	20,030,184	46·1	157,655	·4	43,436,780
1917...	2,769,231	700,000	3,469,231	10·2	11,925,615	35·3	2,868,187	8·5	15,429,254	45·6	145,902	·4	33,838,189
1916...	2,769,231	500,000	3,269,231	11·2	9,693,951	33·4	2,403,230	8·3	13,495,819	46·6	130,165	·5	28,992,396
1915...	2,769,231	600,000	3,369,231	12·5	7,415,588	27·4	3,129,025	11·6	12,967,660	48·0	141,032	·5	27,022,536
1914...	2,769,231	810,000	3,579,231	14·2	5,087,565	20·0	2,744,906	10·9	13,615,411	54·1	149,720	·6	25,176,833
1913...	2,769,231	750,000	3,519,231	15·8	3,350,546	15·1	2,635,930	11·8	12,597,475	56·6	153,418	·7	22,256,600
1910...	2,769,231	1,020,000	3,789,231	18·0	3,008,309	14·2	2,521,690	12·0	11,573,973	55·0	177,527	·8	21,070,730

ASSETS. Dec. 31	Cash in Hand & at B. of E. £	%	Money at Call, &c. £	% *	Government Debt. £	% *	Other Investments. £	% *	Advances and Bills Discounted. £	% *	Bank Premises. £	% *	Total Assets. £
1918...	14,059,998	32·3	1,994,800	4·6	2,630,769	6·1	12,312,726	28·4	12,051,640	27·7	386,847	·9	43,436,780
1917...	9,536,531	28·2	2,549,665	6·9	2,630,769	7·8	7,796,988	23·0	11,135,103	32·9	389,133	1·2	33,838,189
1916...	7,116,765	24·5	2,633,388	9·1	2,630,769	9·1	7,855,699	27·1	8,365,761	28·9	390,014	1·3	28,992,396
1915...	4,786,614	17·7	1,940,511	7·2	2,630,769	9·8	8,152,422	30·1	9,129,830	33·8	382,390	1·4	27,022,536
1914...	3,781,744	15·0	1,715,026	6·8	2,630,769	10·4	7,857,437	31·2	9,045,595	36·0	146,262	·6	25,176,833
1913...	1,748,321	7·9	1,674,434	7·5	2,630,769	11·8	6,476,158	29·1	9,581,809	43·1	145,109	·6	22,256,600
1910...	1,668,565	7·9	1,161,531	5·5	2,630,769	12·5	6,323,009	30·0	9,163,248	43·5	123,608	·6	21,070,730

* Per cent. of Total Liabilities or Assets.

BANK OF LIVERPOOL AND MARTINS LIMITED.

Head Office: 7 Water Street, Liverpool.

Capital—

Authorised		£16,371,120
Subscribed, 818,556 Shares of £20 each	=	16,371,120
Paid up, £2 10*s.* per Share	=	2,046,390

Price of Share, £7¼. *Div.*, 15%. *Yield*, £5 5*s.* 3*d.*%

THE amalgamation of the Bank of Liverpool with Martin's Bank carries us a step further in the absorption and disappearance of the old private banks. Martin's Bank, of course, has the weight of tradition behind it. The exact date of its origin is not known. It is claimed to be the oldest bank in existence, and is said to belong to the Tudor period. Tradition ascribes the origin of the Bank to Sir Thomas Gresham, son of the famous Sir Richard Gresham of Queen Elizabeth's reign. The first Martin joined the bank in 1694, so for generations the Martin's business has been carried on in Lombard Street, but of recent years branches have been opened in and around London to cater for a wider *clientèle* than was found in the City. As things go, the business of the Bank, prior to its amalgamation with the Bank of Liverpool, was not a very large one, the figures on each side of the balance sheet running to about £6,000,000 only, but it has a progressive record behind it.

Briefly, the terms of the amalgamation were, 2½ new shares of the Bank of Liverpool and a cash payment of £4 12*s.* in exchange for each share in Martin's Bank. The new Bank of Liverpool shares issued to Martin's shareholders rank for dividend from July 1 last *pari passu* with the existing Bank of Liverpool shares. On the face of it the terms were generous, and the reasons for the Bank of Liverpool's making such a good offer were due to three reasons; first, because the Bank of Liverpool shares commanded a higher premium than did Martin's shares; secondly, they received from Martin's Bank, in the form of capital, reserve fund, and other items, cash, which of course goes a long way to cover the total cost of amalgamation; and, thirdly, the Liverpool institution was satisfied that on the terms named Martin's business presented a paying proposition to all parties concerned.

To paraphrase Mr. Holland-Martin's remarks to the shareholders of Martin's Bank when putting the terms before them, in the union of forces now represented by these two banks we have a large country bank with great connections in most of the big manufacturing centres in the North, coming to London to find a London office, adding to the London Bank the facilities that it has in the North, and receiving from that London Bank the advantages of a head office in London.

The Bank of Liverpool brings to London the benefits of its vast and varied experience in the North of England. It was one of the first joint stock banks to make its appearance in the North country after the passing of the Bank Act of 1826. The Bank, as a matter of fact, was established in 1831 with a nominal capital of £2,500,000, divided into 25,000 shares of £100 each, on which £10 was paid up. There have been many alterations since that date, however, and up to the time of the amalgamation with Martin's the authorised and issued capital stood at £13,871,120 in shares of £20 each, of which £2 10*s.* was paid up, making the paid-up capital £1,733,890. For many years, although steady progress was made, there was no attempt at launching out, and it was not until 1881 that the first branch was opened. After that an era of progress set in, new business was taken up, numerous private banks were absorbed, and in course of time its branches were found all over the North of England. Cumberland, Lancashire, Cheshire, Northumberland, Yorkshire, Durham, to name but a few counties, all had branches of the Bank of Liverpool, and as they extended their sphere of operations throughout districts in which many important industries were carried on, the Banks's business prospered exceedingly. This Bank has been particularly well situated in regard to participation in war industries, for although it operates largely in the cotton spinning and weaving centres and caters in other places for agricultural interests, it is also largely interested in finance in many of the principal engineering districts, to say nothing of its premier position in the port of Liverpool. Consequently, when the question of amalgamation cropped up, the undoubted vitality of the Bank and the important place it occupies in the North of England not only justified but actually demanded the maintenance of the Bank's independence. Yet there was one direction in which it was felt that, well-equipped as they were to hold their own in competition and to render full and proper banking services to their clients, they might do better, and that was in the provision of a London office. As time went on the Bank felt that it needed a London office of its own. That point having been conceded, the first step was to build up in the provinces a business of sufficient magnitude to support and justify a London office. This has now been done by the normal growth of the Bank's business and by amalgamating with other provincial banks. The result of this conservative policy is seen if we compare the position of the Bank of Liverpool as it was on June 30, 1918, with its position fifteen years ago. Fifteen years ago the Bank had 83 offices, last June it had 241. Fifteen years ago the paid-up capital and reserve fund and profits carried forward were £1,658,000; last June they were £2,825,000, and it is stated that the undisclosed reserves have increased in a considerably greater ratio. Fifteen years ago the customers' balances were £11,480,000; in June 1918 they were £50,231,000.

The Bank of Liverpool is one of the few banks which still adheres to the policy of making up its accounts to June 30, but now that it has made its *début* in London it is possible that it will become politic to come into line with the other banks and make up its accounts to the end of the calendar year. Under

BARCLAYS BANK

LIMITED.

HEAD OFFICE:

54 Lombard Street, London, E.C. 3.

AUTHORISED CAPITAL - -	£20,000,000
ISSUED CAPITAL - - - -	£14,137,332
AMOUNT PAID UP - - - -	£7,289,444
RESERVE FUND - - - -	£6,000,000
DEPOSITS - - - - - -	£239,660,000

The Paid-up Capital and the Reserve Fund are being increased respectively to £8,820,356 and £7,000,000.

FREDERICK CRAUFURD GOODENOUGH, Esq., *Chairman.*
Sir HERBERT HAMBLING, *Deputy-Chairman.*
EDMUND HENRY PARKER, Esq., *Vice-Chairman.*

General Managers:
WILLIAM FAVILL TUKE, Esq. WILLIAM CARRUTHERS, Esq.

The Bank has over
1,400 BRANCHES
IN ENGLAND AND WALES
and Agents and Correspondents in all the Principal Towns throughout the World.

EVERY DESCRIPTION OF BRITISH AND FOREIGN BANKING BUSINESS TRANSACTED.

The Bank undertakes the office of Executor and Trustee.

Foreign Branch: 168 FENCHURCH STREET, E.C. 3.

the terms of the amalgamation the profits of Martin's Bank, as from July 1918, are transferred to the Bank of Liverpool, so when the June 30 accounts make their appearance it will be interesting to see the results of the fusion.

The authorised capital of the Bank of Liverpool prior to the amalgamation with Martin's was, as stated, £13,871,120, divided into 693,556 shares of £20 each, upon which £2 10*s.* per share has been called up. When the amalgamation was sanctioned a resolution was passed increasing the capital to £16,371,120 by the creation of 125,000 new shares of £20 each. £2 10*s.* per share on these new shares has been paid up, so that the capital of the combined banks by amalgamation will be raised to £2,046,390, and the reserve fund to £1,300,000.

The net profit earned by the Bank of Liverpool for the period 1917-18 was £414,567, upon which a dividend of 15% was paid. In the 1918 balance sheet the Bank's investments were written down to Stock Exchange prices ruling on June 30, and advances to customers against 5% War Loan, which were treated as a separate item in the balance sheet of June 30, 1917, having been reduced to a comparatively small figure, were merged in "Loans and Advances to Customers." Further, to conform to the practice of other large banks, the specific reference in the balance sheet to the Bank's holding of shares in the Yorkshire Penny Bank has been discontinued.

It remains to be added that two directors of Martin's Bank join the board of the Bank of Liverpool, and one of the directors and the general manager of the Bank of Liverpool have taken their seats on the board of Martin's Bank, which will henceforth be the board of the amalgamated Banks.

The following statements give the profit earned of both Banks for the past five years:—

Profits of the Bank of Liverpool and Martins, Limited.

Year ended June 30	Gross Profit	Expenses	Net Profit	Div. subject to Tax—Earned	Div. subject to Tax—Paid—%	Div. subject to Tax—Paid—£	Special Alloct'ns	Carried Forward
	£	£	£	%	%	£	£	£
1918...	920,095	505,528	414,567	23·91	15	260,083	65,000	191,299
1917...	814,003	409,986	404,017	23·30	15	260,083	145,000	101,816
1916...	689,223	326,667	362,556	20·91	15	260,083	75,000	102,882
1915...	651,919	287,981	363,938	20·99	15	260,083	75,000	75,409
1914...	454,182	194,658	259,524	18 37	15	211,875	25,000	46,554
1913...	444,987	186,810	258,177	18·28	15	211,875	60,000	12,409

The net profit of £414,567 earned for 1917-18 was equal to 23.9% upon the paid-up capital, to 15.7% upon the combined capital and reserve, and to .8% upon the total working resources.

Profits of Martin's Bank, Limited.

Year to Dec. 31	Gross Profit	Exp. & Int. Paid to Customers	Net Profit	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid %	Div. Subject to Tax—Paid £	Special Allocat'ns	Carried Forward
	£	£	£	%	%	£	£	£
1917 ...	198,948	141,503	57,445	11·48	6	30,000	27,500	23,481
1916 ...	171,115	118,084	53,031	10·60	6	30,000	22,500	23,536
1915 ...	144,968	90,888	54,080	10·81	6	30,000	22,500	23,005
1914 ...	120,917	75,864	45,053	9·01	7	35,000	10,000	21,425
1913 ...	144,653	89,438	55,215	11·04	8	40,000	15,000	21,372

The practice of the Bank of Liverpool is to issue a comparative statement at the commencement of each half-year, and in view of its utility, it is hoped that under the new *régime* this custom will be continued. The following figures give the position for the last two years:—

	Jan. 2, '19	Jan. 2, '18	June 30, '17	Jan. 2, '17
LIABILITIES.				
Capital	£1,733,890	£1,733,890	£1,733,890	£1,733,890
Reserve	900,000	900,000	900,000	900,000
Acceptances	2,335,956	1,623,274	2,337,141	1,665,608
Deposits, &c.	63,243,450	53,436,145	41,330,576	42,407,398
Profit balance	191,299	101,816	241,223	102,882
Total	68,404,595	57,795,124	46,592,830	46,809,778
ASSETS.				
Cash in hand, &c.	19,185,208	12,050,596	8,809,262	7,760,342
Investments (inc. Trsry. Bills)	21,555,602	17,681,131	10,783,873	14,795,116
Bills	2,740,201	2,671,693	1,924,342	2,811,531
Loans and advances... ...	21,683,283	22,900,156	21,839,978	18,873,220
Liab. of customers for accept.	2,335,956	1,623,274	2,337,141	1,665,608
Bank premises, &c.	904,345	898,274	898,274	902,960
Total	68,404,595	57,795,124	46,592,830	46,809,778

Liabilities to the public on January 2, 1919, amounted to £65,579,406, against which assets were held in the following proportions: Cash &c., 29.3%; investments (including Treasury bills), 32.9%; bills, 4.2%; and loans and advances, 33.1%.

The Union Bank of Scotland Ltd.

ESTABLISHED 1830.

Subscribed Capital £5,000,000. Paid Up £1,000,000. Reserve Fund £1,000,000. Deposits £26,265,016.

Chairman: Right Hon. LORD GLENCONNER OF GLEN. Deputy-Chairman: JOHN Y. BUCHANAN, F.R.S.
DIRECTORS—ROBERT CLARK, CHARLES L. DALZIEL, ROBERT E. FINDLAY, ARTHUR C. D. GAIRDNER, HENRY E. GORDON, JAMES N. GRAHAM, Sir L. J. GRANT, Bart., WILLIAM HUTTON, ARCHIBALD R. C. PITMAN, PETER RINTOUL, Rt. Hon. J. PARKER SMITH.
General Manager: GEORGE J. SCOTT. Head Office Manager: JOHN ALEXANDER. Secretary: GEORGE H. MORITZ.
Branch Manager: JOHN G. KEITH. Accountant: JOHN F. M'CRINDLE. Manager Trustee Department: ALEXANDER MILLIKIN.

Every description of General Banking Business transacted; purchases and sales effected in all British and Foreign Stocks; Dividends, Annuities, &c., received for Customers.
Foreign and Overseas Business undertaken with all the leading centres In addition to carrying through Exchange operations of every character, Accounts will be opened in Foreign Currency on the most favourable terms. Freights will be collected abroad, Disbursements made, Insurance arranged, and Bail Bond and all other Business attended to promptly.
Special attention is given to acquiring information regarding firms and corporations and generally in regard to trade conditions abroad, which is placed at the disposal of clients.
Letters of Credit are issued free of charge for the use of Travellers, payable in the Principal Towns on the Continent of Europe and in all the chief Commercial Cities of the World. They may be obtained at the Head Offices in Glasgow and Edinburgh and at the London Office.
The Bank undertakes the duties of Trustee and Executor on terms, particulars of which can be obtained at the Head Offices and Branches.
At the London Office Current Accounts are conducted on the usual conditions of London Banks; Deposits received at Interest.

Head Offices:

GLASGOW: Ingram Street. EDINBURGH: George Street. 159 Branches throughout Scotland.

LONDON OFFICE: 62 Cornhill, E.C. 3. Manager: NORMAN L. HIRD. Assistant Manager: WILLIAM ALLISON.
WITH FOREIGN EXCHANGE DEPARTMENT.

THE LONDON MERCHANT BANK, Ltd.

Subscribed Capital	£1,500,000
Paid-up Capital	750,000
Reserve Fund	350,000

F. LUBBOCK, *Chairman.* A. HARTER, *Manager.*
F. POOLE, *Secretary.*

OFFICE - - - - 38 Lombard Street, E.C. 3.

Clearing Agents—BANK OF ENGLAND; COUTTS & Co.
Telegraphic Address—"LONDOMERCH, LONDON."

Liabilities and Assets of The Bank of Liverpool and Martins, Limited.

LIABILITIES. June 30	Capital. £	Reserve. £	Total Capital and Reserve £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit. Balance, &c. £	% *	Total Liabilities. £
1918	1,733,890	900,000	2,633,890	5·0	2,365,058	4·4	47,866,760	90·0	331,340	·6	53,197,048
1917	1,733,890	900,000	2,633,890	5·6	2,337,141	5·0	41,330,576	88·9	241,223	·5	46,542,830
1916	1,733,890	900,000	2,633,890	7·1	1,250,125	3·3	33,238,515	88·9	242,208	·7	37,364,738
1915	1,733,365	900,000	2,633,365	6·9	2,832,031	7·4	32,364,853	85·1	215,021	·6	38,045,270
1914	1,412,500	875,000	2,287,500	10·0	844,227	3·8	19,447,817	85·5	148,422	·7	22,727,966
1913	1,412,500	850,000	2,262,500	10·4	580,677	2·7	18,785,010	86·3	125,818	·6	21,754,005
1910	1,312,500	850,000	2,162,500	11·8	561,985	3·0	15,804,282	84·8	144,880	·8	18,673,647

ASSETS. June 30	Cash in Hand, &c. £	% *	Money at Call, &c. £	% *	Investments, Inc. Treasury Bills. £	% *	Bills. £	% *	Loans and Advances. £	% *	Liab. of Custrs. for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1918...	9,121,255	17·1	7,776,022	14·7	15,098,574	28·4	2,271,033	4·3	15,660,762	29·4	2,365,058	4·4	904,344	1·7	53,197,048
1917...	4,254,661	9·1	4,554,561	9·8	10,783,873	23·1	1,924,342	4·1	21,839,978	46·9	2,337,141	5·0	898,274	2·0	46,592,830
1916...	5,185,303	13·9	5,147,684	13·8	10,156,465	27·2	1,773,000	4·7	12,949,201	34·7	1,250,125	3·3	902,960	2·4	37,364,738
1915...	5,321,139	14·0	5,678,045	14·9	7,223,907	19·0	2,319,564	6·1	13,789,797	36·3	2,832,031	7·4	880,787	2·3	38,045,270
1914...	1,853,893	8·1	2,423,283	10·7	3,252,838	14·3	2,140,500	9·4	11,713,634	51·5	844,227	3·8	499,592	2·2	22,727,966
1913...	1,829,406	8·5	2,462,190	11·3	3,058,447	14·0	1,968,490	9·0	11,355,239	52·2	580,677	2·7	499,556	2·3	21,754,005
1910...	1,393,547	7·5	1,896,642	10·1	2,909,913	15·6	2,168,353	11·7	9,283,494	49·6	561,985	3·0	460,713	2·5	18,673,647

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of Martin's Bank, Limited.

LIABILITIES.	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Contingent Liabilities. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918 June 30	500,000	185,000	685,000	10·8	347,958	5·4	4,584	·1	5,283,148	83·1	38,481	·6	6,359,172
1917 Dec. 31	500,000	185,000	685,000	11·2	326,170	5·4	16,872	·3	5,034,517	82·5	38,481	·6	6,101,040
1916 ,,	500,000	185,000	685,000	12·7	338,853	6·2	21,918	·4	4,307,608	79·7	51,036	1·0	5,404,415
1915 ,,	500,000	185,000	685,000	13·6	356,345	7·1	10,436	·2	3,922,166	78·1	50,504	1·0	5,024,451
1914 ,,	500,000	185,000	685,000	16·3	218,514	5·2	21,041	·5	3,220,239	76·9	46,425	1·1	4,191,219
1913 ,,	500,000	180,000	680,000	15·8	292,140	6·8	360,227	8·4	2,912,403	67·9	46,373	1·1	4,291,143
1910 ,,	500,000	165,000	665,000	15·6	472,522	11·0	186,641	4·3	2,916,518	68·1	39,093	1·0	4,279,774

ASSETS.	Cash in Hand, &c. £	% *	Money at Call, &c. £	% *	Investments. £	% *	Bills Receivable £	% *	Loans. £	% *	Liability of Customers for Acceptances. £	% *	Contingent Liabilities as *per contra*. £	% *	Bank Premises. £	% *	Total Assets. £
1918 June 30	1,097,248	17·2	1,673,700	26·3	1,055,187	16·6	850,395	13·4	1,198,100	18·9	347,958	5·4	4,584	·1	132,000	2·1	6,359,172
1917 Dec. 31	1,142,030	18·7	1,342,670	22·0	1,187,957	19·4	573,764	9·4	1,380,477	22·6	326,170	5·4	16,872	·3	132,000	2·2	6,101,040
1916 ,,	921,607	17·0	994,360	18·4	1,208,725	22·4	539,346	10·0	1,247,606	23·1	338,853	6·2	21,918	·4	132,000	2·5	5,404,415
1915 ,,	761,377	15·1	655,000	13·0	1,203,085	24·0	508,106	10·1	1,398,103	27·9	356,345	7·1	10,436	·2	132,000	2·6	5,024,451
1914 ,,	768,963	18·3	488,900	11·6	564,366	13·5	517,969	12·4	1,479,766	35·3	218,514	5·2	21,041	·5	132,000	3·2	4,191,219
1913 ,,	739,069	17·2	441,000	10·3	439,989	10·2	719,891	16·8	1,166,827	27·2	292,140	6·8	360,227	8·4	132,000	3·1	4,291,143
1910 ,,	703,825	16·5	657,000	15·3	424,656	9·9	735,010	17·0	978,120	22·9	472,522	11·0	186,641	4·3	132,000	3·1	4,279,774

* Per cent. of Total Liabilities or Assets.

BANK OF LIVERPOOL AND MARTINS LIMITED,

Head Office: 7 WATER STREET, LIVERPOOL.

FORMERLY

BANK OF LIVERPOOL
LIMITED.

Established 1831.

7 WATER STREET, LIVERPOOL.

240 Branches and Sub-Branches.

Capital Subscribed	£13,871,120
Capital Paid Up	1,733,890
Reserve Fund and Surplus rofits	1,091,293
Assets at 30th June, 1918	53,197,048

MARTIN'S BANK
LIMITED.

Dating from 1563.

68 LOMBARD STREET, LONDON.

14 Branches and Sub-Branches.

Capital Subscribed	£1,000,000
Capital Paid Up..	500,000
Reserve Fund and Surplus Profits	208,481
Assets at 30th June, 1918	6,354,587

All descriptions of Banking and Trustee Business Transacted.

THE COMBINED BANK IS PREPARED TO ACT AS AGENTS FOR FOREIGN BANKS ON USUAL TERMS.

BANK OF SCOTLAND.

Head Office: Edinburgh.

Capital—

Authorised	£4,500,000
Subscribed (Stock)	= 1,987,500
Paid up (two-thirds paid)	= 1,325,000

Price of Stock, £300. *Div.*, 16%. *Yield*, £5 7*s.* 3*d.*%

THE Act authorising the establishment of the Bank of Scotland was passed by the Scots' Parliament on July 17, 1695, but it was not until 1696 that share subscriptions were completed and the Bank in a position to commence business. The capital, £1,200,000 (Scots' money), was subscribed for in the proportion of two-thirds in Scotland and one-third in London. The Bank had a monopoly of banking business in Scotland until 1727, the date of the incorporation of the Royal Bank of Scotland. At first its business progressed somewhat slowly; the management was conservative, branches in some centres being opened then closed if business did not come up to expectations, and it was not until 1774 that the Bank of Scotland was able successfully to continue its policy of extending its branch offices. The growth of its capital has been interesting and curious. To cope with the extension of branches in the early years its paid-up capital was increased to £30,000; in 1698, after several branches had been closed, it was reduced to its former figure by the repayment of £20,000 to the proprietors. Then, when branches began to increase again, in 1774, it received authority to increase the capital from the figure at which it stood in the year (£100,000) to £200,000. Ten years later a third Act of Parliament was obtained authorising a further increase of capital from £200,000 to £300,000. Another addition was made in 1792, when the capital was raised to £600,000, and it was still further increased in 1794 to £1,000,000. Then, at the commencement of the nineteenth century power was taken to increase the capital to £1,500,000. Finally, in 1873, an Act of Parliament was obtained raising the authorised capital to £4,500,000, at which figure it stands at the present time. The last issue of capital was made at the time of the absorption of the Caledonian Bank in 1907. The paid-up capital is now £1,325,000, and the reserve fund £550,000. The head office of the Bank is at Edinburgh, and branches are to be found in all the principal Scottish centres. It has also a London office, which has been open since 1867. In 1906 129 branches were doing business, and by February 28, 1919, the number had been increased to 167.

In addition to absorbing the Caledonian Bank, in 1868 the Bank of Scotland purchased the business of the Central Bank of Scotland, whose head office was in Perth. Further than that no active interest appears to have been taken in the process of amalgamation. It is a moot question, however, whether the Scottish banks in their turn will not be compelled to follow the lead of the British banks in this respect. There is a movement on the part of some London banks to extend their sphere of operations to Scotland, and possibly in order to deal with the new situation that has arisen since the War, the principal banks in Scotland may be inclined to consider the policy of amalgamation or pooling of interests desirable. Some of the Scottish banks have, of course, already taken steps to increase their business by entering into working arrangements with London bankers, and it seems only a matter of time for the larger institutions like the Bank of Scotland to follow in their steps.

As far as profits are concerned, the Bank of Scotland had one or two lean years to face after the opening of the War, but since 1917 the figures as shown reveal a substantial recovery in profits. The accounts for February 29, 1919, show net profits for the year, after taking British War Loans at or under cost, writing down other investments, to or under market prices ruling on February 28, and making provision for depreciation, bad and doubtful debts, rebate, interest and

British Trade Corporation.

INCORPORATED BY ROYAL CHARTER.

Telephone No.—LONDON WALL 2947-8. Telegrams—"TRABANQUE, LONDON."

13 AUSTIN FRIARS, LONDON, E.C. 2.

CAPITAL.

AUTHORISED .. .. £10,000,000. SUBSCRIBED AND PAID UP .. ... £2,000,000.

DIRECTORS.

Governor .. .. THE LORD FARINGDON.

ARTHUR BALFOUR.	W. H. N. GOSCHEN.	L. W. MIDDLETON.	SIR HALLEWELL ROGERS, M.P.
SIR VINCENT CAILLARD.	THE RT. HON. F. HUTH JACKSON.	J. H. B. NOBLE.	SIR JAMES H. SIMPSON.
F. DUDLEY DOCKER, C.B.	PIERCE LACY.	SIR WILLIAM B. PEAT.	H. E. SNAGGE.
SIR ALGERNON F. FIRTH.	LENNOX B. LEE.	R. G. PERRY, C.B.E.	H. H. SUMMERS.

Manager. A. G. M. DICKSON. *London Manager.* P. C. WEST. *Secretary.* G. DE B. BROUNLIE.

The Corporation has been established with the object of developing the Trade of the British Empire in every part of the world and bring to the notice of all interested that it is prepared to grant financial facilities to British Manufacturers and Merchants for the increase of their import and export trade.

It will be prepared to assist in opening up new channels for enterprise and will afford financial facilities for the enlargement of works and the extension of plant.

The Corporation is appointing representatives in the chief cities of the world and will open credits at home and abroad.

It invites inquiries and will endeavour where necessary to put expert advice at the disposal of correspondents regarding the financing of their foreign and overseas business.

Moneys received on fixed deposit. Terms on application.

The National Bank of New Zealand,

LIMITED.

AUTHORISED CAPITAL -	**£3,000,000**	**PAID-UP CAPITAL** - - -	**£750,000**
SUBSCRIBED CAPITAL -	**£2,250,000**	**RESERVE FUND** - - -	**£730,000**

UNCALLED CAPITAL - - - £1,500,000.

Directors:

HON. WILLIAM PEMBER REEVES (*Chairman*). CHARLES ELGAR, Esq. ROBERT LOGAN, Esq.
JAMES H. B. COATES, Esq. HENRY F. FRESHWATER, Esq. LINDSAY ERIC SMITH, Esq.

Head Office:—17 MOORGATE STREET, LONDON, E.C. 2. **Chief Office in New Zealand:—WELLINGTON.**
Manager:—ARTHUR WILLIS. General Manager:—D. W. DUTHIE.

Branches and Agencies throughout New Zealand and Correspondents in all parts of the World.

The National Bank of New Zealand, Limited, issues DRAFTS and LETTERS of CREDIT, makes **Telegraphic Transfers**, opens **Current Accounts, negotiates and collects Bills of Exchange.** Receives **Deposits** of £50 and upwards for 1, 2 or 3 years at rates to be ascertained on application, and conducts every other description of banking business.

Liabilities and Assets of The Bank of Scotland.

LIABILITIES. Feb. 28	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919	1,325,000	550 000	1,875,000	4·8	4,022,757	10·2	676,162	1·8	32,568,495	82·9	127,812	·3	39,270,226
1918	1,325,000	750,000	2,075,000	6·0	3,074,872	8·8	996,397	2·8	28,691,679	82·1	115,232	·3	34,953,180
1917	1,325,000	750,000	2,075,000	6·3	2,492,623	7·6	1,184,764	3·6	27,161,013	81·2	103,724	·3	33,017,124
1916	1,325,000	1,050,000	2,375,000	8·7	2,119,702	7·7	1,052,042	3·8	21,836,768	79·5	100,043	·3	27,483,555
1915	1,325,000	1,200,000	2,525,000	8·9	1,556,979	5·5	2,522,997	8·9	21,669,943	76·3	106,910	·4	28,381,829
1914	1,325,000	1,400,000	2,725,000	10·2	1,238,666	4·6	2,609,030	9·7	20,060,625	74·9	144,529	·6	26,777,850
1911	1,325,000	1,250,000	2,575,000	10·9	1,172,060	5·0	1,676,827	7·1	17,962,988	76·4	132,501	·6	23,519,376

ASSETS. Feb. 28	Cash and Notes in Hand, &c. £	% *	Brit. Govt. Securities & Call Money, &c. £	% *	Indian & Colonial Govt. Securities, &c. £	% *	Bills Discounted & Advances. £	% *	Liab. of Customers for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1919 ...	5,863,229	14·9	17,678,051	45·0	2,003,633	5·1	12,387,339	31·5	676,162	1·8	661,812	1·7	39,270,226
1918 ...	4,582,375	13·1	13,317,966	38·1	2,132,247	6·1	13,254,548	38·0	996,397	2·8	669,647	1·9	34,953,180
1917 ...	3,821,053	11·6	11,669,149	35·3	2,237,906	6·7	13,424,172	40·7	1,184,764	3·6	680,080	2·1	33,017,124
1916 ...	3,217,393	11·7	10,001,524	36·4	2,545,721	9·3	9,981,646	36·3	1,052,042	3·8	685,229	2·5	27,483,555
1915 ...	2,165,207	7·8	8,215,566	28·9	3,478,748	12·2	11,309,582	39·9	2,522,997	8·9	689,729	2·5	28,381,829
1914 ...	1,808,776	6·8	5,788,119	21·6	3,855,448	14·4	12,028,203	44·9	2,609,030	9·7	688,274	2·6	26,777,850
1911 ...	1,773,740	7·5	2,802,331	11·9	5,294,584	22·6	11,283,952	48·0	1,676,827	7·1	687,942	2·9	23,519,376

* Per cent. of Total Liabilities or Assets.

expenses, £312,327 2*s*. To this has to be added £35,731 17*s*. brought forward from the last account, making the profit £348,058 19*s*. £10,000 was written off Bank premises, and £135,000 applied to contingencies; the dividend for the year was 16%, less income tax, leaving £53,612 4*s*. to be carried forward to the new account. The shown net profit for 1918-19 was equal to 28% upon the paid-up capital, to 20% upon the combined capital and reserve, and to 1% upon the total working resources. The following table shows profits, &c., since 1914:—

Profits of the Bank of Scotland.

Year ended Feb. 28	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid— %	Div. Subject to Tax—Paid— £	Special Allocat'ns £	Carried Forward £
1919...	—	—	374,880	28·3	16·00	212,000	145,000	53,612
1918...	—	—	338,508	15·55	16·00	212,000	115,000	35,732
1917...	—	—	309,161	23·33	16·00	212,000	85,000	24,224
1916...	508,491	210,850	297,641	22·46	16·00	212,000	85,000	12,063
1915...	519,819	206,927	312,892	23·61	18·00	238,500	75,000	11,422
1914...	539,275	202,034	337,241	25·45	21·24	281,415	55,000	12,030

Since the present Treasurer assumed office the investments of and loans by the Bank have been subjected to a scrutiny of the most searching nature, and the directors report that ample provision has now been made to meet all contingencies by the withdrawal of £200,000 from the reserve fund, and, as previously stated, there now remains at the credit of reserve fund £550,000.

The note circulation, in common with that of most other banks of issue, still shows an upward tendency. The Bank's authorised note issue is £396,852. In 1865 its note circulation was just over £500,000, and at the end of February 1918 it had risen to £3,074,872, while in February of the present year the circulation had still further increased to £4,022,757. The excess note issue is covered by gold and silver coin and currency notes. Since 1914 the increase in the note circulation amounts to £2,784,091. Deposits, credit balances, and drafts issued payable within fourteen days, are up by £3,876,816 to £32,568,495, and as compared with the pre-war total of £20,060,625, are £12½ millions higher. Acceptances, which in 1914 amounted to £2,609,030, are down to £676,162. On the assets side, gold and silver coin, currency notes, notes of other banks, cash balance with the Bank of England, and cheques in course of trans-

THE
DISTRICT BANK
Established 1829
The Manchester & Liverpool District Banking Company Limited

Paid-up Capital £1,896,000
Reserve Fund £1,550,000

Deposits ... ... £44,530,512 **Investments ... £8,903,719**
Cash, &c., and Bills £25,460,120 **Advances £13,412,863**
31st December, 1918.

Head Office: SPRING GARDENS, MANCHESTER.
Foreign Department: 13 SPRING GARDENS, MANCHESTER.
London Office: 75 CORNHILL, E.C. 3.
Liverpool Office: WATER STREET,
and 240 Branches and Sub-branches in Lancashire, Cheshire, Staffordshire, Shropshire, Yorkshire, Derbyshire, Cumberland, Westmorland, and North Wales.

FOREIGN BANKING BUSINESS TRANSACTED.
BANK ACTS AS TRUSTEE OR EXECUTOR.

mission, amount to £5,863,229 0*s.* 6*d.*, against £4,582,375 last year. Cash at call and short notice is not shown separately by the Bank of Scotland, but is included with British Government securities, total £17,678,050 13*s.*, which is £4,360,084 higher than in the 1918 balance sheet. The Bank's Indian and Colonial securities have depreciated slightly, from £2,132,247 to £2,003,633. Bills discounted, current accounts, and other advances at £12,387,339 are £867,209 down.

Liabilities to the public on February 28, 1919, amounted to £37,267,414; against which assets were held in the following proportions: Cash, 15.7%; British Government securities, call money, &c., 47.4%; other investments, 5.4%; bills and advances, 33.2%.

BARCLAYS BANK.

Head Office: 54 Lombard Street, London, E.C. 3.

Capital—

Authorised	... ...	£20,000,000
Subscribed	839,333 "A" Shs. £4, fully pd. 5,390,000 "B" ,, £2 each, £1 pd.	14,137,332
Paid up	... ... =	8,747,332
Price of Shares	"A" Sh.. £7⅛. *Div.*, 10%. *Yield*, £5 8*s.* 7*d.*% "B" Sh.. £3⅜. ,, 20%. ,, £5 14*s.* 5*d.*%	

Barclays Bank Limited occupies a somewhat unique position in the banking world. Until the large amalgamations became the fashion other joint-stock banking institutions were content to expand by means of extension of branches in various parts of the Metropolis, or in the country or provinces; later they began to absorb the smaller private banks, and, comparatively recently, the larger concerns started to amalgamate the one with the other. In a way they were mainly following the lead of Barclays. Until 1896 the house of Barclay and Co. was simply a private Bank carrying on a progressive business; then, in that year, it suddenly launched forth by amalgamating with or absorbing 15 other banking firms, and assuming limited liability at the same time. This policy of absorption or amalgamation continued, and when in 1916 Barclays absorbed the United Counties Bank, it became evident that besides occupying a prominent position in London, the Bank would henceforth be a very important factor in the great industrial centres of the country. However, even before the joining of forces with the United Counties Bank, Barclays began to feel the need for a greater number of branches within the London and metropolitan area, and during the War the growth of the Bank's business caused that need to become intensified. In the circumstances, the London market was not very much surprised when an announcement was made in July last that Barclays had acquired the London and Provincial and South-Western Bank, Limited, itself an amalgamation of two of the largest joint-stock banks. The new alliance was undoubtedly a useful acquisition of strength to Barclays, since with it they not only acquired the branches they so urgently wanted in the places required, but also obtained an excellent business, both in and around London, and in South Wales and other parts of the country. As a matter of fact, this banking connection in South Wales is likely to be a very valuable one for Barclays. There is an important trade between South Wales and the North, both in coal and in shipping, and the banking operations which will accrue to Barclays from these districts are bound to be considerable. There is another point; in taking over the London Provincial and South-Western Bank, Barclays obtain some 250 more branches in London, which, had not this amalgamation taken place, it would have cost a very large sum of money to establish. In addition, they acquire the interest which the London and Provincial and South-Western Bank had in Cox and Co. (France), Limited, which, it is believed, will be of advantage in view of the facilities which Barclays will thus be able to extend to its manufacturing customers engaged in the import and export trade with France. Here, again, the South Wales connection will prove valuable, owing to the highly important and extensive demand from France for Welsh coal.

Many other benefits accrue which need not be detailed here; we refer to the working arrangements the absorbed banks had in connection with foreign business, all of which will be taken over by Barclays and be utilised for the benefit of the traders and manufacturers in this country whose business connections are or will be with foreign countries.

The scheme for amalgamation submitted to the Court for approval showed that the £1,899,444 of "A" capital was to continue to be held by the shareholders of Barclays, and that the "B" capital would be converted into 5,390,000 shares of £2 each, £1 paid, of which 2,769,167 were to be retained by the shareholders of the Bank, representing an increase of about 1/36th on each £1 of their holding of £2,695,000 of paid-up capital, and the balance, 2,620,833 shares, was to be transferred to the shareholders of the London Provincial and South-Western Bank, being the equivalent of £6 3*s.* 4*d.* for every £5 of paid-up capital formerly held by them in that Bank.

The amalgamation itself did not actually involve any increase in the authorised capital, but the directors considered that that capital should be further increased so as to be available for issue, as opportunity offered, by the creation of £6,500,000 new nominal capital in addition to the existing nominal capital of £13,500,000, of which £12,679,444 has already been issued, and of which there remains £800,556 in "A" shares, and £20,000 in "B" shares unissued. The additional nominal capital will be divided into 750,000 "A" shares of £4 each, and 1,750,000 "B" shares of £2 each, which the directors are empowered to issue from time to time as they may deem advisable. It was arranged that both "A" and "B" shareholders should participate in any new issue. As it happened, Treasury sanction having been obtained, the issue of 364,472 new "A" shares of £4 each fully paid was subsequently announced. These were offered to "A" and "B" shareholders on the register at the close of business on November 22, 1918, at the price of £6 10*s.* each, in the proportion of one new share for every £20 of paid-up capital held. A full six-months' dividend is payable on these shares for the period ending June 30, and will be paid in August next. As the result of this issue the Bank's reserve fund will be increased from £6,000,000 to £7,000,000, and the paid-up capital from £7,289,444 to £8,747,332.

In their balance sheet, presented to the shareholders on January 27 last, the directors announced that the amalgamation with the London Provincial and South-Western Bank, Limited, had been completed. After payment of all charges and making full provision for bad and doubtful debts, the net profits for the year ended December 31 last, including those of the London Provincial and South-Western Bank, Limited, were returned as £1,788,697 5*s.* 7*d.* The dividend on the "A" shares was continued at the rate of 10% and on the "B" shares 20%. £100,000 went in reduction of premises account and payment for buildings, while the reserve for staff pensions took £50,000. Reserve fund received £800,000, and, as above stated, now stands at £6,000,000, to which figure it was increased by the addition of £3,000,000 from the reserve fund of the London Provincial and South-Western Bank; and by the present appropriation premises account now stands at £3,818,913 17*s.* 6*d.* in the balance sheet, a figure which it is stated is well within the value of the premises which the Bank owns or occupies. The balance sheet, naturally, now includes very large amounts, but on examination it is found that resources are quite in a

The Bank of Taiwan,

(Registered in Japan, 1899.) LTD.

Head Office: TAIPEH, FORMOSA.

TOKYO OFFICE - - - - Yeirakucho, Kohjimachi-Ku, Tokyo.
LONDON OFFICE - - - - 58 Old Broad Street, London, E.C.

Abstract from Half-yearly Statement of Dec. 31st, 1918.

Dr. BALANCE SHEET. *Cr.*

LIABILITIES.		ASSETS.	
Capital Subscribed	Y.30,000,000[00]	Cash Account—	
Reserve Funds...	6,030,000[00]	In hand	Y.25,866,134[67]
Note Circulation	42,108,109[00]	At Bankers	36,651,315[49]
Deposits, Current A/c, &c....	428,073,128[28]	Loans to Government	3,105,700[00]
Bills Payable, Acceptances, and other Sums due by the Bank	168,780,965[24]	Bills, Loans, Advances ...	529,988,517[95]
		Investment in Public Securities	66,040,110[76]
		Bullion and Foreign Money ...	7,537,996[99]
Balance brought forward from last Account	462,365[61]	Capital Unpaid	5,000,000[00]
		Premises, Properties, etc. ...	3,138,761[20]
Net Profit for Past Half-Year	1,873,968[93]		
	Y.677,328.537[06]		Y.677,328,537[06]

BRANCHES:

Amoy	Hankow	New York	Swatow
Bangkok	Hong Kong	Osaka	Tainan
Batavia	Kiukiang	Samarang	Takow
Bombay	Kobe	Shanghai	Tokyo
Canton	London	Singapore	Yokohama
Foochow	Moji	Soerabaya	

CORRESPONDENTS:

Amsterdam	Lyons	Mukden	San Francisco
Calcutta	Macassar	Nagasaki	Stockholm
Cheribon	Manila	Newchwang	Vancouver
Dairen	Marseilles	Paris	Vladivostock
Harbin	Milan	Petrograd	Zamboanga
Iloilo	Montreal	Rome	Etc.
Iolo	Moscow		

London Bankers:

BARCLAYS BANK LIMITED.
LLOYDS BANK LIMITED.
LONDON COUNTY WESTMINSTER AND PARR'S BANK LIMITED.

The Bank is incorporated by special charter of the Imperial Japanese Government, and is authorised to issue its own notes in Formosa, being under the special supervision of the Government.

The Bank transacts General Banking and Foreign Exchange Business, undertakes Trust Business, and acts as Business Agents for other Banks.

Special facilities are available for Exchange Business on Japan, Formosa, China, the Straits Settlements, and Java.

liquid condition. The money lodged with the Bank up to December 31 last was £239,660,040. This money is obviously derived from a very numerous *clientèle*, and, although the Bank has large deposits of important trading and other concerns—probably awaiting business developments—yet the average amount per head is moderate, which perhaps indicates that the money disbursed through the War has been widely spread, and that there is an increase in the number of banking accounts.

Liabilities and Assets of Barclays Bank Limited.

LIABILITIES.	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Acceptances.		Deposits, &c.		Profit Balance.		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£	%*	£
1918 Dec. 31	8,160,743†	6,000,000	14,160,743	5·5	4,211,796	1·6	239,381,613	92·5	278,428	·1	258,032,580
1917 ,, ...	4,594,443	2,200,000	6,794,443	4·9	2,151,137	1·6	128,881,528	93·4	186,373	·1	133,013,481
1916 ,, ...	4,594,443	2,200,000	6,794,443	5·8	2,861,428	2·5	107,169,892	91·6	120,938	·1	116,946,701
1915 ,, ...	3,600,000	1,600,000	5,200,000	6·4	2,229,806	2·8	73,269,579	90·7	72,611	·1	80,771,996
1914 June 30	3,600,000	1,600,000	5,200,000	7·7	322,131	·5	61,740,266	91·6	140,671	·2	67,403,068
1913	3,600,000	1,600,000	5,200,000	8·3	377,302	·6	57,257,973	90·9	125,361	·2	62,960,616
1910	3,200,000	1,250,000	4,450,000	8·2	316,211	·6	49,170,615	90·9	121,511	·3	54,058,337

ASSETS.	Cash in Hand, B. of E., &c.		Money at Call, &c.		Investments.		Bills Discounted.		Advances.		Liab. of Cust. for Acceptances.		Bank Premises, &c.		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1918 Dec.31	51,819,891	20·1	21,325,154	8·2	50,559,987	19·6	47,442,254	18·4	78,854,584	30·6	4,211,796	1·6	3,818,914	1·5	258,032,580
1917 ...	28,778,428	20·9	5,920,400	4·2	26,256,878	19·0	28,089,055	20·4	44,201,242	32·0	2,151,137	1·6	2,606,341	1·9	138,013,481
1916 ,,	23,983,218	20·5	5,526,400	4·7	27,041,404	23·1	16,880,286	14·4	38,203,822	32·7	2,861,428	2·5	2,450,143	2·1	116,946,701
1915 ,,	14,181,269	17·6	4,470,000	5·5	25,908,497	32·1	3,721,689	4·6	28,408,025	35·2	2,229,806	2·8	1,852,710	2·2	80,771,996
1914 June 30	9,029,178	13·4	6,779,500	10·0	13,098,629	19·5	8,636,251	12·8	27,762,844	41·2	322,131	·5	1,774,535	2·6	67,403,068
1913 ...	9,479,205	15·0	6,608,000	10·5	11,846,410	18·8	6,476,444	10·3	26,441,686	42·0	377,302	·6	1,731,569	2·8	62,960,616
1910 ...	7,226,369	13·4	5,879,700	10·9	11,559,712	21·4	4,865,308	9·0	22,819,449	42·2	316,211	·6	1,391,588	2·5	54,058,337

* Per cent. of Total Liabilities or Assets. † Includes £871,299 instalments on new issue of "A" shares.

Liabilities and Assets of The London and Provincial Bank, Limited.

LIABILITIES.	Capital Paid up.	Reserve Fund.	Invest. Depreciation Reserve.	Total Capital and Reserve.		Acceptances.		Deposits, &c.		Profit Balance.		Total Liabilities.
	£	£	£	£	%*	£	%*	£	%*	£	%*	£
1918 June 30†	2,125,000	3,000,000	—	5,125,000	5·7	2,341,779	2·7	82,517,592	91·6	—	—	89,984,371
1917 Dec. 31	1,000,000	1,650,000	500,000	3,150,000	7·9	425,500	1·1	35,961,878	90·1	345,848	·9	39,883,226
1916 ,,	1,000,000	1,650,000	350,000	3,000,000	8·8	300,000	·8	30,512,945	89·4	339,821	1·0	34,152,766
1915 ,,	1,000,000	1,750,000	250,000	3,000,000	10·8	—	—	24,362,305	87·8	324,937	1·2	27 687,242
1914 ,,	1,000 000	2,000,000	—	3,000,000	12·0	—	—	21,731,260	87·0	251,322	1·0	24,982 582
1913 ,,	1,000 000	2,000,000	—	3,000,000	12·7	—	—	20,246,006	85·8	351,686	1·5	23,597,692
1910 ,,	800,000	1,495,000	—	2,295,000	12·1	—	—	16,546,827	87·1	154,729	·8	18,996,566

ASSETS.	Cash in Hand and with Bank of England.		Money at Call and at Short Notice.		Investments.		Bills Discounted, Advances, &c.		Liab. of Cust. for Acceptances.		Bank Premises.		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1918 June30†	16,371,544	18·2	11,599,930	12·8	12,917,798	14·4	45,746.163	50·8	2,341,779	2·7	1,007,107	1·1	89,984,371
917 Dec. 31	7,438,394	18·6	6,470,270	16·2	7,002,593	17·6	18,239,840	45·7	425,500	1·1	305,629	·8	39,883,226
1916 ,,	6,946,131	20·3	4,955,182	14·5	6,985,451	20·5	14,633,927	43·0	300,000	·8	282,075	·8	34,152,766
1915 ,,	4 719 973	17·0	4,232,776	15·3	6,570.568	23·7	11,834 101	43·0	—	—	269 824	·9	27 687 242
1914 ,,	4,824,330	19·3	2,248,127	9·0	5,228,051	21·0	12,418,046	49·7	—	—	264,028	1·0	24,982,582
1913 ,,	3,633,466	15·4	2,615,000	11·1	5,058,943	21·5	12,029,915	50·9	—	—	260,338	1·1	23,597,692
1910 ,,	2,212,183	11·6	1,700,000	9·0	4,508,834	23·7	10,350,141	54·5	—	—	225,408	1·2	18,996,566

* Per cent. of Total Liabilities or Assets. † London, Provincial and South Western Bank, Ltd.

Liabilities and Assets of The London and South-Western Bank, Limited.

LIABILITIES.	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Acceptances.		Deposits, &c.		Profit Balance.		Total Liabilities.
Dec. 31	£	£	£	%*	£	%*	£	%*	£	%*	£
1917	1,200,000	1,350,000	2,550,000	5·8	2,355,797	5·4	38,664,148	88·5	130,891	·3	43,700,836
1916	1,200,000	1,350,000	2,550,000	7·3	1,611,053	4·6	30,651,527	87·7	131,979	·4	34,944,559
1915	1,200,000	1,350,000	2,550,000	8·6	1,980,092	6·7	24,962,296	84·2	141,017	·5	29,633,405
1914	1,200,000	1,350,000	2,550,000	9·2	1,393,392	5·0	23,559,507	85·2	159,791	·6	27,662,690
1913	1,175,000	1,350,000	2,525,000	9·9	1,254,481	4·9	21,521,018	84·6	150,100	·6	25,450,599
1910	1,000,000	1,000,000	2,000,000	10·5	252,389	1·3	16,680,195	87·6	115,530	·6	19,048,114

ASSETS.	Cash in Hand, &c.		Money at Call, &c.		Investments.		Bills Discounted.		Loans and Advances, &c.		Liab. of Cust. for Acceptances.		Bank Premises.		Total Assets.
Dec. 31	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1917...	7,648,035	17·5	5,183,191	11·9	5,957,781	13·6	6,689,249	15·3	15,171,315	34·7	2,355,797	5·4	695,468	1·6	43,700,836
1916...	7,821,224	22·4	3,692,575	10·6	6,430,417	18·4	2,829,277	8·1	11,876,357	34·0	1,611,053	4·6	683,656	1·9	34,944,559
1915...	5,141,814	17·4	2,193,769	7·4	7,144,480	24·1	1,416,386	4·8	11,092,642	37·4	1,980,092	6·7	664,222	2·2	29,633,405
1914...	5,191,518	18·8	2,313,947	8·4	4,427,629	16·0	1,411,911	5·1	12,285,042	44·4	1,393,392	5·0	639,251	2·3	27,662,690
1913...	3,597,599	14·1	2,922,487	11·5	3,492,825	13·7	3,452,913	13·6	10,082,890	39·6	1,254,481	5·0	647,404	2·5	25,450,599
1910...	2,701,060	14·2	2,028,820	10·7	3 977,781	20·8	1,362,123	7·1	8,166,887	42·9	252,389	1·3	559,054	3·0	19,048,114

* Per cent. of Total Liabilities or Assets.

PEDDIE, HARKER & MARTIN

LIMITED.

144 Leadenhall Street, London, E.C. 3.

BANKERS AND DISCOUNT AGENTS.

Approved Mercantile Bills Discounted at finest rates.
Foreign Exchange Business Transacted.
Money received on Deposit at call and short notice and for longer periods at specially agreed rates.

The Bank's turnover during the period under review amounted to £3,600,000,000 on one side of the account only.

The other side of the balance sheet reveals the manner in which the money lodged with the Bank was employed. Cash in hand and with the Bank of England is £43,922,370, money at call and with other banks is £29,222,674, and these two items taken together make up a total equal to 30.5% of the Bank's deposits. Bills discounted stand at £47,442,254, which includes a large amount of Treasury bills; investments, of which a large proportion fall due for repayment at early dates, amount to £50,559,987; and advances to customers £78,854,583.

Altogether a very satisfactory state of affairs.

Total liabilities to the public at the end of last year amounted to £243,593,409, against which assets were held in the following proportions:—Cash in hand, 21.31; money at call, &., 8.8%; investments, 20.8%; bills discounted, 19.5%; advances, 32.4%.

A complete table of liabilities and assets of the three institutions will be found on another page.

It is interesting to record that Barclays Bank Limited now has 1,357 branches and employs 11,340 persons.

Just as we go to press we are officially informed that the sanction of the Treasury has been granted to an amalgamation of the business of Messrs. Gillett and Company, Bankers of Oxford, Banbury, Witney, and elsewhere, with Barclays Bank, Limited.

The partners in Messrs Gillett and Company will be appointed local directors. Mr. J. A. Tawney will also be appointed a local director.

We give the full record of profits for the three institutions, from which it will be seen that last year's net profit was equal to 26.1% upon the paid-up capital, to 15% upon the combined capital and reserve, and to .9% upon the total working expenses.

Profits of Barclays Bank Limited.

Year to Dec.31	Gross Profit £	Net Profit £	Equiv. on A Earned %	Equiv. on A Tot.Cap. %	Dividend Subject to Tax—Paid— A Sh. %	B Sh. %	Amount £	Special Allocat'ns £	Carried Forward £
1918‡	4,712,803	2,133,448	26·14	14·7	10	20	1,199,133	950,000	278,423
1917‡	2,562,201	1,364,378	29·69	15·8	10	20	728,943	570,000	186,373
1916‡	2,282,433	1,259,896	27·42	14·4	10	17½	661,586	550,000	120,938
1915†	895,200	524,487	29·12	13½	10	17½	247,500	275,000	72,610
1915a	1,629,612	939,953	26·11	13½	10	17½	495,000	515,000	70,624
1914a	1,574,226	832,810	23·12	14½	10	18½	517,500	300,000	140,671
1913a	1,498,740	816,322	22·67	13½	—	—	480,000	364,025	125,861

(a) Year to June 30. † Half-year to Dec. 31. ‡ Year to Dec 31.

Profits of the London and South-Western Bank, Limited.

Year to Dec. 31	Gross Profit £	Interest & Expenses £	Net Profit £	Div. Subject to Tax—Earned %	Paid— %	Paid— £	Special Allocat'ns £	Carried Forward £
1917...	1,368,906	1,018,129	350,777	35·0	19	190,000	150,000	53,348
1916...	1,193,688	851,387	342,301	34·2	19	190,000	150,000	42,571
1915...	1,006,669	682,367	324,302	32·4	19	190,000	120,000	40,270
1914...	877,235	636,037	241,198	24·1	19	190,000	50,000	25,968
1913...	953,109	620,576	332,533	33·2	19	190,000	148,000	24,770

Profits of the London and Provincial Bank, Limited.

Year to Dec. 31	Gross Profit £	Expenses, inc. Int. £	Net Profit £	Div. Subject to Tax—Earned %	Paid— %	Paid— £	Special Allocat'ns £	Carried Forward £
1917...	1,490,275	1,127,363	362,912	30·24	17	204,000	160,000	54,391
1916...	1,245,595	891,708	353,887	29·49	17	204,000	150,000	55,479
1915...	1,014,509	697,207	317,301	26·44	17	204,000	130,000	55,592
1914...	883,613	604,922	278,691	23·22	17	204,000	60,000	72,291
1913...	938,012	650,911	287,191	24·43	17	199,750	75,000	57,600

BARING BROTHERS AND COMPANY.

Head Office: 8 Bishopsgate, London, E.C. 2.

Baring Brothers was registered as a limited company on November 24, 1890, with a capital of 5,000 Five per Cent. First Preference shares of £100 each, 5,000 Six per Cent. Second Preference shares of £100, and 5,000 Ordinary shares of £5, all fully-paid. The total capital was, therefore, £1,025,000, at which figure it still remains. Last year we had to record a considerable expansion in the Company's business; this year most of the figures show a decline. Cash in hand, at call, and short notice, at £5,385,994, is down by £201,505; Investments show a fall of £49,635; bills receivable are £973,102 less, but are

PROVINCIAL BANK OF IRELAND
LIMITED.

Subscribed Capital - £4,080,000. Paid up - £540,000.
Reserve Fund - £415,000.

Head Office: 8 THROGMORTON AVENUE, LONDON, E.C. 2,
And 114 Branches and Sub-Branches throughout Ireland.

DIRECTORS.

IVOR BEVAN, Esq.
WILLIAM THOMAS BRAND, Esq.
WALTER SPENCER M. BURNS, Esq.
Hon. Sir WILLIAM HENRY GOSCHEN, K.B.E.
ROBERT ASHHURST GRADWELL, Esq.
HENRY SAMUEL HOWARD GUINNESS, Esq.
ALEXANDER BRODRICK LESLIE-MELVILLE, Esq.
Right Hon. LORD PLUNKET, G.C.M.G., K.C.V.O., K.B.E.
Captain GEORGE LESLIE POË, R.N. (Retired).
GEORGE DUNBAR WHATMAN, Esq.

Secretary—HUME ROBERTSON.

BALANCE SHEET, 31st December, 1918.

Dr. LIABILITIES.	£	s.	d.	ASSETS.	£	s.	d.	Cr.
To Capital paid up	540,000	0	0	By Cash at Head Office, Branches, and in London	£2,120,873	8	7	
Reserve Fund	415,000	0	0	Money at call and short notice	945,270	0	0	
Notes in Circulation	2,264,951	0	0					3,066,143 8 7
Deposit Receipts, Current and other Accounts	11,816,699	11	5	Investments, viz.:— British Government and Colonial Securities	£4,950,533	1	9	
Net Profits for the half-year, including £17,107 11s. 8d. brought forward from 30th June, 1918 £75,695 2 1				Indian Railways Guaranteed by the State	105,450	8	6	
Less—£15,000 added to Reserve Fund and £2,000 written off Bank Premises A/c and £15,452 6s. 6d. Bonus paid to Bank's Officers 32,452 6 6				Bank of England Stock and other Investments	734,251	4	1	
	43,242	15	7					5,790,234 14 4
								£8,856,378 2 11
				Bills discounted and Advances to Customers, &c.				6,121,281 4 6
				Bank Premises, Freehold and Leasehold				102,233 19 7
	£15,079,893	7	0					£15,079,893 7 0

London Agents—**BARCLAYS BANK LIMITED.**

The Bank has Agents and Correspondents in all the Chief Cities and Towns of Great Britain, and on the Continent of Europe, North and South America, Canada, the East and West Indies, Australia, New Zealand, China and Africa.

still nearly 10 millions higher than in 1914. Advances have dropped from £2,409,767 to £1,944,651, while liabilities of customers for acceptances, at £3,064,047, are £2,875,507 down as compared with 1917. Deposits have fallen by over a million and a-half sterling—£1,689,617 to be precise, but at £19,245,251 are £7,867,383 more than in the 1914 period. Total liabilities, however, are down by £4,564,865, and now stand at £23,446,957. The profit balance, as shown in our table, is £259 higher than last year.

Curiously enough, Barings do not issue a statement of profit and loss; they have ceased to make known their profits since 1903.

Their liabilities to the public on December 31 last were £22,309,299, against which assets were held in the following proportions: cash in hand and at call, &c., 23.7%; investments, 7.2%; bills receivable, 50.7%; advances, 8.7%. The reserve fund still stands at £100,000, and the house property in Bishopsgate is valued at £127,000.

The liabilities and assets for the past six years and for 1910 are set out below:—

BECKETT'S BANKS.

Head Office: Leeds.

BECKETT'S BANKS form one of the few links with the past still left to us in the banking world. Beckett's were established in 1750, and for many years were known to the banking coterie as Beckett and Co. The present title, "Beckett's Banks," includes two private banking firms, Messrs Beckett and Co. of Leeds, who have a fixed issue of £130,757, and Messrs Beckett and Co., York, and East Riding Bank of York, whose fixed issue is £53,392. The combined note circulation at the end of December 1918 was £122,930. Partners' capital stands at £600,000.

The Head Office of the Banks is at Leeds, and there are now in existence 22 branches and 11 agencies.

Last year the assets of the firm were reported to have exceeded 10 millions sterling for the first time in their existence, this year we have to record a further increase, this time to over 11¼ millions sterling, and their business continues to show an all-round expansion. Cash in hand, with the Bank of England, and at call is not quite so large—it is, in fact, down by

Liabilities and Assets of Messrs. Baring Bros. and Company, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities £
1918...	1,025,000	100,000	1,125,000	4·8	3,064,047	13·1	19,245,252	82·1	12,658	—	23,446,957
1917...	1,025,000	100,000	1,125,000	4·0	5,939,554	21·2	20,934,869	74·7	12,399	·1	28,011,822
1916...	1,025,000	100,000	1,125,000	4·8	4,613,591	19·8	17,602,610	75·3	12,110	·1	23,353,311
1915...	1,025,000	100,000	1,125,000	4·8	6,781,991	29·2	15,875,245	66·0	11,009	—	23,193,245
1914...	1,025,000	100,000	1,125,000	6·9	3,723,682	22·9	11,377,869	70·1	12,232	·1	16,238,783
1913...	1,025,000	100,000	1,125,000	7·1	6,636,589	42·0	8,042,292	50·9	11,121	—	15,815,002
1910...	1,025,000	100,000	1,125,000	4·4	7,498,544	42·1	9,177,763	51·5	12,481	—	17,813,788

ASSETS. Dec. 31	Cash in Hand, at Call, &c. £	% *	Investments. £	% *	Bills Receivable £	% *	Advances. £	% *	Liab. of Customers for Acceptances. £	% *	Bank Premises Account. £	% *	Total Assets. £
1918 ...	5,385,994	23·0	1,607,306	6·9	11,317,959	48·3	1,944,651	8·3	3,064,047	13·0	127,000	·5	23,446,957
1917 ...	5,587,499	19·9	1,656,941	5·9	12,291,061	43·9	2,409,767	8·6	5,939,554	21·2	127,000	·5	28,011,822
1916 ...	7,611,963	32·6	1,651,942	7·0	7,031,403	30·1	2,317,412	10·0	4,613,591	19·8	127,000	·5	23,353,311
1915 ...	4,306,533	18·6	1,692,023	7·3	8,095,535	34·9	3,190,163	9·4	6,781,991	29·3	127,000	·5	23,193,245
1914 ...	7,378,471	45·4	1,489,299	9·2	1,493,550	9·3	2,026,781	12·4	3,723,682	22·9	127,000	·8	16,238,783
1913 ...	3,029,015	19·1	1,503,519	9·3	2,909,829	18·4	1,609,050	10·2	6,636,589	42·0	127,000	·8	15,815,002
1910 ...	2,728,345	15·3	2,370,125	13·3	4,722,952	26·5	366,822	2·1	7,498,544	42·1	127,000	·7	17,813,788

* Per cent. of Total Liabilities or Assets.

CANADA.

THE DOMINION BANK.

Head Office: TORONTO.

TOTAL ASSETS $133,506,000.

SIR E. B. OSLER, *President.* W. D. MATTHEWS, *Vice-President.* C. A. BOGERT, *General Manager.*

London Branch—73 CORNHILL, E.C. 3.

S. L. JONES, Manager.

GENERAL BANKING BUSINESS TRANSACTED.
BILLS OF EXCHANGE, DEBENTURES AND COUPONS PURCHASED OR COLLECTED.
FUNDS TRANSFERRED BY DRAFT OR CABLE.
BRANCHES AND CORRESPONDENTS THROUGHOUT CANADA AND THE UNITED STATES.
NEW YORK AGENCY: 51 BROADWAY.

THE BANK OF CHOSEN.

SUBSCRIBED CAPITAL - - Yen 40,000,000.
PAID-UP CAPITAL - - Yen 25,000,000.

Governor - - S. MINOBE, Esq. Deputy Governor - T. KANO, Esq.

DIRECTORS:

T. MISHIMA, Esq., Y. KIMURA, Esq., S. OHTA, Esq., S. KATAYAMA, Esq.

Head Office - - - - - - SEOUL, CHOSEN.

PRINCIPAL BRANCHES:

CHOSEN—Chemulpo, Pyengyang, Wonsan, Fusan. MANCHURIA—Antung, Mukden, Dairen, Yingkow (Newchwang), Changchun, Harbin. CHINA—Shanghai, Tsingtao, Tientsin, Tsinan. JAPAN—Tokyo, Osaka, Kobe, Shimonoseki. VLADIVOSTOCK—Matsuda Bank (Affiliated Bank).

LONDON BANKERS:

LONDON JOINT CITY & MIDLAND BANK, LTD. | GUARANTY TRUST COMPANY OF NEW YORK.

Every description of General Banking and Exchange Business transacted.

£270,679, and the firm holds £475,000 less in English Treasury bills; but its investments are £1,599,544 higher than last year, the chief increase being in National War Bonds, Exchequer Bonds, and War Loans, which stand at £2,651,170, as against £1,007,750 in 1917. Advances to customers and bills discounted are over a quarter of a million sterling up. Deposits and credit balances, including partners' balances, stand at £10,194,882 17*s.* 7*d.*, as compared with £9,098,835 7*s.* 2*d.* a year ago.

No reserve fund is shown in the firm's balance sheet, but apparently the reserve is included with the deposit and credit balances, which, as shown, have risen by £1,096,047 since 1917 and are about £3,000,000 higher than in 1914.

Liabilities to the public on December 31 last amounted to £10,627,416, against which assets were held in the following proportions: Cash in hand and at call, 19.7%; investments, 29.1%; bills (including Treasury bills) and advances, 52.1%.

BELFAST BANKING COMPANY.

(See also LONDON JOINT CITY AND MIDLAND BANK.)

Head Office: Waring Street, Belfast.

Capital—

Authorised		£2,500,000
Subscribed	50,000 Old Shares 150,000 New Shares	£12 10*s.* each = 2,500,000
Paid up, £2 10*s.* per Share		= 500,000

THIS Irish Bank, the foster child since 1917 of the London Joint City and Midland Bank, was established in 1827. It has always been a progressive institution, and now that it is allied with the London Bank there is little doubt that it will henceforth take a more prominent part in the development of affairs Irish. The authorised capital of the Belfast Banking Company is £2,500,000, consisting of 50,000 "old" shares and 150,000 "new" shares of £12 10*s.* each. £2 10*s.* per share has been called up, so that the present capital paid up is £500,000, at which figure it has stood since 1905. It will be remembered that the offer of

Liabilities and Assets of Beckett's Bank.

LIABILITIES. Dec. 31	Partners' Capital. £	%	Notes in Circulation. £	%	Acceptances. £	%	Deposits, &c. £	%	Total Liabilities. £
1918	600,000	5·3	122,930	1·1	309,603	2·8	10,194,883	90·8	11,227,416
1917	600,000	5·9	93,755	·9	333,460	3·3	9,098,835	89·9	10,126,050
1916	600,000	6·6	77,195	·9	285,167	3·2	8,060,723	89·3	9,023,385
1915	600,000	6·9	60,400	·7	253,580	3·0	7,707,259	89·4	8,621,240
1914	600,000	7·6	53,320	·7	228,957	2·9	7,037,694	88·8	7,919 971
1913	600,000	8·3	40,010	·6	213,057	2·9	6,379,052	88·2	7,232,119
1910	600,000	9·7	46,735	1·0	229,029	4·1	5,875,402	85·2	6,751,166

ASSETS. Dec. 31	Cash in Hand, and at Call, &c. £	%	Investments. £	%	Bills and Advances. £	%	Liab. of Customers for Acceptances. £	%	Bank Premises Account. £	%	Total Assets. £
1918 ...	2,096,491	18·7	3,098,516	27·6	5,529,903	49·2	309,603	2·8	192,903	1·7	11,227,416
1917 ...	2,367,169	23·3	1,498,972	14·8	5,733,931	56·7	333,460	3·3	192,518	1·9	10,126,050
1916 ...	1,811,158	20·1	1,502,967	16·6	5,231,925	58·0	285,167	3·2	192,168	2·1	9,023,385
1915 ...	1,667,914	19·3	2,153,645	25·0	4,356,429	50·5	253,580	3·0	190,372	2·2	8,621,240
1914 ...	1,586,602	20·0	2,263,713	28·6	3,668,103	46·2	228,957	2·9	172,596	2 3	7,919,971
1913 ...	1,153,320	16·0	2,307,146	31·9	3,387,601	46·8	213,057	2·9	170,995	2·4	7,232,119
1910 ...	1,229,062	18·0	2,370,189	35·1	2,753,553	41·0	229,029	3·4	169,333	2·5	6,751,166

* Per cent. of Total Liabilities or Assets.

BANK OF MONTREAL

(Established in 1817.)

CAPITAL Paid up - - - $20,000,000.

Reserve Fund, $20,000,000. Undivided Profits, $1,901,613.

BOARD OF DIRECTORS.

SIR VINCENT MEREDITH, BART., *President.*
SIR CHARLES GORDON, G.B.E., *Vice-President.*

R. B. ANGUS, ESQ. — LORD SHAUGHNESSY, K.C.V.O. — C. R. HOSMER, ESQ.
H. R. DRUMMOND, ESQ. — D. FORBES ANGUS, ESQ. — WILLIAM McMASTER, ESQ.
LT.-COL. HERBERT MOLSON, M.C. — HAROLD KENNEDY, ESQ. — H. W. BEAUCLERK, ESQ.
GEORGE B. FRASER, ESQ. — COLONEL HENRY COCKSHUTT. — J. H. ASHDOWN, ESQ.
E. W. BEATTY, ESQ.

HEAD OFFICE - - - MONTREAL.

General Manager—SIR FREDERICK WILLIAMS-TAYLOR.
Assistant General Managers—F. J. COCKBURN, H. B. MACKENZIE, G. C. CASSELS, D. R. CLARKE.

London Offices:—

47 THREADNEEDLE STREET, E.C. 2.

9 WATERLOO PLACE, PALL MALL, S.W. 1, and 24 COCKSPUR STREET, S.W. 1.

London Committee:

SIR THOMAS SKINNER, BART. — LT.-COL. F. R. S. BALFOUR.
Manager—GEORGE CYRIL CASSELS, ESQ.

FINANCIAL AGENTS OF THE GOVERNMENT OF THE DOMINION OF CANADA.

Branches and Agencies throughout Canada and Newfoundland. Also at New York, Chicago, San Francisco and Spokane in the U.S., and at Mexico City.

The Bank undertakes Monetary Business with all Allied and Neutral Countries, and with its numerous Branches offers exceptional facilities for the transaction of a general Banking business in Canada, Newfoundland, the United States, and Mexico.

Liabilities and Assets of The Belfast Banking Company, Limited.

LIABILITIES. July 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Deposits, &c. £	% *	Miscellaneous. £	% *	Profit Balance. £	% *	Tota Liabilities £
1918	500,000	500,000	1,000,000	6·5	2,253,720	14·6	12,024,671	78·0	48,343	·3	86,255	·6	15,412,989
1917	500,000	450,000	950,000	7·8	1,664,591	13·8	9,486,449	77·8	48,277	·4	49,150	.4	12,198,467
1916	500,000	450,000	950,000	8·7	1,378,990	12·6	8,530,823	78·0	48,112	·5	24,968	·2	10,932,893
1915	500,000	450,000	950,000	10·6	986,368	11·0	6,976,950	77·5	47,926	·5	33,546	·4	8,994,790
1914	500,000	450,000	950,000	11·3	656,288	7·8	6,663,635	79·7	47,779	·6	46,729	·6	8,364,431
1913	500,000	450,000	950,000	11·7	631,257	7·7	6,463,596	79·4	45,892	·6	47,802	·6	8,138,547
1910	500,000	450,000	950,000	13·9	543,104	8·0	5,251,167	76·9	38,772	·6	42,889	·6	6,825,932

ASSETS. July 31	Cash in Hand, &c. £	% *	Investments. £	% *	Advances, Bills Discounted, &c. £	% *	Bank Premises Account. £	% *	Tota Assets. £
1918... ...	6,205,843	40·3	2,875,984	18·7	6,269,624	40·6	71,538	·4	15,412,989
1917... ...	2,946,393	24·1	2,850,984	23·4	6,326,980	51·9	74,110	·6	12,198,467
1916... ...	3,199,605	29·3	2,855,735	26·1	4,802,897	44·0	74,656	·6	10,932,893
1915... ...	1,617,206	18·0	2,817,235	31·3	4,485,378	49·9	74,971	·8	8,994,790
1914... ...	2,028,097	24·2	1,485,606	17·8	4,782,061	57·2	68,667	·8	8,364,431
1913... ...	1,720,494	21·1	1,536,957	18·9	4,811,034	59·1	70,062	·8	8,138,547
1910... ...	732,992	10·7	1,400,993	20·5	4,620,659	67·7	71,288	1·1	6,825,932

* Per cent. of Total Liabilities or Assets.

the London City and Midland Bank was to purchase the whole of the 200,000 shares, and at the end of December 1917, 197,892 of the shares had been transferred to that Bank for the sum of £1,225,908, which had been satisfied by the issue of 163,219 of the London City and Midland Bank shares, £2 10*s.* paid, at a price of £7 10*s.* per share (the market quotation of the London City and Midland Bank shares at the time of purchase), and the payment of £1,765. The object of these transactions was to maintain a separate corporate existence for the Irish Bank, which was thus able to keep to its local name, the only addition to the title being "Affiliated with the London City and Midland Bank, Ltd." The effect of the affiliation will, of course, be to extend still further the influence of the London institution in Ireland, where it has always had a number of important accounts, and even before purchasing the shares in question it had very close relations with the Belfast Banking Company, Ltd., whose figures, as we anticipated last year, already show a benefit from the alliance. The accounts are only up to July 31, 1918, and, as compared with the balance sheet of July 1917, notes in circulation show an increase of £589,139; deposits, &c., are up from £9,486,449 to £12,024,671; net profits have risen from £91,265 to £104,188, cash in hand from £2,946,393 to £6,205,843, and total assets from £12,198,467 to £15,412,989. Investments are only £25,000 higher, while advances, bills' discounted, &c., are slightly lower. Advances against War Loans have been reduced from £1,378,815 to £731,659.

The Government having allowed considerable income tax relief to banks for their realised loss in conversion of Consols into War Loan, the directors have by this means been able to pay back to the reserve fund the sum of £50,000, which, some years ago, had been taken from the fund for the purpose of providing for the depreciation of the Bank's holding of Consols and other investments. The reserve fund now stands at £500,000, being equal to the paid-up capital of the Belfast Banking Company, Ltd.

Dividends are the same as for the past four years, viz., 20% per annum on the "old" shares and 8% per annum on the "new" shares, together with two payments of a half-yearly bonus of 5*d.* per "old" share and 2*d.* per "new" share, the total dividend being 21⅔% and 8⅔% respectively, subject to tax. The sum distributed in dividends during the past four years was equal to 13.4% per annum upon the paid-up capital. The shown net profit for the year 1917-18 was equal to 20.8% on the paid-up capital, to 10.4% upon the combined capital and reserve, and to .7% upon the total working resources.

Profits of the Belfast Banking Company.

Year to July 31	Net Profit £	Dividend Subject to Tax — Earned %	Paid — Total %	Paid — Total £	Paid — Old Sh. %	Paid — New Sh. £	Special Alloct'ns £	Carried Forward £
1918	104,188	20·84	13·41	67,083	21⅔	8⅔	—	86,255
1917	91,265	18·25	13·41	67,083	21⅔	8⅔	—	49,150
1916	83,505	16·70	13·41	67,083	21⅔	8⅔	25,000	24,968
1915	78,901	15·78	13·41	67,083	21⅔	8⅔	25,000	33,546
1914	79,779	15·95	11·78	58,797	21·3	8·5	22,055	46,729
1913	76,547	15·31	11·68	58,406	21·2	8·5	750	47,802

Liabilities to the public at the end of 1918 amounted to £14,326,734, against which assets were held in the following proportions: Cash in hand and at call, 43.3%; investments, 20.1%; advances and bills discounted, &c., 43.7%; advances for War Loan 5.1%.

B. W. BLYDENSTEIN AND CO.

Office: 55, 56 Threadneedle Street, London, E.C. 2.

One is glad to see that the affairs of this Anglo-Dutch Bank, operating in London and established in 1858, have still further recovered from the lean years immediately following the outbreak of war. In 1918 we were able to record a considerable improvement in the balance-sheet figures, this year we welcome a continuance of the 1917 profitable result. Taking the assets side first, cash in hand, &c., stands at £1,861,597, as against £69,931 last year, the former figure including £1,800,000 on deposit at the Bank of England. Investments make their appearance for

Liabilities and Assets of Messrs. B. W. Blydenstein and Company.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Deposits, &c. £	% *	Miscellaneous. £	% *	Total Liabilities. £
1918	500,000	125,000	625,000	6·2	9,439,590	93·2	63,909	·6	10,128,499
1917	500,000	125,000	625,000	7·9	7,216,015	91·3	60,296	·8	7,901,311
1916	500,000	125,000	625,000	8·3	6,815,307	90·8	61,907	·9	7,502,214
1915	500,000	125,000	625,000	12·2	4,447,703	87·2	27,431	·6	5,100,134
1914	500,000	125,000	625,000	8·3	6,446,690	85·8	438,543	5·9	7,510,233
1913	500,000	125,000	625,000	7·6	6,544,282	79·5	1,064,829	12·9	8,234,111
1910	500,000	66,000	566,000	7·9	5,836,767	81·4	763,699	10·7	7,166,466

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Bank Premises Account. £	% *	Total Assets. £
1918	1,861,597†	18·4	882,142	8·7	7,243,580	71·5	115,415	1·1	25,765	·3	10,128,499
1917	69,931	·9	—	—	7,684,430	97·3	120,168	1·5	26,782	·3	7,901,311
1916	78,817	1·0	—	—	7,244,220	96·6	151,329	2·0	27,848	·4	7,502,214
1915	137,255	2·7	120,229	2·4	4,531,259	88·8	282,424	5·5	28,967	·6	5,100,134
1914	267,678	3·6	1,287,729	17·1	5,340,794	71·1	583,891	7·8	30,141	·4	7,510,233
1913	361,184	4·4	1,887,472	22·9	4,810,070	58·4	1,144,023	13·9	31,363	·4	8,234,111
1910	129,904	1·8	1,202,478	16·8	4,716,712	65·8	1,104,190	15·4	13,182	·2	7,166,466

* Per cent. of Total Liabilities or Assets.

† Includes £1,800,000 placed on deposit at the Bank of England.

LONDON & RIVER PLATE BANK LTD.

FOUNDED 1862.

OVERSEAS TRADE

Paid up Capital and Reserves - £3,900,000.

LONDON, Manchester, Paris, Antwerp, Lisbon and New York.

Branches in Buenos Aires and throughout Argentina.
In Monte Video and other principal Cities in Uruguay.
In Rio de Janeiro, Sao Paulo, Bahia and elsewhere in Brazil.
In Valparaiso and Santiago,
and Agents in all the important Cities in South America.

THE BANK IS AFFILIATED WITH

LLOYDS BANK LTD.

Paid up Capital and Reserves approximately £18,000,000.

WITH WHICH BANK IS ALSO AFFILIATED

THE NATIONAL BANK OF SCOTLAND LTD.

Paid up Capital and Reserves - - £1,900,000.

The Three Banks provide over 1,500 Branches in all the principal Trade Centres in the **United Kingdom, South America and on the Continent.**

ALL KINDS OF BANKING BUSINESS TRANSACTED.

The Branches in South America keep the London Office well informed on all local trade matters.

Correspondence invited through

HEAD OFFICE:

7, PRINCES STREET, LONDON, E.C. 2.

the first time since 1916, and amount to £882,142. Bills discounted are down a little—£7,243,580, as against £7,684,430 last year, and the difference is probably due to some of the Bank's holdings of British Treasury Bills having matured. Advances are some £5,000 lower. On the liabilities side deposits are up to £9,439,590, representing an increase of £2,223,575 on the 1917 figures. The capital, at £500,000, and reserve fund, £125,000, remain unchanged.

Liabilities to the public on December 31, 1918, amounted to £9,503,499, against which assets were held in the following proportions:—Bills receivable (including British Treasury bills), 76.2%; cash in hand, &c., 19.5%; investments, 9.3%; and advances, 1.2%.

BRITISH LINEN BANK.

Head Office: Edinburgh.

Capital—

Subscribed	£1,250,000
Paid up	1,250,000

Price of Stock, £308. *Div.*, 16%. *Yield*, £5 5*s*. 3*d*.%

THE business of the British Linen Bank emanated from that of the old British Linen Company, which was established under a Royal Charter, in July 1746, for the encouragement of the linen trade. The capital originally authorised was £100,000, of which £50,000 only was issued in the first instance. Banking was not its primary object, but gradually became part and parcel of its operations as its business developed. There is little doubt, however, that almost from its inception the British Linen Company began to take a part in general financial business, and in 1750 it began issuing its own notes. In course of time the Company seems to have come to the conclusion that banking was a more profitable and satisfactory profession than fathering mercantile and manufacturing operations, and in 1763 it dropped the mercantile business and devoted itself almost exclusively to finance. In 1813 it obtained a supplementary charter authorising an increase in its capital from £200,000 to £300,000, but although it was then to all intents and purposes a bank, the legal right to be so regarded was withheld from it.

In 1836 the British Linen Company began to extend its sphere; it took over the business of the Paisley Banking Company, which included branches at Glasgow, Irvine and Stranraer. Then in 1849 the Crown granted the Company a new charter authorising it to increase its capital, which then stood at £500,000, to £1,000,000, and from that year the Company was exalted to and recognised as a fully-fledged banking corporation. The power to raise additional capital granted in 1849 was availed of to the extent of £500,000 in 1850, which brought the total issued capital up to £1,000,000. In 1892 the Bank made an issue of new stock to the extent of £250,000, at 300%. The present paid-up capital is therefore £1,250,000.

The result of war finance is still reflected in the Bank's figures, especially in deposits, &c., which have risen from £14,339,840 in 1914 to £27,301,258 as on January 15, 1919; they are £3,629,047 higher than last year. Notes in circulation, like those of other Scottish banks, are again up at £3,182,911, as against £2,334,137 a year ago, and £796,620 in 1914. Acceptances have fallen by some £150,000. On the assets side the total of cash in hand, notes, and call-money is slightly higher; bills, advances, &c., are nearly £2,000,000 up, while loans are at £1,823,187, as compared with £1,773,102 in 1918. Notwithstanding the increased costs, the net profits for the year, after making ample provision for bad and doubtful debts, and after valuing each of the Bank's invest-

BANQUE DU CONGO BELGE SOCIÉTÉ ANONYME
ESTABLISHED 1909.
BANK OF ISSUE AND BANKERS TO THE GOVERNMENT OF THE BELGIAN CONGO.
Head Office: 48 RUE DE NAMUR, BRUSSELS.
Chairman: O. LEPREUX, Esq., Vice-Governor of the Banque Nationale de Belgique.
Vice-Chairman: E. FRANCQUI, Esq., Director of the Société Générale de Belgique.
London Office: 9 BISHOPSGATE, E.C. 2.
BRANCHES IN AFRICA:—BANDUNDU, BASANKUSU, BASOKO, BOMA, BUTA, COQUILHATVILLE, DAR-ES-SALAAM, ELISABETHVILLE, INONGO, KABINDA, KASONGO, KIGOMA, KILO, KINSHASA, KONGOLO, LIBENGE, LISALA, LUEBO, LUSAMBO, MATADI, NIANGARA, PONTHIERVILLE, RUTSHURU, SANDOA and STANLEYVILLE.
NEW YORK AGENTS: BANK OF BRITISH WEST AFRICA, LTD., Wall Street, 6.
Every description of approved Banking Business transacted. Special facilities for collecting or negotiating Documentary and other Bills drawn on or from the Belgian Congo.
G. JONAS, Manager.

BANCO DE BARCELONA
ESTABLISHED 1844.
CAPITAL - Pesetas 50,000,000 RESERVES - Pesetas 25,000,000
Head Office - - BARCELONA, 31 Rambla de Santa Monica
Telegraphic Address: BARCINO.
BRANCH OFFICE: 3 Paseo de Gracia.
Telegraphic Address: BARCIBANCO.
Current Accounts—Loans—Deposits—Buying and Selling of Stock and Every Description of Banking Operations.
CORRESPONDENTS THROUGHOUT THE WORLD.
STRONG ROOMS WITH COMPARTMENTS TO LET.

Liabilities and Assets of The British Linen Bank.

LIABILITIES. Jan. 15	Capital Paid up. £	Reserve Funds. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919 ...	1,250,000	1,350,000	2,600,000	7·7	3,182,911	9·5	391,180	1·2	27,301,058	81·2	137,252	·4	33,612,401
1918 ...	1,250,000	1,250,000	2,500,000	8·5	2,334,137	7·9	545,428	1·9	23,672,011	81·1	156,612	·5	29,208,188
1917 ...	1,250,000	1,200,000	2,450,000	9·9	1,889,913	7·6	866,401	3·4	19,550,886	78·6	130,378	·5	24,887,578
1916 ...	1,250,000	1,250,000	2,500,000	12·0	1,441,925	6·9	419,191	1·9	16,528,814	78·7	113,126	·5	21,003,056
1915 ...	1,250,000	1,350,000	2,600,000	13·1	1,048,215	5·3	661,350	3·3	15,417,834	77·5	164,655	·8	19,892,054
1914 ...	1,250,000	1,500,000	2,750,000	15·1	796,620	4·3	193,936	1·1	14,339,840	78·7	141,743	·8	18,222,139
1911 ...	1,250,000	1,700,000	2,950,000	17·7	737,170	4·4	339,096	2·0	12,439,191	74·9	157,063	1·0	16,622,520

ASSETS. Jan. 15	Cash in Hand. Notes & Call Money. £	% *	Investments. £	% *	Bills, Advances, &c. £	% *	Loans. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1919...	6,608,777	19·7	9,578,353	28·5	14,379,306	42·8	1,823,187	5·4	391,180	1·2	831,598	2·4	33,612,401
1918...	6,589,704	22·5	6,913,311	23·7	12,437,595	42·7	1,773,102	6·1	545,428	1·9	899,048	3·1	29,208,188
1917...	5,887,066	23·7	7,017,585	28·2	8,211,947	33·0	1,935,694	7·8	866,401	3·4	968,885	3·9	24,887,578
1916...	4,292,842	20·5	6,902,746	32·8	6,235,032	29·7	2,184,721	10·4	419,191	1·9	978,524	4·7	21,003,056
1915...	3,773,140	19·0	5,123,449	25·8	5,764,439	28·9	3,584,473	18·1	661,350	3·3	984,803	4·9	19,892,054
1914...	3,485,206	19·1	4,615,591	25·3	5,270,428	29·0	3,677,970	20·1	193,936	1·1	989,008	5·4	18,222,139
1911...	1,743,056	10·5	3,910,618	23·5	5,720,283	34·4	3,883,158	23·4	339,096	2·0	1,026,309	6·2	16,622,520

* Per cent. of Total Liabilities or Assets.

ments at the market price of the day, are shown to have been slightly in excess of what they were last year. The amount is £355,640, as against £346,234. In view of the present circumstances, £100,000 has been transferred to Reserve Fund, bringing it up to £1,250,000—a sum equal to the capital of the Bank. Investments now stand at £6,913,311, as compared with £7,017,585 in the last balance sheet.

On January 15, 1919, total liabilities to the public amounted to £30,875,149, against which assets were held in the following proportions: Gold and silver coin, currency notes, notes of other banks, cash balance with London bankers, and money at call or short notice in London, 21.4%; investments, 31%; bills discounted (including Treasury bills) and advances, 4.6%; and loans, 5.9%.

Last year's net profit was equal to 28.45% upon the capital, to 13.68% upon the combined capital and reserves, and to 1.1% upon the total working resources.

The following statement shows the record of profits since 1914:—

Profits of the British Linen Bank, Limited.

Year ended Jan. 15	Net Profit £	Dividend Earned %	Subject to Tax Paid %	Subject to Tax Paid £	Special Allocations £	Carried Forward £
1919 ...	355,640	28·45	16·0	200,000	170,000	67,252
1918 ...	346,234	27·77	16·0	200,000	120,000	81,612
1917 ...	311,581	24·92	16·0	200,000	85,712	55,378
1916 ...	307,605	24·61	16·0	200,000	140,923	29,509
1915 ...	283,812	22·70	18·0	225,000	25,227	62,827
1914 ...	271,617	21·72	19·1	238,938	40,982	29,242

The dividend this year is the same as last—16% per annum.

Excluding the Head Office at Edinburgh and the London Office, the Bank has now 146 branches.

THE MOLSONS BANK.

Incorporated by Act of Parliament, 1855.

Head Office, MONTREAL. **Capital Authorised, $5,000,000.00.**

Capital Paid up, $4,000,000.00. **Reserve Fund, $4,800,000.00.**

BOARD OF DIRECTORS.

WM. MOLSON MACPHERSON, President. S. H. EWING, Vice-President.
GEO. E. DRUMMOND. F. W. MOLSON. WM. M. BIRKS. W. A. BLACK. E. J. CHAMBERLIN.
EDWARD C. PRATT, General Manager. E. W. WAUD, Superintendent of Branches.
H. A. HARRIES, Inspector. T. CARLISLE, F. E. CRONYN, Assist. Inspectors.

GENERAL STATEMENT of the affairs of THE MOLSONS BANK on the 30th September, 1918.

LIABILITIES.		
Capital Stock paid in		$4,000,000 00
Reserve Fund	$4,800,000 00	
Profit and Loss Account	248,029 41	
152nd Dividend for ½ year at 11% per annum	110,000 00	
Dividends unpaid	1,275 50	
		5,159,304 91
Notes of the Bank in circulation	7,796,679 00	
Balance due to Dominion Government	7,857,097 03	
Deposits not bearing interest	9,218,017 88	
Deposits bearing interest, including interest accrued to date of statement	42,194,559 20	
Balances due to other Banks in Canada	263,430 52	
Balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries	208,493 93	
Acceptances under Letters of Credit	194,237 98	
Liabilities not included in the foregoing	746,209 02	
		68,478,724 56
		$77,638,029 47

ASSETS.		
Current Coin	$553,360 29	
Dominion Notes	6,573,781 00	
		$7,127,141 29
Deposit in the Central Gold Reserves		2,000,000 00
Deposit with the Dominion Government to secure Note Circulation		239,000 00
Notes of other Banks		514,356 88
Cheques on other Banks		3,171,246 74
Balances due by other Banks in Canada		27,386 44
Balances due by Banks and Banking Correspondents elsewhere than in Canada		2,455,730 71
Dominion and Provincial Government Securities, not exceeding market value		7,536,517 54
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities, other than Canadian		9,635,862 65
Railway and other Bonds, Debentures and Stocks, not exceeding market value		752,606 46
Call and short (not exceeding thirty days) loans in Canada on Bonds, Debentures and Stocks		4,148,353 39
		$38,608,205 61
Other current Loans and Discounts in Canada (less rebate of interest)		36,185,566 69
Liabilities of Customers under Letters of Credit as per contra		194,237 98
Real Estate other than Bank Premises		90,177 32
Overdue Debts, estimated loss provided for		20,139 14
Bank Premises, at not more than cost, less amounts written off		2,325,000 00
Mortgages on Real Estate sold by the Bank		9,024 88
Other Assets not included in the foregoing		205,680 37
		39,029,826 38
		$77,638,029 47

PROFIT AND LOSS ACCOUNT.

Balance at credit of Profit and Loss Account 29th September, 1917	$161,826 49
Net profits for the year after deducting expenses of management, reservation for interest accrued on deposits, exchange, and provision for bad and doubtful debts	712,485 01
	$874,311 41

This has been appropriated as follows:	
149th Dividend at rate of 11 per cent.	$110,000 00
150th Dividend at rate of 11 per cent.	110,000 00
151st Dividend at rate of 11 per cent.	110,000 00
152nd Dividend at rate of 11 per cent.	110,000 00
Contribution to Pension Fund	21,282 60
Patriotic Fund	15,000 00
War Tax	4,000 00
Reserve for contingencies	100,000 00
	$580,282 60
Leaving at credit of Profit and Loss Account, 30th September, 1918	294,029 41
	$874,311 41

BRITISH MUTUAL BANKING CO.

Office: Ludgate Circus, London, E.C. 4

Capital—

Authorised, 40,000 Shares of £5 each	...	£200,000
Paid up, £1 10*s.* per Share	...	60,000
Payments in advance		10,603

THIS undertaking has a capital of 40,000 shares of £5 each, £1 10*s.* per share paid, and taking into account certain shares on which payment has been made in advance, the paid-up capital on December 31 last stood at £70,603. It was established as a financial Company in 1857, was registered in 1882, has only one office—that in Ludgate Circus—and its board consists chiefly of directors of the Prudential Assurance Company. Its deposits, &c., commenced to fall off in 1914, and have shown a steady decline for each year up to 1917. Last year, however, there was an improvement of about £50,000, though, as will be seen from our figures, they are still £53,692 behind those of 1910. The profit balance shows little difference from that of 1917. Dividend is at the rate of 6%, free of income tax, the same rate as last year. The reserve fund has been raised to £48,500 by an allocation of £1,500 from profits earned in 1918. It should be noted, however, that the reserve fund proper amounts only to £30,000, the remainder, £18,500, being an investment reserve fund, and as this latter stood last year at £17,000 it is apparent that the £1,500 increase in total reserve was specially appropriated to the investment reserve. Investments, as a matter of fact, are £2,500 down, at £142,166, and among them we notice £10,360 in fully-paid shares of the Prudential Assurance Company, Limited. Cash in hand and at bankers this year is £112,697, as against £63,597 in 1917. Loans and advances show an increase of £8,818.

The net profit last year was equal to 11.0% upon the paid-up capital, to 6.1% upon the combined capital and reserves, and to 1.2% upon the total working resources.

Against £557,180 of liabilities to the public on December 31, 1918, assets were held in the following proportions:—Cash, 20.2%; investments, 25.5%; loans and advances, 75.8%.

Profits of the British Mutual Banking Company, Limited.

Year to Dec. 31	Net Profit £	Dividend Earned %	Dividend Subject to Tax—Paid— %	Dividend Subject to Tax—Paid— £	Special Allocations £	Carried Forward £
1918 ...	6,630	11·05	8·4	5,052	1,500	1,790
1917 ...	6,823	11·37	8·0	4,800	1,500	1,712
1916 ...	5,483	9·14	7·7	4,645	1,000	1,189
1915 ...	6,077	10·13	6·9	4,154	2,000	1,351
1914 ...	5,836	9·72	6·5	3,901	2,500	1,428
1913 ...	4,927	8·21	6·3	3,823	1,000	1,993

Liabilities and Assets, British Mutual Banking Company, Ltd.

LIABILITIES.

Dec. 31	Capital Paid up. £	Reserve Funds. £	Total Capital & Reserves. £	Total Capital & Reserves. %	Deposits, &c. £	Deposits, &c. %	Profit Balance. £	Profit Balance. %	Total Liabilities. £
1918...	70,603	48,500	119,103	17·5	557,180	81·7	5,390	·8	681,673
1917...	70,603	47,000	117,603	18·8	503,490	80·4	5,312	·8	626,405
1916...	70,603	45,500	116,103	18·0	521,854	81·2	4,789	·8	642,746
1915...	70,603	44,500	115,103	17·1	553,425	82·2	4,952	·7	673,486
1914...	70,603	42,500	113,103	15·9	591,966	83·4	5,038	·7	710,097
1913...	70,543	40,000	110,543	15·7	587,743	83·5	5,594	·8	703,880
1910...	69,791	56,000	125,791	16·9	610,872	82·3	5,794	·8	742,457

ASSETS.

Dec. 31	Cash in Hand, &c. £	Cash in Hand, &c. %	Investments. £	Investments. %	Loans and Advances. £	Loans and Advances. %	Bank Premises. £	Bank Premises. %	Total Assets. £
1918	112,697	16·5	142,166	20·9	422,320	62·0	4,490	·6	681,673
1917...	63,597	10·2	144,666	23·1	413,502	66·0	4,640	·7	626,405
1916...	64,867	10·1	147,450	22·9	425,639	66·2	4,790	·8	642,746
1915...	56,483	8·4	158,672	23·6	453,385	67·3	4,940	·7	673,486
1914...	49,830	7·0	172,372	24·3	482,805	68·0	5,090	·7	710,097
1913...	74,954	10·6	106,106	15·1	517,580	73·6	5,240	·7	703,880
1910...	83,098	11·2	141,675	19·1	511,994	68·9	5,690	·8	742,457

* Per cent. of Total Liabilities or Assets.

SWISS BANKING ASSOCIATION

(formerly Bank in Winterthur and Toggenburger Bank).

Head Offices and Branches:

WINTERTHUR, ST. GALL, ZÜRICH.

Aarau, Lichtensteig, Lausanne, Baden, Rapperswil, Rorschach, Wil, Flawil, Liestal, Laufenburg, Wohlen, Vevey, Montreux.

Capital fully paid up . . francs 60,000,000
Reserve Funds . . . . „ 15,000,000

Every Description of Banking Business, Deposit and Current Accounts, Letters of Credit, Bills Negotiated, Documentary Credits.

BANCO DE ITALIA Y RIO DE LA PLATA

Established 1872.

Bartolomé Mitre 443/48, BUENOS AIRES (Argentina)

With Branches in Buenos Aires and principal Cities of the Republic.

REPRESENTATIVE OF THE ITALIAN TREASURY IN ARGENTINA.

CAPITAL PAID UP - - - $10,000,000 (Gold)
CURRENT ACCOUNTS AND DEPOSITS $130,000,000 (legal money)

Foreign Correspondents in all Capitals of the World.

London Correspondents - - - - - -	Messrs. C. J. HAMBRO & SON.
Paris - - - - - - - -	Messrs. HEINE & CIE.
New York - - - - - - - -	GUARANTY TRUST CO.
„ - - - - - - - -	EQUITABLE TRUST CO.

EVERY DESCRIPTION OF BANKING BUSINESS TRANSACTED.

CHILD AND COMPANY.

Office: 1 Fleet Street, London, E.C. 4.

THIS private Bank makes up its accounts early in July of each year. The 1918 balance sheet, or statement of assets and liabilities as the firm call it, is dated July 10. The paid-up capital is £500,000. As compared with the last statement issued, reserve fund shows a small increase of £863. Acceptances are nil this year, as against £25,000 appearing for the past two years. Deposits, &c., have risen by £424,599. Cash in hand is £233,522 more, and money at call and short notice has increased from £275,000 to £525,000. Investments are up to £1,083,006 19*s.* 2*d.*, as compared with £907,034 in 1917, and Treasury bills now figure among the investments for the first time. Loans to customers have been reduced by £234,033 to £754,791.

Liabilities to the public on July 10 last were £2,413,564, against which assets were held in the following proportions: Cash in hand and at Bank of England, 22.6%; money at call, 21.8%; investments, 44.9%; and advances 31.2%.

CLYDESDALE BANK.

Head Office: St. Vincent Place, Glasgow.

Capital—

Authorised		£5,000,000
Subscribed, 100,000 Shares of £50 each	=	5,000,000
Paid up, £10 per Share	=	1,000,000
Price of Share, £31½. *Div.*, 18%.		*Yield*, £5 15*s.*%

THE Clydesdale Bank is the most important of the six joint stock banks which were formed in Scotland in 1838. It was launched in Glasgow with a paid-up capital of £375,000 in £20 shares, on which £10 was paid-up. At first the Bank had only one branch office, that in Edinburgh; it now has, including the Head Office in Glasgow and the London Office, 158 branches. From time to time various Scotch banks have been absorbed by the Clydesdale, among the more important being: (1) Greenock Union Bank; (2) Edinburgh and Glasgow, comprising (*a*) Edinburgh and Leith, which included the Southern Bank of Scotland, (*b*) Glasgow Joint Stock; (3) Eastern Bank of Scotland, which included the Dundee Commercial Bank.

Liabilities and Assets of Messrs. Child and Company.

LIABILITIES. July	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Total Liabilities. £
1918	500,000	80,082	580,082	19·4	—	—	2,413,564	80·6	2,993,646
1917	500,000	79,219	579,219	22·3	25,000	1·0	1,988,965	76·7	2,593,184
1916	500,000	82,584	582,584	19·2	25,000	·8	2,424,548	80·0	3,032,132
1915	500,000	90,707	590,707	18·7	—	—	2,564,071	81·3	3,154,778
1914	500,000	99,406	599,406	18·5	—	—	2,623,420	81·4	3,222,826
1913	500,000	96,586	596,586	20·5	—	—	2,318,172	79·5	2,914,758
1910	500,000	104,120	604,120	18·7	—	—	2,623,435	81·3	3,227,555

ASSETS. July	Cash in Hand, &c. £	% *	Money at Call and at Short Notice, &c. £	% *	Investments. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1918	546,648	18·2	525,000	17·6	1,083,007	36·2	754,791	25·2	—	—	84,200	2·8	2,993,646
1917	313,126	12·1	275,000	10·6	907,034	35·0	988,824	38·1	25,000	1·0	84,200	3·2	2,593,184
1916	499,705	16·5	500,000	16·5	1,116,427	36·8	806,800	26·6	25,000	·8	84,200	2·8	3,032,132
1915	487,506	15·4	500,000	15·8	1,049,668	33·3	1,033,404	32·8	—	—	84,200	2·7	3,154,778
1914	493,126	15·3	550,000	17·1	1,011,103	31·4	1,084,397	33·6	—	—	84,200	2·6	3,222,826
1913	323,057	11·1	275,000	9·4	1,019,611	35·0	1,212,890	41·6	—	—	84,200	2·9	2,914,758
1910	510,963	15·8	550,000	17·0	1,122,729	35·1	959,664	29·5	—	—	84,200	2·6	3,227,555

* Per cent. of Total Liabilities or Assets.

ALLIANCE BANK OF SIMLA, LTD.

with which are incorporated
THE PUNJAB BANKING CO., LTD.
THE DELHI & LONDON BANK, LTD., and
THE BANK OF RANGOON, LTD.

CAPITAL.

Authorised .... Rs. 1,00,00,000
Issued and fully paid .... „ 86,82,400
Reserve Fund .... „ 32,00,000
Reserve against depreciation of Government Paper and other investments 13,00,000

HEAD OFFICE = = = SIMLA

BRANCHES.

Abbottabad	Bombay	Delhi, Civil Lines	Lahore, Charing Cross	Nowshera	Simla
Agra | Ajmere	Calcutta	Ferozepore	Lahore, Cantts.	Peshawar, Cantt.	Simla (Town Office)
Allahabad	Cawnpore	Gwalior	Lucknow	Peshawar City	Srinagar (Kashmir)
Ambala	Dalhousie	Jullundur	Meerut	Quetta	Ujjain (Gwalior State)
Amritsar	Darjeeling	Karachi	Multan | Murree	Rangoon	
Bareilly	Dehra Dun	Kasauli	Mussoorie	Rawalpindi	
Bhopal	Delhi City	Lahore	Naini Tal	Sialkote	

AGENCIES in all the principal Cities and Towns in India, Burma, and Ceylon. The Bank undertakes Banking business of every description, and affords all possible facilities to its Constituents. Bills of Exchange are purchased and collected; Drafts and Telegraphic Transfers issued; Letters of Credit granted. The Bank undertakes the purchase and sale of Government Paper, Stocks and Shares of every description.

LONDON AGENTS:
BOULTON BROS. & CO., Bankers, 39 Old Broad Street, E.C.2.

CORRESPONDENTS:
BARCLAYS BANK LIMITED, 168 Fenchurch Street, E.C.3.
LONDON COUNTY WESTMINSTER & PARR'S BANK, LIMITED, Bartholomew Lane, E.C.2.

Liabilities and Assets of the Clydesdale Bank, Limited.

LIABILITIES.

Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes in Circulation £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918 ...	1,000,000	1,170,000	2,170,000	6·0	3,092,333	8·6	251,110	·7	30,254,001	84·2	172,094	·5	35,939,538
1917 ...	1,000,000	1,070,000	2,070,000	6·6	2,266,315	7·2	357,436	1·1	26,708,273	84·6	148,068	·5	31,550,092
1916 ...	1,000,000	1,000,000	2,000,000	7·2	1,776,614	6·4	538,963	1·9	23,288,527	83·9	143,245	·6	27,747,349
1915 ...	1,000,000	1,000,000	2,000,000	9·0	1,415,425	6·3	352,486	1·5	18,398,339	82·4	156,522	·8	22,322,772
1914 ...	1,000,000	1,070,000	2,070,000	10·4	1,165,321	5·9	182,986	·9	16,253,320	81·9	164,258	·8	19,835,885
1913 ...	1,000,000	1,050,000	2,050,000	11·0	913,847	5·0	208,260	1·1	15,233,563	82·0	161,379	·9	18,567,049
1910 ...	1,000,000	950,000	1,950,000	12·3	772,947	4·9	165,145	1·0	12,776,641	80·8	155,312	1·0	15,820,045

ASSETS.

Dec. 31	Cash in Hand, &c. £	% *	Investments, Temp. Loans, and Call Money. £	% *	Bills Discounted. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1918 ...	5,561,418	15·5	16,585,495	46·1	5,712,525	15·9	7,405,337	20·6	251,110	·7	423,653	1·2	35,939,538
1917 ...	4,932,216	15·6	10,407,184	33·0	8,212,492	26·0	7,207,450	22·9	357,436	1·1	433,314	1·4	31,550,092
1916 ...	4,284,480	15·5	12,045,963	43·4	5,587,919	20·1	4,852,348	17·5	538,963	1·9	437,676	1·6	27,747,349
1915 ...	3,331,758	15·0	11,223,737	50·3	2,162,202	9·7	4,814,108	21·5	352,486	1·5	438,481	2·0	22,322,772
1914 ...	2,443,657	12·3	8,458,950	42·7	3,003,135	15·1	5,309,420	26·8	182,986	·9	437,737	2·2	19,835,885
1913 ...	2,180,688	11·8	6,854,661	36·9	3,266,727	17·6	5,618,844	30·2	208,260	1·1	437,869	2·4	18,567,049
1910 ...	1,830,973	11·6	5,897,208	37·3	2,468,607	15·6	5,025,050	31·8	165,145	1·0	433,062	2·7	15,820,041

* Per cent. of Total Liabilities or Assets.

By 1861 the paid-up capital of the Bank had increased to £800,000; in 1870 it stood at £900,000, and by 1875 had increased to £1,000,000, at which figure it stands at present, the authorised capital being £5,000,000.

1913 and 1914 were somewhat lean years for the Bank, though the 1914 figures showed a distinct advance on the 1913 result. Since then, however, profits have been on a rising scale, and an examination of the Report for the period ending December 31, 1918, again discloses a very satisfactory increase. With the amount brought in from 1917, the sum for allocation amounted to £343,750 13*s.* 3*d.*, against £313,067 in 1917. The gross profit, as indicated in our table, was £547,389. The dividend paid for 1918 was at the rate of 18% per annum, less income tax, an increase of 2% over the previous year, and is the highest dividend yet paid by the Bank. The payment of the dividend called for £180,000.

The amount in reduction of bank buildings is increased to £100,000, double that of last year, which was called for owing to the increased cost of repairs and all work connected with property. The sum for superannuation is, as formerly, £102,000 and £100,000 was placed to the reserve surplus fund. The reserve now stands at £1,170,000, or £170,000 more than the paid-up capital of the Bank. The amount carried forward to 1919 was £43,750 13*s.* 3*d.*, against £28,067 17*s.* 3*d.* brought in, an increase in the carry-forward of £15,682 16*s.* Last year's net profit was equal to 31.5% upon the paid-up capital to 14.5% upon the combined capital and reserve, and to .9% upon the total working resources. The progressive advance in profits since 1913 will be seen from the following table:—

Profits of the Clydesdale Bank, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Earned %	Subject to Tax—Paid— %	£	Special Allot'ns £	Carried Forward £
1918...	547,389	231,706	315,683	31·56	18	180,000	120,000	43,751
1917...	500,026	213,768	286,258	28·62	16	160,000	125,000	28,068
1916...	452,568	187,177	265,391	26·53	15	150,000	115,000	26,810
1915...	428,610	172,974	255,636	25·56	15	150,000	105,000	26,419
1914...	416,643	165,989	250,654	25·06	15	150,000	95,000	25,783
1913...	394,553	157,041	237,512	23.75	15	150,000	95,000	20,129

SHEFFIELD BANKING COMPANY LIMITED.

ESTABLISHED 1831.

SUBSCRIBED CAPITAL - £1,154,500.
Paid-up Capital, £404,075. Surplus Fund, £315,925.

DIRECTORS.

Sir SAMUEL ROBERTS, M.P., Chairman. WILLIAM B. ESAM, Esq., J.P.
FREDERICK FOWLER, Esq. FREDERICK C. WILD, Esq., J.P. HENRY H. BEDFORD, Esq., J.P

Head Office - - GEORGE STREET, SHEFFIELD.
Manager: ERNEST G. WRAGG.

BRANCHES.—The Bank has eleven Offices in Sheffield; also Branches at Barnsley Chesterfield, Conisborough, Doncaster, Gainsborough, Mexborough, Rotherham, Swinton, Worksop and in the surrounding districts.

The Bank has Agents and Correspondents in all parts of the world, and provides Circular Letters of Credit, Circular Notes and Drafts for the use of Travellers abroad.
Current, Deposit and Savings Accounts opened, and every kind of Banking business transacted at Head Office and Branches. For the convenience of Customers, moneys may be paid in at any of the Branches or through Agents for their credit.
The Bank is prepared to act as Executor, Trustee, &c. The conditions may be ascertained on application to the Head Office.

COMMERCIAL BANK OF SCOTLAND LTD.

ESTABLISHED 1810.

Head Office:—EDINBURGH.

CAPITAL:—Subscribed ... ... £5,000,000. Paid up ... ... £1,000,000.
Reserve Fund ... ... £850,000. Deposits ... £30,698,000.

ALEX. ROBB, General Manager. MAGNUS IRVINE, Secretary.

London Office:—62 LOMBARD STREET, E.C. 3.

GEORGE S. COUTTS, Manager. JOHN F. SANDEMAN, Asst.-Manager.

General banking business, and every description of foreign exchange business, transacted.
Banking correspondents throughout the United Kingdom, and in the principal Cities of the World.
With its 210 Branches and Sub-Offices throughout Scotland, the Bank is in direct touch with every District, and in an exceptionally favourable position to deal with General business, and Agency business for Colonial and Foreign Banks.

Among the other items in the balance sheet that of the note circulation is interesting. The authorised note issue of the Clydesdale Bank is £274,321; in 1917 it was £2,266,315, and this year it has risen to £3,092,333, an increase of £826,018, which is largely accounted for by higher wages and higher costs of all kinds, which require more money on hand. In his speech at the annual meeting, the Chairman, Sir James Bell, mentioned that he believed the note circulation was also affected by the twopenny stamp on cheques, which induces the holding up of more money and the use of fewer cheques. Deposits, &c., are again up by £3,545,728 to £30,254,001. Under the heading of Assets, bills discounted stand at £5,712,525, against £8,212,492, a decrease of £2,499,967. This decrease is partly due to Treasury bills having run off, and to the decrease in commercial bills through general commercial business being so greatly under Government control. Credit accounts are £197,887 up, bank buildings a little down, but under Investments, &c., there is a large increase, no less than £6,178,312. This increase is almost entirely in Government comparatively short-dated securities, and the Bank has, in stating its War Loans, followed the practice adopted and continued by the London clearing banks, of entering them at cost. The shrinkage between cost and market values on December 31 last has, however, been fully provided for. The bank had on hand at the end of the year £5,561,418 in various items, gold and silver coin, notes of other banks, cheques *in transitu*, and cash balances with London and country bankers, on balance, £629,202 in excess of the previous year.

Liabilities to the public on December 31 last were £33,597,444, against which assets were held in the following proportions:—Cash, 16.5%; investments, temporary loans, and call money, 49.4%; bills discounted (including Treasury bills), 17%; and advances, 22%.

COCKS, BIDDULPH AND COMPANY.

Office: 43 Charing Cross, London, S.W. 1.

This small private banking company usually closes its accounts early in January, this year the balance sheet gives the position of the Bank on January 11, 1919. On that date the firm's liabilities to the public amounted to £1,124,911, against which assets were held in the following proportions: Cash in hand, at call, and at short notice, including Treasury Bills, 52.3%; investments, 35.4%; advances and bills discounted, 25.6%. It will be noticed that unlike most of the banks, which include Treasury Bills with bills discounted, Cocks, Biddulph and Co. place such bills with the cash in hand, etc. The partners' capital

Liabilities and Assets of Messrs. Cocks, Biddulph and Company.

	LIABILITIES.					ASSETS.								
	Total Capital and Reserve.		Deposits, &c.		Total Liabilities.	Cash in Hand, at Call, &c.		Investments.		Bills and Advances.		Bank Premises Account.		Total Assets.
Jan.	£	%*	£	%*	£	£	%*	£	%*	£	%*	£	%*	£
1919...	200,000	15·1	1,124,911	84·9	1,324,911	588,493	44·4	398,139	30·0	288,279	21·8	50,000	3·8	1,324,911
1918...	200,000	15·5	1,090,770	84·5	1,290,770	588,869	45·7	353,375	27·3	298,526	23·1	50,000	3·9	1,290,770
1917...	200,000	17·0	979,655	83·0	1,179,655	422,000	35·8	353,375	30·0	354,280	30·0	50,000	4·2	1,179,655
1916...	200,000	17·3	956,082	82·7	1,156,082	345,137	29·9	362,095	31·3	398,850	34·5	50,000	4·3	1,156,082
1915...	200,000	16·2	1,032,953	83·8	1,232,953	393,948	32·0	330,618	26·8	458,387	37·2	50,000	4·0	1,232,953
1914...	200,000	18·4	888,334	81·6	1,088,334	244,102	22·4	307,793	28·3	486,439	44·7	50,000	4·6	1,088,334
1911...	200,000	17·9	915,737	82·1	1,115,737	225,150	20·1	317,560	28·5	523,027	46·9	50,000	4·5	1,115,737

* Per cent. of Total Liabilities or Assets.

Stockholms Handelsbank

Gothenburg STOCKHOLM Malmö

and 166 other places in Sweden.

Capital and Reserves - - Kr. 140,000,000

All Kinds of Banking Business Transacted.

Telegraphic Address - - - - HANDELSBANK, STOCKHOLM

and reserve are lumped together and stand at £200,000. Since 1916 the current and deposit accounts have shown a steady, if small, expansion, and this year at £1,124,911 0*s.* 4*d.* the figures are £34,141 higher than in 1918. Cash in hand, etc., is some £300 down, while bills and advances have decreased from £298,526 to £288,279. Investments are higher by £44,764. The value of the freehold bank premises at Charing Cross and Spring Gardens remains unaltered at £50,000.

No profit and loss account is issued, but the statement on the previous page shows liabilities and assets of the Bank for 1910 and the last six years:—

COMMERCIAL BANK OF SCOTLAND.

Head Office: Edinburgh.

Capital—

Authorised	£5,000,000
Subscribed, 50,000 Shares of £100 each =	5,000,000
Paid up, £20 per Share ... ... =	1,000,000

Price of Share, £64½. *Div.*, 17%. *Yield*, £5 12*s.* 3*d.*%

The Commercial Bank of Scotland is one of the oldest of the Scottish banking institutions; it was founded in 1810 and started business on March 25 of that year. There were then only three other banks of importance in Scotland—the Bank of Scotland, the Royal Bank of Scotland, and the British Linen Company, although, strictly speaking, the latter establishment did not actually rank as a bank until 1849, when it obtained its charter. The authorised capital of the Commercial Bank at its inception was £3,000,000, divided into 6,000 shares of £500 each. In the first instance, only 4,500 of the shares, on which £100 was paid up, were issued. This was in 1829; then, in that year, the remaining 1,500 shares were issued to shareholders at a premium of £50 per share, thus bringing the paid-up capital to £600,000. Thirty years later, in 1859, the sum of £200,000 was withdrawn from the reserve fund and distributed as a bonus to shareholders, in the proportion of £100 for each £300 held, and this increased the paid-up capital to £800,000. A similar operation was carried out in 1864, shareholders receiving a bonus of £100 for each £400 held, the required £200,000 again being taken from the reserve fund, thus increasing the paid-up capital to £1,000,000. In 1881 the capital was changed to 50,000 shares of £60 each, on which £20 was paid up, and in the following year the nominal capital was increased to £5,000,000 in the form of 50,000 shares of £100 each, £20 paid. Since 1882 there has been no change in the capital, which now stands at £1,000,000 paid up.

The Commercial Bank of Scotland has extended its business by means of branches, and only on two occasions has it absorbed other institutions; in 1825 it took over the Caithness Banking Company, and in 1884 acquired the business of the Arbroath Banking Company. In 1820 it had 17 branches, at the end of 1918 the Bank had, in addition to its London office, 174 branches in Scotland, besides numerous correspondents in the United Kingdom, and in consequence is in a very favourable position for transacting every kind of banking business for its customers.

The profits of the Bank have been on an increasing scale for some years, and while those of 1917 were on an unprecedented scale, in 1918 that record was broken, gross profits rising from £546,644 to £605,014, an increase of £58,460. This result is all the more striking since notwithstanding a substantial addition to charges the net profit itself exceeded that of the previous year by nearly £30,000. Deposits, which before the war were slightly in excess of £18,000,000, and in 1917 stood at £26,659,325, showed an increase to October 31, 1918, of £4,000,000, the total figures being £30,698,529. This increase in deposits is all the more noteworthy because it arose from the steady growth experienced by all the Bank's offices, especially in the country districts, and has taken place in spite of the heavy subscriptions by customers to War Loans, subscriptions which were encouraged by the Bank, which provided at its Head Office and branches every possible assistance and facility. The dividend for some years past has been maintained at 16% per annum; but this year a bonus of 1% is added to the dividend, making it 17% per annum, subject to income tax. The year before the War a dividend of 20% was paid. The reserve fund, which stood at £800,000 in 1915, was reduced to £700,000 in 1916 to provide for the depreciation in the value of the Bank's investments. In 1917 the depreciation in investments was met by the allocation of £60,000 from the profits of the year. It is therefore gratifying that for the first time for many years it has not been necessary to make provision this year from profits for depreciation in the value of the bank's investments, and all the more gratifying that it is found possible to allocate to the reserve fund from profits £150,000, thus raising that fund to £850,000.

To return to the investments, which now stand at £10,216,612 as compared with £9,210,029 in 1917. In the Bank's investments are now held over £9,000,000 British Government securities, an increase of £1,400,000 over the previous year, which has been chiefly placed in National War Bonds with short maturities. £167,232 15*s.* 9*d.* of British Government securities is lodged for public accounts.

Cash in hand, &c., and money at call and short notice at almost £10,000,000 show an increase of nearly £3,000,000, half the increase being in the item of cash, and when to this is added a similar amount which has been invested in British Treasury bills, it will be seen that some two-thirds of the total deposits are represented by comparatively liquid assets. Advances, &c., show a reduction of £851,693 as compared with the 1917 total, which at the annual meeting was reported to be due to a further reduction in loans against Stock Exchange securities and repayments by customers of the temporary loans granted for the purpose of taking up of War Loan. Bills discounted stand at £11,268,826 as compared with £8,992,117, but the increase is attributable to the Bank's purchase of British Treasury bills, as already mentioned, £10,000,000; trade discounts having actually declined owing to abnormal conditions and the restrictions on general business. The Bank's authorised note issue is £374,880, but the note circulation now amounts to £3,307,838, an increase of £900,000 as compared with 1917. Charges for the 1918 period increased by £21,000, a considerable part of which arose from increased remuneration to staff, including a bonus to all officers whose salaries did not exceed £500.

The net profit for 1917-18 was equal to 35.9% upon the paid-up capital, to 19.4% upon the combined capital and reserve, and to .9% upon the total working resources.

Profits of the Commercial Bank of Scotland, Limited.

Year to Oct. 31	Gross Profit	Net Profit	Dividend Subject to Tax Earned	Dividend Subject to Tax Paid	Special Allocations: Investment Depreciation	Special Allocations: Contingency Fund	Special Allocations: Bank Premises.	Carried Forward
	£	£	%	%	£	£	£	£
1918	605,014	359,666	35·96	17	170,000	—	175,000	10,000	49,176
1917	546,644	322,537	32·25	16	160,000	60,000	90,000	10,000	44,509
1916	491,316	281,241	28·12	16	160,000	100,000	—	5,000	41,973
1915	461,645	260,377	26·04	16	160,000	100,000	—	5,000	25,732
1914	458,753	262,613	26·26	18	180,000	70,000	—	5,000	30,355
1913	441,108	252,237	25·22	20	200,000	45,000	—	5,000	22,742

The total liabilities to the public on October 31, 1918, were £35,842,894, against which assets were held in the following proportions: Specie, currency notes, cash with other banks, and notes of other banks, &c., 18.2%; money at call and short notice, 9.6%; investments, 28.5%; bills discounted, including Treasury bills, 31.4%; and advances, 13.3%.

UNION BANK OF CANADA

HEAD OFFICE - WINNIPEG.

54th ANNUAL STATEMENT.

PROFIT AND LOSS ACCOUNT, 30th November, 1918.

Balance at credit of account, 30th November, 1917	$106,624.34
Net profits for the year, after deducting expenses of management, interest due depositors, reserving for interest and exchange, and making provision for bad and doubtful debts and for rebate on bills under discount, have amounted to	824,174.56
	$930,798.90

Which has been applied as follows :—	
Dividend No. 124, 2¼ per cent., paid 1st March, 1918	$112,500.00
Dividend No. 125, 2¼ per cent., paid 1st June, 1918	112,500.00
Dividend No. 126, 2¼ per cent., paid 3rd September, 1918	112,500.00
Dividend No. 127, 2¼ per cent., payable 2nd December, 1918	112,500.00
Brought forward	$650,000,00
Transferred to Rest Account	200,000.00
Written off Bank Premises Account	75,000.00
Contribution to Officers' Pension Fund	10,000.00
Contribution to Halifax Relief Fund	5,000.00
Contribution to Canadian Red Cross, Manitoba Branch	5,000.00
Contribution to Young Men's Christian Association Overseas	3,000.00
Contribution to Salvation Army Overseas	2,000.00
Contribution to Belgian Relief Fund	1,000.00
Contribution to Knights of Columbus, Army Hut Appeal	1,000.00
Contribution to Navy League of Canada, Sailors' Week	2,500.00
War Tax on Bank Note Circulation to 30th November, 1918	50,000.00
Balance of Profits carried forward	126,298.90
	$930,798.90

LIABILITIES, 30th November, 1918.

Capital Stock		$5,000,000.00
Rest Account	$3,600,000.00	
Balance of Profit and Loss Account carried forward	126,298.90	
	3,726,298.90	
Unclaimed Dividends	10,261.43	
Dividend No. 127, payable 2nd December, 1918	112,500.00	
		3,849,060.33
		8,849,060.33
Notes of the Bank in circulation	12,134,649.00	
Deposits not bearing interest	58,805,207.86	
Deposits bearing interest	68,437,490.47	
Balances due to other Banks in Canada	424,601.94	
Balances due to Banks and Banking Correspondents elsewhere than in Canada	1,751,177.75	
		141,55,3127.02
Acceptances under Letters of Credit		2,706,467.06
Liabilities not included in the foregoing		72,797.11
		$153,181,451.52

ASSETS, 30th November, 1918.

Gold and Silver Coin	$940,446.58	
Dominion Government Notes	15,113,307.00	
		$16,053,753.58
Deposit with the Minister of Finance for the purposes of the Circulation Fund		260,000.00
Deposit in the Central Gold Reserves		7,800,000.00
Notes of other Banks		763,793 00
Cheques on other Banks		3,817,392.16
Balances due by other Banks in Canada		92,051.67
Balances due by Banks and Banking Correspondents elsewhere than in Canada		2,933,356.72
Dominion and Provincial Government Securities not exceeding market value		12,527,937.82
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian		15,720,338.76
Railway and other Bonds, Debentures and Stocks not exceeding market value		2,501,824.71
Call and Short (not exceeding 30 days) Loans in Canada, on Bonds, Debentures and Stocks		6,508,728.64
Call and Short (not exceeding 30 days) Loans elsewhere than in Canada		3,389,150.00
		$72,368,327.06
Other Current Loans and Discounts in Canada (less rebate of interest)		74,021,028.40
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)		1,944,112.28
Real Estate other than Bank Premises		263,152.80
Mortgages on Real Estate sold by the Bank		141,656.39
Overdue Debts, estimated loss provided for		327,941.58
Bank Premises, at not more than cost, less amounts written off		1,237,606.70
Liabilities of Customers under Letters of Credit, as *per contra*		2,706,467.06
Other Assets not included in the foregoing		166,159.25
		$153,181,451.52

JOHN GALT, President. **H. B. SHAW**, General Manager.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE UNION BANK OF CANADA.

In accordance with the provisions of sub-sections 19 and 20 of Section 56 of the Bank Act, we report to the shareholders as follows :

We have audited the above Balance Sheet with the books and vouchers at Head Office and with the certified returns from the branches.

We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In addition to our verification at the 30th November, we have, during the year, checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches and found them to be in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank, according to the best of our information and the explanations given to us and as shown by the books of the Bank.

Winnipeg, 20th December, 1918.

T. HARRY WEBB, E. S. READ, C. R. HEGAN,
Auditors, of the firm of WEBB, READ, HEGAN & CO., Chartered Accountants.

The Bank has over 300 Branches in CANADA, and AGENTS IN THE PRINCIPAL CITIES IN AMERICA.
GENERAL BANKING BUSINESS TRANSACTED.
Letters of Credit and Travellers' Cheques Issued available in all parts of the World.
MONEYS TRANSFERRED to and from Canada and the United States by CABLE, BANK DRAFTS, &c.
DEPOSITS RECEIVED at favourable rates, which may be ascertained on application to :

LONDON OFFICES : 6 PRINCES STREET, E.C. 2, and 26 HAYMARKET, S.W. 1.

NEW YORK AGENCY ... ... 49 WALL STREET.

Liabilities and Assets of the Commercial Bank of Scotland, Limited.

LIABILITIES.

Oct. 31	Capital Paid up £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits. £	% *	Miscellaneous. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918...	1,000,000	850,000	1,850,000	4·9	3,307,838	8·8	1,023,858	2·7	30,698,529	81·2	812,669	2·1	112,390	·3	37,805,284
1917...	1,000,000	700,000	1,700,000	5·3	2,421 155	7·5	718,578	2·2	26,659,325	82·7	619,839	2·0	104,509	·3	32,223,406
1916...	1,000,000	700,000	1,700,000	6·1	2,109,716	7·6	683,019	2·5	22,873,082	81·8	473,196	1·7	101,973	·3	27,940,986
1915...	1,000,000	800,000	1,800,000	7·7	1,754,857	7·5	274,677	1·2	19,036,911	81·5	398,994	1·7	93,421	·4	23,358,860
1914...	1,000,000	800,000	1,800,000	7·9	1,278,330	5·6	310,054	1·4	18,953,227	83·4	278,516	1·2	103,234	·5	22,723,361
1913...	1,000,000	900,000	1,900,000	8·7	1,107,342	5·1	216,399	1·0	18,056,150	83·0	366,303	1·7	116,908	·5	21,763,102
1910...	1,000,000	900,000	1,900,000	10·2	997,229	5·4	404,421	2·2	14,687,812	79·2	431,700	2·3	122,466	·7	18,543,628

ASSETS.

Oct, 31	Cash in Hand, Notes, &c. £	% *	Money at Call and Short Notice, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets.
1918...	6,545,787	17·3	3,430,347	9·1	10,216,612	27·0	11,268,826	29·8	4,793,435	12·7	1,023,858	2·7	526,419	1·4	37,805,284
1917...	4,968,824	15·4	2,109,912	6·6	9,210,029	28·6	8,992,117	27·9	5,645,128	17·5	718,578	2·2	578,817	1·8	32,223,406
1916...	3,516 904	12·6	2,584,988	9·2	8,190,493	29·3	7,931,845	28·4	4,444,899	15·9	683,019	2·5	588,838	2·1	27,940,986
1915...	3,039,177	13·0	2,984,027	12·8	8,726,997	37·3	2,408,333	10·3	5,331,775	22·8	274,677	1·2	593,874	2·6	23,358,860
1914...	4,011,303	17·5	2,030,689	8·8	4,860,134	21·4	3,601,089	16·0	7,392,194	32·6	310,054	1·4	517,897	2·3	22,723,361
1913...	2,458,862	11·3	4,382,004	20·1	4,345,218	20·0	3,722,275	17·1	6,120,348	28·1	216,398	1·0	517,995	2·4	21,763,102
1910...	971,189	5·2	3,750,387	20·2	3,580,761	19·3	2,713,576	14·7	6,608,636	35·6	404,421	2·2	514,658	2·8	18,543,628

* Per cent. of Total Liabilities or Assets.

CO-OPERATIVE WHOLESALE SOCIETY.

Head Office: 1 Balloon Street, Manchester.

Capital—

Paid up, 653,504 Shares of £5 each £3,267,520
Less amount unpaid 71,783
£3,195,737

THE Co-operative Wholesale Society, although formed under the Industrial and Provident Societies, Act 1893, was really enrolled on August 11, 1863, under the provisions of the Industrial and Provident Societies Act, 1862, and commenced business on March 14, 1864. Its balance sheets are most comprehensive documents and show the accounts both of the trading and banking departments. An examination of the figures of the banking department reveal an increase in profits of £20,034, the profit balance being £46,517, as against £26,483 for 1917. There is also a further expansion in the capital employed, which this year amounts to £3,195,736 in 653,504 transferable shares of £5 each, less an amount of £71,783 5*s.* 11*d.* unpaid, an increase for the year of £214,603. The reserve is reduced from £6,942 to £1,759, the reduction presumably being due to the paying out of the reserve fund of the following donations:—£1,000 to the King's Fund for Disabled Soldiers and Sailors; £1,000 to the British Red Cross Society; £500 to French War Charities Society; £250 to "India Day" Troops Fund; £250 to the Young Women's Christian Association; and £105 each to the British Women's Hospitals Nation's Fund for Nurses, the Shipwrecked Mariners' Society Minesweepers Fund, and the endowment of Department of Italian Studies in Manchester University. A donation of £50 was also made to the s.s. *Dundalk* Disaster Fund. Deposits, &c., are down by £400,000; the cash balance, which in 1913 amounted to £1,523,187, and to £2,155,255 in 1917, is now up to £3,080,049. Investments are about £95,000 higher at £4,287.484, and the December balance sheet shows a heavy increase in the investments in India, Irish Land and War stocks, which are nearly £1,000,000 higher than

BANQUE POPULAIRE SUISSE
ESTABLISHED 1869.
Central Office - - BERNE.
MAIN BRANCHES: Basel, Berne, Bienne, Fribourg, Geneva, Lausanne, Montreux, St. Gall, St. Imier, Winterthur, Zurich. 33 Branches and Agencies all over Switzerland.
Paid-up Capital and Reserves, Francs 92,000,000
Every Kind of Banking Business Transacted by Central Office and Branches.
Current Deposits and Savings Accounts Opened. Collection of Coupons, of Clean and Documentary Drafts. Cash and Documentary Credits Opened. Purchases and Sales of Securities undertaken. Mail and Cable Transfers to any part of the world. Letters of Credit and Travellers' Cheques Issued and Paid.
Foreign Exchange Business.
Please write for our Collection Tariff and List of Correspondents in Switzerland.

GORDON GRANT & CO., Ltd.
Established 1872. Port of Spain, Trinidad, B.W.I. Incorporated 1911.
Capital (Fully Paid up) - £500,000 | Reserve - - - £55,000
Bankers, Merchants, Estates, Ship & Insurance Agents.
Correspondents in London, New York and Principal Business Centres in Europe, America, Canada and India.
CABLE TRANSFERS, LETTERS OF CREDIT and all kinds of Financial Business undertaken.
Telegrams: "GORDONIUS," Port of Spain. All Reliable Codes in use.

Liabilities and Assets of Co-operative Wholesale Society, Limited (Banking Department).

LIABILITIES.

Dec.	Capital. £	Reserve. £	Total Capital and Reserve. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918	3,195,736	1,759	3,197,495	25·7	9,206,033	74·0	46,517	·3	12,450,045
1917	2,981,133	6,942	2,988,075	23·6	9,636,481	76·2	26,483	·2	12,651,039
1916	2,653,774	439	2,654,204	24·7	8,042,008	75·0	34,461	·3	10,730,673
1915	2,284,758	588	2,285,346	28·2	5,781,134	71·4	28,776	·4	8,095,256
1914	2,130,599	143,984	2,274,943	32·5	4,702,135	67·1	27,624	·4	7,004,702
1913	2,039,054	143,707	2,182,761	34·7	4,077,347	64·3	27,737	·4	6,287,845

ASSETS.

Dec.	—Cash.— £	% *	—Investments. £	% *	Advances, Loans, &c. £	% *	Land and Buildings £	% *	Total Assets £
1918	5,080,049	24·7	4,287,484	34·4	5,079,603	40·9	2,909		12,450,045
1917	2,155,255	17·0	4,192,225	33·1	6,300,346	49·9	3,213		12,651,039
1916	1,738,544	16·2	4,660,614	43·4	4,328,008	40·3	3,507	·1	10,730,673
1915	1,028,345	12·7	4,704,440	58·1	2,359,354	29·2	3,117	--	8,095,256
1914	1,215,535	17·3	4,361,537	62·2	1,424,318	20·4	3,312	·1	7,004,702
1913	1,523,187	24·3	3,868,081	61·4	893,070	14·2	3,507	·1	6,287,845

* Per cent. of Total Liabilities or Assets.

in December, 1917, while the investments in British municipal public boards and railway mortgages and stocks have been reduced from £1,185,879 to £748,355. Loans and advances, &c., have increased by £1,220,743, and now stand at £5,079,603.

Liabilities to the public on December 28 last were £9,206,033, against which assets were held in the following proportions: cash in hand and at bankers, 33.5%; investments, 46.5%; and loans, advances, and other assets, 55.2%.

COUTTS AND COMPANY.

Office: 440 Strand, London, W.C. 2.

Coutts' Bank was registered as an unlimited Company on June 25, 1892, with a capital of £600,000, fully subscribed and paid up, in addition to which a reserve fund of £400,000 was provided by the partners. By taking over the business of Messrs. Roharts, Lubbock and Co., in July 1914, the Bank secured a seat in the London Clearing House. This amalgamation brought about a considerable increase in the business of Messrs. Coutts and Co., and the deposits rose from £8,792,208 in 1913 to £12,663,393 at the end of 1914. The paid-up capital was also increased from £600,000 to £800,000, and the reserve fund from £400,000 to £700,000. At the end of 1918 the capital and reserve remained unchanged, but current and deposit accounts showed a further expansion to £18,426,905 10s. 10*d*. Acceptances on behalf of customers decreased by £19,257 to £385,243. In common with the practice now adopted by the other banks, the guarantee of £8,928 in respect of the Yorkshire Penny Bank, Limited, is no longer included in the liabilities, but shown as a footnote on that side of the balance sheet. Cash in hand and at the Bank of England, also money at call and short notice have considerably increased since 1917, the combined total at the end of December 1918 being £2,326,304 higher. The amount held in British Government Treasury bills does not reveal much alteration, but investments are £185,340 down as compared with the previous year. Bills discounted, loans, and advances stand at nearly £500,000 more than in 1918.

The liabilities of Messrs. Coutts and Co. to the

THE YOKOHAMA SPECIE BANK, LIMITED.

(REGISTERED IN JAPAN.) ESTABLISHED 1880.

Subscribed Capital - - - Yen 48,000,000
Capital Paid up - - - ,, 42,000,000
Reserve Fund - - - ,, 25,000,000

Head Office: YOKOHAMA.

BRANCHES AND AGENCIES AT

BATAVIA. | BOMBAY.	LYONS.	SEATTLE. | SHANGHAI.
BUENOS AYRES.	FENGTIEN (Mukden).	SHIMONOSEKI.
CALCUTTA.	MANILA.	SINGAPORE.
CHANGCHUN.	NAGASAKI.	SOURABAYA.
DAIREN (Dalny).	NEWCHWANG.	SYDNEY.
HANKOW. | HARBIN.	NEW YORK.	TIENTSIN.
HONG KONG.	OSAKA.	TOKYO.
HONOLULU.	PEKIN.	TSINANFU.
KAI YUAN. | KOBE.	RANGOON.	TSINGTAU.
LONDON. | LOS ANGELES.	SAN FRANCISCO.	VLADIVOSTOCK.

The Bank buys and receives for Collection Bills of Exchange, issues Drafts and Telegraphic Transfers and Letters of Credit on above places and elsewhere, and transacts General Banking Business.

Deposits received for fixed periods at rates to be obtained on application.

London Office: T. OKUBO, Manager.
7 Bishopsgate, E.C. 2.

Liabilities and Assets of Messrs. Coutts and Company.

LIABILITIES.	Capital Paid up. £	Reserve. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Total Liabilities. £
1918 (Dec. 31) ...	800,000	700,000	1,500,000	7·4	385,243	1·9	18,426,905	90·7	20,312,148
1917	800,000	700,000	1,500,000	8·0	404,500	2·1	16,852,100	89·9	18,756,600
1916	800,000	700,000	1,500,000	8·3	419,056	2·3	16,145,790	89·4	18,064,846
1915	800,000	700,000	1,500,000	9·9	243,914	1·6	13,385,762	88·5	15,129,676
1914	800,000	700,000	1,500,000	10·3	386,744	2·7	12,666,393	87·1	14,553,137
1913 (Jan.) ...	600,000	400,000	1,000,000	9·9	110,907	1·1	9,003,403	89·0	10,114,310
1910	600,000	400,000	1,000,000	10·7	337,487	3·6	8,031,263	85·7	9,368,750

ASSETS.	Cash in Hand, &c. £	%	Money at Call, &c. £	% *	Investments £	% *	Bills, Loans, and Advances £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises Account £	% *	Total Assets. £
1918 (Dec. 31)	3,616,010	17·8	3,912,011	19·3	4,057,905	20·0	8,000,679	39·4	385,243	1·9	340,300	1·6	20,312,148
1917 ..	3,056,963	16·3	3,499,815	18·7	3,872,565	20·7	7,582,457	40·4	404,500	2·1	340,300	1·8	18,756,600
1916 ..	2,956,304	16·4	3,463,018	19·2	4,498,354	24·9	6,387,814	35·4	419,056	2·3	340,300	1·8	18,064,846
1915 ..	2,366,701	15·6	2,078,439	13·7	4,705,531	31·1	5,394,791	35·7	243,914	1·6	340,300	2·3	15,129,676
1914 ..	2,064,965	14·2	2,334,407	16·0	3,313,773	22·8	6,112,948	42·0	386,744	2·7	340,300	2·3	14,553,137
1913 (Jan.)	1,160,387	11·5	1,704,307	16·9	2,488,213	24·6	4,430,496	43·8	110,907	1·1	220,000	2·1	10,114,310
1910 ..	795,620	8·5	1,310,000	14·0	2,306,265	24·6	4,399,378	47·0	337,487	3·6	220,000	2·3	9,368,750

* Per cent. of Total Liabilities or Assets.

public on December 31, 1918, amounted to £18,812,148, against which assets were held in the following proportions: Cash in hand, &c., 19.2%; money at call, &c., 20.8%; investments, 21.5%; bills, loans, and advances, 42.5%.

COX AND COMPANY.

Head Office: 16 Charing Cross, London, S.W. 1.

COX AND COMPANY first made their appearance in the banking world in 1758; their business as private bankers has always been a very sound one, and when on May 4, 1909, they registered themselves as an unlimited company, they had a large following of Army officers for their principal clients. Their capital was then £350,000 in 2,500 Ordinary and 1,000 Preference shares of £100, all fully paid, and in addition to the subscribed and paid-up capital a reserve fund of £50,000 was provided by the partners. When the War started the capital stood at £450,000, and it remained at that figure until July 1918, when it was increased to £650,000, composed of 1,500 4% Cumulative Preference shares of £100 each and 5,000 Ordinary shares of £100 each. The total capital and reserve is £1,075,000, as compared with £530,000 on October 4, 1917.

In view of the enormous growth in the firm's business during the War, it was not surprising that they found it necessary to add to their capital. The need for the additional working resources is obvious when one examines the figures of the latest balance sheet, that dated October 5, 1918. Before the War the grand total of the balance sheet was a little over 4½ millions; it is now £20,788,049 11*s.* 10*d.*, the phenomenal increase being almost entirely due to the unprecedented expansion in our Army, the majority of whose officers keep their accounts with Messrs. Cox, who act as their agents generally. The position occupied by the Bank during the War is, in fact, a sort of Paymaster-General-

THE LANCASHIRE & YORKSHIRE BANK, LTD.

ESTABLISHED 1872.

CAPITAL - - - £4,000,000.

Subscribed Capital, £2,013,120. Paid-up Capital, £1,006,560. Reserve Fund, £857,825.

DIRECTORS.

THOS. B. MOXON, ESQ., CHAIRMAN and MANAGING DIRECTOR.
HENRY WHITEHEAD, ESQ., M.V.O., DEPUTY-CHAIRMAN.

The Right Hon. Lord ARMAGHDALE.
The Right Hon. Lord COLWYN.
GEORGE COMBER, ESQ.
The Right Hon. Lord EMMOTT, G.C.M.G., G.B.E.
CHARLES W. KEIGHLEY, ESQ.
THOMAS NORTON, ESQ., C.B.E.
ALFRED WATKIN, ESQ.
JOSEPH WHEATLEY, ESQ.

Head Office—43 SPRING GARDENS, MANCHESTER.

Offices at LIVERPOOL, LEEDS, HUDDERSFIELD, BLACKBURN, BOLTON, BURNLEY, BURY, HALIFAX, OLDHAM PRESTON, ROCHDALE, and 118 Offices in other towns in Lancashire and Yorkshire.

THE NATIONAL BANK OF AUSTRALASIA LIMITED.

ESTABLISHED 1858. ESTABLISHED 1858.



(INCORPORATED IN VICTORIA).
(With which is amalgamated THE COLONIAL BANK OF AUSTRALASIA, LTD.)

Authorised Capital £5,000,000
Capital Paid up 2,000,000
Reserve Fund Account £1,090,000
Reserve Liability of Shareholders ... 828,000

Head Office - - - MELBOURNE.

The Bank is fully represented by branch establishments and agencies throughout Australia, New Zealand and Tasmania.
BILLS on all parts of Australasia purchased and collected. DRAFTS and LETTERS OF CREDIT issued.
MAIL AND TELEGRAPHIC TRANSFERS made at minimum current rates.

***London Office*—5 BISHOPSGATE, E.C. 2.** *Manager*—ROBT. COTTON.

Liabilities and Assets of Messrs. Cox and Company.

LIABILITIES. Oct.	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Bills for Collectn. and Acceptances. £	% *	Deposits, &c. £	% *	Total Liabilities. £
1918	650,000	425,000	1,075,000	5·2	447,641	2·1	19,265,409	92·7	20,788,050
1917	450,000	80,000	530,000	3·0	256,624	1·4	16,921,409	95·6	17,708,033
1916	450,000	80,000	530,000	3·8	215,445	1·5	13,391,872	94·7	14,137,317
1915	450,000	80,000	530,000	4·7	505,007	4·4	10,303,958	90·9	11,338,965
1914	450,000	80,000	530,000	8·4	288,115	4·6	5,479,212	87·0	6,297,327
1913	450,000	80,000	530,000	11·3	82,086	1·7	4,061,241	87·0	4,673,327
1910	350,000	50,000	400,000	9·8	8,941	·2	3,681,004	90·0	4,089,945

ASSETS. Oct.	Cash in Hand, &c. £	% *	Money at Call, &c. £	% *	Investments. £	% *	Advances and Bills. £	% *	Liab. of Customers for Acceptances, &c. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1918	5,384,198	25·9	4,583,334	22·0	4,002,743	19·3	6,005,016	29·1	447,641	2·2	315,118	1·5	20,788,050
1917	3,919,552	22·1	3,718,333	21·0	2,357,237	13·4	7,202,945	40·6	256,624	1·4	253,342	1·5	17,703,033
1916	2,892,083	20·5	3,000,093	21·2	1,909,800	13·5	5,895,664	41·7	215,445	1·5	224,231	1·6	14,137,317
1915	2,126,744	18·7	1,630,785	14·4	2,581,247	22·8	4,279,665	37·8	505,007	4·4	215,517	1·9	11,338,965
1914	1,236,420	19·7	916,462	14·6	903,529	14·3	2,773,754	44·0	288,115	4·6	179,047	2·8	6,297,327
1913	742,277	15·9	460,677	9·9	751,548	16·1	2,457,286	52·6	82,086	1·7	179,453	3·8	4,673,327
1910	540,024	13·2	360,000	9·0	1,004,798	24·5	1,996,986	48·8	8,941	·2	179,196	4·3	4,089,945

* Per cent. of Total Liabilities or Assets.

ship to the commissioned ranks in the Army. How great has been the expansion may be gauged from the deposits, &c., which is 1913 stood at £4,061,241, and after increasing each year by leaps and bounds, now stand at £19,265,409, or £2,344,000 higher than in 1917.

Cash at bankers and in hand has reached the record total of £5,384,198; money at call and short notice is at £4,583,334, as compared with £3,718,333 for the previous period, and £916,462 just after the War started. Advances and bills show a falling-off from £7,202,945 to £6,005,016, possibly due to the repayment of War Loan advances. Investments, which are mostly in British Government and Indian and Colonial stocks, are nearly 1¾ million higher than in 1917. The investments include 322,728 "A" shares of £1 each, 10*s.* paid, in Cox and Co. (France), Limited. In the latter business Messrs. Cox and Co. now carry on a joint partnership with Barclays Bank, Limited. The authorised capital of Cox and Co. (France), Limited, is £500,000, of which £200,000 is subscribed and 50% paid up. The whole of the capital is held equally by the two Banks, and the directorate comprises three partners of Cox and Co. and three directors of Barclays Bank, Limited.

Cox and Co., London, has branches at Bombay, Calcutta, Rawal Pindi, Murree, and Srinagar (Kashmir), while its auxiliary, Cox and Co. (France), Limited, has its chief office in Paris, with branches at Boulogne, Havre, Marseilles, Rouen, and Amiens.

The Bank's total liabilities to the public on October 5, 1918, amounted to £19,713,050, against which it held assets bearing the following proportions: Cash in hand, &c., 27.3%; cash at call, &c., 23.2%; investments, 20.3%; and bills of exchange, Treasury bills, and advances, 30.7%.

IMPERIAL OTTOMAN BANK

Capital - £10,000,000. Paid up - £5,000,000.

GENERAL COMMITTEE:

LONDON.

EARL OF BESSBOROUGH, K.P., C.V.O., C.B.
E. W. H. BARRY.
VISCOUNT GOSCHEN.
SIR JOHN P. HEWETT, G.C.S.I., K.B.E., C.I.E.
Lieut.-General the HON. SIR H. A. LAWRENCE, K.C.B.
LORD ORANMORE AND BROWNE, K.P.
SIR W. LAWRENCE YOUNG, Bart.

PARIS.

LE BARON DE NEUFLIZE.
LE COMTE ADRIEN DE GERMINY.
GEORGES HEINE.
A. HENRY.
LE BARON HOTTINGUER.
RAOUL MALLET.
ALB. RT MIRABAUD.
PYRAME NAVILLE.
FELIX VERNES.

London Office: 26 THROGMORTON STREET, E.C. 2.

Manager: E. W. H. BARRY.
Assistant Manager and Secretary: C. E. L. CORTHORN.
Assistant Manager and Deputy Secretary: R. S. C. PEARCE.

MANCHESTER: 25 Pall Mall.
PARIS: 7 Rue Meyerbeer.
MARSEILLES: 38 Rue St. Ferreol.

CONSTANTINOPLE: Galata, Stamboul & Pera.

EGYPT.
Alexandria. Cairo.
Mansourah. Minieh.
Port Said.

PALESTINE.
Jerusalem.
Jaffa.

CYPRUS.
Nicosia. Larnaca.
Limassol.
Famagusta. Paphos.

SYRIA.
Aleppo. Beyrout. Homs.
Alexandretta. Damascus. Saida.
Caiffa. Hamah. Tripoli.

SALONICA. ARABIA. MESOPOTAMIA.

(Over 80 Branches in the Near East.)

EQUITABLE BANK.

(Formerly known as the Halifax Equitable Bank, Limited.)

Head Office: Halifax.

Capital—

Authorised	£50,000
Subscribed (7,500 £4 shares; 6,000 £1 shares)	36,000
Paid up	13,500

THE Equitable Bank, Limited, is essentially a "People's Bank." It was established in 1900, and, as its head office is in Halifax, was called the Halifax Equitable Bank, but, in view of the wider sphere for which it soon commenced to cater, the name was changed in 1913 to its present title. Its business has continued to expand year by year, and not even the lean period experienced by most institutions in 1914 checked its career. In presenting their annual balance sheet on January 24, 1919, the directors congratulated the shareholders on the fact that after the severe test of the past four years the Bank is in a sound and prosperous condition, while its assets have more than doubled since 1914. The profit for 1918, after providing for all contingencies, was £3,866 17*s.* 4*d.*, which, with £1,442 4*s.* 10*d.* brought forward, provided for a distribution of £5,309 2*s.* 2*d.* An interim dividend of 1*s.* 6*d.* per share was paid in July last, and a final dividend of 1*s.* 8$\frac{2}{5}$*d.* per share in January 1919 (making 16% for the year, subject to income tax). The actual profit earned was a record one, and the opportunity has been taken to strengthen the inner reserve considerably. The authorised capital of the Bank in 1917 was £50,000, in 10,000 £4 shares and 10,000 £1 shares, and the issued capital stood at £34,800, in 7,200 £4 shares, £1 paid, and 6,000 £1 shares, fully paid, making a total paid-up capital of £13,200. But in order to extend still further the Bank's capacity for rendering useful services in the reconstruction and development of the business of the town of Halifax and district, it was decided at the annual meeting on January 24, 1919, to increase the capital of the Bank by the creation of 75,000 additional shares. These shares are of the value of £2 each, £1 paid up, and the issue price was fixed at 45*s.* per share. At the present rate of dividend the yield will be £7 2*s.* 2*d.* per cent. On December 31 last the paid-up capital stood at £13,500.

During the year the Bank has found a continuous drain on its funds for War investments, especially during the "Tank Week" and "Gun Week" in Halifax, but, despite these facts, the amount of new business has been so considerable that the figures show a substantial increase. From £5,421 in 1900 the deposits have grown to £558,842 in 1918, a good record when one remembers that the business is mostly among people of small means. The first £1,000 was put to reserve in 1905, this year the reserve fund stands at £16,575. It is proposed to add a very substantial sum to reserve again out of premiums on the new issue of shares, and the reserve fund in the next balance sheet will, it is reported, be increased to £50,000. Cash in hand, at call, &c., is slightly less than last year, but investments are up from £121,850 to £234,705, the whole amount of which is in British War Loans, National War Bonds, and other short-term investments. In the circumstances, it has not been thought necessary to write these down in the balance sheet; instead of doing this, it was reported at the general meeting that more than sufficient had been set aside to cover any depreciation that is ever likely to occur.

The shown net profit for 1918 was equal to 28.6% upon the paid-up capital, to 13.3% upon the combined capital and reserve, and to .7% upon the total working

WILLIAMS DEACON'S BANK LIMITED.

NOMINAL CAPITAL - - - £10,000,000
ISSUED 1,562,500 "A" Shares £5 each, £1 paid.
312,500 "B" Shares £1 fully paid.
PAID-UP CAPITAL - - - £1,875,000
RESERVE FUND - - - - £850,000

London Office - - 20 Birchin Lane, E.C.3
West-End Office, 2 Cockspur St., Charing Cross, S.W.1
Manchester Office - - - Mosley Street

and 118 other Offices, principally in the manufacturing districts of Lancashire, Yorkshire, Cheshire and Derbyshire.

SPECIAL WORKING ARRANGEMENTS FOR
FOREIGN EXCHANGE
AND
SHIPPING ADVANCES
WITH
FRANCE, SPAIN, PORTUGAL, NEW YORK, AND ALL PARTS OF SOUTH AMERICA.

Agency arrangements with our Colonies and all parts of the World.

Foreign Exchange, Shipping and Agency Dept.
Agency of the Anglo-South American Bank, Ltd.
Agency of the London and Brazilian Bank, Ltd.
YORK STREET, MANCHESTER

ALEXANDERS DISCOUNT CO.
LIMITED,
24 Lombard St., E.C. 3.

Capital	**£1,000,000**
Subscribed	**900,000**
Paid up	**500,000**
Reserve Fund	**200,000**

£100,000 in £10 (fully paid 6 per cent.) Preference Shares.

£800,000 in £10 Ordinary Shares (£5 paid).

DIRECTORS.
COLIN FREDERICK CAMPBELL, *Chairman.*
ROBERT ERNEST ALEXANDER.
GEORGE CLEVERLY ALEXANDER.
PHILIP PEMBROKE ALEXANDER.
AUSTIN EDWARD HARRIS.

Manager—F. NEWCOMB.
Secretary—A.K. BRUCE. *Assistant to Manager*—E. D. SPRING RICE.

Approved Mercantile Bills discounted. Loans granted on negotiable securities. Money received on deposit at call and short notices at current market rates, as advertised from time to time in the daily papers For longer periods on specially agreed terms

resources. The following statement will indicate the successive increases in the dividends:—

Year to Dec. 31	Net Profit	Div. Subject to Tax—Earned	Div. Subject to Tax—Paid	Special Allocations	Carried Forward
	£	%	%	£	£
1918... ...	3,867	28·6	16	2,160	1,000	2,149
1917... ...	3,361	2 "	15	1,980	1,000	1,442
1916... ...	3,348	25·36	15	1,980	1,000	1,061
1915... ...	3,084	23·54	12 11/19	1,692	1,100	693
1914... ...	2,332	17·84	11·9	1,561	1,000	401
1913... ...	2,535	19·35	11·8	1,530	1,000	630

Liabilities and Assets of the Equitable Bank, Limited.

LIABILITIES. Dec.31	Capital Paid up. £	Reserve Fund. £	Total Capital & Reserve. £	%	Deposits and Current Accounts. £	%	Profit & Loss. £	%	Total Liabilities. £
1918...	13,500	15,575	29,075	4·9	558,842	94·	4,296	·7	592,213
1917...	13,200	14,200	27,400	5·4	474,121	93·9	3,432	·7	504,953
1916...	13,200	13,200	26,400	6·6	370,913	92·6	3,161	·8	400,474
1915...	13,100	12,000	25,000	7·4	311,122	91·8	2,721	·8	338,943
1914...	13,100	11,000	24,100	8·8	248,887	90·5	2,187	·7	275,174
1913...	13,100	10,000	23,100	10·0	208,952	89·1	2,417	1·0	234,469
1910...	6,000	4,300	10,300	7·0	136,423	92·0	1,463	1·0	148,186

ASSETS. Dec.31	Cash in Hand, at Call, &c. £	%	Investments. £	%	Bills of Exchange. £	%	Advances, Loans, &c. £	%	Total Assets. £
1918...	179,283	30·3	234,705	39·7	—	—	178,225	30·0	592,213
1917...	192,868	38·2	121,850	24·1	—	—	190,235	37·7	504,953
1916...	126,924	31·7	103,887	25·9	22,463	5·6	147,200	36·8	400,474
1915...	137,418	40·6	62,039	18·3	16,861	4·9	122,625	36·2	338,943
1914...	102,212	37·1	28,346	10·3	4,891	1·8	139,725	50·8	275,174
1913...	96,404	41·1	—	—	5,063	2·1	133,002	56·8	234,466
1910...	93,216	62·9	—	—	—	—	54,970	37·1	148,186

* Per cent. of Total Liabilities or Assets.

Liabilities to the public on December 31 last were £558,842, against which assets were held in the following proportions:—Cash in hand and at call, &c., 32.1%; advances on current accounts and loans on securities, 31.9%; and investments, consisting of 5% War Loan and National War Bonds, 42.0%.

FARROW'S BANK.

Head Office: 1 Cheapside, London, E.C. 2.

Capital—

Authorised, 1,000,000 Shares of £1 each ...	£1,000,000
Subscribed, 700,000 Shares	700,000
Paid up	361,112

Farrow's Bank has an authorised capital of one million shares of £1 each, of which have been issued 26,486 shares fully-paid, and 673,514 shares 10*s.* paid. The reserve liability is £363,243, the amount called up £363,243, and the sum actually paid up £361,111 19*s.* 11*d.* In the first instance the Bank was registered (on February 26, 1904), under the Industrial and Provident Societies Act, 1893, as Farrow's Credit Bank, Limited, but subsequently, on May 16, 1907, registered under the Joint Stock Companies Acts as Farrow's Bank, Limited. Including the Head Office in London, the Bank has 74 branches in the United Kingdom.

The accounts are made up to June 30, 1918. The net profit for the 1917-18 period, including the balance from last account, £6,026 19*s.* 8*d.*, amounted to £43,145 8*s.*, out of which was paid a dividend of 6%, less income tax. In our table we include deposits, current and other accounts under one head at £2,517,805, which compares with a total of £2,033,420 for the 1916-17 year; but taking the figures as they appear in the firm's balance sheet, current and other accounts on June 30, 1917, amounted to £763,046 4*s.* 3*d.*; on June 30, 1918, they amounted to £892,222 1*s.* 5*d.*, an increase of about £130,000. In 1917 the deposit accounts amounted to £1,270,373 16*s.* 2*d.*, and in 1918 to £1,625,582 14*s.* 4*d.* an increase of £355,209. Every deposit held by the Bank is subject to an agreed notice, and no such

SWISS BANK CORPORATION.

Established 1872.

BASLE, ZURICH, ST. GALL, GENEVA, LAUSANNE, LA CHAUX-DE-FONDS.

BIENNE, CHIASSO, HERISAU, LE LOCLE, NYON, AIGLE, MORGES, RORSCHACH, VALLORBE.

London Office - - 43 LOTHBURY, E.C. 2.

WEST-END BRANCH: 11c REGENT STREET, WATERLOO PLACE, S.W. 1.

General Manager: X. CASTELLI.

Capital Issued and Fully Paid up = £ 4,000,000

Reserves = = = = = £ 1,240,000

Deposits = = = = = £33,000,000

The Corporation conducts every description of Banking and Exchange business, and is prepared to furnish the Mercantile and Industrial Community with all available information regarding Trade and Industry in Foreign Countries, and also with reports on Merchants and Manufacturers established abroad.

Agents in Great Britain for the Swiss Government Postal Cheque Service.

Liabilities and Assets of Glyn, Mills, Currie and Company.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits. £	% *	Miscellaneous. £	% *	Total Liabilities. £
1918 ...	1,000,000	500,000	1,500,000	5·2	982,739	3·4	26,346,874	91·0	137,736	·4	28,967,349
1917 ...	1,000,000	500,000	1,500,000	5·4	1,092,250	4·0	24,781,965	90·1	133,102	·5	27,507,317
1916 ...	1,000,000	500,000	1,500,000	6·6	1,068,479	4·7	19,992,138	88·1	128,330	·6	22,688,947
1915 ...	1,000,000	500,000	1,500,000	7·6	1,025,371	5·2	17,193,471	86·6	123,967	·6	19,842,809
1914 ...	1,000,000	500,000	1,500,000	6·9	571,268	2·6	19,422,903	89·9	119,229	·6	21,613,400
1913§ ...	1,000,000	500,000	1,500,000	7·5	1,352,023	6·7	17,194,359	85·3	104,745	·5	20,151,127
1910§ ...	1,000,000	500,000	1,500,000	7·7	1,332,398	6·9	16,590,994	85·1	65,159	·3	19,488,551

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call and at Short Notice. £	% *	Investments.† £	% *	Bills Discounted and Advances.‡ £	% *	Liab. of Cust for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1918 ...	4,800,548	16·6	6,605,000	22·8	10,747,764	37·1	5,461,298	18·8	982,739	3·4	370,000	1·3	28,967,349
1917 ...	4,650,405	16·9	8,120,000	29·5	7,363,751	26·8	5,091,911	21·5	1,092,250	4·0	370,000	1·3	27,507,317
1916 ...	3,880,343	17·1	6,019,000	26·5	5,621,418	24·8	5,729,707	25·2	1,068,479	4·7	370,000	1·7	22,688,947
1915 ...	3,181,023	16·0	3,337,200	16·8	5,659,895	28·5	6,269,320	31·6	1,025,371	5·2	370,000	1·9	19,842,809
1914 ...	4,055,473	18·7	5,023,000	23·3	3,637,722	16·8	7,955,937	36·8	571,268	2·6	370,000	1·8	21,613,400
1913§...	3,244,374	16·1	4,729,030	23·5	2,849,689	14·1	7,606,011	37·8	1,352,023	6·7	370,000	1·8	20,151,127
1910§...	2,775,805	14·2	4,716,794	24·2	3,730,334	19·1	6,563,220	33·6	1,332,398	6·9	370,000	2·0	19,488,551

* Per cent. of Total Liabilities or Assets. † British, Indian and Colonial Government securities. ‡ Including other securities.
§ Previous to 1914 the accounts were made up to January of each year.

money can be withdrawn at call. During the eleven years in which the Bank has been incorporated under the Joint Stock Companies Acts, the current accounts have gone up from £87,000 to £892,000, deposits from £78,000 to £1,625,000, and the total assets of the Bank from £226,285 to £2,989,436. The deposits and current account credit balances have more than doubled themselves since the outbreak of the War—*i.e.*, by no less a sum than £1,281,000. Compared with last year, cash in hand has increased from £160,000 to £216,000. Investments (excluding the reserve fund investments—£93,500) have increased from £551,000 to £801,000, and advances to customers have grown from £1,625,000 to £1,806,000. The amount of the Bank's holdings in foreign securities is not separately shown in the balance sheet, but is stated to be comparatively small. The reserve fund has been raised from £78,500 to £93,500, the whole of which is invested in War Loan, National War Bonds, 6% Exchequer Bonds, Consols, and India 3½% stock.

The gross profit for the 1917-18 period was, after providing for depreciation of securities and bad and doubtful debts, £198,733 7*s.* 4*d.*, and if we deduct from this amount the sum of £161,615 5*s.* 4*d.* for general expenditure at Head Office and branches, we get a net profit of £36,818, which was equal to 10.2% upon the paid-up capital, to 8.1% upon the combined capital and reserve, and to 1.4% upon the total working resources.

Profits of Farrow's Bank, Limited.

Year ended June 30	Gross Profit. £	Expenses. £	Net Profit. £	Div. Subject to Tax. Earned. %	Paid. %	Paid. £	Special Allocations. £	Carried Forward. £
1918...	198,733	161,915	36,818	10·2	6	21,655	15,000	6,190
1917...	183,856	152,316	31,540	8·73	6	21,675	16,000	6,027
1916...	183,469	150,064	33,405	9·30	6	21,555	10,000	12,162
1915...	163,265	131,769	37,496	11·08	6	20,288	15,000	10,312
1914...	145,814	115,262	30,552	9·89	7	21,612	7,500	8,104
1913...	121,561	97,899	23,662	9·42	7	17,574	5,600	6.664

Liabilities to the public on June 30, 1918, were £2,517,805, against which assets were held in the following proportions:—Cash in hand, 8.6%; investments, 35.5%; advances to customers, loans, bills discounted, and other accounts, 71.7%.

Liabilities and Assets of Farrow's Bank, Limited.

LIABILITIES. June 30	Capital Paid Up. £	Reserve Fund. £	Total Capital and Reserve. £	%	Deposit & Current Accounts, &c. £	%	Profit Balance. £	%	Total Liabilities. £
1918...	361,112	93,500	454,612	15·2	2,517,805	84·2	17,020	·6	2,989,437
1917...	360,935	78,500	439,435	17·6	2,033,420	81·7	16,850	·7	2,489,705
1916...	360,776	62,500	423,276	20·0	1,668,316	78·9	22,943	1·1	2,114,535
1915...	359,193	52,500	411,693	21·9	1,449,273	77·0	19,922	1·1	1,880,888
1914...	353,616	37,500	391,116	23·7	1,236,746	74·9	21,742	1·4	1,649,604
1910...	59,662	15,000	74,662	11·8	55,439	87·1	7,203	1·1	636,305

ASSETS. June 30	Cash in Hand, &c. £	%	Investments. £	%	Bills, Loans, and Advances £	%	Bank Premises. £	%	Total Assets. £
1918...	216,343	7·2	894,718	30·0	1,806,111	60·4	72,265	2·4	2,989,437
1917...	160,170	6·4	630,488	25·3	1,625,015	65·3	74,032	3·0	2,489,705
1916...	143,317	6·8	580,979	27·5	1,313,475	62·1	76,764	3·6	2,114,535
1915...	112,083	6·0	542,763	28·9	1,146,676	60·9	79,366	4·2	1,880,888
1914...	122,614	7·4	588,239	35·6	860,557	52·2	78,194	4·8	1,649,604
1910...	74,812	11·8	172,603	27·1	326,585	51·4	62,305	9·7	636,305

GLYN, MILLS, CURRIE AND COMPANY.

Office: 67 Lombard Street, London, E.C. 3.

This institution enjoys the distinction of being the largest single-office bank in the kingdom; it is also one of the oldest British banking establishments in existence. The precise date on which it started doing business is unknown, but it is on record that somewhere about the year 1754 the founders were carrying on the business of banking under the title of Vere, Glyn, Hallifax and Co. In 1797 we find the firm operating under the name of Glyn, Mills, Hallifax and Co., and in 1851 the Bank was known as Glyn, Mills and Co., this name being retained until 1864, when an amalgamation was effected with the firm of Currie and Co. (established in 1773), and from that period the house has carried its present title—Glyn, Mills, Currie and Co. It was the first of the private banks to adopt the joint-stock system of issuing balance sheets to the public. The Company was registered with unlimited liability on January 14, 1885.

The total paid-up capital of Glyn's is £1,000,000, and the reserve fund £500,000, no change in either figure having taken place since the registration of the Company in 1885. For many years there was a continual increase in deposits, especially from the year 1908. In 1914 they had reached a total of £19,422,903; the following year a fall of nearly £2,000,000 was recorded, which was more than recovered by 1916, and by 1917 the increase registered about £5,000,000. In 1918 the record total of £26,346,874 was reached. The continuous expansion in deposits is also reflected on the assets side of the balance sheet; cash in hand, &c., at the close of the year 1918 was £1,619,525 in excess of that in 1915. The book value of investments at £10,747,764 has increased by £3,384,013 since last year. The sum invested in 5% National War Bonds 1922 is equal to the paid-up capital and reserve—£1,500,000. Securities of, or guaranteed by, the British Government stand at £9,139,409 14*s.* 1*d.*, while Government of India and other Colonial securities total £108,354 14*s.* 6*d.* Bills discounted and advances, which showed a falling-off in 1917, are up from £5,091,911 to £5,461,298. Bank premises have stood at £370,000 since 1905.

The liabilities on account of acceptances, endorsements, &c. (covered by securities), not included in the balance sheet, amount to £982,739 8*s.* 5*d.* Including this sum, the liabilities to the public on December 31, 1918, amounted to £27,466,961, against which assets were held in the following proportions: Cash in hand, &c., 17.5%; money at call, &c., 24%; investments, 39.1%; bills and advances, &c., 19.9%.

CREDIT GENERAL LIEGEOIS

SOCIÉTÉ ANONYME

Liége, Bruxelles, Bruges, Charleroi, Courtrai, Mons, Ostende, Roulers and Vilvorde.

CAPITAL - Frs. 30,000,000.
RESERVE - Frs. 11,672,387.08

The Crédit Général Liégeois undertakes all Banking operations, namely :—

Discount and Collections.
Credits, Current Account and Credits of Acceptance.
Loans on Stocks and Shares.
Purchase and Sale of Foreign Exchange.
Collection and Payments against Documents.
Payments in country of domicile.
Issue of Letters of Credit, and of Cheques on Belgium and all places abroad.

Bills of Exchange. Trustee for Documents.
Safe Deposit. Collection of Dividends.

The Crédit Général Liégeois is the Correspondent in Belgium of many of the important American, English and French Banks. It undertakes the service of Letters of Credit, the issue of Travellers' Cheques, Billets Circulaires, and all Banking Business.

GUERNSEY BANKING COMPANY.

Head Office: 29 High Street, Guernsey.

Capital—

Authorised		£250,000
Subscribed, 5,000 Shares of £50 each	=	250,000
Paid up, £10 per Share	=	50,000

***Price of Share*, £28. *Div.*, 15¾%. *Yield*, £5 14*s.* 3*d.* per cent.**

The Guernsey Banking Company was established in 1827. Its authorised capital is £250,000 in 5,000 shares of £50 each, on which £10 per share has been paid, making the paid-up capital £50,000. The reserve fund stands at £58,000; in 1910 it stood at £60,000. The note circulation, which usually fluctuates between £38,000 and £40,000, on June 30 last was up to £42,136. The gross profit for the period under review was £17,065, the net profit, £12,790, or £691 more than in 1917, the record profit year. On this occasion a dividend of 30*s.* per share was paid, equal to 15%, as against 13% paid for the last 18 years. The Company has a reserve fund, invested in War Loan, amounting to £40,000, and a second reserve account amounting to £20,000, to which figure it was increased by the allocation of £2,100 from the profits earned to June 30, 1918. £1,000 was set aside for bad and doubtful debts and a like sum placed to pension fund, while £500 was devoted to the payment of a War bonus to the staff, leaving the carry-forward at £1,186.

The proportion that the shown net profit for 1917-18 bore to the paid-up capital was 25.5%, upon capital and reserve 11.8%, and upon total working resources 3.0%.

Profits of the Guernsey Banking Company, Limited.

Year ended June 30	Gross Profit	Expenses	Net Profit	Dividend Earned	Dividend Paid	Special Alloct'ns	Carried Forward
	£	£	£	%	%	£	£
1918 ...	17,065	4,275	12,790	25·58	15·75	7,875	4,600	1,186
1917 ...	15,704	3,605	12,099	24·20	13·65	6,825	5,251	871
1916 ...	15,059	3,575	11,484	22·97	13·65	6,825	4,013	848
1915 ...	14,404	3,320	11,084	22·16	13·65	6,825	4,532	202
1914 ...	13,690	3,248	10,442	20·88	13·65	6,825	3,500	475
1913 ...	13,519	2,990	10,529	21·06	13·65	6,825	3,775	358

On June 30 last public liabilities were £435,306, against which assets were held in the following proportions:—Cash, notes and bills in hand and with agents, 36.4%; investments, 40.0%; bills discounted, 2.1%; and advances, &c., 47.2%.

Liabilities and Assets of The Guernsey Banking Company, Limited.

LIABILITIES. June 30	Capital Paid up.	Reserve Funds.	Total Capital and Reserve.		Notes in Circulation.		Deposits, &c.		Profit Balance.		Total Liabilities.
	£	£	£	%*	£	%*	£	%	£	%*	£
1918	50,000	58,000	108,000	19·5	42,136	7·6	393,170	71·0	10,510	1·9	553,816
1917	50,000	56,000	106,000	22·9	39,025	8·4	308,328	66·7	9,146	2·0	462,499
1916	50,000	55,000	105,000	22·8	39,076	8·5	309,404	67·1	7,572	1·6	461,052
1915	50,000	60,000	110,000	23·3	39,731	8·4	317,371	67·4	3,877	·9	470,979
1914	50,000	60,000	110,000	23·8	37,531	8·1	306,465	66·6	7,650	1·7	461,646
1913	50,000	60,000	110,000	25·4	37,785	8·8	276,988	64·0	7,808	1·8	432,581
1910	50,000	60,000	110,000	25·5	38,700	9·1	275,045	63·8	7,176	1·8	430,921

ASSETS. June 30	Cash in Hand, &c.		Investments.		Bills Discounted.		Advances.		Bank Premises, &c.		Total Assets.
	£	%*	£	%*	£	%*	£	%	£	%*	£
1918	158,493	28·6	174,127	31·4	9,369	1·7	205,327	37·1	6,500	1·2	553,816
1917	80,694	17·4	119,612	25·9	11,885	2·6	243,808	52·7	6,500	1·4	462,499
1916	57,250	12·5	130,048	28·2	12,268	2·6	254,986	55·3	6,500	1·4	461,052
1915	74,999	15·9	126,366	26·9	12,641	2·7	250,848	53·2	6,125	1·3	470,979
1914	73,814	15·9	117,211	25·4	13,705	3·0	251,560	54·5	5,356	1·2	461,646
1913	63,745	14·8	85,594	19·8	13,977	3·2	264,265	61·0	5,000	1·2	432,581
1910	55,003	12·8	91,018	21·1	14,103	3·2	265,797	61·7	5,000	1·2	430,921

* Per cent. of Total Liabilities or Assets.

Banque d'Orient,
ATHENS.

ESTABLISHED 1904.

Capital Subscribed and Paid up - - Frs. 25,000,000
In fully-paid Shares of 125 frs.

General Reserve - 167,295

Branches:
SMYRNA, SALONICA, ALEXANDRIA, CAIRO.

Agencies:
Metelin, Serres, Magnesie, Pergame, Zagazig, Soma.

Telegraphic Address: "Orientbank, Athens."

London Agents:
C. J. Hambro and Son; London County Westminster and Parr's Bank Limited (Lombard Street); Swiss Bank Corporation; Société Générale; Credito Italiano.

THE
Commercial Banking Company of Sydney,
LIMITED.

ESTABLISHED 1834.

INCORPORATED IN NEW SOUTH WALES.

Capital Paid Up ...£2,000,000. 0. 0
Reserve Fund ...£2,080,000. 0. 0
Reserve Liability of Shareholders ...£2,000,000. 0. 0

Drafts payable on demand and Letters of Credit on Australasia are issued by the London Branch. Bills on Australasia negotiated or collected. Remittances cabled.

London Offices:
18 BIRCHIN LANE, LOMBARD STREET, E.C. 3.
F. A. SCRIVENER, *Manager.*

HALIFAX COMMERCIAL BANKING COMPANY.

Head Office: Halifax.

Capital—

Authorised £700,000
Subscribed, 20,000 Shares of £20 each = 400,000
Paid up, 20,000 Shares (£10 paid) = 200,000
Price of Share, £17½. *Div.*, 10%. *Yield*, £5 16*s.* 5*d.* %

THE Halifax Commercial Banking Company, Limited, was incorporated in 1836, and as a commencement purchased the business of Rawdon, Briggs and Son, one of the old private banking firms which had been established about the year 1810. It is quite a small institution and confines its business to Halifax and the surrounding districts, but of late years the figures have shown a steady upward tendency, 1918 being no exception.

Besides its Head Office, in Halifax, the Bank has now 18 branches and agencies. The authorised capital is £700,000, subscribed, £400,000 in shares of £20 each, £10 paid, so that the present paid-up capital is £200,000, the reserve liability being £10 per share. After payment of all expenses and making provision for bad and doubtful debts the profit for 1918 amounted to £28,470, £2,206 more than in 1917. The total dividend distribution for 1918 was 10%, subject to income tax, the same as for 1917. £7,000 was allocated to the reserve fund, which, with the £3,000 "special reserve" retained in last year's accounts to cover any possible loss in Government stocks (taken in the previous accounts at cost price), makes an addition to the reserve fund of £10,000, and increases that fund to £120,000. £4,854 is carried forward to the new account, as against £3,384 in the previous year.

The Bank has an authorised note issue of £13,733, but unlike most banks of issue it has not availed fully of its right, the note circulation this year amounting only to £3,515. Deposits continue to expand; at £3,193,246 they are some £80,000 higher than in 1917, and £1,351,943 in excess of the deposits in 1910. Cash in hand and at call is about £13,000 less than in

Liabilities and Assets of The Halifax Commercial Banking Company, Limited.

LIABILITIES.	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918, Dec. 31	200,000	120,000	320,000	8·9	3,515	·1	62,773	1·7	3,193,246	88·8	16,854	·5	3,596,387
1917 „	200,000	110,000	310,000	9·1	2,890	·1	51,477	1·5	3,011,665	88·9	13,384	·4	3,389,416
1916 „	200,000	105,000	305,000	9·7	1,795	·1	111,807	3·6	2,703,282	86·0	21,120	·6	3,143,004
1915 „	200,000	105,000	305,000	12·0	2,395	·1	45,599	1·8	2,165,186	85·4	17,837	·7	2,536,017
1914 „	200,000	105,000	305,000	13·0	2,840	·1	63,257	2·8	1,949,125	83·4	15,277	·7	2,335,499
1913 „	200,000	105,000	305,000	13·2	2,575	·1	68,935	2·9	1,911,845	82·9	18,013	·9	2,306,368
1910, June 30	200,000	100,000	300,000	13·4	3,580	·2	76,249	3·4	1,841,303	82·1	20,805	·9	2,241,937

ASSETS.	Cash in Hand and at Call. £	% *	Investments. £	% *	Bills, Loans, and Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises and other Assets. £	% *	Total Assets. £
1918, Dec. 31	713,801	19·9	783,915	21·8	1,995,310	55·5	62,773	1·7	40,589	1·1	3,596,387
1917 „	726,658	21·5	671,466	19·8	1,899,138	56·0	51,477	1·5	40,677	1·2	3,389,416
1916 „	841,903	26·8	805,860	25·6	1,307,957	41·6	111,807	3·6	75,477	2·4	3,143,004
1915 „	334,566	13·2	690,924	27·3	1,393,685	54·9	45,599	1·8	71,243	2·8	2,536,017
1914 „	354,389	15·2	471,265	20·2	1,375,803	58·9	63,257	2·7	70,785	3·0	2,335,499
1913 „	284,387	12·3	376,612	16·4	1,505,602	65·3	68,935	2·9	70,832	3·1	2,306,368
1910, June 30	267,390	11·9	380,953	17·0	1,452,756	64·8	76,249	3·4	64,589	2·9	2,241,937

* Per cent. of Total Liabilities or Assets.

THE MITSUI BANK, LTD.

(THE OLDEST BANKING INSTITUTION IN JAPAN.)

Head Office - TOKYO, JAPAN.

CAPITAL (Paid up) - - - Yen 20,000,000

RESERVE FUNDS - - - Yen 16,000,000

BRANCHES.

FUKAGAWA (TOKYO).	FUKUOKA.	HIROSHIMA.	KOBE.
KYOTO.	MOJI.	NAGASAKI.	NAGOYA.
OSAKA.	OSAKA NISHI (OSAKA).	OTARU.	SHANGHAI.
SHIMONOSEKI.	YOKOHAMA.		

FOREIGN AGENTS.

LONDON BANKERS { BARCLAYS BANK LIMITED. / LONDON JOINT CITY AND MIDLAND BANK, LIMITED.

NEW YORK { NATIONAL CITY BANK OF NEW YORK. / GUARANTY TRUST COMPANY OF NEW YORK. / BANKERS TRUST COMPANY.

PARIS { COMPTOIR NATIONAL D'ESCOMPTE DE PARIS. / BANQUE DE L'UNION PARISIENNE.

EVERY DESCRIPTION OF GENERAL BANKING AND EXCHANGE BUSINESS TRANSACTED.

1917; investments are up to £783,915, as against £671,466, but are still £21,945 lower than in 1916. Bills, loans, and advances are £96.172 down; bank premises and other assets stand at £40,589, as compared with £40,677 in 1917.

The net profit of £28,470 for 1918 was equal to 14.2% upon the paid-up capital, to 8.9% upon the combined capital and reserve, and to .8% upon the total working resources.

Profits of the Halifax Commercial Bank, Limited.

Yr. to Dec. 31	Net Profit	Div. Subject to Tax — Earned	Paid	Balance.	Special Alloct'ns	Carried Forward
	£	%	%	£	£	£	£
1918	28,470	14·24	10	20,000	8,470	7,000	4,854
1917	26,264	13·13	9	18,000	8,264	8,000	3,384
1916	24,783	12·39	8	16,000	8,783	10,000	3,120
1915	22,560	11·28	8	16,000	6,560	5,500	4,337
1914	21,264	10·63	8·5	17,000	4,264	4,000	3,277
1913	23,492	11·74	8·4	16,991	6,501	7,000	3,012

On December 31, 1918, liabilities to the public were £3,259,533, against which assets were held in the following proportions:—Cash in hand and at call, &c., 21.9%; investments, 24.0%; bills discounted, including Treasury bills, loans, and advances, 61.2%.

HIBERNIAN BANK.

Head Office: College Green, Dublin.

Capital—

Authorised £2,000,000
Subscribed, 100,000 Shares of £20 each = 2,000,000
Paid up, £5 per Share ... ... = 500,000
Price of Share, £5⅞. *Div.,* 7%. *Yield,* £6 0*s.* 5*d.* %

The establishment of this Irish Bank dates back to 1825, when it started business under the name of the Hibernian Joint Stock Company. Sixty years later, in 1885, the title was altered to its present form. The Head Office of the Bank is in Dublin, and at the present time there are 97 branches and agencies.

In 1872 the paid-up capital of the Bank was £375,000, in 1873 it was increased to £500,000, and there has been no change since that year. The authorised capital is £2,000,000, in 100,000 shares of £20 each; the amount paid up per share is £5.

The figures of the balance sheet for 1918, like those of the previous year, reveal steady progress under all heads. Deposits and credit balances have reached the record figure of over £9,000,000, an increase of about £2,200,000 over those of December 31, 1917. This increase in deposits is accompanied by a substantial increase in the liquid assets—the cash, Treasury bills, and investments amounting in the aggregate to £6,590,000, and bearing the proportion of 73% of the liabilities to the public—an eminently satisfactory position. It is also satisfactory to note that, notwithstanding the abnormal conditions in Ireland and elsewhere, bills discounted, advances and loans, amounting to £2,958,000, show an increase of £372,000. At the half-yearly meeting in January last, the hope was expressed that before long industrial enterprise and development of trade in Ireland would afford the Bank opportunities for expansion on sound and profitable lines of this important and essential part of the Bank's business.

From the profit and loss account it appears that gross profits for the last half-year showed an increase of £16,518, and the expenditure under all heads an increase of £12,354, as compared with the corresponding period of 1917, with the result that net profits are better by £4,504. The increase in expenditure, it is stated, has been unavoidable; general charges, repairs, and other necessary outlays were, under existing conditions, inevitably much heavier, while war bonuses and grants to staff have, of course, been a heavy charge against gross profits. However, the result is so good that the directors have been able, after passing £10,000 to the reserve fund, to pay the usual dividend of 7%

THE
RUSSO-ASIATIC
BANK

Incorporated by Russian Government Decree.

CAPITAL (Authorised) - - Rbls. 65,000,000
CAPITAL (Subscribed) - - Rbls. 55,000,000
CAPITAL (Subscribed by the Chinese Government)
Kouping Taels 3,500,000
RESERVE FUNDS - - - Rbls. 30,157,172

Head Office at Petrograd.

Branches at all the principal Towns in Russia, Manchuria, Siberia, Central Asia and China; also at Paris, Bombay, Hong Kong and Yokohama. The number and geographical position of the Bank's branches, &c., place it in a unique position for financing British trade with all parts of the World. Interest (paid quarterly) allowed on Fixed Deposit and on Current Accounts at Rates to be learnt on application. Banking and Foreign Exchange business transacted of every description.

CHANTREY INCHBALD,
LONDON MANAGER,
64 Old Broad Street, London, E.C. 2.

ISAAC BRANDON, President.
NATHANIEL BRANDON, Vice-President.
A. D. MELHADO, Acting Manager.

SEND US YOUR COLLECTIONS

PANAMA BANKING COMPANY

FOUNDED 1868.
Cable Address: "PANBANCO."

PANAMA COLON

General Banking Business Transacted

Special facilities for payment of TOLLS and DISBURSEMENTS for VESSELS USING THE PANAMA CANAL

COLLECTIONS A SPECIALITY
PROMPT AND CAREFUL SERVICE
CORRESPONDENCE INVITED

New York Agents - - - Messrs. Isaac Brandon & Bros.
London Agents - - - Messrs. Brown, Shipley & Co.

Liabilities and Assets of The Hibernian Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Investment Reserve £	Total Capital and Reserve. £	% *	Deposits, &c. £	% *	Miscellaneous. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918 ...	500,000	140,000	—	640,000	6·5	9,058,642	92·8	40,700	·4	27,192	·3	9,766,534
1917 ...	500,000	125,000	10,000	635,000	8·4	6,883,117	90·8	39,251	·5	27,587	·3	7,584,955
1916 ...	500,000	125,000	—	625,000	10·5	5,293,813	88·5	37,782	·6	25,379	·4	5,981,974
1915 ...	500,000	112,500	—	612,500	11·7	4,558,164	87·2	36,541	·7	18,754	·4	5,225,959
1914 ...	500,000	95,000	115,000	710,000	13·6	4,516,901	85·5	34,852	·6	18,022	·3	5,279,775
1913 ...	500,000	90,000	105,000	695,000	14·1	4,172,677	84·3	32,605	·7	17,672	·4	4,917,954
1910 ...	500,000	150,000	12,500	662,500	15·3	3,783,180	83·7	27,186	·6	19,547	·4	4,522,413

ASSETS. Dec. 31	Cash in Hand. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Bank Premises Account. £	% *	Total Assets. £
1918 ...	1,120,497	11·5	4,507,880	46·2	1,577,438	16·1	2,418,645	24·7	142,074	1·5	9,766,534
1917 ...	2,117,868	27·9	1,687,791	22·2	1,531,974	20·2	2,106,192	27·8	141,130	1·9	7,584,955
1916 ...	1,503,864	25·1	1,478,102	24·7	618,505	10·4	2,239,229	37·4	142,274	2·4	5,981,974
1915 ...	675,971	12·9	1,489,765	28·5	660,798	12·6	2,256,363	43·2	143,062	2·8	5,225,959
1914 ...	843,005	16·0	1,275,585	24·1	704,826	13·4	2,313,840	43·8	142,519	2·7	5,279,775
1913 ...	388,573	7·9	1,237,232	25·1	780,193	15·9	2,368,471	48·2	143,485	2·9	4,917,954
1910 ...	379,451	8·2	1,173,380	26·0	800,581	17·7	2,132,104	47·1	136,897	3·0	4,522,413

* Per cent. of Total Liabilities or Assets.

per annum, and to carry forward £9,692 to next account, as against £5,159 brought in from the preceding half-year. The gross profit for the whole of the year was £158,212, the net profit £62,105. The net profit was equal to 12.4% upon the paid-up capital, to 9.7% upon the combined capital and reserves, and to .7% upon the total working resources. The following statement shows the exact record since 1913:—

Profits of the Hibernian Bank, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Earned %	Subject to Tax—Paid— %	£	Special Allocat'ns £	Carried Forward £
1918...	158,212	96,107	62,105	12·42	7·0	35,000	27,500	9,692
1917...	131,082	76,874	54,208	10·84	6·5	32,500	21,000	10,087
1916...	123,930	73,806	50,124	10·02	6·0	30,000	14,500	9,378
1915...	119,876	69,662	50,214	10·04	6·4	31,981	17,500	3,754
1914...	114,869	64,015	50,854	10·17	6·5	32,505	18,000	3,021
1913...	113,558	62,517	51,041	10·24	6·3	31,859	20,000	2,672

On the figures of the balance sheet for 1918, liabilities to the public amounted to £9,099,342, against which assets were held in the following proportions: Cash in hand and with bankers, 12.3%; investments, valued as stated above, 49.5%; bills discounted, including British Treasury bills, 17.3%; and loans and advances, 26.6%. The table above gives the liabilities and assets in detail for 1910, and from 1913 to 1918.

HOARE (CHAS.) AND COMPANY.

Office: 37 Fleet Street, London, E.C. 4.

THE figures of this old-established banking Company's balance sheet to July 6, 1918, show a recovery from the shrinkage in deposits, &c., noticed in previous accounts. The total capital and reserve stands, as it has done for many years past, at £485,000, but deposits have increased from £2,089,841 to £2,688,627. Cash in hand and at bankers, which also showed a decline, has recovered from £296,881 to £461,586, but money at call and short notice has fallen by £154,700 to £110,000. Investments have appreciated from £544,700 to £715,286, and loans,

THE BANK OF MADRAS

(ESTABLISHED 1843.)

(Constituted by the Indian Presidency Banks Act of 1876.)

CAPITAL (fully paid) - - - - Rs. 75,00,000

RESERVE FUND - - - - - Rs. 52,00,000

Head Office - MADRAS.

BRANCHES.

Alleppey	Cocanada	Guntur	Ootacamund
Bangalore	Cochin	Madura	Salem
Bellary	Coimbatore	Mangalore	Tellicherry
Bimlipatam	Colombo	Masulipatam	Trichinopoly
Calicut	Erode	Negapatam	Trivandrum

Tuticorin.

London Agents:

THE BANK OF ENGLAND.

THE NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LTD.

Liabilities and Assets of Messrs. Charles Hoare and Company.

	LIABILITIES.				Total Liabilities and Assets.	ASSETS.									
	Total Capital and Reserve.		Deposits, &c.			Cash in Hand & at Bankers.		Money at Call and at Short Notice.		Investments.		Loans, Advances and Bills Discounted.		Bank Premises Account.	
July 6	£	%*	£	%*	£	£	%*	£	%*	£	%*	£	%*	£	%*
1918	485,000	15·3	2,688,627	84·7	3,173,627	461,586	14·5	110,000	3·5	715,286	22·6	1,786,755	56·3	100,000	3·1
1917	485,000	18·8	2,089,841	81·2	2,574,841	396,881	15·4	264,700	10·3	544,700	21·1	1,268,560	49·3	100,000	·1
1916	485,000	17·2	2,348,755	82·8	2,833,755	414,805	14·7	428,000	15·1	844,142	29·8	1,046,808	36·9	100,000	·5
1915	485,000	15·3	2,683,411	84·7	3,168,411	563,767	17·8	507,000	16·0	618,945	19·6	1,378,699	43·5	100,000	3·1
1914	485,000	15·0	2,752,753	85·0	3,237,753	492,704	15·2	496,000	15·3	719,513	22·2	1,429,536	44·2	100,000	3·1
1913	485,000	15·4	2,670,836	84·6	3,155,836	487,658	15·5	435,000	13·8	780,965	24·7	1,352,213	42·8	100,000	3·1
1910	485,000	14·7	2,818,680	85·3	3,303,680	506,826	15·3	420,000	12·8	1,012,082	30·6	1,264,772	38·3	100,000	3·0

* Per cent. of Total Liabilities or Assets.

advances, and bills discounted are higher by £518,196 than in 1917. Bank premises still stand at £100,000. The Bank's total liabilities and assets now total £3,173,627; on July 6, 1917, the total was £2,574,841.

Liabilities to the public on July 6 last were £2,688,627, against which assets were held in the following proportions: Cash in hand and at bankers, 17.2%; money at call, 4.1%; investments, 26.6%; bills discounted, loans, and advances, 66.5%.

The table above will give the reader a clear insight into the Bank's position.

ISLE OF MAN BANKING COMPANY.

Head Office: Douglas.

Capital—

Authorised		£150,000
Subscribed, 15,000 Shares of £10 each	=	150,000
Paid up, £2 per Share	=	30,000

Price of Share, £6 10*s*. *Div.*, 20%. *Yield*, £6 3*s*.%.

The Isle of Man Banking Company, Limited, was established in 1865, and is incorporated under the Isle of Man Companies' Act. As its name implies, its operations are principally confined to the Isle of Man, in which it has its head offices at Douglas, and seven branches at other places in the island. The paid-up capital of the Bank in 1877 was £24,000; in 1880 it stood at £30,000, since when there has been no change. The authorised capital is £150,000 in 15,000 shares of £10 each, £2 per share paid up, equal to £30,000, so that the uncalled liability amounts to £8 per share. The Bank is, therefore, a comparatively small institution, but it has had an extraordinarily successful year, and, in the words of the Chairman, the balance sheet presented on January 27, 1919, was the best ever placed before the shareholders of the bank. The figures exhibited a sound and healthy position. The profits for 1918, £17,779 2*s*. 2*d*. (including £2,787 15*s*. 10*d*. brought forward), are larger than those of the previous year by over £2,600, and, consequently, the Bank has been able to increase its reserve fund by £8,000, as against £7,000 for 1917. The reserve now stands at £38,000, and investment reserve at £40,000. £500 was placed to Bank premises account. The dividend for some years has been at the rate of 15%; this year, by the payment of a bonus of 5%, the distribution is increased to 20%. The shown net profit for 1918 was equal to 50% upon the paid-up capital, to 13.9% upon the combined capital and reserve, and to 1.1% upon the total working resources. The following

THE
CHASE NATIONAL BANK
OF THE CITY OF NEW YORK,
57 BROADWAY.

CAPITAL - - - $10,000,000
SURPLUS AND PROFITS $15,000,900
DEPOSITS (Dec. 31st, 1918) $372,518,000

OFFICERS.
A. Barton Hepburn, *Chairman of the Advisory Board.*
Albert H. Wiggin, *Chairman of the Board of Directors.*
Eugene V. R. Thayer, *President.*
Vice-Presidents:
Samuel H. Miller. Carl J. Schmidlapp.
Edward R. Tinker. Gerhard M. Dahl.
Alfred C. Andrews, *Cashier.*

DIRECTORS.
A. Barton Hepburn.
Henry W. Cannon. Edward R. Tinker.
Albert H. Wiggin. Henry B. Endicott.
John J. Mitchell. Edward T. Nichols.
Guy E. Tripp. Newcomb Carlton.
James N. Hill. Frederick H. Ecker.
Daniel C. Jackling. Eugene V. R. Thayer.
Frank A. Sayles. Carl J. Schmidlapp.
Charles M. Schwab. Gerhard M. Dahl.
Samuel H. Miller. Andrew Fletcher.

ACCOUNTS RECEIVED FROM
Banks, Bankers, Corporations, Firms or Individuals on favourable terms. Drafts and Letters of Credit issued, Documentary Bills negotiated, and Banking Business transacted in all parts of the world.
WE INVITE CORRESPONDENCE.

The Central Bank of India, Ltd.

ESTABLISHED 1911.

Head Office: BOMBAY.

Branches and Agencies:
LONDON, CALCUTTA, KARACHI, DELHI, AMRITSAR, LAHORE, AND JHARIA.

London Agents:
THE LONDON JOINT CITY AND MIDLAND BANK, LIMITED.

Subscribed Capital - Rs. 50,00,000
Paid-up Capital - - Rs. 25,00,000
Reserve Fund - - - Rs. 6,00,000

S. N. POCHKHANAWALA, Chief Manager.

Liabilities and Assets of The Isle of Man Banking Company, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Investment Reserve. £	Total Capital and Reserves. £	% *	Notes in Circulation. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918 ...	30,000	38,000	40,000	108,008	7·1	84,174	5·6	1,306,869	86·8	7,029	·5	1,506,072
1917 ...	30,000	30,000	40,000	100,000	8·5	68,395	5·8	1,006,172	85·3	5,143	·4	1,179,710
1916 ...	30,000	23,000	45,500	98,500	9·2	63,086	5·9	909,097	84·5	4,788	·4	1,075,471
1915 ...	30,000	33,000	—	63,000	6·3	57,850	5·8	873,807	87·5	4,250	·4	998,907
1914 ...	30,000	38,000	—	68,000	6·9	38,649	3·9	879,425	88·4	8,053	·8	994,127
1913 ...	30,000	38,000	—	68,000	6·8	25,488	2·6	896,757	90·2	4,089	·4	994,334
1910 ...	30,000	38,000	—	68,000	7·5	26,340	2·9	806,350	88·1	3,965	·5	904,655

ASSETS. Dec. 31	Cash in Hand and at Bankers. £	% *	Investments. £	% *	Bills Discounted, Advances, &c. £	% *	Bank Premises and other Assets. £	% *	Total Assets. £
1918 ...	283,328	18·8	830,297	55·1	361,447	24·0	31,000	2·1	1,506,072
1917 ...	206,657	17.6	438,914	37·2	502,639	42·6	31,500	2·6	1,179,710
1916 ...	222,204	20·7	406,706	37·8	414,561	38·5	32,000	3·0	1,075,471
1915 ...	233,658	23·4	359,083	36·0	373,666	37·4	32,500	3·2	998,907
1914 ...	232,561	23·4	370,374	37·3	358,433	36·0	32,759	3·3	994,127
1913 ...	176,802	17·8	329,387	33·0	455,386	45·9	32,759	3·3	994,334
1910 ...	123,019	13·6	377,636	41·7	370,425	41·0	33,575	3·7	904,655

* Per cent. of Total Liabilities or Assets.

statement shows the profit recorded for the last six years:—

Profits of the Isle of Man Banking Company, Limited.

Year ended Dec. 31	Net Profit £	Dividend Subject to Tax — Earned %	Paid %	Paid £	Special Allocatn's £	Carried Forward £
1918 ...	14,991	49·97	20	6,000	8,500	3,279
1917 ...	12,355	41·18	15	4,500	7,500	2,893
1916 ...	10,038	33·46	15	4,500	5,000	2,538
1915 ...	9,197	30·65	15	4,500	4,500	2,000
1914 ...	8,464	28·21	15	4,500	4,000	1,803
1913 ...	8,610	28·70	15	4,500	4,400	1,839

Deposits, &c., at £1,306,869 are just over £300,000 up, as compared with 1917. The note issue of the Bank shows an increase of £15,779, and stood on December 31 last at £84,174. Cash in hand, £283,328, is higher by £76,671; and investments, now standing at £830,297, have increased by the large sum of £391,384. The Bank's risks under the head of bills and advances, £361,440, are at a lower figure than they have been for some years; they show a reduction on last year's figures of £141,000. Total assets amount to £1,506,072, which represents an increase of £326,000 over the 1917 total. The figures have never approached anything like this level before. Last year they were £1,179,709, and for any near comparison we have to go back to the year 1899, when the total reached £1,173,384.

Many things may account for the increase during 1918. In the first instance, the continued success of agricultural interests in the island. Then come the many industries created and developed during and by reason of the War. Trade was better in the island, prices ruled higher, and increased wages to the workers have given them more money to spend. The turnover of the Bank for the year 1918 passed twenty millions sterling, and was nearly one-fifth in excess of the previous year.

Liabilities to the public on December 31, 1918, amounted to £1,391,043, against which assets were held as follows:—Cash, 20.4%; investments, 59.7%; bills discounted, advances, &c., 26.0%.

Full totals of liabilities and assets are given above under their separate headings.

BANKAKTIEBOLAGET
SÖDRA SVERIGE.

Head Office: **HELSINGBORG (SWEDEN).**

Branches:

STOCKHOLM, GOTHENBURG, MALMÖ, BORÅS,
and in 62 other places in Sweden.

CAPITAL (fully paid) - Kr. 30,000,000
RESERVES about - Kr. 17,200,000

Every description of Banking and Exchange business transacted.

Applications for Terms are invited.

LANCASHIRE AND YORKSHIRE BANK.

Head Office: 43 Spring Gardens, Manchester.

Capital—

Authorised, 200,000 Shares of £20 each = £4,000,000
Subscribed, 86,266 Shares of £20 each = 1,725,320
Paid up, £10 per Share ... ... = 862,660
Price of Share, £33¼. *Div.*, 18%. *Yield*, £5 10*s.* 3*d.*%

Of the larger joint-stock banks the Lancashire and Yorkshire Bank is one of the youngest in point of age (it was founded on April 30, 1873), but one of the most important from the point of view of profits and progress. In 1873 the capital was £1,000,000, divided into 50,000 shares of £20 each; the present authorised capital is £4,000,000 in £20 shares. The subscribed capital is £1,725,320, and the paid-up capital £862,660, that is £10 per share, leaving £10 per share callable. The reserve fund now stands at £600,000, to which figure it was raised on December 31 last by the transfer of £20,000 from profits for the year. This fund is gradually being brought up to the level at which it stood in 1915; in that year the reserve was £655,000, but, owing to the severe depreciation in gilt-edged securities experienced by all banks, the fund had to be drawn on to the extent of £95,000, leaving the reserve at £560,000.

Last year the profit disposable was unprecedently large at £191,032, but this year, after making provision for all eventualities, the Bank showed a profit of £203,984, that is £13,000 more than last year, and adding to this sum the amount of £58,173 brought forward, the total profit reached the record figure of £262,157. Up to 1914 the Bank paid a steadily increasing dividend, then the rate of distribution was reduced from 17% to 16½%, at which level it stood until 1917, when, including a bonus of 2*s.* 8*d.* per share, the dividend rose to 17⅓%. In 1918 an interim dividend of 16*s.* per share was paid in July, amounting to £69,012; a further dividend at the same rate and a bonus of 4*s.* per share, amounting together to £86,266, all subject to income tax, was paid in January of this year. The amount carried forward to the new account, £86,878 2*s.* 8*d.*, represents a full half-year's dividend and a year's bonus already in hand—a very comfortable position for the Bank to be in.

The net profit for 1918 was equal to 23.6% upon the paid-up capital, to 14.1% upon the combined capital and reserve, and to .9% upon the total working resources. The full record of profits since 1913 is given in the following table:—

Profits of the Lancashire and Yorkshire Bank, Limited.

Year ended Dec. 31	Net Profit	Div. Subject to Tax—Earned	Div. Subject to Tax—Paid— %	Div. Subject to Tax—Paid— £	Special Allocations	Carried Forward
	£	%	%	£	£	£
1918 ...	203,984	23·64	18	155,279	20,000	86,879
1917 ...	191,032	22·14	17⅓	149,527	10,000	58,173
1916 ...	158,256	18·34	16	138,026	25,000	26,668
1915 ...	153,416	17·78	16	138,026	5,000	31,438
1914 ...	153,049	17·74	16½	142,339	5,000	21,048
1913 ...	165,268	19·15	17	146,652	15,000	15,328

The total capital and reserve in the balance sheet now amounts to £1,442,660. Credit balances stand at £21,650,000, showing an increase of £3,600,000 over last year. The Bank's acceptances and other contingent liabilities at £491,000 are £287,000 higher, and the totals of the balance sheet, £23,830,000, are close on £4,000,000 more than last year. On the assets side, cash, investments and bills at £16,590,575 represent a very handsome total. Advances are rather less than a year ago, and Bank property still stands at £385,000.

The Bank is well represented in all the principal towns in Lancashire and Yorkshire, where it has 120 branches and agencies. It also has six branches in the Isle of Man, where the Bank is authorised to issue notes to the extent of £10,000. For the three years ending December 31, 1917, the note circulation was just under the authorised amount, but on December 31, 1918, it was £2,964 over at £12,964.

It is now found that the business at the Bank's head office in Manchester has outgrown the accommodation, consequently it has become necessary to secure adjoining premises, which will give additional space for development. The continued expansion of business also renders it desirable to make a slight increase in the paid-up capital of the Bank, raising it to over £1,000,000. The new issue takes the form of one new share for every five shares or multiple of five shares. The Bank's articles do not admit of its taking into account fractions.

Liabilities to the public on December 31 last were £22,194,698, against which assets were held in the following proportions:—Cash in hand, at call, &c., 30.5%; investments, 20.8%; bills discounted, including Treasury bills, 23.5%; loans and advances, 28.6%.

Liabilities and assets for 1910 and for the past six years are as stated below; they form an interesting record of the Bank's progress:—

LLOYDS BANK.

(*See also* **Lloyds Bank (France) and National Provincial Bank (France), Limited).**

Head Office: 71 Lombard Street, London, E.C. 3.

Capital—

Authorised, 1,200,000 Shares of £50 each = £60,000,000
Subscribed, 1,119,257 „ „ = 55,962,850
Paid up, £8 per Share ... ... = 8,954,056
Price of Share, £26¾. *Div.*, 20%. *Yield*, £6 0*s.* 10*d.*%

During last year Lloyds Bank took over the Capital and Counties Bank, Limited, itself an important banking institution raised to a very strong and influential position largely by its absorption of other banks, and consequently this year the figures of Lloyds Bank, Limited, include the profit of the Capital and Counties Bank for the half-year ending on July 1, 1918, as from which date that bank was absorbed by Lloyds.

Liabilities and Assets of The Lancashire and Yorkshire Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	Total Capital and Reserve. %	Notes in Circulation. £	Notes in Circulation. %	Acceptances. £	Acceptances. %	Deposits, Current Accounts, &c. £	Deposits, Current Accounts, &c. %	Profit Balance. £	Profit Balance. %	Total Liabilities £
1918 ...	862,660	580,000	1,442,660	6·0	12,964	·1	491,118	2·0	21,690,616	91·0	193,144	·9	23,830,502
1917 ...	862,660	570,000	1,432,660	7·2	9,668	·1	203,990	1·0	18,075,553	91·3	148,688	·7	19,870,559
1916 ...	862,660	565,000	1,427,660	8·0	9,628	·1	520,892	2·9	15,773,293	88·3	120,681	·7	17,852,154
1915 ...	862,660	560,000	1,422,660	9·4	9,804	·1	227,860	1·5	13,364,669	88·3	105,451	·7	15,130,444
1914 ...	862,660	655,000	1,517,000	10·7	8,525	·1	143,438	1·0	12,320,790	87·5	95,061	·7	14,085,474
1913 ...	862,660	650,000	1,512,660	11·1	5,104	—	135,912	1·0	11,808,957	87·0	103,654	·9	13,566,287
1910 ...	862,660	635,000	1,497,660	12·9	5,123	—	74,840	·6	9,903,625	85·5	104,357	·9	11,585,605

ASSETS. Dec. 31	Cash in Hand and Money at Call, &c. £	Cash in Hand and Money at Call, &c. %	Investments. £	Investments. %	Bills Discounted. £	Bills Discounted. %	Loans and Advances. £	Loans and Advances. %	Liab of Cust. for Acceptances. £	Liab of Cust. for Acceptances. %	Bank Premises Account. £	Bank Premises Account. %	Total Assets. £
1918 ...	6,762,991	28·4	4,618,799	19·4	5,208,785	21·9	6,363,809	26·7	491,118	2·0	385,000	1·6	23,830,502
1917 ...	4,592,590	23·1	4,347,445	21·8	3,587,038	18·1	6,754,496	34·0	203,990	1·0	385,000	2·0	19,870,559
1916 ...	4,862,517	27·3	4,718,824	26·4	1,055,096	5·9	6,309,825	35·4	520,892	2·9	385,000	2·1	17,852,154
1915 ...	2,768,118	18·3	4,875,824	32·2	474,956	3·1	6,398,686	42·3	227,860	1·5	385,000	2·6	15,130,444
1914 ...	3,048,540	21·6	3,084,426	21·9	1,165,725	8·3	6,258,345	44·4	143,438	1·0	385,000	2·8	14,085,474
1913 ...	3,170,486	23·3	2,358,952	17·3	1,547,053	11·4	5,968,884	44·0	135,912	1·0	385,000	3·0	13,566,287
1910 ...	2,287,779	19·7	2,513,549	21·7	602,713	5·2	5,721,724	49·4	74,840	·6	385,000	3·4	11,585,605

* Per cent. of Total Liabilities or Assets.

EAGLE STAR & BRITISH DOMINIONS INSURANCE COMPANY, LTD

1807

HEAD OFFICE: British Dominions House, Royal Exchange Avenue, London, E.C. 3.
WEST-END OFFICE: 79 Pall Mall, London, S.W. 1. LAW COURTS BRANCH: 296 High Holborn, London, W.C. 1.

Authorised Capital ... ... £3,000,000 **Subscribed Capital £2,653,044**
Paid-up Capital £747,515

ASSETS EXCEED £16,000,000.

BOARD OF DIRECTORS.

SIR E. M. MOUNTAIN, CHAIRMAN AND MANAGING DIRECTOR. J. DOUGLAS WATSON, Esq., F.I.A., F.A.S., DEPUTY-CHAIRMAN.
SIR WM. BEARDMORE, Bart. JOSIAH GUNTON, Esq. P. HUGH MARSHALL, Esq. GEORGE WIGLEY, Esq., J.P.
THE RT. HON. VISCOUNT GOSCHEN, O.B.E. G. J. FOWLER, Esq., J.P. HORACE PEEL, Esq. CHARLES WILLIAMS, Esq.
SIR G. WYATT TRUSCOTT, Bt. HARRY T. GULLICK, Esq. FRANK ROGERSON, Esq. A. G. SCOTT, Esq
A. G. MACKENZIE, Esq., F.I.A. W. W. SEYMOUR, Esq. M. F. MONIER-WILLIAMS, Esq.
S. A. BENNETT, F.C.I.I., ASSISTANT GENERAL MANAGER. JOHN GARDNER, A.C.A., SECRETARY.
JAMES WORSFOLD, F.C.I.S., ASSISTANT SECRETARY.

WEST-END BOARD.

HORACE PEEL, Esq., CHAIRMAN. GERALD W. E. LODER, Esq., DEPUTY-CHAIRMAN.

LT.-GEN. SIR EDWARD C. BETHUNE, K.C.B., C.V.O.
VISCOUNT DUNCANNON, M.P., C.M.G.
F. M. ELGOOD, Esq., O.B.E.
G. J. FOWLER, Esq., J.P.
THE HON. SIR SIDNEY R. GREVILLE, K.C.V.O., C.B.
SIR CYRIL JACKSON, K.B.E.
GEO. R. JELLICOE, Esq.
COLONEL F. J. SCOTT.
THE RT. HON. LORD SOUTHWARK.
THE RT. HON. J. PARKER SMITH.

WEST-END OFFICE.

W. M. WILSON, BRANCH MANAGER. H. POWELL, ASSISTANT BRANCH MANAGER. J. E. S. KEMP, SECRETARY.

STAR BOARD.

SIR HORACE BROOKS MARSHALL, J.P., LL.D. (Chairman).
THE RT. HON. T. R. FERENS (Deputy-Chairman).
W. G. BRADSHAW, Esq.
SIR GEORGE HAYTER CHUBB, Bart.
THE RT. HON. VISCOUNT HAMPDEN.
F. A. HOLMAN, Esq.
A. G. MACKENZIE, Esq., F.I.A.
SIR JOHN S. RANDLES, M.P.
SIR CLARENCE SMITH, J.P., D.L.
WILLIAM MEWBURN, Esq., J.P.
H. E. MELVILLE, F.I.A. (Manager and Actuary to the Star Board).
F. L. KLAMBOROWSKI (Manager of General Department).

SCEPTRE BOARD.

EDWARD WOOD, Esq., J.P. (Chairman).
WILLIAM BINGHAM, Esq., J.P.
SIR ARTHUR WILLIAM BLACK.
THE RT. HON. T. R. FERENS.
SIR ERNEST LAMB, C.M.G.
A. G. MACKENZIE, Esq., F.I.A.
JOHN G. PHILLIPS, Esq.
E. H. F. HARNACK, Esq. (Secretary to the Sceptre Board).

CITY OF LONDON BOARD.

NOEL H. BRANDON, Esq., F.C.A.
GEORGE CORDEROY, Esq.
THOMAS RICHARDS, Esq.
WM. A. POSNETT, Esq.

NORTH-WESTERN BOARD.

H. PERCY DENSHAM, Esq.
CHARLES E. PARKER, Esq., J.P.
WILLIAM E. WALKER, Esq., J.P.

NORTH-EASTERN BOARD.

SIR W. THEODORE CARR, M.P.
J. A. H. GREEN, Esq., C.B.E.
M. M. MEIN, Esq. F.C.A.
THOS. PATON, Esq.,

OFFICIALS.

Life Manager—
F. BERTRAM GALER, M.A., F.I.A
Actuary—
D. M. CARMENT, B.A., F.F.A.
Engineering Manager—
W. E. BERRY, A.M. Inst. C.E., M.I.M.E.
Accident Manager—
E. E. B. ELDRIDGE, F.S.S., A.I.A.
Fire Manager—
S. A. BENNETT, F.C.I.I.
Motor Manager—
A. L. ROYLE.
Organisation Manager—
A. F. SHEPHERD.
Marine Manager—
S. HOLLAND.
Underwriter—
H. M. MERRIMAN.

BANKERS: Bank of England; London Joint City & Midland Bank, Ltd.; Capital & Counties Bank, Ltd.

BRANCHES.

LONDON—Life Dept.—32 Moorgate Street, E.C. 2.
" "ALL-IN" Policy Dept.—41 Threadneedle Street, E.C. 2.
" City—52 Threadneedle Street, E.C. 2.
City—37 Queen Victoria Street, E.C. 4.
" Cheapside—1 Bird-in-Hand Court, E.C. 2.
" Chelsea—1-2 Sloane Street, S.W. 1.
" Croydon—224 London Road.
" Dulwich—57 Thurlow Park Road, S.E. 21.
" Stratford—39 Broadway, E. 15.

ABERDEEN—84 Union Street.
BIRKENHEAD—428 Park Road North
BIRMINGHAM—Temple Row West.
BRADFORD—20 Charles Street.
BRIGHTON—8 Pavilion Parade.
BRISTOL—17/19 Clare Street.
" British Dominions House, St. Augustine's Parade.
CARDIFF—100 St. Mary Street.
DUMFRIES—32 Bank Street.
DUNDEE—13 Panmure Street.
EDINBURGH—41 Charlotte Square.
GLASGOW—140 West George Street.
" 104 West George Street.
HULL—29 Silver Street.

LEEDS—Post Office House.
LEICESTER—12 Pocklington Walk.
LIVERPOOL—17 Water Street.
LUTON—7 Upper George Street.
MAIDSTONE—18 High Street.
MANCHESTER—9 Albert Square.
MIDDLESBROUGH—41 Albert Road.
NEWCASTLE—42 Mosley Street.
NORTHAMPTON—55 Abington Street.
NOTTINGHAM—14 Low Pavement.
PLYMOUTH—Newtown Chambers, Old Town Street.
PORTSMOUTH—Russell Street.
SHEFFIELD—68 Norfolk Street.
SOUTHAMPTON—5 Portland Street.

MANAGERS FOR IRELAND.

DAVID DRIMMIE & SONS, 27 Nassau Street, Dublin (Telephone 461). D. DALY, 12/14 College Green, Dublin (Telephone 1505).
S. M. BUSBY, 9 Donegal Square South, Belfast (Telephone 3369).

Principal Classes of Insurance Business Transacted.

ANNUITIES. BOILERS.
BURGLARY. CONTINGENCY.
DISEASE AND SICKNESS.
ELECTRICAL AND OTHER MACHINERY.
EMPLOYERS' LIABILITY.
FIDELITY GUARANTEE.
FIRE. GAS PLANT.
INDEMNITY.
LEASEHOLD REDEMPTION.
LIFE. LIFTS.
LIVE STOCK.
LOSS OF PROFITS.
MARINE
MOTOR CAR.
PERSONAL ACCIDENT.
PLATE GLASS.
PUBLIC LIABILITY.
SECURITIES IN TRANSIT.
SPRINKLER LEAKAGE.
TRACTOR.

Special attention is directed to the well-known "ALL-IN" series of combined policies issued only by the Company, viz.:
The "ALL-IN" POLICY *for* HOUSEOWNERS *and* HOUSEHOLDERS, OFFICE-RENTERS, SCHOOLS *and* BOARDING-HOUSES.

NEW LIFE RATES.

The Life Rates and Conditions based on the present higher interest value of money will be found to be specially favourable to the assured.

Examples of Rates for each £100 Assured.

Age.	Whole of Life Participating.	Whole of Life Non-Participating.
20 ...	£1 17 7	... £1 9 2
30 ...	2 7 9	... 1 17 10
40 ...	3 3 6	... 2 12 1
50 ...	4 9 8	... 3 15 6
60 ...	6 16 5	... 5 16 0

Participating policyholders are entitled to 90 per cent. of the profits of their own section in the ordinary Life Department, and a minimum reversionary bonus at the rate of 30/- for each £100 assured is guaranteed under such policies for each full year's premium paid up to and including the 31st December, 1921.

TOTAL ABSTAINERS' SECTION.

The Company has a separate section specially favourable for the Assurance of the lives of total abstainers.

The Capital and Counties Bank, curiously enough, did not originate in London; it was first a country bank, with its head office in Southampton. It was established in 1834 with a capital of £300,000 divided into 6,000 shares of £50 each. In 1840 it commenced its policy of absorbing or amalgamating with other banks of lesser importance, and in the 30 years to 1907 had secured no fewer than 26 institutions. On the date of its absorption by Lloyds Bank the authorised capital was £10,000,000, and the subscribed capital £8,750,000 in £50 shares, on which £10 per share had been paid up, making the paid-up capital £1,750,000.

The establishment of Lloyds Bank as a joint-stock Company dates back to 1865. The nominal capital then was fixed at 40,000 shares of £50 each, of which 25,000 shares were issued, and not more than £12 10*s.* per share was to be called up. Lloyds Bank, as it happens, occupies the position of pioneer in the matter of bank amalgamations and absorptions, and it is reputed to have taken over more businesses than any other concern. Right throughout its career no opportunity has ever been lost for acquiring any sound banking establishment that might be available for extending and strengthening the influence of Lloyds Bank, Limited.

As we have said, the business of the Capital and Counties Bank was acquired in the first half of 1918, and during the year the amalgamation was successfully completed.

The Bank was also concerned with the London County Westminster and Parr's Bank and the Credito Italiano in the formation in 1916 of the British Italian Corporation in England, and the Compagnia Ital-Britannica in Italy, for promoting closer commercial and financial relations between this country and Italy.

During 1918 Lloyds have also acquired 96.4% of the issued stock of the National Bank of Scotland, Limited, and 96% of the issued shares of the London and River Plate Bank, Limited.

The authorised capital of Lloyds Bank, Limited, is now 1,200,000 shares of £50 each=£60,000,000; subscribed capital, 1,119,257 shares=£55,962,850, capital paid up, £8 per share=£8,954,056, reserve fund, £9,000,000.

In part consideration for the purchases of the stock of the National Bank of Scotland and the shares of the London and River Plate Bank, Limited, Lloyds issued, during 1918, 318,173 new shares at the rate of £25 each, representing a premium of £17 per share. Out of this premium the stock of the National Bank of Scotland and the shares of the London and River Plate Bank acquired were written down to £300 per £100 paid-up stock and £38 per share respectively, being approximately the prices at which they stood before their purchases by the Bank. The balance of the premium on the new shares of the Bank was carried to reserve fund, increasing it, with the appropriation of £660,460 7*s.* 7*d.* out of the profit for the year, from £4,800,000 to £9,000,000.

The first paragraphs of the 1918 report deal with the distribution of the available balance of profit, which, with the amount brought forward from 1917, makes a total of £2,767,793, which amount includes a half-year's profit of the Capital and Counties Bank. An interim dividend of 14*s.* 6*d.* per share, less income tax, was paid for the half-year ending June 30, 1918, and for the half-year ended December 31 last a dividend at the rate of 18½% per annum, less income tax, and a bonus of 3*s.* per share for the same period, also less income tax, was paid. The dividends and bonus together represent a distribution for the whole of the year of 20% per annum, less income tax, as against a total dividend of 18½% for 1917 and for the previous eight years.

A larger sum than usual, £200,000, was applied to writing down premises account. £100,000 was set aside to establish a fund for the benefit of the widows and children of the deceased members of the staff;

ROYAL BANK OF SCOTLAND.

Incorporated by Royal Charter 1727.

Paid-up Capital - - -	**£2,000,000**
Rest and Undivided Profits -	**1,030,470**
Deposits - - - -	**29,202,380**

Head Office - St. Andrew Square, Edinburgh.
Cashier and General Manager, A. K. WRIGHT.
Secretary, J. B. ADSHEAD.

London Office - - 3 Bishopsgate, E.C. 2
WM. WALLACE, Manager.

Glasgow Office: Royal Exchange Square and Buchanan Street.
A. DENNISTOUN, Agent.

167 BRANCHES THROUGHOUT SCOTLAND.

Banking business of every description transacted. Deposits received at interest repayable at call or at notice. Drafts, Circular Notes, Letters of Credit and Cable Transfers issued—available throughout the world. Foreign Exchange. Accounts opened and Agency business undertaken for Foreign and Colonial Banks and other financial establishments.

CORRESPONDENCE INVITED.

FARROW'S BANK,
LIMITED.



HEAD OFFICE.

Authorised Capital -	**£1,000,000**
Shares Issued - -	**700,000**
Shareholders - -	**4,000**

Chairman: Mr. THOMAS FARROW.

EVERY DESCRIPTION OF JOINT-STOCK BANKING TRANSACTED.

Current Accounts, Interest paid on Approved Credit Balances.

Deposits received at various rates and periods. Foreign Money exchanged and Drafts issued to all parts of the World. Stocks and Shares Bought and Sold. Strong Rooms for the safe custody of deeds and other property provided for the use of the Bank's customers. Trusteeships accepted. All descriptions of Banking business, including the collection of Bills, Dividends, Annuities, etc., transacted.

Foreign Banking Business of all descriptions undertaken. Agents throughout the World.

HEAD OFFICE: 1 CHEAPSIDE, LONDON, E.C. 2.
BRANCHES THROUGHOUT THE UNITED KINGDOM.
A. H. & CO.

£200,000 was set aside for a special contingency account, and £660,460 was, as above stated, added to reserve fund. The balance carried forward to the new profit and loss account is £472,755 5*s.* 7*d.*, as against £289,464 9*s.* 1*d.*

Turning to the balance sheet, we find on the liabilities side that the current, deposit, and other accounts amount to £266,808,138, an increase over 1917 of £92,740,091. Profit and loss balance at £1,158,300 shows an increase of £528,403; acceptances, &c., £14,764,992, an increase of £4,389,456; capital, £8,954,056, an increase of £3,945,384; reserve fund, £9,000,000, an increase of £5,000,000.

On the assets side, cash in hand and with the Bank of England at £48,767,705 shows an increase of £14,082,869. Cash at call and short notice, £15,570,977, an increase of £8,379,086; bills of exchange, £74,340,196, an increase of £34,438,837; War Loans and British Government securities, £53,630,322, an increase of £19,402,481; the Indian, Colonial, railway, and other securities, £1,380,324, a decrease of £1,911,909; the total of these assets being £193,689,525, an increase of £74,391,364—surely a wonderfully strong and satisfactory position for any institution to find itself in.

Advances, &c., stand at £81,072,134, an increase of £19,605,425; bank premises, £3,646,797, an increase of £945,051.

Last year's net profit was equal to 30.9% upon the paid-up capital, to 15.4% upon the combined capital and reserve, and to .9% upon the total working resources.

For the purposes of comparison, we give below the separate tables of profits for Lloyds Bank, Limited, to December 31, 1918; Capital and Counties Bank, Limited, to December 31, 1917; and the London and River Plate Bank to September 30, 1918.

Profits of Lloyds Bank, Limited.

Year ended Dec. 31	Net Profit	Div. Subject to Tax—Earned	Div. Subject to Tax—Paid—%	Div. Subject to Tax—Paid—£	Special Allocations	Carried Forward
	£	%	%	£	£	£
1918	2,767,793	30·91	20	1,424,042	1,160,460	472,755
1917	1,690,084	33·74	18½	907,824	600,000	289,465
1916	1,488,060	29·71	18½	907,824	580,000	107,205
1915	1,380,235	27·55	18½	907,824	470,000	106,969
1914	1,245,568	24·87	18½	907,824	310,000	104,558
1913	1,228,410	29·18	18½	762,822	465,000	76,814

Profits of the Capital and Counties Bank, Limited.

Year to Dec. 31	Gross Profit	Expenses	Net Profit	Div. Subject to Tax—Earned	Div. Subject to Tax—Paid—%	Div. Subject to Tax—Paid—£	Special Allocat'ns	Carried Forward
	£	£	£	%	%	£	£	£
1917‡...1,146,808	750,032	396,776	22.67	14	245,000	25,000	204,067
1916*... 535,818	320,307	215,511	12·30	14	122,500	110,000	87,291
1916†...1,027,350	657,975	369,375	21·10	14	245,000	95,000	104,281
1915†... 917,689	581,234	336,455	19·23	14	245,000	120,000	74,906
1914†... 879,681	556,162	323,519	18·48	14	280,000	30,000	103,450
1913†... 938,526	523,362	415,164	23.72	16	280,000	130,000	89,931

* Six months to Dec. 31. † Year to June 30. ‡ Year to Dec. 31,

Profits of the London and River Plate Bank, Limited.

Year to Sept. 30.	Gross Profit.	Net Profit.	Dividend Subject to Tax.—Earned	Dividend Subject to Tax.—Paid.—%	Dividend Subject to Tax.—Paid.—£	Special Allocations.	Carried Forward.
	£	£	%	%	£	£	£
1918 ...	881,579	400,394	12·2	15	270,000	100,000	323,751
1917 ...	781,070	334,599	18·6	15	270,000	Nil	293,357
1916 ...	633,531	263,445	14·6	15	270,000	28,663	228,758
1915 ...	678,234	285,469	15·8	15	270,000	29,653	260,976
1914 ...	660,691	221,565	12·3	15·96*a*	287,405	Nil	275,159
1913 ...	868,793	444,527	23·6	21·23*a*	382,300	Nil	306,189

(*a*) Paid free of tax: 1914, 15%; 1913, 20%.

The affiliated banks, the National Bank of Scotland and the London and River Plate Bank, have shown wonderful progress during the year, both in expansion of business and increased profit. In this connection we might mention that the London and River Plate Bank is making several extensions in South America, and has also opened a branch in Lisbon to cater for the large business connection between Portugal and South America; an agency of Lloyds Bank is to be found in the same building.

From the foregoing it will be apparent to the reader that the figures presented are such as have never been laid before the shareholders previously; and, just as

SOCIÉTÉ GÉNÉRALE (DE PARIS)

(SOCIÉTÉ ANONYME).

Subscribed Capital - - Frs. 500,000,000
Paid-up Capital - - Frs. 250,000,000
Reserve Fund - - - Frs. 50,704,855
Uncalled Capital - - Frs. 250,000,000
Frs. 550,704,855

Head Office : 29 BOULEVARD HAUSSMANN, PARIS.
LONDON Office : 53 OLD BROAD STREET, E.C. 2.
West End Branch : 65 REGENT STREET, W. 1.

OVER 1,100 BRANCHES IN FRANCE AND NORTH AFRICA.

SUBSIDIARY BANKS in Belgium, Greece, Spain, Switzerland, Turkey, Argentina, Brazil and Chile.

Correspondents in all parts of the World.

This Bank transacts every description of English and Foreign Banking business, including the sale of Drafts, Telegraphic Transfers and Circular Letters of Credit and Notes payable in Allied or Neutral Countries. It also undertakes the purchase and sale of Stocks and Shares on the London and Continental Exchanges, the collection and cashing of Dividends, Coupons, Bills of Exchange, Drawn Bonds, arrangements for Documentary Credits, &c., &c.

The West End Branch has been specially fitted with Safe Deposits for the use of Customers. This Office buys and sells Foreign Exchange and Securities.

the year 1918 has been a memorable one in the history of the world, so has it been a memorable one in the history of the Bank, which it has left even better equipped for dealing with the great interests of the country, both at home and in its commerce overseas, than it has ever been before.

For the rest, a few words might be said with regard to the policy of Lloyds Bank towards its staff. Owing to the wider activities of banking, men with a knowledge of foreign languages are greatly needed; and the Board of Directors have consequently decided to offer scholarships to newly-entered clerks who appear suitable for a course of training abroad, for the purpose of learning foreign methods of business and acquiring

Liabilities and Assets of Lloyds Bank Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve £	% *	Acceptances. £	% *	Deposits and Current Accounts. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918	8,954,056	9,000,000	17,954,056	6·0	14,764,992	4·9	266,808,139	88·7	1,158,300	·4	300,685,487
1917	5,008,672	4,000,000	9,008,672	4·6	10,375,536	5·4	174,068,047	89·7	629,898	·3	194,082,153
1916	5,008,672	3,600,000	8,608,672	5·0	11,207,870	6·5	151,368,307	88·2	447,638	·3	171,632,487
1915	5,008,672	3,600,000	8,608,672	5·8	9,497,082	6·4	130,017,379	87·5	487,120	·3	148,610,253
1914	5,003,672	3,600,000	8,608,672	6·4	6,226,218	4·7	117,657,945	88·5	515,914	·4	133,008,749
1913	4,208,672	3,000,000	7,208,672	6·8	7,462,309	7·0	91,511,992	85·8	435,976	·4	106,618,949
1910	4,171,600	3,000,000	7,171,600	7·6	8,227,468	8·7	78,116,468	83·2	433,927	·5	93,949,463

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call, &c. £	% *	Bills Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1918 ...	48,767,706	16·2	15,570,978	5·2	62,522,683	20·8	74,340,196	24·7	81,072,135	27·0	14,764,992	4·9	3,646,797	1·2	300,685,487
1917 ...	34,684,836	17·8	7,191,892	3·7	37,760,074	19·4	39,901,359	20·6	61,466,709	31·7	10,375,536	5·4	2,701,746	1·4	194,082,152
1916 ...	38,115,549	22·2	6,430,338	3·8	41,882,390	24·4	15,306,653	9·0	55,856,841	32·5	11,207,870	6·5	2,832,846	1·6	171,632,487
1915 ...	30,419,416	20·4	3,964,170	2·7	42,895,433	28·9	4,043,326	2·7	55,008,883	37·0	9,497,082	6·4	2,852,943	1·9	148,610,253
1914 ...	24,634,181	18·5	10,072,645	7·6	16,373,142	12·3	13,420,193	10·1	59,439,647	44·7	6,226,218	4·7	2,842,723	2·1	133,008,749
1913 ...	16,176,360	15·2	8,617,330	8·1	10,456,561	9·8	10,829,874	10·1	50,871,241	47·7	7,462,309	7·0	2,204,774	2·1	106,618,949
1910 ...	14,104,395	15·0	5,498,865	5·8	11,709,417	12·5	8,758,707	9·3	43,741,880	46·6	8,227,468	8·7	1,908,781	2·1	93,949,463

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of the Capital and Counties Bank, Limited.

LIABILITIES.	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits. £	% *	Profit Balance. £	% *	Total Liabilities. £
1917 (Dec. 31)	1,750,000	800,000	2,550,000	4·1	1,367,250	2·2	58,646,454	93·4	204,068	·3	62,767,772
1916 „	1,750,000	800,000	2,550,000	4·6	1,465,466	2·6	52,295,649	92·7	87,292	·1	56,398,407
1916 (June 30)	1,750,000	800,000	2,550,000	4·9	961,192	1·9	48,240,177	93·0	104,281	·2	51,855,650
1915 „	1,750,000	800,000	2,550,000	4·9	1,054,888	2·0	47,885,909	92·9	74,906	·2	51,565,703
1914 „	1,750,000	800,000	2,550,000	5·6	1,680,207	3·7	40,885,542	90·5	103,451	·2	45,219,200
1913 „	1,750,000	800,000	2,550,000	5·9	1,807,081	4·1	39,224,392	89·8	89,931	·2	43,671,404
1910 „	1,750,000	900,000	2,650,000	6·3	1,498,105	3·6	37,674,601	90·0	67,286	·1	41,889,992

ASSETS.	Cash in Hand, &c. £	% *	Money at Call, &c. £	% *	Investments. £	% *	Bills and Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1917 (Dec 31) ...	12,174,497	19·4	10,624,571	16·9	15,350,623	24·5	22,195,348	35·3	1,367,250	2·2	1,055,535	1·7	62,767,772
1916 „ ...	11,194,457	19·9	6,611,056	11·7	15,879,716	28·1	20,192,502	35·8	1,465,466	2·6	1,074,029	1·9	56,398,407
1916 (June 30) ...	8,877,893	17·1	3,830,721	7·4	15,984,090	30·8	21,128,377	40·7	961,192	1·9	1,073,377	2·1	51,855,650
1915 „ ...	9,336,489	18·1	8,583,264	16·7	8,542,676	16·5	22,982,131	44·6	1,054,888	2·0	1,066,255	2·1	51,565,703
1914 „ ...	6,347,859	14·0	6,517,391	14·4	5,369,613	12·0	24,258,657	53·6	1,680,207	3·7	1,045,473	2·3	45,219,200
1913 „ ...	6,191,936	14·2	5,033,562	11·5	5,840,688	13·4	23,751,522	54·4	1,807,081	4·1	1,046,614	2·4	43,671,404
1910 „ ...	5,913,822	14·1	6,538,947	15·6	6,025,382	14·4	20,885,892	49·8	1,498,105	3·6	1,027,838	2·5	41,889,992

* Per cent of Total Liabilities or Assets.

Liabilities and Assets of The London and River Plate Bank, Limited.

LIABILITIES. Sept. 30	Capital Paid up. £	Reserve Fund. £	Capital and Reserve. £	% *	Deposits, &c. £	% *	Bills for Collection *per Contra*. £	% *	Acceptances. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918 ...	1,800,000	2,000,000	3,800,000	8·6	32,567,677	76·0	4,713,792	10·7	2,467,445	5·6	491,251	1·1	44,040,165
1917 ...	1,800,000	2,000,000	3,800,000	10·1	26,202,827	69·9	3,782,746	10·1	3,273,377	8·7	455,357	1·2	37,514,307
1916 ...	1,800,000	2,000,000	3,800,000	11·4	22,033,371	66·3	3,324,085	10·0	3,722,288	11·2	352,959	1·1	33,232,603
1915 ...	1,800,000	2,000,000	3,800,000	11·1	22,000,208	64·4	3,503,321	10·2	4,481,372	13·1	398,676	1·2	34,183,577
1914 ...	1,800,000	2,000,000	3,800,000	11·7	19,913,072	61·5	4,148,844	12·8	4,129,310	12·8	401,159	1·2	32,392,385
1913 ...	1,800,000	2,000,000	3,800,000	9·5	23,432,461	58·8	5,956,582	14·9	6,088,587	15·3	552,189	1·4	39,829,819
1910 ...	1,200,000	1,300,000	2,500,000	7·0	23,998,840	67·5	3,624,351	10·2	5,023,128	14·1	423,753	1·2	35,570,072

ASSETS. Sept. 30	Cash in Hand £	% *	Advances, Bills, Securities, &c. £	% *	Bills for Collection. £	% *	Liability for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1918	12,762,067	29·0	23,762,521	54·0	4,713,792	10·7	2,467,445	5·6	334,340	·7	44,040,165
1917	9,491,504	25·3	23,637,108	55·0	3,782,746	10·1	3,273,377	8·7	329,572	·9	37,514,307
1916	8,267,246	24·8	17,586,054	52·9	3,324,085	10·0	3,722,288	11·2	332,930	1·0	33,232,603
1915	9,519,149	27·9	16,345,534	47·8	3,503,321	10·2	4,481,372	13·1	334,201	1·0	34,183,577
1914	10,799,963	33·3	12,994,414	40·1	4,148,844	12·8	4,129,310	12·8	319,854	1·0	32,392,385
1913	7,837,122	19·7	19,693,071	49·4	5,956,582	15·0	6,088,587	15·3	254,457	·6	39,829,819
1910	8,782,630	24·7	17,953,733	50·5	3,624,351	10·2	5,023,128	14·1	186,230	·5	35,570,072

* Per cent. of Total Liabilities or Assets.

IONIAN BANK, LIMITED.

LONDON. GREECE. EGYPT.

The only British Bank or Financial House in Greece, originally established in London and the Ionian Islands in 1839, subsequently incorporated by Royal Charter in 1844 and registered under the Companies Acts in 1883. The Bank now has branches and correspondents throughout Old Greece, the Ionian Islands, Macedonia, and the Islands recently rejoined to Greece; and is therefore able to offer special facilities to all British and Allied firms having business with that country.

In Egypt the Bank's principal office is at Alexandria; but it also has branches at Cairo and throughout the cotton-growing districts, and specialises in all operations connected with the moving of the cotton crop.

For information as to terms of business, &c., apply to the

HEAD OFFICE: BASILDON HOUSE, MOORGATE STREET, LONDON. E.C. 2.

Authorised Capital, £600,000. Paid-up Capital, £485,580. Reserve, £120,000.

a greater proficiency in foreign languages. The branches of Lloyds Bank, Limited, number no fewer than 1,390, so that the staff question is one which calls for very careful dealing; and one rejoices that so much thought is being given to the education of its members.

Liabilities to the public on December 31, 1918, were £281,573,131, against which assets were held in the following proportions:—Cash, &c., 17.3%; money at call, &c., 5.5%; investments, 22.2%; bills discounted, 26.5%; advances, 28.8%.

For the purposes of reference we give complete tables of the liabilities and assets of Lloyds Bank, Limited, to December 31, 1918, those of the Capital and Counties Bank to December 31, 1917, and those of the London & River Plate Bank to September 30, 1918.

LLOYDS BANK (FRANCE) AND NATIONAL PROVINCIAL BANK (FRANCE), LIMITED.

Capital authorised, £1,200,000, in 24,000 shares of £50 each, all of which has been subscribed. Paid up, £480,000, being £20 per share. Callable capital, £720,000.

The shares are held in equal proportions by Lloyds Bank Limited and the National Provincial and Union Bank of England Limited.

This institution was formed by Lloyds Bank Limited in 1911, under the title of Lloyds Bank (France) Limited, for the purpose of taking over the business of Messrs. Armstrong and Co., of Paris and Havre. In October 1917 the name of the Company was changed to Lloyds Bank (France) and National Provincial Bank (France) Limited, the directors of Lloyds Bank and the National Provincial having completed an arrangement by which the two banks assumed the joint proprietorship. The authorised capital was at the same time increased to £1,200,000, the shares being held in equal proportions by the parent institutions. The Bank opened in December last a branch in the Hôtel Majestic, Paris, for the convenience of the British Delegates attending the Peace Conference, and has recently extended the sphere of its operations to Brussels and Antwerp. The head office of the Bank is in London (60, Lombard Street), and it has branches in France at Paris, Biarritz (with a sub-branch at St. Jean de Luz), Bordeaux, Havre, Marseilles, and Nice, and in Belgium at Brussels and Antwerp.

LONDON AND LIVERPOOL BANK OF COMMERCE.

Head Office: 34 Old Broad Street, London, E.C. 2.

Capital—

Authorised £1,000,000
Paid up, 60,000 Shares of £10 each, fully paid 600,000
Price of Share, £7. *Div.*, 4%. *Yield*, £5 16*s.* 4*d.*%

The gross profit of this institution is again smaller this year by £1,544. The actual profit is £42,163, which compares with £43,707 in 1917, £50,955 in 1914, and £65,996 in 1913. The net profit, however, is £25,218, against £25,162 for 1917. The amount carried forward is £16,576, £1,218 more than the previous year. In July 1918 an interim dividend of 3*s.* per share, less income tax, was paid, and in February 1919 a dividend of 5*s.* per share, less income tax, making the total distribution for the year 4%.

The Bank's investments, £452,499, are £133,917 more than last year. War Loans are valued at cost, and other investments at or under the prices ruling on December 31, 1918. The authorised capital of the Bank is £1,000,000 in shares of £10 each; the paid-up capital now stands at £600,000 in 60,000 shares of £10

NEDERLANDSCHE HANDEL-MAATSCHAPPIJ

(NETHERLANDS TRADING SOCIETY).

Established by Royal Charter A.D. 1824.

Capital Paid up - - - f. 70,000,000 Neth. Currency (£5,833,333)

Statutory Reserve Fund - f. 12,760,285 „ „ (£1,063,357)

Head Office: AMSTERDAM.

Branches: **ROTTERDAM, THE HAGUE.**

Branches in the NETHERLANDS INDIES: **BATAVIA, SOURABAYA, SAMARANG, MEDAN and further Principal Ports.**

Branches in the STRAITS SETTLEMENTS, BRITISH INDIA and CHINA: **SINGAPORE, PENANG, RANGOON, HONGKONG and SHANGHAI.**

Grant Drafts and **Issue Letters of Credit** on all their **Branches** and **Correspondents** in the **East**, on the **Continent**, on **Great Britain, Africa, America** and **Australia**, and transact **Banking Business** of every description.

LONDON BANKERS: The National Provincial and Union Bank of England, Ltd., LONDON.

Liabilities and Assets of The London and Liverpool Bank of Commerce, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918 ...	600,000	170,000	770,000	33·7	1,211,013	52·9	278,255	12·2	27,171	1·2	2,286,439
1917 ...	600,000	170,000	770,000	28·0	1,711,296	62·2	243,396	8·8	26,608	1·0	2,751,300
1916 ...	600,000	170,000	770,000	29·4	1,614,318	61·8	205,133	7·8	25,634	1·0	2,615,085
1915 ...	600,000	170,000	770,000	25·9	2,016,915	67·8	158,309	5·4	27,000	·9	2,972,224
1914 ...	600,000	170,000	770,000	25·0	2,133,594	69·5	147,206	4·8	22,206	·7	3,073,106
1913 ...	600,000	165,000	765,000	16·3	3,735,524	79·8	141,450	3·0	35,700	·8	4,677,674
1910 ...	400,000	125,000	525,000	20·1	1,909,820	73·1	145,388	5·5	33,486	1·3	2,613,594

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call, &c. £	% *	Investments. £	% *	Bills Discounted, &c. £	% *	Liab. of Cust. for Acceptances. £	% *	Office Furniture and Premises. £	% *	Total Assets. £
1918 ...	49,318	2·1	200,000	8·8	452,499	19·8	373,509	16·4	1,211,013	52·9	100	—	2,286,439
1917 ...	52,470	1·9	195,000	7·1	318,582	11·6	473,852	17·2	1,711,296	62·2	100	—	2,751,300
1916 ...	48,768	1·9	190,000	7·2	282,238	10·8	479,661	18·3	1,614,318	61·8	100	—	2,615,085
1915 ...	49,808	1·7	220,000	7·5	—	—	685,401	23·0	2,016,915	67·8	100	—	2,972,224
1914 ...	67,156	2·2	380,000	12·3	—	—	492,256	16·0	2,133,594	69·5	100	—	3,073,106
1913 ...	62,291	1·3	585,000	12·6	—	—	294,759	6·3	3,735,524	79·8	100	—	4,677,674
1910 ...	42,493	1·6	360,000	13·8	—	—	301,181	11·5	1,909,820	73·1	100	—	2,613,594

* Per cent. of Total Liabilities or Assets.

each. The reserve fund, in which there has been no alteration since 1914, is given as £170,000. Acceptances this year show a fall of about £500,000, but deposits are at £278,255, as compared with £243,396 in 1917. Cash in hand, &c., is some £3,000 down. Money at call, &c., is up by £5,000. Bills discounted, &c., are about £100,000 down at £373,509.

Speaking on the position of the Bank at the general meeting on February 4 last, the Chairman said that business for them had not been easy during the period of the War; the Bank had not had any share in the fictitious prosperity of the country. He pointed out that the movement of commodities had been financed by abnormal methods, and the business of the Bank had gradually diminished, as had been evident from the public accounts year after year. While, too, the tendency in most branches of trade had been towards larger profits and higher commissions for services rendered, that certainly had not been the case with institutions like the London and Liverpool Bank of Commerce, which, remarked the Chairman, was not surprising, seeing that there had not been enough business to go round. At the same time he did not know that it was an unmixed disadvantage that the commitments of the Bank were small at the moment. Conditions in almost every quarter of the globe are, to say the least of it, unsettled, and he would, he said, feel rather uneasy if their acceptances stood at anything like the figure the Bank was accustomed to in pre-war days. The Bank has been at pains to conserve its connections all over the world, except, of course, in enemy countries, and its services will be available for old customers and new whenever anything like normal conditions again prevail.

As will be seen from the following table, the shown net profit of £25,218 was equal to 4.2% upon the capital, to 3.3% upon combined capital and reserve, and to 1.7% upon total working resources:—

Year ended Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax Earned %	Div. Subject to Tax Paid %	Tax Paid £	Special Allocat'ns £	Carried Forward £
1918 ...	42,163	16,945	25,218	4·2	4·0	24,000	—	16,576
1917 ...	43,707	18,545	25,162	4·19	4·0	24,000	—	15,358
1916 ...	47,986	23,853	24,133	4·02	4·0	24,000	—	14,196
1915 ...	48,595	24,588	24,007	4·00	4·0	24,000	—	14,063
1914 ...	50,955	21,456	29,499	4·91	4·19	25,143	—	14,056
1913 ...	65,996	28,937	37,059	7·17	6·37	32,920	5,000	9,700

MARX & Co.'s BANK

(Formerly Marx & Co., Established 1869).

Head Office: ROTTERDAM. Branch: THE HAGUE.

Capital Paid up - Fls.10,000,000.

Board of Directors:

J. A. Loeff, Ex-Minister of Justice, President.

J. Rypperda Wierdsma, Managing Director Holland-America Line.

A. C. Mees, Managing Director Internationale Crediet- & Handels vereeniging, "Rotterdam."

A. J. Marx, Registrar at the Court of Justice, Amsterdam.

Managing Directors:

P. J. van Ommeren, Jonkheer D. F. Reuchlin, S. S. Bosman, Jr.

Managers of Branch at The Hague:

Baron O. Bentinck, J. F. van der Maesen.

Banking Business of Every Description.

London Bankers:

LONDON COUNTY WESTMINSTER & PARR'S BANK, LIMITED, LOMBARD STREET, E.C.

BANCA COMMERCIALE ITALIANA, OLD BROAD ST., E.C.

LLOYDS BANK LIMITED, 17 CORNHILL, E.C.

Banco Italiano del Uruguay

MONTEVIDEO (Uruguay).

ESTABLISHED 1887.

Manager - - ALEXANDRE TALICE.

Capital Authorised - - $5,000,000

Capital Subscribed & Paid up $3,000,000

Reserve Fund - $1,100,000
Provision Fund - $250,000 } **$1,350,000**

Head Office:
MONTEVIDEO, CERRITO STREET, 428.

Branches - PAYSANDU and MERCEDES.

Agents in all the principal Cities and Towns in Uruguay.

London Agents:—N. M. Rothschild and Sons; Baring Brothers and Company, Ltd.; Crédit Lyonnais; Comptoir National d'Escompte de Paris; London County Westminster and Parr's Bank, Ltd.; Swiss Bank Corporation; A. Rüffer and Sons; Credito Italiano; Banca Commerciale Italiana; London Joint City and Midland Bank Ltd.; Guaranty Trust Company of New York; Equitable Trust Company of New York; Barclays Bank Ltd.; Anglo South American Bank Ltd.

The liabilities to the public on December 31 last amounted to £1,489,268, against which assets were held in the following proportions:—Cash, 3.3%; money at call, &c., 13.4%; investments, 30.4%; and bills discounted, including Treasury bills, 25.1%.

The full statement of liabilities and assets given above will indicate the position of the Bank.

LONDON COUNTY WESTMINSTER AND PARR'S BANK.

(*See also* **Ulster Bank.**)

Head Office: 41 Lothbury, London, E.C. 2.

Capital—

Authorised £30,000,000
Subscribed, 1,500,000 Shares of £20 each = 30,000,000
Paid up, £5 per Share ... ... = 6,830,990
Price of Share, £17¼. *Div.*, 20%. *Yield*, £5 19*s.* 3*d.*%

THIS institution, which is one of the largest banks in the world, is, as its name implies, an amalgamation of the London and County Bank, the London and Westminster Bank, and Parr's Bank.

The London and Westminster Bank was the first joint-stock bank established in London. It was formed in March 1834. The London and County Bank was established two years later, in 1836. The actual date of the formation of Parr's Bank is not quite certain; it is known to have been doing business as a private firm as long ago as 150 years, but as a joint-stock Company it apparently dates back no further than 1865. Separately, each of the banks before amalgamation had reached very important positions in the banking world. Each had extended its sphere by absorbing and amalgamating with smaller banking firms, and when the final amalgamation between the London County and Westminster Bank and Parr's Bank took place, in February 1918, the combined institutions were in a very strong position, both as regards branches, agencies, and correspondents. Financially, of course, they were very strong; at the end of 1917 the London County and Westminster held in current accounts and deposit accounts no less than £142,267,900, and Parr's Bank £68,631,000, a total of approximately £211,000,000. The London County and Westminster Bank had a paid-up capital of £4,138,005 and a reserve fund of £4,725,948, while Parr's paid-up capital was £2,423,530 and its reserve fund £2,100,000. On December 31, 1918, the authorised capital of the London County Westminster and Parr's Bank, Limited, was £30,000,000, in 1,500,000 shares of £20 each. The paid-up capital was £6,830,990, made up of:—

1,363,101 shares of £20 each, £5 paid.
891 shares of £20 each, £5 paid, issuable.
2,206 shares of £20 each, £5 paid, issuable against outstanding shares of Parr's Bank, Limited.

The reserve fund stood at £7,430,086 10*s.*

Early in 1919 the London County Westminster and Parr's Bank, Limited, arranged a further amalgamation, this time with the Nottingham and Notts Bank. The deposits of the latter Bank on December 31 last amounted to about £7,000,000, and this will, consequently, mean a very valuable accession to the premier institution's connection. The agreement involves the issue of 48,000 shares of the London County Westminster and Parr's Bank, £20 each, £5 paid, thus adding another £240,000 to the Bank's capital, and provision is made for the addition of an equal amount to the reserve. The actual terms for the acquisition of the Nottingham and Notts Banking Company, Limited, were two-thirds of one share of the London County Westminster and Parr's Bank (£20 each, £5 paid), together with a cash payment of 13*s.* 4*d.* for each share in the Nottingham and Notts Bank.

At the meeting on January 30, 1919, it was also resolved to offer to shareholders on the register of the

THE FIRST NATIONAL BANK OF BOSTON,

United States of America.

FIRST CHARTER, 1784.

Capital = = = = =	**$7,500,000**
Surplus and Profits = = =	**$19,500,000**
Resources = = = = =	**$246,000,000**

Our Foreign Department

issues Commercial Letters of Credit in Foreign and United States currency; effects Mail and Cable Transfers, and buys and sells Exchange on all parts of the World.

Our Time Money Department

allows special rates of interest on deposits made for a fixed period.

Our Collection Department

receives from Banking and Business houses items in all currencies on any place in the United States, Canada, Cuba, West Indies, and Central and South America.

Branch at Buenos Aires, Argentina.

London County Westminster and Parr's Bank on January 31, 1919, one new share of £1 each for each existing share which they then held, at a price of 35*s*., being £1 capital and 15*s*. premium. It was further agreed to issue, by way of bonus to the staff, one new share for each complete £20 of annual salary payable to them on December 31 last. The provision for this share bonus, £140,000, was set aside from the year's profits. This amount will be used to pay up £1 of capital on the number of shares required, and £1 per share will be added to reserve. Any balance not needed for this purpose will be carried to next year's profit and loss account. When these arrangements are complete, the capital account of the Bank will stand approximately as follows:—

Paid up capital	...	...	£8,503,000
Reserve fund	...	...	£8,750,000

The profits of the Nottingham institution do not yet appear in the London County Westminster and Parr's Bank figures, but for the information of our readers we give below full statements of the profits of each institution:—

Profits of the London County Westminster and Parr's Bank.

Year to Dec. 31	Gross Profit	Expenses	Net Profit	Div. Subject to Tax Earned	Div. Subject to Tax Paid	Special Allocat'ns	Carried Forward
	£	£	£	%	%	£	£	£
1918 ...	—	—	2,458,912	36·00	20	1,365,951	900,000	377,560
1917 ...	5,917,324	4,646,257	1,271,067	34·10	19	708,259	560,500	184,599
1916 ...	4,927,513	3,857,807	1,069,706	30·58	18	630,000	419,000	182,291
1915 ...	4,032,825	2,928,940	1,103,585	31·51	18	630,000	472,412	161,585
1914 ...	3,306,214	2,222,396	1,083,818	30·98	21¼	743,750	336,600	160,112
1913 ...	3,648,535	2,453,636	1,194,899	34·13	21¼	743,750	450,000	156,645

Profits of the Nottingham and Nottinghamshire Banking Company, Limited.

Year ended Dec. 31	Profit	Div. Subject to Tax Earned	Div. Subject to Tax Paid	Special Allocations	Carried Forward
	£	%	%	£	£
1917 ...	47,629	13·2	11·0	39,600	7,000	6,219
1916 ...	46,545	12·9	11·0	39,600	5,000	5,190
1915 ...	44,508	12·3	11·0	39,600	5,000	3,246
1914 ...	45,905	12·7	11·4	41,109	5,000	3,338
1913 ...	49,279	13·6	11·6	42,053	6,435	3,542

The net profit for last year was £2,458,912, equal to 36% upon the combined paid-up capital then in issue, to 17.2% upon the combined capital and reserve fund of the two Banks, and to .9% upon the combined working resources.

The 1918 accounts now include, of course, the first complete year's figures of the two Banks—the London County and Westminster and Parr's Bank—and are naturally very large. The net profit of the London County Westminster and Parr's Bank, Limited, after paying interest to customers and all charges, making provision for bad debts and contingencies, allowing £272,105 12*s*. 5*d*. for rebate on bills not due, and £361,122 10*s*. for war bonus and payment to members of the staff on active service, amounted to £2,206,201 13*s*. 9*d*., which, with £184,598 18*s*. 11*d*. brought forward from 1917, gave for distribution £2,390,800 12*s*. 8*d*. From this sum an interim dividend of 10% was paid in August 1918, less income tax, £495,070 13*s*., and a further dividend of 10%, making 20% for the year (less income tax), £478,169 6*s*. £300,000 was added to Bank premises account, £600,000 to reserve fund, £140,000 for bonus shares to staff, and a balance carried forward of £377,560 7*s*. 5*d*.

The figures of the balance sheet, like those of the profit and loss account, are now very much larger than those of previous years. On the liabilities side, acceptances stand at £9,276,488, as against £5,448,608, and deposits £263,129,887, against £146,855,839. On the assets side, cash in hand and at the Bank of England is at £47,476,604, against £25,197,730; money at call and short notice, £36,970,158, against £26,983,535; investments, £49,384,942, against £37,249,439; bills discounted, £60,528,722, against £24,288,394; advances, £80,973,192, against £40,800,159; Bank premises, £2,930,338, against £1,789,279. The investments include Consols and War Loans and other securities of, or guaranteed by, the British Government (of which £1,212,413 is lodged for public accounts and for note issue in the Isle of Man), £45,503,257; Indian Government stocks, £178,101; Colonial Government securities, British corporation stocks, and British railway debentures, £523,277; other investments, £872,186. Notes in circulation in the Isle of Man against the £1,212,413 lodged with the Government amount only to £17,263.

Liabilities to the public on December 31 last were £272,423,638, against which assets were held in the following proportions:—Cash, 17.4%; money at call, 13.6%; investments, 18.3%; bills discounted and advances (including British Treasury bills), 51.9%.

A year's experience of the amalgamation with Parr's Bank has proved that the results anticipated from the joining of forces have been entirely fulfilled; the amalgamation has been of valuable assistance to both businesses. As regards the amalgamation with the Nottingham and Notts Bank, that was brought to a point by the prospect of large requirements in the near future for the benefit of the Nottingham trade, requirements which would be beyond the resources of a comparatively small local bank, but which are obviously well within the compass of such a vast institution as the London County Westminster and Parr's Bank, with its exceptional liquidity and large deposits. Then, of course, it is of importance that the Bank should have an established footing in Nottingham and the neighbourhood, where, prior to the agreement with the Nottingham and Notts Bank, the London County Westminster and Parr's Bank was without branches, though the district joins up well with that which has been gained in Derbyshire by Parr's amalgamation with Crompton and Evans' Bank. But the Notts Bank which, it should be noted, has a specially good connection among the business firms of Nottingham, has 20 branches and 18 sub-branches, of which only 5 are established in places where the London County Westminster and Parr's are already represented.

As far as new branches for home business are concerned, the Chairman at the meeting mentioned that it has not been possible, owing to the exigencies of the War, to extend the home business by opening up new branches, and the Bank has now to make up the natural development which has been for so long arrested. It is for this purpose that so large a sum as £300,000 was set aside for premises account. More than half this sum is to be spent in bringing up to date by extension and necessary improvement many of the existing branches; the balance will go in extension by new branches, for which sites have been acquired in various parts of England. Since the beginning of 1919 arrangements have already been made for the immediate opening up of 20 new branches, and other new branches will follow as soon as premises can be obtained.

The London County Westminster and Parr's Bank were early to recognise the need for branches of our joint-stock banks abroad for the assistance of British trade. Their Spanish branches at Madrid and Barcelona are growing rapidly—far more rapidly than was expected, and it is believed that the banks established there have been of the highest importance from a national point of view during the War, as the most practical and effective answer to German propaganda in Spain. A third branch is now being opened at Bilbao, and further extensions in Spain are contemplated. Belgium's needs the Bank regards as even more important, and arrangements are being made to establish branches of the Bank at Antwerp and Brussels. The branches of the London County Westminster and Parr's Bank at Paris, Lyons, and Marseilles are also doing well. The total deposits at these places and Paris have grown to £6,000,000, and it is interesting to record that a bankers' clearing, similar to that in London, has been established in Paris, which

STANDARD BANK

OF SOUTH AFRICA, LTD.

Bankers to the Government of the Union of South Africa in Cape Province; to the Imperial Government in South Africa; and to the Administration of Rhodesia.

Subscribed Capital	-	**£6,250,000**
Paid-up Capital	- -	**£1,562,500**
Reserve Fund	- -	**£2,200,000**
Uncalled Capital	- -	**£4,687,500**
		£8,450,000

BOARD OF DIRECTORS.

WILLIAM REIERSON ARBUTHNOT, Esq.
Sir DAVID MILLER BARBOUR, K.C.S.I., K.C.M.G.
EDWARD CLIFTON BROWN, Esq.
ROBERT E. DICKINSON, Esq.
JAMES FAIRBAIRN FINLAY, Esq., C.S.I
HORACE PEEL, Esq.
WILLIAM SMART, Esq.
Rt. Hon. LORD SYDENHAM, G.C.S.I., G.C.M.G., G.C.I.E., [G.B.E.

General Manager in South Africa—HECTOR MACKENZIE.

Deputy General Manager—J. P. GIBSON.
Assistant General Managers—NOEL JENNINGS. JOHN JEFFREY.
London Manager—FRANCIS SHIPTON.
Secretary—HERBERT G. HOEY.

BANKERS.—THE BANK OF ENGLAND. LONDON COUNTY WESTMINSTER AND PARR'S BANK LTD.

Head Office: 10 Clements Lane, Lombard Street, London, E.C.4.

West-End Branch: 17 Northumberland Avenue, W.C. 2 (adjoining the Royal Colonial Institute).
New York Agency: 68 WALL STREET. Rotterdam Branch: 15 COOLSINGEL. Amsterdam: Branch 69 ROKIN.

BRANCHES AND AGENCIES.

CAPE PROVINCE.

ABERDEEN | ADELAIDE
ALBERTINIA (Agency to Riversdale)
ALEXANDRIA | ALICE
ALIWAL NORTH
BARKLY EAST
BARKLY WEST
BARRYDALE
BAYVILLE (Agency to Uitenhage)
BEACONSFIELD
BEAUFORT WEST
BEDFORD | BERLIN
BOT RIVER (Agency to BREDASDORP [Caledon)
BRITSTOWN
BURGHERSDORP
BUTTERWORTH
CALA | CALEDON
CALITZDORP | CALVINIA
CAPE TOWN
do. LONG STREET
do. PLEIN STREET
CARNARVON | CATHCART
CEDARVILLE | CERES
CITRUSDAL (Agency to Clanwilliam)
CLANWILLIAM
CLAREMONT | COLESBERG
COOKHOUSE (Agency to Somerset East)
CRADOCK
DARLING | DE AAR
DE DOORNS (Agency to Worcester)
DE RUST | DORDRECHT
EAST LONDON | ELLIOT
FORT BEAUFORT
FRASERBURG
FRENCH HOEK
GEORGE | GRAAFF-REINET
GRAHAM'S TOWN
HANOVER | HEIDELBERG
HERMANUS (Agency to Caledon)
HOETJES BAY (Agency to Vredenburg)
HOFMEYR | HOPEFIELD
HOPETOWN
HUMANSDORP
IDUTYWA | INDWE
JAMESTOWN
JANSENVILLE
JOUBERTINA (Agency to Humansdorp)
KAKAMAS (Agency to Kenhardt)
KEI ROAD (Agency to King William's Town)
KENHARDT | KIMBERLEY (Agency to Somerset W.)
KING WILLIAM'S TOWN
KNYSNA | KOKSTAD
KOMGHA | LADISMITH
LADY GREY
LAINGSBURG | LOXTON
MACLEANTOWN (Agency to King William's Town)
MACLEAR | MAFEKING
MALMESBURY
MATATIELE
McGREGOR (Agency to Robertson)
MIDDELBURG | MOLTENO
MOORREESBURG
MOSSEL BAY
MOUNT FRERE
MUIZENBERG
MURRAYSBURG
NAAUWPOORT
OUDTSHOORN
PAARL | PEARSTON
PEDDIE | PETRUSVILLE
PHILIPSTOWN
PORT ALFRED (Agency to Grahamstown)
PORT ELIZABETH
PORTERVILLE
PORTERVILLE ROAD (Agency to Tulbagh)
PORT ST. JOHN | PRIESKA
PRINCE ALBERT
QUEEN'S TOWN
RHODES | RICHMOND
RIVERSDALE
ROBERTSON
SEA POINT (Agency to Long St., Cape Town)
SEYMOUR | SIMON'S TOWN
SOMERSET EAST
SOMERSET WEST
SOMERSET STRAND
STELLENBOSCH
STERKSTROOM
STEYNSBURG
STEYTLERVILLE
SUTHERLAND
SWELLENDAM
TARKASTAD | TULBAGH
UITENHAGE
UMTATA | UNIONDALE
UPINGTON
VAN RHYNSDORP
VAN WYKS DORP
(Agency to Ladismith)
VENTERSTAD
VICTORIA WEST
VREDENBURG | VRYBURG
WELLINGTON
WELLINGTON STATION (Agency to Wellington)
WILLISTON
WILLOWMORE
WOODSTOCK
WORCESTER

NATAL.

DANNHAUSER (Agency [to Newcastle)
DUNDEE
DURBAN
do. THE POINT (Agency)
ESPERANZA (Agency to Umzinto)
ESTCOURT
GREYTOWN
HATTING SPRUIT (Agency to Dundee)
HLOBANE (Agency to Vryheid)
KRANTZKOP (Agency to Greytown)
LADYSMITH
MOOI RIVER | NEWCASTLE
NEW HANOVER (Agency to Pietermaritzburg)
PIETERMARITZBURG
PORT SHEPSTONE
SEZELA (Agency to Umzinto)
UMZINTO | VRYHEID

ORANGE FREE STATE.

BETHLEHEM
BLOEMFONTEIN
BOTHAVILLE
EDENVILLE (Agency to Kroonstad)
FICKSBURG
FRANKFORT
HARRISMITH
HEILBRON
JAGERSFONTEIN
KESTELL
KROONSTAD
LADYBRAND
LINDLEY
REITZ
SENEKAL
SMITHFIELD
TIGER RIVER (Agency to Bethlehem)
VREDE
WEPENER
WINBURG
ZASTRON

TRANSVAAL.

AMERSFOORT
BALFOUR
BARBERTON
BENONI
BETHAL
BLOEMHOF
BOKSBURG
BRAKPAN
BREYTEN (Agency to Ermelo)
DAARESALAAM (Agency to Ermelo)
DELMAS (Agency to Boksburg)
DEVON (Agency to [Leslie)
ERMELO
FORDSBURG
GERMISTON
GREYLINGSTAD
HEIDELBERG
HENDRINA (Agency to Ermelo)
JOHANNESBURG
do. ELOFF STREET
do. NEWTOWN
KLERKSDORP
KRUGERSDORP | LESLIE
LICHTENBURG
LYDENBURG
MIDDELBURG
MORGENZON
NELSPRUIT (Agency to PAARDEKOP [Barberton) (Agency to Volksrust)
PIETERSBURG
PIET RETIEF
PLATRAND (Agency to Standerton)
POTCHEFSTROOM
PRETORIA
RANDFONTEIN
ROODEPOORT
RUSTENBURG
SHEEPMOOR (Agency to SPRINGS [Ermelo)
STANDERTON
VAL (Agency to Standerton)
VENTERSDORP
VEREENIGING
VOLKSRUST
ZEERUST

BASUTOLAND.—MASERU.

RHODESIA.

BINDURA
BULAWAYO
ELDORADO (Agency to GATOOMA [Sinoia)
GWELO
HARTLEY
LIVINGSTONE
LUSAKA
MABANDELLAS (Agency to Salisbury)
PENHALONGA (Agency to Umtali)
QUE QUE
SALISBURY
SELUKWE
SINOIA | UMTALI
UMVUMA
VICTORIA

NYASALAND.

BLANTYRE. LIMBE (Agency to Blantyre) ZOMBA.

PORTUGUESE EAST AFRICA.

BEIRA LOURENÇO MARQUES (Delagoa Bay)

EAST AFRICA PROTECTORATE.

ELDORET KISUMU MOMBASA NAIROBI NAKURU

UGANDA.—JINJA. KAMPALA.

ZANZIBAR PROTECTORATE.—ZANZIBAR.

SOUTH-WEST AFRICA PROTECTORATE.

LUDERITZBUCHT SWAKOPMUND WINDHUK

Occupied Territory, GERMAN EAST AFRICA.

DAR-ES-SALAAM. MUANZA. TABORA. TANGA.

BELGIAN CONGO.—ELIZABETHVILLE.

BANKING BUSINESS OF EVERY DESCRIPTION transacted at all Branches and Agencies.

CURRENT ACCOUNTS opened on the usual terms, and **DEPOSITS RECEIVED** for fixed periods, at rates which may be ascertained on application.

SAVINGS BANK ACCOUNTS opened on terms, particulars of which may be obtained at Branches.

BILLS NEGOTIATED and COLLECTED.

DRAFTS issued, **MAIL** and **TELEGRAPHIC REMITTANCES** made.

LETTERS OF CREDIT and **COMMERCIAL CREDITS** established.

TRAVELLERS' LETTERS OF CREDIT issued, available in all parts of the world.

PURCHASE and **SALE** of Stocks and Shares effected.

DIVIDENDS, ANNUITIES, &c., received and **COUPONS COLLECTED.**

STRONG ROOMS provided for the safe custody of Securities and valuables of Customers.

ASSAY DEPARTMENT.—Gold, etc., and all Mineral Ores assayed and realised.

EXECUTOR and **TRUSTEE** business undertaken.

The Officers of the Bank are bound not to disclose the transactions of its Customers.

promises to be of great value in economy of time and labour.

With the Bank's report was circulated the balance sheet of another large Bank with which they are affiliated, that of the Ulster Bank. Here, again, the expansion in business has been truly remarkable. During the fifteen months since the affiliation deposits have grown by no less than £5,000,000—from £12,877,000 to £17,892,000; at the beginning of the War in August 1914 they stood at £9,829,000, so that of the total increase of £8,000,000 since that date no less than £5,000,000 has come in since the affiliation. The increase in trade and the general prosperity of Ireland have been accompanied by a policy of rapid growth in the opening of new branches. These have increased from 83 in August 1917 to 98, while the agencies have risen from 87 to 126. So successful has this policy proved that still further developments are in hand, and next year the Bank expects to have another increase to record.

The outcome of the fifteen months' working since the affiliation with the Ulster Bank may be summarised thus: the London County Westminster and Parr's have received in dividend from the Ulster Bank, less tax, £96,000, whilst they are paying the shareholders in dividend on their own shares allotted to them, £114,000, or £18,000 more than the London County Westminster and Parr's received. On the other hand, they have not only put, out of the profits of the period, a sum of £20,000 to the superannuation fund, raising it to a point at which the interest will cover existing pensions, but have added no less than £72,000 to the carry-forward. This undivided profit, which is at the London County Westminster and Parr's Bank disposal, is enough not only to pay the deficit on the dividend, but to provide the interest on the cash which they gave in addition to the shares, with a handsome amount towards the reduction of principal. At this rate they should see the whole of their money back in a few years. The capital account of this purchase of the Ulster Bank has now been closed, transfers of all but 458 shares having been received.

In his speech at the general meeting the Chairman referred to the future education of the staff, which is receiving the very careful attention of the Bank, and a suggested system of scholarships was mentioned. Staff matters in an institution with ramifications so great as those of this Bank are of vital importance, and in mentioning the sympathy with which the Bank regarded the formation of a Bank Clerks' Guild, solely in connection with the staff of the London County Westminster and Parr's Bank, the Chairman said that the management were anxious to be in as close touch as possible with the staff, and to be able to talk over all that concerns their well-being, in short, to promote in every way a sense of corporate co-operation in the great business of which they are the backbone. One agrees that it is only in this spirit that the vast problems which face us on every side can be confidently faced. With over 690 branches in this country, to say nothing of its foreign branches, an efficient and loyal staff must necessarily be the first consideration of the directors, and undoubtedly the generous way in which the Bank continues to treat its men must make for contentment, which after all is one of the most valuable assets a bank can have in its staff.

We give our usual full details of the liabilities and assets of the Bank, which this year incorporate for the first time those of Parr's Bank. The liabilities and assets of the Nottingham and Notts Banking Company to December 31, 1917, are also given separately.

WEST YORKSHIRE BANK

LIMITED.

Established 1829.

Head Office: HALIFAX.

The Bank transacts every description of Banking Business.

Thirty-five Branches in Bradford, Halifax, Huddersfield, Leeds, and in other towns and villages in the West Riding of Yorkshire.

BANQUE POPULAIRE ATHENS.

Established 1905.

CAPITAL PAID-UP Dr. 1,500,000
RESERVES - - „ 2,300,000

BRANCH: PIRAEUS.
Telegraphic Address: "POPULAR, ATHENS."

LONDON AGENTS:
London County Westminster & Parr's Bank, Limited (Cornhill),

Messrs. Rodokanachi, Sons & Co., Palmerston House, Old Broad St., E.C.2.

ALL BANKING BUSINESS TRANSACTED.
SPECIALTY: COLLECTION OF BILLS.

Liabilities and Assets of The London County Westminster and Parr's Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities £
1918	6,830,990	7,430,086	14,261,076	5·0	17,263	—	9,276,488	3·2	263,129,887	91·5	855,730	·3	287,540,444
1917	4,148,890	4,725,949	8,874,839	5·5	—	—	5,448,608	3·4	146,855,839	90·8	577,858	·3	161,757,144
1916	3,500,000	4,000,000	7,500,000	5·5	—	—	6,978,683	5·2	120,367,660	88·9	497,291	·4	135,343,634
1915	3,500,000	4,000,000	7,500,000	6·1	—	—	5,095,255	4·2	109,224,429	89·3	476,585	·4	122,296,269
1914	3,500,000	4,250,000	7,750,000	6·8	—	—	4,276,068	3·8	101,428,373	88·9	531,987	·5	113,986,428
1913	3,500,000	4,250,000	7,750,000	7·4	—	—	7,656,068	7·4	88,313,651	84·7	528,519	·5	104,248,238
1910	3,500,000	4,050,000	7,550,000	8·2	—	—	5,178,996	5·6	78,151,229	85·6	506,229	·6	91,386,454

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call and at Short Notice. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1918 ...	47,476,604	16·8	36,970,158	12·8	49,384,942	17·1	60,528,722	21·0	80,973,192	28·1	9,276,488	3·2	2,930,338	1·02	87,540,444
1917 ...	25,197,730	15·6	26,983,535	16·7	37,249,439	23·0	24,288,394	15·0	40,800,159	25·2	5,448,608	3·4	1,789,279	1·1	161,757,144
1916 ...	32,385,400	23·9	7,871,420	5·7	35,945,054	26·6	14,336,443	10·6	36,117,330	26·7	6,978,683	5·2	1,709,304	1·3	135,343,634
1915 ...	23,250,542	19·0	5,141,897	4·2	35,732,925	29·2	11,351,684	9·3	39,941,302	32·7	5,095,255	4·2	1,782,664	1·4	122,296,269
1914 ...	22,524,904	19·8	5,634,633	4·91	14,847,092	13·0	18,369,284	16·1	46,617,341	40·9	4,276,068	3·8	1,717,106	1·5	113,986,428
1913 ...	13,757,107	13·2	12,382,899	11·9	8,913,517	8·5	15,800,195	15·1	44,089,226	41·3	7,656,068	7·4	1,649,226	1·6	104,248,238
1910 ...	11,054,781	12·1	13,388,672	14·6	9,835,237	10·8	14,210,139	15·6	36,143,786	39·6	5,178,996	5·6	1,574,843	1·7	91,386,454

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The Nottingham and Nottinghamshire Banking Company, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Special Additl. Reserve. £	Total Capital and Reserve £	% *	Notes in Circulation. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities £
1917... ...	360,000	155,000	47,000	562,000	8·9	25,175	·4	5,690,371	90·2	33,019	·5	6,310,565
1916... ...	360,000	155,000	47,000	562,000	9·6	29,005	·5	5,249,190	89·4	29,990	·5	5,870,185
1915... ...	360,000	155,000	47,000	562,000	10·9	21,885	·4	4,560,319	88·3	23,046	·4	5,167,250
1914... ...	360,000	172,000	25,000	557,000	11·2	11,085	·2	4,399,331	88·2	23,133	·4	4,991,054
1913... ...	360,000	172,000	20,000	552,000	11·3	8,900	·2	4,315,829	88·0	25,842	·5	4,902,571
1910... ...	360,000	180,000	25,000	565,000	11·8	9,610	·2	4,180,415	87·4	27,801	·6	4,782,826

ASSETS. Dec. 31	Cash. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Bank Premises and other Assets. £	% *	Total Assets. £
1917... ...	1,499,892	23·8	890,208	14·1	569,000	9·0	3,180,050	50·4	171,411	2·7	6,310,565
1916... ...	1,223,533	20·9	915,655	15·6	565,432	9·6	2,989,040	50·9	176,525	3·0	5,870,185
1915... ...	823,126	15·8	943,327	18·2	80,259	1·5	3,147,869	61·0	172,669	3·4	5,167,250
1914... ...	668,002	13·4	729,042	14·6	74,944	1·5	3,348,002	67·0	171,064	3·5	4,991,054
1913... ...	392,156	8·0	800,025	16·3	112,043	2·3	3,426,776	69·9	171,571	3·5	4,902,571
1910... ...	395,833	8·3	1,011,917	21·2	186,005	4·0	3,018,780	63·1	170,291	3·4	4,782,826

* Per cent. of Total Liabilities or Assets.

THE SEATTLE NATIONAL BANK
CHIEF SEATTLE
WASHINGTON

SEATTLE.

Nearest United States Port to the Orient.

• • •

We Invite all kinds of Foreign and Domestic Commercial Financing.

• • •

Excellent Oriental Facilities.

❖

THE SEATTLE NATIONAL BANK

RESOURCES $30,000,000.

• • •

MEMBER FEDERAL RESERVE BANK.

MELLON
National Bank
PITTSBURGH.

STATEMENT OF CONDITION AT THE CLOSE OF BUSINESS MARCH FOURTH, NINETEEN HUNDRED NINETEEN.

RESOURCES.

Loans and Discounts	$46,521,310.68
United States Obligations	33,332,255.93
Other Bonds and Investments ...	28,233,714.73
Overdrafts	.48
Cash and Due from Banks	22,268,585.21
Total	$130,355,867.03

LIABILITIES.

Capital	$6,000,000.00
Surplus and Undivided Profits ...	4,533,807.79
Reserves...	2,666,364.89
Borrowed from Federal Reserve Bank	8,300,000.00
Circulating Notes	5,120,000.00
Deposits { Individuals $60,791,670.45	
Deposits { Banks 36,311,935.52	
Deposits { Government 6,632,088.38	
	103,735,694.35
Total	$130,355,867.03

Cable Address: "Mellonson."

Direct connections with all parts of the United States.
Exceptional facilities for all branches of banking.

London Agents: National Provincial and Union Bank of England, Ltd.

LONDON JOINT CITY AND MIDLAND BANK.

(See also **Belfast Banking Company, Limited.)**

Head Office: 5 Threadneedle Street, London, E.C. 2.

Capital—

Authorised			£41,450,000
Subscribed—			
2,869,079 Shares of £12 each	= £34,428,948		
399,488 Shares of £2 10 each	= 998,720		£35,427,668
Paid up	Old Shares, £12 (£2 10 paid)	7,172,697	
	New Shares, £2 10 (fully paid)	998,720	£8,171,417
Price of Share	Old Shares, 7¾ Div. 18 %. Yield		£5 11 3%
	New Shares, 8½		£5 7 3%

The figures of this concern now represent those of the London City and Midland Bank and those of the London Joint Stock Bank; the business of the latter institution was amalgamated with the London City and Midland Bank as from December 31, 1917, and before going into details it might be as well to give a short summary of the history of each Bank.

The London City and Midland Bank is perhaps the most remarkable instance of a purely local and country concern being transformed into a large London bank with a world-wide reputation. Its rise to greatness has, in a way, been the result of a long series of absorptions and amalgamations. The Bank was first established in 1836 as the Birmingham and Midland Bank, with a paid-up capital of £50,000. In its early days the progress in the matter of branches was comparatively slow, but from 1885 onwards its extension was more rapid. In 1888 14 branches were in operation, a year later the number was 28, mostly due to the absorption of another banking institution. In 1890 three further banks were taken over and the number of offices increased to 45. Its first great step forward was in 1891, when it absorbed the Central Bank of London, and thus became a recognised force in the London banking world. Since then the number of branches opened has steadily increased. Amalgamation with other banks has also been remarkable. The policy of the management seemed to be to keep abreast of the times by extending its sphere into places which promised a profitable field for its operations; and in taking over numerous other banks. That policy has been kept well to the fore—so much so, in fact, that the number of its branches now exceeds 1,400. The importance of the London City and Midland Bank increased year by year, and when in 1917 it was announced that the Bank had purchased from the shareholders of the Belfast Banking Company, Limited, the whole of the 200,000 shares of that institution, it was seen that the London City and Midland Bank was intent upon catering for even a wider field.

The capital at the end of 1917 was: authorised, £28,200,000; subscribed, £24,906,432; paid up (£2 10*s.* per share on 2,075,536 shares of £12 each), £5,188,840.

The London Joint Stock Bank came into existence in July 1836 with an authorised capital of £3,000,000 in 60,000 shares of £50 each. Its capital was increased from time to time as the business progressed, until, in December 1917, it stood at £20,000,000 authorised, in £100 shares; issued capital, £19,800,000; paid-up capital, £2,970,000.

Generally speaking, the London Joint Stock Bank was purely a London institution, and for many years no great extension in its branches was recorded; then in 1870 it commenced to absorb other and less important banking institutions, and from that time onwards not only did the branches and agencies of the Bank increase, but the business grew in proportion. The first balance sheet issued by the Bank showed deposits and acceptances to the amount of £594,192—in 1917 they stood at over £60,000,000!

The large liability on the shares of the London Joint Stock Bank was a constant source of complaint

STOCKHOLMS ENSKILDA BANK

N.B.—BANK WITH UNLIMITED LIABILITY.

Established 1856.

STOCKHOLM.

CAPITAL (entirely paid up) - Kr. 31,500,000

RESERVE FUNDS „ 44,500,000

Banking and Exchange Business of every description.

Bills negotiated or forwarded for Collection.

Letters of Credit issued available in the principal Cities of the World.

Remittances made by Telegraphic Transfer.

Deposits received for fixed periods or at notice.

London Agents:

LONDON COUNTY WESTMINSTER & PARR'S BANK Ltd.

FREDK. HUTH & CO.

THE BRITISH BANK OF NORTHERN COMMERCE Ltd.

C. J. HAMBRO & SON.

Buitenlandsche Bankvereeniging

Established 1897

HEAD OFFICE:

AMSTERDAM, Holland.

Branch Office:

20 Copthall Avenue, LONDON, E.C.

Purchases and Sales of Bonds and Stocks and Foreign Banknotes undertaken on the Amsterdam and other Bourses.

by its shareholders, who never seemed to get reconciled to an £85-per-share liability; and there is little doubt that it narrowed the market in the shares, and probably kept them at a lower market price than they were really worth. When, therefore, overtures were made by the London City and Midland Bank for the acquisition of the London Joint Stock Bank the first thing to which the directors gave their attention was this liability on the shares, and it is plain that the new arrangements made were a source of great satisfaction to the shareholders of the London Joint Stock Bank. For one share in the London Joint Stock Bank of £100, with a liability of £85, shareholders received four London City and Midland Bank £12 shares, with a liability of £9 10*s*., thus making a total liability of £38, or a reduction of over 50% on their holding; the £38, moreover, was spread over four times as many shares, making them a much more marketable security than the old shares.

Undoubtedly the alliance with the London City and Midland Bank was a good thing for the Joint Stock Bank. In the ten years preceding the amalgamation the deposits of the London City and Midland Bank had been increased by no less than £167,000,000, and the London City and Midland Bank with its forward policy was seen to be making great strides in every direction. The policy of the Joint Stock Bank was more conservative, but the joining of forces certainly brought together two institutions whose working should be, if anything, still more successful in the future.

The figures in the subjoined tables of liabilities and assets will show the position of each Bank at the date of the amalgamation, which it will be borne in mind is, together with the natural growth, responsible for the heavier totals under all heads. The immediate result of the absorption was to increase the London City and Midland Bank's capital by £1,980,000, which was given to the Joint Stock Bank shareholders, who for that amount handed to the London City and Midland Bank the capital and reserve of the Joint Stock Bank—£4,295,000. Consequently, after the provision of new capital, the balance left to the premier institution was £2,315,000. In addition both Banks contributed out of their "carry-forwards," amounting to £859,000, the sum of £511,000, which was added to the reserve fund of the London City and Midland Bank. These contributions to the reserve fund raised the percentage of reserve to capital to 94.6%; before the amalgamation it was only 84%.

As regards the shareholders of the London City and Midland Bank, Sir Edward Holden pointed out at the extraordinary general meeting on September 13, 1918, that the Bank could have paid its shareholders a much larger dividend than the 18% they had been accustomed to receive, but in furtherance of the policy of strengthening the Bank, from every point of view, they preferred to increase the capital of the Bank and to offer in increased capital what was considered a good return. He then announced the issue of one new share of £2 10*s*. at a price of £5 in respect of every seven old shares held at the time of issue. The new shares are fully paid, and the same dividend will be paid on them as on the Ordinary shares, which is now 18%, returning 9% gross, or £6 6*s*. per cent. after paying income tax at the rate of 6*s*. in the £1. When the new issue is completed the paid-up capital of the Bank will be about £8,200,000 and the reserve £8,200,000, making together a total of about £16,400,000. It is always the ambition of bankers to see the reserve fund equal to the capital, and it will be noted that the London Joint City and Midland Bank, as pointed out by Sir Edward Holden, has now satisfied that ambition. The advantage of the policy of increasing the capital and reserve fund rather than increase the dividend is that the Bank is strengthened and not weakened by the transaction, and in making a choice of its policy the Bank has had to take into consideration the interests of two distinct and separate bodies of persons—namely, its depositors and its shareholders. The increase in the figures this year show beyond all question that the Bank enjoys the complete confidence of its depositors:—

	£
In 1910 deposits were	73,415,000
„ 1911 „ „	77,708,000
„ 1912 „ „	83,664,000
„ 1913 „ „	93,834,000
„ 1914 „ „	125,753,000
„ 1915 „ „	147,751,000
„ 1916 „ „	174,621,000
„ 1917 „ „	220,552,000

Exclusive of the London Joint Stock Bank, in 1918 deposits were £271,000,000; inclusive of the London Joint Stock Bank, in 1918 they were £334,898,000.

Acceptances amount to £13,146,000, against £8,827,000 in 1917; they represent the Bank's acceptances on behalf of colonial and foreign bankers.

Coming now to the Bank's assets, cash on December 31, 1918, amounted to £63,756,000, as against £44,110,000 in 1917, and consisted of eight millions of gold, Bank of England notes, Currency notes, and a Bank of England balance payable on demand. These items do not earn interest, and it is the Bank's ambition in the future to displace both currency notes and Bank of England notes by gold. Cheques of other banks which were in course of being cleared amounted to £2,001,000. Money at call and short notice amounted to £65,800,000; of this about £15,100,000 was at call, and £50,700,000 at short notice. In 1917 this item amounted to £31,003,000.

Total investments amount to £61,600,000, against £36,255,000 in 1917. They consist of 4% Stock and National War Bonds, free of income tax, £14,100,000; 5% War Loan, due between 1929 and 1947, £15,300,000; 3½% War Loan, repayable between 1925 and 1928, £5,100,000; 5% and 6% Exchequer Bonds, 1919 and 1922, £12,600,000; 5% National War Bonds, 1922 and 1928, £9,000,000; miscellaneous Government securities, £1,400,000; other investments, £4,100,000. A few of these are taken at cost, but the great bulk are written down to market value and ample provision has been made for any depreciation that might occur. Bills of exchange amount to £39,249,000, against £35,053,000 in 1917. Advances on current and other accounts amount to £99,214,000, against £68,510,000 in 1917, in which year they showed a percentage to deposits of 31.1%; for 1918 they show a percentage of slightly under 30. When the War Loan came out in February, 1917, the Bank advanced about 26 millions sterling to its customers to enable them to take up the loan. These loans were reduced to about 10 millions, but the amount outstanding has since been increased by advances to customers to enable them to take up National War Bonds; consequently the loans amount on balance to £14,218,000. In the last balance sheet bank premises stood at £2,837,000; they now stand at £3,762,000, or an increase of nearly one million sterling. The increase is due to the amalgamation of the Joint Stock Bank with the London City and Midland Bank.

The investment in the Belfast Bank shares amounts to £1,237,500, and has been written down to £779,690. The London City and Midland received from the Belfast Bank the dividends on their shares, and this is practically the amount of the dividend payable on the shares the London City and Midland Bank issued. The profits of the Belfast Bank are stated to be good, and there is a considerable sum remaining after paying the London Bank dividend. That surplus is left in the Belfast Bank for the purpose of strengthening its position. The capital of the Belfast Bank is £500,000, the reserve fund £500,000, and the carry-forward £49,150; and as their shares stand in the books of the London Joint City and Midland Bank at £759,690 the investment is at a lower figure than the capital, reserve fund, and carry-forward by the sum of £289,460.

Coming now to the profit and loss account, the profit, after payment of all expenses and making provision for all bad and doubtful debts, is £2,700,330 13*s.* 11*d.*, to which has to be added £733,785 5*s.* 8*d.* brought forward from last account, making together a total sum of £3,434,116. Out of this sum dividends at the rate of 18% per annum, amounting to £919,885, have been paid, and a sum of £600,000 has been provided for future contingencies; £100,000 has been applied to writing down bank premises, £100,000 for pension fund, and £50,000 to staff widows' fund. A further allocation of £500,000 to the reserve fund was made. When the Government sanctioned the amalgamation of the Joint Stock Bank with the London City and Midland the latter gave an undertaking to make its reserve equal to the capital, which could only be done by taking £500,000 out of profit and loss account and placing it to the credit of reserve. After the various allocations the carry-forward is £675,097, or £58,688 less than the amount brought forward.

Last year's net profit was equal to 36.0% upon the paid-up capital outstanding on December 31, 1918, to 18% upon the then capital and reserve fund, and to .75% upon the total working resources.

We give below our usual table of profits of the Bank from 1913 to 1918, and also a separate table showing the London Joint Stock Bank's profits to December, 1917.

Profits of the London Joint City and Midland Bank, Ltd.

Year to Dec. 31	Net Profit	Div. Subject to Tax. Earned	Div. Subject to Tax. Paid	Balance		Special Allocat'ns	Carried Forward
	£	%	%	£	£	£	£
1918 ...	2,582,379	36·00	18·00	1,291,067	1,291,312	1,350,000	675,097
1917 ...	1,887,514	37·06	18·00	897,267	990,247	500,000	733,785
1916 ...	1,622,984	33·94	18·00	860,542	762,442	632,501	243,538
1915 ...	1,245,715	26·05	18·00	860,542	385,173	692,860	113,598
1914 ...	1,140,107	25·02	18·58	846,815	293,292	20,000	421,285
1913 ...	1,248,000	29·93	18·56	807,000	441,000	426,000	147,993

Profits of the London Joint Stock Bank, Limited.

Year to Dec. 31	Gross Profit	Expenses	Net Profit	Div. Subject to Tax. Earned	Div. Subject to Tax. Paid	Special Allocat'ns	Carried Forward
	£	£	£	%	%	£	£
1917...	1,143,545	531,440	612,105	20·6	10	297,000	240,000	125,428
1916...	1,049,354	500,706	548,648	18·4	10	297,000	271,600	50,324
1915...	996,602	453,132	543,470	18·3	10	297,000	265,000	72,276
1914...	896,987	443,808	453,179	15·2	11	326,700	100,000	88,806
1913...	949,622	429,115	520,507	17·5	10⅝	321,750	198,000	62,326

As regards the staff of the London Joint City and Midland Bank, during the War the Bank has made up the pay of those who have joined H.M.'s Forces to the amount of the salary which they received from the Bank, and has undertaken to reinstate them in their positions on their return to civil life. During the last three years £1,000,000 has been paid in salaries and bonuses to the staff serving with the Forces, and bonus to other members of the staff. Now that the men are returning from the War, it is estimated that in a few months the Bank will have a large surplus of labour. In the circumstances it is proposed to take into consideration the question whether, instead of reducing the staff, it is not a favourable opportunity to send this surplus abroad to work in foreign banks for the purpose of acquiring the languages of other countries and also a better knowledge of foreign banking. With its large Overseas Branch, and its wide connection with foreign countries where the Bank is represented in all the principal centres, the London Joint City and Midland Bank is, of course, in a very favourable position to place its staff for training, and the result will doubtless be beneficial to all concerned.

At the top of the preceding page will be found our usual table of liabilities and assets, those of the London Joint City and Midland Bank, Limited, being given to December 31, 1918, and those of the London Joint Stock Bank to June 30, 1918.

Skandinaviska Kreditaktiebolaget

Bank established in 1864.

GOTHENBURG. STOCKHOLM.

MALMÖ.

Branches in all parts of Sweden.

Paid-up Capital and Reserves - Kr. 155,500,000

Telegraphic Address: "KREDITBOLAGET."

BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED.

Société Générale de Belgique

SOCIÉTÉ ANONYME.

Established at Brussels August 28th, 1822.

Offices :

3 Montagne du Parc ; 34 Rue Royale ; Rue Ravenstein.

Telegraphic Address : "Generale, Bruxelles."

	Francs.
Issued and Paid-up Capital - - - -	32,804,232.80
Reserve Fund - - - - - -	70,722,137.88
Total Funds by December 31st, 1918 -	103,526,370.68

N.B.—The present position of the capital is as follows : Up to December 31st, 1918, the capital was represented by 31,000 so-called "Titres de capital" and 31,000 "Parts de Reserve." By a new issue, completed on January 15th, 1919, the capital was doubled and represented by 62,000 Titres de capital of frs. 1,000 nominal, and 62,000 Parts de Réserve.

ADMINISTRATION :

Governor : M. J. JADOT.
Vice-Governor : BARON JANSSEN.
Treasurer-Director : M. A. SERRUYS.

Directors :
CHEVALIER E. CARTON DE WIART.
MM. E. FRANCQUI.
G. COOREMAN.
ED. DE BRABANDER.

Auditing Commissaries :
MM. BARON A. D'HUART
P. CAPOUILLET.
COUNT DE BAILLET-LATOUR.
L. HAMOIR.
BARON C. GOFFINET.
COUNT T'KINT DE ROODENBEKE.
COUNT J. DE MERODE.
ED. SOLVAY.
COUNT L. DE MEEUS.

Secretary : M. AUG. CALLENS.

Every description of Banking business transacted.

CURRENT Accounts and Deposit Accounts opened. Securities received on deposit. Cheques and Letters of Credit issued. Bills, Coupons and Dividends collected. Stock Exchange Orders executed. Loans on Securities. Foreign Money changed. Conversions, Transfers, &c., effected. Subscriptions made to new issues. Private Safes. (An illustrated booklet, with tariff, will be sent on application.)

The "Société Générale de Belgique" is represented in Belgian Provincial Places by 110 Banking Establishments placed under its control and acting as its Agents.

AERSCHOT ... ... Banque Centr. de la Dyle
ALOST ... ... Banque Cle. de la Dendre
AMAY ... ... Banque de Huy
ANDENNE ... ... Banque de Huy
ANVERS ... ... Banque d'Anvers
ARLON ... ... Banque Cle. de la Meuse
ATH ... ... Banque Centr. Tournais.
AUDENARDE ... ... Banque de Courtrai
AUVELAIS ... ... Banque Centr. de Namur
BASTOGNE ... . Banque Cle. de la Meuse
BEAUMONT ... ... Banque Génér. du Centre
BINCHE ... ... Banque Génér. du Centre
BOOM ... ... Banque Cle. de la Dendre
BOUILLON ... ... Banque Cle. de la Meuse
BRAINE-L'ALLEUD ... Banque Génér. du Centre
BRAINE-LE COMTE... Banque du Hainaut
BREE ... ... Banque Cle. du Limbourg
BRUGES ... ... Banque de la Fl. Occid.
CHARLEROI ... ... Banque Cle.de la Sambre
CHIEVRES ... ... Banque du Hainaut
CHIMAY ... ... Banque Génér. du Centre
CINEY ... ... Banque Cle. de la Meuse
COUCKELAERE ... ... Banque Gén. d'Ostende
COURTRAI ... ... Banque de Courtrai
COURT-ST. ETIENNE Banque Centr. de la Dyle
COUVIN ... ... Banque Génér. du Centre
DEYNZE ... ... Banque de Gand
DIEST ... ... Banque Centr. de la Dyle
DINANT ... ... Banque Cle. de la Meuse
DISON ... ... Banque de Verviers
*DIXMUDE ... . Banque de Roulers-Thielt
ECAUSS.-D'ENGHIEN Banque du Hainaut
EECLOO ... ... Banque de Gand
ELLEZELLES ... ... Banque du Hainaut
ENGHIEN ... ... Banque du Hainaut
ERQUELINNES ... ... Banque Génér. du Centre
FLOBECQ ... ... Banque du Hainaut
FLORENNES ... ... Banque Cle.de la Sambre
FURNES ... ... Banque Gén. d'Ostende
GAND ... ... Banque du Gand
GEMBLOUX ... ... Banque Centr. de Namur
GENCK ... ... Banque Cle. du Limbourg
GHEEL ... ... Banque Centr. de la Dyle
GILLY ... ... Banque Cle.de la Sambre
GRAMMONT ... ... Banque Cle. de la Dendre
HAL ... ... Banque du Hainaut
HANNUT ... ...Banque de Huy
HASSELT ... ... Banque Cle. du Limbourg
HERENTHALS ... ... Banque Centr. de la Dyle
HUY ... ... Banque de Huy
ISEGHEM ... ... Banque de Roulers-Thielt
JODOIGNE ... ... Banque de Huy
LA LOUVIERE ... ... Banque Génér. du Centre
LANDEN ... ... Banque de Huy
LENNICQ-ST.-QUENT. Banque du Hainaut
LENS-S/DENDRE ... Banque du Hainaut
LESSINES ... ... Banque du Hainaut
LEUZE ... ... Banque Centr. Tournais.
LIEGE ... ... Banque Génér. de Liège
LIERRE ... ... Banque Centr. de la Dyle
LOKEREN ... ... Banque Cle. de la Dendre
LOOZ-LA-VILLE ... Banque Cle. du Limbourg
LOUVAIN ... ... Banque Centr. de la Dyle
MAESEYCK ... ... Banque Cle. du Limbourg
MALINES ... ... Banque Centr. de la Dyle
MARCHE ... ... Banque Cle. de la Meuse
MENIN ... ... Banque de Courtrai
MOLL ... ... Banque Centr. de la Dyle
MOMIGNIES... ... ... Banque Génér. du centre
MONS ... ... Banque du Hainaut
MOUSCRON ... ... Banque de Courtrai
NAMUR ... ... Banque Centr. de Namur
NEERPELT ... ... Banque Cle. du Limbourg
NEUFCHATEAU... ... Banque Cle. de la Meuse
NINOVE ... ... Banque Cle. de la Dendre
NIVELLES ... ... Banque Génér. du Centre
OSTENDE ... ... Banque Gén. d'Ostende
PERUWELZ ... ... Banque Centr. Tournais.
PHILIPPEVILLE Banque Cle.de la Sambre
POPERINGHE ... Banque de Courtrai
QUEVAUCAMPS ... Banque du Hainaut
RANCE ... ... Banque Génér. du Centre
REBECQ ... ... Banque du Hainaut
RENAIX ... ... Banque de Courtrai
ROULERS ... ... Banque de Roulers-Thielt
SAINT-GHISLAIN Banque du Hainaut
SAINT-NICOLAS Banque Cle. de la Dendre
SAINT-TROND ... Banque Cle. du Limbourg
SERAING ... ... Banque de Huy
SOIGNIES ... ... Banque du Hainaut
SOTTEGEM ... ... Banque de Courtrai
STAVELOT ... ... Banque Génér. de Liege
TERMONDE ... ... Banque Cle. de la Dendre
THEUX ... ... Banque de Verviers
THIELT ... ... Banque de Roulers-Thielt
THUIN ... . Banque Cle.de la Sambre
TIRLEMONT ... Banque Centr. de la Dyle
TONGRES ... ... Banque Génér. de Liege
TOURNAI ... ... Banque Centr. Tournais
TUBIZE ... ... Banque du Hainaut
TURNHOUT ... ... Banque Centr. de la Dyle
VERVIERS ... ... Banque de Verviers
VILVORDE ... .. Banque Centr. de la Dyle
VIRTON ... ... Banque Cle de la Meuse
VISE ... ... Banque Génér. de Liege
WAEREGHEM ... Banque de Courtrai
WALCOURT ... ... Banque Cle.de la Sambre
WAREMME ... ... Banque de Huy
WAVRE ... ... Banque Centr. de la Dyle
*YPRES ... ... Banque de Courtrai

* Dixmude and Ypres were destroyed in the course of the War.

London Correspondent of the Société Générale de Belgique : Banque Belge pour l'Etranger, 2 Bishopsgate, London, E.C. 2.

Liabilities to the public on December 31, 1918, were £348,496,164, against which assets were held in the following proportions: Cash, &c., 19.0%; money at call, &c., 18.9%; investments, 17.7%; bills discounted, including Treasury bills, 11.3%; advances, 32.7%.

Liabilities and Assets of The London Joint City and Midland Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Dividend. £	% *	Profit Balance Carried Forward. £	% *	Total Liabilities. £
1918 ...	7,172,697	7,172,697	14,345,395	4·0	13,145,849	3·6	334,898,435	92·1	451,880	·1	675,098	·2	363,516,657
1917 ...	5,188,840	4,342,826	9,531,666	4·0	8,826,866	3·7	220,551,768	91·9	350,247	·1	733,785	·3	239,994,332
1916 ...	4,780,793	4,000,000	8,780,793	4·6	7,220,781	3·7	174,620,725	91·4	322,703	·2	243,538	·1	191,188,540
1915 ...	4,780,793	4,000,000	8,780,793	5·3	9,157,601	5·5	147,750,702	88·9	360,352	·3	113,598	—	166,163,046
1914 ...	4,780,793	4,000,000	8,780,793	6·1	7,210,915	5·1	125,732,736	88·2	394,415	·3	421,285	·3	142,540,144
1913 ...	4,348,650	3,700,000	8,048,650	7·4	6,162,612	5·7	93,833,580	86·4	391,378	·4	147,993	·1	108,584,213
1910 ...	3,989,237	3,590,314	7,579,551	8·6	6,461,941	7·4	73,414,510	83·5	359,031	·4	102,301	·1	87,917,334

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call, &c. £	% *	Investments £	% *	Bills Discounted. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1918...	63,756,372	17·6	67,810,656	18·6	61,600,651	17·0	39,249,296	10·8	114,191,506	31·4	13,145,849	3·6	3,762,527	1·0	363,516,657
1917...	44,110,354†	18·3	31,003,560	13·0	37,007,453	15·4	35,052,992	14·6	81,155,897	33·8	8,827,866	3·7	2,837,210	1·2	239,994,332
1916...	47,973,686†	25·1	8,844,378	4·6	37,190,296	19·5	23,336,817	12·2	63,868,857	33·4	7,220,781	3·7	2,753,725	1·5	191,188,540
1915...	30,881,201†	18·6	8,651,258	5·2	38,829,434	23·4	9,961,546	6·0	65,921,541	39·7	9,157,601	5·5	2,760,465	1·6	166,163,046
1914...	33,196,459†	23·3	9,865,226	6·9	13,078,221	9·2	14,085,806	8·9	62,424,616	43·8	7,210,915	5·1	2,678,901	1·8	142,540,144
1913...	17,241,279	15·9	11,946,769	11·0	7,824,892	7·2	11,790,641	10·9	51,309,563	47·2	6,162,612	5·7	2,308,457	2·1	108,584,213
1910...	13,332,567	15·2	9,810,744	11·1	8,697,124	9·9	6,686,140	7·6	41,088,146	46·7	6,461,941	7·4	1,840,672	2·1	87,917,334

* Per cent. of Total Liabilities or Assets. † Includes holding of gold as follows: 1918, £8,000,000; 1917, 1916, and 1915, £7,000,000; 1914, £8,000,000.

Liabilities and Assets of The London Joint Stock Bank, Limited.

LIABILITIES.	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918 June 30 ...	2,970,000	1,325,000	4,295,000	6·6	2,541,301	3·9	58,293,200	89·1	273,928	·4	65,403,429
1917 Dec. 31 ...	2,970,000	1,325,000	4,295,000	6·5	2,947,107	4·5	58,182,376	88·6	273,928	·4	65,698,411
1916 ,, ...	2,970,000	1,125,000	4,095,000	7·2	3,582,701	6·3	49,078,252	86·2	198,824	·3	56,954,777
1915 ,, ...	2,970,000	1,125,000	4,095,000	8·1	2,559,610	5·1	43,686,502	86·4	218,776	·4	50,559,888
1914 ,, ...	2,970,000	1,125,000	4,095,000	8·5	3,122,446	6·5	40,653,102	84·5	252,156	·5	48,122,704
1913 ,, ...	2,970,000	1,125,000	4,095,000	9·1	3,163,328	7·0	37,637,045	83·4	225,676	·5	45,111,049
1910 ,, ...	2,970,000	1,100,000	4,070,000	10·2	2,040,741	5·1	33,612,502	84·2	197,300	·5	39,920,543

ASSETS.	Cash in Hand & at B. of Eng. £	% *	Money at Call and at Short Notice. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1918 June 30	10,101,548	15·6	2,158,560	3·3	16,354,599	25·0	17,315,284	26·4	15,919,972	24·3	2,541,301	3·9	1,012,165	1·5	65,403,429
1917 Dec. 31	11,087,649	16·9	2,150,395	3·3	13,145,029	20·0	19,880,150	30·3	15,468,529	23·5	2,947,107	4·5	1,019,552	1·5	65,698,411
1916 ,, ...	59,391,198	16·5	2,042,931	3·6	12,136,315	21·3	15,175,526	26·6	13,573,976	23·8	3,582,701	6·3	1,052,130	1·9	6,954,777
1915 ,, ...	6,578,122	13·0	2,294,466	4·5	12,943,783	25·6	9,482,765	18·7	15,656,795	31·0	2,559,610	5·1	1,044,347	2·1	50,559,888
1914 ,, ...	,112,792	16·9	4,033,300	8·4	7,024,635	14·6	6,069,396	12·6	18,715,400	38·9	2,122,446	6·5	1,044,735	2·1	48,122,704
1913 ,, ...	5,996,668	13·3	5,644,476	12·5	6,260,705	13·9	6,811,871	15·1	6,218,749	35·9	3,153,328	7·0	1,025,252	2·2	45,111,049
1910 ,, ...	4,626,004	11·6	6,604,135	16·5	8,084,979	20·3	†	—	17,626,087	44·2	2,040,741	5·1	938,597	2·3	39,920,543

* Per cent. of Total Liabilities or Assets.

Banco Mercantil Americano del Peru.

Offices in Lima, Callao, Chiclayo, and Arequipa.

AUTHORISED CAPITAL - - £P.1,000,000

AFFILIATED WITH MERCANTILE BANK OF THE AMERICAS, INC.,
38 Pine Street, New York City.

(ORGANIZED UNDER THE AUSPICES OF THE GUARANTY TRUST CO., Messrs. BROWN BROS. & CO., J. & W. SELIGMAN & CO.)

COLLECTIONS IN PERU HANDLED ON ESPECIALLY FAVOURABLE TERMS.

Imports and Exports Financed. **Current Accounts.**
Trade Information Furnished. **Foreign Exchange.**
Cable Transfers. **Commercial Credits Opened.**
Correspondence Solicited.

LONDON AGENTS:

BROWN, SHIPLEY & CO.; SELIGMAN BROS. & CO.; GUARANTY TRUST CO. (LONDON OFFICE).

GREATEST FACILITIES OFFERED FOR BRITISH TRADE WITH THE REPUBLIC OF PERU.

LLOYDS BANK LIMITED,

with which is amalgamated

THE CAPITAL AND COUNTIES BANK, LIMITED.

Chairman: Sir RICHARD V. VASSAR-SMITH, Bart.
Deputy-Chairman: J. W. BEAUMONT PEASE.

HEAD OFFICE: 71, LOMBARD STREET, E.C. 3.

CAPITAL SUBSCRIBED	£55,962,850
CAPITAL PAID UP -	8,954,056
RESERVE FUND - -	9,000,000
DEPOSITS, &c. - -	267,966,438
ADVANCES, &c. - -	81,072,134

THIS BANK HAS OVER 1,300 OFFICES IN ENGLAND AND WALES.

AFFILIATED BANKS:

THE NATIONAL BANK OF SCOTLAND, LIMITED.
Head Office: EDINBURGH.
124 Branches in the principal Cities and places in Scotland.

LONDON AND RIVER PLATE BANK, LIMITED.
Head Office: 7, PRINCES STREET, E.C. 2.
30 Branches in Argentina, Brazil, &c., Paris and New York.

FRENCH AUXILIARY:

LLOYDS BANK (FRANCE) AND NATIONAL PROVINCIAL BANK (FRANCE) LIMITED.
OFFICES in LONDON (60, Lombard Street, E.C. 3), PARIS (3, Place de l'Opéra),
ANTWERP, BIARRITZ, BORDEAUX, BRUSSELS, HAVRE, MARSEILLES and NICE.

LONDON MERCHANT BANK.

Head Office: 38 Lombard Street, London, E.C. 3.

Capital—

Authorised		£1,500,000
Subscribed, 75,000 Shares of £20 each	=	1,500,000
Paid up, £10 per Share	=	750,000

THE balance sheet of this Bank, which, as its name implies, is essentially a merchant bank and not a deposit institution (the deposits for 1918 amounted only to £349,441 16*s.* 6*d.*), shows no striking differences when compared with that of the previous year. The acceptances on account of customers and advances under the Government scheme of September 5, 1914, are reduced to £220,103, which reflects principally a further reduction in pre-War outstandings. Current and other accounts, &c., show only a small variation—an increase of £21,428. Staff pension fund is slightly up, £25,410, as compared with £24,406 in 1917, the increase representing the interest with which that fund has been credited as usual. On the assets side, cash at bankers and loans at call and short notice show a decrease of £5,780. Advances, including Stock Exchange loans, are reduced by £8,915, due to further repayments of pre-War loans. In the securities there is a reduction of £61,953, the Bank having continued to take advantage of the opportunities that have presented themselves for realisation. Bills receivable is a fluctuating item and reveals a small increase of £16,137. Current and other accounts, &c., which is the big item on the assets side of the account, shows a reduction of £114,648. This item includes the Bank's outstandings in enemy countries, but the Bank reports that it has made adequate provision for losses that may occur in final liquidation of these accounts, which, however, it is hoped will be settled in full later on. The net profit shows a small improvement over that of last year, and after payment of the dividend of 5% for the year, the Bank carried forward £35,811, an increase of £3,727.

Last year's net profit was equal to 5.50% upon the paid-up capital, to 3.7% upon the combined

Liabilities and Assets of The London Merchant Bank, Ltd. (formerly the London and Hanseatic Bank, Ltd.)

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Current Accounts, &c. £	% *	Acceptances. £	% *	Staff Pension Fund. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918 ...	750,000	350,000	1,100,000	31·8	349,770	10·1	1,911,497	55·3	25,410	·7	73,311	2·1	3,459,988
1917 ...	750,000	350,000	1,100,000	30·2	328,306	9·0	2,131,601	58·7	24,406	·7	50,834	1·4	3,635,147
1916 ...	750,000	350,000	1,100,000	27·4	373,147	9·3	2,471,913	61·5	23,378	·6	48,005	1·2	4,016,443
1915 ...	750,000	350,000	1,100,000	26·2	161,326	3·8	2,877,205	68·4	22,300	·5	45,682	1·1	4,206,513
1914 ...	750,000	350,000	1,100,000	20·1	173,551	3·2	4,126,415	75·4	21,257	·4	47,943	·8	5,469,166
1913 ...	750,000	350,000	1,100,000	13·1	1,445,295	17·2	5,749,835	68·7	18,376	·2	64 891	·8	8,378,397
1910 ...	625,000	235,000	860,000	14·9	629,732	11·0	4,196,683	72·8	11,728	·2	67,051	1·1	5,765,194

ASSETS. Dec. 31	Cash in Hand and at Bankers. £	% *	Loans at Call and at Short Notice. £	% *	Investments. £	% *	Bills Receivable. £	% *	Current and Other Accounts. £	% *	Total Assets. £
1918 ...	63,705	1·9	145,000	4·2	188,547	5·4	137,884	3·9	2,924,852	84·6	3,459,988
1917 ...	54,481	1·5	160,000	4·4	250,500	6·9	121,748	3·3	3,048.415	83·9	3,635,147
1916 ...	54,608	1·4	160,000	4·0	286,903	7·1	147,922	3·7	3,367,010	83·8	4,016,443
1915 ...	39,272	·9	183,000	4·3	309,968	7·4	186,687	4·5	3,487,586	82·9	4,206,513
1914 ...	47,639	·9	398,540	7·3	340,742	6·2	156,727	2·9	4,525,518	82·7	5,469,166
1913 ...	52,867	·6	532,700	6·4	311,217	3·7	749,451	9·0	6,732,162	80·3	8,378,397
1910 ...	42,765	·8	509,000	8·8	284,380	4·9	554,065	9·6	4,374,984	75·9	5,765,194

* Per cent. of Total Liabilities or Assets.

BANQUE BELGE POUR L'ETRANGER

Société Anonyme.

(Filiale de la Société Générale de Belgique.)

CAPITAL - Frs. 50,000,000
RESERVES - Frs. 5,797,263

HEAD OFFICE: BRUSSELS, 66 Rue des Colonies.
LONDON OFFICE: 2 Bishopsgate, E.C. 2.

Branches at ROTTERDAM, CAIRO, ALEXANDRIA, TANTAH, SHANGHAI, TIENTSIN, PEKING.

Agents { Manchester: 31 Mosley Street. New York: 31 Pine Street.

LONDON COMMITTEE: Messrs. J. S. HASKELL, A. F. BUXTON, G. GRINNELL MILNE, Sir WM. GARSTIN, G.C.M.G., EMILE FRANCQUI, CHEVALIER DE WOUTERS.

CORRESPONDENTS IN ALL PARTS OF THE WORLD.

Undertakes all kinds of Banking Business. SPECIAL ATTENTION GIVEN TO EXCHANGE TRANSACTIONS WITH ALL COUNTRIES. Opening of Interest-bearing Accounts. Encashment of Clean and Documentary Drafts. Opening of Cash and Documentary Credits. Orders executed in all Stocks. Letters of Credit. Collection and Negotiation of Coupons, Drawn Bonds, &c.

COMMUNICATIONS being now RE-ESTABLISHED with the LIBERATED CONTINENTAL TOWNS, the Bank, which has *direct Agents in all places in Belgium*, will be pleased to furnish information relating to the re-opening of Commercial activity.

Apply: THE MANAGER, 2 BISHOPSGATE, E.C. 2.

Telegraphic and Cable Address—Chanbromac, London
Telephone—3970, 3971, 3972 London Wall

□ □ □

MacAFEE & COMPANY

LIMITED

5 Copthall Court, London, E.C. 2.

MERCHANT BANKERS

□ □

Dealers in Investment Bonds and Shares

□ □

Correspondents in all principal cities of the United States and Canada

capital and reserve, and to 1.8% upon the total working resources.

Profits of the London Merchant Bank, Limited.

Year to Dec. 31	Gross Profit.	Expenses.	Net Profit.	Dividend Subject to Tax. Earned.		Dividend Subject to Tax. Paid.	Special Allocat'ns.	Carried Forward.
	£	£	£	%	%	£	£	£
1918...	66,899	25,672	[41,227	5·50	5	37,500	—	35,811
1917...	68,483	28,513	40,330	5·37	5·0	37,500	—	32,085
1916...	67,366	27,543	39,823	5·31	5·0	37,500	—	29,255
1915...	67,744	27,755	38,989	5·19	5·0	37,500	—	26,932
1914...	78,278	29,468	48,810	6·51	6·5	48,758	—	25,443
1913...	126,328	35,489	90,839	12·92	8·49	59,734	27,000	25,391

Liabilities to the public on December 31, 1918, were £2,261,267, against which assets were held in the following proportions:—Cash, 2.8%; loans at call and at short notice, 6.5%; investments, 8.3%; bills receivable, 6.1%; and current and other accounts, 129.4%.

A full statement of assets and liabilities is given above.

MANCHESTER AND COUNTY BANK.

Head Office: 55 King Street, Manchester.

Capital—

Authorised		£5,500,000
Subscribed, 273,010 Shares of £20 each	=	5,460,200
Paid up, £4 per Share	=	1,092,040

Price of Share, £10⅞. *Div.*, 15%. *Yield*, £5 14*s.* 3*d.*%

The Manchester and County Bank was incorporated in 1862; the first branches were opened at Preston, Bacup, and Blackburn, and as showing how the business of the Bank has extended in Lancashire and contiguous counties, for which the Bank caters, it may be noted that 122 branches are now in full operation.

Originally the capital of the Bank was £3,500,000, of which £222,736 was paid up. Almost from the commencement the business of the Bank showed expansion, and in 1866 arrangements were made to absorb the Saddleworth Banking Company, an institution with an interesting local history, dating back to about 1760. For the purposes of this amalgamation it was decided to raise the capital of the Manchester and County Bank to £5,000,000. In 1871, the paid-up capital stood at £600,000, and in that year a further acquisition to the Bank's sphere of operations was seen in their absorption of the Bank of Stockport, an old-established banking institution with a capital of £60,000; the paid-up capital of the Manchester and County Bank was then increased to £660,000. In 1889 a bonus of £1 per share was given to shareholders by the simple expedient of transferring the amount required from the reserve to capital account, and by this step the paid-up capital was further increased to £704,000. In 1903 a similar bonus was given. In December 1896 a further addition to the Bank was made by amalgamation with the Bank of Bolton, and, following on this amalgamation, the authorised capital of the Manchester and County Bank was raised to £5,500,000. At this period the Bank's reserve exceeded its paid-up capital, the figures being: capital, £5,500,000; subscribed capital, £5,460,200; paid up, £873,632; reserve fund, £880,000. At present the authorised capital and the subscribed capital remain unchanged, but paid-up capital stands at £1,092,040, in 273,010 shares of £20 each, £4 paid, while reserve fund stands at £600,000. The reserve fund in 1910 was £1,060,000, but mainly by process of capitalisation of a portion of this amount reserve was reduced in that year to £850,000, and in order to provide a reserve for depreciation in investments, £250,000 has since been transferred to a separate fund, leaving the reserve fund at £600,000. It is stated to be the desire of the directors to restore this £250,000 to the reserve fund as quickly as possible, and in order to expedite this operation they propose from time to time to supplement the surplus out of the annual profits. For this purpose £40,000 is set aside from the 1918 profits, and this addition to the existing reserves makes it

22 Branches in South America

BRANCHES

ARGENTINA
Buenos Aires
Rosario
Mendoza
San Rafael
Bahia Blanca
Trelew
Comodoro Rivadavia
Puerto Deseado
San Julian
Santa Cruz
Rio Gallegos

URUGUAY
Montevideo

U.S.A.
New York

In preparing to extend your business abroad your financial representation should be carefully considered. Unfamiliarity with conditions in new markets has often led to costly experiments.

By means of twenty-two branches in the principal cities of South America, seven in France, Spain and U.S.A., and the affiliation of the Commercial Bank of Spanish America, Ltd., we are in a position to assist in solving your export problems.

BRANCHES

CHILE
Iquique
Antofagasta
Copiapo
Coquimbo
Valparaiso
Chilian
Talcahuano
Concepcion
Punta Arenas
Santiago

SPAIN
Barcelona
Bilbao
Madrid
Seville
Vigo

FRANCE
Paris

THE
ANGLO-SOUTH AMERICAN BANK Ltd.

CAPITAL and RESERVES, £6,472,714

Head Office: Old Broad Street, London, E.C. 2

sible to re-transfer £125,000 from the reserve for depreciation of investments to the reserve fund proper, which will thus be raised to £725,000. There has been a marked improvement during the year in the market value of the Bank's investments, which, with the provision previously made (including the £250,000 transferred from the reserve fund in 1916 and 1917 to meet the abnormal depreciation of those years), now show a substantial surplus; they amount to £3,810,278.

The net profit for 1918 shows a marked increase over the figures for the past two or three years; in 1916 net profit was £188,093, in 1917 £197,952, in 1918 £206,415. This amount is after making provision for bad and doubtful debts and payment of all expenses. Out of the net profit the directors paid a War bonus to staff, £25,101 3*s.* 6*d.* The dividends paid were 6*s.* per share of £4 paid in July last, and 6*s.* per share in January 1919, less income tax, equal to 15%, as against 14⅛% in 1917.

The net profit for last year was equal to 18.9% upon the paid-up capital, to 10.6% upon the combined capital and reserves, and to 1.2% upon the total working resources.

Profits of the Manchester and County Bank, Limited.

Year to Dec. 31	Net Profit	Div. Subject to Tax — Earned	Div. Subject to Tax — Paid		Special Allocations	Carried Forward
	£	%	%	£	£	£
1918 ...	206,415	18·9	15	163,806	40,000	66,053
1917 ...	197,952	18·1	14⅛	154,706	40,000	63,443
1916 ...	188,093	17·2	13⅓	145,605	50,000	60,196
1915 ...	166,901	15·3	13⅓	145,605	—	67,608
1914 ...	171,042	15·6	13⅜	150,155	—	46,413
1913 ...	193,929	17·7	14⅛	154,706	35,000	25,525

Turning to the balance sheet, we find:—

Liabilities to the public on December 31, 1918, were £18,185,901, against which assets were held in the following proportions:—Cash in hand and at call, &c., 29.9%; investments, 20.9%; bills of exchange, 24.4%; loans and advances, 32.2%.

Acceptances show a decrease of about half-a-million sterling at £506,126, but deposits, &c., have increased by over £3,000,000 to £17,679,775. Cash in hand, at call, and at short notice is at £5,434,490, over a million pounds increase since 1917. Bills discounted are £2,660,314 up at £4,439,006; loans and advances have fallen by £639,666.

The full figures for several years past are given below:—

MANCHESTER AND LIVERPOOL DISTRICT BANKING COMPANY.

Head Office: Spring Gardens, Manchester.

Capital—

Authorised	£9,480,000
Subscribed, 632,000 Shares of £15 each =	9,480,000
Paid up, £3 per Share ... ... =	1,896,000

Price of Share, £9⅝. *Div.*, 17$\frac{2}{10}$%. *Yield*, £5 14*s.* 0*d.*%

This Bank, as its name implies, is first and foremost a Lancashire institution; it has, however, an important London office in Cornhill, and also a foreign department of the Bank at Spring Gardens, Manchester, so that its interests are not exclusively concerned with the home trade of Manchester and district; it also cares for the foreign operations of its clients. The Bank is a very old-established concern; it was first formed in 1839 with a nominal capital of £3,000,000 in 30,000 shares of £100 each. Little is known of the early history of the Bank, but by December 31, 1874, the paid-up capital was £905,000, and the reserve fund £571,774. In 1888, 9,500 new shares were issued, bringing the paid-up capital to £1,000,000, and the premium on this issue brought up the reserve to the same figure. Twenty-five thousand new shares were issued in 1900, raising the paid-up capital to £1,250,000, and the premium on this issue, £753,544, was added to the reserve fund. In 1902 the paid-up capital stood at £1,250,000, and the reserve £2,015,000. Accordingly steps were taken to capitalise a portion of the reserves. To this end a payment of £2 per share was made to the shareholders, and at the same time a call of a like amount was made, to the payment of which the bonus might be added. As the result of this transaction the paid-up capital was increased to £1,500,000, and the reserve fund was reduced to £1,750,000, the amount paid up per share being increased from £10 to £12. At the end of 1906 the reserve fund, which had received further additions, stood at £1,845,000, but in 1907 £185,000 was transferred from it to meet the depreciation on investments. The present authorised subscribed capital is £9,480,000 in £15 shares, of which £1,896,000, or £3 per share, has been paid up, thus leaving a further liability of £2 callable and £10 reserved. The reserve fund, which at the end of 1910 stood at £1,750,000, was drawn upon to meet further depreciation in investments, and this and subsequent transfers brought the reserve to the figure at which it now stands—£1,550,000.

Business in Lancashire and adjacent counties has been steadily fostered by the Bank ever since its inception, but this has not stopped it from amalgamating with or absorbing other institutions where necessary in the interests of its constituents. In 1907 the Bank acquired the old-established business of the Lancaster Banking Company; in 1863, a private banking firm, Lloyd, Entwisle, Bury and Jervis was taken over. In 1892 the firm of Messrs. Brocklehurst and Company, of Macclesfield, was absorbed. In 1916 the Bank of Whitehaven was also purchased, and by this absorption the Manchester and Liverpool District Bank acquired a good connection with the Western border counties, in which the Bank of Whitehaven had nine branches. How great has been the extension of business by the "District" Bank may be judged from the fact that in 1900 only 96 branches of the Bank were open; at the end of last year 222 branches were operating.

The figures for the year 1917 showed a marked expansion in the affairs of the Bank, and those for 1918 indicate that the progress continues, both as regards profits and deposits. After making provision for bad and doubtful debts, the net profit for the year is £468,834, an increase of £27,193 over the figures for 1917. From the balance brought forward—

Liabilities and Assets of The Manchester and County Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up.	Reserve Fund.	Investment Fund.	Total Capital and Reserves.		Acceptances.		Deposits, &c.		Profit Balance.		Total Liabilities.
	£	£	£	£	%*	£	%*	£	%*	£	%*	£
1918 ...	1,092,040	600,000	250,000	1,942,040	9·5	506,126	2·5	17,679,775	87·1	189,129	·9	20,317,070
1917 ...	1,092,040	600,000	250,000	1,942,040	11·0	1,017,700	5·8	14,505,740	82·2	186,266	1·0	17,651,746
1916 ...	1,092,040	600,000	250,000	1,942,040	11·7	1,299.795	7·8	13,181,813	79·4	183,539	1·1	16,607,187
1915 ...	1,092,040	700,000	150,000	1,942,040	14·0	428,594	3·0	11,431,430	82·0	141,302	1·0	13,943,366
1914 ...	1,092,040	850,000	—	1,942,040	14·4	369,452	2·7	11,047,391	82·0	121,282	·9	13,480,165
1913 ...	1,092,040	850,000	—	1,942,040	14·2	718,329	5·3	10,875,579	79·8	103,397	·7	13.639,335
1910 ...	928,234	1,060,000	—	1,988,234	16·3	728,268	6·0	9,339,025	76·7	119,538	1·0	12,175,065

ASSETS. Dec. 31	Cash in Hand, at Call & Short Notice, &c.		Investments.		Bills Discounted.		Loans and Advances.		Liab. of Cust. for Acceptances.		Bank Premises, &c.		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1918	5,434,490	26·7	3,810,278	18·3	4,439,006	21·8	5,852,170	28·8	506.126	2·5	275,000	1·4	20 317,000
1917	4,343,306	24·6	3,745,212	21·2	1,778,692	10·1	6,491,836	36·8	1,017,700	5·8	275,000	1·5	17,651,746
1916	4,191,087	25·2	4,391.012	26·5	1,750,490	10·5	4,699,803	28·3	1,299,795	7·8	275,000	1·7	16,607,187
1915	2,717,817	19·5	4,643,457	33·3	704,393	5·1	5,171,105	37·1	428,594	3·1	275,000	1·9	13,943,366
1914	4,272,078	31·7	1,877,738	14·0	1,401,835	10·4	5,284,062	39·2	369,452	2·7	275,000	2·0	13,480,165
1913	3,373,193	24·7	1,765,882	12·9	1,983,745	14·5	5,573,186	40·9	718,329	5·3	225,000	1·7	13.639,335
1910	2,919,953	23·9	1,578,340	13·0	1,479,335	12·1	5,259,169	43·3	728,268	6·0	210,000	1·7	12,175,065

* Per cent. of Total Liabilities or Assets.

THE DEBT OF THE EMPIRE

One Thousand Guineas Award

The Proprietors of THE STATIST offer an award of 1,000 guineas for the best scheme for dealing with the Empire's debt created by the War.

The scheme submitted must be practical, non-Party, informative and original. It must be governed by economic conditions within the Empire, and a due regard to our Political, Economic, and Commercial relations with other countries.

The Basic Principles underlying Money and Trade, and the duty of those who control Wealth and encourage Production, must be observed.

The Proprietors of THE STATIST, while they invite each competitor to state his case in his own way, nevertheless desire to point out that where data or figures are employed it will be necessary to quote their source and authenticity.

Utopian ideas or chimerical schemes are not invited.

It will be a commendation if the scheme submitted can be instituted and made a practical working plan without dislocating to any great extent Vested Interests, and has at the same time the object in view of creating higher efficiency, increased production and the betterment of the conditions of the people.

A plan that could be easily adapted to modern conditions and made operative in the shortest possible time would have much to commend it.

Authoritative and competent judges will be asked to determine the values of the schemes submitted. Their names will be published in due course.

CONDITIONS—A.

The Competition is open only to British and Colonial born subjects within the Empire.

Every scheme submitted must have in view the maintenance, the integrity, the strength and the defence of the Empire, so that its adoption will be of the highest advantage to the Empire's interests and needs.

The present system of education in the Universities, Public, Elementary and State-controlled Schools, should come under review.

Competitors should be as concise as possible, and they should conclude their remarks with a summary of their proposal sufficiently clear to form the basis of instructions to a Parliamentary draughtsman.

The award will be given to that Essay which is best calculated to place the end in view within the range of practical attainment.

CONDITIONS—B.

Essays should be typewritten, on one side of the paper only.

No definite limit is fixed for contributions submitted, but 15,000 words should not be exceeded.

Each Essay to bear a *nom de plume* or number, and be accompanied by a sealed envelope bearing outside the *nom de plume* or number, and inside the real name and address of the writer.

The decision of the judges to be final and to be made public as soon as they have made their award.

In the event of the judges considering two essays of equal merit, or in the event of disagreement between the judges, power is reserved to divide the prize.

THE STATIST reserves to itself the right to publish, in whole or in part, the Prize Essay or Essays, and to make selections from unsuccessful Essays.

Unsuccessful Essays will be returned to competitors.

With the view of encouraging opinion from the most outlying of the Empire's Colonies and Dependencies, the closing date for receiving Essays is extended until December 1, 1919.

Competitors requiring further information on the subject will be good enough to mark their letters "National Debt Scheme," addressed to the Editor, "THE STATIST," 51 Cannon Street, London, E.C.4.

£139,914—a bonus to staff of £42,659 has been deducted. The amount of bonus for the previous year was £22,067, which was also deducted from the balance brought forward. The balance available for distribution amounted to £566,089, as against £521,714 for 1917. Out of this dividends amounting to 17% per annum, or 10*s.* 9*d.* per share, have been paid. A year ago £50,000 was transferred to reserve fund, and £139,914 carried forward. For 1918 £100,000 is transferred to investment account and £126,389 carried forward. The appropriation of £100,000 to investment account enables the directors to re-transfer to the reserve fund the £300,000 previously held in the balance sheet for depreciation of investments Current, deposit, and other accounts, £44,530,512, show an increase of £4,000,000. For 12 successive years the Bank's deposits have shown a steady yearly increase, and a large part of this is due to the opening of branches in the suburban and agricultural districts served by the Bank. Acceptances, £1,567,079, are less than half the amount at which they stood in 1917. This is mainly due to the acceptance of bills for cotton imported. At the end of 1917, owing to transport difficulties, the bills which were drawn upon the Bank were delayed. The reduction from this cause has, however, since been made up; the remainder is due to the maturing acceptances which were undertaken for credits in connection with the War.

On the other side of the balance-sheet assets were: Cash in hand and at the Bank of England, £7,192,478—in round figures an increase of just over £1,000,000. Bills of exchange amount to £14,705,232, an increase of £3,630,000; in this figure is included Treasury bills to the amount of £12,000,000. Investments—£8,903,718—are approximately the same as a year ago. Advances in current accounts—£13,412,862—show a decrease of £1,195,258, which is more than accounted for by a decrease of nearly two million pounds in the advances made to customers in connection with the last War Loan in the early part of 1917. Commercial advances, apart from War-loan advances, show an increase of nearly three-quarters of a million pounds; and, as stated at the general meeting, there is no doubt that the advances made by the "District" Bank play an important part in the commercial prosperity of Lancashire and the adjacent counties. The Bank, while maintaining a steady dividend for its shareholders, never loses sight of its tradition for a high duty towards the community it serves.

Bank property remains at the same figure—£50,000. A new branch has been opened in Carlisle, and the Bank has in contemplation the opening up of other offices in the North and elsewhere to link up its branches in different districts.

The total resources—£49,843,781—are the highest ever shown by the Bank, and the strength of these resources, it is stated, lies in the very large number of small accounts the Bank has.

Special mention might be made of the Bank's foreign department, which specialises in the financial facilities required by exporters and importers. The growth of this business has been so great in recent years that the Bank was obliged to open separate premises adjoining the head office in Spring Gardens, Manchester. In addition, they have working arrangements with numerous foreign, colonial, and other banks.

In this connection it might be noted that the Bank pays special attention to the education of its staff. The head of its foreign department and other members of its staff hold the B.Com. degree of Manchester University, and every assistance is given to members of the staff to utilise the lectures on banking and kindred subjects given in the university.

We give below our usual figures, from which it

Hongkong and Shanghai Banking Corporation.

CAPITAL, ALL PAID UP		$15,000,000
STERLING RESERVE, held in London at exchange of 2s. per $ =£1,500,000	$15,000,000	
SILVER RESERVE	21,000,000	
		36,000,000
RESERVE LIABILITY OF PROPRIETORS...		15,000,000

Head Office - - HONGKONG.

Chief Manager: N. J. STABB.

BRANCHES AND AGENCIES:

Amoy, Bangkok, Batavia, Bombay, Calcutta, Canton, Colombo, Foochow, Hankow, Harbin, Hongkew (Shanghai), Ipoh, Johore, Kobe (Hiogo), Kuala Lumpur, London, Lyons, Malacca, Manila, Nagasaki, New York, Peking, Penang, Rangoon, Saigon, San Francisco, Shanghai, Singapore, Sourabaya, Tientsin, Tsingtao, Vladivostok, Yloilo, Yokohama.

LONDON COMMITTEE:

Henry Keswick, Esq. A. M. Townsend, Esq.

MANAGERS IN LONDON:

SIR CHARLES ADDIS. H. D. C. JONES.

Sub-Manager, John MacLennan. Accountant, W. M. Blackie.

9 GRACECHURCH STREET, LONDON, E.C. 3.

THE DAI-ICHI GINKO LIMITED

(FORMERLY THE FIRST NATIONAL BANK)

Established 1873.

SUBSCRIBED CAPITAL -	Yen 22,700,000
PAID-UP CAPITAL	Yen 20,550,000
RESERVE FUND -	Yen 14,600,000

PRESIDENT:
YUNOSUKE SASAKI, Esq.

DIRECTORS:

Y. SASAKI, Esq., Chairman.
BARON H. MITSUI.
T. KUMAGAI, Esq.
Y. KUSAKA, Esq.
S. SASAKI, Esq.
PRINCE Y. TOKUGAWA.
G. TANAKA, Esq.
K. ISHII, Esq.
K. SAIONJI, Esq.

ADVISER:
BARON E. SHIBUSAWA.

Head Office:

No. 1 KABUTOCHO, NIHONBASHIKU, TOKYO.

Branches:

Isecho (Tokyo), Shin-Osakacho (Tokyo), Fukagawa (Tokyo), Marunouchi (Tokyo), Yokohama, Nagoya, Yokkaichi, Kyoto, Nishijin (Kyoto), Gojo (Kyoto), Fushimi, Osaka, Nishiku (Osaka), Minamiku (Osaka), Honmachi (Osaka), Kobe, Hyogo, Hiroshima, Shimonoseki, Chofu, Moji, Fukuoka, Kumamoto, Hakodate, Otaru, Sapporo, Seoul, Fusan.

London & New York Bankers:

LONDON.	NEW YORK.
London County Westminster & Parr's Bank, Ltd.	The National City Bank of New York.
The London Joint City & Midland Bank, Ltd.	The National Bank of Commerce in New York.
The Yokohama Specie Bank, Ltd.	The Yokohama Specie Bank, Ltd.

Correspondence:

The Bank, in addition to its own Branches, has numerous Agencies or Correspondents in the principal Cities and Towns at Home and Abroad.

Current Accounts opened on the usual terms. Deposits for Fixed Periods received at rates which may be ascertained on application. Drafts issued and Telegraphic Transfers made. Foreign Exchange bought and sold. Commercial and Circular Letters of Credit issued. Bills, Cheques and other documents collected. Every description of General Banking Business transacted.

will be seen that the net profit for last year was equal to 24.7% upon the paid-up capital, to 13.6% upon the combined capital and reserve funds, and to 1.0% upon the total working resources.

Profits of the Manchester and Liverpool District Banking Company, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Dividend Subject to Tax — Earned %	Dividend Subject to Tax — Paid %	Special Allocatn's £	Carried Forward £
1918 ...	—	—	468,835	24·7	17½	339,700	100,000	126,389
1917 ...	—	—	411,642*	21·7	17½	331,800	50,000	139,914
1916 ...	672,821	305,625	367,196	19·3	17½	331,800	70,000	80,072
1915 ...	625,623	244,819	380,804	20·1	17½	331,800	—	114,676
1914 ...	623,318	242,579	380,739	20·1	18·1	344,532	20,000	65,672
1913 ...	620,232	221,243	398,989	21·0	18·6	352,354	40,000	49,465

* After payment of War bonus, calling for "approximately £30,000."

Liabilities to the public at the end of December last were £46,097,592, against which assets were held in the following proportions:—Cash in hand, &c., 15.6%; money at call and at short notice, including Stock Exchange loans, 7.7%; investments, 19.3%; bills of exchange (including Treasury bills), 31.9%; advances, 29.1%.

MERCANTILE BANK OF SCOTLAND.

Head Office: 53 West Regent Street, Glasgow.

Capital—

Authorised, 100,000 Shares of £1 each ...	£100,000
Issued, 28,140 Shares, £1 each	28,140
Paid up, 10*s.* per Share	14,070

BEFORE the War this small Scottish Bank was making a sufficiently prosperous turnover to enable it to pay a tax-free dividend of 5%; since 1914, however, its operations have been badly handicapped, and in consequence no dividends have been paid for the last four years. Accounts are made up to March 31, 1918, and in their report, submitted at the general meeting held on December 23 last, the revenue for the year 1917-18 was shown to have amounted to £5,009 0*s.* 5*d.*, and the expenditure, including interest on deposits, to £5,583 5*s.* 4*d.* There was thus a loss for the year of £574 4*s.* 1*d.* Deducting this sum from the balance of £83 15*s.* 1*d.* brought forward from the previous year, a net balance of £490 9*s.* 10*d.* is left at the debit of

Liabilities and Assets of The Manchester and Liverpool District Banking Company, Limited.

LIABILITIES.

Dec. 31	Capital Paid up. £	Reserve Fund. £	Inv. Deprec. Reserve. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918...	1,896,000	1,550,000	—	3,446,000	6·9	1,567,079	3·2	44,530,513	89·3	300,189	·6	49,843,781
1917...	1,896,000	1,250,000	300,000	3,446,000	7·2	3,261,935	6·9	40,592,886	85·3	305,814	·6	47,606,635
1916...	1,896,000	1,200,000	300,000	3,396,000	8·1	2,795,954	6·7	35,346,576	84·6	268,040	·6	41,806,570
1915...	1,896,000	1,410,000	200,000	3,506,000	10·1	2,010,542	5·8	28,666,699	83·2	281,470	·9	34,464,711
1914...	**1,896,000**	1,610,000	—	**3,506,000**	**10·8**	**2,053,961**	**6·2**	**27,412,987**	**82·6**	**219,066**	**·7**	**33,191,014**
1913...	1,896,000	1,600,000	—	3,496,000	10·8	2,688,757	8·3	25,916,689	80·2	216,724	·7	32,318,170
1910...	1,896,000	1,750,000	—	3,646,000	12·7	2,402,031	8·4	22,523,160	78·3	176,887	·6	28,748,079

ASSETS.

Dec. 31	Cash in Hand, &c. £	% *	Money at Call & at Short Notice, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances £	% *	Bank Premises, &c. £	% *	Total Assets. £
1918...	7,192,479	14·4	3,562,409	7·1	8,903,719	17·9	14,705,232	29·5	13,412,863	26·9	1,567,079	3·2	500,000	1·0	49 843,781
1917...	6,185,094	13·0	3,033,861		8,942,616	18·8	11,075,009	23·2	14,608,120	30·7	3,261,935	6·9	500,000	1·0	47,606,635
1916...	5,325,209	12·7	4,220,929	10·9	9,900,237	23·7	6,646,967	15·9	12,417,274	29·7	2,795,954	6·7	500,000	1·2	41,806,570
1915...	4,100,476	11·9	2,213,109	6·4	10,839,262	31·5	1,682,944	4·9	13,118,378	38·1	2,010,542	5·8	500,000	1·4	34.464,711
1914...	**3,601,142**	**10·8**	**3,793,922**	**11·5**	**4,502,552**	**13·5**	**4,762,626**	**14·4**	**13,977,811**	**42·1**	**2,053** 961	**6·2**	**500,000**	**1·5**	**33,191,014**
1913...	3,480,025	10·7	3,741,597	11·6	3,530,352	10·9	4,806,296	15·0	13,571,143	42·0	2,688,757	8·3	500,000	1·5	32,318,170
1910...	2,718,815	9·5	2,736,117	9·5	3,826,792	13·3	3,589,255	12·5	12,975,068	45·1	2,402,032	8·4	500,000	1·7	28,748,079

* Per cent. of Total Liabilities or Assets.

TOTAL ASSETS
EXCEED
£17,000,000

ESTD 1836
THE LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY LIMITED

TOTAL CLAIMS PAID
OVER
£93,000,000

FIRE. LIFE. ACCIDENT. MARINE.

ANNUITIES, LEASEHOLD REDEMPTION, BURGLARY, FIDELITY GUARANTEE, MOTOR CAR, PLATE GLASS, PERSONAL ACCIDENT, WORKMEN'S COMPENSATION, SICKNESS, LIVE STOCK, LOSS OF PROFITS, ETC.

FIRE: The large resources of the Company give absolute security, and the magnitude of its business enables it to accept Insurances upon the most favourable terms.

LIFE: The Large Reversionary Bonus of 35/- per Cent. per Annum has been consistently maintained for 43 years.

ACCIDENT: All classes of business transacted at moderate rates. The Householder's Combined Domestic Policy is issued, insuring, in one policy, against Fire, Burglary and Liability for Domestic Servants.

MARINE: Every description of Marine Insurance transacted. For rates apply to any of the Company's Offices.

Head Office:
1 DALE ST., LIVERPOOL.

London Chief Office:
1 CORNHILL, E.C.

BRANCHES and AGENCIES in all Parts of the WORLD.

profit and loss account to be carried forward to the next account. It is stated that this unfavourable result is due in a great measure to the income tax, amounting to over £900, which has been deducted from interest on the Bank's investments, and the recovery of which is having the directors' attention. With the end of the War it is hoped that there will be an increased demand for discounts and other banking accommodation, of which during the War this Bank has experienced a great dearth.

The following details of profit and loss and liabilities and assets will show the position of the Bank since 1911.

Profits of the Mercantile Bank of Scotland.

Year ended March 31	Gross Profit	Expenses	Net Profit	Div. Subject to Tax — Earned	Paid —		Special Allocatn's	Carried Forward
	£	£	£	%	%	£	£	£
1918...	5,009	5,583	Dr.574	—	Nil	—	—	Dr.490
1917...	5,446	6,071	Dr.625	—	Nil	—	—	84
1916...	6,589	5,993	596	4·21	Nil	—	500	709
1915...	8,108	6,604	1,444	10·26	Nil	—	1,500	613
1914...	8,259	6,695	1,564	11·11	5·3	746	750	669
1913...	7,808	6,286	1,522	10·82	5·3	746	750	601

Liabilities and Assets of the Mercantile Bank of Scotland, Limited.

LIABILITIES. March	Capital Paid up.	Reserve.	Total Capital and Reserve.		Deposits and Current Accounts.		Bank Overdraft, &c.		Profit Balance.		Total Liabilities.
	£	£	£	%*	£	%*	£	%*	£	%*	£
1918...	14,070	5,000	19,070	11·9	141,445	88·1	94†	—	—	—	160,609
1917...	14,070	5,000	19,070	13·3	111,261	79·6	10,015	7·0	179	·1	143,525
1916...	14,070	9,250	23,320	14·4	137,539	85·1	—	—	838	·5	161,697
1915...	14,070	10,500	24,570	13·3	159,368	86·3	—	—	774	·4	184,712
1914...	14,070	10,500	24,570	12·7	168,283	86·7	—	—	1,178	·6	194,031
1911...	14,070	8,250	22,320	12·2	158,403	87·2	—	—	976	·6	181,699

ASSETS. March	Cash in Hand, &c.		Invests.		Advances, Bills Discounted, &c.		Office Furniture, &c.		Total Assets.
	£	%*	£	%*	£	%*	£	%*	£
1918...	27,788	17·3	94,058	58·6	38,041	23·7	232	·4	160,609‡
1917...	5,879	4·1	93,984	65·5	43,420	30·2	242	·2	143,525
1916...	17,566	10·8	96,099	59·4	47,672	29·5	360	·3	161,697
1915...	17,792	9·7	112,569	61·0	53,974	29·0	377	·3	184,712
1914...	29,532	15·2	104,857	54·1	59,257	30·5	385	·2	194,031
1911...	22,658	12·4	93,391	51·4	65,392	36·0	258	·2	181,699

* Per cent. of Total Liabilities or Assets.
† Unpaid dividends. ‡ Includes profit and loss debit of £490.

MUNSTER AND LEINSTER BANK.

Head Office: Cork.

Capital—

Authorised		£1,000,000
Subscribed, 100,000 Shares of £5 each	=	500,000
Paid up, £2 per Share	=	200,000

Price of Share, £8⅜. *Div.*, 18%. *Yield*, £4%

THE Munster and Leinster Bank, Limited, came into being in September, 1885; it started by taking over the business of the old Munster Banking Co., from the creditors of which Bank was purchased their interest in 33 branches. The Munster and Leinster Bank, however, commenced its operations with 12 offices, and opened the remaining 21 branches a short time afterwards. Five years later, the number of branches had increased to 48, five years afterwards the number was 55, and so rapid was the expansion of business that practically every year saw a larger number of offices of the Bank doing a profitable business. In 1911, 82 offices were open, and so well chosen were the districts in which the Bank was represented that the number of clients showed an increase year by year. At the end of December 1918 no less than 122 branches of the Bank were in full working order.

The first balance sheet showed the paid-up capital to be £137,723. By 1890 the paid-up capital had increased to £199,510, and the reserve fund stood at £150,000. The paid-up capital has since been gradually increased to £200,000, at which figure it now stands. The authorised capital is 200,000 shares of £5 each, £1,000,000; subscribed capital of 100,000 shares of £5 each, £500,000; reserve fund, £400,000. £2 per share is paid up.

For some years up to 1918 the Bank had paid a steady dividend of 16% per annum. For the year 1918 the profits of the Bank were considerably higher than in the previous year, the net profit having risen from £80,345 to £104,253. This net profit was equal

Bank of British West Africa, Limited

ESTABLISHED 1894.

Bankers to the Governments of the Colonies of the GAMBIA SIERRA LEONE, GOLD COAST and NIGERIA.

HEAD OFFICE:

17 & 18 LEADENHALL STREET, LONDON, E.C. 3.

Liverpool Office: 25 WATER STREET.

Manchester Office: 106-108 PORTLAND STREET.

New York Office: 6 WALL STREET.

Authorised Capital - - - - -	**£2,000,000**
Subscribed Capital - - - - -	**£1,450,000**
Called-up Capital - - - - -	**£580,000**
Reserve - - - - - - -	**£237,500**

Directors:

The Rt. Hon. THE EARL OF SELBORNE, K.G., G.C.M.G. (Chairman).
CLIFFORD B. EDGAR, Esq., M.P. GEO. W. NEVILLE, Esq. [M.P.
D. Q. HENRIQUES, Esq., J.P. SIR OWEN PHILIPPS, G.C.M.G.,
GEORGE MILLER, Esq. MAZZINI STUART, Esq., J.P.
W. F. MOORE, Esq. O. HARRISON WILLIAMS, Esq.

General Manager - - - - LESLIE COUPER, C.M.G.
Asst. Managers G. A. LESTER, D. W. PATERSON.
Secretary - - - - - - - J. R. BINGHAM.

BRANCHES:
West Africa.

GAMBIA—Bathurst.

SIERRA LEONE—Freetown, Sherbro.

LIBERIA—Monrovia.

GOLD COAST AND ASHANTI—Accra, Axim, Cape Coast, Coomassie, Koforidua, Nsawam, Saltpond, Seccondee, Tarquah, Winnebah.

TOGOLAND—Lome.

NIGERIA—Abeokuta, Calabar, Ebute Metta, Forcados, Ibadan, Jos, Kaduna, Kano, Lagos, Lokoja, Onitsha, Port Harcourt, Warri, Zaria.

FERNANDO PO—Santa Isabel.

CANARY ISLANDS—Las Palmas.

MOROCCO—Casablanca, Fez, Marrakech, Mazagan, Saffi, Tangier.

EGYPT—Alexandria.

Agencies throughou West Africa—Morocco—Egypt.

LONDON and BRAZILIAN BANK

LIMITED.
(Established 1862.)

Capital, in 125,000 Shares of £20 each ...	£2,500,000
Paid-up Capital	£1,250,000
Reserve Fund	£1,400,000

Head Office:

7 TOKENHOUSE YARD, LONDON, E.C. 2.

Manchester Agency:
WILLIAMS DEACON'S BANK, LTD.,
Foreign Exchange, Shipping and Agency Dept.,
YORK STREET, MANCHESTER.

Belfast Agency:
NORTHERN BANKING CO., LTD.

BRANCHES.

Brazil—Rio de Janeiro, Manáos, Pará, Maranhão, Ceará, Pernambuco, Bahia, Santos, São Paulo, Curityba, Rio Grande do Sul Porto Alegre, Pelotas.
River Plate—Montevideo, Buenos Ayres, Rosario.
United States—New York (Agency).
France—Paris (5 Rue Scribe).
Portugal—Lisbon, Oporto.

Agents or Correspondents throughout the world. Bills negotiated, advanced upon, or sent for collection. Exceptional banking facilities offered through the Branches of the Bank and its numerous Agents and Correspondents for the promotion of Trade with **South America and Portugal.**

Liabilities and Assets of The Munster and Leinster Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Deposits. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918	200,000	400,000	600·000	3·6	15,916,897	96·2	30,000	·2	16,546,897
1917	200,000	315,000	515,000	4·2	11,714,416	95·3	55,897	·5	12,285,313
1916	200,000	300,000	500,000	5·2	9,058,512	94·5	27,802	·3	9,586,314
1915	200,000	320,000	520,000	6·4	7,569,544	93·0	48,923	·6	8,138,467
1914	200,000	342,500	542,500	6·9	7,208,716	92·5	41,904	·6	7,793,120
1913	200,000	330,000	530,000	7·2	6,766,711	92·2	38,064	·6	7,334,775
1910	200,000	320,000	520,000	8·4	5,649,525	91·0	34,844	·6	6,204,369

ASSETS. Dec. 31	Cash in Hand and with other Banks. £	% *	Money at Call and at Short Notice. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Bank Premises Account. £	% *	Total Assets. £
1918 ...	2,349,073	14·2	1,000,000	6·0	6,047,732	36·6	3,380,445	20·4	3,684·775	22·3	84·872	·5	16,546,897
1917 ...	1,591,479	13·0	1,550,000	12·6	2,242,012	18·2	3,725,195	30·3	3,091,838	25·2	84,789	·7	12,285,313
1916 ...	1,399,504	14·6	458,788	4·8	2,387,896	24·9	2,392,842	24·9	2,863,255	29·9	84,029	·9	9,586,314
1915 ...	1,426,947	17·5	399,189	5·0	2,440,579	30·0	941,451	11·6	2,850,559	35·0	79,742	·9	8,138,467
1914 ...	843,166	10·8	1,329,842	17·1	1,766,963	22·6	994,766	12·8	2,780,180	35·7	78,198	1·0	7,793,120
1913 ...	520,744	7·1	1,303,237	17·7	1,710,299	23·3	979,620	13·4	2,749.069	37·5	71,606	1·0	7,334,775
1910 ...	475,198	7·7	1,175,144	18·9	1,470,499	23·7	887,496	14·3	2,145,401	34·6	50,651	·8	6,204,369

* Per cent. of Total Liabilities or Assets.

to 52.12% upon the paid-up capital, to 17.4% upon the combined capital and resources, and to .6% upon the total working resources, and in face of this very satisfactory result the directors were again able to pay an increased dividend, 17.5%, as against 16.5% for the previous year. It has always been the directors' practice when considering an addition to the rate of dividend, to convince themselves that, as far as their judgment and foresight enabled them to estimate, they would be capable of maintaining the enhanced rate, and this year it is stated that they have been at pains to make the same cautious examination of the position of the Bank.

Out of profits they have added to reserve fund during the year £65,000, thus raising it to £400,000, the highest point which it has ever reached. Obligations to clients in respect of deposits and current accounts again show very remarkable expansion. In 1917 the increase exhibited over the preceding twelve months, £2,655,904, was the largest ever recorded; in 1918 the figures disclosed a growth which is considerably greater still. Deposits and current accounts at the end of December 1917 were £11,714,416, and during 1918 they increased to £15,916,896—that is to say, by £4,202,481. This increase is due mainly to the continuance of high prices for every kind of agricultural produce. It may be taken, speaking roughly, to represent the savings for the past year of the Bank's customers among the farming class, and is a clear indication of the confidence of the public in the position and stability of the Bank.

On the other side of the balance sheet the figures are equally satisfactory. Cash in hand and with other banks stands at £2,349,073, as against £1,591,479 in 1917. Money at call and short notice is, however, down from £1,550,000 to £1,000,000. Investments now stand at £6,047,732, as against £2,242,012. Bills discounted, £5,380,445, include £2,350,000 in Government Treasury bills. Therefore, the total of what may be called the Bank's liquid assets at the end of December 1918 showed a proportion of 73%, as compared with their commitments to customers, which, needless to say, is a position of great strength. Advances on securities and on current accounts amount

DEATH DUTIES

are already a heavy charge on all estates, and the present Finance Bill provides for INCREASES that in some cases **DOUBLE** the present rates.

A DEATH DUTY POLICY

WITH THE

PRUDENTIAL

enables you to meet these duties by Instalments, and avoids the necessity for realisation of securities or other property and the loss inseparable from a forced sale.

In addition a substantial rebate of Income Tax is secured on the premiums paid.

Special quotations will be given to meet individual cases, so that the greatest advantage may be secured.

For full particulars apply to—

The PRUDENTIAL ASSURANCE CO., LTD.

142 Holborn Bars, London, E.C. 1. *Or any of its Agents.*

to £3,684,775, as against £3,091,838 for 1917. Bank premises stand at £84,872, as compared with £84,789 in the previous year. The carry-forward to the new profit and loss account is £17,400 12*s.* 4*d.*

The following statement shows the profits earned and distributed since 1913:—

Profits of the Munster and Leinster Bank, Limited.

Year to Dec. 31	Net Profit	Div. Subject to Tax—Earned	Div. Subject to Tax—Paid—		Special Allocations	Carried Forward
	£	%	%	£	£	£
1918 ...	104,253	52·12	17·5	35,000	70,000	17,400
1917 ...	80,345	40·17	16·5	33,000	45,000	18,147
1916 ...	67,479	33·73	16·0	32,000	35,000	15,802
1915 ...	67,472	33·73	16·0	32,000	35,000	15,3.3
1914 ...	58,874	29·43	16·0	32,000	25,000	14,871
1913 ...	55,938	27·96	16·0	32,000	27,000	12,997

Against total liabilities to the public of £15,916,897 on December 31, 1918, assets were held in the following proportions:—Cash, 14.8%; call money, 6.3%; investments, 37.9%; bills discounted, including Treasury bills, 21.2%; advances, 23.1%.

NATIONAL BANK.

Head Office: 13 Old Broad Street, London, E.C. 1.

Capital—

Authorised £7,500,000
Subscribed, 150,000 Shares of £50 each = 7,500,000
Paid up, £10 per Share ... ... = 1,500,000
Price of Share, £20. *Div.,* 12%. *Yield,* £6 2*s.* 5*d.*%

This Bank first started business at Carrick-on-Suir in January 1835. As a commencement the authorised capital was £1,000,000 in £50 shares, and on December 31, 1835, the paid-up capital amounted to £374,000. New shares were issued from time to time and powers taken to increase both the authorised and paid-up capital. In 1862 the capital paid up stood at £600,000; in 1863 at £700,000; in 1864, £900,000. In the course of the year 1864 it was decided to withdraw from the reserve fund £300,000 for the purpose of issuing as a bonus 10,000 shares. As the result of this distribution, on December 31,1865, the paid-up capital amounted to £1,500,000, at which figure it stands at the present day. The subscribed capital is £7,500,000. The serious financial crisis of 1866 resulted in severe losses to the National Bank, among other financial institutions, and in consequence it became necessary to make heavy inroads upon the reserve fund, no less than £500,000 having to be withdrawn. Since that period, however, strenuous efforts have been made to bring the reserve up to a level consistent with the amount of the paid-up capital, and it is very satisfactory to note from the balance sheet of December 31, 1918, that the Rest, or undivided profits (Government securities), amounts to £665,000, whilst there is also a special reserve for depreciation in investments (Government securities), amounting to £180,000. As compared with 1917 the latter reserve is £40,000 lower, and the Rest £165,000 higher. When addressing the shareholders in July 1918, the Chairman of the Bank pointed out the fact that the sum of £220,000 appearing in the balance sheet as a special reserve for depreciation in the Bank's non-terminable securities, was more than sufficient to cover any deficiency then existing. He also gave as his considered opinion that the termination of hostilities should see an appreciation in the values of the stocks held. His anticipations in this connection proved correct, and the deficiency found on the valuations as taken on December 31 last showed depreciation to be fully covered by the sum of £180,000. In these circumstances it was decided to reduce the item of special reserve in the balance sheet from £220,000 to the figure named, £180,000. The transferring of the balance, £40,000, together with £70,000 out of the net profits of last half-year, to the rest, will raise that fund to £735,000, the highest it has ever stood in the history of the Bank.

In the case of the National Bank it is rather interesting to note that its business has been almost entirely built up by the opening of branches. Nothing in the nature of the present-day amalgamations has ever taken place in the history of the Bank, and the only instance of another business being taken over was in 1847, when the National Bank absorbed the London & Dublin Bank. There has been a steady increase in the number of branches opened:—in 1901, 114 branches were in operation; in 1911, 137 were open; while in 1918 the total had increased to 200. The head office of the Bank is in Dublin, but the Bank has a London branch in Old Broad Street.

Notes in circulation on December 31 last exhibited an expansion of £460,000, and the large figure to which the Bank's note circulation now amounts, £3,250,000, pointing, as it does, to increased activity in business, must be regarded as further evidence of Ireland's prosperity. In the Chairman's opinion the actual expansion referred to is, in some measure, likely to be due to the fact that, gold coin being no longer available, loose cash, in the form of paper, is more freely carried for daily wants, and the additional stamp duty on cheques must not be forgotten as a factor in the situation. In the previous year there was an expansion in deposits and current accounts of nearly 4 millions sterling. In the year under review a new record is established, the increase being no less than £6,900,000. Of this large amount, over £5,000,000 comes from the Bank's Irish customers. The total amount is £28,270,257.

On the assets side of the account, the first item, cash in hand, has increased by £325,000, but in money at call and short notice the figures are larger by £5,800,000—a very substantial increase in the liquidity of the Bank's assets. Among the investments, Government securities and Corporation stocks show an increase of £350,000. This amount is represented by additions to the Bank's holdings in Exchequer and National War Bonds. Advances on securities have gone up by £670,000, and there is an increase in bills

CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA,

38 BISHOPSGATE, LONDON, E.C. 2.

Incorporated by Royal Charter.

CAPITAL - - - £1,200,000
RESERVE FUND - £2,100,000

COURT OF DIRECTORS.

Sir MONTAGU CORNISH TURNER, Chairman.
Sir DUNCAN CARMICHAEL.
THOMAS CUTHBERTSON, Esq.
Sir ALFRED DENT, K.C.M.G.
WILLIAM HENRY NEVILLE GOSCHEN, Esq.
The Right Hon. LORD GEORGE HAMILTON, G.C.S.I.
WILLIAM FOOT MITCHELL, Esq.
LEWIS ALEXANDER WALLACE, Esq.

T. H. WHITEHEAD, W. E. PRESTON, *Managers.* J. S. BRUCE, *Sub-Manager.*

AGENCIES AND BRANCHES.

AMRITSAR	ILOILO	PUKET
BANGKOK	IPOH	RANGOON
BATAVIA	KARACHI	SAIGON
BOMBAY	KLANG	SEREMBAN
CALCUTTA	KOBE	SHANGHAI
CANTON	KUALA LUMPUR	SINGAPORE
CEBU	MADRAS	SOURABAYA
COLOMBO	MANILA	TAIPING (F.M.S.)
DELHI	MEDAN	TAVOY
HAIPHONG	NEW YORK	TIENTSIN
HANKOW	PEKING	YOKOHAMA
HONG KONG	PENANG	

BANKERS.

THE BANK OF ENGLAND.
THE LONDON JOINT CITY AND MIDLAND BANK, LIMITED.
THE LONDON COUNTY WESTMINSTER AND PARR'S BANK, LIMITED.
THE NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED.
THE NATIONAL BANK OF SCOTLAND, LIMITED.

The Corporation buy and receive for collection Bills of Exchange, grant Drafts payable at the above Agencies and Branches, and transact general Banking business connected with the East. Deposits of Money are received for fixed periods at terms which may be ascertained on application; interest payable half-yearly, 30th June and 31st December. On Current Accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances provided they do not fall below £200.

THE NATIONAL SHAWMUT BANK OF BOSTON, MASSACHUSETTS

U.S.A.



Established 1837 *Cable Address : QUOSHAWMUT*

Capital - - - - - - - - $10,000,000

Surplus and Undivided Profits over - $10,000,000

Transacts general Foreign Banking Business, and meets all modern financial needs of importers, exporters and bankers at home and abroad. Correspondence invited.

London Correspondents :

LONDON JOINT CITY AND MIDLAND BANK, LIMITED.

BARCLAYS BANK LTD. LLOYDS BANK LTD.

THE PHILADELPHIA NATIONAL BANK.

Organised 1803.

115 Years of Service.

Capital, Surplus and Undivided Profits - - - £2,000,000

Deposits - - - - - - - - - - £20,000,000

Total Resources - - - - - - - - - £30,000,000

The largest National Bank in the State of Pennsylvania invites you to correspond with it relating to Banking. Credit information, or any subject in which you may be interested.

London Correspondents :

LONDON JOINT CITY AND MIDLAND BANK, LTD. BARCLAYS BANK LIMITED.

LLOYDS BANK LIMITED.

The National City Bank of New York

CONDENSED STATEMENT, December 31, 1918

ASSETS		
Cash on hand, in Federal Reserve Bank and Due from Banks and Bankers and United States Treasurer	$226,380,627.75	
Acceptances of Other Banks	44,192,127.13	
United States Treas. Certificates	97,650,000.00	
		$368,222,754.88
United States Bonds	15,180,093.78	
Loans and Discounts	418,139,778.29	
Bonds and other Securities	39,845,266.21	
		473,165,138.28
Other Assets		45,805,165.44
		$887,193,058.60

LIABILITIES	
Capital, Surplus and Undivided Profits	$76,412,478.88
Deposits	751,498,206.98
Circulation	1,445,200.00
Bills Payable and Foreign Bills of Exchange Sold	27,557,026.59
Acceptances, Cash Letters of Credit and Travellers' Checks	19,969,953.16
Other Liabilities	10,310,192.99
	$887,193,058.60

Branch Banks equipped with full Banking Functions located at

BUENOS AIRES, ARGENTINA (2)
ROSARIO, ARGENTINA
BAHIA, BRAZIL
RIO DE JANEIRO, BRAZIL
SANTOS, BRAZIL
SAO PAULO, BRAZIL
SANTIAGO DE CHILE
VALPARAISO, CHILE
MONTEVIDEO, URUGUAY
CARACAS, VENEZUELA
CAMAGUEY, CUBA.
CARDENAS, CUBA
CIENFUEGOS, CUBA
HAVANA, CUBA
MATANZAS, CUBA
SAGUA LA GRANDE, CUBA
SANTIAGO DE CUBA
SAN JUAN, PORTO RICO
GENOA, ITALY
MOSCOW, RUSSIA
PETROGRAD, RUSSIA

Total of 46 Branch Banks, including those of the International Banking Corporation.

JAMES A. STILLMAN, Chairman FRANK A. VANDERLIP, President

Correspondents Invited

Liabilities and Assets of The National Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Investment Reserve. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918...	1,500,000	665,000	180,000	2,345,000	6·8	3,238,154	9·4	277,600	·9	28,270,257	82·4	157,113	·5	34,288,124
1917...	1,500,000	500,000	220,000	2,220,000	8·2	2,778,116	10·3	452,497	1·7	21,333,322	79·3	129,867	·5	26,913,802
1916...	1,500,000	500,000	115,000	2,115,000	9·4	2,724,009	12·0	225,000	1·0	17,421,129	77·1	122,379	·5	22,607,517
1915...	1,500,000	500,000	30,000	2,030,000	9·5	2,306,267	10·8	175,000	·8	16,726,703	78·2	146,307	·7	21,384,277
1914...	1,500,000	425,000	—	1,925,000	9·9	1,887,335	9·7	304,238	1·5	15,293,800	78·3	127,507	·6	19,537,875
1913...	1,500,000	450,000	—	1,950,000	10·8	1,344,039	7·5	197,526	1·1	14,455,593	80·0	116,116	·6	18,063,274
1910...	1,500,000	505,000	75,000	2,080,000	12·3	1,255,023	7·4	105,908	·6	13,381,296	79·0	104,741	·7	16,926,968

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call, Loans, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Liab. of Cust. for Acceptances £	% *	Bank Premises. £	% *	Total Assets. £
1918...	4,794,897	14·0	12,441,504	36·3	4,902,230	14·2	3,087,337	9·0	8,377,388	24·4	277,600	·9	407,168	1·2	34,288,124
1917...	4,464,544	16·6	6,588,750	24·5	4,548,993	16·9	2,840,684	10·5	7,709,912	28·7	452,497	1·7	303,422	1·1	26,913,802
1916...	3,854,296	17·0	4,377,341	19·4	4,580,801	20·3	2,421,451	11·7	6,846,696	30·3	225,000	1·0	301,932	1·3	22,607,517
1915...	3,201,281	15·0	2,947,063	13·8	4,637,640	21·7	3,265,469	15·2	6,863,649	32·1	175,000	·8	304,175	1·4	21,384,277
1914...	2,924,862	14·9	2,997,505	15·3	2,671,422	13·6	3,456,202	17·9	6,887,058	35·3	304,233	1·5	296,593	1·5	19,537,875
1913...	2,244,882	12·4	3,147,883	17·4	2,360,769	13·1	3,150,421	17·5	6,672,092	36·7	197,526	1·1	289,701	1·6	18,063,274
1910...	2,050,284	12·1	2,506,766	14·8	2,448,285	14·5	3,285,552	19·4	6,232,696	36·8	105,908	·6	297,476	1·8	16,926,968

* Per cent. of Total Liabilities or Assets.

discounted of £245,000. Bank premises account shows an increase of £104,000, due to a great extent to the completion of the purchase of the freehold of the building at 13 Old Broad Street, London. As at the end of December 1918 the aggregate means stand at over £34,000,000, showing an expansion of considerably more than £7,000,000 on the year, while the liquid assets exhibited a proportion of 70¼% as against liabilities to the public payable on demand. The dividends for the year amounted to 12% per annum, less tax, as against 10% for the whole of 1917. The net profit for 1918, £325,496, was equal to 21.7% upon the paid-up capital, to 13.8% upon the combined capital and reserves, and to 1% upon the total working resources.

The following table shows the Bank's profit record since 1913:—

Profits of the National Bank, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax Earned %	Paid %	Paid £	Special Allocat'ns £	Carried Forward £
1918 ...	609,950	284,454	325,496	21·7	12	180,000	145,000	24,113
1917 ...	491,870	229,382	262,488	17·4	10	150,000	110,000	23,617
1916 ...	427,132	209,497	217,635	14·5	10	150,000	70,000	21,129
1915 ...	474,602	195,646	278,956	18·5	10	150,000	130,000	23,494
1914 ...	415,494	196,447	219,047	14·6	10	150,000	65,000	24,531
1913 ...	391,328	194,021	197,307	13·1	10	150,000	50,000	20,498

BANK OF NEW SOUTH WALES

ESTABLISHED IN 1817.

London Office:
29 THREADNEEDLE STREET, E.C. 2.

Paid-up Capital	... ...	**£3,904,860**
Reserve Fund	... ...	**3,025,000**
Reserve Liability	... ...	**3,904,860**
		£10,834,720

The Bank has 336 BRANCHES AND AGENCIES in the Australian States, New Zealand, Fiji, Papua (New Guinea), and London, and Agents and Correspondents all over the World, on whom the London Office grants Circular Letters of Credit and Circular Notes. Also issues Drafts on demand. Makes Mail and Cable Transfers. Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for Fixed Periods on Terms which may be known on application; and transacts every description of Australasian Banking business.

H. MELDRUM, Asst. Manager.

Liabilities to the public on December 31 last amounted to £31,786,011, against which assets were held in the following proportions: Cash in hand and with bankers, 15.1%; money at call and at short notice, including Stock Exchange loans, British Treasury bills, &c., 39.1%; investments, 15.4%; bills discounted, 9.7%; and advances, 26.4%.

NATIONAL BANK OF SCOTLAND.

(See also Lloyds Bank Limited.)

Head Office: Edinburgh.

Capital—

Authorised		£5,000,000
Subscribed		5,000,000
Paid up, 20%	=	1,000,000

Price of Stock, £303. *Div.*, 16%. *Yield*, £5 7*s.*

TOWARDS the end of 1824 there sprang up in Scotland a laudable desire to give an impetus to the development of banking there, and as a result several proposed banking companies were early in the field with plans. The first of these was the Scottish Union Commercial Banking Company; then came the Scottish Union Banking Company, which was immediately followed by the National Bank of Scotland. All issued prospectuses about the same time. It was soon apparent, however, that the opposing claims for capital subscriptions were likely to prove too much for the financial digestion of one Scottish centre; consequently, after protracted negotiations, the Scottish National and the National made "a treaty of union." They decided to launch forth under the title of the "Scottish Union Banking Company." More negotiations followed with the recalcitrants, and as a final result the Scottish Union Commercial joined the other group, and the triad announced that the "union of all the new banking companies of Edinburgh" was complete. That was in January 1825, but it was not till March 21 of that year that the Company was finally constituted under the name of the National Bank of Scotland. The nominal capital was fixed at £5,000,000, in £10 shares, and at first only £500,000 of the capital was issued. It remained at this figure until 1843, when the Bank increased its paid-up capital from £500,000 to £1,000,000, at which it at present stands in the balance sheet under the heading of "Capital stock of the Bank." As the subscribed capital is £5,000,000, and the called-up capital £1,000,000, the uncalled capital is £1,000,000 and the reserve liability £3,000,000.

Practically from the date of its establishment the affairs of the National Bank of Scotland have made steady progress; moreover, the extension of its business is in no way connected with amalgamations, for it has taken over only three small Scottish banking houses during the course of its career. In 1900 it owned 114 branches, in 1909 124 branches, and has now 126 offices open for business. Further, during last year, in order to provide increased facilities in connection with foreign exchange and all other classes of overseas business, a specially equipped foreign department was opened at the Glasgow office.

It will also be remembered that in October 1918, with a view to facilitating business between England

DEN DANSKE LANDMANDSBANK

HYPOTHEK-OG VEKSELBANK

Paid-up Capital :
100 Million Kroner.

Reserves :
35 Million Kroner.

About :
£7,730,000.
$36,000,000.

COPENHAGEN (Denmark).

Telegraphic Address : Landmandsbank.

PROVINCIAL BRANCHES:

Aalborg	Esbjerg	Grenaa	Kolding	Nakskov	Nysted	Skive	Vejle
Bagsvärd	Eskildstrup	Holbäk	Kolind	Nordby	Roslev	Slangerup	Vestervig
Bandholm	Farum	Hurup	Korsor	Nyborg	Rodby	Sönderho	Orbäk
Brämminge	Fejo	Hörsholm	Langeskov	Nykjöbing F.	Saxkjöbing	Thisted	
Elsinore	Fredericia	Kallundborg	Maribo	Nykjöbing S.	Skagen	Tollöse	

The Bank transacts every kind of legitimate Banking Business.

London Correspondents :—
London County Westminster and Parr's Bank, Ltd. London Joint City and Midland Bank, Ltd. British Bank of Northern Commerce, Ltd.
Messrs. C. F. Hambro & Son, Barclays Bank Ltd. National Provincial and Union Bank of England, Ltd.

Commercial Bank of Spanish America,
Limited

Head Office - - 9 BISHOPSGATE, LONDON, E.C. 2.

BRANCHES.

UNITED STATES -	New York (49 Broadway).	COLOMBIA - -	Bogota.
" "	San Francisco (465 California St.)	" - -	Medellin.
NICARAGUA - -	Managua.	VENEZUELA - -	Caracas.
ECUADOR - -	Guayaquil.	PERU, RIO AMAZONAS - -	Iquitos.
" - -	Manta.	SALVADOR - -	San Salvador.

The Bank transacts General Banking Business in the above-mentioned countries; receives, sells, and makes Advances against consignments of produce of every description; issues Letters of Credit; collects Bills of Exchange; receives Deposits, and opens Accounts Current on terms which will be furnished on application. In conducting this class of business the Bank has had an experience of more than Thirty Years.

MITSUBISHI GOSHI KAISHA
BANKING DEPARTMENT.

Partners { Baron KOYATA IWASAKI, President.
Baron HISAYA IWASAKI.

Head Office : TOKYO.

Branches—TOKYO, KYOTO, KOBE, OSAKA, NAGOYA, SHANGHAI, NEW YORK, LONDON.

London Office : 149 LEADENHALL ST., E.C. 3.

Liabilities and Assets of The National Bank of Scotland, Limited.

LIABILITIES. Nov. 1	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Tota Liabilities £
1918 ...	1,000,000	900,000	1,900,000	5·2	3,167,678	8·5	1,127,175	3·0	30,748,370	82·8	187,828	·5	37,131,051
1917 ...	1,000,000	800,000	1,800,000	5·2	2,254,494	6·6	1,173,909	3·4	29,060,779	84·3	182,962	·5	34,472,144
1916 ...	1,000,000	700,000	1,700,000	5·9	1,851,085	6·4	1,150,511	3·9	24,001,896	83·1	181,165	·7	28,884,657
1915 ...	1,000,000	800,000	1,800,000	7·2	1,531,533	6·2	763,774	3·1	20,485,728	82·6	204,394	·8	24,785,429
1914 ...	1,000,000	900,000	1,900,000	8·4	1,098,453	4·8	1,210,380	5·4	18,162,755	80·3	257,482	1·1	22,629,070
1913 ...	1,000,000	900,000	1,900,000	8·8	910,084	4·2	1,019,688	4·8	17,473,946	81·2	204,938	1·0	21,508,656
1910 ...	1,000,000	900,000	1,900,000	9·7	836,720	4·2	705,162	3·7	15,969 907	81·2	254,350	1·2	19,666,039

ASSETS. Nov. 1	Cash and Notes in Hand, &c. £	% *	Money at Call, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1918...	4,095,277	11·0	5,355,690	14·4	8,923,913	24·0	9,044,846	24·4	7,961,900	21·5	1,127,175	3·0	622,250	1·7	37,131,051
1917...	4,324,005	12·6	2,699,733	7·8	7,072,247	20·5	10,535,118	30·6	8,068,032	23·4	1,173,909	3·4	599,100	1·7	34,472,144
1916...	3,520,895	12·1	3,383,792	11·7	7,201,751	25·0	6,825,213	23·8	6,201,495	21·5	1,150,511	3·9	601,000	2·0	28,884,657
1915...	2,468,556	9·9	2,997,935	12·1	7,746,123	31·3	2,216,423	9·0	7,988,918	32·2	763,774	3·1	604,600	2·4	24,785,429
1914...	2,036,110	9·0	3,621,697	16·0	3,234,892	14·3	2,297,940	10·1	9,621,481	42·5	1,210,380	5·4	606,600	2·7	22,629,070
1913...	1,823,180	8·5	3,824,837	17·8	3,047,798	14·1	2,971,177	13·8	8,214,326	38·1	1,019,688	4·8	607,650	2·9	21,508,656
1910...	1,494,932	7·5	3,315,914	16·9	3,178,596	16·2	2,034,205	10·3	8,324,830	42·3	705,162	3·7	612,400	3·1	19,666,039

* Per cent. of Total Liabilities or Assets.

and Scotland, and the extension of facilities for British overseas trade, arrangements were entered into by Lloyds Bank Limited for a union of interests with the National Bank of Scotland. The price paid to the stockholders of the National Bank by Lloyds was £350 (made up of 11 shares of Lloyds Bank and £75 National War Bonds) per £100 paid stock, together with a sum of £5 10*s.* in lieu of accrued profits. In referring to the agreement with Lloyds Bank, the Governor of the National Bank of Scotland mentioned at the last general meeting that the assent of 3,231 proprietors, representing £953,914, or 95% of the stock, had been received, and the directors are convinced that, while the Bank will continue to be administered in all respects as before (it will be noted that it is the intention of Lloyds to carry on each bank as a separate entity, with a separate board of directors and management), the union will prove to be in the best interests of all concerned.

The accounts are as on November 1, 1918, and this, the first report issued since the working arrangement was entered into with Lloyds Bank, shows that the highly satisfactory expansion noted last year has continued, notwithstanding the remarkable growth of the past two or three years. In 1915 the grand total of the balance sheet was £24,785,429, in 1916 £28,884,657, in 1917 £34,472,144, while in 1918 the total reached £37,131,051. Probably the most striking feature in the present balance sheet is the movement in the sum at call and short notice; it has advanced from £2,699,733 to £5,355,690. Cash in hand, notes, &c., stand at £4,095,277, as compared with £4,324,005 in 1917. Investments are £8,923,913, as against £7,072,247, British Government securities having been increased from £5,878,927 to £8,064,927, and other securities reduced from £1,193,319 to £858,986. Bills discounted have also been reduced from £10,535,118 to £9,044,846, the reduction being under the heading of Treasury bills, which stand at £7,823,500, as against £9,338,000 a year ago. Advances, &c., are at £7,961,900, as compared with £8,068,032 in the previous year. Bank premises now amount to £622,250; a year ago they were £599,100.

On the liabilities side there is again a remarkable increase in deposits, &c., which now stand at £30,748,370, this being the first time in the history of the Bank that they have exceeded 30 million pounds. The note circulation shows an increase of £913,000 on the year, and the total is £3,167,678.

The gross profit for the year, as shown in the table below, was £564,326, as against £517,826 in 1917, but expenses are up from £180,229 to £234,859, so the net profit is not so high as it otherwise would have been at £329,467. The balance carried forward is £72,429, as compared with £62,962 brought in. The dividend of 16% per annum, less tax, is the same as for the previous four years. All bad and doubtful debts and depreciation on the Bank's investments have been provided for, £10,000 has been carried to heritable property account, £10,000 to officers' pension fund, and £100,000 to reserve fund, which now amounts to £900,000.

The proportion that the shown net profit for 1917-18 bore to paid-up capital was 32.9%, to capital and reserve 17.3%, and to total working resources .9%.

Profits of the National Bank of Scotland, Limited.

Yr. to Nov. 1	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax — Earned %	Paid %	Paid £	Special Allocat'ns £	Carried Forward £
1918...	564,326	234,859	329,467	32·94	16	160,000	160,000	72,429
1917...	517,826	189,229	328,597	32.85	16	160,000	160,000	62,962
1916...	474,062	183,544	290,518	29.05	16	160,000	140,000	54,365
1915...	443,017	172,584	270,433	27.04	16	160,000	135,000	63,847
1914...	416,925	168,949	247,976	24.79	18	180,000	15,000	88,414
1913...	407,439	164,889	242,550	24.25	18	180,000	60,000	35,438

On November 1 last liabilities to the public amounted to £35,043,223, against which assets were held in the following proportions:—Cash, 11.7%; call money, 15.2%; investments, 25.5%; bills discounted (including Treasury bills), 25.8%; and advances, 22.7%.

THE
Union Bank of Australia
LIMITED.
Established 1837. Incorporated 1880.

Authorised and Issued Capital	...	£6,000,000
Paid-up Capital, £2,000,000 / Reserve Fund, £2,050,000	Together	4,050,000
Reserve Liability of Proprietors	...	4,000,000
Total Issued Capital and Reserves	...	£8,050,000

DIRECTORS:
HENRY P. STURGIS, Esq., *Chairman.*
The Rt. Hon. LORD CARMICHAEL, G.C.S.I.
The Right. Hon. THE EARL OF CHICHESTER.
JOHN DENNISTOUN, Esq.
HUGH D. FLOWER, Esq.
The Rt. Hon. LORD HILLINGDON.
S. R. LIVINGSTONE-LEARMONTH Esq.
WILLIAM R. MEWBURN, Esq.
ROBERT C. NESBITT, Esq.
FRED. G. PARBURY, Esq.
The Hon. EDMUND W. PARKER.
Sir WESTBY B. PERCEVAL, K.C.M.G.

HEAD OFFICE:
71 CORNHILL, LONDON, E.C.
Manager—A. C. WILLIS. *Assistant Manager*—W. J. ESSAME.

Branches throughout Australia and New Zealand, viz.:

In VICTORIA	41
„ SOUTH AUSTRALIA ..	14
„ NEW SOUTH WALES ..	39
„ WESTERN AUSTRALIA ..	21
„ QUEENSLAND	19
„ TASMANIA	3
„ NEW ZEALAND	44
	181

Drafts upon the Branches are issued by Head Office, and may also be obtained from the Bank's Agents throughout England, Scotland, and Ireland.
Commercial and Circular Travelling Credits issued available throughout the World.
Telegraphic Remittances are also made.
Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.
Deposits are received at Head Office at rates of interest and for periods which may be ascertained on application.

THE LONDON & LANCASHIRE FIRE INSURANCE COMPANY LTD

SECURITY - £8,388,137.

Fire
Accidents Marine

Head Offices: { 45 DALE STREET, LIVERPOOL.
155 LEADENHALL STREET, E.C. 3.

CONTINGENCY INSURANCE

LOST DOCUMENTS: TITLE DEEDS, SHARE CERTIFICATES, DIVIDEND WARRANTS, BONDS, COUPONS, &c.

DEFECTS IN TITLE. MISSING BENEFICIARIES, &c., &c.

If you are in any difficulty on the above matters consult the W.A.I., and they will be pleased to advise you.

WESTERN AUSTRALIAN INSURANCE COMPANY, LIMITED.

Assets Exceed - - £700,000

45 to 47 CORNHILL, LONDON, E.C. 3.

FIRE. LIFE. ACCIDENT. MARINE. AVIATION.

CLAIMS PAID EXCEED £1,000,000.

UNITED KINGDOM
Temperance and General
PROVIDENT INSTITUTION

VALUATION, 1916.

All Stock Exchange Securities written down to the prices of December 31st, 1915.

£500,000 of the surplus shown retained in hand for future contingencies—further depreciation, higher taxation, &c.

Head Offices - - - 196 STRAND, LONDON, W.C. 2.

H. W. HASLER, Secretary.

Liabilities and Assets of The National Discount Company, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Deposits, &c. £	% *	Bills Rediscounted. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918 ...	846,665	500,000	1,346,665	4·8	18,296,919	65·1	8,388,687	29·9	82,880	·2	28,115,151
1917 ...	846,665	450,000	1,296,665	4·0	21,545,990	66·3	9,597,249	29.5	83,835	·2	32,523,730
1916 ...	846,665	450,000	1,296,665	5·0	17,105,822	66·2	7,361,649	29·5	65,602	·3	25,829,738
1915 ...	846,665	505,000	1,351,665	7·9	11,905,906	70·0	3,705,488	21·7	68,241	·4	17,031,300
1914 ...	**846,665**	**505,000**	**1,351,665**	**8·0**	**13,197,142**	**78·1**	**2,285,466**	**13·5**	**64,546**	**·4**	**16,898,819**
1913 ...	846,665	505,000	1,351 665	5·9	15,935,754	69·2	5,656,538	24·6	64,018	·3	23,007,975
1910 ...	846,665	450,000	1,296,665	6·9	14,441,233	76·8	3,051,121	16·2	62,229	·3	18,851,248

ASSETS. Dec. 31	Cash at Bankers. £	% *	Loans at Call, Short and Fixed Dates, &c. £	% *	Investments, &c. £	% *	Bills Discounted, &c. £	% *	Bank Premises. £	% *	Total Assets. £
1918	515,646	1·8	1,639,155	5·8	2,368,987	8·4	23,491,363	83·6	100,000	·4	28,115,151
1917	653.424	2·1	2,616.473	8·0	1,153,225	3·6	28,000,608	86·1	100,000	·2	32,523,730
1916	490,045	1·9	2,096,902	8·1	1,038,146	4·0	22,104,645	85·6	100,000	·4	25,829,738
1915	464,144	2·7	388,437	2·3	1,375,907	8·1	14,702,812	86·3	100,000	·6	17,031,300
1914	**427,866**	**2·5**	**828,592**	**4·9**	**1,851,902**	**11·0**	**13,690,459**	**81·0**	**100,000**	**·6**	**16,898,819**
1913	503,251	2·2	768,205	3·3	1,851,125	8·0	19,785,394	86·0	100,000	·5	23,007,975
1910	311,670	1·6	1,628,953	8·7	2,631,868	14·0	14,178,757	75·2	100,000	·5	18,851,248

* Per cent. of Total Liabilities or Assets.

NATIONAL DISCOUNT COMPANY.

Office: 35 Cornhill, London, E.C. 3.

Capital

Authorised, 170,000 Shares of £25 each £4,250,000
Issued, 169,333 Shares of £25 each = 4,233,325
Paid up, £5 per Share ... ... = 846,665
Price of Share, £7¾. *Div.*, 11½%. *Yield*, £7 12*s.*%

THE National Discount Company, Limited, was provisionally registered February 8, 1856, completely registered April 8, 1856, incorporated under the Joint Stock Companies Act September 27, 1856, registered in September 1856. The subscribed capital is £4,233,325, in 169,333 shares of £25 each. The capital paid up, £5 per share, amounts to £846,665. The Company discounts mercantile bills, grants loans on securities, and receives money on deposit, also makes investments and sales of all descriptions of British securities. The large business done by the firm may be gathered from the fact that its total assets on December 31 last amounted to £28,115,151. On the same date the liabilities to the public were:—

Deposits, &c.	£18 296,919
Bills re-discounted	8,388,687
	£26,685,606

The general business of the Company during the past year was on a smaller scale than in 1917, therefore gross profits were somewhat smaller, but the net profit as shown by our table was £148,944, as against £105,016. Further, £50,000 has been carried to reserve, thus raising that fund to £500,000, and replacing all but £5,000 of the sum they were obliged to take from reserve two years ago to meet the depreciation on securities. The carry-forward, too, is increased from £45,735 to £47,320, and the dividend increased from 11 to 11½% subject to tax. In face of these facts the profit-earning capacity and the prosperity of the business of the Company can hardly be said to be on the decline, and with freer trade conditions there should be a marked expansion in the turnover for the coming year. As was pointed out at the general meeting, during the period of the War the banks and financial houses readily assented to any course that the Government judged desirable. To promote the sale of National War Bonds the rate of interest on deposits paid to customers was automatically reduced. Measures of that kind, however, ought not to continue under normal conditions; financial houses should be left to pay interest at economical rates, and to discount bills of the trading community at a fair and reasonable margin of profit.

Last year's net profit was equal to 17.6% upon the paid-up capital, to 11.1% upon the combined capital and reserve, and to .5% upon the total work-g resources.

Profits of the National Discount Company, Limited.

Year to Dec 31	Net Profit £	Div. Subject to Tax Earned %	Div. Subject to Tax Paid %	Div. Subject to Tax Paid £	Special Allocations £	Carried Forward £
1918 ...	148,944	17·6	11·50	97,359	50,000	47,320
1917 ...	105,016	12·4	11·00	93,133	—	45,735
1916 ...	85,731	10·1	10·00	84,666	—	33,852
1915 ...	91,360	10·7	10·00	84,666	—	32,789
1914 ...	93,301	11·0	10·50	88,893	—	26,093
1913 ...	110,032	13·0	10·62	89,911	20,000	21,685

Liabilities to the public amounted on December 31 last to £26,685,606, against which assets were held in the following proportions: Cash, 1.9%; loans, &c., 6.1%; investments, 8.8%; bills discounted, 88%. In considering the percentage of cash to liabilities of discount companies it should be noted that to a large extent deposits are secured by collateral.

English, Scottish & Australian Bank Limited.

Head Office: 5 GRACECHURCH ST., E.C. 3.

Subscribed Capital - - £1,078,875 0 0
Paid-up Capital - - - £539,437 10 0
Further Liability of Proprietors - - - - £539,437 10 0
Reserve Fund - - - - £550,000 0 0

Board of Directors.

C. J. HEGAN, Esq., *Chairman.*
JOHN ANNAN BRYCE, Esq.
Hon. Sir JOHN A. COCKBURN, K.C.M.G.
JAMES JACKSON, Esq
The Rt. Hon. Viscount KNUTSFORD.
JOHN PATERSON,
A. WILLIAMSON, E
Sir F. W. YOUNG, Kt., M.P.

Manager—E. M. JANION.
Assistant Manager—JOS. GRIEVE.
Accountant—F. C. HOUNSFIELD.

Bankers.

BANK OF ENGLAND; LONDON COUNTY WESTMINSTER AND PARR'S BANK, LIMITED.

Letters of Credit and Drafts on the Branches and Agencies of the Bank in Australia can be obtained at the Head Office, or through the Agents of the Bank in the chief Provincial Towns throughout the United Kingdom.

Remittances made by **Telegraphic Transfer.**

Bills Negotiated or forwarded for **Collection.**

Banking and **Exchange** Business of every description transacted with Australia.

THE NATIONAL BANK, LIMITED.

Head Offices—13-17 OLD BROAD STREET, LONDON, E.C. 2.

ESTABLISHED 1835.

Capital Subscribed, £7,500,000. Paid up, £1,500,000. Rest, £735,000.

DIRECTORS.

SIR JOHN PUROELL, K.O.B., CHAIRMAN.
JAMES BLACKADER MEERS, Esq., C.B., DEPUTY-CHAIRMAN.

*RT. HON. FRANK T. BROOKE, D.L. [D.L.
RT. HON. ALEXANDER MONTGOMERY CARLISLE,
SIR DOUGLAS F. R. DAWSON, G.C.V.O., C.B., C.M.G.
*SIR THOMAS HENRY GRATTAN ESMONDE, Bart., M.P.
*RT. HON. SIR WM. J. GOULDING, Bart., D.L.
*R. J. KELLY, Esq., K.C.
RT. HON. THE EARL OF KENMARE, C.V.O.
RT. HON. LORD MACDONNELL OF SWINFORD, G.C.S.I., K.C.V.O.
*THOMAS PATRICK MORRISSEY, Esq., J.P.
PATRICK WALTER STAFFORD Esq., LL.D.
CHARLES FREDERICK HIGGINSON, Esq. (Hon. Director.)

*These Directors sit in Dublin.

Secretary—ALFRED LOCKYER.

Solicitors—W. H. DUNNE, Esq., 7 Suffolk Street, Dublin; P. C. FAWCETT, Esq., 16 Old Broad Street, E.C. 2.

LONDON.—13 OLD BROAD ST., E.C. 2—C. F. HIGGINSON, *Manager*; F. W. CARR, *Sub-Manager*; GEO. COSTELLO, *Asst. to Manager*.

Baker Street.—23 Baker Street, W. 1 ... ... J. H. Sangway, *Manager*.
Bayswater.—68 Gloucester Gardens, Bishop's Rd., W.2 W. H. Bishop, „
Belgravia.—19 & 21 Grosvenor Gardens, S.W. 1 ...H. M. Bexfield, „
Camden Town.—189 High Street, N.W. 1 ... ...J. P. Gandy, „
Charing Cross.—9 and 10 Charing Cross, S.W. 1 ...A. V. P. Carroll, „
Harrow Road.—2 Elgin Avenue, W. 9 ... ...G. J. Wareham, „
Islington.—361 and 363 Goswell Road, E.C. 1 ... ...A. W. Davey, „
King's Cross.—286 Pentonville Road, N. 1 ... ...H. C. Rayner, *Manager*.
Notting Hill.—156 & 158 High Street, W. 11 ... ...W. J. Stephens, „
Oxford Street—274 & 276 Oxford Street, W. 1 ...E. N. D. Crabb, „
Regent Street.—3 Regent Street, S.W. 1 ... ...H. E. Webster, „
Strand.—180 Strand, W.C. 2 ... ...J. H. Canvin, „
Willesden.—St. Mary's Road, Harlesden, N.W 10 ...George Oswin, „

BRISTOL.—25 27 Clare Street, F. Blackburn, *Manager*.
CARDIFF CITY.—St. Mary Street, F. J. C. Lima, *Manager*.
CARDIFF DOCKS.—125 Bute Street, J. E. Leopard, *Manager*.
NEWPORT (Mon.).—32 Commercial Street, J. A. H. Lewis, *Manager*.
MANCHESTER.—Spring Gardens } ... F. E. King, *Manager*.
SALFORD.—301 and 303 Chapel Street } ... S. Marrison, *Sub-Manager*.
SWANSEA.—204 High Street ... ... J. E. Sparkes, *Manager*.

IRELAND.

DUBLIN.—34 College Green .. J. J. O'Connell, *General Manager for Ireland*: D. W. Jackson, *Manager*; J. J. O'Loghlen, *Sub-Manager*.

And 106 Branches and 71 Sub-Offices throughout the Provinces.

THE NATIONAL BANK, LIMITED.

Current Accounts are opened and conducted in conformity with the practice of London Bankers. Current Account Customers have the usual facilities for the discounting of approved Bills, obtaining Loans upon negotiable Securities, depositing Bills, Coupons, &c., for collection, and of lodging with the Bank Deeds and other valuable property for safe custody. Every facility is afforded for the transmission of money and for the receipt and delivery of Stocks, Shares, &c., between Great Britain and Ireland. The Bank undertakes the collection of Dividends, Coupons, Annuities, Pensions, &c., for its Customers free of charge and transacts every description of Banking Business, including the Purchase and Sale of Stocks, Shares, Securities, &c.

Deposits in sums of £10 and upwards are received from the public at the current rate of interest allowed on such accounts, subject to seven days' notice of withdrawal. And at all Branches deposits from 1s. upwards are received under the head of "National Thrift."

Letters of Credit payable at the chief commercial cities and towns of the world are granted.

Circular Notes are issued by the Bank addressed to all and payable at any of the places on the Continent where the Bank has an Agent.

Ireland.—Drafts are granted on the numerous Branches of the Bank and Bills, &c., collected in the principal Cities and Towns in Ireland.

*** Every Official signs a Declaration of Secrecy as to the Accounts of Individuals and the affairs of the Bank generally.

A. LOCKYER, *Secretary*.

PHŒNIX

ASSURANCE COMPANY, LIMITED.

Head Offices:—Phœnix House, King William Street, London, E.C. 4.

TOTAL ASSETS NEARLY

£20,000,000



CLAIMS PAID EXCEED

£100,000,000

Chairman - - Rt. Hon. LORD GEORGE HAMILTON, P.C., G.C.S.I.

FIRE - LIFE - ACCIDENT - MARINE

Loss of Profits following Fire, Workmen's Compensation, Fidelity Guarantee, Burglary, Trustee and Executor, etc.

ANNUITIES GRANTED ON FAVOURABLE TERMS.

General Manager - Sir GERALD H. RYAN.

Sociedade Torlades

LIMITADA

32 Rua Aurea, LISBON

General Financial and Commercial Business, Steamship Agents, Coal and Wheat Importers

London Correspondents:

Brown, Shipley & Co. Lloyds Bank Limited.
London County Westminster & Parr's Bank, Ltd.

New York:

Brown Brothers & Co.

THE

PUNJAB NATIONAL BANK,

LIMITED.

Established 1895.

Head Office: ANARKALI STREET, LAHORE
(PUNJAB, INDIA).

Authorised Capital	.. ..	Rs.50,00,000
Subscribed Capital	.. ..	Rs.31,00,000
Paid-Up Capital	.. ..	Rs.16,45,260
Reserve Fund	.. ..	Rs.13,00,000

BRANCHES :—

Amritsar	Gujranwala	Karachi	Peshawar C.
Bombay	Hapur	Kasur	Rawalpindi C.
Calcutta	Hashiarpore	Lahore City	Sargodha
Cawnpore	Hyderabad	Ludhiana	Stalkote C.
Delhi	Jammu	Lyallpore	Srinagar
D. I. Khan	Jhelum	Multan	Umballa C.
Ferozepore	Jallandhar City	Patiala	

Banking Business of every description transacted.

NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND.

(*See also* **Lloyds Bank (France) and National Provincial Bank (France), Limited.**

Head Office: 15 Bishopsgate, London E.C. 2.

Capital—

Authorised	... ...	£51,000,000
Subscribed	... ...	£28,214,000
Paid up	40,000 Shs., £75 each (£10 10*s.* pd.) 421,407 „ £60 each (£12 pd.)	£5,476,884
Price of Shares	£10½ pd. £27 £12 pd. £31½	*Div.*, 16% *Yield* £6 7*s.* 0*d.*% £6 4*s.* 5*d.*%

This bank is an amalgamation as from January 1, 1918, of the National Provincial Bank of England and of the Union of London and Smiths Bank. The National Provincial, formed in 1833, was successful in building up a very fine business by opening branches in various parts of the country, particularly in the manufacturing districts of the North and the Midlands.

As is well known, the Union Bank of London was one of the oldest London banks, and although it really was not established until 1839, it can claim through one of its constituent institutions to date back to 1658. The Union, of course, in addition to its valuable London connection, had a large business in the Western counties and a considerable foreign business. Unlike the National Provincial, however, a good deal of its expansion was due to the absorption of important private and other banks.

The paid-up capital of the combined institutions is £5,476,884; uncalled capital, £3,951,256; reserve liability, £18,856,280, making the total subscribed capital £28,284,420. The reserve fund, invested in British Government securities, is £4,850,000; its shareholders number about 30,000.

In their report, dated January 30, 1919, the directors announced that the business of the Bradford District Bank has been amalgamated with that of the National Provincial and Union Bank of England, Limited, as from December 31, 1917. By this amalgamation the customers of the Bradford District Bank will be able to obtain increased facilities, especially in the wool industry, and it is understood that liberal treatment will continue to be given. As the result of this latest amalgamation, the shareholders of the Bradford District Bank receive two shares of £60 each (£12 paid) of the National Provincial for every five shares of the Bradford Bank, provision being made for the adjustment of fractions by cash payment, on the basis of £14 per share in the Bradford District Bank. During recent years the dividends paid by the Bradford District have been at the rate of 13¾% per annum, and those paid by the National Provincial at the rate of 16% per annum. It was agreed, therefore, that the shareholders of the Bradford District should receive a dividend for the year ending December 31, 1918, at the rate of 16%, less income tax, on the amount paid up on the shares of the National Provincial, credit, of course, being taken for the interim dividend paid by the Bradford Bank in July, 1918. The directors of the Bradford Bank now assume the position of local directors of the National Provincial and Union Bank for the Bradford District, while Mr. A. E. Lewis, the general manager and director of the Bradford Bank, comes to London as one of the joint general managers of the National Provincial.

The National Provincial and Union Bank has also established a branch in West Smithfield, by acquiring the premises formerly occupied by Messrs. W. and J. Biggerstaff and Company. The individuality of this old firm of bankers is to be preserved, and the National Provincial has taken over the whole of the staff. It will be remembered that Biggerstaffs were established as long ago as 1790.

The number of London branches of the Bank is

THE EASTERN BANK LIMITED.

Head Office:

4 CROSBY SQUARE, LONDON, E.C.3.

Subscribed Capital ... £1,500,000
Called up £600,000
Reserve Fund £110,000
Reserve Liability of Shareholders £900,000

BOARD OF DIRECTORS.

The Right Hon. LORD BALFOUR OF BURLEIGH, K.T. (Chairman).
Sir EDWARD SASSOON, Bart.
G. BROMLEY-MARTIN, Esq.
EMILE FRANCQUI, Esq.
J. S. HASKELL, Esq.
J. LEIGH WOOD, Esq., C.B., C.M.G.

Branches:

BOMBAY, CALCUTTA, BAGDAD, BASRA, AMARA, HILLAH.

The Bank issues Drafts, Telegraphic Transfers and Letters of Credit, negotiates and collects Bills of Exchange, and transacts Banking and Agency Business in connection with the East.

Deposits are received for fixed periods at rates to be ascertained on application. On Current Accounts interest is allowed at 2 per cent. per annum on the minimum monthly balances.

F. H. SUTTON, Manager.

NATIONAL DISCOUNT COMPANY, LIMITED.

ESTABLISHED 1856.

35 CORNHILL, LONDON, E.C. 3

Telegraphic Address: NATDIS, STOCK, LONDON. Telephones { No. 1484 AVENUE (2 lines). No. 11948 CENTRAL.

Subscribed Capital ... £4,233,325
Paid-up Capital 846,665
Reserve Fund 500,000

Directors.

SIR SIGISMUND F. MENDL, K.B.E., Chairman.
LAWRENCE E. CHALMER, Deputy-Chairman.
FREDERICK W. GREEN.
WALTER J. HERIOT.
COL. THE HON. SIDNEY PEEL, D.S.O., M.P.
CHARLES D. SELIGMAN.
PHILIP H. WADE.

Manager.
PHILIP H. WADE.

Sub-Manager. FRANCIS GOLDSMITH.
Secretary. CHARLES H. GOUGH.

Auditors.
FRANCIS W. PIXLEY, (Jackson, Pixley & Co.)
SIR ALBERT W. WYON, K.B.E. (Price, Waterhouse & Co.)

Bankers.
BANK OF ENGLAND.
NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED.

Approved Mercantile Bills Discounted.

Money received on Deposit at Call and Short Notice, and Interest allowed at the Current Market Rates; and for longer periods upon specially agreed terms.

Loans granted upon Negotiable Securities.

Investments and Sales of all descriptions of British and Foreign Securities effected. All communications on this subject to be addressed to the Manager.

now 61 and of country branches and agencies 647, while premises have been acquired in a large number of places with a view to opening new branches as soon as conditions permit.

At the meeting of the shareholders of the National Provincial and Union on December 31 last, the directors announced that it had been considered advisable to increase the capital by an issue of 131,093 £60 shares, of which £20 may be called up at the discretion of the directors, while £40 would remain as a reserve liability. Shareholders received on their holding as at December 31, 1918, $\frac{7}{28}$ths of a £60 share for each £75 share held, and $\frac{8}{28}$ths of a £60 share for each £60 share held. These new shares were issued at a premium of £12, and £12 capital per share will be called up. The payments to be made are as under:—

£12 (being £6 capital and £6 premium) on March 1, 1919.

£12 (being £6 capital and £6 premium) on June 30, 1919.

Interest at the rate of 10% per annum on the capital (£6) per share paid up will be allowed from March 1 to June 30, 1919, after which date the shares will rank *pari passu* with the existing shares. In order to obviate the immense amount of labour which would be involved by the issue of fractional certificates of a share, the directors decided in lieu thereof to pay in cash the sum of 6*s*. 6*d*. for each 28th of a share.

When the whole transaction is completed the nominal capital of the Bank will be £51,000,000, with £7,050,000 paid up, and the published reserve will be £6,423,116, giving a total paid-up capital and reserve of £13,473,116.

The shares received by shareholders under the agreement for amalgamation with the Bradford District carried no rights in respect of this new issue of capital by the National Provincial.

The figures of the National Provincial and Union Bank of England are now very much larger than those of previous years as the result of the amalgamation, the combined capital and reserve on December 31 last amounting to no less than £10,326,884, as against £5,100,000 in 1917. The reserve alone stands at £4,850,000. Deposits, naturally, show a very large increase. Twenty-eight years ago deposits stood at £40,000,000, with a capital and reserve of £3,670,000. At present the deposits are £200,864,639, with a capital and reserve of £10,326,884.

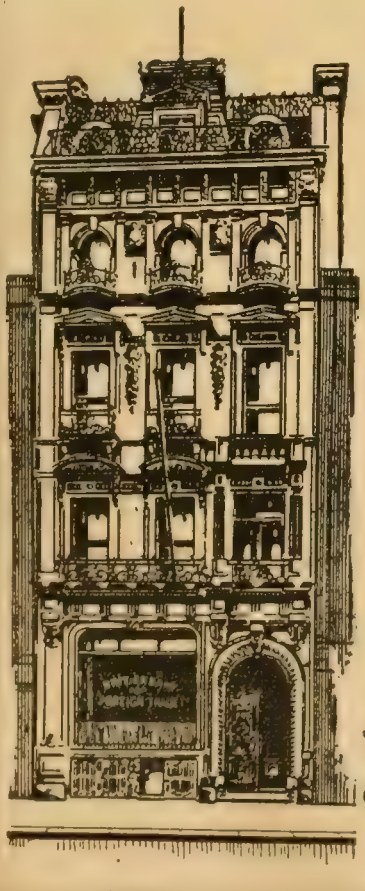
On the assets side, cash in hand, &c., is nearly twice as much at £33,576,002, while money at call and at short notice is up from £8,100,946 to £13,221,591. Investments are some 2½ millions higher at £44,925,251. Bills discounted and advances are lower by about 10 millions at £39,060,649, but a new figure appears in our table under the heading of "Advances," these being loans, &c., including Stock Exchange loans under Treasury Minute of October 31, 1914, £78,298,859. Total assets amount to £10,142,134.

The liabilities of the two Banks to the public on December 31 last were £204,755,982, against which the assets held bore the following proportions: Cash in hand and at Bank, 16.4%; money at call, &c., 6.5%; investments, 21.9%; bills discounted and advances, 57.3%.

The accompanying statements of liabilities and assets show the position of the Bank for the year 1910, and also for the years 1913-1918. We also give similar figures for the Bradford District Bank to December 31, 1917.

The net profit, as shown by our table, was £1,821,383, and out of this sum dividends amounting to 16% per annum, less tax, have been paid. This took £876,301. £500,000 was transferred to reserve fund, £250,000 to pension fund, £100,000 was placed to contingencies and the balance carried forward was £487,318.

British Bank for Foreign Trade, Ltd.



48 BISHOPSGATE, LONDON, E.C. 2

Telegraphic Address - - - - "SUROLGNA, LONDON."
Telephone Numbers - LONDON WALL 3870 & 3871 (2 lines).

CAPITAL (Fully Paid) - £840,000

DIRECTORS.

CHARLES BIRCH CRISP (*Chairman*).
Brig.-Gen. SIR C. DELME-RADCLIFFE, C.V.O., C.B., C.M.G.
ISAAC LEWIS.
ROBERT LOGAN.
The Rt. Hon. LORD QUEENBOROUGH.
GEORGE P SECHIARI.

The Bank has correspondents in all parts of the world, and transacts every kind of British, Colonial, and Foreign Banking and Exchange.

H. BEACON, Manager.

Liabilities and Assets of The National Provincial and Union Bank of England, Limited.

LIABILITIES. Dec.31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918	5,476,884	4,850,000	10,326,884	4·8	3,891,343	1·8	200,864,639	93·2	487,318	·2	215,570,184
1917	3,000,000	2,100,000	5,100,000	4·2	1,982,964	1·7	112,597,469	94·0	182,932	·1	119,863,364
1916	3,000,000	1,800,000	4,800,000	4·4	3,032,252	2·8	100,218,765	92·7	98,221	·1	108,149,238
1915	3,000,000	2,000,000	5,000,000	5·6	1,810,301	2·1	81,589,601	92·2	96,777	·1	88,496,679
1914	3,000,000	2,000,000	5,000,000	6·2	683,164	·9	74,916,018	92·8	93,027	·1	80,692,209
1913	3,000,000	2,000,000	5,000,000	6·8	824,240	1·1	67,882,423	92·0	91,985	·1	73,798,648
1910	3,000,000	2,150,000	5,150,000	7·2	1,114,643	1·6	65,142,782	91·1	96,379	·1	71,503,804

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call and at Short Notice. £	% *	Investments. £	% *	Bills Discounted and Advances. £	% *	Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1918 ...	33,576,002	15·6	13,221,591	6·1	44,925,251	20·9	39,060,649	18·1	78,298,859	36·3	3,891,343	1·8	2,596,489	1·2	215,570,184
1917 ...	17,294,994	14·4	8,100,946	6·8	42,402,960	35·4	49,256,957	45·1	—	—	1,982,964	1·7	824,543	·6	119,863,364
1916 ...	16,450,067	15·2	5,493,340	5·1	40,437,646	37·4	41,892,722	38·7	—	—	3,032,252	2·8	843,211	·8	108,149,238
1915 ...	11,365,362	12·8	4,653,895	5·2	30,074,115	35·0	38,832,289	43·9	—	—	1,810,310	2·1	860,717	1·0	88,496,679
1914 ...	16,125,106	19·9	3,449,059	4·3	14,361,027	17·8	45,238,795	56·1	—	—	683,164	·9	835,058	1·0	80,692,209
1913 ...	10,816,205	14·6	7,400,188	10·0	12,975,849	17·6	41,018,260	55·6	—	—	824,240	1·1	763,906	1·1	73,798,648
1910 ...	9,891,941	13·8	4,666,112	6·5	16,681,976	23·3	38,509,802	53·9	—	—	1,114,644	1·6	639,329	·9	71,503,804

* Per cent. of Total Liabilities or Assets.

Liabilities and Assets of The Bradford District Bank, Limited.

LIABILITIES.	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1917	344,000	330,000	674,000	6·6	150,153	1·5	9,235,167	91·1	82,814	·8	10,142,134
1916	344,000	320,000	664,000	7·0	853,081	9·0	7,837,758	83·0	88,610	1·0	9,443,449
1915	344,000	310,000	654,000	8·4	230,107	3·0	6,824,795	87·7	68,896	·9	7,777,798
1914	344,000	300,000	644,000	9·7	240,558	3·6	5,712,589	83·8	57,358	·9	6,654,500
1913	344,000	280,000	624,000	9·8	224,280	3·5	5,474,775	85·5	60,352	·9	6,383,405
1910	344,000	255,000	599,000	10·9	280,330	5·1	4,582,745	83·3	38,190	·7	5,500,265

ASSETS. Dec. 31	Cash in Hand and at Call, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Liab. of Customers for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1917 ...	2,229,265	22·0	1,358,684	13·4	2,871,087	28·3	3,388,678	33·4	150,153	1·5	144,267	1·4	10,142,134
1916 ...	1,920,232	20·3	1,525,653	16·2	1,565,610	16·6	3,429,627	36·3	853,081	9·0	149,246	1·6	9,443,449
1915 ...	846,646	10·9	1,557,031	20·0	1,135,654	14·6	3,864,989	49·7	230,106	3·0	143,372	1·8	7,777,798
1914 ...	1,053,584	15·8	457,814	6·9	1,273,209	19·1	3,486,527	52·4	240,553	3·7	142,813	2·1	6,654,500
1913 ...	1,209,387	19·0	382,836	6·0	1,099,909	17·2	3,324,745	52·1	224,280	3·5	142,248	2·2	6,383,405
1910 ...	1,187,378	21·6	427,879	7·8	1,057,215	19·2	2,449,994	44·5	280,330	5·1	97,469	1·8	5,500,265

* Per cent. of Total Liabilities or Assets.

BERGENS PRIVATBANK

BERGEN, NORWAY.

— Established 1855. —

CAPITAL, fully paid . Kr. 25,000,000.00
RESERVE FUNDS . . Kr. 31,000,000.00

BRANCHES:

Odda Privatbank, Odda.
Sundals Privatbank, Sundalsøren.
Aalvik Privatbank, Aalvik.

LONDON AGENTS:

C. J. Hambro & Son.
London Joint City and Midland Bank, Ltd.
British Bank of Northern Commerce, Ltd.

CURRENT ACCOUNTS opened for Banks, Merchants, Manufacturers, and Individuals.

DEPOSITS RECEIVED and Interest allowed thereon at favourable rates.

BILLS COLLECTED throughout Scandinavia, and returns promptly made.

FOREIGN EXCHANGE bought and sold.

MAIL AND CABLE TRANSFERS effected.

LETTERS OF CREDIT, available all over the world, issued.

SHIPPING CREDITS opened; Freights collected and remitted.

STOCKS bought and sold; Dividends collected; Coupons and Drawn Bonds collected or negotiated.

THE CLYDESDALE BANK LIMITED.

Incorporated under Acts of Parliament.

ESTABLISHED 1838.

Head Office: GLASGOW.

Capital - - - £5,000,000
Capital Paid up - £1,000,000
Reserve Surplus Fund £1,170,000

Directors.

Sir JAMES BELL, Bart., C.B., of Montgreenan, Ayrshire, *Chairman.*
The Right Hon. The LORD INVERCLYDE, of Castle Wemyss, *Deputy-Chairman.*
HENRY ALLAN, Esq., 21 Bothwell Street, Glasgow.
ADAM PATERSON CROSS, Esq., 44 Bernard Street, Leith.
DAVID McCOWAN, Esq., Royal Exchange, Glasgow.
JOHN M. MACLEOD, Esq., C.A., M.P., 149 West George Street, Glasgow.
HUGH REID, Esq., C.B.E., North British Locomotive Co., Ltd., Glasgow.
Sir ROBERT KING STEWART, K.B.E., of Murdostoun, Newmains.
ARCHIBALD WALKER, Esq., Newark Castle, Ayr.
And, *ex officio,*
JOHN HENDERSON, *General Manager.*

WILLIAM LOCHHEAD, *Assistant Manager.*
FREDERICK TOD, *Secretary.*

London Office: 30 LOMBARD STREET, E.C. 3.

DAVID YOUNG, *Manager.* GEORGE REOCH WILSON, *Assistant Manager*

The pension fund is a new item in the balance sheet. The pensions which are paid to retired members of the staff now run into considerable figures, and hitherto the Bank has had no pension fund, but in view of the Bank getting older and its staff increasing in numbers with the extension of business, it was decided to establish a pension fund and to build it up as circumstances permit till an amount has been reached which will be the actuarial equivalent of the Bank's pension liability. At the general meeting, Lord Inchcape mentioned that it is a recognition of the splendid work which the officials and staff of the Bank have performed during the last four trying years, and, as he said, it will be the Bank's memorial to the conquest of Germany and the restoration of peace.

The net profit upon the paid-up capital for 1918 was equal to 33.2%, upon the existing capital and reserve fund to 17.6%, and upon the total working resources to about .9%.

The following table gives the profit of the Bank from 1913 to 1918, and we also give for purpose of reference the profit table for the Bradford District Bank from 1913 to 1917:—

Profits of the National Provincial and Union Bank of England, Limited.

Year to Dec. 31		Net Profit	Div. Subject to Tax—Earned	Div. Subject to Tax—Paid—		Special Allocations	Carried Forward
		£	%	%	£	£	£
1918	...	1,821,383	33·25	16	876,301	850,000	487,318
1917	...	1,214,711	40·49	16	480,000	650,000	182,932
1916	...	1,179,444	39·31	16	480,000	698,000	98,221
1915	...	931,586	31·56	16	480,000	447,836	96,777
1914	...	681,042	22·70	16	480,000	200,000	93,027
1913	...	870,174	29·03	18	540,000	330,000	91,985

Profits of the Bradford District Bank.

Year to Dec. 31		Net Profit	Dividend Subject to Tax—Earned	Dividend Subject to Tax—Paid—		Special Allocations	Carried Forward
		£	%	%	£	£	£
1917	...	83,504	24·27	13·75	47,300	27,000	38,076
1916	...	81,083	23·57	13·75	47,300	42,000	28,872
1915	...	74,376	21·62	13·75	47,300	12,000	37,089
1914	...	68,849	20·00	13·93	47,950	12,000	22,013
1913	...	70,408	20·46	13·93	47,950	22,000	13,114

NORTHAMPTONSHIRE UNION BANK.

Head Office: Northampton.

Capital—

Authorised £1,200,000
Subscribed, 36,000 Shares of £30 each = 1,080,000
Paid up, £11 per Share ... ...
Price of Share, £27¼. *Div.*, 13.64%. *Yield*, £5 11*s.* 10*d.*%

THIS institution was established in 1836, and incorporated on April 20, 1880. The head office is at Northampton, and it has 11 branches in various surrounding towns, together with 12 sub-branches, so with a total of 24 offices the business done is very satisfactory.

The capital authorised is £1,200,000 in 40,000 shares of £30 each; 36,000 of these shares, upon which £11 has been paid, have been issued, making the total paid-up capital £396,000, or nearly double what it was in 1880, £205,989.

The Bank has a guarantee fund amounting to £264,000, also an investment reserve amounting to £205,000. The guarantee or reserve fund has been built up by steady allocations from surplus profits. At the end of 1913 it amounted to £404,000, or £8,000 in excess of the paid-up capital. In view, however, of the heavy fall in the value of securities since the War, various sums have been from time to time transferred to an investment reserve, and this latter fund is earmarked against the book value of the investments, which, according to the report of the auditors, "is sufficient to write down the investments below the quoted market prices at December 31, 1918." At the general meeting on February 6 last, the Chairman mentioned that the Bank were once more faced with a depreciation in the value of the investments, and he asked the shareholders to transfer £25,000, part of the surplus profits, to the reserve fund provided for that purpose, thereby writing down the investments, as stated, to the market value on December 31, 1918. Investments now stand at £3,209,409, and con-

THE ROYAL BANK OF CANADA

HEAD OFFICE : MONTREAL

LONDON, Eng.
PRINCES ST., E.C.

NEW YORK
68 WILLIAM ST.

BARCELONA
PLAZA DE CATALUNA 6

VLADIVOSTOK
SIBERIA

COLLECTIONS MADE. BILLS OF EXCHANGE PURCHASED. DRAFTS SOLD.
TRADE ENQUIRIES EFFECTED.

510 BRANCHES THROUGHOUT CANADA AND NEWFOUNDLAND.

65 FOREIGN BRANCHES.

CUBA—Havana (5 Branches), Antilla, Banes, Bayamo, Caibarien, Camaguey, Cardenas, Ciego de Avila, Cienfuegos, Cueto, Florida, Guantanamo, Jatibonico, Manzanillo, Matanzas, Moron, Nuevitas, Palma Soriano, Pinar del Rio, Puerto Padre, Sagua la Grande, Sancti Spiritus, Santa Clara and Santiago de Cuba.
PORTO RICO—San Juan, Mayaguez and Ponce. **COSTA RICA**—San José.
DOMINICAN REPUBLIC—S. Domingo, Puerto Plata, Sanchez, S. Pedro de Macoris and Santiago de los Caballeros.
MARTINIQUE—Fort de France. **GUADELOUPE**—Pointe-a-Pitre and Basse Terre.
VENEZUELA—Caracas, Ciudad Bolivar, Maracaibo and Puerto Cabello.

BRITISH WEST INDIES.

Antigua—St. John's. **Bahamas**—Nassau. **Barbados**—Bridgetown and Speightstown. **Dominica**—Roseau.
Grenada—St. George's. **Jamaica**—Kingston. **Montserrat**—Plymouth. **Nevis**—Charlestown.
St. Kitts—Basseterre. **Tobago**—Scarborough. **Trinidad**—Port of Spain and San Fernando.
BRITISH GUIANA—Georgetown, New Amsterdam and Rose Hall (Corentyne). **BRITISH HONDURAS**—Belize.

With our chain of 575 Branches throughout Canada, Newfoundland, the West Indies, Central and South America, we offer a complete banking service to exporters, importers, manufacturers and others wishing to extend their business in these countries. Trade enquiries are solicited. Consult our LONDON MANAGER or write direct to our *Foreign Department, Montreal, Canada.*

CAPITAL PAID UP AND RESERVES - - - - - $30,000,000
AGGREGATE ASSETS - - - - - - - - $430,000,000

Liabilities and Assets of The Northamptonshire Union Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Guarantee Fund. £	Investment Reserve. £	Total Capital and Reserves £	Total Capital and Reserves % *	Notes in Circulation. £	Notes in Circulation. % *	Deposits, &c. £	Deposits, &c. % *	Profit Balance. £	Profit Balance. % *	Total Liabilities. £
1918... ...	396,000	264,000	205,000	865,000	13·3	1,820	—	5,607,334	85·9	54,057	·8	6,528,211
1917... ...	396,000	254,000	195,000	845,000	14·9	1,840	—	4,757,885	84·1	53,967	1·0	5,658,692
1916... ...	396,000	254,000	175,000	825,000	16·2	1,840	—	4,195,551	82·7	54,029	1·1	5,076,420
1915... ...	396,000	304,000	100,000	800,000	17·0	1,840	—	3,840,842	81·7	60,644	1·3	4,703,326
1914... ...	396,000	404,000	—	800,000	18·6	1,850	—	3,451,954	80·3	45,007	1·1	4,298,811
1913... ...	396,000	404,000	—	800,000	20·0	1,855	—	3,160,546	79·0	36,034	1·0	3,998,435
1910... ...	396,000	384,000	—	780,000	20·7	1,884	·1	2,957,816	78·4	30,359	·8	3,770,059

ASSETS. Dec. 31	Cash in Hand, &c. £	Cash in Hand, &c. % *	Investments. £	Investments. % *	Bills of Exchange. £	Bills of Exchange. % *	Loans and Advances. £	Loans and Advances. % *	Bank Premises £	Bank Premises % *	Total Assets. £
1918	658,954	10·1	3,209,409	49·2	176,335	2·7	2,447,135	37·5	36,378	·5	6,528,211
1917	640,906	11·3	2,741,633	48·5	189,133	3·3	2,050,382	36·2	36,638	·7	6,658,692
1916	538,722	10·6	2,549,104	50·2	131,442	2·6	1,820,190	35·9	36,962	·7	5,076,420
1915	476,346	10·1	2,131,271	45·3	175,246	3·8	1,884,232	40·0	36,331	·8	4,703,326
1914	468,970	10·9	1,207,202	28·1	442,495	10·3	2,144,309	49·9	35,835	·8	4,298,811
1913	336,339	8·4	1,075,219	27·0	329,078	8·2	2,222,382	55·5	35,417	·9	3,998,435
1910	278,470	7·4	1,176,499	31·2	296,305	7·8	1,985,711	52·7	33,074	·9	3,770,059

* Per cent. of Total Liabilities or Assets.

sist of Consols, Local Loans stock, War Loans, Bank of England stock, Indian Guaranteed and English Railways, and other investments; £27,000 Consols are stated to be lodged for public accounts.

Deposits, &c., this year again show a marked expansion, rising from £4,757,885 to £5,607,334. The note circulation at £1,820 is slightly less than for 1917. Cash in hand, &c., is higher at £658,954; bills of exchange stand at £176,335, as against £189,133, while loans and advances are up from £2,050,382 to £2,447,135.

Liabilities to the public on December 31 last were £5,609,154, and the proportion of the assets to these liabilities were: Cash 11.7%, investments 57.2%, bills discounted 3.1%, and loans and advances 43.6%.

Our usual statement of liabilities and assets is given above; it shows the figures for 1910, and from 1913 to 1918.

The profits of the Bank have been satisfactorily maintained, the net profit for 1918 amounting to £74,090, as against £73,937, but the carry-forward is reduced from £16,966 to £11,057. In the first half of 1918, £10,000 was carried from profits to the guarantee fund, and out of the profits for the half-year ending December 31 the transfer of a further £16,000 was recommended, so that the guarantee, or reserve, fund is now really £280,000.

The profit record of the Bank since 1913 is as follows:—

Profits of the Northamptonshire Union Bank, Limited.

Year ended Dec. 31	Net Profit £	Div. Subject to Tax — Earned %	Div. Subject to Tax — Paid %	Div. Subject to Tax — Paid £	Special Allocations £	Carried Forward £
1918	74,090	18·71	13·64	54,000	26,000	11,057
1917	73,937	18·67	13·64	54,000	10,000	16,966
1916	72,385	18·28	13·64	54,000	20,000	7,029
1915	69,637	17·58	13·64	54,000	25,000	8,644
1914	72,610	18·53	14·18	56,149	—	18,007
1913	64,032	16·17	12·31	48,735	15,000	1,546

The shown net profit for 1918 bore a proportion to paid-up capital of 18.7%, to capital and reserve 8.5%, and to the total working resources 1.3%.

BANCO DE CHILE

94 Gracechurch Street, E.C. 3.

Paid-up Capital -	**$60,000,000**	**Chilian Dollars.**
Reserve Fund - -	**34,000,000**	
Reserve Liability of Shareholders - -	**60,000,000**	
Reserve Fund in Gold of 18d. -	**5,000,000**	

HEAD OFFICES—SANTIAGO & VALPARAISO.

BRANCHES—

Santiago (Estacion), Santiago (Matadero), Santiago (San Pablo), Santiago (Bella Vista), Valparaiso (Almendral), Ancud, Antofagasta, Arica, Chillan, Concepcion, Copiapó, Coquimbo, Curicó, Illapel, Iquique, La Calera, La Ligua, La Serena, Lebu, Los Andes, Los Anjeles, Mulchen, Nueva Imperial, Osorno, Ovalle, Pisagua, Puerto Montt, Quillota, Rancagua, Rengo, San Carlos, San Felipe, San Fernando, Tacna, Talca, Talcahuano, Taltal, Temuco, Tocopilla, Tomé, Traiguen, Valdivia, Vallenar, Vicuña, Viña del Mar.

The London Agency transacts every class of Banking business with Chile. Current Accounts also opened and Deposits received.

DAVID BURNS ... Manager.

BANK OF ADELAIDE.

Incorporated by Act of Parliament, 1865.

Paid-up Capital	**£500,000**
Reserve Fund	**570,000**
	£1,070,000
Uncalled Capital	**125,000**
Reserve Liability of Proprietors	**625,000**
	£1,820,000

Head Office: ADELAIDE, SOUTH AUSTRALIA.

Bills on all the Australasian Colonies purchased or collected.
Drafts issued and **Remittances** cabled.
Deposits received for fixed periods at rates to be ascertained on application. **P. ARNOLD, O.B.E.**, *Manager.*
11 Leadenhall Street, London, E.C. 3.

WESTERN AUSTRALIAN BANK

LONDON AGENCY.

ESTABLISHED 1841.

Paid-up Capital	**£250,000**
Reserve Fund	**700,000**
Reserved Profits	**28,020**
Reserve Liability of Shareholders	**250,000**

Head Office: PERTH, WESTERN AUSTRALIA.

Drafts issued, Remittances cabled, Bills negotiated or collected. Deposits received for fixed periods at rates to be ascertained on application, and all Banking and Exchange Business connected with Western Australia conducted through the London Agents,

The Bank of Adelaide,
11 Leadenhall Street, London, E.C. 3.

NORTHERN BANKING COMPANY.

Head Office: Belfast.

Capital—

Authorised £2,500,000
Subscribed { 175,000 "A" Shs. / 75,000 "B" Shs. } of £10 each = 2,500,000
Paid up, £2 per Share ... ... = 500,000
Price of Shares { "A" £5¾. *Div.*, 14.16%. *Yield*, £4 18*s.* 10*d.*% / "B" £2¼. *Div.*, 7·08%. *Yield*, £5 3*s.* 5*d.*% }

THIS Irish bank, which was established on August 1, 1824, is the last of the three Irish banks having their head offices in Belfast to retain its independence. The other two, the Belfast Banking Company and the Ulster Bank, have both been absorbed by London institutions, the former by the London City and Midland Bank, and the latter by the London County Westminster and Parr's Bank.

The constitution of the Northern Banking Company differs somewhat from that of the other Irish banks. The Directors are all Managing Directors, and devote their whole time to their duties as such, added to which a committee of shareholders is appointed at each annual meeting.

The Bank has 182 branches and agencies, and during the year a foreign department with widespread agencies has been established. This department is reported to be working satisfactorily, and it is anticipated that a material expansion of business will result in the future.

Accounts are made up to August 31, 1918, and the net profits for the year show an increase over those of the preceding year of £10,516, the amount being £106,751. As will be seen from our table, profits have been steadily increasing since 1913, and as a matter of fact the profits for 1918 are the highest in the history of the Bank. The dividends paid for the year were 14⅛% upon the "A" shares and 7 1/12% on the "B" shares, in each case less income tax. The rates for the last three years have been 13% on the "A" shares and 6½% upon the "B." £27,370 was carried forward to the new account, as against £23,935 on the last occasion.

As explaining the differences in the shares, it may be noted that the authorised and subscribed capital is £2,500,000, of which £500,000 has been paid up, £350,000 consisting of "A" shares and £150,000 of "B" shares. At first the shares were of the nominal value of £50 each, but in order to increase their marketability they were split into the nominal value of £10. £2 per £10 share has been paid up. The "B" shares receive half the dividend paid on the "A" shares, and in the event of liquidation rank equally with the latter.

Last year's net profit was equal to 21.35% upon the paid-up capital, to 10.8% upon the combined capital and reserves, and to .8% upon the total working resources.

Profits of the Northern Banking Company, Limited.

Year ended Aug. 31	Net Profit	Dividend Subject to Tax — Earned on Total Capital	Paid Total Capital	Paid "A" Sh.	Paid "B" Sh.	Amt.	Special Allocat'ns	Carried Forward
	£	%	%	%	%	£	£	£
1918 ...	106,751	21·35	12·04	14·16	7·08	60,208	43,108	27,370
1917 ...	95,235	19·04	11·05	13·00	6·50	55,250	36,318	23,935
1916 ...	86,642	17·32	11·05	13·00	6·50	55,250	31,230	20,268
1915 ...	83,891	16·78	11·05	13·00	6·50	55,250	26,298	20,106
1914 ...	78,643	15·72	10·85	12·77	6·38	54,255	20,677	17,763
1913 ...	73,732	14·74	10·03	12·74	6·37	54,159	21,253	14,052

Coming to the balance sheet, we find that total capital and reserves amount to £985,000, £500,000 being paid-up capital, reserve fund proper £300,000, investment reserve £185,000. Notes in circulation amount to £2,043,604, and, like those of most other Irish banks, have increased heavily each year since the War. Deposits, &c. are up by £2,751,429 to £10,361,605, and reveal the rapid expansion in the bank's business.

THE COMMERCIAL BANK OF LONDON, LIMITED,

6, AUSTIN FRIARS, LONDON, E.C. 2.

AUTHORISED CAPITAL - - - £1,000,000.

Issued and Paid-up Capital, £500,000.

Directors.

THE RIGHT HON. SIR CHARLES HOBHOUSE, BART., P.C. (Chairman).
CLARENCE C. HATRY, ESQ. (Managing Director).
PETER HAIG THOMAS, ESQ. (Assistant Managing Director)
THE RIGHT HON. THE EARL OF MARCH.
HENRY PELHAM-CLINTON, ESQ.
ROWLAND F. W. HODGE, ESQ.
H. R. GRENSIDE, ESQ.

Dr. **BALANCE SHEET, December 31st, 1918.** Cr.

LIABILITIES	£ s. d.	£ s. d.	ASSETS.		£ s. d.
To Capital Authorised	1,000,000 0 0		By Cash in Hand, at Bankers and at Call ...		280,835 8 3
Capital Issued and Fully Paid up—475,000 7% Cumulative Preference Shares of £1 each	475,000 0 0		Bills Discounted...		7,662 19 2
500,000 Deferred Shares of 1s. each	25,000 0 0		Loans and Advances to Customers, including Pre-War Foreign Debts, £163,909 8s. 10*d.* ...		604,131 2 1
		500,000 0 0	Investments—British Government Securities £116,363 0 2		
Current, Deposit and other Accounts ...		706,691 8 9	Value at Middle Market Price £116,563 0s. 2*d.*		
Reserve against Pre-War Foreign Debts ...		59,168 15 2	Railway and Industrial Securities 13,247 6 9		
Profit and Loss—Balance from 1917... ...	8,240 15 10		Value at Middle Market Price £17,747 0s. 0*d.*		
Profit for 1918 (subject to Excess Profits Duty, if any)	157,399 15 6		Shares in Affiliated Company and Sundry Small Investments £392,760 18 10		
	165,640 11 4		*Less* Written off in 1918 .. 50,000 0 0		
Less Dividends paid on Preference Shares to 1st January, 1919 ... £33,250			Directors' Valuation	342,760 18 10	
Dividends paid on Deferred Shares... 33,250					472,371 5 9
	66,500 0 0				
		99,140 11 4			
NOTE.—There is a Contingent Liability of £60,000 under an agreement with Eltringham & Co., Ltd., dated 10th January, 1918.		£1,365,000 15 3			£1,365,000 15 3

ARTHUR H. KING, J. J. SPEAR, *Joint General Managers.*
CHARLES E. HOBHOUSE, CLARENCE C. HATRY, H. R. GRENSIDE, *Directors.*

AUDITORS' REPORT.

To the Shareholders of THE COMMERCIAL BANK OF LONDON, LIMITED. We have examined the above Balance Sheet, dated 31st December, 1918, with the Books and Vouchers of the Company, and have obtained all the information and explanations we have required.

We are unable to form an opinion as to the sufficiency, or otherwise, of the Reserve against loss on Pre-War Foreign Debts and of the amount written off the Shares in an Affiliated Company. Subject thereto such Balance Sheet is, in our opinion, properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Company

5, LONDON WALL BUILDINGS, LONDON, E.C. 2.
9th April, 1919.

DELOITTE, PLENDER GRIFFITHS & CO., Chartered Accountants, *Auditors.*

CURRENT ACCOUNTS OPENED AND EVERY DESCRIPTION OF BANKING BUSINESS TRANSACTED.
BILLS DISCOUNTED AND ADVANCES MADE TO CUSTOMERS ON APPROVED SECURITY.
SPECIAL FACILITIES GRANTED TO COMMERCIAL AND INDUSTRIAL UNDERTAKINGS.
THE PURCHASE AND SALE OF SECURITIES UNDERTAKEN; SAFE CUSTODY OF SECURITIES; ALSO THE RECEIPT OF DIVIDENDS.
COUPONS AND DRAWN BONDS NEGOTIATED.
DEPOSITS RECEIVED AT CALL, OR FOR FIXED PERIODS, AT RATES WHICH MAY BE ASCERTAINED ON APPLICATION.

6, Austin Friars, London, E.C. 2.

ARTHUR H. KING, J. J. SPEAR, Joint General Managers.

Liabilities and Assets of the Northern Banking Company, Limited.

LIABILITIES. Aug. 31	Capital Paid up. £	Reserve Fund. £	Investment Reserve £	Total Capital and Reserves. £	%	Notes in Circulation. £	%	Deposits, &c. £	%	Miscellaneous. £	%	Profit Balance. £	%	Total Liabilities. £
1918 ...	500,000	300,000	185,000	985,000	7·3	2,043,604	15·1	10,361,605	76·8	79,471	·6	27,369	·2	13,497,049
1917 ...	500,000	260,000	185,000	945,000	9·4	1,355,851	13·6	7,610,176	76·0	75,453	·8	23,935	·2	10,010,415
1916 ...	500,000	230,000	185,000	915,000	10·1	1,258,942	13·8	6,875,169	75·2	73,585	·8	20,269	·1	9,142,964
1915 ...	500,000	230,000	155,000	885,000	10·7	926,826	11·2	6,418,633	77·1	71,808	·8	20,106	·2	8,322,373
1914 ...	500,000	230,000	130,000	860,000	11·6	828,394	10·9	5,811,803	76·6	70,206	·9	17,763	·2	7,588,166
1913 ...	500,000	230,000	110,000	840,000	11·4	737,023	10·0	5,687,238	77·5	65,995	·9	14,052	·2	7,344,308
1910 ...	500,000	275,000	30,000	805,000	12·7	624,944	9·8	4,834,552	76·1	59,575	·9	28,392	·4	6,352,463

ASSETS. Aug. 31	Cash in Hand, &c. £	%	Investments £	%	Bills, Loans and Advances. £	%	Bank Premises Account. £	%	Total Assets. £
1918 ...	3,039,796	22·6	4,620,493	34·2	5,716,760	31·2	120,000	·9	13,497,049
1917 ...	2,386,099	23·9	3,258,326	32·5	4,253,990	42·5	112,000	1·1	10,010,415
1916 ...	1,847,653	20·2	3,283,573	35·9	3,896,738	42·6	115,000	1·3	9,142,964
1915 ...	1,431,627	17·2	3,421,139	41·1	3,354,607	40·3	115,000	1·4	8,322,373
1914 ...	1,666,413	21·9	2,036,586	26·9	3,770,167	49·7	115,000	1·5	7,538,166
1913 ...	1,233,890	16·8	2,047,968	27·9	3,949,450	53·8	113,000	1·5	7,344,308
1910 ...	1,021,963	16·1	1,750,186	27·6	3,477,314	54·7	103,000	1·6	6,352,463

* Per cent. of Total Liabilities or Assets.

Cash in hand, &c., amounts to £3,039,796, as against £2,386,099 in 1917, while investments are over £1,000 more at £4,620,493. Included in the investments are £3,166,550 5*s.* 10*d.* in British War Loans and Exchequer Bonds; other British securities amount to £523,013 5*s.* 10*d.* Bills, loans and advances also show a heavy increase at £5,716,760, £1,500,000 consisting of British Government Treasury bills. Bank premises account stands at £120,000, an increase of £8,000. The total assets of the Bank are £13,497,049, an increase of £3,486,634 over those of the preceding year.

Liabilities to the public on August 31, 1918, amounted to £12,484,680, against which assets were held in the following proportions: Cash, 23.5%; investments, 37.0%; bills, loans, and advances, 45.8%.

NORTH OF SCOTLAND AND TOWN AND COUNTY BANK.

Head Office: Aberdeen.

Capital—

Authorised		£3,260,000
Subscribed, 163,000 Shares of £20 each	=	3,260,000
Paid up, £4 per Share	=	652,000

Price of Share, £13⅜ xd. *Div.*, 16%. *Yield*, £4 16*s.* 5*d.*%

This Bank, as its name implies, is an amalgamation of the North of Scotland Bank and the Town and County Bank, Limited, which took place in May 1908. Both banks had their head offices in Aberdeen. The latter was established in 1825, under the title of the Aberdeen Town and County Banking Company, Limited, while the North of Scotland Bank was formed in Aberdeen in 1836. In January 1907 the subscribed

THE
Sumitomo Bank, Limited,
OSAKA, JAPAN.
ESTABLISHED 1912.
(Successors to the Sumitomo Bank.)

Capital - - - Yen 30,000,000.00
Paid-up Capital - Yen 26,250,000.00
Reserve Fund - Yen 5,250,000.00
Deposits (March, 1919) Yen 277,000,000.00

BARON K. SUMITOMO, President.
K. YUKAWA, Esq., Managing Director.
T. KANOH, Esq., ,, ,,
S. YOSHIDA, Esq., ,, ,,
N. YATSUSHIRO, Esq., ,, ,,

Home Branches.—Tokyo, Yokohama, Nagoya, Kyoto, Kobe, Hyogo, Onomichi, Niihama, Kure, Hiroshima, Yanai, Shimonoseki, Moji, Kokura, Wakamatsu, Hakata and Kurume.

Foreign Branches.—Shanghai, Hankow, Bombay, London, New York (Agency), San Francisco, Seattle, and Honolulu (Agency).

London Bankers.—Lloyds Bank Limited.

Correspondents in all important places at Home and Abroad.

The Bank buys, sells and receives for collection Drafts and Telegraphic Transfers; issues **Commercial and Travellers' Letters of Credit** available in all important parts of the world, besides doing general Banking Business.

LONDON OFFICE:
87, GRACECHURCH STREET, E.C.3.
K. OHDAIRA, Manager.

CHARTERED 1836

GIRARD
TRUST COMPANY
Philadelphia, Pennsylvania, U.S.A.

CAPITAL & SURPLUS
$10,000,000

Acts as Executor, Trustee, Guardian and Administrator

INTEREST ALLOWED ON DEPOSITS

capital of the Town and County Bank was £1,260,000, divided into 36,000 shares of £35 each, of which £7 per share, or £252,000, was paid up. Its reserve fund was £135,000 and the amount of its deposits £3,046,856.

The paid-up capital of the North of Scotland Bank at the date of the amalgamation was £400,000; on September 30, 1907, its deposits stood at £4,500,000. The subscribed capital of the North of Scotland and Town and County Bank is now £3,260,000, its paid-up capital £652,000. The shares are £20 each, £4 of which is paid up, leaving £4 callable and £12 reserved.

The Bank has a fine record of progress behind it, and since the amalgamation good and increasing dividends have been paid. There was, however, a slight falling off in profits in 1916, and a reduction in the dividend from 13.07% to 12½%, but since then the recovery has been rapid. The following year the dividend was increased to 13½%, and for the year in question, 1917, the profit, £126,799, was the highest ever recorded. Even so the figures for 1918 showed that record to be broken, and the profit at £159,259 is some £33,500 higher. After making full provision for bad and doubtful debts the directors were able to raise the rate of distribution from 13½% to 14¾%, less income tax, and as showing just how the dividend was made up it may be pointed out that a half-yearly distribution of 12½% per annum was paid on May 3, 1918, less tax, and on December 1, 1918, 15% per annum, less tax, was paid, plus a bonus of 1% for the whole year, also less tax.

Since 1914 the surplus profits have been carried forward to meet contingencies arising from the War, until they amounted at the end of 1917 to the sum of £125,926, after providing for the transfer of £47,000 to the reserve fund. In the report of September last it is stated that these contingencies have not now to be faced, as the difficulties which arose have been solved without loss. In consequence the directors were enabled to recommend the transfer of £100,000 from these accrued profits to the credit of reserve fund, bringing that fund up to £600,000, £5,000 in reduction of Bank buildings account, and £5,000 in reduction of the heritable property account. As the result of these allocations and transfers the carry-forward is reduced from £125,926 to £79,016.

The following analysis of the profit and loss accounts since 1913 gives a full statement of the position:—

Profits of the North of Scotland and Town and County Bank, Limited.

Year ended Sept. 30	Net Profit	Div. Subject to Tax — Earned	Div. Subject to Tax — Paid		Special Allocat'ns	Carried Forward
	£	%	%	£	£	£
1918	159,259	24·43	14·75	96,170	110,000	79,016
1917	126,799	19·45	13·50	88,020	47,500	125,926
1916	122,648	18·81	12·50	81,500	—	134,647
1915	126,627	19·42	13·07	85,204	—	93,499
1914	122,877	18·84	13·60	88,713	—	52,076
1913	114,470	17·55	13·27	86,548	25,500	17,912

The net profit for 1917-18 was equal to 24.4% upon the paid-up capital, to 13.9% upon the combined capital and reserve, and to .8% upon the total working resources.

Coming to the balance sheet, we find notes in circulation have increased from £1,546,002 to £2,114,062. Deposits, as in the case of most other banking institutions, continue to show large expansion. On September 30 last they stood at £17,527,339, as compared with £13,594,161 in 1917.

Cash in hand, &c., is some £700,000 higher at £3,400,181. Investments are up from £4,767,669 to £8,261,543. Among the investments are £5,000,000 of Treasury bills. Bills discounted, advances, &c., have increased by £699,286 to £9,121,479. Bank premises, &c., stand at £264,822, as compared with £254,307 in the last balance sheet. The total assets amount to £21,048,025.

We give below our usual table of liabilities and assets, from which it will be noticed that loans to

THE BRITISH BANK OF NORTHERN COMMERCE
LIMITED.

Subscribed Capital, £1,500,000
Paid-up Capital, £375,000
Reserve, £750,000

Current and Deposit Accounts - £27,810,666

Special Facilities for Trade between England and Scandinavia.

General Banking Business Conducted.
Deposit Rates on Application.

General Manager - - - G. L. d'ABO.

LONDON OFFICES:
41, 43 and 47 BISHOPSGATE, LONDON, E.C. 2.

Liabilities and Assets of The North of Scotland and Town and County Bank, Limited.

LIABILITIES.	Capital Paid up.	Reserve Fund.	Total Capital and Reserve.		Notes in Circulation.		Deposits, &c.		Profit Balance.		Total Liabilities.
Sept. 30	£	£	£	%*	£	%*	£	%*	£	%*	£
1918 ...	652,000	500,000	1,152,000	5·5	2,114,062	10·0	17,527,339	83·3	254,624	1·2	21,048,025
1917 ...	652,000	452,500	1,104,500	6·7	1,546,002	9·4	13,594,161	82·5	230,884	1·4	16,475,547
1916 ...	652,000	452,500	1,104,500	7.7	1,354,301	9·4	11,809,448	81·7	182,528	1·2	14,450,784
1915 ...	652,000	452,500	1,104,500	9·2	1,054,560	8·9	9,617,862	80·8	129,156	1·1	11,906,078
1914 ...	652,000	452,500	1,104,500	10·1	903,277	8·3	8,771,273	80·7	92,826	·9	10,871,876
1913 ...	652,000	435,000	1,087,000	10·4	791,178	7·5	8,504,752	81·3	84,161	·8	10,467,091
1910 ...	652,000	387,500	1,039,500	11·4	749,368	8·2	7,260,912	79·6	74,788	·8	9,124,568

ASSETS.	Cash in Hand, &c.		Investments.		Loans to London Bankers.		Bills Discounted Advances, &c.		Bank Premises, &c.		Total Assets.
Sept. 30	£	%*	£	%*	£	%*	£	%*	£	%*	£
1918 ...	3,400,181	16·1	8,261,543	39·3	—	—	9,121,479	43·3	264,822	1·3	21,048,025
1917 ...	2,602,003	15·8	4,767,669	29·0	429,375	2·6	8,422,193	51·1	254,307	1·5	16,475,547
1916 ...	2,282,059	15·8	3,718,810	25·8	552,342	3·8	7,641,260†	52·9	256,313	1·7	14,450,784
1915 ...	1,664,056	14·0	3,758,611	31·6	805,588	6·7	5,420,957†	45·6	256,866	2·1	11,906,078
1914 ...	1,451,213	13·3	1,951,542	18·0	1,886,790	17·3	5,323,849	49·0	258,482	2·4	10,871,876
1913 ...	1,246,251	11·9	1,817,257	17·4	2,019,000	19·3	5,120,847	48·9	263,736	2·5	10,467,091
1910 ...	1,152,881	12·7	1,788,269	19·6	903,227	9·9	5,003,917	54·8	[276,274	3·0	9,124,568

* Per cent. of Total Liabilities or Assets.

London bankers, which stood last year at £429,375, no longer figure in the balance sheet.

Liabilities to the public on September 30 last were £19,641,401, against which assets were held in the following proportions: Cash and notes in hand and cash at call with London banks, 17.3%; investments, 42.1%; bills discounted (including Treasury bills) and advances, 46.5%.

The head office of the Bank is in Aberdeen, and it has 149 branches in various parts of Scotland.

PALATINE BANK.

Head Office: 22 Brown Street, Manchester.

Capital—

Authorised		£1,000,000
Subscribed, 25,000 Shares of £20 each	=	500,000
Paid up, £5 per Share	=	125,000

Price of Share, £6½. *Div.*, 5¾%. *Yield*, £4 9*s.* 5*d.*%

THE Palatine Bank was formed in September, 1899, for the purpose of establishing banks in Manchester, Oldham, and elsewhere. The nominal capital was £1,000,000 in £20 shares; the subscribed capital at present is £500,000 in 25,000 shares, of which £5 has been paid up, making the paid-up capital £125,000. The total capital and reserve now stands at £136,000, as compared with £115,000 in 1914.

The head office of the Bank is in Manchester, and it has now 13 branches, in all of which business continues to show steady progress. The year 1917 was reported to be the most profitable in the history of the Bank, but the results for 1918 proved to be even better. In comparing the figures of the balance sheet for December 31 last with those of the previous year, one finds a considerable all-round increase. The paid-up capital, for the first thing, shows a small increase. The directors of the Bank, being of opinion that the amount paid up per share of the issued capital should stand at the even amount of £5, called up during the year 10*s.* per share, and when this was paid up it raised the paid-up capital from £112,500 to £125,000. Then there is an appropriation of £35,000 to reserve fund, which makes that fund now appear at five figures, £11,000. The further increase in current accounts and deposits to over one million pounds is very gratify-

NATIONAL BANK OF EGYPT.

Established under Egyptian Law, June, 1898, *with the exclusive right to issue Notes payable at sight to bearer.*

CAPITAL - - £3,000,000

(In 300,000 Shares of £10 each, fully paid)

RESERVE FUND - £2,000,000

Governor ... ... F. T. ROWLATT, Esq.

Head Office - - CAIRO.

London Committee:

E. W. P. FOSTER, C.M.G. SIR CARL MEYER, Bart.
HON. ALGERNON MILLS. HON. SIDNEY PEEL, D.S.O. M.C

LONDON AGENCY:

6 & 7 King William Street, London, E.C. 4.

Manager ... ... J. T. BEATY-POWNALL.
Assistant Manager ... A. F. GILLBEE.

Accounts opened with traders and private persons. Circular Notes issued. Every kind of Banking business transacted.

Offices in Egypt at Cairo (Head Office), Alexandria, Assiout, Assuan, Benha, Beni-Suef, Chibin-el-Kom, Damanhur, Fayoum, Keneh, Luxor, Mansourah, Minieh, Mousky (Cairo), Port Said, Rod-el-Farag (Cairo), Sohag, Tantah, Zagazig; and in the Sudan at Khartoum, Port Soudan, Suakim, and the Sub-Agencies at El-Obeid, Tokar, and Wad-Medani.

AFRICAN BANKING CORPORATION, LTD.

HEAD OFFICE: **63 LONDON WALL, E.C. 2.**

Authorised and Subscribed Capital - - - - £2,000,000
Paid-up Capital - - - £1,000,000
Reserve - - - - - £290,000

Board of Directors.

The Right Hon. the EARL OF SELBORNE, K.G., *Chairman.*
ROBERT LITTLEJOHN, *Deputy-Chairman.*
STANLEY CHRISTOPHERSON.
SOLOMON B. JOEL.
Sir GODFREY Y. LAGDEN, K.C.M.G.
The Right Hon. VISCOUNT MIDLETON, K.P.
WILLIAM JAMES THOMPSON.
GEORGE W. THOMSON, J.P.

Manager in London.
J. M. WALLACE.

Secretary.
ALEXANDER DUNCAN.

General Manager in South Africa.
JAMES S. SHIEL.

Branches in South Africa.

Benoni, Bloemfontein, Boksburg, Bulawayo, Burghersdorp, Calvinia, Cape Town, Cape Town (Long Street), Durban, Durban (Pine Street), East London, Flagstaff (Pondoland), Gatooma, Germiston, Graaff Reinet, Grahamstown, Hermon Fransch-Hoek, Idutywa, Jagersfontein, Jeppestown, Johannesburg, Johannesburg (President Street), Keiskama Hoek, Kimberley, King William's Town, Koffyfontein, Kokstad, Malmesbury, Molteno, Montagu, Moorreesburg, Mossel Bay, Nieuwoudtville, Oudtshoorn, Paarl, Noorder Paarl (Sub Branch), Pietermaritzburg, Piquetberg, Port Elizabeth, Pretoria, Queenstown, Salisbury, Shamva, Stutterheim, Umtata, Wellington, Worcester and Wynberg.

Agency in America.
New York, 64 Wall Street.
Agent—WM. LOGAN.

Every kind of approved Banking business is transacted at the Head Office and Branches. Current Accounts are opened, Drafts issued, Bills and Securities collected, the Sale and Purchase of Stocks, Shares, &c., undertaken, and Securities and Valuables received for Safe Custody. Deposits for fixed periods or at notice are received on terms and rates to be ascertained on application. The Bank undertakes Executor and Trustee Business. Every officer of the Bank is pledged to secrecy as to the business affairs of the Bank and its customers.

Liabilities and Assets of The Palatine Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities £
1918	125,000	11,000	136,000	11·5	34,826	2·9	1,009,168	85·1	5,493	·5	1,185,487
1917	112,500	7,500	120,060	15·9	26,484	3·5	603,427	79·9	5,174	·7	755,085
1916	112,500	2,500	115,000	18·5	3,919	·6	495,829	79·8	6,742	1·1	621,490
1915	112,500	2,500	115,000	24·2	13,206	2·8	339,178	71·5	6,659	1·5	474,043
1914	112,500	2,500	115,000	26·3	23,283	5·3	293,539	67·0	6,164	1·4	437,986
1913	112,500	2,500	115,000	25·3	54,606	12·0	279,597	61·4	5,750	1·3	454,953
1910	112,500	2,500	115,000	20·0	190,867	33·2	262,681	45·8	5,654	1·0	574,202

ASSETS. Dec. 31	Cash in Hand and at Call. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Liab. of Customers for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1918	309,795	26·1	216,932	18·3	215,183	18·1	398,692	33·7	34,826	2·9	10,059	·9	1,185,487
1917	201,549	26·7	55,428	7·4	[113.628	15 0	348,026	46·1	26,484	3·5	9,960	1·3	755,085
1916	174,753	28·1	66,740	10·8	64,686	10·4	301,835	48·6	3,919	·6	9,557	1·5	621,490
1915	76,618	16·2	76,212	16·1	28,677	6·0	270,893	57·1	13,207	2·8	8,436	1·8	474,043
1914	59,572	13·6	53,339	12·2	28,618	6·5	264,938	60·5	23,283	5·3	8,236	1·9	437,986
1913	89,189	19·6	45,808	10·1	31,240	6·9	225,757	49·5	54,606	12·0	8,353	1·9	454,953
1910	109,385	19·0	35,334	6·1	23,605	4·2	207,303	36·1	190,867	33·2	7,708	1·4	574,202

* Per cent. of Total Liabilities or Assets.

ing, and may be taken as an indication of the confidence of the public no less than of the growth of business during the past 12 months. As stated in the report, the deposits alone have increased to their present dimensions from £603,000 a year ago, and from £283,000 prior to the outbreak of war; they have, in effect, considerably more than trebled during this period. Current accounts are at £398,692, and reveal an increase of about £50,000. Acceptances at £34,826 are some £8,000 higher.

On the assets side, cash, at £309,794, compares with £201,548 a year ago, and amounts to 30% of the liabilities to depositors. The Bank's holding of British Treasury bills, too, is almost double that of last year, while bills of exchange, at £70,183, show an increase of £31,555. The Bank's investments at £216,932 are very considerably above those of 1917, which stood at £55,428; they consist almost entirely of British Government war securities, and the increase is wholly due to the Bank's subscription for War Bonds. The liquid assets at £741,909, are nearly 74% of the Bank's total liabilities to its depositors. The full total of assets and liabilities, £1,185,487, compares with £755,085 in 1917.

Liabilities to the public on December 31, 1918, amounted to £1,043,994, against which assets were held as follows: Cash, 29.7%; investments, 20.8%; bills discounted (including Treasury bills), 20.6%; and loans and advances, 38.2%.

A full statement of liabilities and assets appears below.

In the profit and loss account, net profit for the year, after providing for all expenses, bad and doubtful debts, bonuses and income tax, amounts to £11,382, as compared with £10,557 in 1917. The dividend for the full year, subject to tax, is ¾% higher than that paid for the past five years—*i.e.* 5¾% as against 5%. The carry-forward is £1,743, in 1917 it was £2,048.

The net profit for 1918 was equal to 9.1% upon the paid-up capital, to 8.4% upon the combined capital and reserve, and to 1.1% upon the total working resources.

NATIONAL BANK OF INDIA,

LIMITED.

Registered in London under the Companies Act of 1862 on the 23rd of March, 1866.

Established in Calcutta 29th September, 1863.

Bankers to the Government in British East Africa and Uganda.

Subscribed Capital	**£2,000,000**
Paid-up Capital	**£1,000,000**
Reserve Fund	**£1,550,000**
Number of Shareholders	**1,407**

Head Office: 26 BISHOPSGATE, LONDON, E.C. 2.

BOARD OF DIRECTORS:

ROBERT CAMPBELL, Esq., *Chairman.* ROBERT WILLIAMSON, Esq., *Deputy-Chairman.*
SIR JOHN P. HEWETT, G.C.S.I., K.B.E., | SIR CHARLES C. McLEOD. | J. N. STUART, Esq.
ROBERT MILLER, Esq. [C.I.E. | ALFRED SIMSON, Esq. | J. A. TOOMEY, Esq.

Branches

CALCUTTA	AMRITSAR	MANDALAY	MOMBASA	British East Africa
BOMBAY	DELHI	ADEN & ADEN POINT	NAIROBI	
MADRAS	TUTICORIN	COLOMBO	NAKURU	
KARACHI	COCHIN (S. INDIA)	KANDY	KISUMU	
CAWNPORE	CHITTAGONG	NEWERA ELIYA	ENTEBBE	Uganda
LAHORE	RANGOON	ZANZIBAR	KAMPALA	
			JINJA	

TANGA, DAR-ES-SALAAM — Occupied Territory, German East Africa

The Bank grants Drafts and Telegraphic Transfers on all places where it is represented; negotiates and collects Bills of Exchange; undertakes the Purchase or Sale of Indian Government and other Securities; collects Pay, Pensions, and generally transacts every description of Eastern Banking Business. The Bank receives Deposits for fixed periods, not exceeding one year, at rates to be obtained on application.

The Bank opens Current Accounts, and, provided they do not fall below £200, allows Two per cent. per annum interest on the minimum monthly balances.

C. NICOLL, *London Manager.* H. CHALMERS, *General Manager.*

The following statement gives the profit record since 1913.

Profits of the Palatine Bank, Limited.

Year	Gross Profit	Expenses	Net Profit	Div. Earned	Div. Paid %	Div. Paid £	Special Allocations	Carried Forward
	£	£	£	%	%	£	£	£
1918 ...	—	—	11,382	9·10	5¾	7,187	4,500	1,743
1917 ...	22,189	11,632	10,557	9·38	5	5,625	5,000	2,048
1916 ...	17,573	9,865	7,708	6·85	5	5,625	1,500	2,117
1915 ...	16,338	8,819	7,519	6·68	5	5,625	2,000	1,534
1914 ...	15,705	8,665	7,040	6·25	5	5,625	1,400	1,640
1913 ...	15,320	7,899	7,421	6·59	5	5,625	1,000	1,625

PROVINCIAL BANK OF IRELAND.

Head Office: 8 Throgmorton Street, London, E.C.

Capital—

Authorised £4,080,000

Subscribed { 40,000 Shares of £100 each / 4,000 Shares of £20 each } = 4,080,000

Paid up { £12 10*s.* per £100 Share / £10 per £20 Share } = 540,000

Price of £12½ paid, £25⅝. *Div.*, 13½%. *Yield*, £6 14*s.* 7*d.*
„ „ £10 „ £21⅜. „ £6 8*s.* 10*d.*

THIS old-established Irish Bank, which was formed as long ago as 1825, has its Head Office in London in Throgmorton Avenue, and has 115 branches and sub-branches in Ireland. The authorised and subscribed capital is £4,080,000. The paid-up capital, in which there has been no change for the past 37 years, stands at £540,000, and the reserve fund, £415,000. At the end of 1914 and 1915 the reserve stood at £375,000, but in consequence of the depreciation in investments during those anxious years it was found necessary, not only to make substantial provision out of profit to meet the reduction in values, but also, in 1916, to reduce the reserve to £330,000. In view of the absence of depreciation in 1917 the reserve was restored to its former figure of £375,000, and this year it has been strengthened still further by £40,000 to £415,000.

A comparison of the present balance sheet with that of a year ago shows that notes in circulation have risen by £547,000, and now stand at just over 2¼ millions sterling. Deposits, &c., have advanced from £9,168,958 to £11,816,700, an increase of £1,500,000 having taken place between June and December last, following upon the continued prosperity in agriculture and in many industries in Ireland. The net result of the harvest, and the prices obtained generally for Irish cattle and produce, have greatly benefited farmers, and they are able to record another satisfactory year.

The Bank, looking to their increased obligations to the public, have for the first time strengthened its cash resources by about £1,000,000, and cash in hand, &c., now stands at £2,120,873, while money at call and at short notice is at £645,270. The Bank's investments, too, owing to the larger funds at their disposal, show a large increase on the year of about £3,260,000; the total is £5,790,235. As the result of these operations the Bank had, on December 31, a proportion of about 62% of liquid assets immediately available against its liabilities. The item of bills discounted and advanced to customers is also up about one million, as compared with December 1917, but at that date there was recorded an advance of £1,900,000. The sum of £2,000 written off Bank premises, as shown in the report, makes a total of £10,000 thus applied in the last twelve months.

Liabilities to the public on December 31 last amounted to £14,081,651, against which assets were held in the following proportions:—Cash, &c., 15.1%; money at call, 6.7%; investments, &c., 41.1%; bills and advances, 43.5%.

Gross profits stand at £276,853 in our table, as against £256,504, but net profits at £118,641 are lower by about £10,000, following on the general increase in the expenses of management, in addition to which a further bonus has been paid to the Bank's officers,

THE
MUNSTER & LEINSTER BANK
LIMITED.

Head Office : CORK.

Authorised Capital - - £1,000,000.
Subscribed Capital - - £500,000.
Called-up Capital - - £200,000.
Reserve Fund - - - £400,000.

Directors:
RIGHT HON. SIR STANLEY HARRINGTON, P.C., CHARLES EUSTACE MURPHY, ESQ., THOMAS BARRY LILLIS, ESQ., JOHN MURPHY, ESQ., J.P., D.L., SOMERS PAYNE, ESQ., J.P.

General Manager:
T. B. LILLIS.

London Agents:
NATIONAL PROVINCIAL AND UNION BANK OF ENGLAND, LIMITED.

Bills, Annuities, Coupons, and Dividends are collected in all parts of the United Kingdom and abroad, and every kind of Banking business is transacted on the usual terms at the Head Office and Branches.

The Purchase and Sale of Stocks and Shares are effected. Strong Rooms are provided for the custody of deeds and other property deposited by Customers of the Bank.

Executorships and Trusteeships.

The Bank, having the necessary powers, is prepared to undertake the offices of Executors and Trustees. Particulars of terms can be obtained from the Head Office and Branches.

Established 1875.

IMPERIAL BANK
OF CANADA.

Capital Paid up, $7,000,000. Reserve Fund, $7,000,000

PELEG HOWLAND, *President.* W. MOFFAT, *General Manager.*

HEAD OFFICE: TORONTO.

Over one hundred and fifty two branches in the Provinces of Ontario, Quebec, Manitoba, Saskatchewan, Alberta, and British Columbia.

Drafts issued and Remittances cabled to any point in Canada.

Agents in Great Britain:
ENGLAND—Lloyds Bank Limited, London, and Branches.
SCOTLAND—The Commercial Bank of Scotland, Limited, Edinburgh, and Branches.
IRELAND—Bank of Ireland, Dublin, and Branches.

Agents in France:
Crédit Lyonnais; Lloyds Bank (France), and National Provincial Bank (France), Limited.

Liabilities and Assets of The Provincial Bank of Ireland, Limited.

LIABILITIES. Dec. 31	Capital Paid Up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918 ...	540,000	415,000	955,000	6·3	2,264,951	15·0	11,816,700	78·4	43,242	·3	15,079,893
1917 ...	540,000	375,000	915,000	7·7	1,717,577	14·5	9,168,958	77·4	44,301	·4	11,845836
1916 ...	540,000	330,000	870,000	8·7	1,638,755	16·4	7,457,207	74·5	40,653	·4	10,006,615
1915 ...	540,000	375,000	915,000	9·8	1,655,355	17·6	6,757,577	72·1	40,359	·5	9,368,291
1914 ...	540,000	375,000	915,000	10·3	1,151,927	13·0	6,752,422	76·1	51,629	·6	8,870,978
1913 ...	540,000	360,000	900,000	11·0	790,530	9·7	6,427,172	78·8	45,658	·5	8,163,360
1910 ...	540,000	360,000	900,000	12·3	737,628	10·1	5,608,973	77·0	46,423	·6	7,293,024

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call & at Short Notice, &c. £	% *	Investments. £	% *	Bills and Advances. £	% *	Bank Premises, &c. £	% *	Tota Assets. £
1918 ...	2,120,873	14·0	945,270	6·3	5,790,235	38·4	6,121,281	40·6	102,234	·7	15,079,893
1917 ...	1,435,938	12·1	622,500	5·2	2,534,876	21·4	7,148,896	60·4	103,626	·9	11,845,836
1916 ...	1,365,756	13·7	833,000	8·3	2,475,120	24·7	5,225,432	52·2	107,307	1·1	10,006,615
1915 ...	1,205,704	12·9	791,600	8·4	2,685,732	28·6	4,579,257	48·9	105,998	1·2	9,368,291
1914 ...	1,045,881	11·8	439,900	4·9	2,483,434	28·0	4,798,837	54·1	102,926	1·2	8,870,978
1913 ...	680,546	8·3	475,000	5·9	2,153,423	26·4	4,752,497	58·2	101,894	1·2	8,163,360
1910 ...	358,470	5·0	529,063	7·2	2,327,788	32·0	3,970,751	54·4	106,952	1·4	7,293,024

* Per cent. of Total Liabilities or Assets.

making the total so distributed in 1918 £24,400. The dividend paid was 13½%, as against 12½% for many years past. The carry-forward is £17,728, as compared with £18,989 in 1917.

The net profit last year was equal to 22.0% upon the paid-up capital, to 12.4% upon the combined capital and reserve, and to .8% upon the total working resources

Profits of the Provincial Bank of Ireland, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid— %	£	Special Allocations £	Carried Forward £
1918...	276,853	158,212	118,641	22·0	13½	72,900	47,000	17,728
1917...	256,504	127,355	129,149	23·9	12½	67,500	58,000	18,989
1916...	243,381	121,634	121,747	22·5	12½	67,500	51,000	15,340
1915...	231,980	110,429	121,551	22·5	12½	67,500	63,000	12,093
1914...	220,591	110,925	109,666	20·3	12½	67,500	35,000	21,043
1913...	214,506	104,426	110,080	20·3	12½	67,500	42,000	13,877

ROYAL BANK OF IRELAND.

Head Office: Foster Place, Dublin.

Capital—

Authorised		£1,500,000
Subscribed, 30,000 Shares of £50 each	=	1,500,000
Paid up, £10 per Share	=	300,000

Price of Share, £13¼. *Div.*, 10%. *Yield*, £7 11*s.* 6*d.*%

THE Royal Bank of Ireland, which was established in 1836, is the smallest of the Irish banks. Its authorised capital is £1,500,000, divided into 30,000 shares of £50, on each of which £10 has been paid, making the paid-up capital £300,000. There have not been many increases of capital since its inception; in 1860 the amount paid up was £209,175, and by 1870 it had reached £300,000, since when there has

SKANDINAVIA
INSURANCE Co. LTD.
(of COPENHAGEN)



SKANDINAVIA HOUSE, COPENHAGEN.

ESTABLISHED 1898.

Assets exceed £1,635,000.

London Offices:

14 CORNHILL, E.C. 3
(Marine Underwriting)
AND
2 CHANGE ALLEY, E.C. 3.

Telephone: Avenue 5008. Telegrams: Skandreco, London.

FIRE. MARINE.

been no change whatever. The reserve fund amounts to £122,500. On August 31, 1915, the reserve stood at £130,000, and there was also an investment reserve of £115,000. Owing to the widespread depreciation in investments experienced from 1914 to 1916, it became necessary to transfer £30,000 from the latter fund for the purpose of providing for the depreciation, and in the last four balance sheets no investment reserve has been shown. In the balance sheet dated September 30, 1918, the auditors say, "Securities have been taken at their market values of July 30, 1914, and the war stock since purchased stands at cost price." Presumably the amount now finds a resting place among hidden reserves, for we notice that the Chairman in his speech at the last meeting intimated that there was an ample reserve fund to meet depreciation on securities and leave a satisfactory balance. A substantial amount, he said, was being put aside each year to meet depreciation.

The accounts for 1918 show a healthy increase in profits. The item of current and deposit accounts on September 30 stood at £3,056,361, as against £2,196,459 in 1917, an increase of about £859,900, thus constituting a record never before achieved in the history of the Bank.

Cash in hand, &c., shows an increase of £197,981, and stood at £517,893. Investments are up from £845,544 to £1,235,444, and consist of local loans and Government stock, £859,998 15*s.*, and Colonial Government Inscribed securities, railway debentures, stocks, and bonds, &c., £375,445. Bills discounted are at £504,179, against £138,442, and we include in this sum £400,000 invested in Treasury bills. Advances are about £100,000 lower at £1,242,604. Bank premises are about £740 up at £32,740. The total assets stand at £3,532,860.

Liabilities to the public on August 31, 1918, were £3,076,893, against which assets were held in the

Liabilities and Assets of The Royal Bank of Ireland, Limited.

LIABILITIES. Aug. 31	Capital Paid up. £	Reserve Fund. £	Investment Reserve. £	Total Capital and Reserves. £	% *	Deposits, &c. £	% *	Miscellaneous. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918 ...	300,000	122,500	—	422,500	12·0	3,056,361	86·5	20,532	·6	33,467	·9	3,532,860
1917 ...	300,000	112,500	—	412,500	15·5	2,196,459	82·4	22,612	·9	33,100	1·2	2,664,671
1916 ...	300,000	100,000	—	400,000	15·5	2,113,051	82·1	23,794	·9	38,601	1·5	2,575,446
1915 ...	300,000	116,000	115,000	531,000	19·6	2,116,905	77·9	25,151	·9	41,713	1·6	2,714,769
1914 ...	300,000	106,000	115,000	521,000	20·2	1,998,522	77·3	27,861	1·1	37,089	1·4	2,584,472
1913 ...	300,000	106,000	105,000	511,000	20·0	1,976,350	77·5	29,024	1·1	38,301	1·4	2,554,675
1910 ...	300,000	150,000	50,000	500,000	21·2	1,792,016	76·0	31,843	1·4	32,555	1·4	2,356,414

ASSETS. Aug. 31	Cash in Hand, at Call, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Advances. £	% *	Bank Premises. £	% *	Total Assets. £
1918 ...	517,893	14·7	1,235,444	34·9	504,179	14·3	1,242,604	35·2	32,740	·9	3,532,860
1917 ...	319,912	12·0	845,544	31·3	138,442	4·8	1,338,773	50·2	32,009	1·2	2,664,671
1916 ...	263,974	10·2	993,047	38·6	140,030	5·4	1,147,428	44·6	30,967	1·2	2,575,446
1915 ...	131,184	4·9	1,116,919	41·1	197,266	7·3	1,238,433	45·6	30,967	1·1	2,714,769
1914 ...	202,833	7·8	878,555	34·0	180,022	7·0	1,292,095	50·0	30,967	1·2	2,584,472
1913 ...	131,066	5·1	888,555	34·8	189,001	7·4	1,315,086	51·5	30,967	1·2	2,554,675
1910 ...	185,793	7·9	892,615	37·8	201,943	8·5	1,055,426	44·9	20,639	·8	2,356,414

* Per cent. of Total Liabilities or Assets.

AMSTERDAMSCHE BANK.

Head Office - - AMSTERDAM

BRANCHES at Rotterdam, Almèlo, Amersfoort, Arnhem, Deventer, Dordrecht, Eindhoven, Enschede, Groningen, The Hague, Leeuwarden, Leiden, Maastricht, Schiedam, Tilburg, Utrecht, Zutfen.

AGENCIES at Alkmaar, Delft, Heerlen, Helmond, Hoorn, Raamsdonksveer, Oosterhout.

CAPITAL - Fl.34,408,900 (£2,867,408)
(Issued and fully paid up)
RESERVE - Fl.22,400,000 (£1,866,666)
SPECIAL RESERVE - Fl. 2,000,000 (£166,666)

MANAGING DIRECTORS:
F. S. VAN NIEROP. P. HOFSTEDE DE GROOT.
H. A. VAN NIEROP. A. J VAN HENGEL.

DEPUTY MANAGING DIRECTOR:
D. ANDRESON.

BANQUE FEDERALE

SOCIÉTÉ ANONYME
(Established in 1863).

GENEVA, SWITZERLAND.

BRANCHES in Basle, Berne, La Chaux de Fonds, Lausanne, Saint Gall, Vevey and Zurich.

Paid-up Capital and Reserve Funds, Frs. 63,400,000.

Banking Business of every description transacted.

Bills discounted and collected.

Drafts and Letters of Credit issued.

Telegraphic Transfers effected.

First-class Swiss Bonds bought and sold.

Correspondence invited.

following proportions: Cash in hand and at call, 16.8%; investments, 40.1%; bills discounted, 16.4%; and advances, 40.4%.

Profits of the Royal Bank of Ireland, Limited.

Year to Aug. 31	Gross Profit	Interest & Expenses	Net Profit	Div. Subject to Tax—Earned	Div. Subject to Tax—Paid		Special Allocations	Carried Forw'd
	£	£	£	%	%	£	£	£
1918...	113,570	69,078	44,492	14·83	10	30,000	14,500	8,342
1917...	109,385	70,699	38,686	12·89	10	30,000	13,500	8,350
1916...	101,769	58,068	43,701	14·57	10	30,000	14,000	13,164
1915...	103,028	57,591	45,437	15·14	10	30,000	15,000	13,463
1914...	100,335	60,485	39,850	13·22	10	30,000	10,000	13,026
1913...	102,683	61,731	40,952	13·65	10	30,000	11,000	13,176

We give below our usual comparative statement of liabilities and assets.

The profits earned this year are again very good and testify to the healthy condition of trade and commerce in Ireland, despite the unsettled political conditions. Gross profits were, £113,570, against £109,385, and after providing for the usual dividend of 10%, and carrying £12,500 to reserve fund, £2,000 to officers' superannuation fund, the balance carried forward was £8,342, about the same as the amount brought in. Net profit, as shown by the above table, was £44,492—£5,806 more than for 1914.

It was equal to 14.8% upon the paid-up capital, to 10.5% upon the combined capital and reserves, and to 1.4% upon the total working resources.

The head office of the Bank is in Dublin, and it has 10 branches and three sub-branches.

ROYAL BANK OF SCOTLAND.

Head Office: St. Andrew Square, Edinburgh.

Capital—

Paid up (Stock) £2,000,000
Price of Stock, £205. *Div.*, 10%. *Yield*, £5 %

The Royal Bank of Scotland was established in 1727. Prior to that date the Bank of Scotland had held the field free from competition for over 30 years. The capital with which the Royal Bank started its career was one of the curiosities of old-time finance—it stood at £111,347 19*s*. $10\frac{5}{12}$*d*. In March 1773 its capital was increased by £38,652 0*s*. $1\frac{7}{12}$*d*., thus getting rid of the odd shillings and pence and fractions of a penny, and making the capital £150,000. A year later the Bank obtained its fourth charter, which authorised a further increase in capital to £300,000, and so it went on; every few years, as the business prospered, further powers were taken to increase the capital, until at the end of 1829 a new charter was obtained by which the Bank was authorised to increase its capital to £2,000,000. This power was exercised in 1831 by taking £100,000 from reserve fund and making a call of £400,000 on the proprietors. Since that time no change has taken place in the capital.

The head office of the Bank is at Edinburgh, and it has 168 branches, including its London office.

In 1865 the reserve stood at £1,030,621, and it remained at that figure until 1910. In 1910 a sum of £50,000 was appropriated for the purpose of meeting the depreciation on investments, and of this sum £17,056 was taken from reserve, thereby reducing it to £1,013,565. No further alteration took place until 1913, when the reserve was reduced to £960,630. In 1915 inroads were made into it in order to meet the depreciation in investments, and for two years it stood at £800,986. Last year it was found possible to add to reserve and bring it up to £914,968, and in 1918 it was again increased by £115,503 to £1,030,471.

The figures for 1918 show that the Bank had a particularly prosperous year, and at the annual general court held on November 27 last the Governor expressed the pleasure of the directors in submitting such a satisfactory report and balance sheet. Deposits were shown to have increased by fully £3,000,000, notwithstanding the encouragement given by the Bank to its depositors to subscribe to National War Bands—which

BANK OF NEW ZEALAND.

BANKERS TO THE NEW ZEALAND GOVERNMENT.

AUTHORISED CAPITAL - £5,500,000

SUBSCRIBED CAPITAL:

Four per Cent. Guaranteed Stock	**£529,988**
"A" Preference Shares of £6 13s. 4d., Issued to N.Z. Government .	**500,000**
"B" Preference Shares of £6 13s. 4d., Issued to N.Z. Government .	**250,000**
Ordinary Shares, £6 13s. 4d., 150,000 £3 6s. 8d. paid up . .	**500,000**
Do. do. 75,000 fully paid . . .	**500,000**

Reserved Fund and Undivided Profits, £2,345,702.

HEAD OFFICE: WELLINGTON, N.Z.

LONDON OFFICE: 1 QUEEN VICTORIA STREET, E.C. 4.

BRANCHES AND AGENCIES AT OVER 200 POINTS IN NEW ZEALAND,

And at Melbourne, Victoria; Sydney, New South Wales; Suva and Levuka, Fiji; Apia, Samoa.

Negotiates and collects **Bills of Exchange** drawn or payable in New Zealand, Australia, Fiji or Samoa. Issues **Drafts** and makes **Telegraphic Transfers.**

Undertakes all descriptions of Banking business connected with Australasia.

they had done in large measure—the amount applied for through the Royal Bank alone amounting to no less than £26,000,000. After satisfying the requirements of its customers for trade and other purposes, the Bank was able further to assist the Government by employing its surplus resources to some extent in short-dated bonds, but principally in Treasury bills, the latter, which mature from day to day, forming a very material addition to the Bank's liquid resources. On October 12 the Bank held £9,650,000 in British Treasury bills.

The notes in circulation at the same date amounted to over £3,250,000, a large increase upon the previous year—caused doubtless by high prices and the increased scale of wages and remuneration generally, and the practical absence of gold coin as a circulating medium. Cash in hand, &c., rose from £3,930,482 to £4,849,075, while money at call and at short notice showed an increase of £176,737 and stood at £4,360,800. Investments are up about £700,000 at £7,766,285, and no less than £6,860,613 represents War Loan, Exchequer Bonds, National War Bonds, and Local Loans stock. Bills discounted have increased by over a quarter of a million pounds to £12,566,316. Advances are down from £6,876,240 to £5,971,123.

Total liabilities to the public on October 31 last were £33,199,250, against which assets were held in the following proportions:—Cash in hand, &c., 14.6%; money at call, &c., 13.1%; investments, 23.4%; bills discounted (including Treasury bills), 37.8%; and loans and advances, 17.9%.

The usual statement of liabilities and assets is shown below.

The profits for the year have been entirely satisfactory, amounting to £310,000, after making the usual ample provision for bad and doubtful debts. Out of profits, too, a sum of £20,000 was written off bank buildings and heritable property, a further substantial addition was made to the pension fund reserve, and, after providing for the dividend of 10% per annum on the capital stock, the balance of £115,000 was, as

Liabilities and Assets of The Royal Bank of Scotland.

LIABILITIES.	Capital Paid up.	Rest.	Total Capital and Reserve.		Notes in Circulation.		Acceptances.		Deposits, &c.		Profit Balance.		Total Liabilities.
Oct.	£	£	£	%*	£	%*	£	%*	£	%*	£	%*	£
1918... ...	2,000,000	1,030,471	3,030,471	8·4	3,266,556	9·0	193,925	·5	29,738,769	81·9	70,000	·2	36,299,721
1917... ...	2,000,000	914,968	2,914,968	8·9	2,590,251	7·9	335,034	1·0	26,948,907	82·0	75,000	·2	32,864,160
1916... ...	2,000,000	800,986	2,800,986	10·0	2,091,083	7·5	540,333	1·9	22,489,605	80·3	75,000	·3	27,997,007
1915... ...	2,000,000	800,986	2,800,986	11·3	1,640,239	6·6	442,193	1·8	19,724,974	79·9	87,396	·4	24,695,788
1914... ...	2,000,000	960,629	2,960,629	13·5	1,233,729	5·6	394,266	1·8	17,275,571	78·6	112,500	·5	21,976,695
1913... ...	2,000,000	960,630	2,960,630	13·6	1,041,019	4·8	319,454	1·5	17,235,014	79·6	113,000	·5	21,669,117
1910... ...	2,000,000	1,013,565	3,013,565	16·3	976,860	5·3	204,614	1·1	14,196,790	76·7	110,000	·6	18,501,829

ASSETS.	Cash in Hand, &c.		Money at Call, at Short Notice, &c.		Investments.		Bills Discounted.		Advances.		Liab. of Cust. for Acceptances.		Bank Premises &c.		Total Assets.
Oct.	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£	%*	£
1918	4,849,075	13·4	4,360,800	12·0	7,766,285	21·4	12,566,316	34·6	5,971,123	16·4	193,925	·5	592,197	1·7	36,299,721
1917	3,930,482	11·9	4,184,063	12·7	7,005,120	21·3	9,921,963	30·2	6,876,240	21·0	335,034	1·0	611,258	1·9	32,864,160
1916	3,097,167	11·0	3,882,937	13·9	7,224,669	25·8	7,187,370	25·7	5,444,364	19·5	540,333	1·9	620,167	2·2	27,997,007
1915	3,119,279	12·6	3,256,317	13·2	7,959,894	32·2	2,964,757	12·0	6,329,741	25·7	442,193	1·8	623,607	2·5	24,695,788
1914	2,277,832	10·4	2,872,477	13·0	4,438,583	20·2	3,263,187	14·8	8,106,401	36·9	394,266	1·8	623,949	2·9	21,976,695
1913	1,609 336	7·4	3,858,101	17·8	4,013,517	18·5	4,291,103	19·8	6,956,287	32·1	319,454	1·5	621,319	2·9	21,669,117
1910	1,402,607	7·6	3,177,043	17·2	3,529,051	19·1	2,642,761	14·3	6,908,843	37·3	204,614	1·1	636,905	3·4	18,501,829

* Per cent. of Total Liabilities or Assets.

BANCO ESPAÑOL DEL RIO DE LA PLATA.

ESTABLISHED 1886.

London Branch—7 FENCHURCH STREET, E.C.3

London Manager ... ALEXANDER BURNS.
Sub-Manager ... WILLIAM YEATES ROGERS.

Capital Subscribed	...	**$100,000,000**m/l	**£8,730,158**
Capital Paid up	...	**98,516,740**	... **8,600,668**
Reserve Fund ...	...	**48,809,069**	... **4,261,109**
New Reserve Fund	...	**889,958**	... **77,695**

Head Office ... ... **BUENOS AIRES.**
General Manager ... JOAQUIN HERRANDIS.

BRANCHES.

Argentine Republic—36 Branches in the principal Cities.
Brazil—Rio de Janeiro.
Uruguay—Montevideo.
Europe—Paris, Madrid, Vigo, Barcelona, Valencia, Coruña, Bilbao, San Sebastian, Genoa, and Hamburg.

Correspondents in all parts of the World.

FOREIGN AND OVERSEAS BANKING IN ALL ITS BRANCHES.

COPLEYS LIMITED

BANKERS.

LONDON:

1 QUEEN VICTORIA ST., E.C. 4

AND

PERTH, WESTERN AUSTRALIA.

Telephone: CITY 3880.

Telegraphic Address:
"BANCOPWA, PHONE, LONDON."

stated, added to reserve fund. All depreciation on the Bank's investments has been fully provided for.

The following profit table shows our usual comparative figures:—

Profits of the Royal Bank of Scotland, Limited.

	1917–18	1916–17	1915–16	1914–15	1913–14
Gross profit ...	£622,304	£594,243	£601,047	£519,562	£475,033
Expenses ...	256,801	240,262	220,127	202,705	195,392
Net profit ...	365,503	353,981	380,920	316,857	279,641
Do. % per annum	(18·27%)	(17·70%)	(19·04%)	(15·84%)	(13·98%)
Dividend ...	200,000	200,000	200,000	200,000	220,000
Do. % per annum	(10%)	(10%)	(10%)	(10%)	(11%)
Written off premises	20,000	10,000	6,500	6,500	6,500
Pension reserve fund	30,000	30,000	—	—	—
Depreciation: from Profits	—	—	174,420	110,357	53,141
,, from Rest	—	—	—	159,643	—
Added to Rest ...	115,503	113,981	—	—	—

The net profit of £365,503 for 1917-18 was equal to 18.3% upon the capital, to 12.1% upon the combined capital and rest, and to 1.1% upon the total working resources.

As regards the future, the Chairman remarked that a good deal had been said and written about the provision of ample banking facilities for trading purposes on the return of peace, when manufacturing and other concerns which have been so largely engaged in Government work would turn themselves, with, in many cases, much extended premises, &c., to peace industries, and said that those best qualified to form an opinion on such a subject were satisfied that the banking institutions of the country would be found sufficient for this purpose. As regards the Royal Bank, with its fully paid-up capital of £2,000,000, its reserve fund of over £1,000,000, and its ample liquid resources, it would, they believed, be found in a position to take its part in the development which might be looked for. In this connection he mentioned that the management had been giving full consideration to the subject of the foreign requirements of the customers. For a good many years the Bank had been able to handle a considerable amount of foreign exchange business which had been offered, and for some time past that department had been specially brought under review, and with the development in their organisation presently in progress, the Bank would be be able to offer a full service to its customers and other connections, and to do foreign exchange at all their principal offices.

SHEFFIELD BANKING COMPANY.

Head Office: George Street, Sheffield.

Capital—

Authorised £1,500,000
Subscribed, 23,090 Shares of £50 each = 1,154,500
Paid up, £17 10*s.* per Share ... = 404,075
Price of Share, £53½. *Div.*, 17½%. *Yield*, £5 16*s.* 0*d.*%

The Sheffield Banking Company was established in 1831, and, as its name implies, its business is chiefly confined to the town of Sheffield and the immediate district, in which it has 10 branches, besides its head office. The Bank also has 18 branches at the principal centres adjacent to Sheffield. At the end of 1880 its paid-up capital was £333,375, and at the end of 1918 it stood at £404,075 in 23,090 £50 shares, £17 10*s.* paid.

Sheffield, of course, has prospered exceedingly during the War, and most of its principal manufacturing plant has been given over to the output of war material. Its peace-time trade, however, although necessarily restricted by the limitation placed on overseas commerce, has been kept well to the fore, and in all directions the Sheffield Banking Company has been called upon to facilitate the financial operations connected therewith. In the circumstances, the transactions of the Bank during the past year have resulted again in a further expansion of business.

After making full provision for bad and doubtful debts, rebate on bills carried forward and expenses,

BANCO NACIONAL ULTRAMARINO

(NATIONAL OVERSEAS BANK).

HEAD OFFICE: **LISBON** Established 1864.

STATE BANK OF THE PORTUGUESE COLONIES.

CAPITAL (fully paid) Esc. 12,000,000 = £2,664,000
RESERVE FUNDS Esc. 12,500,000 = £2,775,000

Governor—JOÃO HENRIQUE ULRICH.

Vice-Governors—CONDE DE CARIA. HENRIQUE JOSÉ MONTEIRO DE MENDONÇA.
CONDE DE MONTE REAL. JOSÉ DA CUNHA ROLA PEREIRA.

Managing Director for Portugal and Brazil—JULIO SCHMIDT.

LONDON:—*Managing Director for London, Paris and New York*—E. F. DAVIES.

LONDON OFFICE: 27b, Throgmorton St., E.C.2.

Branches throughout Portugal, Brazil, Portuguese East and West Africa, India, China and Timor.

Paris and New York to be opened shortly.

A GENERAL INTERNATIONAL BANKING BUSINESS CONDUCTED.

the profit for the year amounts to £85,085, and with the balance brought forward of £23,604, makes a disposable amount of £108,689, the largest sum hitherto realised in the history of the Bank. This has been appropriated in a similar manner to 1917—viz., by paying dividends and bonus, together, of 16%, absorbing £64,652; placing £5,000 (as against £2,000) to the officers' retiring fund; in reduction of Bank property and furniture, £2,000; in supplementing the Bank's surplus fund, £10,000; thus leaving to be carried forward £26,537, an increase of £2,933.

The net profit for 1918 was equal to 21% upon the paid-up capital, to 11.8% upon the combined capital and reserve, and to 1.2% upon the total working resources.

Profits of the Sheffield Banking Company, Limited.

Year ended Dec. 31	Net Profit	Div. Subject to Tax — Earned	— Paid —		Special Allocations	Carried Forward
	£	%	%	£	£	£
1918	85,085	21·1	16	64,652	17,500	26,537
1917	84,848	20·99	16	64,652	14,000	23,604
1916	75,412	18·64	16	64,652	3,500	17,408
1915	72,569	17·96	15	60,611	18,000	10,149
1914	70,241	17·38	15	60,611	3,000	16,191
1913	72,181	17·86	15	60,611	9,925	9,561

Turning to the balance sheet, it will be noticed that the Bank has raised its surplus fund to the highest point at which it has ever stood, £315,915, making the total capital and surplus fund now stand at £720,000. The deposits, £693,385, are much in excess of any previous record, and show an increase of £896,194. Deposits, it may be added, have increased by no less than £3,150,000 since the end of 1913.

On the assets side, cash balances stand at £2,966,029, an increase of £876,100, and are equal to nearly 43% of the Bank's liabilities. Investments at £2,414,500 in the balance sheet include £1,250,000 (in our table these are included under the heading of bills discounted), and are £159,500 less. Sundry securities have been reduced during the year, so that now almost the whole of the Bank's investments stand in the various Government Loans, mostly of short date. At the general meeting it was pointed out that the market value is greater than the Bank's book figures, and that the provisions made for depreciation in past years are no longer required. In the bills discounted, the figures are up in our table from

Liabilities and Assets of The Sheffield Banking Company, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Surplus Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918	404,075	315,925	720,000	9·3	—	—	6,930,385	90·3	26,557	·4	7,676,922
1917	404,075	305,925	710,000	10·5	—	—	6,034,190	89·2	23,604	·3	6,767,794
1916	404,075	295,925	700,000	11·0	—	—	5,630,997	88·7	17,408	·3	6,348,405
1915	404,075	295,925	700,000	14·0	—	—	4,293,553	85·8	10,148	·2	5,003,701
1914	404,075	295,925	700,000	15·3	48,000	1·0	3,816,566	83·3	16,191	·4	4,580,757
1913	404,075	295,925	700,000	15·0	44,000	1·0	3,680,380	82·3	49,969	1·1	4,474,349
1910	404,075	300,000	704,075	17·1	69,500	1·7	3,312,414	80·2	41,415	1·0	4,127,404

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises and other Assets. £	% *	Total Assets. £
1918 ...	2,966,029	38·6	1,164,500	15·2	1,387,797	18·1	2,083,596	27·1	—	—	75,000	1·0	7,676,922
1917 ...	2,089,929	30·9	2,574,000	38·0	123,588	1·8	1,903,577	28·1	—	—	76,700	1·2	6,767,794
1916 ...	2,198,235	34·6	2,543,000	40·1	192,287	3·0	1,335,883	21·1	—	—	79,000	1·2	6,348,405
1915 ...	1,267,882	25·3	1,465,500	29·3	223,979	4·5	1,969,340	39·4	—	—	77,000	1·5	5,003,701
1914 ...	1,174,905	25·7	785,210	17·2	199,531	4·3	2,301,611	50·2	48,000	1·0	71,500	1·6	4,580,757
1913 ...	1,289,235	28·8	514,050	11·5	413,487	9·2	2,148,177	48·1	44,000	1·0	65,400	1·4	4,474,349
1910 ...	1,100,244	26·6	546,407	13·2	257,063	6·2	2,086,228	50·6	69,500	1·7	67,962	1·7	4,127,404

* Per cent. of Total Liabilities or Assets.

LLOYDS BANK (France) & NATIONAL PROVINCIAL BANK (France) Ltd.

A British Bank conducted on British Lines.

Head Office: 60 LOMBARD STREET, LONDON, E.C. 3.

Branches in France	PARIS	3 Place de l'Opéra.
	BIARRITZ	10 Place de la Liberte.
	BORDEAUX	23 Allées de Chatres.
	HAVRE	1 Rue de la Bourse.
	MARSEILLES	6 Rue Beauvau.
	NICE	6 Jardin du Roi Albert 1er.
Branches in Belgium	BRUSSELS	54 Rue Royale.
	ANTWERP	14 Place de Meir.



PARIS OFFICE: 3 PLACE DE L'OPÉRA.

General Banking Business.

Collections throughout France and Belgium.

Foreign Exchange and Transfers.

Enquiries may be addressed to the London Office of the Bank, 60 Lombard Street, E.C. 3, or to any Branch of—

Lloyds Bank Limited or

The National Provincial and Union Bank of England, Limited.

£123,588, caused by the addition of £1,250,000 Treasury bills above mentioned. The total of the Bank's liquid assets is £5,518,325, bearing the very large proportion of almost 80% of the Bank's deposits. The Bank's lendings to customers during the year were on a larger scale, and at £2,083,596, loans are £180,020 more than in 1917. Premises account stands at £75,000.

In close proximity we give our usual statement of liabilities and assets.

Liabilities to the public on December 31, 1918, were £6,930,385, against which assets were held in the following proportions: Cash in hand, &c., and money at call and at short notice, 42.8%; investments, including Treasury bills, 16.8%; bills discounted, 20%; loans and advances, 30.1%.

ULSTER BANK.

(*See also* **LONDON COUNTY WESTMINSTER & PARR'S BANK.**)

Head Office: Waring Street, Belfast.

Capital

Authorised		£3,000,000
Subscribed, 200,000 Shares of £15 each		3,000,000
Paid up, £2 10*s.* per Share ...	=	500,000

THE Ulster Bank, which is now the foster-child of the London County Westminster and Parr's Bank, Limited, dates back to 1836. Its Head Office is in Belfast, and it has 225 branches and sub-branches throughout Ireland. The Bank, it will be remembered, was affiliated to the London County Westminster in October 1917. The authorised and issued capital is £3,000,000 in £15 shares, of which £500,000, or £2 10*s.* per share, has been paid up. Under the terms of the purchase the London County Westminster and Parr's gave two-thirds of a share in their Bank, £5 paid, and £2 10*s.* in cash for each Ulster Bank share, thus involving the issue to Ulster Bank shareholders of 133,333⅓ new London County Westminster shares of £20 each, £5 paid, together with a cash payment of £500,000. In the last report of the London County and Westminster and Parr's it was stated that the capital account of their purchase of the Ulster Bank has now been closed, transfers of all but 458 shares having been received.

The full account of the effect of the past 15 months' working of the Ulster Bank under the régime of the London institution will be found in our article on the London County Westminster and Parr's Bank.

Taken in connection with what has been there written it remains to be said that the Ulster Bank has had a very profitable and successful year. The net profits of the bank for the period of 15 months ending November 30 last amounted to £224,984. Dividends for the past 15 months at the rate of 21¼% per annum, amounting to £132,812 less income tax, have been paid. £20,000 has been appropriated to the officers' superannuation fund, and in addition the directors have presented a war bonus to the officers, pensioners, and officers' widows amounting to £18,040, to enable them to some extent to meet the increased cost of living. This is in addition to a graduated monthly bonus to the staff totalling £13,100 for the year 1918. The balance remaining, £108,733 13*s.* 9*d.*, is carried forward to undivided profits account. All ascertained bad and doubtful debts have been written off or fully provided for.

Profits of the Ulster Bank, Limited.

Year ended	Net Profit	Div. Subject to Tax—Earned	Div. Subject to Tax—Paid %	Div. Subject to Tax—Paid £	Special Allocations	Carried Forwar
	£	%	%	£	£	£
*1918 (Nov. 30)	224,984	45·20	21·25	132,812	20,000	108,733
1917 (Aug. 31)	153,783	30 75	21·25	106,250	34,000	36,561
1916 ,,	147,842	29·56	21·25	106,250	34,000	23,028
1915 ,,	141,145	28·23	21·25	106,250	35,000	15,436
1914 ,,	121,820	24·36	21·28	106,430	26,000	15,541
1918 ,,	128,137	25·62	21 24	106,194	17,000	26,151

* 15 months.

The net profit for the 15 months to November 30 amounted to £224,984, and was equal to 45.0% upon the paid-up capital, to 18.7% upon the combined

The ANGLO-EGYPTIAN BANK, LIMITED.

Subscribed Capital £1,800,000
Paid up - - £600,000
Reserve Fund - £710,000

Head Office: No. 27 Clement's Lane, Lombard Street, E.C. 4.

Branches:
ALEXANDRIA, CAIRO, BENI-SOUEF, MANSOURAH, PORT SAID, TANTAH, ZAGAZIG, KHARTOUM, MALTA, GIBRALTAR, JAFFA, JERUSALEM and HAIFA.

Bankers:
The Bank of England.
The London Joint City and Midland Bank, Ltd.

THE Bank transacts every description of Banking Business in Egypt, grants Letters of Credit, and affords facilities to Travellers proceeding to Egypt and elsewhere.

Deposits received for fixed periods at rates to be obtained on application.

On current accounts Interest at the rate of 2 per cent. per annum allowed on minimum monthly balances provided they do not fall below the sum of £200.

BANK OF ROUMANIA LIMITED.

Founded 1866.

Head Office: 27 Throgmorton Street, LONDON, E.C. 2.

Branch: 11 Calea Victoriei, BUCAREST.

Directors:
THE EARL OF BESSBOROUGH, K.P., C.V.O., C.B.
E. W. H. BARRY, Esq.
THE VISCOUNT GOSCHEN.
LT.-GEN. THE HON. SIR H. A. LAWRENCE, K.C.B.
P. NAVILLE, Esq.

Bankers:
BANK OF ENGLAND.
MESSRS. GLYN, MILLS, CURRIE & CO.

A General Banking Business with Roumania is conducted, and correspondence from those having interests in that country is invited.

Liabilities and Assets of The Ulster Bank, Limited.

LIABILITIES.	Capital Paid up. £	Reserve Fund. £	Div. Guarantee Fund. £	Total Capital and Reserves. £	% *	Notes in Circulation £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918, Nov. 30	500,000	650,000	50,000	1,200,000	5·0	4,804,918	19·9	18,063,976	74·7	108,734	·4	24,177,628
1917, Aug. 31	500,000	650,000	50,000	1,200,000	7·0	2,883,831	16·8	13,052,572	76·0	36,562	·2	17,172,965
1916 ,,	500,000	650,000	50,000	1,200,000	7·7	2,417,188	15·7	11,738,971	76·4	23,028	·2	15,379,187
1915 ,,	500,000	650,000	50,000	1,200,000	8·8	1,709,803	12·6	10,702,063	78·5	15,436	·1	13,627,302
1914 ,,	500,000	650,000	50,000	1,200,000	9·5	1,426,489	11·3	9,970,823	79·1	15,541	·1	12,612,853
1913 ,,	500,000	650,000	50,000	1,200,000	9·9	1,221,042	10·1	9,684,098	79·8	26,150	·2	12,131,290
1910 ,,	500,000	650,000	50,000	1,200,000	11·3	1,042,394	9·8	8,318,552	78·5	37,091	·4	10,598,037

ASSETS.	Cash in Hand, &c. £	% *	Investments £	% *	Bills, Loans and Advances. £	% *	Bank Premises £	% *	Total Assets. £
1918, Nov. 30 ...	6,222,771	25·7	9,533,541	39·4	8,421,316	34·9	Nil	—	24,177,628
1917, Aug. 31 ...	4,173,029	24·3	4,424,383	25·7	8,575,553	50·0	Nil	—	17,172,965
1916 ,, ...	3,706,924	24·1	4,484,752	29·2	7,187,511	46·7	Nil	—	15,379,187
1915 ,, ...	2,758,126	20·2	4,897,598	36·0	5,971,578	43·8	Nil	—	13,627,302
1914 ,, ...	2,568,004	20·3	2,883,892	22·8	7,165,057	56·8	Nil	—	12,612,853
1913 ,, ...	1,919,257	15·8	2,892,534	23·8	7,319,499	60·3	Nil	—	12,131,290
1910 ,, ...	1,617,327	15·3	2,797,132	26·4	6,183,578	58·3	Nil	—	10,598,037

* Per cent. of Total Liabilities or Assets.

capital and reserves, and to 1.0% upon the total working resources.

Coming to the balance sheet, it will be noticed that the notes in circulation are up from £2,883,831 to £4,804,918, and, although the period covered is for 15 months, the increase is considerable. Deposits are over £5,000,000, the whole of the increase having come in since the affiliation with the London County Westminster and Parrs'.

On the assets side, cash in hand, &c., is at £6,222,771, as compared with £4,173,000; investments are up from £4,424,383 to £9,533,541, out of which no less than £7,999,784 is in Government War stocks. Bills, loans, and advances for the 15 months are about £100,000 less than the total for the previous 12 months, which may be taken as indicative of the prosperity of Ireland, the inhabitants of that country, apparently finding capital self-sufficing at the moment, are not under the necessity to resort to the Bank for accommodation.

The table above gives liabilities and assets for the year 1910, for the years 1913 to 1917, and for the 15 months, August 31, 1917, to November 30, 1918.

Liabilities to the public on November 30 last were £22,868,894, against which assets were held in the following proportions:—Cash, &c., 27.2%; investments, 41.7%; bills discounted, loans and advances, 36.8%.

UNION BANK OF MANCHESTER.

Head Office: York Street, Manchester.

Capital—

Authorised £2,500,000
Subscribed, 300,000 Shares of £5 each = 1,500,000
Paid up, £2 10*s.* per Share ... = 750,000
Price of Share, £10⅜. *Div.*, 20%. *Yield*, £4 18*s.* 1*d.*%

The Union Bank of Manchester is the second oldest Manchester bank, being nearly seven years younger than the District Bank. It was established in 1836. Since the date of its opening the bank's business has continued to expand from year to year, and in pro-

PITMAN'S BOOKS ON
BANKING AND FINANCE

BANK ORGANIZATION, MANAGEMENT and ACCOUNTS.
By J. F. DAVIS, M.A., D.Litt., LL.B. (Lond.).
The duties of the various members of a bank staff are described, and details are given as to the methods of keeping accounts and the various books necessary to them. 5/- net.

PRACTICAL BANKING.
By J. G. SHAWSHAW, Secretary of the Institute of Bankers.
With Chapters on the Principles of Currency, by J. F. [illegible], Secretary of the Institute of Bankers, and Bank Book-keeping, by W. H. PEARL, Member of the Institute of Bankers in Ireland. 6/- net.

EASTERN EXCHANGE, CURRENCY & FINANCE.
By W. F. SPALDING, Examined Associate of the Institute of Bankers, author of "Foreign Exchange."
A properly authenticated account of the somewhat intricate subject of Eastern Exchange. 12/6 net.

BANKERS' SECURITIES AGAINST ADVANCES.
By LAWRENCE A. FOGG, Examined Associate of the Institute of Bankers.
This new volume, which explains the theory and practice relating to the various classes of securities handled by bankers, will prove specially valuable to Bank Managers and Chief Clerks. 5/- net.

MONEY EXCHANGE AND BANKING.
In their Practical, Theoretical, and Legal Aspects.
By H. T. EASTON, Examined Associate of the Institute of Bankers.
A Practical work covering the whole field of banking, and providing new and valuable features of great use to the bank clerk or man of business. Second Edition, Revised. 5/- net.

Write for a copy of our complete
LIST OF BOOKS FOR BANKERS.
It will be sent post free on application.

SIR ISAAC PITMAN & SONS, Ltd.,
1 Amen Corner, London, E.C. 4.

Harrods LTD
LONDON

Capital £2,150,000. Reserve Fund £1,547,900.

DIRECTORS

SIR ALFRED J. NEWTON, BART., CHAIRMAN.
SIR WOOLMAN BURBIDGE, C.B.E., BART., MANAGING DIRECTOR.
F. H. HARVEY-SAMUEL, ESQ.
FRANK CHITHAM, ESQ.
MAJOR H. K. NEWTON, O.B.E., M.P.
EDGAR COHEN, ESQ.
ALLAN HEPWORTH, ESQ.

CHIEF ACCOUNTANT ... ALLAN HEPWORTH.
SECRETARY ... R. H. GRIFFITH.
BANK MANAGER ... J. SNOWDEN.

BANKING DEPARTMENT

Current Accounts are opened for Shareholders and Customers or Friends introduced by them. Interest at the rate of 2½ per cent. per annum, paid annually in first week in January, is allowed upon the minimum monthly balance, provided it is not under £20. No commission charged for keeping Accounts, but the opening lodgment must not be less than £10, nor the minimum balance less than £5.

Money is received on Deposit in sums of not less than £5 and up to £500, subject to seven days' notice of withdrawal. Amounts over £500 are received on special terms to be arranged.

Interest is allowed from date of deposit to date upon which withdrawal notice expires, and is paid half-yearly, viz., 30th June and 31st December.

Country and Foreign Drafts, Dividends, Coupons, Annuities, Pensions, etc., received and placed to credit. Drafts, Circular Notes and Letters of Credit obtained.

American and Canadian Express cheques cashed and Foreign money exchanged.

The Directors reserve to themselves the power to return deposits or change the rate of interest.

HEAD OFFICE:—BROMPTON ROAD, LONDON, S.W. 1.

portion to the increase in its affairs it has widened its sphere of operations, first through the extension of branches, later by the absorption of and amalgamation with other banks. Its first purchase of another bank was in July, 1888, when it took over the private banking house of J. Sewell and Nephew; since then the business of a number of other banks has been purchased, the latest acquisition being the East Morley & Bradford Deposit Bank, Limited, which was absorbed in 1918. The business of this Bradford institution was carried on at two branches in Bradford and one at Saltaire, and the transfer is reported to have been carried through with entirely satisfactory results. The Directors are satisfied that the acquisition will be a very satisfactory addition to the bank's business in Yorkshire. The consideration for the transfer was that for every £1 share in the East Morley and Bradford Deposit Bank the shareholders received 10*s*. The total amount paid to the shareholders was £15,000.

It will be remembered that the Union Bank of Manchester purchased about two years ago the Halifax and District Permanent Banking Company, and by that means obtained an entry into the West Riding of Yorkshire, and acquired branches at Halifax, Bradford, Huddersfield, Keighley, Leeds, and Sheffield. The business of these branches has developed in a highly satisfactory manner, and the acquisition of the East Morley Bank should add still further to the consolidation and extension of the bank's affairs in Yorkshire.

The Union Bank of Manchester has now 115 branches.

The nominal capital of the Bank is £2,500,000, issued, £1,500,000 in 300,000 shares of £5 each, paid up £750,000. Early in 1918 the paid-up capital stood at £550,000 in £25 shares, £11 paid up. During the year it was considered advantageous to divide the £25 shares into shares of smaller denomination, but as the actual sum paid up was not easy of division, it was decided, by payment of a bonus of 30*s*. a share, to increase the sum paid up per share to £12 10*s*. This enabled each share to be divided into five shares of £5 each, £2 10*s*. paid up. This, of course, was a considerable increment to the shareholders, though they did not have the option of taking cash. The operation increased the paid-up capital to its present figure, £750,000, and the reserve fund to £525,000, the whole of the premium having been placed to the reserve fund. The total capital and reserve now stands at £1,275,000.

The year 1918 has witnessed an all-round expansion in the Bank's business. Deposits have increased from £11,127,088 to £15,212,193, and acceptances from £901,654 to £1,150,084. At the general meeting in January, the Chairman announced that the "Liquid" assets amounted to £10,699,832, and were nearly double the amount of the overdrafts. They represented about two-thirds of the Bank's liabilities to its depositors and others. He mentioned incidentally, that the turnover of the Manchester Bankers' Clearing House was a frequent subject of remark, in view of its enormous increase, and the shareholders would therefore be pleased to learn that the Bank's share of the Clearing House's turnover showed a larger percentage of increase than did the total of the whole Clearing Houses.

Cash in hand, at call, &c. stood in December last at £2,393,458, an increase of £278,427. Investments are up nearly 2½ millions at £4,212,890, and include among them £3,444,670 in British Government securities. Bills discounted show an advance of nearly one million pounds at £4,093,485. Loans and advances to customers, and loans to take up National War Bonds, also show an advance of about £400,000, and stand at £5,508,530. Bank premises are £50,000 higher at £350,000.

Banco Italiano

LIMA (PERU).

BRANCHES:

Arequipa, Callao, Chincha Alta, Mollendo.

STATEMENT OF ACCOUNTS AS AT December 31, 1918.

LIABILITIES.

Capital Paid up	£P.200,000,000
Reserve Fund	117,718,155
Bank Notes Circulation ...	766,467,900
Current and Fixed Deposits ...	2,209,164,610
Other Accounts	184,274,759
Profit and Loss Account ...	52,531,892
	£P.3,530,157,316

ASSETS.

Cash in hand and Funds in Banks	£P.1,182,627,374
Gold Deposit as Guarantee for Bank Notes Circulation ...	767,080,900
Bills Discounted	509,617,071
Advances in Current Accounts...	570,124,479
Investments and Other Accounts	500,707,492
	£P.3,530,157,316
Documents Deposited	£P.1,583,432,290
Documents for Collection	747,832,134
	£P.2,331,264,424

EVERY KIND OF BANKING BUSINESS TRANSACTED. BILLS NEGOTIATED AND COLLECTED, CHEQUES ISSUED, LETTERS OF CREDIT, MAIL AND CABLE TRANSFERS, ADVANCES UPON COUNTRY PRODUCE, OPENINGS OF DOCUMENTARY CREDIT, CURRENT AND CHEQUES ACCOUNTS OPENED, DEPOSITS RECEIVED.

The Standard Life Assurance Co.

ESTABLISHED 1825. INCORPORATED 1910.

ANNUAL REPORT

For Year ending 15th November, 1918.

PRINCIPAL RESULTS.

New Policies Issued	£1,331,254
Claims Paid	£959,668
Annual Revenue	£1,670,913
Funds	£13,932,521

New Assurances accepted are £267,000 in excess of the amount in 1917.

Death Claims are £42,000 less, and the addition to the Funds is £266,000.

The Chairman, Mr. W. J. Dundas, in moving the adoption of the Report, drew attention to the above satisfactory results, and in the course of his speech remarked:—

"You will notice that during the year we have added to our holding of British Government War Securities. At 15th November, 1918, our holding of these Securities was £5,500,000 face value, of which £4,000,000 consisted of National War Bonds. We felt that it was our duty to do all in our power to assist the country, and I am sure you will approve of our having done so.

"Since the signing of the Armistice and the beginning of the new financial year, our New Business results have been very encouraging and our figures are well in advance of those at the corresponding date in 1918. As the Chairman said last year, the need for Insurance is greater than ever, and there are widespread indications that the public realise this. You will doubtless have noticed that in his Budget Speech the Chancellor of the Exchequer announced a heavy increase of Death Duties, and this in itself should prove a strong incentive to Life Assurance."

The STANDARD has a Special Scheme at exceptionally low rates of Premium to provide against Death Duties.

Copies of the Report, and of Leaflets on several new and attractive Schemes, will be sent on application.

THE "PUBLIC SCHOOLS" POLICY.
FARMERS & INCOME TAX. DEATH DUTIES.

The Standard Life Assurance Co.

ESTABLISHED 1825

HEAD OFFICE: 3 George Street, Edinburgh.
LONDON: 83 King William Street, E.C. 4,
3 Pall Mall East, S.W. 1.
DUBLIN: 59 Dawson Street.

Liabilities and Assets of The Union Bank of Manchester, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits. £	% *	Profit Balance. £	% *	Total Liabilities £
1918	750,000	525,000	1,275,000	7·2	1,150,084	6·5	15,212,193	85·9	71,170	·4	17,708,447
1917	550,000	355,000	905,000	7·0	901,654	6·9	11,127,088	85·5	77,948	·6	13,011,690
1916	550,000	355,000	905,000	7·8	1,556,936	13·4	9,117,392	78·3	60,069	·5	11,639,397
1915	550,000	355,000	905,000	10·3	764,545	8·7	7,053,582	80·4	54,709	·6	8,777,836
1914	550,000	355,000	905,000	11·0	665,556	8·1	6,544,015	80·4	39,334	·5	8,203,905
1913	550,000	350,000	900,000	11·2	674,181	8·4	6,428,858	79·9	44,483	·5	8,047,522
1910	550,000	370,000	920,000	13·5	596,344	8·9	5,213,193	77·0	37,498	·6	6,767,035

ASSETS. Dec. 31	Cash in Hand, at Call, &c. £	% *	Investments. £	% *	Bills. £	% *	Loans and Advances. £	% *	Liab. of Customers for Acceptances. £	% *	Bank Premises, &c. £	% *	Total Assets. £
1918... ...	2,393,458	13·5	4,212,890	23·8	4,093,485	23·1	5,508,530	31·1	1,150,084	6·5	350,000	2·0	17,708,447
1917... ...	1,715,031	13·2	1,871,180	14·4	3,105,205	23·9	5,113,620	39·3	901,654	6·9	300,000	2·8	13,011,690
1916... ...	2,048,042	17·6	2,366,536	20·3	1,376,308	11·8	3,990,731	34·4	1,556,936	13·4	291,184	2·5	11,639,597
1915... ...	821,664	9·4	2,166,738	24·7	520,747	5·9	4,201,289	47·9	765,545	8·7	299,853	3·4	8,777,836
1914... ...	1,344,255	16·4	736,095	9·0	718,005	8·8	4,440,240	54·1	665,556	8·1	293,754	3·6	8,203,905
1913... ...	1,592,993	19·8	801,779	10·0	795,345	9·9	3,884,297	48·2	674,181	8·4	298,927	3·7	8,047,522
1910... ...	1,119,546	16·5	829,969	12·2	622,628	9·2	3,304,644	48·8	596,344	8·9	293,904	4·4	6,763,035

* Per cent. of Total Liabilities or Assets.

Liabilities to the public on December 31, 1918, were £16,362,277, against which assets were held in the following proportions:—Cash in hand, at call, &c., 14.6%; investments, 25.8%; bills (including Treasury bills), 25.0%; and loans and advances, 33.6%.

We give our usual table of liabilities and assets in order to indicate the progress of the Bank for several years past.

The net profit this year is again very satisfactory, amounting to £220,722 as against £153,254 for 1917 During the year £10,000 has been written off bank premises, £10,000 has been placed to pension fund, special war allowances to staff have cost £35,000, while a special bonus to staff on the occasion of the revision of the Bank's capital took £10,000. The carry-forward was £18,670 as against £40,448 in 1917, but the former amount is after allowing for transfer from income tax account of £50,000, and the transfer of £75,000 to capital account. The dividends for the whole year, subject to tax, amounted to 20%, against 18.18 for 1917.

Profits of the Union Bank of Manchester, Limited.

Yr. to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax—Earned %	Div. Subject to Tax—Paid %	Allocations £	Carried Forward £
1918 ...	373,190	152,468	220,722	29·43	20·00	137,500	80,000	18,670†
1917 ...	298,848	145,594	153,254	27·86	18·18	100,000	38,500	40,448
1916 ...	252,046	113,561	138,485	25·18	16·13*	88,710	50,000	25,694
1915 ...	212,245	100,757	111,488	20·27	12·50	68,750	25,000	25,919
1914 ...	185,941	86,122	99,819	18·15	12·50	68,750	35,000	8,182
1913 ...	189,463	80,775	108,688	19·76	12·50	68,750	48,000	12,113

* Dividend paid was 12½%, free of income tax.

† After allowing for transfer from Income Tax Account of £50,000 and the transfer of £75,000 to Capital Account.

Last year's net profit was equal to 29.4% upon the paid-up capital, to 17.3% upon the combined capital and reserve, and to 1.4% upon the total working resources.

THE
London Assurance
Incorporated A.D. 1720.
7 ROYAL EXCHANGE, E.C.3.



Fire. Marine. Life. Accident.
BURGLARY. MOTOR. PLATE GLASS.
WORKMEN'S COMPENSATION.
LIVE STOCK. PUBLIC LIABILITY.
FIDELITY & GOVERNMENT BONDS, &c.
Assets - £8,526,459
Income - £3,084,450
The Corporation has granted Fire, Life and Marine Insurances for nearly
TWO HUNDRED YEARS.
BRANCHES AND AGENCIES THROUGHOUT THE WORLD.

H. ALEXANDER
& CO., LTD.
44/46 Leadenhall Street,
London, E.C. 3.
Merchants, Importers and Exporters,
Financial, Shipping and General Agents.
Oils, Seeds, Chemicals, Metals, &c.
Colonial Goods for Direct Shipment.
Raw Materials for all Industries.
Shipments of Produce Financed
and Banking Facilities Afforded.
Telegrams: "Specificat, London." Telephone: Avenue 800.
Codes { A.B.C. 5th Edition, Lieber's, Bentley's.
Correspondence in any Language Invited.

UNION BANK OF SCOTLAND.

Head Office: Ingram Street, Glasgow.

Capital—

Authorised		£5,000,000
Subscribed, 100,000 Shares of £50 each	=	5,000,000
Paid up, £10 per Share	=	1,000,000

Price of Share, £26½. *Div.,* 15%. *Yield,* £5 11*s.* 5*d.*%

The Union Bank of Scotland, Limited, as its name implies, is a union of a number of other banks. As the Union Bank of Scotland it was actually established in 1830, but as a number of its constituent institutions were in operation long before that date, the Bank can claim to have been started many years earlier. As a matter of fact no less than 12 distinct banking houses were merged in the Union Bank of Scotland, the most prominent being the Glasgow Union Banking Company. Indeed, the latter institution may be said to be the forerunner of the Union Bank, for it was in 1843, when the Glasgow Union took over the Thistle Bank, the Paisley Union Bank, and the business of Sir William Forbes, J. Hunter and Co., that the title of the Bank was changed to the Union Bank of Scotland.

In this connection it is interesting to note that the Bank has recently acquired two portraits by Raeburn, the one by purchase and the other by gift from the Chairman, Lord Glenconner. They are fine portraits, one being of Sir William Forbes and the other of his son. Sir William Forbes, sixth Baronet of Pitsligo, was originally apprenticed to Messrs. John Coutts and Co., in Edinburgh, and continued his connection with them until the dissolution of the firm in 1773. After that date, the well-known London end of the firm, Coutts and Co., had an entirely separate existence. The Edinburgh house continued until 1843 as Sir William Forbes, James Hunter and Co., and of this firm Sir William was senior partner until his death in 1806. He was not only prominent as a banker, but held a leading position in Edinburgh during the latter part of the eighteenth century. He was intimate in literary society in London, and was a special friend of Dr. Johnson, whom he entertained on his Scottish tour. The testimony of Scott is that "he was unequalled in the degree of individual affection entertained for him by his friends as well as in the general respect and esteem of Scotland at large." The acquisition of the portraits of this gentleman and his son forms a fitting link with the past.

In the course of years various other banking houses were absorbed by the Union Bank of Scotland, and when in April 1882 it was registered as a Limited Company, 127 branches were actually doing business. In the course of the Bank's career many alterations have been made in order to keep pace with the times, nevertheless some of its rules and regulations were found on occasion to be unwieldy. Consequently, on October 30, 1917, improvements were effected. Up to that date the constitution of the Bank was embodied in a contract of co-partnership framed in 1830. This, of course, had been modified and altered from time to time, but many of the old regulations, as we have said, were cumbrous and inconvenient, while certain provisions had become entirely obsolete. To remedy this the Bank received powers in October 1917 to substitute for the contract of 1830 a memorandum and articles of association in the modern form under the provisions of the Companies' (Consolidation) Act, 1908. At the same time the Bank extended its powers in other directions, including the right to conduct business abroad.

The latter is probably the most interesting innovation made by the Bank, and in establishing a foreign exchange department it was reported at the general meeting that the Bank had accomplished all that it hoped to do when it took this matter up. At the same time it was mentioned that, while this change had been made, it was done in the hope that the Bank would ultimately be able to make it part and parcel of a much

BRITISH EQUITABLE
ASSURANCE COMPANY, LIMITED.

Accumulated Funds exceed £1,620,000
Subscribed Capital - £300,000
Paid-up Capital - £34,500

The Company transacts the following classes of business—

LIFE FIRE ACCIDENT
BURGLARY
EMPLOYERS' LIABILITY
AND THIRD PARTY

Write for particulars of the
NEW MONTHLY PREMIUM POLICY WITHOUT MEDICAL EXAMINATION

To the Manager,
1, 2 & 3 Queen St. Place, London, E.C. 4.

ATLANTIC
Intelligence

The ATLANTIC ASSURANCE Company Limited of London is prepared to appoint Gentlemen of Commercial Influence to act as SPECIAL REPRESENTATIVES at Home and Abroad.

The "Atlantic" is an All-British Company transacting FIRE, LIFE, ACCIDENT, MARINE and AVIATION Insurances on the most favourable terms.

The "Atlantic" issues special literature and schemes which every Business and Financial House should see.

Send Business Card for particulars to:
ATLANTIC ASSURANCE.
Head Office: 47 Cornhill, London, E.C. 3.
Joseph G. W. Rollason, Managing Director.

broader and more comprehensive scheme than had previously been attempted. It was felt that as a deposit bank with a comparatively small capital the Bank was not placed in a sound position for undertaking many of the responsibilities that ought to be faced if it were to give its *clientèle* the support and assistance they had a right to expect in dealing with their international business. The board had, however, been in close touch with other banks where similar views were held, with the result that a scheme had been prepared and a new institution would shortly be founded, which was hoped would have results of the highest importance for the banks concerned and the general public. The reference was obviously to the participation which the Union Bank of Scotland had taken in the new British Overseas Bank now being formed. The Union, as is well known, is co-operating with a number of other important banks in the formation of the new institution and details are expected shortly. As a first result, it has been decided to release Mr. A. C. D. Gairdner, the General Manager of the Union, in order that he may take up the office of Chairman of the British Overseas Bank, Limited. Mr. Gairdner will remain, however, an ordinary director of the Union Bank.

Coming now to the accounts, it will be seen that the figures show an all-round expansion and a very satisfactory profit on the year's working. Deposits are up from £23,773,368 to £26,931,733. Notes in circulation, which have shown a falling off for some time, suddenly increased about the time of the balance, which resulted in bringing the total to a few thousand pounds short of £3,000,000.

On the assets side, cash in hand, &c., is some £200,000 higher at £3,362,649; money at call is up from £3,273,810 to £3,816,321. Investments, £7,219,359 of which are in British Government securities, have increased from £6,708,027 to £7,875,340. Bills discounted during the last two years have continued to expand; in 1917 they stood at £2,071,117, by last year they had increased to £9,644,132, and in April 1919 they stood at £10,640,358: the total includes British Treasury bills. Loans and advances are about £700,000 up at £5,885,432. Bank premises are up from £472,540 to £553,655. The total assets amount to £32,502,302.

Liabilities to the public on April 2, 1919, were £30,338,000, against which assets were held in the following proportions: Cash and notes, &c., 11.1%; money at call, &c., 12.6%; investments, 25.9%; bills discounted, including Treasury bills, 35.1%; loans and advances, 19.4%.

Our usual comparative statement is adjoined.

Last year's net profit, £284,349, was equal to 28.4% upon the paid-up capital, to 14.2% upon the combined capital and reserve, and to .9% upon the total working resources. The profits of the year increased by some £5,000, in spite of the fact that charges of management increased by £50,000. The higher working expenses were caused by increased salaries, bonuses to staff, increased cost of the Bank's note issue, and other incidental expenses. The dividend this year is again at 15% per annum, subject to tax. On the subject of the dividend, the Chairman said at the general meeting in April that it was a matter for serious consideration by the board, since obviously the figures submitted provided the wherewithal to make a higher distribution, but two things had weighed with the directors in restraining them from making any recommendation in this direction. First, it was thought desirable that the pre-War position should be fully restored; secondly, it was felt that the artificial conditions prevailing at the present time necessitated an ultra-conservative policy in regard to distribution. The profits earned showed a substantial and continued progress, but running expenses have increased to an extent that in pre-War days would have been looked upon with alarm. In the circumstances

THE
CANADA LIFE
ASSURANCE COMPANY

is the oldest Life Office of the Empire from beyond the seas. It was founded in 1847 and now possesses Assets of £13,500,000, thus being one of the largest Life Offices in the Empire.

Its financial position is unusually strong, and is under the strictest Government supervision.

Its Policy Contract, with Guaranteed Loan and Surrender Values, is the most liberal in the Life Assurance market, and its Bonuses to Policyholders have not been surpassed.

All through the war it has paid its present high rate of Bonus, and last year carried forward over £1,500,000 of undivided surplus. The Company also transacts annuity business on the best terms obtainable.

APPLICATIONS FOR DISTRICT AGENCIES

are invited from Gentlemen in a position to influence a moderate volume of new business annually.

Reply to MANAGER, Canada Life Office, Canada Life Building, King Street, Cheapside, London, E.C. 2.

The British Law
INSURANCE COMPANY LTD.

HEAD OFFICE:
5, LOTHBURY, BANK, LONDON, E.C. 2.

Chairman—M. F. MONIER-WILLIAMS, Esq.
Deputy-Chairman—C. G. KEKEWICH, Esq.

UNDERTAKES THE FOLLOWING CLASSES OF INSURANCE:—

FIRE,

EMPLOYERS' LIABILITY,
PERSONAL ACCIDENT, BURGLARY,
THIRD PARTY, MOTORS,
LIFTS, BOILERS,
PROPERTY OWNERS' INDEMNITY,
LOSS OF PROFITS DUE TO FIRE,
GLASS BREAKAGE, LIVE STOCK.
FIDELITY GUARANTEE.

Special attention given to this class of business. Solicitors, Accountants, and Professional Men are invited to inquire for terms.

Manager: DAVID M. LINLEY. *Secretary*: T. WILLIAMS.
Assistant Secretary: A. T. DAVEY.

Telegraphic Address: "Britlaw, Stock, London."
Telephone: London Wall 2122 and 9470.
Branches throughout the United Kingdom.

Liabilities and Assets of The Union Bank of Scotland, Limited.

LIABILITIES. April	Capital Paid up. £	Reserve £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1919	1,000,000	1,000,000	2,000,000	6·1	2,987,221	9·2	418,547	1·3	26,931,733	82·7	214,801	·7	32,552,302
1918	1,000,000	900,000	1,900,000	6·5	2,535,731	8·8	373,726	1·3	23,773,368	82·5	220,452	·	28,803,277
1917	1,000,009	800,000	1,800,000	5·1	1,895,883	8·5	955,362	4·3	17,438,844	78·1	221,286	1·0	22,311,375
1916	1,000,000	800,000	1,800,000	8·5	1,594,494	7·5	691,890	3·3	16,916,264	79·5	261,456	1·2	21,264,104
1915	1,000,000	800,000	1,800,000	8·4	1,217,971	5·6	401,846	1·9	17,849,839	82·9	260,883	1·2	21,530,539
1914	1,000,000	1,000,000	2,000,000	9·7	945,432	4·6	889,972	4·3	16,595,042	80·3	220,010	1·1	20,650,456
1910	1,000,000	1,000,000	2,000,000	12·4	866,795	5·3	246,364	1·5	12,932,983	79·7	174,212	1·1	16,220,354

ASSETS. April	Cash in Hand, &c. £	% *	Money at Call & at Notice. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1919	3,362,649	10·3	3,816,321	11·7	7,875,340	24·2	10,640,358	32·7	5,885,432	18·1	418,547	1·3	553,655	1·7	32,552,302
1918	3,163,005	11·0	3,272,810	11·4	6,708,027	23·3	9,644,132	33·5	5,169,037	17·9	373,726	1·3	472,540	1·6	28,803,277
1917	2,348,179	10·5	2,317,049	10·4	6,554,555	29·4	2,071,117	9·3	7,617,116	34·1	955,362	4·3	447,997	2·0	22,311,375
1916	1,755,536	8·3	3,780,048	17·8	7,281,138	34·2	2,005,749	9·4	5,293,765	24·9	691,890	3·3	455,978	2·1	21,264,104
1915	1,570,532	7·3	4,427,429	20·5	4,948,724	23·0	3,166,319	14·7	6,560,531	30·5	401,846	1·9	455,158	2·1	21,530,539
1914	1,231,406	6·0	4,009,781	19·4	3,617,892	17·5	3,787,380	18·3	6,667,542	32·3	889,972	4·3	446,483	2·2	20,650,456
1910	1,071,191	6·1	3,519,484	22·2	3,396,544	21·0	2,596,235	16·0	4,973,432	30·6	246,364	1·5	417,104	2·6	16,220,354

* Per cent. of Total Liabilities or Assets.

the board considered that the time had not yet come to put forward a recommendation for an increase in the dividend, as it was obvious that little relief would be obtained in the near future in regard to the running expenses of the Bank, while the earning capacity could not be looked upon as assured to the same extent.

The allocation to the reserve fund deserves notice. For several years to April 1914 the reserve fund equalled the paid-up capital, £1,000,000, but owing to the depreciation in investments, not only had surplus profits to be transferred to investments account, but £200,000 had to be taken from reserve. It was found possible last year, however, to apply £100,000 of the surplus profits to reserve, and this year another £100,000 has been added to it, thus restoring the reserve fund to its former level of £1,000,000. £15,000 was also applied to bank property, £15,000 to heritable property, while £10,000 was carried to pensions and allowances fund.

Last year's net profit was equal to 28.4% upon the paid-up capital, to 14.2% upon the combined capital and reserve, and to .9% upon the total working resources.

The head office of the Bank is in Glasgow, it has a branch in Edinburgh, and a London office in Cornhill, and also 158 branches throughout Scotland.

The following table shows the record of profits since 1914:—

Profits of the Union Bank of Scotland, Limited.

Yr. to April 1	Gross Profit £	Expenses £	Net Profit £	Div. Earned %	Subject to Tax Paid %	Paid £	Special Allctns. £	Carried Fwrd. £
1919	575,236	290,887	284,349	28·43	15	150,000	140,000	54,801
1918	520,078	240,912	279,166	27·92	15	150,000	130,000	60,452
1917	462,779	212,949	249,830	24·98	15	150,000	140,000	61,286
1916	419,645	199,072	220,573	22·05	15	150,000	70,000	101,456
1915	409,582	183,709	225,873	22·58	15	150,000	20,000	100,883
1914	388,295	178,408	209,887	20·99	15	150,000	50,000	45,010

FOR
RECONSTRUCTION
Book Keeping where Rapidity and Accuracy are needed
THE
TUDESCO
Loose Leaf Books
ARE OF THE UTMOST VALUE.
SECURE. SIMPLE. ELASTIC.
Sizes and Qualities to suit all Purposes. Orders Executed with Reasonable Dispatch. Write for Pamphlet and Prices To-day.
Spicer Brothers, Ltd., DPL Dept.,
19 New Bridge Street, London, E.C.

EST. 1898.
THE
ESSEX UNION
INSURANCE COMPANY, LTD.
Bankers:
THE BANK OF ENGLAND.
THE LONDON JOINT CITY & MIDLAND BANK, LTD.
FOR REINSURANCES
Foreign Fire, Burglary, Workmen's Compensation, Fidelity Guarantee, Motor Car, Third Party, etc.
Home Fire by Treaty only.
Directors:
Sir Harold Elverston, J.P., Chairman.
Charles Davidson, Esq. Major Evan Hayward, M.P.
Alderman A. H. Scott, J.P., L.C.C.
General Manager—Charles H. Trenam.
Fire Manager—Harry L. Smathers.
Secretary—F. Cecil Bailey.
Head Office:
9 & 10 George Yard, Lombard Street,
LONDON, E.C. 3.
Phone: Avenue 7505. Telegrams: "Esuninco, Grace, London."

UNION DISCOUNT CO. OF LONDON.

Office: 39 Cornhill, London, E.C. 3.

Capital—

Authorised, 200,000 Shares of £10 each	£2,000,000
Issued, 200,000 Shares of £10 each =	2,000,000
Paid up, £5 per Share ... ... =	1,000,000

Price of Share, £11. *Div.*, 14·43%. *Yield*, £6 14s. 0d.%

THE Union Discount Company has been in existence just over 34 years. It was established in April 1885 with a capital of £1,000,000 to take over the goodwill of the deposit and discount business, with approved assets, of the General Credit and Discount Company, Limited, and the United Discount Corporation, Limited. In 1888 the capital was increased to £1,300,000, in 1899 to £1,500,000, and on January 22, 1914, to £2,000,000. The paid-up capital in 1913 was £750,000; in 1914, £850,000. In January 1919, the sanction of the Treasury having been obtained, the Company decided to issue the balance of the 50,000 new shares authorised by the shareholders at the general meeting on January 22, 1914. 20,000 shares were then issued at a premium of £5 per share, and the £100,000 resulting from the premium was placed to the credit of reserve fund. The remaining 30,000 shares of £10 each, offered in January last to shareholders proportionately to their existing holdings, were also issued at a premium of £5, with £5 paid up per share. The amount received for the premium, viz. £150,000, will be placed to the reserve fund as before. The amount to be called up, and the premium on the shares, are payable by instalments between January and the end of June 1919. When this issue is cleared up, the effect will be to increase the Company's capital and reserve, which will then stand as follows:—

	£
Authorised and subscribed capital	2,000,000
Paid-up capital	1,000,000
Reserve fund	1,000,000

The statement of the Company's affairs for the year ending December 31, 1918, is again satisfactory, though the relative shortage of commercial paper offering, as compared with the volume on the market during the years before the War, is again noticeable. The controlling by the Bank of England of the rates of interest on deposits also has not been conducive to a large business on the part of the discount houses. Then there have been the many competitors in the field for floating funds, principally those connected with the Government's war savings campaign and for the subscriptions to National War Bonds. The cumulative effect of these things has been to cause a temporary lock-up of market funds from time to time. Notwithstanding all these influences, however, the figures of this Company's balance sheet show a large expansion in nearly all directions. Deposits, loans, &c., have increased materially; they rose from £23,670,206 to £27,821,434. Bills discounted are also much larger at £4,823,455. Investments are £1,593,704 higher than in the previous year, and in this connection the directors state that, while they felt it incumbent upon them to lend all available support to the financing of the War, they have purposely confined themselves to a great extent to the earlier maturities of the various kinds of bonds that were from time to time offered, so that any loss of capital by falling prices would be greatly minimized, if not eliminated. Cash at bankers is only some £20,000 higher than in 1917, but loans at call and at short notice stand at £2,491,569, as against £362,273 a year ago. Expenses show an increase this year, mainly owing to allowances made to members of the staff on active service, and to the employment of a temporary staff to replace those who were absent. There is an increase in the item for buildings, &c., due to the purchase of the corner block of No. 42, Cornhill, which came into the market during 1918. The Company were able to secure this at a very satisfactory figure, thereby rounding off their property and materially enhancing its value as a whole.

THE
Excess Insurance Co.
LIMITED.

ESTABLISHED 1894.

Managers - C. E. HEATH & Co., Ltd.

CAPITAL (fully paid up) - - £50,000
Reserve Fund - - - - - £600,000
Reserve for Unexpired Liability - £1,626,733

Directors:

CUTHBERT E. HEATH. GEORGE HEATH.
ARTHUR BURNS. MONTAGUE EVANS

Head Office:
WATERLOW HOUSE, BIRCHIN LANE, E.C.

Motor Car Department:
1 ROYAL EXCHANGE AVENUE, E.C.

Underwriting Office:
10 ROYAL EXCHANGE, E.C.

The Company accepts every class of Risk with the exception of Life.

Apply to any Lloyd's Broker.

REFUGE
ASSURANCE COMPANY
LIMITED.

Chief Office: OXFORD STREET, MANCHESTER.

The "REFUGE" has now paid Claims to the extent of over **£840,000** on sailors and soldiers in respect of the War. No extra premium has been imposed for Military or Naval service under policies effected prior to the declaration of hostilities.

The Company's investments in National War Loans amount to over **£5,225,000**, in addition to which securities to the value of over **£796,000** are deposited with the Treasury under the scheme for regulating the foreign exchanges.

ANNUAL INCOME exceeds . £4,700,000
ASSETS exceed . . . £15,900,000
CLAIMS PAID exceed . . £28,000,000

Liabilities and Assets of The Union Discount Company of London, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund £	Prov. Reserve Fund. £	Total Capital and Reserve. £	% *	Loans and Deposits, &c. £	% *	Bills Rediscounted. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918 ...	850,000	850,000	130,000	1,830,303	5·3	27,821,434	80·3	4,823,455	13·9	168,271	·5	34,643,463
1917 ...	850,000	825,000	124,508	1,799,508	6·0	23,670,206	78·6	4,450,768	14·8	166,486	·6	30,086,968
1916 ...	850,000	800,000	119,150	1,799,150	6·7	19,596,981	74·5	4,765,204	18·2	157,471	·6	26,288,806
1915 ...	850,000	800,000	113,976	1,763,976	7·3	18,117,452	74·9	4,155,122	17·2	139,693	·6	24,176,243
1914 ...	850,000	800,000	108,968	1,758,968	8·2	16,433,338	76·5	3,113,506	14·5	172,574	·8	21,478,386
1913 ...	750,000	700,000	99,147	1,549,147	4·9	20,892,160	66·2	8,966,329	28·4	152,665	·5	31,560,301
1910 ...	750,000	600,000	71,928	1,421,928	5·7	17,163,143	68·5	6,321,697	25·3	126,617	·5	25,033,385

ASSETS. Dec. 31	Cash at Bankers. £	% *	Loans at Call and at Notice, &c. £	% *	Investments. £	% *	Bills Discounted, &c. £	% *	Bank Premises and other Assets. £	% *	Total Assets. £
1918 ...	1,065,677	3·1	2,491,569	7·2	4,249,108	12·3	26,658,578	76·9	178,531	·5	34,643,463
1917 ...	1,043,251	3·5	362,273	1·2	2,655,404	8·8	25,870,040	86·0	156,000	·5	30,086,968
1916 ...	1,040,703	4·0	807,554	3·1	1,975,879	7·5	22,308,114	84·9	156,556	·5	26,288,806
1915 ...	965,685	4·0	576,082	2·4	2,184,397	9·1	20,290,883	83·9	159,196	·6	24,176,243
1914 ...	918,652	4·3	980,741	4·6	2,786,719	12·9	16,642,280	77·5	149,994	·7	21,478,386
1913 ...	886,338	2·9	954,500	3·0	2,213,542	7·0	27,366,216	86·7	139,705	·4	31,560,301
1910 ...	829,556	3·3	1,782,289	7·1	3,449,238	13·8	18,854,427	75·3	117,875	·5	25,033,385

* Per cent. of Total Liabilities or Assets.

Rebate at £243,918 is down as compared with 1917, owing to the shorter average currency of the Company's holding of bills.

Total assets stand at £34,643,463.

Liabilities to the public on December 31, 1918, were £32,644,889, against which assets were held in the following proportions:—Cash, 3.3%; loans at call and notice, 7.6%; investments, 13.0%; and bills discounted, 81.6%.

Our usual statement of liabilities and assets is given below.

The net profit for the year after all deductions amounted to £152,191, as against £155,847 in 1917. The dividend and bonus for the year amount to 14.43%, subject to tax. Out of profits £25,000 has been placed to reserve fund, making it £850,000, and £121,096 carried forward, as against £116,548 a year ago.

Last year's net profit was equal to 17.9% upon the paid-up capital, to 8.2% upon the combined capital and reserve, and to .5% upon the total working resources.

The following table will show how the past year's figures compare with those since 1914:—

Profits of the Union Discount Company of London, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax Earned %	Paid %	Paid £	Special Allot'ns £	Carried Forward £
1918 ...	169,621	17,430	152,191	17·91	14·43	122,643	25,000	121,096
1917 ...	176,225	20,378	155,847	18·33	14·33	121,833	25,000	116,548
1916 ...	165,389	19,809	145,580	17.13	14·29	121,468	10,000	107,534
1915 ...	192,885	30,893	161,992	19·06	13·00	110,500	80,000	93,421
1914 ...	171,989	41,277*a*	130,712	16·34	13·45	107,698	—	121,929
1913 ...	188,701	39,544	149,157	19·88	13·27	99,557	35,000	98,915

(*a*) Includes £1,565 for interest at 5 % on new shares for broken period.

WEST YORKSHIRE BANK.

Head Office: Princess Street, Halifax.

Capital—

Authorised	£1,000,000
Subscribed, 40,000 Shares of £25 each	1,000,000
Paid up, £10 per Share	400,000

Price of Share, £30. *Div.*, 15%. *Yield*, £5 1s. 7d.%

Of the purely Yorkshire joint stock banking institutions, pride of place is held by the West Yorkshire Bank, which was formerly known as the Halifax

MACMILLAN'S
BOOKS ON ECONOMICS, &c.

Papers on Current Finance.
By H. S. Foxwell; M.A., F.B.A., Professor of Political Economy in the University of London
8vo. **10s.** net.

The Westminster Gazette:—"Students of economics and of finance will feel grateful to Mr. Foxwell for having collected together in one convenient volume these extremely lucid and instructive papers in which he has, since the war, surveyed various aspects of the financial situation. . . . All are full of the sound knowledge, acumen, and good sense that give them a permanent utility."

1919 *Issue Nearly Ready.*

The Statesman's Year-Book.
A Statistical and Historical Annual of the States of the World for the Year 1919. Edited by Sir J. Scott Keltie, LL.D., and M. Epstein, M.A., Ph.D., F.R.G.S. With Maps. **18s.** net.

An Introduction to Statistical Methods.
A Text-book for College Students: A Manual for Statisticians and Business Executives. By Prof. Horace Secrist. Crown 8vo. **10s. 6d.** net.

Principles of Economics.
An Introductory Volume. By Alfred Marshall.
Seventh Edition. 8vo. **12s. 6d.** net.

Economics.
An Introduction for the General Reader. By Henry Clay, M.A. Crown 8vo. **4s. 6d.** net.

National Economy.
An Outline of Public Administration. By Henry Higgs, C.B. **3s. 6d.** net.

MACMILLAN & CO., LTD., LONDON, W.C.2.

METROPOLITAN LIFE ASSURANCE SOCIETY.
Established 1835.

ALL SURPLUS DIVIDED BY WAY OF REDUCTION OF PREMIUM.

The Rates of Reduction for current year range from **79%** to **34%**.

APPLY FOR PARTICULARS OF THE SOCIETY'S
DISCOUNTED ABATEMENT SYSTEM.

ANNUAL PREMIUM, FOR FIRST FIVE YEARS, reduced in anticipation of future distribution of surplus, for Whole-Life Policies or Endowment Assurances of £100.

AGE NEXT BIRTHDAY	ASSURANCE PAYABLE At Death	At Death or Age 55	At Death or Age 60
25 ...	£1 12 3	£2 10 7	£2 3 1
30 ...	1 16 9	3 3 7	2 12 8
35 ...	2 2 9	4 3 2	3 5 11
40 ...	2 9 10	5 16 0	4 6 0

After 5 years the Premiums under this scheme are subject to FURTHER REDUCTION in respect of any abatement declared in excess of 33 per cent.

NO COMMISSION. NO SHAREHOLDERS.

Office: 13 Moorgate Street, London, E.C. 2.

Joint Stock Bank, Limited, a concern which was established on August 31, 1829, with a capital of £18,000. From time to time the capital was increased with the growth of business, and step by step a reserve was built up; in 1864, for instance, the capital amounted to £150,000, and the reserve fund to £100,000, and of this latter amount £60,280 represented premia on shares that had been issued. The reserve was raised in 1865 to £105,000, and remained at that figure until 1875, when the capital was increased to £200,000, and the reserve to £174,245, by payment on the allotment of shares then issued amounting to £69,245. Further increases took place in both capital and reserve at various intervals, until, in 1890, the paid-up capital stood at £300,000 and the reserve fund, £305,000. They remained at this level until 1910, when both were raised to £400,000.

The Bank was formed to cater for local requirements and has never attempted to cover a very wide area. It has been associated with the principal industries of the West Riding all along, and may be said to have grown with them. For over 40 years the business was carried on at one office only, and it was not until 1873 that a second office was opened. In the course of its career the Bank has only absorbed two other institutions, that of the Midland Banking Company of Huddersfield in May, 1881, and the Halifax and Huddersfield Union Banking Company, Limited, which was purchased in December 1909. Since that time, however, the steady expansion of its business has called for more branches, and at the present time, besides its head office in Halifax, the Bank has 34 branches and sub-branches.

The accounts presented at the Annual Meeting on January 29 last reveal a very satisfactory year's working. Net profits have risen from £91,702 to £96,400, and this the Directors considered justified the payment of an increased dividend, the rate being raised from 13⅓% to 15% subject to tax. £20,000 was added to reserve fund, bringing that fund up again to £400,000, and £10,000 was written off bank premises account. After these various items had been provided for, the balance carried forward was £25,154, or about £6,400 more than in the previous year.

The shown net profit for last year was equal to 24.1% upon the paid-up capital, to 12.0% upon the combined capital and reserve, and to .9% upon the total working resources.

Profits of the West Yorkshire Bank, Limited.

Year ended Dec. 31	Net Profit	Div. Subject to Tax Earned	Div. Subject to Tax Paid		Special Allocations	Carried Forward
	£	%	%	£	£	£
1918... ...	96,400	24·1	15	60,000	30,000	25,154
1917... ...	91,702	22·92	13⅓	53,333	30,000	18,753
1916... ...	75,897	18·97	13⅓	53,333	20,000	10,384
1915... ...	70,792	17·69	13⅓	53,333	20,500	7,821
1914... ...	65,074	16·26	13⅓	53,333	7,500	10,363
1913... ...	73,273	18·30	13.27	53,097	20,000	7,251

Coming now to the balance sheet, we find the reserve fund to be £400,000, as against £380,000. Last year, it will be remembered, was the first time over a long series of years that the Bank did not have to provide a large sum to meet depreciation on investments. For several years the reserve stood at £400,000, but in 1916, beyond allocations from surplus profits, it was necessary to take £50,000 from reserve, thereby reducing it to £350,000. £30,000 was added to it in 1917 and, with the allocation of £20,000 this year, the reserve is once more brought to the 1910 level. Notes in circulation show a trifling increase, and are at £2,245. Deposits, &c., are up by about £211,000 and acceptances stand at £28,705, as compared with £9,389 a year ago. Cash in hand, at call, &c., is some £76,000 higher. Investments are at £1,831,621, compared with £2,089,421 in 1917. Bills stand at £1,721,211, and include £1,600,000 Treasury bills. Of the latter security the Bank holds £600,000 more than in the previous year. Loans and

THE CANADIAN BANK OF COMMERCE.

PAID-UP CAPITAL - - $15,000,000 (£3,082,192).
RESERVE FUND - - $15,000,000 (£3,082,192).

Head Office: TORONTO.

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., *President.*
SIR JOHN AIRD, *General Manager.*
H. V. F. JONES, *Assistant General Manager.*

471 BRANCHES throughout CANADA and in the UNITED STATES and elsewhere (as below).

IN NEWFOUNDLAND.

BELLEORAM, GRAND BANK, HARBOUR BRETON, ST. JOHN'S.
ST. PIERRE, MIQUELON (French Possession).

IN THE UNITED STATES.

NEW YORK, SAN FRANCISCO, PORTLAND (OREGON), SEATTLE, and Agents in all large Cities.

IN MEXICO. MEXICO CITY.

London Office: 2 LOMBARD STREET, E.C. 3.

CHARLES CAMBIE, *Manager.* A. B. PHIPPS, *Assistant Manager.*

Canadian and United States Currency Bills and Notes bought and sold; Telegraphic Transfers made to all principal points in North America; Commercial and Travellers' Letters of Credit and Travellers' Cheques issued; Collections made at all points; a general Banking and Exchange business conducted with Canada, Newfoundland, and the United States.

THE MERCANTILE BANK OF INDIA (LIMITED).

HEAD OFFICE:
15 GRACECHURCH STREET, LONDON, E.C. 3.

Capital Authorised and Subscribed	**£1,500,000**
Capital Paid up	**£750,000**
Reserve Fund and Undivided Profits ...	**£785,794**

Board of Directors.

R. J. BLACK, ESQ. (Chairman).
LORD CARMICHAEL, G.C.S.I., G.C.I.E., K.C.M.G.
P. R. CHALMERS, ESQ.
J. M. RYRIE, ESQ.
H. M. SIMONS, ESQ.
SIR DAVID YULE.

BRANCHES AND AGENCIES:

BURMAH, CEYLON, CHINA, INDIA, PORT LOUIS (MAURITIUS), and STRAITS SETTLEMENTS.

The Bank buys and sells Bills of Exchange, issues Letters of Credit and Circular Notes, and transacts Banking and Agency Business in connection with the East, on terms to be had on application.

Rates for fixed deposits will be quoted on application.

On CURRENT ACCOUNTS Interest is allowed at 2 per cent. per annum on daily balances.

Liabilities and Assets of The West Yorkshire Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Notes in Circulation. £	% *	Deposits, &c. £	% *	Acceptances. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918 ...	400,000	400,000	800,000	7·1	2,245	—	10,413,812	92·1	28,705	·2	64,175	·6	11,308,937
1917 ...	400,000	380,000	780,000	7·1	2,105	—	10,202,307	92·4	9,389	·1	50,985	·4	11,044,786
1916 ...	400,000	350,000	750,000	8·2	2,315	—	8,239,201	90·1	109,759	1·2	42,593	·5	9,143,868
1915 ...	400,000	400,000	800,000	9·4	2,320	—	7,622,297	89·5	51,005	·6	40,110	·5	8,515,732
1914 ...	400,000	400,000	800,000	10·8	2,315	—	6,482,201	87·6	69,810	1·0	42,656	·6	7,396,982
1913 ...	400,000	400,000	800,000	11·7	2,195	—	6,012,168	87·5	—	—	57,427	·8	6,872,090
1910 ...	400,000	400,000	800,000	12·6	3,845	·1	5,468,609	86·6	—	—	44,399	·7	6,316,853

ASSETS. Dec. 31	Cash in Hand, at Call, &c. £	% *	Investments £	% *	Bills. £	% *	Loans and Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1918 ...	2,216,914	19·6	1,831,621	16·2	1,721,211	15·2	5,402,441	47·8	28,705	·2	108,045	1·0	11,308,937
1917 ...	2,140,623	19·4	2,089,421	18·9	2,310,794	20·9	4,375,644	39·6	9,389	·1	118,915	1·1	11,044,786
1916 ...	1,752,892	19·2	2,107,146	23·1	1,461,738	15·9	3,593,418	39·3	109,759	1·2	118,915	1·3	9,143,868
1915 ...	1,351,635	15·9	2,205,895	25·9	953,536	11·2	3,834,746	45·0	51,005	·6	118,915	1·4	8,515,732
1914 ...	1,105,892	14·9	823,239	11·1	867,437	11·7	4,428,289	59·9	69,810	1·0	102,315	1·4	7,396,982
1913 ...	851,090	12·4	703,800	10·2	807,673	11·8	4,407,212	64·1	—	—	102,315	1·5	6,872,0 0
1910 ...	679,353	10·8	1,084,373	17·1	671,557	10·7	3,793,055	60·0			88,515	1·4	6,316,8 3

* Per cent. of Total Liabilitiesor Assets.

advances are up from £4,375,644 to £5,402,441. The total assets stand at £1,308,937, against £11,044,785 in 1917.

Liabilities to the public on December 31, 1918, were £10,444,762, against which assets were held in the following proportions: cash in hand and at call, 21.2%; investments, 17.5%; bills, including Treasury bills, 16.5%; loans and advances, 51.7%.

A full statement of the balance sheet figures for the year 1910 and for 1913-1918 will be found above.

WILLIAMS DEACON'S BANK.

Head Office: Mosley Street, Manchester.

Capital—

Authorised { 1,800,000 "A" Shares of £5 each / 1,000,000 "B" Shares of £1 each } £10,000,000

Subscribed { 1,562,500 "A" Shares. £7,812,500 / 312,500 "B" Shares, £312,500 } £8,125,000

Paid up { "A" Shares, £1 per Share = £1,562,500 / "B" Shares, £1 (fully paid) = £312,500

Price of Shares { "A" Shs., 43/3. *Div.*, 14·8%. *Yield*, £7 0s. 3d.% / "B" Shs., 43/6. " 12·5%. " £5 15s. 0d.%

WILLIAMS DEACON'S Bank may be said to have attained the important place it now occupies in the banking world both through the expansion of its business and through the absorption of other banking concerns. Its forerunner was the Manchester and Salford Bank, which was established in 1836. Then, in 1874, the important firm of Heywood Brothers and Company, of Manchester, was taken over. A few years later the business of Harcastle, Cross and Co., of Bolton, was acquired, and in 1881 the Bank was made still larger by the absorption of Clement Royds and Co., of Rochdale. The most important event in the annals of the institution, however, was the acquisition of Messrs. Williams Deacons and Co., of Birchin Lane, London, for it was this step which transferred a purely Lancashire Bank into one of first-rate importance. Further extensions have followed; a noteworthy amalgamation was that in 1906, when Williams Deacon's Bank took over the business of the Sheffield and Rotherham Joint Stock Bank.

The capital of the Bank, like so many other similar institutions, has grown in importance with the size of the Bank. The paid-up capital at the end of the first year's operations was £252,100; in 1853 it amounted to £282,300, and it has since been increased from time to time as circumstances demanded. A curious thing

A
SECURED
INCOME

A POLICY IS ISSUED WHICH SECURES:

A definite guaranteed income for the investor at fixed age, or his dependents in event of his death.

Freedom from expense or difficulty in selection of a suitable investment.

Avoidance of necessity for appointment of Trustees.

THE
SCOTTISH AMICABLE
LIFE ASSURANCE
SOCIETY

Estd. 1826. Funds £6,500,000.

HEAD OFFICE—35, St. Vincent Place, GLASGOW.
LONDON OFFICE—1, Threadneedle St., E.C. 2.

THE
CONSOLIDATED
Assurance Company
LIMITED.
ESTABLISHED 1903.

Paid-up Capital - - - £120,000
Accumulated Funds - - 544,000
Total Funds at 31st Dec. 1917 £664,000
Uncalled Capital - - 423,666
Total Security - - - £1,087,666

FOR REINSURANCE BUSINESS

Fire, Marine and General Department.
St. Swithin's House, St. Swithin's Lane,
LONDON, E.C. 4.
Manager: J. HERBERT E. LANE.

Registered Office and Life Department.
9 Fleet Street, LONDON, E.C. 4.
Actuary and Secretary: CHAS. WINDETT.

about the Bank's increase in capital has been the capitalisation of profits; for many years a capital bonus addition was given to shareholders besides the dividend, and these various bonuses to the shareholders continued regularly from 1859 to 1874. In the latter year the amount paid up per share was £8, and the total capital £600,000. At the end of 1918 the capital stood at £7,812,500, in 156,250 £50 shares, of which £8 per share was paid up, giving a paid-up capital of £1,250,000. The reserve fund is £850,000. On January 30, 1919, a further increase of capital was decided upon. At the general meeting it was resolved to increase the authorised capital from £7,812,500 to £10,000,000. The new capital consists of (1) 237,500 "A" shares of £5 each, of which £1 is to be paid up, £1 will be callable, and £3 reserved; (2) and 1,000,000 "B" £1 shares fully paid, 312,500 of which were to be issued to shareholders forthwith, the price of issue being £2 per share.

It was also resolved at the meeting on January 30 last to capitalise £312,500 of the reserve fund by paying up £2 on each of the shares, thus making them £10 paid up, and leaving a further liability of £10 callable and £30 reserved. This, however, does not affect the reserve fund on balance, for the sum to be capitalised is equal to the premium to be received on the new shares.

It is also proposed to split the existing shares into 10 shares of £5 each, £1 paid.

There will eventually be some adjustment in dividends as the result of this share issue. The existing shares and the new "B" shares will in future rank *pari passu* for dividend up to 12½%, but after that any surplus profit divided will accrue to the existing partly paid shares.

As a result of these arrangements the paid-up capital of the Bank will shortly be raised to £1,875,000.

Business last year was good all round for the banks, and Williams Deacon's figures show a most satisfactory record of expansion and progress. Deposits alone again reveal a fresh high-water mark, and at 31¾ millions show an increase of 3¼ millions over the previous year, itself a record. Acceptances show a decrease of nearly half a million as compared with 1917, and this is largely accounted for by a considerable reduction in the Bank's war finance acceptances for British and Allied Governments.

With regard to the assets, cash in hand, &c., is down by about £500,000, but money at call, &c., is up from £2,541,770 to £5,909,730. Investments are £456,162 up, British Government securities having increased by over half a million, and other investments having been reduced by some £114,000. Bills discounted show an increase of £438,703, chiefly made up by a larger holding of British Treasury bills. Loans and advances are down by £235,000, which the Chairman said at the general meeting does not mean that the Bank are lending less to traders—their advances to them being considerably higher than last year, or in any previous year; high prices of goods and difficulties of shipment make these larger advances necessary, and the Bank make them freely and look on it as good business. The decrease comes from a large repayment of advances granted to enable customers to invest in War Loan, and such advances are being steadily repaid. Bank premises account shows a net reduction of £22,000, after placing £25,000 to the credit of the account out of the 1918 profits; the Bank is continuing to provide ahead for renewals and extension of premises.

Coming to the profit and loss account, it will be seen from our table that the net profit is at £319,191, as compared with £297,916 the previous year, and, consequently, a higher dividend was paid, the rate being 14⅛% per annum, subject to tax, as against 14% per

Summer Underwear at Hope Brothers

THE discriminating purchaser who selects his Summer Underwear at Hope Brothers ensures comfort and thorough satisfaction.

¶ For nearly half a century Hope Brothers have specialized in gentlemen's wear. The reliable quality and moderate prices of Hope Brothers' underwear will appeal to your judgment of value.

Call to-day and inspect our extensive range of latest Season's goods.

The Mail Order Department gives very special attention to orders by post, and customers can rely upon prompt and careful despatch. Carriage paid on all orders over 10/-.

Hope Brothers LTD. Est. 1874
Complete Outfitters
Chief Establishments,
44 & 46, Ludgate Hill, E.C. 4
84-88, Regent Street, W. 1
Branches throughout London and the Provinces.

Tea Merchants. to H.M. King George V. *By Special Appointment.*
T.M. The King & Queen of Italy H.M. King of Spain.

LIPTON'S TEA

IF you want the best Tea go to the firm that grows it



Lipton Ltd. Tea Coffee & Cocoa Planters. Ceylon.

Liabilities and Assets of Williams Deacon's Bank, Limited.

LIABILITIES. Dec. 31	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Acceptances. £	% *	Deposits, &c. £	% *	Profit Balance. £	% *	Total Liabilities. £
1918 ...	1,250,000	850,000	2,100,000	6·0	941,030	2·7	31,837,419	91·0	129,319	·3	35,007,768
1917 ...	1,250,000	750,000	2,000,000	6·2	1,443,159	4·5	28,494,564	88·9	110,091	·4	32,047,814
1916 ...	1,250,000	650,000	1,900,000	6·8	1,327,834	4·8	24,488,104	88·0	107,002	·4	27,822,940
1915 ...	1,250,000	650,000	1,900,000	8·4	623,665	2·8	19,887,797	88·4	102,299	·4	22,313,761
1914 ...	**1,250,000**	**650,000**	**1,900,000**	**9·1**	**407,502**	**1·9**	**18,381,581**	**88·1**	**163,988**	**·9**	20,853,071
1913 ...	1,250,000	650,000	1,900,000	9·6	549,556	2·8	17,220,479	87·0	129,537	·6	19,799,572
1910 ...	1,250,000	750,000	2,000,000	11·1	737,494	4·1	15,187,287	84·1	120,994	·7	18,045,775

ASSETS. Dec. 31	Cash in Hand, &c. £	% *	Money at Call, &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans & Advances. £	% *	Liab. of Cust. for Acceptances. £	% *	Bank Premises. £	% *	Total Assets. £
1918...	5,641,141	16·1	5,909,730	16·9	6,586,806	18·8	5,549,519	15·8	9,943,798	28·4	941,030	2·7	435,744	1·3	35,007,768
1917...	6,193,199	19·3	2,541,770	8·0	6,120,644	19·1	5,100,816	15·9	10,179,796	31·8	1,443,159	4·5	458,430	1·4	32,047,814
1916...	5,921,012	21·3	1,928,508	6·9	6,780,830	24·4	4,846,938	17·4	6,540,785	23·5	1,327,834	4·8	477,033	1·7	27,822,940
1915...	3,356,432	14·9	1,347,270	5·9	7,090,885	31·5	1,911,111	8·5	7,712,871	34·3	623,665	2·8	471,527	2·1	22,513,761
1914...	**3,949,932**	**14·1**	**3,314,042**	**15·9**	**3,360,104**	**16·1**	**2,784,057**	**13·4**	**7,577,651**	**38·4**	**407,502**	**1·9**	**459,783**	**2·2**	20,853,071
1913...	3,042,373	15·4	2,418,332	12·2	2,464,867	12·7	4,599,039	23·2	6,274,778	31·7	549,556	2·8	450,627	2·3	19,799,572
1910...	2,316,092	12·8	1,698,536	9·4	2,679,715	14·9	4,309,415	23·9	5,869,378	32·5	737,494	4·1	435,145	2·4	18,045,775

* Per cent. of Total Liabilities or Assets.

annum for the last four years. The balance carried forward is £29,846, or £9,035 more than in 1917.

Last year's net profit was equal to 25.5% upon the paid-up capital, to 15.2% upon the combined capital and reserve, and to .9% upon the total working resources.

Profits of William Deacon's Bank, Limited.

Year to Dec. 31	Gross Profit £	Expenses £	Net Profit £	Div. Subject to Tax — Earned %	Paid — %	Paid — £	Special Allocatn's £	Carried Forward £
1918 ...	678,999	359,808	319,191	25·54	14⅔	185,156	125,000	29,846
1917 ...	579,894	281,979	297,916	23·83	14	175,000	120,000	20,811
1916 ...	510,342	230,155	280,187	22·41	14	175,000	100,000	17,895
1915 ...	437,415	199,367	238,048	19·04	14	175,000	125,000	12,708
1914 ...	398,824	177,343	221,481	17·72	14½	181,250	—	74,660
1913 ...	410,721	167,435	243,287	19·22	15	187,500	55,000	34,429

The Bank has now 122 branches and sub-branches, and the report refers to the intended opening of further offices.

The arrangement between the Anglo-South American Bank, Limited, the London and Brazilian Bank, Limited, and Williams Deacon's Bank, by which Manchester traders have the advantage of direct intercourse in Manchester with those widespread banks, is reported to be working to the entire satisfaction of the parties concerned.

Liabilities to the public on December 31, 1918, were £32,778,449, against which assets were held in the following proportions:—Cash, 17.2%; money at call, &c., 18.0%; investments, 20.1%, bills discounted, including Treasury bills, 16.9%; loans and advances, 30.3%.

Full details of liabilities and assets are given above.

YORKSHIRE PENNY BANK.

Head Office: 2 Infirmary Street, Leeds.
London Office: 26 King Street, E.C. 2.

Capital—

Authorised £1,250,000
Subscribed, 250,000 Shares of £5 each ... = 1,250,000
Paid up, 250,000 Shares (£3 paid) ... ... = 750,000

THE business and goodwill of the old Yorkshire Penny Bank was acquired by the present Company on

"MANUAL OF ELECTRICAL UNDERTAKINGS AND DIRECTORY OF OFFICIALS."
FOUNDED - 1896.
UNIVERSALLY recognised as *the* annual encyclopædia of the electrical industry, the "Manual" is the only electrical work of reference containing financial and technical particulars of every electrical undertaking in the United Kingdom, and the Dominions and Colonies. Particulars are given of 3,000 electrical and allied undertakings representing £489,101,584 capital. Also a Directory with 20,000 names of the chief electrical officials, a Buyers' Directory, and a large number of Maps of electric traction, light and power undertakings.
(2,000 pages, Demy 8vo.)
Published Annually. Vol. XXII., 1918-1919.
Price 22/6 net. Carriage Paid Inland.
Postage Abroad Extra:—Europe and New Zealand, 2/-; Asia, 3/-; North & South America, Australia & Africa 4/-.
ELECTRICAL PRESS, LTD., 13-16 Fisher Street, Holborn, London, W.C.1.

THE
PIONEER
LIFE
Assurance Company, Ltd.
Chief Offices:
67 DALE STREET, LIVERPOOL.

THE EQUITABLE
TRUST COMPANY
OF NEW YORK.
Head Office:
37 WALL STREET, NEW YORK.
ALVIN W. KRECH, President.
New York Branches:
222 BROADWAY. 355 MADISON AVENUE.
Paris Branch:
23 RUE DE LA PAIX.
Capital, Surplus and Undivided Profits (Feb. 21st, 1919)
$19,990,658 = £4,253,331.
Member of the Federal Reserve System.
LONDON BRANCH:
3 KING WILLIAM ST., E.C.4.

Liabilities and Assets of The Yorkshire Penny Bank, Limited.

LIABILITIES.	Capital Paid up. £	Reserve Fund. £	Total Capital and Reserve. £	% *	Deposits and other Accounts. £	% *	Total Liabilities. £
1918, Dec. 31	750,000	750,000	1,500,000	6·1	23,014,201	93·9	24,514,201
June 30	750,000	750,000	1,500,000	6·7	20,772,184	93·3	22,272,184
1917, Dec. 31	750,000	750,000	1,500,000	7·3	19,123,840	92·7	20,623,840
June 30	750,000	750,000	1,500,000	8·0	17,372,474	92·0	18,872,474
1916, Dec. 31	750,000	750,000	1,500,000	7·0	19,785,923	93·0	21,285,923
June 30	750,000	750,000	1,500,000	7·2	19,355,066	92·8	20,855,066
1915, June 30	750,000	750,000	1,500,000	6·7	20,821,658	93·3	22,321,658
1914, June 30	750,000	750,000	1,500,000	6·7	20,720,689	93·3	22,220,689

ASSETS.	Cash in Hand with Bank of Eng. &c. £	% *	Investments. £	% *	Bills Discounted. £	% *	Loans and Advances. £	% *	Bank Purchase Account. £	% *	Bank Premises. £	% *	Total Assets. £
1918, Dec.31 ...	7,237,957	29·5	7,256,279	29·6	4,795,341	19·6	4,173,542	17·0	600,000	2·5	451,082	1·8	24,514,201
June 30...	4,674,394	21·0	5,529,099	24·8	6,150,542	27·6	4,867,067	21·9	600,000	2·7	451,082	2·0	22,272,184
1917, Dec.31 ...	3,930,286	19·1	6,626,798	32·1	3,856,190	18·7	5,160,006	25·0	600,000	2·9	450,560	2·2	20,623,840
June 30...	4,159,334	22·0	6,796,203	36·0	1,248,002	6·6	5,613,375	29·8	600,000	3·2	450,560	2·4	18,872,474
1916, Dec.31 ...	3,444,436	16·2	6,840,438	32·1	4,504,745	21·2	5,445,358	25·6	600,000	2·8	450,946	2·1	21,285,923
June 30...	3,356,905	16·1	7,389,612	35·4	3,893,322	18·7	5,164,281	24·8	600,000	2·9	450,946	2·1	20,855,066
1915, June 30...	3,474,519	15·5	8,687,733	38·9	4,400,950	19·7	4,709,544	21·1	600,000	2·8	448,912	2·0	22,321,658
1914, June 30...	3,306,588	14·9	11,672,362	52·5	1,656,696	7·5	4,539,622	20·4	600,000	2·7	445,421	2·0	22,220,689

* Per cent. of Total Liabilities or Assets.

August 29, 1911. The authorised capital is £1,250,000 in 250,000 shares of £5 each, £3 paid. All the shares were issued in 1911 at £6 per share, £3 per share being premium. This makes the paid-up capital £750,000, and the reserve, derived from premia, is also £750,000. The uncalled capital is £500,000.

The proprietors of the Bank are: Barclay's Bank, Beckett and Company, the London Joint City and Midland Bank, the Manchester and County Bank, Manchester and Liverpool District Banking Company, National Provincial and Union Bank of England, Williams Deacon's Bank, and others.

There are in all 117 offices, mostly in Yorkshire.

Deposits, &c., reached high-water mark on June 30, 1915, when they stood at the high total of £20,821,658, they then fell away for a year or two, but for the last three years have been steadily mounting up again, until on December 31 last they reached the record total of £23,014, 201. Against these deposits the Bank held on December 31, 1918, cash in hand, &c., amounting to £7,237,957, or 29.5%; investments, including £781,927 15*s.* 10*d.* in 4% War Stock, £1,961,125 in 4% National War Bonds, £1,590,306 5*s.* in British Government 5% National War Bonds, local loans stock £12,900, other securities £2,910,019 10*s.* 5*d.*, making a total of £7,256,279, or 29.6%. Bills discounted, including British Treasury Bills, £3,655,000, and Treasury Bills and securities repayable within one year £1,140,341 10s. 10d., together £4,795,341, or 19.6%; and loans and advances £4,173,542, or 17%.

Full details of the Bank's liabilities and assets are given above.

The IMPERIAL BANK OF PERSIA

25 Abchurch Lane, London, E.C.4.

Incorporated by Royal Charter, 1889.

Capital, fully paid up - - - £650,000

Reserve - - - - - £220,000

Reserve Liability of Proprietors - £1,000,000

Bankers:
Messrs. Glyn, Mills, Currie & Co.
London County Westminster and Parr's Bank, Limited.

OFFICES AND AGENCIES:

Ahwaz, Bagdad, Birjand, Bushire, Busreh, Hamadan, Ispahan, Kazvin, Kerman, Kermanshah, Meshed, Mohammerah, Nasratabad (Seistan), Resht, Shiraz, Sultanabad, Tabriz, Teheran (Chief Office), Yezd.

This Bank is prepared to transact Banking Business of every description in and connected with Persia and Mesopotamia; and in London grants Drafts, Telegraphic Transfers and Letters of Credit, and negotiates and collects Bills on Persia and the Near East.

EQUITY AND LAW

Life Assurance Society.

Established 1844.

NEW SCHEME OF

WHOLE-LIFE ASSURANCES

WITHOUT PROFITS

At Exceptionally Low Rates of Premium.

Specially applicable for Family Provision and to meet **DEATH DUTIES.**

PREMIUM FOR £1,000.

EXAMPLES:—

Age next Birthday.	Payment throughout Life.	Limited to 20 Payments.	Limited to 15 Payments.
30 -	£17 5 10	£25 9 2	£30 16 8
40 -	24 0 10	31 19 2	38 5 10
50 -	35 10 0	42 1 8	49 3 4

For Full Prospectus, or Prospectus of New Scheme, write to—

THE MANAGER,

18 Lincoln's Inn Fields, London, W.C. 2.

BANCO DE BILBAO.

ESTABLISHED 1857.

Head Office, BILBAO.

Branches: MADRID, VITORIA, PARIS, 27 RUE VIVIENNE (Place de la Bourse).

LONDON: 5 Bishopsgate.

CAPITAL fully paid up (30 million pesetas) and RESERVE FUND (30 millions):

Pesetas 60,000,000

The only Spanish Bank operating in England.

The London Branch has been established with a view to the development of Anglo-Spanish Commerce.

Current Accounts opened in Sterling, Pesetas and Francs, at sight, bearing interest, and every description of Banking business transacted on most advantageous terms, including acceptances, domiciliations, commercial credits, payments and collections on goods, etc.

Foreign Exchange, Stock Exchange, Custody of Securities, Collection of Coupons, etc., etc.

Terms on application.

Telegraphic Address: BANCOBAO, LED, LONDON. Telephone No.: Avenue 7392.

BANK OF ATHENS.

ESTABLISHED 1893.

CAPITAL (fully paid) £2,400,000

Head Office: ATHENS.

BRANCHES:

GREECE: Agrinion, Calamata, Candia, Canea, Carlovassi (Isle of Samos), Castro (Isle of Lemnos), Cavalla, Chio, Janina, Larissa, Mitylene, Patras, Piraeus, Rethymo, Salonica, Samos-Vathy, Syra, Tripolitza, Volo.
CYPRUS: Limassol.
EGYPT: Alexandria, Cairo.
FRANCE: Marseilles, 33 Rue de la Darse.
TURKEY: Constantinople, Smyrna.

London Office: 22 FENCHURCH STREET, E.C. 3.

SPECIAL FACILITIES EXTENDED FOR TRADE.

The International Banking Section

TO

"The Statist"

deals exhaustively with all Colonial and Foreign Banks, and with the present issue forms the most complete work of reference published.

Guaranty Trust Company of New York

Fifth Avenue Office
5th Avenue & 43rd Street
New York

Madison Avenue Office
Madison Avenue & 60th St.
New York

Paris Office
1 & 3 Rue des Italiens
Paris, France

Tours Office
7 Etienne Pallu
Tours, France

Head Office - - 140 BROADWAY, NEW YORK

A. J. HEMPHILL, Chairman of the Board.
CHARLES H. SABIN, President.

Chartered 1864

Paid-up Capital and Surplus
£10,000,000

Condensed Statement, February 21, 1919

$5 = £1

Resources

Real Estate	£1,000,000
Bonds and Mortgages	351,000
U.S. Government Bonds and Certificates	16,213,901
Public Securities, including British and French Treasury Bills	11,741,184
Other Securities	10,319,309
Loans and Bills Purchased	71,581,748
Cash—on Hand and in Banks	21,226,074
Exchanges for Clearing-House	3,114,357
Foreign Exchange	4,331,454
Credit granted on Domestic and Foreign Acceptances	10,068,189
Accrued Interest and Accounts Receivable	937,306
	£150,884,522

Liabilities

Capital	£5,000,000
Surplus Fund	5,000,000
Undivided Profits	705,132
Due Federal Reserve Bank against U.S. Government Obligations	5,200,000
Notes Secured by Liberty Bonds Re-discounted with the Federal Reserve Bank	3,257,643
Accrued Dividend	145,800
Outstanding Treasurer's Cheques	2,141,601
Foreign Accounts	2,009,355
Domestic and Foreign Acceptances	10,068,189
Accrued Interest Payable and Reserve for Taxes and Expenses	912,968
Deposits	116,443,834
	£150,884,522

London Offices

32 Lombard Street E C 3
5 Lower Grosvenor Place S W 1

Special Facilities for United States Forces.

Telegraphic Address
Garritus London

London Committee

Telephones
7020 Avenue
5 Lines

ARTHUR JOHN FRASER
CECIL FRANCIS PARR
ROBERT CALLANDER WYSE

Commercial Credits
Travellers' Credits

Current Accounts
Deposit Accounts

New York Exchange
Forward Exchange Contracts

Depositary of United States Government

COST OF THE WAR
TO
AMERICA, BRITAIN & GERMANY.

THE REICHSBANK'S PREDICAMENT.

THE CURRENCY COMMITTEE'S REPORT.

SPEECH BY

Sir EDWARD H. HOLDEN, Bart.

Chairman and Managing Director of the London Joint City and Midland Bank, Limited

---

At the

ANNUAL GENERAL MEETING OF SHAREHOLDERS,

held at the

Cannon Street Hotel, London, on January 29, 1919.

COST OF THE WAR TO AMERICA, BRITAIN, AND GERMANY.

THE REICHSBANK'S PREDICAMENT.

THE CURRENCY COMMITTEE'S REPORT.

SPEECH BY

SIR EDWARD H. HOLDEN, Bart.,

Chairman and Managing Director of the London Joint City and Midland Bank, Limited.

THE general meeting of the shareholders of the London Joint City and Midland Bank, Limited, was held at the Cannon Street Hotel, London, E.C., on Wednesday, January 29, 1919, for the purpose of receiving the report and balance sheet, declaring a dividend, electing directors and auditors, and other ordinary business.

The CHAIRMAN (Sir Edward H. Holden, Bart.) said:—

MY LORDS, LADIES, AND GENTLEMEN,—We are to be congratulated that after 4½ years of war an armistice has been signed and a Conference is now being held to settle the terms of peace. As you are aware, the dangers of a great European war first became evident in the summer of 1911 in consequence of the attitude of Germany in regard to the French claims in Morocco, which culminated in the appearance of a German gunboat off Agadir for the alleged purpose of safeguarding German interests in the interior; and when our present Prime Minister announced at the Mansion House that we were prepared to stand by France if Germany continued to pursue her policy of aggression, we realised the full gravity of the danger. It is believed Germany did not go to war in 1911 chiefly for the reason that the German financiers told the Kaiser that their finances were not in a sufficiently strong condition to stand the strain of a war which might involve the whole of Europe.

HOW GERMANY PLANNED THE WAR.

The Agadir incident took place in the summer of 1911, and soon after we had evidence that the danger had not been finally averted, and that Germany was making fresh preparations for war. In 1913 a law was passed increasing the size of the German Army, and various financial measures were adopted for strengthening the position of the banks and improving the financial position of the country. The President of the Reichsbank made known his intention of building up a big gold reserve, and from week to week bought large parcels of gold in the London market at a loss. By this means, and by preventing the export of gold from Germany, he succeeded in increasing his reserve from 36 millions sterling in December 1911 to 68⅔ millions in June 1914. This was the highest figure which had been reached up to that time in the history of the Bank. Thereafter events followed with almost clock-like regularity. The assassination of the Archduke Francis Joseph took place at Sarajevo on June 28. On July 5 the Kaiser called together at Potsdam the leaders of commerce, shipping and finance and questioned them as to their state of preparedness for war. The commercial magnates replied in the affirmative, but the financial men asked for fourteen days in which to realise their securities and make their final preparations. This concession was granted, and within a few days large parcels of securities were thrown upon the principal international markets of the world. There is evidence also that the Dresdner Bank, one of the leading German banks, even went so far as to circularise its clients advising them to realise their foreign investments, and no doubt other banks did the same. Having thus completed his final preparations, the Kaiser tried to camouflage the situation and deceive everybody by going away on a pleasure trip to Norway, and gave the Army leaders special furlough. The Austrian ultimatum, using as a pretext the assassination of the Archduke, was despatched to Serbia on July 23, and war was declared on the 28th. Germany declared war on Russia on August 1, on the ground that Russia refused to discontinue the mobilisation of her forces. On August 2 Germany called upon neutralised Belgium to allow German armies free passage through Belgium to attack France, and declared war on France on the following day. On August 4 this country declared war against Germany in consequence of the violation of Belgium's neutrality, and other declarations of war followed in due course. In the meantime, on August 1 the Reichsbank had been relieved of its obligation to redeem its notes in gold; on August 4 new banking laws were put into operation in order to enable the financial machine to move smoothly and easily, and in September the President of the Reichsbank jubilantly proclaimed that the plans for the financial mobilisation of Germany—thought out and prepared down to the final details in times of peace—had proved extraordinarily efficient.

COMPARISON OF WAR COSTS AND NATIONAL INDEBTEDNESS OF AMERICA, BRITAIN, AND GERMANY.

During the course of the war we have met together five times, and on each occasion we have endeavoured to give you some idea of the position of the banking and financial affairs in this country, in Germany and in America. To-day, as the war is practically over, we propose to give an estimate of the cost of the war in each of these countries, and to show how the war has been paid for, and how we all stand in regard to our national indebtedness.

OUR OWN COUNTRY'S SHARE OF THE BURDEN.

In the year before the war our revenue amounted to 198 millions sterling and our expenditure to about the same figure. In August 1914 our National Debt amounted to about 650 millions, and required 19 millions a year for interest charges. This was briefly the position at the beginning of the war. We now place before you an estimate of the cost of the war and the amount of our National Debt. Between August 1, 1914, and December 31 last our total expenditure amounted to 9,002 millions, and, deducting normal peace expenditure, the war expenditure stood at 8,128 millions. How has this been met? New taxes have been imposed or old taxes have been increased in five Budgets since the war began. In the aggregate our revenue has brought in 2,298 millions, or 1,424 millions more than we should have received on the basis of our peace-time revenue. The difference between the war expenditure and the war revenue is 6,704 millions, and this cash deficiency has been made good by borrowing by means of War Loans, Treasury Bills, and other forms of debt. A large amount of this money has been borrowed by the Government in order to finance the purchases of our Allies and Overseas Dominions in this country and abroad.

BRITAIN'S LOANS TO ALLIES AND DOMINIONS.

The loans to Allies and Dominion amounted on October 19 last to no less than 1,683 millions, being divided as follows:—

	£
To Russia	568,000,000
,, France	425,000,000
,, Italy	345,000,000
,, other Allies...	127,000,000
	£1,465,000,000
,, Dominions	218,500,000
making Total Loans to Allies and Dominions of	£1,683,500,000

Our borrowings since the beginning of the war have added a net amount of 6,750 millions to our National Debt, raising it from 650 millions to about 7,400 millions. This amount may be considerably increased, as the Government may find it necessary to continue borrowing after the actual signing of peace. On the other hand, there are important deductions to be made from the gross amount before we can estimate the net amount of the debt on which we have to pay interest and sinking-fund charges.

Briefly, the position may work out as follows:—	£
The National Debt in August 1914 was ...	650,000,000
The increase due to Borrowings up to December 31, 1918, was	6,750,000,000
raising it to	£7,400,000,000
Further Borrowings to defray the cost of demobilisation and other charges may amount to	700,000,000
bringing the figure of the Gross Debt to ...	£8,100,000,000
this amount we must deduct the amount o be received out of surplus assets, estimated by the Chancellor at	672,000,000
reducing it to	£7,428,000,000
The Loans to our Dominions and India's obligation together may amount to about	260,000,000
thus further reducing the figure to	£7,168,000,000
Then the Chancellor estimates that about 50% of the Loans we have made to our Allies, amounting n w to about 1,500 millions, will be recovered, or	750,000,000
leaving the net amount of the Debt at ...	£6,418,000,000

This is approximately the figure on which we shall have to pay interest and sinking-fund charges, unless means are found to relieve us of part of the burden.

GERMANY'S POSITION.

Coming now to Germany: it is more difficult to ascertain even approximately the cost of the war to that country, as information as to the amount of revenue received and expenditure incurred has been consistently withheld by the German Government since the outbreak of war. Before the war the normal Expenditure of the Empire, including expenditure on the Army and Navy, amounted to about 130 millions sterling, and the Revenue, which was derived from indirect taxation and profits from various Government Services, amounted to about 150 millions, thus showing a surplus of revenue over expenditure of 20 millions. The National Debt stood at 240 millions, and the interest charges amounted to about 12 millions annually. The German Empire, as you know, was made up of 26 States, each of which was more or less independent in matters of finance. Before the war the net revenue and expenditure of these States balanced at about 175 millions, and their combined indebtedness stood at about 800 millions. Since the beginning of the war very little information has been given as to the financial status of the Federal States; but we do know that their revenues have been increased by taxation, that their expenditures have been greatly increased in order to pay separation allowances, pensions, and other charges in the nature of relief to the dependents of men on service, and that they have been compelled to cover the deficits between their income and expenditure by borrowing.

NAVAL AND MILITARY EXPENDITURE ENTIRELY BORROWED.

As regards the Imperial Exchequer, Secretary Von Helfferich announced in 1915 that he did not propose to burden the German people with additional taxes, but that "the leaden weight of milliards would be dragged by the instigators of the war," meaning, of course, that Germany would recoup herself at the cost of the Allies. Owing, however, to the prolongation of the war, it was found necessary to impose increased taxation in the spring of 1916 in order to meet the increased charges for interest on the war debt. The practice was then adopted, and has been followed in each of the subsequent Budgets, of taking the estimates of revenue and expenditure in the last year of peace, deducting the whole of the military and naval expenditure, and adding a sum sufficient to pay the increased amount of interest on the debt. It is claimed that the deficiencies shown by this method of drawing up their Budgets have been covered by taxation, which has made permanent additions to the revenue of 25 millions in 1916, 40 millions in 1917, and 120 millions last year. The expenditure on the Army and Navy has been covered by War Credits amounting to about 7,200 millions up to December 31 last. The whole of this amount was borrowed. The nine German War Loans, which were issued at intervals of six months, brought in about 4,800 millions in cash and the balance of 2,400 millions was raised by the Government borrowing on Treasury Bills and other short-term securities.

In addition to the people finding 7,200 millions, we estimate that they have paid increased taxes to the extent of about 450 millions, raising the total cost of the war to Germany to 7,650 millions to December 31 last. In comparing this figure of 7,650 millions with the figure of 8,128 millions, which represents approximately the cost of the war to this country, we must remember that the increased expenditure of the various States and municipalities has not been included and that Germany has lent about 450 millions only to her allies, whereas we have found over 1,700 millions for France, Italy and the other countries which have been allied with us.

NATIONAL DEBT OF GERMANY.

What has been the effect of the war on the National Debt of Germany?

	£
Before the war their National Debt amounted to	240,000,000
Their borrowings during the war have added about	7,320,000,000
making the Imperial Debt on December 31, 1918, about	7,560,000,000
It is unlikely that Germany will recover anything from the loans she has made to her Allies, and her surplus assets will probably not amount to more than	260,000,000
thus reducing the debt to	7,300,000,000
To this figure we must add the probable cost of demobilisation and other charges, which may amount to about	1,000,000,000
thus raising the debt to about	£8,300,000,000

In addition to this debt of 8,300 millions there are also the debts incurred by the different States.

THE REICHSBANK'S NOTE ISSUES AND TREASURY BILL HOLDINGS.

With regard to the nine German War Loans, amounting in the aggregate to 4,920 millions, nearly 4,400 millions are irredeemable before 1924, and thereafter only at the option of the Government. They will, therefore, not be troubled with the redemption of these issues, but their position in regard to short indebtedness is different. We believe the German Government have borrowed on short term in the aggregate about 2,400 millions, mostly on Treasury Bills, and of this amount the Reichsbank held on December 23rd last about 1,200 millions, the balance being in the hands of other banks, firms, and companies. Assuming that a stable Government is formed in Germany, what is the prospect of these bills being paid off? Last year we explained that before the war the Reichsbank issued their notes against their cash balance and ordinary bills of exchange, and we pointed out that they altered their law in August 1914, in order to obtain currency for carrying on the war, by permitting the Bank to issue notes against Treasury Bills in addition to ordinary trade bills. The following figures will show how the bills discounted by the Reichsbank have increased in amount, and also how the notes have increased since the beginning of the war:

Date.	Bills of Exchange (including Treasury Bills). £	Notes Issued. £
July 23rd, 1914	37,545,000	94,544,000
Sept. ,, ,, ...	235,606,000	199,640,000
Dec. ,, ,, ...	182,783,000	221,579,000
March ,, 1915	243,771,000	247,203,000
June ,, ,, ...	211,007,000	261,245,000
Sept. ,, ,, ...	266,342,000	277,433,000
Dec. ,, ,, ...	270,296,000	313,519,000
March ,, 1916	294,895,000	318,686,000
June ,, ,, ...	306,240,000	331,707,000
Sept. ,, ,, ...	378,898,000	343,019,000
Dec. ,, ,, ...	412,836,000	376,746,000
March ,, 1917	462,904,000	411,241,000
June ,, ,, ...	479,313,000	410,987,000
Sept. ,, ,, ...	563,298,000	480,179,000
Dec. ,, ,, ...	630,908,000	551,302,000
March ,, 1918	673,455,000	569,960,000
June ,, ,, ...	741,601,000	602,376,000
Sept. ,, ,, ...	879,504,000	721,469,000
Dec. ,, ,, ...	1,222,954,000	1,056,216,000

HUGE INFLATION OF CREDIT.

The alteration in the law has placed the Bank in a difficult position. They have been able to create credits for carrying on the war by discounting Treasury Bills for the Government and providing the Government with notes, but now they are in a difficulty as to how the Treasury Bills are to be paid off. Before the war the bills of exchange held by the Reichsbank amounted to 37 millions and were ordinary trade bills; in December last, the bills amounted to over 1,222 millions and were practically all Treasury Bills; i.e., they have to be paid by the Government. The notes before the war were 94 millions; in December last, they amounted to 1,056 millions. In order to meet these Treasury Bills the Government must in some way get possession of the notes which have been issued against them, or the credit balances which have been created by the discount of the bills. To do this, they must either increase taxation, put out a new loan, or renew the Bills. As the internal debt of the Empire will amount to about 8,300 millions, and as there will be other heavy charges, it is doubtful if the Government will be able to reduce these Treasury Bills by resorting to taxation, and it is equally unlikely that the proceeds of a loan would be available for such a purpose. If they cannot obtain the means, therefore, to pay off the bills they will be compelled to renew them, and will continue to do so until they are in a position to repay them gradually. As regards the balance of the Treasury Bills outstanding which are held by other banks, firms and companies, the Government will be compelled to renew them also. The holders of these Bills are, however, in a more favourable position because they will be able to take them to the Reichsbank and re-discount them if they desire to do so. It is not unlikely that in course of time a great part if the total Treasury Bills outstanding might in this way find their way to the Reichsbank. It may be noted here that an issue of notes against Treasury Bills is wrong in principle, because it is not certain that the Bills will be paid off when they mature. We propose to refer to this question later. The only comment we make now is that the Reichsbank are finding themselves in great difficulties because of the enormous amount of bank notes which they have issued against Treasury Bills, which are not being paid off. The Balance Sheets of July 23, 1914, and December 23 last, which we append, show how the position of the Reichsbank has been altered in consequence of the war:

BALANCE SHEETS OF THE REICHSBANK.

	July 23, 1914.	Dec. 23, 1918.
	£	£
Capital	9,000,000	9,000,000
Reserve	3,725,000	4,741,000
Notes Issued	94,544,000	1,056,216,000
Deposits	47,198,000	574,193,000
Other Liabilities	1,998,000	76,799,000
Total Liabilities	156,465,000	£1,720,949,000
	July 23, 1914.	Dec. 23, 1918.
Gold	£67,843,000	£113,131,000
Silver	16,727,000	1,007,000
Treasury Notes	3,275,000	194,000
Notes of other Banks	2,005,000	146,000
Loan Bank Notes		244,650,000
Total Cash Balance	£89,850,000	£359,128,000
Bills	37,545,000	1,222,954,000
Advances	2,510,000	464,000
Investments	16,540,000	7,810,000
Other Securities	10,020,000	130,593,000
Total Assets	£156,465,000	£1,720,949,000
	%	%
Ratio of Gold to Notes	71·7	10·7
,, Cash Balance to Notes	95·0	34·0
,, Gold to Notes and Deposits	47·8	6·9
,, Cash Balance to Notes and Deposits	63·4	22·0

Let us pass now to

AMERICA'S WAR BILL.

Before the United States entered the war their revenue amounted to 155 millions sterling and their expenditure to 143 millions, or 12 millions less than revenue. Their National Debt amounted to 204 millions, and the interest charges to less than 5 millions per annum. Between April 1917, and December 31 last, their war expenditure, including loans to Allies, amounted to about 4,650 millions, and of this amount about 900 millions have been found by increased taxation, and the balance of 3,750 millions by borrowing on War Loans, Certificates of Indebtedness, and War Savings and Thrift Stamps. Four War Loans have been placed in the United States up to the present time. The First Liberty Loan was issued in June, 1917, and carried interest at 3½ per cent., free of tax. The Secretary of the Treasury asked for 400 millions; 607 millions were subscribed, and he took 400 millions. The Second Liberty Loan was issued in October 1917, and carried interest at 4 per cent., subject to war taxes. The Secretary asked for 600 millions; 924 millions were subscribed, and he took 762 millions. The Third Liberty Loan, carrying interest at 4¼ per cent., subject to war taxes, was issued in April, 1918. No specific amount was asked for, but 835 millions were subscribed and taken. The Fourth Liberty Loan was issued in October last for an unlimited amount, carried interest at 4 per cent., subject to war taxes, brought in subscriptions of 1,398 millions, and the Secretary of the Treasury took the whole of it. In the aggregate, the four American Liberty Loans have amounted to 3,395 millions.

SIMPLE FINANCING OF LIBERTY LOANS.

The financing of these War Loans has been done on simple lines. It has been the policy of the Treasury to issue Certificates of Indebtedness to the American bankers in the interval between the issue of the Liberty Loans, and to fix the maturities of these Certificates so that they fell due on or about the instalment dares of the loan. The bankers were therefore in the position of being able to use these Certificates in payment of their customers' applications, and the War Loans were paid up without any disturbance to the Money Market. In addition, by these methods the Treasury were enabled to anticipate the proceeds of the War Loan and at the same time to prevent the accumulation of a large amount of floating indebtedness. Before the First Liberty Loan was issued, 173 millions of Certificates were sold to the banks, and as the Loan brought in 381 millions, the Certificates were paid off, leaving a surplus of 208 millions. In the interval before the Second Loan was issued 464 millions of Certificates were placed with the banks, and as the Loan brought in 762 millions, all the Certificates were redeemed and the Treasury had a balance of 298 millions. In the interval before the Third Loan was issued in April 1918, 602 millions were placed with the banks, and as the allotments on the Loan were for 835 millions, the Certificates were again paid off and the Treasury had a surplus of 233 millions. Between July and November of last year 944 millions of Certificates were sold to the banks, and as the subscriptions to the Fourth Loan amounted to 1,398 millions, these Certificates were again paid off and the Treasury had a surplus of 454 millions to finance their current expenditure and make loans to the allies. The ground is even now being prepared for the Fifth Loan, which will probably be issued in the spring of this year, and already some hundreds of millions of Certificates have been placed among the banks.

AMERICA'S LOANS TO ALLIES.

Since the beginning of the war the Loans granted to the Allies by the American Government amount to 1,717 millions up to December 31 last, being distributed as follows:—

	£
To Great Britain	835,196,000
France	487,285,000
Italy	262,00 000
Russia	65,000,000
Belgium	50,579,000
Greece	7,911,000
Cuba	3,000,000
Servia	2,400,000
Czecho-Slovaks	1,400,000
Rumania	1,333,000
Liberia	1,000,000
Total	£1,717,104,000

It is hoped that the American Government will continue to make loans to the Allies during the period of reconstruction, and in the aggregate these loans may eventually amount to about 2,000 millions.

FAVOURABLE POSITION OF THE UNITED STATES.

Summarising the American national position in the same way as we have summarised the position of this country and of Germany:—

	£
The National Debt of the United States before the war amounted to	204,000,000
When demobilisation has been completed and all other war charges have been met, we estimate that the war debt will be	4,800 000 000
thus making the gross debt	5,000 000,000
Loans to Allies will probably amount to	2,000,000,000
thus reducing the debt to	3,000,000,000
if these loans are all repaid. Surplus assets may amount to	400,000,000
leaving the net debt at about	2,600,000,000

as against ours of 6,418 millions, and 8,300 millions in the case of Germany. This amount of 2,600 millions will represent in round figures the debt on which the American people will have to pay interest and sinking fund charges, if the whole of the Loans to the Allies are reproductive, and I think you will agree with me that in view of the wealth of the people, their banking system,

and the productive capacity of the country, the burden should prove a light one. As we explained to you last year, the Americans succeeded in November, 1914, in establishing the new Federal Reserve Banking System, which has been a very important factor in enabling the American Government to issue their Loans and solve the financial problems arising during the war.

THE FEDERAL RESERVE BANKS.

We append the consolidated statements of the twelve Federal Reserve Banks for December, 1914, December, 1917, and December, 1918, showing how their figures have increased since they were first established :—

(000's omitted.)

	December, 1914	December, 1917.	December, 1918.
Capital	3,610	£13,810	£16,117
Reserve	—	—	277
Notes Issued	3,295	222,107	532,740
Deposits	51,204	294,472	309,950
Other Liabilities	—	2,598	33.22
Total Liabilities	£58,019	£532,987	£892,261
Gold	48,264	326,262	415,798
Legal Tenders	5,315	10,390	10,927
Total Cash	£53,579	£336,662	£426,725
Bills	2,119	175,517	389,413
Investments	51	20,108	70,788
Other Assets	2,270	700	5,335
Total Assets	£58,019	£532,987	£892,261

COMMERCIAL BILLS OF EXCHANGE AS SECURITY FOR CURRENCY.

It will not be out of place to refer once more to the system under which Federal Reserve Notes are issued. When it was decided by the American Government, after the crisis of 1907, that a new banking system was required in the interests of the country, the framers of the new law kept before them the necessity of adopting a system under which the note issue would be dependent upon the demands of trade automatically expanding and contracting according to the real requirements of the country. Their object was to ensure that when trade is brisk the notes will be increased, and when trade slackens the notes will be returned to the Bank. To effect this object the Government agreed to issue notes to the Federal Reserve Banks on the security of commercial Bills of Exchange and gold, and these banks put the notes into circulation. The theory was that additional currency could be obtained when trade required it by the discount of Bills of Exchange, but that the Bills of Exchange, being of short date, their payment, when due, would necessarily cause a contraction of the notes issued against them. A large and increasing volume of trade entails an increased use of Bills of Exchange, and requires an expansion in currency. To provide for the expansion of the currency an issue of notes against Bills of Exchange seems to be the simplest and safest way of meeting trade requirements, but the total issue should be limited in proportion to the amount of the gold reserve. When trade diminishes in volume and the total of Bills of Exchange outstanding is reduced, the total of notes outstanding must also automatically be reduced. It will be observed that in this system the currency in circulation is not increased unless there has been a previous incerase in the volume of goods prduced, as the Bills of Exchange which are discounted for currency must be commercial bills representing goods. Hence there is no similar effect upon prices consequent on an increase in currency obtained in this way as would be the case when notes are issued against securities not representing goods, such as Treasury Bills. As I said last year, the experience of most State banks is that commercial Bills of Exchange are the best security on which to issue currency after gold, and it has been on this basis that the Americans have worked and have built up their Federal Reserve Banks.

AMERICA BEST EQUIPPED TO MEET FINANCIAL STRAIN.

Senator Robert L. Owen, who was the principal pioneer of the Federal Reserve Bill through the Senate, has been on a recent visit to this country, and has said :

"The central idea of the system is *elastic currency issued against commercial paper and gold, expanding and contracting according to the needs of commerce.*

"The reserve note is the most powerfully fortified note in the world. There is no probability of any want of confidence arising with regard to this note, and it was intended that there should be none.

"It is of great importance that the volume of these notes should contract when the commerce of the country does not require the notes to be in circulation, and the Reserve Board can require them to be returned by imposing a tax upon the issue. *The soul of the Reserve System is elastic currency issued by Government, under Government control, expanding and contracting as the nation's commerce may require.*

"Under the Reserve System a financial panic is impossible. People will not hoard currency nor hoard gold when they know that they can get currency or get gold when required. This was an important object of those who prepared the Reserve Act.

"America no longer believes a financial panic possible, and therefore the business men, being perfectly assured as to the stability of credits, do not hesitate to enter manufacturing and commercial enterprises from which they would be deterred under old conditions of unstable credit.

"The system has expanded the use of acceptances and of cheques and drafts, has stimulated industry, provided enlarged employment of labour, increased output, and greatly enhanced the financial prestige of American banks.

"It has enabled the United States to place gigantic bond issues and finance the world war."

Compare the situation of the United States described by Senator Owen with our present position. From the figures I have give in this rapid survey of the financial position consequent upon the war in this country, Germany, and the United States, it will be seen that the United States have by far the smallest burden of debt, and are much the best equipped to meet the charge.

REPORT OF THE CURRENCY COMMITTEE.

Let me pass now to a consideration of the question whether the recommendations in the first Interim Report of the Committee on Currency and the Foreign Exchanges are calculated to strengthen our position.

Everyone will agree that it is the duty of a Government to provide their country with legal tender currency This currency must be provided either by the Government itself or by a bank created for that purpose. Our Government have given the Bank of England a Charter empowering it to issue legal tender currency, that is, Bank of England Notes, but the Bank is restricted in its issues by the Bank Charter Act of 1844, under which it was divided into two Departments, and under which it can only issue notes against gold. It follows from this restriction that if the Bank does not receive gold it cannot issue currency, however much currency may be required, so long as the Bank Act, under which it works, is in force. This was the position when the war broke out. There was a demand on the Bank of England for Bank notes. The Bank supplied about 19 millions, and then intimated to the Government that it would be compelled to curtail facilities, unless it had authority to issue notes against securities in excess of the amount permitted by the Act of 1844. The Government then adopted the other alternative, and decided to issue currency itself, namely the Currency Notes. The issue of these notes afforded immediate relief and has continued to afford relief up to the present time, although it may be one of the factors which have led to an increase in prices. If the Bank of England had issued notes on securities to the same extent, and such notes had continued in circulation, the effect on prices would have been the same. But, whatever the effect on prices may have been, an increased issue of currency has been absolutely necessary under the conditions which have prevailed during the war.

REPEAL OF THE BANK ACT STILL CALLED FOR.

We called attention at our last meeting to the position in which we were placed at the beginning of the war, and submitted that, as the Bank Charter Act of 1844 had been an obstacle at the beginning of the war, some means ought to be adopted in order to avoid similar difficulties in the future, and we advanced the argument that the Bank Act should be repealed, that the Bank of England should be authorised to issue notes on the security of gold and bills of exchange, that the two Departments of the Bank should be amalgamated, and that the whole of the liabilities and assets of the Bank should be shown on one Balance Sheet. The same argument holds good at the present time. In consequence of the war, and the measures which have been adopted, the deposits of the Joint Stock Banks have almost doubled, and a large portion of these increased deposits have been lent to the Bank of England by the banks for the purpose of relending them to the Government. If there should be any difficulty about the issue of Bank of England notes, then undoubtedly more currency notes would have to be issued. Bankers have a very great work before them to provide the means for the reconstruction of the trade and business of the country and they should not be left in doubt ; in other words, they ought to know definitely that in case of necessity Bank of England Notes or currency notes will be provided.

THE ISSUES OF NOTES AGAINST SECURITIES.

As we stand at the present time, before the Bank of England can issue notes against securities, it will have to obtain the sanction of the Treasury. The sanction of the Treasury, or of the Government, has been given for this purpose on four occasions previous to the present time, and on each occasion a stipulation has been made that the Bank Rate should be put up to 10 per cent., or thereabouts, so the presumption is that if the Bank of

England should receive Treasury sanction to issue notes at the present time against securities, a smiliar condition would be attached, namely, an increase in the Bank Rate to 10 per cent. The rate is put up to this figure presumably to cause borrowers either to pay 10 per cent. for their loans or to pay off their loans altogether, thus reducing banking credits and ultimately contracting the note issue. To adopt such a method when the country is reconstructing its trade and industry, and when manufacturers and others are requiring increased accommodation, would lead to undue restriction of credit, would impede reconstruction, and would curtail our exports, just at a time when we are anxious to export more than we have ever exported before. The result would be serious for the nation. No proper discrimination is made between the case when additional currency is needed to meet trade requirements, and the case when additional currency is neded in consequ nce of over-trading. In describing the financial condition of Germany, I pointed out that the Reichsbank are in great difficulties because of the enorm us amount of bank notes which they have issued against Treasury Bills, a: d showed that the German Government owed the bank about 1,200 millions on Treasury Bills in December last, and that the Reichsbank had put 1,056 millions of their own notes into circulation. Here it will be observed that notes have been issued against Treasury Bills, which is a very different thing from issuing notes against Bills of Exchange, which are based on commercial transactions and represent commodities. When the commodities pass into the hands of the ultimate consumer, the Bill of Exchange will, generally speaking, be paid off, and the currency, which was expanded when the bills were discounted, will be correspon ingly contracted. We are in the same position in a smaller degree with regard to our currency notes as the Reichsbank are with regard to their bank notes. We have in circulation over 200 millions of currency notes, which, except for a comparatively small amount, have been issued against securities. There is no automatic system for the redemption of currency notes as would be the case if they were issued against Bills of Exchange, which in due course would have to be paid off.

UNDUE FREQUENCY OF BANK RATE CHANGES.

We have seen then that, when the restriction upon note issue made by the Bank Act of 1844 prevents the Bank of England from meeting trade requirements, a remedy is found by issuing notes against securities under a letter from the Treasury, and a simultaneous raising of the Bank Rate to 10 per cent., or thereabouts. The Currency Committe was appointed to examine into this position and into the working of the Bank Act of 1844, and to make recommendations thereon, and the result of their deliberations has been to recommend that the Bank of England should continue to work under the Bank Act as heretofore, which means that we are to undergo in the future the same experiences as those which we have undergone in the past. It seems to me that the method adopted in the American Federal Reserve Bank was more worthy of recommendation, and that notes should not be issued against Government Securities which may or may not be paid off, but against Bills of Exchange which must be met at their due date. One of the experience, from which we have suffered since the Bank Act came into operation has been in regard to the Bank Rate, which has been altered about 473 times, whereas in France and Germanys during the same period, the rates of their respective central banks have been altered 123 and 212 times only. These alterations in the Bank Rate adversely affect the position of our trading community and, in our opinion, might have been avoided on some occasions under a better system. In a large measure the alterations in the Bank of England Rate are due to the division of the Bank into two Departments, one result of which is that the reserve in the Banking Department has always been smaller than it would have been if the two Departments had been consolidated. A small reserve is necessarily very sensitive, as even a small attack upon it may bring it below the margin of safety, and thus cause a rise in the Bank Rate.

I append herewith the Bank of England statement of December 19 last :

BANK OF ENGLAND STATEMENT, DECEMBER 19, 1918.

ISSUE DEPARTMENT.

Notes Issued ...	£96,428,000	Government Debt	£11,015,000
		Other Securities	7,435,000
		Gold	77,978,000
	£96,428,000		£96,428,000

BANKING DEPARTMENT.

Capital	£14,553,000	Government Securities	£69,255,000
Rest	3,249,000	Other Securities	93,218,000
Deposits ...	172,753,000	Notes	27,464,000
Other Liabilities	9,000	Gold and Silver	627,000
	£190,564,000		£190,564,000

Ratio of Reserve to Liabilities = 16·3%

The notes issued from the Issue Department find their way into the reserve of the Banking Department and then into circulation, that is, into the hands of the people and into the tills of the banks. In ordinary times they are fairly equally divided, but at the present time the notes issued amount to 96 millions, of which 69 millions are in circulation and only 27 millions in the reserve.

THE PIVOT ON WHICH THE PRICE OF MONEY DEPENDS

This reserve in the Banking Department is the pivot on which the price for money depends. The criteria, which really govern the rate for money, are the Bank of England reserve and the ratio of that reserve to the liabilities. If the reserve fall and the ratio be reduced unduly, then the Bank Rate will go up and money will bcome dearer. If the reserve and the ratio go up, then the Bank Rate will be reduced and money will become cheaper. Seeing then, that the price of money is dependent upon the reserve and its ratio, it is of the greatest importance that the construction of the Bank should not be on lines calculated to make the reserve too sensitive ; in other words, we want the reserve to be continuously as high as possible, for by that means we shall have a steadier money market and shall not have so many fluctuations in the rate, which, of course, cause great inconvenience to our manufacturing and export trade. It is clear that our manufacturers and our merchants would be able to conduct their business more efficiently and more advantageously if they could be certain that there would be a more stable Bank Rate than we have had in the past. This can only be accomplished by having a larger reserve and therefore a reserve which is less sensitive, and by having a higher ratio of reserve to liabilities. Our traders are in competition with the traders of other countries, and if the banks of other countries work with fewer fluctuations in the Bank Rate than is the case in this country, our traders are placed at a disadvantage in comparison with the traders of other countries. We say, therefore, that the constitution of the Bank, which is restricted in its working by the Bank Act of 1844, requires to be altered, and altered in such a way that the reserve will be larger, the ratio will be higher, and the fluctuations in the rate will be fewer. We see by the statement of December 19 last, in which the Bank is divided into two departments, that the ratio of gold to notes is 80·8 per cent., and the ratio of the reserve in the Banking Department to the liabilities is 16·3 per cent. We will now suppose the two Departments to be amalgamated, when all the liabilities and assets of the Bank would be shown, as follows :

AMALGAMATED BALANCE SHEET OF THE BANK OF ENGLAND, DECEMBER 19, 1918.

(000 omitted).

Capital	£14,553	Gold ...	£78,605		
Rest	3,249	Government			
Notes...	68,964	ment			
Deposits	172,753	Debt ...	11,015		
Other Liabilities ...	9				£89,620
		Government Securities			69,255
		Other Securities ...			100,653
	£259,528				£259,528

Ratio of Gold to Liabilities =32·5 per cent.

We here see that the reserve of the Bank, taking gold alone is 78½ millions, as against 28 millions in the divided statement, and that the ratio of gold to notes is 114 per cent., and the ratio of gold to the whole of the liabilities 32·5 per cent. Under the amalgamated system, therefore, the ratio of gold to notes is higher by 33·2 per cent. than under the divided statement, and the ratio of the reserve to liabilities is twice as large. If the two Departments of the Bank be amalgamated and the reserve fall, the rate can be put up in the same way as under the present system. There is no reason why the reserve should not respond to an increase in the rate in the same way as it does under the present system, but in the one case the reserve is not so small and consequently there would be no need for the same number of variations in the rate.

INDUSTRY NOW PLACED IN DISADVANTAGEOUS POSITION.

As I have said, the smallness of the reserve in the Banking Department is responsible for its sensitiveness, and may compel the raising of the rate under conditions which really do not call for drastic measures. A careful consideration of the working of the Bank under both systems of presenting the accounts has convinced me that the position of the Bank is weakened by having two Departments, that the raising of the rate, when such a step is necessary, will be just as effective under the amalgamated system as under the old, and that fluctuations in the rate would be fewer in number and less severe. The old system offers no advantages which do not apply equally in the case of the new system, but by adopting the latter we should strengthen the position of the Bank and avoid those fluctuations in the Bank Rate which must have proved injurious to our industries. Sir

R. H. Inglis Palgrave has compared the fluctuations of the Bank Rate in this Country and in France, Germany and Holland since 1844, and he states that the number of changes has been very much greater in the case of the Bank of England, that the fluctuations between the highest and lowest rates have been more severe, that the Bank of England has charged higher rates than any of these countries, and that higher rates have been maintained by the Bank of England for a longer period. The effect of raising the rate is to tax the industries in cases where money is borrowed, because they are called upon to pay increased rates for their accommodation. Consequently we have had complaints almost continually from the industries that they were placed in a disadvantageous position as compared with their foreign competitors, and it is undeniable that the increased charges to which they were subjected must have affected adversely the amount of our exports. It is not without interest to compare the ratios of the Bank of England, as it is at present constructed, and as it would appear if the two Departments were amalgamated, with the ratio of the Federal Reserve Banks. Under the divided statement the ratio of our reserve to our liabilities was 16·3 per cent. on December 19, 1918; under the amalgamated statement the ratio of our reserve to liabilities would be 32·5 per cent.; and in the case of the American Bank the ratio of reserve to liabilities was 50·6 per cent. In neither case does our ratio come up to the ratio of the American Bank, but we should come much closer to it if both Departments were amalgamated than we do under the present system. Our traders, therefore, although they are not benefited to the same extent as in America, would be benefited to a much greater extent under the amalgamated system than they are under the divided system.

THE CURRENCY COMMITTEE'S ARGUMENTS.

The Currency Committee object to the amalgamation of the two Departments of the Bank of England chiefly upon the ground that the main effect would be to place deposits with the Bank of England in the same position as regards convertibility into gold as is now held by the note. In reply to this statement, I say that the depositors at the present time can always get gold by drawing out notes from the reserve and taking gold from the Issue Department. There seems to be little difference between the depositors attacking the gold direct and attacking the gold through the notes in the reserve. If the Bank cannot pay the notes when demanded the whole machinery stops. This argument against the amalgamation of the two Departments does not seem to be sufficiently strong. Further, the Committee state that the amalgamation of the two Departments would lead to State control of the creation of banking credit by all the banks, but they do not give us any arguments in support of their statement. I fail to see that the fact of having a larger reserve would lead to Government interference to a greater degree than if the Bank of England has a smaller reserve, always assuming that the directors and management of the Bank show the same care in making their loans as they do at the present time. Before going any further I should like to draw attention to another recommendation of the Committee, which touches very closely the present condition of affairs and the reconstruction which is to be brought about in our trading concerns. We all admit that capital will be required to reconvert those concerns which have been used for the manufacture of munitions of war, and that large resources will be required to renew and bring into a state of efficiency machinery and plant which have been allowed to deteriorate. Large sums of money will also be required for the purchase of raw materials and the extensions of business. We all agree that it is necessary to increase our exports, but before we can do this the reconstruction of our industries must take place. If the industries are not to look for accommodation to the bankers, who have gathered up all the resources of the country, then the reconstruction and reconversion which we admit to be necessary cannot take place. The Committee state that "the shortage of real capital . . . . cannot be met by the creation of fresh purchasing power in the form of bank advances . . . . to manufacturers under Government guarantee or otherwise." Does this mean that the industries of our country are not to seek accommodation from the banks for the purposes which I have indicated? If they are to wait for the savings of the people, which must be accumulated slowly out of the profits of employers and out of wages, it appears to me that our industries will be left to languish.

THE ISSUE OF CURRENCY NOTES AGAINST BANK OF ENGLAND NOTES.

In their further recommendations the Committee deal with the new currency position which has been created as a result of the war. They recommend that, during the period of transition, currency notes should continue to be issued by the Government but that additional issues should be made against Bank of England notes taken from the reserve in the Banking Department. Let us see how this would affect the condition of affairs. The reserve in the Banking Department is held to secure the liabilities. These currency notes may be issued to a considerable amount before we get through the transition period and, if we are to take an amount of Bank notes out of the reserve equivalent to the additional issue of currency notes, the reserve may be very seriously depleted. For example, during the last three months of 1918 the increased issue of currency notes amounted to about 60 millions sterling, and during the same time the reserve in the Banking Department was about 28 millions only. If such a recommendation had been adopted four months ago the whole of the reserve would have been swept away.

SUPPLANTING GOLD BY BANK OF ENGLAND NOTES.

They also recommend that the gold, amounting to 28½ millions which is now held as a cover against the currency notes, should be taken away and held in the Bank of England, and that Bank of England notes should be substituted therefor. What is the object of supplanting this gold by Bank of England notes? We know that at the present time the gold in the Currency Note Department is regarded as a security for the notes, and that it would be used either directly or indirectly in paying currency notes, if they were presented for payment in gold. If the Committee propose to use Bank of England notes in place of gold, in case currency notes are presented for payment, this would amount practically to a breaking of the Currency and Bank Notes Act, because the Government have undertaken that these notes will be paid at the Bank of England in gold. Are these Bank of England notes to be used to obtain gold fron the Issue Department if a demand for payment of currency notes in gold should arise? If so, we say that as the Bank was unable to hold more than 42 millions in gold before the war, when we were a creditor nation, there is a strong presumption that in future it will be unable to hold gold to a sufficient extent having regard to the difficult position in which we may be placed. If, therefore, the gold held against the currency notes be paid into the Bank of England, and currency notes be presented for payment in gold at a time when the gold in the Bank has been reduced by foreign demands, we shou d have an internal drain following an external drain for gold. An alteration in the currency position of such a nature as proposed by the Committee might prove disturbing to the currency note holders, and it therefore seems to me that it would be much better to go on as we are going on at the present time than to adopt the recommendation of the Committee.

SMALL BANK OF ENGLAND NOTES.

Another recommendation is that when the currency position has become normal small Bank of England notes should be substituted for the currency notes, which have been issued by the Government against securities, and which are then in circulation. According to the Committee, these Bank of England notes are to be issued by the Issue Department against securities, but they make no provision for the issue of any additional notes if they should be required. If addational notes are to be issued against gold alone, then in future we shall be in the same position with regard to these notes as we are with regard to the ordinary Bank of England issue, and, should additional small notes be required, the same difficulties will arise as have already been experienced under the Act of 1844. If additional notes of small denomination are to be issued against securities, then we shall be in a worse position than we are in at the present time, because we have a Government note now and we shall then have a bank note only. Then again, as I have already pointed out, the issue of notes against securities by the Bank of England has always been accompanied in the past by a Bank Rate of 10 per cent. or thereabouts, and presumably this rate would be charged in future. Further, the note would be an inconvertible note, and would tend to drive the gold out.

AN UNWISE SUGGESTION.

Coming now to a question in the Report which closely affects the Joint Stock Banks. The Committee make the suggestion that banks should hold a line of Treasury Bills and short-dated Government securities, holding out the inducement that such securities might be discounted at the Bank in case of pressure. This, in my opinion, is an unwise suggestion. We have had recently as you know, a great change in the condition of the Joint Stock Banks, as a result of which they have become much larger and more powerful. For this reason I think they ought to keep sufficient reserves to make themselves independent of any need for discounting at the Bank of England in times of crisis. If the recommendation of the Committee were carried out, and a crisis should occur, there is no doubt that very large amounts of bills would be required to be discounted at the Bank, and the reserve would be reduced as it was reduced at the beginning of the war. I repeat that, in my opinion the policy of the Joint Stock Banks ought to be to make themselves independent of the Bank of England by maintaining large reserves in their own vaults, thus removing the necessity for going to the Bank for assistance, except in very exceptional cases.

THE JOINT STOCK BANKS AND A COMMON FORM OF BALANCE SHEET.

The Committee further recommend that the Joint Stock Banks should adopt a common form of balance sheet, which has been brought to their notice by two or three bankers. In

this balance sheet they suggest that the item Cash should include a line "Balances with other banks." Now, a balance with another bank is not cash and can by no stretch of imagination be made so. The adoption of this recommendation, and the treatment of a balance with another bank as cash, will lead to questions as to the correctness of balance sheets so drawn and the good faith of the officers who sign them. Nothing should be regarded as cash unless it be legal tender, and a balance at another bank cannot be considered as legal tender. This brings our minds back to the condition of affairs which obtained in America before the passing of the Federal Reserve Act and which was very largely responsible for the crisis in 1907 and, in fact, for all the crises which have occurred in that country during the last half century. Country banks and banks in the smaller cities were permitted under the old law, which fixed certain reserve requirements, to keep balances with banks in New York and other large cities and to treat such balances as a reserve against their liabilities. As the New York banks could employ these funds at a profit on the Stock Exchange they were willing to allow interest on the balances, with the result that the country banks maintained a larger proportion of their reserves with other banks than was consistent with safety. Consequently, when a demand was made for those balances to be repaid to meet any local drain, such as for harvesting the crops, they were not always forthcoming except with difficulty. This unsatisfactory state of affairs led to crises and to the passing of the Federal Reserve Act, under which National banks were forbidden to treat their balances with correspondents as cash. I do not think the Committee can have had the American experience fully in mind or they would not have made this recommendation.

THE ADVANTAGE OF GOLD HOLDING BY JOINT STOCK BANKS.

The Committee also recommend that the gold which the Joint Stock Banks hold in their vaults should be taken away from them and handed to the Bank of England. If this were done, the position of our Joint Stock Banks would be weakened in the eyes of the public and of foreign bankers. It is our duty to protect our depositors with reserves of the very best quality, and to take away the gold of the Joint Stock Banks, which has proved so useful during the war, is to take away from the depositors of the Joint Stock Banks the best reserve a bank can hold. The transfer of the gold from the Joint Stock Banks to the Bank of England would not improve the reserve in the Banking Department, because the banks would demand notes in exchange for their gold, and therefore the position of the Reserve of the Bank of England would not be improved, while the position of the Joint Stock Banks would be greatly depreciated. I fear most of the recommendations of the Committee, if carried out, would have the effect of weakening the position of the Joint Stock Banks and not of strengthening them. The gold which was held by the Joint Stock Banks before the war has proved most useful, and has enabled them to withstand many of the difficulties which they have encountered during the war. At the beginning of the war the banks paid out gold, satisfied the demands of their customers for small currency, and thus eased the situation until currency notes became available. When the bankers, in order to assist the American exchange, borrowed from the American bankers 10 millions of money, they repaid that money when it became due by using a portion of the gold which they held in their own vaults. On another occasion when it became necessary for the Allies to send 120 millions sterling in gold to America to support the exchanges, France and Russia each contributing 40 millions, the Joint Stock Banks of this country were called upon to find 20 millions. This they did without difficulty, and without any effect upon the Money Market. The gold reserve of the Bank of England at that time was about 60 millions. If the Bank had provided the amount found by the Joint Stock Banks, it would have meant most probably an increase in the Bank Rate. These are instances which show how advisable it is for the Joint Stock Banks to hold gold.

SUPPORTING THE EXCHANGES.

It is alleged that the gold of the Joint Stock Banks and the gold from the Currency Note Department are required by the Bank of England in order to protect the foreign exchanges, but, as I have said, I do not think the Bank of England will be in a position in future to maintain a large reserve in gold. There are other means which could be adopted to support the exchanges. Before the war we had from 100 to 120 millions sterling of gold circulating in the hands of the people and in the reserves of the Joint Stock Banks. This gold has, of course, been driven in to a large extent by the issue of currency notes during the war, but we have little doubt that in course of time, when credit has been properly re-established and prices fall, the amount of currency notes will be greatly reduced, perhaps to something like 100 to 120 millions, or an amount corresponding to the amount of gold which used to circulate. We would suggest, therefore, that one hundred per cent. of gold should be accumulated and held as a reserve by the Government against the currency notes in circulation, thus making the currency note always convertible into gold. The gold thus held would not be so liable to attack as the gold in the Bank of England, and would always be available as a second reserve. In addition, the Joint Stock Banks should continue to hold gold in their reserves in increased amounts. We should thus have three reserves of gold; one reserve in the Bank of England, another held against the currency note, and a third reserve in the vaults of the Joint Stock Banks. The gold reserve against the currency notes might be used to strengthen the foreign exchanges when required. The gold which is held by the Joint Stock Banks, in addition to being a security for their deposits, might be used for a similar purpose, thus giving us three reserves acting as one reserve for the protection of the exchanges. I feel satisfied that this plan has only to be tried to prove successful. Summing up, the Currency Committee have stated in effect that they cannot recommend anything better than the old system. They simply put us back to the old machine which has broken down before and which may break down again. In consequence of this Report not going far enough we may have a State Bank, which is practically what the Americans have got to-day in their Federal Reserve Banking System.

THE LONDON JOINT CITY AND MIDLAND BANK'S PROGRESS.

We now come to our own bank.

As you are aware, we had an Extraordinary General Meeting in September last which we held for two purposes; first, to sanction the arrangement for the amalgamation of the London Joint Stock Bank with the London City and Midland Bank and, second, to sanction the issue of 500,000 new shares fully paid. As to the first, we are now in a position to say that the amalgamation has been completed. After four months' working we are able to judge of the position in which we find ourselves, and we can assure you that the amalgamation has been satisfactory in every respect to the Directors of both Banks. The Capital, Reserve Fund, and Carry Forward which this Bank received from the Joint Stock Bank amounted in the aggregate to £4,420,428, for which we paid in Capital, carrying 18 per cent. dividend, £1,980,000, leaving available £2,440,428. Of this amount, £2,326,697 was added to the Reserve Fund of the combined Bank, leaving a balance of £113,731, out of which the expenses of the amalgamation will be paid. The Capital Account was thus increased from £5,192,697 to £7,172,697. The Reserve Fund has been increased from £4,346,000 to £7,172,697 by the transfer from the Capital, Reserve and Carry Forward of the Joint Stock of £2,326,697 as stated, and of £500,000 from the Profit and Loss Account of the combined Bank for this year. Being able thus to increase our Capital and Reserve Fund to such figures is one of the great advantages accruing from the amalgamation. The Joint Stock Bank have contributed to the capital of the London Joint City and Midland Bank a sum of £1,980,000, and the London City and Midland Bank contributed to the Reserve Fund of the combined Bank a sum of £2,326,697, and the Midland Bank contributed £4,346,000. We have received from the Joint Stock Bank sufficient profits to enable us to pay 18 per cent. on the capital we have given their shareholders, together with a surplus sufficiently large to enable them to contribute their share towards the increased reserves of the Bank. We are highly satisfied with the amalgamation and its results.

THE POLICY OF THE DIRECTORS.

At our meeting in September we laid it down as the policy of the Directors to try to give the shareholders a benefit by the issue of shares at a price substantially below the market value, in place of increasing the dividend, and during the year we have issued to our shareholders new shares in the proportion of one new share for seven old shares. Each new share, £2 10*s.* 0*d.* fully paid, was issued at the price of £5 and is now selling at from £8 7*s.* 6*d.* to £8 10*s.* 0*d.*, thus showing a profit to the holder of £3 7*s.* 6*d.* to £3 10*s.* 0*d.* per share, and the shareholders, who did not take up their allotment, will have been able to dispose of their rights at a cash profit of from nine to ten shillings for every old share which they held. The advantage of the policy of increasing the Capital and Reserve Fund rather than increasing the dividend is that the Bank is strengthened and not weakened by the transaction. In making choice of our policy we have taken into consideration the interests of two distinct and separate bodies of persons, namely, our depositors and our shareholders. The increase in our figures shows that the Bank enjoys the greatest confidence from depositors.

	£
In 1910 our Deposits were	73,445,000
,, 1911 they were	77,708,000
,, 1912 ,, ,,	83,664,000
,, 1913 ,, ,,	93,834,000
,, 1914 ,, ,,	125,733,000
,, 1915 ,, ,,	147,751,000
,, 1916 ,, ,,	174,621,000
,, 1917 ,, ,,	220,552,000
Exclusive of the London Joint Stock, in 1918 they were	271,000,000
Inclusive of the London Joint Stock, in 1918 they were	334,898,000

THE QUESTION OF DIVIDEND

I need not say that an increase in dividend would not be regarded with the same degree of favour by our depositors as a strengthening of the Capital and Reserve of the Bank. The policy which we have adopted will undoubtedly meet with greater favour from depositors than would the policy of increasing dividend. We still adhere to the same policy, and we hope to repeat the transaction of issuing new shares. When our present issue is completed our capital will be increased by £1,250,000 and our Reserve Fund by a similar amount, and in our opinion there can be no question that our depositors will look upon this policy of strengthening the position of the Bank as a better policy than increasing dividend. As regards our shareholders, they must remember that their capital is responsible for the liabilities of the Bank, and such being the case, they are interested in the conservative policy which the Bank is pursuing. The Directors give them an advantage in the issue of new shares, which is equivalent to an increase in the dividend, and in doing so they are more careful in safeguarding the permanent interests of the shareholder than they would be if they increased the dividend. I have dealt with the Capital, Reserve Fund, and the Deposits of the Bank.

FINANCING IMPORTS AND EXPORTS.

The acceptances amount to £13,146,000 against £8,827,000 last year. These are our acceptances on behalf of Colonial and Foreign Bankers, and it is through this medium that our imports and exports are financed. We must expect these figures to grow still larger now that the war is over, because trade restrictions in this country and in foreign countries are being removed. When goods are shipped to this country from foreign countries they are paid for by the negotiation of the Acceptances of the English bankers, and when exports are made they also are paid by the negotiation of these acceptances in one way or another. Of course the payment of these acceptances is ultimately made in London, and this has been one of the means by which London has become the financial centre of the world. We hope, of course, that London will remain the financial centre after the war, but this will depend to a large extent upon the accommodation which London bankers are able to afford foreign bankers by way of acceptances.

CASH POSITION.

Coming now to our Assets our Cash amounts to £63,756,000 as against £44,110,000 last year, and consists of eight millions of gold, Bank of England Notes, Currency Notes, and a Bank of England balance payable on demand. These items do not earn interest, and it is our ambition in the future to displace both Currency Notes and Bank of England Notes by gold. Cheques on other Banks which are in course of being cleared amount to £2,001,000. These, of course, will become cash when paid, but we do not consider them as a portion of our Cash Balance. Our Money at call and short notice amount to £65,800,000. Of this about £15,100,000 is at Call, and £50,700,000 is at very short Notice. Last year this item amounted to £31,003,000.

THE BANK'S HOLDINGS OF GOVERNMENT SECURITIES.

Our total Investments amount to £61,600,000 against £36,255,000 last year. They consist of:

4 per cent. Stock and National War Bonds, which are free of Income Tax, amounting to	£14,100,000
5 per cent. War Loan, due between 1929 and 1947, amounting to	15,300,000
3½ per cent. War Loan, repayable between 1925 and 1928, amounting to	5,100,000
5 per cent. and 6 per cent. Exchequer Bonds, falling due between 1919 and 1922, amounting to	12,600,000
5 per cent. National War Bonds, payable between 1922 and 1928, amounting to	9,000,000
Miscellaneous Government Securities, amounting to	1,400,000
	57,500,000
Other Investments	4,100,000
	£61,600,000

A few of these Investments are taken at cost, but the great bulk are written down to market value, and ample provision has been made for any depreciation that might occur. We anticipate that in future there will be very little depreciation in these securities, if any, but, on the contrary, we hope to see them rise in value.

TRADE BILLS AND TREASURY BILLS.

Our Bills of Exchange amount to £39,249,000 against £35,053,000 last year. With regard to these Bills we offer a similar explanation to that which we gave last year. In respect of about 15 millions they are good Trade Bills repayable within three months; the balance is made up of Bankers' Bills and Treasury Bills, but neither class has more than two months to run. If we had taken Bills for a longer period we should have made larger profits, but liquidity has been more to us than profit. The only observation I can offer on these Bills is that they are gilt-edged.

ACCOMMODATION FOR CUSTOMERS.

Our Advances on Current and other Accounts amount to £99,214,000, against £68,510,000 last year. They showed a percentage to the deposits of 31·1 last year; this year they show a percentage of slightly under 30. At meetings during the last twelve months bank amalgamations have been criticised and complaints have been made by the industries that bankers did not accommodate their customers to the extent which they ought. I have never seen how such complaints could be made against this Bank, seeing that we are affording to the trade and industry of the country a sum of close on 100 millions sterling. Our percentage of loans to deposits is slightly down on last year, but this is due to the very large increase in our deposits. In our own business, excluding the figures of the Joint Stock Bank, deposits have increased over 50 millions on the amount which we showed last year. The decrease in the percentage is due also to the fact that trade has been restricted, and consequently applications for loans have also been restricted in amount. In no sense can it be alleged that this Bank has not done its duty to its borrowing customers, or that it has not assisted the trade and industry of the country to a legitimate and generous extent. We are quite alive to the fact that increased demands may be made upon us during the next year or two, and to the probleme with which we shall be confronted, and it is for these reasons that we have taken the prudent course of providing for future contingencies. I hope this course will meet with your approval.

ADVANCES ON WAR LOAN.

This brings us to our Advances on War Loan. We have recognised the absolute necessity of winning this war, and also of assisting the Government in every way we could. When the last big War Loan came out in February, 1917, we advanced about 26 millions to our customers to enable them to take up the Loan. These Loans were reduced to about 10 millions, but the amount outstanding has since been increased by advances to customers to enable them to take up National War Bonds, and at the present time the loans amount on balance to £14,218,000. Last year our Bank Premises stood at £2,837,000. This year they stand at £3,762,000 or an increase of nearly one million sterling. The increase in this item is due to the amalgamation of the Joint Stock Bank with this Bank. I have to repeat again that in modern days it is absolutely necessary to have good Bank premises, because a good bank with poor premises does not attract deposits in the same way as a bank with good premises. For this reason we have not hesitated to maintain the standard of our bank premises, believing in the long run that this is the proper policy to adopt.

THE BELFAST BANK.

With regard to our investment in the Belfast Bank shares which, as you see from the Balance Sheet, amounts to £1,237,500 and has been written down to £779,690, we are still perfectly satisfied with it. We receive from that Bank the dividend on their shares, which is practically the amount of the dividend which we have to pay on the shares we issued. Their profits are good, and there is a considerable sum remaining after they have paid us the dividend. We leave that sum in the Belfast Bank for the purpose of strengthening and consolidating its position. We believe that this is a policy of which you will approve, because it makes the shares which we hold in that institution more valuable. Their Capital is £500,000, their Reserve Fund £500,000, and their Carry Forward £49,150, and as the shares stands in our books at £759,690, the investment stands at a lower figure than the Capital, Reserve Fund and Carry Forward by the sum of £289,460.

PROFIT AND LOSS ACCOUNT.

Coming now to our profit and loss account. I should like to say that we carefully estimate all our accounts every half-year, and throw out any amount in those accounts which we consider doubtful, making full provision therefor. We have provided for you a thoroughly sound institution. Our business is increasing year by year, but we have to call your attention to the fact that we are working now during a period not only of high prices but also of large profits and it must not be considered that the profits we have made this year will be equalled in succeeding years, particularly when we have a fall in the rates for money. We have had to take into consideration that we are entering the period of reconstruction, and a period in which the rates for money may fall, and it has been our duty to make proper provisions for the Bank in order to give the greatest security to our depositors. You must remember that it is out of our deposits that your profits are made, and consequently we must be able to provide for any losses that may be made during the next few years, even though we exercise the

greatest care in the management of our business. As you will see from our Balance Sheet we were conservative last year, and brought forward to this year the sum of £733,785. This year we have made profits of £2,700,330, so that we have for disposal £3,434,115. Out of this we have paid dividends at the rate of 18 per cent. amounting to £919,885, and we have provided for future contingencies the sum of £600,000. Now, gentlemen, this Bank is a large institution and requires the greatest care and skill in its management. We know that some of you will be disappointed that we have not increased our dividend, as some other banks have done. We did not think increasing dividend at this time to be a wise policy.

THE STAFF: PROPOSED TRAINING ABROAD.

As regards our Staff, during the war we have made up the pay of those who have joined His Majesty's Forces to the amount of the salary which they received from the Bank, and we are under an obligation to reinstate them in their positions on their return to civil life. During the last three years we have paid salaries and bonuses to the Staff serving with the Forces, and bonuses to other members of the Staff, amounting in the aggregate to £1,000,000. Our men are coming back rapidly from the war, and in the course of a few months we shall have a large surplus of labour. It is proposed to take into consideration the question whether, instead of reducing our Staff, it is not a favourable opportunity to send this surplus abroad to work in foreign banks for the purpose of acquiring the languages of other countries, and also a better knowledge of foreign banking. If men are sent abroad it will mean, of course, that we shall have to pay their salaries, and in respect of this expenditure we shall not get any immediate return.

PROFIT ALLOCATIONS.

Out of the profits of the Bank we have also taken £100,000 to write down our Bank Premises Account. I need not say that this account should be reduced continuously to as great an extent as possible. Our Bank premises have cost us in the aggregate about £5,700,000, and we have written off altogether about 2 millions. We have taken £100,000 for our Pension Fund. We are now paying pensions to the amount of about £95,000 per annum, but, as our Pension Fund is not yet large enough to be self-supporting, we have to give it a helping hand out of our profits. In due course the interest on this Fund will be sufficient to meet the pensions, but at the present time it is not. The Staff has a Widow's Fund, which also requires assistance, and this year we have contributed £50,000. The fund is managed by a Committee, chosen by the Staff, and provides an annuity or sum of money at death for the benefit of the widow or nominee. Contributions are made by the Staff to this fund. A further allocation is £500.000 to the Reserve Fund. When the Government sanctioned the amalgamation of the Joint Stock Bank with this Bank we gave an undertaking that we would make our Reserve Fund equal to our Capital. We could only do this by taking £500,000 out of the Profit and Loss Account, and placing it to the credit of that Fund. After these allocations our Carry Forward is £675,097, or £58,688 less than the amount which we brought forward.

Now, gentlemen, we have made our explanations, and to those who may feel disappointed that we have not increased our dividend I should like to say that both the Directors and the management have the responsibility of preserving and increasing the strength and soundness of the institution. This responsibility is a very great one, and they have firmly decided that they are bound to provide the depositors with the security they can, and for this reason they have refrained from increasing the dividend. There are other reasons, in addition to those we have already given you, why banks should not at this juncture increase their dividends, which confirm us in our opinion that we are acting on the soundest lines. We should like our shareholders to appreciate these motives, although they have precluded us from complying with the desires of many.

Now, gentlemen, we are entering upon another year. I think there will be a great alteration in our figures during the year, but we have a very great work before us, and we trust that you will give us your sympathy and assistance as far as it is possible for you to do so. You can rely on us to exercise the same watchfulness and care which has brought the Bank to its present proud position. We hope and trust that the year will be a successful one for us. Beyond this, we can say nothing.

The resolution for the adoption of the report and accounts was moved by the Chairman and seconded by Mr. W. Graham Bradshaw, and was unanimously adopted. The retiring directors were re-elected, as also the Auditors.

Lord Terrington moved, and Mr. A. J. Hobson (Sheffield) seconded, a resolution thanking the Chairman and Board of Directors for their careful attention to the interests of the Bank. The resolution was unanimously carried.

Mr. A. H. Goschen proposed, and the Right Hon. Reginald McKenna seconded, a resolution thanking the General Managers, Assistant General Managers, Secretaries, Branch Managers, and other officers of the Bank for their continued attention to the duties of their offices.

This was carried with acclamation.

The vote was responded to on behalf of the staff by Mr. S. B. Murray (Joint General Manager). Mr. H. E. Leetham (York) moved, and Sir Rowland Blades, M.P., seconded, a resolution thanking the Chairman for presiding, both gentlemen dwelling upon the masterly address which Sir Edward Holden had delivered, and his indefatigable labours in the interests of the Bank.

A Full Pamphlet of the Speech may be obtained from the Bank.

PRINTED BY
SPOTTISWOODE, BALLANTYNE AND CO. LTD.
LONDON, COLCHESTER AND ETON.

HG
11
S8
v.93

The Statist

PLEASE DO NOT REMOVE
CARDS OR SLIPS FROM THIS POCKET

UNIVERSITY OF TORONTO LIBRARY